This announcement contains inside information as stipulated under the Market Abuse Regulation (EU) No 596/2014 (MAR).

Feedback plc

Interim Report for the six months ended 30 November 2017

Cambridge, **UK – 26 February 2018**: Feedback plc ("Feedback", the "Company" or the "Group") (AIM: FDBK), the specialist medical imaging technology company, announces its unaudited results for the six months ended 30 November 2017.

Operational highlights (including post-period end)¹

- Exclusive TexRAD® distributor agreements signed in China and Korea
- CE marked release of TexRAD® Lung
- Three pilot TexRAD® Lung installations secured with existing research customers
- Significant TexRAD® research interest including 19 presentations at RSNA annual conference
- Certification received by CCI for ISO 13485:2016 quality management standard compliance
- Highly experienced Chief Executive Officer appointed to drive growth strategy

Financial highlights (including post-period end)

- Revenue for the six-month period £228,874 (2016: £203,000)
- Loss after tax for the six-month period £348,079 (2016: loss £126,000)
- Loss before interest, tax and amortisation for the six-month period £337,300 (2016: loss £115,000)
- Cash as at 30 November 2017 was £266,756 (30 November 2016: £63,000)
- 1. Cambridge Computed Imaging Limited ("CCI") is a wholly owned subsidiary of Feedback plc.

David Crabb, Chief Executive Officer of Feedback plc, commented: "We continue to see strong demand for our technology across the global territories which has contributed to double-digit revenue growth during the period. As a small team, we experienced some operational delays over the past 12 months which slowed our commercial progress, however the first CE marked release of the TexRAD® technology in November was a major achievement for the Company and will underpin the next stage of growth.

"Our mission is to create evidence-based imaging software, arming clinicians with innovative tools to improve patient outcomes. Having joined the Company earlier this month, I will be refining the commercial strategy and growth ambitions to ensure that Feedback is well-positioned to deliver. In the near-term, with a CE marked product, distribution partners in key territories and ongoing discussions with global players, we are focused on developing our clinical evidence base and accelerating our market penetration in the rapidly growing medical imaging field."

Notes to editors

About Feedback plc

Feedback plc is a specialist medical imaging technology company. It develops software and systems that provide innovative techniques and improved workflows for practitioners involved in medical research and treating patients. TexRAD®, the Company's patented quantitative image texture analysis technology, has the potential to assist clinicians in diagnosis, prognosis and treatment of patients with cancer and is currently installed in over 40 of the world's leading research institutions across Europe, North America, Asia and Australia. The Cadran platform provides a suite of medical imaging tools for decision support. The Cadran range includes the picture archiving communication system (PACS) to provide decision support for scan analysis, diagnostic workstations which provide secure remote access to view scans on demand, and products to securely share and transport patient data. Visit www.fbk.com.

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Lucy Williams / Duncan Vasey

Strategic and Operational Review

FINANCIAL REVIEW

In the six months ended 30 November 2017, the Group incurred a loss after tax of £348,079 (2016: loss £126,000) on revenue for the six-month period of £228,874 (2016: £203,000). TexRAD® software contributed approximately 55% of the revenue with the remainder attributed to Cadran cardiology and radiology systems. The revenue growth of approximately 13% in the first half of the year reflects growing demand across global territories for TexRAD®. Notably, we have seen an increase in purchase orders for TexRAD® from leading medical institutions in South Korea and we are receiving significant interest in China, underpinned by the exclusive distributor agreements signed during the period. We anticipate that the benefits of these agreements will be seen in the full financial year.

The loss before interest, tax and amortisation was £337,300 (2016: loss £115,000). The wider loss in comparison to the previous year is largely attributable to an increase in headcount and investment in staff, continued product development and increased marketing activities in order to generate prospective customer interest and develop longer-term revenue opportunities. The cash balance at 30 November 2017 was £266,756 (2016: £63,000).

