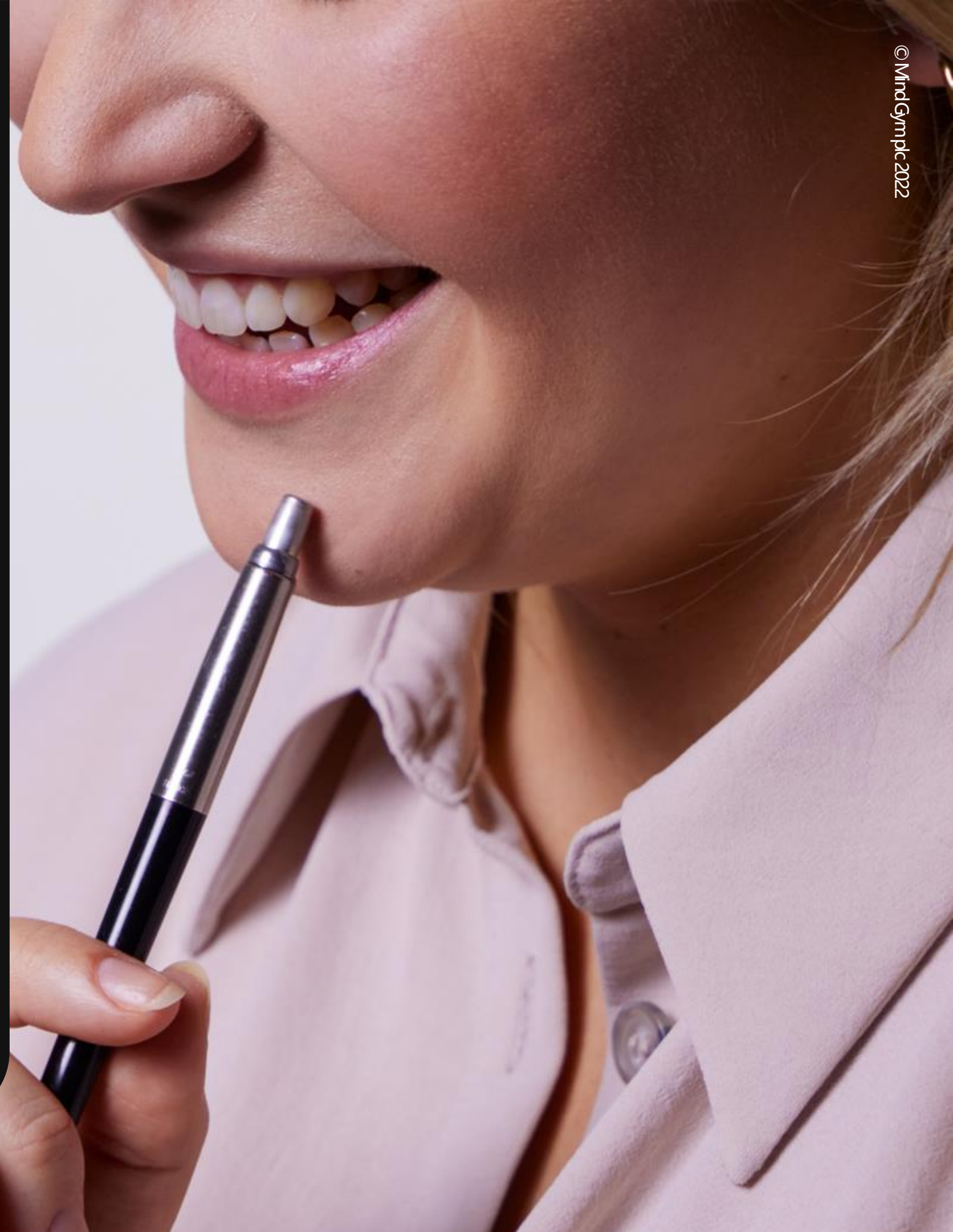


Change at the speed of life

Final results presentation FY22
June 2022



Presentation team



Octavius Black

Chief Executive Officer

- Co-founded MindGym at his kitchen table in 2000
- Co-authored MindGym's four books
- Prior to MindGym: Director for organisational communication consultancy Smythe Dorward Lambert (sold to Omnicom 1996); Analyst at Booz Allen Hamilton



Dominic Neary

Chief Financial Officer

- Appointed as Chief Financial Officer on 1 January 2022
- Previous experience includes:
 - EU Finance Director at Just Eat
 - Commercial Finance Director at Moneysupermarket.com
 - 10 years in various financial positions at Reckitt Benckiser

