Physitrack PLC

1 DECEMBER 2020 -
30 NOVEMBER 2021

INTERIM REPORT Q4

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 - 30 November 2021

- 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.
- Integration of the Physitrack and Physiotools businesses, operating now as one team and allowing the SaaS business to be more streamlined for efficient and fast scaleup.
- The acquisition of Sweden-based Fysiotest on 30 September 2021, a Nordic leader in modern occupational health care, physical testing and performance coaching, has enhanced our virtual care offering within prevention and wellness.

Quote from the CEO

"Our Q4 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 30 November 2021

- Revenue of EUR 7.7m (3.1m) for the year ended 30 November 2021. An increase of EUR 4.6m or 153 per cent against the same period last year;
- Proforma[1] revenue growth of 36 per cent for the year ended 30 November 2021 against the same period last year. This growth was achieved in all businesses:
  - 46 per cent revenue growth of the existing Physitrack business compared to the same period last year
  - 11 per cent revenue growth of the acquired Physiotools and Mobilus ("*Physiotools*") businesses on a proforma basis
  - 75 per cent revenue growth of the acquired Rehabplus business on a proforma basis
  - 122 per cent revenue growth of the acquired Fysiotest business on a proforma basis;
- 12 month adjusted EBITDA[2] of EUR 2.6m (1.6m), increased by 58 per cent compared to the same period last year;
- Adjusted EBITDA margins[3] of 33 per cent, a decrease from 53 per cent compared to prior year due to previously communicated lower margins of recently acquired companies;
- One-off IPO and M&A expenses were incurred of EUR 1.6m, resulting in a loss after tax of EUR 0.6m (0.6m profit) for the 12 months.

Q4 2020/21

- Revenue of EUR 2.4m (1.0m) for the quarter ended 30 November 2021. An increase of EUR 1.4m or 165 per cent compared to the same period last year.
- Proforma revenue growth of 47 per cent for the quarter ended 30 November 2021 compared to the same period last year. This growth was achieved in all businesses:
  - 47 per cent revenue growth of the existing Physitrack business compared to the same period last year against a strong prior year comparator
  - 11 per cent revenue growth of the acquired Physiotools and Mobilus ("*Physiotools*") businesses on a proforma basis
  - 150 per cent revenue growth of the acquired Rehabplus business on a proforma basis;
  - 122 per cent revenue growth of the acquired Fysiotest business on a proforma basis;
- 3 month adjusted EBITDA of EUR 0.8m (0.4m) increased by 106 per cent compared to the same period last year;
- Adjusted EBITDA margins of 32 per cent, a decrease from 41 per cent compared to prior year due to lower margins of recently acquired companies;
- Profit after tax of EUR 0.3m (0.1m) for the quarter.

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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.

	3 Months ended			Year ended		
EUR (€), *unless otherwise stated*	30-November-21	30-November-20	30-November-20 (Proforma[10])	30-November-21	30-November-20	30-November-20 (Proforma[10])
Revenue	2,418,755	912,074	1,649,381	7,720,076	3,054,091	5,683,975
Prior period revenue growth (%)	165	N/A	N/A	153	N/A	N/A
Proforma revenue growth (%)	47	N/A	N/A	36	N/A	N/A
Subscription revenue as a proportion of total revenue (%)	71	100	87	84	97	90
EBITDA[4]	661,488	349,679	N/A	1,005,128	1,604,723	N/A
EBITDA margin (%)	27	38	N/A	13	53	N/A
Items affecting comparability	108,961	25,205	N/A	1,574,946	25,205	N/A
Adjusted EBITDA	770,449	374,884	N/A	2,580,074	1,629,928	N/A
Adjusted EBITDA margin (%)	32	41	N/A	33	53	N/A
Operating profit/loss[5]	206,936	92,838	N/A	(492,236)	674,114	N/A
Operating margin (%)	9	10	N/A	(6)	22	N/A
Adjusted operating profit/loss	314,897	118,043	N/A	1,082,710	699,319	N/A
Adjusted operating margin (%)	13	13	N/A	14	23	N/A
Earnings per share[6]	0.01	0.01	N/A	(0.05)	0.07	N/A
Cash conversion (%)	68	137	N/A	80	125	N/A
Net debt	14,326,012	(482,493)	N/A	14,326,012	(482,493)	N/A
Net debt / Adjusted LTM[7]EBITDA (ratio)	(5.6)	0.3	N/A	(5.6)	0.3	N/A

CEO statement

Overview

Reflecting on the past 12 months, 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

[4] Derived from Physitrack's audited consolidated financial statements as at and for the year ended 30 November 2020 and the unaudited quarterly report ended 30 November 2021 and 2020.

