

**Induction Healthcare Group PLC**  
("Induction", the "Company", or the "Group")

**Unaudited Interim Results**  
**for the six months ended 30 September 2024**

Induction (AIM: INHC), a leading digital health platform driving transformation of healthcare systems, announces its unaudited interim results for the six months ended 30 September 2024.

The Company's growth continues to be driven by the Zesty portal, evidenced by recent wins and growing ARR. Notwithstanding, the first half of the year was impacted by the early election call which caused some contracts to be paused. The new government's emphasis on digital health investments, in addition to recent new business generation, provide a basis for the Company to return to material growth.

**Financial Highlights**

- Revenues of £5.4m (H1 FY24: £6.1m)
- Gross margin improvement to 78.2% (H1 FY24: 75.0%)
- Adjusted EBITDA Loss of £0.9m (H1 FY24: Loss £0.01m)
- Operating loss increased to (£3.2m) (H1 FY24: (£2.4m))
- Cash position £3.1m (FY24 YE: £3.7m).

**Operational Highlights**

- 51% increase in Zesty portal revenue compared to H1 FY24.
- 5 Zesty portal deployments in progress, bringing the total number of Zesty portal Trusts to 23.
- 7 Trusts contracted for Zesty portal deployment or major upgrade in FY26 & FY27, generating £0.7m new ARR.
- 3.9 million patients can now access Zesty portal via the NHS App, up from 2.5 million 1 year ago.
- Attend Anywhere revenue down £1.1m compared to H1 FY24 with shift to utilisation-based contracts.
- Lower revenue in H1 FY25 accounts for higher losses as expenditures remain flat.
- Completed substantial engineering project to replace Attend Anywhere call screen with Amazon Chime which will generate £0.4m annual savings.
- Sold Horizon Strategic Partners Limited for £1.2 million.
- NHS Wales extension to 31 March 2025 for £0.5m.
  - From April 2025, each Health Board will procure separately, although negotiations are underway nationally to fund language and hosting requirements.
  - One Health Board already secured on a 2-year contract with active engagement with the other six Health Boards.

**Post Period End Highlights**

- Secured £1.5m contract to digitise diagnostic referrals and bookings in North Central London ICS which will contribute to higher group revenue in H2.

Paul Tambeau, CEO of Induction Healthcare, said: *"The Zesty portal continues to be our growth engine, with revenues up 51% compared to the same period last year. We also secured several new Zesty portal wins which will unseat our main competitors over the next two years. However, our plan for this year was negatively impacted by the early election as we had a number of contracts due to be completed in Q1 paused. With Labour's emphasis on reducing the elective waiting backlog, investment in the NHS App, and encouraging patients to take more control*

*reducing the elective recovery backlog, investing in the NHS App, and empowering patients to take more control over their health, Induction is in the right place at the right time to capitalise on growth. Our recent win in North Central London, along with upcoming pilot projects in cancer surveillance and smart uses of AI, provides a basis for Induction to get back onto a growth trajectory next year. We continue to manage cash carefully with no requirement for immediate funding."*

## Enquiries

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## About Induction - [www.inductionhealthcare.com](http://www.inductionhealthcare.com)

Induction (AIM: INHC) Induction delivers a suite of software solutions that transforms care delivery and the patient journey through hospital. Our system-wide applications help healthcare providers and administrators to deliver care at any stage remotely as well as face-to-face - giving the communities they serve greater flexibility, control and ease of access. Purpose-built for integration with leading Electronic Medical Record (EMR) platforms, our products offer immediate stand-alone value that becomes even greater when integrated with pre-existing systems. Used at scale by national and regional healthcare systems, as well non-health government services, our applications are relied upon by hundreds of thousands of clinicians and millions of patients across almost every hospital in the British Isles.

## CEO Review

### Overview

Over the last six months, we have been focused on implementing our FY25 plan that was based on four goals:

1. To be a profitable business whilst building new revenue streams that will accelerate growth into the future
2. To continue innovating and integrating our product suite in a way that is validated by our customers and supports the delivery of our revenue plans
3. To be customer centric and commercial in everything we do
4. To implement and continuously develop an inclusive, performance driven and rewarding employee experience

I am pleased to say that we are making progress on all four of these goals.

