



Nordhealth

Q4/2021

Fourth Quarter Report

Vision: Redefine digital healthcare

Mission:

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

Values:

Put customers first

Never overlook what really matters. Great service, ease of use, honest pricing, and respect for our customer’s time, money and trust.

Take ownership

Think long-term and take initiative. Care about the outcome. Be accountable. Do the right thing for us, our customers, and the team.

Do more with less

Simplicity is the key to great results. Create fewer features, but make them great instead of just good. Dare to say “no” to prevent the core from being lost in the noise.

Be stronger together

Engage beginners and attract experts to grow excellent teams. This isn’t something we do on our own – it’s all about sharing and exchanging ideas.

Embrace change

Challenge the status quo. Seek out and embrace continuous change, evolution and improvement.

Products:

- Electronic Health Record Software (EHR)
- Practice Management Software (PMS)
- Payments
- Integrations & API

Current target healthcare niches:

- Veterinary:
 - o Small animal
 - o Equine
 - o Farm animal
- Therapy
 - o Physiotherapy
 - o Psychotherapy
 - o Occupational therapy
 - o Speech therapy

Highlights

Initial Public Offering

Nordhealth raised 120 M€ in funding to continue improving Nordhealth's digital products, to provide better support for our customers, and to accelerate our international expansion.

The funding raised through the listing of Nordhealth on Euronext Growth Oslo will be used to improve four key areas:

1. Recruit and retain great talent.
2. Improve our products by becoming a more user-centric organisation.
3. Invest in our local implementation and support teams to ensure we deliver great experiences at every touchpoint.
4. Acquire other software to accelerate our entry to new geographies or to grow our portfolio of add-on products.

EasyPractice Acquisition

On the 21st of January 2022, Nordhealth announced an agreement to acquire 100% of the shares outstanding in EasyPractice, a leading cloud-based practice management software provider for therapists.

Founded in 2012 in Copenhagen, Denmark by Emil Højbjerg and Bo Møller, EasyPractice helps therapists easily manage bookings, invoices, and journals. EasyPractice is used daily by thousands of therapists across Denmark and 20+ other countries and has helped serve more than 1 million patients. EasyPractice does not have any salespeople but instead has a fully product-led and self-service solution.

With EasyPractice, Nordhealth will gain a leading position in the Danish therapy software market and an affordable and intuitive solution that can be used by therapists internationally. As part of Nordhealth, EasyPractice will be well-positioned to extend its mission of improving the work life of therapists. EasyPractice will operate independently under the EasyPractice brand, driving forward a continued focus on its mission, customers, and community, and continue to be led by founders Bo and Emil and the current leadership team.

CEO Update

Nordhealth ARR grew 102% in 2021, of which 23% came from organic growth. In Q4, we continued to grow our market share in all our markets, especially our target markets in the US, UK and Spain and upsell existing customers.

Veterinary

In the fourth quarter of 2021, we continued to focus on recruiting and onboarding sales, marketing, implementation, and support team members to help accelerate the growth of Provet Cloud in the US, UK, and Spain and product development team members (design, product management, developers) for both Provet Cloud and Diarium. In Q4, we recruited 34 new employees in the US, UK, and Spain and in our product development teams.

Therapy

We began the re-development of Diarium in Q4, which will replace Aspit and Diarium and will also be a platform we can use to grow organically or via acquisitions in the Nordics and beyond in 2024/25. Our goal is to begin onboarding Aspit clients on the new platform in 2023.

Acquisitions

We acquired EasyPractice, a therapy PMS SaaS company, following a purely product-led growth approach. The company is growing at a fast pace and has great potential to scale internationally using their product-led sales approach. In addition, we have a strong M&A pipeline and are always on the lookout for fairly-priced therapy and veterinary PMS acquisitions to help us accelerate our growth in new markets but these are not included in our 2022 guidance.

Guidance for 2022

Signed organic ARR growth of 20-25% excluding future acquisitions, leading to signed ARR between €31.0M and €32.4M before acquisitions.

