

Carasent ASA

Investor
presentation



CARASENT

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Carasent ASA

- Carasent's strategy is to invest in companies that has the potential to develop and expand digitalization within the healthcare sector in Scandinavia
- Acquired Evimeria EMR AB in May 2018
- Listed on the Oslo Stock Exchange, ticker CARA



Evimeria at a glance



~450

clinics using services every day, handling 3+ million records per year



~70

integrated services



50+

employees in Gothenburg and Stockholm with a mix of healthcare and IT competence



SEK 51.4m

2019 net revenues with +25% EBIT margin

- Develops, sells and delivers Webdoc and integrated services
- Webdoc is a cloud-based proprietary EMR software solution for the private healthcare segment
- Targeting private healthcare clinics, currently serving ~450 clinics across Sweden
- Total market size of SEK 1bn with a ~10% market share

Robust track record of profitable growth

Key highlights

Unique business model	▪ Unique revenue model combining subscription fees with fee per visit ▪ High degree of earnings visibility with >90% recurring revenues
Attractive cash flow profile	▪ Capital light business with attractive working capital profile ▪ Negligible maintenance capex requirements (IT maintenance expensed)
Driving organic growth	▪ Robust track record of organic growth, with revenue CAGR of 43.6% since 2016 ▪ Consistent growth 8 quarters in a row ever since the acquisition of Evimeria in Q2 2018
Organizational framework in place	▪ Scalable platform with appropriate infrastructure for growth in place ▪ Ability to develop adjacent applications and expand to new geographies

Key figures

>40%

Annual organic revenue growth

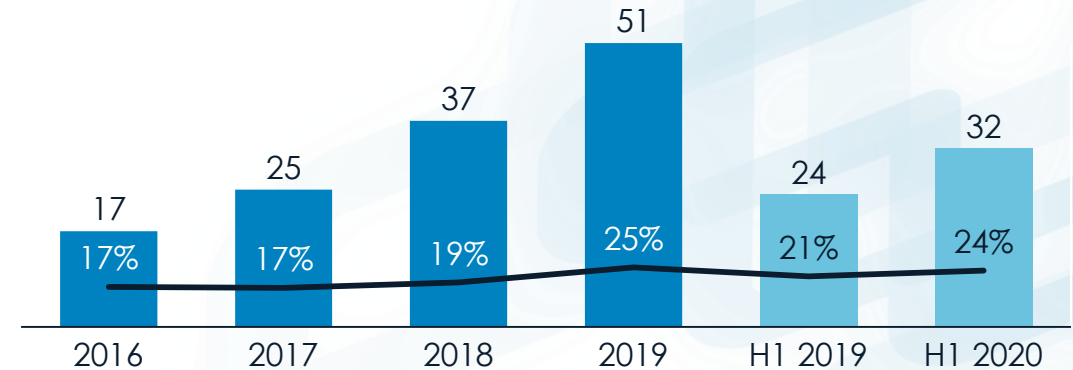
+25%

EBIT margins

>90%

Recurring revenue

Revenue and EBIT margin development (SEKm)



Investment highlights



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



Strategy for continued and future growth

- Evimeria is the fundament
 - Scalable and proven track record
 - Organization can be leveraged in many dimensions
 - Growth and expansion
 - Existing markets
 - New geographies
 - New segments
 - New products and services
- Organic growth
- } Organic and potential M&A



