



CARASENT

# Annual Report 2021



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## Letter to our shareholders

The year 2021 has been, to say the least, eventful. Two new companies (Metodika and Avans Soma) have been integrated into the Carasent group. We have focused on building a company structure where we act as one company and establishing a way of working where new developed features in our products fit in to our common modularized platform. We have also started an initiative (Webdoc X) with the aim of expanding our business with products tailored for the broader market in Europe, where we see a great window of opportunity with our deep knowledge of the healthcare sector and experience of providing value adding solutions.

The main goal for Carasent is to provide our customers with the best innovative digital solutions, acting as a one-stop-shop solution provider of an integrated solution for the various needs of the healthcare providers. The response from our customers has been very positive to the communicated "One Carasent" strategy and we will, in collaboration with our customers, work to develop the functionality required to migrate them to the Webdoc platform.

## Our Target Market

The healthcare sector is one of the least developed industries in terms of digitalization, and the sector is in great need of solutions that can increase both efficiency and quality of the business processes to free up resources for care rather than administration. Insights and focus on speeding up digitalization have gained momentum in recent years, and the pandemic has acted as an additional catalyst. Shortcomings as well as potential in many of the business processes have become obvious, increasing both the willingness to invest and the pace of development.

The pandemic has affected us short-term as well, in both positive and negative ways. On the positive side, products and services enabling our customers to interact digitally with patients have seen a boost during the pandemic. At the other end of the spectrum, we have customers that have reduced their activities during the year, due to restrictions as well as for priority reasons.

We saw a negative effect on our order intake during 2020 and while we signed the contracts in 2021, the implementation process have been delayed due to prioritization of vaccinations. This climate has gradually improved during the fall and we are slowly but steadily returning to a more normal situation.

## Revenue Growth

We have accelerated our growth rates significantly, with revenue growth of 94% during 2021. We grew organically at 30% during the year (constant currency), and the remaining portion of the growth was related to the acquisitions of Avans Soma and Metodika.

Customer intake has remained strong, despite sales processes with larger customers being affected by the pandemic, the total number of units (defined as number of physical entities or customers) amounted to 846 at the end of 2021 where 154 units have been added organically during 2021 compared to 91 units in 2020.

There is ample room for growth within our core markets where new sales have been generated almost exclusively from word-of-mouth historically. We now see opportunities to increase our

focus on outbound sales and marketing going forward, as our portfolio of products is highly demanded in the market.

In the beginning of 2021, we provided a guidance of 35% organic revenue growth and 40% EBITDA margins for Evimeria and Avans Soma for the full year. In Q3 2021 we revised the revenue guidance to 30 - 35% due to delayed implementation of signed customers affecting license and consulting revenues in the short-term.

The reported revenue figures for 2021 was in line with the revised guidance, with revenue growth of 30% and EBITDA margins ended at 39.5% for 2021.

<b>2021 guidance vs. actuals Evimeria &amp; Avans Soma (NOKm)</b>	<b>Initial guidance</b>	<b>Updated guidance (as per Q3)</b>	<b>2021A</b>
Revenue	123	119 - 123	119
Revenue growth	35%	30 - 35%	30%
EBITDA	49.4	47.5 - 49.4	47.0
EBITDA margin	40%	40%	39%

## Our position and the future

In the second quarter we acquired Metodika, a Swedish company that provided us with an attractive customer base and expansion into new geographies and a new segment (inpatient care). In parallel with the acquisition, we completed a successful equity issue raising a total of approximately NOK 368 million. Subsequently, in Q3 we raised an additional NOK 420 million through another equity issue, bringing in Vitruvian Partners as a large shareholder. In January 2022, after the balance sheet date, we announced the acquisition of Medrave a market leader in Scandinavia within quality improvement software for healthcare practices within primary care and secondary outpatient care. Hence, we have executed on our growth strategy and laid the foundation for further growth.

We see that Carasent is very well positioned to meet the demand from the market and see great potential ahead in expanding our business geographically, through new segments and adding new products and services. An active M&A agenda, in addition to maintaining our organic growth, will be a key focus for Carasent in the future. We see consolidation opportunities going forward that will help Carasent strengthen our market position as a leading provider of e-health services in Europe.

The effects of the pandemic will remain with us for a period going forward, creating a high degree of uncertainty for our customers. The stated effects on delayed implementation and sales processes will impact us during the first half of 2022, but we expect the growth rates and margins to remain robust throughout the year. Given the current situation with easing of restrictions and a return to normal life, we may see a more predictable onboarding of our customer backlog.

The ongoing war in Ukraine currently do not directly affect operations, but we monitor the situation closely.

Sincerely,

Dennis Höjer  
CEO, Carasent ASA

# Director's Report

## About Carasent ASA

Carasent focuses on businesses that develop entrepreneurial and e-health solutions. We believe in innovation that offers a new kind of accessibility and availability for patients and practises, and we offer intellectual and financial capital for participants that wishes to provide high quality services in this area of digital transformation.

Carasent consists of several companies but act as one. We share ideas, strengths and experiences that brings new energy to our projects. Our companies stand united on a ground of healthcare and digitization, and we are ambitious and dedicated in our aim to make a difference.

Evimeria develops and delivers e-health services to Nordic caregivers. The business is based on the vision of patient-focused care with minimized administration. The core products are the EMR system Webdoc, and Vårdrummet - a digital platform for physician-patient communication.

Avans Soma develops and sells digital systems adapted for users in the segments for health care, rehabilitation, and mental illness. Avans Soma currently has 25 employees in offices in Oslo, Bergen and Dale. Avans Soma's portfolio include solutions as Ad Voca, Ad Opus, and Ad Curis.

The Swedish based company Metodika is the developer and seller of Metodika EPM, a highly competitive all in one solution for medium sized private clinics and hospitals in Europe. The company was established in 1991, is located in Stockholm and has 22 employees.

Medrave is a Scandinavian company with 15 employees, in Sweden and Norway. Since 2007 Medrave focuses on quality improvement software for healthcare practices within primary care and secondary outpatient care, and as of today the solutions are being used by over 260 clients. The acquisition of Medrave was closed in January 2022, after the balance sheet date.

## 2021 development

The effects of the pandemic continued to have both positive and negative impacts. The positive effects remain with an overall growing demand for faster digitization and need for new e-Health services. The negative is the somewhat still delayed sales processes when it comes to larger customers as well as longer implementation cycles due to covid oriented priorities among our customers.

We have been taking steps towards "One Carasent" and one platform in line with our communicated strategy through organizational changes, establishing a way of working where new developed features in our products fit in to our common modularized platform. Further strengthening of the organization and architectural changes will be a high priority area during 2022 which will also secure future scalability and flexibility to target new customer segments.

In addition to a strong organic development, we continue our focus on evaluating the possibilities of supplementing our business with potential acquisitions that fit into our strategy.

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.

## Performance and financial summary

For 2021 the revenue ended at NOK 137.1 million compared to NOK 70.6 million in 2020, representing a revenue growth of 94%.

The total number of units amounted to 846 end of 2021 where 154 units have been added organically during 2021 compared to 91 units in 2020. This represents an organic customer growth of 22% year over year.

NOK million	FY 2021	FY 2020	FY 2019
<b>Group</b>			
Revenue	137.1	70.6	47.9
Adj. EBITDA <sup>1</sup>	45.5	23.3	11.9
EBITDA margin	33.2%	33.0%	24.8%
Adj. EBIT <sup>1</sup>	26.1	14.3	7.7
EBIT margin	19.0%	20.3%	9.4%
Capitalized development	38.3	16.1	10.7
Cash balance	883.8	221.2	10.9
Signed units	154	91	89
Units EOP <sup>2</sup>	846	495	404

1: See – Alternative Performance Measures

2: Includes new units from acquisitions, End of Period ("EOP")

Adjusted EBITDA amounted to NOK 45.5 million in 2021, corresponding to a 95% growth YoY, with a relatively flat margin development at 33%. Evimeria continued to demonstrate scalable margins while the acquisitions completed currently has a lower operating margin and diluted the group margin slightly during the year.

Cash flow from operating activities was NOK 32.5 million. Cash flow from investing activities was NOK (125.1) million of which NOK (86.9) million was related to the acquisition of Metodika. Cash flow from financing activities was NOK 756.5 million. Net change in cash in the period was NOK 662.6 million, ending the year with NOK 883.8 million in cash.

Carasent ASA is the parent company and contains mainly corporate functions. Revenues are sale of Group services to other Group companies. Expenses are mainly consultancy fees and employee compensation. For 2021, Carasent ASA recorded revenues of NOK 4.5 million and net income of negative NOK 10.9 million.

## Investments

Capital expenditures increased significantly to NOK 38.3 million in 2021 from NOK 16.1 million in 2020, driven by our new platform for the European market, Webdoc X, and the ongoing Norwegian expansion for Webdoc.

### Webdoc X

After a preparation phase during 2021, we have made the decision to invest significantly into an EHR platform tailored for the broader European market, Webdoc X. In the spring of 2021, we established a collaboration with the Swedish digital healthcare provider Mindler in their European launch. In parallel with this, we have conducted a comprehensive market research, which confirmed our hypothesis that there is a high degree of privatized healthcare that often lacks solutions to meet the digital demand.

The market is ripe for disruption and we now see a window of opportunity. This will require significant investments and has also impacted the capex level during 2021. We aim to launch the product commercially during 2023 and we are building the offering based on our deep industry knowledge.

### Webdoc Norway

The Webdoc platform is now ready for a Norwegian launch for smaller pay-out-of-pocket customers. We have recruited several key personnel for our commercial organization in Norway during Q4 2021 and will continue to strengthen the sales and marketing team with focus on building our pipeline of potential customers in the Norwegian market more aggressively. During the first half of 2022 we will focus on finalizing the required integrations to address the publicly funded customers within our target segments and to secure our first customers of Webdoc in Norway.

## Private placements

On May 25th, Carasent ASA completed a private placement of 11,007,031 new shares, representing 20% of the outstanding share capital. The subscription price was NOK 33.4 per share, raising net proceeds of NOK 345 million.

The subscription price was determined through an accelerated bookbuilding process after close of trading the same day and the net proceeds of the Private Placement will be used to strengthen the ability to capitalize on identified growth opportunities, as well as for general corporate purposes.

Following registration of the share capital increase pertaining to the Private Placement, the Company had a share capital of NOK 87,968,197, divided into 66,042,190 shares, each with a nominal value of NOK 1.332.

On July 22, Cardigan Holdco S.à r.l., a company indirectly owned by Vitruvian Investment Partnership IV, a fund managed by Vitruvian Partners LLP, subscribed for 11,987,332 shares in the Company at a price of NOK 35.05 per share in a private placement of new shares in the Company.

Following registration of the share capital increase pertaining to the Private Placement, the Company had a share capital of NOK 104,718,852, divided into 78,617,757 shares, each with a nominal value of NOK 1.332.

## Acquisitions

On May 25th, Carasent ASA announced the acquisition of the Swedish company Metodika AB, a leading provider of Enterprise Practice Management (EPM) solutions to independent hospitals and clinics across 10 European countries.

Metodika EPM software streamlines information management and efficiently helps its clients with handling the day-to-day operations of clinics and hospitals. The product platform also includes a tool for inpatient care that is complementary to Carasent's current offering.

Metodika has an attractive customer base of more than 50 clients across Europe. The company also has growing SaaS-business that can be further intensified under Carasent ownership.

The consideration was NOK 111 million, of which NOK 90.8 million was settled in cash and the remaining in issuance of 588,235 shares to the previous owners of Metodika to a fair value per share of NOK 34.

### Events after balance sheet date

On December 15, Carasent ASA announced the acquisition of the Swedish company Medrave Software AB, including its fully owned Norwegian subsidiary Medrave Software AS. Medrave Software AB is a market leader in Scandinavia within quality improvement software for healthcare practices within primary care and secondary outpatient care. The acquisition of Medrave was completed after the end of the period and is not included in the financial statements.

Medrave was established in Sweden in 2007 by the two doctors Per Stenström and Svein Gjelstad, however, history dates back to 1997 when Per Stenström led an internal project in Region Stockholm to develop a reporting tool for quality improvement to primary care clinics. Medrave's module-based software provides clinical reports to GPs, physiotherapists, childcare, urgent care, youth care, mental health and habilitative care practices. The quality improvement solution automatically collects and sorts data, analyze and visualize, tracks and benchmarks KPIs, and provides automatic reporting.

As such, healthcare professionals save time, get better overview, can reach goals easier, and have consistent and improved reporting – ensuring safer care for all patients.

Medrave has an attractive customer base of more than 260 clients across Sweden and Norway, covering 1,646 practices and an estimated 8.8 million patients, with ~60% of revenue from the public sector in 2020.

