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# Annual Results

Year ending 31 December 2021

We create a welcoming space for effective personalised digital mental health care, accessible to all.



**Tim Barker**  
Chief Executive Officer



**Sanjay Jawa**  
Chief Financial Officer

[koothplc.com](https://koothplc.com)



**Best newcomer**



**Tech for good**



**Healthtech pioneer  
of the year**

# Integrated platform for personalised mental health care for all

## Therapeutic content and activities

## Community Support

## Professional Support

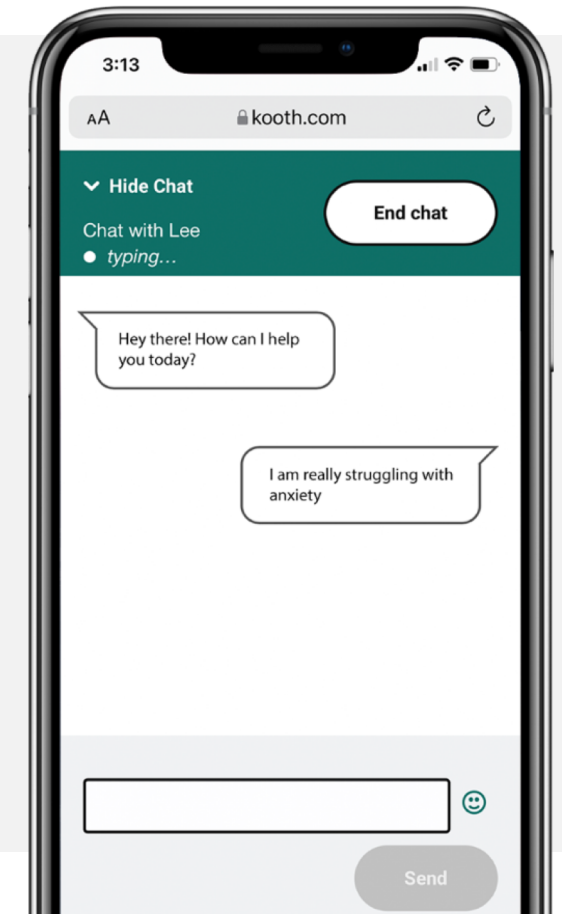
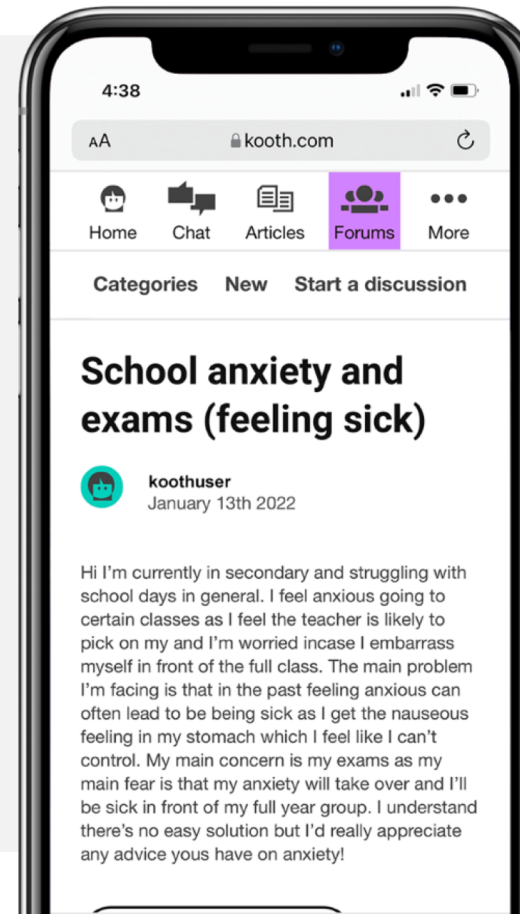
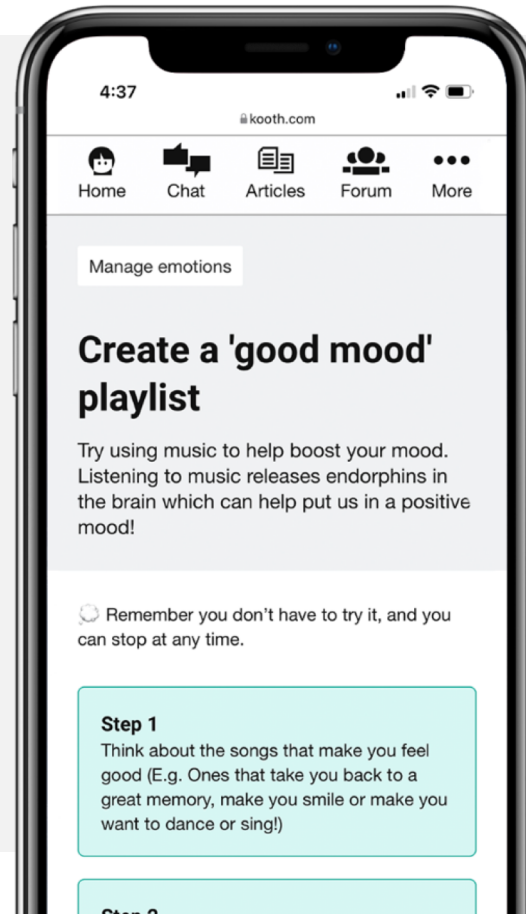
Asynchronous messaging & live chat

