



Interim

Condensed

Financial

Statements

H2 2023

1 July - 31 December 2023



Overview

Mission

Our mission is to build and acquire software that helps healthcare professionals deliver great care, delight patients and pet parents, increase productivity and grow practice revenue.

Business

Nordhealth acquires, manages, and builds SaaS healthcare practice management software (“PMS”) for select healthcare niches. Currently over 50,000+ veterinary and therapeutic (such as, physiotherapy, psychotherapy, occupational and speech therapy) professionals across 13,000+ clinics and hospitals located in over 30 countries use our PMS products every day. The PMS is a mission-critical software, that includes an extensive array of features such as electronic medical records, outpatient and inpatient workflow management, customer relationship management, unified communication services (SMS, Email, Voice), marketing automation, appointment calendars, online booking, shift scheduling, task management, billing, inventory management, financial and operational reporting, and payments.

Strategy

Nordhealth’s strategy is to build one intuitive and efficient cloud-based software for each healthcare niche. Provet Cloud and EasyPractice are the flagship software for veterinarians and therapists, respectively. Nordhealth’s flagship software are cloud-based, easy-to-use, efficient, modular, and open. Our open approach enables us to seamlessly integrate with any third-party software and devices such as accounting software packages, imaging devices, in clinic lab devices, external diagnostic laboratories, wholesalers, insurance companies, financing providers and government reporting databases. In addition, our customers can customize or add functionality to our core products by building their own two-way integration into their own applications or any other application they choose via our well-documented REST API.

Nordhealth grows organically by acquiring new customers for current products and upselling current customers. In addition, Nordhealth is able to accelerate growth through acquisitions of a) veterinary and therapy Practice Management Software (PMS) products to accelerate our entrance into new geographies then migrate them to the flagship product b) PMS in new healthcare niches and c) add-on products we can upsell to our current customer base.

Nordhealth continues to support legacy systems from companies that they have acquired until these products and customers are ready to migrate to the Company’s flagship cloud-based products. These include Sanimalis, Vetserve, Novasoft, Provet Net, Provet Win, Provet Pet, and Aspit.

In the medium term, our objective is to be a global leader in the veterinary and therapy SaaS sector by continuing our proven two-pronged strategy of organic growth and acquisition-led expansion. In the long term, we will expand to other healthcare niches.



Operational highlights

In the last 5 years, we have been able to grow our signed ARR (Annual Recurring Revenue) over 11x from EUR 3.4 million to EUR 38.5 million, a CAGR (Compound Annual Growth Rate) of 62%. In 2023, the company achieved a total implemented Annual Recurring Revenue (ARR) of EUR 36.6 million at the end of December 2023, demonstrating a robust 23% year-over-year growth. New customer acquisition fueled a significant portion of this growth (41%), complemented by a healthy net retention rate of 114% and a low churn rate of 4.9%.

The veterinary segment experienced particularly strong performance, achieving 43% growth at constant FX rates in 2023. This success was driven by new Provet Cloud sales, effective net upselling strategies, and changes in pricing. Conversely, the therapy segment exhibited slower growth of 7% mainly due to the loss of Fysios (€1M ARR), which decided to migrate to a software for GPs that accommodates therapists.

Key highlights

- Pets at Home win
- CVS pilot implementation
- ISO 27001 security certification for Nordhealth Finland
- Aspit migration started
- Launched booking portal in Finland
- New Provet Cloud brand launched

Financial review H2 2023

These condensed interim financial statements have been prepared in accordance with Norwegian GAAP (NRS 11). The Reporting currency is EUR. All numbers are presented in EUR thousands, unless otherwise stated. The figures in the tables have been rounded to the nearest thousands of euros, so they may not add up to precise totals. The numbers in brackets refer to the value in the corresponding period a year earlier, unless otherwise stated except for balance sheet items which refer to the end of the previous financial year.

Revenue, result and financial position

H2 / 2023

The second half revenue grew by 15 (35) % and amounted to EUR 18,966 (16,485) thousand. In the second half of 2023 the share of recurring revenue of the total revenue was 90 (89) % amounting to EUR 16,995 (14,620) thousand resulting in 16 (30) % growth; on a constant currency basis growth in recurring revenue was 19 %.

The total personnel costs in the second half of 2023 amounted to 59 (73) % of revenues. Other operating charges amounted to 29 (30) % of total revenues.

The second half reported EBITDA amounted to EUR -0,190 (-2,880) thousand and EBITDA margin improved to -1 (-18)%. Non-recurring items during the second half of 2023 amounted to EUR 184 (527) thousand and relate mainly to reorganization activities. Adjusted EBITDA amounted to EUR -6 (-2,353) thousand and adjusted EBITDA margin was -0 (-14)%. The improvement in EBITDA and adjusted EBITDA is driven by growth in revenues coupled with cost optimisation measures taken during the year.