The acquisition was settled on January 11, 2022 for a purchase price of SEK 134 million of which SEK 110 million was settled in cash and SEK 24 million was settled by a seller's credit to be offset by issuance of consideration shares reinvested by key employees.

## Changes in Board and Management

The Nomination Committee of Carasent ASA proposed that Staffan Hanstorp was elected as new Board member at the Annual General Meeting on June 30, 2021. Staffan Hanstorp replaced Jesper Jannerberg who declined re-election. Tomas Meerits was elected as new Alternate Board member at the Extraordinary General Meeting on October 27, 2021.

Staffan Hanstorp has more than 30 years of experience as sales manager, marketing manager and CEO in the IT sector. Founded TECHNIA in 1994, which was acquired by Addnode Group in 2004. President and CEO of Addnode Group 2007-2017. Current assignments outside Carasent: Chairman of Addnode Group, Chairman of Byggnadsfirman Viktor Hansson AB and director of TechSverige in Almega.

The proposal for election of the new Board member was presented to the Nomination Committee by representatives of the company's largest shareholders, who together represent approximately 40 percent of the outstanding shares and votes. The Nomination Committee reviewed the proposal and also made consultation with other major shareholders. The proposal obtained major support from all involved shareholders.

## Board of Directors

Mr. Lindqvist was appointed Chairman of the Board of Carasent ASA 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 ASA 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.

Ms. Fåhraeus was appointed Director of Carasent ASA 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 Aqilles 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.

Ms. Kinberg Batra was appointed Director of Carasent ASA in 2020. She has extensive experience within politics and related business landscape in various segments. Previous positions include Leader of the Opposition and Leader of the Moderate Party from January 2015 to October 2017. Her experience also includes local and regional office including the Stockholm region county council, its central board and its health and medical board. Anna Kinberg Batra is currently on the of Board of Castellum AB, Svenska Rymdaktiebolaget, SolTech Energy Sweden AB and SJR in Scandinavia AB. She has a degree in Business Administration from Stockholm School of Economics.

Mr. Hanstorp was appointed Director of Carasent ASA in 2020. He has extensive business experience from various executive positions and board seats, both in the Nordic and abroad. He was CEO of Addnode Group 2007-2017 and serves currently as Chairman of the board. In addition, he serves as Chairman of the Board of Viktor Hanson AB and acts as an advisor to Aeternum Capital AS on a consultancy basis.

Mr. Meerits was appointed Alternate Board member of Carasent ASA in 2021. Tomas Meerits is a Managing Director at Vitruvian Partners, a leading international growth investor. Tomas joined Vitruvian in 2017 and focuses on Active Minorities Investments. Prior to Vitruvian, Tomas started his career with Cevian Capital, a leading European active investment firm applying private equity strategies to the public markets. After Cevian, he was with private equity firm Triton Partners, where he focused on investment opportunities in the public markets in the Nordic and DACH regions. Most recently, he founded an investment fund ("Avalon") at Lancelot Asset Management which was focused on active investments in the Nordic public markets.

The Company has obtained a market standard Directors and Officers liability insurance covering the potential liability for the members of the Board and Management related to their roles and responsibilities on behalf of the Company.

## **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 2020 the Company had 110 employees. No accidents have occurred during 2021. There were no significant absences due to illness in 2020. The total absence due to sickness was 2.6% 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, 2021, the members of the senior management team consisted of three males and two females while the Board of Directors consisted of three males and two females. The Company's operations do not pollute the environment.

## **Corporate Social Responsibility**

The 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. In general, the Company's

business operation being mainly a software developer and provider, have limited negative impact on the environment. All employees are encouraged to act and live in an environmentally friendly way. The Company's strives to use environmentally friendly solutions in all of our operations and encourage our employees, suppliers and customers to do the same.

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

A significant part of the Group's activities are in Sweden related to SEK, while financial statements are presented in NOK. Please see footnote 22 for further details on financial risk, including market-, credit- and liquidity risk.

The stock option liability is subject a market risk relating to the development of the Company's share price.

## 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 2022 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.

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>
Transferred to retained earnings	(10 864)
<b>Allocated</b>	<b>(10 864)</b>

## Covid-19

The pandemic has impacted our customers significantly during 2021, and the effects of the pandemic will remain with us for a period going forward. The short-term effects of the pandemic have affected growth negatively during the year. The high vaccinations activity shifted the focus of healthcare providers before summer, and customers continued to prioritize short-term pandemic related activities over changing their EHR system during the fall. This has not only impacted sales processes with larger customers, but also caused delayed implementation of newly signed customers. 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.

Oslo, Norway

29 March 2022

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**Leif Johan Lindqvist**  
Chairman of the Board

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**Staffan Erling Hanstorp**  
Board member

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**Ebba Fåhraeus**  
Board member

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**Terje Rogne**  
Board member

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**Anna Kinberg Batra**  
Board member

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**Dennis Höjer**  
CEO

## 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 2021 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

29 March 2022

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**Leif Johan Lindqvist**  
Chairman of the Board

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**Staffan Erling Hanstorp**  
Board member

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**Ebba Fåhraeus**  
Board member

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**Terje Rogne**  
Board member

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**Anna Kinberg Batra**  
Board member

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**Dennis Höjer**  
CEO

# Report on Corporate Governance 2021

## 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 4, 2021, 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.

## 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 Company is committed to ensure that we in all our business activities and value creation comply with recognized principles for sustainable development, human rights, social responsibility and ethical behavior, including anti-bribery regulations. Further, we are committed to ensure equal treatment of all our employees independent of race, sex, sexual orientation, mental or physical handicaps or other similar differentiators.

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

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

## Equity and Dividends

The Company has per December 31, 2021 a registered share capital of NOK 104.718.852,324 and 78.617.757 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 June 30, 2021, the Board was granted the authority to increase the Company's share capital by issuance of new shares with a total amount of NOK 17.750.345 through one or several placements. The authority is valid until next Annual Shareholder Meeting.

The Board has no other current authorities granted by the Shareholder Meeting related to equity or dividends.

## **Equal Treatment of Shareholders**

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.

## **Shares and negotiability**

During 2021 the Company has made an acquisition of Metodika AB. Part of the consideration was paid in new shares in Carasent ASA.

The Share Purchase Agreements between Carasent ASA and the Sellers of Metodika AB includes a lock-up for all the Sellers and the consideration shares totaling 888,235 shares will not be tradeable for a period of 18 months from closing which was May 25, 2021.

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.

## **Shareholders' 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 Chairman of the Board, the Company's auditor and the Chairman of the Nomination Committee will always attend the shareholders' meeting. The Board will ensure that the shareholder meetings will be chaired by an independent chairman.

The shareholder meeting will either be arranged as a physical or electronic meeting. All shareholders have the right to electronically, also in physical meetings, unless the Board for specific reasons to refuse such attendance. If a shareholder meeting is held as an electronic meeting, recognized systems to ensure compliance with the voting rules, will be implemented.

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. The Board will ensure that election of nominated candidates for the Board will be made separately for each candidate.

## **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 June 30, 2021. 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 main task is to evaluate and comply with the rules described in Chapter 8 below, the composition and independence of the Board. The Nomination Committee will conclude individual discussions with each Board member and the CEO at least on an annual basis. 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.

## **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. While several of the Board members have ownership interest in the Company, 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.

In addition to shareholdings, Human Peak and Balance AB, a company controlled by Chairman of the Board Johan Lindqvist holds 78.573 subscription rights. Ebba Fåhreus, Board Director, holds 78.573 subscription rights.

## **The work of the Board of Directors**

The Board as approved an updated Board Mandate which provides details for the Board's work, including a description of roles and responsibilities for both the Chairman, Board Directors and the CEO, the Board Meetings, reporting, confidentiality and documentation.

The Board Mandate also includes provisions for agreements with close associates in order to ensure that any such agreement is entered into on arm's length principle and no unjustified value is transferred from the Company. Any 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 and the Board Mandate are fulfilled. If relevant, a valuation from an independent third party, not being the Company's auditor, will be obtained. Any agreement with a close associate will be handled and reviewed by at least two Board members with no personal interest in the agreement. 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.

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 an Audit Committee with two Board members and the Company's General Counsel as secretary. In addition, the CFO and the Company's auditor participate in the meetings. The Audit Committee has a mandate approved by the Board. The mandate is revised annually during Q2.

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.

## **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.

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.

## **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.

## **Remuneration of Executive Personnel**

The Policy for remuneration to the senior management in accordance with the new regulations in the Norwegian Public Limited Liability Companies Act § 6-16a, was resolved at the Shareholder Meeting on October 27, 2021.

The Remuneration Policy is aimed to balance the Company's short- and long-term performance, as well as the business strategy and our goal to create value for the Company's shareholders through a solid business model, good leadership on all levels and highly motivated employees.

A Report on Remuneration to the Senior Management and Board is issued under the new regulations under the Norwegian Public Limited Liability Company's Act for the annual year 2021.

## 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.carasent.com](http://www.carasent.com).

## 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.

## 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.

# Consolidated Financial Statements 2021

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## CONSOLIDATED STATEMENTS OF INCOME

(Amounts in NOK 1 000)	Note	12 Months Ended	
		December 31, 2021	December 31, 2020
Revenue		137 125	70 576
<b>Operating Revenues</b>	4,5	137 125	70 576
<b>Cost of Sales</b>	6	24 226	13 789
<b>Gross Profit</b>		112 899	56 787
<b>Operating Expenses</b>			
Employee Compensation and Benefits	7	47 274	21 895
Other Operational and Administrative Expenses	8,15	32 643	18 835
Depreciation and Amortization	13, 14, 17	23 336	12 629
<b>Total Operating Expenses</b>		103 253	53 359
<b>Net Operating Income/(Loss)</b>		9 646	3 427
<b>Financial Items</b>			
Interest Expenses		646	687
Other Financial (Income)/Expenses	18	5 267	38 412
<b>Net Financial Items</b>	9	5 913	39 098
<b>Net Income/(Loss) Before Income Taxes</b>		3 734	(35 672)
Income Tax Expense/(Income)	10	3 882	2 459
<b>Net Income/(Loss)</b>		(148)	(38 131)
<b>Attributable to Equity Holders of the Parent</b>		(148)	(38 131)
<b>Earnings Per Share:</b>			
Basic earnings per share	11	(0.00)	(0.85)
Diluted earnings per share	11	(0.00)	(0.85)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>12 Months Ended</b>	
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>(Amounts in NOK 1 000)</b>		
<b>Net Income/ (Loss)</b>	<u>(148)</u>	<u>(38 131)</u>
Changes in Translation Differences	(11 889)	10 536
<b>Items that may be Reclassified Subsequently to the Income Statement</b>	(11 889)	10 536
<b>Total Other Comprehensive Income/(Loss) for the Period</b>	(11 889)	10 536
<b>Total Comprehensive Income/(Loss) for the Period</b>	<u>(12 037)</u>	<u>(27 595)</u>
<b>Attributable to Equity Holders of the Parent</b>	<u>(12 037)</u>	<u>(27 595)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK 1 000)	Note	December 31, 2021	December 31, 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Goodwill	12, 13	271 990	170 339
Customer Relationships	13	26 733	29 309
Technology	13	76 186	49 131
<b>Total Intangible Assets</b>		374 909	248 779
Tools and Equipment	14	1 507	1 198
Right of Use Asset	17	14 612	15 917
Deferred Tax Assets	10	327	1 117
<b>Total Non-Current Assets</b>		391 354	267 011
<b>Current Assets</b>			
Customer Receivables	15	20 093	11 071
Other Receivables		3 455	3 517
Prepaid Expenses		2 161	2 195
Cash and Cash Equivalents	16	883 756	221 155
<b>Total Current Assets</b>		909 465	237 938
<b>TOTAL ASSETS</b>		<b>1 300 818</b>	<b>504 949</b>

(Amounts in NOK 1 000)	Note	December 31, 2021	December 31, 2020
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>			
<b>Equity Attributed to Equity Holders of the Parent</b>			
Share Capital		104 719	73 307
Other Paid-in Capital		1 105 556	354 630
Translation Difference Reserves		(2 560)	9 328
Retained Earnings		(36 440)	(36 290)
<b>Total Shareholders Equity</b>	19	<b>1 171 274</b>	<b>400 975</b>
Lease Liability	17	10 634	12 763
Liability Stock Option Program	18	-	41 180
Deferred Tax Liability	10	9 864	8 873
<b>Total Non-Current Liabilities</b>		<b>20 497</b>	<b>62 816</b>
<b>Current Liabilities</b>			
Trade Accounts Payable		8 942	4 883
Accrued Expenses		24 027	14 840
Contract Liability	4	17 506	6 930
Liability Stock Option Program	18	46 238	-
Current Liabilities to Credit Institutions		-	943
Current Lease Liability	17	5 703	4 803
Other Current Liabilities		6 630	8 759
<b>Total Current Liabilities</b>		<b>109 047</b>	<b>41 158</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1 300 818</b>	<b>504 949</b>

