

Connectivity that liberates healthcare

Annual Report and Accounts



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Highlights

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%
- Sales¹ 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
- 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).

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).

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About us

What we do

Our mission is to be the preferred provider of innovative solutions that liberate healthcare customers from the confines of siloed clinical IT systems. These digital solutions will result in greater connectivity across healthcare organisations, faster decisions and more effective patient care.

Our focus

We liberate the data and knowledge hidden in multiple healthcare IT systems and deliver better workflow to enable clinicians to communicate, collaborate and provide the best healthcare decisions for their patients.

Bleepa®, our easy-to-use clinical collaboration platform, connects care settings with diagnostic and other data to drive better, faster, safer decisions that improve outcomes for patients. We streamline patient pathways by linking different clinical systems together into a seamless view of the patient.

We give the team around the patient the communication and clinical data they need, wherever they are. Clinicians can see exactly where their patient is on the journey and easily ensure their exact needs are met.

We are healthcare experts, we create solutions that are right first time and solve real problems – fast. We believe our products are an essential element to facilitate the digital transformation of healthcare, a key priority for the NHS. Our technology allows the service to escape from the traditional limitations of geography and time, by removing the requirement for clinicians and patients to physically meet together or access different systems to obtain the necessary information.

We are able to do this because:

- We have provided medical software for over 20 years, during which time we have processed clinical data for several million patients, including specialist data such as DICOM radiology images, and we have been the trusted partner of multiple hospitals.
- We have the know-how and technical tools required to integrate with any clinical system in any care setting.
- We have the regulatory experience to manufacture software as a medical device, maintaining certification for all relevant International Organization for Standardization (“ISO”) standards and having successfully held CE marks and, most recently, UK Conformity Assessed (“UKCA”) marks for our products.
- We are led by clinicians – both our CEO and Chairman are clinicians with over 60 years of experience between them.
- But most importantly, our products are always developed in collaboration with our NHS partner organisations and their clinicians - they are designed by the intended user.

“You’ve got all the information at your fingertips on the same system. I would recommend Bleepa®. I think it’s been a really good addition... It’s a really easy system to use, and it has certainly helped in smoothing out and making patient care as holistic as possible.”

Dr Anna Haley, Respiratory Registrar, Northern Care Alliance

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About us (continued)

Watch our video² to find out more about how Bleepa® improves patient care

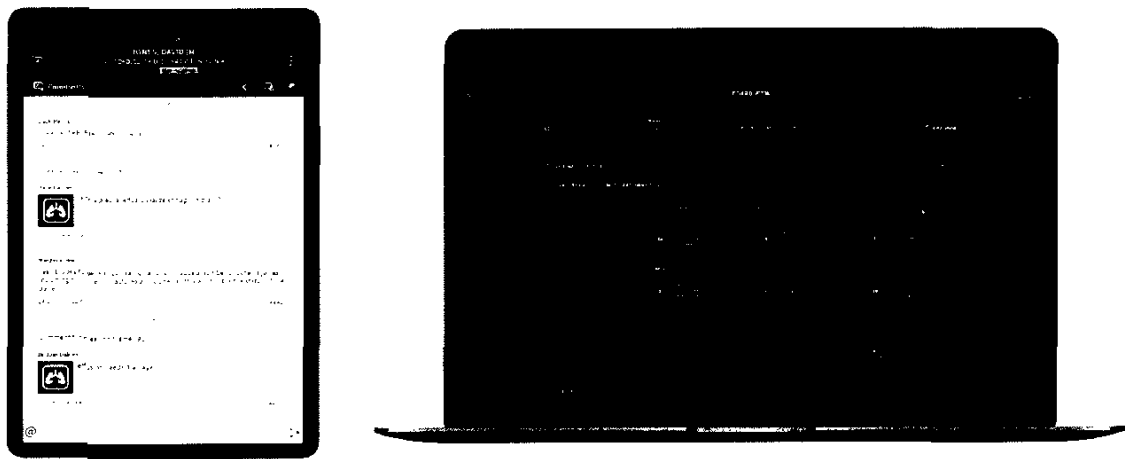
Read our case studies here³

² <https://youtu.be/xz9PQk7zArA>

³ <https://feedbackmedical.com/resources/case-studies/>

About us (continued)

Our products and benefits



Key features

- Creates a common view of a patient's data, securely accessible from any location.
- Provides an asynchronous collaboration environment that allows clinicians to contribute to cases in and around other clinical work, at a time that is convenient for them.
- Bridges the gap between care settings enabling seamless clinical pathway delivery between primary care, secondary care and the community.
- Believed to be the only communication and workflow tool UKCA certified as a medical device for clinical image display
- Dashboard view gives oversight of any patient on any Bleepa® care pathway.
- Auditable capture of all clinical discussions.

What this means for care

- Clinicians can review and discuss cases at any time, from any place; giving greater flexibility and boosting capacity to manage growing caseloads.
- Patients can be reviewed outside of traditional clinical and meeting structures, allowing decisions to be made more rapidly, accelerating their journey.
- Providers are able to run coordinated patient pathways between any care setting with fewer clinicians, whilst ensuring clinical oversight and appropriate use of diagnostic resources.
- Providers can see where all their patients are in a care pathway, at any time and across all care settings. Auditable capture of all clinical discussions.
- Providers can conform with the Care Quality Commission ("CQC") requirement for a single contemporaneous record and GDPR/MDD regulatory requirements.
- Providers can avoid fines from the Information Commissioner's Office for GDPR data breaches using WhatsApp.

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About us (continued)

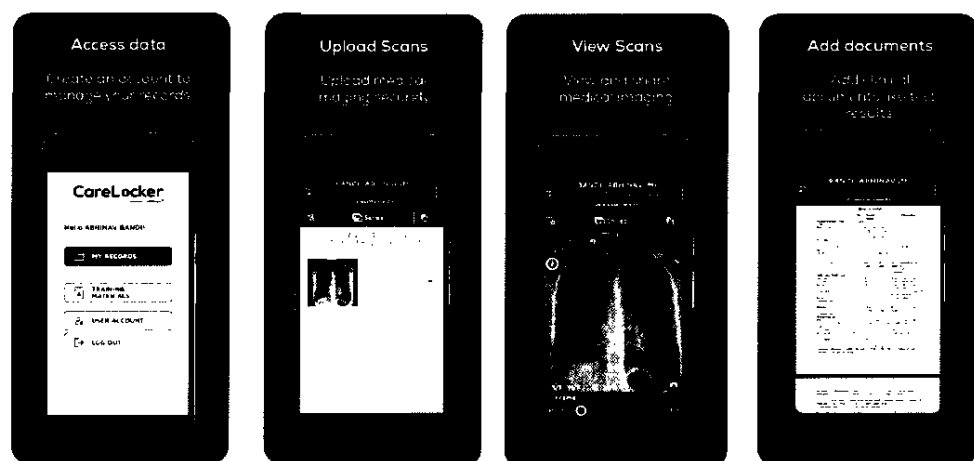
Benefits

Saves time

- 63% reduction in patient wait times compared to national 18-week referral to treatment target.⁴
- 45% reduction in patient wait times from referral to diagnostic test compared to the national target.⁵
- 87% reduction in referral response time at an acute trust customer.⁶
- 74% reduction in time from submission of a referral to first review.⁷

Reduces costs

- Estimated 88% reduction in outpatient appointment requirement which could save in the order of £295 per patient episode.⁸
- Reduction in staff requirements and associated costs – ability to manage a regional/national caseload with a smaller pool of specialists in a timely way
- Reduction in carbon footprint – deliver greener services with our cloud architecture



Key features

- CareLocker® is a patient-facing app that provides secure, easy-to-use management of their imaging from the convenience of their own mobile.
- CareLocker® can be 'white labelled' with the branding of the purchaser or integrated within other health and lifestyle apps for a seamless user experience.
- Patient centric cloud architecture that bridges care settings and follows the patient across provider sites with better scalability, security and auditability.

⁴ Based on data from September 2022 to December 2023 from CDC programme

⁵ Based on data from September 2022 to December 2023 from CDC programme

⁶ Based on data from [Northern Care Alliance evaluation report](#) (respiratory)

⁷ Based on data from [Northern Care Alliance evaluation report](#) (respiratory, cardiology and gastroenterology)

⁸ Based on data from September 2022 to December 2023 from CDC programme

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About us (continued)

Benefits

- Common view: Brings data from different care settings into one place.
- Secure storage: Patient data is stored in individual 'lockers' meaning it is more safe and secure, limiting the risks of cyber security incidents.
- Patient empowerment: Patients can access and add data related to their ongoing care from their own device.
- Clinician access: Patients can invite clinicians to view their healthcare information in the app.



Feedback Connect (formerly BleepaBox) enables imaging-led, point-of-care decision making in previously unreachable or disconnected areas, such as community or rural locations, where remote analysis is needed. It enables smoother transfer of images and other data from anywhere, speeding up access to the information for clinicians and faster treatment decisions for patients.

Key features

- Matches medical images and other data directly to patients
- Transfers Digital Imaging and Communications in Medicine ("DICOM") studies and medical images with a secure, encrypted connection
- A virtual private network (VPN) connection is not required
- Shares images with a 3G/4G/5G wireless connection
- Takes jpg images and creates DICOM compatible files to add to picture archiving communication systems (PACS)

Key value proposition by stakeholder



National

- Connecting infrastructure across all care settings
- Patient choice to attend any location and ability to leverage national specialist teams
- Clinical services based around the patient rather than the care setting
- Option of centralised national data - NOT local site-controlled data storage



Individual trust

- Pager/WhatsApp replacement for compliant communication
- Evidence: 74% reduction in referral response time using Bleepa across NCA**

Cross-provider (CDCs / ICSs)

- Connected patient pathways across provider care settings
 - Flexibility to adopt new care models at a regional level
- Evidence: Approximate 63% reduction in patient wait times compared to 18-week RTT target**

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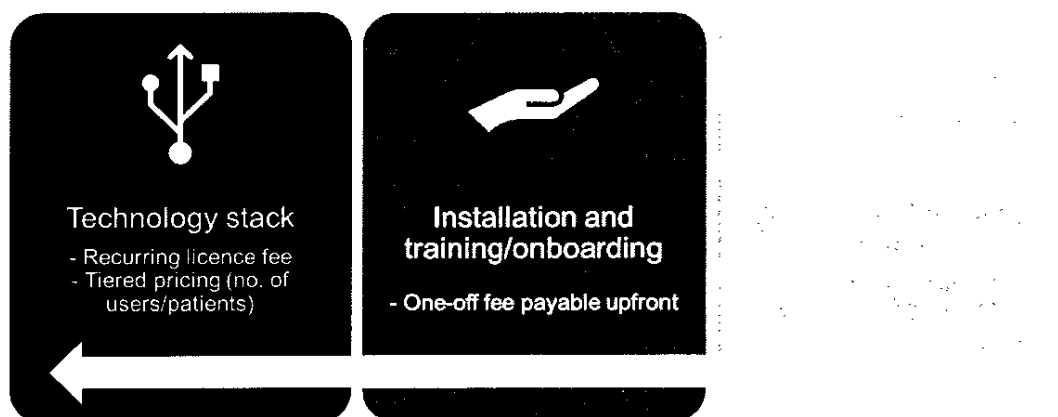
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About us (continued)

Our business model

We licence Bleepa® directly to customers, providing cloud hosting unless the customer wishes to host the service directly, in which case we install the system locally at the customer site. We provide direct deployment and integration support to facilitate a smooth set up of the product and support the customer with user training and onboarding where required (customers typically deliver this themselves using our standard training and user manuals as part of their business as usual processes). Our product support team provides ongoing customer support for the duration of the product licence, which typically does not include user management such as login requests which are managed locally by the customer. Where needed, we facilitate pathway configuration of the platform based on pathways designed by the customer; this is typically included within the setup and installation fee as it is not difficult to configure the system in this way, however, we reserve the right to charge additional fees for this element of setup where it is overly complex, requires the new feature development, or where pathways are not available at the time of setup and need to be retrospectively configured.

Key components sold:



As we increasingly sell via frameworks, we believe contracts will typically be multiyear, as demonstrated by two NHS customers contracting on a three-year basis through the G-Cloud framework.

Recognising value for the customer

Our products drive clinical efficiency; reducing wait times, saving clinician time and releasing value back into the system. Our solutions represent value for money and we believe they can drive significant cash cost savings.

Customer type	Key customer benefits
Primary care	<ul style="list-style-type: none"> - Estimated 74% reduction in referral time - Potential reduction in LOS of 1.6 days, on average - Auditable capture of all clinical discussions - Conform with CQC and regulatory requirements - Flexible working for staff
Specialist care	<ul style="list-style-type: none"> - Estimated 63% reduction in patient wait times - Estimated 89% reduction in outpatient requirement - Flexible working arrangements for staff - Reduction in costs for customers

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About us (continued)

Our operations

Feedback plc conducts its operations through its subsidiaries Feedback Medical Limited and Feedback Medical India PVT Limited. The Group CEO and CFO are directly employed by Feedback plc, with all other Group employees being employed by the operating subsidiaries.

Feedback Medical Limited operates a hybrid work model enabling us to employ a diverse team of individuals from across the UK, hiring for talent rather than location, reducing our fixed cost base and reflecting the working practice of our customers who largely operate through remote meetings post covid. Although our current UK team of 24 people are spread across the UK, most are concentrated around London and the Southeast and recognising the many benefits associated with in-person collaboration, the management team and core operational personnel make weekly use of WeWork office locations in London.

In order to drive efficiencies in the business, the Company utilises both its core team of employees and a series of outsourced services. The Company employs its own dedicated Sales and Marketing, Support, Finance, Product and Regulatory teams that report directly to the management team. It is essential that these core functional areas are controlled and operated directly by the Company, especially in the context of product design and manufacturing which tracks directly to our requirements as a medical device manufacturer and to meet our obligations as an AIM-listed company.

The Sales and Marketing team utilise external outbound lead generation services on an ad-hoc basis as needed, to augment their own direct sales efforts, which has allowed the company to significantly grow its sales pipeline whilst enabling our internal team to focus on lead conversion, maximising the impact of our direct employees.

The Product team takes internal ownership of product research and development (R&D) and operate a near-shoring model of outsourced product development with a long-term development partner, Graylight Imaging ("GLI") based in Poland (the healthcare division of Future Processing Sp z.o.o. ("Future Processing")). Outsourcing product development under the supervision of an in-house team enables greater flexibility of both spend and delivery capability, giving the Company the ability to rapidly scale to deliver product features against firm deadlines and to minimise development spend when required. Maintaining a central product team that oversee the development ensures that intellectual property (IP) and essential know-how are retained within the Company. We currently retain an outsourced development team of 10 with Graylight Imaging, with the flexibility to increase or decrease the team size for specific development projects.

Operationally, product deployment, integration and user onboarding are managed directly by the Company. This is essential so that we take the learnings from new deployments, as we build out a playbook to cover the broad range of customer settings and clinical systems, and so that we capture user feedback on desired new product features. As we scale we anticipate more components of deployment will be outsourced and we are in active discussions with partners who could assist with these components, (such as integration) should we need to undertake a rapid deployment at scale; for the time being however it is far better that we stick close to our customers and take the learnings so that we can deliver a better service to our next customers whilst simultaneously reducing the cost of deployment.

Our people

The growing success of our Company is driven by one element above all others - our people. Within our management team we have over 65 years of frontline clinical experience, almost 50 years of software development as medical device experience and over 120 years of operational experience in the NHS. We know how to deliver solutions that the frontline needs.

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About us (continued)

Leadership team:



Dr Thomas Oakley, Chief Executive Officer since February 2019, previously Radiologist and Clinical Entrepreneur Fellow at NHS England.



Anesh Patel, Chief Financial Officer: Chartered Accountant with significant corporate and commercial finance experience, including in healthcare/biotech.



Mike Hayball, Chief Technology Officer: *medical imaging scientist and software developer with 33 years' experience, was CEO of Feedback Medical Limited when it was formed in 2001.*



Stephen McAteer, Chief Operating Officer: extensive operational experience with previous NHS roles, including previous frontline clinical experience as a Speech and Language specialist.



Dr Stephen Brown, Chief Information Officer: medical imaging scientist and director of Feedback Medical Limited since 2001, a regulatory specialist and system architect.



Nick Mayhew, Chief Sales and Marketing Officer: an experienced marketer within the private and public health sectors.



