



CARASENT



Q2 and H1 2022

Interim Report

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Carasent

at a glance

136
Employees

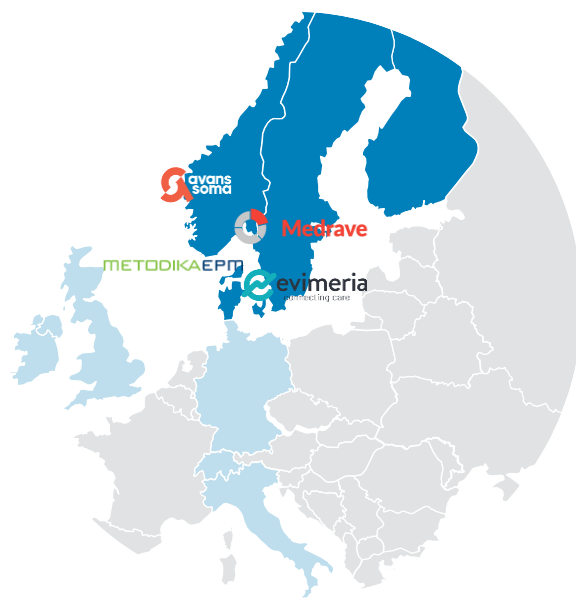
168.2 MNOK
**Revenue
LTM Q2 2022**

28.0%
**Adj. EBITDA Margin
Q2 2022**

16%¹
**Organic YoY Growth
Q2 2022**

169.1 MNOK
**ARR
Q2 2022**

771 MNOK
Cash balance



Our journey started in the spring of 2018 when Aptix ASA, now Carasent, acquired [Evimeria EMR AB](#), a Swedish company that deliver cloud based electronic health record (EHR). Since then, three acquisitions have been completed, adding new products to our portfolio and new customer segments to our customer list. Our main products are cloud based EHR solutions, with Webdoc as the leading platform, and a broad ecosystem of platform services, including solutions for patient communication and business intelligence. This provides customers with a full service offering within our systems.

Our ecosystem of solutions makes Carasent unique. Bringing together what were previously individual products, geographic markets and people as one Carasent, enables us to extract several synergies between our entities. At the same time, Carasent becomes a one-stop shop for clinics and can cover all needs through one platform. We believe in innovation that offers a new kind of accessibility and availability for patients and practices. For us this means significant cost reductions compared to maintaining several different platforms, hence a more scalable business model.

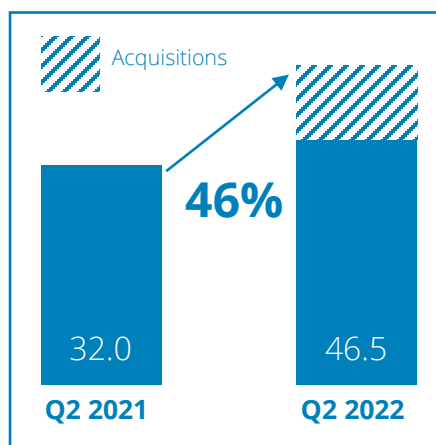
Carasent is on a very exciting journey within the e-health sector, and our ambition is to continue to expand our business both organically and through acquisitions. Our growth strategy is built on expanding our business through three main dimensions: new products and services, new customer segments and new geographic areas.

Q2 Highlights

Financials

Revenue

MNOK



Revenue up 46% to NOK 46.5 million. Acquisitions accounted for NOK 10.8 million, 74% of the increase

Organic growth

16%

Organic YoY revenue growth of 16% in Q2, with constant currency rates

16%

Organic YoY recurring revenue growth of 16% in Q2, with constant currency rates

Margins

28.0%

Adjusted EBITDA of NOK 13.0 million and margin of 28.0% in Q2 2022

14.1%

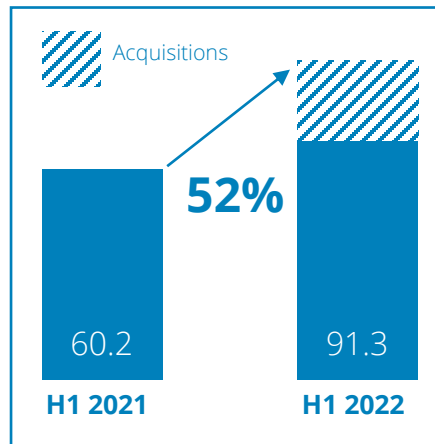
Adjusted EBIT of NOK 6.6 million and margin of 14.1% in Q2 2022

H1 Highlights

Financials

Revenue

MNOK



Revenue up 52% to NOK 91.3 million. Acquisitions accounted for NOK 22.8 million, 73% of the increase

Organic growth

19%

Organic YoY revenue growth of 19% in H1, with constant currency rates

20%

Organic YoY recurring revenue growth of 20% in H1, with constant currency rates

Margins

29%

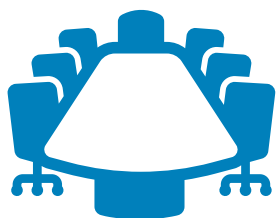
Adjusted EBITDA of NOK 26.8 million and margin of 29% in H1 2022

16%

Adjusted EBIT of NOK 14.2 million and margin of 16% in H1 2022

Q2 Highlights

Other



Hired Daniel
Öhman as new
CEO

Signed our first Webdoc
customer in Norway

vertikal Helse
en del av If



Signed 37 new clinics in
Sweden.

