



Q2 2022 Presentation

August 16, 2022

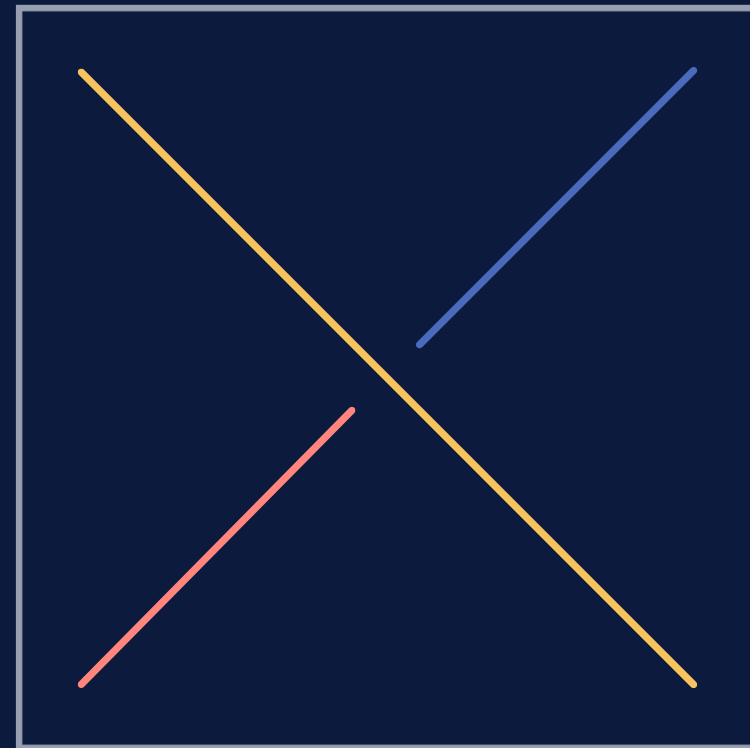
Today's presenters



Charles MacBain
CEO



Mari Orttenvuori
