

Easy to buy,
easy to sell and
easy to renew

MindGym plc
Annual Report
and Accounts
2024

 MindGym

Overview and introduction

What we do

People aren't rational but are fairly predictable.

MindGym uses the best behavioural science from the past 50 years to identify how to change the way people think, feel and behave.

We offer solutions based on facts not fads. This often challenges conventional views which makes MindGym a market disrupter. What matters above all is that it works.

The loyalty of clients, independent evaluations and cabinet of awards show that MindGym consistently delivers lasting impact.

Products we offer

Delivery: Virtual and in-person custom and proven workshops and 1:1 coaching

Design and advisory: HR advisory and content creation

Digital: Including eWorkouts, digital 1:1 coaching platform and diagnostics

Other: Licensing, certification and other products

Why invest in MindGym?

Compelling market

Highly disaggregated \$320bn learning and development market with huge opportunities.

Top notch clients

Repeatedly chosen by the world's best companies, having worked with:
62% of FTSE 100
53% of S&P 100

23-year library of innovative IP

Market leading IP on culture, leadership and performance. Using world's leading psychology and 23 years' experience.

Omnichannel

- In person
- Virtual
- Digital
- Diagnostic

Global live delivery with over 400 MindGym certified coaches.

Behavioural - change partner

Uniquely positioned to be a true behavioural-change partner:

- Performance
- Leadership readiness
- Culture change
- Belonging and inclusion
- Business transformation

Data and diagnostics

Proprietary diagnostics product, informing research and client solutions.

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01

Strategic report

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FY24 Overview and highlights

Financial and KPIs

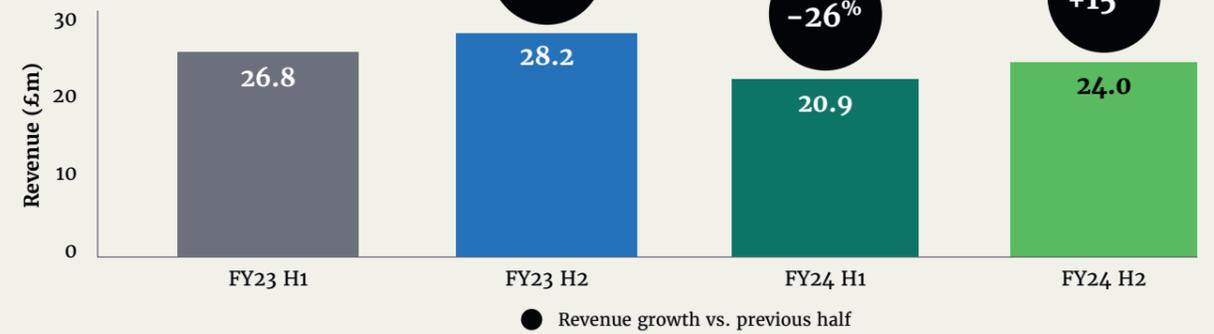
The actions taken during FY24 to realign the Group's cost base are expected to provide greater resilience and to ensure that MindGym is cash generative in the current, challenging HR advisor and product market.



Christoffer Ellehuus
Chief Executive Officer

Revenue

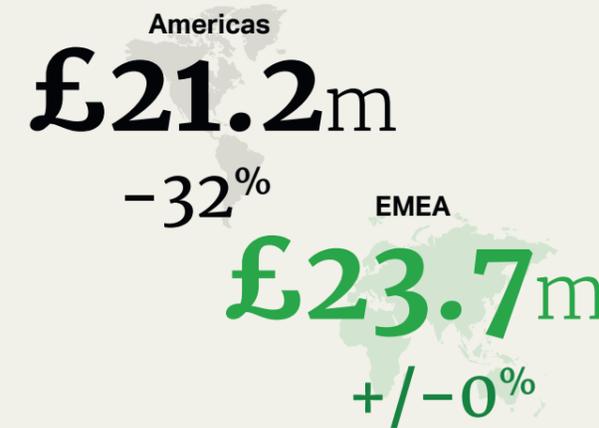
Total revenue analysis



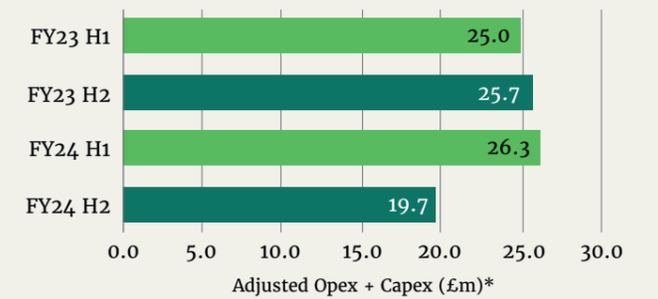
Market dynamics resulted in a challenging FY24, particularly in Q2; revenues of £44.9m were down 18% on FY23 (£55.0m):

- Macroeconomic headwinds, and increased scrutiny on HR investments by business leaders, resulted in extended buying cycles and in some cases reduction of overall budgets
- There has been increased competition for client budgets resulting from unprecedented investment in HR platforms and technology in recent years, despite the fact that clients are disenchanted with low employee take-up
- The market has seen a material decline in client spend in DEI, a significant revenue stream for MindGym, particularly in the US

Regional analysis



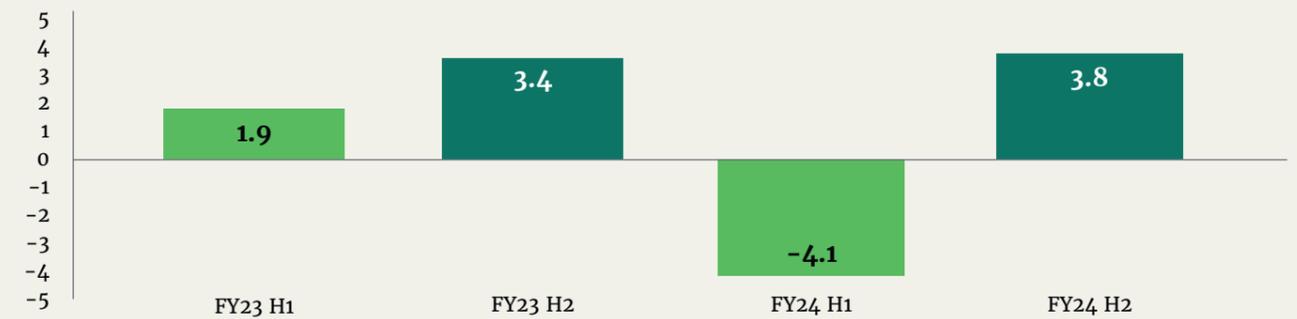
Total expenditure



In response to the reduction in revenue, the Group implemented a significant cost reduction programme during the period, realising a combined annualised reduction in operating and capital expenditure of more than £11m.

* Adjusted Opex is Administrative expenses, less depreciation, amortisation and exceptional items

Profitability (Adjusted EBITDA¹)



The expenditure reduction implemented during the year, coupled with 15% HoH revenue growth, resulted in a return to profitability in H2 (adjusted EBITDA profit of £3.8m) Vs H1 (adjusted EBITDA loss of £4.1m). This resulted in an adjusted EBITDA loss for the full year of £0.3m, a 106% reduction from the profit of £5.3m in FY24. Profit/ (loss) before tax across these periods was: FY23 H1: £0.6m, FY23 H2: £2.3m, FY24 H1: (£13.2m), FY24 H2: £1.0m.

¹ Adjusted EBITDA is profit before tax, excluding the impact of depreciation, amortisation, interest and exceptional costs

Statement of the Executive Chair

The opportunity for MindGym in a highly fragmented Human Capital advisory market is as compelling as ever.

Over the past 23 years, MindGym has built a reputation as a global leader, advising many of the world's most ambitious companies on how to harness the soft power of their talent to deliver hard business results.

Our research has led the market, our portfolio of live products has been adopted in c.50 countries with 4 million people and our loyal clients stay with us for many years, consistently accounting for between 80% and 90% of annual revenue. We have won countless awards for our client partnerships to deliver lasting impact.

What happened in FY24

Even so, we were unable to escape the headwinds that have been felt widely across HR services. Business leaders are giving greater scrutiny to HR investments which has extended buying cycles and, in some cases recalibrated overall spend. For example, during the year we won a number of large projects only for our HR client to then discover that their budget had been altered and so the scope needed to be reduced or the programme postponed.

In addition, unprecedented investment in HR platforms and technology in recent years has created a more crowded market for HR services. While clients are increasingly disenchanted with the low employee take-up and negligible impact of many of these new platforms, this temporary growth in new offers increased competition for HR budgets.

These trends, combined with a change in priorities, including a significant reduction in DEI investment, (which particularly impacted our US business), resulted in a year-on-year revenue reduction of 18%.

We acted swiftly to reset the cost base of the business

in response to the sudden reduction in revenue. In this context, I am pleased with the improved financial performance during the second half of FY24, largely mitigating the losses from the first half and delivering an H2 EBITDA margin closer to the historic norm.

While the market turbulence and corresponding client caution may continue into FY25, we are seeing a return to client demand both for leadership programmes and integrated solutions with a significant live, both in person and virtual, element. This plays to MindGym's signature strengths.

Our investment in technology

We made a commitment to invest in new technology, some of which has created new avenues for growth.

Our new one-to-one coaching platform, Performa, was chosen by Burberry to replace their existing coaching platform and went on to win the Brandon Hall Excellence Award for 'Best Advance in Coaching and Mentoring'.

Our new diagnostic platform provides the basis for our emerging diagnostics business with a number of new clients in the year and significant opportunity for growth.

In response to the downturn in revenue, however, several of our other digital product investments were stopped. This resulted in an impairment of £6.6m in the period.

Digital revenues, including SaaS style services, currently account for 10% of revenue. We continue to explore ways to embed elements of our existing technologies, as well as AI, into our existing solutions and create a model that is set up for easier renewal.

With our new CEO and his focus on both commercial execution and building the 'Rosetta Stone' for behavioural change, the business is positioned well to capitalise on its future opportunities.



Octavius Black
Executive Chair



A new era for MindGym

The most significant news this year is the appointment of a new CEO. In January 2023, I asked the Board to look for my successor and I'm delighted that we found an excellent candidate in Christoffer Ellehuus, who joined the company in January 2024 as CEO Designate and formally became CEO and a member of the Board in April 2024.

Christoffer comes to MindGym with a track record of successful commercial, product and digital leadership in our market, both in leading divisions of major advisory businesses as well as CEO of a smaller global learning business. Christoffer has worked and lived in both US and EMEA and so understands our core markets well.

The immediate priority is commercial execution. This requires taking MindGym's remarkable proprietary IP and unique blend of live, virtual and digital experiences and data, and making MindGym's proposition easier to buy, easier to sell and, in due course, easier to renew. The simplification that Christoffer is leading will help shorten the buying cycle and demonstrate the commercial value of HR investments to business leaders.

At the same time, we will build what we have currently termed the 'Rosetta Stone for behavioural change'. This will use primary data from MindGym, combined with our clients' metrics, to advise business leaders on how to invest in their talent to deliver the greatest impact on business performance. This will give clients the opportunity to take a much more integrated and data-driven approach to maximising human performance, with MindGym at the core.

The Board

Following Christoffer's transition to the CEO role, I am excited to take on the mantle of Executive Chair. In this role I will remain fully engaged with the business with particular focus, beyond chairing the Board, on promoting MindGym in the market and building our relationships with the leaders of many of the world's most ambitious companies, I will also remain involved with identifying emerging market trends and the development of MindGym's new pioneering human capital solutions.

As a result of these changes, Ruby McGregor Smith stepped down from the Board and her role as Chair in April, slightly ahead of the planned end to her tenure at the AGM in July. I'm immensely grateful to Ruby for her sterling service as Chair of MindGym, helping steer us through the external turbulence of COVID, the uncertainty due to the conflict in Ukraine and the cost-of-living crisis. She has been a very supportive partner throughout these challenging times.

The search for a new Independent Non-Executive Director has now commenced and an update will be provided in due course.

As previously communicated, Joanne Cash has continued in her role as Non-Executive Director but is not seeking re-appointment at the AGM in July 2024. I'm profoundly grateful for Joanne's guidance over the last 15 years and, in particular, her role as Chair in taking MindGym through its successful IPO. MindGym would not have become what it is without her.

ParentGym

MindGym has a strong track record with all our stakeholders. In 2009, we launched ParentGym, a programme providing free training to parents of children aged 2-11, and in FY24 we ran sessions for c.1,200 families with the aim of helping them to grow the next generation. This was an increase of over 30% on the number of families we supported in FY23. We also continued our partnership with the Prison Advice and Care Trust (PACT), running a bespoke programme to support parents in prison and their families.

In FY25 we aim to further increase the number of families with support through our six-week programme, in addition to exploring our digital strategy to reach a wider audience of parents

Dividend

No dividend has been paid or proposed for the year ended 31 March 2024. The Board will continue to keep the appropriateness of dividend payments under periodic review and will provide an update at the time of the H1 FY25 interim results announcement.

Outlook

The changes we have made to realign the cost base mean that we will be profitable and cash generative in FY25 which will be a year of recalibration as Christoffer implements his strategy to make it easy to buy, easy to sell and easy to renew MindGym Solutions.

This will bear fruit in FY26 and beyond, taking us, in the medium term, back to our historic double-digit revenue growth and margins.

The opportunity for MindGym in the highly fragmented Human Capital market is as compelling as ever. With our new CEO and his focus on both commercial execution and building the 'Rosetta Stone' for behavioural change, the business is positioned well to capitalise on its future opportunities.



Octavius Black
Executive Chair

14 June 2024

CEO's review

FY24 Review

FY24 was a challenging year for MindGym in common with the vast majority of HR services providers.

In this market, EMEA revenues remained flat while US saw significant decline.

The US market has been challenging for MindGym since COVID. MindGym has a strong offer in DEI which has been a significant part of US revenue (but less so in EMEA). There was a slight decline in demand for DEI during FY23 which was followed by a much more significant drop in FY24.

MindGym's brand awareness is also lower in US, which is a larger and more crowded market. Investments in digital marketing capability and building the right mix of skills in our US team will position the business for sustainable future growth, but it will take time for the impact of these to be seen in higher revenue.

In response to the decline in revenue, management acted quickly to reset the cost base of the business and improve cash and liquidity. This resulted in an annualised reduction of more than £11m in operating and capital expenditure, which was partially made possible by the investments in global operations that the business has made over the past 18 months.

The impact of these changes, coupled with half-on-half revenue growth, was seen in improved second half performance in FY24. The full year adjusted EBITDA loss of £0.3m (FY23: profit of £5.3m) was comprised of a loss of £4.1m during H1 and a profit of £3.8m in H2.

Market Opportunity

The \$320bn Learning and Development market is vast and highly fragmented. Within this MindGym's core markets of Leadership and Interpersonal Skills will represent c. \$80bn in 2025.

The increasing speed of technological developments such as AI, coupled with geo-political and economic uncertainty, mean that the workplace is changing at a faster rate than ever before. As a result, CEOs recognise the need for investment in their leaders, people and culture, to create adaptable and resilient organisations that can perform during uncertainty.

Despite the size of the opportunity, the Learning and Development market remains highly fragmented, with a high number of suppliers who often provide overlapping solutions, many of which do not yet deliver promised utilisation and return on investment for clients.

MindGym's strength in IP, coupled with our ability to deliver highly engaging learning experiences using both live and digital components complemented by data and diagnostics, positions the business well for success.

I believe that we have all the right foundations: strong client relationships, innovative solutions, and a very talented team. I am excited about leading MindGym on a path of profitable, sustainable growth.



Christoffer Ellehuus

Chief Executive Officer



Building on strong foundations:

Since joining the company in January 2024, I have had the opportunity to spend time with clients and our teams in both Europe and the US. My overall impression, based on my 25-years of experience in this market, is that we have a strong and loyal client base, competitive IP and products, and an amazingly competent and passionate team. In short, we have a strong foundation from which to grow and scale the business, but we need to focus on commercialisation.

Here are my top observations as it relates to the strengths and opportunities for the business:

- **Clients:** I have been hugely impressed by the loyalty and advocacy of MindGym's client base. Our client feedback scores remain exceptionally high; 85% of new sales come from existing or past clients due to previous positive experience they had with MindGym solutions and the quality of our content, and we are deeply committed to customer-centric innovations that we can package and scale to the broader MindGym client-base.
- **Our people:** I am immensely grateful to all the highly competent and passionate colleagues at MindGym. There is no doubt that FY24 was a challenging year for the organization with significant headcount reductions and changes. However, I find at the core of MindGym culture a strong passion for our mission and an equally strong spirit of ingenuity and generosity for our clients and each other.
- **Intellectual Property:** MindGym has market leading IP on culture, leadership, and performance based on our 23 years of psychology-based research and data analysis. This is supported by a proven library of more than 700 assets, tried and tested with more than 4 million business leaders in c.50 countries. To enable the next phase of growth, we have an opportunity to integrate all this research and data into a simpler and more holistic model for behaviour change that allows us to tie our solutions more directly to client business outcomes and expand client conversations.
- **Digital Marketing:** Go-to-market strategy: MindGym's world-class research insights form a strong differentiated basis for our market awareness-building activities through client roundtable discussions, webinars, and events. However, we lack the digital marketing infrastructure to tap into a significant pool of previous clients who no longer do business with us and to expand engagements with existing clients who often only do one smaller defined project with us currently.
- **Commercial effectiveness:** MindGym has built an impressive library of more than 700 tried-and-tested product assets that our team use to create engaging solutions for clients. However, there is an opportunity to combine these product assets into market-facing packages that address common client challenges, which in turn makes it easier to sell and buy MindGym solutions.
- **Capability to deliver at scale:** MindGym has the ability to deliver both virtually and in-person for clients all around the world. We have a wide network of certified facilitators and coaches who can deliver our solutions at scale. However, as many of our clients today also consume Learning and Development products through human capital and learning platforms, there's an opportunity for us to further expand our reach by integrating into partner ecosystems.

Strategy for growth

Based on my observations of the business and the existing strong foundations, I believe there is a strategic opportunity to take MindGym from the trusted, but episodic, training provider it is today to becoming a true strategic behavioural change partner for the world's leading organisations. This vision will form the foundation for my strategy for growth, which will have two distinct phases (as outlined in greater detail in the business model and strategy section of this document):

- In the **short term**, we will focus on strengthening how we operate – making MindGym's products **easier to buy, easier to deliver, and easier to renew**. This focuses on re-building our sales force, improving commercial effectiveness, and enhancing our digital marketing capability to drive lead generation with more packaged go-to-market messages and solution sets.
- Over the medium term, we will be investing in further productising and digitising our IP and products as well as enhancing our diagnostic offering to be able to measure the business-performance impact of our solutions. This will allow us to expand our strategic and commercial relationship with clients across multiple behavioural change projects all anchored in a *Unified Behavioural Change Model, underpinned by data*.

As we enter FY25, the speed at which we can deliver on this strategic ambition will of course depend on our ability to generate profit that allows for investments needed in the product and marketing capabilities referenced above.



Our strategy will make MindGym's products easy to buy, easy to sell and easy to renew.

Christoffer Ellehuus
Chief Executive Chair

Outlook

FY25 will be a year of calibration as it will take time before the benefits of the new strategy are realised.

The actions taken during FY24 to reduce the cost base of the business mean that MindGym enters FY25 in a more resilient financial and operating position; the Board expects EBITDA profitability in the year and cash generation in FY25.

In the medium term, the opportunity for MindGym in this highly fragmented market is significant. The strategy I have outlined will set the business up to return to revenue growth of >10% p.a. and 15% to 20% operating EBITDA margins over the medium term.

I believe that we have all the right foundations for future growth potential: strong client relationships, innovative solutions, and a very talented team. I am excited about leading MindGym forward on a path of profitable, sustainable growth.

Christoffer Ellehuus
Chief Executive Officer

14 June 2024

Market trends and opportunity

The workplace is rapidly changing. 95% of CHRO's believe that their leaders need to build new leadership capabilities in the next two years to remain relevant.

The global Learning and Development market is \$320bn as organisations seek to adapt to a rapidly changing workplace, impacted by the rate of technological change, political and economic uncertainty and changes in working practices. Within this, the market for leadership and interpersonal skills, MindGym's core area of expertise, is £80bn.

The market remains highly fragmented however, with client budgets allocated across large numbers of suppliers, often with overlapping concepts and messages. This can result in ineffective programs with low utilisation and little data to provide visibility into the overall impact.

While the need for organisations to adapt is clear, achieving the required change is not easy. MindGym's CHRO Behavioural Change Survey (2024) highlighted that while 95% of CHRO's recognised the need to build new leadership capabilities in the next two years, 41% believed that they could reduce the number of L&D activities they were undertaking without damaging business performance.

40% also reported that they struggled to prove impact from culture-change programmes, while in the same survey, 80% of CHRO's cited change fatigue as a real issue in their workforce. In this market, clients are looking for partners who can deliver a comprehensive behavioural change solutions, with proven results, at scale across the globe.

In MindGym's core market, clients are also returning to more in-person experiences. The 2023 Training Industry Report found that in-person training in both Leadership Development and Interpersonal Skills was expected to increase by c.25% across 2024.

Digital-only training platform providers increasingly struggle with low user adoption rates as they fail to engage employees in meaningful learning experiences. Smaller leadership development specialists often don't have the IP, products and digital assets to deliver solutions at scale.

MindGym is well-positioned against these trends. In a rapidly changing workplace, there is a greater need than ever to improve the capability and productivity of all employees, particularly leaders. The growth in digital platforms has crowded the market and created competition for budgets; however, uptake has been low, and clients are starting to question whether their current investments are delivering the best value for money. Clients are returning to live programmes, especially for leadership and performance. This creates a positive environment for MindGym.

95%

of CHROs agreed that their leaders need to **build new leadership capabilities** in the next two years to remain relevant.

70%

of CHROs agreed that they need to **change their company culture** in order to be successful.

41%

of CHROs believe that they could **reduce the number of activities/programmes** without damaging business performance

40%

struggle to prove impact from **culture-change programmes**

MindGym:
Leading through differentiation

MindGym strengths aligned to market trends

- **Returning to in person:** 25% increase projected in in-person training across 2024. Especially in interpersonal and leadership-skills training.
- **Low learner engagement:** Lack of learner engagement is the second biggest challenge for heads of L&D due to poor uptake on digital platforms.
- **Increased focus on interpersonal skills:** The top three most in-demand skills for 2024: adaptability, communication and leadership.

Source: LinkedIn skills survey (2024)

MindGym's competitive strengths strongly aligned to L&D market needs

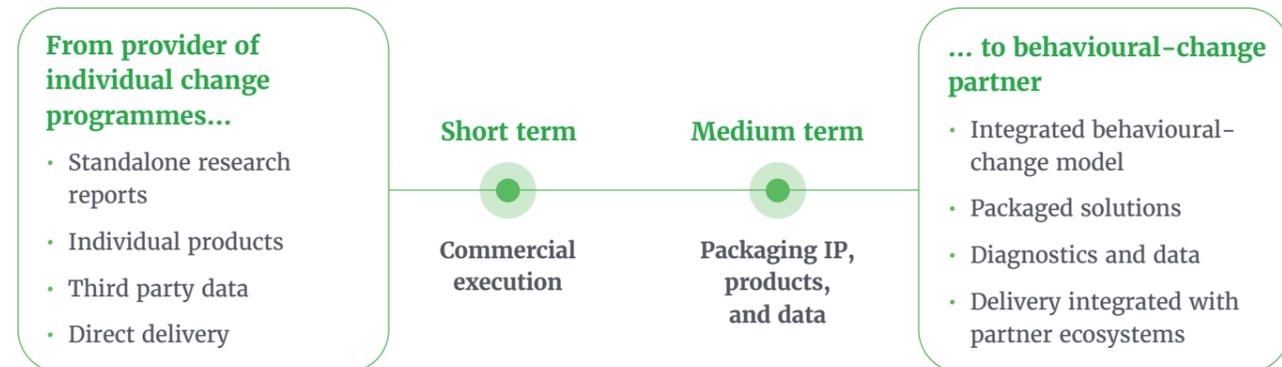
| | MindGym | Tech L&D platforms | L&D advisory solutions |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leadership, culture, and employee performance solutions |  Solutions at all levels – Culture, leadership, and Employees.  |  Focus on employees and mid-level managers.  |  Focus on leaders.  |
| Integrated diagnostic, live/virtual sessions, and 1:1 coaching | Integrated solutions supported by Solutions & Design team to contextualise experience.  | Digital platform with focus on either coaching or training. Self-paced employee experience.  | Mix of digital platforms and consulting support. Limited integration between the two.  |
| In-person delivery | Global network of >400 coaches proven at large scale with industry-beating NPS scores.  | No in-person delivery.  | Consultant or facilitator network.  |
| Easy and cost-effective to scale | Productised sessions and digital platforms enable cost-effective global reach.  | Scalable tech platforms with effective global reach.  | Global reach but expensive to scale.  |

Business model and strategy

A multi-year vision to move from an episodal L&D provider to a true behavioural-change partner.

Over more than 20 years, MindGym has laid down extraordinary foundations on which to build a position as the behavioural change partner of choice to the world's leading businesses. The unrivalled blend of proven data-driven solutions, coupled with an ability to deliver globally, both virtually and in-person, mean that MindGym boasts a client list that has encompassed more than 62% of the FTSE100 and 53% of the S&P100.

Over the coming years, we are transforming the business, from being a trusted partner for specific, but ad-hoc client L&D programmes, to being a true behavioural change partner.



In the short-term we are focusing on MindGym's internal and commercial execution – Making MindGym easier to buy, easier to sell, and easier to deliver.



The first phase of this transformation will be to lay down the foundations for scalable growth. This will consist of:

Commercial rigour

We are creating one global sales (Client) team, with consistent standards, ways of working, accountabilities, performance expectations, onboarding, data, contracting and more. This will increase the productivity and speed to value of our client team.

Global service delivery

The centralisation of operations, including setting up a new shared service centre in Gateshead, has already delivered £1m in savings and reduced service delivery issues. Our next phase is to globalise our Design and Advisory teams, which will also yield improved quality and productivity.

Marketing driven leads

We are refreshing our marketing function, with a much greater focus on data and systemisation to accelerate lead generation, which will be especially valuable in the US, where MindGym is less well known. This is a major project, which will start to deliver significantly from FY26. We are also building a more substantial relationship with coaches to support lead generation and account growth.

Packaged solutions

Packaging MindGym's extensive product suite into easy to buy, easy to sell, and easy to renew packages, under a new overarching behavioural-change model and with a revised go-to-market client story.

Committed culture

Creating a single, global, inclusive MindGym community, with a commercial focus, built around core principles of transparency and accountability.

Over the medium term, we are building a new MindGym Model for human performance at work, which will be at the centre of our product solutions and client relationships.

Current state

20 years of high-quality topic-specific research.

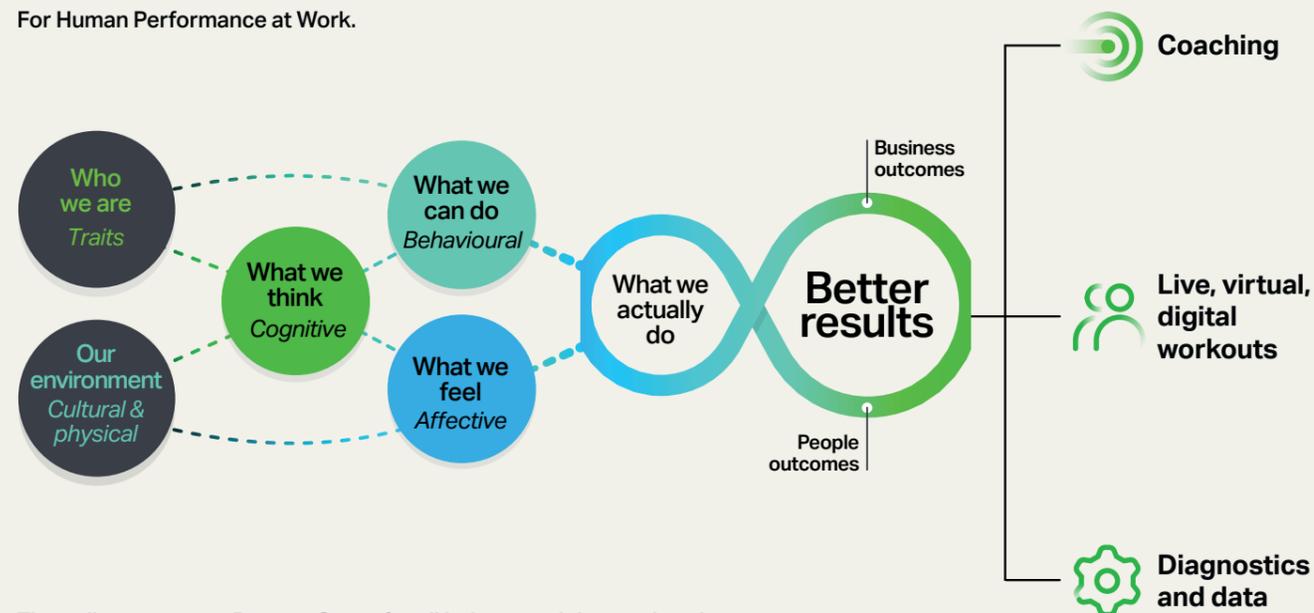


Future state

One integrated behavioural-change model linked to business outcomes and MindGym products.

MindGym model

For Human Performance at Work.



This will serve as our Rosetta Stone for all behavioural data and analytics.

