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Peter Whiting
Non-Executive Chair

Chair's Statement



Dear Shareholders,

After a year in which our priority was the support of a nation in need, I would first like to thank our employees who are the most important foundation for our success.

Our staff have shown their resilience, flexibility, and professionalism in dealing with the challenges and changes that we have all experienced in the last two years. We are proud of the support we have provided, and of our close partnership with the NHS that aims to reduce the strain on stretched mental health services by providing a digital-first approach to reach people in need of support.

In 2021, we not only saw the continued expansion of Kooth with 1.3 million logins (18% YoY growth). We also saw an increase in the severity of need from people that came to Kooth, with more than 60% of people visiting Kooth measuring as 'severe' on a scale of acuity. Our teams of practitioners, clinical psychologists, moderators, and safeguarding experts have adjusted to this emerging 'new normal' with professionalism and compassion.

I am pleased to report that our financial performance has been in line with market expectations, with revenue up 28% to £16.7million, adjusted EBITDA growth from £0.9 million to £2.1 million and an improved adjusted EBITDA margin to 12.5% (2020: 7.2%).

We have seen continued growth and expansion in our service for children and young people, with 90% of Commissioners in England choosing Kooth as their digital mental health platform. This includes all 32 boroughs in London, plus a clear expansion into Scotland and Wales. In total 7.1 million children and young people have access to Kooth across the UK today, with 1 in 33 of these having accessed Kooth in 2021.

We continue to see a growing demand in the public sector for our Kooth Adult service. In 2021 we added 14 new contracts to our roster, with 3.8 million adults now having free access to Kooth nationwide.

ARR grew by 20% to £16.9 million (2020: £14.1 million) which included an 89% increase in Adult ARR to £1.7 million (2020: £0.9 million).

Over 90% of Kooth's revenue comes from recurring annual contracts of 12 months or longer. Given the nature of our subscription based business model, this provides strong forward revenue visibility giving us confidence to invest in the growth of our platform and people.

In terms of outlook, the business has continued to thrive over the last year as evidenced by our financial and operational performance, demonstrating that our growth strategy continues to deliver. Our high level of customer retention, and strong recurring revenue visibility position the Group well. We enter FY22 in a solid financial position, with revenue growth, a good cash position with no debt and a proven business model. Trading during the new financial year has been broadly in line with the Board's expectations with strong levels of existing and new client activity.

Looking further ahead, we continue to see a significant potential opportunity in supporting businesses to improve the mental wellbeing of their workforce, and to expand Kooth into international markets including the USA, where, as previously announced, we have hired a General Manager to develop that business during 2022. Since our IPO in September 2020, our focus has been to invest to support the long-term growth of our technology platform. These newer, nascent growth initiatives have made encouraging progress in 2021 setting them up for a successful year ahead.

Peter Whiting
Non-Executive Chair

28 March 2022