



CARASENT



Q1 2023

Interim Report

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Carasent

at a glance

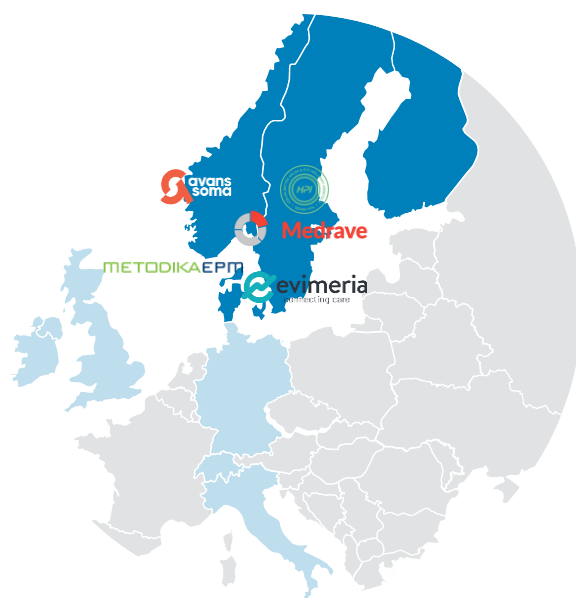
60 MNOK
Revenue
Q1 2023

219 MNOK
ARR
March 2023

8%
Adj. EBITDA Margin
Q1 2023

34%
YoY Revenue
growth Q1 2023

683 MNOK
Cash balance



Carasent delivers cloud based EHR solutions, with Webdoc as the leading platform, and a broad ecosystem of platform services, including solutions for patient communication and business intelligence. Since 2020 five acquisitions have been completed, adding new products to our portfolio, including the EHR solutions Metodika, Ad Curis and Ad Opus, the business intelligence software Medrave and occupational care platform HPI. This provides customers with a full service offering within our systems.

Our ecosystem of solutions makes Carasent unique. Bringing together what were previously individual products, geographic markets and people, enables us to extract several synergies between our entities. At the same time, Carasent becomes a one-stop shop for clinics and can cover all needs. We believe in innovation that offers a new kind of accessibility and availability for patients and practices.

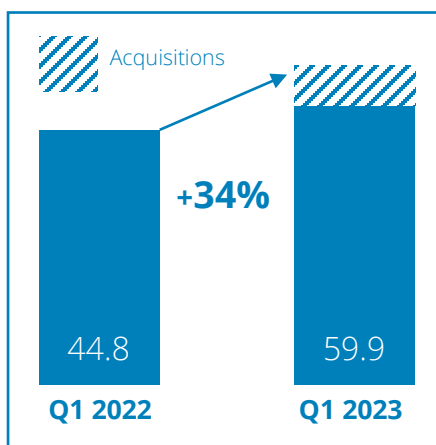
Carasent is on a very exciting journey within the e-health sector, and our ambition is to continue to expand our business both organically and through acquisitions. Our growth strategy is built on expanding our business through three main dimensions: new products and services, new customer segments and new geographic areas.

Q1 Highlights

Financials

Revenue

MNOK



Revenue up 33.8% to NOK 59.9 million. Acquisitions in the last twelve months accounted for NOK 6.9 million, 45.4% of the increase.

Organic growth

16%

Organic YoY revenue growth of 16% in Q1, with constant currency rates

13%

Organic YoY recurring revenue growth of 13% in Q1, with constant currency rates

Margins

8%

Adjusted EBITDA of NOK 4.9 million and margin of 8% in Q1 2023

-11%

Adjusted EBIT of NOK -6.6 million and margin of -11% in Q1 2023

Events after Q1

1

Change of focus. Carasent concluded that a larger and more attractive market can be reached with less investment by developing Webdoc for new segments in Sweden instead of continuing development of Webdoc for Norway. This will result in a write-off of intangible assets of about NOK 40 million in Q2 2023.

2

Cost savings. A cost savings program was initiated with total savings expected to amount to NOK 35-40 million on a yearly basis.

Letter

to our shareholders

During the quarter we have continued to develop our structures. We need to maximize the value created from our excellent basis, with leading products in a growing non-cyclical market. We have worked on the organizational structure, cost structure and product strategy in Q1.

