

Change at the speed of life.
We equip ambitious companies
to be ready for tomorrow.

Investor Presentation
December 2021



Presentation team



Octavius Black

Chief Executive Officer

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



Richard Steele

Chief Financial Officer

- Joined MindGym in March 2018
- 30+ years industry finance experience; started career at Tate & Lyle
- 11 years as FD including Cook Trading Ltd and White Stuff Ltd
- Announced intention to leave MindGym to pursue other opportunities



Dominic Neary

Chief Financial Officer Designate

- Assumes the role of Chief Financial Officer from 1 January 2022, replacing Richard Steele
- Has held various senior finance roles at high growth digital and international companies
- Previous experience includes:
 - EU Finance Director at Just Eat
 - Commercial Finance Director at Moneysupermarket.com
 - 10 years in various financial positions at Reckitt Benckiser

Agenda

Half Year Results

Digital update

Current trading and outlook

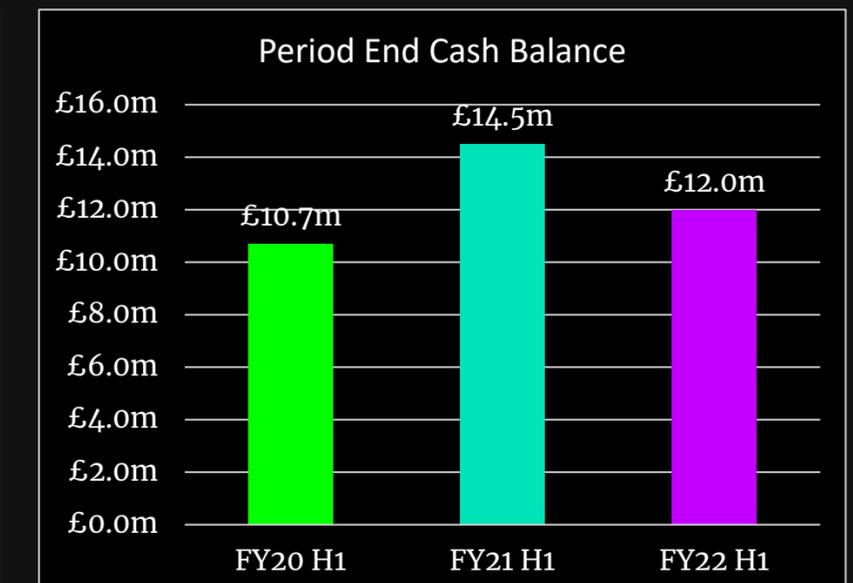
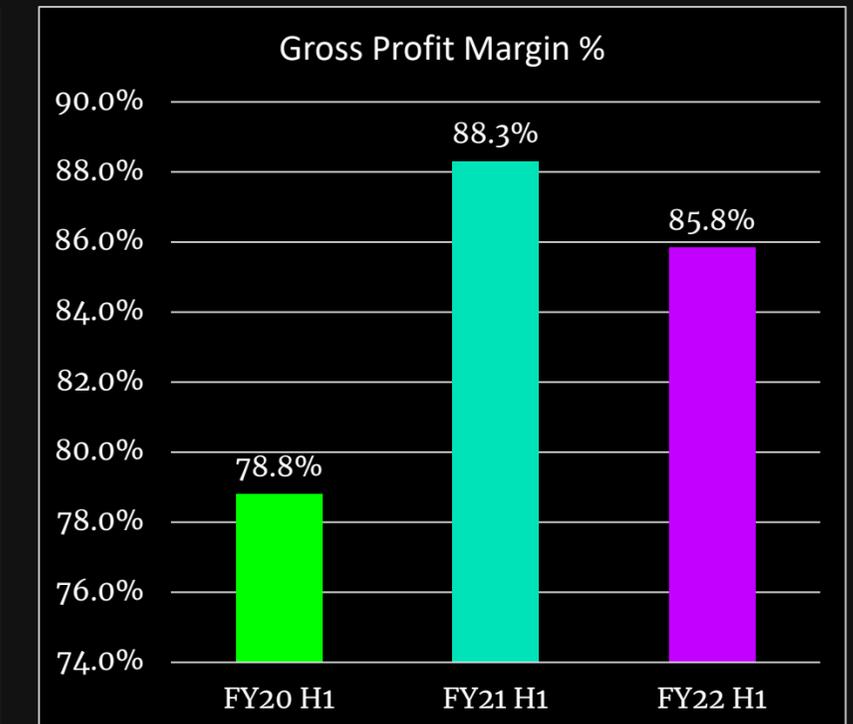
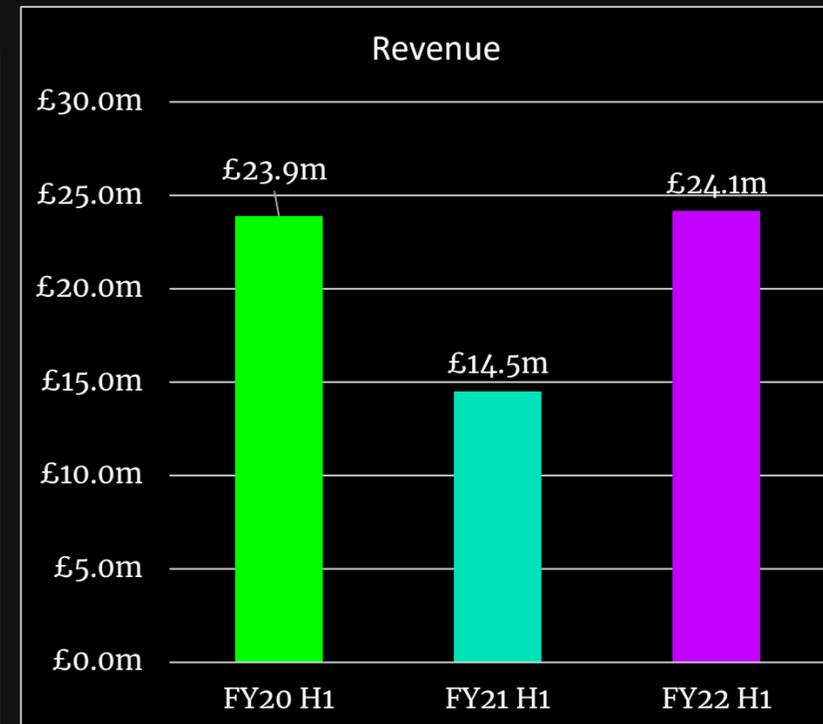


