



Interim report Q3 2022

26 October 2022

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Agenda

- 1 Q3 highlights
- 2 Business and market update
- 3 Financial review
- 4 Outlook



Q3 2022 Summary

1

Revenue growth of
28% YoY

2

Organic growth of
12% YoY

3

Revenue synergy
materialised from
Medrave acquisition

4

Strong new sales for
Webdoc Sweden

5

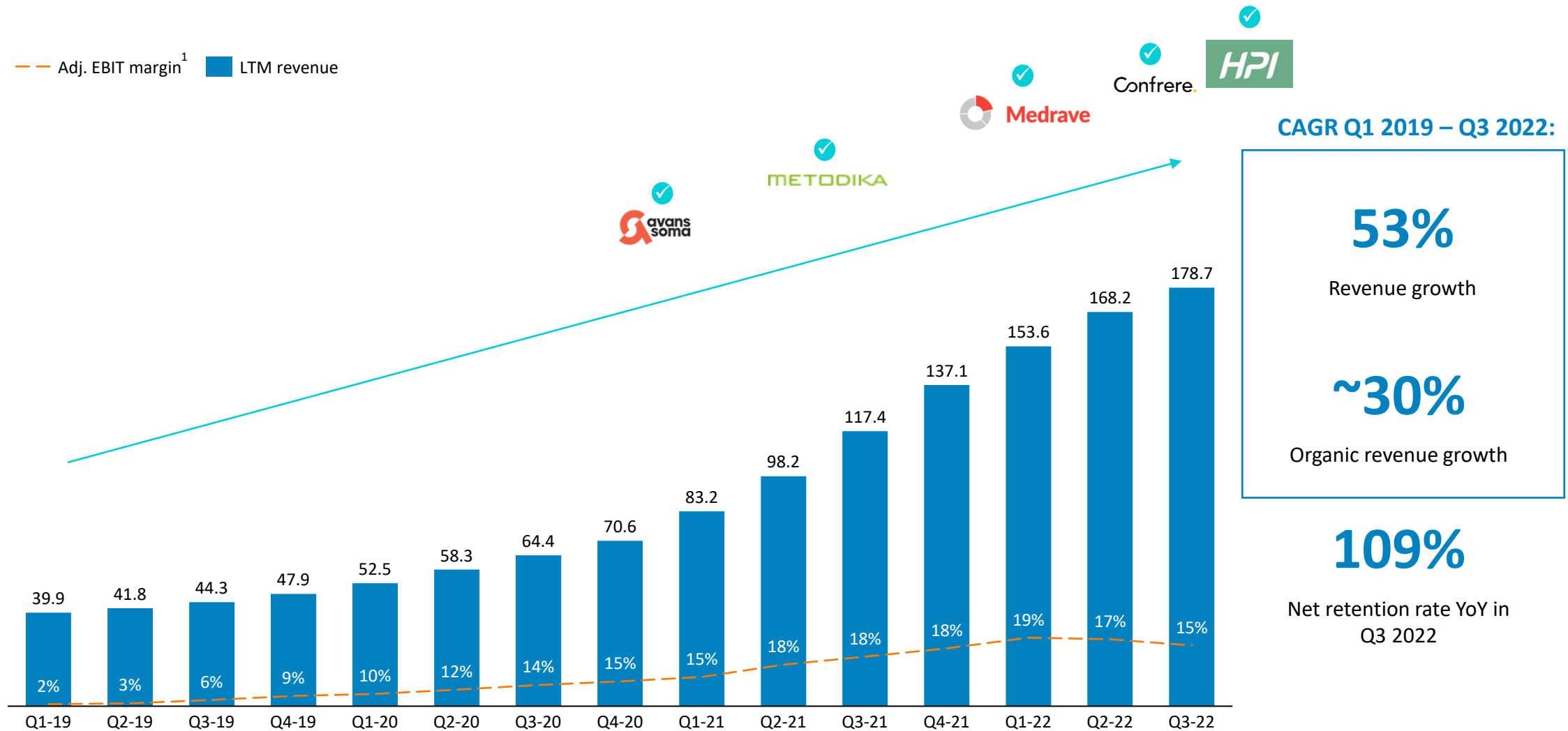
Acquisition of Confrere in
Q3 and HPI in October