Company
overview and
performance

Customers



Kirurgkliniken
Stockholm



Capio



DOKTOR.SE

HERMELINEN



30% + CAGR growth

400+ clinics

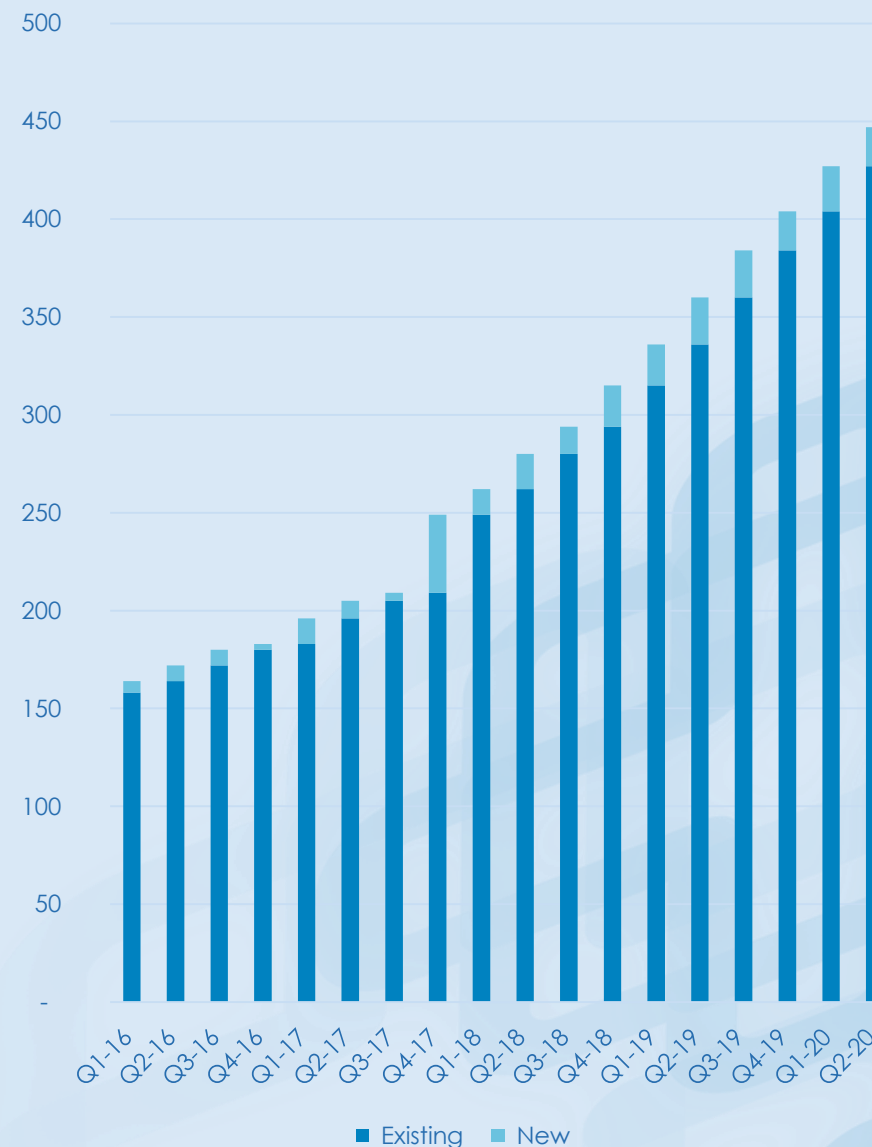
Primary care

Specialists