In order to minimize complexity and improve efficiency, we have set a structure in which the head of each product have high levels of autonomy and responsibility to run their part of the business. We have chosen a few important areas in which to drive synergies including sales, regulatory and technological knowledge. Especially within sales we aim to develop our processes, where we today only work inbound within all parts of our business.

Financially, we delivered an organic revenue growth of 16% in Q1. We had grown very rapidly in both size and complexity the last years which had led to costs being too high and an inefficient organization. We have therefore, after the end of Q1, implemented a cost savings program. This is expected to save NOK 35-40 million on a yearly basis and most savings will be realised by the end of Q2. We expect one-time expenses related to the cost savings program of approximately NOK 4 million in Q2. I expect that our development capacity, over time, will increase after these measures together with the reduced organizational complexity. Also after these changes we continue to invest heavily in the future in all our products, and our operations are in most areas scaled to manage much larger volumes.

Our strategic review has concluded that it is better to focus Webdoc on new segments in Sweden. There are numerous expansion opportunities and a strong focus on the most attractive will increase likelihood of success. We therefore have to choose. With 12 months of development we can reach a larger TAM in Sweden than what 36 months of further development of Webdoc for Norway would give us. In addition we will show our present customers that we are here for them and we can utilize the operations which are already up and running. It will also free up capacity to build further functionality to win more customers in Sweden where we still only have 8% market share. New markets are better addressed by Webdoc X which is built with multiple markets in mind. This was not the case with Webdoc which made it very difficult to adopt the software for Norway.

With most structures now in place the focus moves to constant improvements. The key is to always know how you're doing on key metrics, in our case these are for example financial outcomes, customer satisfaction, new leads, conversions, efficiency in development, bugs and downtime. We will now work with these in a consistent manner with clear responsibilities in order to continuously improve. When we're successful in this we will see growing sales, pricing power and cost efficiency. Strategically we are deep diving into possible acquisitions and market entry strategies for Webdoc X.

Daniel Öhman
CEO

Key Figures

| NOK million | Q1 2023 | Q1 2022 | FY 2022 | FY 2021 | FY 2020 |
|------------------------------|------------|------------|------------|------------|------------|
| Revenue | 59.9 | 44.8 | 195.3 | 137.1 | 70.6 |
| Adjusted EBITDA ¹ | 4.9 | 13.8 | 46.3 | 45.5 | 23.3 |
| Adj. EBITDA margin | 8.1% | 30.7% | 23.7% | 33.2% | 33.0% |
| Adjusted EBIT ¹ | -6.6 | 7.7 | 18.9 | 26.1 | 14.3 |
| Adj. EBIT margin | -11.0% | 17.1% | 9.7% | 19.1% | 20.3% |

Growth Metrics

Total revenues grew by 34% in Q1

We grew total revenues to NOK 59.9 (44.8) million in Q1 2023, up 34% from Q1 last year. Acquisitions accounted for NOK 6.9 million, 45% of the increase.

Organic growth year-over-year (YoY) amounted to 16%² in Q1 2023 boosted by high growth in consulting revenues. The organic growth in recurring revenues was 13%, driven by net retention rates¹ of 107% and growth from new customers of 6%. The new customer growth has been adversely affected by lower new sales activity in our core markets during 2021 and 2022, particularly related to larger clinics and customers.

Currency differences affected revenues positively with NOK 1.7 million compared to Q1 2022. The average SEK/NOK currency exchange rate was 0.98 in Q1 2023 vs. 0.95 in Q1 2022.

| NOK million | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Webdoc EHR | 14.4 | 13.8 | 13.1 | 11.9 | 11.3 |
| Other EHR | 11.7 | 11.7 | 11.3 | 11.2 | 10.9 |
| Platform Services | 27.7 | 23.4 | 18.6 | 19.0 | 19.1 |
| Consulting & Other | 6.1 | 7.6 | 4.4 | 4.5 | 3.5 |
| Total revenue | 59.9 | 56.5 | 47.4 | 46.5 | 44.8 |

We grew our recurring revenues – Webdoc EHR, other EHR and Platform Services – by 30%, reaching NOK 53.8 million in Q1 2023 compared to NOK 41.3 million the same quarter last year.

Webdoc EHR revenues grew 28% YoY to NOK 14.4 (11.3) million in Q1. The YoY growth figures are partly driven by a shift in revenue model for certain existing customers from variable add-on services to EHR license revenues. Adjusted for this and currency effects the growth was 16%¹ YoY for Webdoc EHR in Q1.