Thank you,

Charles MacBain

CEO, Nordhealth

Financial review

General information

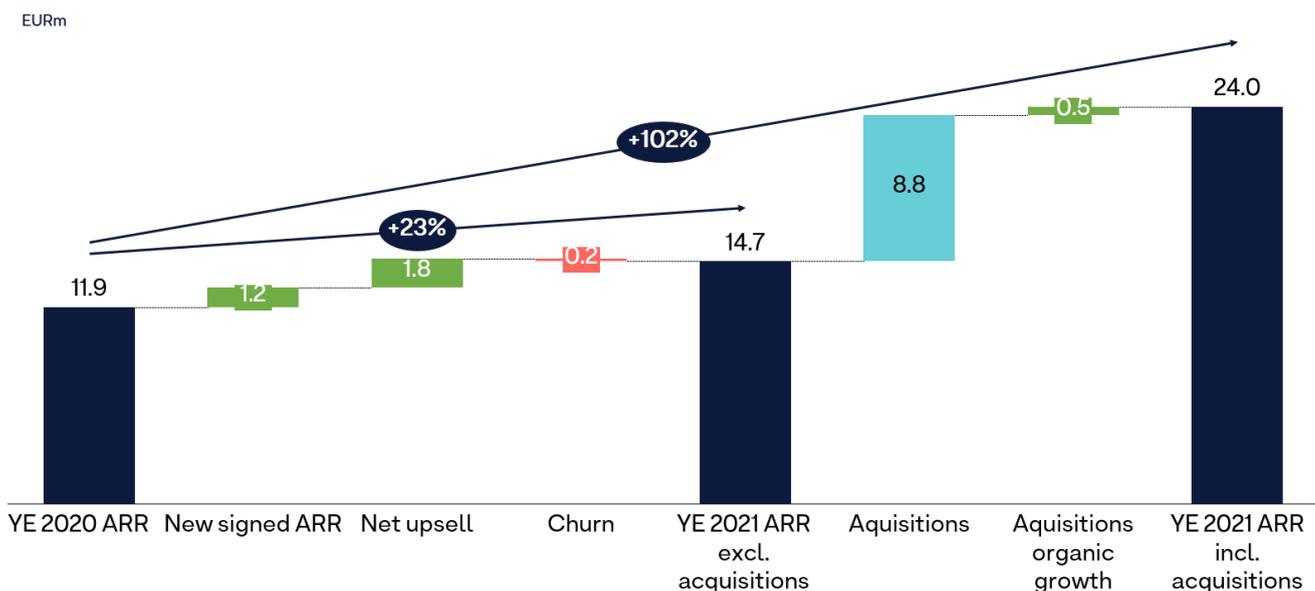
Nordhealth AS (the "Company" and, together with its consolidated subsidiaries, the "Group" or "Nordhealth") is a Company registered in Norway and traded on the Euronext Growth Oslo. The Company's registered business address is Eikremsvingen 9, 6422 Molde, Norway.

The condensed consolidated financial statements for Q4/2021 were approved by the Board of Directors for publication on 7 March 2022. The interim financial information is unaudited.

The Accounting principles used in 2021 are according to Norwegian GAAP, while the financial statements for 2020 were still reported according to Finnish Accounting Standards (FAS). The Reporting currency is EUR. All numbers are presented in EUR millions, unless otherwise stated. The figures in the tables have been rounded to the nearest million 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.

Results and ARR for Q4/2021

The total ARR in the end of 2021 amounted to 24.0 (11.9) M€, resulting in a 102 % growth. The Group continued to execute its strategy in increasing ARR per share via organic growth and acquisitions, constantly evaluating the most financially reasonable strategy in each market. Acquired entities accounted for 8.8 M€ of the total ARR in the end of 2021. The total organic ARR in the end of 2021 amounted to 14.7 M€, leading to an organic ARR growth of 23 % compared to the end of 2020. The organic net retention rate in the LTM was 114% and the organic churn rate was 1.5 %.



M&A

On 1 April 2021, the Company completed the acquisition of Novasoft A/S and its veterinary PMS product Vetvision. The acquisition was a decisive step in the veterinary PMS market entry in Denmark. Financials for the

entity are included in the reports from the date of closing.

On 1 June 2021, Nordhealth completed the acquisition of Aspit AS to strengthen the market position and product offering in Norway. Financials for the entity are included in the reports from the date of closing.

