Company Registration No. 13218816

Ondo InsurTech Plc

Annual Report and Financial Statements for the period ended 31 March 2023

Contents

COMPANY INFORMATION

Directors	Gregory Mark Wood CBE Andrew (Andy) Morrison Stefania Barbaglio Craig Foster Kevin Withington
Company Secretary	Ben Harber
Company number	13218816 (England and Wales)
Registered office	6th Floor 60 Gracechurch Street London England EC3V 0HR
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Legal advisers	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
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CHAIRMAN'S STATEMENT

Today we present the Ondo InsurTech Plc ("Ondo" or "Group") results for the 18 month period to 31 March 2023, comprising of the period pre and post acquisition of Leakbot Limited, as described below.

Ondo InsurTech Plc acquired Leakbot Limited in March 2022 by way of a reverse takeover transaction (RTO) which was under the scope of IFRS 2. As a result of the RTO, the period figures within these annual report and financial statements for the Group are for the 18 months to 31st March 2023 with the comparatives represent those of Leakbot Limited only for the year ended 30 September 2021.

Financial Highlights – Audited Period (18 months to 31 March 2023)

- **Revenue of £2.4m for 18 months to 31 March 2023** (12 months to 30 September 2021 £0.9m)
- **Gross Profit before expenses £0.85m for 18 months to 31 March 2023** (12 months to 30 September 2021 £0.55m)
- **£0.4m of inventory accumulated** in anticipation of 2023 partner launches

Post RTO Highlights – 12 months to 31 March 2023

- **54,206 LeakBot units sales +299%** higher vs the same period a year ago (12 months to 31 March 2022: 13,598)
- **Registered Customers on platform at period end were 69,793 +75%** growth (12 months to 31 March 2022: 39,859
- **Revenue of £ 2.1m for the 12 months to 31 March 2023,** which is **+182%** higher than for the same period a year ago (12 months to 31 March 2022: £0.7m)
- **£1.0m of which was from recurring Software and Services +536%** growth (12 months to 31 March 2022: £0.2m) £1.1m being from one-off Hardware and Set-up fees +86% growth (12 months to 31 March 2022: £0.6m)
- **Approximately £2.1m cash received from customers** during the period, **+246%** growth vs. the same period a year ago (12 months to 31 March 2022: £0.6m)

Post-period Announcements:

- **Länsförsäkringar ("LF") 5 year contract** - Sweden's largest non-life insurer - rollout into 23 group regions and 2 million customers following pilot in Södermanland test region.
- **Go-to-market partnership with $4bn NASDAQ listed WNS –** WNS offering guaranteed ROI to their Insurance partners for LeakBot deployments.
- **First Significant US contract with Mutual of Enumclaw** to install 10,000 units in Washington state in 6 months from August 2023.
- **Portsmouth Water** – with 320,000 homes in a water-stressed part of the UK - announce LeakBot pilot results to water industry showing LeakBot can reduce household leaks by 60%
- **Total of £1.3m raised from Share placing (£0.8m) and warrant exercises £0.5m to 28 July 2023**
- **The London Stock Exchange** feature Ondo InsurTech Plc as case study company in their annual Green Economy Mark report

Acquisition of LeakBot

Together with the information in the prospectus dated 14 March 2022, these financial statements provide shareholders with a clear picture of the business and its impressive progress since admission.

The process leading up to the acquisition of LeakBot Ltd was described in the audited annual report dated 28 February 2022, along with a description of the transaction itself as a post-period matter. Following amendments to the sale and purchase agreement made on 28 January 2022, 15 February 2022 and 28 February 2022, the aggregate consideration of £9,799,548 was finalised, split as follows:

- payment to HomeServe Assistance Limited ("Seller") of £1,599,548 in cash;
- issue and allotment of 13,628,275 and 1,363,392 Consideration Shares to the Seller and Gregory Mark Wood CBE respectively at £0.12 per share, 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.

In conjunction with the completion of the acquisition of LeakBot Ltd, the Group raised £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.

Upon completion, Leakbot Ltd became a wholly owned subsidiary of Ondo InsurTech Plc.

The total commissions and other estimated fees and expenses in connection with the acquisition of LeakBot Ltd and the associated fundraise were approximately £592,000.

Post acquisition performance review

Through ownership of its subsidiary LeakBot Ltd, Ondo has become a B2B InsurTech business which has developed and patented the underlying technologies for a propriety leak detection system. The Group's primary business is the supply of the LeakBot system and services to its household insurer partners. The integrated system enables household insurers to mitigate the cost of claims arising due to an escape of water. The unique LeakBot technology is now protected by 29 different patents, issued, and granted, and has been proven by 3rd party research to be capable of reducing water damage claims costs for insurers by up to 70%. Insurers in the UK, Denmark, Sweden, Ireland and the USA pay for the LeakBot system and derive the benefit of claims mitigation through the prevention of leaks at insured households.

In August 2022, Ondo announced that it had received the London Stock Exchange's Green Economy Mark ("The Mark"). The Mark identifies companies that derive a significant amount of their sales from green economy products and services. The Green Economy Mark, first introduced in 2019, was created to highlight companies and investment funds listed on all segments of London Stock Exchange's Main Market and AIM that are driving the global green economy.

Ondo has made an encouraging start to life as a public company. Despite the challenging macro-economic conditions that we have experienced since admission, the Board is very much focused on the achievement of financial breakeven, and I am pleased to note that through strong business growth and financial discipline we are making good progress towards this important milestone.

The scale of the worldwide opportunity for deployment of LeakBot devices is massive and the Board believes that the medium-term value of the business will be a multiple of the recurring revenues that it generates. Profit margins are healthy (33% gross margin during the reporting period). The Group's strategy is to optimise working capital without sacrificing recurring revenues.

The number of Registered Customers grew to 69,793 at period end (Prior year: 39,859), total revenues increased 182% to £2.1m (prior year: £0.7m) resulting in a net loss of £3.5m (prior year: £2.8m).

Importantly for the long run valuation of the business, revenue generated from the on-going provision of software, services and repairs increased by over 500% to £1.0m (prior year £0.2m), whereas revenue from upfront device fees grew by 86% to £1.1m (prior pear £0.6m) as a result of a deliberate change in pricing strategy to drive future cash-flows, Lifetime Customer Value and enterprise value.

The Group enjoyed generally good visibility of its forward revenue pipeline throughout the period and was able to build up inventory during the second half year in anticipation of further new launches in the following fiscal year, with new partnerships announced in this period underpinning continued expected growth in subsequent periods. The Group did not suffer from significant supply chain issues and benefited from fixed price purchase contracts. Inflationary component cost pressures have nevertheless necessitated active monitoring and price management.

Some of the most strategically significant contract wins during the period included;

- Admiral, which has over 1.3m home insurance customers in the UK, successfully shipped an initial 20,000-unit LeakBot deployment with Admiral's Platinum cover customer group. The maturing results will be used to scope out the opportunity for a larger scale roll out.

- Länsförsäkringar is the largest non-life insurer in Sweden and has approximately two million home insurance customers. In the Södermanland region 40% of addressable policyholders received a LeakBot and the introduction of LeakBot has been cited as the reason for an impressive 50% increase in new home insurance sales, in addition to validation of the expected claims savings. A 5 year contract is in place ahead of a rollout across Sweden.

CEO Craig Foster provides further information on the Group's operational challenges and achievements in his report below.

During the reporting period, we were very pleased to welcome Jim Strickland (GM North America), Dr Chris Jelley (Chief Technology Officer, CTO) and Kevin Withington to the management team, with Kevin Withington being appointed to the Board as Finance Director from 26 September 2022. These experienced leaders position the Group for further growth and strong governance.

Post-Period Highlights

Having laid the groundwork during the reporting period, the Board was delighted to be able to announce on 20 April 2023, a partnership with WNS (Holdings) Ltd ("WNS") to accelerate LeakBot deployment in North America and worldwide. WNS is a world-leading business process management company with a market capitalisation of over US $4 billion. Under the partnership, Ondo will provide the technology and repair services, and WNS will manage claims, customer operations and transformation services, as well as a guaranteed indemnity saving.

In May this year, the Company raised £815,000 through an oversubscribed placing and subscription for new ordinary shares to support the growing deployment pipeline of the LeakBot system.

A total of 6,791,666 shares were issued to new and existing holders at a price of 12 pence per share with an equal number of 6,791,666 warrants attached at an exercise price of 20 pence per share, valid for 3 years. My fellow directors Kevin Withington and Andy Morrison joined me in participating in the fund-raising with details as set out in the announcement of 12 May 2023.

Building on its Green Economy credentials, the Group was excited to announce on 6 June 2023 the results of a pilot deployment by Portsmouth Water to assess the ability of LeakBot devices to reduce household water leakage. UK water regulator, Ofwat has created an innovation fund of up to £100m to encourage solutions that can drive water efficiency in England and Wales from 2024 onwards.

In the Portsmouth pilot, 24% of houses that installed a LeakBot had a pre-existing leak and data from the pilot shows that after 6 months there had been a 60% reduction in the number of leaks. Based on these pilot results the installation of LeakBot in over 3,000,000 UK houses could create an ongoing water saving of up to 100 megalitres per day – enough water to fill 38 Olympic size swimming pools every day and help the UK to meet its stretching water efficiency goals in the coming years.

The recent contract win with Mutual of Enumclaw has reinforced the belief of the Board that the Group is poised for growth in the USA.

Finally, and perhaps most importantly, I would like to thank our team at Ondo who have taken full advantage of the autonomy of being an independent company since re-listing on the stock market in March 2022.

DocuSigned by:

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Gregory Mark Wood CBE
Chairman
31 July 2023

CHIEF EXECUTIVE OFFICER'S REVIEW

We have the opportunity over the next few years to create a large and valuable technology company. A company founded in the UK, listed in London, with a product made in Britain and now being exported around the world.

We are today, of course, still a small company and are just getting started. We have an exciting journey ahead.

ONDO: A leader in claims prevention technology for insurers

Our aim is to be a world leader in claim prevention technology for the home Insurance Industry. We are winning business because we have a proven and proprietary solution to the single biggest cause of the home insurance claims – water leaks.

The LeakBot system comprises of a unique, self-install sensor which clips to a pipe and detects a leak anywhere on a mains water system. "Ondo" is Japanese for "temperature change". Our competitive advantage is our patented Thermi-Q technology which is a revolutionary way of detecting micro leaks in houses using temperature changes. The solution is then integrated with a network of plumbers who can repair the underlying leaks.

Water damage claims cost insurers £14bn a year in the USA and UK. Published results show we can reduce this by up to 70%. Our model is to sell our patented technology as a service to insurance companies who see a return on investment based on the claims that are prevented.

The same water leaks are also a big environmental problem too. Reducing water consumption is a core sustainability goal around the world. Each LeakBot installed we estimate can save around 30,000 litres of water over 5 years. That's because we fix a lot of leaky loos in the process of preventing claims for insurers.

We detect and fix leaks, reduce insurance costs, reduce water consumption and give homeowners lower bills and greater peace of mind.

Our focus right now is simple – sign more partners, expand with the partners we have got, keep the model the same and scale as fast as we can in our core markets of UK, Scandinavia and USA.

As mentioned in the Chairmans statement the Group results are for the 18 period months to 31st March 2023 covering pre and post RTO period. In order to give Shareholders an understanding of the performance I have focused my report on the post RTO period.

12 Months to 31 March 2023 Review

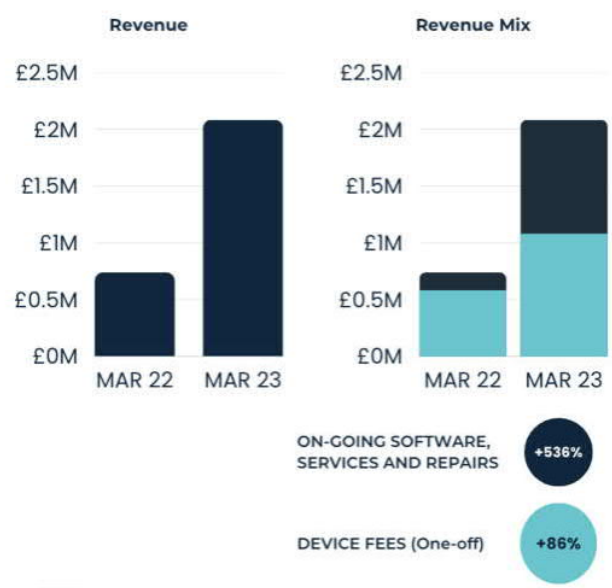
Ondo InsurTech PLC was re-admitted for trading on the London Stock Exchange in March 2022 which turned out to be a difficult market environment particularly for small caps and technology stocks, and especially so for a new company like Ondo that was unknown to investors.

