Company Registration No. 13218816

Ondo InsurTech Plc

Annual Report and Financial Statements for the year ended 31 March 2024

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
Corporate Adviser & Broker	Dowgate Capital Limited 15 Fetter Lane London EC4A 1BW
Registrar	Neville Registrars Limited Neville House, Steelpark Road Halesowen West Midlands United Kingdom B62 8HD

CHAIRMAN'S STATEMENT

Today we present the Ondo InsurTech Plc ("Ondo" or "Group") results for the year ended 31 March 2024.

Ondo InsurTech Plc has demonstrated significant progress through the year with continuing rapid growth across its main markets of UK and Nordics with excellent initial results being achieved in the USA. The institutional placing and open offer completed after period end in May 2024 provides the necessary resources to further accelerate this growth. The Group appreciates the support provided by new and existing shareholders

In respect of the year end 31 March 2024 the highlights within the period are outlined below with further details with the CEO report.

FINANCIAL HIGHLIGHTS

- Sales revenue increased by 29% to £2.7m for the twelve-month period ended 31 March 2024 (2023: £2.1m)
- Recurring revenue from Software and Services increased by 41% to £1.4m (12 months to 31 March 2023: £1.0m) consistent with our strategic intent to drive recurring revenue, with an exit rate in month of March 2024 at an annualised run rate of £1.7m.
- Device and set-up fee revenue increased by 18% to £1.3m (2023: £1.1m)
- Reported operating loss of £3.2m (18 months to 31 March 2023: loss £5.9m) and loss before tax £3.0m (18 months to 31 March 2023: £6.2m)
- Raised £1.0m through a placing in November 2023 to support deployment pipeline.

OPERATIONAL HIGHLIGHTS

- Total registered customers on platform grew in the 12 months to March 2024 by 37% to 95,468, (2023: 69,793).
- LeakBot launched with new partners in 4 new U.S. states – Ohio, New York, New Jersey and Washington
- New roll-out deals signed with US Insurance groups Nationwide and Selective insurers.
- U.S. devices account for 8% of Group registered users but already 12% of Group recurring revenue by the March 2024 exit rate.
- Proven we can deliver same KPI results in USA: 63 NPS (US) vs 91 NPS UK and (77) NPS in Nordics
- New follow-on orders signed in Nordics with Top Danmark and LB Forsikring
- Addressable Households under contract increased by 117% to 5.2m with 2% penetration at 31 March 2024 (31 March 2023: 2.4m with 3% penetration).

POST PERIOD ANNOUNCEMENTS

- Länsförsäkringar announced that LeakBot has delivered a 40% reduction in damage claims costs in Sweden.
- Nationwide and Pure, after successful launches in Ohio and New York, respectively, both expanded LeakBot deployments into the state of Washington.
- Ageas signed a contract to pilot LeakBot and started deployment in the UK in June 2024.
- Raised £4.2m through a placing and open offer in May 2024 to support the deployment pipeline of the LeakBot especially in the United States.
- Registered customers grew to 111,000 by 26 July 2024

The Year in Review

The primary market for Ondo is home insurance companies as part of a claims mitigation solution to reduce the impact of water leaks and deliver claims savings to the insurance industry. One of our US insurer partners, Nationwide Mutual, has estimated that the average cost of an escape of water claim is more than $12,000. Between 20-30 per cent. of all household insurance claims are caused by water leaks – equivalent to some £16 billion per year in claims through the UK and U.S. At a time of increasing claims inflation, the ability to mitigate risk through Internet of Things (IoT) technology, and other technology solutions, is a key focus for the industry.

Ondo's LeakBot claims mitigation solution is continuing to build interest in UK and Scandinavian markets and is gaining significant traction in the U.S. with contract wins during the year with multi-state insurers Nationwide and Selective. The opportunity for accelerating expansion within the U.S. market, for both new and existing partners is a key focus for the Group, alongside continuing the rollout into Scandinavia and the UK.

The LeakBot solution is typically provided to the householder free of charge, with the insurer or water company partner paying for the device and services. With its focus on shareholder value creation, Ondo is progressively migrating to a recurring revenue model, where partners pay a monthly subscription for each of their customers registered for the use of the LeakBot device as well as for repair services, when needed. This has materially increased the long term, recurring nature of the Group's income. Partners typically pay twelve months subscription in advance, covering initial set-up costs and thereby helping to manage the working capital demands on the Group. New U.S. contracts are based upon on monthly recurring basis, which has resulted in the US already contributing 12% of recurring revenues even at the early stage of the Group's U.S. roll-out programme, representing 8% of the registered customer base.

To support its growth in the UK and internationally, Ondo continues to develop its technology, operational and marketing infrastructure. During the period, we expanded our North American operations with US-wide third-party distribution capabilities from our base in California, a dedicated general manager for North America and a team of three engineers covering our initial four states. The fund-raising completed after period end in May 2024 enables business infrastructure in the USA to be further expanded, with customer success and operational leads employed centrally as well as engineers and customer success teams within in each new state. Ondo management are also assessing possible future manufacturing and assembly facilities in North America.

In addition to insurance claims prevention, water security is an increasing global environmental concern. The LeakBot solution has attracted interest from UK water utility companies as they seek to reduce water leaks. Our solution can address these challenges in a cost effective, measurable way that can be deployed at scale into UK homes as part of a programme to reduce overall water consumption. As part of the ongoing development of the water utility opportunities, Ondo has been working with several water companies to expand the deployment of the LeakBot solution.

In recognition of its clean technology business credentials, Ondo is proud to hold the London Stock Exchange Green Economy Mark and to also be affiliated with Waterwise, an independent UK organisation that encourages and promotes water efficiency for the benefit of people and the planet.

Overall, after the year under review, the Group has proven the repeatability of its business model and is now much better positioned and ready to deliver on the enormous scale of the opportunity presented. The challenge for management is to optimise the growth within available financial and other resources to work towards cash self-sufficiency. I believe we are in excellent management hands, and I thank the whole team at Ondo for the progress that they are making together.

DocuSigned by:

E409E3E6F4E44A2...

Gregory Mark Wood CBE
Chairman
26 July 2024

CHIEF EXECUTIVE OFFICER'S REVIEW

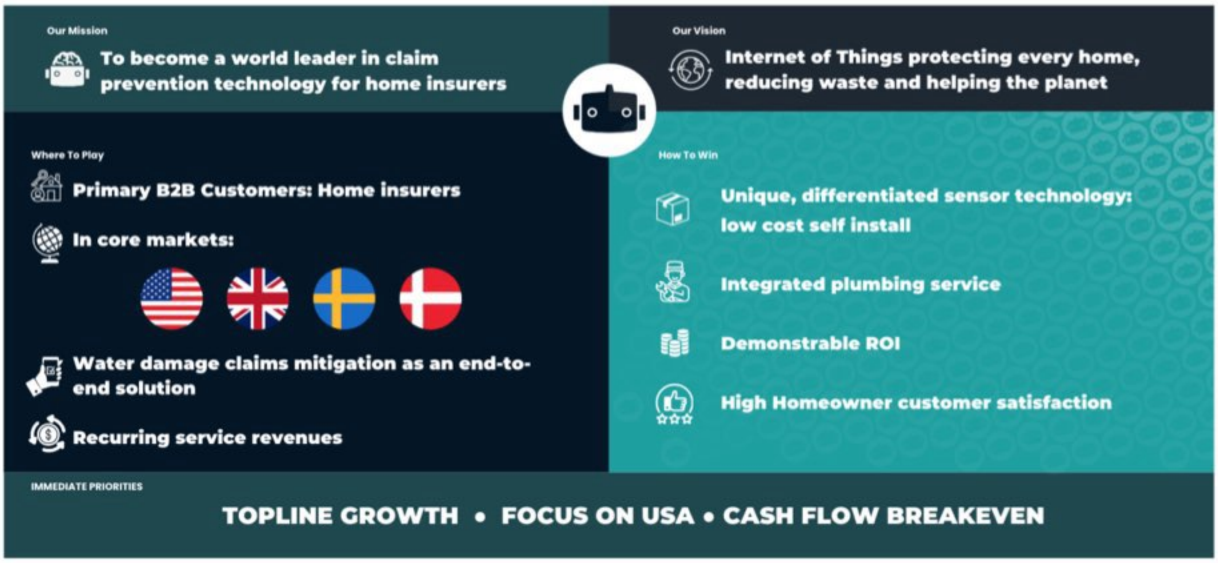
Our vision at Ondo is a world where Internet of Things (IoT) technology is used as standard to protect every home, reduce waste and help the planet.

At Ondo we are on a mission to help drive this change and - to be a world leader in claims prevention technology for the home insurance industry.

Our Strategy

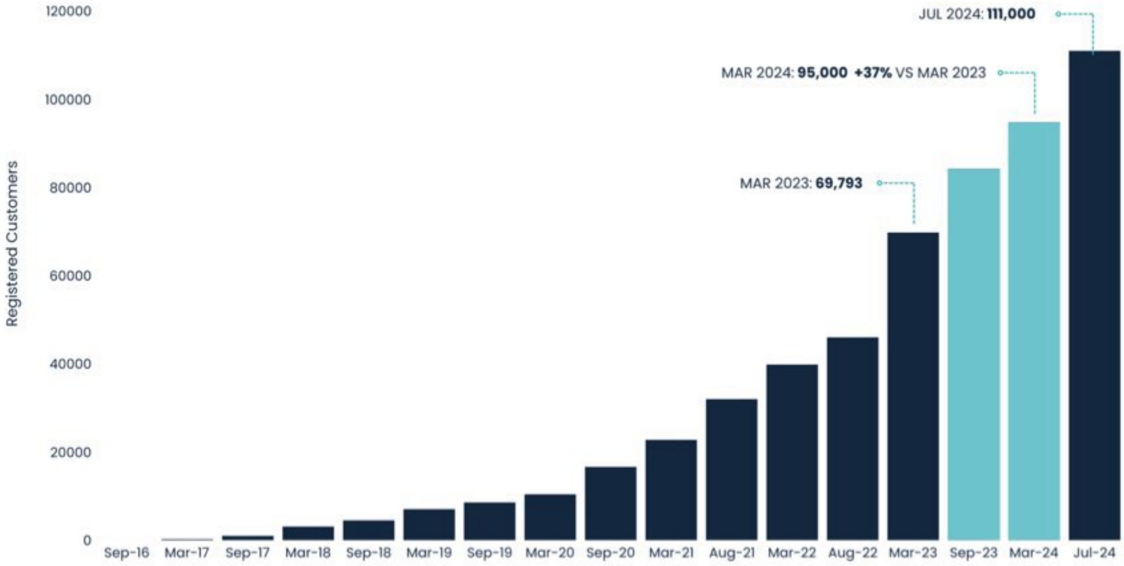
Our strategy is straight-forward.

