nordhealth

Nordhealth Interim Condensed Financial Statements

H1 2024

1 January – 30 June 2024

Overview

Business

Nordhealth builds software for therapists and veterinarians. Our flagship Practice Management Software (PMS), Provet Cloud for veterinary practices and EasyPractice for therapy practices, empower healthcare professionals to streamline operations, improve patient care and fuel business growth. Currently over 60,000+ veterinary and therapeutic professionals in over 30 countries use our PMS products every day.

We are capitalizing on the shift from on-premise or hosted software towards cloud-based software. Cloud-based solutions offer clinics increased accessibility, improved scalability, enhanced data security, and reduced IT burden. Provet Cloud and EasyPractice are well positioned to be leaders in this transition in their industries, especially given the attractiveness of cloud-based software to veterinary clinics chains. We remain committed to helping clinics embrace this evolution and achieve long-term success by providing intuitive and fast software.

Mission-critical Software

The PMS is a mission-critical software for veterinary or therapy practices, functioning seamlessly as both the front and back office system of record:

- **Appointment scheduling and shift management:** Simplify scheduling, optimize staff allocation, and ensure smooth clinic operations.
- **Patient management and electronic health records (EHR):** Store and manage patient information efficiently, enabling informed care decisions.
- **Billing and invoicing:** Automate billing processes, improve cash flow and minimize errors.
- **Reporting and analytics:** Gain valuable insights to make data-driven decisions and drive success.
- **Government compliance:** Streamline reporting for regulations like HelseNorge (Norway) or Kanta (Finland) with automated tools and comprehensive dashboards.
- **Communication tools:** Enhance communication with patients and staff for better collaboration.
- **Inventory management and workflow automation:** Reduce time spent on manual tasks and optimize resource utilization.

Low churn

Clinics rely on Nordhealth as their core platform, integrating all essential tools and storing critical patient information. Switching costs are high, as evidenced by our low churn rate of 3.7% over five years. This loyalty reflects the mission-critical nature of our PMS. Nonetheless, high switching costs can also present a challenge in acquiring new customers.

Multi-product strategy drives net retention

Over the past five years, we have grown our product portfolio enabling us to upsell customers as evidenced by our average net retention rate of 113.7%. Acquiring new customers is costly, so offering multiple products expands Average Revenue Per User (ARPU), Total Addressable Market (TAM) and develops deeper customer relationships, as clients often seek a single point of accountability. We remain committed to add additional products, ensuring our platform evolves alongside customers' needs.

Operational highlights

The company achieved a total implemented Annual Recurring Revenue (ARR) of €40.8 million at the end of June 2024, demonstrating a robust 17.4% Year-over-Year growth. Net retention rate in the last twelve months ending 30 June 2024 was 108.3% and churn rate of 5.1% (excl. one time churn of therapy enterprise customer and sunsetting of Provet Win and Vetserve products). The veterinary segment experienced particularly strong performance, achieving 27.8% Year-over Year growth at constant FX rates at the end of June 2024. This success was driven by net upsell to existing customers followed by the rapid implementation of 348 CVS clinics within the space of 6 weeks. Conversely, the therapy segment exhibited slower growth of 5.4% mainly due to a loss of a corporate customer in late 2023.

Key highlights

Veterinary:

- The CVS roll-out has been progressing successfully and we now have 385 locations live in Provet Cloud.
- We signed EUR 489 thousands new ARR in Q2 (excl CVS).
- Our payment solution Provet Pay has reached over EUR 1 million ARR in Q2.
- Vetserve has been successfully discontinued in Q2/2024 and customers migrated to Provet Cloud.