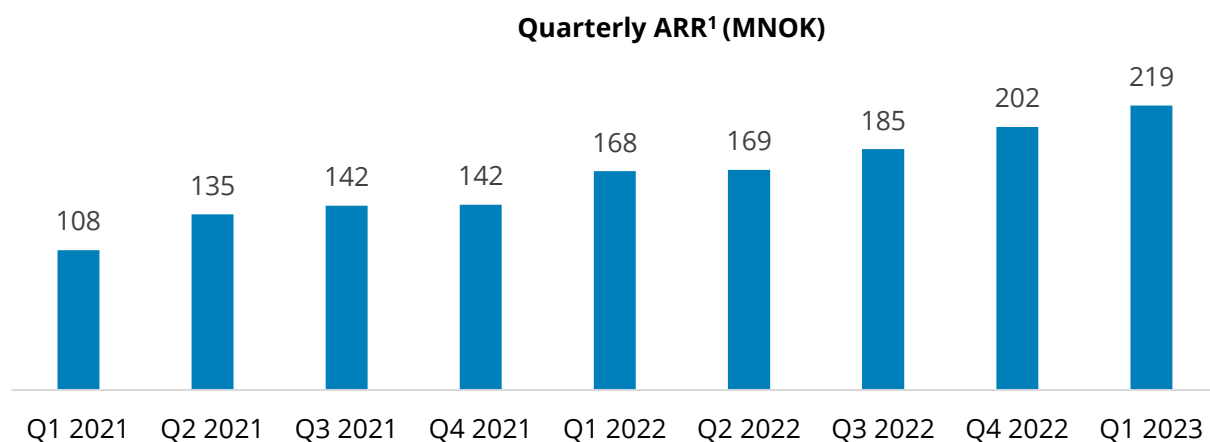
Other EHR revenues increased 8% YoY to NOK 11.7 (10.9) million in Q1 2023. This includes the EHR revenues from Metodika EPM, as well as the Carasent Norge³ products Ad Curis and Ad Opus.

Platform services revenues grew 45% YoY to NOK 27.7 (19.1) million in Q1 2023. The growth was accelerated by the acquisition of HPI and Confrere, adding new solutions to our portfolio. Variable add-on services, such as booking and SMS services, have since the end of the pandemic shown a slowdown.

Platform services increased as a share of revenue in the quarter driven by a new, growing ecosystem of services and the acquisitions completed. By broadening our product portfolio both organically and through acquisitions, we can continuously provide new services to our customer base.

Annual Recurring Revenue (ARR) growth of 30%

Annual Recurring Revenues (ARR) grew to NOK 219 (168) million in Q1 2023, corresponding to a growth of 30%. The organic ARR growth in Q1 2023 was 13%¹ YoY.



Consulting & other revenues of NOK 6.1 million

Consulting and other revenues increased by 74% to NOK 6.1 (3.5) million. Consulting revenue growth was strong in Q1. Metodika EPM had a strong development in the quarter contributing with a significant share of the growth in consulting & other revenues. The new organisational structure is starting to show results. Our main focus long-term is on increasing the recurring revenue base.

Profitability

Adjusted EBITDA margin of 8.1%

Adjusted EBITDA amounted to NOK 4.9 million, where margins decreased from 30.7% to 8.1% for the group. The decrease in margins is a result of higher personnel costs as a significant number of employees was onboarded during 2022. The acquisitions of HPI and Confrere has had a dilutive impact on operating margins in the short term.

Carasent slowed down recruitment of new employees during the quarter. Ending Q1, the number of employees in the Group was 179, a net increase of 1 new employee compared to Q4 2022. 104 employees are working in Research & Development (R&D), 15 in Sales and Marketing (S&M), 14 in General & Administrative (G&A) and 46 in Operations. Carasent also uses external consultants for individual projects.

