

Carasent ASA

Company
presentation



CARASENT

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Agenda

1.

Acquisition of Metodika

2.

Carasent overview

3.

Market development and growth opportunities

4.

Financials



Carasent acquires Metodika AB

Transaction and company background

Transaction overview

- On Tuesday 25 May 2021, Carasent announced the acquisition of Metodika AB
- Agreed enterprise value of SEK 108 million, corresponding to an EV/Sales 2020 multiple of 3.9x
- The purchase price has been settled through shares in Carasent (20%) and a cash consideration (80%)
- The share considerations is valued at NOK 39.1 per share
- All selling shareholders have entered into a lock-up agreement of 18 months on the Carasent Shares

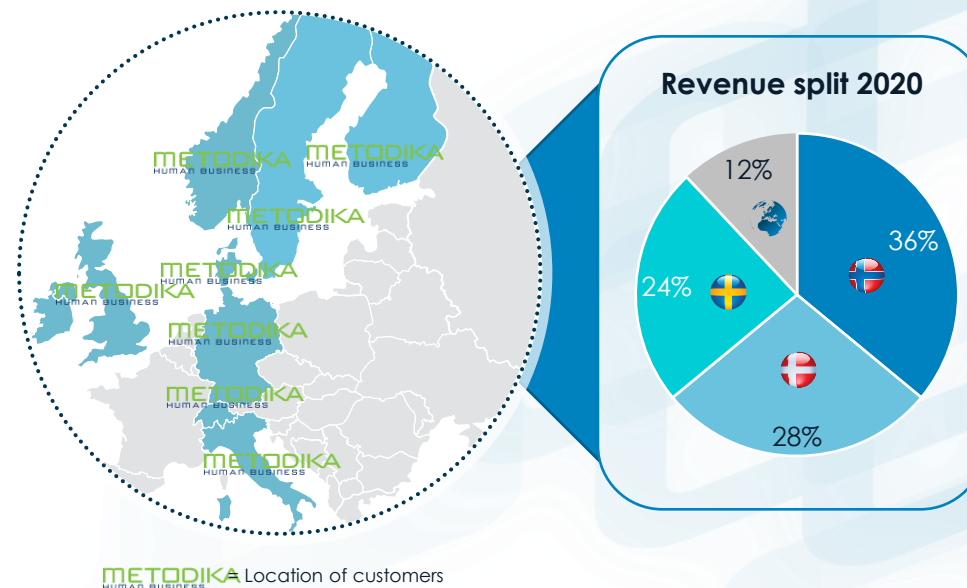
Metodika highlights

- Provides clinical management software solutions for the specialist healthcare market
- Attractive and loyal base of 54 customers, including private elective care clinics up to mid-sized hospitals and occupational healthcare providers
- Strong market position in Nordics, with presence in total of 10 countries
- Capabilities and solutions within inpatient care
- Total revenues of SEK 28m and recurring revenues of SEK 20m for 2020
- Historical CAGR of 10% from 2013-2020, with 14% growth in recurring revenue streams

Key highlights



Geographical presence



Strong synergy potential from combining Evimeria and Metodika

METODIKA

Attractive customer base	Providing a combined and comprehensive product offering to Metodika's loyal customer base
Robust foothold in Norway and Denmark	Market entry in Denmark and strengthening of position in Norway
Presence in additional markets	Gain a presence in international markets, both in terms of customer base and local know how
Complementary technical capabilities	Gain access to knowhow and solution covering inpatient care to broaden Evimeria's offering



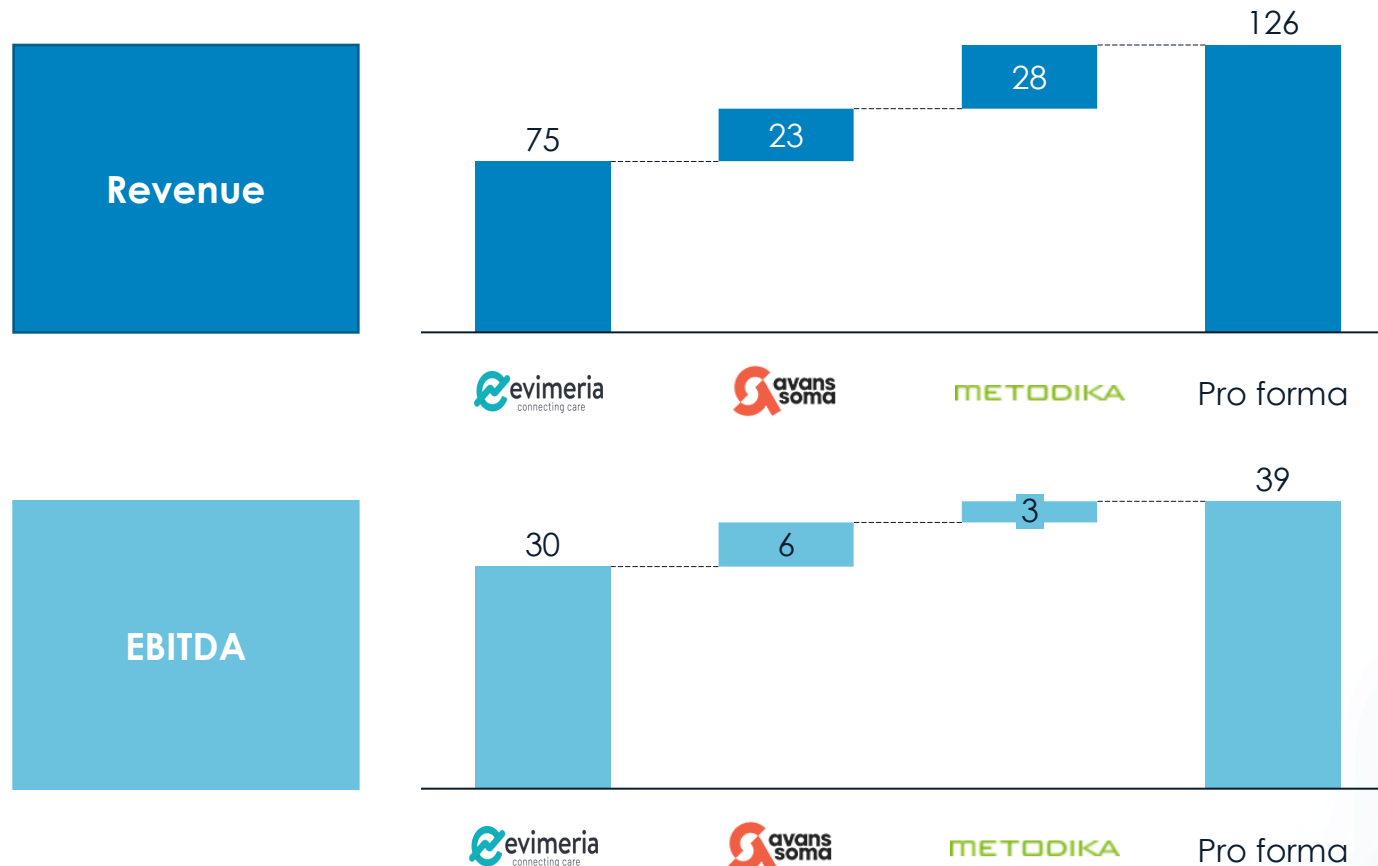
Accelerate growth through increased scale and breadth of offering



