



*Q3 2021 Presentation*

November 30, 2021

# Today's presenters



**Charles MacBain**

*CEO*



**Valter Pasanen**

*CFO*

## Our mission



**Empowering healthcare professionals to  
save time so they can focus on what  
matters most – delivering great care, great  
experiences, and growing their business**

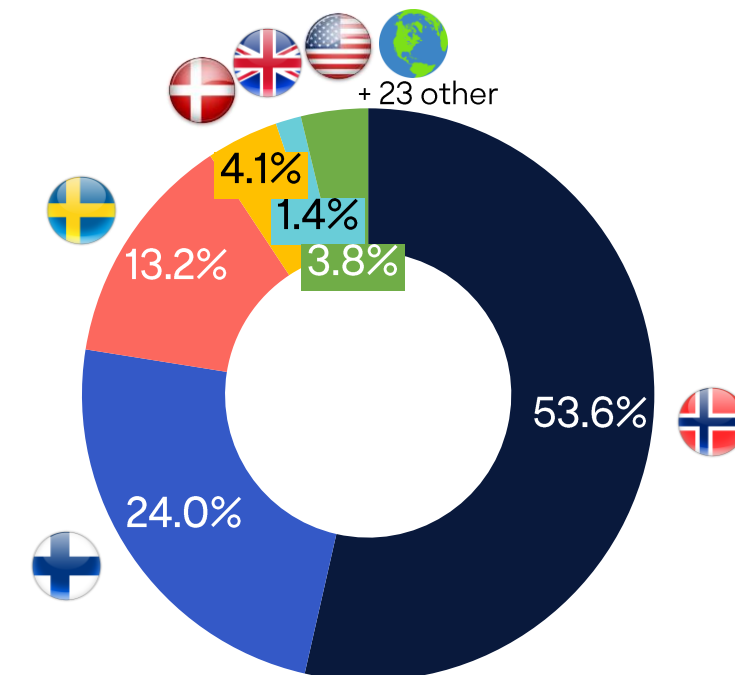
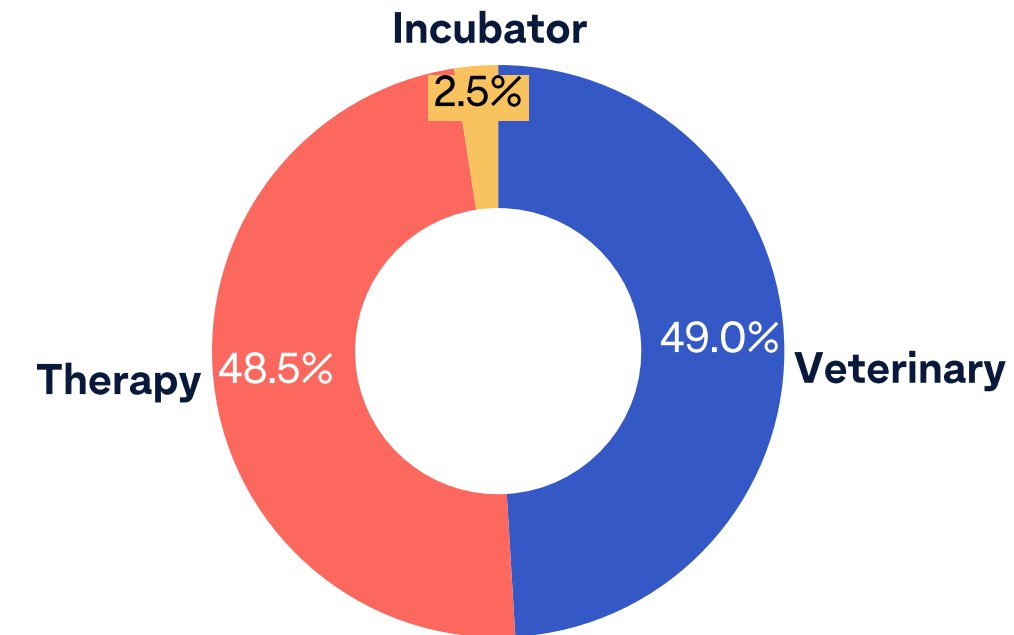
# Nordhealth is the leading Nordic healthcare SaaS company



## Business overview

- We develop cloud-based Practice Management Software (PMS) for veterinary, physiotherapy, psychotherapy, occupational and speech therapy clinics and hospitals
- We serve over 30,000 healthcare professionals across 7,000 clinics and hospitals located in over 29 countries
- We have 250+ employees designing, developing, implementing and supporting our users
- Market leaders in the Nordic veterinary and therapy PMS market. Rapidly expanding internationally with strong beachheads in Spain, UK and USA
- Targeting €23M-€25M ARR year-end 2021