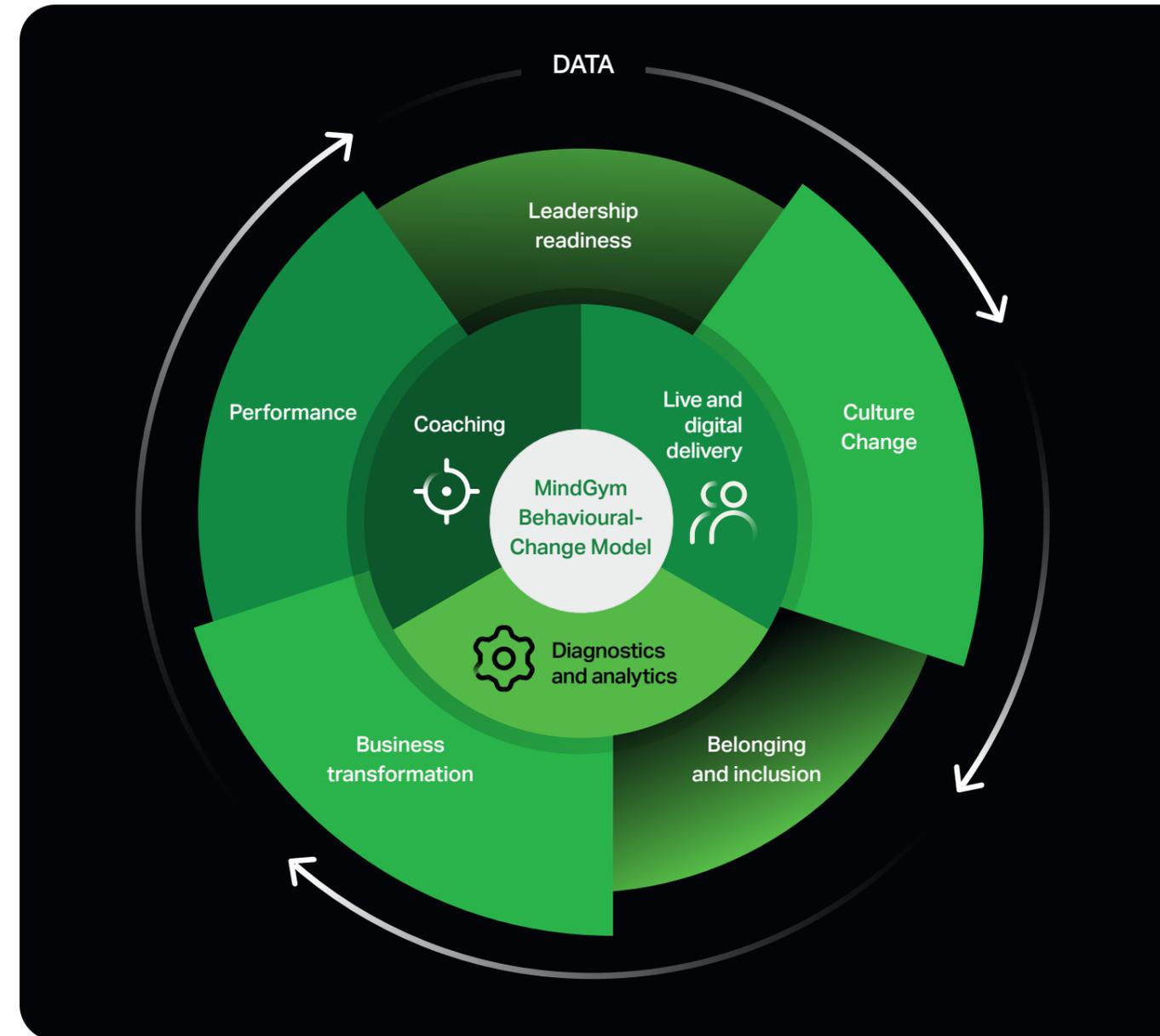
It will provide a stronger link to our clients' people and business outcomes.

It will also facilitate more strategic client relationships, across topics that can deliver cross-selling opportunities and increase the stickiness of our solutions.

This MindGym model will sit at the centre of a single Behavioural Change Model, built around our new Diagnostics platform, bringing together MindGym's 23 years of IP

Medium-term actions

1. Create MindGym model for human performance at work linked to people and business performance outcomes.
2. Link diagnostics data and existing products to the model, which in turn will point clients to the right solutions and allow us to measure impact of our solutions.
3. Integrate diagnostics and products into packages that address common recurring client challenges and are sold as licensed subscriptions.
4. Digitise our products so that they can more easily be embedded in partner ecosystems.
5. Build data asset from diagnostics tied to our model, which in turn can be used for new primary research, client benchmarking, and marketing.



Case study

MindGym's award-winning year in FY24

Introduction

Over the past year, MindGym has received prestigious awards that showcase our impact and success in the realms of coaching, habit-based culture transformation, and reskilling within the public sector. These accolades are a testament to our unwavering dedication to driving meaningful behavioural and cultural change across organisations worldwide.

Small habits, big changes: A hat-trick of ABP awards with Citi

MindGym won the 2023 Association for Business Psychology (ABP) Chair's Choice Award for our collaboration with Citi in driving cultural transformation through evidence-based techniques and habits formation. Our work also earned ABP awards in Innovation and L&D Strategies for Operational Excellence and was highly commended for employee engagement.

By focusing on empowering people to form better everyday habits, we led Citi's 270,000+ employees to adopt new behaviours aligned with the bank's core principles. The programme, grounded in behavioural science, achieved immense impact, with over 60% of employees adopting new habits and using them on a weekly basis.

What made MindGym and Citi's New Way programme stand out?

The Association for Business Psychology's Chair, Clodagh O'Reilly, praised the culture-change programme's 'thoroughly researched' approach, which sought 'specific and evidentiary wins rather than over-ambitious vanity objectives.'

O'Reilly said: 'This team did not use a couple of models or research papers to inform their approach. But nearly 20 well-researched publications in addition to robust change models.'



This wasn't an intervention based on comfortable or well-worn models. It was original in so many ways, but still evidence-based to allow a reasonable assumption of success. This represents operating at the exciting forefront of business psychology.'

The ABP Chair concluded: 'The results achieved were overwhelmingly positive... change was reported in more than half of the population. In the space of a couple of years, change was introduced to almost a quarter of a million people by encouraging and reinforcing habit adoption, which was measured and documented excellently.'



MindGym & Burberry win major award for world-class coaching programme

A transformative Executive Development Programme (EDP), delivered by MindGym for 80 Directors across Burberry's global team, received recognition from the Brandon Hall Excellence Awards for 'Best Advance in Coaching and Mentoring'.

The 'Gold' award win recognises the success of the programme, which aimed to elevate Burberry's leadership capabilities & garner rapid results. Underpinned by Burberry's unique Leadership Standard, and empowered by MindGym's behavioural science-backed proprietary 1:1 coaching service, Performa, and integrated live, virtual, and digital solutions, the results of the co-created programme have been transformative:

- 85% of managers said their direct report's performance improved since completing the programme
- 88% successfully applied their learnings to their job
- Burberry reported a 39% increase in goal attainment

Burberry and MindGym's work was chosen from hundreds of entries by judges as the gold standard for developing future leaders at the Brandon Hall Excellence Awards. The evaluation criteria included alignment with business needs, programme design, adoption, innovation and overall impact.

Recognised excellence in public service: KPMG best facilitators award

MindGym proudly received the Best Facilitators Award at the KPMG Supplier Awards 2023. This recognition is a testament to our immersive behaviour-change programmes for the UK Government and Civil Service.

It marks our second consecutive win after we received the Best Client Feedback Award in 2022. Also, it reflects the overwhelmingly positive feedback from our clients and our commitment to excellence in serving the public sector.

Backed by behavioural science research, our programmes have upskilled teams in the treasury, HMRC, police, health services and more, helping them improve productivity, resilience and performance.



Financial review

Revenue for the year of £44.9m represented a year-on-year reduction of 18% (FY23: £55.0m), reflecting macro headwinds, greater scrutiny of HR investments by business leaders and increased competition for client budgets from the unprecedented investment in HR technology and platforms in recent years. US performance was particularly adversely impacted by a material decline in client spend on DEI.

Revenue in H2 of £24.0m (FY23 H2: £28.3m) represented a 15% half-on-half increase from £20.9m in H1 (FY23 H1: £26.8m).

In response to H1 performance, management reacted to realign the cost base of the business to ensure that MindGym remains profitable and cash generative. This involved reducing annualised expenditure by over £11.0m, comprising a reduction of more than £7m in operating expenditure and a £4m reduction in capital expenditure.

Circa 50% of the reductions related to lower volumes, with the remaining cuts being in Technology and Innovation. This meant that several of our digital product investments were stopped. We continue to explore how to embed this technology into our existing solutions as opposed to focusing on them as standalone platforms.

These changes resulted in one-off exceptional charges in the period of £8.9m comprising of:

- £6.6m digital asset impairment
- £1.8m staff restructuring
- £0.5m impairment of US office operating lease

As a result of both the increase in revenue and the significant cost reduction programme undertaken during the period, there was a significant half-on-half improvement in profitability across the period. In H1 there was an adjusted EBITDA² loss of £4.1m (FY23 H1: £1.9m profit).

In H2 there was an adjusted EBITDA profit of £3.8m (FY23 H2: £3.4m) – albeit H2 benefited relatively by circa £1.2m due to lower bonus accrual costs and bonus accrual releases. This resulted in an overall adjusted EBITDA loss for the year of £0.3m (FY23: £5.3m profit).

There was a loss before tax for the year of £12.1m impacted by the exceptional charges for the period. This compared to a profit in FY23 of £3.0m.

This loss, partially offset by the resulting tax credit, resulted in an adjusted diluted EPS of (4.25p) (FY23: 2.84p) and an unadjusted diluted EPS of (10.86p) (FY23: 2.84p).

The group anticipates cash generation by the end of FY25 and MindGym retains sufficient and improving liquidity:

- Cash at 31st March 2024 was £1.4m (vs. £1.2m at 31st December 2023)
- Liquidity is improving in line with MindGym's 12 month EBITDA; headroom with the RCF facility will double in H1 FY25 from £2m today
- MindGym's current facility ends in September 2024, at which point the business intends to switch to a more cost effective overdraft facility of circa £4m
- MindGym's \$1m annual US lease ends in February 2025

²Adjusted EBITDA, is earnings before interest, tax, depreciation and amortisation, adjusted to eliminate the impact of exceptional charges in the period.

The significant cost reductions in FY24 and rapidly improving liquidity in FY25 provide a stable base for strong growth and margins in the medium term.



Dominic Neary
Chief Financial Officer



Revenue

Economic headwinds impacting US market

The economic headwinds that impacted performance in the period were most pronounced in the US, particularly in the technology sector. As a result, revenue for the US region fell 32% YoY to £21.2m (FY23: £31.3m).

Revenue in EMEA was more resilient, boosted by the major energy framework, which is receiving strong positive client feedback and which continues into FY25.

| | Year to March 31st 2024 £'000 | Year to March 31st 2023 £'000 | Change % |
|----------------------|-------------------------------------|-------------------------------------|-------------|
| Group Statutory View | 44,914 | 55,011 | -18% |
| EMEA | 23,729 | 23,742 | 0% |
| US | 21,185 | 31,269 | -32% |

Continued return to in person deliveries

Delivery revenues grew proportionally by 710 bps in the period to comprise 67% of total revenue for FY24. This movement, which was anticipated in the prior year annual report, was mostly impacted by commencement of the Delivery phase of the major energy framework contract.

It also reflected a reduction in the proportion of Design and Advisory (D&A) revenue in the period. D&A revenue typically occurs at the commencement of larger programmes. This component of revenue was impacted by the delays we have seen to commencement of new programmes.

Revenue mix by type

| | FY24 | FY23 | % change |
|-----------------------------|-------|-------|----------|
| Delivery | 67.4% | 60.3% | 7.1% |
| Design | 13.0% | 17.2% | -4.2% |
| Advisory | 1.5% | 1.4% | 0.1% |
| Digital | 10.2% | 13.1% | -2.9% |
| Licensing and certification | 5.0% | 5.6% | -0.6% |
| Other services | 2.9% | 2.4% | 0.5% |
| Total | 100% | 100% | |

| Year ended 31 March 2024 | | | |
|-----------------------------|-------|-------|--------|
| Revenue type | EMEA | US | Global |
| Delivery | 67.1% | 67.8% | 67.4% |
| Design | 15.0% | 10.9% | 13.0% |
| Advisory | 2.1% | 0.7% | 1.5% |
| Digital | 9.6% | 10.7% | 10.2% |
| Licensing and certification | 2.2% | 8.2% | 5.0% |
| Other services | 4.0% | 1.7% | 2.9% |
| Total | 100% | 100% | 100% |

| Year ended 31 March 2023 | | | |
|-----------------------------|-------|-------|--------|
| Revenue type | EMEA | US | Global |
| Delivery | 60.2% | 60.6% | 60.3% |
| Design | 19.0% | 15.7% | 17.2% |
| Advisory | 1.7% | 1.1% | 1.4% |
| Digital | 13.4% | 12.8% | 13.1% |
| Licensing and certification | 3.3% | 7.5% | 5.6% |
| Other services | 2.4% | 2.3% | 2.4% |
| Total | 100% | 100% | 100% |

Gross profit

Gross margin of 86.2% represented a reduction of 2.2% (FY23: 88.4%). This primarily reflected the shift in product mix, with a reduced proportion of Design and Advisory work, the costs for which are included within administrative costs.

The reduction was more marked in EMEA, where the gross margin declined 3.1% to 85.4% (FY23: 88.5%), impacted by the increased proportion of delivery revenues under the major energy framework.

In US, the gross margin of 87.1% represented a reduction of 1.3% on FY23 (88.4%).

Operating Expenditure and Profitability

Adjusted administrative expenses, excluding depreciation, amortisation and exceptional charges were £39.1m in the period. This represented a year on year reduction of 10% (FY23: £43.4m), primarily reflecting the in-year impact of the major cost reduction exercise.

This resulted in an Adjusted EBITDA loss for the period of £0.3m (FY23: £5.3m profit), at margin of -0.8% (FY23: 9.6%).

The loss before tax for the year was £12.1m (FY23: profit of £3.0m). This figure was impacted by £8.9m of one-off exceptional costs, which included £1.8m of restructuring costs required to deliver the £11.0m of ongoing expenditure reduction.

Capital Expenditure

During the period a major review of digital product expenditure was undertaken, which resulted in a decision to focus investment on digital assets that were already revenue-generating, principally Performa and Diagnostics, and to pause spend on other products.

A proportion of the features and underlying technology built in the development of these assets on which development was paused will be utilised in the integrated products and solutions MindGym continues to deliver to clients. However, since it is now not clear

that this technology will form part of discrete and separately identifiable products in line with IAS38, the directors have taken the decision to fully impair the carrying value of the impacted products. This resulted in a one-off impairment charge of £6.6m in the period.

This sharpened product focus contributed to a 17.5% year-on-year reduction in capital expenditure to £4.2m (FY23: £5.1m). Within the year, the reduction was even more marked, with capital expenditure of £3.0m in H1 reducing to £1.2m in H2.

Taxation

During FY24 MindGym surrendered losses in relation to R&D tax credits of £8.7m in respect of FY22 and £4.3m in respect of FY23, in return for cash of £1.9m.

This resulted in a reduction in the deferred tax asset of £3.3m, which partially offset the impact of the tax credit resulting from the loss in the period and the value of further R&D tax credits relating to FY24.

This resulted in a full year tax credit for FY24 of £1.3m (FY23: charge of £0.0m).

At the end of FY24 we recorded a deferred tax asset of £3.6m in respect of tax losses, predominantly arising as a result of the impact of the UK R&D regime (FY23: £5.3m). This is partially offset by a £1.5m deferred tax liability (FY23: £2.4m) being the timing difference linked to capitalised development costs.

| | FY24 Reported £'000 | FY23 Reported £'000 |
|--------------------------|---------------------------|---------------------------|
| Profit/(loss) before tax | (12,147) | 2,964 |
| Tax credit/(charge) | 1,259 | (29) |
| PAT (earnings) | (10,888) | 2,935 |
| ETR % | 10.36% | 0.98% |

Earnings per share

There was an adjusted diluted loss per share in the period of 4.25p (FY23: 2.84p profit). The unadjusted diluted loss per share was 10.86p (FY23: 2.84p profit).

On an undiluted basis the adjusted loss per share was 4.25p (FY23: 2.93p profit) and the unadjusted loss per share was 10.86p (FY23: 2.93p profit).

Dividends

No dividend has been paid or proposed for the year ended 31 March 2024. The Board will continue to keep the appropriateness of dividend payments under periodic review and will next provide an update at the time of the H1 FY25 interim announcement.

Cash flow and balance sheet

Cash and cash equivalents decreased from £7.6m in FY23 to £1.4m in FY24. This included the impact of £4.2m of capital expenditure in the period, reduced from £5.1m in FY23. The run rate on capital expenditure decreased even more significantly through the year, with £3.0m in H1, reducing to £1.2m in H2.

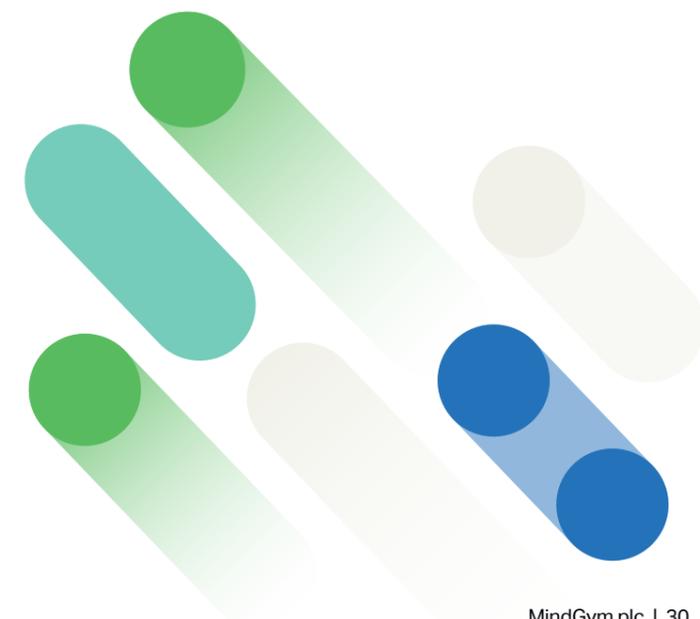
Following the improved half-on-half profitability, the cash position improved slightly during Q4 of FY24 and management expect cash generation in FY25.

Net trade receivables reduced by £0.7m from FY23, with the proportion of overdue receivables at 31 March 2024 reducing to 6%, down from 7% in FY23 and 9% in FY22.

| Cash conversion | 31 March 2024 £'000 | 31 March 2023 £'000 |
|-------------------------------------------------|------------------------|------------------------|
| Cash generated from operations | -3,094 | 4,393 |
| EBITDA | -9,226 | 5,294 |
| Add back non-cash exceptionals* | 7,121 | 0 |
| EBITDA excl. non-cash exceptionals | -2,105 | 5,294 |
| Cash conversion (Cash from operations / EBITDA) | 147% | 83% |

*Adjusting for impact of non-cash exceptional charge in the period in respect of intangible asset and US Office lease impairments.

| Cash conversion | 31 March 2024 £'000 | 31 March 2023 £'000 |
|-------------------|------------------------|------------------------|
| Overdue debtors % | 6% | 7% |



Going concern

The Board has reviewed scenario analyses to help assess their forward-looking assessment of the viability of the Group. The Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future. The Board has reviewed scenarios including a range of revenues and cost-reduction actions that could be taken to mitigate a downturn. This is supported by strong cash management and financial controls, reduced expenditure heading into FY25 and sufficient and improving liquidity.

Financial risk management

The Group has a diverse portfolio in excess of 500 clients across many industrial sectors and countries. The largest client (our Energy Framework) accounted for 13% of Group revenue in the year; the next client accounts for less than 5% of group revenue.

The Group has translational foreign currency exposure arising on the consolidation of overseas company results into Sterling. Where possible the exposure is naturally hedged, for example by matching US Dollar revenues with US Dollar costs in the US subsidiary. The Group does not currently use forward exchange contracts or currency options to hedge currency risk.

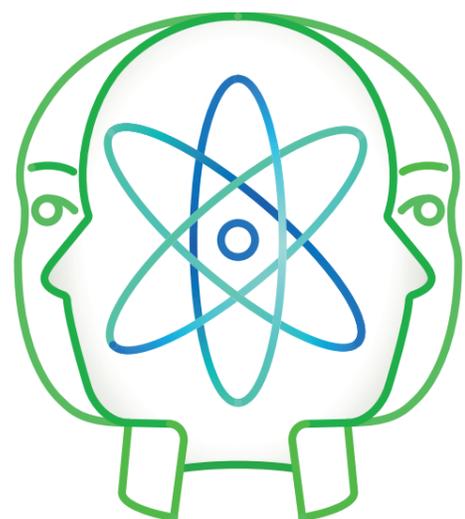
Forward-looking statements

Certain statements in this announcement constitute forward-looking statements. Any statement in this announcement that is not a statement of historical fact including, without limitation, those regarding the Company's future expectations, operations, financial performance, financial condition and business is a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans, and events described in this announcement and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward-looking statements contained herein. Nothing in this announcement should be constructed as a profit forecast.



Dominic Neary
Chief Financial Officer

14 June 2024



Sustainability

Environmental considerations

Climate change remains a critical environmental and business challenge. While the nature of our services means our carbon footprint has always been low, our ongoing investment in digital services means that we will continue to make progress in our emissions reductions.

Irrespective of our business model, we recognise our role in supporting the global transition to a sustainable low-carbon economy through our service offerings and we aim to lead by example in our own operations. Continuing to take a sustainable view of our business performance means integrating ESG principles across our operations, building our resilience to climate change and playing our part to help repair and sustain the planet.

We continue to report on our UK energy consumption and greenhouse gas emissions following the guidance on Streamlined Energy and Carbon Reporting (SECR). Our analysis outputs are included throughout this

section. This analysis has then been used to calculate a baseline to facilitate target setting for the business.

General note that our 'control' year data is not reflective of the business norm, i.e. it was during a pandemic state and that significantly reduced the frequency and utilisation of travel, both internally (visiting teams, commuting to the office etc.), client in-person meetings and face-to-face client deliveries. A return to the 'new normal' since FY23 has naturally seen an increase in these higher emission activities, but that is not to be considered a step in the wrong direction in terms of working towards our overall carbon reduction targets.

01

Mandatory disclosures

Disclosure under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The Group continues to disclose its UK energy use and associated greenhouse gas (GHG) emissions under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

MindGym have calculated our FY24 carbon footprint to include the following data categories (split by Scope):



Scope 01

Direct emissions from owned or controlled sources

- Gas consumption



Scope 02

Indirect emissions

- Electricity consumption



Scope 03

All other indirect emissions not included in Scope 01/02

Other consumption across 3 global offices:

- Water
- Waste
- Employee Commuting
- Business Travel
- Working From Home (WFH)
- Digital Footprint:
 - 3rd Party Web and Cloud Hosting
- Other Purchased Goods and Services:
 - IT Equipment
 - Office Equipment/ Stationery
 - Paper
 - Food and Drink
- Energy-related activities not included in Scope 01 and 02.



Scope 01/02

- Consumption across 3 global offices (London, New York, Gateshead)

Indirect emissions from purchased electricity have been calculated based on figures for emissions per kWh provided by our electricity supplier, and so reflect the mix of fuels used in the electricity generation.

| | 2023/24 Location-based | 2023/24 Market-based | 2022/23 Market-based |
|-------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Total UK energy consumption | 319,197.46 kWh | 319,197.46 kWh | 373,814.21 kWh |
| Total US energy consumption | 209,448.01 kWh | 209,448.01 kWh | 178,297.34 kWh |
| Direct emissions – natural gas (Scope 1) | 0.69 tonnes of CO ₂ | 0.69 tonnes of CO ₂ | 0.432 tonnes of CO ₂ |
| Direct emissions from purchased electricity (Scope 2) | 81.68 tonnes of CO ₂ | 66.92 tonnes of CO ₂ | 93 tonnes of CO ₂ |
| Other indirect emissions – (Scope 3) | 610.75 tonnes of CO ₂ | 607.02 tonnes of CO ₂ | 718 tonnes of CO ₂ |
| Total tonnes CO ₂ | 696.82 tonnes of CO ₂ | 678.33 tonnes of CO ₂ | 811 tonnes of CO ₂ |
| Tonnes of CO ₂ per UK employee | 4.21 tonnes of CO ₂ | 4.21 tonnes of CO ₂ | 4.69 tonnes of CO ₂ * |

The UK energy use and emissions for the year ended 31 March 2024 are set out in the table above:

- **Location-based:** Uses the average fuel mix in the given country/area to calculate the emissions associated with generating electricity that is consumed by the reporting organisation.
- **Market-based:** Uses the fuel mix of the specific supplier or electricity tariff purchased to calculate the emissions associated with generating electricity that is consumed by the reporting organisation.

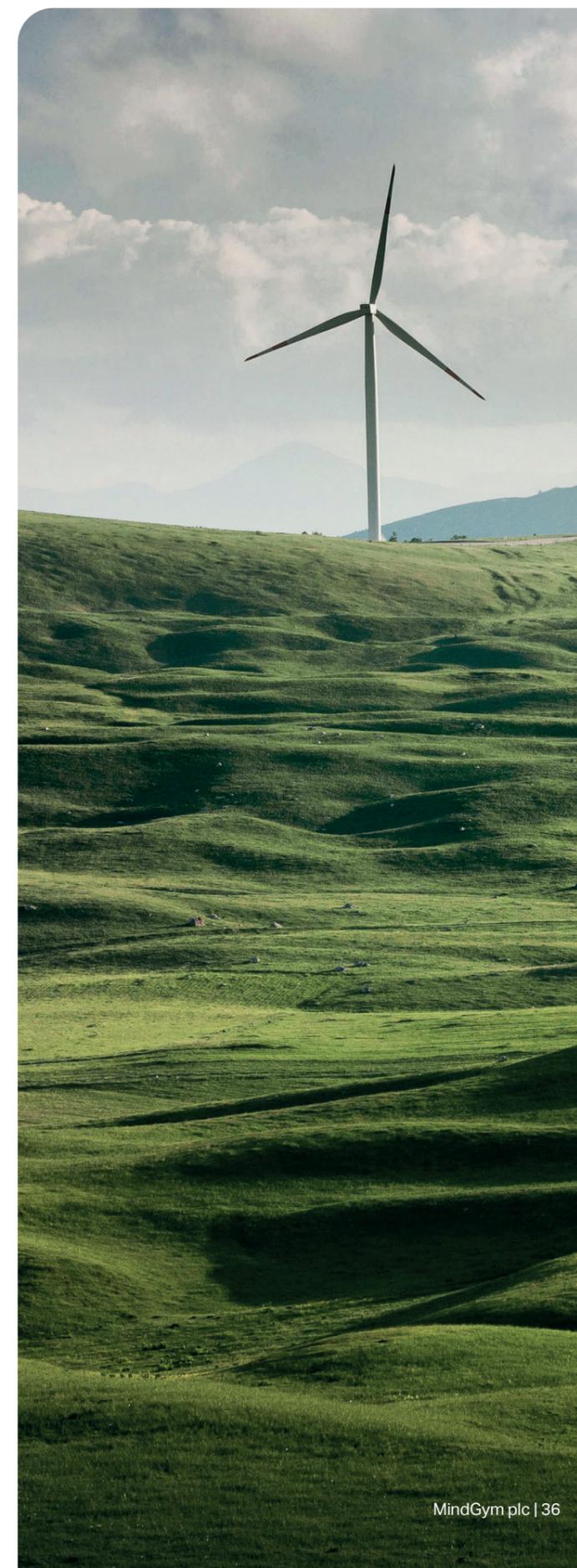
02

Non-mandatory reporting

Task Force on Climate-related Financial Disclosures ('TCFD').

The Task Force's recommendations on climate-related financial disclosures are around four thematic areas that represent core elements of how companies, including MindGym, operate: governance, strategy, risk management, metrics and targets. Although not required, the Board will continue to review the requirements of these in respect of climate-related risks in accordance with the TCFD recommendations under the FCA Policy Statement 20/17 and listing rule LR 9.8.6R(8) in FY25.

The Board will continue to integrate new, and refresh existing, processes into the Group's overall risk management framework to identify, assess and manage climate-related risks and opportunities over the short, medium and long term. Consideration will continue to be given to the impact of climate-related risks and opportunities on the Group's businesses, strategy and financial planning, and the resilience of the Group's strategy in different climate-related scenarios.



03

New Carbon Plan

This year, the Group continued to review our Carbon reduction plan, focusing on policy and practice changes to reduce our carbon impact. We continue to engage Green Element, a leading provider of environmental consulting services, to conduct an assessment of the Group's material Scope 1, Scope 2 and Scope 3 emissions (the 'Assessment'). The results of the Assessment are reported below and verified annually through the Science Based Targets initiative ('SBTi').

i. Activity hotspots



* This includes Commuting and Working From Home, which have been grouped together to provide a full picture on how employees working habits have changed over time.

a. The Assessment

Following the GHG Protocol Corporate Accounting and Reporting Standard, the Assessment concluded the following key analysis and recommendations in relation to MindGym's emissions hotspots:

ii. Summary by activity

| Activity | 2022/23 Emissions (tCO ₂ e) | 2023/24 Emissions (tCO ₂ e) | YoY Change in Emissions | YoY % Change in Emissions* |
|---------------------------------|----------------------------------------|----------------------------------------|-------------------------|----------------------------|
| Business Travel | 333.05 | 220.70 | -112.35 | -34% |
| Postage | n/a | 146.16 | n/a | n/a |
| Work From Home | 155.54 | 120.20 | -35.34 | -23% |
| Electricity (Market Based) | 98.08 | 68.73 | -29.35 | -30% |
| Electricity (Location Based) | 99.85 | 87.22 | -12.63 | -13% |
| IT Purchases | 74.09 | 25.74 | -48.35 | -65% |
| Subsistence** | 62.29 | 23.14 | -39.15 | -63% |
| Office Purchases and Stationery | 40.58 | 3.38 | -37.20 | -92% |
| Refrigerants | n/a | 3.70 | n/a | n/a |
| Commuting | 23.42 | 48.96 | 25.54 | 109% |
| Purchased Steam for Heating | 14.51 | 14.56 | 0.05 | 0% |
| Waste | 6.82 | 0.80 | -6.02 | -88% |
| Water | 0.55 | 0.27 | -0.28 | -51% |
| Digital Emissions | 1.88 | 1.18 | -0.7 | -37% |
| Gas | 0.51 | 0.80 | 0.29 | 57% |
| Total (Market Based) | 811.31 | 678.33 | -132.98 | -16% |
| Total (Location Based) | 813.08 | 696.82 | -116.26 | -14% |

Table 1 Emissions per activity, split between scopes 1,2 and 3.

* All values are a % of market-based emissions, except electricity (location based).

** Subsistence consisted mostly of spend on food and drink.



Business travel

Work from home

Total emissions related to homeworking have decreased by 23%, due to a decrease in both FTE and emissions intensity per FTE. A greater proportion of UK-based employees are now office-based or hybrid workers, meaning less time spent working from home. Improvements in technological automations, such as reducing the amount of time laptops run before turning to ‘sleep mode’ have collectively had a positive impact on electricity consumption. In FY25 we will support employees with further initiatives to help reduce carbon usage when working from home.