Therapy:

- Our new implemented monthly recurring revenue (MRR) year-to-date ending June 31 was EUR 55,270 (slightly above target)
- Recurring revenue fell short of target due to higher churn, downsell and delayed price increases for EasyPractice
- 334 therapists profiles signed up to booking portal in Finland and patients have made 1,553 bookings
- First 34 therapy users migrated from Aspit to EasyPractice. No migrated customers have churned
- Hire Karan Wallia as new CEO of therapy business unit

Other Businesses:

- As of the beginning of 2024, we have in our reporting separated Other businesses from Therapy. Other businesses include data protection training platform Navisec and IT Operations which provide hosting services to Aspit and external municipal customers
- Other businesses ARR at the end of June 2024 was €1.8M growing at 11.4% YoY

Financial review H1 2024

These condensed interim financial statements have been prepared in accordance with Norwegian GAAP (NRS 11). The Reporting currency is EUR. All numbers are presented in EUR thousands, unless otherwise stated. The figures in the tables have been rounded to the nearest thousands of euros, so they may not add up to precise totals. The numbers in brackets refer to the value in the corresponding period a year earlier, unless otherwise stated except for balance sheet items which refer to the end of the previous financial year.

Revenue, result and financial position

H1 / 2024

The first half revenue grew by 25 (23) % and amounted to EUR 22,352 (17,859) thousand. In the first half of 2024 the share of recurring revenue of the total revenue was 85 (90) % amounting to EUR 19,100 (16,090) thousand resulting in 19 (18) % growth.

The total personnel costs in the first half of 2024 amounted to 54 (64) % of revenues and other operating charges amounted to 26 (29) % of total revenues.

The first half reported EBITDA amounted to EUR 1,254 (-1,059) thousand and the EBITDA margin improved to 5.6 (-5.9)%.

Non-recurring items during the first half of 2024 amounted to EUR 410 (353) thousand and relate mainly to reorganization activities.

Adjusted EBITDA amounted to EUR 1,664 (-706) thousand and adjusted EBITDA margin was 7.4 (-4.0)% in the first half of 2024. The improvement in EBITDA and adjusted EBITDA is mainly driven by growth in professional services revenues earned during the first half.

Net financial items in the first half totaled EUR 288 (-189) thousand comprising mainly of foreign currency revaluations and changes in the fair value of the money market funds.

Total non-current assets amounted to EUR 60,321 (65,269) thousand at the end of June 2024. Total intangible assets amounted to EUR 58,982 (62,136) thousand at the end of the period. In addition to goodwill, intangible assets mainly consist of capitalized product development costs. Ongoing development activities focus on adding new features to ProvetCloud as well as on the localization of the products for new market entry, as well the development of the new EasyPractice platform.

Total current assets amounted to EUR 28,857 (36,440) thousand at the end of June 2024. Cash and cash equivalents amounted to EUR 4,414 (10,785) thousand. The company has EUR 15,966 (18,173) thousand of cash in fully liquid money market funds.

The combined value of money market fund holdings and cash amounted to EUR 20,380 (28,957) thousand at the end of the reporting period.

Total equity at the end of June 2024 amounted to EUR 78,331 (88,958) thousand. During the first half the Company made a reward share payout under the 2023 Performance Share program to the participants. The shares used in the payout consisted of Treasury shares held by the Company. In total, 20,799 shares were transferred to the participants. After the share transfer the number of shares held by the Company amount to 1,125,838 as at 30 June 2024.

Total current liabilities totaled EUR 10,433 (12,481) thousand at the end of June 2024 consisting mainly of deferred revenue and payroll related liabilities.

Net cash flow from operating activities in the first half of 2024 was EUR 620 (-2,417) thousand. Net cash flow from investing activities amounted to EUR -1,250 (-1,460) thousand, with investments in tangible and intangible assets of EUR 2,693 (3,147) thousand. There was no cash flow from financing activities in the first half of 2024 (-366 thousand). Free cash flow (adjusted) amounted to EUR -1,737 (-5,210) thousand in the first half of 2024.

Risks

Operational risks

Although most of the Group's contracts with customers for use of the Group's Software-as-a-Service ("SaaS") services are automatically renewed, the Group is still dependent on retaining existing contracts and obtaining new contracts on acceptable terms, to maintain and/or increase its revenues. If the Group fails in retaining existing customers and attracting new customers, it could have a material adverse effect on its results of operations, cash flow, financial condition and/or prospects.