Rohit Singh, Managing Director for India: An experienced business leader, formerly at the UKIBC, where he helped build the India advisory practice.

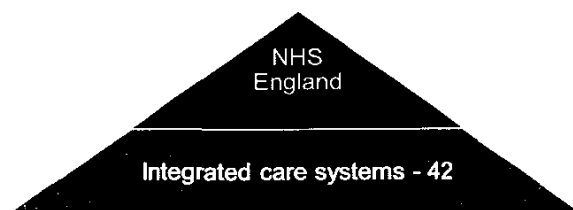


Sarah Bricknell, Commercial Advisor: Has operated at a senior board level in medical imaging services for over 18 years and routinely advises OEMs and Government.

Our markets

Healthcare is a complex market globally, with multiple stakeholders both within and across multiple discrete provider settings, each with different procurement and funding processes. Our key market is the UK, and in particular the NHS, which can be divided into the following customer groups:

About us (continued)



GPs/community – 6,311

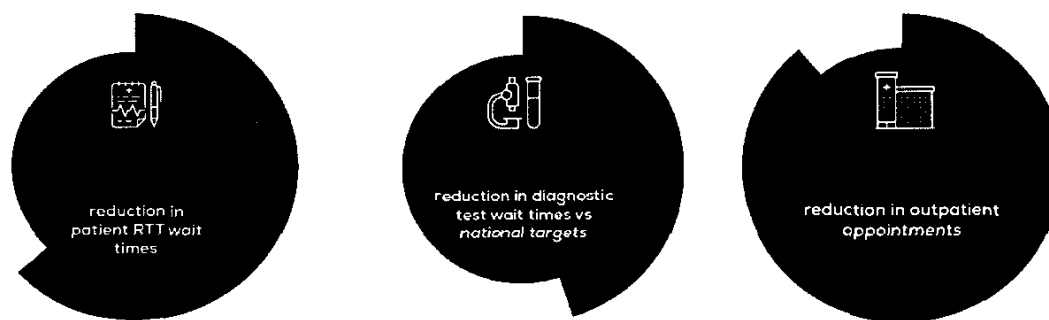
Across these groups there are some common drivers of decision making; positive drivers being the need to save costs, release staff capacity and to reduce patient wait times; negative drivers being risk aversion, the need to procure competitively and the need for consensus decision making.

We address the positive drivers by building products that deliver these benefits which are then proven in customer settings.

“Bleepa® has significantly improved referral response times providing more timely speciality advice and reduced workload for our busy staff as there is much less need for them to chase up speciality teams for advice”.

Georges Ng Man Kwong, Chief Clinical Information Officer (Oldham, Bury and Rochdale), Northern Care Alliance

Figure 1 – Results from our CDC programme using data from September 2022 to December 2023 showing reductions in referral to treatment and referral to diagnostic test wait times, and outpatient appointment requirements



We address the negative drivers by building quality products and ensuring compliance with regulation, security and information governance standards; by participating in procurement frameworks that enable a structured approach to procurement and by engaging broadly with all stakeholders to ensure that we bring everyone with us.

The realities of frontline care delivery

Our customers and their clinicians are hindered by antiquated IT, siloed clinical systems with unfit interfaces, that deliver snippets of information and that largely require staff to be onsite or to have dedicated devices for access. Some sites still operate largely paper-based systems. We understand our customer

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About us (continued)

needs because we've worked alongside them and we've designed solutions that work for them. Obtaining clinical buy-in is what we do best but is only part of the sales process.

How NHS customers buy our products

NHS procurement typically occurs via two processes:

1. a framework, where multiple products and their suppliers conforming to defined standards and requirements are listed, which customers can procure by a "direct award"; and
2. a tender, a competitive process for a particular solution that is open to all suppliers.

It is increasingly common for customers to run competitive processes within certain frameworks, a process called a mini competition. This reduces the risk of challenges by non-selected suppliers and allows the customer to review the benefits of multiple products. Our products are available on the G-Cloud 14, CDHS and DOS-6 frameworks, which enable direct award contracts and require our products to meet all NHS accreditations to be listed.

Our approach is to engage early with multiple stakeholders within a customer organisation, both clinical and managerial, to ensure they are aware of relevant medical device implications for their product ahead of a formal procurement process.

In some tenders, where it is evident only a single supplier can deliver a particular product or service, customers can procure through a "single tender waiver" process. This is rare, however, we have achieved this with two NHS customers pre-procurement process, demonstrating the uniqueness and strength of our products.



NHS providers are a key target market

NHS funding

Funding for health services in England comes from the budget of the Department of Health and Social Care (DHSC) which is funded by HM Treasury through UK taxation. The DHSC budget is made up of revenue funding for day to day activities and capital funding for long term investments such as buildings and equipment. The 2024 Autumn Budget (announced on 30 October 2024) allocated the DHSC a budget

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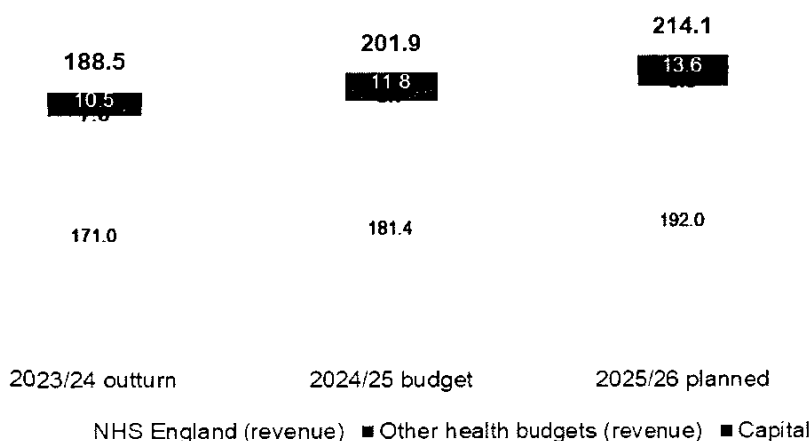
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of £201.9bn for 2024/25 of which £190.1bn is revenue funding, the vast majority of which (£181.4bn) is allocated to NHS England to pay for day-to-day running costs. The remainder of the revenue funding is typically divided between DHSC's other agencies and programmes, including funding for arm's-length bodies such as the Care Quality Commission (CQC), the National Institute for Health and Care Excellence (NICE) and the UK Health Security Agency.

The DHSC's revenue spending is set to increase by £22.6bn over the next two fiscal years to 2025-26 compared to the 2023-24 outturn.

DHSC budget for England (£bn)



The largest area of spend for the NHS is staff costs (£79.9bn in 2022/23, approximately 51% of NHS England's budget for day to day spend) followed by procurement activities of over £30bn per annum, which relates to our sales opportunity.

Most of NHS England's revenue budget is allocated to Integrated Care Boards ("ICBs") (£114.3bn in 2023/24), some of which is typically ringfenced for certain activities i.e., digital or capital programmes, but is otherwise able to be spent by the ICS to commission local health services. A further £32.3bn of NHS England's 2023/24 revenue budget was allocated on directly commissioning services including some primary care services, specialised services and public health. The remaining funds are allocated to drive certain key initiatives aligned to NHSE or political priorities, which in some circumstances, may be used to execute national contracts. Funds flow to NHS Trusts from ICBs either via contracts, or through a tariff system known as Payment by Results, or directly from NHS England as directly commissioned services. Trusts may use this funding to procure solutions such as Bleepa®.

DHSC's capital budget is used to finance long-term investments such as buildings and medical equipment. The planned capital budget is £11.8bn in 2024/25 and £13.6bn in 2025/26, up from £10.5bn in 2023/24, representing a two-year average growth rate of 10.9%. The 2024 Autumn Budget confirmed over £2.0bn will be invested in NHS technology and digital to run essential services and drive NHS productivity improvements.

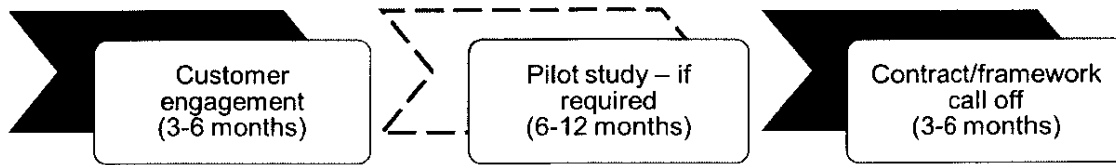
As the NHS is our key customer, we align our value proposition to the specific initiatives that have been allocated NHS funding and invest time engaging with national and ICS stakeholders responsible for drawing down the allocated funding.

The NHS provides a large domestic market to address within which we hold relationships decision makers at all levels. We estimate a TAM of £132m for our core products within the NHS.

Timelines:**Feedback plc**

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About us (continued)



**NHS procurement process
(6-24 months)**

NHS procurement processes typically take 3-12 months depending on the model used, once initiated. An approximate 3-6 months of customer engagement is typically required pre procurement therefore the sales cycle can extend to 6-18 months. Some NHS organisations may require a pre-procurement pilot study which could lengthen the sales cycle further.

We believe the customer acquisition cost represented by the lengthy sales cycle with NHS organisations is offset by high lifetime values of contracts which often renew over multiple years, sometimes renewing for over 10 years.

Recent significant activity in our key market:

<p>Lord Darzi report – 12/09/2024</p>	<p>Secretary of State for Health and Social Care statement – 05/07/24</p>	<p>APPG for diagnostics report:</p>	<p>Tony Blair Institute Paper: 'A Digital Health Record for Every Citizen' - 19/08/2024</p>
<ul style="list-style-type: none"> • England has spent almost £40bn less than peer countries on health assets - spending could have modernised technology and significantly cut waiting lists • NHS 'in the foothills of digital transformation' • Calls on the NHS to make better use of patient data, join up health records, improve the NHS App and harness AI • Calls for a larger proportion of the NHS budget to be allocated towards primary care in the community • Keir Starmer promising to move the NHS from analogue to digital and shift more care from hospitals to communities 	<ul style="list-style-type: none"> • Wes Streeting has said 'The NHS is Broken' and needs a new model. He has defined 3 key areas, stating that the NHS must move its focus <ul style="list-style-type: none"> • 'From hospital to community' • 'Analogue to digital' • 'Sickness to prevention' • These 3 areas align exactly to the Feedback value proposition 	<ul style="list-style-type: none"> • Bleepa featured as key programme delivering impact under the Community Diagnostics Programme • Opened conversation with national team around the Bleepa pathway approach which led to a series of funded pilots, still ongoing with anticipated further rounds of funding to be released • Over £400k of funding provided to date in order to support pathway pilots with CDC sites other than QVH 	<ul style="list-style-type: none"> • Tom was a key contributor to the paper which has already been socialised extensively with the new administration • The key recommendation is a new technical infrastructure for the NHS, built around the patient • The paper lays out the case for a single care record and recommends that this is built out from the current primary care record – a record that we now have an MVP for and a partner with existing national scale (see subsequent slide), making Feedback the frontrunner for fulfilling the recommendations of the paper

Opportunities outside the NHS

Our technologies address clinical pain points that are felt around the world, namely growing wait lists, staff shortages and spiralling costs. In combination Bleepa® and CareLocker® help our customers do more with less, ultimately accelerating patient care through the power of collaboration and good quality access to data in a way that increases the flexibility of staff location and availability.

Although the UK is our domestic market and main focus, we are actively pursuing opportunities for our technologies in India and there are further markets, such as the USA, that could hold significant possibilities for growth through replication of the value-based care models that our technologies have enabled in the UK.

c.£10bn opportunity estimated in core target markets:

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About us (continued)

Company estimated total addressable market – annual								
	1	2	3	4	5	6	7	TOTAL
	NHS Trusts	NHS CDCs / ICS*	NHS Community Pharmacies	Private hospitals (UK)	Private hospitals (India)	National TB screening	ABDM – health record	
Geography	UK	UK	UK	UK	India	India	India	
Product(s)	Bleepa	Bleepa	Bleepa	Bleepa	Bleepa	Bleepa/ Feedback Connect/ CareLocker	CareLocker	
TAM	£28m	£104m	£191m	£16m	£1,020m	£375m	£8,146m	£9,880m

Our strategy

The Company’s strategy is to pursue opportunities for cross-provider care delivery for Bleepa® and CareLocker® both within the UK and internationally within India, where we expect to achieve higher contract values and operational margins than at present, whilst simultaneously experiencing lower competition.

Leveraging legacy technology and developing our existing products to maximise product market fit and maintain our competitive advantage will remain a core strategy for the Company and will result in continued software development spend on a measured basis.

The three sales stages

Product sales in healthcare tend to follow the same pattern with each particular customer type or vertical. Examples of verticals in healthcare include specialty areas or specific clinical pathways such as breathlessness, which may involve multiple specialties but is a defined use case.

Validation

Scaling

Our sales strategy

The Company aims to accelerate through the three phases as quickly as possible for a defined customer use case. In parallel, the Company aims to run multiple undefined or new use cases through the validation stage, where resources allow and where minimum product development is required. In doing so, we leverage our deep sector knowledge to identify the use cases most likely to generate significant revenues and to therefore focus our resources on.

We therefore define success in this early stage of the business both by our ability to leverage sales of existing use cases to similar customers and by the creation of new customer use cases that we can put through the 3-stage sales model.

Tools such as frameworks and tenders enable us to take proven use cases and leapfrog the pilot stage into a direct, paid deployment and therefore a considerable amount of resource is focused on applying for these.

Wherever possible we try to avoid having to repeat a pilot for a proven/converted use case, however in markets such as India, individual customers expect a free pilot of the product ahead of procurement.

Oh

When the market is looked at again, in terms of a pyramid of stakeholders, the strategy outlined above is to deploy a use case with a stakeholder in a particular tier and then try to spread that use case through that tier, each tier nurturing multiple potential use cases for propagation. However, some use cases can be sold across tiers, holding value to multiple customer groups and in this case the higher tier of customer

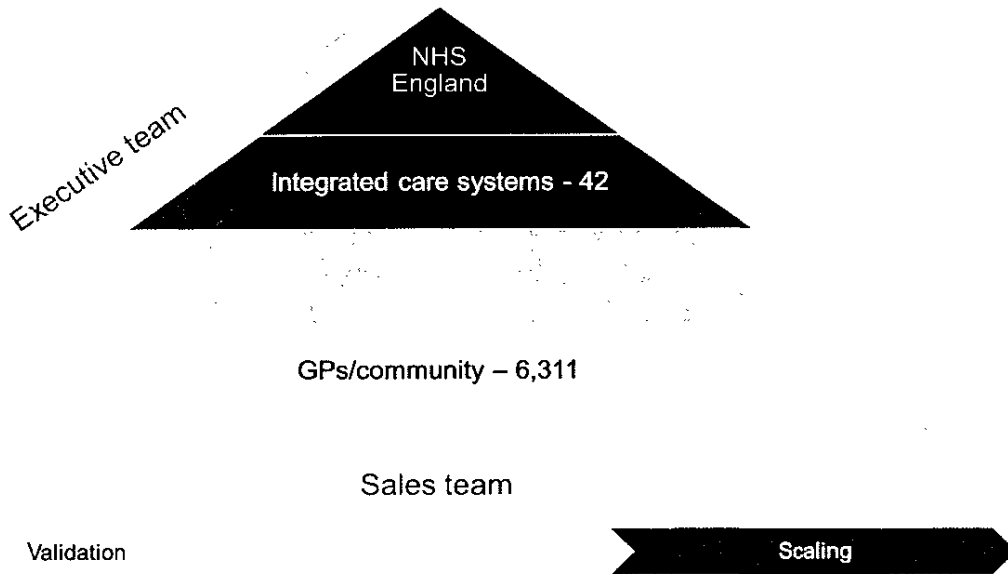
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provides a more optimised route to sale, given that there are fewer customers per tier and that a contract here is of greater value. Therefore, there is a third strategic approach to sales which is to advance the value proposition vertically across tiers and this is largely the focus of the executive and senior leadership team. Given the length of the sales cycle it can be possible to progress across tiers faster than horizontally within a tier, provided the right stakeholder engagement is achieved.

Metrics:



- At this stage of growth, cash, revenue and sales are the key external metrics that we report against.
- Internally we are developing a wider pool of metrics to help us track our performance, linked to the model of horizontal growth within tiers.