Electricity

MindGym’s London, Gateshead and New York office locations use electricity as the primary energy supply. The Gateshead office is on a 100% renewable energy tariff, and part way through FY24 MindGym switched energy provider to 100% renewables in the London office. This greatly supports our long-term plan of achieving 100% renewable energy across all locations where possible.

b. Science-based targets

Scope 1 and Scope 2 emissions

In 2021/22, MindGym set unofficial (not validated by the Science Based Targets Initiative, through SBTi’s expedited SME process) near-term targets for all 3 scopes. Scope 1 and 2 have been combined into 1 target while Scope 3 has different criteria. In 2021/2022, initial targets were set while the Group remained in a pandemic state and, as in-person activity returned to a more stable base in 2022/2023, we revised our targets to be in line.

The SME process requires a reduction in Scope 1 and Scope 2 emissions. The following table demonstrates MindGym’s reduction trajectory to ensure the Company will be aligned with the 1.5 degrees global warming target (with the majority of the reduction coming from switching energy plans in London and New York):

| Scope | FY22-23 | FY23-24 | Target year (FY27-28)* | FY22-23 (FY32-33) |
|----------------------------------------|--------------|--------------|------------------------|-------------------|
| Scope 1 Emissions (tCO ₂ e) | 0.43 | 4.39 | - | - |
| Scope 2 Emissions (tCO ₂ e) | 92.90 | 66.92 | - | - |
| Total Scope 1 + 2 Emissions | 93.33 | 71.31 | 73.73 | 54.13 |

Scope 3 emissions

While it is not a requirement under the SBTi’s SME process to set targets and reduce Scope 3 emissions, MindGym recognises that this is a significant area of challenge for businesses. MindGym has set itself a target of reducing its Scope 3 emissions by 30% by FY27/28 from a baseline of 2.01 in 2022/23 per FTE. Given the significant change in the shape of the organisation, this target is currently being rebased.



Social engagement

ParentGym

Helping parents raise happy, confident children.



What we do

ParentGym provides free parenting programmes to schools and children’s centres in the state sector, as well as in prisons through our partnership with PACT (see below for more detail on our partnership with PACT). Our programme has been designed by leading psychologists and is suitable for parents of children aged 2–11. The sessions are highly interactive and participative. (See the ‘six week’ programme section below for more detail on what is covered during the six weekly sessions of our programme.)

ParentGym programmes are facilitated by our ParentGym coaches. Some coaches are volunteers from the community, others are in-house staff members based in schools or children’s centres.

All our coaches go through rigorous screening, training and assessment to prepare them to deliver ParentGym; they then receive ongoing support, mentoring and training.

Parenting makes such a big difference to children’s lives; our work has been proven to support families so that their children are given the best start in life. We know that every parent faces challenges and times when they struggle, and also that every parent has the capacity to grow and reflect on the way they parent. All parents should have the support they need with their parenting; we believe that parenting programmes should be seen as an integral part of parenting, just as antenatal classes already are.



Six-week programme

01 / WEEK



Chat

Talking and listening to your child in a positive way every day.

02 / WEEK



Love

Getting the right balance of closeness and independence.

03 / WEEK



Behave

Bring calm to your family with rules and routines that work.

04 / WEEK



Care

Keep yourself and your family healthy and happy.

05 / WEEK



Discover

Help develop healthy learning habits with your child.

06 / WEEK



Together

Keep your family feeling happy, supported and loved.



8
 Certified PACT
 employees
 trained by
 MindGym



ParentGym growing strongly in FY24

In FY24, we have seen significant growth in ParentGym, reaching an estimated 1,200 families across the UK. We have successfully trialled virtual delivery, available via an online platform, rather than via schools, as we look to make the programme more scalable, and we've moved some of our materials online to increase our reach and accessibility. In the coming months we will continue to look at options for how we can scale the programme digitally, and potentially expand it into other tangential areas such as mental health.

Partnership with PACT

We have continued our partnership with the Prison Advice and Care Trust, PACT. This is a pioneering national charity that supports prisoners, people with convictions and their children and families by providing life-changing services at every stage of the criminal justice process: in court, in prison, on release and in the community. MindGym has partnered with Pact since 2021 to create and deliver a six-week programme that has been tailored to support parents in prison.

Research has shown that having strong family and community ties upon release plays a key role in reducing reoffending. Our parenting programme enables parents in prison to reestablish and maintain vital connections both with their children and their childrens' carers. It gives them skills and confidence in their own parenting ability, and helps them to create a calmer, happier home life when they are released. The programme was created by MindGym employees, who volunteered their time, using paid charity days, to create the programme structure and design.

We have certified eight PACT employees through an intensive MindGym training academy, enabling them to deliver this bespoke programme. Since 2021, we reached 25 families across HMP Rochester, HMP Bullingdon and HMP Guys Marsh. We will be growing this partnership over the next 12 months, looking to support a further 50 families across prisons in the UK and partnering with female prisons for the first time.

Internal solutions

Our products in areas such as inclusion and wellbeing help our clients make their workplaces healthier. MindGym has created an exceptional culture, with employees feeling a strong sense of belonging to the organisation. This is bolstered by a hybrid-working model that drives engagement and performance.

Across FY24 we focused our attention on wellbeing and an educational approach based on our own findings and point of view to support our employees. We offered a series of learning and growth interventions, from coach-led training sessions to meditation practice.

We have trained mental health first aiders in our organisation and have provided access to the cycle-to-work scheme, as well as subsidised gym membership. We recently engaged a new employee-benefits provider, bringing a wealth of internal support offerings and expertise. Looking to the year ahead, our People Team will be building resources and training to ensure that employees get the most from what's there for them.

Our solutions

We develop and deliver solutions to address specific social challenges that impact the workforce. Through these offerings, we aim to build more inclusive workplaces, create safe environments where people can be their authentic selves and teach ways of working that actively enhance individual wellbeing.



Respect

We continue to offer a range of products designed to prevent harassment and improve the social working environment as part of our Respect Solution Set. This includes creating customised eLearning for clients in the US to meet their anti-harassment training statutes.



Inclusion

Our DE&I Point of View offers organisations a means to help individuals feel valued and accepted at work through engagement campaigns, capability building and strategic intervention design.



Wellbeing

While the market is saturated with programmes offering to treat the symptoms of illbeing, few truly target the root causes of stress and burnout. Wellworking equips individuals with the insights and skills to change their working habits in ways that reduce negative impact and enhance individual and collective wellbeing.

DE&I

Every day, clients come to MindGym for help. This portion of our annual report stands to tell the story of DE&I at MindGym, our progress thus far, and the vision we have for our future.

We know that the corporate world now takes the challenge of serving a diverse world with an equally diverse workforce far more seriously than it used to. Over 20% of the help we provided this year related to building inclusive cultures. The world's most innovative, influential and productive organisations come to MindGym for our 'inclusion solution', our real-world approach to using diversity in the workplace to drive business success. And, for the past four years, we have worked hard to place ourselves among that group of companies.

In August 2020, MindGym took bold steps to aim our work inward as well as towards our clients, creating a steering committee made up of 11 MindGymmers from across the business, to identify and tackle our own diversity, equity, and inclusion challenges. Since then, we also set up a broader group of DE&I champions across the business to maintain momentum.

We are grateful to them for their dedicated and thoughtful guidance.

Aligned with our science-backed, client-facing point of view, our approach sets itself apart with three key ideas. First, the diversity that matters isn't just the variety associated with protected characteristics – race, sex, disability, sexual orientation and so on; if anything, these are simply pointers to other, possibly more important factors, such as perspective, experience, and character. Second, that there are no silver bullets; this year's fashionable remedy may have value, but it won't solve every problem. And third, our journey has no end and must be guided by a clear, yet dynamic, vision.

In FY24 we focused on building greater clarity on what the future vision looks like for our culture when it comes to DE&I – aligned with our latest thinking with clients. Our FY25 strategy will focus on how we continue to improve our culture through data gathering, measurement, and integration of DE&I throughout our day-to-day operations.



Trevor Phillips
Independent
Non-Executive Director,
DE&I Board Sponsor



Section 172 statement

In accordance with their duty to do so under Section 172(1) of the Companies Act 2006 (Section 172(1)), the Company's Directors, individually and collectively, have acted in a way that they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole.

Examples of how they have done so, including having regard to the likely consequences of any decision in the long term, the interests of our employees, the need to foster relationships with key stakeholders and how the company maintains a reputation for high standards, appear throughout this Annual Report.

The following statement provides an overview of how the Board has performed its duties. As a dynamic and fast-growing Group, day-to-day decision making, and stakeholder engagement is often delegated to employees through our governance framework and therefore naturally occurs at an operational level. However, the Board regularly receives and discusses information from across the Group to help it understand the impact of the Group's operations, as well as the interests and views of key stakeholders.

Information is provided to the Board through reports and presentations at in-person or virtual meetings. Papers submitted to the Board concerning key matters include information on the impact of that matter on the Company's stakeholders. As a result of these activities, the Board has an overview of the outcomes of stakeholder engagement, and other factors, enabling the Directors to comply with their duties under s172 of the Companies Act 2006.

For more details on how the Board operates, including a summary of its key activities during the year, see pages 63 to 68.



Our people and culture

FY24 has been a challenging year for MindGym and its employees, and we unfortunately had to see a number of employees leave the business which has been difficult for all.

We remain passionate about our people and dedicated to creating a work environment that inspires our employees to flourish. While dealing with the difficult economic environment, we have nevertheless focus on the following areas:

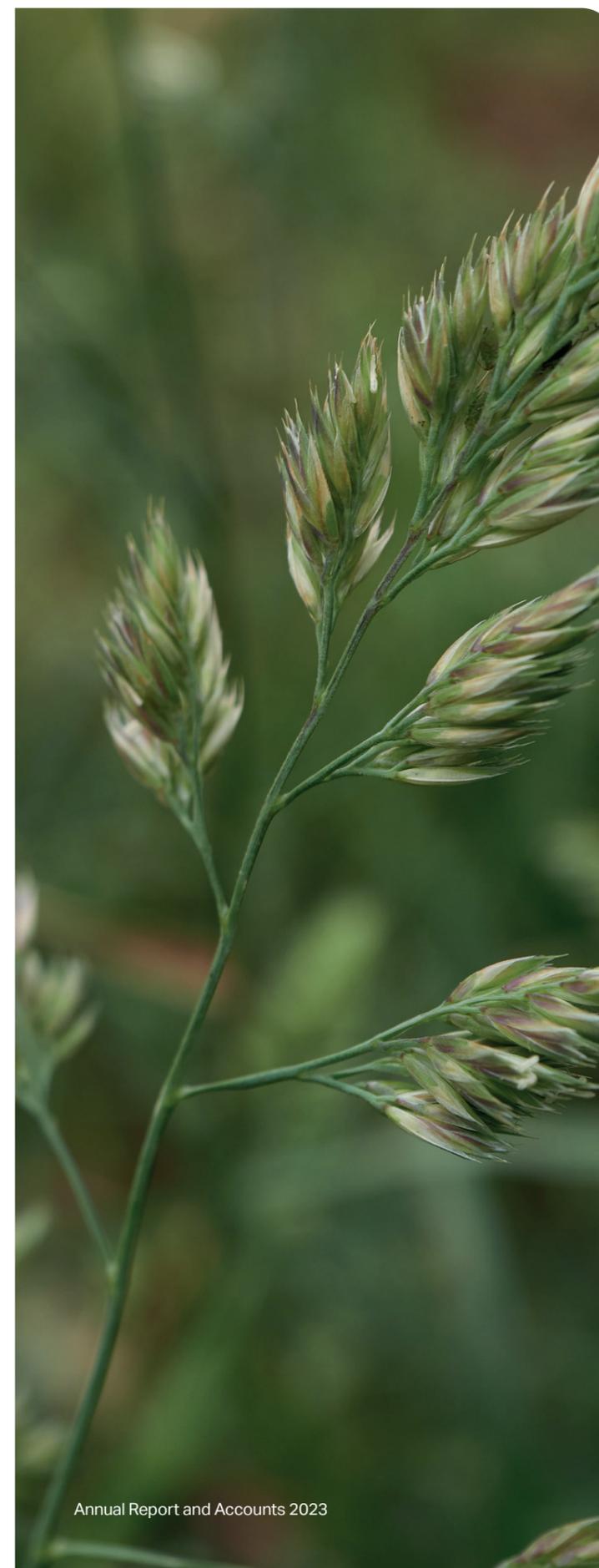
- The arrival of the new CEO has provided an opportunity to relaunch our communications with employees, and we have launched Global and Regional Townhalls.
- People and culture is one of 5 platforms for driving Commercial Execution in our business, and is at the heart of every decision.
- We continue to invest in our people, with continued access to **Performa 1 to 1 digital coaching** for all employees.
- In addition, we're leveraging our future leaders 'MGL', to play a key role in empowering our employees. We are increasingly building a leadership team who are part of core decision making, and who act as leaders and role models for all MindGymers.
- **We know that investing in our people is not just the right thing to do, it's the smart thing to do. By supporting their growth, engagement and progression, we're creating a culture where we can all thrive.**

Clients

We seek to grow our business dynamically and ambitiously, but we are also aware of the need to ensure that this is done sustainably. As we acquire clients, and grow our relationship with existing ones, we seek to do this by delivering business impact. The Group has built exceptional business acumen over 20 years and is able to provide clients with a high-value service that yields significant value as the relationship matures.

Executive Directors meet with clients on a frequent basis. Existing and prospective clients have consistently highlighted the importance of live events to debate the topical issues of the day, such as hybrid working, wellbeing and leadership development with MindGym's experts. In FY24, we held a CHRO event with over 200 CHRO and similar joining MindGym at our 'Davos for HR'. Keynote speakers including Simon Sinek, Baroness Martha Lane-Fox, Dame Emma Walmsley, and Trevor Phillips debated and discussed key issues such as Culture Change, Wellbeing and Leadership in May 2023 at the Royal Opera House in London.

In addition, the Board receives regular updates on our quality metrics which are a reliable indicator of high client satisfaction.



Investors/shareholders

The Board believes that becoming listed on AIM in June 2018 has been beneficial to the Group, and it values regular dialogue with investors to ensure their ongoing knowledge and understanding of the Group's strategy which is focused on achieving long-term sustainable growth both for the business and its shareholders.

We recognise that strong and ongoing shareholder communication is important, and the Board regularly receives updates from investors. The Board is committed to ensuring that shareholders are treated fairly with regard to the level of disclosure provided, while being mindful of the commercially sensitive aspects of the business.

Investor relations and a review of the share register are standing items on the Board's agenda. Feedback from meetings with investors is shared with the Board. We continue to run a twice-annual investor roadshow and Non-Executive Directors are available to discuss any matters raised by shareholders.

For more information on how we engage with our shareholders and act in their interests, see page 67.

Suppliers

Our suppliers, and in particular our accredited coach network, play a key part in enabling us to deliver a leading level of service to our clients. We seek to choose the best products and services to meet our requirements and then develop long-term relationships with our suppliers.

Community and environment

As mentioned above under culture, the Group is very proud of the work it has done to support others through the ParentGym programme. This is an established part of the Group’s commitment to social responsibility. The Board regularly receives updates on the activities of ParentGym, and this year we supported around 1,200 families across the UK.

The Company takes its environmental responsibility seriously. As the UK moved into an endemic state, the trend of working from home continues for many. Our virtual deliveries and digital portfolio enable MindGym to support our clients and employees, alongside having a positive impact on the Company’s environmental footprint.

The Group is committed to creating meaningful societal and environmental benefits. During the past year, we have continued our engagement with Ecovadis to assess our sustainability efforts.

Considering stakeholders

The Board considers the views of its stakeholders when making decisions on what would be most likely to promote the success of the Company for the benefit of its members as a whole. Representatives of the board meet with key shareholders regularly and engage on key matters where it is appropriate and allowable to do so within AIM rules.

The principal considerations taken into account for certain strategic decisions made during the year ended 31 March 2024 are set out below.

| Board decision | Considerations |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Board made a decision not to pay any bonus linked to Group results for FY24. | Maintaining the link between remuneration and the Group’s financial performance. |
| The Board made a decision to significantly reduce levels of operating and capital expenditure during FY24. | The need to manage financial risk and deliver returns for shareholders in an uncertain market. |
| Changes to board structure and the appointment of a CEO Designate (transitioning to CEO and becoming board director after the period end) | Positioning the business for sustainable future success, as part of planned transition away from being a founder-led business, while retaining strong governance. |

Long-term decision-making

As the world embraces AI and machine learning, we believe that companies which differentiate will be those that can harness their human advantage – their people. Behavioural science companies can help with issues ranging from performance management to inclusion and diversity. A focus on continued innovation and additions to our core product offering ensures that we retain our competitive edge. Time and again we have anticipated social and business trends in our Points of View as with the recent examples of Ethics and Wellness. Our investment in digital product development again anticipates solutions to drive human advantage which will expand and deepen our customer relationships into the future.

Consideration of the long-term consequences of decisions also forms the foundation of our approach to managing risks. More information on this can be found under the Principal risks and risk management section of our report on page 51.

We consider ourselves to be a long-term focused business and further details of this can be found in the following sections of our report:

- Market trends and opportunity page 15
- Our business model and strategy page 19
- Our sustainability section page 33



Principal risks and risk management

Risk-management process

The Group has an established process for the identification and management of risk. Risks are identified by both senior management and by the Board and are assessed and prioritised taking account of both their likelihood and impact. Each risk area is assigned to a member of the senior management team and appropriate mitigating actions are put in place. The risk assessment is reviewed by the Audit and Risk Committee.

During the year, the Board reviewed the nature and extent of the principal risks that the group is willing to accept to achieve its objectives. In determining its risk appetite, the Board recognises that the corporate learning and development market the Group operates in is a large, growing and changing market. It considers the risk appetite of the Group in the context of the regulatory environment and sectors where it operates.

This includes:

- Innovation of our proposition using the latest behavioural-science research
- Developing and extending our product offer to encompass the latest technology
- Building awareness and quality lead generation through data-driven insights
- Improving systems and processes to scale cost effectively
- Attracting and retaining world-class talent
- Managing the impact of macro-economic inflationary pressure on the Group

The Group wants to be seen as best in class and highly respected across the industry. We focus on mitigating any negative impact on reputation with our key stakeholders, continuously evolving our controls and processes to adapt with the changing market.



Key risks

The principal risk areas identified are listed below.

01

Systems and processes not scalable

The Group continues to innovate and, in doing so, scale processes to drive efficiencies. There is a risk that legacy systems and processes cannot meet demands across the product suite.

02

Economic downturn in the corporate learning and development market

Management keeps up to date with macro-economic factors that could affect the Group and decides strategically how to respond to them. A further economic downturn, whether caused by these events, or other crises, may impact the Group's future revenue as it may cause clients to cancel, reduce or postpone existing bookings and not secure potential new revenue. Deteriorating economic conditions could also impact clients' ability to pay on time.

The Group mitigates this risk by diversifying across industries and geographical markets. The Group's offering includes counter-cyclical products to assist with the challenges clients face during an economic downturn. To manage inflation risk and the impact on cost of living, the Group performs regular remuneration reviews and benchmarking to ensure we remain competitive within the market.

03

Digital investment

There is a risk that elements of the ongoing digital transformation project may overrun or fail to meet the expected return on investment, leading to a loss of profit and increased cash consumption for the Group.

The Board consistently receives updates on developments across MindGym's product roadmap, providing formal governance over the programme. At each Board meeting, the Board also monitors progress against approved project and financial milestones. Furthermore, regular operational sub-committees are in place to ensure efficient and streamlined processes are in place to meet the growing demand for products already launched.



04

Acquisition and retention of key staff

Our continued success is dependent on attracting talent with the appropriate skills. The Group manages this by regular benchmarking, paying competitive salaries and providing comprehensive benefits. It has overhauled its people management system and offers an attractive talent acquisition referral plan for employees. Since the launch of the Shared Service Centre, there has been an even greater focus on 'One MindGym'.

The Group actively encourages all employees to learn and develop, including seeking career opportunities internally. We frequently provide training on performance management, management development, leadership development and our product offering. We continue to use a long-term incentive plan and employee share incentive schemes to encourage retention, while also continuing to refine our Human Resources practices. Further information is outlined within 'People and culture', part of the Sustainability section on page 47.

05

Insufficient cash generation

Failure to forecast revenues, control costs and working capital in a timely manner risks the Group experiencing cash constraints. To mitigate this, the Group conducts robust and frequent forecasting, performs consistent reviews and keeps senior management informed.

06

Reliance on key persons

Historically the Group has been heavily reliant on its founders and senior management team. Additions to MindGym Executive (MGX) including the addition of the new CEO have alleviated such reliance. Succession planning and leadership delegation have also contributed to mitigating this risk.

07

Quality and availability of facilitators

The Group's ability to surpass client expectations with regards to session delivery standards rests on the availability and quality of the accredited coaches it provides. The introduction of the Shared Service Centre enables continuous management of the facilitator bookings, and a dedicated Talent Network Team supports performance.

Governance

02

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Board of Directors



Octavius Black

Octavius Black CBE is the Co-Founder and Executive Chair of MindGym, which he co-founded in 2000.

Octavius co-authored MindGym's four books and has written in The Times, Financial Times and The Sunday Telegraph.

Prior to founding MindGym, Octavius was a director of the organisational communications consultancy Smythe Dorward Lambert, and prior to that he was an analyst at Booz Allen Hamilton. Octavius read Philosophy, Politics and Economics at The Queen's College, Oxford University.

Octavius served as the Chief Executive Officer of MindGym until the appointment of Christoffer Ellehuus in April 2024.



Christoffer Ellehuus

Christoffer Ellehuus is the Chief Executive Officer at MindGym, joining the company as CEO Designate in January 2024, before being appointed as CEO and joining the board in April 2024.

He has spent his entire career helping organisations realise the potential of their people, teams, and cultures by combining research, data, and technology in innovative solutions.

Prior to joining MindGym, Christoffer was President at Korn Ferry Digital, and before that, he was the CEO of ESI - a leading provider of project management and leadership development solutions (acquired by Korn Ferry in 2019). Earlier in his career, Christoffer spent more than 15 years with the research and advisory firm CEB (later acquired by Gartner). During his tenure with CEB, he served as a Global Sales Leader, Global Head of Product Development, Managing Director of CEB's EMEA business, and Practice Leader of the HR Advisory subscription business. Christoffer began his career as an economist for the Danish government in various roles related to EU trade and economic integration.



Sebastian Bailey

Dr Sebastian Bailey is the Co-Founder, President and Executive Director of MindGym.

Sebastian has led the development of MindGym's products since its inception, from the portfolio of 90-minute Workouts to the latest digital eWorkouts.

He conducted the definitive academic research on how to maximise the transfer of learning, which underpins MindGym's proposition. Sebastian co-authored the four MindGym books. Sebastian gained a PhD from Bristol University with a thesis entitled 'Maximising transfer: How learning translates into action in organisations'. He is also a member of the board of trustees for Mary's Meals, a charity that provides one daily meal in a place of education in order to attract chronically hungry children into the classroom.



Dominic Neary

Dominic Neary joined MindGym in December 2021 and was appointed Chief Financial Officer on 1 January 2022.

Since 2015, Dominic has been working in Digital and Technology businesses, including as the EU FD at Just Eat, and Commercial FD at the Moneysupermarket Group. Before that, Dominic spent 10 years at Reckitt Benckiser, culminating in the US-based role of Regional FD North American Pharmaceuticals.



Sally Tilleray

Sally Tilleray is the Senior Independent Non-Executive Director on the MindGym Board. Sally joined the Board in July 2018 and is Chair of the Audit and Risk Committee.

From 1999 to 2003, Sally held the role of CFO Europe for Predictive Inc., an IT network consulting business which undertook an IPO on Nasdaq in 2000. Sally then served as Group Chief Operating Officer and Chief Financial Officer at Huntsworth plc, the international public relations and healthcare communications group, from 2004 to 2014.

Sally is an experienced marketing services agency executive and became Non-Executive Chairman of digital agency UNRLVD during 2020. In 2019, she became a Non-Executive Director of NAHL plc, the AIM-listed consumer legal focused marketing and services business, in 2021 she became a Non-Executive Director of AIM-listed Skillcast plc, the leading supplier of corporate compliance eLearning in the UK and in 2023 she became the Senior Independent Non-Executive of Fadel plc the AIM-listed brand compliance, rights management and royalty billing software provider. She is also the Senior Independent Non-Executive Director of Nominet.

Committee membership

Chair of the Audit and Risk Committee and member of the Remuneration and Nomination Committee.



Joanne Cash

Joanne Cash is Non-Executive Director at MindGym. Joanne served as Board Chair at MindGym between 2014 and July 2021.

A former barrister, Joanne was called to the bar in 1994 and practised as a human rights barrister until 2010. She co-founded ParentGym in 2009 and joined the Board of MindGym in 2011. Previous roles include Vice-Chair of the Fawcett Society and board advisor to Women2Win. She is also a Commissioner of the Equalities and Human Rights Commission. Joanne read English Literature at Lady Margaret Hall, Oxford University.

Joanne will step down from the board at the time of the 2024 Annual General Meeting

Committee membership

Member of the Remuneration and Nomination Committee.



Trevor Phillips

Trevor Phillips is Independent Non-Executive Director on the MindGym Board.

Trevor joined the Board in October 2020 and is Chair of the Remuneration and Nomination Committee. Trevor is the co-founder of the data analytics consultancy Webber Phillips, and occupies the position of Chairman at Green Park Interim and Executive Ltd. He is the Chairman of the global freedom of expression campaign charity Index on Censorship, a Senior Fellow at the Policy Exchange think tank and a Vice-President of the Royal Television Society. He is a Times columnist and a regular presenter for Sky News.

He was the President of the John Lewis Partnership Council until 2018, and founding chair of the Equality and Human Rights Commission.

Committee membership

Chair of the Remuneration and Nomination Committee and member of the Audit and Risk Committee.



David Nelson

David Nelson is Non-Executive Director on the MindGym Board. David is an advisor to the controlling shareholders, and therefore not regarded as independent.

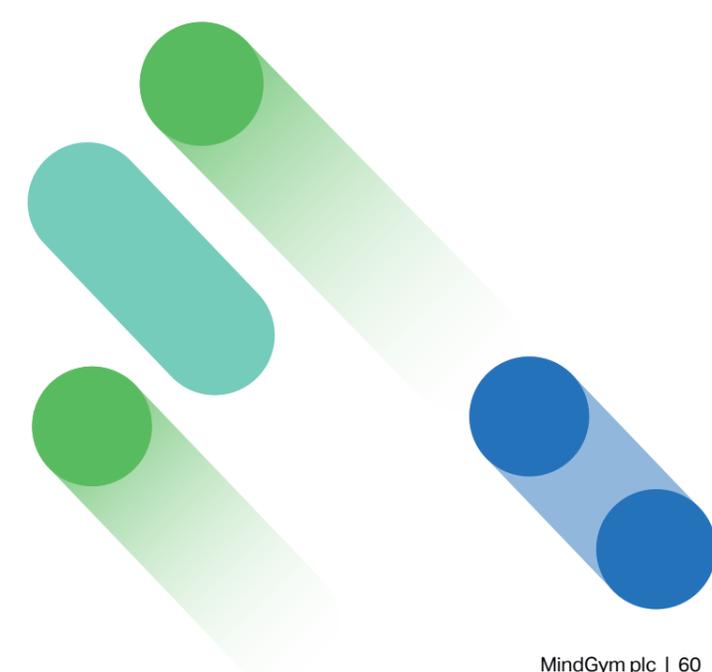
David qualified as a chartered accountant in 1987 and has been a partner of Dixon Wilson since 1990, serving as Senior Partner from 2008 to 2018.

David is a Non-Executive Director of a number of family-owned companies. He is an advisor to UK-based families and their businesses, advising on financial and tax matters in the UK and overseas.

He is also a trustee of a number of UK trusts. David is a Non-Executive Director on the board of Daily Mail and General Trust plc (LSE: DMGT)

Committee membership

Member of the Audit and Risk Committee and the Remuneration and Nomination Committee.



Governance report

Executive Chair's Corporate Governance statement

It's my pleasure to introduce the Corporate Governance report for the year ended March 2024.

As Board Chair, I am responsible for leading the Board and ensuring that we maintain the highest standards of corporate governance throughout the Group's operations and particularly at Board level. As a Board, we recognise that applying sound governance principles is essential to the long-term success of the Group in delivering on its strategy and improving shareholder value. The Group has adopted the Quoted Company Alliance's Corporate Governance Code for small and mid-sized quoted companies (the 'QCA Code').

This Corporate Governance Statement summarises our approach to governance, provides information about how the Board and its Committees operate, and describes how we have complied with the principles of the QCA Code.

Compliance with the QCA Code

The Board believes that it applies the 10 principles of the QCA Code, and that the policies, procedures and systems we have implemented to date provide a firm foundation for our governance structure. The Board continues to keep the governance structure under review to ensure it develops in line with the growth and strategic development of the Group.

Deliver growth

The Board is responsible for setting the strategic aims and objectives of the Group, and our business model and strategy is articulated on pages 19 to 22 of this Annual Report. In the course of implementing our strategy, the Board takes into account the expectations of our shareholders and wider stakeholders (principally our employees and customers). Given the size of the Group, all critical/key matters relating to customers and key employees are dealt with at Board level.

The Board also has responsibility for the Group's internal control and risk-management systems. We regularly review the risks and opportunities of the business, and work with management to ensure that appropriate and effective mitigation strategies are adopted.

Dynamic management framework

Both the Board and the Board Chair's performance were positively evaluated during the year. The Board's review was conducted by the Chair, and the review of the Chair by Sally Tilleray in her role as Senior Independent Director, using anonymous feedback.

We have worked with management to ensure that the quality and timeliness of the information we receive supports effective Board debate, and that the Non-Executive Directors are able to develop their knowledge and understanding of the business through open access to senior management staff.

Board meetings are scheduled at regular intervals throughout the year, and the Directors receive key reports from the Executive team on business performance and key operational metrics. The Board is also updated regularly on regulatory and governance developments.

We are committed to ensuring that the Group operates according to the highest ethical standards, and the Board has primary responsibility for fostering and embedding this culture. The Directors believe that the main determinant of whether a business behaves ethically is the quality of its people, and the Board has responsibility for ensuring that individuals employed by the Group demonstrate the highest levels of integrity. The Board seeks to lead by example in its own interactions and open and constructive debate is encouraged at Board meetings.

