Kooth 2024 Full Year Results

Building mentally healthier populations to enable a more productive future, leaving no one behind

April 2025

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Co-Chief Executive Officer

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What we do matters, all the way from the deeply personal to the economics of a nation

Our purpose is to build mentally healthier populations, to enable a more sustainable, resilient and productive future, leaving no one behind.

We achieve this by using the latest technologies and working with communities to widen access to timely, evidence-based support.

Our strategy is to build on our foundational know-how to reach and support the individuals and communities where we can have the greatest impact.

Our north star is to demonstrate our impact at an individual, system and societal level.

As we transition leadership, we reflect on the solid foundations built over 5 years - building a team of nearly 600 delivering reach and impact

Growth in Access
7x from 3 million to 20 million

UK to International
70% of our revenue is now US

Financial Strength
Revenue 7x
Profitable
Cash flow positive

Unparalleled Expertise
Leaders in safety, digital and system integration

Impact
Improvement in 70% of cases
>3x in year health economics saving

All eligible staff are shareholders in the business

A year in which execution and learning were the priorities

Solid first year of contract delivery with California. 95,000 youth from across all 58 counties used Soluna from January 2024 to the end of March 2025. 2025 Q1 daily run rate quadruple that of FY2024. On track to reach target of 1 in 44 of the population by end of 2025. On track with building system advocacy.

Building and converting US pipeline. Launched pilot with State of New Jersey for 50,000 K12 students, worth $1.45 million in the pilot year. Continuation of pilot with Aetna in Illinois providing us with important insights into how to reach youth covered by Medicaid. Following improved playbook to convert US government sales pipeline.

GOV.UK

Strengthening our UK foundations. Funding continued to be under pressure despite alignment of digital, early intervention mental health support with new government strategic priorities.

Learning to meet system and political challenges. Rise in disinformation resulting in a proactive external communication approach to showcase our key strengths of safety, credibility and expertise. Despite strong uptake in Pennsylvania our contract was not renewed, took learning of the importance of securing wider system advocacy.

2024 has been a record year

Revenue doubled in 2024 driven by our contract with the State of California and supplemented by our win with Aetna Illinois.

£66.4m year end ARR up £1.8m reflecting new US pilots, additional product development revenue recognition in California offset by UK churn (£2m).

77.9% gross margin (2023: 77.6%), an increase in greater use of self help tools in Soluna and contribution to product development revenues were offset by the commencement of direct user marketing spend of £3.9m (2023: £-).

EBITDA grew to £15.8m in a unique year, we expect margins to return to more typical levels as we progress through 2025.

£21.8m net cash, the group company remains debt free with cash generated from operations of £17.1m. Platform investment was £6.9m (2023: £8.7m).

Revenue
£66.7m | £33.3m
2024 2023

Net Cash
£21.8m | £11.0m
2024 2023

Annual recurring revenue
£66.4m | £64.6m
2024 2023

Adjusted EBITDA
£15.8m | £2.3m
2024 2023

Gross margin
77.9% | 77.6%
2024 2023

Profit after tax
£8.0m | £(0.2m)
2024 2023

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A strong performance across Revenue and Profit

Financial year to 31 December £m	2022	2023	2024
ARR	**21.1**	**64.6**	**66.4**
Revenue	**20.1**	**33.3**	**66.7**
YoY growth	21%	66%	100%
Direct Costs	- 6.3	-7.5	-14.8
Gross Profit	**13.8**	**25.9**	**52.0**
Gross Profit Margin	68.9%	77.6%	77.9%
Administrative Expenses	- 12.2	- 28.2	- 42.8
Adjusted EBITDA	**1.6**	**2.3**	**15.8**
Adjusted EBITDA Margin	8.0%	6.8%	23.6%
Amortisation and Depreciation	- 2.2	- 3.8	- 5.4
Share based Payments	- 0.3	- 0.7	- 1.2
Operating Profit/(Loss)	**- 0.9**	**- 2.3**	**9.2**
Tax	0.1	1.8	- 1.8
Profit after tax	**-0.7**	**-0.2**	**8.0**
Earnings per share - basic (£)	**-0.02**	**0.00**	**0.22**

Record organic revenue growth doubling to £66.7m driven by US expansion contributing £48.7m (2023: £14.2m) with the UK falling 6% to £18.0m. Group net revenue retention was 100% (2023: 85%) with the UK falling to 92% (2023: 98%) reflecting £2m churn across adult and CYP contracts.

