

18 April 2023

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

Trading Update for year ending 31 March 2023
& Directorate change

Induction (AIM: INHC), a leading digital health platform driving transformation of healthcare systems, provides an update on trading and other changes following the year ending 31 March 2023 (FY23).

Consistent with our statements earlier in 2023 we are pleased to report progress in our commitment to self-sustaining growth and cash breakeven in 2024. We remain on track to hit both objectives. We have completed our rightsizing plan for the business, the costs of which have been fully provided for in FY23. We continue to tightly manage our cost base which, as at 31 March 2023, was reduced by over 30% on a monthly basis from the level at the beginning of 2023. The business is better positioned to meet the next phase of growth.

Revenues from contracts with customers for the full year to 31 March 2023 are expected to be £13.6m, up 11.8% on our prior year pro-forma full year revenues¹. FY23 is the first year the Group has benefited from a full year of revenues from its Attend Anywhere acquisition (2022 £7.9m²).

Revenues from Induction Attend Anywhere have grown by 9.4% from £9.8m¹ to £10.8m.

Revenues from Induction Zesty have grown by 86.9% from £1.1m to £2.1m as we benefit from the alignment of our joint product offering and the increase in take-up of digital appointments in the NHS.

Net cash in the business was £4.2m (2022: £7.5m).

Recent highlights include:

- NHS Scotland renewed Induction Attend Anywhere in February 2023 for three years at £1.96m p.a. until FY26.
- NHS Wales renewed Induction Attend Anywhere in March 2023 at £1.6m for FY24.
- Induction Attend Anywhere annual renewals totaling £1.6m in March 2023 were signed across targeted NHS England trusts, firmly positioning Induction for upcoming renewals in FY24.
- Induction Zesty contracted with three further hospitals in England, building on the previously announced contract wins with twelve England-based hospitals.

Directorate Change: Hugo Stephenson will resign from his position as non-executive Board Director at the completion of his current term on 5 May 2023.

Induction Chair, Christopher Samler, said: "We are pleased with the progress we have made towards our objective of self-sustaining growth and cash flow breakeven in 2024. It has been a challenging time during which we have reduced our cost base to reflect a self-sustaining and focused business. As a result, Induction Healthcare is now in far better shape to provide our customers with the advanced products they need and to position ourselves for the next phase of growth."

¹ £12.1m total pro-forma revenue arising on the combined business upon acquisition including £9.8m of Attend Anywhere revenue. ² A non-cash elimination of IFRS3 affected revenue for the FY22 period of reporting resulted in Group revenues being adjusted under IFRS3 by £4.2m from £12.1m to the reported figure of £7.9m.

Enquiries

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About Induction - www.inductionhealthcare.com

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

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