





# Q3 2022 presentation

25 November 2022

# Today's presenters



**Charles MacBain**

CEO



**Mari Orttenvuori**

CFO



- 1.0 Company Update
- 2.0 Veterinary Update
- 3.0 Therapy Update
- 4.0 Financial Update
- 5.0 Q&A



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# Company Update


Charles MacBain, CEO






# Our mission

 **Nordhealth:** Acquire & build great vertical SaaS businesses in select healthcare market

 **Veterinary:** Build great software that empowers veterinary professionals to save time so they can focus on delivering great care, delighting pet parents and growing their business

 **Therapy:** Build great software that empowers therapy professionals to save time so they can focus on delivering great care and growing their business

# Strategy

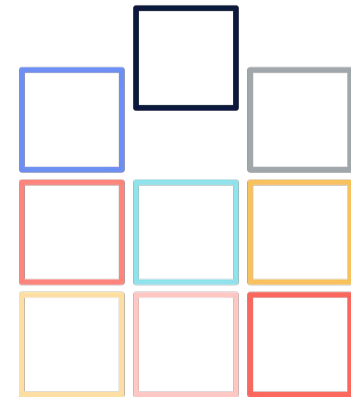


## Profitability

- One product per vertical
- Focus on migration
- Reduce CAC/New ARR through centralisation and improvement in onboarding efficiency
- Lean corporate G&A (no additional headcount). All other functions in BU
- No further significant net increase in headcount required to achieve 3 year plan

## Growth

- Focus on key growth markets and aim for market leadership
  - **Therapy:** no new markets in 2023
  - **Veterinary:** focus on US, UK and Spain
- Build all-in-one solution: PMS → Payments → Booking portal



# Business Segments



	🐾 Veterinary		👩 Therapy	
	Cloud	Hosted	Cloud	Hosted
Products	Provet Cloud Nordhealth Pay	Provet Legacy (Finland) Sanimalis (Norway, Sweden) Vetserve (Norway) Vetvision (Denmark) Veterra (DACH)	EasyPractice Diarium Nordhealth Connect Navisec Flex	Aspit (Norway)
Share of ARR Q3 2022	22%	27%	21%	30%



