

## Carasent Reports Fourth Quarter and Full Year 2020 Results

**Oslo, Norway – February 16, 2021** – Carasent ASA® (OSE: CARA), announced its unaudited financial results for the Fourth quarter and twelve months ended December 31, 2020.

### **Interim Management Report**

The fourth quarter started strongly with continued recovery and normalization of the situation caused by the pandemic. In November, however, the spread of the virus increased again, with stricter social restrictions and economic uncertainty as a result. The restrictions had, as in the spring, a certain negative effect on Evimeria, especially in terms of deferred sales processes regarding larger potential customers.

In December, Carasent ASA acquired the Norwegian company Avans Soma Holding AS, developer of leading medical record systems and IT solutions in the Norwegian health care market. For the last 15 years, Avans Soma has been, and is still, characterized by a large loyal customer base as well as a stable market share growth. Both these factors will facilitate Carasent's access to the Norwegian health care market.

*Overview of Fourth Quarter 2020 results for Evimeria EMR AB (in SEK and IFRS).*

- Revenue of SEK 19.3 million, an increase of 31 % as compared to Q4 2019.
- EBITDA of SEK 7.7 million as compared to SEK 5.8 million during Q4 2019.
- EBIT of SEK 5.7 million as compared to SEK 4.5 million during Q4 2019.
- Signed 25 new clinics during the fourth Quarter 2020. Ended the fourth Quarter with 495 active clinics.

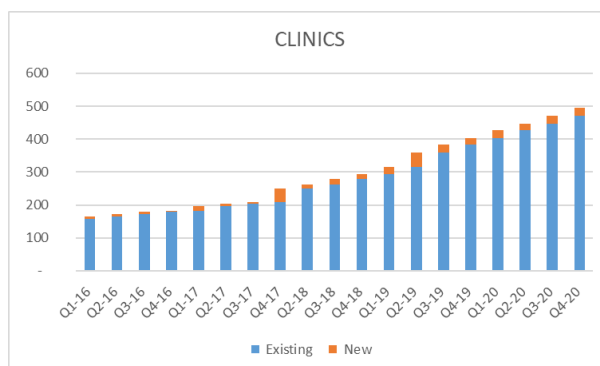
*Overview of Fourth Quarter 2020 consolidated results for Carasent ASA (in NOK and IFRS).*

- Revenues of NOK 20.3 million as compared to NOK 14.1 million during Q4 2019.
- Including expenses for changes in fair value of previously issued stock options of NOK 17.5 million in Q4 2020 and acquisition related costs for Avans Soma of NOK 7.3 MNOK the result was a net loss of NOK 21.9 million as compared to a net income of NOK 0.4 million during Q4 2019
- Cash balances of NOK 221.2 million on December 31, 2020

## Key Highlights of Fourth Quarter 2020 Evimeria EMR AB

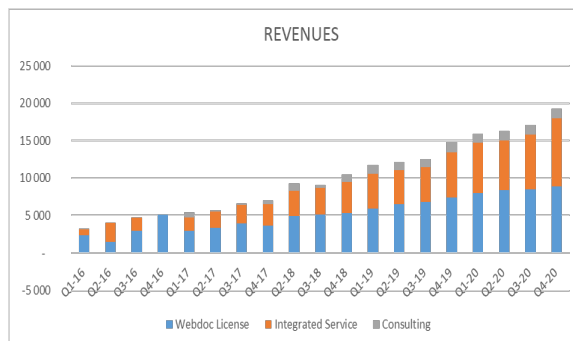
Sales to smaller individual clinics continues to progress according to plan, and during the fourth quarter, 25 new clinics were signed. However, the larger customer group segment is not yet back to normal levels.

**Signed 25 new clinics during the fourth quarter. Ended the fourth quarter with 495 active clinics**



Like previous quarters during the year, the effects of the pandemic have had both positive and negative impact on Evimeria. The positive perspective shows a continuing growing demand for faster digitization and need for new e-Health services. The negative shows a still somewhat reduced activity in customers' operations, primarily linked to "non-emergency" care with treatments and surgeries that have been postponed due to the pandemic.

