FEEDBACK plc

Connectivity that liberates healthcare

Annual Report and Accounts

For the year
ended 31 May 2023

Contents

Highlights

Operational highlights

- Continued to focus on growth of high margin opportunities
- Sussex Integrated Care System ("ICS") Community Diagnostic Centre ("CDC") pilot contract extension - providing increased revenue visibility
- Demonstrated an approximate 69% reduction in patient wait times compared to national targets
- Named as a supplier on G-Cloud 13, the UK Government's digital marketplace
- Bleepa 1.5 upgrade completed
- NHS Trust customers NCA and RBH both renewed Bleepa subscriptions for a further 3-year term
- Continued progress in India and establishment of Indian subsidiary
- Completion of 200:1 share consolidation

Financial highlights

- 74% increase in revenue to £1.02m (FY22: £0.59m), of which Bleepa-CareLocker contributed 74%
- 89% increase in sales[(1)] to £1.27m (FY22: £0.67m)
- Operating loss increased to £3.42 (FY22: £2.51m), reflecting expansion and improvements to the technology
- Cash as at 31 May 2023 was £7.32m (31 May 2022: £10.31m)

Post period highlights

- Numerous discussions underway both with local, regional and national NHS organisations, and strategic partners
- Successfully granted an import license for Bleepa as a registered medical device in India
- Appointment of India in-country Managing Director to drive the opportunity for Bleepa

Note (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).

About us

Our Vision

Connectivity that liberates healthcare

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 enable clinicians to make better decisions faster, from any location. Without the right information at their fingertips, clinicians are constrained in their capacity to provide the best care for patients.

We design products that enhance clinician access to patient data and their colleagues. Our suite of products liberates the data and knowledge hidden in multiple, disjointed IT systems and delivers better workflow to enable clinicians to collaborate and provide better healthcare decisions faster for their patients.

We are healthcare experts, we create solutions that are right first time and solve real problems – fast. We achieve this through our core products, Bleepa and CareLocker, which together assimilate specialist clinical data and present it back to clinical users within a patient-specific collaboration environment, which they can securely access from anywhere– we give clinicians the ability to manage any patient from any location.

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:

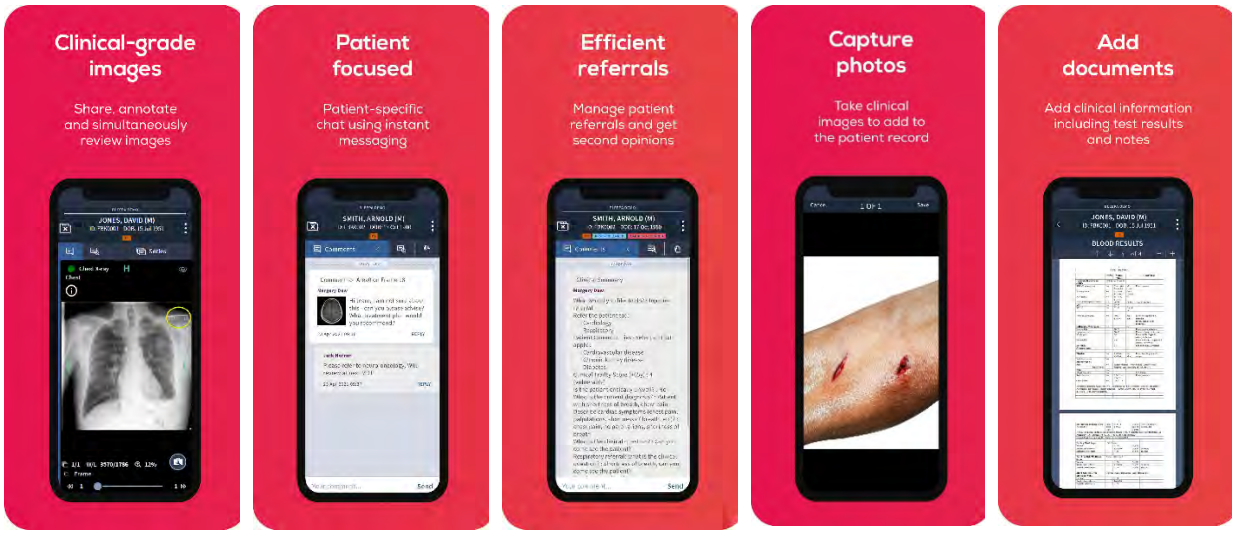
- We have provided medical software for over 20 years, during which time we have processed clinical data for several million patients, including specialist data such as DICOM radiology images, and we have been the trusted partner of multiple hospitals.
- We have the know-how and technical tools required 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 ISO standards and having successfully held CE marks and, most recently, 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.

"Bleepa works very well for us as a 24-hour service in our emergency department... Any reduction in the time taken to review patients and help to improve their journey through the hospital is crucial when every second counts."

Justine Loh, Consultant in Emergency Medicine and Paediatric Emergency Medicine, Digital Health Lead in ED, Royal Berkshire NHS Foundation Trust

Watch our video to find out more about how Bleepa improves patient care.

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.
- The only communication and workflow tool to be certified as a medical device for clinical image display
- Dashboard view giving oversight of any patient on any Bleepa care pathway.

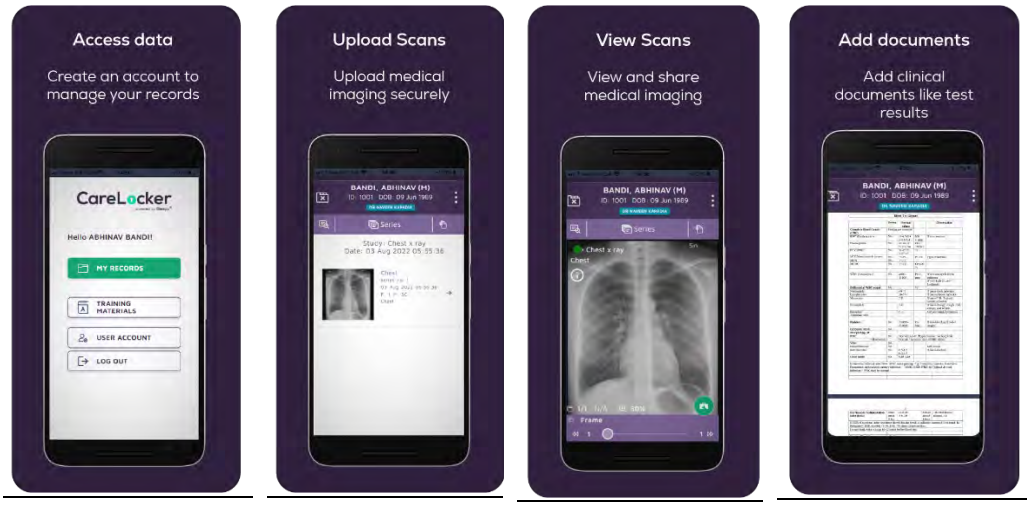
What this means for care

- 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.

What this means for customers

- Estimated 74% reduction in referral time.
- Estimated potential reduction in length of hospital stay of 1.6 days, on average.
- Flexible working arrangements for staff, helping retention whilst simultaneously reducing the overall staffing requirement and enabling flexible onboarding of staff from remote/out of area locations.
- Auditable capture of all clinical discussions.
- Conformance with CQC requirement for a single contemporaneous record and GDPR/MDD regulatory requirements.
- Avoid ICO fines for WhatsApp data breaches.

CareLocker



Key features

- Patient centric cloud architecture that bridges care settings and follows the patient across provider sites with unparalleled scalability, security and auditability.
- Facilitates direct patient access to clinical results, as directed by the clinical team.

What this means for care

- CareLocker gives commissioners the ability to manage patients in any care setting, allowing them to have a centralised data store across providers to underwrite the care episode – a store that can be disposed of after the episode or retained in order to build a centralised, provider-neutral, regional or national data source for the individual patient.
- Patients can be given direct access to their results, reducing the workload of GPs/specialists who otherwise have to field patient queries or provide results to patients. CareLocker provides a vehicle for clinicians to communicate significant results directly to the patient where clinical counselling is required alongside the results being made available.
- Patients will have access to their results in the event that they are seen by a healthcare provider out of area, or in the private sector, improving the safety of care and reducing the need for repeat investigations.

What this means for customers

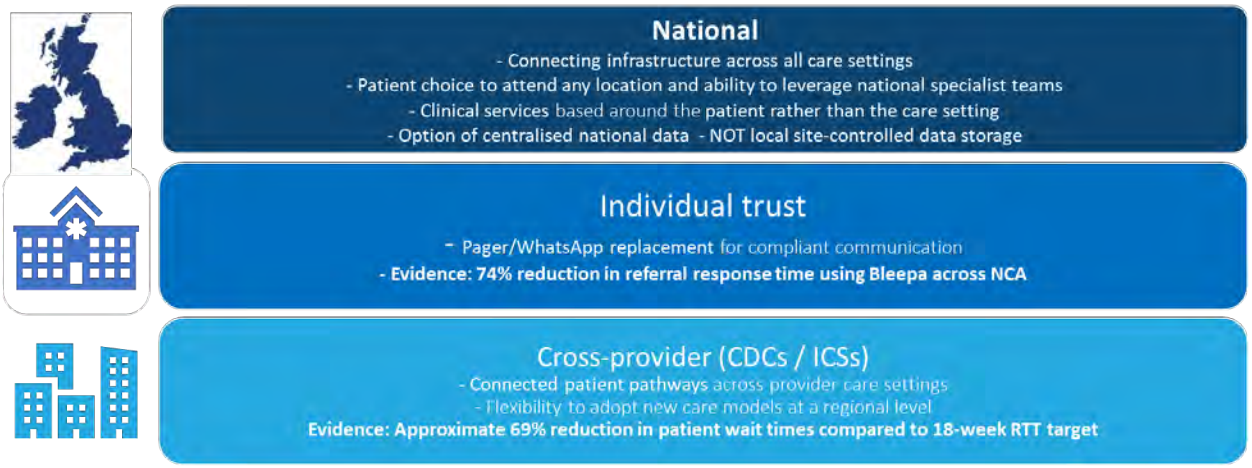
- Estimated 69% reduction in patient wait times compared to the national 18-week target for referral to treatment – stop breaching national targets.
- Estimated 89% reduction in outpatient requirement
- Ability to manage a regional/national caseload of patients with a smaller pool of specialists, in a more timely way – reduce staff requirements.
- Reduce carbon footprint - deliver greener services with CareLocker cloud.

Bleepa Box

Bleepa Box is a technology for sharing DICOM images and other clinical data over mobile networks with our dedicated cloud environment, CareLocker, for subsequent display and review within Bleepa.

In its current form Bleepa Box is a software environment that enables manual pull and push of DICOM data directly from imaging machines, coupled with the ability to then transmit this data securely over a mobile network to the patient's CareLocker. The vision for this product is to enable it to query and retrieve data automatically from PACS and other clinical systems so that it can be used as a connection node into remote care settings and eventually to become a downloadable software that can act as a 'Dropbox' style data uploader. This would allow non-customer sites to easily push data to our Bleepa-CareLocker customer sites, enabling them to receive data from any care environment globally, representing a true digital front door that would allow them to expand their services into any location and with any partner organisation. For example, a specialist clinic could receive referrals via an insurance payer from any national or international location, allowing them to scale their business to a client base they can not physically reach and allowing the insurer in question to direct their patients to the best value clinical service provider, instead of listing offerings in every location – all facilitated by Bleepa Box feeding into Bleepa-CareLocker.

Key value proposition by stakeholder



Our business model

We licence Bleepa and CareLocker 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 (BAU) 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 tend towards being multiyear, as demonstrated by the renewal of two NHS customers on a 3-year basis through G-Cloud 13.

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
Trust – pager/WhatsApp replacement	- 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
Cross-provider/ICS	- Estimated 69% reduction in patient wait times - Estimated 89% reduction in outpatient requirement - Flexible working arrangements for staff

Our operations

Feedback Plc conducts its operations through its subsidiaries Feedback Medical Limited (UK) 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 25 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 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 take internal ownership of product R&D and operate a near-shoring model of outsourced product development with a long-term development partner, Gray Light Imaging based in Poland (the healthcare division of Future Processing Sp z.o.o.). 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 IP and essential know how are retained within the Company. We currently retain an outsourced development team of 25 with Gray Light Imaging.

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, 46 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 need.

Management 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 32 years' experience, was CEO of Feedback Medical Ltd 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 Ltd 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.

Sarah Bricknell, Commercial and Legal Advisor: Has operated at a senior board level in medical imaging services for over 17 years and routinely advises OEMs and Government.

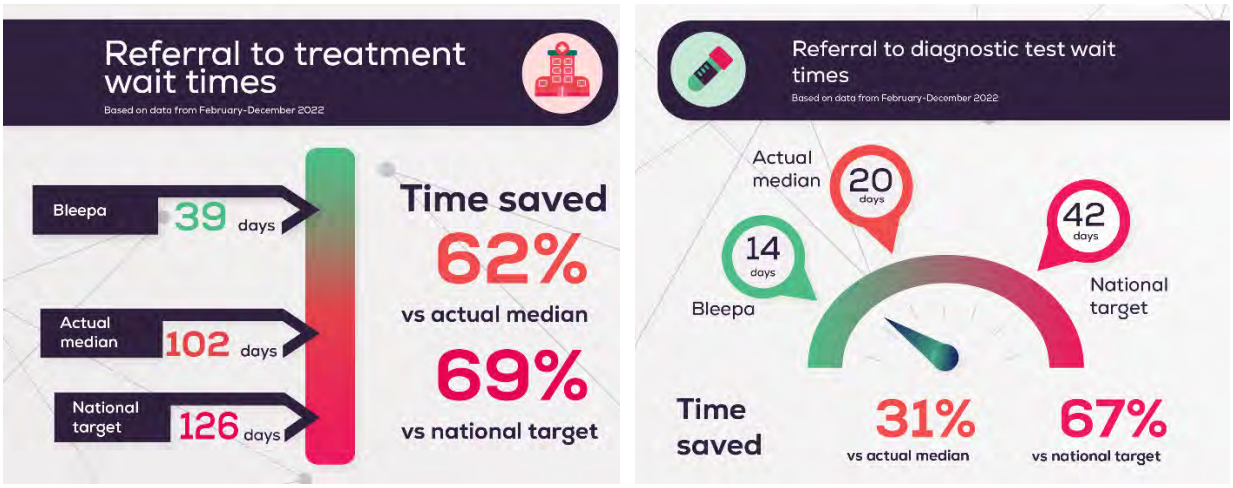
Our markets

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 within that the NHS, which can be divided into the following customer groups:

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.

