

Physitrack acquires Champion Health, leading UK digital workplace health platform, to capture stronghold in corporate wellness market and enhance its holistic care offering

Physitrack PLC (publ), a leader in the global digital health space, has today completed the acquisition of UK-based Champion Health Ltd (Champion), a leading workplace health platform based in the UK. Physitrack will pay a total cash consideration of GBP 2.5 million upfront for the acquisition, and a further potential aggregate earn-out consideration of up to GBP 7.894 million over four years, subject to Champion achieving stretching growth and profitability targets in that period. The acquisition concludes a major leap for Physitrack and its new subscription-based wellness offering Access, accelerating the development towards a comprehensive product in holistic health and wellness for SMEs and enterprises.

Henrik Molin, CEO and co-founder of Physitrack, comments: "Joining forces with Champion Health today is a pivotal event for Physitrack, and we are beyond excited to share this news with the market. Champion Health has built some of the most innovative and dynamic technology for workplace wellbeing in the market, and it's my firm belief that combining Champion with Physitrack's holistic health and wellness product Access, is a true home run for us - technically and commercially. The acquisition of Champion will create a more comprehensive and attractive offering for Physitrack in the booming corporate wellness market, and it will accelerate our expansion in the UK, the Nordics, Germany and in the US. I can't wait to enjoy a very bright future with Harry Bliss and his team."

Harry Bliss, CEO and co-founder of Champion Health, comments: "This is a big day for Champion's team, clients, mission and for me personally. In 2018, I lost my friend and mentor to suicide, following a short bout of stress. From here, I made a personal vow to change the way health and wellbeing is delivered in workplaces, to make wellbeing more accessible, inclusive and engaging. Since then, we have rapidly established ourselves as a leading technology provider that can build happier, healthier and more productive organisations, at a global scale. Becoming part of the Physitrack family is the next step for us in achieving this mission, by joining forces with a fast-growing leader in healthcare SaaS aligned to our mission and vision. With a solid track record over a ten-year period, a public market listing and a multi-cultural, multi-geographic team, Physitrack is perfectly positioned to fulfil Champion's vision and mission, and deliver on the vow I made to myself in 2018."

Ricky Bailey, CDO and co-founder of Champion Health, comments: "Joining forces with Physitrack enables Champion to have immediate distribution in a multitude of geographies where Physitrack is already present with its range of products, as well as to accelerate outreach and localisation globally. Champion will continue to benefit from the resources and integration opportunities available to it from the broader Physitrack group in the coming years, especially the ability to partner with Physitrack's care and wellness companies on the integrated Access product."

Expanding Physitrack's corporate wellbeing offering

The acquisition of Champion is a financially accretive deal that allows Physitrack to enhance its holistic wellbeing and virtual-first care offerings, while also establishing a strong foothold for Physitrack in the corporate wellness market. The global digital health market is projected to be a USD 222 billion market by 2026.[\[1\]](#)

Through the acquisition of Champion, Physitrack adds new growth avenues with substantial revenue potential, adds and diversifies revenue streams, fast tracks the transformation of Care revenue streams to SaaS, and accelerates its expansion in the UK, the Nordics, Germany and the US.

Champion's successful wellbeing platform and innovative technology will continue to be accessible as a standalone product and will over time see the integration of Physitrack's Access ecosystem that connects employees and patients to biometric testing capabilities, wellness coaching and care provision.

There is a strong cultural fit between the companies. Physitrack looks forward to bringing into the Group the talented and experienced management team of Champion, including co-founders Harry Bliss and Ricky Bailey, their team of wellbeing and tech experts, as well as their network of skilled contributors and certified health practitioners who generate technical and inspirational content for users.

Financials and Purchase price

Champion exited April 2022 with a revenue run rate of €0.4m and EBITDA margins of roughly 30%, with over 95% of revenue being subscription based. At 31 December 2021, Champion'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. In the twelve months ending December 31, 2021, Champion delivered revenue of €0.1m.

On a standalone basis, Champion is expected to execute growth at significantly above the Physitrack's communicated organic sales growth target of exceeding 30% annual growth in the medium-long term. Champion is also expected to boost growth across Physitrack's existing business lines in the medium term.

Champion will benefit from accelerated growth and cost synergies in leveraging Physitrack's global network of customers, health practitioners, additional developers, sales and support staff. Physitrack expects to return to its communicated EBITDA margin target of 40-45% within 4 years.