Cost synergies from combining the platforms

Pro forma revenues of NOK 126m LTM Q1 2021

Illustrative pro forma financials LTM Q1 2021 (NOKm)^{1,2}



Key highlights

Rapidly improving scale and market position



NOK 51m acquired revenue during the last ~6 months



Profitable and cash generative targets



Potential to improve margins through leveraging Carasent's operating model



1: Illustrative figures for Avans Soma and Metodika, adjusted to IFRS for comparison purposes (unaudited, for illustrative purposes only)

2: Evimeria and Metodika figures adjusted to NOK



Carasent overview

Carasent ASA

- Carasent's strategy is to invest in companies that has the potential to develop and expand digitalization within the healthcare sector in Scandinavia
- Acquired Evimeria EMR AB in May 2018 and AvansSoma Holding AS in December 2020
- Listed on the Oslo Stock Exchange, ticker CARA
- Evimeria is the fundament
 - Scalable and proven track record
 - Organization can be leveraged in many dimensions
- Growth and expansion
 - Existing markets
 - New geographies
 - New segments
 - New products and services

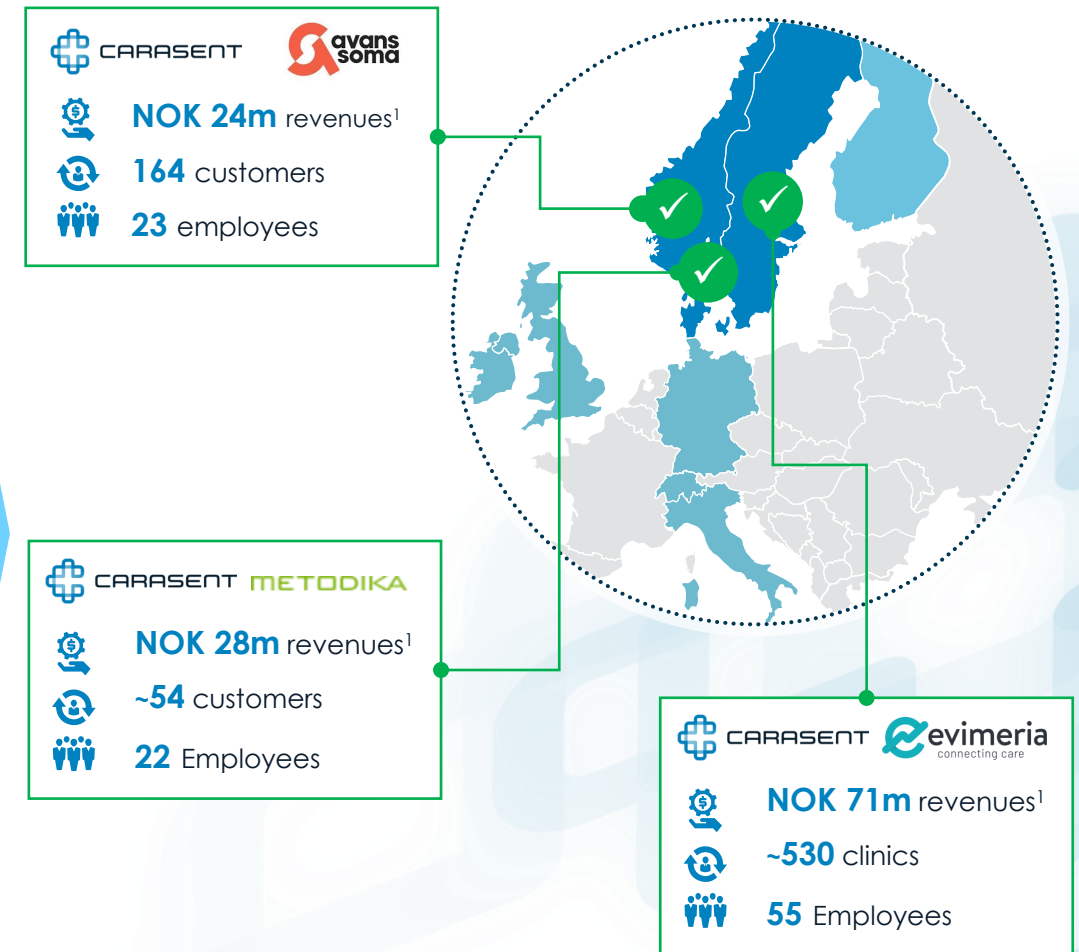
Organic growth

Organic and potential M&A



At a glance

Evimera	<ul style="list-style-type: none"> ▪ Develops, sells and delivers Webdoc and integrated services ▪ Webdoc is a cloud-based proprietary EMR software solution for the private healthcare segment ▪ Targeting private healthcare clinics, currently serving ~500 clinics across Sweden ▪ Total market size of SEK 1bn with a ~10% market share
Avans Soma	<ul style="list-style-type: none"> ▪ Leading provider of e-health solutions for social care and rehabilitation providers ▪ Targets niche segments with robust underlying dynamics and limited competition ▪ Strong market position, with limited churn and high degree of earnings visibility ▪ Significant organic growth potential through multiple levers on existing customer base and from winning new customers
Metodika	<ul style="list-style-type: none"> ▪ Provides clinical management software solutions for the Nordic private specialist healthcare market ▪ Targets the mid-segment inpatient providers, from smaller clinics to mid-sized hospitals ▪ Strong market position in loyal segment that requires highly specialized functionality



Evimeria has a robust track record of profitable growth

Key highlights

Unique business model	<ul style="list-style-type: none">▪ Unique revenue model combining subscription fees with fee per visit▪ High degree of earnings visibility with >90% recurring revenues
Attractive cash flow profile	<ul style="list-style-type: none">▪ Capital light business with attractive working capital profile▪ Negligible maintenance capex requirements (IT maintenance expensed)
Driving organic growth	<ul style="list-style-type: none">▪ Robust track record of organic growth, with revenue CAGR of 41% since 2016▪ Consistent growth 10 quarters in a row ever since the acquisition of Evimeria in Q2 2018
Organizational framework in place	<ul style="list-style-type: none">▪ Scalable platform with appropriate infrastructure for growth in place▪ Ability to develop adjacent applications and expand to new geographies