- Our key customers are Home Insurance companies in our core markets of the UK, Denmark, Sweden and the United States.
- Our value proposition to insurers is simple:
  - LeakBot will reduce water damage claims costs and save insurers money.
  - The insured home owners will love the product and service.
- Our model is defensible.
  - LeakBot is the only low-cost self-install micro-leak sensor technology around (invented by us and protected by our IP)
  - The only solution with an integrated plumbing service to find and fix the root cause of the problem.
- Ondo wins by flawlessly executing this recipe:
  - High home owner satisfaction: Ensure satisfied home owners, who can install the device and are impressed with the service.
  - Demonstrable ROI: Ensure we find and fix the right leaks to reduce claims.

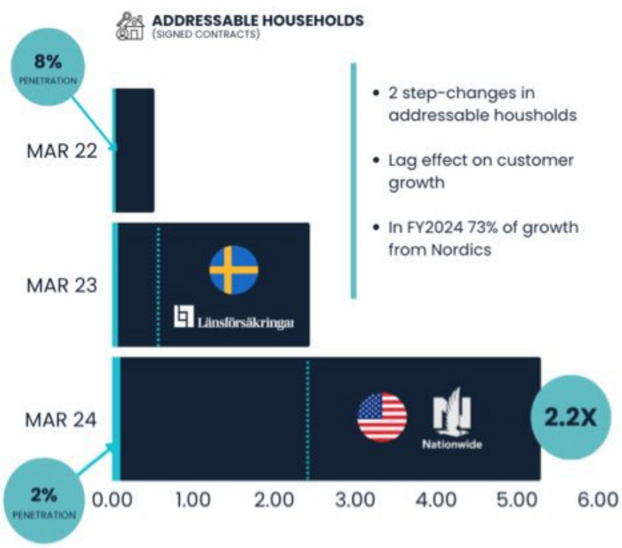


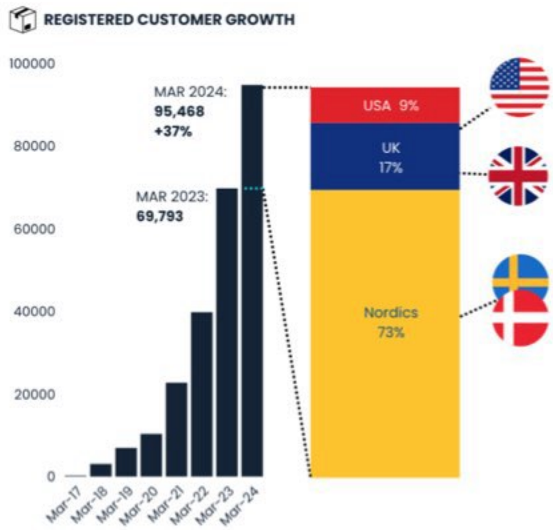
Key Performance Indicators

- Registered customers grew by 37% during FY24 to 95,468 for 2024 and have already grown by a further 17% since the year end to over 111,000.

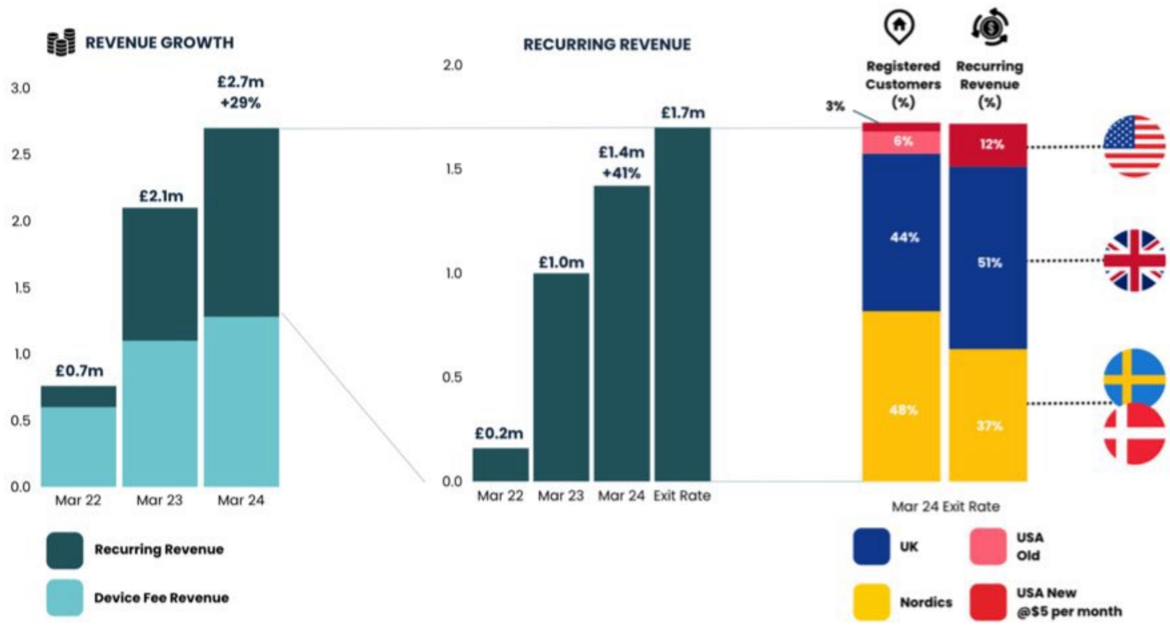


- **Addressable households grew by 2.2x during the FY24 to 5.2m largely as a result of the new contract with Nationwide.**
  - Addressable households are a leading indicator, with registered customers lagging these step-changes as we start to penetrate the customer bases of the new international partners. Addressable households made a similar jump when we signed the Länsförsäkringar contract in 2023 which has taken some time to start to mobilise. Nevertheless, Scandinavia accounted for 73% of the growth in new Registered Customers in FY24

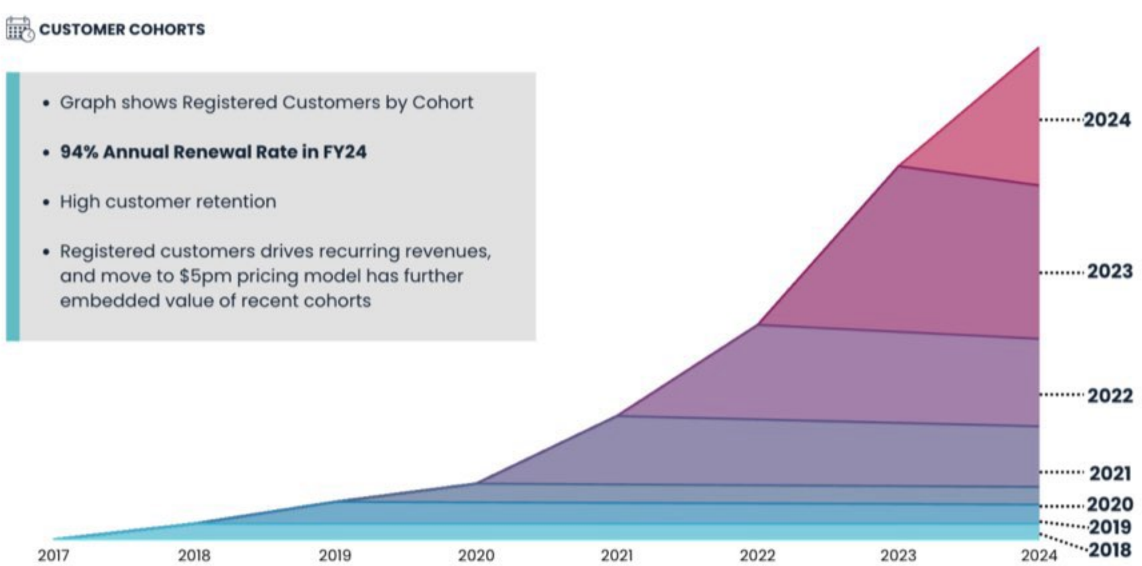




- **Revenue grew by 29% to £2.7m in FY24 with Recurring Revenue growing by 41% to £1.4m**
    - The annualised recurring revenue was £1.7m as at 31 March 2024.
    - The impact of the $5 per month pricing in the United States is already starting to be seen in the mix, with new US contracts on this pricing accounting for 3% of registered customers by the end of the period and 12% of the Recurring Revenue Run Rate



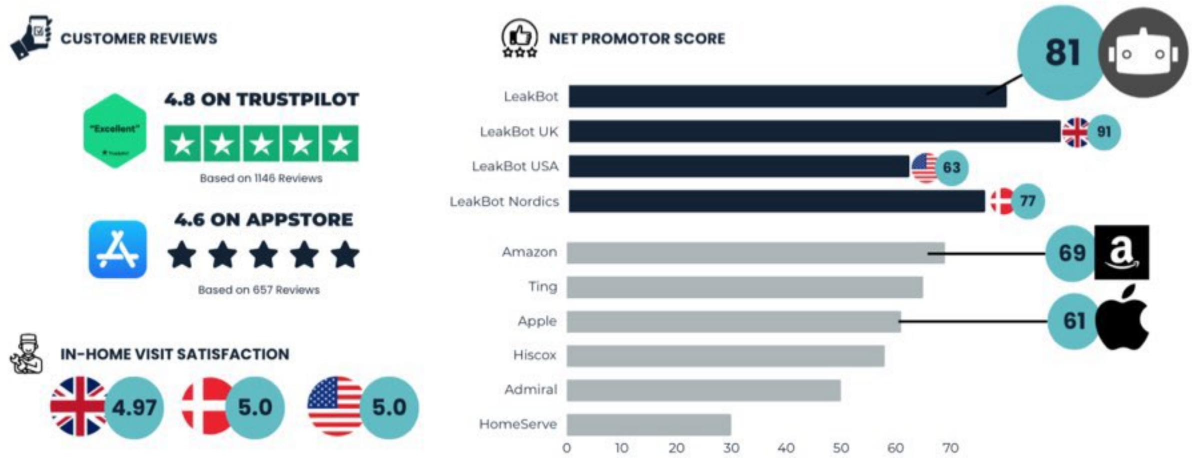
Registered customers viewed on a cohort vintage basis demonstrates the high retention rate of the customers, with Retention Rate of 94% for 12 Months to 31 March 2024 (12 months to 31 March 2023: 96%).