Half Year Results

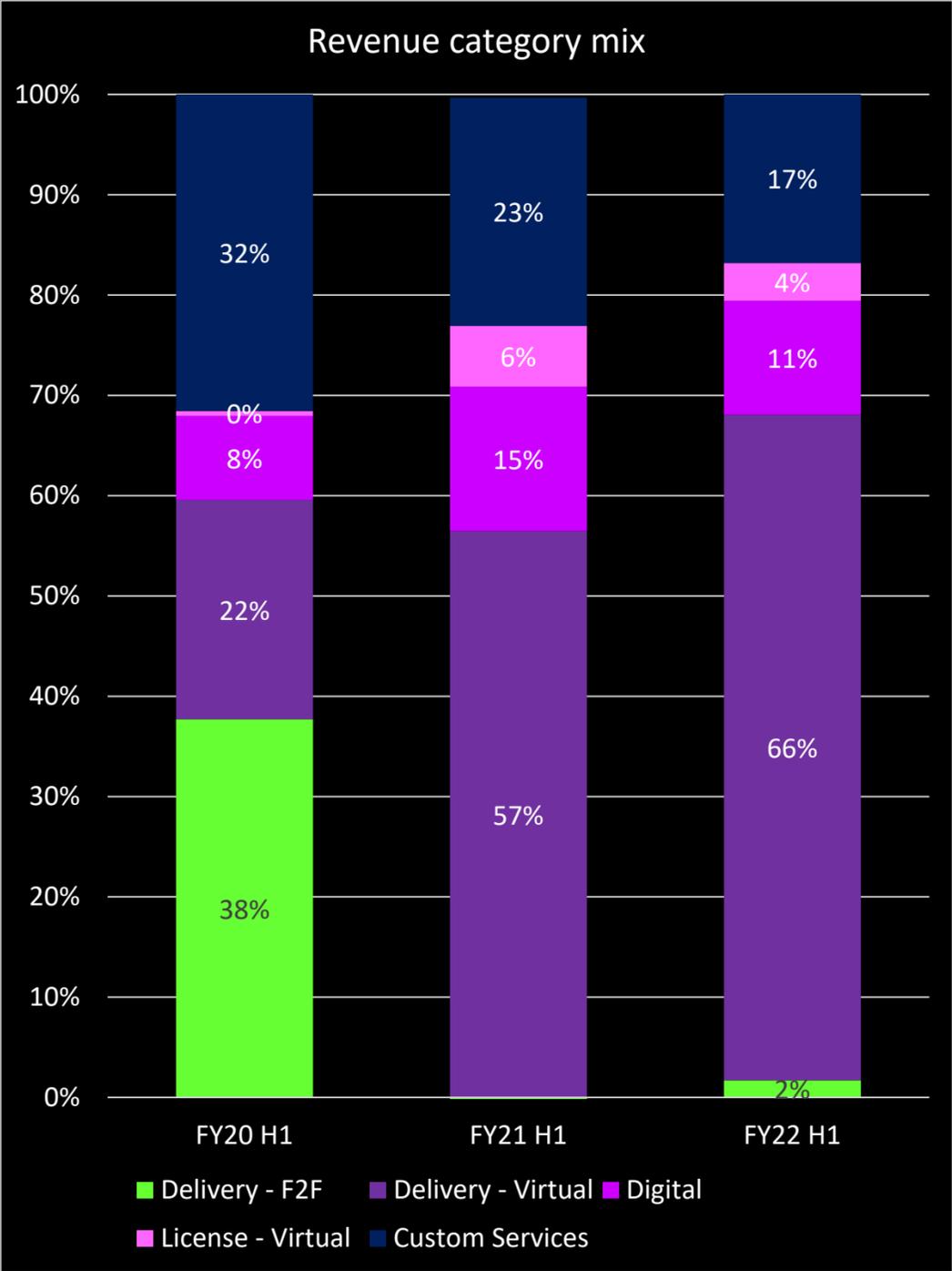
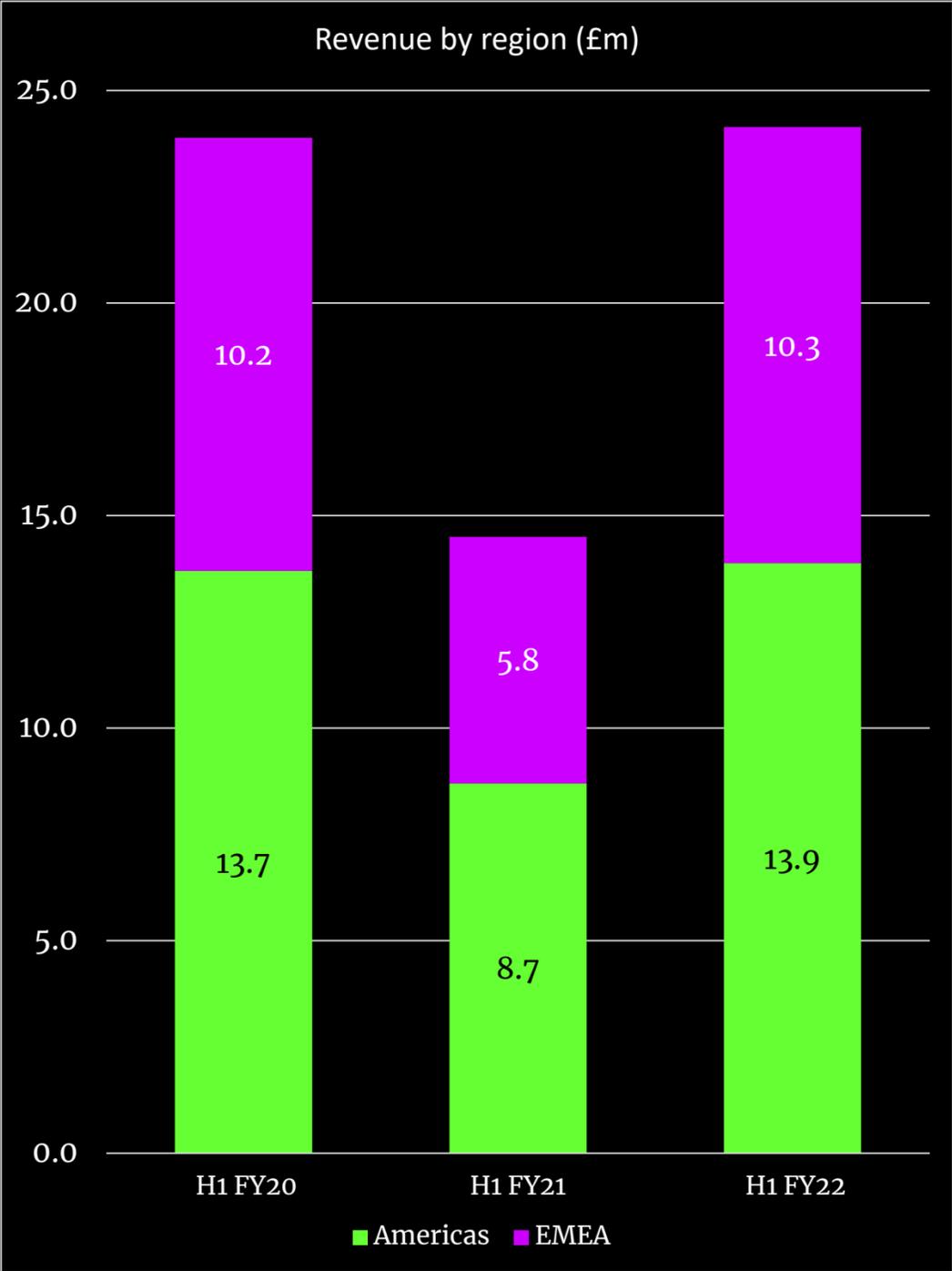


