



*Q1 2022 Presentation*

May 20, 2022

# Today's presenters



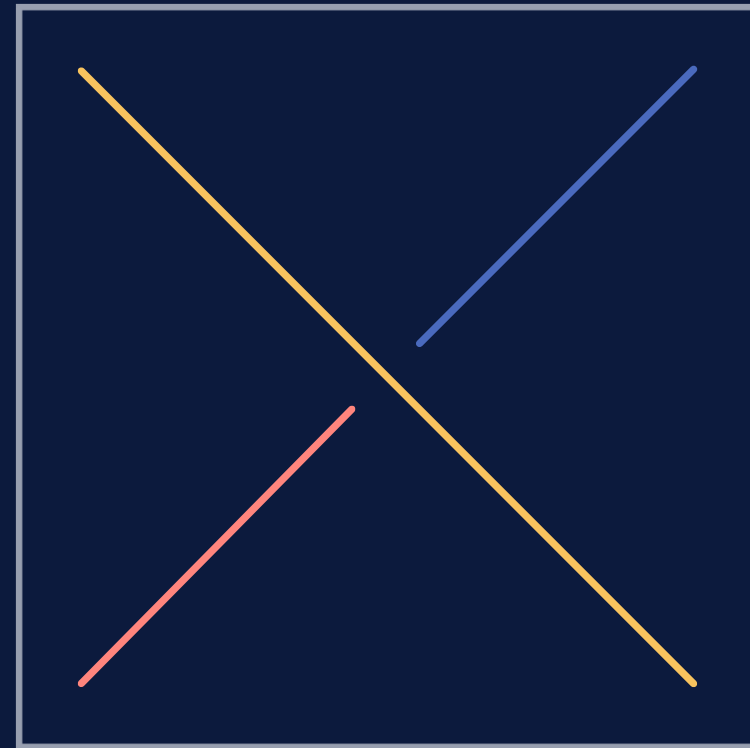
**Charles MacBain**

*CEO*



**Mari Orttenvuori**

*CFO*



# Company updates

*Charles MacBain, CEO*

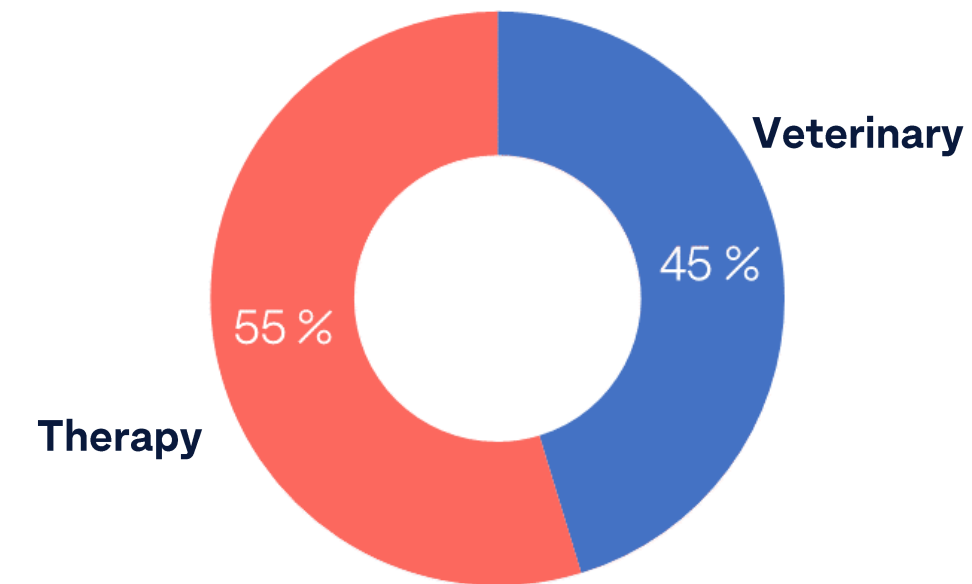


Improve the daily lives of  
healthcare professionals

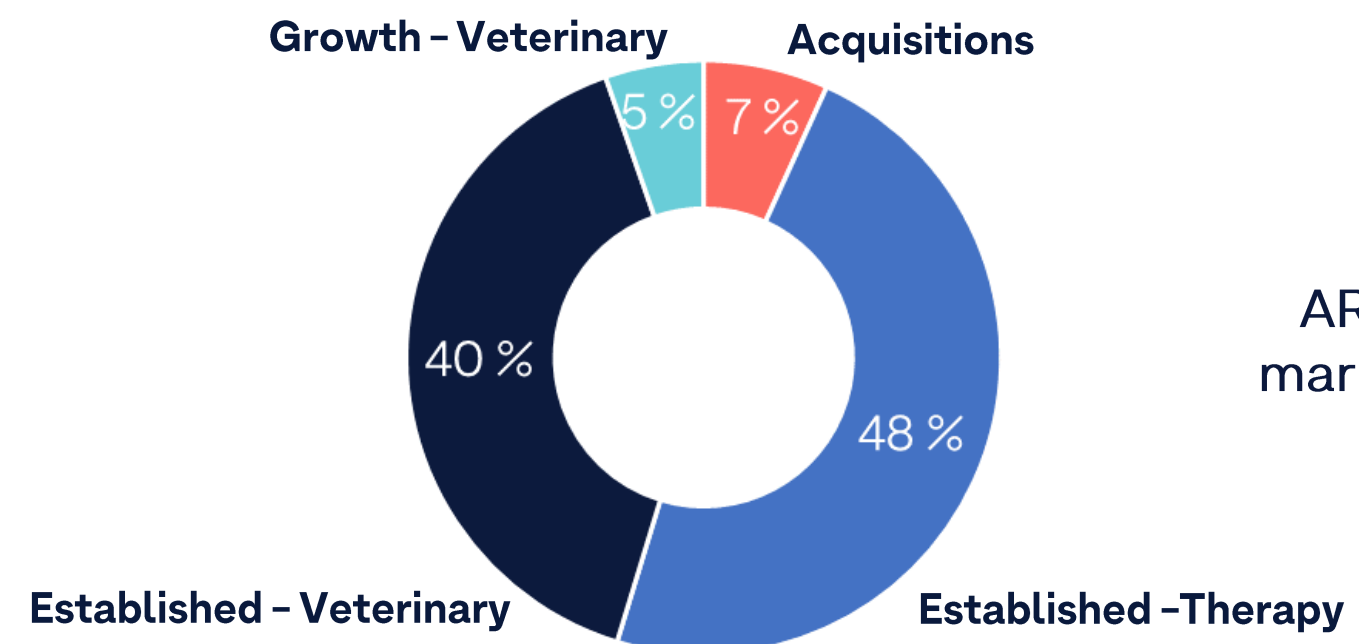
# Leading Nordic healthcare SaaS company expanding internationally

## 2022 business overview

- We build & acquire practice management software (PMS) in select healthcare niches. Currently, our software solutions target veterinary, physiotherapy, psychotherapy, occupational and speech therapy clinics.
- We have a once-in-a-generation window of opportunity in the next 5 years to recruit and onboard clinics as they shift from legacy on-premise or hosted software to cloud-based software. In June 2021, we raised €120M to capture clinics when they make the decision to switch.
- We are market leaders in the Nordic veterinary and therapy PMS markets and rapidly expanding internationally with strong beachheads in Spain, UK and USA
- We serve over 30,000 healthcare professionals across 11,000+ clinics and hospitals located in over 30 countries
- In April 2022, we recruited our 350<sup>th</sup> employee.



ARR split by segment Q1 2022



ARR split by market Q1 2022

# Growth strategy



## Medium term North Star: ARR per share

- 1. Hire, develop and empower A players and build great teams that can help us scale to a €110M+ ARR business**
- 2. Decentralized organization. Only HR, Finance and capital allocation is centralized.**
- 3. Focus on attractive healthcare niches. Currently, veterinary and therapy**
- 4. Build one modern, easy-to-use and efficient cloud-based software per healthcare niche that attracts customers through word-of-mouth**
- 5. Grow outside the Nordics within attractive healthcare niches organically one country at a time, focusing on being the #1 player in each market**
- 6. Grow Average Revenue Per User (ARPU) by continuously expand product offering range organically: Payments, consumer apps,...**
- 7. Accelerate growth through acquisition of legacy practice management software in our current healthcare niches then migrating their customers to our cloud platform**

# Acquisition history



Several acquisitions completed since 2005



Note: (1) Acquired Yoma Consulting's veterinary software implementation and support business; (2) The completion of the acquisition is subject to customary closing conditions and is expected to close during Q2 2022

## About

- **Leading Veterinary PMS serving more than 2,000 veterinary practices, clinics, and partners throughout Germany, Austria, and Switzerland.**
- **Founded in 1989 and headquartered in Eltville am Rhein, Germany**
- **30 employees**
- **Customers include AniCura, IVC Evidensia and 6 out of 8 vet universities in DACH region**