Consistently World Class Home owner Satisfaction

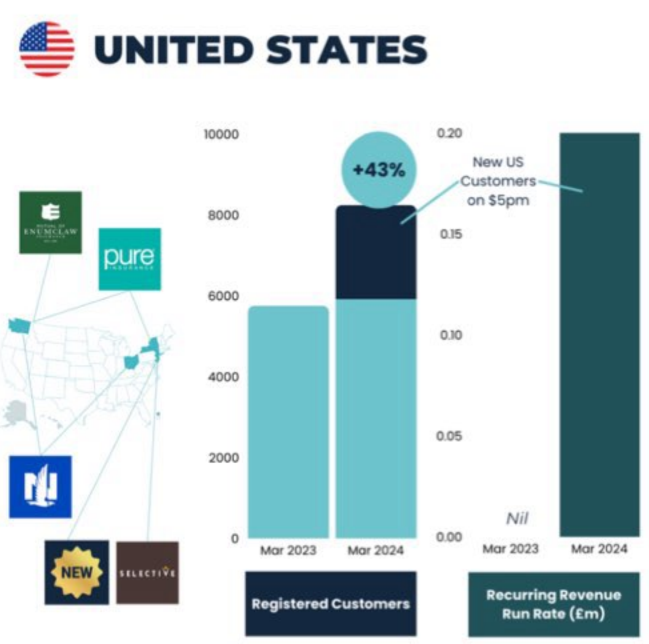
Key to our strategy is satisfied home owners. We have maintained a 4.8/5 trust pilot score this year, and a 4.6/5 score on the Apple App store. Additionally, we have started to collect Net Promotor Scores across different touch points in our user journey and currently maintain a +81 NPS. Anything over 30 is widely regarded to be world class.

Importantly, our in-home engineer visit satisfaction is consistently high across territories, proving especially in the United States that we can execute to the same quality there.



Breakthrough in the USA

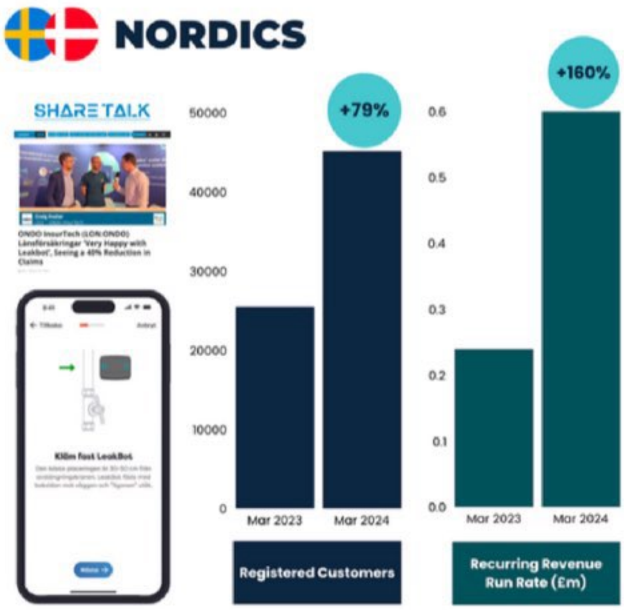
The big story for Ondo of this year is our progress in the United States. While this might have only had a limited impact on the financials and KPIs so far, this year has set the foundation for the United States being the main engine of growth for the business in the coming years. In the reporting period and post-balance sheet period we have:



- Won 4 US insurer contracts: including Nationwide, Pure, Selective, Mutual of Enumclaw
- Launched into 4 different US states: New Jersey, New York, Washington, and Ohio
- Proven we can deliver great customer service: +63 NPS specifically in the U.S.A.
- Proven we can deliver claims savings: MOE seeing $150k of claim savings vs $15k of LeakBot spending at first review.
- Proven that our US flat pricing model works, both in insurer adoption, and in our financial results: US customers on the new pricing, account for 3% of our live registered customer base but already make up 12% of our recurring revenues as of the March 2024 exit rate.

Nationwide and Pure have both expanded their programs already into Washington based on their satisfaction so far. Their plans ahead are ambitious and innovative and we are looking forward to being able to reveal more as we progress through this year.

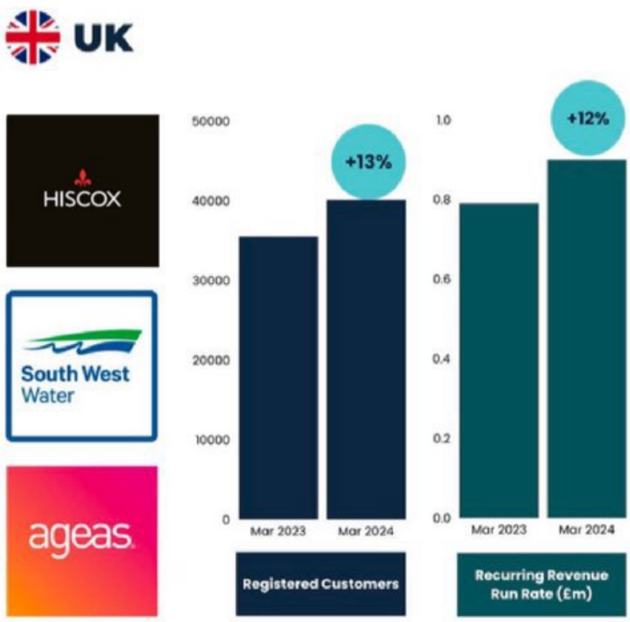
Continued delivery of results in Nordics



The Nordics continues to be an important market for LeakBot with 73% of new registered customer in FY2024 coming from the region.

- Länsförsäkringar announced that they have achieved a 40% reduction in water damage claims costs where LeakBot is deployed. Their "Alf" mobile app is now launched in 11 regions and is used to install the LeakBot as part of their rollout plans.
- We signed a new contract with LB Forsikring and launched new activity with TopDanmark.
- Registered customers grew by 79% and recurring revenues grew by 160% year on year in the Nordics.

Continued progress in UK



The UK market is extremely competitive for home insurance providers and therefore has with lower average policy premiums and lower average claims costs. That said, upward claims cost inflation is creating renewed interest from partners in our home market.

- Registered customers in the UK grew by 13% and recurring revenues grew by 12% reflecting the current business mix in the UK. During the year we did sign new contracts with Ageas, South West Water.
- Post year end, Ondo completed the transfer of the plumbers from HomeServe to LeakBot., guaranteeing we can maintain the current very high level of customer satisfaction and control the end-to-end value proposition.

Outlook

Our focus in FY25 remains topline growth, driving towards cashflow breakeven by the end of the financial year and a particular focus on the growth of our United States operations. Already in FY25 our registered customers have grown 15% in the first three months, and we shipped more devices in those three months than we did in the entire second half of FY24.

Furthermore, a number of helpful industry-wide trends are helping our cause. Firstly, claims inflation is increasing the attraction of our business proposition for insurers.

Secondly, various examples of peer solutions also demonstrate to the insurance industry that IoT-based claims prevention is here to stay. I am very pleased to see the progress made by Whisker Labs with their Ting fire sensor product in the United States, which is now in more than 800,000 homes, having broken through the 100,000 home barrier as recently as early 2022.

The success of solutions like Ting and LeakBot are finally delivering on the promise that Internet of Things can be used effectively to protect residential homes, reduce water loss waste, and thereby help the planet by creating a more sustainable use of scarce resources.

I believe we are on our way to a world where this is standard, in every home, and we look forward to playing an important role in making this future a reality.

DocuSigned by:
Craig Foster
113385C429B84BC...

Craig Foster
Chief Executive Officer
26 July 2024

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.

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 the Group – and it was within this team that LeakBot was developed and launched. In 2017 Craig was awarded the Insurance Times "Tech Champion of the Year" Award in recognition of the breakthrough nature of LeakBot.

Kevin Withington (CFO) (51)

Kevin Withington is the Fellow of the Chartered Institute of Certified Accountants (FCCA) and an experienced Chief Financial Officer with 25 plus years in the insurance industry with Senior finance private equity backed roles at My Policy (Technology Driven Telematics Broker), AJ Gallagher (USA Insurance 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 as part of the Management team works alongside Craig Foster to drive Ondo's Strategy and growth.

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

Andy Morrison is an established entrepreneur and investor operating in junior public markets since 2007. In 2016, he founded and brought Spinnaker Opportunities Plc to London Stock Exchange as a cash shell and then led it into the reverse take-over of a medicinal cannabis business to form Kanabo Group Plc. In 2021, he went on to found Spinnaker Acquisitions Plc. Following admission to London Stock Exchange, Andy and his team completed the reverse take-over of LeakBot Ltd, leading to the formation of Ondo InsurTech Plc.

In addition to his role at Ondo, Andy is Chairman of AIM-quoted Quadrise Plc, a company developing low-carbon fuel alternatives for the shipping industry and of Hemspan Ltd, a privately held design and build contractor for homes that are net-zero in both construction and use.

Between 2007 and 2016, Andy was Chief Executive and/or Board adviser to a number of natural resources companies. For the first 17 years of his career, Andy worked for Shell in a variety of positions in oil products trading, shipping, marketing and business development.

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

Stefania Barbaglio (Non-executive Director) (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.

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 conferences, 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.

Diversity Reporting

Numerical diversity data, in the format required by the Listing Rules, is outlined below as at 31 March 2024. The Board and Executive Management were asked to disclose which characteristics they identified with. The diversity data is collected on a voluntary basis via the Company's HR Portal.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
Men	4	80%	4	8	80%
Women	1	20%	1	2	20%
Not specified/prefer not to say	-	-	-	-	-

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
White British or other White (including minority-white groups)	5	100%	5	9	90%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	-	-	-	1	10%
Black/African/Caribbean/ Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

STRATEGIC REPORT

The Directors present their Strategic Report on Ondo InsurTech plc for the year ended 31 March 2024.

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 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.

Employees

The board recognises the importance of skilled employees as part of a technology and service led business, the board works with the CEO and Executive team to provide ongoing training and benefits to support employee with the delivery of services to our customers.

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.

During the year the group continued to make progress on the deployments of the LeakBot solution to new and existing partners in the UK, Nordics and USA with a 29% growth in revenue and 37% growth in registered customers.

In November 2023 the group completed a share placing raising £1m to support the ongoing growth of the Group and to provide working capital.

Events after the reporting date

On 14 May 2024, the Company raised £3m from an institutional placing of 21,428,571 ordinary shares at an issue price of 14p and raised a further £1.2m through the issue of 8,342,702 shares via open offer to existing shareholders at 14p. The total amount raised before transaction fees was £4.2m.