Regardless of the tough market conditions, the team at Ondo got to work. In H1 the business was growing driven by the end of the Länsförsäkringar pilot in Sweden, and the start of the commercial impact of Admiral. The Länsförsäkringar pilot was a marked success already well documented elsewhere in the Chairman's Statement. Not only were the results for the partner excellent, but the revenues and volumes were material for Ondo even though this was a single pilot in one region of Sweden, we penetrated around 25% of houses in that local area.

In H2 we shipped the majority of the Admiral 20,000 volume commitment, testing a new "auto-ship" deployment method where devices were sent out to customers un-solicited basis, rather than on an opt-in basis. The advantage of Auto-ship is a much faster rate of deployment into a customer base. Based on the positive results of this deployment method we already have plans to test this with more partners across countries this year. Finally, the third material change in the year to 31 March 2023 was the new deal in Denmark with LB Forsikring, which started to ship in November 2022.

Those activities produced a 299% growth in shipped or pre-sold devices at 54,206 units and a 75% growth in registered customers to 69,793.

Revenue grew by 182% to £2.1m (vs. £0.7m prior year). Importantly also we changed the mix of revenue through a shift in pricing strategy. We have started to reduce the amount we charge for upfront device fees (which are one-off in nature) and instead are shifting pricing towards driving ongoing revenues from software, and customer support and repair services. We know that this will create more sustainable long term cash flows and increase Customer Lifetime Values (although it dampens immediate reportable revenue and Y1 gross margins). Device Fees grew by +86% to £1.1m (prior year £0.6m) while Ongoing Revenues from Software, Service and Repairs grew +536% to £1m (vs £0.2m prior year).



The change in pricing strategy impacted on the Gross Margin to some degree. Additionally, we came to the end of a fixed price manufacturing deal in December 2022 and have seen upward inflationary pressure in some device component costs. We believe there is scope to reduce costs in the future as we move into higher volumes, and we have ways to further reengineer the product to reduce costs.

In our push to profitability, we have demonstrated efficiency gains over the year to 31 March 2023. We have grown the business significantly without having to increase headcount. Revenue per employee has grown +137% year-on-year.

Cash and cash equivalents at the end of March 2023 were £0.4m with an addition £0.4m of inventory manufactured in anticipation of new contract wins in early FY23/24. We were pleased to bolster our finances with an additional £0.8m from a placing completed and well received in May 2023.

In July 2023 we have also received approximately £0.5m of additional capital from the exercise of warrants for 2,866,666 shares and have a remaining balance of approximately £6.7m of warrants yet to be exercised at an average exercise price of 21 pence per share.

OUTLOOK for FY 2023/24

The whole team share my enthusiasm and excitement for the immediate path ahead. The total addressable market for the problem we solve around the world is vast, and momentum and traction are building with partners.

Growth in Addressable Households Under Contract

By the end of July 2023 our addressable households through existing contracts had grown 400% to approximately 2.4m (compared to an estimated 0.5m at March 2022). Marketable Households under contract is an estimation of how many households are available to Ondo under existing signed contracts. For a pilot we are only counting the capped pilot volume, whereas for a rollout we are counting the total addressable customer base through that partner.

At March 2022 we had achieved around an 8% penetration into these addressable households under contract whereas due to the additional new contract wins our current penetration at end March 2023 is now only 3%. Most of the increases in households are attributable to the Länsförsäkringar rollout. This demonstrates the growth potential of the business simply by executing well on already signed contracts.

First Steps in the USA

In June 2023, we announced our first significant sized deployment with Mutual of Enumclaw in the Pacific Northwest which is due to start shipping to customer in August 2023. We expect momentum to build as we sign and announce more partnerships in the USA.

Growth in Scandinavia

In Denmark – we look forward to seeing the results of the G4S trial which could open up a significant new route to market, as well as continued growth with TopDanmark, LB Forsikring and Privatsikring. The 5 year roll-out contract with Länsförsäkringar has created a step-change in the volume of addressable households we have available, and in the preceding pilot Länsförsäkringar achieved the fastest and deepest penetration of a set of customers we have seen so far. We are enjoying working with Länsförsäkringar now to replicate these results nationally.

Growth and innovation in the UK

In the UK we expect further traction with insurers to be announced as well as more news as we explore the collaboration also with Water companies. We recently announced the Portsmouth water pilot results to the water industry where we reduced household water leaks by 60%. This at a time when the UK's water resources are under increased pressure, with over abstraction of streams and rivers impacting wildlife, and widespread water shortages and droughts amplified by climate change. Reducing water demand is a key component to getting to Net zero as 5-6% of UK GHG emissions are from our use of water. Leaking toilet overflows are a large part of the problem in the UK. The average leaking toilet wastes 215-400 litres/day and 8% of UK toilets are leaking. LeakBot results in a lot of leaking toilets getting fixed, estimated to by 45% of the repairs carried out in homes. That is why the results delivered for Portsmouth Water with a 60% reduction in leaks is of some significance to UK regulators and Water Utilities and we are pleased with the level of interest from the sector.

World Leading Tech: Listed in London, Made in Britain

We have the opportunity over the next few years to create a large and valuable technology company. A company founded in the UK, listed in London, with a product Made in Britain which is being exported around the world.

We are today, of course, still a small company and are just getting started. We have an exciting journey ahead.

Thank you for your support.

Craig Foster

Craig Foster
Chief Executive Officer
31 July 2023

DIRECTORS' PROFILES

Gregory Mark Wood CBE (Non-executive Chairman) (70)
Gregory 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.

Andrew (Andy) Morrison (Non-executive Director) (63)

Andy Morrison is an established entrepreneur and investor operating in junior public markets since 2007. In addition to his role at Ondo, he is Chairman of AIM quoted Quadrise Plc and of unlisted Hemspan Ltd. In 2016, he founded and brought Spinnaker Opportunities Plc to the London Stock Exchange as a cash shell, in a transaction analogous to the subsequent listing of Spinnaker Acquisitions Plc. Mr Morrison led Spinnaker Opportunities Plc into the reverse take-over of a medicinal cannabis business to form Kanabo Group Plc and led Spinnaker Acquisitions Plc into the reverse take-over of LeakBot Ltd and the renaming of the Company to Ondo InsurTech Plc. Between 2007 and 2016, Mr Morrison learned his trade as hired Chief Executive and/or Board adviser to mostly natural resources companies.

For the first 17 years of his career, Andy Morrison worked for Shell in a variety of positions in oil products trading, shipping, marketing and business development. Andy Morrison 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) (38)
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. 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 events, 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.

Craig Foster (Founder and CEO) (44)
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 7 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 Mr. Foster was awarded the Insurance Times "Tech Champion of the Year" Award in recognition of the breakthrough nature of LeakBot.

Kevin Withington (CFO) (50)

Kevin Withington is an experienced Chief Financial Officer who joined the Ondo InsurTech Board in September 2022. Kevin has spent the 25-plus year in the insurance industry with Senior finance private equity backed roles at My Policy (Technology Driven Telematics Broker), AJ Gallagher (USA Brokerage), Brightside Insurance Group (Motor Broker) Barbon Insurance Group (Referencing and Lettings Insurance) and Towergate Insurance among others. Kevin has worked in several high growth business and is well placed for Ondo's next stage of its growth.

STRATEGIC REPORT

The Directors present their Strategic Report on Ondo InsurTech plc for the period ended 31 March 2023.

Section 172(1) Statement – Promotion of the Company for the benefit of members as a whole:

The Directors believe they have acted in good faith, in a way that would be most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006, and in doing so have had regard to:

- the likely consequences of any decision in the long term.
- The need to act fairly between the members of the Company;
- The desirability of maintaining the Company's reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- The need to foster the Company's relationships with suppliers, customers, and others; and
- the impact of the Company's operations on the community and the environment.

The Board recognise that following the completion of the RTO, their primary role is the representation and promotion of shareholders' interests. The Board makes every effort to understand the interests and expectations of the shareholders and other stakeholders via regular meetings with shareholders and shareholder communications Governed by the Companies Act 2006, the Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code"). The Board recognises the importance of maintaining a good level of corporate governance which, together with the requirements of a main market listing, ensures that the interest of the company's stakeholders are safeguarded.

As a Company, the Board seriously considers its ethical responsibilities to the communities and environment.

To fulfil their duties under section 172 and promote the success of the Company for the benefit of all its stakeholders, the directors need to ensure that they not only act in accordance with the legal duties but also engage with, and have regard for, all its stakeholders when taking decisions. The Company has several key stakeholders that it is committed to maintaining a strong relationship with. Understanding the Company's stakeholders and how they and their interests will impact on the strategy and success of the Company over the long term is a key factor in the decisions that the Board make.

Shareholders

The promotion of the success of the Company is ultimately for the benefit of the Company's shareholders who provide the Company's permanent capital. As a company listed on the London Stock Exchange, the Company is responsible for ensuring that it is aware of shareholder needs and expectations. The Directors attach great importance to maintaining good relationships with all its shareholders and interested parties and seeks to ensure that they have access to correct and adequate information in a timely fashion. The Directors are aware that as stakeholders, its shareholders play a vital role in the fabric of the Company and therefore regularly engage in dialogue with the Company's shareholders and are available for meetings with institutional and major shareholders following the release of the Company's Annual and Interim Results. The Directors welcome all shareholders to make contact with the Company and provide any feedback or comments that they may have, and contact details are available on the Company's website. The Company's Annual General Meeting is also an important opportunity for shareholders to meet and engage with Directors and ask questions on the Company and its performance. The company is using several multimedia channels to communicate with shareholders alongside RNSs.

Regulatory Bodies

The Company is listed on the Standard Segment of the Main Market of the London Stock Exchange. It therefore engages actively with various regulatory bodies and advisory firms to ensure that compliance standards are maintained and that the Company continues to act with the high standards of business conduct that have established its reputation thus far.

Suppliers and Advisors

The Company's suppliers and advisors are integral to the day to day operation of the Company. Relationships with suppliers and advisors are carefully managed to ensure that the Company is always obtaining value for money. The Company seeks to ensure that good relationships are maintained with its suppliers and advisors through regular contact.

Other stakeholders and the wider community

The Directors are committed to ensuring that none of its activities have a detrimental impact on the wider community and the environment.

Review of Business in the Period

Operational Review

The Company's principal activity is set out in the Director's Report on page 18.

The Company was incorporated on 23 February 2021 as a private limited company under the name of Spinnaker Acquisitions Limited. On 12 May 2021, the company re-registered as a public limited company.

On 21 March 2022, the Company completed the acquisition of HomeServe Labs Ltd ("Labs"), a wholly owned subsidiary of FTSE250 quoted public company HomeServe Plc, by way of a reverse takeover. The principal activity of Labs is the development and commercialisation of a water security system for the detection of micro-leaks in residential properties. Labs was renamed Leakbot Limited, and the Company changed its name to Ondo InsurTech Plc.

At the same time as completing the acquisition, the Company raised gross proceeds of £3,427,500 through the Placing and Subscription and by granting the warrants, and net proceeds of approximately £3,155,500.

On 22 March 2022, a subsidiary called Leakbot USA Inc. was incorporated in the state of Delaware. This company was incorporated to engage directly with US based insurance companies.

Events after the reporting date

On 12 May 2023 the Company raised £815,000 pursuant to a placing and subscription for new ordinary shares. A total of 6,791,666 shares were issued at a price of £0.12 per share with an equal number of 6,791,666 warrants attached at an exercise price of £0.20 per share, valid for 3 years.

On 2 June 2023, the company established a new subsidiary company in Denmark, Leakbot Europe As. This company was established to support the ongoing expansion of the business within the Denmark and Sweden alongside giving the company wider access into the European Union.

Task Force on Climate-related Financial Disclosures (TCFD)

The Group recognises the scale of the climate emergency and considers this to offer both opportunities and risks to our future growth. The Directors actions to mitigate these risks as a core part of delivering our strategic Commitment to be Climate, Land and People positive.

