

22 January 2024

**Kooth plc**

("Kooth" or the "Group")

**Trading Update**

Kooth, a global leader in youth digital mental well-being, announces a trading update for the financial year ended 31 December 2023.

2023 revenues are expected to be approximately £33.3 million, a year-on-year increase of c.65%. This strong growth excludes c.\$4 million of revenue billed in 2023 relating to revenues received from US contracts, which had been expected to be recognised in 2023, but will now be paid and recognised in early 2024.

The Group has a robust balance sheet and positive operating cashflow. As at 31 December 2023 the Group had an unaudited net cash balance of £10.9 million (2022: £8.5m), and has recently entered into a working capital credit facility with Citibank of \$9.5 million that remains undrawn at this time.

Kooth successfully launched its digital mental health platform and mobile app, Soluna, in California in January 2024 and is finalising discussions with the State of Pennsylvania regarding an extension of its current service contract, which began as a pilot programme in October 2022.

For the UK market we saw revenue growth for 2023, but as previously reported, we expect headwinds to remain in the near term, reflecting a focus on NHS cost saving and the ongoing acute care backlog. We remain focused on demonstrating the impact and savings that Kooth generates when commissioned in a region.

We will provide a further update on progress at the Group's Full Year Results which are expected to be announced in March 2024.

**Tim Barker, Chief Executive Officer of Kooth, said:**

"2023 was a year of significant progress for Kooth, underlined by our largest contract win with the State of California. Alongside our work in Pennsylvania, Kooth is now a leader in the important US digital mental health market and a provider of choice for the provision of services to children and young people. This momentum, combined with our strong financial performance and our ability to generate recurring revenue, leaves us well placed for further progress in 2024. The need for digital mental health services is as great as ever and we look forward to ensuring that Kooth remains a trusted and growing provider for children and young people both in the US and UK."

-Ends-

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**About Kooth plc:**

Kooth (AIM:KOO) is a global leader in youth digital mental well-being. Our mission is to provide accessible and safe spaces for everyone to achieve better mental health. Our platform is clinically robust and accredited to provide a range of therapeutic support and interventions. All our services are predicated on easy access to make early intervention and prevention a reality.

Kooth is a fully safeguarded and pre-moderated community with a library of peer and professional created content, alongside access to experienced online counsellors. There are no thresholds for support and no waiting lists.

Kooth is the longest standing digital mental health provider to hold a UK-wide accreditation from the British Association of Counselling and Psychotherapy (BACP) and according to NHS England data for 2022/23 is now the largest single access provider for mental health support for under 18s.

In 2021, Kooth began executing on its international expansion strategy, with an initial focus on the US market. This focus is due to the growing recognition of the importance of improving youth mental health in this key global healthcare market, with 1-in-6 people aged 6-17 experiencing a mental health disorder each year.

**Notes**

1. As outlined on 4 July 2023, the company expected revenues for the year ending December 2023 to be not less than £34m.

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