OPERATIONAL PROGRESS

CCI signed exclusive distributor agreements with Korea Computer Motion ISG ("Korea ISG") in June 2017 and Boya Digital Technology (Beijing) Co. Ltd. ("Boya") in July 2017 for sales and distribution of TexRAD® in South Korea and the People's Republic of China, respectively. These agreements represent a significant step in expanding TexRAD® sales to meet the fast-growing demand in Asian markets. By successfully identifying and engaging with distributors who are experts in the local market, we can leverage the TexRAD® brand to help build a regional sales pipeline. During the period, joint marketing and promotional activities were well-received and we have seen an increase in purchase orders for TexRAD® from leading medical institutions in South Korea and we are receiving significant interest in China. We also see strong demand for TexRAD® in India having increased our presence in this market.

Feedback is committed to offering its customers the highest quality service across all areas of its business and therefore compliance with international quality management standards is of paramount importance. CCI received certification for its compliance with the ISO 13485:2016 quality management standard in September 2017. Importantly, on 20 November 2017 Feedback announced the first CE marked release of the TexRAD® technology which represents a significant accomplishment for the Company. CCI affixed a CE mark to "TexRAD® Lung"; a "software only" Class 1 medical device providing additional information for the interpretation of computerised tomography (CT) and positron emission tomography (PET) scans of patients with lung cancer. The CE mark confirms that TexRAD® Lung meets the requirements of the Medical Device Directive (MDD - 93/42EEC) ensuring the technology satisfies the quality, safety and performance standards for medical devices in the European Union (EU).

This first TexRAD® clinical product from Feedback is a significant step after building on six years of installing TexRAD® Research in prestigious research centres worldwide, underpinned by 17 years of operational expertise in Medical Device Manufacturing and imaging management through our Cadran platform supplied by CCI. Post-period end in January 2018 the British Cardiovascular Intervention Society (BCIS) held its annual Advanced Cardiovascular Intervention conference. CCI's cardiology viewing software, which facilitates interactive case review training sessions for cardiologists, has now been supporting this conference for 20 years, which illustrates the quality and longevity of the CCI platform technologies.

Post-period end, on 11 December 2017 StoneChecker® Software Ltd announced that it has affixed a CE mark to its first software product. The StoneChecker® software utilises TexRAD® technology to make detailed analyses of kidney stones. CCI granted an exclusive licence to StoneChecker® Software Ltd in July 2015 and is eligible to receive royalty payments upon future sales.

CLINICAL PROGRESS: TexRAD Lung®

TexRAD® Research is currently installed in over 40 of the world's leading research institutions across Europe, North America, Asia and Australasia. The CE mark for TexRAD® Lung allows Feedback to engage with organisations focused on clinical vs. research work and develop both the product and the application of its use in routine patient management. TexRAD® Lung is a hands-free quantitative software for use on existing medical imaging systems, designed to provide an objective assessment of the architecture/heterogeneity, evolution and prognosis of lung lesions based on texture analysis of PET/CT scans. Generating an additional set of data and images directly into existing radiology viewing systems, known as the picture archiving communication systems (PACS), it integrates seamlessly within a radiology department adding information to clinicians' reporting workflow, thus improving efficiency and potential clinical utility.

TexRAD® Lung is capable of seamlessly integrating with hospital PACS and, in a matter of hours rather than months, review decades worth of data extracting information of lesion size, density, heterogeneity and a host of other features of potential clinical significance potentially missed by subjective review by radiologists or nuclear-medicine physicians. This ability to rapidly and consistently assemble an accurate, parameterised database is the first and arguably most important step in applying the emerging techniques of machine learning and artificial-intelligence (AI) to healthcare problems. The development of TexRAD® Lung is based on wider research using published medical information. Our technology can easily access and review thousands of data sets from existing medical scans, without further tests on patients, all within the CE regulated framework therefore reducing barriers to clinical implementation. This technique offers a significant advantage over traditional, prospective clinical trials where, for example, a study of 100 patients could be considered a large trial, requiring a longer timeframe and could have significant costs associated.