In the following years, the Group will integrate the climate related disclosures throughout its Annual Report. The Annual Report will provide an opportunity to explain our approach in more detail and to provide case studies to illustrate the Group's working progress.

The TCFD section below outlines the approach the Group will take in future Annual Reports to outline material climate related financial disclosures consistent with the four recommendations and the eleven recommended disclosures proposed by TCFD. The Group continues to align our approach to the updated TCFD additional guidance which was released in October 2021 (Implementing the Recommendations of the Task Force on Climate related Financial Disclosures (2021 TCFD Annex)) within which there are some recommendations that the Group will consider how to explain more completely.

The Group work will continue throughout 2023-2024 with the intention of providing fuller disclosure in our 2024 Annual Report as required by the Listing Rules and in line with the framework outlined in the sections below.

Governance

1. Describe the Board's oversight of climate related risks and opportunities.
2. Describe management's role in assessing and managing climate related risks and opportunities.

The Board's agenda for 2023 includes a full review of sustainability progress and externally provided sustainability education, both including climate related risks and opportunities.

Strategy

3. Describe the climate related risks and opportunities the organisation has identified over the short, medium, and long-term.
4. Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.
5. Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.

The Board's will consider how to disclose our risks and opportunities in more detail in our 2024 Annual Report.

Risk management

6. Describe the organisations processes for identifying and assessing climate related risks.
7. Describe the organisations processes for managing climate related risks.
8. Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management. The Board plan to continue to support risk owners in managing risk with the support of the regional sustainability champions. Metrics & targets
9. Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.
10. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
11. Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.

The Group is aware that it needs to measure its operational carbon footprint to limit and control its environmental impact. However, due to the limited operations being a small, serviced office and outsourced manufacturing capacity in the period under review, the Group did not consume more than 40,000kWh of energy, and its emissions are therefore not disclosed.

In the future reports, the Group will measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

Financial review

Results for the period

The Group incurred a loss for the period ended 31 March 2023 of £6,006,000 (year ended 30 September 2021: £3,223,000).

The net cash position was £375,700 at 31 March 2023 (30 September 2021: overdraft £1,726,000).

Key Performance Indicators

The directors regularly monitor key performance indicators associated with managing liquid resources mainly, Revenue types, Gross operating margin, Devices deployed, Registered customers, and Average fees per customer.

	6 Months to 31 March 2022	12 Months to 31 March 2023	18 Months to 31 March 2023	12 Months to 31 March 2022	12 Months to 30 September 2021
Device & Set-up Fees	209,301	1,078,924	1,288,225	580,203	826,583
On-going Fees from Software, Services and Repairs	92,445	1,003,498	1,095,943	157,898	117,273
Total Revenue	**301,746**	**2,082,422**	**2,384,168**	**738,101**	**943,856**
Gross Contribution	165,981	684,330	850,311	386,144	554,097
Gross Margin	**55.0%**	**32.9%**	**35.7%**	**52.3%**	**58.7%**
Units Sales	**9,516**	**54,206**	**63,722**	**13,598**	**11,146**
Registered Customers*	**39,859**	**69,793**	**69,783**	**39,859**	**32,399**
Average Device fee per Unit sold	21.99	19.90	20.22	42.67	74.16
Average Monthly On-going Revenue per Registered Customer	0.39	1.43	0.87	0.33	0.30
Estimated Addressable Households Under Contract	**480,000**	**2,400,000**	**2,400,000**	**480,000**	**410,000**
Penetration of Addressable Households	**8%**	**3%**	**3%**	**8%**	**8%**

* the end of period

Position of the Company's business

At the period end, the Company's Statement of Financial Position shows net liabilities totalling £5,676,000 which included £163,000 of cash and cash equivalents.

Environmental matters

The Board contains personnel with a good history of running businesses that have been compliant with all relevant laws and regulations and there have been no instances of non-compliance in respect of environmental matters.

Employee information

At present, there are four male directors and one female director. The Company has two executive and three non-executive directors. The Company is committed to gender equality and diversity and, if future roles are identified, a wide-ranging search would be completed with the most appropriate individual being appointed irrespective of race or gender.

The Company ensures that employment practices take into account the applicable diversity requirements and compliance with all employment laws. The Board has experience in dealing with such issues and have sufficient training and qualifications to ensure they meet all the requirements.

Anti-corruption and anti-bribery policy

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Company has conducted a review into its operational procedures to consider the impact of the Bribery Act 2010 and the Board has adopted an anti-corruption and anti-bribery policy.

Assessment of business risk

The Board regularly reviews operating and strategic risks. The Company's operating procedures include a system for reporting financial and non-financial information to the Board including:

- reports from management with a review of the business at each Board meeting, focusing on any new decisions/risks arising; and
- consideration of reports prepared by third parties.

Principal Risks and Uncertainties

Manufacturing Supply-Chain Risks
To meet sales and revenue targets the Ondo 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 higher in many cases and impacted on product manufacturing lead times. In the case of the LeakBot device all necessary components are still available and the overall cost of materials has increased 38% as a result of supply chain issues. If the Ondo 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 expectations or specifications for quality or functionality, the manufacturing of the LeakBots will be materially adversely affected and the Ondo could be unable to meet customer demand or it may be contracted to supply LeakBot devices at a loss materially adversely affected the company.

Ondo is dependent on a relatively small number of partners and a loss of one partner could have a significant impact on Ondo revenue in the short term.
A limited number of significant partners or customers have accounted for a substantial portion of Ondo's revenue. This risk is being mitigated as Ondo's insurance partners are increasing with new arrangements being agreed and rolled out. There remains a risk that the loss of an established partner might be significant impact in the short term before new partners are able to replace lost revenue. The majority of 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 during a further 12 months.

Ondo is Loss making at the date of this report.
As at the date the financial statements for the 18 month period to 31 March 2023 with pre-tax losses of approximately £6.0m. The ability of Ondo 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 Ondo's ability to generate profits. In the event that Ondo is unable to complete its core strategic objective to generate a profit then this would have a material adverse effect on the financial condition of the Group.

Future financial capital requirements
The speed at which Ondo can achieve cashflow 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 through pilots and full rollouts.

Therefore, it is possible that, in the future, the Ondo 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 and any debt financing may place restrictions on Ondo future financing or operating activities. If the Ondo is unable to raise further funds to support its growth plans, then this could limit Ondo's ability to grow its business in the future and the Directors may be required to review or change the business strategy.

Reliance on key personnel
If any of the senior management team were to leave Ondo 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 Ondo 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 Ondo 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 hold equity and options in the 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.

Capital Structure
The Company's capital consists of ordinary shares which rank Pari passu in all respects and which are traded on the Standard segment of the Main Market of the London Stock Exchange. There are no restrictions on the transfer of securities in Ondo or restrictions on voting rights and none of the Company's shares are owned or controlled by employee share schemes. There are no arrangements in place between shareholders that are known to the Ondo that may restrict voting rights, restrict the transfer of securities, result in the appointment or replacement of Directors, including in relation to the issuing or buying back by the Ondo of its shares or any significant agreements to which the Ondo is a party that take after or terminate upon, a change of control of the Ondo following a takeover bid or arrangements between the Ondo and its directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that may occur because of a takeover bid.

Approved by the Board and signed on its behalf by:

DocuSigned by:
Kevin Withington
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Kevin Withington
Director
31 July 2023

GOVERNANCE REPORT

The QCA Corporate Governance Code

The Directors recognise the importance of, and are committed to, sound corporate governance principles being embedded into the operations of the Company. The Company formally adopted and applied the Quoted Company Alliance (QCA) Corporate Governance Code published in April 2018 (the QCA Code) since the completion of the RTO in March 2022 and will seek to meet its ten principles.

The principles of the Quoted Company Alliance (QCA) Code:

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders.

The Company's overarching strategic objective is to deliver long term value to shareholders.

The Directors expect their strategy will drive shareholder value through, the deployment of the Leakbot water detection system to Household Insurance companies delivering organic growth and operating profitability to shareholders.

Principle 2: Seek to understand and meet shareholder needs and expectations.

The Board intends to maintain high levels of communication and have constructive dialogue with its shareholders on a regular basis. The Company understands the need for effective communication and constructive dialogue with investors and financial media and will provide communications through its Annual and Interim Reports, along with Regulatory News Service announcements. The Board has put in place a general policy of keeping all interested parties informed by regular announcements and update statements. The CEO will be the Company's principal spokesperson with investors, fund managers, the press and other interested parties and act as a general liaison for all shareholders.

All Directors will attend annual general meetings of the Company ("AGM"s), where private investors are given the opportunity to speak to and question the Board. The AGM will provide an opportunity to meet, listen and present to shareholders, and all shareholders are encouraged to attend.

The Directors intend to continue dialogue with shareholders at other formal meetings which provide an opportunity to meet, listen and present to shareholders, such as at Capital Markets Days. The Company is open to receiving feedback from all stakeholders and will take action where appropriate. The Company is contactable by email and relevant shareholder queries are passed to the Board for discussion. Investor Relations information on the Company's website will be kept updated on relevant developments, financial reports, and results presentations.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success.

The Directors believe that the main stakeholders of the Company are its clients, its employees, the communities it works with and its shareholders. The Directors are mindful of its corporate social responsibilities and the need to build and maintain strong relationships across its range of stakeholder groups.

The Directors are committed to providing its customers and clients the highest levels of service and to seeking their regular feedback to ensure any concerns are understood and addressed.

The Board believes good two-way communication with staff is a key requirement for high levels of engagement, fostering a culture of innovation. The Company consciously fosters a work environment where employees are - and consider themselves to be - key stakeholders in the business.

With regard to shareholders, the Company seeks to meet its responsibilities through meeting regulatory requirements and by understanding shareholder sentiments on the business, its prospects and performance of management. The Directors are available to discuss any matter stakeholders might wish to raise.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation.

The Board takes responsibility for the establishment and oversight of the Group's risk management framework and has established an Audit & Risk Committee to ensure the Group's risk management systems, policies and procedures are appropriate to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor ongoing risks. The Committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence and effectiveness of the auditors and the audit.

The Board's oversight covers all financial and operational controls. The Board's primary method of monitoring is through reviewing reports from management to consider whether significant risks are identified, evaluated, and controlled and whether any significant weaknesses are resolved.

An internal audit function is not yet considered necessary or practical due to the size of the Company and day to day control is sufficiently exercised by the Executive Directors. However, the Board will continue to monitor the need for an internal audit function.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair.

The Board comprises of Craig Foster as CEO and Kevin Withington as CFO with three non-executive directors; Gregory Mark Wood, Andy Morrison, and Stefania Barbaglio.

The Board is charged with responsibility for the stewardship of the Company and for ensuring that corporate governance arrangements are appropriate for the nature and complexity of the Company's operations. The Board is responsible for taking all major strategic decisions and addressing any significant operational matters. In addition, the Board reviews the risk profile along with the Audit and Risk Committee and ensures that an adequate system of internal control is in place.

The Independent Non-Executive Directors are considered by the Board to be independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement in accordance with the QCA Code. The Board deem this appropriate due to the balance of skills and experience held by each individual director, in the context of the current size of the Group and its growth potential.

The Chief Executive is responsible for the leadership and day-to-day management of the Company and its Group. This includes formulating and recommending the strategy for Board approval and executing the approved strategy.

The Board meets on a monthly, and more frequently if necessary. During the period the Board formally met 13 times and was attended by all Members.

The Audit and Risk Committee will meet at least two times a year and the Remuneration Committee at least three times a year. The terms of reference setting out the responsibilities of the Audit & Risk Committee and Remuneration Committee are summarised on the Group's website.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills, and capabilities.

The Board considers its current composition and overall size to be both appropriate and suitable with the correct blend of sector, financial and public markets experience and personal skills and capabilities to enable it to deliver its strategy and provide appropriate critique.

The composition of the Board is reviewed on an annual basis by the Nomination Committee. The Nomination Committee is fully committed to the appointment of the right skills that are required to grow shareholder value.

The Board will undertake a thorough evaluation of the skills, knowledge, and experiences of a proposed new Director before making the final decision on the appointment of a new member. Throughout the year, the Directors will receive updates on corporate governance matters.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

The Board itself is responsible for board evaluation. An internal Board evaluation will take place annually going forward and will be conducted by way of a questionnaire and interviews. In addition, the Non-executive Directors will meet, without the executive directors present, and will evaluate performance of the executives. The results shall be used by the Board for its approach to succession planning.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours.

