



1 DECEMBER 2020 -
31 DECEMBER 2021

INTERIM
REPORT



Outstanding quarter yielding continued organic growth in the business in excess of our targets, with acquisitions providing further enhancements and revenue acceleration to the SaaS and Virtual Care businesses

Highlights – 1 December 2020 - 31 December 2021

- In order to more closely align our financial year end with the purchasing cycles of our customers the Board has made the decision to change the Group's financial year end from 30 November to 31 December. This report presents the results for the thirteen month and quarter ended 31 December 2021. To aid the reader of this report, this review focusses on the results for the twelve month period ended 31 December 2021 in comparison to the same period in prior year on a proforma basis.
- Successful year with organic revenue growth of 36 per cent achieved - significantly in excess of the 30 per cent medium term growth target, and an IPO on Nasdaq First North Premier Growth Market in June 2021.
- The acquisition of US-based PT Courses on 25 January 2021, a US leader in continued education for physiotherapists and Occupational health therapists, will allow the diversification and enhancement of the underlying SaaS platform.
- The acquisition of Wellnow, a German leader in smart and modern corporate health and wellness, announced after the year end strengthens our virtual care business

Quote from the CEO

"Our Q5 2021 results were outstanding. Technological adoption and investment in our space are accelerating, and we continue to grow the business in these exciting times for our market. We have enhanced both our SaaS and our Virtual Care businesses through our acquisitions and through product development, and we look forward to continue on our growth trajectory in 2022."

Henrik Molin, CEO Physitrack

Financial highlights

Year ended 31 December 2021

- Revenue of EUR 8.0m (5.9m) for the year ended 31 December 2021.
- Proforma¹ revenue growth of 36 per cent for the year ended 31 December 2021 against the same period last year. This growth was achieved in all businesses:
 - 42 per cent revenue growth of the existing Physitrack business compared to the same period last year
 - 14 per cent revenue growth of the acquired Physiotools and Mobilus ("Physiotools") businesses on a proforma basis
 - 56 per cent revenue growth of the acquired Rehabplus business on a proforma basis
 - 139 per cent revenue growth of the acquired Fysiotest business on a proforma basis;
- 12 month adjusted EBITDA² of EUR 2.6m (EUR 1.9m), increased by 40 per cent compared to the same period last year on a proforma basis;
- Adjusted EBITDA margins³ of 33 per cent, an increase from 32 per cent compared to prior year on a proforma basis.
- One-off IPO and M&A expenses were incurred of EUR 1.7m, resulting in a loss after tax of EUR 0.8m (0.8m profit) for the 12 months.

Quarter ended 31 December 2021

- Revenue of EUR 2.6m (1.8m) for the quarter ended 31 December 2021.
- Proforma revenue growth of 48 per cent for the quarter ended 31 December 2021 compared to the same period last year. This growth was achieved in all businesses:
 - 50 per cent revenue growth of the existing Physitrack business compared to the same period last year against a strong prior year comparator
 - 15 per cent revenue growth of the acquired Physiotools and Mobilus ("Physiotools") businesses on a proforma basis
 - 43 per cent revenue growth of the acquired Rehabplus business on a proforma basis;
 - 139 per cent revenue growth of the acquired Fysiotest business on a proforma basis;
- 3 month adjusted EBITDA of EUR 0.8m (0.3m) increased by 227 per cent compared to the same period last year;
- Adjusted EBITDA margins of 32 per cent, an increase from 14 per cent compared to prior year on a proforma basis.
- Profit after tax of EUR 0.1m (0.0m) for the quarter.

¹ See appendix 1 for the definition of proforma

² See appendix 1 for the definition of adjusted EBITDA

³ See appendix 1 for the definition of adjusted EBITDA margins

Key performance indicators summary

The following table shows key revenue metrics and selected alternative key performance indicators as defined in Appendix 1 that have not been defined or specified in accordance with IFRS, unless otherwise stated.

Due to changes in the year end from 30 November to 31 December, we have presented the below KPI's for both the thirteen-month period ended 31 December 2021 (per the statutory accounts) and also for the year ended 31 December 2021 (proforma) to allow the users to make meaningful comparisons, both in the current and future accounting periods.

For the thirteen-month period ended 31 December 2021 (statutory reporting)

EUR (€), unless otherwise stated	3 Months ended		13 Month period ended / Year ended	
	31-Dec-21	30-Nov-20	31-Dec-21	30-Nov-20
Revenue	2,582,977	912,074	8,465,227	3,054,091
Prior period revenue growth (%)	183	N/A	177	N/A
Subscription revenue as a proportion of total revenue (%)	67	100	83	97
EBITDA ⁹	559,098	349,679	952,469	1,604,723
EBITDA margin (%)	22	38	11	53
Items affecting comparability	261,701	25,205	1,739,230	25,205
Adjusted EBITDA	820,799	374,884	2,691,699	1,629,928
Adjusted EBITDA margin (%)	32	41	32	53
Operating profit/loss ¹⁰	163,621	92,838	(622,879)	674,114
Operating margin (%)	6	10	(7)	22
Adjusted operating profit/loss	425,322	118,043	1,116,351	699,319
Adjusted operating margin (%)	16	13	13	23
Earnings per share ¹¹	0.00	0.01	(0.06)	0.07
Cash conversion (%)	70	240	84	125
Net debt	N/A	(482,493)	N/A	(482,493)
Net debt / Adjusted LTM ¹² EBITDA (ratio)	N/A	0.3	N/A	0.3

For the year ended 31 December 2021 (proforma)

EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	31-Dec-20 (Proforma)	31-Dec-21	31-Dec-20 (Proforma)
Revenue	2,582,977	1,750,690	7,990,648	5,894,362
Prior period revenue growth (%)	191	N/A	152	N/A
Proforma revenue growth (%)	48	N/A	36	N/A
Subscription revenue as a proportion of total revenue (%)	67	82	82	89
EBITDA ⁹	559,098	224,425	888,487	1,857,449
EBITDA margin (%)	22	13	11	32
Items affecting comparability	261,701	25,065	1,739,230	25,065
Adjusted EBITDA	820,799	249,490	2,627,717	1,882,514
Adjusted EBITDA margin (%)	32	14	33	32
Operating profit/loss ¹⁰	163,621	(22,590)	(584,607)	877,303
Operating margin (%)	5	(1)	(7)	15
Adjusted operating profit/loss	425,322	2,475	1,154,623	902,368
Adjusted operating margin (%)	16	0	14	15
Earnings per share ¹¹	0.00	(0.00)	(0.06)	0.08

CEO statement

Overview

It has been an extremely rewarding thirteen months at Physitrack and I am proud of what we have achieved as a group. The business has built on the success of the prior financial year and further utilised the opportunities that the Covid-19 pandemic has created. We see acceleration of technological adoption and investment within our space. We have exceeded our medium-term organic revenue growth target of 30 per cent and are on track to realise the revenue and cost synergy plans we put in place as part of our M&A program.

Over the financial year, we have successfully integrated the Physitrack and Physiotools businesses so that our SaaS business is operated as one and primed for efficient and effective future growth.

Whilst operating as strong standalone businesses, our acquisitions of Rehabplus in February 2021 and Fysiotest in September 2021 will provide the foundations to the enhancement of our Virtual Care business. In 2022 Physitrack will rollout Physitrack Access, a holistic prevention and wellness offering sold on a subscription basis.

The acquisition of PT Courses in January 2022 will further enhance our underlying SaaS platform and support our further expansion within the US.

The successful completion of our initial public offering “*IPO*” on the Nasdaq Stockholm First North Premier Growth Market in June 2021 has provided us with additional resources to fund our M&A programme, supporting the future growth and ambitions for the business in 2022 and beyond.

Financial results

Physitrack Group achieved total revenue growth of 183 per cent for the quarter ended 31 December 2021 and 177 per cent for the thirteen-month period ended 31 December 2021 against the comparative periods on a statutory basis. For the twelve months ended 31 December 2021, Physitrack Group achieved proforma revenue growth of 48 per cent for Q4 2021 and 36 per cent

for the proforma year ended 31 December 2021 against the comparative periods.

Organic growth of the existing Physitrack business, and growth from the Physiotools, Rehabplus and Fysiotest acquisitions, contributed to this strong performance. Based on December 2021 actuals, annual run rate “ARR” of SaaS subscription revenue was EUR 7.7m (Q3 2020/21 EUR 7.5m), exiting the year, annualised revenue including virtual care is EUR 10.4m.