Investments and acquisitions

The investments in tangible and intangible assets, amounted to NOK 25.5 million during Q1 2023. Capitalized development totaled NOK 23.1 million and investments in tangible assets totaled NOK 0.7 million during Q1. The remaining NOK 1.6 million was related to the deferred payment for acquisition of customers and brand from Confrere.

| NOK million | Q1 2023 | Q1 2022 |
|--------------------------------------|-------------|-------------|
| Existing markets | 8.6 | 7.9 |
| New initiatives | 14.5 | 10.6 |
| Total capitalized development | 23.1 | 18.4 |

Capitalized development

Capitalized development of NOK 8.6 (7.9) million was related to expansion of our existing markets, corresponding to a growth of 9%. This included development of existing and upcoming products in our existing markets.

New initiatives includes Webdoc X, our platform for international expansion, and Webdoc Norway. After the end of the quarter, Carasent announced that the Webdoc Norway initiative will be discontinued. Capitalized development costs related to new initiatives totaled NOK 14.5 (10.6) million in Q1 2023, of which NOK 5.6 million was related to Webdoc Norway.

Financial Results

Financial Results – Q1 2023

Net revenue

Revenue of NOK 59.9 million in Q1 2023, an increase of 33.8% as compared to NOK 44.8 million in Q1 2022. Revenue growth was driven by a combination of organic growth of 16% (constant currency) and the acquisitions of Confrere and HPI. The acquisitions accounted for 6.9 million or 45.4% of the increase in revenues.

Gross profit

Q1 gross profit increased YoY by NOK 10.7 million or 28.5%. The increase in gross profit is primarily attributed by the 33.8% YoY revenue growth within the quarter. Gross margin decreased 3.4 percentage points to 80.3% in Q1 2023 compared to 83.7% in Q1 2022. The decrease in margin is related to the acquisition of Confrere, where we have the potential to increase gross profit as we move customers to our own solution.

Operating expenses

Personnel expenses totaled NOK 31.2 million in Q1 2023, an increase of 72.8% compared to the same quarter last year. The increase was driven by a large number of employees onboarded during 2022, and by the acquisitions completed during the period.

Other operational and administrative expenses totaled NOK 14.6 million in Q1 2023, an increase of 71.1% compared to the same quarter last year. The growth is driven by an increase in the number of employees, increased IT expenses and consultancy costs related to the strategy process.

EBITDA

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) of NOK 2.3 million in Q1 2023, compared to NOK 10.9 million in Q1 2022.

Adjusted EBITDA

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA) of NOK 4.9 million in Q1 2023, compared to NOK 13.8 million in Q1 2022. Adjusted EBITDA is adjusted for non-recurring expenses of NOK 2.6 million.

Financial Results – Q1 2023

Non-recurring expenses were NOK 2.6 million in Q1 2023, out of which NOK 0.2 million were related to the bonus shares given to employees in the Employee Investment Matching Program launched in March 2022. The remaining NOK 2.3 million was related to NOK 0.7 million M&A transaction costs, in addition to NOK 1.6 million costs related to the strategy process.

D&A

Depreciation and amortization in the Group in Q1 2023 totaled NOK 13.2 (7.8) million, of which NOK 1.8 (1.7) million was PPA related amortization.

EBIT

Earnings before Interest and Taxes (EBIT) of NOK -10.9 (3.1) million.

Adjusted EBIT

Adjusted Earnings before Interest and Taxes (Adjusted EBIT) of NOK -6.6 million compared to NOK 7.7 million in Q1 2022. Adjusted EBIT is adjusted for non-recurring expenses of NOK 2.6 million and PPA related amortization of NOK 1.8 million.

Net profit

The result was a net profit of NOK (1.0) million in Q1 2023, compared to NOK 25.4 million during Q1 2022, which included positive changes in fair value of previously issued stock options of NOK 24.8 million.

Cash balance

Cash balance was NOK 683 million as per end of Q1 2023.

