Annual report 2024

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About Kooth

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

We achieve this 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 show our impact at an individual, system and societal level.

At a glance

A growing number of people are held back by mental health needs, and too many cannot access the support they need - causing distress to individuals, and with ripple effects across society and economies.

UK

One in five children and young people has a probable mental health disorder, and one in four adults experiences a mental health problem of some kind each year. Young people with a mental health need are seven times more likely to be persistently absent from school, and over half of people that are economically inactive due to long-term sickness report depression, bad nerves or anxiety.

US

Almost one in five US youth has a mental or emotional disorder, with many more experiencing mental distress that holds them back from flourishing, but who may not be diagnosed or meet diagnostic criteria. This includes the 40% of US high school students reporting persistent feelings of sadness.

Kooth provides high-quality, effective and timely support that meets people where they are; that can support them in the moment and connect them to further help, if needed. This helps individuals to improve their mental health and achieve their goals.

Our services deliver benefits for individuals and healthcare systems, creating a ripple effect to address broader societal challenges associated with mental ill health.

Over **70%** of our users experience a significant improvement in mental health.

Independent evaluation indicates that Kooth generates a **3:1** in-year cost saving in the UK and based on our internal calculations that translates into up to **12:1** in the US.

Key markets we serve

US youth	UK children & young people	UK adults	International (future)
$1bn+	£100m+	£300m+	$2bn+

Group financial highlights

£66.7m	**£66.4m**	**21.8%**	**£21.8m**
100% increase in Group revenue	3% increase in Group ARR	EBITDA margin	cash, with no debt

Highlights: a groundbreaking year

Revenue

£m

2024 £66.7m +100%

2023 £33.3m

Annual Recurring Revenue

£m

2024 £66.4m +3%

2023 £64.6m

Adjusted EBITDA

£m

2024 £15.8m +598%

2023 £2.3m

Cash

£m

2024 £21.8m +98%

2023 £11.0m

Operating Profit

£m

2024 £9.2m +505%

2023 -£2.3m

Highlights: a groundbreaking year Continued

Strategic progress

Launch of Soluna in California
Reaching 75,000 youth and young adults by end of February ‘25 across all 58 counties, with ongoing month-on-month growth

Growing in the US
Services contracted in Illinois and New Jersey

Aligned to new UK Government’s plans for health and care reform and mission to accelerate economic growth
Building on our position as the UK’s largest digital mental health provider. Despite funding pressure, majority of contracts retained

Chair's statement

Peter Whiting
Non-Executive Chair

> "Having generated an operating profit of £9m in 2024, we enter 2025 with a proven business model, £21.8m in cash, no debt and an undrawn $9.5m working capital credit facility"

Dear Shareholders,

After a period of exponential growth and headline announcements, 2024 has been a year in which delivery took centre stage at Kooth. In the US, the launch of Soluna in California — with youth involvement at every step of the journey — has marked the next evolution of our growth, and enabled us to reach 75,000 young people across all 58 counties in the State by the end of February 2025. In the UK, our services reached over 200,000 people in 2024, with each and every person able to access support when they needed it, in a way that suited them.

This has been a huge endeavour, with everyone in the over 500 strong team playing their part. The breadth of the work our team conducts is vast, from delivering services to those who need it most, to ensuring those who use our services are safe, as well as the behind-the-scenes work to ensure our staff and partners can thrive in their roles - to every one of them, thank you.

This ramp-up of activity has been matched by an equivalent scale-up of Kooth's clinical and quality governance processes, ensuring that our services remain evidence-based, high-quality, safe, effective and aligned to relevant regulatory frameworks.

As we enter the second year of our four-year contract in California, our revenues grew in 2024 to £66.7 million, a 100% increase over 2023 revenues of £33.3 million, and an increase in adjusted EBITDA[1] from £2.3 million to £15.8 million. 2024 was a unique year for us with the onboarding of the California contract, and as we progress through 2025 we expect EBITDA to return to more typical

1. Earnings before interest, tax, depreciation and amortisation, adjusted for share-based payments and exceptional costs.

Chair's statement Continued

levels. In the US, our investment in the team has enabled us to secure pilot contracts with the State of New Jersey, announced in December 2024, and with Aetna Better Health, Kooth's first US private-sector partnership. Looking ahead, we can see other opportunities in the pipeline, both State-funded and via Medicaid and health plans.

In the UK, the new Government has stated it intends to address mental health needs, though we have experienced an inevitable lag in the translation of these intentions into concrete initiatives and funding. This, combined with sustained pressure on public finances in general, has led to a further challenging year in the UK. As a result, churn in the UK has been £2.0 million (2023: £2.3 million) though we have successfully retained existing contracts for the longer-term with some services now contracted for five years or more, and secured new opportunities by partnering with new types of funders.

That said, the stability afforded by a new Government, alongside clear recognition of the growing impact that poor mental health has not just on individuals and their families, but on economic growth, is likely to drive increased appetite for innovation. Our focus on sustaining our solid foundations in 2024 ensures that we can be front-footed in working with our partners across the sector to accelerate our reach and identify new opportunities.

We were very fortunate to have Sherry B. Husa join the Board in 2024. Sherry brings over 35 years' experience of the US healthcare sector, providing us with crucial insights as we accelerate our growth in the US.

Having generated an operating profit of £9.2 million in 2024, we enter 2025 with a proven business model, £21.8 million in cash, no debt and an undrawn $9.5 million working capital credit facility. Despite a complex environment, we see significant potential ahead as we strengthen our foothold and build on our experience in the UK and US.

We know that stakeholders in a company like Kooth also care about more than just our financial projections. To that end, our 2024 annual report provides a deeper insight into the impact our services have, the behind-the-scenes work that keeps our users safe, and lays out our strong social purpose.

Peter Whiting
Non-Executive Chair
14 April 2025

Investment case: investing in Kooth

Our purpose, to build mentally healthier populations to enable a more sustainable, resilient and productive future, leaving no one behind, has never been more important.

Investment case: investing in Kooth Continued

More and more people are experiencing mental health issues and beyond the personal distress to individuals, families and communities, there is increasing recognition amongst policy makers and businesses of the inextricable link between poor mental health, economic growth and resilience.

While reduced stigma means more individuals are seeking support, too many cannot access the support they need, when they need it, in a way that suits them, before things get worse.

In an increasingly hybrid world, people seeking support are doing so online, but many digital sources of information or support are inaccurate, unproven or even harmful, with few safeguards to ensure that users can be connected to more specialist support when needed.

In addition to this, traditional service delivery models are constrained by workforce shortages, limited access through physical locations and opening hours as well as funding pressures, with the gap between supply and demand growing ever wider and more unsustainable.

There is now an urgent need to address the growing unmet need in mental health and accelerating access to high-quality, timely support can only be achieved using responsible and effective digital tools.

Kooth is at the forefront of addressing this need, with rapid growth in the US underpinned by a market-leading position in the UK.

Having been pioneering digital mental health services since 2001, Kooth is one of the largest and most trusted providers of digital mental health in the UK and has a proprietary evidence base and millions of data points from our support of more than a million people to date.

With over 20 years of experience, we know that digital care doesn't have to be second best, and there is more to building mentally healthier populations than simply building a great product.

Our robust and sector-leading approaches to safety and quality and integration with local healthcare systems, as well as our expertise in deploying services at scale provides us with strong foundations for future growth. This is further supported by our rich evidence base and a longstanding commitment to co-production with users, communities and partner organisations which will enable us to build upon our work to date.

Unless the source is otherwise specified; the market, economic and industry data and statistics in this document constitute the Company's estimates, using underlying data from third parties.

Investment case: investing in Kooth Continued

Growing demand	In the UK, one in five children and young people aged **8 to 25** has a probable mental disorder, and **1 in 4** adults experiences a mental health problem each year. Existing mental health services are under strain, leaving many with limited or no support; and mental health problems are now the most common condition among working age people economically inactive due to poor health. The total cost of mental ill health in England is estimated to be **£300bn**, which incorporates **£109.7bn** in losses to the economy as a result of reduced productivity and tax revenue. Likewise, in the US, one in five young people and adults has a mental or emotional disorder, with many not receiving timely treatment. Limited access to treatment costs the US economy more than **$282bn**, without accounting for the cost of care.
Market position	**20 million people** - teens, youth and adults across the US and UK have free access to our service. UK's largest provider of digital mental health support, with **65+%** of 11-18 year olds having free access. Rapid progress in the US since entering the market in late 2021, with the California Department of Health Care Services (DHCS) awarding a four year contract to Kooth in 2023, in addition to further contracts with Aetna Illinois and the State of New Jersey in 2024.
Strong recurring revenue model	Kooth's B2B2C business model is an annual subscription model with over **95%** revenue coming from contracts of 12-months or longer. Category-leading **75%+** gross margin. Cash and earnings per share generative.
Clear growth potential	Many people require mental health support, but face barriers to access. Extending the reach of our services enables us to address this. The US represents an addressable market of **$1bn+**. UK market opportunity of **£400m+**. Future expansion into other international markets represents a **$2bn+** opportunity.
Long term advantage	Significant scale underpinned by strong foundations and know-how, including clinical and quality governance, safety, reach and engagement, and harnessing technology to drive improved outcomes. Open-access model expands reach into seldom-heard and high-risk communities, providing an always open digital front-door for support and onward care navigation. Clinical effectiveness and value for money: **>50** research studies.

Co-Chief Executive Officer's statement

Kate Newhouse
Co-CEO

> "We expanded into the US, which now represents over 70% of our business, and worked with young people to develop Soluna, Kooth's enhanced platform and service. We've launched and grown a unique, world-first programme"

In 2020, I joined Kooth as Chief Operating Officer, working closely alongside Tim Barker and at every step of our journey together he has been an exemplary Chief Executive Officer. Five years down the line, I am honoured to join Tim as Co-CEO until he moves on to his next challenge in June 2025 leaving behind an incredible legacy of growth and a mentally healthier future across the populations we serve.

This time spent working together has provided an opportunity to take stock of what we've achieved and what the future might hold.

Over the past five years, we've grown a phenomenal team to achieve incredible things

Kooth remains the largest digital mental health provider in the UK, with over 65% of the youth population having free access via the NHS and local authorities.

We took Kooth public on the AIM segment of the London Stock Exchange in 2020, raising capital to invest in the long-term growth of our people and technology platform, as well as giving every employee at Kooth the opportunity to be a shareholder in the business.

We expanded into the US, which now represents over 70% of our business, and worked with young people to develop Soluna, Kooth's enhanced platform and service. We've launched and grown a unique, world-first programme in California, enabling universal access to support for all 13-25 year olds across the state, working within and alongside healthcare, education systems and communities to provide a joined up approach.

Co-Chief Executive Officer's statement Continued

This rapid scaling has driven a five-fold growth in the business since our IPO enabling us to build our team of healthcare professionals and practitioners, moderators, developers and data scientists, content creators, safeguarding specialists, and the hundreds of other Koothers across the UK and US that keep our services running safely and smoothly.

Underpinning these headlines are over 20 years of know-how, which have shaped the building blocks of our services: our people and processes that keep our users safe and staff well-supported; the technology that enables us to widen access to care at scale and continuously monitor and improve the quality of our services; and our commitment to research, evidence and clinical best practice. Our experience goes beyond building effective digital mental health support, extending to our users, communities, and system partners to have a positive impact.

A backdrop of political uncertainty through 2024 offers a timely reminder of the importance of showcasing the strong foundations that have enabled our success. As we move into 2025, these foundations will come to the fore as we shift from transformation to consolidation.

We are an international company, powered by technology, but with real-world outcomes at the core of our mission.
At Kooth we're driven by our purpose, to build mentally healthier populations to enable a more sustainable, resilient and productive future, leaving no one behind. In 2024, and as we move into 2025, it is clear that this is becoming ever more important. Too many people cannot access support for their mental health when they need it, in a way that suits them, before things get worse and hold them back from living more fulfilling and productive lives.

At Kooth, we provide high-quality, effective support that meets people where they are; that can support them in the moment and connect them to further help, if needed.

Co-Chief Executive Officer's statement Continued

Mental health needs look different for everyone, and we are there all day, every day, supporting people to develop the skills they need to feel better and achieve their goals whether that's managing exam stress, handling difficult relationships, getting up for the day or maintaining the balance required to be their best at work. Importantly, we're there to support whether an individual has a diagnosed mental health condition or not, because the tools and strategies that support improved outcomes should be available to everyone.

The evidence tells us that this approach works, equipping people to manage psychological distress, in all its forms, reduces the need for further and more costly interventions later down the line. In 2024, this understanding began to permeate beyond the mental health sector, with increased recognition of the inextricable link between poor mental health and risks to fiscal growth and resilience. Psychological distress is now recognised as a key barrier to cognitive skills development, educational attainment, workplace satisfaction and engagement, and economic productivity.

At Kooth, we have been advocating for greater understanding of the 'ripple effect' of poor mental health since inception. Our focus on this topic and sharing our learning has dovetailed with an uptick in global acknowledgement of the importance of population mental health.

With this in mind, as we reflect on 2024 and look to the future, it is our solid foundations and legacy of innovation that will form the bedrock of extending our reach going forward.
This means a continuous and relentless focus on the safety, effectiveness, and accessibility of our services. It means reaching into communities otherwise underserved by traditional models of care and ensuring that our users are protected from harm, on and offline. We need to harness technology to drive engagement, improve user experience, and more effectively connect users to the high-quality support they need; and be robust in our approach to measuring service outcomes, both in real-time and longitudinally.

We will continue to invest time and care into local partnerships and system integration to ensure that we support and enhance the help offered across local ecosystems, whether in schools, workplaces, healthcare or community-based organisations.

We will also take seriously our responsibility to advocate on behalf of the populations we serve, using our experience, data and insights to secure mentally healthier populations, leaving no-one behind.

Last but not least, we will retain our pioneering spirit, being agile and entrepreneurial in harnessing our know-how to reach into new populations that need our support.

Co-Chief Executive Officer's statement Continued

These foundations underpin our strategic priorities for 2025
In the US, our landmark service in California will continue to be a major priority, reflecting the significant investment and ambition of the State in addressing the youth mental health crisis. We have made great strides, reaching 75,000 young people across all 58 counties by the end of February 2025 alongside the youth-informed evolution of our product. The outbreak of wildfires across California in January 2025 brought a stark reminder of the importance of the support we provide, as demand for coaching and care navigation surged. Growing advocacy, awareness, usage, and impact are critical, recognising the importance of demonstrable and sustainable success in California to inform and secure further growth of Soluna across our services in New Jersey, Illinois, the US, and beyond.

In the UK, whilst the environment remained complex as the general election and funding pressure continued to put pressure on local decision-making, we were able to draw on our evidence of impact to successfully retain the majority of our contracts.

We have commenced work on migrating Soluna to the UK and secured new services through collaborating with other partners, which will form a key strand of focus in 2025 as we do more to extend our reach beyond our core services for children and young people and NHS funding. Government plans to transform the healthcare system and address broader social challenges offer a key opportunity to build on our existing relationships and evidence base to address these priorities across sectors, offering opportunities for growth to mitigate risks associated with plans to reorganise the NHS. The UK's increasingly robust regulatory environment for digital mental health technologies and online services also provides us with an opportunity for external assurance and scrutiny of our safety and efficacy. To this end, we are grateful that Dame Sue Bailey OBE DBE sits on our Board. Her extensive clinical, research, education and policy background helps ensure that the Board can provide effective scrutiny and challenge in areas related to safeguarding and clinical efficacy.

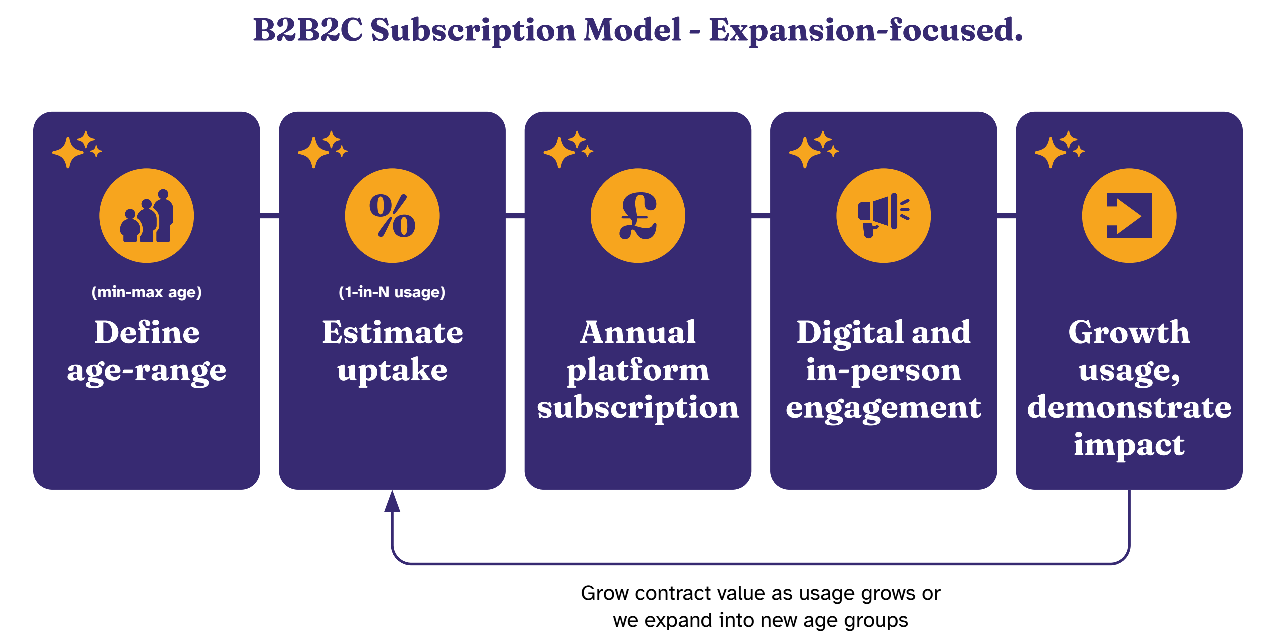
Outlook
Our successful entry into the US market, strong recurring revenue and cash position give us a great platform as we enter 2025. We are confident that our strong foundations, grounded in our strategy and service delivery model, as well as the increasing demand for accessible, digital mental health services, will enable us to continue our progress in the year ahead.

Kate Newhouse
Co-Chief Executive
14 April 2025

Our business model

Kooth is a Business-to-Business-to-Consumer (B2B2C) business. We provide individuals with free access to mental health support, funded by public healthcare systems, Government, and insurers. This enables Kooth to support individuals in need regardless of their economic circumstances, and provides our commissioners with a flexible, digital model that can scale to reach the whole population in their care, often targeted to address specific unmet needs or to reach underserved communities.

Our business model Continued



Kooth's pricing model is built on a 'seed and grow' approach. This helps to establish Kooth's service within a region, and then to grow the contract over time as awareness and usage increases.

By working with customers, we will determine the population they want to provide support for, which may be a specific age range , a defined cohort, such as parents and carers, or those on a diagnostic waiting list.

With our 20+ year track record and over 25 million data points in our platform, we can estimate the likely uptake of service within the first year. This enables us to provide an annual subscription that covers the digital platform and the appropriate level of practitioner support.

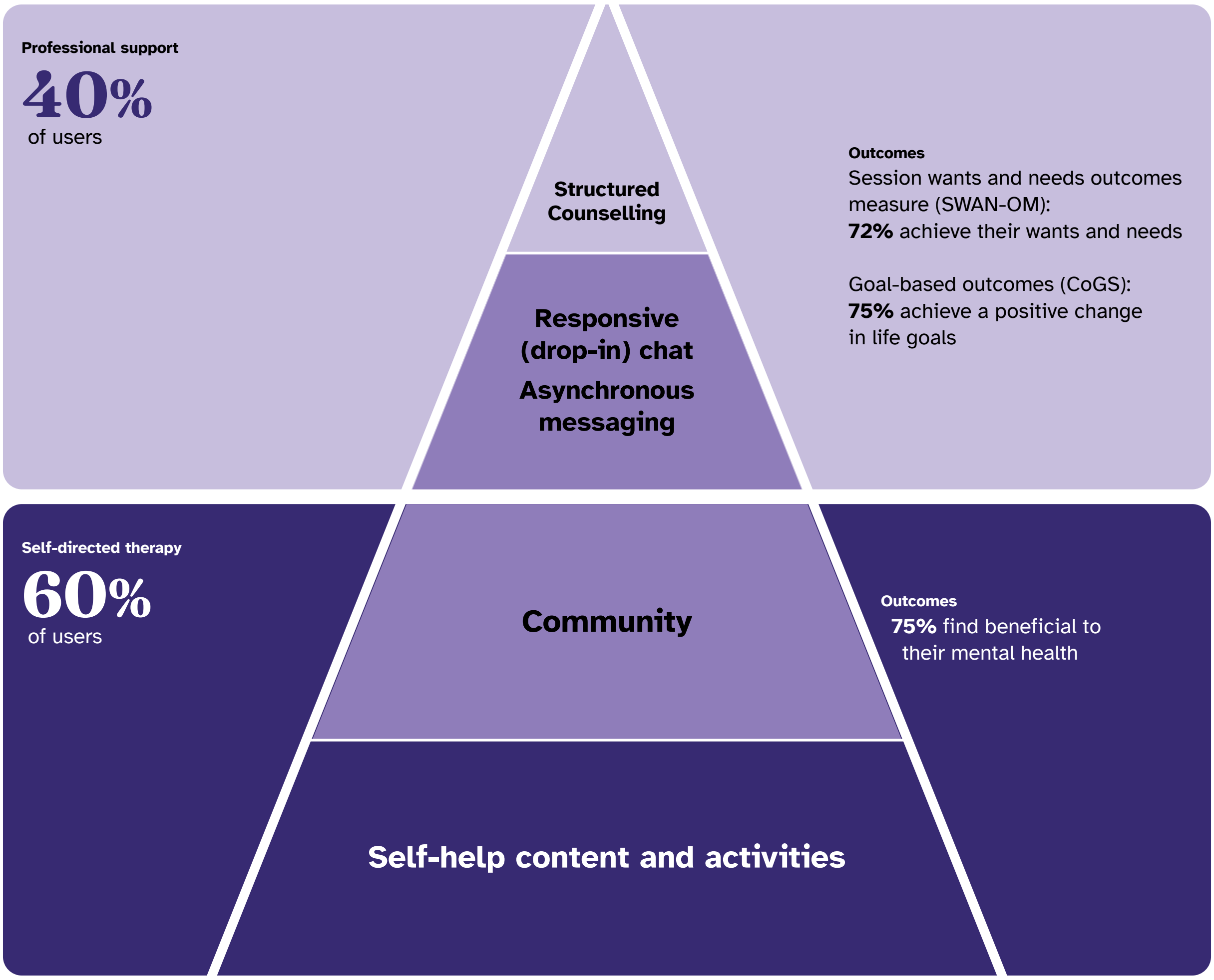
Our community engagement teams promote Kooth to local communities, schools/universities, healthcare and welfare organisations as well as providing educational services, such as assemblies and webinars on numerous aspects of mental health. In addition, our marketing team focus on building awareness of Kooth in the local region through both PR and digital marketing campaigns.

As individuals signup and usage grows, we build the business case to grow contracts further to meet increasing demand. We grow our contracts based on the increased usage of the platform, or to support additional age groups such as 19-25 year olds or adults.

In 2024, over 40% of our contracts expanded upon renewal, proving a sustainable, scalable approach to delivering a population-wide service.

Our business model Continued

Population health model: 95% of service users get the support they want/need without 1:1 structured counselling.



Scalable delivery model

Kooth enables individuals to access a range of tools and interventions to support their individual wants and needs. This approach, which spans self-therapy and professional support (including coaching and counselling), is a key differentiator for Kooth in the industry. It demonstrates the "one size does not fit all" approach that we view as fundamental to empowering individuals to take control of their mental health.

Our business model Continued

Self-directed therapy
Around 60% of Kooth platform users engage with self-guided therapy. This enables individuals to access the support they want and/or need from helpful content, self-therapy activities, and by engaging with the Kooth community for peer support. Given the investment we have made in Soluna - our next generation platform - to deliver a more engaging service, we are seeing a higher initial uptake of content, tools, and community in our US contracts, but await to see how this normalises over time.

Professional support
Around 40% of Kooth platform users engage with professional support, through asynchronous messaging with our practitioners, attending a responsive (drop-in) chat session, or getting more regular support through structured or ongoing counselling sessions. Kooth provides support via text-messaging (similar to WhatsApp but within Kooth's platform) in the UK, and text-messaging, phone, and video through our US Soluna platform.

Benefits
Kooth's focus is to provide effective support from the 'first moment of need', providing both early help before things escalate, and giving responsive help alongside individuals throughout their life.

In addition to helping individuals, this approach helps reduce the demand for costly mental health treatment, with the York Health Economics Consortium (YHEC) independently estimating that for every £1 spent with Kooth, over £3 is saved due to reductions including healthcare utilisation (GP appointments), hospitalisation (A&E admissions), prescribing and interactions with the criminal justice system. Kooth's own research in the US estimates up to a 12x cost saving, given the higher cost of healthcare in the US.

Proven outcomes
Kooth provides a clinically effective service. We measure this using validated measures, with 73% of users achieving their goals. For users that solely engage with our therapeutic content and community, 75% find it beneficial to their mental health. We are committed to undertaking robust and independent research to demonstrate the impact of our services and share learning across our sector. Further insights on evidence generation can be found in the report from page 36.

Mental health trends and insights
Kooth provides clients and commissioners with near real-time anonymous trends and insights into the mental health of populations. This enables healthcare providers and businesses to identify where they need to focus additional resources to improve the wellbeing of their constituents.

Our strategy and markets

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 show our impact at an individual, system and societal level.

Our strategy and markets Continued

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

This has never been more vital. While the number of people with mental health needs continues to grow, many are not able to access the support they need because capacity is too limited, or because they face systemic, cultural or structural barriers to care, with many of those at highest-risk of mental health problems the least likely to get timely help. And this timeliness is crucial to prevent problems from deteriorating or becoming further embedded whether they are emerging challenges or long-term struggles.

This unmet need has real-world consequences for individuals, and for wider society. Poor mental health holds people back from leading healthier, happier lives and is a known barrier to skills development, educational attainment, employment, productivity, and economic growth.

Our strategy and markets Continued

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

This might be in childhood or youth, at the first sign of distress where we help individuals develop the psychological tools and flexibility to cope with the challenges of living and provide a foundation for good mental health over the life course.

It might also be at times of more acute psychological distress or in adulthood, where on-demand, wrap-around support can provide the scaffolding to make the step-by-step improvements towards improved daily functioning and long-term recovery.

For others who may be struggling but don't know where to turn or how to articulate their concerns, we can offer support and, if appropriate, signpost to further help.

Using digital technology allows us to provide this in-the-moment support at scale, at any time of day, and in a way that suits individuals — without barriers to entry such as clinical referral thresholds, waiting lists, or time off work or school to attend appointments.

We provide a safe, accessible space to access evidence-based interventions, including peer support, therapeutic content and activities, and qualified counselling and coaching. Our services are rooted within local networks of support to maximise our impact and that of others by helping users navigate the support available to them.

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.

This reflects the learning from our work in the UK over 20+ years, the launch of Soluna in California and beyond, and the changing environment that our services must adapt to.

To that end, we have developed our market strategy for 2025 with a focus on high-priority populations, with flexibility in our service model design to enable both population-level services and targeted interventions, and greater agility to diversify our pool of potential partners.

Adult on Qwell

> “Thank you for your help, just talking about this has helped and I feel better to go back to work now.”

Our strategy and markets Continued

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

Our purpose, to build mentally healthier populations to enable a sustainable, resilient, and more productive future, leaving no one behind, requires that we deliver on two crucial outcomes.

Firstly, our services must be effective in delivering individual outcomes and supporting people to feel and function better.

But building mentally healthier populations is not just about transforming individual outcomes. We must also strive to extend our reach, particularly to seldom-heard communities to ensure that we maximise the number of people in need that access effective support.

Building mentally healthier populations is the purpose of our business - but mental health is everyone's business. It's increasingly recognised that building mentally healthier populations can no longer be reduced to binary diagnostic scales, or remain the preserve of healthcare systems or clinicians. Instead, mentally healthier populations are essential for tackling our largest collective challenges; for building the cognitive and creative skills that power the new knowledge economy and will drive economic productivity, growth and resilience.

Our strategy and markets Continued

Our markets:

US youth

Almost one in five US youth has a mental or emotional disorder, with many more experiencing mental distress that holds them back from flourishing, but who may not be diagnosed or meet diagnostic criteria. This includes the 40% of US high school students reporting persistent feelings of sadness.

Our groundbreaking programme and growth in California have cemented our presence in the US and enabled significant investment into user experience research, co-design, product development, user reach and engagement, and analysis of impact. We will continue to apply these learnings as we extend our reach across the US.

This will continue to include the pursuit of state funding, alongside additional routes to market.

The potential revenue opportunity offered by extending our services to reach more people who need them in the US is $1billion+.

UK children, young people and adults

Almost one in five children and young people aged eight to 25 years has a probable mental health disorder, with many experiencing significant waits for traditional mental health services and falling through the gaps between specialist provision for more acute needs, and community-based support that is limited in capacity and variable in design. Likewise, one in four adults experience a mental health problem of some kind each year, and many access no support at all. Young people with a mental health need are seven times more likely to be persistently absent from school, and over half of people that are economically inactive due to long-term sickness report depression, bad nerves or anxiety.

