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This document (**Document**) comprises a prospectus relating to Spinnaker Acquisitions PLC (the **Company**) which has been prepared in accordance with the UK version of the EU Prospectus Regulation (2017/1129) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including, but not limited to, by the UK Prospectus Amendment Regulations 2019 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019)) (the **UK Prospectus Regulation**) and the prospectus regulation rules of the Financial Conduct Authority (the **Prospectus Regulation Rules**). This prospectus has been approved by the Financial Conduct Authority (the **FCA**) in accordance with the UK Prospectus Regulation. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Accordingly, such approval should not be considered as an endorsement of the issuer, or of the quality of the securities, that are the subject of this Prospectus; investors should make their own assessment as to the suitability of investing in the Company's ordinary shares (the **Ordinary Shares**).

Application will be made to the FCA for all of the Ordinary Shares in the Company (issued and to be issued in connection with the Fundraising and the Acquisition) to be admitted to the Official List of the FCA (the **Official List**) (by way of a standard listing under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA as amended from time to time (the **Listing Rules**)) and to trading on the London Stock Exchange's main market for listed securities (together, **Admission**). It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8.00 a.m. on 21 March 2022.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES, AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 11 OF THIS DOCUMENT.

The Directors and Existing Directors (whose names appear on page 25 of this Document) and the Company, accept responsibility for the information contained in this Document. To the best of the knowledge of the Company, the Directors and the Existing Directors, the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

Certain information in relation to the Company has been incorporated by reference into this Document. You should refer to the part of this Document headed 'Relevant Documentation and Incorporation by Reference' which can be found on page 52 of Part V of this Document.

SPINNAKER ACQUISITIONS PLC

(TO BE RENAMED ONDO INSURTECH PLC)

(incorporated in England and Wales with company number 13218816)

Acquisition of the entire issued share capital of LeakBot Limited

Placing and Subscription of 28,562,508 new Ordinary Shares at a price of £0.12 each

Admission to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) of 68,169,612 Ordinary Shares and to trading on the London Stock Exchange's main market for listed securities in connection with the proposed acquisition of the entire issued share capital of LeakBot Limited

Broker and Placing Agent

SI Capital Ltd

SI Capital Ltd (**SI Capital**) is authorised and regulated by the FCA in the conduct of investment business, is acting exclusively for the Company and for no-one else in connection with the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to customers of SI Capital or for providing advice in relation to the contents of this Document, the Transaction or any other matter referred to in this Document.

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Neither SI Capital nor any persons acting on their behalf accept any responsibility or obligation to update, review or revise the information in this Document, or to publish or distribute any information which comes to their attention after the date of this Document, and the distribution of this Document shall not constitute a representation by SI Capital or any such persons that this Document will be updated, reviewed or revised or that any such information will be published or distributed after the date hereof.

All Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and the New Shares will rank *pari passu* in all other respects with the Existing Shares in issue on Admission.

This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, the Republic of South Africa, the Republic of Ireland, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States.

The distribution of this Document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Ordinary Shares have been approved or disapproved by the United States Securities and Exchange Commission (the **SEC**), any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA and Rule 3.4 of the Prospectus Regulation Rules, the publication of this Document does not create any implication that there has been no change in the affairs of the Company since or that the information contained herein is correct at any time subsequent to the date of this Document.

The date of this Document is 15 March 2022.

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SUMMARY

This summary is made up of four sections and contains all the sections required to be included in a summary for this type of securities and issuer. Even though a sub-section may be required to be inserted because of the type of securities and issuer, it is possible that no relevant information can be given regarding the sub-section. Where this is the case, a short description of the sub-section is included in the summary with the mention of “not applicable”.

SECTION A – INTRODUCTION AND WARNINGS

Introduction. The legal and commercial name of the issuer is Spinnaker Acquisitions PLC, a public limited company with its registered office address at 60 Gracechurch Street, London, EC3V 0HR and telephone number +44 7980 878561 (the **Company**). In respect of the Company's ordinary shares of £0.05 each (the **Shares**), the Company's International Securities Identification Number (**ISIN**) is GB00BNVVG77 and its legal entity identifier (**LEI**) is 2138005Y5QBJQMOOI719. This document was approved on 15 March 2022 by the Financial Conduct Authority (whose address is at 12 Endeavour Square, London, E20 1JN, United Kingdom and telephone number is 020 7066 1000), as competent authority in the United Kingdom under the UK Prospectus Regulation (the **FCA**).

Warnings. This summary should be read as an introduction to this Document. Any decision to invest in the Shares should be based on consideration of this Document as a whole. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Document, or if this summary does not provide, when read together with the other parts of this Document, key information in order to aid investors when considering whether to invest in the Shares. Investors could lose all or part of their invested capital.

SECTION B – KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Legal and commercial name. The legal and commercial name of the issuer is Spinnaker Acquisitions PLC.

Domicile, legal form, legislation and country of incorporation. The Company is a public limited company incorporated and registered in England and Wales on 23 February 2021 with registered company number 13218816. The Company operates under the Companies Act 2006. The Company's LEI is 2138005Y5QBJQMOOI719. Following admission of the Company's entire issued and to be issued share capital to the Official List of the FCA (by way of a Standard Listing under Chapter 14 of the Listing Rules (**Standard Listing**)) and to trading on the London Stock Exchange's main market for listed securities (**Admission**), the primary place of business of the Company will remain in London.

Principal activities. The Shares were first admitted to the Official List by way of a Standard Listing and to trading on the London Stock Exchange's main market for listed securities (the **Main Market**) on 28 July 2021. The Company was formed to undertake one or more acquisitions of target companies, businesses or assets. On 10 December 2021, the Company entered into a sale and purchase agreement with HomeServe Assistance Limited, pursuant to which the Company agreed, subject to, *inter alia*, Admission, to acquire 100 per cent. of the issued and to be issued share capital of Leakbot Limited (**Labs** and together with the Company, the **Enlarged Group**) in consideration for a combination of cash, new Shares (the **Consideration Shares**) and the issue of loan notes (the **Acquisition**).

In conjunction with the Acquisition, the Company intends to raise £3,427,500 through the issue of 28,562,508 Shares at a price of 12 pence each and the grant of 14,281,252 warrants to subscribe for Shares at an exercise price of 25 pence each pursuant to the conditional placing by SI Capital Ltd as placing agent for the Company (the **Placing**) and the private subscription being carried out by the Company (the **Subscription** and together with the Placing, the **Fundraising**).

Labs is a B2B InsurTech business and a wholly owned subsidiary of HomeServe PLC. During 2014-2018, Labs developed and patented the underlying technologies for a propriety leak detection system. The leak detection system is called LeakBot. Labs' primary business is the manufacture (through third party manufacturers) of the LeakBot device and supply (either directly or through third party distributors) of the LeakBot device and the provision of underlying claims mitigation services to its insurer partners. The LeakBot system enables household insurers to mitigate the cost of claims arising due to an escape of water. This is achieved through the installation of patented technology (the LeakBot system) at insured households by end insured consumers and the provision of claims mitigation services such as find and fix plumbing repairs and data to assess risk. Insurers in the UK, Denmark, Sweden, Ireland and the US pay Labs for the LeakBot system and derive the benefit of claims mitigation through the prevention of leaks at insured households.

Major shareholders. So far as the Company is aware, as at the last practicable date prior to publication of this Document, being 14 March 2022 (the **Last Practicable Date**) and immediately following completion of the Fundraising and the Acquisition, on Admission, the following persons, directly or indirectly, had or will have an interest in the Company which is notifiable under the Disclosure Guidance and Transparency Rules:

Name of Shareholder	Number of Shares as at the Last Practicable Date	Percentage of Existing Issued Share Capital as at the Last Practicable Date	Number of Shares on Admission	Percentage of Enlarged Share Capital on Admission
Markus Meister	1,000,000	4.42%	1,000,000	1.47%
Lynchwood Nominees Limited Des:2006420 ⁽¹⁾	1,000,000	4.42%	1,000,000	1.47%
W B Nominees Limited ⁽¹⁾	1,090,020	4.82%	1,434,840	2.1%
The Bank Of New York (Nominees) Limited Des:672938 ⁽²⁾	1,158,300	5.12%	1,158,300	1.7%
Hargreaves Lansdown (Nominees) Limited Des:HLNOM ⁽¹⁾	1,144,207	5.06%	1,238,607	1.82%
Jim Nominees Limited Des:ISA ⁽¹⁾	2,230,020	9.85%	2,230,020	3.27%
Jim Nominees Limited Des:Jarvis ⁽³⁾	9,924,383	43.85%	33,076,553	48.52%
Homeserve Assistance Limited	—	—	13,628,274	19.99%
Nortrust Nominees Limited ⁽⁴⁾	—	—	4,166,666	6.11%

(1) These shareholders hold these shares on behalf of the underlying investors and no underlying investor has notified the Company of a shareholding of greater than 3 per cent. As far as the Company is aware, these shareholders must follow the instructions given by the underlying investors in relation to the exercise of any voting rights attached to the Shares.

(2) These shareholders hold these shares on behalf of the underlying investors and no underlying investor has notified the Company of a shareholding of greater than 3 per cent, save for Andy Morrison, a director of the Company, who holds 1,000,000 Shares through his Self-Invested Pension Plan through The Bank Of New York (Nominees) Limited Des:672938 as at the Last Practicable Date. Andy Morrison also owns shares indirectly through Jim Nominees Limited Des:Jarvis and his aggregate percentage holding of the Existing Issued Share Capital of the Company as at the Last Practicable Date is 9.5%. On Admission, Andy Morrison will hold in aggregate 4.36% of the issued share capital of the Company following the exercise of his options over new Shares. As far as the Company is aware, these shareholders must follow the instructions given by the underlying investors in relation to the exercise of any voting rights attached to the Shares.

(3) This shareholder holds these shares on behalf of underlying investors. Andy Morrison, a director of the Company, holds 1,150,020 Shares through Jim Nominees Limited Des:Jarvis (**Jarvis**) as at the Last Practicable Date. Andy Morrison also owns shares indirectly through The Bank Of New York (Nominees) Limited Des:672938 and his aggregate percentage holding of the Existing Issued Share Capital of the Company as at the Last Practicable Date is 9.5%. On Admission, Andy Morrison will hold in aggregate 4.36% of the issued share capital of the Company following the exercise of his options over new Shares. Anthony Harpur (a director of the Company) and connected persons of his indirectly through Peacock DDC Trading Limited hold 2,150,020 Shares through Jarvis as at the Last Practicable Date, being 9.5% of the Existing Issued Share Capital. Following Admission, Anthony Harpur and connected persons of his will own 4.48% of the issued share capital of the Company. Each of Richard Edwards and Adrian Crucefix also hold 1,000,000 Shares through Jarvis as at the Last Practicable Date, being 4.42% of the Existing Issued Share Capital each. No other underlying investor has notified the Company of a shareholding of greater than 3 per cent. As far as the Company is aware, this shareholder must follow the instructions given by the underlying investors in relation to the exercise of any voting rights attached to the Shares.

(4) This shareholder holds these shares on behalf of Premier Miton Investors.

On Admission, such Shareholders will not have special voting rights and the Shares owned by them shall rank *pari passu* in all respects with other Shares.

Key managing directors. The Company's current directors are Andrew Morrison, Alan Hume, Anthony Harpur, Claudia Stijlen and Stefania Barbaglio. On Admission, the directors will be Andrew Morrison, Stefania Barbaglio, Craig Foster and Gregory Mark Wood CBE.

Statutory auditors. The Company's statutory auditors are PKF Littlejohn LLP, 15 Westferry Circus, Canary Wharf, London, E14 4HD. The auditors of Labs are Deloitte LLP, whose address is at 4 Brindley PI, Birmingham, B1 2HZ.

What is the key financial information regarding the issuer?

Selected key historical financial information. Subject to Admission, the Acquisition will be completed and the Company will acquire the entire issued share capital of Labs. Accordingly, this Document contains historical financial information on the Company which has been incorporated by reference and Labs, along with pro forma financial information for the Enlarged Group. The Company was incorporated on 23 February 2021 and has not yet commenced business. The tables below set out the historical financial information of the Company for the period from incorporation to 11 May 2021 and unaudited interims from incorporation to 31 August 2021. The selected historical financing information has been presented in accordance with the requirements of the UK version of Commission Delegated Regulation (EU) 2019/979, which is part of UK law by virtue of the European Union (Withdrawal Agreement) Act 2020.

Summary statement of comprehensive income:

	Unaudited period ended 31 August 2021 £	Audited Period ended 11 May 2021 £
Administrative Expenses	186,325	17,030
Operating loss	(186,325)	(17,030)
Loss for the period and total comprehensive income for the period	(186,325)	(17,029)
Basic and diluted earnings per Ordinary Share (pence)	(3.83)	(1.31)

Summary statement of financial position:

	Unaudited As at 31 August 2021 £	Audited As at 11 May 2021 £
Total assets	1,978,183	47,974
Total equity	1,954,580	47,974
Total liabilities	23,603	–

Summary statement of cash flows:

	Unaudited period ended 31 August 2021 £	Audited Period ended 11 May 2021 £
Cash from financing activities	2,096,003	65,003
Cash increase during the period	1,964,432	47,974

There has been no significant change in the financial condition or operating results of the Company since 31 August 2021.

The following selected financial information relating to Labs has been prepared in accordance with IFRS. The financial information summarises Labs' financial performance and position for the year ended 30 September 2021, 30 September 2020 and the long period ended 18 month period ended 31 September 2019 (audited), set out in the following tables:

Statement of Financial position

	As at 30 September 2021 (£'000)	As at 30 September 2020 (£'000)	As at 30 September 2019 (£'000)
Total assets	459	1,822	1,733
Total equity	(1,719)	(26,496)	(22,488)
Total liabilities	2,178	28,318	24,221
Total equity and liabilities	459	1,822	1,733

Statement of Comprehensive Income

	Year ended 30 September 2021 (£'000)	Year ended 30 September 2020 (£'000)	18 months to 30 September 2019 (£'000)
Operating Loss	(4,054)	(5,262)	(4,862)
Finance and other costs	–	–	(12,614)
Loss before taxation	(4,054)	(5,262)	(17,476)
Income tax	831	1,254	2,006
Loss for the year/period	(3,223)	(4,008)	(15,470)
Total comprehensive income for the year/period attributable to the equity owners	(3,223)	(4,008)	(15,470)

Statement of cashflows

	Year ended 30 September 2021 (£'000)	Year ended 30 September 2020 (£'000)	18 months to 30 September 2019 (£'000)
Net cash used in operations	(2,284)	(4,925)	(3,554)
Net cash used in investing activities	–	–	(5,001)
Net cash from financing activities	28,000	–	–
Net increase/(decrease) in cash and cash equivalent	25,716	(4,925)	(8,555)
Cash and cash equivalents at beginning of period	(27,442)	(22,517)	(13,962)
Cash and cash equivalents at end of period	(1,726)	(27,442)	(22,517)

Selected key pro forma unaudited financial information. The pro forma financial information has been prepared to illustrate the effects of (i) the Acquisition by the Company of the entire issued share capital of Labs; (ii) the issue of the Fundraise Shares (defined below); and (iii) the payment of expenses in relation to Admission. The pro forma financial information has been prepared for illustrative purposes only. Because of its nature, the pro forma financial

information addresses a hypothetical situation and therefore, does not represent the Company's actual financial position or earnings.

Unaudited *pro forma* statement of net assets at 31 August 2021

	The Company Net assets as at 31 August 2021 (Note 1) £'000	Labs Net assets as at 30 September 2021 (Note 2) £'000	Acquisition Adjustment (Note 3) £'000	Issue of Fundraise Shares net of costs (Note 4) £'000	Unaudited <i>pro forma</i> net assets of the Enlarged Group £'000
Total assets	1,978	459	8,487	2,835	13,759
Total liabilities	24	2,178	6,594	–	8,796
Total assets less total liabilities	1,954	(1,719)	1,893	2,835	4,963

Notes

The *pro forma* statement of net assets has been prepared on the following basis:

- The unaudited net assets of the Company for the period to 31 August 2021 have been extracted without adjustment from the unaudited interim financial statements.
- The net assets of Labs for the twelve months to 30 September 2021 have been extracted without adjustment from the audited Financial Information.
- A *pro forma* adjustment has been made to reflect the initial accounting for the acquisition of Labs by the Company, being the elimination of the investment in Labs against the non-monetary assets acquired and recognition of goodwill. The Company will need to determine the fair value of the net assets acquired pursuant to the proposed acquisition within 12 months of the acquisition date in accordance with IFRS 3. This process, known as a Purchase Price Allocation exercise may result in reduction of goodwill, which may be material. The Purchase Price Allocation process will require a valuation of identifiable intangible assets acquired. The approach adopted by the Directors of the Company is permissible and appropriate.
- An adjustment has been made to reflect the proceeds of a placing of 28,562,500 Fundraise Shares of the Company at an issue price of £0.12 per Ordinary Share net of an adjustment to reflect the payment in cash of admission costs estimated at approximately £592,000 inclusive of any non-recoverable sales taxes.
- No adjustments have been made to reflect the trading or other transactions, other than described above of:
 - the Company since 31 August 2021;
 - Labs since 30 September 2021;
- The *pro forma* statement of net assets does not constitute financial statements.
- With respect to the adjustments to the unaudited *pro forma* Statement of net assets, none of the adjustments will have a continuing impact on the Company.

Unaudited *pro forma* statement of comprehensive income for the period to 31 August 2021

	The Company Income statement for the period to 31 August 2021 (Note 1) £'000	Labs Income statement for year to 30 September 2021 (Note 2) £'000	Adjustment Placing costs (Note 3) £'000	Unaudited <i>pro forma</i> adjusted income statement of the Enlarged Group on Admission £'000
Gross profit	–	554	–	554
Administration expenses	(186)	(4,608)	(592)	(5,386)
Operating loss	(186)	(4,054)	(592)	(4,832)
Finance income/(cost)	–	–	–	–
Loss before tax	(186)	(4,054)	(612)	(4,832)
Tax	–	831	–	831
Loss from continuing operations	(186)	(3,223)	(612)	(4,001)
Total comprehensive loss for the period	(186)	(3,223)	(592)	(4,001)

Notes

The *pro forma* statement of net assets has been prepared on the following basis:

1. The unaudited income statement of the Company for the period to 31 August 2021 have been extracted without adjustment from the unaudited interim Financial Information.
2. The unaudited income statement of Labs for the twelve months to 30 September 2021 have been extracted without adjustment from the audited Financial Information.
3. An adjustment has been made to reflect the payment in cash of admission costs of approximately £592,000 inclusive of any non-recoverable sales taxes. The adjustment is a one off adjustment and does not have an ongoing impact on the Enlarged Group
4. No adjustments have been made to reflect the trading or other transactions of the Enlarged Group since 31 August 2021 and 30 September 2021 respectively.

Any qualification in the Audit Report relating to the historical financial information. No qualification on the audit report relating to the historical financial information.

What are the key risks that are specific to the Enlarged Group?

Brief description of the key risk factors relating to the Enlarged Group? To meet sales and revenue targets Labs needs to continually manufacture hardware in its third-party factory in the UK. Issues in global supply chains for specific components could potentially temporarily halt manufacturing or create unforeseen and unbudgeted increases in component costs and hinder the ability to meet customer orders. Recent supply chain problems in electronics have pushed component prices high in many cases and impacted on product manufacturing lead times.

A limited number of significant partners or customers have historically accounted for a substantial portion of Labs' revenue. If the Enlarged Group ceases to do business with a significant customer (determined by either the Enlarged Group or that customer) or if the level of sales of the Enlarged Group's products to a significant customer materially decrease or if the Enlarged Group's contracts are re-negotiated in such a way as to adversely impact pricing and/or its margins, the Enlarged Group's business, prospects, results of operations and financial condition may be materially adversely affected.

As at the date of Labs' accounts for the twelve months to 30 September 2021, Labs has had sustained pre-tax losses for the previous twelve months of approximately £4.1m. The ability of the Enlarged Group to generate a profit from its business is dependent on numerous factors including but not limited to, the success of its business to business sales of its LeakBot device, demand for its LeakBot device in its primary markets and the successful execution of its business strategy. In the event that the Enlarged Group is unable to complete its core strategic objective to generate a profit, the Enlarged Group may continue to sustain losses. This would have a material adverse effect on the financial condition of the Enlarged Group.

In some instances Labs is reliant on third parties to administer some part of the value proposition to its insurer clients, e.g. where a third party is acting as a distributor, running plumbing find-and-fix services, logistics providers, customer handling centres and other back office service providers. There is a risk that Labs cannot directly control and maintain the performance standards of these services, and thus the overall Leakbot device may not deliver the full potential value to insurance partners.

Should there be defects in Labs' products, consumers and/or distributors may take action against the Enlarged Group to recover their losses. Any such claims are likely to have a financial impact on the Enlarged Group but also damage the goodwill associated with Labs' brands which is likely to impact future sales. Although Labs has put in place product liability insurance, there can be no guarantee that any claim under this insurance will be honoured fully or in a timely manner or that the insurance cover will be sufficient to meet the full monetary award in connection with a claim or that the policy covers the risks associated with the claim.

A key element of Labs' business is its brands and its intellectual property in such brands. As at Admission, the Enlarged Group owns a number of registered intellectual property rights, including brands, patents and registered trademarks (**Registered IP**) and other industrial or intellectual property rights (including certain confidential know-how, trade secrets, database rights and copyrights) (collectively **IP**), which are of essential importance to the Enlarged Group's business prospects. The Registered IP and the Enlarged Group's ownership of other IP does not necessarily mean that it is possible to enforce any claims against third parties to the required or desired extent. Furthermore, it cannot be ruled out that the Registered IP could be infringed or challenged by third parties, or that the Enlarged Group's confidential know-how or trade secrets could be misappropriated or disclosed to the public without its consent.

SECTION C – KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN. The securities being offered in the Placing (**Placing Shares**), the securities being subscribed for in the Subscription (the **Subscription Shares** and together with the Placing Shares, the **Fundraise Shares**) and the Consideration Shares are ordinary shares of £0.05 each in the capital of the Company. Certain existing directors of and advisers to the Company are exercising options over 1,985,377 Shares in aggregate (Option Shares and together with the Consideration Shares and the Fundraise Shares, the **New Shares**). Application will be made for the New Shares and the 22,630,060 existing Shares to be admitted to the Official List of the FCA (by way of a Standard Listing) and to trading on the Main Market. The Shares are registered with ISIN GB00BNVVG77, SEDOL code BNVVG7 and TIDM SPAQ.

Currency, denomination, par value, number of securities issues and the term of the securities. The currency of the securities issue is Pounds Sterling and the price of the Fundraise Shares is payable in Pounds Sterling. As at the date of this Document, there are 22,630,060 Shares in issue (**Existing Shares**) all of which are fully paid. Immediately on Admission, the issued share capital of the Company comprising the Existing Shares and the New Shares will be 68,169,612 Shares (**Enlarged Share Capital**), all of which will be fully paid. Assuming all options and warrants were to be exercised on Admission, the fully diluted enlarged issued share capital on Admission would be 100,534,112 Shares. The Shares are not subject to any term.

Rights attached to the securities. Holders of Shares (**Shareholders**) will have the right to receive notice of and to attend and vote at any meetings of Shareholders. Each Shareholder entitled to attend and being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such Shareholder present in person or by proxy will have one vote for each Ordinary Share held by such Shareholder. In the case of joint holders of an Ordinary Share, if two or more persons hold an Ordinary Share jointly, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the other joint holders and for this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.

Subject to the Companies Act, on a winding-up of the Company the assets of the Company available for distribution shall be distributed, provided there are sufficient assets available, first to the holders of Shares in an amount up to 1p per share in respect of each fully paid up Ordinary Share. If, following these distributions to holders of Shares there are any assets of the Company still available, they shall be distributed to the holders of Shares pro rata to the number of such fully paid up Shares held (by each holder as the case may be) relative to the total number of issued and fully paid up Shares.

Restrictions on the free transferability of the securities. Not applicable. The Shares are freely transferable and tradable and there are no restrictions on transfer, subject to the Articles. Each Shareholder may transfer all or any of their Shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each Shareholder may transfer all or any of their Shares which are in uncertificated form by means of a 'relevant system' (i.e. the CREST System) in such manner provided for, and subject as provided in, the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755).

Where will the securities be traded?

Application for admission to trading on a regulated market. Application will be made to the FCA for the Existing Shares and the New Shares to be admitted to the Official List of the FCA (by way of a Standard Listing) and to trading on the Main Market. It is expected that Admission will become effective and that unconditional dealings in the Existing Shares and the New Shares will commence at 8.00 a.m. on 21 March 2022.

Dividend policy. The Company is primarily seeking to achieve capital growth for its Shareholders. It is the Board's intention during the current phase of the Company's development to retain future distributable profits from the business, to the extent any are generated. The Board does not anticipate declaring any dividends in the foreseeable future but may recommend dividends at some future date, depending upon the generation of sustainable profits and the Company's financial position, when it becomes commercially prudent to do so. The Board can give no assurance that it will pay any dividends in the future, nor, if a dividend is paid, what the amount of such dividend will be.

Brief description of guarantee attached to the securities. No guarantee or otherwise is attached to the Shares.

What are the key risks?

Key information on the key risks that are specific to the securities. Application will be made for the Shares to be admitted to the standard listing segment of the Official List. A Standard Listing affords shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. Investments in Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor may contribute both to infrequent trading in the Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Shares within a period that they would regard as reasonable. Accordingly, the Shares may not be suitable for short-term investment.

Any issue of Shares in the future may dilute the interests of Shareholders and may impact the price of the Shares.

Dividend payments on the Shares are not guaranteed and the Company does not intend to pay dividends in the foreseeable future.

SECTION D – KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

General terms and conditions. The Placing is conditional on Admission occurring and becoming effective by 8:00 a.m. London time on, or prior to, 21 March 2022 (or such later date as may be agreed by the Broker and the Company, being no later than 21 April 2022). The Subscription is conditional on Admission occurring and becoming effective by 8:00 a.m. on, or prior to, 21 March 2022. The rights attaching to the Shares will be uniform in all respects and all the Shares will form a single class for all purposes.

Expected timetable. The expected timetable of principle events in relation to Admission is as follows:

Publication of this Document	15 March 2022
Completion of the Acquisition	21 March 2022
Admission and commencement of unconditional dealings in the Enlarged Share Capital	8:00 a.m. on 21 March 2022
CREST members' accounts credited in respect of New Shares	21 March 2022
Ordinary Share certificates despatched	by 4 April 2022

All references to time in this prospectus are to London time, unless otherwise stated. Any changes to the expected timetable will be notified by the Company through an RIS.

Details of Admission to Trading. The securities subject to Admission are 68,169,612 Shares, comprising 22,630,060 Existing Shares, 14,991,667 Consideration Shares, 22,208,337 Placing Shares, 6,354,171 Subscription Shares and 1,985,377 Option Shares. The Company has raised gross proceeds of £3,427,500 through the Placing and Subscription and by granting the Fundraise Warrants, and net proceeds of approximately £3,155,500.

Amount and percentage of dilution resulting from the Transaction. Upon Admission, the Enlarged Share Capital is expected to be 68,169,612 Shares. On this basis, the Fundraise Shares will represent approximately 41.90 per cent of the Enlarged Share Capital, the Consideration Shares will represent approximately 22 per cent of the Enlarged Share Capital, the Option Shares will represent 2.91 per cent of the Enlarged Share Capital. The New Shares together will represent approximately 66.8 per cent of the Enlarged Share Capital.

Estimate of total expenses of the Transaction. The total costs (including fees and commissions) (exclusive of VAT) payable by the Company in connection with the Acquisition, Fundraise and Admission (together the Transaction) are estimated to amount to approximately £592,000 of which amount £272,000 remains due and payable from the proceeds of the Fundraise. The Company is due to pay SI Capital a commission of 6% of the proceeds from the Fundraise. No expenses will be charged by the Company to the investors in connection with the Fundraise.

Why is this Prospectus being produced?

Reasons for the Acquisition. The Acquisition is in line with the Company's investing strategy and the Existing Directors of the Company believe it is in the best interest of Shareholders.

Use and estimated amount of net proceeds. The Company expects to receive gross proceeds of approximately £3,427,500 and net proceeds of approximately £3,155,500 from the Fundraising. The Enlarged Group intends to deploy these approximately as follows: (a) contribution towards Transaction costs – £272,000; (b) partner development, onboarding and delivery – £1,207,000; (c) IT development and support – £1,100,000; and general working capital requirements – £848,000.

Indication of whether the offer is subject to an underwriting agreement. The Fundraising is not underwritten but each investor participating in the Fundraising has provided a legally binding commitment to irrevocably subscribe for the Fundraise Shares, subject to and conditional upon Admission occurring on or before 21 March 2022.

Conflict. Not applicable, there are no conflicts or potential conflicts which are material to Admission.

RISK FACTORS

Any investment in the Ordinary Shares carries a significant degree of risk, including risks in relation to the Enlarged Group's business strategy, potential conflicts of interest, risks relating to taxation and risks relating to the Ordinary Shares.

Prospective investors should note that the risks relating to the Ordinary Shares, the Enlarged Group and the sector in which it operates as summarised in the section of this Document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to make an investment in the Ordinary Shares. However, as the risks which the Enlarged Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Document headed "Summary" but also, among other things, the risks and uncertainties described below.

The risks referred to below are those risks the Directors consider to be the material risks at the date of this Document. However, there may be additional risks that the Directors do not currently consider to be material or of which the Directors are not currently aware, that may adversely affect the Enlarged Group's business, financial condition, results of operations or prospects. Investors should review this Document carefully and, in its entirety, and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this Document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Furthermore, investors could lose all or part of their investment.

Risks relating to supply chains, manufacturing and distribution

Manufacturing Supply-Chain Risks

To meet sales and revenue targets Labs needs to continually manufacture hardware in its third-party factory in the UK. This is dependent on the timely sourcing of all required components and hiring of staff. Issues in global supply chains for specific components could potentially temporarily halt manufacturing or create unforeseen and unbudgeted increases in component costs, and hinder the ability to meet customer orders. Recent supply chain problems in electronics have pushed component prices high in many cases and impacted on product manufacturing lead times. In the case of the Enlarged Group's LeakBot device all necessary components are still readily available and the overall cost of materials has only increased 8% as a result of supply chain issues. If the Enlarged Group is unable to secure a sufficient supply of key materials or components on a timely basis, or if the cost of the materials required to produce the LeakBot device become uneconomical, or if such material or components do not meet the Enlarged Group's expectations or specifications for quality or functionality, the Enlarged Group's operations and manufacturing of the LeakBot will be materially adversely affected, the Enlarged Group could be unable to meet customer demand or it may be contracted to supply LeakBot devices at a loss and its business and results of operations may be materially adversely affected. Following Admission, the Enlarged Group will conduct a review of customer contracts to ascertain the feasibility of price adjustment mechanisms for material component cost changes and will explore the benefits of advanced ordering or stockpiling of key materials or components to mitigate against unexpected price changes.

Risks relating to the Enlarged Group's business

Labs is loss making at the date of this document

As at the date of Labs' accounts for the twelve months to 30 September 2021, Labs has had sustained pre-tax losses for the previous twelve months of approximately £4.1m. The ability of the Enlarged Group to generate a profit from its business is dependent on numerous factors including but not limited to, the success of its business to business sales of its LeakBot device, demand for its LeakBot device in its primary markets and the successful execution of its business strategy.

LeakBot's successful scaling is sensitive to the roll out plans of key business to business partners, including but not limited to, their own internal timeframes for implementing a policyholder roll out and the effectiveness of their communications and products sales pitch to their customers, which can each materially impact take up rates and claims mitigation success.

In the event that one of these factors previously mentioned differs from the Directors' expectations, this could have a material adverse effect on the Enlarged Group's ability to generate profits. In the event that the Enlarged Group is unable to complete its core strategic objective to generate a profit, the Enlarged Group may continue to sustain losses. This would have a material adverse effect on the financial condition of the Enlarged Group.

Labs is dependent on a relatively small number of significant customers or partners for a substantial proportion of its revenues, and the loss of a significant customer or a significant reduction in purchase volume from any such customer could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations

A limited number of significant partners or customers have historically accounted for a substantial portion of Labs' revenue. Despite anticipated growth in the Enlarged Group's wider customer base in the future, such growth may not be fast and/or significant enough in the near term to reduce the proportion of revenue generated from Labs' largest customers. In addition contracts with customers are typically based on an initial minimum term and volume, however, after the initial term, the customer may terminate on relatively short notice, typically three months, albeit they are likely to have run off obligations with annually contracted policy holders they would wish to honour. If the Enlarged Group ceases to do business with a significant customer (determined by either the Enlarged Group or that customer) or if the level of sales of the Enlarged Group's products to a significant customer materially decrease or if the Enlarged Group's contracts are re-negotiated in such a way as to adversely impact pricing and/or its margins, the Enlarged Group's business, prospects, results of operations and financial condition may be materially adversely affected.