H1 22 highlights

- Revenue bounces back +7% (constant currency) on pre-COVID levels
- Digitally-enabled revenue increased 175% on pre-COVID levels reflecting increased revenues from both digital products and live virtual deliveries
- Participant feedback increased 2% on pre-COVID levels with 54% rating sessions “Excellent” (H1 FY20: 52%)
- Our new 1:1 coaching platform ‘Performa’ was presented at our November CHRO summit in London and will launch in the New Year
- We broke even in H1 22 with continued investment in digital, marketing, innovation and infrastructure to support future top-line growth
- Gross profit margin % remains significantly higher than H1 FY20 as 97% of deliveries have been virtual
- Cash balance remains strong at £12.0 million (H1 FY20: £10.7 million) after £2.4m capital investment in new digital products and continued working capital improvements with overdue debt falling to 10% of trade debtors at 30 September 2021
- No interim dividends to be paid in line with our strategy to invest for future growth



Revenue analysis



Group

- +1% increase vs H1 FY20 (7% constant currency)
- 92% 'repeat revenue' (2020: 92%)
- c.500 clients served in 58 countries

Regions

- 1% US increase (12% constant currency) vs H1 FY20
- 1% EMEA increase (1% constant currency) vs H1 FY20
- EMEA 43% of Group revenues (FY20: 45%)

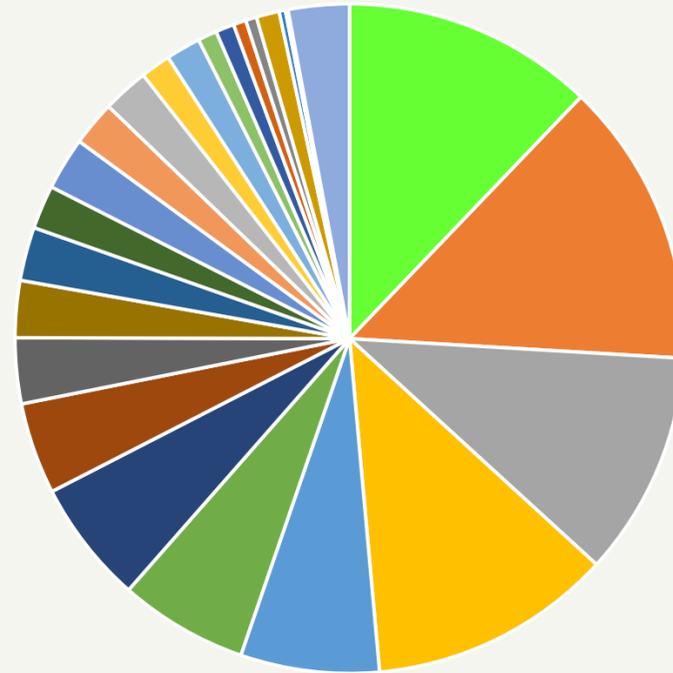
Mix

- Pure digital revenues increased 44% to £2.7m (H1 FY20: £1.9m)
- Digitally enabled increased by 175% vs H1 FY20 to £19.5m, representing 81% of all revenues (FY20: 30%)
- Custom/bespoke mix declining

