



Q4 2021 Presentation

March 8, 2022

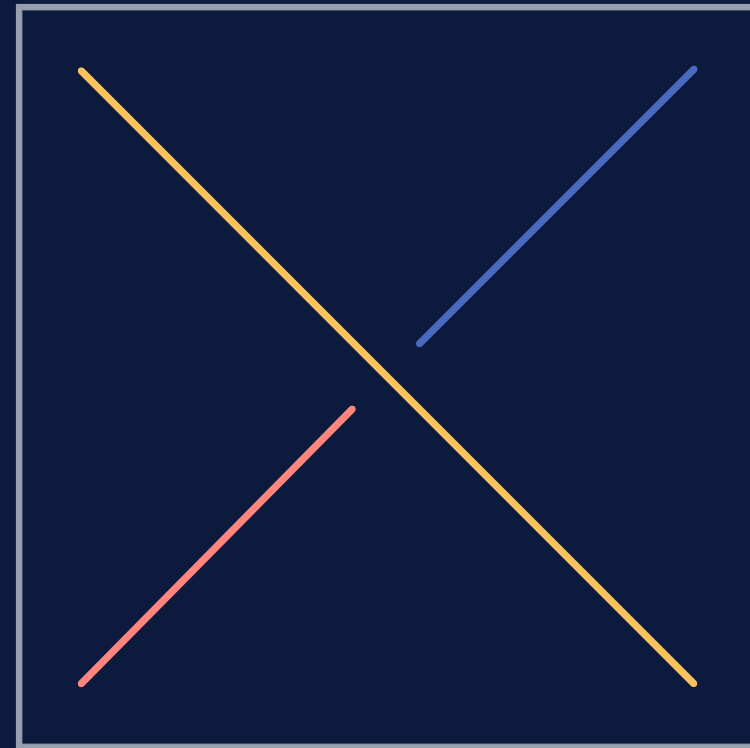
Today's presenters



Charles MacBain
CEO



Mari Orttenvuori
CFO



Company updates

Charles MacBain, CEO



Improve the daily lives of
healthcare professionals

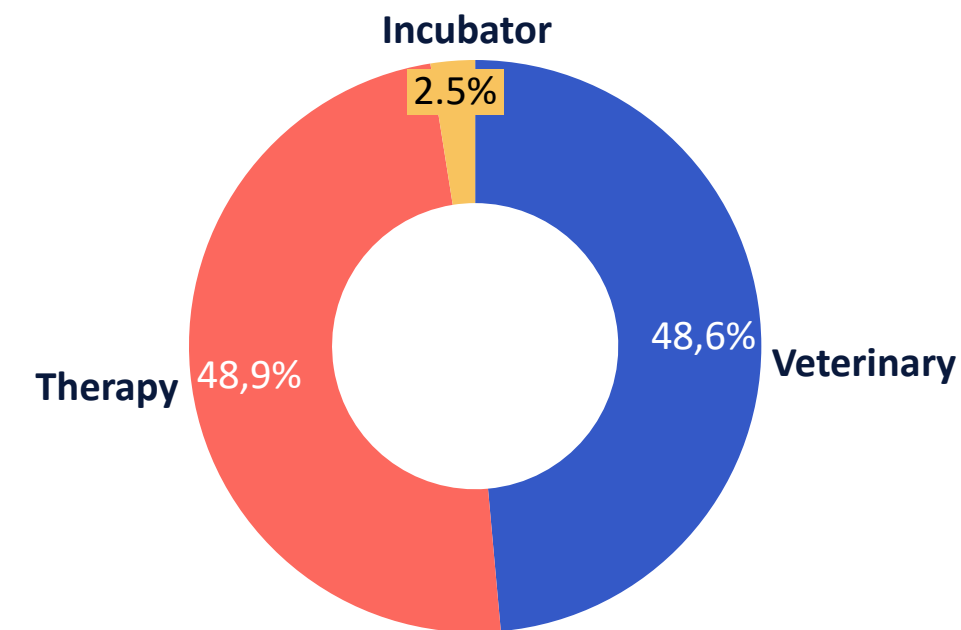
Nordhealth is the leading Nordic healthcare SaaS company



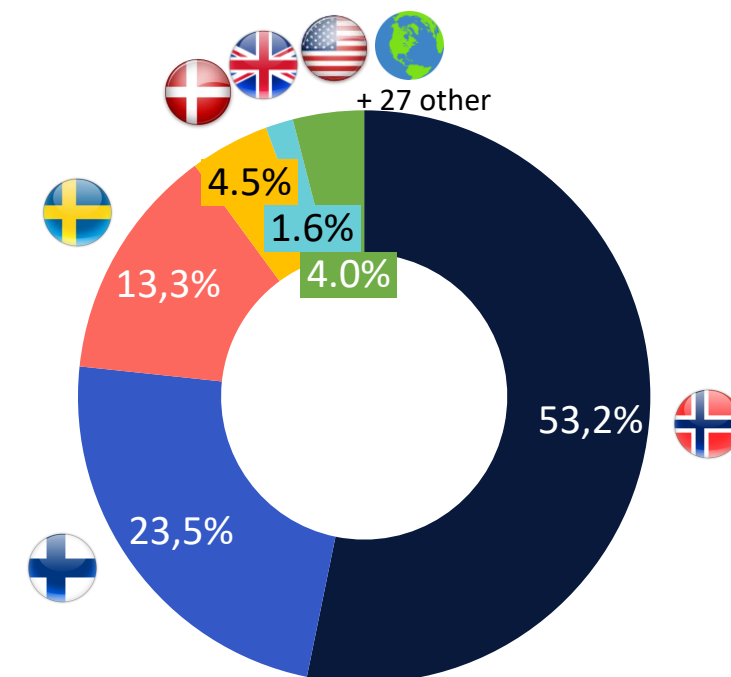
2021 business overview

- 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 are market leaders in the Nordic veterinary and therapy PMS market. 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 February 2022, we recruited our 300th employee.
- In June 2021, we raised €120M to accelerate our international expansion, ramp up product development and fund follow-on acquisitions.
- PMS software is very sticky, making it hard to dislodge incumbents. However, 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