Evidence of vertical strategy:

- Presentation of QVH pilot to the All Party Parliamentary Group (APPG) for Diagnostics to an audience of key national stakeholders within NHSE, DHSC and government leading to a number of emerging conversations and opportunities. It is very rare to be involved in such a process and our involvement is testament to our evidence base and growing reputation within the industry.

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About us (continued)

	Validation	Conversion	Scaling
	<ul style="list-style-type: none"> - Establish pilot - Develop proof points - Demonstrate benefits and robustness - Define product/customer fit 	<ul style="list-style-type: none"> - Build on pilot - Expand engagement - Formalise purchase - Trigger procurement 	<ul style="list-style-type: none"> - Leverage pilot/sale to achieve additional sales with new customers using same procurement process - List on frameworks to market the product and reduce procurement barriers - Nurture existing customers, ensure renewal and/or upsell - Constantly improve technology to reduce cost of acquiring new customers (reduced integration burden, slicker onboarding, optimised cloud storage) and reduce cost of maintaining existing customers (increasing margins)
	<ul style="list-style-type: none"> - Number of active users - Number of patients - Number of specialties/pathways - User feedback - Impact data (pilot specific) i.e., time saving, quality improvement etc. 	<ul style="list-style-type: none"> - Number of active users - Number of patients - Number of sites/pathways - Customer Acquisition Cost (CAC) 	<ul style="list-style-type: none"> - ARR - LTV per customer - Gross margin (target >80%) - Revenue growth from upsell and renewals - Revenue per user - Variable cost per customer and/or user
	<p>Multiple use cases for Bleepa® have been piloted in the market:</p> <ul style="list-style-type: none"> - NCA for pager/WhatsApp replacement - QVH for cross-provider pathway - Odisha for remote TB screening 	<ul style="list-style-type: none"> - NCA for pager replacement/referral management - RBH for photocapture (though there may be an opportunity for cross pollination here as RBH are now looking at the wider WhatsApp replacement features). - QVH pilot converted to paid contract 	<ul style="list-style-type: none"> - Contracts with NCA and RBH are now multi-year, growing a base of ARR. - QVH is evaluating pathways other to breathlessness post contract - Successful appointment to frameworks which will accelerate adoption: <ul style="list-style-type: none"> - G-Cloud 14 - DOS-6 - CDHS
	<p>Four horizontal arrows originate from the left side of the table. The top arrow points to 'NCA', the second to 'RBH', the third to 'QVH', and the bottom to 'India'.</p>		

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About us (continued)

R&D process

Feedback recognises the potential in enhancing and developing new products from its existing technologies. It is working closely with existing customers to identify unmet needs. To maintain its software development capabilities in a cost-efficient manner, the Group is continuing its collaboration with Graylight Imaging, the healthcare division of Future Processing to develop new software features and products.

Feedback capitalises external development costs for writing off against income generated in future accounting periods. The directors carefully consider what elements of this development expenditure will generate future economic benefits. This is based upon customer feedback on Bleepa®, product enhancements, assessing the potential of Bleepa® in non-medical markets and understanding overseas requirements.

Our regulatory strategy – differentiation through quality, giving customers confidence in our products

One of our key differentiators is our ability to develop software as a medical device, producing products that deliver functionality at a quality that is certified as being safe for clinical use.

Healthcare is a highly regulated environment internationally, with each jurisdiction having its own regulations, all with an overriding focus on three elements: (i) data governance, (ii) intended use and (iii) patient safety. Regulation elongates the route to market but it provides a significant barrier to competition, especially from less experienced or emerging companies. We use this barrier to entry as a competitive advantage, giving us the edge over new start-ups/SMEs and putting us on a level footing with much larger companies against whom we compete with on our agility and ability to out innovate – typically our products have a usability that larger companies cannot match and which can only be generated through our ability to sit as close to our customers as we do, incorporating customer feedback into the design of the products that we produce as Feedback Medical, hence the company name.

Summary of the credentials that we need in order to sell Bleepa® within our intended markets:

Standard	What is it?	Why does it matter?	What is involved?
	Regulatory standard – confirming that Bleepa® displays digital patient images at a standard suitable for clinical review (as defined by RCR)	Allows the product to be sold for the intended purpose	Class 1 – self certification of conformance with MHRA Development and maintenance of a full Technical File
	Quality management standard	Demonstrates that we meet the standards expected of a medical device as part of our UKCA accreditation. Demonstrates the quality of our products to customers.	Development and maintenance of a full QMS which is integrated into staff training, internally audited annually, and externally audited every 3 years by a certification body.
	Information management standard	Demonstrates we have defined process, that are independently audited and externally validated, to securely process and manage sensitive data.	Development and maintenance of a full Information Management System (IMS) which is integrated into staff training, internally audited annually, and externally

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About us (continued)

Standard	What is it?	Why does it matter?	What is involved?
			audited every 3 years by a certification body.
	Security standard	Demonstrates the security of the product to customer, externally validated.	Document our security protocols and processes and have these externally audited annually. Annual penetration testing of the system to check for areas of weakness.
	Clinical safety and clinical risk standard	Demonstrates to customers that we have considered real world application of the technology in the intended setting and for the intended purpose and that we have <i>deliberately designed</i> as much risk out of the product as possible.	Operate a full risk management plan as part of product design, testing and implementation, which considers clinical/patient risk at all stages. Designing and implementing mitigating processes where risks are identified to reduce such risks. Process is overseen, reviewed and signed off by an independent CSO.
	NHS cyber security standard	Compliance with this is required in order to sell a software product to the NHS.	Extensive set of information security requirements that covers much of same subject matter as ISO 27001, but targeted in particular at the management of sensitive personal data
	Digital Technology Assessment Criteria - an NHS specific standard	Demonstrates our conformance with all NHS requirements for the provision of software products	DTAC is largely a summary capture of all the above standards.

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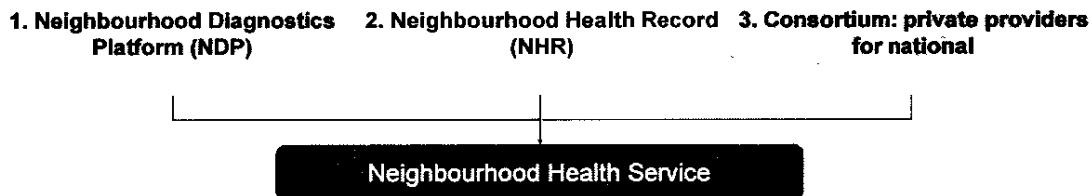
About us (continued)

Collaboration with provider of primary care solutions

Post-period, the Company announced a collaboration with a provider of primary care solutions which is intended to provide a route to rapidly scale the Bleepa solution and pathway approach.

- To explore the opportunities for a novel Neighbourhood Diagnostics Platform
- Aiming to combine the partner’s technology and Bleepa to streamline NHS diagnostic and pathway referrals
- Intention to pilot the solution before pursuing broader national opportunities for contracts
- Targeting:
 - Continued reduction in outpatient appointment requirement
 - Further reduction in patient wait-times
- Ability to scale the solution at pace to multiple GP practices simultaneously
- Estimated that over 190 million diagnostic tests per year could be redirected to a pharmacy setting
 - Opportunity could represent an estimated total addressable market of £382m annually

The collaboration aligns to the Secretary of State’s vision to move care out of traditional acute provider settings and into the community, closer to patients – a “Neighbourhood Health Service”. With our collaboration partner, we are responding to this vision with three linked offerings:



If successful it will provide additional capacity to the NHS and help to overcome some of the difficulties being faced by CDCs, such as recruitment challenges, by enabling redirection to fully staffed facilities. It will also offer patients’ choice and the convenience of attending their local high street for routine NHS investigations with, we believe, shorter wait times.

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 its 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.



Feedback's ongoing partnership with the NCA has provided a strong evidence base for the benefits of Bleepa®

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

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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
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.



Feedback is building on its CDC pathways programme with additional pilots, including with Oldham CDC, part of the NCA.

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,

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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.

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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.

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

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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 million⁹ 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

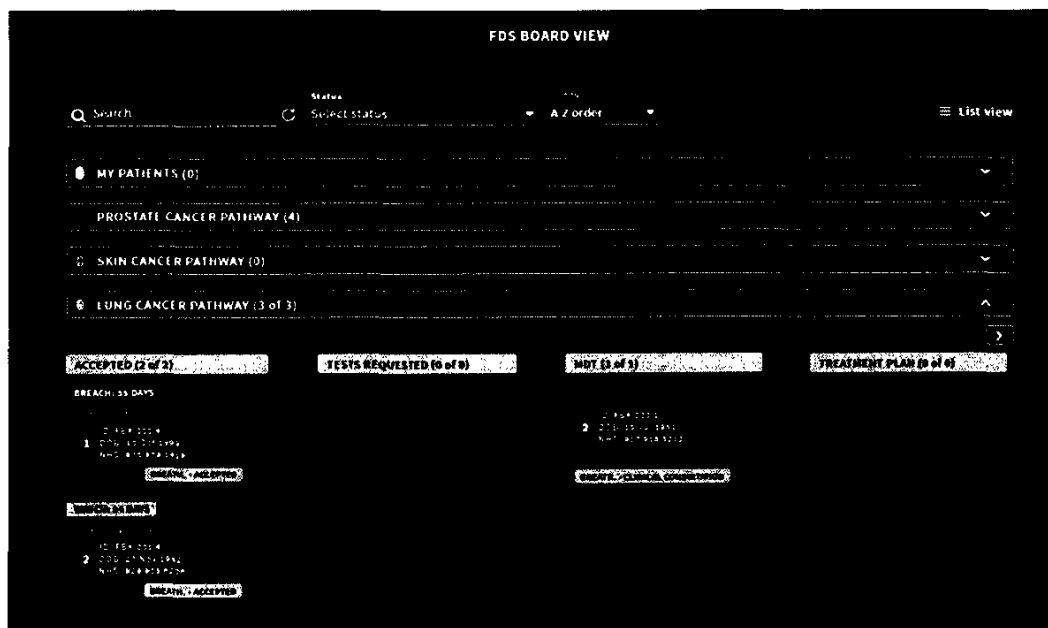
Bleepa®

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 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.

⁹ 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.

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Dashboard view of Bleepa@ v1.6

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

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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.



Feedback wins IHW 2024 award for Digital Solution for Rural Healthcare for its support for the TB screening programme in Odisha.

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

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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).

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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 be 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 £206¹⁰ 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 uncapped basis beyond 31-March-2025.

⁹ Based on the median first outpatient attendance unit price from the 2023/25 NHS Payment Scheme.

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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 typically 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
01 November 2024

Principal risks and uncertainties

The Board is responsible for developing a comprehensive risk framework and a system of internal controls. We have identified the following as the principal risks and uncertainties that are facing the Group:

Strategic			
Risk	Description and impact	Trend	Mitigation
Product development	<p>Risk that the products in development may cost more and/or take longer to develop than current estimates. The products in development may not perform as expected and fail to reach the production stage if not technically and commercially viable. Risk that the market for the product smaller than originally envisaged.</p> <p>Potential impacts: Lower revenues than estimated if commercially viable products are not developed. Inadequate return on investment if market size is smaller than originally envisaged. Requirement to raise additional financing to complete development if risks materialise.</p>	↑	<p>New product development is complementary to work already being undertaken by the business. We are therefore able to leverage existing technology, skills and know-how to reduce product development risk.</p> <p>The Group develops new products and features based on known customer requirements, establishing a relationship with different types of customer groups, across technology categories and geographies.</p> <p>The Board and Leadership team evaluates potential market size and investment returns ahead of commencing new product development, and monitors progress regularly.</p>
Competition	<p>The Group operates in a highly competitive market and faces competition from products designed, marketed and supplied by companies with significantly greater resources.</p> <p>Potential impacts: New technologies emerge that may render the Group's products in development obsolete before development has completed, resulting in impairment charges. Increased competition may affect market share and lead to pricing pressure, impacting financial returns.</p>	↑	<p>We continually monitor the commercial and competitive landscape, benchmarking our products against competitors and where possible, identifying new features and enhancements needed to stay ahead.</p> <p>We engage in regular customer dialogue to define future use cases for our products to ensure that the product offerings remain differentiated.</p> <p>The Group focuses on the development and ownership of IP, which it believes will create the greatest long-term value for the Group.</p>

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Principal Risks & Uncertainties (cont.)

<p>Over-dependence on a single customer</p>	<p>The NHS currently contributes the majority of the Group's revenues. Changes to its organisational structure and procurement processes could affect the Group's ability to sell effectively to this customer. Examples of this include the transition from Clinical Commissioning Groups (CCGs) to ICSs and the merging of NHS Digital and NHSX with NHS England and NHS Improvement.</p> <p>The NHS procurement process can be complex lengthy with the risk that the Group may not be included on future frameworks which govern procurement.</p> <p>Potential impacts: Revenues fall short of expectations, take significantly longer to materialise, or do not materialise at all.</p>	<p>→</p>	<p>Close engagement with the NHS at strategic and tactical levels (including regionally and nationally), by the Board and Leadership team, who have significant experience working in, and supplying to, the NHS, and have relationships with key NHS decision-makers.</p> <p>Increasing diversification of the Group's business, reducing reliance on the NHS as a revenue source with a target of achieving a balance between NHS and non-NHS revenues over time.</p> <p>The new Labour government in the UK is supportive of the increasing use of technology in the NHS which could provide NHS customers with additional funding to procure our product(s).</p> <p>Stated strategy to expand into geographies outside of the UK will also reduce specific exposure to the NHS in due course.</p>
Operational			
Risk	Description and impact	Trend	Mitigation
<p>Cyber security threats</p>	<p>Risk that the Group will be subject to a cyber security breach, leading to a catastrophic failure of IT systems, which could result in a significant data loss or leak of sensitive patient data.</p> <p>Potential impacts: A successful cyber-attack could expose the Group to significant loss of operations, potential litigation, and commercial, financial, and reputational damage. In the event of a data breach the Group is liable to be fined for a breach of GDPR legislation.</p>	<p>↑</p>	<p>The Group has an established disaster recovery plan and ensures that secure back-ups are maintained.</p> <p>We evaluate all third-party suppliers, ensuring that they have appropriate fall-back systems and disaster recovery processes.</p> <p>Feedback Medical Limited is certified against the Information Security Standard ISO: 27001 and is subject to regular audits of its Integrated Management System by its Certification body.</p> <p>External audits and assessments including penetration tests provide independent scrutiny of the Group's IT infrastructure, allowing us to retain our compliance certification with the UK's Cyber Essentials Plus standard.</p> <p>The Group has cyber insurance in place and has established policies</p>

Principal Risks & Uncertainties (cont.)

			<p>and working practices which are monitored by our Chief Regulatory and Compliance Officer to protect the Group against a cyber-attack and any security breaches in this area.</p>
<p>Regulatory approvals and compliance</p>	<p>Regulatory approvals are required to market and sell medical devices into both the UK and potential export markets. Following Brexit, the UK may require new standards to the prevailing CE/UKCA standards requiring additional regulatory approval of our products before they can be offered for sale in the UK.</p> <p>Following receipt of regulatory approval, products are subject to continual review and there can be no assurance that such approvals will not be withdrawn or restricted.</p> <p>There may also be regulatory changes that could require additional studies or validation and a need to resubmit products to the regulatory authorities, with no assurance that we will receive regulatory approvals to continue marketing the products.</p> <p>The Group also need to comply with ongoing regulatory requirements, such as maintaining a quality system, for which we are subject to periodic inspections (scheduled and unscheduled), with a risk that these inspections highlight issues which require a temporary suspension in trading activities.</p> <p>Potential impacts Failure to obtain or maintain regulatory approvals for its products may result in a delay, or make impossible, the commercial exploitation of the Group's products, threatening its ability to trade in the long term. Potential financial penalties for</p>	<p>↑</p>	<p>The Group's Regulatory, Quality and Compliance team is focused on the regulatory needs for product development and prepares high-quality documentation to support all regulatory applications. This team monitors changes to laws and regulations and ensures compliance with legislation and codes of best practice.</p> <p>Bleepa® is UKCA marked and we continue to monitor the UK's regulatory landscape post Brexit and will take necessary actions to register our products in any alternative UK-based system as and when required.</p> <p>Feedback Medical Limited is certified against the Medical Device Manufacture Quality Standard ISO: 13485 accredited and is subject to regular audits of its Integrated Management System by its Certification body.</p> <p>All documentation is stored and available should any resubmission be necessary, and our quality systems are designed to be sufficiently robust to withstand any necessary scrutiny.</p> <p>All employees are provided with ongoing training on key regulation such as anti-bribery and corruption and GDPR.</p>

Principal Risks & Uncertainties (cont.)