Figure 1 – Results from our CDC programme using data from February to December 2022 showing reductions in referral to treatment and referral to diagnostic test wait times



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 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.

"It's a testament to what can be delivered, in terms of a really great, viable product, when these sorts of teams get together, understand each other, have a really good working relationship and are able to develop something in collaboration. Now Bleepa is at a point where it speaks for itself."

Dr Nevan Meghani, Respiratory Registrar, Northern Care Alliance

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 13 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 funding

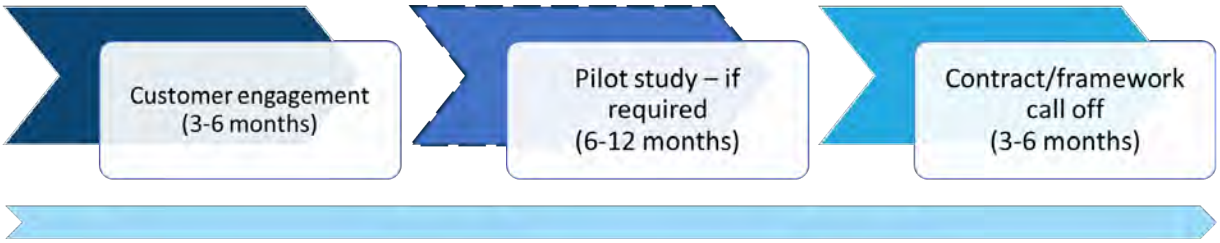
The NHS is funded through UK taxation with a budget of approximately £185 - 189bn awarded from HM Treasury to the Department of Health and Social Care (DHSC), which allocates funding to the devolved national bodies, NHS England (NHSE), NHS Scotland (NHSS), NHS Wales (NHSW) and HSC in Northern Ireland. In the 2022/23 fiscal year, the vast majority, £160bn was allocated to NHSE. In the 2021/22 fiscal year, 37% of NHSE's budget was spent on staff costs (£71.5bn) followed by 17% (£32.1bn) on procurement activity which relates to our sales opportunity.

Part of this funding is provided to the regions and then to the ICSs within those regions and is typically ringfenced for certain procurement activities i.e., digital or capital programmes, but is otherwise able to be spent on initiatives determined locally within the ICS. Part of this funding is also provided to the individual Trusts within an ICS which they may use to procure solutions such as Bleepa. Some funding is retained centrally by the national bodies and is awarded throughout the year to drive certain key initiatives aligned to NHSE or political priorities, which in some circumstances, may be used to execute national contracts.

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.

With over £4bn pledged to key initiatives surrounding the elective care backlog reduction in this fiscal year, such as the CDC initiative, we have a large domestic market to address within which we hold relationships decision makers at all levels. We estimate a TAM of £124m for our core products within the NHS.

Timelines:



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 requirement 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. Royal Papworth Hospital NHS Foundation Trust procured our legacy product Cadran PACS for approximately 20 years until we discontinued this product.

Recent significant activity in our key market:

CDC initiative	Cancer target changes	Hewitt Review	ICO NHS Lanarkshire ruling	CQC requirement for tools & care record
• National £2.3bn programme for multiple CDCs to drive faster diagnosis for patients • Growing need to connect CDCs to other care settings and streamline patient pathways > reduce wait times	• Removal of 2-week wait standard in favour of the Faster Diagnosis Standard • Growing need to clearly identify cancer diagnosis standard breaches and improve patient care	• Independent review of integrated care systems by Rt Hon Patricia Hewitt • Key recs: o Improve ways of working through digital channels o Better multidisciplinary working o Flexible infrastructure to scale innovation	• Reprimand for NHS trust over clinician use of WhatsApp to share patient data • Growing need to implement safe, secure clinical communication tools within and across NHS organisations	• Guidance for provision of appropriate staff tools and maintaining a contemporaneous care record • Regulator requirement for staff to have the right tools to do their job (inc digital tools) and maintain a full, auditable record of patientcare

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:

Estimated total addressable market analysis - annual										
	1	2	3	4	5	6	7	8	9	
	NHS trusts	**NHS - CDCs**	**UK veterinary sector**	**EU veterinary sector**	**North America veterinary sector**	**Private hospitals (UK)**	**Private hospitals (India)**	**National TB screening**	**ABDM[2] – health record**	**TOTAL**
Geography	UK	UK	UK	EU	North America	UK	India	India	India	
Product(s)	Bleepa	Bleepa/ CareLocker	Bleepa/ BleepaBox/ CareLocker	Bleepa/ BleepaBox/ CareLocker	Bleepa/ BleepaBox/ CareLocker	Bleepa	Bleepa	CareLocker	CareLocker	
TAM	**£28m**	**£96m**	**£5m**	**£51m**	**£43m**	**£16m**	**£1,020m**	**£375m[1]**	**£8,146m**	**£9,780m**

Our strategy

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.

Our sales strategy

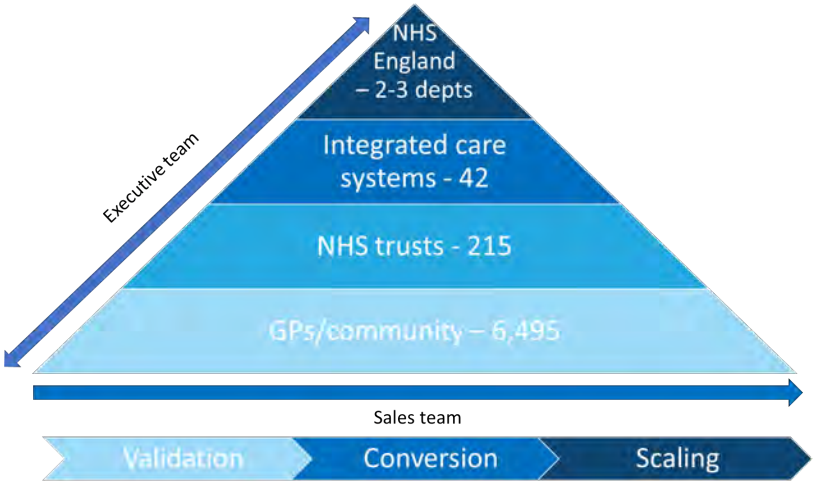
The Company aims to accelerate through the three phases as quickly as possible for a defined customer use case. In parallel, the Company aims to run multiple undefined or new use cases through the validation stage, where resources allow and where minimum product development is required. In doing so, 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.

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 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.



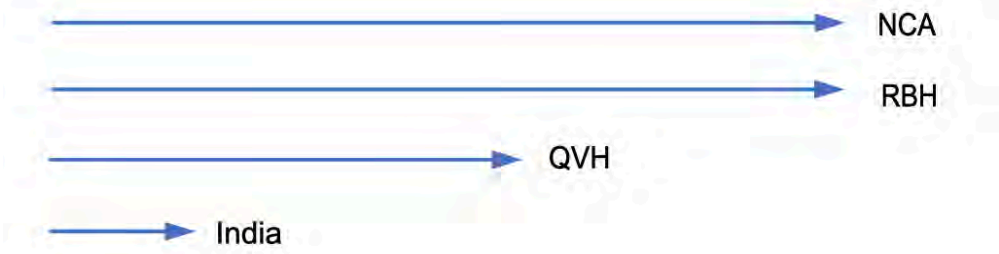
Metrics:

- 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.

	Validation	Conversion	Scaling
Sales stage	- Establish pilot - Develop proof points - Demonstrate benefits and robustness - Define product/customer fit	- Build on pilot - Expand engagement - Formalise purchase - Trigger procurement	- 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)
Metrics – how we measure success	- Number of active users - Number of patients - Number of specialties/pathways - User feedback - Impact data (pilot specific) i.e., time saving, quality improvement etc.	- Number of active users - Number of patients - Number of sites/pathways - Customer Acquisition Cost (CAC)	- ARR - LTV per customer - Gross margin (target >80%) - Revenue growth from upsell and renewals - Revenue per user - Variable cost per customer and/or user

	Validation	Conversion	Scaling
Evidence the strategy is working	Multiple use cases for Bleepa have been piloted in the market: - NCA for pager/WhatsApp replacement - QVH for cross-provider pathway - CVS for remote equine care - Odisha for remote TB screening - CareLocker piloted with Sampurna Diagnostics in Indore as a digital replacement to film and CD for patient image access.	- 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). - Procurement under way for conversion of QVH pilot to paid contract	- Contracts with NCA and RBH are now multi-year, growing a base of ARR. - Successful appointment to frameworks which will accelerate adoption: - G-cloud 13 - DOS-5
Customer progress against stage			

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.

How we comply with Data Governance

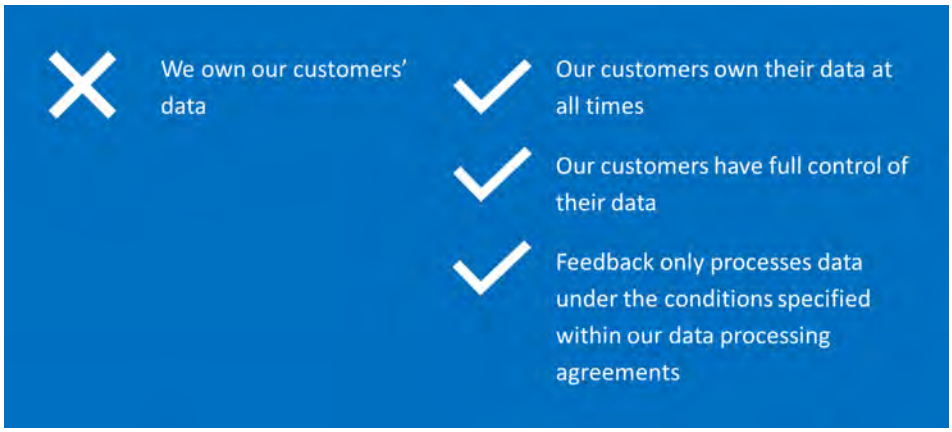
In the UK, patient/clinical data is governed by GDPR. This places certain legal requirements on the NHS organisation or care provider who is considered a data controller and the legal owner of the data, with the service/product provider such as Feedback considered a data processor.

The data controller has certain legal obligations around auditing and controlling access to the patient data, including facilitating the patient's right of access to data that relates to them and their right of erasure. A key part of our obligations as a service/product provider is to enable the data controller to meet their obligations and deliver this functionality to them.

The data controller determines the type of, and the conditions under which, data can be processed by service/product provider, in a Data Processing Agreement (DPA). The data controller also undertakes a Data Privacy Impact Assessment (DPIA), assessing the potential impact and risks arising from how the data is to be used under the terms of the DPA.

"Both the DPA and DPIA are part of our standard NHS customer contracts. We take information governance very seriously and maintain a director level ownership of this agenda."

Dr Stephen Brown, Group CIO and a director of our operating company Feedback Medical Limited



Security of data is equally important to defining how it is used. Data security is designed into our products, our manufacturing processes and our internal corporate and operational processes for which we are independently audited and certified with both ISO 27001 and Cyber Essentials Plus. All Group employees are trained in cyber security and annually undergo training and recertification for the NHS IG Toolkit, ensuring we always maintain full compliance with this standard.

Our products incorporate the latest industry standard security features and 256 bit encryption of data, both in flight and at rest. Given that most security breaches arise through human error and user account management our standard practice is to utilise automated single sign on (SSO) capabilities with customers, giving them full control over user management, ensuring that staff accounts are removed when they leave the organisation, reducing the risk of ghost accounts and providing the flexibility to create time limited account access for temporary staff or clinicians. As part of our commitment to robust governance and product quality we adopt a mantra of test and verify and conduct routine external penetration testing of our products, testing for weaknesses and demonstrating security. We will be adopting CREST certified testing of the products in September 2023.

How we comply with Medical Device Regulation

Regulation varies by territory, however, products which directly influence the care of patients are typically required to conform to certain regulatory standards, to ensure quality and safety of such products. Clinicians make management decisions for patients based on the clinical data that Bleepa displays, therefore, it is imperative that the clinical data is presented accurately and reproducibly to those users, especially in the context of medical images where incorrect or poor quality display could lead to conditions being missed or misdiagnosed.

In the UK, products that display digital images of patients are required to demonstrate that they meet the standards of clinical image display defined by the Royal College of Radiologists (RCR), reliably and repeatedly. This is enforced by legislation that defines the display of digital patient images for a diagnostic purpose to be a medical device function and therefore falls under the purview of the Medicines & Healthcare products Regulatory Agency (MHRA) which requires manufacturers to conform with the standards of image display through the process of CE marking or UKCA marking (post Brexit). This involves the product manufacturer developing a Technical File documenting how the medical device features were manufactured and tested to evidence that they perform as intended. The Bleepa Technical File comprises some 50 documents, with a combined page count of around 1,500 pages and a number of associated data files. The information is complex with all requirements, tests and results fully cross-referenced and it needs to be fully reviewed and updated with each version release.