## Rationale and next steps

- **Gain a leading position in the German-speaking vet PMS market**
- **Vetera will remain operating independently under the Vetera brand and will continue to be led by CEO Alexander Felber with the support of his management team.**
- **Provet Cloud will be localized for the DACH region and Vetera customers will be migrated to Provet Cloud over the next few years.**

## Financials

**2021 Revenue: €2.702M**

**2021 Recurring Revenue: €1.482M**

**2021 EBITDA: €0.53M**

**2022E Recurring Revenue: €1.7M**

## Acquisition

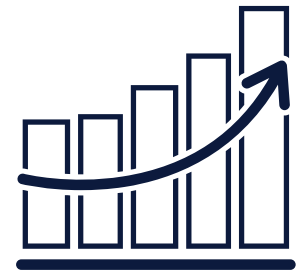
**100% stake in Vetera at enterprise value of EUR 8.36M**

**19.26% stake in PetLeo for EUR 0.64M**

**Combined enterprise value: €9.0M**



# Q1 2022 KPIs



**116% total  
ARR growth**  
LTM ARR Q1 2022



**24% organic  
ARR growth**  
LTM ARR Q1 2022



**+8% organic  
new customer  
recruitments**  
LTM ARR Q1 2022



**116% organic  
net retention rate**  
LTM ARR Q1 2022



**EUR 27.5M  
Signed ARR**  
Q1 2022

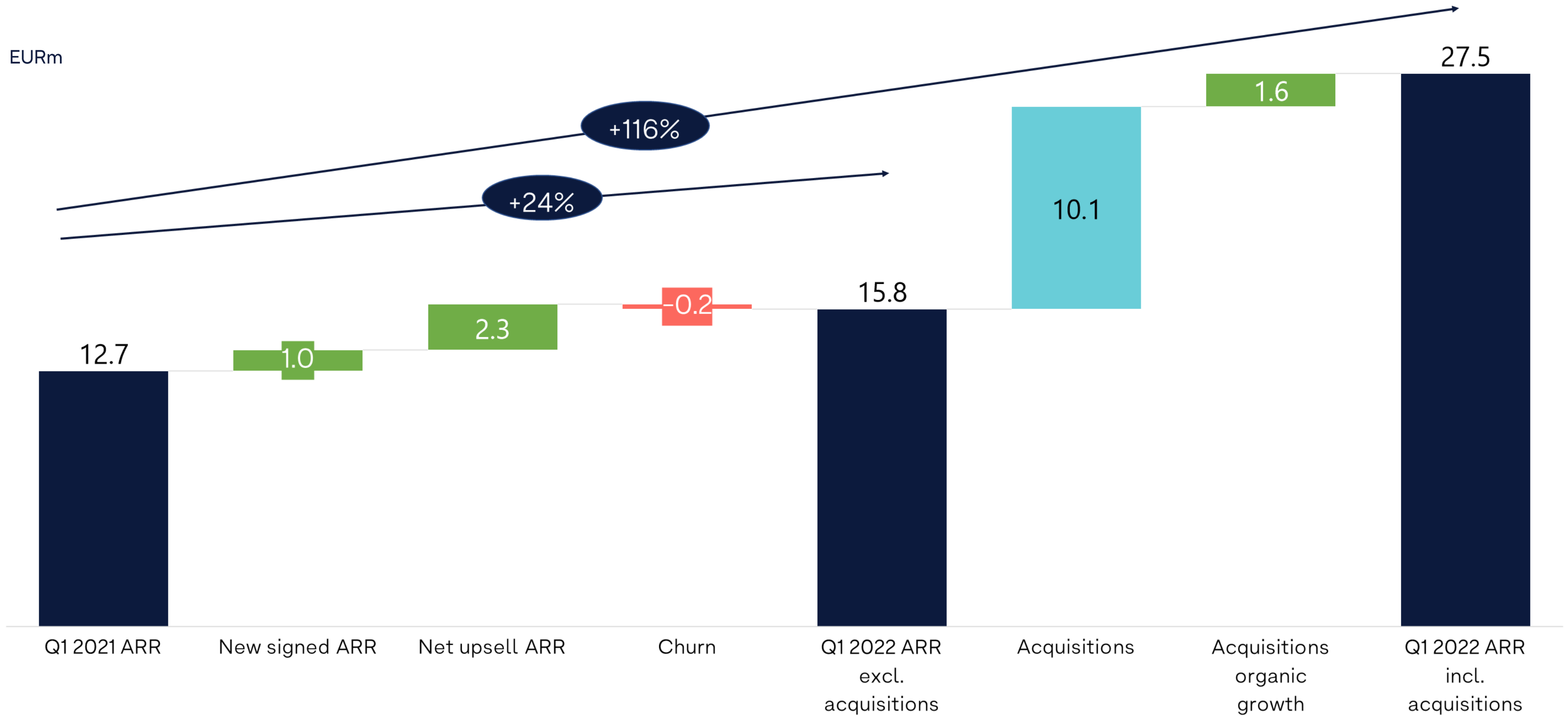


**EUR 0.34  
ARR per share**  
Q1 2022



**1.9% organic  
ARR gross churn**  
LTM ARR Q1 2022

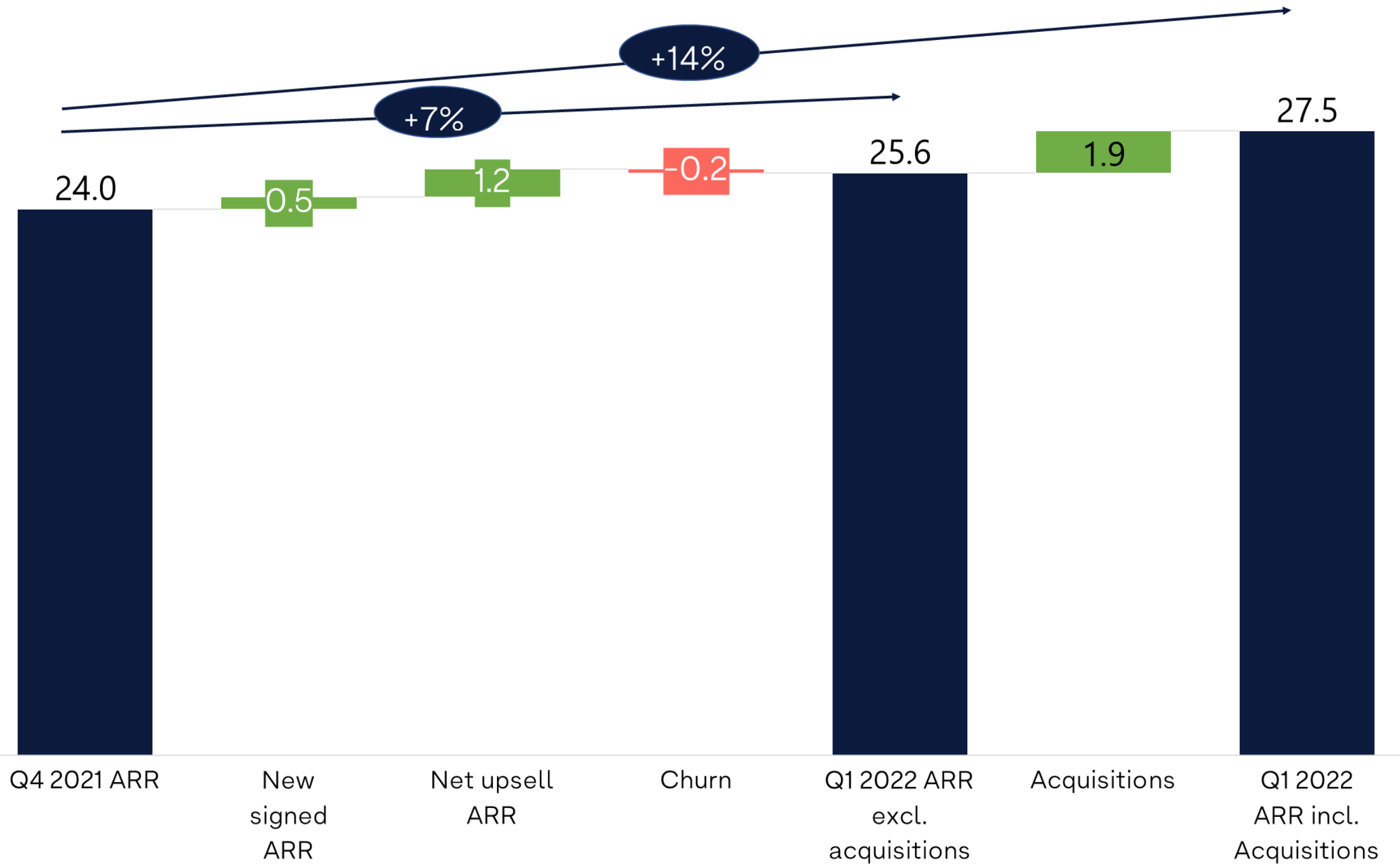
# 116% YoY ARR growth



# 14% QoQ ARR growth



EURm



- Strong ARR growth across both Veterinary and Therapy business units at 14.4%
- Q1'22 organic signed ARR growth 7%
- Price increases only for part of the customer base (some in Q2 and Q3)
- Pricing impact account for approx. €0.4M of the €1.2M Net upsell ARR growth
- Low churn 1.9 %
- EasyPractice acquisition Q1/2022