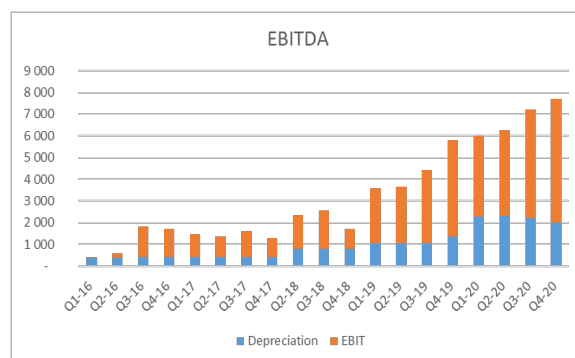
**Revenue of SEK 19.3 million, an increase of 31 % as compared to fourth quarter 2019**



Evimeria EMR AB, IFRS adjusted in SEK

We continue to follow government recommendations. In order to protect our employees, maintain production as well as development and ensure continuous customer service, employees have primarily worked from home during the period. We have managed to accomplish this without any negative effects. It is expected that employees, to a large extent, will continue to work from home during the first quarters of 2021. This due to renewed recommendations.

**EBITDA of SEK 7.7 million as compared to SEK 5.8 million during fourth quarter 2019**



Evimeria EMR AB, IFRS adjusted in SEK

The scalability of the business and delivery model continues to increase earnings, according to plan.

EVIMERIA IFRS ADJUSTED SEK 1,000	Q4 2019	Q4 2020	2 019	2 020
Webdoc license	7 380	8 914	26 716	33 869
Integrated Services	6 108	9 032	19 875	29 716
Consulting	1 323	1 320	4 718	5 034
Other	0	63	75	256
<b>REVENUES</b>	<b>14 810</b>	<b>19 329</b>	<b>51 385</b>	<b>68 875</b>
Growth%		30,5%		34,0%
COGS	2 644	3 949	9 388	13 462
<b>GROSS MARGIN</b>	<b>12 166</b>	<b>15 379</b>	<b>41 997</b>	<b>55 412</b>
GM %	82,1%	79,6%	81,7%	80,5%
OPEX	6 366	7 692	24 579	28 246
<b>EBITDA</b>	<b>5 800</b>	<b>7 688</b>	<b>17 418</b>	<b>27 166</b>
EBITDA%	39,2%	39,8%	33,9%	39,4%
D&A	1 347	2 005	4 443	8 790
<b>EBIT</b>	<b>4 452</b>	<b>5 683</b>	<b>12 975</b>	<b>18 376</b>
EBIT%	30,1%	29,4%	25,2%	26,7%

## Acquisition of Avans Soma

The acquisition of Avans Soma and their products for the social care and mental illness rehabilitation sector, result in a broadened product portfolio and the new collaboration enable an intensification of Avans Soma's shift towards SaaS-based services. This gives strong organic growth opportunities, both from winning new clients and from the existing 140 customers.

Avans Soma's revenues and EBITDA was approximately NOK 24 million and NOK 6 million as per LTM Sep-2020, with an annually recurring revenue ("ARR") of approximately NOK 21 million.

The agreed purchase price was NOK 122.5 million, corresponding to an enterprise value of NOK 125 million less Avans Soma's consolidated net debt position of NOK 2.5 million.

The transaction purchase price was settled as follows:

- 50% of the Purchase Price in cash upon closing,
- 50% of the Purchase Price as a seller's credit, later converted to shares in Carasent valued at a price of NOK 27.7 per share.

The majority shareholder of Avans Soma, Norwegian family office Rieber & Søn, has become a large shareholder in Carasent with approximately 2% of the outstanding shares following the transaction. All selling shareholders have entered into a lock-up agreement of 15 months following the Share Settlement.

## **Outlook**

Overall, the short-term effects of the pandemic have been relatively limited during 2020. We have seen some reduced activity of non-emergency care among the existing customer base, in addition to delayed sales processes when it comes to potential larger customers. We expect this to normalize during the second half of 2021.

Perhaps more important are the long-term effects. We strongly believe, and see signs of, the pandemic as a strong catalyst for accelerated digitalization in the healthcare sector.