Pan-Nordic company growing internationally



ARR split by segment
YE 2021



ARR split by country
YE 2021

Our growth strategy



1. Hire, develop and empower **A players** and **build great teams** that can help us scale to a €110M+ ARR business
2. Focus on attractive **healthcare niches**. Currently, **veterinary** and **therapy**
3. Build one **modern, easy-to-use and efficient cloud-based software** per healthcare niche that attracts customers through word-of-mouth
4. Build on our initial successful scaling **outside the Nordics** within attractive healthcare niches organically one country at a time
5. Scale faster via product-led growth (i.e. require very limited sales or onboarding) for SME customers
6. Targeted outbound strategy for larger target accounts
7. Continuously expand product offering range organically and via acquisition: Payments, consumer apps,...
8. Acquire legacy practice management software in our current healthcare niches. Study their product. Incorporate unique functionality that could improve our cloud product. Train employees in acquired entity on our cloud product. Migrate their customers to our cloud platform

Accelerated through our acquisition and migration strategy



Several acquisitions completed since 2005



Note: (1) Acquired Yoma Consulting's veterinary software implementation and support business

KPIs performing according to plan



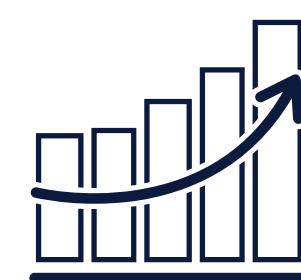
**114% organic
net retention rate**
2021



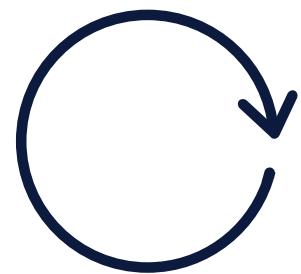
**+10% organic
new customer recruitments**
2021