Remove barriers to access

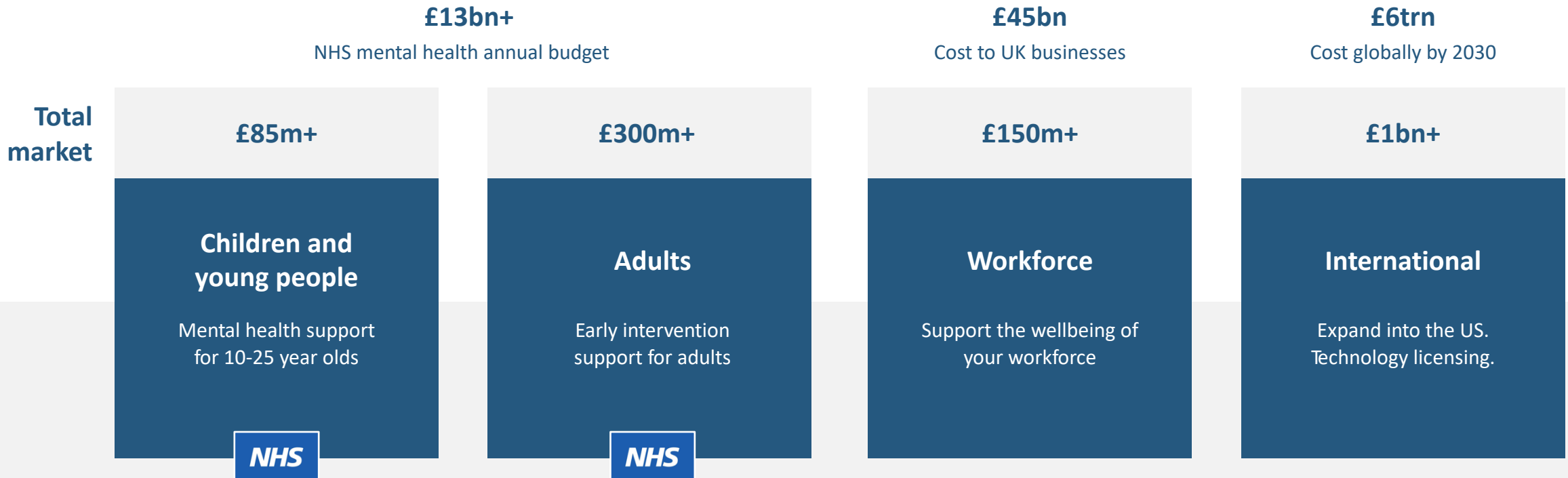
Remove stigma

Choice, not prescription

Safe space



# Growth pillars



**Kooth platform and clinical delivery model**



Therapeutic content & activities



Community



Professional support

# 2021 Strategic Highlights

## Children & Young People

Greater access and uptake.  
7.1m have access (2020: 6.2m), 1-in-33 uptake (2020: 1-in-36).

