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**We're proud that in 2020, Kooth stepped up and continued to scale up to support the mental health of our nation.**

**Tim Barker**  
Chief Executive Officer



## Strategic Report

# Chief Executive Officer's statement

### A landmark year for Kooth

2020 was a year where remote-first technologies came to the foreground, with many industries accelerating their transformation to digital-first delivery models.

As a mental health care business that was 'born digital', this was a re-enforcement of the benefits of the digital operating model that Kooth has pioneered in partnership with the NHS over many years. We worked with NHS commissioners to expand access to Kooth into more regions within the UK, supported more people than ever before, and provided a safe, welcoming space for individuals in need.

This was reflected in positive revenue growth of 50%, adjusted EBITDA growth from £0.1 million to £0.9 million, and an improved adjusted EBITDA margin to 7.2%. (2019: 1.6%)

### Transition to life as a PLC

In September 2020, we successfully floated on AIM. The move has brought many positive changes to Kooth. Our customers value the greater scrutiny and transparency that comes with life as a public company. We invested in our systems to simplify and streamline reporting ahead of our IPO - meaning we operate our business with greater rigour than ever.

Following the IPO, new investment in our technology, data science, and clinical product development will enable us to continue to deliver on our vision of personalised mental health care.

We've seen further contract expansion and high customer retention across the business, retaining 95% of our customers and delivering a net revenue retention of 105%. In the Children and Young Persons market we now cover 85% of Clinical Commissioning Groups (CCGs) in England and have had our first commission from the Welsh Health Boards. Our Adult platform has seen considerable growth with 18 additional contracts coming on board in 2020. We now support more than 1.5 million adults across the UK.

Ongoing investment in clinical safety and outcomes has led us to maintain a strong clinical performance in supporting our service users.

The £16 million raised has allowed us to pay down all debt and create an investment plan to extend our technology, data science, clinical, and research functions to serve more users more effectively.

Lastly, the IPO has enabled us to create a better relationship with our customers through increased transparency, and with our employees through our ability to offer our staff long term incentives to reward their hard work, passion and impressive results.

**Our customers**

2020 has been a year in which the NHS has needed support like never before. I have been exceptionally proud of how Kooth has collaboratively worked with the NHS and the country through the pandemic. As a remote-first organisation we have been able to support the NHS by continuing to expand our coverage for Children and Young People, increasing coverage of existing contracts to meet increased demand and a rapid scale up of our adult services to provide complementary online alternatives to IAPT (the NHS program to Improve Access to Psychological Therapies) and traditional face to face counselling services.

**Innovation**

2020 was pivotal for us to innovate in two key areas of our business: data and self-help. Data collection, security and usage is a critical part of our service, enabling us to better support our users, customers, and prove the effectiveness of our interventions.

By introducing a self-assessment (known as a 'measure of need') for users we can now clinically measure the level of mental health support that individuals need, and track

**Talent**

Kooth is all about its people. Employees at Kooth provide the most important support behind the platform to some of the country's most vulnerable people. Our employees have been exceptional in 2020, juggling caring, health and childcare needs with the drive and determination to make sure all our service users are supported.

We continue to retain and attract key talent and I am especially delighted that we welcomed our new Chief Operating Officer, Kate Newhouse, in May 2020 who joins

We have worked collaboratively with the UK Government, providing our national data and insights to help gain a better picture of the impact of the pandemic on the nation's mental health.

We are well-placed to meet the coming demand and structural changes in the NHS. As the market leaders we have exceptional local relationships across primary care, NHS providers and NHS commissioning systems. These relationships allow us to understand the value Kooth can continue to add to help reduce cost and improve outcomes across the mental health pathway.

changes over time. In addition, our data science and research team continued to collaborate with academia and industry partners to prove the effectiveness of Kooth's service built on our 'Theory of Change' model.

2020 also saw the addition of new self-help tools, with the introduction of the activity-centre, providing a range of self-guided activities and a peer-support community to help individuals manage their own mental health.

us with a wealth of leadership experience in the digital health space. Kate was previously CEO of Doctor Care Anywhere and CEO of Blenheim Chalcot.

In 2020 we grew to 306 employees, the majority of whom joined our product development and clinical delivery teams.

Following our IPO in September we launched our first staff long term share incentive scheme (as outlined in the IPO admission document).

**COVID-19**

Kooth has provided vital support to UK citizens throughout the pandemic. Our remote delivery model has enabled us to scale up quickly and effectively to support our NHS colleagues in handling increased demands and shifting from traditional face to

**Outlook**

Kooth has a robust business model with 95% recurring revenue and is well positioned to help deliver effective and scalable services to deal with the aftermath of COVID-19 and the burgeoning mental health needs of the nation.

As a resilient and dynamic business we have a strong focus on delivering our 2021 strategy and utilising the funds from the

face services to digital support. We have been swift in moving to a greater focus on online promotion and using social media and our links with schools, GPs and social work to mobilise digital campaigns.

IPO to deliver on our purpose to make digital mental health care available to all, driving our expansion and growth.

Longer term, we are fully aligned with NHS policy and the transition to Integrated Care Systems and Primary Care Networks. We are well placed to continue to build our adult services into adjacent areas such as supporting employers, the unemployed, universities and victims of crime.



**Tim Barker**  
Chief Executive Officer

13th April 2021