

Carasent Reports First Quarter 2021 Results

Oslo, Norway – April 28, 2021 – Carasent ASA® (OSE: CARA), announced its unaudited financial results for the first quarter of 2021.

Interim Management Report

Despite relatively severe restrictions in Sweden as well as in Norway, both Evimeria and Avans Soma delivered a strong inflow of orders during Q1. At the end of the first quarter, Evimeria had 529 active clinics and Avans Soma 164 units, which is a total increase of 58 new clinics and units.

Our assessment is that the large increase is partly a one-time effect caused by decisions and priorities amongst our customers that were delayed due to the pandemic during 2020 but has now materialized. Order inflows are slightly above our expectations, especially with regard to Avans Soma.

Sales for Carasent ASA amounted to NOK 28.2 million, an increase of 81 % compared to 2020. Organic pro-forma growth, i.e. included comparison figure for Avans and Soma during Q1 2020, was 34%.

Operating income in Evimeria amounted to NOK 5.4 million, an increase of 41%. In Avans Soma, operating income amounted to NOK 0.3 million, compared to an operating loss of NOK 0.4 million the same quarter previous year.

Including expenses for changes in fair value of previously issued stock options of NOK 10.4 million in Q1 2021, the result was a net loss of NOK 7.7 million as compared to a net income of NOK 0.4 million during Q4 2020.

Cash balances of NOK 217.7 million on March 31, 2021.

The integration work with Avans Soma has proceeded as planned. We have established a new company, Carasent AS, which will be the profit center for reporting the establishment of Webdoc for Norway as well as joint development efforts between Evimeria and Avans Soma.

As previously reported, we have several ongoing processes and dialogues regarding potential acquisitions, and our assessment is that one or more of these may materialize in Q2 or Q3.

We continue to follow government recommendations, and employees have primarily worked from home during the period. We have managed to accomplish this without any negative effects on business. We expect that employees will continue to largely work from home during the second quarter of 2021 or as long as government recommendations stipulate.

Key Highlights of First Quarter 2021

Evimeria EMR AB

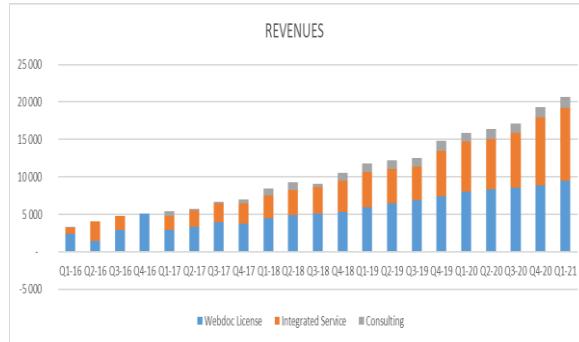
Evimeria had a strong quarter in terms of sales, signing 34 new clinics. Six of these are from a new agreement with Aleris, concluded with the ambition of rolling out Evimeria's services in more clinics in the future.

**Signed 34 new clinics
during the first quarter.
Ended the first quarter
with 529 active clinics**



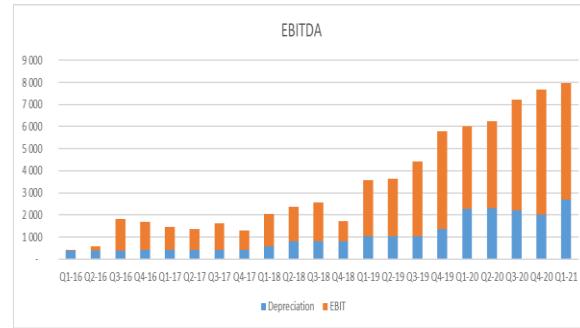
Sales were SEK 20.7 million, compared to SEK 15.9 million in Q1 2020, an increase of 30% in local currency.

**Revenue of SEK 20.7
million, an increase of
30 % as compared to first
quarter 2020**



EBITDA amounted to SEK 8.0 million compared to SEK 6.0 million in the first quarter of 2020. EBIT amounted to SEK 5.3 million compared to SEK 3.7 million in the first quarter of 2020, representing a growth of 41%.

**EBITDA of SEK 8.0 million
as compared to SEK 6.0
million during first
quarter 2020**



Consolidated financial information for Carasent group is presented in NOK. In the consolidated accounts, the above presented financial information for Evimeria was converted from SEK to NOK with conversion rates 0.98 SEK/NOK for Q1 2020 and 1.01 SEK/NOK for Q1 2021.