CFO



Company updates

Charles MacBain, CEO

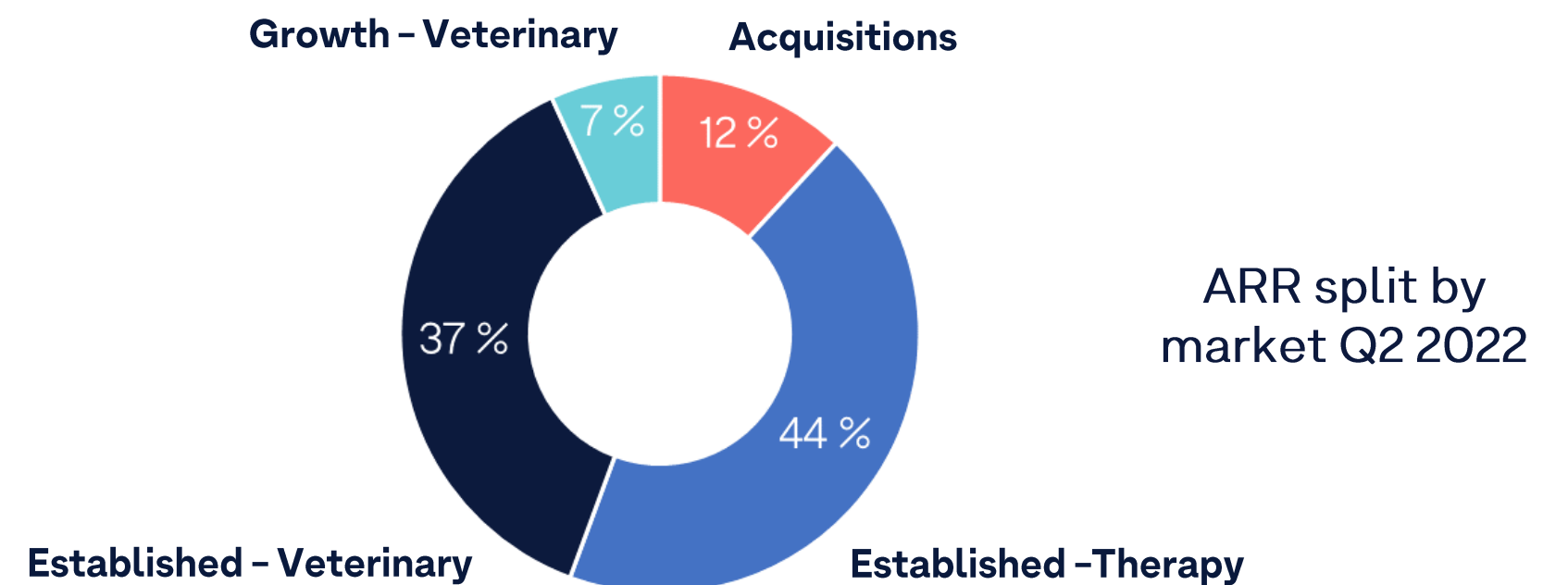
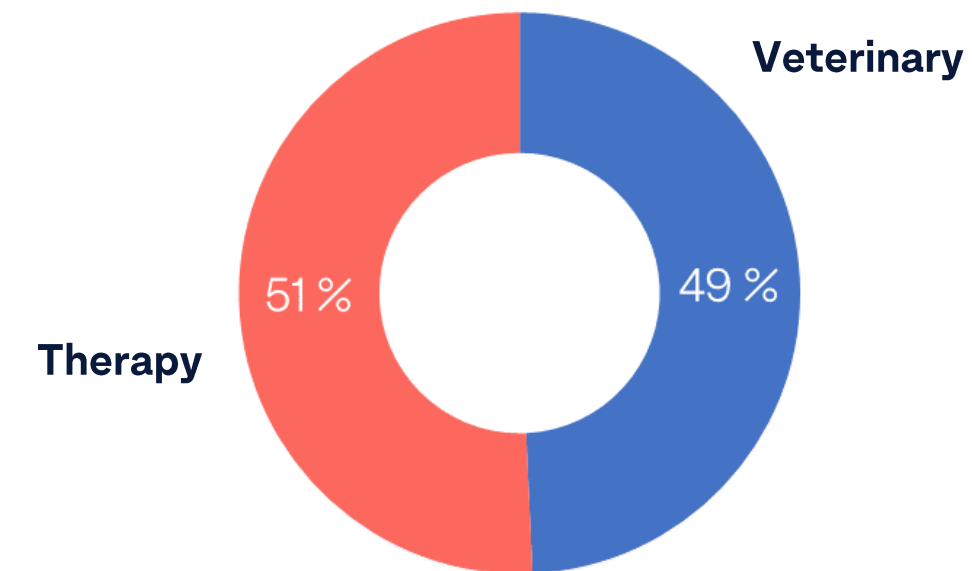