Key figures

>40%

Annual organic revenue growth

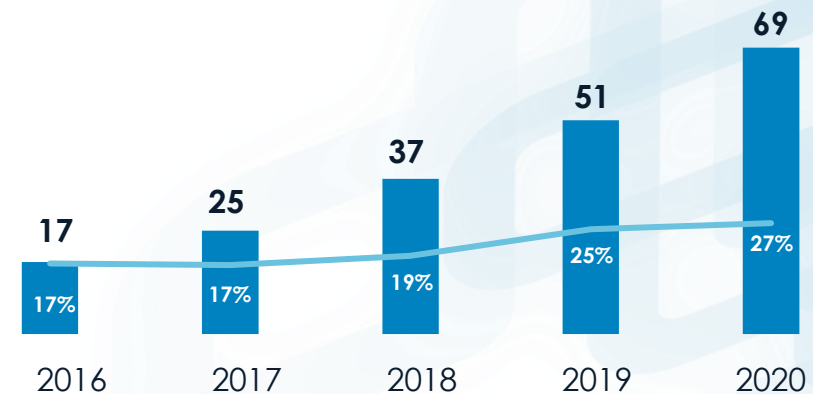
+25%

EBIT margins

>90%

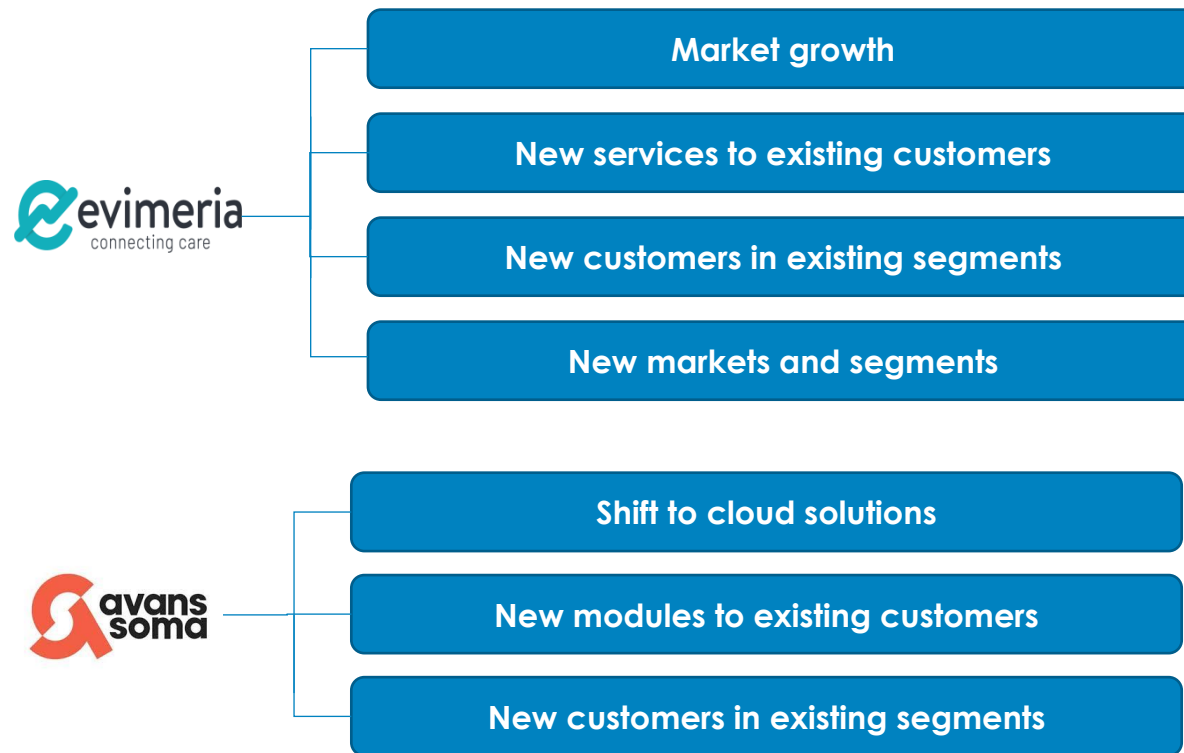
Recurring revenue

Revenue and EBIT margin development (SEKm)

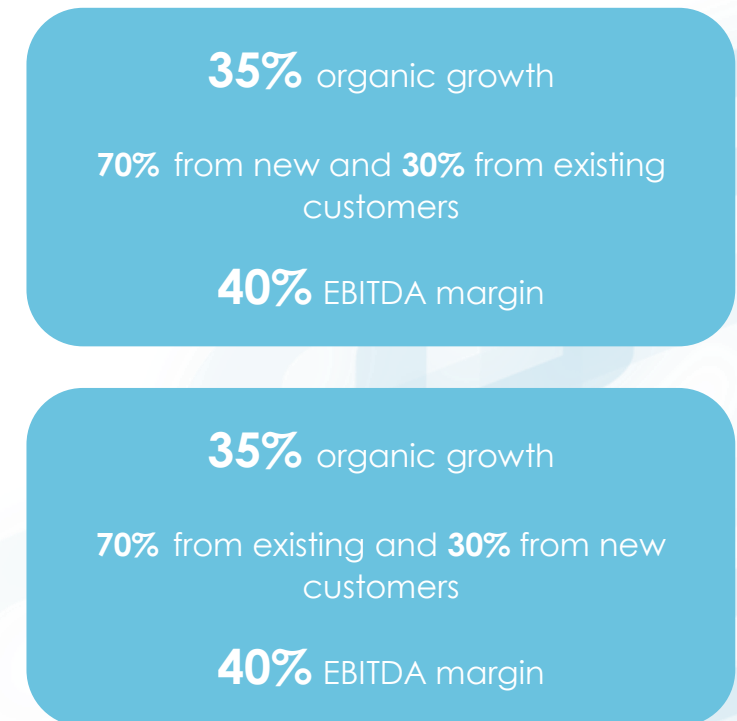


Continued strong profitable growth expected for existing business in 2021

Organic growth drivers



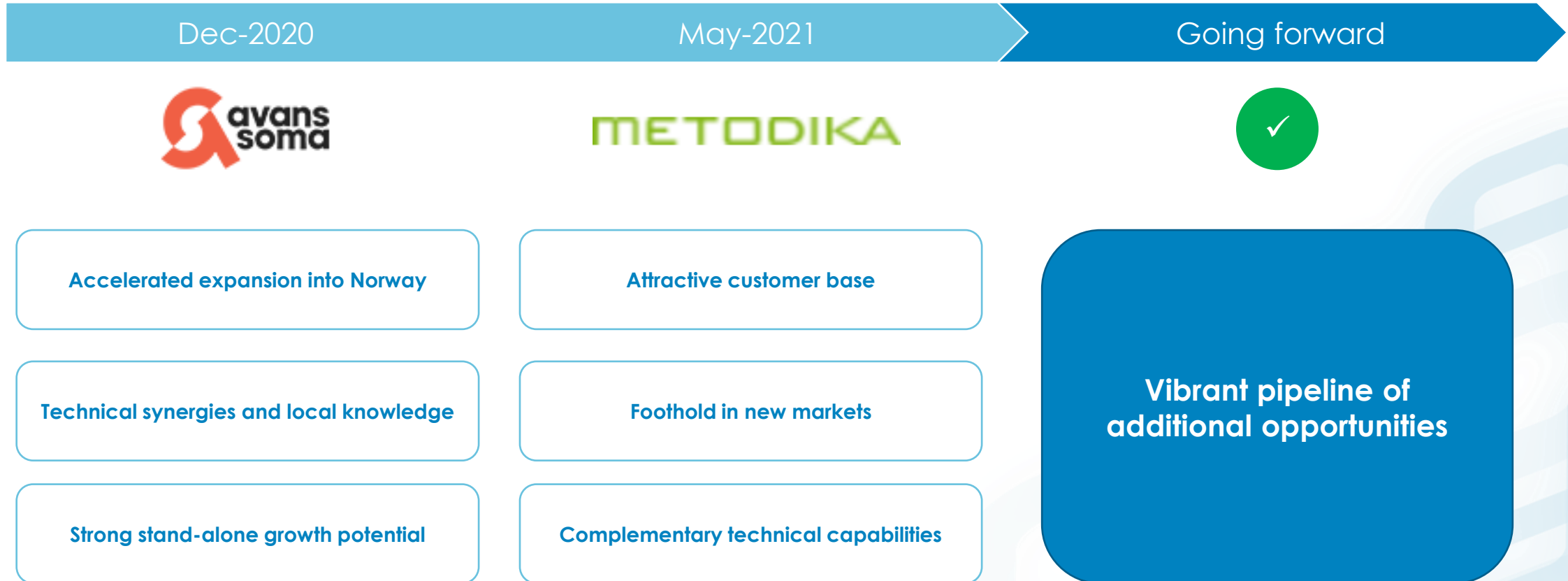
Targets 2021



1: Illustrative figures for Avans Soma, adjusted to IFRS for comparison purposes (unaudited, for illustrative purposes only)

