

H1 momentum driving growth in H2 FY23 and beyond

Investor Presentation
December 2022



Presentation team



Octavius Black
Chief Executive Officer

Co-founded MindGym at his kitchen table in 2000

Co-authored MindGym's four books, the first which reached no. 2 on Amazon.co.uk behind Harry Potter

Prior to MindGym: Director for organisational communication consultancy Smythe Dorward Lambert (sold to Omnicom 1996); Analyst at Booz Allen Hamilton



Dominic Neary
Chief Financial Officer

Appointed as Chief Financial Officer on 1 January 2022

Previous experience includes:

- EU Finance Director at Just Eat
- Commercial Finance Director at Moneysupermarket.com
- 10 years in various financial positions at Reckitt Benckiser including North America pharmaceuticals

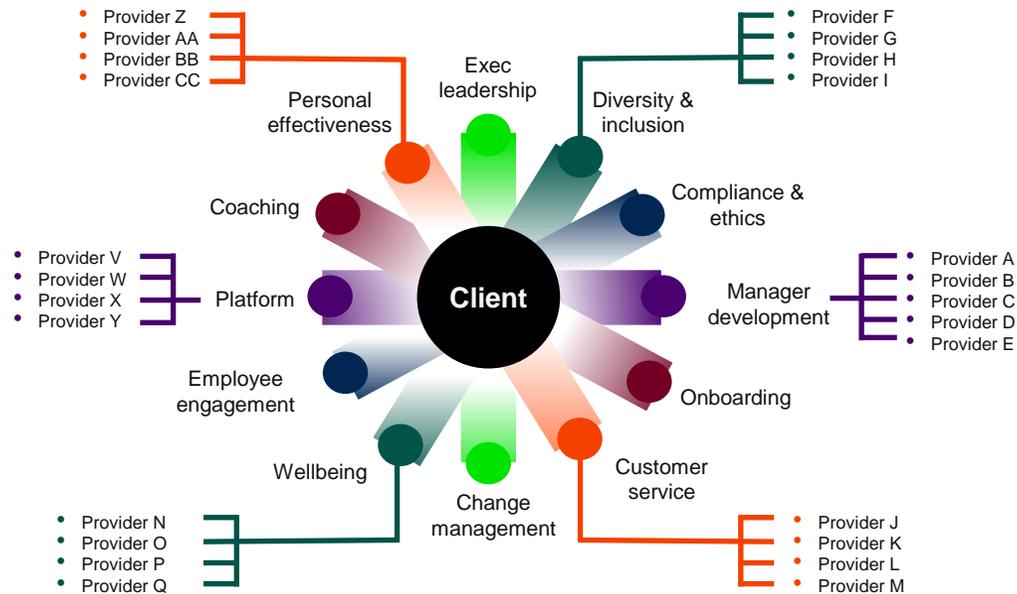
The opportunity



The market opportunity

NOW

Total < sum of the parts

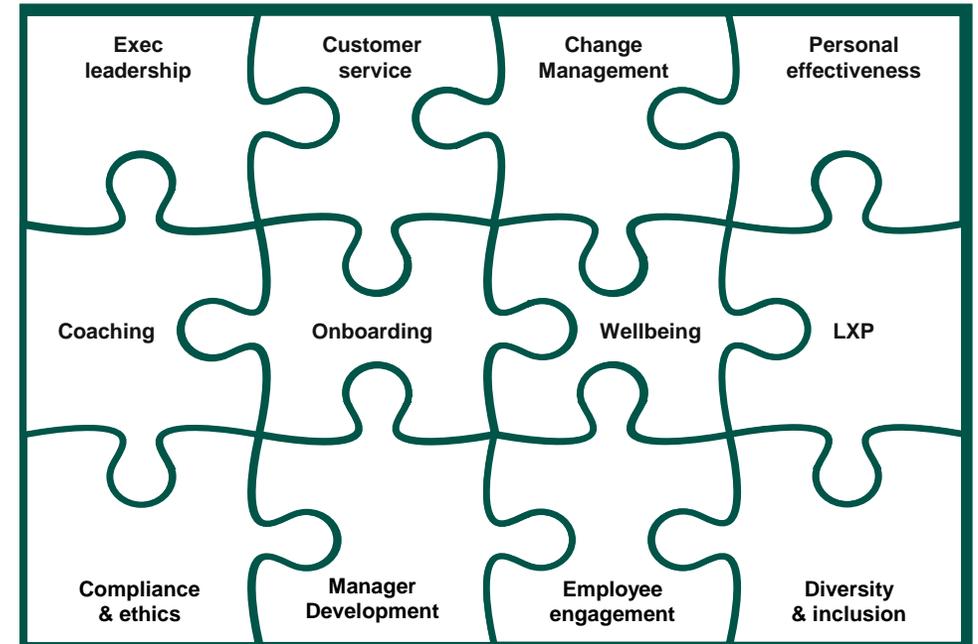


Lacks coherence | Significant waste | No consistent data

\$50m spread across 100+ providers

FUTURE

Total > sum of the parts

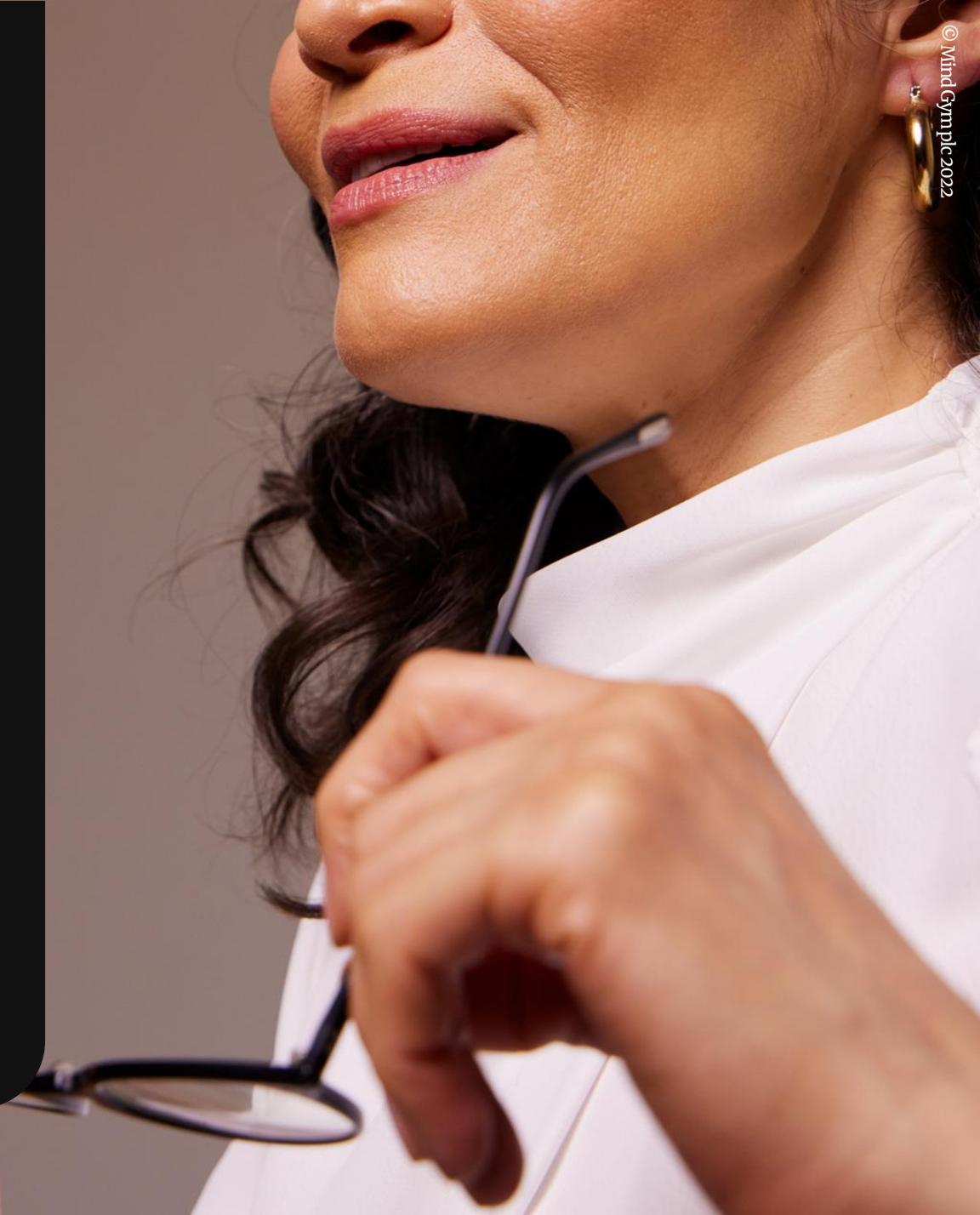


Integrated content | Integrated distribution channels | Fueled by data

\$40m concentrated with 1 or 2 providers

H1 FY23

Half-year results



H1 FY23 results in line with expectations despite economic uncertainty

£26.8m

Revenue

+11% H1 2022 £24.1m

£0.6m

Profit before tax

+£0.6m H1 2022 £nil

£1.9m

EBITDA

+£1.2m H1 2022 £0.7m

£0.84p

Diluted EPS (p)