[5] Derived from Physitrack's audited consolidated financial statements as at and for the year ended 30 November 2020 and the unaudited quarterly report ended 30 November 2021 and 2020.

[6] Derived from Physitrack's audited consolidated financial statements as at and for the year ended 30 November 2020 and the unaudited quarterly report ended 30 November 2021 and 2020.

[7] Last Twelve Months

Access, a holistic prevention and wellness offering sold on a subscription basis.

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

I would like to extend my thanks to my colleagues within the Physitrack Group whose work has underpinned a successful year.

Financial results

Physitrack Group achieved total revenue growth of 165 per cent for Q4 2020/21 and 153 per cent for the year ended 30 November 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 quarterly performance. Based on November 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 include 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 scaleup 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 Physiotools 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.

Physitrack Access

Physitrack is currently developing its new subscription based virtual care product, Physitrack Access. This is the first new service offering from our Virtual Care segment that combines the service offerings of Rehabplus and

Fysiotest to create a holistic health and wellness product aimed at corporations.

PT Courses acquisition

On 26 January 2022 Physitrack PLC announced, through its US subsidiary, Phystrack Inc., the acquisition of PT Courses, a Company registered in Texas, USA, 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 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. Physitrack targets a closer alignment of PT Courses´ profitability with Physitrack Group's communicated EBITDA margin target of 40-45% within 3 years.

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.

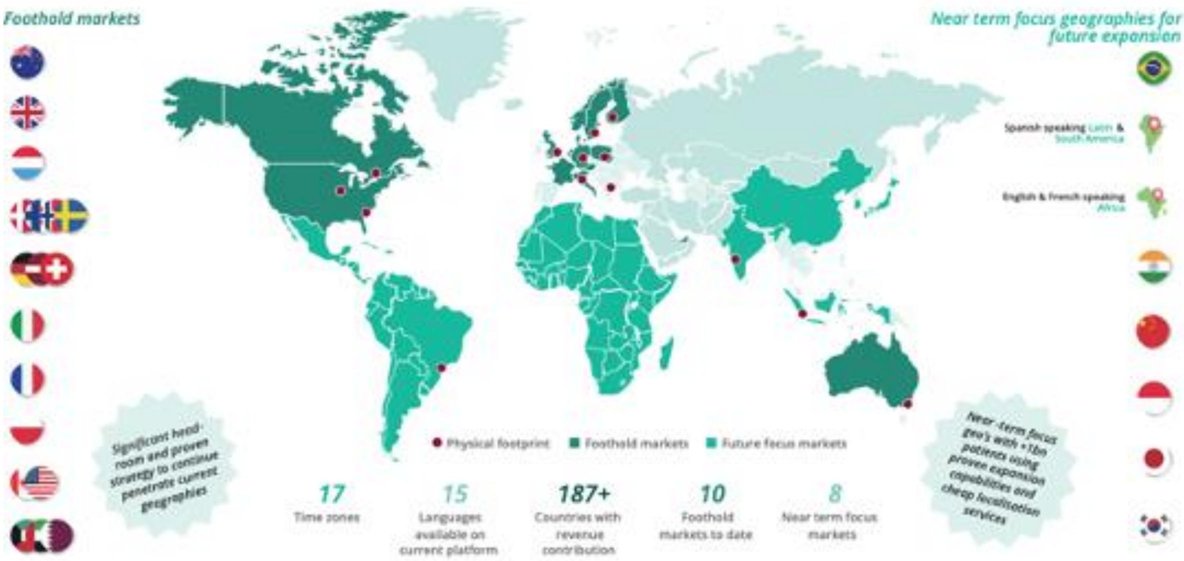
There are no changes to these financial targets.

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. Physistrack 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 suit 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 distinct but related patient and insurance plan member need areas, where payers currently expend the greatest resources to address.

These areas are:

- **Prevention and Wellness Care** – Addressing general health and wellness in a pro-active and positive way, helping reduce the need for more complex and 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

Revenue

	3 Months ended			Year ended		
EUR (€) *unless otherwise stated*	30-Nov-21	30-Nov-20	30-November-20 (proforma)	30-Nov-21	30-Nov-20	30-November-20 (proforma)
Revenue	2,418,754	1,649,381	1,649,381	7,720,076	3,054,091	5,683,975
Prior period revenue growth (%)	165			153		
Proforma revenue growth (%)	47			36		
Subscription revenue as a proportion of total revenue (%)	71	100	87	84	97	90

Year ended 30 November 2021

Statutory

For the year ended 30 November 2021, revenue grew by 153 per cent or EUR 3.6m against the comparative period, this growth was driven by both organic revenue growth and the acquisitions of Physiotools, Rehabplus and Fysiotest.