	<p>non-compliance, with associated reputational impact</p> <p><i>Changes in applicable legislation, regulatory policies, or the discovery of problems with products may all result in the imposition of restrictions on sale, including the withdrawal of the product from the market, or may otherwise have an adverse effect on the Group's business and/or revenue streams.</i></p>		
<p>Dependence on key executives and personnel</p>	<p>The success of the Group is highly dependent upon the expertise and relationships of the Directors and other senior employees. The competition for skilled technology individuals is highly competitive, with the risk that Feedback cannot attract and retain highly skilled and dedicated staff.</p> <p>Potential impacts: <i>The loss of any of the key individuals could have a material adverse effect on the ability to grow and scale the business within the UK and internationally.</i></p>	<p>➔</p>	<p>The Remuneration Committee ensures that salaries and incentive schemes are benchmarked against industry standards and are reviewed annually. A share option plan exists for all employees, providing a long-term incentive to remain with the Group.</p> <p>Contracts of employment are drafted to include the necessary confidentiality and non-compete clauses. Any potential skill shortages in our employee base are identified and we continuously monitor the market to ensure that suitable individuals can be recruited.</p> <p>We undertake succession planning to minimise the potential impact should any senior level roles choose to exit the business and we have initiatives in place to achieve high levels of employee engagement.</p>
<p>Dependence on third-party suppliers</p>	<p>The Group's business depends on products and services provided by third parties, including software development services. There is a risk of delay and/or interruption to the supply of products or services by these third parties, and a risk that such products and services are not delivered to product specification.</p> <p>Potential impacts:</p>	<p>➔</p>	<p>Our product and R&D teams work strategically and seek to prevent over reliance on any one key supplier, by maintaining relationships and seeking proposals from multiple suppliers on an ongoing basis. We retain ownership of our own IP and ensure that our inhouse teams have the knowledge and know how to manage that IP. This ensures that the Group can guide product development in a safe and efficient manner, minimising the reliance on external third parties.</p>

Principal Risks & Uncertainties (cont.)

	<p>Failure by a third-party supplier to deliver products and services on time could result in increased working capital requirements and a potential delay and/or reduction in revenues.</p> <p>Failure in a third-party system could result in an Information Security Incident that affects us, or our customers.</p>		<p>Business interruption insurance is in place and alternative suppliers are identified to ensure that there is always a secondary source for key products and services necessary.</p> <p>Suppliers are carefully selected to minimise risk of supplier failure or insolvency. All key suppliers are scrutinised using a process that aligns with both the ISO 13485 (quality) and ISO 27001 (Information security) standards. This ensures that all services provided to us are at the level required in order for us to successfully deliver to our customers.</p> <p>We undertake diligence on suppliers and ensure our team members are aware of supplier requirements or restrictions, to minimise the risk of loss of a supplier, due to a breach of contractual obligations.</p>
Financial			
Risk	Description and impact	Trend	Mitigation
Availability and terms of additional financing	<p>The Group's financing requirements depend on several factors, including the rate of market acceptance of our products/technologies and our ability to attract customers. There is a risk that the Group is unable to obtain adequate financing on acceptable terms, if at all, such that it cannot meet its financial obligations as they fall due.</p> <p>Potential impacts: Inadequate financing could result in the delay, reduction or abandonment of research and development programmes and/or negatively impact the commercialisation of our products.</p>	→	<p>The Board regularly monitors the cash position of the Group and ongoing cash requirements. We have systems, controls, and processes to manage expenditure in line with budgets, and cash is managed through rolling cash flow forecasts which are updated at least monthly.</p> <p>A significant amount of our development spend is currently subject to HMRC research and development tax relief.</p>
Economic and political uncertainty	<p>The Group could be affected by overall economic and political conditions in the UK and globally including the risk of a recession, high inflation, currency fluctuations, the continuing conflicts in Russia/Ukraine and</p>	↑	<p>The Group's products are considered to be better value for our customers than competitor products, particularly the NHS, and our pricing strategy incorporates customer budgetary constraints and processes.</p>

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Principal Risks & Uncertainties (cont.)

	<p>the Middle East, and economic and political instability associated with Brexit</p> <p>Potential impacts: <i>A recession, particularly in the UK, could lead to the Group's customers reducing their expenditure on the Group's products and/or being more price sensitive. The conflicts in Russia/Ukraine and the Middle East could lead to further lead surges in energy costs. The Group purchases services within the EU which may become more expensive with longer lead-times from order to delivery and increased red tape. Persistently high inflation could reduce the cash runway.</i></p>	<p>The Group is a low energy user and we do not have any customers or suppliers in geographies currently experiencing conflict such as Ukraine and Russia and are therefore not currently experiencing any material disruption to our operations. We continue to closely monitor the evolving situation and will develop appropriate response plans if required.</p> <p>We continue to review and monitor the economic and political changes post Brexit and will continue to consult widely to better understand any uncertainty and associated impacts.</p> <p>Our standard terms & conditions contain a right to increase our annual fees by inflation, which helps offset inflationary price increases of our suppliers.</p>
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Environmental, social & governance report

Introduction

Feedback conducts its business activities to the highest ethical standards and expects clients and suppliers to embrace these same principles. We are delighted to present this inaugural environmental, social and governance (ESG) report which outlines how we conduct our activities and should be read in conjunction with other sections of the Annual Report, notably the Corporate Governance section.

During the year under review, the Board and Leadership team recognised and discussed the increasing importance of ESG matters for both the Group and its stakeholders. As a relatively small organisation, the Group's impact on the community and the environment is modest, however the Board strives to always ensure that the business acts in an ethical and in an environmentally conscious manner.

We now have a Corporate Social Responsibility (CSR) Lead within the business who works with the management team to coordinate our CSR strategy across the company. At present this includes small incremental changes in working practices, such as looking at initiatives to reduce our carbon footprint, diversity and inclusion, and giving back through volunteering.

Feedback is committed to being a responsible corporate member of society and our priorities are to protect our employees, support our customers and stakeholders and continue to protect the environment around us. We believe that this approach supports the Group's long-term success.

Environmental

Carbon reduction plan

Our team is committed to reviewing our sustainability initiatives which will reduce our environmental impact. These include the following:

- Reviewing suppliers and procurement ensuring environmental factors are considered.
- Realigning strategy on exhibitions – stands, marketing materials etc and focussing on a more sustainable approach.
- Reducing waste
- Where possible reducing travel, and using public transport
- Publishing our Carbon Reduction Plan

For the first time ever, the Group appointed an external consultant, Environmental Strategies Limited in the period under review, to perform a carbon audit for the financial year ended 31 May 2023 (FY2023). Whilst there are no comparisons with previous years, this report sets out a baseline of understanding about the Group's carbon impact and makes recommendations for reducing our carbon impact.

During FY2023, the Group's activities generated 51.9 tonnes of CO₂ as shown in the table below (Scope 1, 2 and 3 emissions are as defined under the Greenhouse Gas (GHG) Protocol)

FY2023

Emissions	Total (tCO ₂ e)
Scope 1	0
Scope 2	0.44
Scope 3	51.65
- Cat 4 – Upstream Transport & Distribution	
- Cat 5 – Waste Generated in Operations	
- Cat 6 – Business Travel	
- Cat 7 – Employee Commute	
Total emissions	52.09

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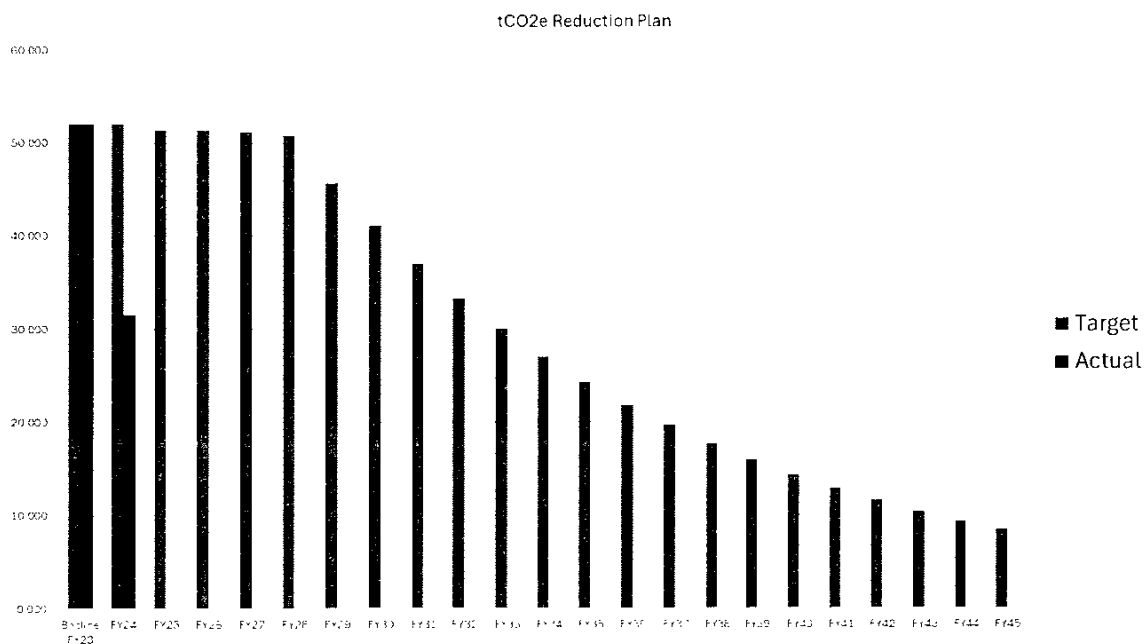
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ESG report (cont.)

Post period, a carbon audit was undertaken for the year ended 31 May 2024 (FY2024), in which the Group's activities generated 31.52 tonnes of CO₂ as shown in the table below.

FY2024	
Emissions	Total (tCO ₂ e)
Scope 1	0
Scope 2	0.41
Scope 3	31.11
- Cat 4 – Upstream Transport & Distribution	
- Cat 5 – Waste Generated in Operations	
- Cat 6 – Business Travel	
- Cat 7 – Employee Commute	
Total emissions	31.52

In the year ended 31 May 2024, we exceeded our commitment to reducing our carbon emissions. The footprint reduced significantly compared to FY2023, primarily due to less international travel. We are striving to achieve net zero by 2050 or earlier in alignment with the NHS's aspirations, our key customer.



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Completed carbon reduction initiatives

The following environmental management measures and projects have been completed or implemented. The carbon emission reduction achieved by these schemes cannot be quantified, however the measures will be in effect when performing the contract and the ongoing impact will be monitored against our FY2023 baseline.

Our working practices: Influenced by the coronavirus pandemic, flexible working was introduced in CY2020. Our permanent London office was closed and our staff have a choice to be home based or work out of shared offices (WeWork) or our Peterborough office. The Peterborough office generally serves those within an easy commute, decreased the need for employees to travel long distances. The pandemic also forced many of our meetings online; this practice has continued which further reduces our travel-related emissions. In addition, we encourage our customers to conduct meetings with us online (unless face to face is more appropriate).

Our products: Our product Bleepa® is an app that connects medical professionals safely and securely. We have been working to develop the product to allow both primary and secondary care to communicate with each other about their patients without the need for letters, emails and telephone calls. All communication takes place within the app thus reducing the carbon footprint traditionally seen within a medical setting. The fact that multidisciplinary teams can discuss a patient within the app means that there is no need for in-person meetings to discuss next steps. Asynchronous communication supports efficient, cost-effective multi-disciplinary team working across care settings. It also negates the need for travel, and paperwork both which help to drive down Scope 3 carbon emissions.

Planned carbon reduction initiatives

Increasing awareness and profile of sustainability within the business: Sustainability will have a place on each all-staff Company meeting agenda. Whether it is outlining our carbon reduction strategy or looking at how the business can manage its carbon emissions we are communicating as an organisation as to how to improve our sustainability credentials.

Improve the data quality in our Carbon Reduction Plan: Following the publication of our inaugural Carbon Reduction Plan, we have already identified ways to improve our data collation processes over the next couple of years, which will ensure greater accuracy in reporting. These methods include using plug-in energy monitors at the office to determine actual electricity consumption and weighing our general waste from office activities.

Carbon conscious events: We seeking ways to reuse our stands for events. Where this is not possible (there are some events where they provide the stands) we intend to understand how much of the stands are reused and what if any of the products are put into landfill.

Low carbon energy supplies: Over the next five years we intend to source couriers only using electric vehicles, and to review the potential for an office space powered by a zero-greenhouse gas energy source.

Social

Employees

As a technology business, the Group's success is built on the intellectual capital of our people, and the pride they feel in working for the Group. The aim of the Board and Leadership team is to enable, empower and strengthen this drive through the creation of a positive working culture in which employees feel engaged, committed and motivated.

The average number of full-time equivalent employees in 2024 was 26 (2023: 23). Feedback operates a predominantly virtual business model with most employees working from home for at least half of the week. The Group will be investing further in the HR function to provide the necessary support for our growth

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ESG report (cont.)

plans, ensuring a positive working environment for our staff and a strong culture of community, transparency, accountability, reward and recognition.

Employee reward and recognition

The Board is committed to the reward and recognition of our employees for their contribution to the Group's success as well as supporting their overall wellbeing. We provide an attractive range of benefits including

- Company pension contribution higher than the statutory minimum,
- Bonus linked to both personal and Company performance
- Private medical insurance
- Enhanced maternity, adoption and paternity pay following one years' service
- Access to salary sacrifice schemes e.g. cycle to work scheme and electric vehicles
- Funding for professional training and development
- Corporate match for charitable donations made by employees
- Employee referral bonus

We also offer a comprehensive, confidential Employee Assistance Program (EAP) available 24/7 providing personalised, on-demand advice and support from mental health, financial and legal experts. This includes access to a dedicated case manager to guide the employee through the process as well as access to online tools, telephone and face-to-face sessions if needed. Coverage is also available to employees' immediate family.

The Group has a tax-efficient employee share option scheme (EMI) to motivate and retain key staff and allow them to share in the success of the Group.

Non-financial benefits include the ability to work on a hybrid basis and on a flexible basis if required, allowing employees to work from home on a regular basis to cater, for example, family obligations. This is a core component of building a culture of accountability and empowerment throughout the organization with clear goals and expectations for every role.

Employee engagement

We believe that employee engagement is critical to our success. Our primary methods of company-wide engagement include

- Monthly all-staff business update meetings using MS Team, at which staff members are invited to join a Company update and hear from the Leadership team, meet new employees, and learn about business progress and initiatives
- Quarterly all-staff meetings which allow our staff to meet in person. These meetings focus on strategy and key issues being faced by the business, with staff encouraged to share their opinions and ideas, including anonymously. These meetings also provide an opportunity for individuals to talk about their specific roles and for the CEO and Leadership team to provide details on the strategic direction of the business.
- Social events which allow our teams to get together in a less formal setting. It allows those individuals who don't attend WeWork or Peterborough offices to interact and build relationships in person.
- Face-to-face team meetings as required for business purposes, either at a WeWork location in London or our Peterborough office

We are increasing our engagement by commencing regular employee surveys to identify areas for improvement across the various locations and for granularity into different departments across the business.

Charitable initiatives

As part of our ESG approach, we took on board employee feedback on their preferred methods of community engagement and charitable activities. This showed that employees were very keen on supporting local causes and initiatives and to have collective participation in fundraising and volunteering, with hands-on face-to-face interaction rather than behind the scenes. As such, the Company now offers a corporate match for charitable donations made by employees, a scheme which has been considerably

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ESG report (cont.)

popular and resulted in donations to various charities including Walk for Pancreatic Cancer UK, 7th Crawley Scout Group and Pedalling for Pantries.

As a business we hold our quarterly meetings in venues supporting charitable/community causes. We regularly use Cathedral View in London which supports the work of The Passage. Our booking contributes directly to supporting the work of The Passage; providing the resources which encourage, inspire and challenge those who have experienced homelessness, to transform their lives. We have also used The Living Space which supports Bankside Open Spaces Trust, an environmental and volunteering charity working to provide outstanding green spaces and outdoor activities that enhance the health and wellbeing of urban communities.