# Q1 2022 Update



## New customers

- Contracting for pilot Provet Cloud at one of the 6 largest UK Veterinary corporate chains.
- Signed Terveystalo Healthcare Rehabilitation Clinics in Finland

## New Hires

- Mari **Orttenvuori** joins as **CFO**
- **Valter Pasanen** promoted to **CEO of veterinary business unit**
- **New Chief People Officer signed**
- **New Hires (excl. EasyPractice)**
  - 9 in support
  - 22 in sales, marketing & onboarding
  - 24 in product development
  - 6 in G&A

## Product Updates

- Began development and presales of new pet parent mobile app. Beta release Q3 2022.
- Design System V.1 launched

The screenshot shows a dashboard for 'Bath Clinic' with a 'Payouts' table. The table has columns for Amount, Status, Description, Method, Date, and Actions. The data rows are as follows:

Amount	Status	Description	Method	Date	Actions
350,00 €	Success	Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eg...	Card	20.3.2021	...
29,90 €	Warning	Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eg...	Card	20.3.2021	...
50,00 €	Success	Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eg...	Card	19.3.2021	...
49,00 €	Success	Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eg...	Card	17.3.2021	...
1023,00 €	Alert	Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eg...	Card	12.3.2021	...
32,00 €	Success	Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eg...	Card	10.3.2021	...
40,00 €	Warning	Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eg...	Card	9.3.2021	...
28,52 €	Warning	Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eg...	Card	4.3.2021	...
350,00 €	Success	Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eg...	Card	4.3.2021	...
220,00 €	Success	Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eg...	Card	3.3.2021	...
50,00 €	Success	Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eg...	Card	1.3.2021	...
350,00 €	Success	Lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean commodo ligula eg...	Card	30.2.2021	...