Letter

to our shareholders

The second quarter was another important step on our growth journey with high activity and the achievement of several key milestones. We signed 37 new clinics for Webdoc in Sweden, demonstrating a strong momentum within our core market. In June, we also signed our first customer in the Norwegian market for Webdoc. Finally, signing Daniel Öhman as new CEO was maybe the most important step for our future journey.

Carasent's revenues grew in the second quarter of 2022 to a total revenue of NOK 46.5 million, up 46% from last year. Currency differences affected revenues negatively within the quarter with NOK (1.5) million compared to the same quarter last year. The year-over-year organic growth was 16% in Q2, driven by a growing recurring revenue base. We grew our recurring revenues by 44% in total and 16% organically in Q2, compared to Q2 2021. The year-over-year organic growth rates were affected by strong comparables in Q2 2021, driven by boosted variable add-on services from pandemic related vaccinations. Organic growth rates are presented with constant currency rates.

New sales and promising signals from the market

Signing 37 new clinics for Webdoc in Sweden signals a gradual return to normality after the pandemic. It demonstrates that customers are more actively looking for new solutions. Carasent has a full-service product offering for customers within our target segments. This gives us a unique position and opportunity in the Nordic market. Our ecosystem of services and open platform goes well in line with the sentiment among customers. The broader market has an increasing focus on partnerships and integrations, which is a core part of our strategy. Partnerships and integrations were also key topics at the Nordic Vitalis e-health conference in May, where we launched Carasent as a brand with very positive feedback from the market.

Signing our first Webdoc customer in the Norwegian market

Our first customer in Norway is a key milestone for our international expansion. It will help us tailor Webdoc for Norwegian customers and eventually increase our presence in the Norwegian market, significantly. Introducing Webdoc to the Norwegian market will naturally take some time, but our signing is a crucial part of gaining Norwegian presence in the long term. Furthermore, it also brings relevant experience into our organization for further geographical expansion.

Currently, we have higher capex levels related to development compared to historical figures, driven by the Webdoc expansion into the Norwegian market and our new platform for the European market, Webdoc X. We do not expect any material revenues from these new initiatives during the next few quarters but invest now to drive long term growth significantly. We aim to launch Webdoc X commercially in 2023.

M&A activity was high with several processes pursued during the quarter. However, we see a challenge in bridging the value expectations of seller with our willingness to pay, because the value expectations of entrepreneurs continues to run at an elevated level compared to the public markets. We are seeing improvements here and are monitoring the markets closely, expecting attractive opportunities to arise over the coming quarters.

Signing Daniel Öhman as new CEO

On June 16th, we announced the appointment of new CEO Daniel Öhman. Öhman has been with GHP Speciality Care in various positions since 2006, and has managed the company during heavy expansion, both financially and geographically. He has experience from growing business in the UK, Czech Republic, the Middle East, Denmark, and Norway. His industry knowledge and experience of both organic and international growth is very much aligned with Carasent's ambitions going forward. We are confident that this change in management will benefit our customers, employees, and investors.

There are huge unmet needs within the healthcare industry and an unquestionable need for digital tools to increase efficiency. We are uniquely positioned, and the timing is excellent.

Dennis Höjer
CEO

Key Figures

NOK million	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021	FY 2020	FY 2019
Revenue	46.5	32.0	91.3	60.2	137.1	70.6	47.9
Adjusted EBITDA ²	13.0	12.7	26.8	21.9	45.5	23.3	11.9
Adj. EBITDA margin	28.0%	39.8%	29.3%	36.4%	33.2%	33.0%	24.8%
Adjusted EBIT ²	6.6	8.0	14.2	12.6	26.1	14.3	7.7
Adj. EBIT margin	14.1%	24.9%	15.6%	20.9%	19.0%	20.3%	16.2%

Growth Metrics

Total revenues grew by 46% in Q2

We grew total revenues to NOK 46.5 million in Q2 2022, up 46% from last year. Acquisitions accounted for NOK 11 million, 74% of the increase.

Organic growth year-over-year (YoY) amounted to 16%¹, driven by both existing and new customers. The organic growth rates are slightly lower than previous quarters due to strong comparable figures in Q2 2021 driven by boosted variable add-on services from pandemic related vaccinations. Currency differences affected revenues negatively with NOK 1.5 million compared to the same quarter last year. The average SEK/NOK currency rate was 0.95 in H1 2022 vs. 1.01 in H1 2021.

NOK million	H1 2022	H1 2021	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Webdoc EHR	23.1	19.6	11.9	11.3	11.0	10.4	10.0
Other EHR	22.0	13.0	11.2	10.9	11.2	10.8	7.2
Platform Services	38.2	22.0	19.0	19.1	12.4	12.4	12.0
Consulting & Other	8.0	5.6	4.5	3.5	5.4	3.3	2.8
Total revenue	91.3	60.2	46.5	44.8	40.0	36.9	32.0

We grew our recurring revenues – Webdoc EHR, other EHR and Platform Services – by 44%, reaching NOK 42.1 million in Q2 2022 compared to NOK 29.1 million the same quarter last year. The organic recurring revenue growth was driven by net retention rates of 8.4% and growth from new customers of 7.4%.