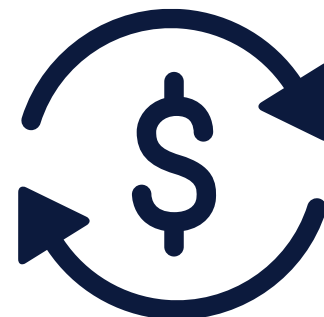
**23% organic
ARR growth**
2021



**102% total
ARR growth**
2021



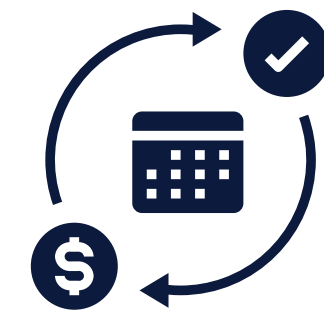
92%
recurring revenue
Q4 2021



EUR 0.30
ARR per share
YE 2021



1.5% organic
ARR gross churn
2021

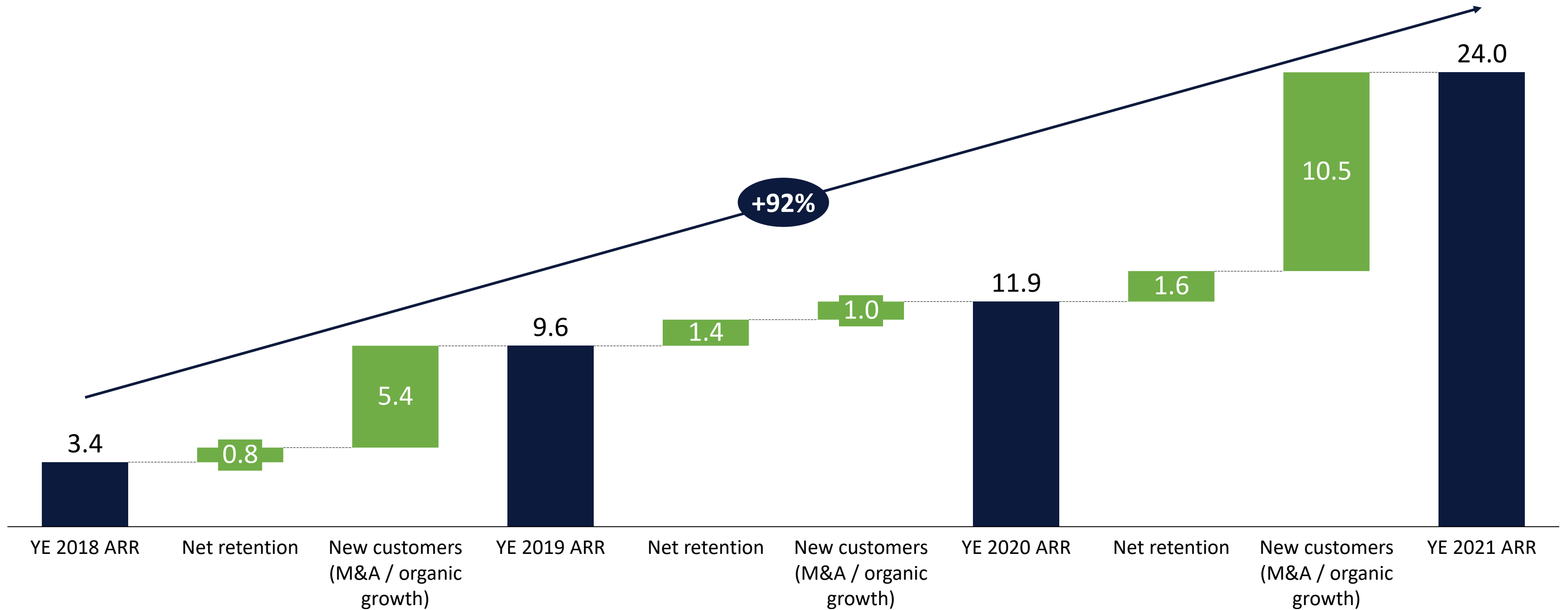


EUR 24.0M
Signed ARR
YE 2021

92% CAGR growth in recurring revenue streams



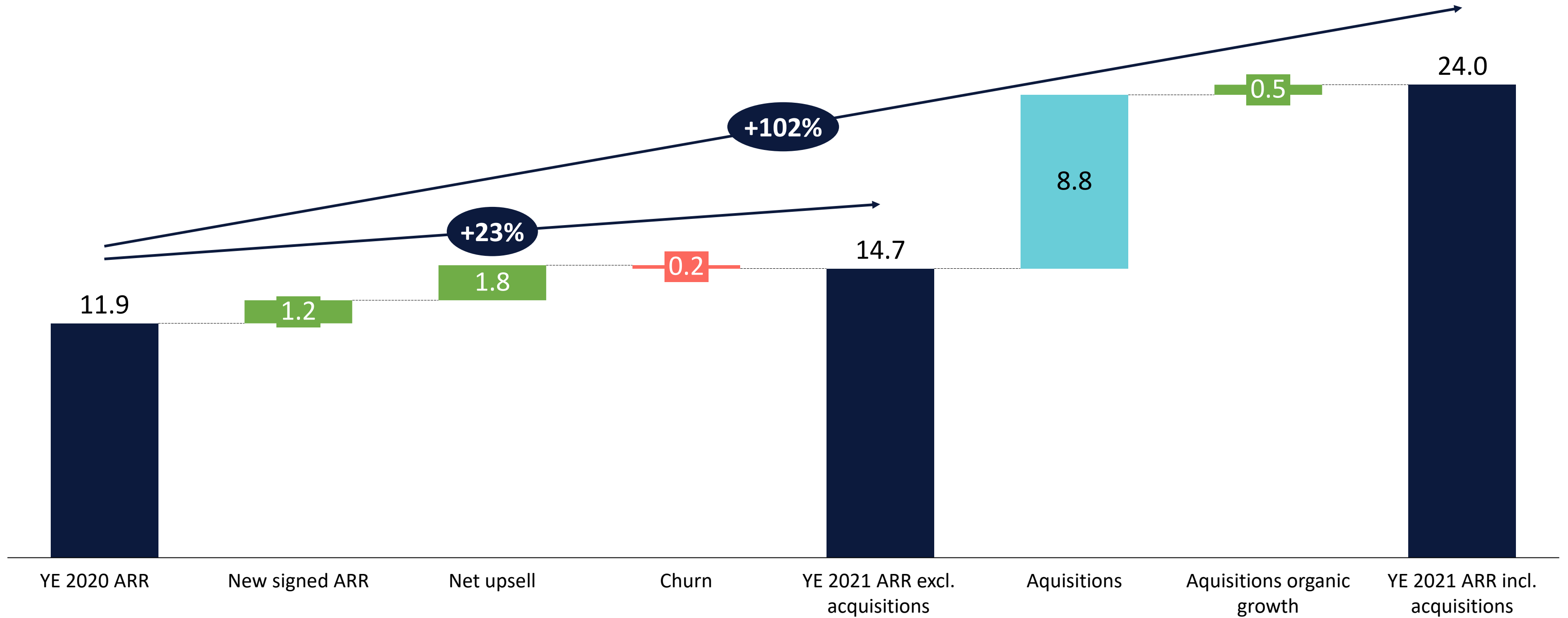
EURm



102% YoY ARR growth



EURm



2021 Contribution Margin of 65.2% on recurring revenues



Contribution Margin EUR in millions	2021
Recurring revenue	18.45
COGS	(3.00)
Customer Service & Support	(2.79)
Maintenance Development (10% of development)	(0.63)
Contribution Margin 1	12.03
<i>Margin</i>	65.2%
General and Administrative (excl. IPO & M&A costs)	(5.73)
Contribution Margin 2	6.30
<i>Margin</i>	34.2%
Growth Investments EUR in millions	2021
Professional Services + Other Revenue	1.88
Professional Services Costs	(1.62)
Sales & Marketing Costs	(2.08)
Product Development Costs (capitalised and expensed)	(5.63)
Growth investments	(7.44)
Change in Net Working capital	5.11
Other cash items	0.59
Adjusted free cash flow	4.56

Commentary

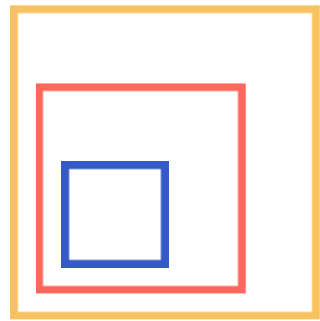
Contribution margin

- The contribution margin 1 is the FCF generated from the sale of our license fees i.e. steady state margin
- We foresee contribution margin 1 will increase over time as we **a)** migrate legacy products to flagship cloud products and **b)** our support organization scales and matures
- Contribution margin 2 is the FCF generated after G&A expenses
- We foresee the contribution margin will increase over time to as our G&A costs scale and one-off expenses such as M&A and IPO costs reduce.