Oslo, 29 March 2022

\_\_\_\_\_  
**Leif Johan Lindqvist**  
 Chairman of the Board

\_\_\_\_\_  
**Staffan Erling Hanstorp**  
 Board member

\_\_\_\_\_  
**Ebba Fåhraeus**  
 Board member

\_\_\_\_\_  
**Terje Rogne**  
 Board member

\_\_\_\_\_  
**Anna Kinberg Batra**  
 Board member

\_\_\_\_\_  
**Dennis Höjer**  
 CEO

## CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in NOK 1 000)	Note	12 months ended	
		December 31, 2021	December 31, 2020
<b>Cash Flows from Operating Activities</b>			
Profit/(Loss) Before Tax		3 734	(35 672)
Depreciation and Amortization	13, 14, 17	23 336	12 629
Interest Expense	9	646	687
Fair Value Adjustments Stock Options	18	5 061	38 400
Change in Accounts Receivable	15	(3 816)	(830)
Change in Accounts Payable		2 558	1 148
Change in Current Assets & Liabilities		3 631	4 560
Income Tax Paid	10	(2 669)	(2 162)
<b>Net Cash Flows Provided by Operating Activities</b>		<b>32 480</b>	<b>18 761</b>
<b>Cash Flows from Investing Activities</b>			
Investments in Intangible and Tangible Assets	13,14	(38 227)	(16 131)
Acquisition of Company, Net of Cash Paid	3	(86 897)	(59 993)
<b>Cash Flows Used in Investing Activities</b>		<b>(125 124)</b>	<b>(76 125)</b>
<b>Cash Flows from Financing Activities</b>			
Issuance of Shares	19	790 758	286 468
Transaction Cost Related to Issuance of Shares	19	(28 683)	(13 927)
Payment Lease Liability	17	(4 867)	(2 302)
Repayment of Debt		-	(1 234)
Paid Interest	9	(646)	(687)
<b>Cash Flows Used in Financing Activities</b>		<b>756 562</b>	<b>268 318</b>
<b>Effect of Exchange Rates on Cash and Cash Equivalents</b>		<b>(1 317)</b>	<b>(727)</b>
Net Change in Cash and Cash Equivalents		662 601	210 227
Cash and Cash Equivalents at Beginning of Period		221 155	10 928
<b>Cash and Cash Equivalents at End of Period</b>	16	<b>883 756</b>	<b>221 155</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in NOK 1 000)	Share Capital	Other Paid- in Capital	Translation Difference Reserves	Retained Earnings	Total Equity
<b>Equity December 31, 2019</b>	<b>54 124</b>	<b>35 819</b>	<b>(1 207)</b>	<b>1 841</b>	<b>90 577</b>
Net Income for the Period	-	-	-	(38 131)	(38 131)
Other Comprehensive Income/(Loss)	-	-	10 536	-	10 536
<b>Total Comprehensive Income/(Loss)</b>	<b>-</b>	<b>-</b>	<b>10 536</b>	<b>(38 131)</b>	<b>(27 595)</b>
Share Issuance	19 183	332 738	-	-	351 921
Transaction Costs	-	(13 927)	-	-	(13 927)
<b>Equity December 31, 2020</b>	<b>73 307</b>	<b>354 630</b>	<b>9 329</b>	<b>(36 290)</b>	<b>400 975</b>

(Amounts in NOK 1 000)	Share Capital	Other Paid- in Capital	Translation Difference Reserves	Retained Earnings	Total Equity
<b>Equity December 31, 2020</b>	<b>73 307</b>	<b>354 630</b>	<b>9 329</b>	<b>(36 290)</b>	<b>400 975</b>
Net Income for the Period	-	-	-	(148)	(148)
Other Comprehensive Income/(Loss)	-	-	(11 889)	-	(11 889)
<b>Total Comprehensive Income/(Loss)</b>	<b>-</b>	<b>-</b>	<b>(11 889)</b>	<b>(148)</b>	<b>(12 037)</b>
Share Issuance	31 412	779 609	-	-	811 021
Transaction Costs	-	(28 683)	-	-	(28 683)
<b>Equity December 31, 2021</b>	<b>104 719</b>	<b>1 105 556</b>	<b>(2 560)</b>	<b>(36 439)</b>	<b>1 171 274</b>

## NOTES TO THE CONSOLIDATED STATEMENT

### Note 1 – General information

Carasent ASA (“Carasent” or the “Company”), the parent company of the Carasent Group (the “Group”) is a public Company registered in Norway and traded on the Oslo Stock Exchange (ticker: CARA) with a registered business address Øvre Slottsgate 2B, Oslo, Norway.

The consolidated financial statements for the year ended 2021 were approved by the Board of Directors for publication on 29 March 2022.

### Note 2 – General Accounting Principles

#### Basis of Preparation

The consolidated financial statements of the Carasent Group 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.

The consolidated figures are presented in NOK rounded to the nearest thousands. As a result of rounding adjustments, amounts and percentages may not add up to the total.

The financial statements are prepared on a going concern basis.

#### Basis for Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances, and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Figures from subsidiaries with different accounting policies are amended to ensure consistent accounting policies for the Group.

If the Group loses control over a subsidiary it derecognizes the assets, liabilities, and non-controlling interest, and reclassifies to profit or loss, or transfers directly to retained earnings as appropriate, the amounts recognized in other comprehensive income/(loss) in relation to the subsidiary.

The Group has the following subsidiaries as of 31 December 2021:

<b>Company</b>	<b>Year of acquisition/incorporation</b>	<b>Registered office</b>	<b>Voting share</b>	<b>Ownership share</b>
Carasent AS	2019	Norway	100 %	100 %
Evimeria EMR AB	2018	Sweden	100 %	100 %
Avans Soma AS	2020	Norway	100 %	100 %
Metodika AB	2021	Sweden	100 %	100 %

### **Foreign currency translation**

The consolidated financial statements are presented in NOK, which is Carasent ASA's functional currency.

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.

The Group has foreign entities with functional currency other than NOK. At the reporting date, the assets, and liabilities of foreign entities with functional currencies other than NOK are translated into NOK at the rate of exchange at the reporting date and their income statements are translated at the average exchange rates per year. The translation differences arising from the translation are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement.

### **Classification of current and non-current items**

An asset is classified as current when it is expected to be realised or sold, or to be used in the Group's normal operating cycle or falls due or is expected to be realized within 12 months after the end of the reporting period. Other assets are classified as non-current. Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the Group or are expected to be settled within 12 months of the end of the reporting period, or if the Group does not have an unconditional right to postpone settlement for at least 12 months after the balance sheet date.

### **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.

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

Events after the reporting period related to the group's financial position at the end of the reporting period, are considered in the financial statements. Events after the reporting period that have no effect on the group's financial position at the end of the reporting period, but will have effect on future financial position, are disclosed if the future effect is material.

### **Cash Flow Statement**

The cash flow statement is presented using the indirect method.

### **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 Group identified the following 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:

- Purchase price allocation and excess values see note 3 for further information.
- Impairment, see note 12 for further information.
- Valuation of stock option liabilities, see note 18 for further information.

## Note 3 – Business Combination

### Accounting Principles

The acquisition method of accounting is used to account for all business combinations. The consideration transferred in a business combination comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Goodwill arising on acquisition is recognized as an asset measured at the excess of the sum of the consideration transferred, the fair value of any previously held equity interests and the amount of any non-controlling interests in the acquired entity over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the net fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities exceeds the total consideration of the business combination, the excess is recognized in the statement of profit or loss immediately.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognized in profit or loss.

### Acquisition of Metodika AB

Carasent ASA acquired the Swedish company Metodika AB ("**Metodika**") on May 25, 2021. Metodika is a leading provider of Enterprise Practice Management (EPM) solutions to independent hospitals and clinics across 10 European countries. The consideration was NOK 111 million, of which NOK 90.8 million was settled in cash and the remaining in issuance of 588,235 shares to the previous owners of Metodika to a fair value per share of NOK 34.

### Significant estimates

The acquisitions required the use of critical judgements and significant estimates when identifying and valuing intangible assets. For Metodika two intangible assets were identified: technology and customer relationship.

The relief-from-royalty method have been applied to measure the fair value of the technology. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The valuation is based on projected cash flows for the next five years, which includes estimated revenue growth. These cash flows are adjusted for assumptions about churn, attrition and multiplied by a royalty rate of 12% (cost saving from owning the technology). These cost savings are discounted using a cost of capital rate of 9%. The technology is assumed to have a useful life of five years.

The customer relationships are valued using Multi-period Excess Earnings Method (MEEM). The principle is that the value of the intangible asset is equal to the present value of the after-tax cash flows attributable to the intangible assets only. The valuation is based on projected cash flows for the next eight years. These cash flows are adjusted for contributory asset charges (CAC). Churn is estimated to 14%. The cash flows are discounted using a 10% discount rate. The customer relationships are assumed to have a useful life of seven years.

### ***Purchase price allocation - assets acquired and liabilities assumed***

The amounts recognized at the date of acquisitions in respect of identifiable assets acquired and liabilities assumed are set out in the table below:

<b>(Amounts in NOK 1 000)</b>	<b>Metodika</b>
<b>Purchase consideration</b>	
Cash consideration	90 777
Ordinary shares issued	20 263
<b>Total purchase consideration</b>	<b>111 040</b>
<hr/>	
Technology	5 568
Customer relationship	2 729
Deferred tax assets	-
Right of use assets	4 794
Customer receivables	5 197
Cash and cash equivalents	3 880
Deferred tax liability	(1 357)
Lease liability	(4 794)
Trade payables	(1 502)
Accrued expenses and contract liabilities	(14 185)
Net other assets and liabilities	1 498
<b>Total net identifiable assets acquired at fair value</b>	<b>1 829</b>
Consideration	111 040
<b>Goodwill</b>	<b>109 210</b>
<hr/>	
<b>Net cash outflow arising on acquisition</b>	
Cash consideration	90 777
<i>Less:</i>	
Cash and cash equivalent balances acquired	(3 880)
<b>Net cash outflow arising on acquisition</b>	<b>86 897</b>

Goodwill from the acquisition of Metodika represents expected synergies in the Group and will form a separate cash generating unit.

Acquisition costs of NOK 3.95 million arose as a result of the transactions. These have been recognized as part of other operating expenses in the statement of statement of income.

Metodika has contributed NOK 17.2 million to the Group's revenue since the acquisition date and net income of NOK 2.2 million to the Group's total loss.

If the acquisitions of Metodika had occurred on 1 January 2021, the proforma revenue for the Group could have been NOK 144.2 million and the Group's loss could have been NOK 4.1 million.

### **Acquisition of Avans Soma Holding AS**

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. The consideration was NOK 126.7 million, of which NOK 61.3 million was settled in cash and the remaining in issuance of 2,211,191 shares to the previous owner of Avans Soma. The shares were issued 10 December 2020 at a stock price of NOK 29.6.

#### ***Significant estimates***

The acquisitions required the use of critical judgements and significant estimates when identifying and valuing intangible assets. For Avans Soma Holding AS two intangible assets were identified: technology and customer relationship.

The relief-from-royalty method have been applied to measure the fair value of the technology. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The valuation is based on projected cash flows for the next 10 years, which includes estimated revenue growth. These cash flows are adjusted for assumptions about churn, attrition and multiplied by a royalty rate of 15% (cost saving from owning the technology). These cost savings are discounted using a cost of capital rate of 9%. The technology are assumed to have a useful life of seven years.

The customer relationships are valued using Multi-period Excess Earnings Method (MEEM). The principle is that the value of the intangible asset is equal to the present value of the after-tax cash flows attributable to the intangible assets only. The valuation is based on projected cash flows for the next 10 years. These cash flows are adjusted for contributory asset charges (CAC). Churn is estimated to 10%. The cash flows are discounted using a 10% discount rate. The customer relationships are assumed to have a useful life of ten years.

### ***Purchase price allocation - assets acquired and liabilities assumed***

The amounts recognized at the date of acquisitions in respect of identifiable assets acquired and liabilities assumed are set out in the table below:

<b>(Amounts in NOK 1 000)</b>	<b>Avans Soma</b>
<b>Purchase consideration</b>	
Cash consideration	61 250
Ordinary shares issued	65 450
<b>Total purchase consideration</b>	<b>126 700</b>
Technology	15 505
Customer relationship	9 938
Deferred tax assets	1 117
Right of use assets	1 349
Customer receivables	1 556
Cash and cash equivalents	1 257
Deferred tax liability	(666)
Lease liability	(1 349)
Trade payables	(1 522)
Net other assets and liabilities	(5 650)
<b>Total net identifiable assets acquired at fair value</b>	<b>21 535</b>
Consideration	126 700
<b>Goodwill</b>	<b>105 165</b>
<b>Net cash outflow arising on acquisition</b>	
Cash consideration	61 250
<i>Less:</i>	
Cash and cash equivalent balances acquired	(1 257)
<b>Net cash outflow arising on acquisition</b>	<b>59 993</b>

Goodwill from the acquisition of Avans Soma represents expected synergies in the Group and will form a separate cash generating unit.