Kooth remains the largest provider of digital mental health services for children and young people, with around 60% of 10-25 year olds across the UK able to access our services, which are largely commissioned by the NHS or Local Authorities. This remains our core service in the UK and will continue to be a priority in terms of service delivery, demonstrating impact, and communicating the value of our work.

Reflecting the significant unmet need for targeted interventions to support children, young people and adults waiting for specialist support alongside wider societal pressures, such as school attendance, skills development, and economic inactivity, we will seek to diversify our pool of partners and launch new services. In doing so, we will work more closely with NHS providers and hospitals, and public and third sector partners responsible for addressing social challenges exacerbated by poor mental health.

The potential revenue opportunity offered by extending our services to reach more people who need them in the UK is £400million+.

International

We will continue to be an active participant in the global mental health and digital landscape, sharing our learning on the international stage to inform digital mental health approaches beyond the UK and US. This will allow us to effectively forecast and be responsive to new international opportunities.

The potential revenue opportunity offered by international expansion is $2billion+.

Strategic progress

Enabling California youth to access the support they need

In 2024 the State of California, through the CYBHI, launched digital mental health tools for all children and young people between the ages of 0 and 25, complementing existing services offered by health plans, counties and schools by providing additional care options and resources for parents and caregivers, children, youth and young adults in California. As part of this programme, Soluna is now accessible to all 13-25 year olds across the state. 75,000 young people have registered since launch, represented across all 58 counties. We are on track to reach one in 44 of the population by the end of 2025.

Strategic progress Continued

On 1 January 2024, we launched Soluna, our enhanced platform and service, to all young people aged 13-25 in California. This was the result of immense efforts by our team to successfully deliver against all contractual obligations and objectives, following a nine-month evaluation process spanning 450 providers.

Developing a product is one thing; ensuring it is accessible, safe, trusted and engaging for those who need it is quite another. We have demonstrated significant agility during service rollout to rapidly accelerate our reach, taking a data-led approach to refine and optimise our marketing approaches and building on our unique legacy of community-led advocacy in the UK.

To that end, we have made significant strides towards system integration with local healthcare, education and community-based organisations and leaders to build trust and understanding of our service. This has been conducted in parallel with a sustained digital-first marketing strategy to ensure that Soluna is front of mind for California's youth and their families. In the last four months we have seen a three-fold increase in the number of youth sign-ups as noted below.

1 month: Jan 1-Jan 31;

6 months: Jan 1-Jun 30;

12 months: Jan 1-Dec 31

Strategic progress Continued

In 2024, the State reinforced its commitment to youth mental health, its digital strategy and recognition of its importance during a review of all government spending to address California's 2024/25 budget deficit.

California's groundbreaking commitment in the US to deliver open access, State-funded support for young people is a unique approach and looks unlikely to be repeated elsewhere in the US. It is built upon a bold and ambitious programme of reform, political consensus and local support.

For that reason, our work in California remains key to our success and growth. We will continue to prioritise working with system partners and young people in California to demonstrate how our services can improve individual mental health outcomes and drive tangible societal benefits. This will form the bedrock of our evidence base to support the continued success of this service, and extension of our reach across the US and UK.

The need for more and innovative modalities of support for youth mental health, given rising demand and limited provision in traditional form, is well recognised across the US. Our success in California will be used to shape the building blocks for programmes and investment in other states, and via other funding mechanisms.

Demonstrating impact in California

As with all of our services, Soluna combines access to one-to-one professional support, self-guided tools, content and activities, and peer support communities, all pre-moderated by trained behavioural health professionals. In California, Soluna provides professional coaching support in English and Spanish as well as telephone-based support in all 19 Medi-Cal threshold languages. Most importantly, in 2024 we also launched our integrated care navigation, meaning California youth who require more specialist intervention also get the onward support they need at the time they need it ensuring safer and more timely and equitable access to care.

In 2024, our goal was to develop the building blocks for sustainable success of Soluna, starting in California. We are now seeing the impact of this foundational work.

In Q4 2024, we launched our Young Adult Ambassador programme in the US. Many applicants were already active in advocacy, and enthusiastic to learn about Soluna and support its mission, regardless of selection, which underscores the impact and reach of our work. This inaugural cohort will set a strong foundation for future growth and underlines our commitment to co-creation.

Strategic progress Continued

Case Study: Soluna's rapid response to support California youth through January 2025 wildfires

Following the outbreak of wildfires across Los Angeles and San Diego County regions in January 2025, we saw a 150% uptick in California youth seeking support from Soluna. This included increased demand for coaching support, with a 73% increase in weekly coaching sessions statewide, and a 95% increase in LA County. We mobilised a rapid response team to ensure we could support affected communities, enabling us to keep on-demand wait times stable, with users only waiting for an average of two to three minutes, despite increased demand.

The Soluna team worked in partnership with DHCS to support recovery events across LA County, including two at FEMA Disaster Recovery Centres, the LA Coliseum and Central YMCA and the FireAid events at the Intuit Dome and Kia Forum, working with our partners to donate and distribute over 5,000 personal care items to families displaced by the fires.

We rapidly implemented target crisis support within Soluna, including:

- Wildfire-specific resources through our Care Navigation service
- Integrated crisis-specific resources into our digital platforms and crisis support content across our platforms
- Activated geo-targeted push notifications for users in California with 'Here for CA, here for you' messaging
- Shared safety, support, and fire recovery messages and resources across social channels and media outlets

As experts in mental health and with several Soluna team members and coaches directly impacted by these fires, we understand that the path to recovery is just beginning. While the immediate crisis response is transitioning, we recognise that the mental health impacts of displacement and loss will continue to emerge in the weeks and months ahead. We remain committed to working closely with DHCS and the leadership of California to provide sustained support throughout the recovery process, adapting our response as community needs evolve.

Strategic progress Continued

Soluna has widened access to support for California youth.

1-in-3 service users wouldn't have access to mental health support without Soluna

50% of service users report this is the first time they are accessing mental health services

Our efforts to reach diverse populations and address inequity have been effective.

57% of youth come from under resourced communities (as defined by Healthy Places Index)

56% of respondents identify as BIPOC Youth

Soluna coaches delivered high-quality support to help users achieve their goals and provide early intervention and prevention support to keep At-Risk Youth safe.

98% Of coaching users reported they would recommend Soluna to a friend

87% Of SWAN-OM respondents reported meeting at least one need during a single coaching session

2.3k Safeguarding escalations from coaching or moderation activities

Strategic progress Continued

From these foundations, we are now building mentally healthier populations across the US

In 2024 we committed to build on momentum and investment in Soluna and our US team to optimise service delivery, demonstrate impact and expand the support we provide beyond California. This includes expansion of our team across research and clinical strategy; marketing and community-building; product, data science, tech and privacy teams; and commercial functions.

Following the significant investment into evolving Soluna, we can now rapidly scale up provision and adapt to the needs of local populations without requiring a costly and time-intensive new platform build for each partner.

In 2024, we launched two new services beyond California. Our learning from these new initiatives will inform our approach going forward, in which we will explore opportunities with a wide range of partners to identify sustainable routes to extend our reach.

Soluna is now available to a cohort of 11,000 young people across the Chicago area through Kooth's first US private-sector partnership with Aetna Better Health Illinois. Following the announcement of this pilot contract, this collaboration is now live, providing us with important insights into working with Medicaid providers in order to grow our reach.

Successful launch of pilot contract with the State of New Jersey to make Soluna accessible to 50,000 students, valued at $1.45m in the pilot year. Following the contract award in December 2024, the pilot launched on 7 January 2025, with Soluna now available to 50,000 students aged 13-18 within New Jersey school districts.

Concluding our two-year pilot with the Pennsylvania State Government, using learning to inform our future strategy. In September 2022 the Pennsylvania State Government awarded Kooth a one-year contract to pilot our platform in up to 30 school districts. This provided much needed support for youth across Pennsylvania and augmented existing investments in school-based counsellors with digital support options outside of school opening hours. The pilot was successful, with strong uptake of one-in-10 high school students accessing the service and was extended through to November 2024. Despite this, the service was not renewed, reflecting the complexity and dynamic nature of US state funding. We now better understand the importance of building trust with a broad range of stakeholders beyond our direct system partners, and will ensure that we navigate and engage with diverse perspectives more effectively going forward.

Strategic progress Continued

In a significant year for the UK, we've been resilient and flexible, with a renewed focus on demonstrating the impact that underpins our position as the UK's largest digital mental health provider.

The majority of Kooth's work in the UK is government-funded, so the 2024 General Election marked a key inflection point for our UK team and provides greater stability for forthcoming years.

A change in Government, with the Labour Party taking power for the first time since 2010 and introducing a raft of new policy measures has reshaped the roadmap for our UK services. A renewed focus on better communicating the impact of our work and aligning to policy priorities ensured that we were able to respond proactively to the shift in government, with greater agility in service design and evidence generation.

The Government's plan for health and care reform includes three 'big shifts' from analogue to digital, hospital to communities, and sickness to prevention which will act as guiding principles for a new NHS 10-year plan expected in spring 2025.

In addition, the Government's publication of the Get Britain Working strategy, which emphasised the relationship between economic inactivity and mental health, strengthened focus on mental health.

Combined with retention of the Mental Health Investment Standard, which ringfences mental health funding; an uplift in the public health grant for local authorities; and inclusion of targets for children and young people accessing mental health services within NHS priorities for 2025/26, the UK Government has offered a clear signal that mental health remains a priority for government over the medium to long term.

Strategic progress Continued

Despite these positive signals, 2024 was a challenging year

As signalled last year and re-affirmed with the publication of 2024/25 NHS Planning Guidance in spring, UK public finances remained under sustained financial pressure.

A lack of sustainable funding for population mental health for adults had a particular impact on Qwell, our service for adults, and we sustained a number of contract losses. In some cases, for example our contract with the Isle of Man, we were able to draw on local relationships and the demonstrable impact of our services to support commissioners in reversing these decisions, in spite of healthcare funding pressures.

However, the loss of these contracts impacted on user registration numbers, which remained flat between 2023 and 2024. Increasing user registrations is a core priority for Kooth in 2025, with the team working closely with young people and communities across the UK while taking a data-driven approach to accelerate reach.

Significantly, however, at a time where cost-saving measures saw many services across the NHS reduced in size or decommissioned, we were able to retain the majority of contracts and secure three new partnerships to support local system needs, such as the launch of our service to address emotionally based school avoidance. Not only this, but we secured a number of longer contracts, such as our whole population contract in Cornwall, reflecting the value of our services to local systems.

Strengthened foundations from which to launch UK Soluna

A cross-functional taskforce has developed a detailed roadmap for launching Soluna in the UK, presenting an exciting leap forward with regards to product development.

Alongside this in 2024, we further invested in our core foundations in research, quality and governance, which is detailed in the report from page 36.

The relationship with our communities of service users is at the core of our work, ensuring that the voices of young people and adults seeking support permeates everything we do. To that end, we've launched our Kooth Future Council, which will provide a supportive forum to drive user-led content, in collaboration with expert influencers and Kooth clinicians.

Looking to the future: sustainable growth underpinned by solid foundations

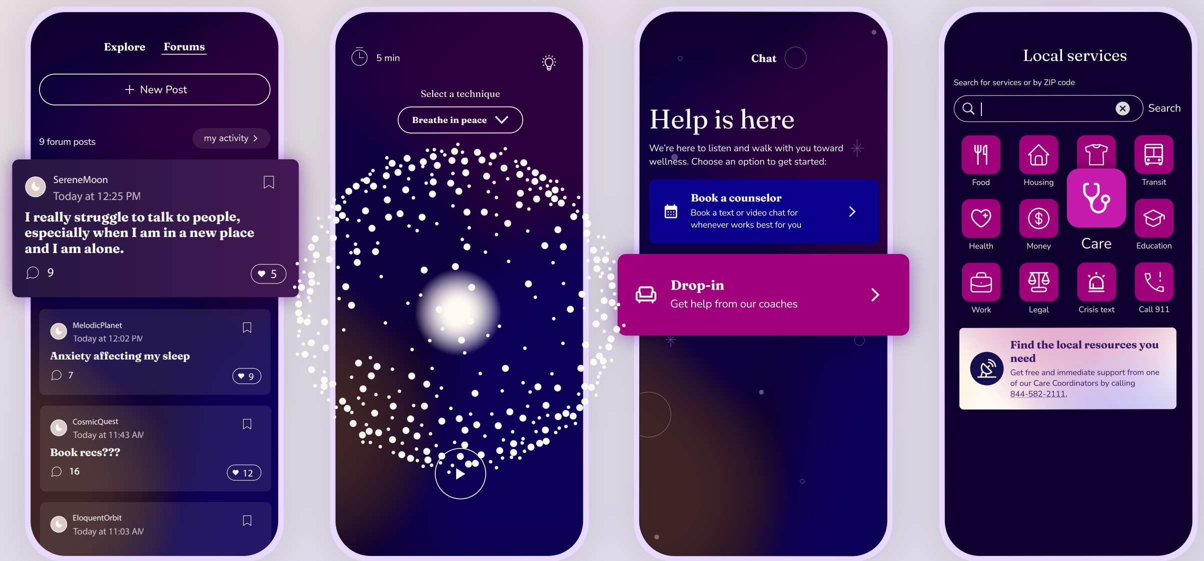
Our 2025 priorities reflect learning from 2024 and our long legacy of responsible innovation. Delivery of our landmark service in California will remain a major priority as we accelerate reach, usage, and impact and begin to share the evidence of this success. This will be crucial to extending the reach of Soluna across the US, working with a broader range of funding partners to identify effective routes to growth.

Likewise, in the UK, our significant scale and experience ensures we are well-placed to respond to the shifting needs of our system partners and the populations we serve. Our priority will be in sustaining existing services in parallel with a more agile approach to extending reach beyond our core services.

Soluna: product innovation

Soluna provides an integrated platform for personalised mental health care

Peer support | Self-guided tools | Professional support | Care navigation



Soluna: product innovation Continued

2024 was a significant year for Kooth in delivering on our purpose to build mentally healthier populations to enable a more sustainable, resilient, and productive future, leaving no one behind.

A strategic milestone was the launch of Soluna on 1 January 2024 in California. This signalled our continued focus on innovation and optimisation to create an integrated platform that both delivers an engaging 'consumer experience', with the strong clinical and safeguarding foundations that lead to positive mental health outcomes at an individual and collective level.

While Soluna was built on our 20+ years experience, it was also an opportunity to go back to first principles to co-design the service with and for the youth population. This theme of designing 'with and for youth' continued into 2024, with almost 200 young people contributing to 300 user experience research (UXR) studies to help shape product strategy and development.

In addition to a research-driven approach, we apply data-driven analysis to identify areas where we can optimise and improve the product further. In 2024, our development focused on three key themes:

An integrated platform and 'digital front door' into other services

Soluna does not operate as a digital island. Often, individuals may need additional mental health support that goes beyond the options offered by Kooth. Given the social determinants of poor mental health, youth may need support from community-based organisations to provide assistance for housing, finance, or address food insecurity.

To deliver this, we extended Soluna to deliver **Care Navigation**, making it easier for service users to be connected with external organisations where appropriate. Youth can either search for resources themselves or engage with our coaches and care navigators, not just to identify appropriate organisations among the tens of thousands within a State, but to manage the administrative task to connect the young person with the organisation to ensure a seamless hand-over. We believe this model delivers a valuable "spine" from the digital front door through to immediate support and then beyond as needed, enabling us to build relationships with an ecosystem of community-based organisations and health services to better support the health of the population.

Soluna: product innovation Continued

Applying Ethical AI to enhance the user experience and safeguarding

While there is significant market excitement about artificial intelligence (AI), we must move cautiously and ethically in pursuing areas where AI can enhance the user's experience, augment the efforts of our professional practitioners, or continue to strengthen safeguarding. As a result, Kooth follows best practices in responsible AI deployment, ensuring that all AI-assisted interventions are transparent, accountable, and designed to support, not replace, human judgement. The approach aligns with global ethical frameworks for AI in healthcare, reinforcing Kooth's commitment to maintaining user trust and safety while harnessing technology for meaningful impact.

In 2024, Soluna introduced AI-powered content recommendations, enabling service users to receive personalised, timely mental health resources based on their engagement patterns, and self-reported needs. This ensures that young people can access relevant and appropriate content, making their experience on Soluna more meaningful and tailored to their individual journey.

Soluna: product innovation Continued

Expanding content and tools

Providing young people with engaging, relevant, and evidence-based content is a core part of Soluna's approach to digital mental health support. In 2024, Kooth expanded Soluna's library of self-guided tools, educational content, and interactive resources to ensure that youth could access the support they needed, whether they were seeking professional coaching, exploring self-help strategies, or connecting with peer communities.

A key focus was on broadening the range of topics covered, ensuring that the platform addressed the diverse challenges young people face today, including stress, anxiety, relationships, identity, academic pressures, and overall emotional wellbeing. This expansion was driven by user feedback, behavioural health insights, and real-time engagement data, ensuring that new content remained relevant and aligned with the needs of the youth population.

Soluna's interactive tools and exercises were also refined to provide personalised, structured support for young people who prefer a self-guided approach to mental health management. New features introduced in 2024 included:

- **Values and goal-setting tools** – Helping young people define what is important to them and set personal development goals aligned with their values
- **Enhanced mood and wellbeing check-ins** – Allowing users to track their emotional health over time, with personalised content recommendations based on their check-in history
- **Expanded library of self-help activities** – Providing a wider selection of evidence-based exercises, guided reflections, and interactive mental health strategies to support emotional wellbeing

Young person on Kooth

“Just wanted to come back and say hi! 3 months and going strong. In 3 days I go into my final year of A levels and for the first time ever I'm excited to go back and not scared worried or anxious.”

Soluna: product innovation Continued

Removing barriers to accessing support

One of the core challenges in youth mental health is ensuring that support is accessible, stigma-free, and easy to navigate. Many young people face structural and psychological barriers that prevent them from seeking help—whether due to long wait times, uncertainty about where to go, concerns about confidentiality, or a lack of culturally relevant services.

A key element in this approach was ensuring multiple pathways into care. Not all young people are ready to engage with one-to-one professional support immediately, which is why Soluna offers a choice of entry points, including self-guided tools, and peer support communities. By allowing users to engage in a way that feels comfortable for them, Soluna lowers the threshold for accessing mental health support and encourages early intervention.

In 2024, Kooth continued its commitment to removing these barriers. Initially designed as a mobile-first service, Soluna has now been adapted for web-based access and iPad/tablet compatibility, ensuring that young people can engage with the platform in a variety of settings, including schools, homes, and community spaces. By providing a seamless experience across multiple devices, Soluna ensures that access to support is not limited by technology availability.

Another area of focus was reducing friction in the user journey. This included optimising the onboarding experience, improving how young people discover relevant content, and refining the way users connect with live support. These efforts were guided by data-driven insights, ensuring that every change made to Soluna's platform was aligned with real-world user needs.

Soluna: product innovation Continued

Looking to the future

As we look to the future roadmap for Soluna, our key roadmap priorities are focused on four key themes:

Experience and Effectiveness: As Soluna is not ‘prescribed’ to the population, usage is optional. As such, we need to continue to invest in delivering a welcoming, engaging, and personalised experience. Working with youth co-designers, and applying ethical AI, we aim to deliver a highly relevant, engaging, and effective service for youth. Personalisation will be a key priority area for 2025.

Outcomes to demonstrate individual and population-level impact: We will continue to invest in both self-reported, validated outcome measures and independent research studies to demonstrate the positive impact that Soluna has on population health. To support this, we will continue to work with youth, families, payers and policy makers to identify what outcomes matter to our different audiences to ensure that we measure the positive impact of Soluna in ways that are meaningful and robust.

Value for money: Given the growing cost of healthcare globally, it’s essential that we can demonstrate individual effectiveness, outcomes at scale, and value for money. While we have built a strong evidence base for this, we will continue to invest in strengthening our product and research to reduce the per-capita cost of healthcare and build the economic case for Kooth.

Maximising investment into Soluna: Currently, Soluna serves our US contracts, reflecting the significant investment associated with our contract in California, the extensive co-production activity undertaken with youth, and growth opportunities across the US which will form a path to sustainable revenue. As usage of Soluna ramps up in the US, we have developed a cross-functional roadmap to transition the technical infrastructure to the UK, to maximise the benefits of Soluna’s new features and functionality. Discovery activity to develop the roadmap in 2024 identified a number of additional activities to ensure that Soluna aligns with the needs of users, customers and policy makers in the UK, including co-production, user-testing, and evidence generation to support regulatory compliance. This activity will be a priority in the UK in 2025.

Go Somewhere good
Enhancing safety and impact in digital mental health

Dr Lynne Green
Chief Clinical Officer

> "We continue to be the longest standing accredited digital provider of counselling services in the UK"

When Kooth (then XenZone) was established in 2001, at the root of our mission was to use technology to expand timely access to proven, evidence-based emotional wellbeing and psychological support. In 2001, the digital landscape was very different. Only 9% of the UK were using broadband, and Facebook, YouTube, Twitter and the iPhone had yet to launch.

The acceleration of technological advances has changed our world significantly, but our mission remains: using technology to help us improve the reach and quality of our services - not replace or disrupt evidence-based interventions, the trusted partnerships between our teams and local partners, or practitioners and service users.

This has never been more important.

As more people turn to the internet for help, the vast amount of inaccurate or even harmful content can be a further risk to mental wellbeing.

Digital care done well, however, offers opportunities for effective, safe and more personalised care, with efficiencies of scale and a growing evidence base of 'what good looks like', backed by thousands of data points, which can be easily utilised without the usual lag that is often seen within healthcare.

With over 20 years of experience in creating effective online support, we know that developing these services goes far beyond creating content, setting up video calls, encouraging participation in forums or replacing practitioners with chatbots.

Go Somewhere good
Enhancing safety and impact in digital mental health Continued

In a hybrid world, where digital interactions are just as real as in-person, it's essential that we embrace the opportunities before us, but demand thoughtfulness and rigour around quality improvement, governance and regulation. The proliferation of new approaches to supporting mental health needs is promising, but the growth in unproven technologies and harmful messages on social media risk undermining trust in those solutions that do work.

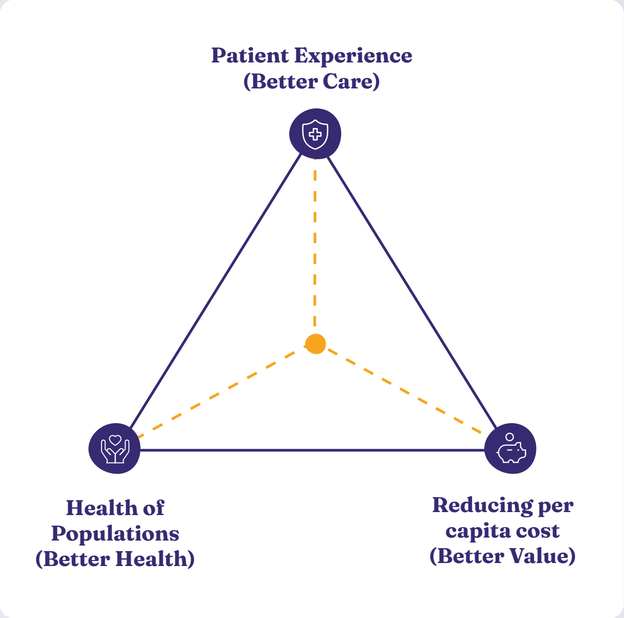
We have welcomed a shift in UK regulatory approaches to address this, including legislation to address harmful online content via the Online Safety Act; guidance to ensure quality, safety and effectiveness of digital mental health technologies via the Medicines and Healthcare products Regulatory Agency (MHRA); and verification of clinical, quality, and data governance via the NHS Digital Technology Assessment Criteria (DTAC). Our services are compliant with each of these frameworks or sets of guidance, and we are frequently updating our approach based on new evidence or recommended best practice, and adapting governance approaches to reflect relevant regimes in the different territories where we work, such as the different approaches to parental consent across US states.

We continue to be the longest standing accredited digital provider of counselling services in the UK and as we look ahead to 2025, we are in the process of obtaining clinical accreditation for Soluna in the US.

This depth of experience provides us with a unique perspective, which is rooted in a deep understanding of the evidence base and best practice – not just in the clinical support we offer and the technology we use to deliver it, but in keeping our users safe, leaving no one behind.

In 2025, we will do more to share this experience with the sector, championing the need for openness and transparency to ensure that people with mental health needs can access the support that's right for them.

As part of our continuous drive for improvement, we have adopted the Triple Aim framework, developed by the Institute for Healthcare Improvement, which aims to optimise the performance of health systems by simultaneously seeking to improve patient experience of care, the health of populations, and reducing the per capita cost of care.



Along with our 258 strong team of practitioners that support our service users directly, we also have over 38 members of staff providing their expertise to ensure that our services are safe, effective, and high quality. This commitment to quality is further enhanced by regular scrutiny, challenge and support afforded by our Clinical and Safeguarding Committee, chaired by Dame Susan Bailey, which meets at least 6 times per year.

Go Somewhere good
Enhancing safety and impact in digital mental health Continued

Improving patient experience of care | service effectiveness and safety

1 | Designed with and around the needs of our users

Since our launch, we have been listening to users, whether young people or adults, and adapting the care we provide to meet their needs. This is reflected in the design of our service, which seeks to minimise barriers to accessing support. Care is accessed anonymously, without a referral, and there is no criteria for entry. This also extends to the content on our platform, which is developed by and alongside our user community; the person-centred support we provide, which is personalised to user needs and preferences; and the work we do with community organisations and via digital channels to reach service users.

Our users tell us this model is important to them, and our ongoing work alongside the people we support as we design, develop, and evaluate our services, is central to our approach.

2 | Evidence-based and data-informed

A deep understanding of the evidence base for interventions underpins the content, tools and functions we develop, alongside the care and interventions provided by our team. To that end, our services incorporate NICE[2] recommended treatments (including CBT informed practice) and other evidence-based interventions, and we work closely with independent academics and evaluators to demonstrate the real-world impact of our services.

In the past, this has included peer-reviewed, published studies that demonstrate the impact of our community and self-guided therapy activities, the development of a validated outcome measure for single-session therapy (SWAN-OM), and the use of goals-based outcomes and standard measures such as PHQ-9 and GAD7 to measure the impact of structured or ongoing counselling. We continued to showcase our approach throughout 2024, including at the ISRII Scientific meeting, where we presented to international audiences on how Soluna's Journey to Change grounds our product development and innovation.

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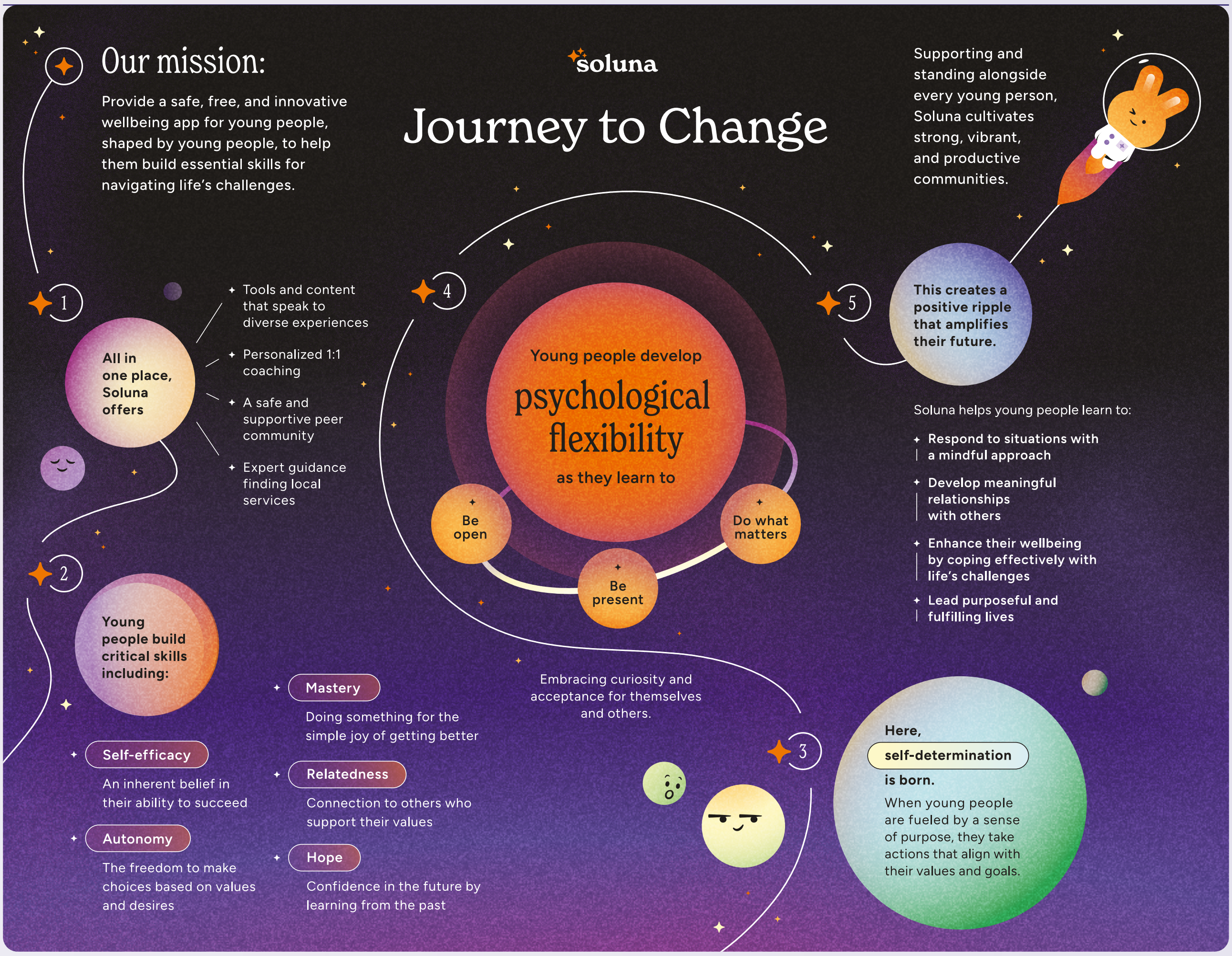
2. National Institute for Health and Care Excellence

Go Somewhere good
Enhancing safety and impact in digital mental health Continued



3 | Keeping our users safe from harm

We work with children, young people and adults, aged 10+, and keeping our users safe is our number one priority. This commitment to safety is twofold: protecting our users from accessing inappropriate or harmful content and ensuring that risks to the user including concerns such as self-harm or disordered eating, and broader safeguarding risks such as abuse - are identified and managed accordingly, with other agencies where necessary.