Growth Investments

- We made significant growth investments in 2021 on go-to-market activities (marketing, sales, professional services) in the US and UK
- We began ramping up our product development organization

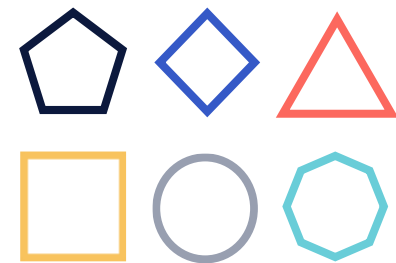
KPIs performing according to plan for 2021



New hires

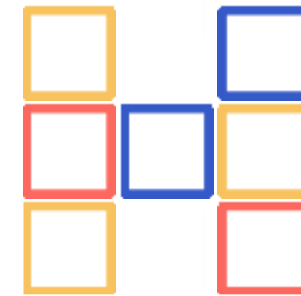
Hired 34 net new employees in Q4

- 5 in support
- 16 in sales, marketing & onboarding
- 12 in product development
- 1 in G&A



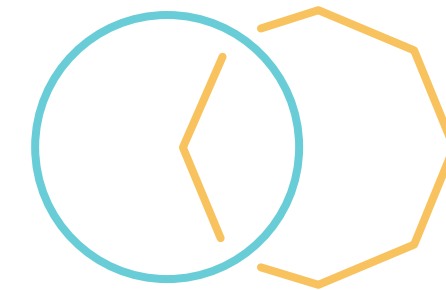
Payments

Net retention was driven by increased adoption of our Nets and Adyen payment solutions



New customers

Majority of new signed ARR comes from small and mid-size clinics and hospitals



New Product

Began development and presales new digital treatment sheet and whiteboard add-on module for veterinary clinics.