Acquisition costs of NOK 5.8 million arose as a result of the transactions. These have been recognized as part of other operating expenses in the statement of income for 2020.

## Note 4 – Revenue

### Accounting Principles

The revenue in the Group can be categorized into six different categories; Software as a Service (SaaS), Add-on services, Consulting, License, maintenance and other. All services are delivered to the health care sector. The business model is different between the segments and hence the accounting principles is described per segment.

### SaaS

Evimeria delivers cloud-based systems regarded as SaaS. Evimeria offers the products Webdoc and Vårdrummet. These licensing agreements provides the customers with the right to access the Group's IP. The "control" of these services is transferred to the customers on a continuous basis and are recognized over time.

The SaaS license is invoiced to customers quarterly in advance with 30 days payment terms.

### Add-on services

Add-on services are services that are integrated with a third party and includes electronic letters, SMS services, portal to medical services etc. Add-on services are a separate performance obligation and recognized over time.

Add-on services are invoiced monthly in arrears with 30 days payment terms.

### Consulting

Consultancy is delivered as an addition to the SaaS and License contracts. Consultancy includes installation fees. These services are recognized at point in time at delivery.

Consultancy are invoiced by hours incurred and with 30 days payment terms.

### License

Metodika delivers on-premise solutions offering the products Metodika EPM and Metodika Klinik. The license is recognized at point in time when the customer receives the license.

The license is invoiced shortly after the customer has got access to the IP and with 30 days payment terms.

## Maintenance

The category maintenance includes the cloud license delivered by Avans Soma and ongoing access to receive support, upgrades and new functionality.

Avans Soma's cloud-based license is hosted by a third party and in accordance with how the management review its revenue presented in the category maintenance. The license is a separate performance obligation that are recognized over time.

The access to support and access to upgrades/new functionality is both separate performance obligations that are recognized over time.

The services are invoiced upfront and with 30 days payment terms.

## Other

Other revenue is with existing customers where the Group delivers services as described above which is not directly related to the description and presented separately in the table. In addition, there is some gain on the sale of fixed assets. This is recognized point in time.

### *For the year ended December 31, 2021*

(Amounts in NOK 1 000)	Evimeria	Avans Soma	Metodika	Total operating segments	Other and eliminations	Group total
<b>Profit and loss disclosures</b>						
SaaS	41 006	-	-	41 006	-	41 006
Add-on services	42 214	774	4 455	47 443	-	47 443
Consulting	3 672	5 435	3 487	12 595	-	12 595
License	-	32	806	839	-	839
Maintenance	-	26 142	8 173	34 316	-	34 316
Other	201	417	309	928	-	928
<b>Total revenues</b>	<b>87 093</b>	<b>32 801</b>	<b>17 232</b>	<b>137 125</b>	<b>-</b>	<b>137 125</b>
<b>Timing of revenue</b>						
Over time	83 220	774	4 455	88 448	-	88 448
At a point in time	3 873	32 027	12 776	48 677	-	48 677
<b>Total revenues</b>	<b>87 093</b>	<b>32 801</b>	<b>17 232</b>	<b>137 125</b>	<b>-</b>	<b>137 125</b>

**For the year ended December 31, 2020**

(Amounts in NOK 1 000)	Evimeria	Avans Soma	Metodika	Total operating segments	Other and eliminations	Group total
<b>Profit and loss disclosures</b>						
SaaS	33 933	-	-	33 933	-	33 933
Add-on services	31 345	-	-	31 345	-	31 345
Consulting	5 043	-	-	5 043	-	5 043
License	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Other	254	-	-	254	-	254
<b>Total revenues</b>	<b>70 576</b>	<b>-</b>	<b>-</b>	<b>70 576</b>	<b>-</b>	<b>70 576</b>
<b>Timing of revenue</b>						
Over time	65 279	-	-	65 279	-	65 279
At a point in time	5 297	-	-	5 297	-	5 297
<b>Total revenues</b>	<b>70 576</b>	<b>-</b>	<b>-</b>	<b>70 576</b>	<b>-</b>	<b>70 576</b>

**Contract liability**

Contract liabilities relate to advances from customer for licenses paid upfront. Contract liabilities are expected to be realized within the Group's normal cycle and are classified as current.

(Amounts in NOK 1 000)	Liability
<b>Balance December 31, 2019</b>	<b>5 270</b>
Invoiced in 2020	36 967
Revenue recognized in 2020	35 307
<b>Balance December 31, 2020</b>	<b>6 930</b>
Invoiced in 2021	59 864
Revenue recognized in 2021	55 820
Acquired business	7 326
FX effects	(794)
<b>Balance December 31, 2021</b>	<b>17 506</b>

## Geographical distribution of revenues based on customer location:

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Sweden	90 797	70 576
Norway	39 876	-
Denmark	4 059	-
Other countries	2 393	-
<b>Total revenues</b>	<b>137 125</b>	<b>70 576</b>

## Assets by geographical location of the company

<b>(Amounts in NOK 1 000)</b>	<b>Non-current assets excluding deferred tax assets</b>		<b>Total assets</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Norway	133 837	131 958	1 004 385	347 831
Sweden	257 190	133 935	296 434	157 118
<b>Total assets</b>	<b>391 027</b>	<b>265 893</b>	<b>1 300 818</b>	<b>504 949</b>

## Note 5 – Segment information

### Accounting Principles

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. The Group has determined that the Board of Directors are the chief operating decision maker.

The segment information is reported in accordance with the reporting to the Board of Directors (the chief operating decision makers) and is consistent with financial information used for assessing performance and supporting the Group's direction and strategy, resource allocation and acquisition activities. The Group has identified three reportable segments in 2021.

### 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 an electronic medical record (EMR) system and healthcare products for social care and mental illness rehabilitation.

### Metodika segment

Metodika is a software provider that develops and provides Enterprise Practice Management (EPM) solutions to independent hospitals and clinics across Europe. The segment primarily generates revenue from selling an electronic medical record (EMR) system to private hospitals. Additionally, the segment provides add-on services for its maintenance agreements and consulting work based on customer demand.

### Other

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

***For the year ended December 31, 2021***

<b>(Amounts in NOK 1 000)</b>	<b>Evimeria</b>	<b>Avans Soma</b>	<b>Metodika</b>	<b>Total operating segments</b>	<b>Other and eliminations</b>	<b>Group total</b>
<b>Profit and loss disclosures</b>						
SaaS	41 006	-	-	41 006	-	41 006
Add-on services	42 214	774	4 455	47 443	-	47 443
Consulting	3 672	5 435	3 487	12 595	-	12 595
License	-	32	806	839	-	839
Maintenance	-	26 142	8 173	34 316	-	34 316
Other	201	417	309	928	-	928
<b>Total revenues</b>	<b>87 093</b>	<b>32 801</b>	<b>17 232</b>	<b>137 125</b>	<b>-</b>	<b>137 125</b>
EBITDA	34 889	12 270	4 083	51 258	(18 260)	32 982
EBIT	24 130	5 047	2 732	31 909	(22 263)	9 646
Adjusted EBITDA	34 889	12 270	4 083	51 258	(5 785)	45 457
Adjusted EBIT	24 130	5 047	2 732	31 909	(5 777)	26 132

***For the year ended December 31, 2020***

<b>(Amounts in NOK 1 000)</b>	<b>Evimeria</b>	<b>Avans Soma</b>	<b>Metodika</b>	<b>Total operating segments</b>	<b>Other and eliminations</b>	<b>Group total</b>
<b>Profit and loss disclosures</b>						
SaaS	33 933	-	-	33 933	-	33 933
Add-on services	31 345	-	-	31 345	-	31 345
Consulting	5 043	-	-	5 043	-	5 043
License	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Other	254	-	-	254	-	254
<b>Total revenues</b>	<b>70 576</b>	<b>-</b>	<b>-</b>	<b>70 576</b>	<b>-</b>	<b>70 576</b>
EBITDA	27 850	-	-	27 850	(11 794)	16 056
EBIT	18 842	-	-	18 842	(15 416)	3 426
Adjusted EBITDA	27 850	-	-	27 850	(4 532)	23 318
Adjusted EBIT	18 842	-	-	18 842	(4 508)	14 333

## Note 6 – Cost of Sales

The following table summarizes the components of the Group's cost of sales. All cost of sales is related to add on services provided to customers and are recognised in accordance with related revenues.

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Third party suppliers	24 226	13 789
<b>Total</b>	<b>24 226</b>	<b>13 789</b>

## Note 7 – Employee Compensation and Benefits

### Accounting Principles

All the employees in the Group have a contribution plan. The Group's payments are recognized in the profit or loss as an employee benefit expenses for the year to which the contribution applies.

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

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Wages and salaries	55 078	25 962
Social security tax	15 033	8 227
Pension costs	3 752	1 854
Other benefits	1 702	1 500
Work performed by the company for its own use and capitalized as intangible asset	(27 594)	(15 647)
SkatteFunn	(698)	-
<b>Total Employee Compensation and Benefits</b>	<b>47 274</b>	<b>21 896</b>

Average number of employees	103	54
Average number of members in pension plan	103	54

In 2021 Carasent has received a grant of NOK 2.1 Million. This was related to the tax deduction scheme for the companies with research and development projects (SkatteFUNN). The grant was recognized as cost reduction of the respective incurred costs (NOK 0.7 million reduction of Employee Compensation and NOK 1.4 million reduction of OPEX).

The tables below set forth the compensation summary for the CEO, key management and Board of Directors for the year ended 31 December 2021 and 2020:

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>			<b>2020</b>		
	<b>CEO</b>	<b>Other key mgmt.</b>	<b>Board</b>	<b>CEO</b>	<b>Other key mgmt.</b>	<b>Board</b>
Wages and salaries	1 576	2 216	1 200	2 330	1 348	1 000
Other benefits	240	169	400	342	94	400
<b>Total key management compensation</b>	<b>1 816</b>	<b>2 385</b>	<b>1 600</b>	<b>2 672</b>	<b>1 442</b>	<b>1 400</b>

For more information related to management remuneration please see the remuneration report which will be approved by the General Assembly and made publicly available at [www.carasent.com](http://www.carasent.com).

## Note 8 – Other Operational and Administrative Costs

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

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Marketing	1 732	526
Travel and entertainment	715	145
Rent and office expenses	2 090	1 582
Professional services	32 191	14 605
Utilities and maintenance costs	2 739	415
IT services	3 043	933
Other operating expenses	839	629
Work performed by external consultants and capitalized as intangible asset	(9 293)	-
SkatteFunn	(1 413)	-
<b>Total Operating Expenses</b>	<b>32 643</b>	<b>18 835</b>

### Audit Fees

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

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Audit	1 795	730
Other assurance services	598	75
Tax services	72	78
Other services	1 179	1 757
<b>Total Audit Fees</b>	<b>3 643</b>	<b>2 639</b>

Fees for other services mainly consists of due diligence services

## Note 9 – Financial Income and Expenses

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

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Interest Expense	646	687
Change in fair value of stock option liability, see note 18	5 061	38 400
Other financial items	205	11
<b>Financial Income and Expense</b>	<b>5 913</b>	<b>39 098</b>

## Note 10 – Income Tax

### Accounting Principles

Income tax expenses consist of taxes payable and changes to deferred tax. Tax is recognized in the profit or loss, except to the extent that it relates to items recognized in other comprehensive income/(loss) or directly in equity.

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### *Deferred tax*

Deferred tax assets and liabilities are calculated on the basis of temporary differences between the carrying amount of assets and liabilities in the financial statement and their tax basis, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available, against which the assets can be utilized. Part of the basis for recognising deferred tax assets is based on applying the loss carried forward against future taxable income in the group, which requires use of estimates for calculating future taxable income. Deferred tax assets are not recognised for entities with longer periods of losses unless there is convincing evidence of recoverability. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. The entities included in the consolidated financial statements are subject to income tax in the countries where they are domiciled.

