





Q1 2024 presentation

14 May 2024

Today's presenters



Charles MacBain

CEO



Mari Orttenvuori

CFO



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



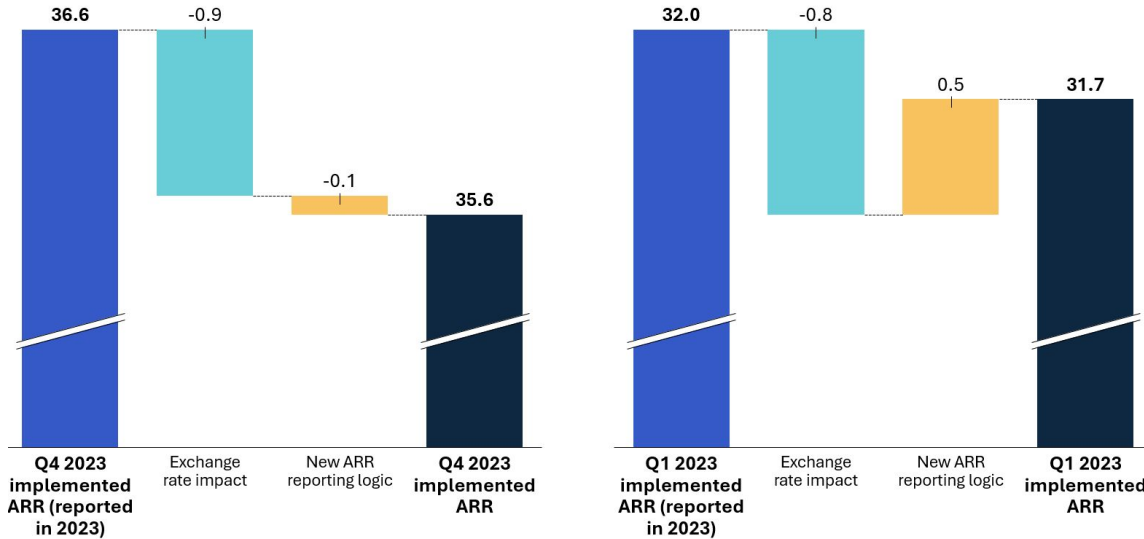
01

Company Update

Charles MacBain, CEO



Q4 2023 and Q1 2023 implemented ARR bridges



- Impact of FX revaluations to 2023 end currency rates impact was (mostly due to weakening of NOK vs EUR):
 - Q4 2023: -€0.9M
 - Q1 2023: -€0.8M
- New implemented ARR reporting logic: Quarter's last month revenue x 12 instead of quarter revenue x 4:
 - Q4 2023: -€0.1M
 - Q1 2023: +€0.5M

