



Physitrack[®] PLC

JANUARY -
DECEMBER 2022

INTERIM
REPORT

Q4

Completing the year with strong revenue and EBITDA growth, having established strong foundations to accelerate growth for FY2023

Key highlights Q4 – Oct-Dec 2022

- A successful quarter with 38 per cent revenue growth against the prior year comparative period and 20 per cent on a proforma basis, reflecting the further development and integration of the Wellness division and maintaining the stable growth of the Lifecare business which we have seen in previous quarters.
- Finalisation of the rebuild of the PT Courses platform with significant enhancements to both the underlying content and user experience, opening the door to integration with the existing Physitrack platform and further acceleration in the US market.
- Successful transition of a vast majority of users from the GoMobilus platform to Physitrack, paving the way for additional streamlining of Physitrack's Lifecare offering and simplification of the corporate structure.
- Successful transition to an in-house development team, creating a safe-haven for top tech talent and further enhancing the Physitrack platform.
- Rebrand of RehabPlus to Champion Health Plus, positive results from the Champion Health Physiotherapy and Emotional Wellbeing integrated pathways since launching in Q3 2022.
- Appointment of Nick McClelland, former Chief Growth Officer of Mercer UK as Chief Growth Officer of the Wellness segment, providing extensive knowledge, methodology and commercial opportunities to significantly grow this division in 2023.

Group key performance indicators

EUR (€), unless otherwise stated	3 Month period ended		Year ended	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
Revenue	3,517,110	2,548,446	12,510,371	7,990,648
Prior period revenue growth (%)	38	179	57	162
Proforma revenue growth (%)	20	38	27	28
Adjusted EBITDA	869,540	816,346	3,446,475	2,627,717
Adjusted EBITDA margin (%)	25	32	28	33
Adjusted operating profit/loss	60,063	476,230	1,012,544	1,154,623
Adjusted operating margin (%)	2	19	8	14
Adjusted earnings per share	0.00	0.02	0.06	0.07
Operating cashflow before adjusting items	1,190,829	1,055,596	2,897,554	2,187,185
% of revenue which is subscription	70	69	71	82

Refer to Appendix 1 for definition, rationale and reconciliation of KPI's.

*The above results for the year ended 31 December 2021 represent those for the twelve months ended 31 December 2021. We have included the twelve month results, as opposed to the thirteen month statutory results outlined in the financial statements to provide greater comparability.

Financial highlights Q4 – Oct-Dec 2022

- Revenue increased by 38 per cent from the comparative period in 2021 to generate total sales of EUR 3.5m (EUR 2.5m). On a proforma basis revenue grew by 20 per cent. This proforma growth was achieved in both the Lifecare (5 per cent) and Wellness (55 per cent) divisions.
- Adjusted EBITDA of EUR 0.9m (EUR 0.8m) was generated resulting in an Adjusted EBITDA margin of 25 per cent (32 per cent). This movement in the EBITDA margins is driven by the shift in the mix of revenue towards wellness which currently operates at relatively lower margins.
- Adjusted operating profit of EUR 0.1m (EUR 0.5m) was generated resulting in a margin of 2 per cent (19 per cent).
- Adjusted ordinary and diluted profit per share totalled EUR 0.00 (EUR 0.02).
- Cashflow generated from operations before the payment of adjusting items equalled EUR 1.2m (EUR 1.1m).

Financial highlights Q4 YTD – Jan-Dec 2022

- Revenue increased by 57 per cent from the comparative period in 2021 to generate total sales of EUR 12.5m (EUR 8.0m). On a proforma basis revenue grew by 27 per cent. This proforma growth was achieved in both the Lifecare (17 per cent) and Wellness (54 per cent) divisions.
- Adjusted EBITDA of EUR 3.4m (EUR 2.6m) was generated resulting in an Adjusted EBITDA margin of 28 per cent (33 per cent).
- Adjusted operating profit of EUR 1.0m (EUR 1.2m) was generated resulting in a margin of 8 per cent (14 per cent).
- Adjusted ordinary and diluted profit per share totalled EUR 0.06 (EUR 0.07).
- Cashflow generated from operations before the payment of adjusting items equalled EUR 2.9m (EUR 2.2m).

Quote from the CEO

"The fruits of our labour were seen widely across the business in the biggest quarter in the history of the Group with all but one business line posting very impressive performances. We're on a strong footing to keep accelerating growth and profitability in 2023 with a dream team that keeps pushing the boundaries of our capabilities."

Henrik Molin, CEO Physitrack

Our two business lines has us well-positioned to capitalize on increasing digital healthcare demand

Physitrack PLC, founded in 2012, is a global B2B digital healthcare provider, focused on providing technology to Care Providers and providing solutions to Corporates wellbeing challenges. Elevating the world’s wellbeing, the company has two business lines:

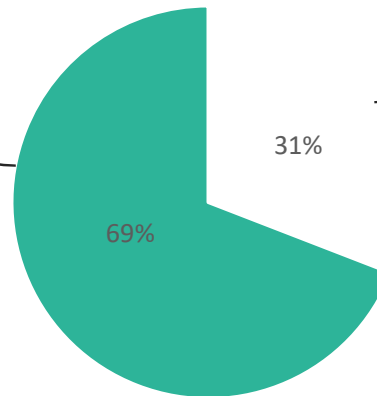
Lifecare



An offering tailored mainly to physiotherapy and musculoskeletal care, enabling practitioners to digitally deliver clinical home exercises, education prescription, outcomes tracking, triaging and Telehealth.

Our Lifecare division is the market’s most comprehensive full-service offering, built around Physitrack’s SaaS solutions.

consolidated revenue



Wellness



Wellness provision powered by the Champion Health technology platform and wellness professionals based in the United Kingdom, Germany and the Nordics.

Our Wellness business line is the market’s most comprehensive holistic offering built around the Champion Health SaaS solution combined with the Group’s ecosystem for care provision (Access).

Message from the CEO

2022 has been an important year for Physitrack, moving away from the Covid-19 pandemic we have seen the rapid shift towards virtual health care become embedded in the market and our Wellness division has been perfectly positioned to help employers address the ongoing corporate investment in wellbeing. The overall success of results delivered in both business divisions during Q4 2022, our biggest quarter to-date in terms of revenue, continues to be in line with our long term targets despite a strong prior year comparative and outlying factors.

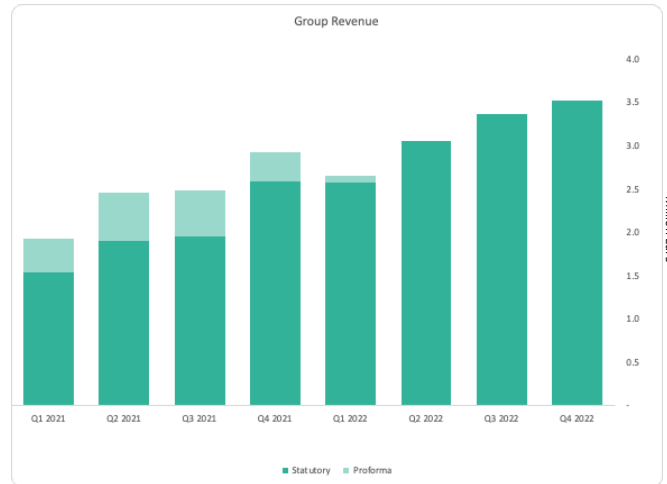
During Q4 2022 we continued to focus on implementing efficiencies within the Lifecare division, inter alia streamlining corporate structures, merging user bases across the Mobilus and Physitrack products, revitalising the PT Courses business to complement the existing Lifecare business and further bolstering our inhouse tech and development team with top talent.