This year we held our first CSR day. The team were surveyed to understand what sort of charity we would support and it was agreed that we would do something outdoors with an environmental project. With many of the team working in London we decided to work with Bankside Open Spaces Trust. Our task was to clean up Ufford Street Gardens; and the teams involved were given general gardening and maintenance activities that included: clearance of vegetation, watering, pruning, weeding, spreading compost, and litter picking.



Feedback Medical team volunteering in Ufford Street Gardens, London.

Governance

Corporate governance is described in detail in the Corporate Governance Statement on pages 51 to 60. The section below outlines other aspects of governance and best practice within the Group.

Good corporate conduct

The Board recognises that the Group has a duty to be a good corporate citizen and to respect the laws and where appropriate, the customs and culture of the territories in which it operates. The Group has implemented several policies to help ensure the highest standards of personal and professional ethical behaviour are adhered to:

- Whistleblowing

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ESG report (cont.)

- Anti-bribery
- Social media

These policies are reviewed regularly and the next review will be a comprehensive one to ensure consistency across our offices and ensuring we are in line with current best practice.

Whistleblowing

At Feedback, we support an open and collaborative working culture, which is core to our values. We are committed to identifying and eliminating all forms of corruption, malpractice or wrongdoing within the workplace and taking appropriate measures to remedy a situation. Our whistleblowing policy is vital to ensure we maintain high ethical standards in our organisation and operations. We have an internal anonymous reporting facility for employees to raise concerns which are directed to a Non-Executive Director.

Anti-bribery

Feedback has an anti-bribery policy designed to ensure that we conduct our business in an honest and ethical manner. The policy covers all members of staff worldwide, and training is provided to all employees regularly.

Social media

Feedback has a communications policy that includes social media guidelines designed to ensure that our employees online activity follow the same high standards of conduct as our offline activity. This ensured that social media activity of employees maintains the Company's standards of conduct of honesty, integrity, confidentiality, respect, responsibility and trust.

Stakeholder engagement

Section 172 Statement

This section serves as our section 172 statement and should be read in conjunction with other information included in this Annual Report.

Directors of a company must act in a way that they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, taking into account the non-exhaustive list of factors set out in Section 172 of the Companies Act 2006.

Section 172 also requires directors to take into consideration the interests of other stakeholders set out in Section 172(1) in their decision-making.

Engagement with our members and wider stakeholder groups plays an essential role throughout our business, as also noted in this report's Corporate Governance Statement and in the Directors' Report. Fostering an effective and mutually beneficial relationship with each stakeholder group is paramount to us. The Board will periodically review its principal stakeholders and how it engages with each group, reflecting the changing interests of each stakeholder group over time. Our understanding of stakeholder needs and concerns is factored into boardroom discussions about promoting the long-term success of the Company, ensuring fair consideration of any potential long-term impacts of our strategic decisions on each stakeholder group. The likely consequences of any decision in the long term are noted in the Strategic Report section of this Annual Report.

The Directors endeavour to maintain a culture built on integrity, taking into account the desirability of the Company maintaining a reputation for high standards of business conduct, and regard to the need to act fairly.

At the end of the annual reporting period, the Board continue to have regard to the interests of the Company's stakeholders, including the potential impact of the Company's future activities on the community, the environment and the Company's reputation when making decisions.

The Board continues to take all necessary measures to ensure the Company is acting in good faith and fairly between members and is promoting the success of the Company for its members in the long term. Throughout this Annual Report, we provide examples of how we:

- Take into account the likely consequences of long-term decisions;
- Foster relationships with stakeholders;
- Understand the importance of engaging with our employees;
- Understand our impact on our local community and the environment; and
- Demonstrate the importance of behaving responsibly.

The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by management and also by direct engagement with stakeholders themselves. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision-making.

The table below acts as our Section 172 statement by setting out the key stakeholder groups and how Feedback plc has engaged with them over this annual reporting period, though, given the importance of stakeholder focus, long-term strategy and reputation, these themes are also discussed throughout this Annual Report.

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Stakeholder engagement (cont.)

Stakeholder	Why we engage	How we engage
	<p>We maintain and value regular dialogue with our investors and place great importance on our relationship with them. We know that our investors expect a comprehensive insight into the financial performance of the Company, and awareness of long-term strategy and direction. As such, we aim to provide high levels of transparency and clarity about our results and long-term strategy to build trust in our future plans.</p>	<ul style="list-style-type: none"> • Regular reports and analysis on investors and shareholders • Investor roadshows • Annual Reports • Company website • AGM • Stock exchange announcements • Press engagements • Analyst research
	<p>Our people are at the heart of our business. Effective employee engagement leads to a happier, healthier workforce who are invested in the success of the Company and who are all pulling in the same direction. Our engagement seeks to address any employee concerns regarding working conditions, health and safety, training and development, as well as workforce diversity.</p>	<ul style="list-style-type: none"> • Open and regular informal dialogue • All-staff quarterly meetings in person • Workforce communications • Employee benefit packages • Encouraging employee training and development • Board level communication and interaction • Whistleblowing procedures • Employee questionnaires
	<p>The Company's operations are subject to a wide range of listing requirements, regulatory and legal frameworks, including regulation of medical and healthcare products, data protection, tax, employment, along with contractual terms.</p>	<ul style="list-style-type: none"> • Compliance updates at Board meetings • Risk reviews • Committed to being open and transparent and working closely with regulators • Informing Board of key drivers of regulatory requirements, leading to increased investment • Working with regulators on certification/product approvals
	<p>We work with clinicians to ensure our products are effective and meet regulatory requirements.</p>	<ul style="list-style-type: none"> • Expanded use of clinicians and advisory bodies to expedite product approvals
	<p>We develop products designed to facilitate a patient's clinical pathway.</p>	<ul style="list-style-type: none"> • Using patient-centric technology to integrate user-generated content into an individual patient's medical record • Working closely with industry bodies to keep informed of trends or changes affecting our patients • Development of technology enables the commercialisation of products designed to improve outcomes.

Feedback plc

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Stakeholder engagement (cont.)

Stakeholder	Why we engage	How we engage
	A robust and transparent supply chain results in greater visibility, leading to lower exposure to risks and disruptions.	<ul style="list-style-type: none"> • Awareness of importance of complying with agreed payment terms and requirements to disclose payment terms • Closer working relationships with suppliers • Risk mitigation plans
	Our network of partners allows us to develop our products to meet the clinical needs of patients that we cannot reach directly. We partner with companies that can advance the recognition of our products through complementary technologies, a wider distribution channel or introduction into new clinical settings.	<ul style="list-style-type: none"> • Engage in open and transparent relationships that utilise the skills of both parties to maximise the potential of Feedback's products • Maintaining effective engagement channels to foster collaborative relationships • Direct, open dialogue and regular face to face meetings • Board approval on significant changes of suppliers • Careful selection of partners to ensure optimal customer experience
	Our values encourage us to contribute to our local communities, reduce our environmental impact and help to stop climate change.	<ul style="list-style-type: none"> • Oversight of corporate responsibility plans as part of our ESG agenda • Introduction of CSR initiatives • Customer discussions on environmental impact and emissions

This section serves as our section 172 statement and should be read in conjunction with the Strategic Report on pages 3 – 48 and the Company's Corporate Governance Statement on pages 51 –60. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision-making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

Key performance indicators

The ongoing performance of the Company is managed and monitored using a number of key financial and non-financial indicators on a monthly basis: revenue; operating expenses; operating loss; EBITDA loss; cashflows from operating and investing activities; cash balance end of period; investments in intangible assets (primarily software development); net assets; and contract liabilities (see Financial Review section of CEO statement). The Board is also developing non-financial key performance indicators to assess performance, including user acquisition and utilisation rates, which will be necessary as further Bleepa® sales are made. These KPIs will be deployed across industry segments and by country.

Future outlook

The CEO's statement on pages 24 – 32 gives information on the future outlook of the Group.

The strategic report was approved by the Board on 01 November 2024 and signed on its behalf by:



Rory Shaw
Non-executive Chairman

The Board

Prof Rory Shaw BSc MD MBA FRCP, Chairman (appointed to the Board on 29 August 2019)

Professor Rory Shaw was appointed as non-executive director, deputy chairman and subsequently chairman of Feedback plc on 29 August 2019. He was previously medical director of Feedback Medical Limited, the Company's operating subsidiary. During his time with the Company, he has contributed to the development of the Company's strategy and the vision for Bleepa®. He has played an active part in building relationships with the medical community in the UK and potential customers overseas. Rory is a member of the Remuneration Committee and the Nomination Committee.

Professor Rory Shaw has extensive managerial and overseas trade experience as well as a strong academic and clinical background. Professor Shaw was previously the medical director of Healthcare UK within the Department of International Trade. Over the previous 15 years, he has been medical director of three NHS trusts; North West London Hospitals NHS Trust, the Royal Berkshire NHS Foundation Trust and the Hammersmith Hospital NHS Trust. In 2001, he was appointed by the then minister of health as the first chairman of the National Patient Safety Agency and was also a non-executive director of the NHS Litigation Authority. Professor Shaw's clinical specialty is respiratory and general medicine. He has been published extensively in academic journals and was also a professor of respiratory medicine at Imperial College School of Medicine.

Professor Shaw is also on the Board of the vaccine development company DIOSynVax.

Dr Tom Oakley, BM(Hons) BSc (Hons) Chief Executive Officer (appointed to the Board on 9 April 2019)

Dr Tom Oakley trained as a Radiology Registrar before becoming an NHS England Clinical Entrepreneur Fellow where he supported a number of companies looking to launch products in the NHS. He joined as CEO of Feedback Medical Limited in February 2019 before being appointed as CEO of Feedback plc on 9th April 2019. Upon joining the Company he led a strategic review of the product portfolio and implemented a pivot away from the company's traditional low margin, low growth sales to Radiology customers, by developing a renewed product range targeted at a wider and underserved clinical audience, where a new pricing model of recurring SAAS revenue was initiated. These new products include Bleepa®, a secure clinical communication and data viewing platform and CareLocker, a patient-centric cloud architecture that achieves new levels of secure data portability.

Tom has led the Company through three successful funding rounds raising approximately £18.5m to stimulate the development and launch of Bleepa® and CareLocker, taking these products from concept to contracts in multiple NHS sites and with a key veterinary sector partner. Under his leadership the Company has achieved its pivot within three years, now recognising strong revenue growth with a number of scale opportunities in both domestic and international markets.

Anesh Patel, M.Sci (Hons), CA, Chief Financial Officer (appointed to the Board on 29 November 2021)

Anesh started his career with Ernst & Young in 2004 where he qualified as a Chartered Accountant, initially working in the audit & assurance division before transferring to the transaction support team for private equity clients. Prior to joining the Group in April 2021, Anesh held the position of Finance & Corporate Projects Director of hVIVO Limited, the main trading subsidiary of AIM-listed Open Orphan plc and a rapidly growing, industry-leading, clinical services provider to pharma, biotech and government organisations.

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The Board (cont.)

Anesh also has seven years of investment banking experience where he specialised in corporate finance advisory services for leading institutions Standard Bank and Société Générale, advising on a range of strategic transactions including public and private M&A and capital-raising. He graduated from University College London (UCL) and holds an M.Sci. (Hons) degree in Mathematics with Economics.

Since joining the Group, Anesh has optimised finance systems and processes to facilitate growth and the evolution to a recurring SAAS-based revenue model, and he co-led an oversubscribed equity fundraise of £11.2m in November 2021.

Adam Denning, Non-executive Director (appointed to the Board on 3 February 2020)

Adam currently serves as a non-executive director at Investors in People, in addition to his role at Feedback plc. He's also a trustee at the Ben Uri Museum and Gallery and managing director of Logical Operators Limited. Previously, he spent 25 years at Microsoft Corporation in various predominantly technical roles. From 2011-2017, he was a partner group program manager in Windows. In this role, he reported directly to the corporate VP of the platform, leading an international team of over 100 people and executing updates to Windows to deliver new customers. Before then, from 1999-2001, he served as the assistant technical advisor to the Executive Office. Among other responsibilities, Adam presented "demo days", where he would demonstrate internal and external technology to Bill Gates and would attend all of his product reviews.

Adam is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Annemijn Eschauzier, Non-executive Director (appointed to the Board on 01 June 2022)

Annemijn is a strategic marketing leader and brings significant global leadership experience with a career spanning over 25 years in the Healthcare sector. She started her career at GlaxoSmithKline before moving to GE Healthcare, where she held a variety of leadership positions for over 15 years becoming Chief Marketing Officer Women's Health in September 2017. Since leaving GE Healthcare in 2021, Annemijn has joined Hardian Health, a company which provides strategic services to navigate the digital health sector. In addition, Annemijn holds other non-statutory Board member roles.

Annemijn Chairs the Remuneration Committee and is a member of the Audit and Risk Committee and the Nomination Committee.

Philipp Prince, MA(Cantab) FCA, Non-executive Director (appointed to the Board on 15 July 2020)

Philipp is a chartered accountant with extensive experience in senior finance roles in both private and listed technology companies. He is the Group CFO and board member of BCB Group Holdings Ltd, a digital banking challenger. He was previously a board adviser at Overmore Limited, a marketing technology firm, the CFO of Defenx plc, an AIM-listed mobile cyber security company, where he managed the IPO process, fundraising and investor relations and Interim CFO at Enecsys plc, a private equity backed solar micro-inverter developer. For over 20 years, Philipp worked at BDO LLP, where he was a corporate finance partner from 2002-2013.

Philipp chairs the Audit and Risk Committee and is a member of the Remuneration Committee and the Nomination Committee.

Feedback plc

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Corporate governance statement

Chairman's introduction

As Chairman of the board of Directors of Feedback plc ("Feedback", the "Company" or the "Group"), it is my responsibility to ensure that the Company has both sound corporate governance and an effective board of directors (the "Board"). As Chairman, my responsibilities include leading the Board effectively, overseeing the Group's corporate governance model, and ensuring that good information flows freely between Executive Directors and Non-Executive Directors in a timely manner.

The Board is responsible for setting and approving the Group's long-term objectives and overall strategy as well as overseeing performance. Corporate governance is an important part of that role, reducing risk and adding value to our business. The Board has adopted the Quoted Companies Alliance Corporate Governance Code (the "QCA Code") as the basis of the Group's governance framework. An overview of the Company's compliance with the QCA Code principles as of the date of this statement is provided below and provides an opportunity to reaffirm Feedback's commitment to following best practice in corporate governance.

The Board is of the opinion that the Group complies with the QCA Code as far as practicable having regard to size, nature, and current stage of the development of the Group. Application of the QCA Code supports the Group's medium to long-term success whilst simultaneously managing risks and provides an underlying framework of commitment and transparent communications with stakeholders.

Rory Shaw

Chairman

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

The principal strategic objective of Feedback is to become a global provider of innovative medical technology solutions through the development and commercialisation of the Group's proprietary clinical technologies. The Company's purpose is to deliver long-term value for our shareholders by building a valuable commercial enterprise within the medical technology industry and communicating progress transparently to the market.

The Company is focused on the following areas:

- Piloting, developing, and marketing its core products: Bleepa®, a secure, encrypted medical communication app for clinicians; CareLocker, the Company's patient-centric cloud architecture and platform for the secure storage of medical data, and Feedback Connect, enabling connected imaging in remote locations.
- Using its existing portfolio of products to advance the work of radiologists, clinicians, and medical researchers by improving workflows and giving unique insights into diseases, particularly cancer.

Feedback's strategy is explained in more detail within the Strategic Report on pages 4 – 21 of this Annual Report. The Company's approach to risk management, challenges to delivering the Company's strategies as well as steps the Board takes to protect the Company and mitigate these risks are outlined on pages 33 – 38 of the Strategic Report.

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The Directors' obligation under s172(1) to consider the long-term consequences of their decisions is addressed on page 45.

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

The Company places a great deal of importance on communication with its stakeholders and is committed to establishing constructive relationships with investors and potential investors in order to assist it in developing an understanding of the views of its shareholders. The Company seeks to provide effective communication through Interim and Annual Reports, along with Regulatory News Service (RNS) announcements on the Company website, <https://feedbackmedical.com/investors/>.

