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Feedback PLC
04 November 2024

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement, this information is now considered to be in the public domain.

Feedback plc

Full Year Results to 31 May 2024

Feedback plc (AIM: FDBK, "Feedback" or the "Company"), the clinical infrastructure specialist, announces its audited results for the 12 months to 31 May 2024 (the "Period").

Operational highlights

- £350k NHS England ("NHSE") central funding awards to continue community diagnostic centre ("CDC") pathway development across Buckinghamshire, Oxfordshire and Berkshire ICS ("BOB ICS") and Oldham CDC
- Medical Imaging Partnership ("MIP") pilot agreement to deliver multiple clinical pathways to UK private healthcare sector
- New tuberculosis ("TB") partnership in India to deliver community-based TB screening projects
  - Received Gold Award - Digital Solution for Rural Healthcare at the Integrated Health and Wellbeing Council of India's Digital Health Awards 2024
- Second paid contract extension with Queen Victoria Hospital Foundation Trust ("QVH") / Sussex Integrated Care System ("Sussex ICS")
- All existing NHS customers renewed at a higher price
- All-Party Parliamentary Group ("APPG") for Diagnostics report on future of CDCs used Bleepa® case study to highlight the need for the integration of patient data and digital tools within CDCs, with the recommendation of commitment to further digital investment

Financial highlights

- 15% increase in revenue to £1.18m (2023: £1.02m); Bleepa® contributed 87%
- Sales[1] were £0.95m (2023: £1.27m); Bleepa® contributed 85%
- EBITDA loss increased to £2.73m (2023: £2.61m)
- Cash as at 31 May 2024 was £3.88m (31 May 2023: £7.32m)

Post period highlights

- Eligibility for Elective Recovery Fund ("ERF") funding mechanism
  - ERF to reimburse expenditure by ICBs and hospitals on Bleepa
  - Step change in commercial prospects
  - Focus with implementation partner on converting near-term customer contracts
  - Indicative ICB contract could generate revenues of over £2m per ICB per annum
- Collaboration with provider of primary care solutions focused on creation of Neighbourhood Diagnostics Solution
  - To provide a route to rapidly scale the Bleepa solution and pathway approach
  - Aligned with government vision of a digital-first, community centric healthcare system
  - Potential for over 190m annual tests to be redirected to pharmacies using this platform
- Collaboration with Vertex In Healthcare ("Vertex") to broaden product functionality and strengthen global reach
- Awarded contract by Queen Victoria Hospital NHS Foundation Trust ("QVH") as successful bidder to provide digital infrastructure
- Secured further funding to extend the delivery of its CDC pathway pilot at the Northern Care Alliance NHS Foundation Trust ("NCA") site in Oldham

NHS Foundation Trust ("NCA") site in Oldham

- On 04 November 2024 the Company will announce a placing by way of an accelerated bookbuild with closing of the placing expected on the same day and a subscription of new ordinary shares, to raise approximately £5.2m (before expenses). In addition, on 04 November 2024 the Company will announce its intention to launch a retail offer to raise a further up to £1.0m (before expenses).

Dr Tom Oakley, CEO of Feedback, said: *"The shifted political landscape brings exciting opportunities for healthcare reform and signals an increasing need for solutions such as ours to enable the required structural changes. With Labour emphasising the need to undergo the "biggest reimagining of the NHS," whilst embracing an "analogue to digital" approach that moves diagnostics from primary care settings to the community, Bleepa is perfectly positioned to underpin many of the operational requirements having proved this can be delivered by our technology and the diagnostic pathway approach that we have pioneered at QVH. Furthermore, creating a "Neighbourhood Health Service" requires a new infrastructure to connect the community providers around the patient which is exactly the infrastructure proposed through our recently announced collaboration with a leading UK primary care record provider and which was called for in a recent Tony Blair Institute paper 'Preparing the NHS for the AI Era: A Digital Health Record for every Citizen*'.*

"There are also signs of a shift in the NHS's financial landscape. Lord Ara Darzi's review revealed that NHS technology lags about 15 years behind other healthcare systems, with a £37bn capital investment shortfall that must be addressed to support the NHS recovery plan. This indicates a push for renewed technology investment, and the new administration acknowledges the vital role of digital enablement in recovery. Proven technologies like Bleepa, with a strong track record, are well-positioned to seize growth opportunities as financial constraints ease. With our channel partner and ERF funding, we believe we can scale quickly to meet emerging national demands.

"With a growing evidence base, a viable funding mechanism and a channel partner who can help the company deliver national scale at pace, plus growing visibility of international opportunity, we believe there has never been a better time to invest in the Company. We look forward to delivering value to our shareholders and transformation for our customers in the upcoming financial year."

Further information on Feedback and its products can be found on the Company's website: https://feedbackmedical.com/resources/resource-hub/

*https://institute.global/insights/public-services/preparing-the-nhs-for-the-ai-era-a-digital-health-record-for-every-citizen

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About Feedback

Feedback plc liberates the data and knowledge from multiple healthcare IT systems and delivers better workflow to enable clinicians to communicate, collaborate and provide the best healthcare for their patients. We connect care settings with diagnostic and other relevant data to drive better, faster, safer decisions that improve outcomes for patients.

By linking different clinical systems together into a seamless view of the patient, we can streamline patient pathways and deliver a digital health and diagnostics record across multiple care providers.

Bleepa® is our communication and collaboration platform that displays clinical results at a certified and regulated quality, which enables multi-disciplinary team working and diagnostic-enhanced advice and guidance. CareLocker® is our patient-facing platform that gives patients access and control over their diagnostic and other clinical data.

The Company has a number of growth opportunities domestically and internationally across a range of public and private healthcare markets including the NHS. Our highly scalable software-as-a-service (SaaS) based model is expected to provide increasing levels of revenue visibility as the Company grows its customer base.

Chairman's statement

Foundations for growth

In 2024 the Company consolidated its position as the preferred solution in cross-provider care. We have built on the foundations of our pilot programme with QVH, which, post period, resulted in Feedback being awarded the contract to provide QVH it's Bleepa® CDC digital infrastructure solution. Our foundations for growth were strengthened by the incredible outcome data provided to the APPG for Diagnostics, igniting a national conversation that resulted in the release of central funding to deliver a programme of several new pilots for the Bleepa® technology across the country.

These pilots are being deployed in partnership with the NHS frontline and will build on the existing evidence base for Bleepa®, positioning us as the digital glue that is needed to connect care settings around patient journeys. To move forward in such a way during what has been one of the most difficult periods for the NHS, as it faces one of the largest funding shortfalls in its history, is testament to the impact of our technology and the tireless efforts of our team.

During the Period the Company has also opened opportunities in the UK private healthcare sector through a pilot with Medical Imaging Partnership, where private providers are starting to look at delivering the end-to-end pathways Bleepa® has enabled in the NHS. The Company has also started to unlock its international opportunity having succeeded in its application for an import license of Bleepa® as a medical device to India, allowing our new in-country managing director, Rohit Singh, to start to commercialise Bleepa® in India, unlocking opportunities across hospital groups and TB screening.

The Company achieved revenue growth, despite the difficult trading environment in our domestic market and notably benefitted from renewals at a higher price by all of its existing NHS customers, building our confidence in a growing base of annual recurring revenue (ARR). Developing and expanding a foundation of ARR is a core strategy of the Company and key to our long-term success; with sales cycles in UK healthcare being very long currently, it is essential that companies can demonstrate recurring contract revenue, and a high lifetime value of customers acquired; and Feedback is delivering this. Alongside growing revenues, the Company continues to optimise its cost base, becoming increasingly efficient in its operations. In combination these changes have put the Company in a great position to build on its success and pursue a leading position within the emerging markets for its products, especially the CDC and cross-provider pathway initiatives.

During the Period, the Company has nurtured a deep pipeline of opportunities which it will seek to convert through its new product functionality, which has been released with version 1.6 of the Bleepa® platform. Foremost amongst the product enhancements is the dashboard view that allows providers to see the status of patients across their care journey, even between different care settings, giving the NHS unprecedented control over the patient journey, a capability that will be a key tool in their efforts to coordinate the reduction in local waitlists and optimise patient journeys. This has already generated significant interest from customers and builds on the successful product positioning to date of Bleepa® as the digital pathway enabler for regional commissioners.

Feedback has an established and growing record which it can build on. Our unique product capabilities and proven evidence base create a compelling value proposition for a growing number of customers both within the NHS, the UK private healthcare market and internationally. The Company has pushed hard to achieve growth, innovation and visibility at a time in which the healthcare system has been consumed by operational pressures and funding shortfalls. The appointment of a new government presents a huge opportunity domestically. As the Government looks for quick, proven and ready-made solutions to some of the biggest challenges facing the system, it need look no further than Feedback and our product capabilities. Due to the breadth of our product capabilities the Company now has a value proposition into almost every corner of healthcare and we are poised and ready for growth, both domestically and internationally.

Rory Shaw

Rory Shaw
Non-executive Chairman
01 November 2024

CEO's statement

Established record to build on

In 2024, the Company set out to build the evidence base for its technologies and to unlock customer opportunities both within and outside the NHS. This has been delivered through sustained partnership with a key group of NHS customers in order to generate that evidence and an expansive programme of stakeholder engagement to build a national and international conversation around our technology.

In recognition of a change in NHS commissioning behaviors towards more regional-based procurement, the Company has sought to position its products to pursue larger regional and national contracts and has reflected the additional needs of regional commissioners in its product offering.