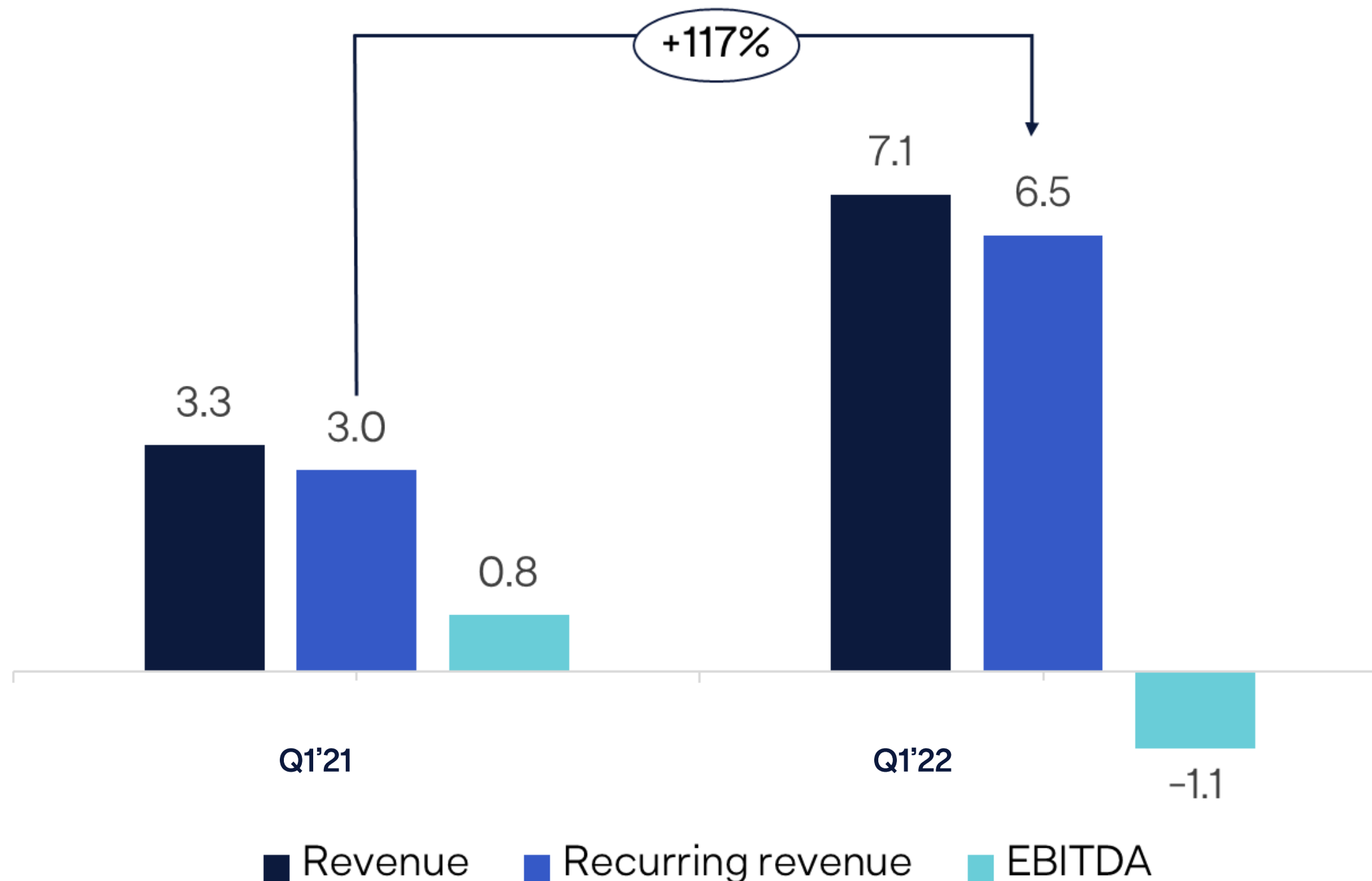
# Financial updates

*Mari Orttenvuori, CFO*

# Strong revenue growth in Q1 2022 vs. Q1 2021



Reported financials (EURm)



- Q1'22 revenue EUR 7.1M, up 111% YoY
- Q1'22 recurring revenue EUR 6.5M, up 117% YoY
- Q1'22 EBITDA EUR -1.1M
- Continue to be highly profitable in established markets, while re-investing profits to grow ARR in growth markets

# Profit & Loss Statement



Consolidated Income Statement			
	Unaudited	Unaudited	Audited
EUR in thousands	Q1 2022	Q1 2021	2021
Recurring revenue	6 453	2 972	18 464
Other revenue	603	372	1 836
<b>Total revenues</b>	<b>7 056</b>	<b>3 344</b>	<b>20 300</b>
Other operating income	4	16	31
<b>Total operating income</b>	<b>7 060</b>	<b>3 360</b>	<b>20 331</b>
Material and services	(1 093)	(408)	(3 562)
Personnel expenses	(4 608)	(1 567)	(10 073)
Other operating charges	(2 493)	(555)	(6 918)
<b>Total operating expenses</b>	<b>(8 194)</b>	<b>(2 530)</b>	<b>(20 553)</b>
<b>Operating profit (loss), before Depreciation (EBITDA)</b>	<b>(1 134)</b>	<b>830</b>	<b>(222)</b>
Depreciation and amortization	(412)	(216)	(1 305)
Amortization of goodwill	(1 420)	(128)	(2 931)
<b>Total depreciation and amortization</b>	<b>(1 832)</b>	<b>(344)</b>	<b>(4 236)</b>
<b>Operating profit (EBIT)</b>	<b>(2 966)</b>	<b>486</b>	<b>(4 458)</b>
Other financial income	294	11	758
Interest expenses	(8)	(9)	(41)
Other financial expenses	(236)	(137)	(905)
<b>Total financial income and expense</b>	<b>50</b>	<b>(135)</b>	<b>(188)</b>
<b>Profit (loss) before tax</b>	<b>(2 916)</b>	<b>352</b>	<b>(4 646)</b>
Taxes	(88)	0	(85)
<b>Net profit (loss)</b>	<b>(3 003)</b>	<b>352</b>	<b>(4 731)</b>
Adjustments to EBITDA:	-	-	2 116
<b>Adjusted EBITDA</b>	<b>(1 134)</b>	<b>830</b>	<b>1 895</b>
Adjusted EBITDA-%	-	24.8 %	9.3 %
<b>Adjusted Net profit (loss)</b>	<b>(3 003)</b>	<b>352</b>	<b>(2 615)</b>