Contracts with customers are typically based on an initial minimum term and volume, however, after the initial term, the customer may terminate on relatively short notice, typically three months, albeit they are likely to have run off obligations with annually contracted policy holders they would wish to honour.

The Enlarged Group could face significant competition from new entrants in the markets in which it operates

Labs has chosen to focus on delivering certain products to certain markets where it believes it can be competitive. The business deploys a stack of technologies developed at considerable expense over several years. The technology stack is patented in all relevant global markets. However, there are a number of other potential competitors operational in the same market space that may try and compete for market share. These potential competitors include well-funded North American companies, Japanese/Korean groups and European utilities, security and IoT groups. These competitors are likely to have larger marketing budgets with which to raise awareness of their brands which may have a negative impact on the Enlarged Group's sales. However, the Directors believe that Labs has a unique technology approach that offers cost and detection advantages over traditional plumbed and moisture sensors respectively, together with a unique claims mitigation service that is protected by a range of patents (both granted and pending) and has also taken a significant (multiple years) timeframe to perfect, making the whole system difficult to copy. The Board will actively monitor potential competitors and will aim to adjust the Enlarged Group's offering to compete with these new entrants.

Labs' business is multi-jurisdictional and disruptions to trade between these jurisdictions is likely to negatively impact the Enlarged Group's business

Labs' products are currently manufactured in the United Kingdom and the Enlarged Group's key markets are the United Kingdom, Denmark and Sweden currently, with a focus on the USA going forward. Therefore the Enlarged Group's operations are likely to suffer if there is disruption to trade between the jurisdictions in which Labs' products are manufactured and the markets in which they are sold either through new trade barriers or through logistical disruption. The Enlarged Group will seek to limit the potential impact of this by building reserve stocks of hardware in key markets to overcome any short-term supply shortages.

Third party services risks

In some instances Labs is reliant on third parties to administer some part of the value proposition to its insurer clients, e.g. where a third party is acting as a distributor, running plumbing find-and-fix services, logistics providers, customer handling centres and other back office service providers. There is a risk

that Labs cannot directly control and maintain the performance standards of these services, and thus the overall Labs device does not deliver the full potential value to insurance partners.

In the Nordics, Labs has historically operated through a third-party distributor. Labs issued a notice to terminate the Nordics distribution agreement and the notice period ended on 18 January 2022. Labs now directly manages distribution in the Nordics, which it believes will result in a superior customer experience and accelerate growth in the Nordics. At 30 September 2021, trade receivables have been reduced by a provision for bad debts of £288,000 primarily due to the change in strategy in the Nordics. At 30 September 2021, there was no unimpaired receivable balance relating to Denmark. The accounts for the period up to 30 September 2020 included a debtor of £64,000 relating to Denmark, of which £17,000 has not yet been recovered.

The LeakBot claims mitigation system incorporates a plumbing repair service. The provision of that service is dependent on securing either directly hired or third party, outsourced plumbers, which can be subject to variable availability and cost depending on location from time to time.

If the Enlarged Group fails to maintain its brand and reputation, its business, results of operations and prospects may be materially adversely affected

The Enlarged Group's reputation is central to the Enlarged Group's business and prospects, including the future success of its products and services, as well as the relationships it currently maintains and intends to develop with insurance companies. Any failure to maintain the strength of the Enlarged Group's brand or reputation, or any perception that the Enlarged Group's brand or reputation are not maintained, at the level expected by the Enlarged Group's customers, suppliers or other third parties, could adversely affect the Enlarged Group's business, financial condition, results of operations and prospects, and impair its ability to attract and retain employees.

Issues that may undermine the Enlarged Group's brand and reputation include issues with the design, quality or functionality of the Enlarged Group's products (including errors, defects or sub-performance), the Enlarged Group's failure to maintain high-quality customer service, disruptions or other issues associated with the delivery of products to the Enlarged Group's customers in a safe and timely manner, difficulties in performing contractual delivery commitments or causing distributors to fail to perform their contractual delivery commitments as a result of export control or export licensing restrictions, a failure (or perceived failure) in the Enlarged Group's environmental, social and corporate governance (**ESG**) strategy, and failure (or allegations or perceptions of failure) by the Enlarged Group, its distributors or suppliers to deal appropriately with legal and regulatory requirements (including applicable anti-bribery and anti-corruption, anti-facilitation of tax evasion, data protection and environmental laws and regulations and export control or trade compliance and other trading practices). This is particularly the case given the increasing global focus on national interests, ethical business and ESG practices, with such issues increasingly influencing investor perception and customer behaviour.

The Enlarged Group's customers rely on its service teams and online content for help with a variety of issues, including how to use the Enlarged Group's products effectively. As the Enlarged Group's business grows, it may be required to significantly increase its customer service support teams (whether in-house or through the engagement of third-party providers), including to meet customers' needs globally at scale. This could increase the Enlarged Group's costs and adversely impact the quality of customer experience if third parties are unable to provide equivalent levels of customer service. Growth in the number of customers may also place additional pressure on the Enlarged Group's customer service function. In certain geographies where the Enlarged Group relies on third party distributors, it also relies on those distributors to provide customer service and, if such service is inadequate, the Enlarged Group's reputation and business may suffer.

If the Enlarged Group fails, or its third party distributors or suppliers fail, or are perceived to have failed, to adequately manage any issues that give rise to reputational risk, this could lead to further adverse publicity and have a material adverse effect on the Enlarged Group's business and prospects.

The Enlarged Group is exposed to risks related to the quality of its products

Should there be defects in Labs' products consumers and/or distributors may take action against the Enlarged Group to recover their losses. Any such claims are likely to have a financial impact on the Enlarged Group but also damage the goodwill associated with Labs' brands which is likely to impact future sales. Although Labs has put in place product liability insurance, there can be no guarantee that

any claim under this insurance will be honoured fully or in a timely manner or that the insurance cover will be sufficient to meet the full monetary award in connection with a claim or that the policy covers the risks associated with the claim. Labs has obtained assurances from its suppliers as to the quality of the product supplied but it may not always be possible to obtain compensation from these suppliers.

The Enlarged Group's future financial capital requirements will depend on numerous factors

Following expiry of the Working Capital Period, the speed at which the Enlarged Group can achieve break-even and then profitability will be dependent on whether it expands its customer and distributor base and achieves targeted market acceptance of its products.

Therefore, it is possible that, in the future, following the expiry of the Working Capital Period, the Company may need to raise additional funds through equity or debt financings; sale of assets; collaborative arrangements with commercial partners or from other sources. Any additional equity financing may dilute an investor's holdings in the Company. Any future debt financing, if available, may require restrictions to be placed on the Company's future financing and operating activities. The Company may be unable to obtain additional financing on acceptable terms if market and economic conditions, the financial condition or operating performance of the Enlarged Group, or investor sentiment, are unfavourable. If the Company is unable to raise further funds, its ability to grow its business in the future may be hindered and the Directors may be required to review or change the business strategies of the Enlarged Group.

The Enlarged Group is reliant on key personnel

If any of the senior management team were to leave the Enlarged Group the number of appropriately qualified and available replacements would be limited. This situation would be exacerbated due to the high demand for such individuals and so the Company would be likely to incur significant costs to retain key staff or attract replacements should they leave. The loss of the services of any key personnel, or an inability to attract other suitably qualified persons when needed, could prevent the Enlarged Group from executing its business plan and strategy and it may be unable to find adequate replacements on a timely basis, or at all. While all key personnel will hold equity in the enlarged business of a value sufficient to reflect their importance to the business, departure of key personnel would potentially render more difficult the delivery of the current business plan.

Labs' new product development focussing on hot climate executions could be unsuccessful

The current LeakBot sensor is designed to be fitted near to the stop-tap on the inside of a property. This device works in existing UK and Nordic territories. In testing in the US this design is also expected to work in 39 of the US states. A new adaptation is currently in development and in testing which can be installed externally where the mains water enters the property and the stop tap is outside of the external walls. This is common in hotter climates, such as US states like Florida and Texas, and southern European countries like Spain and Italy. There is a risk that the development of this third version of the device could be unsuccessful. While the success of the business is not dependent on this third version of the LeakBot device (the addressable market in the existing territories is easily sufficient for the business to hit its plans and achieve break-even in the near term) there is a risk the business will not achieve its full potential especially in the US if the development project is unsuccessful.

Risks relating to Intellectual Property

The Enlarged Group may not succeed in adequately protecting its brand, intellectual property and know-how.

A key element of Labs' business is its brands and its intellectual property in such brands. As at Admission, the Enlarged Group owns a number of registered intellectual property rights, including brands, patents and registered trademarks (**Registered IP**) and other industrial or intellectual property rights (including certain confidential know-how, trade secrets, database rights and copyrights) (collectively **IP**), which are of essential importance to the Enlarged Group's business prospects.

The Registered IP and the Enlarged Group's ownership of other IP does not necessarily mean that it is possible to enforce any claims against third parties to the required or desired extent. Furthermore, it cannot be ruled out that the IP could be infringed or challenged by third parties, or that the Enlarged Group's confidential know-how or trade secrets could be misappropriated or disclosed to the public without its consent. In such cases, the Enlarged Group may not be able to, or may be limited in its ability

to, prevent such infringements, misappropriations or disclosures, despite its ownership of the IP. This applies particularly to instances where third parties produce similar products with similar branding that are of inferior quality.

In addition, there is no guarantee that all applications for Registered IP filed for or intended to be filed for by the Enlarged Group for new technologies and branding will be issued or granted in all countries where it believes this to be prudent. Additionally, it cannot be ruled out that, independently of the Enlarged Group, third parties might develop the same or similar intellectual property that addresses the same issues that the Enlarged Group's products are trying to tackle.

Inadequate or loss of protection of its IP may restrict the Enlarged Group's ability to exploit its intellectual property rights profitably or may lead to a reduction in future income as competitors may be able to market products similar to those developed by the Enlarged Group with fewer development expenses of their own, and hence more cost-effectively. This could harm the Enlarged Group's competitive position. Moreover, high costs may be incurred in responding to infringements of IP or disclosure or misappropriations of the Enlarged Group's know-how and trade secrets.

The Enlarged Group also relies on trade secrets and other unpatented proprietary information to protect its products and technologies. In particular, where the Enlarged Group's products and technologies only benefit from unregistered IP rights (such as copyright or know-how), there will be limited protection against competitors independently developing, or having independently developed, technology comparable to that employed by the Enlarged Group. Third parties could seek to create alternative technologies that perform similar functions but remain technically distinct from the Enlarged Group's patented technology, so as to circumvent the Enlarged Group's owned and in-licensed patents and patent applications.

The Enlarged Group enjoys only limited geographical protection with respect to certain patents and may face other difficulties in certain jurisdictions, which may diminish the value of IP in those jurisdictions

Filing, prosecuting and defending patents relating to all the Enlarged Group's products and technologies throughout the world would be prohibitively expensive. The Enlarged Group has therefore not filed for patent protection in all national and regional jurisdictions where such protection is available. In addition, the Enlarged Group may decide to abandon national and regional patent applications before they have been granted. Given that the grant proceeding of each national and regional patent is an independent proceeding, the Enlarged Group is exposed to the risk that applications in certain jurisdictions may be refused by registration authorities while granted by others. It is also common that depending on the country, the scope of patent protection may vary for the same product or technology.

Competitors may use the Enlarged Group's technologies in jurisdictions where it has not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where the Enlarged Group has patent protection but where enforcement is more difficult. The legal systems of certain countries, particularly certain developing countries, do not favour the enforcement of patents and other IP protection, particularly those relating to biotechnology, which could make it difficult for the Enlarged Group to stop infringement of its patents or marketing of competing products in violation of its proprietary rights generally.

Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licences to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In such countries, the patent owner may have limited remedies, which could materially diminish the value of such patents.

Failure by the Enlarged Group to establish and maintain its IP rights could have a material adverse effect on the Enlarged Group's business, prospects, financial condition and results of operations.

Differences in regulations directed at the marketing and sale of home insurance products could indirectly impact the sale and distribution of LeakBot

While the activities of Labs are not regulated as financial services, Labs' insurance B2B customers are all subject to differing regulatory regimes aimed at financial services. Laws relating to the sale, marketing and distribution of home insurance products differ by country (and by state in the United States). There is a risk that these local regulations could limit or dictate exactly how LeakBot is

marketed by insurance B2B customers alongside or as part of their home insurance products, which could therefore indirectly impact the Group's ability to sell and distribute its products in those jurisdictions.

Fluctuations in currency exchange rates may significantly impact the presentation of the Enlarged Group's financial results

Labs' reporting currency is Sterling, as the currency that currently most affects its revenues, costs and financing, however, due to the international nature of Labs' business, and anticipated growth in the US and Nordics, foreign currency transactions are present.

In addition, the LeakBot device's component costs, whilst purchased in Sterling, are sourced predominantly from overseas sources and, therefore, their underlying cost are subject to currency fluctuations.

Labs is currently naturally hedged within HomeServe plc; however, this natural hedge will lapse once Labs becomes part of the Enlarged Group following Admission. The Enlarged Group may seek to mitigate its future currency risk through the services of a specialised foreign exchange broker but it may not be able to put sufficient hedges in place to prevent the Enlarged Group suffering losses due to foreign exchange movements.

Risks relating to the Ordinary Shares

The Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing

Application will be made for the Ordinary Shares to be admitted to the standard listing segment of the Official List. A Standard Listing affords shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may impact the valuation of the Ordinary Shares in the future as the Company grows.

There may be a limited market for the Ordinary Shares and investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable

The price of the Ordinary Shares after Admission may vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Enlarged Group's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange, it cannot assure investors that it will always do so.

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the issue price.

Future issues of Ordinary Shares could be dilutive

The Company may make further issues of Ordinary Shares after the end of the Working Capital Period. Any issue of Ordinary Shares in the future may dilute the interests of Shareholders and could impact upon the price of the Ordinary Shares.

The Company has granted a number of warrant and options to subscribe for Ordinary Shares. The exercise of such rights to acquire Ordinary Shares would result in a dilution of the percentage of Ordinary Shares held by Shareholders and may also be dilutive in value terms if the prevailing share price per Ordinary Share exceeds the subscription price payable on the exercise of such rights at the relevant time.

The Company will not comply with the minimum market capitalisation requirement of £30m under Listing Rule 2.2.7R(1) in the context of the Acquisition and Re-Admission, but it is permitted to proceed with the transaction on the basis of transitional arrangements put in place for shell companies

The Company's Ordinary Shares were admitted to the Official List by way of a Standard Listing and to trading on the London Stock Exchange's main market for listed securities on 28 July 2021 and the Company is deemed to be a cash shell in accordance with Listing Rule 5.6.5AR. The Company was formed to undertake one or more acquisitions of a majority interest in a company, business or asset.

On IPO Admission, the Company's shares were required to have an aggregate market value of at least £700,000 and the Company was able to satisfy this requirement. Since IPO Admission, the Listing Rules have been amended so that the minimum market capitalisation threshold requirement for premium and standard listing segments for shares in companies (other than funds) is increased from £700,000 to £30,000,000.

The Company was listed as a cash shell prior to 3 December 2021. In connection with the transaction described in this Document, the Company made an application to the FCA for an eligibility review and provided the FCA (together with a draft of this Document) in accordance with Listing Rule 5.6.21R before 4:00 p.m. on 1 December 2023. The Listing Rules include transitional arrangement for shell companies (including the Company) in such circumstances. On completion of the Acquisition, the Company is therefore required to have a minimum market capitalisation of £700,000 pursuant to the transitional arrangements applicable to shell companies.

In circumstances where the Company were to undertake a further reverse takeover (or analogous transaction) requiring the eligibility of the Company to be re-assessed following the completion of the Acquisition, such transitional arrangements would cease to apply.

In circumstances where the Company were unable to satisfy the minimum market capitalisation requirement, the Company would be unable to meet the eligibility requirements to maintain its listing and would be required to de-list, meaning that shareholders of the Company would hold shares in a non-trading public company (assuming it was unable to secure a listing on another exchange).

The Directors do not have an intention of undertaking a further acquisition that may result in a reverse takeover under the Listing Rules (or an analogous transaction) which would result in the eligibility requirements of the Company being reassessed.

The Company may not pay dividends

Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends in the foreseeable future. To the extent the Company intends to pay dividends on the Ordinary Shares, it will pay such dividends at such times (if any) and in such amounts (if any) as the Board determines appropriate and in accordance with applicable law. Payments of such dividends will be dependent on performance of the Enlarged Group's business. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any. The Company does not expect to pay dividends in the foreseeable future.

There may be fluctuations and volatility in the price of Ordinary Shares

Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and some which affect listed companies generally, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic, political or regulatory conditions, overall market or sector sentiment, legislative changes in the Company's sector and other events and factors outside of the Company's control.

The Company may be unable to transfer to a Premium Listing

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will meet such eligibility criteria or that a transfer to a Premium Listing or other listing venue will be achieved. If the Company does not achieve a Premium Listing or

the Directors decide to maintain the Standard Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This would mean that the Company could be operating a substantial business but would not need to comply with the higher standards that a Premium Listing requires.

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the enlarged issued share capital to be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. Listing Principles 1 and 2 as set out in Listing Rule 7.2.1 of the Listing Rules also apply to the Company, and the Company will comply at all times with such Listing Principles. Premium Listing Principles 1 to 6 as set out in Listing Rule 7.2.1 AR of the Listing Rules do not apply to the Company.

However, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Acquisition, the Placing or Admission;
- Chapter 9 of the Listing Rules relating to continuing obligations of a listed company;
- Chapter 10 of the Listing Rules relating to significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. The Company is not required to comply with the additional requirements for commercial companies with a Premium Listing under Chapter 6 of the Listing Rules.

It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply.

IMPORTANT INFORMATION

In deciding whether or not to invest in Ordinary Shares, prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or the Existing Directors. Without prejudice to the Company's obligations under the FSMA, the Prospectus Regulation Rules, the Listing Rules and the Disclosure and Transparency Rules, neither the delivery of this Document nor any subscription made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Enlarged Group since the date of this Document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Document or any subsequent communications from the Company, the Directors, the Existing Directors, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed "Summary" should be read as an introduction to this Document. Any decision to invest in the Ordinary Shares should be based on consideration of this Document as a whole by the investor. In particular, investors must read the section headed "What are the key risks that are specific to the Enlarged Group?" of the Summary together with the risks set out in the section headed "Risk Factors" beginning on page 11 of this Document.

This Document is being furnished by the Company in connection with an offering exempt from registration under the Securities Act solely to enable prospective investors to consider the purchase of the Ordinary Shares. Any reproduction or distribution of this Document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares hereby is prohibited.

This Document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or solicitation of an offer or invitation to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Document and the offering of Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this Document are required by the Company, the Directors and the Existing Directors, to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this Document under the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or the Directors or the Existing Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Document other than in any jurisdiction where action for that purpose is required. Neither the Company nor the Directors nor the Existing Directors accept any responsibility for any violation of any of these restrictions by any person.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States, Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan or to any national, resident or citizen of Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan.

The Ordinary Shares have not been approved or disapproved by the SEC, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or confirmed the accuracy or determined the adequacy of the

information contained in this Document. Any representation to the contrary is a criminal offence in the United States.

Investors may be required to bear the financial risk of an investment in the Ordinary Shares for an indefinite period.

Neither SI Capital nor any person acting on their behalf makes any representations or warranties, express or implied, with respect to the completeness or accuracy of this Document nor does any such person authorise the contents of this Document. No such person accepts any responsibility or liability whatsoever for the contents of this Document or for any other statement made or purported to be made by it or on its behalf in connection with the Enlarged Group, the Ordinary Shares and Admission. SI Capital accordingly disclaim all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this Document or any such statement. Neither SI Capital nor any person acting on their behalf accepts any responsibility or obligation to update, review or revise the information in this Document or to publish or distribute any information which comes to their attention after the date of this Document, and the distribution of this Document shall not constitute a representation by SI Capital or any such person that this Document will be updated, reviewed, revised or that any such information will be published or distributed after the date hereof.

Data protection

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Enlarged Group and the administering of interests in the Enlarged Group;
- meeting the legal, regulatory, reporting and/or financial obligations of the Enlarged Group in the United Kingdom or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Enlarged Group to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- transfer personal data outside of the United Kingdom to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data, it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

Investment considerations

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Enlarged Group, this Document and the terms of Admission, including the merits and

risks involved. The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Enlarged Group's objectives will be achieved.

It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares can go down as well as up.

This Document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which investors should review.

Forward-looking statements

This Document and any document incorporated herein by reference include statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this Document and any document incorporated herein by reference and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things: (i) the Company's and Enlarged Group's objectives, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares; and (ii) future deal flow and implementation of active management strategies, including with regard to the Acquisition. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performances. The Company's or the Enlarged Group's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Document and any document incorporated herein by reference. In addition, even if the Enlarged Group's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its strategies are consistent with the forward-looking statements contained in this Document and any document incorporated herein by reference, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Company's ability to ascertain the merits or risks of the Acquisition;
- the availability and cost of equity or debt capital for future transactions;
- currency exchange rate fluctuations, as well as the success of the Company's hedging strategies in relation to such fluctuations (if such strategies are in fact used);
- changes in the economic environment; and
- legislative and/or regulatory changes, including changes in taxation regimes.

Prospective investors should carefully review the "Risk Factors" section of this Document for a discussion of additional factors that could cause the Company's or the Enlarged Group's actual results to differ materially before making an investment decision. **For the avoidance of doubt, nothing in this**

paragraph constitutes a qualification of the working capital statement contained in paragraph 16 of Part I and paragraph 12 of Part X.

Forward-looking statements contained in this Document and any document incorporated herein by reference apply only as at the date of this Document. Save as required under the UK Market Abuse Regulation and subject to any obligations under the Listing Rules, the Disclosure and Transparency Rules or the Prospectus Regulation Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Third party data

This Document includes certain market, economic and industry data, which was obtained by the Company from industry publications, data and reports, compiled by professional organisations and analysts' data from other external sources conducted by or on behalf of the Company. Where information contained in this Document originates from a third-party source, it is identified where it appears in this Document together with the name of its source. The Company confirms that data sourced from third parties used to prepare the disclosures in this Document has been accurately reproduced and, so far as the Company, the Directors and the Existing Directors are aware, and able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. All third-party information is identified alongside where it is used.

Certain of the aforementioned third-party sources may state that the information they contain has been obtained from sources believed to be reliable. However, such third-party sources may also state that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. As the Company does not have access to the facts and assumptions underlying such market data, statistical information and economic indicators included in these third-party sources, the Company is unable to verify such information.

Currency presentation

Unless otherwise indicated, all references in this Document to "Sterling", "£", "pounds" or "pence" are to the lawful currency of the UK, all references to "EUR", "€" or "euro cents" are to the lawful currency of the EU. In addition, all references to "USD", "US\$", "US dollar" or "cents" are to the lawful currency of the United States.

No incorporation of website

The contents of any website of the Company, Labs or any other person do not form part of this Document unless expressly stated.

Definitions and glossary of technical terms

A list of defined terms used in this Document is set out in Part XII "General Definitions" and a list of technical terms and their meanings used in this Document is referred to in Part XIII "Glossary of Technical Terms".

Governing law

Unless otherwise stated, statements made in this Document or documents incorporated herein by reference are based on the law and practice currently in force in England and Wales and are subject to changes therein.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	15 March 2022
Completion of the Acquisition	21 March 2022
Admission and commencement of dealings in the Enlarged Share Capital	21 March 2022
CREST Members' Accounts credited in respect of the New Shares	21 March 2022
Share certificates despatched in respect of the New Shares (where applicable)	4 April 2022

All references to time in this Document are to London time, unless otherwise stated. Any changes to the expected timetable will be notified by the Company through an RIS.

PLACING AND ADMISSION STATISTICS

Number of Existing Shares at the date of this Document	22,630,060
Total number of Fundraise Shares	28,562,508
Fundraise Shares as a percentage of the Enlarged Share Capital on Admission	41.90%
Total number of Consideration Shares	14,991,667
Consideration Shares as a percentage of the Enlarged Share Capital on Admission	22.0%
Total number of Option Shares	1,985,377
Option Shares as a percentage of the Enlarged Share Capital on Admission	2.91%
Enlarged Share Capital on Admission	68,169,612
Total number of Existing Options	8,103,625
Total number of Existing Warrants	11,165,000
Total number of Fundraise Warrants	14,281,252
Total number of RTO Broker Warrants	800,000
Fully diluted share capital assuming the exercise of all Warrants and Options	100,534,112
Fundraise Price per Fundraise Share	£0.12
Gross proceeds of the Fundraise	£3,427,500
Estimated net proceeds of the Fundraise receivable by the Company	£3,155,500
Market capitalisation of the Company at the Fundraise Price on Admission ⁽¹⁾	£8,180,353

(1) The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will equal or exceed the Fundraise Price.

DEALING CODES

ISIN	GB00BNVVG77
SEDOL	BNVVG7
TIDM	SPAQ
LEI	2138005Y5QBJQMOOI719

EXISTING DIRECTORS, DIRECTORS ON ADMISSION, SECRETARY AND ADVISERS

Existing Directors	Andrew (“Andy”) John Gowdy Morrison (Non-Executive Chairman) Alan Douglas Hume (Non-Executive Director) Anthony (“Tony”) James Harpur (Non-Executive Director) Stefania Barbaglio (Non-Executive Director) Claudia Maria Stijlen (Non-Executive Director)
Directors on Admission	Craig Foster (Chief Executive Officer) Gregory (“Mark”) Mark Wood CBE (Non-Executive Chairman) Andrew (“Andy”) John Gowdy Morrison (Non-Executive Director) Stefania Barbaglio (Non-Executive Director)
Company Secretary	Ben Harber of Shakespeare Martineau LLP No 1 Colmore Square Birmingham, England, B4 6AA
Company Website	www.ondopl.com
Registered Office	60 Gracechurch Street London EC3V 0HR
Broker to the Company	SI Capital Ltd 19 Berkeley Street London W1J 8ED
Legal advisers to the Company	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Legal advisers to the Broker	Gordons Partnership 22 Great James Street London WC1N 3ES
Reporting Accountants and Auditors to the Company	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
Registrars	Neville Registrars Limited Neville House, Steelpark Road Halesowen West Midlands United Kingdom B62 8HD
PR adviser to the Company	Cassiopeia Services Ltd Second Floor, 150-151 Fleet Street London United Kingdom EC4A 2DQ

PART I

INFORMATION ON THE ENLARGED GROUP

1. Introduction

The Ordinary Shares are admitted to the Standard Segment of the Official List and to trading on the London Stock Exchange's Main Market. The Company was formed to undertake one or more acquisitions (which may be in the form of a merger, capital stock exchange, asset acquisition, stock purchase, scheme of arrangement, reorganisation or similar business combination) of a minority or majority interest in a company, business or asset). The Company's efforts in identifying a prospective target company or project was not limited to a particular industry or geographic location. However, given the collective experience of the Existing Directors and its advisers, the Company initially focused on opportunities in the sustainability and/or energy transition sectors.

On 13 December 2021, the Company announced that it has entered into a sale and purchase agreement with the Seller pursuant to which, subject to certain conditions being met, the Company will acquire the entire issued and to be issued share capital of Labs. Subject to the completion of the Acquisition, the Company will become the holding company of Labs.

2. Overview of Labs

Labs is a B2B InsurTech business and a wholly owned subsidiary of HomeServe PLC. During 2014-2018, Labs developed and patented the underlying technologies for a propriety leak detection system. The leak detection system is called LeakBot. Labs' primary business is the manufacture (through third party manufacturers) of the LeakBot device and supply (either directly or through third party distributors) of the LeakBot device and the provision of underlying claims mitigation services to its insurer partners. The LeakBot system enables household insurers to mitigate the cost of claims arising due to an escape of water. This is achieved through the installation of patented technology (the **LeakBot system**) at insured households by end insured consumers and the provision of claims mitigation services such as find and fix plumbing repairs and data to assess risk. Insurers in the UK, Denmark, Sweden, Ireland and the US pay Labs for the LeakBot system and derive the benefit of claims mitigation through the prevention of leaks at insured households.

3. The existing Labs' business

Craig Foster originally set up an innovation team for HomeServe PLC group during 2014, designed to incubate a range of new ideas for the group. In the course of exploring various innovation opportunities, during 2014, Labs, in collaboration with SkyRad Limited (details of the research and development agreement is set out at paragraph 19.17 of Part X of this Document), invented and patented a new type of leak detection technology called Thermi-Q, which underlies the LeakBot device. Since 2014 Labs has been operating the LeakBot business. As at the date of this document, Labs has entered into contractual arrangements directly or via its distributor with nine insurer partners to manufacture and supply the LeakBot system. As at the date of the document there are approximately 39,000 registered LeakBot devices (+c.63% growth vs year ago) supplied to partners. The Company is in discussions with eleven potential partners in the UK and US to enter into further partner contracts.

Escape of water claims are one of the number one source of claims in the home insurance industry, costing insurers in Labs' existing markets over \$17 billion annually.

The LeakBot system is a patented water security system that prevents small leaks from turning into insurance claims. The LeakBot is capable of delivering around a 5% improvement in a typical loss ratio. The insurance premium an end consumer pays for home insurance is referred to as Gross Written Premium (**GWP**). An insurer's Loss Ratio is measured as its total claims paid divided by its total GWP and expressed as a percentage. The UK household insurance loss ratio for 2020 was 52.4% meaning that of £4.8 billion of GWP, £2.5 billion in 2020 was paid in claims. In the UK, escape of water (**EOW**) is one of the number one domestic household insurance claims, accounting for circa 30% of home insurance claims paid, with the Directors' estimating that 50-60% of those relate to mains water systems. The LeakBot system is based on award-winning and patented technologies that underpins a solution for accurate home water leak monitoring, reporting and repair response. Labs has

contractual arrangements with nine insurers in the UK, US and target Nordic countries and supplies them with LeakBot devices for their retail clients. Further details of the contractual arrangements with Labs' existing insurer partners are set out in paragraph 19 of Part X of this document.

Labs is now rolling out the LeakBot system internationally with large and deliverable market opportunities in the UK, the US and select Nordic countries. Rapidly accelerating market traction with approximately 39,000 registered devices, +63% growth vs a year ago. Revenue to end of September 2021 was £0.94m with the last 6 months annualised revenue run-rate of £1.2m. The Enlarged Group has entered into contractual arrangements with the following insurers: Covea (UK), Direct Line (UK), Eaton Gate (UK), Hiscox (UK), Mapfre (Ireland and US), SageSure (US) and Topdanmark in the Nordics and is in discussions with twelve further potential partners. EOW claims are the highest as a proportion of total claims, due to high frequency of claims and high average claims value. EOW detection is universally homogeneous albeit with potential regional nuances where further product adaptation may be required but which otherwise creates a cookie-cutter scaling opportunity.

A pipeline of customers underpins the business plan which is expected to deliver revenue and earnings growth over the next four to five years. The Directors believe that the LeakBot system is a strong proposition for insurers as the Directors' are aiming for around a c.60% reduction in mains water claims over the lifetime of a device/customer with a LeakBot properly installed. The LeakBot device has a 4.8/5 Trustpilot review which the Directors believe this validates the offering for end-consumers. The Directors believe that the US will be a key lever of future volumes with c.50% of the Enlarged Group's revenues attributed to this market by 2026.

4. The LeakBot device

The Labs' LeakBot system is a patented water leak detection system. Labs developed this device during 2014 to 2018 and patented the technology underlying the device. Further details of the intellectual property rights owned by Labs as at Admission is set out at paragraph 6 of this Part I.

The Directors believe that the LeakBot device is the first IoT device to make a break-through with multiple European insurer carriers rolling out the system to their customers. Insurers have found that they can integrate the device into their insurance offering at no additional cost to their policyholders with the potential for the deployment to pay back to the insurer within a year.