Improve the daily lives of
healthcare professionals

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 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 50,000+ healthcare professionals across 13,000+ clinics and hospitals located in over 30 countries
- In July 2022, we recruited our 400th employee.



Acquisition history

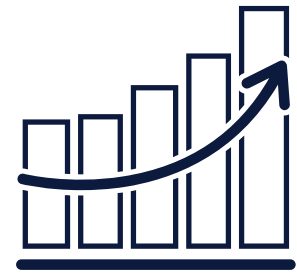


Several acquisitions completed since 2005



Note: (1) Acquired Yoma Consulting's veterinary software implementation and support business; (2) Consolidated as of beginning of June 2022

Q2 2022 KPIs



**33% total
ARR growth**
LTM ARR Q2 2022



**17% organic
ARR growth**
LTM ARR Q2 2022



**+8% organic
new customer
recruitments**
LTM ARR Q2 2022



**109% organic
net retention rate**
LTM ARR Q2 2022



**EUR 29.7M
Signed ARR**
Q2 2022



**EUR 0.37
ARR per share**
Q2 2022

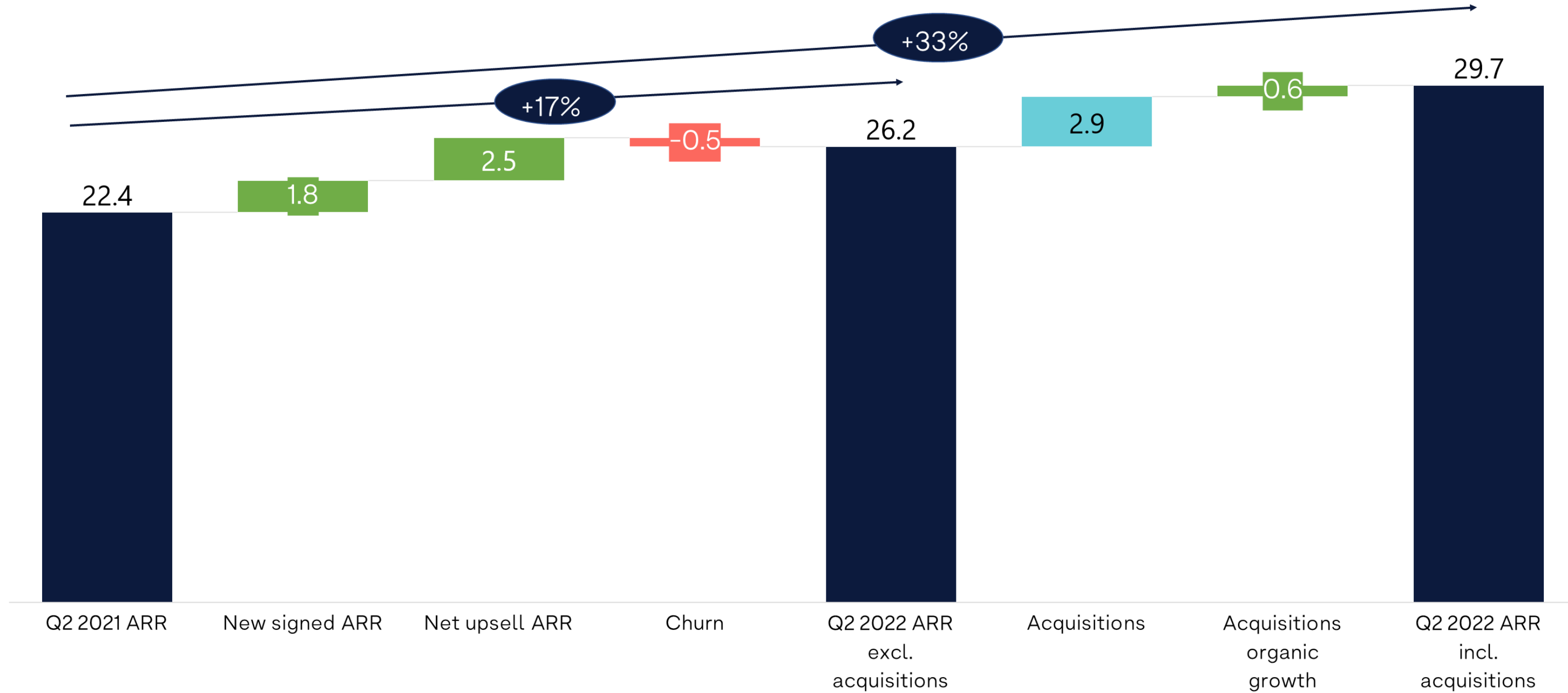


**2.3% organic
ARR gross churn**
LTM ARR Q2 2022

33% YoY ARR growth



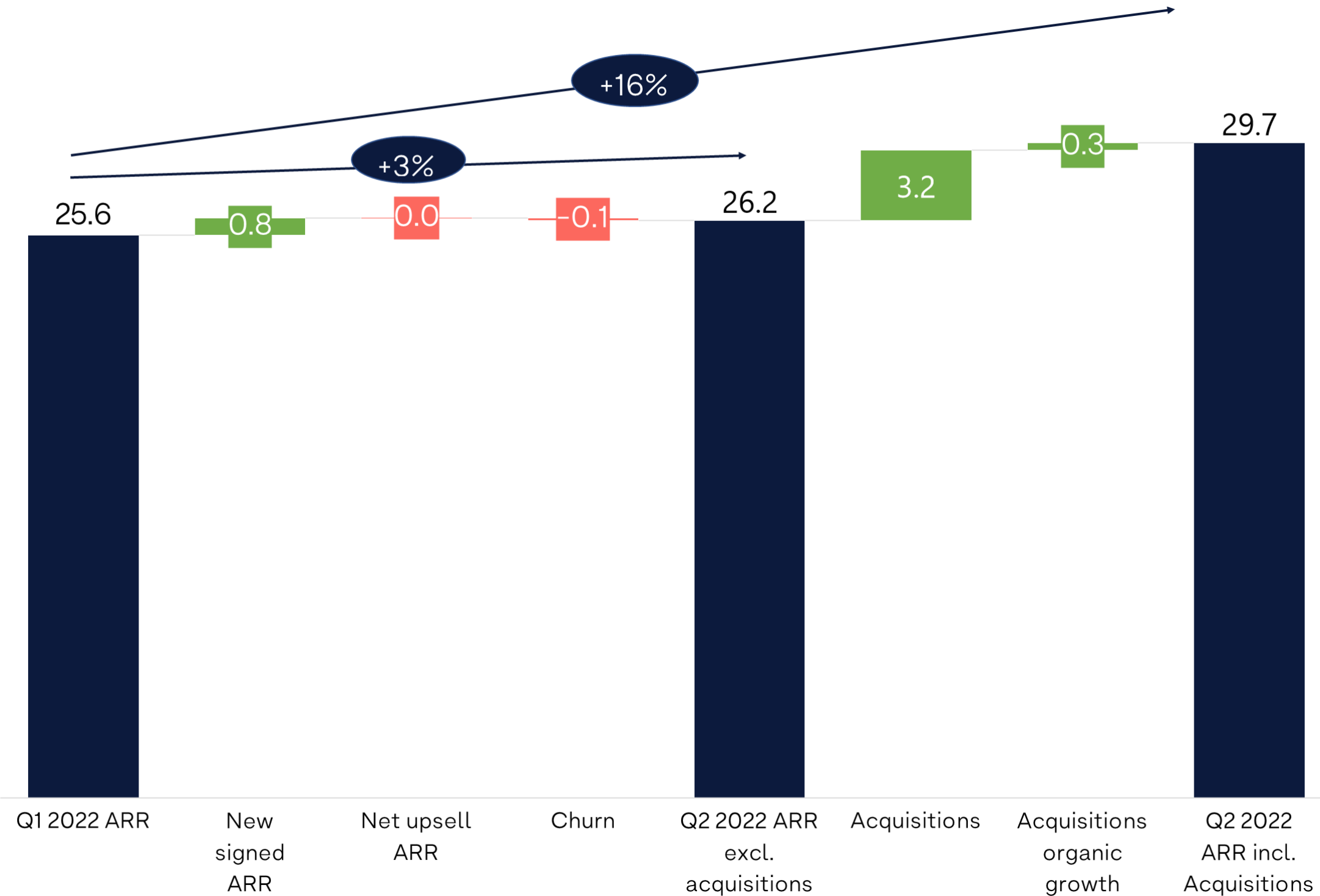
EURm



16% QoQ ARR growth



EURm



- Strong ARR growth at 16%
- Q2'22 organic signed ARR growth of 3%
- Q2'22 acquisition signed ARR growth of 7%
- Net upsell ARR was negatively impacted by:
 - Revenue-based enterprise contracts in Therapy. Impact €0.2M
 - Aspit churn seasonality
- Veterinary ARR growth of 6.5%, mostly due to new location onboarding
- EasyPractice acquired Q1/2022
- Vetera acquired Q2/2022

Q2 2022 Update



Operational update

- Szymon Olko joins as new **veterinary** Engineering Director
 - Previously director of engineering at Opera
