

Carasent Reports First Quarter 2020 Results

Oslo, Norway – April 28, 2020 – Carasent ASA® (OSE: CARA), announced its unaudited financial results for the three months ended March 31, 2020.

Interim Management Report

Evimeria EMR AB had a strong first quarter in line with our expectations and with no substantial Covid-19 effects.

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

*Previously we have reported Swedish GAAP numbers for Evimeria, but to increase transparency we will, starting this quarter, report IFRS adjusted numbers. A multi year overview for previous years is presented in the section ***Evimeria Adjusted IFRS*** below.

- Revenue of SEK 15.9 million, an increase of 35% as compared to Q1 2019.
- EBITDA of SEK 6.0 million as compared to SEK 3.6 million during Q1 2019.
- EBIT of SEK 3.7 million as compared to SEK 2.5 million during Q1 2019.
- Signed 23 new clinics during the First Quarter 2020, which is above previous year. Ended the Fourth Quarter with 427 active clinics.

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

- Revenues of NOK 15.6 million as compared to NOK 11.1 million during Q1-19.
- Net income of NOK 0.4 million as compared to NOK 1.0 million during Q1-19.
- Cash balances of NOK 9.4 million at March 31, 2020.

Key Highlights of First Quarter 2020

The quarter started off as expected with high market activity and strong demand. All segments showed good progress and add on sales to existing customer based continued.

With the rapid change in the pandemic situation in early March we saw higher level of uncertainty in the marketplace. However, the effects for Evimeria proved to be limited and the performance came out strong and in line with our expectations.

23 new clinics were signed during the quarter and add on sales to existing customer base continued to show good progress.

As a result, the revenue growth was 35% compared to first quarter 2019 and the scalability of the business and delivery model continues to increase earnings.

Outlook and Covid-19 effects

Evimeria has so far seen limited effects of the coronavirus situation. The overall activity in our customer base has decreased slightly in April but with large variances and effects within different segments and services.

Out-patient visits and non-emergency specialist care has decreased while customer activity within the online segment has increased. Demand for digital services, such as video, has increased rapidly and many clinics are in the process of transforming parts of their operations to a digital environment.

Sales and market activities are lower, but not significantly. More than 70% of Evimerias sales efforts are already conducted with digital interaction and so far in April we have already signed seven new clinics.

Evimeria has taken measures to protect employees and support the ongoing efforts to contain the Covid-19 pandemic in line with recommendations, and the transition to remote work has so far been seamless for our employees, customers and business partners.