Paramedical

Occupational

CLINICS



Products and services



40% + CAGR growth

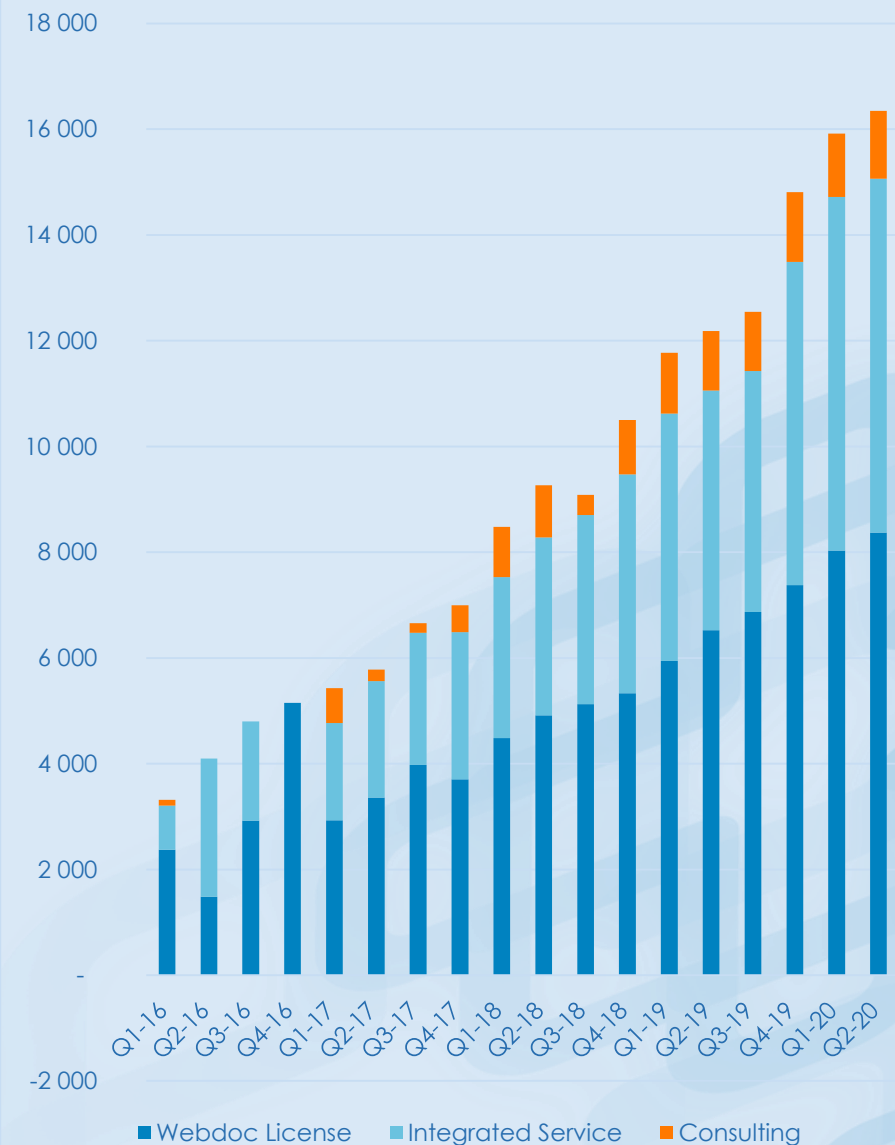
80% + gross margins

License

Integrated services

Consulting

REVENUES (SEK '000s)