Despite some continued uncertainty due to the pandemic, we still believe that the market and demand in general will continue to be strong for Evimeria and Avans Soma and that our customer base, measured in number of clinics, will grow in the 25-30% range during 2021.

Furthermore, we expect revenue growth in the 35% range for Carasent (Evimeria and Avans Soma) and EBITDA margins in the 40% range for the operational entities.

In addition to a strong organic development, we also aim to add substantial growth through acquisitions that fit into our strategy.

## **Financial Results – Fourth Quarter 2020**

Revenue for the fourth quarter of 2020 totaled NOK 20.3 million as compared 14.1 million during the fourth quarter 2019. For 2020 the revenue ended at NOK 70.6 million compared to NOK 47.9 million in 2019. All revenues are related to Evimeria.

Operating expenses for the fourth quarter of 2020 totaled NOK 18.5 million as compared NOK 8.8 million during the fourth quarter of 2019. Operating expenses excludes cost of sales and amortizations. The operating expenses relates to three different areas.

- NOK 10.2 million of the operating expenses for the Fourth quarter of 2020 relates to Evimeria EMR AB.
- NOK 1.0 million consists of professional fees (legal, accounting and consulting) along with public Company costs such as stock exchange registration, insurance and board remuneration fees.
- NOK 7.3 million related to acquisitions costs of Avans Soma.

Operating loss for the fourth quarter of 2020 totaled NOK 3.4 million as compared to an operating income of NOK 2.0 million during the fourth quarter of 2019. For the full year 2020 the operating income ended at NOK 3.4 million compared to NOK 4.4 million in 2019.

Net loss for the fourth quarter of 2020 totaled NOK 21.9 million (including stock option expense of NOK 17.5 million) as compared to a net income of NOK 0.4 million during the fourth quarter of 2019. Net loss for 2020 totaled NOK 36.7 million (including stock option expense of NOK 37.0 million) as compared to net income of NOK 3.2 million in 2019.

Carasent ended the fourth quarter of 2020 with NOK 221.1 million of available cash.

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## **Financial Statements – Basis for Preparation**

The enclosed consolidated condensed financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting Standards (IFRS).

Carasent ASA acquired the Norwegian company Avans Soma Holding AS at 10 December 2020. Avans Soma AS. The balance sheet is consolidated per December 31 2020 while the December P/L effects have been assessed as immaterial and thus excluded.

## CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		12 Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>(Amounts in NOK 1,000)</b>				
<b>Operating Revenues</b>				
Revenues	20 253	14 094	70 576	47 927
<b>Total Operating Revenues</b>	<b>20 253</b>	<b>14 094</b>	<b>70 576</b>	<b>47 927</b>
<b>Cost of Sales</b>				
Direct Costs of Revenues	4 138	2 505	13 789	8 745
<b>Total Cost of Sales</b>	<b>4 138</b>	<b>2 505</b>	<b>13 789</b>	<b>8 745</b>
<b>Gross Profit</b>	<b>16 115</b>	<b>11 589</b>	<b>56 786</b>	<b>39 182</b>
<b>Operating Expenses</b>				
Employee Compensation and Benefits	6 309	4 659	21 895	17 622
Other Operational and Administrative Costs	10 167	2 828	18 835	9 737
Depreciation and Amortization	3 013	2 105	12 629	7 386
<b>Total Operating Expenses</b>	<b>19 489</b>	<b>9 591</b>	<b>53 359</b>	<b>34 745</b>
<b>Operating Income (loss)</b>	<b>(3 375)</b>	<b>1 998</b>	<b>3 427</b>	<b>4 437</b>
<b>Other Expense</b>				
Interest Expense	(162)	(108)	(687)	(217)
Other Financial Items	(17 499)	-	(36 972)	(28)
<b>Total Other Expense</b>	<b>(17 661)</b>	<b>(108)</b>	<b>(37 658)</b>	<b>(246)</b>
<b>Income (loss) Before Income Taxes</b>	<b>(21 036)</b>	<b>1 890</b>	<b>(34 232)</b>	<b>4 191</b>
Income Tax Expense	(910)	(1 535)	(2 459)	(979)
<b>Net Income (loss) for the Period</b>	<b>(21 946)</b>	<b>355</b>	<b>(36 691)</b>	<b>3 212</b>
<b>Attributable to Equity Holders of Parent</b>	<b>(21 946)</b>	<b>355</b>	<b>(36 691)</b>	<b>3 212</b>
<b>Earnings Per Share:</b>	<b>-0,48894</b>	<b>0,00872</b>	<b>-0,81746</b>	<b>0,07905</b>
	<b>-0,48894</b>	<b>0,00872</b>	<b>-0,81746</b>	<b>0,07905</b>
<b>Weighted Average Common Shares Outstanding</b>	<b>44 884 491</b>	<b>40 633 822</b>	<b>44 884 491</b>	<b>40 633 822</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK 1,000)	Three Months Ended		12 Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Net Income for the Period</b>	(21 946)	355	(36 691)	3 212
Changes in translation differences	(376)	(287)	10 536	(6 001)
<b>Items that may be Reclassified Subsequently to Income Statement</b>	(376)	(287)	10 536	(6 001)
<b>Items that will not be to Income Statement</b>	-	-	-	-
<b>Total Other Comprehensive Income/(Loss) for the Period</b>	(376)	(287)	10 536	(6 001)
<b>Total Comprehensive Income/(Loss) for the Period</b>	(22 321)	68	(26 155)	(2 788)
<b>Attributed to Equity Holders of Parent</b>	(22 321)	68	(26 155)	(2 788)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 31, 2020	December 31, 2019
<b>(Amounts in NOK 1,000)</b>		
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Customer Relationships	29 309	19 429
Goodwill	173 281	58 813
Technology	49 131	21 147
<b>Total Intangible Assets, net</b>	<b>251 721</b>	<b>99 389</b>
Tools and Equipment	1 255	1 090
Right of use Asset	15 917	16 561
<b>Total Tangible assets</b>	<b>17 172</b>	<b>17 651</b>
<b>Total Non-Current Assets</b>	<b>268 892</b>	<b>117 040</b>
<b>Current Assets</b>		
Customer Receivables	14 992	7 667
Other Receivables	1 295	464
Prepaid Expenses	2 195	562
Cash and Cash Equivalents	221 155	10 928
<b>Total Current Assets</b>	<b>239 638</b>	<b>19 620</b>
<b>TOTAL ASSETS</b>	<b>508 530</b>	<b>136 660</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
<b>Equity Attributed to Equity Holders of the Parent</b>		
Share Capital	73 307	54 124
Other Paid-in Capital	354 629	35 819
Other reserves	9 655	(1 207)
Retained Earnings	(35 177)	1 841
<b>Total Shareholders Equity</b>	<b>402 414</b>	<b>90 577</b>
Liabilities to credit institutions		1 134
Lease liability	12 763	14 152
Liability Stock Option Program	39 740	2 780
Deferred tax liability	8 534	7 008
<b>Total non-current liabilities</b>	<b>61 037</b>	<b>25 074</b>
<b>Current Liabilities</b>		
Trade Accounts Payable	8 796	1 917
Accrued Expenses and Prepaid Income	14 844	7 396
Contract liability	6 930	5 270
Tax Payable	-	1 146
Current Liabilities to credit institutions	943	851
Current lease liability	4 803	2 607
Other Current Liabilities	8 763	1 823
<b>Total Current Liabilities</b>	<b>45 079</b>	<b>21 010</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>508 530</b>	<b>136 660</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>12 Months Ended</b>	
	<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>(Amounts in NOK 1,000)</b>		
<b>Cash Flows from Operating Activities</b>		
Profit/(Loss) Before Tax	(34 232)	4 191
Depreciation and Amortization	12 629	7 386
Net financial items	687	-
Fair value adjustments stock options	36 960	-
Change in Accounts Receivable	(830)	722
Change in Accounts Payable	1 148	(1 320)
Change in Current Assets & Liabilities	4 560	2 317
Income tax paid	(2 162)	(960)
<b>Net Cash Flows Provided by Operating Activities</b>	<b>18 761</b>	<b>12 335</b>
<b>Cash Flows from Investing Activities</b>		
Acquisitions of company, net of cash paid	(59 993)	(30)
Investments in intangible and tangible assets	(16 132)	(10 735)
<b>Cash Flows Used in Investing Activities</b>	<b>(76 125)</b>	<b>(10 765)</b>
<b>Cash Flows from Financing Activities</b>		
Issuance of shares	286 468	-
Transaction cost related to issuance of shares	(13 927)	-
Stock Option Program	-	2 780
Payment Lease Liability	(2 302)	(797)
Repayment of Debt	(1 234)	(1 117)
Net paid interest	(687)	(290)
<b>Cash Flows Used in Financing Activities</b>	<b>268 318</b>	<b>575</b>
<b>Effect of Exchange Rates on Cash and Cash Equivalents</b>	<b>(726)</b>	<b>10</b>
Net Change in Cash and Cash Equivalents	210 228	2 155
Cash and Cash Equivalents at Beginning of Period	10 928	8 773
<b>Cash and Cash Equivalents at End of Period</b>	<b>221 156</b>	<b>10 928</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share Premium Reserve	Translation difference reserve	Retained Earning	Total Equity
<b>(Amounts in NOK 1000)</b>					
<b>Equity December 31, 2018</b>	<b>54 124</b>	<b>35 819</b>	<b>2 860</b>	<b>(1 369)</b>	<b>91 432</b>
Net Income for the Period	-	-	-	3 212	3 212
Change in translation differences	-	-	(4 067)	0	(4 067)
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>(4 067)</b>	<b>3 212</b>	<b>(855)</b>
<b>Equity December 31, 2019</b>	<b>54 124</b>	<b>35 819</b>	<b>(1 207)</b>	<b>1 843</b>	<b>90 577</b>
Net Income for the Period	-	-	-	(36 691)	(36 691)
Change in translation differences	-	-	10 536	-	10 536
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>10 536</b>	<b>(36 691)</b>	<b>(26 155)</b>
Share issuance	19 183	332 737	-	-	351 920
Transaction costs	-	(13 927)	-	-	(13 927)
<b>Equity December 31, 2020</b>	<b>73 307</b>	<b>354 628,400</b>	<b>9 329</b>	<b>(34 848)</b>	<b>402 414</b>