Building on the success of Q3 2020/21, Physitrack’s ‘custom app’ product saw strong sales activity in the quarter, driven by the desire of medium-sized healthcare businesses to personalise patient experiences and deepen brand communication.

Attached to these custom apps are monthly recurring maintenance fees which are typically higher than the monthly SaaS subscription fee and supports the organic growth in our recurring SaaS business from both the Physitrack and Physiotools brands.

The Virtual Care service line is made up of two acquisitions made during the financial year. Rehabplus became part of the Physitrack group on 28 February 2021 and saw strong growth in its core business in the period as UK lockdown restrictions were eased and rehabilitation volumes reached levels previously seen in 2019. Fysiotest was acquired on 30 September 2021 and has also seen strong growth in its underlying business, which includes highly recurring revenue streams.

Integrated and aligned operation structures

Physitrack acquired the Physiotools group on 30 November 2020. Over the past 12 months we have been aligning the underlying operations and structure of both businesses to a single structure which utilises the talent across several departments. The technology departments of both businesses have now been merged and aligned into two streams: ‘product and innovation’ and ‘implementation and execution’. This ensures that as a business we continue innovating while also being able to deliver a high-quality service to our existing customers.

As a result of the IPO, Physitrack now has readily available resources to support its M&A strategy, allowing for a more focussed M&A process, split into workstreams for sourcing, execution and implementation.

The alignment of operation structures has allowed the group to alter its internal structure to support both the organic and in-organic growth as the business looks to scale up and build on the success of the 2020/21 financial year.

It is vital that Physitrack Group has internal systems which will support our growth ambitions, in the quarter Physiotoools moved to a new subscription management and billing platform, Chargebee, Physitrack will move to the same platform in Q1 2022. Chargebee will allow for more flexibility in the pricing and packages we can offer, a reduction in involuntary churn, increased options for payment gateways which will open up new emerging markets and a better user experience for our customers. In Q1 2022 we will additionally be launching a new group-wide ERP, NetSuite. NetSuite will allow the business to efficiently scale in any geography required. These systems position Physitrack for future growth.

PT Courses acquisition

On 25 January 2022 Physitrack PLC announced, the acquisition of PT Courses, a US Company, for a cash consideration of USD 1.8 million. PT Courses is the US leader in Continued Education (CE) for Physical Therapists, Occupational Therapists and assistants, provided through PTcourses.com and OTcourses.com. The acquisition marks a major gear shift for Physitrack's acceleration in the US market via the diversification and enhancement of its existing SaaS product offering. The move will enable both Physitrack and PT Courses to offer CE to practitioners in attractively priced subscription bundles with Physitrack's already popular SaaS solution, thereby boosting revenues whilst also increasing its addressable markets.

In the twelve months ending December 31, 2021, PT Courses is expected to record revenues of USD 0.6 million, and Adjusted EBITDA of USD 0.1 million or an EBITDA margin of 16 percent. At 31 December 2021, the gross assets of PT Courses

were USD 0.1 million and transaction fees of USD 0.1 million have been incurred as part of the acquisition. Initial, one-off investment of around USD 0.6 million is expected in 2022 to upgrade PT Courses' technology platform, integrate its e-learning capabilities with the Physitrack platform and build on the existing content offering.

The standalone PT Courses revenue and profits are expected to remain stable. A combined offering, with CE integrated into Physitrack's existing SaaS platform, will boost growth across Physitrack's existing business lines.

In line with Physitrack's communicated growth strategy, the acquisition will result in a small, short-term contraction in profit margins. Over time, PT Courses will benefit from cost synergies in leveraging Physitrack's superior technology, developers and global network of health practitioners, sales and support staff allowing the Group to meet its medium term EBITDA margin target of 40% - 45%.

Wellnow Group acquisition

On 23 February 2022 Physitrack PLC announced, the acquisition of Wellnow Group GmbH, a German leader in smart and modern corporate health and wellness. The acquisition accelerates the growth of Physitrack's existing care offering and establishes a substantial footprint in Germany, boosting revenue streams globally by leveraging off Wellnow's impressive technology, network and scalable virtual-first business.

Physitrack will pay a total cash consideration of EUR 2.5 million upfront, and a further potential aggregate earn-out consideration of EUR 9 million over four years, subject to achieving stretching growth targets in the period which are in alignment with Physitrack's.

In the twelve months ending December 31, 2021, Wellnow delivered revenue of €0.4m. The first half of this year was impacted by Covid-19 restrictions, good recovery was seen towards the end of the year and Wellnow exited 2021 with a revenue run rate of €0.7m and an EBITDA margin of 15%. At 31 December 2021, Wellnow's gross assets were EUR 0.3 million. Initial one-off acquisition and

integration costs are estimated to reach around EUR 0.3 million over six months.

Physitrack Access

Physitrack has recently finalised the development of Physitrack Access. This is the first service offering from our Virtual Care segment and has combined the service offerings of Rehabplus and Fysiotest to create a health and wellness product aimed at corporations.

Dividends

Physitrack intends to re-invest profits and cash flows in organic growth initiatives and for acquisitions to support value enhancing development and does not expect to pay any dividends in the medium term. As a result, the board have not paid or proposed any dividends to be paid in relation to the current quarter.

Outlook

As outlined within the IPO prospectus, Physitrack's Board of Directors has adopted a set of financial targets linked to the Company's Strategy as set forth below:

- **Growth:** Physitrack aims to achieve annual organic sales growth exceeding 30 per cent in the medium term, further supplemented by impact from future add-on acquisitions.
- **Margin:** Physitrack targets an EBITDA margin of 40-45 per cent in the medium term, with potential short term margin contractions due to add-on acquisitions impacting margins negatively.

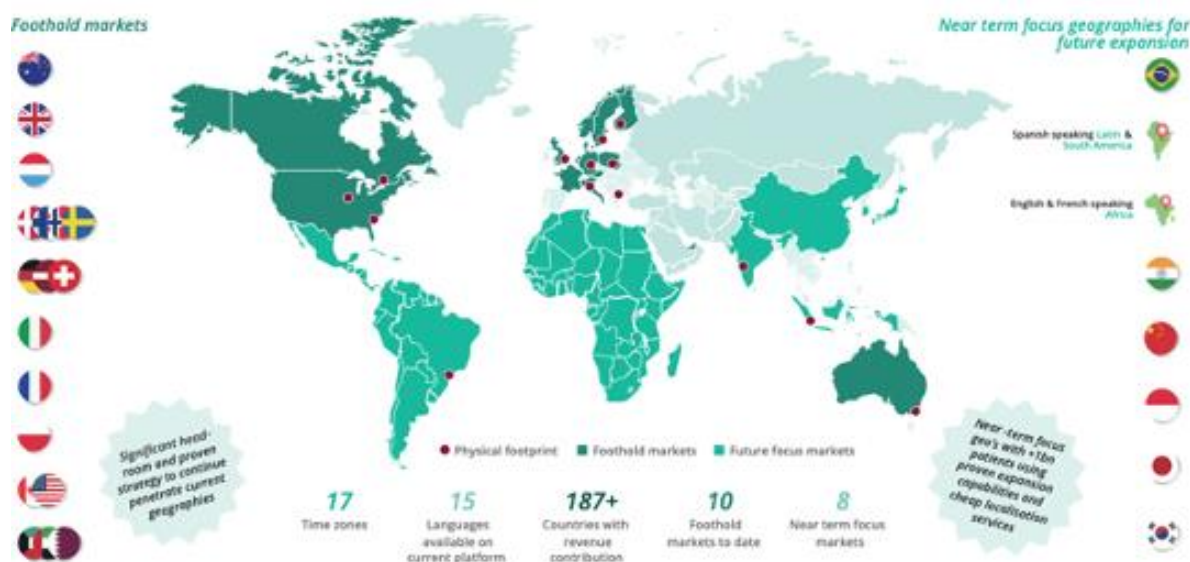
There are no changes to these financial targets.