- Recurring revenues Q1'22 EUR 6.5M
  - 91% of total revenues
- EBITDA Q1'22 of EUR -1.1M
- Cost base differs from Q1/21 due to:
  - Acquisitions in 2021
  - High talent acquisition activity

# Balance Sheet



## Consolidated Balance Sheet

	Unaudited	Unaudited	Audited
EUR in thousands	31 Mar 2022	31 Mar 2021	31 Dec 2021
Intangible assets	5 170	2 625	4 556
Deferred tax assets	46	-	45
Other capitalized long-term expenses	59	30	68
Goodwill	58 006	4 144	43 002
Machinery and Equipment	818	308	765
Other shares and similar rights of ownership	191	189	191
<b>Total non-current assets</b>	<b>64 290</b>	<b>7 345</b>	<b>48 627</b>
Accounts receivable	1 260	1 083	2 433
Loan receivables, short-term	49	144	49
Other receivables	809	144	701
Prepayments and accrued income	1 301	921	650
Money market funds	34 346	-	46 458
Cash at bank and in hand	23 419	3 458	26 210
<b>Total current assets</b>	<b>61 184</b>	<b>5 750</b>	<b>76 500</b>
<b>Total assets</b>	<b>125 475</b>	<b>13 095</b>	<b>125 127</b>
<b>Total equity</b>	<b>112 607</b>	<b>5 342</b>	<b>114 506</b>
Non-current liabilities to credit institutions	25	1 637	25
Other non-current liabilities	0	1 725	751
<b>Total non-current liabilities</b>	<b>25</b>	<b>3 363</b>	<b>775</b>
Current liabilities to credit institutions	25	672	25
Advances received	2 963	841	3 806
Accounts payable	1 094	327	1 055
Other current liabilities	4 933	570	1 662
Accrued expenses and deferred income	3 829	1 981	3 298
<b>Total current liabilities</b>	<b>12 843</b>	<b>4 390</b>	<b>9 846</b>
<b>Total equity and liabilities</b>	<b>125 475</b>	<b>13 095</b>	<b>125 127</b>

## Cash and Cash Equivalents

- EUR 57.8M of cash and cash equivalents at the end of Q1'22

## Change in assets

- Goodwill increased from the acquisition of EasyPractice in Q1'22 financed through money market funds

## Change in equity and liabilities

- EasyPractice earn-out debt EUR 4.0M
- Payment of Sanimalis earn-out EUR 0.8M



# Cashflow



## Consolidated Cash Flow Statement

	Unaudited	Unaudited	Audited
EUR in thousands	Q1 2022	Q1 2021	31 Dec 2021
<b>Cash flow from operations</b>			
Profit before income taxes	(2 916)	368	(4 646)
Taxes paid in the period	(5)	-	(36)
Non-cash items	759	20	905
Depreciation and amortization	1 832	344	4 236
Change in trade debtors	1 172	68	(1 281)
Change in trade creditors	(3)	(150)	577
Change in other provisions	(2 878)	(72)	5 812
<b>Net cash flow from operations</b>	<b>(2 039)</b>	<b>577</b>	<b>5 567</b>
<b>Cash flow from investments</b>			
Investments in tangible and intangible assets	(1 212)	(553)	(3 377)
Purchase of shares and investments	(10 789)	13	(42 246)
Purchase of other investments	-	-	(2)
Withdrawals from and payments to money market funds	12 000	-	(46 515)
<b>Net cash flow from investments</b>	<b>(1)</b>	<b>(540)</b>	<b>(92 140)</b>
<b>Cash flow from financing</b>			
Change in debt	(751)	(348)	(3 583)
Issuance of Equity	-	-	116 329
Payment of dividend	-	-	(3 731)
<b>Net cash flow from financing</b>	<b>(751)</b>	<b>(348)</b>	<b>109 015</b>
Net change in cash and cash equivalents	(2 791)	(311)	22 442
Cash and cash equivalents at the beginning of the period	26 210	3 768	3 768
<b>Cash and cash equivalents at the end of the period</b>	<b>23 419</b>	<b>3 458</b>	<b>26 210</b>
Money market fund	34 346	-	46 515

Negative cash flow in Q1'22 mainly impacted by investments in growth markets and product development in accordance with the plan

### Cash flow from operating activities

- Timing of invoicing and payments impact cash flow from operations during the 1<sup>st</sup> quarter