#### Specification of Income Tax:

(Amounts in NOK 1 000)	2021	2020
Tax payable	2 669	2 145
Changes in deferred tax	1 212	313
<b>Total income tax expense</b>	<b>3 882</b>	<b>2 458</b>

## Specification of basis for Deferred Tax balances:

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Non current assets	45 789	32 284
Gains and loss account	66	84
Other temporary differences	(46 238)	(36 965)
<b>Total</b>	<b>(384)</b>	<b>(4 597)</b>
Tax loss carried forward	(267 429)	(239 495)
<b>Net temporary differences</b>	<b>(267 813)</b>	<b>(244 092)</b>
Deferred tax liability (asset)	(59 129)	(53 732)
Of which not recognized	68 666	61 488
<b>Carrying value deferred tax liability (assets)</b>	<b>9 537</b>	<b>7 756</b>
whereof deferred tax assets	327	1 117
whereof deferred tax liabilities	9 864	8 873

## Reconciliation of net deferred tax balances:

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Deferred tax liabilities at 1 January	7 756	7 008
Recognised deferred tax expense	1 212	313
Acquisition of companies	1 357	(452)
Currency translation effects	(789)	887
<b>Deferred tax liabilities at 31 December</b>	<b>9 537</b>	<b>7 756</b>

In Norway the group has deferred tax assets relating to tax loss carry forward (tax value NOK 58.8 million in 2021 and NOK 52.7 million in 2020). 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.

## Reconciliation of effective tax rate:

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Net Income (Loss) before tax	3 734	(35 672)
Expected income taxes at statutory tax rate	684	(6 662)
Permanent differences	(4 446)	(3 323)
Unrecognized deferred tax assets	7 178	12 458
Other changes	465	(14)
<b>Income tax expense</b>	<b>3 882</b>	<b>2 459</b>
<b>Effective tax rate in %</b>	<b>104 %</b>	<b>-7 %</b>

The Group's effective tax rate is impacted by significant permanent differences related to transaction costs and unrecognized deferred tax assets.

## Note 11 - Earnings per Share

## Accounting Principles

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period.

The calculation of diluted earnings per share is consistent with the calculation of the basic earnings per share, but at the same time gives effect to all dilutive potential ordinary shares that were outstanding during the period, by adjusting the profit/loss and the weighted average number of shares outstanding for the effects of all dilutive potential shares, for example:

- The profit or loss for the period attributable to shares is adjusted for changes in profit or loss that would result from the conversion of the dilutive potential ordinary shares.
- The weighted average number of shares is increased by the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

The following table presents the earnings per share:

<b>(Amounts in NOK 1 000 - Except Share Data)</b>	<b>2021</b>	<b>2020</b>
Income/ (Loss) for the year	(148)	(38 131)
Total Income/ (Loss) for the Year	<b>(148)</b>	<b>(38 131)</b>
Weighted Average Common Shares Outstanding	67 120 235	44 884 491
Weighted Average Dilutive Shares Outstanding	2 000 000	2 000 000
<b>Basic Earning Per Share for the Year</b>	<b>(0.00)</b>	<b>(0.85)</b>
<b>Diluted Earning Per Share for the Year</b>	<b>(0.00)</b>	<b>(0.85)</b>

## Note 12 – Goodwill and impairment testing

### Accounting Principles

Goodwill is recognized as a part of business combinations. Goodwill is initially measured at the excess of the consideration over of the acquiree in excess of the acquiree's identifiable net assets.

Goodwill does not generate cash flows independently of other assets or groups of assets and is allocated to the cash-generating units expected to benefit from the synergies of the combination that gave rise to the goodwill. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The Group has identified three cash-generating units for the purpose of goodwill testing: Evimeria (acquired in 2018), Avans Soma (acquired in the end of 2020) and Metodika (acquired in May 2021).

### Impairment of assets

Cash-generating units to which goodwill has been allocated, are tested for impairment annually or more frequently if there is any indication that the cash-generating unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets not yet brought into use are assessed for impairment annually. If it is not possible to estimate the recoverable amount of an individual asset, the group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit to which the asset belongs.

The Group's Goodwill relates to the following:

<b>(Amounts in NOK 1 000)</b>	<b>2020</b>	<b>Acquisition</b>	<b>Exchange rate differences</b>	<b>2021</b>
Evimeria	65 174	-	(4 542)	60 632
Avans Soma	105 165	-	-	105 165
Metodika	-	109 210	(3 017)	106 193
<b>Total</b>	<b>170 339</b>	<b>109 210</b>	<b>(7 559)</b>	<b>271 990</b>

As part of the Group's annual review process, it assesses whether or not acquired goodwill or other non-current assets have been impaired. The estimate reflects the Group'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 Group to estimate the expected cash flows from the cash-generating units and also to choose a suitable pre-tax discount rate in order to calculate the present value of cash flow.

The Group allocates its non-current assets on a consolidated basis to the three cash generating units. 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 pre-tax discount rate applied to cash flow projections was 8.7%.

Key assumptions used in value in use calculations for the Group for December 31, 2021.

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

**Revenues** – Revenue growth is based on a combination of historical sales and market opportunities in both existing and new markets.

**EBIT Margin** – EBIT Margin is based on historical performance and the scalability effect from the implementation of new units in the "Carasent model" where synergies will be captured.

**Discount rate** – To determine the present value of the future cash flows, the Group has used the CAPM-formula where input is based on observable public information.

**Pre-Tax Discount Rates** – To determine the present value of the future cash flows, the Group has used a WACC model (Weighted Average Cost of Capital). The Group has considered that the discount rate is attributable to all CGU because of the similarities between the markets.

Based on the test, there is no need of impairment as the recoverable amount (value in use) exceeds the carrying amount in all CGUs.

The Group has performed a sensitivity analysis for each CGU to substantiate the conclusion. For Evimeria forecasted EBIT can decrease by 91% before headroom turns negative, all else equal. The WACC can be 166% before headroom turns negative, all else equal. For Avans Soma forecasted EBIT can decrease by 97% before headroom turns negative, all else equal. The WACC can be 26.4% before headroom turns negative, all else equal. For Metodika forecasted EBIT can decrease by 74% before headroom turns negative, all else equal. The WACC can be 26.3% before headroom turns negative, all else equal.

## Note 13 – Intangible Assets

### Accounting Principles

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 Group, and the asset's cost can be reasonably estimated. Intangible assets are recorded at cost.

Intangible assets with a finite useful life are amortized over the useful life. Amortization is carried out using the straight-line method over the estimated useful life. The amortization estimates and method is subject to an annual assessment based on the future economic benefits. 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.

Expenditures on development activities are capitalized, if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

Capitalized development costs include costs directly attributable to development of the intangible, such as personnel expenses and consultancy services. Capitalized developments are related to the new platform for European market, Webdoc X, and the ongoing Norwegian expansion for Webdoc. Please see Director's report for further information.

The following table summarizes the activity of the Group's Intangible Assets:

(Amounts in NOK 1 000)	Customer Relationship	Technology	Capitalized development	Goodwill	Total
<b><u>Cost</u></b>					
<b>Cost at 31 December 2019</b>	<b>23 241</b>	<b>14 550</b>	<b>12 339</b>	<b>58 813</b>	<b>108 943</b>
Additions	-	-	15 648	-	15 648
Acquisition of business	9 938	15 505	-	105 165	130 608
Exchange differences	2 517	1 717	1 016	6 361	11 611
<b>Cost at 31 December 2020</b>	<b>35 696</b>	<b>31 771</b>	<b>29 003</b>	<b>170 339</b>	<b>266 809</b>
Additions	-	-	38 300	-	<b>38 300</b>
Acquisition of business	2 729	5 568	-	109 210	<b>117 508</b>
Exchange differences	(1 784)	(2 027)	(765)	(7 559)	<b>(12 135)</b>
<b>Cost at 31 December 2021</b>	<b>36 641</b>	<b>35 312</b>	<b>66 539</b>	<b>271 990</b>	<b>410 482</b>
<b><u>Amortization and impairment</u></b>					
<b>Accumulated at 31 December 2019</b>	<b>(3 813)</b>	<b>(4 280)</b>	<b>(1 462)</b>	-	<b>(9 555)</b>
Disposals	-	-	-	-	-
Amortization for the year	(2 574)	(1 368)	(4 533)	-	(8 475)
Impairment	-	-	-	-	-
<b>Accumulated at 31 December 2020</b>	<b>(6 387)</b>	<b>(5 648)</b>	<b>(5 994)</b>	-	<b>(18 030)</b>
Disposals	-	-	-	-	-
Amortization for the year	(3 521)	(4 213)	(9 810)	-	(17 544)
Impairment	-	-	-	-	-
<b>Accumulated at 31 December 2021</b>	<b>(9 908)</b>	<b>(9 861)</b>	<b>(15 804)</b>	-	<b>(35 573)</b>
<b>Carrying amount at 31 December 2020</b>	<b>29 309</b>	<b>26 123</b>	<b>23 008</b>	<b>170 339</b>	<b>248 779</b>
<b>Carrying amount at 31 December 2021</b>	<b>26 733</b>	<b>25 451</b>	<b>50 735</b>	<b>271 990</b>	<b>374 909</b>

## Note 14 – Tangible Assets

### Accounting Principles

Tangible assets are stated at historical cost, less accumulated depreciation and any impairment charges. Depreciation is calculated on a straight-line basis over the assets' expected useful life and adjusted for any impairment charges. Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in operating profit. Major assets with different expected useful lives are reported as separate components.

Tangible assets are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount.

The difference between the asset's carrying amount and its recoverable amount is recognized in the profit or loss statement as an impairment loss.

Tangible assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The following table summarizes the activity of the Group's tangible assets:

<b>(Amounts in NOK 1 000)</b>	<b>Tools and equipment</b>
<b><u>Cost</u></b>	
<b>Cost at 31 December 2019</b>	<b>1 501</b>
Additions	514
Acquisition of business	-
Exchange differences	54
<b>Cost at 31 December 2020</b>	<b>2 069</b>
Additions	802
Acquisition of business	322
Exchange differences	(95)
<b>Cost at 31 December 2021</b>	<b>3 098</b>
<b><u>Amortization and impairment</u></b>	
<b>Accumulated at 31 December 2019</b>	<b>(411)</b>
Amortization for the year	(460)
<b>Accumulated at 31 December 2020</b>	<b>(871)</b>
Amortization for the year	(721)
<b>Accumulated at 31 December 2021</b>	<b>(1 592)</b>
<b>Carrying amount at 31 December 2020</b>	<b>1 198</b>
<b>Carrying amount at 31 December 2021</b>	<b>1 507</b>

Amortization method

Straight-line  
3-5 years

## Note 15 – Customer Receivables

### Accounting Principles

Customer receivables are initially measured at fair value. Customer receivables are non-interest bearing and trading terms are up to 30 days and therefore classified as current. The receivables are subsequently measured at amortized cost using the effective interest method, if the amortization effect is material, less loss allowance.

Due to the short-term nature of the trade receivables, their carrying amount is considered to be the same as the transaction price.

### Loss allowance and risk exposure

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on payments profiles and customer contracts in the previous years.

Receivables are grouped into categories and the expected loss rates reflect the Group's ability on collecting once receivables are overdue.

The table below sets forth the Group's customer receivables as of December 31, 2021 and 2020:

#### 31 December 2021

(Amounts in NOK 1 000)	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	0.0 %	2.3 %	25.5 %	49.9 %	<b>0.7 %</b>
Gross carrying amount - trade receivables	19 817	88	123	197	<b>20 224</b>
<b>Loss allowance - trade receivables</b>	0	2	31	98	<b>132</b>

#### 31 December 2020

(Amounts in NOK 1 000)	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	0.4 %	1.2 %	20.7 %	(37.4)%	<b>0.7 %</b>
Gross carrying amount - trade receivables	10 743	399	66	(53)	<b>11 155</b>
<b>Loss allowance - trade receivables</b>	45	5	14	20	<b>83</b>

(Amounts in NOK 1 000)	Loss reserves
<b>December 31, 2019</b>	<b>77</b>
Change in reserve	6
<b>December 31, 2020</b>	<b>83</b>
Change in reserve	48
<b>December 31, 2021</b>	<b>132</b>

## Note 16 – Cash and Cash equivalents

### Accounting Principles

Cash and cash equivalents include bank deposits. Cash and cash equivalents in foreign currencies are translated at closing rate.

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

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Cash at Bank	882 772	220 254
Restricted Cash	984	901
<b>Total Cash and Cash Equivalents</b>	<b>883 756</b>	<b>221 155</b>

## Note 17 – Leases

### Accounting Principles

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The lease agreements do not impose any covenants.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate similar to the length of the lease adjusted for margin relevant for the company and the assets held by the Group.

The Group is exposed to potential future increases in variable lease payments based on an index, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The right-of-use assets are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. The Group has contracted office spaces through lease agreements and a lease agreement for furniture and inventories.

## Description

The Group's lease agreements are mainly office lease for the different locations rented in Norway and Sweden. Average incremental borrowing rate is 3,4%.