Business model

Webdoc license

Integrated Services

90% + recurring

< 10% consulting

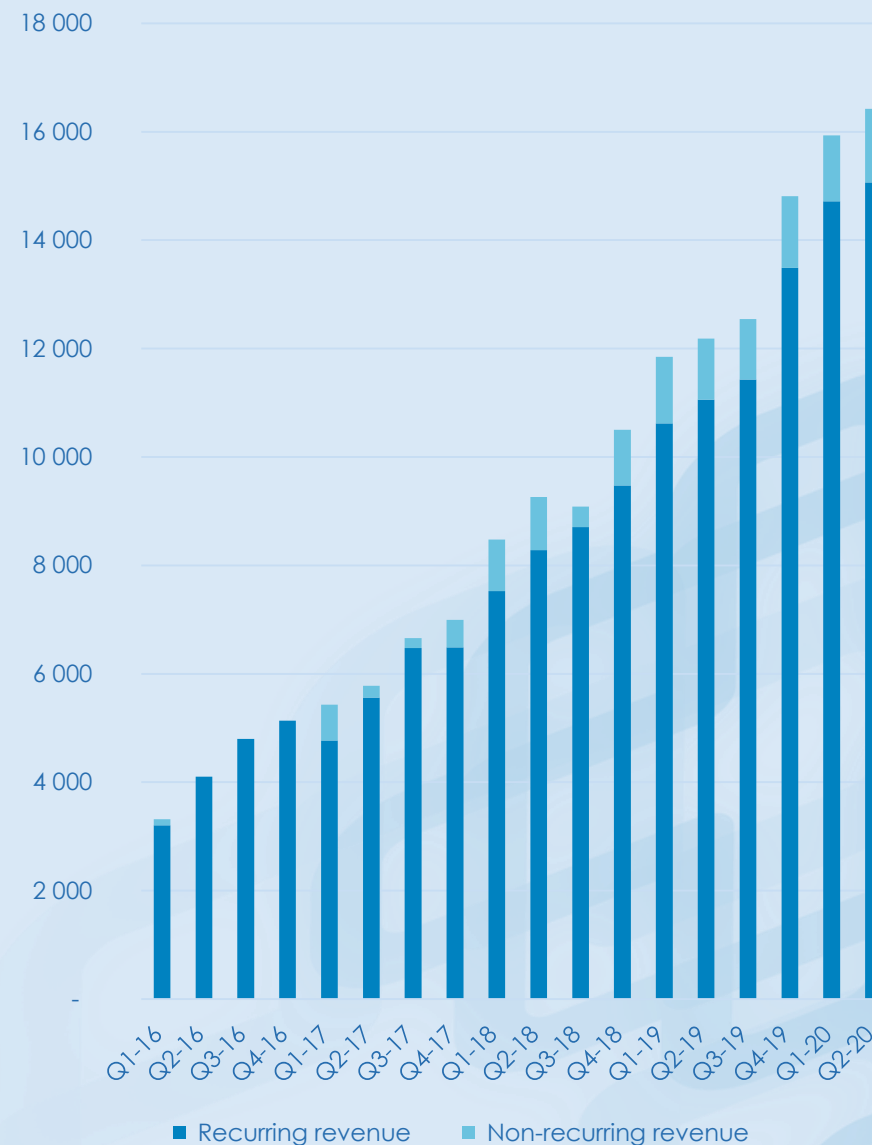
On demand
agreements

Customer pays
based on
production

Consulting



REVENUES (SEK '000s)





Why do we win?



Modern platform

Web based and user-friendly interface



Cloud based

Easy to implement
No upfront investments



Business model

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



Integrated services

Covers all the business-critical needs for our targeted segments



Focused

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



Market
development

Overall market trends

DRIVERS



The healthcare industry is facing underlying structural issues

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

PROBLEM



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

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

SOLUTION



Digitalization is transforming healthcare

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

Target market today



Approximately 6,500 private health care clinics within our targeted segments in Sweden



Total market size approx. SEK 1bn¹

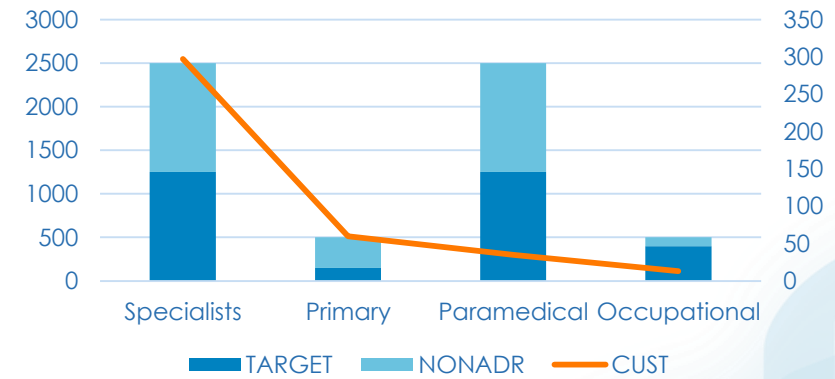


Addressable market for Evimeria in the 50%+ range

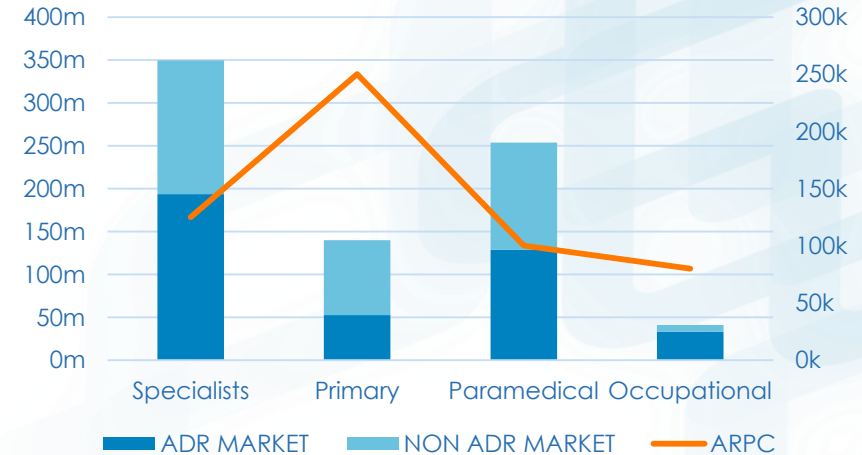


10%+ market share of TAM

MARKET - CLINICS AND EVIMERIA CUSTOMERS



MARKET SIZE AND ARPC (SEK)



1: Yearly IT spending on EMR systems and add on services approx. SEK 130k per clinic.