- Fabio Carneiro promoted to **veterinary** VP Product
 - Previously lead designer at Booking.com
 - Senior engineering manager at Mailchimp
- Aspit Mobile launched, enabling Aspit customers to access their data anywhere, anytime
- Veterinary whiteboard add-on pilot completed

New customers

- Won tender for University of Cambridge
- Signed IVC Evidensia Denmark
- Implementing IVC Evidensia clinics in Spain

2022 H1 Contribution Margin over 61% for established markets



Contribution Margin EUR in millions	Vet Established	Therapy	Total
Recurring Revenues	4,9	6,5	11,4
Cost of Goods Sold	-0,8	-1,1	-1,8
Customer Support	-0,7	-0,8	-1,5
Country G&A	-0,5	-0,6	-1,1
Contribution Margin 1	2,9	4,0	7,0
<i>Margin</i>	59.7%	62.1%	61.0%
General and Administrative			-2,7
Contribution Margin 2			4,3
<i>Margin</i>			37%
Growth Investments EUR in millions			
Expansion in veterinary growth markets			-0,6
Net Customer Acquisition Cost			-3,7
Product Development			-5,6
Growth Investments			-9,9
EBITDA - CAPEX			-5,6

Commentary

- Veterinary growth markets (USA, UK, Italy, Spain, Denmark and Other) had recurring revenues of €1.1M in H1 2022. Assuming the same margin as the established markets, we are over-investing €1.3M to setup and ramp-up customer service and local operations in these markets.
- Net Customer Acquisition costs efficiency: CAC to new ARR
 - Therapy: 2.1
 - Veterinary Established: 2.2
 - Veterinary Growth: 4.6
- Continued investment in product development to localize our cloud products, develop new features and add-ons, and improve operational efficiency.