Agenda

The opportunity

FY22 highlights:

- Robust performance & surpassing pre-Covid revenue
- Strong financial position to support future growth
- Good progress with MindGym's digital strategy:
 - Digitally-enabled revenues up
 - Performa successfully launched

Our strategy:

- Market leading IP
- Delighting clients
- Digital transformation

FY23 outlook:

- Robust top line growth
- Returning to profitability



The opportunity: total more than the sum of the parts

NOW

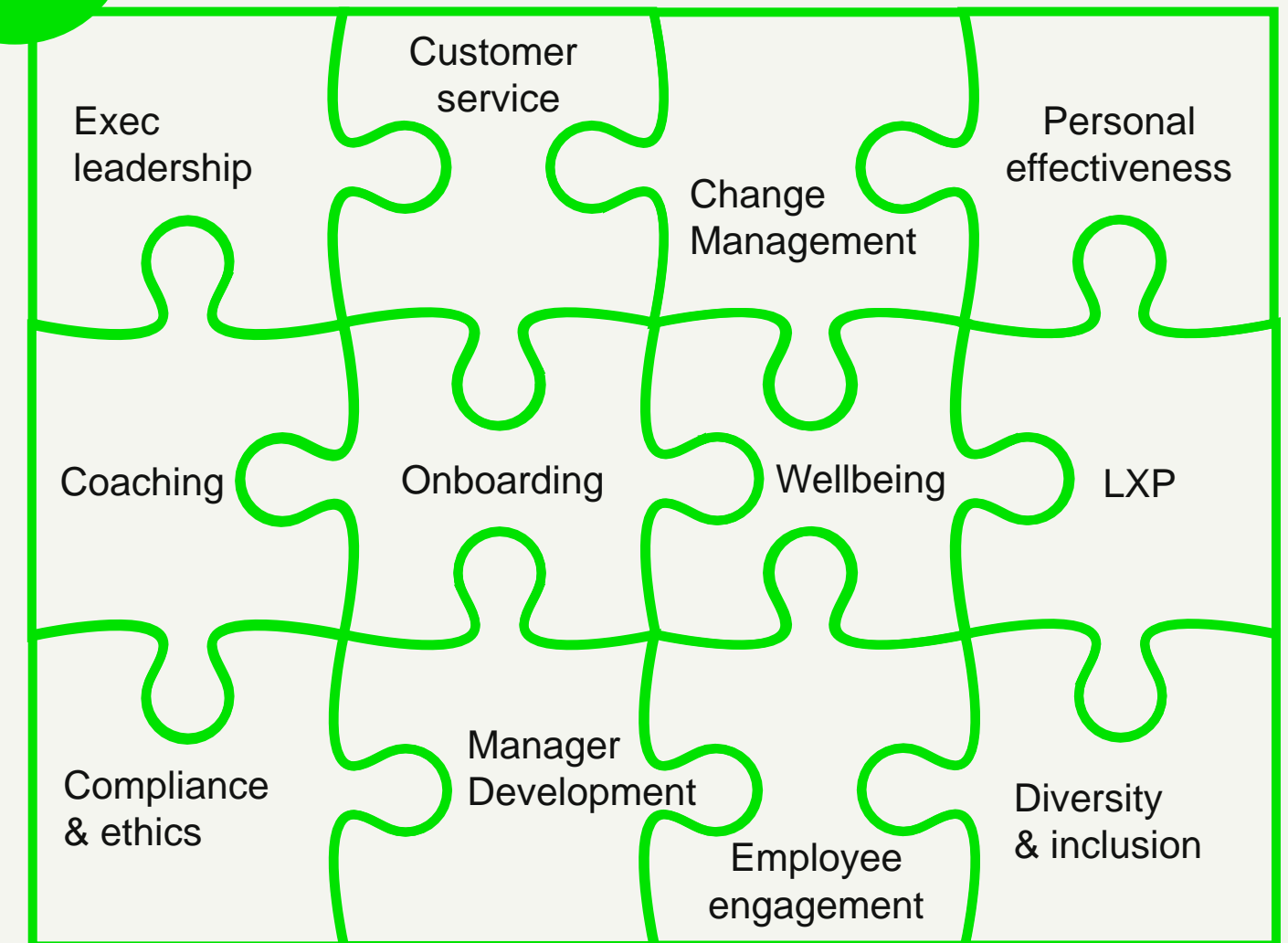
Total < sum of the parts



- Lacks coherence
- Significant waste
- No consistent data

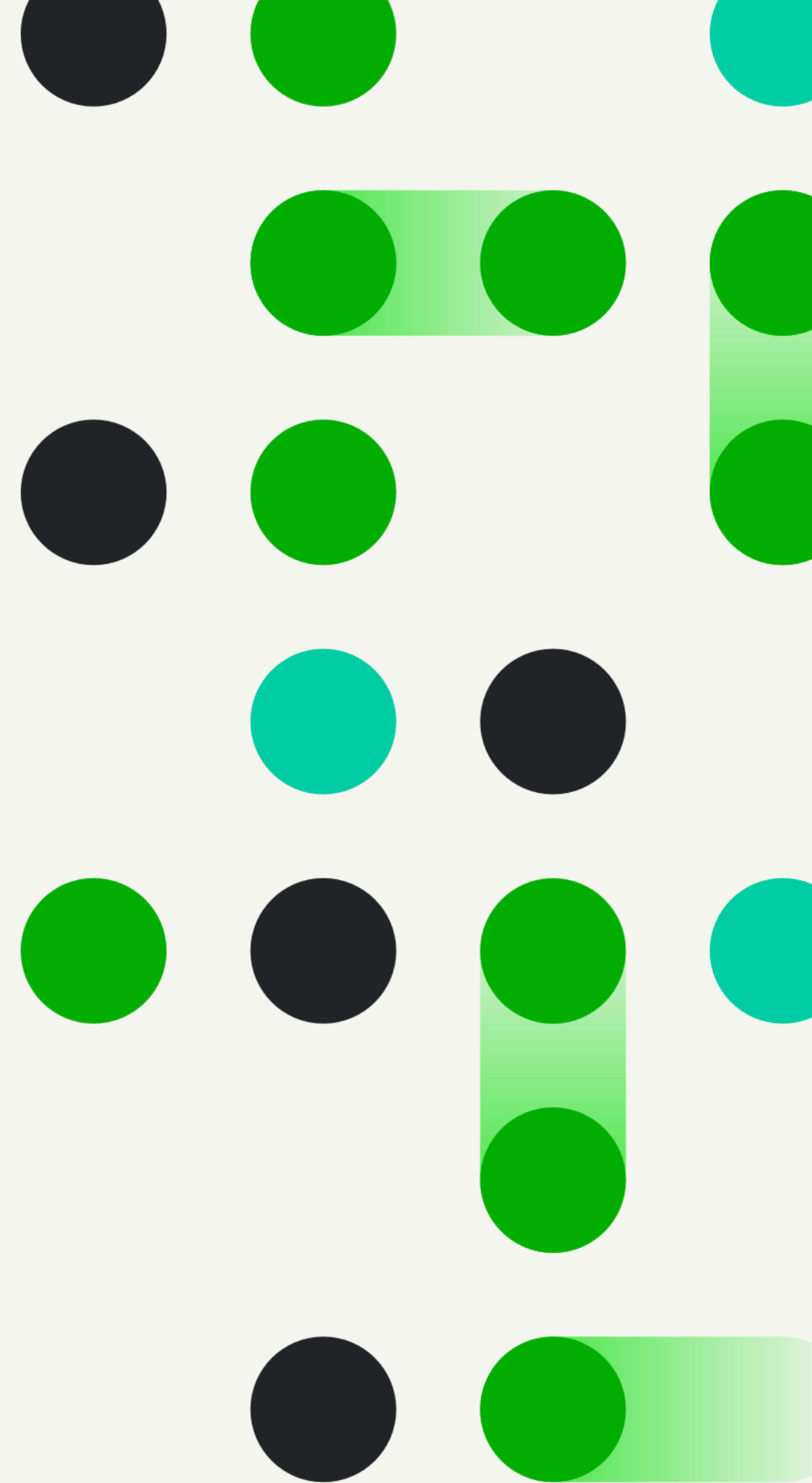
FUTURE

Total > sum of the parts



- Coherence increases application
- Integration eliminates waste
- Data enables:
 - mass customisation
 - focus investment on what works

FY22 full year results



Strong revenue recovery from COVID

£48.7m

Revenue

+24% **2021 £39.4m**

(£0.5m)