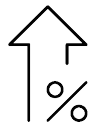
Q1 2024 KPIs



15.1%

Organic ARR growth

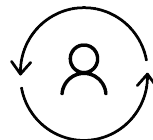
LTM Q1 2024



108%

Net retention rate

LTM Q1 2024



6.6%

Gross churn

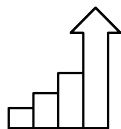
LTM Q1 2024



1.3

CAC / new ARR¹

LTM Q1 2024



8.5 LTV / CAC¹

LTM Q1 2024



€36.5M

Implemented ARR

March 2024 Annualised



€40.0M

Signed ARR

Q1 2024



€0.46

ARR per share²

Q1 2024 Annualised

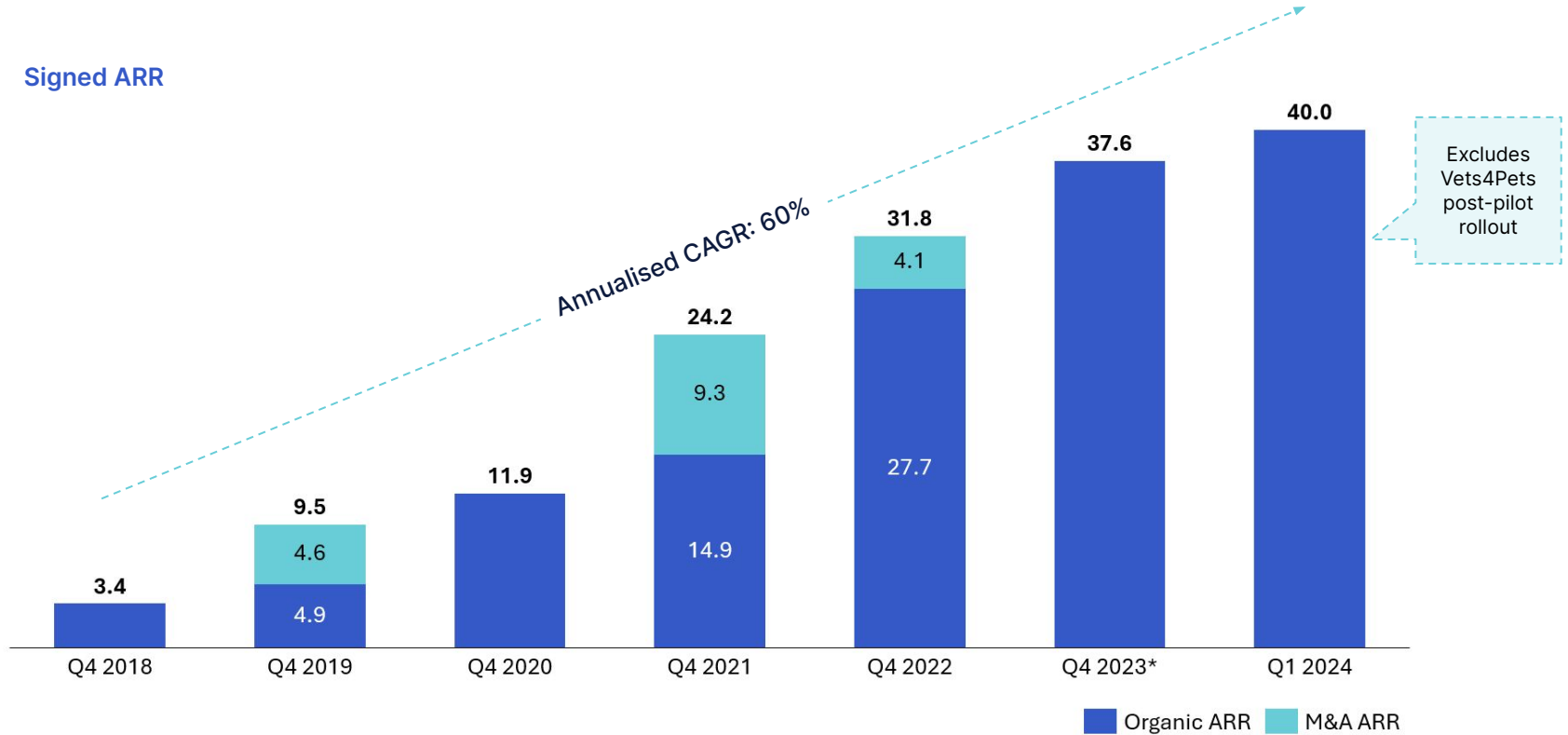
1. Excluding Vetera

2. Calculated based on number of outstanding shares

Strong track record of organic and acquisition-led growth

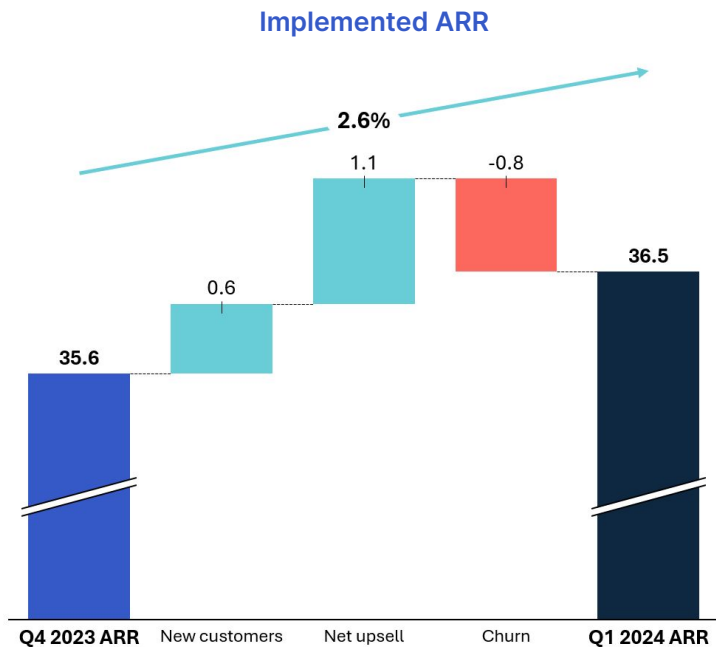


Signed ARR



* €38.6M reported in Signed ARR Q4/23 adjusted for year-end 2023 currency rate (-€0.9M) + New ARR reporting logic: Dec 23 revenue x 12 instead of Q4 23 revenue x 4 (-€0.1M)

2.6% QoQ implemented ARR growth in Q1 2024

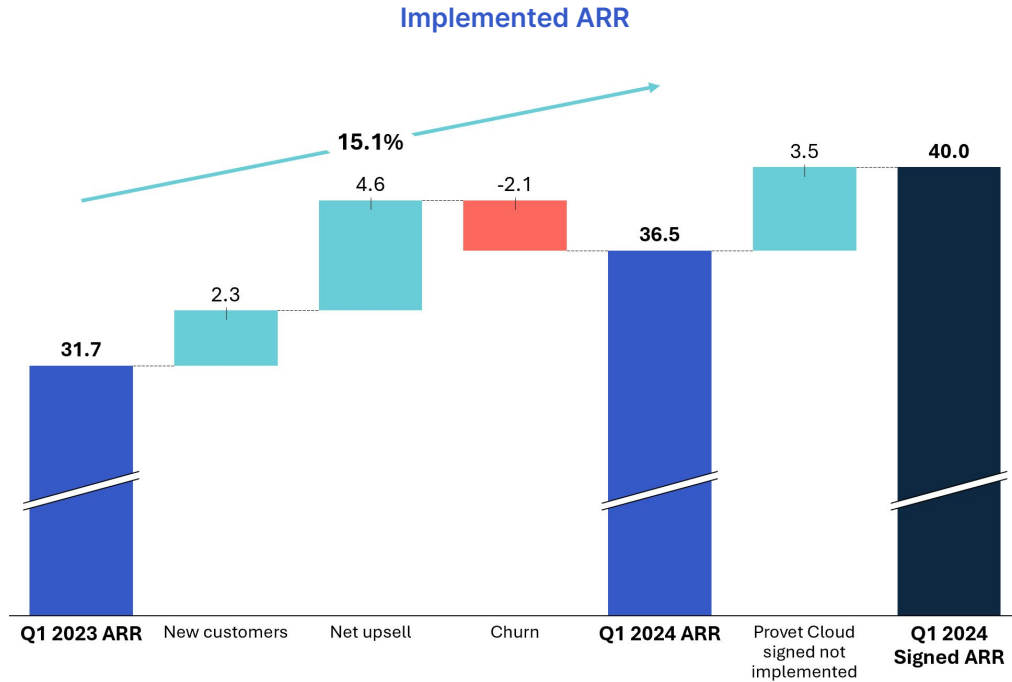


- Implemented ARR grew 2.6% QoQ
- Net upsell in Q1/24 primarily driven by price increases
- 2.3% ARR churn QoQ higher than previous quarters due to sunsetting of Provet Win and Vetserve

€36.6M reported implemented ARR in Q4/23 adjusted for year-end 2023 currency rate (-€0.9M) + New ARR reporting logic: Dec 23 revenue x 12 instead of Q4 23 revenue x 4 (-€0.1M)

Reported in constant currency (using year 2023 end currency rates).

15.1% YoY implemented ARR growth and €40M Signed ARR



- Implemented ARR grew 15.1%
- Over 70% of new customer ARR came from Provet Cloud and EasyPractice
- Net upsell primarily driven by Provet Cloud ARPU and user growth
- 6.6% ARR churn
- Provet Cloud Signed but not implemented ARR increased from €2.0M in Q4/23 to €3.5M due to inclusion of 360 of the 460 CVS clinics. However, Vets 4 Pets rollout post-pilot not included

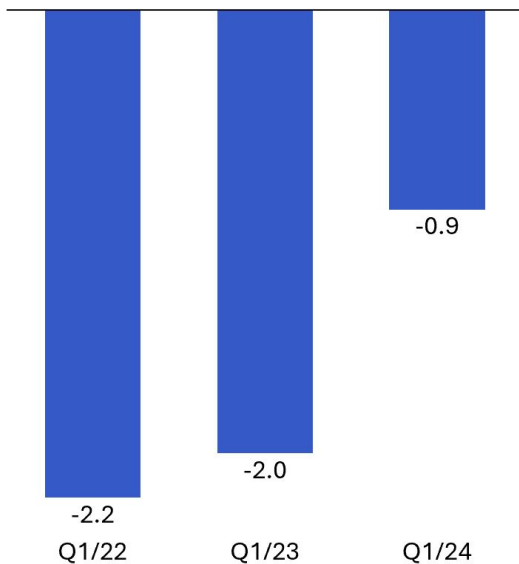
€32.0M reported implemented ARR in Q1/23 adjusted for year-end 2023 currency rate (-€0.8M) + New ARR reporting logic: Dec 23 revenue x 12 instead of Q4 23 revenue x 4 (+0.5€M)

Reported in constant currency (using year 2023 end currency rates).

Adj. EBITDA - CAPEX margins improved from -23% to -9%



EBITDA - CAPEX (adjusted)