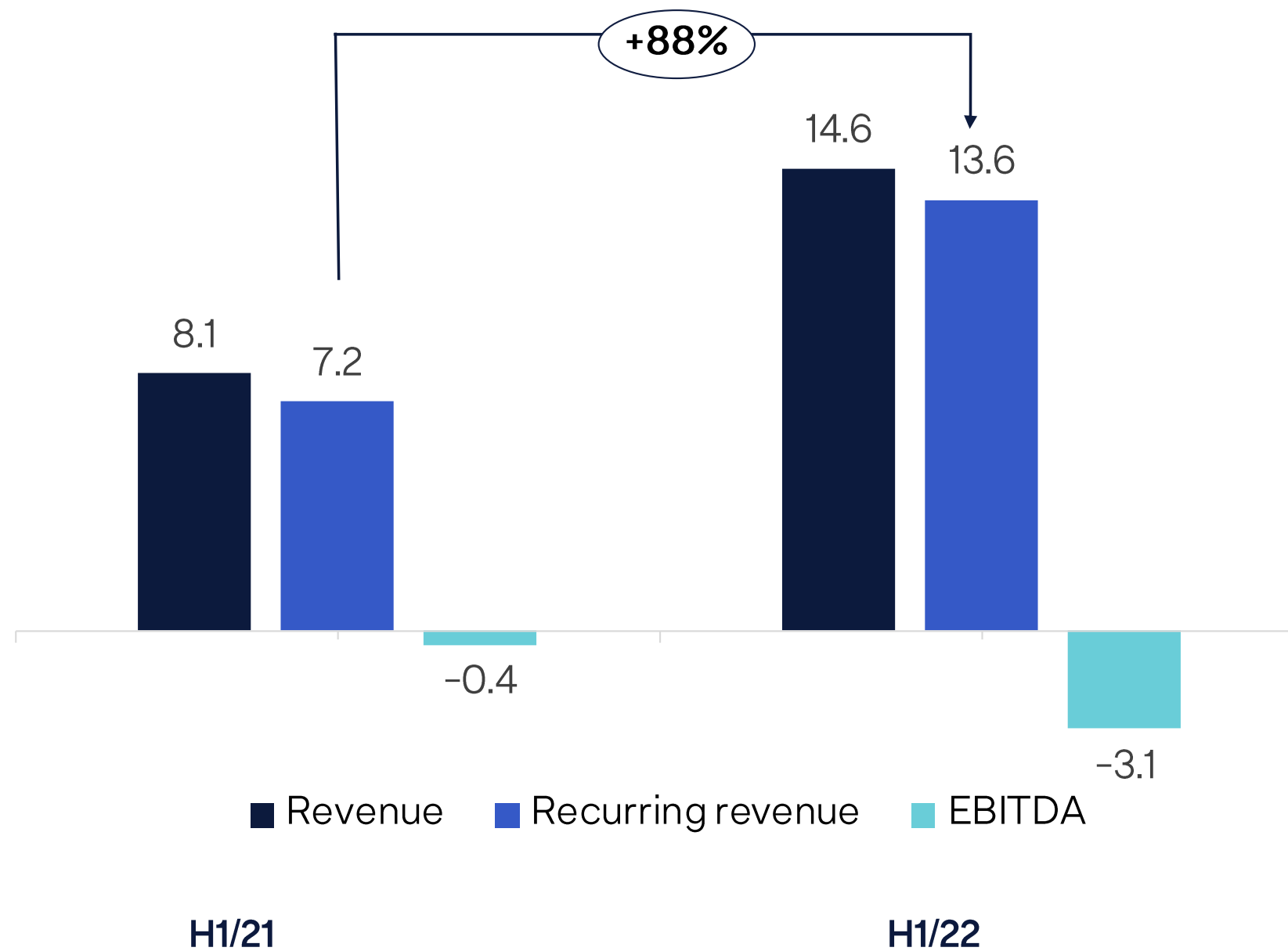
Financial updates

Mari Orttenvuori, CFO

Strong H1 2022 with 93% recurring revenue



Reported financials (EURm)