From an H1-perspective, our total revenue growth was 52%, and the organic growth was 19%.

Webdoc EHR revenues grew 19% YoY to NOK 11.9 million in Q2, and 18% YoY in H1 2022. Adjusted for currency effects Webdoc EHR revenues grew 25% YoY in Q2, showing a continued strong development in our core markets. Growing the revenues from Webdoc customers is a strategic target, as this will increase the revenue per customer and operating margins. We have a long-term ambition to convert customers to the Webdoc platform from our other EHR solutions.

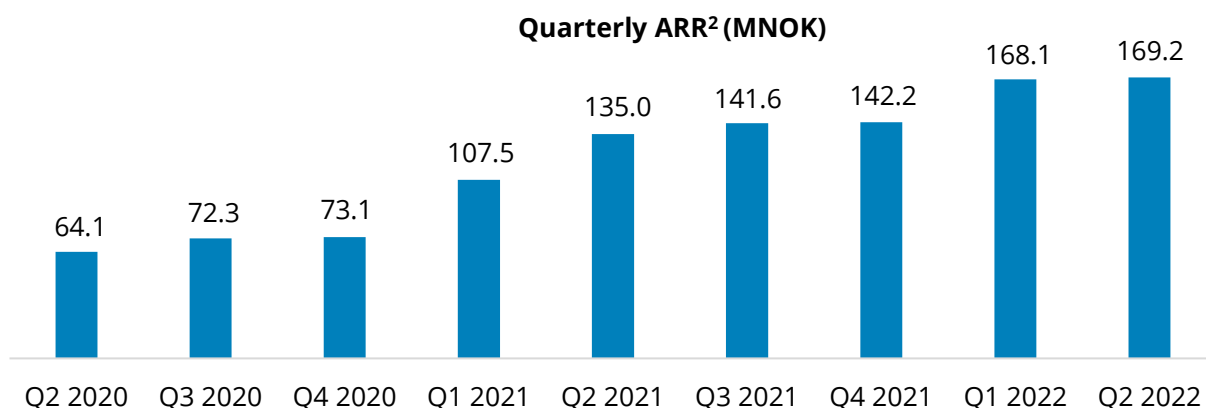
Other EHR revenues grew 56% YoY to NOK 11.2 million in Q2 2022, and 69% YoY H1 2022. This includes the EHR revenues from Metodika and Avans Soma. The growth was driven by a strong underlying organic growth for Avans Soma, and the acquisition of Metodika EPM that was integrated in June 2021.

Platform services revenues grew 59% YoY to NOK 19.0 million in Q2 2022, and 74% YoY H1 2022. The growth was accelerated during the first quarter of 2022 by the acquisition of Medrave, adding highly attractive complementary quality improvements, and business intelligence solutions to our portfolio. Growth rates for add-on services related to Webdoc, such as booking and SMS services, were affected by strong comparable figures in Q2 2021 related to vaccinations. This also affected the total organic growth rates for the group and net retention rates.

The ratio of total EHR revenues to platform services revenues was 1:0.8 in Q2 2022 for the group as compared to 1:0.7 in Q2 2021. The increase was driven by a new, growing ecosystem of services and the acquisition of Medrave, while the variable add-on services had a countereffect as described above. Increasing this ratio higher in favor of platform services revenues is a strategic priority going forward. We are broadening our product portfolio both organically and through acquisitions, and our customer base demands new add-on services.

Annual Recurring Revenue (ARR) growth of 25%

Annual Recurring Revenues (ARR) grew to NOK 169 million in Q2 2022 compared to NOK 135 million in Q2 2021, corresponding to a growth of 25%. The organic ARR growth in Q2 2022 was 13%¹ YoY and composed of an increased revenue from existing customers, new customers being added and increased penetration of platform services on our customer base.



Consulting & other revenues of NOK 4.5 million

Consulting and other revenues grew 58% to NOK 4.5 million. Consulting revenue growth was strong during the quarter primarily driven by specific projects for large customers within our own premise EHR systems and implementation of new customers.

Profitability

Adjusted EBITDA margin of 28.0%

Adjusted EBITDA increased 3% to NOK 13.0 million compared to Q2 2021, while margins decreased from 40% to 28% for the group. As was previously communicated, the acquisitions completed during the last year has had a positive impact on gross margins, but a dilutive impact on operating margins in the short term. We are also building the foundation for long-term growth, where we are investing in management capacity and infrastructure that can scale with the business in the long term. These investments affect margins in the short term but facilitate rapid and cost-effective growth.

Q2 gross margins increased by 1.2 percentage points to 84.9% in Q2 2022 compared to 83.7% in Q2 2021. The change in margins was primarily driven by the acquisitions completed in the period with a slightly higher gross margin than the existing business, due to a lower share of platform services.

Non-recurring operating expenses were NOK 2.3 million in Q2 2022, out of which NOK 0.3 million were related to the bonus shares given to employees in the Employee Investment Matching Program launched in March 2022 and the remaining NOK 2.0 million was related to M&A transaction costs, equity issue costs, recruitment of senior management capacity and other non-recurring items.

Organisational development

The Carasent team continues to grow, and we are building an organization ready to take the company to the next level. Ending Q2, the number of employees in the Group was 136, of which 76 are working with Research & Development (R&D), 13 with Sales and Marketing (S&M), 9 with General & Administrative (G&A) and 37 with Operations. Carasent also uses external consultants for individual projects.