The Board promotes a healthy corporate culture and has considered how that culture is consistent with the Company's objectives, strategy, and business model. The Board believes the culture to be inclusive, transparent, and collaborative with appropriate behaviours. The Board is satisfied that the Company has a 'speak up' culture and the Directors regularly observe this occurring in practice.

The Group has a Code of Conduct, a Share Dealing Code, an Anti-Bribery Policy, Publicity Guidelines, Related Party Transaction guidelines, a Disclosure policy stating the Company's commitment to conducting its business with honesty and integrity, its expectation that staff will maintain high standards, and encouraging prompt disclosure of any suspected wrongdoing. All such policies have been shared with employees are available to view on internal systems.

In addition, in line with the Market Abuse Regulations ("MAR"), the Company has adopted a Share Dealing Policy and Dealing Code which apply to all Directors and employees of the Company.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

The Board is committed to a high standard of corporate governance across the Company, recognising that it is important in protecting Shareholders' interests and the long-term success of the Company. The QCA Code is being implemented on a "comply or explain" basis, whereby there is an acceptance that non-compliance is not wrong, provided there is a well-justified explanation which properly describes why such noncompliance is appropriate for the Company and is in the best interests of its Shareholders.

Progress, and how it is intended to be made, in terms of governance structures against the Company's objectives, strategy and business model, will be detailed in the Company's next annual report and shall also be included on the Company's website.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Directors are committed to open communication with all its shareholders. Communications with shareholders will be predominantly through the Annual Report and AGM. Other communications are in the form of, full-year and half-year announcements, periodic market announcements (as appropriate), one-to-one meetings and investor roadshows with institutional investors.

The Company's website is regularly updated, and users can register to be alerted via email when announcements or details of presentations and events are posted on the website.

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 comprises 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 Company is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls supporting the Group consolidated accounts.

The committee is 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 Company is properly monitored and reported.

The Audit and Risk Committee plans to meet not less than three times a year during the period The Audit and Risk committee has met 3 times during the period with meetings attended by all members.

Remuneration Committee

The remuneration committee, which comprises of 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 Company. The committee met 2 times during the period with meetings attended by all members.

Nomination Committee

The nomination committee, which comprises Stefania Barbaglio (Chair), Gregory Mark Wood and Craig Foster, is responsible for matters of nomination and succession of board directors and senior management. The committee met once during the period with meetings attended by all members.

Approved by the Board and signed on its behalf by:

DocuSigned by:

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Gregory Mark Wood CBE
Chairman
31 July 2023

REMUNERATION COMMITTEE REPORT

On behalf of the board, I am pleased to present the Remuneration Committee Report for the period ended 31 March 2023.

External Advice

The Remuneration Committee did not receive any external advice in the period in meeting its responsibilities.

Directors Remuneration Policy

The Remuneration Committee takes into account both Group and individual performance, market value and sector conditions in determining director and senior employee remuneration.

Since the acquisition of LeakBot Limited, the Group has maintained a policy of paying salaries and benefits packages comparable with peer companies in the sector in order to attract and retain key personnel.

The directors and senior management of the Group contracts all have notice periods of at least 6 months with remuneration packages reviewed periodically by the Remuneration committee. The remuneration report and Director's remuneration Policy is subject to approval at the Company's Annual general meeting.

The remuneration policy of the Company prior to the transaction was not to pay fees to directors or retained advisers and instead to pay a success fee in shares upon completion of a transaction.

Annual Report on Remuneration

Responsibilities of the Remuneration Committee
The key responsibilities of the Remuneration Committee are to determine on behalf of the Board:

- the Company's general policy on Executive remuneration; and
- the specific remuneration packages of the Executive Directors, the Chair of the Board and senior

Executives of the Group including, but not limited to, base salary, pension, annual performance-related bonuses and Performance Share Plan ("PSP") awards.

The fees of the Non-Executive Directors are determined by the Chair and the Executive Directors. All Directors are subject to the overriding principle that no person shall be involved in the process of determining his or her own remuneration.

The full responsibilities of the Committee are contained within its Terms of Reference, which are available on our website.

Single Figure of Total Remuneration

The total amount paid by the Company to each of the Directors, in respect of the financial period ended 31 March 2023 is set out in the table below.

Non- Executive Directors	**Salary £'000**	**Bonus £'000**	**Pension £'000**	**Fair value of options**	**Total 2023 £'000**
Andrew Morrison	37	81	-	-	118
Anthony Harpur	-	23	-	-	23
Alan Hume	-	36	-	-	36
Stefania Barbaglio	31	21	-	-	52
Claudia Stijlen	-	23	-	-	23
Gregory Mark Wood	46	-	-	-	46
Executive Directors					
Craig Foster	181	-	1	11	193
Kevin Withington	65	-	9	3	77
Total	360	184	10	14	568

The figures in the Bonus column relate to one-off success fees payable upon completion of the acquisition of LeakBot Limited in March 2022. The bonus amounts shown for Anthony Harpur, Stefania Barbaglio and £36,000 of the bonus amount shown for Andy Morrison were paid to companies controlled by those individuals for provision of their services as directors. All one-off success fees were reinvested in the Company by the individuals at the time of admission.

The Remuneration Committee for the Group was established following the completion of the RTO and therefore I believe that it is not appropriate to show a comparative in this report for this period.

The figures in the Total 2022 column are calculated values of the Share Options awarded to directors in compensation for their work and do not represent cash payments. No cash fees were paid in 2022.

UK 10-year performance graph

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company has only been listed as a insurtech company since March 2022, is not paying dividends, is currently incurring losses as it gains scale and its focus during the period ended 31 March 2023 was to complete the reverse takeover of LeakBot, gain Admission to the London Stock Exchange main market and accelerate the rollout of the LeakBot Product and services.

UK 10-year CEO table and UK percentage change table

The Directors have considered the requirement for a UK 10-year CEO table. The Directors do not currently consider that including this tables would be meaningful given that the Directors of the company were only appointed on 22 March 2022. The Directors will review the inclusion of this table for future reports.

Relative importance of spend on pay

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends we have not considered it necessary to include such information.

Share price impact

The interests of the Directors who served during the period in the share capital of the Company at 31 March 2023 which includes the previous directors prior to the completion of the reverse takeover and at the date of this report has been set out in the Directors' Report on pages 25 to 27.

Remuneration policy for FY2024

The Committee reviewed the base salaries of the Ondo team (excluding Executive Directors) in July and the policy is do so annually thereafter.

The Committee is planning to review the Executive Directors base salaries before the end of the 2023 and then annually thereafter. As part of this review the Committee will take into account the external market and the positioning of the Executives' salaries against this market alongside Group and individual performance.

Statement of voting

Our current Remuneration Policy (the 'Policy') and our Remuneration Report minus the Policy were both approved by shareholders at the 2022 Annual General Meeting ('AGM'), with over 99% support for each resolution. I would like to take this opportunity to thank shareholders for the support received.

The Committee is grateful for the continuing support of shareholders. To ensure that this continues, the Committee will consult with shareholders on major issues where it is appropriate to do so. It will also continue to adhere to its underlying principle of decision-making that Executive Directors' pay must be linked to performance and the sustainable delivery of value to our shareholders.

This Annual Report on Remuneration has been approved by the Board of Directors and signed on its behalf by:

DocuSigned by:
Andy Morrison
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Andrew Morrison
Chair of the Remuneration Committee
31 July 2023

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the period ended 31 March 2023.

Principal Activity

The principal activity of the Group during the period ended 31 March 2023 was that of an InsurTech business focussed on the global scale-up of LeakBot, a water leak claims prevention system.

The Company is quoted on the Standard Segment of the Main Market of the London Stock Exchange.

Directors

The present members of the Board of Directors together with brief biographies are shown on page 11.

The following directors served during the Period:

Andrew Morrison
Stefania Barbaglio
Gregory Mark Wood – Appointed 21 March 2022
Craig Foster – Appointed 21 March 2022
Kevin Withington – Appointed 26 September 2022
Anthony Harpur – Resigned 21 March 2022
Alan Hume – Resigned 21 March 2022
Claudia Stijlen – Resigned 21 March 2022

Directors' interests

The interests of the Directors who served at the end of the period in the share capital of the Company of 31 March 2023:

Name	Number of shares	Holding %
Andrew Morrison	3,400,000	4.99
Craig Foster	1,779,567	2.61
Gregory Mark Wood	1,362,392	2.00
Stefania Barbaglio	572,333	0.84
Kevin Withington	166,666	0.24

Directors' interests in share options and warrants

At 31 March 2023, the Directors' interests in share options and warrants were:

Name	Number of Warrants	Number of options
Andrew Morrison	925,000	-
Stefania Barbaglio	148,175	
Craig Foster	889,783	2,320,000
Kevin Withington	-	689,071

Remuneration

Directors' remuneration for the period ended 31 March 2023:

Name	Total remuneration 2023 £
Andrew Morrison	118
Anthony Harpur	23
Alan Hume	36
Stefania Barbaglio	52
Claudia Stijlen	23
Gregory Mark Wood	46
Craig Foster	193
Kevin Withington	77
	568

The total remuneration 2023 figures shown include one-off success fees payable upon completion of the acquisition of LeakBot Limited in March 2022. The amounts shown for Anthony Harpur, Stefania Barbaglio and £36,000 of the amount shown for Andy Morrison were paid to companies controlled by those individuals for provision of their services as directors.

The Remuneration Committee for the Group was established following the completion of the RTO and therefore the Directors believe that it is not appropriate to show a comparative in this report for this period.

Pension entitlements were received by two directors in the period ended 31 March 2023.

Political donations

The Company did not make any political donations or expenditure in the Period.

Substantial shareholders

As at 27 July 2023, the parties who are directly or indirectly interested in 3 percent or more of the nominal value of the Company's share capital are as follows:

	Number of Ordinary Shares	%
Homeserve Assistance Limited	13,628,275	17.48
Gervaise Heddle	4,580,266	5.88
Premier Miton Investors	4,166,666	5.35
Andy Morrison	3,600,000	4.62
Anthony Harpur	3,055,187	3.92

Financial instruments

Details of the use of the Company's financial risk management objectives and policies as well as exposure to financial risk are contained in the accounting policies and note 23 of the financial statements.

Dividends

The Directors do not propose a dividend in respect of the period ended 31 March 2023.

Future developments and events subsequent to the period end

Further details of the Company's developments and events subsequent to the period end are set out in the Strategic Report on page 12 and in note 29 to the financial statements.

Going concern statement

In accordance with the QCA Corporate Governance Code (the 'Code'), the Directors have assessed going concern over a twelve-month period from the approval of these financial statements i.e., up to 31 July 2024. As part of this assessment, the Directors have analysed the prospects of the Group by reference to its current financial position, recent trading trends and momentum, forecasts and financial projections, strategy, economic model and the principal risks and mitigating factors.

Group planning process

Our annual planning process begins in January with a detailed review of the key strategic goals by the Board of Directors and the Executive Team, following which an updated long-term financial plan is derived. A detailed, bottom-up budget for the year ahead is then prepared, which is signed off by the Board in March. We monitor our performance throughout the financial year against this budget with a regular formal re-forecasting process conducted on a quarterly basis.

Base case

The strategic plan forms the base case for the scenario modelling that underpins the going concern assessment. It has been built out from the Board approved budget. Principal assumptions include continued activity with existing insurance partners, and new activity with pipeline partners; pricing assumptions based on signed contracts or active negotiations; direct cost assumptions based on current run-rates; assumptions about fixed overhead and operational costs being largely stable through the period; some limited capital expenditure in technology and manufacturing.

Conclusion

The Directors have concluded that it will be necessary to raise additional funding within the Assessment Period for the Group to implement its strategic plan within the proposed timeframe. A placing to raise £815,000 was conducted after period end and Directors are confident that further fund-raising could be undertaken, if required, to support business growth.

The Directors note that there are 26.2m equity warrants in issue at the end of the period, this was increased to 33m with additional warrants being issued as part of the post period placing. The total value of these is £7.2m with an average exercise price of 21.8p. The Directors note that if a proportion of these warrants are exercised, this could provide sufficient additional funding but that this remains uncertain and dependant on market conditions.