## Pan-Nordic company growing internationally



# Strong revenue and growth model

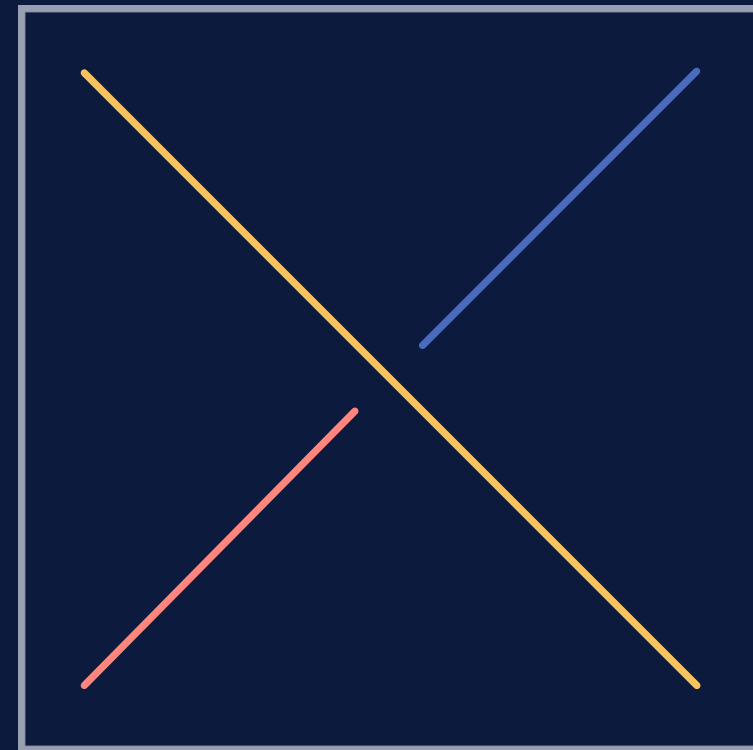


## Revenue model

- Recurring software license fees
- Repeating transaction fees
  - SMS
  - Payments
  - Imaging
  - Insurance
- Professional services
  - Implementation
  - Training
  - Data-migration

## Growth model

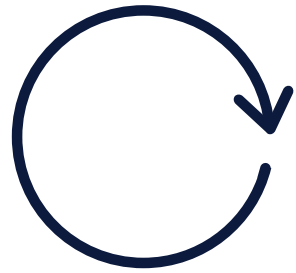
- Recruit and onboard new clinics with both new and existing customers in current and new countries
- Increase adoption of our full suite of products
- Expand the functionality of our platform and to broaden the subscription services and financial technology solutions we offer
- Acquire PMS providers to help us accelerate our entrance to new markets
  - To date, we have successfully acquired and migrated customers from 8 acquisitions to our flagship cloud platforms Provet Cloud and Diarium
- Continue re-investing the profits from our Nordic businesses to fund investment in product development and ramping up new country teams



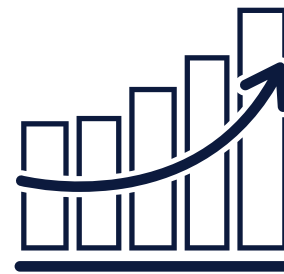
# Company updates

*Charles MacBain, CEO*

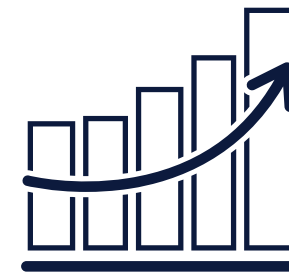
# KPIs performing according to plan for Q3 2021



**92%**  
recurring revenue



**109% ARR growth**  
Q3 2021 vs. Q3 2020



**27% organic ARR growth**  
Q3 2021 vs. Q3 2020



**110% organic net retention rate**  
Q3 2021 vs. Q3 2020

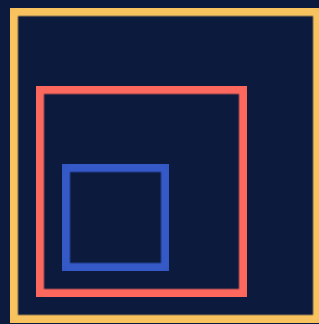


**+18% organic customer recruitments**  
Q3 2021 vs. Q3 2020



**3% organic ARR gross churn**  
Q3 2021 vs. Q3 2020

# Operational update – continued ramp up of the organization for international growth



## New hires

Hired 31 net new employees in Q3

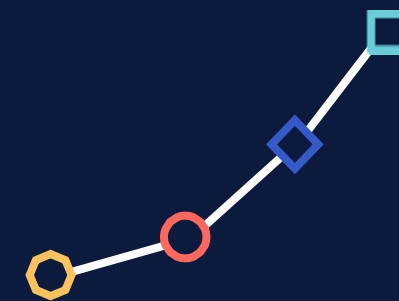
- 13 in support/implementation
- 4 in sales and marketing
- 8 in product development
- 6 in G&A