The following tables summarizes the Group's Leases:

## Right of use assets

(Amounts in NOK 1 000)	Property	Equipment	Total
<b>Balance December 31, 2019</b>	<b>14 813</b>	<b>1 748</b>	<b>16 561</b>
Depreciation	(3 315)	(378)	(3 693)
Acquired business	1 349	-	1 349
FX effects	1 521	179	1 700
<b>Balance December 31, 2020</b>	<b>14 368</b>	<b>1 549</b>	<b>15 917</b>
Depreciation	(4 701)	(371)	(5 072)
Acquired business	4 794	-	4 794
FX effects	(930)	(97)	(1 027)
<b>Balance December 31, 2021</b>	<b>13 530</b>	<b>1 081</b>	<b>14 612</b>

Useful life	4-5 years	5 years
Depreciation method	Straight-line	Straight-line

## Lease liability

(Amounts in NOK 1 000)	Property	Equipment	Total
<b>Balance December 31, 2019</b>	<b>15 011</b>	<b>1 746</b>	<b>16 758</b>
Payments	(1 978)	(366)	(2 344)
Acquired business	1 349	-	1 349
FX effects	1 620	184	1 804
<b>Balance December 31, 2020</b>	<b>16 003</b>	<b>1 564</b>	<b>17 566</b>
Payments	(4 528)	(359)	(4 887)
Acquired business	4 794	-	4 794
FX effects	(1 033)	(103)	(1 136)
<b>Balance December 31, 2021</b>	<b>15 236</b>	<b>1 101</b>	<b>16 337</b>

(Amounts in NOK 1 000)	2021	2020
Non-current	10 634	12 763
Current	5 703	4 803
<b>Total lease liability</b>	<b>16 337</b>	<b>17 566</b>

## Amounts recognized in the statement of profit or loss

(Amounts in NOK 1 000)	2021	2020
Depreciation of right of use asset	5 072	3 693
Interest expense	630	617
Expenses relating to short-term and low value leases	1 066	369
<b>Total expenses for lease</b>	<b>6 767</b>	<b>4 680</b>

## Note 18 – Liabilities and Stock Option Program

### Accounting Principles

Upon initial recognition, financial liabilities are measured at fair value. The transaction costs directly attributable to the acquisition are also recognized for all financial liabilities that are not subsequently measured at fair value through profit or loss. Trade payables and other non-derivative financial liabilities are generally measured at amortized cost using the effective interest method. A financial liability is derecognized when the obligation underlying the liability is discharged, canceled or expired.

The fair value of financial instruments is based on quoted prices as at the balance sheet date in an active market, if such markets exist. If an active market does not exist, fair value is established by using valuation techniques that are expected to provide a reliable estimate of the fair value. Financial instruments measured at fair value are classified according to the valuation method:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Valuation based on inputs for the asset or liability that are unobservable market data. If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Changes in fair value are presented in profit or loss in the line-item Other Financial (Income)/ Expenses.

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 initial market value of the options was 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 option when issued was NOK 1.39. As of 31 December 2021, the fair value of the stock option was estimated to NOK 23.37 per warrant, resulting in a financial liability of NOK 46.2 million for the Company which are presented as current liability since the expiration date is within 12 months. Based on the 2 million options issued, the change in fair value

resulted in NOK 5 million expense in the 12 months ending 31 December 2021 (NOK 38.4 million expense in 12 months ending 31 December 2020).

There were no further conditions associated with the warrants.

### **Significant estimates**

The fair value of the warrants are measured according to level 3. The basis for fair value is the Black-Scholes option pricing model. The following parameters are used as basis for the calculation:

	<b>2021</b>	<b>2020</b>
Number of instruments	2 000 000	2 000 000
Contractual life	0.9	1.9
Volatility	46.1 %	45.2 %
Dividend	-	-
Liquidity discount	3.7 %	8.8 %

The fair value will increase or decrease with the fluctuation of the share price. The assumptions in the model relates to volatility and the liquidity discount.

The tables below set forth the warrants held by the Board of Directors and management for the year ended December 31, 2021

#### **Number of Warrants**

Johan Lindqvist (Chairman)	78 573
Ebba Fahraeus (Board Member)	78 573
Dennis Höjer (CEO)	78 573
Niclas Hugosson (Founder and Business Development)	78 573
Lars Forsberg (Former CFO)	78 573
<b>Total</b>	<b>392 865</b>

## Note 19 – Equity

### Accounting Principles

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

As of December 31, 2021, 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.

	Number of shares	Share capital (NOK 1 000)
<b>31 December 2019</b>	<b>40 633 822</b>	<b>54 124</b>
Share issuance	14 401 337	19 183
<b>31 December 2020</b>	<b>55 035 159</b>	<b>73 307</b>
Share issuance	23 582 598	31 412
<b>31 December 2021</b>	<b>78 617 757</b>	<b>104 719</b>

In the private placement completed in May 2021 11,007,031 new shares were issued which was valued at NOK 33.40 per share, amounting to NOK 368 million, which was fully paid in cash. The share capital increased by NOK 14,662 thousand to NOK 87,968 thousand.

In conjunction with the acquisition of Metodika (May 2021), where 20% of the consideration is agreed to be new shares, Carasent ASA registered 588,235 additional shares on June 4, 2021. The share capital increased by NOK 784 thousand to NOK 88,752 thousand.

In the private placement completed in July 2021 11,987,332 new shares were issued which was valued at NOK 35.05 per share, amounting to NOK 420 million, which was fully paid in cash. The share capital increased by NOK 15,967 thousand to NOK 104,719 thousand.

Transaction costs related to the private placements in 2021 accounts for NOK 28.7 million. Fair value adjustment of share consideration of NOK 3 million related to the acquisition of Metodika is included as transaction costs.

## Note 20 – Shareholders of the Group

Shareholder	Holding	Stake
BNP Paribas Securities Services Nominee	11 987 332	15.2%
AETERNUM CAPITAL AS Ordinary	10 450 000	13.3%
Avanza Bank AB Nominee	4 156 660	5.3%
Swedbank AB Nominee	3 831 459	4.9%
Skandinaviska Enskilda Banken AB Nominee	2 838 000	3.6%
FACTIS INVEST AB Ordinary	2 803 266	3.6%
Nordnet Bank AB Nominee	2 773 129	3.5%
The Northern Trust Comp, London Br Nominee	2 761 353	3.5%
JPMorgan Chase Bank, N.A., London Nominee	2 718 193	3.5%
Danske Bank A/S Nominee	2 516 382	3.2%
State Street Bank and Trust Comp Nominee	2 405 505	3.1%
Jannerberg Invest AB Ordinary	2 122 831	2.7%
WINDCHANGE AS Ordinary <sup>1</sup>	2 035 572	2.6%
RBC Investor services bank S.A. Nominee	1 839 656	2.3%
Skandinaviska Enskilda Banken AB Nominee	1 500 000	1.9%
SKANDINAVISKA ENSKILDA BANKEN AB Nominee	1 492 548	1.9%
Danske Bank A/S Nominee	1 379 401	1.8%
RBC Investor services bank S.A. Nominee	1 094 777	1.4%
RIEBER & SØN AS Ordinary	1 078 187	1.4%
TIGERSTADEN AS Ordinary	975 975	1.2%
<b>Total Largest 20 Shareholders</b>	<b>62 760 226</b>	<b>79.8%</b>
Other Shareholders	15 857 531	20.2 %
<b>Total Shares Outstanding</b>	<b>78 617 757</b>	<b>100.0%</b>

<sup>1</sup> Windchange AS is owned by Johan Lindqvist, CoB

## Note 21 – Transaction with Related Parties

Shares owned (both directly and indirectly) by the Board of Directors and key management at 31 December 2021:

<b>Name</b>	<b>Position</b>	<b>Shares</b>
Johan Lindqvist	Chairman	2 044 337
Terje Rogne	Board Member	500 000
Ebba Fahraeus	Board Member	25 000
Anna Kinberg Batra	Board Member	3 000
Dennis Höjer	CEO	2 803 266
Niclas Hugosson	Founder and Business Development	2 902 417
Svein Martin Björnstad	CFO	125 628
Lars Forsberg	Former CFO	184 121
<b>Total</b>		<b>8 668 742</b>

The following table presents an overview of transaction with related parties.

(Amounts in NOK 1 000)

<b>Related party</b>	<b>Relationship</b>	<b>Transaction type</b>	<b>Currency</b>	<b>2021</b>	<b>2020</b>
Advokat Jon Schultz MNA	Shareholder	Legal Services	NOK	1 545 750	1 161 250
Windchange AB (Lars Forsberg, former CFO)	Shareholder	CFO related services	NOK	1 100 950	1 213 560
Human Peak & Balance AB (Johan Lindqvist CoB)	Shareholder	Management services	NOK	400 000	400 000

All transactions with related parties are priced at market conditions and there are no special conditions attached to them. Transaction with subsidiaries have been eliminated in consolidated statements and do not represent transactions with related parties.

As of 31 December 2021, there are no related party balance items as balance items.

## Note 22 – Financial Risk Management

The most significant financial risks which affect the Group are credit risk, liquidity risk and market risk related to foreign exchange rate risk, described further below. Management performs continuous evaluations of these risks and related processes established to manage them within the Group.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>
Market risk - foreign exchange	Future commercial transactions. Recognized financial assets and liabilities not denominated in the functional currency.	Cash flow forecasting.
Credit risk	Cash and cash equivalents and trade receivables	Aging analysis. Credit ratings.
Liquidity risk	Current liabilities	Rolling cash flow forecasts

Financial instruments:

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
<i>Financial instruments measured at amortized cost</i>		
Customer receivables	20 093	11 071
Other Receivables	3 455	3 517
Cash and Cash Equivalents	883 756	221 155
Liabilities to Credit Institutions	-	(943)
Trade Accounts Payable	(8 942)	(4 883)
Other Current Liabilities	(6 630)	(8 759)
<b>Net Financial Instruments measured at amortized cost</b>	<b>891 732</b>	<b>221 158</b>
<i>Financial instruments measured at fair value</i>		
Liability Stock Option Program	(46 238)	(41 180)
<b>Net Financial Instruments measured at fair value</b>	<b>(46 238)</b>	<b>(41 180)</b>
<b>Total Net Financial Instruments</b>	<b>845 494</b>	<b>179 978</b>

All financial instruments measured at fair value through profit or loss is categorized within level 3 valuation method, see note 18 for more information.

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

## Market risk – Foreign Currency Risk

The Group presents its financial statements in NOK. The Group primarily operates in Norway and Sweden, with a few customers in several other European countries. With different functional currencies, the Group might be exposed to currency gains and losses on debt and receivables between the companies, which will affect its reported profit or loss. Currently there are limited exposure in the Group for receivables and liabilities denominated in a currency different from the different companies own functional currency. The Group is exposed to SEK, EUR, GBP and DKK. The currency exposure related to customers outside the Nordics is insignificant.

## Credit Risk

The Group's credit risk arises from cash and cash equivalents as well as outstanding receivables. The Group has no material credit risk due to the nature of the business and its customers within the health care industry. Trade receivables are paid upfront and have maximum 30 days payment term.

## Liquidity Risk

The Group monitors liquidity centrally across the group. It is the Group's strategy to have sufficient cash and cash equivalents to at any time fund operations and investments according to the Group's strategic plans. The liquidity is managed through monthly cash flow forecasts based on net income, capital expenditures and net working capital. Currently, the Group has a solid cash position to maintain its obligations.

The following table discloses the maturity analysis for liabilities, showing its undiscounted remaining contractual liabilities:

(Amounts in NOK 1 000)	31.12.2021					
	Carrying amount	less than 1 year	1-2 years	3-5 years	5 years <	Total
Borrowings from financial institutions	-	-	-	-	-	-
Lease liabilities	16 337	6 470	10 341	-	-	16 811
Trade payable	8 942	8 942	-	-	-	8 942
Contract liability	17 506	17 506	-	-	-	17 506
Stock option liability	46 238	46 238	-	-	-	46 238
Other payables	30 657	30 657	-	-	-	30 657
<b>Total</b>	<b>119 680</b>	<b>109 813</b>	<b>10 341</b>	<b>-</b>	<b>-</b>	<b>120 154</b>

(Amounts in NOK 1 000)	31.12.2020					
	Carrying amount	less than 1 year	1-2 years	3-5 years	5 years <	Total
Borrowings from financial institutions	943	943	-	-	-	943
Lease liabilities	17 566	6 125	13 171	5 523	-	24 819
Trade payable	4 883	4 883	-	-	-	4 883
Contract liability	6 930	6 930	-	-	-	6 930
Stock option liability	41 180	-	41 180	-	-	41 180
Other payables	23 599	23 599	-	-	-	23 599
<b>Total</b>	<b>95 101</b>	<b>42 479</b>	<b>54 351</b>	<b>5 523</b>	<b>-</b>	<b>102 354</b>

## Capital Management

The Group's objectives for capital management are to ensure that it maintains sufficient free liquidity with regards to cash and cash equivalents in order to support its business and obligations as well as having sufficient flexibility to invest in attractive investment opportunities. The Group is focused on growing organically and through acquisitions and has historically financed these acquisitions through a combination of cash from the balance sheet and share issuance. The Group manages its capital structure in light of changes in economic and actual conditions, and the development in the Group's underlying business. The Group's equity ratio was 90% with a cash balance of NOK 884 million as per 31.12.2021. The Group does not have material interest-bearing loans.

