CARASENT

ANNUAL REPORT 2022

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LETTER TO OUR SHAREHOLDERS

It has been an exciting first couple of months meeting all the extremely talented people within Carasent, discussing opportunities with customers and deep diving into our industry leading solutions. It is clear that we have many interesting and high potential opportunities.

What is also clear is that pursuing too many opportunities without proper preparation has resulted in growth pains for our company. This is not strange. A rapid growth strategy through acquisitions, new hires, and expansion projects takes its toll in an organization which isn't used to it. The result has been an increase in costs and challenges in operational performance, in turn influencing new sales.

In order to ensure that we have the right personnel and clear lines of responsibility, we have initiated and will continue to undergo an organizational restructuring in Metodika, Webdoc and the organization as a whole. Furthermore, to promote cost consciousness and control, we are among many things slowing down new hires. These measures are aimed at improving organizational efficiency and effectiveness, and we are confident that they will have a positive impact on our overall performance. We are optimizing our business today, to facilitate profitable growth opportunities tomorrow.

To optimize performance, grow sustainably, and fulfill our customer obligations, we are taking a number of steps. Firstly, we refocus on sales and strengthen our tradition of profitable growth. Secondly, we are making sure to improve user experience and the ongoing relationship with our customers. Using our solutions, customers should expect a seamless user experience. Thirdly, we are reviewing our strategy to make sure that we develop the solutions which create the most value in relation to effort. Our addressable market is large, and with our agile solutions we are able to scale our core technology while also entering new segments.

The rapid onboarding of employees, as was done in 2022, presents a significant challenge, particularly in the software development domain where we need to pay attention to our most experienced developers to maintain the quality in our code. By slowing down the hiring pace, we will not only exercise better control over costs, but our new hires will also make increasingly valuable contributions.

The good news is that considerable improvements are very achievable. Although our recent performance has been below par, we still offer our customers the best solutions and the lower levels of growth doesn't mean that they have chosen other suppliers, they have mostly waited with switching. It is a big undertaking to switch systems and you only do it when you feel the provider is 100% there for you, this is what we haven't signaled fully lately.

Having effectively addressed internal challenges, we are rigged for strong growth. In Q2 2023, following the completion of our strategic review, we will update our financial targets to reflect our confidence in our ability to resume growth. We are actively exploring potential acquisitions and partnerships to drive our growth further at a reasonable pace and remain steadfast in our ambitious goals. By carefully selecting the right opportunities, we aim to raise the bar even higher. With the new structures in place, we are confident in our ability to effectively manage current operations while pursuing new growth opportunities.

Looking forward, Carasent is in a very strong position. We have industry-leading solutions, sound business models, non-cyclical growing customers in need of digitalization and a strong development capacity.

DANIEL ÖHMAN
CEO

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 practices, and we offer intellectual and financial capital for participants that wishes to provide high quality services in this area of digital transformation.

Carasent's journey started in the spring of 2018 when Apptix ASA, now Carasent, acquired Evimeria EMR AB (now Carasent Sverige AB), a Swedish company that deliver cloud based electronic health record (EHR). Since then, five acquisitions have been completed, adding new products to our portfolio, including the EHR solutions Metodika EPM, Ad Curis and Ad Opus, the business intelligence software Medrave and occupational care platform HPI.

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.

DEVELOPMENT 2022

2022 has been another transformative year for Carasent. Rapid growth through acquisitions, new hires, and expansion projects has characterized the year. In addition, Carasent has set the foundation for future scalable growth through onboarding of several key personnel, including a new CEO and Chairman. A strategy process has also been initiated, that will culminate in an updated strategic direction for Carasent.

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 non-cyclical trends, with a growing aging population and an increased outpatient healthcare in a hard-pressed public sector.

HIGHLIGHTS 2022

Jan

Carasent completed the acquisition of Medrave Software AB, a Scandinavian leader in quality improvement and business intelligence tools for healthcare practices.

Mar

Carasent completed a share purchase program offered to all Carasent employees.

Apr

Camilla Skoog and Ulrika Cederskog Sundling were elected as Directors of the Board of Carasent, adding valuable competencies.

Jun

Signed first Webdoc customer in Norway, Vertikal Helse.

The Board of Directors announced the signing of Daniel Öhman as new CEO.

Aug

Completed acquisition of the Confrere brand and customer agreements from the Norwegian company Confrere 4 AS, a market leader in Norway within video software for healthcare practices.

Sep

First revenue synergy from the Medrave acquisition materialized. A customer of the Carasent Norway product Ad Curis, Oslo Kommune, implemented the business intelligence system Medrave for their social care offerings.