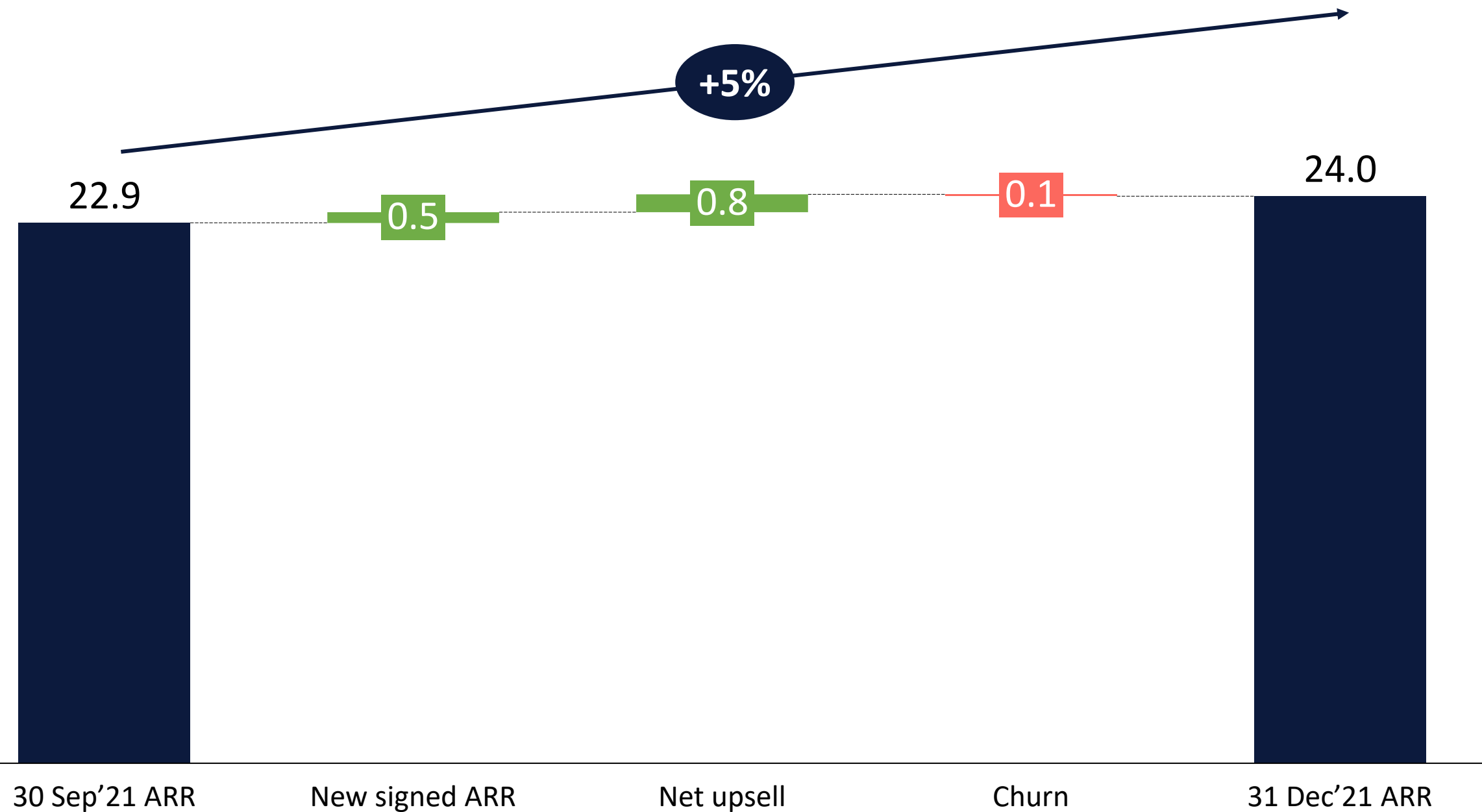
Financial updates

Mari Orttenvuori, CFO

5% QoQ ARR growth



EURm

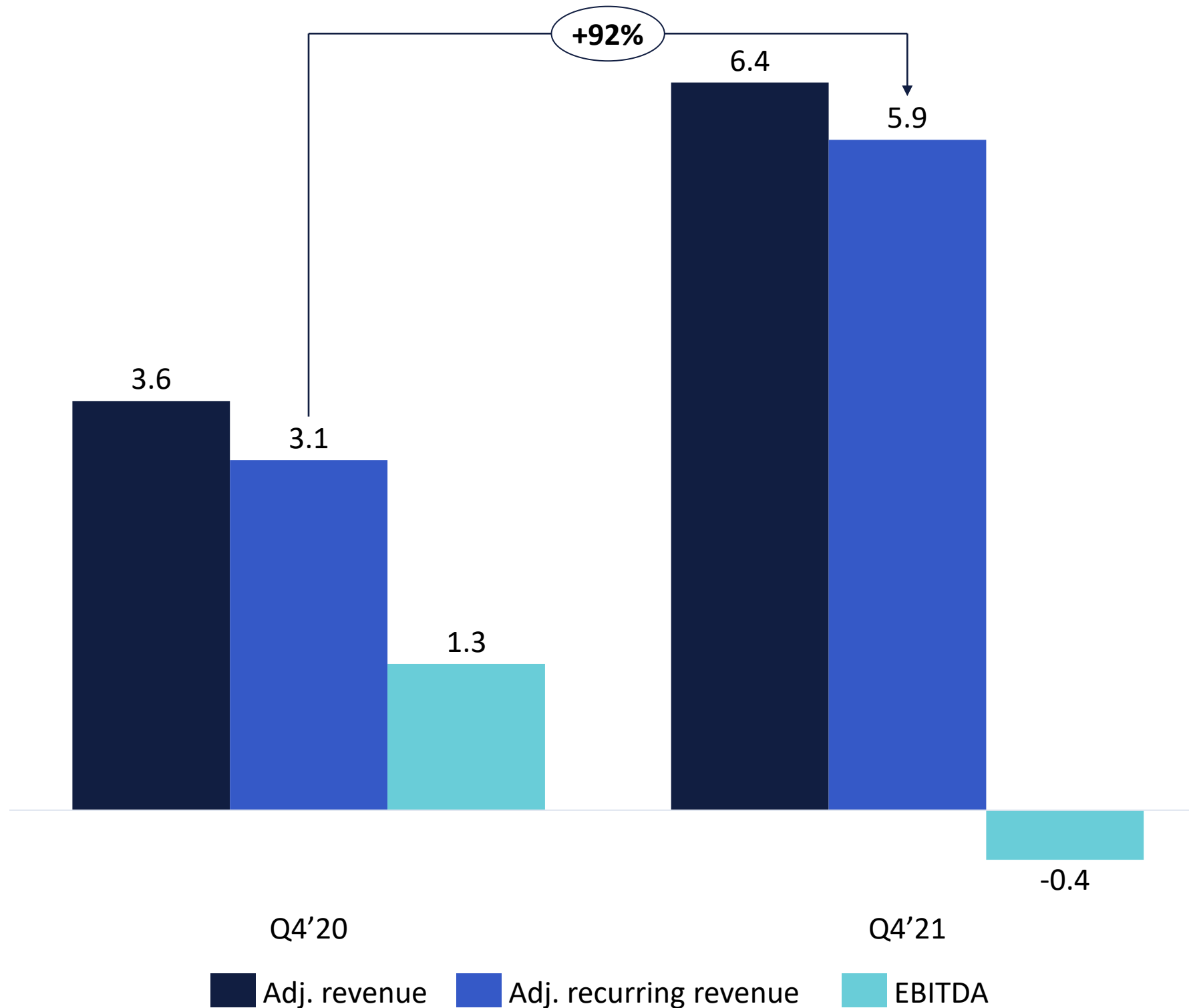


- Strong new signed ARR growth across both veterinary and therapy business units
 - Q3/2021 organic signed ARR growth 2,6%
 - Acquired companies still on legacy platform are slowing growth
- Net upsell impacted positively by the partnership agreement signed with Nets in Q4/2021
- Very low churn 1.5 %

Solid uptick in Q4 2021 vs. Q4 2020



Reported financials (EURm)