6

Strong balance sheet with
cash position of NOK 751
million

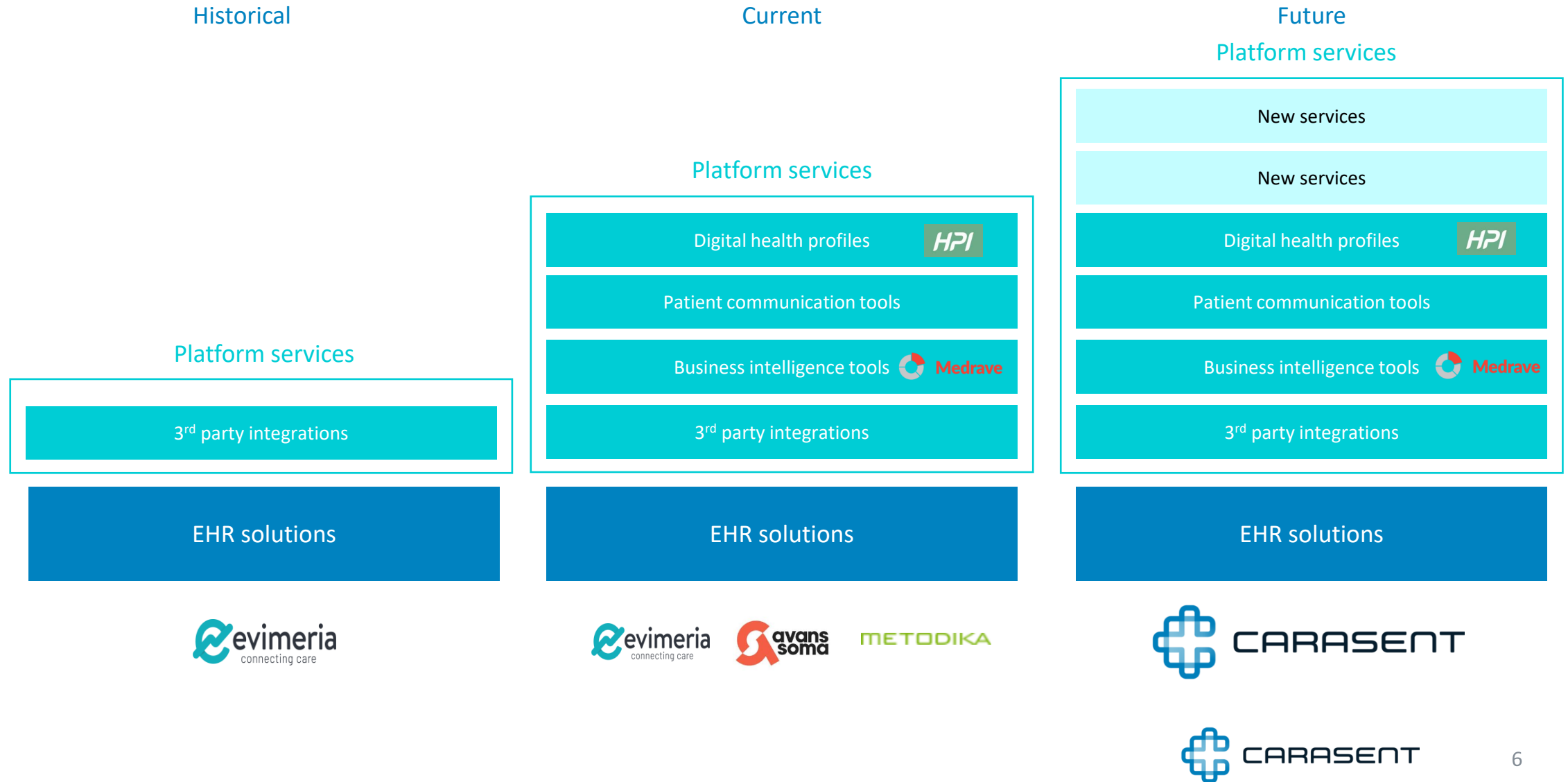


Consistent track-record of growth



1: Adjusted for non-recurring items, including acquisition costs

Unique full-service product offering with a growing range of platform services



Acquisition of customer agreements from Confrere

Background and transaction highlights

- Confrere is a market leader in Norway within video software for healthcare practices
 - Standalone solution without integrations to EHR system and revenues of NOK 0.9 in May 2022
- Carasent acquired the Confrere brand and took the customer agreements 1 August 2022, while Confrere will continue to maintain the technology solution. Confrere was recently acquired by the American company Daily and will focus on providing video API solutions for a different end market going forward.
- Purchase price of approximately NOK 10 million, of which NOK 5 million was paid upfront and approximately NOK 5 million paid to Confrere during the first 6 months after the transaction date
- In addition, a payment equal to the revenues generated from the Confrere solution will be paid as long as the customers are using the Confrere products

