

Physitrack acquires Wellnow, German nationwide virtual-first corporate health platform, to accelerate global growth and enhance product offering.

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

Physitrack Plc (publ), a global leader in the global virtual care space, has today completed the acquisition of Berlin-based 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.

Henrik Molin, Physitrack CEO and co-founder, comments:

"We are very pleased to welcome Wellnow to the Physitrack family. Wellnow has a passionate team in Germany with cutting-edge technology and expertise to enhance Physitrack's product range, especially in our virtual-first care business line 'Access' for prevention and corporate wellness. The German market is home to many large organisations who deeply care about the health of their workforce. I am highly confident in the abilities of Alex and Enno as extremely driven entrepreneurs to grow Wellnow's proven methodology nationally in Germany, and over time also into other regions in collaboration with our Rehabplus and Fysiotest subsidiaries. This deal embodies the ideal features of a strategic acquisition with substantial synergies in tech and business development that allow both companies to expand their addressable markets."

Alexander Freitag, Wellnow Managing Director and co-founder, comments:

"We are excited to join the Physitrack Group and to be a part of an innovative, global team with world-leading technology and expertise. We are passionate about making work environments healthier for employees, using a combination of technology and qualified, driven care professionals and Henrik and the Physitrack team very much share our vision."

Wellnow - the experts in corporate wellness and health solutions

Wellnow provides a services platform that conveniently links corporations with effective and professional digital and classic health solutions for their employees wherever it is needed - online, on-site at the office or at home.

Wellnow boasts a team of 20 passionate experts in-house consisting of psychologists, health economists, sports scientists, nutritionists and developers who are committed to promoting health and wellness for over 500 corporate customers throughout Germany. It also has a wider network of over 1,000 certified health practitioners to meet the diverse needs of the large German market.

Wellnow's revenue streams are highly repeating with a sticky customer-base ranging from SME's to large corporations such as Würth, Delivery Hero, Bain & Company as well as governmental institutions. Therefore, Wellnow's business model is highly compatible with a subscription-based model that provides SaaS-like revenue streams, in line with how Physitrack envisions it will operate across all business lines in the near-term.

Establishing a strong foothold in the German market

The acquisition of Wellnow is a financially accretive deal that allows Physitrack to enhance its SaaS and care offering, while also establishing a strong foothold for Physitrack in the German market. The acquisition enables Physitrack to accelerate the development of its new subscription-based wellness offering Access, which aims to deliver technology-centric holistic wellness and care service to SMEs, enterprises and private healthcare insurers in key geographies.

Enno Kuntze, Wellnow Managing Director and co-founder, comments: "Joining forces with Physitrack enables us to dominate the German corporate health market in the coming years and make use of the untapped potential in Europe's largest economy. Especially the new Access by Wellnow product will be a game changer for many companies, which will finally get back control of their corporate wellness and benefit offerings in the smartest possible way."

Physitrack will integrate and expand upon Wellnow's successful methodology and advanced and innovative technology for managing partner network care provision. Physitrack also expects to leverage off the talent and experience of the management team, including founders Alexander Freitag and Enno Kuntze and their proficient team of experts, as well as their network of over 1,000 certified health practitioners who are already well poised to deliver services in Germany and down the line in other geographies where Physitrack has presence with the Access product.

Financials and Purchase price

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

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

In line with Physitrack's communicated growth strategy, the acquisition will result in short term margin contractions, but over time, Wellnow 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.

Wellnow is acquired through the legal entity Wellnow Group GmbH, which is registered in Germany and the deal is financed with cash. Physitrack will pay a total cash consideration of EUR 2.5 million upfront for the acquisition, and a further potential aggregate earn-out consideration of EUR 9 million over four years subject to stretching growth targets in alignment with Physitrack's being achieved in that period.

For more information please see press release: <https://www.physitrackgroup.com/about/growth-strategy> and Physitrack's Prospectus released in connection with its IPO: <https://www.physitrackgroup.com/ipo/ipo>.

Regulatory approval

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

Enquiries regarding this announcement should be addressed to:

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About Physitrack Plc

Physitrack Plc, founded in 2012, is a global digital healthcare provider, mainly focused on the B2B physiotherapy and musculoskeletal care market. With staff on four continents, customers in 17 time zones, and patients 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 to physiotherapy and musculoskeletal care, encompassing 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.

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

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

About Wellnow

Wellnow Group GmbH (Wellnow) provides a platform that links corporations with digital and classic health services for their employees remotely or on-site, wherever it is needed.

The in-house team consists of 20 experts (psychologists, health economists, sports scientists, nutritionists and developers) who provide health and wellness services to over 500 companies all over Germany. There is also a wider network of over 1,000 certified health practitioners of various disciplines who can be called upon on-demand as needed.

The company offers both online and on-site sports and relaxation courses as well as on-site ergonomics coaching, digital health coaching and webinars.

Wellnow is a member of the Federal Association of Occupational Health Management. The company operates throughout the German region with headquarters in Berlin, Germany.

Learn more at <https://www.wellnow.de/>.

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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.

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 2022-02-23 17:50 CET.

Attachments

[Physitrack acquires Wellnow, German nationwide virtual-first corporate health platform, to accelerate global growth and enhance product offering.](#)