

Physitrack Plc (publ): Physitrack acquires Fysiotest, enhances product offering and expands addressable market

Physitrack will pay a total cash consideration of SEK 15.0 million upfront for the acquisition, and a further potential aggregate earn-out consideration of SEK 55.0 million over four years subject to stretching growth targets in alignment with Physitrack's being achieved in that period.

Physitrack Plc (publ), a global leader in the global virtual care space, has today completed the acquisition of Sweden-based Fysiotest Europa AB, a Nordic leader in modern occupational health care, physical testing and performance coaching. The acquisition accelerates the enhancement of its offering and boosts revenue streams by leveraging Fysiotest's proven formula at a global scale.

"We are delighted to welcome Fysiotest to the Physitrack group. Now we can further enhance our virtual-first care business line by boosting our expertise and technological edge for prevention and wellness. Fysiotest's uniquely successful methodology for preventative care allows us to take a significant commercial leap forward with employers, insurers and public healthcare providers, who will benefit from improved employee health, staff retention, as well as reduced costly absences", comments Henrik Molin, Physitrack CEO.

Fysiotest - a frontrunner in preventative modern health care

Fysiotest Europa AB focuses on preventative health care through optimised physical testing, training, dietary advice and coaching of workforces, at both an individual and organisational level. The company provides sports science-based experiences with personalised analysis through extensive health evaluations and blood testing, which enables coaching of the individual's needs while setting actionable goals.

"Following this deal we will have the best technology, methodology and in-house team to ensure we can optimise our offering for Physitrack's customers across the globe," continues Henrik Molin.

Fysiotest's founder, Sami Seppänen, is one of Sweden's most reputable elite athlete coaches, notably as the head coach of the Swedish national tennis team. Seppänen developed the company's evidence-based analysis and coaching methodology over decades of working with athletes to optimise their health and performance.

Fysiotest's revenue streams are highly repeating with a sticky customer-base. There is also scope to complement Fysiotest's business model with a subscription model that will provide SaaS-like revenue streams, in line with how Physitrack envisions it will operate across all business lines in the near-term.

"We are excited to join Physitrack and its group companies to be a part of the new and innovative dimension of modern health care. With Physitrack's unrivalled technology in combination with our expertise and unique approach to prevention, we will have the best methodology and team to optimise our offering in our existing markets while also setting the scene for delivering our unique customer experience across the globe," comments Sami Seppänen, Fysiotest founder and CEO.

Strengthening Nordic footprint and enhancing offering

The acquisition of Fysiotest is a financially accretive deal that allows Physitrack to enhance its care offering to include testing, assessments, analysis and coaching. It also allows Physitrack to leverage off the proven success of Fysiotest's Nordic offering on a global scale and expand its care offering in this very interesting region.

Physitrack will integrate the key methodology and processes from Fysiotest into its upcoming subscription-based care offering, which aims to deliver a technology-centric holistic wellness and care service to SMEs, enterprises and private healthcare insurers. This new offering will provide an additional route for Physitrack to monetise the potential of enhanced features brought by the deal. It also expects to leverage off the talent and experience of the management team, including Sami Seppänen and his team of expert occupational and physical therapists, to enhance Physitrack's patient engagement technology.

"Addressing prevailing gaps in virtual care and remote patient engagement opens up new avenues for growth and, because we are wrapping everything up into a holistic, turnkey, affordable and convenient digital SaaS solution, we expect to significantly expand our addressable market." adds Henrik Molin, Physitrack CEO.

Financials and Purchase price

In the twelve months ending December 31, 2021, Fysiotest is expected to record revenues of SEK 12.0 million, and Adjusted EBITDA of SEK 1.8 million or an EBITDA margin of 15 percent. At 31 December 2020, Fysiotest's gross assets were SEK 2.8 million. Initial one-off integration costs are estimated to reach around SEK 1.0 million over six months.

On a standalone basis, Fysiotest is expected to execute growth in line with the Group's communicated organic sales growth target of exceeding 30% annual growth in the medium term. Fysiotest 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, Fysiotest will benefit from cost synergies in leveraging Physitrack's superior technology, developers and global network of health practitioners, sales and support staff and targets a closer alignment with Physitrack Group's communicated EBITDA margin target of 40-45% within 3 years.

Fysiotest is acquired through the legal entity Fysiotest Europa AB, which is registered in Sweden and is financed with cash; Physitrack will pay a total cash consideration of SEK 15.0 million upfront for the acquisition, and a further potential aggregate earn-out consideration of SEK 55.0 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.

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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).

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

About Fysiotest

Fysiotest Europa AB focuses on preventative modern health care through optimised testing, training, dietary advice and coaching of workforces, at both an individual and organisational level. The company provides sports science-based wellness experiences with customised analysis through extensive health evaluations and blood testing, which enables coaching to be geared towards an individual's needs while setting actionable goals.

The outcome is a unique, holistic view of a company's health status, while also providing each employee with customised advice based on their specific conditions and desired goals. The company operates throughout the Nordic region with headquarters in Båstad, Sweden.

Learn more at <https://www.fysiotest.se/>.

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 not

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 2021-09-30 08:30 CEST.

Image Attachments

[Sami Seppänen And Henrik Molin](#)

Attachments

[Physitrack Plc \(publ\): Physitrack acquires Fysiotest, enhances product offering and expands addressable market](#)