Proforma

On a proforma[1] basis, for the year ended 30 November 2021, revenue grew by 36 per cent or EUR 2.0m. Within this, the existing Physitrack business achieved revenue growth of 46 per cent compared to the 2019/20 comparative period, Physiotools, acquired in November 2020, achieved proforma revenue growth of 11 per cent, Rehabplus, acquired in February 2021, grew by 75 per cent on a proforma basis and Fysiotest acquired in September 2021 proforma revenue grew by 122 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 30 November 2021, Physitrack had on average 39,678 subscribers compared to 34,214 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 Physiotools 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 30 November 2021 there were 10,865 paid subscription licences in place in comparison to 8,579 paid subscription licences at 30 November 2020.

Physiotools implemented price rises across its customer base starting in June 2021, as Physiotools 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 churn[8] of the combined SaaS businesses has been reduced from 1.8 per cent in Q3 2020/21 to 1.5 per cent in Q4 2020/21. This continues to be an area of focus for management for the 2021/22 financial year.

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

Three months to 30 November 2021

Statutory

For the three months ended 30 November 2021 revenue grew 165 per cent or EUR 0.8m to EUR 2.4m compared to the same period last year.

Proforma

Proforma revenue growth for the same period was 47 percent against a strong comparator. We were pleased to see growth in all four businesses with Physitrack delivering 47 per cent revenue growth against a strong prior year comparison. Building on the success of Q3 2020/21, sales of Physitrack's 'Custom app' product were EUR 214K for the quarter, compared with EUR 143K in Q3 2020/21. Attached to these Custom app sales is monthly maintenance revenue, the benefits of which will begin to be recognised in the 2021/22 financial year.

Physiotools delivered 11 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 150 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 122 per cent compared to the prior year comparative.

Quarter on quarter proforma results

Revenue contributed by Physitrack for Q4 2020/21 was EUR 1.3m, an increase of EUR 0.2m (13 per cent) from Q3 2020/21. This increase is in line with the purchasing cycles of enterprise customers in the healthcare industry being weighted towards the second half of the calendar year as demonstrated by the increase in Custom app sales.

Physiotools contributed revenue of EUR 0.6m for Q4 2020/21, which was in-line with Q3 2020/21 revenue. Revenue contributed by Rehabplus was EUR 0.2m, which was in line with Q3 2020/21 revenue.

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.

	3 Months ended		Year ended	
EUR (€), *unless otherwise stated*	30-November-21	30-November-20	30-November-21	30-November-20
EBITDA[9]	661,488	349,679	1,005,128	1,604,723
EBITDA margin (%)	27	38	13	53
Items affecting comparability	108,961	25,205	1,574,946	25,205
Adjusted EBITDA	770,449	374,884	2,580,074	1,629,928
Adjusted EBITDA margin (%)	32	41	33	53
Operating profit/loss[10]	205,936	92,838	(492,236)	674,114
Operating margin (%)	9	10	(6)	22
Adjusted operating profit/loss	314,897	118,043	1,082,710	699,319
Adjusted operating margin (%)	13	13	14	23
Earnings per share[11]	0.01	0.01	(0.05)	0.07
Cash conversion (%)	81	137	80	125
Net debt	N/A	(482,493)	N/A	(482,493)
Net debt / Adjusted LTM[12]EBITDA (ratio)	(5.6)	0.3	N/A	0.3

Results

Operating expenses before amortisation depreciation and adjusting items were EUR 5.1m for the year ended 30 November 2021 compared to EUR 1.4m in the prior year. This increase primarily reflects the recent acquisitions of Physiotools, Rehabplus and Fysiotest.

Adjusted EBITDA of EUR 2.6m was achieved for the year compared to EUR 1.6m in the comparative period resulting in an adjusted EBITDA margin of 33 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 13 per cent) for the year ended 30 November 2021 compared to EUR 1.6m (EBITDA margin of 53 per cent) in the comparative period. This fall was due to specific one-off costs incurred from the Rehabplus and Fysiotest acquisitions of EUR 0.4m and IPO of EUR 1.2m.

Depreciation and amortisation increased by 61 per cent for the year ended 30 November 2021 to EUR 1.5m compared to EUR 0.9m in the comparative period. This resulted in an operating loss of EUR 0.5m for the year ended 30 November 2021 compared to an operating profit of EUR 0.7m in the comparative period.