## Adults

Greater access and momentum for 'whole population' contracts.  
3.8m have access. 8 new whole population contracts (2020: 1.5m, 5).

## Workforce

Focus on frontline / key workers delivering contract wins.  
Launched first benchmark to measure mental health of a business.

## International

USA leader onboard to execute go-to-market.

## Technology

Investment in outcome measures and evidence of impact.  
New CTO with deep AI expertise. 35 tech and research.

## Company

406 employees (2020: 306). >250 clinical & practitioners.

# 2021 Financial Highlights

**28% revenue growth** in line with expectations, continuing adoption of digital-first healthcare.

**Over 90% of revenue** from contracts of 12+ months.

**109%** Net Revenue Retention (2020: 107%).

**89%** ARR growth to £1.7m for Kooth Adult.

**Gross margin** 0.3ppt down with benefit from covid in 2020 due to quicker go live periods and flattening of demand curve offset by improving operational efficiency in 2021.

Promotional costs have been reclassified in 2021 to administrative expenses (2020 reported GM: 60.9%)

**£7.1m net cash**, strong, debt-free balance sheet with net cash generated from operations of £1.9m offset by capitalised development costs of £2.5m.

## Revenue

**£16.7m** | **£13.0m**  
2021                      2020

## Net Cash

**£7.1m** | **£7.8m**  
2021                      2020

## Annual recurring revenue

**£16.9m** | **£14.1m**  
2021                      2020

## Adjusted EBITDA

**£2.1m** | **£0.9m**  
2021                      2020

## Gross margin

**69.5%** | **69.8%**  
2021                      2020

## Adjusted EBITDA margin

**12.5%** | **7.2%**  
2021                      2020

# Income statement

Financial year to 31 December			
£m	2019	2020	2021
<b>ARR</b>	<b>10.6</b>	<b>14.1</b>	<b>16.9</b>
<b>Revenue</b>	<b>8.7</b>	<b>13.0</b>	<b>16.7</b>
YoY growth	40%	50%	28%
Direct Costs	- 3.2	- 3.9	- 5.1
<b>Gross Profit</b>	<b>5.5</b>	<b>9.1</b>	<b>11.6</b>
Gross Profit Margin	63.6%	69.8%	69.5%
Other operating income	0.3	0.5	-
Administrative Expenses	- 5.7	- 8.7	- 9.5
<b>Adjusted EBITDA</b>	<b>0.1</b>	<b>0.9</b>	<b>2.1</b>
Adjusted EBITDA Margin	1.5%	7.2%	12.5%
Amortisation and Depreciation	- 1.0	- 1.5	- 2.3
Exceptional items/Share based Payment	-	- 1.0	- 0.5
<b>Operating Loss</b>	<b>- 0.9</b>	<b>- 1.6</b>	<b>- 0.7</b>
Capitalised R&D	- 0.9	- 1.5	- 2.5
<b>Adj. EBITDA less capitalised R&amp;D</b>	<b>- 0.8</b>	<b>- 0.6</b>	<b>- 0.4</b>

- **28% revenue growth** driven primarily by fee uplifts from existing public sector clients and new business in Adult and CYP as well as the tail of a small number of one-off COVID-19 related projects that started in 2020. Adult represented approximately 10% of revenue in 2021.
- **ARR grew by 20%** to £16.9m
- **89% increase** in Adult ARR to £1.7m (2020: £0.9m)
- **Over 90% of revenue** from contracts of 12 months or longer.
- **Net revenue retention was 109%** (2020: 107%) highlighting the depth and longevity of our customer relationships. Less than 10% churn.
- **Near 70% gross margin** historically strengthening through operational efficiency although 2020 included covid related uplift from quicker go live periods and a flattening of the demand curve across the school day during lockdown. Direct costs are the costs of our practitioners. We added more than 60 during the year to reach 230 heads.
- **Administrative costs up 9%** was comfortably below the increase in revenue. This reflects savings in the switch from face to face to virtual and digital promotion costs during lockdown, offset by salary increases, investment in new financial and HR systems, business development and account management as well as the full year costs of being a listed company.
- Exceptional items in 2020 were predominantly IPO-related costs, 2021 relates to share-based payments.