Net financial items in the second half totaled EUR 348 (-80) thousand comprising mainly of foreign currency revaluations and changes in the fair value of the money market funds.

Full Year 2023

The full year 2023 revenue grew by 19 (53) % and amounted to EUR 36,825 (31,050) thousand. The share of recurring revenue of the total revenue in 2023 was 90 (91) % amounting to EUR 33,085 (28,216) thousand resulting in 17 (53) % growth. Recurring revenue grew by 16 (38) % in 2023; on a constant currency basis growth in recurring revenue was 21 %.

The total personnel costs in 2023 amounted to 61 (72) % of revenues. The decrease is in line with growth in revenues and decrease in headcount during 2023 as a result of cost optimisation measures taken. Other operating charges amounted to 29 (33) % of total revenues.

The reported EBITDA in 2023 amounted to EUR -1,248 (-5,975) thousand.

Net financial items in 2023 totaled to EUR 581 (549) thousand consisting mainly of foreign currency and money market funds revaluations.

Non-recurring items in 2023 amounted to EUR 537 (527) thousand and relate mainly to reorganisation measures continued during 2023.

Total non-current assets amounted to EUR 63,550 (70,342) thousand at the end of December 2023. Total intangible assets amounted to EUR 62,136 (68,710) thousand at the end of the period. In addition to goodwill, intangible assets mainly consist of capitalized product development costs. Ongoing development activities focus on adding new features to existing products as well as on the localization of the products for new market entry.

Total current assets amounted to EUR 28,389 (44,552) thousand at the end of December 2023. Cash and cash equivalents amounted to EUR 5,052 (15,514) thousand. The company has EUR 17,119 (23,684) thousand of cash in fully liquid money market funds. The combined value of money market fund holdings and cash amounted to EUR 22,171 (39,198) thousand at the end of the reporting period.

Total equity at the end of December 2023 amounted to EUR 82,766 (98,630) thousand. The Company completed two share buyback programs during 2023 and acquired 1,146,637 shares under the program for a total consideration of NOK 26.8 million.

Company had no interest-bearing liabilities at the end of December 2023 (EUR 25 thousand).

Total current liabilities totaled EUR 9,037 (15,995) thousand at the end of December 2023.

Net cash flow from operating activities in the second half of 2023 was EUR -2,584 (-3,934) thousand. Net cash flow from investing activities amounted to EUR -1,167 (-3,886) thousand, with investments in tangible and intangible assets of EUR -2,576 (-3,741) thousand. Net cash flow from financing activities amounted to EUR -1,981 (-1,100) thousand.

Net cash flow from operating activities in the full year 2023 was EUR -5,486 (-6,525) thousand. Net cash flow from investing activities amounted to EUR -2,628 (-2,089) thousand, with investments in tangible and intangible assets of EUR -5,723 (-6,802) thousand. Net cash flow from financing activities amounted to EUR -2,348 (-2,082) thousand.

Risks

Operational risks

Although most of the Group's contracts with customers for use of the Group's Software-as-a-Service ("SaaS") services are automatically renewed, the Group is still dependent on retaining existing contracts and obtaining new contracts on acceptable terms, to maintain and/or increase its revenues. If the Group fails in retaining existing customers and attracting new customers, it could have a material adverse effect on its results of operations, cash flow, financial condition and/or prospects.

The effectiveness of the Group's software platform is highly dependent on valuable partnerships with respect to IT-applications used by the Group and integration with necessary software, especially integration with various systems utilised by the Group's customers and partners. Although the Group has successfully entered into valuable partnerships and integrated their technology with third party suppliers, any changes in such third-party systems may result in the Group's technology being incompatible with such system and in turn may have a material adverse effect on the Group's results of operations, financial condition and/or prospects.

The Group is handling data within the healthcare sector and other sectors that may be linked to individual persons, which by its nature is highly sensitive. The Group is liable to its customers, regulatory authorities, and the individuals whose personal data is handled for damages caused by unauthorized use or disclosure of personal data as well as sensitive and confidential information. Unauthorized disclosure of any such information may result in significant fines and may damage the Group's brand and/or reputation and may lead to customer attempting to cancel existing agreements with the Group. These factors may in turn have an adverse effect on the Group's ability to attract and retain customers and partners and in turn adversely affect the Group's business, cash flow, operating results, and financial position.

The Group's business requires specialized and skilled personnel. There is a risk that the Group will be unable to keep enough appropriate key executives, key employees, and qualified new employees to effectively manage the business. There can be no assurance that the Group will be successful in retaining its key executives, key employees and qualified employees or replace such personnel with corresponding qualifications. If the Group fails to do so, it could have a material adverse effect on the Group's business, prospects, financial results and/or results of operations.