Confrere

Strong strategic rationale

1

**Attractive customer base
and strong brand name**

2

**Potential to deliver
Carasent video solution**

3

**Upsell of additional
products**

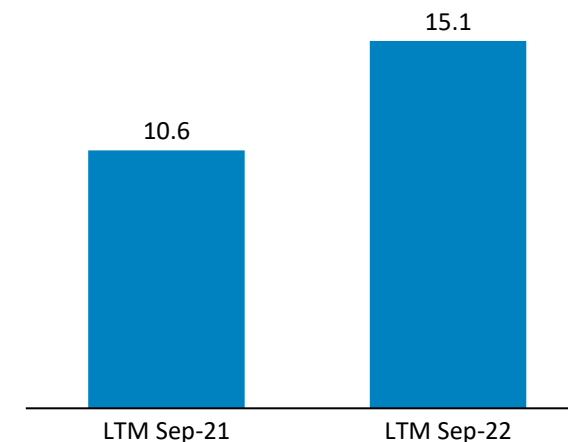
Acquisition of HPI – a leading software provider for occupational healthcare

- HPI is a market leader in Sweden within software for occupational healthcare practices
- HPI was founded in Sweden in 1976 and has 11 employees
- HPI provides software as a service solutions for digitalization of workflows for health profile services and medical check-ups and health assessments in working life
- HPI has an attractive customer base of approximately 200 clients in Sweden and Norway
- A vast majority of occupational healthcare providers in the Swedish market are on HPI's customer list
- Revenues of SEK 15.1m LTM September 2022 growing from SEK 10.6 million LTM September 2021
- The transaction values HPI at an enterprise value of SEK 35 million including a contingent earn-out of up to SEK 13 million, based on the achievement of certain performance metrics in 2023
- The transaction purchase price will be settled as follows:
 - SEK 8.9 million of the Purchase Price in cash upon closing.
 - SEK 2.2 million will be reinvested in Carasent amounting to 122,375 consideration shares (corresponding to 20% of the Purchase Price), valued at a price of NOK 17.16 per share, corresponding to the 10-day volume weighted average price ("VWAP") on the 17th of October 2022 (the "Reinvestment").
 - SEK 13 million contingent earn-out.