PROFIT & LOSS

Revenue

The fourth quarter revenue grew by 66 % and amounted to 6.403 (3.854) M€. In the fourth quarter of 2021 the share of recurring revenue of the total revenue was 92 (83) % amounting to 5.900 (3.189) M€, resulting in 85 % growth.

The total revenue grew by 60% in 2021 and amounted to 20.300 (12.685) M€. The share of recurring revenue in 2021 of the total revenue was 91 (85) % amounting to 18.464 (10.724) M€, resulting in a 72 % growth.

When adjusted for the impact of the divestment of the consulting business in Q4 of 2020, the adjusted revenues grew by 71 % in 2021 and adjusted recurring revenue growth was 78 %. The fourth quarter adjusted revenue growth was 78 % and adjusted recurring revenue growth was 92 %.

Organic and adjusted recurring revenue grew by 25 % in 2021. The acquired Aspit and Novasoft entities amounted for 29 % of total recurring revenues in 2021.

Pro-forma revenues amounted to 23.874 (19.854) M€ in 2021 resulting in a 20 % growth YoY. Pro-forma recurring revenues grew by 24 % amounting to 21.955 (17.650) M€ in 2021. The pro-forma figures include the full profit and loss impact of the acquired Aspit and Novasoft entities for the reported periods. The signed ARR base is generally higher than reported recurring revenues.

Operating expenses

The total personnel costs in 2021 amounted to 50 (44) % of revenues. The increase is due to active recruitment activities in line with the growth strategy.

Other operating charges in 2021 include 2.048 M€ non-recurring costs resulting mainly from the IPO and M&A activities. When adjusted for these costs, other operating charges amounted to 24 (17) % of total revenues.

EBITDA

The fourth quarter 2021 reported EBITDA amounted to -0.186 (1.286) M€.

The reported EBITDA of -0.222 (3.487) M€ for 2021 includes 2.116 M€ non-recurring costs resulting mainly from the IPO and M&A related activities. EBITDA after adjusting for non-recurring items amounted to 1.895 (3.487) M€ with an EBITDA margin of 9,3 (27,5) %.

The pro-forma EBITDA for 2021, adjusted for the non-recurring items amounted to 2.238 (3.480) M€ with an EBITDA margin of 9,4 (17,5) %. The pro-forma figures include the full profit and loss impact of the acquired Aspit and Novasoft entities for the reported periods.

Financial items

Net interest and other financial items in 2021 totaled -0.188 (0.027) M€ comprising mainly of foreign currency revaluations.

Non-recurring items

The reported EBITDA for 2021 includes 2.116 M€ non-recurring costs resulting mainly from the IPO and M&A related activities.

BALANCE SHEET

Total assets

Total non-current assets amounted to 48.627 (7.149) M€ at the end of December 2021. The significant change is driven by the increase in goodwill, resulting from the Aspit and Novasoft acquisitions.

Intangible assets amounted to 4.556 (2.435) M€ at the end of 2021. The intangible assets mainly consist of capitalized product development costs.

Current assets amounted to 76.500 (5.749) M€ at the end of 2021. The significant increase is driven mainly by the increase in cash resulting from the private placement and subsequent listing to Euronext Growth Oslo.

In August 2021 Nordhealth transferred 46.515 M€ of cash to fully liquid money market funds with the aim to minimize negative interests and bank solvency risk. Cash at bank and in hand amounted to 26.210 (3.768) M€ in the end of 2021. The combined value of money market fund holdings and cash amounted to 72.668 M€ at the end of 2021.

Equity

Total equity at the end of December 2021 amounted to 114.506 (4.954) M€. On 25 May 2021, the Company resolved to complete a private placement, consisting of a share capital increase for a total amount of approximately NOK 1,224 million, by issuing 30,000,000 Shares with a par value of NOK 1 each at a subscription price of the NOK equivalent of EUR 4 per Share. Costs of 3.472 M€ relating directly to the equity increase, were booked within equity.

Liabilities

1.942 M€ interest-bearing loans to credit institutions were repaid in 2021. Total interest-bearing liabilities amounted to 0.049 (1.991) M€ at the end December 2021.