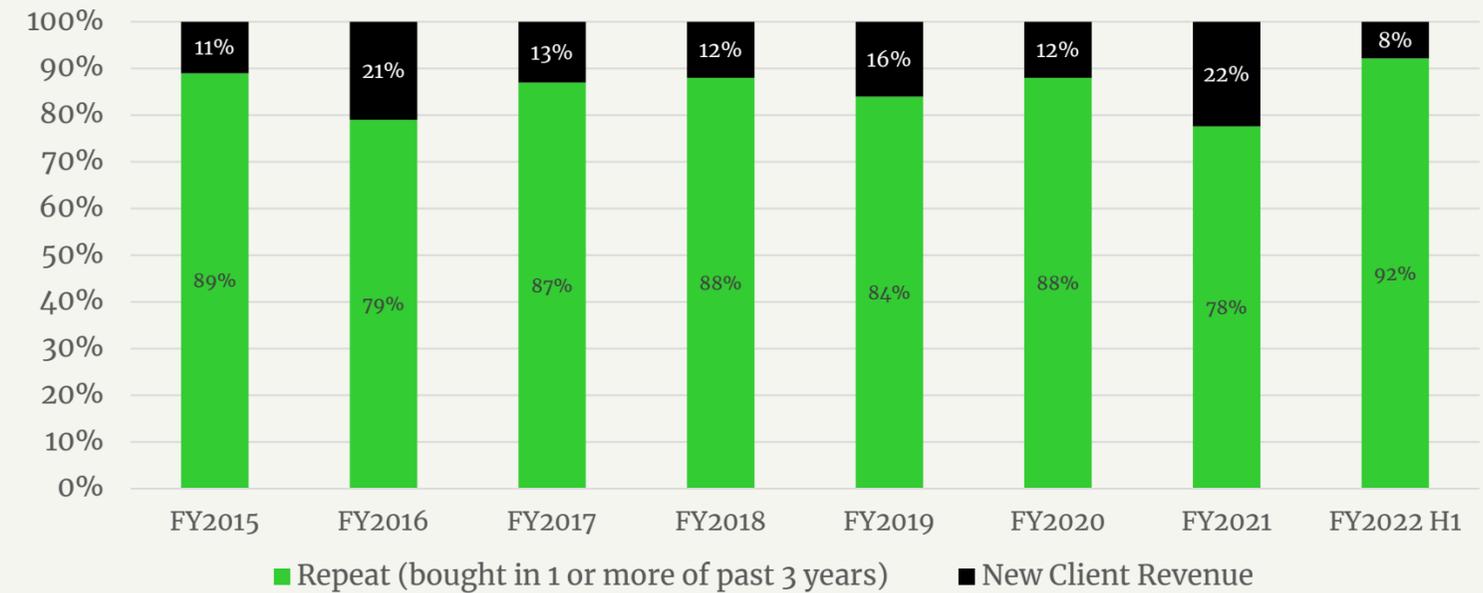
FY22 revenue continues to be well diversified and with high repeat spend

Significant end-market diversification

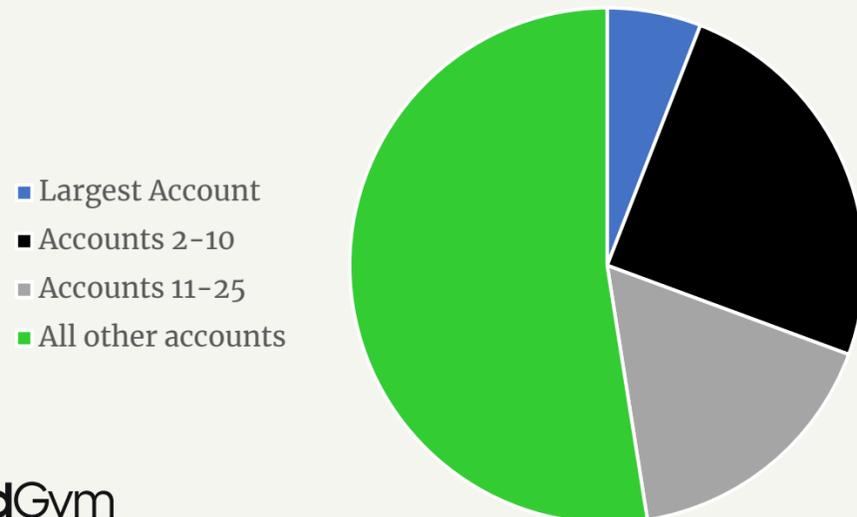
- Biotech & Pharma
- Technology & Technology Services
- Manufacturing
- Investment Banking
- Retail Banking
- Insurance
- Retail
- Food & Beverage
- Information Services, Media & Publishing
- Marketing & Communications
- Business Services
- Government Central
- Transport
- Utilities & Energy
- Non Food
- Non Profit
- Healthcare Services & Medical Equipment
- Hospitality, Travel & Leisure
- Government Local
- Aerospace, Automotive & Defense
- Telecommunications
- Internet Based Services
- Construction & Property Development
- Electrical Equipment
- Other