# Q3 2022 KPIs



**33% total  
ARR growth**

LTM ARR Q3 2022



**16% organic  
ARR growth**

LTM ARR Q3 2022



**+8% organic  
new customer  
recruitments**

LTM ARR Q3 2022



**108% organic  
net retention rate**

LTM ARR Q3 2022



**EUR 30.7M  
Signed ARR**

Q3 2022



**EUR 29.3M  
Implemented ARR**

Q3 2022



**EUR 0.38  
ARR per share**

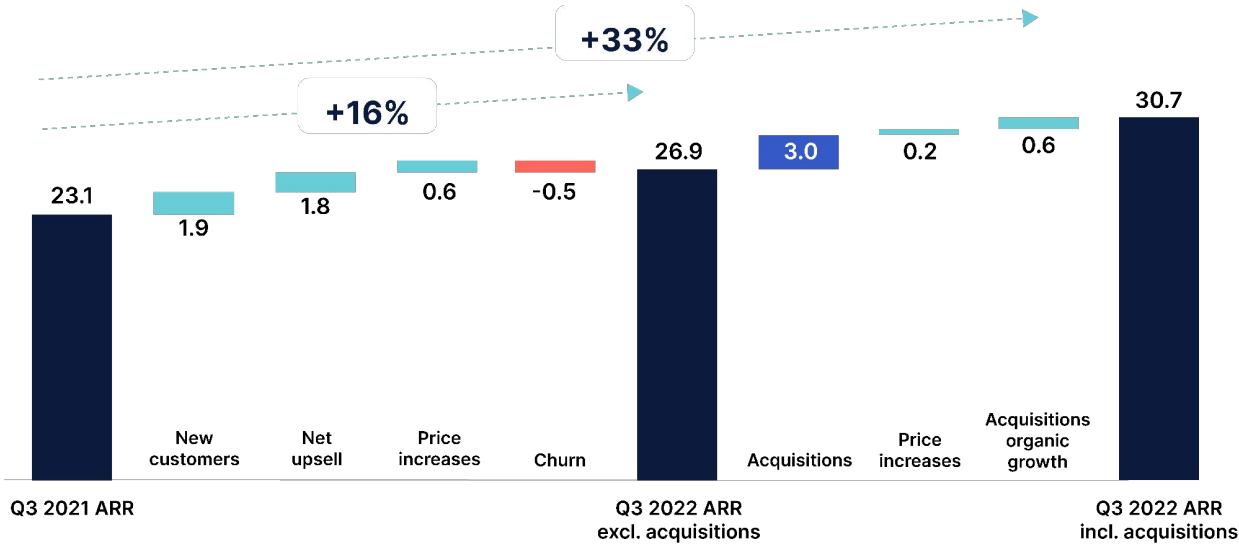
Q3 2022



**2.4% organic  
ARR gross churn**

LTM ARR Q3 2022

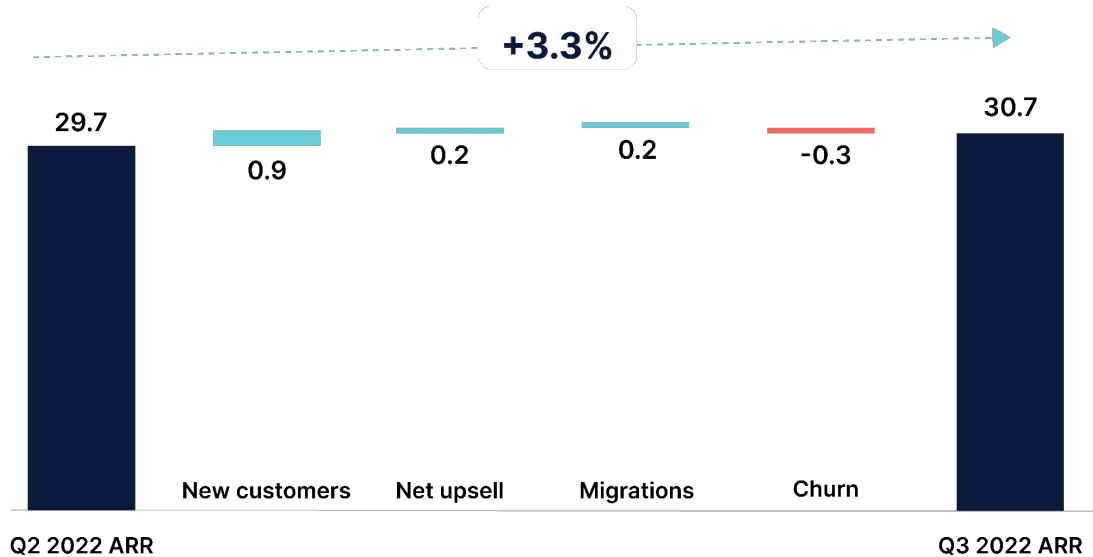
# 33% YoY ARR growth



- Signed ARR grew at 33% in LTM ending Q3/22; churn 3.3%
- Signed ARR excl. acquisitions grew 16% to €26.9M; organic churn 2.4%
- EasyPractice was acquired Q1/2022; Vetera was acquired Q2/2022
- EasyPractice and Vetera signed ARR grew 36% and 13.5% respectively in LTM ending Q3/22

Reported in constant currency (using year 2021 end currency rates)

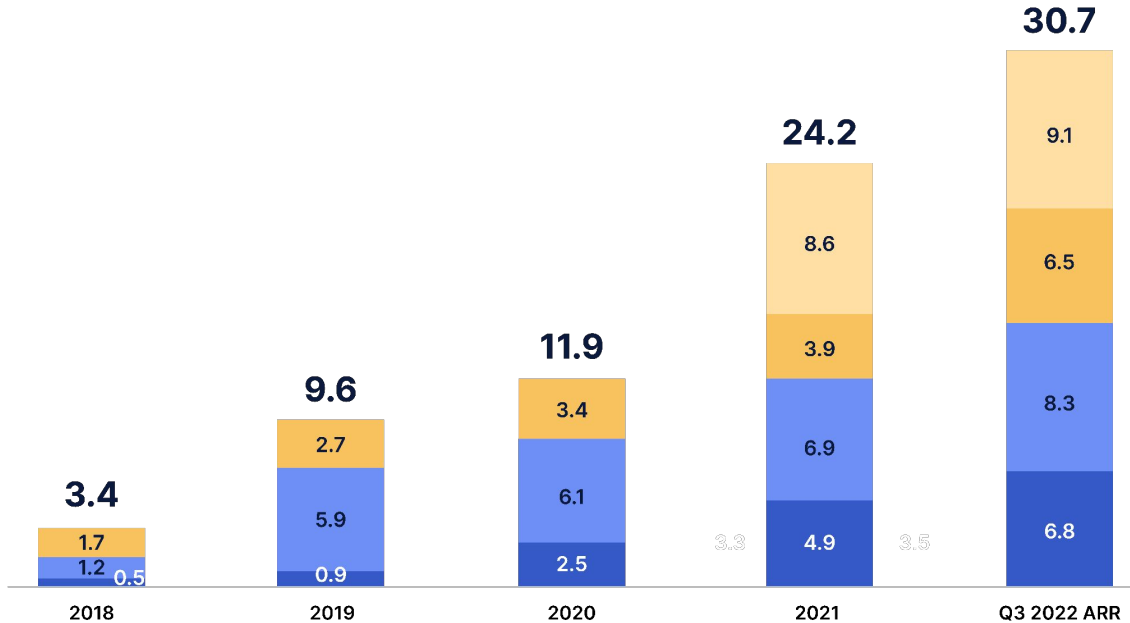
# 3% QoQ ARR growth in Q322



- Signed ARR grew at 3.3% in Q3/22
- We only had price increases for EasyPractice amounting to EUR 0.2M in Q3/22
- Cloud products share of new customers 70%
- Annualised churn 3.6% negatively impacted by EasyPractice annualised churn rate of 15.8% due to its product-led strategy

Reported in constant currency (using year 2021 end currency rates)

# ARR has grown 80% per annum since 2018



- 38% growth in Veterinary cloud in 2022
- 70% growth in Therapy cloud in YTD Q3/22 mainly driven by the acquisition of EasyPractice
- Growth in Veterinary in YTD Q3/22 driven by the acquisition of Vetera

- Veterinary cloud
- Veterinary hosted
- Therapy cloud
- Therapy hosted

Reported in constant currency (using year 2021 end currency rates)

# Recruitments & Promotions



## Hanna Chiorazzo

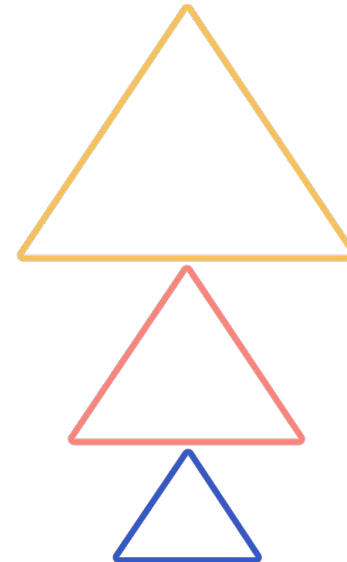
previously at BC platforms,  
joins as the new Chief People Officer

## Szymon Olko

previously at Opera,  
joins as Engineering Director for Provet Cloud

## Fabio Carneiro

previously at Booking.com and Mailchimp,  
promoted to VP Product & Design for Provet Cloud