Today, in the NHS and other international health systems, there is a growing level of digital maturity within individual care providers, especially as they embrace electronic care records and other associated technologies. However there is very little capability to share digital information between providers, despite care becoming increasingly cross-provider with patients having to attend multiple care settings. The Company has invested in its products, guided by customer feedback, to hone the value proposition and increase its attractiveness to a wider customer audience. Key developments were released in v1.6 of Bleepa® during the year and include upgrades to its messaging and referral capabilities and the ability to display a dashboard of patient progress along care pathways which enables care navigators to better manage patient flow. These enhancements have enabled the Company to capture the attention of regional commissioners who have the added requirement to be able to coordinate care across multiple providers and therefore benefit from the ability to see patient progress across multiple pathways and provider sites.

During the period we were invited to provide evidence generated by our pilot with QVH in Sussex to the APPG for Diagnostics, a participation that raised our national profile and opened conversations with the NHSE CDC team, culminating in the award of central funding to support a series of pilot projects with different providers. Our pilot with QVH was extended during the period and has subsequently converted to a £495k annual contract post period end. Through these pilots we have demonstrated a 63% reduction in wait times compared to national targets and an 88% reduction in outpatient appointment requirements, which we estimate could save in the order of £295 per patient episode through a reduction in outpatient appointments. This is a strong evidence base of impact against the key system challenges currently facing the NHS - namely waitlists, staff shortages and finance. Our ability to demonstrate success is unlocking further national conversations and also generating interest from regional commissioners.

Outside of the NHS, the Company successfully secured an opportunity for its technology and pathway approach within the UK private sector in partnership with MIP. This paid pilot will seek to develop a pathway approach across screening and traditional private service models and is essentially a translation of our NHS approach into the private sector. The Company expects that this service will go live later this calendar year and will start to generate clinical impact data early in calendar year 2025. It is our intention to use this evidence both to secure a longer-term agreement with MIP but also to translate this into sales to other UK private providers.

In India we have seen increasing recognition of our products since being awarded our import license for Bleepa® as a medical device. During the period the Company was the recipient of a number of national awards including the Gold Award as the best Digital Solution for Rural Healthcare at the Integrated Health and Wellbeing (IHW) Council of India's Digital Health Awards 2024. This recognition has led to significant interest in Bleepa® and has already resulted in a number of pilot agreements across TB screening and hospital care settings, which we are currently in the process of setting up. The Company looks forward to delivering these pilots and converting these opportunities into contracts. In order to support the TB screening programme, we have further invested in Feedback Connect (re-branded from BleepaBox) to remove some of the manual steps in the image/clinical data upload, improving the user experience and automation of data transfer which will allow the TB screening to be delivered more quickly and at greater scale.

Following the theme of international opportunity, during the period the Company evaluated a series of technologies and partnerships which could augment the Bleepa® proposition and open new market opportunities. The Company announced a collaboration with Vertex In Healthcare post period end, a collaboration which leverages some of the Company's legacy Cadran technology to create a new, potential royalty revenue stream. In addition, this has enabled the incorporation of MedDream, an FDA-approved Image Viewer into Bleepa®, allowing the Company to move more rapidly into other international markets in the future, avoiding a number of the challenges experienced with launching a medical device in India. This partnership paves the way for new growth opportunities in international markets.

Business strategy

Due to the long sale cycle of our target customers and, in some cases, their shifting priorities and financial position, the business strategy has been to deliver a broad value proposition to multiple customer segments so that we are positioned to progress multiple sales channels simultaneously and, where necessary, pivot to capture emerging opportunities. The long sales cycle is offset by the long customer lifetime value of individual contracts, which typically renew annually for multiple years following the initial sale as demonstrated during the Period whereby the Company received renewals for the third year running from two of its early customers, additionally benefiting from enlarged values.

This strategy has served us well to date, initially allowing us to land early contracts for our technology in an inpatient setting as a WhatsApp replacement then enabling the Company to move rapidly to capture the emerging opportunity around CDCs and position itself as the preferred solution provider. The Company has pursued parallel and emerging markets to its core product capabilities rather than trying to break into established/traditional markets. Whilst this strategy does extend the sales cycle in some cases, and raises the bar for evidence required, it provides better long-term growth potential into uncontested markets, with the ability to establish a market leading position, healthier margins, and avoid unnecessary competition and the traditional race to the bottom on price that is seen widely across other sectors. In healthcare, this strategy is further supported by the fact that most incumbents enjoy a long contract term with healthcare customers making it very difficult to disrupt established companies within an established market, especially part way through an existing contract term.

The agility required to deliver this strategy has necessitated tight discipline within the team and continued development in our product capabilities to keep pace with the customer opportunity. In Bleepa®, CareLocker® and Feedback Connect, the Company has developed a wide toolkit of capabilities that allows it to address the needs of a wide range of customers. Feedback now has a value proposition to offer almost every part of the healthcare system.

The Company is well positioned for success with evidenced value propositions against the three key areas of challenge facing every healthcare system, namely:

1) Staffing - Bleepa® enables existing staff to work more efficiently and flexibly; evidenced to deliver a 74% reduction in referral response time and an 89% reduction in outpatient appointment requirements.
2) Waitlists - Bleepa® enables cross-provider care pathways that deliver a 63% reduction in wait times.
3) Finance - Bleepa® saves on average, an estimated £295 per patient net of the costs of the platform.

Although felt at the individual provider level, these three pain points are more strongly reflected by regional and national commissioners and the Company's strategy is to pursue larger regional contracts where possible, due to the length of typical sales cycle and the potential upside of enlarged contract sizes. Our average contract size with an individual hospital trust is currently in the order of £120k - although future contracts are expected to be higher. Our target contract size for a CDC is currently in the order of £450k-£600k, which we achieved in the post period with our contract at QVH.

As outlined above, the strategy to maintain a diverse pool of opportunity extends to the UK private and international markets. Whilst these markets have similar needs, they also have important differences, most notably around regulation. In India, the Company took the decision to establish an in-country subsidiary and license its technology to this entity in order to protect its intellectual property and achieve regulatory approval to trade in India however, this approach may not be necessary in other markets due to developments to Bleepa® undertaken during the Period, that allow us to incorporate other technologies with pre-existing regulatory approval in key market areas such as the MedDream viewer, with integration achieved post period.

approval in key market areas such as the MedDream viewer, with integration achieved post period.

A key focus for the period was to raise the profile of the Company and its products with customers and wider stakeholders. This was achieved through a series of engagements to NHS stakeholders including speaking on a HSJ panel for diagnostics alongside the national head of the CDC programme and the national director for diagnostics and participating in a number of award programmes such as the Prix Galien award in the UK and the IHW award for Best Digital Solution for Rural Care in India.

Increasingly the Company is entering go-to-market partnerships either to enable us to pursue new international markets (collaboration with Vertex) or to co-create entirely new market opportunities (collaboration with a primary care solutions provider). These decisions are based on total addressable market, technological fit and customer footprint. Post period, the Company announced a collaboration agreement with Vertex, a specialist clinical IT firm with offices in the UK, UAE and South Africa, to combine key technologies and resell each other's products with a view to driving commercial opportunities in multiple markets. The collaboration enables the MedDream viewer to be incorporated into Bleepa®, so it can be sold directly to radiologists for primary diagnostic reporting services, strengthening our teleradiology offering and expanding the reach of the product to new territories such as the USA. In addition, Vertex will licence the database capabilities of Feedback's legacy picture archiving communication system Cadran PACS, now with the MedDream Viewer, which will allow it to build a PACS proposition that will initially be sold in South Africa and other international markets including the UK, where it sells PACS. This is another example of the Company's strategy to generate licencing royalties from its legacy products.

Post period events

The recent announcement that Diagnostic Enhanced Advice and Guidance ("DEAG") diversions achieved through the Bleepa® platform are now eligible for reimbursement under the ERF could be highly significant for the Company. As a result, any Integrated Care Board ("ICB") or hospital in England can now utilise this funding, by local agreement, to reimburse expenditure on the Bleepa® technology.

Based on the Company's existing programme at QVH, the Company believes that diversion away from outpatient appointments could be achieved in up to 90% of referrals using the DEAG approach, which would result in a significant revenue uplift for the participating ICB/Trust whilst simultaneously driving material efficiencies in service delivery and most importantly benefits for their patients. Based on expected patient volumes once fully rolled out the Company believes that an indicative ICB contract could generate over c. £2 million[2] per ICB per annum for Feedback under the ERF mechanism (assuming the ERF rolls forward on an un-capped basis annually). ERF currently runs until 31st March 2025 but the Company believes, following central conversations, that the funding may be renewed in subsequent financial years to continue to support waitlist reduction.

On 04 November 2024 the Company will announce a placing by way of an accelerated bookbuild with closing of the placing expected on the same day and a subscription of new ordinary shares, to raise approximately £5.2m (before expenses). In addition, on 04 November 2024 the Company will announce its intention to launch a retail offer to qualifying retail investors in the UK to raise a further up to £1.0m (before expenses). Subject to closing, the placing, subscription and retail offer is conditional on shareholder approval at the forthcoming Annual General Meeting. This funding will enable the Company to focus investment on sales, product development and provide additional working capital.