The Company has a unique culture informed by our people's passion for what we do. The Non-Executive Directors and I regularly attend the Company's offices and Company events. The Board recognises the importance of promoting that culture and monitoring how it is embedded across the business. Trevor Phillips is the Board member responsible for overseeing the monitoring and promotion of culture, on behalf of the Board.

Build trust

During the year, the Board has continued to review and develop the Group's corporate-governance framework. The following report describes the work of the Board and its Committees during the year.

We recognise the importance of communicating effectively with our shareholders and other stakeholders to demonstrate how the Company is governed and performing.

We will continue to monitor our application of the QCA Code, and revise our governance framework, as appropriate, as the Group evolves.




Octavius Black
Executive Chair

14 June 2024

Composition of the Board

The composition of the Board has been structured to ensure that no one individual can dominate its decision-making processes.

The Board currently comprises the Executive Chair, three Executive Directors, two independent Non-Executive Directors, and two Non-Executive Directors who are not considered by the Board to be independent. Its composition is therefore in line with the QCA Code.

As a provider of behaviour change solutions to blue chip organisations across the globe, and an AIM-quoted company, MindGym plc requires a range of skills, capabilities and competencies to be represented on the Board, including experience in behavioural science, consultancy, public markets, governance and audit, and business operations. The Board is confident that its members have the appropriate balance of experience, skills, personal qualities and capabilities, in order to meet this requirement and to deliver the strategy of the Group for the benefit of the shareholders and other relevant stakeholders over the medium to long term. Biographical details for all Directors, including a summary of their relevant experience, is provided on pages 57 to 60.

The independent Non-Executive Directors collectively bring a balance of skills and experience which means that they are able to provide constructive support and challenge to the Executive Directors. The Non-Executive Directors are expected to attend such external events and seminars as necessary, to ensure that their knowledge of relevant financial reporting and corporate governance requirements are up to date.

The Senior Independent Non-Executive Director (SID) acts as a sounding board for the Chair and serves as an intermediary for the other Directors when necessary. The SID is also available to shareholders should they wish to discuss matters they have been unable to resolve through the normal channels of Chair, Chief Executive Officer or Executive Directors or for which such contact is inappropriate.

The Company Secretary also ensures, through regular updates to the Board, that Directors are aware of developments in corporate governance practice and legislative and regulatory changes that may impact the Company.

How the Board operates

The Board is responsible for the proper management of the Company by formulating, reviewing and approving the Company's strategy and setting the Company's values and standards. Certain matters are specifically reserved for decision by the Board, and these are set out in a formal Schedule of Matters Reserved for the Board which is reviewed annually.

The matters reserved include without limitation decisions relating to:

- 01 Approval of the Group's strategic aims and objectives
- 02 The structure and capital of the Group
- 03 Financial reporting, financial controls, risk management, internal controls and dividend policy
- 04 Approval of significant contracts and expenditure above agreed delegated authority limits
- 05 Effective communication with shareholders
- 06 Any changes to Board and Committee membership or structure

Day-to-day management of the Group is the responsibility of the CEO and Executive Directors.

Board meetings

The Board will normally meet on at least six occasions each year, and has met formally on seven occasions during the year.

Individual Director attendance at Board and Committee meetings during the year is shown in the table below:

| Activity | Board (out of 7 meetings) | Audit committee (out of 5 meetings) | Remuneration and Nomination Committee (out of 4 meetings) |
|---------------------|---------------------------|-------------------------------------|-----------------------------------------------------------|
| Ruby McGregor-Smith | 6 | N/A | 4 |
| Octavius Black | 7 | N/A | N/A |
| Sebastian Bailey | 7 | N/A | N/A |
| Dominic Neary | 7 | N/A | N/A |
| Joanne Cash | 7 | N/A | 3 |
| David Nelson | 7 | 5 | 4 |
| Sally Tilleray | 7 | 5 | 4 |
| Trevor Phillips | 7 | 5 | 4 |

The Directors are expected to attend all meetings of the Board and the Committees on which they sit, and the Non-Executive Directors are expected to devote sufficient time to the Group to enable them to fulfil their duties as Directors. The time commitment required of all Non-Executive Directors is currently a minimum of two days per month. The Board is satisfied that the Chair and each of the Non-Executive Directors are able to devote sufficient time to the business, and they each maintain open communication with the Executive Directors and senior management between the formal Board meetings

Board activity during the year

There are a number of standing and routine items included for review on each Board agenda. These include reports from the CEO and CFO, product and talent updates, corporate governance updates and consideration of reports from the Board committees.

In addition, key areas put to the Board for consideration and review during the year included:

2023-2024



Board committees

The Board is supported in its work by two Board committees, the Audit and Risk Committee and the Remuneration and Nomination Committee. More information about the composition and activities of the Committees is set out in the Audit and Risk Committee report on page 69 and the Remuneration report on page 73.

Each Board committee has approved Terms of Reference setting out its responsibilities. The Terms of Reference are reviewed at least annually. The Terms of Reference are available on the Company's website: <https://uk.themindgym.com/investors>.

The Committees are authorised to obtain, at the Company's expense, professional advice on any matter within their Terms of Reference and to have access to sufficient resources to carry out their duties.

External advisors

The Board seeks advice and guidance on various matters from Nomad (Liberum), its lawyers and Elemental Company Secretary Ltd. As Company Secretary, Elemental assists the Chair in preparing for and running effective Board meetings, including the timely dissemination of appropriate information.

Board evaluation

Both the Board and the Board Chair's performance were positively evaluated during the year. The Board's review was conducted by the Chair and the review of the Chair by Sally Tilleray in her role as Senior Independent Director, using anonymous feedback.

Conflicts of interest

At each meeting of the Board or its committees, the Directors are required to declare any interests in the matters to be discussed and are regularly reminded of their duty to notify any actual or potential conflicts of interest. The Company's Articles of Association provide for the Board to authorise any actual or potential conflicts of interest if deemed appropriate to do so.

Internal controls

The Board has ultimate responsibility for the Group's system of internal controls and for the ongoing review of their effectiveness. Internal control systems can only identify and manage risks and cannot eliminate them entirely. As a result, such controls cannot provide an absolute assurance against misstatement or loss. The Board considers that the internal controls that have been established and implemented are appropriate for the size, complexity and risk profile of the Company and Group.



The main elements of the Group's internal control system include:

- Close management of the day-to-day activities of the Group by the Executive Directors, and in particular of the financial controls by the CFO
- Specific financial controls, including with respect to purchasing and payments, payroll and expenses, and to ensure that appropriate accounting records are maintained
- A rolling programme of tests of key financial controls during the financial year to prevent control failure
- Review of key risks by finance areas as agreed with the Board
- Approval at Board level required for any significant decisions relating to the assets or investments of the Company
- An annual budgeting process requiring approval by the Board
- Board-approved Anti-Bribery, Whistleblowing and Anti-Corruption Policies, Modern Slavery Statement and Share Dealing and Conduct Codes
- Regular risk reviews

The Board continues to review the system of internal controls to ensure it is fit for purpose and appropriate for the size and nature of the Company's operations and resources.

Relations with shareholders and stakeholders

The Group maintains communication with institutional shareholders through individual meetings with Executive Directors, particularly following publication of the Group's financial results. The Group also communicates with the market generally using a Regulatory Information Service provider for regulatory news releases which are also made available on the Company's website in accordance with AIM Rule 26.

Shareholders and investors will have the opportunity to meet Board members at general meetings (including at the Annual General Meeting (see below)), investor meetings and webcasts at which shareholders and stakeholders will be able to ask questions of management.

The Board believes that, other than shareholders, the Group's key stakeholders are its staff and customers. Given the size of the Group, all matters relating to customers and key employees are dealt with at Board level. More information on the ways in which we engage with our key stakeholders is provided on pages 46 to 48 of the strategic report.

Annual General Meeting

The Company's 2024 Annual General Meeting ('AGM') is scheduled to take place on 15 July 2024 at the Company's registered office at 160 Kensington High Street, London, W8 7RG. The Notice of AGM (the 'Notice'), including the resolutions to be proposed, is set out on page 145 of this Annual Report. Shareholders will have an opportunity to raise questions with the Board at the AGM and to meet informally with Directors following the meeting.



Audit & Risk Committee report

Responsibilities and composition

The Audit and Risk Committee has the primary responsibility for monitoring the quality of internal controls to ensure that the financial performance of the Group is properly measured and reported on, and to ensure the Group's key risks are identified and monitored. It receives and reviews reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit and Risk Committee meets not less than twice in each financial year and has unrestricted access to the Group's external auditors. The Audit and Risk Committee comprises at least two members of whom both shall be independent Non-Executive Directors. Where possible, one member will be a member of the Remuneration and Nomination Committee. The chair of the Audit and Risk Committee is appointed by the Board. The chair of the Audit and Risk Committee is Sally Tilleray and its other members are David Nelson and Trevor Phillips. Sally Tilleray and Trevor Phillips are independent Non-Executive Directors and David Nelson has recent and relevant financial experience with competence in accounting and auditing.

5
times the
Committee met
during the year

Activities during the year

The Committee met five times during the year and once following the year end to consider the financial statements. Meetings may be attended by the Executive Directors and the Group's external auditors. Time is allowed for the Committee to discuss issues with the external auditors without the Executive Directors being present.

The Committee operates under formal terms of reference, and these are reviewed annually. The main work undertaken by the Committee during the past year is detailed below.

Financial reporting

The Committee reviewed the half-year and annual financial statements. As part of these reviews, the Committee discussed the financial statements with the external auditor and management and considered the appropriateness of the accounting principles, the reasonableness of significant financial reporting judgements, the clarity of disclosures in the financial statements and the effectiveness of internal control over financial reporting. The Committee reviewed and challenged the external auditor's report on these matters and key areas for consideration were revenue recognition, going concern and the carrying value of digital asset investments.

In fulfilling its responsibility for monitoring the integrity of financial reports to shareholders, the Committee considered and reviewed the accounting principles, policies and practices adopted in the preparation of public financial information and examined documentation relating to the Annual Report, Interim Report, preliminary announcements and other related reports. The Committee gave due consideration as to whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy and can confirm that this is the case.

Significant issues considered in relation to the financial statements

Significant issues and accounting judgements are identified by the finance team and the external audit process and then reviewed by the Audit and Risk Committee. The significant issues considered by the Committee in respect of the year ended 31 March 2024 are set out below:

| Significant issue/accounting judgement identified | How it was addressed |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Committee considered the extent to which software development costs should continue to be capitalised and the appropriate amortisation period in accordance with criteria in IAS 38 Intangible Assets. | <p>The Committee reviewed and discussed with management and the external auditor as to whether:</p> <ul style="list-style-type: none"> Development costs continue to meet the capitalisation criteria under IAS 38 during the year Costs capitalised were in relation to projects that were technically and commercially viable Costs capitalised could be reliably measured The carrying value of these intangible assets is supported by the recoverable amount based on management's discounted cash flow forecasts The useful economic life of five years continues to be appropriate for these digital assets <p>The Committee is satisfied with the judgements and estimates applied by management in determining the value of the costs capitalised.</p> |
| The Committee considered the requirement for impairment of the carrying value of digital assets in accordance with the criteria in IAS 36 Impairment of Assets | <p>The Committee reviewed and discussed with management:</p> <ul style="list-style-type: none"> The value of projected future revenues in respect of capitalised digital assets Whether there were any indications of impairment of the respective assets Related costs required to deliver the projected revenues The length of time over which benefit would continue to be derived from the assets and hence the period over future cash flows should be considered The appropriate discount factor to be applied, reflecting the risk attached to the relevant cash flows <p>The Committee is satisfied that, following the impairment charges posted at the time of the interim results, no further impairment charges were required.</p> |
| The Committee considered whether it was appropriate to continue to prepare the Annual Report and Accounts on a going concern basis. | <p>The Committee reviewed and discussed with management:</p> <ul style="list-style-type: none"> Management's budget for FY25 and medium-term plan A range of downside scenarios modelled by management Potential mitigating cost-saving actions The risks and uncertainties facing the business The Group's access to liquidity <p>The Committee concluded that the Group has sufficient cash to enable it to continue to meet its liabilities for the foreseeable future even under a reasonable worst-case scenario, and therefore that it is appropriate to regard the Group as a going concern.</p> |
| The Committee considered whether it was appropriate to recognise the full deferred tax asset related to carry forward trade losses, predominantly created through R&D tax credits. | <p>The Committee reviewed and discussed with management the budget for FY25 and medium-term plan for the UK entity.</p> <p>The Committee concluded that the Group has sufficient taxable profits in the foreseeable future to justify full recognition of the deferred tax asset on carry forward trading losses at 31 March 2024.</p> |

External auditors

The Committee oversees the relationship with the external auditors, and monitors all services they provide and the fees payable to them, to ensure that potential conflicts of interest are considered and that an objective and professional relationship is maintained. In particular, the Committee reviews and monitors the independence and objectivity of the external auditors and the effectiveness of the audit process. At the outset of the audit process, the Committee receives from the auditors a detailed audit plan, identifying their assessment of the key risks and their intended areas of focus. This is agreed with the Committee to ensure coverage is appropriately focused.

During the year, the external auditor undertook non-audit work in relation to a review of the interim financial statements and company secretarial services in Singapore. The fees for this work are detailed in Note 7 to the Group Financial Statements. During the year, the Committee continued to keep the nature, extent and cost of non-audit services under review. KPMG's provision of tax services to the Company has reduced the amount of non-audit work undertaken by the external auditor (BDO) in the current financial year.

Risk management and internal control

The Committee has oversight of the internal financial controls and the risk-management systems. During the year, the Committee reviewed the principal business risks to ensure that they are being adequately captured and reported to the Board. Details of these risks are set out in Principal risks and risk management on pages 51 to 54. The Committee also reviewed the Company's governance policies, including

the whistleblowing policy which sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. During the year under review, there were no reported incidents.

During the year, the Committee reviewed the Risk Register, the risk appetite statement, the delegated authority framework, the Group's insurance arrangements and management's process in implementing and maintaining control systems during the year.

The Committee has considered whether the Group's internal controls processes would be significantly enhanced by an internal audit function and has taken the view that, given the size of the Group, the internal controls in place and the significant executive involvement in the Group's day-to-day business, that an internal audit function is not required. The Group has implemented periodic testing of internal financial controls during the financial year to continue mitigation of potential risks. The Committee will, however, keep this under review. The Committee is satisfied that the internal controls systems, which have been established, are operating effectively.




Sally Tilleray
Chair, Audit and Risk Committee

14 June 2024

Remuneration report

The report is split into three main areas:

| Contents | Page |
|----------------------------------------------------------|------|
| The statement by the Chair of the Remuneration Committee | 73 |
| The Directors' Remuneration Policy | 77 |
| The Annual Report on Remuneration | 82 |

Membership

The members of the remuneration committee who served in the period and meetings attended were:

| Director | Meetings Attended |
|-------------------------|-------------------|
| Trevor Phillips (Chair) | 4/4 |
| Joanne Cash | 3/4 |
| Sally Tilleray | 4/4 |
| David Nelson | 4/4 |
| Ruby McGregor-Smith | 4/4 |

Statement from the Chair

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2024.

In what has been a challenging year for the Company against a backdrop of continued economic uncertainty, I have continued to observe first-hand the passion, resilience and focus that our team has demonstrated. I would like to take this opportunity to thank everyone for their ongoing commitment to our clients, our colleagues and our business. I also welcome Christoffer as our new Chief Executive Officer and note the drive and experience that he has brought to the business, which will help us as we rebuild in FY25 and return the business to historic performance levels in the years ahead.

MindGym listed on the Alternative Investment Market ('AIM') on 28 June 2018 and has adopted the requirements of the Quoted Companies Alliance (QCA) code and the recent changes announced in November 2023. To improve transparency with investors and

alignment with best practice, the Remuneration Committee (the 'Committee') has presented a separate Remuneration Policy and Annual report on remuneration.

This report sets out the Remuneration Policy and the remuneration paid to the Directors for the year in the context of the Group's Remuneration Policy which can be found on page 77 of this report.

The aim of the Remuneration Committee

The Remuneration Committee is committed to structuring senior executive remuneration that is competitive, incentivises and rewards good performance, and that will support the Group's growth and profitability ambitions, thereby creating value for shareholders.

In addition, the Committee reviews and considers remuneration of the wider workforce and monitors related policies, satisfying itself that incentives and rewards are aligned with the Group's strategy and culture. The Remuneration Committee is appointed by the Board and currently comprises two Independent Non-Executive Directors and two other Non-Executive Director who are not considered to be independent.

Our approach to remuneration

The Remuneration policy is designed to:

- Include a competitive mix of base pay and both short- and long-term incentives, with an appropriate proportion of the package determined by stretching targets linked to the Group's performance.
- Promote the long-term success of the Group, in line with our strategy and focus on profitability and growth.
- Provide appropriate alignment between the interests of shareholders and executives and, where appropriate, the wider workforce.

Looking forward, while annual salary increases have been awarded across the Group, there are no salary changes for members of the Executive Leadership Team. The annual bonus plan will continue to operate as normal and employees will once again have the opportunity to participate in all employee share plans (Sharesave (SAYE) in the UK and the Employee Stock Purchase Plan (ESPP) in the US) during the first half of the year.

Aligning remuneration to Group strategy

The Group's ongoing vision is to be the leading global provider of corporate human performance and business improvement solutions. FY24 was a challenging year for the business, with revenue of £44.9m impacted by macro-economic headwinds, resulting in client delays and cancellations. Actions taken during FY24 to realign the Group's cost base are expected to provide greater resilience and ensure that MindGym is cash generative in the current market conditions.

At the start of the year, we set ourselves ambitious annual bonus targets and against a backdrop of continued economic uncertainty and underperformance in the US, we did not manage to meet the targets we set. This is reflected in this year's annual bonus performance outcomes, with no payment being made to Executive Directors or members of the wider Executive Committee and substantially reduced payments to the broader employee base.

While the market outlook remains unpredictable, particularly in the US due to continued geopolitical tensions and a changing macroeconomic landscape, MindGym's revised cost base, coupled with an increased focus on quarterly profits and cash generation places us in a strong recovery position. Our remuneration arrangements are designed to support management with this strategy, and to enable the Group to be flexible and agile, in order to deliver against our plan.

Remuneration Policy during the year

Over the course of the year ended 31 March 2024, the Committee has reviewed existing remuneration arrangements to ensure that there has continued to be a strong link between both the Remuneration Policy and the business strategy. The Committee has reviewed the existing Director's Remuneration Policy in light of changes to the QCA Corporate Governance Code and has incorporated some of these changes, such as providing clarity around the purpose of the Company's executive remuneration arrangements and Committee discretion. The Committee will continue to consider whether there are any additional changes it may make over the course of the year and relevant information will be provided in next year's report.

Over the past 12 months, I have supported the Chair with the search for a new Chief Executive Officer and met with shareholders to understand their views in respect of this transition. As a result of c.20% of shareholders failing to support the Directors' Remuneration Report last year, I have also spent time during the year engaging with our largest shareholders to understand any concerns they may have. Concerns raised as a result of this process have been taken on board and the committee remains committed to engaging with our largest shareholders going forward.

Annual bonus for the year ended 31 March 2024

For the year ended 31 March 2024, 50% of the Company performance element of the Annual Performance bonus was assessed against a Revenue metric (with an EBITDA underpin of £7.3m). The remaining 50% was assessed against personal performance for Dominic Neary and other members of the Executive Committee.

Actual Revenue performance for the year was £44.9m and Adjusted EBITDA performance was -£0.3m. As a result of the EBITDA underpin threshold being missed, no payment was triggered under the Company element of the bonus.

As a result of the financial metrics being missed, it was determined that no bonus payment would be made to the eligible Executive Director or to other members of the Company's Executive Team for the year.

Chief Executive Officer Recruitment

We welcome the arrival of Christoffer Ellehuus, who joined MindGym in January 2024, and became CEO effective from April 2024. The terms of his remuneration arrangements are set out on pages 84 to 85 of this report.

Shareholder Engagement

We are very conscious of the benefits of and need to fully engage with our shareholders on all key matters moving forward and are committed to doing so. The results of the voting on the 2023 Remuneration Report are set out below.

Shareholder Considerations

The Company is committed to ongoing shareholder dialogue and takes an active interest in feedback we receive from our shareholders and voting outcomes. The voting result from the Annual General Meeting held in July 2023 on the resolution to approve the Remuneration Report, including the Remuneration Policy, is set out below.

| Approval of the 2023 Directors' Remuneration Report (including the Remuneration Policy) | |
|-----------------------------------------------------------------------------------------|---------------------|
| For | 79.72% (73,013,923) |
| Against | 20.28% (18,569,595) |

Remuneration Policy for the year ending 31 March 2025

The Remuneration Committee is aware of ongoing developments in corporate governance and best practice in executive remuneration, such as changes to the QCA Corporate Governance Code as well as an increased focus on ESG metrics and intends to review its executive remuneration arrangements to align with these where appropriate for the business.

The Remuneration Policy is set out on pages 77 to 81 and details of how this policy will be implemented for the financial year ahead are set out on pages 82 to 88.

I hope that you will find this report helpful and informative and agree that the determinations made by the Committee are appropriate and in the long-term interests of both the Company, its employees and our shareholders.

I look forward to your support at our AGM on 15 July 2024 and encourage you to submit any questions you may have regarding the work of the Committee in advance.

Trevor Phillips

Chair of the Remuneration Committee
14 June 2024

Key Messages for 2023-24

- 01 Recruitment of new Chief Executive Officer
- 02 Retention of key talent
- 03 Initial analysis of MindGym's gender pay gap

Our Priorities for 2024-25

- 01 Review of Executive Remuneration metrics
- 02 Awards under our Long-Term Incentive Plan to members of the Executive Committee (including Christoffer Ellehuus and Dominic Neary) and other key members of the Senior Leadership Team.



Directors, Remuneration Policy

This section of the report sets out the Remuneration Policy for Executive Directors.

The objective of this Remuneration Policy is to attract, motivate and retain high-quality individuals who will contribute fully to the success of the Group. To achieve this objective, the Group provides competitive pay to all employees.

Executive Directors' remuneration is set to create an appropriate balance between both fixed and performance-related elements. Remuneration is reviewed each year in light of the Group's business objectives and designed to support the growth strategy.

It is the Committee's intention that remuneration should reward the achievement of objectives and that these are aligned with shareholders' interests over the medium term.

Remuneration approach

The aim of the Remuneration Policy is to support the Group in:

- Aligning individual and business performance with the interests of shareholders through the delivery of clear and stretching targets
- Strengthening the link between employee output and the delivery of shareholder value
- Attracting, motivating and retaining high-quality talent
- Enabling the Group's remuneration strategy to be tailored to its changing circumstances

The Group passionately believes that remuneration should be structured in a fair and competitive way, in order to incentivise individuals to achieve the highest levels of performance and therefore takes a consistent approach throughout the Group.

Packages are designed to be competitive with fixed remuneration set at market competitive levels. Variable rewards, which are linked to objectives based on the performance of the Group, are designed to reward exceptional performance.

In addition, the Remuneration Policy is designed, taking into account the principles of the QCA Code.

Remuneration components

We currently define our main fixed and performance related elements of remuneration as follows:

- Base pay, benefits and pension contribution (fixed),
- Annual performance bonus (variable); and
- Long term Incentive Plan.

Remuneration Policy table

| Component | Aim and link to strategy | Operation, opportunity and performance measures | Further detail |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fixed Base Pay | To attract and retain talent by ensuring base pay is competitive in the market. | <ul style="list-style-type: none"> • Paid monthly in cash. • Base pay is normally reviewed annually. • Group and individual performance considered when setting Executive Director base pay. • Pay and conditions elsewhere in the Group. | <ul style="list-style-type: none"> • Any increase typically takes effect from 1 June annually. |
| Fixed Core benefits | Designed to be competitive in the market. | <ul style="list-style-type: none"> • Executive Directors receive core benefits in line with market practice, and these typically include but are not limited to: <ul style="list-style-type: none"> – Private medical insurance for Executive Directors and their immediate family – Uncapped holiday – Life assurance • Other benefits, such as relocation allowances may be offered if considered appropriate and reasonable by the Committee. • Any reasonable business-related expenses can be reimbursed in accordance with the Company's expenses policy, including the tax thereon if determined to be a taxable benefit. • Benefits may vary by role. | |
| Fixed Pension | <p>Designed to be competitive in the market.</p> <p>To provide an appropriate level of retirement benefit to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Company's strategy.</p> | <ul style="list-style-type: none"> • A defined contribution pension scheme, or a cash payment in lieu of pension contribution in certain circumstances. • The Group will make up to 5% base pay contribution. • Cash payments in lieu of pension contributions may be made to Executive Directors, but these will be subject to normal tax and NI deductions. | <ul style="list-style-type: none"> • Base pay is the only element of remuneration that is pensionable. • Group contributions for all participating employees are made at a minimum of 5% base pay, and all employees can join the Group's defined contribution pension scheme. • Group contributions will be reviewed over time, to ensure compliance with minimums set under auto-enrolment guidelines. |
| Variable Annual bonus | Designed to focus Executive Directors on the business priorities for the financial year ahead and to align the individual's remuneration with the delivery of shareholder value and the delivery of the strategic plan. | <ul style="list-style-type: none"> • Performance is measured on an annual basis for each financial year. • The bonus scheme is based on a combination of financial and non-financial measures, which are reviewed annually to ensure they remain appropriate and align with the business strategy. Such measures include Revenue and EBITDA and PBT. • At the end of the year, the Committee determines the extent to which these were achieved. • Performance measures and their weightings may vary from one year to another. • Clawback (of any bonus paid) may be applied where the Committee deems it necessary to do so, including in the event of gross misconduct or a material misstatement. | <ul style="list-style-type: none"> • Payment typically made in cash in June each year. • The Remuneration Committee retains the ability to exercise discretion to adjust payments up or down in exceptional circumstances where they feel this course of action is appropriate. • The bonus scheme pays at the following levels: <ul style="list-style-type: none"> – Maximum awards for Executive Directors are equivalent to 50% of base pay under normal circumstances, but can be increased to up to 75% in instances of exceptional performance (as determined by the Committee). – The targets and performance against them will be disclosed in the relevant Annual Report and Accounts following the end of the performance period. |
| Variable Share-based incentive plans (LTIP) | Designed to reward Executives to maximise returns to shareholders by successfully delivering the Company's objectives over the longer term whilst aligning an individual's interests with those of shareholders. | <ul style="list-style-type: none"> • Awards of shares, priced or nil-cost options or cash may be made to participants. Award levels and performance conditions are reviewed before each award cycle to ensure they remain appropriate. • Malus (of any unvested LTIP) and clawback (of any vested LTIP) may be applied where the Committee determines is necessary, including in the event of gross misconduct or a material misstatement. • A two-year holding period will normally apply to the vested awards such that the shares may not be sold by the Executive Director during this period other than to settle tax liabilities in relation to those shares. | <ul style="list-style-type: none"> • Vesting of LTIP awards is subject performance conditions determined by the Committee. • Awards do not vest until at least the third anniversary of the date of grant and may have a deferral element. • If employment ceases during the vesting period awards will by default lapse in full unless the Remuneration Committee exercises its discretion. • In line with the rules of the MindGym LTIP, the Remuneration Committee has discretion over all aspects of the plan, including but not limited to performance conditions, formulaic LTIP outcomes (both upwards and downwards) vesting conditions and cancellation of the scheme. |

Malus and clawback

For up to three years following the payment of an annual bonus award (and two years after the vesting of an LTIP award), the Committee may require the repayment of all or some of the award if there is corporate failure, a material error or misstatement of the financial results, gross misconduct or if information comes to light which, had it been known, would have affected the decision as to the extent to which an award would have vested.

The Committee also has the right to reduce or cancel or impose further restrictions on unvested LTIP and deferred bonus shares in similar circumstances (including material failure of risk management).

Executive Director Shareholding Requirements

The Committee has adopted shareholding guidelines that encourage Executive Directors to build up and then subsequently hold a shareholding equivalent to a multiple of their base salary.

Executive Directors are required to build up and hold a shareholding equivalent to 200% of salary over a period of time and then retain a holding of 100% of salary for the year after leaving. It is anticipated that this will be satisfied through the vesting of LTIPs which will take at least a 5-year period to take effect.

The Committee retains discretion with respect to the operation of the shareholding requirement.

Other share-based remuneration

MindGym Save-As-You-Earn (SAYE) scheme

The Group operates an all-employee SAYE Scheme in the UK, which all eligible employees and Executive Directors can participate in. All eligible employees are invited to join the scheme on an annual basis, subject to maximum participation levels, currently £500 per month, or in line with HMRC limits if these are increased in the future. Details of current schemes can be found in the Annual Report on Remuneration section of this report.

MindGym Employee Stock Purchase Plan (ESPP)

The Group operates an all-employee, Employee Stock Purchase Plan for its US-based employees. The MindGym ESPP enables eligible employees to purchase market priced shares by making regular payroll contributions over a defined 12-month offering period. Details of how the scheme operates can be found on page 86 of the Remuneration Report.

Recruitment policy for new hires

When hiring a new Executive Director, the Remuneration Committee will align the remuneration package with the Remuneration Policy stated previously, including the maximum limits for each remuneration component.

The Remuneration Committee will take all relevant factors into consideration when making a remuneration decision on a new Executive hire, to ensure that these decisions are being made in the best interests of the Group and its shareholders, including, but not limited to:

- Quantum
- Type of remuneration being offered
- The impact on existing remuneration arrangements for other Directors
- The remuneration package of any existing equivalent Director
- The remuneration arrangements of the candidate in their previous role

In hiring a new Executive Director, the Remuneration Committee may also make a 'buy-out' award to an external candidate in compensation for any remuneration arrangements forfeited on leaving a previous employer. In making such an award, the Committee will take into consideration relevant performance conditions, vesting periods and the form in which the award was made. It is usual that any 'buy-out' awards will be made on a comparable basis. In exceptional circumstances, the Remuneration Committee may make an exceptional award under

one of the Group's existing long-term incentive plans to compensate a candidate for any remuneration arrangements forfeited on leaving a previous employer.

The Remuneration Committee would only consider making such awards where the individual has lost an award because of joining the Group, and awards will be subject to continued employment and performance conditions, as appropriate. Following the appointment of a new Executive Director, the shareholders will be informed of the details as soon as practicable. Where a variable or performance related award is made under such circumstances, the Remuneration Committee confirms that the award will be within the limits specified in the Remuneration Policy table.