We have been successful in growing Zesty portal revenue and building new revenue streams by 51% to £2.0m (H1 FY24: £1.4m). We secured 5 new Zesty portal wins since 1 April 2024 worth £0.5m ARR which will go live in FY26 & FY27 and we are due to go live in our first Community & Mental Health Trust shortly. Over the last year we have incorporated a number of new features into Zesty portal and these are well received by both new and existing customers. Furthermore, we see increased interest for Zesty portal in the private health care market.

These successes have been subdued by the political environment. In particular, the call for an earlier than expected election caused a number of contracts, which were due to be completed in Q1, to be paused. However, the increased focus by the new administration on healthcare spend in general and particularly on digitisation as a means of increasing efficiency, patient throughput and outcomes will benefit us in the medium term.

The team have continued to implement changes to our cloud infrastructure to generate additional savings. Our work to overhaul the Attend Anywhere call screen with Amazon Chime will further improve margin as well as deliver a better user experience for patients and clinicians. It also enhances our flexibility for the future design and build of customer-focused product enhancements.

focused product enhancements.

With the divestment of Guidance, the business is now focused on our core products and markets. We're aligning the business to deliver on the next phase of patient engagement platforms by digitising entire pathways and enabling regions to efficiently manage high-risk patients, like those who are being monitored for cancer. We consider the total addressable market for digitising pathways to be material, and we are well placed to capitalise on this opportunity. North Central London represents our first foray into this strategic space.

We're also investing in our people and working to improve our collaborative culture. Employee NPS score is now +6, having improved 29 points over the last year.

#### Financial Overview

We ended the first half of this year with £5.4m in recognised revenue (including £0.2m relating to the Guidance platform which was earned prior to its sale) down from a total group income £6.1m over the same period last year (which included £0.3m relating to Guidance).

The number of our Attend Anywhere contract renewals held steady, however, price competition drove income down to £3.2m (H1 FY24: £4.3m). Note: Income from the Guidance product, which was sold during the period (see note 5 - Discontinued operations) is disclosed separately as an asset and is not reported in the P&L.

Gross margin in H1 improved to 78.2% compared to 75.0% in the same period last year as a result of continued rationalisation of the direct cost base including cloud infrastructure.

Our operating loss after depreciation and amortisation increased to £3.2m (H1 FY24: Loss £2.4m). While contribution from our Zesty portal increased period on period by £0.5m. The increased operating loss reflects the fall in contribution from Attend Anywhere of £0.8m, plus one-time, non-cash administrative expenses (£0.3m) and one-time termination and professional costs relating to the business divestment (£0.2m).

On an adjusted EBITDA position, after accounting for non-recurring, non-cash items we ended H1 with an adjusted Ebitda loss of £0.9m (H1 FY24: Loss £0.01m). This translated into an H1 period end cash position of £3.1m (FY24 YE: £3.7m).

#### Outlook

The new Labour government has made reducing the elective recovery backlog a major priority for the NHS as 6.3m patients are still waiting for an appointment. The recent budget invested billions of pounds to add 40,000 new appointments per week and technology will be a key enabler to manage that extra capacity. The government has also targeted £2bn for technology investments in the NHS which will include giving patients greater access to their information and greater control of their experience through the NHS App. Induction has been working with the NHS to integrate our solutions into the NHS App and we believe we are well positioned to drive new growth through these investments.

The government is investing in community diagnostic centres so that patients can get into treatment sooner. Our recent win in North Central London, and the associated technology that we are developing to digitise diagnostic referrals and appointments, positions Induction well to generate new regional wins as we can connect hospitals with diagnostic centres.

The government and clinicians alike emphasise the importance of diagnosing patients who have cancer sooner. Our platform has the capability to manage patients on a cancer pathway by sending them notifications to complete a form or book an appointment as part of a surveillance program. The platform integrates these capabilities with video appointments so that patients don't have to travel for routine follow-ups. We are in the final stages of contract negotiations for a cancer surveillance pilot project which, if successful, will unlock new revenue streams for Induction.

While the competitive threat of Microsoft Teams and other solutions remains, our team has done a good job of communicating the value and fit-for-healthcare nature of our video appointments solution and the erosion of our share has been lower than anticipated. However, we expect some revenue churn in Attend Anywhere as Wales moves from a national contract to each Health Board procuring their video solution with pricing commensurate with their utilisation. We also expect this loss to be made up by a new large contract that we expect to announce before the

end of the financial year. We're also gaining traction within the private market, having just secured a new Attend Anywhere contract in the occupational health sector

Despite FY25 seeing lower revenue than the previous year, we are very well positioned to capitalise on the new Labour government's priorities and expect to generate new growth from FY26 and beyond.