### Cash flow from investing activities

- EasyPractice acquisition paid in cash from the money market fund

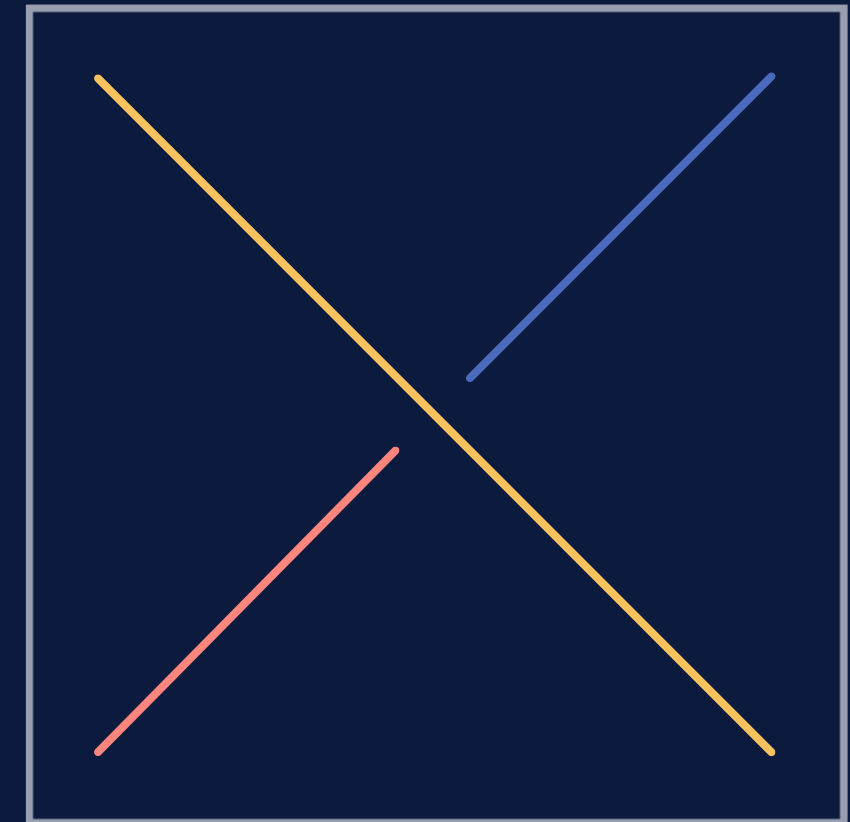
### Cash flow from financing activities

- Payment of earn-out (Sanimalis)

# 2022 Financial calendar



2022 Half-yearly report on 19 August 2022



# Forecasting 20–25% organic growth in 2022, excluding acquisitions

## ARR Forecast

EUR in millions	Low	High
YE 2021 ARR	24.0	24.0
Organic Growth (excl. 2022 acquisitions)	4.8	6.0
EasyPractice	2.2	2.4
Vetera	1.5	1.7
Other acquisitions	-	-
YE 2022 ARR	32.5	34.1

## Outlook and final remarks

- Reiterating our forecast organic ARR growth target for 2022 of 20–25%
- Continued ramp-up of product development organization and US, UK, Spanish veterinary go to market team (marketing, sales, onboarding) to enable acceleration in organic growth in 2023 and onwards
- Continue focus on new sales from new customers

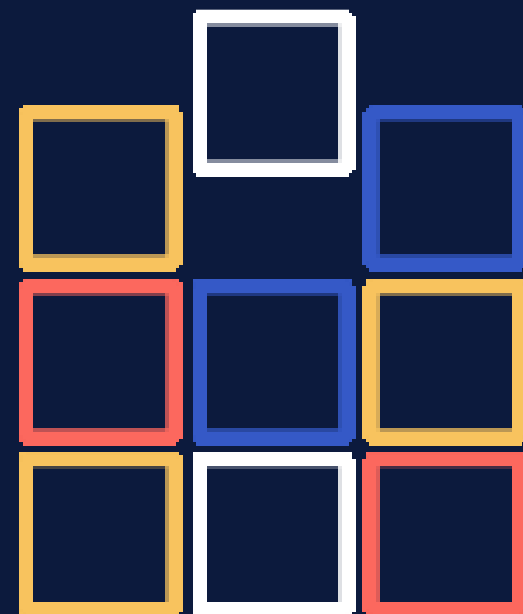


# Q&A





# Appendix



# Our products



Products offer REST API<sup>(1)</sup> which allows 3<sup>rd</sup> parties to interact with the data residing in Nordhealth products efficiently, and provides flexibility to meet customers' needs

Note: (1) Representational state transfer application program interface