Consolidated statement of income

| (Amounts in NOK 1 000) | Note | 3 Months Ended | |
|---|-------------|-----------------------|-----------------------|
| | | March 31, 2023 | March 31, 2022 |
| Revenue | 2 | 59 944 | 44 792 |
| Operating Revenues | | 59 944 | 44 792 |
| Cost of Sales | | 11 804 | 7 315 |
| Gross Profit | | 48 141 | 37 477 |
| Operating Expenses | | | |
| Employee Compensation and Benefits | | 31 197 | 18 052 |
| Other Operational and Administrative Expenses | 3 | 14 641 | 8 555 |
| Depreciation and Amortization | | 13 234 | 7 763 |
| Total Operating Expenses | | 59 072 | 34 370 |
| Net Operating Income/(Loss) | | (10 931) | 3 107 |
| Financial Items | | | |
| Interest Expenses | | (3 303) | 455 |
| Other Financial (Income)/Expenses | | (7 108) | (24 646) |
| Net Financial Items | | (10 410) | (24 191) |
| Net Income/(Loss) Before Income Taxes | | (521) | 27 298 |
| Income Tax Expense/(Income) | | 515 | 1 911 |
| Net Income/(Loss) | | (1 036) | 25 388 |
| Attributable to Equity Holders of the Parent | | (1 036) | 25 388 |
| Earnings Per Share: | | | |
| Basic earnings per share | | (0.01) | 0.32 |
| Diluted earnings per share | | (0.01) | 0.32 |

Consolidated statement of comprehensive income

| (Amounts in NOK 1 000) | 3 Months Ended | |
|--|-----------------------|-----------------------|
| | March 31, 2023 | March 31, 2022 |
| Net Income/(Loss) | (1 036) | 25 388 |
| Changes in Translation Differences | 24 409 | (12 786) |
| Items that may be Reclassified Subsequently to the Income Statement | 24 409 | (12 786) |
| Total Other Comprehensive Income/(Loss) for the Period | 24 409 | (12 786) |
| Total Comprehensive Income/(Loss) for the Period | 23 373 | 12 602 |
| Attributable to Equity Holders of the Parent | 23 373 | 12 602 |

Consolidated statement of financial position

| (Amounts in NOK 1 000) | Note | March 31, 2023 | December 31, 2022 |
|---------------------------------|-------------|---------------------------|------------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Goodwill | | 404 581 | 385 181 |
| Customer Relationships | | 45 719 | 45 240 |
| Technology | | 189 162 | 164 806 |
| Other intangible assets | | 1 359 | 1 437 |
| Total Intangible Assets | | 640 821 | 596 664 |
| Tools and Equipment | | 3 533 | 3 030 |
| Right of Use Asset | | 36 608 | 36 993 |
| Deferred Tax Assets | | - | - |
| Total Non-Current Assets | | 680 961 | 636 688 |
| Current Assets | | | |
| Customer Receivables | | 28 248 | 27 575 |
| Other Receivables | | 6 028 | 2 667 |
| Prepaid Expenses | | 7 086 | 6 692 |
| Cash and Cash Equivalents | | 682 961 | 697 276 |
| Total Current Assets | | 724 323 | 734 210 |
| TOTAL ASSETS | | 1 405 284 | 1 370 898 |

Consolidated statement of financial position

| (Amounts in NOK 1 000) | Note | March 31, 2023 | December 31, 2022 |
|--|------|-------------------|----------------------|
| LIABILITIES AND SHAREHOLDERS EQUITY | | | |
| Equity Attributed to Equity Holders of the Parent | | | |
| Share Capital | | 106 055 | 106 055 |
| Other Paid-in Capital | | 1 136 378 | 1 136 377 |
| Other reserves | | 12 472 | (12 161) |
| Retained Earnings | | (6 306) | (5 269) |
| Warrants outstanding | | 1 600 | 1 600 |
| Total Shareholders Equity | | 1 250 198 | 1 226 601 |
| Liabilities to Credit Institutions | | 416 | 625 |
| Lease Liability | | 27 447 | 28 225 |
| Deferred Tax Liability | | 14 168 | 12 945 |
| Other Non-Current Liabilities | | 7 489 | 8 517 |
| Total Non-Current Liabilities | | 49 519 | 50 311 |
| Current Liabilities | | | |
| Trade Accounts Payable | | 13 384 | 20 245 |
| Accrued Expenses | | 35 958 | 26 393 |
| Contract Liability | | 34 544 | 25 029 |
| Current Liabilities to Credit Institutions | | 1 034 | 968 |
| Current Lease Liability | | 9 612 | 9 065 |
| Other Current Liabilities | | 11 034 | 12 285 |
| Total Current Liabilities | | 105 566 | 93 985 |
| TOTAL LIABILITIES AND EQUITY | | 1 405 284 | 1 370 898 |

