

# 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<sup>1</sup> 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

<sup>1</sup> 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