The effectiveness of the Group's software platform is highly dependent on valuable partnerships with respect to IT-applications used by the Group and integration with necessary software, especially integration with various systems utilised by the Group's customers and partners. Although the Group has successfully entered into valuable partnerships and integrated their technology with third party suppliers, any changes in such third-party systems may result in the Group's technology being incompatible with such system and in turn may have a material adverse effect on the Group's results of operations, financial condition and/or prospects.

The Group is handling data within the healthcare sector and other sectors that may be linked to individual persons, which by its nature is highly sensitive. The Group is liable to its customers, regulatory authorities, and the individuals whose personal data is handled for damages caused by unauthorized use or disclosure of personal data as well as sensitive and confidential information. Unauthorized disclosure of any such information may result in significant fines and may damage the Group's brand and/or reputation and may lead to customer attempting to cancel existing agreements with the Group. These factors may in turn have an adverse effect on the Group's ability to attract and retain customers and partners and in turn adversely affect the Group's business, cash flow, operating results, and financial position.

The Group's business requires specialized and skilled personnel. There is a risk that the Group will be unable to keep enough appropriate key executives, key employees, and qualified new employees to effectively manage the business. There can be no assurance that the Group will be successful in retaining its key executives, key employees and qualified employees or replace such personnel with corresponding qualifications. If the Group fails to do so, it could have a material adverse effect on the Group's business, prospects, financial results and/or results of operations.

Financial risks

The Group is dependent on current financing arrangements, renewal of these and/or obtaining new financing agreements to fund its operations, working capital or capital expenditures. The Group cannot assure that it will be able to obtain any additional financing or retain or renew current financing upon expiry on terms that are acceptable, or at all. If funding is insufficient at any time in the future, the Group may be unable to execute its business strategy or take advantage of business opportunities, any of which could adversely impact the Group's business, results of operations, cash flows and financial condition.

The Group is dependent on having access to long-term funding and may in the future require additional funding in the form of either debt or equity to successfully execute its strategy and to finance further growth. There can be no assurance that the Group will be able to raise additional capital necessary to conduct its ongoing and future operations, at the required time or on acceptable terms and there can be no assurance that the Group will not experience net cash flow shortfalls exceeding the Group's available funding sources. If required funds are not available, this could have a material adverse effect on the Group's business, financial condition, and prospects.

Mergers and acquisitions

As part of the Group's growth strategy, the Group considers the acquisition of other companies to expand the Group's existing business and create economic value. The Group cannot assure that it will be able to consummate any such transactions or that any future acquisitions will be consummated at acceptable prices and terms.

The Group continually evaluates potential acquisition opportunities in the ordinary course of business, including those that could be material in size and scope. Acquisitions involve a number of special risks, including (i) the diversion of management's attention and resources to the assimilation of the acquired companies and their employees and to the management of expanding operations, (ii) problems associated with maintaining relationships with employees of acquired businesses, (iii) the increasing demands on the Group's operational systems and technical capabilities, (iv) ability to integrate and implement effective disclosure controls and procedures and internal controls for financial reporting within allowable time frames, (v) risks associated with the ability to fund expected and unexpected capital costs and expenses associated with any acquired entity/assets and (vi) the loss of key employees of acquired entities/assets.

The Group may also become responsible for unexpected liabilities that the Group failed or was unable to discover in the course of performing due diligence in connection with historical acquisitions and any future acquisitions and indemnification rights which have been obtained, or will in the future be obtained, may not be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the assets acquired.

Any of these liabilities, individually or in the aggregate, would, if materialized, have a material adverse effect on the Group's businesses, products, prospects, financial condition and results of operations.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to exchange rate fluctuations. Exposure to currency risks arises primarily when receivables and payables are denominated in a currency other than the operating company's local currency. In addition, the Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures on translation, primarily with respect to fluctuations in the EUR/NOK, EUR/SEK, and EUR/USD exchange rate. The Group manages its currency risk by closely monitoring the currency fluctuations and does not hedge its currency risk.