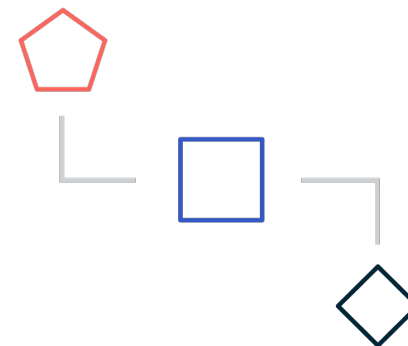
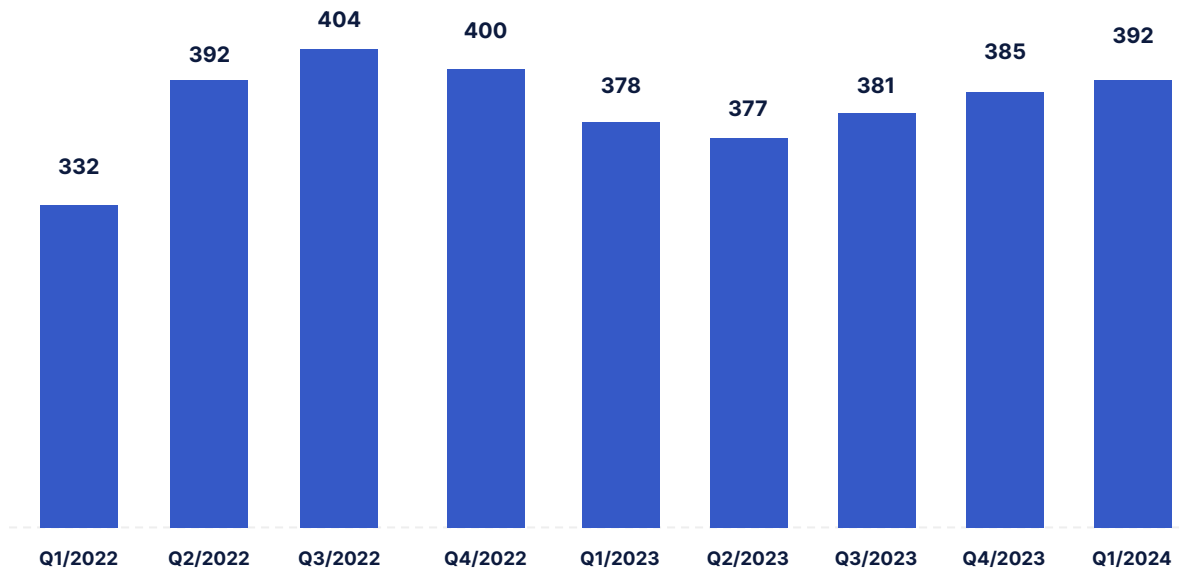
- Adjusted EBITDA - CAPEX adjusted for:
 - Q1/22 - no adjustments
 - Q1/23 - primarily restructuring costs (€0.4M)
 - Q1/24 - restructuring costs (€0.3M)

Small increase in Veterinary headcount to support growth



Headcount

At the end of Q1/24 total number of employees amounted to 392 (385 at the end of previous quarter) of which 132 (130) work in Therapy, 231 (226) in Veterinary and 29 (29) in HQ G&A.



Including employees on a consultancy agreement.



02

Veterinary Update

Charles MacBain, CEO



Veterinary update



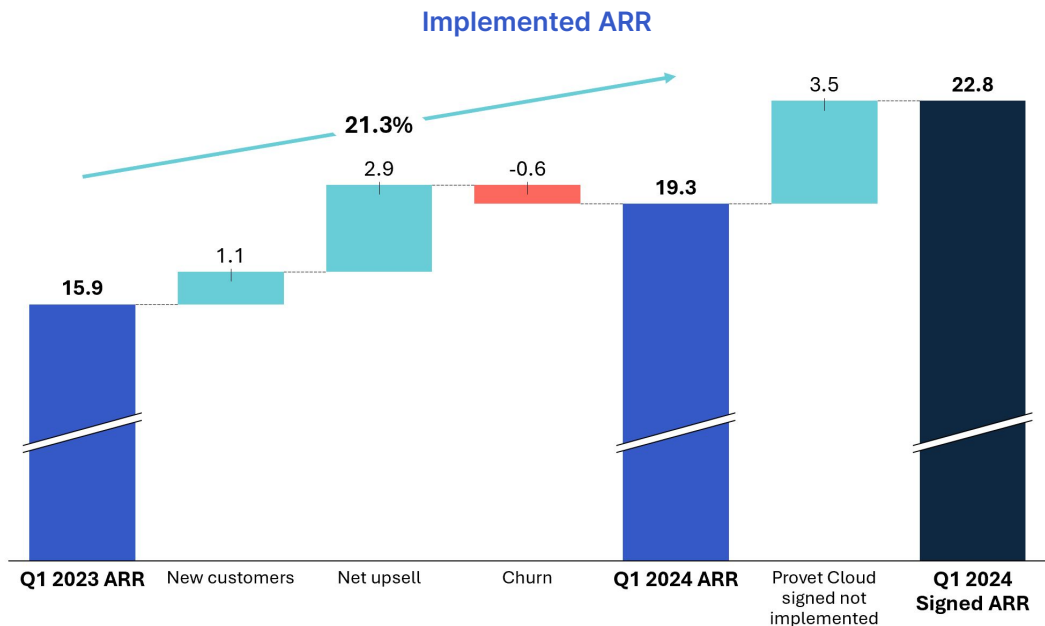
Growth

- Pilot program with CVS has been successful - implementing over 50 practices per week — a feat previously unachieved.
As of yesterday, CVS has 142 clinics on Provet Cloud
- Excluding CVS, we signed over €400k in new ARR in Q1

Migration

- Provet Win is scheduled to end its service in Q1 2024. Vetserve will follow, concluding in Q2 2024.
- The discontinuation of these products accounted for the majority of our churn in Q1 2024.
- As of the end of Q1 2024, 64% of our implemented ARR was generated from Provet Cloud. Key product migrations still pending include Sanimalis (NO), Vetera (DACH), and Novasoft (DK).

21.3% YoY veterinary implemented ARR growth

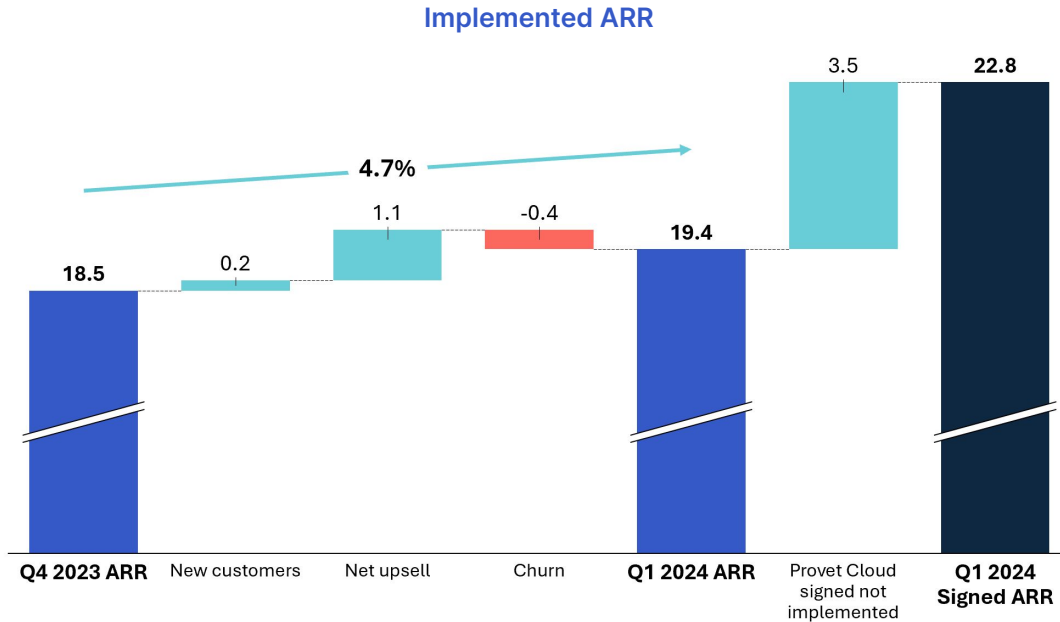


- Implemented ARR grew 21.3% YoY
- Net retention rate 114.4%, primarily driven by Provet Cloud user growth and new add-on sales
- Churn of 4.0%
- New customer acquisition accounted for 32% of the growth
- CVS rollout for majority of their small animal clinics included in Signed ARR. However, Vets 4 Pets rollout post-pilot not included

Reported in constant currency (using year 2023 end currency rates).