2: Evimeria figures adjusted to NOK

Successfully executing acquisitions with strong strategic rationale



Investment highlights



- 1 Exposure to an attractive niche segment of the non-cyclical Nordic e-health market
- 2 Proven track record of driving revenue and earnings growth
- 3 Attractive business model with high degree of revenue visibility and solid earnings profile
- 4 Potential for accelerated growth and expansion into adjacent services, segments and geographies
- 5 Management team with significant experience



Company
overview and
performance

Customers



30% + CAGR growth

500+ clinics

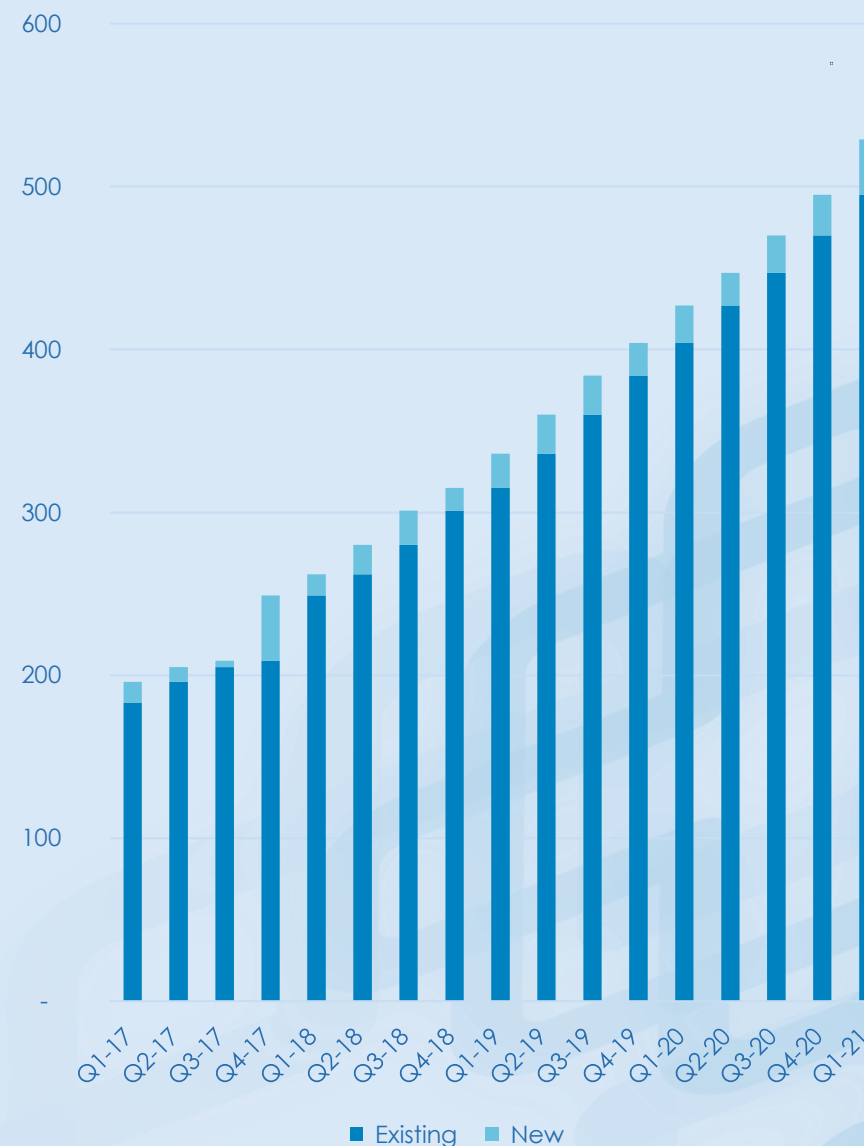
Primary care

Specialists

Paramedical

Occupational

CLINICS



Products and services



40% + CAGR growth

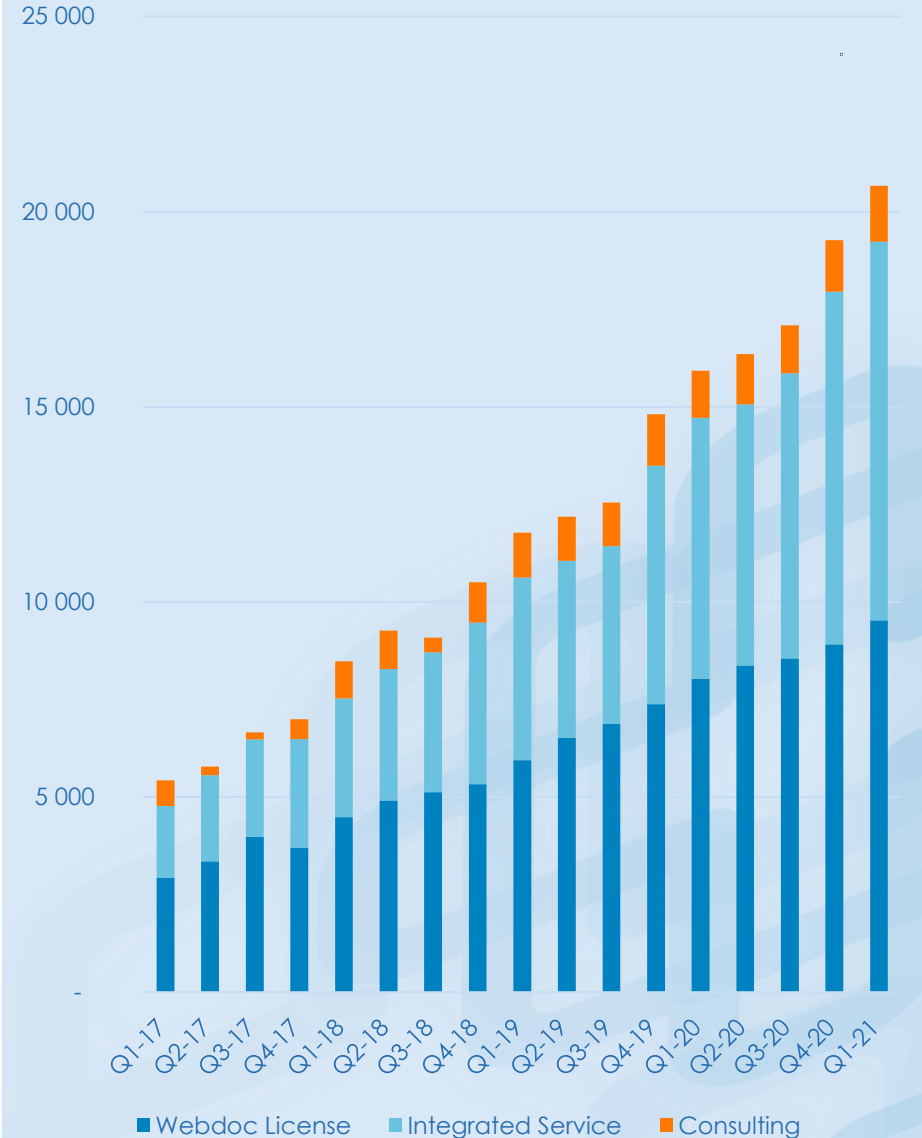
80% + gross margins

License

Integrated services

Consulting

REVENUES



Financials (SEK '000s)