Products and presence



Revenue development LTM

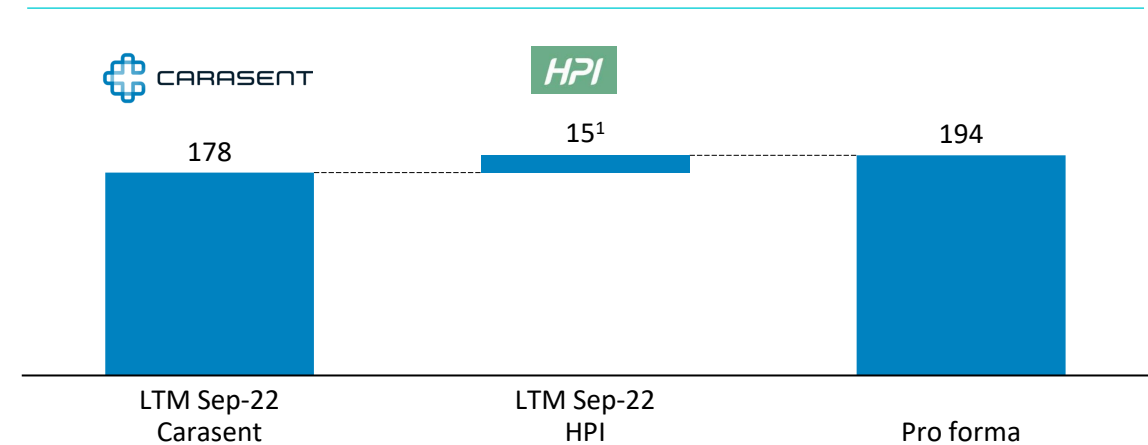


Acquisition of HPI – strong strategic rationale

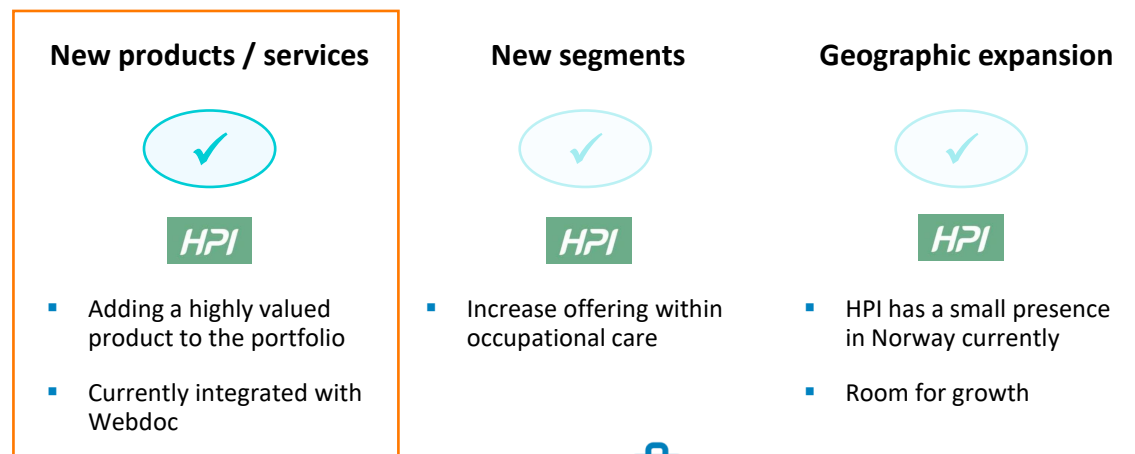


1: Not currency adjusted

Illustrative pro forma revenue (NOKm)

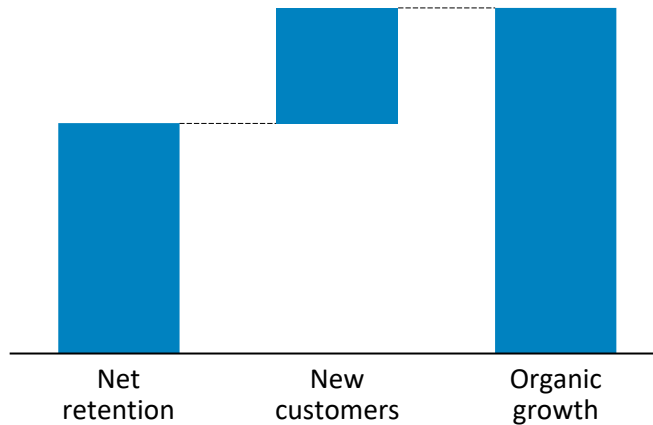


Executing on strategic growth plan



Carasent's path to growth

Organic



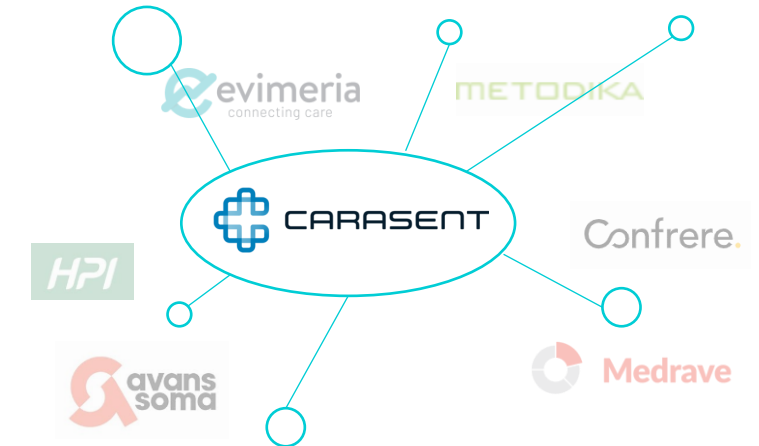
- Apparent need for digitalization in the healthcare sector to drive efficiency and allow more time for clinical personnel to handle patients
- Clear expansion opportunities across geographic presence and healthcare verticals

M&A



- Proven track record and capabilities
- Fragmented market with many small niche players
- Carasent leading the consolidation

Synergies



- Established model for creating and extracting synergies
- Cross sale potential enabled through platform solution
- Accelerate growth of acquired companies