Financial risks

The Group cannot assure that it will be able to obtain any additional financing or retain or renew current financing upon expiry on terms that are acceptable, or at all. If funding is insufficient at any time in the future, the Group may be unable to execute its business strategy or take advantage of business opportunities, any of which could adversely impact the Group's business, results of operations, cash flows and financial condition.

The Group is dependent on having access to long-term funding and may in the future require additional funding in the form of either debt or equity to successfully execute its strategy and to finance further growth. There can be no assurance that the Group will be able to raise additional capital necessary to conduct its ongoing and future operations, at the required time or on acceptable terms and there can be no assurance that the Group will not experience net cash flow shortfalls exceeding the Group's available funding sources. If required funds are not available, this could have a material adverse effect on the Group's business, financial condition, and prospects.

Mergers and acquisitions

As part of the Group's growth strategy, the Group considers the acquisition of other companies to expand the Group's existing business and create economic value. The Group cannot assure that it will be able to consummate any such transactions or that any future acquisitions will be consummated at acceptable prices and terms.

The Group continually evaluates potential acquisition opportunities in the ordinary course of business, including those that could be material in size and scope. Acquisitions involve a number of special risks, including (i) the diversion of management's attention and resources to the assimilation of the acquired companies and their employees and to the management of expanding operations, (ii) problems associated with maintaining relationships with employees of acquired businesses, (iii) the increasing demands on the Group's operational systems and technical capabilities, (iv) ability to integrate and implement effective disclosure controls and procedures and internal controls for financial reporting within allowable time frames, (v) risks associated with the ability to fund expected and unexpected capital costs and expenses associated with any acquired entity/assets and (vi) the loss of key employees of acquired entities/assets.

The Group may also become responsible for unexpected liabilities that the Group failed or was unable to discover in the course of performing due diligence in connection with historical acquisitions and any future acquisitions and indemnification rights which have been obtained, or will in the future be obtained, may not be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the assets acquired. Any of these liabilities, individually or in the aggregate, would, if materialized, have a material adverse effect on the Group's businesses, products, prospects, financial condition and results of operations.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to exchange rate fluctuations. Exposure to currency risks arises primarily when receivables and payables are denominated in a currency other than the operating company's local currency. In addition, the Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures on translation, primarily with respect to fluctuations in the EUR/NOK, EUR/SEK, and EUR/USD exchange rate. The Group manages its currency risk by closely monitoring the currency fluctuations and does not hedge its currency risk.



Credit risk

The Group has a significant amount of trade receivables and will be dependent on being able to collect such receivables. Consequently, the Group may be exposed to financial loss if a customer or counterparty fails to meet its contractual obligations. To the extent payment is done by payment letter or credit or otherwise given, the Group is vulnerable to credit risk and any failure by its counterparties to meet their obligations may affect the Group's income. Failure to collect its trade receivables or customers' unwillingness or inability to pay could have a material impact on the Group's business and financial condition.

With a wide customer base, credit risk from a single counterparty is limited.

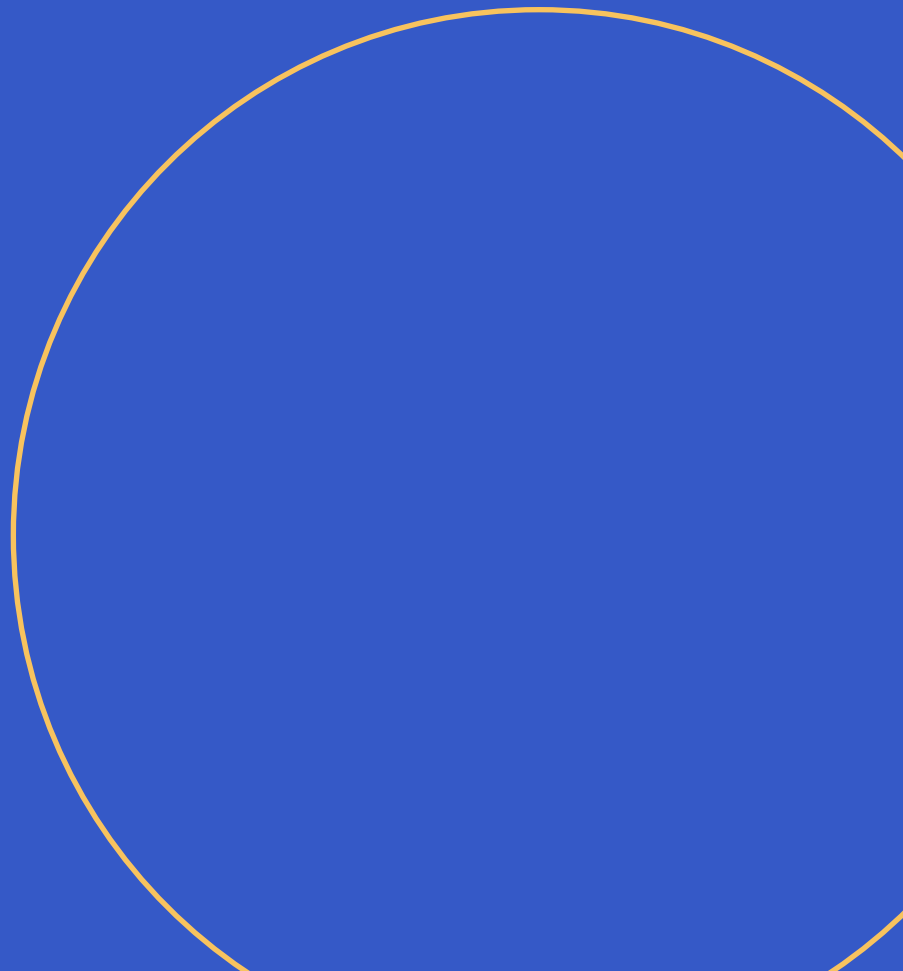
Significant events after the reporting period