The integration of the recent Wellness acquisitions into one holistic health brand – Champion Health – has continued to progress and the significant growth of the Wellness division has contributed to the Group’s results for both the quarter and the year. Individually, excepting Fysiotest, these businesses have seen triple digit growth in revenue against their prior year comparatives on both a quarterly and annual basis, demonstrating the positive impact our M&A program has had on the enhancement of these businesses alongside the Group’s own service offering. We continue to focus on driving efficiencies across this division to grow the underlying profitability in line with that of the Lifecare division and our mid-term targets.

We leave the financial year on a strong footing to build on this success in 2023 and I am excited for what this year has in store.

Maintaining growth of previous successful quarters

The Group achieved total revenue growth of 38 per cent for the quarter ended 31 December 2022 and 57 per cent for the year ended 31 December 2022 in comparison to the prior year statutory comparative. Proforma revenue growth was 20 and 27 per cent on a quarterly and annual basis respectively.



Physitrack exited the quarter with an annual run rate (“ARR”) of recurring subscription revenue of EUR 11.0m (Q3 2022 EUR 10.5m), growth of 4.8 per cent and annualised revenue of EUR 13.7m (Q3 2022 EUR 13.0m), growth of 5.4 per cent.

This growth was achieved in both divisions. Growth in the Lifecare division resulted from revenue expansion from existing and new customers and user base growth following several enhancements to the platform.

The growth in Wellness reflects the success of the various integration projects vis á vis strong demand from the market and consolidating these businesses into the Champion Health brand.

We however acknowledge that we have faced several challenging quarters with Fysiotest, due to the rapid

cessation of delivery of Covid related services such as testing and risk management consultancy. Fysiotest generated revenue of €0.2m and €0.7m for the quarter and year respectively. This accounted for 5.3 per cent of Physitrack’s total turnover during Q4. We are taking a number of measures to manage the challenges within Fysiotest, including changes to the management team, with the appointment of Kristoffer Svensson, previously Nordic Sales Director, as the new managing director. We expect to incur c. €0.2m-€0.3m of non-recurring costs in H1 of 2023 related to this turnaround plan.

Excluding Fysiotest, each business within the Wellness division has surpassed expectations and has delivered outstanding growth on a quarterly and annual basis, reflecting the diligent work performed in integrating these businesses under the Champion-Health brand. These businesses are realising the revenue synergies and integrated pathways initially identified as part of the M&A process. We leave the year with these businesses showing extremely positive signs for the continuation of this significant growth in 2023, thanks to great product-market fit and strong leadership within the businesses and by division head Ryan Ebert.

Excluding Fysiotest, Wellness revenue has grown by 162 per cent and 202 per cent for the quarter and year respectively on a pro-forma basis.

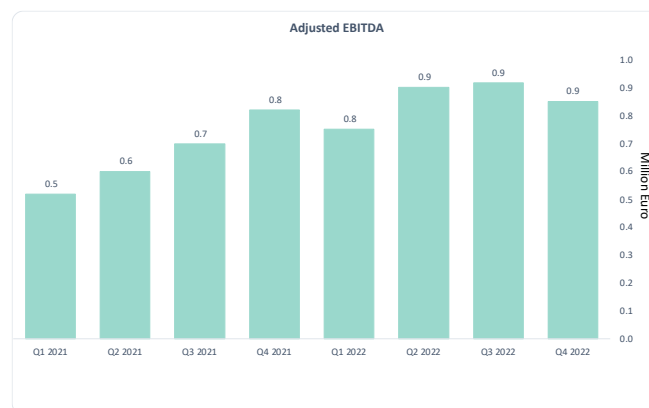
For the wider Group, excluding Fysiotest revenue would have increased by 32 and 40 per cent for the quarter and year respectively on a pro-forma basis.

Profitability focus

During the year the Group generated adjusted EBITDA of EUR 3.4m representing a margin of 28 per cent, the margin movement represents the growth of the Wellness division as a proportion of the total Group. The Wellness division generated an annual Adjusted EBITDA margin of 2 per cent for the year, compared to an annual Adjusted EBITDA margin of 49 per cent within the Lifecare division.

The Lifecare division businesses are more established whereas we are investing in the Wellness division to ensure we take advantage of the huge current market potential, however, overtime we expect margins in this division to increase to bring the group in line with our mid-term targets.

There are strong incentives in place for management of the Wellness acquisitions to accelerate both growth and margins, as earn-outs are dependent on those underlying businesses bringing margins in line with our growth targets over time. Therefore, margin focus is aligned across all parts of the group; the expansion of Group margins to at least 30 per cent in 2023 and over the medium term to levels in line with our growth targets is very much a shared and realistic ambition.



Structural changes and further developments in the Lifecare division

In line with our focus on profitability, as part of the integration of recent acquisitions into the Lifecare division, we are very focused on finding efficiencies and synergies in the underlying businesses.

Within the Lifecare division we have rationalised the operating structure through the transfer of the majority of customers within the Mobilus business to Physitrack. We have been pleased with the retention rates of customers transferring and over time as existing Mobilus customers contracts come to an end we expect Mobilus to be wound down, in turn reducing the administrative cost this has on the division and Group. In seeking similar administrative efficiencies effective from 31/1/2023 we have also merged Tanila Holding with Physiotools (Tanila is Physiotools holding company) further reducing administrative costs.

Whilst profit is at the forefront of management’s mind, the business balances this focus on investment to further its growth. As part of this work, during the current year we have brought our tech and development team in-house on a cost neutral basis. This ensures the Group has total control of further enhancement of the Lifecare platform and while

catering to the needs of our customers. Despite the overall Technology market facing severe headwinds during the current year, we are proud to have been seen as a safe haven for top tech talent joining us and our benefitting from access to such bright minds.

Since the acquisition of e-learning provider PT Courses in early 2022, Physitrack have brought the company in line with the Group, including refreshing and digitalising course content. In March 2023 we have planned the launch of a new technology platform for PT Courses, powered by Thinkific. The new platform boasts a much broader and intuitive user experience for practitioners to sign-up and access course content. This revitalised platform now provides a go-to-market service offering for our existing Lifecare user base, and, over time, will also allow PT Courses to be targeted for the first time to practitioners outside of the United States.

Expansion of Champion-Health geographical reach

Since acquiring Champion Health in May 2022, we have been able to solidify our market offering as a global leader with the mission to elevate the World's Wellbeing.

Over the past two quarters we have integrated the existing business which made up the Wellness division into one brand - Champion Health - launching several integrated pathways complementing the existing business and realising revenue synergies.