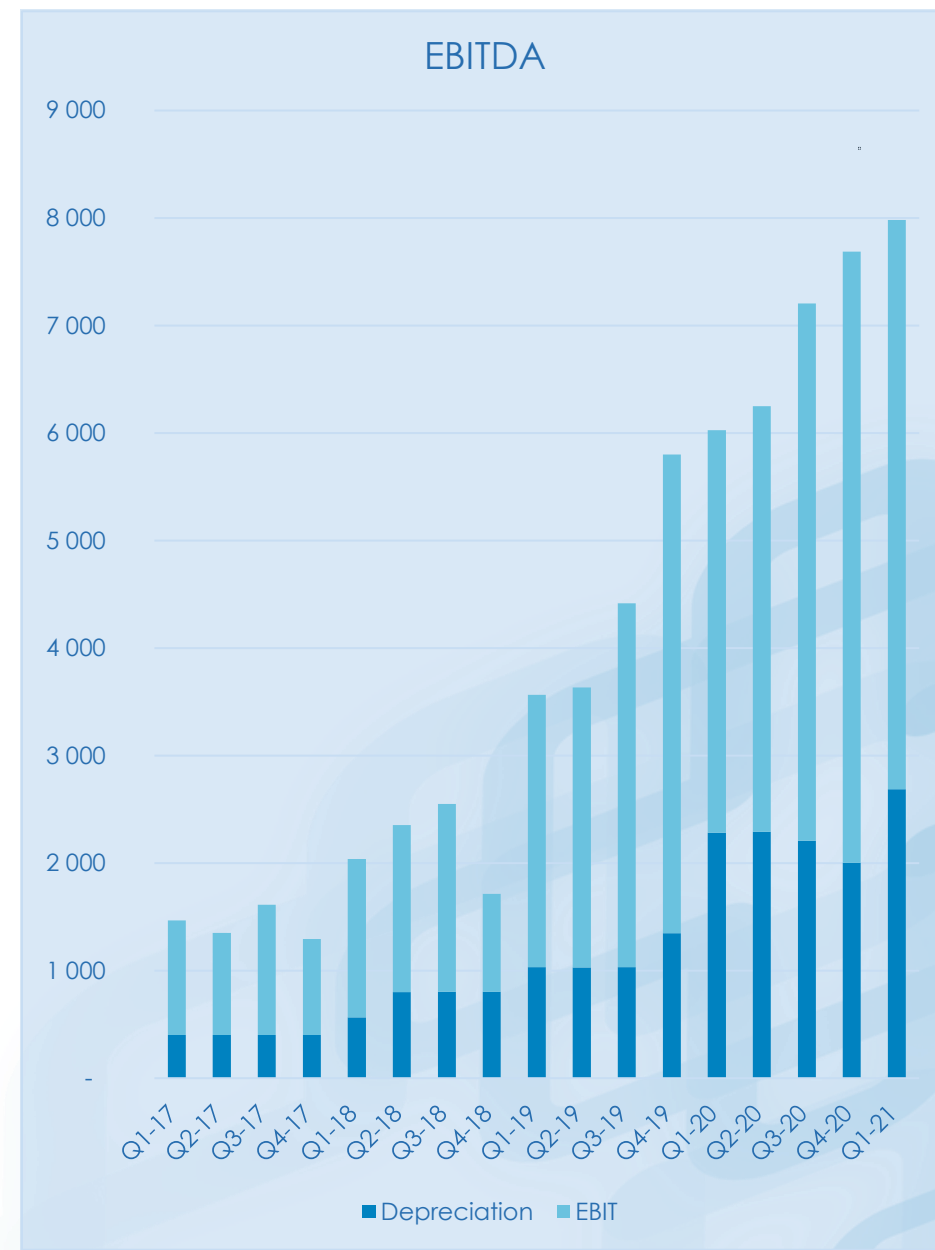
EVIMERIA IFRS ADJUSTED (SEKk)	Q1 2020	Q1 2021	2019	2020
Webdoc license	8,030	9,530	26,716	33,869
Integrated Services	6,689	9,694	19,875	29,716
Consulting	1,200	1,435	4,718	5,034
Other	16	1	75	256
Revenue	15,935	20,661	51,385	68,875
Growth (%)		30%		34%
COGS	3,175	4,028	9,388	13,462
Gross margin	12,759	16,633	41,997	55,412
Gross margin (%)	80%	81%	82%	81%
OPEX	6,733	8,652	24,579	28,246
EBITDA	6,026	7,981	17,418	27,166
EBITDA margin (%)	38%	39%	34%	39%
D&A	2,284	2,689	4,443	8,790
EBIT	3,742	5,292	12,975	18,376
EBIT margin (%)	24%	26%	25%	27%

50%+ CAGR EBIT
GROWTH

25%+ EBIT MARGINS

IFRS Adjusted

Audited on
Swedish GAAP
(K2)





Why do we win?



Modern platform

Web based and user-friendly interface



Cloud based

Easy to implement
No upfront investments



Business model

Pay as you go –
transparent with customer
revenues
No long-term agreements



Integrated services

Covers all the business-critical needs for our targeted segments



Focused

Products and services
100% developed to meet
our segments needs
Support process

Market structure and competition

Regions




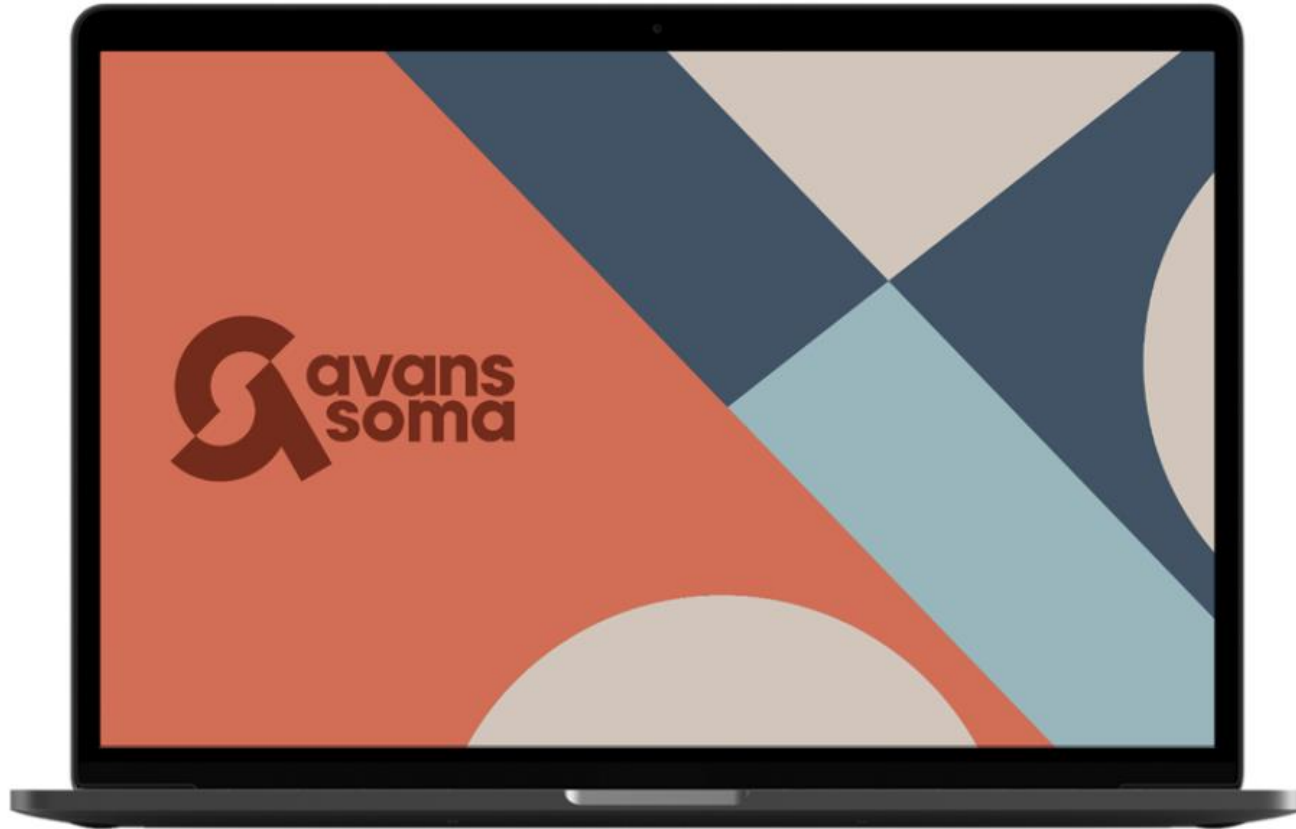
Regions have different approaches for different segments and financing