Adjusted Profit before tax

(£0.8m) **2021 £0.3m**

£1.2m

Adjusted EBITDA

(£0.4m) **2021 £1.6m**

1.59p

Adjusted diluted EPS (p)

+1.29p **2021 0.30p**

95%

Adjusted cash conversion

(323%) **2021 418%**

£10.0m

Period end cash balance

(£6.8m) **2021 £16.8m**

Highlights:

Robust revenue performance:

- Revenues of £48.7m were up 24% (25% cc)
- Surpassing pre-COVID (FY20: +5%cc +1%act)
- Digitally-enabled revenue +23%

LBT of £0.5m in line with Board expectations:

- Includes step up in investment to support significant growth in coming years
- And £0.5m non-recurring cost of the optimisation program in Q4

Adjusted diluted EPS of 1.59p up 530% on FY21 due to £2.1m tax credit in FY22 (primarily R&D)

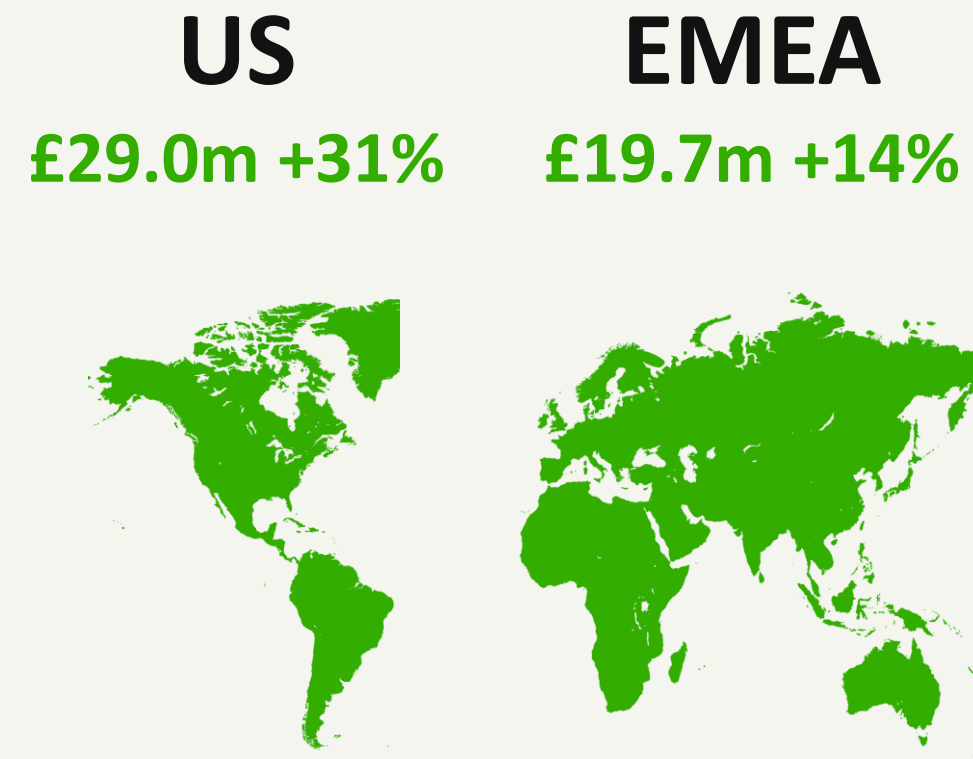
Cash conversion in FY21 impacted by one-offs: increase in deferred income and COVID salary deferrals

MindGym retains a strong financial position:

- Cash balance of £10.0m (vs 16.8m FY21):
- £6.1m CAPEX (primarily digital investment)
- H2 cash burn of £2m c. 50% lower than H1

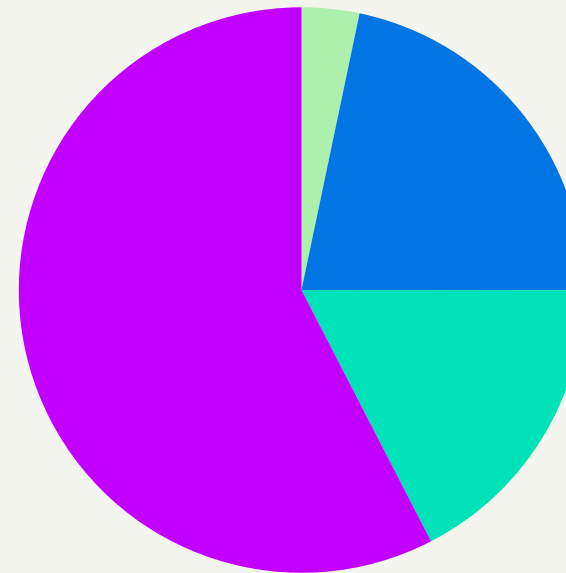
No final dividend to be paid. To be reviewed once the Board has greater clarity on the performance of its digital investments and of the broader economic outlook