+0.85p H1 2022 -0.01p

£2.2m

CAPEX

-£0.6m H1 2022 £2.8m

£4.5m

Period end cash balance

-£5.5m FY 2022 £10.0m

Highlights



H1 FY23 performance:

- Revenues of £26.8m up 11% (2% cc)
- Digitally-enabled revenue -7%, reflecting growth in in-person delivery post COVID
- On demand digital product revenues grew 3% to £2.8m (H1 FY22: £2.7m)

PBT of £0.6m (£0.2m cc) in line with management's expectations. Return to profitability as growth leverages step-up investments in prior years

Diluted EPS of 0.84p up 0.85p on H1 FY 22 reflects profitable H1 FY23 and £0.2m tax credit (primarily R&D)

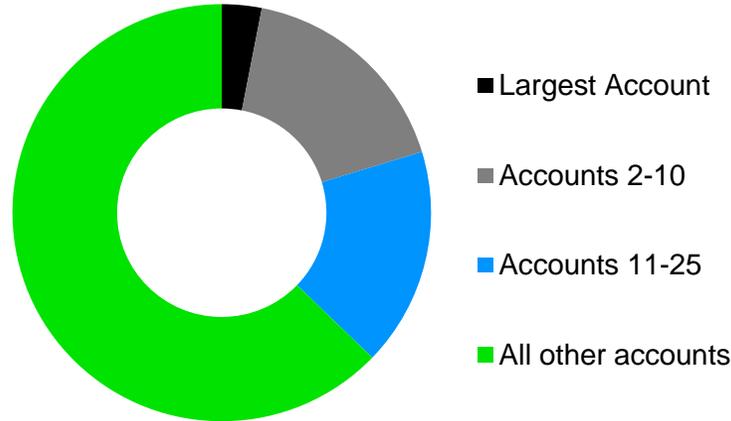
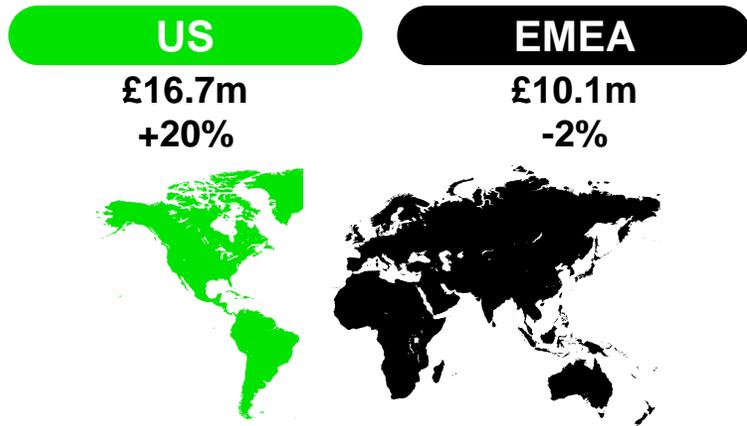
CAPEX includes c.£2.1m spend on digital assets in the period (H1 FY22: £2.4m), reflecting synergies from optimisation programme at end of FY22

MindGym retains a secure financial position:

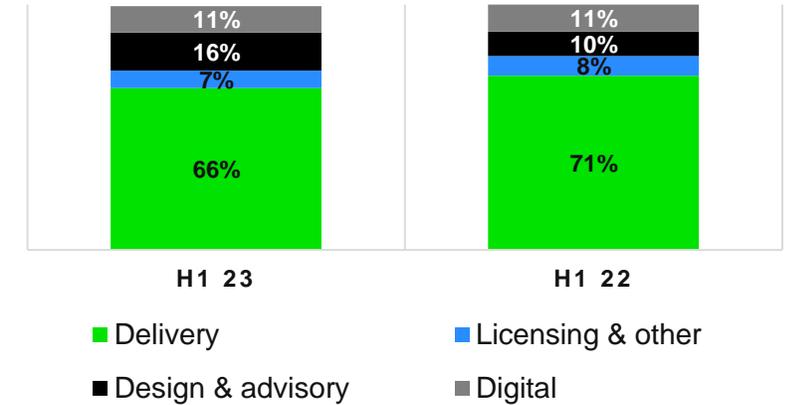
- Cash balance of £4.5m (vs £10.0m FY22), driven by the impact of capital investment in the period, an increase in trade and other receivables due to increased trading activity in Q2 FY23 and the timing impact of bonus/commission payments. The cash position is expected to improve in H2.
- £10m debt facility (£6m RCF, £4m accordion) remains currently undrawn

The Board continues to prioritise investment for growth over the coming years, and therefore no interim dividend will be paid for the period ended 30 September 2022. The dividend policy is reviewed annually.