# Growing momentum for early intervention to tackle growing demand

**1.4m** people on NHS England mental health waiting lists for acute care



## The imperative for early intervention

**8m** 'sub threshold' don't qualify for support



## The scale of the challenge

- 1.4m people on NHSE waiting lists.
- 8m want help but are 'sub threshold'.
- Additional NHS £2.3 billion/year by 23/24.

## Imperative to invest in early intervention

- UK Dept of Health & Select Committee.
- US Surgeon General: Tackling the youth mental health crisis.

## Prioritising the wellbeing of the workforce

- #1 priority for 30% of business leaders.
- 18% increase in investment.

# Strategic progress: children & young people

## Contracting remaining regions to provide nationwide support

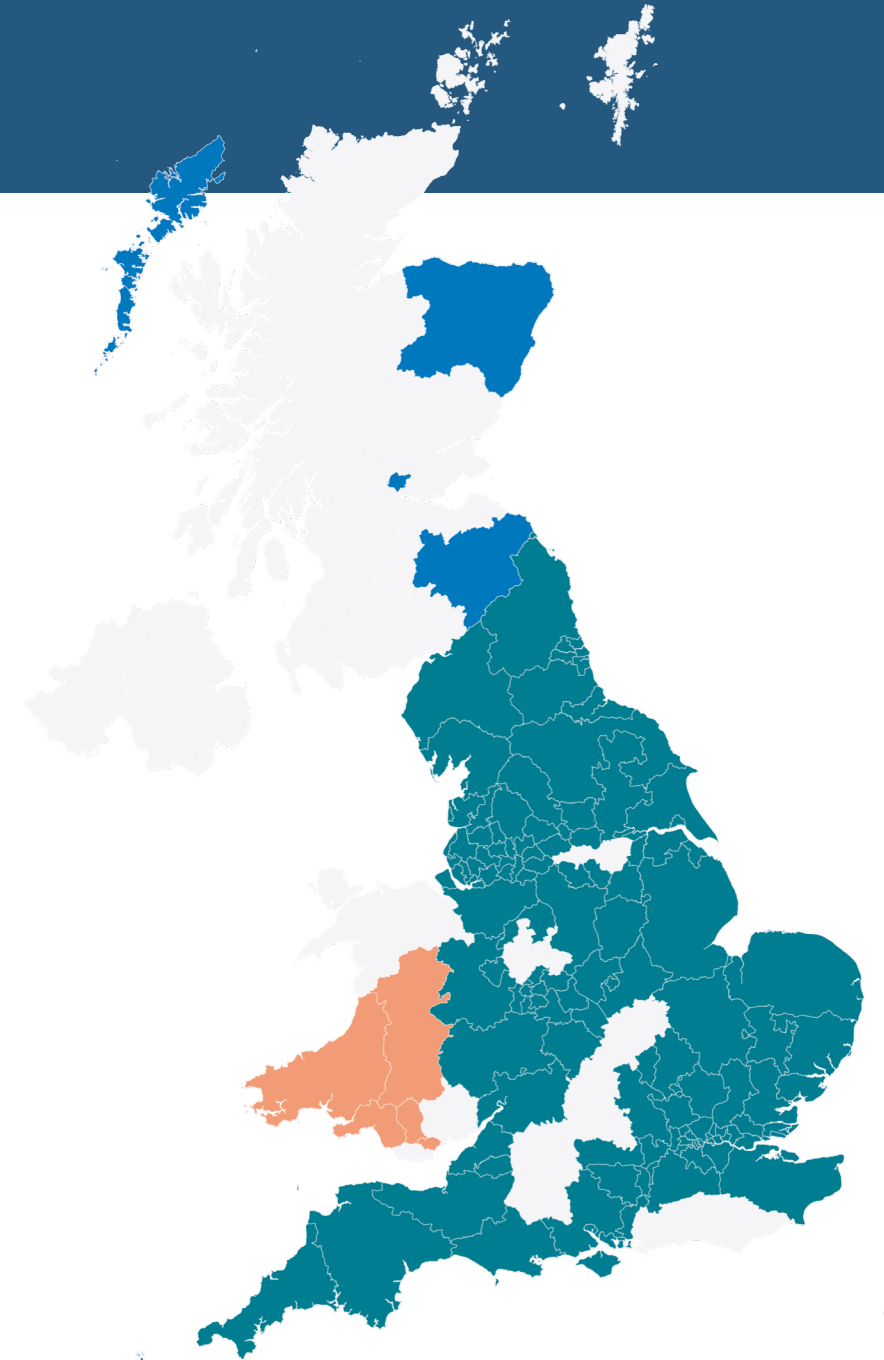
- 90% England commissioners. >60% Welsh commissioners.
- All London coverage for 11-18 across 32 boroughs.
- Scotland: 8 regions as-at end Q1/22.