## **Note 1 – General information**

Carasent ASA (“Carasent”, the “Company” or the “Group”) is a public Company registered in Norway and traded on the Oslo Stock Exchange with a registered business address at c/o Advokatsenteret Kristian Augusts gate 14, Oslo, Norway.

The interim consolidated financial statements for the fourth quarter and year end of 2020 were approved by the Board of Directors for publication on February 15, 2021. The interim financial information is unaudited.

The condensed consolidated financial statements comprise of Carasent ASA and its subsidiaries Evimeria EMR AB and newly acquired Avans Soma Holding AS. The interim financial statements are prepared in accordance with the International Accounting Standard (IAS) 34. The interim consolidated financial information does not include all information and disclosure required in the consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

The accounting policies applied by Carasent in these interim financial statements are consistent with those of the financial year 2019. The presentation currency is NOK (Norwegian Krone). All financial information is presented in NOK thousands, unless otherwise stated.

## **Note 2 – Acquisition of Avans Soma Holding AS**

Carasent ASA acquired the Norwegian company Avans Soma Holding AS at 10 December 2020. Avans Soma AS is a developer of leading medical record systems and IT solutions in the Norwegian health care market.

The consideration was NOK 126.7 million, of which NOK 61.3 million was settled in cash and the remaining in issuance of 2.211.191 shares to the previous owner of Avans Soma AS. The shares were issued 10 December 2020 at a stock price of NOK 29.6.