The UK currently follows pre-Brexit medical device legislation called the Medical Device Directive (MDD), against which Bleepa is certified with a UKCA mark. Legislation has changed in the EU since Brexit and the EU now follows the Medical Device Regulations (MDR) legislation which requires CE marking as the conformance standard. The USA follows a separate process defined by the Food and Drug Administration (FDA) based on whether the product is completely novel, in which case a de novo application is filed, or performs an equivalent function to an existing product, in which case a predicate 510(k) application is filed. Conformance with local regulation is required in order to sell into individual territories, however many countries will accept CE marking or FDA conformance as surrogate standards.

Regulation also acts as a barrier to entry for non-specialist companies attempting to replicate a product. Potential competitors may attempt to mimic features but without the accompanying quality guarantee and conformance, they are unable to meet the threshold for clinical use and cannot be sold with the features that are considered a medical device function. It takes on average three to seven years to bring a medical device from concept to approval – we achieved this in 18 months with Bleepa given our heritage as a medical imaging specialist. Companies seeking EU CE marking typically face at least a 12-month wait for a notified body to process their application making this timeline even longer since the introduction of the MDR. This is a high barrier to entry for those that wish to attempt to mimic Bleepa's functionality.

Part of the regulatory requirements for Medical Device manufacture, is that the method of manufacture must follow an appropriate quality process, as described in the regulation. The requirement of this process is far-reaching and covers most activities performed by the Company. The accepted way to demonstrate this compliance, is to obtain certification to the Medical Device Quality Management standard, ISO 13485.

Feedback Medical Limited has defined a set of policies and procedures captured in an Integrated Management System (IMS). The IMS combines the quality requirements of the ISO 13485 standard with the information security requirements of ISO 27001, to give a coherent set of working practices that allow Feedback Medical to comply with

both standards. The IMS is externally audited against both standards on an annual basis by a UKAS approved certification body. This process confirms we have these quality processes in place, that we are following them, and that the standards we have in place are suitable for the products we are manufacturing, enabling us to demonstrate our conformance with the requirements of regulators such as the Medicines and Healthcare products Regulatory Agency (MHRA).

Compliance with medical device regulation goes beyond certification, it is a complete redefinition of approach to the manufacture of the product, from design through to release. It is a commitment to quality and risk mitigation at every part of the development process and is something that has to be owned by all team members from management to developer. As such, many software development companies are unable to produce medical devices as it is counter to the processes of agile development where you learn through failure. Medical device manufacturers anticipate failure and mitigate risk before a product is even developed, long before it is sold to a clinical user. Regulatory compliance places a burden of evidence on the manufacturer, which we believe is a competitive advantage for Feedback. Our ability to do so as a relatively early-stage company is testament to the commitment, skill and experience of our incredible staff and the integration of our IMS into the working lives our entire team; for us this isn't a document, it's a process we own and it is how we build great tools.

How we comply with Clinical Risk

Developing a clinical product requires the identification of clinical risks, the impact on the clinical user and their patient, and risk mitigation procedures for product design and other workflow processes. This process of clinical impact risk management is captured formally through a standard called DCB 0129 and it is fully integrated throughout our product design, manufacturing and operational processes. DCB 0129 compliance requires formal risk analysis, documentation of these risks together with mitigating actions, and for review and sign off by an independent Clinical Safety Officer (CSO). We engage a certified clinical safety practitioner through an external CSO company to ensure independence, to review our DCB 0129 risk management file on an ongoing basis and hold us to account for improving and monitoring this with each product feature release.

Clinical risk is also mitigated by the processes that we follow through our ISO 13485 compliant IMS to ensure the consistent quality of our product releases.

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?
UKCA	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
ISO 13485	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.
ISO 27001	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

Standard	What is it?	Why does it matter?	What is involved?
			annually, and externally audited every 3 years by a certification body.
Cyber Essentials Plus	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.
DCB 0129	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 deliberately designed 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 IG Toolkit	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
DTAC	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.

"Working with medical software in the cloud combines two of the most demanding regulatory worlds together: medical device manufacture (with its fundamental focus on safety and effectiveness) and information security (with its focus on continual vigilance, improvement, and change). Trying to balance these two conflicting domains together was always going to be challenging. I think we have managed this within Feedback Medical, by having an open and honest business culture, where we always make sure that everyone is fully informed, and any issues that do arise are openly discussed and appraised.

"Overall, this improves our efficiency, and allows us to cope with the ever-increasing burden of managing a complex IMS and addressing the needs of multiple medical device regulations and information security standards.

"We have to devote a lot of time to audit. We are typically audited by someone for something every month or two. Each of the ISO standards requires that we have an internal audit program, as well as undergoing external audits conducted by the certification authority themselves. I suspect in every year we have one

full calendar month devoted to 'audit' – and this involves most of our Quality and Security team, and also calls in key personnel from other areas of the business, as the auditor requires."

Dr Stephen Brown, Group CIO and a director of our operating company Feedback Medical Limited.

Chairman's Statement

Laying the foundations for growth

The financial year ending 31st May 2023 has been a positive period for Feedback marked by strong trading despite challenging market conditions and challenging NHS procurement, ongoing inflationary pressures and frequent strikes in the public sector. Despite the pervasive challenges, Feedback has carefully navigated a fluid political and economic backdrop to report strong revenue growth of 74% driven by an 89% increase in sales. Growth has been driven by both emerging opportunities for our products in spaces such as the NHS CDC initiative, with the award of a pilot extension contract by Queen Victoria Hospital in Sussex, and, importantly, through existing customer renewals which highlights the ongoing value that our customers derive from our products and is a validation of the high customer lifetime value potential. Encouragingly, our first two Bleepa customers, the Northern Care Alliance (NCA) and Royal Berkshire Hospital NHS Foundation Trust (RBH), have both renewed Bleepa subscriptions with annual inflationary price uplifts over a 3-year term. This was the first year that the Company saw revenues in excess of £1m - a great base to build from.

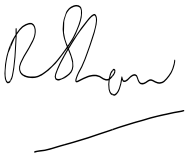
Although still early in our commercial journey there is clear growth potential represented by a renewing customer base and a healthy pipeline of CDC and international opportunities. Therefore, we can justifiably state that the strategy to move away from legacy products with non-recurring revenue and towards Bleepa and SaaS is bearing fruit. We are delighted to see a repledged commitment from the NHS to roll out the CDC programme, with renewed funding commitment and multiple business cases being approved for CDC implementation, building a market for the breadth of our product library. The team has stayed very close to this programme, and our CEO has presented on the benefits of Bleepa as a platform enabler of the CDC programme and as the 'third pillar' of the build alongside investment in bricks and mortar and staff, to the APPG for Diagnostics. This has provoked several conversations with both the national NHS team and with multiple regions who are looking to implement CDCs. We retain the view that the UK CDC opportunity represents a TAM of approximately £96m/year and is an opportunity for which we are uniquely positioned to deliver, given our breadth of functionality and medical device certification.

In India we have been focusing on both rural and city-based opportunities. Due to the nature of the healthcare system and diverse geography we believe that our products offer compelling solutions. Given the strength of our technology base, we believe that the primary opportunity for India now lies with Bleepa in a clinical/hospital setting, and the remote image acquisition solution. Therefore, post period-end, although there may be a direct opportunity for CareLocker as a patient-facing component of the Bleepa platform when sold to large hospital chains or in facilitating remote screening services, we paused marketing spend on CareLocker as a standalone product for imaging centre patients, enabling the Company to focus on achieving regulatory approval for Bleepa in order to service the growing pipeline. The Board's opinion is that India remains a significant opportunity, so we have furthered our investment in India with the appointment of Rohit Singh as in-country Managing Director who has already identified several additional potential market opportunities for Bleepa with various government organisations, including the Ministry of Defence, and large hospital chains. In addition, post-period, we successfully obtained an import license for Bleepa as a non-sterile non-invasive medical device, with the Central Drugs Standard Control Organisation (CDSCO).

During the period the Company embarked on several internal initiatives including a 200:1 share consolidation with a view to positively impacting the liquidity and trading activity in the Company's shares and improving its marketability to a wider investor group. In addition, the Board constructed and implemented an ESG programme in collaboration with the management team and in alignment with QCA best practice. Each member of the management team has direct oversight and accountability of an ESG initiative within their area of the business and will be reporting back to the board on a quarterly basis around progress. Examples include adoption of green code and server rationalisation within the technical team, consolidation and re-use of marketing materials such as brochures and conference stands by the marketing team (and recycling of materials wherever possible), optimisation of internal systems, and monitoring device energy use by the support team. Most of these ESG initiatives should also yield a cost saving alongside an environmental impact. ESG has become an area of significant importance for UK companies and is increasingly becoming a requirement in public sector contract tenders.

As such, our increasing ESG efforts will also help in our sales efforts to organisations such as the NHS. Our CEO, Dr Tom Oakley was invited to become a mentor on the NHS England Clinical Entrepreneur Programme, taking on two mentees for the year, a commitment that sees him deliver an hour of mentoring per mentee each month and which further cements our Company as partner to the NHS, together building a better future for patients and clinicians.

The Board believes that we have great opportunities ahead of us and recognises the need to build on the customer base that we have established. The NHS has been through a challenging phase post-Covid, with a growing backlog of patients and industrial unrest among the different staff groups. Inevitably, decision-making processes have become protracted. We continue to believe that the functionality of Bleepa and CareLocker will be key to the much-needed service improvement and productivity gains required to stabilise the service. Our team has done exceptionally well to navigate through these difficult trading times and to continue to stimulate the NHS opportunity. The Board is optimistic about the near-term potential. Our products are truly unique in the market and over the last year, we have generated compelling evidence to demonstrate this via our partnership with our NHS customers. We believe we are now well positioned to help a number of NHS programmes. We will ensure delivery of key system priorities for the NHS and benefit from the funding as it becomes available. Bleepa is the key that unlocks the NHS digital strategy, and we intend to further monetise opportunities in the coming year.



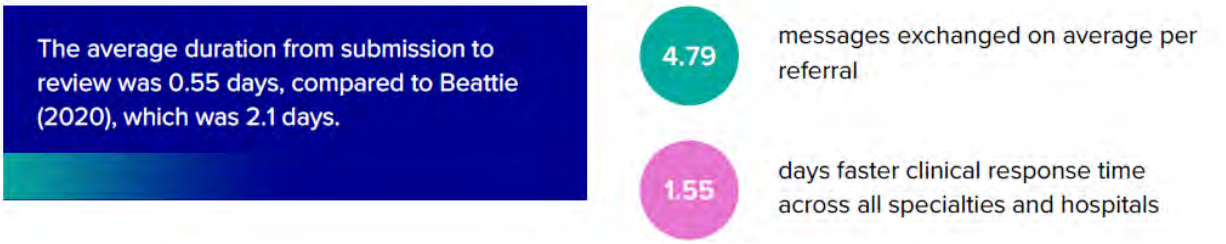
Rory Shaw
Non-executive Chairman
11 September 2023

CEO's Statement

Taking our proposition beyond the hospital walls of the NHS

We are delighted by the continued progress in 2023. In addition to driving new lines of business and pursuing cross-provider care opportunities we prioritised the renewal of existing customer contracts. A core component of any SaaS model is understanding and extending the lifetime value of the customer through the delivery of high-quality products and services. Our NHS customers have renewed with us this year because of the value they see in and from Bleepa. For example, Bleepa has now delivered over 11,700 referrals at the Northern Care Alliance (NCA) and over 1,000 users across three hospitals and has become an essential tool to daily clinical practice. Our recent independent clinical evaluation at the NCA demonstrates the benefits of using Bleepa in time and efficiency savings as well as improvements in communication around patient care.

Figure 2 – Analysis of Bleepa referral data at the NCA from July 2021 to April 2023 (for respiratory, cardiology and gastroenterology)



NB: Beattie (2020) refers to benefits realisation analysis undertaken by Royal Oldham Hospital in 2020.

Figure 3 – Results of staff member surveys and interviews who use Bleepa at the NCA in 2023