Total revenue mix: repeat vs new clients

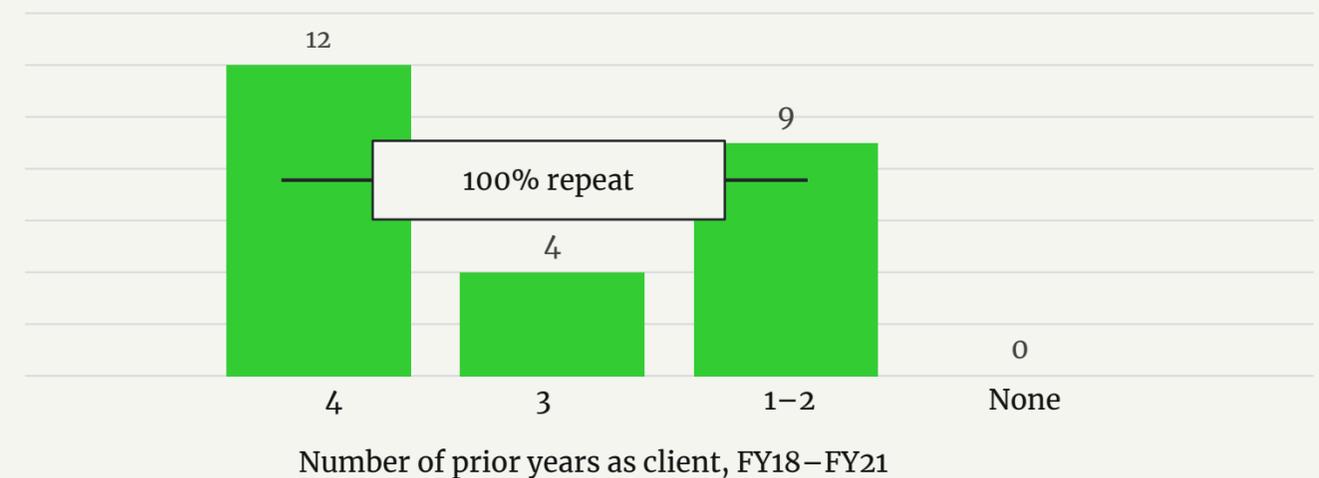


Low dependency on key accounts



Revenue from the top 25 accounts remains consistent, with FY20 at 47% of total revenues

Buying history top 25 clients (FY22)



Innovation

Our new DEI white paper 'The Inclusion Solution' launched in H1 FY21 with DEI accounting for 35% of revenues (H1 FY21: 19%, H1 FY20: 13%)

New leadership development point of view launched at the recent CHRO summit to critical acclaim

Wellbeing point of view to launch in H2 FY22 with a number of supporting products across live and digital

Hybrid working webinars with live and digital supporting products in response to market need in H2 FY22

Academic Board boosted with new members Tessa West, PhD (NYU) and Jay Van Bavel, PhD (NYU)



CHRO Summit 3 November 2021

66

CHROs

50

Companies
(5000+ employees)

Some of the CHRO Summit Attendees



Cabinet Office



Sainsbury's



Goldman Sachs



HM Revenue & Customs



Direct Line

Deutsche Bank



H1 22 Financials – P&L

	H1 22 £m	H1 21 £m	Change H1 22 v H121	H1 20 £m	Change H1 22 v H120	
Revenue	24.1	14.5	67%	23.9	1%	+7% at constant currency
Gross profit margin	85.8%	88.3%		78.8%		
Gross profit	20.7	12.8	62%	18.9	10%	
Staff costs (incl. share-based pay)	-16.2	-10.7	51%	-11.8	37%	Continued increase in proportion of digital and lower cost of virtual delivery
Other admin costs	-4.5	-3.3	35%	-3.2	41%	
Adjusted administration costs	-20.6	-14.0	47%	-15.0	38%	
Net finance costs	-0.1	-0.1		-		
Adjusted profit before tax	0.0	-1.3		3.9		Average headcount growth of 19% since H1 20. Share based payment £0.3m (H1 20 £0.1m) due to grants 31.3.31 and performance conditions agreed July 2021
Adjusted PBT margin	0.1%	-9.2%		16.1%		
Adjustments	0.0	-0.7		-		
Profit before tax	0.0	-2.0		3.9		
Tax	0.0	0.4		-0.8		H1 21: Restructuring costs
Profit after tax	0.0	-1.6		3.1		
EPS-adjusted diluted (pence)	-0.01	-1.04		3.06		
EPS-basic (pence)	-0.01	-1.58		3.07		Prioritising investment over dividends
Dividend per share (pence)	-	-		0.9		

H1 22 Financials – Balance sheet

	H1 22 £m	H1 21 £m	H1 20 £m	FY21 £m
Intangible assets	5.2	1.3	0.1	2.9
Property, plant and equipment	3.3	3.9	4.4	3.4
Deferred tax assets	0.5	0.5	0.1	0.2
Other receivables	0.2	0.5	0.6	0.4
Non-current assets	9.2	6.2	5.1	6.9
Inventories	-	-	0.1	-
Net trade receivables	8.2	4.6	7.9	8.9
Accrued income	1.1	0.6	1.1	0.7
Other receivables and prepayments	1.1	1.0	1.1	1
Current tax receivable	0.3	0.2	-	0.3
Cash and cash equivalents	12.0	14.5	16	16.8
Current assets	22.7	20.9	26.2	27.7
Total assets	31.9	27.1	31.3	34.6
Trade and other payables	-11.3	-7.1	-8.9	-13.8
Current tax payable	-	-	-0.4	-0.1
Current and non-current lease liabilities	-2.7	-3.9	-4.4	-3.2
Total liabilities	-14.0	-11.0	-13.7	-17.1
Net assets	17.9	16.1	17.6	17.5

£2.4m digital development capitalised in H1 FY22

£0.5m of deferred tax asset arising from UK and US current period losses and share options

H1 22 revenue £9.9m higher than H1 21 => trade receivable and accrued income days up 6 days to 71 days.
Overdue debt represents 10% of trade receivables at 30 September 2021 compared to 24% at 30 September 2019

Higher deferred income +£2.2m and accruals + £2.2m including other payables

H1 22 Financials – Cash flow

	H1 22 £m	H1 21 £m	H1 20 £m	FY21 £m
Adjusted profit/(loss) after tax	0.0	-1.1	3.1	0.3
Depreciation and amortisation	0.6	0.6	0.3	1.2
Net finance costs	0.1	0.1	0.0	0.1
Tax (credit)/charge	0.0	-0.2	0.8	-
Working capital – receivables and inventory	0.2	4.1	0.3	-0.2
Working capital – payables and other	-2.5	-1.8	-0.3	4.9
Share-based payments	0.3	0.2	0.1	0.3
Adjusted cash generated from operations	-1.2	1.8	4.3	6.6
<i>Adjusted cash conversion</i>	<i>-177%</i>	<i>-254%</i>	<i>98%</i>	<i>418%</i>
Adjustments after tax	-	-0.5	-	-0.7
Tax credit on adjustments	-	-0.2	-	0.1
Adjustments not paid/(received)	-	-	-	-0.1
Cash generated from operations due to adjustments	-	-0.7	-	-0.7
Cash generated from operations	-1.2	1.1	4.3	5.9
Tax (paid)/received	-0.3	-0.5	-	-0.5
Interest received	-	-	-	-
Capex	-2.8	-1.4	-0.1	-3.2
Lease payments	-0.6	-0.5	-0.3	-1
Shares issued	0.1	-	-	-
Dividends paid	-	-	-1.6	-
Reported cash generated	-4.9	-1.3	2.3	1.2
Opening cash	16.8	16.0	8.3	16
Effect of foreign exchange rate changes	0.1	-0.2	0.1	-0.4
Closing cash	12.0	14.5	10.7	16.8

High H1 FY22 billing offset by improved collection. Trade receivables and accrued income days increased 9% to 71 days, though down on HY20 (H1 20 85 days).