Provet Cloud Signed but not implemented ARR in Q1/23 was €1.6M.

4.7% QoQ Veterinary implemented ARR growth



- Implemented ARR growth in was 4.7% in the first quarter
- New customer acquisition accounted for 50% of the growth
- The sunset of Provet Win and Vetserve products increased churn rate

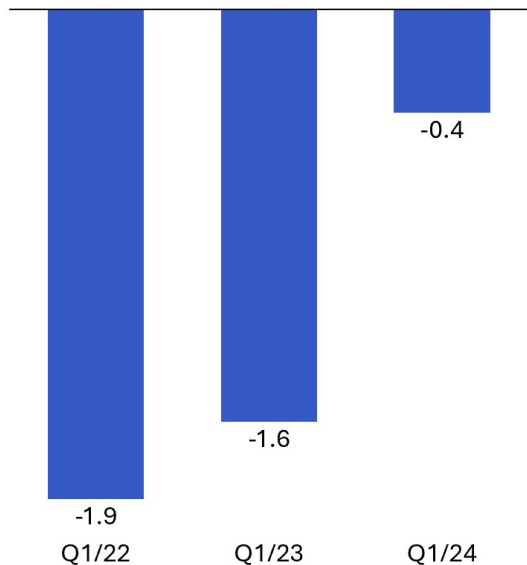
Reported in constant currency (using year 2023 end currency rates).

Provet Cloud Signed but not implemented ARR in Q4/23 was €2.0M.

Adj. EBITDA - CAPEX improved by €1.2M in 12 months



EBITDA - CAPEX (adjusted)

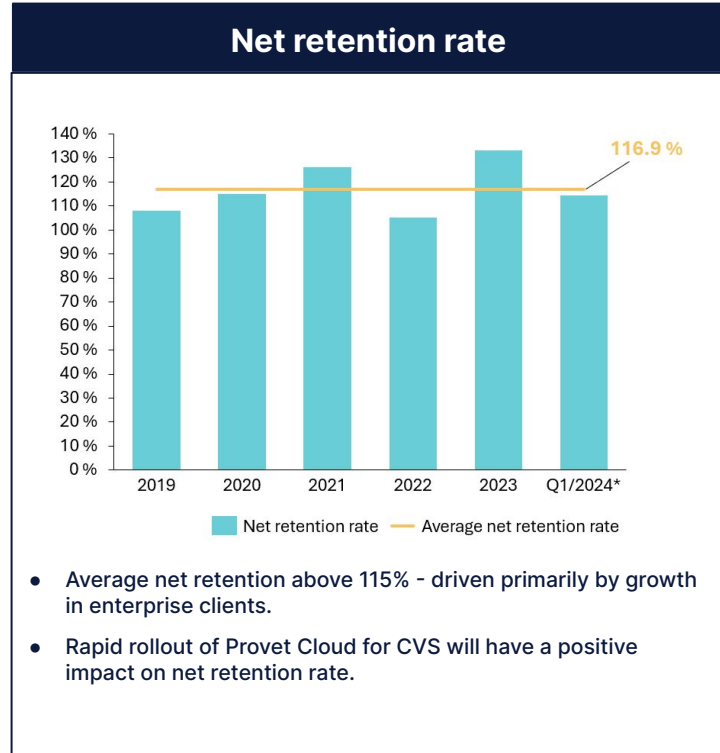
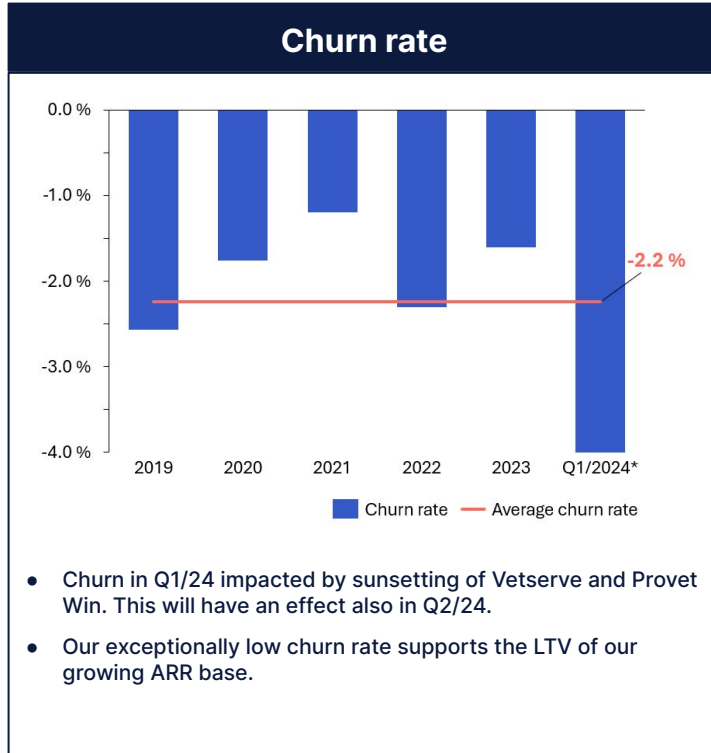


Drivers of result improvement Q1/24 vs Q1/23:

- 24% recurring revenue growth (€0.9M)
- Decrease in CAC due to reorganisation and higher implementation revenues (€0.4M)
- Other costs have remained relatively stable

Excluding group cost allocations.

Average churn close to 2% and net retention above 115% over the last 5 years



*) Q1/2024 represents YoY rate.



03

Therapy Update

Charles MacBain, CEO





Therapy update

Growth

- Price increases for all products except EasyPractice - Price increase in Q3 2024
- User count has declined by 75 users
- Physica (legacy) signed Oslo municipality for 4 year deal (60 users)

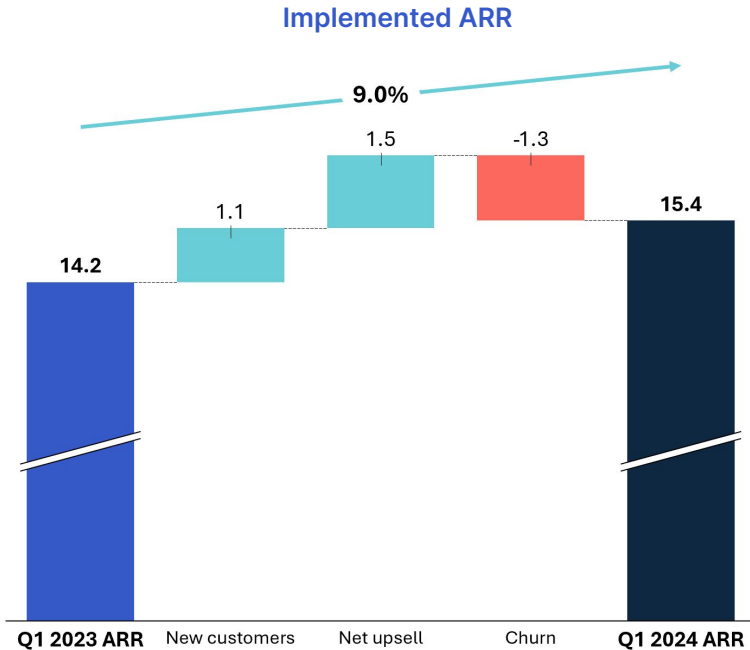
Migration

- Targeted single users private therapist for initial pilot - 28 pilot Aspit customers were migrated as of Dec. 31st 2023
- Migration was paused in Q1 due to accounting report development requirements highlighted by Pilot clinics
- Migration of single users private therapist will resume in June