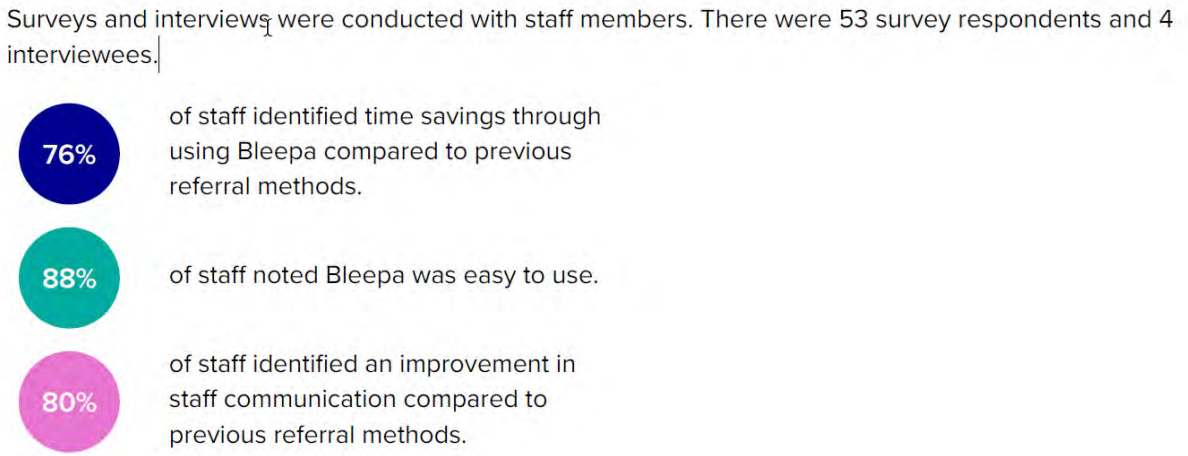
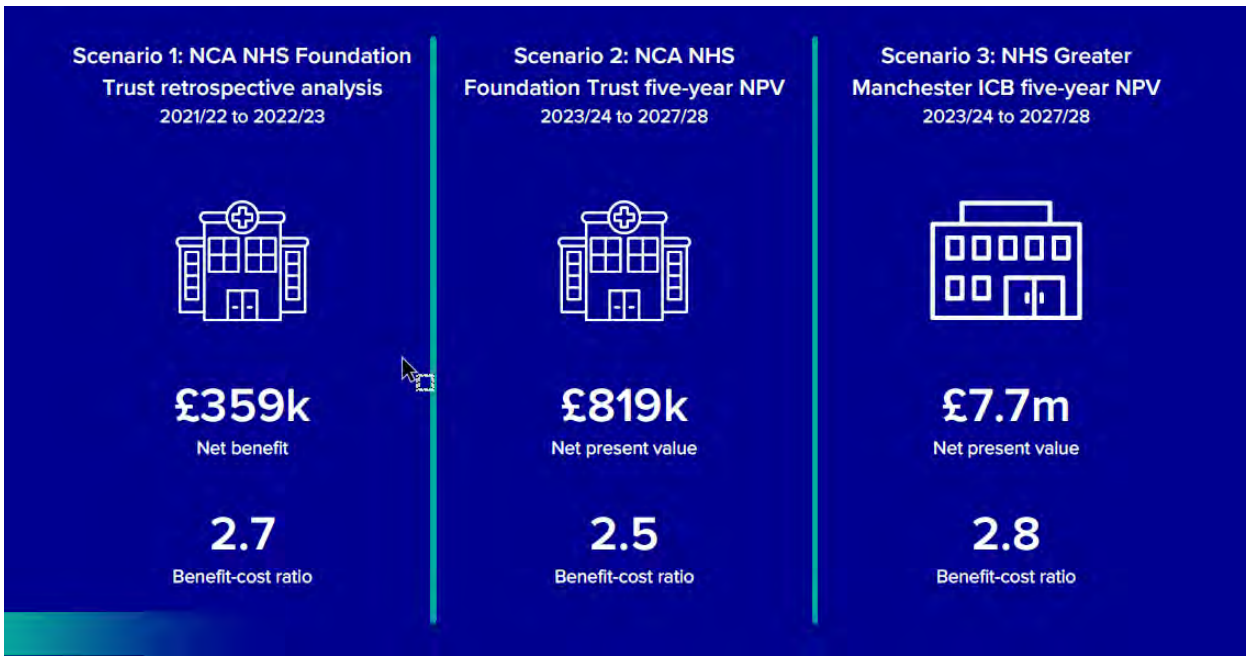


Figure 4 – Forecast modelling insights for Bleepa use for the NCA and Greater Manchester ICB

The net benefit (scenario 1) and net present value (NPV; scenario 2 and 3) due to using Bleepa were identified in the following benefit streams:

- Time saved whilst submitting referrals when using Bleepa, compared to previous referral methods
- Time saved due to efficient messaging when using Bleepa, compared to previous referral methods
- Reduced length of stay (LoS) due to using Bleepa, compared to previous referral methods



Figures 1,2,3 and 4 above sourced from health economic modelling findings by Unity Insights. Scenarios 2 and 3 of Figure 5 based on prospective analysis. Further details from the full report will be published on the Bleepa website in due course.

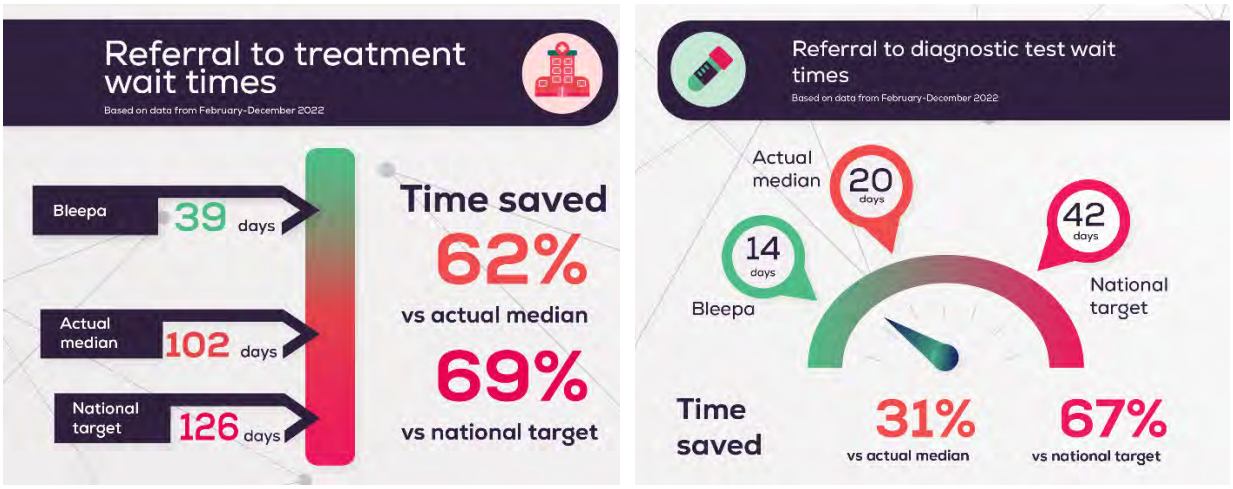
We have fought hard to be proactive and not complacent – we will not ignore customer sites when they reach a steady state; we worked so hard to win them that we believe we must work equally hard to keep them. Providing ongoing value to clinicians and their patients is at the core of what we do and many of the innovations that we identify through customer engagement help us to develop features that unlock new business opportunities such as the CDC programme.

The technical landscape is also always shifting, with customers adopting new digital strategies and bringing on new digital systems that require us to continuously ensure that Bleepa retains a clear value and performance proposition. This approach has seen both RBH and the NCA renew their Bleepa subscriptions with annual inflationary price uplifts over a three-year term. These renewals were made possible by our participation in the G-Cloud 13 procurement framework, a key goal of the prior year and a core part of our strategy to diversify our routes to market in the NHS.

2023 has been a pivotal year for the Company. We started the year with the ambition to develop the Bleepa proposition to one that could deliver services not just within hospitals but between care settings and that would let us pursue much larger regional contracts for an emerging market of CDC customers. I am pleased to say that we delivered this. For the last year Bleepa-CareLocker has been facilitating the UK's first symptom-based care pathway, connecting primary care and secondary care providers. Together with our partner Queen Victoria Hospital (QVH) we have pioneered a new approach to cross-provider care delivery and laid a digital foundation that can transform the model of care pathways, bringing diagnostic testing upfront, earlier in a pathway, reducing the requirement for outpatient appointments and for traditional models of multidisciplinary care delivery (in-person meetings and video calling).

This approach has enabled us to demonstrate a 69% reduction in patient wait times compared to the national 18-week referral to treatment target (RTT), without requiring additional clinical staff and whilst achieving potential cost savings for our NHS customers in relation to the outpatient and MDT reduction delivered.

Figure 5 – Results from our CDC programme using data from February to December 2022 showing reductions in referral to treatment and referral to diagnostic test wait times



Following our £450k pilot contract for the Sussex ICS with QVH, we were awarded a nine-month, fixed-term contract extension for the Bleepa-CareLocker CDC solution. This paid extension follows the success of the Company's previous contract and was awarded because of the abandonment of QVH/Sussex ICS's previous procurement process in March 2023. Feedback is now covering the period of re-procurement whilst QVH/Sussex ICS undertakes a new tender exercise under the Public Contracts Regulations 2015. The new tender process for the next phase of the CDC programme rollout is due to commence imminently and the Board is confident that our product offering is unique and unmatched by other UK suppliers.

Photo: Canadian Wing, Queen Victoria Hospital, East Grinstead.

Our work at QVH/Sussex ICS has become a national flagship and a model system of how CDCs can deliver impact nationwide. Post period, I had the privilege of presenting this work to the APPG for Diagnostics, where I made the case for Bleepa as the third pillar of building a CDC, alongside investment in bricks and mortar and staffing. The reality is that the NHS urgently needs the extra capacity that the CDC programme can deliver but we believe the

only way that this can be brought online ahead of winter pressures is digitally through Bleepa. The APPG has given us a national platform from which we have engaged directly with the national CDC leadership at NHS England (NHSE) and a number of ICS regional leaders who are looking to deploy CDC pathways. Until Q2 of CY2023 many ICSs have not had digital leadership in place, which has limited procurement decisions and slowed the rollout of technology such as ours, a situation that has further been compounded by the inflationary and budgetary pressures created by the turmoil of last year. However, most ICSs have now reached a point of operational maturity and some have appointed digital leaders within their organisation. This, in combination with repledged funding commitment from NHSE for the CDC programme and the usual concerns around winter pressures, has put the CDC programme back at the top of the NHS priority ladder. With the evidence that we have generated at QVH/Sussex and a customer that we can now sell to, we are in a strong position to capitalise on the opportunity ahead of us in the coming year.

The work around pathways and connecting across care settings is not unique to the NHS. It is equally applicable to the private sector and internationally in systems that are looking to redesign patient flow to reduce wait times and maximise value for money. With this prospect in mind, we are currently exploring opportunities for the utilization of the Bleepa pathway tool within the UK private and insurance sector and internationally.

Internationally we have been focused on exploring the opportunity for our products in India, following two successful trade missions to India in prior periods with the UK Department of International Trade (now Department for Business and Trade (DBT)), hosted by Lord Prior, then Chairman of NHS England. Early on we partnered with the UK India Business Council (UKIBC) who DBT introduced us to as an intermediary who help facilitate market entry into India by UK companies. We finalised the setup of an Indian subsidiary in Q4 and commenced the process of registering Bleepa as a medical device in India, in order to obtain an import license which would allow us to directly market Bleepa to hospitals within India for clinical use. Although it may have been a quicker process to import Bleepa through a third-party wholesaler, this posed a risk to our IP due to the requirement to share our technical file information and therefore, given that the Company views India as a long-term opportunity which we need to approach diligently, it was preferential to use a wholly-owned subsidiary as a local manufacturer and pursue in-country medical device registration. Post-period, we successfully received an import license for Bleepa as a non-sterile non-invasive medical device with the CDSCO in India, allowing us to develop the pipeline of opportunity for Bleepa within India.

Whilst awaiting medical device registration, we were able to continue delivery of the Odisha pilot around remote image acquisition and AI screening, with Qure.ai and AWS, as this was a pilot and not a commercial contract with a customer. Given that we had demonstrated the technical success of the product in this context we decided not to further expand the pilot programme beyond the Odisha site until we were able to commercialise the technology, i.e., post the award of local medical device registration for Bleepa. This pilot site has enabled us to generate data that supports the frontline use of Bleepa and which can now be leveraged to drive commercial opportunities for the platform.

In parallel to gaining regulatory approval for Bleepa, our strategy in the Indian market has been to assess the prospects for CareLocker as a standalone consumer offering. Initial discoveries showed that Indian imaging centres were using costly, environmentally damaging, and outdated processes to transfer patient images, presenting a strong opportunity for disruption. We deployed a CareLocker pilot with an Indore-based imaging centre network, Sampurna Diagnostics, to develop the commercial models and deepen our understanding of the Indian healthcare sector and national initiatives. The Board believes that there is a material opportunity in rural settings and smaller cities, such as Indore, to provide a service that provides benefits over the current system. However, subsequent research suggests that practices in Mumbai, and likely other large cities, are currently very different. Since initial scoping visits, a trend has emerged showing a tendency of PACS vendors to share images with imaging centres and their patients for free, via WhatsApp, as they currently derive revenue from other methods such as the sale of patient data. It is the Board's belief that this would undermine the CareLocker proposition as a paid-for consumer app whilst there is a lack of consumer and provider appetite to pursue stricter data governance regulations. There are indications of a tightening in the Indian Government's position on this, and the Company remains well placed to respond flexibly if legislation turns into regulation with financial penalties, which may stimulate a reemergence of this large sales opportunity. For now, we will focus on the opportunity presented by smaller cities and rural areas and have, post period, paused the marketing of CareLocker to imaging centre patients as we continue to build a

pipeline of Bleepa sales now that regulatory approval has been granted. Initial market engagements around Bleepa and the Bleepa remote access pilot in Odisha, shows there may be a direct opportunity for CareLocker as a patient-facing component of the Bleepa platform, when sold to large hospital chains or in facilitating remote screening services.

The Board believes that the primary opportunity for India now lies firmly with Bleepa as a hospital offering and as a remote image acquisition solution. The Board still sees significant opportunity in India, so we have furthered our investment in India with the appointment of Rohit Singh as in-country Managing Director. Rohit joined us from the UKIBC, which facilitates the introduction of UK companies into the Indian market, where he helped build the India advisory practice – a real validation and endorsement Feedback's Indian strategy. Rohit has already identified several additional potential market opportunities for Bleepa with government organisations, including the Ministry of Defence, and large hospital chains, that we believe can be unlocked following Bleepa's medical device registration in India. We remain excited by the opportunity that this market represents and estimate a TAM of approximately £1 billion.

Business strategy

The Company's strategy is to pursue opportunities for cross-provider care delivery where we expect to recognise higher contract values and operational margins, within a less competitive environment. This will predominantly be in the CDC space in the UK, for which we estimate the total addressable market as £96m, and remote care settings in India. The Company will, however, continue to target its core products at traditional NHS opportunities with individual NHS trusts around clinical communication and replacement of legacy communication methods such as pagers and fax machines.

The decision-making process and associated sales cycle is currently particularly long within the NHS, due to several factors described above and, as such, the Company is also targeting parallel market segments for our technology that require minimal additional product development and where there is a mirror value proposition that we understand and can sell into, such as India. More recently this has led us to consider applications in the UK private sector which we intend to pursue in the next financial year.

To date, our commercial success has been derived from our ability to leverage and repurpose our legacy technologies, resulting in the creation of Bleepa, CareLocker and Bleepa Box . In addition, we opportunistically seek to license components of our Cadran technology to third parties, generating recurring royalty revenue from non-core assets, as demonstrated by the licensing of Cadran to Imaging Engineering LLC in the USA for fluoroscopy image capture. The license agreement with Image Engineering yielded royalty revenue of £0.14m (2022: £0.14m) in the period, with a minimum ongoing annual royalty expectation of US$70k per annum until end CY2025.