The ratio between Webdoc and integrated services was 1:1.1, and Evimeria continues to expand its ecosystem of new services and features. The increase in services enabling digital visits over physical ones continues to show a strong trend.

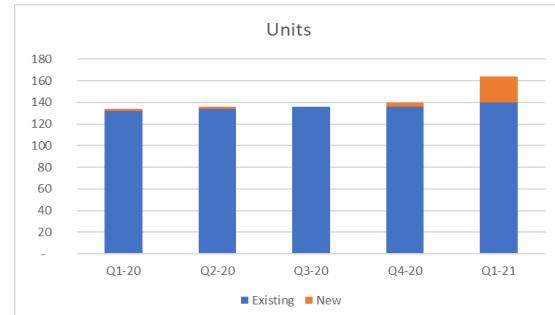
The scalability of the business and delivery model continues to increase earnings according to plan.

EVIMERIA IFRS ADJUSTED SEK 1,000	Q1 2020	Q1 2021
Webdoc license	8 030	9 530
Integrated Services	6 689	9 694
Consulting	1 200	1 435
Other	16	1
REVENUES	15 935	20 661
<i>Growth%</i>		30%
COGS	3 175	4 028
GROSS MARGIN	12 759	16 633
<i>GM %</i>	80,1%	80,5%
OPEX	6 733	8 652
EBITDA	6 026	7 981
<i>EBITDA%</i>	37,8%	38,6%
D&A	2 284	2 689
EBIT	3 742	5 292
<i>EBIT%</i>	23,5%	25,6%

Avans Soma

Avans Soma signed 24 new units during the period, the majority (20) of which came from the organization Kirkens Bymisjon. The units will be rolled out over a longer period of time and we expect them to be implemented on an ongoing basis during the next 12 months.

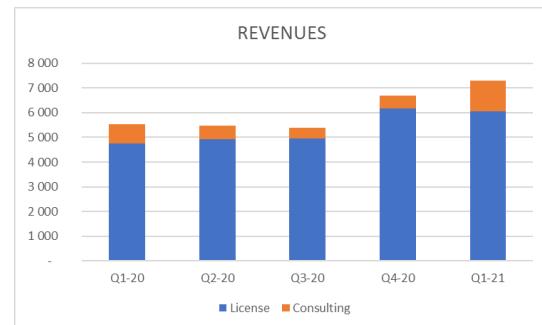
Signed 24 new units during the first quarter. Ended the first quarter with 164 active units



Furthermore, the company continues to migrate its customers from on-premises solutions to cloud solutions according to plan, as well as increase its sales of new ancillary services and features.

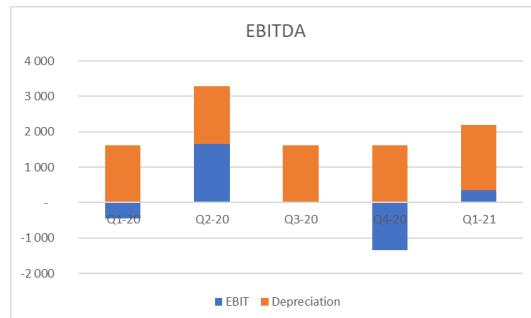
Sales totaled NOK 7.3 million, compared to pro-forma NOK 5.5 million in Q1 2020, an increase of 32 % in local currency.

Revenue of NOK 7.3 million, an increase of 32 % as compared to first quarter 2020



EBITDA amounted to NOK 2.2 million compared to NOK 1.2 million in the first quarter of 2020. EBIT amounted to NOK 0.3 million compared to a loss of NOK 0.5 million in the first quarter of 2020.

EBITDA of NOK 2.2 million as compared to NOK 1.2 million during first quarter 2020



PRO FORMA AVANS SOMA IFRS ADJUSTED NOK 1,000	Q1-20	Q1-21
License	4 752	6 054
Consulting	773	1 234
Other		
REVENUES	5 525	7 288
<i>Growth%</i>		32%
COGS	493	975
GROSS MARGIN	5 032	6 313
<i>GM %</i>		
OPEX	3 871	4 128
EBITDA	1 161	2 185
<i>EBITDA%</i>	21,0%	30,0%
D&A	1 613	1 843
EBIT	(451)	342
<i>EBIT%</i>	-8,2%	4,7%

Avans Soma was acquired December 2020 and was consolidated in Carasent as of 31 December 2020. Reference is made to the annual report for 2020 and note 1 to this interim report. For the purpose of illustration and comparison, the above table includes pro-forma financial information for Avans Soma for Q1 2020. Avans Soma includes Avans AS, Soma Solution AS and Avans Soma Holding AS. IFRS adjustments has been made with regards to IFRS 16 derived from the groups rental agreements.