Market

- Approximately 6,500 private health care clinics within our targeted segments in Sweden
- Total market size approx. SEK 1bn¹
- Addressable market for Evimeria in the 50%+ range
- 10%+ market share of TAM

Competition

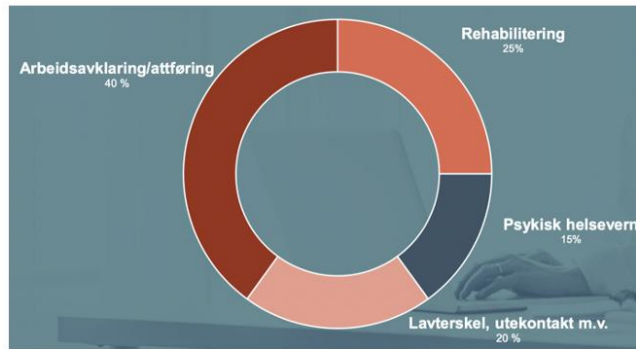
Systems	Market share
Regional system used in the public healthcare mandatory	50%
CGM, system J4 and Take Care	30-40%
 evimeria connecting care	5-10%
Approx. 10 smaller (and/or EOL) systems	5-10%



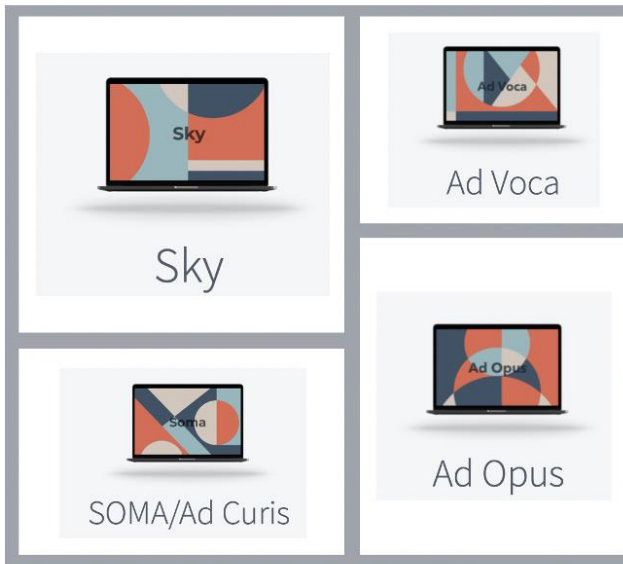
Company
overview and
performance

AvansSoma

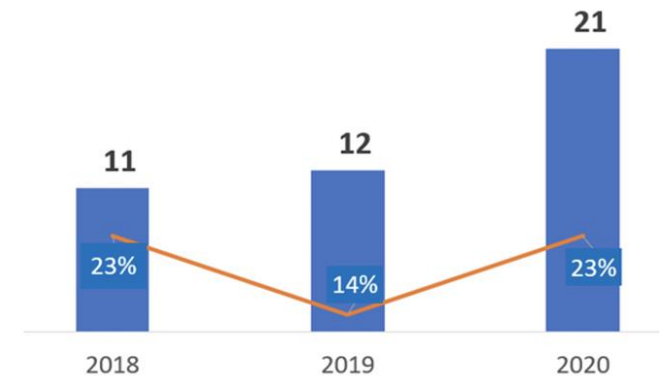
Market Segments



Products and services



Revenue and EBITDA¹



¹: Unaudited IFRS adjusted. Soma was acquired in March 2020. For illustrative purposes only



Market
development
and growth
opportunities

Overall market trends

DRIVERS



The healthcare industry is facing underlying structural issues

- ✓ The proportion of the population aged 60 or older
- ✓ Medical progress and the ability to manage illness are contributing to an overall increased average lifetime
- ✓ Chronic diseases, such as diabetes, obesity and certain cardiovascular diseases, are increasing and are treated over longer periods of time

PROBLEM



The need for high-quality healthcare at lower cost to society has therefore never been greater

- ✓ Healthcare cost as a share of GDP is increasing rapidly across the Nordic countries
- ✓ Strong focus from all stakeholders on improving efficiency

SOLUTION



Digitalization is transforming healthcare

- ✓ The use of digital solutions is increasing availability to patients
- ✓ Digital solutions also increase opportunities to share necessary and relevant information
- ✓ Receive healthcare on a remote basis when doctors are available via chat or video