Robust underlying drivers

Patient growth

Aging population

Increasing life expectancy

Rising share of chronically ill

~3%



Digitalization growth

Adoption of new services

Value and cost efficiency

Pressure from stakeholders

~3%

Total growth of ~6%

Market structure and competition

Regions



Regions have different approaches for different segments and financing

Financing

Four different sources of financing:

- LOV (Lag om valfrihetssystem)
- LOU (Lag om offentlig upphandling)
- National rate
- Insurance and private

Competition

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

How will the pandemic effect the market

- The basic demand on the market for digitization of healthcare services is and will continue to be strong – the beginning of the beginning
- The pandemic has not changed this - rather the opposite is happening
- The rate of digitalization is accelerating and the need for health care capacity is increasing, which, in turn, benefits the private health care sector
- The pandemic has, to some degree, served as a catalyst for an accelerated digitalization process
- Initially, this can be seen mainly in the demand for services that enable remote visits



Dynamics

- **Potential market slowdown – low risk**
 - Overall market trend
 - Need for more healthcare services including private initiatives
 - Need for more digitalization, cost effective and value add solutions
- **Higher competition– medium risk**
 - Overall market size within our targeted segments still too small for the major players
 - Takes some time and effort to develop a solid offering
 - Some new initiatives
- **Regulatory and political interference – high risk**
 - Clear political vision (similar in all Scandinavian countries) and private caregivers ability to earn profit is concluded and settled
 - But still regional regulations within different segments and financing agreements
 - Many moving parts over the coming years
 - ✓ Almost all regions in Scandinavia (public healthcare) are planning for/implementing new healthcare systems to meet future demand
 - ✓ Many new initiatives using digitalization as major driver (ie. net and online caregivers)
 - Low or no coordination between regions
 - ✓ Standardization
 - ✓ Integration
 - ✓ Financing



Growth
opportunities

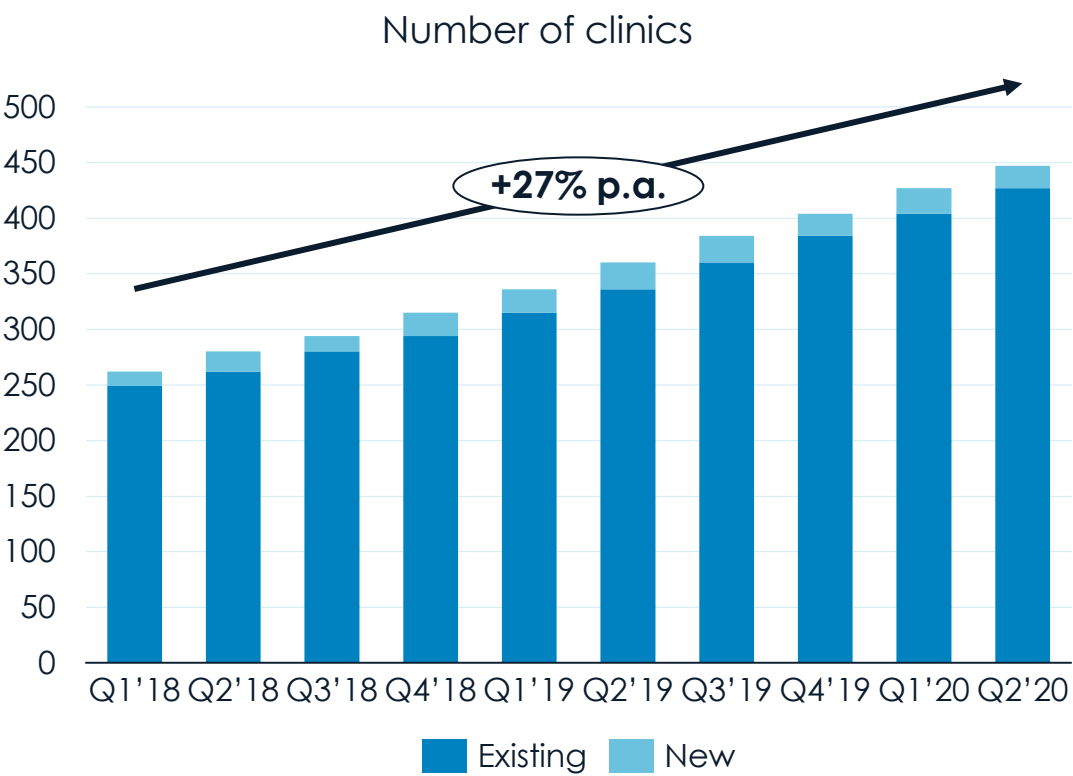
Driving revenue and earnings growth



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

Consistently growing the clinic base at ~30%

Consistent clinic growth



Attractively positioned for further growth

- Strong traction in core markets
- Attractively positioned vs. competition
- Less than 1% historical churn
- Continued development of Webdoc, integrated services and new products