Robust revenue growth with the world's best companies



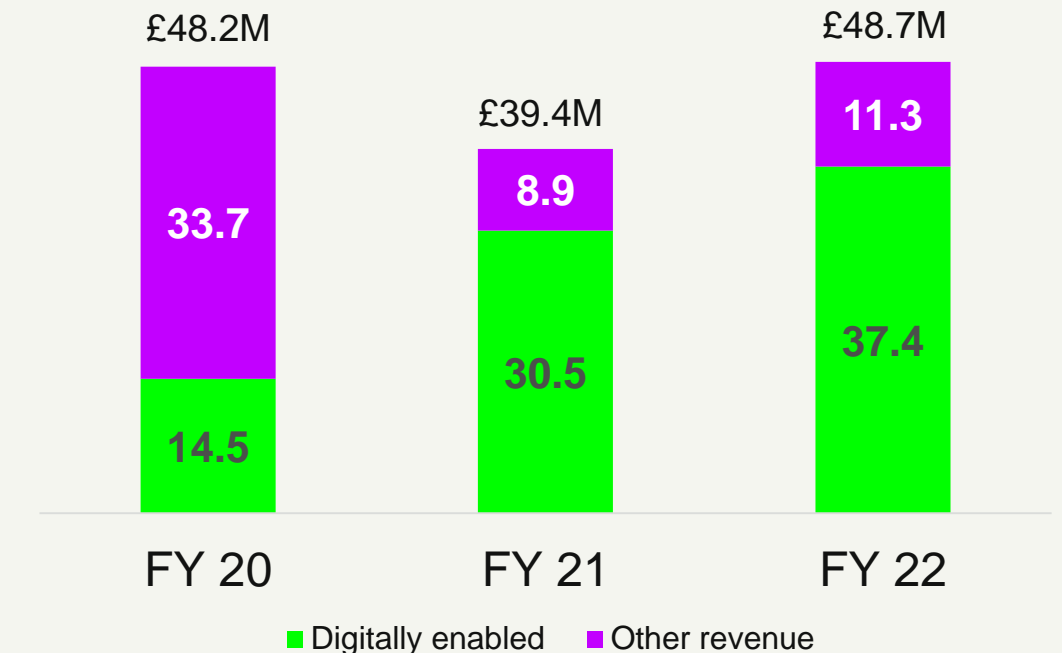
- Both sales regions growing well
- Investment in the US driving increased growth rates
- EMEA growth reduced by c. 9% as clients asked for invoicing/delivery to be from the US