People

- Completed functional leadership team restructuring.
- Looking for new therapy general manager to replace me (Charles)
- Looking for new head of marketing

9.0% YoY therapy implemented ARR growth

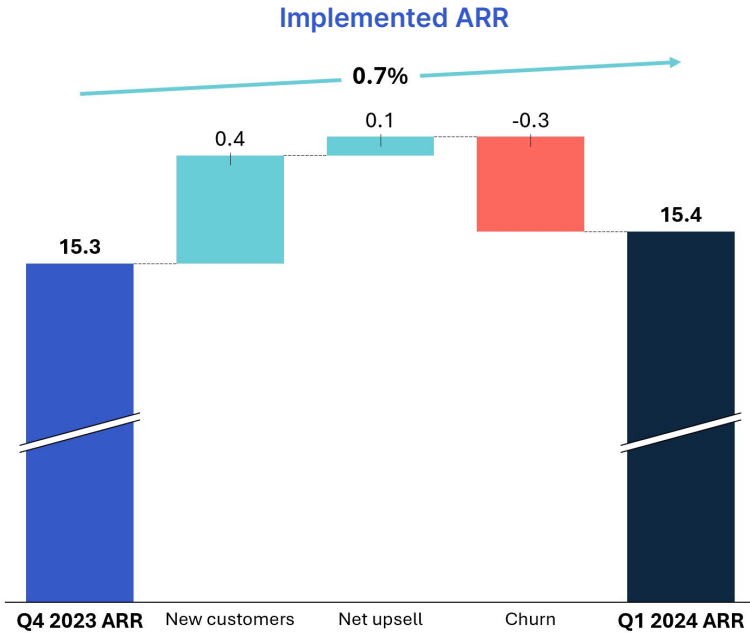


- ARR growth at 9.0% in LTM ending Q1/24
- Net retention rate (including price increases) 101.1%
- Churn of 9.5%
- New customer acquisition accounted for 88% of the growth

Reported in constant currency (using year 2023 end currency rates).

Q1 2023 ARR has been revised to exclude "Other Business".

0.7% QoQ Therapy ARR growth



- Growth in the first quarter was 0.7%
- Churn rate high due to loss of one enterprise customer (impacted also in previous quarters)

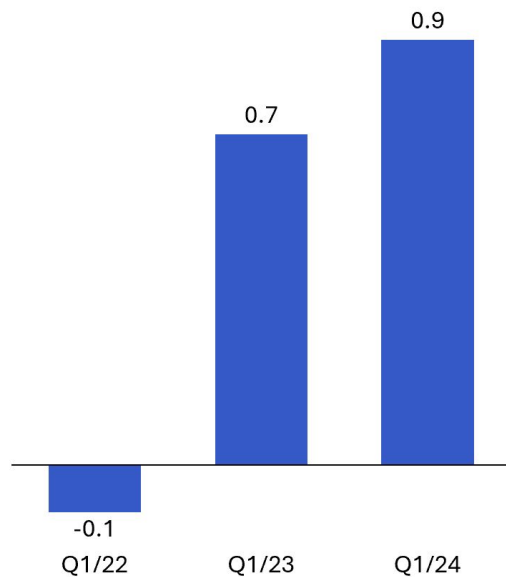
Reported in constant currency (using year 2023 end currency rates).

Q1 2023 ARR has been revised to exclude "Other Business".

Growth in revenue improved profitability modestly



EBITDA - CAPEX (adjusted)



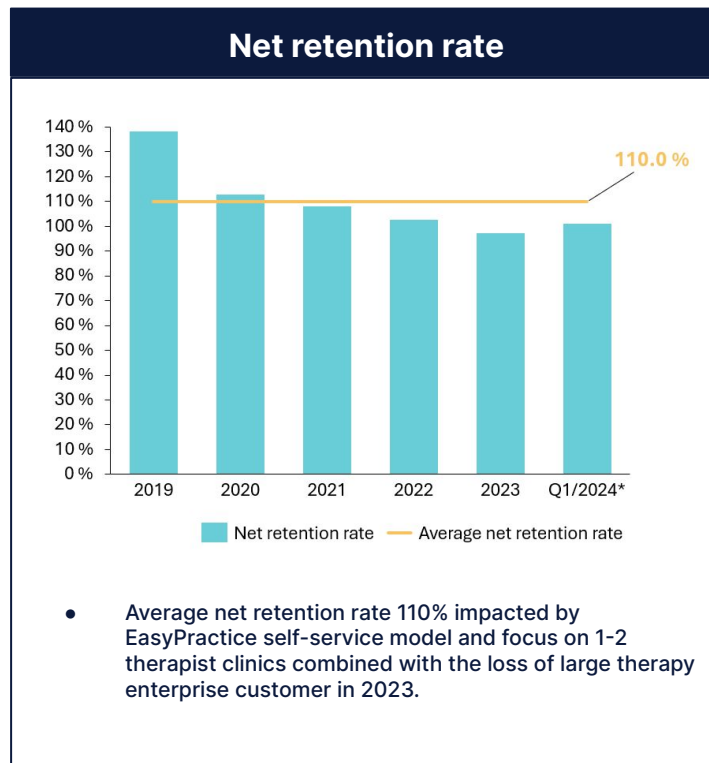
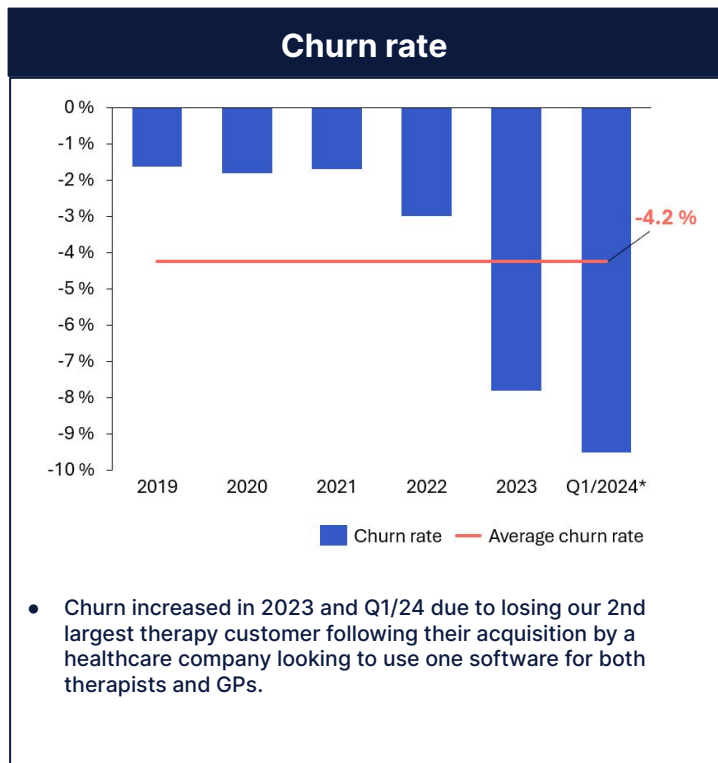
Drivers of result improvement between Q1/24 vs Q1/23:

- 4% recurring revenue growth (€0.2M)
- Other costs are relatively stable

Excluding group cost allocations.