# KPIs by business segments (Pro Forma)



	🐾 Veterinary		👨 Therapy		Total		
	Cloud	Hosted	Cloud	Hosted	Cloud	Hosted	All
ARR 2021-Q3 (€M)	€ 4.0	€ 8.6	€ 5.3	€ 8.2	€ 9.3	€ 16.8	€ 26.1
ARR 2022-Q3 (€M)	€ 6.8	€ 8.3	€ 6.5	€ 9.1	€ 13.3	€ 17.4	€ 30.7
<b>Growth</b>	<b>68.3%</b>	<b>-4.0%</b>	<b>23.2%</b>	<b>11.2%</b>	<b>42.8%</b>	<b>3.4%</b>	<b>17.5%</b>
Migration (€M)	€ 0.5	€ -0.5	€ 0	€ 0	€ 0.5	€ -0.5	€ 0
<b>Growth excl. migration</b>	<b>56.7%</b>	<b>1.4%</b>	<b>23.2%</b>	<b>11.2%</b>	<b>37.7%</b>	<b>6.2%</b>	<b>17.5%</b>
New customer %	22.4%	3.4%	15.6%	7.5%	18.5%	5.4%	10.1%
Churn %	-1.5%	-1.6%	-7.4%*	-3.3%	-4.8%	-2.5%	-3.3%
Net Upsell %	35.8%	-0.4%	15.0%	7.1%	24.0%	3.3%	10.7%

\* Therapy churn rate excluding EasyPractice 2.0%. EasyPractice Churn rate: 19.1%.



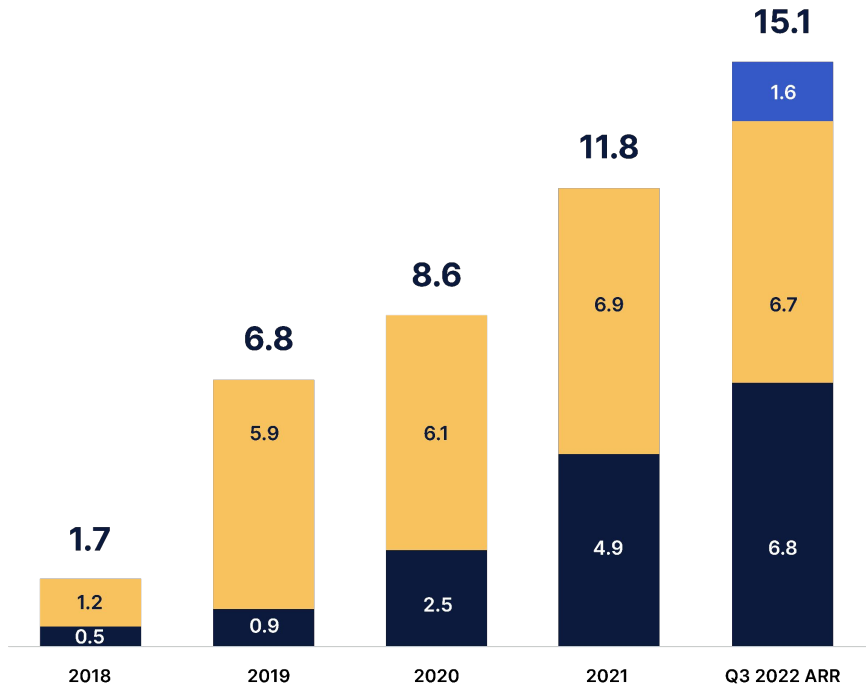
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# Veterinary Update

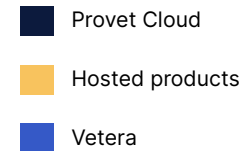
Charles MacBain, CEO



# Veterinary ARR development by product



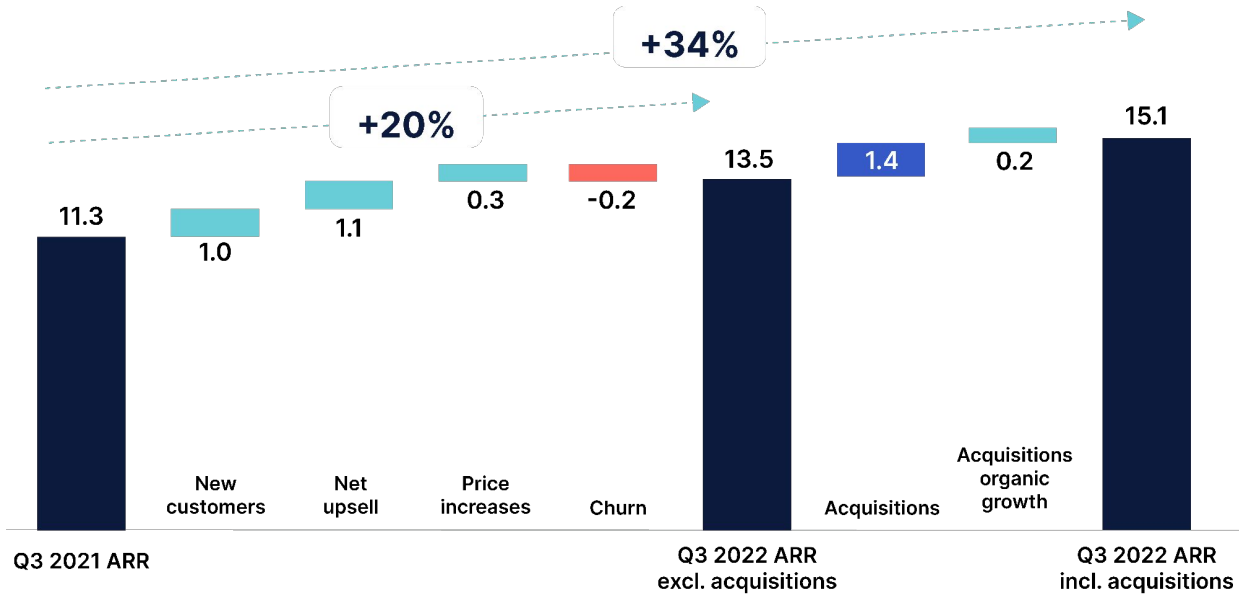
- Provet Cloud new customer recruitments EUR 0.9M and migrations from hosted systems EUR 0.5M account for 50% of the Veterinary Cloud growth in YTD Q3/22
- Vetera signed ARR growth of 14% YTD Q3/22



Reported in constant currency (using year 2021 end currency rates).