There have been no significant events after the reporting period.

Guidance for 2024

The management estimates a 15-20% growth in recurring revenue in 2024 from 2023, calculated at a constant currency rate as of 31 December 2023.

Interim Condensed Financial Statements





Consolidated Income Statement

EUR in thousands	Note	H2 2023 (Unaudited)	H2 2022 (Unaudited)	2023 (Unaudited)	2022 (Audited)
Recurring revenue	1	16 995	14 620	33 085	28 216
Other revenue		1 971	1 865	3 740	2 833
Total revenue		18 966	16 485	36 825	31 050
Other operating income		50	164	102	229
Total operating income		19 016	16 649	36 927	31 279
Material and services		(2 663)	(2 512)	(5 171)	(4 780)
Personnel expenses	2	(11 123)	(12 087)	(22 490)	(22 255)
Other operating charges	3	(5 419)	(4 930)	(10 514)	(10 218)
Total operating expenses		(19 205)	(19 528)	(38 175)	(37 254)
Operating profit (loss) (EBITDA)		(190)	(2 880)	(1 248)	(5 975)
Depreciation and amortization	4	(2 156)	(1 303)	(3 701)	(2 236)
Amortization of goodwill	4	(3 142)	(3 431)	(6 438)	(6 467)
Total depreciation and amortization		(5 298)	(4 734)	(10 139)	(8 702)
Operating profit (EBIT)		(5 488)	(7 614)	(11 387)	(14 677)
Other interest and financial income	8	582	763	1 131	2 082
Interest expenses	8	(6)	(5)	(8)	(17)
Other financial expenses	8	(228)	(837)	(542)	(1 517)
Total financial income and expenses		348	(80)	581	549
Profit (loss) before tax		(5 140)	(7 694)	(10 806)	(14 128)
Taxes	7	(137)	97	(326)	(136)
Net profit (loss)	15	(5 277)	(7 597)	(11 132)	(14 264)



Consolidated Balance Sheet

ASSETS EUR in thousands	Note	2023 (Unaudited)	2022 (Audited)
Intangible assets			
Intangible assets	4	12 480	10 280
Deferred tax assets		547	585
Other capitalized long-term expenses	4	101	32
Goodwill	4	49 008	57 813
Total intangible assets		62 136	68 710
Tangible assets			
Machinery and Equipment	4	498	733
Total tangible assets		498	733
Financial assets			
Other shares and similar rights of ownership	4	720	834
Other long-term receivables		196	64
Total financial assets		916	899
Total non-current assets		63 550	70 342
Accounts receivable and accrued income		4 896	4 035
Other receivables		524	526
Prepayments		797	793
Total receivables		6 217	5 354
Money market funds		17 119	23 684
Total investments		17 119	23 684
Cash and cash equivalents		5 052	15 514
Total cash and cash equivalents		5 052	15 514
Total current assets		28 389	44 552
Total assets		91 939	114 895