The specific one-off costs outlined above incurred during the year ended 30 November 2021 have impacted operating profit. Adjusting for these non-recurring items, Physitrack generated adjusted operating profit of EUR 1.1m for the year ended 30 November 2021. In turn this resulted in an adjusted operating margin of 14 per cent compared to 23 per cent in the comparative period. The relatively higher cost base of the Physiotools, Rehabplus and Fysiotest

[9] Derived from Physitrack's audited consolidated financial statements for the year ended 30 November 2020 and the unaudited quarterly report ended 30 November 2021 and 2020.
[10] Derived from Physitrack's audited consolidated financial statements for the year ended 30 November 2020 and the unaudited quarterly report ended 30 November 2021 and 2020.
[11] Derived from Physitrack's audited consolidated financial statements for the year ended 30 November 2020 and the unaudited quarterly report ended 30 November 2021 and 2020.
[12] Last Twelve Months

businesses have also impacted the lower operating profit margins.

Financial position and cash flows

The group's total assets at 30 November 2021 were EUR 32.9m, compared with EUR 9.5m on 30 November 2020. The main drivers of the increase were cash raised during the IPO and 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.

During the quarter ended 30 November 2021, Physitrack acquired Fysiotest for cash consideration of SEK 15.0m of which EUR 0.5m was deferred until December 2021. Consideration also included contingent consideration of SEK 55.0m dependant on certain targets being met. Management have calculated the fair value of this deferred contingent consideration to be SEK 43.8m / EUR 4.3m. The deferred contingent consideration from the Fysiotest acquisition, alongside the deferred contingent consideration attached to the Rehabplus acquisition of EUR 2.5m, contributed to the EUR 6.8m 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 0.2m from 30 November 2020 is reflective of the acquisition of Physiotools, with Physiotools being typically billed annually upfront, 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 was 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 debt position of EUR 657.

Cash generated from operations prior to incurring non-recurring items outlined above was EUR 2.1m for the year ended 30 November 2021 compared with EUR 2.1m 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 Physiotools and is expected to unwind early next year. This resulted in cash conversion of 80 per cent compared to 125 per cent in the comparative period.

Cash outflow from investing activities amounted to EUR 3.8m compared to (EUR 0.8m) in the comparative period. The increase was attributable to the initial and second cash payment of EUR 1.2m for the acquisition of Rehabplus on 28 February 2021 and the acquisition of Fysiotest of EUR 0.9m. Intangible asset additions increased by EUR 0.6m to EUR 1.6m. The majority of this was development of the SaaS platform. Alongside this there was also investment in the virtual care business, as signalled in the IPO prospectus, including Physitrack Access a new product to be launched in 2022. The Group incurred costs relating to upfront development work of the implementation of Chargebee a subscription management and billing system and Netsuite a new group wide ERP.

For the year 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 of EUR 2.5m.

Change of year end

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.

A quarter ended 31 December 2021 report will be published alongside an annual report for the 13 month period ended 31 December 2021, on 26 February 2022.

All relevant reporting dates have been updated in the 'Financial calendar' section of our investor website: https://www.physitrackgroup.com/investors/financial-calendar.

Risks and uncertainties

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

Condensed interim financial information

1 December 2020 – 30 November 2021

Consolidated statement of comprehensive income

EUR (€)	Note	3 month period ended: 30 November 2021 (unaudited)	3 month period ended: 30 November 2020 (unaudited)	Year ended: 30 November 2021 (unaudited)	Year ended: 30 November 2020 (Audited)
Revenue	3	2,418,755	912,074	7,720,076	3,054,091
Gross profit		**2,418,755**	**912,074**	**7,720,076**	**3,054,091**
Operating expenses before amortisation depreciation and adjusting items		(1,648,305)	(537,190)	(5,140,002)	(1,424,163)
Amortisation and depreciation		(455,552)	(256,841)	(1,497,364)	(930,609)
Adjusting items	5	(108,961)	(25,205)	(1,574,946)	(25,205)
Operating expenses		**(2,212,818)**	**(819,236)**	**(8,212,312)**	**(2,379,977)**
Operating profit / (loss)		**205,937**	**92,838**	**(492,236)**	**674,114**
Finance costs		(35,177)	(161)	(105,973)	(161)
Profit / (loss) before taxation		**170,760**	**92,677**	**(598,209)**	**673,953**
Taxation		10,032	14,456	(36,811)	14,456
Profit /(loss) after taxation		**180,792**	**107,133**	**(635,020)**	**688,409**
Other comprehensive income		143,338	(42,940)	90,731	(93,802)
Total comprehensive income / (loss) for the period		**324,130**	**64,193**	**(544,289)**	**594,607**
Basic earnings / (loss) per share		0.01	0.01	(0.05)	0.06
Diluted earnings / (loss) per share		0.01	0.01	(0.05)	0.06