### *Preliminary purchase price allocation - assets acquired and liabilities assumed*

The amounts recognized at the date of acquisitions in respect of identifiable assets acquired and liabilities assumed are set out in the table below:

<b>(Amounts in NOK 1,000)</b>	<b>Avans Soma</b>
<b>Purchase consideration</b>	
Cash consideration	61 250
Ordinary shares issued	65 450
<b>Total purchase consideration</b>	<b>126 700</b>
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Technology	15 505
Customer relationship	9 938
Tangible assets	56
Right of use assets	1 349
Customer Receivables	31 440
Cash and cash equivalents	1 257
Deferred tax liability	(1 349)
Lease liability	(327)
Trade payables and other current liabilities	(31 398)
Net other assets and liabilities	(7 878)
<b>Total net identifiable assets acquired at fair value</b>	<b>18 592</b>
Consideration	126 700
<b>Goodwill</b>	<b>108 108</b>
<hr/>	
<b>Net cash outflow arising on acquisition</b>	
Cash consideration	61 250
<i>Less:</i>	
Cash and cash equivalent balances acquired	(1 257)
<b>Net cash outflow arising on acquisition</b>	<b>59 993</b>

Goodwill from the acquisition of Avans Soma Holding AS represents expected synergies in the Group and has not been allocated to a cash generating at time at of issuance of these quarterly financial statements.

Acquisition costs of NOK 5.8 million arose as a result of the transactions. These have been recognized as part of other operating expenses in the statement of statement of profit or loss.

If the acquisitions of Avans Soma AS had occurred on 1 January 2020, the revenue for the Group would have been NOK 92.0 million and the Group's loss would have been NOK 37 million.

### Note 3 – Revenue and Segment Information

The Company has assessed its internal organizational structure, internal reporting system and geographical business units, and concluded that it does not have any reportable segments that should be reported separately.

All revenues are related to Evimeria EMR AB through Webdoc related services to customers in Sweden.

The following table summarizes the components of the Company's revenue to customers.

<b>(Amounts in NOK 1000)</b>	<b>3 Months Ended</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2020</b>	<b>2020</b>	<b>2019</b>
Webdoc License	9 340	34 687	24 919
Addon services	10 913	35 889	23 008
<b>Total Revenues</b>	<b>20 253</b>	<b>70 576</b>	<b>47 927</b>

The Webdoc License is invoiced to customers quarterly in advance. The following table summarizes the contract liability.

<b>(Amounts in NOK 1000)</b>	<b>Liability</b>
Invoiced in 2019	26 709
Revenue recognized in 2019	25 346
<b>Balance December 31, 2019</b>	<b>5 270</b>
Invoiced in 2020	26 601
Revenue recognized in 2020	25 346
<b>Balance December 31, 2020</b>	<b>6 524</b>

#### **Note 4 - Expenses for changes in fair value of previously issued stock options**

A stock option program was implemented in Q4 2019. The options are structured as warrants based on market value and have a strike of price of 150 %. The option program is for 2 million new shares.

When exercised, the Board has the right to pay the option holder cash instead of issue shares. A financial liability is recognized based on the estimated fair value of the issued stock options. Changes in fair value is expensed as a financial item.

The estimated fair value of the stock option when issued was NOK 1.39. As at 31 December 2020 the fair value of the stock option was estimated to NOK 19.87. Based on the 2 million options issued, the change in fair value resulted in NOK 37.0 million expense in 2020 (NOK 17.5 in the fourth quarter).

#### **Note 5 – Equity issuance**

In relation to the acquisition of Avans Soma Holding AS (see note 2) where 50 % of the consideration is agreed to be new shares in Carasent ASA, 2.211.191 new shares were issued which was valued at NOK 29,6 per share. The share capital is increased by NOK 2.945.306,41 to NOK 73.306.831,70.

Following this the share capital is NOK 73.306.831,70 divided into 55.035.159 shares at par value NOK 1,332. The share premium is NOK 354,628,800.

## **About Carasent**

Founded in 1997, Carasent ASA was previously the parent company of Apptix, Inc. After successfully divesting its US operations, Carasent withdrew from the US market in 2017. In May 2018 Carasent acquired the Swedish Company Evimeria EMR AB, a company providing cloud-based medical record services to the health care industry. The Company's strategy is to continue to develop and expand digital solutions that helps customers to meet challenges in providing efficient and qualitative health care services. For more information, visit [carasent.com](https://www.carasent.com)

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