Henrik Molin, CEO Physitrack

Physitrack in brief

Physitrack, founded in 2012, is a global digital healthcare provider, within the remote patient engagement sector predominantly focused on the B2B physiotherapy market. The Company initially developed and operated a SaaS based software platform ("SaaS platform"). This software platform was further enhanced through the acquisition of the Physiotools group in November 2020. Through the acquisition of Rehabplus in February 2021, Physitrack has utilised the capabilities of its current service offering to launch a new business line "Virtual care". Virtual care is powered by the Physitrack technology platform through in-house physiotherapists based in the UK. Physitrack acquired Fysiotest in September 2021. The acquisition allows Physitrack and other Group companies such as Rehabplus, to enhance its virtual care offering to include testing, assessments, analysis and coaching.

Where we operate



SaaS platform

The SaaS platform service line is a software platform tailored to the needs of healthcare providers, notably physiotherapists, enabling the digitalisation of the patient journey, from initial contact to patient interactions and outcomes tracking.

The SaaS platform is offered through a cloud-based software suite that can be tailored to specific customer needs and is also offered as a 'custom app' solution. The digital infrastructure is optimised for Amazon Web Services "AWS", ensuring effective and cost-effective scale-up as well as a short time to market.

It is tailored to both single practitioners and large healthcare organisations. Physitrack's platform is utilised globally across both foothold markets, where Physitrack is already present and aims to increase its market share and new markets where there are opportunities to significantly grow market share.

Virtual care

The Company's SaaS offering is a proven product with customers globally, catering to the needs of healthcare

organisations and individuals. Whilst being a competitive offering on its own, the SaaS platform is a key enabler for the virtual care offering. Identifying that the company's existing service line could be applied in a wider context.

The Virtual Care offering split across the Rehabplus and Fysiotest businesses focuses on delivering care in three areas:

- **Prevention and Wellness Care** – Addressing general health and wellness in a pro-active and positive way, helping employers build healthy teams and cultures that increase productivity and employee retention and reduce the need for invasive treatments
 - **Acute and Chronic Care** – Addressing MSK conditions that are usually non-surgical, but cause significant impact on health, high costs and widespread productivity loss
 - **Surgical Care** – This will address pre and post-operative cases where patient preparation, management and follow up helps ensure better outcomes
- Physitrack sees great potential in the Virtual Care offering and we will continue to expand its presence.

Chief Financial Officer's review

The Consolidated statement of comprehensive income is prepared for the thirteen month period ended 31 December 2021 due to changes in Physitrack PLC year end. In order to provide meaningful comparison to the users of these financial statements for both the current and future periods, management has prepared KPI's for the year ended 31 December 2021 and compared this to the results of the 12 months ended 31 December 2020 (on a proforma basis).

Revenue

This revenue review will focus on the KPI's for the 12 months year ended 31 December 2021 against prior year comparatives on a proforma basis.

For the thirteen-month period ended 31 December 2021 (statutory reporting)

EUR (€), unless otherwise stated	3 Months ended		13 Month period ended / Year ended	
	31-Dec-21	30-Nov-20	31-Dec-21	30-Nov-20
Revenue	2,582,977	912,074	8,465,227	3,054,091
Prior period revenue growth (%)	183	N/A	177	N/A
Subscription revenue as a proportion of total revenue (%)	67	100	83	97

For the year ended 31 December 2021 (proforma)

EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	31-Dec-20 (Proforma)	31-Dec-21	31-Dec-20 (Proforma)
Revenue	2,582,977	1,750,690	7,990,648	5,894,362
Prior period revenue growth (%)	191	N/A	152	N/A
Proforma revenue growth (%)	48	N/A	36	N/A
Subscription revenue as a proportion of total revenue (%)	67	82	82	89

Year ended 31 December 2021 Vs year ended 31 December 2020 on a proforma basis

For the year ended 31 December 2021, revenue grew by 36 per cent or EUR 2.1m against the year ended 31 December 2020 on a proforma basis.

Within this, the existing Physitrack business achieved revenue growth of 42 per cent compared to the 2020 comparative period, Physiotools, acquired in November 2020, achieved proforma revenue growth of 14 per cent, Rehabplus, acquired in February 2021, grew by 56 per cent on a proforma basis and Fysiotest acquired in September 2021 proforma revenue grew by 139 per cent.

Revenue in the Physitrack SaaS business is driven by the combination of number of users and the price per user. For the year ended 31 December 2021, Physitrack had on average 39,000 subscribers compared to 33,000 in the comparative period. At the date of reporting, Physitrack had approximately 40,000 subscribers. The growth in users is as a direct result of an increase in practitioners' adoption of digital technology, accelerated by the Covid-19 pandemic. Due to enhancements in the underlying platform, in May 2021 Physitrack began implementing price increases of approximately 10 per cent across both its SMB and Enterprise customers. The impact of

this price increase has now taken effect for the SMB customers with the enterprise customer increases being implemented in a staggered manner dependant on the agreements in place.

In Physiotoools several of its historic products were sold on a concurrent licences basis where multiple users have access to one licence, due to this legacy the number of users is in excess of the number of paid licenses. At 31 December 2021 there were approximately 11,000 paid subscription licences in place in comparison to approximately 9,000 paid subscription licences at 30 November 2020.

Physiotoools implemented price rises across its customer base starting in June 2021, as Physiotoools predominantly invoices upfront for twelve-month subscriptions and is required to provide 60-day notice for price increases these rises will continue to flow into the next financial year.

In addition to the continued drive for new business, through focussed marketing to specific customer segments and the identification of the development of growth markets, alongside core initiatives to accelerate growth in sales, management have increased focus on reducing churn, creating a new customer excellence role for the Group which is supported by a project team.

The purpose of this role is to systematically analyse our customers' current user experience with qualitative and quantitative data and work with the technology team to enhance the platform to improve the experience. A number of initiatives and features have already been launched and as a result, monthly churn⁴ of the combined SaaS businesses has been reduced by 0.4 per cent from 1.8 per cent in Q3 2020/21 to 1.4 per cent for the thirteen-month period ended 31 December 2021. This continues to be an area of focus for management for the 2022 financial year.

Three months to 31 December 2021 Vs three months to 31 December 2020 on a proforma basis

For the three months ended 31 December 2021 revenue grew 48 per cent or EUR 0.9m to EUR 2.6m compared to the same period last year, on a proforma basis.

We were pleased to see growth in all four businesses with Physitrack delivering 50 per cent revenue growth against a strong prior year comparison.

Physiotoools delivered 14 per cent proforma revenue growth compared to the prior year with growth driven by user numbers and price rises offset by customers moving to the Physitrack platform.

Rehabplus delivered 43 per cent revenue growth on a proforma basis. As a result of lockdown restrictions in the UK easing, Rehabplus practitioners were able to increase their case loads which drove the revenue growth.

Proforma revenue growth from Fysiotest, which was acquired in September 2021, was 139 per cent compared to the prior year comparative on a proforma basis.

⁴ Monthly churn calculated as the MRR of all customers lost in the month divided by the opening MRR for the month

Key figures

Alternative Performance measures

In this financial review reference is made to key performance indicators that are not defined in accordance with IFRS. These measures, in the opinion of the Directors can provide additional relevant information on our future or past performance where equivalent information cannot be presented using financial measures using IFRS. For definitions of these measures please see Appendix 1 at the end of this report.

For the thirteen-month period ended 31 December 2021 (statutory reporting)

EUR (€), unless otherwise stated	3 Months ended		13 Month period ended / Year ended	
	31-Dec-21	30-Nov-20	31-Dec-21	30-Nov-20
EBITDA	559,098	349,679	952,469	1,604,723
EBITDA margin (%)	22	38	11	53
Items affecting comparability	261,701	25,205	1,739,230	25,205
Adjusted EBITDA	820,799	374,884	2,691,699	1,629,928
Adjusted EBITDA margin (%)	32	41	32	53
Operating profit/loss	163,621	92,838	(622,879)	674,114
Operating margin (%)	6	10	(7)	22
Adjusted operating profit/loss	425,322	118,043	1,116,351	699,319
Adjusted operating margin (%)	16	13	13	23
Earnings per share	0.00	0.01	(0.06)	0.07
Cash conversion (%)	70	240	84	125
Net debt	N/A	(482,493)	N/A	(482,493)
Net debt / Adjusted LTM EBITDA (ratio)	N/A	0.3	N/A	0.3

For the year ended 31 December 2021 (proforma)

EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	31-Dec-20 (Proforma)	31-Dec-21	31-Dec-20 (Proforma)
EBITDA	559,098	224,425	888,487	1,857,449
EBITDA margin (%)	22	13	11	32
Items affecting comparability	261,701	25,065	1,739,230	25,065
Adjusted EBITDA	820,799	249,490	2,627,717	1,882,514
Adjusted EBITDA margin (%)	32	14	33	32
Operating profit/loss	163,621	(22,590)	(584,607)	877,303
Operating margin (%)	5	(1)	(7)	15
Adjusted operating profit/loss	425,322	2,475	1,154,623	902,368
Adjusted operating margin (%)	16	0	14	15
Earnings per share	0.00	(0.00)	(0.06)	0.08

Results

Statutory – thirteen-month period ended 31 December 2021 Vs year ended 30 November 2020

Operating expenses before amortisation depreciation and adjusting items were EUR 5.8m for the thirteen month period ended 31 December 2021 compared to EUR 1.4m for the year ended 30 November 2020. This increase primarily reflects the recent acquisitions of Physiotools, Rehabplus and Fysiotest.