We are proud that our safeguarding procedures are independently audited by our partners in the NHS, and by NSPCC. Our approach includes robust approaches to protecting users from accessing harmful content on the Kooth platform, in line with the Online Safety Act (UK) and other relevant guidance and best practice.

This means that all user-generated content on Kooth platforms is pre-moderated before publication by trained moderators, including articles, forum posts,

Go Somewhere good
Enhancing safety and impact in digital mental health Continued

journal entries and user comments. Users cannot message other users privately on the platform.

Kooth's moderation team all hold a relevant degree and / or professional qualification in relation to working with children and young people, and Level 3 safeguarding training. The team is supervised on shift by a Level 4 safeguarding-trained manager and governed by Level 5 safeguarding leads. Moderators follow our moderation guidelines, which bring together national guidance (such as that produced by Ofcom, Department for Education, the NHS, the Home Office, the Centre for Disease Control and Prevention, World Health Organisation, National Institute of Health and specialist mental health resources, such as BEAT, Samaritans Substance Abuse and Mental Health Services Administration) plus clinical best practice (such as Cass Review). Moderation guidance is updated frequently in line with updates to evidence and best practice and compliance to moderation guidance is moderated monthly.

Pre-moderation is essential for ensuring that content on the platform remains evidence-based and not harmful, but also for identifying risks to user's safety (such as a disclosure of abuse or suicidal ideation), and ensuring that users do not share personal details with other users. Where moderators or practitioners have a concern regarding a user's safety, they will contact them directly to offer support, make safeguarding referrals, or signpost or refer to crisis, specialist, or other relevant services.

Furthermore, content, advice and support are age-gated, with access to content and peer support aggregated by age (10-11, 12-13, 14-17, and 18+), to ensure alignment with statutory and best practice guidance on age appropriate content.

4 | Staff development, wellbeing and performance

Our team of practitioners are at the heart of the support that we provide, and our experience of delivering digitally-enabled services for over 20 years means that we have a range of robust measures to ensure that we recruit the right staff, equip them with training and skills to succeed, and support them to manage their wellbeing in what can be a demanding role.

Preparing the healthcare workforce for digital delivery has both great opportunities as well as challenges. From a training perspective, equipping people with the technological skills is relatively straightforward, however the more nuanced and complex area is around clinical digital competency. In short, it is simply not possible to just transfer in-person clinical skills and therapeutic modalities to a digital setting and many 'core' skills, such assessing risk must be 're-learned' to ensure that practitioners are competent and confident in delivering safe and effective digital interventions. In 2024 we trained over 300 practitioners to be clinically digitally competent, across both the UK and US. We developed and delivered 40+ unique professional training programmes in the US alone, reflecting the demand and commitment to training coaches with essential skills in our first year post launch of Soluna.

Leveraging our data set from thousands of transcripts over many years, we are continuously improving our model, with plans to develop interactive training where practitioners can hone their skills in a safe, simulated environment, based on real life examples.

Go Somewhere good
Enhancing safety and impact in digital mental health Continued

Once practitioners are trained, the digital nature of our service allows us to effectively monitor individual practitioner performance to ensure service effectiveness, with the ability to review actual transcripts of sessions as opposed to written summarised notes by practitioners. This enables a level of auditing that is not possible in traditional in-person services, with opportunities to measure compliance with evidence-based guidance, rapidly identify training or development needs, and address poor performance if it arises. All practitioners are audited on a regular basis and in Q4 2024, 96% of Kooth practitioners scored above 'High Satisfactory'. On the rare occasion where a practitioner has scored below the designated threshold, they will be re-audited and supported to address gaps in practice and knowledge.

To support our team in maintaining their health and wellbeing, we offer a range of benefits including wellness days in addition to annual leave, paid breaks and leave for medical appointments, group income and life protection, medical benefits along with benchmarking pay to NHS pay scales and guaranteeing the London Living Wage in the UK, regardless of location. We also offer Monthly Wellness Sessions for all employees, access to an Employee Assistance Programme, and employer pension contributions in both the US and UK.

Our counselling service in the UK is accredited by the British Association for Counselling and Psychotherapy (BACP) and as such, practitioners in our organisation are expected to uphold the highest standards of professional conduct, working in alignment with the BACP Ethical Framework and our internal policies. They must demonstrate a commitment to safeguarding the wellbeing of all service users, maintaining clear boundaries, and fostering trust through ethical practice. We are in the process of acquiring similar accreditation in the US.

Practitioners are responsible for engaging in regular supervision, accurate record-keeping, and continuous professional development to enhance their skills and knowledge. By adhering to these principles, they ensure the delivery of safe, effective, and client-centred care, while contributing to the integrity and reputation of our services.

All Kooth counsellors hold a professional qualification with an accredited body (such as BACP or NCS) with full registration with that body, and our moderation team all hold a relevant degree and/or professional qualification in relation to working with children and young people (eg. counsellor, teacher, social worker) in addition to Level 3 safeguarding training.

1-in-3 service users wouldn't have access to mental health support without Soluna

56% of Soluna service users identifying as Black, Indigenous, or people of Colour

2024
19% of UK service users identifying as an ethnic minority

Improving population health | embedding in local systems and networks, and leaving no one behind

Building a welcoming, effective service is one half of the challenge. The other half is building a sustainable model to grow awareness and truly embed this service into the local community. Our experience goes beyond developing effective support; we have also worked closely with community partners to ensure that our services are well-known amongst prospective users, and reach into populations that have greater barriers to accessing services.

We achieve this through digital channels, and 'feet on the street' engagement teams. Our community outreach and engagement teams work with schools, healthcare systems, and local communities. It's this expertise that has enabled us to grow registrations from 0 to 75,000 in California, and up to one in 10 of the population using Kooth in some UK regions.

This approach, which recognises the importance of blending a digital service with on-the-ground relationships, enables us to work in partnership with key community and advocacy groups, who help us develop content and activities that are tailored to the needs of different groups. This approach has proved effective, driving uptake amongst minoritised communities that are often underrepresented in traditional services.

Our launch of integrated care navigation in Soluna, meaning California youth who require more specialist intervention also get the onward support they need at the time they need it is an important milestone for strengthening impact on population health.

Reducing cost of care | delivering value for money

We are proud of the impact that our services have on individual user's mental health and emotional wellbeing, and the impact of this on their goals, relationships, and long-term outcomes. Demonstrating that we can achieve these outcomes at scale, across the population, and amongst communities that face barriers to access other services is essential, and underpins data and modelling that illustrates the fiscal value generated by our services.

We have undertaken significant work to demonstrate the cost-effectiveness of our services in terms of financial-savings generated as a result of reducing downstream healthcare costs, and wider benefits associated with longer-term risk reduction; in the UK, peer-reviewed independent evaluation indicates that engagement with Kooth is associated with a cost-saving to the UK health and crime system(s) of £246.54 per person, due to reductions in healthcare utilisation, engagement with the justice system, and costs associated with smoking and binge drinking. Our own analysis, building on the independently validated economic modelling, indicates that potential savings to the US healthcare system could be four times this, owing to the greater cost of healthcare.

Demonstrating value for money will remain a key focus for us, particularly given the growing understanding amongst thought leaders and policy makers of the relationship between mental ill health and economic growth and resilience.

Measuring our impact

We have a wealth of experience and research to inform and evidence the outcomes of our services. We are committed to further contributing to the wider evidence base on mental health and digital interventions to advance academic, clinical and social understanding to improve the future.

In 2024, we secured a number of important research milestones that will make an important contribution to the literature.

- Completing analysis demonstrating the impact of Qwell on adult mental health, achieving an important milestone as we submit the manuscript for peer review and publication, alongside implementation of Adult SWAN-OM (measuring efficacy of single-session therapy) to provide real-time impact measurement

Go Somewhere good
Enhancing safety and impact in digital mental health Continued

- Conducting research with over 200 adult users to understand their experiences of seeking support via other services, and how they use Qwell alongside or instead of other services. This will form the basis of routine data collection to track long-term impact
- Demonstrating early potential in Kooth's Integrated Digital Pathway (IDP) services, which provide structured, cohort-specific, non-specialist care in partnership with mental health providers, such as NHS child and adolescent mental health services (CAMHS)

Kooth's research and evaluation team also presented their research and findings alongside independent academics and researchers at a number of global conferences, and we were proud to be shortlisted for the ACAMH (The Association of Child and Adolescent Mental Health) award, Digital Innovation: Digital Intervention Clinical category, in recognition of our evidence-based approach being put into practice within the digital field to support child and adolescent mental health.

These strong foundations underpin our plans for the future

Our purpose is to build mentally healthier populations to enable a more sustainable, resilient and productive future, leaving no one behind. This has never been more important - and while in 2001, using technology to expand access to evidence-based emotional wellbeing and psychological support was revolutionary, online resources are now the first place many of us turn to for help.

We are proud to have pioneered new paradigms for care, and continue to innovate - harnessing new technologies to help us improve reach and quality, and adapting the services we provide to address emerging needs across the population.

This includes taking a thoughtful and ethical approach to considering how we might develop and deploy AI to make services more equitable, safe, effective and personalised for users, and augment and enhance the role of our team - rather than replacing or deskilling human practitioners.

In particular, this includes opportunities to use AI and simulated training approaches to more ethically and rapidly support staff to develop their skills, and considering how repetitive or purely administrative tasks such as appointment booking, diary management and rotas might be automated to release clinical capacity to focus on providing care. Beyond the care we provide, there is also significant potential to consider how scaled access to digital support can enable improved data triangulation, analysis, risk prediction, identification of emerging needs, and mobilise responses accordingly.

Go Somewhere good
Enhancing safety and impact in digital mental health Continued

In conclusion, the effectiveness of our service is not just measured by the outcomes we achieve, but by the deep, collaborative relationships we nurture with partner organisations and systems across the UK and the US. By embedding ourselves as an integral part of the broader mental health ecosystem, we ensure that we are not just another service, but a trusted, safe, and effective element of a collective effort to turn the tide on mental health. Our commitment to working seamlessly with others ensures that we are part of a holistic approach, where every piece of the puzzle contributes to the overall wellbeing of individuals and communities. Together, we are building a future where mental health is prioritised, and our impact is felt not only in the care we provide, but in the systems we strengthen, making us a cornerstone of progress in mental health care.

Dr Lynne Green
Chief Clinical Officer
14 April 2025

Key performance indicators

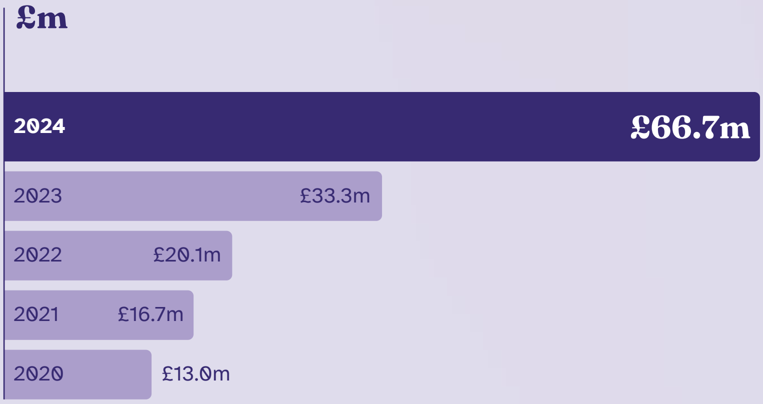
We use our key performance indicators (KPIs) to measure our business. These indicators, set by the Board, provide us with the visibility of both our strategic and financial performance. Non-financial KPIs provide us with a measure of how successful we are in supporting our customers.

Adjusted results are prepared to provide a more comparable indication of the Group's core business performance by removing the impact of non-trading items that are reported separately.

Adjusted results are not intended to replace statutory results. These have been presented to provide users with additional information and analysis of the Group's performance, consistent with how the Board monitors results.

These indicators show a strong and sustained growth in the Group's performance reflecting the significant investment made in our platform and business over the past few years.

Revenue

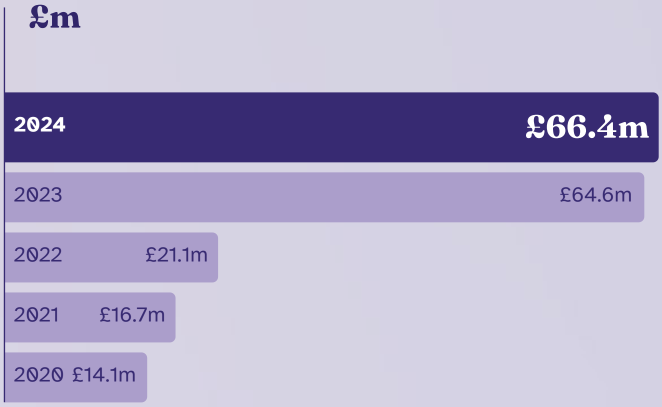


Revenue is a KPI that reflects the work we are doing and the fees received over a period for that work. In 2024 this has been driven largely by our contract with the State of California.

Key performance indicators Continued

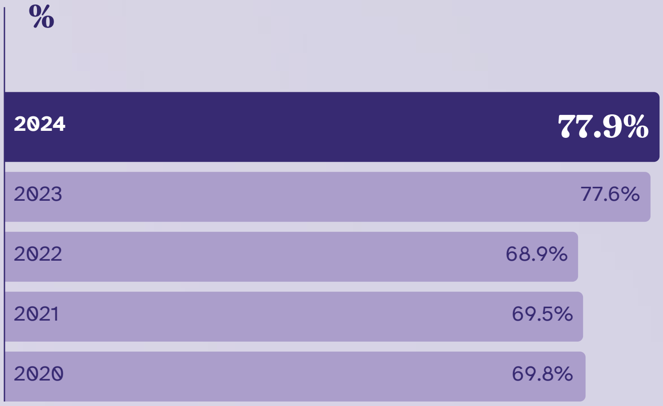
Annual Recurring Revenue (ARR)

Annual Recurring Revenue (ARR) is the annualised revenue of customers engaged or closed at the year-end date (31 December) and is an indication of the upcoming annual value of the recurring revenue. This is used by management to monitor the long-term revenue growth of the business. Our 2024 ARR is predominantly driven by US expansion including the new pilot contracts.



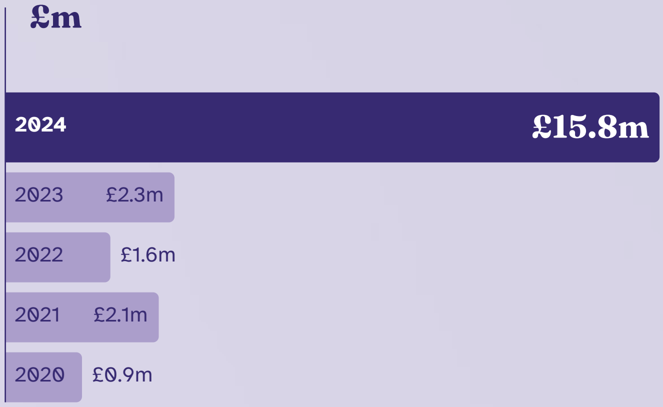
Gross margin

Gross profit as a percentage of revenue. Direct costs are the costs of our practitioners directly involved in the delivery of our services and direct service user marketing expenditure. We have seen a marginal increase in gross margin driven by the US with the roll out of the Soluna app where we are initially seeing lower practitioner costs as contract usage ramps up and a greater use of the community and self-guided tools. Gross margin has further benefitted from California revenues including a contribution to platform development, the cost of which is capitalised in the Statement of financial position and amortised to administrative expenses within the Statement of profit and loss and other comprehensive income. This has been offset by an increase in direct marketing expenditure for service users as we launched in California.



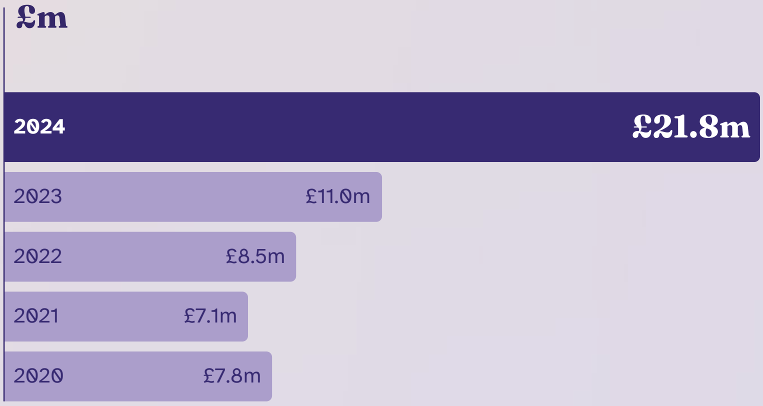
Adjusted EBITDA

Earnings before interest, tax, depreciation and amortisation in the financial year, adjusted for share-based payments. This metric provides a more comparable indication of the Group's core business performance by removing the impact of non-trading items that are reported separately. Growth has been driven by revenue from our California contract and a strong gross margin.



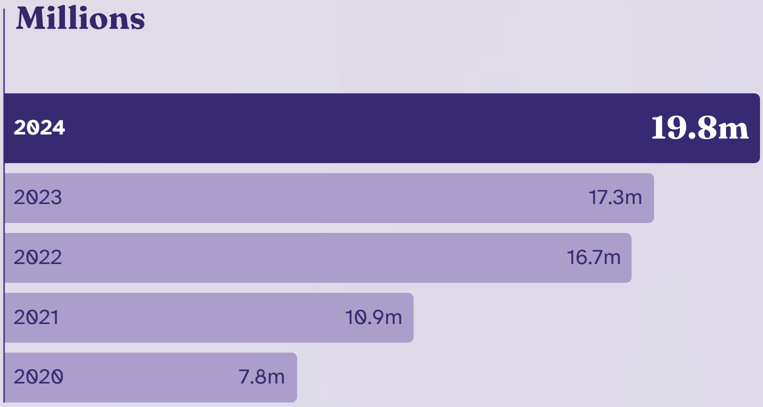
Key performance indicators Continued

Cash



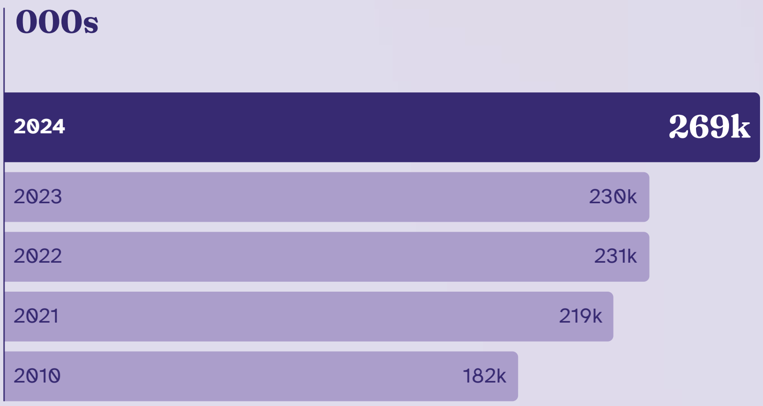
Cash is a key metric as it provides assurance on our ability to invest to grow the business, as well as provide comfort to customers from a vendor risk perspective. The increase in 2024 comes from the cash generated from operations and working capital management offset by investment in our platforms. The balance at the end of 2024 falls within our forecast and aligns to our projected future investment requirements.

Population coverage



The total number of people who have access to the Kooth service is a good indicator of our accessibility. This is determined as the population within the contracted age range of each of our contracts that are live at the year end. The addition of new contracts in the year has meant we have reached a larger US population. This was partially offset by churn of UK contracts.

Number of users



The number of users to our Kooth and Soluna platforms, demonstrating the increasing uptake of our service.

Previously we presented service user logins, this KPI was UK only and did not translate to our US contracts. The number of users presents a more useful KPI reflecting the increase of our US business.

Chief Financial Officer's review

Sanjay Jawa
Chief Financial Officer

> "Kooth delivered a strong performance in the year supported by record increases across revenue and adjusted EBITDA"

A record year

Kooth delivered a strong performance in the year supported by record increases across revenue and adjusted EBITDA, a continuing strong gross margin as well as significant investment in our platform and the business essential for ensuring the continued safety and effectiveness of our services and the wellbeing of our team.

Revenue

I am pleased to report that Group revenue has grown significantly over the past year, doubling to £66.7 million (2023: £33.3 million), compared to a 66% increase from 2022. As previously reported, this exceptional growth has primarily been driven by our contract with the State of California and has been supplemented by our contract win with Aetna Illinois.

US revenue increased to £48.7 million (2023: £14.2 million) all of which was recurring revenue (comprising income invoiced for services that are repeatable, consumed and delivered on a monthly basis over the term of a customer contract).

UK revenue decreased by 6% to £18.0 million (2023: £19.1 million). While contract expansion upon renewal rose to 45% (2023: 41%) these gains were offset by £2.0 million of churn primarily due to:

- Lack of funding to continue pilot contracts, mainly in Adult early intervention
- Contract reductions following consolidations
- One competitive contract loss.

Chief Financial Officer's review Continued

Annual Recurring Revenue (ARR) of £66.4 million is the annualised revenue of customers engaged or closed at that date (31 December) and is an indication of the upcoming annual value of the recurring revenue. This key metric is used by management to monitor the long-term revenue growth of the business, and in 2024 increased to 100% of total revenues (2023: 98%).

Group net revenue retention, which is a measure of the depth and longevity of our client relationships, increased to 100% (2023: 85%), within the UK, there was a decrease to 92% (2023: 98%) reflecting churn in both our adult and CYP contracts. This is measured by the total value of ongoing ARR at the year end from customers in place at the start of the year as a percentage of the opening ARR from those clients.

Gross profit

Gross profit increased by 101% to £52.0 million (2023: £25.9 million) with the gross margin rising to 77.9% (2023: 77.6%). This reflects the transformational nature of 2024, in which usage of Soluna has gradually ramped up, giving lower practitioner costs offset by direct marketing to drive engagement with service users. As usage continues to grow we have invested significantly in marketing and engagement, whilst practitioner costs are expected to increase accordingly.

Gross margin saw a benefit from California revenues that included a contribution to platform development. These platform costs are capitalised in the Statement of financial position and amortised within the Statement of profit and loss and other comprehensive income.

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.

The UK gross margin saw a slight increase, driven by a shift toward greater usage of self-help tools in place of direct practitioner support.

Foreign currency impact

The US Dollar/GBP exchange rate was relatively stable during the year under review during which the Group had approximately 73% of revenues and 47% of expenses denominated in US Dollars. The Group's focus on management of foreign currency risk resulted in a small foreign currency gain of £0.2 million (2023: loss £0.2 million).

Operating profit

The Group's operating profit for the year was £9.2 million (2023: loss of £2.3 million). This was driven by growth in the US business, predominantly the full launch of our California service from 1 January 2024.

Administrative expenses

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.

Chief Financial Officer's review Continued

Adjusted EBITDA

Adjusted EBITDA grew by 598% to £15.8 million (2023: £2.3 million) in the year, with increases in revenue and gross profit offset by our investment in the US and higher administrative expenses as outlined above. 2024 was a unique year for Kooth, with the onboarding of the California contract, and as we progress through 2025 we expect that EBITDA growth will return to more typical levels.

Adjusted results are prepared to provide a more comparable indication of the Group's core business performance by removing the impact of non-trading items that are reported separately.

Adjusted results exclude items as set out in the consolidated statement of profit and loss and below. In addition, the Group also measures and presents performance in relation to various other non-GAAP measures, such as annual recurring revenue and revenue growth.

Adjusted results are not intended to replace statutory results. These have been presented to provide users with additional information and analysis of the Group's performance, consistent with how the Board monitors results.

£'m	2024	2023
Operating Profit /(Loss)	**9.2**	**(2.3)**
Add Back:		
Depreciation and Amortisation	5.4	3.8
Share based payment expense	1.2	0.7
Adjusted EBITDA	**15.8**	**2.3**

Share-based payments are adjusted to reflect the underlying performance of the group as the fair value is impacted by market volatility that does not correlate directly to trading performance. The total charge for share-based payments in the year was £1.2 million (2023: £0.7 million). The additional cost reflects the increase in staff awards across the business in 2023 and 2024 and a credit in 2023 following a reassessment of those grants subject to performance criteria.

Taxation

There has been a corporation tax charge of £1.8 million (2023: £1.8 million credit) recognised in the year mainly arising from taxable profits generated in the US. For the first time this year there is a small corporation tax charge in the UK due to a cap on accumulated losses available to be utilised against taxable profits.

The tax credit for the year ended 31 December 2023 related to Research and Development expenditure credits which had been further enhanced due to the carrying forward of prior Research and Development claims at a higher effective tax rate rather than taking this as a cash credit resulting in a prior year adjustment. The Research and Development expenditure credits in 2024 were more than offset by the taxable profits generated within the year.

Chief Financial Officer's review Continued

Cash

The Group has had good cash management in the year with net cash generated from operating activities of £17.1 million (2023: £1.9 million). Free cash flow, after taking account of capital expenditure was a net inflow of £10.2 million in 2024 (2023: £6.8 million outflow).

Overall, the Group had net cash inflow of £10.8 million driven by increased EBITDA and efficient cash management. The net cash at 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 early 2024 we entered into a working capital credit facility with Citibank of $9.5 million that remains undrawn at this time. The Group remains debt free.

Capitalised development costs

The Group continued its investment in product and platform development in 2024 to support the full launch of our service in California, further expansion in the US as well as development of the platform in the UK. Costs are a combination of internal and external spend. Where such work is expected to result in future revenue, costs incurred that meet the definition of software development in accordance with IAS 38, Intangible Assets, are capitalised in the statement of financial position and amortised over three years. During the year the Group capitalised £6.9 million in respect of software development (2023: £8.7 million) with an amortisation charge of £5.2 million (2023: £3.6 million), in addition there was an impairment charge of £0.3 million in relation to the previous US Klassic platform, generated upon the end of the Pennsylvania contract.

Capital expenditure

Software and product development costs aside, the Group's ongoing capital expenditure requirements remain modest at £0.1 million (2023: £0.3 million).

Capital and reserves

The strength of the Group's balance sheet with net assets of £29.8 million (2023: £20.8 million), high levels of recurring revenue and strong cash generation from operating activities provide the Group with financial strength with which to execute on its investment strategy which continues to focus on US expansion and platform investment essential for ensuring the continued safety and effectiveness of our services, and the wellbeing of our teams.

Dividend policy

As outlined in previous reports, the Group's intention in the short to medium term is to invest in order to deliver capital growth for shareholders. The Board has not recommended a dividend in respect of the year ended 31 December 2024 (2023: Nil) but may do so in future years.

Sanjay Jawa
Chief Financial Officer
14 April 2025

Environmental, Social and Governance (ESG) report

About this report

Our 2024 Environment, Social and Governance (ESG) report is our fourth report, reflecting our ESG performance and steps we have taken towards becoming a more sustainable business. In 2024 we developed and enhanced our ESG strategies and policies based on our first Greenhouse Gas (GHG) emissions calculated for 2022. We are committed to embedding ESG practices and policies into all aspects of our Company and strive to continue learning and implementing new strategies.

Frameworks, guidelines and standards

The information contained in this year's ESG Report has been structured around three main frameworks and guidelines: the UN Global Compact, the Sustainable Development Goals and the Task Force on Climate-Related Financial Disclosures (TCFD). We remain a participant of the UN Global Compact, committing ourselves to aligning our strategies and operations with the Ten Principles on human rights, labour, environment and anti-corruption.

Our participation in the UN Global Compact has given Kooth the tools and knowledge to further support the Sustainable Development Goals. The UN Sustainable Development Goals aim to build a more sustainable future for people and the planet by 2030. Kooth is committed to achieving Net Zero emissions by 2040.