During the quarter we have made enhancements to the Champion Health platform, and for the first time smaller organisations are able to self-service of the platform which in turn increases our addressable market – segmentally and geographically - via product-led growth.

In January 2023 Champion Health launched 'The Workplace Health report: 2023'. This leveraged the data to support employee wellbeing at global organisation using anonymised findings it shone a light on the true state of workplace health. Not only does this report allow organisations to make informed, data-driven decisions to support its workforce it forms the cornerstone of the expansion of the Wellness division in gearing up to launch the Champion Health platform into other geographies.

Access to the report can be found here:

<https://championhealth.co.uk/insights/guides/workplace-health-report/>

With the recent appointment of Mercer UK's former Chief Growth Officer Nick McClelland as Chief Growth Officer of the Wellness division providing extensive knowledge, methodology and commercial opportunities, this will super-charge the Enterprise sales growth of the Wellness division in 2023.

Outlook

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.
- **Distribution:** Physitrack has a favourable outlook on the distribution of profits to shareholders via dividends in the medium term but does not foresee this taking place in the short term.

While the Directors acknowledge that there can be variability quarter on quarter with these targets, we however see no need to adjust these medium term financial targets.

Henrik Molin, CEO Physitrack

Financial review

Divisional review - Lifecare

	Year ended Dec		Absolute		Proforma
	2022	2021	Var	%	%
€'000					
Revenue	8,649	6,950	1,699	24	17
Adj EBITDA	4,270	3,334	936	28	
Adj EBITDA margin	49%	48%			

Trading performance

In the Year ended 31 December 2022, Lifecare revenues increased by EUR 1.7m or 24 per cent, part of this growth was driven by the acquisition of PT Courses and on a pro-forma basis revenue grew by 17 per cent.

In the quarter ended 31 December 2022, Lifecare revenues increased by EUR 0.1m or 5 per cent on a proforma basis to EUR 2.2m.

Revenue in the Lifecare business is driven by the combination of number of licences, the price per licence and the delivery of revenue enhancing (upsell) products such as 'Custom apps' and Physidata.

For the quarter ended 31 December 2022, there were on average 53,000 subscription licences across the Lifecare division, compared to an average of 49,000 at 31 December 2021.

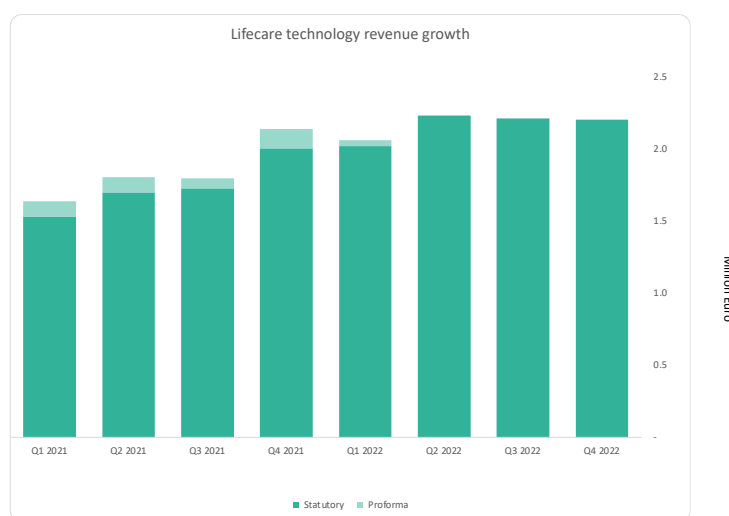
The Lifecare revenue stream is predominantly recurring in nature, with subscription income representing 86 per cent (85 per cent) of total Lifecare revenue.

Alongside subscription fees for the Physitrack and Physiotoools platforms within this revenue stream is revenue generated from 'Custom app' sales and by PT Courses from the provision of continued education. Whilst 'Custom app' setup fees sales are a one-time charge, attached to them are monthly maintenance fees which generate higher margins than typical practitioner subscriptions.

Throughout the year management has pursued a data-driven focus on increasing retention and reducing churn and launching a number of initiatives such as the launch of the Customer Value Taskforce, in turn providing a customer feedback loop to enhance the platform. As a result of this churn for the quarter ended 31 December 2022 averaged 1.2 per cent (1.4 per cent).

Adjusted EBITDA in the division increased by 28% with EBITDA margins expanding to 49% (48%), this is driven by the increase in revenue as well as efficiencies from the integration of the acquisitions in this division.

The decline in growth rates from prior quarter was as a result of a strong prior year comparative which included a larger number of custom app sales, alongside the change in revenue recognition profile of PT Courses which has now switched to an annual subscription model, compared to a-la-carte sales in the prior year comparative period plus some credits for customers lost in the migration of the Mobilus platform to Physitrack.



Divisional review – Wellness

	Year ended Dec		Absolute		Proforma
	2022	2021	Var	%	%
€'000					
Revenue	3,862	1,041	2,821	271	54
Adj EBITDA	88	73	15	21	
Adj EBITDA margin	2%	7%			

Trading performance

In the Year ended 31 December 2022 Wellness revenues increased by EUR 2.8m or 271 per cent. This growth was partially driven by the acquisitions of Fysiotest, Wellnow and Champion Health and on a pro-forma basis revenue growth was 54 per cent.

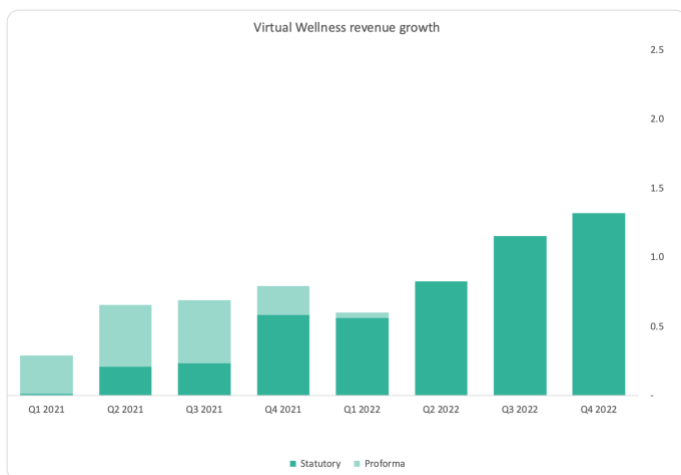
Whilst there has been pleasing growth in the UK and Europe geographical segments, this has been offset by the decline in the Nordics as outlined within the CEO review above. There were operational challenges within the Nordics such as the delay in the full rollout of the Nightingale Health-powered remote-first version of its biometric testing and coaching product. The prior year comparative was

also bolstered by the positive impact of Covid-19 testing, for which the drop in revenue was unexpectedly greater than anticipated. As outlined in the CEO report a number of initiatives are currently underway to address these issues.

Excluding the Nordics we have seen substantial growth of the Wellness division (annual pro-forma revenue growth of 202 per cent). Indicating that overall our integration plan for this division remains on track. We are positive that this growth will continue in 2023 as we launch additional integrated care pathways and increase the divisions geographical footprint.