Financial Review



Q3 2022 Financial summary

1

Revenue growth of
28% in Q3 YoY

2

Organic growth of
12% in Q3 YoY

3

Organic recurring
revenue growth of
14% in Q3 YoY

4

Net retention rate of
109% in **Q3**

5

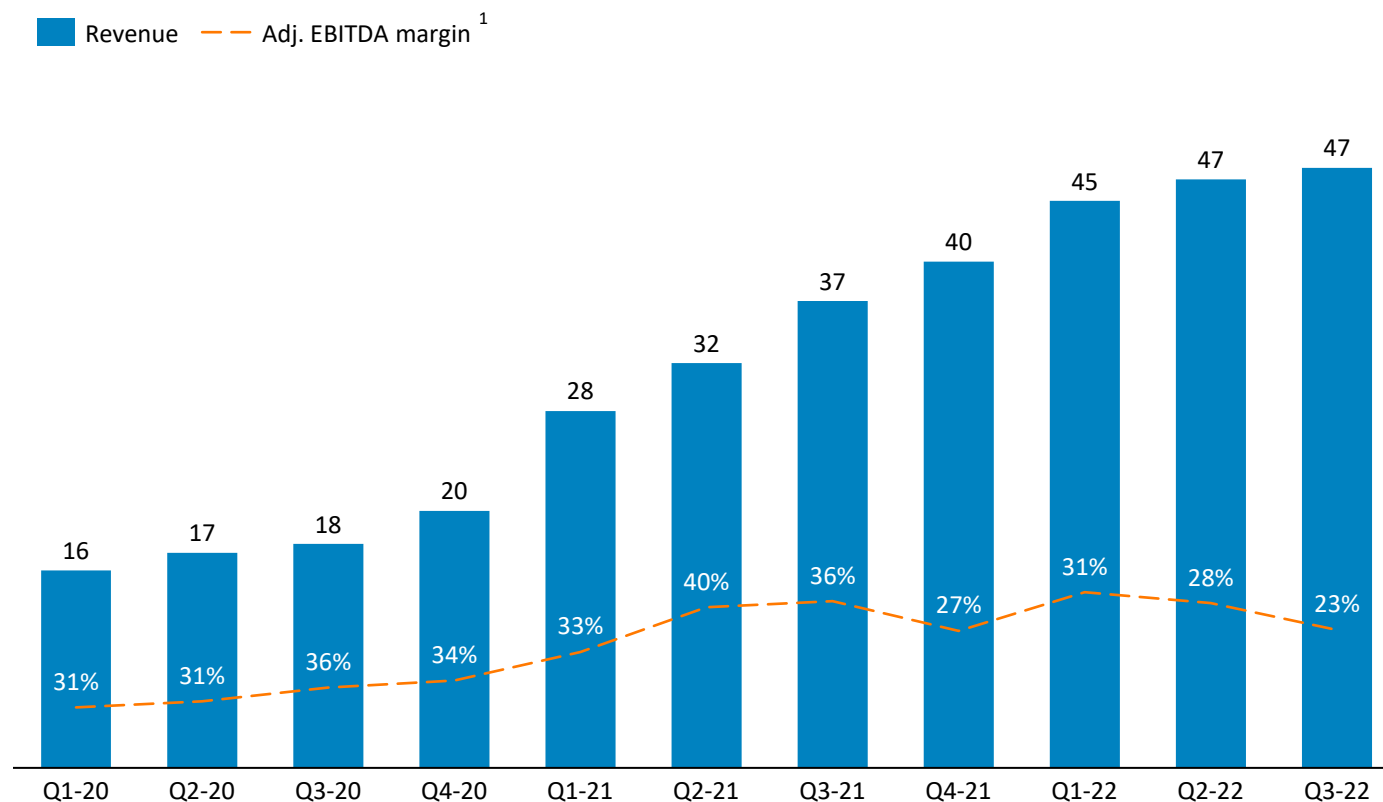
Adjusted EBITDA
margins of **23%** in
Q3

6

ARR of **NOK 185m** as
per Sept-22

Q3 2022 – Summary

Quarterly revenue and Adjusted EBITDA development (group)