Credit risk

The Group has a significant amount of trade receivables and will be dependent on being able to collect such receivables. Consequently, the Group may be exposed to financial loss if a customer or counterparty fails to meet its contractual obligations. To the extent payment is done by payment letter or credit or otherwise given, the Group is vulnerable to credit risk and any failure by its counterparties to meet their obligations may affect the Group's income. Failure to collect its trade receivables or customers' unwillingness or inability to pay could have a material impact on the Group's business and financial condition.

With a wide customer base, credit risk from a single counterparty is limited.

Significant events after the reporting period

There have been no significant events after the reporting period.

Guidance for 2024

Old guidance

The management estimates a 15-20% growth in recurring revenue in 2024 from 2023, calculated at a constant currency rate as of 31 December 2023 and Q1 2025 EBITDA - CAPEX breakeven.

New guidance

The management estimates a 15-20% growth in recurring revenue in 2024 from 2023, calculated at a constant currency rate as of 31 December 2023.

Condensed Consolidated Interim Financial Statements

Consolidated Income Statement

EUR in thousands	Note	H1/2024 (Unaudited)	H1/2023 (Unaudited)	2023 (Audited)
Recurring revenue	1	19 100	16 090	33 085
Other revenue		3 252	1 769	3 740
Total revenue		**22 352**	**17 859**	**36 825**
Other operating income		74	52	102
Total operating income		**22 426**	**17 911**	**36 927**
Material and services		(3 196)	(2 507)	(5 171)
Personnel expenses	2	(12 127)	(11 368)	(22 490)
Other operating charges	3	(5 849)	(5 095)	(10 514)
Total operating expenses		**(21 172)**	**(18 970)**	**(38 175)**
Operating profit (loss) (EBITDA)		**1 254**	**(1 059)**	**(1 248)**
Depreciation and amortization	4	(2 236)	(1 545)	(3 701)
Amortization of goodwill	4	(3 258)	(3 296)	(6 438)
Total depreciation and amortization		**(5 494)**	**(4 841)**	**(10 139)**
Operating profit (EBIT)		**(4 239)**	**(5 899)**	**(11 387)**
Other interest and financial income		422	549	1 131
Interest expenses		(12)	(2)	(8)
Other financial expenses		(123)	(314)	(542)
Total financial income and expense		**288**	**233**	**581**
Profit (loss) before tax		**(3 951)**	**(5 666)**	**(10 806)**
Taxes		(107)	(189)	(326)
Net profit (loss)		**(4 059)**	**(5 855)**	**(11 132)**

Consolidated Balance Sheet

ASSETS EUR in thousands	Note	H1/2024 (Unaudited)	2023 (Audited)
Intangible assets			
Intangible assets	4	12 995	12 480
Deferred tax assets		519	547
Other capitalized long-term expenses	4	77	101
Goodwill	4	45 391	49 008
Total intangible assets		**58 982**	**62 136**
Tangible assets			
Machinery and equipment	4	388	498
Total tangible assets		**388**	**498**
Financial assets			
Other shares and similar rights of ownership	4	643	720
Other long-term receivables		308	196
Total financial assets		**951**	**916**
Total non-current assets		**60 321**	**63 550**
Accounts receivable		6 124	4 896
Other receivables		1 159	522
Prepayments and accrued income		1 193	797
Total receivables		**8 476**	**6 215**
Money market funds		15 966	17 119
Total investments		**15 966**	**17 119**
Cash and cash equivalents		4 414	5 052
Total cash and cash equivalents		**4 414**	**5 052**
Total current assets		**28 857**	**28 386**
Total assets		**89 178**	**91 936**