In the quarter, Wellness revenues increased by EUR 0.5m / 54 per cent on a pro-forma basis to EUR 1.3m. Of this revenue 43 per cent (nil per cent) was subscription revenue.

Adjusted EBITDA in this division increased from EUR 73k to EUR 88k. This increase was primarily driven through an increase in the division’s revenue.



Financial performance – Group Revenue

Quarter ended December 2022

Physitrack PLC generated revenue of EUR 3.5m (EUR 2.5m), growth of 38 per cent from the prior year comparative and 20 per cent on a proforma basis.

This growth was driven by both the Lifecare and the Wellness segments, which grew by 5 per cent and 55 per cent on a proforma basis respectively. Lifecare revenue represents 69 per cent and Wellness represents 31 per cent of total Group revenue.

In comparison to Q3 2022, Q4 2022 revenue grew by 5 per cent on a statutory and pro-forma basis, with growth being driven by both the Wellness and Lifecare divisions.

Year ended December 2022

Physitrack generated revenue of EUR 12.5m (EUR 8.0m) an increase of 57 per cent from the prior year comparative and 27 per cent on a proforma basis.

This growth was driven by both the Lifecare and the Wellness segments, which grew by 17 per cent and 54 per cent on a proforma basis respectively. This growth has occurred through the various initiatives launched in the Lifecare division resulting in key enhancements to the platform alongside revenue synergies recognised within the Wellness division as we continue to unify this division.

Operating expenses before amortisation, depreciation and adjusting items

Year ended December 2022

Operating expenses before amortisation, depreciation and adjusting items were EUR 9.0m (EUR 5.4m). The increase primarily reflects the acquisitions of Fysiotest, PT Courses, Wellnow and Champion Health.

Additionally, the increase in revenue has driven an increase in costs, primarily in the Virtual Wellness division where some product offerings incur a cost of delivery. Investments have also been made to drive future growth including into the customer success team, sales team and people and technology in the Virtual Wellness division.

Operating profit ('EBIT')

Year ended December 2022

In the Year ended 31 December 2022 the Group delivered an operating profit of EUR 0.1m compared to a 0.6m loss in the prior year. This improvement is primarily driven by the increase in EBITDA and a fall in Adjusting items partially offset by an increase in amortisation of intangibles recognised on acquisitions.

In the quarter, operating profit was EUR 0.5m this was an increase of EUR 0.3m from the EUR 0.2m profit in Q4 2021 driven by the increase in revenue and decrease in integration and acquisition costs as there has been no M&A in the quarter.

Adjusting items earlier in the year primarily relate to costs incurred as part of the acquisition of PT Courses, Wellnow and Champion Health. During the current quarter these relate to integration activities of the Wellness segment alongside the fair value movement on deferred consideration attached to the Fysiotest, Wellnow, Champion Health and Rehabplus acquisitions.

Amortisation and depreciation increased by EUR 0.9m to EUR 2.4m (EUR 1.5m). Amortisation for the period includes both amortisation of internally generated intangibles and depreciation EUR 1.7m (EUR 1.4m) and amortisation of intangibles recognised on recent acquisitions of EUR 0.8m (EUR 0.03m).

Adjusted EBITDA

Year ended December 2022

Adjusted EBITDA of EUR 3.4m (EUR 2.6m) and 0.9m (EUR 0.9m) was generated for the year and quarter respectively resulting in an Adjusted EBITDA margin of 28 per cent (33 per cent) and 25 per cent (32 per cent) respectively. This was made up of EUR 4.2m from the Lifecare division, EUR 0.1m from the wellness division and EUR -0.9m of expenses incurred at a group level.

The decline in the EBITDA margin from the prior year comparative reflects the growth of the lower margined Wellness division.

Finance costs

Year ended December 2022

Net finance costs year to date are EUR 58k compared to EUR 69k in the prior year. There was an uplift in finance costs in the second half of 2022 due to the interest costs, non-utilisation fees and unwind of arrangement fees associated with the GBP 5m revolving credit facility entered into in July 2022. This is offset by lower finance costs for the first six months of 2022.

Profit / Loss before tax

Year ended December 2022

The above movements result in a profit before tax of EUR 0.1m compared to a loss of EUR 0.7m in the prior year. The improvement is due to increased EBITDA and decrease in adjusting items partially offset by an increase in amortisation of intangibles recognised on acquisitions.

Taxation

Year ended December 2022

Taxation is a credit of EUR 41k in the year compared to a charge of EUR 185k in the prior year. In our UK entities we are able to successfully claim on the UK government's R&D tax credit scheme, which, alongside the release of the Deferred Tax Liability in line with the amortisation of intangibles recognised on acquisition has resulted in a credit being recognised.

Financial position and cashflow

The Group has total assets of EUR 41.3m (EUR 32.3m), net assets of EUR 22.4m (EUR 23.3m) and net current liabilities of EUR 3.4m (Net current assets EUR 11.4m).

The movement on total assets from 31 December 2021 is as a result of the recognition of goodwill and identifiable intangible assets of EUR 21.1m on the acquisitions of PT Courses, Wellnow and Champion Health, alongside FX revaluation of EUR (0.5m). The Group has invested, net of depreciation an additional EUR 4.5m on the platform since 31 December 2021.

Deferred consideration is measured at fair value. The movement from prior year reflects the recognition of deferred consideration attached to current year acquisitions of EUR 10.5m, payment of deferred consideration of EUR 3.4m and fair value movements of EUR (0.5m).

Movements in working capital balances were predominantly driven by the recognition of balances on acquisition of Wellnow and Champion Health. Champion Health typically bills upfront for contracts of at least twelve months; as this business is rapidly accelerating this drives an increase in trade receivables. The move towards enterprise customers which typically have longer payment terms and the increase in revenue balances also contributes to the increase in trade receivables.

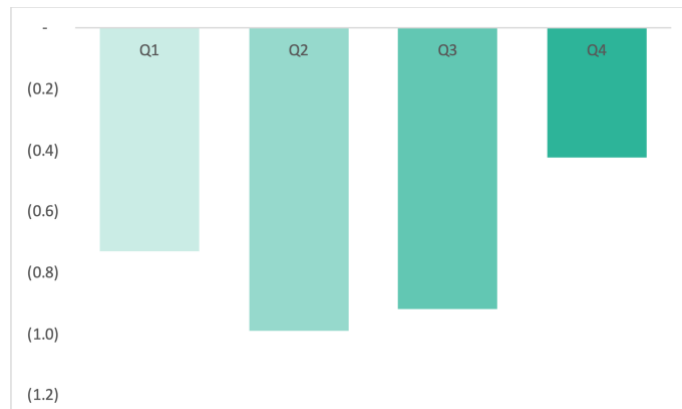
Cash generated from operations prior to payment of adjusting items totalled EUR 2.9m (EUR 2.3m).

Cash used in investing activities was EUR 14.8m (EUR 4.9m). This was made up of cash paid for PT Courses of EUR 1.6m, Wellnow of EUR 2.5m and Champion Health of EUR 2.8m, deferred consideration payment of EUR 0.5m paid to Fysiotest and EUR 2.9m paid to

Champion Health alongside an additional EUR 4.5m capitalised through the development of the Physitrack platform and investment in Physitrack’s operating and financial systems.