Consolidated statement of cash flows

| (Amounts in NOK 1 000) | Note | 3 Months ended | |
|--|------|-------------------|-------------------|
| | | March 31, 2023 | March 31, 2022 |
| Cash Flows from Operating Activities | | | |
| Profit/(Loss) Before Tax | | (521) | 27 298 |
| Depreciation and Amortization | | 13 234 | 7 763 |
| Interest Expense | | 391 | 455 |
| Fair Value Adjustments Stock Options | | - | (24 811) |
| Fair Value Adjustment Contingent Consideration | | (1 615) | - |
| Unrealised agio/disagio | | (5 731) | - |
| Share based payment | | 224 | 1 369 |
| Change in Accounts Receivable | | (673) | 1 456 |
| Change in Accounts Payable | | (6 861) | 832 |
| Change in Current Assets & Liabilities | | 14 342 | 4 776 |
| Net Cash Flows Provided by Operating Activities | | 12 791 | 19 138 |
| Cash Flows from Investing Activities | | | |
| Investments in Intangible and Tangible Assets | | (25 454) | (18 922) |
| Acquisition of Company, Net of Cash Paid | | - | (99 449) |
| Cash Flows Used in Investing Activities | | (25 454) | (118 370) |
| Cash Flows from Financing Activities | | | |
| Issuance of Shares | | - | 5 475 |
| Transaction Cost Related to Issuance of Shares | | - | (250) |
| Issuance of Warrants | | 800 | - |
| Payment Lease Liability | | (2 294) | (1 558) |
| Repayment of Debt to Credit Institutions | | (245) | - |
| Paid Interest | | (391) | (455) |
| Cash Flows Used in Financing Activities | | (2 131) | 3 212 |
| Effect of Exchange Rates on Cash and Cash Equivalents | | 479 | 210 |
| Net Change in Cash and Cash Equivalents | | (14 315) | (95 810) |
| Cash and Cash Equivalents at Beginning of Period | | 697 276 | 883 756 |
| Cash and Cash Equivalents at End of Period | | 682 961 | 787 946 |

Consolidated statement of changes in equity

| (Amounts in NOK 1 000) | Other reserves | | | | | | Total Equity |
|--|----------------|-----------------------|----------------------|-----------------------------|---------------------------------|-------------------|------------------|
| | Share Capital | Other Paid-in Capital | Warrants outstanding | Share based payment reserve | Translation Difference Reserves | Retained Earnings | |
| Equity December 31, 2021 | 104 719 | 1 105 556 | - | - | (2 560) | (36 439) | 1 171 274 |
| Net Income for the Period | - | - | - | - | - | 25 388 | 25 388 |
| Other Comprehensive Income/(Loss) | - | - | - | - | (12 786) | - | (12 786) |
| Total Comprehensive Income/(Loss) | - | - | - | - | (12 786) | 25 388 | 12 602 |
| Share Issuance | 836 | 21 562 | - | - | - | - | 22 398 |
| Transaction Costs | - | (250) | - | - | - | - | (250) |
| Unregistered Share Issuance | 337 | 5 138 | - | - | - | - | 5 475 |
| Share based payment | - | 1 369 | - | 56 | - | - | 1 425 |
| Equity March 31, 2022 | 105 892 | 1 133 375 | - | 56 | (15 346) | (11 051) | 1 212 924 |

| (Amounts in NOK 1 000) | Other reserves | | | | | | Total Equity |
|--|----------------|-----------------------|----------------------|-----------------------------|---------------------------------|-------------------|------------------|
| | Share Capital | Other Paid-in Capital | Warrants outstanding | Share based payment reserve | Translation Difference Reserves | Retained Earnings | |
| Equity December 31, 2022 | 106 055 | 1 136 377 | 1 600 | 801 | (12 962) | (5 269) | 1 223 601 |
| Net Income for the Period | - | - | - | - | - | (1 036) | (1 036) |
| Other Comprehensive Income/(Loss) | - | - | - | - | 24 409 | - | 24 409 |
| Total Comprehensive Income/(Loss) | - | - | - | - | 24 409 | (1 036) | 23 373 |
| Share based payments | - | - | - | 224 | - | - | 224 |
| Equity March 31, 2023 | 106 055 | 1 136 377 | 1 600 | 1 025 | 11 447 | (6 305) | 1 250 198 |

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 Rådhusgata 30b, Oslo, Norway.

The condensed consolidated financial statements for Q1 2023 were approved by the Board of Directors for publication on May 3, 2023. The interim financial information is unaudited.