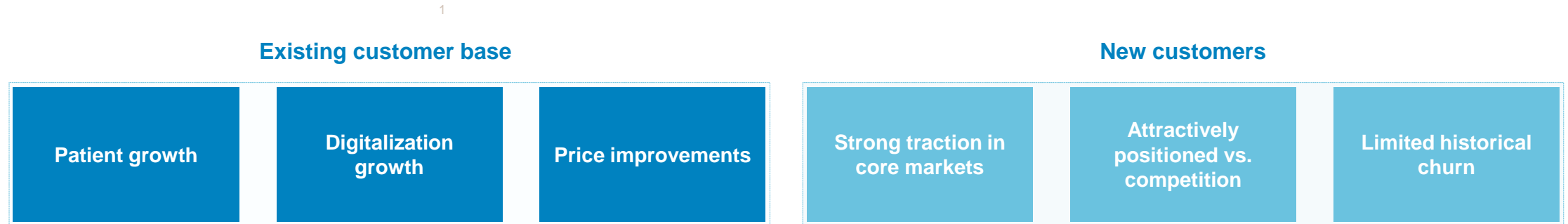


1: Adjusted for non-recurring items, including acquisition costs

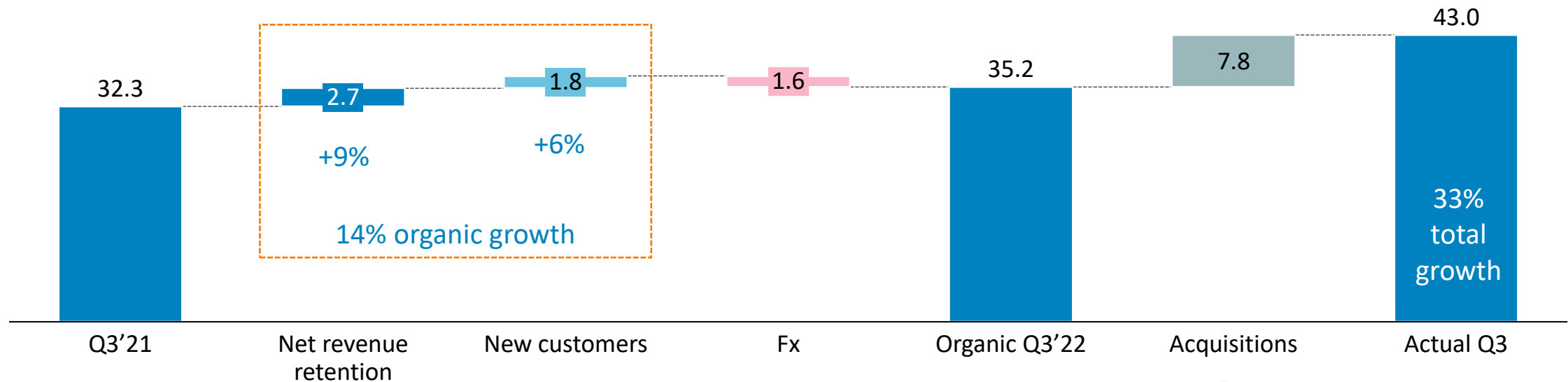
Key highlights

- 1 Revenue growth of 28% YoY in Q3
- 2 Combination of acquisitions and organic growth
- 3 EBITDA margins of 23% in Q3 2022

Organic growth in recurring revenues of 14% and total growth of 33%



Recurring revenue bridge Q3 2021 – Q3 2022 (NOKm)