## Onboarding

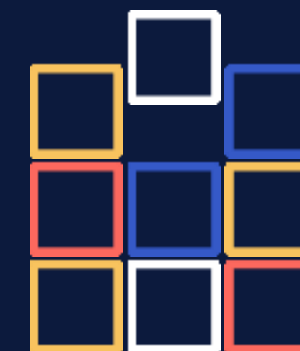
We are onboarding many new employees. It can take 6-12 months to ramp-up to 100% efficiency

Continued investments in recruiting and onboarding great talent is expected over the next few years



## New contracts

Signed partnership agreement with Nets that enables unified omnichannel payments



## New customers

- First locations of the US corporate chain are live
- Implementing 2 Spanish corporate chains

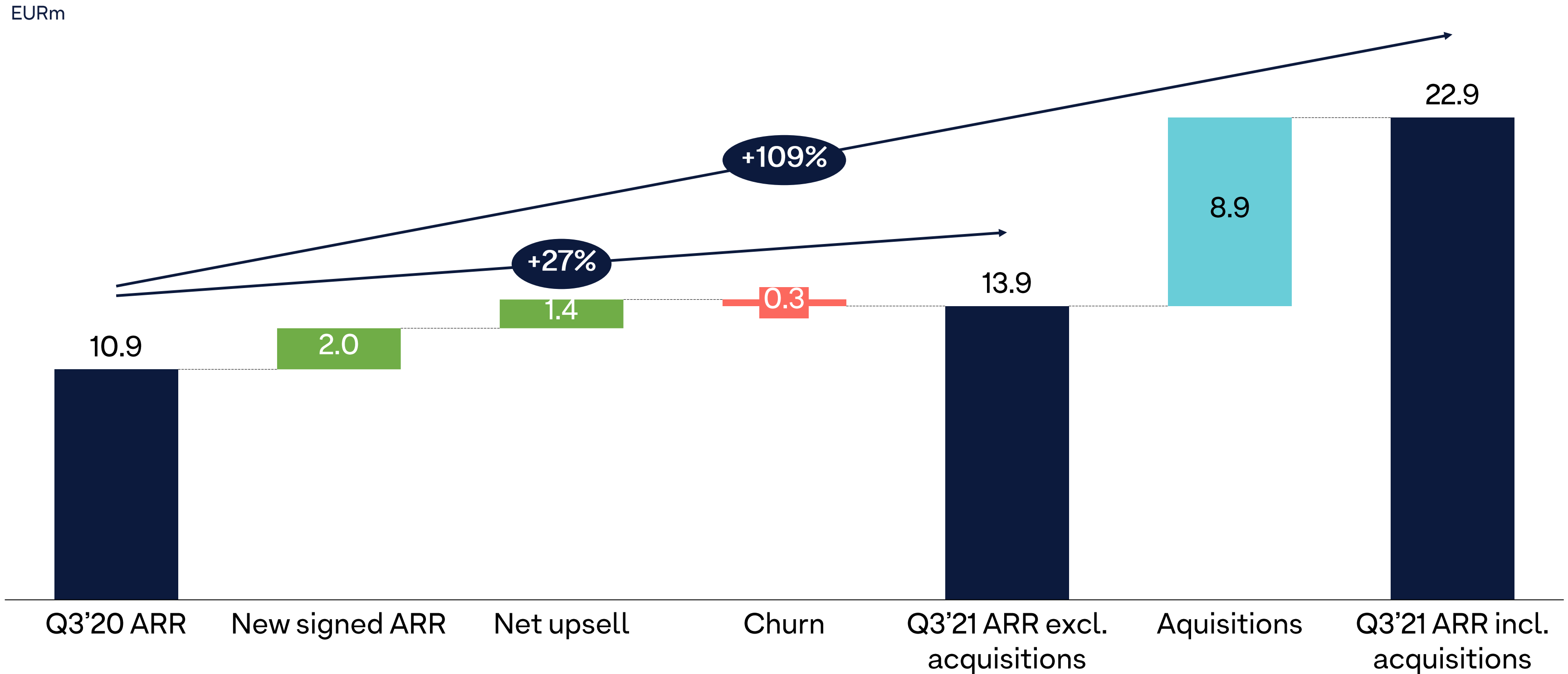




# Financial updates

*Valter Pasanen, CFO*

# 109% YoY ARR growth

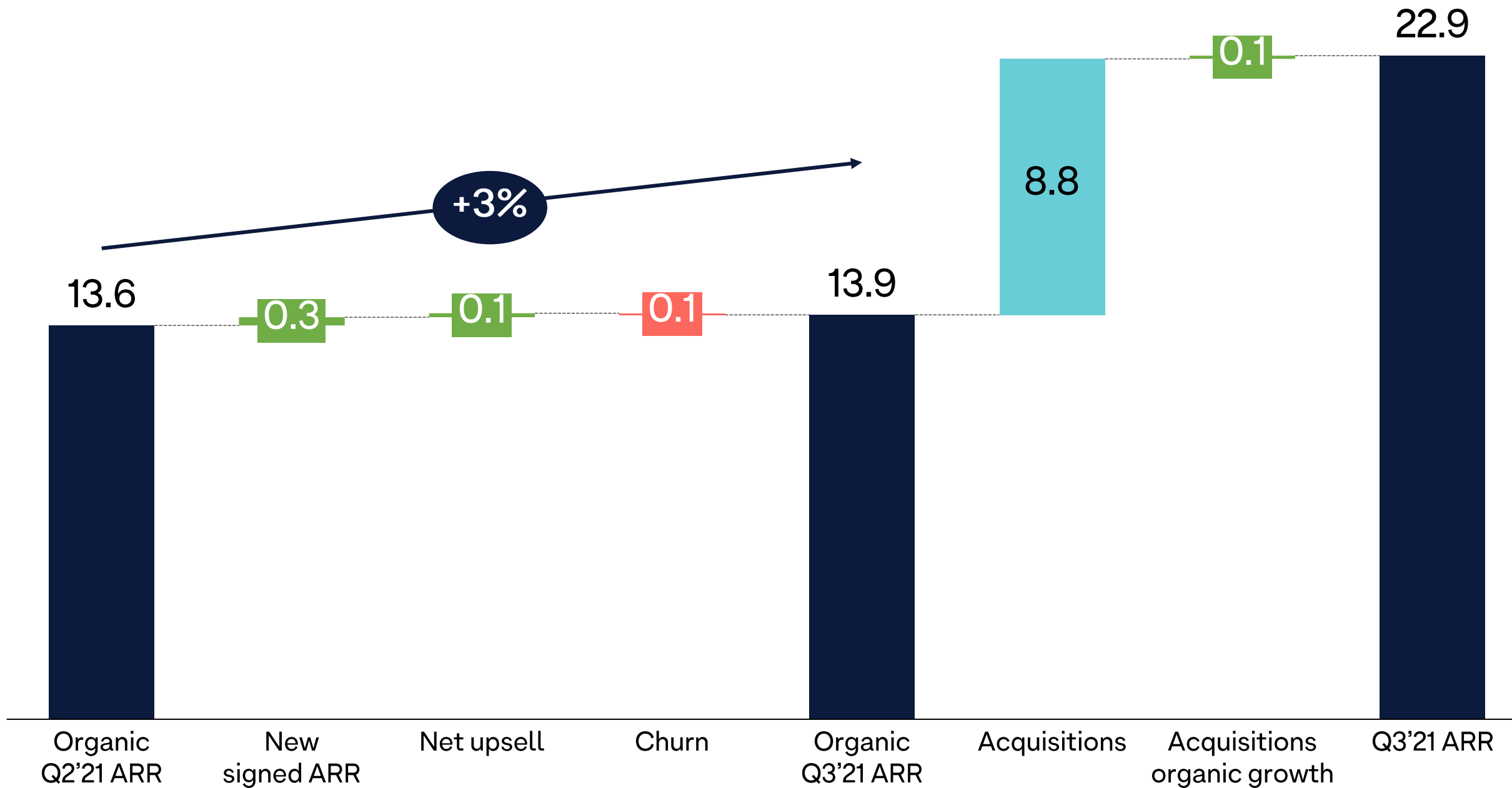


Note: Reported in constant currencies

# 3% QoQ ARR growth



EURm



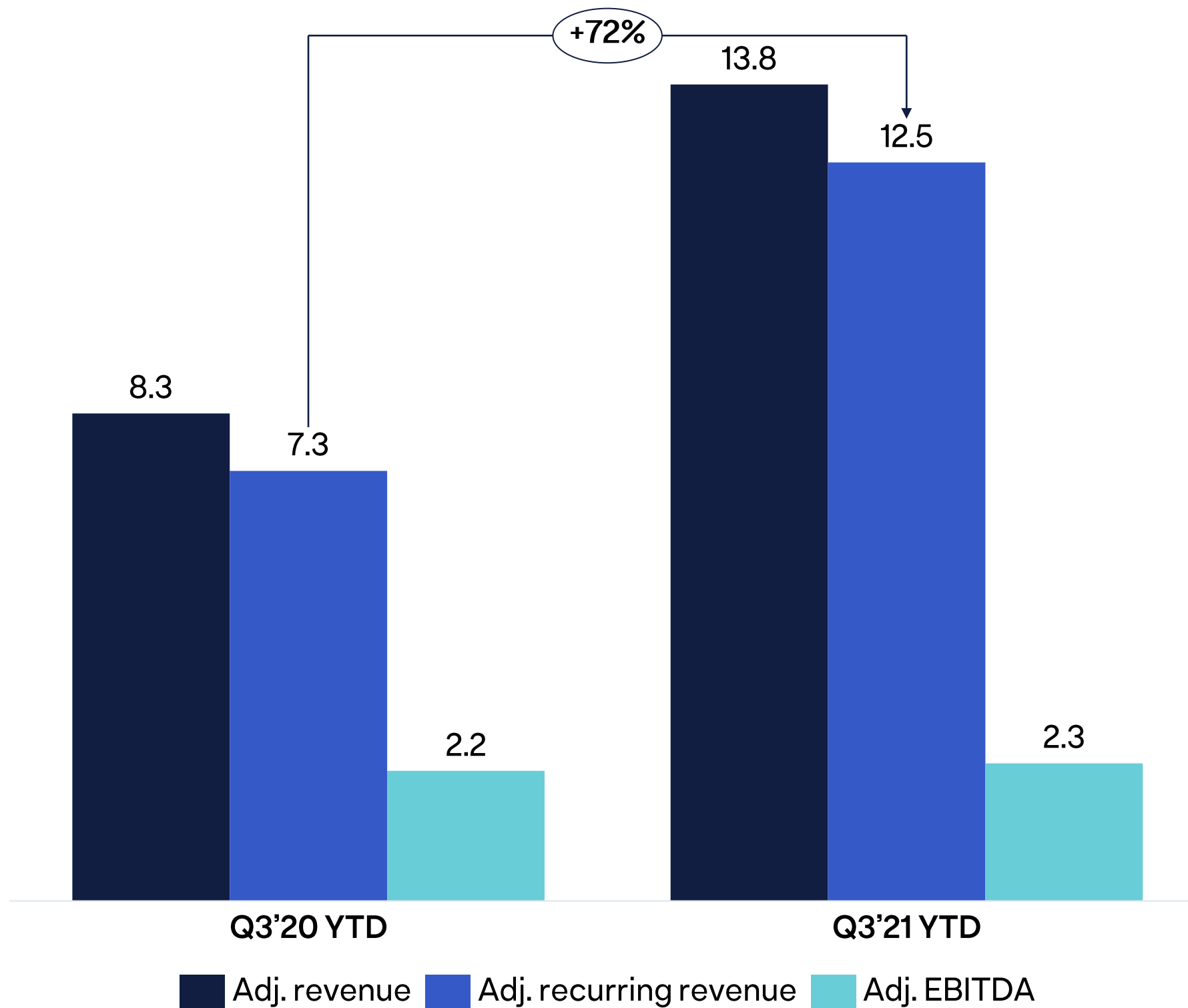
## Seasonality effects

- New signed ARR lower as sales representatives and customers were on vacation
- ARR net retention lower partly due to seasonality effects:
  - Reduced clinic revenue in the summer impacting revenue share-based contracts
  - No major price increases during Q3'21
- Annualized churn in Q3'21 at ~2%

# Strong Q3'21 YTD with 90% recurring revenue



Reported financials (EURm)