The Directors believe that Labs' LeakBot device has managed to make a market breakthrough due to the synergy of the following three separate breakthroughs:

Breakthrough 1 – Patented sensor technology

Breakthrough 2 – In home repair service

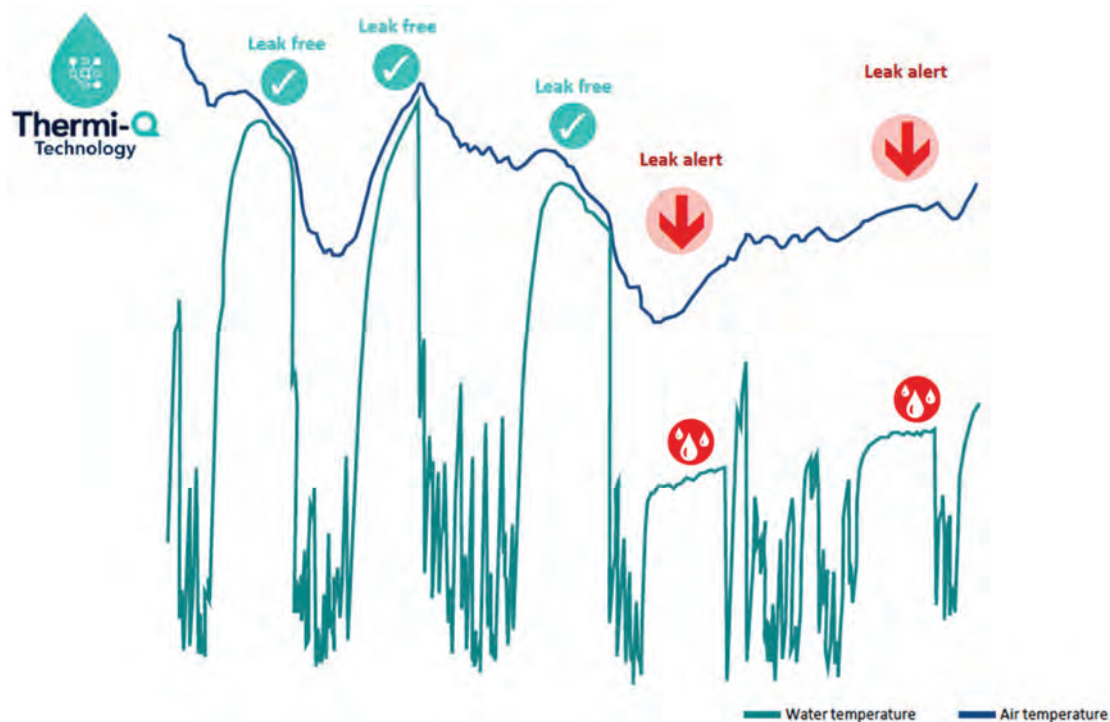
Breakthrough 3 – A go-to-market model that delivers for insurers

Breakthrough 1 – patented sensor technology

The first breakthrough is LeakBot's patented sensor technology. The significance of this is that it is:

- I. **Self-installed by the homeowner.** The LeakBot device clips on to a mains water pipe where the mains water enters the building. 80% of units are self-installed by the homeowner (which continues to improve with customer experience and technology improvements). This single unit can then detect a leak anywhere on a mains water system.
- II. **Low Cost.** The significance of the low cost is that the device can be offered to policyholders for free by insurance companies. When the device is free, 10-50% take up rates in response to a single piece of communication (like an e-mail) are common – enabling a high penetration of a customer base with minimal marketing costs.
- III. **Micro-Leak Sensitivity.** The patented technology can detect micro leaks to 3ml/min catching the root cause of claims.
- IV. **Wi-Fi Connected and Long life.** The device is “Set and forget”, powered by 2AA batteries which will power the unit for several years before they need changing.

Labs' patented Thermi-Q technology accurately measures both the ambient air and mains water temperature. The technology can detect prolonged and consistent drops in temperature indicative of a leak. Leaking pipes stay colder than pipes without a leak. The intelligent algorithm continuously monitors and signals if there is a difference between the pipe water temperature and the air temperature. Post repair, the data will confirm 'no leak' if the two temperature lines close up. Labs' first patent for its Thermi Q technology was granted in October 2017 in the UK with subsequent patents granted in Europe and the USA.



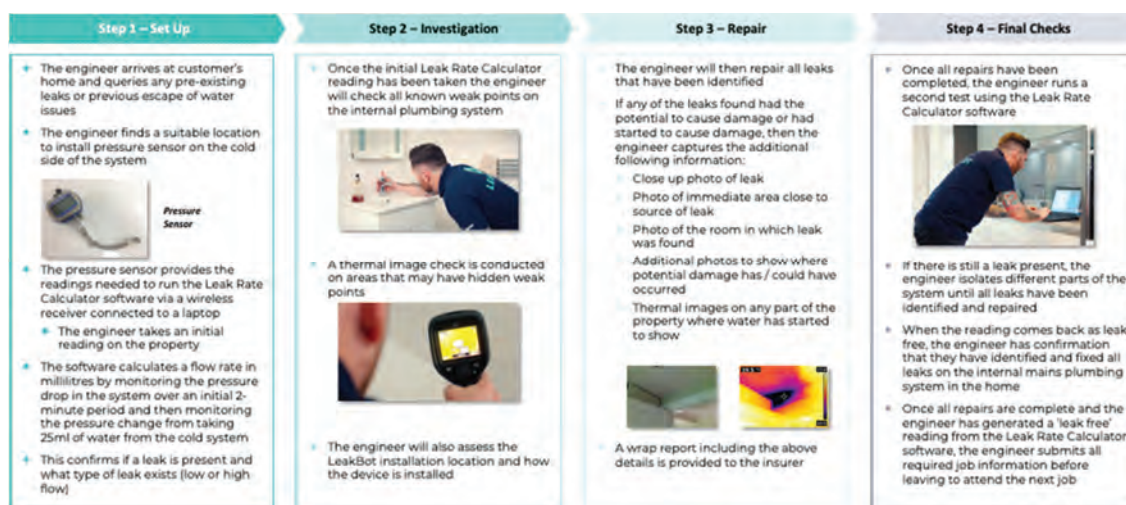
Breakthrough 2 – In home repair service

If the LeakBot device is the sensor in the loss mitigation system, the actuator is actually the deployment of a trained plumbing professional to find and fix the hidden leak.

When the LeakBot device sends an alert to the homeowner approximately 60% of the leaks are fixed by the homeowner. For the remainder, the customer is encouraged (via Labs directly or historically through its distribution partner in the Nordics) to book a free-of-charge leak location and fix visit by a plumber.

Key to being able to efficiently find and fix leaks which are often hidden from view is LeakBot's proprietary Leak Rate Calculator technology. The Leak Rate Calculator technology is used to pressure-test the property on site and determine the flow-rate of the leak. This is then used to ensure that the root cause of the issue has been fixed, giving the underwriting insurer confidence that the property is leak-free. Leak Rate Calculator is also patent protected.

The in-home repair service is summarised below:

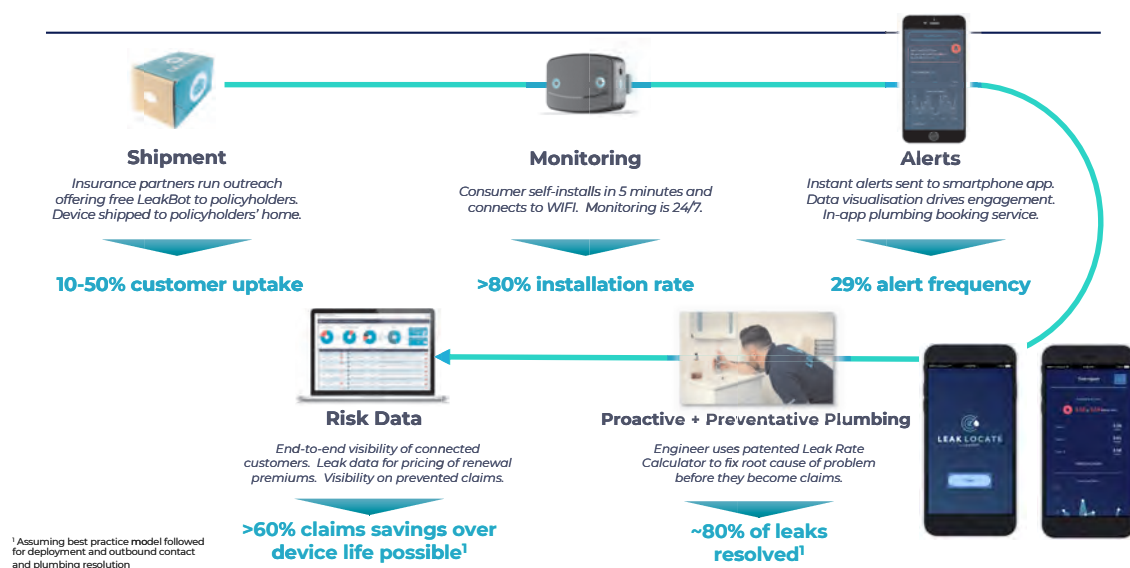


Breakthrough 3 – A go-to-market model that delivers for insurers

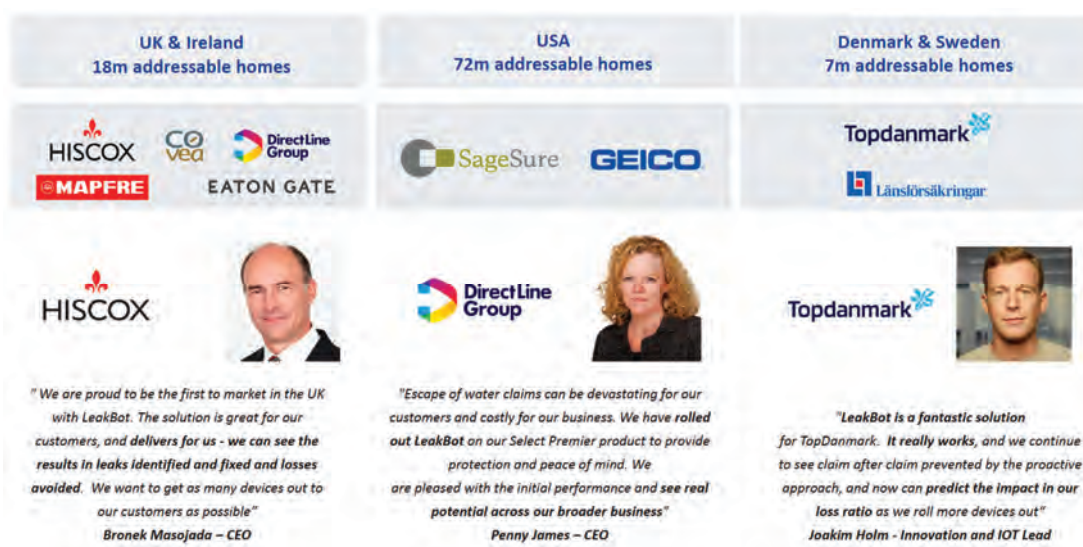
The third break-through is Labs' commercial model and go-to-market strategy that has been proven to work for insurance carriers.

The LeakBot device is usually offered by the insurance carrier free-of-charge to its policyholders. When the device is free, take up is typically 10-50% in response to a single communication, meaning a high proportion of the customer base can be protected with the sensors and high penetration of a customer cohort is easily achievable with negligible marketing costs. On the cohort of customers with a LeakBot properly installed, the Directors aim to deliver around a 60% reduction in mains water claims over the lifetime of a device/customer. Depending on the cohort of policies being targeted, this can equate to around a 5% improvement in the loss ratio for the Company's insurer partners, which the Directors believe may in turn deliver a potential positive net return to the insurance carrier within less than a year.

The market model is summarised below:



This proposition has been tried and tested with nine insurers in three core markets with ongoing discussion with eleven potential partners. As at the date of this documents Labs has entered into contractual arrangements with Covea (UK), Direct Line (UK), Eaton Gate (UK), Hiscox (UK), Mapfre (Ireland and US), SageSure (US) and Topdanmark in the Nordics. The Directors' believe that model where the device and repairs are offered for free to the home insurance policyholder on the basis that there is potential to deliver a net return to the insurer is unique to LeakBot, and as a result the Directors believe that LeakBot is the only IOT leak detection solution in the world that has been included as part of the policy offering as standard with multiple insurers across multiple countries.

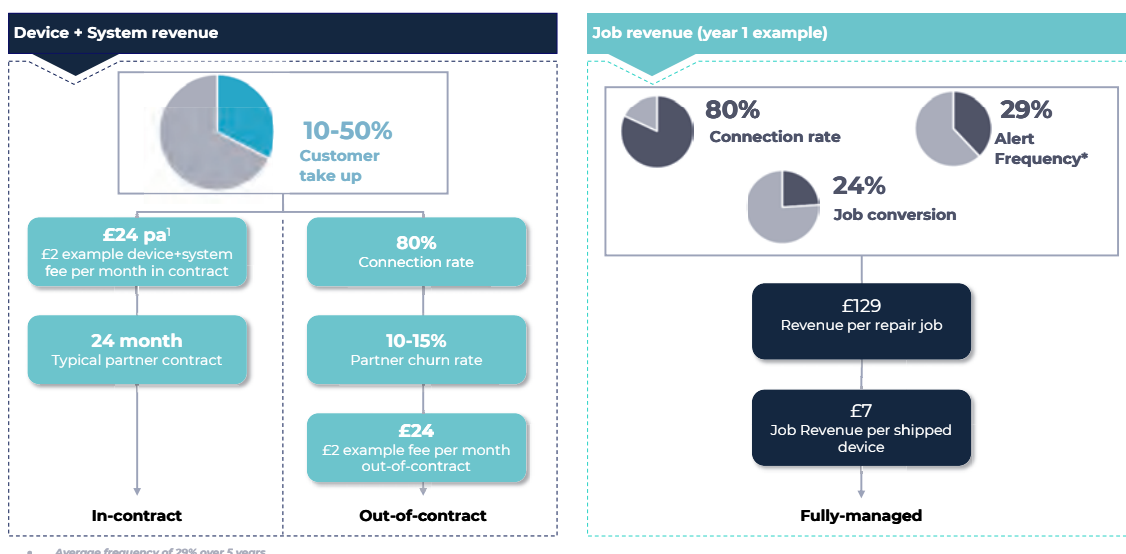


5. Business and Revenue Model

In summary, LeakBot is distributed B2B2C to homeowners via their insurance companies. Insurance carriers typically offer both the device and the service for free to their policyholders, which creates a low CPA distribution channel (usually offered via email). The insurance partners are motivated to do this based on the potential that the cost of the LeakBot technology and services will be less than the resultant claims savings, with additional potential benefits accruing from higher loyalty rates and the ability to use the data to re-price risk at renewal.

LeakBot's revenue model is weighted toward charging for the deployment of technology. This is typically an ongoing recurring fee for every live unit, sometimes combined with an upfront fee for every device shipped. A typical price for the recurring fee might be £2 per month for a minimum of 24 months

(in contract). The fee then recurs beyond 24 months providing the device remains live and the customer is still an active home insurance policyholder of the partners. A typical insurance churn rate is around 10-15% per year. With regards to revenue from jobs, when the repair is attended to by LeakBot's own engineers a fee is charged for each find-and-fix visit. For example, in the UK a typical price would be £129 for a find-and-fix visit where the engineer will attempt to fix as many issues as possible while on site.



6. Intellectual property rights

As at Admission, Labs will own 100% of the intellectual property underlying the LeakBot device. Labs will hold the following intellectual property rights in relation to the LeakBot device:

- **Core LeakBot IP.** Patents relating to the core LeakBot algorithm and leak detection methodology (using temperature);
- **LeakBot Extension IP.** Patents relating to further additions, extensions and improvements on the leak detection;
- **Leak Rate Calculator.** Patent relating to the in-home leak rate calculator (using pressure) to quantify the flow of hidden leaks while on site.

In addition to the patents described above, the LeakBot device design (including the clip) has been registered in the UK, Europe, the US, Canada and Australia and will be held by Labs following Admission and trademarks and logos (Thermi-Q, LeakBot) have been registered in the UK, Europe and the US and will be held by Labs following Admission.

An overview of the intellectual property rights owned and/or held by Labs' as at Admission is set out below:

Overview

- HomeServe Labs holds Intellectual Property (IP) rights in relation to LeakBot:

1

Core LeakBot IP

- Patents relating to the core LeakBot algorithm and leak detection methodology (using temperature)

2

LeakBot Extension IP

- Patents relating to further additions, extensions and improvements on the leak detection

3

Leak Rate Calculator

- Patent relating to the in-home leak rate calculator (using pressure) to quantify the flow of hidden leaks while on site

Registered Design and Trademarks

- In addition to the patents, the LeakBot device design (including the clip) has been registered in the UK, Europe, the US, Canada and Australia,
- Trademarks and logos (Thermi-Q, LeakBot) have been registered in the UK, Europe and the US

Status of Patents

	Core LeakBot IP			LeakBot Extension IP	Leak Rate Calculator
	Phase 1: Initial Patent Registration	Phase 2: New Subject Matter	Invenio IP		
Overview	- LeakBot compares the ambient temperature inside a home to that of the incoming water - The first patent was filed on 7 Jan 2015 and was granted in the UK in October 2017 - In January 2016, a new patent was filed containing new subject matter, with improvements to increase leak detection accuracy	- Additional patents were filed in May 2016 and December 2016 - These included new coding improvements to increase accuracy by handling seasonal fluctuations in weather	- In Dec 2017 a pending patent application was acquired from Invenio - The UK start-up's product uses temperature to detect leaks on external underground supply pipes, aimed at water companies - While the application and addressable market differ, some of the subject matter in the patent is similar to that of LeakBot	- Beyond the core methodology, the technical team have created additional IP to increase the effectiveness of the leak detection system, such as identifying causes of false alarms and alerting to the risk of frozen pipes - Machine Learning leak detection	- The Leak Rate Calculator is a method using a measure of pressure when shutting off the water and releasing a prescribed amount of water - Granted first in the UK in March 2021
Benefits	- Non-invasive, cost effective, self-install device - Creates competitive advantage for LeakBot	- Increase in accuracy - Reduction in false alarms and false positives	- If not purchased, it was likely that LeakBot would infringe on Invenio's patent (which was filed in Feb 2015) - Management's judgement was that by owning both means LeakBot has a robust IP position in this space	Extension of LeakBot's IP ownership to include systems where header tanks are present, where there is a risk of frozen pipes, and to protect a potential move to Machine Learning	- Engineer can quickly test on site that a property is leak free - Without this technique, the end-to-end service proposition does not work
UK	Granted in Oct 2017	Pending	Granted in October 2019	Pending	Granted in March 2021
Europe	Granted in July 2020	Pending	Pending	Pending	Pending
US	Granted in July 2020	Granted in March 2021	Granted in December 2019	Pending	Pending
China	Granted May 2019	n/a	Granted in June 2020	n/a	n/a

7. Market Opportunity and Size

Home insurance is a large market with \$107 billion of Gross Written Premium (**GWP**) in the markets where Labs is already operational. Home insurance is characterised by low levels of product differentiation, and loss ratios are typically high – for example the average home insurance loss ratio in 2020 in the UK was 52.4%. The industry is widely expected to be impacted by a number of broad technological trends such as the Internet of Things (**IOT**), Artificial Intelligence and automation. This is demonstrated by the very large influx of investment into InsurTech. Risk management and claims mitigation is an obvious focus area for investment.

Water damage is one of the number one drivers of homeowner's insurance claims across different geographies

Water damage is one of the number one claims on home insurance and accounts for approximately 30% of claims paid in the UK and USA, two of Labs' target markets. This accounts for over \$17 billion of claims annually across the USA and UK.

Labs has focussed initially on the core markets of UK, USA and the Nordics due to the characterisation of high gross domestic product per capita, similarity of plumbing systems, and high prevalence of houses (as the LeakBot is designed for houses as opposed to apartments). That said, the LeakBot device has broad applicability across the world. The LeakBot device specifically mitigates claims on the mains water system (so excluding damage caused by leaking drains for example). Therefore, the direct addressable market for the LeakBot device in the target countries is \$17bn per annum of claims expenditure that can be prevented by deployments of the LeakBot device.

It is possible this change will create new opportunities for LeakBot in the UK mass market over the coming 24 months.

8. Enlarged Group's Strategy and Products

The insurance sector is on a transition from traditional risk transfer, to a model of sustainable risk reduction. Within that context, Labs has a patented system that reduces the risk of one of the number one perils on home insurance. Labs' mission is to make the LeakBot device the equivalent of a 5-lever door lock – something every home insurer expects every home to have as standard.

The Enlarged Group's long-term strategy is to become the leading cost effective solution for managing Escape of Water risk across North America and Western Europe – and from this defensible foothold, to expand then into other perils through partnerships and acquisitions of complementary products and companies.

The near-term strategy for the Enlarged Group over the next 18 – 24 months is to drive the core business penetration in the UK, USA and Nordics – growing top-line revenue growth to get the business to cashflow breakeven. As at the date of this document, Labs is in discussions with eleven potential partners and expects to launch with several of them in the next twelve months.

The B2B2C proposition, where LeakBot is offered for free to an insurance partner's customer base, is well established and understood. The strategy is to drive the flywheel over the next few years to establish a dominant position in the core target markets.

In the UK the goal is to drive penetration into the customer bases of existing mid to high net worth partnerships like Hiscox, Covea, Direct Line, and Eaton Gate, and then utilising the performance data from this to roll-out into mass market books.

In Denmark and Sweden, the plan is also to build on early success with customers like TopDanmark and drive penetration into their respective customer bases.

In the United States, Labs has completed its first successful deployment of the LeakBot system with SageSure in New Jersey. Labs has signed a second agreement to launch into Massachusetts with Mapfre who are one of the market leading homeowner's insurance providers in that state. This proposition launched in December 2021. The strategy is to build from this foothold, launching successive new partnerships, states-by-state launches and potentially bigger US-wide distribution partnerships.

To execute these strategic choices, Labs will need to expand operations in the target countries, contracting with plumbers (either directly or through third parties) and customer service agents. Labs will need to maintain the current key performance indicators to ensure value creation for insurance partners, ensuring customer take-up, high self-install rates, and high call-out rates to leak alerts.

The team will also need to automate and mature some aspects of the B2B product, automating aspects of customer self-serve, provision of customer data and management information and automating billing.

9. Product Development

The core LeakBot device and the related customer facing app's development has largely been completed. There will continue to be enhancements to improve customer experience such as connection rates by end consumers, plumber booking experience, automating end user enquiries, and automating insurer billing and reporting. In addition, to drive cost savings, it is planned to create an app based version of the leak rate calculator used by plumbers in locating leaks to replace the current PC based version.

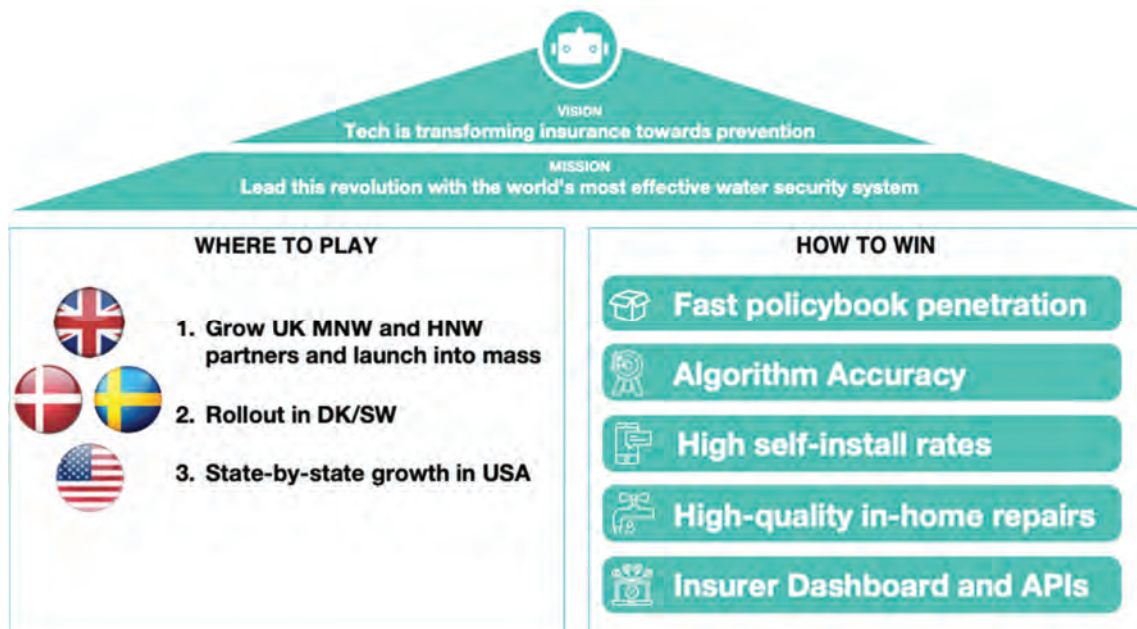
Labs has recently commenced manufacturing of the LeakBot 3.0 device as a successor to the LeakBot 2.6 device. The objectives of this update were to reduce manufacturing cost, increase the unit's Wi-Fi signal strength, added Bluetooth connectivity to increase customer self-connection rates and to facilitate over-air firmware updates. Coinciding with LeakBot 3.0, the app technology was upgraded to improve stability and allow for future customer experience initiatives.

The LeakBot device is designed to be fitted near to the stop-tap on the inside of a property. This device works in existing UK and Nordic territories. In testing in the US this design is also expected to work in

39 of the US states. A new adaptation is currently in development and in testing which can be installed externally where the mains water enters the property and the stop tap is outside of the external walls. This is common in hotter climates, such as US states like Florida and Texas, and southern European countries like Spain and Italy.

It is possible, that as the Enlarged Group enters into new countries other than those it is currently operating, it may discover new regional nuances that require further product adaptation.

Strategy Summary



LeakBot Intended Flywheel for Growth

The Directors believe that if they can consistently deliver on each of the following six value driving elements for insurers, Labs' business will continue to gain momentum:



10. Competitors

Due to the broad market trends in insurance and level of investment into InsurTech, there have been numerous attempted solutions developed to tackle this problem. However, competitor devices tend to work in fundamentally different ways to LeakBot's patent-protected approach, and the Directors believe that none have had the same level of wholesale adoption (included for free, as standard, across a whole brand's portfolio with multiple partners). The Directors believe that the reason for this is that other standard technologies marketed to insurance companies do not have a commercial model that delivers return on investment for insurers on a wide-scale basis.

Competitor solutions tend to focus on two different leak detection methods: (i) moisture sensors or "pucks", and (ii) in-line plumbed-in sensors. There are many examples of moisture sensors on the market and all work in a broadly similar way, with a sensor that connects a circuit if water is discharged immediately on to the unit. The individual units are cheap to manufacture and easy for homeowners to install – placing the unit in a specific spot they imagine to be at risk of damage from an escape of water. However, as escape of water claims are caused by leaks from anywhere across an entire mains water supply around the home, these devices are of limited use in protecting an entire home from leaks – especially when you consider the majority of the internal plumbing is inaccessible behind walls and in ceilings and floors.

The second type of common leak detector are in-line plumbed-in systems. They are often in the region of \$400-750 for the hardware and additionally require a professional installation adding typically \$100-150 to the cost. While these systems offer similar levels of sensitivity to a LeakBot, the cost makes them prohibitively expensive. Therefore any application needs a sufficiently motivated homeowner willing to make an investment in this type of system for a possible discount off their insurance premium that may take time to pay-back.

A third type of technology is less commonly observed, based on ultrasonic sensors. While these devices are attached to the mains water supply and are self-install, they can only detect a very large escape of water of 1-2 litres of water per minute.

In summary, the Directors believe that none of these solutions directly address the problems of insurance carriers in a way that can be rolled out at scale.

Technology	Plumbed in system	Moisture "Pucks"	Ultrasonic	Thermi - Q
Hardware				
Product Example	Flo	Roost	Streamlabs	LeakBot
Cost per unit	High + pro installation	Low	Medium	Lowest
Installation method	Professional Plumber	Self install	Self install	Self install
Sensitivity	<3ml / min	n/a	900 - 1800 ml/min	<3 ml/min
Scope of detection	Mains water	Single point	Mains water	Mains water
Hidden leaks in cavity walls and concealed plumbing?	✓	✗	✓	✓
Connectivity	WiFi	WiFi	WiFi	WiFi
Power	Mains	2x AAA	Mains	2x AA

11. Acquisition of Labs

On 10 December 2021 (and as amended on 28 January 2022, 15 February 2022 and 28 February 2022), the Company entered into a binding sale purchase agreement with the Seller in relation to the acquisition of 100 per cent. of the issued and to be issued share capital of Labs. As at the Last Practicable Date, the Seller holds 31,152,986 A ordinary shares of £1 each and 25,000 B ordinary shares of £1 each, fully paid-up, in Labs.

Completion of the Acquisition was made subject to and conditional upon the satisfaction of certain conditions (such conditions are required to be satisfied by no later than the long stop date of 25 March 2022), including (but not limited to) Re-Admission.

The Company has agreed to acquire the entire issued share capital of Labs for an aggregate consideration of £9,799,548, which shall be split as follows:

- payment to the Seller of £1,599,548 in cash;
- issue and allotment of 13,628,275 and 1,363,392 Consideration Shares to the Seller and Mark Wood respectively at the Fundraise Price, representing an aggregate amount of £1,799,000; and
- granting of secured loan notes of the Buyer with a redemption value equal to £6,401,000.

12. The Placing and Subscription

The Company has raised £3,427,500 (before expenses) by the issue of 28,562,508 Fundraise Shares at the Fundraise Price and by granting 14,281,252 Fundraise Warrants at an exercise price of 25 pence each pursuant to a placing by SI Capital under the Placing Agreement and a private subscription by the Company. The Placing Agreement contains certain warranties given by the Company and the Directors in favour of SI Capital, as to, amongst other things, certain matters relating to the Company and its business.

The Placing Agreement also contains indemnities given by the Company in favour of SI Capital in relation to certain liabilities which they may incur in respect of the Placing. The Placing is conditional, *inter alia*, on:

- a) the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission;
- b) each of the documents to effect the Acquisition being in full force and effect, having become unconditional in all respects (save for any condition in respect of Admission) and not having been terminated in accordance with their terms; and
- c) Admission becoming effective not later than 8:00 a.m. on or around 21 March 2022 (or such later time and/or date as SI Capital and the Company may agree in writing).

The Fundraise and the irrevocable commitments, are conditional upon completion of Admission only.

The Fundraise Shares will rank *pari passu* with the Existing Shares. The Fundraise Shares represent approximately 41.9 per cent. of the Enlarged Share Capital.

Further details of the Fundraise are set out in Part IV of this Document.

13. Use of the proceeds of the Fundraise

The Company expects the net proceeds of the Fundraise after expenses (excluding VAT) to be approximately £3,155,500. The Enlarged Group intends to deploy these proceeds approximately as follows:

- contribution towards Transaction costs – £272,000;
- partner development, onboarding and delivery – £1,207,000;
- IT development and support⁽¹⁾ – £1,100,000;
- general working capital requirements – £848,000.

(1) This includes the costs associated with the running, maintaining and improving the current hardware and software technologies employed by Labs.

14. Lock-In and Orderly Market Arrangements

Immediately following Admission, the Directors on Re-Admission and the Seller will be interested in an aggregate of 20,313,737 Ordinary Shares representing approximately 29.8 per cent. of the Enlarged Share Capital.

The Directors on Re-Admission have entered into lock-in agreements pursuant to which (subject to certain limited exceptions) they have undertaken not to dispose of any interest they hold in Ordinary Shares for 12 months following Admission and thereafter, for a further period of 12 months, only to

effect disposals of their Ordinary Shares through the brokers for the time being of the Company to assist in the maintenance of an orderly market in the Ordinary Shares.

The Existing Directors have entered into lock-in agreements pursuant to which (subject to certain limited exceptions) they have undertaken not to dispose of any interest they hold in Ordinary Shares for 12 months following IPO Admission and thereafter, for a further period of 12 months, only to effect disposals of their Ordinary Shares through the brokers for the time being of the Company to assist in the maintenance of an orderly market in the Ordinary Shares.

Pursuant to the Acquisition Agreement, the Seller has agreed with the Company to not dispose of any of their interests in the ordinary shares of the Company, without the prior written consent of the Company, during the period of 24 months from Admission, save in certain circumstances.

A summary of the principal terms of such agreements are set out in paragraphs 18.1, 18.6, 18.7 and 18.8 of Part X of this Document.

15. Dividend Policy

The Enlarged Group expects to adopt a dividend policy that will ensure that the Enlarged Group retains the flexibility to continue to deploy capital towards profitable growth. The Enlarged Group intends to retain any earnings to expand the growth and development of its business and, therefore, does not anticipate paying dividends in the foreseeable future. There can be no guarantees that the Company will pay future dividends. The determination of the level of future dividends, if any, will depend upon the Enlarged Group's results of operations, financial condition, capital requirements, contractual restrictions, business prospects and any other factors the Board may deem relevant.