# 34% YoY ARR growth

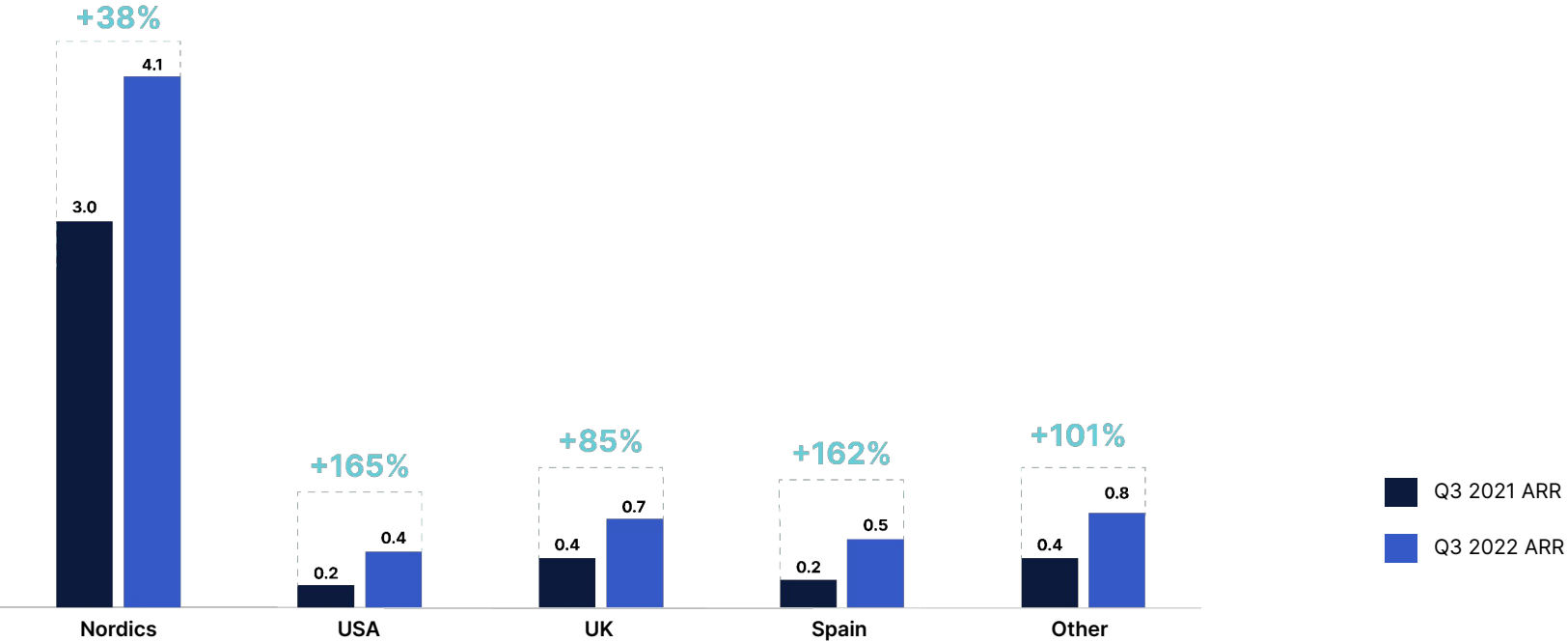


- 34% ARR growth YoY
- Organic signed ARR growth of 20% including price increase impact of EUR 0.3M
- Organic ARR gross churn of 1.8%
- Vetera acquired Q2/2022
- Vetera signed ARR growth of 14%

Reported in constant currency (using year 2021 end currency rates)



# Provet Cloud has experienced strong, growing beachheads outside the Nordics



Calculated based on constant currency (using year 2021 end currency rates)  
USA = USA, Canada, and Caribbean countries  
UK = United Kingdom and Ireland



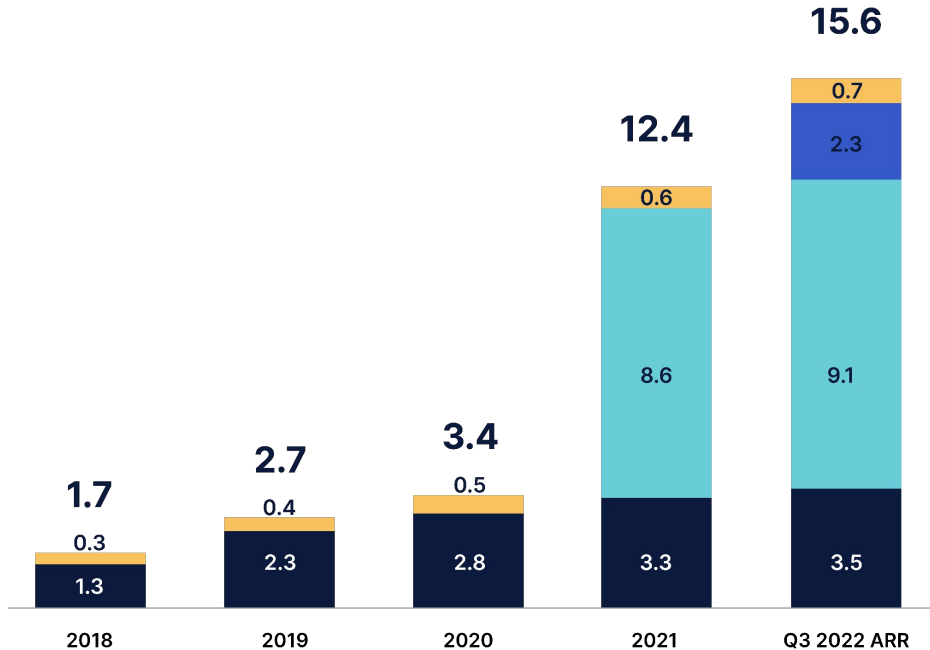
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# Therapy Update