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

Consolidated statement of financial position

EUR (€)	Note	30 November 2021 (unaudited)	30 November 2020 (audited)
Assets			
Non-current assets			
Goodwill	6	14,276,392	5,963,346
Intangible assets	6	2,493,487	1,631,239
Financial assets at FVOCI	5	78,589	-
Property, plant and equipment		49,961	5,618
Other long-term receivables		19,675	110,784
Total non-current assets		**16,918,104**	**7,710,987**
Current assets			
Trade and other receivables		1,613,906	529,146
Inventory		51,570	-
Cash and cash equivalents		14,326,669	1,254,233
Deferred tax		-	14,264
Total current assets		**15,992,145**	**1,797,643**
Total assets		**32,910,249**	**9,508,630**
Liabilities			
Non-current liabilities			
Borrowings		-	(400,000)
Deferred tax		(47,628)	-
Deferred consideration		(6,314,820)	-
		(6,362,448)	**(400,000)**
Current liabilities			
Borrowings		(657)	(1,336,726)
Deferred revenue		(1,474,623)	(1,254,724)
Trade and other payables		(1,217,371)	(1,251,045)
Deferred tax		(11,431)	-
Deferred consideration		(492,902)	-
Total current liabilities		**(3,196,984)**	**(3,842,495)**
Net assets		**23,350,817**	**5,266,135**
Equity			
Share capital		65,500	13,179
Share premium		24,970,009	5,299,844
Shares to be issued		-	1,093,515
Translation reserve		(242,000)	(332,731)
Retained earnings		(1,442,692)	(807,672)
		23,350,817	**5,266,135**

Consolidated statement of changes in Equity

EUR (€)	Share capital	Share premium	Shares to be issued	Currency translation reserve	Retained earnings	Total
Balance at 1 December 2019 (audited)	12,195	2,749,230	-	(238,929)	(1,496,080)	1,026,416
Profit for the period	-	-	-	-	688,408	688,408
Other comprehensive income for the period	-	-	-	(93,802)	-	(93,802)
Total comprehensive income for the period	**-**	**-**	**-**	**(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 1 December 2020 (audited)	**13,179**	**5,299,844**	**1,093,515**	**(332,731)**	**(807,672)**	**5,266,135**
Loss for the period	-	-	-	-	(635,020)	(635,020)
Other comprehensive income for the period	-	-	-	90,731	-	90,731
Total comprehensive loss for the period	**-**	**-**	**-**	**90,731**	**(635,020)**	**(544,289)**
Issue of preference shares	6,269	19,670,165	(1,093,515)	-	-	18,582,919
Issue of share capital	46,052	-	-	-	-	46,052
Balance at 30 November 2021 (unaudited)	**65,500**	**24,970,009**	**-**	**(242,000)**	**(1,442,692)**	**23,350,817**

Consolidated statement of cash flows

EUR (€)	Year ended: 30 November 2021 (unaudited)	30 November 2020 (audited)
Operating activities		
(Loss) / profit for the period	(635,020)	688,409
Adjustments for:		
Amortisation and depreciation	1,497,364	930,609
Foreign exchange gain	(59,371)	(134)
Taxation	36,811	-
Adjusting items	1,574,946	25,205
Finance cost	105,973	161
Operating cash flows before movements in working capital and adjusting items	**2,520,703**	**1,644,250**
(Increase) / Decrease in trade and other receivables	(520,042)	(51)
(Increase) / decrease in inventory	(1,481)	-
Increase / (Decrease) in trade and other payables	75,240	413,512
Cash generated by operations before adjusting items	**2,074,420**	**2,057,711**
Cash payment of adjusting items	(1,407,766)	(25,205)
Net cash generated from operating activities	**666,654**	**2,032,506**
Investing activities:		
Purchase of intangible assets	(1,588,298)	(978,252)
Cash balance acquired from acquisition of subsidiaries	48,813	1,227,689
Acquisition of subsidiary	(2,137,111)	(1,023,012)
Acquisition of investment	(78,589)	-
Net cash used in investing activities	**(3,755,185)**	**(773,575)**
Financing activities		
Repayment of Directors' loans	(353,733)	(418,923)
Directors' loans received	-	415,719
Drawdown of borrowings	65,873	-
Repayment of borrowings	(2,143,575)	-
Interest paid	(80,196)	(161)
Share issue	18,547,926	-
Preference shares issued	46,052	-
Net cash generated / (used) in financing activities	**16,082,347**	**(3,365)**
Cash at the beginning of the period	**1,254,233**	**12,251**
Net movement	**12,993,816**	**1,255,566**
Gain / (loss) on exchange rate	78,620	(13,584)
Cash at the end of the period	**14,326,669**	**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 year ended 30 November 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 year ended 30 November 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 year ended 30 November 2020, 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 year ended 30 November 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.