Young person on Soluna

"I'm setting goals now that I can track, I have someone to talk to when necessary, and I've been more steady like I'm getting better I'm coming out of the dark place I'm using these tips and growing from them and I'm able to help my friend even more now."

ESG report: Continued

Below are the specific goals that are reflected in our work throughout this Report:

Goal 3	**Ensure healthy lives and promote wellbeing for all at all ages**	It is only in the last decade that mental health was added to the agenda, when the impact of mental illness on healthcare systems was identified. This gap in healthcare is where Kooth has its greatest impact.
Goal 5	**Achieve gender equality and empower all women and girls**	We are committed to our workforce diversity by building a culture that is inclusive and empowers our employees. We aim to empower women across all levels throughout the business and achieve gender equality across our team. As a result, 75% of staff at Kooth and 70% of managers are women.
Goal 8	**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**	As an employer of over 500 individuals worldwide, we support our staff by ensuring a safe and healthy working environment and competitive benefits. We provide in-depth training to our people, as well as partner with universities to provide placement opportunities for students. As a provider, our work is crucial to supporting sustainable economic growth, recognising that poor mental health is a significant barrier to accessing fulfilling, high-quality employment.
Goal 9	**Build resilient infrastructure, promote inclusion and sustainable industrialisation and foster innovation**	Kooth's proprietary technology platform underpins everything we do. Our strategy is focused on three key areas: delivering a welcoming and engaging space, delivering clinically and cost-effective access to mental health support and applying artificial intelligence to improve the efficiency and effectiveness of our service.
Goal 10	**Reduce inequality within and between countries**	We work with governments, healthcare systems, and businesses to provide individuals with access to mental health support with no barriers, thresholds, or waiting lists. Kooth actively shares its learning and contributes to the global evidence base to support other countries. By providing a stigma free, non-judgemental and safe space, we can help tackle health inequity among underserved groups that may not have access to existing services, or feel unable to use them.
Goal 13	**Take urgent action to combat climate change and its impacts**	In the last year, we used our Scope 1, 2 and 3 emissions calculations from the prior year to develop and enhance our strategies and policies to mitigate our impact on the environment as we continue to expand and grow as a business.

ESG report: Continued

A year in review

Environmental Pillar

Prepared our first ESOS energy assessment

Reduced our emissions intensity ratio from 2023

Published our first carbon reduction plan

Social Pillar

Shortlisted for the ACAMH* award for Digital Innovation

43%

43% of our Board are women

70%

70% of management are women

Governance Pillar

Achieved SOC 2 Type II compliance

Published our first Non-Financial and Sustainability Report

Improved on our DTAC (Digital Technology Assessment Criteria) accreditation score from 2023

*The Association of Child and Adolescent Mental Health

ESG: Environment

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.

ESG: Environment Continued

Reporting boundary

An operational control approach has been selected for Kooth's carbon footprint assessment. This approach determines the Scope 1, 2 and 3 emissions for which Kooth is responsible. The emissions are as follows:

- Scope 1: Direct
- Scope 2: Indirect
- Scope 3: Indirect, Upstream and Downstream

Methodology

To calculate our emissions, Kooth employed the services of a consultancy (EightVersa) specialising in the quantification of environmental performance and sustainability advisory services. The following methodology was applied in the preparation of this data:

- Where available, Kooth provided datasets from direct sources for EightVersa to utilise. These consisted of consumption data, primary activity data and spend-based data.
- Emissions factors for the dedicated reporting year have been applied to direct activity data to quantify total emissions from individual sources.
- Where consumption and primary activity data was not provided by us, EightVersa utilised robust assumptions to quantify total emissions.
- Emissions have been categorised according to Scope 1, 2 and 3 emissions following best practice guidance provided by the GHG Protocol.
- A quantification model was developed to quantify the GHG emissions. Credible quantification tools provided by the GHG Protocol have been used where applicable.

Results

	2024		2023	
	Tonnes CO_2e	tCO_2e/1,000 GBP turnover	Tonnes CO_2e	tCO_2e/1,000 GBP turnover
Total UK Energy Consumption (kWh)	38,749	–	36,475	–
Scope 1	1.9	0.00	1.5	0.00
Scope 2	10.5	0.00	6.2	0.00
Scope 3	3,621.8	0.05	2,187.4	0.07
Total emissions	**3,634.2**	**0.05**	**2,195.1**	**0.07**

ESG: Environment Continued

Benchmarking data[3]

Organisation	2024 Emissions Intensity (tCO_2e/1000 GBP turnover)
Kooth	0.05
Company A: Healthcare Software Provider	0.10
Company B: Tech Platform Provider	0.17

Kooth's absolute emissions have seen an overall increase due to the expansion of our services in the US and using location-based calculation methods. The focus of the increase was on Scope 3 emissions, in particular purchased goods and services and business travel. The increase in these two categories reflects the expansion of our US operations with a primarily remote workforce. The increase in Scope 1 and Scope 2 data is nominal, reflecting Kooth's minimal direct emissions. Our emissions intensity ratio decreased from prior year when compared to revenue. This reflects the efforts we have made as a business to reduce our effect on the environment even as we expand and generate more business.

Carbon Reduction Plan

Kooth is aligned to supporting the NHS achieve their ambition of cutting carbon emissions and reaching net zero by 2040 in the NHS Carbon Footprint, and by 2045 across the NHS Carbon Footprint Plus. Kooth is committed to supporting the NHS to achieve the strategy laid out in the "Delivering a 'Net Zero' National Health Service" report on decarbonisation, carbon reduction, and a greener NHS. Kooth is a digital-first organisation, accessible from anywhere, avoiding unnecessary travel (both user and staff) and use of energy intensive premises. Accessible on all devices, it does not require additional hardware/device provision, saving supply efforts and energy costs.

-
3. Provided by EightVersa, our third-party environmental consultants

ESG: Environment Continued

Current projects
One of the largest sources of carbon emissions and energy usage from digital healthcare is collection and storage of data. Kooth uses two cloud providers (suppliers) to store and process our data: Google Cloud and Cloudflare. Google Cloud has been carbon neutral since 2007 and aims to run on carbon-free energy by 2030 (currently our US region is operating on 95% carbon free energy consumption). Our other data processor, Cloudflare, powers its network with 100% renewable energy. We also utilise branding suppliers ad-hoc and select these based on environmental credentials.

We implemented a travel booking system, which carbon offsets travel, and a mileage expense system supporting Kooth/employees to make climate positive decisions on travel and car sharing as well as efficiency calculations.

A common presentation amongst young people's mental health issues is climate anxiety. To support this, the Kooth platform contains content that discusses how one can support their local environment, safely promote a climate positive agenda, and discuss the news in a safe moderated environment. This includes content:

- Kooth's Sustainability Podcast episode: 'Plastic Free Week'
- Articles e.g. 'Hot and Bothered: Managing Eco Anxiety'.

The health and wellbeing of our staff is critical to our green plan, and is implemented through a range of initiatives:

- Cycle-to-work scheme in place for staff
- Hybrid working (~75% of Kooth employees work from home)
- Laptop recycling scheme: we recycled 178 laptops in 2024
- "Donate-to-own" scheme: staff can donate to charity to purchase company laptops, 57 laptops were 'donated' in 2024
- Minimise printing (and associated waste/environmental impact) by using electronic document sharing (Google Suite and Docusign)

ESG: Environment Continued

Our future reduction plans

- Implement a Supply Chain Engagement Strategy which sets out how the organisation will seek to engage and work closely with selected suppliers. As part of a longer-term strategy, we plan to, where possible, identify and work with companies who have already begun their sustainability journey and set organisational-level net zero targets. Working with Net Zero certified organisations will significantly aid in becoming a Net Zero company, as the majority of carbon emissions arise from the supply chain.
- Prioritise the collection of more accurate datasets for Scope 3 reporting. A key area of focus for the organisation is to improve the quality of datasets used to track emissions from remote workers, emissions which fall into category 3.7 Employee Commuting. Working closely with suppliers to improve the quality of data being provided for these assessments will also provide the organisation with a more detailed and reliable understanding of where key emissions hotspots are.
- Develop a green procurement framework for new suppliers.
- For existing suppliers across the organisation, we plan to develop specific supplier engagement targets to work towards.

ESG: Social

1. As a provider

The number of people with mental health needs continues to grow across all age groups, with around 1 in 5 children and young people, and 1 in 4 adults across the US and UK living with a mental health need.

Although growing awareness of mental health and reduced stigma is enabling more people to seek support when they need it, many are not able to access high-quality, timely support because capacity is too limited and waiting lists are too long, or because they face systemic, cultural or structural barriers to care. This growing gap between demand and supply has real-world consequences for individuals, for wider society, and indeed for the achievement of the UN Sustainable Development Goals with poor mental health holding people from learning, developing skills, working and contributing to the economy.

Widening access to timely, proven, evidence-based support is critical, and at the core of our mission at Kooth. This year Kooth was accessible to 20 million people and had 0.3 million users across our platforms, with our anonymous, on-demand approach reducing barriers to access that inhibit many from seeking help.

ESG: Social Continued

Diversity and inclusion

Access to mental health services is often unequal based on wider social determinants of health, including race, gender and sexuality. As such, we work hard to ensure that our services reach minoritised and underserved communities, where people are more likely to live with mental health needs but are less likely to seek support.

This includes collaborative working alongside experts and people with lived experience to help us develop therapeutic content and expand the reach of our services, including organisations such as:
- Grief support charities, Winston's Wish and Seesaw
- Self-harm charities, Alumni and Harmless
- Rape and Sexual Abuse Service Highland
- YANA (rural mental health charity)
- LGBT Youth Scotland

We also drew on lived experience, collaborating directly with individuals who were happy to share their stories, focusing on key themes such as chronic conditions, maternal mental health, being safe, eating difficulties and anxiety.

We also work closely with local community partners, such as schools in deprived areas, faith groups, and other agencies, to ensure that we can reach those in need.

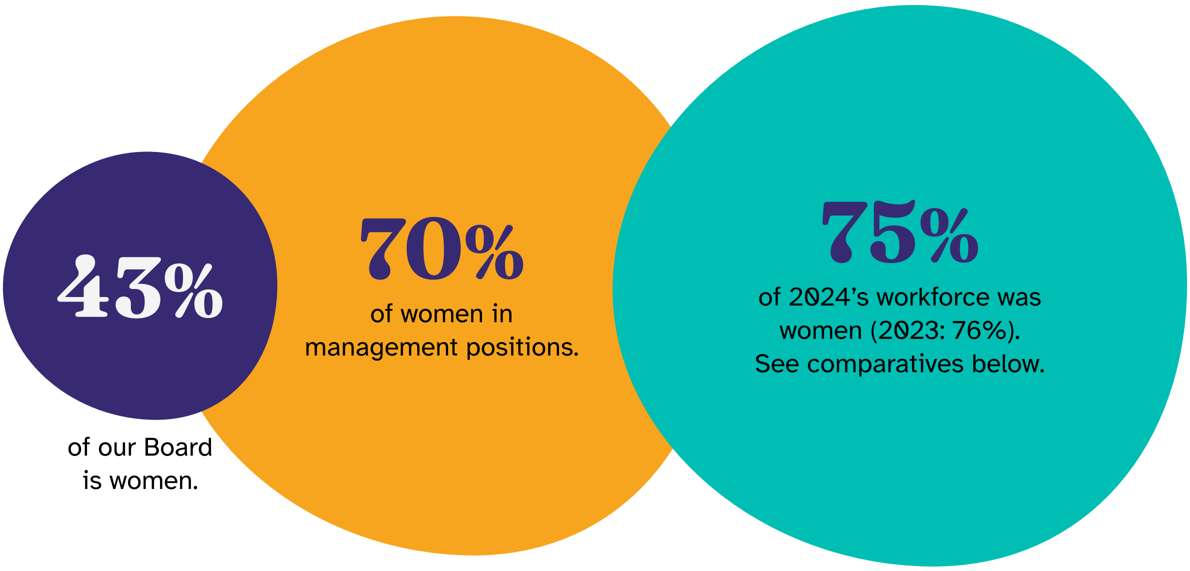
In comparison with other services, we are therefore able to reach a larger proportion of traditionally underserved communities, with 56% of Soluna service users identifying as Black, Indigenous, or people of Colour, and 19% of UK service users identifying as an ethnic minority.

ESG: Social Continued

2. As a Employer

Diversity and inclusion

- At Kooth, we are proud of the equitable representation throughout our business:
  - Board Level: 43% of our Board are women, an increase from 33% in 2023
  - Management Level: 70% of women in management positions (73% in 2023)
  - Workforce Level: 75% of 2024's workforce were women (76% in 2023)



	2024	2023
Men	25%	24%
Women	75%	76%

ESG: Social Continued

Physical and mental health

- **Healthcare:** Kooth is committed to supporting our people with their physical and mental health. The UK and US businesses subsidise healthcare schemes/plans. Our healthcare schemes help with budgeting for everyday health needs, give people access to a range of treatment and provide cover for the unexpected. Eligible employees can use the scheme to access healthcare services. Employees can also extend cover to additional family members. There are no referrals needed to receive treatment and pre-existing conditions are covered, which gives staff peace of mind. Staff in the UK and US also benefit from a range of free and low-cost physical health, mental health, and wellbeing services including telehealth options

- **Employee Assistance Programmes:** All staff in the UK and US have access to an Employee Assistance Programme (EAP). This service is available 24 hours a day, 365 days a year to offer practical, impartial support on everyday matters. This ranges from financial and legal matters (such as debt, buying a house and consumer rights) to home and family issues (for example finding childcare, divorce and coping with elderly relatives). The EAP also provides mental health support, offering counselling sessions for employees who require it

- **Wellbeing Champions:** This initiative, started in 2023, is run by employees who have received mental health training. These volunteers are there to lend an ear and support to any other employees who are going through a rough time or simply want to chat

Adult on Qwell

“Hi, I managed to go into work today to speak to my manager. I’ve been trying to take little steps, like I did with opening the door…I just wanted to share the progress and thank you for the information and help in taking things a little bit at a time”

ESG: Social Continued

Gender pay gap

Our 2024 gender pay gap (GPG) analysis shows our statutory gender pay gap in comparison to our 2023 GPG. It also provides insight into how we are addressing our gender balance. Please refer to the definitions below when reading about our pay gap metrics:

Median GPG: the difference between the mean hourly rate of pay of men full-pay relevant employees and that of women full-pay relevant employees

Mean GPG: the difference between the median hourly rate of pay of men full-pay regular employees and that of women full-pay relevant employees.

	Mean	Median
2021	32.8%	11.6%
2022	34.8%	15.4%
2023	31.8%	30.5%
2024	32.7%	40.3%

This year our workforce who identify as women as a proportion of total employees decreased 1% to 75%. Kooth employs more women than men, which reflects the gender imbalance in the healthcare sector. We are aligned with the high percentage of women employees in the NHS (69% as of 2022[4]) and in the US healthcare sector (76%).

In 2024, our mean gender pay gap increased 0.9% to 32.7% and our median pay gap increased to 40.3%. The mean and median pay gaps widened as a result of changes in our workforce across the UK and US regions.

The gender pay gap shows the difference in pay between men and women across the business, irrespective of job similarities and seniority. It is not symptomatic of unequal pay, as a number of complex factors play a role. The distribution of men and women employees across the business and the type of roles they fill are both key contributors to the gender pay gap. Men and women are paid equally for doing equivalent jobs across the firm and we continue to monitor this regularly to ensure that remains the case.

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4. https://www.england.nhs.uk/long-read/gender-pay-gap-report-2023-for-nhs-england

ESG: Social Continued

Ethnicity pay gap

Out of the 398 employees who have shared their ethnicity, 43% belong to ethnic minorities (2023: 36%).

In 2024, our mean ethnicity pay gap widened to 11.0% and our median ethnicity pay gap remained in a negative position, at -4.7%. Fluctuations like these are not unexpected, particularly in a rapidly growing company like Kooth.

	Mean	Median
2022	-9.2%	5.8%
2023	3.1%	-12.5%
2024	11.0%	-4.7%

We are committed to understanding and addressing our gender and ethnicity pay gaps by increasing focus on diversity and inclusion efforts across the business. We do this in the following ways:

- All employees are paid the same regardless of gender and ethnicity; this is also true of our management team.
- We share salaries and salary ranges in all job adverts in the UK and US regardless of whether it is required by the local jurisdiction
- We try to understand our gender and ethnicity pay gaps to analyse and assess where more focus is required
- We promote a structured hiring process that includes partaking in blind recruitment of our practitioners and our recruitment process includes panel interviews to ensure a more inclusive approach to hiring
- We develop competency-based job descriptions and job adverts and define qualifications carefully to not arbitrarily exclude individuals with non-traditional education or lived experience that would add value to a position

ESG: Governance

The Board provides oversight while ensuring decisions are made to promote Kooth's success for the long-term benefit of its shareholders. It does this while preserving the interests of its other key stakeholders – our service users, customers, colleagues and the communities in which we operate. Effective governance facilitates the delivery of Kooth's mission and strategy.

ESG: Governance Continued

Kooth seeks to conduct all its operating and business activities in an honest, ethical and socially responsible manner. These values underpin our business model and strategy. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, with consideration for the needs of all of our stakeholders. Kooth endeavours to conduct its business in accordance with established best practice, to be a responsible employer and to adopt values and standards designed to help guide staff in their conduct and business relationships.

Our governance framework

Kooth is a growing organisation. The Board is committed, through its governance model, to driving purpose-led decision making and to delivering accountability to our stakeholders. We have an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities and with written terms of reference. Each of these committees meet regularly on the frequencies set out below. From time to time, separate committees may be set up by the Board to consider specific issues when the need arise, such as amendments to clinical guidance.

- **Audit Committee**: The Audit Committee has the primary responsibility of monitoring the quality of internal controls to ensure that the financial performance of Kooth is properly measured and reported. It receives and reviews reports from Kooth's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout Kooth. The Audit Committee meets a minimum of three times in each financial year and will have unrestricted access to Kooth's external auditors. The Audit Committee comprises Simon Philips, Dame Susan Bailey and Sherry Husa and is chaired by Peter Whiting.
- **Remuneration Committee**: The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee meets as and when necessary, but a minimum of three times each year. In exercising this role, the Directors have regard to the recommendations put forward in the QCA Code and, where appropriate, the Remuneration Committee Guide for Small and Mid-Size Quoted Companies published by the QCA and associated guidance.

The Remuneration Committee does, where possible, adhere to the Remuneration Committee policy document which includes, inter alia, a requirement for executive directors of the Company to hold shares with a value at least equal to their annual salary, with a tapering post employment shareholding requirement. The Remuneration Committee comprises Peter Whiting, Dame Susan Bailey and Sherry Husa and is chaired by Simon Philips.

In addition to the above committees, the Clinical and Safeguarding Committee, chaired by Dame Susan Bailey, meets at least 6 times per year.

ESG: Governance Continued

Our business ethics

In 2024, Kooth remained a UN Global Compact Signatory, ensuring that our business ethics align to the Ten Principles of the United Nations Global Compact (UNGC) in the following areas: human rights, labour, environment and anti-corruption. This commitment involves an independent Commitment of Progress to the UNGC annually.

We have specific staff policies in the following areas: Health & Safety, Information Security, GDPR and Environmental. Each policy has an individual owner and is reviewed annually. Every change to a policy is tracked to ensure transparency and accountability.

Modern slavery

We recognise that all businesses have a key role to play in preventing all types of modern slavery in their own business and supply chains. We have published a Modern Slavery Statement on our website. This statement sets out our commitment to improving our practices to ensure that slavery and human trafficking are not taking place in any part of our business or supply chain. We circulate and share our Modern Slavery Statement with employees. We do this to make sure everyone understands the risks of modern slavery and human trafficking in our business and supply chain. In addition, we require all new starters to review and confirm their understanding of our Modern Slavery Statement as part of their online induction process.

Bribery and corruption

Our Anti-corruption and Anti-bribery Policy sets out our responsibilities in observing and upholding a zero-tolerance position on bribery and corruption. The policy applies to all employees who work for Kooth. We require all team members to read, understand and comply with the information contained within the policy.

Accreditations

In 2023, Kooth's CYP platform became DTAC (Digital Technology Assessment Criteria) Compliant and we improved our accreditation score in 2024. The DTAC is a framework for assessing digital health tools built by NHS England and conducted for Kooth by ORCHA. The DTAC consists of five components: Clinical Safety, Data Protection, Technical Security, Interoperability and Usability and Accessibility. Additionally, Kooth is the longest standing digital mental health provider to hold a UK-wide accreditation from the British Association of Counselling and Psychotherapy (BACP). This demonstrates that we offer an accountable, ethical, professional and responsive service to all of our stakeholders as assessed by the BACP through the submission of evidence via annual review. Specifically, there are a number of benefits to this accreditation. For example, in the face of a growing number of new digital service providers, our accredited status with the UK's leading governing body provides reassurance for new and existing users of Kooth that we are safe. It also enhances recognition and credibility with employers and funding bodies as well as helping with the acquisition of new contracts and supporting our recruitment and retention programmes.

ESG: Governance Continued

Information security

We have a Data Protection Office, headed up by the Data Protection Officer and Head of Information Security, which monitors our compliance with international data, security and privacy standards such as SOC 2 and ISO 27001 with annual audits on both standards. Kooth has successfully renewed the Cyber Essentials certification. Management carries out due diligence to ensure that third party suppliers are maintaining good standards of security and carries out privacy impact assessments to ensure security of our data. Kooth continues to ensure that all members of staff receive annual mandatory cyber security training. Kooth takes the threat of a cyber incident very seriously and endeavours to mitigate the risk wherever possible, although it is recognised by the Board and management that it will never be possible to fully mitigate cyber risk.

Young person on Soluna

"It [Soluna] has made me more secure, confident, and has made relationships better for me. I used to see the world without the context of myself, but now I can approach my friends and family with authenticity. I learned coping mechanisms through my coach and it was very helpful that I had someone I knew I could trust in my corner."

Non-financial and sustainability report

In this report, we present Kooth's first formal disclosure aligned to the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. The TCFD was established in 2015 and is based on a set of 11 recommendations from the UK Financial Stability Board (FSB) detailing how organisations should disclose their climate-related financial risks and opportunities in a clear and consistent way.

This report outlines Kooth's efforts to adopt, measure, manage and mitigate its climate and sustainability-related impacts. Our process and the actions outlined below refer to Kooth's approach as of 31 December 2024.

Non-financial and sustainability report Continued

Overview
Our ability to manage any potential climate-related impacts on our business and strategic direction is integral to our long-term success.

While our impact on the environment is minimal due to the size, scale and nature of our operations (see "Strategy"), we are committed to mitigating any long-term climate-related risks in line with emerging climate science as our business continues to expand. To achieve this, we focus on managing energy consumption across our operations, reducing business travel, optimising employee commuting, and managing third-party deliveries.

We also measure our ESG-related performance and have embedded effective procedures and processes within our risk management framework to ensure we are taking appropriate action.

Governance
Our Board of Directors is tasked with risk identification and with implementing procedures and strategies for risk mitigation and management. This is discussed during periodic meetings to identify any key or emerging risks facing Kooth.

The Board utilises its risk management framework to guide our overall strategy, business planning, corporate policies, actions, and objectives. These are implemented by our management team with oversight and advice from the Board. This process includes monitoring any emerging or ongoing climate or environmental-related risks. More information on the roles and responsibilities of the Board, including detail on our risk management framework can be found on pages 88 to 92 of the Annual Report.

The responsibility of managing, reviewing and monitoring ESG issues on an ongoing basis sits with the Board of Directors. This process includes assessing and overseeing Kooth's climate-related risks and opportunities, as well as considering how these should inform business planning and strategic focus into the future.

Strategy
To identify physical and transitional climate-related risks that may impact our business, Kooth conducts detailed analysis to guide our strategic approach.

As a digital mental health care provider, the scope and scale of our operations have led us to conclude that Kooth is unlikely to face any material climate-related physical or transition risks over the next 12-24 months. Looking further ahead, we will continue to conduct broad-based risk assessments, and we will monitor the following climate-related risk areas, and their potential financial impacts identified through our risk management on an ongoing basis (for their short, medium and long-term risk):

- **Transitional and market risks:** Associated with higher operating costs due to the introduction of carbon pricing/taxation schemes or other supply-chain cost increases
- **Physical and market risks:** Associated with supply chain or operational disruption leading to increased costs from the increased severity of extreme weather events, or long-term changes to weather patterns
- **Transitional and reputational risks:** Associated with any potential impacts to reputation if Kooth falls short of stakeholder expectations regarding climate-related performance or impact management

Non-financial and sustainability report Continued

- **Transitional and legal and reputational risks:** Associated with the increased cost of compliance/ non-compliance with new climate regulations and reporting

As we look to the future, we will continue to monitor any climate-related risks and opportunities that may impact our operations. This may include performing a scenario analysis when our operations are sufficiently advanced for longer-term strategic planning.

As well as our assessment of risks, we have not identified any specific material climate-related opportunities that have the potential to impact our business model in the medium to long term. However, we will continue to monitor the following areas over time (for their short, medium, and long-term opportunities):

- **Market opportunities:** Associated with reducing operating costs through energy-efficient improvements
- **Transitional and reputational opportunities:** Associated with being early-adopters of enhanced disclosure measures or low-carbon technologies

Risk Management

While climate-related risks are not currently identified as a principal risk for Kooth, we will continue to monitor our climate-related risk profile as internal and external circumstances change.

Risks are formally identified by the Board and appropriate processes are in place to monitor and mitigate them on an ongoing basis (see "Governance"). Our Board of Directors considers climate-related risks and strategic priorities on an annual basis, or more regularly, as the need arises. We are committed to introducing climate risk tools and processes that identify, manage and act on any material climate-related risk.

As part of our climate-related monitoring programme, Kooth employs an external consultant, EightVersa, to audit and report on our climate-related metrics, namely Streamlined Energy and Carbon Reporting (SECR), which are more fully discussed in our 2024 ESG Report on pages 56 to 60.

These findings inform the Board of Director's climate risk analysis strategy to identify and act on any physical and transition risks considered material to the Company. All employees are encouraged to provide their suggestions for how to address identified areas of risk, including climate-related risk, by discussing with their line manager.

Non-financial and sustainability report Continued

Metrics and targets

We report our Scope 1 and 2 emissions as required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2018 and the Streamlined Energy and Carbon Reporting (SECR) guidelines. We also report our Scope 3 emissions.

An operational control approach is used to define our organisational boundary. This is the basis for determining emissions.

The emissions sources that constitute our boundary include:

- Scope 1: natural gas combustion within in our premises;
- Scope 2: purchased electricity for our own use; and
- Scope 3: business travel, employee commuting, and third-party deliveries.

Our current emissions profile, as well as other environmental-related measures adopted, can be found in our 2024 ESG Report on pages 56 to 60. Kooth considers whether additional environmental metrics should be developed and reported on throughout the year.

In 2024, with the aid of EightVersa, Kooth prepared its first energy assessment under the Energy Savings Opportunities Scheme (amendment) Regulations 2023 (ESOS). These assessments are audits of the energy used by Kooth's buildings, industrial processes and transportation. The ESOS assessment is designed to identify tailored and cost-effective measures to allow participating businesses to save energy and achieve carbon and cost savings. The 2024 assessment highlighted that Kooth is a low climate risk business with minimal savings opportunities present.

In 2025, Kooth will create an action plan that addresses the 2024 energy assessment findings and begin its annual progress reporting procedures to adhere to ESOS regulatory requirements.

Given (a) the nature of our industry, business operations and mission, (b) that Kooth is a digital mental health care provider with minimal current supply chain emissions, and (c) we have not identified any material climate-related risks to our business, Kooth has not set any emissions-related targets to date. We will look to introduce climate-related targets when our operations have sufficiently advanced.

Next steps

We remain committed to operating as a good corporate citizen, and to managing the climate-related impacts of our operations and environmental matters. As we grow and our operations advance on a global scale we intend to (1) enhance climate-related risks and opportunities management, (2) identify and address areas of improvement year-on-year, and (3) set GHG emissions targets and measure performance and progress annually.

Section 172 statement

The Directors have acted in a way that they consider, in good faith, to be most likely to promote the long-term success of the Company and to deliver long-term shareholder value, while having regard for all individual stakeholders. The Board and its Committees consider who its key stakeholders are, and the potential impact of decisions made on them, considering a wide range of factors including the impact on the Group's operations and the likely consequences of decisions made in the long term.

The Directors must consider the following in meeting the requirements of Section 172 (1) of the Companies Act 2006:

- The likely consequences of any decision in the long-term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and the environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the company.

Section 172 statement Continued

Stakeholder engagement

We have identified our key stakeholders as follows:

Service users, their families and communities

Communication with our service users is fundamental to understanding how we can continue to add value through our digital mental health services.

Service user base

UK business

Kooth continues to meet increasing demand from children and young people for fast and effective access to mental health support. As of the end of 2024, Kooth is available to over half of 10-25 year olds in the UK. Our ambition, and strategy, is to expand to become a nationwide service, accessible to all.

Investment in Kooth Adult (known as Qwell) continues, with focus on providing support to the whole adult population within a region, providing early intervention support to help tackle problems before they escalate.

In 2024 we have focused on population health, with an aim to reach and support underserved groups that may be less likely to use established NHS services e.g., ethnic minority groups and LGBTQIA+ communities.