Service contracts for Executive Directors

Under the Executive Directors' service contracts, both parties are required to give six months' notice of termination of employment. At the Group's discretion they may terminate the contract immediately and not require the Director to work their notice and instead pay six months' contractual pay plus benefits. The Executive Directors' service contracts also include a six month non-compete period. These contracts are available for inspection at the Group's registered office.

Relocation packages

There may be occasions when hiring a new Executive Director that a relocation package is awarded, where a candidate and/or the candidate's immediate family relocate either on a temporary or permanent basis to fulfil their role for the best interests of the Group and its shareholders. In such instances, the Remuneration Committee retains the right to compensate for reasonable and appropriate relocation expenses.

Expatriate packages

On appointing a new Executive Director, the Remuneration Committee may offer assistance where a candidate and/or the candidate's immediate family is asked to relocate either on a temporary or permanent basis, from an overseas location to the UK or from the UK to an overseas location. In such instances, the Remuneration Committee retains the right to compensate for reasonable and appropriate relocation expenses.

Remuneration Policy for internal promotions

When an existing employee of the Group is promoted internally to the role of Executive Director, the Remuneration Committee will align the remuneration package with the Remuneration Policy stated previously, including the factors it considers for new hires. Any remuneration awarded prior to promotion to the role of Executive Director will be retained and will be subject to the previous payment terms. The shareholders will be informed of any such remuneration in the Directors' Remuneration report following promotion.

Exit payments

The Group operates the following policy in respect of exit payments:

- Executive Directors have a six-month notice period from the Group, and they in turn are asked to give the Group six months' notice.
- Exit payments in relation to the service contract are limited to no more than one year's contractual pay plus other benefits, and any contractual notice pay, unless determined otherwise by the Board in exceptional circumstances, or unless otherwise dictated by law.
- The Remuneration Committee may use its discretion to determine appropriate bonus amounts and the vesting of any share-based award, taking into consideration the individual circumstances under which an Executive Director is leaving the Group.

The default position is for annual bonus amounts and the vesting of share-based awards for 'good leavers' to be pro-rated for time served from the start date of the scheme to the individual's exit date and will be subject to the applicable rules of the scheme. The Remuneration Committee will have sole discretion to determine the 'good leaver' status of an Executive Director. The Committee will determine on a case-by-case basis whether any vesting of a share-based award is appropriate.

Fees for the Chair and Non-Executive Directors

The remuneration for Non-Executive Directors comprise only fees. The Chair's fee is approved by the Board on the recommendation of the Remuneration Committee. The other Non-Executives' fees are approved by the Board on the recommendation of the Chair and CEO.

The Chair and Non-Executive Directors do not take part in discussions on their remuneration. The Chair and each of the Non-Executive Directors has a letter of appointment substantially in the form suggested by the Code, and each has a month notice period with no compensation for loss of office.

The Group has no age limit for Directors. The dates of each contract are set out on page 88. The fees for the Chair and Non-Executive Directors are set out on page 87 of this report. These fees are reviewed (but not necessarily increased) on an annual basis, considering the responsibilities of the role and their participation in the various Governance Committees of the Group.

The Chair and Non-Executive Directors are not entitled to participate in any annual incentive plans or any pension arrangements.

Consideration of employment conditions elsewhere in the Group

The Committee considers the pay and conditions of employees throughout the Group when determining the remuneration arrangements for Executive Directors, although no direct comparison metrics are applied.

Remuneration arrangements are determined throughout the Group based on the same principle, that reward should be achieved for successful delivery of the business strategy and should be sufficient to attract, retain and motivate high calibre employees.

Remuneration arrangements are simple and easy for employees to understand, and it is clear how these support and reinforce the Company's culture and promote the correct behaviours and decisions.

Consideration of shareholder views

The Committee is committed to ongoing dialogue with shareholders and welcomes feedback on directors' remuneration. The Committee will continue to monitor trends and developments in corporate governance, market practice and shareholder views, to ensure the structure of the executive remuneration remains appropriate.

The Committee will seek to engage directly with major shareholders and their representative bodies should any material changes be made to the Directors' Remuneration Policy or to material changes to existing or the development of new Long Term incentive arrangements.

Remuneration Committee Discretion

The Committee retains discretion to make any payments, notwithstanding that they are not in line with the policy set out above, where the terms of the payment were agreed (i) before the policy came into effect, or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company.

The Committee will operate the variable pay plans (i.e. Group Annual Bonus Plan, Long-Term Incentive Plan & any other incentive plans) according to their respective rules. The Committee retains certain discretion in respect of the operation and administration of these arrangements. In addition, the Committee retains the ability to adjust the targets and/or set different measures if events occur (e.g. a material acquisition and/or divestment of a Group business) which cause it to determine that the conditions are no longer appropriate, and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy.

Annual Report on Remuneration

This section of the report provides details of how MindGym's Remuneration Policy was implemented in the year ended 31 March 2024 and how the Group plans to implement the policy for the year ending 31 March 2025.

Remuneration Committee activities in the year ended 31 March 2024

The Committee was formed on 28 June 2018 following the AIM listing of the Group. The Committee operates under the agreed Terms of Reference and is responsible for reviewing the framework for remuneration arrangements for Executive Directors and other senior executives on an annual basis.

The Committee also reviews information on pay outcomes and processes for the wider workforce to take account of wider workforce pay, and conditions when setting executive remuneration and to consider alignment between pay structures.

The Committee met four times over the course of the year.

Remuneration Committee activities over the course of the year were as follows:



Approval of the FY23 Directors' remuneration report



Review of remuneration for members of the Executive leadership team



Review and approve the measures and targets for the FY24 Annual Bonus Scheme for the Executive leadership team



Review and approve the measures and targets for the FY24 LTIP awards

Single total figure of remuneration

The table below details the total remuneration earned by each Director in respect of the year ended 31 March 2024.

| Executive Director | Year | Base Pay ⁽¹⁾ £'000 | Taxable Benefits ⁽²⁾ £'000 | Pension ⁽³⁾ £'000 | Bonus ⁽⁴⁾ £'000 | Share options £'000 | Total £'000 |
|-------------------------------|------|----------------------------------|------------------------------------------|---------------------------------|-------------------------------|------------------------|----------------|
| Octavius Black ⁽⁵⁾ | 2024 | 500 | 8 | 17 | - | - | 525 |
| | 2023 | 425 | 8 | 21 | - | - | 454 |
| Sebastian Bailey | 2024 | 350 | 5 | 18 | - | - | 373 |
| | 2023 | 313 | 6 | 16 | - | - | 335 |
| Dominic Neary | 2024 | 261 | 9 | 13 | - | - | 283 |
| | 2023 | 220 | 10 | 11 | 50 | - | 291 |
| Total emoluments | 2024 | 1,111 | 22 | 48 | - | - | 1,181 |
| | 2023 | 958 | 24 | 48 | 50 | - | 1,080 |

⁽¹⁾ Value of base pay received in the year.

⁽²⁾ Value of benefits received by the Directors in the year. Octavius Black, Sebastian Bailey and Dominic Neary are provided with Private Healthcare cover for themselves and their families.

⁽³⁾ The value of pension contributions made or cash in lieu of pension paid by the Group in the year.

⁽⁴⁾ The value of annual bonus payable in respect of the year and based on performance for the financial year.

⁽⁵⁾ Octavius Black ceased to receive pension contributions from 30 November 2023.

Base pay

Year ended 31 March 2024

As part of the remuneration review disclosed in last year's report, the base pay of Dominic Neary was increased in two phases. The first increase to £250,000, as disclosed in last year's report, was effective from 1 April 2023. The second increase to £275,000 was effective from 1 December 2023.

Year ending 31 March 2025

Christoffer Ellehuus joined the Company on 8 January 2024 and his base pay was set at £400,000. Christoffer was subsequently appointed to the Board in the role of Chief Executive Officer (CEO) on 22 April 2024. There was no change to Christoffer's base pay as a result of his appointment to the Board. On the same date, Octavius Black assumed the role of Executive Chair. There were no changes to the remuneration package of Octavius Black as a result of this change.

Relocation Expenses

Year ended 31 March 2024

There were no relocation expenses paid to Directors in the year ended 31 March 2024.

Year ended 31 March 2025

In line with the provisions set out in the Directors' Remuneration Policy, Christoffer Ellehuus will be eligible to receive reasonable and appropriate relocation expenses, details of which will be disclosed in next year's report.

Pension contributions

Year ended 31 March 2024

During the year, Executive Directors received Group pension contributions in line with the Remuneration Policy. There were no Executive Directors who were members of a defined benefit pension scheme during the year.

Pension contributions for Octavius Black, Sebastian Bailey and Dominic Neary were made by the Group at 5% of their total base pay. Octavius Black requested that his pension payments be ceased, with his last Company contribution being made on 30 November 2023. Dominic Neary takes his pension contribution in the form of a cash-in-lieu of pension payment.

Year ending 31 March 2025

Christoffer Ellehuus' pension contribution was set at 5% of his base pay on joining the Company, in line with the Directors' Remuneration Policy.

There are no other changes to pension arrangements for Executive Directors for the year ending 31 March 2025.

Pension contributions for all other employees of the Group are also capped at 5% of their total base pay.

Annual Performance bonus

Year ended 31 March 2024

For the year ended 31 March 2024, 50% of the Company performance element of the Annual Performance bonus was assessed against a Revenue metric (with an EBITDA underpin of £7.3m). The remaining 50% was assessed against personal performance, for Dominic Neary and other members of the Executive Committee.

Actual Revenue performance for the year was £44.9m and Adjusted EBITDA performance was a loss of £0.3m. As a result of the Adjusted EBITDA underpin threshold being missed, no payment was triggered under the Company element of the bonus.

As a result of the financial metrics being missed, it was determined that no bonus payment would be made to the eligible Executive Director or to other members of the Company's Executive Team for the year.

Annual bonus for the year ending 31 March 2025

The Board has determined that the disclosure of performance targets for the year ending 31 March 2025 is commercially sensitive, and they are therefore not disclosed in this report. These targets are determined within the context of a longer-term business plan, and the disclosure of these targets could give information to MindGym's competitors to the detriment of business performance.

Christoffer Ellehuus is eligible to participate in the annual bonus plan from the date of his appointment on 8 January 2024, with a maximum bonus potential of up to 50% of his base pay. Dominic Neary has a maximum bonus potential of up to 50% of his base pay.

Neither Octavius Black or Sebastian Bailey are eligible to participate in the Annual Bonus scheme.

Share-based incentives

The Committee believes that long-term share awards incentivise and reward executives for the delivery of long-term business goals and align the interests and objectives of the senior management team with those of shareholders over the medium term.

In its review of share-based incentives, the Remuneration Committee considers several factors such as:

- The available headroom for new awards
- The price of previously granted options, and whether these continue to act as the intended incentive
- Share price movements as compared to the Group's performance

Scheme interests awarded in the year ended 31 March 2024

An award of 461,552 nil priced options, with a face value of £250,000 on the date of award, was made under the Group's Long Term Incentive Plan (LTIP) to Dominic Neary on 26 July 2023. A five-day average share price of £0.54 was used to calculate awards.

This award will vest three years from the date of grant.

Vesting of these awards is subject to two financial performance conditions, with 70% of the award being based on a Revenue CAGR target and the remaining 30% based on an EBITDA target.

The Company considers the specific targets to be commercially sensitive and these will be disclosed on vesting.

Octavius Black and Sebastian Bailey did not participate in this award.

The Company's major shareholders were consulted ahead of this award being made.

Scheme interests vesting in the year ended 31 March 2024

No awards under the Long-Term Incentive Plan vested in the year ending 31 March 2024.

Year ending 31 March 2025

The Committee believes in the importance of continuing to incentivise the most senior leaders of the Group to deliver against its ambitious growth plans, and intends to continue to make awards under the Group's Long-Term Incentive Plan in the year ending 31 March 2025, in line with the Remuneration Policy.

It is anticipated that the CEO and CFO will be granted awards under the Group's Long-Term Incentive Plan in the year ending 31 March 2025, with a face value of up to 100% of their base pay. Neither of the Founders, being Octavius Black or Sebastian Bailey, will participate in these awards.

All Employee share plans

MindGym Save-as-you-earn (SAYE) scheme

The SAYE scheme is administered by a duly authorised Committee of the Board. All UK Executive Directors and employees of MindGym are eligible to participate in the SAYE Scheme if they have been employed for a qualifying period. To participate in the Scheme, an eligible employee must enter a Sharesave contract and agree to make monthly contributions between £5 and £500 for a specified period of three or five years. Options granted to acquire MindGym shares under the Scheme have an option price determined by the MindGym Board, which will be not less than the higher of 80% of the middle market quotation price or their nominal value.

No Executive Directors participated in the 2023 invitation.

Further details of the features and operations of the SAYE Scheme can be found in Note 23 to the consolidated financial statements.

MindGym Employee Stock Purchase Plan (ESPP)

The ESPP is administered by a duly authorised Committee of the Board. All US employees of MindGym are eligible to participate in the ESPP if they have been employed for a qualifying period. To participate in the Plan, an eligible employee must contribute between \$10 and \$550 over a 12-month offering period at the end of which, shares in MindGym Plc will be purchased on behalf of the employee.

No Executive Directors participated in this scheme.

MindGym Share Incentive Plan

Awards were made under the MindGym Share Incentive Plan (the "SIP") on admission to the AIM Market on 25 June 2018.

No Executive Directors participate in this Plan.

Payments for loss of office and payments to past Directors made in the year ended 31 March 2024

There were no payments made to past Directors in the year.

Service contracts

Service contracts have been in place for Octavius Black and Sebastian Bailey since admission to AIM on 25 June 2018. Dominic Neary signed a service contract on appointment to the Board on 3 December 2021. These are not of fixed duration and are terminable by either party giving six months' written notice.

Directors' interests and shareholding

In line with Quoted Companies Alliance Code for small and mid-sized quoted companies, Executive Directors are encouraged to build and retain a shareholding in the Group. Current shareholdings at 31 March 2024 are set out below for Executive Directors and associated persons:

Ordinary shares of 0.1p

| Executive Director | Actual Holding | Actual ownership as a % of base pay ⁽¹⁾ |
|-------------------------------|----------------|----------------------------------------------------|
| Octavius Black ⁽²⁾ | 55,712,055 | 4,346% |
| Sebastian Bailey | 10,341,373 | 1,152% |
| Dominic Neary ⁽³⁾ | 10,000 | 1% |

⁽¹⁾ Share price on 2 April 2024 of £0.39 used for calculation.

⁽²⁾ Octavius Black and Joanne Cash hold their shareholding jointly.

⁽³⁾ Dominic Neary was appointed to the Board on 3 December 2021 and to the role of Chief Financial Officer on 1 December 2022 and is building his shareholding in the Company over a period of time.

There have been no changes to the shareholdings of Executive Directors between 31 March 2024 and 14 June 2024.

Fees for the Chair and Non-Executive Directors

Remuneration for the Chair and Non-Executive Directors is set by the Board, taking account of the commitments and responsibilities of the role and their

participation in the various governance Committees of the Group. The fees for the Chair and Non-Executive Directors along with their associated appointment dates are set out in the tables below. The Chair and Non-Executive Directors are not eligible to participate in annual bonus and pension arrangements.

| Non-Executive Director | Year | Fees £'000 ⁽¹⁾ | Benefits £'000 | LTIP £'000 | Total Fees and benefits £'000 |
|------------------------------------|------|------------------------------|-------------------|---------------|-------------------------------------|
| Joanne Cash | 2024 | 40 | - | - | 40 |
| | 2023 | 40 | - | - | 40 |
| Sally Tilleray | 2024 | 57 | - | - | 57 |
| | 2023 | 50 | - | - | 50 |
| David Nelson | 2024 | 43 | - | - | 43 |
| | 2023 | 40 | - | - | 40 |
| Trevor Phillips | 2024 | 53 | - | - | 53 |
| | 2023 | 50 | - | - | 50 |
| Ruby McGregor-Smith ⁽²⁾ | 2024 | 100 | - | - | 100 |
| | 2023 | 100 | - | - | 100 |
| Aggregate emoluments | 2024 | 296 | - | - | 296 |
| | 2023 | 280 | - | - | 280 |

⁽¹⁾Fees for Non-Executive Directors increased from 1 April 2023, as set out on page 92 of last year's report.

⁽²⁾Ruby McGregor-Smith subsequently stepped down from the board on 22 April 2024.

Non-Executive Director fees were increased from 1 April 2023 as set out in last year's report.

The fee structure for the Non-Executive Directors in respect of FY24 is set out in the table below:

| Non-Executive Director | Fee as at 31 March 2024 | % increase |
|-----------------------------|-------------------------|------------|
| Base Fee | | |
| Chair | 100 | 0% |
| Non-Executive Directors | 43 | 6% |
| Additional Fees | | |
| Committee Chair | 10 | 0% |
| Senior Independent Director | 5 | 100% |

On 22 April 2024, Octavius Black was appointed as Executive Chair and his base pay remained unchanged. As such, there will be no separate Board Chair fee payable during the year ending 31 March 2025.

It is intended that Non-Executive Director fees will be increased over the next financial year to become more closely aligned to the external market.

Letters of appointment – the Chair and Non-Executive Directors

The Chair and Non-Executive Directors signed letters of appointment with the Group for the provision of non-executive Directors' services, which may be terminated by either party giving one month's written notice.

| Director | Committee Memberships | Date of appointment to the Board | Expiry date of current arrangement |
|------------------------------------|-----------------------------------------|----------------------------------|------------------------------------|
| Joanne Cash ⁽¹⁾ | Nomination & Remuneration | 1 March 2011 | 25 June 2024 |
| Trevor Phillips | Nomination & Remuneration | 16 October 2020 | 30 September 2024 |
| Ruby McGregor-Smith ⁽²⁾ | Nomination & Remuneration, Audit & Risk | 23 November 2020 | 22 April 2024 |
| Sally Tilleray | Nomination & Remuneration, Audit & Risk | 14 June 2018 | 14 June 2024 |
| David Nelson | Nomination & Remuneration | 2 April 2014 | 25 June 2024 |

⁽¹⁾Joanne Cash has notified the Company of her intention not to seek re-election at the 2024 Annual General Meeting.

⁽²⁾Ruby McGregor-Smith stepped down from the Board on 22 April 2024.

Interests and shareholding – the Chair and Non-Executive Directors

There are no shareholding requirements for the Chair or Non-Executive Directors. Joanne Cash jointly holds 55,712,055 shares in the Group with Octavius Black. Ruby McGregor-Smith held 32,000 shares in the Group for the year ended 31 March 2024.

Advice and services provided to the Remuneration Committee

Except when matters concerning their own positions are being considered, the Chair is normally invited to attend the meetings of the Remuneration Committee.

Over the course of the year ended 31 March 2024, the Remuneration Committee was advised on matters relating to executive remuneration by Overwood People Consulting Limited 'OPC'. The Remuneration Committee deems the advisors to be independent from the Group and the advice it received during the year to be appropriate and objective.

The fees paid for services are set out below:

| | |
|---------------------------|--------------------------------------------------|
| Group: | OPC |
| Nature of Service: | Remuneration Matters, Long Term Incentive Design |
| 2024 (£'000): | 9 |




Trevor Phillips
Chair of the Remuneration Committee

14 June 2024

Directors' report

The Directors present their report together with the audited financial statements for the year ended 31 March 2024. The corporate governance statement on pages 61 to 62 also forms part of this Directors' report.

Principal activity

MindGym plc (the 'Company') is a public limited Company incorporated in the United Kingdom, registered number 03833448. The Company's shares have been traded on the Alternative Investment Market ('AIM') of the London Stock Exchange since 28 June 2018. The group consists of MindGym plc and its subsidiaries, MindGym (USA) Inc., MindGym Performance PTE, MindGym (Canada) Inc. (together the 'Group').

The principal activity of the Group is to apply behavioural science to transform the performance of companies and the lives of the people who work in them. The Group does this primarily through research, strategic advice, management and employee development, employee communication, and related services.

Review of business

The Chairman's statement on page 7 to 10 and the CEO's review on pages 11 to 14 provide a review of the business, the Group's trading for the year ended 31 March 2024, key performance indicators and an indication of future developments and risks, and form part of this Directors' report.

Financial results and dividends

The Group's loss before taxation for the year was £12.1m. More information about the Group's financial performance can be found in the financial review on pages 25 to 31 and in the financial statements on page 99.

The Board has not recommended the payment of a final dividend for the year. More information about dividends can be found in the Chair's statement on page 10.

Directors

The Directors of the Company during the year, and subsequently to the date of this report, were:

Ruby McGregor-Smith

Octavius Black

Sebastian Bailey

Joanne Cash

Dominic Neary

David Nelson

Sally Tilleray

Trevor Phillips

Christoffer Ellehuus

The Directors' biographies can be found on pages 57 to 60. Details of the Executive Directors' service contracts, the Non-Executive Directors' letters of appointment and the Directors' dates of appointment can be found in the Remuneration report on page 73.

Articles of Association

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association. The Articles of Association may be

amended by a special resolution of the Company's shareholders. A copy of the Articles of Association can be found on the Company's website: <https://uk.themindgym.com/investors>.

Directors' interests

The Directors' interests in the Company's shares are set out in the Remuneration report on page 86.

Directors' indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by s236 of the Companies Act 2006. The indemnity was in force throughout the financial period and at the date of approval of the financial statements. The Company has purchased directors' and officers' liability insurance during the period under review, as allowed by the Company's articles.

Share capital

As at 31 March 2024, the Company's issued share capital was 51,001.98 divided into 100,198,464 ordinary shares of 0.001p each and 50,000 redeemable preference shares of £1.00 each. The holders of ordinary shares are entitled to one vote per share at the Company's general meetings. The redeemable preference shares carry no dividend or voting rights and are fully redeemable at the election of the Company or the holder of the redeemable preference shares (Octavius Black).



Significant shareholdings

As of 31 March 2024, the Company is aware of the following holdings of significant shareholders in the Company (as defined in the AIM Rules).

| Shareholder | Number of shares | Percentage of issued share capital |
|--------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------------|
|  Octavius Black and Joanne Cash (jointly) | 55,712,055 | 55.60% |
|  Sebastian Bailey | 10,341,373 | 10.32% |
|  | 9,601,487 | 9.58% |
|  | 3,800,000 | 3.79% |
|  | 3,600,000 | 3.59% |

Restrictions on shares

The Directors are not aware of any agreements between the holders of the Company's shares that may result in the restriction of the transfer of securities or on voting rights. No shareholder holds securities carrying any special rights or controls over the Company's share capital.

Relationship agreement

On 25 June 2018, Octavius Black, Joanne Cash, and Sebastian Bailey (the 'Substantial Shareholders') entered into the Relationship Agreement with the Company. The principal purpose of the Relationship Agreement is to ensure that the Company is capable at all times of carrying on its business independently of the Substantial Shareholders and their respective associates.

Under the Relationship Agreement, each of the Substantial Shareholders have undertaken that they will (and will procure that their respective associates will) among other things:

- Ensure that the Group shall be managed for the benefit of the Shareholders as a whole and independently of themselves and their respective associates.
- Ensure that all transactions and arrangements with the Company and any other member of the Group are on an arm's-length basis and on normal commercial terms.

- Not exercise any of their respective voting or other rights and powers to prevent the Company or any other member of the Group from complying with its obligations under the AIM Rules for Companies or other applicable law.
- Not exercise any of their respective voting or other rights and powers to cancel the Company's admission to trading on AIM.

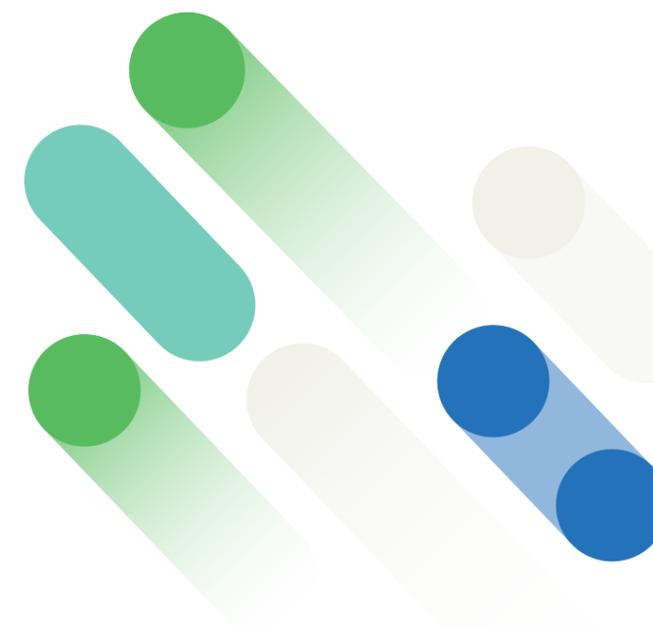
For as long as Octavius Black and Joanne Cash (or their respective personal representatives or successors in title) hold, in aggregate, 20% or more of the total voting rights in the Company they shall be entitled to appoint one director to the Board, in place of either or both of them.

Financial instruments

The financial risk-management objectives of the Group, including credit risk and currency risk, are provided in Note 21 to the financial statements on pages 129 to 131.

Political donations

The Company made no political donations in the year.



Authority to purchase own shares

At the Company's AGM held on 19 July 2023, the Company was generally and unconditionally authorised by its shareholders to make market purchases (within the meaning of section 693 of the Companies Act 2006) of up to a maximum of 10,010,566 of its ordinary shares (10% of the Company's issued capital at the time). The Company has not repurchased any of its ordinary shares under this authority, which is due to expire at the 2024 AGM. A resolution will be proposed to renew the authority at the 2024 AGM.

Employees

Employees are encouraged to be involved in decision-making processes and are provided with information on the financial and economic factors affecting the Group's performance through team meetings, updates from the Chief Executive Officer and via an open and inclusive culture. More information on employee engagement is provided on page 47 of the strategic report.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that workspace and other modifications are made as appropriate. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Stakeholder engagement and key decisions

Details of how we engage with our key stakeholders, key decisions and discussions of the Board during the year, and the main stakeholder inputs into those decisions are set out on pages 46 to 50 of the strategic report.

Greenhouse gas emissions

Climate change has become a critical environmental and business challenge. While the nature of our services means that our carbon footprint has always been low, our continued investment in and transition to a digital service provider means that we will continue to make improvements to the level of our emissions reductions (as further detailed within our Sustainability section on pages 33 to 40).

Post balance sheet events

There are no events that are material to the operations of the Group that have occurred since the reporting date.

Going concern

The Group meets its day-to-day working capital requirements from the cash flows generated by its trading activities and its available cash resources. As at 31 March 2024, the Group had £1.4 million of cash and £2.0m of lease liabilities. Cash conversion, adjusted for the impact of non-cash exceptional charges, in the year ended 31 March 2024 was 147% (2023: 83%).

The Board has reviewed scenario analysis to help assess their forward-looking assessment of the viability of the Group. The Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future. The Board has reviewed scenarios including a range of revenues and cost-reduction actions that could be taken to mitigate a downturn. This is supported by strong cash management and financial controls, reduced expenditure heading into FY25, which contributed towards a return to operating profits in H2 of FY24 and adequate current liquidity.

The Group prepares cash flow forecasts and re-forecasts regularly as part of the business planning process. The Directors have reviewed forecast cash flows for the forthcoming 12 months for the Group from the date of the approval of the financial statements and consider that the Group will have sufficient cash resources available to meet its liabilities as they fall due. These cash flow forecasts have been analysed in light of the global cost of living challenges and other macro-economic factors. Given the expected medium-term economic impact, the cash flow forecasts are subject to stress testing, scenario modelling and sensitivity analysis, which the Directors consider sufficiently robust. The Directors note that in a downturn scenario the Group also has the option to further rationalise its cost base including cuts to discretionary capital and overhead expenditure. The Directors consider that the required level of change to the Group's forecast cash flows to give rise to a material risk over going concern are sufficiently remote. Furthermore, the Group's £10m debt facility (£6m RCF, £4m accordion) secured on 30 September 2021 and which matures after three years, therefore providing additional flexibility if required, remains undrawn as at 14 June 2024. This is currently limited to a £2m cap, which is likely to increase significantly during the first half of FY25 and which the company believes is more than it will need.

The existing RCF facility ends in September 2024. It is the Group's intention to switch to a more cost effective overdraft facility of c.£4m at this point.

As a result of these assessments performed, the Group's strong liquidity and clients predominantly comprising blue-chip corporates, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

The Directors believe that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business mode and strategy.

Independent auditors

BDO LLP has expressed its willingness to continue in office as Auditor and a resolution to appoint BDO LLP will be proposed at the forthcoming Annual General Meeting of the Company.

Disclosure of information to auditor

In the case of each Director in office at the date the Directors' report is approved, the following applies:

- The Director knows of no information, which would be relevant to the auditors for the purpose of their audit report, of which the auditors are not aware
- The Director has taken all steps that he/she ought to have taken as a Director to make him/herself aware of any such information and to establish that the auditors are aware of it

Annual General Meeting

The Annual General Meeting is scheduled to be held on 15 July 2024 at 160 Kensington High Street, London, W8 7RG. The ordinary business will include receipt of the Directors' report and audited financial statements for the year ended 31 March 2024, the re-election of Directors, the reappointment of BDO LLP as Auditor and authorisation of the Directors to determine the Auditor's remuneration.

The Notice of Annual General Meeting and the ordinary and special resolutions to be put to the meeting have been sent to shareholders separately and are available on the Company's website.

Statement of Directors' responsibilities

The Directors are responsible for preparing the strategic report, the Annual Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group's Consolidated Financial Statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006, and the Company Financial Statements in accordance with FRS 101 'Reduced Disclosure Framework'. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether they have been prepared in accordance with IFRS in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going-concern basis, unless it is inappropriate to presume that the Company will continue in business.



The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange.

Dominic Neary
Chief Financial Officer

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring that the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Directors' report was approved by the Board and was signed on its behalf on 14 June 2024.