The condensed consolidated financial statements comprise Carasent ASA and its subsidiaries. The interim financial statements are prepared in accordance with the International Accounting Standard (IAS) 34. The condensed consolidated financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2022, 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 2022. The presentation currency is NOK (Norwegian Krone). All financial information is presented in NOK thousands, unless otherwise stated. The income statements are translated at the average exchange rate year to date.

Carasent ASA acquired the Swedish company HPI Health Profile Institute AB (HPI), on October 18, 2022. HPI is a market leader in Sweden within software for occupational healthcare providers.

HPI was consolidated in the Group from November 01, 2022. Consequently, comparable figures for the year ended December 31, 2022 only include HPI from November.

Note 2 – Revenue

| (Amounts in NOK 1000) | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| Webdoc EHR | 14 445 | 13 780 | 13 123 | 11 859 | 11 274 |
| Other EHR | 11 707 | 11 676 | 11 280 | 11 175 | 10 871 |
| Platform Services | 27 664 | 23 440 | 18 594 | 19 049 | 19 115 |
| Consulting & Other | 6 129 | 7 636 | 4 395 | 4 462 | 3 533 |
| Total revenue | 59 944 | 56 532 | 47 391 | 46 545 | 44 792 |
| Sweden | | | | | |
| Webdoc EHR | 14 445 | 13 780 | 13 123 | 11 859 | 11 274 |
| Other EHR | 874 | 765 | 867 | 833 | 895 |
| Platform Services | 23 110 | 18 998 | 15 288 | 17 139 | 17 326 |
| Consulting & Other | 2 944 | 3 459 | 2 047 | 2 555 | 2 361 |
| Total | 41 373 | 37 002 | 31 325 | 32 387 | 31 855 |
| Norway | | | | | |
| Webdoc EHR | - | - | - | - | - |
| Other EHR | 9 412 | 9 396 | 9 303 | 8 742 | 8 742 |
| Platform Services | 4 014 | 4 054 | 3 064 | 1 261 | 1 297 |
| Consulting & Other | 2 041 | 3 066 | 1 745 | 1 104 | 789 |
| Total | 15 467 | 16 517 | 14 112 | 11 107 | 10 828 |
| International | | | | | |
| Webdoc EHR | - | - | - | - | - |
| Other EHR | 1 421 | 1 515 | 1 110 | 1 600 | 1 234 |
| Platform Services | 540 | 388 | 241 | 649 | 492 |
| Consulting & Other | 1 144 | 1 111 | 603 | 803 | 383 |
| Total | 3 105 | 3 014 | 1 954 | 3 052 | 2 108 |

Note 3 – Other operating expenses

| (Amounts in NOK 1 000) | 3 months ended | |
|---------------------------------|-----------------------|-----------------------|
| | March 31, 2023 | March 31, 2022 |
| Marketing | 157 | 150 |
| Travel and entertainment | 436 | 233 |
| Rent and office expenses | 1 390 | 648 |
| Professional services | 9 000 | 5 469 |
| Utilities and maintenance costs | 1 235 | 1 178 |
| IT services | 1 965 | 805 |
| Other operating expenses | 458 | 73 |
| Total operating expenses | 14 641 | 8 555 |

Other operating expenses are presented net of capitalization and SkatteFUNN

Note 4 – Events after the balance sheet date

Change of focus and cost savings initiated

On 24 April 2023 Carasent ASA ("Carasent" or the "Company") concluded that a larger and more attractive market can be reached with less investment by developing Webdoc for new segments in Sweden instead of continuing development of Webdoc for Norway. Therefore, intangible assets of about 40 MNOK will be written off in Q2 2023.

Carasent, through its leading product Webdoc, holds a strong position in the Swedish market. In the last couple of years, a considerable part of the Company's R&D capacity has been invested in adopting Webdoc for the Norwegian market. The strategic review process executed during 2023 has concluded that other opportunities are more attractive to pursue.

Carasent has also concluded that costs have grown too rapidly and that running costs are too high. A cost savings program will therefore be initiated. Total savings is expected to amount to 35-40 MNOK on a yearly basis, primarily related to capital expenditures. The majority of savings comes from lowering the number of employees and consultants. The total cost of realizing the savings program is estimated to 4 MNOK in Q2 2023. Most of the savings will be realized by the end of Q2 and all by the end of Q3.