Robust revenue growth with the world's best companies



Revenue by product type



↑ US underlying growth plus the impact of FX

🏛 Underlying EMEA sales performance flat, excluding impact of clients buying in UK & delivering in US

🌐 US represents **62%** of reported revenues, up vs. FY22 (60%)

👤 MG retains a broadly distributed client base

🔄 **87%** repeat revenue

⚡ MG works with the world's best companies - **64%** of the FTSE 100 and **57%** of the S&P100

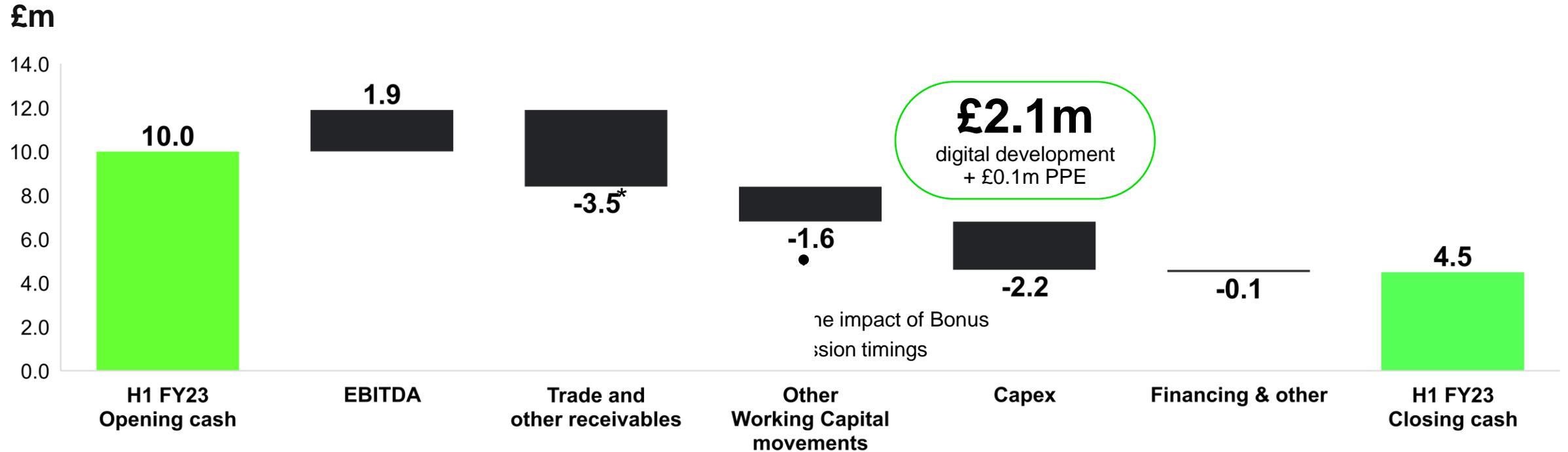
🔗 **Delivery:** +3% vs. PY with In-person increasing to 14% share of delivery

📦 **Design & Advisory:** up 78% vs. H1 FY22, driven by preparation for large contracts in H2 and FY24

📈 **Digital Products:** eWorkouts +3% vs. H1 FY22

FY23 Financials

Cash flow



The Group retains a £10 million debt facility (£6m RCF, £4m accordion) on 30 September 2022. The facility remains undrawn as at 2 Dec 2022

*Increase in trade & other receivables largely driven by increased trading activity in Q2 FY23. We expect much of this receivables increase to unwind in H2 FY23

MindGym is winning significant ‘framework agreements’*



Global energy company

Expected to be MindGym’s largest ever – >£10m over the next 24 months

Previously a small client for MindGym

Replaced incumbent based on strength of MindGym’s IP and team



Electronic games multi-national

Circa \$3m over 2 years

New client for MindGym

MindGym is the first option for new content because it is easier and cheaper to roll-out and contributes to data