#### Induction Healthcare Group Plc

#### Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended 30 September 2024

		30 September 2024 Unaudited £'000	30 September 2023 Unaudited £'000
	Note		
<b>Revenue from contracts with customers</b>	2	5,189	6,057
Cost of sales		(1,132)	(1,514)
<b>Gross Profit</b>		<b>4,057</b>	<b>4,543</b>
Sales and marketing expenses	3	(552)	(578)
Development expenses	3	(4,407)	(4,652)
Administrative expenses	3	(2,332)	(1,731)
<b>Operating loss</b>		<b>(3,234)</b>	<b>(2,418)</b>
Finance Costs		(1)	(2)
Finance Income		83	2
<b>Loss before tax</b>		<b>(3,152)</b>	<b>(2,418)</b>
Taxation		525	-
<b>Loss for the period from continuing operations</b>		<b>(2,627)</b>	<b>(2,418)</b>
(Loss) / Profit from discontinued operations, net of tax	5	(226)	755
Gain on sale of disposal group		525	-
<b>Loss for the period</b>		<b>(2,328)</b>	<b>(1,663)</b>
<b>Loss per share from operations</b>			
- Basic	4	(0.03)	(0.03)
- Diluted	4	(0.03)	(0.03)

#### Induction Healthcare Group Plc

#### Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended 30 September 2024

		30 September 2024 Unaudited £'000	30 September 2023 Unaudited £'000
	Note		
<b>Loss for the period</b>		<b>(2,328)</b>	<b>(1,663)</b>

#### Other comprehensive income

Items that may be reclassified to profit or loss

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Foreign currency translation differences	63	(394)
Reclassified to profit and loss during the period	-	162
<b>Other comprehensive income for the financial period</b>	<b>63</b>	<b>(232)</b>
<b>Total comprehensive loss for the financial period</b>	<b>(2,265)</b>	<b>(1,895)</b>

## Induction Healthcare Group Plc

### Condensed Consolidated Statement of Financial Position

As at 30 September 2024

		30 September 2024 Unaudited £'000	31 March 2024 Audited £'000
	Note		
<b>Non-current assets</b>			
Goodwill		10,264	10,264
Intangible Assets		9,269	11,162
Property, Plant and Equipment		5	6
Deferred tax assets		382	501
<b>Total non-current assets</b>		<b>19,920</b>	<b>21,933</b>
<b>Current assets</b>			
Trade and other receivables	6	1,229	3,758
Contract Assets		1,997	1,366
Current tax receivable		-	814
Cash and cash equivalents		3,131	3,690
Convertible loan		816	-
Assets held for sale		-	1,813
<b>Total current assets</b>		<b>7,173</b>	<b>11,441</b>
<b>Total assets</b>		<b>27,093</b>	<b>33,374</b>
<b>Non-current liabilities</b>			
Contract liabilities		(1,121)	(3,920)
Deferred tax liabilities		(2,812)	(2,831)
<b>Total non-current liabilities</b>		<b>(3,933)</b>	<b>(6,751)</b>
<b>Current liabilities</b>			
Trade and other payables	7	(1,696)	(3,571)
Contract liabilities		(3,251)	(1,702)
Liabilities associated with assets held for sale		-	(913)
Other financial liabilities		(23)	(57)
<b>Total current liabilities</b>		<b>(4,970)</b>	<b>(6,243)</b>
<b>Total liabilities</b>		<b>(8,903)</b>	<b>(12,994)</b>
<b>Net assets/(liabilities)</b>		<b>18,190</b>	<b>20,380</b>
<b>Equity attributable to equity holders of the parent</b>			
Share capital		469	469
Share premium		41,976	41,976
Merger reserve		(1,043)	(1,106)
Translation reserve		1,641	1,566
Other reserves		20,205	20,205
Accumulated deficit		(45,058)	(42,730)
<b>Total equity</b>		<b>18,190</b>	<b>20,380</b>

Induction Healthcare Group Plc  
Condensed Consolidated Statement of Changes in Equity  
For the six months ended 30 September 2024

