

# Carasent ASA Annual Report 2019

*Carasent Annual Report 2019 will only be issued in English.  
The report is available on [www.carasent.com](http://www.carasent.com) and on [www.oslobors.no/cara](http://www.oslobors.no/cara)*

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## Letter to our shareholders

Prior to 2019 we established ambitious objectives for the business within Evimeria EMR AB. The client base was to increase by more than one new client per week, which would give turnover growth of 50% (according to Swedish GAAP) and profitability growth in EBITDA of 100%. As we now add 2019 to the books, we can confirm that the objectives were met and the business developed entirely according to plan.

This is clearly a wonderful thing, but not surprising. The market development, seen from a fundamental perspective - that is, the need for a growing healthcare sector and its need for new value-creating and effective digital solutions - is very strong. The background to this is in turn the underlying trends - with a growing ageing population - in increased outpatient healthcare and a hard-pressed public sector.

Despite some of the short term effects we see due to Covid-19 at the moment, the long term trends we see in the market will continue for a long time going forward, and growth is the central concept of our strategy. Our growth strategy is based on three dimensions: new market segments, new geographies and an expanded range of services.

Through Evimeria EMR AB, we currently operate in four segments in the Swedish private healthcare market. Specialist and primary care is a core segment, giving us the origins of Evimera and the Webdoc product, while paramedicine and occupational healthcare are newer market segments - ones in which we consciously invested during 2019 in order to begin an expansion in the coming years.

Geographically, the Norwegian market is next in line, and over the year we will be investing hard to prepare and establish a relevant service platform for the Norwegian market. Our belief is that the Norwegian market suits us well, and the structure of the segments in which we already operate in Sweden looks to be similar in Norway.

Our range of services is constantly being developed and, in line with our growth, we also receive many queries from potential partners who want to be part of the portfolio that we offer our clients. Different types of additional services linked to our medical records system provide around 40% of our turnover, and the relative share is continuously increasing.


Due to the rapid change we experience in the pandemic Covid-19 situation at the moment, there is substantial uncertainty in the marketplace short term. This will most likely have some effect on Evimeria EMR AB.

As of mid March 2020 there has been no activity slowdown in our existing customer base, while we have seen a rapid increase of demand for digital integrated services, such as video- and chat functionality.

However, it is believed that social distancing and other priorities will temporary negatively affect customer acquisitions and slow down customer implementations as well as some operational customer activity during 2020.

At this stage, we do not believe the effect to be dramatic and we will continue to invest in our expansion projects with regards to new segments, geographies and new services.

Yours sincerely,



Johan Lindqvist

Chairman of the Board

## Carasent ASA Directors' Report 2019

2019 was the first full operational year with the wholly owned subsidiary Evimeria EMR AB. Evimeria, is based in Gothenburg and Stockholm with about 40 employees, including a strong development team. The company has developed the system called "Webdoc", a cloud based medical record system with integrated add-on services for the private and public health care industry. In addition to revenue from license and add-on services, the company also offer training and consulting services.

Evimeria offer several different services helping their customers to transform into the new digital era of the health care industry. Examples of services are video, -tele and health meetings, chat and other online channels. Evimeria has today approximately 400 active clinics in Sweden.

The development of Evimeria's core segment, the private healthcare sector in Sweden, was strong in 2019. Growth continued to increase rapidly within sectors like online care and new digital solutions, and existing customers kept seeking ways to implement new solutions to add value and cut costs.

As a result, performance in 2019 was in line with or slightly above our expectations and targets for the year.

<i>2019 performance</i>	<i>Target</i>	<i>Actual</i>
Sign more than one clinic per week (1.5)	> 78	89
Revenue growth (SEK and Swedish GAAP)	50.0%	50.1% (37.7% IFRS)
Triple digit EBITDA growth (SEK, Swedish GAAP)	100.0%	101.0% (100.2% IFRS)

End of 2019 Carasent ASA had cash balances of NOK 10,9 million, interest bearing debt of NOK 2,0 million (excluding lease liability) and net tax loss carryforwards of approximately NOK 218 million.

### **Market development**

There are several reasons why the demand for healthcare is increasing in society and this especially applies to the situation in the Nordic countries. At the same time as the group of citizens over the age of 65 is increasing sharply in relation to the rest of the population we see that medical advances increase the life expectancy. As a result of this many age-related diseases are being treated for longer periods and a larger group of the residents are diagnosed with multiply multiplied diseases.

At the same time, the working proportion of the population that finances healthcare is expected to decrease, which leads to strained public health budgets. The need for high-quality healthcare at a lower cost for the society has therefore never been greater.

Digitization plays a crucial role for the healthcare sector. Both from an efficiency perspective as well as improving and simplifying for healthcare professionals and patients.

In Sweden alone, more than 40 million patients seek primary care every year and this figure will increase rapidly over time. Based on the fact presented above, that an even larger part of the population will need more time consuming and frequent care in the future, the solution is not only to increase the funding for healthcare. We also have to streamline the solutions so that they meet both the patients and the care givers specific needs in a better way.

Digital solutions create conditions that are not necessarily based on a physical meeting between the patient and the doctor. This creates a new availability and efficiency for patients with easily treated complaints, which in the long run makes it easier for patients with severe diagnoses, multiple illnesses and chronic illnesses to receive physical care.

Furthermore, digital care increases accessibility and creates conditions for reduced costs in the care process. The solutions also provide new opportunities for sharing necessary and relevant information between patient and healthcare providers. We see a clear trend where the citizens want to be more active and involved in their own care. This leads to totally new demands on the health care industry and digital solutions play an important role in this scenario.

### **Strategy and positioning**

Platforms and services for digitalized care will be crucial when it comes to securing the quality in healthcare. These solutions, in combination with traditional care, increase the capacity, transparency and accessibility of the care and makes it easier for the patients to actually own their patient information.

Evimera is well positioned for further growth both from a product, system and market perspective. The digital transformation of the healthcare industry is a huge opportunity which is expected to grow significantly over the coming years. While the company's customers as of today is based in

Sweden, the other Scandinavian countries are considered as potential markets with significant potential, as well as many other European countries.

Evimerias strategy going forward is to continue to develop and expand digitalization that helps customers to meet the future challenges in providing efficient and qualitative healthcare services.

### **Reversed split**

At the Annual Shareholder's meeting on 15 May 2019 it was decided that the company's shares should merge in the ratio 4 to 1.

The Company's share capital is now NOK 54 124 250,90 divided into 40 633 822 shares, each of NOK 1,332.

### **Change of name**

At the Annual Shareholder's meeting on 15 May 2019 it was proposed and decided to change the company name from Apptix ASA to Carasent ASA.

### **Establishing Carasent AS**

During the year the wholly owned subsidiary Carasent AS was established. In 2019 the company had no operations and was established to prepare the expansion into Norway during 2020.

The Carasent Group now consist of Carasent ASA and the whole-owned subsidiaries Evimeria EMR AB and Carasent AS.

### **Stock option program**

In order to keep and attract new employees, 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.

The program was fully subscribed and gave a cash effect of NOK 2,78 million. The options have a three years term and will be exercisable after three years. The option program is issued by the Board under the current authorization to increase the share capital granted by the General Assembly in May 2019.

When exercised, the Board has the right to pay the option holder cash instead of issue shares. The option program will not have any tax consequences for the Company.

### **Board of Directors**

Mr. Lindqvist was appointed Chairman of the Board of Carasent in 2007. He is currently also deputy Chairman of the Board for Visolit AS and Director of Nipsoft AB. From 2004 to 2006, Mr. Lindqvist was the CEO for TeleComputing ASA. He served as the managing director of TeleComputing Sweden AB from 2001 to 2004. Since 1996, Mr. Lindqvist held various positions in Alfaskop AB, including serving as the CEO from 1999 to 2001. He holds a degree in Civil Engineering (Industrial Economy) from the Technical University in Linköping, Sweden.

Mr. Rogne was appointed as a Director of Carasent in 2007. From 1994 to 2004, he served as the CFO for Tandberg ASA. From 2004 through 2007, he then served as the Head of Operations and Investor Relations. Prior to Tandberg, he was head of Finance with Kvaerner AS. Mr. Rogne has an MBA from University of San Diego and a Bachelor of Business Degree from the Oslo School of Business Administration. He has been serving as chairman of both listed and unlisted companies in the telecom, safety and security and technology industry for the last 15 years.

Ms. Fåhraeus was appointed Director of Carasent in 2008. She is Chairman of Acucort; Director of Coala Life, the faculty of medicine at Lunds University and, CEO of SmiLe Incubator. From 2010 through 2014 she served as Director of Business Development at the private equity company Aquiles Invest AB in Sweden. From 2001 to 2010 she served at Anoto AB, acting as Vice President of Sales and Marketing from 2006-2010. She has previously worked in various leadership positions at Raufoss ASA, Cederroth AB, SCA, Johnson & Johnson, and Kreab Group. She has a degree in Business Administration from Stockholm School of Economics.

### **Organization, Working Environment, and Equal Opportunities**

The Carasent group have a stimulating and positive work environment with a highly qualified and motivated staff. End of 2019 the Company had 42 employees. No accidents have occurred during 2019. There were no significant absences due to illness in 2019. The total absence due to sickness was 1.9% relative to the total workhours in the company during the year. Employment decisions at Carasent are based on merit, qualifications, and abilities. Carasent is an equal opportunity employer, and does not discriminate based on race, religion, color, sex, age, national origin, citizenship, marital status, disability, veteran's status, sexual orientation, or any other characteristic protected by law. This policy applies to all decisions regarding terms, conditions, and privileges of employment. As of December 31, 2019, the members of the senior management team consisted of one male while the Board of Directors consisted of two males and one female. The Company's operations do not pollute the environment.