Building clinical confidence in a new device is of paramount importance. TexRAD® Lung will need to be configured to various hospital IT systems in order to embed the technology within routine clinical imaging workflow. This may involve workflow modifications or other enhancements to the software before TexRAD® Lung can be implemented in clinical practice, and particularly for a large-scale commercial roll-out. Accordingly, we are delighted to have secured three pilot TexRAD® Lung installations with existing UK customers who use TexRAD® for research purposes to further inform our configuration strategy. We are currently implementing these pilots and, are also working closely with Alliance Medical Group ("Alliance") on the future integration of TexRAD® Lung into Alliance's network of PET/CT scanners in UK hospitals.

RESEARCH AND DEVELOPMENT PROGRESS

Having invested in marketing activities in India, research demand for TexRAD® technology is increasing. We sponsored the American British Course in Neuroradiology in Mumbai, India in October 2017, which included a lunch-time symposium presentation on brain texture analysis using TexRAD® technology. Postperiod end in January 2018, Dr Balaji Ganeshan gave a guest lecture at Dr D Y Patil Medical College in India and attended the 17th Asian Oceanian Congress of Radiology (AOCR) & 71st National Conference of the Indian Radiological and Imaging Association (IRIA).

In November 2017, Dr Balaji Ganeshan presented at the 103rd Scientific Assembly and Annual Meeting of the Radiological Society of North America ("RSNA 2017") in Chicago (IL), USA, the premier global event for radiologists. Three additional papers co-authored by Dr Balaji Ganeshan were presented at RSNA 2017;

one by Seoul National University and University College London focused on liver cancer (abstract SSK07-05), one by Cambridge University, the University of Rome and University College London focused on ischemic stroke (abstract SSQ15-02) and one by University College London focused on neuroendocrine tumours (abstract SSM13-06). Overall, RSNA 2017 included at least 19 scientific paper presentations featuring TexRAD® Computed Tomography Texture Analysis (CTTA) and Magnetic Resonance Texture Analysis (MRTA) and Positron Emission Tomography-Computed Tomography Texture Analysis (PET-CTTA), many of which won awards in the RSNA 2017 categories. TexRAD® research to date has shown great potential in many different oncological and non-oncological sites. In particular, the papers presented at RSNA 2017 focused on liver, pancreatic, kidney, cervical, oral, genitourinary, head & neck, thyroid, neuroendocrine and endometrial cancers, as well as gastrointestinal stromal tumours, gliomas, thymic-epithelial neoplasms and carotid-plaques. Further information can be found at https://rsna2017.rsna.org/program.

Post-period end, in December 2017, Dr Balaji Ganeshan presented at the Big-Data, Radiomics and A.I. Symposium in Italy and also secured a panel presentation at the prestigious Royal College of Radiologists annual conference which will be held in September 2018. In light of the first CE marked release of the TexRAD® technology, the theme for the panel session will be focused on the texture analysis of CT and MR data for routine clinical use.

We continue to receive significant TexRAD® research interest from prestigious institutions worldwide which has resulted in multiple articles in leading publications. For example, in October 2017 our customer at the International University of Health and Welfare Hospital in Tochigi, Japan published an article featuring TexRAD® analysis in liver cancer. The paper, entitled "Impact of hepatocellular carcinoma heterogeneity on computed tomography as a prognostic indicator" was published in the *Nature* affiliated journal; *Scientific Reports*. These research activities continue to support the potential future clinical application of TexRAD® in other disease indications. Post-period end, in February 2018, researchers at the Princess Alexandra Hospital (Australia) published a study demonstrating the potential for the clinical implementation of CT texture analysis (CTTA) in the assessment of tumour heterogeneity in lung cancer. The publication in *Academic Radiology* suggests that there is a significant potential for the implementation of quantitative imaging in the assessment of tumour heterogeneity and engagement from radiologists is key to its success. The automated analysis capability of the CE marked TexRAD® Lung product aims to facilitate adoption by radiologists.

Our collaboration with Future Processing Sp. z o.o., a software development service provider based in Gliwice, Poland, to develop medical imaging software is fully underway. Both teams continue to work closely for new software products to be brought to market, with current concepts focused on artificial intelligence and machine learnings strategies.