ARR Bridge Q3 2021 – Q3 2022

31%

ARR growth

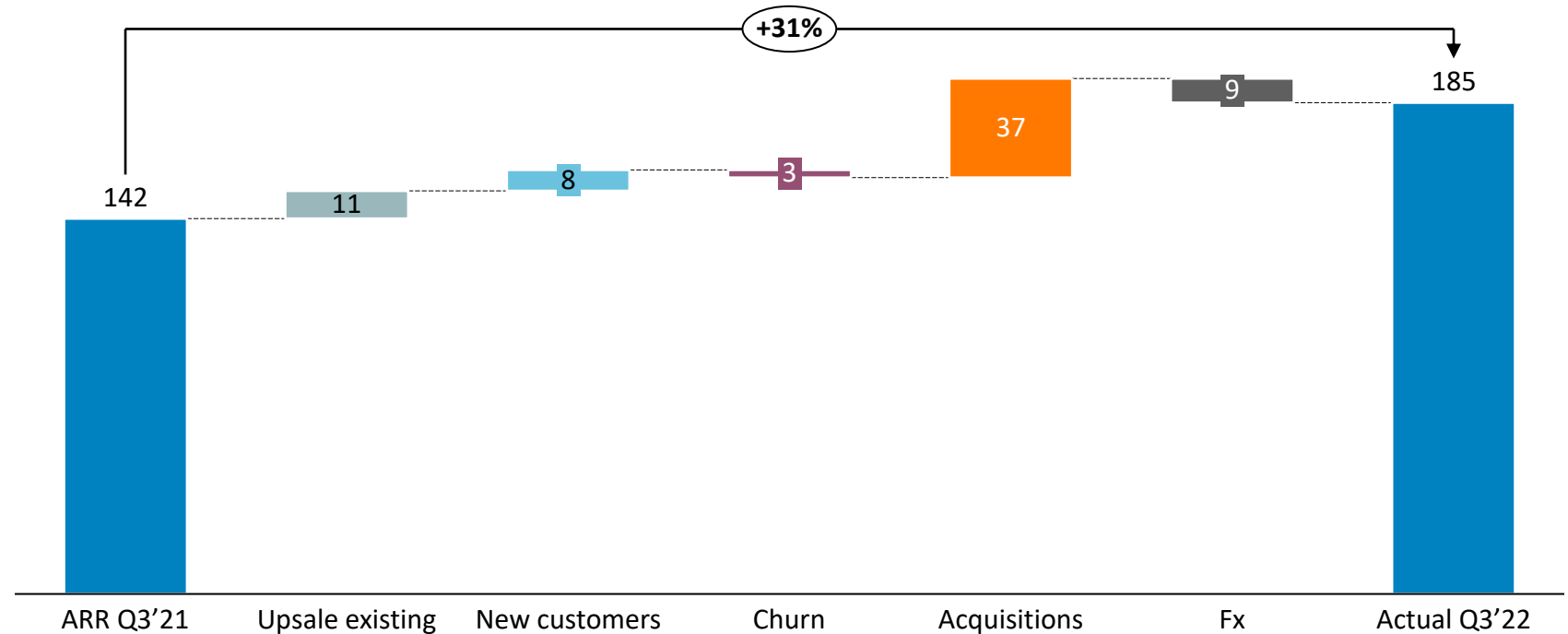
12%

Organic ARR growth

106%

TTM net retention
rate

Organic growth rates
on a constant
currency basis



- ARR growth driven by both new and existing customers
- Net retention rates are impacted by high variable add-on services in 2021 (pandemic related)
- Approximately 20% of ARR is transaction based

Adjusted EBITDA margins of 23% in Q3 2022

Comments

- Adjusted EBITDA margins of 23.3% in Q3 2022, down from 35.5% in Q3 2021
- Significant investments in management capacity and infrastructure affects operating cost base in the short-term
- The acquisitions completed has had a positive impact on gross margins, but a dilutive impact on operating margins in the short term
- Non-recurring operating expenses were NOK 2.3 million in Q3 2022, out of which NOK 0.3 million were related to the discount and bonus shares given to employees in the Employee Investment Matching Program and the remaining NOK 2.0 million was related to M&A transaction costs and other non-recurring items
- Adjusted EBIT margins of 8.5% in Q3 2022 down from 21.7% in Q3 2021