### **Corporate Social Responsibility**



Companies are increasingly aware of their obligation to act responsibly in social matters like human rights, employee rights, environmental concerns and anti-corruption. The Board of Directors and Management of Carasent fully support these initiatives.

Carasent is committed to ensure that both basic human rights and employee rights are respected and fully complied with. In its operations, Carasent strives to ensure that all employees, consultants, contractors and customers adhere to basic human rights. Further, Carasent acknowledges and complies with employee rights and other applicable social issues in all its dealings as an employer.

Carasent is committed to protect the environment and has taken various steps to ensure that the business operation has limited negative impact on the environment. Corruption represents a potential problem for developing fair trade. Due to the nature of the Company's business and geographic presence, corruption is not regarded as a real threat to its operations.

While Corporate Social Responsibility is covered in various company internal documents, the company has not seen the need to develop a separate policy document to this effect.

### **Financial Risks**

Evimeria EMR AB continues to develop well and the Carasent Group has no material credit risk or interest risk.

### **Going concern**

According to the Norwegian Accounting Act, the Board confirms that the requirements for going concern are present, and the accounts are presented under this assumption. Financial forecasts for 2020 and the Group's equity and liquidity position provides the basis for this assessment.

### **Allocation of the result**

The Board recommends the following allocation of the net result of Carasent ASA.

Allocation of the result	
Transferred to retained earnings	(308)
Allocated	(308)

### **Status and potential effects of Covid-19**

Due to the rapid change in the pandemic situation and the continuous change of preventive measures recommended in Sweden we see substantial uncertainty in the marketplace going forward. This will most likely have some effect on Carasent ASA's subsidiary, Evimeria EMR AB.

As of today there has been no activity slowdown in our existing customer base, while we have seen a rapid increase of demand for digital integrated services, such as video- and chat functionality. Going forward, however, it is believed that social distancing and other priorities will temporary negatively affect customer acquisitions and slow down customer implementations as well as some operational customer activity.

At this stage, we do not believe the effect to be dramatic and we will continue to invest in our expansion projects with regards to new segments, geographies and new services.

Long term, we reiterate our market view. The market development, seen from a fundamental perspective - that is, the need for a growing healthcare sector and need for new value-creating and effective digital solutions - is very strong. The background to this is the underlying trends, with a growing ageing population and an increased outpatient healthcare in a hard-pressed public sector.

Oslo 20.03.2020

			
<b>Johan Lindqvist</b> Chairman of the Board	<b>Terje Rogne</b> Director	<b>Ebba Fåhraeus</b> Director	<b>Jesper Jannerberg</b> CEO

## Carasent ASA Report on Corporate Governance 2019

### 1. **Implementation and Reporting on Corporate Governance**

Carasent Corporate Governance policy is intended to ensure appropriate division of roles and responsibilities between the shareholders, the Board of Directors, and the Executive Management. Carasent emphasizes the importance of adhering to corporate governance principles consistent with the principles set out in the Norwegian Code of Practice for Corporate Governance as amended October 17, 2018, and include the equitable and equal treatment of all shareholders; the importance of having independent and qualified people in the Company's governing bodies; ensuring that all financial accounts are audited by qualified, independent auditors; and that information provided by the Company provides a timely and accurate representation of the underlying business activities and results.

The Corporate Governance report is included by reference in the Directors' Report as part of the Company's Annual Report.

### 2. **Business**

The Company's business objective, as defined in the Articles of Association, is to develop, market, and rent out information technology-based solutions and related services to businesses of all sizes.

The Board is responsible for developing goals, strategies and risk profile, as well as securing shareholder values and social responsibility guidelines.

The Board will review the goals, strategies and risk profile annually.

The Annual Report includes the Company's objectives and business strategy.

The Company has developed ethical guidelines as well as guidelines for corporate social responsibility.

### 3. **Equity and Dividends**

Following a resolution in the Annual Shareholder Meeting on May 15, 2019 the company's shares were merged (reverse split) in the ratio 4 to 1.

The Company has per 31 December, 2019 a registered share capital of NOK 54 124 249,82 and 40 633 822 issued shares.

The Company believes it has sufficient capital to meet its existing objectives, strategy, and risk profile. The Board will aim to achieve the Company's overall objective to increase shareholder value through increased share price and, when appropriate, through dividends in accordance with a transparent dividend policy.

While the focus is on organic growth, the Company will also pursue acquisitions of other companies both within the current business market, but also stay open for other business and geographic markets.

At the Annual Shareholder Meeting on May 15, 2019, the Board was granted the authority to increase the Company's share capital by issuance of new shares with a total amount of NOK 27 062 124 through one or several placements. The authority is valid until next Annual Shareholder Meeting.

At the Annual Shareholder Meeting on May 15, 2019, the Board was granted the authority to purchase the Company's own shares, and to hold treasury shares within the limits of the Norwegian Public Limited Liability Companies Act. The maximum number of shares which may be acquired shall not exceed an aggregate par value of NOK 5 390 775 (corresponding to approximately 9.96 % of the Company's share capital).

**4. Equal Treatment of Shareholders and Transactions with Close Associates**

The Company has only one class of shares and each share entitles the holder to one vote at the General Meetings. All transactions in the Company's shares will be carried out through the Oslo Stock Exchange or at prevailing Stock Exchange prices.

Shareholders pre-emptive rights will only be waived when this is appropriate and considered to be in the best interest of the Company and its shareholders. The Company will in such situations explain the justification for waiving the pre-emptive rights in the stock exchange announcement in connection with the increase in share capital.

The Board is committed to treat all shareholders equally. All transactions between the Company and shareholders, members of the Board, members of the Executive Management, or close associates of any such party will only be completed if all conditions in the Public Companies Act are fulfilled. This includes a written independent valuation report and the performance of a proper investigation to ensure whether any conflict of interest could exist. Members of the Board and Executive Management are obliged to report if they have a material, direct or indirect, interest in any transaction entered into by the Company.

**5. Shares and negotiability**

The Share Purchase Agreements between Carasent ASA and the Sellers of Evimeria include a lock-up for all the Sellers and the consideration shares (20 276 277) will not be tradeable for a period of 24 months from closing.

All other shares in the Company are freely tradable, and there are no restrictions to the shares' negotiability in the Company's Articles of Association.

**6. General Meetings**

The Company encourages shareholders to participate in shareholders' meetings. Calling notices with agenda, proposed resolutions, and attendance notice are sent to all shareholders no later than 21 days prior to the meeting. There is no formal deadline for the shareholders to confirm attendance to the shareholder meetings. All shareholders have the right to vote through proxies at shareholder meetings. A proxy form is distributed to all shareholders together with the Calling Notice where each agenda item is listed separately. The proxy form will include information about the procedure for shareholders to be represented through a proxy, including the named person that is available as representative for the shareholders under the proxy. To the extent possible, Board members, the Company's auditor, and members of the Nomination Committee will be present. The Board will ensure that the shareholder meetings will be chaired by an independent chairman.

All information relating to General Meetings, including proxy form, are posted on the Company's Website ([www.carasent.com](http://www.carasent.com)) as early as possible in advance of a General Meeting and no later than 21 days prior to the meeting. Election of nominated candidates for the Board will be made separately for each candidate.

**7. Nomination Committee**

The Nomination Committee is described in the Company's Articles of Association and consists of three members. The members of the current Nomination Committee were elected for a 2 year term at the ordinary Shareholder meeting on May 15, 2019. The members of the Nomination Committee are independent of the Board and the Executive Management team and endeavor to represent the shareholder's joint interests. None of the Nomination Committee members are members of the Board or the Executive Management team.

The Nomination Committee's tasks are to nominate candidates to the Board and to propose fees for Board members. All recommendations from the Nomination Committee will be justified in writing and associated information will be provided to shareholders at least 21 days prior to the relevant Shareholder meeting.

The Company's General Meeting will stipulate guidelines for the duties of the Nomination Committee.

Contact information related to the Company's Nomination Committee is provided on the Company's Investor Relations web page.

**8. Board of Directors; Composition and Independence**

The composition of the Board is designed to ensure that Board members represent the common interest of all shareholders, and represent required and useful expertise in various fields. The composition of the Board ensures independence from main shareholders and that the Board can operate independently of any special interests. The Chairman of the Board Johan Lindqvist is the Company's largest shareholder through his companies Windchange AS and Windchange Invest AB. None of the Board members are related to or dependent upon other large shareholders or members of the executive management.

Neither the Chief Executive Officer nor any other executive personnel are a member of the Board of Directors.

The Chairman of the Board and the other Board members are elected at the General Meeting and the term of all elected Board members is two years, with possibilities for re-election. The Company's Annual Report provides information on each of the Board members, including qualifications and relevant experience.

Members of the Board are encouraged to hold shares in the Company.

Human Peak and Balance AB, a company controlled by Chairman of the Board Johan Lindqvist holds 78 573 subscription rights. Ebba Fåhreus, Board Director, has holds 78 573 subscription rights.

**9. The work of the Board of Directors**

The Board meets regularly both in closed sessions and in face to face meetings with the CEO as the Board deems fit.