Post period we have also gone through a rebranding exercise and launched a new website to improve our messaging, product positioning and customer engagement. For shareholders who have not seen the new website please visit: www.feedbackmedical.com.

Operational review

Bleepa®

Bleepa® now accounts for 87% of revenue compared to 74% in the preceding year as the Company continued to move away from its legacy products. This is due to rising contract values with renewing customers such as the NCA and Royal Berkshire Hospital in Reading, building a growing base of ARR, in addition to new customer opportunities such as the CDC pilots at Amersham, BOB and NCA - Oldham which were nationally sponsored through to the end of the NHS financial year end of 31st March 2024. Bleepa® was installed at the sites during through to the end of the NHS financial year-end of 31st March 2024. Bleepa® was installed at the sites during this initial pilot period term, however we expect that the sites will seek a second-stage pilot study to operationalise and put patients through the pathway. Once patient throughput is underway the Company expects these pilots to reinforce the evidence generated by QVH and build the business case for further expansion in collaboration with the national team. Post period, Feedback was awarded further funding by NCA - Oldham to extend the delivery of its pilot. This further funding is for £69,000 with an initial 50% paid from the NHSE H1 budget to 30 September 2024, with the balance expected from the NHSE H2 budget to continue the pilot to 31 March 2025.

The new features released in version 1.6 of Bleepa® have ignited interest from a wider group of customers, both domestically in the UK private sector with MIP but also in India where our digital screening solution has been taken up by the NGO Heal Foundation as a digital enabler of its CSR funded screening programmes. The dashboard view developed for v1.6 gives unprecedented visibility of patients across multiple care settings and journeys, information that is not currently available to providers; today some customers can see patient status within their organisation but they do not have the ability to track patient status across organisations, which appeals to both regional customers such as ICBs and also to organisations such as Heal Foundation which have to track patients across multiple screening programmes and geographies.

Building on the success to date and growing national/regional interest in Bleepa®, our product development has also become focused on preparing to scale. Behind the scenes, our product team has been building integrations with the national infrastructure team to be able to utilise existing and widely adopted back-end integrations into primary care systems that enable a seamless experience for GPs, and allow us to push the Bleepa® solution to primary care at scale without undertaking a bespoke integration into individual practices or systems. This work is extremely complex but once completed will enable us to expand to multiple GP practices instantly allowing us to focus on integration with secondary care systems when we come to undertake new deployments, which both accelerates new customer onboarding and reduces the cost of scaling.

CareLocker®

Following initial success with CareLocker®, as a patient-facing interface for Sampurna patients' medical data during the prior period, the Company moved away from pursuing active commercialisation of this in India due to the prevalence of diagnostic centres using WhatsApp to insecurely share medical information in metropolitan centres such as Mumbai, a practice which undermined the value proposition and commercial opportunity. The view we commonly encountered was that, although patients recognised the benefit and were prepared to pay for it at our pilot site, it would be difficult to achieve the necessary scale due to the use of WhatsApp as a free alternative. Therefore we decided to pause trading until new legislation, the Digital Personal Data Protection (DPDP) Act, came into effect. The DPDP Act is an India equivalent legislation of GDPR and places requirements on data providers, such as diagnostic centres, to ensure the security and protection of data which would prevent the use of WhatsApp by diagnostic centres for sharing clinical information with patients. The DPDP Act has now been passed in India and we are actively evaluating how it will be applied in practice and whether this will lead to an opportunity to revisit this customer opportunity.

Domestically, we are seeing increasing interest in being able to share clinical information with patients, as demonstrated by our pilot contract with MIP. The NHS wants this to occur through the NHS App, however this does not currently have these capabilities and it would be very complex and expensive for the NHS to build from scratch. There may therefore be an opportunity to position CareLocker® as a back-end enabler to provide patients with their clinical results through the NHS App, which the Company is actively exploring. It will depend ultimately on political will and the ability to reach meaningful commercial terms that justify the development required to embed CareLocker® into the NHS app.

India

During the period the Company was successful in its application to import Bleepa® as a medical device into India, which was a dependency that needed to be delivered before we could sell Bleepa® in India. This approach required the Company to establish a wholly owned, in-country subsidiary as a vehicle which could then import Bleepa® from the Company and which was necessary to protect our intellectual property, which would have been exposed if we had pursued the faster alternative strategy of exporting the product to a third-party Indian wholesaler. Receiving the import license has enabled our newly appointed in-country Managing Director, Rohit Singh, to start commercialising Bleepa® and begin to address the enormous market opportunity for our technology in India, targeted at sales to hospital groups and to enable national TB screening programmes, with a potential estimated TAM of £8bn.

Rohit Singh, Managing Director of India, has successfully engaged a number of customers both on the use of Bleepa® as a communication tool within hospitals, and as a health corridor between hospitals and for the facilitation of TB screening in remote communities across India. The typical commercial journey in India is to establish a short 3-6-month free pilot with individual customers and then convert to a rolling multi-year contract. In addition to contracts with commercial hospital groups the Company is also pursuing contracts with regional and state governments that typically have to go through competitive procurement, as in the UK, procurement that is typically informed by pilots and therefore the same approach of pilot-contract will be adopted across both public and private sectors.

The contract size potential of individual state contracts however is extremely large, with many states being of an equivalent size to the entire UK population or larger. Based on Rohit's early success we hope to soon be in a position to announce meaningful pilot contracts across multiple healthcare sectors with a view to converting these to paid contracts as soon as possible. TB screening will be funded through corporate social responsibility (CSR) sponsored programmes initially, before hopefully being adopted by regional and national screening programmes. CSR funding is a robust mechanism in India as we believe that companies above a certain threshold have to spend 1% of their annual profits on CSR activity, creating a large capital resource to drive programs such as TB screening. Rohit, in partnership with the Heal Foundation, is actively pursuing CSR sponsors to drive the screening programmes in several states.

Financial review

Key performance indicators	**2024** £m	**2023** £m
Revenue	1.18	1.02
Gross margin	93%	92%
Sales (non IFRS)	0.95	1.27
Operating expenses	(4.79)	(4.36)
Operating loss	(3.69)	(3.42)
EBITDA loss (non IFRS)	(2.73)	(2.61)
Cash outflows from operating activities	(2.22)	(1.79)
Cash outflows from investing activities	(1.22)	(1.20)
Cash & cash equivalents end of period	3.88	7.32
Intangible assets	4.07	3.71
Contract liabilities (deferred income)	0.22	0.44
Net assets	7.64	10.87

Revenue for the year ended 31 May 2024 increased 15% to £1.18m (2023: £1.02m), driven by the CDC pilot contracts win of £0.35m, offsetting the ongoing decline in legacy product sales (Cadran support and TexRad). Bleepa® contributed 87% (2023: 77%). In addition, all existing NHS customers renewed in the period with inflationary uplifts. Gross margin remained steady at 93% (2023: 92%).

Sales, a non IFRS measure representing the total customer contract value invoiced in a period, decreased 26% reflecting lower NHS contract wins in the Period. Bleepa® contributed 85% (2023: 73%) of Sales and Image Engineering license fees 12% (2023: 20%). Sales are recognised as revenue monthly across the life of a customer contract (typically 12 months), with any amount not recognised as revenue in the current financial year remaining on the balance sheet as contract liabilities (deferred income) and recognised as revenue in the forthcoming financial year. Contract liabilities (or deferred income) as at period end was £0.22m (2023: £0.44m).

Operating expenses increased 10% to £4.79m (2023: £4.36m), primarily due to higher staff costs arising from headcount expansion and cost-of-living wage increases, a portion, £0.13m (2024: £0.03m), of outsourced software development costs being recognised as maintenance (operating) expense rather than capital given the ongoing maturity of Bleepa®, increased contractor/consultancy costs for business development activities and higher amortisation charges (non-cash). Operating loss increased to £3.69m (2023: £3.42m). EBITDA loss, excluding depreciation and amortisation charges of £0.96m (2023: £0.81m), widened 5% to £2.73m (2023: £2.61m).

Cash outflows from operating activities increased 24% to £2.22m (2023: £1.79m) primarily due to higher operating expenses offsetting higher revenues, and more favourable working capital movements in the prior period. Cash outflows from investing activities remained broadly flat at £1.22m (2023: £1.20m), primarily being capitalised software development expenditures with Graylight Imaging related to product enhancements and new features. The Group's cash position as at 31 May 2024 was £3.88m (31 May 2023: £7.32m), a decrease of £3.44m over the prior year.

Intangible assets increased to £4.07m (2023: £3.71m), primarily representing capitalised software development expenditures of £1.30m (2023: £1.23m), offset by amortisation charges of £0.94m (2023: £0.80m). Net assets decreased to £7.64m (2023: £10.87m) as at 31 May 2024.

Outlook

A change in the UK government brings with it exciting opportunities. The Prime Minister has talked to '*the biggest reimagining of the NHS*' with the new Secretary of State for Health and Social care, Wes Streeting, stating that the NHS needs urgent reform, with a focus on moving care away from hospitals into the community and transitioning from analogue to digital; both of which can delivered by our technology and the diagnostic pathway approach that we have pioneered at QVH. The government's call for a 'Neighbourhood Health Service' requires a new infrastructure to connect the community providers around the patient which is exactly the infrastructure proposed through our recently announced collaboration with a leading UK primary care record provider and which was called for in a recent Tony Blair Institute paper 'Preparing the NHS for the AI Era: A Digital Health Record for every Citizen'.