Equity and liabilities

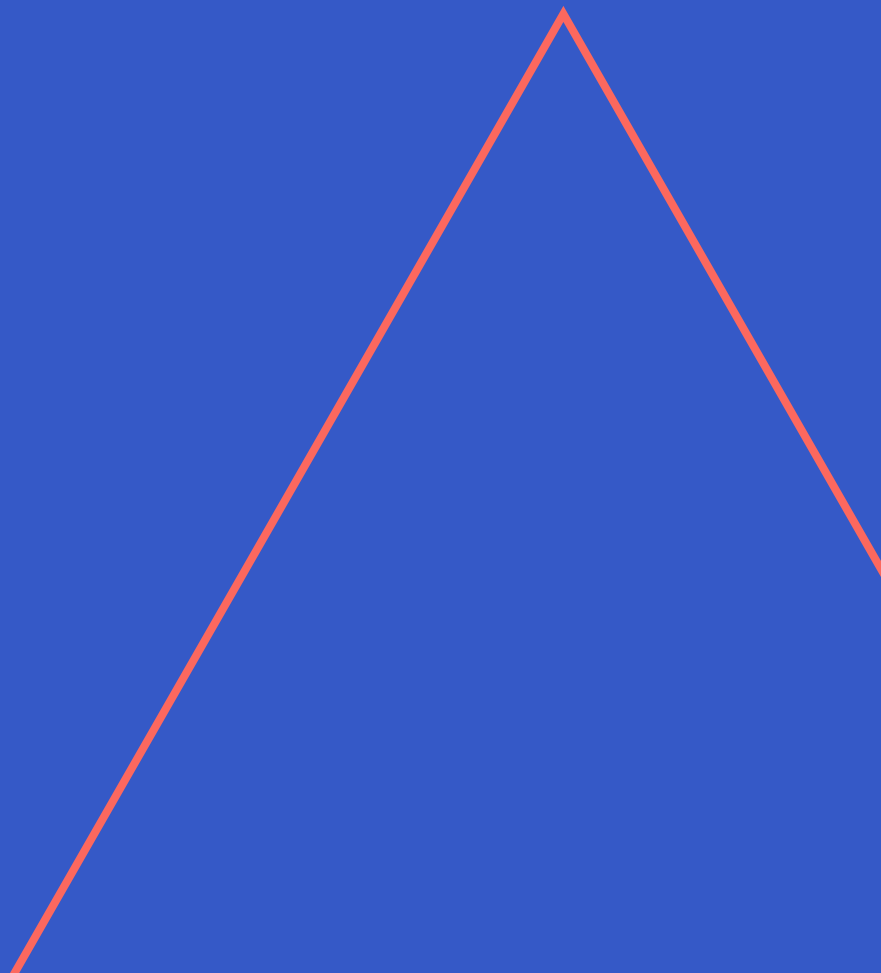
EUR in thousands	Note	2023 (Unaudited)	2022 (Audited)
Paid-in equity			
Share Capital	7	7 749	7 848
Share premium reserve	7	109 400	109 400
Total paid-in equity		117 149	117 248
Retained earnings			
Other equity	7	(34 382)	(18 618)
Total retained earnings		(34 382)	(18 618)
Total equity		82 766	98 630
Other non-current liabilities			
Other non-current liabilities		136	270
Total non-current liabilities		136	270
Current liabilities to credit institutions			
Current liabilities to credit institutions		-	25
Advances received	8	986	4 518
Accounts payable		1 534	878
Other current liabilities		1 386	5 833
Accrued expenses and deferred income		5 130	4 740
Total current liabilities		9 037	15 995
Total equity and liabilities		91 939	114 895



Consolidated Cash Flow Statement

EUR in thousands	H2 2023 (Unaudited)	H2 2022 (Unaudited)	31 Dec 2023 (Unaudited)	31 Dec 2022 (Audited)
Cash flow from operations				
Profit (loss) before income taxes	(5 105)	(7 760)	(10 806)	(14 128)
Taxes paid for the period	149	(100)	(51)	(153)
Other non-cash items	654	65	749	969
Depreciation and amortization	5 298	4 734	10 139	8 702
Change in trade debtors	1 257	(649)	(861)	(832)
Change in trade creditors	440	(191)	656	(242)
Change in other accruals	(5 276)	(33)	(5 312)	(841)
Net cash flow from operations	(2 584)	(3 934)	(5 486)	(6 525)
Cash flow from investments				
Investments in tangible and intangible assets	(2 576)	(3 741)	(5 723)	(6 802)
Disposal (purchase) of shares and investments, net of acquired cash	-	(144)	(4 034)	(17 786)
Proceeds from / (investments in) money market funds	1 409	0	7 130	22 500
Net cash flow from investments	(1 167)	(3 886)	(2 628)	(2 089)
Cash flow from financing				
Change in debt	0	(1 100)	(25)	(2 082)
Purchase of treasury shares	(1 981)	-	(2 323)	-
Net cash flow from financing	(1 981)	(1 100)	(2 348)	(2 082)
Net change in cash and cash equivalents	(5 733)	(8 920)	(10 461)	(10 696)
Cash and cash equivalents at the beginning of the period	10 785	24 434	15 514	26 210
Cash and cash equivalents at the end of the period	5 052	15 514	5 052	15 514
Money market fund	17 119	23 684	17 119	23 684

Notes to the Interim Condensed Financial Statements





Basis of presentation

Nordhealth AS (the “Company” and, together with its consolidated subsidiaries, the “Group” or “Nordhealth”) is a Company registered in Norway and traded on the Euronext Growth Oslo. The Company’s registered business address is Strandveien 50, 1366 Lysaker, Oslo, Norway.