Task Force on Climate-related Financial Disclosures (TCFD)

The Group is committed to implementing the recommendations of the TCFD, which aim to provide investors and other stakeholders with useful information on climate-related risks and opportunities that are relevant to our business. We set out below more detail on how we are seeking to align with these recommendations, recognising that this will form an ongoing workstream as we further develop our policies, processes, and disclosures over the medium and long term.

The Group has adopted a streamlined, virtual-centric operational model, significantly reducing its direct environmental footprint due to the lack of physical facilities and engagement in activities with substantial environmental impact. Consequently, the management exposure to climate-related risks is minimal. Nevertheless, management is committed to understanding and mitigating our environmental footprint. We are dedicated to developing sustainability strategies tailored to our operational scale over the next five years, aiming to address the eleven recommendations provided by the Task Force on Climate-related Financial Disclosures (TCFD) across its four thematic areas.

Despite the limited environmental impact of our operations, management's approach to environmental stewardship is proactive. The Group's primary focus lies in the development and deployment of the LeakBot device which has a measurable benefit to our customers and the planet through the reduction in water leaks. To date, the Group has not encountered significant climate risks within its operations.

In alignment with the TCFD's framework, the Directors have outlined material climate-related financial disclosures in the Annual Report, adhering to the four core recommendations and eleven detailed disclosures suggested by the TCFD. The Group continuously strives to align the practices with the TCFD's updated guidance, released in October 2021, titled "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (2021 TCFD Annex)." There are areas within the recommendations where the Group seeks to provide a more comprehensive explanation of the approach and measures.

This commitment to transparency and continuous improvement in the Group's climate-related financial disclosures is a testament to the management's dedication to environmental responsibility and sustainability, ensuring the Group will remain at the forefront of addressing climate change challenges within the sector the Group operates.

Governance

1. Describe the Board's oversight of climate related risks and opportunities.

   The Board is acutely aware of the importance of climate-related risks and opportunities. Although the Group currently lacks a specialised committee to address climate risk, the Board acknowledges that as the business continues to expand, it will become imperative to assess the most practical and effective methods for integrating the evaluation of climate-related risks and opportunities into the decision-making and reporting processes of the Board, its sub-committees, and management.

2. Describe management's role in assessing and managing climate related risks and opportunities.

   The Board acknowledges the pivotal role of the Group's management in the daily assessment and management of climate-related risks and opportunities. The Board is contemplating ways to further integrate climate-related risks and opportunities into its frameworks for assessing and managing risk.

Strategy

3. Describe the climate related risks and opportunities the organisation has identified over the short, medium, and long-term.

   The Board has not identified any direct risks related to climate but in the deployment of the LeakBot device and services there is an opportunity for businesses and home owners to identify leaks earlier reducing property damage and saving water. This in turn reduces demand for water and energy used for the processing of clean water. As the Group's operation expands, the Board is committed to proactively identifying strategies to reduce the Group's carbon footprint in the deployment of the LeakBot device and further amplify its contribution to environmental sustainability.

4. Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.

   The Group's strategy is to become the leading cost-effective solution for managing the escape of water risk across North America and Western Europe. At this stage the Group does not currently record or monitor its emissions. Management is however mindful of the supply chain through which the LeakBot devices are deployed from warehouse to the end-user. The Group uses well established customer distribution companies to reduce the carbon footprint of delivery of LeakBot devices to end users.

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 is considering its strategy in relation to climate risks. The Board remains dedicated to periodically revisiting and enhancing our strategy, responding proactively to new climate-related developments and insights when necessary. At present, we have not prepared climate scenarios as we do not currently have the operational capability for this highly specialised task.

Risk management.

6. Describe the organisation's processes for identifying and assessing climate related risks.

   The Group's risk management processes do not currently consider climate risk and provide a clear timeline on when it will be forming part of that process. The Board will perform these actions in the future and provide a timeline for implementation.

7. Describe the organisations processes for managing climate related risks.

   The process will be carried out with a forward-looking approach, including a timeline for implementation, considering that currently, there are no such processes in place for managing climate risk. The Board will perform these actions in the future and provide a timeline for implementation.

8. Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management.

   The Board continues to support the executive team, who manage risk within the Group for each market where the Group Operates.

   As part of approving the Annual Reports, the Board reviews key risks, adopting an all-encompassing strategy that tackles both conventional and climate-related issues.

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.

   The Group acknowledges the critical role of metrics in both comprehending and managing its carbon footprint. Due to the Group's operational model, which lacks centralised office spaces or manufacturing facilities, the direct environmental impact is inherently minimised. Nonetheless, management diligently monitors our operations to diligently monitor adherence to the highest standards of sustainability and best practices, ensuring the Group's activities remain aligned with Board's commitment to environmental stewardship.

10. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

    The Group's Scope 1 and Scope 2 greenhouse gas (GHG) emissions are minimal, attributed to our remote operational framework. At this stage, the Group does not currently record or monitor its GHG emissions.

Management is keenly aware of the potential for Scope 3 emissions and actively ensures that the Group's broader supply chain aligns with Board's commitment to environmental sustainability. Although the Group is not presently mandated to report GHG emissions, management recognises the future importance of evaluating Group's environmental impact as it becomes pertinent. The Board acknowledges the complexities involved in fully quantifying the carbon footprint of the Group's supply chain, indicating a proactive stance towards understanding and mitigating the Group's overall environmental impact.

11. Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.

    Management plans to establish specific targets for further reductions in carbon emissions at an appropriate time, demonstrating a proactive and strategic approach to environmental stewardship and sustainable operations. This forward-looking perspective underscores the Board's commitment to continuous improvement in the Group's environmental impact.

The Group is aware that it needs to measure its operational carbon footprint to limit and control its environmental impact. However, due to the operations team being small within a serviced office and outsourced manufacturing capacity in the year under review, the UK part of 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 at this stage.

Financial review

Results for the period

The Group incurred a loss for the year ended 31 March 2024 of £2,988,000 (period ended 31 March 2023: £6,006,000).

The net cash position was £397,000 at 31 March 2024 (2023: £375,700).

Key Performance Indicators

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

	Year ended. 31 March 2024 £	Year ended 31 March 2023 £	18 Months to 31 March 2023 £	Year ended 31 March 2022 £
Device and Set-up Fees	1,276,226	1,078,924	1,288,225	580,203
Recurring revenue from Software and Services	1,415,629	1,003,498	1,095,943	157,898
Total Revenue	**2,691,855**	**2,082,422**	**2,384,168**	**738,101**
Gross Contribution	740,203	684,330	850,311	386,144
Gross Operating Margin	**27.5%**	**32.9%**	**35.7%**	**52.3%**
Registered Customers*	**95,468**	**69,793**	**69,783**	**39,859**
Average Monthly On-going Revenue per Registered Customer	1.24	1.20	0.87	0.33
Estimated Addressable Households (Under Contract)	**5,200,000**	**2,400,000**	**2,400,000**	**480,000**
Penetration of Addressable Households	**2%**	**3%**	**3%**	**8%**

*The end of period

Ondo InsurTech Plc acquired LeakBot Limited in March 2022 by way of a reverse takeover transaction (RTO) As a result of the RTO, the period figures to 31 March 2023 are for the 18 months. The table above show the year to 31 March 2023 as a comparative from the 18-month period in line with the previous year financial statements.

Position of the Company's business

At the year end, the Company's Statement of Financial Position shows net assets totalling £7,832,000 which included £41,000 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 consider 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 Group needs to continually manufacture hardware in its third-party factory in the UK. This is dependent on the timely sourcing of all required components. 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. If the Group is unable to secure a sufficient supply of key materials or components on a timely basis, or if the cost of the materials required to produce the LeakBot device become uneconomical, or if such material or components do not meet the Group's expectations or specifications for quality or functionality, the Group's operations and manufacturing of the LeakBot will be materially adversely affected, the Group could be unable to meet customer demand or it may be contracted to supply LeakBot devices at a loss and its business and results of operations may be materially adversely affected. The Group conducts reviews of customer contracts to ascertain the feasibility of price adjustment mechanisms for material component cost changes. The Group via its manufacturing partner holds 6 -12 months stock of key components for the LeakBot manufacture to reduce the risk of manufacture being interrupted by component shortages or production being impacted by unexpected price changes in the short term.

Liquidity Risk / Funding Risk / Ondo is loss making at the date of this report.

As at the date of the financial statements for the year ended 31 March 2024 the pre-tax losses were £2.98m. The ability of the Group to generate a profit from its business is dependent on numerous factors including, but not limited to, demand for its LeakBot device in its primary markets, and the successful execution of its business strategy. LeakBot's successful scaling is sensitive to the roll out plans of key business to business partners, including but not limited to, their own internal timeframes for implementing a policyholder roll out and the effectiveness of their communications and products sales pitch to their customers, which can each materially impact take up rates and claims mitigation success.

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

The Company has raised additional capital of £2m via 2 share placings during the year to provide additional working capital. Post year end the Company completed a further Placing alongside an Open offer with total gross proceeds of £4.2 million. These additional funds will be used to fund the Company's working capital requirements and growth plans for at least the next twelve months from the date of these Financial Statements.

Loss of Key Personnel

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

Competition Risk

The Group has chosen to focus on delivering certain products to certain markets where it believes it can be competitive. The business deploys a stack of technologies developed at considerable expense over several years. The technology stack is patented in all relevant global markets. However, there are a number of other potential competitors operational in the same market space that may try and compete for market share. These potential competitors include well-funded North American companies, Japanese/Korean groups and European utilities, security and IoT groups. These competitors are likely to have larger marketing budgets with which to raise awareness of their brands which may have a negative impact on the Group's sales. This could have a material adverse effect on the Group's ability to generate profits, the consequence of which being that the Group may continue to sustain losses. In the absence of further capital raised, this would have a material adverse effect on the financial condition of the Group.

However, the Directors believe that the Group has a unique technology approach that offers cost and detection advantages over traditional plumbed and moisture sensors respectively. The technology is protected by a range of patents (both granted and pending) and has taken a significant (multiple years) timeframe to develop and perfect, making the product and the services rendered extremely difficult to replicate without incurring significant costs.

Third party services risks

In some instances, the Group is or will be reliant on third parties to administer some part of the value proposition to its insurer clients, e.g. the third-party manufacture of the LeakBot device, third party technology suppliers or where a third party is partly running plumbing find-and-fix services or overflow customer handling centres. There is a risk that the Group cannot directly control and maintain the performance standards of these services, and thus the overall LeakBot device does not deliver the full potential value to insurance partners and UK water services companies.

