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In an unprecedented year, Kooth has risen to the challenge.

Peter Whiting
Non-Executive Chair, Kooth plc

Strategic Report

Chair's statement

Dear Shareholders,

I am delighted to present Kooth plc's maiden full year results as a public company following our successful listing on AIM in September 2020. It is also my first as Chair since joining Kooth last May.

Our IPO has already begun to deliver a number of strategic benefits to the Company, supporting our investment in product development, our clinical operating model, and expanding our team to pursue new market opportunities. We begin life as a public company in a position of financial strength, with a robust balance sheet and a net cash position. As a listed company we now operate with a high level of transparency that we know our customers, partners, and service users' value.

Key achievements

At a time of exceptional uncertainty, Kooth stepped up to support our customers and partners, scaling our service to meet demand and delivering strong revenue growth ahead of our expectations. Our progress reflects Kooth's leading position supporting children and young people via the NHS, and early success with our expansion to support the NHS Adult and Corporate markets.

We continued to see strong organic growth in our existing contract base with expansions in service usage and the age ranges supported. Our Children and Young People's service (CYP) expanded to cover 85% of English Clinical Commissioning Groups (CCGs) and continued to expand into Wales. Our Public Sector Adult Services are now available to 1.5 million adults and we began to make inroads in the nascent corporate market. Kooth's platform is now available to more than 7.8 million people across the UK.

People and culture

2020 was a year for ensuring solid foundations for future growth at Kooth, with our culture, values, purpose, and people a key focus for us. The journey ahead will be to continue to embed our values into business-as-usual, as described in the CEO's statement.

I am pleased to confirm that we continue to retain and attract talent based on these values. Our teams include colleagues with a wide variety of skills - clinical, technical and finance - all brought together by a common drive to grow their areas of the business and deliver on our purpose to make effective, personalised digital mental health care available to everyone.

Diversity and inclusion are essential to Kooth's core purpose. In July 2020 we appointed Steve Gilbert, OBE to chair our Diversity and Inclusion Council and we also established an Employee Voices Group so that we can better understand and embrace diversity across the organisation.

Strategic Report

Board changes

Our Executive Board was strengthened in 2020 by the appointment of Tim Barker as CEO and Sanjay Jawa as CFO. Tim brings with him a wealth of experience from his career in the technology industry including leadership positions at DataSift and Salesforce. Prior to his appointment Sanjay had been a Non-Executive Director since 2018 through his role as an operating partner at ScaleUp Capital. He previously held senior finance positions at a combination of public and private equity-backed technology and services businesses including Qualitest, Barclays and FTI Consulting.

Corporate governance

The Board is fully committed to its obligation individually and collectively to act in good faith to seek to promote the success of the company for the benefit of its shareholders as a whole and the interests of other stakeholders. Further details of our approach are set out in pages 34 to 52.

Independent Advisory Board

In addition to our plc Board, we established an independent advisory board to provide guidance and strategic advice on the ever evolving landscape of mental health. Chaired by Sir Norman Lamb, our advisory board has proved a valuable partner in helping guide our strategic direction and deepen our partnerships within the NHS, commercial, and charity sectors.

As a clinical-first organisation I am very pleased to be joined by Professor Dame Sue Bailey as a Non-Executive Director. Sue is a qualified psychiatrist and academic who specialises in the field of Children and Young People's mental health, underlined by her positions as Vice President of the British Association of Counselling and Psychotherapy and Chair of the Centre for Mental Health. Sue has extensive experience across Government, the NHS and charitable organisations, and in 2013 was made a Dame for services to mental health.

Summary

Kooth begins 2021 with excellent momentum and a clear strategy for growth, after strong revenue growth and gross margin improvement in 2020.

In 2021, innovating and investing in our proprietary technology platform, data science, and a continued focus on our clinical delivery model are key to our future success. Kooth's strategy is strongly aligned to NHS and other Government policy which we expect to continue to drive growth in our core Government markets. In 2021 we aim to continue growing substantially in the public sector adult market and begin to drive growth in the corporate market.

The Board believes that we are well positioned for future success.



Peter Whiting
Non-Executive Chair

13th April 2021