	Share Capital £'000	Share Premium £'000	Translation reserve £'000	Other reserve £'000	Mer res £
Balance at 1 April 2024	469	41,976	(1,106)	1,566	20,
<b>Total comprehensive loss for the period</b>					
Loss for the period	-	-	-	-	
Other comprehensive loss for the period	-	-	63	-	
<b>Total comprehensive loss for the period</b>	-	-	63	-	
<b>Transactions with owners, in their capacity as owners</b>					
Equity-settled share-based payments	-	-	-	75	
<b>Total contributions by and distributions to owners</b>	-	-	-	75	
<b>Balance at 30 September 2024</b>	<b>469</b>	<b>41,976</b>	<b>(1,043)</b>	<b>1,641</b>	<b>20,</b>

Induction Healthcare Group Plc  
Condensed Consolidated Statement of Cash Flows  
For the six months ended 30 September 2024

		For the period ended 30 September 2024 £'000	For the period ended 30 September 2023 £'000	For the year ended 31 March 2024 £'000
	Note			
<b>Cash flows from operating activities</b>				
Loss for the financial period		(2,328)	(1,663)	(3,257)
<i>Adjustments for:</i>				
Depreciation		1	1	2
Amortisation		2,274	2,150	4,029
Finance costs		1	2	11
Finance income		(83)	(2)	(6)
Share-based payment expense		75	199	299
Net foreign exchange gain		-	-	(180)
Taxation		20	-	(962)
Gain on sale of discontinued operations, net of tax		(525)	(750)	(750)
		<b>1,763</b>	<b>1,600</b>	<b>2,443</b>
Decrease / (increase) in trade and other receivables and contract assets	6	1,968	146	(1,224)
(Decrease) / increase in trade and other payables and contract liabilities	7	(3,202)	(1,731)	591
(Decrease) in provisions		(19)	(503)	-
Interest received		67	2	6

Interest paid	(1)	(2)	(11)
Income taxes received	814	365	365
<b>Net cash generated from / (used in) operating activities</b>	<b>(938)</b>	<b>(1,786)</b>	<b>(1,087)</b>
<b>Cash flows from investing activities</b>			
Disposal of discontinued operations, net of cash	400	750	750
Acquisition of intangible assets	(47)	-	-
Payment of Software development costs	-	-	(329)
<b>Net cash from investing activities</b>	<b>353</b>	<b>750</b>	<b>421</b>
<b>Cash flow from financial activities</b>			
Payment of lease liabilities	(34)	(33)	(70)
Issue of ordinary shares	-	-	7
<b>Net cash from financing activities</b>	<b>(34)</b>	<b>(33)</b>	<b>(63)</b>

## Induction Healthcare

### Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024 (continued)

	For the period ended 30 September 2024	For the period ended 30 September 2023	For the year ended 31 March 2024
Note	£'000	£'000	£'000
<b>Net increase in cash equivalents</b>	<b>(619)</b>	<b>(1,069)</b>	<b>(729)</b>
Cash and cash equivalents at the beginning of the financial period	3,690	4,287	4,287
Effects of exchange rate changes on cash and cash equivalents	60	(163)	132
<b>Cash and cash equivalents at the end of the financial period</b>	<b>3,131</b>	<b>3,055</b>	<b>3,690</b>

## Notes to the Condensed Consolidated Interim Financial Statements

### 1. Accounting Policies

#### 1.1. Reporting entity

Induction Healthcare Group PLC ("Induction", the "Group" or the "Company") is publicly listed on the AIM market of the London Stock Exchange ("LSE"), and incorporated, domiciled and registered in the United Kingdom. The registered number is 11852026 and the registered address is C/O Pinsent Masons 30 Crown Place, Earl Street, London, England, EC2A 4ES.

#### 1.2. Basis of preparation

These interim financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards ("Adopted IFRSs"). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the most recent annual consolidated financial information included in the annual report and accounts as of and for the year ended 31 March 2024.

The accounting policies applied are consistent with those applied in the most recent consolidated annual report and accounts for the year ended 31 March 2024, which are available on the Company's website at [www.inductionhealthcare.com](http://www.inductionhealthcare.com) under "Investors - Financial Reports & Publications"

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtained control and continue to be consolidated until the date when such control ceases. The financial

obtained control and continue to be consolidated until the date when such control ceases. The financial information of the subsidiaries is prepared for the same reporting period as the Group, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, the assets and liabilities are derecognised along with any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

These interim condensed consolidated financial statements are unaudited and were approved by the Board of Directors and authorised for issue on 5<sup>th</sup> November 2024 and are available on the Company's website at [www.inductionhealthcare.com](http://www.inductionhealthcare.com) under "Investors - Financial Reports & Publications".