Our engagement team work directly with local community groups, schools, and local parent networks to extend the reach of our services and reflect local needs and concerns.

US business

On 1 January 2024, we launched Soluna, our enhanced platform and service, to all young people aged 13-25 in California. 75,000 young people have registered since launch, represented across all 58 counties, we are on track to reach 1 in 44 of the population by the end of 2025. Importantly, we can demonstrate that we are expanding access and reaching underserved communities; 1 in 3 service users wouldn't have any access to mental health support without Soluna, and 57% of youth come from under-resourced communities.

Section 172 statement Continued

Service users, their families and communities Continued

In 2024, we also launched successful pilots with the State of New Jersey, making Soluna accessible to 50,000 students aged 13-18, and went live with our private-sector partnership with Aetna Better Health Illinois across Chicago.

Outcome measures

Communication with our customers and users facilitates research and outcome measures to evidence the impact of our platform, leading to the development of new theories and the ability to provide users with the support and services they require.

Service reviews

Regular service reviews with customers are held to ensure we continue to add value across our customer and user base.

Section 172 statement Continued

Employees

We understand that our employees are at the core of our mission to impact the global mental health crisis. Behind every person who relies on Kooth to improve their mental health is an employee who helps make it happen, including experienced practitioners and clinicians along with hundreds of other staff directly and indirectly supporting our mission. We are committed to stewarding an engagement rewarding culture where their work and wellbeing is looked after.

Culture

Significant growth in the US and continued consolidation in the UK made creating a 'one global team' culture a priority in 2024, including scheduling local updates at globally accessible times so teams across our reach can learn about and celebrate each other's work, launching a dynamic All Hands series, transforming our weekly employee newsletter, and cultivating Slack messaging communities for employees to connect over their shared interests.

Total rewards

Improving employee benefits

Kooth is committed to supporting our people with their physical and mental health. The UK and US businesses subsidise healthcare schemes/plans. Our healthcare schemes help with budgeting for everyday health needs, give people access to a range of treatment and provide cover for the unexpected. In the US, we expanded our benefits offering, including new health plan options and paid parental leave to bring our offering in parity with the UK.

Rewarding success with bonuses

All staff employed at the year-end received a cash bonus reflecting the financial performance of Kooth in 2024.

Supporting work life balance

We are committed to fostering a healthy work-life balance by offering a supportive management style that prioritises flexibility. To this end, we have implemented remote and hybrid working options for our office-based staff whenever possible. Our approach reflects our dedication to creating an environment where employees feel supported in maintaining a balance that promotes both wellbeing and productivity.

Rewarding retention with equity (share scheme)

Long term nominal cost share options are awarded to all of our employees on an annual basis in a fairly distributed manner.

Section 172 statement Continued

Employees Continued

Training and development

Employee development is actively encouraged through learning and development budgets, which are allocated to all departments. In addition, our learning management portal provides employees with training materials and content.

Manager training was launched to support and empower our managers on topics like giving and receiving feedback and performance management. Managers have access to a training library on hundreds of topics in which they can self-enroll to grow their management skills. This streamlined training gives clarity on roles and expectations of a manager and clearer processes to help guide employees.

Employee engagement

In the UK, we used an online tool to regularly collect anonymous feedback from employees across the business, with an average participation rate of 60%. This tool also allowed employees to submit daily feedback about their work experiences anonymously, enabling managers to address any issues raised promptly. Similarly, in the US, 94% of employees reported that their work contributes to company goals and that Kooth's mission makes them feel their job is meaningful.

Section 172 statement Continued

Investors

The Board maintains strong relationships with investors and supports open channels of communication.

Investor meetings

Regular meetings are held between the Co-Chief Executive Officers, Chief Financial Officer and institutional investors and analysts at investor roadshows and industry-specific bank conferences to ensure that the Company's strategy, financial performance and business developments are communicated effectively.

Investor presentations

The CEO's and CFO regularly provide live presentations relating to investing in the future of mental healthcare. Presentations are open to all existing and potential shareholders. There is a dedicated contact (investorrelations@kooth.com) for investor questions and comments. In this forum we would discuss the consequences of any decisions affecting long term success of the company.

Investor communications

The Group communicates with all shareholders through a mix of formal and less formal communication tools and media, including the Annual Report and financial statements; the Annual General Meeting (AGM) and; the release of news via the London Stock Exchange Regulatory News Service (RNS). Less formal communication methods utilised by the Group include social media such as LinkedIn and YouTube with the latest updates provided on the progress of Soluna and UK initiatives.

Investor website

Kooth's investor relations website was enhanced in 2024 (investors.kooth.com) and is updated on a regular and timely basis. More information on the Board's relationships with investors is provided in the next section of the report.

Section 172 statement Continued

Communities

Kooth is committed to providing an accessible and diverse service to all.

Content

We are aware that mental health affects different communities in different ways and are actively and continuously creating content targeted towards all communities. Further details are provided in the ESG report on pages 61 to 62.

Diversity

Kooth 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. We recognise that wider societal and systemic inequalities underpin greater prevalence of mental health needs in some communities, and that this is exacerbated by experiencing additional barriers to seeking, accessing and benefiting from support. As such, we focus on providing a personalised service that can adapt to diverse experiences, and work with local communities and people with lived experience to dismantle these barriers.

Our national team of local Engagement Leads continue to work in close consultation with commissioners and local stakeholders to identify and target our on-the-ground community engagement. We aim to support and reach local disadvantaged and seldom-heard communities, prioritising engagement with schools with higher rates of deprivation. In 2024, the team talked to over 1.1 million young people in schools and colleges, helping to break down mental health stigma and promote Kooth's free mental health support.

Access

Accessibility is at the forefront of Kooth's mission. We have created our platforms to be accessible by removing potential barriers. Confidentiality is at the heart of its design. We allow users to access help while choosing their level of disclosure. Our solution is provided at no cost to the end user.

Our service

By nature of being a digital service provider, the Group's operations are deemed to have low environmental impact. Our impact is discussed further in the ESG report on pages 56 to 60.

Section 172 statement Continued

Suppliers

The relationship we have with our suppliers is crucial to ensuring the smooth-running of our business and its operations. The Group has a policy of treating all suppliers fairly and in accordance with high standards of business conduct and ethics.

Partnerships

The Board is committed to building trusted partnerships with the Group's suppliers, which is crucial to ensuring the smooth running of our business and its operations.

Key suppliers

Our key suppliers are predominantly software technology providers and, given the nature of our service, strong relationships with these suppliers are fundamental to its successful delivery.

Communication

We encourage an honest dialogue with all suppliers and ensure regular engagement and communication with all key strategic partners and suppliers. This enables us to maintain a reputation for high standards of business conduct.

Principal risks and uncertainties

Kooth is exposed to a variety of risks and actively manages them through risk management procedures, which are overseen by Kooth's Legal and Risk team. While risk cannot be eliminated altogether, actions are taken to mitigate risk wherever possible.

Details of Kooth's financial risk management objectives and policies, and exposure to foreign exchange risk, market risk, credit risk and liquidity risk are given in note 22 to the consolidated financial statements.

The material business and operational risks that the Directors consider Kooth to be exposed to include, but are not limited to, the following:

System outages
Kooth requires stable and robust systems and hosting services to enable the service to function. The access of Kooth's users and its customers to its digital platforms and the ease with which customers can use and navigate these, along with the broad range of functionality and services that are available, are key features that affect the attractiveness of Kooth's services. Any disruption to this could result in compromised service user experience and/or reputational damage. To prevent this, Kooth has regular testing on its systems in addition to active monitoring and a specific recovery plan.

Safeguarding incidents
Kooth is not a crisis service, however, the core component of our business is providing counselling and coaching services to children and young people and to adults, some of whom are vulnerable. Therefore, given the nature of Kooth's activities, it is necessary to have significant procedures in place to ensure that our most vulnerable users are prioritised and supported appropriately, and to mitigate any potential reputational damage/adverse litigation in the event of a serious safeguarding incident.

Changes in laws and regulations
Kooth's business and its practitioners are subject to regulation and so our business may be adversely affected by changes in Government legislation, guidelines and/or regulations. It is not always possible to predict future changes to laws and regulations as they may relate to the services Kooth offers, and any changes could have a material adverse effect on our business operation and financial condition. Any changes to the prominent areas of the Kooth's business resulting from changes in laws, regulations or guidelines may cause Kooth to incur significant costs in respect of implementing necessary changes required and may severely restrict aspects of our business, leading to an impact on revenue and its financial condition. Kooth is ensuring compliance with the Online Safety Act 2023 and monitoring developments closely between the Safeguarding and Legal teams.

Principal risks and uncertainties Continued

Cyber security and data protection

Kooth must ensure ongoing compliance with various data protection laws, including the retained EU law version of the General Data Protection Regulation (Regulation (EU) 2016/679) ("UK GDPR"), Data Protection Act 2018 and the retained Privacy and Electronic Communications (EC Directive) Regulations 2003. Kooth is under an obligation to protect the private and personal data that it holds, including that of its service users and employees. Further, as Kooth expands its footprint in the United States of America, it will ensure continued compliance with key federal privacy and security laws, such as Health Insurance Portability and Accountability Act of 1996 in addition to local state laws where we operate.

There is an inherent risk such data could be processed in a manner which is in direct breach of the relevant data protection legislation, the consequence of which would not only be a potentially significant fine but may also result in damage to Kooth's reputation, further impacting Kooth's revenue.

The nature of the service means that the data that Kooth collects from its service users is typically anonymised and collected with explicit consent, but it is possible that identifiable data from service users may be collected during the course of the provision of services; no financial information is collected, and all data is encrypted in compliance with NHS data standards in respect of the UK. Nevertheless, there is a risk that any data breach within Kooth could have significant reputational impact, given the nature of the services we offer. In the US, there is continued focus on Kooth's SOC2 type II compliance to ensure we have sufficient controls with the management of data and ISO 27001 certification to ensure we meet international standards around information security. Kooth is subject to annual audits on SOC2 and ISO 27001 to ensure ongoing compliance. The Board considers that Kooth has in place adequate procedures to ensure compliance with UK GDPR and US laws and controls to ensure the security of the data collected.

Kooth has a Data Protection Officer and a Head of Information Security in the UK and a senior Privacy and Compliance Director in the US to oversee data protection compliance and data security through Kooth's Data Protection Office, which draws together relevant expertise across our company, including the company's legal and clinical teams in the UK and the US.

Our people

It is critical to our ongoing success that we retain and attract a skilled, engaged and motivated workforce in both the UK and US. Failure to do so may negatively impact our ability to deliver on performance targets and strategic priorities. Software development and counselling are areas of strong competition for talent and are subject to cost inflation like all jobs.

Kooth is committed to being a leading employer that cares for its employees, by providing an optimum work environment. Our people team has developed and manages a wide range of policies, procedures and practices designed to support all employees – spanning Diversity, Equity and Inclusion; Gender Pay Gap; Ethnicity Pay; Physical and Mental Health; and Recognition and Feedback. Competition for talent and wage expectations continues to be a challenge which we review and monitor on an ongoing basis.

Principal risks and uncertainties Continued

Public discourse & political environment

Kooth operates in a sensitive environment at the intersection of health, science, technology and public policy, where the public discourse is shaped by cultural, political, and media dynamics and can shift rapidly. In some cases, this public discourse can be particularly polarised, and there is a risk that our work is misunderstood, misrepresented, or associated with broader societal debates that detract from our core mission, or generate reputational risk for us or our partners. This can impact public trust, user engagement, and our relationships with customers and communities.

We are committed to communicating proactively and transparently with the public and media. We have launched our Transparency Centre to enable greater openness regarding our services, and recognise the importance of engaging and reflecting a range of diverse perspectives in order to earn trust in the communities that we work. We actively monitor emerging narratives across media and political channels in the UK, US and more globally in order to develop communications collateral that can effectively address misinterpretation of our approach or impact brand integrity.

Economic environment

Sustained pressure on the public finances and Government commitments to reduce public debt may impact public sector spend, including in the NHS. However, the Government has recognised that improving the population's health is a key driver for economic growth, and that must be achieved via adoption of technology and a shift to prevention, which aligns well to Kooth's approach and therefore indicates that near-term changes to funding should be minimal. We do expect the market to evolve and will be acting accordingly, driving growth through diversification of our customer base and being agile in adapting our services to meet their needs.

In the US, where the macro-economic environment has been more favourable, we do not anticipate any material change to the funding of our services in the states where we operate. We do however recognise that we have one customer that accounts for over 70% of group revenue which brings its own inherent risk. We are actively managing this risk with the pursuit of new contract wins via a strong pipeline.

The Strategic Report has been approved by the Board of Directors and signed on its behalf.

Kate Newhouse
Co-Chief Executive
14 April 2025

Corporate governance

Chair's introduction to governance

Dear Shareholder,

As Chair of the Board of Directors of Kooth plc, I am pleased to present this year's Corporate Governance Statement. As Chair, it is my responsibility to ensure that the Company has both sound corporate governance and an effective Board. Since the Company listed on AIM, it has chosen to adopt the Quoted Companies Alliance's Corporate Governance Code for Small and Mid-Size Quoted Companies (the "QCA Code").

During the year, the Board has constructively and proactively challenged management on Company strategies, proposals, operating performance and key decisions, as part of its ongoing work to assess and safeguard the position and prospects of the Company. Board discussions are conducted openly and transparently, which creates an environment for rigorous and robust debate.

The Directors of Kooth recognise the value of good corporate governance in every part of the business. The Board considers that compliance with the QCA Code enables us to serve the interests of all our key stakeholders, including our shareholders, and promotes the maintenance and creation of long-term value in the Company. This report describes our approach to governance, including information on relevant policies, practices and the operation of the Board and its Committees.

Further details of the Company's compliance with the QCA Code can be found on the Company website at investors.kooth.com/investors/corporate-governance

Peter Whiting
Non-Executive Chair
14 April 2025

The Board

Peter Whiting

Independent Non-Executive Chair
Appointed September 2020

Committee Membership:
- Audit Committee (Chair)
- Remuneration Committee

Peter had a twenty-five year career as an investment analyst in equity capital markets and has spent the past thirteen years as a non-executive director on the boards of several public and private companies (currently including companies such as Aurrigo International plc and Celebrus Technologies plc). He has experience in a broad range of sectors, but has focused on technology, and on software in particular.

Tim Barker

Co-Chief Executive Officer
Appointed August 2020

With over 30 years of experience in the B2B software industry, Tim has helped build and scale SaaS industry leaders. In his journey from Software Engineer to CEO, Tim founded Koral, a pioneer in online collaboration (acquired by Salesforce), led EMEA Marketing at Salesforce to scale them to become a billion-dollar business, and was previously CEO of DataSift, a privacy-by-design analytics and AI platform, acquired by Meltwater in 2018.

Kate Newhouse

Co-Chief Executive Officer
Appointed January 2022

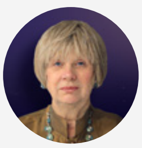
Combining entrepreneurial drive with a managerial capability and analytical consulting skill set, Kate is Co-CEO and a former member of the Government's Healthtech Advisory Board. Kate was CEO at leading venture builder Blenheim Chalcot and at Doctor Care Anywhere, taking it from digital health concept to global business, serving over 140 corporate clients at the time of leaving.

Sanjay Jawa

Chief Financial Officer
Appointed August 2020

Before joining Kooth from Scaleup Capital, where he was an Operating Partner, Sanjay previously held senior finance positions at public and private equity backed technology and services businesses, including QualiTest, Barclays and FTI Consulting. Sanjay qualified as a Chartered Accountant and was an audit manager at PwC.

Dame Susan Bailey



Independent Non-Executive Director
Appointed September 2020

Committee Membership:
- Audit Committee
- Remuneration Committee

Dame Susan Bailey OBE worked as a Child and Adolescent Psychiatrist for over 30 years. Susan's national health policy work and research centres on how to improve healthcare delivery and training of all health practitioners to enable them to best meet the needs of any patient in the context of the unique circumstances of the individual's life.

Simon Philips

Non-Executive Director
Appointed September 2020

Committee Membership:
- Audit Committee
- Remuneration Committee (Chair)

Simon is Chief Executive of Scaleup Capital, a specialist investor that provides growth capital and expertise to scale-up stage businesses with revenues in the range of £1 million to £20 million in the technology, digital, business services and information sectors.

Sherry Husa

Independent Non-Executive Director
Joined April 2024

Committee Memberships:
- Audit Committee
- Remuneration Committee

Sherry's career in managed healthcare spans more than 36 years, and she has extensive experience in all aspects of the industry. Prior to her retirement from Centene, Sherry was the president and CEO of Meridian Health Plan of Illinois, Inc. She has also held executive positions at other US based health insurers and managed care companies including Great-West HealthCare, National Imaging Associates (NIA), CIGNA Healthcare and Humana.

The Board Continued

As at the date of this report the Board comprises the Independent Non-Executive Chair, three Non-Executive Directors and three Executive Directors. Short biographical details are set out above.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all its contractual, statutory and any other obligations, as well as the requirements of any regulatory body.

The Board has the ultimate responsibility for the successful operations of the Company and meets at least eight times per year to set the overall direction and strategy of the Company.

Board meetings

The Board meets on a regular basis throughout the financial year and as required on an ad hoc basis. Its mandate is to consider strategy, operational and financial performance, and internal controls. In advance of each meeting, the Chair of the Board sets the agenda, with the assistance of the Company Secretary. Directors are provided with appropriate and timely information, including board papers distributed in advance of the meetings. Those papers include reports from the executive team and other operational heads.

Almond & Co is the Company Secretary and attends all Board meetings as well as advising on corporate governance matters. The Company Secretary produces full minutes of each meeting, including a log of actions to be taken. The Chair of the Board then follows up on each action at the next meeting, or before if appropriate.

Board and committee attendance

The attendance of the Board and the Committees is as follows:

		Board Meeting		Audit Committee		Remuneration Committee		
Director	Position	Max possible attendance	Meetings attended	Max possible attendance	Meetings attended	Max possible attendance	Meetings attended	Independent? (Y/N)
Tim Barker	Co-Chief Executive Officer	10	10	—	—	—	—	N
Sanjay Jawa	Chief Financial Officer	10	10	—	—	—	—	N
Kate Newhouse	Co-Chief Executive Officer	10	10	—	—	—	—	N
Peter Whiting	Independent Non-Executive Chairman	10	10	3	3	4	4	Y
Susan Bailey	Independent Non-Executive Director	10	9	3	3	4	4	Y
Simon Philips	Non-Executive Director	10	10	3	2	4	4	N
Sherry Husa	Independent Non-Executive Director	7	6	2	2	3	3	Y

The Board Continued

Audit Committee

The Audit Committee comprises four Non-Executive Directors, namely, Peter Whiting (Committee Chair), Susan Bailey (INED), Sherry Husa (INED) and Simon Philips (NED), three of whom are independent. At the discretion of the Committee Chair, Executive Directors were invited to attend meetings of the Audit Committee during the year.

The Audit Committee is responsible for the annual and half-yearly reports to shareholders, other public announcements of a financial nature, reviewing the likelihood of any fraud risks, reviewing the effectiveness of the Company's internal controls and risk management systems and overseeing the relationship with the external auditors.

The Audit Committee also reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The Audit Committee met three times during the year. In the meetings the Committee considers key risk areas for the financial statements such as revenue recognition, capitalised development costs, going concern and internal controls.

Remuneration Committee

The Remuneration Committee comprises Simon Philips (Chair), Susan Bailey (INED), Sherry Husa (INED) and Peter Whiting (INED). Only members of the committee have the right to attend meetings, however other individuals such as the Co-CEO's, the Chief People Officer and external advisors may be invited to attend at different points during the year at the discretion of the Chair. No individual was present for any discussion on their own remuneration.

The role of the Remuneration Committee includes responsibility for all aspects of the remuneration of Executive Directors, including salary, annual bonus and share-based payments, and an awareness of remuneration within the wider workforce and the administration of all share-based remuneration plans within the organisation.

The Remuneration Committee met four times during the year.

Relationships with stakeholders

The Board is committed to open and ongoing engagement with the Company's Shareholders. The Board will communicate with Shareholders through:

- The annual report and accounts.
- The interim and full-year results announcements.
- Trading updates (where required or appropriate).
- The annual general meetings.
- The Company's investor relations website (in particular, the "RNS News" and "AIM Rule 26" pages).

Further details on the actions taken to engage with stakeholders and respond to their feedback, as well as the Company's policy on diversity and inclusion, can be found in the s.172 statement on page 75.

The Board Continued

Matters reserved for the Board

Matters reserved for the decision of the Board include, but are not limited to:

- Approving Kooth's strategic aims and objectives;
- Reviewing performance against Kooth's strategic aims, objectives and business plans;
- Overseeing the Company's operations;
- Approving changes to the Company's capital, corporate, management or control structures;
- Approving results announcements and the annual report and financial statements;
- Approving the dividend policy;
- Declaring the interim dividend and recommending the final dividend and any special dividend;
- Approving any significant changes in accounting policies;
- Approving the treasury policy;
- Approving the Company's risk appetite and principal risk statements;
- Reviewing the effectiveness of the Company's risk and control processes;
- Approving major capital projects and material contracts or arrangements;
- Approving all circulars, prospectuses and admission documents;
- Ensuring a satisfactory dialogue with shareholders;
- Establishing Board committees and approving their terms of reference;
- Approving delegated levels of authority;
- Approving changes to the Board and its committees;
- Determining the remuneration policy for the Directors and other senior executives; and
- Providing a robust review of the Company's corporate governance arrangements.

The Board Continued

Board evaluation

In March 2023, a formal external board evaluation was carried out by Almond & Co, who have experience in evaluating Boards of AIM listed companies. Evaluation-based questionnaires were circulated and completed by all members, and a thorough analysis of the responses was conducted.

The evaluation was designed to give an overview of the Board's performance based on its alignment with the QCA Code and served to support the Board in identifying challenges and implementing change.

As the business expands, the executive directors will be challenged to identify internal candidates who could potentially occupy board positions and set out development plans for these individuals.

The Chief Financial Officer is the primary contact for Shareholders and there is a dedicated email address (investorrelations@kooth.com) for shareholder questions and comments. Regular meetings are held between the Co-Chief Executive Officers, Chief Financial Officer and institutional investors and analysts to ensure that the Company's strategy, financials and business developments are communicated effectively. The Board intends to engage with any shareholders who do not vote in favour of resolutions at annual general meetings to understand their motivation.

The Chairs of the Board and Committees are available to meet with shareholders if requested.

Risk management and internal controls

The Board acknowledges its responsibility for establishing and maintaining the Company's system of internal controls and will continue to ensure that management keeps these processes under regular review and improves them where appropriate.

The Board's financial risk management objectives involve safeguarding Kooth's assets by identifying, managing, monitoring and reporting the critical risks across the business. As part of the admission to AIM, the Company set up a risk register which identifies, monitors and reports on the critical risks of the business. The risk register covers commercial, financial, operational, competitive, technological and other risks.

The Board has delegated the maintenance of its risk management and internal controls to the Audit Committee, who work alongside the Head of Information Security and the Head of Legal and Risk to regularly review and update risks and ensure that they are being addressed.

A review of the effectiveness of these systems is included in the Board's informal Board evaluation process and the Audit Committee provides the Board with regular updates on any significant changes to risks.

Election and re-election of the Directors

In accordance with the Company's Articles of Association, each of the directors will retire and stand for re-election at the forthcoming AGM.

Compliance with the QCA code

The Chairman's role is to lead the Board of Directors and to be responsible for ensuring that the Company adheres to and applies the standards of corporate governance. The Board and Committees meet regularly as described in the Corporate Governance Report on page 89. The executive team is directed to the day-to-day management and are accountable to the rest of the Board. The Directors support a high standard of corporate governance and have decided to comply with the QCA Corporate Governance Code 2018 ("QCA Code"). The Directors believe that the QCA Code provides the Company with the framework to help embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders.

A summary of how the Company currently complies with the QCA Code is set out below and is updated at least annually in the manner recommended by the QCA Code.

Compliance with the QCA code Continued

Principle 1

Establish a purpose, strategy and business model which promotes long-term value for shareholders

Kooth's platform and growth strategy is focused around four key pillars that represent a £2 billion+ international addressable market and £400 million UK addressable market, with a platform and operating model that can scale into all markets to tackle the global mental health challenge. The four pillars are US Youth, UK Children and Young People, Adults, and International.

Full disclosure of our Company purpose, strategy and business model can be found in pages 6 to 29 of the Annual Report which is also available on the Company's website. The Directors intend to subject the purpose and strategy to ongoing review and will provide an update on it from time to time in the strategic report that forms part of the Annual Report.

Principle 2

Promote a corporate culture that is based on ethical values and behaviours

The Board places significant importance on the promotion of ethical values and good behaviour within the Company and takes ultimate responsibility for ensuring these are promoted and maintained throughout the organisation.

The Company's culture and values, which are highlighted on pages 61 to 66 of the Annual Report, reflect the Board's dedication to promote an ethical culture.

In addition, the Company has documented procedures with respect to its responsibilities regarding ethical behaviour, specifically whistleblowing, social media, anti-bribery and corruption, communication, and general conduct of employees. This is reviewed annually to ensure it remains relevant and up to date.

Compliance with the QCA code Continued

Principle 3

Seek to understand and meet shareholder needs and expectations

The Board is committed to an open and ongoing engagement with its shareholders. The main methods of communication with shareholders are the Annual Report and Accounts, the annual and half-year results announcements, capital markets day, trading updates, and the Annual General Meeting.

The 'Investor Hub' section of Company's website is also an avenue which the Company uses to communicate directly with shareholders. This can be found at https://investors.kooth.com

In addition, the Co-Chief Executive Officers and Chief Financial Officer meet regularly with institutional investors and analysts to ensure that objectives and any business developments are clearly communicated, and that they are available to respond to any enquiries following Company announcements, together with other Company advisers and the Non-Executive Directors. In the last year the Company has presented through Investor Meets Company to reach a wider shareholder audience.

Details of the quantitative and qualitative metrics surrounding the Company's environmental and social matters can be found in the ESG report on pages 57 to 66 of this report.

The Annual General Meeting of the Company gives the Directors the opportunity to meet with shareholders and the ability to give an update on the Company's performance. It also provides the shareholders the opportunity to ask questions of the Directors, either in advance of or during the meeting.

Compliance with the QCA code Continued

Principle 4

Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The Company takes ESG very seriously and the Board is conscious of the impact that the Company's business activities may have in these areas. The Board recognises that its long-term success will necessitate the maintenance of effective working relationships across a wide range of stakeholders as well as its shareholders; being primarily its employees, customers, and suppliers.

A detailed report on how the Company has taken into account wider stakeholders and the various environmental & social issues surrounding them, can be found in the ESG report, Non-Financial and Sustainability report and s172 statement in the Annual Report on pages 56 to 82.

The associated KPIs for these matters can be found on pages 57 to 66 of the Annual Report.

Principle 5

Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board has ultimate responsibility for the Company's system of internal controls and for reviewing its effectiveness. Such systems are designed to manage risk of failure to achieve the business' stated purpose and strategy. The Board meets frequently during the year during which business and other risks are assessed. The Directors have identified the risks and uncertainties which they consider to be the most significant for investors, which are summarised on pages 83 to 85 of the Annual Report alongside disclosure of the Company's appetite for risk and its risk identification, assessment and management systems.

The Board is also supported in its risk management practices by the Audit Committee. Details of the Committee's approach to risk management, as well as how they monitor auditor independence and assist the Board throughout the reporting cycle can be found in the Audit Committee Report on page 101 of the Annual Report.

Compliance with the QCA code Continued

Principle 6

Establish and maintain the board as a well-functioning, balanced team led by the Chair

The Board comprises seven directors: the Independent Chairman, three Non-Executive Directors and three Executive Directors.

Further details of the Directors, their experience, independence, diversity and time commitments are set out on page 88 of the Annual Report and the AIM 26 section of the website.

The Board meets regularly with processes in place to ensure that each Director is always provided with such information as is necessary to discharge their duties, as well as having the appropriate mix of skills, experience and capabilities.

The Board is also supported by the Committees (Audit and Remuneration) each with specific remits. The detail of the number of meetings and attendance by Directors is noted on page 89. Details on the performance-related remuneration of the Directors can be found on page 106.

Compliance with the QCA code Continued

Principle 7

Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities

The Company Secretary works closely with the Chair and the Chairs of the Board Committees to ensure that Board procedures, including setting agendas and the timely distribution of papers, are complied with and that there are good communication flows between the Board and its Committees, and between senior management and Non-Executive Directors.

There is a formal agenda at each Board Meeting, which includes commercial and operational updates from the Co-Chief Executive Officers and financial and risk updates from the Chief Financial Officer. All reports cover different areas within the Company and cover new business opportunities. Board papers are circulated to the Directors in advance of meetings to enable proper consideration of the content of the papers.

During the course of the year, other matters considered by the Board include annual and half-year results announcements, principal risks and uncertainties, ESG, AGM resolutions, shareholder communications and management incentivisation.

The Chair maintains regular contact with the Non-Executive Directors outside of formal Board meetings and works with the Company secretary to provide regular training materials to keep the Directors' skill sets up-to-date.

All Directors have access to the support and advice of the Company Secretary as required.