Adjusted EBITDA of EUR 2.7m was achieved for the period compared to EUR 1.6m for the year ended 30 November 2020 resulting in an adjusted EBITDA margin of 32 per cent, compared to 53 per cent in the prior year. This decline reflects the previously communicated impact of the acquisition of Physiotools, Rehabplus and Fysiotest which operate a relatively higher cost base than Physitrack.

Physitrack group delivered EBITDA of EUR 1.0m (EBITDA margin of 11 per cent) for the thirteen-month period ended 31 December 2021 compared to EUR 1.6m (EBITDA margin of 53 per cent) for the year ended 30 November 2020. This fall was due to specific one-off costs incurred from the Rehabplus Fysiotest and PT Courses acquisitions of EUR 0.5m and IPO of EUR 1.2m.

Depreciation and amortisation increased by 69 per cent for the thirteen month period ended 31 December 2021 to EUR 1.6m compared to EUR 0.9m for the year ended 30 November 2021. This resulted in an operating loss of EUR 0.6m for the thirteen-month period ended 31 December 2021 compared to an operating profit of EUR 0.7m in the comparative period.

The specific one-off costs outlined above incurred during the thirteen-month period ended 31 December 2021 have impacted operating profit. Adjusting for these non-recurring items, Physitrack generated adjusted operating profit of EUR 1.1m for the thirteen month period ended 31 December 2021. In turn this resulted in an adjusted operating margin of 13 per cent compared to 23 per cent for the year ended 30 November 2020. The relatively higher cost base of the Physiotools, Rehabplus and

Fysiotest businesses have also impacted the lower operating profit margins.

Proforma – year ended 31 December 2021 Vs year ended 31 December 2020

Adjusted EBITDA of EUR 2.6m was achieved for year ended 31 December 2021 compared to EUR 1.9m for the year ended 31 December 2020 resulting in an adjusted EBITDA margin of 33 per cent, compared to 32 per cent in the prior year. This increase reflects the successful integration of Rehabplus and Physiotools in reducing these entities underlying cost base.

The specific one-off costs outlined above incurred during the year ended 31 December 2021 have impacted operating profit. Adjusting for these non-recurring items, Physitrack generated adjusted operating profit of EUR 1.2m for the year ended 31 December 2021. In turn this resulted in an adjusted operating margin of 14 per cent compared to 15 per cent for the year ended 31 December 2020.

Financial position and cash flows

The group's total assets at 31 December 2021 were EUR 32.3m, compared with EUR 9.5m on 30 November 2020. The main drivers of the increase were goodwill arising on the acquisition of Rehabplus and Fysiotest of EUR 8.3m as well as working capital, and other assets, acquired with these companies.

The deferred contingent consideration from the Fysiotest acquisition of EUR 4.3m, alongside the deferred contingent consideration attached to the Rehabplus acquisition of EUR 2.5m, offset by deferred and deferred contingent considerations payments to Fysiotest of EUR 1.0m contributed to the EUR 5.8m increase in deferred consideration from 30 November 2020.

As part of the identification of the fair value of net assets acquired from Fysiotest, management identified customer relationship intangible assets with a value of EUR 0.3m and brand with a value of EUR 0.2m. These intangibles are being amortised over a useful life of five years.

The increase in the deferred income balance by EUR 0.3m from 30 November 2020 is reflective of the growth in the Physitrack and Physiotoools businesses, alongside differences in the billing cycles with Physiotoools being typically annual, compared to Physitrack which is predominantly monthly.

As outlined within the Initial Public Offering prospectus issued on 9 June 2021, part of the IPO proceeds were to be used to strengthen the balance sheet including repayment of existing borrowings. During the financial year, Physitrack repaid EUR 2.1m of external debt, resulting in Fysiotest holding a small facility of EUR 653.

Cash generated from operations prior to incurring non-recurring items outlined above was EUR 2.3m for the thirteen-month period ended 31 December 2021 compared with EUR 2.0m for the comparative period. An increase in adjusted operating profit was offset by a negative working capital movement. The working capital movement was driven by calendar year renewals for enterprise customers which are billed one month in advance, particularly in Physiotoools and is expected to unwind early next year. This resulted in cash conversion of 84 per cent compared to 125 per cent in the comparative period.

Cash outflow from investing activities amounted to (EUR 4.9m) compared to (EUR 0.8m) in the comparative period. The increase was attributable to the initial and second cash payment (EUR 1.2m) for the acquisition of Rehabplus on 28 February 2021, the acquisition of Fysiotest of (EUR 1.9m) plus an increase in intangible asset additions driven by investment in the virtual care business, including Physitrack Access a new product to be launched in 2022, and development of the SaaS platform as signalled in the IPO prospectus.

For the thirteen-month period ended 30 November 2021, cash flow from financing activities amounted to EUR 16.1m compared to an outflow in the comparative period of EUR 3.4k. This was due to the issue of shares through the IPO net of costs, of EUR 18.6m offset by a net repayment of director's loans, bank borrowings and interest totalling EUR 2.5m.

Risks and uncertainties

The risks and uncertainties pertaining to the group have been outlined within Appendix 2.

Condensed interim financial information

1 December 2020 – 31 December 2021

Consolidated statement of comprehensive income

EUR (€)	No te	3 month period ended:		13 month period ended / Year ended:	
		31 December 2021 (unaudited)	30 November 2020 (unaudited)	31 December 2021 (unaudited)	30 November 2020 (Audited)
Revenue	3	2,582,977	912,074	8,465,227	3,054,091
Gross profit		2,582,977	912,074	8,465,227	3,054,091
Operating expenses before amortisation depreciation and adjusting items		(1,762,178)	(537,190)	(5,773,528)	(1,424,163)
Amortisation and depreciation		(395,477)	(256,841)	(1,575,348)	(930,609)
Adjusting items	5	(261,701)	(25,205)	(1,739,230)	(25,205)
Operating expenses		(2,419,356)	(819,236)	(9,088,106)	(2,379,977)
Operating profit / (loss)		163,621	92,838	(622,879)	674,114
Finance income / (costs)		7,715	(161)	(71,027)	(161)
Profit / (loss) before taxation		171,336	92,677	(693,906)	673,953
Taxation		(140,422)	14,456	(189,048)	14,456
Profit / (loss) after taxation		30,914	107,133	(882,954)	688,409
Other comprehensive income		445,196	(42,940)	313,568	(93,802)
Total comprehensive income / (loss) for the period		476,110	64,193	(569,386)	594,607
Basic earnings / (loss) per share		0.01	0.01	(0.06)	0.07
Diluted earnings / (loss) per share		0.01	0.01	(0.06)	0.07

All results in the current financial year derive from continuing operations.