Proven potential in existing clinic base

Patient growth

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

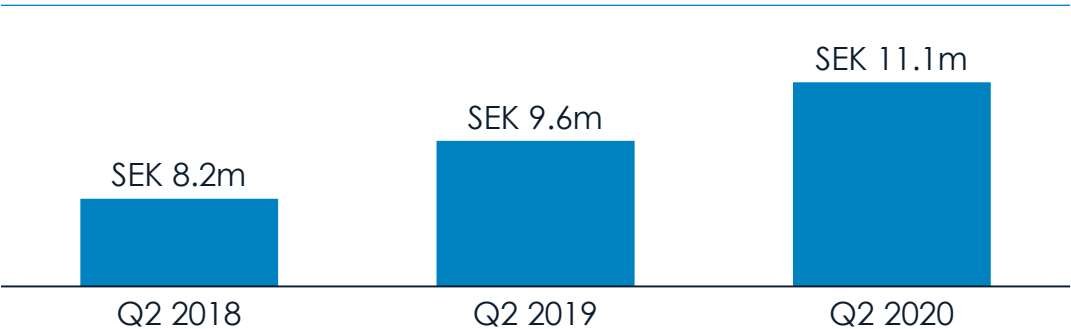
Digitalization growth

- Development of add-on services
- Integrations

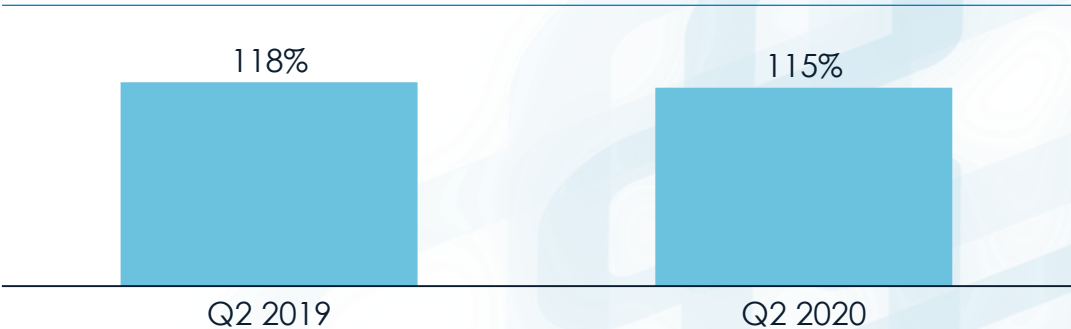
Price improvements

- In line with broader market

Revenue from vintage 2012-2017 customers¹



Net retention rate



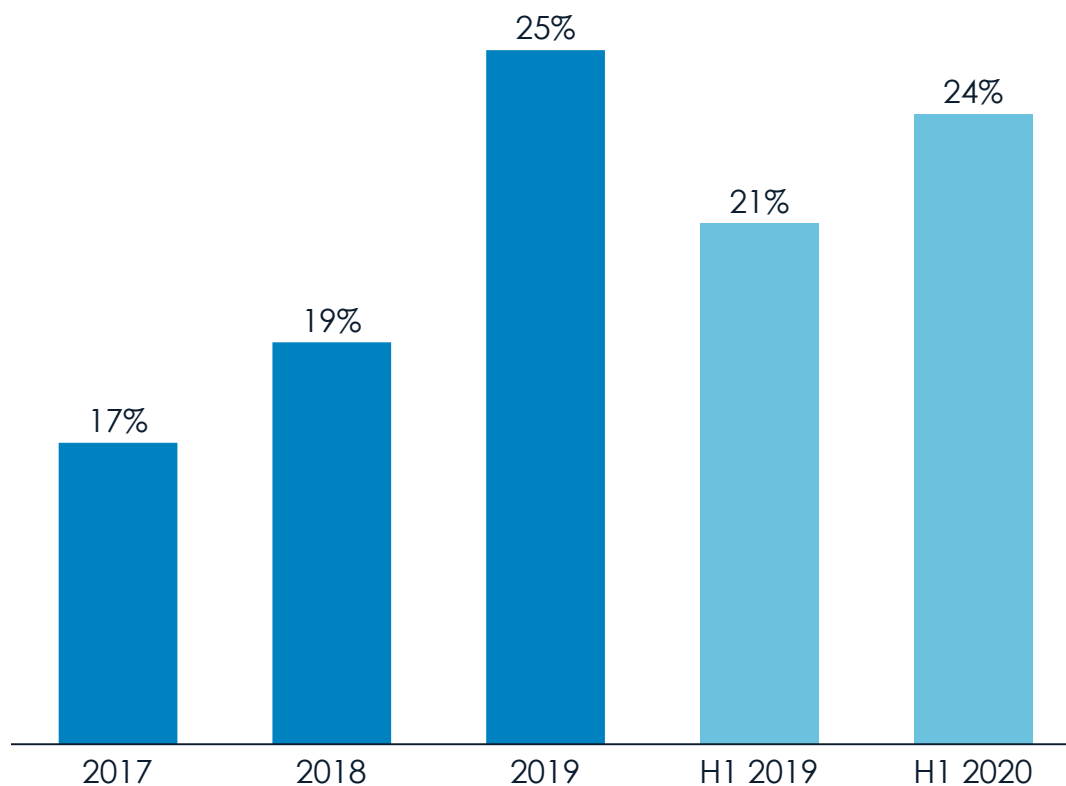