The roles, terms of reference and matters reserved for each Committee can be found on pages 90 of the Annual Report. The Board has also established a sub-committee for the approval of share issuances concerning their long-term incentive plan.

Further details of the specific responsibilities of each Director and how these have evolved can be found on pages 88 of the Annual Report and the AIM Rule 26 section of the website.

Compliance with the QCA code Continued

Principle 8

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

In March 2023, a formal Board evaluation process was carried out by Almond & Co, which has experience in evaluating Boards of AIM listed companies. Evaluation-based questionnaires were circulated and completed by all members, and a thorough analysis of the responses was conducted.

The evaluation was designed to give an overview of the Board's performance, based on its alignment with the QCA Code and served to support the Board in identifying challenges and implementing change.

As this was the Company's first formal Board evaluation process, there are no previous results to compare against. The Directors discuss the use of a formal evaluation process annually and will disclose the results of the next evaluation with reference to the steps taken to action any previous evaluation points.

Details of the Board's succession planning process can be found on page 89.

Principle 9

Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

The Board is committed to implementing a remuneration structure which rewards management for their work and aligns their vision with the Company's long-term success.

Details of the remuneration structure and how it supports the Company's purpose, business model, strategy and culture can be found in the Remuneration Committee report on page 103.

Compliance with the QCA code Continued

Principle 10

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Company places a strong emphasis on the standards of good corporate governance and maintaining an effective engagement with its shareholders and key stakeholders, which it considers to be integral to longer-term growth and success.

Details of the challenges faced in the previous year and how they were addressed at the Board level can be found on page 87.

The Company's Annual reports and accounts and its half year report are key communication channels through which stakeholders are informed of how the Company is governed, updates to its strategic targets and how the Company is progressing in meeting its objectives.

Reports on the structures and activities of the Board's committees can be found in the Audit Committee Report on page 101 and the Remuneration Committee Report on page 103.

The 'Investor Hub' section of Company's website is also an avenue which the Company uses to communicate directly with shareholders. This can be found at https://investors.kooth.com and contains the outcomes of all votes cast at general meetings.

Approved by order of the Board

Almond & Co
Company Secretary
14 April 2025

Report of the Audit Committee

Committee Chair's introduction

As the Chair of the Audit Committee of Kooth ('the Committee'), I present the Committee Report for the year ended 31 December 2024, which has been prepared by the Committee and approved by the Board.

Committee meetings and attendance

The Committee's terms of reference require a minimum of three members. The Committee currently comprises Dame Susan Bailey, Sherry Husa, Simon Philips and me. The Board considers that I have sufficient, relevant financial experience to chair the Committee, given that I have over 25 years' experience as an investment analyst and currently hold three other listed company Board and Audit Committee positions including one other Audit Chair role. During the year ended 31 December 2024, the Committee met three times with attendance noted above. The Committee is required by its Terms of Reference to meet as frequently as the Committee Chair shall require, and also at regular intervals to deal with routine matters and, in any event, at least three times in each financial year.

Committee activities

The Committee is responsible for reviewing and reporting to the Board on the Company's financial performance, monitoring the integrity of the Company's financial statements (including Annual and Interim Accounts and results announcements), reviewing internal control and risk management, and reviewing/monitoring the performance, independence and effectiveness of the Company's external auditors. The Committee is also responsible for reviewing the presentation of alternative performance measures to ensure that they were not given undue prominence over statutory measures and challenge the nature and amount of adjusting items.

The Committee's primary activities included meeting with the external auditors, considering the audit approach, scope and timetable, and reviewing the key audit matters for the financial year 2024 audit. In addition, the Committee reviewed the audit provided by Grant Thornton UK LLP, Kooth's external auditors for the financial year ended 31 December 2024 which is the fifth consecutive year end for the firm. The Committee has agreed with Grant Thornton UK LLP that they will continue in post for the next financial year.

The Committee concluded that Grant Thornton UK LLP is delivering the necessary audit scrutiny.

Accordingly, the Committee recommended to the Board that Grant Thornton UK LLP be re-appointed for the next financial year.

As part of the year end audit, the Committee:

- Met with the external auditors to review and approve the annual audit plan and receive their findings and report on the annual audit
- Considered the integrity of the published financial information and whether the Annual Report and Accounts taken as a whole are fair, balanced and understandable and provide the information necessary to assess Kooth's position and performance, business model and strategy

Report of the Audit Committee Continued

- Considered significant issues and areas of judgement with the potential to have a material impact on the financial statements
- Reviewed and approved the year end results and accounts
- Considered significant issues and areas of judgement with the potential to have a material impact on the financial statements

Committee objectives and responsibilities

The Committee's main responsibilities can be summarised as follows:

- To report on and review the Company's financial performance
- To monitor the integrity of the Company's financial statements and any formal announcements relating to Kooth's financial performance
- To review the Company's internal financial controls and risk management systems.
- To review any changes to accounting policies
- To make recommendations to the Board in relation to the appointment of the external auditors
- To make recommendations to the Board concerning the approval of the remuneration and terms of engagement of the external auditors
- To review and monitor the external auditors' independence and objectivity
- To consider any matter specifically referred to the Committee by the Board
- The Terms of Reference are reviewed annually and are available on the Company's website

Financial reporting

At the request of the Board, the Committee concluded that the Annual Report and Financial Statements, taken as whole, were fair, balanced, and understandable, and provided the information necessary for shareholders to assess the Group's business model, strategy and performance. The Committee considered the budget for 2025 as well as financial projections into 2026 and concluded that the going concern basis is appropriate. The Committee also reviewed the Strategic Report and concluded that it presented a useful, fair, balanced, and understandable review of the business.

Auditor independence

To ensure auditor independence, consideration is given to their integrity and the objective approach of the audit process. The use of non-audit services is not considered to be significant and amounts paid in respect of these are disclosed in note 21.

I am satisfied that the Committee has satisfactorily discharged its duties in the year in accordance with its terms of reference.

Peter Whiting

Chair of the Audit Committee

14 April 2025

Report of the Remuneration Committee

Committee Chair's introduction

As the Chair of the Remuneration Committee of Kooth ('the Committee'), I present the Remuneration Committee Report for the year ended 31 December 2024, which has been prepared by the Committee and approved by the Board.

Committee meetings and attendance

The four members of the Committee are Dame Susan Bailey, Sherry Husa, Peter Whiting and me. The Board considers that I have sufficient relevant experience to chair the Committee, given the number of Board level positions currently and previously held.

During the year ended 31 December 2024 the Committee met four times. The Committee is required by its Terms of Reference to meet as frequently as the Committee Chair shall require and also at regular intervals to deal with routine matters and, in any event, at least three times in each financial year.

Remuneration policy for the year ended 31 December 2024

The Remuneration Committee determines the Company's policy on the structure of Executive Directors' and if required, senior management's remuneration. The objectives of this policy are to:

- Reward Executive Directors and senior management in a manner that ensures that they are properly incentivised and motivated to perform in the best interests of shareholders.
- Provide a level of remuneration required to attract and motivate high-calibre Executive Directors and senior management.
- Encourage value creation through consistent and transparent alignment of incentive arrangements with the agreed company strategy over the long term.
- Ensure the total remuneration packages awarded to Executive Directors, comprising both performance-related and non-performance-related remuneration, is designed to motivate the individual, align interests with shareholders and comply with corporate governance best practice.

Report of the Remuneration Committee Continued

Committee objectives and responsibilities

The Committee's main responsibilities can be summarised as follows:

- To determine the framework or broad policy for the remuneration of the Chair, the Executive Directors, and such other senior executives as it is requested by the Board to consider. The remuneration of Non-Executive Directors shall be a matter for the Chair and the Executive Directors of the Board. No Director shall be involved in any decisions as to their own remuneration
- To determine such remuneration policy, taking into account all factors which it deems necessary (including relevant legal and regulatory requirements)
- To review the ongoing appropriateness and relevance of the remuneration policy, including policy comparisons with market competitors
- To design and determine targets for any performance related pay schemes operated by the Company and approving any annual payments made under such schemes
- To review the design of, and any changes to, all share incentive plans
- To review the structure, size and composition of the Board, including the skills, knowledge and experience
- To give consideration to succession planning
- To recommend new Board appointments
- To consider any matter specifically referred to the Committee by the Board

Report of the Remuneration Committee Continued

Director's remuneration: salary

Salaries are normally reviewed annually with effect from 1 January, taking into account inflation, salaries paid to directors of comparable companies as well as Group and personal performance. Salaries of Executive Directors are determined by the Remuneration Committee. The Board as a whole decides the remuneration of the Chair and Non-Executive Directors. No Director participates in decisions about their own remuneration package.

As covered elsewhere in our annual report, the success of Kooth in winning contracts in the US and the California contract in particular, has alongside a doubling of revenue during 2024, transformed the scale and complexity of the business. In addition to a significant expansion purely in terms of scale, in comparison to working only in the UK, the management team now has to deal with multiple currencies, jurisdictions and a number of different and potentially conflicting demands in terms of the nature of the services provided.

Salaries and fees for directors effective from 1 January 2025 are as follows:

Name	2025 £'000	2024 £'000
Susan Bailey	68	65
Tim Barker	360	360
Sanjay Jawa	330	300
Kate Newhouse	378	300
Sherry Husa	68	–
Simon Philips	68	65
Peter Whiting	114	109

Report of the Remuneration Committee Continued

Director's remuneration: long term incentives

The Group adopts a Long Term Incentive Plan with all employees of the Group eligible to receive awards under the share plans.

In line with the terms of the scheme, the awards granted to Directors are subject to performance criteria, with 50% being linked to adjusted EBITDA growth and 50% linked to comparative total shareholder return (TSR), with both elements being measured over a three year period. TSR is measured by the aggregate of dividends declared and paid, and average share price over the applicable period. The TSR of the Group is compared to the TSR of companies constituting 101-200 of the FTSE AIM All-share Index. The percentage of shares vesting increases from nil at a TSR below the median of the comparator group and rising to 100% at a TSR in the top quartile of the comparator group. The Remuneration Committee considers that the targets are appropriate and are aligned with shareholder interests.

The fair value of the employee services received in exchange for these grants is recognised as an expense on a straight-line basis over the vesting period. The total amount to be expensed is determined by reference to the fair value of the options or shares determined at the date of grant.

The fair value of the awards was calculated using a Stochastic simulation model for options with Y+TSR performance conditions. Non-market based vesting conditions are included in assumptions about the number of options that are expected to become exercisable or the number of shares that the employee will ultimately receive. This estimate is revised at each balance sheet date to allow for options that are not expected to vest and the difference is credited to the Consolidated Statement of Profit and Loss and Other Comprehensive Income with a corresponding adjustment to reserves.

A breakdown of the Directors' current interests in the long term incentives awards is set out below.

Long term incentives

Name	Title	Number of options	Exercise price (£)
Tim Barker	Co-Chief Executive Officer	260,976	0.05
Sanjay Jawa	Chief Financial Officer	202,265	0.05
Kate Newhouse	Co-Chief Executive Officer	214,273	0.05

Report of the Remuneration Committee Continued

Director's remuneration: interests

According to the register of Directors' interests maintained under the Companies Act, the following interests in shares of Group companies were held by the Directors in office at the year end:

Name	Number of shares
Susan Bailey	–
Tim Barker	861,692
Sanjay Jawa	373,981
Kate Newhouse	520,966
Sherry Husa	–
Simon Philips*	9,240,679
Peter Whiting	44,000

*Simon Philips is one of the beneficial owners of the shares held by Root Capital LP Funds.

Executive Directors' remuneration: current year

Executive Directors' remuneration for the years ended 31 December 2024 and 31 December 2023 was as follows.

2024 (£'000)

Name	Base Salary and Fees	Bonus	Pension	Gain on Exercise of Share Options	Total
Tim Barker	360	360	11	–	731
Sanjay Jawa	300	300	9	–	609
Kate Newhouse	300	300	9	–	609
Total	**960**	**960**	**29**	**–**	**1,949**

2023 (£'000)

Name	Base salary and fees	Bonus	Pension	Gain on exercise of share options	Total
Tim Barker	320	417	9	–	746
Sanjay Jawa	255	315	8	–	578
Kate Newhouse	266	346	8	–	620
Total	**841**	**1,078**	**25**	**–**	**1,944**

Report of the Remuneration Committee Continued

Implementation of policy in 2025

As a part of the strategic review of our remuneration policy in the previous year a bonus scheme has been implemented for Executive Directors to reward performance against annual targets which support the strategic direction of the Group. Awards are up to 100% of salary, performance measured on both personal objectives linked to the strategic direction of the business (maximum opportunity 50% of annual salary) and revenue and EBITDA achievement (maximum opportunity 50% of annual salary, split equally between revenue and EBITDA) and will normally be paid in cash.

We continue to have in place a long term incentive plan under which the Remuneration Committee has discretion to make option grants to executive directors and other staff, subject to the scheme rules, and to determine appropriate performance conditions as noted above.

Remuneration policy for Non-Executive Directors

Dame Susan Bailey, Peter Whiting, Sherry Husa and I each receive a fee for our services as Directors, which is approved by the Board, mindful of the time commitment and responsibilities of our roles and of current market rates for comparable organisations and appointments. Non-Executive Director fees for the year commencing 1 January 2025 are noted above.

Simon Philips
Chair of the Remuneration Committee
14 April 2025

Directors' report

The Directors present their report and the audited financial statements of Kooth plc for the year ended 31 December 2024.

Principal activity

The principal activity of the Group is the provision of online counselling, coaching and support to children, young people, and adults in need. A description and review of the Group's performance during the financial year and indications of future development are set out within the Strategic Report, and this also incorporates the requirements of the Companies Act 2006.

Further details on how the Directors have had regard to the need to foster the company's business relationships with suppliers, customers and other key stakeholders, and their effects on the principal decisions taken by the company during the year can be found in the s.172 statement on pages 75 to 82.

Share capital

At the time of this report, the Company's share capital comprises 36,681,259 ordinary shares of £0.05 each. During the reporting period the company purchased 9,250 ordinary shares to hold in treasury.

The Company has been notified of the following interests in 3% or more of the issued ordinary share capital of the Company. This is the position as at 31 December 2024:

Name	% of issued share capital
Root Capital Fund II LP trading as Scale Up Capital	25.2%
River Global Investors LLP	10.3%
J O Hambro Capital Management Limited	7.8%
LF Gresham House	6.6%
Stancroft Trust Limited	6.5%
BGF	6.3%
Rockwood Plc	5.0%
Canaccord Genuity Wealth Management	3.4%

There are currently no restrictions on the voting rights or transfer of the Company's AIM securities.

The Directors have the authority to issue shares up to one-third of the Company's issued share capital. This authority is given on an annual basis by shareholders at the Company's annual general meeting.

Directors' report Continued

Dividends
The Directors do not recommend the payment of a dividend (2023: £nil).

Disabled employees
Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled people should, as far as possible, be identical to that of other employees.

Directors
The directors who held office during the year and up to the date of signing these financial statements were as follows:

- **Tim Barker,** Chief Executive Officer
- **Sanjay Jawa,** Chief Financial Officer
- **Kate Newhouse,** Chief Operating Officer
- **Peter Whiting,** Chair and Non-executive director
- **Simon Philips,** Non-executive director
- **Susan Bailey,** Independent Non-executive director
- **Sherry Husa,** Independent Non-executive director (appointed 30 April 2024)

Political contributions
The Group made no political donations during the year (2023: nil).

Directors' insurance
The Group maintains appropriate insurance cover in respect of any legal action against its directors.

Payment of suppliers
It is the Group's policy to pay suppliers in accordance with the terms and conditions agreed in advance, providing all trading terms and conditions have been met. All payments are made in the ordinary course of business and the Group expects to pay all supplier debts as they become due. Our approach to engagement with suppliers is detailed further in the Section 172 Statement on page 82.

Research and development
During the year the Group invested £2.5 million (2023: £3.8 million) in Research and Development. This balance forms part of the amount capitalised during the year to development costs within the statement of financial position. More information on this is provided in the Strategic Report on pages 30 to 35.

Financial instruments
The principal financial instruments comprise cash and short-term deposits and trade receivables. Details of the Group's exposure to financial risks are set out in note 22 to the financial statements.

Directors' report Continued

Anti-bribery

It is our policy to conduct all our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.

Going concern

The Directors have a reasonable expectation that the Group as a whole has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in the accounts.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 6 to 29. In addition, note 22 to the financial statements include the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

During the 2024 financial year the Group generated a profit of £8.0 million (2023: £0.2 million loss). Adjusted EBITDA was £15.8 million (2023: £2.3 million). The Group is in a net asset position of £29.8 million (2023: £20.8 million). The Group generated an inflow of £10.8 million in cash in 2024 (2023: £2.5 million) and ended 2024 with a cash balance of £21.8 million (2023: £11.0 million).

Management has performed a going concern assessment for a period up to 31 May 2026, which indicates that the Group will have sufficient funds to trade and settle its liabilities as they fall due. This assessment considers a number of sensitivities, including a downside scenario and a reverse stress test, which models the scenarios that would lead to a default by the Group. Both the downside scenario and reverse stress test reflect lower activity levels than both the Group forecast and 2024 actual results. The key assumption used in the assessment is revenue and Management has analysed the impact of reduced revenue on the Group's performance.

Whilst Management has concluded that the possibility of the downside scenario occurring is remote, the Group would still have adequate resources to be able to trade and settle its liabilities as they fall due in this scenario. Management deemed the combination of factors occurring as set out in the default model to be implausible.

The Directors have considered the impact of the current climate of increased inflation and interest rates and do not expect this to have a material adverse impact on the Group. Consequently, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

A list of all non-UK based Company subsidiaries can be found on page 160.

Employee involvement

The Group continues to attract and retain key talent and places considerable value on the involvement of employees. Employees are regularly consulted regarding matters affecting them through channels such as company-wide briefings, employee engagement software and email announcements, and their interests are taken into account in making decisions that are likely to affect their interests.

Directors' report Continued

The Group is committed to providing equality of opportunity to all existing and prospective employees without discrimination through channels such as a newly launched employee feedback platform in the US in 2024 and UK in 2025.

As a publicly listed business, we can offer our staff long term, annual incentives to reward their hard work, passion and impressive results.

Further details on employee engagement is provided in the Section 172 statement on page 79.

Environment

The Group adheres to all environmental regulations and has, where possible, utilised environmental-sustaining policies such as recycling and waste reduction. Further details of the Group's Environmental, Social and Governance strategy and SECR disclosures are provided on pages 56 to 60.

Future business developments

Details of these are provided in the Strategic Report, and the Co-Chief Executive Officer's Report on pages 9 to 29.

Notice of Annual General Meeting

Details of business to be conducted at this year's AGM are contained in the Notice of the Annual General Meeting, which will be communicated to shareholders separately. It is the opinion of the Directors that the passing of these resolutions is in the best interest of the shareholders.

In accordance with the Company's articles of association, each of the Directors will retire and stand for re-election at this year's annual general meeting.

Any amendments to the Company's articles must be approved by shareholders at the annual general meeting.

Significant events after year end

In January and February 2025, the Group purchased a further 881,468 ordinary shares to hold in treasury. This completed the share purchase programme announced in December 2024 totalling £1.5 million.

Auditor

Grant Thornton UK LLP was re-appointed as auditor in the year. A resolution to re-appoint Grant Thornton UK LLP as auditor and to authorise the Directors to determine their remuneration will be proposed at the forthcoming AGM.

The Directors' Report was approved by the Board of Directors and signed on its behalf by:

Sanjay Jawa
Chief Financial Officer
14 April 2025

Directors' responsibilities statement

In respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have to prepare the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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 and profit or loss of the company and group for that period. In preparing these 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 applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that Kooth and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- As each Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Directors 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 company's auditor is aware of that information

Directors' responsibilities statement Continued

To the best of our knowledge:

- The group financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Sanjay Jawa
Chief Financial Officer
14 April 2025

Independent auditor's report to the members of Kooth plc

14 April 2025

Grant Thornton

Independent auditor's report Continued

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Kooth plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024, which comprise Consolidated statement of profit and loss and other comprehensive profit, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated cash flow statement, the Parent company statement of financial position, the Parent company statement of changes in equity and notes to the financial statements and to the Parent company financial statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 December 2024 and of the group's profit 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 United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report Continued

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's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- Considering the current cash resources of the group, in the context of the forecast cash requirements during the forecast period.
- Challenging the key assumptions in the forecasts and the scope of scenario planning undertaken. Key management assumptions included revenue growth rate, new business wins, contract renewal rate, growth rates in the underlying forecasts, and net working capital structure of the group.
- Assessing the outcome of reverse stress testing and determining if they are plausible, including reperforming calculations and assessing plausibility by corroborating key assumptions and historic trends.
- Evaluating availability and impact of controllable mitigating future actions available to management if downside scenarios were to be realised.
- Assessing management's historical forecasting accuracy by comparison of forecasts made in prior periods to actual results, considering our understanding of the group's operations.
- Assessing the suitability of the models used to forecast cash flows, including testing of the mathematical accuracy.
- Assessing the appropriateness of the disclosures relating to the use of the going concern in the financial statements.

Independent auditor's report Continued

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as inflation and the cost of living crises, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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.

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's and the 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.

Our approach to the audit

Overview of our audit approach

Overall materiality:

Group: £640,000, which represents 1% of the group's total revenue at the planning stage.

Parent company: £377,000, which represents 1.5% of the parent company's total assets at the planning stage.

Key audit matters were identified as:

- Revenue recognition from significant contract (same as previous year);
- Accounting for capitalised internal development costs (same as previous year)

Our auditor's report for the year ended 31 December 2023 included no key audit matters that have not been reported as key audit matters in our current year's report.

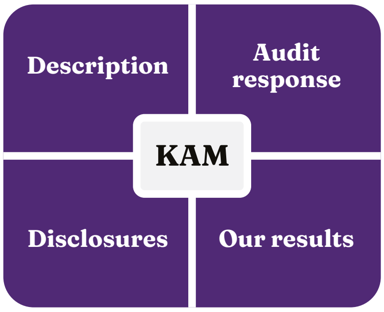
We performed audits of the financial information of the group components: Kooth USA LLC and Kooth Digital Health Limited (full scope audit procedures). We performed specified audit procedures on Kooth plc and Kooth Group Limited.

In the prior year, a full scope component audit was performed on Kooth plc. This change is due to it being less financially significant within the group due to the increase in financial performance of other components.

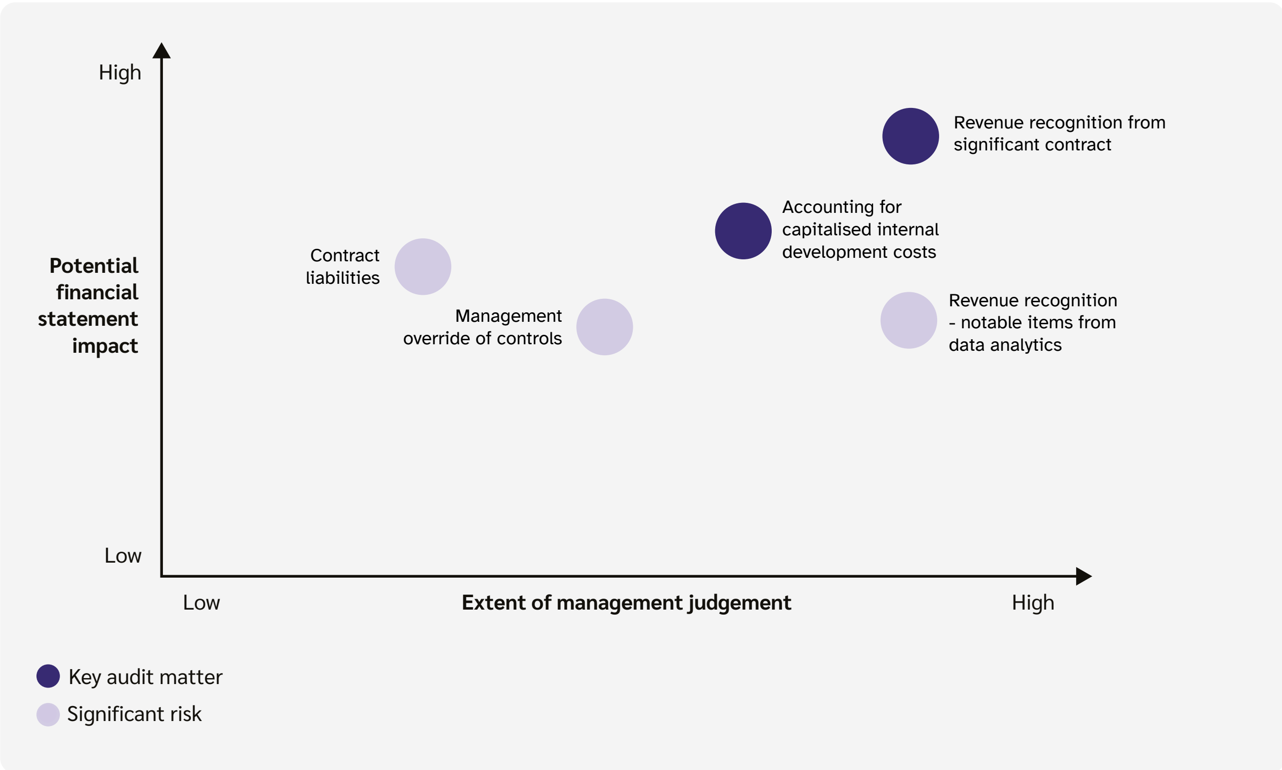
Independent auditor's report Continued

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 assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that 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, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.



Independent auditor's report Continued

Key Audit Matter – Group	How our scope addressed the matter – Group
Revenue recognition from significant contract (2024: £66.7m; 2023: £33.3m) We identified revenue recognition from the State of California contract as one of the most significant assessed risks of material misstatement due to fraud and error. The revenue recognition for the State of California contract contained significant judgments and estimates in the application of IFRS 15 'Revenue from Contracts with Customers', particularly in identifying performance obligations and determining the transaction price allocation. This is due to the contract having multiple complex performance obligations, generating complexity in allocating transaction price and therefore revenue recognition. As a result, we identified an opportunity to fraudulently recognise revenue in advance of performance obligation satisfaction which could materially misstate revenue and contract liabilities. The level of judgement and complexity of required estimates also creates an opportunity for material misstatement to occur due to error. Revenue forms the basis for some of the group's key performance indicators, both for reporting to external stakeholders and for management incentives. This contract is the largest to date for the group, representing 73% of group revenue in the current year (2023: 38%).	In responding to the key audit matter, we performed the following audit procedures: • Assessing the significant judgements and estimates made by management in identifying performance obligations and determining the method of revenue recognition for the contract. This included an assessment of contract terms and mapping them to management's identified performance obligations. We have also considered the pattern flow of economic benefit to the customer over the life of the contract, with reference to signed contractual terms, to determine the correct method of revenue recognition against the requirements of 'IFRS 15 Revenue from Contracts with Customers'; • To allocate the transaction price to performance obligations, the cost-plus margin method was utilised for the contract. We therefore tested forecast costs to complete, as well as costs incurred to date in fulfilling the contract. We challenged management on their accuracy in estimating forecast costs to complete and considered the impact of changes to forecast costs on revenue recognised; • Assessing whether the performance obligation related to revenue recognition was satisfied, checking that all invoiced amounts were billed to the contract and tracing all payments made to bank statements and remittances received; and • Testing the accuracy of the contract liabilities relating to the California contract by assessing whether performance obligations had been satisfied, checking contract terms and agreeing the payments received to bank statements and invoices. We also created an expected contract liability based on the contract terms and compared to actual contract liabilities recognised at year end.

Independent auditor's report Continued

Key Audit Matter – Group	How our scope addressed the matter – Group
Relevant disclosures in the Annual Report 2024 • Financial statements: Note 2.3 Revenue recognition • Financial statements: Note 4, Revenue and segmental analysis • Financial statements: Note 3, Significant accounting judgments, estimates and assumptions	**Our results** Based on our audit work, we did not identify any material misstatements in relation to the California contract revenue recognised during the year or the related contract liabilities recognised at year end.
Accounting for capitalised internal development costs (2024: £6.9m; 2023: £8.7m) We identified accounting for capitalised internal development costs as one of the most significant assessed risks of material misstatement due to fraud. The group capitalises costs associated with development of their online platforms, which are developed internally and are presented in the Statement of Financial Position at the year end, with an impact on profitability KPIs of the group linked to executive compensation.	In responding to the key audit matter, we performed the following audit procedures: • Obtaining and assessing management's accounting paper documenting their assessment of the level of costs capitalised in each project; • For a sample of costs, vouched the amounts to supporting documentation such as underlying payroll information or external invoices. For capitalised costs, we corroborated the nature of the work through obtaining an understanding of the nature of the costs, to assess whether any research element had been inappropriately capitalised; • For a sample of capitalised costs, making enquiries with employees in the development team to gain an understanding of the nature of work they had performed which had been capitalised and the proportion of their time which was spent on qualifying development costs. This included assessing whether the nature of the costs capitalised met the criteria as set out in IAS 38;

Independent auditor's report Continued

Key Audit Matter – Group	How our scope addressed the matter – Group
Costs must be capitalised when they meet the criteria under 'International Accounting Standards (IAS) 38 Intangible Assets'. This involves management judgement in determining the distinction between research and development costs and costs meeting the capitalisation criteria. Given the existence of management judgement, there is an opportunity and incentive for misapplication of the capitalisation policy, leading to incorrect capitalisation of costs.	• Discussing the overall projects in the year with the Chief Technology Officer. This enabled us to consolidate our understanding of management's assessment of whether the costs met the criteria for capitalisation was appropriate. We corroborated the capitalisation by assessing the development platform update log made to the projects and traced the level of activity performed; • Assessing the amortisation policy used by management for appropriateness, considering the underlying development projects and their anticipated useful life. We also performed an amortisation recalculation based on management's accounting policy; and • We assessed related accounting policy and disclosures in the financial statements to check these were in line with IAS 38.
Relevant disclosures in the Annual Report 2023 • Financial statements: Note 2.3, Intangible assets • Financial statements: Note 3, Significant accounting judgements, estimates and assumptions • Financial statements: Note 11, Development costs	**Our results** Based on our audit work, we did not identify any material misstatements in the accounting for capitalised internal development costs.