The Board has established Corporate Governance, Audit, and Remuneration and Compensation Committees. As the Board only has three members, the entire Board serve in all Committees. The Company has established clearly defined roles, responsibilities and tasks for the Board and management. Further, the Board produces an annual plan detailing its role in developing the Company's strategy as well as the specific objectives for each year. The Board evaluates its work and its competence on an annual basis.

**10. Risk Management and Internal Control**

The Board is responsible for ensuring that management establishes and maintains adequate internal control over financial reporting. Carasent's internal control system is designed to provide reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and valid as of December 31, 2019.

Carasent internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect Carasent's transactions and dispositions of assets;
- (ii) provide reasonable assurance that transactions are recorded, as necessary, to permit preparation of financial statements in accordance with IFRS, and that Carasent's receipts and expenditures are being made only in accordance with authorizations of Carasent's Board and Executive Management; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Carasent's assets that could have a material effect on the financial statements.

There are inherent limitations in the effectiveness of any internal control over financial reporting, including the possibility of human error and the circumvention or overriding of controls. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. The internal reporting will also include reporting in line with the Company's ethical guidelines and the guidelines for corporate social responsibility.

Carasent's Board believes Carasent's system of internal control provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

**11. Remuneration of the Board of Directors**

Compensation for Board members is resolved by the shareholders in the General Meeting and reflects the responsibility, competence, time commitment, and the complexity of the Company's business.

The Annual Report includes information on all remuneration paid to the Board members, and any remuneration in addition to the normal Director's fee is detailed.

12. **Remuneration of Executive Personnel**

Following the transaction with Evimeria EMR AB, Jesper Jannerberg, was appointed CEO for Carasent ASA. The Annual Report includes information on all remuneration paid.

13. **Information and communications**

The Board of Carasent has established guidelines for the Company's reporting of financial and other information to ensure that all shareholders, and the investor market as a whole, are treated equally. Further, the Company has internal guidelines covering market communication through OSE releases. In addition, all financial information is available on Carasent's Website at [www.Carasentasa.com](http://www.Carasentasa.com)

14. **Take-overs**

In the event of a take-over bid, the Board will ensure that all shareholders are treated equally and given sufficient information and time to form a view of the offer. The Board would normally not seek to prevent, hinder, or obstruct take-over bids. Further, the Board will, in relevant situations, ensure compliance with the provisions in Chapter 14 of Corporate Governance Guidelines.

15. **Auditor**

The auditor participates in Board meetings that deal with annual accounts. In addition, separate meetings are arranged between the Board of Directors and the auditor when required, and at least once a year where neither the CEO nor other employees are present. The specified remuneration to the auditor is presented for resolution at the Annual meeting.



# **CARASENT GROUP**

## **2019 Financial Statements**

## Consolidated Statement of Income

(Amounts in NOK 1,000)	Note	12 Months Ended	
		December 31, 2019	December 31, 2018
		IFRS	IFRS
<b>Operating Revenues</b>	<b>4</b>	47 927	23 965
<b>Cost of Sales</b>	<b>5</b>	8 745	5 032
<b>Gross Profit</b>		39 182	18 933
<b>Operating Expenses</b>			
Employee Compensation and Benefits	<b>6</b>	17 622	10 906
Other Operational and Administrative Costs	<b>7</b>	9 693	11 090
Depreciation and Amortization	<b>8, 9</b>	7 386	3 685
<b>Total Operating Expenses</b>		34 702	25 682
<b>Operating Income</b>		4 481	(6 749)
<b>Other Expense</b>			
Interest, net		(261)	(77)
Other Financial Income		(28)	33
<b>Financial Income and Expense</b>	<b>10</b>	(290)	(44)
<b>Income Before Income Taxes</b>		4 191	(6 793)
Income Tax Expense	<b>21</b>	(979)	(241)
<b>Net Income for the Period</b>		3 212	(7 034)
<b>Attributable to Equity Holders of Parent</b>		3 212	(7 034)
<b>Earnings Per Share:</b>	<b>11</b>		
Basic		0,08	-0,17
Diluted		0,08	-0,17
<b>Weighted Average Common Shares Outstanding</b>		40 634	40 634


## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME


(Amounts in NOK 1,000)	12 Months Ended	
	December 31, 2019	December 31, 2018
	IFRS	IFRS
<b>Net Income for the Period</b>	3 212	(7 034)
Changes in translation differences	(4 067)	8 525
<b>Items that may be Reclassified Subsequently to Income Statement</b>	(4 067)	8 525
<b>Items that will not be to Income Statement</b>	-	-
<b>Total Other Comprehensive Income/(Loss) for the Period</b>	(4 067)	8 525
<b>Total Comprehensive Income/(Loss) for the Period</b>	(855)	1 491
<b>Attributed to Equity Holders of Parent</b>	(855)	1 491


## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

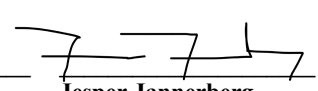
		December-19	December-18
		2019	2018
(Amounts in NOK 1,000)	Note	IFRS	IFRS
ASSETS			
Non-Current Assets	8,12		
Customer Relationships		19 429	22 794
Goodwill		58 813	61 535
Webdoc (IP)		21 147	15 422
Total Intangible Assets, net		99 389	99 751
Tools and Equipment		1 090	678
Right of use Asset	17	16 561	
Total Tangible assets		17 651	678
Total Non-Current Assets		117 040	100 429
Current Assets			
Customer Receivables	13	7 667	8 630
Other Receivables	14	464	648
Prepaid Expenses	14	562	764
Cash and Cash Equivalents	15	10 928	8 773
Total Current Assets		19 620	18 815
TOTAL ASSETS		136 660	119 244
LIABILITIES AND SHAREHOLDERS EQUITY			
Equity Attributed to Equity Holders of the Parent			
Share Capital	19	54 124	54 124
Other Paid-in Capital		35 819	35 819
Retained Earnings		634	1 489
Total Shareholders Equity		90 577	91 431
Other Liabilities to credit institutions	16	1 134	2 056
Lease liability	17	14 152	-
Liability Stock Option Program	18	2 780	-
Deferred tax liability	22	7 008	7 253
Total non-current liabilities		25 074	9 309
Current Liabilities			
Trade Accounts Payable		1 917	3 343
Accrued Expenses and Prepaid Income		7 396	7 359
Contract liability	4	5 270	3 907
Tax Payable		1 146	450
Current Liabilities to credit institutions		851	1 171
Current lease liability	17	2 607	-
Other Current Liabilities		1 823	2 272
Total Current Liabilities		21 010	18 503
TOTAL LIABILITIES AND EQUITY		136 660	119 244

Oslo 20.03.2019

  
**Johan Lindqvist**  
 Chairman of the Board

  
**Terje Røgne**  
 Director

  
**Ebba Fåhræus**  
 Director

  
**Jesper Jannerberg**  
 CEO

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in NOK 1,000)	Note	12 Months Ended December 31	
		2019	2018
		IFRS	IFRS
<b>Cash Flows from Operating Activities</b>			
Profit Before Taxes		4 191	(6 793)
Depreciation and Amortization	9	7 386	3 685
Change in Accounts Receivable		722	(4 713)
Change in Accounts Payable		(1 320)	2 789
Change in Current Assets & Liabilities		2 317	5 436
Interest Paid		(290)	(44)
Income Tax Paid and accounting dispositions		(960)	-
<b>Net Cash Flows Provided by Operating Activities</b>		<b>12 045</b>	<b>361</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Evimeria EMR AB, net of cash from Evimeria	3		(21 310)
Investments in intangible and tangible assets		(10 735)	(2 695)
<b>Cash Flows Used in Investing Activities</b>		<b>(10 765)</b>	<b>(24 005)</b>
<b>Cash Flows from Financing Activities</b>			
Payment Lease Liability		(797)	-
Repayment of Debt		(1 117)	(737)
Stock Option Program		2 780	
Return of Capital to Shareholders			(28 562)
<b>Cash Flows Used in Financing Activities</b>		<b>865</b>	<b>(29 299)</b>
<b>Effect of Exchange Rates on Cash and Cash Equivalents</b>		<b>10</b>	
Net Change in Cash and Cash Equivalents		2 155	(52 943)
Cash and Cash Equivalents at Beginning of Period		8 773	61 716
<b>Cash and Cash Equivalents at End of Period</b>		<b>10 928</b>	<b>8 773</b>

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in NOK 1000)	Share capital	Share Premium Reserve	Other Paid in Capital	Retained Earning	Total Equity
<b>Equity December 31, 2017</b>	<b>27 116</b>	<b>404 124</b>	<b>50 943</b>	<b>(420 919)</b>	<b>61 264</b>
Net Income for the Period				(7 034)	(7 036)
Changes in translation differences				8 525	8 525
<b>Other Comprehensive Income</b>	-	-	-	<b>1 491</b>	<b>1 489</b>
Reallocations		(369 976)	(50 943)	420 919	-
Distribution of Paid in Capital	-	(28 501)		-	(28 501)
Equity Issuance	27 008	30 171		-	57 179
<b>Equity December 31, 2018</b>	<b>54 124</b>	<b>35 819</b>	<b>-</b>	<b>1 491</b>	<b>91 432</b>
Net Income for the Period				3 212	3 212
Change in translation differences				(4 067)	(4 067)
<b>Other Comprehensive Income</b>	-	-	-	<b>(855)</b>	<b>(855)</b>
<b>Equity December 31, 2019</b>	<b>54 124</b>	<b>35 819</b>	<b>-</b>	<b>636</b>	<b>90 577</b>

Equity issuance in 2018 was related to acquisition of Evimeria EMR AB.