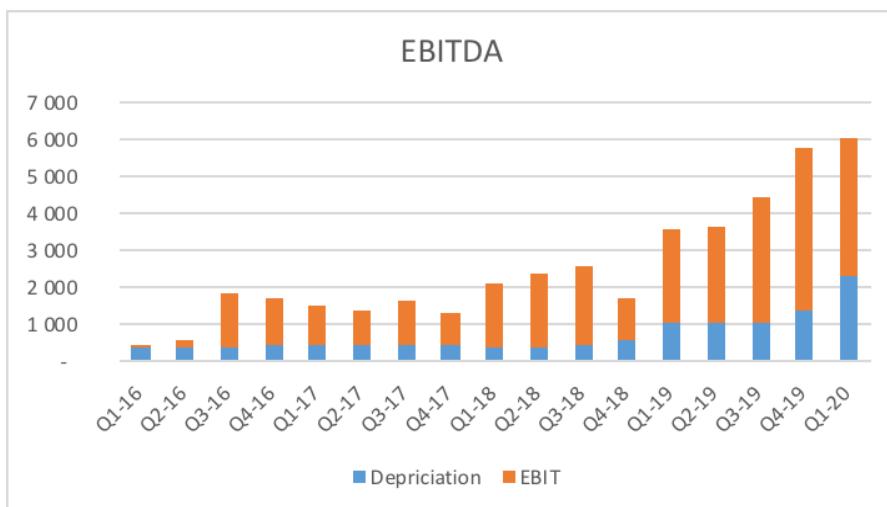
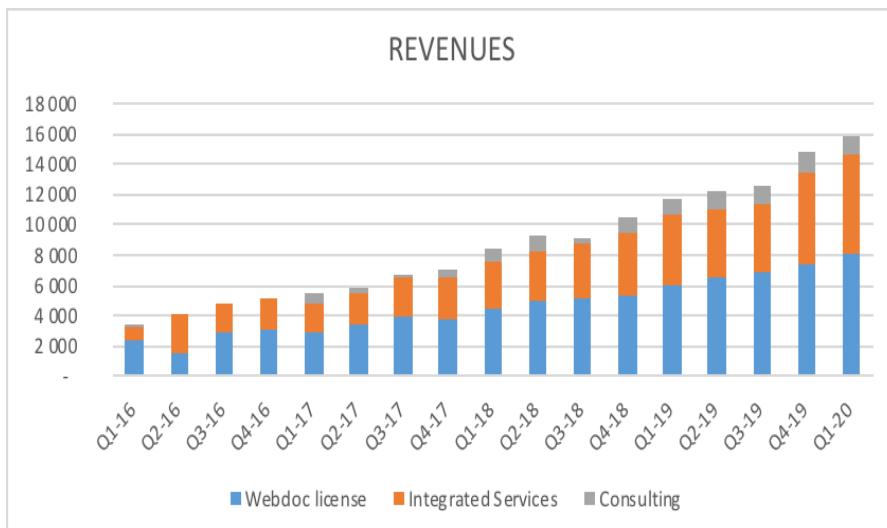
At this stage, we do not believe that the overall effect for Evimeria to be dramatic and we will continue to invest in our expansion projects with regards to new segments, geographies and new services.

However, the impact near term will depend on the overall development of the pandemic itself and the public measures taken to contain the spread of the virus, which in some scenarios could impact Evimeria through lower growth rates and increasing credit risk. Two clinics has during April temporarily closed down their operations.

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 aging population and an increased outpatient healthcare in a hard-pressed public sector.

Evimeria Adjusted IFRS in SEK (Amounts in 1,000 SEK)

EVIMERIA IFRS ADJUSTED	2016	2017	2018	2019	Q1 2019	Q1 2020
Webdoc license	9 928	13 967	19 855	26 716	5 944	8 030
Integrated Services	7 312	9 326	14 130	19 875	4 678	6 689
Consulting	113	1 571	3 340	4 718	1 151	1 200
Other	-	-	-	75	74	16
REVENUES	17 352	24 864	37 325	51 385	11 847	15 935
<i>Growth%</i>		43%	50%	38%		35%
COGS	3 869	5 551	7 516	9 388	2 263	3 164
GROSS MARGIN	13 484	19 313	29 809	41 997	9 584	12 771
GM %	78%	78%	80%	82%	81%	80%
OPEX	8 953	13 586	21 108	24 579	6 018	6 742
EBITDA	4 531	5 727	8 700	17 417	3 566	6 029
<i>EBITDA%</i>	26,1%	23,0%	23,3%	33,9%	30,1%	37,8%
D&A	1 585	1 608	1 689	4 443	1 032	2 284
EBIT	2 946	4 120	7 012	12 975	2 534	3 745
<i>EBIT%</i>	17,0%	16,6%	18,8%	25,2%	21,4%	23,5%



Financial Results – First Quarter 2020

Revenue for the first quarter of 2020 totaled NOK 15.6 million as compared 11.1 million during the first quarter 2019. All revenues are related to Evimeria EMR AB.

Operating expenses for the first quarter of 2020 totaled NOK 10.9 million as compared NOK 8.0 million during the first quarter of 2019. Operating expenses excludes cost of sales and amortizations. The operating expenses relates to two different areas.

NOK 9.8 million of the operating expenses for the first quarter of 2020 relates to Evimeria EMR AB. NOK 1.1 million consists of professional fees (legal, accounting and consulting) along with public Company costs such as stock exchange registration, insurance and board remuneration fees.

Operating income for the first quarter of 2020 totaled NOK 1.7 million as compared to NOK 0.9 million during the first quarter of 2019.