Consolidated Statement of Financial Position as at 31 December 2021

		31 December 2021	30 November 2020
	Note	€	€
Assets			
Non-current assets			
Goodwill	6	14,431,082	5,963,346
Intangible assets	6	2,642,926	1,631,239
Property, plant and equipment		48,779	5,618
Financial assets measured at FVOCI/FVTPL		98,264	98,469
Lease security deposit		-	12,315
Total non-current assets		17,221,051	7,710,987
Current assets			
Trade and other receivables		1,665,877	529,146
Inventory		67,315	-
Deferred tax		-	14,264
Cash and cash equivalents		13,324,598	1,254,233
Total current assets		15,057,790	1,797,643
Total assets		32,278,841	9,508,630
Liabilities			
Non-current liabilities			
Borrowings		-	(400,000)
Deferred consideration		(5,359,608)	-
Total non-current liabilities		(5,359,608)	(400,000)
Current liabilities			
Borrowings		(653)	(1,336,726)
Contract liability		(1,592,065)	(1,254,724)
Trade and other payables		(1,435,877)	(1,251,045)
Deferred tax		(108,029)	-
Deferred consideration		(492,902)	-
Total current liabilities		(3,629,526)	(3,842,495)
Net assets		23,289,707	5,266,135
Equity			
Share capital		64,075	13,179
Share premium		24,935,421	5,299,844
Shares to be issued		-	1,093,515
Translation reserve		(19,163)	(332,731)
Retained earnings		(1,690,626)	(807,672)
Total equity		23,289,707	5,266,135

Consolidated Statement of Changes in Equity for the thirteen-month period ended 31 December 2021

	Share capital	Share premium	Shares to be issued	Currency translation reserve	Retained earnings	Total
	€	€	€	€	€	€
Balance at 30 November 2019	12,195	2,749,230	-	(238,929)	(1,496,080)	1,026,416
Profit for the year	-	-	-	-	688,408	688,408
Other comprehensive income for the year	-	-	-	(93,802)	-	(93,802)
Total comprehensive income for the year	-	-	-	(93,802)	688,408	594,606
Issue of share capital	984	2,550,614	-	-	-	2,551,598
Shares to be issued	-	-	1,093,515	-	-	1,093,515
Balance at 30 November 2020	<u>13,179</u>	<u>5,299,844</u>	<u>1,093,515</u>	<u>(332,731)</u>	<u>(807,672)</u>	<u>5,266,135</u>
Loss for the period	-	-	-	-	(882,954)	(882,954)
Other comprehensive income for the period	-	-	-	313,568	-	313,568
Total comprehensive income for the period	-	-	-	313,568	(882,954)	(569,386)
Issue of share capital	6,256	19,635,577	(1,093,515)	-	-	18,548,318
Issue of preference shares	44,640	-	-	-	-	44,640
Balance at 31 December 2021	<u>64,075</u>	<u>24,935,421</u>	<u>-</u>	<u>(19,163)</u>	<u>(1,690,626)</u>	<u>23,289,707</u>

Consolidated Statement of Cash Flows for the thirteen month period ended 31 December 2021

	Note	13-month period ended 31 December 2021	Year ended 30 November 2020
		€	€
Operating activities			
(Loss)/profit for the period		(882,954)	688,409
Adjustments for:			
Depreciation and amortisation		1,575,348	930,609
Foreign exchange gain		(49,119)	(135)
Taxation	10	189,048	-
Adjusting items	5	1,739,230	-
Net finance cost	6	71,027	164
Operating cash flows before movements in working capital		2,642,580	1,619,047
Increase in trade and other receivables		(632,032)	(51)
Increase in inventory		(17,226)	-
Increase in trade and other payables and contract liabilities		262,914	413,512
Cash generated by operations before adjusting items		2,256,236	2,032,508
Cash payment of adjusting items		(1,541,442)	-
Net cash from operating activities		714,794	2,032,508
Investing activities:			
Purchases of intangible assets		(1,789,361)	(978,252)
Purchases of property, plant and equipment		(6,239)	-
Cash balance acquired from acquisition of subsidiaries		48,813	1,227,691
Acquisition of subsidiary		(3,097,378)	(1,023,010)
Acquisition of investment		(78,588)	-
Net cash used in investing activities		(4,922,753)	(773,571)
Financing activities			
Repayment of Directors' loans		(357,286)	(418,923)
Directors' loans received		-	415,719
Drawdown of borrowings		65,873	-
Repayment of borrowings		(2,143,561)	-
Interest expense		(71,027)	(161)
Issue of shares		19,732,654	-
Share transaction costs		(1,184,336)	-
Issue of preference shares		44,640	-
Net cash generated / (used) in financing activities		16,086,957	(3,365)
Cash at the beginning of the period		1,254,233	12,251
Net movement		11,878,998	1,255,572
Gain/(loss) on exchange rate		191,367	(13,590)
Cash at the end of the period		13,324,598	1,254,233

Selected Notes

1) Company information

Physitrack PLC (the "Company"), the Company was incorporated and registered in England and Wales on 15 June 2012 with registered number 8106661 under the UK Companies Act as a private company limited by shares. On 17 August 2021, the Company re-registered as a public limited company and thus became Physitrack PLC. The address of the Company's registered office is Bastion House 6th Floor, 140 London Wall, London, England, England, EC2Y 5DN.

These condensed financial statements are presented in EUR, which is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the full accounting policies as set out within the 2020 annual report and Initial Public Offering prospectus issued on 9 June 2021.

2) Accounting policies

This interim financial information for the thirteen-month period ended 31 December 2021 has been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated financial statements do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2020 Annual Report.

The financial information for the thirteen months ended 31 December 2021 does not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006 and is unaudited.

The annual financial statements of Physitrack PLC are prepared in accordance with IFRS's as adopted by the European Union. The Independent Auditors' Report on that Annual Report and financial statements for 2020 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The condensed interim financial statements have been prepared by applying the accounting policies

and presentation that were applied in the preparation of the Group's published consolidated financial statements for the thirteen-month period ended 31 December 2021, which were prepared in accordance with IFRS's as adopted by the EU and applicable law.

The preparation of condensed financial statements requires the Company's management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3) Operating segments and revenue

In the opinion of the Directors, for the thirteen-month period ended 31 December 2021 the operations of the Group comprise three reporting operating segments. These segments are the provision of SaaS based software platform tailored to physiotherapy split between the existing Physitrack business (Physitrack PLC) and the recently acquired Physiotools OY and Mobilus Digital Rehab AB "Physiotools" businesses. As the Physitrack and Physiotools integration continues throughout 2022, the Directors will review the results of the SaaS business as one segment rather than split by the two businesses.

On 28 February 2021 Physitrack acquired the entire share capital of Rehabplus Limited. Rehabplus has been a long-standing user of Physitrack's SaaS solution aiming to provide clinically proven and cost-efficient physiotherapy and rehabilitation services. As part of Physitrack, Rehabplus and Physitrack will focus on offering a turnkey solution for technology-enabled Virtual care.

On 30 September 2021 Physitrack acquired the entire share capital of Fysiotest Europa AB. Fysiotest Europa AB, a Nordic leader in modern occupational health care, physical testing and performance coaching. The acquisition accelerates the enhancement of Physitrack's Virtual care offering and boosts revenue streams by leveraging Fysiotest's proven formula at a global scale.

This virtual care offering represents a new class of business for the Group, with the results of Rehabplus for the ten months ended 31 December 2021 and Fysiotest for the three months ended 31 December 2021 representing the performance of this segment post acquisition. Management have identified this as a separate reporting operating segment.

Information reported to management for the purposes of segment performance is focused on the geographical location of each segment. In performing these reviews management group these geographical locations into four regions, being the United Kingdom, Europe, North America and Rest of World.

Revenue arising from the Group's activities during the period by geography and operating segment were as follows:

	13 month period ended 31 December 2021 EUR	Year ended 30 November 2020 EUR
SaaS platform		
Physitrack		
United Kingdom	867,285	467,490
Europe	1,395,224	931,684
North America	1,196,644	870,849
Rest of world	1,333,684	784,068
	4,792,837	3,054,091
Physiotools		
United Kingdom	634,503	-
Europe	1,542,678	-
North America	320,795	-
Rest of world	133,193	-
	2,631,169	-
Virtual Care		
Europe	416,373	-
United Kingdom	624,848	-
	1,041,221	-
Total	8,465,227	3,054,091
Revenue by product line		
Subscription fee	6,578,064	2,701,047
Custom app maintenance fee	465,987	251,289
Custom app set-up costs	379,956	101,755
Sale of goods	205,080	-
Virtual care	836,140	-
Total	8,465,227	3,054,091

Revenue derived from virtual care, maintenance and subscription income streams is recognised over time. Revenue generated from set-up fees and sale of goods are recognised at a point in time.