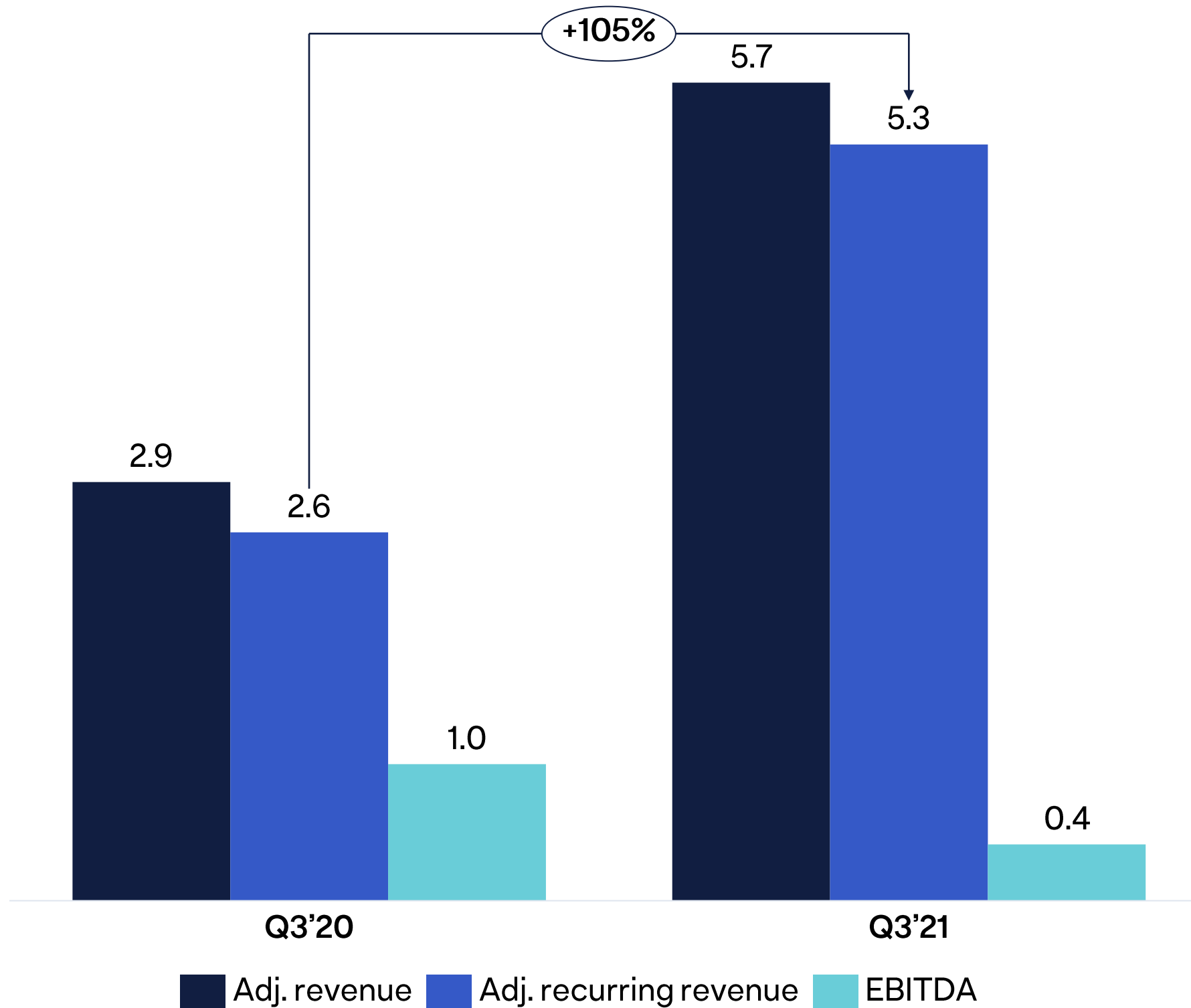


- Q3'21 YTD Adj. revenue of EUR 13.82m, up 67% YoY
- Q3'21 YTD Adj. recurring revenue of EUR 12.50m, up 72% YoY
- Q3'21 YTD Adj. EBITDA growth rate of 6% YoY
- Revenues adjusted for consulting business divested in Q4/2020
- EBITDA adjusted for IPO/M&A costs in 2021

# Solid uptick in Q3 2021 vs. Q3 2020



Reported financials (EURm)



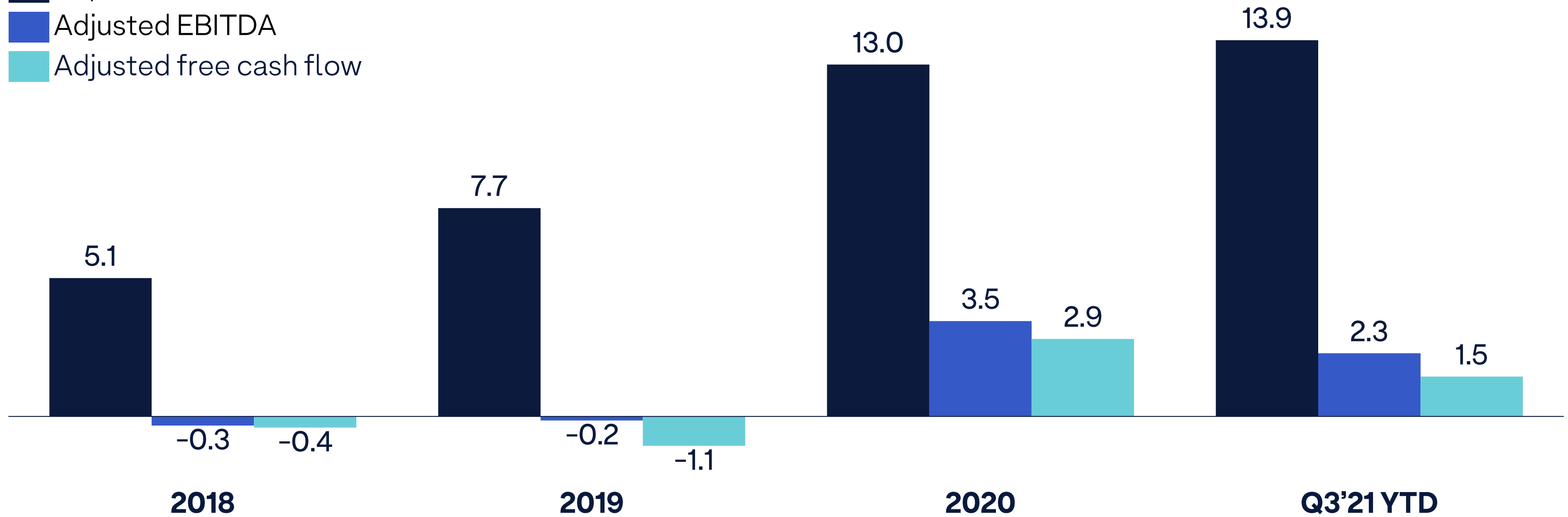
- Q3'21 Adjusted revenue of EUR 5.75m, up 95% YoY
- Q3'21 Adj. recurring revenue of EUR 5.31m, up 105% YoY
- Successful talent acquisition activities decreased EBITDA as planned in Q3'21
- Gross margins remain stable
- Continue to be highly profitable in established markets, while re-investing profits to grow ARR