16. Working Capital

The Company is of the opinion that the working capital available to the Enlarged Group, including the Net Proceeds, is sufficient for its present requirements, that is for at least 12 months from the date of this Document.

17. Concert Party

Although no individual Shareholder owns or controls the Company, a presumption exists pursuant to the Takeover Code that the founders and pre-IPO shareholders of the Company, being Andrew Morrison, Anthony Harpur, Alan Hume, Robert Evans, Stefania Barbaglio, David Bott and Welbeck Associates Ltd who, together, hold 25.94% of the voting rights attaching to the Ordinary Shares are treated as "acting in concert". Following Admission, the Concert Party will, together, hold 12.27% of the voting rights attaching to the Ordinary Shares in issue at that time.

The members of the Concert Party may not increase their aggregate interests in Ordinary Shares to 30% or more without incurring an obligation under Rule 9 of the Takeover Code to make a general offer.

The Concert Party's interests in Ordinary Shares prior to and following Admission are set out below:

Prior to Admission

Name	Number of shares	Percentage of Issued Capital	Number of options plus warrants	Percentage of diluted capital*
Andrew Morrison	2,150,020	9.50%	1,745,151	14.43%
Anthony Harpur	2,150,020	9.50%	1,413,500	13.21%
Alan Hume	650,020	2.87%	451,895	4.08%
Robert John Evans	250,000	1.10%	234,400	1.80%
Stefania Barbaglio (through Cassiopeia Services Ltd)	370,000	1.63%	310,983	2.52%
David Bott (through EOTR Solutions Limited)	150,000	0.66%	154,448	1.13%
Welbeck Associates Ltd	150,000	0.66%	43,897	0.72%
TOTAL	5,870,060	25.94%	4,354,274	37.89%

* Assuming that only the Concert Party exercises its full subscription rights to options and warrants

Following Admission

Name	Number of shares	Percentage of Issued Capital	Number of options plus warrant	Percentage of diluted capital*
Andrew Morrison	2,970,171	4.36%	925,000	5.49%
Anthony Harpur	3,055,187	4.48%	1,133,333	5.90%
Alan Hume	994,840	1.46%	208,962	1.70%
Robert John Evans	344,400	0.51%	140,000	0.68%
Stefania Barbaglio (through Cassiopeia Services Ltd)	572,333	0.84%	148,175	1.02%
David Bott (through EOTR Solutions Limited)	279,448	0.41%	25,000	0.43%
Welbeck Associates Ltd	150,000	0.22%	43,897	0.27%
TOTAL	8,366,379	12.27%	2,824,367	15.49%

* Assuming that only the Concert Party exercises its full subscription rights to options and warrants

PART II

DIRECTORS AND SENIOR MANAGEMENT ON RE-ADMISSION

1. Directors on Admission

Biographies of the Directors of the Company on Admission are as follows:

Gregory (“Mark”) Mark Wood CBE, Non-Executive Chairman (Aged 68)

Mark Wood is one of the UK’s leading financial figures. He has held several senior positions in global institutions, including Head of Cash Management at Barclays Bank, Chief Executive of Prudential UK and Europe, and CEO of AXA UK. In 2006, with £500m of private equity backing, Mark founded Paternoster, which quickly became the market leader in bulk annuities. A regular media commentator on pensions and insurance, Mark is a Non-Executive Director of the RAC Motoring Services plc. He received an Honorary Doctorate in Business Administration from Anglia Ruskin University in 2010. In 2017, Mark was appointed Commander of the Order of the British Empire in recognition of his outstanding contribution to the British public sector.

Craig Foster, Chief Executive Officer (Aged 42)

Craig Foster is an award-winning corporate entrepreneur and business leader with over 20 years’ experience leading businesses, brands and teams both in the UK and globally. Craig spent 6 years at Procter & Gamble in Brand Management in roles both in the UK and Switzerland, before joining HBOS PLC to lead the marketing of the group’s UK General Insurance brands. At HomeServe, Craig set-up an innovation arm – HomeServe Labs – and it was within this team that LeakBot was developed and launched. In 2017 Craig was awarded the Insurance Times “Tech Champion of the Year” Award in recognition of the breakthrough nature of LeakBot. Craig has a BA Honours degree in Management from the University of Nottingham.

Andrew (“Andy”) John Gowdy Morrison, Non-Executive Director (Aged 61)

Andy Morrison is an established entrepreneur and investor operating in junior public markets since 2007. In 2016, he founded and brought Spinnaker Opportunities PLC to the London Stock Exchange as a cash shell, in a transaction analogous to the listing of the Company. Andy led Spinnaker Opportunities PLC into the reverse take-over of a medicinal cannabis business to form Kanabo Group Plc. The transaction completed in February 2021, achieving multiple returns for fellow investors.

Between 2007 and 2016, Andy learned his trade as hired Chief Executive and/or Board adviser to mostly natural resources companies including Xtract Energy PLC, Silvermere Energy Plc, Zeta Petroleum PLC, Highlands Natural Resources Ltd (now Zoetic International PLC) and Zenith Energy Ltd.

For the first 17 years of his career, Andy worked for Shell in a variety of positions in oil products trading, shipping, marketing and business development. His work in marketing and business development included new market entries in South America and China. In 1999, Andy joined BG Group Plc as a New Ventures Director where he led the creation of a corporate venture to exploit BG’s UK land estate to create an infrastructure business targeting the mobile telecoms sector. In 2005 he joined industrial gases group BOC Group PLC as Group Director of New Business Development, leaving upon its acquisition in 2007.

Andy has a BSc (1st Class) in Chemical Engineering and Fuel Technology from the University of Sheffield, a Diploma in Company Direction from the Institute of Directors and has published several articles in the fields of innovation, venturing and strategic business development.

Stefania Barbaglio, Non-Executive Director (Aged 36)

Stefania Barbaglio is a London-based entrepreneur, business strategist, reputation specialist and well-recognised PR and Investor Relations expert, who has advised a range of private and listed companies across many sectors, focusing on innovation and sustainability. She is the founder and CEO of the boutique Investor & Public Relations agency Cassiopeia Services, and fashion consultancy firm SteffyB.

Stefania is highly experienced in Fintech and new technologies, having led business strategies and marketing activities for a range of ground-breaking projects in the Defi and NFT space. She has also guided various firms in business development, fundraising and organisational dynamics, as well as leading large-scale tech and investment events. Stefania hosts a finance and crypto podcast and is considered one of the top British female opinion leaders in the crypto sphere.

She is also a columnist for the UK online FINANCIAL journal City AM, a keynote speaker at international, and hosts regular symposia for public companies and start-ups: investor presentations and networking evenings in exclusive private venues. She is a fellow and alumna of Oxford University and holds two MAs: International Journalism from Westminster University (UK) and TV Production from IULM University (Italy), as well as ten years' previous experience as a freelance financial journalist and producer for mainstream TV channels including Bloomberg, BBC & leading in-house Investor Relations & PR departments.

2. Senior Management

Biographies of the current members of the senior management team of Labs, who are key to day-to-day management of the Labs are as follows:

Richard Ehlen MSc, ACMA, CGMA, Chief Financial Officer (Aged 44)

Richard Ehlen is a qualified Management Accountant with over 20 years of hands-on experience in many different Finance and Commercial roles at a listed Group level, within individual subsidiaries and within start-ups and newly acquired businesses. Richard qualified as a Management Accountant while working for Severn Trent PLC. In 2011, he joined the Group Finance team at HomeServe plc and has held a number of roles, more recently Finance Director – Checktrade, Chief Financial Officer – Labs and Chief Financial Officer – HomeServe Now. Richard holds a Msc in Strategic Business Management. It is agreed with a member of the Seller's group that Richard Ehlen will continue to support Labs as finance director until the earlier of the start date of a new chief financial officer of the Company or 6 months from completion of the Acquisition.

Nick Lobban, Operations Director (Aged 44)

Nick Lobban is a HomeServe veteran of 20 years having worked in senior product, marketing, business development and operations roles. Nick has deep experience of the home assistance market including plumbing services, affinity partnerships, subscription model value propositions and corporate start-ups. In 2014 Nick joined the new HomeServe innovation arm – HomeServe Labs and was the first person to work on and lead the LeakBot project. Nick has a BA Honours degree in Marketing.

Helen Lonsdale, Client Success Director (Aged 34)

Helen Lonsdale is also a HomeServe veteran having worked in senior product development and account management roles for 12 years. Helen has extended experience of managing B2B partner sales and account management from previous roles at HomeServe. Helen was one of the founding team members in HomeServe Labs and played an early critical role in the product's development, before taking the lead on B2B sales and client management. Helen has a BA (Hons) degree in Sociology from University of Warwick.

3. Corporate Governance

The Board is committed to the maintaining high standards of corporate governance. Save as disclosed in this Document, as at Admission, the Board complies with the QCA Corporate Governance Code and plans to continue to comply with this code and as part of their annual reporting disclose any areas where they do not comply.

The Company will report to the Shareholders on its compliance with the QCA Corporate Governance Code in accordance with the Listing Rules. The QCA Corporate Governance Code recommends that, amongst its other principals, at least half the board of directors of a company, excluding the Chair, should comprise non-executive directors whom the board considers to be independent. At Admission, the Company will comply with the QCA Corporate Governance Code principals save for:

- due to the size of the Company, it has not yet developed a corporate and social responsibility policy, which will be put in place at the appropriate time; and

- as a newly incorporated Company, the Company has not published an annual report and therefore there has been no opportunity to comply with those elements of the QCA Code which relate to disclosure in the annual report. The Board does, however, intend to comply with this element of the QCA Code when it publishes its annual report.

4. Committees

As envisaged by the QCA Corporate Governance Code, the Board has established an Audit and Risk Committee, a Nomination Committee and a Remuneration Committee. If the need should arise, the Board may set up additional committees as appropriate.

Audit and Risk Committee

The audit and risk committee, which, on Admission, will comprise of Andy Morrison (Chair) and Stefania Barbaglio, has the primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Enlarged Group is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Enlarged Group's accounting and internal controls. The committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Enlarged Group is properly monitored and reported. The audit and risk committee will meet not less than three times a year.

Remuneration Committee

The remuneration committee, which, on Admission, will comprise Andy Morrison (Chair) and Stefania Barbaglio, is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Enlarged Group.

Nomination Committee

The nomination committee, which, on Admission, will comprise Stefania Barbaglio (Chair), Mark Wood and Craig Foster, is responsible for matters of nomination and succession of board directors and senior management.

5. Conflicts of Interest

There are no actual or potential conflicts of interest between the duties owed by the Directors, the Senior Managers, or members of any administrative, management or supervisory body of the Company to the Enlarged Group, and the private interests and/or other duties that they may also have.

6. Share Dealing Code

The Company has adopted a code of securities dealings in relation to the Shares, which is based on the requirements of the UK Market Abuse Regulation. The code adopted applies to the Directors and other relevant employees of the Enlarged Group.

7. Bribery Act 2010

The Bribery Act 2010 (**Bribery Act**) which came into force in the UK on 1 July 2011 prescribes criminal offences for individuals and businesses relating to the payment of bribes and, in certain cases, a failure to prevent the payment of bribes. The Company has therefore established procedures and adopted an anti-bribery and corruption policy designed to ensure that no member of the Enlarged Group engages in conduct for which a prosecution under the Bribery Act may result.

PART III

SECTION A: OPERATING AND FINANCIAL REVIEW OF THE COMPANY

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the Company's audited financial information for the period ended 11 May 2021 and the unaudited interim financial information for the period ended 31 August 2021, which are the only relevant periods, and is incorporated by reference in Part VI – Historical Financial Information on the Company” and are prepared in accordance with IFRS. The following discussion should be read in conjunction with the other information in this Document, in particular with the entire “Part XI – Unaudited *pro forma* Financial Information”. This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements starting on page 22. The key risks and uncertainties include but are not limited to those described in the section of this Document entitled “Risk Factors” on pages 11 to 18.

Spinnaker Acquisitions Plc was formed in February 2021 to undertake one or more acquisitions of a minority or majority interest in a company, business or asset. The Company had its Ordinary Shares admitted to the Official List of the FCA on the 28th July 2021. Since listing, the Company has been actively evaluating prospective target companies or projects in the sustainability and/or energy transition sectors.

The Company's efforts in identifying a prospective target company have led to the point of entering into the Acquisition Agreement with the Seller to acquire the entire issued share capital of Labs. The Acquisition constitutes a reverse takeover for the purposes of the Listing Rules. As at Admission, Labs will be a wholly owned subsidiary of the Company.

SECTION B: OPERATING AND FINANCIAL REVIEW OF LABS

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the Labs' audited financial information for the 18 months ended 30 September 2019, the 12 months ended 30 September 2020, and the 12 months ended 30 September 2021, included in "Part VI (B)) – Historical Financial Information on Labs" prepared in accordance with IFRS.

The following discussion should be read in conjunction with the other information in this Document, in particular with the entire Part VI and Part VIII titled "Unaudited *pro forma* Financial Information". This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements starting on page 22. The key risks and uncertainties include but are not limited to those described in the section of this Document entitled "Risk Factors" on pages 11 to 18.

OVERVIEW

Labs was incorporated on 13th March 2013 using the name HomeServe Alliance Limited (08442778) and was controlled by its ultimate parent, HomeServe Plc (02648297), as part of the HomeServe Group. HomeServe Alliance Limited was originally established to test innovative home emergency repairs business solutions and it trialled franchise models which were primarily in the heat and smart installation sector. On 18th March 2016, the Labs' name was changed to HomeServe Labs Limited. The purpose of Labs was to explore new ideas and once proven economically and commercially, bring them to market.

Labs invented the LeakBot device. The LeakBot device is an end-to-end, IoT escape of water claims mitigation solution which addresses the large cost to Insurers of escape of water claims.

Labs currently deploys LeakBot as a B2B solution, the core market is home Insurers, who are offered different packages which includes Leak detection hardware that is self-installed by home insurance Customers, an end-to-end repair service, advanced diagnosis techniques and a suite of management information that allows risk to be assessed.

PRESENTATION OF FINANCIAL INFORMATION

Labs has historically met the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The Historic Financial Information has been presented in accordance with IFRS.

Labs' accounting period ends 30 September each year.

PRINCIPAL FACTORS AFFECTING RESULTS

Labs' financial condition, results of operations and liquidity have been influenced in the periods discussed in the document by the following factors below.

Contracts with Home Insurers

Labs' strategy is to partner with Home Insurers to provide leak detection and repair services to their customers. Revenue is dependent on contracts being signed that provide future revenue streams. Historically, as the LeakBot device has been new technology, Insurers have sometimes tested the products and services using smaller volume pilots rather than full rollout plans, this has affected historic performance due to the size of pilot contracts relative to the contract setup costs. More recently Labs have successfully signed full rollout contracts with several Insurers.

Timing of activity

Labs recognises revenue as its performance obligations are completed, in line with IFRS 15 – Revenue recognition. The performance obligations usually relate to the physical shipping of devices to either

Insurers or their Customers. The timing of Insurers activity to attract Customers to sign up for a LeakBot product influences the recognition of revenue in the Financial Statements.

There are several factors that affect timing including:

- internal agreement and sign-off of marketing material and plan to comply with regulated insurance products/FCA requirements;
- new process development or IT system changes required to execute activity. Changes go through established change processes where they compete against other projects and are scheduled for implementation;
- seasonality or dependencies on other campaigns, events, or activities.

Manufacturing

The cost of manufacturing devices is made up of labour costs, components costs, logistics costs and the manufacturers margin. In addition, historically devices have been manufactured in China and invoiced in USD, therefore, Labs has been exposed to currency fluctuations between anticipated cost when devices are ordered and the spot rate at the point invoices are paid. HomeServe Labs has now moved manufacturing to the UK.

The financial statements have been impacted by changes in component costs during the periods' reported. With all factors considered, the cost of LeakBot devices has dropped in the periods reported.

Cost of Repair Operations

Labs has historically utilised a directly employed engineer workforce via its parent organisation based primarily on a fixed salary cost, covering much of the UK and US. Whilst Labs continued to build scale in its installed volumes, it has historically experienced some operational inefficiency due to the difficulty in predicting the geographical spread of repairs

In the Nordics, a third-party company has historically completed repairs directly for Insurers.

RESULTS OF OPERATIONS – PROFIT AND LOSS ACCOUNT

	12 months ended 30 September 2021 £000 audited	12 months ended 30 September 2020 £000 audited	18 months ended 30 September 2019 £000 audited
Continuing operations			
Revenue	944	283	162
Cost of sales	(390)	(342)	(498)
Gross profit/(loss)	554	(59)	(336)
Other operating Income	–	–	–
Administrative expenses	(4,608)	(5,203)	(4,526)
Operating loss	(4,054)	(5,262)	(4,862)
Exceptional items	–	–	(12,614)
Loss before tax	(4,054)	(5,262)	(17,476)
Tax credit	831	1,254	2,006
Loss for the period	(3,223)	(4,008)	(15,470)

REVENUE

Labs' revenue is generated from a combination of outright devices sales, subscription services and leak repair services. Growth in revenue during the 12 months period ended 30 September 2021 compared to 30 September 2020 was due to new Partnerships, higher volumes of revenue generating devices,

growth in the Nordics market along with the release of deferred income following fulfilment of contractual obligations.

COST OF SALES

Cost of sales comprises of device unit manufacture, storage and shipping cost, and the material cost associated with repair activities. In the periods reported as the business has been in a development/early release phase the cost of directly employed engineers is included in wages and salaries as this team has historically completed a range of different activities such as device behaviour analysis.

Cost of sales at £390,000 for the 12-month period ended 30 September 2021 were higher than the prior 12-month period (£342,000) due to higher levels of device sales and leak repairs.

ADMINISTRATIVE EXPENSES

Administrative expenses include wages and salaries, software maintenance, business development activities, professional services and bad debt provisioning.

The reduction in administrative expenses between the two most recent periods (30 September 2021 & 30 September 2020) was due to a reorganisation in March 2020 as the directors concluded the product development phase was nearing completion, partially offset by a one-off increase in bad debt provision of £281,000 recognised as part of a strategy to enter the Nordics market directly instead of via resellers.

EXCEPTIONAL COSTS

In the period ended 30 September 2019, following completion of the annual budgeting process, an impairment review of Labs' assets was completed. This review concluded that the net assets of the business were impaired, resulting in £12,614,000 of exceptional charges. This conclusion was reached based on a number of factors affecting expected future cash flows including commercial traction, access to investment and the pace of technology change.

The exceptional charge was made up of an impairment of intangible assets of £11,445,000, obsolete stock of £832,000 and an impaired prepayment of £337,000.

TAX CREDIT

Labs has taken advantage of group tax relief due to being part of the HomeServe Group. Qualifying tax losses have been utilised by HomeServe Plc and the benefit passed to Labs.

The reduction in tax credit between the two most recent periods (30 September 2021 & 30 September 2020) was due to a lower operating loss of £4,054,000 (12 months to 30 September 2020: £5,262,000).

BALANCE SHEET

	At 30 September 2021 £000 audited	At 30 September 2020 £000 audited	At 30 September 2019 £000 audited
Fixed Assets			
Intangible assets	—	—	—
	—	—	—
Current assets			
Inventories	11	356	649
Debtors	448	1,466	1,084
	459	1,822	1,733
Total assets	459	1,822	1,733
Current liabilities			
Trade and other payables	(452)	(876)	(1,559)
Bank overdraft	(1,726)	(27,442)	(22,517)
Creditors: Amounts falling due within one year	(2,178)	(28,318)	(24,076)
Net current liabilities	(1,719)	(26,496)	(22,343)
Non-current liabilities			
Deferred tax	—	—	(145)
Creditors: Amounts falling due after more than one year	—	—	(145)
Total liabilities	(2,178)	(28,318)	(24,221)
Net liabilities	(1,719)	(26,496)	(22,488)
Equity			
Share capital	28,250	250	250
Retained deficit	(29,969)	(26,746)	(22,738)
Total equity	(1,719)	(26,496)	(22,488)

FIXED ASSETS

Intangible assets

The directors have assessed that the product development is nearing completion and, therefore, concluded that ongoing changes to the systems and technology should be expensed to the profit and loss as incurred. Therefore, Labs' intangible asset value is £nil on 30 September 2021 (£nil – 30 September 2020).

Fixed assets

Labs has historically operated within the HomeServe Group and has occupied space within HomeServe's premises. Labs' IT infrastructure is cloud based and IT equipment is fully written off. Therefore, the business has not required significant fixed asset investment and the netbook value of fixed assets is £nil on 30 September 2021 (£nil – 30 September 2020).

CASH AND OVERDRAFT

Labs has participated in the HomeServe Group cash pooling arrangements where debit and credit balances are netted off across the Group before bank interest is applied. This cash pooling facility has been used to finance Labs' cash requirements since its incorporation.

During February 2021 HomeServe Assistance, the immediate parent completed a capital restructure to eliminate the overdraft position. Immediately post the completion of this activity the bank balance was £632,000.

INVENTORIES

Inventories are LeakBot units ready for sale and device components procured during or before the manufacture of devices.

At 30 September 2021, inventories of £11,000 were lower than the previous period (30 September 2020 – £356,000) as Labs proactively reduced stock levels in preparation for the release of new version 3.0 of LeakBot.

DEBTORS

Debtors include trade receivables from B2B Partners, net of bad debt provisions, other receivables, principally input VAT recoverable and prepayment and accrued income which relate to IT support paid in advance, income accrued but not yet invoiced and Group tax relief on operating losses.

At 30 September 2021 debtors of £448,000 were lower than the prior period (30 September 2020 – £1,466,000) due to a Group tax relief receivable at 30 September 2020 of £1,131,000 which had been settled by 30 September 2021.

CREDITORS

Creditors include trade creditors and accruals incurred during Labs' operations, amounts owed to members of the HomeServe Group who manage shared services such as payroll and procurement and deferred income where partners pay upfront for products and services, but Labs has not yet recognised revenue as it has not met the criteria set out in IFRS 15 – Revenue Recognition.

Creditors at 30 September 2021 of £452,000 were £424,000 lower than the previous period (30 September 2020) due to timing relating to HomeServe Group company transactions and payables balances. Deferred income of £67,000, was lower than prior year (30 September 2020 – £174,000) due to the company releasing deferred income following the completion of its contractual performance obligations.

PART IV

THE PLACING AND SUBSCRIPTION

1. PLACING AND SUBSCRIPTION

Pursuant to the Fundraise, the 22,208,337 Placing Shares and the 6,354,171 Subscription Shares have been conditionally subscribed for by the Placees and the Subscribers respectively, at the Fundraise Price of £0.12 per Ordinary Share and the 14,281,252 Fundraise Warrants have been conditionally granted to Investors at the exercise price of 25p per Fundraise Warrant, to raise gross proceeds of £3,427,500. After commissions and other estimated fees and expenses in connection with the Fundraise and Admission of approximately £592,000 (exclusive of VAT) of which amount £272,000 remains due and payable from the Fundraise Proceeds, the Net Proceeds are estimated to be £3,155,500.

The Placing Shares, Subscription Shares and Fundraise Warrants have been made available to investment professionals and high net worth, sophisticated and institutional investors in the UK.

In accordance with Listing Rule 14.2, on Admission at least 10 per cent. of the Ordinary Shares will be in public hands (as defined in the Listing Rules).

The Fundraise is conditional only on Admission and all monies paid will be refunded to the applicants if Admission does not occur. All Placees and Subscribers have given an irrevocable commitment to subscribe for their respective portion of the Fundraise Shares, conditional only on Admission.

Completion of the Fundraise will be announced via a regulatory news service on Admission, which is expected to take place at 8.00 a.m. on 21 March 2022.

At the Fundraise Price, the Enlarged Share Capital will have an estimated market capitalisation of £8,180,353 on Admission. The Fundraise shares will be registered with ISIN GB00BNVVG77 and SEDOL code BNVVG77.

2. ADMISSION AND DEALINGS

The Placing is subject to the satisfaction of conditions contained in the Placing Agreement, including Admission occurring on or before 21 March 2022 or such later date as may be agreed by the Company and SI Capital (being not later than 21 April 2022). Further details of the Placing Agreement are set out in paragraph 18.4 of Part X of this document.

The Subscription is subject to and conditional upon Admission occurring on or before 4 April 2022.

Admission is expected to take place and dealings in the Enlarged Share Capital are expected to commence on the London Stock Exchange at 8.00 a.m. on 21 March 2022. If Admission does not proceed, the Fundraising will not proceed and all monies received by the Company will be returned to the relevant applicants.

Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Shares prior to the commencement of unconditional dealings will be on a “when issued basis”, will be of no effect if Admission does not take place, and will be at the sole risk of the parties concerned. No application has been or is currently intended to be made for the Ordinary Shares to be admitted to listing or dealt with on any other stock exchange.

The CREST accounts designated by Placees and Subscribers that have requested delivery of Placing Shares or Subscription Shares in uncertificated form are expected to be credited with the relevant New Shares on the date of Admission. Where applicable, definitive share certificates in respect of the Placing Shares and Subscription Shares of Placees and Subscribers that have requested delivery of Placing Shares and/or Subscription Shares in certificated form are expected to be despatched, by post at the risk of the recipients, to the relevant Placees and Subscribers not later than 4 April 2022. No temporary documents of title will be issued. Prior to the despatch of definitive share certificates in respect of any New Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company.

3. PLACING AND SUBSCRIPTION

The Company and SI Capital have entered into the Placing Agreement pursuant to which SI Capital has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Fundraise Price. The Placing Agreement is conditional on, among other things, Admission occurring on or before 21 March 2022 or such later date as may be agreed by the Company and SI Capital (being not later than 21 April 2022). The Placing Agreement does not include any underwriting obligations.

SI Capital may terminate the Placing Agreement (and the arrangements provided for thereunder) at any time prior to Admission in certain circumstances (including for a material breach of warranty). If this right is exercised, the Placing and these arrangements will lapse and any monies received in respect of the Placing will be returned to applicants without interest by SI Capital. Further details of the Placing Agreement are set out in paragraph 18.4 of Part X of this document.

The Company and the Subscribers have entered into the Subscription Letters pursuant to which the Subscribers have agreed, subject to certain conditions, to subscribe for the Subscription Shares at the Fundraise Price. The Subscription Letters are conditional on Admission and do not include any underwriting obligations.

4. PAYMENT

Each Placee has undertaken to pay the Fundraise Price for the Placing Shares allocated to them in such manner as directed by SI Capital in the Placing Letter. Each Subscriber has undertaken to pay the Fundraise Price for the Subscription Shares allocated to them in accordance with the terms of their Subscription letter. No expenses will be charged by the Company to Placees or Subscribers in connection with the Placing or the Subscription. If Admission does not occur, subscription monies will be returned to applicants, without interest, by SI Capital in the case of Placees and by the Company in the case of Subscribers.

5. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company will apply for the New Shares to be admitted to CREST with effect from Readmission and it is expected that the New Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the Ordinary Shares following Readmission may take place within the CREST system if any investor so wishes. CREST is a voluntary system and investors who wish to receive and retain certificates for their securities will be able to do so. Investors participating in the Placing may elect to receive New Shares in uncertificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

6. SELLING RESTRICTIONS

The Ordinary Shares will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or in the United States. The Placing is being made by means of placing New Shares to certain investors in the UK and elsewhere outside the United States in accordance with Regulations and a private subscription for New Shares.

Certain restrictions that apply to the distribution of this Document and the Ordinary Shares being issued pursuant to the Placing in certain jurisdictions are described in the section headed 'Notice to Investors' of this Document.

7. TRANSFERABILITY

The Company's Existing Shares are, and the New Shares will be, freely transferable and tradable with no restrictions on transfer. On Admission, all Ordinary Shares will be fully paid and free from all liens and from any restriction on the right of transfer.

The Placing and the granting of the Fundraise Warrants connected to the Placing Shares are conditional, *inter alia*, on Admission having become effective on or before 8.00 a.m. on 21 March 2022 (or such later date, not being later than 21 April 2022, as the Company may agree). The Subscription and the granting of the Fundraise Warrants connected to the Subscription Shares are conditional, *inter alia*, on Admission having become effective on or before 8.00 a.m. on 4 April 2022.

PART V

HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

RELEVANT DOCUMENTATION AND INCORPORATION BY REFERENCE

The information below which is incorporated by reference in this Document, is to ensure that Shareholders and others are aware of all information which is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company and the rights attaching to the Ordinary Shares.

CROSS REFERENCE LIST

The Company's audited historical financial information for the period to 11 May 2021.

The page numbers below refer to the relevant pages of the Company's prospectus dated 14 July 2021 which contains the Company's audited historical financial information for the period to 11 May 2021. This Document can be found on the Company's website at: <https://www.spaq.co.uk/prospectus.pdf>.

- Accountant's report on the historical financial information – pages 38 and 39;
- Statement of comprehensive income – page 40;
- Statement of financial position – page 40;
- Statement of cash flows – page 41;
- Statement of changes in equity – page 41; and
- Notes to historical financial information – pages 42 to 44 (inclusive).

Please refer to the Company's unaudited interim financial statements for the period ended 31 August 2021. This document can be found on the Company's website at: <https://www.spaq.co.uk/interimresultsaug2021.pdf>.

- Results for the 2021 interim period – pages 3 to 6;
- Notes to the interim condensed financial statements – pages 7 to 9.

Shareholders may request a hard copy of the financial information from the Company's registered office. Hard copies will be despatched as soon as possible, and in any event, within two business days of a receipt of a request. Shareholders who do not make a request will not be sent hard copies of the financial information.

A Shareholder, person with information rights or other person to whom this Document is sent may request a copy of any of the documents listed above in hard copy form. A hard copy may be obtained by contacting the Company by telephone on +44 7980 878561. The parts of the prospectus that are not incorporated by reference are either not relevant for the investor (pursuant to Prospectus Regulation Rules Article 19.1) or are covered in another part of this Document.

PART VI

SECTION A: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF LABS

PKF Littlejohn LLP

The Directors
Spinnaker Acquisitions Plc
60 Gracechurch Street
London, EC3V 0HR



Accountants &
business advisers

15 March 2022

Dear Directors

LeakBot Limited (“Labs”)

Introduction

We report on the financial information of LeakBot Limited (“Labs”) for the year to 30 September 2021, 30 September 2020 and the 18 months to 30 September 2019, which comprises the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the cash flow statement, and the related notes. This financial information has been prepared for inclusion in the Prospectus of the Spinnaker Acquisitions Plc dated 15 March 2022 on the basis of the accounting policies set out in note 2 to the financial information. The report is required by Annex 1, item 18.3.1 of the PR Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (“IFRS”).

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Save for any responsibility arising under 5.3.2R(2)(f) of the Prospectus Regulation Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, item 1.3 of the PR Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council (“FRC”) in the United Kingdom. We are independent of the Company and LeakBot Limited in accordance with the FRC’s Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that

the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusions relating to going concern

In auditing the financial information, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial information is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Lab'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.

Opinion

In our opinion the financial information set out below gives, for the purposes of the Prospectus dated 15 March 2022, a true and fair view of the state of affairs of Labs as at 30 September 2021, 30 September 2020 and 30 September 2019 and of the results, cash flows and changes in equity for the period then ended in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by Company.

Declaration

For the purposes of Prospectus Regulation Rules 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and we declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and that the report contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1, item 1.2 of the PR Regulation.