- Largest Account
- Accounts 2-10
- Accounts 11-25
- All other accounts



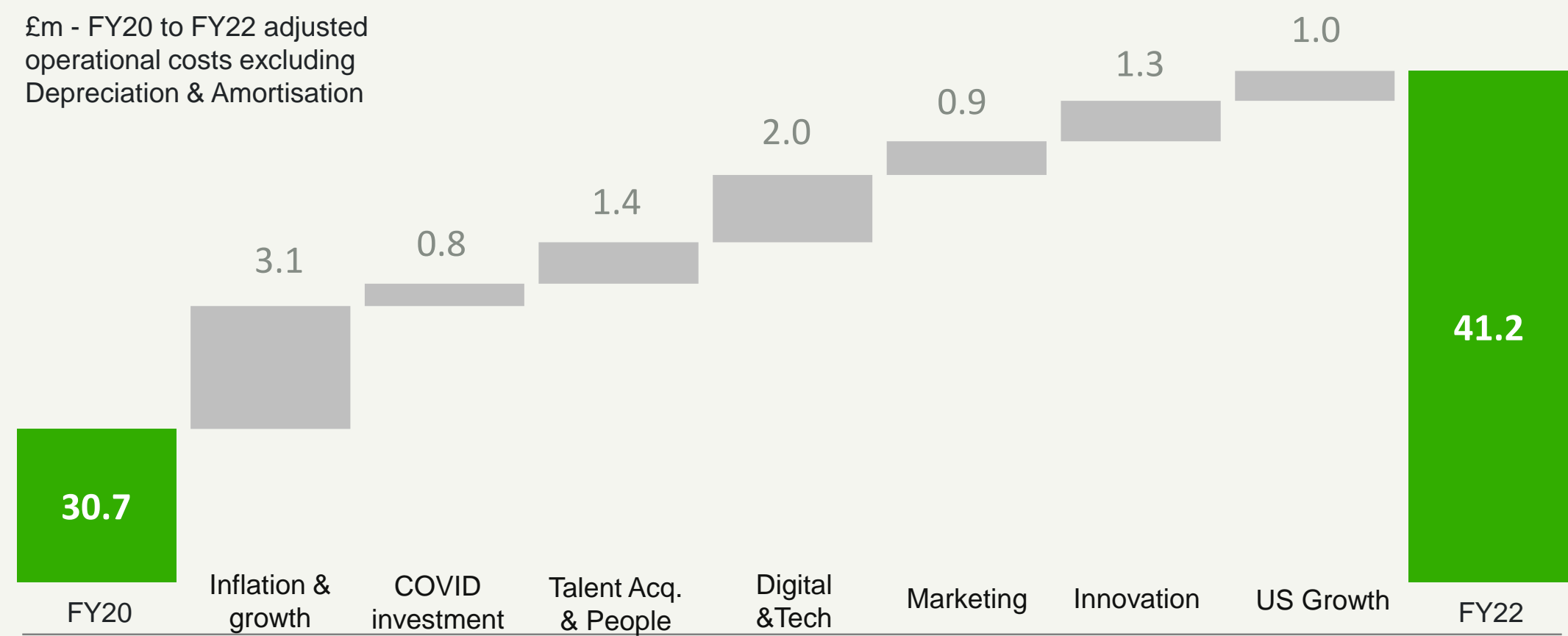
- MG retains a broadly distributed client base
- 86% repeat revenue
- MG works with the world's best companies - 62% of the FTSE 100 and 56% of the S&P100

Digitally-enabled growth (£m)



- Digitally-enabled revenues:
 - +23% vs. FY21
 - +158% vs pre-COVID levels (FY20), reflecting pivot to virtual
- Digital Products:
 - eWorkouts -14% vs FY21: H2 FY21 exceptional sales driven by COVID, up 26% on FY20
 - Performa in-year revenues minimal as sales spread across up to 12 months
- Other revenues up 28% on FY21

MindGym's infrastructure investments have prepared the company for Growth



£3.9m normal opex

general overhead increase:

- £3.1m Inflation & growth
- £0.8m COVID investment

£6.6m Investment for Growth:

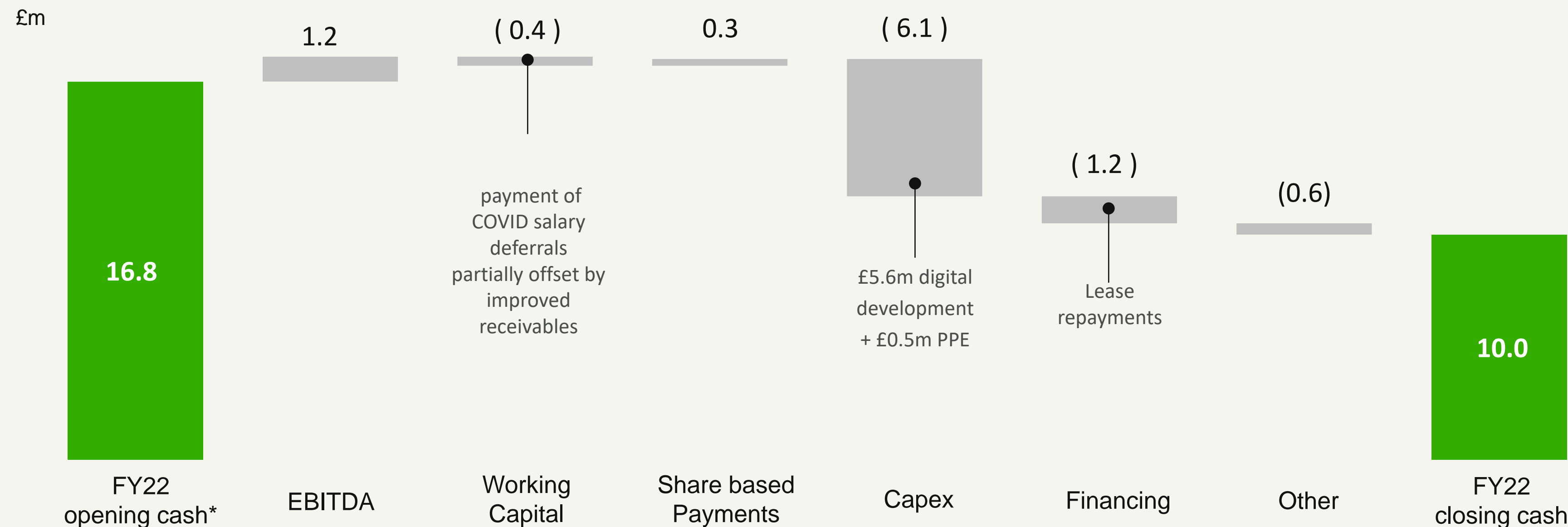
step change to support significant revenue growth:

- £1.4m talent acquisition and people
- £2.0m digital overheads (tech and marketing)
- £0.9m marketing
- £1.3m innovation
- £1.0m US regional growth

Q4 Cost Control

- Reviewed the FY22 investments, and improved efficiencies across the business
- Integration has increased the pace of our digital product development
- Offsets the annualised increase in overheads we would otherwise have seen
- We continue to target efficiencies

FY22 Financials – Cash flow



*FY22 opening cash benefitted from a doubling in deferred income (which has not unwound in FY22), and improved receivables management

The Group entered into a £10 million debt facility (£6m RCF, £4m accordion) on 30 September 2021 which matures after 3 years. The facility remains undrawn as at 9 June 2022

Our strategy



The MindGym model



Market leading IP

- Differentiated Points of View
- Library of **>200** bite sized products tested on **>3 million** professionals
- Consistent delivery at scale



Delighting clients

- Work with **56%** of the S&P100 and **62%** of the FTSE 100
- C. **86%** repeat purchase



Digital transformation

- Personalised learning
- Digital integrates with Mind Gym's in person and virtual product portfolio
- Data allows clients to target the right products for the right people in the right way

Market leading IP

The speed of our innovation has increased significantly.

We have PoVs on all core universal HCM challenges.

We are launching 2 new POV's in FY23:

- **Leadership POV:** The market for Leadership Development is large and growing
- **Wellbeing POV:** Wellbeing is \$50bn and forecast to grow to \$100bn by 2030



Better off with Performa

\$20bn sector

- Estimated \$20 billion in 2022 & \$11.2 billion in the US alone (IBISWorld 2019; 2022)
- Demand for online coaching is increasing