Mining multi-national

Up to £1m in H2 FY23

New client for MindGym

Recommended by an existing client based on a similar project we had run on DE&I

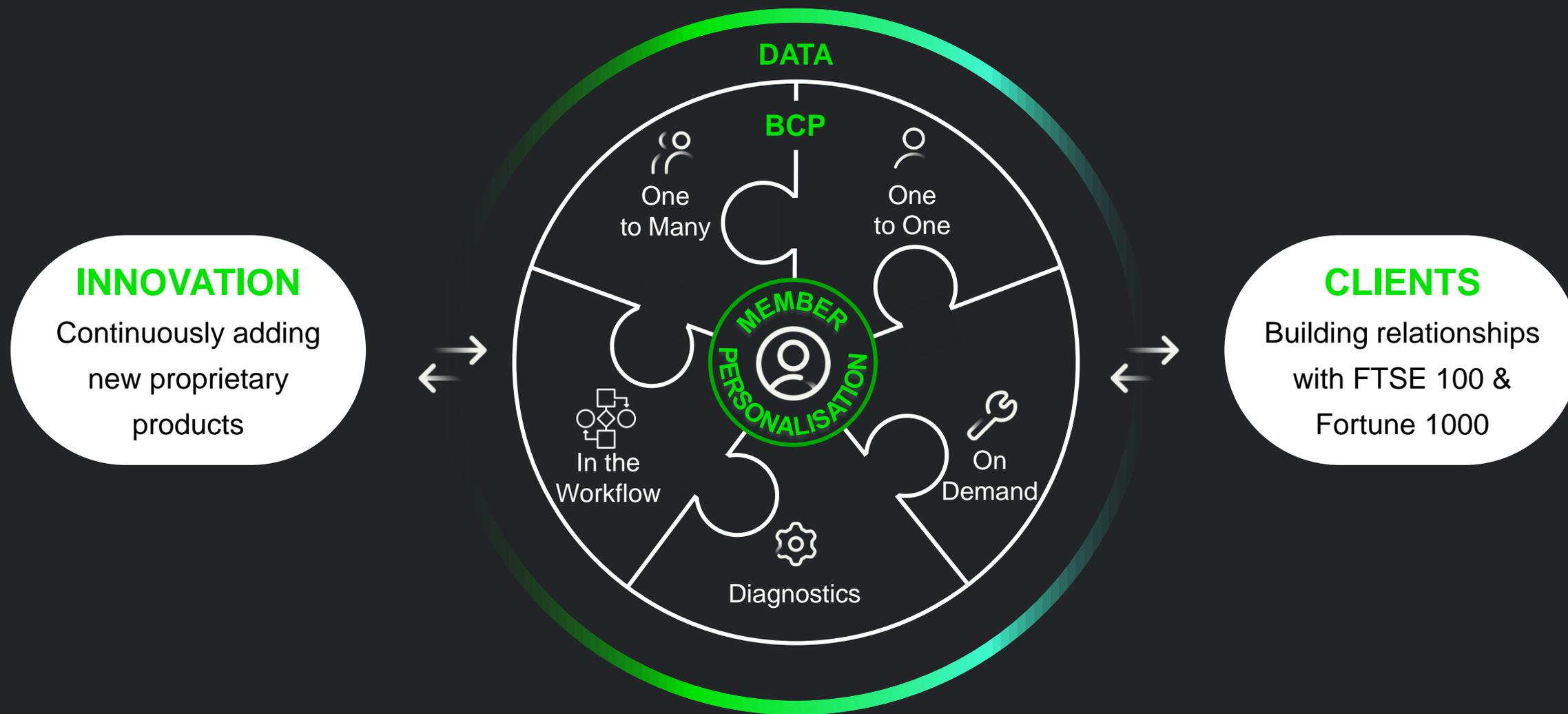
**MindGym defines framework agreements as client projects, normally involving substantial levels of client investment over time. These often include separate, but related, stages of work. In most scenarios, the service provider will deliver all of the stages, but these are unlocked over the life of the framework.*

Our strategy



Behavioural Change Platform ('BCP')

Building integrated solutions around our members, for our clients



The power of integration: achieve more with less



Clients say they want it

Integrated content, creates coherence and so more likely to change behaviour

Eliminates waste and reduces cost

Data focuses investment and supports mass customisation



Creates long-term value

Comprehensive source of employee data provides unique value

SaaS revenue is more repeatable and drives favourable Working Capital

MindGym is the first option for new content because it is cheaper to roll-out and contributes to data



Significant barriers to entry

Once installed and generating data, hard to replace

Difficult to replicate without the IP/Content

Difficult for a digital competitor to replace us without live delivery capability

Product Roadmap

FY 23

FY 24

FY 25 & FY26

Digital products



Performa 1:1 coaching



Organisational Diagnostics (beta)



Organisational Diagnostics launch



DXP (beta)