Since 31 March 2023 2,866,666 warrants have been exercised generating £0.5m. The Directors acknowledge that the timing of further warrant exercises remains uncertain and that this therefore constitutes a material uncertainty which may cast doubt on the Group's ability to continue as a going concern. Overall, the Directors have a reasonable expectation that the Group will be able to access adequate funding via debt or equity to continue in operational existence for a period being at least the next twelve months from the date of approval of the Annual Report and Accounts. On this basis, the Directors continue to adopt the going concern basis in preparing these accounts.

Auditors

The Board appointed PKF Littlejohn LLP as auditors of the Company on 21 June 2022.

PKF Littlejohn LLP have expressed their willingness to accept in office and a resolution to reappoint them will be proposed at the Annual General Meeting in accordance with Section 489 of the Companies Act 2006.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Statement of Directors' Responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with UK adopted international accounting standards. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies with a standard listing.

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

- select suitable accounting policies and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements and the Remuneration Committee Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible to make a statement that they consider that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for the shareholders to assess the Group's position and performance, business model and strategy.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Directors' responsibilities pursuant to disclosure and transparency rule

Each of the Directors, whose names and functions are listed on page 11 confirm that, to the best of their knowledge and belief:

- the financial statements prepared in accordance with UK adopted international accounting standards give a true and fair view of the assets, liabilities, financial position, and loss of the Company; and
- the Annual Report and financial statement include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

The Company acknowledges that it is responsible for all information drawn up and made public in this report and accounts for the period ended 31 March 2023.

Disclosure of information to auditor
In the case of each person who was a director at the time this report was approved:

- so far as that director is aware there is no relevant audit information of which the Company's auditor is unaware; and
- that each director has taken all steps that the director ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board and signed on its behalf by:

DocuSigned by:
E409E3E6F4E44A2...
Gregory Mark Wood CBE
Chairman
31 July 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ONDO INSURTECH PLC

Opinion

We have audited the financial statements of Ondo Insurtech Plc (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern.

We draw attention to note 2 in the financial statements, which indicates that the group's and parent company's ability to continue as a going concern relies heavily on the successful execution of their strategic plan within the next twelve months from the approval of the financial statements. The achievement of the plan's objectives is dependent on factors such as securing new partnerships, finalising ongoing negotiations with potential customers, and raising additional funds. The outcomes are contingent on the successful realisation of strategic initiatives, external market conditions and investor appetite.

As stated in note 2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

- Reviewing management's assessment of the going concern basis drawn up to 31 July 2024, including their evaluation of future funding requirements and funding availability, while challenging their key assumptions and inputs to ensure reasonableness and appropriateness;
- Agreeing the underlying cash flow projections to management-approved forecasts, examining their alignment with the strategic plan and progress towards its successful implementation;
- Assessing the group's and parent company's liquidity and the impacts on the reliability of the going concern evaluation;
- Assessing whether key assumptions and inputs to the model were reasonable, in light of the group's relevant principal risks and uncertainties, and conducting our independent assessment of those risks; and
- Conducting sensitivity analysis on management's key assumptions and inputs against plausible scenarios.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing, and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as follows:

	Group financial statements	**Parent company financial statements**
Overall materiality	£250,000	£50,000 (2022: £14,000)
Performance materiality	£150,000	£30,000 (2022: £8,400)
Basis of materiality	5% of loss before tax ("LBT")	5% of loss before tax adjusted to proportion of group materiality based on size, significance, and risk of the parent company.
Rationale	LBT is used as the benchmark for materiality because the business is still in its early stages and incurring significant losses.	We use LBT as the benchmark and consider it an appropriate measure for an investment holding company. We adjust the materiality to incorporate the impact of our risk assessment for the entire group on

	Performance materiality is set at 60% on the basis of our risk assessment after consideration of following factors: the acquisition of LeakBot Limited, early-stage development, incurring significant losses.	the parent, taking into account its relative size compared to the group. Performance materiality is set at 60% to align with the group.

For each component in the scope of our group audit, we allocated a materiality based on the relative size and significance of the component to the group as a whole and our assessment of the risk of misstatement at that component. and risk within the group and that is less than our overall group materiality. The range of materiality allocated across components was between £20,000 and £200,000.

We agreed with the Audit Committee that we would report on the misstatements identified during our audit above £12,500 (group audit) and £2,500 (2022: £700) (parent company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the directors in respect of the carrying values of the parent company's investments and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Of the 3 components of the group, including the parent company, a full scope audit was performed on the complete financial information of 2 components (including the parent company) and specified audit procedures were performed on one component assessed as material but not significant. This gave us appropriate evidence for our opinion on the group and parent company financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	**How our scope addressed this matter**
Accounting Treatment of the Reverse Takeover (Note 13)	
During the period, Ondo InsurTech Plc completed a reverse takeover (RTO) of Leakbot Limited.	Our work included: • Reviewing the prospectus prepared in connection with the transaction, along with the

We have identified this as a key audit matter (KAM) because the RTO was a significant transaction that resulted in a fundamental change in the nature and focus of the business of the group. The accounting treatment of the transaction required significant judgment and involved the application of several accounting standards, including IFRS 3 - Business Combinations, IFRS 10 – Consolidated Financial Statements, and IFRS 2 – Share-based Payment and adoption of relevant accounting policies to disclose the key accounting estimates.	completed sale and purchase agreement, to understand the terms and conditions of the acquisition; • Obtaining evidence to ensure that the reverse acquisition reserve and investment was appropriately recognised and disclosed in the financial statements; • Ensuring that the RTO is correctly assessed as falling outside the scope of IFRS 3 and the accounting treatment of the acquisition is in accordance with IFRS 2; and • Assessing the completeness and accuracy of any disclosures including accounting policies, related to the acquisition reserve or investment, including the assumptions and methodologies used in determining the fair value of the assets and liabilities acquired and the consideration paid for the acquisition. Based on the audit procedures performed, we found that that the reverse acquisition reserve and related key accounting estimates are appropriately disclosed and not materially misstated.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception.

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, and application of our cumulative audit knowledge and experience of the sector. We corroborated our enquiries through our review of board minutes and Regulatory News Services (RNS) announcements, as well as consideration of the results of our audit procedures across the group and parent company;
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from Listing Rules, Companies Act 2006, Disclosure and Transparency Rules, Quoted Companies Alliance Corporate Governance Code 2018, and Anti-money laundering regulations;

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of board minutes and RNS announcements and review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations;
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the impairment assessment of the investment held in the parent company. We addressed this by challenging the assumptions and judgements made by management when evaluating any indicators of impairment; and
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Other matters which we are required to address.

We were appointed by Audit Committee on 21 June 2022 to audit the parent company financial statements for the period ending 28 February 2022 and subsequent financial periods. We were appointed as auditors for the group on 11 July 2023 for period ending 31 March 2023 and subsequent financial periods. Our total uninterrupted period of engagement in relation to the parent company is 2 periods, covering the periods ending 28 February 2022 and 31 March 2023; and 1 year in relation to the group, covering the period ending 31 March 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Hutson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
31 July 2023

15 Westferry Circus
Canary Wharf
London E14 4HD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 March 2023

	Note	Period ended 31 March 2023	Year ended 30 September 2021
		£'000	£'000
Revenue	4	2,384	944
Cost of sales		(1,534)	(390)
Gross profit		850	554
Administrative expenses	5	(5,766)	(4,608)
Reverse acquisition expenses	6	(956)	-
Operating loss		(5,872)	(4,054)
Finance expense	9	(351)	-
Loss before income tax		(6,223)	(4,054)
Income tax	10	217	831
Loss for the period and total comprehensive loss		(6,006)	(3,223)
Earnings per share attributable to equity owners			
Basic and diluted (loss) pence per share	22	(9.13)	(8.75)

The income statement has been prepared on the basis that all operations are continuing operations.

The accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	Note	As at 31 March 2023 £'000	As at 30 September 2021 £'000
ASSETS			
Non-current assets			
Intangible assets	14	89	-
Property, plant and equipment	15	65	-
Current assets			
Inventories	16	423	11
Trade and other receivables	17	829	448
Cash and cash equivalents	18	376	-
Total assets		1,782	459
EQUITY AND LIABILITIES			
Equity attributable to owners			
Share capital	21	3,408	28,250
Share premium	21	3,902	-
Share based payments reserve		170	-
Reverse acquisition reserve	13	21,769	-
Retained earnings		(35,888)	(29,969)
		(6,639)	(1,719)
Current liabilities			
Bank overdraft	19	-	1,726
Trade and other payables	19	2,020	452
Non-current liabilities			
Borrowings	20	6,401	-
Total equity and liabilities		1,782	459

The financial statements were approved by the board of directors and are signed on its behalf by:

DocuSigned by:
Kevin Withington
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Kevin Withington
Director
31 July 2023

Company Registration No.13218816

The accounting policies and notes form an integral part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	Note	As at 31 March 2023 £'000	As at 28 February 2022 £'000
ASSETS			
Non-current assets			
Investments	11	9,755	-
Current assets			
Other receivables	17	2,665	87
Cash and cash equivalents	18	163	1,679
Total assets		12,583	1,766
EQUITY AND LIABILITIES			
Equity attributable to owners			
Share capital	21	3,408	1,132
Share premium	21	3,902	955
Share based payments reserve		170	164
Retained earnings		(1,804)	(580)
		5,676	1,671
Current liabilities			
Trade and other payables	19	506	95
Non- current liabilities			
Borrowings	20	6,401	-
Total equity and liabilities		12,583	1,766

The Company has elected to take the exemption under s408 of the Companies Act 2006 from presenting the parent company Statement of Comprehensive Income. The parent company loss for the period was £1,311,000 (2022: £580,000).

The financial statements were approved by the board of directors and are signed on its behalf by:

DocuSigned by:
Kevin Withington
5BBAB9A54D1942A...
Kevin Withington
Director
31 July 2023

Company Registration No.13218816

The accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 March 2023

	Share capital	Share premium	Share based payments reserve	Reverse acquisition reserve	Retained earnings	Total
	£'000	£'000	£'000	£,000	£'000	£'000
At 1 October 2020	250	-	-		(26,746)	(26,496)
Issue of ordinary shares	28,000	-	-		-	28,000
Total comprehensive loss for the period	-	-	-		(3,223)	(3,223)
At 30 September 2021	28,250	-	-	-	(29,969)	(1,719)
Issue of ordinary shares	2,276	3,146	-	-	-	5,422
Cost of shares issued	-	(192)	-	-	-	(192)
Leakbot acquisition	(27,118)	955	164	21,769	-	(4,230)
Share based payment	-	(7)	93	-	-	86
Exercise of options	-	-	(87)	-	87	-
Total comprehensive loss for the period	-	-	-	-	(6,006)	(6,006)
At 31 March 2023	3,408	3,902	170	21,769	(35,888)	(6,639)

The accounting policies and notes form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
As at 31 March 2023

	Share capital £'000	Share premium £'000	Share based payments reserve £'000	Retained earnings £'000	Total £'000
On incorporation	-	-	-	-	-
Issue of ordinary shares	1,132	1,079	-	-	2,211
Cost of shares issued	-	(50)	-	-	(50)
Share based payment	-	(74)	164	-	90
Total comprehensive loss for the period	-	-	-	(580)	(580)
At 28 February 2022	1,132	955	164	(580)	1,671
Issue of ordinary shares	2,276	3,146	-	-	5,422
Cost of shares issued	-	(192)	-	-	(192)
Share based payment	-	(7)	93	-	86
Exercise of options	-	-	(87)	87	-
Total comprehensive loss for the period	-	-	-	(1,311)	(1,311)
At 31 March 2023	3,408	3,902	170	(1,804)	5,676

The accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 March 2023

	Note	Period Ended 31 March 2023 £'000	Year ended 30 September 2021 £'000
Cash flows from operating activities			
Loss before income tax		(6,223)	(4,054)
Adjustments:			
Share based payments		85	-
Reverse acquisition share based payment expense		706	-
Depreciation and amortisation		13	-
Movement in working capital			
(Increase)/decrease in inventories		(412)	345
(Increase)/decrease in trade and other receivables	17	(669)	35
Increase/(decrease) in trade and other payables	19	1,568	(424)
Cash used in operations		(4,932)	(4,098)
Group tax relief received		217	1,814
Net cash used in operations		(4,715)	(2,284)
Cash flows from investing activities			
Cash acquired on acquisition		1,670	-
Purchase of investments	13	(1,600)	-
Purchase of intangible assets	14	96	
Purchase of property, plant and equipment	15	71	-
Net cash flows from investing activities		237	-
Cash flows from financing activities			
Issue of ordinary shares, net of costs		6,580	28,000
Net cash flows from financing activities		6,580	28,000
Net increase in cash and cash equivalents		2,102	25,716
Cash and cash equivalents at beginning of period		(1,726)	(27,442)
Cash and cash equivalents at end of period		376	(1,726)

The accounting policies and notes form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
for the period ended 31 March 2023

	Note	Period Ended 31 March 2023 £'000	Year ended 28 February 2022 £'000
Cash flows from operating activities			
Loss before income tax		(1,311)	(580)
Adjustments:			
Share based payments		85	90
Movement in working capital			
(Increase)/decrease in trade and other receivables	17	(2,578)	(86)
Increase/(decrease) in trade and other payables	19	456	95
Net cash used in operations		(3,348)	(481)
Cash flows from investing activities			
Purchase of investments	13	(1,600)	-
Net cash flows from investing activities		(1,600)	-
Cash flows from financing activities			
Issue of ordinary shares, net of costs		3,432	2,161
Net cash flows from financing activities		3,432	2,161
Net (decrease) in cash and cash equivalents		(1,516)	(1,679)
Cash and cash equivalents at beginning of period		1,679	-
Cash and cash equivalents at end of period		163	1,679

The accounting policies and notes form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 31 March 2023

1. General information

Ondo InsurTech Plc (the "**Company**") was incorporated on 23 February 2021 in England and Wales, with registered number 13218816 under the Companies Act 2006. The registered office of the company is 6th Floor 60 Gracechurch Street, London, United Kingdom, EC3V 0HR.

The Company was initially incorporated with the name Spinnaker Acquisitions Limited. On 12 May 2021, the Company re-registered as a public limited company.

On 21 March 2022, the Company completed the acquisition of Leakbot Limited via a reverse takeover which resulted in the Company becoming the ultimate holding company of “the Group”. On 22 March 2022, the Company changed its name from Spinnaker Acquisitions Plc to Ondo InsurTech Plc.

During the period ended 31 March 2023, the principal activity of the Group was that of the provision of domestic leak detection services and technology to the home insurance industry and homeowner.

2. Basis of preparation

The consolidated financial information and accompanying notes are based on the following policies which have been consistently applied:

The financial information of the Company has been prepared in accordance with the Companies Act 2006 and UK-adopted international accounting standards (“UK adopted IAS”).

The financial statements are presented in Sterling, which is the Company's functional and presentational currency and has been prepared under the historical cost convention.

The preparation of financial information in conformity with UK adopted IAS's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 3.

On 21 March 2022, Ondo InsurTech Plc completed the acquisition of Leakbot Limited (“Leakbot”) via a reverse takeover which resulted in the Company becoming the ultimate holding company of the Group. The transaction did not meet the definition of a business combination under IFRS 3 and was under the scope of IFRS 2. In accordance with IFRS 2, a share based payment expense equal to the deemed cost of the acquisition less the fair value of the net assets of the Company at acquisition was recognised. The comparatives represent that of the legal subsidiary and accounting acquirer, Leakbot. The annual accounts of Leakbot have been disclosed for the most recent financial year end which was for the year ended 30 September 2021. Further details on accounting for the reverse acquisition are provided in note 13.

The financial statement period for the Group covers the period from 01 October 2021 to 31 March 2023; and 01 March 2022 to 31 March 2023 for the parent Company.

Going Concern

In accordance with the QCA Corporate Governance, the Directors have assessed going concern over a twelve-month period from the approval of these financial statements i.e., up to 31 July 2024. As part of this assessment, the Directors have analysed the prospects of the Group by reference to its current financial position,

2. Basis of preparation (continued)

recent trading trends and momentum, forecasts and financial projections, strategy, economic model and the principal risks and mitigating factors.

The strategic plan forms the base case for the scenario modelling that underpins the long term going concern assessment. It has been built out from the Board approved budget. Principal assumptions include continued activity with existing insurance partners, and new activity with pipeline partners; pricing assumptions based on signed contracts or active negotiations; direct cost assumptions based on current run-rates; assumptions about fixed overhead and operational costs being largely stable through the period; some limited capital expenditure in technology and manufacturing.

The Directors have reviewed the Group's forecasts and projections for the 12-month period to July 2024 (the 'Assessment Period'), which is aligned to the Group's current strategic planning cycle. The Directors have assessed the future viability of the Group by reviewing the Base Case and risk scenarios based on the Principal Risks. These circumstances have been evaluated based on principal and emerging risks identified by management through its risk management process, with consideration given to broader social economic factors.

The Directors have concluded that it will be necessary to raise additional funding within the Assessment Period for the Group to implement its strategic plan within the proposed timeframe. A placing to raise £815,000 was conducted after period end and Directors are confident that further fund-raising could be undertaken, if required, to support business growth.

The Directors note that there are 26.2m equity warrants in issue at the end of the period, this was increased to 33m with additional warrants being issued as part of the post period placing. The total value of these is £7.2m with an average exercise price of 21.8p. The Directors note that if a proportion of these warrants are exercised, this could provide sufficient additional funding but that this remains uncertain and dependant on market conditions.

Since 31 March 2023 2,866,666 warrants have been exercised generating £0.5m. The Directors acknowledge that the timing of further warrant exercises remains uncertain and that this therefore constitutes a material uncertainty which may cast doubt on the Group's ability to continue as a going concern. Overall, the Directors have a reasonable expectation that the Group will be able to access adequate funding via debt or equity to continue in operational existence for a period being at least the next twelve months from the date of approval of the Annual Report and Accounts. On this basis, the Directors continue to adopt the going concern basis in preparing these accounts.

Adoption of new and revised standards

New standards, amendments and interpretations

The Group and Company have adopted all of the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods commencing on or after 30 September 2021.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the UK adopted international accounting standards but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

Standard	**Key requirements**	**Effective date for annual periods beginning on or after:**
IFRS 3	Amendments updating a reference to the Conceptual Framework	1st January 2022
IFRS 4	Amendments regarding the expiry date of the deferral approach	1st January 2023

Standard	Key requirements	Effective date for annual periods beginning on or after:
IFRS 9	Amendments resulting from the annual improvements to IFRS Standards 2018-2020 (fees in the '10 per cent' test for derecognition of financial liabilities)	1st January 2022
IFRS 17	Insurance contracts	1st January 2023
IAS 1	Amendments to defer the effective date of January 2020 amendments. Amendments regarding the disclosure of accounting policies	
IAS 8	Amendments regarding the definition of accounting estimates	1st January 2023
IAS 12	Amendments regarding deferred tax on leases and decommissioning obligations	1st January 2023
IAS 16	Amendments prohibiting a Company from deducting from the cost of property, plant and equipment amounts received from selling items while the Company is preparing the asset for its intended use	1st January 2022
IAS 37	Amendments regarding the costs to include when assessing whether a contract is onerous	1st January 2022

The Group and Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

3. Accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently.

Basis of consolidation

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

The consolidated financial statements present the results of the company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. All subsidiaries have a reporting date of 31 March.

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

On consolidation, the results of overseas operations are translated into pounds sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised profit or loss in Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Revenue recognition

Performance obligations and timing of revenue recognition

The Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has been transferred to the customer. This is generally when the goods are dispatched to the customer. There is limited judgement needed in identifying the point control passes: once dispatch of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

The following table outlines the principal activities from which the group 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 sales of 'Leakbot' devices. Revenue from the sale of devices is recognised upon dispatch to customer and is net of any agreed refunds or discounts in line with the contract with the partner. Revenue is recognised point in time.	Billed and paid over the term of the contract with the relevant third party
Water leak detection subscription	This revenue stream relates to provision of 'Leakbot' devices alongside continual monitoring, intervention, and reporting services. Revenue from the sale of this product is recognised as the service delivered to the customer in line with the partner contract. Revenue is recognised overtime.	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 repaired and the Leakbot devices show a leak free status and in line with the partner contract. Revenue is recognised point in time.	Billed monthly dependent upon 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. Revenue is recognised point in time.	Billed at point of service completion

In all cases the performance obligations in the partner contracts are met before revenue is recognised in the period.

Property, plant and equipment

Non-current property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation is provided using straight-line method using the following useful life:

Plant and machinery	- Straight line over 5 years
Office equipment	- Straight line over 3 years

The assets' residual values and useful economic lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses) or gains in the income statement.

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 and development costs are stated at cost and amortised on a straight-line basis over their estimated useful lives of 5 years.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of the cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less.

Bank overdrafts are repayable on demand and are disclosed within current liabilities.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs, or at fair value where no proceeds are received.

Share Capital

Share capital represents the nominal value of shares that have been issued.

Share premium

Share premium represents the difference between the nominal value of shares issued and the total consideration received.

Share based payments reserve

Share based payments reserve is a reserve used to recognise the cost and equity associated with the fair value of share options and warrants.

Reverse acquisition reserve

The composition of the reverse acquisition reserve is explained in note 13.

Financial instruments

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

Financial assets

Financial assets are recognised in the statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are subsequently measured at amortised cost, fair value through OCI, or FVPL.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

3. Accounting policies (continued*)*

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost;
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at FVPL.

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost include other receivables and cash and cash equivalents.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

3. Accounting policies (continued*)*

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other receivables due in less than 12 months, the Company applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- loans and borrowings and trade and other payables;
- after initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process;
- amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to trade and other payables.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

3. Accounting policies (continued)

Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI.

Foreign currencies

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

Financial risk management

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial Risk Factors

The Company's cash holdings are all held with major financial institutions whose financial status is regularly reviewed.

Credit Risk

Credit risk arises from outstanding receivables. Management does not expect any losses from non-performance of these receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Company considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk, which is stated under the cash and cash equivalents accounting policy.

Liquidity risk

The Company's continued future operations depend on its ability to raise sufficient working capital through the issue of share capital and generate revenue.

3. Accounting policies (continued)

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The Company's capital structure primarily consists of equity attributable to the owners, comprising issued capital, reserves and retained losses.

Current and deferred tax

Current tax

The tax currently payable is based on taxable profit or loss for the period. Taxable profit or loss differs from the profit or loss for the financial period as reported in the statement of total comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss.

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 future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 based on tax laws and rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

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 subsidiary intends to settle its current tax assets and liabilities on a net basis.

Deferred tax will be recognised on the losses incurred when the Company has sufficient visibility over the usage of these loses and is forecasting future profits in the short term.

Share-based payments

The company grants equity-settled options and warrants to its investors, directors and brokers. If the options or warrants fall within the scope the IFRS 2, their fair value is recognised in statement of comprehensive income with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the receivers become unconditionally entitled to the options or warrants. The fair value of the options and warrants granted is measured on the Black-Scholes framework, taking into account the terms and conditions upon which the instruments are granted. At each balance sheet date, the company revises its estimate of the number of options and warrants that are expected to become exercisable.

Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year, determined in accordance with the provisions of IAS 33 earnings per Share. Diluted earnings per share is calculated by dividing earnings attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the year adjusted for the potentially dilutive ordinary shares.

3. Accounting policies (continued)

Critical accounting estimates and judgements

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period except for the judgements on share based payments.

Share based payments

The estimates of share-based payment costs require that management selects an appropriate valuation model and makes decisions on various inputs into the model, including the volatility of its own share price, the probable life of the options before exercise, and behavioural consideration of employees. A significant element of judgement is therefore involved in the calculation of the charge The calculation for share based payments for the period is shown in note 21.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 11.

Development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The development costs are disclosed in Note 14.