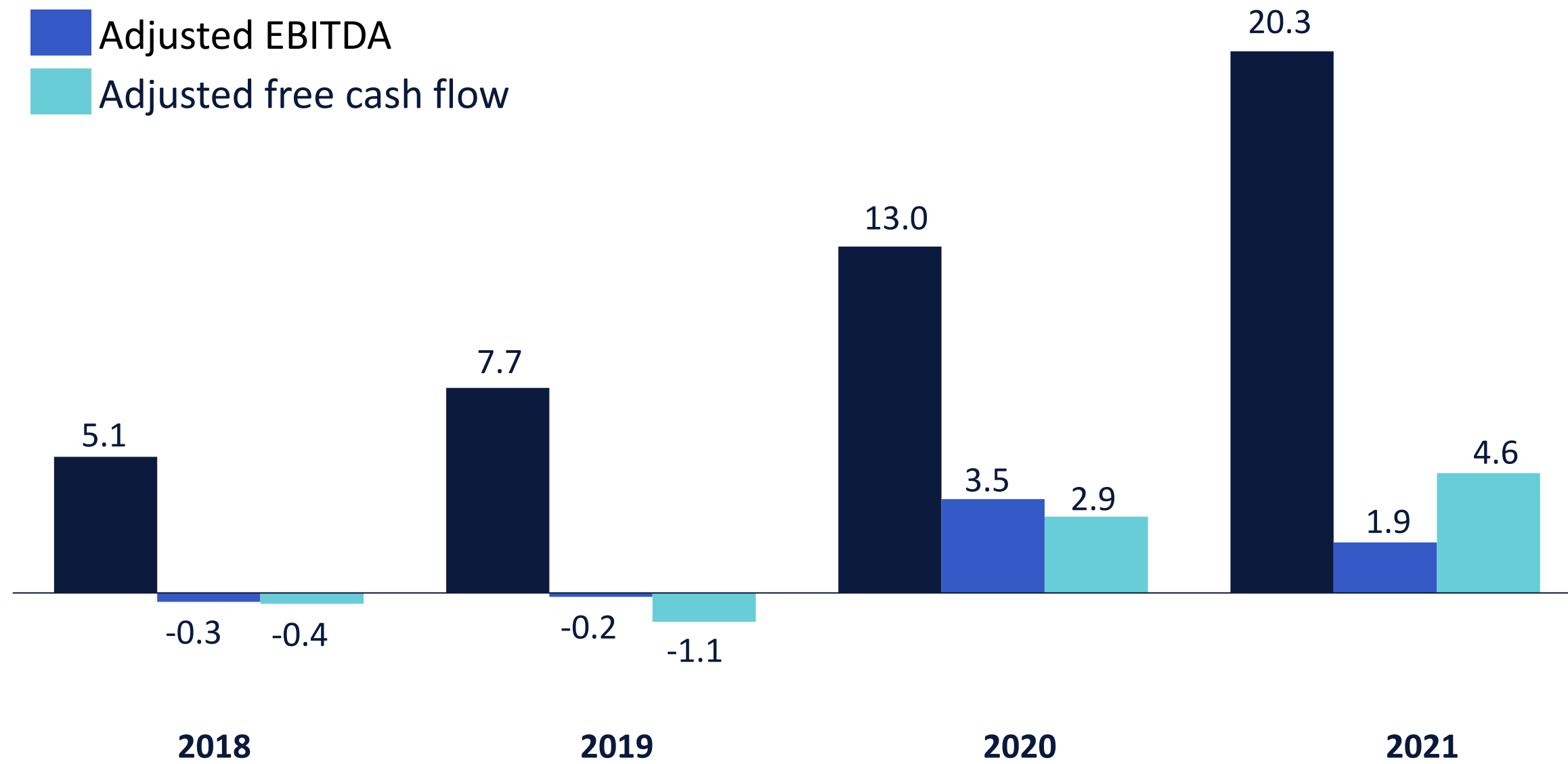
- Q4'21 Adjusted revenue of EUR 6.40m, up 78% YoY
- Q4'21 Adj. recurring revenue of EUR 5.90m, up 92% YoY
 - Revenues adjusted for consulting business divested in Q4/2020
- 2021 YTD Adj. EBITDA decreased in accordance with plan due to ramp up of US go-to-market and product development team
 - EBITDA adjusted for IPO/M&A costs in 2021
- Continue to be highly profitable in established markets, while re-investing profits to grow ARR

Strong cash flow generation



EURm

- Reported income
- Adjusted EBITDA
- Adjusted free cash flow



- Positive operative cash flow driven by negative NWC
- Adjusted free cash flow EUR 4.6m in 2021 with a cash-based adjustment of EUR 2.4m related to IPO/M&A expenses

Profit & Loss Statement



Reported P&L - Group consolidated

	Unaudited	Unaudited	Unaudited	Audited
EUR in thousands	Q4/2021	Q4/2020	2021	2020
Recurring revenue	5 900	3 189	18 464	10 724
Other revenue	503	666	1 836	1 960
Total revenues	6 403	3 854	20 300	12 685
Other operating income	7	255	31	312
Material and services	(1 314)	(417)	(3 562)	(1 751)
Gross profit	5 097	3 691	16 769	11 246
Personnel expenses	(3 587)	(1 865)	(10 073)	(5 555)
Other operating charges	(1 695)	(540)	(6 918)	(2 203)
EBITDA	(186)	1 286	(222)	3 487
Depreciation and amortization	(347)	(376)	(1 305)	(1 007)
Amortization of goodwill	(1 469)	(127)	(2 931)	(506)
EBIT	(2 002)	784	(4 458)	1 975
Other interest and financial income	241	213	758	279
Interest and other financial expenses	(262)	(174)	(946)	(252)
EBT	(2 023)	823	(4 646)	2 001
Taxes	(312)	(18)	(85)	(73)
Net profit (loss)	(2 335)	805	(4 731)	1 928
Adjustments to EBITDA:	(250)		2 116	
Adjusted EBITDA	(436)		1 895	
Adjusted EBITDA-%	-		9 %	
Adjusted Net profit (loss)	(2 585)		(2 615)	