Significant potential for incremental growth through unique pay-per-visit business model and continued development of new services

1: Excluding consulting revenues.

Strong historical margin uplift with further room for expansion



EBIT margin development 2017 – 2020 YTD



Drivers for margin expansion

Highly scalable model

Robust organisation in place

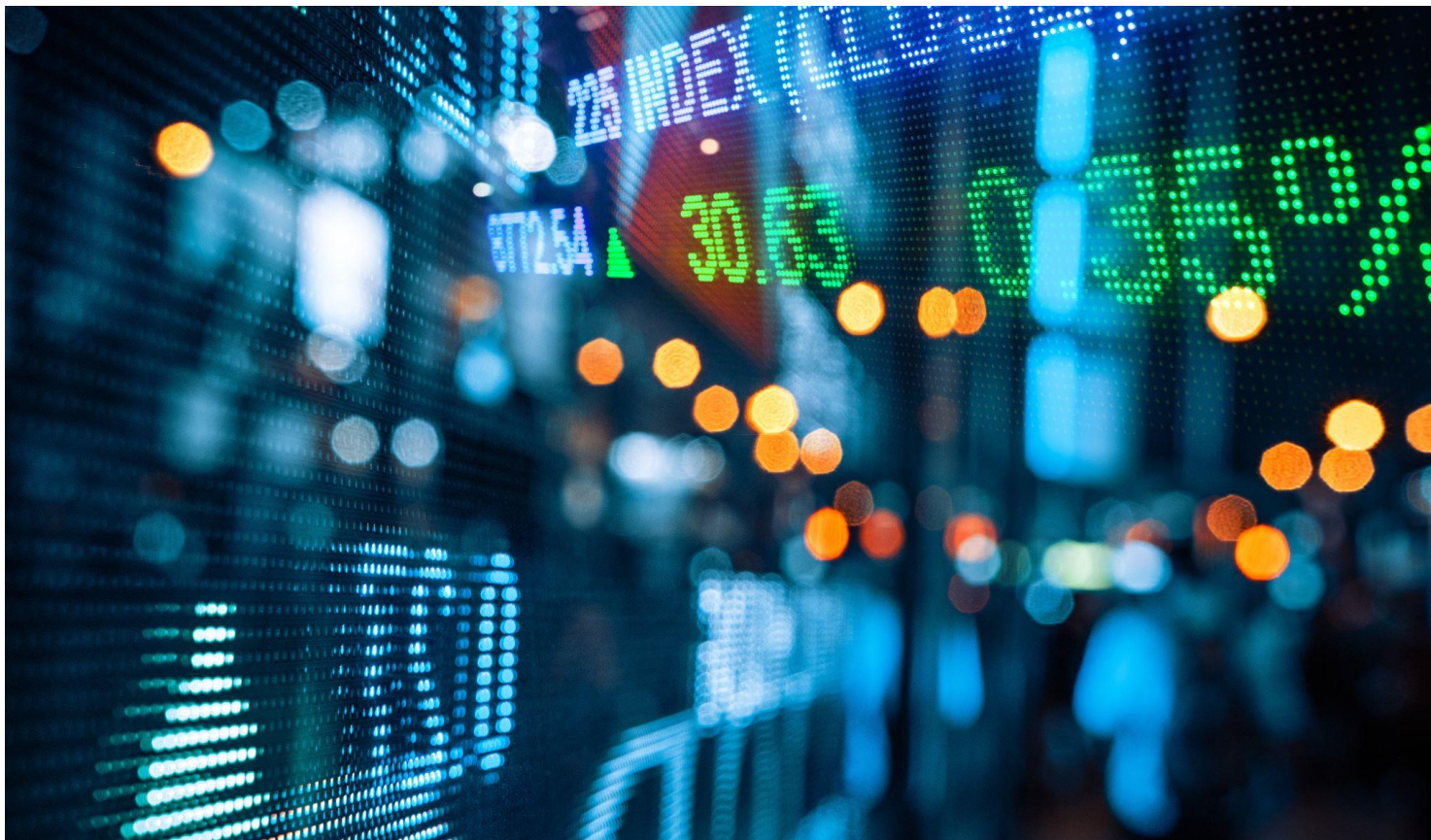
Modern system with heavy investments made