Equity and liabilities

EUR in thousands	Note	H1/2024 (Unaudited)	2023 (Audited)
Paid-in equity			
Share Capital	6	7 750	7 749
Share premium reserve	6	109 400	109 400
Total paid-in equity			
Retained earnings			
Other equity	6	(38 820)	(34 382)
Total retained earnings			
Total equity		**78 331**	**82 766**
Other non-current liabilities		414	136
Total non-current liabilities		**414**	**136**
Deferred revenue		2 944	986
Accounts payable		762	1 531
Other current liabilities		1 245	1 386
Accrued expenses	7	5 482	5 130
Total current liabilities		**10 433**	**9 034**
Total equity and liabilities		**89 178**	**91 936**

Consolidated Cash Flow Statement

EUR in thousands	H1/2024 (Unaudited)	H1/2023 (Unaudited)	31 Dec 2023 (Audited)
Cash flow from operations			
Profit (loss) before income taxes	(3 951)	(5 701)	(10 806)
Taxes paid in the period	(139)	(200)	(51)
Other non-cash items	(593)	95	749
Depreciation and amortization	5 494	4 841	10 139
Change in trade debtors	(1 228)	(2 117)	(861)
Change in trade creditors	(769)	216	653
Change in deferred revenue	1 958	793	(3 532)
Change in other accruals	(150)	(343)	(1 514)
Net cash flow from operations	**620**	**(2 416)**	**(5 223)**
Cash flow from investments			
Investments in tangible and intangible assets	(2 693)	(3 147)	(5 723)
Disposal (purchase) of shares and investments, net of acquired cash	-	(4 034)	(4 034)
Proceeds from / (investments in) money market funds	1 444	5 721	7 130
Net cash flow from investments	**(1 250)**	**(1 460)**	**(2 627)**
Cash flow from financing			
Change in debt	-	(25)	(25)
Purchase of treasury shares	-	(342)	(2 323)
Net cash flow from financing	**-**	**(366)**	**(2 348)**
Net change in cash and cash equivalents	(629)	(4 243)	(10 198)
Cash and cash equivalents at the beginning of the period	5 052	15 514	15 514
Translation difference	(9)	(486)	(263)
Cash and cash equivalents at the end of the period	4 414	10 785	5 052
Money market fund	**15 966**	**18 173**	**17 119**

Notes to the Interim Financial Statements

Basis of presentation

Nordhealth AS (the "Company" and, together with its consolidated subsidiaries, the "Group" or "Nordhealth") is a Company registered in Norway and traded on the Euronext Growth Oslo. The Company's registered business address is Strandveien 50, 1366 Lysaker, Oslo, Norway.

Except for the accounting standard below, these condensed interim financial statements have been prepared in accordance with Norwegian GAAP (NRS 11) and in accordance with the accounting principles published in the 2023 financial statements, which can be found from Nordhealth website www.nordhealth.com. The Reporting currency is EUR. All numbers are presented in EUR thousands, unless otherwise stated. The figures in the tables have been rounded to the nearest thousands of euros, so they may not add up to precise totals. The numbers in brackets refer to the value in the corresponding period a year earlier, unless otherwise stated. The interim financial information is unaudited.

1. Revenue

Revenue by operating segment

	H1 2024	%	H1 2023	%
Veterinary	13 765	62%	9 642	54%
Therapy	7 698	34%	7 379	41%
Other	890	4%	837	5%
Total	**22 352**	**100%**	**17 859**	**100%**

Revenue by geographical areas

	H1 2024	%	H1 2023	%
Norway	6 765	30%	6 852	38%
Finland	4 311	19%	4 095	23%
Sweden	2 292	10%	1 906	11%
Denmark	2 212	10%	1 736	10%
Germany	1 741	8%	1 676	9%
United Kingdom	2 989	13%	421	2%
Other Countries	2 044	9%	1 173	7%
Total	**22 352**	**100%**	**17 859**	**100%**

Increase in the UK market is mainly driven by CVS roll-outs during the first half of 2024.