Yours faithfully

PKF Littlejohn LLP
15 Westferry Circus
Canary Wharf
London, E14 4HD
Reporting Accountant

SECTION B: HISTORICAL FINANCIAL INFORMATION ON LABS

Statement of Comprehensive Income

		12 months ended 30 September 2021 £000	12 months ended 30 September 2020 £000	18 months ended 30 September 2019 £000
	Note			
Continuing operations				
Revenue	4	944	283	162
Cost of sales		(390)	(342)	(498)
Gross profit/(loss)		554	(59)	(336)
Other operating Income		—	—	—
Administrative expenses		(4,608)	(5,203)	(4,526)
Operating loss		(4,054)	(5,262)	(4,862)
Impairment and write off	7	—	—	(12,614)
Loss before tax		(4,054)	(5,262)	(17,476)
Tax credit	9	831	1,254	2,006
Loss after tax		(3,223)	(4,008)	(15,470)
Other comprehensive income		—	—	—
Total comprehensive (loss) for the period		<u>(3,223)</u>	<u>(4,008)</u>	<u>(15,470)</u>

A statement of comprehensive income is not presented, as there are no movements in other comprehensive income for the period (2020: £nil)

Statement of Financial Position

		At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
	Note			
Non-Current Assets				
Intangible assets	10	–	–	–
Property, plant and equipment	11	–	–	–
Total non-current assets		–	–	–
Current assets				
Inventories	12	11	356	649
Trade and other receivables	13	448	1,466	1,084
Total current assets		459	1,822	1,733
Total assets		<u>459</u>	<u>1,822</u>	<u>1,733</u>
Current liabilities				
Trade and other payables	14	(452)	(876)	(1,559)
Bank overdraft	15	(1,726)	(27,442)	(22,517)
Total current liabilities		<u>(2,178)</u>	<u>(28,318)</u>	<u>(24,076)</u>
Net current liabilities		<u>(1,719)</u>	<u>(26,496)</u>	<u>(22,343)</u>
Non-current liabilities				
Deferred tax	16	–	–	(145)
Total non-current liabilities		–	–	(145)
Total liabilities		<u>(2,178)</u>	<u>(28,318)</u>	<u>(24,221)</u>
Net liabilities		<u>(1,719)</u>	<u>(26,496)</u>	<u>(22,488)</u>
Equity				
Share capital	17	28,250	250	250
Retained deficit		<u>(29,969)</u>	<u>(26,746)</u>	<u>(22,738)</u>
Total equity		<u>(1,719)</u>	<u>(26,496)</u>	<u>(22,488)</u>

Statement of Changes in Equity

Period ended 30 September 2021	Share capital £000	Retained deficit £000	Total equity £000
Balance at 1 October 2020	250	(26,746)	(26,496)
Shares capital issued	28,000	—	28,000
Loss for the period and total comprehensive expense	—	(3,223)	(3,223)
Balance at 30 September 2021	28,250	(29,969)	(1,719)

Period ended 30 September 2020	Share capital £000	Retained deficit £000	Total equity £000
Balance at 1 October 2019	250	(22,738)	(22,488)
Loss for the period and total comprehensive expense	—	(4,008)	(4,008)
Balance at 30 September 2020	250	(26,746)	(26,496)

Period ended 30 September 2019	Share capital £000	Retained deficit £000	Total equity £000
Balance at 1 April 2018	250	(7,268)	(7,018)
Loss for the period and total comprehensive expense	—	(15,470)	(15,470)
Balance at 30 September 2019	250	(22,738)	(22,488)

Cash Flow Statement

		12 months ended 30 September 2021 £000	12 months ended 30 September 2020 £000	18 months ended 30 September 2019 £000
	Note			
Net cash from operating activities	18	(2,284)	(4,925)	(3,554)
Investing activities				
Purchase of Property, plant and equipment		—	—	(1)
Purchase of intangible assets		—	—	(5,000)
Net cash used in investing activities		—	—	(5,001)
Financing activities				
Issue of share capital		28,000	—	—
Net cash generated from financing activities		28,000	—	—
Net movement in cash and cash equivalents		25,716	(4,925)	(8,555)
Cash and cash equivalents at beginning of the period		(27,442)	(22,517)	(13,962)
Cash and cash equivalents at end of the period		<u>(1,726)</u>	<u>(27,442)</u>	<u>(22,517)</u>

Notes to the Accounts

1. General Information

LeakBot Limited (“Labs”) is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is Cable Drive, Walsall, West Midlands, WS2 7BN.

Labs’ principal activities are the provision of domestic leak detection services and technology to the home Insurance Industry and homeowners. Labs also supports innovation activities for members of the HomeServe Group, as well as the development of bespoke software platforms to support its partners.

This financial information is presented in pounds sterling which is the currency used in the primary economic environment in which Labs operates.

2. Significant accounting policies

Basis of preparation

This historical financial information has been prepared for the sole purpose of publication within this Prospectus. It has been prepared in accordance with the requirements of the Prospectus Rule and has been prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006 (“IFRS”) and the policies stated elsewhere within the financial information. The financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The historical financial information is presented in Sterling, which is Lab’s functional and presentational currency and has been prepared under the historical cost convention.

Adoption of new and revised standards and accounting policies

Labs has previously reported under UK Generally Accepted Accounting Principles (“UK GAAP”) and the historical financial information is the first time reporting under IFRS. Labs has applied IFRS 1, First Time Adoption of IFRS, in preparing the historical financial information. As Labs has previously applied FRS 101, the historic accounting policies do not differ significantly from the policies applied in the preparation of the historical financial information and there has been no adjustments as a result of the transition.

The following accounting standards, interpretations and amendments have been adopted in the audited period to 30 September 2021:

Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS7	Interest Rate Benchmark Reform
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS16	COVID-19 Related Rent Concessions
Conceptual Framework	Amendments to References to the Conceptual Framework

None of the items listed above have had any material impact on the amounts reported in this set of financial statements.

The following standards have been issued but are not yet effective or early adopted by Labs as at 30 September 2020:

Standard	Title of change	Effective
Amendments to IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IFRS 3	Business Combinations – reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment	1 January 2022
Amendments to IAS 37	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform – Phase 2	1 January 2022
Amendments to IAS 1 and IAS 8	Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2022

Revenue recognition

Revenue is recognised, net of discounts, VAT, Insurance Premium Tax and other sales related taxes. Labs recognises revenue at the point in time when the contracted performance obligation has been satisfied.

Where a contractual arrangement consists of two or more separate arrangements that can be provided to customers either on a stand-alone basis or as an optional extra, revenue is recognised for each element as if it were an individual contract.

Revenue by category

The following table outlines the principal activities from which Labs derives revenue and how it is recognised:

Revenue Stream	Nature and timing of satisfaction of performance obligations	Significant payment terms
Water leak detection devices	This revenue stream relates to the sale of “LeakBot” device. Revenue from the sale of devices is recognised upon delivery to customers and is net of any agreed refunds or discounts.	Billed and paid over the term of the contract with the relevant third party
Water leak detection subscription	This revenue stream relates to the provision off “LeakBot” devices alongside continual monitoring, intervention and reporting services. Revenue from the sale of this product is recognised as the service is delivered to the customer.	Billed and paid over the term of the contract with the relevant third party
Repair Services	Revenue relating to repairs to fix identified leaks are recognised once the leaks are repairs and the LeakBot devices show a Leak fee status.	Billed monthly dependant on activity
Consultancy Services	Revenue earned on services such as training, software white labelling, bespoke reporting or other contractual services are recognised at the point that the performance obligation is met	Billed at point of service completion

Contract related assets and liabilities

As a result of the contracts which the HomeServe Group enters into with its customers, the following assets and liabilities are recognised on the HomeServe Group’s balance sheet:

- Trade receivables (see financial instruments accounting policies below)
- Accrued and deferred income

Accrued and deferred income

Where payments made are greater than the revenue recognised at the period end date, Labs recognises a deferred income contract liability for this difference. Where payments made are less than the revenue recognised at the period end date, Labs recognises an accrued income contract asset for this difference.

Marketing expense

Costs incurred in respect of marketing activities are charged to the profit and loss in the period in which the related marketing campaign is performed.

Operating profit/(loss)

Operating profit/(loss) is stated after charging all operating costs and crediting all operating income but before other interest receivable and similar income and interest payable and similar charges. Other operating income includes amounts not recognised as income at the initial disposal of investments previously held. Such deferred income is recognised when the Labs' obligations have been fulfilled.

Exceptional items

Exceptional items are those items that, in the judgement of the directors of Labs, need to be disclosed separately by virtue of their nature, size or incidence. Items which may be considered exceptional include, but are not limited to, disposals of businesses or significant assets, business restructurings, significant onerous contracts, asset write-downs/impairments and liability write-backs.

Taxation

The tax credit represents the sum of the tax currently receivable and deferred tax.

Labs has a qualifying group relationship with the HomeServe Group and has elected to offset trading losses against profits of other members of the HomeServe Group, instead of carrying the losses forward. Any tax currently payable is based on taxable profit for the period. Labs' liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Intangible assets

Internally generated intangible assets

Intangible assets comprise the cost of internally developed software. The costs directly associated with the production of internally developed software, including direct and indirect labour cost of development, are capitalised only where it is probable that the software will generate future economic benefits, the cost of the asset can be measured reliably, and the asset is technically feasible.

Once the criteria have been met, the cost is capitalised as an intangible asset on the balance sheet. Development costs, which do not meet the criteria, and research costs are expensed as incurred.

Computer software is stated at cost and amortised on a straight-line basis over their estimated useful lives of 5 years.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any provision of impairment.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method on the following bases:

Computer equipment	3 years
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Impairment of tangible and intangible assets

At each balance sheet date, Labs reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, Labs estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is measured on a first-in, first-out (FIFO) basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow moving or defective items where appropriate.

Financial instruments

Financial assets and financial liabilities are recognised on Labs' balance sheet when Labs becomes a party to the contractual provisions of the instrument. The classification depends on the nature and purpose of the financial assets or liabilities and is determined at the time of initial recognition.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, Fair Value through Other Comprehensive Income (FVTOCI) or Fair Value through Profit or Loss (FVTPL). The classification is based on two criteria:

- 1) Labs' business model for managing the assets; and
- 2) and whether the instruments' contractual cash flows represent "Solely Payments of Principal and Interest" on the principal amount outstanding (the "SPPI criterion").

Receivables and Amounts owed by HomeServe Group undertakings

Receivables and Amounts owed by HomeServe Group undertakings do not carry any interest and are stated at amortised cost, reduced by appropriate allowances for estimated irrecoverable amounts, as the business model of Labs is to collect contractual cash flows and the debt meets the SPPI criterion. They are recognised when Labs' right to consideration is only conditional on the passage of time. Allowances incorporate an expectation of lifetime credit losses from initial recognition and are determined using an expected credit loss approach.

Bank overdraft/Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank overdrafts are part of the HomeServe Group revolving credit arrangement where the overdraft is secured on the cash balance of the other HomeServe Group companies each month.

Creditors

Creditors include amounts owed to third parties and HomeServe Group undertakings. Amounts owed to HomeServe Group undertakings are both interest bearing and non-interest bearing. Amounts owed to third parties and HomeServe Group undertakings that are not interest bearing are stated at amortised cost and are repayable on demand. Amounts owed to HomeServe Group undertakings that are interest bearing are stated at amortised cost.

Equity instruments

Equity instruments issued by Labs are recorded at the proceeds received, net of direct issue costs.

Share-based payments

Labs issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on Labs' estimate of shares that will eventually vest. Labs provides employees with the ability to purchase shares through its One Plan scheme. Since February 2021, for every share purchased, employees will receive one free matching share at the end of the vesting period. Prior to February 2021, for every two shares purchased, employees received one free matching share at the end of the vesting period. Fair value is measured by use of the Black-Scholes model or Monte Carlo simulation models depending on the type of scheme.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

3. Significant judgements and key sources of estimation uncertainty

In the application of Labs' accounting policies, which are described in note 2, the directors of Labs are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing

basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the Financial Information, the Directors made the following judgements **Impairment of net assets**

In each period Labs completes an impairment review and any adjustments are charged to the profit and loss account in that period. Details of the impairments of relevant assets are included in the corresponding notes to the historical financial information, notably Note 10 for the impairment of the intangible assets

4. Revenue

An analysis of Labs' revenue is as follows:

	12 months ended 30 September 2021 £000	12 months ended 30 September 2020 £000	18 months ended 30 September 2019 £000
Water leak detectors	944	283	162
Total	<u>944</u>	<u>283</u>	<u>162</u>

Contract balances

An analysis of Labs' contract balances is as follows:

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
Deferred Income	<u>67</u>	<u>174</u>	<u>145</u>

All contract balances are classified as current. Deferred income contract liabilities principally relate to advance consideration received from customers, for which revenue is recognised as the associated performance obligation is satisfied.

Revenue recognised in 2021 in relation to performance obligations satisfied (or partially satisfied) in previous periods was immaterial.

Significant changes in accrued and deferred income balances during the period were as follows:

	Deferred Income £000
At 1 April 2017 & 1 April 2018	—
Revenue deferred not yet earned	<u>145</u>
At 1 October 2019	145
Revenue recognised from the opening balance	(19)
Revenue deferred not yet earned	<u>48</u>
At 1 October 2020	174
Revenue recognised from the opening balance	(133)
Revenue deferred not yet earned	<u>26</u>
At 30 September 2021	<u>67</u>

5. Business and geographical segments

Labs operates in one business segment and primarily within the United Kingdom.

6. Loss before tax

Loss for the current and prior period has been arrived at after charging:

	12 months ended 30 September 2021 £000	12 months ended 30 September 2020 £000	18 months ended 30 September 2019 £000
Included in operating costs:			
Amortisation of intangible assets	—	—	(571)

Audit fees

The fee payable to Labs' auditor (Deloitte UK) for the audit of Labs' financial statements was as follows:

	12 months ended 30 September 2021 £	12 months ended 30 September 2020 £	18 months ended 30 September 2019 £
Included in operating costs:			
Audit fee	40,000	23,000	41,000

7. Exceptional items

Exceptional costs relate to impairments and write offs, booked to operating costs comprising of the following:

	12 months ended 30 September 2021 £000	12 months ended 30 September 2020 £000	18 months ended 30 September 2019 £000
Included in operating costs:			
Impairment of intangible asset	—	—	11,445
Write off of obsolete LeakBot stock	—	—	832
Write off of prepayment	—	—	337
	—	—	12,614

In the period ended 30 September 2019, following completion of the annual budgeting process, an impairment review of Labs' assets was completed. This review concluded that the net assets of the business were impaired, resulting in £12,614,000 of exceptional charges. This conclusion has been reached based on a number of factors affecting expected future cash flows including commercial traction, access to investment and the pace of technology change. In particular Labs considered the number of customers signed up and the costs incurred to date in developing the intangible assets.

8. Staff costs

	12 months ended 30 September 2021 no	12 months ended 30 September 2020 no	18 months ended 30 September 2019 no
Average number of employees	27	43	44
	£000	£000	£000
Their aggregate remuneration comprised:			
Wages and salaries	2,210	2,587	1,033
Social security costs	245	327	496
Other pension costs	76	82	152
	<u>2,531</u>	<u>2,996</u>	<u>1,681</u>

Director's remuneration is disclosed in note 20.

Labs operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of Labs in funds under the control of trustees. Where there are employees who leave the scheme within two years of joining and they choose to take a refund, the contributions paid by Labs are forfeited by the employee.

The total cost charged to the profit and loss account, and contributions due in respect of the current reporting period that have not been paid over to the schemes are as follows:

	12 months ended 30 September 2021 £000	12 months ended 30 September 2020 £000	18 months ended 30 September 2019 £000
Charged to the profit & loss account	76	82	152
Contributions not yet paid over to the scheme	<u>13</u>	<u>13</u>	<u>22</u>

9. Tax

		12 months ended 30 September 2021 £000	12 months ended 30 September 2020 £000	18 months ended 30 September 2019 £000
Current tax credit		(831)	(1,109)	(1,836)
Deferred tax credit/(charge)	16	<u>–</u>	<u>(145)</u>	<u>(170)</u>
Total tax credit		<u>(831)</u>	<u>(1,254)</u>	<u>(2,006)</u>
UK Corporation tax rate		<u>19%</u>	<u>19%</u>	<u>19%</u>

The credit in the period can be reconciled to the loss per the profit and loss account as follows:

	12 months ended 30 September 2021 £000	12 months ended 30 September 2020 £000	18 months ended 30 September 2019 £000
Loss before tax	(3,771)	(5,262)	(17,476)
Tax at the UK corporation rate of 19% (all periods)	(716)	(1,000)	(3,320)
Tax effect of income that are not deductible in determining taxable loss	(7)	109	1,415
Tax (credit)/charge in respect of prior periods	(108)	(218)	69
Tax credit in respect of deferred taxation due to timing differences	–	(145)	(170)
Tax credit for the period	(831)	(1,254)	(2,006)

The UK Government in its 2021 Budget announced that the main UK corporate rate would be maintained at 19% until 31 March 2023, before being increased to 25% from 1 April 2023. This proposal was substantively enacted on 24 May 2021.

10. Intangible assets – Software

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
At Cost			
Opening balance	12,015	12,015	7,015
Additions	–	–	5,000
Closing balance	12,015	12,015	12,015
Accumulated amortisation			
Opening balance	(571)	(571)	–
Charge for the period	–	–	(571)
Closing balance	(571)	(571)	(571)
Impairment charge			
Opening balance	(11,444)	(11,444)	–
Charge for the period	–	–	(11,444)
Closing balance	(11,444)	(11,444)	(11,444)
Carrying amount	–	–	–

Labs holds assets relating to the development LeakBot leak detection. This was considered to be fully impaired as at 30 September 2019 and, given the significance, has been treated as an exceptional item (see note 7). The reasons for the impairment, as discussed in note 7, relate to the fact that the asset produced did not support the projected cashflows and number of client agreements in place. At the balance sheet date, there are no contractual commitments as all the intangible assets of Labs are internally generated.

The Directors continue to assess the requirement to capitalise future development costs in relation to new and existing products that are commercially viable.

11. Property, plant and equipment – Computer equipment

	At 31 March 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
Cost			
Opening balance	1	1	–
Additions	–	–	1
Closing balance	1	1	1
Accumulated depreciation			
Opening balance	–	–	–
Charge for the period	–	–	–
Closing balance	–	–	–
Impairment charge			
Opening balance	(1)	(1)	–
Charge for the period	–	–	(1)
Closing balance	(1)	(1)	(1)
Carrying amount	–	–	–

At the balance sheet date, there are no contractual commitments for the purchase of property, plant and equipment (2020: £nil).

12. Inventories

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
LeakBot device units	11	356	649

13. Financial Assets

Trade and other receivables

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
Trade receivables	80	131	64
Other receivables	114	79	107
Group relief receivable from other group companies	148	1,131	820
Other amounts receivable from group companies	–	–	1
Prepayments and accrued income	106	125	92
	448	1,466	1,084

The balance of the financial items classified as amortised cost at 30 September 2021 is £342,000 (2020: £1,341,000). No interest is charged on the receivables.

Amounts receivable from group undertakings are repayable on demand, unsecured and not subject to interest.

Trade receivables and accrued income are subject to impairment using the expected credit loss model. Labs applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets. Consequently, the IFRS 9 concept of a significant increase in credit risk is not applicable to Labs' expected credit loss calculations. To assess expected credit losses, balances are either assessed individually or grouped based on similar credit risk characteristics (e.g., type of customer or days past due). Expected losses are then

measured using a provisioning matrix approach adjusted, where applicable, to take into account current macro-economic factors or counterparty specific considerations.

Labs trades only with creditworthy third parties. Labs has provided fully for those balances that it does not expect to recover. This assessment has been undertaken by reviewing the status of all at risk balances in line with the process described above. The directors of Labs believe that there is no further credit provision required in excess of the expected credit loss provision.

The directors of Labs consider that the carrying amount of trade and other receivables approximates to their fair value.

Ageing of past due but not impaired receivables:

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
1-30 days	10	13	64
31-60 days	30	13	—
61-90 days	—	68	—
91 days +	—	—	—
Balance due but not impaired	—	—	—
Current/not yet due	40	37	—
Balance at the end of period	80	131	64

Movement in the allowance for doubtful debts:

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
At beginning of period	15	32	40
Impairment losses recognised	281	—	—
Amounts written off as uncollectible	(3)	—	—
Amounts received during the year	(5)	(17)	(8)
Balance at the end of period	288	15	32

In determining the recoverability of a trade receivable, Labs considers and change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The directors of Labs believe that there is no further credit provision required more than the allowance of doubtful debts.

Ageing of impaired trade receivables

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
1-30 days	128	—	—
31-60 days	20	—	—
61-90 days	20	—	—
91 days +	61	15	32
Current/not yet due	59	—	—
Balance at the end of period	288	15	32

The average age of receivables not impaired in days is:

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
Age of receivables not impaired in days	26	141	122

14. Current Liabilities – Trade and other payables

Creditors: Amounts falling due within one year

	At 31 March 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
Trade creditors and accruals	351	415	1,387
Amounts owed to other Group undertakings	34	287	27
Deferred income	67	174	145
Amounts due within one year	<u>452</u>	<u>876</u>	<u>1,559</u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. Amounts owed to HomeServe Group undertakings are unsecured, not subject to interest and are repayable on demand.

Deferred income represents turnover where an obligation exists to provide future services. An appropriate proportion of monies received in advance are treated as deferred and recognised over the relevant period.

The directors of Labs consider that the carrying amount of trade creditors, accruals, deferred income and other creditors meeting the definition of financial instruments approximates to their fair value.

The average credit period taken for trade purchases is:

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
Trade purchases average credit period	73	41	37

15. Cash in hand and bank/Bank overdraft

Labs participates in the HomeServe Groups cash pooling arrangements. At 31 September 2021 it had a bank overdraft of £1,726,000 (September 2020: £27,442,000, September 2019: £22,517,000).

16. Deferred tax

The following are the major deferred tax liabilities and assets recognised by Labs and movements thereon during the periods

	12 months ended 30 September 2021 £000	12 months ended 30 September 2020 £000	18 months ended 30 September 2019 £000
Opening balance	–	(145)	(315)
Credit/(charge) to income	–	145	170
Closing balance	<u>–</u>	<u>–</u>	<u>(145)</u>

The following is the analysis of the deferred tax balances for financial reporting purposes:

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
Accelerated capital allowances	–	–	(145)

17. Share capital

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
Authorised, issued and fully paid:			
‘A’ ordinary shares of £1 each	28,225	225	225
‘B’ ordinary shares of £1 each	25	25	25

During February 2021 HomeServe Assistance, the immediate parent subscribed to 28,000,000 ‘A’ ordinary £1 shares as part of a capital restructure to eliminate the overdraft position. There are no variations between the rights of the two classes of shares and they carry no right to fixed income. Share capital represents consideration received for the nominal value of £1 per share on all issued and fully paid shares.

18. Note to the cashflow statement

	12 months ended 30 September 2021 £000	12 months ended 30 September 2020 £000	18 months ended 30 September 2019 £000
Loss before tax	(4,054)	(5,262)	(17,476)
Adjustment for:			
Amortisation of intangible assets	–	–	571
Exceptional impairment charges	–	–	12,614
Operating cash flows before movements in working capital	(4,054)	(5,262)	(4,291)
Decrease/(increase) in trade and other receivables	35	(71)	743
Decrease/(increase) in inventories	345	293	(863)
(Decrease)/increase in trade and other payables	(424)	(683)	(357)
Cash (used)/generated from operations	(4,098)	(5,723)	(4,768)
Group tax relief received	1,814	798	1,214
Net cash used in operations	(2,284)	(4,925)	(3,554)

19. Share based payments

During the year ended 30 September 2021, Labs participated in one (2020: one; 2019: one) share-based payment arrangement through its ultimate parent company, HomeServe plc, which are described below:

1) Long Term Incentive Plan (‘LTIP’)

The LTIP provides for the grant of performance, matching and restricted awards. The vesting period is normally three years. Restricted awards are not subject to performance conditions.

For performance and matching awards granted from 2015 onwards, 75% of each award is subject to an Earnings Per Share performance condition and the remaining 25% is subject to comparative Total Shareholder Return performance.

The weighted average share price at the date of exercise for share options exercised during the period was £nil (FYI – there were no exercises in the period). All exercise prices are £nil on LTIPs, weighted average remaining contractual life is 2 years as at 30 September 2021.

	LTIP audited Number
At 1 April 2018	40,504
Granted	10,379
Exercised	(27,142)
At 30 September 2019	23,741
Granted	7,024
Exercised	(13,362)
At 30 September 2020	17,403
Lapsed	(6,323)
Exercised	(4,056)
At 30 September 2021	<u>7,024</u>

II) Save As You Earn Scheme ('SAYE')

The SAYE was open to all UK employees and provides for an exercise price equal to the closing quoted market price on the day before the date of grant, less a discretionary discount. The options can be exercised during a six month period following the completion of either a three or five year savings period. There were no awards made in the period (2020: nil) as the scheme is now closed.

This scheme relates to HomeServe PI only and has no impact on the financial information of Labs.

III) One Plan

One Plan is a share incentive scheme which is available to all employees. For every two partnership shares purchased, participants will receive (or have the right to receive) one free matching share. Matching shares are held in trust for a period of up to three years.

This scheme relates to HomeServe PI only and has no impact on the financial information of Labs.

All of these schemes will end on Admission and replaced by any New Options granted to management and employees

20. Related parties

Ultimate parent company

The immediate parent is HomeServe Assistance Limited. The ultimate parent and controlling party is HomeServe plc, registered in England and Wales. The only group in which the results of LeakBot Limited are consolidated is that headed by HomeServe plc. The consolidated financial statements of the HomeServe Group and the financial statements of Labs are available to the public and may be obtained from Cable Drive, Walsall, WS2 7BN, which is the registered office of both Labs and the ultimate parent company.

Related party transactions

At the period end Labs held the following balances with other HomeServe Group companies:

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
Amounts owed from			
Group Relief receivable from HomeServe Plc	148	1,131	820
Trading balance with HomeServe Membership Ltd	—	—	1
	<u>148</u>	<u>1,131</u>	<u>821</u>
Amounts owed to			
Trading balance with HomeServe Membership Ltd	34	253	—
Trading balance with HomeServe Now Limited	—	33	—
Trading balance with HomeServe USA Corp inc.	—	1	27
	<u>34</u>	<u>287</u>	<u>27</u>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of amounts owed by related parties. The invoices are generated monthly and settled in a 30 day period.

Key management personnel

The remuneration of the directors of Labs, who are the key management personnel of Labs, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures:

	12 months ended 30 September 2021 £000	12 months ended 30 September 2020 £000	18 months ended 30 September 2019 £000
Short-term employee benefits	313	344	390
Post-employment benefits	16	12	9
Share-based payment	25	61	141
	<u>354</u>	<u>417</u>	<u>540</u>

21. Financial instruments

Principal financial Instruments

The principal financial instruments used by Labs from which financial instrument risk arises are as follows:

- bank overdraft
- trade and other payables
- trade and other receivables

All principal financial instruments are stated at amortised cost.

Capital risk management

Labs manages its capital to ensure it is able to continue as a going concern while maximising the return to stakeholders through the appropriate balance of debt and equity. The capital of Labs consists of debt, which includes borrowings, cash, cash equivalents and overdraft facility, and equity attributable to equity holders of the parent comprising issued capital, reserves and retained deficit as disclosed in the Statement of Changes in Equity.

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
Shareholders' deficit	1,719	26,496	22,488
Bank overdraft	1,726	27,442	22,517

Financial risk management objectives

Labs' principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to raise finance for Labs' operations. Labs also has various other financial instruments such as trade receivables and trade payables which arise directly from its operations. Financial risk management is overseen by the board according to objectives, targets and policies set by the board of Labs. Treasury risk management, including management of currency risk, interest rate risk and liquidity risk is carried out by a central HomeServe Group Treasury function in accordance with objectives, targets and policies set by the board of Labs. Treasury is not a profit centre and does not enter into speculative transactions.

Classification of financial instruments

In addition to the other financial assets and liabilities set out above in 'Principal financial Instruments', Labs also has financial liabilities disclosed in note 14. The main risks arising from Labs' financial instruments are credit risk and liquidity risk.

Credit risk

Labs trades only with credit worthy third parties and fellow subsidiary undertakings. It is Labs' policy that customers who wish to trade on credit terms are reviewed for financial stability.

The directors of Labs consider there to be no further credit risk arising from other financial assets of Labs.

Labs has a maximum exposure equal to the carrying amount of the above receivables and instruments.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with Labs' Board which sets a framework for the management of Labs' short, medium and long term funding and liquidity management requirements. Labs, which is a member of the HomeServe plc banking arrangement, manages liquidity risk through HomeServe Plc maintaining adequate reserves and banking facilities and Labs continuously monitoring forecast and actual cash flows.

The maturity profile of Labs' financial liabilities is provided in the following table:

	At 30 September 2021 £000	At 30 September 2020 £000	At 30 September 2019 £000
Bank and other loans			
Between 2 and 12 months	1,726	27,442	22,517
Total	1,726	27,442	22,517
Trade and other payables			
Under 2 months	382	699	1,405
Between 2 and 12 months	67	174	145
Over 12 months	3	3	9
Total	452	876	1,559

22. Events subsequent to period end

On 15th December 2021 Spinnaker Acquisitions plc, announced to the main FTSE that it has conditionally agreed to acquire the entire issued share capital of HomeServe Labs Ltd. At completion the confirmation of financial support provided by HomeServe Plc to the directors will lapse as control cedes.

Immediately prior to completion, the majority of intercompany balances between LeakBot Limited and other HomeServe Group companies were repaid, this included the Group relief receivable, this balance represented the value of tax losses up to and including 31 January 2022.

Following completion, HomeServe Labs employees are unable to participate in share based remuneration schemes provided by HomeServe Plc, these schemes are replaced by new arrangements.

On 31st January 2022 HomeServe Assistance Limited increased its investment in LeakBot Limited by way of a £3.0m capital injection. The purpose of this activity was to eliminate the overdraft position. Immediately after the capital injection the company's bank accounts were removed from the HomeServe Group HSBC cash pooling arrangements.

PART VII

SECTION A: CAPITALISATION AND INDEBTEDNESS OF LABS

The following table shows Labs' capitalisation and indebtedness as at 30 September 2021 and 27 January 2022 respectively and has been extracted without material adjustment from the unaudited interim financial information, as shown in Part VI.

	30 September 2021 (£'000)
Total Current Debt	
Guaranteed	–
Secured	–
Unguaranteed/Unsecured	–
Total Non-Current Debt	
Guaranteed	–
Secured	–
Unguaranteed/Unsecured	–
Total Debt	–
 Shareholder Equity	 (£'000)
Share Capital	28,250
Other Reserves	(29,969)
Total	(1,719)

As at 14 March 2022, being the latest practicable date prior to the publication of this Document, there has been no material change in the capitalisation of Labs since 30 September 2021.

The following table sets out the unaudited net funds of Labs as at 27 January 2022 and has been extracted without material adjustment from the unaudited management information.

	27 January 2022 (£'000)
A. Cash	–
B. Cash equivalent	–
C. Trading securities	–
D. Liquidity (A) + (B) + (C)	–
E. Current financial receivable	220
F. Current bank debt	–
G. Current portion of non-current debt	–
H. Other current financial debt	–
I. Current Financial Debt (F) + (G) + (H)	–
J. Net Current Financial Indebtedness (I) – (E) – (D)	(220)
K. Non-current Bank loans	–
L. Bonds Issued	–
M. Other non-current loans	–
N. Non-current Financial Indebtedness (K) + (L) + (M)	–
O. Net Financial Indebtedness (J) + (N)	(220)

As at 27 January 2022, Labs had no indirect or contingent indebtedness.

As at 14 March 2022, being the latest practicable date prior to the publication of this Document, there has been no material change in the indebtedness of Labs since 27 January 2022.

SECTION B: CAPITALISATION AND INDEBTEDNESS OF THE COMPANY

The following table shows the Company's capitalisation and indebtedness as at 31 August 2021 and 31 December 2021 respectively and has been extracted without material adjustment from the Company's unaudited interim financial statements.

	31 August 2021 (£'000)
Total Current Debt	
Guaranteed	–
Secured	–
Unguaranteed/Unsecured	–
Total Non-Current Debt	
Guaranteed	–
Secured	–
Unguaranteed/Unsecured	–
Total Debt	–
 Shareholder Equity	 (£'000)
Share Capital	1,105
Share premium	991
Other reserves	(141)
Total	1,955

Total shareholder equity does not include the accumulated losses of the Company, as these are not considered to be part of the invested capital of the Company.

As at 14 March 2022, being the latest practicable date prior to the publication of this Document, there has been no material change in the capitalisation of the Company since 31 August 2021.

The following table sets out the unaudited net funds of the Company as at 31 December 2021 and has been extracted without material adjustment from the Company's unaudited management accounts.

	31 December 2021 (£'000)
A. Cash	1,810
B. Cash equivalent	–
C. Trading securities	–
D. Liquidity (A) + (B) + (C)	1,810
E. Current financial receivable	51
F. Current bank debt	–
G. Current portion of non-current debt	–
H. Other current financial debt	–
I. Current Financial Debt (F) + (G) + (H)	–
J. Net Current Financial Indebtedness (I) – (E) – (D)	(1,861)
K. Non-current Bank loans	–
L. Bonds Issued	–
M. Other non-current loans	–
N. Non-current Financial Indebtedness (K) + (L) + (M)	–
O. Net Financial Indebtedness (J) + (N)	(1,861)

As at 31 December 2021, the Company had no indirect or contingent indebtedness.

As at 14 March 2022, being the latest practicable date prior to the publication of this Document, there has been no material change in the indebtedness of the Company since 31 December 2021.