Dominic Neary
Chief Financial Officer

14 June 2024

Financial Statements

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Independent auditor's report

Independent auditor's report to the members of Mind Gym plc

Opinion on the financial statements

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2024 and of the Group's loss for the year then ended;
- The Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- The Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

The financial-reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial-reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Understanding, challenging and corroborating the key assumptions included in their cash flow forecasts, by using our knowledge of the business and industry, and information obtained from other areas of the audit.
 - Enquiring of the Directors and review of Board minutes and external resources for any future events that may have been omitted from the cash flow forecasts and assessing the impact these could have on future cash flows and cash reserves.
 - Challenging whether other reasonably possible scenarios could occur and assessing stress test scenarios and the reasonableness of the assumptions used in the sensitised cashflow forecasts using our knowledge of the business and industry.
 - Review of the post year-end cash position to assess any potentially significant deterioration in balances held; and
 - Considering the adequacy of the disclosures relating to going concern included within the financial statements against the requirements of the accounting standards and checking the consistency of the disclosures against the forecasts and the Directors' going concern assessment.
- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
- Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

| | | |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Coverage | 99% of Group loss before tax (2023: 99% of Group profit before tax) 99% (2023: 99%) of Group revenue 97% (2023: 98%) of Group total assets | |
| | 2024 | 2023 |
| Key audit matters | | |
| Revenue recognition | <input type="checkbox"/> | <input type="checkbox"/> |
| Impairment of capitalised development costs – unfinished assets | <input type="checkbox"/> | |
| Materiality | Group financial statements as a whole £450,000 (2023: £500,000) based on 1% (2023: 0.9%) of revenue. | |

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Parent Company is based in the United Kingdom and there is one other significant component based in the United States of America. All audit work was performed by the Group audit team based in the United Kingdom. The make-up of the Group's components did not change from the prior year.

We completed a full scope audit for the Parent Company and the other significant component, as well as testing over the consolidation necessary for our opinion on the Group financial statements.

We performed analytical review procedures on the non-significant components.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had

the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How the scope of our audit addressed the key audit matter | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <p>Revenue Recognition (See note 4 and the accounting policy in note 2)</p> <ul style="list-style-type: none"> Revenue is generated from the provision of training courses and associated products as explained in notes 2 and 4. Certain elements of Group revenues are recognised with reference to the stage of delivery of a product or service as the performance obligations are fulfilled. Management undertake an exercise at each period end to determine whether performance obligations have been met. Delivery revenues are coach led face to face and virtual training sessions. Revenue is recognised at a point in time on the date of delivery of the session. For revenue streams other than Delivery revenue, there may be judgement over the point the performance obligations are satisfied, including the period in which revenue should be recognised. In view of the judgement involved, revenue recognition for non-delivery revenue streams, specifically cut off, was determined to be a key audit matter. | <p>Our procedures on non-delivery revenue cut-off included:</p> <ul style="list-style-type: none"> Testing a sample of revenue recognised around the year end (pre and post), to source documentation. This included identification of performance obligations, and assessing the evidence of customer acceptance and satisfaction of performance obligation, including the payment of amounts due to determine whether the approach to recognising revenue was appropriate and whether the appropriate amount has been recognised as revenue in the appropriate period. For a sample of year end accrued income, identifying the performance obligation and obtaining evidence that this had been met prior to year-end to check if the basis for recognition is appropriate and that the balances have been correctly accounted for. We also obtained evidence of subsequent billing and cash receipt post year end where available to assess the recoverability thereof. For a sample of year end deferred revenue, we checked if they agreed to invoices issued before year end and that amounts released during the year reconciled to the revenue recognised in the year to ensure that the position at year end was accurate. <p>Key observations:</p> <ul style="list-style-type: none"> Based on the procedures performed, we consider the cut off of revenue recognition for non-delivery revenue to be reasonable. | |
| <p>Impairment of capitalised development costs – Unfinished assets (See note 13, note 3, and the accounting policy in note 2)</p> <ul style="list-style-type: none"> As required by IAS 36, management have carried out an impairment assessment in relation to unfinished assets that are held at year-end as explained in note 3. Unfinished assets at 31 March 2024 totalled £2.2m of the total development costs of £8.2m in Note 13. The impairment recognised of £6.6m does not relate to these assets. Management's assessment did not identify an impairment. Their assessment includes a number of assumptions, with the key ones being revenue generation and growth as the product is not yet launched; and the discount rate. Due to the judgements and estimation involved with the above assumptions, we considered this area to be a key audit matter. | <p>Our procedures included:</p> <ul style="list-style-type: none"> Challenging management's assumptions in respect of the cash flow forecasts, including obtaining supporting evidence for revenue generation and growth, such as evidence of ongoing paid trials, pricing for similar products previously sold, and using our knowledge of the business. With assistance from our internal valuation experts, we assessed the adequacy of the methodology used by management, including the mechanics of the model, and the discount rate assumption. Considering management's sensitivities and performing our own sensitivities in respect of the key assumptions. <p>Key observations:</p> <ul style="list-style-type: none"> Based on the procedures performed we found the assumptions made by management in the impairment assessment to be reasonable. | |

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

| | Group financial statements | | Parent company financial statements | |
|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| | 2024 £'000 | 2023 £'000 | 2024 £'000 | 2023 £'000 |
| Materiality | 450 | 500 | 355 | 345 |
| Basis for determining materiality | 1% of revenue | 0.9% of revenue | 1.5% of revenue | |
| Rationale for the benchmark applied | We considered revenue to be the most appropriate measure for the basis of materiality given the reduction in the Group's profitability as a result of the continued investment in new Digital offerings, the related increase in amortisation of the intangible assets, as well as the impairment charges recognised. Revenue therefore remains the focus of how the Group measures its performance. | | We considered revenue to be the most appropriate measure for the basis of materiality given the reduction in the Group's profitability as a result of the continued investment in new Digital offerings, and the related increase in amortisation of the intangible assets. Revenue therefore remains the focus of how the Group measures its performance. | |
| Performance materiality | 337 | 375 | 267 | 259 |
| Basis for determining performance materiality | 75% of materiality | | | |
| Rationale for the percentage applied for performance materiality | We considered a number of factors including the expected total value of known and likely misstatements (based on past experience and other factors) and management's attitude towards proposed adjustments. | | | |

Component materiality

For the purposes of our Group audit opinion, we set materiality for the significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of 70% (2023: 80%) of Group materiality. This was based on the size and our assessment of the risk of material misstatement of the component. Component materiality was £313,000 (2023: £400,000). In the audit of the component, we further applied a performance materiality level of 75% (2023: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £18,000 (2023: £20,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

| | |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Strategic report and Directors' report</p> | <p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> The information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and The Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. <p>In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.</p> |
| <p>Matters on which we are required to report by exception</p> | <p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or The Parent Company financial statements are not in agreement with the accounting records and returns; or Certain disclosures of Directors' remuneration specified by law are not made; or We have not received all the information and explanations we require for our audit. |

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

We have obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the industry in which it operates. We determined that the most significant law and regulations which are directly relevant to specific assertions in the financial statements are those related to the applicable accounting frameworks, the Companies Act 2006, AIM rules, industry specific regulation and employment and taxation laws and regulations in the jurisdictions in which the Group operates.

Our procedures included the following:

- Reviewing the adequacy and appropriateness of tax provisioning by agreeing the data used in the calculations to audited schedules and checking if the provisioning was calculated in line with relevant tax laws and regulations;
- Agreeing the financial statement disclosures to underlying supporting documentation; and
- Understanding how the Group is complying with the applicable legal and regulatory frameworks, by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by meeting with management from across the Group to understand areas they considered susceptible to fraud. Based on our risk assessment, we identified fraud risks in relation to management override of controls and revenue recognition.

Our procedures included the following:

- Obtaining an understanding of the processes and controls that the Group has established to address the fraud risks identified, or that otherwise prevent, deter and detect fraud, and how management monitors those processes and controls;
- Considering management's estimates and judgements applied in the preparation of the financial statements throughout the audit, individually and in aggregate, to evaluate whether there were any indications of bias in the application of these judgements. This included those set out in the key audit matters section of our report; and
- Testing journals which met defined risk criteria as well as testing a sample of randomly selected journals, for which supporting evidence was received.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were deemed to have the appropriate competence and capabilities, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Leigh

Senior Statutory Auditor

For and on behalf of BDO LLP,
Statutory Auditor
London, UK

14 June 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Company financial statements

MindGym plc Consolidated statement of comprehensive income

| | Note | Year to 31 March 2024 £'000 | Year to 31 March 2023 £'000 |
|---------------------------------------------------------------------------------------------------------------|------------|-----------------------------------|-----------------------------------|
| Continuing operations | | | |
| Revenue | 4 | 44,914 | 55,011 |
| Cost of sales | | (6,194) | (6,360) |
| Gross profit | | 38,720 | 48,651 |
| Administrative expenses | | (50,734) | (45,568) |
| Operating (loss)/profit | 4,5 | (12,014) | 3,083 |
| Finance income | 9 | 30 | 55 |
| Finance costs | 9 | (163) | (174) |
| (Loss)/profit before tax | | (12,147) | 2,964 |
| Adjusted (LBT)/PBT | | (3,264) | - |
| Adjusting items | 6 | (8,883) | - |
| Total adjustments | | (8,883) | - |
| (Loss)/profit before tax | | (12,147) | 2,935 |
| Tax on (loss)/profit | 10 | 1,259 | (29) |
| (Loss)/profit for the financial period from continuing operations attributable to owners of the parent | | (10,888) | 2,935 |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Exchange translation differences on consolidation | | (98) | 298 |
| Other comprehensive (loss)/income for the period attributable to the owners of the parent | | (98) | 298 |
| Total comprehensive (loss)/income for the period attributable to the owners of the parent | | (10,986) | 3,232 |
| (Loss)/earnings per share (pence) | | | |
| Basic | 11 | (10.86) | 2.93 |
| Diluted | | (10.86) | 2.84 |
| Adjusted (loss)/earnings per share (pence) | | | |
| Basic | 11 | (4.25) | 2.93 |
| Diluted | | (4.25) | 2.84 |

MindGym plc Consolidated statement of financial position

| | Note | 31 March 2024 £'000 | 31 March 2023 £'000 |
|------------------------------------------------------------|------|------------------------|------------------------|
| Non-current assets | | | |
| Intangible assets | 13 | 8,252 | 12,320 |
| Property, plant and equipment | 14 | 2,100 | 3,691 |
| Deferred tax assets | 10 | 2,281 | 3,229 |
| Other receivables | 16 | - | 230 |
| | | 12,633 | 19,470 |
| Current assets | | | |
| Inventories | 15 | 40 | 53 |
| Trade and other receivables | 16 | 7,787 | 9,527 |
| Current tax receivable | | 551 | 779 |
| Cash and cash equivalents | | 1,369 | 7,587 |
| | | 9,747 | 17,946 |
| Total assets | | 22,380 | 37,416 |
| Current liabilities | | | |
| Trade and other payables | 17 | 8,474 | 11,423 |
| Lease liability | 18 | 980 | 1,121 |
| Redeemable preference shares | 19 | 50 | 50 |
| Current tax payable | | 1 | 20 |
| | | 9,505 | 12,614 |
| Non-current liabilities | | | |
| Lease liability | 18 | 1,038 | 1,988 |
| Total liabilities | | 10,543 | 14,602 |
| Net assets | | 11,837 | 22,814 |
| Equity | | | |
| Share capital | 22 | 1 | 1 |
| Share premium | | 258 | 242 |
| Share option reserve | | 481 | 496 |
| Retained earnings | | 11,097 | 22,075 |
| Equity attributable to owners of the parent company | | 11,837 | 22,814 |

The financial statements were approved and authorised for issue by the Board of Directors on 14 June 2024 and were signed on its behalf by:



Dominic Neary
Chief Financial Officer

MindGym plc Consolidated statement of changes in equity

| Note | Share capital £'000 | Share premium £'000 | Share option reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|---------------------------------------------------|------------------------|------------------------|-------------------------------|----------------------------|-----------------------|
| At 1 April 2022 | 1 | 213 | 608 | 18,804 | 19,626 |
| Profit for the period | - | - | - | 2,935 | 2,935 |
| Other comprehensive income: | | | | | |
| Exchange translation differences on consolidation | - | - | - | 297 | 297 |
| Total comprehensive income for the period | - | - | - | 3,232 | 3,232 |
| Exercise of options | - | 29 | (39) | 39 | 29 |
| Credit to equity for share-based payments | 23 | - | (73) | - | (73) |
| At 31 March 2023 | 1 | 242 | 496 | 22,075 | 22,814 |
| Loss for the period | - | - | - | (10,888) | (10,888) |
| Other comprehensive loss: | | | | | |
| Exchange translation differences on consolidation | - | - | - | (98) | (98) |
| Total comprehensive loss for the period | - | - | - | (10,986) | (10,986) |
| Exercise of options | - | 16 | (8) | 8 | 16 |
| Credit to equity for share-based payments | 23 | - | (7) | - | (7) |
| At 31 March 2024 | 1 | 258 | 481 | 11,097 | 11,837 |

MindGym plc Consolidated statement of cash flows

| Note | Year to 31 March 2024 £'000 | Year to 31 March 2023 £'000 |
|-----------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Cash flows from operating activities | | |
| (Loss)/Profit for the financial period | (10,888) | 2,935 |
| Adjustments for: | | |
| Amortisation of intangible assets | 13 | 1,615 |
| Impairment of intangible asset | 13 | 6,604 |
| Depreciation of property, plant and equipment | 14 | 1,173 |
| Impairment of right of use asset | 14 | 517 |
| Net finance costs | 9 | 133 |
| Taxation (credit)/charge | 10 | (1,259) |
| Decrease/(Increase) in inventories | | 13 |
| Decrease in trade and other receivables | | 1,970 |
| (Decrease) in payables and provisions | | (2,965) |
| Share-based payment (credit)/charge | 23 | (7) |
| Cash generated from operations | (3,094) | 4,393 |
| Net tax received/(paid) | 1,363 | (766) |
| R&D refund on account | 1,066 | - |
| Net cash (used in)/generated from operating activities | (665) | 3,627 |
| Cash flows from investing activities | | |
| Purchase of intangible assets | 13 | (4,151) |
| Purchase of property, plant and equipment | 14 | (82) |
| Interest received | 9 | 30 |
| Net cash used in investing activities | (4,203) | (5,074) |
| Cash flows from financing activities | | |
| Cash repayment of lease liabilities | (1,229) | (1,298) |
| Issuance of ordinary shares | 16 | 29 |
| Interest paid | (47) | (52) |
| Net cash used in financing activities | (1,260) | (1,321) |
| Net decrease in cash and cash equivalents | (6,129) | (2,768) |
| Cash and cash equivalents at beginning of period | 7,587 | 10,021 |
| Effect of foreign exchange rate changes | (90) | 334 |
| Cash and cash equivalents at the end of period | 1,369 | 7,587 |
| Cash and cash equivalents at the end of period comprise: | | |
| Cash at bank and in hand | 1,369 | 7,587 |

MindGym plc Notes to the group financial statements

01. General information

MindGym plc ('the Company') is a public limited company incorporated in England and Wales, and its ordinary shares are traded on the Alternative Investment Market of the London Stock Exchange ('AIM'). The address of the registered office is 160 Kensington High Street, London W8 7RG. The group consists of Mind Gym plc and its subsidiaries, MindGym (USA) Inc., MindGym Performance (Asia) Pte. Ltd, and MindGym (Canada) Inc. (together 'the Group').

The principal activity of the Group is to apply behavioural science to transform the performance of companies and the lives of the people who work in them. The Group does this primarily through research, strategic advice, management and employee development, employee communication, digital products and related services.

02. Summary of material accounting policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with UK adopted international accounting standards and within the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, including interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC'), and within the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention.

The consolidated financial statements are presented in Pounds Sterling. All values are rounded to £1,000 except where otherwise indicated.

The principal accounting policies in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

Going concern

The Group meets its day-to-day working capital requirements from the cash flows generated by its trading activities and its available cash resources. As at 31 March 2024, the Group had £1.4 million of cash, £7.8 million of trade and other receivables and £2m of lease liabilities.

The Group prepares cash flow forecasts and re-forecasts regularly as part of the business planning process. The Directors have reviewed forecasted cash flows for the for a period of at least 12 months for the Group from the date of the approval of the financial statements and consider that the Group will have sufficient cash resources available to meet its liabilities as they fall due. These cash flow forecasts have been analysed in light of inflationary pressure and other medium-term macroeconomic impacts and subjected to stress testing and scenario modelling which the Directors consider sufficiently robust. The impact of these inflationary pressures are further discussed in the Statement of the Board Chair. The scenario modelling has assessed the impact of various degrees of downturn in medium-term revenues generated. The Directors note that in a downturn scenario the Group also has the option to rationalise its cost base, including cuts to discretionary capital and overhead expenditure. The Directors consider that the required level of change to the Group's forecasted cash flows to give rise to a material risk over going concern is sufficiently remote. Furthermore, the Directors do not foresee any covenant compliance issues within the going concern period under both the base scenario and sensitivity modelling. The last measurement period for which is 30 June 2024.

As a result of these assessments, the Group's strong cash position and its clients predominantly comprising blue-chip corporates, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

| | Applicable for periods starting on or after |
|---------------------------------------------------------------------------------------------------------|---------------------------------------------|
| Amendments to IAS 1: Classification of Liabilities as Current or Non-current | 1 January 2023 |
| Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting policies | 1 January 2023 |
| Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Amendments to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative information | 1 January 2023 |

The Group has considered the above new standards and amendments and has concluded that, they are either not relevant to the Group or they do not have a significant impact on the Group's consolidated financial statements.

New standards and interpretations not yet applied

At the date of authorisation of these financial statements the following standards and interpretations were in issue but not yet effective for the financial period and have not been applied. The Directors plan to adopt these standards in line with their effective dates.

| | Applicable for periods starting on or after |
|------------------------------------------------------------------------------|---------------------------------------------|
| Amendments to IAS 1: Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Amendments to IFRS 16: Lease Liability in a Sale and Leaseback | 1 January 2024 |

Alternative performance measures

The Group has identified certain alternative performance measures ("APMs") that it believes will assist the understanding of the performance of the business. The Group believes that Adjusted Loss before Tax and adjusting items, provide useful information to users of the financial statements. The terms are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, IFRS measures.

Adjusting items

The Group has chosen to present an adjusted measure of (loss)/profit and earnings per share, which excludes certain items which are separately disclosed due to their size, nature or incidence, and are not considered to be part of the normal operating costs of the Group. These costs (refer to note 6) include restructuring costs and impairment charges.

Basis of consolidation

The consolidated financial statements incorporate those of MindGym plc and its subsidiary undertakings (i.e. entities that the Group controls when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity). Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Foreign currency translation

The Group's presentation currency is Pound Sterling. The results and financial position of subsidiaries that have a functional currency different from Sterling are translated into Sterling as follows:

- Assets and liabilities are translated at the closing rate at the balance sheet date
- Income and expenses are translated at average rates of exchange prevailing during the year

All resulting exchange differences are recognised in equity.

Foreign currency transactions are initially recorded at the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from settlement of such transactions, and from the translation at exchange rates at the balance sheet date of monetary assets or liabilities denominated in foreign currencies, are recognised in profit or loss.

Revenue recognition

Revenue is recognised when control over a product or service is transferred to a customer. Due to the short-term nature of the trade receivables, the Group measures them at the original transaction price invoiced without discounting.

The Group generates revenue from business-to-business customers by satisfying the following performance obligations:

- Delivering coach-led face-to-face and virtual training sessions. Revenue is recognised at a point in time on the date of delivery of the session.
- Developing training programmes customised to specific needs. Revenue is recognised at a point in time on the completion of all development work or at the end of a stage of work when the contract provides an enforceable right to payment on completion of a stage.
- Licensing digital training modules to clients. When non-cancellable digital modules are provided to the client and hosted on the client's servers, revenue is recognised at a point in time on the date the modules are provided to the client. Where the client has a right to cancel, revenue is recognised at the start of each committed period. When digital modules are hosted on the Group's servers, revenue is recognised over time across the life of the agreement.
- Training and certifying client staff to act as coaches. Revenue is recognised at a point in time on the date of delivery of the certification course.
- Digital coaching platform and coaching sessions. Revenue is recognised over time, across the life of the agreement and in line with expected customer usage levels.

Any advance consideration received from clients represents a contract liability and is disclosed in Note 17 under the heading deferred income. When the performance obligation has been satisfied but the income has not yet been invoiced, the amount represents a contract asset and is disclosed in Note 16 as accrued income.

The incremental costs of obtaining a contract principally consist of commissions paid to the Group's sales team. The sales team earn commission over time as the revenue they have generated is recognised. Commission costs are not therefore capitalised.

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market performance conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market performance conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market performance condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors that are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The current tax payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the period-end date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised on temporary differences arising from the initial recognition of goodwill or other assets and liabilities in a transaction, other than a business combination, that affects neither the accounting nor the taxable profit.

Deferred tax is measured on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

The Group has taken advantage of HMRC's Small-Medium Enterprise (SME) Research and Development tax relief scheme. This has resulted in an enhanced deduction on eligible activities and is a significant component of both the tax credit in the Consolidated Statement of Comprehensive Income and deferred tax liability recognised in the balance sheet.

Tax is charged or credited in the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recognised in equity.

Intangible assets

Externally acquired intangible assets are initially recognised at cost. Expenditure on internally developed assets is capitalised if it can be demonstrated that it is technically feasible to develop the product for it to provide expected future economic benefits, adequate resources are available to complete the development, there is an intention to complete the project and expenditure on the project can be measured reliably.

After recognition, intangible assets are measured at cost less any accumulated amortisation and impairment losses. Amortisation is charged to administrative expenses on a straight-line basis from the date on which the asset is available for use. Intangible assets are amortised over their estimated useful lives as follows:

| | |
|-------------------------------|---------------------|
| Internally developed software | Three to five years |
| Other intangible assets | One to five years |
| Trademarks | 10 years |

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted prospectively if appropriate at each reporting date.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group. All other repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Assets are depreciated to their estimated residual value using the straight-line method over their estimated useful lives as follows:

| | |
|----------------------------------|------------------------------|
| Leasehold improvements | Over the period of the lease |
| Fixtures, fittings and equipment | Two to five years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate at each balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Impairment of property, plant and equipment, right of use assets and intangible assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Leases

Lease identification

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset and the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liability

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

The lease liability is measured at amortised cost using the effective interest method.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the low-value assets recognition exemption to leases of assets below £5,000. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Financial instruments

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument. The Group only enters into basic financial instruments and does not have any hedging instruments.

Financial assets and liabilities are offset, with the net amounts presented in the Financial Statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets – loans and receivables

All of the Group's financial assets fall into the loans and receivables category. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets included in loans and receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost, using the effective interest rate method, less any impairment losses.

Financial assets are assessed for indicators of impairment at each reporting date.

A provision for impairment of trade receivables is made for expected lifetime credit losses based on past experience and general economic factors. Further provisions are made against specific trade and other receivables when there is objective evidence that one or more loss events that occurred after the initial recognition of the financial asset, have had an impact on the estimated future cash flows of the financial asset. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Impaired debts are derecognised when they are assessed as uncollectible.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities – other financial liabilities

All of the Group's financial liabilities fall into the other financial liabilities category. Such financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

Dividends

Dividend income is recognised when the right to receive payment is established.

Dividends payable are recognised when paid, or as a liability in the period in which the dividends are approved by the shareholders of the Company.

03. Use of judgements and estimates

In preparing these consolidated Financial Statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are:

Going concern

As noted in Note 2, the financial statements have been prepared on a going concern basis, following detailed scenario testing and review. The Going Concern assessment is based on management's judgement of expected future profitability.

Capitalisation of internally developed intangibles

Costs of £4.9 million incurred on developing software and new digital products have been capitalised in the year (see Note 13). Initial capitalisation is based on management's judgement on which costs meet the definition of development costs. Costs capitalised include directly attributable labour costs and purchases of directly attributable products and services. No overheads have been capitalised. Initial capitalisation and any subsequent impairment is also based on

management's judgement that technological and economic feasibility is demonstrated and assumptions regarding the expected future cash generation of the projects and the expected period of benefits.

Assumptions and estimation uncertainties

Assumptions and estimation uncertainties at 31 March 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are:

Impairment of intangible assets

IFRS requires management to undertake an annual test for impairment of intangible assets not yet available for use, even if there is no indication that they might be impaired. All assets available for use are assessed and tested for impairment where an indicator of impairment has been identified. The Group decided to significantly reduce the amount invested in digital capital projects. This was deemed to be a potential indicator of impairment and triggered a review of all intangible digital assets. This resulted in an impairment expense of £6.6million being recognised.

Accordingly, management estimated the recoverable amount of the incomplete Diagnostics asset, The recoverable amount was estimated based on its value in use, assuming that the product goes live in FY25. The estimate of value in use was determined using a pre-tax discount rate of 23.4% and a long-term growth rate of 5.5% from 2030. The net present value is greater than the carrying value of £2.2m therefore no impairment was required.

Useful economic life of intangible assets

The useful economic lives of capitalised development costs, which are key estimates, are assessed by management. In assessing the useful economic lives of the coaching platform, Performa, management took factors into account such as the speed of change in technology used across these types of Digital products. The useful economic lives have been benchmarked against the market and are deemed reasonable. A 3 or 4 year useful economic life would have increased the amortisation charge for the year ending 31 March 2024 by £804,000 or £315,000 respectively.

Recognition of deferred tax asset

The availability of future taxable profits against which tax losses carried forward can be used is an estimation uncertainty. Management has determined that it is likely that the carried forward losses of £14.3 million (generating a £3.6 million deferred tax asset) will be utilised against future taxable profits. Based on latest management forecasts, the Group is expecting to generate taxable profits over the next 3 years. There is no expiration date on the losses. These losses have mainly arisen on enhanced deductions arising from claims under the UK Research and Development regime for small and medium-sized companies, and not from day-to-day operations. Supporting this assertion is the existence of a deferred tax liability on the associated intangible assets of £1.5 million and new business opportunities and framework agreements which have been secured.

04. Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the business. The chief operating decision-maker has been identified as the Board. The Group has two operating segments: EMEA (comprising the United Kingdom and Singapore) and America (comprising the United States and Canada).

Both segments derive their revenue from a single business activity, the provision of human capital and business improvement solutions.

The Group's business is not highly seasonal, and the Group's customer base is diversified with no individually significant customer.

Segment results for the year ended 31 March 2024

| Segment result | EMEA £'000 | US £'000 | Total £'000 |
|--------------------------------------------|---------------|-------------|----------------|
| Revenue | 23,729 | 21,185 | 44,914 |
| Cost of sales | (3,465) | (2,729) | (6,194) |
| Administrative expenses | (32,453) | (18,281) | (50,734) |
| (Loss)/profit before inter-segment charges | (12,189) | 175 | (12,014) |
| Inter-segment charges | 75 | (75) | - |
| Operating (loss)/profit - segment result | (12,114) | 100 | (12,014) |
| Finance income | | | 30 |
| Finance costs | | | (163) |
| Loss before taxation | | | (12,147) |

Adjusted (loss)/profit before tax

| Segment result | EMEA £'000 | US £'000 | Total £'000 |
|------------------------------------------|---------------|-------------|----------------|
| Operating (loss)/profit - segment result | (12,114) | 100 | (12,014) |
| Adjusting items | 7,693 | 1,190 | 8,883 |
| Adjusted LBIT/EBIT | (4,421) | 1,290 | (3,131) |
| Finance income | | | 30 |
| Finance costs | | | (163) |
| Loss before taxation | | | (3,264) |

Management does not report segmental assets and liabilities internally and as such an analysis is not reported.

The mix of revenue for the year ended 31 March 2024 is set out below.

| | EMEA | US | Group |
|-----------------------------|-------|-------|-------|
| Delivery | 67.1% | 67.8% | 67.4% |
| Design | 15.0% | 10.9% | 13.0% |
| Digital | 9.6% | 10.7% | 10.2% |
| Licensing and certification | 2.2% | 8.2% | 5.0% |
| Other | 4.0% | 1.7% | 2.9% |
| Advisory | 2.1% | 0.7% | 1.5% |

The vast majority of the Group's contracts are for the delivery of services within the next 12 months. The Group has therefore taken advantage of the practical expedient in paragraph 121(a) of IFRS 15 not to disclose information about remaining performance obligations.

Segment results for the year ended 31 March 2023

| Segment result | EMEA £'000 | US £'000 | Total £'000 |
|--------------------------------------------|---------------|-------------|----------------|
| Revenue | 23,742 | 31,269 | 55,011 |
| Cost of sales | (2,740) | (3,620) | (6,360) |
| Administrative expenses | (23,092) | (22,476) | (45,568) |
| (Loss)/profit before inter-segment charges | (2,090) | 5,173 | 3,083 |
| Inter-segment charges | 5,067 | (5,067) | - |
| Operating profit – segment result | 2,977 | 106 | 3,083 |
| Finance income | | | 55 |
| Finance costs | | | (174) |
| Profit before taxation | | | 2,964 |

Adjusted profit before tax

| Segment result | EMEA £'000 | US £'000 | Total £'000 |
|-----------------------------------|---------------|-------------|----------------|
| Operating profit – segment result | 2,977 | 106 | 3,083 |
| Adjusted EBIT | 2,977 | 106 | 3,083 |
| Finance income | | | 55 |
| Finance costs | | | (174) |
| Profit before taxation | | | 2,964 |

Management does not report segmental assets and liabilities internally and as such an analysis is not reported.

The mix of revenue for the year ended 31 March 2023 is set out below.

| | EMEA | US | Group |
|-----------------------------|-------|-------|-------|
| Delivery | 60.2% | 60.6% | 60.3% |
| Design | 19.0% | 15.7% | 17.2% |
| Digital | 13.4% | 12.8% | 13.1% |
| Licensing and certification | 3.3% | 7.5% | 5.6% |
| Other | 2.4% | 2.3% | 2.4% |
| Advisory | 1.7% | 1.1% | 1.4% |

The vast majority of the Group's contracts are for the delivery of services within the next 12 months. The Group has therefore taken advantage of the practical expedient in paragraph 121(a) of IFRS 15 not to disclose information about remaining performance obligations.

05. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|--------------------------------------------------------|------------------------|------------------------|
| External coach costs | 4,573 | 4,960 |
| Staff costs (Note 8) | 31,789 | 34,962 |
| Payroll restructuring costs included in adjusted items | 1,722 | - |
| Other restructuring costs included in adjusted items | 40 | - |
| Amortisation of intangible assets | 1,615 | 743 |
| Impairment – Digital Asset | 6,604 | - |
| Depreciation of property, plant and equipment | 1,173 | 1,468 |
| Impairment – Lease | 517 | - |
| Short-term and low-value lease expense | 14 | 18 |
| Impairment/(Write-back) of trade receivables | 11 | (106) |

06. Adjusting items

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|----------------------------------|------------------------|------------------------|
| Restructuring costs | 1,762 | - |
| Impairment of right of use asset | 517 | - |
| Impairment of intangibles | 6,604 | - |
| | 8,883 | - |

Restructuring costs in the year ended 31 March 2024 include redundancy costs and associated legal costs related to the headcount reduction exercise undertaken to reduce the cost base.