Importantly there are indications of a change to the financial landscape of the NHS. Lord Ara Darzi's review of the NHS found that the NHS technology landscape was approximately 15 years behind other comparable healthcare systems and that there had been a historic shortfall of approximately £37bn in capital investment which would need to be closed in order to underwrite the NHS recovery programme. These are all indicators that the NHS is seeking to reinvigorate investment in technology and that the new administration recognises the importance of digital enablement in the NHS recovery plan. Proven technology such as Bleepa, with a track record for patient impact, is well positioned to capture the growth opportunities should the financial constraints on the system ease. With the support of our recently announced channel partner, our solution can scale rapidly to capture a national opportunity as it emerges.

We are delighted that DEAG diversions achieved through the Bleepa platform are now eligible for reimbursement under the ERF. This will enable straight to diagnostic, multidisciplinary pathways between care settings, reducing the need for traditional outpatient and multidisciplinary team models. As a result, the ERF will pay ICBs and hospitals for activity, including diversions away from traditional care pathways, at a payment of £206[3] per diversion (based on the median outpatient attendance unit price). ERF is a clinical fund, designed to stimulate clinical activity by linking payment to additional activity delivered. We believe clinical funding is much more likely to be maintained across financial years and is less likely to be re-deployed or withdrawn in the way that we have seen with capital funding for technology in recent years, such as the approximate £800m that was re-deployed from the frontline digitisation fund to meet the increased pay demands of the various staff strike settlements.

Aligning to clinical funds means that our solution would be a component of a clinical service rather than a direct technology cost. This would enable a higher per price per patient as we are able to incorporate the value created from clinical service redesign delivered by our solution, rather than only a technology license fee, thereby achieving higher margins. The funding would scale with patient throughput, with payment both linked to success and uncapped in terms of value delivered - the more activity that the product drives, the more that the Company would be paid and the more that the system and patients would benefit. An indicative ICB contract could generate over £2 million per annum per ICB, assuming the ERF rolls forward on an un-capped basis beyond 31 March 2025.

With a proven value proposition and a growing UK market presence the Company has also started to consider its international options for expansion. Our journey into the Indian market took longer than planned due to complexities around local medical device certification and therefore the Company has looked at how we can circumvent similar difficulties in other markets such as the USA and Middle East. Incorporating the MedDream viewer in the post period allows the Company to consider wider international markets that previously we were prevented from exploring due to the different regulatory environments. The use cases and evidence base generated from our existing deployments provide a compelling proposition to international providers who typical struggle broadly with the same issue facing UK and Indian healthcare providers. Our ability to provide a shorter patient journey, with the same or fewer staff and with visibility of patient status across entire clinical journeys represents an unparalleled value proposition to commissioners, insurers and providers across many international markets; the success demonstrated in the NHS additionally gives the Company international credibility.

With a growing evidence base, viable funding mechanism and a channel partner who can help the company deliver national scale at pace, plus growing visibility of international opportunity, there has never been a better time to invest in the Company. We look forward to delivering value to our shareholders and transformation for our customers in the upcoming financial year.

Dr Tom Oakley
Chief Executive Officer
October 2024

Consolidated Statement of Comprehensive Income
for the year ended 31 May 2024

	Note	2024 £	2023 £
Revenue	4	1,181,544	1,024,997
Cost of sales		(79,129)	(84,276)
Gross profit		1,102,415	940,721
Other operating expenses	5	(4,792,548)	(4,362,675)
Operating loss	6	(3,690,133)	(3,421,954)
Net finance income	7	93,135	47,868
Loss before taxation		(3,596,998)	(3,374,086)
Tax credit	9	298,631	455,909
Loss after tax attributable to the equity shareholders of the Company		(3,298,367)	(2,918,177)
Other comprehensive income/(losses)			
Items that are or may be reclassified subsequently to profit or loss			
Translation difference on overseas operation		(241)	(2,243)
Total comprehensive loss for the year		(3,298,608)	(2,920,420)
Loss per share (pence)			
Basic and diluted*	11	(24.74)	(21.88)

The notes below form part of these financial statements

Consolidated Statement of Changes in Equity
for the year ended 31 May 2024

GROUP	**Share Capital**	**Share Premium**	**Capital Reserve**	**Retained Earnings**	**Translation Reserve**	**Share option Reserve**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**
At 31 May 2022	6,667,330	15,351,071	299,900	(8,849,069)	(209,996)	450,038	13,709,274
Loss of the year	-	-	-	(2,918,177)	-	-	(2,918,177)
Other comprehensive loss for the year					(2,243)		(2,243)
Total Comprehensive Loss for the year	-	-	-	(2,918,177)	(2,243)		(2,920,420)
Costs of new shares issued	-	(830)	-	-	-	-	(830)
Share-based payments	-	-	-	-	-	80,859	80,859
Total transactions with owners	-	(830)	-	-	-	80,859	80,029

At 31 May 2023	6,667,330	15,350,241	299,900	(11,767,246)	(212,239)	530,897	10,868,883
Loss of the year	-	-	-	(3,298,367)	-	-	(3,298,367)
Other comprehensive loss for the year	-	-	-	-	(241)	-	(241)
Total Comprehensive Loss for the year				(3,298,367)	(241)		(3,298,608)
Share-based payments	-	-	-	-	-	74,462	74,462
Total transactions with owners	-		-	-	-	74,462	74,462
At 31 May 2024	**6,667,330**	**15,350,241**	**299,900**	**(15,065,613)**	**(212,480)**	**605,359**	**7,644,737**

Company Statement of Changes in Equity

for the year ended 31 May 2024

COMPANY	**Share Capital**	**Share Premium**	**Retained Earnings**	**Share option Reserve**	**Total**
	£	**£**	**£**	**£**	**£**
At 31 May 2022	6,667,330	15,351,071	(7,415,266)	450,038	15,053,173
Profit for the year and Total comprehensive income for the year	-	-	1,703,482	-	1,703,482
New shares issued					
Costs of new shares issued	-	(830)	-	-	(830)
Share-based payments	-	-		80,859	80,859
Total transactions with owners	-	(830)	-	80,859	80,029
At 31 May 2023	6,667,330	15,350,241	(5,711,784)	530,897	16,836,684
Loss of the year and Total comprehensive loss for the year	-	-	(1,488,345)	-	(1,488,345)
Costs of new shares issued	-	-	-	-	-
Share-based payments	-	-	-	74,462	74,462
Total transactions with owners	-		-	74,462	74,462
At 31 May 2024	**6,667,330**	**15,350,241**	**(7,200,129)**	**605,359**	**15,422,801**

The notes below form part of these financial statements

Consolidated Balance Sheet

for the year ended 31 May 2024

	Notes	**2024 £**	**2023 £**
Assets			
Non-current assets			
Property, plant and equipment	13	12,993	14,909
Intangible assets	14	4,068,136	3,710,946
		4,081,129	3,725,855
Current assets			
Trade and other receivables	15	81,641	225,302
Corporation tax receivable		298,644	455,641
Cash and cash equivalents		3,877,503	7,317,534
		4,257,788	7,998,477
Total assets		8,338,917	11,724,332

Equity

Capital and reserves attributable to the Company's equity shareholders			
Called up share capital	18	6,667,330	6,667,330
Share premium account	18	15,350,241	15,350,241
Capital reserve	18	299,900	299,900
Translation reserve	18	(212,480)	(212,239)
Share option expense reserve	18	605,359	530,897
Retained earnings	18	(15,065,613)	(11,767,246)
Total equity		7,644,737	10,868,883
Liabilities			
Current liabilities			
Trade and other payables	16	694,180	855,449
		694,180	855,449
Total liabilities		694,180	855,449
Total equity and liabilities		8,338,917	11,724,332

The notes below form part of these financial statements

Consolidated Cash Flow Statement

for the year ended 31 May 2024

	2024 **£**	**2023** **£**
Cash flows from operating activities		
Loss before tax	(3,596,998)	(3,374,086)
Adjustments for:		
Net finance income	(93,135)	(47,868)
Depreciation and amortisation	957,549	809,333
Impairment of intangible assets	-	6,695
Translation difference in overseas operation	(241)	(2,243)
Share based payment expense	74,469	80,859
Decrease/(Increase) in trade receivables	129,714	94,876
Decrease/(Increase) in other receivables	13,947	(11,885)
Increase/(Decrease) in trade payables	116,085	(103,570)
Increase/(Decrease) in other payables	(277,361)	364,891
Corporation tax received	455,628	392,619
Total adjustments	1,376,655	1,583,707
Net cash used in operating activities	(2,220,343)	(1,790,379)
Cash flows from investing activities		
Purchase of tangible fixed assets	(12,506)	(19,083)
Purchase of intangible assets	(1,300,318)	(1,225,619)
Interest Income	93,135	47,868
Net cash used in investing activities	(1,219,689)	(1,196,834)
Cash flows from financing activities		
Net proceeds of share issue	-	(830)
Net cash generated from financing activities	-	(830)
Net increase/(decrease) in cash and cash equivalents	(3,440,031)	(2,988,043)
Cash and cash equivalents at beginning of year	7,317,534	10,305,577
Cash and cash equivalents at end of year	3,877,503	7,317,534

The notes below form part of these financial statements

Notes to the Financial Statements

1. General information

The Company is a public limited company limited by shares, domiciled in the United Kingdom and

The Company is a public limited company limited by shares, domiciled in the United Kingdom and incorporated under registered number 00598696 in England and Wales. The Company's registered office is 201 Temple Chambers, 3-7 Temple Avenue, London, England, United Kingdom, EC4Y 0DT.