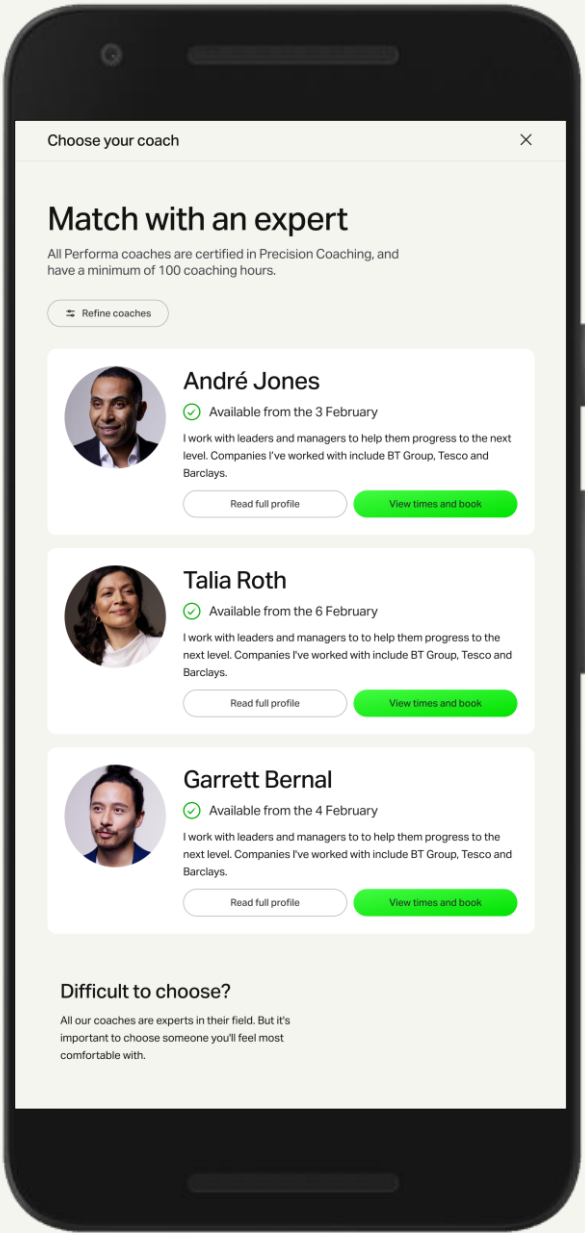
\$1bn invested

- c \$1bn invested in c.10 digital coaching companies to date
- Market leader in excess of \$100m annualized revenue

“My coach was *fantastic*. My biggest fear was the coaches would not be able to empathise and work at the senior leadership/executive level, but we found the Precision coaching quality was really high.”

Chief People Officer,
International Communications Group

	Performa	Current leader
Investment	£3m until launch	\$600m
Coaching method	Proprietary: Precision coaching	No proprietary method
Coach QA	Certified in Precision Coaching as well as external qualifications	External qualifications only
Timeliness	4 * 45 min cycle to make tangible progress	Go with the coachee flow
Integrated solution	Integrates with full MG portfolio to address challenges such as Leadership and Inclusion	Standalone 1:1 coaching
Customer acquisition	Existing relationships with most of FTSE100/S&P 100. 5% of annual MG participants converting to Performa = £50m	Standing start



Our digital roadmap

beyond e-workouts

(FY22)



Benefits

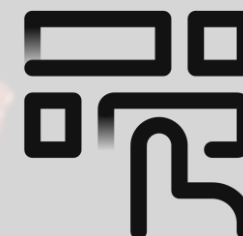
Participant	Precision coaching methodology which delivers faster, consistent, and measurable results and takes up less of my time.
Client	Individualised coaching which integrates with all MindGym products to provide a comprehensive solution for leadership, inclusion etc.
Investor	Stronger incremental margins than MindGym's Core with negative NWC.

Accelerating diagnostics - acquisition of 10X



Best in class for only £0.1m investment

- £10m invested over 7 years by Peter Saville - 40 year legacy & experience with SHL and Saville Assessments
- Large scale co-validated research study shows that 10X is a better predictor of behaviour than market leaders



Linked to the MG portfolio

- Linked to our standardised portfolio to drive our solutions and provide actionable insights
- Diagnostics enabled by our digital platforms to provide 'measurement as a service' for Digital and Live



Immediate impact in FY23

- New powerful Manager Development Diagnostic in FY23 and replaces existing third party psychometrics in portfolio
- Robust profiling gives unparalleled insight on what interventions are most likely to have the desired impact - this enables an unprecedented level of personalisation






Future potential

- Opportunities in high potential and executive assessments
- Long-term option to enter market for selection and recruitment

Our digital roadmap

beyond e-workouts

				(FY22)	(FY23)	(FY24 and beyond)
				 Performa	 Diagnostics	 Behaviour Change Platform
Benefits	Participant	Precision coaching methodology which delivers faster, consistent, and measurable results and takes up less of my time.		Diagnostics helps me focus on what will help me most.		Access to multi-modal learning content, tailored to individual needs, leveraging MindGym's >20 years of proven IP.
	Client	Individualised coaching which integrates with all MindGym products to provide a comprehensive solution for leadership, inclusion etc.		Diagnostics makes it easier to implement personalised learning and the data from organisational diagnostics allow clients to target investments, maximising impact/ROI.		One integrated online solution to address all HCM challenges. Eliminates waste, provides consistent data and improves performance for employees, managers, and leaders.
	Investor	Stronger incremental margins than MindGym's Core with negative NWC.		Digital subscriptions to Diagnostics, drive high margin repeatable revenue streams. SaaS revenue is typically NWC negative.		Standardised SaaS recurring revenue streams with high margins and continued negative NWC.

Current trading and outlook

Opportunities as companies look for value in Behavioural Change

Robust top line growth in FY23

Return to profitability as we leverage investments

Realise returns on our digital investment with Performa

Access new budgets with Leadership and Wellbeing PoV's



The slide features a dark background with a horizontal green bar across the middle. Three large, bright green circles are positioned at the corners: one at the top center, one at the bottom left, and one at the bottom right.

Q&A