Direct costs were practitioner costs, totalling 268 at the year end (2023: 304) and direct marketing costs to increase user engagement, these increased in line with revenue including £3.9m of external marketing spend.

Gross margin increased 0.3ppt to 77.9%. An increase in greater use of self help tools in Soluna and contribution to product development revenues, where costs are either capitalised and amortised or included in overheads, were offset by user marketing spend.

Operating profit increased by £11.5m with growth in revenue and gross profit offset by an increase in administrative expenses reflecting our first full year of costs in the US supporting the California contract and business development efforts.

£6.9m of capitalised R&D represents a decrease of £1.8m following the California launch in January 2024 and we see an increase in the amortisation charge to £5.4m to reflect the commencement of platform write off.

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We saw rapid growth in users by end of the year and met California's key priority for Soluna to reach diverse youth

95,000

Users by end March 25, on track to reach 1 in 44 by end of 2025

50%

Of service users report this is the first time they are accessing mental health services

57%

Of youth come from under resourced communities

2,300+

Safeguarding escalations effectively managed

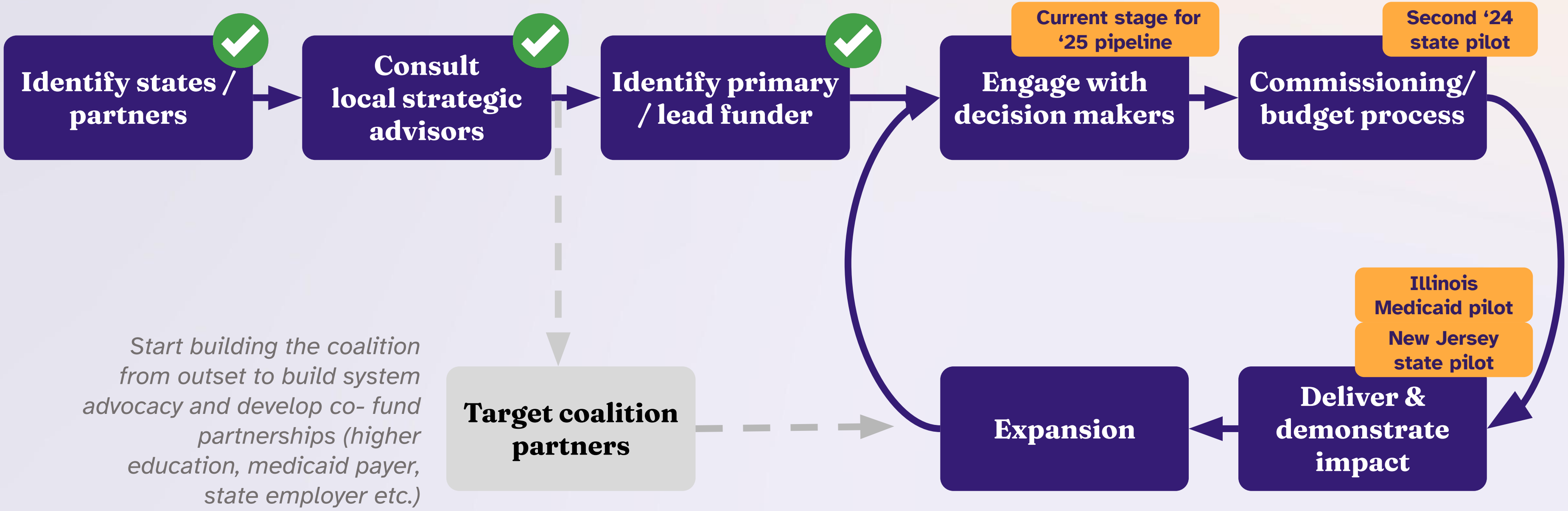
87%

Report positive outcomes from single-session therapy

1-in-3

Service users wouldn't have access to mental health support without Soluna

Building on California success, we are both delivering pilots in other states and refining state and payer pipeline



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NHS is not meeting demand with current provision; improving mental health is recognised as key to economic prosperity

8% of all 11.9m children in England were referred to MH services in ‘22/23, 40,000 waiting 2+ years for care

1 in 5 children and young people has a probable mental health disorder