The Company is quoted on AIM, a market operated by the London Stock Exchange. These Financial Statements were authorised for issue by the Board of Directors on 01 November 2024.

2. Adoption of the new and revised International Financial Reporting Standards

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are mandatory for the current reporting period.

The following new and revised Standards and Interpretations are relevant to the Company, but the Company has not early adopted these new standards. The Directors do not anticipate that the adoption of these standards will have a material impact on the reported results of the Company:

- IFRS 1 - First-time adoption of International Financial Reporting standards - amendments resulting from annual improvements to IFRS accounting standards - Volume 11 (hedge accounting by first-time adopter)
- IFRS 7 - Financial Instruments: Disclosures; amendments regarding classification and measurement of financial instruments, amendments regarding annual improvements Accounting Standards - Volume 11 (Gain or loss on derecognition, deferred difference between fair value and transaction price and credit risk disclosures). Amendments regarding the supplier finance arrangements.
- IFRS 9 - Financial Instruments: amendments regarding classification and measurement of financial instruments, amendments regarding annual improvements Accounting Standards - Volume 11 (Lessee derecognition of lease liabilities and Transaction price)
- IFRS 10 - Consolidated Financial Statements - Amendments resulting from Annual Improvements to IFRS Accounting Standards - Volume 11 (Determination of a 'de facto agent')
- IFRS16 - Leases - amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures
- IAS 1 - Presentation of financial statements - amendments regarding the classification of liabilities as current or non-current. Amendments regarding the classification of debt with covenants
- IAS 7 - Statement of Cash Flows - Amendments resulting from Annual Improvements to IFRS Accounting Standards - Volume 11 (Cost method) and amendments regarding supplier finance arrangements
- IAS 21 - The effects of changes in foreign exchange rates - lack of exchangeability

3. Significant accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with UK adopted international accounting standards. The policies set out below have been consistently applied to all the years presented.

No separate income statement is presented for the parent Company as provided by Section 408, Companies Act 2006.

(b) Basis of consolidation

The Group financial statements consolidate the financial statements of Feedback plc and its subsidiaries (the "Group") for the years ended 31 May 2024 and 2023 using the acquisition method.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiary companies are held at cost less any impairment. Impairment reviews are performed annually or more frequently if events or changes in circumstances indicate a potential impairment.

The impairment review compares the carrying value to the recoverable amount, which is calculated as the higher of the value in use and the fair value less costs to sell.

(c) Going Concern

The Group incurred a net loss of £3,298,608 for the year ended 31 May 2024 however it had net assets of £7,644,737 inclusive of £3,877,503 of cash and cash equivalents at 31 May 2024.

On 04 November 2024 the Company will announce a placing by way of an accelerated bookbuild with closing of the placing expected on the same day and a subscription of new ordinary shares to raise approximately £5.2m (before expenses). In addition, on 04 November 2024 the Company will announce its intention to launch a retail offer to qualifying retail investors in the UK to raise a further up to £1.0m (before expenses), the placing, subscription and retail offer together the "Fundraise". Subject to closing, the Fundraise is conditional on shareholder approval at the forthcoming annual general meeting. Prior to announcement, having made relevant enquiries, the Directors were satisfied that the Company's brokers had received sufficient non-binding indications for the placing and subscription to provide the Company with adequate cash resources for at least the next twelve months to November 2025. The Directors believe that all resolutions required to execute the Fundraise will be successfully approved at the annual general meeting as a matter of course, with proceeds to be received shortly thereafter. The Directors updated and reviewed the Group's business plan and cash flow forecasts on the basis that the Fundraise is approved at the annual general meeting. These cash resources will be used to provide working capital, enable continued product development and to generate sales. If further resources are required, the directors consider, that although future equity fundraising can never be guaranteed, the group's recent history of successful fundraising means it likely that the group will be able to raise further finance through future equity issues. Accordingly, the Directors believe that the Group and Company are a going concern and have therefore prepared the financial statements on a going concern basis.

(d) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be reliably measured.

The significant intangible asset cost related to external software development of products which are integral to the trade of the Group's medical imaging products.

Amortisation and impairment charges are recognised in other operating expenses in the income and expenditure account. Internal development costs are not capitalised but written off during the year in which the expenditure is incurred. The carrying value of intangible assets which are not yet being amortised because they are not yet available for use are reviewed for impairment annually. The carrying value of intangible assets which are currently being amortised are reviewed for impairment when there is an indication that they may be impaired. Impairment losses are recognised in other operating expenses in the income and expenditure account.

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Only external software development expenditure is capitalised. Internal research expenditure is written off in the year in which it is incurred.

Other development expenditure is recognised as an expense as incurred. Intangible assets that have a finite useful life and that have been capitalised are amortised on a straight-line basis as follows:

Intangible asset	Useful economic life
Intellectual Property	5 - 10 years
Customer relationships	4 years
Software development	5 years

Intellectual Property primarily relates to patent and trademark application costs. Software development costs capitalised in the year relate to products and product improvements which are yet to be ready for use.

(e) Valuation of Investments

Investments held as non-current assets are stated at cost less provision for impairment.

(f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. When used, bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(g) Goodwill

Business combinations on or after 1 April 2006 are accounted for under IFRS 3 using the acquisition method. Any excess of the cost of business combinations over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the balance sheet as goodwill and is not amortised.

After initial recognition, goodwill is not amortised but is stated at cost less accumulated impairment loss, with the carrying value being reviewed for impairment, at least annually and whenever events or changes in circumstance indicate that the carrying value may be impaired.

For the purposes of impairment testing, goodwill is allocated to the related cash generating units monitored by management. Where the recoverable amount of the cash generating unit is less than its carrying amount, including goodwill, an impairment loss is recognised in the statement of comprehensive income.

(h) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Depreciation on other assets is provided on cost or valuation less estimated residual value in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Computer and office equipment 10 - 50% p.a.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

(i) Foreign currency

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the income statement.

Translation to presentation currency: The results and financial position of Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency (GBP) are translated into the presentational currency as follows:

- assets and liabilities presented are translated at the closing rate at the date of that reporting period;
- income and expenses are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income.

(j) Revenue recognition

Sales transactions include software installation, software licenses, scientific and software support and consultancy. Revenue is measured at the fair value of the contractually agreed consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT.

The Group recognises revenue on the basis of following IFRS15 whereby revenue is recognised on the promise of goods and services to the customer at the transaction price contractually agreed and once the performance obligations have been met. Revenue relating to software consultancy and similar services is recognised as the services are performed and completed. The invoice is recognised on a linear basis over the duration of the contract. Revenue relating to the sale of software licences such as Bleepa or associated support services is recognised over the contractual period to which the licence relates or the duration of the support contract.

Revenue recognised from the sale of TexRAD software and related scientific support services are recognised over the estimated duration of the Group's involvement in a customer's project which is considered to represent its performance obligation. This is that the Group will provide the support required as agreed when the sale was made.

The difference between the amount of revenue from contracts with customers recognised and the amount invoiced on a particular contract is included in the statement of financial position as contract liabilities. Normally, the full contract value is invoiced when the customer's purchase order is received.

Cash payments received as a result of this advance billing are not representative of revenue earned on the contract as revenues are recognised over the duration of the contract (typically twelve months). Contract liabilities which are expected to be recognised within one year are included within current liabilities. Contract liabilities which are expected to be recognised after one year are included within non-current liabilities.

(k) Pension Costs

The Group operated a defined contribution pension scheme during the year. The pension charge represents the amounts payable by the Group to the scheme in respect of that year.

(l) Taxation

The tax credit represents the sum of the current tax credit and deferred tax credit.
The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement 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 Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

(m) Financial instruments

Financial assets

Financial assets are measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The group's financial assets comprise of trade and other receivables and cash and cash equivalents.

Trade receivables

Trade receivables are initially recognised at transaction price and subsequently measured at amortised cost, carried at the original invoice amount less allowances for expected credit losses. Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying lifetime historical credit loss experience to the trade receivables. The expected credit loss rate varies depending on whether, and the extent to which, settlement of the trade receivables is overdue and it is also adjusted as appropriate to reflect current economic conditions and estimates of future conditions.

For the purposes of determining credit loss rates, customers are classified into groupings that have similar loss patterns. The key drivers of the loss rate are the aging of the debtor, the geographic location and the customer type (public vs private).

When a trade receivable is determined to have no reasonable expectation of recovery it is written off, firstly against any expected credit loss allowance available and then to the income statement.
For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income.

Subsequent recoveries of amounts previously provided for or written off are credited to the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and deposits with maturities of three months or less.

Financial liabilities

The Group's financial liabilities consist of trade payables and other financial liabilities. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is held-for trading, it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss.

(n) Employee share options and warrants

The Group has applied the requirements of IFRS 2 Share-based Payments.

The Group has issued equity-settled share-based payment transactions to certain employees and previously issued warrants to the vendors of the acquired subsidiary, TexRAD Limited. Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of the Black Scholes option pricing model for share options without performance obligations and the Monte Carlo option pricing model for share options with performance obligations. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

(o) Key areas of judgement

The preparation of financial statements requires the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses. These estimates and judgements are based on historical experience and various other assumptions that management and the

Board of Directors believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources.