These condensed interim financial statements have been prepared in accordance with Norwegian GAAP (NRS 11) and in accordance with the accounting principles published in the 2022 financial statements, which can be found from Nordhealth website www.nordhealth.com. The Reporting currency is EUR. All numbers are presented in EUR thousands, unless otherwise stated. The figures in the tables have been rounded to the nearest thousands of euros, so they may not add up to precise totals. The numbers in brackets refer to the value in the corresponding period a year earlier, unless otherwise stated. The interim financial information is unaudited.

1. Revenue

Revenue by operating segment

	H2 2023	%	H2 2022	%	2023	%	2022	%
Veterinary	10 948	58 %	8 514	52 %	20 591	56 %	15 467	50 %
Therapy	8 018	42 %	7 971	48 %	16 234	44 %	15 582	50 %
Total	18 966	100 %	16 485	100 %	36 825	100 %	31 050	100 %

Revenue by geographical areas

	H2 2023	%	H2 2022	%	2023	%	2022	%
Norway	6 438	34 %	6 280	38 %	13 119	36 %	13 569	44 %
Finland	3 912	21 %	3 075	19 %	8 007	22 %	6 825	22 %
Sweden	2 048	11 %	1 721	10 %	3 870	11 %	3 659	12 %
Denmark	1 814	10 %	1 678	10 %	3 824	10 %	3 119	10 %
Germany	2 051	11 %	1 730	10 %	3 727	10 %	1 949	6 %
Other Countries	2 703	14 %	2 001	12 %	4 278	12 %	1 929	6 %
Total	18 966	100 %	16 485	100 %	36 825	100 %	31 050	100 %

2. Personnel and remuneration

Personnel expenses

	H2 2023	H2 2022	2023	2022
Salaries	8 986	9 519	18 075	17 772
Pensions	1 307	1 451	2 641	2 547
Social security expenses	830	1 117	1 775	1 936
Total	11 123	12 087	22 490	22 255

Average numbers of employees in H2 2023 was 360 (371).

In H2 2023, personnel expenses totalling EUR 2,005 (1,888) thousand have been capitalized as development cost.

Performance Share Plan

The Company introduced a Performance Share Plan (“Plan”) for key personnel in April 2023. There are 9 key persons participating in the plan on 31 December 2023. If the performance criterion is met during the earning period, the reward will be paid to the participants in the company’s shares. Performance criterion means a financial, strategic or any other criterion set by the Board as a basis for measuring any Group Company’s and/or Participant’s performance.

The Plan consists of one Performance Period and three Commitment Periods. The Performance Period covers the financial year of 2023 and is followed by the Commitment Periods, spanning the calendar years of 2024, 2025 and 2026.

Participants will be allocated a Maximum Reward in cash converted to Shares that can be earned from the Performance Period 2023. The amount of the Reward is determined by the achievement of performance targets during the Performance Period. The Reward will be paid in Shares after the Performance Period and each Commitment Period. The Rewards to be paid based on the performance period 2023–2026 approximate maximum total of 126,986 shares. During the Performance Period, the Board may decide on including a new Participant in the Plan.

The Reward will be paid in four (4) equal installments. The value of each Reward installment will correspond to 25% of the confirmed Reward. The first Reward installment will be paid after the end of the Performance Period and the following three installments will be paid after each Commitment Period. If the employment of the Participant ends before the Performance Period has ended, they will lose the right to the Reward. If the employment of the key person terminates after the Performance Period, but before all Commitment Periods have ended, the participant is entitled to the Reward related to the ongoing Commitment Period (prorated) and any unpaid Reward installments for a Commitment Period already ended. The participant is not entitled to Reward installments from any other Commitment Period that has not commenced. Participants are entitled to keep Rewards already received before the termination of the employment.

Share-based expense for the awards is based on the fair value of the shares on the grant date and reflects the estimated probability that the performance and service conditions will be met during the vesting period. The share-based expense is adjusted in future periods for changes in the expected outcome of the performance related conditions until the vesting date. A total expense of EUR 83 thousand was recognized for the second half of 2023. Full year expenses amounted to EUR 109 thousands. The amount recognized within equity was EUR 109 thousand on 31 December 2023.

3. Other operating charges

	H2 2023	H2 2022	2023	2022
Other voluntary personnel expenses	471	375	811	778
Premise expenses	482	504	940	945
IT expenses	1 486	1 037	2 748	1 894
Travel expenses	483	345	804	663
Marketing expenses	802	1 019	1 652	1 818
Outsourced services	805	559	1 736	1 828
Administrative expenses	721	993	1 448	1 890
Other operative costs	169	97	375	403
Total	5 419	4 930	10 514	10 218

4. Intangible and tangible assets

Intangible Assets	Development expenses	Intangible rights	Other capitalized long-term expenses	Goodwill	Total
Acquisition value 1.1.	15 041	2 280	149	68 071	85 541
FX Rate movements	(59)	(20)	-	(3 129)	(3 209)
Increases	5 184	391	85	-	5 660
Transfer between asset categories	1 202	(1 202)	-	-	-
Deductions	-	(93)	-	-	(93)
Acquisition value 31.12.	21 368	1 356	234	64 942	87 900
Amortization 1.1.	(6 537)	(503)	(117)	(10 013)	(17 170)
FX Rate movements	98	6	-	519	623
Amortization	(3 154)	(153)	(27)	(6 440)	(9 775)
Amortization 31.12.	(9 597)	(651)	(144)	(15 933)	(26 322)
Net book value	11 774	705	90	49 008	61 578

Management exercises judgment in determining whether the incurred development expenses meet capitalization criteria and whether the carrying amount of capitalized development exceeds the expected future cash flows of the software they relate to.