Carasent AS

In connection with the acquisition of Avans Soma, and with a belief in the return to more normal conditions during the year, we also resumed and intensified our work to develop Evimeria's service offering for the Norwegian market. Investments and costs related to this initiative are reported in Carasent AS, as are the initiatives and synergies we strive for between Avans Soma and Evimeria.

The goal is to be able to launch parts of Evimeria's offering for selected segments and customers in Norway at the end of 2021 or beginning of 2022.

Parent Company Carasent ASA

In addition to a non-cash flow affecting cost allocation for the options scheme of NOK 10.4 million, the parent company, Carasent ASA, had a normal quarter with an OPEX level of NOK 1.1 million and a depreciation effect on acquisitions according to PPA of NOK 0.9 million.

Outlook

The last twelve months have been different in many aspects, to say the least, but generally speaking, there have been no negative effects for Carasent; rather, there has been a positive effect with regard to long-term future prospects.

Shortcomings and underinvestment in the healthcare sector have been made very clear, as have the challenges when it comes to sharing information between different entities based on standards and integrations. Our opinion is that Carasent will continue to benefit from this development, and we assess that the market will remain strong.

Our strategic efforts to find new opportunities in new geographies, segments, and offerings have been further intensified and we have an extensive list of opportunities that we intend to execute on during the year.

Financial Results – First Quarter 2021

Revenue for the First quarter of 2021 totaled NOK 28.2 million as compared 15.6 million during the First quarter of 2020.

Operating expenses for the First quarter of 2021 totaled NOK 18.6 million as compared NOK 10.9 million during the First quarter of 2020. Operating expenses excludes cost of sales and amortizations. The operating expenses relates to three different areas.

- NOK 11.5 million of the operating expenses for the First quarter of 2021 relates to Evimeria EMR AB.
- NOK 6.0 million of the operating expenses for the First quarter of 2021 relates to Avans Soma.
- 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 2021 totaled NOK 3.7 million as compared NOK 1.7 million during the First quarter of 2020.

Net loss for the First quarter of 2021 totaled NOK 6.7 million (including stock option expense of NOK 10.4 million) as compared to a net income of NOK 0.4 million during the First quarter of 2020.

The Company ended the First quarter of 2021 with NOK 217.7 million of available cash balances and outstanding interest-bearing debt of NOK 0.6 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).

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in NOK 1,000)	Note	Three Months Ended	
		March 31, 2021	March 31, 2020
Revenue	2	28 249	15 633
Operating Revenues		<u>28 249</u>	<u>15 633</u>
Cost of Sales		5 062	3 099
Gross Profit		23 188	12 534
Operating Expenses			
Employee Compensation and Benefits		9 259	4 801
Other Operational and Administrative Expenses		4 738	2 908
Depreciation and Amortization		<u>5 518</u>	<u>3 146</u>
Total Operating Expenses		<u>19 515</u>	<u>10 856</u>
Net Operating Income		3 672	1 678
Financial Items			
Interest Expenses		158	180
Other Financial Expenses	3	<u>10 402</u>	<u>901</u>
Net Financial Items		<u>10 560</u>	<u>1 081</u>
Net Income/(Loss) Before Income Taxes		(6 887)	597
Income Tax		<u>785</u>	<u>(209)</u>
Net Income/(Loss)		<u>(7 673)</u>	<u>387</u>
Attributable to Equity Holders of the Parent		<u>(7 673)</u>	<u>387</u>
Earnings Per Share:			
	Basic	(0,14)	0,01
	Diluted	<u>(0,14)</u>	<u>0,01</u>
Weighted Average Common Shares Outstanding		<u>55 035 159</u>	<u>40 634 000</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended	
	March 31, 2021	March 31, 2020
(Amounts in NOK 1,000)		
Net Income/ (Loss)	(7 673)	387
Changes in Translation Differences	(7 989)	9 910
Items that may be Reclassified Subsequently to the Income Statement	(7 989)	9 910
Total Other Comprehensive Income/(Loss) for the Period	(7 989)	9 910
Total Comprehensive Income/(Loss) for the Period	(15 662)	10 297
Attributed to Equity Holders of the Parent	(15 662)	10 297