In the current year the Group net spend before investments in subsidiaries and financing activities was EUR 3.0m (EUR 1.1m). This reflects the increase in investment in the platforms underpinning the divisions and initiatives to drive growth, alongside costs associated with acquisitions and integration. During the quarter the Group has significantly reduced its cash burn down to EUR 0.4m from a peak of EUR 1.0m in Q2.

In 2023 we expect EBITDA to continue to increase and our investment in intangible assets to decrease now that one off investments relating to acquisitions have been carried out resulting in improvements in our cash generation. In Q1 2023 deferred consideration payments of €1.6m will be incurred and depending on the results of our subsidiaries up to one further deferred consideration payment can be expected in the year.



Risks and uncertainties

The risks and uncertainties pertaining to the group have been outlined within the 31 December 2022 annual report.

Employees

The average number of employees in the Group for the period January to September 2022 was 69 (36).

Related party transactions

Refer to note 8 for a list of related party transactions during the quarter.

Audit review

This report has been reviewed by the Company’s auditors.

INDEPENDENT REVIEW REPORT TO Physitrack PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the Q4 financial report for the quarter ended 31 December 2022 which comprises the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the consolidated statement of cash flows and related notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Q4 Report for the quarter ended 31 December 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Nasdaq First North Premier Growth Market requirements.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 (Revised), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted IFRSs. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting."

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410 (Revised), however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of directors


The directors are responsible for preparing the Q4 financial report in accordance with the listing rules of the Nasdaq First North Premier Growth Market.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Signed:


Alistair Wesson (Feb 27, 2023 20:08 GMT)

Mazars LLP
Chartered Accountants
Park View House
58 The Ropewalk
Nottingham
NG1 5DW
Date: 27 February 2023

Condensed interim financial information

1 January 2022 – 31 December 2022

Consolidated statement of comprehensive income

EUR (€)	Note	3 month period ended:		Year ended:		13 month period ended:
		31 December 2022 (unaudited)	31 December 2021 (unaudited)	31 December 2022 (unaudited)	31 December 2021 (unaudited)	31 December 2021 (Audited)
Revenue	3	3,517,110	2,548,446	12,510,371	7,990,648	8,465,227
Operating expenses before amortisation depreciation and adjusting items		(2,640,570)	(1,681,192)	(9,063,896)	(5,362,931)	(5,773,528)
Amortisation and depreciation from:						
Intangibles recognised on acquisition		(248,396)	(33,454)	(765,661)	(33,454)	(33,454)
Internally generated intangibles and depreciation		(568,081)	(356,367)	(1,668,270)	(1,439,640)	(1,541,894)
Adjusting items	5	417,086	(262,904)	(903,157)	(1,739,230)	(1,739,230)
Operating expenses		(3,039,961)	(2,333,917)	(12,400,984)	(8,575,255)	(9,088,106)
Operating profit/(loss)		477,149	214,529	109,387	(584,607)	(622,879)
Net finance costs		(8,928)	(6,080)	(58,272)	(68,860)	(71,027)
Profit/(loss) before taxation		468,221	208,449	51,115	(653,467)	(693,906)
Taxation		174,161	(143,348)	41,204	(185,299)	(189,048)
Profit/(loss) after taxation		642,382	65,101	92,319	(838,766)	(882,954)
Other comprehensive (expense) / income		(596,501)	(10,436)	(1,011,757)	-	313,568
Total comprehensive profit/(loss) for the period		45,881	54,665	(919,438)	(838,766)	(569,386)
Basic earnings / (loss) per share		0.03	0.00	0.01	(0.06)	(0.06)
Diluted earnings / (loss) per share		0.03	0.00	0.01	(0.06)	(0.06)

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

Consolidated Statement of Financial Position as at 31 December 2022

		31 December 2022	31 December 2021
Assets	Note	€	€
Non-current assets			
Goodwill	4	27,245,637	14,431,082
Intangible assets	4	10,296,548	2,642,926
Property, plant and equipment		97,916	48,779
Financial assets measured at FVOCI/FVTPL		98,264	98,264
Total non-current assets		37,738,365	17,221,051
Current assets			
Trade and other receivables	6	2,950,196	1,665,877
Inventory		46,540	67,315
Cash and cash equivalents		577,742	13,324,598
Total current assets		3,574,478	15,057,790
Total assets		41,312,843	32,278,841
Liabilities			
Non-current liabilities			
Borrowings		(831,663)	-
Deferred tax		(1,414,271)	-
Deferred consideration		(9,700,509)	(5,359,608)
Total non-current liabilities		(11,946,443)	(5,359,608)
Current liabilities			
Borrowings		-	(653)
Deferred revenue		(2,060,824)	(1,592,065)
Trade and other payables	7	(2,212,058)	(1,435,877)
Deferred tax		-	(108,029)
Deferred consideration		(2,723,249)	(492,902)
Total current liabilities		(6,996,131)	(3,629,526)
Net assets		22,370,269	23,289,707
Equity			
Share capital		64,075	64,075
Share premium		24,935,421	24,935,421
Translation reserve		(1,030,920)	(19,163)
Retained earnings		(1,598,307)	(1,690,626)
Total equity		22,370,269	23,289,707

Consolidated Statement of Changes in Equity for the quarter ended 31 December 2022

	Share capital	Share premium	Shares to be issued	Currency translation reserve	Retained earnings	Total
	€	€	€	€	€	€
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	<u>44,640</u>	-	-	-	-	<u>44,640</u>
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>
Profit for the period	-	-	-	-	92,319	92,319
Other comprehensive income for the period	-	-	-	(1,011,757)	-	(1,011,757)
Total comprehensive income for the period	-	-	-	(1,011,757)	92,319	(919,438)
Balance at 31 December 2022	<u>64,075</u>	<u>24,935,421</u>	<u>-</u>	<u>(1,030,920)</u>	<u>(1,598,307)</u>	<u>22,370,269</u>

Consolidated Statement of Cash Flows for the year ended 31 December 2022

	Note	Year ended 31 December 2022	13-month period ended 31 December 2021
		€	€
Operating activities			
Profit/(loss) for the period		92,319	(882,954)
Adjustments for:			
Depreciation and amortisation		2,433,930	1,575,348
Foreign exchange gain		(24,775)	(49,119)
Taxation	10	(41,204)	189,048
Adjusting items	5	903,157	1,739,230
Net finance cost	6	58,272	71,027
Operating cash flows before movements in working capital		3,421,699	2,642,580
Increase in trade and other receivables		(1,082,106)	(632,032)
Decrease / (increase) in inventory		20,775	(17,226)
Increase in trade and other payables and contract liabilities		537,186	299,278
Cash generated by operations before adjusting items		2,897,554	2,292,600
Corporation tax paid		(39,486)	(36,364)
Cash payment of adjusting items		(1,406,466)	(1,541,442)
Net cash from operating activities		1,451,602	714,794
Investing activities:			
Purchases of intangible assets		(4,422,283)	(1,789,361)
Purchases of property, plant and equipment		(73,726)	(6,239)
Acquisition of subsidiary net of acquired cash	12	(6,891,898)	(3,048,565)
Payment of deferred consideration	19	(3,397,028)	-
Acquisition of investment		-	(78,588)
Net cash used in investing activities		(14,784,935)	(4,922,753)
Financing activities			
Repayment of Directors' loans		-	(357,286)
Drawdown of borrowings		824,107	65,873
Repayment of borrowings		(653)	(2,143,561)
Interest expense		(27,953)	(71,027)
Issue of shares		-	19,732,654
Share transaction costs		-	(1,184,336)
Issue of preference shares		-	44,640
Net cash generated by financing activities		795,501	16,086,957
Cash at the beginning of the period		13,324,598	1,254,233
Net movement		(12,537,832)	11,878,998
(Loss)/gain on exchange rate		(209,024)	191,367
Cash at the end of the period		577,742	13,324,598