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 Company will also continue its strategy of robust regulatory certification and IP protection alongside the programme of software production as a medical device.

Maintaining our lead – regulatory excellence

During the period the Company successfully recertified for a number of its accreditations including:

- ISO13485, the standard for quality of our product manufacturing process (a pre-requisite to medical device certification);
- ISO27001, relating to data governance and management;
- Cyber Essentials Plus, data security and resilience; and
- DCB0129, clinical risk management.

These standards are an essential component of our product development and directly affect our ability to sell to the NHS and international customers. Successfully revalidating against these standards has also enabled the Company to complete the technical file for the latest version of Bleepa v1.5, and to affix a UKCA mark to this product release. Bleepa v1.5 incorporates a number of advanced features including:

- the ability to share the patient record to a clinician outside of the current hospital deployment (where data sharing permission is present), enabling users to have conversations with potentially any clinician in the country, for ever-improved care to the patient, opening the potential for truly regional or national care delivery;
- enhanced features for document capture such as document preview and categorisation, which enable users to contribute to the patient record with virtually any medical information (referral letter, ECG trace, blood report, etc.); and
- improved messaging functionalities such as tagging teams and individuals and making structured notes to enable users to communicate even more intuitively, quickly and safely.

Board changes

Tim Irish stepped down from the board on 01 June 2022, after five years of service for the Company. Annemijn Eschauzier joined the board as a NED on 01 June 2022 and brings with her a wealth of commercial and leadership experience across marketing, sales and business development in the healthcare sector.

Financial review

Key performance indicators	2023 £m	2022 £m
Revenue	1.02	0.59
Gross margin	92%	83%
Sales (non IFRS)	1.27	0.67
Operating expenses	(4.36)	(3.00)
Operating loss	(3.42)	(2.51)
EBITDA loss (non IFRS)	(2.61)	(1.96)
Cash outflows from operating activities	(1.79)	(1.25)
Cash outflows from investing activities	(1.20)	(1.15)
Cash & cash equivalents end of period	7.32	10.31
Intangible assets	3.71	3.29
Contract liabilities (deferred income)	0.44	0.20
Net assets	10.87	13.71

Revenue for the year ended 31 May 2023 increased 74% to £1.02m (2022: £0.59m). The growth reflects the significant increase in average contract value for Bleepa-CareLocker compared to legacy products, with Bleepa-CareLocker comprising 74% of revenue. In addition, revenue for the period was positively impacted by a one-off item related to the 12-month extension of the QVH/Sussex ICS pilot, a £0.45m contract awarded in September 2022 but covering the 12-month period from 31 March 2022, resulting in £0.19m of revenue being recognised related to the 5-month period prior to contract signing.

Gross margin increased to 92% due to the one-off revenue impact of the 12-month extension of the QVH/Sussex ICS pilot as described above and due to the prior year being impacted by one-off BleepaBox hardware costs.

Sales, a non IFRS measure representing the total customer contract value invoiced in the period, increased 89% to £1.27m (2022: £0.67m). Bleepa-CareLocker contributed £1.0m (2022: £0.26m) and Image Engineering license fees contributed £0.14m (2022: £0.14m), of which 37% is recurring minimum royalties with the balance related to bespoke software development license fees. Sales in 2023 include two contract awards with QVH/Sussex ICS which occurred during the period, being the £0.45m pilot in September 2022 and the £0.38m pilot extension in March 2023. 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 £0.44m (2022: £0.20m).

Operating expenses increased 45% to £4.36m (2022: £3.00m), primarily due to the full-year effect of headcount expansion, increasing amortisation of Bleepa software development costs, and additional discovery and research costs related to NHS system integrations with Bleepa and cloud architecture optimisation. Operating loss increased to £3.42m (2022: £2.51m). EBITDA loss, excluding depreciation and amortisation charges of £0.81m (2022: £0.55m), increased 33% to £2.61m (2022: £1.96m).

Cash outflows from operating activities increased 43% to £1.79m (2022: £1.25m) primarily due to higher operating expenses offsetting higher sales, and the prior period containing the benefit of two R&D tax credit refunds totaling £0.77m. Cash outflows from investing activities, primarily being software development expenditures with Graylight Imaging, increased 4% to £1.20m (2022: £1.15m). The Group's cash position as at 31 May 2023 was £7.32m (31 May 2022: £10.31m), a decrease of £2.99m over the prior year.

Intangible assets increased by £0.42m to £3.71m (2022: £3.29m), primarily representing capitalised software development expenditures of £1.23m, offset by amortisation and impairment charges of £0.80m (2022: £0.54m). Net assets decreased to £10.87m (2022: £13.71m) as at 31 May 2023.

Benefitting from the digital revolution

The Company's primary focus is, and will continue to be, on the NHS and as we pursue opportunities in the emerging CDC space where we see a growing amount of government investment and substantial clinical, operational and political need for our technologies. The results that have been delivered against a disrupted and unfavorable market climate demonstrate the continued upward trajectory of the Company as it pursues its strategy of delivering cutting edge technology to frontline clinicians across healthcare settings. We aim to increase our annual recurring revenue base through both existing customer renewals and winning new and larger customers and will do this by delivering quality products to our customers and providing close support to ensure that they derive ongoing and increasing value from them, and by being adaptive to the wider changing healthcare environment, pursuing new areas of opportunity and occasionally revisiting previous areas of opportunity should they resurface. One such area may be the original Bleepa value proposition as a regulatory compliant WhatsApp replacement. Bleepa was launched in Q3 CY2020 as a replacement for the traditional pager and WhatsApp, a value proposition that led to sales to both NCA and RBH; however, following a temporary relaxation of data sharing rules during COVID by NHSx and the collapse of the NHSx Clinical Communication Framework following a procurement challenge in 2022, the WhatsApp value proposition declined. Recognising the growing difficulty of achieving sales against this use case, we pivoted to delivering cross-provider services for the CDC space.

At the beginning of August 2023, the Information Commissioners Office (ICO) reprimanded a Trust for its use of WhatsApp and over 500 breaches of patient confidentiality as a result of its use. This is the first time that the regulator has challenged a Trust around the use of WhatsApp. The ICO stated that there was 'no excuse' for the use of WhatsApp within clinical services and that they expected all NHS providers to take heed of this warning and take appropriate steps. This is a sign that the regulator is gearing up to take action on the use of WhatsApp in clinical settings and we know from the BMJ that this practice remains widespread with over 98% of clinicians using it routinely for clinical communication. If this warning is picked up by NHS providers then it may reopen the original market and value proposition for Bleepa within an inpatient setting, it is too early to tell if this will be the case but if the ICO pursues further action against other sites then this could quickly build momentum and is an area that we will closely monitor. What is of particular interest is that the Trust in question stated, as a mitigating action, that they would be looking at technologies to support the secure transfer and display of images and videos, which suggests that the GDPR breach was larger than publicly disclosed in the ICO warning and implies that there is a wider concern around the handling of patient data, especially patient images. The Directors still believe that Bleepa is the only communication platform available in the UK that is certified for the sharing and display of clinical images, meaning that if image exchange is expressly listed within the areas of concern then Bleepa is uniquely positioned to address this need.

The recent ICO ruling is not the only indication that the landscape is further aligning to our value proposition. The release of guidance by NHSE around CDC based pathways in May 2023 and the subsequent announcements in

August 2023 around the role of CDCs in the government's winter pressure planning and in facilitating GP Direct Access, shows the role that CDCs and their associated pathways are set to play in the national agenda. This has been reinforced by the approval of a number of CDC business cases in the last few months alone. However, the digital component of CDCs had been an afterthought until the publication of the Hewitt report which highlighted the need to level up basic digital infrastructure in all parts of the system, not simply within acute hospitals; the need to support multi-disciplinary working through digitally-enabled tools that connect primary, community, intermediate care and acute hospital teams and the need to implement shared digital records and rostering systems to help staff work more effectively and to reduce their administrative burden. These were all points that I built upon when I presented to the APPG for Diagnostics in July 2023 and made the case directly to ministers and senior NHSE leadership for digital as the third pillar of build alongside investments in bricks and mortar and staffing, a message that is now taking root and beginning to gain traction. The results to date of our pilot with QVH/Sussex ICS are highly compelling (an approximate 69% reduction in patient referral to treatment wait times, without needing additional clinical personnel and in a way that we believe is cash releasing) and their impact, if scaled nationally, is compelling.

In the last year we have set the scene that our technology represents a core infrastructure, a foundation stone to the NHS's plans around addressing winter pressures and reducing care backlogs. This is a message that is now gaining traction with national and regional stakeholders. The scene is set for our success and now, in the current financial year, we seek to build upon this and drive the growth of our technology as quickly as possible across the system, becoming that third pillar of build for the NHS CDC programme.

Outlook

We are delighted with the continued progress made during the period - with the shift from legacy products. The opportunity afforded by Bleepa and CareLocker both domestically and overseas provides us with tremendous optimism as we focus on generating new contracts from our ongoing dialogues with interested parties, which we believe will further enhance levels of recurring revenue visibility. The additional paid for Sussex CDC extension (announced in April) further validates our strategy and we remain hopeful that we will be successful in the procurement process. With CDCs continuing to explore avenues to reduce waiting times we believe that our performance to date provides compelling testament to our capabilities – with early results from our current CDC programme highlighting an approximate 69% reduction in diagnostics wait times versus the national target.

Furthermore, we are extremely excited by global opportunities - with inroads in India highlighting the scalability of our solutions. Importantly, we believe that increased regulatory demands both in the UK and India will further underpin demand. There is increasing focus on technologies to secure the transfer and display of images and videos, and we believe that the landscape is very much moving in our favour – with digital infrastructure and digitally enabled tools seen as key solutions to significant administrative burdens. This is especially prevalent when considering winter pressures and the growing requirement to reduce care backlogs – and we believe that given our pipeline and capabilities that we will be at the forefront of change in the coming year.

Dr Tom Oakley
Chief Executive Officer
11 September 2023

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, and within the NHS, he is the Non-Executive Director for Quality and Performance on the Board of the Bath and NE Somerset, Swindon and Wiltshire Integrated Care System.

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.

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 and Finlight.com, 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 post period 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.

Post period on 21 June 2022, Annemijn was appointed as Chair of the Remuneration Committee, a member of the Audit Committee and a member of 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 non-board Group CFO of BCB Group, 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 Committee and is a member of the Remuneration Committee and the Nomination Committee.

Strategic Report

The directors present their strategic report on the Group for the year end 31 May 2023. A comprehensive review of the year is given in the CEO's statement on pages 23 – 31.

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
- Bleepa Box - store and forward technology.

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 products Cadran PACS and TexRAD, though these are reducing over time.

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 increase its software development capabilities the Group is continuing and expanding its collaboration with Graylight Imaging, the healthcare division of Future Processing Sp z.o.o. to develop new imaging 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.

Review of strategy and business model

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.

Further details on Feedback's strategy and business model are given in the Chairman's statement on pages 21 – 22 and the CEO's statement on pages 23 – 31.

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	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. ***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.		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. 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. The Board and senior management team evaluates potential market size and investment returns ahead of commencing new product development, and monitors progress regularly.
Competition	The Group operates in a highly competitive market and faces competition from products designed, marketed and supplied by companies with significantly greater resources. ***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.		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. We engage in regular customer dialogue to define future use cases for our products to ensure that the product offerings remain differentiated. The Group focuses on the development and ownership of IP, which it believes will create the greatest long-term value for the Group.
Overdependence on a single customer	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		Close engagement with the NHS at strategic and tactical levels (including regionally and nationally), by the Board and management team, who have significant experience working in, and supplying to, the NHS, and have

	the transition from Clinical Commissioning Groups (CCGs) to ICSs and the merging of NHS Digital and NHSX with NHS England and NHS Improvement. The NHS procurement process can be complex lengthy with the risk that the Group may not be included on future frameworks which govern procurement. **Potential impacts:** Revenues fall short of expectations, take significantly longer to materialise, or do not materialise at all.		relationships with key NHS decision-makers. 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. Stated strategy to expand into geographies outside of the UK will also reduce specific exposure to the NHS in due course.
Operational			
Risk	**Description and impact**	**Trend**	**Mitigation**
Cyber security threats	Risk that the Group will be subject to a cyber security breach, leading o catastrophic failure of IT systems, which could result in a significant data loss or leak of sensitive patient data. **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.		The Group has an established disaster recovery plan and ensures that secure back-ups are maintained. We evaluate all third-party suppliers, ensuring that they have appropriate fall-back systems and disaster recovery processes. Feedback Medical Ltd is certified against the Information Security Standard ISO: 27001 and is subject to regular audits of its Integrated Management System by its Certification body. 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. The Group has cyber insurance in place and has established policies 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.

Regulatory approvals and compliance	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. 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. 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. 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. ***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 non-compliance, with associated reputational impact 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		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. 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. Feedback Medical Ltd 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. 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. All employees are provided with ongoing training on key regulation such as anti-bribery and corruption and GDPR.

	adverse effect on the Group's business and/or revenue streams.		
Dependence on key executives and personnel	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. **Potential impacts:** 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.		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. 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. 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.
Dependence on third-party suppliers	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. **Potential impacts:** 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. Failure in a third-party system could result in an Information Security Incident that affects us, or our customers.		Our product and R&D teams work strategically and seek to prevent over reliance on any one key supplier, having multiple suppliers and other such mitigations where required. 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. 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. 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 makes sure that all

			services provided to us are at the level required in order for us to successfully deliver to our customers. We 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.
Financial			
Risk	**Description and impact**	**Trend**	**Mitigation**
Availability and terms of additional financing	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. **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.	↓	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. A significant amount of our development spend is currently subject to HMRC research and development tax relief.
Economic and political uncertainty	The Group could be affected by overall economic and political conditions in the UK and globally including the risk of a recession, persistently high inflation, currency fluctuations, the continuing Russia/Ukraine conflict, and economic and political instability associated with Brexit **Potential impacts:** 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 Russia/Ukraine conflict 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.	↑	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. The Group is a low energy user and we do not have any customers or suppliers in Ukraine or 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. 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.