Feedback encourages two-way communication with its investors and responds quickly to queries received. The Company has an email address (IR@fbk.com) where shareholders can communicate with the Board. The Directors meet regularly and proactively with private and institutional shareholders and other key stakeholders, including after the announcement of full-year and half-year results, and are responsible for ensuring that their expectations are understood by the Board. The Company's Annual General Meetings also provide opportunities for dialogue between the Board and the Company's shareholders and enable the Directors to ensure they have a sound understanding of shareholder sentiment. The Board welcomes direct feedback from stakeholders and acts on this where appropriate. The key contacts for shareholder liaison are Tom Oakley and Anesh Patel.

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

The Board considers the interests of shareholders and all relevant stakeholders in line with section 172 of the Companies Act 2006. The Board recognises that the long-term success of the Company is reliant upon the ongoing support of its shareholders and the efforts of its stakeholder groups, both internal and external. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. Engaging with the Company's stakeholders is core to the Company's strategy and is considered to be a driver of long-term shareholder value. The Board's understanding of stakeholders is factored into boardroom discussions, including how to address their specific needs and concerns regarding the potential long-term impacts of the Company's strategic decisions. The Board regularly reviews the Company's principal stakeholders and how it engages with them.

Feedback is committed to being a responsible employer in all aspects of our business. This is evidenced and underpinned by our vision and values and in particular: satisfied customers, operational excellence, improving product design and innovation and an engaged workforce. We are focused on our employee wellbeing and endeavour to respond swiftly to our prestigious customer base.

Through monitoring its customer base, the Company can identify its key relationships on which the business relies and is able to ensure feedback is obtained from those relevant persons. It obtains this feedback by regular dialogue and face to face meetings. Products have been enhanced as a result of evaluating customers' comments.

The Company also has an Anti-Bribery Policy and a Whistleblowing Policy in place in order to discourage unethical business conduct in the Company and to protect the interests of its workforce.

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

The Board recognises the need for an effective and well-defined risk management process, and it oversees and regularly reviews the current risk management and internal control mechanisms. The Board is responsible for providing entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risks to be managed and assessed against the Company's strategic aims. The Company maintains a risk register to identify strategic risks to the business and plans in place to mitigate those risks.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks in a timely manner. The Board ensures that corrective action is taken and that risks are identified as early as practically possible, as well as being responsible for reviewing the effectiveness of internal financial controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In addition, members of the Board attend industry conferences and seminars to keep abreast of sector risks and industry changes. The Group continues to review its system of internal control to ensure compliance with best practice, while also having regard to its size and the resources available.

The Board considers business risk at every Board meeting. This includes risks associated with its key customers and suppliers, ongoing trading performance and budgets. The risk register is prepared and updated by the Leadership team and is reviewed by the Board at scheduled board meetings. The Leadership team hold regular meetings (at least three times a month) when they review the risk register and ensure that it is updated and accurately reflects the risks to the Company. The Leadership team consists of the Company's key managers and executive Directors. The risks identified are evaluated by cause, impact on the Company, likelihood, and seriousness, mitigating actions, timelines, and responsibilities.

The Audit and Risk Committee has delegated responsibility to the Company's management to ensure an effective system of financial control is maintained for timely and accurate reporting of consolidated financial statements and related financial information for review by the Board and the Company's external auditors. The Committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence and effectiveness of the external auditors and the audit, to determine the adequacy and efficiency of internal control and risk management systems. An internal audit function is not yet considered necessary as day-to-day control is sufficiently exercised by the Company's Executive Directors. However, the Board will continue to monitor the need for an internal audit function.

Further details on the Group's approach to risk management and the principal risks and uncertainties to the Group can be found on pages 33 - 38 of the Strategic Report.

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

Corporate Governance statement (cont.)

During the period under review, the Board consisted of the Non-Executive Chairman, Professor Rory Shaw, the Chief Executive Officer, Dr Tom Oakley, the Chief Financial Officer, Anesh Patel and the other Non-Executive Directors, Adam Denning, Annemijn Eschauzier and Philipp Prince. All Non-Executive Directors were considered to be independent for the purposes of the QCA Code during the period under review. The biographies of each member of the Board can be found on pages 49 – 50.

Meetings are open and constructive, with every Director participating fully. The Board meets on a monthly basis to ensure that the Company is fulfilling all its regulatory and compliance obligations, and, in order to be efficient, the Directors meet formally and informally both in person and by telephone or videocalls. Prior to each Board meeting, Directors are sent an agenda and Board papers adequately in advance of every meeting, to facilitate proper assessment of any matters requiring a decision or insight. Additional information is provided when requested by the Board or individual Directors.

The Non-Executive Directors maintain ongoing communications with the Executive between formal Board meetings. The Non-Executive Directors are required to spend a minimum of one day a month on Company business, or as much time necessary to fulfil their duties above this. The Non-Executive Chairman is required to spend a minimum of one day a week on Company business, or as much time necessary to fulfil his duties above this.

In common with other organisations of a similar size, the Executive Directors are heavily involved in the day-to-day running of the business. The Board is responsible for setting and approving the Group's long-term objectives and overall strategy as well as overseeing performance and approving major items of capital expenditure.

Board and Committee Meetings

The Board held 12 scheduled monthly meetings in the year to 31 May 2024, all of which had a full attendance record.

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee
Rory Shaw	12	n/a	4	1
Tom Oakley	12	n/a	n/a	n/a
Anesh Patel	12	n/a	n/a	n/a
Adam Denning	12	3	3	1
Annemijn Eschauzier	12	3	4	1
Philipp Prince	12	3	4	1

The Board retains full responsibility for the direction and control of the Group. The Board receives monthly board papers which cover operational, financial, and key stakeholder up to date information. Board minutes are recorded and approved at the next meeting. All Board members are well versed in their roles and responsibilities. All Directors have direct access to the advice and services of the Company's professional advisers, including the Company Secretary ONE Advisory Limited (ONE Advisory), enabling them access to all required information in the furtherance of their duties.

In addition, in accordance with the latest recommendations of the QCA code, the Nomination Committee requires that all directors will resign annually and offer themselves for re-election at the next Company AGM.

System of appointments

The appointment of Non-Executive Directors is a matter for the Board as a whole, with a selection process being agreed ahead of a search commencing. The Non-Executive Directors have contracts for services for a three year term, which can be extended based on mutual agreement. Non-Executive Directors are now

Feedback plc

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Corporate Governance statement (cont.)

subject to re-election every year. Terms and conditions of appointment of the Non-Executive Directors are available for inspection.

Executive Directors are appointed by the Board of Directors but stand for election by the shareholders at the Annual General Meeting.

Directors' conflict of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

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

The Company's Board of Directors bring a vast amount of experience from a range of industries including accounting and finance, technology, and medicine. The Company believes that the current balance of skills in the Board as a whole reflects a broad range of personal, commercial, and professional skills, providing the ability to deliver the Company's strategy for the benefit of shareholders over the medium and long-term. Directors are encouraged to maintain up-to-date skillsets by attending training, conferences, and networking events.

The Board is satisfied it has a suitable balance between independence on the one hand, and knowledge of the Company on the other. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational, enabling the Board to discharge its duties and responsibilities effectively. Biographical details of the Directors can be found on the Company's website.

ONE Advisory acts as Feedback's Company Secretary and has been given the responsibility for ensuring that Board procedures are followed and that the Company complies with all applicable rules, regulations and obligations governing its operation, including assistance with Board and shareholder meetings and compliance with the UK Market Abuse Regulation (MAR). ONE Advisory also supports the Board in its development of the Company's corporate governance responsibilities, obligations under the MAR and compliance with the AIM Rules.

The Nomination Committee, chaired by Rory Shaw, oversees the process to bring forward candidates, for the approval of the Board. Suggested changes to the Board are carefully evaluated by all Board members, and all appointments are made against objective criteria, on merit, ensuring that the Board has the appropriate skill set and experience, as a whole.

The Board have sought professional legal, HR and NOMAD advice as and when appropriate to do so, given the level of skills, knowledge, and experience of each Board member. Each Director ensures that their skillset is up to date by attending events, reading appropriate journals and news bulletins, and maintaining a regular dialogue with other skilled professionals.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continual improvement.

During the period under review the Board undertook a formal review of its performance and that of its Committees led by ONE Advisory, the Company Secretary. The process was aimed at ensuring the Board continues to operate effectively as well as identifying areas of focus for further development. The evaluation also provided guidance for Board and Committee meetings to adapt to maximize their usefulness.

The evaluation process was conducted through a series of questionnaires distributed via survey to Board and Committee members, which were then collated into a summary analysis report with findings discussed

Feedback plc

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Corporate Governance statement (cont.)

at subsequent meetings. Overall, Board and Committee meetings were found to be well run and well chaired, with the Board and its Committees aware of and fulfilling their respective responsibilities. The Board was noted to have a good understanding of the opportunities and the risks facing the business.

Detailed outcomes and actions identified are highlighted in the below table.

Category	Evaluation outcomes	Actions
Board		
Composition of the Board	<ul style="list-style-type: none"> The size and skills make-up of the Board is appropriate Monitor Board profile in respect of diversity and Executive / NED split 	<ul style="list-style-type: none"> Keep profile of Board under review
Board Responsibilities	<ul style="list-style-type: none"> Whilst the Board has a constructive relationship with management, this could be strengthened 	<ul style="list-style-type: none"> Consider opportunities for NEDs to engage with the wider management team
Culture	<ul style="list-style-type: none"> The Board has a positive culture Board members act with integrity The NEDs provide constructive challenge to the Executives 	<ul style="list-style-type: none"> Exposure of NEDs to the wider business could further facilitate monitoring of culture throughout the organisation
Meetings	<ul style="list-style-type: none"> Board meetings are efficient and well-chaired Meetings provide opportunity for effective discussion 	<ul style="list-style-type: none"> Keep timings allocated to agenda items under review
Board Information, Papers, Coverage, and Format	<ul style="list-style-type: none"> Board papers, minutes and agenda are well prepared Develop information flow between the Board and wider management Seek additional development and training opportunities for Board members 	<ul style="list-style-type: none"> The Board should identify development priorities for its members that align to the growth of the business
Effectiveness	<ul style="list-style-type: none"> The Board's strategic, risk management and internal control processes are effective The Board engages well with its stakeholder base 	<ul style="list-style-type: none"> n/a
Performance Measurement	<ul style="list-style-type: none"> The Board has sufficient information to enable proper oversight Develop competitor analysis presented to the Board Review feedback mechanisms for shareholder engagement 	<ul style="list-style-type: none"> Focus on effectiveness and frequency of competitor analysis reports
Audit and Risk		
Committee Composition	<ul style="list-style-type: none"> The size of the Committee is appropriate The Committee Chair is effective Skillsets of Committee members to be reviewed 	<ul style="list-style-type: none"> Identify any desirable skillsets and consider methods of implementation onto the Committee
Committee Responsibilities	<ul style="list-style-type: none"> The Committee should be better able to engage with non-Board colleagues Increase focus on internal controls 	<ul style="list-style-type: none"> Management with responsibility for key risks to the business should present at Committee meetings at regular intervals
Meetings	<ul style="list-style-type: none"> Committee meetings are overall highly effective 	<ul style="list-style-type: none"> Structure agenda items appropriately to facilitate strategic debate

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Category	Evaluation outcomes	Actions
	<ul style="list-style-type: none"> Time for and quality of debate could be further developed Meeting focus should include long term outlook 	
Approach	<ul style="list-style-type: none"> Review induction process of Committee members 	<ul style="list-style-type: none"> Review the current induction programme for new members and identify and address areas for improvement
Remuneration		
Committee Composition	<ul style="list-style-type: none"> The size of the Committee is appropriate The Committee Chair is effective 	<ul style="list-style-type: none"> Identify any desirable skillsets and consider methods of implementation onto the Committee
Committee Responsibilities	<ul style="list-style-type: none"> The Committee is aware of its responsibilities and focuses on the right areas 	<ul style="list-style-type: none"> n/a
Meetings	<ul style="list-style-type: none"> Committee meetings are well run 	<ul style="list-style-type: none"> n/a
Approach	<ul style="list-style-type: none"> There is scope for the Committee to improve the quality of information received Increase engagement with investors Review the induction process 	<ul style="list-style-type: none"> Increase standardisation of papers Review the current induction programme for new members and identify and address areas for improvement
Professional Advice	<ul style="list-style-type: none"> Administrative arrangements are effective The Committee is able to seek additional information and guidance when needed from advisors 	<ul style="list-style-type: none"> Seek to facilitate a benchmarking exercise against comparator companies

Progress on identified areas of development and resulting actions arising from this year's Board Effectiveness Review will be monitored on an ongoing basis and addressed in next year's Annual Report for the year ended 31 May 2025.

The Board considers succession planning and composition to be crucial elements of ensuring the continued success and long-term prosperity for the Company. The Board has delegated responsibility to the Nomination Committee for such succession planning recommendations.

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

The Company does not have a formal set of ethical values and behaviours. However, the Company endorses a 'no-blame' culture and has an 'open door' policy with regular staff meetings and management meetings. Management conducts regular one-to-one meetings with all staff, through which they are able to support staff in ensuring the Company's values are being recognised and reflected and assist in any staff training needs. The Directors and management are committed to developing a high standard in both ethical behaviours and values and are very supportive of employee wellbeing. The Company prides itself on being at the forefront for inclusion with the opportunity for all staff to have one-to-one meetings with Non-Executive Directors at periodic all-staff meetings.

Large parts of the Company's activities are centred upon an open and respectful dialogue with shareholders, contractors, regulators, and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an

Feedback plc

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Corporate Governance statement (cont.)

open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge.

The Group has implemented, inter alia, the following policies to help ensure the highest standards of personal and professional ethical behaviour are adhered to:

- an Anti-Bribery and Corruption Policy
- a Whistleblowing Policy
- a Social Media Policy
- a Share Dealing Policy
- an Inside Information Policy

The Strategic Report and s172(1) statement provide further detail on the policies in place to promote and support ethical behaviour and the Group's values, and how these align with the Group's objectives, strategy, and business model.

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

The Board is committed to, and ultimately responsible for, high standards of corporate governance, and has chosen to adopt the QCA Code. The Board reviews the Company's corporate governance arrangements regularly and expect to evolve these over time, in line with the Company's growth. The Board delegates responsibilities to its Committees and individual members as it sees fit. The appropriateness of the Board's structures and processes are reviewed periodically through the board evaluation process and, if required, on an ad hoc basis, so reflecting the changing requirements of the Company.

The Chairman, CEO, CFO, and Non-Executive Directors have clearly defined roles and responsibilities, with the role of the Chairman being to lead the Board and ensure it is operating effectively in approving and monitoring the strategic direction of the Company. The CEO has, through powers delegated by the Board, the responsibility for leadership of the management team in the execution of the Group's corporate strategies and policies and for the day-to-day management of the business.

The Non-Executive Directors are tasked with constructively challenging the decisions of executive management and satisfying themselves that the systems of business risk management and internal financial controls are robust. The Executive Directors seek regular counsel from the Non-Executive Directors outside of Board meetings.

Whilst the Board has not formally adopted appropriate delegations of authority setting out matters reserved to the Board, there is effectively no decision of any consequence made other than by the Directors. All Directors participate in the key areas of decision-making, including the following matters:

- Formulating, reviewing, and approving the Company's strategy;
- Formulating, reviewing, and approving the Company's budget;
- Establishing a framework of prudent and effective controls which enable risks to be managed and assessed;
- Ensuring the necessary financial and human resources are in place for the Company to meet its objectives; and
- Setting the Company's values and standards.

The Board delegates authority to three Committees to assist in meeting its business objectives whilst ensuring a sound system of internal control and risk management. The Committees meet independently of Board meetings.

Audit and Risk Committee

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Corporate Governance statement (cont.)

An Audit and Risk Committee is in place comprising three of the Non-Executive Directors. During the period under review the Committee was chaired by Philipp Prince, with Annemijn Eschauzier, and Adam Denning being members. Philipp Prince is a chartered accountant who has an extensive background in finance and experience in senior commercial and CFO roles. The Audit Committee's purpose is to ensure that the audit process is rigorous and consistent.

A summary of the work undertaken by the Audit and Risk Committee is detailed in the Audit and Risk Committee report on pages 61 – 62 and a schedule of members' attendance for Committee meetings held during the period under review is noted in the table above.