Therapy Q1/22 and Q1/23 have been revised to exclude "Other Business".

Churn and net retention impacted by one-off churn event



*) Q1/2024 represents YoY rate.



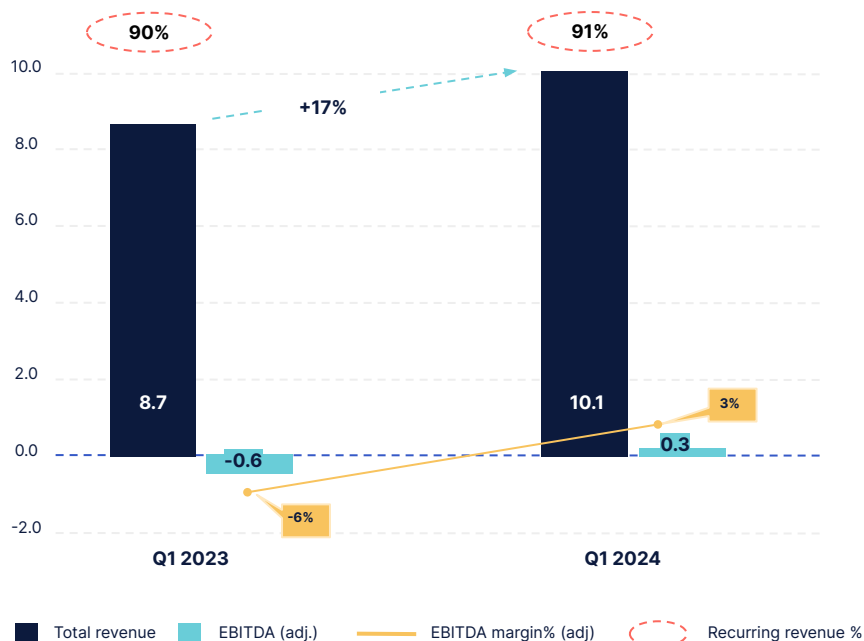
04

Financial Update

Mari Orttenvuori, CFO

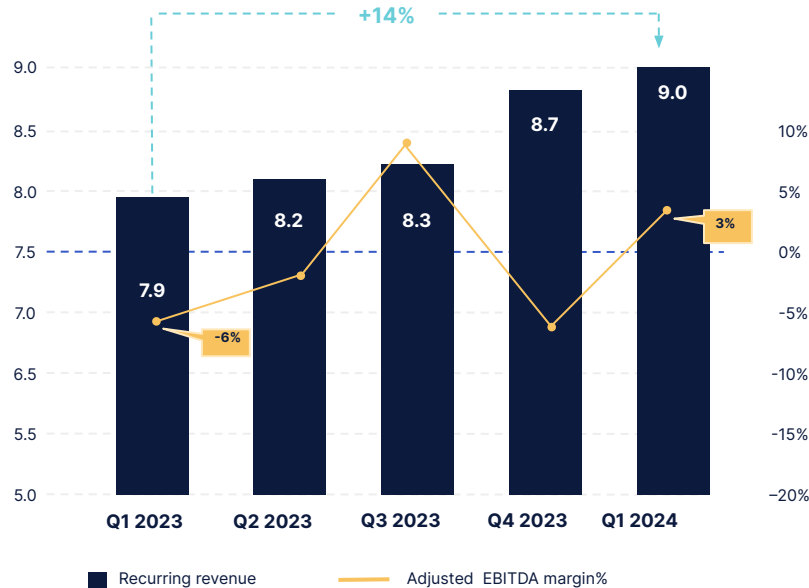


Revenue growth driving profitability, despite significant impact of weak NOK and SEK



- Total reported revenues Q1/24 grew 17% YoY from € 8.7M to € 10.1M
- On constant currency growth in total reported revenues 18%
- Share of recurring revenue in Q1/24 was 91% vs 90% in Q1/23
- Q1/24 adjusted EBITDA improved from -€0.6M in Q1/23 to €0.3M in Q1/24
- Adjusted EBITDA margin 3% in Q1/24; an improvement from -6% in Q1/23

Recurring revenue on constant currency basis growing at 16%

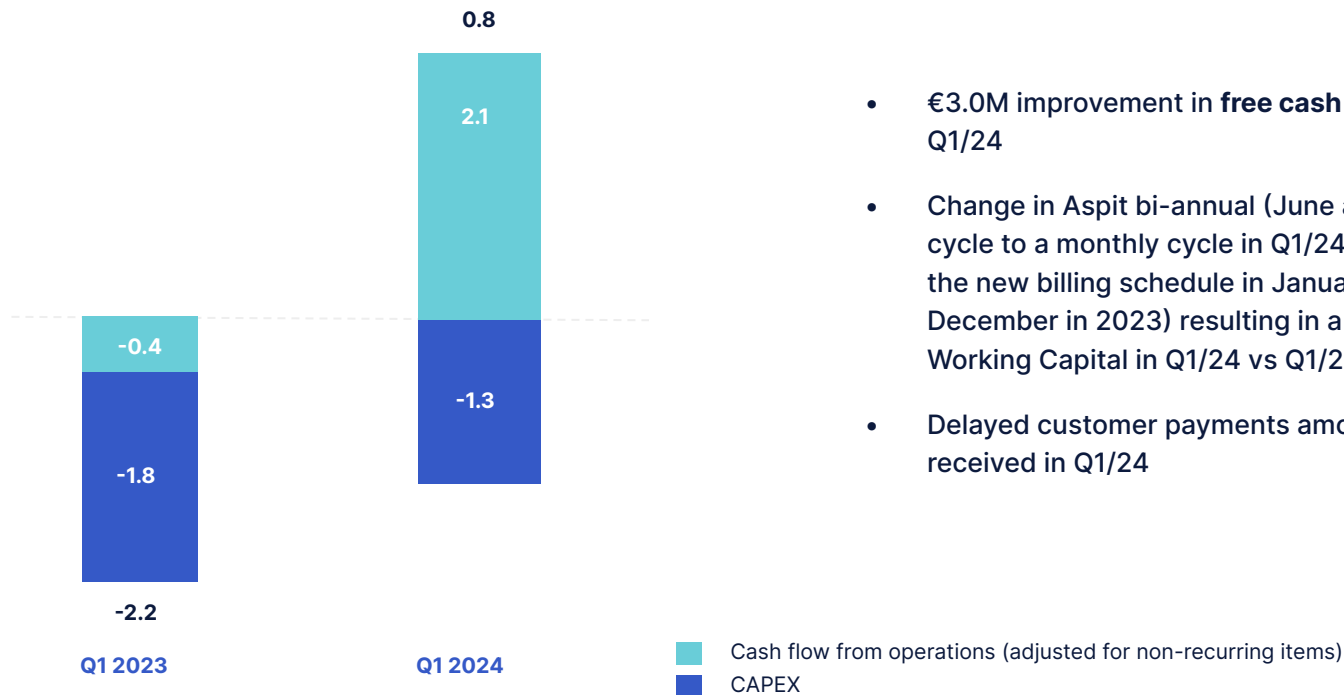


- Reported recurring revenues Q1/24 grew 14% YoY from €7.9M to €9.0M
- On a constant currency basis Q1/24 YoY growth in recurring revenue would have been 16% vs 14% as reported
- Despite of increase in headcount by 7 from Q4/23 and by 14 from Q1/23, profitability impacted positively as a result of improved cost control