CASH FLOW

Cash flow from operating activities

Net cash flow from operating activities in fourth quarter 2021 was 4.220 M€.

Net cash flow from operating activities was 5.567 M€ in 2021. When adjusted for the 2.366 M€ non-recurring IPO and M&A related costs, the adjusted net cash flow from operating activities was 7.933 M€.

Cash flow from investing activities

Net cash outflow from investing activities in fourth quarter 2021 amounted to 2.941 M€ consisting mainly of investments in capitalized product development costs.

Net cash flow from investing activities in 2021 amounted to -92.140 M€, with acquisition related payments totalling -42.246 M€ and transfers of cash to money market funds for -46.515 M€.

Cash flow from financing activities

Net cash outflow from financing activities in fourth quarter 2021 amounted to 1.720 M€.

Net cash flow from financing activities amounted to 109.015 M€ in 2021, with an increase in equity of 116.329 M€. Repayment of interest-bearing debt amounted to -1.942 M€ in cash flow, other debt items to -1.641 M€, and dividend payments to -3.731 M€. The dividend payment served mainly for the repayment of interest-bearing holding company loans of the majority owner of Nordhealth AS. The dividend payments were issued before the private placement and subsequent listing to Euronext Growth Oslo.

Cash at end of December 2021 amounted to 26.210 M€ and holdings in money market funds amounted to 46.458 M€. The total of money market fund holdings and cash amounted to 72.668 M€ in the end 2021.

Events after the balance sheet date

On 31 January 2022, Nordhealth completed its acquisition of EasyPractice, a leading cloud-based practice management software provider for therapists.

On 1 February 2022, Yoma Consulting and its Provet Cloud implementation and developments specialists joined Nordhealth.

On 17 February 2022, Extraordinary General Meeting of Nordhealth AS was held. In this meeting, Board of Directors was granted an authorisation to increase the share capital by issuance of new shares and an authorisation to acquire own shares. In accordance with Section 9-4 of the Companies Act, the board is granted an authorisation to acquire own shares on behalf of the Company with a total nominal value of up to NOK 7,999,999, i.e., up to 7,999,999 shares. The maximum amount which can be paid for each share is NOK 50 and the minimum is NOK 1. Acquisition and sale of own shares may take place in any way the board of directors finds appropriate, however not by way of subscription of own shares. The authorisation replaces the current authorisations to acquire own shares when registered in the Norwegian Register of Business Enterprises. The authorisation is valid until and including the date of annual general meeting in 2022, but not later than 30 June 2022.

Income statement – Group consolidated

EUR in thousands	Unaudited Q4/2021	Unaudited Q4/2020	Unaudited 2021	Audited 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)	

Balance sheet

EUR in thousands	Unaudited	Audited
	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

Cash flow

EUR in thousands	Unaudited Q4/2021	Unaudited 31 Dec 2021
Cash flow from operations		
Profit before income taxes	(2 023)	(4 646)
Net financial items and taxes	917	869
Depreciation and amortization	1 816	4 236
Change in inventory	4	0
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

Notes

Accounting principles

The Accounting principles used in 2021 are according to Norwegian GAAP, while the financial statements for 2020 were still reported according to Finnish Accounting Standards (FAS). There are no changes in the numbers following the change in accounting framework. The Reporting currency is EUR. All numbers are presented in EUR millions, unless otherwise stated. The figures in the tables have been rounded to the nearest million 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.

Revenue

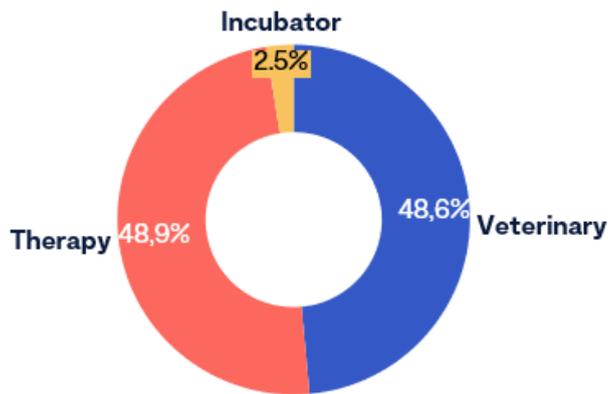
The company's revenues consist primarily of revenues related to Software-as-a-Solution services. Revenue is recognized on a straight-line basis on accordance with the underlying agreement.