Individual Diagnostics



BCP Integration

POV



Leadership



Precision Coaching



Wellworking



Reorganisation Remedy



Culture



Future POV

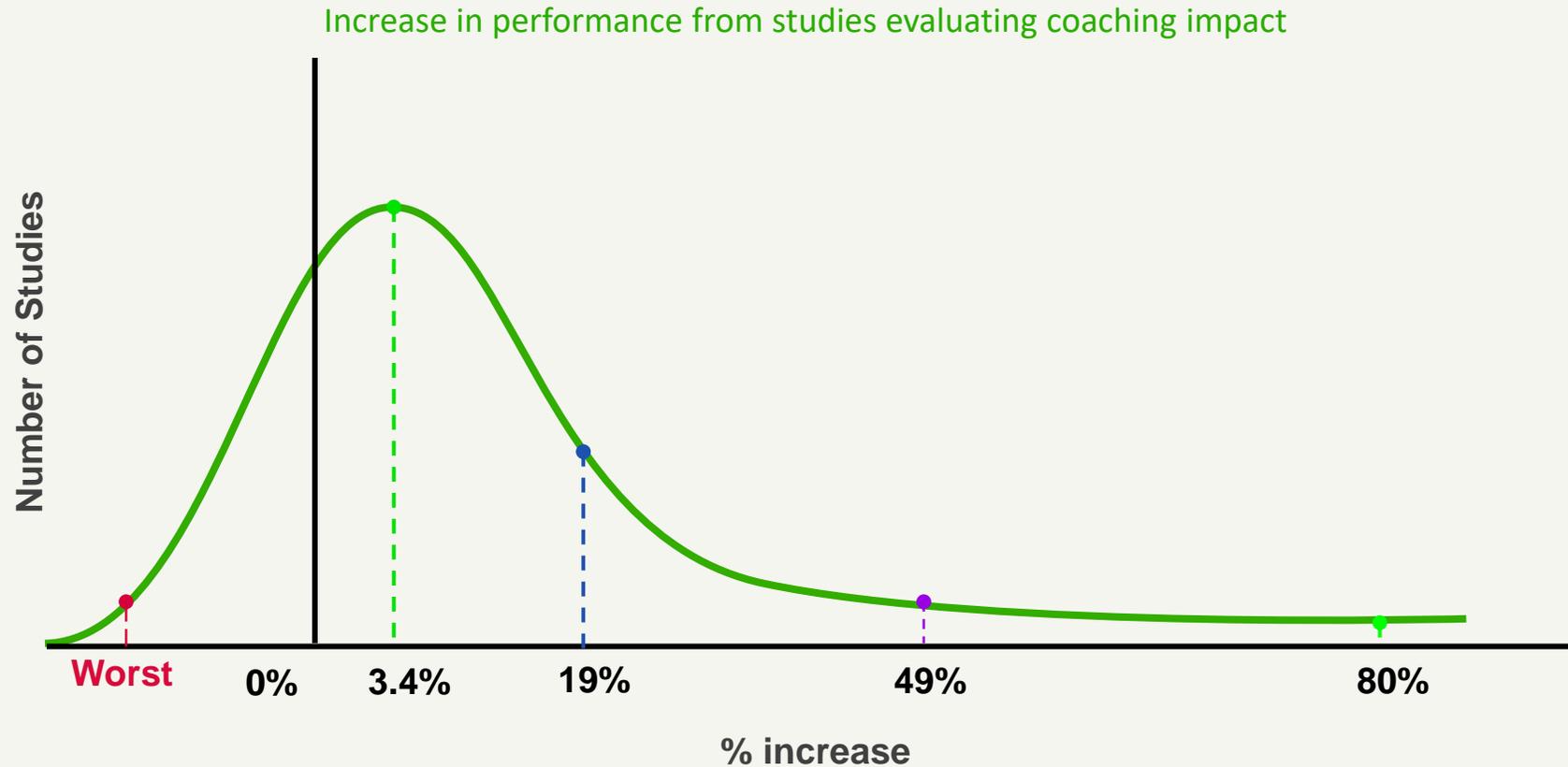
Performa

H1 progress



Precision Coaching
How to be an outlier

The impact of traditional coaching varies enormously



80%

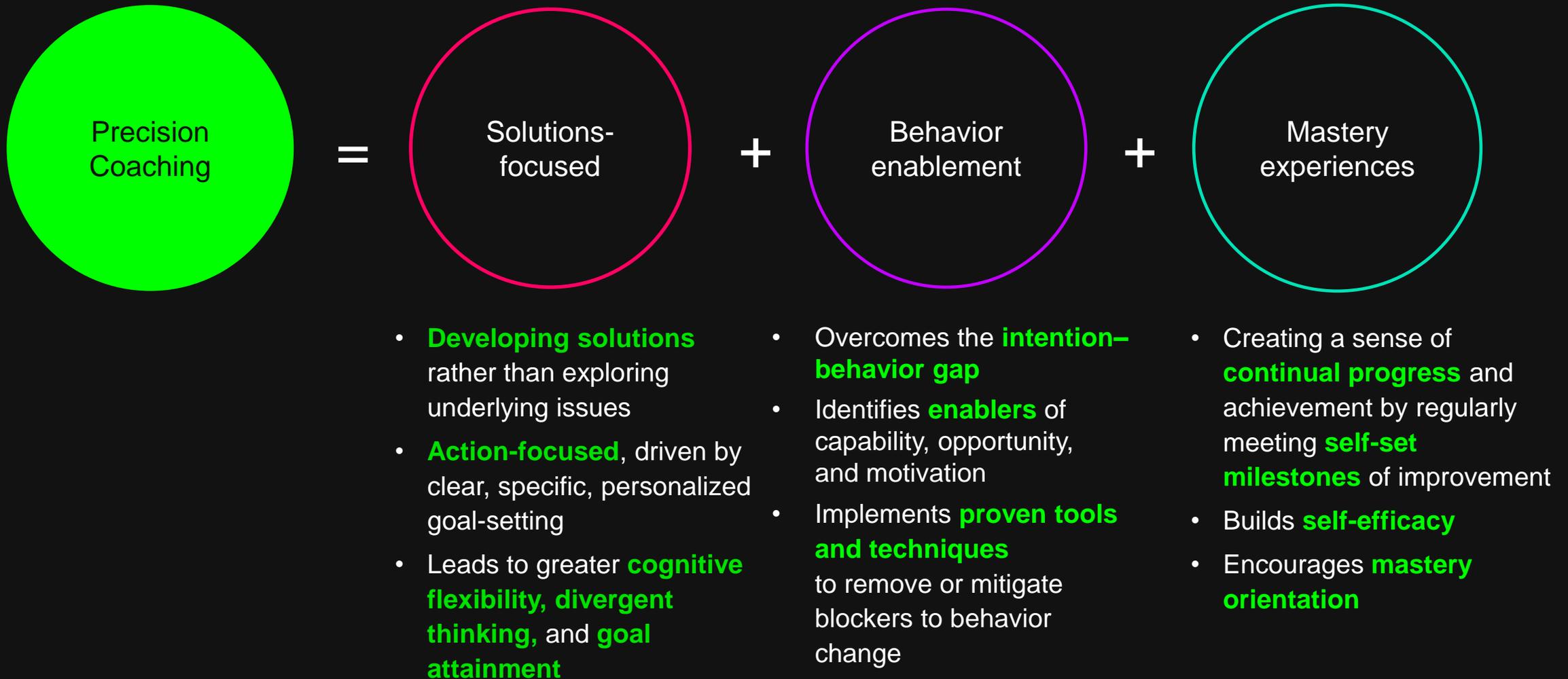
Improvement in job performance & goal attainment in a few studies.

0%

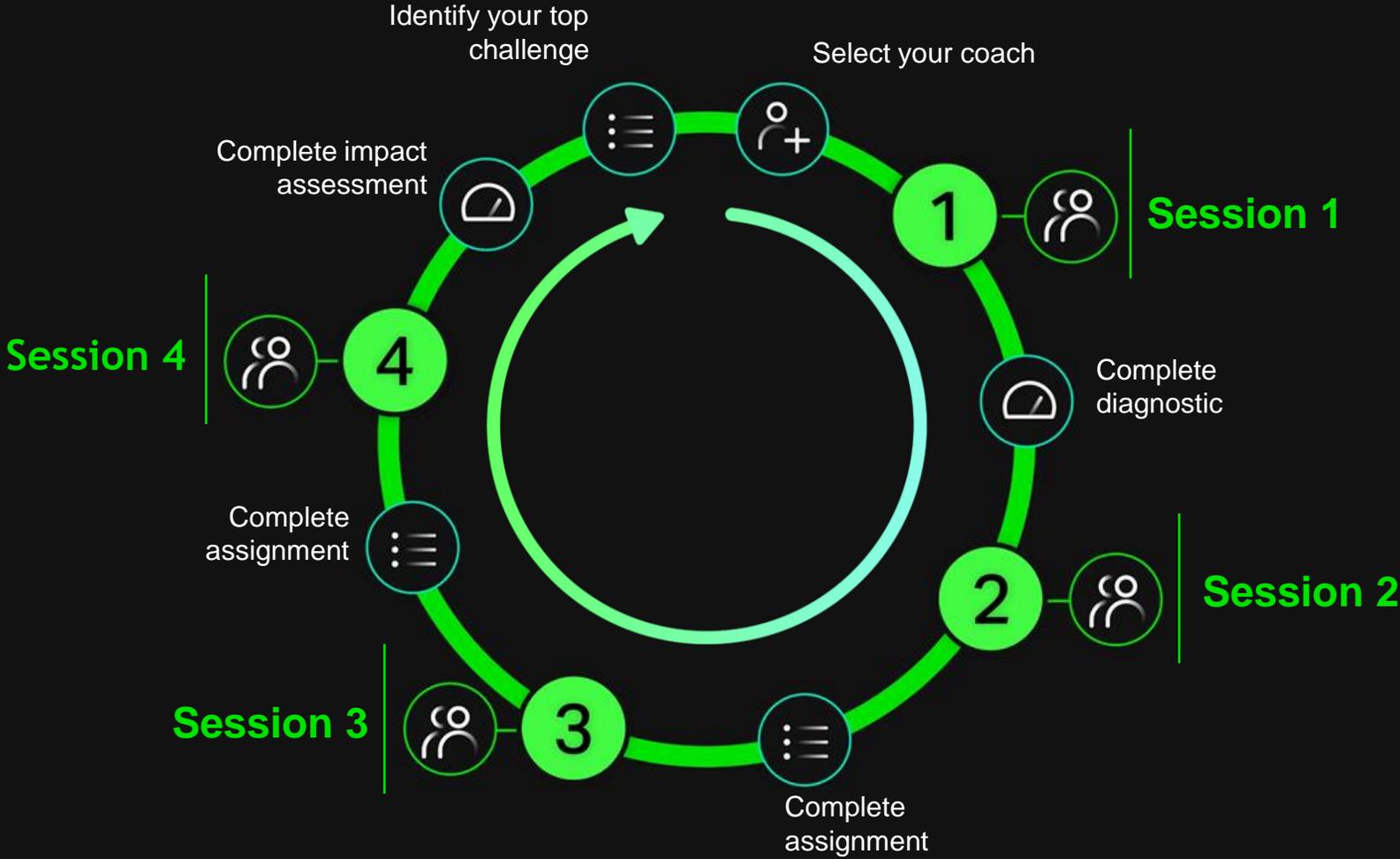
Improvement in job performance and goal attainment in others.