Selected Notes

1) Company information

Physitrack PLC (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 public limited company limited by shares. The address of the Company's registered office is Bastion House 6th Floor, 140 London Wall, London, 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 2022 annual report.

2) Accounting policies

This interim financial information for the quarter ended 31 December 2022 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 2022 Annual Report.

The financial information for the quarter ended 31 December 2022 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 2022 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 period ended 31 December 2022, 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 quarter ended 31 December 2022 the operations of the Group comprise two reporting operating segments. These segments are the provision of Lifecare platform tailored to physiotherapy being made up of the Physitrack PLC, Physiotools OY and Mobilus Digital Rehab AB "Physiotools" businesses. From the start of the current financial period, management review the results of these business as one segment.

On 26 January 2022 Physitrack acquired through its subsidiary Physitrack Inc Texas based e-learning provider PT Courses, a US leader in Continued Education for physical therapists, occupational therapists and assistants. This acquisition accelerates Physitrack's growth in the US market through the diversification and enhancement of its existing Lifecare product offering. This will allow both Physitrack and PT Courses to offer continued education to practitioners in attractively priced subscription bundles with Physitrack's already popular Lifecare solution. Given the strategic alignment of PT Courses with the current Lifecare platform, PT Courses has been included within the Lifecare operating segment.

On 23 February 2022 Physitrack acquired the entire share capital of Wellnow Group GmbH, a German virtual-first corporate health platform with a network of over 1,000 certified and quality checked health practitioners. The acquisition establishes a substantial foothold in Germany for the Group, and enables accelerated growth of Physitrack's existing care offering globally by leveraging off Wellnow's impressive technology,

network and scalable virtual-first business. On 6 May 2022 Physitrack acquired the entire share capital of Champion Health Limited, a leading workplace health platform based in the UK. During the quarter, the Group has unified the Rehabplus Limited, Fysiotest Europa AB subsidiaries, Wellnow and Champion Health companies into one brand – Champion Health which makes up the Wellness 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.

Performance of these segments for the year ended 31 December 2022 is as follows:

	Lifecare	Wellness	Group	Total
Year ended 31 December 2022				
Total revenues	8,648,545	3,861,826	-	12,510,371
Operating profit	2,657,386	32,070	(2,580,069)	109,387
<i>Amortisation and depreciation</i>				
Intangibles recognised on acquisition	-	-	765,661	765,661
Internally generated intangibles and depreciation	1,612,801	55,469	-	1,668,270
	<u>1,612,801</u>	<u>55,469</u>	<u>765,661</u>	<u>2,433,931</u>
Items affecting comparability	-	-	903,157	903,157
Adjusted EBITDA	4,270,187	87,539	(911,251)	3,446,475
Adjusted EBITDA Margin	49%	2%	-	28%
Finance cost	(53,543)	(4,729)	-	(58,272)
Profit/(loss) before tax	2,603,843	27,341	(2,580,069)	51,115

Year ended 31 December 2021				
Total revenues	6,949,826	1,040,822	-	7,990,648
Operating profit	1,898,585	68,161	(2,551,353)	(584,607)
<i>Amortisation and depreciation</i>				
Intangibles recognised on acquisition	-	-	33,454	33,454
Internally generated intangibles and depreciation	1,435,083	4,557	-	1,439,640
	<u>1,435,083</u>	<u>4,557</u>	<u>33,454</u>	<u>1,473,094</u>
Items affecting comparability	-	-	1,739,230	1,739,230
Adjusted EBITDA	3,333,668	72,718	(778,669)	2,627,717
Adjusted EBITDA Margin	48%	7%	-	33%
Finance cost	(54,637)	(14,223)	-	(68,860)
Profit/(loss) before tax	1,843,949	53,938	(2,551,354)	(653,467)

Expenses classified as Group represent those costs associated with the Group's merger and integration activities, amortisation of intangibles recognised on acquisition and senior management salary. These costs have been classified as Group as they either cannot be allocated appropriately to a segment or do not represent costs associated with the underlying businesses within the operating segment.

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

	Year ended 31 December 2022 EUR	Year ended 31 December 2021 EUR
<i>Lifecare</i>		
United Kingdom	1,885,405	1,403,427
Europe	3,073,206	2,750,618
North America	1,890,040	1,405,286
Rest of world	1,799,894	1,390,495
	8,648,545	6,949,826
<i>Wellness</i>		
Europe	1,751,015	415,915
United Kingdom	2,110,811	624,907
	3,861,826	1,040,822
Total	12,510,371	7,990,648
Revenue by product line		
Subscription fee	7,093,380	6,137,479
Custom app maintenance fee	294,374	432,391
Custom app set-up costs	940,620	379,956
Continued education	320,171	-
Wellness	3,861,826	1,040,822
Total	12,510,371	7,990,648

Revenue derived from subscription income streams is recognised over time. Other revenues are recognised at a point in time.

4) Intangible assets

	Internally generated intangible asset	Software	Brand	Customer relationships	Goodwill	Total
EUR (€)						
Cost						
At 30 November 2020	4,458,037	-	-	-	5,963,346	10,421,383
Additions	1,624,927	164,435	-	-	-	1,789,362
Acquisition of subsidiaries	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
Additions	4,045,469	372,351	-	-	-	4,417,820
Acquisition of subsidiaries	4,209,593	-	624,138	1,062,855	13,336,963	19,233,549
Exchange differences	(571,920)	(15,213)	11,439	20,659	(522,408)	(1,077,443)
At 31 December 2022	14,250,751	523,434	887,204	1,360,960	27,245,637	44,267,986
Amortisation						
At 30 November 2020	2,826,798	-	-	-	-	2,826,798
Charge for the period	1,521,436	16,325	19,582	13,872	-	1,571,215
Exchange differences	222,039	-	-	-	-	222,039
At 31 December 2021	4,570,273	16,325	19,582	13,872	-	4,620,052
Charge for the period	2,030,437	76,495	103,170	192,464	-	2,402,566
Exchange differences	(294,421)	(2,396)	-	-	-	(296,817)
At 31 December 2022	6,306,289	90,424	122,752	206,336	-	6,725,801
Net book value						
At 30 November 2020	<u>1,631,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,963,346</u>	<u>7,594,585</u>
At 31 December 2021	<u>1,997,336</u>	<u>149,971</u>	<u>232,045</u>	<u>263,574</u>	<u>14,431,082</u>	<u>17,074,008</u>
At 31 December 2022	<u>7,944,462</u>	<u>433,010</u>	<u>764,452</u>	<u>1,154,624</u>	<u>27,245,637</u>	<u>37,542,185</u>

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 PT Courses during the financial year, certain intangible assets were recognised. These intangibles include Goodwill of EUR 1,183,681, EUR 262,649 in respect of customer relationships and contracts and EUR 140,138 in respect of the PT Courses brand. The customer relationship and contract intangibles will be amortised over 4 years and brand over a 10 year period.