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		March 31, 2021	December 31, 2020
<u>(Amounts in NOK 1,000)</u>	<u>Note</u>		
ASSETS			
Non-Current Assets			
Goodwill		165 909	170 339
Customer Relationships		26 751	29 309
Technology		<u>50 052</u>	<u>49 131</u>
Total Intangible Assets		<u>242 712</u>	<u>248 779</u>
Tools and Equipment		1 133	1 198
Right of Use Asset		13 877	15 917
Deferred Tax Assets		<u>1 117</u>	<u>1 117</u>
Total Non-Current Assets		<u>258 839</u>	<u>267 011</u>
Current Assets			
Customer Receivables		14 480	11 071
Other Receivables		3 279	3 517
Prepaid Expenses		1 666	2 195
Cash and Cash Equivalents		<u>217 666</u>	<u>221 155</u>
Total Current Assets		<u>237 091</u>	<u>237 939</u>
TOTAL ASSETS		<u>495 931</u>	<u>504 949</u>

		March 31, 2021	December 31, 2020
(Amounts in NOK 1,000)	Note		
LIABILITIES AND SHAREHOLDERS EQUITY			
Equity Attributed to Equity Holders of the Parent			
Share Capital		73 307	73 307
Other Paid-in Capital		354 630	354 630
Other Reserves		1 340	9 329
Retained Earnings		<u>(43 964)</u>	<u>(36 290)</u>
Total Shareholders Equity		385 314	400 975
 Liabilities to Credit Institutions			
Lease Liability		10 994	12 763
Liability Stock Option Program	3	51 565	41 180
Deferred Tax Liability		<u>8 890</u>	<u>8 873</u>
Total Non-Current Liabilities		71 449	62 816
 Current Liabilities			
Trade Accounts Payable		3 503	4 883
Accrued Expenses		21 346	14 840
Contract Liability		6 755	6 930
Tax Payable		-	-
Current Liabilities to Credit Institutions		586	943
Current Lease Liability		4 475	4 803
Other Current Liabilities		<u>2 503</u>	<u>8 759</u>
Total Current Liabilities		39 168	41 158
TOTAL LIABILITIES AND EQUITY		<u>495 931</u>	<u>504 949</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in NOK 1,000)	Note	Three Months Ended	
		March 31, 2021	March 31, 2020
Cash Flows from Operating Activities			
Profit/(Loss) Before Tax		(6 887)	596
Depreciation and Amortization		5 518	3 146
Interest Expense		150	-
Fair Value Adjustments Stock Options	3	10 384	-
Change in Accounts Receivable		(3 409)	(911)
Change in Accounts Payable		(1 379)	337
Change in Current Assets & Liabilities		485	(369)
Net Cash Flows Provided by Operating Activities		4 861	2 799
Cash Flows from Investing Activities			
Investments in Intangible and Tangible Assets		(6 943)	(4 239)
Cash Flows Used in Investing Activities		(6 943)	(4 239)
Cash Flows from Financing Activities			
Payment Lease Liability		(1 177)	(653)
Repayment of Debt		(150)	(109)
Cash Flows Used in Financing Activities		(1 327)	(762)
Effect of Exchange Rates on Cash and Cash Equivalents			
		(81)	10
Net Change in Cash and Cash Equivalents		(3 490)	(1 543)
Cash and Cash Equivalents at Beginning of Period		221 155	10 928
Cash and Cash Equivalents at End of Period		217 665	9 385

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium Reserve	Translation Difference Reserve	Retained Earning	Total Equity
(Amounts in NOK 1,000)					
Equity December 31, 2019	54,124	35,819	-	636	90,577
Net Income for the Period	-	-	-	387	387
Change in Translation Differences	-	-	9,910	-	9,910
Other Comprehensive Income	-	-	9,910	387	10,297
Equity March 31, 2020	54,124	35,819	9,910	1,023	100,873

	Share Capital	Share Premium Reserve	Translation Difference Reserve	Retained Earning	Total Equity
(Amounts in NOK 1,000)					
Equity December 31, 2020	73 307	354 630	9 329	(36 290)	400 976
Net Income for the Period	-	-	-	(7 673)	(7 673)
Change in Translation Differences	-	-	(7 989)	-	(7 989)
Other Comprehensive Income	-	-	(7 989)	(7 673)	(15 662)
Equity March 31, 2021	73 307	354 630	1 340	(43 963)	385 314

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 2021 were approved by the Board of Directors for publication on April 27, 2021. The interim financial information is unaudited.