Multiple avenues for further growth

	New products / services	New segments	Geographic expansion
Organic initiatives	- Continued development of adjacent products and services - Standalone products in new markets	- Several attractive segments identified - Utilizing existing footprint and knowledge	- Norwegian expansion planned - Several attractive regions identified for further geographic expansion
M&A targets identified?			
Broad field of both organic and structural growth opportunities available			



Financials



Overview of Second Quarter 2020

CARASENT ASA – Consolidated

- Revenues of NOK 17.0 million as compared to NOK 11.2 million during Q2-19
- Including expenses for changes in fair value of previously issued stock options of NOK 7.2 million in Q2 2020 the result was a net loss of NOK 5.5 million as compared to a net income of NOK 0.5 million during Q2-19
- Cash balances of NOK 9.9 million at June 30, 2020

Evimeria EMR AB (IFRS Adjusted SEK)

- Revenue of SEK 16.4 million, an increase of 35 % as compared to Q2 2019
- EBITDA of SEK 6.2 million as compared to SEK 3.6 million during Q2 2019
- EBIT of SEK 4.0 million as compared to SEK 2.6 million during Q2 2019
- Signed 20 new clinics during the Second Quarter 2020. Ended the Second Quarter with 447 active clinics

Financials (SEK '000s)

EVIMERIA IFRS ADJUSTED	2016	2017	2018	2019	H1-19	H1-20
Webdoc license	9 928	13 967	19 855	26 716	12 466	16 400
Integrated services	7 312	9 326	14 130	19 875	9 211	13 382
Consulting	113	1 571	3 340	4 718	2 280	2 485
Other	-	-	-	75	74	89
REVENUES	17 352	24 864	37 325	51 385	24 032	32 355
Growth %		43 %	50 %	38 %		35 %
COGS	3 869	5 551	7 516	9 388	4 505	6 059
GROSS MARGIN	13 484	19 313	29 809	41 997	19 526	26 297
GM %	78 %	78 %	80 %	82 %	81 %	81 %
OPEX	8 953	13 586	21 108	24 579	12 327	14 019
EBITDA	4 531	5 727	8 700	17 417	7 200	12 278
EBITDA %	26,1 %	23,0 %	23,3 %	33,9 %	30,0 %	37,9 %
D&A	1 585	1 608	1 689	4 443	2 063	4 577
EBIT	2 946	4 120	7 012	12 975	5 136	7 701
EBIT %	17,0 %	16,6 %	18,8 %	25,2 %	21,4 %	23,8 %

50%+ CAGR EBIT GROWTH

25%+ EBIT MARGINS

Proforma IFRS

Audited on
Swedish GAAP (K2)

EBITDA (SEK '000s)

