



# Q1 2022 Financial Results

May 12, 2022





# Cautionary Statement Regarding Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address expected future business and financial performance and financial condition, which may include GAAP and non-GAAP financial measures, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "target," similar expressions, and variations or negatives of these words. In particular, this presentation includes an estimate of our full year 2022 revenue outlook as of May 12, 2022. Estimating financial performance accurately for future periods is difficult as it involves assumptions and internal estimates that may prove to be incorrect and is based on plans and circumstances that may change. There is therefore a significant risk that actual results could differ materially from the outlook we have provided in this presentation, and we have no obligation to update such outlook except as may be required under applicable law. Forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond our control and are not guarantees of future results, such as statements about the anticipated benefits of our recent transaction with Helix Technologies, Inc., future financial and operating results, company strategy and intended product offerings and market positioning. These and other forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those risks and uncertainties associated with: the impact of the COVID-19 pandemic on Forian's business, operations, strategy and goals; Forian's ability to execute on its strategy; and the additional risks and uncertainties set forth more fully under the caption "Risk Factors" in Forian's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the United States Securities and Exchange Commission ("SEC") on March 31, 2022, and elsewhere in Forian's filings and reports with the SEC. Forward-looking statements contained in this presentation are made as of the date hereof, and we undertake no duty to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law.

# Q1 2022 Financial Results



# Q1 2022 Results Summary

Q1 2022 Revenue  
of **\$6.4** million

**+76%** year-over-year  
on a Pro-Forma basis

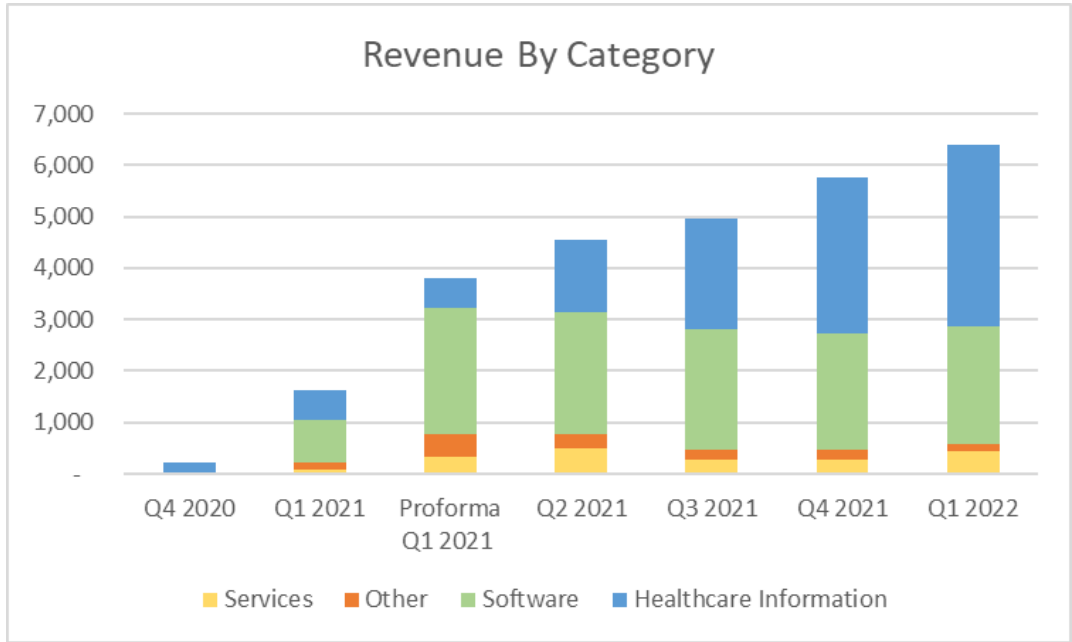
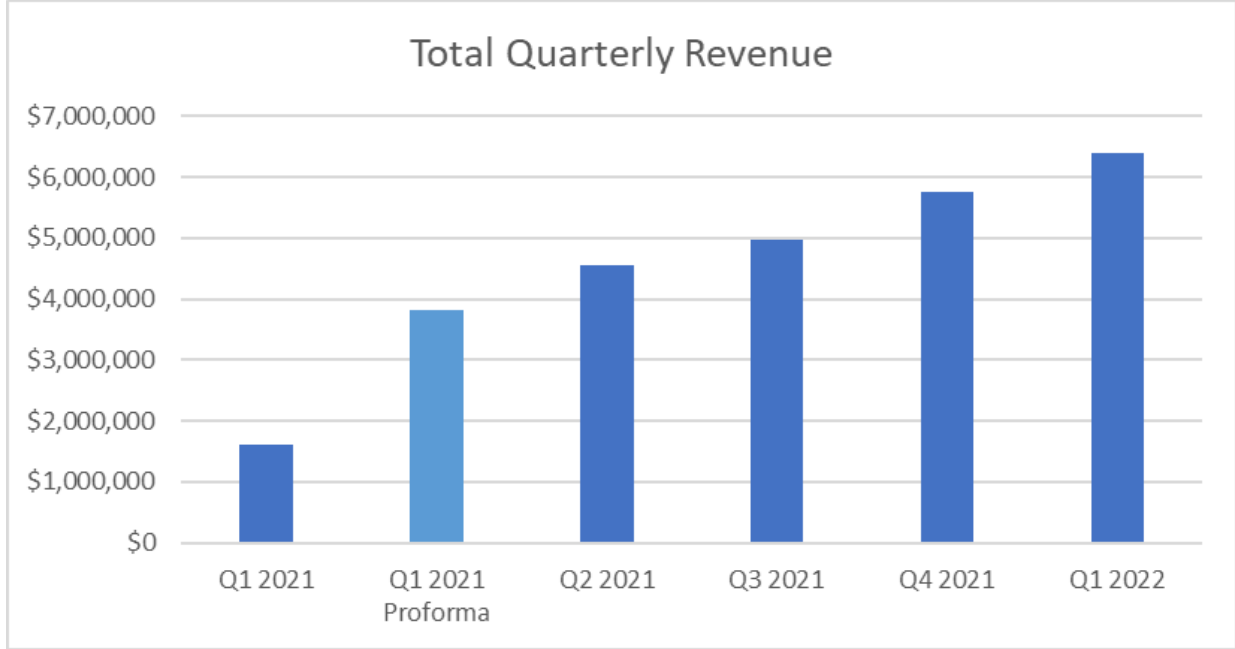
Q1 2022 Net Loss  
of **\$11.9** million (inclusive of \$5.6 million  
of separation expenses)