Impairment of intangible assets are excluded from the

adjusted results of the Group since the costs are one-off charges. These relate to digital assets not in use that are no longer being developed.

The Group tested right-of-use assets for impairment, and recognised an impairment loss on a leased asset.

07. Auditor remuneration

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|----------------------------------------------------------------------|------------------------|------------------------|
| Fees for audit of the Company and consolidated financial statements | 150 | 134 |
| Fees for audit of the Company's subsidiaries pursuant to legislation | 26 | 24 |
| Total audit fees | 176 | 158 |
| Tax compliance services | - | 20 |
| Tax advisory services | - | - |
| Other services | 18 | 15 |
| Total fees payable to the auditor | 194 | 193 |

08. Employees

Staff costs were as follows:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|--------------------------------------------------------|------------------------|------------------------|
| Wages and salaries | 28,059 | 31,036 |
| Social security costs | 2,678 | 2,944 |
| Pension costs – defined contribution plans | 1,059 | 1,055 |
| Share-based payments | (7) | (73) |
| | 31,789 | 34,962 |
| Restructuring payroll costs included in adjusted items | 1,722 | - |
| | 33,511 | 34,962 |

The average number of the Group's employees by function was:

| | 31 March 2024 | 31 March 2023 |
|----------|---------------|---------------|
| Delivery | 211 | 218 |
| Support | 79 | 79 |
| Digital | 41 | 44 |
| | 331 | 341 |

The year-end number of the Group's employees by function was:

| | 31 March 2024 | 31 March 2023 |
|----------|---------------|---------------|
| Delivery | 175 | 241 |
| Support | 79 | 86 |
| Digital | 16 | 46 |
| | 270 | 373 |

Key management personnel include all Directors and a number of senior managers across the Group who together have responsibility and authority for planning, directing and controlling the activities of the Group. The compensation paid to key management personnel for services provided to the Group was:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|----------------------------------------------------------|------------------------|------------------------|
| Salaries, bonuses and other short-term employee benefits | 2,823 | 2,624 |
| Post-employment benefits | 84 | 72 |
| Termination benefits | 20 | - |
| Share-based payments | (3) | (109) |
| Total compensation | 2,924 | 2,587 |

Details of Directors' remuneration and share options are set out in the Annual Report on Remuneration on pages 82 to 88.

09. Net finance costs

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|--------------------------|------------------------|------------------------|
| Finance income | | |
| Bank interest receivable | 30 | 54 |
| Finance lease income | - | 1 |
| | 30 | 55 |
| Finance costs | | |
| Bank interest payable | (47) | (52) |
| Lease interest | (116) | (122) |
| | (163) | (174) |
| | (133) | (119) |

10. Tax

The tax (credit)/charge for the year comprises:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|--------------------------------------------------------------------|------------------------|------------------------|
| UK current tax | (463) | - |
| UK adjustment in respect of prior periods | (1,864) | - |
| Withholding tax | 2 | 8 |
| Foreign current tax | 16 | 73 |
| Foreign adjustment in respect of prior periods | 105 | 322 |
| Total current tax (credit)/charge | (2,204) | 403 |
| Deferred tax – current year | (2,350) | (131) |
| Deferred tax – adjustment in respect of prior periods (R&D claims) | 3,295 | (154) |
| Effect of changes in tax rates | - | (89) |
| Total deferred tax charge/(credit) | 945 | (374) |
| Total tax (credit)/charge | (1,259) | 29 |

During FY24, Management took the decision to resubmit the UK Corporation Tax returns for FY22 and FY23 to surrender tax losses for cash. This has resulted in a prior year adjustment for both current and deferred tax of £1.9m and £3.3m respectively.

No current or deferred tax has been recognised in Equity in the years ended 31 March 2023 or 31 March 2024.

The tax (credit)/charge for the year can be reconciled to accounting (loss)/profit as follows:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|---------------------------------------------------------------------------------------------|------------------------|------------------------|
| (Loss)/profit before tax | (12,147) | 2,964 |
| Expected tax (credit)/charge based on the standard rate of tax in the UK of 25% (2023: 19%) | (3,037) | 563 |
| Differences in overseas tax rates | 7 | 11 |
| Expenses not deductible for tax purposes | 23 | 846 |
| Adjustments to tax in respect of prior periods | 1,536 | 168 |
| Enhanced R&D deduction | (535) | (1,466) |
| Tax rate changes | - | (89) |
| Losses surrendered under SME regime | 694 | - |
| Other tax adjustments | 53 | (4) |
| Total tax (credit)/charge | (1,259) | 29 |

The main categories of deferred tax assets recognised by the Group are:

| | Tax losses £'000 | Intangible assets £'000 | Other £'000 | Total £'000 |
|-------------------------|---------------------|----------------------------|----------------|----------------|
| At 1 April 2022 | 4,049 | (1,526) | 323 | 2,846 |
| Charged to income | 1,205 | (848) | 15 | 372 |
| Exchange differences | - | - | 11 | 11 |
| At 31 March 2023 | 5,254 | (2,374) | 349 | 3,229 |
| Credited to income | (1,704) | 924 | (166) | (946) |
| Exchange differences | - | - | (2) | (2) |
| At 31 March 2024 | 3,550 | (1,450) | 181 | 2,281 |

From 1 April 2023 the main corporation tax rate increased to 25% (2023: 19%). This increase was substantially enacted at the balance sheet date.

The Group has recognised £3.6 million of deferred tax assets relating to carried forward tax losses. These losses have been recognised as it is probable that future taxable profits will allow these deferred tax assets to be recovered. The Group has performed a continuing evaluation of its deferred tax asset valuation allowance on an annual basis to estimate

whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets.

The Group has recognised a corresponding £1.5 million of deferred tax liabilities relating to timing differences on intangible assets.

Other deferred tax assets includes deferred tax on shared based payments in the UK and other temporary timing differences.

11. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the earnings attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year. The Company has potentially dilutive shares in respect of the share-based payment plans (see Note 23).

| | 31 March 2024 | 31 March 2023 |
|----------------------------------------------------|--------------------|--------------------|
| Weighted average number of shares in issue | 100,186,450 | 100,143,571 |
| Potentially dilutive shares (weighted average) | 7,921,037 | 3,141,506 |
| Diluted number of shares (weighted average) | 108,107,487 | 103,285,077 |

| | 31 March 2024 | | | 31 March 2023 | | |
|-----------------------------------------------------|---------------|--------------------|----------------------|---------------|--------------------|----------------------|
| | £'000 | Basic EPS pence | Diluted EPS pence | £'000 | Basic EPS pence | Diluted EPS pence |
| Net (loss)/profit attributable to shareholders | (10,888) | (10.86) | (10.86) | 2,935 | 2.93 | 2.84 |
| Adjusted (loss)/profit attributable to shareholders | (4,262) | (4.25) | (4.25) | 2,935 | 2.93 | 2.84 |

12. Dividends

No dividends have been paid or proposed for the year ended 31 March 2024 (2023: nil).

13. Intangible assets

| | Patents £'000 | Development costs £'000 | Total £'000 |
|-------------------------|------------------|----------------------------|----------------|
| Cost | | | |
| At 1 April 2022 | 63 | 10,384 | 10,447 |
| Additions | 58 | 4,830 | 4,888 |
| Disposals | - | (41) | (41) |
| At 31 March 2023 | 121 | 15,173 | 15,294 |
| Additions | 23 | 4,128 | 4,151 |
| At 31 March 2024 | 144 | 19,301 | 19,445 |
| Amortisation | | | |
| At 1 April 2022 | 63 | 2,209 | 2,272 |
| Amortisation charge | 3 | 740 | 743 |
| Disposals | - | (41) | (41) |
| At 31 March 2023 | 66 | 2,908 | 2,974 |
| Amortisation charge | 7 | 1,608 | 1,615 |
| Impairment | - | 6,604 | 6,604 |
| At 31 March 2024 | 73 | 11,120 | 11,193 |
| Net book value | | | |
| At 31 March 2023 | 55 | 12,265 | 12,320 |
| At 31 March 2024 | 71 | 8,181 | 8,252 |

Development cost additions in the year to 31 March 2024 include software development costs directly incurred in the creation of new digital assets.

In October 2023 the Group decided to significantly reduce the amount invested in development projects. The decision led to a potential indicator of impairment and triggered a review of all intangible digital assets. Each cash generating unit (CGU) was assessed and tested for impairment. The recoverable amount was estimated based on its value in use. For digital assets that were not yet complete and where no further investment is expected, the Directors determined the

recoverable amount of the asset to be nil and therefore the assets were impaired in full. An impairment charge of £6.6 million was recognised in the Consolidated Statement of Comprehensive Income.

At 31 March 2024, unfinished assets were reviewed for impairment using a detailed net present value ('NPV') calculation, including sensitivity analysis of 4 scenarios. In all scenarios, the NPV exceeded the carrying value of the incomplete assets and therefore the Directors determined that no further impairment should be recognised.

14. Property, plant and equipment

| | Right-of-use asset £'000 | Leasehold improvements £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
|-------------------------|-----------------------------|---------------------------------|-------------------------------------------|----------------|
| Cost | | | | |
| At 1 April 2022 | 4,088 | 519 | 1,509 | 6,116 |
| Additions | 1,937 | 2 | 238 | 2,177 |
| Exchange differences | 164 | 17 | 46 | 227 |
| At 31 March 2023 | 6,189 | 538 | 1,793 | 8,520 |
| Additions | 36 | - | 82 | 118 |
| Disposals | - | - | (517) | (517) |
| Exchange differences | (57) | (6) | (17) | (80) |
| At 31 March 2024 | 6,168 | 532 | 1,341 | 8,041 |
| Depreciation | | | | |
| At 1 April 2022 | 2,184 | 287 | 830 | 3,301 |
| Depreciation charge | 1,013 | 86 | 369 | 1,468 |
| Exchange differences | 38 | 1 | 21 | 60 |
| At 31 March 2023 | 3,235 | 374 | 1,220 | 4,829 |
| Depreciation charge | 772 | 83 | 318 | 1,173 |
| Impairment | 517 | - | - | 517 |
| Disposals | - | - | (517) | (517) |
| Exchange differences | (47) | (1) | (13) | (61) |
| At 31 March 2024 | 4,477 | 456 | 1,008 | 5,941 |
| Net book value | | | | |
| At 31 March 2023 | 2,954 | 164 | 573 | 3,691 |
| At 31 March 2024 | 1,691 | 76 | 333 | 2,100 |

Following the pandemic and with the move to hybrid working, a significant proportion of the US workforce work remotely and therefore the Directors deemed it appropriate to vacate a proportion of the New York office. In doing this, management considered there to be two lease components for the right-of-use asset. The lease component that is no longer accessible and

not in use by the business triggered an impairment review. Accordingly, management estimated the recoverable amount of the CGU to be nil. This resulted in an impairment of the right of use asset by £517,000. This was recognised in the Consolidated Statement of Comprehensive Income.

15. Inventories

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|----------------|------------------------|------------------------|
| Finished goods | 40 | 53 |

Write-down of inventory amounted to £1,000 (2023: £32,000).

The cost of inventories recognised as an expense and included in cost of sales amounted to £558,000 (2023: £392,000).

16. Trade and other receivables

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|---------------------------------------------|------------------------|------------------------|
| Non-current | | |
| Prepayments in respect of property deposits | - | 230 |
| | - | 230 |
| Current | | |
| Trade receivables | 6,005 | 6,730 |
| Less provision for impairment | (113) | (102) |
| Net trade receivables | 5,892 | 6,628 |
| Other receivables | 27 | 80 |
| Prepayments in respect of property deposits | 226 | - |
| Prepayments | 796 | 1,125 |
| Accrued income | 846 | 1,694 |
| | 7,787 | 9,527 |

Trade receivables have been aged with respect to the payment terms as follows:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|----------------------------|------------------------|------------------------|
| Not past due | 5,617 | 6,282 |
| Past due 0-30 days | 313 | 336 |
| Past due 31-60 days | 39 | 74 |
| Past due 61-90 days | 35 | 12 |
| Past due more than 90 days | 1 | 26 |
| | 6,005 | 6,730 |

The movement in the allowance for impairment losses was:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|--------------------------------|------------------------|------------------------|
| At the beginning of the period | 102 | 212 |
| Addition/(Write-back) | 11 | (110) |
| Utilisation of provision | - | (5) |
| Foreign exchange adjustment | - | 5 |
| At the end of the period | 113 | 102 |

The Group has applied the simplified approach to measuring expected credit losses, as permitted by IFRS 9, and recognises a loss allowance based on the lifetime expected credit loss.

17. Trade and other payables

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|------------------------------------|------------------------|------------------------|
| Trade payables | 1,172 | 1,257 |
| Other taxation and social security | 1,525 | 744 |
| Other payables | 323 | 396 |
| Accruals | 3,055 | 4,606 |
| Deferred income | 2,399 | 4,420 |
| | 8,474 | 11,423 |

18. Lease liability

The lease liabilities included in the statement of financial position are:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|-------------|------------------------|------------------------|
| Current | 980 | 1,121 |
| Non-current | 1,038 | 1,988 |
| | 2,018 | 3,109 |

The related right-of-use asset is disclosed in Note 14.

The movements in the lease liability were as follows:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|------------------------------|------------------------|------------------------|
| At the beginning of the year | 3,109 | 2,205 |
| Additions | 41 | 1,948 |
| Finance cost | 116 | 122 |
| Lease payments | (1,229) | (1,298) |
| Exchange differences | (19) | 132 |
| At the end of the year | 2,018 | 3,109 |

The maturity analysis of the contractual undiscounted cash flows is:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|--------------------------------|------------------------|------------------------|
| Less than one year | 1,045 | 1,227 |
| Between one and five years | 1,098 | 2,094 |
| Total future lease payments | 2,143 | 3,321 |
| Total future interest payments | (125) | (212) |
| Total lease liability | 2,018 | 3,109 |

19. Redeemable preference shares

The Company allotted and issued 50,000 redeemable preference shares of £1.00 each to Octavius Black in June 2018. The shares are fully paid up. Under the Articles of Association, the Company may redeem the preference shares at their nominal amount at any time specified by either the Directors or the preference share holder. The preference share capital, however, counts towards the £50,000 minimum share capital required under the Companies Act 2006 and cannot therefore be redeemed unless the Company increases its other share capital. The preference shares are non-voting, give no rights to dividends or interest and entitle the holder to the return of the nominal value on a winding up.

20. Borrowings

The Group entered into a £10 million debt facility (£6 million Revolving Credit Facility, £4 million accordion) on 30 September 2021 which matures after three years. The facility remains undrawn as at 14 June 2024.

21. Financial instruments and financial risk management

Financial instruments by category

Trade and other receivables (excluding prepayments), cash and cash equivalents and trade and other payables are initially measured at fair value and subsequently held at amortised cost.

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|---------------------------------------------|------------------------|------------------------|
| Net trade receivables | 5,892 | 6,628 |
| Other receivables | 27 | 80 |
| Prepayments in respect of property deposits | - | 230 |
| Cash and cash equivalents | 1,369 | 7,587 |
| Financial assets at amortised cost | 7,288 | 14,525 |
| Trade payables | 1,172 | 1,257 |
| Other payables | 323 | 396 |
| Lease liabilities | 2,018 | 3,109 |
| Financial liabilities at amortised cost | 3,513 | 4,762 |

The Group holds no assets or liabilities that are held at fair value through income statement or OCI.

As the trade and other receivables and trade and other payables have a maturity of less than one year, the notional amount is deemed to reflect the fair value.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The Group's sources of funding currently comprise cash flows generated from operations, and equity contributed by shareholders. The Group has no borrowings and is not subject to any externally imposed capital requirements.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders to the extent allowed by the Company's articles or issue new shares.

Financial risk management

The Group's risk management is overseen by the Audit and Risk Committee. The Group is exposed to a variety of financial risks that result from its operations, including credit risk, liquidity risk and foreign currency risk. Since the Group has no debt it is not significantly exposed to interest rate risk. The Group has not entered into any derivative transactions, such as interest rate swaps or forward foreign exchange contracts.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks, or the methods used to measure them from previous periods unless otherwise stated in this note.

Credit risk

Credit risk arises principally from the Group's trade receivables from customers and monies on deposit with financial institutions.

Credit risk on trade receivables is considered to be relatively low as the Group's customers mainly consist of large credit-worthy organisations. Credit exposure is spread over a large number of customers and so there is no significant concentration of credit risk. Outstanding and overdue balances are regularly reviewed and resulting actions are put in place on a timely basis. The Group establishes an allowance for impairment. This is based on a review of individual balances taking into account the results of credit control communications and our knowledge about the customer relationship. See Note 16 Trade and other receivables for further information on ageing and impairment of trade receivables.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties are accepted, and management maintain a close relationship with the Group's banks.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|---------------------------------------------|------------------------|------------------------|
| Trade receivables | 5,892 | 6,628 |
| Other receivables | 27 | 80 |
| Prepayments in respect of property deposits | - | 230 |
| Cash and cash equivalents | 1,369 | 7,587 |
| At the end of the period | 7,288 | 14,525 |

Liquidity risk

The Group ensures, as far as possible, that it has sufficient funds to meet foreseeable operational expenses. Cash flow forecasting is performed by Group Finance who monitor rolling forecasts of the Group's liquidity requirements. Such forecasting takes into consideration expected cash receipts, regular spending and payment of taxes such as VAT, payroll and corporate income tax.

Currently, the Group's liquidity risk is low as it has a surplus of cash in all entities and the £10 million debt facility available (set out in Note 20). All Group liabilities in the current and prior year are due within three months of the reporting date, apart from lease liabilities. The maturity of the lease liability is set out in Note 18.

Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Sterling. The currencies giving rise to this risk are primarily the US Dollar and the Euro. Where possible the exposure is mitigated by a natural hedge. For example, US Dollar revenues are partially matched by US Dollar costs in the US subsidiary.

The Group holds cash in the UK in Sterling, Euro and US Dollar bank accounts and in the USA in US Dollar and Canadian Dollar bank accounts.



Trade receivables and cash and cash equivalents are analysed by currency as follows:

| | GBP £'000 | USD £'000 | EUR £'000 | Other £'000 | Total £'000 |
|---------------------------|--------------|--------------|--------------|----------------|----------------|
| At 31 March 2024 | | | | | |
| Net trade receivables | 2,884 | 2,324 | 658 | 26 | 5,892 |
| Cash and cash equivalents | 306 | 793 | 241 | 29 | 1,369 |
| At 31 March 2023 | | | | | |
| Net trade receivables | 2,981 | 3,070 | 351 | 226 | 6,628 |
| Cash and cash equivalents | 4,659 | 2,631 | 136 | 161 | 7,587 |

The Group does not currently use forward foreign exchange contracts or currency options to hedge currency risk.

22. Share capital

| | 31 March 2024 Number | 31 March 2024 Cost £'000 | 31 March 2023 Number | 31 March 2023 Cost £'000 |
|-----------------------------------------|-------------------------|--------------------------------|-------------------------|--------------------------------|
| Ordinary shares of £0.00001 at 1 April | 100,167,584 | 1 | 100,105,660 | 1 |
| Issue of shares to satisfy options | 30,880 | - | 61,924 | - |
| Ordinary shares of £0.00001 at 31 March | 100,198,464 | 1 | 100,167,584 | 1 |

An Employee Benefit Trust ('EBT') has been established in connection with the Group's Share Incentive Plan. The movements in own shares held by the Employee Benefit Trust and the market value of the shares held at the year-end are shown below.

| | 31 March 2024 Number | 31 March 2024 Cost £'000 | 31 March 2023 Number | 31 March 2023 Cost £'000 |
|-----------------------------------------|-------------------------|--------------------------------|-------------------------|--------------------------------|
| As at 1 April | 111,655 | - | 111,655 | - |
| Issue of new shares to EBT | - | - | - | - |
| Removed from the Trust | (21,304) | - | - | - |
| Ordinary shares of £0.00001 at 31 March | 90,351 | - | 111,655 | - |
| Market value at 31 March | | 62 | | 76 |

23. Share-based payments

The Group awards options to selected employees under a Long-Term Incentive Share Option Plan ('LTIP'). The options granted to date vest subject only to remaining employed up to the vesting date. Unexercised options do not entitle the holder to dividends or to voting rights.

The Group operates the Mind Gym plc Share Incentive Plan (SIP). An initial award of £1,000 of free shares was granted in October 2018 to all employees at the IPO price of 146 pence. The shares are held in an employee benefit trust and vested after three years subject only to remaining employed up to the vesting date. The holder was entitled to dividends over the vesting period. Many employees elected to leave their shares in the trust for a further two years for tax purposes.

On 30 September 2019, the Group launched a Save As You Earn scheme ('SAYE') and an Employee Share Purchase Plan ('ESPP') for all eligible employees in the UK and USA respectively. New schemes have been launched annually since 2019.

The total share-based payments expense was:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|-------------------------------------|------------------------|------------------------|
| Equity settled share-based payments | (7) | (73) |

The movements in the number of share awards and share options and the weighted average exercise price of awards are:

| | 31 March 2024 | | 31 March 2023 | |
|---------------------------------------------------|------------------|--------------------------------------|------------------|--------------------------------------|
| | Number | Weighted average exercise price £ | Number | Weighted average exercise price £ |
| Outstanding at the beginning of the period | 3,591,566 | 0.36 | 2,246,912 | 0.66 |
| Granted during the period | 5,946,010 | 0.07 | 2,517,268 | 0.13 |
| Forfeited during the period | (3,337,139) | 0.18 | (1,110,690) | 0.44 |
| Exercised during the period | (30,880) | 1.02 | (61,924) | 0.67 |
| Outstanding at the end of the period | 6,169,557 | 0.17 | 3,591,566 | 0.36 |
| Exercisable at the end of the period | - | - | 3,461 | - |
| Weighted average fair value of awards granted (£) | 0.49 | - | 1.09 | - |

The range of exercise prices and weighted average remaining contractual life of share awards and share options outstanding at 31 March were:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|-----------------------------------------------------|------------------------|------------------------|
| £ nil | 752,913 | 1,061,246 |
| £0.00001 | 4,244,094 | 1,437,007 |
| £0.50575 | 32,397 | - |
| £0.52130 | 643,343 | - |
| £0.77000 | - | 277,000 |
| £1.02000 | - | 248,317 |
| £1.04000 | - | 20,768 |
| £1.44500 | - | 50,418 |
| £1.46000 | 496,810 | 496,810 |
| | 6,169,557 | 3,591,566 |
| Weighted average remaining contractual life (years) | 2.0 | 7.2 |



Simple share options awarded under the LTIP, SAYE and ESPP are valued using the Black-Scholes model. Complex share options awarded under the LTIP are valued using the Monte Carlo model. Shares awarded under the SIP are valued directly by reference to the share price at date of grant. The principal assumptions used in these valuations were:

| | Date of grant | Share price at grant £ | Exercise price £ | Expected life years | Expected volatility % | Dividend yield % | Risk-free rate % | Fair value £ |
|-----------------------|---------------|---------------------------|---------------------|------------------------|--------------------------|---------------------|---------------------|-----------------|
| LTIP (2-year vesting) | 27 Apr 2018 | 1.24 | Nil | 2 | n/a | 1.4% | n/a | 1.20 |
| LTIP (3-year vesting) | 27 Apr 2018 | 1.24 | Nil | 3 | n/a | 1.4% | n/a | 1.19 |
| LTIP (2-year vesting) | 25 Jun 2018 | 1.46 | 1.46 | 10 | 19% | 1.4% | 1.0% | 0.28 |
| LTIP (3-year vesting) | 25 Jun 2018 | 1.46 | 1.46 | 10 | 19% | 1.4% | 1.0% | 0.28 |
| SIP | 8 Oct 2018 | 1.67 | Nil | n/a | n/a | n/a | n/a | 1.67 |
| SAYE | 30 Sep 19 | 1.22 | 1.04 | 3 | 19% | 1.4% | 1.0% | 0.25 |
| ESPP | 30 Sep 19 | 1.22 | 1.04 | 1 | 19% | 1.4% | 1.0% | 0.20 |
| LTIP (3-year vesting) | 31 Mar 20* | 1.00 | Nil | 3 | n/a | 1.4% | n/a | 0.96 |
| LTIP (4-year vesting) | 31 Mar 20* | 1.00 | Nil | 4 | n/a | 1.4% | n/a | 0.95 |
| LTIP (5-year vesting) | 31 Mar 20* | 1.00 | Nil | 5 | n/a | 1.4% | n/a | 0.93 |
| SAYE | 1 Sep 20 | 0.90 | 0.77 | 3 | 19% | 1.4% | 1.0% | 0.25 |
| ESPP | 1 Sep 20 | 0.90 | 0.77 | 1 | 19% | 1.4% | 1.0% | 0.20 |
| LTIP (3-year vesting) | 14 Jul 21** | 1.90 | Nil | 3 | 36% | 0% | 0.15% | 1.90 |
| LTIP (3-year vesting) | 14 Jul 21** | 1.90 | Nil | 3 | 36% | 0% | 0.15% | 1.69 |
| LTIP (4-year vesting) | 14 Jul 21** | 1.90 | Nil | 4 | 36% | 0% | 0.23% | 1.90 |
| LTIP (4-year vesting) | 14 Jul 21** | 1.90 | Nil | 4 | 36% | 0% | 0.23% | 1.70 |
| LTIP (5-year vesting) | 14 Jul 21** | 1.90 | Nil | 5 | 36% | 0% | 0.31% | 1.90 |
| LTIP (5-year vesting) | 14 Jul 21** | 1.90 | Nil | 5 | 36% | 0% | 0.31% | 1.73 |
| SAYE | 1 Aug 21 | 1.70 | 1.445 | 3 | 36% | 0% | 0.31% | 0.53 |
| ESPP | 1 Aug 21 | 1.70 | 1.445 | 1 | 34% | 0% | 0.15% | 0.36 |
| LTIP (3-year vesting) | 3 Dec 21 | 1.675 | Nil | 3 | 36% | 0% | 0.15% | 1.675 |
| LTIP (4-year vesting) | 3 Dec 21 | 1.675 | Nil | 4 | 36% | 0% | 0.23% | 1.675 |
| LTIP (5-year vesting) | 3 Dec 21 | 1.675 | Nil | 5 | 36% | 0% | 0.31% | 1.675 |
| LTIP (3-year vesting) | 21 July 22 | 1.20 | Nil | 3 | 36% | 0% | 0.15% | 1.20 |
| LTIP (4-year vesting) | 21 July 22 | 1.20 | Nil | 4 | 36% | 0% | 0.23% | 1.20 |
| LTIP (5-year vesting) | 21 July 22 | 1.20 | Nil | 5 | 36% | 0% | 0.31% | 1.20 |
| SAYE | 1 Aug 22 | 1.20 | 1.02 | 3 | 36% | 0% | 0.31% | 0.38 |
| ESPP | 1 Aug 22 | 1.20 | 1.02 | 1 | 34% | 0% | 0.15% | 0.26 |
| LTIP | 26 July 23 | 0.54 | Nil | 3 | 36% | 0% | 0.15% | 0.54 |
| ESPP | 18 Sep 23 | 0.60 | 0.51 | 1 | 34% | 0% | 0.15% | 0.13 |
| SAYE | 1 Oct 23 | 0.57 | 0.48 | 3 | 36% | 0% | 0.31% | 0.13 |

* Includes further options granted on 12 Jun 2020 on the same terms and with the same valuation assumptions.

** Includes further options granted on 3 Dec 2021 on the same terms and with the same valuation assumptions.

24. Controlling party

The Group was controlled by O. Black and J. Cash by virtue of their joint shareholding in the Company throughout the period.

There were the following related party transactions during the year and balances at the end of the year:

- Key management compensation as disclosed in Note 8.

25. Events after the reporting period

There were no post-balance sheet events.



MindGym plc parent company statement of financial position

| | Note | 31 March 2024 £'000 | 31 March 2023 £'000 |
|------------------------------------------------------------|------|------------------------|------------------------|
| Non-current assets | | | |
| Intangible assets | 5 | 8,252 | 12,320 |
| Property, plant and equipment | 6 | 1,488 | 1,899 |
| Investments in subsidiaries | | 50 | 50 |
| Deferred tax assets | 8 | 2,178 | 3,101 |
| | | 11,968 | 17,370 |
| Current assets | | | |
| Inventories | 9 | 19 | 29 |
| Trade and other receivables | 10 | 5,342 | 6,176 |
| Current tax receivable | | 459 | - |
| Cash and cash equivalents | | 579 | 4,856 |
| | | 6,399 | 11,061 |
| Total assets | | 18,367 | 28,431 |
| Current liabilities | | | |
| Trade and other payables | 11 | 9,734 | 8,684 |
| Lease liability | 12 | 263 | 373 |
| Redeemable preference shares | | 50 | 50 |
| | | 10,047 | 9,107 |
| Non-current liabilities | | | |
| Lease liability | 12 | 1,038 | 1,252 |
| Total liabilities | | 11,085 | 10,359 |
| Net assets | | 7,282 | 18,072 |
| Equity | | | |
| Share capital | 13 | 1 | 1 |
| Share premium | | 258 | 242 |
| Share option reserve | | 481 | 496 |
| Retained earnings | | 6,542 | 17,333 |
| Equity attributable to owners of the parent Company | | 7,282 | 18,072 |

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Company's Income Statement and Statement of Comprehensive Income. The Company's loss for the financial year was £10,799,000 (2023: profit of £3,335,000). Adjusted loss for the financial year was £3,105,000 (2023: profit of £3,335,000). Please refer to Note 3 for further details.