Remuneration Committee

A Remuneration Committee is in place comprising the Non-Executive Directors and where appropriate, the Chief Executive and/or the Chief Financial Officer. During the period under review the Remuneration Committee was chaired by Annemijn Eschauzier, with Rory Shaw, Adam Denning and Phillip Prince being members. The Committee's purpose is to regularly review the remuneration package of all Directors and senior employees and make recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time.

A summary of the work undertaken by the Committee is detailed in the Remuneration Committee Report on pages 67 – 69 and a schedule of members' attendance for Committee meetings held during the period under review is noted in the table above.

Nomination Committee

The Nomination Committee consists of the Non-Executive Directors and is chaired by Rory Shaw. The Committee met once during the period under review.

The Nomination Committee meets as required, has responsibility for reviewing the size and composition of the Board, and for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

Terms of Reference for the Audit and Remuneration Committees are available on the Company's website. The Board continues to monitor and evolve the Company's corporate governance structures and processes, and maintains that these will evolve over time, in line with the Company's growth and development.

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

The Company encourages two-way communication with its stakeholders and responds quickly to queries received. The Chief Executive has historically participated in interviews on investor information channels and RNS announcements are regularly produced to provide up to date operational as well as statutory and Board news. General meetings are held where the Board is present to speak formally as well as informally to shareholders. The communications issued are available on the website.

The Company retains a NOMAD, broker and PR advisers, contact details of whom are included on announcements. Shareholders and stakeholders are able to contact the Company's advisers to arrange meetings with management when convenient. The Board also recognises the AGM as an important opportunity to meet private shareholders. The Directors are available to listen to the views of shareholders informally, immediately following the AGM.

The annual report and accounts and notices of all general meetings for the last five years are available on the Company's website at <https://feedbackmedical.com/resources/resource-hub/>.

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Annual report and accounts for the year ended 31 May 2024

Corporate Governance statement (cont.)

The Company provides outcomes of all resolutions proposed at general meetings of the Company in a clear and transparent manner and seeks to engage with shareholders when results are not in line with Board expectations.

All 2023 AGM resolutions passed comfortably. The Board maintains that, were a resolution to be passed at a GM with 20% or more votes cast against, the Board would seek to understand the reason for the result and take suitable action where appropriate.

Audit and risk committee report

Dear shareholder, I present my Audit and Risk Committee report for the year ended 31 May 2024, which has been prepared by the Audit and Risk Committee and approved by the Board.

During the year under review, the Audit and Risk Committee was comprised of Philipp Prince, Adam Denning and Annemijn Eschauzier. The Audit and Risk Committee aims to meet at least three times per annum and met three times in the year under review. Meetings are also attended by others, by invitation, including the external auditor, the Non-Executive Chairman (Rory Shaw), the Chief Executive Officer (Tom Oakley) and the Chief Financial Officer (Anesh Patel).

I was appointed as Chair of the Audit and Risk Committee on 08 September 2020. As a fellow of the Institute of Chartered Accountants in England and Wales and former AIM company CFO, the Audit and Risk Committee continues to be satisfied that I have sufficient relevant financial experience to fulfil my duties as Audit and Risk Committee Chair.

Responsibilities

The Audit and Risk Committee has the following responsibilities:

Financial reporting

As stated in the Audit and Risk Committee terms of reference, the Audit and Risk Committee shall monitor the integrity of the financial statements of the Company, including its annual, half-yearly and interim *management statements and any other formal announcement relating to its financial performance*, reviewing significant financial reporting issues and judgements which they contain. The Audit and Risk Committee shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature. The Audit and Risk Committee will compile a report to shareholders on its activities to be included in the Company Annual Report, in addition to reporting formally to the Board on the Audit and Risk Committee's proceedings after each meeting on all matters.

External audit

The Audit and Risk Committee shall agree the scope of the annual audit in advance, focusing on areas of audit risk and the appropriate level of audit materiality. The Audit and Risk Committee will engage in discussions with the external auditor regarding fees, internal controls, accounting policies and areas of critical accounting estimates and judgements.

The external auditor will report to the Audit and Risk Committee on the results of the audit work and highlight any issue which the audit work has discovered, or the Audit and Risk Committee had previously identified as significant or material in the context of the Company's financial statements. The Audit and Risk Committee will meet with the external auditor at least once per year without management being present to discuss its remit and any issues arising from the audit.

Risk management and internal controls

The Audit and Risk Committee shall keep under review the adequacy and effectiveness of the Company's internal financial controls and risk management systems, monitoring the proper implementation of such controls, considering whether third-party assurance may be appropriate in relation to any specific risk, and will review and approve the statements to be included in the Annual Report concerning internal controls and risk management.

The Audit and Risk Committee has a responsibility to review the adequacy of the Company's arrangements for its employees to confidentially raise any concerns about possible wrongdoings regarding financial reporting, ensuring that arrangements are in place for the proportionate and independent investigation of such matters with appropriate follow-up action.

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Annual report and accounts for the year ended 31 May 2024

Significant issues considered by the Audit and Risk Committee during the year

During the year, the Audit and Risk Committee concluded that the Annual Report and financial statements, taken as a whole, were fair, balanced and understandable and provided the information necessary for shareholders to assess the Company's and the Group's financial position, performance, business model and strategy.

The Audit and Risk Committee's primary activity involved considering material issues within the Group, liaising with the external auditor, considering areas of judgement, and reviewing and approving the year end results announcement and accounts. The Audit and Risk Committee reviewed and made recommendations to the Board on the significant accounting issues below, potential changes to accounting policies and processes, and going concern considerations.

The significant accounting areas and judgements considered by the Audit and Risk Committee were:

Revenue recognition

The Audit and Risk Committee discussed the evolution of the group's product mix and specifically the basis used to determine how Bleepa® software licence and support revenues are split and recognised over time. The Audit and Risk Committee was satisfied that management's judgement in the absence of explicit performance obligations and the consequential recognition of revenue and deferred revenue in the accounts was reasonable.

Capitalisation, amortisation and valuation of intangible assets

The Audit and Risk Committee reviewed the basis of capitalisation and amortisation and considered the intangible value attributed to its intangible software development costs. The Audit and Risk Committee noted that a proportion of software development spend incurred with the Group's partner Graylight Imaging (GLI) related to software bug fixes and maintenance was expensed to the income statement in accordance with accounting standards. The Audit and Risk Committee was satisfied that the forecast cash flows from the anticipated level of future revenues, supported by customer interest and the sales pipeline, are sufficient to support the carrying values.

Going concern

The Audit and Risk Committee reviewed the cash flow forecasts for the Group and discussed the key assumptions and risks relevant to their achievement. The Audit and Risk Committee was satisfied that the basis for adopting the going concern basis in preparing the Group and Company financial statements, set out in note 3 on page 84, was reasonable.

External auditor's effectiveness and independence

The Audit and Risk Committee approves the external auditor's terms of engagement, scope of work, and process for the interim review and the annual audit. It also meets with the external auditor to review the findings of its work, the written reports submitted and effectiveness of the audit. The Group's policy is to retender its external audit after 10 years and rotate external auditors after 20 years. This is in line with the requirements for Public Interest Entities in the UK. These are maximum limits and the Audit and Risk Committee's review of the external auditor's effectiveness and independence may lead to a recommendation to retender more frequently. The Audit and Risk Committee has primary responsibility for making recommendations to the Board on the appointment, reappointment and removal of the external auditor. The Audit and Risk Committee assesses the independence, tenure and quality of the external auditor at least annually. The incumbent external auditor was appointed on 15 April 2020 and has completed annual audits for the five financial years ended 31 May 2024. There are no current plans to retender for the external audit. The external auditor does not provide any material non-audit services to the Company or its subsidiaries. Being satisfied with the external auditor's work for the year under review and of the external auditor's independence, the Audit and Risk Committee recommended that the Board reappoint the External Auditor.

Philipp Prince

Chair of the Audit Committee
01 November 2024

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Annual report and accounts for the year ended 31 May 2024

Directors' report

The Directors present their report and the financial statements for the year ended 31 May 2024.

Principal activities

During the year under review, the principal activity of the Group has been the continued development and commercialisation of the Group's proprietary technologies:

- Bleepa® - the image-based communication platform for frontline clinicians;
- CareLocker - the patient-centric cloud architecture; and
- Feedback Connect - technology which enables imaging-led point-of-care decision making in remote areas

The Group also continues to leverage and monetise component of its legacy platform technology through license agreements. In addition, the company is supporting limited support contracts through the ongoing provision of legacy product Cadran PACS, although this is reducing over time.

Further details are set out in the About Us section of the Strategic Report. Future developments for the Group are discussed in the Chairman's Statement and CEO Statement of the Strategic Report.

Directors

The Directors and brief biographies are detailed on pages 49 – 50.

The Directors of the Company during the year were:

Prof R Shaw

Dr T Oakley

A Patel

A Dcnning

A Eschauzier

P Prince

In accordance with the latest recommendations of the QCA code, all directors will resign and offer themselves for re-election at the Company's forthcoming AGM.

Directors' emoluments

Directors' emoluments during the year under review are detailed in the Remuneration Committee report on pages 67 – 69.

Directors' shareholdings

Details of Directors' beneficial interests in the Ordinary Shares of the Company on 31 May 2024, and details of Directors' share options, are set out in the Remuneration Committee report on pages 67 – 69.

Significant shareholders

As at 12 June 2024, the Company had been advised or is aware of the following interests of 3% or more in the Company's issued share capital:

Director's report (continued)

	No. of Shares*	%
Unicorn Asset Management Limited	2,428,571	18.21%
Octopus Investments Nominees Limited	1,700,000	12.75%
Premier Miton Group PLC	1,266,666	9.50%
Mole Valley Asset Management Ltd	820,245	6.15%
Thomas Charlton	589,871	4.42%
Jonathan Cranston	455,250	3.41%

Employment policies

The Group is committed to employee involvement in the business and there are consultative procedures available for management and other employees to discuss matters of mutual interest. The Group places value on the involvement of its employees and they are regularly briefed on the Group's activities. The Group closely monitors staff attrition rates which it seeks to maintain at current low levels and aims to structure staff compensation levels at competitive rates in order to attract and retain high calibre personnel. The Group has a policy of non-discrimination in respect of sex, colour, religion, race, disability, nationality or ethnic origin. Further information can be found in the ESG Report on pages 39 - 44.

Creditor payment policies

The Group's policy for all suppliers is to fix terms of payment when agreeing the terms of each business transaction, to ensure the supplier is aware of those terms and to abide by the agreed terms of payment. Payment terms for the year ended 31 May 2024 averaged 17 days (2023: 7 days).

Business relationships

The Group's key business relationship is with Graylight Imaging, the healthcare division of Future Processing Sp z.o.o who support our research and development function. Regular dialogues, virtual and face to face meetings occur weekly and they have been integral to the development of Bleepa®. The Group treats many smaller suppliers as business partners as they are required to support our limited internal resources.

Energy use and carbon emissions

During the year ended 31 May 2024, the Group's energy consumption was considerably below 40,000 Kw Hours, and therefore no consumption data is presented. Carbon emissions data is presented in the ESG Report on pages 39 - 44.

Treasury policy

The Group has adopted formal treasury policies to control its financial instruments. It has a Group Treasury policy not to undertake transactions of a speculative nature. Group cash flows are managed centrally, and surplus cash is invested in short-term financial instruments. The Group does not undertake hedging transactions in foreign currencies. Foreign currencies are generally converted automatically into sterling on receipt.

Compliance with these policies is monitored by the Board. Other than for currency disclosures, the Group has taken advantage of the exemption permitting it not to treat short-term debtors and creditors as financial instruments.

Results and dividends

An analysis of the Company's performance is contained within the Strategic Report. The Company's Statement of Comprehensive Income is set out on page 76 and shows the financial results for the year.

Information regarding the Group's principal risks, results, future developments, R&D activities, dividends and key performance indicators are provided in the Strategic Report.

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Annual report and accounts for the year ended 31 May 2024

Director's report (continued)

No dividend was declared in the year (2023: £nil).

Statement as to disclosure of information to external auditors

The Directors who were in office on the date of approval of these financial statements have confirmed that

- As far as they are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's external auditor is unaware; and
- each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's external auditor is aware of that information.

Auditor

Price Bailey LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Group's forthcoming Annual General Meeting.

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 £5.2 million (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 £1.0 million (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.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Group and parent Company financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law the Directors are required to prepare the Group and parent Company financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year. The financial statements are required by company law to give a true and fair view of the state of affairs of the Group and parent Company and of the profit and loss of the Group for that period.

In preparing each of the Group and parent Company financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the parent Company financial statements; and

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Director's report (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and parent Company and to enable them to ensure that the financial statements comply with UK adopted international accounting standards. They have general responsibility for taking such steps as are reasonably open to safeguard the assets of the Group and parent Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report to comply with that law and those regulations.

In determining how amounts are presented within terms in the income statement and balance sheet the Directors have had regard to the substance of the reported transaction or arrangement in accordance with generally accepted accounting principles or practice.

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

The Directors' Report was approved by the Board on 01 November 2024 and signed on its behalf by:



Rory Shaw
Non-Executive Chairman

Remuneration Committee report

Dear Shareholder, I present my Remuneration Committee Report for the year ended 31 May 2024, which has been prepared by the Remuneration Committee and approved by the Board.

During the year under review, the Remuneration Committee was comprised of Annemijn Eschauzier (Chair), Rory Shaw, Adam Denning and Philipp Prince. The Remuneration Committee met four times during the year under review to consider recommendations as to the composition and level of remuneration for Executive Directors including incentive scheme arrangements and proposals for share option awards. In addition, it considers the Group-wide pay policy, employee benefits offered and arrangements for any performance related pay scheme and share option schemes for employees in general.

We have sought advice from our Company Secretary, ONE Advisory to ensure we are meeting minimum disclosure requirements which we seek to continually improve. The Company's focus is on revenue growth and cash preservation, and this is reflected in the remuneration strategy.

Responsibilities

The Remuneration Committee's principal duties and responsibilities are set out in its Terms of Reference which are reviewed and reconfirmed annually. These include:

- determining the Group's policy on the remuneration of Executive Directors and any senior management as designated by the Board and monitoring the policy for the remuneration of staff in general;
- reviewing the performance of the Executive Directors against their individual and corporate objectives and making recommendations to the Board on matters relating to the level and structure of their remuneration;
- approving the design of and determining targets for any performance-related pay schemes operated by the Group; and
- approving and overseeing the design and application of share option plans

Executive bonuses are considered by the Remuneration Committee at year end and in relation to the achievement of key performance metrics agreed between the Remuneration Committee and the Executive team.

Company's policy on remuneration of Directors

Our policy is to ensure that the remuneration of Directors and senior executive management is aligned with performance and that all employees are rewarded for the delivery of long-term value to shareholders.

The Non-Executive Directors, whose remuneration is determined by the Board as a whole, receive fees in connection with their services provided to the Group, to the Board and to Board Committees.

The main components of the remuneration packages for the Executive Directors are:

Basic salary

The basic salary for each Director is determined by considering the performance of the individual and information, where available, on the rates of salary for similar posts in comparable businesses. The Chief Executive Officer's current salary is £165,500 (2023: £158,936) and the Chief Financial Officer's current salary is £153,500 (2023: £147,584). These salaries reflect an inflationary only increase on the prior year and are in the lower quartile of AIM small-cap benchmarks, to preserve cash.

As part of the overall incentive plan for the executive directors, step changes will be triggered by a specific revenue milestone, reflecting an assessment of their salaries against market norms this year and relevant AIM company remuneration benchmarks. Future salary increases will be set in line with relevant market levels, considering economic changes and the performance of the business and will aim to retain and attract high quality executives.

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Remuneration Committee report (continued)

Annual bonus

Annual bonuses are available to Executive Directors and senior management on the attainment of specific performance targets.

The bonuses for the Executive Directors for the year ending 31 May 2024 were awarded post-period in line with the disclosed basis in the prior year Remuneration Committee report. For the CEO, this amounted to approximately 10% (2023: 37%) of base salary (of a maximum potential award of 100% of base salary). For the CFO, this amounted to approximately 20% (2023: 27%) of base salary (of a maximum potential award of 100% of base salary).

For the year ending 31 May 2025, an annual bonus of up to 130% of salary will be available to the Chief Executive Officer and an annual bonus of up to 115% of salary will be available to the Chief Financial Officer, to drive revenue generation and an opportunity to increase total take home pay on salaries that are currently on the lower end of the benchmark. Notwithstanding this, the annual bonus is only payable in components depending on the attainment of challenging, stretch performance targets linked to revenue growth, gross margin protection, strategic partnerships and leadership. The revenue growth component accounts for 75% of the bonus potential including 30% for exceeding current market expectations. A proportion of the annual bonus potential will be paid in shares.