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Corporate 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 financial statements were approved by the Board of Directors for publication on 20 March, 2020 and will be presented for final approval on the General Assembly on 28 April 2020.

### Note 2 – Summary of Significant Accounting Policies

#### 2.1 Basis of Preparation

The consolidated financial statements of Carasent ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), as adopted by the EU.

In 2018 The Group changed the reporting currency from USD to NOK, and figures are presented in NOK rounded to the nearest hundred thousands.

The entire operations of the Group during 2018 and 2019 is related to Evimeria EMR AB. Evimeria EMR AB was acquired in May 2018 and has been consolidated in Carasent from that date, see Note 3.

#### 2.2 New and Amended Standards and Interpretations Applicable to December 2019 Year-End. Changes in accounting principles

The accounting principles used in 2019 are the same as in 2018 except for the implementation of IFRS 16 which was effective 1 January 2019. The new standard represents a change in The Group’s accounting for leases as a lessee. The Group is not a lessor.

The Group has reviewed new and amended IFRS and IFRIC interpretations during the year, along with the annual improvements. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the Group.

## **2.3 Basis of Consolidation and Classification of Assets and Liabilities**

The consolidated financial statements are comprised of the financial statements of Carasent ASA for the 12 month period ending December 31, 2019 and its subsidiary Evimeria EMR AB. The financial statements of the subsidiary are prepared for the same reporting year as the parent Company. Inter-Company transactions and balances, including internal profits and unrealized gains and losses are eliminated in full as part of the consolidation process. As a result of rounding differences, numbers or percentages included within may not add up to the total.

Current assets and liabilities include balances typically due within one year. All other balances are classified as non-current assets and other long-term debt.

## **2.4 Functional Currency and Presentation Currency**

Carasent ASA has had a single subsidiary from May 2018 whose primary economic environment is in Sweden. The functional currency of this subsidiary is SEK. Carasent ASA Group presents its financial statements and notes to the consolidated financial statements in NOK. The functional currency of Carasent ASA is NOK.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## **2.5 Revenue Recognition**

Operating revenues are recognized when the customer obtains control over the product or services provided under the contract. License revenue is earned under quarterly subscription license agreements and are amortized into revenue on a monthly basis as the services are delivered. In particular licencing revenue consists of licenses relating to "Webdoc". These licencing agreements provides the customers with the right to access the company's IP. The "control" of these services are transferred to the customers on a continuous basis, and the company has assessed that revenue should be recognized "over time" in accordance with IFRS. Add-on services are recognized once the service has been performed.



## **2.6 Income Taxes**

The tax expense in the income statement includes taxes payable on the ordinary results for the period as well as the change in deferred tax. Deferred tax is calculated with a nominal tax rate on the temporary differences between the recorded values and tax values, as well as on any tax loss carry-forwards at the balance sheet date. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority. Any temporary differences, increasing or reducing taxes that will or may reverse in the same period, are netted. The net deferred tax benefit is recorded as an asset if it is regarded as probable that the Group will be able to realize the benefit through future earnings or realistic tax efficient planning.

## **2.7 Intangible Assets**

Generally, intangible assets are recognized in the balance sheet if it is probable that there are future economic benefits that can be attributed to the asset which is owned by the Company, and the asset's cost can be reasonably estimated. Intangible assets are recorded at cost. Intangible assets with indefinite useful lives are not amortized, but impairment losses are recognized if the recoverable amount is less than the current carrying value. The recoverable amount is calculated each year or if there are any indications of a decrease of value. Intangible assets with a finite useful life are amortized over the useful life and the need for any impairment losses to be recognized is considered quarterly. Amortization is carried out using the straight-line method over the estimated useful life. The amortization estimate and method is subject to an annual assessment based on the future economic benefits.

## **2.8 Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the gross carrying amount and accumulated depreciation are eliminated, and any gain or loss on the sale or disposal is recognized in the income statement. Depreciation is computed for owned assets using the straight-line method over useful life and is recognized in the income statement. The useful life is equal to the estimated useful economic life since the Company uses the assets until they have no remaining residual value. The depreciation period and method are assessed each year to ensure that the method and period used synchronize with the financial realities of the non-current asset. The same methodology applies to the residual value.

## **2.9 Goodwill**

Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures. For acquisitions, the Group measures goodwill at the acquisition date as the fair value of the consideration transferred plus the recognized amount of any non-controlling interests in the acquisition less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit and loss. Goodwill is allocated to cash-generating units and is tested annually at 31 December for impairment.

Adjustments to any estimated contingent consideration are included in the income statement.

## **2.10 Financial assets**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

## **2.11 Cash and Cash Equivalents**

Cash includes cash on hand and at the bank. Cash equivalents are short-term liquid investments that can be converted into cash within three months to a known amount, and which contain insignificant risk elements.

## **2.12 Equity**

### **a) Equity and Liabilities**

Financial instruments are classified as liabilities or equity depending on the underlying financial circumstances. Interest, dividends, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or revenue.

### **b) Costs of Equity Transactions**

Direct transaction costs relating to an equity offering are recognized against equity after deducting tax expenses. No other costs are directly recognized against equity.

**c) Other Equity**

Exchange differences arise in connection with currency differences when foreign entities are consolidated. Currency differences relating to monetary items (liabilities or receivables), which are in reality part of the Company's net investment in a foreign entity, are treated as an exchange difference. When a foreign operation is sold, the accumulated exchange differences linked to the entity are reversed and recognized in the income statement in the same period as the gain or loss on the sale is recognized.

**2.13 Employee Benefits**

During 2019 Carasent ASA has had no employees. The CEO of Carasent ASA who was nominated after the acquisition of Evimeria EMR AB still has his employment contract and arrangements in Evimeria EMR AB.

**a) Share Options**

As announced on November 15, 2019, the Board in Carasent ASA has approved a stock option program for up to 2 million shares. The options will be structured as warrants. When exercised, the Board has the right to pay the option holder cash instead of issue shares. All 2 million options were subscribed and will be paid for by the option holder. A total of 1 528 562 options were subscribed for by employees and the remaining by primary insiders. The warrants are accounted for as a financial liability in accordance with IAS 32. The fair value of the liability is measured on the basis of estimated fair value of the outstanding warrants at the reporting date. Changes in fair value is recognized in the income statement.

**b) Pension plans**

All the employees in Evimiera EMR AB have the same pension plan, ITP1.

## 2.14 IFRS 16

Carasent has implemented IFRS 16 Leases with effect from 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees are required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees are also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Group has applied the simplified transition approach and has not restated comparative amounts for the year prior to first adoption. Right-of-use assets have been measured on transition date to an amount equal to the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). Carasent has elected to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Group has elected not to recognize right of use assets and lease liabilities for short-term leases that has a lease term of 12 months or less and leases of low value assets, including IT-equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Under IAS 17, leases classified as operational leases was presented as operating expenses. Under the new IFRS 16 the capitalized right-of-use assets are depreciated over the lease term and presented as depreciation, and the interest effect from the discounted liability is presented as a financial item in the statement of income.

## **2.15 Events after the Balance Sheet Date**

New information on the Company's positions at the balance sheet date is taken into account in the annual financial statements. Events occurring after the balance sheet date that do not affect the Company's position at the balance sheet date, but which will affect the Company's position in the future, are stated, if significant.

## **2.16 Cash Flow Statement**

The cash flow statement is prepared in accordance with the indirect method. Included in cash and cash equivalents are bank deposits and cash on hand. Cash and cash equivalents are presented at the market value on the balance sheet date.

## **2.17 Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company has not identified any material estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## **2.18 Future Changes in Accounting Principles**

A number of new standards, amendments to standards and interpretations were not effective for the year ended 31 December 2019 and have not been applied in preparing these consolidated financial statements. Those that may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

IFRS 17 Insurance Contracts

Amendments to IFRS 3 Business Combinations

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

Amendments to IAS 1 and IAS 8: Definition of Material

Amendments to References to the Conceptual Framework in IFRS Standards

**Note 3 Acquisition of Evimeria EMR AB**

On April 17, 2018, Carasent ASA entered an agreement to acquire 100% of the shares in Evimeria EMR AB, a Swedish software technology and R&D services company.

The purchase price was agreed to NOK 75 million and consisted of 81 105 107 (after reverse split 20 276 277) new issued shares in Carasent, plus a cash consideration of NOK 28,5 million. At closing of the transaction the sellers and current shareholders in Evimeria held a total of 49.9 % of the issued shares in Carasent ASA.

Based on share price at acquisition date, the total consideration was NOK 85,7 million.

The total surplus value implied by the Transaction, based on the total consideration and book value at acquisition date is calculated at NOK 78,9 million. The surplus value relates to Customer relationship, IP and remaining goodwill.

The Purchase Price Allocation (PPA) analysis that was performed by PWC concluded a fair value for the IP to 13,8 MNOK and a fair value for the customers to 22,4 MNOK.

All share issuance cost has been expensed. Transactions costs that has been expensed totals 4,2 MNOK and is specified under Other Operational and Administrative Costs in the Income statement

If the acquisition took place on 1 January 2018 the loss for the year is estimated to have been 5,1 MNOK.

The table below summarize the Fair Value of the acquisition (amounts in NOK 1000).