PART VIII

UNAUDITED PRO FORMA FINANCIAL INFORMATION

PKF Littlejohn LLP

The Directors
Spinnaker Acquisitions Plc
60 Gracechurch Street
London, EC3V 0HR



Accountants &
business advisers

15 March 2022

Dear Sirs,

Spinnaker Acquisitions Plc

Introduction

We report on the unaudited *pro forma* statement of net assets and income statement (the “Financial Information”) set out in Part VIII of Spinnaker Acquisitions Plc (the “Company”) prospectus (the “Prospectus”) dated 15 March 2022. This has been prepared on the basis described in the notes, for illustrative purposes only, to provide information about how the acquisition of LeakBot Limited and the Placing of shares might have affected the Financial Information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 August 2021. This report is required by Annex 20, Section 3 of the PR Regulation and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors (the “Directors”) of the Company to prepare the Financial Information in accordance with Annex 20, Section 3 of the PR Regulation.

It is our responsibility to form an opinion, in accordance with Annex 20, Section 3 of the PR Regulation, as to the proper compilation of the Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Regulation Rules 5.3.2R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, Item 1.3 of the PR Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting (SIR) 4000 issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Financial Information with the Directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

- (a) the Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule PRR 5.3.2R(2)(f) we are responsible for this report as part of the Document and we declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Document in compliance with item 1.2 of annex 3 of the Prospectus Regulation.

Yours faithfully

PKF Littlejohn LLP
Reporting accountant

UNAUDITED PROFORMA CONSOLIDATED NET ASSET STATEMENT AND INCOME STATEMENT FOR ENLARGED GROUP

Set out below is an unaudited *pro forma* statement of net assets and income statement (the “Financial Information”) of Spinnaker Acquisitions Plc (“the Company”) and LeakBot Limited (“Labs”) (together “the Enlarged Group”) as at 31 August 2021 and 30 September 2021 respectively. The unaudited Financial Information of the Company and audited financial information of Labs for the periods ending 31 August 2021 and 30 September 2021 has been prepared on the basis set out in the notes below and in accordance with item 18.4.1 of Annex 1 of the PR Regulation to illustrate the impact of the acquisition of LeakBot Limited and the Fundraise Shares as if it had taken place on 23 February 2021. The unaudited Financial Information has been presented on the basis of the accounting policies adopted by the Company to be presented in its next financial statements.

The unaudited Financial Information has been prepared for illustrative purposes only. Due of its nature, the Financial Information addresses a hypothetical situation and, therefore, does not represent the Company’s actual financial position as at 31 August 2021. Such information may not, therefore, give a true picture of the Enlarged Group’s financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future. The unaudited *pro forma* information is based on the unaudited net assets of the Company and Labs for the periods ending 31 August 2021 and 30 September 2021 included by reference and as shown in Part V and Part VI of the Prospectus respectively (Historical Financial Information). No adjustments have been made to take account of trading, expenditure or other movements subsequent to 31 August 2021 & 30 September 2021, being the date of the last published balance sheet of the Company and Labs respectively.

The unaudited *pro forma* information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Prospectus and not rely solely on the summarised financial information contained in this Part.

Unaudited pro forma statement of net assets at 31 August 2021

	The Company Net assets as at 31 August 2021 (Note 1) £'000	LeakBot Limited Net assets as at 30 September 2021 (Note 2) £'000	Acquisition Adjustment (Note 3) £'000	Issue of Fundraise Shares net of costs (Note 4) (Note 3) £'000	Unaudited pro forma net assets of the Enlarged Group £'000
Assets					
Non-current assets					
Goodwill	–	–	10,351	–	10,351
Current assets					
Cash	1,964	–	(1,864)	2,835	2,935
Inventories	–	11	–	–	11
Trade and other receivables	14	448	–	–	462
Total assets	1,978	459	8,487	2,835	13,759
Liabilities					
Non-current liabilities					
Loan notes	–	–	6,594	–	6,594
Current liabilities					
Bank overdraft	–	1,726	–	–	1,726
Trade and other payables	24	452	–	–	476
Total liabilities	24	2,178	6,594	–	8,796
Total assets less total liabilities	1,954	(1,719)	1,893	2,835	4,936

Notes

The *pro forma* statement of net assets has been prepared on the following basis:

1. The unaudited net assets of the Company as at 31 August 2021 have been extracted without adjustment from the interim financial statements which is included by reference in Part V of this document.
2. The net assets of LeakBot Limited for the twelve months to 30 September 2021 have been extracted without adjustment from the audited Financial Statements included in Part VI Section B of this document.
3. A *pro forma* adjustment has been made to reflect the initial accounting for the acquisition of Labs by the Company, being the elimination of the investment in Labs against the non-monetary assets acquired and recognition of goodwill. The Company will need to determine the fair value of the net assets acquired pursuant to the proposed acquisition within 12 months of the acquisition date in accordance with IFRS 3. This process, known as a Purchase Price Allocation exercise may result in reduction of goodwill, which may be material. The Purchase Price Allocation process will require a valuation of identifiable intangible assets acquired. The approach adopted by the Directors of the Company is permissible and appropriate.
4. An adjustment has been made to reflect the proceeds of a placing of 28,562,508 Fundraise Shares of the Company at an issue price of £0.12 per Ordinary Share net of an adjustment to reflect the payment in cash of admission costs estimated at approximately £592,000 inclusive of any non-recoverable sales taxes.
5. No adjustments have been made to reflect the trading or other transactions, other than described above of:
 - i the Company since 31 August 2021;
 - ii LeakBot Limited since 30 September 2021;
6. The *pro forma* statement of net assets does not constitute financial statements.
7. With respect to the adjustments to the unaudited *pro forma* Statement of net assets, none of the adjustments will have a continuing impact on the Company.

Unaudited pro forma statement of comprehensive income at 31 August 2021

	The Company Income statement for the period to 31 August 2021 (Note 1) £'000	LeakBot Limited Income statement for twelve months to 30 September 2021 (Note 2) £'000	Adjustment Placing costs (Note 3) £'000	Unaudited pro forma adjusted income statement of the Enlarged Group on Admission £'000
Revenue	–	944	–	944
Cost of sales	–	(390)	–	(390)
Gross profit	–	554	–	554
Administration expenses	(186)	(4,608)	–	(4,794)
Placing costs	–	–	(592)	(592)
Operating loss	(186)	(4,054)	(592)	(4,832)
Finance income/(cost)	–	–	–	–
Loss before tax	(186)	(4,054)	(592)	(4,832)
Tax	–	831	–	831
Loss from continuing operations	(186)	(3,223)	(592)	(4,001)
Other comprehensive income				
Fair value movement on available for sale financial asset	–	–	–	–
Total comprehensive loss for the period	(186)	(3,223)	(592)	(4,001)

Notes

The *pro forma* statement of net assets has been prepared on the following basis:

1. The unaudited income statement of the Company for the period to 31 August 2021 have been extracted without adjustment from the interim Financial Information to which is incorporated by reference in Part V of this document.
2. The audited income statement of LeakBot Limited of the twelve months to 30 September 2021 have been extracted without adjustment from the Historic Financial Information which is set out in Part VI Section B of this document.
3. An adjustment has been made to reflect the payment in cash of admission costs of approximately £592,000 inclusive of any non-recoverable sales taxes. The adjustment is a one-off adjustment and does not have an ongoing impact on the enlarged group.
4. No adjustments have been made to reflect the trading or other transactions of the enlarged group since 31 August 2021 and 30 September 2021 respectively.

PART IX

TAXATION

1. United Kingdom Taxation

The comments set out below are based on current UK tax law and what is understood to be current HMRC published practice which are subject to change at any time (potentially with retrospective effect). They are intended as a general guide only and apply only to Shareholders who are resident and domiciled (in the case of individuals) and resident (in the case of companies) in (and only in) the UK (except to the extent that specific reference is made to Shareholders resident outside the UK), who hold their Ordinary Shares as investments (other than under an individual savings account ("ISA") only and not as securities to be realised in the course of a trade, and who are the absolute beneficial owners of those Ordinary Shares and any dividends paid thereon.

It is not intended to be, nor should it be construed as legal or tax advice.

The comments set out below are a summary only to certain aspects of tax in the UK and do not deal with the position of certain classes of Shareholders, such as dealers in securities, broker dealers, insurance companies, collective investment schemes or Shareholders who have or are deemed to have acquired their Ordinary Shares by virtue of an office or employment. Shareholders who are in doubt as to their position or who are subject to tax in any jurisdiction other than the UK should consult their own professional advisers immediately.

The tax legislation of the investor's Member State and of the issuer's country of incorporation, being the United Kingdom, may have an impact on the income received from the Ordinary Shares. Prospective investors should consult their own independent professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

2. Taxation of dividends

The Company will not be required to withhold tax at source on any dividends it pays to its Shareholders.

Dividends paid on the Ordinary Shares to individuals resident in the UK for taxation purposes or who carry on a trade, profession or vocation in the UK through a branch or agency and who hold Ordinary Shares for the purposes of such trade, profession or vocation, or for such branch or agency, may be liable to income tax. Each individual has a tax-free dividend allowance which exempts the first £2,000 ("Nil Rate Amount") of dividend income in the 2021-22 tax year. Dividend income in excess of the tax-free allowance will be liable to income tax in the hands of individuals at the rate of 7.5 per cent. to the extent that it is within the basic rate band, 32.5 per cent. to the extent that it is within the higher rate band and 38.1 per cent. to the extent it is within the additional rate band.

From 6 April 2022 dividend rates applicable to individuals will increase by 1.25%, dividends falling within the basic rate band, higher rate band and additional rate band will be taxed at 8.75%, 33.75% and 39.35% respectively. The dividend trust rates will also be increased to 39.35% from 6 April 2022 to remain in line with the additional rate.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits – and will therefore impact on the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

Dividends paid on the Ordinary Shares to UK resident corporate Shareholders will generally (subject to anti-avoidance rules) fall within one or more of the classes of dividend qualifying for exemption from corporation tax. Shareholders within the charge to corporation tax are advised to consult their independent professional tax advisers in relation to the implications of the legislation.

Non-UK resident Shareholders may also be subject to tax on dividend income under any law to which they are subject outside the UK. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

3. Disposals of Ordinary Shares

A disposal of Ordinary Shares by a Shareholder (other than those holding Ordinary Shares as dealing stock, who are subject to separate rules) who is resident in the UK for tax purposes or who is not so resident in the UK but carries on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation, depending on the Shareholder's circumstances and subject to any available exemption or relief.

Such an individual Shareholder who is subject to UK income tax at the higher or additional rate will be liable to UK capital gains tax on the amount of any chargeable gain realised by a disposal of Ordinary Shares at the rate of 20 per cent.

Such an individual Shareholder who is subject to income tax at the basic rate only should only be liable to capital gains tax on the chargeable gain up to the unused amount of the Shareholder's basic rate band at the rate of 10 per cent. and at a rate of 20 per cent. on the gains above the basic rate band.

Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which presently exempts the first £12,300 of gains from tax for the tax year 2021-22).

For such Shareholders that are bodies corporate they will generally be subject to corporation tax (rather than capital gains tax) at a rate of 19 per cent. on any chargeable gain realised on a disposal of Ordinary Shares.

From 1 April 2023, the corporation tax main rate will be increased to 25% applying to profits over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

4. Inheritance tax

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold shares in the Company bringing them within the charge to inheritance tax. Holders of shares in the Company should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any shares in the Company through such a company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

5. Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The statements in this section relating to Stamp Duty and SDRT apply to any Shareholders irrespective of their residence, summarise the current position and are intended as a general guide only to Stamp Duty and SDRT. They do not apply to certain categories of person who are not liable to Stamp Duty or SDRT or to persons connected with depository arrangements or clearance services, who may be liable at a higher rate. Special rules apply to agreements made by, amongst others, intermediaries, broker dealers and market makers in the ordinary course of their business.

Issue of Ordinary Shares

No UK Stamp Duty or SDRT will be payable on the issue of Ordinary Shares, other than as explained below.

Transfer of certificated Ordinary Shares

The transfer on sale of Ordinary Shares will generally be liable to *ad valorem* Stamp Duty at the rate of 0.5 per cent. (rounded up to the nearest multiple of £5) of the amount or value of the consideration paid. An exemption from Stamp Duty will be available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the Stamp Duty. An unconditional agreement to transfer such shares will be generally liable to SDRT, at the rate of 0.5 per cent. of the consideration paid, but such liability will be cancelled or a right to a repayment in respect of the SDRT liability will arise if the agreement is completed by a duly stamped transfer within six years of the agreement having become unconditional. SDRT is the liability of the purchaser.

Ordinary Shares transferred through CREST

Paperless transfers of shares within the CREST system are generally liable to SDRT (at a rate of 0.5 per cent. of the amount or value of the consideration payable) rather than Stamp Duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected by CREST. Deposits of shares into CREST will not generally be subject to SDRT unless the transfer into CREST is itself for consideration.

PART X

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Existing Directors and the Proposed Directors, whose names appear on page 25, and the Company accept responsibility for the information contained in this Document. To the best of their knowledge, the information contained in this Document is in accordance with the facts and the Document makes no omission likely to affect its import.

2. INCORPORATION AND STATUS OF THE COMPANY

- 2.1 As at the date of this document, the legal and commercial name of the issuer is Spinnaker Acquisitions plc.
- 2.2 The Company was incorporated under the Act as a private limited company and an indefinite life under the laws of England and Wales on 23 February 2021 with registered number 13218816 and the name Spinnaker Acquisitions Limited.
- 2.3 On 12 May 2021, the Company was re-registered as a public limited company under section 90 of the Act with the name Spinnaker Acquisitions Plc.
- 2.4 The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares have been created, is the Companies Act and the regulations made thereunder. On incorporation, the Company adopted the Articles. The Company is duly authorised and operates in conformity with its Articles and the laws of England and Wales.
- 2.5 The Company's registered office and principal place of business/operations is at 60 Gracechurch Street, London, EC3V 0HR. The Company's telephone number is +44 7980 878561. The Company's website is www.ondopl.com. Information that is on the Company's website does not form part of the prospectus unless that information is incorporated by reference to this prospectus.
- 2.6 The Company is not regulated by the FCA or any financial services or other regulator. The Company is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the FCA), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.
- 2.7 The Company is duly authorised and has complied with all relevant statutory consents in relation to its eligibility for the proposed Admission.

3. THE ENLARGED GROUP

- 3.1 As at the Last Practicable Date, the Company did not have any subsidiaries.
- 3.2 On completion of the Acquisition that is subject to and conditional upon Admission, the Company shall have the following subsidiary, being:

Name of Subsidiary	Place of Incorporation	Ownership
LeakBot Limited	England and Wales	100%

4. SHARE CAPITAL

- 4.1 The Ordinary Shares are currently listed on the Standard Segment of the Official List and admitted to trading on the Main Market of the London Stock Exchange.

- 4.2 The following table shows the issued and fully paid up share capital of the Company as at the date of this Document and as it will be immediately following Admission:

	Number of Ordinary Shares in issue and credited as fully paid	Credited as fully paid up amount (£)
As at the date of this Document:	22,630,060	£1,131,503.00
As at Admission:	68,169,612	£3,408,480.58

- 4.3 The issue of the New Shares will result in the Existing Shares being diluted as to constitute approximately 33.2 per cent. of the Enlarged Share Capital.
- 4.4 The Company was incorporated with a share capital of £3 divided into 3 Ordinary Shares with a nominal value of £1 each.
- 4.5 Pursuant to a resolution of Shareholders passed on 18 March 2021, each Ordinary Share of £1.00 each in the Company was sub-divided into 20 Ordinary Shares of £0.05 each. Immediately following the sub-division, the Company had a total of 60 Ordinary Shares in issue.
- 4.6 The table below sets out the number of Ordinary Shares issued by the Company since its incorporation and prior to the date of this Document:

Date	Description	No. of Ordinary Shares	Subscription price paid per Ordinary Share	Total number of Ordinary Shares
13 April 2021	Allotment	1,300,000	£0.05	1,300,060
28 July 2021	IPO Admission	20,810,000	£0.10	22,110,060
10 September 2021	Allotment	520,000	£0.125	22,630,060

- 4.7 On 14 March 2022, the board of directors passed resolutions to approve, subject to and conditional upon Re-Admission:
- 4.7.1 the Company shall allot and issue a total of 28,562,508 Fundraise Shares to investors at the Fundraise Price;
- 4.7.2 the Company shall allot and issue a total of 14,991,667 Consideration Shares to the Seller and Mark Wood, such shares being issued at the Fundraise Price;
- 4.7.3 the Company agreed to grant 5,892,619 new Options to certain members of management and employees of the Enlarged Group. Further details are set out in Paragraphs 5.4 and 5.5 of this Part X; and
- 4.7.4 the Company shall grant 14,281,252 Fundraise Warrants and 800,000 RTO Broker Warrants to subscribe for new Ordinary Shares in the capital of the Company to Investors and the Broker respectively. Further details are set out in Paragraphs 18.10 and 18.13 of this Part.
- 4.8 Saved as disclosed in this Document, as at the Last Practicable Date:
- 4.8.1 no issued Ordinary Shares of the Company are under option or have been agreed conditionally or unconditionally to be put under option;
- 4.8.2 no Ordinary Share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
- 4.8.3 no commission, discount, brokerage or any other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the Ordinary Share or loan capital of the Company;

- 4.8.4 no persons have preferential subscription rights in respect of any Ordinary Share or loan capital of the Company or any subsidiary;
- 4.8.5 no amount or benefit has been paid or is to be paid or given to any promoter of the Company; and
- 4.8.6 the Company will have no short, medium or long-term indebtedness.
- 4.9 Application will be made for the Enlarged Share Capital to be admitted to the Official List, by way of a Standard Listing, and to trading on the London Stock Exchange's Main Market for listed securities. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules. It should be noted that the FCA will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules that the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.
- 4.10 The New Shares will on Admission rank *pari passu* in all respects with the Existing Shares, including the rights of dividends or other distributions hereafter declared, paid or made on the Ordinary Shares.
- 4.11 Subject to the provisions of the Articles below, the Ordinary Shares are freely transferable and there are no restrictions on transfers.

5. WARRANTS AND OPTIONS

- 5.1 As at the date of this Document, the Company has granted the following warrants over Ordinary Shares which remain unexercised and the key terms of such warrants are briefly summarised in the table below.

Warrant Type	Number of Warrants	Exercise Price	Exercise Period
IPO Investor Warrants	10,405,000	£0.20	Fourth anniversary of IPO Admission
IPO Broker Warrants	500,000	£0.10	Third anniversary of IPO Admission
New NED Warrants	260,000	£0.20	Fourth anniversary of IPO Admission
Total:	11,165,000		

- 5.2 The warrants described in the table at Paragraph 5.1 of this Part were granted by the Company pursuant to certain warrant instruments, the terms of which are described at Paragraphs 18.9, 18.11 and 18.12 of this Part.
- 5.3 The table below sets out the warrants to be issued on Admission. Further details of the warrants are set out in Paragraphs 18.10 and 18.13 of this Part.

Warrant Type	Number of Warrants on Admission	Exercise Price	Exercise Period
RTO Broker Warrants	800,000	£0.12	Third anniversary of Admission
Fundraise Warrants	14,281,252	£0.25	Third anniversary of Admission
Total:	15,081,252		

- 5.4 As at the date of this Document, all Unapproved Options granted by the Company have been issued under individual option grants and the following Unapproved Options remain unexercised:

Name of Option Holder	Number of Options	Date of Vesting Grant Conditions	Exercise Date of Expiry Price
Andy Morrison	820,151	Date of IPO Admission	– 3 years from the date of IPO Admission £0.10
Tony Harpur	488,500	Date of IPO Admission	– 3 years from the date of IPO Admission £0.10
Alan Hume	276,895	Date of IPO Admission	– 3 years from the date of IPO Admission £0.10
Robert John Evans	159,400	Date of IPO Admission	– 3 years from the date of IPO Admission £0.10
Stefania Barbaglio	175,983	Date of IPO Admission	– 3 years from the date of IPO Admission £0.10
David Bott	129,448	Date of IPO Admission	– 3 years from the date of IPO Admission £0.10
Welbeck Associates Ltd	18,897	Date of IPO Admission	– 3 years from the date of IPO Admission £0.10
Open Source Capital Limited	94,487	Date of IPO Admission	– 3 years from the date of IPO Admission £0.10
David Little	47,244	Date of IPO Admission	– 3 years from the date of IPO Admission £0.10
Craig Foster	653,333	7 March 2022 Subject to and conditional upon Re-Admission, vesting on a monthly basis, starting on 1 June 2022 and ending on 1 March 2026	7 March 2027 £0.12

Total: 2,864,399

- 5.5 As at the date of this Document, the Company has granted the below EMI Options to employees of the Enlarged Group, under individual option grants. Subject to and conditional upon Admission, the £0.05 EMI Options and £0.12 EMI Options will start vesting on a monthly basis from 1 June 2022 over a period of 2 years and 4 years respectively.

EMI Option Holder	Number of EMI Options	Date of Vesting Grant	Date of Expiry	Exercise Price
Labs' Employees ⁽¹⁾	1,864,520	7 March 2022	7 March 2027	£0.05
Labs' Employees ⁽¹⁾	1,708,099	7 March 2022	7 March 2027	£0.12
Craig Foster	1,666,667	7 March 2022	7 March 2027	£0.12
Total:	<u>5,239,286</u>			

- (1) No Labs' Employees will individually hold more than 3 per cent. of the Company if they were to exercise their respective allocation of EMI Options on Admission.

- 5.6 The Company has received exercise notices from the below option holders, confirming the exercise of their options subject to and conditional upon Admission. 1,660,478 of these options are being exercised in lieu of the success fee arrangement between the Company, Existing Directors and certain advisers to the Company:

Name of Option Holder	Number of Options exercised	Exercise Price
Andy Morrison	820,151	£0.10
Tony Harpur	488,500	£0.10
Alan Hume	276,895	£0.10
Robert John Evans	94,400	£0.10
Stefania Barbaglio	175,983	£0.10
David Bott	129,448	£0.10
Total:	1,985,377	

- 5.7 The Directors are authorised to issue Options over New Shares to certain key individuals up to 10 per cent. in aggregate of the issued share capital of the Company from time to time.

6. AUTHORITIES RELATING TO THE ORDINARY SHARES

At a general meeting of the Company held on 6 January 2022 at which the following resolutions relating to the share capital of the Company were passed:

- 6.1 **Resolution 1.** THAT, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, the Directors be generally and unconditionally authorised pursuant to section 551 of the Act, to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares and rights to subscribe for or to convert any security into shares of the Company being relevant securities) up to an maximum aggregate nominal amount of £8,068,800.30, calculated as follows:
- up to a nominal value of £6,000,000, in respect of up to 120,000,000 ordinary shares in the Company to be issued in connection with the Acquisition and the Fundraising;
 - up to a nominal value of £110,550.30 in connection with the exercise of rights pursuant to existing valid options over a total of 2,211,006 ordinary shares in the Company granted to certain Directors, management, advisers and consultants of the Company;
 - up to a nominal value of £400,000, in respect of up to 8,000,000 ordinary shares in the Company in respect of the grant of options over shares in the Company to directors, advisers, employees and management of the Enlarged Group in connection with and conditional upon completion of the Transaction, provided that authority to allot shares pursuant to this authority shall be limited to such amount as to ensure that the Company does not allot shares that represent more than 10 per cent. of the issued share capital of the Company from time to time;
 - up to a nominal value of £558,250 in connection with the exercise of warrants over a total of 11,165,000 ordinary shares in the Company granted to certain persons in connection with fundraising events previously conducted by the Company;
 - otherwise than pursuant to paragraphs (a) to (d) above, up to a nominal value of £1,000,000 in respect to 20,000,000 shares for such other purposes as the Directors consider necessary or appropriate.

This resolution replaces any existing authorities to issue shares in the Company and the authority under this resolution will expire on: (i) the date that the relevant share option or warrant expires (in respect of any option or warrants exercised under this authority); or (ii) in the event that an expiration date is not specified, the earlier of the date falling 15 months from the date of the passing of this Resolution and the conclusion of the annual general meeting of the Company.

6.2 **Resolution 2.** THAT, subject to the passing of Resolution 1 above, the directors of the Company be and are hereby empowered pursuant to section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authorities conferred by Resolution 1 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares:

- a. in connection with an offer of equity securities to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or arrangements as the Directors may deem necessary or expedient in relation to the treasury shares, fractional entitlements, record dates, arising out of any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange; and
- b. (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal amount of £8,068,800.30.

The authorities under this Resolution 2 will expire on: (i) the date that the relevant share option or warrant expires (in respect of any option or warrants exercised under this authority); or (ii) in the event that an expiration date is not specified, the earlier of the date falling 15 months from the date of the passing of this Resolution and the conclusion of the annual general meeting of the Company.

7. SUMMARY OF THE ARTICLES

7.1 Memorandum of Association

In accordance with section 31 of the Act and the Articles, the objects of the Company are unrestricted. The Memorandum and the Articles are available for inspection at the address specified in paragraph 2.8 of this Part X.

7.2 Articles of Association

The Articles contain (amongst others) provisions to the following effect:

Share Rights

- (a) Subject to the Act, the Company can issue new shares with such rights or restrictions attached to them pursuant to the Articles. The rights attached to any shares as a class cannot be varied without the consent of the holders of that class of shares. These rights or restrictions can be decided either by an ordinary resolution passed by the Shareholders or by the Directors as long as the Company can issue shares which can be redeemed. This can include shares which can be redeemed if the holders want to do so, as well as shares which the Company can insist on redeeming. The Directors can decide on the terms and conditions and the manner of redemption of any redeemable share.

Variation of Class Rights

- (b) Subject to the Act, if the rights attached to any class of shares are divided into a different class of shares, all or any rights or privileges attached to that class of shares can be changed if (i) provided by such rights or (ii) this is approved either in writing by Shareholders holding at least three quarters in nominal value of the issued shares of that class by amount or by a special resolution passed at a separate meeting of the holders of the relevant class of shares but not otherwise.

Right to Share Certificates

- (c) Pursuant to the Articles, when a Shareholder is first registered as the holder of any class of certificated shares, he is entitled (unless he is a recognised person and therefore the not required by law), free of charge, to one certificate for all of the Ordinary Shares of that class which he holds. If a Shareholder holds shares of more than one class, he is entitled to a separate share certificate for each class. If a Shareholder receives more shares of any

class, he is entitled, without charge, to a certificate for the extra shares. If a Shareholder transfers some of the shares represented by a share certificate, he is entitled, free of charge, to a new certificate for the balance to the extent the balance is to be held. Where a share is held jointly, the Company does not have to issue more than one certificate for that share. When the Company delivers a share certificate to one joint Shareholder, this is treated as delivery to all of the joint Shareholders. Every certificate shall state the number, class and distinguishing numbers (if any) of these shares and the amount paid up in respect of those shares.

- (d) Unless otherwise determined by the Directors and permitted by the CREST Regulations no Shareholder shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument by virtue of the CREST Regulations.

Transfer

- (e) A transfer of shares must be made in writing and either in the usual standard form or in any other form approved by the Directors. The person making a transfer will continue to be treated as a Shareholder until the name of the person to whom the share is being transferred is put on the register for that share.
- (f) All transfers of uncertificated shares shall be made in accordance with and be subject to the CREST Regulations and the facilities and requirements of the CREST System and subject thereto in accordance with any arrangements made by the Board.
- (g) The Board may in its absolute discretion refuse to register a transfer of shares held unless:
- it is in respect of a fully paid share;
 - it is in respect of a share on which the Company does not have a lien;
 - it is lodged at the Company's registered office or such other place as the Directors have appointed;
 - it is accompanied by the certificate for the shares to which it relates, or such other evidence as the Directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
 - it is in respect of only one class of share; or
 - it is in favour of not more than four joint holders as transferees.
- (h) No fee shall be chargeable by the Company for registering any instrument of transfer or other document relating to or affecting title to any share.

Disclosure of Interests in Shares

- (i) In accordance with section 793 of the Act, the Company may serve notice (a "**disclosure notice**") on anyone who knows, or has reasonable cause to believe, is interested in its shares or has been so interested in the previous three years. If the Company does not, within 14 days of serving a disclosure notice, receive the information it has requested then the Board may serve a further notice (a "**restriction notice**") designating the shares the subject of the restriction notice as "restricted shares". The restrictions which may be imposed on restricted shares include preventing the Shareholder from attending and voting at general meetings, from transferring restricted shares (subject to the exceptions set out above); and from receiving dividends. Any such restrictions shall cease to apply seven days after receipt by the Company of the information requested in the disclosure notice.

General Meetings

Quorum

- (j) A quorum for a general meeting is two people who are entitled to vote. They can be Shareholders who are personally present by a duly authorised corporate representative or by proxy and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present when the meeting proceeds to business. If a quorum is not present within thirty minutes of the time fixed for a general meeting to start the meeting if convened by or upon the requisition of members shall be dissolved. In any other case it shall stand adjourned to such day and to such time and place as the chairman (or in default the Board) shall appoint.
- (k) The chairman of a general meeting at which a quorum is present may, with the consent of the meeting adjourn any meeting from time to time and from place to place.

Voting

- (l) Subject to the Act and to any rights or restrictions attached to any shares, on a show of hands every Shareholder (who is an individual) who is present in person or every Shareholder (who is a corporation) is present by a duly authorised representative and every proxy (regardless of the number of Shareholders for whom he is proxy) has one vote and on a poll each Shareholder present in person, by proxy or by representative has one vote for every share he holds.
- (m) A resolution put to the vote at any general meeting will be decided on a show of hands unless a poll is demanded when, or before, the chairman of the meeting declares the result of the show of hands. A poll can be demanded by:
 - the chairman of the meeting;
 - at least five persons at the meeting who are entitled to vote;
 - one or more Shareholders at the meeting who are entitled to vote (or their proxies) and who have between them at least one-tenth of the total voting rights of all Shareholders who have the right to vote at the meeting; or
 - one or more Shareholders at the meeting who have shares which allow them to vote at the meeting (or their proxies) holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

Directors

Directors' meetings

- (n) Notice of meetings of the Directors is treated as properly given if it is given personally, by word of mouth or in writing to the Director's last known address or any other address given by him to the Company for this purpose or by electronic communication.
- (o) If no other quorum is fixed by the Directors, two Directors are a quorum.
- (p) Matters to be decided at a Directors' meeting will be decided by a majority vote. If votes are equal, the chairman of the meeting has a second, casting vote.

Appointment

- (q) The Company must have a minimum of two Directors (unless otherwise determined by an ordinary resolution).

Retirement

- (r) At every annual general meeting any Director who has been appointed by the Directors since the last annual general meeting; or any Director who held office at the time of the two

preceding annual general meetings and who did not retire at either of them shall retire. If the Company does not fill the vacancy at the meeting, then the Director will be deemed to be reappointed unless it is resolved to reduce the number of Directors pursuant to the Articles.

- (s) Any Director automatically stops being a Director if:
- he ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
 - a bankruptcy order is made against him or a composition is made with his creditors generally;
 - he is suffering from mental or physical ill health rendering him incapable of acting as a Director for a period of more than three months;
 - he has missed Directors' meetings for a continuous period of six months without permission from the Directors and the Directors pass a resolution removing the Director from office;
 - he gives the Company notice of resignation;
 - all of the other Directors pass a resolution requiring the Director to resign; or
 - in the case of a Director who holds any executive office, his appointment is terminated or expires and the Directors resolve that his office be vacated.

Alternate Directors

- (t) Any Director can appoint any person approved by a resolution of the Board or another Director to act in his place (called an "alternate Director").
- (u) The appointment of an alternate Director ends on the happening of any event which, if he were a Director, would cause him to vacate that office. It also ends if the alternate Director resigns his office by written notice to the Company, if his appointer stops being a Director (including in the event of death), unless that Director retires at a general meeting at which he is re-appointed or, if he is not a Director.
- (v) An alternate Director is entitled to receive notices of meetings of the Directors. He is entitled to attend and vote as a Director at any meeting at which the Director appointing him is not personally present and generally at that meeting is entitled to perform all of the functions of his appointer as a Director. If he is himself a Director, or he attends any meeting as an alternate Director for more than one Director, he can vote cumulatively for himself and for each other Director he represents but he cannot be counted more than once for the purposes of the quorum.
- (w) An alternate Director is entitled to be repaid expenses and to be indemnified by the Company to the same extent as if he were a Director. The alternate Director shall not be entitled to be paid remuneration by the Company, however, such remuneration may be agreed and out of the remuneration payable to the appointing Director.