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Employees						
G&A	9	8	8	7	6	5
R&D	76	73	60	59	55	44
S&M	13	11	10	9	8	6
Operations	37	37	30	29	30	22
Total	136	129	108	104	99	77

Outlook and guidance

Performance and growth rates were in line with guidance during Q2 2022. We grew total revenues in Q2 2022 to NOK 46.5 million and NOK 91.3 million in H1 2022. We are performing in line with our guidance on total revenue above NOK 200 million for 2022, excluding potential from additional M&A and currency effects. Currency effects have had a negative impact on revenues of NOK 4.0 million in H1, compared to the same period last year. Adjusted EBITDA margin for Q2 2022 was 28% and 29% in H1 2022.

Investments and acquisitions

The investments in tangible and intangible assets, excluding acquisitions, amounted to NOK 22.9 million during Q2 2022. Capitalized development totaled NOK 21.5 million during Q2, of which NOK 14.1 million was related to new initiatives and the remaining NOK 7.4 million was related to expansion of our existing markets.

Capitalized development costs included internally generated development costs of NOK 11.9 million and externally generated development costs of NOK 9.6 million during Q2 2022. For H1 2022, the costs were NOK 23.0 and 16.9, respectively.

NOK million	Q2 2022	Q2 2021	H1 2022	H1 2021	FY 2021	FY 2020	FY 2019
Existing markets	7.4	6.1	15.6	12.2	20.9	16.1	10.7
New initiatives	14.1	2.7	24.4	3.5	17.4		
Total capitalized development	21.5	8.8	40.0	15.7	38.3	16.1	10.7

Existing markets

Capitalized development costs related to existing markets accounted for NOK 7.4 million in Q2 2022 compared to NOK 6.1 million in Q2 2021, corresponding to a growth of 21%. This included development of existing and upcoming products in our existing markets.

New initiatives

The investment into new initiatives is related to geographical expansion of Webdoc to the Norwegian market and our new platform for the European market, Webdoc X. These initiatives currently require significant additional investments in product development and does not generate any revenues. Extensive market research has shown that the market is ripe for disruption, and we see a window of opportunity with our strong product portfolio in new geographical markets. We don't expect material revenues from these initiatives in the next few quarters, but we invest to drive the long-term organic growth for Carasent.

We reached a key milestone for our international expansion, signing our first customer in Norway. It will help us tailor our services for new customers and eventually increase our presence in the Norwegian market. Learning and developing takes time, but our signing is a crucial part of gaining long-term presence in Norway. Furthermore, it also brings relevant experience into our organization for further product adaptation and geographical expansion. We are looking forward to cooperating with Vertikal Helse moving forward.

As earlier communicated, we are currently investing 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 comprehensive market research, which confirmed our hypothesis that privatized healthcare often lacks digital solutions to meet the need for enhanced efficiency and patient offerings. We aim to launch commercially in 2023.

Financial Statements

Q2 2022

Net revenue

Revenue of NOK 46.5 million in Q2 2022, an increase of 46% as compared to NOK 32.0 million in Q2 2021. Revenue growth was driven by a combination of organic growth and the acquisitions of Medrave and Metodika. The acquisitions accounted for 10.8 million or 74% of the increase in revenues.

Gross profit

Q2 gross profit increased YoY by NOK 12.8 million or 47,7%. The increase in gross profit is primarily attributed by the 46% YoY revenue growth within the quarter. Gross margin increased 1.2 percentage points to 84.9% in Q2 2022 compared to 83.7% in Q2 2021. The change in margins was primarily driven by the acquisitions completed during the last twelve months, with a slightly higher gross margin than the organic business.

Operating expenses

Personnel expenses totaled 18.6 million in Q2 2022, an increase of 105% compared to the same quarter last year. The increase was driven by the acquisitions of Metodika and Medrave. Personnel expenses are also impacted by our investments in management capacity and senior management recruitment cost. These investments affect margins in the short term but facilitate rapid and cost-effective growth going forward.

Other operational and administrative expenses totaled 10.2 million in Q2 2022, an increase of 23.2% compared to the same quarter last year driven mainly by an increase in the number of employees.

EBITDA

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) of NOK 10.7 million in Q2 2022, compared to NOK 9.4 million in Q2 2021.

One-time expenses

Non-recurring operating expenses were NOK 2.3 million in Q2 2022, out of which NOK 0.3 million were related to the bonus shares given to employees in the Employee Investment Matching Program launched in March 2022 and the remaining NOK 2.0 million was related to M&A transaction costs, equity issue costs, recruitment of senior management capacity and other non-recurring items.

Financial Statements – Q2 2022

Adjusted EBITDA

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA) of NOK 13.0 million in Q2 2022, compared to NOK 12.7 million in Q2 2021. Adjusted EBITDA is adjusted for one-time expenses of NOK 2.3 million.

D&A

Depreciation and amortization in the Group in Q2 2022 totaled NOK 8.1 million, of which NOK 1.7 million was PPA related amortization.

EBIT

Earnings before Interest and Taxes (EBIT) of NOK 2.6 million compared to NOK 3.6 million in Q2 2021.