Other financial expenses of NOK 0.9 million relates to a fair value assessment of the existing stock option program.

Net income for the first quarter of 2020 totaled NOK 0.4 million as compared to NOK 1.0 million during the first quarter of 2019.

The Company ended the first quarter of 2020 with NOK 9.4 million of available cash balances and outstanding interest-bearing debt of NOK 1.9 million (not including lease liability).

Financial Statements – Basis for Preparation

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

Statements of income

Carasent Group
Interim Consolidated Income Statement

(Amounts in NOK 1,000)	Note	Three Months Ended	
		March 31, 2020	March 31, 2019
		IFRS	IFRS
Operating Revenues			
Revenues	2	15 633	11 077
Total Operating Revenues		15 633	11 077
Cost of Sales			
Direct Costs of Revenues		3 099	2 116
Total Cost of Sales		3 099	2 116
Gross Profit		12 534	8 960
Operating Expenses			
Employee Compensation and Benefits		4 801	4 529
Other Operational and Administrative Costs	3	2 908	1 724
Depreciation and Amortization	3	3 146	1 776
Total Operating Expenses		10 856	8 029
Operating Income		1 678	931
Other Expense			
Interest Expense		180	50
Other Financial Expense		901	
Other Income and Expense		-	24
Total Other Expense		1 081	73
Income Before Income Taxes		597	858
Income Tax Expense		(209)	186
Net Income for the Period		387	1 044
Attributable to Equity Holders of Parent		387	1 044
Earnings Per Share:			
	Basic	0,01	0,03
	Diluted	0,01	0,03
Attributable to Equity Holders of Parent		0,01	0,03
Weighted Average Common Shares Outstanding		40 634	40 634

Statement of comprehensive income

Carasent Group
Consolidated Comprehensive of Income Statement

(Amounts in NOK 1,000)	Note	3 Months Ended	
		March 31, 2020 IFRS	March 31, 2019 IFRS
Net Income for the Period		<u>387</u>	<u>1 044</u>
Changes in translation differences		9 910	(2 560)
Change in Valuation of Investments for Sale		-	-
Items that may be Reclassified Subsequently to Income Statement		9 910	(2 560)
Items that will not be to Income Statement		-	-
Total Other Comprehensive Income/(Loss) for the Period		9 910	(2 560)
Total Comprehensive Income/(Loss) for the Period		<u>10 297</u>	<u>(1 516)</u>
Attributed to Equity Holders of Parent		<u>10 297</u>	<u>(1 516)</u>

Statement of financial position

Carasent Group
Consolidated Statement of Financial Position

(Amounts in NOK 1,000)	Note	March-20		March-19		December-19		
		2020		2019		2019		
		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	
ASSETS								
Non-Current Assets								
Customer Relationships		21 176		22 897		19 429		
Goodwill		64 851		57 882		58 813		
Webdoc (IP)		26 020		16 103		21 147		
Total Intangible Assets, net		112 046		96 882		99 389		
Tools and Equipment		1 360		774		1 090		
Right of use Asset	3	17 319		3 280		16 561		
Total Tangible assets		18 679		4 055		17 651		
Total Non-Current Assets		130 725		100 937		117 040		
Current Assets								
Customer Receivables		8 578		7 638		7 667		
Other Receivables		485		469		464		
Prepaid Expenses		1 881		716		562		
Cash and Cash Equivalents		9 386		7 175		10 928		
Total Current Assets		20 329		15 998		19 620		
TOTAL ASSETS		151 055		116 935		136 660		
LIABILITIES AND SHAREHOLDERS EQUITY								
Equity Attributed to Equity Holders of the Parent								
Share Capital		54 124		54 124		54 124		
Other Paid-in Capital		35 819		35 818		35 819		
Retained Earnings		10 929		(27)		634		
Total Shareholders Equity		100 873		89 915		90 577		
Other Liabilities to credit institutions		1 134		1 954		1 134		
Lease liability		14 773		2 815		14 152		
Liability Stock Option Program		3 680		-		2 780		
Deferred tax liability		7 646		6 660		7 008		
Total non-current liabilities		27 233		11 429		25 074		
Current Liabilities								
Trade Account Payable		2 254		2 234		1 917		
Accrued Expenses and Prepaid Income		7 629		6 388		7 396		
Contract liability		6 147		3 978		5 270		
Tax Payable		418		212		1 146		
Current Liabilities to credit institutions		742		930		851		
Current lease liability		3 176		514		2 607		
Other Current Liabilities		2 583		1 335		1 823		
Total Current Liabilities		22 949		15 591		21 010		
TOTAL LIABILITIES AND EQUITY		151 055		116 935		136 660		