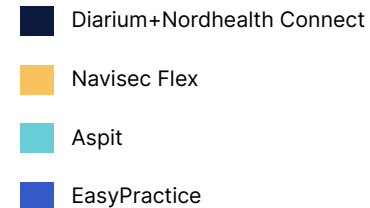
Charles MacBain, CEO



# Therapy ARR development by product

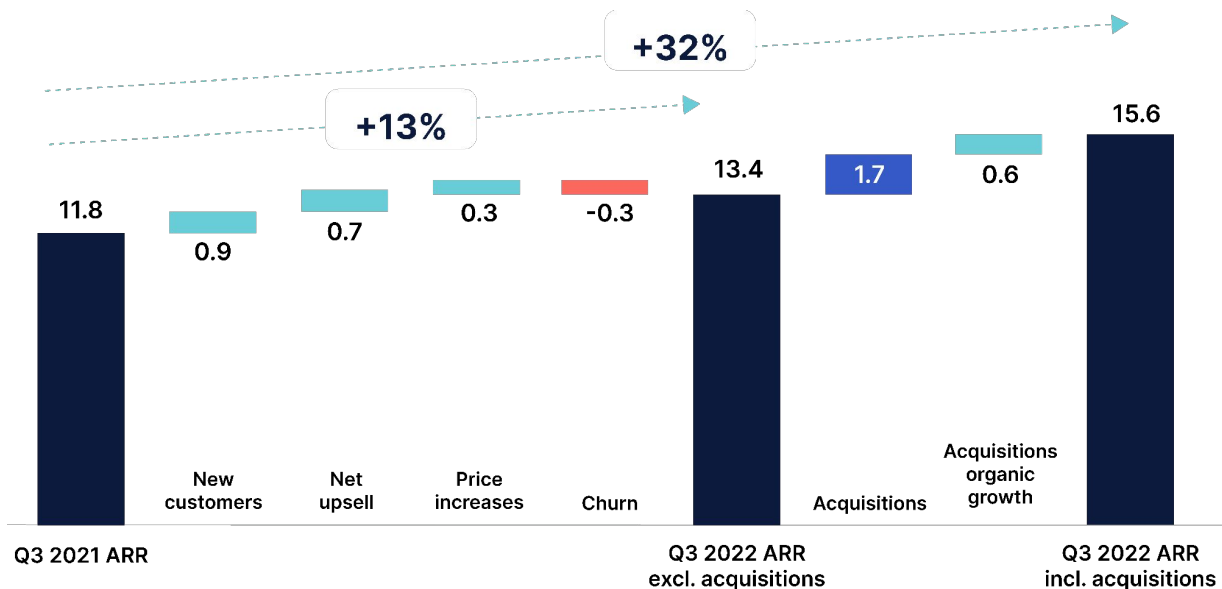


- Aspit new customer recruitments account for 43% of the growth in YTD Q3/22
- Diarium new customer recruitments account for 30% of the growth in YTD Q3/22
- EasyPractice new customer recruitments account for 51% of the growth in YTD Q3/22



Calculated based on constant currency (using year 2021 end currency rates)

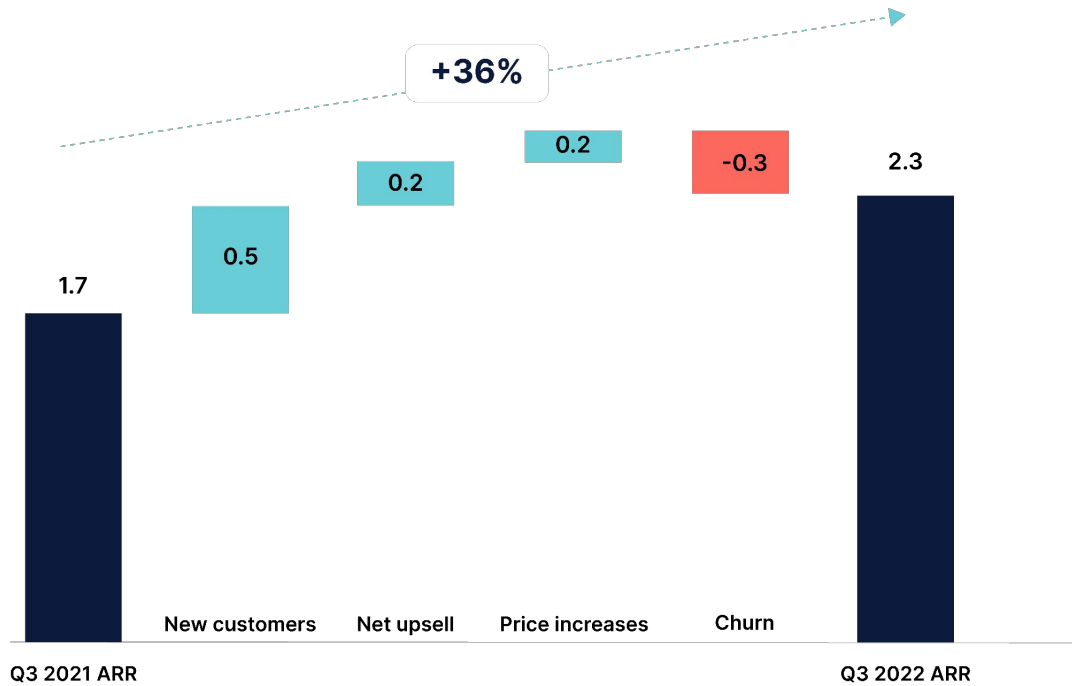
# 32% YoY ARR growth



- ARR growth at 32%
- YTD Q3/22 over 420 new clinics and nearly 1,800 new users of therapy softwares
- Organic signed ARR growth of 13% including price increase impact of EUR 0.3M
- Organic ARR gross churn of 2.9%
- EasyPractice acquired Q1/2022
- EasyPractice signed ARR growth of 36% including price increase impact of EUR 0.2M