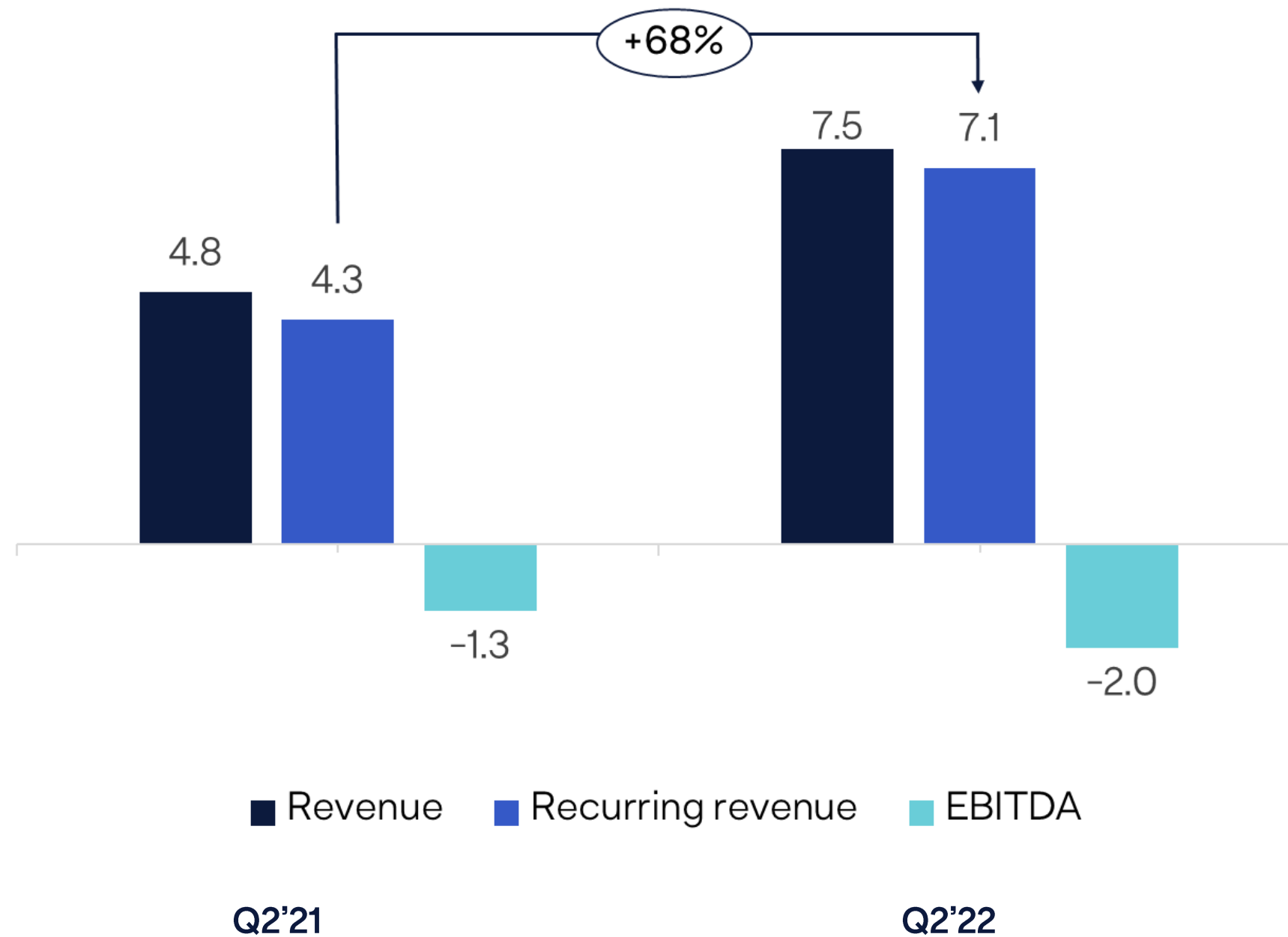


- H1/22 revenue EUR 14.6M, up 79% YoY
- H1/22 recurring revenue EUR 13.6M, up 88% YoY
- H1/22 EBITDA EUR -3.1M
- Continue re-investing profits from established markets to grow ARR in growth markets

Strong revenue growth in Q2 2022 vs. Q2 2021



Reported financials (EURm)



- Q2'22 revenue EUR 7.5M, up 57% YoY
- Q2'22 recurring revenue EUR 7.1M, up 68% YoY
- Q2'22 EBITDA EUR -2.0M
- Q2'21 EBITDA includes €2.4M IPO and M&A related costs

Profit & Loss Statement



Consolidated Income Statement

	Unaudited	Unaudited	Unaudited	Unaudited	Audited
EUR in thousands	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021
Recurring revenue	7 144	4 258	13 596	7 230	18 464
Other revenue	365	527	968	899	1 836
Total revenues	7 509	4 785	14 565	8 129	20 300
Other operating income	61	4	65	20	31
Total operating income	7 570	4 789	14 630	8 149	20 331
Material and services	(1 175)	(918)	(2 268)	(1 326)	(3 562)
Personnel expenses	(5 561)	(2 093)	(10 169)	(3 660)	(10 073)
Other operating charges	(2 796)	(3 040)	(5 288)	(3 595)	(6 918)
Total operating expenses	(9 532)	(6 051)	(17 725)	(8 581)	(20 553)
Operating profit (loss), before Depreciation (EBITDA)	(1 962)	(1 262)	(3 095)	(432)	(222)
Depreciation and amortization	(521)	(414)	(932)	(630)	(1 305)
Amortization of goodwill	(1 616)	(450)	(3 036)	(578)	(2 931)
Total depreciation and amortization	(2 136)	(864)	(3 968)	(1 208)	(4 236)
Operating profit (EBIT)	(4 098)	(2 125)	(7 063)	(1 639)	(4 458)
Other financial income	1 025	39	1 320	50	758
Interest expenses	(4)	(25)	(12)	(36)	(41)
Other financial expenses	(376)	(288)	(613)	(423)	(905)
Total financial income and expense	646	(274)	695	(409)	(188)
Profit (loss) before tax	(3 452)	(2 400)	(6 368)	(2 048)	(4 646)
Taxes	(107)	396	(195)	396	(85)
Net profit (loss)	(3 559)	(2 004)	(6 562)	(1 652)	(4 731)
Adjustments to EBITDA:	-	2 366	-	2 366	2 116
Adjusted EBITDA	(1 962)	1 104	(3 095)	1 935	1 894
Adjusted EBITDA-%	-	23 %	-	24 %	9 %
Adjusted Net profit (loss)	(3 559)	363	(6 562)	714	(2 615)