Recurring revenues Q4'21 EUR 5.9m, up 85% YoY

- Total revenues Q4'21 EUR 6.4m, up 66% YoY
- Recurring revenue 92% of total revenues in Q4'21
- Decrease in other revenue driven by a change in pricing model shifting other revenue to recurring revenue

EBITDA Q4'21 of EUR -0.2m

- Increase in personnel expenses a reflection of high talent acquisition activity
- Increase in other operating expenses include additional investment in marketing activities and higher travel and meeting expenses

Amortization of goodwill driven by acquisitions completed during 2021

Financial items mainly from revaluation of foreign currency items

Balance Sheet



Reported balance sheet – Group consolidated

	Unaudited	Audited
EUR in thousands	31 Dec 2021	31 Dec 2020
Intangible assets	4 556	2 435
Deferred tax assets	45	-
Other capitalized long-term expenses	68	34
Goodwill	43 002	4 135
Machinery and Equipment	765	306
Other shares and similar rights of ownership	191	189
Loan receivables, long-term	-	49
Total non-current assets	48 627	7 149
Accounts receivable	2 433	1 151
Loan receivables, short-term	49	149
Other receivables	701	175
Prepayments and accrued income	650	506
Money market funds	46 458	-
Cash at bank and in hand	26 210	3 768
Total current assets	76 500	5 749
Total assets	125 127	12 898
Total equity	114 506	4 954
Liabilities to credit institutions	25	1 638
Other creditors	751	2 392
Total long-term liabilities	775	4 030
Liabilities to credit institutions	25	353
Advances received	3 806	500
Accounts payable	1 055	478
Other liabilities	1 662	791
Accrued expenses and deferred income	3 298	1 793
Total short-term liabilities	9 846	3 915
Total equity and liabilities	125 127	12 898

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 negative EUR 73m
- Significant increase in goodwill due to acquisitions closed in Q2'21

Change in equity and liabilities

- Repayment of Interest-bearing liabilities by EUR 1.9m during 2021
- Increase in Advances received from customers driven by acquisitions completed in Q2'2021

Cashflow



Reported cash flow statement – Group consolidated

	Unaudited	Unaudited
EUR in thousands	Q4/2021	31 Dec 2021
Cash flow from operations		
Profit before income taxes	(2 023)	(4 646)
Net financial items	917	869
Depreciation and amortization	1 816	4 236
Change in inventory	4	-
Change in trade debtors	(1 154)	(1 281)
Change in trade creditors	220	577
Change in other provisions	4 439	5 812
Net cash flow from operations	4 220	5 567
Cash flow from investments		
Investments in tangible and intangible assets	(1 132)	(3 377)
Purchase of shares and investments	(1 808)	(42 246)
Purchase of other investments	-	(2)
Purchase of money market funds	-	(46 515)
Net cash flow from investments	(2 941)	(92 140)
Cash flow from financing		
Change in debt	(815)	(3 583)
Issuance of equity	(904)	116 329
Payment of dividend	-	(3 731)
Net cash flow from financing	(1 720)	109 015
Net change in cash and cash equivalents	(440)	22 442
Cash and cash equivalents at the beginning of the period	26 650	3 768
Cash and cash equivalents at the end of the period	26 210	26 210
Money market fund	46 515	46 515

Cash flow from operating activities

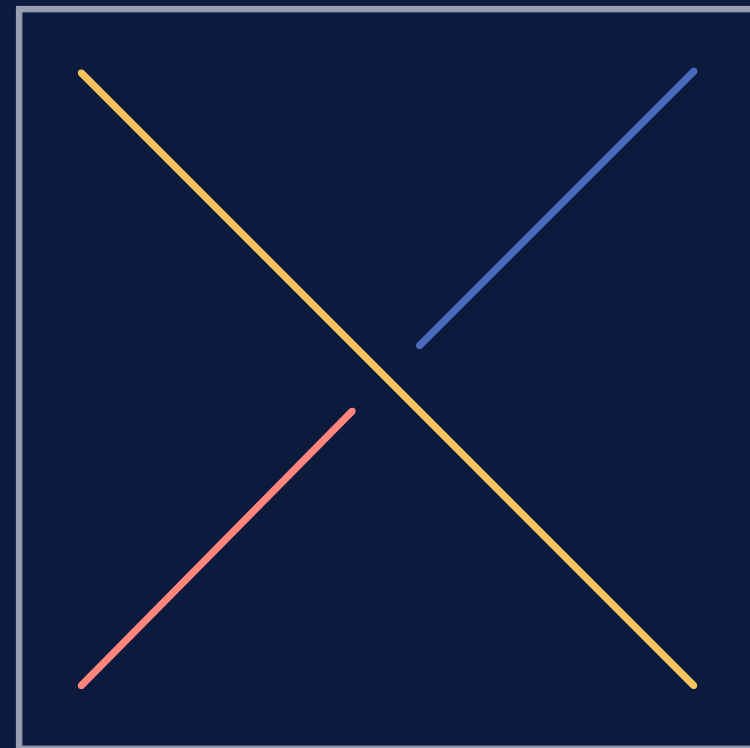
- Positive cash flow from operations, driven by negative NWC
- IPO/M&A cost adjusted net cash flow from operations EUR 7.9m