Reported in constant currency (using year 2021 end currency rates)

# Q3 2022 YoY EasyPractice



- Signed ARR growth of 36% including price increase impact of EUR 0.2M
- Net Revenue Retention was 103%

Reported in constant currency (using year 2021 end currency rates)



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# Financial Update

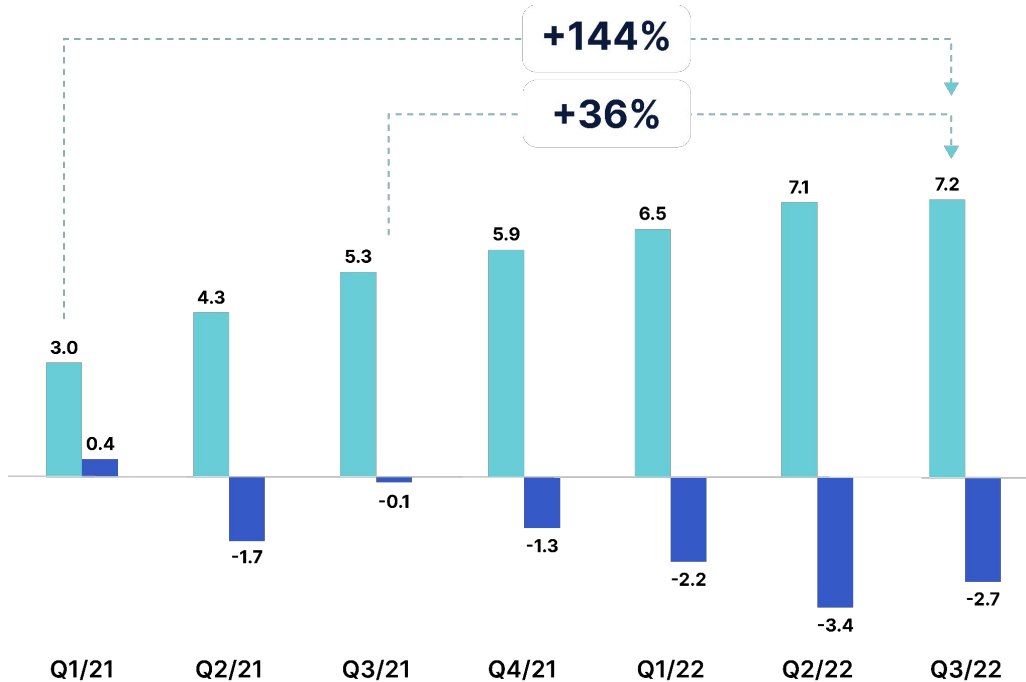
Mari Orttenvuori, CFO





# Investment in core platform has yielded strong growth in recurring revenue QoQ

Reported financials.



- Q3/22 recurring revenue EUR 7.2M, up 36% QoQ
  - 90% of total revenue of EUR 8.0M
- YTD Q3/22 recurring revenue EUR 20.8M, up 66% YoY
  - 92% of total revenue of EUR 22.6M
- Q3/22 EBITDA-CAPEX EUR -2.7M
- YTD Q3/22 EBITDA-CAPEX EUR -8.4M

Recurring revenue  
EBITDA-CAPEX



# Profit & Loss statement



## Consolidated Income Statement

EUR in thousands	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	FY 2021
Recurring revenue	7 238	5 334	20 834	12 564	18 464
Other revenue	789	434	1 757	1 333	1 836
<b>Total revenues</b>	<b>8 027</b>	<b>5 768</b>	<b>22 591</b>	<b>13 897</b>	<b>20 300</b>
Other operating income	34	4	99	24	31
<b>Total operating income</b>	<b>8 061</b>	<b>5 772</b>	<b>22 691</b>	<b>13 921</b>	<b>20 331</b>
Material and services	(1 215)	(922)	(3 483)	(2 248)	(3 562)
Personnel expenses	(5 701)	(2 825)	(15 870)	(6 485)	(10 073)
Other operating charges	(2 405)	(1 628)	(7 693)	(5 223)	(6 918)
<b>Total operating expenses</b>	<b>(9 321)</b>	<b>(5 376)</b>	<b>(27 046)</b>	<b>(13 957)</b>	<b>(20 553)</b>
Operating profit (loss), before Depreciation (EBITDA)	(1 260)	396	(4 356)	(36)	(222)
Depreciation and amortization	(617)	(392)	(1 550)	(958)	(1 305)
Amortization of goodwill	(1 736)	(885)	(4 772)	(1 463)	(2 931)
<b>Total depreciation and amortization</b>	<b>(2 354)</b>	<b>(1 214)</b>	<b>(6 321)</b>	<b>(2 421)</b>	<b>(4 236)</b>
Operating profit (EBIT)	(3 614)	(818)	(10 677)	(2 457)	(4 458)
Other financial income	500	467	1 820	517	758
Interest expenses	(5)	-0	(17)	(36)	(41)
Other financial expenses	(256)	(225)	(869)	(648)	(905)
<b>Total financial income and expense</b>	<b>239</b>	<b>242</b>	<b>934</b>	<b>(167)</b>	<b>(188)</b>
Profit (loss) before tax	(3 375)	(576)	(9 743)	(2 624)	(4 646)
Taxes	(61)	(168)	(255)	228	(85)
<b>Net profit (loss)</b>	<b>(3 436)</b>	<b>(744)</b>	<b>(9 998)</b>	<b>(2 396)</b>	<b>(4 731)</b>
EBITDA - CAPEX	(2 730)	(134)	(8 381)	(1 410)	(2 738)
Adjustments to EBITDA:	-	-	-	2 366	2 166
<b>Adjusted EBITDA</b>	<b>(1 260)</b>	<b>396</b>	<b>(4 356)</b>	<b>2 331</b>	<b>1 895</b>
Adjusted EBITDA-%	-16%	7%	-19%	17%	9%
<b>Adjusted Net profit (loss)</b>	<b>(3 436)</b>	<b>744</b>	<b>(9 998)</b>	<b>(30)</b>	<b>(2 615)</b>