4) Intangible assets

	Internally generated intangible asset	Software	Brand	Customer relationships	Goodwill	Total
EUR (€)						
Cost						
At 1 December 2019	3,641,895	-	-	-	-	3,641,895
Additions	978,252	-	-	-	-	978,252
Acquisition of subsidiary	10,685	-	-	-	5,963,346	5,974,031
Exchange differences	(172,795)	-	-	-	-	(172,795)
At 1 December 2020	4,458,037	-	-	-	5,963,346	10,421,383
Additions	1,624,927	164,435	-	-	-	1,789,362
Acquisition of subsidiary	150,790	-	251,627	277,446	8,467,736	9,147,599
Exchange differences	333,855	1,861	-	-	-	335,716
At 31 December 2021	6,567,609	166,296	251,627	277,446	14,431,082	21,694,060
Amortisation						
At 1 December 2019	1,996,157	-	-	-	-	1,996,157
Charge for the period	930,305	-	-	-	-	930,305
Exchange differences	(99,664)	-	-	-	-	(99,664)
At 1 December 2020	2,826,798	-	-	-	-	2,826,798
Charge for the period	1,521,435	16,325	19,581	13,872	-	1,571,213
Exchange differences	222,041	-	-	-	-	222,041
At 31 December 2021	4,570,274	16,325	19,581	13,872	-	4,620,052
Net book value as at 31 December 2021	1,997,335	149,971	232,046	263,574	14,431,082	17,074,008
Net book value as at 30 November 2020	1,631,239	-	-	-	5,963,346	7,594,585

The internally generated intangible asset are directly attributable costs incurred in building and developing the SaaS platform.

Software assets are directly attributable costs incurred in the implementation of new finance and operating systems within the Group.

On acquisition of Fysiotest during the financial period, Goodwill of EUR 5,272,830 was recognised. Acquired identifiable intangible assets include EUR 277,446 in respect of customer relationships and EUR 191,623 in respect of the Fysiotest brand. These intangibles are being amortised over a five-year period.

On acquisition of Rehabplus during the financial period, Goodwill of EUR 3,194,906 was recognised. Acquired identifiable intangible assets include EUR 60,004 in respect of the Rehabplus brand. These intangibles are being amortised over a five-year period.

In accounting for the business combination as part of the Q1 2020/21 interim report, goodwill of EUR 2,633,259 was calculated. Subsequent to the issue of this financial report, new information came to light in which management identified that net assets had been overstated by EUR 361,869. Alongside this management reassessed the fair value of deferred contingent consideration and identified this has been understated by EUR 248,381 and that the Rehabplus Limited brand a identifiable intangible asset with a value of EUR 60,004 had not been identified. In addition a deferred tax liability of EUR 11,401 was recognised against the value of the brand. In-line with the 12-month measurement period outlined in IFRS 3 “*Business combinations*” management reassessed the goodwill on acquisition, increasing this to EUR 3,194,906.

5) Adjusting items

Adjusting items refers to events and transactions which effect on profit are important to note when profit for the period is compared to previous periods and comprise of non-recurring costs in ordinary operations relating to the IPO in June 2021, acquisitions of Tanila Holding Oy in November 2020, the acquisition of Rehabplus Limited in February 2021 the acquisition of Fysiotest Europa AB in September 2021 and the acquisition of PT Courses in January 2022. Alongside this, as a result of discounting deferred contingent consideration to present value on acquisition an entry is made throughout the year to unwind this discount. As these costs are non-operational, they have also been included within adjusting items to aid comparability.

Adjusting items can be broken down as follows:

EUR (€), <i>unless otherwise stated</i>	3 Months ended		13 month period ended / Year ended	
	31-Dec-21	30-Nov-20	31-Dec-21	30-Nov-20
IPO costs	-	-	1,172,218	-
Acquisition and integration costs	232,773	25,205	538,084	25,205
Unwind of discount on deferred contingent consideration	28,928	-	28,928	-
Adjusting items	261,701	25,205	1,739,230	25,205

6) Related party transactions

A loan repayment totalling EUR NIL (30 November 2020: EUR 111,667) was paid to H Molin, in respect of financing. At 31 December 2021, EUR NIL was due to the Director (30 November 2020: EUR Nil). The loan advanced was unsecured, interest free and had no stated repayment date.

A loan repayment totalling EUR 357,286 (30 November 2020: EUR 193,594) was paid to N Skwortsow, in respect of financing. At 31 December 2021, EUR NIL was due to N Skwortsow (30 November 2020: EUR 351,131). Prior year loan balances due from N Skwortsow incurred a 3 per cent interest rate with interest of EUR 4,555 being charged during the current financial period (30 November 2020 EUR 937). This loan was repayable by 26 November 2021.

A loan repayment totalling EUR NIL (30 November 2020: EUR 101,941) was paid to B McConville, a consultant, in respect of financing. At 31 December 2021, EUR NIL was due to B McConville (30 November 2020: EUR NIL). The loan advanced was unsecured, interest free and had no stated repayment date.

A loan repayment totalling EUR 45,104 (30 November 2020: EUR NIL) was paid to C Sheiban, a consultant, in respect of financing. At 31 December 2021, EUR Nil (30 November 2020: EUR 44,656) was due to C Sheiban. The loan advanced was unsecured, interest free and had no stated repayment date.

For the period ended 31 December 2021, EUR 301,837 (30 November 2020: EUR 192,405) was paid to Camelot Solutions Ltd, a Company incorporated in the British Virgin Islands. H Molin is a Director of this Company. At 31 December 2021, a balance of EUR NIL (30 November 2020: EUR 25,909), included in trade payables, was due to Camelot Solutions Ltd.

For the period ended 31 December 2021, EUR 253,867 (30 November 2020: EUR 184,000) was paid to Skylark Media Group (SKMG) BV, a Company incorporated in the Netherlands. N Skwortsow is a Director of this Company. At 31 December 2021, a balance of EUR NIL (30 November 2020: EUR 20,000), included in trade payables, was due to Skylark Media Group (SKMG) BV.

For the period ended 31 December, EUR 146,701 (30 November 2020: EUR NIL) was paid to Paloma International Advisors, a Company incorporated in Monaco. C Sheiban is a Director of this Company. At 31 December 2021, a balance of EUR NIL (30 November 2020: EUR NIL), included in trade payables, was due to Paloma International Advisors.

On 9 June 2021 the company issued one redeemable preference share “Redeemable Share” with a value of GBP 40,000 to H Molin to facilitate the company meeting the minimum capital requirements for public limited companies set out in section 763 of the UK Companies Act. The Redeemable Share has no voting rights (other than on any resolution to modify, alter or abrogate the rights of the Redeemable Share), is non-transferable and has no rights to any assets or profits of the Company including, in particular, no rights to dividend or other distributions. The Redeemable Share may be redeemed at its nominal amount at any time at the election of the company and is expected to remain in issue until the company’s aggregate nominal share capital otherwise exceeds GBP 50,000.

7. Net debt

Net debt is defined as the sum of current and non-current interest-bearing liabilities towards credit institutions with deductions for cash and cash equivalents. The movement on Net debt from 30 November 2020 is as follows:

Net Debt is defined as total liabilities from financing, excluding directors' loans, net of cash at bank and in hand. A reconciliation of movements in Net Debt from 1 December 2019 is provided below:

	Interest bearing liabilities	Cash and cash equivalents	Net debt
At 1 December 2019	-	12,251	12,251
Cash movement	-	27,877	27,877
Exchange differences	-	(13,584)	(13,584)
Additions through acquisition	(1,736,726)	1,227,689	(509,037)
At 30 November 2020	(1,736,726)	1,254,233	(482,493)
Additions through acquisition	(338,163)	48,813	(289,350)
Drawdown of loan	(65,873)	-	(65,873)
Loan repayment	2,143,561	-	2,143,561
Cash movement	-	11,830,185	11,830,185
Foreign exchange	(3,452)	191,367	187,915
At 31 December 2021	(653)	13,324,598	13,323,945

The loan outstanding at 31 December 2021 related to an overdraft facility held by Fysiotest Europa AB.

8. Events after the reporting period

PT Courses acquisition

On 25 January 2022 Physitrack PLC announced, through its US subsidiary, Physitrack Inc., the acquisition of PT Courses, a Company registered in Texas, USA, for a cash consideration of USD 1.8 million. The acquisition marks a major gear shift for Physitrack's acceleration in the US market via the diversification and enhancement of its existing SaaS product offering. Commercially, the move will enable both Physitrack and PT Courses to offer continued education to practitioners in attractively priced subscription bundles with Physitrack's already popular SaaS solution, thereby boosting revenues while also increasing its addressable markets.

At the date of preparing this annual report, the acquisition balance sheet was still being finalised. As a result, the initial accounting for the business combination is incomplete at the time the financial statements were authorised for issue and disclosures in line with IFRS 3.B64-B66 have not been prepared.