1 in 4 adults experiences a mental health problem each year

People with mental health needs are **8x more likely to wait 18+ months** for treatment than for physical health

Lack of effective support has consequences at individual, system and national level

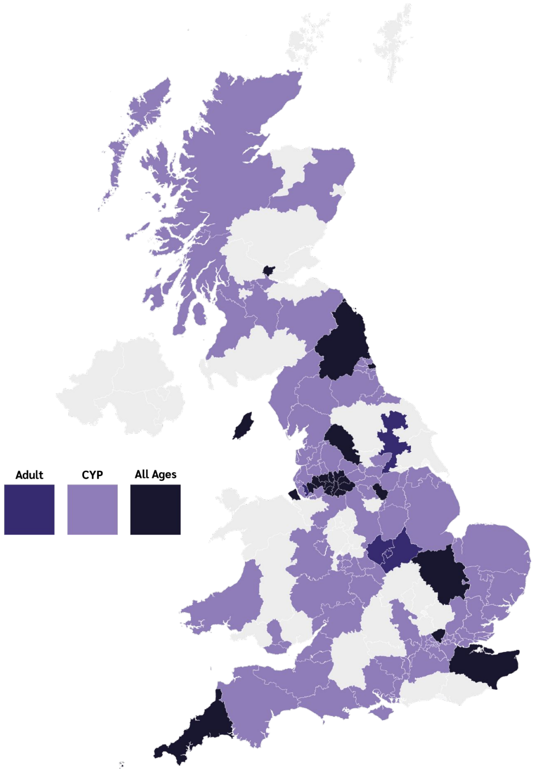
£118bn cost of mental health to UK economy a year

900k young people (aged 16-24) out of work or education due to mental ill health

6 in 10 people economically inactive due to ill health have a mental health problem

Sources: NHS England, NHS providers Forgotten Generation Report, July 2024, Get Britain Working White Paper, November 2024, https://www.childrenscommissioner.gov.uk/blog/over-a-quarter-of-a-million-children-still-waiting-for-mental-health-support/, https://www.rethink.org/news-and-stories/media-centre/2025/02/new-analysis-of-nhs-data-on-mental-health-waiting-times/, https://www.ippr.org/media-office/revealed-mental-health-problems-most-common-condition-among-the-sick-forced-out-of-uk-workforce.

NHS financial pressures remain, but some green shoots in wider government funding



Kooth availability across the UK

Significant financial pressures on UK NHS and local authorities continue. ICS admin saving target of 50%. Funds continue to be prioritised on elective care, A&E waits and GP appointments.

Kooth losses sustained in Adult due to lack of funding for whole population coverage. Focused on **strengthening local commissioner, system and national policy stakeholder relationships.**

NHS planning guidance retained Mental Health “access standard”. Spring 10 year health plan should build on vision to move from **analogue to digital, treatment to prevention, and hospital to community** but funding pressures in NHS will remain for next 18+ months.

Cross govt. focus on mental health as key driver of economic inactivity via **“Get Britain Working”** white paper creates an opportunity to reposition mental health as key economic asset, and demonstrate real-world impact.