	Carrying amount	FV adjustment	FV
Customer relationships		22 370	22 370
Goodwill	-	56 550	56 550
IP	7 252	6 510	13 762
Equipment	629		629
Receivables	4 327		4 327
Other current assets	593		593
Liabilities	- 12 361		(12 361)
Deferred tax liabilities	- 1 012	(6 552)	(7 564)
	- 572	78 878	78 306
Cash consideration paid			28 500
Cash acquired		-	7 400
Net cash outflow			21 100
Satisfied by issuance of shares			57 206
Total consideration			85 706

#### Note 4 – 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, Webdoc related services to customers in Sweden. Evimeria EMR AB was acquired in May 2018 and has been consolidated in Carasent from that date.

The following table summarizes the components of the Company's revenue to customers, in 2018 for the period May 1, 2018 through December 31, 2018.

	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>(Amounts in NOK 1000)</b>		
Webdoc License	24 919	11 529
Addon services	23 008	12 437
<b>Total Revenues</b>	<b>47 927</b>	<b>23 965</b>

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

<b>(Amounts in NOK 1000)</b>	<b>Liability</b>
December 31, 2017	-
Acquisition of Evimeria EMR AB	2 805
Invoiced May to December 2018	12 631
Revenue recognized May to Deceml	11 529
<b>Balance December 31, 2018</b>	<b>3 907</b>
Invoiced in 2019	26 282
Revenue recognized in 2019	24 919
<b>Balance December 31, 2019</b>	<b>5 270</b>

### Note 5 - Cost of Sales

The following table summarizes the components of the Company's cost of sales, in 2018 for the period May 1, 2018 through December 31, 2018. All cost of sales are related to Evimeria EMR AB. All the cost of sales are from 3:rd party suppliers.

	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>(Amounts in NOK 1000)</b>		
Webdoc License	-	
Addon services	8 745	5 032
Other revenues		
<b>Total Cost of Sales</b>	<b>8 745</b>	<b>5 032</b>

### Note 6 – Employee Compensation and Benefits

The following table summarizes the components of the Company's Compensation and Benefits:

	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>(Amounts in NOK 1000)</b>		
Salaries	16 313	8 022
Share-based Compensation		-
Social Security Tax	5 748	2 718
Pension Employee	1 331	696
Other Compensation	3 899	2 044
Work performed by the company for its own use and capitalized	-	2 574
<b>Total Employee Compensation and Benefits</b>	<b>17 622</b>	<b>10 906</b>

Compensation and Benefit Expense includes cost of the employees of Evimeria EMR AB, in 2018 for the period May 1 2018 (the date Evimeria EMR AB was acquired), through December 31, 2018. All pension plans are related to Evimeria EMR AB and accordingly to a deposit scheme (ITP1).

The tables below set forth the compensation summary for the CEO and Board of Directors for the year ended December 31, 2019.

<b>(Amounts in NOK 1000)</b>	<b>Salary</b>	<b>Bonus</b>	<b>Other</b>	<b>Board Fees</b>	<b>Total Remuneration</b>
Johan Lindqvist (Chairman)	-	-	-	400	400
Ebba Fahraeus (Board Member)	-	-	-	200	200
Terje Rogne (Board Member)	-	-	-	200	200
Jesper Jannerberg (CEO)	832	-	18	-	850
<b>Total</b>	<b>832</b>	<b>-</b>	<b>18</b>	<b>800</b>	<b>1 650</b>

Comparable figures are shown in table below.



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(Amounts in NOK 1000)	Salary	Bonus	Other	Board Fees	Total Remuneration
Johan Lindqvist (Chairman)	-	-	-	400	400
Ebba Fåhraeus (Board Member)	-	-	-	200	200
Terje Rogne (Board Member)	-	-	-	200	200
Jesper Jannerberg (CEO)	519	-	24	-	543
<b>Total</b>	<b>519</b>	<b>-</b>	<b>24</b>	<b>800</b>	<b>1 343</b>

The Company's Chairman, Johan Lindqvist is entitled to a fee of NOK 400 000 per annum of which NOK 400 000 was outstanding as of December 31, 2019 and paid in February 2020.

Terje Rogne and Ebba Fåhraeus are paid a Directors fee of NOK 200 000 per year of which NOK 200 000 was outstanding to each as of December 31, 2019. All outstanding board fees were paid in February 2020.

The Board of Carasent ASA has developed a policy for remuneration to the senior management in accordance with the Norwegian Public Limited Liability Companies Act §16-6a. The statement applies to 2020 and is presented to the annual general meeting of Carasent ASA in accordance with the Norwegian Public Limited Liability Companies Act §5-6 third paragraph. The policy discloses the Company's base salary, pension, share option program and other benefits.

A Compensation Committee established by the Board is handling the remuneration issues in accordance with the policy.

The Company is dependent on motivated employees. Salary and other benefits for all employees shall be competitive in order to attract and retain motivated and skilled management.

During 2019 total compensation for each of the senior management in the Carasent Group, as well as other senior executives, comprised of only base salary and other fixed benefits. None of the employees are granted bonus or severance payment in case of termination.

### Note 7 - Other Operational and Administrative Costs

The following table summarizes the components of the Company's Other Operational and Administrative Costs:

(Amounts in NOK 1000)	Year Ended December 31, 2019	Year Ended December 31, 2018
Marketing	277	357
Travel & Entertainment	519	323
Rent	1 277	772
Professional Services	4 693	7 488
Communications	-	95
Maintenance and Support	-	-
Utilities and Maintenance Costs	594	402
IT services	535	1 009
Other SG&A	1 798	645
<b>Total Other Operating Expenses</b>	<b>9 693</b>	<b>11 090</b>

Other Operational and Administrative Costs for 2019 includes operating and administrative costs related to Evimeria EMR AB.

## Audit Fees

The table below summarizes the components of the Company's audit related fees (the amounts are ex VAT):

	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>(Amounts in NOK 1000)</b>		
Audit services E&Y	-	499
Audit services KPMG	593	180
Other Attestation Services	-	-
Tax Services	-	-
Other Non-audit Services	153	-
<b>Total Audit Fees</b>	<b>745</b>	<b>679</b>

## Note 8 - Intangible Assets

The following table summarizes the activity of the Company's Intangible Assets

<b>(Amounts in NOK 1000)</b>	<b>Customer Relationships</b>	<b>WebDoc</b>	<b>Goodwill</b>	<b>Total Intangible Assets</b>
<b>Cost December 31, 2018</b>	<b>22 794</b>	<b>15 422</b>	<b>61 535</b>	<b>99 751</b>
Additions		9 930		9 930
Depreciation Charges	(2 289)	(3 722)	-	(6 010)
Fx effects	(1 077)	(483)	(2 722)	(4 282)
<b>Balance December 31, 2019</b>	<b>19 429</b>	<b>21 147</b>	<b>58 813</b>	<b>99 389</b>

In 2019 NOK 9,9 million have been added to Webdoc from internal own development.

Customer Relationships are amortized on a straight-line basis over a ten-year period. Webdoc (IP) is amortized on a straight-line basis over a seven-year period This is the Company's best estimate of the life of such assets.

The Company has no other R&D costs that has been expensed.

## Note 9 Tools and equipment

The following table summarizes the activity of the Company's Inventory, Tools & Installations. There are no additions from internal own development.

<b>(Amounts in NOK 1000)</b>	<b>Computer Equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Total</b>
<b>Cost December 31, 2018</b>	<b>168</b>	<b>510</b>	<b>678</b>
Additions	335	360	695
Depreciation Charges	(128)	(139)	(267)
Fx effects	(5)	(9)	(14)
<b>Balance December 31, 2019</b>	<b>370</b>	<b>721</b>	<b>1 090</b>

Computer equipment and furniture and fixtures are depreciated on a straight-line basis over three to five years.

## Note 10 - Financial Income and Expenses

The following table summarizes the components of the Company's Financial Income and Expense:

	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>(Amounts in NOK 1000)</b>		
Interest Expense	261	77
Other Financial Income	28	33
Financial Income and Expense	<b>290</b>	<b>44</b>

## Note 11 - Earnings per Share

The basic and diluted earnings per share are calculated as the ratio of the net income (or net loss) for the year that is due to the ordinary shareholders. The net income for 2019 of NOK 3,2 million is divided by the weighted average number of ordinary shares outstanding of 40 633 822 resulting in an net earnings per share of NOK 0,08. For 2018, net loss of NOK 7,0 million is divided by the weighted average number of ordinary shares outstanding of 40 633 822 (after reverse split, see below) resulting in net loss per share of NOK 0,17.

The following table presents the earnings per share:

	Year Ended December 31, 2019	Year Ended December 31, 2018
<b>(Amounts in NOK 1000 Except for Share Data)</b>		
Income for the year	3 212	(7 034)
Total Income for the Year to Holders of Ordinary Shares	<b>3 212</b>	<b>(7 034)</b>
Weighted Average Common Shares Outstanding	40 633 822	40 633 822
Basic and Diluted Earning Per Share for the Year	<b>0,08</b>	<b>(0,17)</b>

On May 15, 2019 the Annual Shareholder's Meeting decided a merger (reversed split) of the Company's shares, 4:1. In order to complete this, it was as a first step required to increase the number of shares to a number that could be divided by 4. The registered share capital is NOK 54 124 250,82 divided into 40 633 822 shares each with a par value of NOK 1,332.

## Note 12 - Impairment Testing of Goodwill

As part of the Company's annual review process it assesses whether or not acquired goodwill or other non current assets have been impaired. The estimate reflects the Company's assessment of the value of the cash-generating unit to which the goodwill is allocated or the non current assets are associated. Calculating the value in use requires the Company to estimate the expected cash flows from the cash-generating unit (if available) and also to choose a suitable discount rate in order to calculate the present value of cash flow.