On 26 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 nine months ended 30 November 2021 and Fysiotest for the two months ended 30 November 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 were as follows:

	Year ended	
Revenue by geographic location	30 November 2021 (unaudited)	30 November 2020 (audited)
EUR (€)		
SaaS platform		
Physitrack		
United Kingdom	796,584	460,116
Europe	1,302,964	935,628
North America	1,118,594	876,682
Rest of world	1,237,547	781,665
	4,455,689	3,054,091
Physiotools		
United Kingdom	583,492	-
Europe	1,421,448	-
North America	295,363	-
Rest of world	123,668	-
	2,423,971	-
Virtual care		
Europe	278,552	-
United Kingdom	561,864	-
	840,416	-
Total revenue by geographic location	7,720,076	3,054,091

Revenue by product line EUR (€)		
Subscription fee	6,066,857	2,610,489
Custom app maintenance fee	433,320	337,355
Custom app set-up fee	379,483	106,247
Virtual care	840,416	-
	7,720,076	3,054,091

Revenue derived from maintenance and subscription income streams is recognised over time. Revenue generated from set-up fees are recognised at a point in time. Revenue generated from Virtual care is recognised at the point the service / session is provided. Included within this revenue stream is revenue from the sale of goods which is recognised at the point the goods are sold.

4) Business combinations

On 30 September 2021, Physitrack acquired the entire share capital of Fysiotest Europa AB ("Fysiotest"). Fysiotest, 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. Fysiotest acquired by way of cash consideration of SEK 10m upfront SEK 5m deferred to December 2021 and further contingent deferred consideration valued at SEK 43.8m. The deferred contingent consideration is payable in stages, dependent upon the acquired entity reaching certain revenue targets over a defined period.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration:	EUR
Cash consideration	985,804
Deferred consideration	492,902
Deferred contingent consideration	4,315,616
Total fair value of consideration transferred	**5,794,322**

The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value EUR (€)
Cash	3,999
Inventory	50,089
Intangibles	619,859
Property, plant and equipment	41,059
Trade and other receivables	199,150
Taxes payable	(26,656)
Deferred tax liability	(57,154)
Trade and other payables	(171,310)
Borrowings	(98,070)
Net identifiable assets acquired	**560,966**
Add: Goodwill	5,233,356
Net assets acquired	**5,794,322**

Intangibles

Acquired identifiable intangible assets include EUR 277,446 in respect of customer relationships and EUR 191,623 in respect of the Fysiotest brand. The fair value of the customer relationships was assessed by considering the benefit to the Group's future revenue and profit from the recurring revenue streams which Fysiotest had in place at date of acquisition. The fair value of brand was assessed by considering the benefit to the Group's future revenue and profit generated by the Fysiotest brand.

The goodwill is attributable to the future profitability of the acquired business. It is not exempt for tax purposes.

Had Fysiotest been part of the group for the year ended 30 November 2021 it would have contributed revenue of EUR 1.4m, EBITDA of EUR 308k and profit before tax of EUR 285k.

5) Financial assets at FVOCI

On 5 May 2019, the Group acquired a convertible bond from Goodlife Technology OY with a value of €78,588. On 30 April 2021, the Group elected the option to convert these convertible loan notes to shares within Goodlife Technology Oy representing 12 per cent of the share capital of Goodlife Technology Oy.

6) Intangible assets

Group	Internally generated intangible asset	Software	Brand	Customer relationships	Goodwill	Total
EUR (€)						
Cost						
At 1 December 2019 (audited)	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 (audited)	**4,458,037**	**-**	**-**	**-**	**5,963,346**	**10,421,383**
Additions	1,535,998	52,299	-	-	-	1,588,297
Acquisition of subsidiary	150,790	-	251,627	277,446	8,313,046	8,992,909
Exchange differences	251,595	812	-	-	-	252,407
At 30 November 2021 (unaudited)	**6,396,420**	**53,111**	**251,627**	**277,446**	**14,276,392**	**21,254,996**
Amortisation						
At 1 December 2019 (audited)	1,996,157	-	-	-	-	1,996,157
Charge for the period	930,609	-	-	-	-	930,609
Exchange differences	(99,968)	-	-	-	-	(99,968)
At 1 December 2020 (audited)	**2,826,798**	**-**	**-**	-	-	**2,826,798**
Charge for the period	1,469,570	-	15,387	9,248	-	1,494,205
Exchange differences	164,114	-	-	-	-	164,114
At 30 November 2021 (unaudited)	**4,460,482**	**-**	**15,387**	**9,248**	**-**	**4,485,117**
Net book value as at 30 November 2021	**1,935,938**	**53,111**	**236,240**	**268,198**	**14,276,392**	**16,769,879**
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.

Brand were identifiable intangible assets arising from the acquisition of Rehabplus Limited (EUR 60,004) and Fysiotest (EUR 191,623) as outlined in note 5.

Customer relationships were identifiable intangible assets arising from the acquisition of Fysiotest as outlined in note 5.