On acquisition of Wellnow during the financial year, certain intangible assets were recognised. These intangibles include Goodwill of EUR 6,411,810, EUR 661,000 in respect of customer relationships, EUR 484,000 in respect of the Wellnow brand and EUR 1,052,979 in respect of internally generated intangible assets, in addition to the EUR 73,021 previously held within Wellnow. The customer relationship intangibles will be amortised over 10 years, brand over 10 years and internally generated intangible assets over a five-year period.

On acquisition of Champion Health during the financial year, certain intangible assets were recognised. These intangibles include Goodwill of EUR 5,741,471, EUR 139,206 in respect of customer relationships and EUR 3,083,593 in respect of internally generated intangible assets. The customer relationships will be amortised over five years and intangible assets over a seven-year period.

5) Adjusting items

Adjusting items refer to events and transactions whose effect on profits are important to note. Particularly when comparison of periodical profits comprise non-recurring costs in ordinary operations relating to the following:

Adjusting item	Definition	Current period costs relate to	Prior year costs relate to
Acquisition Costs	Associated costs of major acquisitions	Acquisition of PT Courses in January 2022, Wellnow in February 2022 and Champion Health in May 2022.	Acquisition of Rehabplus Limited in February 2021 and Fysiotest in September 2021.
Integration costs	Associated costs of integrating acquisitions	Integration costs of both Lifecare and Wellness acquisitions into the existing business.	N/A
Equity / fund raising costs	Associated costs of equity / fund raising	N/A	Costs associated with the Companies IPO in June 2021.
Fair value movement on consideration	Contingent consideration is recognised at fair value and revalued at each reporting period. The fair value movement is recognised within the profit and loss.	Fair value movement on deferred contingent consideration attached to the Rehabplus and Fysiotest acquisitions in 2021 and Wellnow and Champion Health acquisitions in 2022.	Fair value movement on deferred contingent consideration attached to the Rehabplus and Fysiotest acquisitions in 2021.

It is expected adjusting items in future years would be of a similar nature to those above including those costs attached to major acquisitions, disposals and equity or fund raises. As the above costs are non-operating or recurring cost, these have been added back to arrive at adjusted EBITDA.

Adjusting items are broken down as follows:

EUR (€), unless otherwise stated	Year ended	
	31-Dec-2022	31-Dec-2021
Acquisition and integration costs	1,406,466	538,084
Equity / fundraising costs	-	1,172,218
Fair value movement on deferred contingent consideration	(503,309)	28,928
Adjusting items	903,157	1,739,230

6) Trade and other receivables

	31 December 2022	31 December 2021
	EUR	EUR
Trade receivables	2,147,569	1,112,743
Accrued revenue	382,460	96,652
Other receivables	310,350	267,698
Prepayments and accrued income	109,817	188,784
	2,950,196	1,665,877

7) Trade and other payables

	31 December 2022	31 December 2021
	EUR	EUR
Trade payables	1,064,572	397,109
Accrued expenditure	502,533	647,837
Other payables	290,090	117,468
Corporation tax	160,396	111,759
Social security and other taxes	194,467	161,704
	2,212,058	1,435,877

8) Related party transactions

For the period ended 31 December 2022, EUR 274,567 (31 December 2021: EUR 301,837) was paid to Camelot Solutions, a Company incorporated in Monaco. H Molin is a Director of this Company. At 31 December 2022 a balance of EUR 21,271 (31 December 2021: EUR NIL) was due to Camelot Solutions.

For the period ended 31 December 2022, EUR 198,577 (31 December 2021: EUR 146,701) was paid to Paloma International Advisors, a Company incorporated in Monaco. C Sheiban is a Director of this Company. At 31 December 2022, a balance of EUR 11,868 (31 December 2021: EUR NIL), included in trade payables, was due to Paloma International Advisors.

9) Net debt

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 2020 is provided below:

	Interest bearing liabilities	Cash and cash equivalents	Net debt
	€	€	€
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	2,143,561	-	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
Additions through acquisition	-	110,237	110,237
Loan repayment	653	-	653
Drawdown of loan	(824,107)	-	(824,107)
Non-cash movement	(30,319)	-	(30,319)
Cash movement	-	(12,648,068)	(12,648,068)
Foreign exchange	22,763	(209,024)	(186,261)
At 31 December 2022	(831,663)	577,743	(253,920)

On 27 July 2022 Physitrack PLC entered into a three-year GBP 5m revolving credit facility with Santander PLC. Dependent upon the Group's leverage, Interest is charged on the amount drawn down at a rate between 2.5 and 4 per cent (the 'Margin') above SONIA. The Group also pays a fee of 40 per cent of the applicable Margin on the undrawn element of the credit facility and the undrawn overdraft.

EUR 225,000 of costs were incurred in establishing this facility made up of EUR 120,000 arrangement fees and EUR 105,000 of legal fees. These are being amortised over the term of the facility.

At 31 December 2022 the Group had drawn down GBP 900,000 / EUR 1,048,000 on this facility.

Appendix 1

Definition of key performance indicators

Alternative key performance indicators	Definition	Purpose
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 the principle operating measure reviewed by the board and 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 and integrations during the period 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.	<p>Items affecting comparability is a notation of items, when excluded, shows the Company's earnings excluding items that are non-recurring in ordinary operations.</p> <p>By excluding these items, the users of the report are able to view normalised KPI's.</p>
Adjusted EBITDA	EBITDA excluding items affecting comparability.	<p>The measurement is relevant in order to show the Company's results generated by the operating activities, excluding items which affect comparability.</p> <p>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.</p>
Adjusted EBITDA margin (%)	Adjusted EBITDA as a percentage of revenue.	<p>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.</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.
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.
Cash generated by operations before adjusting items	Cash generated by operations before cash payment of adjusting items and taxation	Adjusted cash flow, which reflects the cash generation of our underlying business, is calculated on our statutory cash generated from operations and adjusted for exceptional items, net of capital expenditure on property, plant and equipment and intangible assets and tax payments.
Proforma	<p>Proforma for 2021 represents the results for the quarter and year ended 31 December 2021 had the current structure been in place to mirror the prior financial period.</p> <p>PT Courses For the quarter ended 31 December 2021, this includes three month results for PT Courses acquired during Q1 2022. For the year ended 31 December 2021, proforma includes 11 months of trading results up to 31 December 2021 for PT Courses as if it had been acquired on 26 January 2021.</p> <p>Wellnow For the quarter ended 31 December 2021, this includes three month results for Wellnow acquired during Q1 2022. For the year ended 31 December 2021, proforma includes 10 months of trading results for Wellnow as if it has been acquired on 23 February 2021.</p> <p>Champion Health For the quarter ended 31 December 2021, this includes three month results for Champion Health acquired during Q2 2022. For the year ended 31 December 2021, proforma includes 8 months of trading results for Champion Health as if it has been acquired on 6 May 2021.</p> <p>Proforma also includes a full year of trading results up to 31 December 2021 for</p>	Proforma provides a useful comparison to understand movement from the prior year on a like-for-like basis.