			Our standard terms & conditions contain a right to increase our annual fees by inflation, which helps offset inflationary price increases of our suppliers.

Future outlook

The CEO's statement on pages 23 – 31 gives information on the future outlook of the Group.

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.

Employees

The average number of full-time equivalent employees was 23 for the year under review. The Group will be investing further in the HR function to provide the necessary support for our growth plans, ensuring a positive working environment for our staff and a strong culture of community, transparency, accountability, reward and recognition.

Environment

Feedback operates a predominantly virtual business model with most employees working from home. The directors consider that the nature of the Group's activities is not inherently detrimental to the environment.

Social, community, and human rights

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. It contributes as far as is practicable to the local communities in which it operates and takes a responsible and positive approach to employment practices.

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.

Stakeholder	Why we engage	How we engage
Investors	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.	• Regular reports and analysis on investors and shareholders • Investor roadshows • Annual Reports • Company website • AGM • Stock exchange announcements • Press engagements • Analyst research
Employees	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.	• 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

Stakeholder	Why we engage	How we engage
Regulators	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.	• 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
Clinicians	We work with clinicians to ensure our products are effective and meet regulatory requirements.	• Expanded use of clinicians and advisory bodies to expedite product approvals
Patients and their families	We develop products designed to facilitate a patient's clinical pathway.	• 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.
Supply Chain	A robust and transparent supply chain results in greater visibility, leading to lower exposure to risks and disruptions.	• Awareness of importance of complying with agreed payment terms and requirements to disclose payment terms • Closer working relationships with suppliers • Risk mitigation plans
Partners	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.	• 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
Communities & Environment	Our values encourage us to contribute to our local communities, reduce our environmental impact and help to stop climate change.	• Oversight of corporate responsibility plans • 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 34 – 43 and the Company's Corporate Governance Statement on pages 48 – 55. 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.

The strategic report was approved by the Board on 11 September 2023 and signed on its behalf by:

Rory Shaw
Non-executive Chairman

Directors' Report

The Directors present their report and the financial statements for the year ended 31 May 2023.

Future developments

The future developments for the Group are discussed in the Chairman's Statement and the Strategic Report.

Directors

The Directors and brief biographies are detailed on pages 32 – 33.

The Directors of the Company during the year were:

Prof R Shaw
Dr T Oakley
A Patel
A Denning
A Eschauzier
P Prince

In accordance with the Articles of Association, Adam Denning and Philipp Prince retire by rotation and being eligible 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 58 – 60.

Directors' shareholdings

Details of Directors' beneficial interests in the Ordinary Shares of the Company on 31 May 2023, and details of Directors' share options, are set out in the Remuneration Committee report on pages 58 – 60.

Significant shareholders

As at 11 September 2023, the Company had been advised or is aware of the following interests of 3% or more in the Company's issued share capital:

	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	9.5%
Mole Valley Asset Management Ltd*	820,245	6.15%
Thomas Charlton*	589,871	4.42%
Jonathan Cranston	402,500	3.02%

** Following the share consolidation on 14 October 2022, the number of shares above have been calculated based on the previously received notified holding and applying the conversion ratio of 200:1 existing ordinary shares to consolidated ordinary shares.*

Share Capital

The Company undertook a share consolidation in 2023 whereby every 200 ordinary shares of £0.0025 each were consolidated into one new ordinary share of £0.50 each. Other than the change in nominal value, the new ordinary shares arising on implementation of the share consolidation have the same rights as the previously existing ordinary Shares, including voting and other rights. Details of the changes in the share capital of the Company during the year are set out in Note 18.

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.

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 2023 averaged 7 days (2022: 24 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 2023, the Group's energy consumption was considerably below 40,000 Kw Hours, and therefore no consumption or emissions data is presented.

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 67 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.

No dividend was declared in the year (2022: £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 £2,920,420 for the year ended 31 May 2023 however it had net assets of £10,868,883 inclusive of £7,317,534 of cash and cash equivalents at 31 May 2023. The directors have considered the applicability of the going concern basis in the preparation of the financial statements. This included a review of financial results, internal budgets and cash flow forecasts to 30 September 2024, including downside scenarios.

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
- 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 11 September 2023 and signed on its behalf by:

Rory Shaw
Non-Executive Chairman

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.

Governance related matters which have occurred during the year include the appointment of Annemijn Eschauzier and the resignation of Tim Irish, both on 01 June 2022.

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 Bleepa Box, 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 34 – 43 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 35 – 40 of the Strategic Report.

The Directors' obligation under s172(1) to consider the long-term consequences of their decisions is addressed on page 40.

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://fbkmed.com/feedback-plc/.

The Board is committed to maintaining good communication and constructive interaction with all shareholders through our Half Year and Annual Reports as well as Regulatory News Service releases. We also use the Company's website to keep shareholders up to date on financial and general news.

Feedback encourages two-way communication with its investors and responds quickly to queries received. The Company has an email address (info@fbkmed.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 management team and is reviewed by the Board at board meetings. The management team hold regular meetings (at least three a month) when they review the risk register and ensure that it is updated and accurately reflects the risks to the Company. The management 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 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, in order 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 35 – 40 of the Strategic Report.

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

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. Since Professor Rory Shaw has been an employee of the Group in the last six years, the Board undertook a formal review of Professor Shaw's status as an independent Non-Executive Director and concluded that he remains independent. This will be reassessed by the Board again for the next financial year. 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 32 – 33.

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 2023, all of which had a full attendance record.

Director	Board	Audit Committee[1]	Remuneration Committee	Nomination Committee
Rory Shaw	12	n/a	5	1
Tom Oakley	12	n/a	n/a	n/a
Anesh Patel	12	n/a	n/a	n/a
Adam Denning	12	4	5	1
Annemijn Eschauzier	12	4	5	1
Philipp Prince	12	4	5	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, one-third of the Board is required to retire and seek re-election at the AGM, in accordance with good governance.

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 subject to re-election every three years. 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.

Given the Group's size and stage of development at the beginning of the year ended 31 May 2023, the Chairman led an internal review of the effectiveness of the Board and Committees following QCA guidance. The Board was satisfied with the conclusions of this review, notably that the Board and Committees have relevant and diverse experience, receive high quality documentation on a timely basis, benefit from free and open discussions regularly

and provide appropriate challenge. Due to the continued strong growth of the Group's scale and operations, the Directors expect that an external evaluation exercise of the Board and its Committees will be undertaken during the current financial year and that the relevant key findings of that exercise will be disclosed in Company's annual report and accounts for the year ending 31 May 2024.

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 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, Chief Executive, Chief Financial Officer, 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 Committee
An Audit 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 Committee is detailed in the Audit Committee report on pages 56 – 57 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 58 – 60 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://fbkmed.com/feedback-plc/reports-and-presentations/.

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 2021 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 Committee report

Dear shareholder, I present my Audit Committee report for the year ended 31 May 2023, which has been prepared by the Audit Committee and approved by the Board.

During the year under review, the Audit Committee was comprised of Philipp Prince, Adam Denning and Annemijn Eschauzier. The Audit Committee aims to meet at least three times per annum and met four 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 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 Committee continues to be satisfied that I have sufficient relevant financial experience to fulfil my duties as Audit Committee Chair.

Responsibilities

The Audit Committee has the following responsibilities:

Financial reporting

As stated in the Audit Committee terms of reference, the Audit 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 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 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 Committee's proceedings after each meeting on all matters.

External audit

The Audit 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 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 Committee on the results of the audit work and highlight any issue which the audit work has discovered, or the Audit Committee had previously identified as significant or material in the context of the Company's financial statements. The Audit 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 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, and will review and approve the statements to be included in the Annual Report concerning internal controls and risk management.

The Audit 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.

Significant issues considered by the Audit Committee during the year

During the year, the Audit 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 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 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 Committee were:

Revenue recognition

The Audit Committee discussed the evolution of the group's product mix and specifically the basis used to determine how Bleepa-CareLocker software licence and support revenues are split and recognised over time. The Audit 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 Committee reviewed the basis of capitalisation and amortisation and considered the intangible value attributed to its intangible software development costs. The Audit Committee noted that a proportion of software development spend incurred with the Group's partner Future Processing related to software bug fixes and maintenance was expensed to the income statement in accordance with accounting standards. The Audit 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 Committee reviewed the cash flow forecasts for the Group and discussed the key assumptions and risks relevant to their achievement. The Audit 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 75, was reasonable.

External auditor's effectiveness and independence

The Audit 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 Committee's review of the external auditor's effectiveness and independence may lead to a recommendation to retender more frequently.

The Audit Committee has primary responsibility for making recommendations to the Board on the appointment, reappointment and removal of the external auditor. The Audit 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 four financial years ended 31 May 2023. 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 Committee recommended that the Board reappoint the External Auditor.

Philipp Prince
Chair of the Audit Committee
11 September 2023

Remuneration Committee report

Dear Shareholder, I present my Remuneration Committee Report for the year ended 31 May 2023, 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 aims to meet at least once during the year 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 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 £158,936 and the Chief Financial Officer's current salary is £147,584. These salaries reflect a less than inflation 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.

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 2023 were awarded post-period in line with the disclosed basis in the prior year Remuneration Committee report. For the CEO, this amounted to approximately 37% of base salary (of a maximum potential award of two-thirds of base salary). For the CFO, this amounted to approximately 27% of base salary (of a maximum potential award of one-half of base salary).

For the year ending 31 May 2024, an annual bonus of up to 100% of salary will be available to the Chief Executive Officer and an annual bonus of up to 100% of salary will be available to the Chief Financial Officer, 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 65% of the bonus potential. Up to 20% of the annual bonus 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 scheme. 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 2023 and the prior year ending 31 May 2022 is set out below:

Year ending 31 May 2023	**Salary**	**Bonus**	**Fees**	**Pension**	**Benefits in Kind**	**Total**
	£	£	£	£	£	£
Executive Directors						
T Oakley	149,345	60,000	-	1,321	-	210,666
A Patel	139,454	30,000	-	7,895	-	177,349
Non-Executive Directors						
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	403,799	90,000	-	9,216	-	503,015

Year ending 31 May 2022	Salary	Bonus	Fees	Pension	Benefits in Kind	Total
	£	£	£	£	£	£
Executive Directors						
T Oakley	142,179	40,000	-	3,552	-	185,731
L Melvin (resigned 29th November 2021)	31,200	-	-	4,636	898	36,734
A Patel (appointed 29th November 2021) [1]	66,612	10,000	-	3,793	-	80,405
Non-Executive Directors						
R Shaw	60,000	-	-	-	-	60,000
A Denning	25,000	-	-	-	-	25,000
T Irish[2]	-	-	25,000	-	-	25,000
P Prince[2]	-	-	25,000	-	-	25,000
S Sturge	-	-	-	-	-	-
Total	324,991	50,000	50,000	11,981	898	437,870

1. *A Patel remuneration in the year ending 31 May 2022 table above reflects his time in service during the year, from 29 November 2021.*
2. *T Irish was paid consultancy fees the year ending 31 May 2022 through an agreement with Pembrokeshire Retreats Ltd.*
3. *P Prince was paid consultancy fees through an agreement with NAM Financial Ltd for the year ending 31 May 2022.*

(b) Details of the interests in share options held by the Directors of the Company as at 31 May 2023 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 2023 are set out below:

	No. of shares	%
R Shaw	78,573	0.59
A Denning	14,794	0.11
A Eschauzier	5,440	0.04
P Prince	24,763	0.19
Total	123,570	0.93

Annemijn Eschauzier
Chair of the Remuneration Committee
11 September 2023

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 2023 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 2023, 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.

Independent Auditor's Report to the Members of Feedback plc continued

Key audit matters	How our scope addressed this matter
Revenue recognition 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.	The risk is that revenue is overstated through non-deferral of revenue which should be deferred as 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 and recoverability of trade receivables at the year end to assess the validity of their recognition and carrying values as at 31 May 2023. Our work did not identify any items that could not be substantiated.
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.	We focused on intangible assets valuation and recognition in accordance with stated accounting policies. 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.

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.	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 assumptions used by management including growth rates. We carried out sensitivity analysis. We also reviewed the appropriateness and completeness of disclosure shown in the notes to the accounts. We looked at the progress made in development, discussed recent trials and reviewed correspondence with potential customers and contracts won.

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 £168,000. 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 £151,000.

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 £100,000.

We assessed performance materiality for the company's financial statements as a whole at 60% of materiality and concluded performance materiality to be £90,600.

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 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 2023 the group had cash balances of £7,317,534 and we assessed whether this will be sufficient to enable the group to meet liabilities as they fall due, taking into account market conditions.

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:

- 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 page 46, 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.
- 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.

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

11 September 2023

Consolidated Statement of Comprehensive Income

for the year ended 31 May 2023

	Note	2023 £	2022 £
Revenue	4	1,024,997	588,576
Cost of sales		(84,276)	(99,321)
Gross profit		940,721	489,255
Other operating expenses	5	(4,362,675)	(3,002,489)
Operating loss	6	(3,421,954)	(2,513,234)
Net finance income	7	47,868	2,012
Loss before taxation		(3,374,086)	(2,511,222)
Tax credit	9	455,909	392,631
Loss after tax attributable to the equity shareholders of the Company		(2,918,177)	(2,118,591)
Other comprehensive income/(losses)			
Translation difference on overseas operation		(2,243)	-
Total comprehensive expense for the year		(2,920,420)	(2,118,591)
Loss per share (pence)			
Basic and diluted*	11	(21.88)	(22.67)

*The 2022 Loss per share has been presented on a proforma basis by applying the 200:1 share consolidation to the weighted average number of ordinary shares of that period.