Robust underlying drivers

Patient growth

Aging population

Increasing life expectancy

Rising share of chronically ill

~3%



Digitalization growth

Adoption of new services

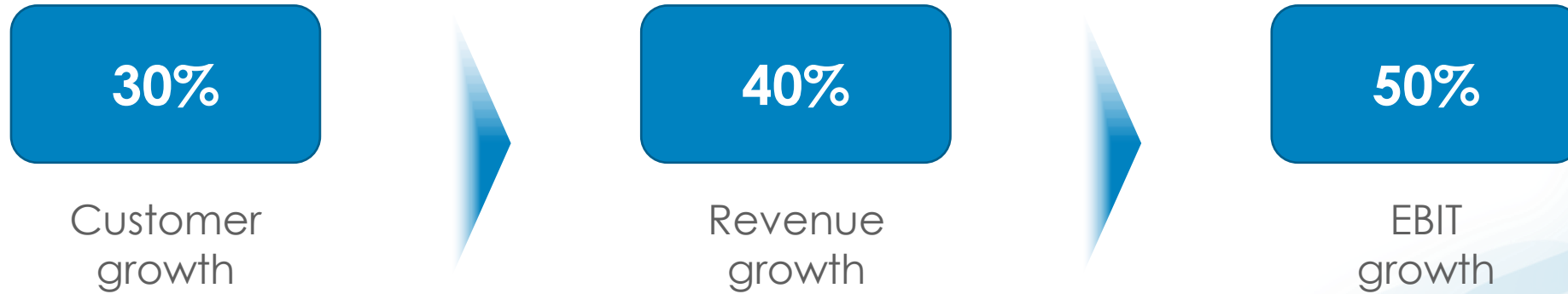
Value and cost efficiency

Pressure from stakeholders

~3%

Total growth of ~6%

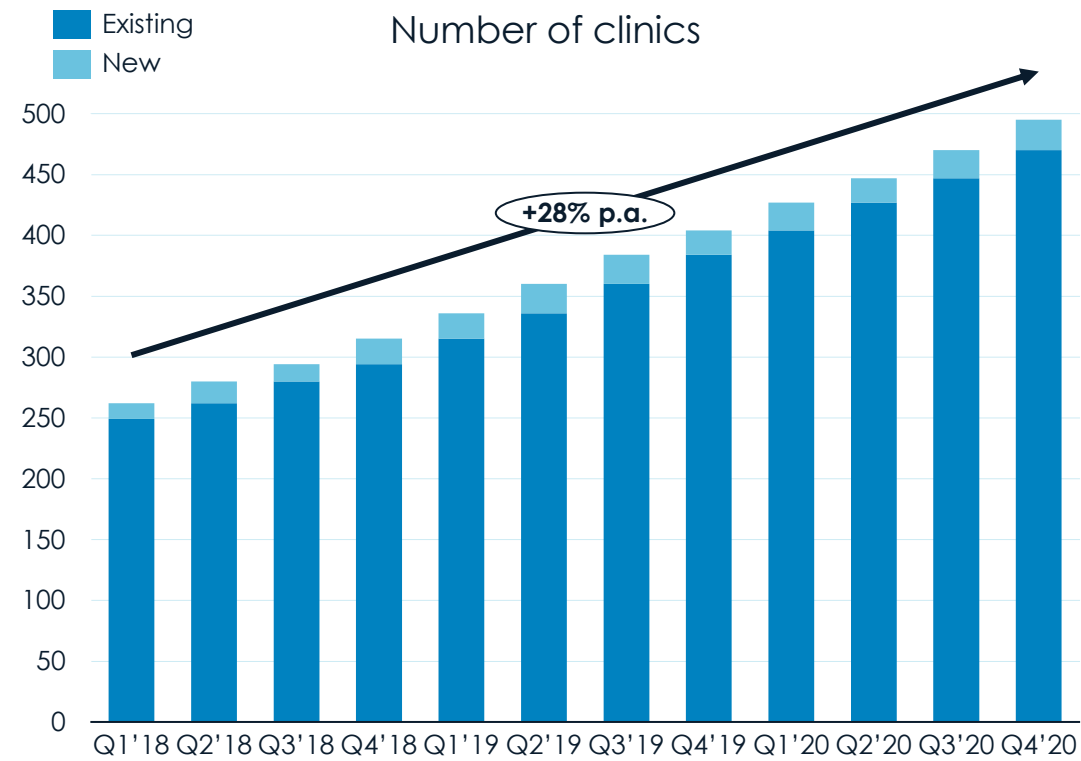
Driving revenue and earnings growth



Disproportional EBIT vs. customer growth enabled through unique business model, add-on services and significant room for margin improvements

Consistently growing the clinic base at ~30%

Consistent clinic growth



Attractively positioned for further growth

Strong traction in core markets

Attractively positioned vs. competition

Less than 1% historical churn

Continued development of Webdoc, integrated services and new products

Proven potential in existing clinic base

Patient growth

- Robust underlying growth at clinics
- Unique pay-per-visit business model

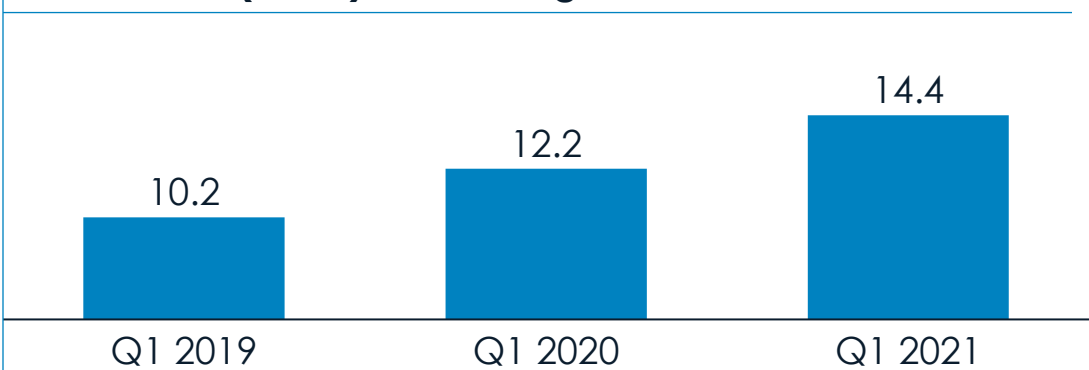
Digitalization growth

- Development of add-on services
- Integrations

Price improvements

- In line with broader market

Revenue (MSEK) from vintage 2012-2018 customers¹



Net retention rate



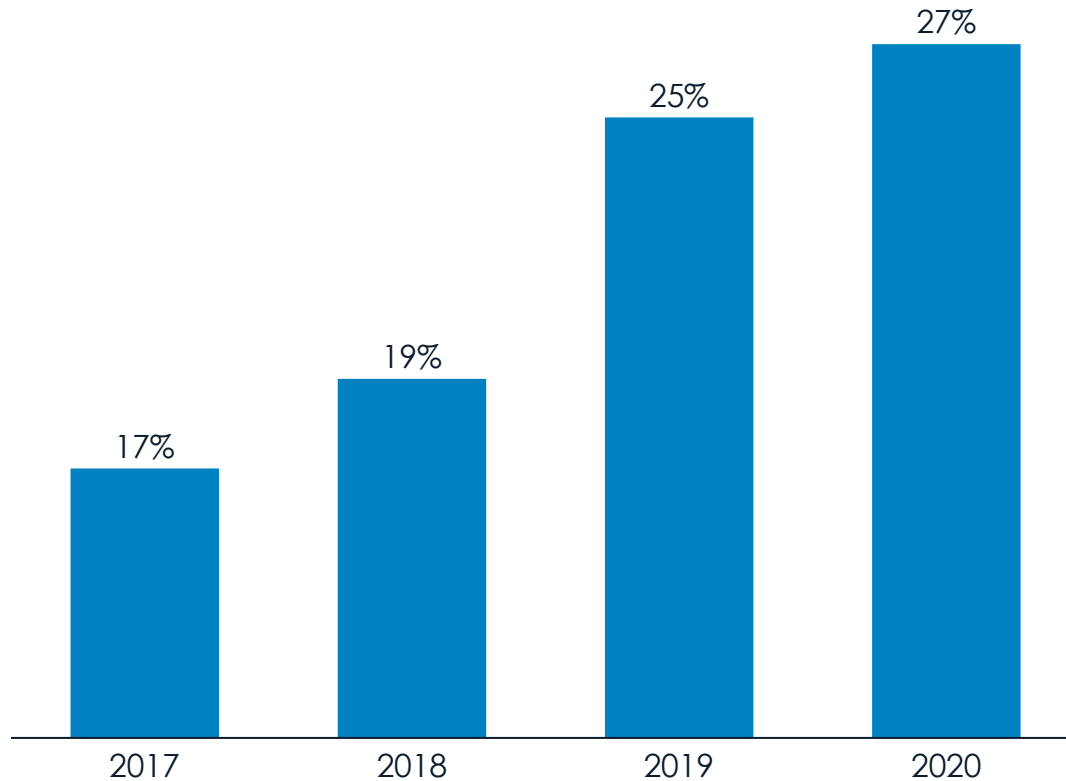
Significant potential for incremental growth through unique pay-per-visit business model and continued development of new services

1: Excluding consulting revenues.