- Total revenues YTD Q3/22 **EUR 22.6M;**  
**up 62% YoY**
- Total revenues Q3/22 **EUR 8.0M;** **up 39% YoY**
  - QoQ organic growth in recurring revenue 19%
- Q3/22 EBITDA EUR -1.3M
- YTD Q3/22 EBITDA EUR -4.4M
- Significant talent acquisition activity in 2022;  
net increase in YTD Q3/2022 161 FTE (+64%)

# Balance Sheet



## Consolidated Balance Sheet

EUR in thousands	Unaudited	Unaudited	Audited
	30-Sep-2022	30-Sep-2021	31-Dec-2021
Intangible assets	8 993	3 376	4 556
Deferred tax assets	43	1 269	45
Other capitalized long-term expenses	37	147	68
Goodwill	59 046	42 717	43 002
Machinery and Equipment	816	555	765
Other shares and similar rights of ownership	843	191	191
Loan receivables, long-term	64	-	-
<b>Total non-current assets</b>	<b>69 834</b>	<b>48 255</b>	<b>48 627</b>
Stocks	-	4	-
Accounts receivable	1 691	1 279	2 433
Loan receivables, short-term	-	99	49
Other receivables	1 554	1 178	701
Prepayments and accrued income	1 009	611	650
Money market funds	23 565	46 515	46 658
Cash at bank and in hand	18 513	26 650	26 210
<b>Total current assets</b>	<b>46 332</b>	<b>76 336</b>	<b>76 500</b>
<b>Total assets</b>	<b>116 166</b>	<b>124 591</b>	<b>125 127</b>
<b>Total equity</b>	<b>102 691</b>	<b>115 803</b>	<b>114 506</b>
Non-current liabilities to credit institutions	-	25	25
Other non-current liabilities	67	1 391	751
<b>Total non-current liabilities</b>	<b>67</b>	<b>1 416</b>	<b>775</b>
Current liabilities to credit institutions	25	25	25
Advances received	3 088	2 177	3 806
Accounts payable	996	835	1 055
Other current liabilities	5 008	683	1 662
Accrued expenses and deferred income	4 292	3 652	3 298
<b>Total current liabilities</b>	<b>13 408</b>	<b>7 372</b>	<b>9 846</b>
<b>Total equity and liabilities</b>	<b>116 166</b>	<b>124 591</b>	<b>125 127</b>

## Cash and Cash Equivalents

- EUR 42.1M of cash and cash equivalents at the end of Q3/22

## 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

## Consolidated Cash Flow Statement

	Unaudited	Unaudited	Unaudited	Unaudited	Audited
EUR in thousands	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021	FY 2021
<b>Cash flow from operations</b>					
Profit before income taxes	(3 375)	(576)	(9 743)	(2 624)	(4 646)
Taxes paid in the period	33	81	(20)	(48)	(36)
Non-cash items	166	(308)	1 070	-0	905
Depreciation and amortization	2 354	1 214	6 321	2 421	4 236
Change in inventory	-	-	-0	(4)	-
Change in trade debtors	1077	1 107	894	(128)	(1 281)
Change in trade creditors	(73)	(750)	(124)	357	577
Change in other provisions	(3 089)	(842)	(3 898)	2 277	5 812
<b>Net cash flow from operations</b>	<b>(2 908)</b>	<b>(74)</b>	<b>(5 499)</b>	<b>2 251</b>	<b>5 567</b>
<b>Cash flow from investments</b>					
Investments in tangible and intangible assets	(1 874)	(634)	(4 935)	(2 245)	(3 377)
Purchase of shares and investments	(105)	(1 373)	(17 747)	(40 437)	(42 246)
Purchase of other investments	-	-	-	(2)	(2)
Proceeds from / (investments in) money market funds	-	(46 515)	22 500	(46 515)	(46 515)
<b>Net cash flow from investments</b>	<b>(1 979)</b>	<b>(48 522)</b>	<b>(182)</b>	<b>(89 199)</b>	<b>(92 140)</b>
<b>Cash flow from financing</b>					
Change in debt	(1 035)	(1 136)	(2 016)	(2 767)	(3 583)
Issuance of Equity	-	-	-	116 329	116 329
Payment of dividend	-	-	-	(3 731)	(3 731)
<b>Net cash flow from financing</b>	<b>(1 035)</b>	<b>(1 136)</b>	<b>(2016)</b>	<b>109 830</b>	<b>109 015</b>
Net change in cash and cash equivalents	(5 921)	(49 732)	(7 697)	22 882	22 442
Cash and cash equivalents at the beginning of the period	24 434	76 383	26 210	3 768	3 768
<b>Cash and cash equivalents at the end of the period</b>	<b>18 513</b>	<b>26 650</b>	<b>18 513</b>	<b>26 650</b>	<b>26 210</b>
<b>Money market fund</b>	<b>23 565</b>	<b>46 515</b>	<b>23 565</b>	<b>46 515</b>	<b>46 515</b>

## Cash flow from operating activities

- Cash flow in YTD Q3/22 mainly impacted by investments in growth markets and product development in accordance with the plan

## Cash flow from investing activities

- EasyPractice (Q1/22) and share of Vetera acquisitions (Q2/22) paid in cash from the money market fund

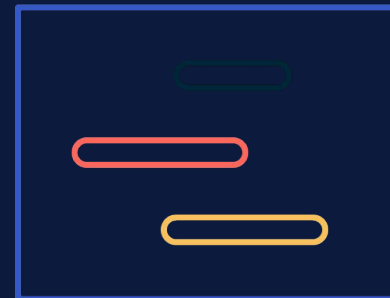
## Cash flow from financing activities

- Repayment of Vetera long-term debt in Q3/22
- Payment of earn-out (Sanimalis) in Q1/22 and repayment of short-term debt acquired as part of Vetera in Q2/22

