

Induction Healthcare Group PLC

Full Year Trading Update

London, UK - 29 April 2024: Induction Healthcare Group PLC ("Induction", the "Company", or the "Group"; AIM: INHC), a leading digital health platform driving transformation of healthcare systems, today announces the following trading update for the year ending 31 March 2024.

Financial Highlights (unaudited)

- Revenues of approximately £14.1m (FY23: £13.6m), broken down as follows:
 - Attend Anywhere: £8.5m
 - Zesty: £4.9m
 - Guidance: £0.7m
- Adjusted EBITDA* expected to be in line with market expectation at approximately £0.3m (FY23: -£3.6m)
- Gross margin improvement to 77.9% (FY23: 63.1%)
- Net cash £3.7m (31 March 2023: £4.3m)

* Adjusted EBITDA is Operating result from continuing operations before depreciation (£0.1m), amortisation (£4.3m) and net of non-cash/ non-operating items (£0.2m)

Operational Highlights

- New NHS patient portal contracts compensate for downward pressure on video pricing.
- Completed effective cost containment and margin enhancement programme.
- Achieved objective of self-sustaining growth and cash flow breakeven.
- Signed a total of £3.4m (includes previously-announced contracts) in contracts with NHS England Trusts to:
 - Further integrate Zesty with Oracle Cerner and widely-used diagnostic booking systems (Cris and Soliton);
 - Enhance Form Builder module to support waitlist validation; and
 - Build new functionality, such as digitising maternity records.All platform and product enhancements underpin valuable upsell opportunities for FY25.
- Launched Zesty in 4 new Trusts, including a new contract award in Q4 with George Elliot Hospital NHS Trust. Three additional Trusts are contracted to launch Zesty within the next 12 months.
- Successfully built and launched the first phase of our integrated product which enables a patient to view and launch their Attend Anywhere consultation from within Zesty. Five customers have already purchased the integrated functionality.
- NHS Wales agreed to a 9-month extension for £730,858 in order to prepare for a new procurement, which was expected under NHS procurement rules given the length of a new contract.

Induction expects to release its audited results for the year ending 31 March 2024 on 1 July 2024.

Paul Tambeau, CEO of Induction Healthcare said: "Our key focus this year was to stabilise the business, complete a cost containment programme, and put Induction onto a self-sustaining path without the need for immediate funding. I'm very pleased that we have delivered on these objectives. We also delivered on integrating our video and portal platforms, divesting a non-strategic asset, and building out new functionality that will position the company well for future growth. While we continue to see downward pressure on pricing for Attend Anywhere, the number of Trusts moving to our main competitor remains low. We see opportunities to work ever closer with Trusts to increase the adoption of our integrated video and portal product and to further develop modules that will increase both reach and effectiveness across the healthcare spectrum in the UK.

Enquiries

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About Induction - www.inductionhealthcare.com

Induction (AIM: INHC) Induction delivers a suite of software solutions that transforms care delivery and the patient journey through hospital. Our system-wide applications help healthcare providers and administrators to deliver care at any stage remotely as well as face-to-face - giving the communities they serve greater flexibility, control and ease of access. Purpose-built for integration with leading Electronic Medical Record (EMR) platforms, our products offer immediate stand-alone value that becomes even greater when integrated with pre-existing systems.

Used at scale by national and regional healthcare systems, as well non-health government services, our applications are relied upon by hundreds of thousands of clinicians and millions of patients across almost every hospital in the British Isles.



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