The notes on pages 74 – 93 form part of these financial statements

Consolidated Statement of Changes in Equity

for the year ended 31 May 2023

GROUP	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Translation Reserve	Share option Reserve	Total
	£	£	£	£	£	£	£
At 31 May 2021	2,667,330	8,860,079	299,900	(6,730,478)	(209,996)	381,774	5,268,609
Loss of the year and Total comprehensive loss for the year	-	-	-	(2,118,591)	-	-	(2,118,591)
New shares issued	4,000,000	7,200,000	-	-	-	-	11,200,000
Costs of new shares issued	-	(709,008)	-	-	-	-	(709,008)
Share options lapsed	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	68,264	68,264
Total transactions with owners	4,000,000	6,490,992	-	-	-	68,264	10,559,256
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)
Loss of the year and Total Comprehensive Loss for the year				(2,918,177)	(2,243)		(2,920,420)
New Shares issued	-	-	-	-	-	-	-
Costs of new shares issued	-	(830)	-	-	-	-	(830)
Share-based payments	-	-	-	-	-	80,859	80,859
Total transactions with owners	-	(830)	-	-	-	80,859	80,029
At 31 May 2023	6,667,330	15,350,241	299,900	(11,767,246)	(212,239)	530,897	10,868,883

Company Statement of Changes in Equity

for the year ended 31 May 2023

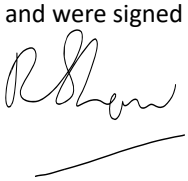
COMPANY	Share Capital £	Share Premium £	Retained Earnings £	Share option Reserve £	Total £
At 31 May 2021	2,667,330	8,860,079	(6,855,858)	381,774	5,053,325
Loss of the year and Total comprehensive loss for the year	-	-	(559,408)	-	(559,408)
New shares issued	4,000,000	7,200,000	-	-	11,200,000
Costs of new shares issued	-	(709,008)	-	-	(709,008)
Share-based payments	-	-		68,264	68,264
Total transactions with owners	4,000,000	6,490,992	-	68,264	10,559,256
At 31 May 2022	6,667,330	15,351,071	(7,415,266)	450,038	15,053,173
Profit of the year and Total comprehensive income for the year	-	-	1,703,482	-	1,703,482
Costs of new shares issued	-	(830)	-	-	(830)
Share-based payments	-	-	-	80,859	80,859
Total transactions with owners	-	(830)	-	80,859	80,029
At 31 May 2023	6,667,330	15,350,241	(5,711,784)	530,897	16,836,684

The notes on pages 74 – 93 form part of these financial statements

Consolidated Balance Sheet
for the year ended 31 May 2023

	Notes	2023 £	2022 £
Assets			
Non-current assets			
Property, plant and equipment	13	14,909	8,367
Intangible assets	14	3,710,946	3,288,811
		3,725,855	3,297,178
Current assets			
Trade and other receivables	15	225,302	308,293
Corporation tax receivable		455,641	392,351
Cash and cash equivalents		7,317,534	10,305,577
		7,998,477	11,006,221
Total assets		11,724,332	14,303,400
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	15,351,071
Capital reserve	18	299,900	299,900
Translation reserve	18	(212,239)	(209,996)
Share option expense reserve	18	530,897	450,038
Retained earnings	18	(11,767,246)	(8,849,069)
Total equity		10,868,883	13,709,274
Liabilities			
Current liabilities			
Trade and other payables	16	855,449	594,126
		855,449	594,126
Non-current liabilities			
Contract liabilities	16	-	-
		-	-
Total liabilities		855,449	594,126
Total equity and liabilities		11,724,332	14,303,400

The financial statements were approved and authorised for issue by the Board of Directors on 11 September 2023 and were signed below on its behalf by:



Prof Rory Shaw
Chairman

The notes on pages 74 – 93 form part of these financial statements

Company Balance Sheet

for the year ended 31 May 2023

	Notes	2023 £	2022 £
Assets			
Non-current assets			
Investments	12	9,500,102	-
		9,500,102	-
Current assets			
Other receivables	15	57,164	49,763
Loans to subsidiary companies		393,170	4,933,648
Cash and cash equivalents		6,974,028	10,143,762
		7,424,362	15,127,173
Total assets		16,924,464	15,127,173
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	15,351,071
Share option expense reserve	18	530,897	450,038
Retained earnings	18	(5,711,784)	(7,415,266)
Total equity		16,836,684	15,053,173
Liabilities			
Current liabilities			
Trade and other payables	16	87,780	74,000
Total liabilities		87,780	74,000
Total equity and liabilities		16,924,464	15,127,173

The Company's profit for the year was £1,703,482 (2022: £559,408).

The financial statements were approved and authorised for issue by the Board of Directors on 11 September 2023 and were signed below on its behalf by:

Prof R Shaw
Chairman

The notes on pages 74 – 93 form part of these financial statements (company registration number 00598696)

Consolidated Cash Flow Statement

for the year ended 31 May 2023

	2023 £	2022 £
Cash flows from operating activities		
Loss before tax	(3,374,086)	(2,511,222)
Adjustments for:		
Net finance income	(47,868)	(2,012)
Depreciation and amortisation	809,333	552,931
Impairment of intangible assets	6,695	-
Translation difference in overseas operation	(2,243)	-
Share based payment expense	80,859	68,265
Decrease/(Increase) in trade receivables	94,876	(198,754)
Decrease/(Increase) in other receivables	(11,885)	28,503
Increase/(Decrease) in trade payables	(103,570)	(30,100)
Increase/(Decrease) in other payables	364,891	71,397
Corporation tax received	392,619	767,400
Total adjustments	1,583,707	1,257,630
Net cash used in operating activities	(1,790,379)	(1,253,592)
Cash flows from investing activities		
Purchase of tangible fixed assets	(19,083)	(5,450)
Purchase of intangible assets	(1,225,619)	(1,149,246)
Net finance income received	47,868	2,012
Net cash used in investing activities	(1,196,834)	(1,152,684)
Cash flows from financing activities		
Net proceeds of share issue	(830)	10,490,991
Net cash generated from financing activities	(830)	10,490,991
Net increase/(decrease) in cash and cash equivalents	(2,988,043)	8,084,715
Cash and cash equivalents at beginning of year	10,305,577	2,220,862
Cash and cash equivalents at end of year	7,317,534	10,305,577

The notes on pages 74 – 93 form part of these financial statements

Company Cash Flow Statement

for the year ended 31 May 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit/(Loss) before tax	1,703,482	(559,408)
Adjustments for:		
Net finance income	(47,868)	(2,012)
Provision against/ (reversal of) intercompany receivable	(2,237,139)	19,436
Share based payment expense	80,859	48,830
(Increase)/Decrease in other receivables	(7,400)	50,143
(Decrease)/Increase in trade payables	1,264	17,047
(Decrease)/ Increase in other payables	12,515	(8,555)
Total adjustments	(2,197,769)	124,889
Net cash used in operating activities	(494,287)	(434,519)
Cash flows from investing activities		
Loans to subsidiary companies	(2,714,494)	(1,935,409)
Investment in subsidiaries	(7,991)	-
Net finance income	47,868	2,012
Net cash generated from investing activities	(2,674,617)	(1,933,397)
Cash flows from financing activities		
Net proceeds from share issue	(830)	10,490,990
Net cash generated from financing activities	(830)	10,490,990
Net increase in cash and cash equivalents	(3,169,734)	8,123,074
Cash and cash equivalents at beginning of year	10,143,762	2,020,688
Cash and cash equivalents at end of year	6,974,028	10,143,762

The notes on pages 74 – 93 form part of these financial statements

Notes to the Financial Statements

1. General information

The Company is a public limited company limited by shares, domiciled in the United Kingdom and 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 11 September 2023.

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 7 Financial Instruments: Disclosures amendments regarding supplier finance arrangements
- IAS 1 Presentation of Financial Statements – amendment regarding the classification of; liabilities as current or non-current; disclosure of accounting policies; classification of debt with covenants
- IAS 7 Statement of Cash Flows – amendment regarding supplier finance arrangements
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – amendment regarding the definition of accounting estimates
- IAS 12 Income Taxes – Amendments regarding; deferred tax on leases and decommissioning obligations and providing a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes

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 2023 and 2022 using the acquisition method.

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

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

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

3. Significant accounting policies (continued)

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 £2,920,420 for the year ended 31 May 2023 however it had net assets of £10,868,883 inclusive of £7,317,534 of cash and cash equivalents at 31 May 2023. The directors have considered the applicability of the going concern basis in the preparation of the financial statements. This included a review of financial results, internal budgets and cash flow forecasts to 30 September 2024, including downside scenarios. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and that the Group and Company will have sufficient funds to continue to meet their liabilities, including providing financial support to the Company's subsidiaries, as they fall due for at least twelve months from the date of approval of the financial statements. Accordingly, the Directors believe that the Group and Company are a going concern and have therefore prepared the financial statements on a going concern basis.

(d) Intangible assets

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

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

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

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Only external software development expenditure is capitalised. Internal research expenditure is written off in the year in which it is incurred. Other development expenditure is recognised as an expense as incurred. Intangible assets that have a finite useful life and that have been capitalised are amortised on a straight-line basis as follows:

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

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

(e) Valuation of Investments

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

(f) Cash and cash equivalents

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

3. Significant accounting policies (continued)

(g) Goodwill

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

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

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

(h) Property, plant and equipment

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

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

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

(i) Foreign currency

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

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

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

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

(j) Revenue recognition

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

The Group recognises revenue on the basis of following IFRS15 whereby revenue is recognised on the promise of goods and services to the customer at the transaction price contractually agreed and once the performance obligations have been met.

Revenue relating to software consultancy and similar services is recognised as the services are performed and completed. The invoice is recognised on a linear basis over the duration of the contract.

Revenue relating to the sale of software licences such as Bleepa or associated support services is recognised over the contractual period to which the licence relates or the duration of the support contract.

3. Significant accounting policies (continued)

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

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

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

(k) Pension Costs

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

(l) Taxation

The tax credit represents the sum of the current tax credit and deferred tax credit.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a 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.

3. Significant accounting policies (continued)

Trade receivables

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

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

When a trade receivable is determined to have no reasonable expectation of recovery it is written off, firstly against any expected credit loss allowance available and then to the income statement.

For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income Subsequent recoveries of amounts previously provided for or written off are credited to the income statement.

Cash and cash equivalents

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

Financial liabilities

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

(n) Employee share options and warrants

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

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

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

(o) Key areas of judgement

The preparation of financial statements requires the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses. These estimates and judgements are based on historical experience and various other assumptions that management and the Board of Directors believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources.

The key areas of judgement are:

3. Significant accounting policies (continued)

- 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.

- 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 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)

The revenues from external customers in 2023 are comprised of the following products Bleepa-CareLocker: £753,937, Image Engineering license fees: £143,282 and legacy products Cadran PACS and Texrad: £127,778.

Year ended 31 May 2022	**Medical Imaging**	**Head Office**	**Total**
	£	**£**	**£**
Revenue			
External	588,576	-	588,576

4. Segmental Reporting (continued)

Expenditure			
Total (excluding depreciation and amortisation)	(1,629,998)	(916,869)	(2,546,867)
Depreciation and amortisation	(552,931)	-	(552,931)
Loss before tax	(1,594,353)	(916,869)	(2,511,222)
Tax credit	392,631	-	392,631
Balance sheet			
Total assets	4,109,874	10,193,526	14,303,400
Total liabilities	(520,112)	(74,014)	(594,126)
	3,589,762	10,119,512	13,709,274
Capital expenditure (all located in the UK)	(1,154,697)	-	(1,154,697)

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

	External revenue by location of customer		Non-current assets by location of assets		Total liabilities location of assets	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
United Kingdom	873,597	432,129	3,725,855	3,297,179	855,449	594,126
Europe	2,208	4,485	-	-	-	-
Rest of the world	149,135	151,962	-	-	-	-
Total	1,024,940	588,576	3,725,855	3,297,179	855,449	594,126

£203,674 of revenue recognised in the current year was recorded in contract liabilities in the prior year.

Major customers

During the year ended 31 May 2023, the Group generated £525,000 of revenue from one customer in the United Kingdom, which is equal to 51% of total Group revenues in the year. Major customer from the rest of the world is located in USA and accounts for £143,282 of group revenue generated.

5. Other operating expenses

	2023	2022
	£	£
Administrative costs:		
Employment and other costs	3,553,342	2,449,558
Amortisation and depreciation costs	809,333	552,931
	4,362,675	3,002,489

6. Operating loss

	2023	2022
	£	£
This is stated after charging		
Depreciation and amortisation		
Owned assets	12,541	10,856
Amortisation of intangible assets	796,789	542,076
Provision for doubtful debts	15,401	1,529

6. Operating loss (continued)

Foreign exchange differences	21,805	(648)
Auditors' remuneration		
Audit of parent company and group financial statements	20,700	13,800
Audit of subsidiaries	13,800	9,200

7. Net finance income

	2023 £	2022 £
Interest received	47,868	2,012
	47,868	2,012

8. Directors and employees

	2023 Average	2022 Average	2023 Year-end FTE	2022 Year-end FTE
Number of employees				
Selling and distribution	2	2	1	2
Administration	15	12	15	11
Research and development	6	5	8	6
	23	19	24	19

	2023 £	2022 £
Staff costs		
Wages and salaries	1,877,036	1,267,740
Social security costs	231,303	159,225
Payments to defined contribution pension scheme	179,160	144,308
Share based payment expense	80,859	68,265
	2,368,358	1,639,538

Details of Directors' remuneration for the year ended 31 May 2023 and the prior year ended 31 May 2022 are set out in the Remuneration Committee report on pages 58 – 60.