## Expanding within current contracts

- 7.1m CYPs have access. 1-in-33 uptake.
- 109% net revenue retention.

## Strategic progress

- NHS ICS restructure: 'level-up' access across the region.
- Regular 'Pulse reports' to provide stakeholders with insights into mental health of local population.





# Strategic progress: adults

## Building momentum for 'whole population' contracts

- 3.8m adults have access (2020: 1.5m) .
- 8 new whole population contracts added: Bassetlaw, Herefordshire, Knowsley, Newcastle & Gateshead, Shropshire & Telford, South Tyneside, Wirral, Worcestershire.

## Barrier-free access to help reduce pressure and cost on NHS

- Promote to population via campaigns and partnerships.
- MyGP partnership. UCAS to reach students.

## Strategic progress

- Building momentum and acceptance of Kooth for Adults.
- Expanding in regions from CYP into Adults.

The screenshot shows the Qwell website homepage for adults. At the top, there is a navigation bar with a link for "Sign up to Qwell" and a "Log in" button. The Qwell logo is prominently displayed. The main heading reads "Alongside you when you need us", followed by the text "Free, safe and anonymous mental wellbeing support for adults across the UK" and a "See how Qwell can help" button. Below this, a section titled "We offer a variety of anonymous support options to meet your needs" lists several services: "Online messaging", "Booked and drop-in chat", "Therapeutic content", "Community support", "Personal development tools", and "All safe and anonymous". At the bottom, there is a section titled "Our team is ready to support you" with a "Meet the team" button and a brief description of the online messaging service.

Do you need immediate help? See services that can support you urgently →

Sign up to Qwell Log in

**Qwell**

## Alongside you when you need us

Free, safe and anonymous mental wellbeing support for adults across the UK

[See how Qwell can help](#)

### We offer a variety of anonymous support options to meet your needs

<b>Online messaging</b> Our messaging feature allows you to reach out directly to a professional. We also use messages to connect with someone who may need additional support.	<b>Booked and drop-in chat</b> Our online chat functionality allows you to receive professional support through booked or drop-in sessions as and when you need it.	<b>Therapeutic content</b> We have hundreds of pieces of therapeutic content created by our online community and professional content team.
<b>Community support</b> Our peer to peer forums are moderated to maximise safety and allow people to discuss issues together in a facilitated environment.	<b>Personal development tools</b> Our suite of self help tools offer the ability to create journals, track your mood and set goals.	<b>All safe and anonymous</b> Qwell is an anonymous site which helps people to feel safe and confident in exploring their concerns and seeking professional support.

### Our team is ready to support you

Our UK based professionals are here to listen and support you through all things big and small

[Meet the team](#)

**Online messaging**  
Our messaging service allows you to reach out at a time that's convenient for you, and the team will get back to you as soon as they can.