Free Cash Flow positive and strong financial position



Free cash flow



- €3.0M improvement in **free cash flow** from Q1/23 to Q1/24
- Change in Aspit bi-annual (June and December) billing cycle to a monthly cycle in Q1/24 - first invoicing under the new billing schedule in January 2024 (instead of December in 2023) resulting in a ~ €1.6M impact on Net Working Capital in Q1/24 vs Q1/23
- Delayed customer payments amounting to €1.0M received in Q1/24

Strong cash position and no debt



Balance sheet 31 March 2024



Assets

- Cash, cash equivalents and money market funds increased from €22.2M at the end of 2023 to €22.8M
- Intangible assets primarily consist of capitalised R&D expenses

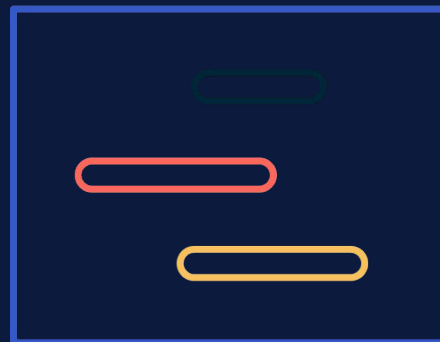
Liabilities and equity

- No interest bearing debt

Financial calendar

Q2 2024 results presentation on 20 August 2024.

Full year financial calendar can be found on [company website](#).



Conclusion



Veterinary

- CVS pilot and rollout success is a big milestone in UK expansion and proves implementation and architecture scalability
- Excluding CVS, we signed over €400k in new ARR in Q1
- More aggressive approach to Nordic migration to Provet Cloud has led to some churn but will dramatically simplify operations

Therapy

- Slower than anticipated migration due to Q1 pilot pause. 28 Aspit pilot clinics migrated. Pilots resuming in June.
- Fully automated migration. No onboarding or training needed. Limited support post-migration
- 30 clinics onboarded to booking portal, nordhealth.fi, in Finland during the Q1 pilot phase - first sales made

Guidance (no change)

- 15-20% recurring revenue growth (Dec. 31st 2023 constant currency)
- EBITDA - CAPEX break-even by Q1 2025





05

Q&A



Appendix



Profit & Loss statement



Consolidated Income Statement

	Unaudited	Unaudited	Audited
EUR in thousands	Q1 2024	Q1 2023	FY 2023
Recurring revenue	9 159	7 889	33 085
Other revenue	988	782	3 740
Total revenue	10 147	8 671	36 825
Other operating income	37	25	102
Total operating income	10 184	8 696	36 927
Material and services	(1 411)	(1 193)	(5 171)
Personal expenses	(6 041)	(5 739)	(22 490)
Other operating expenses	(2 723)	(2 673)	(10 514)
Total operating expenses	(10 175)	(9 605)	(38 175)
EBITDA	9	(909)	(1 248)
Depreciation and amortization	(1 089)	(750)	(3 701)
Amortization of goodwill	(1 608)	(1 649)	(6 438)
Total depreciation and amortization	(2 697)	(2 399)	(10 139)
Operating profit (EBIT)	(2 688)	(3 308)	(11 387)
Other financial income	394	201	1 131
Interest expenses	(1)	(1)	(8)
Other financial expenses	(53)	(219)	(542)
Total financial income and expense	340	(19)	581
Profit (loss) before tax	(2 348)	(3 327)	(10 806)
Taxes	(120)	(41)	(326)
Net profit (loss)	(2 468)	(3 368)	(11 132)
Adjustments to EBITDA	311	353	537
Adjusted EBITDA	319	(556)	(711)
Adjusted EBITDA Margin %	3 %	-6 %	-2 %
EBITDA - CAPEX	(1 237)	(2 309)	(6 607)
Adjusted EBITDA-CAPEX:	(927)	(1 956)	(6 070)
Adjusted EBITDA-CAPEX Margin %	-9 %	-23 %	-16 %

Balance Sheet



Consolidated Balance Sheet			
	Unaudited	Unaudited	Audited
EUR in thousands	31-Mar-24	31-Mar-23	31-Dec-23
Intangible assets	12 756	11 440	12 480
Deferred tax assets	526	540	547
Other capitalized long-term expenses	92	26	101
Goodwill	46 265	53 425	49 008
Machinery and Equipment	445	652	498
Other shares and similar rights of ownership	643	834	720
Loan receivables, long-term	140	64	196
Total non-current assets	60 867	66 981	63 550
Accounts receivable	6 273	3 856	4 896
Other receivables	1 402	557	524
Prepayments and accrued income	1 033	1 337	797
Money market funds	16 299	12 936	17 119
Cash at bank and in hand	6 537	19 296	5 052
Total current assets	31 544	37 984	28 389
Total assets	92 411	104 964	91 939
Total equity	78 819	92 607	82 766
Other non-current liabilities	412	270	136
Total non-current liabilities	412	270	136
Current liabilities to credit institutions	-	25	-
Advances received	4 037	4 728	986
Accounts payable	1 536	1 732	1 534
Other current liabilities	2 094	720	1 386
Accrued expenses and deferred income	5 513	4 883	5 130
Total current liabilities	13 180	12 087	9 037
Total equity and liabilities	92 411	104 964	91 939

Cashflow



Consolidated Cash Flow Statement

	Unaudited	Unaudited	Audited
EUR in thousands	Q1 2024	Q1 2023*/**	FY 2023
Cash flow from operations			
Profit before income taxes	(2 348)	(3 327)	(10 806)
Taxes paid in the period	(27)	(9)	(51)
Other non-cash items	183	433	749
Depreciation and amortization	2 697	2 399	10 139
Change in trade debtors	(1 377)	179	(861)
Change in trade creditors	5	853	653
Change in deferred revenue **	3 051	210	(3 532)
Change in other provisions * / **	(311)	(1 490)	(1 514)
Net cash flow from operations	1 873	(752)	(5 223)
Cash flow from investments			
Investments in tangible and intangible assets	(1 328)	(1 834)	(5 723)
Purchase of shares and investments	-	(4 034)	(4 034)
Proceeds from/(investments in) money market funds	1 000	10 785	7 130
Net cash flow from investments	(329)	4 917	(2 628)
Cash flow from financing			
Change in debt	-	-	(25)
Purchase of treasury shares	-	-	(2 323)
Net cash flow from financing	-	-	(2 348)
Net change in cash and cash equivalents *	1 544	4 165	(10 198)
Cash and cash equiv. at the beginning of the period	5 052	15 514	15 514
Translation difference *	(60)	(382)	(263)
Cash and cash equiv. at the end of the period	6 537	19 296	5 052
Money market fund	16 299	12 936	17 119