- "Carasent holds a strong position in a growing and non-cyclical market but has unfortunately grown too rapidly and it will take too long to grow into our current cost base. We therefore have to carry out these cost savings. This is not a lowering of our growth ambitions. It is about setting a clear focus and improving efficiency." - says Daniel Öhman CEO of Carasent

There are no other events after the balance sheet date that needs to be disclosed.

Alternative Performance Measures

Carasent ASA may disclose alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. Carasent ASA believes that the performance measures provide useful supplemental information to management, investors and other stakeholders and are meant to provide an enhanced insight into the financial development of business operations and to improve comparability between periods.

EBITDA is defined as the Net Income/(Loss) for the period before income tax expense, net financial items, depreciation and amortization of fixed and intangible assets.

EBIT is defined as the Net Income/(Loss) for the period before net financial items and income tax expense.

Adjusted EBITDA is defined as the Net Income/(Loss) for the period before income tax expense, net financial items, depreciation and amortization of fixed and intangible assets adjusted for certain special operating items affecting comparability.

Adjusted EBIT is defined as the Net Income/(Loss) for the period before net financial items and income tax expense, adjusted for certain special operating items affecting comparability.

EBITDA Margin is defined as EBITDA as a percentage of revenues.

Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of revenues.

EBIT Margin is defined as EBIT as a percentage of revenues.

Adjusted EBIT Margin is defined as Adjusted EBIT as a percentage of revenues.

Annual Recurring Revenue ("ARR") is defined as the Monthly Recurring Revenue ("MRR") multiplied with 12. MRR is defined as the revenue the Group expects to receive on a monthly basis from customers from EHR solutions and Platform Services.

Net retention rates is defined as the retained revenues from existing customers from the compared period.

Transaction costs comprises costs occurred in M&A activity.

Share based payments comprises costs related to the discount given to employees in the share incentive program.

Other special operating items comprises costs related to issuance of new shares and other non-recurring items.

Amortization excess values comprises amortization on excess values related to business combinations.

| | 3 Months Ended | |
|-------------------------------------|-----------------------|-----------------------|
| | March 31, 2023 | March 31, 2022 |
| (Amounts in NOK 1 000) | | |
| Net Income/(Loss) | (1 036) | 25 388 |
| Income Tax Expense/(Income) | 515 | 1 911 |
| Net Financial Items | (10 410) | (24 191) |
| Net Operating Income/(Loss) | (10 931) | 3 107 |
| Depreciation and Amortization | 13 234 | 7 763 |
| (a) EBITDA | 2 303 | 10 870 |
| Adjusted for: | | |
| Transaction costs | 683 | 645 |
| Share based payments | 249 | 1 439 |
| Other special operating items | 1 649 | 800 |
| (b) Adjusted EBITDA | 4 883 | 13 754 |
| (c) Operating revenue | 59 944 | 44 792 |
| EBITDA Margin (a/c) | 3.84 % | 24.27 % |
| Adjusted EBITDA Margin (b/c) | 8.15 % | 30.71 % |

| | 3 Months Ended | |
|-----------------------------------|-----------------------|-----------------------|
| | March 31, 2023 | March 31, 2022 |
| (Amounts in NOK 1 000) | | |
| Net Income/(Loss) | (1 036) | 25 388 |
| Income Tax Expense/(Income) | 515 | 1 911 |
| Net Financial Items | (10 410) | (24 191) |
| (a) EBIT | (10 931) | 3 107 |
| Adjusted for: | | |
| Transaction costs | 683 | 645 |
| Share based payments | 249 | 1 439 |
| Other special operating items | 1 649 | 800 |
| Amortization excess values | 1 781 | 1 664 |
| (b) Adjusted EBIT | (6 571) | 7 655 |
| (c) Operating revenue | 59 944 | 44 792 |
| EBIT Margin (a/c) | -18.24 % | 6.94 % |
| Adjusted EBIT Margin (b/c) | -10.96 % | 17.09 % |



CARASENT

Q1 2023

Interim Report

Carasent focuses on providing digital services to the health care industry. The Company's strategy is to continue to develop and expand digitalization that helps customers to meet challenges in providing efficient and qualitative health care services. For more information, visit carasent.com.

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