Sources: Wang, Lai, Xu & McDowall, A. (2021). Theeboom, Beersma & van Vianen (2014). Bozer & Sarros (2012).

Precision Coaching: an integrated framework



Performa: Precision Coaching in cycles of 4 x 45 minutes



The power of integration

	Performa		Executive coaching		Digitally-enabled coaching	
Affordable	\$6,000 for 12 months 		\$6,000 for 1 hour 		\$6,000 for 12 months 	
Proprietary coaching methodology	Proven 'Precision Coaching™' grounded in science 		Some use of own proprietary coaching models 		No proprietary coaching models or methodologies 	
Coach quality assurance	Precision certified on top of external qualifications (e.g. ICF) 		External qualifications only (eg, ICF), sometimes with business experience 		External qualifications only (eg, ICF) 	
Integrated solution ecosystem	Integrates with MindGym's live, virtual, and digital solutions 		Normally no - sometimes as part of wider learning solutions 		Only 1:1 coaching 	
Easy to scale	Performa platform makes it easy to deliver 1:1 coaching on demand across the world 		Normally no - limited functionality at best 		Digital platform makes it easy to deliver 1:1 coaching on demand across the world 	
Robust evaluation	Real-time data across 3 levels: <ul style="list-style-type: none"> • Reaction • Internal Change • Behavioural Change 		Ad-hoc, delayed and often subject to additional cost 		Real-time data on user engagement and reaction (e.g., satisfaction, confidence) only 	