Q1 2022 Adjusted EBITDA<sup>1</sup> of  
**(\$3.4)** million

<sup>1</sup> Adjusted EBITDA is a non-U.S. GAAP measure. See slide 7 and Appendix A for further information, including a reconciliation of Adjusted EBITDA to Net Loss.



# Continued Revenue Growth



76% Q1 2022 revenue growth over prior year on a Pro-Forma basis

Revenue growth driven by Healthcare Information

Pro-Forma Revenue illustrates revenue adjusted to include the revenue earned by Helix Technologies during the periods prior to the merger.



# Revenue and Adjusted EBITDA

	QTR Ended March 31, (in 000's)			
	2022	2021	change	change %
<b>Revenue</b>	\$ 6,391	\$ 1,621	\$ 4,771	294%
<b>ProForma Revenue (1)</b>	\$ 6,391	\$ 3,630	\$ 2,762	76%
<b>Net Loss</b>	\$ (11,854)	\$ (4,516)	\$ (7,338)	
<b>Adjusted EBITDA (2)</b>	\$ (3,411)	\$ (2,855)	\$ (557)	

- Completed merger with Helix Technologies, Inc. on March 2, 2021, providing access to Helix's cannabis usage data as the number two player for point of sale and government compliance software
- Continued to organically grow revenue, 76% for the quarter, on a proforma basis, driven by information products
- Q1 2022 net loss includes \$5.6 million of separation expenses

1. Pro-Forma Revenue illustrates revenue adjusted to include the revenue earned by Helix Technologies during the periods prior to the merger.
2. Adjusted EBITDA is a non-U.S. GAAP measure. See slide 7 and Appendix A for further information, including a reconciliation of Adjusted EBITDA to Net Loss.