The condensed consolidated financial statements comprise Carasent ASA and its subsidiaries Evimeria EMR AB and newly acquired Avans Soma Holding. The interim financial statements are prepared in accordance with the International Accounting Standard (IAS) 34. The condensed consolidated financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020, 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 2020. The presentation currency is NOK (Norwegian Krone). All financial information is presented in NOK thousands, unless otherwise stated.

Carasent ASA acquired the Norwegian group Avans Soma Holding AS (Avans Soma) at 10 December 2020. Avans Soma is a developer of leading medical record systems and IT solutions in the Norwegian health care market. Avans Soma was consolidated in the Group from 31 December 2020 and consequently comparable figures for the first quarter 2020 does not include Avans Soma.

Note 2 – Revenue and Operating Segment Information

Following the acquisition of Avans Soma, the Company assessed its internal organizational structure, internal reporting system and geographical business units, and identified the following reportable segments that should be reported separately. Earnings before interest, taxes, depreciation and amortization (EBITDA) is defined as the segment profit or loss.

Evimeria segment

Evimeria is a software and electronic health services provider in the Swedish healthcare sector. The segment generates revenue from selling an electronic medical record (EMR) system and integrated services (partly from third-party developers) to customers in the healthcare sector.

Evimeria’s Webdoc technology is a web-based care management system for health professionals which reduces the risk of resource-intensive routines and makes it easier to focus on the core business.

Evimeria's Vårdrummet solution offers a digital platform for interactive health care. It enables healthcare providers to safely communicate with their patients via digital services such as video and chat. It also allows the patient to participate more actively in his or her own care, through health declarations and/or online booking.

Avans Soma segment

Avans Soma is a developer of leading medical record systems and IT solutions in the Norwegian healthcare sector. The segment generates revenue from selling SaaS (Software as a Service) agreements and healthcare products for social care and mental illness rehabilitation.

Other

Other includes results from the holding company Carasent ASA and any effects related to eliminations.

Operating segments

For the period ended March 31, 2021

(Amounts in NOK 1,000)	Evimeria	Avans Soma	Total operating segments	Other	Group total
Profit and loss disclosures					
Licenses	9 600	-	9 600	-	9 600
Add-on services	11 360	-	11 360	-	11 360
Other services	-	7 289	7 289	-	7 289
Total revenues	20 961	7 289	28 249	-	28 249
EBITDA	6 973	2 185	9 158	32	9 191

For the period ended March 31, 2020

(Amounts in NOK 1,000)	Evimeria	Avans Soma	Total operating segments	Other	Group total
Profit and loss disclosures					
Licenses	7 878	-	7 878	-	7 878
Add-on services	7 755	-	7 755	-	7 755
Other services	-	-	-	-	-
Total revenues	15 633	-	15 633	-	15 633
EBITDA	4 816	-	4 816	8	4 824

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA reconciles to net income/(loss) before income tax as follows:

(Amounts in NOK 1,000)	Period ended	
	March 31, 2021	March 31, 2020
EBIDTA	9,191	4,824
Depreciation and Amortization	(5,518)	(3,146)
Interest Expenses	(158)	(180)
Other Financial Expenses	(10,402)	(901)
Net Income/(Loss) Before Income Taxes	(6,887)	597

Note 3 - Expenses for changes in fair value of previously issued stock options

As announced on November 15, 2019, the Board in Carasent ASA 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 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.

The estimated fair value of the stock options when issued was NOK 1.39 per warrant. As at 31 March 2021, the fair value of the warrants were estimated to be NOK 25.78 per warrant, resulting in a financial liability of NOK 51.56 million for the Company. Based on the 2 million options issued, the change in fair value resulted in NOK 10.4 million expense in the first quarter 2021 (NOK 18.9 in the fourth quarter 2020).

Note 4 – Events after the balance sheet date

As at the issuance of this report, there are no events after the balance sheet date that needs to be disclosed.

Note 5 Alternative Performance Measurements

APM	Definition
Clinics	Physical entities using Webdoc
Units	Physical entities using system from Avans Soma

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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