Wellnow Group acquisition

On 23 February 2022 Physitrack PLC announced, the acquisition of Wellnow Group GmbH, a German leader in smart and modern corporate health and wellness. The acquisition accelerates the growth of Physitrack's existing care offering and establishes a substantial footprint in Germany, boosting revenue streams globally by leveraging off Wellnow's impressive technology, network and scalable virtual-first business.

Physitrack will pay a total cash consideration of EUR 2.5 million upfront, and a further potential aggregate earn-out consideration of EUR 9 million over four years, subject to achieving stretching growth targets in the period which are in alignment with Physitrack's.

In the twelve months ending December 31, 2021, Wellnow delivered revenue of €0.4m. The first half of this year was impacted by Covid-19 restrictions, good recovery was seen towards the end of the year and Wellnow exited 2021 with a revenue run rate of €0.7m and an EBITDA margin of 15%. At 31 December 2021, Wellnow's gross assets were EUR 0.3 million. Initial one-off acquisition and integration costs are estimated to reach around EUR 0.3 million over six months.

At the date of preparing this annual report, the acquisition balance sheet was still being finalised. As a result, the initial accounting for the business combination is incomplete at the time the financial statements were authorised for issue and disclosures in line with IFRS 3.B64-B66 have not been prepared.

Appendix 1

Definition of key performance indicators

Alternative key performance indicators	Definition	Purpose
Revenue growth (%)	Revenue growth calculated in comparison with the previous year / period / previous proforma period, expressed as a per centage.	Revenue growth allows the company to compare its growth rate between different periods and with the overall market and competitors.
Subscription revenue as a proportion of total revenue (%)	Revenue which is subscription based.	Allows users to identify the portion of revenue which has a high level of repeatability.
EBITDA	Operating profit before depreciation and amortisation, financial items and tax.	EBITDA provides an overall picture of profit generated by the operating activities before depreciation and amortisation. This is more meaningful than operating profit as it shows the users of the report the underlying profitability of the Group excluding non-cash accounting entries such as depreciation and amortisation, financial items and tax. EBITDA can be used as a proxy of the underlying cash profitability of the Group
EBITDA margin (%)	EBITDA as a percentage of revenue.	EBITDA margin is a useful measurement together with net sales growth to monitor value creation. This measure provides the users of the report a snapshot of the short-term operational efficiency. This is due to the fact the margin ignores the impacts of non-operating factors such as interest expenses, taxes or intangible assets. This results in a metric which is a more accurate reflection of the Group's operating profitability.
Items affecting comparability	The costs associated with acquisitions during the period and the IPO of the business are identified as 'items affecting comparability'. We use profit measures excluding these items to provide a clearer view of the basis for the future ability of the business to generate profit	Items affecting comparability is a notation of items, when excluded, shows the Company's earnings excluding items that are non-recurring in ordinary operations. By excluding these items the users of the report are able to view normalised KPI's.
Adjusted EBITDA	EBITDA excluding items affecting comparability.	The measurement is relevant in order to show the Company's results generated by the operating activities, excluding items which affect comparability. By standardising EBITDA through removing non-recurring, irregular and one-off items which distort EBITDA, it provides the users with a normalised metric to make comparisons more meaningful across a variety of companies.
Adjusted EBITDA margin (%)	Adjusted EBITDA as a percentage of revenue.	The measurement is relevant in order to provide an indication of the Company's underlying results as a share of net sales

		<p>generated by operating activities, excluding items which affect comparability.</p> <p>By standardising EBITDA margin through removing non-recurring, irregular and one-off items which distort EBITDA margin, it provides the users with a normalised metric to make comparisons more meaningful across a variety of companies.</p>
Operating margin (%)	Operating profit / (loss) as a percentage of revenue.	Operating margin is a useful measurement together with revenue growth to monitor value creation, as it shows the underlying profitability of the company including Depreciation of Amortisation which reflects the capital expenditure of the business over time.
Adjusted operating profit / (loss)	Operating profit / (loss) excluding items affecting comparability.	The measurement is relevant in order to show the Company's results which exclude non-recurring items. This provides a standardised metric which can be used to make more meaningful comparisons.
Adjusted operating margin (%)	Operating profit / (loss) excluding items affecting comparability as a percentage of revenue.	Operating margin excluding non-recurring items is a useful measurement together with revenue growth to monitor value creation. This provides a standardised metric which can be used to make more meaningful comparisons.
Cash conversion (per cent)	Cash generated by operations excluding adjusting items as a percentage of adjusted EBITDA.	<p>Cash conversion provides an indication of the Company's ability to generate cash flow from operating activities after investments and working capital needs.</p> <p>This is a useful measure as it provides the users with a metric showing the operating efficiency of the Group.</p>
Net debt	The sum of current and non-current interest-bearing liabilities towards credit institutions with deductions for cash and cash equivalents.	Net debt is a measurement showing the Company's total indebtedness. Net debt is a liquidity metric used to determine how well the Group can pay all of its debts if they were due immediately. Net debt shows how much cash would remain if all debts were paid off and if the Group has enough liquidity to meet its debt obligations.
Net debt / Adjusted LTM EBITDA (ratio)	Net Debt in relation to adjusted EBITDA for the previous twelve months on a rolling basis.	This measure is a useful indicator of a company's ability to service its debt.
Proforma	Proforma represents the results for the 6-month period ended 30 November 2020, had the current structure of the group at 30 November 2021 been in place at this date.	Proforma provides a useful comparison to understand movement from the prior year on a like-for-like basis.

	<p>This includes 9 months of trading results up to 30 November 2020 for Physiotools on the assumption these entities had been acquired on 30 November 2019.</p> <p>This also includes 3 months of trading results up to 30 November 2020 for Rehabplus Limited on the assumption this had been acquired on 28 February 2020.</p>	
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Reconciliation table for alternative key performance measures (thirteen-month period ended 31 December 2021 - Statutory)

Subscription revenue as a proportion of total revenue (%)				
EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	30-Nov-20	31-Dec-21	30-Nov-20
Subscription	1,602,724	912,074	6,578,063	2,701,047
(+) Maintenance	126,500	-	465,987	251,289
(=) Total recurring revenue	1,729,224	912,074	7,044,050	2,952,336
(+) Virtual care	627,052	-	1,041,221	-
(+) Set-up fees	226,701	-	379,956	101,755
(=) Total revenue	2,582,977	912,074	8,465,227	3,054,091
Subscription revenue as proportion of total revenue%	67	100	83	97

EBITDA, EBITDA margin, items affecting comparability, adjusted EBITDA and adjusted EBITDA margin				
EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	30-Nov-20	31-Dec-21	30-Nov-20
Operating profit/(loss)	163,621	92,838	(622,879)	674,114
(+) Depreciation and amortisation	395,477	256,841	1,575,348	930,609
(=) EBITDA	559,098	349,679	952,469	1,604,723
EBITDA margin, %	22	38	11	53
(+) Total items affecting comparability	261,701	25,205	1,739,230	25,205
Adjusted EBITDA	820,799	374,884	2,691,699	1,629,928
Adjusted EBITDA margin, %	32	41	32	53

Operating profit, operating profit margin, adjusted operating profit and adjusted operating profit margin				
EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	30-Nov-20	31-Dec-21	30-Nov-20
Operating profit/(loss)	163,621	92,838	(622,879)	674,114
Operating profit/(loss) margin, %	6	10	(7)	22
(+) Total items affecting comparability	261,701	25,205	1,739,230	25,205
Adjusted Operating profit/(loss)	425,322	118,043	1,116,351	699,319
Adjusted Operating profit/(loss) margin, %	16	13	13	23

Earnings per share				
EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	30-Nov-20	31-Dec-21	30-Nov-20
Net profit/(loss)	30,914	107,133	(882,954)	688,409
Number of shares				
Ordinary	13,689,481	10,006,625	13,689,481	10,006,625
Dilutive	13,689,481	10,359,199	13,689,481	10,359,199
Earnings per share				
Basic	0.00	0.01	(0.06)	0.07
Diluted	0.00	0.01	(0.06)	0.07

Cash conversion				
EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	30-Nov-20	31-Dec-21	30-Nov-20
Adjusted cash generated by operations	573,254	900,028	2,256,236	2,032,506
Adjusted EBITDA	820,799	374,884	2,691,699	1,629,928
Cash conversion	70	240	84	125