## Note 23 – Events after the Balance Sheet Date

### Acquisition of Medrave

After the balance sheet date, Carasent ASA completed the acquisition of Medrave Software AB ("**Medrave**") and increased the share capital by issuing consideration shares in relation to the acquisition.

The acquisition was settled on January 11, 2022 for a purchase price of SEK 134 million of which SEK 110 million was settled in cash and SEK 24 million was settled by a seller's credit to be offset by issuance of consideration shares reinvested by key employees with subscription price of NOK 37.43 per share. The share capital will be increased by NOK 835,684.81, divided into 627,391 shares, each with a nominal value of NOK 1.332.

### *Significant estimates*

The acquisitions required the use of critical judgements and significant estimates when identifying and valuing intangible assets. For Medrave two intangible assets were identified: technology and customer relationship.

The relief-from-royalty method have been applied to measure the fair value of the technology. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The valuation is based on projected cash flows for the next five years, which includes estimated revenue growth. These cash flows are adjusted for assumptions about churn, attrition and multiplied by a royalty rate of 13.8% (cost saving from owning the technology). These cost savings are discounted using a cost of capital rate of 9%. The technology is assumed to have a useful life of ten years.

The customer relationships are valued using Multi-period Excess Earnings Method (MEEM). The principle is that the value of the intangible asset is equal to the present value of the after-tax cash flows attributable to the intangible assets only. The valuation is based on projected cash flows for the next eight years. These cash flows are adjusted for contributory asset charges (CAC). Churn is estimated to 8%. The cash flows are discounted using a 9% discount rate. The customer relationships are assumed to have a useful life of 12.5 years.

### ***Preliminary purchase price allocation - assets acquired and liabilities assumed***

The amounts recognized at the date of acquisitions in respect of identifiable assets acquired and liabilities assumed are set out in the table below:

<b>(Amounts in NOK 1 000)</b>	<b>Medrave AB</b>
<b>Purchase consideration</b>	
Cash consideration	106 563
Ordinary shares issued	22 666
<b>Total purchase consideration</b>	<b>129 229</b>
Technology	18 936
Customer relationship	7 257
Deferred tax assets	-
Customer receivables	1 286
Cash and cash equivalents	8 089
Deferred tax liability	(5 422)
Trade payables	(371)
Net other assets and liabilities	(565)
<b>Total net identifiable assets acquired at fair value</b>	<b>29 210</b>
Consideration	129 229
<b>Goodwill</b>	<b>100 020</b>
<b>Net cash outflow arising on acquisition</b>	
Cash consideration	106 563
<i>Less:</i>	
Cash and cash equivalent balances acquired	(8 089)
<b>Net cash outflow arising on acquisition</b>	<b>98 475</b>

This purchase price allocation is still preliminary and based on local GAAP and differences to IFRS is not taken into account.

Goodwill from the acquisition of Medrave represents expected synergies in the Group and will form a separate cash generating unit.

Transaction costs of NOK 3.76 million related to the acquisition is recognized in 2021.

### **Other events**

The BoD has resolved to implement a share purchase program ("Employee Investment Matching Program") for employees in the Company and its subsidiaries. The application period in the Employee Investment Matching Program started on 28 February 2022, at 09:00 hours (CET) and expired at 16:00 hours (CET) on 14 March 2022. The shares was offered at a price based on the volume weighted average share price during the days of the subscription period, with a discount of 20%, which is calculated to be NOK 21,64. A total of 253 005 shares were subscribed for by the employees.

The shares are subject to a two-year lock-up. Following the expiry of the lock-up period, the employees will have the right to receive 1 bonus (matching) share (subject to the payment of the nominal value per share only) per 3 shares purchased under the Employee Investment Matching Program.

The ongoing war in Ukraine currently do not directly affect operations, but we monitor the situation closely.

There are no other events after the balance sheet date that needs to be disclosed.

### **Note 24 – New and Amended Standards and Interpretations**

There are no new or amended standards that affect the Group as of the year 2021.

There are few standards, and interpretations which have been issued by the International Accounting Standards Board (IASB) that are effective in future accounting periods. None of these would be expected to have a material impact on the entity in the future reporting periods and on foreseeable future transactions.

## Alternative Performance Measures

The Group may disclose alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. The Group believes that the performance measures provide useful supplemental information to management, investors and other stakeholders and are meant to provide an enhanced insight into the financial development of business operations and to improve comparability between periods.

**EBITDA** is defined as the Net Income/(Loss) for the period before income tax expense, net financial items, depreciation and amortization of fixed and intangible assets.

**EBIT** is defined as the Net Income/(Loss) for the period before net financial items and income tax expense.

**Adjusted EBITDA** is defined as the Net Income/(Loss) for the period before income tax expense, net financial items, depreciation and amortization of fixed and intangible assets adjusted for certain special operating items affecting comparability.

**Adjusted EBIT** is defined as the Net Income/(Loss) for the period before net financial items and income tax expense, adjusted for certain special operating items affecting comparability.

**EBITDA Margin** is defined as EBITDA as a percentage of revenues.

**Adjusted EBITDA Margin** is defined as Adjusted EBITDA as a percentage of revenues.

**EBIT Margin** is defined as EBIT as a percentage of revenues.

**Adjusted EBIT Margin** is defined as Adjusted EBIT as a percentage of revenues.

The tables below set out the reconciliation of the APMs described above:

	12 Months Ended	
	December 31, 2021	December 31, 2020
<b>(Amounts in NOK 1 000)</b>		
<b>Net Income/(Loss)</b>	<b>(148)</b>	<b>(38 131)</b>
Income Tax Expense/(Income)	3 882	2 459
Net Financial Items	5 913	39 098
<b>Net Operating Income/(Loss)</b>	<b>9 646</b>	<b>3 427</b>
Depreciation and Amortization	23 336	12 629
<b>(a) EBITDA</b>	<b>32 982</b>	<b>16 056</b>
Adjusted for:		
Transaction costs	9 597	5 762
Other special operating items	2 878	1 500
<b>(b) Adjusted EBITDA</b>	<b>45 457</b>	<b>23 318</b>
<b>(c) Operating revenue</b>	<b>137 125</b>	<b>70 576</b>
<b>EBITDA Margin (a/c)</b>	<b>24.05 %</b>	<b>22.75 %</b>
<b>Adjusted EBITDA Margin (b/c)</b>	<b>33.15 %</b>	<b>33.04 %</b>

	12 Months Ended	
	December 31, 2021	December 31, 2020
<b>(Amounts in NOK 1 000)</b>		
<b>Net Income/(Loss)</b>	<b>(148)</b>	<b>(38 131)</b>
Income Tax Expense/(Income)	3 882	2 459
Net Financial Items	5 913	39 098
<b>(a) EBIT</b>	<b>9 646</b>	<b>3 426</b>
Adjusted for:		
Transaction costs	9 597	5 762
Other special operating items	2 878	1 500
Amortization excess values	4 011	3 645
<b>(b) Adjusted EBIT</b>	<b>26 132</b>	<b>14 333</b>
<b>(c) Operating revenue</b>	<b>137 125</b>	<b>70 576</b>
<b>EBIT Margin (a/c)</b>	<b>7.03 %</b>	<b>4.85 %</b>
<b>Adjusted EBIT Margin (b/c)</b>	<b>19.06 %</b>	<b>20.31 %</b>

**Transaction costs** comprises costs occurred in M&A activity.

**Other special operating items** comprises costs related to issuance of new shares and other non-recurring items.

**Amortization excess values** comprises amortization on excess values related to business combinations.

# Carasent ASA Financial Statements 2021

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## Statement of Income

(Amounts in NOK 1 000)	Note	12 Months Ended	
		December 31, 2021	December 31, 2020
Revenue	3	4 500	4 500
<b>Operating Revenues</b>		<b>4 500</b>	<b>4 500</b>
<b>Operating Expenses</b>			
Employee Compensation and Benefits	4	2 416	1 267
Other Operational and Administrative Expenses	5	7 887	4 740
<b>Total Operating Expenses</b>		<b>10 303</b>	<b>6 007</b>
<b>Net Operating Income/(Loss)</b>		<b>(5 803)</b>	<b>(1 507)</b>
<b>Financial Items</b>			
Other Financial (Income)/Expenses		5 061	38 412
<b>Net Financial Items</b>	6	<b>5 061</b>	<b>38 412</b>
<b>Net Income/(Loss) Before Income Taxes</b>		<b>(10 864)</b>	<b>(39 919)</b>
Income Tax Expense/(Income)	11	-	-
<b>Net Income/(Loss)</b>		<b>(10 864)</b>	<b>(39 919)</b>

## Statement of Financial Positions

(Amounts in NOK 1 000)	Note	December 31, 2021	December 31, 2020
<b>ASSETS</b>			
<b>Financial Non-Current Assets</b>			
Investments in Subsidiaries	7	337 737	219 654
<b>Total Intangible Assets</b>		337 737	219 654
<b>Total Non-Current Assets</b>		337 737	219 654
<b>Current Assets</b>			
Other Receivables		658	719
Receivables Group Companies	10	6 141	-
Prepaid Expenses		3 912	33
Cash and Cash Equivalents	8	863 817	208 594
<b>Total Current Assets</b>		874 528	209 346
<b>TOTAL ASSETS</b>		<b>1 212 265</b>	<b>429 001</b>

(Amounts in NOK 1 000)	Note	December 31, 2021	December 31, 2020
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>			
<b>Equity Attributed to Equity Holders of the Parent</b>			
Share Capital		104 719	73 307
Other Paid-in Capital		1 105 556	354 630
Retained Earnings		(54 680)	(43 815)
<b>Total Shareholders Equity</b>	9	1 155 595	384 122
Liability Stock Option Program	6	-	41 180
<b>Total Non-Current Liabilities</b>		-	41 180
<b>Current Liabilities</b>			
Trade Accounts Payable		2 032	685
Accrued Expenses		7 519	3 188
Liability Stock Option Program	6	46 238	-
Other Current Liabilities		880	(174)
<b>Total Current Liabilities</b>		56 670	3 699
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1 212 265</b>	<b>429 001</b>

Oslo, 29 March 2022

\_\_\_\_\_  
**Leif Johan Lindqvist**  
 Chairman of the Board

\_\_\_\_\_  
**Staffan Erling Hanstorp**  
 Board member

\_\_\_\_\_  
**Ebba Fåhraeus**  
 Board member

\_\_\_\_\_  
**Terje Rogne**  
 Board member

\_\_\_\_\_  
**Anna Kinberg Batra**  
 Board member

\_\_\_\_\_  
**Dennis Höjer**  
 CEO

## Statement of Cash Flows

	<b>12 months ended</b>	
	<b>December 31, 2021</b>	<b>December 31, 2020</b>
<b>(Amounts in NOK 1 000)</b>		
<b>Cash Flows from Operating Activities</b>		
Profit/(Loss) Before Tax	(10 864)	(39 919)
Fair Value Adjustments Stock Options	5 061	38 400
Change in Accounts Payable	1 347	670
Change in Current Assets & Liabilities	(4 567)	412
<b>Net Cash Flows Provided by Operating Activities</b>	<b>(9 023)</b>	<b>(437)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of business	(94 729)	(67 012)
<b>Cash Flows Used in Investing Activities</b>	<b>(94 729)</b>	<b>(67 012)</b>
<b>Cash Flows from Financing Activities</b>		
Issuance of Shares	790 758	286 468
Transaction Cost Related to Issuance of Shares	(28 683)	(13 927)
Capital contribution in subsidiaries	(3 100)	-
<b>Cash Flows Used in Financing Activities</b>	<b>758 975</b>	<b>272 541</b>
<b>Effect of Exchange Rates on Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>
Net Change in Cash and Cash Equivalents	655 223	205 092
Cash and Cash Equivalents at Beginning of Period	208 594	3 501
<b>Cash and Cash Equivalents at End of Period</b>	<b>863 817</b>	<b>208 594</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 at Øvre Slottsgate 2B, 0157 Oslo, Norway.

### Note 2 – Summary of Significant Accounting Policies

#### 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.

The figures are presented in NOK rounded to the nearest thousands. As a result of rounding adjustments, amounts and percentages may not add up to the total.

The financial statements are prepared on a going concern basis.

#### Functional Currency and Presentation Currency

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

#### 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.

#### 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.

#### Revenue Recognition

Carasent ASA is a holding company. The company is performing certain services on behalf of subsidiaries, and management fee for these services are recognized when services have been delivered.

#### 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.

### **Measurement of stock options**

The stock options are measured according to its fair value. Changes in fair value are presented in profit or loss in the line-item Financial expenses.