- Recurring revenues H1/22 EUR 13.6M; up **88% YoY**
 - YoY organic growth in recurring revenue 23%
 - 93% of total revenue of EUR 14.6M
- Recurring revenues Q2/22 EUR 7.1M; up **68% YoY**
 - YoY organic growth in recurring revenue 10%
 - 95% of total revenue of EUR 7.5M
- EBITDA H1/22 of EUR -3.1M
- EBITDA Q2/22 of EUR -2.0M
- Cost base in 2022 differs from 2021 due to acquisitions completed in 2021 and in 2022 and significant talent acquisition activity; net increase in H1/2022 120 FTE

Balance Sheet



Consolidated Balance Sheet

EUR in thousands	Unaudited 30-Jun-22	Unaudited 30-Jun-21	Audited 31-Dec-21
Intangible assets	7 687	3 057	4 556
Deferred tax assets	43	74	45
Other capitalized long-term expenses	48	142	68
Goodwill	61 685	43 277	43 002
Machinery and Equipment	857	534	765
Other shares and similar rights of ownership	834	191	191
Other non-current receivables	64	49	-
Total non-current assets	71 219	47 326	48 627
Stocks	-	4	-
Accounts receivable	2 370	2 386	2 306
Loan receivables, short-term	-	94	49
Other receivables	1 317	638	827
Prepayments and accrued income	1 009	450	650
Money market funds	23 864	2 557	46 458
Cash and cash equivalents	24 434	76 383	26 210
Total current assets	52 994	82 511	76 500
Total assets	124 213	129 839	125 127

Total equity	107 051	116 792	114 506
Non-current liabilities to credit institutions	911	25	25
Other non-current liabilities	143	2 428	751
Total non-current liabilities	1 053	2 452	775
Current liabilities to credit institutions	73	245	25
Advances received	5 082	3 625	3 806
Accounts payable	1 070	1 585	1 055
Other current liabilities	5 870	1 373	1 662
Accrued expenses and deferred income	4 014	3 767	3 298
Total current liabilities	16 109	10 594	9 846
Total equity and liabilities	124 213	129 839	125 127

Cash and Cash Equivalents

- EUR 48.3M of cash and cash equivalents at the end of Q2'22

Change in assets

- Goodwill increased from the acquisitions of EasyPractice in Q1'22 and Vetera in Q2'22 financed through money market funds
- Increase in other shares is the minority interest in PetLeo acquired as part of Vetera

Change in equity and liabilities

- EasyPractice earn-out debt EUR 4.0M within other current liabilities
- Payment of Sanimalis earn-out EUR 0.8M in Q1'22
- Increase in non-current liabilities to credit institutions is a bank loan of Vetera which has been repaid in July
- Advances received have increased due to the acquisitions

Cashflow



Consolidated Cash Flow Statement

EUR in thousands	Unaudited Q2 2022	Unaudited H1 2022	Unaudited H1 2021	Audited FY 2021
Cash flow from operations				
Profit before income taxes	(3 452)	(6 368)	(2 048)	(4 646)
Taxes paid in the period	(48)	(53)	(129)	(36)
Non-cash items	43	904	308	905
Depreciation and amortization	2 136	3 968	1 207	4 236
Change in inventory	-	-	(4)	-
Change in trade debtors	(1 355)	(183)	(1 235)	(1 281)
Change in trade creditors	(48)	(51)	1 107	577
Change in other provisions	2 172	(808)	3 118	5 812
Net cash flow from operations	(552)	(2 591)	2 324	5 567
Cash flow from investments				
Investments in tangible and intangible assets	(1 849)	(3 061)	(1 611)	(3 377)
Purchase of shares and investments	(6 853)	(17 642)	(40 871)	(42 246)
Purchase of other investments	-	-	(2)	(2)
Proceeds from and investments in money market funds	10 500	22 500	-	(46 515)
Net cash flow from investments	1 797	1 796	(42 484)	(92 140)
Cash flow from financing				
Change in debt	(231)	(982)	(1 631)	(3 583)
Issuance of Equity	-	-	116 329	116 329
Payment of dividend	-	-	(3 731)	(3 731)
Net cash flow from financing	(231)	(982)	110 966	109 015
Net change in cash and cash equivalents	1 014	(1 776)	72 614	22 442
Cash and cash equivalents at the beginning of the period	23 419	26 210	3 768	3 768
Cash and cash equivalents at the end of the period	24 434	24 434	76 383	26 210
Money market fund	23 864	23 864	-	46 458