BOARD AND ORGANISATION

On 8 June 2017, we announced that Trevor Brown had resigned as a non-executive Director in order to allow the Company to move rapidly to the next stage in its development. To further support the Company's growth strategy, Tim Irish joined the Board on 8 June 2017 as Non-Executive Director. Tim is a Professor of Practice at Kings College London as well as a board member of Bournemouth University. He joined the board of the National Institute for Health and Care Excellence (NICE) in April 2015 and became its Senior Independent Director in May 2017. Tim has worked in the life sciences industry for 30 years. His career has spanned global health technology companies across Europe and North America, including GSK, GE and Philips the latter two in senior positions responsible for medical imaging. Tim also currently holds a number of non-executive positions in health and technology related entities.

Post-period end, on 14 February 2018 we announced the appointment of David Crabb as Chief Executive Officer and a director of Feedback to drive the growth strategy. Mr Crabb brings 20 years of experience as an effective business leader to Feedback. Most recently he was Chief Executive Officer of Cambridge Online Systems, a major software company providing services to UK and international customers, which was acquired by the global IT group Columbus in December 2016. Under Mr Crabb's management in 2011, Cambridge Online Systems delivered strong growth from a loss-making organisation to one with top-quartile financial results and was voted as one of the "Sunday Times Top 100 Companies to work for" in two consecutive years. Previously, Mr Crabb held director-level roles in medium-sized technology and

outsourced solutions companies with revenues from £50 million to over £1 billion, responsible for business optimisation, sales and marketing and workforce leadership.

We recognise that a small, multi-disciplinary team has its limitations, which resulted in some operational delays over the past 12 months, so we are delighted that Feedback has attracted Mr Crabb as a highly experienced executive to complement the strong technical and regulatory expertise within the Company.

MARKET OPPORTUNITY

The use of quantitative data derived from data contained in medical images, a technique known as "radiomics", has the potential to uncover disease characteristics which are visually imperceptible to the naked eye. Radiomics uses algorithmic tools to provide objective and repeatable measurements of imaging biomarkers, such as size, texture, calcification, location in the organ and rate of growth. These distinctive imaging features identified during disease development and progression may be useful for predicting prognosis and therapeutic response for various conditions, potentially providing valuable information for personalised therapy. As a rapidly growing field, the quantitative imaging software market is expected to exceed US\$500 million by 2021 (*Signify Research 2017*).

Radiologists are under significant pressure due to increasing patient numbers, more examinations required per patient and the need for earlier diagnosis. We are focused on the development of software to assist clinicians in the interpretation and analysis of medical images. Our mission is to create evidence-based imaging software, arming clinicians with innovative tools to improve patient outcomes. We do this by developing and supplying software platforms and solutions that have the potential to contribute to diagnosis, monitor therapy and assist in the cost-effective treatment of patients. We now have our first product targeted specifically for disease management, TexRAD® Lung, which has been developed with the goal of improving the care of patients with lung cancer.

Lung cancer has been the most common cancer in the world for several decades, estimated at 13% of all cancer diagnoses globally. It is also the most common cause of death from cancer worldwide, estimated to be responsible for 1.59 million deaths annually. Furthermore, lung cancer places the highest economic burden of all cancers; in the EU this is estimated at €18.8 billion *per annum* and there are approximately 417,000 new cases of lung cancer in the EU every year. Our particular focus in on non-small cell lung cancer (NSCLC) which comprises 85% of all lung cancer cases. By analysing the texture features in routinely acquired CT scans, TexRAD® Lung's quantitative imaging capabilities will provide clinicians with additional information to help them make better decisions in order to improve patient outcomes.

STRATEGY AND OUTLOOK

Our ambition is to leverage our leading research, image processing and analysis expertise to position TexRAD® technology for routine clinical use to drive future revenue growth. Our strategy comprises four areas of focus:

(i) Strategic partnerships with global players to expedite market penetration

Promotional activity and distribution planning for TexRAD® Lung continues, including discussions under the previously announced signed letter of intent with a leading global medical imaging company which would make TexRAD® Lung available for purchase on its diagnostic imaging solutions platform. This would, in due course, enable easy access to TexRAD® Lung for hundreds of potential users around the world on a subscription basis. We are also discussing our technology with other leading imaging companies to broaden the range of potential routes to market for clinical versions of TexRAD®.