Adjusted cash generated from operations/adjusted EBITDA

Restructuring cost paid

£2.4m digital development + £0.4m PPE

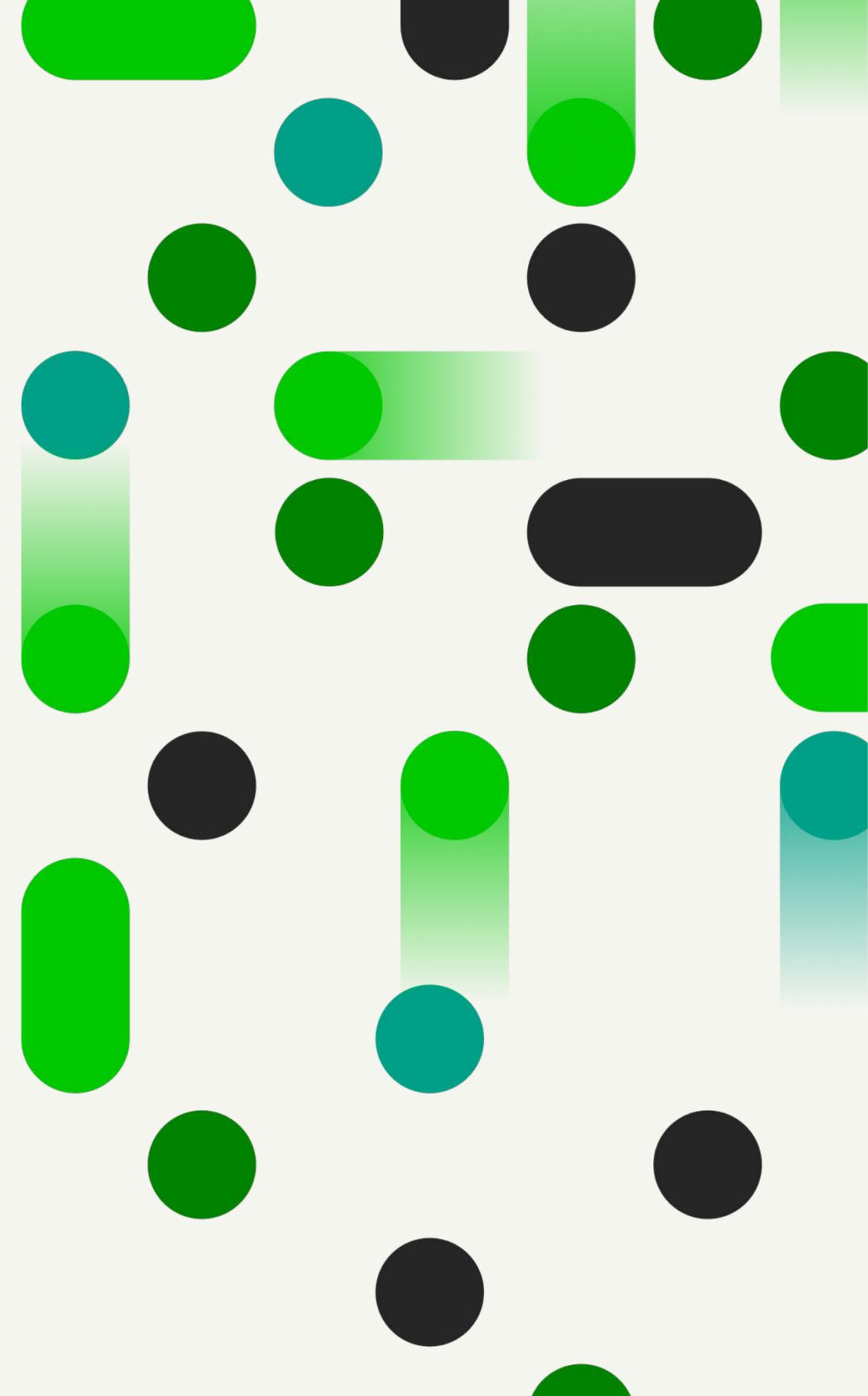
FY19 final dividend paid

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

Digital update



Welcome to Performa Coaching for the many.



The future arrived ahead of schedule



Leaders are turning towards coaching

Challenges from a changing workplace mean leaders:

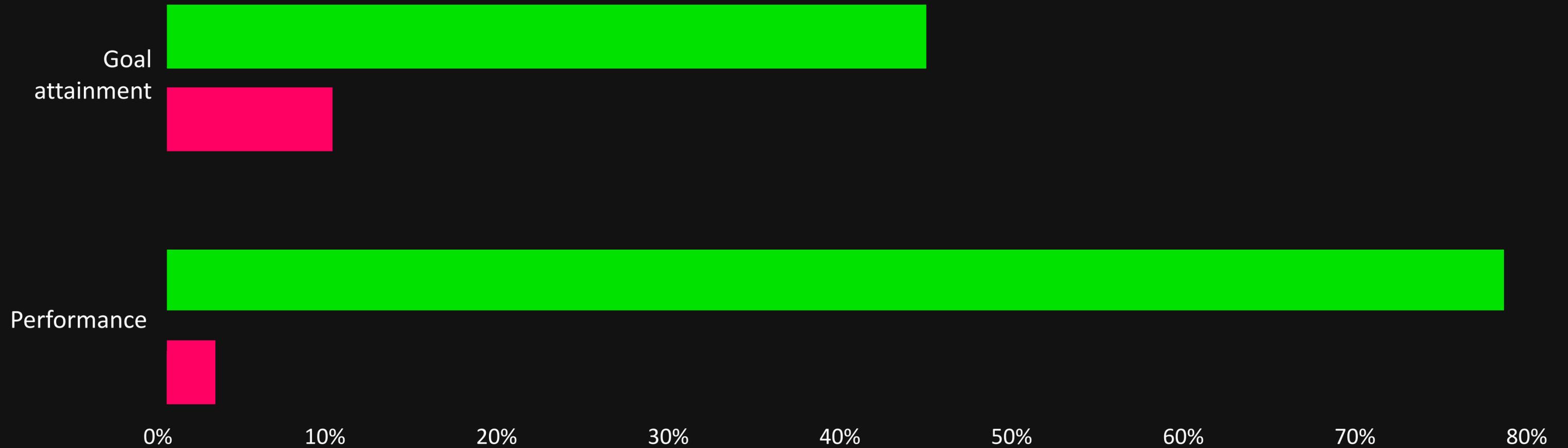
- ✗ Are overwhelmed by competing priorities and lack of time
- ✗ Struggle to make decisions and get decision approval
- ✗ Feel under greater scrutiny than ever before

Coaching supports leaders to:

- ✓ Increase resourcefulness to adapt to constant change
- ✓ Develop new skills to lead teams more effectively
- ✓ Increase their sense of accountability
- ✓ Address derailing behaviours (before it's too late)

Coaching: panacea or placebo?

Improvement of average person



— Self-reported improvements, pre/post
— Other reported improvements, control group

Source: Theeboom, Beersma, & van Vianen, 2014.

Time for a change



In a world which is:

- Short on time
- Rapidly changing
- Outcome-focused



Today coaching is:

- Patient
- Episodic
- Relationship-focused



Precision coaching is:

- Fast
- Goal-focused
- Performance-orientated

Precision Coaching ('Performa')



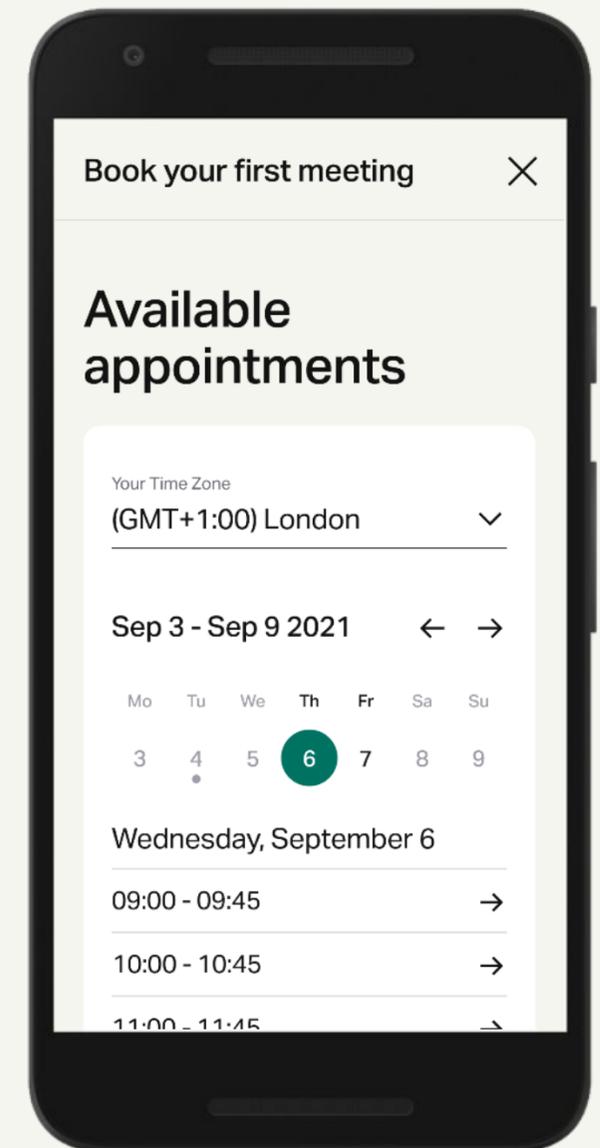
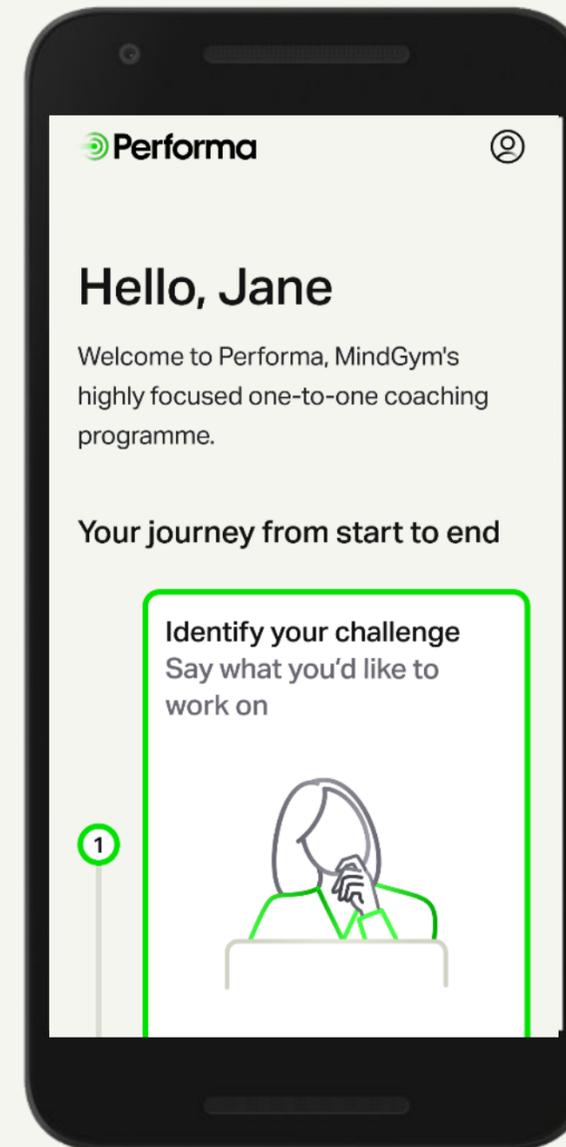
- Developing solutions vs. exploring underlying issues
- Clear, specific, personalised goal-setting
- Action-based
- Leads to greater cognitive flexibility & divergent thinking
- Builds self-belief in ability to succeed ('self-efficacy')