Diagnostics

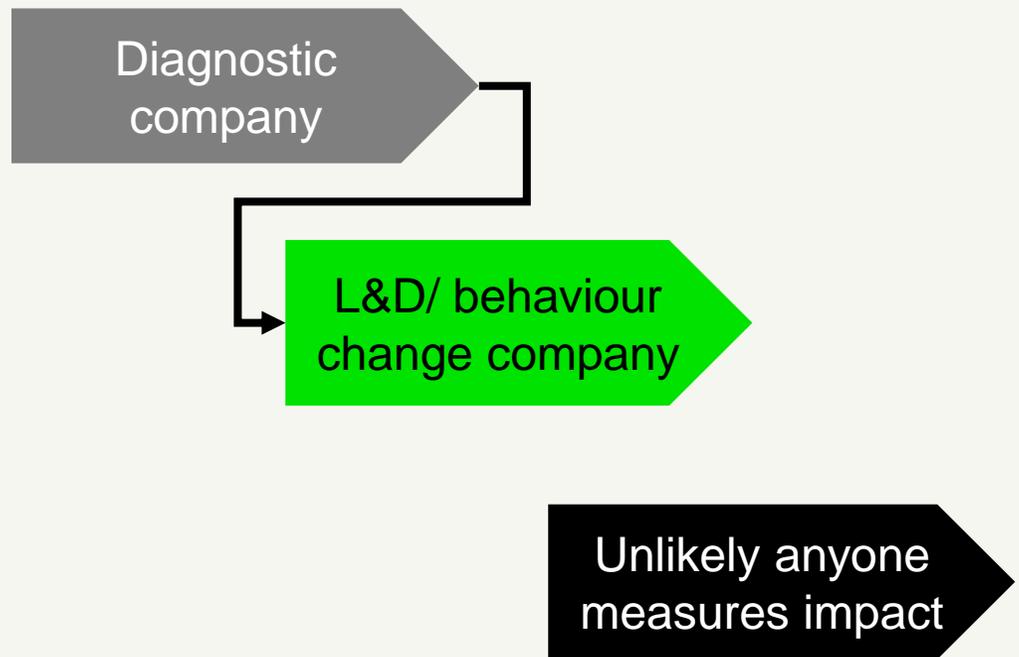


Diagnostics by MindGym

Insights that integrate with practical, proven solutions and can be evaluated

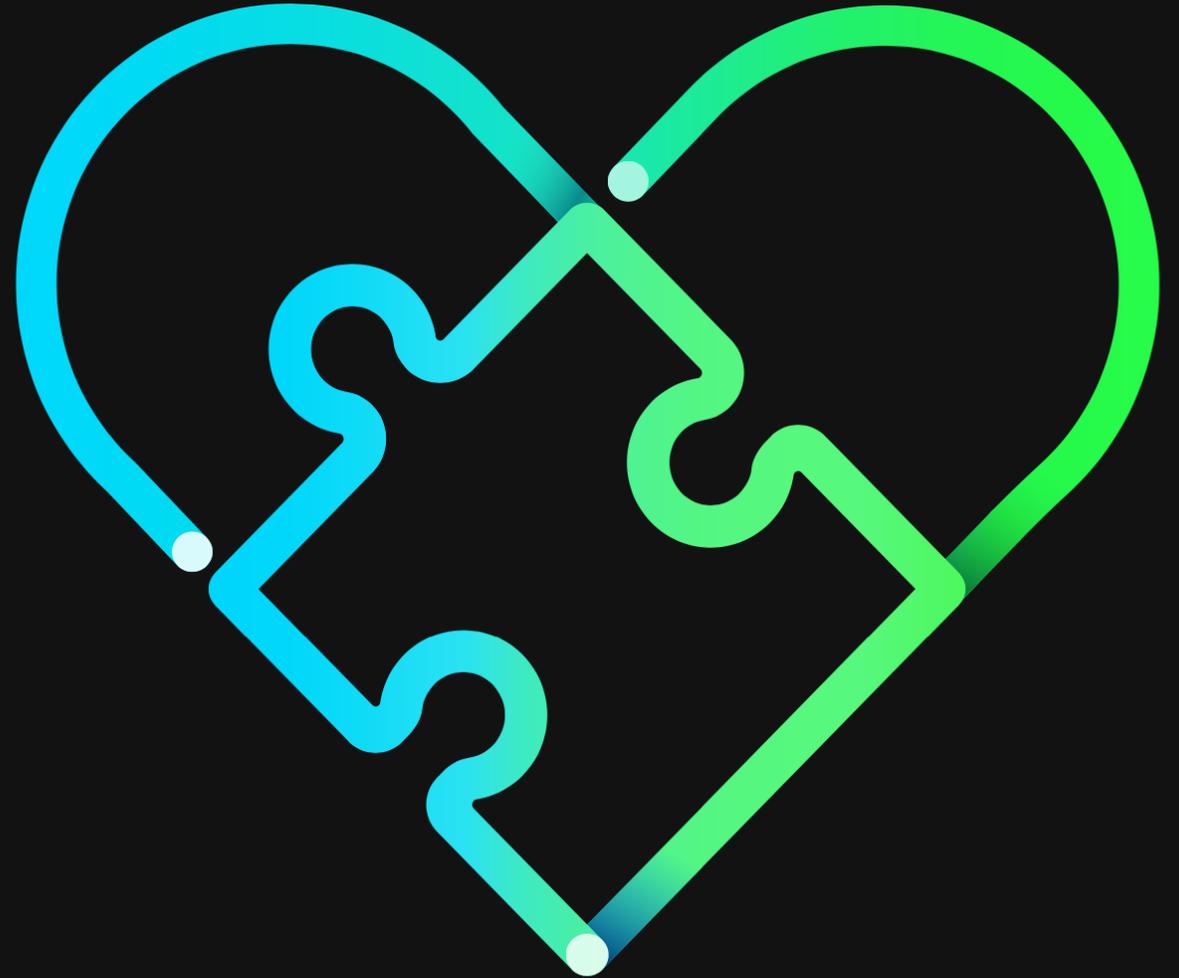
NOW MindGym joins the cycle after 'diagnosis'