Adjusted EBIT

Adjusted Earnings before Interest and Taxes (Adjusted EBIT) of NOK 6.6 million compared to NOK 8.0 million in Q2 2021. Adjusted EBIT is adjusted for one-time expenses of NOK 2.3 million and PPA related amortization of NOK 1.7 million.

Net profit

Including positive changes in fair value of previously issued stock options of NOK 2.3 million in Q2 2022, the result was a net profit of NOK 2.4 million as compared to NOK 19.9 million during Q2 2021.

Capital expenditures

Capitalized development amounted to NOK 21.5 million in Q2 2022, where NOK 14.1 million was related to new initiatives in new markets and the remaining NOK 7.4 was related to existing and upcoming products in our existing markets .

Cash balance

Cash balance was NOK 771 million as per end Q2 2022.

Financial Statements – H1 2022

Net revenue

Revenue of NOK 91.3 million in H1 2022, an increase of 52% as compared to NOK 60.2 million in H1 2021. Revenue growth was driven by a combination of organic growth and the acquisitions of Medrave and Metodika. The acquisitions accounted for 22.8 million or 72.3% of the increase in revenues.

Gross profit

H1 gross profit increased YoY by NOK 27.1 million or 54.2%. The increase in gross profit is primarily attributed by the 52% YoY revenue growth within the quarter. Gross margin increased 1.4 percentage points to 84.3% in H1 2022 compared to 83% in H1 2021. The change in margins was primarily driven by the acquisitions completed during the last twelve months, with a slightly higher gross margin than the organic business.

Operating expenses

Personnel expenses totaled 36.7 million in H1 2022, an increase of 100% compared to the same quarter last year, impacted by the acquisitions of Metodika and Medrave. Personnel expenses are also impacted by our investments in management capacity and senior management recruitment cost. These investments affect margins in the short term but facilitate rapid and cost-effective growth going forward.

Other operational and administrative expenses totaled 18.8 million in H1 2022, an increase of 44.1% compared to the same quarter last year driven mainly by an increase in the number of employees.

EBITDA

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) of NOK 21.6 million in H1 2022, compared to NOK 18.6 million in H1 2021.

One-time expenses

Non-recurring operating expenses were NOK 5.2 million in H1 2022, out of which NOK 1.7 million were related to the discount and bonus shares given to employees in the Employee Investment Matching Program launched in March 2022 and the remaining NOK 3.5 million was related to M&A transaction costs and other non-recurring items.

Financial Statements – H1 2022

Adjusted EBITDA

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA) of NOK 26.8 million in H1 2022, compared to NOK 21.9 million in H1 2021. Adjusted EBITDA is adjusted for one-time expenses of 5.2 NOK million.

D&A

Depreciation and amortization in the Group in H1 2022 totaled NOK 15.9 million, of which NOK 3.3 million was PPA related amortization.

EBIT

Earnings before Interest and Taxes (EBIT) of NOK 5.7 million compared to NOK 7.3 million in H1 2021.

Adjusted EBIT

Adjusted Earnings before Interest and Taxes (Adjusted EBIT) of NOK 14.2 million compared to NOK 12.6 million in H1 2021. Adjusted EBIT is adjusted for one-time expenses of NOK 8.5 million and PPA related amortization of NOK 3.3 million.

Net profit

Including positive changes in fair value of previously issued stock options of NOK 27.1 million in H1 2022, the result was a net profit of NOK 27.8 million as compared to NOK 12.3 million during H1 2021.

Capital expenditures

Capitalized development amounted to NOK 40.0 million in H1 2022, where NOK 24.4 million was related to new initiatives in new markets and the remaining NOK 15.6 was related to existing and upcoming products in our existing markets.

Consolidated statement of income

(Amounts in NOK 1 000)	Note	3 Months Ended		6 Months Ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenue		46 545	31 969	91 337	60 219
Operating Revenues	3	46 545	31 969	91 337	60 219
Cost of Sales		7 019	5 207	14 335	10 269
Gross Profit		39 526	26 762	77 003	49 950
Operating Expenses					
Employee Compensation and Benefits	4	18 616	9 079	36 668	18 338
Other Operational and Administrative Expenses	5	10 200	8 277	18 755	13 015
Depreciation and Amortization		8 134	5 759	15 897	11 277
Total Operating Expenses		36 950	23 115	71 320	42 630
Net Operating Income/(Loss)		2 575	3 647	5 682	7 319
Financial Items					
Interest Expenses		241	171	696	330
Other Financial (Income)/Expenses	7	(1 888)	(17 312)	(26 534)	(6 910)
Net Financial Items		(1 647)	(17 140)	(25 839)	(6 581)
Net Income/(Loss) Before Income Taxes		4 223	20 787	31 521	13 900
Income Tax Expense/(Income)		1 819	856	3 729	1 642
Net Income/(Loss)		2 404	19 931	27 792	12 258
Attributable to Equity Holders of the Parent		2 404	19 931	27 792	12 258
Earnings Per Share:					
Basic earnings per share		0.03	0.34	0.35	0.22
Diluted earnings per share		0.03	0.34	0.34	0.22