Sources: NHS England board meeting summary, 25 July 2024. Government ‘Major surgery, not sticking plaster solutions needed to rebuild NHS’ press release, 11 September 2024, Get Britain Working White Paper, November 2024.

Continue to build on our foundations to get to predictable growth, and excited about wider opportunities beyond...

2025

1. **California - Continue to grow usage, embed and prove impact**
2. **US Pipeline - Take learnings, continue to build**
3. **Support UK government to "Get Britain growing"**
4. **Financial Outlook -** 2024 was a unique year, adjusted EBITDA margins will return to more typical levels
5. **Face political headwinds by focusing on and communicating our key strengths**

And beyond...

With continued high demand for our services we will:

Accelerate innovation
More closely align to govt policy
Use CA contract as an unparalleled reference
Move to a single global product

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Summary

1. **California contract year 1 success.** Met contract objectives and delivered accelerated usage growth by Q4 2024. Made progress towards system integration and secured some key system leaders as advocates.

2. **Financial record year**. Revenue doubled and EBITDA ahead of market expectations.

3. **UK NHS funding pressures continued.** Focused on extending contracts, commissioner relationships and building national and sector credibility to show how we can support wider govt. priorities.

4. **Learning.** Realising system advocacy is as important in US as UK but that marketing approach needs to be adapted and need to be more effective at externally communicating our credibility and expertise.

100% revenue growth to £66.7m

£66.4m year end ARR and 100% Net Revenue Retention

>75% gross margin through content and community support, AI, and efficiencies of scale

£21.8m net cash, debt-free balance sheet to fully fund US expansion and UK rollout of Soluna

Source: https://www.health.org.uk/reports-and-analysis/analysis/mental-health-trends-among-working-age-people

Investment case

Growing Demand	→ Mental Health seen as key driver to economic productivity → Demand in current form outstripping supply → Shift to early help and digital is efficient way to address this
Market position	→ Largest UK digital provider → Selected provider in California's groundbreaking CYBHI program → Rapidly scaling in the US, 70% of ARR
Strong financial base	→ Top quartile 75%+ gross margin → >95% recurring revenue → Profitable with cash reserves
Clear growth potential	→ Large global market, low digital adoption → UK, US and future international franchise/license model to scale globally
Differentiated	→ Clinical operating model and know-how: safety, system integration, scale, outcomes → Innovative open-access model: digital front door to care navigation → Clinical effectiveness and value for money: >50 peer reviewed research studies

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Appendix

A year where we developed and enhanced our ESG strategies and policies

Environmental

Published our first **Carbon Reduction Plan**

2024 emissions: **0.05 tCO_2e/1,000 GBP turnover** (50% lower than comparable companies and 28% lower than 2023)

Prepared our first **ESOS energy assessment**

Social

Our mean gender pay gap was 32.7% and our median pay gap was 40.3% reflecting changes in our workforce during the year

70% of females in Management positions

Shortlisted for the **ACAMH award** for Digital Innovation

Governance

43% of the Board is female (2024)

Improved our **DTAC Accreditation** score from 2023

Published our first **Non-Financial and Sustainability Report**

At Kooth, we are aware that a healthy planet is pivotal to both human health and business sustainability. In 2024 we used the greenhouse gas emission calculations from the prior year to develop and enhance our environmental strategies and policies. We have continued to calculate our emissions to understand our role in climate change and our impact on the environment.

As a provider, accessibility is at the forefront of Kooth's mission. We aims to remove barriers and ensure all individuals - regardless of race, age, gender, disability, sexuality or socio-economic background - have access to effective mental health services. This year Kooth was accessible to 20 million people and had 269,000 users across our platforms.

We remain committed to the UN Global Compact as a signatory for a third year.