The Company evaluates its non current assets on a consolidated basis as a single cash generating unit. The recoverable amount for the cash generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period and beyond five year a perpetual growth rate of future cash flow has been set to 2 %. The discount rate applied to cash flow projections was 12.2 % post tax. In 2019 the only Cash Generating Unit was Evimeria EMR AB.

### Key assumptions used in value in use calculations for the Company for December 31, 2019

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of non current assets:

**Revenues** - The basis for determining the value assigned to budgeted revenue growth is expected license sales which is based on historical sales and market opportunities. Add-on revenues is based on a increasing ratio to the license revenues.

**Gross Margins** - The basis for determining the value assigned to budgeted gross margins is the average gross margins achieved in the year immediately prior to the budgeted year, contract with suppliers and management's estimates for the next years.

**Operating Expenses** - The basis for determining the value assigned to operating expenses is the forecasted need for employees and historical costs. The Company has established a track record of effectively managing its costs and believes its operating expense scalability to be reasonable.

**Capital Expenditures** – The Company's capital expenditures consist mainly of internally developed software (Webdoc) which can be forecasted as a part of costs of software developers and expected new moduled in Webdoc.

**Pre-Tax Discount Rates** – To determine the present value of the future cash flows, the Company has used a WACC model (Weighted Average Cost of Capital).

The Company has used the capital asset pricing model (CAPM) to determine the cost of equity (Re). The risk-free rate of interest is set to the annual average of 12-months government bonds (1.5%) and the expected market return is estimated to be 6.3 %. The Beta is calculated as the ratio of covariance between the return on asset and return on the market index, and the variance in the return on the market index. The Beta is estimated to 1,04. Carasent belongs to small companies when considering market risk premium, according to PWC the size risk premium should be 4.2% This determines the cost of equity to 12.28%. The cost of debt is given by the current rate of Evimeria EMR AB:s debt interest. The WACC is therefore determined to 12.2%

The result of the test is that there is no need of impairment. Two sensitivity analysis were carried out; The forecasted EBIT can decrease with more than 82 % and the value in use will still meet the carrying value. The WACC can increase to 81 % and the value in use will still meet the carrying value.

### Note 13 - Accounts Receivable

The table below sets forth the Company's trade receivables as of December 31, 2019 and 2018

(Amounts in NOK 1000)	Total	Neither Past Nor Impaired	Past Due, Not Impaired		
			1-30 days	31-90 days	> 90 days
2018	8 630	8 431	137	59	2
2019	7 667	7 054	425	149	38

The Company evaluates its provision for trade receivables on a regular basis. Key factors that are considered when determining whether a provision is required due to potential impairment include the age of the trade receivable, the amount past due and the payment history of the customer. The table below sets forth the movement in the Company's trade receivable provision for 2018 and 2019. The Company confirms that the group's maximum exposure to credit risk is 7,7 MNOK at 31 December 2019.

(Amounts in NOK 1000)	
December 31, 2018	47
Increase in reserve	35
December 31, 2019	82

### Note 14 - Other Current Assets

The following table summarizes the Company's Other Current Assets. The components contained within are non-interest bearing items.

(Amounts in NOK 1000)	Year Ended December 31, 2019	Year Ended December 31, 2018
	2019	2018
Other Receivables	464	648
Prepaid Expenses	562	764
Total Other Operating Expense	1 026	1 412

### Note 15 - Cash and Cash equivalents

The following table summarizes the Company's Cash and Cash Equivalents. Cash balances held by the Company's bank earns interest at a floating rate based on average daily balances:

	Year Ended December 31,	Year Ended December 31,
(Amounts in NOK 1000)	2019	2018
Cash at Bank	10 928	8 773
Restricted Cash		-
<b>Total Cash and Cash Equivalents</b>	<b>10 928</b>	<b>8 773</b>

### Note 16 - Interest-Bearing Debt

The following table summarizes the Company's Interest-Bearing Debt:

(Amounts in NOK 1000)

#### Long Term

Effective Interest Rate	3,5%
Payable in 2020	1 134
Payable in 2021	851
<b>Total Payable</b>	<b>1 985</b>

There is collateral of MNOK 4,5 related to the debt.

### Note 17 – Lease Related Obligations

The Company has contracted office space through a lease agreement and a lease agreement for furniture and inventories.

The following table summarizes the Company's Right of Use Assets and Lease Liability at December 31, 2019:

(Amounts in NOK 1000)	Right of use Assets	Lease liability
<b>Balance December 31, 2018</b>	<b>3 657</b>	<b>3 657</b>
Termination	(3 657)	(3 657)
Additions	17 100	17 176
Depreciation/Amortization	(1 043)	(744)
Fx effects	504	327
<b>Balance December 31, 2019</b>	<b>16 561</b>	<b>16 758</b>

The following table summarizes the Company's future lease commitments at December 31, 2019:

(Amounts in NOK 1000)

<b>Operating leases</b>	<b>Year Ended December 31,</b>
Payable in 2020	2 694
Payable in 2021	3 684
Payable in 2022	4 038
Payable in 2023	4 344
Payable in 2024	3 747

The lease of office space for Evimeria EMR AB in Gothenburg is identified as an IFRS 16 lease and presented as a right of use asset in the statement of financial position. The right of use asset is depreciated on a straight line basis over the remaining lease term. The Group's external borrowing rate is used in measuring the lease liability.

The Company's current lease agreement for its Gothenburg, Sweden office space expires in October 2024 and the lease agreement for furniture and inventories expires in December 2024.

The lease of furnitures and inventories is identified as an IFRS 16 lease and presented as a right of use asset in the statement of financial position. The right of use asset is depreciated on a straight line basis over the remaining lease term. The implicit lease rate is used in measuring the lease liability.

### **Note 18 – Stock Option Program**

As announced on November 15, 2019, the Board in Carasent ASA has approved a stock option program for up to 2 million shares. The options are structured as warrants based on market value, will have a strike of price of NOK 14,47 with a 3 year term. When exercised, the Board has the right to pay the option holder cash instead of issue shares. The market value of the options has been calculated to NOK 1,39 per option and have now been fully distributed. All 2 million options were subscribed and has been paid for by the option holder. A total of 1 528 562 options were subscribed for by employees and the remaining by primary insiders. As at 31 December 2019 the fair value of the warrants were estimated to be NOK 1,39 per warrant, resulting in a financial liability of NOK 2,78 million for the Group.

## Note 19 - Consolidated Shareholders Equity

Shareholder	Holding	Stake
Windchange Invest AB	7 675 359	18,9%
SVENSKA HANDELSBANKEN AB	5 133 870	12,6%
Swedbank AB	4 895 363	12,0%
FACTIS INVEST AB	4 433 053	10,9%
TIGERSTADEN AS	3 112 860	7,7%
Avanza Bank AB	2 768 921	6,8%
MIDDELBORG INVEST AS	1 934 978	4,8%
Danske Bank A/S	1 494 171	3,7%
TTC INVEST AS	1 050 000	2,6%
LEOVILLE AS	1 000 000	2,5%
DNB Markets Aksjehandel/-analyse	796 301	2,0%
Nordnet Bank AB	713 292	1,8%
Skandinaviska Enskilda Banken AB	457 827	1,1%
FENESTRA AS	330 000	0,8%
LAIKA INVEST AS	293 207	0,7%
URBANSKI	250 000	0,6%
Nordea Bank Abp	246 738	0,6%
NORDGAARD	195 042	0,5%
Jannerberg Invest AB	192 706	0,5%
Nawa Invest AS	150 000	0,4%
<b>Total Largest 20 Shareholders</b>	<b>37 123 688</b>	<b>91,4%</b>
Other Shareholders	3 510 134	8,6%
<b>Total Shares Outstanding</b>	<b>40 633 822</b>	<b>100,0%</b>



## Note 20 - Shareholder Structure

At December 31, 2019, the Company had only one class of shares with a par value of NOK 1,332. Each share has one vote. There are no trade limitations on the Company's shares. The shares are registered in the Norwegian Registry of Securities. Total outstanding and issued shares at December 31, 2019 were 40 633 822.

Windchange AS and Windchange Invest AB are entities 100% owned by the Company's chairman. The total ownership reflected above does not include 35 059 shares held directly by the Company's chairman.

Shares owned (both directly and indirectly) by the Board of Directors and the CEO at December 31, 2019:

Name	Position	Shares
Johan Lindqvist	Chairman	7 784 124
Ebba Fahraeus	Board Member	85 013
Jesper Jannerberg	CEO	4 992 618
<b>Total</b>		<b>12 861 755</b>

At December 31, 2019, Jon Schultz, the Company's legal counsel, owned directly and indirectly 293 207 shares of Carasent ASA.

## Note 21– Transactions with Related Parties

The Company's Chairman, Johan Lindqvist is entitled to a fee of NOK 400 000 per annum. Mr. Lindqvist is also entitled to a fee of NOK 400 000 for consulting services as approved by the shareholders in May 2012.

The Company contracts with Jon Schultz, a former Board member, to provide legal services. The Company paid Mr. Schultz's legal firm NOK 450 000 in 2019 for professional legal services. The Company believes the remuneration paid to Mr. Schultz's legal firm during 2019 was equivalent to prevailing market rates.

**Note 22– Income Tax**

Negative and positive timing differences, which reverse or may reverse in the same period, are offset. Timing differences between different subsidiaries have not been offset.