## 2. Revenue

### *Revenue by performance obligations*

	Period to 30 September 2024	Period to 30 September 2023
	£'000	£'000
Provision of software	3,939	5,221
Post-contract support and maintenance	225	165
Set-up services	75	169
Professional services	513	225
Text message revenue	437	277
<b>Total revenue from contracts with customers</b>	<b>5,189</b>	<b>6,057</b>

## 3. Expenses by nature

	Period to 30 September 2024	Period to 30 September 2023
	£'000	£'000
Employee benefit expense	3,675	3,686
Contractors	780	814
Amortisation of intangible assets	1,944	2,150
Depreciation of property, plant and equipment	1	1
Professional and legal fees	155	48

## 4. Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.



The following table reflects the income and share data used in the basic and diluted EPS calculations:

**Loss attributable to ordinary shares (basic and diluted)**

	Period to 30 September 2024 £'000	Period to 30 September 2023 £'000
Loss attributable to ordinary shares used in calculating basic loss per share and diluted loss per share		
Loss from continuing operations	(2,627)	(2,418)
(Loss) / Profit from discontinued operations	(266)	755
Gain on sale of disposal Group	525	-
	<b>(2,328)</b>	<b>(1,663)</b>

**Weighted average number of ordinary shares (basic and diluted)**

	Period to 30 September 2024	Period to 30 September 2023
Shares in issue on 1 April	<b>93,849,376</b>	<b>92,380,300</b>
Weighted-average number of ordinary shares	<b>93,849,376</b>	<b>92,380,300</b>
Basic loss per share from continuing operations	(0.03)	(0.03)
<b>Total basic loss per share</b>	<b>(0.03)</b>	<b>(0.03)</b>
Diluted loss per share from continuing operations	(0.03)	(0.03)
<b>Total diluted loss per share</b>	<b>(0.03)</b>	<b>(0.03)</b>

**5. Discontinued operations**

On 1 July 2024 the Company disposed of its wholly owned subsidiary, Horizon Strategic Partners Limited, for consideration of £1.2 million, consisting of a £0.8m loan issue and £0.4m in Cash.

	30 September 2024 £'000
Revenue	186
Cost of Sales	-
<b>Gross profit/(loss)</b>	<b>186</b>
Operating expenses	(82)
Impairment	(330)
<b>Net operating loss</b>	<b>(226)</b>
Finance income	-
Finance costs	-
<b>Loss before tax from discontinued operations</b>	<b>(226)</b>
Tax	-
<b>Loss for the period from discontinued operations</b>	<b>(226)</b>

The net cash flows incurred by discontinued operations are as follows:

	<b>30 September 2024 £'000</b>
Operating	(106)
Investing	-
Financing	-
<b>Net cash outflow</b>	<b>(106)</b>

## 6. Trade and other receivables

	<b>30 September 2024 £'000</b>	<b>31 March 2024 £'000</b>
Receivables from third-party customers	930	3,510
Other receivables	103	167
Prepayments	196	81
<b>Total trade and other receivables</b>	<b>1,229</b>	<b>3,758</b>

Trade receivables are non-interest bearing and are generally on terms of 30 days. Included within trade and other receivables is £nil expected to be recovered in more than 12 months.

## 7. Trade and other payables

	<b>30 September 2024 £'000</b>	<b>31 March 2024 £'000</b>
Trade payables	392	1,195
Accruals	810	1,656
Social security and other taxes	438	665
Other payables	56	55
<b>Total trade and other payables</b>	<b>1,696</b>	<b>3,571</b>

All trade and other payables are non-interest bearing and are normally settled on 30-day terms. Included within trade and other payables is £nil expected to be recovered in more than 12 months.

## 8. Significant events after the reporting date

At the end of October the group signed a contract worth £1.5m to transform patient access to diagnostic tests across the North Central London Integrated Care System. (FY24: None).

This project will deliver significant enhancements to Induction's integrated platform which will connect the Royal Free London NHS Foundation Trust, Whittington Health NHS Trust, and their corresponding Community Diagnostics Centres in Wood Green and Finchley.

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