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EPS - basic (£)	**-0.02**	**-0.00**	**0.22**

A record 100% organic revenue growth to £66.7m driven by US expansion contributing £48.7m (2023 £14.2m), in the UK revenue decreased 6% to £18.0m (2023 £19.1m) due to £2m of churn offsetting 45% of contract expansions upon renewal.

Year end ARR grew to £66.4m a CAGR of more than 50% over the last three years

Strong recurring revenue with over 95% of revenue from contracts of 12 months or longer.

Group net revenue retention was 100% (2023: 85%), within the UK, there was a decrease to 92% (2023: 98%) reflecting churn in both our adult and CYP contracts. The UK churn is a combination of funding unavailable to continue pilot contracts, reductions as contracts consolidated and one competitive loss.

Gross margin increased to 77.9% (2023 77.6%) direct costs are both the costs of the practitioners directly involved in the delivery of our services, a total of 268 at the year-end (2023: 304 heads) with reductions reflecting UK churn and the commencement of promotion and marketing costs in California in support of raising user awareness and engagement, including hard to reach communities which were £3.9m.

Excluding depreciation, amortisation and share based payments **administrative expenses grew by £12.6 million in the year, a 53.5% increase year on year**, which is below the growth in revenue across the same period. Whilst costs of the UK business increased broadly in line with inflation, Group costs grew closer in line with revenue and the majority of the increase related to the first full year of costs following the build out of the US teams supporting our California contract. Finally, we saw increased costs as we strengthened our business development efforts in the US, as indicated at the time of our equity fundraise in July 2023.

£6.9m of capitalised R&D expenditure represents a decrease of £1.8m following the California launch in January 2024

Balance Sheet Extract

£m	31 Dec 2022	31 Dec 2023	31 Dec 2024
Goodwill	0.5	0.5	0.5
Development costs	3.7	8.8	10.1
Other non-current assets	0.2	3.0	1.6
Total non-current assets	4.4	12.3	12.2
Trade and other receivables	3.2	7.4	9.1
Cash and cash equivalents	8.5	11.0	21.8
Total current assets	11.7	18.4	30.9
Total assets	16.1	30.7	43.1
Borrowings	0.0	0.0	0.0
Other current liabilities	5.6	9.9	13.3
Total current liabilities	5.6	9.9	13.3
Total liabilities	5.6	9.9	13.3
Net assets	10.5	20.8	29.8

Strong debt-free balance sheet with **£21.8m** net cash and **£29.8m** net assets.

Development costs capitalised of **£6.9m** in 2024 (2023: £8.7m) reflecting Soluna investment. Amortised over three years.

Trade receivables increased to £7.4m (2023: £5.8m) reflecting the increased revenue and billing whilst the increase in current liabilities to £13.3m (2023: £9.9m) was driven by increased costs during the year.

The group's strong cash collection ensured that debtor days remained at 38 (2023: 38 days).

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£m	31 Dec 2022	31 Dec 2023	31 Dec 2024
Adjusted EBITDA	1.6	2.3	15.8
Corporation Tax	0.3	0.6	-0.6
Movement in Net Working Capital	2.5	-1.0	1.9
Operating Cashflow	4.4	1.9	17.1
Capital Expenditure	-3.1	-9.0	-7.0
Interest income	0.1	0.3	0.7
Net Cashflow before Financing	1.4	-6.8	10.8
Financing and Other	0.0	9.4	0.0
Net Cashflow	1.4	2.6	10.8

Cash generated from continuing operations was £17.1m. This has increased from 2023 due to an increase in EBITDA and efficient cash management.

After capex investment of £7.0m and interest income of £0.7m, the Group has an overall cash inflow of £10.8m meaning **cash at the year end was £21.8 million (2023: £11.0 million)**.

Post period end approximately £1.5 million of this was utilised for a share buyback.

In 2024 we entered into a working capital credit facility with Citibank of $9.5 million that remains undrawn at this time. The Group continues to be debt free.