Deferred tax expense represents the net change in deferred tax assets and liabilities through changes in timing differences and loss carried forward. Deferred tax assets and liabilities are presented net of their respective tax effect using tax rate of the applicable jurisdiction applied to amounts representing future tax deductions or taxes payable.

In Norway the group has deferred tax assets relating to tax loss carry forward (tax value NOK 48,1 million). The tax loss has no expiry date. Based on the current operations in Norway there is no convincing evidence that this deferred tax asset can be utilized. Consequently the deferred tax asset has not been recognized. Deferred tax liabilities of NOK 7,0 million relates primarily to deferred tax relating to the excess values recognized as part of the acquisition of Evimeria EMR AB.

	Group	
	2019	2018
<b>Income tax expense</b>		
Tax payable	961	310
Changes in deferred tax	18 -	70
<b>Total income tax expense</b>	<b>979</b>	<b>240</b>
<b>Tax base calculation</b>		
Profit before income tax	4 191 -	6 796
Permanent differences	527	3 195
Change in temporary differences	645	385
Utilisation of tax loss carried forward	- 240	-
Increase tax loss carried forward	-	4 302
<b>Tax base</b>	<b>5 123</b>	<b>1 086</b>
<b>Temporary differences:</b>		
Non current assets	29 641	32 430
Gains and loss account	31	38
Other temporary differences	2 035	289
<b>Total</b>	<b>31 706</b>	<b>32 757</b>
Tax loss carried forward	- 218 415 -	218 655
<b>Net temporary differences</b>	<b>- 186 709 -</b>	<b>185 898</b>
Deferred tax liability (asset)	- 41 075 -	40 898
Of which not recognized	- 48 083 -	48 151
<b>Deferred tax liability (asset) in balance sheet</b>	<b>7 008</b>	<b>7 253</b>
<b>Reconciliation of effective tax rate</b>		
Expected income taxes at statutory tax rate	203 -	1 537
Permanent differences	826	306
Unrecognized deferred tax assets	- 68	967
Other changes	18	504
<b>Income tax expense</b>	<b>979</b>	<b>240</b>
<b>Effective tax rate in %</b>	<b>23%</b>	<b>-4%</b>
<b>Tax payable</b>		
Tax payable expense	946	310
Prepaid tax	- 253 -	88
From prior periods	453	228
<b>Tax payable liability</b>	<b>1 146</b>	<b>450</b>

### **Note 23 - Events after the Balance Sheet Date**

The Group has not identified any events after the balance sheet date that require separate disclosures

### **Note 24 - Financial Risk Management Objectives and Policies**

#### **Financial Risk Management**

The Company's principal financial instruments include account receivables, account payables and cash. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which are a direct result of the Company's operations. The book value is considered to represent fair values.

It is the Company's policy not to engage in trading of financial instruments.

The primary risks arising from the Company's financial instruments are foreign currency risk. The Company evaluates its risk exposure in order to determine the potential effect on its business operations by reviewing the products and services provided to the markets the Company serves and the countries in which it conducts business. The Company believes it does not have any significant single concentration of risk.

#### ***Foreign Currency Risk***

The Company has revenues and costs in two different countries, with different currencies, Norwegian Krone (NOK) and Swedish Krona (SEK), and is as such exposed to currency fluctuations when translating into the main currency NOK.

#### ***Credit Risk and interest risk***

The company has no material credit risk or interest risk.

# **CARASENT ASA**

## **2019 Financial Statements**

## Carasent Annual Report 2019

### Carasent ASA Income Statement

(Amounts in NOK 1,000)	Note	12 Months Ended	
		December 31, 2019	December 31, 2018
<b>Operating Revenues</b>			
<b>Total Operating Revenues</b>	<b>3</b>	4 500	2 285
<b>Cost of Sales</b>			
<b>Total Cost of Sales</b>		-	-
<b>Gross Profit</b>		4 500	2 285
<b>Operating Expenses</b>			
Employee Compensation and Benefits	<b>4</b>	913	913
Other Operational and Administrative Costs	<b>5</b>	3 250	5 610
<b>Total Operating Expenses</b>		4 163	6 522
<b>Operating Income</b>		337	(4 237)
<b>Other Expense</b>			
Other Financial Income		(28)	33
<b>Financial Income and Expense</b>	<b>10</b>	(28)	33
<b>Income Before Income Taxes</b>		308	(4 204)
Income Tax Expense		-	-
<b>Net Income for the Period</b>		308	(4 204)

## Carasent Annual Report 2019

### Carasent ASA Statement of Financial Position

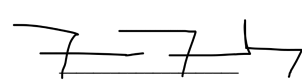
		December-19	December-18
(Amounts in NOK 1,000)	Note	2019	2018
ASSETS			
Fiancial Non-Current Assets			
Investment in Subsidiaries		87 191	87 161
Total Financial Non-Current Assets		87 191	87 161
Total Non-Current Assets		87 191	87 161
Current Assets			
Prepaid Expenses		32	54
Cash and Cash Equivalents		3 502	2 272
Total Current Assets		3 534	2 326
TOTAL ASSETS		90 725	89 487
LIABILITIES AND SHAREHOLDERS EQUITY			
Equity Attributed to Equity Holders of the Parent			
Share Capital		54 124	54 124
Share Premium Reserve		35 819	35 819
Retained Earnings		(3 896)	(4 204)
Total Shareholders Equity		86 048	85 739
Liability Stock Option Program		2 780	-
Total non-current liabilities		2 780	-
Current Liabilities			
Trade Accounts Payable		16	675
Accrued Expenses and Prepaid Income		1 855	2 682
Other Current Liabilities		28	390
Total Current Liabilities		1 898	3 748
TOTAL LIABILITIES AND EQUITY		90 725	89 487

Oslo, Norway  
20 March 2020

  
Johan Lindqvist  
Chairman of the Board

  
Terje Rogne  
Director

  
Ebba Fähræus  
Director

  
Jesper Jannerberg  
CEO

## Carasent Annual Report 2019

### Carasent ASA Cash Flow Statement

(Amounts in NOK 1,000)	12 Months Ended December 31	
	2019	2018
<b>Cash Flows from Operating Activities</b>		
Profit Before Taxes	308	(4 204)
Change in Accounts Payable	(659)	668
Change in Current Assets & Liabilities	(1 190)	2 574
<b>Net Cash Flows Provided by Operating Activities</b>	<b>(1 541)</b>	<b>(962)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Evimeria EMR AB, net of cash from Evimeria		(29 981)
<b>Cash Flows Used in Investing Activities</b>	<b>(30)</b>	<b>(29 981)</b>
<b>Cash Flows from Financing Activities</b>		
Stock Option Program	2 780	-
Return of Capital to Shareholders		(28 501)
<b>Cash Flows Used in Financing Activities</b>	<b>2 780</b>	<b>(28 501)</b>
<b>Effect of Exchange Rates on Cash and Cash Equivalents</b>	<b>21</b>	
Net Change in Cash and Cash Equivalents	1 230	(59 444)
Cash and Cash Equivalents at Beginning of Period	2 272	61 716
<b>Cash and Cash Equivalents at End of Period</b>	<b>3 502</b>	<b>2 272</b>

## NOTES TO CARASENT ASA FINANCIAL STATEMENTS

### Note 1 - Corporate Information

Carasent ASA is a public Company registered in Norway. The Company's registered business address is located at c/o Advokatsenteret Kristian Augusts gate 14, Oslo, Norway.

### Note 2 - Summary of Significant Accounting Policies

#### 2.1 Basis for Preparation

The financial statements of Carasent ASA are prepared in accordance with the Norwegian Accounting Act of 1998 and Norwegian Generally Accepted Accounting Principles.

#### 2.2 Functional Currency and Presentation Currency

The Company's functional currency and presentation currency is NOK.

#### 2.3 Investment in Subsidiaries

Investments in Subsidiaries are valued using the cost method in the Company accounts. The investment is valued as the cost of acquiring shares in the subsidiary, providing a write down is not required. A write down to fair value will be made if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause for the initial write down is no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the excess amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

#### 2.4 Receivables

Intercompany receivables are valued at the lower of cost or net realizable value. Other debtors are stated at face value, and reduced by a provision for anticipated losses. The provision is made on the basis of individual evaluations.



## **2.5 Revenue Recognition**

Management fee revenue from Evimeria EMR AB is recognized when the services have been delivered.

## **2.6 General Valuation Rules for Classification of Assets and Liabilities**

Current assets and liabilities include balances typically due within one year. All other balances are classified as non-current assets and other long-term debt. Current assets are valued at the lower of cost or net realizable value. Short-term debt is stated at the historical nominal value. Fixed assets are valued at cost, but written down to realizable value if the decline in value is expected to be permanent. Long-term debt is disclosed at the historical nominal value.

## **2.7 Other Receivables**

Other debtors are stated at face value, and reduced by a provision for anticipated losses. The provision is made on the basis of individual evaluations of each customer.

## **2.8 Monetary Items in Foreign Currencies**

Monetary items denominated in foreign currencies are translated at the exchange rate applicable on the balance sheet date.

## **2.9 Income Taxes**

The tax expense in the income statement includes taxes payable on the ordinary result for the period as well as the change in deferred tax. Deferred tax is calculated with a nominal tax rate on the temporary differences between the recorded values and tax values, as well as on any tax loss carry-forwards at the balance sheet date. Any temporary differences increasing or reducing taxes that will or may reverse in the same period are netted. The net deferred tax benefit is recorded as an asset if it is regarded as likely that the Company will be able to realize the benefit through future earnings or realistic tax efficient planning.