2. Personnel and remuneration

Personnel expenses

	H1 2024	H1 2023
Salaries	9 744	9 169*
Pensions	1 512	1 334
Other social security expenses	871	865
Total	**12 127**	**11 368**

* 80 thousand EUR of social security expenses incurred in 2023 have been reclassified from other social security expenses as salary expenses and 2023 has been revised accordingly.

Average numbers of employees in H1 2024 was 355 (363).

In H1 2024, personnel expenses totaling EUR 1,749 (1,888) thousand have been capitalized as development cost.

Performance Share Plan

The Company introduced a Performance Share Plan ("Plan") for key personnel in April 2023. There are two Performance periods under the Plan, 2023 and 2024. There are nine key persons participating in the 2023 Plan and 19 in the 2024 Plan on 30 June 2024. If the performance criterion is met during the earning period, the reward will be paid to the participants in the company's shares. Performance criterion means a financial, strategic or any other criterion set by the Board as a basis for measuring any Group Company´s and/or Participant´s performance. The Plan consists of one Performance Period and three Commitment Periods.

Plan	Performance Period	Commitment Periods
2023	Calendar year 2023	Calendar years 2024, 2025 and 2026
2024	Calendar year 2024	Calendar years 2025, 2026 and 2027

Participants will be allocated a Maximum Reward in cash converted to Shares that can be earned from the Performance Period. The amount of the Reward is determined by the achievement of performance targets during the Performance Period. The Reward will be paid in Shares after the Performance Period and each Commitment Period. The Rewards to be paid based on the performance period 2023-2026 approximate maximum total of 83,205 shares. The Rewards to be paid based on the performance period 2024-2027 approximate maximum total of 288,753 shares. During the Performance Period, the Board may decide on including a new Participant in the Plan.

The Reward will be paid in four (4) equal installments. The value of each Reward installment will correspond to 25% of the confirmed Reward. The first Reward installment will be paid after the end of the Performance Period and the following three installments will be paid after each Commitment Period. If the employment of the Participant ends before the Performance Period has ended, they will lose the right to the Reward. If the employment of the key person terminates after the Performance Period, but before all Commitment Periods have ended, the participant is entitled to the Reward related to the ongoing Commitment Period (prorated) and any unpaid Reward installments for a Commitment Period already ended. The participant is not entitled to Reward installments from any other Commitment Period that has not commenced. Participants are entitled to keep Rewards already received before the termination of the employment.

Share-based expense for the awards is based on the fair value of the shares on the grant date and reflects the estimated probability that the performance and service conditions will be met during the vesting period. The share-based expense is adjusted in future periods for changes in the expected outcome of the performance related conditions until the vesting date. A total expense of EUR 136 thousand was recognized for the first half of 2024. The amount recognized within equity was EUR 159 thousand on 30 June 2024.

3. Other operating expenses

	H1 2024	H1 2023
Other voluntary personnel expenses	424	340
Premise expenses	404	458
IT expenses	1 505	1 262
Travel expenses	470	320
Marketing expenses	879	850
Outsourced services	1 221	931
Administrative expenses	782	726
Other operative costs	164	206
Total	**5 849**	**5 095**

4. Intangible and tangible assets

Intangible Assets	Development expenses	Intangible rights	Other capitalized long-term expenses	Goodwill	Total
Acquisition value 1.1.	21 368	1 356	245	65 187	**88 156**
FX Rate movements	(7)	-	(5)	(565)	**(577)**
Increases	2 529	29	12	-	**2 570**
Acquisition value 30.6.	23 891	1 385	252	64 622	**90 149**
Amortization 1.1.	(9 594)	(651)	(144)	(16 178)	**(26 567)**
FX Rate movements	1	-	4	206	**211**
Amortization	(1 967)	(70)	(35)	(3 258)	**(5 330)**
Amortization 30.6.	(11 560)	(721)	(175)	(19 231)	**(31 687)**
Net book value	**12 331**	**664**	**77**	**45 391**	**58 463**

Management exercises judgment in determining whether the incurred development expenses meet capitalization criteria and whether the carrying amount of capitalized development exceeds the expected future cash flows of the software they relate to.