*) Q1/23 revised presentation for translation differences

***) Q1/23 revised presentation for deferred revenue

Business Segments

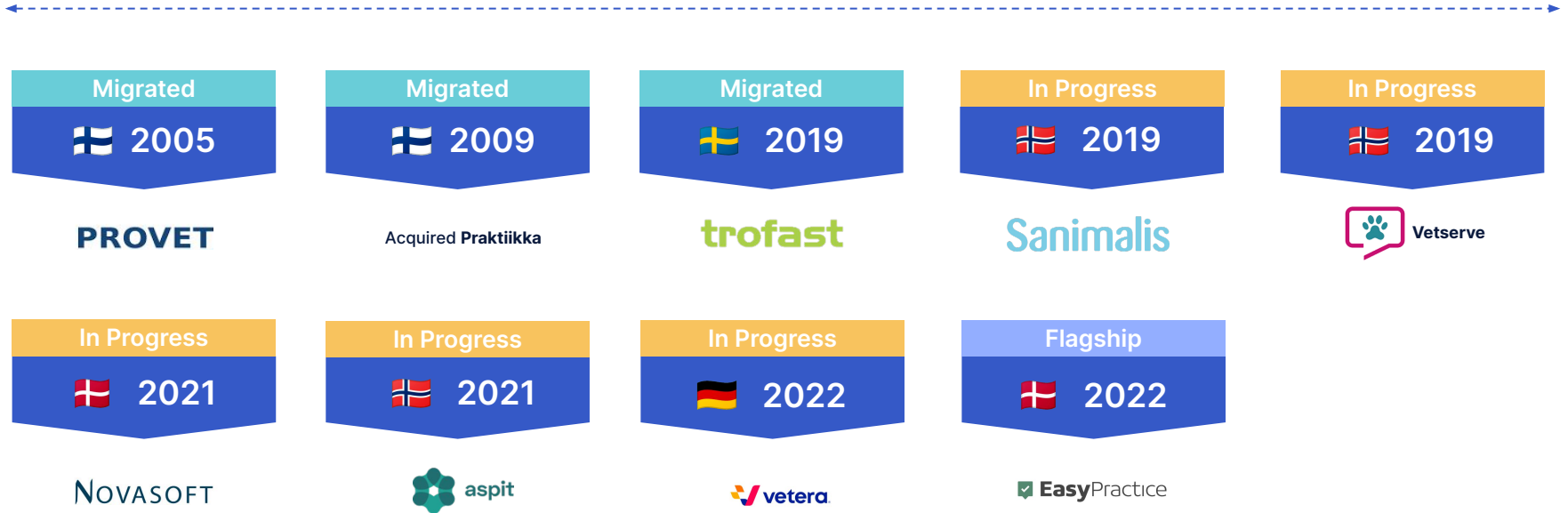


	🐾 Veterinary		🧑 Therapy		Other Businesses	
	Cloud	Hosted	Cloud	Hosted	Cloud	Non-Cloud
Products	Provet Cloud Provet Pay	Provet Net (Finland) Sanimalis (Norway) Vetserve (Norway) Vetvision (Denmark) Vetera (DACH)	EasyPractice Diarium	Physica Psykbase	Navisec	IT Operations
Share of ARR	34%	19%	20%	22%	2%	3%

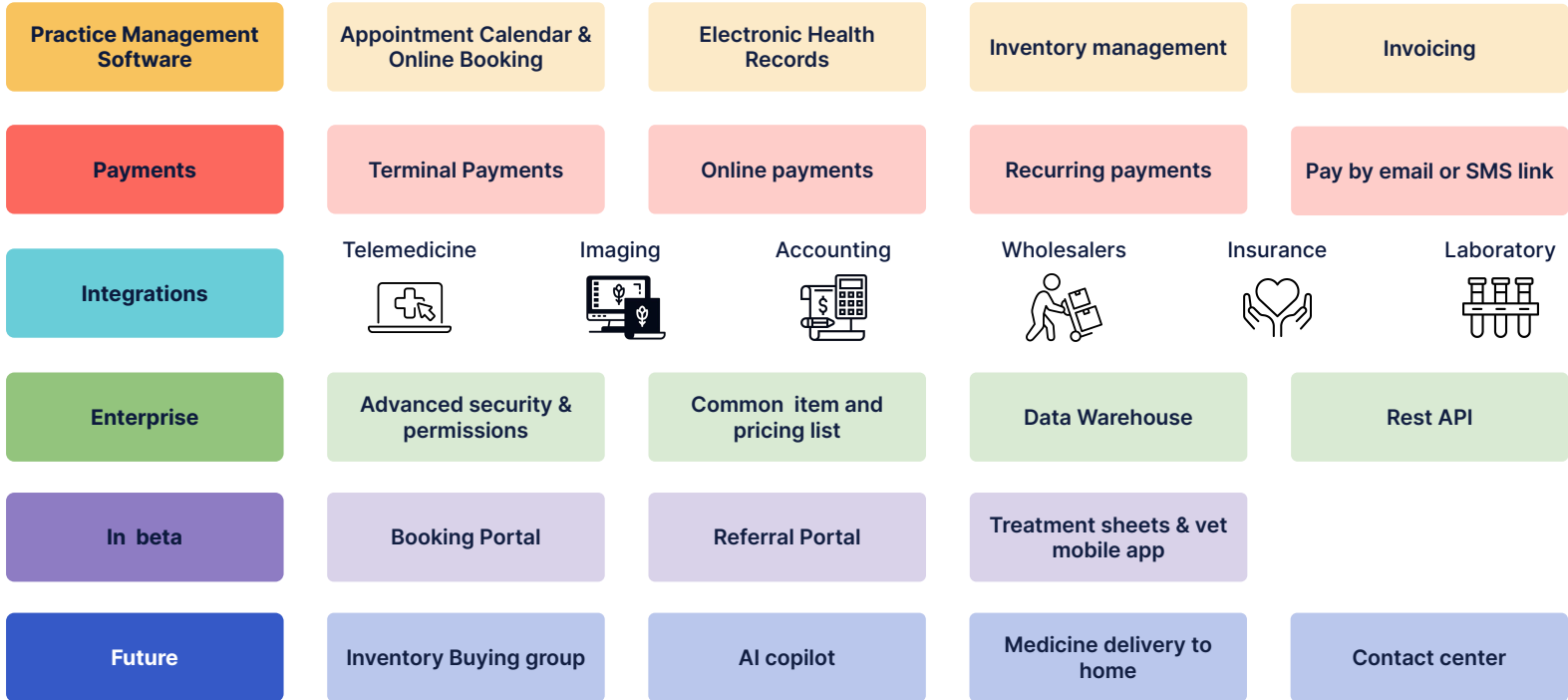
Strong organic growth accelerated by acquisition and migration strategy



9 acquisitions completed since 2005, 7 in last 5 years



Expanded product offering to solve additional customer pain points



Note: (1) Representational state transfer application program interface



Key definitions

Recurring revenue includes revenues from software subscriptions as well as revenues from of volume-based transactions (e.g., SMS messages) as well as rebates from third parties (e.g. payment solution providers).

ARR is implemented ARR that is recurring revenue annualised by multiplying the quarter's last month recurring revenue by 12. 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.

Organic revenue is the revenue generated from the Company's customer base existing at the comparison period and excluding acquisitions incurred after the end of the comparison period.

EBITDA is short for earnings before interest, taxes, depreciation and amortisation. EBITDA corresponds to the “operating income before depreciation, amortization and impairment” in the consolidated income statement in the report.

EBITDA - CAPEX is EBITDA minus the expenditures for capitalised development and any other capitalised expenditure.

Adjusted EBITDA and EBITDA - CAPEX is EBITDA or EBITDA - CAPEX presented as adjusted for one-time expenses not likely to incur in the near future to improve comparability of the underlying business performance between the periods.

Margins are used to compare relative profit between periods. (Adjusted) EBITDA margin and (Adjusted) EBITDA - CAPEX margin are calculated as (Adjusted) EBITDA or (Adjusted) EBITDA - CAPEX divided by revenue.