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

Risks relating to Intellectual Property

The Group may not succeed in adequately protecting its brand, intellectual property and know-how. A key element of the Group's business is its brands and the intellectual property in such brands. As at Admission, the Group owns a number of registered intellectual property rights, including patents and registered trademarks (the "**Registered IP**") and other industrial or intellectual property rights (including certain confidential know-how, trade secrets, database rights and copyrights) (collectively "**IP**"), which are of essential importance to the Group's business prospects.

The Registered IP and the Group's ownership of other IP does not necessarily mean that it is possible to enforce any claims against third parties to the required or desired extent. Furthermore, it cannot be ruled out that the IP could be infringed or challenged by third parties, or that the Group's confidential know-how or trade secrets could be misappropriated or disclosed to the public without its consent. In such cases, the Group may not be able to, or may be limited in its ability to, prevent such infringements, misappropriations or disclosures, despite its ownership of the IP. This applies particularly to instances where third parties produce similar products with similar branding that are of inferior quality.

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

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

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

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
5BBAB9A54D1942A...

Kevin Withington
Director
26 July 2024

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) 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, Andrew Morrison, and Stefania Barbaglio, of these Andrew Morrision and Stefania Barbaglio are considered to the Independent Non-Executive Directors

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 has considered the shareholdings and warrant holdings as part of the assessment of independence. 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 14 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 during 2024/25 and then annually thereafter this evaluation 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 non-compliance 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 also arranges an online presentation at the time of the full year and half year results which is open to non-institutional shareholders and potential 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 three 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 three 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 the meeting attended by all members.

Approved by the Board and signed on its behalf by:

DocuSigned by:

E409E3E6F4E44A2...

Gregory Mark Wood CBE
Chairman
26 July 2024

REMUNERATION COMMITTEE REPORT

On behalf of the board, I am pleased to present the Remuneration Committee Report for the year ended 31 March 2024.

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 executive directors and senior management of the Group have contract notice periods of at least 6 months with their overall compensation packages reviewed at least annually 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 acquisition of LeakBot Ltd was not to pay fees to directors or retained advisers and instead to pay a success fee in shares upon completion of the acquisition.

Non-Executive Directors

The Company requires that the Non-Executive Chairman and Non-Executive Directors attend scheduled board meetings and committee meetings in accordance with their appointments.

The fees for the Non-Executive Chairman are proposed by the Remuneration Committee and adopted by the Board. 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. Non-Executive Directors do not receive bonuses nor Company pension contributions, except through fee sacrifice arrangements agreed by the Board.

Annual Report on Remuneration

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

Single Figure of Total Remuneration (audited)

The total amount paid by the Company to each of the Directors, in respect of the financial year ended 31 March 2024 is set out in the table below.

Year ended 31 March 2024	Salary £'000	Bonus £'000	Pension £'000	Fair value of options £'000	Total 2024 £'000
Non- Executive Directors					
Andrew Morrison	24	-	12	-	36
Stefania Barbaglio	30	-	-	-	30
Gregory Mark Wood	45	-	-	-	45
Executive Directors					
Craig Foster	169	75	13	12	269
Kevin Withington	128	-	16	14	158
Total	396	75	41	26	538

18 months ended 31 March 2023	Salary £'000	Bonus £'000	Pension £'000	Fair value of options	Total 2023 £'000
Non- Executive Directors					
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 one-off bonus given to Craig Foster in 2024 relates to the business performance following the reverse takeover of LeakBot Limited in 2023.

For 2023, the bonuses given 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 through the purchase of shares at the time of admission.

Pension contributions

During 2024, the Company complied with the employer pension duties in accordance with Part 1 of the Pensions Act 2008 to each employee.

The Company contributed an amount equal to 6% of each employee's basic salary to a pension scheme to be agreed upon with its employees. The Company did not provide any pension plans for its Non-Executive Directors. A salary sacrifice scheme is available to Non-Executive Directors and employed staff should they wish to make additional pension contributions.

Terms of appointment

The services of the Directors during the year ended 31 March 2024 were provided by their appointment letters.

Non-Executive Directors are appointed for an initial term of three years, unless terminated earlier by either party giving to the other one month's prior written notice. They are expected to devote such time as is necessary for the proper performance of their duties, but as a minimum they are expected to commit at least one day per month, which should include attendance at all meetings of the Board and any sub-committees of the Board.

Director	Year of appointment	Number of years completed
Non- Executive Directors		
Andrew Morrison	2021	3
Stefania Barbaglio	2021	2
Gregory Mark Wood	2022	2
Executive Directors		
Craig Foster	2022	2
Kevin Withington	2022	1

UK Remuneration percentage changes

Non-Executive Directors fees and Executive Director salaries for the CEO and CFO were unchanged during the period ended 31 March 2024.

UK 10-year performance

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

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 table 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 they 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 as at 31 March 2024 and as at the date of this report have been set out in the Directors' Report on pages 25 to 27. This report also includes the interests of previous directors prior to the completion of the acquisition of LeakBot Ltd.

Recruitment

The Group's recruitment policy is based on several key principles:

1. The Group's aim is to provide a remuneration package that is sufficient to attract, retain and motivate key talent, with due regard to the best interests of the Company and our shareholders; and
2. The Committee takes several factors into account in determining the appropriate remuneration package. These may typically include the candidate's experience and calibre, their circumstances, external market influences and comparability with existing staff.

To facilitate recruitment, the Remuneration Committee may make awards to buy out variable incentives which the individual would forfeit at their current employer. The Committee will consider any relevant factors, typically including the form of the award (e.g. cash or shares), the proportion of the performance/vesting period outstanding and the potential value of the forfeited remuneration, including performance conditions attached to the awards, the likelihood of those conditions being met, and the timing of any potential payments. In the case of the appointment of a new Non-Executive Director, fee arrangements will have due regard to those for existing Non-Executive Directors.

Remuneration policy for FY2024

The Remuneration Committee is planning to review Executive Directors base salaries before the end of 2024 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
889715BBDD1A440...

Andrew Morrison
Chair of the Remuneration Committee
26 July 2024

AUDIT & RISK COMMITTEE REPORT

The Audit & Risk Committee ("AuditCom") is responsible for monitoring the integrity of the financial statements and results announcements of the Company, including its annual and half-year reports, encompassing both narrative and financial reporting, and to review significant financial reporting issues and judgements.

As of the signature date of the Annual report, the Audit & Risk Committee is comprised of Andrew Morrison (Chair) and Stefania Barbaglio, with attendees including the external auditor and CFO, when required.

Main responsibilities

The Audit & Risk Committee considers the nature, scope and effectiveness of the audit process (both internal and external) to ensure that the program is aligned to key risks.

It reviews and monitors the external Auditor's independence and objectivity, supports the audit through ensuring the external Auditors have full access to Company staff and records, challenges the quality of the external audit and the effectiveness of the audit process, and is responsible for recommending the appointment or the removal of the external Auditor.

AuditCom meets periodically with the external Auditor including at times without Executive Management present. It reviews and challenges management judgements and considers the integrity of the annual Financial Statements before making its recommendations to the Board.

AuditCom is responsible for the monitoring and oversight of the Group's internal control framework and risk management systems.

Meetings

During the period there were three AuditCom meetings, with 100% of member attendance at each one. Matters covered by the meetings during the period included:

- Review of audit planning and update on relevant accounting developments.
- Consideration and approval of the risk management framework,
- Consideration and review of annual results.
- Monitoring the Group's compliance with Accounting Standards and review of all material judgmental accounting areas.
- Review of internal controls.
- Review of the effectiveness of the Audit & Risk Committee.
- Review of the Going Concern statement
- Review and approval of any non-audit services provided to the Group by the auditor.

The Code requires that at least one member of the Audit & Risk Committee has recent and relevant financial experience. The current members of the Audit Committee have considerable experience working with a wide variety of companies and the Chair of AuditCom has recent and relevant financial experience. The Board is therefore satisfied that the Audit & Risk Committee has the necessary expertise and experience.

External auditor

The Group's external auditor is PKF Littlejohn LLP.
The external auditor has unrestricted access to the Audit & Risk Committee Chair. The Audit & Risk Committee is satisfied that auditor objectivity and independence are maintained. The external auditors report to the Audit & Risk Committee annually on their independence from the Group.

The Audit & Risk Committee report has been approved by the Board of Directors and signed on its behalf by:

DocuSigned by:
Andy Morrison
889715BBDD1A440...

Andrew Morrison
Chair of the Audit & Risk Committee
26 July 2024

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the year ended 31 March 2024.

Principal Activity

The principal activity of the Group during the year ended 31 March 2024 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
Craig Foster
Kevin Withington

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 2024:

Name	Number of shares	Holding %
Andrew Morrison	3,000,000	3.46
Craig Foster	1,779,567	2.05
Gregory Mark Wood	1,496,892	1.73
Stefania Barbaglio	572,333	0.66
Kevin Withington	186,666	0.22
Total Shares at 31 March 2024	**86,694,763**	

Directors' interests in share options and warrants

At 31 March 2024, the Directors' interests in share options and warrants were:

Name	Number of Warrants	Number of options
Andrew Morrison	1,125,000	-
Stefania Barbaglio	148,175	-
Craig Foster	889,783	2,320,000
Kevin Withington	20,000	689,071
Gregory Mark Wood	133,500	-

Remuneration

Directors' remuneration for the year ended 31 March 2024:

Name	Year ended 31 March 2024 £'000	18 months ended 31 March 2023 £'000
Andrew Morrison	36	118
Anthony Harpur	-	23
Alan Hume	-	36
Stefania Barbaglio	30	52
Claudia Stijlen	-	23
Gregory Mark Wood	45	46
Craig Foster	269	193
Kevin Withington	158	77
	538	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.

Pension entitlements were received by three directors in the year ended 31 March 2024 and two directors in the period ended 31 March 2023.

Political donations

The Company did not make any political donations or expenditure during the year.

Substantial shareholders

As at 25 July 2024, the parties who are directly 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	11.70
Gervaise Heddle	4,580,266	3.97

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 year ended 31 March 2024. (£ nil period ending 31 March 2024)

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 13 and in note 29 to the financial statements.