Strong historical margin uplift with further room for expansion



EBIT margin development 2017 – 2020 YTD






Drivers for margin expansion

Highly scalable model

Robust organisation in place

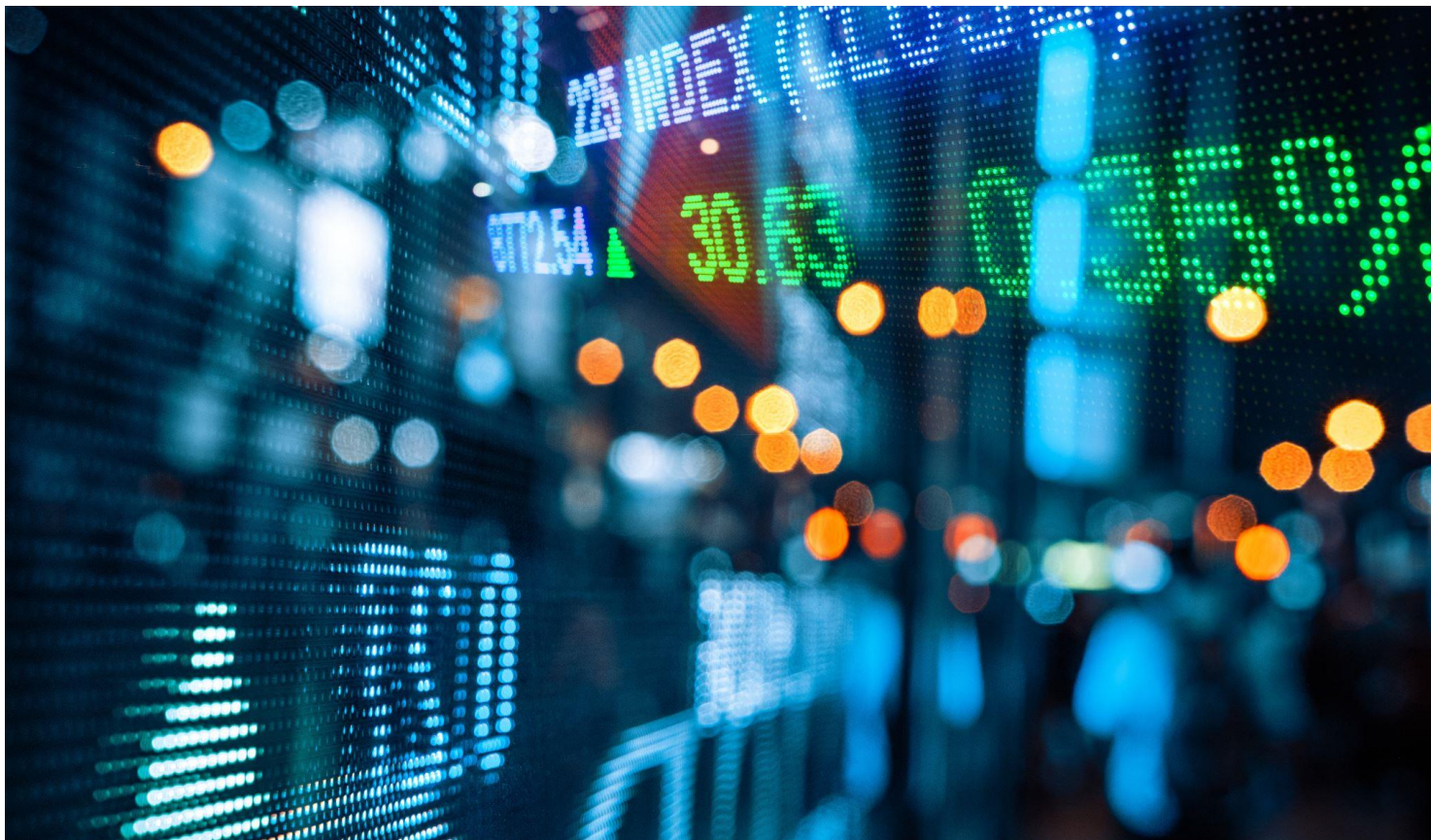
Modern system with heavy investments made

Multiple avenues for further growth

	New products / services	New segments	Geographic expansion
Organic initiatives	<ul style="list-style-type: none">Continued development of adjacent products and servicesStandalone products in new markets	<ul style="list-style-type: none">Several attractive segments identifiedUtilizing existing footprint and knowledge	<ul style="list-style-type: none">Norwegian expansion plannedSeveral attractive regions identified for further geographic expansion
M&A targets identified?			
Broad field of both organic and structural growth opportunities available			



Financials



Overview of the First Quarter 2021

CARASANT ASA – Consolidated

- Revenues of NOK 28.2 million as compared to NOK 15.6 million during Q1 20.
- Including expenses for changes in fair value of previously issued stock options of NOK 10.4 million in Q1 the result was a net loss of NOK 7.7 million as compared to a net income of NOK 0.4 million during Q1 2020
- Cash balances of NOK 217.7 million on March 31, 2021

Evimeria EMR AB (IFRS Adjusted SEK)

- Revenue of SEK 20.7 million, an increase of 30 % as compared to Q1 2020.
- EBITDA of SEK 8.0 million as compared to SEK 6.0 million during Q1 2020.
- EBIT of SEK 5.3 million as compared to SEK 3.7 million during Q1 2020.
- Signed 34 new clinics during the First Quarter 2021. Ended the First Quarter with 529 active clinics.

Avans Soma (IFRS Adjusted NOK)

- Revenue of NOK 7.3 million, an increase of 32 % as compared to Q1 2020.
- EBITDA of NOK 2.2 million as compared to NOK 1.2 million during Q1 2020.
- EBIT of NOK 0.3 million as compared to a loss of NOK 0.5 million during Q1 2020.
- Signed 24 new units during the First Quarter 2021. Ended the First Quarter with 164 active units.

3 Months Ended March 31, 2021

(Amounts in NOK 1,000)	Unaudited Evimeria	Unaudited Avans Soma	Unaudited Carasent AS	Unaudited Carasent Recurring	Unaudited Carasent Non-recurring (*)	Unaudited Q1 Total
Active clinics/units	529	164				693
Total Operating Revenues	20,961	7,289		-	-	28,249
Total Cost of Sales	4,086	975		-	-	5,062
Gross Profit	16,874	6,313	-	-	-	23,188
Operating Expenses						
Employee Compensation and Benefits	6,257	2,642		360		9,259
Other Operational and Administrative Costs	2,519	1,486		733		4,738
Total Operating Expenses	8,776	4,128	-	1,093	-	13,997
EBITDA	8,098	2,185	-	(1,093)	-	9,191
Depreciation and Amortization	2,728	1,843	-	947		5,518
EBIT	5,370	342	-	(2,040)	-	3,673
Other Expense						
Interest Expense				-		-
Other Financial Items				-		-
Other Income and Expense	(146)	(29)			(10,384)	(10,559)
Total Other Expense	(146)	(29)	-	-	(10,384)	(10,559)
Income (loss) Before Income Taxes	5,224	313	-	(2,040)	(10,384)	(6,887)
Income Tax Expense	(1,002)			217		(785)
Net Income (loss) for the Period	4,222	313	-	(1,823)	(10,384)	(7,672)

Q1 2021