4. Segmental information

The Group only has one segment being the sale of the Leakbot product.
Analysis of revenue by geographical market is:

	Period ended 31 March 2023 £'000	**Year ended 30 Sept 2021 £'000**
UK	1,206	435
Europe	1,071	509
USA	107	-
	2,384	944

5. Operating expenses by nature

	Period ended 31 March 2023 £000	Year ended 30 Sept 2021 £000
Directors' remuneration	568	-
Professional fees	1,218	1,067
Staff cost	2,794	2,536
Bad debts	-	712
Contract Staff	138	-
IT Systems & Platform	476	-
Depreciation and amortisation	13	-
Sundry expenses	559	293
	5,766	4,608

6. Reverse acquisition expenses

	Period ended 31 March 2023 £000	Year ended 30 Sept 2021 £000
Professional fees related to the acquisition and readmission	956	-
	956	-

Reverse acquisition expenses include professional fees of £248,249; and share based payment charge of £705,706 generated from reverse acquisition accounting in accordance with IFRS 2. Refer Note 13.

7. Auditors' remuneration

	Period ended 31 March 2023 £000	Year ended 30 Sept 2021 £000
Audit services	100	40
Non-audit services:		
- Assurance services related to the acquisition and readmission	77	-
	270	40

8. Staff costs

	Period ended 31 March 2023 £000	Year ended 30 Sept 2021 £000
Wages and salaries	2,428	2,210
Social security costs	278	245
Pension costs	88	76
	2,794	2,531

The average number of employees during the period was as follows:

	Period ended 31 March 2023 No.	Year ended 30 Sept 2021 No.
Directors	5	2
Administrative	4	10
Operations	6	4
Technology	9	13
	24	29

Directors' remuneration, included in staff costs:

	Period ended 31 March 2023 £'000	Year ended 30 Sept 2021 £'000
Salaries and bonus	544	313
Share based payments	14	25
Pension	10	16
	568	354

8. Staff costs (continued)

Remuneration in respect of Directors was as follows:

Non- Executive Directors	**Salary £'000**	**Bonus £'000**	**Pension £'000**	**Fair value of options**	**Total 2023 £'000**
Andrew Morrison	37	81	-	-	118
Anthony Harpur	-	23	-	-	23
Alan Hume	-	36	-	-	36
Stefania Barbaglio	31	21	-	-	52
Claudia Stijlen	-	23	-	-	23
Gregory Mark Wood	46	-	-	-	46
Executive Directors					
Craig Foster	181	-	1	11	193
Kevin Withington	65	-	9	3	77
Total	360	184	10	14	568

The Remuneration Committee for the Group was established following the completion of the RTO and therefore the Directors believe that it is not appropriate to show a comparative in this report for this period.

Directors' interest in share options and warrants

As at 30 September 2021 and 31 March 2023, the following Directors held the following share options and warrants.

At 30 September 2021	**Date of grant**	**Number of share options**	**Number of warrants**	**Exercise price**	**First exercise date**
Andrew Morrison	28/07/2021	820,151	-	10p	21/03/2022
Andrew Morrison	28/07/2021	-	925,000	20p	28/07/2025
Stefania Barbaglio	28/07/2021	175,983	-	10p	21/03/2022
Stefania Barbaglio	05/09/2021	-	135,000	20p	05/09/2021

At 31 March 2023

Craig Foster	07/03/2022	2,320,000	-	12p	01/06/2022
Kevin Withington	01/10/2022	689,071	-	12p	01/11/2022
Andrew Morrison	28/07/2021	-	925,000	20p	28/07/2025
Stefania Barbaglio	05/09/2021	-	135,000	20p	05/09/2021
Stefania Barbaglio	07/03/2022	-	13,175	25p	21/03/2022

9. Finance expense

	Period ended 31 March 2023	Year ended 30 Sept 2021
Interest received	2	-
Interest paid	(353)	-
	(351)	-

10. Taxation

	Period ended 31 March 2023 £'000	Year ended 30 Sept 2021 £'000
Current tax	(217)	(831)
Deferred tax	-	-
Tax (credit) for the period	(217)	(831)

The Group's unutilised tax losses carried forward at 31 March 2023 amounting to £5,049,000 (2021 - £77,470). A deferred tax asset has not been recognised due to uncertainty over the timing of the utilisation of the losses.

The standard rate of tax for the current year, based on the UK effective rate of corporation tax is 19% (2021: 19%). The actual tax for the current and previous year varies from the standard rate for the reasons set out in the following reconciliation:

	2023 £'000	2021 £'000
Loss for the period	(6,223)	(4,054)
Tax on ordinary activities at standard rate	(1,182)	(771)
Effects of:		
Expenses not deductible for tax purposes	246	48
Capital allowances in deficit of depreciation	2	
Tax credit in respect of prior periods	(217)	(108)
Tax losses available for carry forward against future profits	934	-
Tax for the period	(217)	(831)

On 24 May 2021, the Government enacted that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of 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%. From this date 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.

11. Investments

	Company As at 31 March 2023
Cost	
At 1 October 2021	-
Additions	9,755
At 31 March 2023	**9,755**
Impairment	
At 1 October 2021 and 31 March 2023	-
Net book value	
At 31 March 2023	**9,755**
At 30 September 2021	-

Details of subsidiaries are shown in note 12 of the Consolidated Financial Statements.

Management have performed the annual impairment review as required by IAS 36 and have concluded that no impairment is indicated for the Company's investment in Leakbot Limited as the recoverable amounts exceeds the respective carrying values.

Key assumptions and sensitivity to changes in assumptions.

The key assumptions when calculating the recoverable amount are based upon management's historical experience. The calculation of Value in Use is most sensitive to the following assumptions:

- Sales and gross margin – for Leakbot this is based on forecasts incorporating a compound annual growth rate of 40% revenue; and 59% of gross profit over the next five years.
- Administrative expenses are expected to increase by 11% in the year ended 31 March 2024 with 1.2% incremental increases annually thereafter.
- Discount Rate – pre-tax discount rate of 9.6% reflects the Directors' estimate of an appropriate rate of return, considering the relevant risk factors.
- Growth Rate – used to extrapolate beyond the budget period and for terminal values based on a long-term average growth rate of 1%.

Sensitivity to changes in assumptions.

The impairment review of the Group's investment is sensitive to changes in the key assumptions, most notably the pre-tax discount rate, the terminal growth rate, the projected operating cash flows. Reasonable changes to these assumptions are considered to be:

- 1.0% increase in the pre-tax discount rate;
- reduction in the terminal growth rate to nil; and
- 10.0% reduction in projected operating cash flows.

Reasonable changes to the assumptions used would not result in an impairment of the investment.

11. Investments (continued)

The fair value less costs to sell was based on a multiple of earnings less estimated costs to sell. Management have performed the annual impairment review as required by IAS 36 and have concluded that no impairment is indicated as the recoverable amount exceeds the carrying value.

12. Subsidiaries

At the period end, the Group has the following subsidiaries:

Name	Nature of business	Place of incorporation	Percentage owned
Leakbot Limited		England	100%
Indirect subsidiary undertaking			
Leakbot USA Inc.		USA	100%

The registered office for each company is 6th floor, 60 Gracechurch Street, London, United Kingdom, EC3V 0HR with the exception of Leakbot US which has a registered office at 251 Little Falls Drive Wilmington, DE USA 19808.

Leakbot Limited is exempt from the obligation to have its individual financial statements audited as Ondo Insurtech Plc has provided a guarantee under Section 479a of the 2006 Companies Act.

On 2 June 2023, the company established a new subsidiary company in Denmark, Leakbot Europe As. This company was established to support the ongoing expansion of the business within Denmark and Sweden alongside giving the company wider access into the European Union.

13. Reverse acquisition

On 21 March 2022, Ondo InsurTech Plc ("Company") formerly known as Spinnaker Acquisitions Plc, acquired through a share for share exchange the entire share capital of Leakbot Limited, whose principal activity is to provide domestic leak detection services and technology to the home insurance industry and homeowners.

Although the transaction resulted in Leakbot becoming a wholly owned subsidiary of the Company, the transaction constituted a reverse acquisition, as the substance of the transaction was that Leakbot Limited gained effective control of Ondo InsurTech plc.

As the Company's activities prior to the acquisition were purely the maintenance of the London Stock Exchange Listing, acquiring Leakbot and raising equity finance to provide the required funding for the operation of the acquisition, it did not meet the definition of a business in accordance with IFRS 3.

Accordingly, this reverse acquisition does not constitute a business combination and was accounted for in accordance with IFRS 2 “Share-based Payments” and associated IFRIC guidance. Although, the reverse acquisition is not a business combination, the Company has become a legal parent and is required to apply IFRS 10 and prepare consolidated financial statements. The Directors have prepared these financial statements using the reverse acquisition methodology, but rather than recognising goodwill, the difference between the equity value given up by Leakbot’s shareholders and the share of the fair value of net assets gained by these shareholders, is charged to the statement of comprehensive income as a share-based payment on reverse acquisition and represents in substance the cost of acquiring a London Stock Exchange listing.

13. Reverse acquisition (continued)

On 21 March 2022, the Company issued 14,991,667 ordinary shares to acquire the 31,398,986 ordinary shares of Leakbot Limited based on a share price of £0.12 (which was used for the fund-raising on the same date). In addition, a payment of £1,599,548 was made in cash and loan notes with a value of £6,401,000 were issued to the vendor. The Company's investment in Leakbot was therefore valued at £9,799,548.

Because the legal subsidiary, Leakbot Limited, was treated on consolidation as the accounting acquirer and the legal Parent Company, Ondo InsurTech plc, was treated as the accounting subsidiary, the excess of the transaction price over the fair value of the assets and liabilities of Ondo InsurTech Plc represented a cost for obtaining a listing.

According to IFRS 2 the value of the share-based payment is calculated as the difference between the deemed cost, being the fair value of the Company based on its share price prior to its suspension from trading on 13 December 2021, and the fair value of the net assets as the acquisition date.

	£'000
Deemed cost	2,376
Fair value of net assets	(1,670)
Reverse acquisition expenses	706

The difference between the deemed cost (£2,376k) and the fair value of net assets (£1,670k) per above resulted in £706k being expensed within ''reverse acquisition expenses'' in accordance with IFRS 2, Share Based Payments, reflecting the economic cost to Leakbot Limited's shareholders on acquiring the entity.

The reverse acquisition reserve which arose from the reverse takeover is made up as follows:

	£'000
Pre-acquisition earnings of Ondo InsurTech	(580)
Leakbot's share capital at acquisition	31,399
Investment in Leakbot	(9,799)
Leakbot Working capital adjustment	43
Reverse acquisition expense	706

14. Intangible assets

Group	Development costs £'000	Total £'000
Cost		
Additions	96	96
At 31 March 2023	96	96
Accumulated depreciation		
Depreciation charge during the year	7	7
At 31 March 2023	7	7
Net book value		
At 31 March 2023	89	89
At 30 September 2021	-	-

15. Property, plant and equipment

Group	Plant and machinery £'000	Office equipment £'000	Total £'000
Cost			
Additions	59	12	71
At 31 March 2023	59	12	71
Accumulated depreciation			
Depreciation charge during the year	5	1	6
At 31 March 2023	5	1	6
Net book value			
At 31 March 2023	54	11	65
At 30 September 2021	-	-	-

16. Inventories

	Group 31 March 2023 £'000	Group 30 September 2021 £'000	Company 31 March 2023 £'000	Company 28 February 2022 £'000
Finished goods	423	11	-	-
	423	11	-	-

17. Trade and other receivables

	Group 31 March 2023 £'000	Group 30 September 2021 £'000	Company 31 March 2023 £'000	Company 28 February 2022 £'000
Trade receivables – gross	630	676	-	-
Provision for impairment	-	(228)	-	-
Trade receivables - net	630	448	-	-
Other receivables	199	-	70	87
Amounts due from subsidiary undertakings	-	-	2,595	-
	829	448	2,665	87

The amounts due from subsidiary undertakings comprises of £2,514,573 from Leakbot Limited and £80,097 from Leakbot USA Inc. These loans are non-interest bearing and repayable on demand and considered fully recoverable.

18. Cash and cash equivalents

	Group 31 March 2023 £'000	Group 30 September 2021 £'000	Company 31 March 2023 £'000	Company 28 February 2022 £'000
Cash at bank	376	-	163	1,679
	376	-	163	1,679

19. Trade and other payables

Amounts falling due within one year:

	Group 31 March 2023 £'000	Group 30 September 2021 £'000	Company 31 March 2023 £'000	Company 28 February 2022 £'000
Bank overdraft	-	1,726	-	-
Trade payables	795	351	-	-
Other payables	108	101	28	17
Accruals	1,117	-	478	78
	2,020	2,178	506	95

The prior year overdraft balance of £1,726,000 was part of Homeserve Group cash pooling arrangements with HSBC, while Leakbot Limited was part of the Homserve Group.