In H2 2023, development expenses totaling EUR 2,597 (3,074) thousand have been capitalized. Personnel expenses totaling EUR 2,005 (1,888) thousand have been capitalized as development cost. 72 (61) % of the capitalized development costs in total have been internally developed during H2 2023.

Development costs totaling EUR 4,443 (4,011) thousand have been expensed through profit and loss in H2 2023.

Tangible assets	Machinery and equipment	Other tangible assets	Total
Acquisition value 1.1.	2 850	8	2 858
FX Rate movements	(98)	(1)	(98)
Increases	155	-	155
Acquisition value 31.12	2 907	8	2 915
Depreciation 1.1.	(2 126)	-	(2 126)
FX Rate movements	74	-	74
Depreciation	(365)	-	(365)
Amortization 31.12.	(2 417)	-	(2 417)
Net book value	490	8	498

Investments	Other shares	Total
Acquisition value 1.1.	834	834
Acquisition value 31.12.	834	834
Net book value	834	834

5. Investments in group companies

Companies included in Nordhealth Group

	Parent Company	Business office	Ownership %	Functional currency
Nordhealth AS		Oslo, Norway		NOK
Nordhealth Oy	Nordhealth AS	Helsinki, Finland	100 %	EUR
Nordhealth Norway AS	Nordhealth Oy	Molde, Norway	100 %	NOK
Nordhealth Sweden AB	Nordhealth Norway AS	Västerås, Sweden	100 %	SEK
Nordhealth Denmark AS	Nordhealth Norway AS	Hinnerup, Denmark	100 %	DKK
Nordhealth Finland Oy	Nordhealth Oy	Helsinki, Finland	100 %	EUR
Navicre Oy	Nordhealth Oy	Oulu, Finland	100 %	EUR
Nordhealth Estonia OÜ	Nordhealth Oy	Tallinn, Estonia	100 %	EUR
Nordhealth USA Inc.	Nordhealth Oy	Denver, USA	100 %	USD
Provet Cloud (UK)	Nordhealth Oy	London, United Kingdom	100 %	GBP
Aspit AS	Nordhealth Oy	Seljord, Norway	100 %	NOK
EasyPractice ApS	Nordhealth Oy	Copenhagen, Denmark	100 %	DKK
Nordhealth Spain SL	Nordhealth Oy	Barcelona, Spain	100 %	EUR
Nordhealth Italy S.R.L	Nordhealth Oy	Milan, Italy	100 %	EUR
Vetera GmbH	Nordhealth Germany GmbH	Eltville, Germany	100 %	EUR
Nordhealth Germany GmbH	Nordhealth Oy	Munich, Germany	100 %	EUR

Aspit Sverige AB has been liquidated during the financial period.

6. Acquisitions

There have been no acquisitions during the second half of 2023.

On 31 January 2022, Nordhealth completed its acquisition of EasyPractice, a leading cloud-based practice management software provider for therapists.

On 10 March 2022, Nordhealth announced the acquisition of Vetera, a leading veterinary practice management software provider in the DACH region. The acquisition was completed on 1 June 2022.

Had the acquisitions taken place at the beginning of 2022, the Group's pro-forma revenues for the second half of 2022 would have been EUR 15,723 thousand.

Consideration paid for the acquisitions	2022
Paid in cash	18 293
Contribution in kind	554
Contingent consideration *	4 031
Total	22 878

*Paid in full in January 2023

The following assets and liabilities were recognized as a result of the acquisitions:

Investments	643
Intangible assets	1 020
Tangible assets	63
Non-current financial assets	64
Current assets	457
Cash balance	835
Non-current liabilities	(1 008)
Current liabilities	(2 149)
Goodwill	22 953
Total	22 878

7. Equity and shares

Statement of changes in equity

Intangible Assets	Share capital	Share premium	Translation reserve	Retained earnings	Total Equity
Equity 1.1.2022	7 829	108 886	1 610	(3 819)	114 506
Profit (loss) for the period	-	-	-	(14 264)	(14 264)
Increase of share capital	19	514	-	-	533
Translation reserve	-	-	(2 144)	-	(2 144)
Total Equity 31.12.2022	7 848	109 400	(535)	(18 083)	98 630