Goodwill arose during the period upon the acquisition of Rehabplus Ltd on 28 February 2021 (EUR 3,079,690) and Fysiotest on 30 September 2021 (EUR 5,233,356).

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 258,054. 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-line with the 12-month measurement period outlined in IFRS 3 *"Business combinations"* management reassessed the goodwill on acquisition, increasing this to EUR 3,079,690.

7) 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 and the acquisition of Fysiotest Europa AB in September 2021.

Adjusting items can be broken down as follows:

	3 Months ended		Year ended	
EUR (€), *unless otherwise stated*	30-Nov-21	30-Nov-20	30-Nov-21	30-Nov-20
IPO costs	-	-	1,172,218	-
Merger and acquisition costs	108,961	25,205	402,728	25,205
Adjusting items	**108,961**	**25,205**	**1,574,946**	**25,205**

8) Related party transactions

A loan repayment totalling EUR NIL (30 November 2020: EUR 106,156) was paid to H Molin, in respect of financing. At 30 November 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 353,733 (30 November 2020: EUR 193,594) was paid to N Skwortsow, in respect of financing. At 30 November 2021, EUR NIL was due to the Director (30 November 2020: EUR 351,131). Prior year loan balances were interest free with no repayment date however the loan repaid in the current year had a 3 per cent interest rate and was repayable by 26 November 2021.

A loan repayment totalling EUR NIL (30 November 2020: EUR 22,256) was paid to B McConville, a consultant, in respect of financing. At 30 November 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 30 November 2021, EUR Nil (30 November 2020: EUR NIL) was due to C Sheiban. The loan advanced was at a 3 per cent interest rate and was repayable by 20 November 2021.

For the year 30 November, 2021 EUR 281,677 (30 November 2020: EUR 197,102) was paid to Camelot Solutions Ltd, a Company incorporated in the British Virgin Islands. H Molin is a Director of this Company. At 30 November 2021, a balance of EUR 36,767 (30 November 2020: EUR 25,746), included in trade payables, was due to Camelot Solutions Ltd.

For the year ended 30 November, EUR 217,176 (30 November 2020: EUR 188,511) was paid to Skylark Media Group (SKMG) BV, a Company incorporated in the Netherlands. N Skwortsow is a Director of this Company. At 30 November

2021, a balance of EUR 21,126 (30 November 2020: EUR 19,975), included in trade payables, was due to Skylark Media Group (SKMG) BV.

For the year ended 30 November, EUR 127,000 (30 November 2020: EUR 188,511) was paid to Paloma International Advisors, a Company incorporated in Monaco. C Sheiban is a Director of this Company. At 30 November 2021, a balance of EUR 11,500 (30 November 2020: EUR NIL), included in trade payables, was due to Paloma International Advisors.

On 9 August 2021 the company issued one redeemable preference share "*Redeemable Share*" with a value of £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 £50,000.

9) 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:

EUR (€)	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 1 December 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	2,143,575	-	2,143,575
Cash movement	-	12,945,003	12,945,003
Exchange differences	(3,470)	78,620	75,150
At 30 November 2021	**(657)**	**14,326,669**	**14,326,012**

The loan outstanding at 30 November 2021 related to an overdraft facility held by Fysiotest Europa AB.

10) Post balance sheet events

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.

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.
EBITDA margin (%)	EBITDA as a percentage of revenue.	EBITDA margin is a useful measurement together with net sales growth to monitor value creation.
Items affecting comparability	Items affecting comparability 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 costs relating to the IPO in June 2021, acquisitions of Tanila Holding Oy in November 2020 acquisition of Rehabplus Limited in February 2021 and the acquisition of Fysiotest Europa AB in September 2021.	Items affecting comparability is a notation of items, when excluded, shows the Company's earnings excluding items that are non-recurring in ordinary operations.
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.
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 generated by operating activities, excluding items which affect comparability.
Operating margin (%)	Operating profit / (loss) as a percentage of revenue.	Operating margin is a useful measurement together with revenue growth to monitor value creation.
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-recuring items.
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.
Cash conversion (per cent)	Cash generated by operations excluding adjusting items as a percentage of adjusted EBITDA.	Cash conversion provides an indication of the Company's ability to generate cash flow from operating activities after investments and working capital needs.
Net debt	The sum of current and non-current interest-bearing liabilities towards credit	Net debt is a measurement showing the Company's total indebtedness.

	institutions with deductions for cash and cash equivalents.	
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. 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. 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.	Proforma provides a useful comparison to understand movement from the prior year on a like-for-like basis.