The key areas of judgement are:

- Intangible assets - Patent and trademark applications are included at cost less amortisation and impairment. Other intangible assets including development costs are recognised only when it is probable that a project will be a success. There is a risk therefore that a project previously assessed as likely to be successful fails to reach the desired level of commercial or technological feasibility. Where there is no probable income to be generated from these assets an estimation of the carrying value and the impairment of the intangible assets and development costs, including goodwill, has been made.

- Impairment review of intangible assets - The Group conducts an annual impairment review of its intangible assets (which total £4,068,136 at the 31 May 2024 year-end, 2023: £3,710,946), or more frequently if indicators of impairment are identified. In performing this review the Group takes into consideration various factors, including the inherent uncertainty around winning new contracts, the timing of those contracts, and the cash flows expected to be generated. The impairment review has been conducted using both a base case and a risk case scenario, applying a 5-year net present value (NPV) value-in-use model, which compares the estimated recoverable amount of the intangible assets to their carrying value. For both models, management has applied the following key assumptions:
    - a discount rate of 14.4%
    - a growth rate set to nil post FY27
    - Income only based on internal expected forecasted contract wins

  Given the inherent uncertainty in these assumptions, the carrying value of the intangible assets is sensitive to changes in key estimates. The most significant risks to the carrying amount are:
    - Discount rate sensitivity in that an increase would reduce the recoverable amount
    - Contract wins and timing, lower or slower conversion of expected sales forecast impacting future cash flow projections
    - Growth rates affected due to market conditions, impacting future cash flows

  A reasonable possible change in any of these key assumptions could result in an impairment loss. The Group and management continue to monitor these assumptions when reassessing the intangible assets.

- Fair value measurement - share options and warrants issued included in the Group's and Company's financial statements require measurement at fair value. The calculation of fair values requires the use of estimates and judgements, details of the valuation can be found in Note 18 of this report.

- Revenue recognition - revenue on the sale of software and provision of related scientific support services is recognised over the expected duration of the group's involvement in customer's projects as the group's staff contribute significant support, analysis and input to those customers using our software for research purposes. Judgement based on past experience is used to determine the expected duration of involvement over which income should be deferred and recognised however the duration of the group's involvement may vary from expectations.

4. Segmental reporting

The Directors have determined that the operating segments based on the management reports which are used to make strategic decisions are medical imaging and head office. The trading activities of the Company solely relate to Medical Imaging and the Head Office covers the costs of running the parent company, Feedback PLC.

Year ended 31 May 2024	**Medical Imaging £**	**Head Office £**	**Total £**
Revenue			
External	1,181,544	-	1,181,544
Expenditure			
Total (excluding depreciation and amortisation)	(2,829,839)	(991,154)	(3,820,993)
Depreciation and amortisation	(957,549)	-	(957,549)

Depreciation and amortisation	[illegible]		[illegible]
Loss before tax	(2,605,844)	(991,154)	(3,596,998)
Tax credit	298,631	-	298,631
Balance sheet			
Total assets	4,467,243	3,871,674	8,338,917
Total liabilities	(608,888)	(85,292)	(694,180)
	3,858,355	3,786,382	7,644,737
Capital expenditure (all located in the UK)	(1,312,824)	-	(1,312,824)

The revenues from external customers in 2024 are comprised of the following products Bleepa: £1,022,536, Image Engineering license fees: £121,566 and legacy products Cadran PACS: £37,442.

Year ended 31 May 2023	**Medical Imaging**	**Head Office**	**Total**
	£	**£**	**£**
Revenue			
External	1,024,997	-	1,024,997
Expenditure			
Total (excluding depreciation and amortisation)	(2,613,702)	(976,048)	(3,589,750)
Depreciation and amortisation	(809,333)		(809,333)
Loss before tax	(2,398,038)	(976,048)	(3,374,086)
Tax credit	455,909	-	455,909
Balance sheet			
Total assets	4,693,140	7,031,192	11,724,332
Total liabilities	(767,656)	(87,793)	(855,449)
	3,925,484	6,943,399	10,868,883
Capital expenditure (all located in the UK)	(1,244,702)	-	(1,244,702)

Reported segments' assets are reconciled to total assets as follows:

	External revenue by location of customer		**Non-current assets by location of assets**	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
United Kingdom	1,058,956	873,597	4,081,129	3,725,855
Europe		2,208	-	-
Rest of the world	122,588	149,135	-	-
Total	1,181,544	1,024,940	4,081,129	3,725,855

£441,048 of revenue recognised in the current year was recorded in contract liabilities in the prior year (2023: £203,674).

Major customers

During the year ended 31 May 2024, the Group generated £450,000 of revenue from one customer in the United Kingdom, which is equal to 38% of total Group revenues in the year. Major customer from the rest of the world is located in USA and accounts for £121,566 of group revenue generated.

5. Other operating expenses

	2024	**2023**
	£	**£**
Administrative costs:		
Employment and other costs	3,834,999	3,553,342
Amortisation and depreciation costs	957,549	809,333
	4,792,548	4,362,675

6. Operating loss

	2024	**2023**
	£	**£**
This is stated after charging		
Depreciation and amortisation		
Owned assets	14,422	12,541
Amortisation of intangible assets	943,128	796,789
Provision for doubtful debts	(320)	15,401
Foreign exchange differences	26,122	21,805
Auditors' remuneration		
Audit of parent company and group financial statements	22,170	20,700

Audit of subsidiaries	14,780	13,800

7. Net finance income

	2024 £	2023 £
Interest received	93,135	47,868
	93,135	47,868

8. Directors and employees

	2024 Average	2023 Average	2024 Year-end FTE	2023 Year-end FTE
Number of employees				
Selling and distribution	2	2	3	1
Administration	17	15	17	15
Research and development	7	6	7	8
	26	23	27	24

	2024 £	2023 £
Staff costs		
Wages and salaries	2,138,863	1,877,036
Social security costs	250,428	231,303
Payments to defined contribution pension scheme	225,800	179,160
Share based payment expense	74,469	80,859
	2,689,560	2,368,358

Details of Directors' remuneration for the year ended 31 May 2024 and the prior year ended 31 May 2024 are set out in the Remuneration Committee report.

9. Taxation on loss

		2024 £	2023 £
(a)	The tax credit for the year:		
	UK Corporation tax	(298,631)	(455,909)
	Current tax credit	(298,631)	(455,909)
		(298,631)	(455,909)
(b)	Tax reconciliation		
	Loss before tax	(4,507,137)	(1,132,957)
	Loss at the standard rate of corporation tax in the UK of 25% (2023 - 20%)	(1,126,784)	(226,623)
	Fixed asset differences	(1,665)	-
	Expenses non-deductible for tax purposes	270,884	16,593
	Other permanent differences	164	-
	Other income	-	(447,489)
	Additional deduction for R&D expenditure	(345,517)	(362,633)
	Surrender of tax losses for R & D tax credit refund	448,368	203,611
	Deferred tax not recognised	455,637	450,728
	Foreign tax credits	282	-
	Remeasurement of deferred tax for change in tax rates	-	(90,096)
	Tax charge for the year	(298,631)	(455,909)

(c) Factors which may affect future tax charges

In view of the tax losses carried forward there is a deferred tax amount of approximately £1,966,621 (2023: £1,510,984) which has not been recognised in these Financial Statements. This contingent asset will be realised when the Group makes sufficient taxable profits in the relevant company.

(d) Deferred tax - Company

In view of the tax losses carried forward there is a deferred tax amount of approximately £1,179,468 (2023: £1,075,668) which has not been recognised in the Company Financial Statements. This contingent asset will be realised when the Company makes sufficient taxable profits.

10. **Results of Feedback Plc**

As permitted by Section 408 of the Companies Act 2006, the income and expenditure account of the parent company is not presented as part of these financial statements. The Company's loss for the financial year is £1,488,345 (2023 profit: £1,703,482). The loss for the financial year 2024 arises from impairment of investment in its subsidiary Feedback Medical Ltd of £1,004,649.

11. **Loss per share**

Basic loss per share is calculated by reference to the loss on ordinary activities after taxation of £3,298,367 (2023: £2,918,177) and on the weighted average of 13,334,659 (2023: 13,334,659) shares in issue.

	2024 £	**2023** £
Net loss attributable to ordinary equity holders	(3,298,367)	(2,918,177)

	2024	**2023**
Weighted average number of ordinary shares for basic earnings per share	13,334,659	13,334,659
Effect of dilution:		
Share Options	-	-
Warrants	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	13,334,659	13,334,659
Loss per share (pence)		
Basic	(24.74)	(21.88)
Diluted	(24.74)	(21.88)

There is no dilutive effect of the share options and warrants as the dilution would be negative for the periods presented. There are 1,077,490 share options outstanding as at 31 May 2024 which could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.

12. **Investments**

Company	**Share in Group undertakings** £	**Total** £
Cost		
At 31 May 2022	2,459,804	2,459,804
Addition (see note below)	9,857,991	9,857,991
At 31 May 2023	12,317,795	12,317,795
Addition (see note below)	8,080	8,080
As at 31 May 2024	12,325,875	12,325,875
Provision for impairment		
At 31 May 2022	2,459,804	2,459,804
Additional impairment included in operating expenses	357,889	357,889
At 31 May 2023	2,817,693	2,817,693
Additional impairment included in operating expenses (see note below)	1,004,649	1,004,649
At 31 May 2024	3,822,342	3,822,342
Net Book Value		
At 31 May 2024	**8,503,533**	**8,503,533**
At 31 May 2023	9,500,102	9,500,102

All of the above investments are unlisted.