Benefits in kind and pensions

Presently, the Executive Directors are provided with the opportunity to receive private medical insurance and to participate in a Cycle to Work and Buy/Sell annual leave salary sacrifice schemes. In addition, as an alternative to the government workplace pension scheme, the Executive Directors are provided with the opportunity to join the Company pension scheme with a matched 5% employer contribution at present, in line with all other permanent employees.

Share options

The Company's policy is that, in addition to their salaries and bonuses, Executive Directors and senior executive managers should be awarded share options with challenging share price performance targets in order that their interests may be more closely aligned with those of shareholders.

Directors' remuneration

(a) The Directors' total remuneration during the year ending 31 May 2024 and the prior year ending 31 May 2023 is set out below:

Year ending 31 May 2024	Salary	Bonus	Fees	Pension	Benefits in Kind	Total
	£	£	£	£	£	£
<i>Executive Directors</i>						
T Oakley	159,460	56,000	-	1,321	0	216,781
A Patel	149,958	39,200	-	8,358	0	197,516
<i>Non-Executive Directors</i>						
R Shaw	40,000	-	-	-	-	40,000
A Denning	25,000	-	-	-	-	25,000
A Eschauzier	25,000	-	-	-	-	25,000
P Prince	25,000	-	-	-	-	25,000
Total	424,418	95,200	-	9,679	-	529,297
Year ending 31 May 2023	Salary	Bonus	Fees	Pension	Benefits in Kind	Total
	£	£	£	£	£	£
<i>Executive Directors</i>						
T Oakley	149,345	60,000	-	1,321	-	210,666
A Patel	139,454	30,000	-	7,895	-	177,349
<i>Non-Executive Directors</i>						
R Shaw	40,000	-	-	-	-	40,000

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Remuneration Committee report (continued)

A Denning	25,000	-	-	-	-	25,000
A Eschauzier	25,000	-	-	-	-	25,000
P Prince	25,000	-	-	-	-	25,000
Total	403,799	90,000	-	9,216	-	503,015

(b) Details of the interests in share options held by the Directors of the Company as at 31 May 2024 are set out below:

	No. of options	Date of grant	Exercise price	Exercisable period
			Pence	
T Oakley	46,660	09 April 19	218	09 April 19 – 09 April 29
T Oakley	67,493	23 April 20	240	01 June 20 – 24 April 30
T Oakley	419,232	23 February 22	140	31 May 22 – 31 May 30
A Patel	266,692	23 February 22	140	31 May 22 – 31 May 30
R Shaw	14,000	26 June 18	372	01 March 19 – 26 June 28
R Shaw	25,000	23 April 20	240	01 June 20 – 24 April 30
R Shaw	48,000	23 February 22	140	23 February 23 – 23 February 32
Total	887,077			

Further details on share options are set out in Note 18.

Directors' interests

The beneficial interests of the Directors in the ordinary shares of the Company on 31 May 2024 are set out below:

	No. of shares	%
R Shaw	78,573	0.59
A Denning	14,794	0.11
A Eschauzier	18	0.00
P Prince	24,763	0.19
Total	118,148	0.89

Annemijn Eschauzier

Chair of the Remuneration Committee
01 November 2024

Feedback plc

Annual report and accounts for the year ended 31 May 2024

Independent Auditor's Report to the Members of Feedback plc

Opinion

We have audited the financial statements of Feedback Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2024 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement, the company cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2024, and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Our approach to the audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment. We determined materiality and assessed the risk of material misstatement in the financial statements. In particular we looked at where the directors had made subjective judgements within accounting estimates. We addressed the risk of management override of internal controls including whether there was evidence of bias by the directors that represented a risk of material misstatements due to fraud.

The group has operating entities based in the UK and India. We assessed there to be two significant components being Feedback Plc and Feedback Medical Limited with operations in the UK. All significant components were subject to a full scope audit by the group auditor at component materiality levels.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant addressed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matters to be communicated in our report.

Key audit matters	How our scope addressed this matter
Revenue recognition	The risk is that revenue is overstated through non-deferral of revenue which should be deferred as

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Annual report and accounts for the year ended 31 May 2024

Independent Auditor’s Report to the Members of Feedback plc

<p>In our assessment of audit risk, we determined that the existence and timing of revenue recognition give rise to a significant risk of material misstatement. The group has a variety of revenue streams including software installation, software licences, scientific and software support and consultancy.</p>	<p>the criteria of revenue recognition have yet to be met. We focused on timing of revenue recognition in accordance with stated accounting policies and its subsequent presentation in the statement of comprehensive income. Our procedures included: Analytical procedures and depth testing on a sample of transactions to confirm the validity of sales recorded and if in line with IFRS 15 by considering if the performance obligations have been met. We sampled a number of transactions and contracts throughout the year ensuring they had been accounted for correctly and that revenue is complete and that the performance obligations have been met. Gaining an understanding of the systems and procedures implemented to ensure revenue is recognised in the appropriate accounting period, testing a sample of entries where necessary. Reviewing the recognition at the year end to assess the validity of their recognition and carrying values as at 31 May 2024. Our work did not identify any items that could not be substantiated.</p>
<p>Intangible assets – capitalised development costs and valuation The group holds material intangible assets in relation to patents, customer relationships and software developments. The main risk is ensuring that intangible assets are held at the appropriate value and recognition criteria under IAS 38 have been met before being capitalised.</p>	<p><i>We focused on intangible assets valuation and recognition in accordance with stated accounting policies.</i> Our procedures included: Reviewing a sample of additions to supporting invoices and documentation received from third parties to ensure intangible assets were correctly valued. We carried out audit testing to ensure that amounts capitalised met the recognition criteria within the standard and were in accordance with stated accounting policies. The rationale for recognition of these costs was discussed with management, and the products for which items had been capitalised assessed against the recognition criteria of IAS 38 by reference to supporting evidence.</p>
<p>Intangible assets – impairment review 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. There is a risk that intangibles are subject to impairment.</p>	<p>Our procedures included: We assessed management’s methodology of impairment review and accounting policy as set out in note 3 to ensure it was carried out as required under IAS36 “Impairment of Assets”. We evaluated management’s cash flow forecasts and the processes by which these were drawn up. We considered the key assumptions and estimates used by management including growth rates and discount rates. We carried out sensitivity analysis. We looked at the progress made in development, discussed recent trials and reviewed a sample of contracts won since year end and some recent correspondence with potential customers. We considered the direct costs included within the</p>

Independent Auditor's Report to the Members of Feedback plc

	cashflow forecasts to ensure that they were appropriate. We also reviewed the appropriateness and completeness of disclosure shown in the notes to the accounts.
Investments in subsidiaries – valuation and impairment review The carrying value of investments in subsidiaries is reviewed for impairment annually. There is a risk that the investment is subject to impairment.	Our procedures included: We assessed management's methodology of impairment review and accounting policy as set out in note 3 and 12 to ensure it was carried out as required under IAS36 "Impairment of Assets". We evaluated management's cash flow forecasts and the processes by which these were drawn up. We considered the assumptions used by management including discount rate and growth rates. We carried out sensitivity analysis. We also reviewed the appropriateness and completeness of disclosure shown in the notes to the accounts.

Our application of materiality

We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable knowledgeable users that are taken on the basis of financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We based materiality for the group's financial statements as a whole on the pre-tax loss for the group and concluded materiality to be £251,900. We consider that loss provides us with the most relevant performance measure to stakeholders of the entity given the stage of the group's activity and growth. We assessed materiality for the parent company's financial statements as a whole on the basis of 2% of net assets and restricted at 90% of Group materiality, being £226,700.

We apply the concept of materiality both in the planning and performance of the audit, and in evaluating the effects of misstatements.

During the course of the audit we reassessed materiality from planning to reflect the final reported performance of the group. There was no change made to our planning materiality.

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

We assessed performance materiality for the group's financial statements as a whole at 60% of materiality and concluded performance materiality to be £151,000.

We assessed performance materiality for the company's financial statements as a whole at 60% of materiality and concluded performance materiality to be £136,000.

In determining our performance materiality we have also considered the nature, quantum and volume of corrected and uncorrected misstatements in prior periods and our expectation that misstatements from prior periods would not likely recur in the current period.

Conclusions relating to going concern

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

Feedback plc

Annual report and accounts for the year ended 31 May 2024

Independent Auditor's Report to the Members of Feedback plc

review of the forecasts prepared by management to see whether this will be sufficient to meet their requirements for the next 12 months from the date of approval of these financial statements, review of management accounts after year end and considering whether the assumptions used appear reasonable taking into account past performance and current conditions. As at 31 May 2024 the group had cash balances of £3,877,503 and we assessed whether this will be sufficient to enable the group to meet liabilities as they fall due, taking into account market conditions. As noted in note 3, the Company will announce 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, 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), with the placing, subscription and retail offer being conditional on 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 a period of at least twelve months from approval of these financial statements.

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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Independent Auditor's Report to the Members of Feedback plc

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 65 - 66, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group.

Our approach was as follows:

- We considered the nature of the commercial activities undertaken and the business performance for the year and held discussions with management.
- We obtained an understanding of the legal and regulatory requirements applicable to the group and the parent company and considered that the most significant are the Companies Act 2006, financial reporting, UK taxation legislation and rules and GDPR.
- We obtained an understanding of how the group and the parent company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

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Annual report and accounts for the year ended 31 May 2024

Independent Auditor's Report to the Members of Feedback plc

- We discussed during the audit engagement team briefing regarding how and where fraud might arise in the financial statements and any potential indication of fraud. We remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

To address the risk of management override of controls, we used data analytics to carry out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We discussed journals outside our expectations with informed management and assessed their appropriateness. We reviewed internal systems and performed walkthrough testing of key systems to gain assurance that they are operating effectively and efficiently. We tested authorisation of a sample of expenditure to gain assurance that these were authorised in line with internal procedures.

We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

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

Independent Auditor's Report to the Members of Feedback plc



Martin Clapson FCA (Senior Statutory Auditor)

For and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Tennyson House

Cambridge Business Park

Cambridge

CB4 0WZ

4 November 2024

Feedback plc

Annual report and accounts for the year ended 31 May 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 on pages 84 – 104 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

Feedback plc

Annual report and accounts for the year ended 31 May 2024

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	-	(830)	-	-	(830)
Costs of new shares issued	-	-	-	-	-
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 on pages 84 – 104 form part of these financial statements

Feedback plc

Annual report and accounts for the year ended 31 May 2024

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 financial statements were approved and authorised for issue by the Board of Directors on 01 November 2024 and were signed below on its behalf by:



Prof Rory Shaw
Chairman

The notes on pages 84 – 104 form part of these financial statements

Feedback plc

Annual report and accounts for the year ended 31 May 2024

Company Balance Sheet

for the year ended 31 May 2024

	Notes	2024 £	2023 £
Assets			
Non-current assets			
Investments	12	8,503,533	9,500,102
		8,503,533	9,500,102
Current assets			
Other receivables	15	43,583	57,164
Loans to subsidiary companies		3,132,873	393,170
Cash and cash equivalents		3,828,092	6,974,028
		7,004,548	7,424,362
Total assets		15,508,081	16,924,464
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
Share option expense reserve	18	605,359	530,897
Retained earnings	18	(7,200,129)	(5,711,784)
Total equity		15,422,801	16,836,684
Liabilities			
Current liabilities			
Trade and other payables	16	85,280	87,780
Total liabilities		85,280	87,780
Total equity and liabilities		15,508,081	16,924,464

The Company's loss for the year was £1,488,345 (2023: profit of £1,703,482).

The financial statements were approved and authorised for issue by the Board of Directors on 01 November 2024 and were signed below on its behalf by:



Prof R Shaw
Chairman

The notes on pages 84 – 104 form part of these financial statements

(Company registration number 00598696)

Feedback plc

Annual report and accounts for the year ended 31 May 2024

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)
<i>Adjustments for:</i>		
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 on pages 84 – 104 form part of these financial statements

Feedback plc

Annual report and accounts for the year ended 31 May 2024

Company Cash Flow Statement

for the year ended 31 May 2024

	2024 £	2023 £
Cash flows from operating activities		
Profit/(Loss) before tax	(1,488,063)	1,703,482
<i>Adjustments for:</i>		
Net finance income	(94,978)	(47,868)
Provision against/ (reversal of) intercompany receivable	-	(2,237,139)
Impairment against intercompany investment	1,004,649	-
Share based payment expense	74,462	80,859
(Increase)/Decrease in other receivables	13,581	(7,400)
(Decrease)/Increase in trade payables	(6,518)	1,264
(Decrease)/ Increase in other payables	4,017	12,515
Total adjustments	995,213	(2,197,769)
Net cash used in operating activities	(492,850)	(494,287)
Cash flows from investing activities		
Loans to subsidiary companies	(2,739,984)	(2,714,494)
Investment in subsidiaries	(8,080)	(7,991)
Interest Income	94,978	47,868
Net cash generated from investing activities	(2,653,086)	(2,674,617)
Cash flows from financing activities		
Net proceeds from share issue	-	(830)
Net cash generated from financing activities	-	(830)
Net increase in cash and cash equivalents	(3,145,936)	(3,169,734)
Cash and cash equivalents at beginning of year	6,974,028	10,143,762
Cash and cash equivalents at end of year	3,828,092	6,974,028

The notes on pages 84 – 104 form part of these financial statements

Notes to the financial statements (continued)

Notes to the Financial Statements

1. General information

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.

Feedback plc

Annual report and accounts for the year ended 31 May 2024

Notes to the financial statements (continued)

3. Significant accounting policies (continued)

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.

Notes to the financial statements (continued)

3. Significant accounting policies (continued)

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:

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Notes to the financial statements (continued)

3. Significant accounting policies (continued)

- 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.

Notes to the financial statements (continued)

3. Significant accounting policies (continued)

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.

Notes to the financial statements (continued)

3. Significant accounting policies (continued)*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 judgments 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 NHS contracts, the timing of those contracts, and the cash flows expected to be generated. An 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

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Notes to the financial statements (continued)

3. Significant accounting policies (continued)

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
- NHS 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)
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.

Feedback plc

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Notes to the financial statements (continued)

4. Segmental reporting (continued)

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

Feedback plc

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Notes to the financial statements (continued)

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	2023	2024	2023
	Average	Average	Year-end FTE	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 on pages 67 – 69.

Feedback plc

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Notes to the financial statements (continued)

9. Taxation on loss

	2024 £	2023 £
(a) The tax credit for the year:		
UK Corporation tax	(298,631)	(455,909)
	(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.

Notes to the financial statements (continued)

11. Loss per share (continued)	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

Feedback plc

Annual report and accounts for the year ended 31 May 2024

Notes to the financial statements (continued)

12. Investments (continued)

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 plc

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Notes to the financial statements (continued)

12. Investments (continued)

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

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Notes to the financial statements (continued)

14. Intangible assets

	Software developme nt £	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
Amortisation and impairment					
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

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Notes to the financial statements (continued)

16. Trade and other payables (continued)

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.

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Notes to the financial statements (continued)

17. Financial instruments (continued)

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

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Notes to the financial statements (continued)

17. Financial instruments (continued)

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 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***Feedback plc**

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Notes to the financial statements (continued)

17. Financial instruments (continued)

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 20 ⁽⁵⁾	67,493	-	-	67,493	240	06 August 20 – 06 August 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.

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Notes to the financial statements (continued)

18. Share capital and reserves (continued)

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

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Notes to the financial statements (continued)

18. Share capital and reserves (continued)*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.

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

Share premium	<ul style="list-style-type: none"> Amount subscribed for share capital in excess of nominal value
Capital reserve	<ul style="list-style-type: none"> Reserve on consolidation of subsidiaries
Translation reserve	<ul style="list-style-type: none"> Gains and losses on the translation of overseas operations into GBP
Retained earnings	<ul style="list-style-type: none"> All other net gains and losses and transactions with owners not recognised elsewhere
Share Option Reserve	<ul style="list-style-type: none"> 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 on pages 67 – 69.

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.

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Notes to the financial statements (continued)

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 announced 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.

Company Information

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A Patel
A Denning
P Prince
A Eschauzier

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