Cash flow from investing activities

- Net cash flow from investments EUR -92.1m, of which EUR 46.5m was a conversion of cash into fully liquid money market funds and EUR 42.2m was used to acquire Aspit and Novasoft

Cash flow from financing activities

- Highly positive net cash flow from financing activities of EUR 109.0 m driven by private placement and listing
- Change in debt includes repayment of interest-bearing debt of EUR 1.9m



2022 Forecast

Charles MacBain, CEO

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
Other acquisitions	-	-
YE 2022 ARR	31.0	32.4

Broad M&A pipeline. Expects to close further acquisitions during 2022

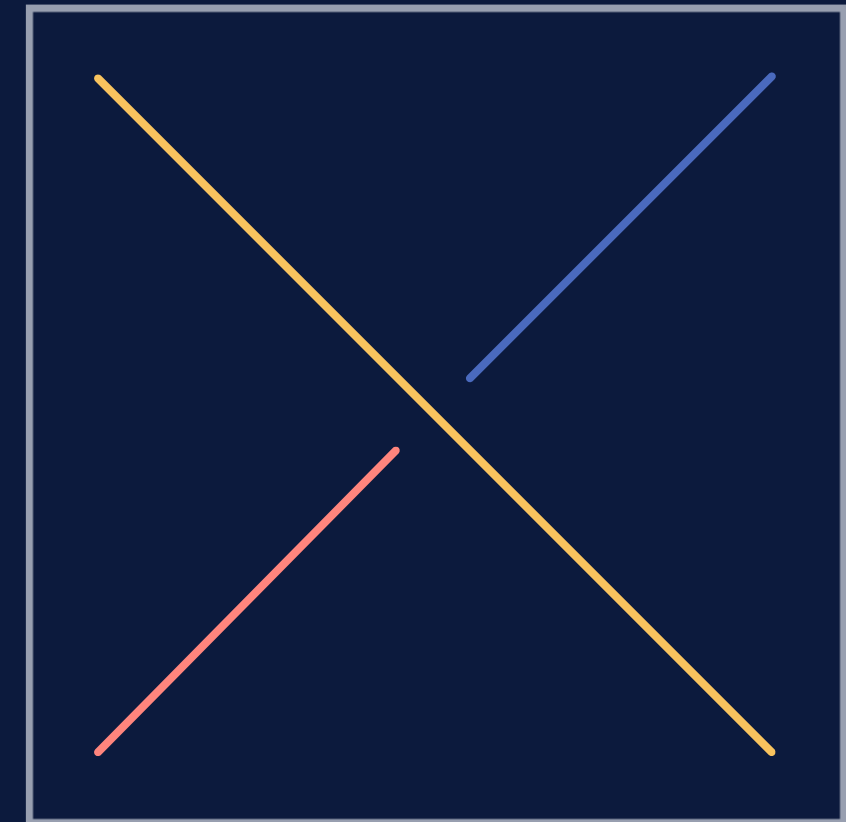
Investing to accelerate organic growth

- Significant ramp-up of product development spending to:
 - a) Accelerate localization of Provet Cloud in growth markets (USA, UK, Spain)
 - b) Improve UX/UI of our products by scaling design and design system team
 - c) Upgrade Diarium platform to replace Aspit in Norway and enable Diarium to expand internationally, like Provet Cloud
 - d) Develop new pet parent app
 - e) Develop new workflow companion app i.e., digital treatment sheets and digital whiteboard solution for veterinary professionals
 - f) Continue development of patient portal and expand it to Norway
- Ramp up US, UK, Spanish veterinary go to market team (marketing, sales, onboarding)
- **Investments in 2022 expected to increase organic growth in 2023 and onwards**

2021 Group financial statements and Q1 2022



2021 Group financial statements update on 29 April 2022
and Q1 2022 on 20 May 2022



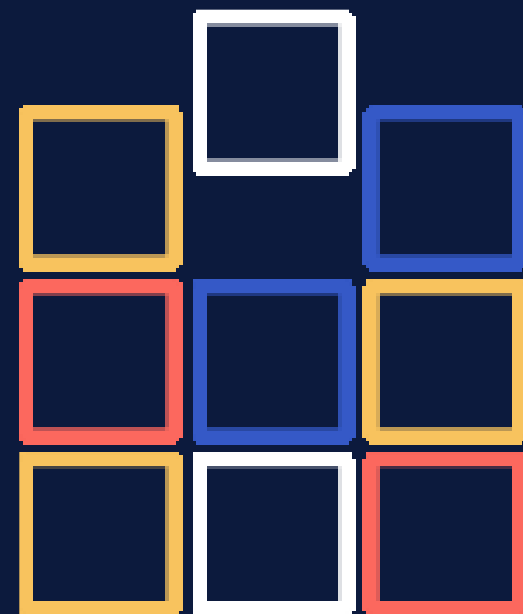


Q&A





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