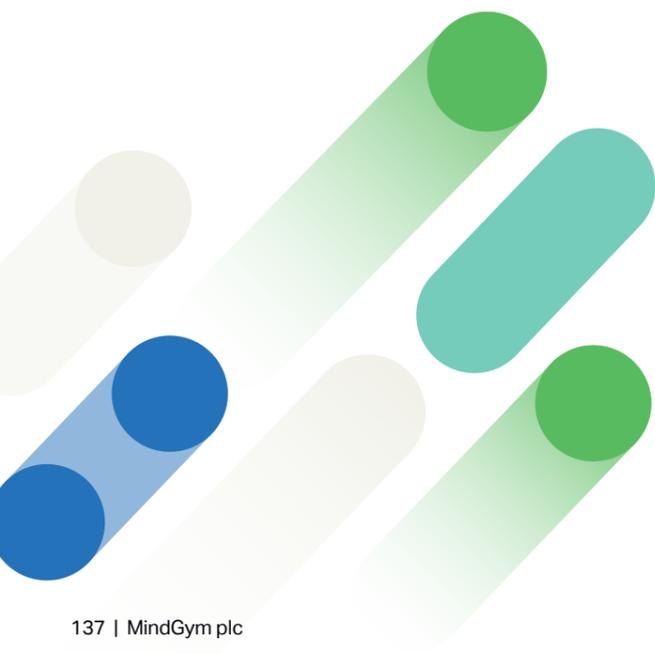
The Accounting Policies and Notes on pages 109 to 115 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 14 June 2024 and signed on its behalf by:

Dominic Neary
Chief Financial Officer

MindGym plc parent company statement of changes in equity

| | Share capital £'000 | Share premium £'000 | Share option reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|--------------------------------------------------|------------------------|------------------------|-------------------------------|----------------------------|-----------------------|
| At 1 April 2022 | 1 | 213 | 608 | 13,959 | 14,781 |
| Profit for the period | - | - | - | 3,335 | 3,335 |
| Total comprehensive income for the period | - | - | - | 3,335 | 3,335 |
| Credit to equity for share-based payments | - | - | (73) | - | (73) |
| Exercise of options | - | 29 | (39) | 39 | 29 |
| At 31 March 2023 | 1 | 242 | 496 | 17,333 | 18,072 |
| Loss for the period | - | - | - | (10,799) | (10,799) |
| Total comprehensive income for the period | - | - | - | (10,799) | (10,799) |
| Credit to equity for share-based payments | - | - | (7) | - | (7) |
| Exercise of options | - | 16 | (8) | 8 | 16 |
| At 31 March 2024 | 1 | 258 | 481 | 6,542 | 7,282 |



MindGym plc notes to the parent company financial statements

01. Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis, see Note 2 of the Group Financial Statements, and under the historical cost convention in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) as issued by the FRC and with the Companies Act 2006.

The Company has taken advantage of the disclosure exemptions available under FRS 101 in relation to:

- Presentation of a cash flow statement and related notes
- Comparative period reconciliations for intangible assets and property, plant and equipment
- Related party transactions with wholly owned subsidiaries
- Financial instruments
- Capital management
- Share-based payments
- Compensation of key management personnel
- Standards not yet effective

Where required, equivalent disclosures are given in the Group Financial Statements.

Note 7 (Auditor remuneration), Note 12 (Dividends), Note 19 (Redeemable preference shares), Note 22 (Share capital) and Note 23 (Share-based payments) of the Group Financial Statements form part of these financial statements.

The Company applies the Group accounting policies in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

Any significant estimates and judgements in relation to the Company are set out in the notes to the Group Financial Statements.

02. Employees and auditor's remuneration

Staff costs were as follows:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|--------------------------------------------------------|------------------------|------------------------|
| Wages and salaries | 14,291 | 13,542 |
| Social security costs | 1,771 | 1,799 |
| Pension costs – defined contribution plans | 556 | 467 |
| Share-based payments | (7) | (73) |
| Restructuring payroll costs included in adjusted items | 1,061 | - |
| | 17,672 | 15,735 |

The average number of the Company's employees by function was:

| | 31 March 2024 | 31 March 2023 |
|----------|---------------|---------------|
| Delivery | 109 | 139 |
| Support | 67 | 58 |
| Digital | 40 | 29 |
| | 216 | 226 |

Details of Directors' remuneration and share options are set out in the Annual Report on Remuneration on pages 82 to 88.

Fees payable to the auditor for the audit of the Company's Financial Statements are set out in Note 7 of the Group Financial Statements.

03. Adjusting items

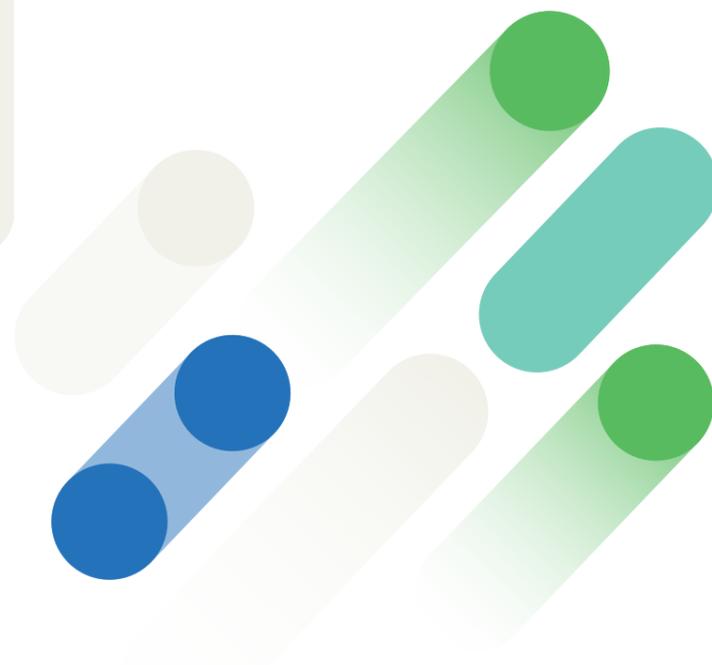
| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|---------------------------|------------------------|------------------------|
| Restructuring costs | 1,090 | - |
| Impairment of intangibles | 6,604 | - |
| | 7,694 | - |

Restructuring costs in the year ended 31 March 2024 include redundancy costs related to the headcount reduction exercise undertaken to reduce the cost base.

Impairment of intangible assets are excluded from the adjusted results of the Group since the costs are one-off charges. These relate to digital assets not in use that are no longer being developed.

04. Dividends

Details of the Company's dividends are set out in Note 12 of the Group Financial Statements.



05. Intangible assets

| | Patents £'000 | Development costs £'000 | Total £'000 |
|-------------------------|------------------|----------------------------|----------------|
| Cost | | | |
| At 1 April 2023 | 121 | 15,173 | 15,294 |
| Additions | 23 | 4,128 | 4,151 |
| At 31 March 2024 | 144 | 19,301 | 19,445 |
| Amortisation | | | |
| At 1 April 2023 | 66 | 2,908 | 2,974 |
| Amortisation charge | 7 | 1,608 | 1,615 |
| Impairment | - | 6,604 | 6,604 |
| At 31 March 2024 | 73 | 11,120 | 11,193 |
| Net book value | | | |
| At 31 March 2023 | 55 | 12,265 | 12,320 |
| At 31 March 2024 | 71 | 8,181 | 8,252 |

In October 2023 the company decided to significantly reduce the amount invested in development projects. This was deemed to be a potential indicator of impairment and triggered a review of all intangible digital assets. Each cash generating unit (CGU) was assessed and tested for impairment. The recoverable amount was estimated based on its value in use. For digital assets that were not yet complete and where no further investment is expected, the Directors determined the recoverable amount of the asset to be nil and therefore the assets were impaired in full. An impairment charge of £6.6million was recognised in the Statement of Comprehensive Income.

At 31 March 2024, unfinished assets were reviewed for impairment using a detailed net present value ("NPV") calculation, including sensitivity analysis of 4 scenarios. In all scenarios, the NPV exceeded the carrying value of the incomplete assets and therefore the Directors determined that no further impairment should be recognised.

06. Property, plant and equipment

| | Right-of-use asset £'000 | Leasehold improvements £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
|-------------------------|-----------------------------|---------------------------------|-------------------------------------------|----------------|
| Cost | | | | |
| At 1 April 2023 | 3,021 | 228 | 752 | 4,001 |
| Additions | 53 | - | 63 | 116 |
| Disposals | - | - | (267) | (267) |
| At 31 March 2024 | 3,074 | 228 | 548 | 3,850 |
| Depreciation | | | | |
| At 1 April 2023 | 1,324 | 228 | 550 | 2,102 |
| Depreciation charge | 387 | - | 140 | 527 |
| Disposals | - | - | (267) | (267) |
| At 31 March 2024 | 1,711 | 228 | 423 | 2,362 |
| Net book value | | | | |
| At 31 March 2023 | 1,697 | - | 202 | 1,899 |
| At 31 March 2024 | 1,363 | - | 125 | 1,488 |

07. Investments in subsidiaries

The Directors believe that the carrying amount of the investments is supported by their underlying net assets.

The investments consist of a 100% interest in the following subsidiaries, all of which had the principal activity of providing management and development training.

| Name | Country of incorporation | Registered office |
|-------------------------------------|--------------------------|--------------------------------------------------------------|
| MindGym (USA) Inc | USA | 475 Park Avenue South, Floor 2, New York, NY 10016 USA |
| MindGym Performance (Asia) Pte. Ltd | Singapore | PWC Building, #28-63, 8 Cross Street, Singapore 048424 |
| MindGym (Canada) Inc | Canada | 145 King Street West, Toronto, Ontario, Canada, M5H 4G2 |

08. Deferred tax assets

The main categories of deferred tax assets recognised by the Company are:

| | Tax losses £'000 | Intangible assets £'000 | Other £'000 | Total £'000 |
|------------------------------|---------------------|----------------------------|----------------|----------------|
| At 1 April 2022 | 4,049 | (1,526) | 158 | 2,681 |
| Credited/(charged) to income | 1,205 | (849) | 64 | 420 |
| At 31 March 2023 | 5,254 | (2,375) | 222 | 3,101 |
| Credited/(charged) to income | (1,770) | 925 | (78) | (923) |
| At 31 March 2024 | 3,484 | (1,450) | 144 | 2,178 |

From 1 April 2023 the main corporation tax rate increased to 25% (2023: 19%). This increase was substantially enacted at the balance sheet date.

The entity has recognised £3.5 million of deferred tax assets relating to carried forward tax losses. These losses have been recognised as it is probable that future taxable profits will allow these deferred tax assets to be recovered. The entity has performed a continuing evaluation of its deferred tax asset valuation allowance on an annual basis to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets.

The entity has recognised a corresponding £1.5 million of deferred tax liabilities relating to timing differences on intangible assets.

Other deferred tax assets include deferred tax on shared based payments and other temporary timing differences.

09. Inventories

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|----------------|------------------------|------------------------|
| Finished goods | 19 | 29 |

Write-back of inventory amounted to nil. (2023: £nil).

10. Trade and other receivables

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|------------------------------------|------------------------|------------------------|
| Trade receivables | 3,733 | 3,658 |
| Less provision for impairment | (62) | (48) |
| Net trade receivables | 3,671 | 3,610 |
| Amounts owed by group undertakings | 419 | 332 |
| Other receivables | 21 | 43 |
| Prepayments | 636 | 873 |
| Accrued income | 595 | 1,318 |
| | 5,342 | 6,176 |

The Company has applied the simplified approach to measuring expected credit losses, as permitted by IFRS 9, and recognises a loss allowance based on the lifetime expected credit loss.

Balances due from fellow group companies are repayable on demand and interest free. The Company has applied a probability-based approach to measuring expected credit losses based on the expected manner of recovery and recovery period. Based on this assessment no credit loss provision was required at 31 March 2024 or 31 March 2023.

11. Trade and other payables

| | 31 March 2024 £'000 | 31 March 2024 £'000 |
|------------------------------------|------------------------|------------------------|
| Trade payables | 928 | 807 |
| Amounts owed to group undertakings | 4,122 | 2,150 |
| Other taxation and social security | 1,509 | 745 |
| Other payables | 190 | 183 |
| Accruals | 2,060 | 2,467 |
| Deferred income | 925 | 2,332 |
| | 9,734 | 8,684 |

Amounts owed to group undertakings relates to recharges and intercompany adjustments.

12. Leases

The lease liabilities included in the statement of financial position are:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|-------------|------------------------|------------------------|
| Current | 263 | 373 |
| Non-current | 1,038 | 1,252 |
| | 1,301 | 1,625 |

The related right-of-use asset is disclosed in Note 6.

The movements in the lease liability were as follows:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|------------------------------|------------------------|------------------------|
| At the beginning of the year | 1,625 | 157 |
| Additions | 52 | 1,839 |
| Lease payments | (441) | (407) |
| Finance cost | 65 | 36 |
| At the end of the year | 1,301 | 1,625 |

The maturity analysis of the contractual undiscounted cash flows is:

| | 31 March 2024 £'000 | 31 March 2023 £'000 |
|--------------------------------|------------------------|------------------------|
| Less than one year | 313 | 429 |
| Between one and five years | 1,096 | 1,339 |
| Total future lease payments | 1,409 | 1,768 |
| Total future interest payments | (108) | (143) |
| Total lease liability | 1,301 | 1,625 |

13. Share capital and redeemable preference shares

Details of the Company's redeemable preference shares and share capital are set out in Notes 19 and 22 to the Group Financial Statements.

14. Share-based payments

Details of the Company's share-based payment plans are set out in Note 23 to the Group Financial Statements.

15. Controlling party

The Company was controlled by O. Black and J. Cash by virtue of their joint shareholding in the Company throughout the period.

There were the following related party transactions during the year and balances at the end of the year:

- Key management compensation as disclosed in Note 8 of the Group Financial Statements.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (the 'AGM') of Mind Gym plc (the 'Company') will be held at the office of the Company at 160 Kensington High Street, London, W8 7RG on 15 July 2024 commencing at 9.00am.

The AGM will be held for the following purposes:

Ordinary Resolutions

To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

Report and Accounts

01. To receive the Company's financial statements for the year ended 31 March 2024 together with the reports of the Directors and auditor thereon.

Directors' Remuneration Report

02. To approve the Directors' Remuneration Report for the year ended 31 March 2024.

Directors

03. To re-elect Octavius Black as a Director of the Company.
04. To re-elect Sebastian Bailey as a Director of the Company.
05. To re-elect David Nelson as a Director of the Company.
06. To re-elect Sally-Ann Tilleray as a Director of the Company.
07. To re-elect Trevor Phillips as a Director of the Company.
08. To re-elect Dominic Neary as a Director of the Company.
09. To elect Christoffer Ellehuus as a Director of the Company.

Auditors

10. To re-appoint BDO LLP as the Company's auditor to hold office until the conclusion of the next Annual General Meeting of the Company at which accounts are laid.

Remuneration of Auditors

11. To authorise the Audit & Risk Committee to agree the remuneration of the auditor of the Company.

Directors' authority to allot shares

12. To generally and unconditionally authorise the Directors, pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act'), in substitution for all previous authorities to the extent unused, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company.
 - a. up to an aggregate nominal amount of £333.99 (representing approximately one-third of the total ordinary share capital in issue at 14 June 2024, being the latest practicable date prior to publication of this notice of meeting); and
 - b. comprising equity securities (as defined by Section 560 (1) of the Act) up to a further aggregate nominal value of £333.99 in connection with an offer by way of rights issue;

such authorities to expire at the conclusion of the next Annual General Meeting, or if earlier, at close of business on 31 October 2025, save that the Company may, before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert any security into shares to be granted after the authority ends.

For the purposes of this resolution, 'rights issue' means an offer to:

- a. shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- b. holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities;

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors consider necessary or appropriate in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

Special Resolutions

To consider and, if thought fit, pass the following resolutions as Special Resolutions:

Disapplication of pre-emption rights

13. To authorise the Board, provided that resolution 12 is passed, to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:
 - a. to allotments for rights issues and other pre-emptive issues; and
 - b. to the allotment of equity securities or sale of treasury shares (otherwise than in paragraph (a) above) up to a total nominal amount of £50.10 being 5% of the total ordinary share capital in issue at 14 June 2024, being the latest practicable date prior to publication of this notice of meeting, such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 31 October 2025) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

14. To authorise the Board, provided that resolution 12 is passed, and in addition to any authority granted under resolution 13, to allot equity securities (as defined under the Companies Act 2006) for cash under the authority given by resolution 12 and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not apply to any such allotment of sale, such authority to be:
 - a. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £50.10; and
 - b. used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Dis-applying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this notice, such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 31 October 2025) save that, in each case, the Company may before such expiry make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired

Authority to purchase own shares

15. To authorise the Company, generally and unconditionally, for the purpose of Section 701 of the Companies Act 2006 (the 'Act'), to make market purchases (as defined in Section 693 of the Act) of ordinary shares of 0.00001 pence each in the capital of the Company ('ordinary shares') provided that:

- a. the maximum number of ordinary shares hereby authorised to be purchased is 10,019,846;
- b. the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 0.00001 pence per share, being the nominal amount thereof;
- c. the maximum price (exclusive of expenses) which may be paid for such ordinary shares shall be an amount equal to the higher of: (i) 5% above the average of the middle market quotations for such shares as taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and (ii) the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System (SETS); and
- d. the authority hereby conferred shall (unless previously renewed or revoked) expire at the end of the next Annual General Meeting, save that the Company may before such expiry make a contract or agreement to make a market purchase of its own ordinary shares which will or may be executed wholly or partly after the expiry of such authority and the Company may purchase such shares as if the authority conferred hereby had not expired.

By order of the Board

Elemental Company Secretary
Company Secretary
14 June 2024

Registered Office:
160 Kensington High Street,
London, W8 7RG

Registered in England and Wales
Number: 03833448

Explanatory notes to the resolutions

Resolutions 1 to 12 are ordinary resolutions; resolutions 13 to 15 are special resolutions. To be passed, ordinary resolutions require more than 50% of the votes cast to be in favour of the resolution, while special resolutions require at least 75% of the votes cast to be in favour of the resolution.

Ordinary Resolutions

To receive the Annual Report and Accounts for the year ended 31 March 2024.

Resolution 1 is a standard resolution. The Companies Act 2006 requires Directors to lay the annual accounts before a general meeting of the Company, together with the Directors' reports and auditors' report on the accounts. The Annual Report and Accounts for the financial year ended 31 March 2024 are available on the Company's website www.themindgym.com.

Directors' remuneration report

Although it is not a requirement for companies listed on the AIM market, the Company is putting before shareholders resolution 2 to approve the Directors'

remuneration report. The Directors' remuneration report for the year ended 31 March 2024 is set out on pages 82 to 88 of the Annual Report and Accounts and includes details of the Directors' remuneration.

Please note that the vote on the Directors' remuneration report is advisory in nature and no Director's remuneration is conditional upon the passing of the resolution.

Re-election of Directors

Resolution 3 seeks approval for the re-election of Octavius Black as a Director of the Company.

Resolution 4 seeks approval for the re-election of Sebastian Bailey as a Director of the Company.

Resolution 5 seeks approval for the re-election of David Nelson as a Director of the Company.

Resolution 6 seeks approval for the re-election of Sally-Ann Tilleray as a Director of the Company.

Resolution 7 seeks approval for the re-election of Trevor Phillips as a Director of the Company.

Resolution 8 seeks approval for the re-election of Dominic Neary as a Director of the Company.

Resolution 9 seeks approval for the election of Christoffer Ellehuus as a Director of the Company.

Under the Company's articles of association, Directors that have been appointed by the Board since the last Annual General Meeting are obliged to retire and offer themselves for election. Furthermore, in accordance with best practice, all of the other Directors will retire and submit themselves for re-election at this Annual General Meeting.

Biographies of each of the Directors can be found in the Governance section of the Annual Report for the year ended 31 March 2024 and on the Company's website www.themindgym.com.

The Board has no hesitation in recommending the election and re-election of these Directors to shareholders. In making these recommendations, the Board confirms that it has given careful consideration to the Board's balance of skills, knowledge and experience and is satisfied that each of the Directors putting themselves forward for election or re-election has sufficient time to discharge their duties effectively, taking into account their other commitments.

Reappointment of auditors

The auditors of the Company must be appointed or re-appointed at each general meeting at which the accounts are laid. Resolution 10 seeks approval to appoint BDO LLP as the Company's auditors until the conclusion of the next general meeting of the Company at which the accounts are laid.

Remuneration of auditors

In accordance with standard practice, Resolution 11 seeks consent for the Audit & Risk Committee to determine the remuneration of the auditors.

Directors' authority to allot shares

Resolution 12 seeks authority for the Directors to allot shares.

The authority granted in paragraph (a) will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to approximately one-third of the issued ordinary share capital of the Company which at 14 June 2024 being the latest practicable date prior to the publication of this notice of meeting is equivalent to a nominal value of £333.99.

The authority granted in paragraph (b) will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares only in connection with a rights issue up to a further nominal value of £333.99 which is equivalent to approximately one-third of the total issued ordinary share capital of the Company at 14 June 2024.



There are no present plans to undertake a rights issue or to allot new shares other than in connection with employee share incentive plans. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise. The authorities will expire at the next Annual General Meeting of the Company or, if earlier, at close of business on 31 October 2025

Special Resolutions

Disapplication of pre-emption rights

Resolutions 13 and 14 will be proposed as special resolutions. If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share incentive plan), company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

Resolution 13 deals with the authority of the Directors to allot new shares or other equity securities pursuant to the authority given by resolution 12, or sell treasury shares, for cash without the shares or other equity securities first being offered to shareholders in proportion to their existing holdings. Such authority shall only be used in connection with a pre-emptive offer, or otherwise, up to an aggregate nominal amount of £50.10, being approximately 5% of the total issued ordinary share capital of the Company as at 14 June 2024.

In addition, the Pre-Emption Group's Statement of Principles supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities (and sales of treasury shares for cash) representing no more than a further 5% of issued share capital (exclusive of treasury shares), to be used only in connection with an acquisition or specified capital investment. The Pre-Emption Group's Statement of Principles defines 'specified capital investment' as meaning one or more specific capital investment-related uses for the proceeds of an issuance of equity securities, in respect of which sufficient information regarding the effect of the

transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.

Accordingly, and in line with the template resolutions published by the Pre-Emption Group, resolution 14 seeks to authorise the Directors to allot new shares and other equity securities pursuant to the authority given by resolution 12, or sell treasury shares, for cash up to a further nominal amount of £50.10, being approximately 5% of the issued ordinary capital of the Company as at 14 June 2024, only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. If the authority given in resolution 14 is used, the Company will publish details of the placing in its next Annual Report. If these resolutions are passed, the authorities will expire at the end of the next Annual General Meeting or on 31 October 2025, whichever is the earlier.

The Board considers the authorities in resolutions 13 and 14 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a rights issue or other pre-emptive offer without the need to comply with the strict requirements of the statutory pre-emption provisions. The Board does not intend to issue more than 7.5% of the issued share capital of the Company for cash on a non-preemptive basis in any rolling three-year period (other than in connection with an acquisition or specified capital investment as described in the Pre-Emption Group's Statement of Principles) without prior consultation with shareholders.

Authority to purchase own shares

Resolution 15 is a special resolution and seeks authority for the Company to make market purchases of its own ordinary shares up to a maximum number of 10,019,846 ordinary shares, representing approximately 10% of the issued ordinary share capital at 14 June 2024. The authority requested would expire at the end of the next Annual General Meeting, or if earlier, 31 October 2025.

In reaching a decision to purchase ordinary shares, the Directors will take account of the Company's cash resources and capital and the general effect of such purchase on the Company's business. The authority would only be exercised by the Directors if they consider it to be in the best interests of the shareholders generally and if the purchase could be expected to result in an increase in earnings per ordinary share.

Notes relating to the Notice

The following notes explain your general rights as a shareholder and your right to vote at this Meeting or to appoint someone else to vote on your behalf.

- i. The right to vote at the meeting is determined by reference to the register of members. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) and Section 360B of Companies Act 2006 (the 'Act'), only those persons entered in the register of members of the Company (the 'Register') as at 6.30pm on 8 July 2024 (the 'Specified Time') shall be entitled to vote at the Annual General Meeting in respect of the number of shares registered in their name at such time. Changes to entries on the Register for certificated and uncertificated shares of the Company after the Specified Time shall be disregarded in determining the rights of any person to vote at the Annual General Meeting. Should the Annual General Meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purposes of determining the entitlement of members to vote (and for the purpose of determining the number of votes they may cast) at the adjourned Annual General Meeting. Should the Annual General Meeting be adjourned for a longer period, to be so entitled, members must have been entered on the Register by 6.30pm on the day which is two working days prior to the adjourned Annual General Meeting, or, if the Company gives notice of the adjourned Annual General Meeting, at the time specified in such notice.
- ii. A shareholder entitled to attend and vote at the Annual General Meeting convened by the above Notice is entitled to appoint a proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company. The right to appoint a proxy does not apply to any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person"). A shareholder may appoint more than one proxy in relation to the Annual General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. A proxy may only be appointed in accordance with the procedures set out in notes iii and iv below and the notes to the proxy form. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.
- iii. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar Equiniti Limited, by calling 0371 384 2030 (callers from overseas should contact the Equiniti overseas helpline on +44 (0)121 415 7047. Lines are open from 8.30am to 5.30pm UK time Monday to Friday excluding public holidays in England and Wales) or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed. To be valid, the proxy form (together with the power of attorney or other authority (if any) under which it is signed or certified by a notary or office copy of the same) must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, by no later than 9.00am on 9 July 2024 (or, if the meeting is adjourned, no later than 48 hours (excluding non-business days) before the time of any adjourned meeting).

iv. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual which can be viewed at www.euroclear.com. CREST personal members or other CREST-sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti Limited (ID RA19) no later than 9.00am on 9 July 2024 (or if the Annual General Meeting is adjourned, no later than 48 hours (excluding non-business days) before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take)

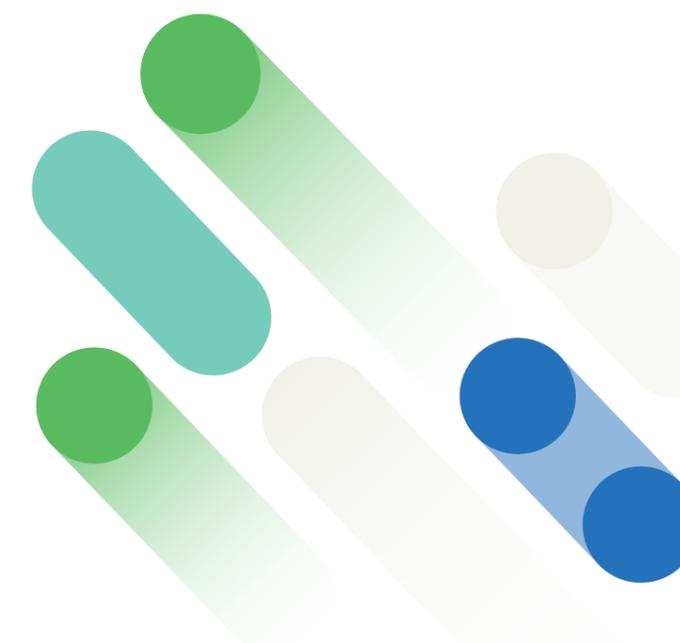
such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

- v. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 9am on 9 July 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
- vi. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares. Corporate shareholders are encouraged to complete and return a form of proxy appointing the Chairman of the meeting to ensure their votes are included in the poll.
- vii. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

- viii. Copies of the service contracts of the Executive Directors and all letters of appointment between the Company and its Non-Executive Directors are available for inspection at the registered office of the Company during normal business hours and at least 15 minutes prior to the commencement of, and during the continuance of, the Annual General Meeting.
- ix. The information required to be published by Section 311(A) of the Act (information about the contents of this notice and numbers of shares in the company and voting rights exercisable at the meeting and details of any members' statements, members' resolutions and members' items of business received after the date of this notice) may be found at www.themindgym.com.
- x. A Nominated Person may under an agreement between him/her and the member who nominated him/her, have a right to be appointed (or to have someone else appointed) as a proxy entitled to attend and vote at the Annual General Meeting. Nominated Persons are advised to contact the member who nominated them for further information on this and the procedure for appointing any such proxy.
- xi. If a Nominated Person does not have a right to be appointed, or to have someone else appointed, as a proxy for the Annual General Meeting, or does not wish to exercise such a right, he/she may still have the right under an agreement between himself/herself and the member who nominated him/her to give instructions to the member as to the exercise of voting rights at the Annual General Meeting. Such Nominated Persons are advised to contact the members who nominated them for further information on this.
- xii. To facilitate entry to the meeting, shareholders are requested to bring with them suitable evidence of their identity. Persons who are not shareholders of the Company (or their appointed proxy) will not be admitted to the Annual General Meeting unless prior arrangements have been made with the Company. For security reasons, all hand luggage may be subject to examination prior to entry to the Annual General Meeting. Cameras, tape recorders, laptop computers and similar equipment may not be taken into the Annual General Meeting. We ask

all those present at the Annual General Meeting to facilitate the orderly conduct of the meeting and reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.

- xiii. As at 14 June 2024 (being the last practicable date before the publication of this notice), the Company's issued share capital consists of 100,198,464 ordinary shares of 0.00001 pence each, carrying one vote each. As the Company does not hold any shares in treasury, in respect of which it cannot exercise any votes. The total voting rights in the Company as at 14 June 2024 are 100,198,464.
- xiv. You may not use any electronic address provided either in this notice of general meeting or any related documents to communicate with the Company for any purposes other than those expressly stated.



Directors and advisors

Directors



Octavius Black
Executive Chair



Christoffer Ellehuus
Chief Executive Officer



Sebastian Bailey
Executive Director



Dominic Neary
Chief Financial Officer



Sally Tilleray
Non-Executive Director



Joanne Cash
Non-Executive Director



David Nelson
Non-Executive Director



Trevor Phillips
Non-Executive Director

Advisors

Company registration

Registered in England and Wales No. 03833448

Registered office

160 Kensington High Street,
London, W8 7RG, UK

Company secretary

ELEMENTAL COSEC LIMITED,
27 Old Gloucester Street,
London, WC1N 3AX, UK

Auditors

BDO LLP
55 Baker Street,
London, W1U 7EU, UK

Nominated advisor and broker

Liberum Capital Limited
Ropemaker Place,
25 Ropemaker Street,
London, EC2Y 9LY, UK

Registrars

Equinti Limited
Aspect House, Spencer Road, Lancing,
West Sussex, BN99 6DA, UK

Financial PR

MHP Communications
4th Floor, 60 Great Portland Street,
London, W1W 7RT, UK

Solicitors

Kennedy Cater LLP
3rd Floor, St Clare House,
30-33 Minories,
London, EC3N 1DD, UK

Bankers

HSBC Bank Plc
3 Temple Quay, 4th Floor
Temple Back East,
Bristol, BS1 6DZ, UK