# Strong cashflow generation



EURm

- Reported income
- Adjusted EBITDA
- Adjusted free cash flow



# Profit & Loss Statement



## Reported P&L – Group consolidated

	Unaudited	Unaudited	Unaudited	Unaudited	Audited
EUR in thousands	Q3'21	Q3'20	Q3 YTD'21	Q3 YTD'20	FY20
Recurring revenue	5 334	2 668	12 564	7 536	10 724
Other revenue	434	396	1 333	1 295	1 960
<b>Total revenues</b>	<b>5 768</b>	<b>3 064</b>	<b>13 897</b>	<b>8 830</b>	<b>12 685</b>
Other operating income	4	(8)	24	57	312
Material and services	(922)	(450)	(2 248)	(1 333)	(1 751)
<b>Gross profit</b>	<b>4 850</b>	<b>2 606</b>	<b>11 673</b>	<b>7 554</b>	<b>11 246</b>
Personnel expenses	(2 825)	(1 164)	(6 485)	(3 690)	(5 555)
Other operating charges	(1 628)	(482)	(5 223)	(1 663)	(2 203)
<b>EBITDA</b>	<b>396</b>	<b>959</b>	<b>(36)</b>	<b>2 201</b>	<b>3 487</b>
Depreciation and amortization	(329)	(249)	(958)	(631)	(1 007)
Amortization of goodwill	(885)	(127)	(1 463)	(380)	(506)
<b>EBIT</b>	<b>(818)</b>	<b>583</b>	<b>(2 457)</b>	<b>1 191</b>	<b>1 975</b>
Other interest and financial income	467	6	517	66	279
Interest and other financial expenses	(225)	(16)	(684)	(78)	(252)
<b>EBT</b>	<b>(576)</b>	<b>573</b>	<b>(2 624)</b>	<b>1 178</b>	<b>2 001</b>
Taxes	(168)	(18)	228	(54)	(73)
<b>Net profit (loss)</b>	<b>(744)</b>	<b>555</b>	<b>(2 396)</b>	<b>1 123</b>	<b>1 928</b>
<b>Adjustments to EBITDA:</b>	<b>0</b>		<b>2 366</b>		
<b>Adjusted EBITDA</b>	<b>396</b>		<b>2 331</b>		
Adjusted EBITDA-%	7 %		17 %		
<b>Adjusted Net profit (loss)</b>	<b>(744)</b>		<b>(30)</b>		

Recurring revenues Q3'21 **EUR 5.3m, up 100% YoY**

- Total revenues Q3'21 EUR 5.8m, up 88% YoY
- Recurring revenue 92% of total revenues in Q3'21

EBITDA Q3'21 of **EUR 0.4m (7%)**

- Gross margins remained stable, however successful talent acquisition activities decreased EBITDA as planned in Q3'21
- Higher amortizations of goodwill in Q3'21 resulting from acquisitions completed in Q2'21
- Financial items relating mainly to changes in currency valuations

# Balance Sheet



## Reported balance sheet – Group consolidated

	Unaudited	Audited
EUR in thousands	30 Sep'21	31 Dec'20
Intangible assets	3 376	2 435
Deferred tax assets	1 269	0
Other capitalized long-term expenses	147	34
Goodwill	42 717	4 135
Machinery and Equipment	555	306
Other shares and similar rights of ownership	191	189
Loan receivables, long-term	0	49
<b>Total non-current assets</b>	<b>48 255</b>	<b>7 149</b>
Stocks	4	0
Accounts receivable	1 279	1 151
Loan receivables, short-term	99	149
Other receivables	1 178	175
Prepayments and accrued income	611	506
Money market funds	46 515	0
Cash at bank and in hand	26 650	3 768
<b>Total current assets</b>	<b>76 336</b>	<b>5 749</b>
<b>Total assets</b>	<b>124 591</b>	<b>12 898</b>
<b>Total equity</b>	<b>115 803</b>	<b>4 954</b>
Liabilities to credit institutions	25	1 638
Other creditors	1 391	2 392
<b>Total long-term liabilities</b>	<b>1 416</b>	<b>4 030</b>
Liabilities to credit institutions	25	353
Advances received	2 177	500
Accounts payable	835	478
Other liabilities	683	791
Accrued expenses and deferred income	3 652	1 793
<b>Total short-term liabilities</b>	<b>7 372</b>	<b>3 915</b>
<b>Total equity and liabilities</b>	<b>124 591</b>	<b>12 898</b>