- Clear explanation of what it means to 'master' a skill or behaviour
- Time-flexed to allow coachee to demonstrate mastery
- Feedback on small units of well-defined, appropriately sequenced outcomes

- Identifies enablers of capability, opportunity and motivation
- Provides proven tools and techniques for sustained behaviour change

MindGym's new coaching offer

- A platform that gives people individual access to a MindGym coach, diagnostics and tools, on demand
- Uses MindGym content based upon 20 years of behavioural science expertise
- MindGym international coaches accredited in Precision coaching and MindGym content
- The solution is accessible and scalable across multiple participants and cohorts
- It has been developed by combining our behavioural science expertise with a first-class technology team



New digital product summary

- 'Performa' was presented at our November CHRO summit in London and will launch in the New Year
- We currently have 1 client signed, with strong interest for pilot sessions from prospective clients in January/February 2022
- Our second new digital product DXP (Digital Content Experience) will launch in FY23



Current trading and outlook

H2 22 revenues continue to grow on pre-COVID levels

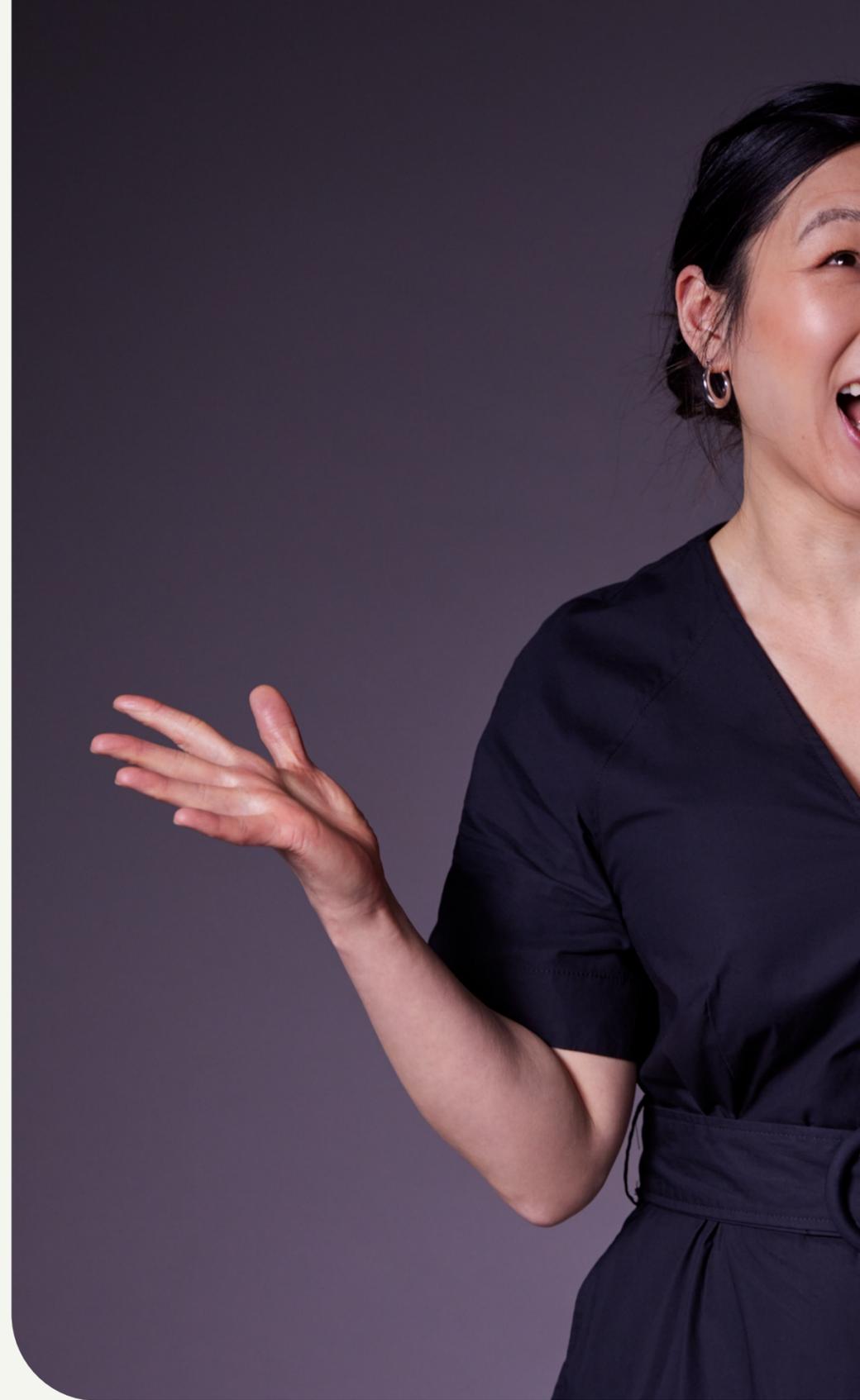
We continue to invest in digital, marketing, innovation and infrastructure to support long-term revenue growth

Performa, our new precision coaching tool will launch in the New Year and DXP (Digital Content Experience) will launch in FY23

Increased revenue uncertainty for Q4 as client decision making could be affected by COVID and new Omicron variant.

Nonetheless MindGym has demonstrated significant adaptability and resilience

Full year expectations remain broadly unchanged



Q&A

END