Going concern statement

In accordance with the QCA Corporate Governance Code (the 'Code') and UK adopted IAS, the Directors have assessed going concern over a twelve-month period from the approval of these financial statements i.e., up to 31 July 2025. 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. This case has also been stress tested as part of this review

Conclusion

The Group's cash flow forecasts and projections, after taking into account the gross proceeds of £4.2 million from the Placing and Open Offer that was completed subsequent to the year end, show that the Group will be able to operate through to the end of 31 July 2025. In preparing this analysis, a number of revenue scenarios were modelled, all based on varying levels of sales revenue alongside stress testing other inputs and assumptions. In each scenario, mitigating actions within the control of management have been modelled. Under each of these scenarios, the Group has sufficient cash to meet its liabilities as they fall due.

Based on the above indications, the Directors believe that it is appropriate to the prepare the financial statements on a going concern basis.

Auditors

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(www.ondoplc.com). 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 Group; 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 2024.

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
26 July 2024

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 year ended 31 March 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and 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 2024 and of the group's loss for the year 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.

Conclusions relating to going concern

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

- Confirming our understanding of the directors' going concern assessment process, including the controls over the review and approval of the budget.
- Assessing the appropriateness of the duration of the going concern assessment period to 31 July 2025.
- Reviewing management's assessment, including their evaluation of forecasted future revenue generation, corresponding costs, availability of funding and the forecasted loan repayments through the going concern assessment period, including the impact on the cash position as a result of post year end equity fund raise.
- Evaluating whether the assumptions made by management are reasonable and appropriately conservative, considering the group's relevant principal risks and uncertainties. We challenged the key assumptions and estimates made by management where necessary.

- Evaluating management's historical forecasting accuracy and the consistency of the going concern assessment with information obtained from other areas of the audit, such as our audit procedures on the management's investment impairment assessments.
- Testing the mathematical accuracy of the assessment and the underlying cash flow forecasts.
- Performing independent sensitivity analysis on management's inputs and assumptions, including applying incremental adverse cashflow sensitivities, to assess the potential impact of severe but plausible scenarios; and
- Evaluating the amount and timing of identified mitigating actions available to respond to a stress case scenario and consider whether those actions are feasible and within the group's control.

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

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

Our application of materiality

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	£146,000 (2023: £250,000)	£80,000 (2023: £50,000)
Performance materiality	£102,200 (2023: £150,000)	£56,000 (2023: £30,000)
Basis of materiality	5% (2023: 5%) of loss before tax ("LBT")	5% (2023: 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

	Performance materiality is set at 70% (2023: 60%) on the basis of our risk assessment after considering that the group is still in early stages of its development and is incurring significant losses.	assessment for the entire group on the parent company, taking into account its relative size compared to the group. Performance materiality is set at 70% (2023: 60%) to align with the group.

For each component in 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 significant component of the group was audited to an overall materiality of £110,000 (2023: 200,000)

We agreed with the Audit Committee that we would report on the misstatements identified during our audit above £7,300 (2023: £12,500) for the group financial statements and £4,000 (2023: £2,500) for the parent company financial statements, 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 revenue recognition in accordance with IFRS 15 Revenue from Contracts with Customers; and in respect of the carrying values of the parent company's investments. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Of the 4 components of the group, a full scope audit was performed on the complete financial information of 2 components – Ondo Insurtech Plc and LeakBot Limited. LeakBot USA Inc was identified as a material component and we performed an audit of specific account balances, classes of transactions or disclosures to ensure those balances which were material to the group were subject to audit procedures. The remaining component, LeakBot Europe Aps was subject to analytical review as this was not significant or material to the group. 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.

Key Audit Matter	How our scope addressed this matter
Revenue Recognition (Note 4)	
Under ISA (UK) 240, there is a rebuttable presumption that revenue recognition is a significant fraud risk. Recognition of revenue is a key driver of presented results of the group and therefore there is an incentive to manipulate recognition to meet shareholders and investors expectations. The group's revenue amounting to £2,691,000 consists of the following four key revenue streams: - Water leak detection devices, - Water leak detection subscription, - Repair Services, and - Set up/Consultancy services. We consider the recognition policy for all revenue streams to be complex due to the estimates and judgments involved in the identification of performance obligations, the estimation of the relative standalone selling price ('SSP') for each performance obligation, and the determination of the timing of revenue recorded. Given the judgement involved in the revenue recognition process and the inherent risk associated with occurrence and cut-off of revenue recognition, this has been identified as a key audit matter.	Our work included: - Updating our understanding of the information system and related controls relevant to each material revenue stream; - Evaluating management's accounting policies and the methodology used by management to determine the SSP, where relevant to the requirements of IFRS 15 Revenue from Contracts with Customers; - Reviewing and challenging the key estimates and judgments made by management in the identification of performance obligations, the estimation of the relative SSP for each performance obligation, and the determination of the timing of revenue recorded; - Assessing the SSP allocated to individual elements of bundled contracts by, where applicable and among other procedures, comparing to pricing of unbundled contracts, recalculating the estimated SSP and testing its application to performance obligations; - Reviewing and testing the appropriateness of the revenue recognised at a contract level and ensuring the completeness and accuracy of deferred revenue and accrued income; and - Reviewing of the disclosures and accounting policies to ensure compliance with IFRS 15. Based on the procedures performed, we did not identify any evidence of material misstatement in the revenue recognised in the year ended 31 March 2024.
Impairment of carrying value of investments (Note 11) and amounts due from subsidiary undertakings (Note 17)	
As at 31 March 2024, Ondo InsurTech Plc's (the parent company) investment in subsidiaries is valued at £9,763,000 and has amounts due from subsidiary undertakings balance of £4,585,000.	Our work in this area included: - Comparing the carrying value of the investments and amounts due from subsidiary

These balances form a significant portion of the parent company's total assets. The valuations of the investments and the amounts due from subsidiary undertakings are subject to impairment testing under IAS 36 Impairment of Assets, which requires significant management judgement and estimation. The impairment model's key assumptions, such as discount rates, future cash flows, and terminal value, are inherently subjective and prone to estimation uncertainty and involve high level of management judgement. Therefore, we have identified this as a key audit matter.	undertakings to the subsidiaries' respective net asset value (NAV) as at 31 March 2024 and market capitalisation of the parent company; - Obtaining management's impairment assessment of the investments and amounts due from subsidiary undertakings, and assessing the key assumptions used in the impairment model, such as growth rates, discount rates, future cash flows, and terminal value; - Reviewing the reasonableness of the key inputs used in the impairment model, including challenging any significant assumptions and estimates and assessing the reliability of management's ability to make projections; - Testing the completeness and accuracy of the key inputs used in the impairment model, including revenue and cost projections, and other relevant data by comparing these to historical data and budgets; - Performing a sensitivity analysis on the impairment model's key inputs, such as discount rates, future growth rates, and terminal value, to understand the effect these key assumptions have on the model's headroom; and - Evaluating the overall presentation and disclosure of the financial statements, including any material inconsistencies or misstatements, and ensuring these are in compliance with applicable accounting standards and regulatory requirements. Based on above procedures, we agree with management's conclusion that no impairment charge is required to be recognised in the year.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge from prior year audits and our 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 and Disclosure Guidance and Transparency Rules, Companies Act 2006, 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 minutes and RNS announcements, and review of legal 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 recognition of revenue from customers and assessment of performance obligations specifically the point in time when revenue should be recognised; and in determining the key estimates and judgements used in the valuation model of assessment of impairment in subsidiary. Refer to the Key audit matters section for procedures performed in response to the assessed risk.
- 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 3 periods, covering the periods ending 28 February 2022 to 31 March 2024; and 2 years in relation to the group, covering the periods ending 31 March 2023 to 31 March 2024.

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
26 July 2024

15 Westferry Circus
Canary Wharf
London E14 4HD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2024

	Note	Year Ended 31 March 2024	Period ended 31 March 2023
		£'000	£'000
Revenue	4	2,691	2,384
Cost of sales		(1,951)	(1,534)
Gross profit		740	850
Administrative expenses	5	(3,978)	(5,766)
Reverse acquisition expenses	6	-	(956)
Operating loss		(3,238)	(5,872)
Finance expense	9	(627)	(351)
Gain on derecognition of loan note liability		877	-
Loss before income tax		(2,988)	(6,223)
Income tax	10	-	217
Loss for the period		(2,988)	(6,006)
Other comprehensive income			
Exchange gain on translation of foreign subsidiaries		7	-
Total comprehensive loss attributable to equity holders of the parent company		(2,981)	(6,006)
Earnings per share attributable to equity owners			
Basic and diluted (loss) pence per share	22	(3.75)	(9.13)

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 2024

	Note	As at 31 March 2024 £'000	As at 31 March 2023 £'000
ASSETS			
Non-current assets			
Intangible assets	14	445	89
Property, plant and equipment	15	83	65
Current assets			
Inventories	16	649	423
Trade and other receivables	17	1,299	829
Cash and cash equivalents	18	397	376
Total assets		2,873	1,782
EQUITY AND LIABILITIES			
Equity attributable to owners			
Share capital	21	4,335	3,408
Share premium	21	5,849	3,902
Share based payments reserve		257	170
Currency translation reserve		7	-
Reverse acquisition reserve	13	21,769	21,769
Retained deficit		(38,865)	(35,888)
		(6,648)	(6,639)
Current liabilities			
Trade and other payables	19	2,791	2,020
Non-current liabilities			
Trade and other payables	19	243	-
Borrowings	20	6,487	6,401
Total equity and liabilities		2,873	1,782

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
26 July 2024

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 2024

	Note	As at 31 March 2024 £'000	As at 31 March 2023 £'000
ASSETS			
Non-current assets			
Investments	11	9,763	9,755
Current assets			
Other receivables	17	4,649	2,665
Cash and cash equivalents	18	41	163
Total assets		14,453	12,583
EQUITY AND LIABILITIES			
Equity attributable to owners			
Share capital	21	4,335	3,408
Share premium	21	5,849	3,902
Share based payments reserve		257	170
Retained deficit		(2,609)	(1,804)
		7,832	5,676
Current liabilities			
Trade and other payables	19	134	506
Non- current liabilities			
Trade and other payables	19	-	-
Borrowings	20	6,487	6,401
Total equity and liabilities		14,453	12,583

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 financial year was £816,000 (2023: £1,311,000).