Statement of cashflows

Carasent Group
Consolidated Cash Flow Statement

(Amounts in NOK 1,000)	Note	3 Months Ended March 31	
		2020 IFRS	2019 IFRS
Cash Flows from Operating Activities			
Profit Before Taxes		596	858
Depreciation and Amortization		3 146	1 776
Change in Accounts Receivable		(911)	992
Change in Accounts Payable		337	(1 109)
Change in Current Assets & Liabilities		(369)	(1 774)
Income Tax Paid and accounting dispositions			(217)
Net Cash Flows Provided by Operating Activities		2 799	526
Cash Flows from Investing Activities			
Investments in intangible and tangible assets		(4 239)	(1 804)
Cash Flows Used in Investing Activities		(4 239)	(1 804)
Cash Flows from Financing Activities			
Payment Lease Liability		(653)	(160)
Repayment of Debt		(109)	(192)
Stock Option Program			
Cash Flows Used in Financing Activities		(762)	(352)
Effect of Exchange Rates on Cash and Cash Equivalents			
Net Change in Cash and Cash Equivalents		659	32
Cash and Cash Equivalents at Beginning of Period		10 928	8 773
Cash and Cash Equivalents at End of Period		9 386	7 175

Statement of changes in equity

	Share capital	Share Premium Reserve	Other Paid in Capital	Retained Earning	Total Equity
(Amounts in NOK 1000)					
Equity December 31, 2018	54 124	35 819	-	1 491	91 432
Net Income for the Period				1 044	1 044
Changes in translation differences				(2 560)	(2 560)
Other Comprehensive Income				(1 516)	(1 516)
Equity March 31, 2019	54 124	35 819	-	(27)	89 915

	Share capital	Share Premium Reserve	Other Paid in Capital	Retained Earning	Total Equity
(Amounts in NOK 1000)					
Equity December 31 2019	54 124	35 819	-	636	90 577
Net income for the Period				387	387
Changes in translation differences				9 910	9 910
Other Comprehensive Income				10 297	10 297
Equity March 31, 2020	54 124	35 819	-	10 933	100 873

Note 1 – General information

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

The condensed consolidated financial statements for the first quarter of 2020 were approved by the Board of Directors for publication on April 28, 2020.

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

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

The entire operations of the Group is related to Evimeria EMR AB.

Note 2 – 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. The following table summarizes the components of the Company’s revenue to customers.

(Amounts in NOK 1000)	3 Months Ended March 31,		Year Ended December 31,
	2020	2019	2019
Webdoc License	7 878	24 919	
Addon services	7 755	23 008	
Other revenues			
Total Revenues	15 633	47 927	

Note 3 – Right of use assets and lease liabilities

Carasent implemented IFRS 16 on 1 January 2019. Reference is made to 2019 financial statements. Changes right of use assets and Lease liabilities in the period relates to:

(Amounts in NOK 1000)	Right of use Assets	Lease liability
Balance December 31, 2019	16 561	16 758
Termination		
Additions		
Depreciation/Amortization	(903)	(653)
Fx effects	1 662	1 843
Balance March 31, 2020	17 319	17 949

About Carasent

Founded in 1997, Carasent ASA was previously the parent company of Apptix, Inc. Carasent withdrew from the US market in 2017. In May 2018 Carasent acquired the Swedish Company Evimeria EMR AB, a company providing cloud-based medical record services to the health care industry. The Company's strategy is to continue to develop and expand digitalization that helps customers to meet challenges in providing efficient and qualitative health care services. For more information, visit carasent.com

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