We did not identify any key audit matters relating to the audit of the financial statements of the parent company only.

Independent auditor's report Continued

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£640,000 (2023: £500,000), which represents 1% of group's total revenue at the planning stage of the audit.	£377,000 (2023: £360,000), which represents 1.5% of parent company total assets at the planning stage.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: • We considered the financial measures which we believed to be most relevant to the shareholders in assessing the performance of the group. Profit before tax is a generally accepted benchmark for a profit-orientated business. We concluded that, in isolation, this metric did not appropriately reflect the scale of the group's ongoing operations or its underlying performance. As a result, revenue was considered the most appropriate metric.	In determining materiality, we made the following significant judgements: • Total assets was considered the most appropriate benchmark because the Parent company does not trade and holds material investments in subsidiary companies.

Independent auditor's report Continued

Materiality measure	Group	Parent company
Continued	• 1% of revenue has been selected. This is lower than the 1.5% of revenue used in determining materiality for the year ended 31 December 2023. This reflects the significant increase in revenue from the significant contract in the US. Materiality for the current year is higher than the level that we determined for the year ended 2023 to reflect increase in group revenue, despite a reduction in benchmark percentage.	• 1.5% of total assets has been selected to reflect the lack of complexity in the transactions it undertakes. Materiality for the current year is higher than the level that we determined for the year ended 2023 to reflect the increase in total assets held.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£448,000 (2023: £350,000), which is 70% (2023: 70%) of financial statement materiality.	£264,000 (2023: £252,000), which is 70% (2023: 70%) of financial statement materiality. Parent company component performance materiality has been capped at an amount less than group performance materiality for group audit purposes.

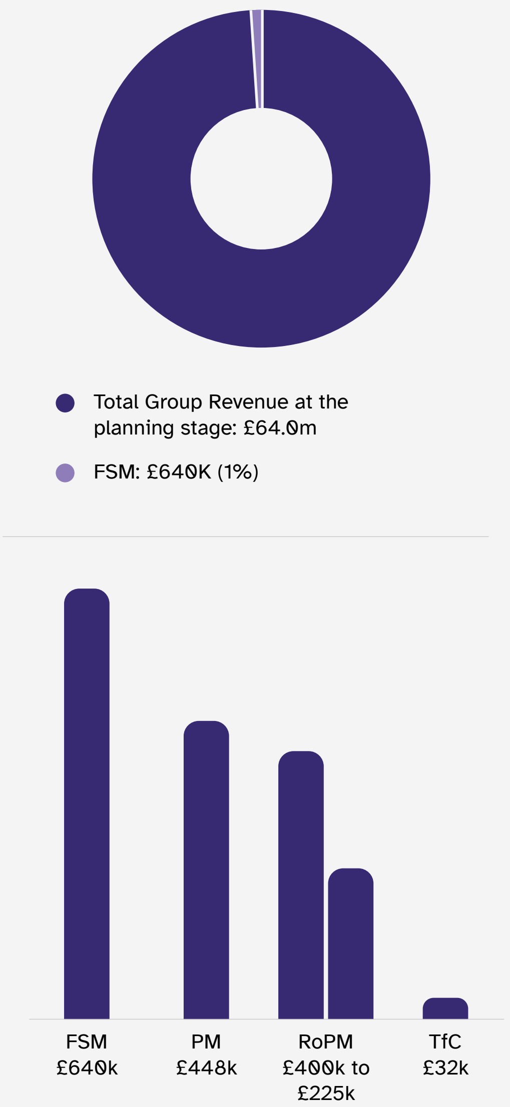
Independent auditor's report Continued

Materiality measure	Group	Parent company
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made the following significant judgements: • Whether there were changes to the business in their operations and in their business strategy. • Whether there were changes to our risk assessment, including our assessment of the group's overall control environment. • Consideration of the number and individual magnitude of audit adjustments observed in the previous period.	In determining performance materiality, we made the following significant judgements: • Whether there were changes to the business in their operations and in their business strategy. • Whether there were changes to our risk assessment, including our assessment of the group's overall control environment. • Consideration of the number and individual magnitude of audit adjustments observed in the previous period.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: • related party (excluding intercompany) transactions	We determined a lower level of specific materiality for the following areas: • related party (excluding intercompany) transactions
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£32,000 (2023: £25,000) and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£18,850 (2023: £18,000) and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

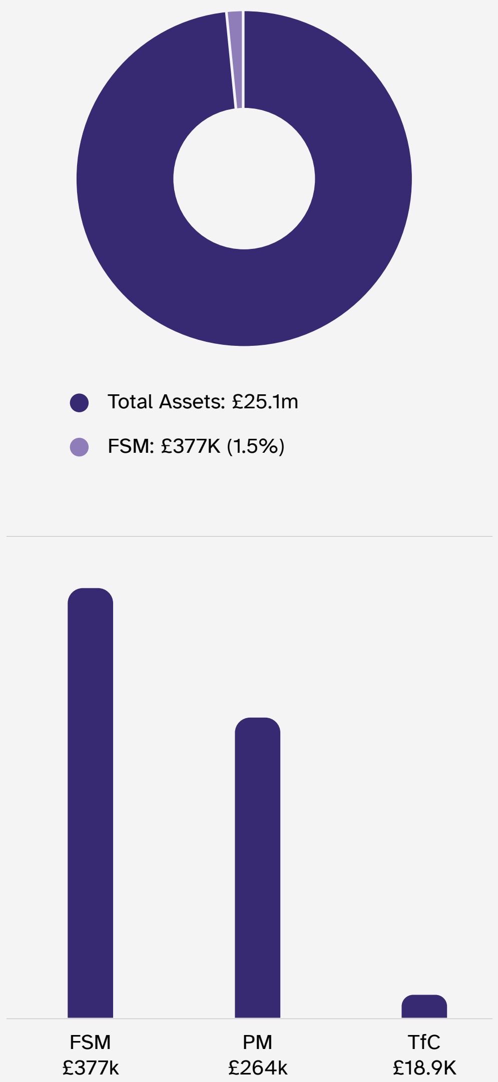
Independent auditor's report Continued

The graph below illustrates how performance materiality and the range of component performance materiality interacts with our overall materiality and the threshold for communication to the audit committee

Overall materiality - Group



Overall materiality - Parent



FSM: Financial statement materiality, PM: Performance materiality, BeRM: Range of performance materiality at 4 components, JC: Threshold for communication to the audit committee

Independent auditor's report Continued

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the group, its components, their environments, and its system of internal control including common controls

- We, the group auditor, obtained an understanding of the group and its components, their environment, including common controls, and assessing the risks of material misstatement at the group level.
- In assessing the risk of material misstatement of the group financial statements, we considered the transactions undertaken by each entity and therefore where the focus of our work was required.

Identifying components at which to perform audit procedures

- We identified components at which to perform audit procedures by considering components which included an individual risk of material misstatement to the group financial statements, this included considering the nature of individual components and circumstances during the period.
- We also considered components which contained a nature and/or size of classes of transactions which were deemed financially significant and whether further procedures were required at other components to obtain sufficient appropriate audit evidence to support the group opinion.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- Audit of the entire component financial information (full scope audit) procedures were performed on the financial information of two components, being Kooth USA LLC and Kooth Digital Health Limited; These procedures included a combination of tests of details, including addressing key audit matters stated above and analytical procedures.
- Specified audit procedures were carried out on two components using component performance materiality, being Kooth plc and Kooth group Limited.
- No component auditors were involved in performance of the audit with the group engagement team performing all audit procedures.

Performance of our audit

- For full scope components we evaluated the design and implementation of controls over the financial reporting systems identified as part of our risk assessment and addressed critical accounting matters such as those related to the key audit matters as identified above. With respect to revenue recognition, we evaluated the design and implementation of relevant controls and performed data analytics alongside substantive procedures.

Independent auditor's report Continued

- Further audit procedures performed on components subject to specified procedures may not have included testing of all significant account balances of such components, but further audit procedures were performed on specific accounts within that component that we, the group auditor, considered had the potential for the greatest impact on the group financial statements either due to risk, size or coverage.
- The components within the scope of further audit procedures accounted for the following percentages of the group's results, including the key audit matters identified:

Audit approach	No. of components	% coverage **total assets**	% coverage **revenue**	% **coverage profit before tax**
Full-scope audit	3	37	100	77
Specific-scope audit	1	63	0	23
Total	**4 (2023:4)**	**100%**	**100%**	**100%**

Changes in approach from previous period
- Kooth plc has been scoped for specified audit procedures, rather than full scope audit undertaken for the audit of the year ended 31 December 2023 due to it being less financially significant within the group due to the increase in financial performance of other components.

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Independent auditor's report Continued

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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 113, 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's 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.

Independent auditor's report Continued

Auditor's 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the parent company, the group and the industry in which they operate. We determined that the following laws and regulations were most significant: UK-adopted international accounting standards, Financial Reporting Standard 101 'Reduced Disclosure Framework', the Companies Act 2006, the Quoted Companies Alliance Corporate Governance Code, tax compliance regulations in the US and the UK, which are the principal jurisdictions in which the group operates;
- We understood how the parent company and the group are complying with applicable laws and regulations, through discussions with the Audit Committee and we corroborated our understanding through reading of board minutes, and papers provided to the Audit Committee;
- In assessing the potential risks of material misstatement, we obtained an understanding of the parent company's and the group's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
- Based on the results of our risk assessment we designed further audit procedures to identify non-compliance with such laws and regulations identified above. These procedures were performed at all components within the scope of our audit. Our procedures involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business; enquiries of legal counsel and group management at locations where full scope audit procedures and specified audit procedures were performed;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

Independent auditor's report Continued

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the client operates
  - understanding of the legal and regulatory requirements specific to the entity including:
    - the provisions of the applicable legislation
    - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
    - the applicable statutory provisions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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.

Lindsay Bergh
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London, UK
14 April 2025

Financial statements

Consolidated statement of profit and loss and other comprehensive income

For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Revenue	4	66,744	33,337
Cost of sales	5	(14,757)	(7,480)
Gross profit		**51,987**	**25,857**
Administrative expenses	5	(42,831)	(28,119)
Operating profit/(loss)		**9,156**	**(2,262)**
Analysed as:			
Adjusted EBITDA		**15,754**	**2,257**
Depreciation & amortisation	11, 12, 13	(5,376)	(3,775)
Share based payment expense	6	(1,222)	(744)
Operating profit/(loss)		9,156	(2,262)
Interest income	7	702	298
Profit/(loss) before tax		**9,858**	**(1,964)**
Tax	8	(1,824)	1,795
Profit/(loss) after tax		**8,034**	**(169)**
Other comprehensive income/(expense)			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		244	(161)
Total comprehensive income/(loss) for the year		**8,278**	**(330)**
Profit per share - basic (£)	9	0.22	(0.00)
Profit per share - diluted (£)	9	0.21	(0.00)

Consolidated statement of financial position

As at 31 December 2024

	Note	31 December 2024 £'000	31 December 2023 £'000
Assets			
Non-current assets			
Goodwill	10	511	511
Development costs	11	10,124	8,750
Right of use asset	12	20	42
Property, plant and equipment	13	266	304
Deferred tax	14	1,244	2,649
Total non-current assets		**12,165**	**12,256**
Current assets			
Trade and other receivables	15	8,733	7,174
Contract assets	16	292	251
Cash and cash equivalents	17	21,841	11,004
Total current assets		**30,866**	**18,429**
Total assets		**43,031**	**30,685**
Liabilities			
Current liabilities			
Trade payables	18	(2,683)	(1,555)
Contract liabilities	19	(3,781)	(5,156)
Lease liability	12	(23)	(44)
Accruals and other creditors	18	(5,264)	(2,521)
Tax liabilities	18	(1,526)	(651)
Total current liabilities		**(13,277)**	**(9,927)**
Net current assets		**17,589**	**8,502**
Net assets		**29,754**	**20,758**
Equity			
Share capital	20	1,834	1,825
Treasury shares	20	(17)	—
Share premium account	20	23,444	23,444
P&L reserve		5,955	(2,503)
Share-based payment reserve	20	2,444	2,142
Capital redemption reserve	20	115	115
Merger reserve	20	(4,104)	(4,104)
Translation reserve	20	83	(161)
Total equity		**29,754**	**20,758**

The financial statements of Kooth plc (Company registration number 12526594) were approved by the Board of Directors and authorised for issue on 14 April 2025. They were signed on its behalf by:

Sanjay Jawa
Chief Financial Officer
14 April 2025

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Share capital	Treasury shares	Share premium	Share based payment reserve	P&L reserve	Capital redemption reserve	Merger reserve	Translation reserve	Total equity
Balance at 1 January 2023	**1,653**	**—**	**14,229**	**1,221**	**(2,595)**	**115**	**(4,104)**	**—**	**10,519**
Loss for the year	—	—	—	—	(169)	—	—	—	(169)
Other comprehensive income	—	—	—	—	—	—	—	(161)	(161)
Total comprehensive income	1,653	—	14,229	1,221	(2,764)	115	(4,104)	(161)	10,189
Transactions with owners:									
Share options exercised	7	—	—	(261)	261	—	—	—	7
Share based payment charge	—	—	—	766	—	—	—	—	766
Shares issued	165	—	9,215	—	—	—	—	—	9,380
Deferred tax	—	—	—	416	—	—	—	—	416
As at 31 December 2023	**1,825**	**—**	**23,444**	**2,142**	**(2,503)**	**115**	**(4,104)**	**(161)**	**20,758**
Balance at 1 January 2024	**1,825**	**—**	**23,444**	**2,142**	**(2,503)**	**115**	**(4,104)**	**(161)**	**20,758**
Profit for the year	—	—	—	—	8,034	—	—	—	8,034
Other comprehensive income	—	—	—	—	—	—	—	244	244
Total comprehensive income	1,825	—	23,444	2,142	5,531	115	(4,104)	83	29,036
Transactions with owners:									
Share options exercised	9	—	—	(424)	424	—	—	—	9
Share based payment charge	—	—	—	1,142	—	—	—	—	1,142
Treasury shares purchased	—	(17)	—	—	—	—	—	—	(17)
Deferred tax	—	—	—	(416)	—	—	—	—	(416)
As at 31 December 2024	**1,834**	**(17)**	**23,444**	**2,444**	**5,955**	**115**	**(4,104)**	**83**	**29,754**

The notes on pages 137 to 161 form part of the financial statements.

Consolidated cash flow statement

For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit/(loss) for the year		8,034	(169)
Adjustments:			
Depreciation, amortisation and impairment	11, 12, 13	5,692	3,775
Income tax (paid)/received		(624)	569
Share based payment expense	6	1,222	744
Income tax recognised	8	1,824	(1,795)
Interest income	7	(702)	(298)
		15,446	**2,826**
Movements in working capital			
Increase in trade and other receivables	15	(1,600)	(4,158)
Increase in trade and other payables	18, 19	3,241	3,199
Net cashflow from operating activity		**17,087**	**1,867**
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(120)	(291)
Additions to intangible assets	11	(6,887)	(8,713)
Interest income	7	702	298
Net cash used in investing activities		**(6,305)**	**(8,706)**
Cash flows from financing activities			
Proceeds from issue of share capital	20	–	9,923
Costs incurred from the issue of share capital	20	–	(536)
Net cash from financing activities		**–**	**9,387**
Net increase in cash and cash equivalents		10,782	2,548
Exchange adjustments		55	(36)
Cash and cash equivalents at the beginning of the year	17	11,004	8,492
Cash and cash equivalents at the end of the year	17	**21,841**	**11,004**

Notes to the financial statements

1. Corporate information

Kooth plc is a company incorporated in England and Wales. The address of the registered office is 5 Merchant Square, London, England, W2 1AY.

2. Significant accounting policies

2.1. Basis of preparation

The consolidated financial statements of Kooth plc and its subsidiaries (collectively, the Group) for the year ended 31 December 2024 have been prepared and approved by the directors in accordance with UK-adopted International Accounting Standards.

The Company's UK subsidiaries listed below are exempt from the requirements to audit their accounts under section 479A of the Companies Act 2006:

- Kooth Digital Health Limited 04154208
- Kooth Group Limited 09795273

Under section 479A of the Companies Act 2006, Kooth Plc, being the parent undertaking of these entities, has given a statutory guarantee of all the outstanding liabilities to which the companies are subject to as at 31 December 2024.

Measurement convention

The financial statements are prepared on the historical cost basis. These policies have been consistently applied to all years presented unless otherwise stated. All values are presented in Sterling and rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

Going concern

The Directors have a reasonable expectation that the Group as a whole has adequate resources to continue
The Directors have a reasonable expectation that the Group as a whole has adequate resources to continue
in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in the accounts.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 9 to 29. In addition, note 22 to the financial statements include the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

During the 2024 financial year the Group generated a profit of £8.0 million (2023: £0.2 million loss). Adjusted EBITDA was £15.8 million (2023: £2.3 million). The Group is in a net asset position of £29.8 million (2023: £20.8 million).

Management has performed a going concern assessment for a period of 12 months from signing, which indicates that the Group will have sufficient funds to trade and settle its liabilities as they fall due. This assessment considers a number of sensitivities, including a downside scenario and a reverse stress test, which models the scenarios that would lead to a default by the Group. Both the downside scenario and reverse stress test reflect lower activity levels than both the Group forecast and 2024 actual results. The key assumption used in the assessment is revenue and Management has analysed the impact of reduced revenue on the Group's performance.

Notes to the financial statements Continued

Whilst Management has concluded that the possibility of the downside scenario occurring is remote, the Group would still have adequate resources to be able to trade and settle its liabilities as they fall due in this scenario. Management deemed the combination of factors occurring as set out in the default model to be implausible.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and as such continue to adopt the going concern basis of accounting in preparing the financial statements.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024, with the comparatives presented for the previous 12 months being the Group's combined activities for the 12 months ended 31 December 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
  - The contractual arrangement(s) with the other vote holders of the investee
  - Rights arising from other contractual arrangements
  - The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Notes to the financial statements Continued

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors that make strategic decisions. Accordingly, the CODM determines the Group currently operates under two reporting segments being the UK and US. The measure of performance of those segments that is reported to the CODM is revenue and EBITDA, as shown below in note 4.

2.3. Summary of signifcant accounting policies

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

Revenue Recognition

The Group applies IFRS 15 “Revenue from Contracts with Customers”. To determine whether to recognise revenue, the Group follows the five-step process as set out within IFRS 15.

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue as/when performance obligation(s) are satisfied.

Provision of online counselling contracts

Revenue arises from the provision of counselling services and mental health support services under fixed price contracts. Contracts are typically for a 12 month period and are fixed price based on the population covered and an expected number of hours of counselling provided.

Contracts with customers take the form of signed agreements from customers. There is one distinct performance obligation, being the provision of counselling services, to which all the transaction price is allocated. Revenue from counselling services is recognised in the accounting period in which the services are rendered. The contracts are satisfied monthly over the contract term for an agreed level of support hours. Revenue is recognised over-time, on a systematic basis over the period of the contract, which reflects the continuous transfer of the service to the customer throughout the contracted service period.

In certain circumstances the number of hours of counselling provided may surpass the expected number of hours within the contract. In this circumstance, Management does not recognise additional revenue during the period, as contractually the Group has no right to demand payment for additional hours. In some instances, the Group has recovered additional fees post year end for the additional hours incurred; this additional revenue is recognised at a point in time when the Group has agreed an additional fee and has a right to invoice. At each reporting date there was no significant overprovision of hours noted.

In instances where the number of counselling hours provided is less than the contracted number of hours, the full fixed fee is still payable by the customer.

Notes to the financial statements Continued

Platform build and behavioural support services contracts

Revenue from the California contract arises from the provision of a digital mental health platform alongside supporting behavioural healthcare services, promotional campaigns, reporting and analysis and technical support. The contracts have fixed and variable pricing elements which depend on platform utilisation, with a service period of more than one year. Contracts with customers take the form of signed agreements from customers.

The contracts include an enforceable right by either party to terminate the contract without penalty with a fixed notice period. The contract term is therefore limited up to the end of the notice period. The transaction price is determined as all consideration due within the contract period. The contract term is modified each month if the termination clause is not enacted with the modification being treated on a prospective basis as the incremental transaction price does not reflect the standalone selling price for the additional distinct services.

Under IFRS 15, five distinct performance obligations have been identified for these contracts:

- Providing access to a digital mental health platform.
- Customer contact services to resolve technical issues.
- Collection and analysis of data and reporting.
- Providing on-platform behavioural healthcare services.
- Conducting promotional campaigns to spread awareness.

Revenue from the first three performance obligations is recognised evenly over time using the output method. This is to reflect the continuous consumption of the service by the customer over the contracted service period. For the last two performance obligations revenue is recognised using the input method. This is to reflect how much of the service the customer has used by comparing the actual costs incurred to the total projected costs that are expected to be incurred in delivering the service. These costs include directly attributable labour and external marketing and promotion costs.

The allocation of the transaction price between the five performance obligations included in the contract is based on an expected cost plus margin approach as the standalone selling price is not observable.

The transaction price is determined at contract inception as being the most likely amount of consideration in which the Group is entitled to, including any variable consideration. This has been determined through an expected value calculation modelling various utilisation rate projections against their likely achievement. The variable consideration has been appropriately constrained as the Group has limited historical experience to ensure it can be virtually certain there will be no material reversal of revenue.

The Group typically receives cash from customers 38 days after invoicing a customer.

Revenue to come from contracts entered into with performance obligations not fulfilled or only partially fulfilled amounted to £27.1m as at 31 December 2024 (2023: £35.5m), all of which is expected to be recognised within one year.

Contract assets and liabilities

The Group recognises contract assets in the form of accrued revenue when the value of satisfied or part satisfied performance obligations is in excess of the payment due to the Group, and contract liabilities in the form of deferred revenue when the amount of unconditional consideration is in excess of the value of satisfied or part satisfied performance obligations. Once a right to receive consideration is unconditional, that amount is presented as a trade receivable.

Notes to the financial statements Continued

Tax

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available, against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Notes to the financial statements Continued

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales tax
Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Research and Development tax claims
Where Kooth plc has made Research and Development tax claims under the Small and Medium Enterprise scheme and tax losses have been surrendered for a repayable tax credit, a current tax credit is reflected in the statement of profit and loss and other comprehensive income.

Property, plant and equipment
Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in its acquisition and installation.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Computer and office equipment	33.33% straight line

Goodwill and intangibles
Goodwill
Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Notes to the financial statements Continued

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units..

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss within administrative expenses.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Expenditure on internally developed software products and substantial enhancements to existing software product is recognised as intangible assets only when the following criteria are met:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in administrative expenses within the statement of profit and loss and other comprehensive income.

During the period of development, the asset is assessed for impairment annually.

Amortisation is charged on a straight line basis over the estimated useful life of three years.

Expenditure on research activities as defined in IFRS is recognised in the statement of profit and loss and other comprehensive income as an expense.

Notes to the financial statements Continued

Impairment testing of intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately independent cash inflows (CGU). Those intangible assets including goodwill and those under development are tested for impairment at least annually. All other individual assets or CGUs are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment charge is recognised for the amount by which the asset or CGUs carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. All assets, with the exception of goodwill, are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the underlying contractual arrangement. Financial instruments are recognised on the date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value except for trade receivables which are initially accounted for at the transaction price. Financial instruments cease to be recognised at the date when the Group ceases to be party to the contractual provisions of the instrument.

Financial assets are included on the balance sheet as trade and other receivables or cash and cash equivalents.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the transaction price. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivable. To measure expected credit losses, trade receivables are analysed based on their credit risk characteristics to determine a suitable historic loss rate. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors that the Group considers could affect the ability of its customers to settle the receivables.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Notes to the financial statements Continued

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that have a maturity date of three months or less from the date of acquisition, are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Leases

Short term leases or leases of low value are recognised as an expense on a straight-line basis over the term of the lease.

The Group recognises right-of-use assets under lease agreements in which it is the lessee. The underlying assets mainly include property and office equipment and are used in the normal course of business. The right-of-use assets comprise the initial measurement of the corresponding lease liability payments made at or before the commencement day as well as any initial direct costs and an estimate of costs to be incurred in dismantling the asset. Lease incentives are deducted from the cost of the right-of-use asset. The corresponding lease liability is included in the consolidated statement of financial position as a lease liability.

The right-of-use asset is depreciated over the lease-term and if necessary impaired in accordance with applicable standards. The lease liability shall initially be measured at the present value of the lease payments that are not paid at that date, discounted using the rate implicit in the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (application of the effective interest method) and by reducing the carrying amount to reflect the lease payments made. No lease modification or reassessment changes have been made during the reporting period from changes in any lease terms or rent charges.

Employee benefit plans

Defined contribution plans

The Group operates a defined contribution pension plan. Payments to defined contribution pension plans are recognised as an expense when employees have rendered services entitling them to the contributions.

Share-based payment

Benefits to employees are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity settled transactions'). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, which takes into account market conditions and non-vesting conditions. This cost is charged to the statement of profit and loss and other comprehensive income over the vesting period, with a corresponding increase in the share based payment reserve.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of shares that will ultimately vest. The charge or credit to the statement of profit and loss and other comprehensive income for a period represents the movement in the cumulative expense recognised at the beginning and end of that period and is recognised in share based payment expense.

Notes to the financial statements Continued

Alternative performance measures

Adjusted results are prepared to provide a more comparable indication of the Group's core business performance by removing the impact of certain items including exceptional items, and other, non- trading, items that are reported separately.

The Group believes that EBITDA before separately disclosed items ("adjusted EBITDA") is the most significant indicator of operating performance and allows a better understanding of the underlying profitability of the Group. The Group defines adjusted EBITDA as operating profit/loss before interest, tax, depreciation, amortisation, exceptional items and share based payments.

The Group also measures and presents performance in relation to various other non-GAAP measures, such as gross margin %, annual recurring revenue and revenue growth.

Adjusted results are not intended to replace statutory results. These have been presented to provide users with additional information and analysis of the Group's performance, consistent with how the Board monitors results.

3. Significant accounting judgements, estimates and assumptions

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. No significant estimates have been identified.

Judgements

The areas of judgement which have the most significant impact on the amounts recognised in the financial statements are as follows:

Revenue recognition

Judgements have been taken in the application of IFRS 15 "Revenue from Contracts with Customer". The determination of the transaction price included judgement as to how much variable consideration was expected to be received across the contract and how much those considerations should be constrained based on projected contract performance. There was judgement taken in allocating the transaction price to the identified performance obligations based on the relative stand-alone selling price (SSP) of each distinct service or item within the contract. An observable SSP was not available, therefore judgement was used to estimate the SSP considering all reasonably available information using an expected cost-plus margin approach.

Deferred tax

In assessing the requirement to recognise a deferred tax asset, management carried out a forecasting exercise in order to assess whether the Group and Company will have sufficient future taxable profits on which the deferred tax asset can be utilised. This forecast required management's judgement as to the future performance of the Group and Company.

Notes to the financial statements Continued

Capitalisation of development costs

The Group capitalises costs associated with the development of the Kooth platforms. These costs are assessed against IAS 38 Intangible Assets to ensure they meet the criteria for capitalisation. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired. Capitalised development expenditure is analysed further in note 11.

Development costs largely relate to amounts paid to external developers, consultancy costs and the direct payroll costs of the internal development teams. Any internal time capitalised is the result of careful judgement of the proportion of time spent on developing the platform and whether that time meets the IAS 38 criteria for capitalisation. Capitalised development expenditure is reviewed at the end of each accounting period for indicators of impairment.

4. Revenue and segmental analysis

In accordance with IFRS 8 "Operating Segments", the Group requires consideration of the Chief Operating Decision Maker ("CODM") within the Group. In line with the Group's internal reporting framework and management structure, the key strategic and operating decisions are made by the Executive Directors, who review internal monthly management reports, budgets and forecast information as part of this. Accordingly, the Executive Directors are deemed to be the CODM.

Accordingly, the CODM determines the Group currently operates under two reporting segments being the UK and US. The measure of performance of those segments that is reported to the CODM is revenue and adjusted EBITDA, as shown below. In the prior year the Group operated under one segment only. The roll out of the California contract across 2024 and development of further US contracts has led the Group to diversify its global operations across two regional leadership teams who monitor their cashflows separately.