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
26 July 2024

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 2024

	Share capital	Share premium	Currency Translation Reserve	Share based payments reserve	Reverse acquisition reserve	Retained deficit	Total
	£'000	£'000	£'000	£'000	£,000	£'000	£'000
As 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 payments	-	(7)	-	93	-	-	86
Exercise of options	-	-	-	(87)	-	87	-
Total comprehensive loss for the period	-	-	-	-	-	(6,006)	(6,006)
As at 31 March 2023	3,408	3,902	-	170	21,769	(35,888)	(6,639)
Issue of ordinary shares	927	2,139	-	-	-	-	3,066
Cost of shares issued	-	(192)	-	-	-	-	(192)
Share based payments	-	-	-	98	-	-	98
Currency translation differences on overseas subsidiary	-	-	7	-	-	-	7
Exercise of options	-	-	-	(11)	-	11	-
Total comprehensive loss for the year	-	-	-	-	-	(2,988)	(2,988)
At 31 March 2024	4,335	5,849	7	257	21,769	(38,865)	(6,648)

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

COMPANY STATEMENT OF CHANGES IN EQUITY
As at 31 March 2024

	Share capital	Share premium	Share based payments reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
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 payments	-	(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
Issue of ordinary shares	927	2,139	-	-	3,066
Cost of shares issued	-	(192)	-	-	(192)
Share based payments	-	-	98	-	98
Exercise of options	-	-	(11)	11	-
Total comprehensive loss for the year	-	-	-	(816)	(816)
At 31 March 2024	4,335	5,849	257	(2,609)	7,832

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2024

	Note	Year Ended 31 March 2024 £'000	Period Ended 31 March 2023 £'000
Cash flows from operating activities			
Loss before income tax		(2,988)	(6,223)
Adjustments:			
Share based payments		98	85
Reverse acquisition share-based payment expense		-	706
Depreciation and amortisation		94	13
Gain on derecognition of loan note liability		(877)	-
Finance expense		627	-
Movement in working capital			
(Increase) in inventories		(226)	(412)
(Increase) in trade and other receivables	17	(470)	(669)
Increase in trade and other payables	19	1,369	1,568
Cash used in operations		(2,373)	(4,932)
Group tax relief received		-	217
Interest expense paid		(17)	-
Net cash used in operations		(2,390)	(4,715)
Cash flows from investing activities			
Cash acquired on acquisition		-	1,670
Purchase of investments	13	-	(1,600)
Purchase of intangible assets	14	(431)	96
Purchase of property, plant and equipment	15	(39)	71
Net cash flows from investing activities		(470)	237
Cash flows from financing activities			
Proceeds from Issue of ordinary shares, net of costs		2,874	6,580
Net cash flows from financing activities		2,874	6,580
Net increase in cash and cash equivalents		14	2,102
Effect of foreign exchange rates		7	-
Cash and cash equivalents at beginning of year		376	(1,726)
Cash and cash equivalents at end of year		397	376

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

COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 March 2024

	Note	Year Ended 31 March 2024 £'000	Period Ended 31 March 2023 £'000
Cash flows from operating activities			
Loss before income tax		(816)	(1,311)
Adjustments:			
Share based payments		98	85
Gain on derecognition of loan note liability		(877)	-
Finance expense		611	-
Movement in working capital			
(Increase) in trade and other receivables	17	(1,984)	(2,578)
(Decrease)/ increase in trade and other payables	19	(20)	456
Net cash used in operations		(2,988)	(3,348)
Cash flows from investing activities			
Purchase of investments	13	(8)	(1,600)
Net cash flows from investing activities		(8)	(1,600)
Cash flows from financing activities			
Issue of ordinary shares, net of costs		2,874	3,432
Net cash flows from financing activities		2,874	3,432
Net (decrease) in cash and cash equivalents		(122)	(1,516)
Cash and cash equivalents at beginning of year		163	1,679
Cash and cash equivalents at end of year		41	163

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2024

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.

The principal activity of the Group was that of the provision of domestic leak detection services and technology to the home insurance industry and home owner.

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 current period for the Group covers the year ended 31 March 2024 while the comparative period covers 18 months from 1 October 2021 to 31 March 2023.

Going Concern

In accordance with the QCA Corporate Governance and UK adopted IAS, the Directors have assessed going concern over a twelve-month period from the approval of these financial statements i.e., up to 31 July 2025. 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 31 July 2025 (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 Group's cash flow forecasts and projections, after taking into account the proceeds of £4.2 million from the Placing and Open Offer that was completed subsequent to the year end, show that the Group will be able to operate through to the end of 31 July 2025. In preparing this analysis, a number of revenue scenarios were modelled, all based on varying levels of sales revenue. In each scenario, mitigating actions within the control of management have been modelled. Under each of these scenarios, the Group has sufficient cash to meet its liabilities as they fall due.

Based on the above indications, the Directors believe that it is appropriate to the prepare the financial statements on a going concern basis.

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 1 April 2023.

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:
IAS 1	Amendments to specify the requirements for classifying liabilities as current or non-current. A requirement has also been introduced to require disclosure when liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.	1 January 2024
IAS 7 and IFRS 7	Amendments to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.	1 January 2024

Standard	Key requirements	Effective date for annual periods beginning on or after:
IAS 16	Amendments to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.	1 January 2024
IFRS 18	New standard that sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	1 January 2027
IFRS 19	New standard that specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS.	1 January 2027

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 and services with revenue recognised at a point in time when control and economic benefit of the goods has been transferred to the customer or the services has been completed. There is limited judgement needed in identifying the point control passes: once dispatch or supply 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 supply of 'LeakBot' devices. Revenue from the supply of devices is recognised upon transfer of economic benefits and is net of any agreed refunds or discounts in line with the contract with the partner. Revenue is recognised at a 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 supply of this product is recognised as the service delivered to the customer in line with the partner contract. Revenue is recognised over time.	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 device is recognised in line with the completion of the service and in line with the partner contract. Revenue is recognised at a 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 at a point in time. For development projects, revenue is recognised using the input method.	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. Where a contract includes several performance obligations in order for revenue to be recognised with the financial statements, the Company determines the standalone selling price of each obligation for the good or services using historic contracts and costs incurred to determine the standalone selling price. These judgements are applied consistent throughout 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.

Currency translation reserve

Represents the difference between opening retained earnings revalued using the balance sheet reporting exchange rate.

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:

- 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.

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.

3. Accounting policies (continued)

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.

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.

Standalone selling price

Where a contract includes several performance obligations for revenue to be recognised within the financial statements, the Company determines the standalone selling price of each obligation for the goods or services using historic contracts and costs incurred to determine the standalone selling price. These judgements have been applied consistent throughout the period and will be applied for future periods.

3. Accounting policies (continued)

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:

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
UK	1,391	1,206
Nordics	1,215	1,071
USA	87	107
	2,692	2,384

The Group has 4 Partners that contribute more that 10% of annual revenue representing £1.5m. (£1.3m - 2023)

5. Operating expenses by nature

	Year ended 31 March 2024 £000	Period ended 31 March 2023 £000
Directors' remuneration	538	568
Professional fees	462	1,218
Staff costs	1,689	2,794
Bad debts	6	-
Contract Staff	214	138
IT Systems & Platform	629	476
Depreciation and amortisation	95	13
Sundry expenses	345	559
	3,978	5,766

6. Reverse acquisition expenses

	Year ended 31 March 2024 £000	Period ended 31 March 2023 £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 to Note 13.

7. Auditors' remuneration

	Year ended 31 March 2024 £000	Period ended 31 March 2023 £000
Audit services	96	100
Non-audit services:		
- Assurance services related to the acquisition and readmission	-	170
- Non audit services related to secondary raise on LSE main market	50	-
	146	270

8. Staff costs

	Year ended 31 March 2024 £000	Period ended 31 March 2023 £000
Wages and salaries	1,899	2,428
Social security costs	213	278
Pension costs	115	88
	2,227	2,794

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

	Year ended 31 March 2024 No.	Period ended 31 March 2023 No.
Directors	5	5
Administrative	6	4
Operations	7	6
Technology	12	9
	30	24

Directors' remuneration, included in staff costs:

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Salaries and bonus	471	544
Share based payments	26	14
Pension	41	10
	538	568

Remuneration in respect of Directors was as follows:

	Salary £'000	Bonus £'000	Pension £'000	Fair value of options £'000	Total 2024 £'000
Non- Executive Directors					
Andrew Morrison	24	-	12	-	36
Stefania Barbaglio	30	-	-	-	30
Gregory Mark Wood	45	-	-	-	45
Executive Directors					
Craig Foster	169	75	13	12	269
Kevin Withington	128	-	16	14	158
Total	396	75	41	26	538

	Salary £'000	Bonus £'000	Pension £'000	Fair value of options £'000	Total 2023 £'000
Non- Executive Directors					
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

9. Finance expense

	Year ended 31 March 2024	Period ended 31 March 2023
Interest received	1	2
Interest paid	(628)	(353)
	(627)	(351)

10. Taxation

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Current tax	-	(217)
Deferred tax	-	-
Tax (credit) for the period	-	(217)

The standard rate of tax for the current year, based on the UK effective rate of corporation tax is 25% (2023: 19%). The actual tax for the current and previous year varies from the standard rate for the reasons set out in the following reconciliation:

	2024 £'000	2023 £'000
Loss for the period	(2,988)	(6,223)
Tax on ordinary activities at standard rate	(747)	(1,182)
Effects of:		
Expenses not deductible for tax purposes	40	246
Capital allowances in (excess) /deficit of depreciation	(18)	2
Other non-taxable adjustments	(219)	-
Tax credit in respect of prior periods	-	(217)
Tax losses available for carry forward against future profits	944	934
Tax for the period	-	(217)

The Group's unutilised tax losses carried forward at 31 March 2024 amounting to £8,951,000 (2023 - £5,049,000). A deferred tax asset has not been recognised due to uncertainty over the timing of the utilisation of the losses.

11. Investments

	Company As at 31 March 2024
Cost	
At 1 October 2021	-
Additions	9,755
At 1 April 2023	**9,755**
Additions	8
At 31 March 2024	**9,763**
Impairment	
At 1 April 2023 and 31 March 2024	-
Net book value	
At 31 March 2024	**9,763**
At 31 March 2023	**9,755**

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

Management have reviewed the carrying value of the company's investment in Leakbot Limited for indicators of impairment and as a result have performed the annual impairment review as required by IAS 36 revising the discounted future cashflow of the Group on a base and sensitised projections in line with the assumptions shown below.

Management have concluded that no impairment is indicated for the Company's investment in LeakBot Limited as the recoverable amounts have exceeded 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 80% revenue; and 110% of gross profit over the next five years.
- Administrative expenses incorporating a compound annual growth rate of 10% over the next 5 years.
- Discount Rate – pre-tax discount rate of 9.1% 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%.

11 Investments (continued)

Sensitivity to changes in assumptions.