FY 24 MindGym is both the diagnosis & the solution



Wellworking™

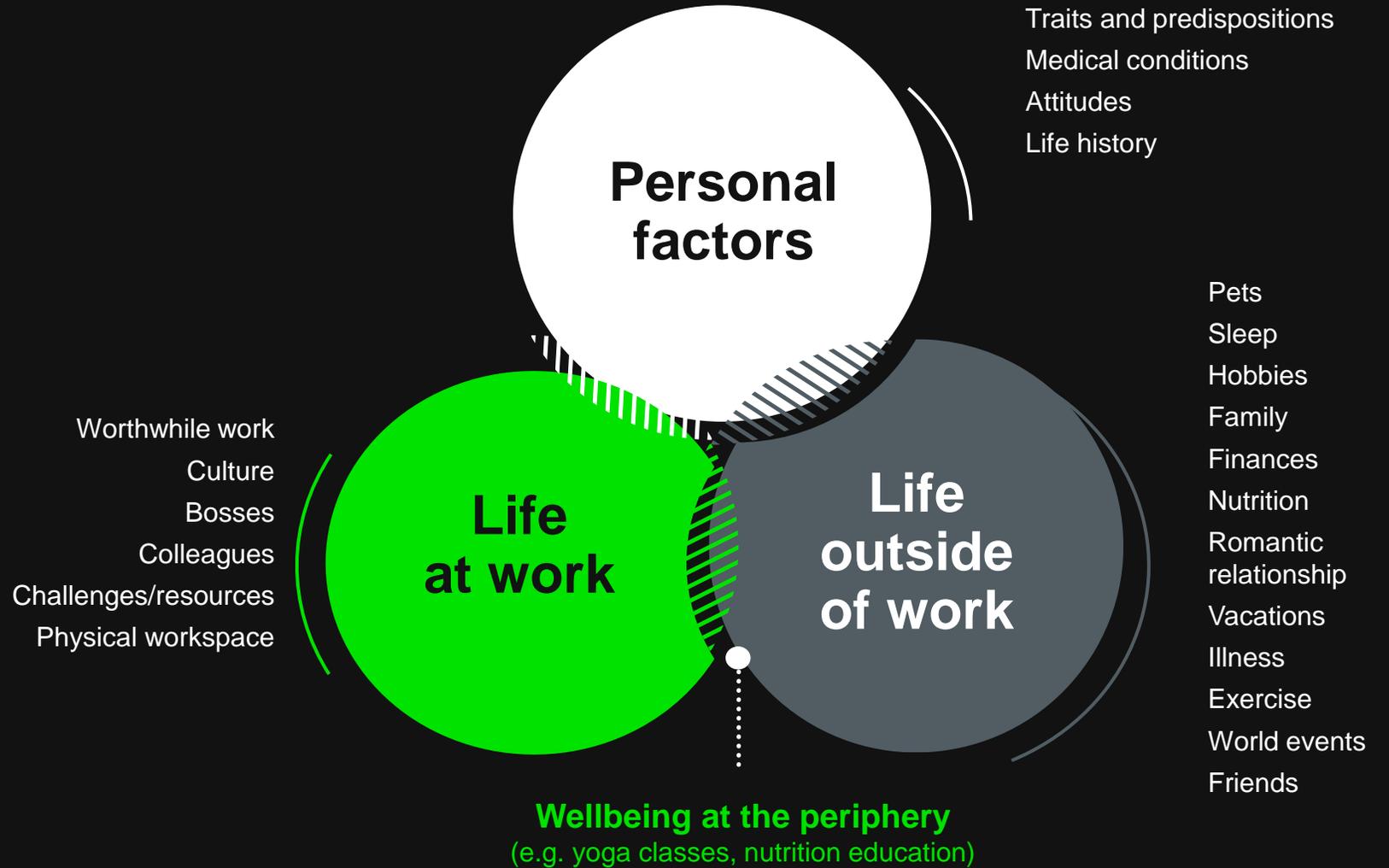
How to make us all better at work



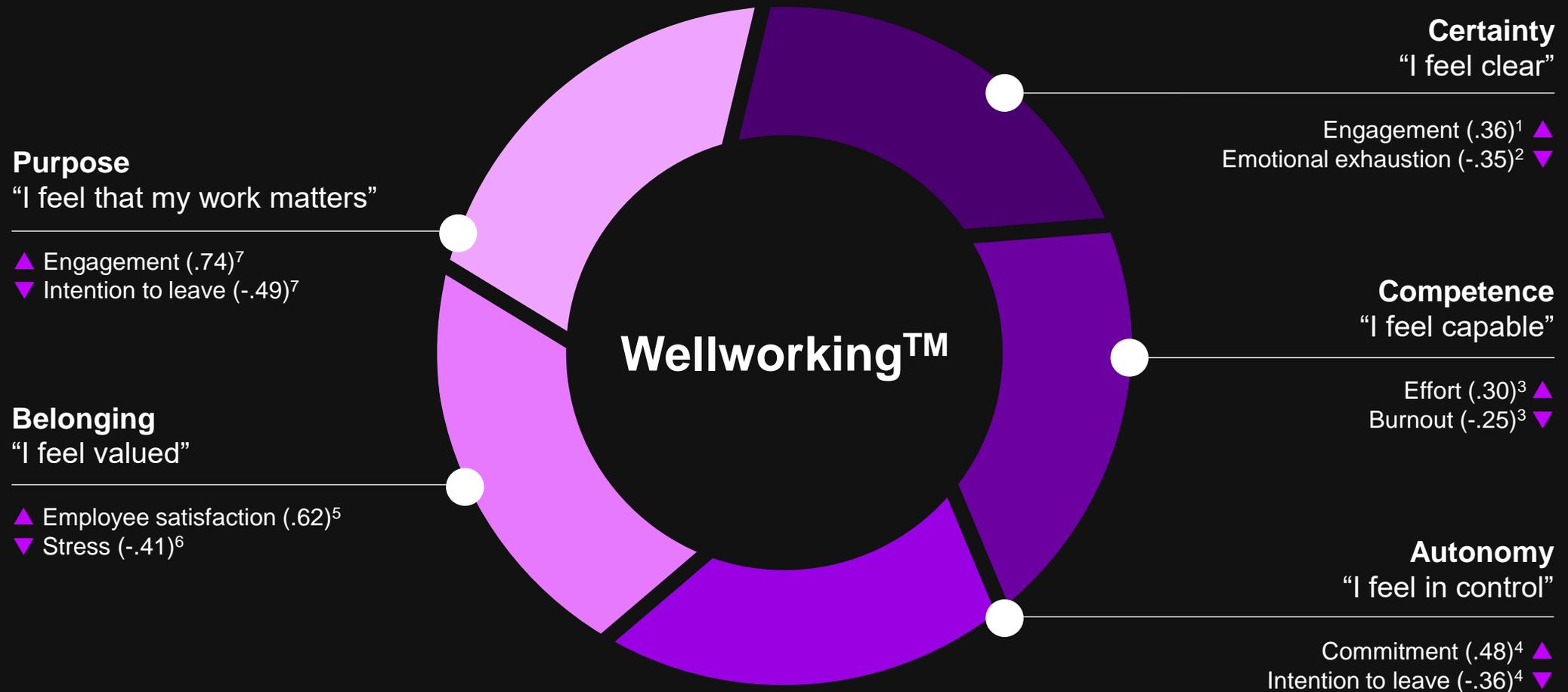
What drives wellbeing?

Company wellbeing programs focus on the edge of work.

To enhance wellbeing, they need to focus on the core.



Drivers of wellbeing at work



Current trading and outlook

Opportunities as companies look for value in Behavioural Change



MindGym's outlook for the full year remains unchanged, despite the impact of economic headwinds, notably in the US



Won a number of significant framework agreements as companies look for value in Behavioural Change



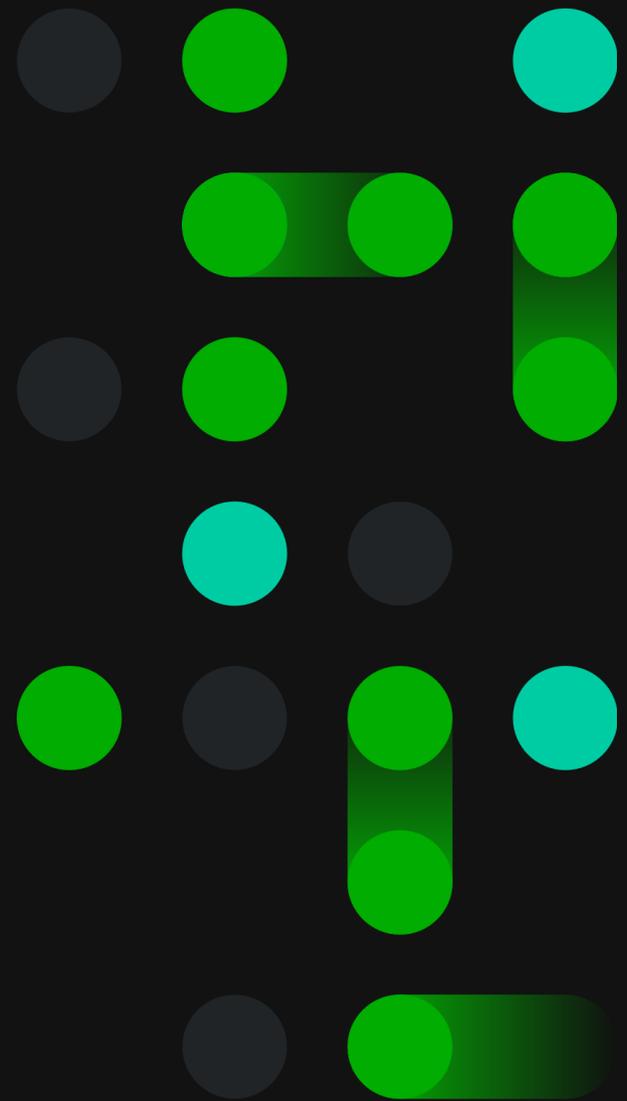
Launch of Organisational diagnostics with first client



Accessing new budgets with Leadership, Coaching and Wellbeing PoV's



Q&A



END