Champion is acquired through the legal entity Champion Health Ltd, which is registered in the United Kingdom and the deal is financed with cash. Physitrack will pay a total cash consideration of GBP 2.5 million upfront for the acquisition, and a further potential aggregate earn-out consideration of GBP 7.894 million over four years subject to stretching growth and profitability targets in alignment with Physitrack's own targets being achieved in that period.

In order to maintain financial flexibility for future growth opportunities, Physitrack is in well advanced discussions with lending providers regarding entering into a financing facility of up to £5 million. The total amount of the facility will fall under our internally set Debt to Adjusted EBITDA targets.

Regulatory approval

Closing of the transaction is not subject to any closing conditions, including no regulatory approvals.

Invitation to webcast conference with Physitrack and Champion

Monday, May 9, 2022 at 10.00 CEST. The presentation will be held in English and will be available on <https://www.physitrackgroup.com/investors/reports-presentations> after the webcast conference.

Speakers:

Henrik Molin, CEO and co-founder, Physitrack
Henry Bliss, CEO and co-founder, Champion
Charlotte Goodwin, CFO, Physitrack

Link to webcast:

<https://tv.streamfabriken.com/physitrack-group-webcast-2022>

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About Physitrack PLC

Physitrack PLC, founded in 2012, is a global digital healthcare provider, focused on the B2B wellness and virtual-first care markets. With staff on four continents, customers in 17 time zones, and end users in 187 countries, Physitrack is a truly global company.

The company has two business lines:

1. Software-as-a-Service (SaaS)-based software platform tailored mainly to physiotherapy and musculoskeletal care, enabling practitioners to deliver clinical home exercises, education prescription, outcomes tracking, triaging and Telehealth.
2. Virtual-first wellness and care provision powered by the Physitrack technology platform and care professionals based in the United Kingdom, Germany and the Nordics.

Physitrack PLC is headquartered in London, United Kingdom, and listed on Nasdaq First North Premier Growth Market (PTRK).

Visit us at <https://www.physitrackgroup.com/>.

About Champion

Champion Health Ltd is a UK-based provider of an all-in-one holistic corporate wellness platform that links proactive and interactive content for all areas of wellbeing (including mindfulness and self-development content, wellbeing action plans, live sessions, recipes, sleep stories, tracking healthy habits, soundscapes, leadership training and an academy for personal growth content), into a sleek and seamless platform and app for employees to use anywhere, anytime.

Champion has a vision to be a global leading digital solution for workplace health. To-date it has targeted companies with 500+ employees and plans to expand into self-service SMEs and B2C in the medium term.

The platform boasts a data-driven approach with high usage and a seamless user interface inspired by global leaders in SaaS, as well as a high number of unique features, which sets it apart from other wellness technology providers.

Champion has a growing network of experts (including clinical psychologists, dieticians, behavioural scientists, burnout leads, behavioural change specialists, nutritionists, clinical leads and champion ambassadors including Olympians and Paralympians) who help provide technical, clinical and inspirational content related to wellbeing.

Champion is ISO 27001 compliant. The company provides services globally with headquarters in the UK and received early-stage funding from TwinklHive - an award-winning investment accelerator, specialising in Tech-Enabled impact businesses.

Champion's founder shareholders were represented in the transaction by Paul Berwin and his team at Yorkshire solicitors Berwins.

Learn more at <https://championhealth.co.uk/> and watch promotion videos of their ground-breaking platform at <https://vimeo.com/705747548/b855bfb175> (1.02 min) and <https://vimeo.com/705747763/cead6d9baf> (1.29 min)

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Important information

This communication may contain certain forward-looking statements. Such statements are all statements that do not relate to historical facts and include expressions such as "believe", "estimate", "anticipate", "expect", "assume", "predict", "intend", "may", "presuppose", "should" or similar. The forward-looking statements in this release are based on various estimates and assumptions that in several cases are based on additional assumptions. Although Physitrack believes these assumptions were reasonable when made, such forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that are difficult or impossible to predict and that are beyond Physitrack's control. Such risks, uncertainties and important factors could cause the actual results to differ materially from the results expressly or

implicitly indicated in this communication through the forward-looking statements. The information, perceptions and the forward-looking statements in this release apply only as of the date of this release and may change without notice.

[1] Facts and Factors Research (2021), <https://www.fnfresearch.com/digital-health-market>

This information is information that Physitrack is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-05-06 19:45 CEST.

Image Attachments

[Physitrack Champion](#)
[Physitrack Henrik Molin](#)
[Champion Harry Bliss](#)

Attachments

[Physitrack acquires Champion Health, leading UK digital workplace health platform, to capture stronghold in corporate wellness market and enhance its holistic care offering](#)