# Non-U.S. GAAP Reconciliations

## Reported Net Income to Adjusted EBITDA

\$000's	1Q 2022	YTD 2022	Explanation
<b>Net Income</b>	\$ (11,854)	\$ (4,516)	
<b>Adjustments</b>			
Depreciation & amortization	606	188	
Stock based compensation	7,905	864	
Change in fair value of warrant liability	(220)	(624)	GAAP required mark to market adjustments on liability classified warrants
Transaction related expenses	-	1,210	Expenses related to Helix merger
Interest	233	(1)	
Foreign currency related and other gains (losses)	(78)	24	Gain (Loss) on Currency transfer to foreign subsidiary
Gain on sale of security monitoring assets	(202)	-	Sale of Security Grade business- non-core
Severance expense	195	-	outsource
Provision for income taxes	5	-	
<b>Adjusted EBITDA</b>	\$ (3,411)	\$ (2,855)	

- Net loss includes \$7.9 million and \$0.9 million of stock compensation expense for the quarter ended March 31, 2022 and 2021, respectively
- Adjusted EBITDA reflects continued investment in product development, customer support and sales

1. Adjusted EBITDA is a non-U.S. GAAP measure. See Appendix A for further information.

# Summary Balance Sheet and Cash Flow

## Balance Sheet

<u>\$000's</u>	<u>31-Dec-21</u>
Cash & marketable securities	\$ 27,147
Other current assets	6,186
<b>Total current assets</b>	<b>33,333</b>
Property & equipment, net	2,387
Goodwill & intangibles	17,582
Other assets	1,120
LT assets	18,702
<b>Total assets</b>	<b>\$ 54,422</b>
Total current liabilities	8,176
Convertible note	\$ 24,472
Other LT liabilities	552
<b>Total LT liabilities</b>	<b>25,024</b>
Total equity	21,222
<b>Total liabilities &amp; equity</b>	<b>\$ 54,422</b>

## Cash Flows

<u>\$000's</u>	<u>31-Mar-22</u>
<b>CASH FLOWS FROM OPERATIONS</b>	
Net loss	\$ (11,854)
Depreciation & amortization	606
PIK interest-convertible note	210
Gain on sale of assets	(202)
FV of warrant liability	(220)
Stock based compensation	7,905
Other current assets	326
<b>Net cash from operations</b>	<b>(3,230)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Additions to property and equipment	(902)
Cash from sale of assets	226
Net change in marketable securities	9
<b>Net cash from investing activities</b>	<b>(668)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Note payable payment	(13)
Other	-
<b>Net cash from investing activities</b>	<b>(13)</b>
<b>Net Change in Cash</b>	<b>(3,910)</b>
Cash at beginning of period	18,664
<b>Cash at End of Period</b>	<b>14,753</b>
Marketable securities at end of period	12,393
<b>Cash and Marketable Securities at End of Period</b>	<b>\$ 27,147</b>

- Well capitalized to pursue growth plan with \$27.1 million cash and equivalents at March 31, 2022, and no debt maturities until September 2025
- Reflects merger with Helix Technologies Inc., effective March 2, 2021