Segment assets and segment liabilities are reviewed by the CODM in a consolidated statement of financial position. Accordingly, this information is replicated in the Group consolidated statement of financial position. As no measure of assets or liabilities for individual segments is reviewed regularly by the CODM, no disclosure of total assets or liabilities has been made, in accordance with the amendment to paragraph 23 of IFRS 8.

Notes to the financial statements Continued

	2024 £'000 US	2024 £'000 UK	2024 £'000 Total	2023 £'000 US	2023 £'000 UK	2023 £'000 Total
Provision of online counselling contracts	101	18,047	18,148	1,466	19,143	20,609
Platform build and behavioural support services contracts	48,596	—	48,596	12,728	—	12,728
Total revenue	**48,697**	**18,047**	**66,744**	**14,194**	**19,143**	**33,337**
Adjusted EBITDA	2,466	13,288	15,754	153	2,104	2,257
Non current assets	175	10,747	10,922	231	9,376	9,607

The geographical revenue information above is based on the location of the customer.

The group had one customer (2023: one) that accounted for more than 10% of total revenue in 2024. This customer accounted for 73% of group revenue (2023: 38%)

Non-current assets for this purpose consist of goodwill, intangible assets, right of use assets and property, plant and equipment and excludes deferred tax assets.

5. Operating profit

	2024 £'000	2023 £'000
Labour costs	10,550	7,354
Direct marketing	3,935	—
Share based payment expense	261	100
Travel and subsistence	11	26
Total cost of sales	**14,757**	**7,480**
Employee costs	27,285	15,855
Rent and rates	666	492
IT hosting and software	2,505	1,450
Professional fees	4,201	3,948
Marketing	1,325	1,650
Depreciation & amortisation	5,376	3,775
Share based payment expense	961	644
Other costs	512	305
Total administrative expenses	**42,831**	**28,119**
Total cost of sales and administrative expenses	**57,588**	**35,599**

Cost of sales represent the costs of our service user facing employees including external contractors and direct service user marketing expenditure.

Notes to the financial statements Continued

6. Employee remuneration

	2024 £'000	2023 £'000
Salaries	33,748	20,669
Pensions	773	529
Social security costs	3,036	2,325
Other staff benefits	1,452	479
Share based payments	1,222	744
	40,231	**24,746**

Employee remuneration is presented in the financial statements in the following locations:

	2024 £'000	2023 £'000
Cost of sales	10,606	6,837
Administrative expenses	26,213	14,988
Statement of financial position	3,412	2,921
	40,231	**24,746**

The employee remuneration present in the statement of financial position are the capitalised development costs in accordance with IAS 38.

	2024	2023
Employee numbers		
Direct	251	259
Indirect	294	183
Developers	48	36
	593	**478**

Employee numbers disclosed represent the average number of employees, including directors, for the year.

The Directors' remuneration and share options are detailed within the Report of the Remuneration Committee on pages 105 to 107. This includes details of the total Directors' remuneration, including bonuses and pension contributions and remuneration of the highest paid Director. No directors exercised share options in the year.

The Executive Directors of the Company control 4.8% of the voting shares of the Company (2023: 4.7%).

	2024 £'000	2023 £'000
Share based payment		
Long term incentive awards	1,222	744

Notes to the financial statements Continued

Long term incentive awards

Long term incentive awards have been issued to all staff. Performance conditions are attached to the incentive awards of Executives, with 50% linked to adjusted EBITDA growth (ARR growth for grants prior to 2023) and 50% linked to comparative total shareholder return (TSR). Vesting conditions require that all staff remain employed by the business for three years. The shares vest over a three year period with a maximum term of 10 years.

	Number of options 2024	Weighted average exercise price 2024	Number of options 2023	Weighted average exercise price 2023
Outstanding at the beginning of the year	2,339,017	£0.05	1,873,356	£0.05
Granted	602,218	£0.05	882,989	£0.05
Forfeited	(456,517)	£0.05	(311,520)	£0.05
Exercised	(210,759)	£0.05	(105,808)	£0.05
Outstanding at the end of the year	**2,273,959**	**£0.05**	**2,339,017**	**£0.05**

The share options outstanding at the end of the year have a weighted average remaining contractual life of 8.4 years (2023: 8.6 years).

Fair value of options granted:

The fair value of the awards has been calculated using the Black Scholes option pricing model and using a Stochastic simulation model for options with TSR performance conditions. The following assumptions were used on options granted in the year:

Options granted on	31/01/2024	16/05/2024	02/09/2024	12/09/2024	12/12/2024
Share price at date of grant	284.0p	302.0p	320.0p	317.0p	168.0p
Exercise price	5.0p	5.0p	5.0p	5.0p	5.0p
Vesting period (years)	2.6	2.7	3	2.4	2.9
Expected volatility	60.0%	60.0%	60.0%	60.0%	60.0%
Option life (years)	10	10	10	10	10
Expected life (years)	10	10	10	10	10
Risk-free rate	1.0%	1.0%	1.0%	1.0%	1.0%
Expected dividends expressed as a dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Fair value of options granted	230.2p	245.1p	315.2p	257.5p	134.6p

The expected volatility is based on the historical volatility of the Company's share price. An assessment of the likelihood of market conditions being achieved is made at the time that the options are granted.

7. Interest

	2024 £'000	2023 £'000
Interest income on cash deposits	702	298

Notes to the financial statements Continued

8. Taxation

	2024 £'000	2023 £'000
Current tax		
UK corporation tax	49	—
Foreign tax	764	336
Adjustments in respect of prior years	22	451
	835	**787**
Deferred tax		
Current year	1,019	(1,756)
Adjustments in respect of prior years	(30)	(826)
	989	**(2,582)**
Tax charge/(credit)	**1,824**	**(1,795)**

	2024 £'000	2024 %	2023 £'000	2023 %
Profit/(loss) before tax for the year	**9,858**		(1,964)	
Tax charge/(credit) at standard rate of 25% (2023: 23.5%)	**2,465**	**25.0**	(462)	23.5
Effects of:				
Permanent items/additional relief under R&D scheme	**(547)**	**(5.5)**	(782)	39.8
Difference between UK CT & DT rates	**(26)**	**(0.3)**	(160)	8.2
Income not taxable for tax purposes	**(40)**	**(0.4)**	—	0.0
Prior year adjustments	**(8)**	**(0.1)**	(375)	19.1
Other differences	**(20)**	**(0.2)**	(16)	0.8
Tax credit for the year	**1,824**	**18.5**	(1,795)	91.4

Notes to the financial statements Continued

9. Earnings per share

	2024 £'000	2023 £'000
Earnings used in calculation of earnings per share:		
On total profits attributable to equity holders of the parent	8,034	(169)

	2024	2023
Weighted average no. of shares (Basic)	36,574,695	34,768,325
Weighted average no. of shares (Diluted)	38,995,084	36,874,511
Shares in issue		
Ordinary shares in issue	36,677,766	36,480,873
Treasury shares acquired	(9,250)	—
Loss per share on total losses attributable to equity holders of the parent		
Basic, £	0.22	(0.00)
Diluted, £	0.21	(0.00)

10. Goodwill

	2024 £'000	2023 £'000
Goodwill as at 1 January and 31 December	511	511

Management has established there are two CGUs in the group being the UK and US operations which aligns to the group's reporting segments. Goodwill is allocated across the two CGUs .

The Group tests annually for impairment or more frequently if there are indications that it might be impaired. There were no indicators of impairment noted during the periods presented.

The Group tests goodwill for impairment by reviewing the carrying amount against the recoverable amount of the investment. Management has calculated the value in use using the following assumptions:

Discount rate	8%
Growth rate	2%

Forecasts are based on past experience and take into account current and future market conditions and opportunities. Using alternative discount (increase to 10%) and growth rates (decrease to nil) as sensitised assumptions does not result in any impairment.

The Group prepares forecasts based on the most recent financial budgets approved by the Board. The forecasts have been used in the value in use calculation along with the assumptions stated above. The forecasts used are consistent with those used in the going concern review and discussed in note 2. The forecasts extended for a period of 12 months from the date of signing.

There were no impairments in the years ended 31 December 2024 and 31 December 2023.

Notes to the financial statements Continued

11. Development costs

	2024 £'000	2023 £'000
Cost		
Balance as at 1 January	19,028	10,315
Additions	6,887	8,713
Balance as at 31 December	**25,915**	**19,028**
Amortisation		
Balance as at 1 January	(10,278)	(6,634)
Amortisation	(5,197)	(3,644)
Impairment	(316)	—
Balance as at 31 December	**(15,791)**	**(10,278)**
Carrying amount 31 December	**10,124**	**8,750**

The US Soluna platform has a carrying value of £8.2m and a remaining amortisation period of between 1 and 3 years. The UK platform has a carrying value of £1.9m and a remaining amortisation period of between 1 and 3 years. The US Klassic platform was fully impaired in 2024 leading to a charge within administrative expenses of £0.3m.

12. Leases

	2024 £'000	2023 £'000
Right of use asset		
As at 1 January	**42**	**68**
Depreciation	(22)	(22)
Currency revaluation	—	(4)
As at 31 December	**20**	**42**
Lease liability		
As at 1 January	**44**	**68**
Interest charge	4	5
Cash payment	(25)	(25)
Currency revaluation	—	(4)
As at 31 December	**23**	**44**

Notes to the financial statements Continued

13. Property, plant and equipment

	2024 £'000	2023 £'000
Cost		
Balance as at 1 January	842	551
Additions	120	291
Disposals	(462)	—
Balance as at 31 December	**500**	**842**
Depreciation		
Balance as at 1 January	(538)	(429)
Depreciation	(158)	(109)
Disposals	462	—
Balance as at 31 December	**(234)**	**(538)**
Carrying amount 31 December	**266**	**304**

Property, plant and equipment refers to computer and office equipment. During the year the Group disposed of equipment that had nil book value.

14. Deferred tax assets and liabilities

	Fixed asset temporary differences	Other temporary differences	Tax losses	Total
At 1 January 2023 - asset / (liability)	**(577)**	**225**	**4**	**(348)**
Movement — (charge)/credit	(643)	503	2,721	**2,581**
Amounts recognised in equity	—	416	—	**416**
At 1 January 2024 - asset / (liability)	**(1,220)**	**1,144**	**2,725**	**2,649**
Movement — (charge)/credit	(62)	344	(1,271)	**(989)**
Amounts recognised in equity	—	(416)	—	**(416)**
At 31 December 2023 — asset/(liability)	**(1,282)**	**1,072**	**1,454**	**1,244**

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

15. Trade and other receivables

	2024 £'000	2023 £'000
Trade receivables	7,409	5,801
Prepayments	1,289	1,084
Other receivables	35	289
	8,733	**7,174**

All amounts shown above are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Notes to the financial statements Continued

16. Contract assets

	2024 £'000	2023 £'000
Accrued income	292	251

17. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash and cash equivalents	21,841	11,004

18. Trade and other payable

	2024 £'000	2023 £'000
Trade payables	2,683	1,555
Accruals and other creditors	5,264	2,521
Tax liabilities	1,526	651
	9,473	**4,727**

The Group recognises a provision for an obligation when there is a probable outflow of resources and an amount can be reliably estimated. This includes legal disputes the estimated costs of which are provided for in other creditors. Disclosure of the exact details of these claims could prejudice the financial position of the Group and accordingly further information is not disclosed in this report.

19. Contract liabilities

	2024 £'000	2023 £'000
Contract liabilities — current	3,781	5,156

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the year totalled £5.2m (2023: £2.5m).

The following table shows the movement in contract liabilities:

	2024 £'000	2023 £'000
Contract liabilities recognised at start of the year	5,156	2,583
Amounts invoiced in prior year recognised as revenue in the current year	(5,156)	(2,525)
Amounts invoiced in the current year which will be recognised as revenue in the later years	3,781	5,098
Balance at the end of the year	**3,781**	**5,156**

Notes to the financial statements Continued

20. Equity

	2024 £'000	2023 £'000
Ordinary A shares	1,834	1,825

	2024	2023
Number of shares		
Ordinary A shares	36,677,766	36,480,873

The share capital of Kooth plc consists of fully paid ordinary shares with a nominal value of £0.05 per share.

The A ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption.

The following share transactions have taken place during the year ended 31 December 2024:

	2024 Number	2023 Number
At the start of the year	36,480,873	33,055,776
Share placement	—	3,305,577
Exercise of share options	196,893	119,520
At the end of the year	**36,677,766**	**36,480,873**

Share capital increased from the prior year following the exercise of staff share options.

	2024 £'000	2023 £'000
Treasury shares	(17)	—

During the reporting period the company purchased 9,250 ordinary shares to hold in treasury.

	2024 £'000	2023 £'000
Share Premium	23,444	23,444

Share premium represents the funds received in exchange for shares over and above the nominal value.

	2024 £'000	2023 £'000
Share based payment reserve	2,444	2,142

The share based payment reserve represents amounts accrued for equity settled share options granted.

	2024 £'000	2023 £'000
Merger reserve	(4,104)	(4,104)

The merger reserve was created as a result of the share for share exchange during the year ended 31 December 2020.

Notes to the financial statements Continued

	2024 £'000	2023 £'000
Capital redemption reserve	115	115

The capital redemption reserve was established as a result of the deferred share buyback during the year ended 31 December 2020.

	2024 £'000	2023 £'000
Translation reserve	(83)	161

The translation reserve represents differences on translation of balances in Kooth USA LLC which has a functional currency of USD.

21. Auditor's remuneration

	2024 £'000	2023 £'000
Fees payable to the auditor for the audit of the Company and Consolidated financial statements	145	130
Fees payable to the auditor and its associates for other services:		
Other audit related services	6	5

22. Financial assets and liabilities

	2024 £'000	2023 £'000
Financial assets		
Trade receivables	7,409	5,801
Cash and cash equivalents	21,841	11,004
Financial liabilities		
Trade and other payables	7,970	4,120

The carrying amount of trade receivables are denominated in the following currencies:

	2024 £'000	2023 £'000
GBP	2,638	931
USD	4,771	4,870
Total	**7,409**	**5,801**

Notes to the financial statements Continued

The carrying amount of cash and cash equivalents are denominated in the following currencies:

	2024 £'000	2023 £'000
GBP	8,696	6,463
USD	12,997	4,508
EUR	148	33
Total	**21,841**	**11,004**

The carrying amount of trade and other payables are denominated in the following currencies:

	2024 £'000	2023 £'000
GBP	3,578	1,579
USD	4,392	2,541
Total	**7,970**	**4,120**

Management has assessed that the fair values of cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Group's principal financial liabilities comprise trade and other payables. The Group has an undrawn debt facility as at 31 December 2024 (2023: £nil). The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables and cash that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by the Board of Directors who advise on financial risks and the appropriate financial risk governance framework for the Group. The Board provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Market risk is deemed to be immaterial to the Group given that the Group has only undrawn debt facilities in place at the year ended 31 December 2024 (2023: £nil) that would cause interest rate risk.

Credit risk

The Group's principal financial assets are cash and trade receivables. The credit risk associated with cash is limited, as the counterparties have high credit ratings assigned by international credit-rating agencies. The credit risk associated with trade receivables is also limited as customers are primarily government backed organisations such as the NHS or State governments. Credit losses historically incurred have been negligible.

Notes to the financial statements Continued

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by closely managing its cash balance.

As at the year ended 31 December 2024 the Group is solely funded by equity and as a result liquidity risk is deemed to be immaterial. The Group monitors its risk of a shortage of funds through both review and forecasting procedures.

Foreign currency risk

The Group is exposed to the US Dollar through the US subsidiary, Kooth USA LLC, which raises its sales invoices to customers in US Dollars and incurs costs in US Dollars.

With the Group reporting in Sterling, any change to the GBP/USD exchange rate could increase the Group's foreign currency risk. The Group deems the UK and US to be stable economies, thereby significantly reducing foreign currency risk.

If the exchange rate between sterling and the US dollar had been 10% higher/lower at the reporting date, the effect on profit would have been approximately (£1,096,000)/£1,340,000 respectively (2023: (£635,000)/£780,000). If the exchange rate between sterling and euro had been 10% higher/lower at the reporting date the effect on profit would have been approximately (£13,000)/£16,000 respectively (2023: (£3,000)/£4,000).

23. Related party transactions

Note 25 provides information about the Group's structure, including details of the subsidiaries and the holding company. The Group has taken advantage of the exemption available under IAS 24 Related Party Disclosures not to disclose transactions between Group undertakings which are eliminated on consolidation.

Key management personnel are the executive members of the Board of Directors. Remuneration applicable to the Company is disclosed below, with further information disclosed in the Remuneration Committee report.

	2024 £'000	2023 £'000
Salaries and bonuses	1,920	1,919
Pension costs	29	25
Share based payment charges	249	227
	2,198	**2,171**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	2024 £'000	2023 £'000
Monitoring fees — ScaleUp Capital Limited	65	58

Notes to the financial statements Continued

24. Capital management policies and procedures

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern.
- To provide an adequate return to shareholders by pricing products and services in a way that reflects the level of risk involved in providing those goods and services.

The Group monitors capital on the basis of the carrying amount of equity, less cash and cash equivalents as presented in the statement of financial position.

The Group has only undrawn debt facilities in place as at 31 December 2024 (2023: £nil).

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Group for the reporting periods under review are summarised as follows:

	2024 £'000	2023 £'000
Total equity	29,754	20,758
Cash and cash equivalents	21,841	11,004
Capital	**51,595**	**31,762**
Total equity	29,754	20,758
Lease liability	(23)	(44)
Financing	**29,731**	**20,714**

25. Subsidiaries and associated companies

Name	Country of Incorporation	Proportion held	Activity	Registered address
Kooth Group Limited	UK	100%	Platform development	5 Merchant Square, London, England, W2 1AY
Kooth Digital Health Limited	UK	100%	Provision of online services to children, young people and adults in the UK	5 Merchant Square, London, England, W2 1AY
Kooth USA LLC	US	100%	Provision of online services to children, young people in the US	167 North Green Street, Chicago, IL, 60607 USA

Notes to the financial statements Continued

26. Standards issued but not yet effective

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

27. Ultimate controlling party

No shareholder owns a majority of shares. The directors do not consider that there is one ultimate controlling party.

28. Events after the reporting date

In January and February 2025, the Group purchased a further 881,468 ordinary shares to hold in treasury. This completed the share purchase programme announced in December 2024 totalling £1.5 million.

29. Capital commitments

The Group's capital commitments at 31 December 2024 are £nil (FY23: £nil).

Parent company statement of financial position

	Note	31 December 2024 £'000	31 December 2023 £'000
Assets			
Non-current assets			
Investments	1	4,414	4,414
Intercompany receivables	2	19,377	15,150
Total non-current assets		**23,791**	**19,564**
Current assets			
Trade and other receivables	5	237	206
Cash and cash equivalents	3	1,995	5,331
Tax receivable	7	197	49
Total current assets		**2,429**	**5,586**
Total assets		**26,220**	**25,150**
Liabilities			
Current liabilities			
Trade payables	6	(90)	(74)
Accruals and other creditors	6	(297)	—
Intercompany payables	2	(17)	(717)
Tax liabilities	7	(529)	—
Total current liabilities		**(933)**	**(791)**
Net current assets		**1,496**	**4,795**
Net assets		**25,287**	**24,359**
Equity			
Share capital	8	1,834	1,825
Treasury shares	8	(17)	—
Share premium account	8	23,438	23,438
P&L reserve		1,577	943
Share-based payment reserve	8	2,444	2,142
Capital redemption reserve	8	115	115
Merger reserve	8	(4,104)	(4,104)
Total equity		**25,287**	**24,359**

As permitted by section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of the financial statements. The parent company's profit for the financial period was £210k (2023: £1,067k loss). The financial statements of Kooth plc (Company registration number 12526594) were approved by the Board of Directors and authorised for issue on 14 April 2025. They were signed on its behalf by:

Sanjay Jawa
Chief Financial Officer
14 April 2025

Parent company statement of changes in equity

	Share capital	Treasury shares	Share premium	Share based payment reserve	P&L reserve	Capital redemption reserve	Merger reserve	Total equity
Balance at 1 January 2023	**1,653**	**—**	**14,222**	**1,221**	**1,749**	**115**	**(4,104)**	**14,856**
Loss for the year	—	—	—	—	(1,067)	—	—	(1,067)
Total comprehensive income	1,653	—	14,222	1,221	682	115	(4,104)	13,789
Transactions with owners:								
Share options exercised	7	—	—	(261)	261	—	—	7
Share based payment charge	—	—	—	766	—	—	—	766
Shares issued	165	—	9,216	—	—	—	—	9,381
Deferred tax	—	—	—	416	—	—	—	416
As at 31 December 2023	**1,825**	**—**	**23,438**	**2,142**	**943**	**115**	**(4,104)**	**24,359**
Balance at 1 January 2024	**1,825**	**—**	**23,438**	**2,142**	**943**	**115**	**(4,104)**	**24,359**
Profit for the year	—	—	—	—	210	—	—	210
Total comprehensive income	1,825	—	23,438	2,142	1,153	115	(4,104)	24,569
Transactions with owners:								
Share options exercised	9	—	—	(424)	424	—	—	9
Share based payment charge	—	—	—	1,142	—	—	—	1,142
Treasury shares purchased	—	(17)	—	—	—	—	—	(17)
Deferred tax	—	—	—	(416)	—	—	—	(416)
As at 31 December 2024	**1,834**	**(17)**	**23,438**	**2,444**	**1,577**	**115**	**(4,104)**	**25,287**

The notes on pages 164 to 166 form part of the financial statements.

Notes to the parent company financial statements

Basis of preparation

The Financial Statements are presented in pound sterling, rounded to the nearest thousand, unless otherwise stated. They are prepared under the historical cost basis and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and certain related party transactions. Where required, equivalent disclosures are given in the Consolidated Financial Statements.

As permitted by section 408(4) of the Companies Act 2006, a separate income statement and statement of comprehensive income for the Company has not been included in these Financial Statements. The principal accounting policies adopted are described below. They have all been applied consistently to all years presented.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's Financial Statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the Consolidated Financial Statements.

The following are key accounting policies for the Company:

- Basis of preparation.
- Going concern.
- Trade receivables and payables.
- Cash and cash equivalents.

These policies of the company are consistent with those adopted by the Group and disclosed in note 2 to the consolidated financial statements. The following are additional accounting policies that relate to the Company.

Investments

Investments are stated at their cost less impairment losses.

Intercompany

Intercompany balances are intercompany loans and comprise of amounts owed to/owing from subsidiaries. IFRS 9 expected credit losses have been assessed as immaterial in relation to these balances.

Any key judgements or estimates are consistent with those adopted by the Group.

Notes to the parent company financial statements Continued

1. Investments

	2024 £'000	2023 £'000
Investment in subsidiaries	4,414	4,414

2. Intercompany

	2024 £'000	2023 £'000
Intercompany receivable balances		
Kooth Group Limited	8,805	9,635
Kooth Digital Health Limited	10,572	5,515
	19,377	15,150
Intercompany payable balances		
Kooth USA LLC	(17)	(717)

3. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash and cash equivalents	1,995	5,331

4. Related parties

Key management personnel are the executive members of the Board of Directors.

Remuneration applicable to the Company is disclosed below, with further information disclosed in the Remuneration Committee report.

	2024 £'000	2023 £'000
Salaries and bonuses	1,920	1,919
Pension costs	29	25
Share based payment charges	249	227
	2,198	**2,171**

5. Trade receivables

	2024 £'000	2023 £'000
Prepayments and other receivables	237	206

6. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	90	74
Accruals and other creditors	297	—
	387	**74**

Notes to the parent company financial statements Continued

7. Tax assets/(liabilities)

	2024 £'000	2023 £'000
VAT receivable / (payable)	(529)	49
Deferred tax asset	197	—

8. Equity

	2024 £'000	2023 £'000
Ordinary A shares	1,834	1,825

	2024	2023
Number of shares		
Ordinary A shares	36,677,766	36,480,873

The share capital of Kooth plc consists of fully paid ordinary shares with a nominal value of £0.05 per share.

Share capital increased from the prior year following the exercise of staff share options.

The A ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption.

	2024 £'000	2023 £'000
Treasury shares	(17)	—

During the reporting period the company purchased 9,250 ordinary shares to hold in treasury.

	2024 £'000	2023 £'000
Share premium	23,438	23,438

Share premium represents the funds received in exchange for shares over and above the nominal value.

	2024 £'000	2023 £'000
Share based payment reserve	2,444	2,142

The share based payment reserve represents amounts accrued for equity settled share options granted.

	2024 £'000	2023 £'000
Merger reserve	(4,104)	(4,104)

The merger reserve was created as a result of the share for share exchange during the year ended 31 December 2020.

	2024 £'000	2023 £'000
Capital redemption reserve	115	115

The capital redemption reserve was established as a result of the deferred share buyback during the year ended 31 December 2020.

Notes to the parent company financial statements Continued

Company secretary

Almond & Co
11 York Street, Manchester
M2 2AW

Nominated adviser and Broker

Stifel Nicolaus Europe Limited
150 Cheapside, London
EC2V 6ET

Registrars

Equiniti Limited
Highdown House, Yeoman Way, Worthing, West Sussex
BN99 3HH

Auditors

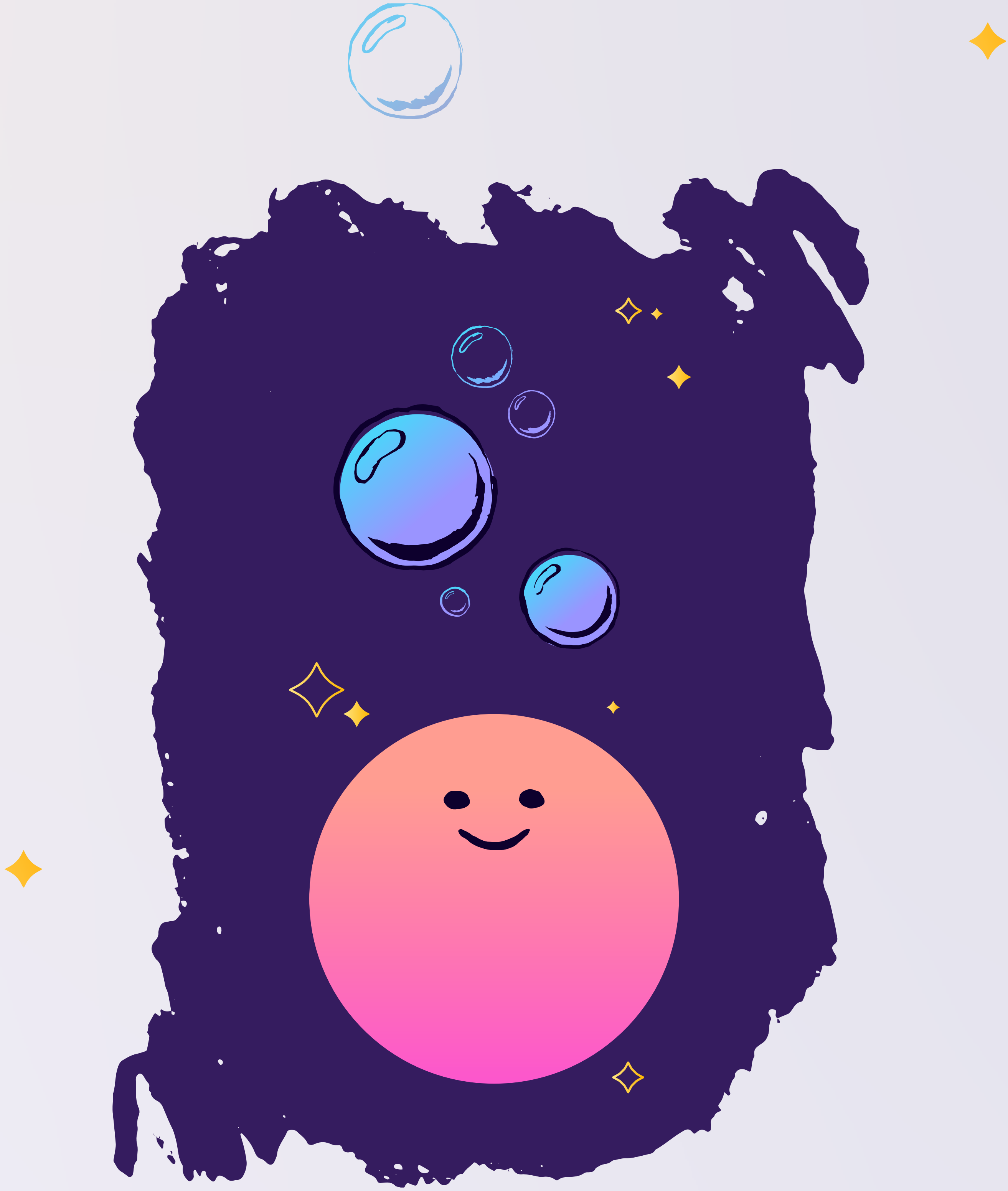
Grant Thornton UK LLP
30 Finsbury Square, London
EC2A 1AG

PR advisers

FTI Consulting LLP
200 Aldersgate, Aldersgate Street, London
EC1A 4HD

Legal advisers

Squire Patton Boggs (UK) LLP
60 London Wall, London
EC2M 5TQ



Kooth plc
Company registered office:
5 Merchant Square, London W2 1AY.
Company number: 12526594
W: connect.kooth.com
E: investorrelations@kooth.com