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

- 10% annual reduction in revenue
- 3.0% increase in the pre-tax discount rate.
- reduction in the terminal growth rate to nil.

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

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 year end, the Ondo InsurTech Plc has the following subsidiaries:

Name	**Nature of business**	**Place of incorporation**	**Percentage owned**
LeakBot Limited	Provision of leak detection services and technology	England	100%
LeakBot Europe Aps	Distributor	Denmark	100%
Indirect subsidiary undertaking			
LeakBot USA Inc.	Distributor	USA	100%

The registered office for LeakBot Limited is 6th floor, 60 Gracechurch Street, London, United Kingdom, EC3V 0HR. LeakBot USA Inc has a registered office at 251 Little Falls Drive Wilmington, DE USA 19808 and LeakBot Europe Aps has a registered office at DLA Piper, Oslo Plads 2, 2100 Kobenhavn, Denmark.

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 Aps. 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 home owners.

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 Leak Bot'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.

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	(9,756)
Reverse Acquisition expenses	(706)
Reverse acquisition reserve	21,769

In the Year to 31 March 2024 Ondo InsurTech plc established LeakBot Europe Asp with an initial investment of £8k.

14. Intangible assets

Group	Development costs £'000	Total £'000
Cost		
Additions	96	96
At 31 March 2023	96	96
Additions	431	431
At 31 March 2024	**527**	**527**
Accumulated depreciation		
Depreciation charge during the period	7	7
At 31 March 2023	7	7
Depreciation charge during the year	75	75
At 31 March 2024	**82**	**82**
Net book value		
At 31 March 2024	**445**	**445**
At 31 March 2023	89	89

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
Additions	5	33	38
At 31 March 2024	**64**	**45**	**109**
Accumulated depreciation			
Depreciation charge during the year	5	1	6
At 31 March 2023	5	1	6
Depreciation charge during the year	12	8	20
At 31 March 2024	**17**	**9**	**26**
Net book value			
At 31 March 2024	**47**	**36**	**83**
At 31 March 2023	54	11	65

Property, plant, and machinery with carrying amount of £83,000 (2023: £65,000) are subject to a first charge as part of the security for the Loan notes held by HomeServe Assistance Limited

16. Inventories

	Group 31 March 2024 £'000	Group 31 March 2023 £'000	Company 31 March 2024 £'000	Company 31 March 2023 £'000
Finished goods	649	423	-	-
Total	649	423	-	-

17. Trade and other receivables

	Group 31 March 2024 £'000	Group 31 March 2023 £'000	Company 31 March 2024 £'000	Company 31 March 2023 £'000
Trade receivables – gross	894	630	-	-
Provision for impairment	(6)	-	-	-
Trade receivables - net	888	630	-	-
Other receivables	411	199	64	70
Amounts due from subsidiary undertakings	-	-	4,585	2,595
	1,299	829	4,649	2,665

The amounts due from subsidiary undertakings comprises of £4,492,704 (2023: £2,514,573) from LeakBot Limited and £92,851 (2023: £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 2024 £'000	Group 31 March 2023 £'000	Company 31 March 2024 £'000	Company 31 March 2023 £'000
Cash at bank	397	376	41	163
	397	376	41	163

19. Trade and other payables

Amounts falling due within one year:

	Group 31 March 2024 £'000	Group 31 March 2023 £'000	Company 31 March 2024 £'000	Company 31 March 2023 £'000
Trade payables	1,032	795	79	-
Other payables	94	108	14	28
Deferred revenue	1,400	462	-	-
Accruals	265	655	41	478
	2,791	2,020	134	506

Amounts falling due in more than one year:

	Group 31 March 2024 £'000	Group 31 March 2023 £'000	Company 31 March 2024 £'000	Company 31 March 2023 £'000
Trade payables	243	-	-	-
Accruals	-	-	-	-
	243	-	-	-

20. Borrowings

	Group 31 March 2024 £'000	Group 31 March 2023 £'000	Company 31 March 2024 £'000	Company 31 March 2023 £'000
Non-current:	243			
Repayable 2-5 years:				
Loan notes	6,487	6,401	6,487	6,401
	6,730	6,401	6,487	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 carried 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 IFRS 9, 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.

On 9 July 2023, the Company agreed with the Loan Note holders to revise 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 amendment of the Loan Notes resulted to a derecognition of the old loan and recognition of the new loan under IFRS 9. This resulted to a gain on loan extinguishment of £877,218. The Loan Note has a carrying value of £6,487,156 as of 31 March 2024 (2023: £6,401,000) included in Borrowings with interest accrued of £518,000 (2023: £353,000). Interest has been calculated using an effective interest rate over the relevant period with interest of £628,000 relating to the year ended 31 March 2024.

21. Share capital and share premium.

During the period, the Company issued 18,525,151 (2023: 45,539,552) ordinary shares with a nominal value of £927,000 (2023: £2,276,000) for an aggregate consideration of £2,874,000 net of issue costs (2023: £5,223,000).

	Number of Ordinary shares	Share capital	Share premium	Total
		£'000	£'000	£'000
At 31 March 2022	22,630,060	1,132	955	2,087
Issuance of ordinary shares during the period	45,539,552	2,276	2,947	5,223
At 31 March 2023	68,169,612	3,408	3,902	7,310
Issue of ordinary shares during the period	18,525,151	927	1,947	2,874
At 31 March 2024	86,694,763	4,335	5,849	10,184

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 86,694,763 ordinary shares at 31 March 2024.

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 and warrants would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

	2024	2023
	£'000	£'000
Loss for the period attributable to equity holders (£)	(2,988)	(6,006)
Weighted average number of shares in issue	79,634,789	65,760,719
Basic and diluted loss per share (pence)	(3.75)	(9.13)

23. Financial instruments

The Group and the Company's financial instruments comprise cash, other receivables, other payables and borrowings. 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 2024 £'000	Group 31 March 2023 £'000	Company 31 March 2024 £'000	Company 31 March 2023 £'000
At amortised cost				
Trade and other receivables	1,070	829	43	70
Cash and cash equivalents	397	376	41	163
Amounts due from subsidiary undertakings	-	-	4,585	2,595
	1,467	1,205	4,669	2,828

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 2024 £'000	Group 31 March 2023 £'000	Company 31 March 2024 £'000	Company 31 March 2023 £'000
At amortised cost				
Trade payables	1,032	795	79	-
Other payables	1,759	1,225	55	506
Borrowings	6,730	6,401	6,487	6,401
	9,521	8,421	6,621	6,907

23. Financial instruments (continued)

Changes in liabilities from financing activities	**Group £'000**	**Company £'000**
Opening Position – 31 March 2023	6,401	6,401
Cash Movements		
PSA Loan	243	-
Non Cash Movements		
Reclassification prior year interest	353	353
Loan note interest	610	610
Gain on derecognition of Loan note	(877)	(877)
Closing position – 31 March 2024	**6,730**	**6,487)**

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.

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.

23. Financial instruments (continued)

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 2024 £'000	Group 31 March 2023 £'000
Current	223	407
1-30 days	533	78
31-60 days	24	113
61-90 days	-	13
91+ days	114	19
Provision for impairment of trade receivables	(6)	-
Total trade receivables - net	888	630

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 March 2024 and, consequently only a modest general provision has 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 2024 £'000	**Group 31 March 2023 £'000**
Loan and borrowings	7,165	6,401
Less: cash and short-term deposits	(397)	(376)
Net debt	6,768	6,025
Total equity attributable to shareholders	(6,648)	(6,639)
Total capital	120	(614)

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.

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.

25. Equity-settled share-based payments (continued)

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.

On 19 May 2023, 250,000 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.

On 22 May 2023, 6,791,666 warrants were granted to investors at an exercise price of £0.20 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.

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	Options
Date of grant	28 July 2021	7 March 2022	7 March 2022	7 March 2022	1 October 2022	19 May 2023
Number	2,211,005	653,333	1,864,520	3,374,766	689,071	250,000
Exercise price (pence)	10p	12p	5p	12p	12p	12p
Risk free interest (%)	0.5%	1.18%	1.12%	1.12%	1.18%	3.91%
Expected volatility (%)	37.8%	18%	18%	18%	61%	73.7%
Expected life (years)	2.9	3.75	2	4	4	4
Fair value	0.52	0.02	0.07	0.02	0.02	0.11
Option life	3 years	4 years	2 years	4 years	4 years	4 years

25. Equity-settled share-based payments (continued)

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

The total share-based payment expense recognised in the income statement for the year ended 31 March 2024 in respect of the share options granted on 7 March 2022, 1 October 2022 and 19 May 2023 was £98,117 (2023: £93,000).

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 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
Issued during the year	250,000	0.12	6,791,666	0.20
Forfeited	(201,753)	0.08	-	-
Exercised during the period	(371,029)	0.08	(6,094,163)	0.19
Outstanding at 31 March 2024	6,484,536	0.10	26,943,755	0.23

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. At Admiral's request the 2-year review period has been extended by a further 6 months to allow additional time review and properly assess the claims data from this deployment.

Management's view is that no repayment will be required under this agreement and will review this position once the project review has been completed.

27. Related party transactions

Cassiopeia Services Limited ("CSL") is a company controlled by Stefanie Barbaglio, who is a non-executive director. CSL invoiced £8,100 to the Group in the period ended 31 March 2024 (period ended 31 March 2023: £25,650) for PR, investor support and communication services. The amount owed to CSL at 31 March 2024 was £nil (31 March 2023: £4,050).

HomeServe Group ("HomeServe") is a significant shareholder and Loan Note holder 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 £804,054 to the Group during the period ended 31 March 2024 (period ended 31 March 2023: £367,050). The amount owed to HomeServe at 31 March 2024 was £679,422 (31 March 2023: £184,829) and Loan notes carrying value of £6,487,156 (2023 - £6,401,000) including interest accrued of £518,000 in current year (2023 – £353,000).

On 31 March 2024, HomeServe agreed with LeakBot Limited to settle the outstanding liability of £485,523 over 18-monthly payments. Also on 31 March 2024, HomeServe USA agreed with LeakBot to settle another outstanding liability of US$ 242,374 over 12-monthly payments with interest of 4% above the Bank of England's base rate.

28. Controlling party

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

29. Subsequent events

On 14 May 2024, the Company raised £3.0m from an institutional placing of 21,428,571 ordinary shares at an issue price of 14p and raised a further £1.2m through the issue of 8,342,702 shares via open offer to existing shareholders at 14p. The total amount raised before transaction fees was £4.2m.

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.