## **2.10 Use of Estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the interim balance sheet and the disclosure on the balance sheet date. Actual results can differ from these estimates.

## **2.11 Cash Flow Statement**

The cash flow statement is prepared in accordance with the indirect method. Included in cash and cash equivalents are bank deposits and cash on hand. Cash and cash equivalents are carried at the market value on the balance sheet date.

## 2.12 Share Options

As announced on November 15, 2019, the Board in Carasent ASA has approved a stock option program for up to 2 million shares. The options will be structured as warrants. When exercised, the Board has the right to pay the option holder cash instead of issue shares. All 2 million options were subscribed and will be paid for by the option holder. A total of 1 528 562 options were subscribed for by employees and the remaining by primary insiders. The warrants are accounted for as a financial liability and measured at fair value at the reporting date.

## Note 3 – Revenues

Carasent ASA has invoiced management fee for services provided to Evimeria EMR AB.

	Year Ended December 31,	Year Ended December 31,
(Amounts in NOK 1000)	2019	2018
Other revenues	4 500	2 285
Total Revenues	4 500	2 285

## Note 4 – Compensation and Employee Benefits

The following table summarizes the Compensation and Employee Benefits:

	Year Ended December 31,	Year Ended December 31,
(Amounts in NOK 1000)	2019	2018
Board of Directors Fees	800	800
Social Security Tax	113	113
Total Employee Compensation	913	913

As of December 31, 2019 and 2018, Carasent ASA did not have any employees, remuneration for Board of Directors are specified in Note 6 in the Group Financial statements.

## Note 5 – Other Operational and Administrative Costs

The following table summarizes the Other Operational and Administrative Costs

	Year Ended December 31,	Year Ended December 31,
(Amounts in NOK 1000)	2019	2018
Marketing	64	314
Travel & Entertainment	-	126
Professional Services	2 604	4 597
Other SG&A	582	572
Total Other Operating Expenses	3 250	5 610

## Note 6 - Shares in Subsidiary Companies

The following table summarizes the Company's subsidiaries.

Companies	Book value, December 31,	Equity December 31,	Net Income December 31,	Incorporation/ Acquisition	Office Location	Ownership Interest &
Evimeria EMR AB	87,16 MNOK	13,9 MNOK	5,4 MNOK	2018	Gothenburg, Sw	100%
Carasent AS	0,03 MNOK	0,03 MNOK		2019	Oslo, Norway	100%

## Note 7 - Equity Changes for Carasent ASA

The following table summarizes the net change in the Company's shareholder equity:

(Amounts in NOK 1000)	Share capital	Share Premium Reserve	Other Paid in Capital	Retained Earning	Total Equity
<b>Equity December 31, 2017</b>	<b>27 116</b>	<b>404 124</b>	<b>50 943</b>	<b>(420 919)</b>	<b>61 264</b>
Net Income for the Period		(369 976)	(50 943)	416 715	(4 204)
Distribution of Paid in Capital		(28 501)			(28 500)
Equity Issuance	27 008	30 171			57 179
<b>Equity December 31, 2018</b>	<b>54 124</b>	<b>35 819</b>	<b>-</b>	<b>(4 204)</b>	<b>85 739</b>
Net Income for the Period				308	308
<b>Equity December 31, 2019</b>	<b>54 124</b>	<b>35 819</b>	<b>-</b>	<b>(3 896)</b>	<b>86 048</b>

For information about the shares see Note 11 and 1 in the Group Financial Statement.

## Note 8– Transactions with Related Parties

In 2019 Carasent ASA has provided management services to Evimeria EMR AB, reference is made to Note 3. There are no intercompany balances per 31 December 2019.

## Note 9– Income Tax

Negative and positive timing differences, which reverse or may reverse in the same period, are offset. Timing differences between different subsidiaries have not been offset.

Deferred tax expense represents the net change in deferred tax assets and liabilities through changes in timing differences and loss carried forward. Deferred tax assets and liabilities are presented net of their respective tax effect using tax rate of the applicable jurisdiction applied to amounts representing future tax deductions or taxes payable.

Carasent ASA has deferred tax assets relating to tax loss carry forward (tax value NOK 48,1 million). The tax loss has no expiry date. Based on the current operations in Norway there is no convincing evidence that this deferred tax asset can be utilized. Consequently the deferred tax asset has not been recognized.

	ASA	
	2019	2018
<b>Income tax expense</b>		
Tax payable		-
Changes in deferred tax		-
<b>Total income tax expense</b>	-	-
<b>Tax base calculation</b>		
Profit before income tax	308 -	4 204
Permanent differences		-
Change in temporary differences	- 68 -	98
Utilisation of tax loss carried forward	- 240	-
Increase tax loss carried forward		4 302
<b>Tax base</b>	-	-
<b>Temporary differences:</b>		
Non current assets	- 176 -	251
Gains and loss account	31	38
Other temporary differences		-
<b>Total</b>	- 145 -	213
Tax loss carried forward	- 218 415 -	218 655
<b>Net temporary differences</b>	- 218 560 -	218 868
Deferred tax liability (asset)	- 48 083 -	48 151
Of which not recognized	- 48 083 -	48 151
<b>Deferred tax liability (asset) in balance sheet</b>	-	-
<b>Reconciliation of effective tax rate</b>		
Expected income taxes at statutory tax rate	68 -	967
Permanent differences	-	-
Unrecognized deferred tax assets	- 68	967
Other changes	-	-
<b>Income tax expense</b>	- 0	0
<b>Effective tax rate in %</b>	0%	0%

**Note 10 - Financial Income and Expenses**

The following table summarizes the components of the Financial Income and Expense:




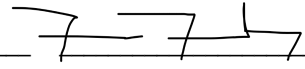
	Year Ended December 31,	
(Amounts in NOK 1000)	2019	2018
Interest Net	- 28	33
Financial Income and Expense	- 28	33

## Responsibility Statement

We confirm, to the best of our knowledge that the financial statements for the Company and the Group for the period 1 January to 31 December 2019 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole. We also confirm that the Board of Directors report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Oslo, Norway

20 March 2020

			
<b>Johan Lindqvist</b> Chairman of the Board	<b>Terje Røgne</b> Director	<b>Ebba Fåhræus</b> Director	<b>Jesper Jannerberg</b> CEO



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Enterprise 935 174 627 MVA

To the Annual Shareholder's Meeting of Carasent ASA

## Independent auditor's report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Carasent ASA, which comprise:

- The financial statements of the parent company Carasent ASA (the Company), which comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Carasent ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2019, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

#### Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statautoriserede revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Ålesund	Finnøy	Molde	Strømsund
Bergen	Hamar	Skien	Tromsø
Bodø	Haugesund	Sandnessjøen	Trondheim
Drammen	Kristiansund	Stavanger	Tynset
			Ålesund



Auditor's report - 2019  
Carasent ASA

#### Impairment of Goodwill

Reference is made to Note 3 Acquisition of Evimeria EMR AB and Note 12 Impairment Testing of Goodwill.

The Key Audit Matter	How the matter was addressed in our audit
<p>As of 31 December 2019, the Group carries NOK 59 million of goodwill on the balance sheet. The entire goodwill is related to Evimeria EMR AB which constitutes the entire business of the Group.</p> <p>There is an inherent uncertainty of whether future cash flows will support the carrying value of goodwill. Management applies judgement when determining the key assumptions in the impairment test, such as:</p> <ul style="list-style-type: none"> <li>• future financial performance</li> <li>• growth rate</li> <li>• profitability</li> <li>• discount rate</li> </ul> <p>Due to the size and risk of non-recoverability, goodwill impairment is considered a significant risk and a key audit matter.</p>	<p>We applied professional skepticism and critically assessed management's key assumptions forming the basis for the Group's value in use calculation. Our procedures included:</p> <ul style="list-style-type: none"> <li>• evaluating the historical accuracy of management's budgets and forecasts and challenging management on the current year cash flow forecasts as well as the timing of future cash flows;</li> <li>• challenging management on the growth assumptions and management's future business plan assumptions with reference to current market conditions;</li> <li>• engaging KPMG valuation specialists to assess the mathematical and methodological integrity of management's impairment models and the discount rates applied with reference to market data; and</li> <li>• obtaining and evaluating management's sensitivity analysis to determine the impact of reasonably possible changes including performing our own independent sensitivity calculations to quantify the downside changes to management's models required to result in impairment.</li> </ul> <p>We have also assessed whether the disclosures regarding key assumptions and sensitivities adequately reflected the goodwill's impairment assessments.</p>

#### Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





Auditor's report - 2019  
Carasent ASA

#### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report, including the integrated report on Corporate Social Responsibility, and in the statement on Corporate Governance concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

### Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 23 March 2020  
KPMG AS

Øyvind Skorgevik  
State Authorised Public Accountant

Carasent ASA Corporate Information

**Board of Directors**

**Johan Lindqvist – Chairman**

**Ebba Fåhraeus – Director**

**Terje Rogne -Director**

**Operator of the Share Register Account**

Nordea Bank Norge ASA

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**Corporate Officers**

**Jesper Jannerberg - CEO**

**Registered Business Address**

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**Independent Auditors**

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0306 OSLO

Norway

Phone: +47 04063

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**Stock Information**

Stock traded on the Oslo Stock Exchange

OSE Symbol: CARA

[www.ose.no](http://www.ose.no)

**Investor Services**

To request additional information about the Company, its finances, operations and services, contact:

Johan Lindqvist

Chairman of the Board, Carasent

Sweden

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