In H1 2024, development expenses totalling EUR 2,530 (2,587) thousand have been capitalized. Personnel expenses totalling EUR 1,749 (1,860) thousand have been capitalized as development cost. 69 (72) % of the capitalized development costs in total have been internally developed during H1 2024.

Development costs totalling EUR 4,163 (3,501) thousand have been expensed through profit and loss in H1 2024.

Tangible assets	Machinery and equipment	Total
Acquisition value 1.1.	2 915	**2 915**
FX Rate movements	(15)	**(15)**
Increases	65	**65**
Acquisition value 30.6.	2 964	**2 964**
Depreciation 1.1.	(2 417)	**(2 417)**
FX Rate movements	4	**4**
Depreciation	(163)	**(163)**
Amortization 30.6.	(2 576)	**(2 576)**
Net book value	**388**	**388**

Investments	Other shares	Total
Acquisition value 1.1.	720	**720**
Disposals	(77)	**(77)**
Acquisition value 30.6.	643	**643**
Net book value	**643**	**643**

5. Investments in group companies

Companies included in Nordhealth Group

	Parent Company	Business office	Ownership %	Functional currency
Nordhealth AS		Oslo, Norway		NOK
Nordhealth Oy	Nordhealth AS	Helsinki, Finland	100 %	EUR
Nordhealth Norway AS	Nordhealth Oy	Molde, Norway	100 %	NOK
Nordhealth Sweden AB	Nordhealth Norway AS	Västerås, Sweden	100 %	SEK
Nordhealth Denmark AS	Nordhealth Norway AS	Hinnerup, Denmark	100 %	DKK
Nordhealth Finland Oy	Nordhealth Oy	Helsinki, Finland	100 %	EUR
Navicre Oy	Nordhealth Oy	Helsinki, Finland	100 %	EUR
Nordhealth Estonia OÜ	Nordhealth Oy	Tallinn, Estonia	100 %	EUR
Nordhealth USA Inc.	Nordhealth Oy	Denver, USA	100 %	USD
Provet Cloud (UK)	Nordhealth Oy	London, United Kingdom	100 %	GBP
Aspit AS	Nordhealth Oy	Seljord, Norway	100 %	NOK
EasyPractice ApS	Nordhealth Oy	Copenhagen, Denmark	100 %	DKK
Nordhealth Spain SL	Nordhealth Oy	Barcelona, Spain	100 %	EUR
Nordhealth Italy S.R.L	Nordhealth Oy	Milan, Italy	100 %	EUR
Vetera GmbH	Nordhealth Germany GmbH	Eltville, Germany	100 %	EUR
Nordhealth Germany GmbH	Nordhealth Oy	Munich, Germany	100 %	EUR

6. Equity and shares

Statement of changes in equity

	Share capital	Share premium	Translation reserve	Retained earnings	Total Equity
Equity 1.1.2023	**7 848**	**109 400**	**(535)**	**(18 083)**	**98 630**
Treasury shares	(99)			(2 224)	(2 323)
Profit (loss) for the period				(11 132)	(11 132)
Share based payment program				109	109
Translation reserve			(2 517)		(2 517)
Total Equity 31.12.2023	**7 749**	**109 400**	**(3 052)**	**(31 331)**	**82 766**

	Share capital	Share premium	Translation reserve	Retained earnings	Total Equity
Equity 1.1.2024	**7 749**	**109 400**	**(3 052)**	**(31 331)**	**82 766**
Treasury shares	2			43	(45)
Profit (loss) for the period				(4 059)	(4 059)
Share based payment program				50	50
Translation reserve			(472)		(472)
Total Equity 30.06.2024	**7 750**	**109 400**	**(3 524)**	**(35 296)**	**78 331**