20. Borrowings

	Group 31 March 2023 £'000	Group 30 September 2021 £'000	Company 31 March 2023 £'000	Company 28 February 2022 £'000
Non-current:				
Repayable 2-5 years	6,401	-	6,401	
Repayable after 5 years	-	-	-	-
	6,401	-	6,401	-

On 21 March 2022, the Company issued £6,401,000 loan notes in connection with the acquisition of Leakbot Limited (the "Loan Notes"). The Loan Notes carry a fixed interest rate of 10 per cent. per annum on the principal amount of the Loan Notes outstanding from time to time. No interest shall be payable on the principal amount of the Loan Notes outstanding for the period commencing the date of issue and ending on the second anniversary of the date of issue. In accordance with IFRS9, interest has been calculated using an effective interest rate over the relevant period with interest of £353,000 relating to the period ended 31 March 2023 included in accruals in note 19.

To the extent not previously repaid of redeemed, the lower of the principal amount outstanding from time to time and £1,600,250 under the Loan Notes will be repayable on or before 21 March 2025 and then annually thereafter until repaid in full.

21. Share capital and share premium

On 21 March 2022, the Company issued 43,554,175 ordinary shares of £0.05 each at a price of £0.12 per ordinary shares creating a share premium of £2,847,848. Issue costs of £200,944 in relation to the share issue have been offset against the premium.

On 21 March 2022, the company issued 1,985,377 ordinary shares of £0.05 each at a price of £0.1 per ordinary shares creating a share premium of £99,269.

	Number of Ordinary shares	Share capital	Share premium	Total
		£'000	£'000	£'000
At Incorporation	22,630,060	1,132	955	2,087
Issue of ordinary shares (21/03/2022)	43,554,175	2,177	2,848	5,025
Issue of ordinary shares (21/03/2022)	1,985,377	99	99	198
At 31 March 2023	68,169,612	3,408	3,902	7,310

22. Earnings per share

The basic earnings per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of shares in issue.

The Company had in issue 68,169,612 ordinary shares at 31 March 2023. The loss attributable to equity holders and weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share.

The loss attributable to equity shareholders and weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of share options would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

	2023	2021
	£'000	£'000
Loss for the period attributable to equity holders (£)	(6,006)	(3,223)
Weighted average number of shares in issue	65,760,719	36,828,717
Basic and diluted loss per share (pence)	(9.13)	(8.75)

23. Financial instruments

The Group and the Company's financial instruments comprise cash, other receivables and other payables. The main purpose of these financial instruments is to provide finance for the Company's future activities and day to day operational needs.

The main risks faced by the Company are limited to interest rate risk on surplus cash deposits and liquidity risk associated with raising sufficient funding to meet the operational needs of the business.

The Board reviews and agrees policies for managing these risks and they are summarised below.

Financial assets by category

The categories of financial assets included in the statement of financial position and the headings in which they are included are as follows:

	Group 31 March 2023 £'000	Group 30 September 2021 £'000	Company 31 March 2023 £'000	Company 28 February 2022 £'000
At amortised cost				
Other receivables	829	448	70	86
Cash and cash equivalents	376	-	163	1,679
Amounts due from subsidiary undertakings	-	-	2,595	
	1,205	448	2,828	1,765

Financial liabilities by category

The categories of financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	Group 31 March 2023 £'000	Group 30 September 2021 £'000	Company 31 March 2023 £'000	Company 28 February 2022 £'000
At amortised cost				
Trade payables	795	351	-	-
Other payables	1,225	101	506	95
Bank overdraft	-	1,726	-	-
	2,020	2,178	506	95

Financial instrument risk management

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations. The Group's policy is to maintain borrowings at fixed rates of interest.

23. Financial instruments (continued)

The Group and the Company manages the interest rate risk associated with the Company's cash assets by ensuring that interest rates are as favourable as possible, whilst managing the access the Company requires to the funds for working capital purposes.

The Company's cash and cash equivalents are subject to interest rate exposure due to changes in interest rates. Short-term receivables and payables are not exposed to interest rate risk.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through optimisation of the debt and equity balance. The capital structure of the Company currently consists of cash and cash equivalents, and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings, all as disclosed in the Statement of Financial Position.

Credit risk

The following table provides an analysis of trade receivables that were due at each financial period end. The Group believes these balances are ultimately recoverable based on a review of past impairment history and the current financial status of customers.

	Group 31 March 2023 £'000	**Group 30 September 2021 £'000**
Current	407	297
1-30 days	78	148
31-60 days	113	29
61-90 days	13	135
91+ days	19	127
Provision for impairment of trade receivables	-	(288)
Total trade receivables - net	630	448

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 March 2023 and, consequently, no further provisions have been made for bad and doubtful debts.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet the obligations as they fall due. The Board receives monthly cash forecast and trading forecasts. At the start of each year the Board approve and adopt a budget and cash flow for the next 24 months, the CFO monitors these and reports any material divergences to the Board, so that management can ensure that sufficient funding is in place as it is required. The budget and cash flow are updated at the end of each year, for the following 24 months.

24. Capital management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash, and short-term deposits.

	Group 31 March 2023 £'000	Group 30 September 2021 £'000
Interest bearing loan and borrowings	6,401	-
Less: cash and short term deposits	(376)	1,726
Net debt	6,025	1,726
Total equity attributable to shareholders	(6,639)	(1,719)
Total capital	(614)	7

There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

During the period ended 31 March 2023, the Company completed a reverse takeover of Leakbot Limited. This involved the raising of new equity funds and the issue of loan notes.

25. Equity-settled share based payments

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) 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 the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

On 28 July 2021, 2,211,005 share options were granted with an exercise price of £0.10 and an expiry period of 3 years. These options came under the scope of IFRS 2 Share based payments.

On 28 July 2021, two tranches of share warrants were issued to investors: 10,405,000 warrants at an exercise price of £0.20 with an expiry period of 4 years and 500,000 warrants at an exercise price of £0.10 with an expiry period of 3 years. No share based payments charge arose in respect of these warrants as they fall outside the scope of IFRS 2.

On 5 September 2021, 260,000 warrants were granted to investors at an exercise price of £0.20 with an expiry period of 4 years. No share based payments charge arose in respect of these warrants as they fall outside the scope of IFRS 2.

25. Equity-settled share based payments (continued)

On 7 March 2022, 653,333 share options were granted with an exercise price of £0.12 and an expiry period of 4 years. These options came under the scope of IFRS 2 Share based payments.

On 7 March 2022, two tranches of share options were issued: 1,864,520 options at an exercise price of £0.05 with an expiry period of 2 years and 3,374,766 share options at an exercise price of £0.12 with an expiry period of 4 years. These options came under the scope of IFRS 2 Share based payments.

On 21 March 2022, 800,000 warrants were granted at an exercise price of £0.12 with an expiry period of 3 years. These warrants came under the scope of IFRS 2 Share based payments were valued based on an agreed fee payable to the broker on completion of the fundraising. This resulted in a charge of £7,394 against share premium in respect of share issue costs.

On 21 March 2022, 14,281,252 warrants were granted to investors at an exercise price of £0.12 with an expiry period of 3 years. No share based payments charge arose in respect of these warrants as they fall outside the scope of IFRS 2.

On 1 October 2022, 689,071 share options were granted with an exercise price of £0.12 and an expiry period of 4 years. These share options came under the scope of IFRS 2 Share based payments.

The fair value of the options has been calculated using the Black-Scholes valuation model. The assumptions used in the fair value calculation were as follows:

	Options	Options	Options	Options	Options
Date of grant	28 July 2021	7 March 2022	7 March 2022	7 March 2022	1 October 2022
Number	2,211,005	653,333	1,864,520	3,374,766	689,071
Exercise price (pence)	10p	12p	5p	12p	12p
Risk free interest (%)	0.5%	1.18%	1.12%	1.12%	1.18%
Expected volatility (%)	37.8%	18%	18%	18%	61%
Expected life (years)	2.9	3.75	2	4	4
Fair value	0.52	0.02	0.07	0.02	0.02
Option life	3 years	4 years	2 years	4 years	4 years

Volatility was determined by reference to the standard deviation of daily share prices.

25. Equity-settled share based payments (continued)

The total share-based payment expense recognised in the income statement for the period ended 31 March 2023 in respect of the share options granted on 7 March 2022 and 1 October 2022 was £85,432.

Movements during the period

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options and warrants during the period:

	Options		Warrants	
	Number	**WAEP**	**Number**	**WAEP**
Outstanding 1 October 2020	-	-	-	
Granted during the Year	2,211,005		11,165,000	0.22
Outstanding 1 October 2021	2,211,005	-	11,165,000	0.22
Granted during the period	6,581,690	0.10	15,081,252	0.22
Exercised during the period	(1,985,377)	0.10	-	-
Outstanding at 31 March 2023	6,807,318	0.10	26,246,252	0.22

26. Contingent liability

Leakbot Limited entered into a contract with one of its customers, Admiral EUI Limited to deploy 20,000 units of the LeakBot water detection system. As part of this agreement, Leakbot agreed to guarantee a minimum claim saving to Admiral of up to £150,000 at the end of a two year review period. The agreement is that Admiral will provide claims data on a quarterly basis to show the ongoing position as claims cost develop.

If Admiral saves less than £150,000 then Admiral will be paid the difference between the actual savings and £150,000. If savings are greater than £150,000 Leakbot will receive the difference up to an additional £150,000 of revenue. No provisions have been made in the financial statements for either outcome. Management’s view is that it is more likely that additional revenue will be due to Leakbot and there no provision for repayment will be required.

27. Related party transactions

Cassiopeia Services Limited (“CSL”) is a company controlled by Stefanie Barbaglio, who is a non-executive director. CSL invoiced £25,650 to the Group in the period ended 31 March 2023 (year ended 30 September 2021: £nil) for PR, investor support and communication services. The amount owed to CSL at 31 March 2023 was £4,050 (30 September 2021: £nil).

Homeserve Group Plc (“Homeserve”) is a significant shareholder in the Company. As part of the sale of Leakbot limited to the Company, Homeserve agreed to provide plumbing services to the Group for a period of two years from the completion of the sale. Homeserve invoiced £367,050 to the Group during the period ended 31 March 2023 (year ended 30 September 2021: £nil). The amount owed to Homeserve at 31 March 2023 was £184,829 (30 September 2021: £nil).

A total of £80,000 was paid in March 2022 as success fees for provision of their services as directors to Spinnaker Management Resources Ltd, Cassiopeia Services Ltd and Peacock DDC Trading Ltd which are companies owned or controlled respectively by Andy Morrison, Stefania Barbaglio and Tony Harpur who are directors of the Company or who was a director (Tony Harpur) at the time of the respective payments. Further details are provided in the Remuneration Report on pages 22-23 of this report.

28. Controlling party

The Directors do not consider there to be an ultimate controlling party.

29. Subsequent events

On 12 May 2023 the Company raised £815,000 pursuant to a placing and subscription for new ordinary shares. A total of 6,791,666 shares were issued at a price of £0.12 per share with an equal number of 6,791,666 warrants attached at an exercise price of £0.20 per share, valid for 3 years.

On 2 June 2023, the Company established a new subsidiary company in Denmark, Leakbot Europe As. This company was established to support the ongoing expansion of the business within Denmark and Sweden alongside giving the company wider access into the European Union.

On 9 July 2023, the Company agreed with the Loan Note holders to revised the terms of the Loan Note,

The key changes are.

- First repayment of principal deferred from 31 March 2025 to 31 March 2026
- Final redemption extended by 1 year to 31 March 2029 from 31 March 2028
- Interest due from 31 March 2024 to 31 March 2025 is rolled up and deferred with repayments made in 4 equal instalments in line with the revised repayment of principal.
- Interest rate increased from 10% to 12% from 31 March 2024

The changes to the Loan Note represent a non-adjusting event.

Since 31 March 2023 2,866,666 share warrants have been exercised providing £459,333 of additional capital to the Company. The remaining balance of warrants is 30,171,254 at an average exercise price of 22 pence per share.

30. Copies of the Annual Report

Copies of the annual report are available on the Company's website at www.ondoplc.com and from the Company's registered office 6th Floor, 60 Gracechurch Street, London, England, EC3V 0HR.