Consolidated statement of comprehensive income

	3 Months Ended		6 Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
(Amounts in NOK 1 000)				
Net Income/ (Loss)	2 404	19 931	27 792	12 258
Changes in Translation Differences	9 248	3 082	(3 538)	(4 907)
Items that may be Reclassified Subsequently to the Income Statement	9 248	3 082	(3 538)	(4 907)
Total Other Comprehensive Income/(Loss) for the Period	9 248	3 082	(3 538)	(4 907)
Total Comprehensive Income/(Loss) for the Period	11 652	23 013	24 254	7 352
Attributable to Equity Holders of the Parent	11 652	23 013	24 254	7 352

Consolidated statement of financial position

(Amounts in NOK 1 000)	Note	June 30, 2022	December 31, 2021
ASSETS			
Non-Current Assets			
Goodwill		372 646	271 990
Customer Relationships		31 675	26 733
Technology		124 692	76 186
Total Intangible Assets	2	529 013	374 909
Tools and Equipment		2 269	1 507
Right of Use Asset		20 360	14 612
Deferred Tax Assets		-	327
Total Non-Current Assets		551 641	391 354
Current Assets			
Customer Receivables		23 066	20 093
Other Receivables		2 989	3 455
Prepaid Expenses		3 569	2 161
Cash and Cash Equivalents		771 186	883 756
Total Current Assets		800 811	909 465
TOTAL ASSETS		1 352 452	1 300 818

(Amounts in NOK 1 000)	Note	June 30, 2022	December 31, 2021
LIABILITIES AND SHAREHOLDERS EQUITY			
Equity Attributed to Equity Holders of the Parent			
Share Capital	6	105 892	104 719
Other Paid-in Capital		1 133 352	1 105 556
Other reserves		(5 788)	(2 560)
Retained Earnings		(8 647)	(36 440)
Total Shareholders Equity		1 224 809	1 171 274
Lease Liability		14 160	10 634
Deferred Tax Liability		18 543	9 864
Other Non-Current Liabilities		73	-
Total Non-Current Liabilities		32 776	20 497
Current Liabilities			
Trade Accounts Payable		10 734	8 942
Accrued Expenses		29 200	24 027
Contract Liability		25 846	17 506
Liability Stock Option Program	7	19 114	46 238
Current Lease Liability		7 932	5 703
Other Current Liabilities		2 040	6 630
Total Current Liabilities		94 867	109 047
TOTAL LIABILITIES AND EQUITY		1 352 452	1 300 818

Consolidated statement of cash flows

(Amounts in NOK 1 000)	Note	6 months ended	
		June 30, 2022	June 30, 2021
Cash Flows from Operating Activities			
Profit/(Loss) Before Tax		31 521	13 900
Depreciation and Amortization		15 897	11 277
Interest Expense		696	360
Fair Value Adjustments Stock Options	7	(27 124)	(6 941)
Share based payment		1 679	-
Change in Accounts Receivable		(1 712)	(1 507)
Change in Accounts Payable		1 447	8 846
Change in Current Assets & Liabilities		4 341	(2 243)
Net Cash Flows Provided by Operating Activities		26 745	23 692
Cash Flows from Investing Activities			
Investments in Intangible and Tangible Assets		(41 223)	(14 615)
Acquisition of Company, Net of Cash Paid	2	(99 449)	(86 897)
Cash Flows Used in Investing Activities		(140 672)	(101 512)
Cash Flows from Financing Activities			
Issuance of Shares	6	5 475	367 625
Transaction Cost Related to Issuance of Shares	6	(273)	(21 304)
Payment Lease Liability		(3 443)	(2 055)
Repayment of Debt		-	-
Paid Interest		(696)	(360)
Cash Flows Used in Financing Activities		1 064	(471)
Effect of Exchange Rates on Cash and Cash Equivalents			
		294	(471)
Net Change in Cash and Cash Equivalents		(112 570)	265 614
Cash and Cash Equivalents at Beginning of Period		883 756	221 155
Cash and Cash Equivalents at End of Period		771 186	468 770

Consolidated statement of changes in equity

(Amounts in NOK 1 000)	Other reserves					Total Equity
	Share Capital	Other Paid-in Capital	Share based payment reserve	Translation Difference Reserves	Retained Earnings	
Equity December 31, 2020	73 307	354 630	-	9 329	(36 290)	400 975
Net Income for the Period	-	-	-	-	12 258	12 258
Other Comprehensive						
Income/(Loss)	-	-	-	(4 907)	-	(4 907)
Total Comprehensive						
Income/(Loss)	-	-	-	(4 907)	12 258	7 353
Share Issuance	15 445	372 443	-	-	-	387 888
Transaction Costs	-	(21 206)	-	-	-	(21 206)
Equity June 30, 2021	88 752	705 867	-	4 422	(24 031)	775 010

(Amounts in NOK 1 000)	Other reserves					Total Equity
	Share Capital	Other Paid-in Capital	Share based payment reserve	Translation Difference Reserves	Retained Earnings	
Equity December 31, 2021	104 719	1 105 556	-	(2 560)	(36 440)	1 171 274
Net Income for the Period	-	-	-	-	27 792	27 792
Other Comprehensive						
Income/(Loss)	-	-	-	(3 538)	-	(3 538)
Total Comprehensive						
Income/(Loss)	-	-	-	(3 538)	27 792	24 254
Share Issuance	1 173	26 700	-	-	-	27 873
Transaction Costs	-	(273)	-	-	-	(273)
Share based payment	-	1 369	310	-	-	1 679
Equity March 31, 2022	105 892	1 133 352	310	(6 098)	(8 648)	1 224 809

Note 1 – General information

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

The condensed consolidated financial statements for the first half year of 2022 were approved by the Board of Directors for publication on July 14, 2022. The interim financial information is unaudited.