Expenses

- (x) The Director may be paid all travel, hotel and other expenses incurred in attending and returning from general meetings, meetings of the Directors or committees of the Directors or any other meetings which as a Director he is entitled to attend or otherwise in connection with the discharge of their duties.

Pensions and Gratuities for Directors

- (y) The Directors can decide to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any former Director of the Company who held an executive office or employment with the Company or any of its subsidiary undertakings

or former subsidiary undertakings or any predecessor in business of the Company, or any relation or dependant of such a person.

Directors' Interests

- (z) A Director who is in any way, directly or indirectly, interested in a proposed or existing transaction or arrangement with the Company must declare, either in writing or at a meeting of the Directors, the nature and extent of his interest to the other Directors in accordance with the Act. An interest of a person who is connected with a Director shall be treated as an interest of the Director.
- (aa) Subject to certain exceptions, the relevant Director and any other Director with a similar interest will not count in the quorum and will not vote on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material.
- (bb) If a question comes up at a meeting of the Directors about whether a Director (other than the chairman of the meeting) can vote or be counted in the quorum and the Director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman of the meeting's ruling about any other Director is final and conclusive unless the nature or extent of the Director's interest (so far as it is known to him) has not been fairly disclosed to the Directors in which case the question shall be decided by a resolution of the majority of the directors. If the question comes up about the chairman of the meeting, the chairman must withdraw from the meeting and the Directors will elect a vice chairman to consider the question instead of the chairman.

Borrowing Powers

- (cc) There is no limit on the amount that the Company can borrow. Borrowing by the Company is at the discretion and determination of the Board.

Dividends and Distributions to Shareholders

- (dd) Subject to the Act, the Company can declare dividends in accordance with the rights of the Shareholders by passing an ordinary resolution. No such dividend can exceed the amount recommended by the Directors.
- (ee) If the Directors consider that the financial position of the Company justifies such payments and subject to the Act, they can pay the fixed or other dividends on any class of shares on the dates prescribed for the payment of those dividends; and pay interim dividends on shares of any class of any amounts and on any dates and for any periods which they decide.
- (ff) If the Directors act in good faith, they will not be liable for any loss that any Shareholders may suffer because a lawful dividend has been paid on other shares which rank equally with or behind their shares.
- (gg) All dividends will be declared and paid in proportions based on the amounts paid up on the shares during any period for which the dividend is paid. Sums which have been paid up in advance of calls will not count as paid up for this purpose. If the terms of any share say that it will be entitled to a dividend as if it were a fully paid up, or partly paid up, share from a particular date (in the past or future), it will be entitled to a dividend on this basis.
- (hh) If a Shareholder owes the Company any money for calls on shares or money in any other way relating to his shares, the Directors can deduct any of this money from any dividend or other money payable to the Shareholder on or in respect of any share held by him. Money deducted in this way can be used to pay amounts owed to the Company.
- (ii) Unless the rights attached to any shares, or the terms of any shares, say otherwise, no dividend or other sum payable by the Company on or in respect of its shares carries a right to interest from the Company.

- (jj) Where any dividends or other amounts payable on a share have not been claimed, the Directors can invest them or use them in any other way for the Company's benefit until they are claimed. The Company will not be a trustee of the money and will not be liable to pay interest on it. If a dividend or other money has not been claimed for 12 years after being declared or becoming due for payment, it will be forfeited and go back to the Company unless the Directors decide otherwise.

Scrip Dividends

- (kk) The Directors can offer Shareholders the right to choose to receive extra shares, which are credited as fully paid up, instead of some or all of their cash dividend. Before they can do this, Shareholders must have passed an ordinary resolution authorising the Directors to make this offer.

Distributions on a Winding Up

- (ll) If the Company is wound up, a liquidator may, with the approval of a special resolution and any other sanction required by applicable law, divide among the members the whole or any part of the assets of the Company for distribution in kind. For that purpose, the liquidator may value any assets and determine how the division shall be carried out.

Indemnity

- (mm) Subject to the restrictions of the Act, the Company can indemnify any Director or officer or former Director or former officer of the Company or of any associated company against any liability; and can purchase and maintain insurance against any liability for any Director or former Director of the Company or of any associated company.

8. DIRECTORS' DETAILS

- 8.1 The respective function of each Director and Proposed Director (subject to and conditional upon Re-Admission) on Re-Admission will be as set out in the table below. Alan Hume, Tony Harpur and Claudia Stijlen are resigning as directors of the Company subject to Re-Admission.

Name	Position/Function	Business Address
Craig Foster	Chief Executive Officer	Registered Office Address
Mark Wood	Non-Executive Chairman	Registered Office Address
Andy Morrison	Non-Executive Director	Registered Office Address
Stefania Barbaglio	Non-Executive Director	Registered Office Address

- 8.2 In addition to their directorships of the Company, the Directors are, or have been, members of the administrative, management or supervisory bodies (**Directorships**) or partners of the following companies or partnerships, at any time in the five years prior to the date of this Document.

Director Name	Current directorships/partnerships	Previous directorships/partnerships
Andy Morrison	The GP Service (UK) Ltd Kanabo Group plc Quadrise Fuels International Plc Spinnaker Management Resources Ltd Hemspan Ltd	Nostra Terra Oil and Gas Company plc The I am Billy Foundation
Tony Harpur	Pure Peaks Ltd Peacock DDC Holdings Ltd Peacock DDC Trading Ltd Peacock DDC Agricultural Ltd Peacock DDC Property Ltd Peacock DDC Consultancy Ltd	Kanabo Group plc
Alan Hume	Orcadian Energy (CNS) Ltd Orcadian Energy plc	Kanabo Group plc

Director Name	Current directorships/partnerships	Previous directorships/partnerships
Stefania Barbaglio	Cassiopeia Services Ltd Steffyb Ltd Northphoenix Ltd	Rossorapa UK Ltd Aroca Import & Export Ltd
Claudia Stijlen	–	–
Craig Foster	LeakBot Limited Ondo InsurTech Ltd Pipedream Insurtech Ltd	–
Mark Wood	Acquis Insurance Management Brooklands Museum Trust Limited Digitalis Media Limited LeakBot Limited Pensionbee Group Plc Project Steel Bidco Limited Project Steel Midco 1 Limited Project Steel Midco 2 Limited Project Steel Topco Limited RAC Bidco Limited RAC Financial Services Limited RAC Group (Holdings) Limited RAC Group Limited RAC Insurance Limited RAC Limited RAC Midco II Limited RAC Midco Limited RAC Motoring Services RAC Motoring Services (Holdings) Limited Safe Topco Limited Stop MS Appeal Board The Innovation Group Utility Bidder Holdings Limited Utility Bidder Limited Walbrook Advisors Limited	Axios Bidco Limited Childline My Policy Limited National Society for the Prevention of Cruelty to Children Pensionbee Limited Project Policy Bidco Limited Project Policy EBT Limited Project Policy Midco Limited Project Policy Topco Limited RAC Finance Group Limited RAC (Finance) Holdings Limited RAC Finance Limited Tiger Midco 1 Limited Tiger Midco 2 Limited Tiger Topco Limited Walbrook Holdings Limited

8.3 None of the Directors have at any time within the last five years:

8.3.1 any convictions in relation to fraudulent offences;

8.3.2 been associated with any bankruptcy, receivership, liquidation or administration while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company; or

8.3.3 been subject to any official public incrimination and/or sanction of him by any statutory or regulatory authority (including any designated professional bodies) or ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

8.4 The Directors do not currently have any potential conflicts of interest between their duties to the Company and their private interests or other duties that they may also have.

9. DIRECTORS' INTERESTS

- 9.1 As at the close of business on the Last Practicable Date, the interests of the Existing Directors and Proposed Directors and their families and the interests of persons connected with them, within the meaning of Part 22 of the UK Companies Act 2006, in the issued share capital of the Company are as follows:

Director	Number of Ordinary Shares	Percentage of Existing Issued Share Capital	Number of Warrants	Number of Options
Andy Morrison ⁽¹⁾	2,150,020	9.50%	925,000	820,151
Tony Harpur ⁽²⁾	2,150,020	9.50%	925,000	488,500
Alan Hume ⁽³⁾	1,150,020	5.08%	425,000	276,895
Claudia Stijlen ⁽⁴⁾	400,000	1.77%	200,000	—
Stefania Barbaglio ⁽⁵⁾	370,000	1.63%	135,000	175,983
Craig Foster	—	—	—	—
Mark Wood	—	—	—	—

- (1) Andy Morrison indirectly holds 1,000,000 Ordinary Shares through his Self-Invested Pension Plan through The Bank Of New York (Nominees) Limited Des:672938 and 1,150,020 Ordinary Shares through JIM Nominees Limited Des:Jarvis.
- (2) Anthony Harpur and connected persons of his indirectly through Peacock DDC Trading Limited hold 2,150,020 Ordinary Shares through JIM Nominees Limited Des:Jarvis and 925,000 Warrants.
- (3) Alan Hume holds 650,020 Ordinary Shares through W B Nominees Limited. The figure above also includes 500,000 Ordinary Shares and 250,000 Warrants indirectly held by a connected person of his.
- (4) Claudia Stijlen holds her Ordinary Shares indirectly through JIM Nominees Limited Des:Jarvis.
- (5) Stefania Barbaglio, indirectly through Cassiopeia Services Ltd, holds 370,000 Ordinary Shares through Platform Securities Nominees Limited Des:KKCLT and 135,000 warrants. She is the sole director and shareholder of Cassiopeia Services Ltd.

- 9.2 As at Re-Admission, the interests of the Existing Directors and Proposed Directors and their families and the interests of persons connected with them, within the meaning of Part 22 of the UK Companies Act 2006, in the Enlarged Share Capital of the Company will be as follows:

Director	Number of Ordinary Shares	Percentage of Enlarged Share Capital	Number of Warrants on Re-Admission	Number of Options on Re-Admission
Andy Morrison ⁽¹⁾	2,970,171	4.36%	925,000	—
Tony Harpur ⁽²⁾	3,055,187	4.48%	1,133,333	—
Alan Hume ⁽³⁾	1,494,840	2.19%	458,962	—
Claudia Stijlen ⁽⁴⁾	588,666	0.86%	294,333	—
Stefania Barbaglio ⁽⁵⁾	572,333	0.84%	148,175	—
Craig Foster ⁽⁶⁾	1,779,566	2.61%	889,783	2,320,000
Mark Wood	1,363,392	2.00%	—	—

- (1) Andy Morrison will indirectly hold 1,000,000 Ordinary Shares through his Self-Invested Pension Plan through The Bank Of New York (Nominees) Limited Des:672938 and 1,970,171 Ordinary Shares through JIM Nominees Limited Des:Jarvis.
- (2) Anthony Harpur and connected persons of his indirectly through Peacock DDC Trading Limited will hold 3,055,187 Ordinary Shares through JIM Nominees Limited Des:Jarvis and 1,133,333 Warrants.
- (3) Alan Hume will hold 994,840 Ordinary Shares through W B Nominees Limited. Alan Hume is also interested in 500,000 Ordinary Shares and 250,000 Warrants indirectly held by a connected person of his.
- (4) Claudia Stijlen will hold her Ordinary Shares indirectly through JIM Nominees Limited Des:Jarvis.
- (5) Stefania Barbaglio, indirectly through Cassiopeia Services Ltd, will hold 572,333 Ordinary Shares through Platform Securities Nominees Limited Des:KKCLT and 135,000 warrants. She is the sole director and shareholder of Cassiopeia Services Ltd.
- (6) Craig Foster will hold his Ordinary Shares indirectly through JIM Nominees Limited Des:Jarvis.

- 9.3 Save as disclosed in this Document, none of the Directors nor the Proposed Directors intend to subscribe for Ordinary Shares as part of the Fundraise.

- 9.4 Save as disclosed in Paragraph 9.1 of this Part above, the Directors and the Proposed Directors (and respective Connected Persons of a Director or Proposed Director) do not hold any options or warrants or other rights over any unissued Shares of the Company.
- 9.5 Save as disclosed in Paragraph 9.2 of this Part above, immediately following Admission, no Director nor any Proposed Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.
- 9.6 The Company will not be granting any options or warrants prior to or on Admission in addition to those disclosed in this Document.

10. MAJOR SHAREHOLDERS AND OTHER INTERESTS

- 10.1 As at the close of business on the Last Practicable Date and immediately following Admission, the following shareholders (excluding the Directors whose interests are summarised above) had or will have a notifiable interest (being more than 3 per cent. of the voting rights) under the Disclosure and Transparency Rules:

Name of Shareholder	Number of Shares as at the Last Practicable Date	Percentage of Existing Issued Share Capital as at the Last Practicable Date	Number of Shares on Admission	Percentage of Enlarged Share Capital on Admission
Markus Meister	1,000,000	4.42%	1,000,000	1.47%
Lynchwood Nominees Limited Des:2006420 ⁽¹⁾	1,000,000	4.42%	1,000,000	1.47%
W B Nominees Limited ⁽¹⁾	1,090,020	4.82%	1,434,840	2.1%
The Bank Of New York (Nominees) Limited Des:672938 ⁽²⁾	1,158,300	5.12%	1,158,300	1.7%
Hargreaves Lansdown (Nominees) Limited Des:HLNOM ⁽¹⁾	1,144,207	5.06%	1,238,607	1.82%
Jim Nominees Limited Des:ISA ⁽¹⁾	2,230,020	9.85%	2,230,020	3.27%
Jim Nominees Limited Des:Jarvis ⁽³⁾	9,924,383	43.85%	33,076,553	48.52%
Homeserve Assistance Limited	—	—	13,628,274	19.99%
Nortrust Nominees Limited ⁽⁴⁾	—	—	4,166,666	6.11%

(1) These shareholders hold these shares on behalf of the underlying investors and no underlying investor has notified the Company of a shareholding of greater than 3 per cent. As far as the Company is aware, these shareholders must follow the instructions given by the underlying investors in relation to the exercise of any voting rights attached to the Shares.

(2) These shareholders hold these shares on behalf of the underlying investors and no underlying investor has notified the Company of a shareholding of greater than 3 per cent, save for Andy Morrison, a director of the Company, who holds 1,000,000 Shares through his Self-Invested Pension Plan through The Bank Of New York (Nominees) Limited Des:672938 as at the Last Practicable Date. Andy Morrison also owns shares indirectly through Jim Nominees Limited Des:Jarvis and his aggregate percentage holding of the Existing Issued Share Capital of the Company as at the Last Practicable Date is 9.5%. On Admission, Andy Morrison will hold in aggregate 4.36% of the issued share capital of the Company following the exercise of his options over new Shares. As far as the Company is aware, these shareholders must follow the instructions given by the underlying investors in relation to the exercise of any voting rights attached to the Shares.

- (3) This shareholder holds these shares on behalf of underlying investors. Andy Morrison, a director of the Company, holds 1,150,020 Shares through Jim Nominees Limited Des:Jarvis (**Jarvis**) as at the Last Practicable Date. Andy Morrison also owns shares indirectly through The Bank Of New York (Nominees) Limited Des:672938 and his aggregate percentage holding of the Existing Issued Share Capital of the Company as at the Last Practicable Date is 9.5%. On Admission, Andy Morrison will hold in aggregate 4.36% of the issued share capital of the Company following the exercise of his options over new Shares. Anthony Harpur (a director of the Company) and connected persons of his indirectly through Peacock DDC Trading Limited hold 2,150,020 Shares through Jarvis as at the Last Practicable Date, being 9.5% of the Existing Issued Share Capital. Following Admission, Anthony Harpur and connected persons of his will own 4.48% of the issued share capital of the Company. Each of Richard Edwards and Adrian Crucefix also hold 1,000,000 Shares through Jarvis as at the Last Practicable Date, being 4.42% of the Existing Issued Share Capital each. No other underlying investor has notified the Company of a shareholding of greater than 3 per cent. As far as the Company is aware, this shareholder must follow the instructions given by the underlying investors in relation to the exercise of any voting rights attached to the Shares.
- (4) This shareholder holds these shares on behalf of Premier Miton Investors.
- 10.2 Immediately following Admission, as a result of the issue of the New Shares, the Directors expect that a number of persons will have an interest, directly or indirectly, in at least three per cent. of the voting rights attached to the Company's Enlarged Share Capital and certain current Shareholders who hold at least three per cent. of the Existing Shares prior to the issue of the New Shares may have their percentage holdings in the Company diluted. Such persons will be required to notify such interests or changes to their interests to the Company in accordance with the provisions of Chapter 5 of the Disclosure and Transparency Rules, and such interests will be notified by the Company to the public.
- 10.3 As at the Last Practicable Date, the Company was not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company, nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 10.4 No Shareholder interested, directly or indirectly, in three per cent. or more of the Enlarged Share Capital has different voting rights from any other holder of Ordinary Shares.

11. DIRECTOR AGREEMENTS, LETTERS OF APPOINTMENT AND CONSULTANCY AGREEMENTS

Subject to and conditional upon Re-Admission, Alan Hume, Tony Harpur and Claudia Stijlen will resign as directors of the Company and have signed resignation letters in respect of their appointment. Andy Morrison and Stefania Barbaglio will remain directors of the Company following Re-Admission. Craig Foster and Mark Wood will be appointed as directors of the Company.

11.1 Directors' Agreements

Service Agreement – Craig Foster (Chief Executive Officer)

Under an executive service agreement dated 10 December 2021 (and as amended on 31 January 2022) between the Company and Craig Foster, Craig has agreed to Chief Executive Officer of the Company with effect from Admission at a salary of £176,000 per annum which shall accrue from day to day and be payable monthly in arrears. Additionally, Craig is entitled to 25 days' annual leave and to be reimbursed by the Company for expenses incurred by him in the course of his directors' duties relating to the Company. He will be required to work 5 days a week on the Company's matters (committing such time as reasonably required).

His appointment shall continue until terminated by either party on 12 months' notice in writing to the other, or the agreement terminates due to unsatisfactory performance or he is not re-elected at future annual general meetings of the Company where he is required to offer himself up for re-election in accordance with the Articles of the Company. Craig will not be entitled to any benefits from termination of his employment.

Letter of Appointment – Mark Wood (Non-Executive Chairman)

On 14 March 2022, Mark Wood executed a letter of appointment with the Company pursuant to which he agreed to act as the Non-Executive Chairman of the Company. The letter of appointment is effective from Admission and shall continue unless terminated earlier by either party giving to the other not less than 6 months' prior written notice. Mark is expected to devote

such time as is necessary for the proper performance of his duties for the Company, including attendance at board meetings and at annual general meetings. Mark shall be paid £45,000 gross per annum, payable monthly in arrears.

Letter of Appointment – Andy Morrison (Non-Executive Director)

On 14 March 2022, Andy executed a letter of appointment with the Company pursuant to which he agreed to act as a non-executive director of the Company. The letter of appointment is effective from Admission and shall continue unless terminated earlier by either party giving to the other not less than 3 months' prior written notice. Andy is expected to devote such time as is necessary for the proper performance of his duties for the Company, including attendance at board meetings and at annual general meetings. Andy shall be paid £36,000 gross per annum, payable monthly in arrears.

Letter of Appointment – Stefania Barbaglio (Non-Executive Director)

On 14 March 2022, Stefania executed a letter of appointment with the Company pursuant to which she agreed to act as a non-executive director of the Company. The letter of appointment is effective from Admission and shall continue unless terminated earlier by either party giving to the other not less than 3 months' prior written notice. Stefania is expected to devote such time as is necessary for the proper performance of her duties for the Company, including attendance at board meetings and at annual general meetings. Stefania shall be paid £30,000 gross per annum, payable monthly in arrears.

12. WORKING CAPITAL

The Company is of the opinion that, taking into account the Net Proceeds, the working capital available to the Enlarged Group is, for at least the next twelve months from the date of this Document, sufficient for its present requirements.

13. SIGNIFICANT CHANGE

- 13.1 The most recent information regarding the trends in financial performance of the Company and Labs has been discussed in Part V and Section B of Part VI respectively.
- 13.2 There has been no significant change in the financial performance or position of either the Company or Labs since 31 August 2021 or 30 September 2021 respectively, being the date to which the latest financial information of the Company and Labs, as set out in Part V for the Company and Section B of Part VI for Labs of this Document, has been prepared.

14. EMPLOYEES AND PREMISES

- 14.1 As at the date of this Document, the Company does not have any employees.
- 14.2 As at the year ended 30 September 2021, Labs had 27 employees.
- 14.3 Labs occupies premises at Cable Drive, Walsall, WS2 7BN.

15. LITIGATION

- 15.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the past, significant effects on the financial position or profitability of the Company.
- 15.2 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the past, significant effects on the financial position or profitability of Labs.

16. OTHER RELEVANT LAWS AND REGULATIONS

16.1 **Mandatory bid**

The City Code on Takeovers and Mergers (the “**Takeover Code**”) applies to the Company. Under the Takeover Code, where:

- any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which such person is already interested, and in which persons acting in concert with such person are interested) carry 30% or more of the voting rights of a company; or
- any person who, together with persons acting in concert with such person, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with such person, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which such person is interested;

such person shall, except in limited circumstances, be obliged to extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the Takeover Code, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

An offer under Rule 9 of the Takeover Code must be in cash and at the highest price paid for any interest in the shares by the person required to make an offer or any person acting in concert with such person during the 12 months prior to the announcement of the offer.

Under the Takeover Code, a ‘concert party’ arises where persons acting together pursuant to an agreement or understanding (whether formal or informal and whether or not in writing) actively co-operate, through an acquisition by them of an interest in shares in a company, to obtain or consolidate control of Labs. ‘Control’ means holding, or aggregate holdings, of an interest in shares carrying 30% or more of the voting rights of Labs, irrespective of whether the holding or holdings give *de facto* control.

16.2 **Squeeze-out**

Under sections 979 to 982 of the Companies Act, if an offeror were to acquire 90% of the Ordinary Shares it could then compulsorily acquire the remaining 10%. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares, provided that no such notice may be served after the end of: (a) the period of three months beginning with the day after the last day on which the offer can be accepted; or (b) if earlier, and the offer is not one to which section 943(1) of the Companies Act applies, the period of six months beginning with the date of the offer.

Six weeks following service of the notice, the offeror must send a copy of it to the Company together with the consideration for the Ordinary Shares to which the notice relates, and an instrument of transfer executed on behalf of the outstanding Shareholder(s) by a person appointed by the offeror.

The Company will hold the consideration on trust for the outstanding Shareholders.

16.3 **Sell-out**

Sections 983 to 985 of the Companies Act also give minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relating to all the Ordinary Shares is made at any time before the end of the period within which the offer could be accepted and the offeror held or had agreed to acquire not less than 90% of the Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror is required to give any Shareholder notice of their right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority

Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period, or, if longer a period of three months from the date of the notice.

If a Shareholder exercises their rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

16.4 Shareholder notification and disclosure requirements

Shareholders are obliged to comply with the shareholding notification and disclosure requirements set out in Chapter 5 of the DTRs. A Shareholder is required pursuant to Rule 5 of the DTRs to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Shareholder's percentage of voting rights of the Company reaches, exceeds or falls below, 3% of the nominal value of the Company's share capital or any 1% threshold above that.

The DTRs can be accessed and downloaded from the FCA's website at <https://www.handbook.fca.org.uk/handbook/DTR/5/?view=chapter>. Shareholders are urged to consider their notification and disclosure obligations carefully as a failure to make a required disclosure to the Company may result in disenfranchisement.

17. DILUTION OF ORDINARY SHARE CAPITAL

The issue of the New Shares will constitute 66.8 per cent. of the Enlarged Share Capital and the interests of Existing Shareholders will be diluted accordingly.

18. MATERIAL CONTRACTS OF THE COMPANY

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company in two years immediately preceding the publication of this Document which (i) are, or may be, material to the Company; or (ii) contain obligations or entitlements which are, or may be, material to the Company as at the date of this Document:

18.1 Sale and purchase agreement in relation to the entire issued share capital of Labs

On 10 December 2021 (and as amended on 28 January 2022, 15 February 2022 and 28 February 2022), the Company entered into a binding sale purchase agreement with the Seller in relation to the acquisition of 100 per cent. of the issued and to be issued share capital of Labs. The Seller holds 31,152,986 A ordinary shares of £1 each and 25,000 B ordinary shares of £1 each, fully paid-up, in Labs.

Completion of the Acquisition was made subject to and conditional upon the satisfaction of certain conditions (such conditions are required to be satisfied by no later than the long stop date of 25 March 2022), including (but not limited to) Re-Admission.

The Company has agreed to acquire the entire issued share capital of Labs for an aggregate consideration of £9,799,548, which shall be split as follows:

- payment to the Seller of £1,599,548 in cash;
- issue and allotment of 13,628,275 and 1,363,392 Consideration Shares to the Seller and Mark Wood respectively at the Fundraise Price, representing an aggregate amount of £1,799,000; and
- granting of secured loan notes of the Buyer with a redemption value equal to £6,401,000.

Pursuant to the Acquisition Agreement, the Seller has agreed with the Company to not dispose of any of their interests in the ordinary shares of the Company, without the prior written consent of the Company, during the period of 24 months from Admission, save in certain circumstances.

Under the Acquisition Agreement, the Seller has provided basic title and capacity warranties to the Company, as well as customary warranties on the business of Labs. The Company has provided limited warranties to the Seller in relation to its current activities. The warranties provided under the Acquisition Agreement were given on exchange of the Acquisition Agreement.

Certain warranties shall be repeated again immediately prior to completion of the Acquisition Agreement.

The Company may terminate at any time prior to completion of the Acquisition if the Seller has breached any of the warranties or other terms of the Acquisition Agreement which are material to the transaction.

18.2 ***Loan Note Instrument in respect of the Acquisition***

In connection with the Acquisition, prior to Admission, the Company will constitute a secured loan note instrument, up to a maximum nominal amount of £6,401,000 secured loan notes. The Company will issue £6,401,000 Loan Notes to the Seller subject to and conditional upon Re-Admission. The Loan Notes will carry a fixed interest rate of 10 per cent. per annum on the principal amount of the notes outstanding from time to time. To the extent not previously repaid or redeemed, the lower of the principal amount outstanding from time to time and £1,600,000 under the Loan Notes will be repayable on or before the third anniversary of the issue date of the Loan Notes (the “**Issue Date**”) and then (after the third anniversary) on each subsequent anniversary of the Issue Date.

18.3 ***Broker Engagement Letter***

The Company has appointed SI Capital Ltd as its broker by way of an engagement letter dated 11 March 2022. Under the terms of the Broker Engagement Letter, SI Capital has agreed to provide broking services to the Company and other services ancillary to Admission.

In consideration of these services, the Company has agreed to pay SI Capital a commission of 6% of the Fundraise Proceeds from investors introduced by SI Capital and a commission of 2% of the Fundraise Proceeds from investors not introduced by SI Capital.

The Company has agreed to issue to SI Capital 800,000 warrants over ordinary shares in the Company (“**RTO Broker Warrants**”). The exercise price will be the Fundraise Price and the RTO Broker Warrants are exercisable until the date falling three years from the date of Re-Admission.

Following Admission, SI Capital will continue to provide broking services for the Company and shall be entitled to charge a retainer fee of £50,000 plus VAT per annum, payable on Admission. The annual retainer fee will then be payable in quarterly *pro rata* instalments. Whilst SI Capital is engaged as the Company’s broker, the Company has agreed, in the event of further equity fundraises following Re-Admission, to pay SI Capital a commission of 6 per cent., and/or 1% on all other capital raisings for cash, project finance or M&A where SI capital is engaged in the introduction or administration.

The engagement of SI Capital as the Company’s broker may be terminated by either party giving 90 Business Days’ notice in writing to the other, such notice not to be given by either party prior to the second anniversary of SI Capital’s appointment as the Company’s broker.

18.4 ***Placing Agreement***

A Placing Agreement dated 14 March 2022 was entered into between the Company, the Directors and SI Capital, pursuant to which SI Capital conditionally agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Fundraise Price.

Under the Placing Agreement, the Company agreed to pay to SI Capital a commission of 6 per cent. of the gross proceeds raised from the issue of the Fundraise Shares (as set out in paragraph 18.3 of this Part X above).

The Placing Agreement contains warranties given to SI Capital by the Company and the Directors and an indemnity given to SI Capital by the Company, with the liability of the Directors in respect of the warranties being subject to individual limits. SI Capital is entitled to terminate its obligations under the Placing Agreement in certain specified circumstances prior to Admission.

18.5 ***Investor Relations Consultancy Agreement***

On 14 March 2022, the Company entered into an investor relations and public relations consultancy agreement with Cassiopeia Services Ltd (**Cassiopeia**), pursuant to which

Cassiopeia agrees to provide consultancy services in relation to the development and execution of the Company's investor and public relations strategies (the **IR Agreement**).

Cassiopeia has agreed to devote such time as may be necessary for the proper performance of the services to be provided by them under the IR Agreement.

The Company has agreed to pay Cassiopeia an annual fee of £18,000 (exclusive of VAT), payable in quarterly instalments in advance. The term of the IR Agreement will be for an initial fixed term of 1 year and shall then automatically continue unless terminated by either party giving to the other not less than 90 days' prior written notice.

18.6 Lock-In and Orderly Market Agreement

A lock-in agreement dated 14 March 2022 was executed between the Company, and the Directors on Re-Admission, pursuant to which each of the Directors on Re-Admission has undertaken, save in certain circumstances, not to sell or otherwise dispose of or agree to sell or dispose of any of their interests (direct or indirect) in the Ordinary Shares held by them for a period of twelve months commencing on the date of Admission. In addition, the Directors on Re-Admission shall be subject to orderly market arrangements during the twelve months after the initial lock-in period. As at Admission, the Directors on Re-Admission will hold 6,685,462 Ordinary Shares representing 9.81 per cent. of the Enlarged Share Capital.

18.7 IPO Lock-In and Orderly Market Agreement

A lock-in agreement dated 12 July 2021 was executed between the Company, SI Capital and the Existing Locked-in Directors, pursuant to which each of the Existing Locked-In Directors has given an undertaking, save in certain circumstances, not to sell or otherwise dispose of or agree to sell or dispose of any of their interests (direct or indirect) in the Ordinary Shares held by them for a period of twelve months commencing on the date of IPO Admission. In addition, the Existing Locked-In Directors shall be subject to orderly market arrangements during the twelve months after the initial lock-in period.

18.8 NED Lock-In and Orderly Market Agreement

A lock-in agreement dated 5 September 2021 was executed between the Company, SI Capital, Claudia Stijlen and Stefania Barbaglio, pursuant to which Claudia Stijlen and Stefania Barbaglio gave an undertaking, save in certain circumstances, not to sell or otherwise dispose of or agree to sell or dispose of any of their interests (direct or indirect) in the Ordinary Shares held by them for a period of twelve months commencing on the date of IPO Admission. In addition, pursuant to this agreement, Claudia Stijlen and Stefania Barbaglio shall be subject to orderly market arrangements during the twelve months after the initial lock-in period.

18.9 IPO Broker Warrant Instrument

The Company created a warrant instrument dated 12 July 2021, pursuant to which the Company issued the IPO Broker Warrants, representing a total of 500,000 Ordinary Shares issued to the Broker. The IPO Broker Warrants are exercisable at £0.10 per Ordinary Share and are exercisable either in whole or in part for a period of three years from the date of IPO Admission. The IPO Broker Warrants are freely transferable.

18.10 RTO Broker Warrant Instrument

The Company created a warrant instrument dated 14 March 2022, pursuant to which the Company issued the RTO Broker Warrants, representing a total of 800,000 Ordinary Shares issued to the Broker. The RTO Broker Warrants are exercisable at £0.12 per Ordinary Share and are exercisable either in whole or in part for a period of 3 years from the date of Admission. The RTO Broker Warrants are freely transferable.

18.11 IPO Investor Warrant Instrument

On 12 July 2021, the Company constituted 10,405,000 IPO Investor Warrants on the terms of the IPO Investor Warrant Instrument under which the Company issued warrants to the IPO Investors. Each IPO Investor Warrant entitles the IPO Investor Warrant holder to subscribe for one Ordinary

Share at £0.20 per Ordinary Share. The IPO Investor Warrants are exercisable either in whole or in part for a period of four years from the date of IPO Admission.

18.12 **New NED Warrant Instrument**

On 5 September 2021, the Company constituted 260,000 New NED Warrants on the terms of the New NED Warrant Instrument under which the Company issued warrants to Claudia Stijlen and Stefania Barbaglio. Each New NED Warrant entitles the New NED Warrant holder to subscribe for one Ordinary Share at £0.20 per Ordinary Share. The New NED Warrants are exercisable either in whole or in part for a period of four years from the date of IPO Admission.