	Share capital	Share premium	Translation reserve	Retained earnings	Total Equity
Equity 1.1.2023	7 848	109 400	(535)	(18 083)	98 630
Treasury shares	(99)			(2 224)	(2 323)
Profit (loss) for the period				(11 132)	(11 132)
Share based payment program				109	109
Translation reserve			(2 517)		(2 517)
Total Equity 31.12.2023	7 749	109 400	(3 052)	(31 331)	82 766

On 24 April 2023, Annual General Meeting of Nordhealth AS was held. In this meeting, Board of Directors was granted an authorisation to increase the Company's share capital, in one or more rounds, by up to NOK 12,028,761.90 which is equivalent to approximately 15% of the current share capital, by issuance of A-shares. The shareholders' preferential right to subscribe for the new shares pursuant to Section 10-4 of the Norwegian Private Limited Liability Companies Act may be deviated from. The authorization comprises share capital increases against contribution in kind and the right to incur specific obligations on behalf of the Company, cf. Section 10-2 of the Norwegian Private Limited Liability Companies Act. The authorization covers share capital increases in connection with mergers pursuant to Section 13-5 of the Norwegian Private Limited Liability Companies Act. Board of Directors was also granted an authorisation to acquire own shares with a total nominal value of up to NOK 12,028,761.90, which is equivalent to approximately 15% of the current share capital. The maximum amount which can be paid for each share is NOK 50 and the minimum is NOK 1. These authorization are valid until the Company's annual general meeting in 2024, but no longer than 30 June 2024.

The Company completed two share buyback programs during 2023 and acquired 1,146,637 shares under the program for a total consideration of NOK 26.8 million.



Investors

Investor	A-shares	B-shares	Number of total shares	% of total	Type	Country
J.P. Morgan SE	12 328 210	29 794 638	42 122 848	53 %	Nominee	Luxembourg
State Street Bank and Trust Comp	6 399 999	0	6 399 999	8 %	Nominee	US
Nordnet Bank AB	1 009 429	5 033 226	6 042 655	8 %	Nominee	Sweden
Goldman Sachs & Co. LLC	4 546 253	0	4 546 253	6 %	Nominee	US
GOLDMAN SACHS BANK EUROPE SE	3 290 000	0	3 290 000	4 %	Nominee	Germany
FJARDE AP-FONDEN	3 270 000	0	3 270 000	4 %	Ordinary	Luxembourg
Skandinaviska Enskilda Banken AB	2 471 677	0	2 471 677	3 %	Nominee	Luxembourg
Avanza Bank AB	1 682 950	0	1 682 950	2 %	Nominee	Sweden
Morgan Stanley & Co. Int. Plc.	1 472 184	0	1 472 184	2 %	Nominee	UK
The Bank of New York Mellon SA/ NV	1 400 000	0	1 400 000	2 %	Nominee	Belgium
Total number owned by top 10	37 870 702	34 827 864	72 698 566	91 %		
Total number of shares	45 191 747	34 999 999	80 191 746	100 %		

8. Other current liabilities

	2023	2022
Other non-current liabilities	1 386	5 833
Total	1 386	5 833

Other current liabilities at the end of 2022 mainly consisted of an earn-out debt relating to EasyPractice acquisition amounting to EUR 4,033 thousand that was paid in January 2023.

Key definitions

Alternative performance measures

To enhance the understanding of Nordhealth's performance, Nordhealth presents certain measures and ratios considered as Alternative Performance Measures (APMs) as defined by the European Securities and Markets Authority and should not be viewed as a substitute for any financial measures (IFRS or other legislation). The APMs include, but not limited to, Implemented Annual Recurring Revenue (Implemented ARR), organic revenue, recurring revenue, EBITDA, EBITDA-CAPEX, adjusted EBITDA and adjusted EBITDA-CAPEX. These APMs are presented as Nordhealth considers them to be important supplemental measures to understand the overall picture of revenue and profit generation in Nordhealth's operating activities.

Implemented ARR

Implemented ARR is recurring revenue of software subscriptions annualised by multiplying the quarter's recurring revenue by four. This includes also value of volume-based transactions (e.g., SMS messages) as well as rebates from third parties (e.g. payment solution providers). Exchange rates used to calculate implemented ARR are adjusted on an annual basis at the end of the 1st quarter. Constant currency implemented ARR growth rates are calculated by applying the end of the previous financial year-end exchange rates to all the presented periods' implemented ARR.

Adjusted EBITDA

Adjusted EBITDA is revenue less all operating expenses excluding depreciation and amortization, M&A and equity funding transactions, other similar non-recurring items, and changes in contingent consideration.

In **adjusted EBITDA - CAPEX** capitalised product development expenses have been added back and is adjusted for one-time expenses not likely to incur in the near future.

Further information:

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