# Strategic progress: UK workforce

Up to £45bn annual cost to UK business.

## Our focus: Frontline workers

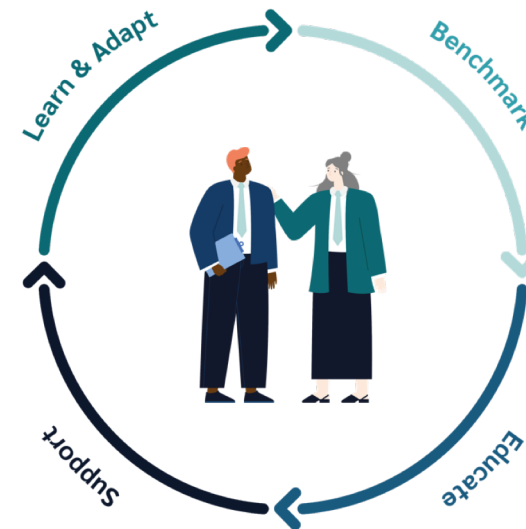
- 33% of UK workforce (10.6m) health, social care, public services.
- 19% of lost working time due to poor mental health.

## Launched 1<sup>st</sup> benchmarking assessment

- Benchmark: How mentally healthy is your workforce?
- Educate leaders and managers.
- Support with Kooth including trauma informed therapy.
- Learn & adapt to support your workforce.

## Focus for growth (£150m TAM)

- Focus on frontline workers in and public and private sectors.
- Direct and through channels and charities.



Capita

CMI  
Chartered  
Management  
Institute

RABI  
helping farming people

GroceryAid®  
From factory to store we're your charity

# US Expansion

FOR IMMEDIATE RELEASE  
December 7, 2021

Contact: HHS Press Office  
202-690-6343  
[media@hhs.gov](mailto:media@hhs.gov)

## U.S. Surgeon General Issues Advisory on Youth Mental Health Crisis Further Exposed by COVID-19 Pandemic

Today, U.S. Surgeon General Dr. Vivek Murthy issued a new Surgeon General's Advisory to highlight the urgent need to address the nation's youth mental health crisis. As the nation continues the work to protect the health and safety of America's youth during this pandemic with the pediatric vaccine push amid concerns of the emerging omicron variant, the U.S. Surgeon General's Advisory on Protecting Youth Mental Health outlines the pandemic's unprecedented impacts on the mental health of America's youth and families, as well as the mental health challenges that existed long before the pandemic.

THE WHITE HOUSE



BRIEFING ROOM

## FACT SHEET: President Biden to Announce Strategy to Address Our National Mental Health Crisis, As Part of Unity Agenda in his First State of the Union

MARCH 01, 2022 • STATEMENTS AND RELEASES

### Clear window of opportunity for Kooth in US

- 1-in-4 youths have mental health disorder.
- <50% receive effective treatment.
- Increasing focus and budgets on youth mental health.

### US go-to-market plan

- Strategic focus on supporting adolescents.
- Leverage our strength in data, insights, outcomes.
- Sell to education and health insurers / systems.

### 2022 Focus: Establish our platform and operations

- Build US sales and clinical organisation.
- Go-to-market partnerships: SMART Technologies, Nuro retention.
- Pilot to prove, then scale.

# Kooth delivers measurable impact at scale



# Evidence: Innovation in digital therapy and outcomes

## A decade of research innovation

**30+** published peer-reviewed research papers.

**Eight** doctoral level clinicians and researchers.

**1,500+** participants across studies.



## Strategic Progress

**Kooth single session therapy (SWAN-OM)**

72% achieve their wants and needs.