(ii) Distributor agreements in key territories such as Asia

Our existing and future distributor agreements will continue to support the Company's international expansion, ensuring that our technology continues to be used by the world's leading institutions to expedite research in this important field.

(iii) Clinical evidence base for TexRAD® Lung

Our primary goal over 2018 is to undertake specific studies with TexRAD® Lung to build an evidence base from existing and new scans, across multiple customer sites, ahead of a large-scale commercial roll-out. These studies will also inform the wider opportunity for follow-on products. We have multiple strategic advantages in building clinical confidence, such as our relationships with world-leading institutions, our

ability to access clinical collaborators through our existing research customer base and our industry-leading regulatory compliance. By the end of 2018 we expect to have early adopters using the technology in the UK and Europe.

(iv) New product opportunities

The development of any new product is a commercially confidential process. As announced on 20 November 2017, we expect that the rigorous regulatory review required for the CE mark will pave the way for TexRAD®'s clinical use worldwide and we are now investigating the clinical application of TexRAD® in other indications. Initially we expected the focus to be on liver diseases and chronic obstructive pulmonary disease (COPD), however given the significant potential for the TexRAD® technology across multiple disease indications our new Chief Executive Officer will be reviewing our clinical strategy over the coming months.

Our long-term vision is to lead global innovation in quantitative medical imaging analysis and we have strong foundations to position ourselves at the forefront of this important field. To leverage our platform technologies and domain expertise, we will need to continue to invest in staff and our product and business development activities to develop longer-term revenue opportunities. We expect to have access to adequate cash resources for at least the next twelve months, from both existing cash balances and by considering appropriate funding options, if required, to enable continued product development and international expansion.

Dr A J Riddell Chairman

UNAUDITED INTERIM CONSOLIDATED INCOME STATEMENT

		unaudited 6 months to 30 November 2017	unaudited 6 months to 30 November 2016	audited Year to 31 May 2017
	Note	£'000	£'000	£'000
Revenue Cost of sales	_	229 (6)	204 (5)	466 (11)
Gross profit		223	199	455
Other operating expenses		(575)	(329)	(756)
Operating loss		(352)	(130)	(301)
Net finance income		-	-	
Loss before tax		(352)	(130)	(301)
Tax credit		4	4	35
Loss for the period attributable to the equity shareholders of the parent Loss on ordinary activities after tax		(348)	(126)	(266)
Other comprehensive expense Translation differences on overseas operations	_	-	_	<u> </u>
Total comprehensive expense for the period	_	(348)	(126)	(266)
Basic and diluted earnings per share	2 _	(0.14p)	(0.06p)	(0.09p)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Capital Reserve	Retained Earnings	Translation Reserve	Convertible Debt Option Reserve	Total
	£'000	£'000	£'000	£'000	£'000 £'000		£'000
Balance at 31 May 2016	509	1,592	300	(2,251)	(210)	189	129
New shares issued	38	151	-	-	-	(189)	-
Total comprehensive income for the period		-	-	(126)	-	-	(126)
Balance at 30 November 2016	547	1,743	300	(2,377)	(210)	-	3
New shares issued	68	633	-	-	-	-	701
Share option and warrant costs	-	-	-	6	-	-	6
Total comprehensive expense for the period		-	_	(140)	-	-	(140)
Balance at 31 May 2017	615	2,376	300	(2,511)	(210)	-	570
Total comprehensive income for the period		-	-	(348)	-	-	(348)
Balance at 30 November 2017	615	2,376	300	(2,859)	(210)	-	222