# Financial calendar

Q4 2022 results presentation on **7 March 2023**

2022 Annual financial statements release **14 April 2023**



# 2022 ARR Forecast



ARR Forecast (€M)	
YE 2021 Signed ARR	24.0
Acquisitions	3.0
2022 Organic Growth	5.5
<b>YE 2022 Signed ARR</b>	<b>32.5</b>

Concluding remarks	
1.	Focus on improving profitability
a.	Migration - operational efficiencies
b.	Focus on key markets
c.	No significant net new hires
2.	New customer acquisition in current markets
3.	Improve value proposition: PMS → Payments → Booking portal



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# Q&A

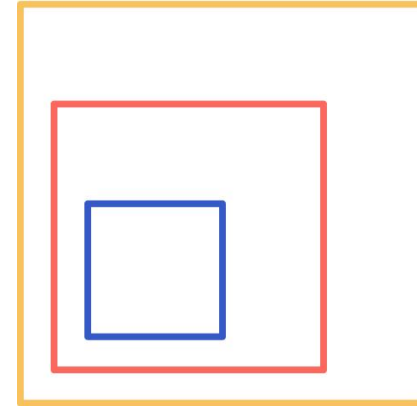




# Key definitions

Annual recurring revenue ("ARR") is the value of recurring revenue of software subscriptions that has been normalised for a single calendar year. These include all active subscriptions and subscriptions that have been signed but not yet implemented. ARR also includes the annualised value of volume-based transactions (e.g., SMS messages) based on their latest calculation period value as well as rebates from third parties (e.g., payment solution providers). Exchange rates used to calculate ARR are adjusted on an annual basis at the end of the 1st quarter. Constant currency ARR growth rates are calculated by applying the end of the previous financial year-end exchange rates to all the presented periods' ARR.

Comparison period Pro Forma ARR includes Vetera and EasyPractice as if they had been owned by Nordhealth in the comparison period.



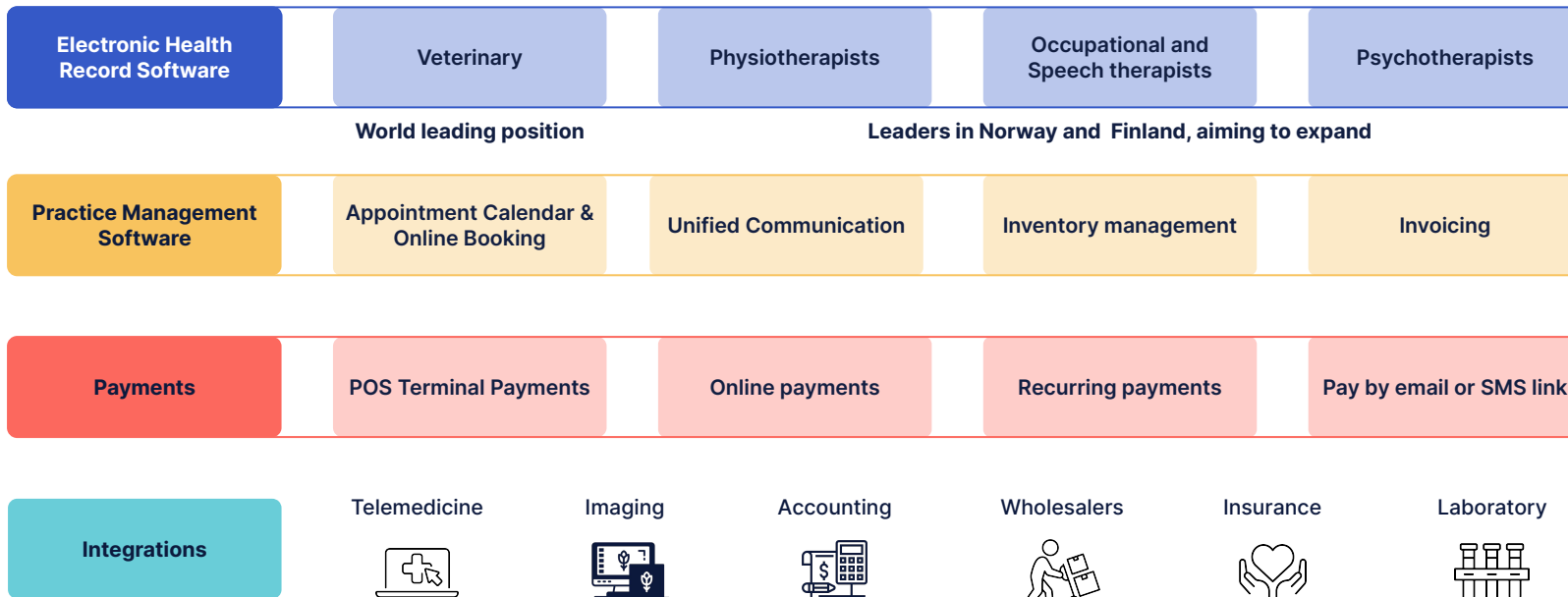




# Appendix



# 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

# Acquisition history



Several acquisitions completed since 2005



 2005

**PROVET**  
Acquired **Provet Pet**

 2009

Acquired **Praktiikka**  
Entering the therapy segment

 2017

**navisec**  
Acquired **Navicre**

 2019

**trofast**  
Acquired **Trofast**

 2019

**Sanimalis**   
Acquired **Sanimalis**  
and **Vetserve**

 2021

**NOVASOFT**  
Acquired **Novasoft**

 2021

 **aspit**  
Acquired **Aspit**

 2022

**YOMA**  
**CONSULTING**  
Acquired parts of  
**Yoma Consulting**<sup>(1)</sup>

 2022

 **EasyPractice**  
Acquired **EasyPractice**

 2022

 **vetera**  
Acquired **Vetera**<sup>(2)</sup>

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