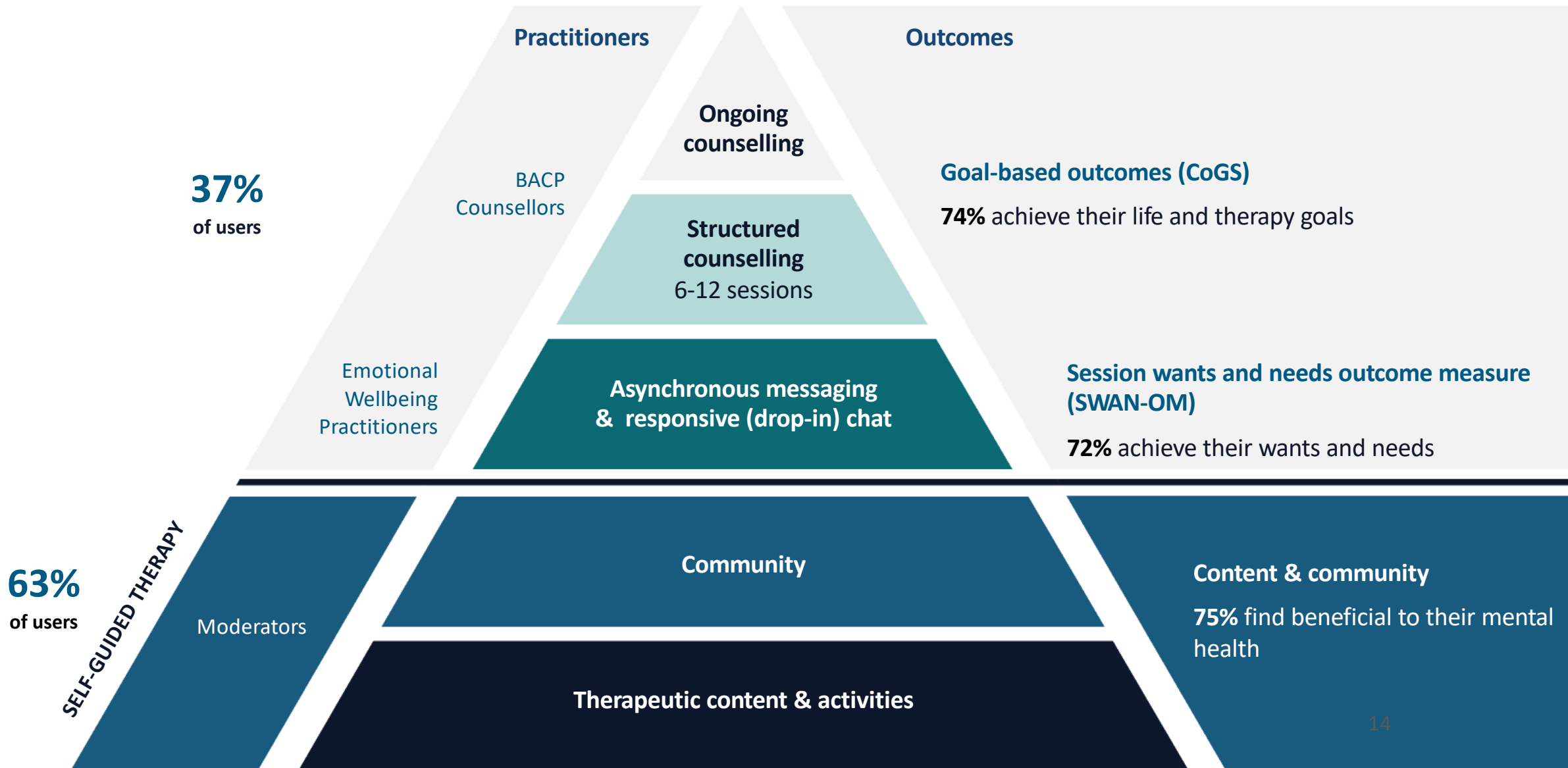
**Kooth community and peer-support**

75% find beneficial to their mental health.

**Health Economics Study (underway)**

Cost savings of Kooth to healthcare systems.

# Scalable: From self-therapy to 1:1 support



# Efficiency

## Promotion

### **Partner and promote Kooth organically through stakeholders.**

Local Kooth Engagement leads work with community and stakeholders.  
Kooth 'promotion hub' for stakeholders to personalise digital campaign assets.