The condensed consolidated financial statements comprise Carasent ASA and its subsidiaries. The interim financial statements are prepared in accordance with the International Accounting Standard (IAS) 34. The condensed consolidated financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

The accounting policies applied by Carasent in these interim financial statements are consistent with those of the financial year 2021. The presentation currency is NOK (Norwegian Krone). All financial information is presented in NOK thousands, unless otherwise stated. The income statements are translated at the average exchange rate year to date.

Carasent ASA acquired the Swedish company Medrave Software AB (Medrave), including its fully owned Norwegian subsidiary Medrave Software AS, on January 11, 2022. Medrave is a market leader in Scandinavia within quality improvement software for healthcare practices within primary care and secondary outpatient care with a customer base across Sweden and Norway. Medrave and Metodika was consolidated in the Group from January 01, 2022, and June 01, 2021, respectively. Consequently, comparable figures for the first half year of 2021 only include Metodika in June and do not include Medrave.

Note 2 – Business combination

Acquisition of Medrave AB

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 fair value price of NOK 35.7 per share.

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:

(Amounts in NOK 1 000)	Medrave AB
Purchase consideration	
Cash consideration	107 532
Ordinary shares issued	22 381
Total purchase consideration	129 914
Technology	18 936
Customer relationship	7 257
Deferred tax assets	-
Right of use assets	2 630
Customer receivables	1 261
Cash and cash equivalents	8 084
Deferred tax liability	(5 937)
Lease liability	(2 630)
Trade payables	(345)
Contract liability	(1 426)
Net other assets and liabilities	(1 086)
Total net identifiable assets acquired at fair value	26 743
Consideration	129 914
Goodwill	103 171
Net cash outflow arising on acquisition	
Cash consideration	107 532
Less:	
Cash and cash equivalent balances acquired	(8 084)
Net cash outflow arising on acquisition	99 449

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

Acquisition costs of NOK 4.4 million arose as a result of the transactions. Where NOK 0.65 million have been recognized as part of other operating expenses in the statement of income for six months ended June 30, 2022, and NOK 3.75 million have been recognized as part of other operating expenses in the statement of income for the year ended December 31, 2021.

Medrave has contributed NOK 12.7 million to the Group's revenue since the acquisition date and net income of NOK 2.7 million to the Group's total net income.

Note 3 – Revenue

In 2022 the Group has assessed its internal organizational structure, internal reporting system and geographical business units, and concluded that there is only one segment, the total Group. The Chief Operating Decision Maker (the Board) review disaggregated revenue as included below. Any profit measures are reviewed at Group level.

(Amounts in NOK 1 000)	H1 2022	H1 2021	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Webdoc EHR	23 133	19 626	11 859	11 274	10 977	10 403	9 957
Other EHR	22 046	12 981	11 175	10 871	11 204	10 761	7 172
Platform Services	38 164	21 984	19 049	19 155	12 380	12 449	12 011
Consulting & Other	7 995	5 628	4 462	3 533	5 417	3 316	2 828
Total revenue	91 337	60 219	46 545	44 792	39 977	36 929	31 969
Sweden							
Webdoc EHR	23 133	19 626	11 859	11 274	10 977	10 403	9 957
Other EHR	1 728	181	833	895	902	974	181
Platform Services	34 466	21 031	17 139	17 326	11 509	10 568	11 195
Consulting & Other	4 916	2 222	2 555	2 361	1 619	1 109	765
Total	64 242	43 060	32 387	31 855	25 007	23 053	22 099
Norway							
Webdoc EHR	-	-	-	-	-	-	-
Other EHR	17 484	12 459	8 742	8 742	8 882	8 327	6 651
Platform Services	2 558	622	1 261	1 297	611	1 072	485
Consulting & Other	1 893	3 131	1 104	789	2 906	1 692	1 787
Total	21 935	16 211	11 107	10 828	12 399	11 091	8 922
International							
Webdoc EHR	-	-	-	-	-	-	-
Other EHR	2 834	340	1 600	1 234	1 419	1 461	340
Platform Services	1 140	331	649	492	259	809	331
Consulting & Other	1 186	276	803	383	892	515	276
Total	5 160	948	3 052	2 108	2 570	2 785	948

Note 4 – Employee Investment Matching Program

In the first quarter of 2022, the Group decided to offer its employees a share incentive program. All employees, including management were offered to buy shares in Carasent ASA. The shares were offered with a 20% discount and are subject to a lock-up period of 24 months following the share purchase. The participants in the program will receive matching shares after two years given that the participants are employed with the Group.

The employees were granted a discount of NOK 1.369 thousand on acquired shares. The discount vested immediately and have been expensed as a share-based payment expense.

Number of instruments granted (matching shares) were 84,324.

Accounting principles

The share-based payment program is considered as equity-settled share-based payments. In addition, the Group is obliged to make a provision for social security tax related to the program, to be transferred to the tax authority, normally in cash. This part of the share-based payment arrangement is recognized as a cash-settled share-based payment.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest, adjusted for the effect of non-market-based vesting conditions.

Cash-settled share-based payments are measured at fair value of the liability. The liability is remeasured at each reporting date.