9. Taxation on loss

		2023 £	2022 £
(a)	The tax credit for the year:		
	UK Corporation tax	(455,909)	(392,631)
	Current tax credit	(455,909)	(392,631)
	Adjustments in respect of prior periods	-	-
		(455,909)	(392,631)

9. Taxation on loss (continued)

(b) Tax reconciliation

Loss before tax	(1,132,957)	(2,511,222)
Loss at the standard rate of corporation tax in the UK of 20% (2022 – 19%)	(226,623)	(480,825)
Fixed asset differences	-	-
Expenses non-deductible for tax purposes	16,593	(506,626)
Other permanent differences	-	-
Other income	(447,489)	(376,897)
Additional deduction for R&D expenditure	(362,633)	(1,530,494)
Surrender of tax losses for R & D tax credit refund	203,611	(392,631)
Deferred tax not recognised	450,728	2,903,525
Remeasurement of deferred tax for change in tax rates	(90,096)	-
Net capital allowances		(8,683)
Tax charge for the year	(455,909)	(392,631)

In view of the tax losses carried forward there is a deferred tax amount of approximately £1,510,984 (2022: £1,609,875) which has not been recognised in the group Financial Statements. This contingent asset will be realised when the Group makes sufficient taxable profits in the relevant company.

In view of the tax losses carried forward there is a deferred tax amount of approximately £ £1,075,668 (2022: £789,816) 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 profit for the financial year is £1,703,482 (2022 loss: £559,408). The profit for the financial year 2023 arises from the reversal of provisions against intercompany loans to subsidiaries Feedback Medical Limited and Texrad Limited following an intercompany debt to equity swap on 31 May 2023 whereby £9,500,000 of the loan due to the parent company by Feedback Medical Limited and a £350,000 of the loan due to the parent company by Texrad Limited were swapped for equity.

11. Loss per share

Basic loss per share is calculated by reference to the loss on ordinary activities after taxation of £2,918,177 (2022: £2,118,591) and on the weighted average of 13,334,659 (2022: 9,345,617 rebased after consolidation) shares in issue.

	2023	**2022 proforma**
	£	**£**
Net loss attributable to ordinary equity holders	(2,918,177)	(2,118,591)

	2023	**2022**
Weighted average number of ordinary shares for basic earnings per share	13,334,659	9,345,617
Effect of dilution:		
Share Options	-	-
Warrants	-	-

11. Loss per share (continued)

Weighted average number of ordinary shares adjusted for the effect of dilution	13,334,659	9,345,617
Loss per share (pence)		
Basic	(21.88)	(22.67)
Diluted	(21.88)	(22.67)

There is no dilutive effect of the share options and warrants as the dilution would be negative.

The comparative period 2022 has been presented on a proforma basis by applying the 200:1 share consolidation factor to the weighted average number of shares in that period.

12. Investments

Company	**Share in Group undertakings £**	**Shares in joint venture £**	**Total £**
Cost			
At 31 May 2021	2,440,368	1,000	2,441,368
Addition (see note below)	19,436		19,436
Disposal of shares in joint venture		(1,000)	(1,000)
At 31 May 2022	2,459,804	-	2,459,804
Addition (see note below)	9,857,991	-	9,857,991
As at 31 May 2023	12,317,795	-	12,317,795
Provision for impairment			
At 31 May 2021	2,440,368	1,000	2,441,368
Additional impairment included in operating expenses (see note below)	19,436		19,436
Disposal of shares in joint venture	-	(1,000)	(1,000)
At 31 May 2022	2,459,804	-	2,459,804
Additional impairment included in operating expenses (see note below)	357,889	-	357,889
At 31 May 2023	2,817,693	-	2,817,693
Net Book Value			
At 31 May 2023	**9,500,102**	**-**	**9,500,102**
At 31 May 2022	-	**-**	**-**

12. Investments (continued)

All of the above investments are unlisted. The disposal of shares in joint venture is due to the dissolution of Prostate Checker Ltd, which had been fully provided for previously.

The cost additions in 2023 are comprised of a £9,500,000 investment in Feedback Medical Limited and a £350,000 investment in Texrad Limited both arising from a debt to equity swap, a £102 investment in Feedback Medical India Private Limited and a £7,889 related to options in Feedback Medical Limited which would be satisfied with Feedback Plc shares if/when they are exercised.

The impairment losses in 2023 by the Company (Head Office segment) are comprised of:

- a £350,000 impairment against the cost of investment in Texrad Limited of £350,000. The Group is now focused on selling Bleepa such that Texrad is a legacy product which is no longer being actively marketed. The recoverable amount, being the value in use, has been assessed as nil and consequently this investment has been fully written; and
- £7,889 related to options in Feedback Medical Limited which would be satisfied with Feedback Plc shares if/when they are exercised.

As at 31 May 2023, the carrying value of the Company's investment in Feedback Medical Limited, the principle operating subsidiary of the Group, was £9,500,000. The directors have considered the Group's market capitalisation at 31 May 2023 based on a volume weighted average share price of one to three months when making an assessment of the recoverable value, being the fair value less costs to sell of its investment in Feedback Medical Limited. On this basis, the recoverable amount exceeds the carrying value therefore no further impairment has been recognised.

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%.

12. Investments (continued)

Feedback Medical India Private Limited was incorporated on 25 December 2022 and it 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. Feedback Medical India Private Limited is fully consolidated in the consolidated group accounts of Feedback plc. 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 2021	46,505	46,505
Additions	5,450	5,450
At 31 May 2022	51,955	51,955
Additions	19,083	19,083
As 31 May 2023	71,038	71,038
Depreciation		
At 31 May 2021	32,732	32,732
Charge for the year	10,856	10,856
At 31 May 2022	43,588	43,588
Charge for the year	12,541	12,541
At 31 May 2023	56,129	56,129
Net Book Value		
At 31 May 2023	14,909	14,909
At 31 May 2022	8,367	8,367

14. Intangible assets

	Software development	Customer relationships	Intellectual Property	Goodwill	Total
	£	£	£	£	£
Cost					
At 31 May 2021	3,269,673	100,000	218,239	271,415	3,859,327
Additions	1,135,400	-	13,846	-	1,149,246
Disposal of fully amortised assets	-	-	(34,233)	-	(34,233)
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
Amortisation and impairment					
At 31 May 2021	645,516	100,000	160,755	271,415	1,177,686
Amortisation charge for year	525,213	-	16,863	-	542,076
Disposal of fully amortised assets	-	-	(34,233)	-	(34,233)
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
Net Book Value					
At 31 May 2023	3,678,569	-	32,377	-	3,710,946
At 31 May 2022	3,234,344	-	54,467	-	3,288,811

The impairment of £6,695 in 2023 relates to intellectual property held by Texrad Limited being written down to nil as the group is now focused on selling Bleepa such that Texrad is a legacy product which is no longer being actively marketed.

15. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year				
Trade receivables	130,824	225,700	-	-
Other receivables	12,795	12,866	12,563	12,778
Prepayments	81,683	69,727	44,601	36,985
	225,302	308,293	57,164	49,763

16. Trade and other payables

	Group		Company	
	2023	2022	**2023**	2022
	£	£	£	£
Amounts falling due within one year				
Trade payables	63,670	167,240	17,494	17,681
Other payables	18,073	15,262	-	-

16. Trade and other payables (continued)

Other taxes and social security	146,745	65,815	17,011	15,797
Accruals	185,913	142,135	53,275	40,522
Contract liabilities	441,048	203,674	-	-
	855,449	594,126	87,780	74,000

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.

17. Financial instruments (continued)

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

Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying lifetime historical credit loss experience to the trade receivables. An additional provision for credit loss of £15,401 has been recognised during the year (2022: £1,500) 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 2023, 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:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade and other receivables	225,302	308,293	57,164	49,763
Loans to subsidiary companies	-	-	393,170	4,933,648
Cash and cash equivalents	7,317,534	10,305,577	6,974,028	10,143,762
	7,542,836	10,613,870	7,424,362	15,127,173

Analysis of trade receivables

	Total	Current	30 days past due	60 days past due	90 days past due
	£	£	£	£	£
Group					
2023	130,824	2,640		128,184	
2022	225,700	102,377	-	123,323	-
Company					
2022	-	-	-	-	-
2021	-	-	-	-	-

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.

17. Financial instruments (continued)

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

The following table shows the net assets, stated in pounds sterling, exposed to exchange rate risk that the Group and Company had at 31 May 2023.

	2023	2022	2023	2022
	£	£	£	£
Trade Receivables	-	102,377	-	-

As at 31 May 2023 £Nil (2022: £102,377) 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 (2022: £4,875). 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 2023 or as at 31 May 2022.

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	
	2023	2022	2023	2022
	£	£		
Trade and other payables	81,743	182,502	17,494	17,681

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

	Carrying amount £	Contractual cash flow £	6 months or less £
Group			
2023	81,743	81,743	81,743
2022	182,502	182,502	182,502
Company			
2023	17,494	17,494	17,494
2022	17,681	17,681	17,681

Cash flow interest rate risk

The Group presently has no substantial interest rate risk exposure.

17. Financial instruments (continued)

Capital under management

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

The Group's objectives when managing the capital are:

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

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

18. Share capital and reserves

Allotted, called up and fully paid ordinary shares:

	Number	Number
As at start of period (01 June)	2,666,931,677	1,066,931,686
Issued during year	-	1,599,999,991
200:1 share consolidation (see note below)	(2,653,597,018)	-
As at end of period (31 May)	13,334,659	2,666,931,677

During 2023, a 200:1 share consolidation occurred whereby the 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.

In the table below, the number of options as at 31 May 2022 have been restated on a proforma basis following the 200:1 share consolidation which occurred in 2023 such that the number of options have been divided by a factor of 200 and the exercise prices have been multiplied by a factor of 200.

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

Grant Date	No. options as at 31 May 2022	Granted in year	Lapsed in year	No. options as at 31 May 2023	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	1000	21 May 15 - 19 May 24
26 June 18[(3)]	28,000	-	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)]	82,500	-	7,500	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	-	-	726,184	140	31 May 22 – 31 May 30
23 February 22[(7)]	83,859	-	-	83,859	140	23 February 23 – 23 February 32
	1,086,696	**-**	**21,500**	**1,065,196**		

18. Share capital and reserves (continued)

1. *Options vest in full on the anniversary of the date of grant*
2. *Options vest immediately upon date of grant.*
3. *Options vest in full on 01 March 19.*
4. *Options vest over three years as to one-third on 01 June 20, one-third on 01 June 21, and one-third on 01 June 22*
5. *Options vest over three years as to one-third on 06 August 20, one-third on 06 August 21, and one-third on 06 August 22*
6. *Options vest based on share price performance conditions as to one- third when the 60 day weighted average share price reaches 240p at any time during the period from 31 May 2022 to 31 May 2025, one- third when the 60 day weighted average share price reaches 372p at any time during the period from 31 May 2023 to 31 May 2025, and one- third when the 60 day weighted average share price reaches 600p at any time during the period from 31 May 2024 to 31 May 2025*
7. *Options vest over three years as to one-third on the first anniversary of the date of grant, one-third on the second anniversary of the date of grant, and one-third on the third anniversary of the date of grant*

For the options granted on 23 February 2022 with no performance conditions, the following assumptions were made for valuation purposes using the Black-Scholes option pricing model:

- Risk-free rate: 1.31% based on the five-year UK gilt
- Expected volatility: 50% based on Medical Services sector as published in the Risk Measurement Service, London Business School manual, Vol 44 No 1 January – March 2022
- Expected life: Four years
- Estimated fair value of each option at measurement date: £0.0027 (equivalent to £0.54 rebased for the 200:1 share consolidation in period)

For the options granted on 23 February 2022 with share price performance conditions, the following assumptions were made for valuation purposes using the Monte Carlo option Pricing Model:

- Risk-free rate: 1.31% based on the five-year UK gilt
- Expected volatility: 50% based on Medical Services sector as published in the Risk Measurement Service, London Business School manual, Vol 44 No 1 January – March 2022
- Expected life: Five years
- Estimated fair value of each option at measurement date: £0.0014 (equivalent to £0.28 rebased for the 200:1 share consolidation in period)

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	
	2023	**2022**	**2023**	**2022**
			Pence	**Pence**
Outstanding at 01 June	1,086,696	294,153	189	331
Granted in year	-	810,043	-	140
Lapsed in year	21,500	17,500	326	334
Outstanding at 31 May	1,065,196	1,086,696	186	189

Following the 200:1 share consolidation during 2023, the above share options have been restated on a proforma basis such that the number of options have been divided by a factor of 200 and the weighted average exercise prices have been multiplied by a factor of 200.

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.

18. Share capital and reserves (continued)

At 31 May 2022	Granted	Exercised	At 31 May 2023	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		

Following the 200:1 share consolidation during 2023, the above warrants have been restated on a proforma basis such that the number of options have been divided by a factor of 200 and the weighted average exercise prices have been multiplied by a factor of 200.

Reserves

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

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

19. Pensions

The Company operated a defined contribution scheme during the year and the assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable and amounted to £179,160 (2022: £144,308). A balance of £17,084 (2022: £13,084) was payable at the year end.

20. Related party transactions

Key management personnel
Details of Directors' remuneration for the year ended 31 May 2023 and the prior year ended 31 May 2022 are set out in the Remuneration Committee report on pages 58 – 60.

Management fee from Company to subsidiaries
Feedback Plc invoiced Feedback Medical Limited £359,716 for the management fee related to 2023 (2022: £340,694), with a balance of £413,566 being receivable as at the year end. Feedback Plc invoiced Texrad Limited £34,806 for the management fee related to 2023 (2022: £34,192), with a balance of £38,764 being receivable as at the year end.

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

21. Post balance sheet events

There are no post balance sheet events to report.

22. Ultimate controlling party

There is no ultimate controlling party.

Company Information

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Dr T Oakley
A Patel
A Denning
P Prince
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