## Service Quality

### **i-RESPOND digital clinical operating model**

Proprietary clinical model to deliver a high quality service at scale.  
Task-shifting and team-based approach expands our talent pool beyond counsellors.

## Platform

### **Build and prove digital therapies. Apply AI to deliver personalised, effective support**

Innovate in digital therapies e.g responsive chat, peer support.  
2022 AI focus: Content recommendations. Auto moderation of content.

# Summary and Outlook

## **New financial year started in line with expectations.**

ARR estimate for 31 March 2022 of £18 million with key wins for Kooth Adult including Greater Manchester, Norfolk, Warwickshire.

## **Early positive response to Kooth in US market.**

Innovative approach provides lower cost of care and proven outcomes.

**Building nearshore engineering team** to grow tech team and talent.

**Our balance sheet is expected to provide sufficient capital** to fund Kooth through to profitability.



# Testimonial



We know that the needs of our children and young people changed over lockdown, and the impact of this on their mental health and wellbeing is only just beginning to be seen with many more children and young people seeking help.

Working with partners like Kooth is critical to making our services accessible, and allows us to provide support sooner and more flexibly - which is exactly what children, young people and their families have told us they need.

Our North West London partnership has commissioned Kooth for exactly this reason, creating a service that is integrated within our clinical teams and designed with children and young people themselves.

**Tom Johnson**

Programme Manager, Central and North West London NHS Foundation Trust

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Forward-looking statements are not guarantees of future performance.

# Appendix

# Balance Sheet

£m	31 Dec 2019	31 Dec 2020	31 Dec 2021
Goodwill	0.5	0.5	0.5
Development costs	2.4	2.6	2.9
Other non-current assets	0.3	0.4	0.6
<b>Total non-current assets</b>	<b>3.2</b>	<b>3.5</b>	<b>4.0</b>
Trade and other receivables	2.2	2.2	2.7
Cash and cash equivalents	0.2	7.8	7.1
<b>Total current assets</b>	<b>2.4</b>	<b>10.0</b>	<b>9.8</b>
<b>Total assets</b>	<b>5.6</b>	<b>13.5</b>	<b>13.8</b>
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowings	5.4	-	-
Other current liabilities	3.1	2.6	2.8
<b>Total current liabilities</b>	<b>8.5</b>	<b>2.6</b>	<b>2.8</b>
<b>Total liabilities</b>	<b>8.5</b>	<b>2.6</b>	<b>2.8</b>
<b>Net assets / liabilities</b>	<b>- 2.9</b>	<b>10.9</b>	<b>11.0</b>

- Strong debt-free balance sheet with £7.1m net cash and £11m net assets.
- Development costs capitalised of £2.5m in 2021 (2020: £1.5m). Amortised over three years.
- Increased receivables consistent with revenue growth, good cash collection with debtor days at the year end of 33 (2020: 35)

# Cash flow

Financial year to 31 December			
£m	2019	2020	2021
<b>Adjusted EBITDA</b>	<b>0.1</b>	<b>0.9</b>	<b>2.1</b>
Movement in Net Working Capital	0.1	- 0.3	- 0.2
<b>Operating Cashflow</b>	<b>0.2</b>	<b>0.6</b>	<b>1.9</b>
Capital Expenditure	- 1.0	- 1.6	- 2.6
<b>Net Cashflow from Operations</b>	<b>- 0.8</b>	<b>- 1.0</b>	<b>- 0.7</b>
Corporation Tax	0.3	0.3	-
<b>Net Cashflow before Financing</b>	<b>- 0.5</b>	<b>- 0.7</b>	<b>- 0.7</b>
Exceptional items	-	- 0.2	-
Financing and Other	0.2	8.5	-
<b>Net Cashflow</b>	<b>- 0.3</b>	<b>7.6</b>	<b>- 0.7</b>

- Cash generated from continuing operations £1.9m
- An expected R&D tax credit of £0.3m relating to 2020 was received just after the year end in early 2022.
- Cash reserves expected to provide sufficient capital to fund current planned product and software development, short term geographic expansion and working capital as the business continues to grow.