Net debt /Adjusted LTM EBITDA (ratio)				
EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	30-Nov-20	31-Dec-21	30-Nov-20
Net Debt	13,323,945	(482,493)	13,323,945	(482,493)
Adjusted EBITDA YTD Q4 2021	2,691,699	1,629,928	2,691,699	1,629,928
(/) Adjusted LTM EBITDA	2,691,699	1,629,928	2,691,699	1,629,928
Net debt /Adjusted LTM EBITDA (ratio)	N/A	0.3	N/A	0.3

Reconciliation table for alternative key performance measures (year ended 31 December 2021 – proforma)

Proforma revenue and proforma revenue growth						
EUR (€), unless otherwise stated	3 Months ended	3 Months ended	Proforma revenue growth %	Year ended	Year ended	Proforma revenue growth %
	31-Dec-21	31-Dec-20		31-Dec-21	31-Dec-20	
	Actual	Proforma		Actual	Proforma	
Physitrack revenue	1,333,145	886,920	50	4,496,081	3,172,662	42
Physiotoools revenue	622,781	542,534	15	2,453,288	2,147,127	14
Rehabplus revenue	210,678	147,341	43	624,905	400,678	56
Fysiotest	416,373	173,895	139	416,374	173,895	139
Total revenue	2,582,977	1,750,690	48	7,990,648	5,894,362	36
31 December Statutory revenue	886,920	N/A	N/A	3,172,662	N/A	N/A
Movement	1,696,057	N/A	N/A	4,817,986	N/A	N/A
Movement %	191%	N/A	N/A	152%	N/A	N/A

Subscription revenue as a proportion of total revenue (%)				
EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	31-Dec-20 (Proforma)	31-Dec-21	31-Dec-20 (Proforma)
Subscription	1,602,724	1,336,010	6,137,023	4,887,886
(+) Maintenance	126,500	91,714	432,391	343,003
(=) Total recurring revenue	1,729,224	1,427,724	6,569,414	5,230,889
(+) Virtual care	627,052	335,821	1,041,278	574,573
(+) Set-up fees	226,701	(12,855)	379,956	88,900
(=) Total revenue	2,582,977	1,750,690	7,990,648	5,894,362
Subscription revenue as proportion of total revenue%	67	82	82	89

EBITDA, EBITDA margin, items affecting comparability, adjusted EBITDA and adjusted EBITDA margin				
EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	31-Dec-20 (Proforma)	31-Dec-21	31-Dec-20 (Proforma)
Operating profit/(loss)	163,621	(22,590)	(584,607)	877,303
(+) Depreciation and amortisation	395,477	247,015	1,473,094	980,146
(=) EBITDA	559,098	224,425	888,487	1,857,449
EBITDA margin, %	22	13	11	32
(+) Total items affecting comparability	261,701	25,065	1,739,230	25,065
Adjusted EBITDA	820,799	249,490	2,627,717	1,882,514
Adjusted EBITDA margin, %	32	14	33	32

Operating profit, operating profit margin, adjusted operating profit and adjusted operating profit margin				
EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	31-Dec-20 (Proforma)	31-Dec-21	31-Dec-20 (Proforma)
Operating profit/(loss)	163,621	(22,590)	(584,607)	877,303
Operating profit/(loss) margin, %	6	(1)	(7)	15
(+) Total items affecting comparability	261,701	25,065	1,739,230	25,065
Adjusted Operating profit/(loss)	425,322	2,475	1,154,623	902,368
Adjusted Operating profit/(loss) margin, %	16	0	14	15

Earnings per share				
EUR (€), unless otherwise stated	3 Months ended		Year ended	
	31-Dec-21	31-Dec-20 (Proforma)	31-Dec-21	31-Dec-20 (Proforma)
Net profit/(loss)	30,914	(25,545)	(838,766)	829,015
Number of shares				
Ordinary	13,689,481	10,006,625	13,689,481	10,006,625
Dilutive	13,689,481	10,359,199	13,689,481	10,359,199
Earnings per share				
Basic	0.00	(0.00)	(0.06)	0.08
Diluted	0.00	(0.00)	(0.06)	0.08

Appendix 2

Risks and uncertainties

Inability to attract new customers

Physitrack's larger customers form a significant component of Physitrack's revenue stream, and this is not guaranteed over the long term and is also subject to market forces and the financial stability of the customer base.

Risk of clinical malpractice

There is a risk for failure of clinical governance and oversight that may lead to a loss of quality care and impact the delivery of such services to customers and their patients. The risk of a breach of clinical requirements could result in damage to existing relationships the Group has with major customers leading to a loss or reduction of revenue and a reduction or loss in reputational capital globally.

The Company operates in a competitive landscape

The Company has no influence or control over the activities or actions of its competitors, including existing digital healthcare providers and new entrants, whose activities or actions may impact

Physitrack's operational expenditure and financial performance. Physitrack may fail to meet the expectations of the client-base leading to a loss of existing customers and increasing challenges to attract and develop new business.

Reliance on key third party and supplier relationships

Physitrack depends upon a number of key suppliers to maintain the technology to the user base. There is a risk that reliability of the service provided is interrupted and the customer cannot access the required services for the duration of the outage, which may lead to dissatisfaction and potential loss of confidence in the system, resulting in a loss of reputation and an adverse impact on the ability to maintain growth in the affected segment of the market.

The Company relies on the availability of its IT infrastructure

Physitrack's IT infrastructure supplies the means to deliver Physitrack's products to consumers. Physitrack suite of services may be exposed to interruption of services due to an unreliable IT system provider, physical damage from a natural or human based disaster, fire or flooding, systemic delivery failure due to cyber threats, inadequate maintenance or unreliable transmission provision.

Physitrack may become a target for hacking, DDoS attacks, sabotage and other IT related crimes

If the Group were the subject of a system intrusion, the Group may become forced to temporarily, in full or in part, shut down its servers which could cause disturbances to its operations, lead to other system errors and loss of data, and harm the Group's or its customers' data equipment.

Information security and cyber protection in relation to third party providers

The Company rely on third party providers for critical infrastructure and services delivery platforms. These include data storage and accessibility, cloud services, payments systems and so on. There is the risk that the measures taken by the third-party service suppliers to prevent security breaches are inadequate and a loss of confidential information, patient information and intellectual property may result.

The Group is exposed to fluctuations in currency exchange rates

The Company undertakes transactions denominated in several currencies and consequently, exposures to exchange rate fluctuations arise which can impact the Group's earnings and equity. The Company is mainly exposed to fluctuations in GBP, EUR, AUD, NZD, USD, CAD and CHF. The Company's reporting currency is EUR. During the Company's financial year 1 December 2020 - 30 November 2021, the Group's foreign exchange losses/(gains) amounted to EUR (59,278).

Regulatory changes and compliance post-Brexit

The Post-Brexit UK and EU digital healthcare market legislation presents a compliance risk to Physitrack if not successfully monitored. There is a risk that Physitrack fails to comply with such scheduled legislative changes in one or both regions and as a result, is exposed to statutory actions and fines from regulators, leading to an adverse impact on Physitrack's growth targets and financial performance.

There is a risk that the Company's IP protection is not sufficient

The Group's ability to effectively compete is dependent on the Group's ability to register, protect and claim right to its intellectual property rights ("IP"). In particular, the rights attaching to the software on which the Group has developed its technological platform is important for the Group to protect. There is a risk that the measures undertaken by the Group to protect its IP proves to be insufficient, and if so, the Group may not be appropriately protected from an IP point of view in order to maintain its competitive edge.

Risks related to personal data

Physitrack does not store patient records but does have access to sensitive information pertaining to basic user information and treatment protocols. The personal data of the patients are, in the meaning of the law, typically of sensitive nature as the personal data may relate to the patients' state of health, which place higher demands on the handling of that personal data and also potentially higher sanctions for the Company if the personal data is incorrectly handled.

Further information

For further information, please contact:

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Charlotte Goodwin, CFO: ir@physitrack.com, +44 208 133 9325

Financial calendar

Annual General Meeting 2022

3 May 2022

Q1 report (1 Jan 2022 – 31 March 2022)

26 May 2022

Q2 report (1 Jan 2022 – 30 June 2022)

25 August 2022

Q3 report (1 Jan 2022 – 30 Sep 2022)

24 November 2022

Year-end report (1 Jan 2022 – 31 Dec 2022)

28 February 2023