The cost additions in 2024 are comprised of £8,080 related to options in Feedback Medical Limited which would be satisfied with Feedback Plc shares if/when they are exercised.

The impairment loss in 2024 by the Company (Head Office segment) relates to a £1,004,649 impairment against the cost of investment in the principal operating subsidiary of the Group, Feedback Medical Limited.

The carrying value of the Company's investment in Feedback Medical Limited was £9,508,182 prior to an impairment review. The impairment review, which is performed annually or more frequently if events or changes in circumstances indicate a potential impairment, compares the carrying value to the recoverable amount, being the higher of value in use and fair value less costs to sell.

Feedback Medical Limited is the principal operating entity of the Feedback Plc Group therefore, consistent with prior years, management has used the Group's market capitalisation as at 31 May 2024 (Level 1 of the fair value hierarchy), on an adjusted basis, as a proxy for the fair value less costs to sell of Feedback Medical Limited. Based on the Group's market capitalisation using a three-month volume weighted average share price as at 31 May 2024 and adjusting out the Feedback Plc holding entity cost centre valuation (further details provided below) and cash held by Feedback Plc at this date (Level 1 of the fair value hierarchy), management has determined the fair value less costs to sell of Feedback Medical Limited as being £8,503,533. On this basis, the recoverable amount has a shortfall of the carrying value and therefore an impairment has been recognised this year for £1,004,649, bringing the carrying value to £8,503,533.

The Feedback Plc holding entity cost centre valuation was based on a five-year discounted cashflow model based on historical recurring costs as the basis for future costs (Level 3 of the fair value hierarchy) and the discount rate used in the calculation of net present value was 14.4% (Level 3 of the fair value hierarchy).

Particulars of principal subsidiary companies during the year, all the shares of which being beneficially held by Feedback Plc, were as follows:

Company	Activity	Country of incorporation and operation	Proportion of Shares held
Brickshield Limited	Dormant	England	100% Ordinary £1
Bleepa Limited	Dormant	England	100% Ordinary £2
Feedback Medical Limited	Medical Imaging	England	100% A Ordinary £1 100% B Ordinary 1p
Feedback Medical India Private Limited	Medical Imaging	India	Direct 0.1% and Indirect 99.9% Ownership 100% Ordinary INR 10
TexRAD Limited	Medical Imaging	England	100% Ordinary 1p

All the subsidiary companies have been included in these consolidated financial statements.

TexRAD Limited is owned 100% by virtue of a direct holding by Feedback plc of 91% and an indirect holding via Feedback Medical Ltd of 9%.

Feedback Medical India Private Limited is owned 100% by virtue of a direct holding by Feedback Plc of 0.1% and an indirect holding via Feedback Medical Ltd of 99.9%. Its registered office address is Shop G 183, Ground Floor, Raghuleela, Mega Mall, SV Road, Kandivali West, Mumbai, Mumbai City, Maharashtra, India, 400067. The statutory year end for Feedback Medical India Private Limited is 31 March.

Each of the other subsidiary's registered office address is 201 Temple Chambers, 3-7 Temple Avenue, London, England, United Kingdom, EC4Y 0DT.

In accordance with section 394A of the Companies Act 2006, a company is exempt from preparing individual accounts for a financial year. This section 394A of the Companies Act 2006 applies to Brickshield Limited (company registration number 06514313) and Bleepa Limited (company registration number 12118570).

13. Property, plant and equipment

Group	Computer Equipment £	Total £
Cost		
At 31 May 2022	51,955	51,955
Additions	19,083	19,083

At 31 May 2023	71,038	71,038
Additions	12,506	12,506
As 31 May 2024	83,544	83,544
As 31 May 2024	83,544	83,544
Depreciation		
At 31 May 2022	43,588	43,588
Charge for the year	12,541	12,541
At 31 May 2023	56,129	56,129
Charge for the year	14,422	14,422
At 31 May 2024	70,551	70,551
Net Book Value		
At 31 May 2024	12,993	12,993
At 31 May 2022	14,909	14,909

14. Intangible assets

	Software development	Customer relationships	Intellectual Property	Goodwill	Total
	£	£	£	£	£
Cost					
At 31 May 2022	4,405,073	100,000	197,852	271,415	4,974,340
Additions	1,225,619	-	-	-	1,225,619
At 31 May 2023	5,630,692	100,000	197,852	271,415	6,199,959
Additions	1,293,342	-	6,976	-	1,300,318
At 31 May 2024	6,924,034	100,000	204,828	271,415	7,500,277
At 31 May 2022	1,170,729	100,000	143,385	271,415	1,685,529
Amortisation charge for year	781,394	-	15,395	-	796,789
Impairment	-		6,695		6,695
At 31 May 2023	1,952,123	100,000	165,475	271,415	2,489,013
Amortisation charge for year	932,383	-	10,745	-	943,128
At 31 May 2024	2,884,506	100,000	176,220	271,415	3,432,141
Net Book Value					
At 31 May 2024	4,039,528	-	28,608	-	4,068,136
At 31 May 2023	3,678,569	-	32,377	-	3,710,946

15. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Amounts falling due within one year				
Trade receivables	1,110	130,824	-	-
Other receivables	10,601	12,795	9,868	12,563
Prepayments	59,720	81,683	33,715	44,601
Accrued Revenue	10,210	-	-	-
	81,641	225,302	43,583	57,164

16. Trade and other payables

	Group		Company	
	2024	2023	**2024**	2023
	£	£	£	£
Amounts falling due within one year				
Trade payables	179,755	63,670	9,654	17,494
Other payables	21,412	18,073	-	-
Other taxes and social security	98,394	146,745	18,503	17,011
Accruals	178,163	185,913	57,123	53,275
Contract liabilities	216,456	441,048	-	-
	694,180	855,449	85,280	87,780

Neither the Group or the Company have any borrowings and so there are no changes in liabilities arising from external financing activities.

17. Financial instruments

The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

The Group's financial instruments comprise cash and cash equivalents and various items such as trade payables and receivables that arise directly from its operations. The Group is exposed through its operations to the following financial risks:

- Credit risk
- Foreign currency risk
- Liquidity risk
- Cash flow interest rate risk
- Reliance on one major customer

Fair value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The share options and warrants issued by the group during prior years were valued under level three above as noted in note 18 below.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks and consequently the objectives, policies and processes are unchanged from the previous period.

The Board has overall responsibility for the determination of the Group's risk management policies. The objective of the Board is to set policies that seek to reduce the risk as far as possible without unduly affecting the Group's competitiveness and effectiveness. Further details of these policies are set out below:

Credit risk

The Group is exposed to credit risk primarily on its trade receivables, which are spread over a range of countries, a factor that helps to dilute the concentration of the risk. Group policy, implemented locally, is to assess the credit risk of each new customer before entering into binding contracts. Each customer account is then reviewed on an ongoing basis (at least once a year) based on available information and payment history.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables. The provision for credit losses on trade receivables is based on an expected credit loss model that calculates the expected loss applicable to the receivable balance over its lifetime.

Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying lifetime historical credit loss experience to the trade receivables. An additional provision for credit loss of £Nil has been recognised during the year (2023: £15,401) for trade receivables measured at an amount equal to lifetime expected credit losses.

The Group holds no collateral. It has a minimal risk policy with funds held following fund raises so it holds the vast majority of its cash with mainstream UK banks.

The Group's customers were primarily the NHS in 2024, for which the risk of default has been assessed to be immaterial.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2024	2023	2024	2023
	£	£	£	£
Trade and other receivables	81,641	225,302	43,583	57,164
Loans to subsidiary companies	-	-	3,132,873	393,170
Cash and cash equivalents	3,877,503	7,317,534	3,828,092	6,974,028
	3,959,144	7,542,836	7,004,548	7,424,362

All financial assets mention in the above table are measured at amortised cost.

The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The group's financial assets comprise of trade and other receivables and cash and cash equivalents. Trade receivables are measured at amortised cost and are carried at the original invoice amount less allowances for expected credit losses.

Analysis of trade receivables

	Total	Current	30 days past due	60 days past due	90 days past due
	£	£	£	£	£
Group					
2024	1,110	-	1,110	-	-
2023	130,824	2,640	-	128,184	-
Company					
2024	-	-	-	-	-
2023	-	-	-	-	-

Foreign currency risk

Foreign exchange transaction risk arises when the Group enters into transactions denominated in a currency other than the functional currency.

Foreign currency amounts generated from trading are converted back to sterling and required foreign currency amounts for suppliers will be converted from sterling and the use of forward currency contracts is considered. However, the Group does not currently use any forward contracts.

The Group's main foreign currency risk is the short-term risk associated with accounts receivable and payable denominated in currencies that are not the subsidiaries' functional currency. The risk arises on the difference in the exchange rate between the time invoices were raised/received and the time invoices were settled/paid.

The following table shows the net assets, stated in pounds sterling, exposed to exchange rate risk that the Group and Company had at 31 May 2024.