### **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.

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

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

### **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.

### **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.

The recognition of the stock options involves estimates of fair value, see note 6

### **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.

### Note 3 – Revenues

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

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Other revenues	4 500	4 500
<b>Total revenues</b>	<b>4 500</b>	<b>4 500</b>

### Note 4 - Compensation and Employee Benefits

The following table summarizes the Compensation and Employee Benefits:

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Wages and salaries	1 960	800
Social security tax	393	113
Pension costs	55	-
Other benefits	8	-
<b>Total Employee Compensation and Benefits</b>	<b>2 416</b>	<b>913</b>

Average number of employees	1	-
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Wages and salaries in 2020 is only comprising of board fees. The Company has employed a new CFO during 2021.

Remuneration for Board of Directors are specified in Note 7 in the Consolidated Financial statements.

Carasent ASA is obliged to follow and complies with the Act on Mandatory Company Pensions. The company has a pension scheme according to the requirements set in the Act.

For the board members living in Sweden, Carasent ASA pay Social Security Tax to Sweden. The Company paid and expensed Swedish Social Security Tax for the years 2016-2020 in retrospective for Swedish board members during 2021. The Social Security Tax in Sweden is 19,7% and in Norway 14,1%

## Note 5 – Other Operational and Administrative Costs

The following table summarizes the Other Operational and Administrative Costs:

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Marketing	800	-
Travel and entertainment	57	-
Professional services	6 483	4 646
Utilities and maintenance costs	44	-
IT services	502	-
Other operating expenses	1	94
<b>Total Operating Expenses</b>	<b>7 887</b>	<b>4 740</b>

### Audit Fees

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

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Audit	1 331	576
Other assurance services	598	75
Tax services	55	78
Other services	1 179	1 757
<b>Total Audit Fees</b>	<b>3 162</b>	<b>2 485</b>

Fees for other services mainly consists of due diligence services

## Note 6 - 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 initial market value of the options were 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 option when issued was NOK 1.39. As of 31 December 2021, the fair value of the stock option was estimated to NOK 23.37 per warrant, resulting in a financial liability of NOK 46.2 million for the Company which are presented as current liability since the expiration date is within 12 months. Based on the 2 million options issued, the change in fair value resulted in NOK 5 million expense in the 12 months ending 31 December 2021 (NOK 38.4 million expense in 12 months ending 31 December 2020).

There were no further conditions associated with the warrants.

### **Significant estimates**

The fair value of the warrants is measured according to level 3. The basis for fair value is the Black-Scholes option pricing model. The following parameters are used as basis for the calculation:

	<b>2021</b>	<b>2020</b>
Number of instruments	2 000 000	2 000 000
Contractual life	0.9	1.9
Volatility	46.1 %	45.2 %
Dividend	-	-
Liquidity discount	3.7 %	8.8 %

The fair value will increase or decrease with the fluctuation of the share price. The assumptions in the model relates to volatility and the liquidity discount.

### **Note 7 – Shares in Subsidiaries**

The following table summarizes the Company's subsidiaries.

<b>Company</b>	<b>Book value</b>	<b>Equity</b>	<b>Net income</b>	<b>Incorporation/ Acquisition</b>	<b>Location</b>	<b>Ownership interest &amp; Voting Shares</b>
Carasent AS	4 529	(334)	(364)	2019	Oslo, Norway	100 %
Evimeria EMR AB	74 723	26 027	9 871	2018	Gothenburg, Sweden	100 %
Avans Soma AS	30 360	23 295	4 296	2020	Oslo, Norway	100 %
Metodika AB	16 687	3 543	2 636	2021	Stockholm, Sweden	100 %

Net income is as included in the Group figures. For companies acquired during the year, it is from the acquisition date.

### **Note 8 – Cash and Cash equivalents**

Cash and cash equivalents include bank deposits.

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

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Cash at Bank	863 684	208 594
Restricted Cash	133	-
<b>Total Cash and Cash Equivalents</b>	<b>863 817</b>	<b>208 594</b>

## Note 9 - Equity

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

(Amounts in NOK 1 000)	Share Capital	Other Paid-in Capital	Retained Earnings	Total Equity
<b>Equity December 31, 2019</b>	<b>54 124</b>	<b>35 819</b>	<b>(3 896)</b>	<b>86 047</b>
Net Income for the Period	-	-	(39 919)	(39 919)
Share Issuance	19 183	332 738	-	351 921
Transaction Costs	-	(13 927)	-	(13 927)
<b>Equity December 31, 2020</b>	<b>73 307</b>	<b>354 630</b>	<b>(43 815)</b>	<b>384 121</b>
Net Income for the Period	-	-	(10 864)	(10 864)
Share Issuance	31 412	779 609	-	811 021
Transaction Costs	-	(28 683)	-	(28 683)
<b>Equity December 31, 2021</b>	<b>104 719</b>	<b>1 105 555</b>	<b>(54 679)</b>	<b>1 155 595</b>

In the private placement completed in May 2021 11,007,031 new shares were issued which was valued at NOK 33.40 per share, amounting to NOK 368 million, which was fully paid in cash. The share capital increased by NOK 14,662 thousand to NOK 87,968 thousand.

In conjunction with the acquisition of Metodika (May 2021), where 20% of the consideration is agreed to be new shares, Carasent ASA registered 588,235 additional shares on June 4, 2021. The share capital increased by NOK 784 thousand to NOK 88,752 thousand.

In the private placement completed in July 2021 11,987,332 new shares were issued which was valued at NOK 35.05 per share, amounting to NOK 420 million, which was fully paid in cash. The share capital increased by NOK 15,967 thousand to NOK 104,719 thousand.

For more information about the shares see Note 19 in the Group Financial Statement.

## Note 10 – Related Parties

In 2021 Carasent ASA has provided management services to Evimeria EMR AB, reference is made to Note 3. The table below set out the intercompany balances per 31 December 2021.

(Amounts in NOK 1 000)

Related party	Relationship	Classification	31.12.2021	31.12.2020
Carasent AS	Subsidiary	Receivable	4 141	-
Avans Soma	Subsidiary	Receivable	2 000	-
<b>Total receivable from group companies</b>			<b>6 141</b>	<b>-</b>

See also note 21 in the Consolidated Financial Statement.

## Note 11 – Income Tax

Negative and positive timing differences, which reverse or may reverse in the same period, are 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.

### *Specification of Income Tax expense:*

(Amounts in NOK 1 000)	2021	2020
Tax payable	-	-
Changes in deferred tax	-	-
<b>Total income tax expense</b>	<b>-</b>	<b>-</b>

### *Specification of basis for Deferred Tax balances:*

(Amounts in NOK 1 000)	2021	2020
Non current assets	(86)	(123)
Gains and loss account	20	25
Other temporary differences	(46 238)	(41 180)
<b>Total</b>	<b>(46 305)</b>	<b>(41 279)</b>
Tax loss carried forward	(265 451)	(233 907)
<b>Net temporary differences</b>	<b>(311 756)</b>	<b>(275 186)</b>
Deferred tax liability (asset)	(68 586)	(60 541)
Of which not recognized	68 586	60 541
<b>Carrying value deferred tax liability (assets)</b>	<b>-</b>	<b>-</b>

Carasent ASA has deferred tax assets relating to tax loss carry forward (tax value NOK 58.4 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.

***Reconciliation of effective tax rate:***

<b>(Amounts in NOK 1 000)</b>	<b>2021</b>	<b>2020</b>
Net Income (Loss) before tax	(10 864)	(39 919)
Expected income taxes at statutory tax rate	(2 390)	(8 782)
Permanent differences	(5 655)	(3 676)
Unrecognized deferred tax assets	8 045	12 458
<b>Income tax expense</b>	<b>0</b>	<b>-</b>
<b>Effective tax rate in %</b>	<b>0 %</b>	<b>0 %</b>

## Note 12 – Events after the Balance Sheet Date

After the balance sheet date, Carasent ASA completed the acquisition of Medrave and increased the share capital by issuing consideration shares in relation to the acquisition.

The acquisition was settled on January 11, 2022 for a purchase price of SEK 134 million of which SEK 110 million was settled in cash and SEK 24 million was settled by a seller's credit to be offset by issuance of consideration shares reinvested by key employees with subscription price of NOK 37.43 per share. The share capital will be increased by NOK 835,684.81, divided into 627,391 shares, each with a nominal value of NOK 1.332.

The BoD has resolved to implement a share purchase program ("Employee Investment Matching Program") for employees in the Company and its subsidiaries. The application period in the Employee Investment Matching Program started on 28 February 2022, at 09:00 hours (CET) and expired at 16:00 hours (CET) on 14 March 2022. The shares was offered at a price based on the volume weighted average share price during the days of the subscription period, with a discount of 20%, which is calculated to be NOK 21,64. A total of 253 005 shares were subscribed for by the employees.

The shares are subject to a two-year lock-up. Following the expiry of the lock-up period, the employees will have the right to receive 1 bonus (matching) share (subject to the payment of the nominal value per share only) per 3 shares purchased under the Employee Investment Matching Program.

The ongoing war in Ukraine currently do not directly affect operations, but we monitor the situation closely.

There are no other events after the balance sheet date that needs to be disclosed.



To the General Meeting of Carasent ASA

## Independent Auditor's Report

### Report on the Audit of the Financial Statements

#### Opinion

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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 statement of financial position as at 31 December 2021, the statement of income and statement of cash flow 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 2021, the 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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.

Our opinion is consistent with our additional report to the Audit Committee.

#### Basis for Opinion

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We conducted our audit in accordance with 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 4 years from the election by the general meeting of the shareholders on 24 July 2018 for the accounting year 2018.

## 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.

### *Acquisition of Metodika AB*

*Refer to Note 3 Business Combinations in the Group financial statements, and the Board of Directors report*

<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>On 25 May 2021 the Group entered into an agreement to acquire 100% of the shares in Metodika AB, a company based in Sweden. The acquisition price of NOK 111 million was settled partly with cash and partly by share consideration.</p> <p>Management identified the acquired assets and liabilities, and estimated their fair value. As a result of the allocation of the acquisition price, the Group recognized goodwill of NOK 109.2 million.</p> <p>Acquisition accounting is considered a key audit matter due to the high degree of management's judgment involved. The key judgments and considerations applied by management were:</p> <ul style="list-style-type: none"> <li>• The identification, measurement and allocation of fair values of assets and liabilities acquired, and</li> <li>• The preparation of disclosures in the consolidated financial statements.</li> </ul>	<p>Our audit procedures in this area included:</p> <ul style="list-style-type: none"> <li>• Reading the related share purchase agreement;</li> <li>• Obtaining the transaction documents, tracing payments to bank statements and assessing the fair value of the share consideration;</li> <li>• Understanding and assessing management's process for identification of the acquired assets and liabilities;</li> <li>• With assistance from our KPMG valuation specialists, evaluating and challenging management's valuation methods and assumptions applied in determining the fair values of the acquired assets; and</li> <li>• Assessing the appropriateness of the disclosures in the consolidated financial statements with reference to the share purchase agreement and the purchase price allocation.</li> </ul>

## Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other accompanying information otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view 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 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 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 a true and fair view.
- 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 Audit Committee 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

### Report on compliance with Regulation on European Single Electronic Format (ESEF)

#### **Opinion**

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name 5967007LIEEXZXI9ZS60-2021-12-31-en have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

#### **Management's Responsibilities**

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

#### **Auditor's Responsibilities**

Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 30 March 2022  
KPMG AS



Øyvind Skorgevik  
*State Authorised Public Accountant*

## Carasent ASA Corporate Information

### Board of Directors

Johan Lindqvist – Chairman

Ebba Fåhraeus – Director

Terje Rogne - Director

Staffan Hanstorp - Director

Anna Kinberg Batra - Director

### Operator of the Share Register Account

Nordea Bank Norge ASA

Securities Services

Verdipapirseksjonen

Postboks 1166 Sentrum

0107 Oslo

Norway

Phone: +47 22 48 50 00

Fax: +47 22 48 44 44

[www.nordea.com](http://www.nordea.com)

### Corporate Officers

Dennis Höjer – CEO

Svein Martin Bjørnstad – CFO

### Registered Business Address

Øvre Slottsgate 2B

0157 Oslo

Norway

### Independent Auditors

KPMG AS

Sørkedalsveien 6

P.O. Box 7000

0306 OSLO

Norway

Phone: +47 04063

[contact@kpmg.no](mailto:contact@kpmg.no)

### Stock Information

Stock traded on the Oslo Stock Exchange

OSE Symbol: CARA

[www.euronext.com](http://www.euronext.com)

### Investor Services

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

Johan Lindqvist

Chairman of the Board, Carasent

Sweden

Phone: +46 733 550 935

[johan.lindqvist@windchange.se](mailto:johan.lindqvist@windchange.se)