P&L breakdown

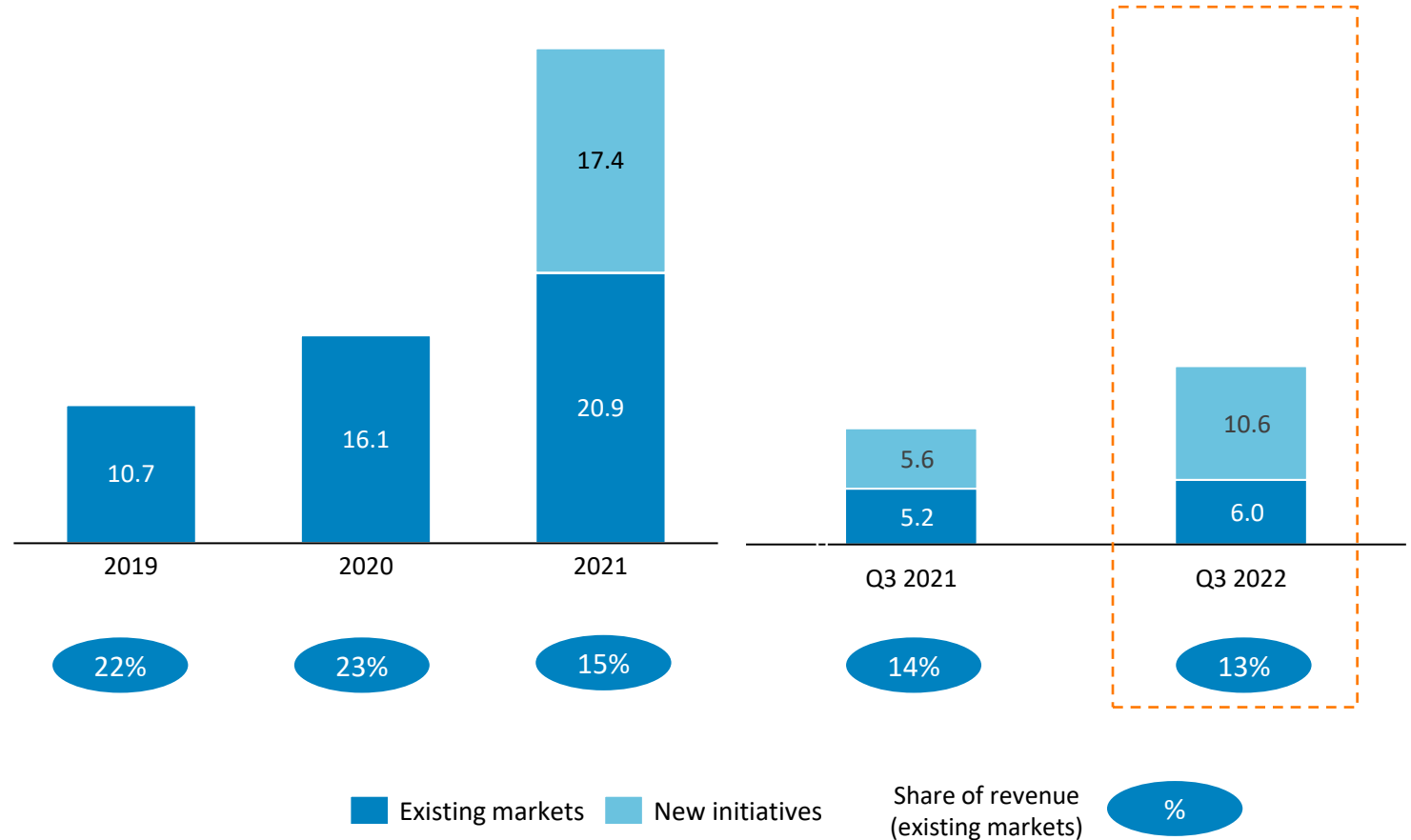
NOKm	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Revenue	47.4	36.9	138.7	97.1
COGS	8.6	6.6	22.9	16.9
Gross profit	38.8	30.3	115.8	80.3
Gross margin	81.9%	82.1%	83.5%	82.6%
Personnell expenses	(20.1)	(12.1)	(56.8)	(30.4)
Other operating expenses	(7.6)	(5.2)	(21.2)	(14.9)
Adj. EBITDA	11.1	13.1	37.8	35.0
Adj. EBITDA margin	23.3%	35.5%	27.3%	36.0%
Adjustments	(2.3)	(1.2)	(7.5)	(4.5)
EBITDA	8.8	11.9	30.3	30.5
D&A	(8.7)	(6.3)	(24.6)	(17.6)
PPA related D&A	1.7	1.2	5.0	3.2
Adjusted EBIT	4.0	8.0	18.2	20.6
Adj. EBIT margin	8.5%	21.7%	13.2%	21.2%

Significant investments in new expansion initiatives

Comments

- Investing into organic growth initiatives, both in existing and new markets
- Investment into new initiatives has accelerated recently and consists of Webdoc's expansion into Norway and Webdoc X
- These initiatives are currently not generating any revenues, but have potential to drive long term organic growth significantly
- Investments related to existing markets have decreased as a share of revenue during the last few years
- Capex in existing markets is related to development of new functionality and products that will drive organic growth in our existing markets

Historical capex breakdown (NOKm)



Outlook and guidance

- Performance and growth rates in Q3 2022 resulted in revised guidance for 2022
- Strong balance sheet with cash position of NOK 751 million
- Updated guidance for 2022:
 - Revenue NOK 190-195 million (excluding potential from additional M&A and currency effects)
 - Group EBITDA margin at about 25% (adjusted for non-recurring effects)

Q&A