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		unaudited	unaudited	audited
	Note	30 November 2017 £'000	30 November 2016 £'000	31 May 2017 £'000
ASSETS	11010	2 000	2 000	2 000
Non-current assets				
Property, plant and equipment		7	4	4
Intangible assets Investments	3	111	97	80
mvesurients	_	-	1	
	_	118	102	84
Current assets				
Trade receivables		83	121	50
Other receivables		59	50	62
Cash and cash equivalents	_	267	63	697
		409	234	809
Total assets	_	527	336	893
	-			
EQUITY				
Capital and reserves attributable to the				
Company's equity shareholders				
Called up share capital		615	547	615
Share premium account Capital reserve		2,376 300	1,743 300	2,376 300
Translation reserve		(210)	(210)	(210)
Retained earnings	_	(2,859)	(2,377)	(2,511)
Total equity		222	3	570
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	_	-	10	4
Current liabilities				
Trade payables		78	67	69
Other payables	_	227	256	250
	_	305	323	319
Total liabilities		305	333	323
Total equity and liabilities	_	527	336	893
	_	<u> </u>		

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

unaudited 6 months to 30 November 2017 £'000	unaudited 6 months to 30 November 2016 £'000	audited Year to 31 May 2017 £'000
(348)	(130)	(301)
		5
26	23	48
	20	1
(33)	(80)	(9)
3	14	(36)
-		48
(23)		96 57
(23)	96	210
(371)	(34)	(91)
(4)	(1)	(3)
(55)	(8)	(15)
(59)	(9)	(18)
	-	700
		700
(420)	(42)	F01
(430) 697	(43) 106	591 106
267	63	697
	6 months to 30 November 2017 £'000 (348)	6 months to 30 November 2017 £'000 (348) (348) (130) 26

FEEDBACK PLC

NOTES TO THE UNAUDITED INTERIM REPORT

1 BASIS OF PREPARATION

The consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as endorsed by the European Union ("IFRS") and expected to be effective at the year end of 31 May 2018. The accounting policies are unchanged from the financial statements for the year ended 31 May 2017.

The information set out in this interim report for the six months ended 30 November 2017 does not comprise statutory accounts within the meaning of section 434 of The Companies Act 2006. The auditors' report on the full statutory accounts for the year ended 31 May 2017 included an Emphasis of Matter paragraph in regard to Going Concern. The accounts for the year ended 31 May 2017 have been filed with the Registrar of Companies.

This interim report was approved by the directors on 23 February 2018.

2 LOSS PER SHARE

Basic earnings per share are calculated by reference to the loss on ordinary activities after and on the weighted average number of shares in issue.

	unaudited	unaudited	audited
	As at 30 November 2017	As at 30 November 2016	As at 31 May 2017
	£'000	£'000	£'000
Net loss attributable to ordinary equity holders	(348)	(126)	(266)
	As at 30 November 2017	As at 30 November 2016	As at 31 May 2017
Weighted average number of ordinary shares for basic earnings per share Effect of dilution: Share Options Warrants	246,066,584 - -	203,733,005	232,879,709 - -
Weighted average number of ordinary shares adjusted for the effect of dilution	246,066,584	203,733,005	232,879,709
Loss per share (pence) Basic and Diluted	(0.14)	(0.06)	(0.11)

3 INTANGIBLE ASSETS

	Software	Customer relationships	Patents	Goodwill	R & D	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 31 May 2016	563	100	88	272	-	1,023
Additions		-	8	-	-	8
At 30 November 2016	563	100	96	272	-	1,031
Additions		-	8	-	-	8
At 31 May 2017	563	100	104	272		1,039
Additions		-	13	-	41	54
At 30 November 2017	563	100	117	272	41	1,093
Amortisation						
At 31 May 2016	563	50	27	272	-	912
Charge for the period	-	13	9	-	-	22
As at 30 November 2016	563	ෙ	36	272	-	934
Charge for the period	-	12	13	-	-	25
At 31 May 2017	563	75	49	272	-	959
Charge for the period	-	11	12	-	-	23
At 30 November 2017	563	86	61	272	-	982
Net Book Value						
At 30 November 2017		14	56	-	41	111
At 31 May 2017	-	25	55	-	-	80
At 30 November 2016		37	60	-	-	97

4 AVAILABILITY OF THE INTERIM REPORT

Copies of the report will be available from the Company's office and also from the Company's website www.fbk.com