Cash flow from operating activities

- Cash flow in H1/22 mainly impacted by investments in growth markets and product development in accordance with the plan

Cash flow from investing activities

- EasyPractice (Q1) and share of Vetera acquisitions (Q2) paid in cash from the money market fund

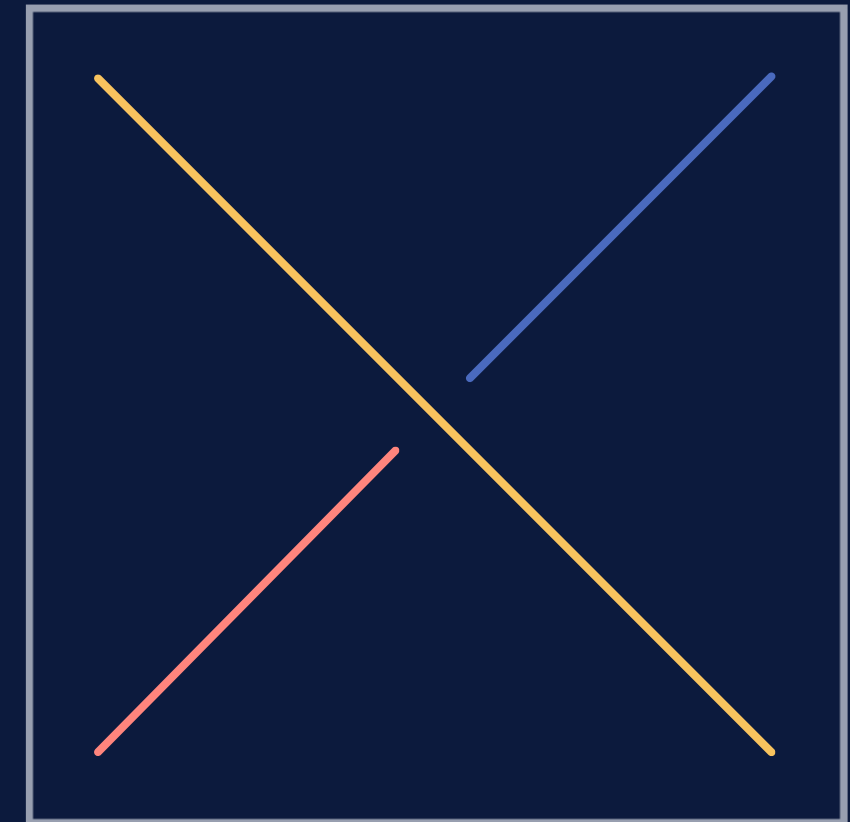
Cash flow from financing activities

- Payment of earn-out (Sanimalis) in Q1 and repayment of short-term debt acquired as part of Vetera in Q2

2022 Financial calendar



Q3 2022 results presentation on 25 November 2022



Forecasting 20% signed organic ARR growth in 2022, excluding acquisitions



ARR Forecast

EUR in millions	Forecast
YE 2021 ARR	24.0
Organic Growth (excl. 2022 acquisitions)	4.8
EasyPractice	2.2
Vetera	1.5
Other acquisitions	-
YE 2022 ARR	32.5

Outlook and final remarks

- Latest 2022 year-end forecast €32.5M signed ARR (excl. large UK veterinary enterprise deal, where we will only report implemented ARR)
- We are shifting from an aggressive focus on growth to capital-efficient-growth.
 - Reduced pace of recruitment in veterinary go-to-market
 - Continued focus on R&D to drive sales and operational efficiency
 - More focus on migration and upsell

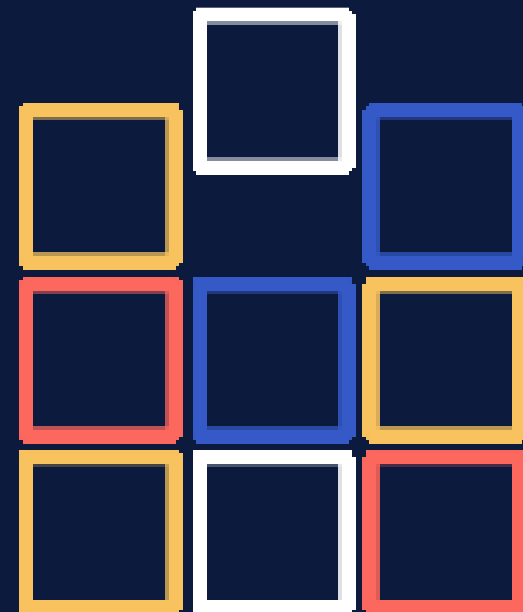


Q&A





Appendix



Our products



Products offer REST API⁽¹⁾ which allows 3rd 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