Physitrack, Physiotools, Rehabplus and Fysiotest.

Reconciliation table for alternative key performance measures

Proforma revenue and proforma revenue growth				
EUR (€), unless otherwise stated	3 Month Period ended			
	31-Dec-22	31-Dec-21	Movement	Proforma revenue growth %
	Actual	Proforma		
Physitrack	1,507,822	1,333,145	174,677	13
Physiotools	592,902	622,781	(29,879)	(5)
PT Courses	99,074	134,013	(34,939)	(26)
Lifecare	2,199,798	2,089,939	109,859	5
Champion Health Plus	563,124	210,678	352,446	167
Fysiotest	187,555	416,373	(228,818)	(55)
Wellnow	367,074	125,905	241,169	192
Champion Health	199,559	94,391	105,168	111
Wellness	1,317,312	847,347	469,965	55
Total revenue	3,517,110	2,937,286	579,824	20
31 December 2021 Statutory revenue (3 Months)	2,548,446	N/A	N/A	N/A
Movement	968,664	N/A	N/A	N/A
Movement %	38	N/A	N/A	N/A

Proforma revenue and proforma revenue growth				
EUR (€), unless otherwise stated	Year ended			
	31-Dec-22	31-Dec-21	Movement	Proforma revenue growth %
	Actual	Proforma		
Physitrack	5,710,116	4,496,081	1,214,035	27
Physiotools	2,602,815	2,453,334	149,481	6
PT Courses	335,614	415,643	(80,029)	(19)
Lifecare	8,648,545	7,365,058	1,283,487	17
Champion Health Plus	1,590,535	665,093	925,442	139
Fysiotest	749,232	1,481,343	(732,111)	(49)
Wellnow	1,001,782	205,965	795,817	386
Champion Health	520,277	159,852	360,425	225
Wellness	3,861,826	2,512,253	1,349,573	54
Total revenue	12,510,371	9,877,311	2,633,060	27
31 December 2021 Statutory revenue (12 Months)	7,990,648	N/A	N/A	N/A
Movement	4,519,723	N/A	N/A	N/A
Movement %	57	N/A	N/A	N/A

Subscription revenue as a proportion of total revenue (%)					
	3 Month period ended / Year ended / 13 Month period ended				
EUR (€), unless otherwise stated	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-21
Subscription	1,830,051	1,524,993	7,093,380	6,137,479	6,578,063
(+) Maintenance	50,967	228,868	294,374	432,391	465,987
(+) Wellness (Subscription)	566,633	-	1,522,059	-	-
(=) Total recurring revenue	2,447,651	1,753,861	8,909,813	6,569,870	7,044,050
(+) Wellness (One-off)	750,678	548,508	2,339,767	1,040,822	1,041,221
(+) Continued education	98,716	-	320,171	-	-
(+) Set-up fees	220,065	246,077	940,620	379,956	379,956
(=) Total revenue	3,517,110	2,548,446	12,510,371	7,990,648	8,465,227
Subscription revenue as proportion of total revenue %	70	69	71	82	83

EBITDA, EBITDA margin, items affecting comparability, adjusted EBITDA and adjusted EBITDA margin					
	3 Month period ended / Year ended / 13 Month period ended				
EUR (€), unless otherwise stated	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-21
Operating profit/(loss)	477,149	163,621	109,387	(584,607)	(622,879)
(+) Depreciation and amortisation					
Intangibles recognised on acquisition	248,396	33,454	765,661	33,454	33,454
Internally generated intangibles and depreciation	568,081	356,367	1,668,270	1,439,640	1,541,894
(=) EBITDA	1,293,626	553,442	2,543,318	888,487	952,469
EBITDA margin, %	37	22	20	11	11
(+) Total items affecting comparability	(417,086)	262,904	903,157	1,739,230	1,739,230
Adjusted EBITDA	876,540	816,346	3,446,475	2,627,717	2,691,699
Adjusted EBITDA margin, %	25	32	28	33	32

Operating profit, operating profit margin, adjusted operating profit and adjusted operating profit margin					
	3 Month period ended / Year ended / 13 Month period ended				
EUR (€), unless otherwise stated	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-21
Operating profit/(loss)	477,149	214,529	109,387	(584,607)	(622,879)
Operating profit/(loss) margin, %	14	8	1	(7)	(7)
(+) Total items affecting comparability	(417,086)	261,701	903,157	1,739,230	1,739,230
Adjusted Operating profit/(loss)	60,063	476,230	1,012,544	1,154,623	1,116,351
Adjusted Operating profit/(loss) margin, %	2	19	8	14	13

Earnings per share					
	3 Month period ended / Year ended / 13 Month period ended				
EUR (€), unless otherwise stated	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-21
Net profit/(loss)	642,382	65,101	92,319	(838,766)	(882,954)
Number of shares					
Ordinary	16,260,766	13,689,481	16,260,766	13,689,481	13,689,481
Dilutive	16,260,766	13,689,481	16,260,766	13,689,481	13,689,481
Earnings per share					
Basic	0.04	0.00	0.01	(0.06)	(0.06)

Diluted	0.04	0.00	0.01	(0.06)	(0.06)
---------	------	------	------	--------	--------

Adjusted earnings per share					
3 Month period ended / Year ended / 13 Month period ended					
EUR (€), unless otherwise stated	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-21
Net profit/(loss)	642,382	65,101	92,319	(838,766)	(882,954)
Adjusting items	(417,086)	261,701	903,157	1,739,230	1,739,230
Adjusted net profit/(loss)	225,296	326,802	995,476	900,464	856,276
Number of shares					
Ordinary	16,260,766	13,689,481	16,260,766	13,689,481	13,689,481
Dilutive	16,260,766	13,689,481	16,260,766	13,689,481	13,689,481
Earnings per share					
Basic	0.01	0.02	0.06	0.07	0.06
Diluted	0.01	0.02	0.06	0.07	0.06

Further information

For further information, please contact:

Henrik Molin, CEO: ir@physitrack.com, +44 208 133 9325

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

Financial calendar

Annual General Meeting

3 May 2023

Q1 report (1 Jan 2023 – 31 March 2023)

16 May 2023

Q2 report (1 April 2023 – 30 June 2023)

15 August 2023

Q3 report (1 July 2023 – 31 December 2023)

14 November 2023

Q4 report (1 October 2023 – 31 December 2023)

29 February 2024

Year-end report (1 January 2023 – 31 December 2023)

29 February 2024