Note 5 – Other operating expenses

(Amounts in NOK 1 000)	3 months ended		6 months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Marketing	809	262	959	344
Travel and entertainment	513	20	745	24
Rent and office expenses	470	392	1 118	742
Professional services	5 898	6 032	11 367	9 102
Utilities and maintenance costs	1 407	801	2 585	1 471
IT services	1 063	641	1 868	1 199
Other operating expenses	39	130	112	133
Total operating expenses	10 200	8 277	18 755	13 015

Other operating expenses are presented net of capitalization and SkatteFUNN

Note 6 – Equity

In conjunction with the acquisition of Medrave AB (January 2022), where approximately 18% of the consideration is agreed to be new shares, Carasent ASA registered 627,391 additional shares on January 13, 2022. The share capital increased by NOK 836 thousand to NOK 105,555 thousand.

In conjunction with the share incentive program Carasent ASA registered 253,005 additional shares on March 17, 2022. The share capital increased by NOK 337 thousand to NOK 105,892 thousand.

Note 7 – Expenses for changes in fair value of previously issued stock options

As announced on November 15, 2019, the Board in Carasent ASA approved a stock option program for up to 2 million shares. The options are structured as warrants based on market value and has a strike of price of NOK 14.47 with a 3-year term. When exercised, the Board has the right to pay the option holder cash instead of issue shares. The market value of the options 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 options when issued was NOK 1.39 per warrant. As of June 30, 2022, the fair value of the warrants was estimated to be NOK 9.56 per warrant, resulting in a financial liability of NOK 19.11 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 2.3 million gain in the second quarter isolated.

Note 8 – Events after the balance sheets date

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

Alternative Performance Measures

Carasent ASA may disclose alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. Carasent ASA 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.

Annual Recurring Revenue ("ARR") is defined as the Monthly Recurring Revenue ("MRR") multiplied with 12. MRR is defined as the revenue the Group expects to receive on a monthly basis from customers from EHR solutions and Platform Services.

Transaction costs comprises costs occurred in M&A activity.

Share based payments comprises costs related to the discount given to employees in the share incentive program.

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.

	3 Months Ended		6 Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
(Amounts in NOK 1 000)				
Net Income/(Loss)	2 404	19 931	27 792	12 258
Income Tax Expense/(Income)	1 819	856	3 729	1 642
Net Financial Items	(1 647)	(17 140)	(25 839)	(6 581)
Net Operating Income/(Loss)	2 575	3 647	5 682	7 319
Depreciation and Amortization	8 134	5 759	15 897	11 277
(a) EBITDA	10 710	9 406	21 579	18 597
Adjusted for:				
Transaction costs	339	2 007	985	2 007
Share based payments	309	-	1 748	-
Other special operating items	1 671	1 293	2 471	1 293
(b) Adjusted EBITDA	13 029	12 706	26 783	21 897
(c) Operating revenue	46 545	31 969	91 337	60 219
EBITDA Margin (a/c)	23.01%	29.42%	23.63%	30.88%
Adjusted EBITDA Margin (b/c)	27.99%	39.75%	29.32%	36.36%

	3 Months Ended		6 Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
(Amounts in NOK 1 000)				
Net Income/(Loss)	2 404	19 931	27 792	12 258
Income Tax Expense/(Income)	1 819	856	3 729	1 642
Net Financial Items	(1 647)	(17 140)	(25 839)	(6 581)
(a) EBIT	2 575	3 647	5 682	7 319
Adjusted for:				
Transaction costs	339	2 007	985	2 007
Share based payments	309	-	1 748	-
Other special operating items	1 671	1 293	2 471	1 293
Amortization excess values	1 680	1 027	3 345	1 974
(b) Adjusted EBIT	6 575	7 975	14 231	12 594
(c) Operating revenue	46 545	31 969	91 337	60 219
EBIT Margin (a/c)	5.53%	11.41%	6.22%	12.15%
Adjusted EBIT Margin (b/c)	14.13%	24.94%	15.58%	20.91%

Responsibility Statement

We confirm to the best of our knowledge that the condensed set of interim consolidated financial statements as of June 30, 2022 and for the six month period January 1, 2022 to June 30, 2022 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and gives a true and fair view of the Company's assets, liabilities, financial position and the result for the period viewed in their entirety, and that the interim management report in accordance with the Norwegian Securities Trading Act section 5-6 fourth paragraph includes a fair review of any of the significant events that arose during the six-month period and their effect on the half-yearly financial report, and any significant related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

Oslo – July 14 2022

The Board of Directors and Chief Executive Officer of Carasent ASA

/s/ Leif Claes Johan Lindqvist

Chairman of the Board

/s/ Dennis Höjer

CEO

/s/ Staffan Erling Hanstorp

Board Member

/s/ Karin Camilla Skoog

Board Member

/s/ Terje Rogne

Board Member

/s/ Sara Ulrika Cederskog Sundling

Board Member



CARASENT

Q2 and H1 2022

Interim Report

Founded in 1997, Carasent ASA was previously the parent company of Apptix, Inc. Carasent withdrew from the US market in 2017. Carasent focuses on providing digital services to the health care industry. The Company's strategy is to continue to develop and expand digitalization that helps customers to meet challenges in providing efficient and qualitative health care services. For more information, visit carasent.com.

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