	2024	2023	2024	2023
	£	£	£	£
Trade Receivables	-	-	-	-

As at 31 May 2024 £Nil (2023: £Nil) of Feedback Medical's net trade receivables are denominated in foreign currency. A 5% increase/fall in exchange rates would lead to a profit/loss of £Nil (2023: £Nil).
The Directors do generally consider it necessary to enter into derivative financial instruments to manage the exchange risk arising from its operations. However, from time to time where the Directors consider foreign currencies are weak and it is known that there would be a requirement to purchase those currencies, forward arrangements may be entered into. There were no outstanding forward currency arrangements as at 31 May 2024 or as at 31 May 2023.
Liquidity risk
Cash flow forecasting is performed for both the Group and in the operating entities of the Group. Rolling forecasts of the Group's liquidity requirements are monitored to ensure it has sufficient cash to meet

forecasts of the Group's liquidity requirements are monitored to ensure it has sufficient cash to meet operational needs.

Financial liabilities measured at amortised cost

	Group		Company	
	2024	**2023**	**2024**	**2023**
	£	**£**		
Trade and other payables	201,167	81,743	9,654	17,494

The following are maturities of financial liabilities, including estimated contracted interest payments.

	Carrying amount £	Contractual cash flow £	6 months or less £
Group			
2024	201,167	201,167	201,167
2023	81,743	81,743	81,743
Company			
2024	9,654	9,654	9,654
2023	17,494	17,494	17,494

Cash flow interest rate risk

The Group presently has no substantial interest rate risk exposure.

Capital under management

The Group considers its capital to comprise its ordinary share capital, share premium, capital reserve, and accumulated retained earnings.

The Group's objectives when managing the capital are:

- To safeguard the Group's ability to remain a going concern.
- To maximise returns for shareholders in order to meet capital requirements and appropriately adjust the capital structure, the Group may issue new shares, dispose of assets to pay down debt, return capital to shareholders and vary dividend payments.

There have been no changes to the group's capital management objectives in the year, and there have been no changes to the group's exposure to financial instrument risk in the year.

18. Share capital and reserves

Allotted, called up and fully paid ordinary shares:	2024	2023
	Number	**Number**
As at start of period (01 June)	13,334,659	2,666,931,677
200:1 Share consolidation (see note below)	-	(2,653,597,018)
As at end of period (31 May)	13,334,659	13,334,659

During 2023, a 200:1 share consolidation occurred whereby existing ordinary shares of £0.0025 nominal value each were consolidated into new ordinary shares of £0.50 nominal value each.

Share Options

Share options are granted to directors and employees. Options are conditional on the employee completing a specific length of service (the vesting period). The options are exercisable from the end of the vesting period and lapse after ten years after the grant date. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

During the year, the Company had the following share options in issue:

Grant Date	No. options as at 31 May 2023	Granted in year	Lapsed in year	No. options as at 31 May 2024	Exercise price (pence)	Exercisable period
21 May 14[(1)]	12,000	-	12,000	-	250	21 May 15 - 19 May 24
21 May 14[(1)]	20,000	-	20,000	-	600	21 May 15 - 19 May 24
21 May 14[(1)]	20,000	-	20,000	-	1,000	21 May 15 - 19 May 24
26 June 18[(3)]	14,000	-	-	14,000	372	01 March 19 - 26 June 28
09 April 19[(2)]	46,660	-	-	46,660	218	09 April 19 - 09 April 29
23 April 20[(4)]	75,000	-	-	75,000	240	01 June 20 - 24 April 30
06 August	67,493	-	-	67,493	240	06 August 20 - 06 August

20[5]						30
23 February 22[6]	726,184	-	2,432	723,752	140	31 May 22 - 31 May 30
23 February 22[7]	83,859	-	-	83,859	140	23 February 23 - 23 February 32
28 May 24[8]	-	49,188	-	49,188	140	31 May 25 - 31 May 32
28 May 24[9]	-	17,538	-	17,538	140	31 May 25 - 31 May 32
	1,065,196	**66,726**	**54,432**	**1,077,490**		

1. Options vest in full on the anniversary of the date of grant
2. Options vest immediately upon date of grant.
3. Options vest in full on 01 March 19.
4. Options vest over three years as to one-third on 01 June 20, one-third on 01 June 21, and one-third on 01 June 22
5. Options vest over three years as to one-third on 06 August 20, one-third on 06 August 21, and one-third on 06 August 22
6. Options vest based on share price performance conditions as to one- third when the 60 day weighted average share price reaches 240p at any time during the period from 31 May 2022 to 31 May 2025, one- third when the 60 day weighted average share price reaches 372p at any time during the period from 31 May 2023 to 31 May 2025, and one- third when the 60 day weighted average share price reaches 600p at any time during the period from 31 May 2024 to 31 May 2025
7. Options vest over three years as to one-third on the first anniversary of the date of grant, one-third on the second anniversary of the date of grant, and one-third on the third anniversary of the date of grant
8. Options vest based on share price performance conditions - first third when SP hits 240p (from 31/05/25 onwards), 2nd third when share price hits 372p (from 31/05/26 onwards) and final third when share price hits 600p (from 31/05/27 onwards)
9. 50% of Options vest based on share price performance conditions - first third when SP hits 240p (from 31/05/25 onwards), 2nd third when share price hits 372p (from 31/05/26 onwards) and final third when share price hits 600p (from 31/05/27 onwards). 50% of Options vest over three years - of which: one-third in May 2025, one-third in May 2026 and one-third in May 2027.

For the options granted by the parent company to directors and employees on 28 May 2024 with no performance conditions, the following assumptions were made for valuation purposes using the Black-Scholes option pricing model:

- Risk-free rate: 4.54% based on the five-year UK gilt
- Expected volatility: 60% based on Medical Services sector as published in the Risk Measurement Service, London Business School manual (65%) and Feedback's volatility over the last three years before the grant date (58%)
- Expected life: Four years
- Share price at time of grant: £0.69
- Estimated fair value of each option at measurement date: £0.21

For the options granted by the parent company to directors and employees on 28 May 2024 with share price performance conditions, the following assumptions were made for valuation purposes using the Monte Carlo option Pricing Model:

- Risk-free rate: 4.54% based on the five-year UK gilt
- Expected volatility: 60% based on Medical Services sector as published in the Risk Measurement Service, London Business School manual (65%) and Feedback's volatility over the last three years before the grant date (58%)
- Expected life: 4.5 years
- Estimated fair value of each option at measurement date: £0.10

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year:

	Number		**Weighted average exercise price**	
	2024	**2023**	**2024**	**2023**
			Pence	**Pence**
Outstanding at 01 June	1,065,196	1,086,696	186	189

Granted in year	66,726	-	-	-
Lapsed in year	54,432	21,500	649	326
Outstanding at 31 May	1,077,490	1,065,196	160	186

Warrants

Warrants were issued to the vendors of TexRAD Limited at the time of acquisition. The warrants are exercisable from the end of the vesting period and lapse ten years after the grant date. The Group has no legal or constructive obligation to repurchase or settle the warrants in cash.

At 31 May 2023	Granted	Expired	At 31 May 2024	Exercise price (pence)	Exercisable period
21,000	-	21,000	-	250	19/05/16 to 19/05/24
91,000	-	91,000	-	600	19/05/17 to 19/05/24
112,000	-	112,000	-		

There are no outstanding warrants at the end of 31 May 2024 with opening outstanding warrants expiring on the 19th May 2024.

Reserves

The nature and purpose of each reserve within equity is as follows:

Share premium	• Amount subscribed for share capital in excess of nominal value
Capital reserve	• Reserve on consolidation of subsidiaries
Translation reserve	• Gains and losses on the translation of overseas operations into GBP
Retained earnings	• All other net gains and losses and transactions with owners not recognised elsewhere
Share Option Reserve	• Fair value of share options issued

19. Pensions

The Company operated a defined contribution scheme during the year and the assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable and amounted to £225,800 (2023: £179,160). A balance of £20,986 (2023: £17,084) was payable at the year end.

20. Related party transactions

Key management personnel

Details of Directors' remuneration for the year ended 31 May 2024 and the prior year ended 31 May 2023 are set out in the Remuneration Committee report.

Management fee from Company to subsidiaries

Feedback Plc invoiced Feedback Medical Limited £401,282 for the management fee related to 2024 (2023: £359,716), with a balance of £3,123,497 being receivable as at the year end. Feedback Plc invoiced Texrad Limited £6,888 for the management fee related to 2024 (2023: £34,806), with a balance of £10,846 being receivable as at the year end.

The Directors interests in shares of the Company are contained in the Directors' Report.

21. Post balance sheet events

On 04 November 2024 the Company will announce a placing by way of an accelerated bookbuild with closing of the placing expected on the same day and a subscription of new ordinary shares to raise approximately £5.2m (before expenses). In addition, on 04 November 2024 the Company will announce its intention to launch a retail offer to qualifying retail investors in the UK to raise a further up to £1.0m (before expenses). Subject to closing, the placing, subscription and retail offer is conditional on shareholder approval at the forthcoming annual general meeting.

22. Ultimate controlling party

There is no ultimate controlling party.

[1] "Sales" is non-IFRS metric representing the total customer contract value invoiced in a period. The figure does not take account of accrued or deferred income adjustments that are required to comply with accounting standards for revenue recognition across the life of a customer contract (typically 12 months).

[2] Based on 66,000 patients per year per ICB (which assumes a 30% conversion rate of an indicative ICB) and a target payment share to Feedback of £34 per patient.

[3] Based on the median first outpatient attendance unit price from the 2023/25 NHS Payment Scheme.

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