Reconciliation table for alternative key performance measures

Proforma revenue and proforma revenue growth								
EUR (€) *unless otherwise stated*	3 Months ended 30-Nov-21 Actual	3 Months ended 30-Nov-20 Proforma	Movement	Proforma revenue growth %	Year ended 30-Nov-21 Actual	Year ended 30-Nov-20 Proforma	Movement	Proforma revenue growth %
Physitrack revenue	1,344,847	912,074	432,773	47	4,455,689	3,054,091	1,401,598	46
Physiotools revenue	587,658	528,874	58,785	11	2,423,970	2,182,699	241,271	11
Rehabplus revenue	207,697	83,160	124,536	150	561,863	321,912	239,952	75
Fysiotest	278,552	125,274	153,279	122	278,552	125,274	153,279	122
Total revenue	2,418,754	1,649,381	769,373	47	7,720,075	5,683,975	2,036,100	36
30 November Statutory revenue	912,074	N/A	N/A	N/A	3,054,091	N/A	N/A	N/A
Movement	1,506,680	N/A	N/A	N/A	4,665,984	N/A	N/A	N/A
Movement %	165	N/A	N/A	N/A	153	N/A	N/A	N/A

Subscription revenue as a proportion of total revenue (%)				
	3 Months ended		Year ended	
EUR (€) *unless otherwise stated*	30-Nov-21	30-Nov-20	30-Nov-21	30-Nov-20
Subscription	1,579,402	912,074	6,066,857	2,701,047
(+) Maintenance	126,865	-	433,320	251,289
(=) Total recurring revenue	1,706,266	912,074	6,500,177	2,952,336
(+) Virtual care	486,249	-	840,416	-
(+) Set-up fees	226,239	-	379,483	101,755
(=) Total revenue	2,418,754	912,074	7,720,075	3,054,091
Subscription revenue as proportion of total revenue%	71	100	84	97

EBITDA, EBITDA margin, items affecting comparability, adjusted EBITDA and adjusted EBITDA margin				
	3 Months ended		Year ended	
EUR (€) *unless otherwise stated*	30-Nov-21	30-Nov-20	30-Nov-21	30-Nov-20
Operating profit/(loss)	205,936	92,838	(492,236)	674,114
(+) Depreciation and amortisation	455,552	256,841	1,497,364	930,609
(=) EBITDA	661,488	349,679	1,005,128	1,604,723
EBITDA margin, %	27	38	13	53
(+) Total items affecting comparability	108,961	25,205	1,574,946	25,205
Adjusted EBITDA	770,449	374,884	2,580,074	1,629,928
Adjusted EBITDA margin, %	32	41	33	53

Operating profit, operating profit margin, adjusted operating profit and adjusted operating profit margin				
	3 Months ended		Year ended	
EUR (€) *unless otherwise stated*	30-Nov-21	30-Nov-20	30-Nov-21	30-Nov-20
Operating profit/(loss)	205,936	92,838	(492,236)	674,114
Operating profit/(loss) margin, %	9	10	(6)	22
(+) Total items affecting comparability	108,961	25,205	1,574,946	25,205
Adjusted Operating profit/(loss)	314,897	118,043	1,082,710	699,319
Adjusted Operating profit/(loss) margin, %	13	13	14	23

Earnings per share				
	3 Months ended		Year ended	
EUR (€) *unless otherwise stated*	30-Nov-21	30-Nov-20	30-Nov-21	30-Nov-20
Net profit/(loss)	180,791	107,133	(635,020)	688,409
Number of shares				
Ordinary	13,493,851	10,004,238	13,493,851	10,004,238
Dilutive	13,493,851	10,356,812	13,493,851	10,356,812
Earnings per share				
Basic	0.01	0.01	(0.05)	0.07
Diluted	0.01	0.01	(0.05)	0.07

Cash conversion				
	3 Months ended		Year ended	
EUR (€) *unless otherwise stated*	30-Nov-21	30-Nov-20	30-Nov-21	30-Nov-20
Adjusted cash generated by operations	984,500	1,279,383	2,074,420	2,032,506
Adjusted EBITDA	1,454,929	930,792	2,580,074	1,629,928
Cash conversion	68	137	80	125

Net debt /Adjusted LTM EBITDA (ratio)				
	3 Months ended		Year ended	
EUR (€) *unless otherwise stated*	30-Nov-21	30-Nov-20	30-Nov-21	30-Nov-20
Net Debt	14,326,012	(482,493)	14,326,012	(482,493)
Adjusted EBITDA YTD Q4 2020/21	2,580,074	1,629,928	2,580,074	1,629,928
(/) Adjusted LTM EBITDA	2,580,074	1,629,928	2,580,074	1,629,928
Net debt /Adjusted LTM EBITDA (ratio)	(5.6)	0.3	(5.6)	0.3

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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Financial calendar

Year-End report (13 months) 1 December 2020 - 31 December 2021
24 February 2022

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