18.13 **RTO Investor Warrant Instrument**

On 14 March 2022, the Company constituted 14,281,252 Fundraise Warrants on the terms of the RTO Warrant Instrument under which the Company issued warrants to the investors who participated in the Fundraise. Each Fundraise Warrant entitles the Fundraise Warrant holder to subscribe for one Ordinary Share at £0.25 per Ordinary Share. The Fundraise Warrants are exercisable either in whole or in part for a period of 36 months from the date of Re-Admission.

19. **MATERIAL CONTRACTS – LABS**

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Labs in two years immediately preceding the publication of this Document which (i) are, or may be, material to Labs; or (ii) contain obligations or entitlements which are, or may be, material to Labs as at the date of this Document:

Acquisition

19.1 ***Transitional services agreement in respect of the Acquisition***

Prior to Admission, Labs will enter into a transitional services agreement with Homeserve Membership Limited, a company in the Seller's group (**HML**), pursuant to which HML agrees to facilitate the continuation of certain services to Labs on a transitional basis for a certain period following completion of the Acquisition Agreement (the **TSA**).

The services will be provided by members of the Seller's group. The services which will be provided under the TSA include certain information technology support and infrastructure, finance and accounting support and certain human resources services. Richard Ehlen will continue to support Labs as finance director until the earlier of the start date of a new chief financial officer of the Company and six months from completion of the Acquisition. Richard Ehlen will support the hire of a new finance manager and a chief financial officer by the Company. Labs is also granted a licence to occupy a certain area in HML's head office building. The majority of the services will be provided for 6 months following Re-Admission.

For most of the services, Labs will pay to HML the relevant proportion of costs, fees and expenses payable by the HML or any member of its group to third parties which are attributable to the provision of the services under the TSA, on the same basis as such third-party costs, fees and expenses were re-charged to Labs immediately prior to the date of the TSA. For the support to be provided by Richard Ehlen, Labs will be charged £700 a day.

Either party may terminate the TSA with immediate effect by giving written notice to the other party in certain circumstances, including if the other party commits a material breach of any term of the TSA which breach is irremediable or has not been remedied within a period of 30 days after being notified in writing to do so.

19.2 ***Plumbing services agreement in respect of the Acquisition***

Prior to Admission, Labs will enter into a plumbing services agreement with two group companies of the Seller, HML and Homeserve USA Corporation (together the **Service Providers**), pursuant to which the Service Providers agreed to continue certain plumbing services to Labs for an initial term of 2 years (the **PSA Initial Term**) (and thereafter on a one month rolling contract) (the **Plumbing Services Agreement**).

The services which will be provided by HML under the Plumbing Services Agreement include engineering capacity of four engineers' worth, the provision of tools, van and parts and other *ad hoc* support. The services which will be provided by Homeserve USA Corporation under the Plumbing Services Agreement include LeakBot handyman technician capacity of one handyman technician worth, LeakBot agent capacity of two LeakBot agents worth, provision of technician vehicles and (as and when required) introductions to suitable contractors.

For the services Labs will pay to the relevant Service Provider: i) a fixed fee for each of the relevant capacity services being provided (which shall increase or decrease if the capacity increases or decreases during the PSA Initial Term); ii) an at cost plus VAT recharge for the provision of any tools and/or vehicles; and iii) £250 per day plus VAT for additional *ad hoc* support (up to 7 days a month); and iv) no charge shall be made for the introduction services. After the PSA Initial Term, the charges shall be increased if the services are still required by Labs.

Either party may terminate the Plumbing Services Agreement with immediate effect by giving written notice to the other party in certain circumstances, including if the other party commits a material breach of any term of the Plumbing Services Agreement which breach is irremediable or has not been remedied within a period of 30 days after being notified in writing to do so. Labs is entitled to terminate the services at any time on 1 months' notice in writing to the Service Providers.

19.3 ***Intellectual Property Agreements in respect of the Acquisition***

Prior to Admission, Homeserve plc and Labs will enter into deeds of assignment, pursuant to which the Seller agrees to assign to Labs all its rights to and interests in the patents, patent applications, registered trade marks and registered designs that are used by Labs in the running of its business, the particulars of which are set out in respective deed of assignment.

Prior to Admission, Labs will grant first fixed and floating charges over its rights, title and interest in its intellectual property in favour of Homeserve plc, as a continuing security for the payment and discharge of the liabilities due, owing or payable by the Company in connection with the Loan Note Instrument.

Partner Contracts

19.4 ***Substantive agreement with DL Insurance Services Limited ("DLIS") a member of the Direct Line group ("DLG")***

On 9 September 2020, Labs entered into an agreement with DLIS, pursuant to which Labs agreed to provide LeakBots and associated services to DLIS for a period of 24 months, following which the agreement automatically terminates unless extended on 3 months' written notice by mutual agreement. Labs is obliged to provide the deliverables and the services to whichever member of DLG that DLIS specifies and all benefits, warranties etc. granted to DLIS under the agreement are also granted to all other members of DLG.

DLIS shall ensure that no fewer than 2,000 LeakBots are dispatched to policyholders in the first 12 months of the agreement, otherwise DLIS shall pay a shortfall fee for each device not dispatched. All fees are fixed for the duration of the agreement.

Labs will, on demand, indemnify DLIS and its customers against all losses arising from any claim against a member of DLG alleging the deliverables infringe a third party's intellectual property rights. In all other cases, Labs' liability is limited to £500,000.

Either party may terminate the agreement with immediate effect if (i) a material breach is committed and remains unremedied for 10 days, or (ii) a party suspends payment of its debts or ceases to carry on its business. DLIS may terminate the agreement (i) on 60 days' notice, (ii) immediately if termination is necessary to meet the requirements of its regulators, or (iii) on written notice if a certain number of customer complaints are received.

The agreement is governed by English law and the courts of England and Wales have exclusive jurisdiction.

19.5 *Pilot services agreement with Sagesure Insurance Managers LLC (“Sagesure”)*

On 5 October 2020, Labs entered into a pilot services agreement with Sagesure (an insurance provider), pursuant to which Labs agreed to provide LeakBots and ancillary repair services to customers of Sagesure. The agreement continues for an initial period until 30 September 2022, following which it automatically renews for consecutive 12-month periods. Either party may terminate the agreement on 3 months’ written notice, or immediately if (i) a breach occurs that is incapable of remedy, (ii) a party fails to remedy a breach that is capable of remedy within 30 days, or (iii) an insolvency event occurs.

Labs indemnifies Sagesure for any (i) claim that the use by Sagesure or its customers of the LeakBot brand infringes the intellectual property of a third party, and (ii) cost, claim or expense incurred by Sagesure arising as a result of any claim by its customers if that claim results from a breach of the agreement or violation of applicable law by Labs. The total aggregate liability of either party to the other (i) in respect of the indemnities given shall in no event exceed US\$1,000,000, or (ii) in any other respect is limited to US\$100,000. Labs’ fees shall be invoiced monthly in arrears.

The agreement is subject to the laws of England and the English courts have exclusive jurisdiction.

19.6 *Services agreement with Eaton Gate MGU Limited (“Eatongate”)*

On 29 August 2020, Labs entered into a services agreement with Eatongate (an insurance broker), who wished to test the LeakBot with its customers, pursuant to which Labs agreed to provide approximately 7,500 LeakBots to customers introduced to it by Eatongate. The agreement continued for an initial period ending on 28 August 2021, following which the agreement automatically renews for consecutive periods of 12 months. The agreement may be terminated by either party giving 3 months’ written notice, such notice to end at the end of a 12-month renewal period. Either party may terminate the agreement immediately if (i) a material breach is committed that cannot be remedied, (ii) either party fails to remedy a material or persistent breach within 30 days, or (iii) a specified insolvency event occurs. Eatongate may terminate immediately if any insurance arranged by Eatongate relating to the products ceases or an insurance provider’s consent to use the product is refused or withdrawn.

If, by the end of the initial term, the actual volume of products ordered is less than 7,500, Eatongate shall pay Labs’ fees for each product that has not been sold in respect of that minimum volume. Labs’ fees shall be paid monthly in arrears within 30 days following receipt of an invoice.

Labs indemnifies Eatongate for any claim that the use by Eatongate of the LeakBot brand infringes the intellectual property rights of a third party. The aggregate liability of each party (including under an indemnity) shall not exceed 2 times the total fees paid under the agreement during the 12 months preceding the date on which the claim arose.

The agreement is subject to the laws of England and the English courts have exclusive jurisdiction.

19.7 *Trial supply and services agreement with Hiscox Underwriting Limited (“Hiscox”)*

On 1 August 2018, Labs entered into an agreement with Hiscox (an insurance provider), pursuant to which Labs agreed to supply up to 2,000 LeakBots and 500 repairs to Hiscox’s customers. The agreement continued for an initial trial period ending on 31 October 2019 and, during that period, Hiscox agreed to ensure that no fewer than 1,000 LeakBots were dispatched to its customers, otherwise Hiscox would pay a shortfall fee for each device not dispatched.

Labs indemnified Hiscox for any claim that the use by Hiscox of the LeakBot brand infringes the intellectual property rights of a third party. The aggregate liability of Labs under the agreement shall in no event exceed £4,000,000. Labs’ fees shall be paid monthly in arrears within 30 days following receipt of an invoice.

Either party may terminate the agreement immediately if (i) a material breach is committed that cannot be remedied, or (ii) either party fails to remedy a material or persistent breach within 30 days of notice to do so.

The agreement is subject to the laws of England and the English courts have exclusive jurisdiction.

19.8 *Supply and services agreement with Hiscox*

On 5 November 2019, Labs entered into a supply and services agreement with Hiscox (an insurance provider), pursuant to which Labs agreed to supply the LeakBot to approximately 9,800 of Hiscox's customers. The agreement came into effect on 3 February 2020 and shall continue for a period of 2 years.

If, after 12 months, the volume of products dispatched is less than 5,000, Hiscox shall pay Labs' fees for each product that has not been sold in respect of that minimum volume. Labs' fees shall be paid monthly in arrears within 30 days of the date of each invoice. Labs indemnifies Hiscox for any claim that the use by Hiscox of the LeakBot brand infringes the intellectual property rights of a third party. The aggregate liability of Labs under the agreement shall in no event exceed £4,000,000.

Either party may terminate the agreement immediately if (i) a material breach is committed that cannot be remedied, or (ii) either party fails to remedy a material or persistent breach within 30 days of being notified to do so.

The agreement is subject to the laws of England and the English courts have exclusive jurisdiction.

19.9 *Supply and services agreement with Covea Insurance Plc ("Covea")*

On 19 October 2021, Labs entered into an agreement with Covea pursuant to which Labs agreed to provide up to 500 LeakBots per month to Covea's customers.

The agreement continues for an initial period of 12 months, following which it will automatically renew for consecutive 12-month periods. After expiry of the initial 12-month period, the agreement may be terminated by either party giving 3 months written notice to the other. Either party may also terminate the agreement immediately if (i) a material breach is committed that cannot be remedied, (ii) either party fails to remedy a material or persistent breach within 30 days of being notified to do so, or (iii) certain liquidation events occur.

Labs warrants that it owns all the intellectual property rights that are required to fulfil the parties' respective obligations under the agreement. Labs indemnified Covea for any claim that the use by Covea of the LeakBot brand infringes the intellectual property rights of a third party. The aggregate liability of Labs under the agreement for breaches of provisions relating to intellectual property, data protection and confidentiality is limited to £2,000,000, and, in any other case, shall not exceed the greater of (i) three times the fees received under the agreement, or (ii) £120,000. The only remedy in relation to the LeakBots shall be the replacement of a LeakBot or a refund to the customer. Labs' fees shall be paid monthly in arrears within 30 days of the date of each invoice.

The agreement is subject to the laws of England and the English courts have exclusive jurisdiction.

19.10 *Collaboration agreement with MAPFRE S.A. ("MAPFRE")*

On 11 June 2020, Labs entered into a collaboration agreement with MAPFRE, pursuant to which MAPFRE agreed to provide Labs with access to its innovation platform, where Labs may carry out proof of concepts and/or commercial pilots.

In the event of a breach of the parties' obligations, the agreement may be terminated, and Labs shall reimburse all payments received from MAPFRE and all of MAPFRE's expenses incurred pursuant to Labs' participation in the programme. MAPFRE accepts no liability for any damage arising from Labs' breach of its obligations and Labs holds MAPFRE harmless against any damage caused to MAPFRE by a breach of its obligations.

The agreement is governed by the laws of the Kingdom of Spain and any dispute shall be settled by the courts of Madrid.

19.11 *Services Agreement with MAPFRE U.S.A. Corp (“MAPFRE U.S.A.”)*

On 11 February 2021, Labs entered into an agreement with MAPFRE U.S.A. pursuant to which Labs agreed to provide LeakBot devices, customer support and reports to MAPFRE U.S.A. (the “Services”).

The agreement came into effect on 11 February 2021 and will terminate on the earlier of the 12 month anniversary of the delivery of the 3000th LeakBot or 15 months after the first LeakBot was delivered to a MAPFRE company. Either party may also terminate the agreement if (i) a material breach is committed that cannot be remedied, or (ii) either party fails to remedy a material breach within 5 business days of being notified to do so. This agreement shall terminate at such time the parties enter into a longer-term agreement.

Labs indemnifies MAPFRE U.S.A. from any and all losses reasonably incurred as a result of Labs’ act or omission in connection with the services it is providing to MAPFRE U.S.A. Labs will reimburse MAPFRE U.S.A. for the costs incurred as a result of defense and resolution of such claims.

Labs represents and warrants to MAPFRE U.S.A. that the Services are performed in a workmanlike and professional manner, and all applicable laws are complied with. In the event that Labs fails or refuses to replace any materially non-conforming work, Labs will reimburse MAPFRE U.S.A. for all reasonable costs incurred in remedying such work.

Labs indemnifies MAPFRE U.S.A. from (i) losses from bodily injury, death, damage to property from wilful, fraudulent or negligent acts or omissions; (ii) breach of any representation, warranty or obligation in this agreement; or (iii) claim that the use or receipt by MAPFRE U.S.A. of the rights, designs and data infringes the intellectual property of a third party. Save for death or personal injury caused by negligence or for fraud or fraudulent misrepresentation, the total aggregate liability of any party in connection with this agreement shall not exceed £100,000.

The agreement is governed by the laws of the State of New York and any disputes shall be subject to the federal and state courts in New York.

19.12 *Supply and Services Agreement with LB Forsikring AIS (“LB”)*

On 1 March 2022, Labs entered into an agreement with LB, pursuant to which Labs agreed to provide LB with smart water leak detectors, repair services and Danish speaking contact centre support to customers of LB.

The agreement came into effect on 24 January 2022 and shall continue until terminated by either party giving 3 months’ written notice to the other. Either party may also terminate the agreement immediately if (i) a material breach is committed that cannot be remedied, (ii) either party fails to remedy a material or persistent breach within 30 days of being notified to do so, or (iii) certain liquidation events occur.

Labs will indemnify LB for any claim that the use by LB of Labs’ brands infringes the intellectual property rights of a third party.

The agreement is governed by the laws of Denmark and the courts of Denmark have exclusive jurisdiction.

General Supplier Contracts

19.13 *Terms of business for services provided by Marks & Clerk LLP (“M&C”)*

M&C (patent and trade mark attorneys) will provide legal services to Labs.

M&C will charge fees for its services based upon time spent on the particular instruction and money may be requested on account of fees and disbursements to be incurred. Labs indemnifies M&C for claims against M&C alleging that M&C made an unjustified ‘threat of infringement proceedings’. M&C will continue to act for Labs unless various circumstances arise, including that invoices remain unpaid for an extended period. M&C’s aggregate liability in respect of its engagement shall not exceed £30,000,000.

The terms are governed by English law and the English courts have exclusive jurisdiction.

19.14 *Letter varying from M&C varying their standard supplier terms*

Labs received a letter from M&C (patent and trade mark attorneys) dated 21 August 2017 agreeing to vary certain of M&C's standard supplier terms relating to the interest charged on overdue amounts, and the fees M&C charges for its services.

19.15 *Services agreement with Whistl UK Limited ("Whistl")*

On 15 May 2017, Labs entered into a services agreement with Whistl, pursuant to which Whistl agreed to provide packing and delivery services in relation to the LeakBot. The agreement continued for an initial term of 12 months, following which it continues unless terminated. Labs is obliged to meet minimum volumes of Whistl's services in every 12-month period, otherwise additional charges apply.

Whistl's aggregate liability is limited to £1,000,000 and Whistl excludes all liability if items are delayed or delivered after the expected delivery date. Invoices must be paid within 14 days of the date of the invoice. Whistl may terminate the agreement on 7 days' written notice or immediately if (i) a material breach is unremedied for 30 days, or (ii) Labs becomes insolvent or unable to pay its debts. Labs may terminate on 30 days' written notice.

The agreement is governed by the laws of England and Wales and disputes (other than disputes regarding debt recovery, which shall be governed exclusively by English courts) shall be settled by mediation in London.

19.16 *Water leak detection research and development agreement with SkyRad Limited ("SkyRad")*

On 22 October 2014, Labs entered into an agreement with SkyRad, pursuant to which Labs and SkyRad collaborated in the research and development of a viable device capable of detecting water leaks in buildings. Labs agreed to fund the research and provide access to employees, and SkyRad agreed to develop and test the devices.

Subject to payment of the relevant costs by Labs, all intellectual property created or developed by the project shall vest in and be owned absolutely by Labs.

The agreement shall continue until the conclusion of the project, unless terminated on 3 months' notice. Either party may terminate immediately in various circumstances, including if a party challenges the other party's ownership of any intellectual property.

The agreement is governed by the laws of England and Wales and the courts of England and Wales have exclusive jurisdiction to settle disputes.

Manufacturing contracts

19.17 *Agreement for the supply of products with Asteelflash (Bedford) Limited ("Asteelflash")*

On 9 December 2020, Labs entered into an agreement with Asteelflash, pursuant to which Asteelflash agreed to manufacture various products for Labs, as set out in separate purchase orders. The agreement continues for an initial term of 36 months, following which, by giving notice (such notice to be served no later than 6 months prior to the expiry of the initial term), Labs may extend the term of the agreement for 2 year periods.

The agreement may be terminated by either party giving 3 months' notice, such notice to take effect after the end of the initial term or, if the agreement is extended, at the end of the relevant 2 year extension period. Labs may terminate the agreement with immediate effect in various situations, including if Asteelflash is in material breach. Asteelflash's fees will be paid within 30 days of Labs receiving an invoice and the maximum aggregate liability of each party in each contract year is limited to €5,000,000.

If a dispute arises, an initial escalation procedure applies, however the agreement is governed by the laws of England and Wales and the courts of England have exclusive jurisdiction to hear claims.

HomeServe plc also irrevocably guaranteed the due and punctual payment of all payments that are or may become owing to Asteelflash by Labs under this supply agreement. Under the Acquisition Agreement, the Company has agreed to assume all of HomeServe plc's obligations under the guarantee to Asteelflash.

20. RELATED PARTY TRANSACTIONS

20.1 There have been no related party transactions between the Company and any Director, save for:

- the directors' letters of appointments, as described in paragraph 11 of this Part;
- the grant of options and warrants, as described in paragraph 5 of this Part; and
- the Company entered into an investor relations and public relations consultancy agreement with Cassiopeia Services Ltd, a company connected with Stefania Barbaglio, a director of the Company. Stefania Barbaglio is the sole shareholder and director of Cassiopeia Services Ltd. Please see paragraph 18.5 of this Part for further details.

21. OTHER INFORMATION

21.1 Save as described in this Document, there are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business.

21.2 The fees and expenses payable by the Company in connection with Re-Admission, including the professional fees and expenses and the costs of printing and distribution of documents are estimated to amount to approximately £592,000 (excluding VAT) of which amount £272,000 is due and payable.

21.3 The auditor of the Company is PKF Littlejohn LLP, whose registered address is at 15 Westferry Circus, Canary Wharf, London, E14 4HD. PKF Littlejohn LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

21.4 PKF Littlejohn LLP has given and not withdrawn its written consent to the inclusion, in the Document, of its accountants' report on the historical financial information of the Company and Labs set out in Part V and Part VI of this Document and its accountants' report on the unaudited *pro forma* statement of net assets of the Company and Labs set out at in Part VIII of this Document and has authorised the contents of these reports for the purposes of item 1.3 of Annex 1 of the PR Regulation. In addition, PKF Littlejohn LLP has given and not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name.

21.5 SI Capital Ltd has given and not withdrawn its written consent to the inclusion in this Document of references to its name.

21.6 From Admission, copies of this Document and the Company's memorandum of association and articles of association may be collected, free of charge during normal business hours, from the Company's registered office, being 60 Gracechurch Street, London, EC3V 0HR.

PART XI

NOTICES TO INVESTORS

The distribution of this Document may be restricted by law in certain jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

1. GENERAL

No action has been or will be taken in any jurisdiction that would permit a public offering of the Shares, or possession or distribution of this Document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Document nor any other offering material or advertisement in connection with the Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute an offer to subscribe for any of the Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Document has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is subject of this Document or of the quality of the securities that are the subject of this Document. Investors should make their own assessment as to the suitability of investing in the securities. No arrangement has been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in any EEA State (or in any other jurisdiction). Issue or circulation of this Document may be prohibited in countries other than those in relation to which notices are given below.

2. FOR THE ATTENTION OF EUROPEAN ECONOMIC AREA INVESTORS

In relation to each member state of the European Economic Area which has implemented the Prospectus Regulation (each, a “Relevant Member State”), an offer to the public of the Shares may only be made in accordance with the Prospectus Regulation as implemented by such Relevant Member State. For the other Relevant Member States an offer to the public in that Relevant Member State of any Shares may only be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a Qualified Investor as defined under the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than Qualified Investors as defined in the Prospectus Regulation) per Relevant Member State; or
- (c) in any other circumstances to which an exemption under the Prospectus Regulation applies, falling within Article 1(3) and (4) of the Prospectus Regulation and, if the Relevant Member State has implemented the relevant provision, Article 3(2) of the Prospectus Regulation,

provided that no such offer of Shares shall result in a requirement for the publication by the Company or any other person of a prospectus pursuant to Article 3 of the Prospectus Regulation and each person who initially acquires the Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Company that it is a Qualified Investor within the meaning of Article 2(1)(e) of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares.

During the period up to but excluding the date on which the Prospectus Regulation is implemented in member states of the EEA, this Document may not be used for, or in connection with, and does not constitute, any offer of Shares or an invitation to purchase or subscribe for any Shares in any member state of the EEA in which such offer or invitation would be unlawful.

The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions.

3. FOR THE ATTENTION OF UK INVESTORS

This Document has been approved by the Financial Conduct Authority (the “FCA”), as competent authority under the Prospectus Regulation. The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is subject to this Document or of the quality of the securities that are subject of this Document. Investors should make their own assessment as to the suitability of investing in the securities. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

In the United Kingdom this Document is for distribution to, and is directed only at, legal entities which are Qualified Investors as defined under the Prospectus Regulation and are (i) persons having professional experience in matters relating to investments who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Financial Promotions Order”); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Financial Promotions Order; or (iii) persons to whom it may otherwise be lawfully distributed under the Financial Promotions Order, (all such persons together being “Relevant Persons”). In the United Kingdom, any investment or investment activity to which this Document relates is only available to and will only be engaged in with Relevant Persons. Persons who are not Relevant Persons should not act or rely on this Document or any of its contents.

PART XII

GENERAL DEFINITIONS

The following definitions apply throughout this Document unless the content requires otherwise:

Acquisition	the acquisition of 100 per cent. of the issued share capital of Labs by the Company in accordance with the terms of the Acquisition Agreement, further details of which are set out at paragraph 18.1 of Part X of this Document;
Acquisition Agreement	the agreement dated 10 December 2021 (and as amended on 28 January 2022, 15 February 2022 and 28 February 2022) between the Company and the Seller, pursuant to which the Company will acquire the entire issued share capital of Labs. The acquisition is conditional <i>inter alia</i> on Re-Admission;
Act	the United Kingdom Companies Act 2006 (as amended from time-to-time);
Admission or Re-Admission	admission of the Existing Shares and the New Shares to the standard segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange;
Articles	the articles of association of the Company from time to time;
Broker	SI Capital Ltd;
Business Day	a day (other than a Saturday or a Sunday) on which banks are open for business in London;
Certificated or in certificated form	in relation to a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (that is, not in CREST);
City Code	The City Code on Takeovers and Mergers;
Company or Issuer or Spinnaker	Spinnaker Acquisitions plc, a company incorporated in England and Wales with company number 13218816;
Consideration Shares	the 14,991,667 new Ordinary Shares to be issued to the Seller and Mark Wood in consideration for the entire issued share capital of Labs on completion of the Acquisition;
CRESTCo	CRESTCo Limited, the operator (as defined in the Uncertificated Regulations) of CREST;
CREST Regulations	The Uncertified Securities Regulations 2001 (SI 2001 No. 3755), as amended;
Concert Party	together, Andrew Morrison, Anthony Harpur, Alan Hume, Robert Evans, Stefania Barbaglio, David Bott and Welbeck Associates Ltd;
Directors or Board or Board of Directors	the directors and, if the context requires, the Directors on Re-Admission of the Company, whose names appear at page 25 or the board of directors from time to time of the Company, as the context requires, and “ Director ” is to be construed accordingly;
Directors on Re-Admission	each of Craig Foster, Gregory Mark Wood CBE, Andrew John Gowdy Morrison and Stefania Barbaglio, all of whom will be directors of the Company on Re-Admission;

Disclosure and Transparency Rules	the disclosure guidance and transparency rules of the FCA made in accordance with section 73A of FSMA as amended from time to time;
Document	this prospectus;
EEA	the European Economic Area;
EEA States	the member states of the European Union and the European Economic Area, each an “ EEA State ”;
EMI Options	the enterprise management incentives options over Ordinary Shares being granted subject to Admission, further details of which are set out at paragraph 5.5 of Part X;
Enlarged Group	the Company and its subsidiary undertakings including Labs and its subsidiary undertakings with effect from completion of the Acquisition and Admission;
Enlarged Share Capital	the ordinary share capital of the Company as enlarged by the New Shares;
Existing Directors	the existing directors of the Company prior to Admission being Andrew Morrison, Alan Hume, Anthony Harpur, Claudia Stijlen and Stefania Barbaglio;
Existing Options	together the Unapproved Options and the EMI Options;
Existing Shares or Existing Issued Share Capital	the 22,630,060 Ordinary Shares in issue on the date of this Document;
EU	the Member States of the European Union;
Euro	€ the lawful currency of the European Union;
Euroclear	Euroclear UK & Ireland Limited;
Exchange Act	the US Securities Exchange Act of 1934, as amended;
Existing Locked-In Directors	Andy Morrison, Tony Harpur and Alan Hume;
FCA	the Financial Conduct Authority;
FSMA	the Financial Services and Markets Act 2000, as amended;
Fundraise or Fundraising	together the Placing, the Subscription and the granting of the Fundraise Warrants;
Fundraise Price	an issue price of £0.12 per New Share;
Fundraise Proceeds	the gross funds from the Placing received on closing of the Placing and the gross funds from the Subscription received on closing of the Subscription;
Fundraise Shares	the Ordinary Shares to be issued and allotted pursuant to the Fundraise;
Fundraise Warrants	the 14,281,252 warrants granted to investors who participated in the Placing or Subscription over Ordinary Shares exercisable at £0.25 per Ordinary Share either in whole or in part for a period of 36 months from the date of Admission;
HomeServe Group	HomeServe plc and its subsidiaries;
IFRS	International Financial Reporting Standards;

Investors	together, the Placees and the Subscribers;
IPO Broker Warrants	the 500,000 warrants granted over new Shares pursuant to the arrangements described in Paragraph 18.9 of Part X of this Document;
IPO Investor Warrants	the 10,405,000 warrants granted over new Shares pursuant to the arrangements described in Paragraph 18.11 of Part X of this Document;
Labs' Employees	certain existing employees of Labs;
Last Practicable Date	the last practicable date prior to publication of this Document, being 14 March 2022;
Listing Rules	the listing rules made by the FCA under section 73A of FSMA as amended from time to time;
Loan Notes	the loan notes issued to the Seller by the Company pursuant to the Loan Note Instrument, further details of which are set out at paragraph 18.2 of Part X;
Loan Note Instrument	the secured loan note instrument constituted by the Company at least two days prior to Admission to grant up to a maximum nominal amount of £6,401,000 secured loan notes, further details of which are set out at paragraph 18.2 of Part X;
Locked-in Directors	the Directors on Re-Admission;
London Stock Exchange	London Stock Exchange Plc;
Main Market	the regulated market of the London Stock Exchange for listed securities;
Net Proceeds	the proceeds of the Fundraise less any expenses payable in connection with the Transaction from the proceeds of the Fundraise;
New Shares	together, the Placing Shares, the Subscription Shares, the Option Shares and the Consideration Shares;
Official List	the official list of the FCA;
Option Shares	options being exercised by certain Existing Directors and advisers to the Company;
Ordinary Shares or Shares	the ordinary shares of £0.05 each in the capital of the Company;
Panel or Takeover Panel	the Panel on Takeovers and Mergers;
Placee	a person subscribing for Placing Shares under the Placing;
Placing	the conditional placing of the Placing Shares by SI Capital Ltd as placing agent for the Company;
Placing Proceeds	the gross funds from the Placing received on closing of the Placing;
Placing Shares	the 22,208,337 Ordinary Shares to be issued pursuant to the Placing;
Premium Listing	a premium listing under Chapter 6 of the Listing Rules;
Prospectus Regulation Rules	the prospectus regulation rules of the FCA made in accordance with section 73A of FSMA;

Proposed Directors	Craig Foster and Gregory Mark Wood CBE;
Registrar	Neville Registrar Ltd;
Reverse Takeover	a transaction defined as a reverse takeover under Listing Rule 5.6.4 (1) and (2);
Regulatory Information Service or RIS	a regulatory information service authorised by the FCA to receive, process and disseminate regulatory information in respect of listed companies;
RTO Broker Warrants	the 800,000 warrants granted over new Shares pursuant to the arrangements described in Paragraph 18.10 of Part X of this Document;
SEC	the US Securities and Exchange Commission;
Securities Act	the US Securities Act of 1933, as amended;
Seller or HomeServe Assistance	HomeServe Assistance Limited, a company incorporated in England and Wales with company number 03763084;
Senior Managers	the key senior management of Labs;
Shares	shares of any class and any par value in the capital of the Company at any time;
Shareholders	the holders of the Ordinary Shares and/or New Shares, as the context requires;
Standard Listing	a standard listing under Chapter 14 of the Listing Rules;
Sterling	£ sterling, the lawful currency of the United Kingdom;
Subscriber	a person who confirms his agreement to the Company to subscribe for Ordinary Shares under the Subscription;
Subscription	the private subscription being carried out by the Company to raise £762,500.52 through the issue of 6,354,171 Ordinary Shares;
Subscription Letters	the letters between the Company and the Subscribers relating to the Subscription;
Subscription Shares	the 6,354,171 Ordinary Shares to be issued pursuant to the Subscription;
Takeover Code	the City Code on Takeovers and Mergers;
Target or Labs	LeakBot Limited, a company incorporated in England and Wales with company number 08442778;
Transaction	the Acquisition, the Fundraise and Admission;
UK Corporate Governance Code	the Corporate Governance Code issued by the Financial Reporting Council from time to time;
UK Market Abuse Regulation or UK MAR	the UK version of the EU Market Abuse Regulation (2014/596) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time, including by the Market Abuse (Amendment) (EU Exit) Regulations 2019;

UK Prospectus Regulation	the UK version of the EU Prospectus Regulation (2017/1129) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including, but not limited to, by the UK Prospectus Amendment Regulations 2019 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019));
Unapproved Options	the unapproved options over Ordinary Shares which have been granted prior to the date of this Document, further details of which are set out at paragraph 5.4 of Part X
uncertificated form	in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland;
United States or US or USA	the United States of America, its territories and possessions;
US Dollar	\$ dollars, the lawful currency of the United States;
VAT	(i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition; and
Working Capital Period	the 12-month period from the date of this Document.

PART XIII

GLOSSARY OF TECHNICAL TERMS

B2B	business to business;
GWP	gross written premium;
Insurtech	a technology led company which focuses on the insurance sector;
Internet of Things or IoT	the interconnection via the Internet of computing devices embedded in everyday objects, enabling them to send and receive data;
LeakBot	the propriety leak detection system owned by Labs;
Leak Rate Calculator	Labs' patented leak location technology; and
Thermi-Q	Labs' patented ambient air and mains water temperature measuring technology.