## Change in assets

- Nordhealth transferred EUR 46.5m of cash to fully liquid money market funds to minimize negative interest and bank solvency risk
- Total net interest bearing debt at negative EUR 73m
- Significant increase in goodwill due to acquisitions closed in Q2'21

## Change in equity and liabilities

- Repayment of most interest-bearing liabilities in 2021, reduced by EUR 1.9m vs end 2020
- Advances received from customers decreased from Q2'21 but still clearly higher than in end 2020



# Cashflow Q3'21



## Reported cash flow statement – Group consolidated

Unaudited

EUR in thousands

30 Sep'21

### Cash flow from operations

Profit before income taxes	(2 624)
Net financial items	(48)
Depreciation and amortization	2 421
Change in inventory	(4)
Change in trade debtors	(128)
Change in trade creditors	357
Change in other provisions	1 373
<b>Net cash flow from operations</b>	<b>1 347</b>

### Cash flow from investments

Purchase of fixed assets	(2 245)
Purchase of shares and investments	(40 437)
Purchase of other investments	(2)
Purchase of money market funds	(46 515)
<b>Net cash flow from investments</b>	<b>(89 200)</b>

### Cash flow from financing

Change in debt	(2 767)
New equity received	117 233
Payment of dividend	(3 731)
<b>Net cash flow from financing</b>	<b>110 734</b>

Net change in cash and cash equivalents	22 882
Cash and cash equivalents at the beginning of the period	3 768
<b>Cash and cash equivalents at the end of the period</b>	<b>26 650</b>

<b>Money market fund</b>	<b>46 515</b>
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## Cash flow from operating activities

- Positive cash flow from operations, driven by NWC
- When adjusted for exceptional IPO/M&A costs, net cash flow from operations stood at EUR 3.7m

## Cash flow from investing activities

- Net cash flow from investments at EUR -89.2m, of which EUR 46.5m was a conversion of cash into fully liquid money market funds

## Cash flow from financing activities

- Highly positive net cash flow from financing at EUR 110.7m driven by private placement and listing
- Change in debt includes repayment of interest-bearing debt of EUR 1.9m

# Prioritizing growth outside of the Nordics



## 2022 plan:

**20-25% organic growth in implemented ARR + acquisitions on top**

**1**

Focus on ramping up and training veterinary team in growth markets such as US, UK and Spain to accelerate ARR growth

**2**

Limited migrations growth in the Nordics due to focus on ramping up growth markets

**3**

Focus on localizing and upgrading Diarium to replace Aspit in Norway and to become the new international therapy platform

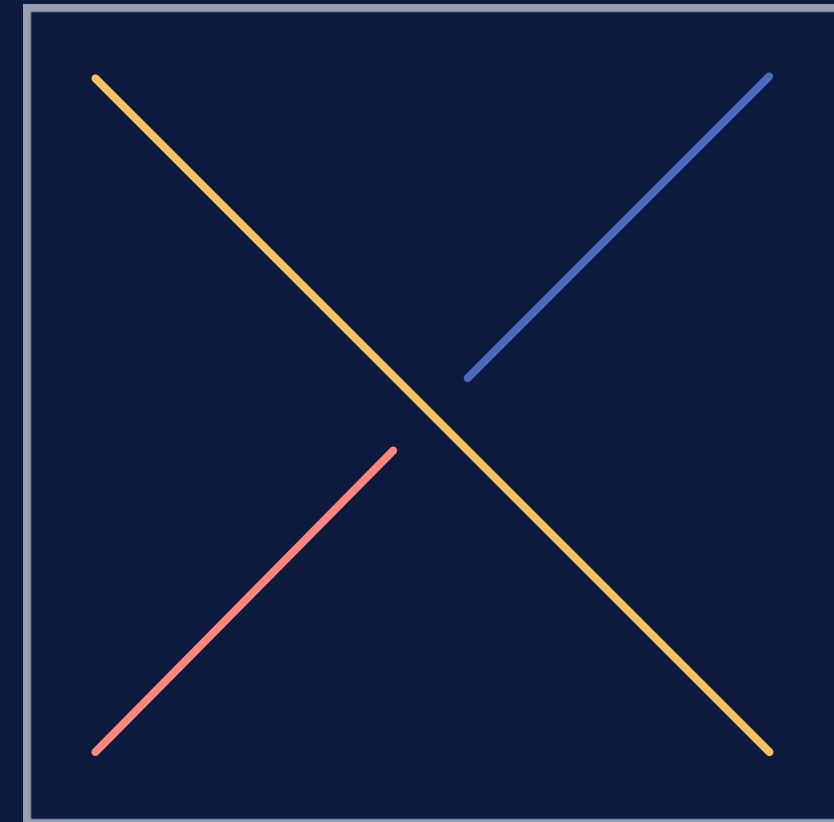
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Steady state growth in ARR in the Nordics for veterinary and therapy

# Q4 2021 update



**Q4 2021 update on 18 March 2022**





# Q&A