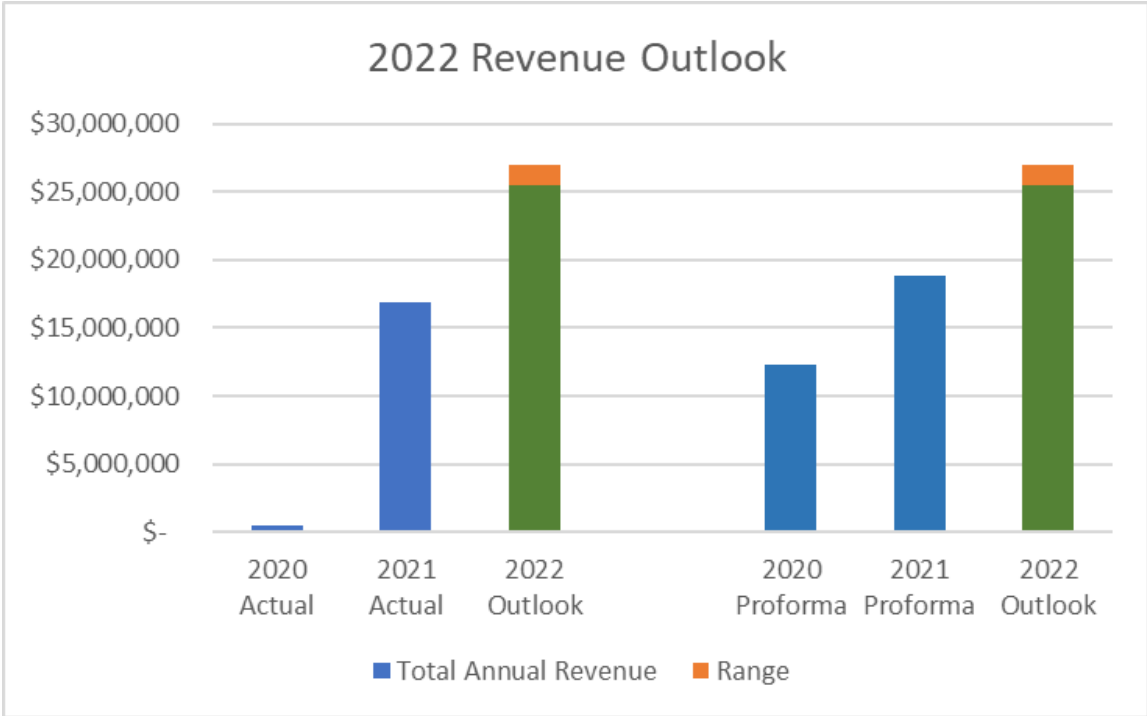




# Full Year 2022 Outlook

Revenue growth of 51% to 60% resulting in total revenue in the range of \$25.5 to \$27.0 million

Improvement in Adjusted EBITDA loss beginning in the second half of 2022 reaching positive Adjusted EBITDA contribution in the second half of 2023



*The outlook provided above constitutes forward-looking information within the meaning of applicable securities laws and is based on a number of assumptions and subject to a number of risks. See slide 2.*

1. Adjusted EBITDA is a non-U.S. GAAP measure. See slide 7 and Appendix A for further information.



# Q&A

# Appendix A



# Reconciliation of U.S. GAAP to Non-GAAP Financial Measures

This presentation includes a non-GAAP measure, which we define as financial information that has not been prepared in accordance with U.S. GAAP. The non-U.S. GAAP financial measure provided herein is earnings before interest, taxes, non-cash and other items (“**Adjusted EBITDA**”), which should be viewed as supplemental to, and not as an alternative for, net income or loss calculated in accordance with U.S. GAAP (referred to below as “**Net loss**”).

Adjusted EBITDA is used by our management as an additional measure of our Company’s performance for purposes of business decision-making, including developing budgets, managing expenditures and evaluating potential acquisitions or divestitures. Period-to-period comparisons of Adjusted EBITDA help our management identify additional trends in our Company’s financial results that may not be shown solely by period-to-period comparisons of net income. In addition, we may use Adjusted EBITDA in the incentive compensation programs applicable to some of our employees in order to evaluate our Company’s performance. Our management recognizes that Adjusted EBITDA has inherent limitations because of the excluded items, particularly those items that are recurring in nature. In order to compensate for those limitations, management also reviews the specific items that are excluded from Adjusted EBITDA, but included in net income, as well as trends in those items.

We believe that the presentation of Adjusted EBITDA is useful to investors in their analysis of our results for reasons similar to the reasons why our management finds it useful and because it helps facilitate investor understanding of decisions made by management in light of the performance metrics used in making those decisions. In addition, we believe that providing Adjusted EBITDA, together with a reconciliation of Net loss to Adjusted EBITDA, helps investors make comparisons between our Company and other companies that may have different capital structures, different effective income tax rates and tax attributes, different capitalized asset values and/or different forms of employee compensation. However, Adjusted EBITDA is not intended as a substitute for comparisons based on Net loss. In making any comparisons to other companies, investors need to be aware that companies use different non-GAAP measures to evaluate their financial performance. Investors should pay close attention to the specific definition being used and to the reconciliation between such measures and the corresponding U.S. GAAP measures provided by each company under applicable SEC rules.

Non-U.S. GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP. We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure to evaluate our business and to view our non-GAAP financial measures in conjunction with the most directly comparable U.S. GAAP financial measures.

The logo for Forian, featuring a stylized 'F' followed by a circular icon composed of three concentric, slightly offset lines, and then the word 'RIAN' in a clean, sans-serif font.

FORIAN