Development expenses capitalization

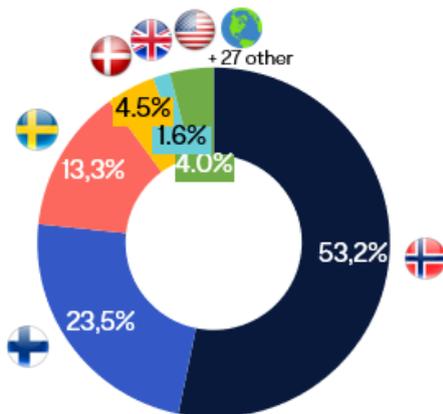
Development expenses capitalized are mainly software development costs. Software development costs are capitalized when it is probable that future economic benefits attributable to the software will flow to the entity through revenue generation and / or cost reduction. Development costs include external direct costs for services and internal labour related costs directly involved in the development of the software. Capitalised software development costs are amortised on a straight-line basis over three to ten years, during which the benefits are expected to realize.

Top 10 shareholders per 31.12.2021

Investor	A-shares	B-shares	Number of total shares	% of top 10	% of total	Type	Country
J.P. MORGAN BANK LUXEMBOURG S.A.	4 956 027	29 742 998	34 699 025	54 %	43 %	Nominee	Luxembourg
State Street Bank and Trust Comp	6 504 657	0	6 504 657	10 %	8 %	Nominee	US
Nordnet Bank AB	896 394	5 084 866	5 981 260	9 %	7 %	Nominee	Sweden
Morgan Stanley & Co. Int. Plc.	4 757 913	0	4 757 913	7 %	6 %	Nominee	UK
FJARDE AP-FONDEN	3 500 000	0	3 500 000	5 %	4 %	Ordinary	Luxembourg
Goldman Sachs & Co. LLC	2 698 714	0	2 698 714	4 %	3 %	Nominee	US
SKANDINAVISKA ENSKILDA BANKEN AB	1 718 539	0	1 718 539	3 %	2 %	Nominee	Luxembourg
HSBC TRINKAUS & BURKHARDT AG	1 591 900	0	1 591 900	2 %	2 %	Nominee	Germany
Skandinaviska Enskilda Banken AB	1 253 077	0	1 253 077	2 %	2 %	Nominee	Sweden
Morgan Stanley & Co. LLC	1 229 698	0	1 229 698	2 %	2 %	Nominee	US
Total number owned by top 10	29 106 919	34 827 864	63 934 783		80 %		
Total number of shares	45 000 000	34 999 999	79 999 999		100 %		



ARR split by segment YE 2021



ARR split by country YE 2021

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 substitute for any financial measures (IFRS or other legislation). The APMs include, but not limited to, Annual Recurring Revenue (ARR), organic revenue, adjusted revenue, recurring revenue, adjusted recurring revenue, EBITDA, and adjusted EBITDA. 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.

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.

Pro-forma figures include the full profit and loss impact of the acquired Aspit and Novasoft entities for the reported periods. Novasoft A/S was acquired in April 2021 and Aspit AS was acquired in June 2021.

Declaration by the Board of Directors

and CEO

We hereby confirm that, to the best of our knowledge, the interim financial statements for the period from 1 January to 31 December 2021 have been prepared in accordance with NGAAP, and that the information in the financial statements gives a true and fair view of the Group's assets, liabilities, financial position and profit and loss taken as a whole.

We also confirm that, to the best of our knowledge, the interim report gives a true and fair view of important events in the accounting period and their influence on the interim report, as well as the principal risks and uncertainties facing the business in the next accounting period.

The Board of Directors of Nordhealth AS, Oslo 7 March 2022

Charles MacBain
CEO

Didier Breton
Chairman of the board

Mari Orttenvuori
Chief Financial Officer

Olli Venemies
Board member

Janne Huttunen
Board member

Javier Mata
Board member

Further information:

Charles MacBain, CEO
charles@nordhealth.com

Mari Orttenvuori, CFO
mari@nordhealth.com