On 30 May 2024, Annual General Meeting of Nordhealth AS was held. In this meeting, Board of Directors was granted an authorisation to increase the Company's share capital, in one or more rounds, by up to NOK 12,028,761.90 which is equivalent to approximately 15% of the current share capital, by issuance of A-shares. The shareholders' preferential right to subscribe for the new shares pursuant to Section 10-4 of the Norwegian Private Limited Liability Companies Act may be deviated from. The authorization comprises share capital increases against contribution in kind and the right to incur specific obligations on behalf of the Company, cf. Section 10-2 of the Norwegian Private Limited Liability Companies Act. The authorization covers share capital increases in connection with mergers pursuant to Section 13-5 of the Norwegian Private Limited Liability Companies Act. Board of Directors was also granted an authorisation to acquire own shares with a total nominal value of up to NOK 12,028,761.90, which is equivalent to approximately 15% of the current share capital. The maximum amount which can be paid for each share is NOK 50 and the minimum is NOK 1. These authorization are valid until the Company's annual general meeting in 2024, but no longer than 30 June 2025.

In 2023, the Company completed two share buyback programs and acquired 1,146,637 shares under the program for a total consideration of NOK 26.8 million.

Investor	A-shares	B-shares	Number of total shares	% of total	Type	Country
J.P. Morgan SE	10 593 259	29 794 638	40 387 897	50 %	Nominee	Luxembourg
State Street Bank and Trust Comp	6 141 721	0	6 141 721	8 %	Nominee	US
Nordnet Bank AB	1 191 714	4 310 259	5 501 973	7 %	Nominee	Sweden
Goldman Sachs & Co. LLC	5 385 078	0	5 385 078	7 %	Nominee	US
GOLDMAN SACHS BANK EUROPE SE	3 290 000	0	3 290 000	4 %	Nominee	Germany
FJARDE AP-FONDEN	3 270 000	0	3 270 000	4 %	Ordinary	Luxembourg
Skandinaviska Enskilda Banken AB	1 919 945	0	1 919 945	2 %	Nominee	Luxembourg
RBC INVESTOR SERVICES TRUST	1 734 951	0	1 734 951	2 %	Nominee	Ireland
Avanza Bank AB	1 613 616	0	1 613 616	2 %	Broker	Sweden
Morgan Stanley & Co. Int. Plc.	1 498 197	0	1 498 197	2 %	Nominee	UK
Total number owned by top 10	**36 638 481**	**34 104 897**	**70 743 378**	**88 %**		
Total number of shares	**45 191 747**	**34 999 999**	**80 191 746**	**100 %**		

7. Accrued expenses and deferred income

	H1 2024	H1 2023
Payroll related accruals	3 816	3 880
Tax accruals	200	289
Other accruals	1 466	961
Total	**5 482**	**5 130**

Key definitions

Alternative performance measures

To enhance the understanding of Nordhealth's performance, Nordhealth presents certain measures and ratios considered as Alternative Performance Measures (APMs) as defined by the European Securities and Markets Authority and should not be viewed as a substitute for any financial measures (IFRS or other legislation). The APMs include, but not limited to, Implemented Annual Recurring Revenue (Implemented ARR), organic revenue, recurring revenue, EBITDA, EBITDA-CAPEX, adjusted EBITDA and adjusted EBITDA-CAPEX. These APMs are presented as Nordhealth considers them to be important supplemental measures to understand the overall picture of revenue and profit generation in Nordhealth's operating activities.

ARR

is recurring revenue of software subscriptions annualised by multiplying the quarter's recurring revenue by four. This includes also value of volume-based transactions (e.g., SMS messages) 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.

Adjusted EBITDA

is revenue less all operating expenses excluding depreciation and amortization, M&A and equity funding transactions, other similar non-recurring items, and changes in contingent consideration adjusted for one-time expenses not likely to incur in the near future.

In **adjusted EBITDA – CAPEX** capitalised product development expenses have been added back and is adjusted for one-time expenses not likely to incur in the near future.

Free cash flow (adjusted) is the sum of cash flow from operations and cash paid for capitalised expenses, adjusted for one-time expenses not likely to incur in the near future.

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