Oct

Carasent completed the acquisition of HPI Health Profile Institute, a leading provider of software solutions for the occupational healthcare sector in Sweden.

Petri Niemi elected as new chairman at an Extraordinary General Meeting.

Nov

Daniel Öhman onboarded as new CEO.

PERFORMANCE AND FINANCIAL SUMMARY

For 2022 the revenue ended at NOK 195.3 (137.1) million representing a revenue growth of 42%. Organic growth year-over-year (YoY) amounted to 16%[2], while the acquisitions of Medrave, Confrere and HPI accounted for NOK 42.9 million during 2022.

Variable add-on services, such as booking and SMS services, have during the year shown a slowdown compared to the high activity in 2021, due to a normalization of activity post-pandemic. In addition, the organic growth has been adversely affected by lower new sales activity in Carasent's core markets during 2021 and 2022, particularly related to larger clinics and customers.

Carasent's market position remains robust with industry-leading solutions addressing non-cyclical and growing markets.

NOK million	FY 2022	FY 2021	FY 2020	FY 2019
Revenue	195.3	137.1	70.6	47.9
Adjusted EBITDA[1]	46.3	45.5	23.3	11.9
Adj. EBITDA margin	23.6%	33.2%	33.0%	24.8%
Adjusted EBIT[1]	18.9	26.1	14.3	7.7
Adj. EBIT margin	9.7%	19.0%	20.3%	16.2%

1: See – Alternative Performance Measures

Adjusted EBITDA amounted to NOK 46.3 (45.5) million, corresponding to a 2% growth YoY.

Adjusted EBITDA margins ended at 23.7% (33.2%). A significant number of employees have been onboarded during 2022.

These investments are part of setting the structures for long term scalable growth, but has adversely affected operating margins and cash flow generation during the year.

The acquisitions of HPI and Confrere has had a dilutive impact on operating margins in the short term.

Cash flow from operating activities was NOK 33.6 (32.5) million in 2022. Cash flow from investing activities was NOK -209.5 (-125.1) million.

Cash flow from financing activities was NOK -10.2 (756.6) million. Net change in cash in the period was NOK -186.5 (662.6) million, ending the year with NOK 697.3 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 2022, Carasent ASA recorded revenues of NOK 22 million and net income of negative NOK 26 million.

INVESTMENTS

The investment in tangible and intangible assets, including the asset acquisition of Confrere, increased to NOK 91.5 million, mainly driven by international expansion initiatives. Capitalized development totaled NOK 79.3 (38.3) million, of which NOK 49.0 million was related to new initiatives and the remaining NOK 30.3 million was related to expansion of our existing markets.

Capitalized development costs related to existing markets accounted for NOK 30.3 million in 2022. This included development of existing and upcoming products in our existing markets. 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 do not yet generate any revenues.

ACQUISITIONS

MEDRAVE AB

On December 16th 2021, Carasent ASA announced the acquisition of Medrave, the Scandinavian leader in quality improvement and business intelligence tools for healthcare practices. This was the third acquisition completed since the end of 2020. The quality improvements tools developed by Medrave will expand our offering with a product in high demand among our customer base and enable us to service our clients in a new segment, the public healthcare sector.

Medrave's complementary products will strengthen Carasent's offering and provide cross sale potential within primary and specialist care in Sweden. Medrave is also aiming to scale up their presence in the Norwegian market, which is well in line with our own strategy of launching Webdoc in Norway.

In summary, this transaction provides a strong rationale adding a new product to our portfolio in line with communicated strategic priorities of expanding within product, customer segment and geographical dimensions.

Medrave's revenue and EBITDA were approximately SEK 23 million and SEK 6 million as per last twelve months end of October 2021 (prior to the acquistition date), with 99% recurring revenues and an annually recurring revenue ("ARR") of approximately SEK 22 million.

CONFRERE

On August 1, Carasent acquired the Confrere brand and customer agreements from the Norwegian company Confrere 4 AS ("Confrere"), a market leader in Norway within video software for healthcare practices.

Confrere was established in Norway in 2018 and has rapidly become the leading provider of video solutions for physicians in Norway. Confrere has a highly attractive customer base primarily in the Norwegian market, focusing on primary care clinics, therapists and hospitals.

As part of the agreement, Carasent acquired the Confrere brand and customer agreements, while Confrere continue to maintain the technology solution. Confrere was recently acquired by the American company Daily and will focus on providing video API solutions for a different end market going forward.

The purchase price was approximately NOK 10 million, of which NOK 5 million was paid upfront and approximately NOK 5 million paid to Confrere during the first 6 months after the transaction date. In addition, a payment equal to the revenues generated from the Confrere solution will be paid as long as the customers are using the Confrere products.

HPI HEALTH PROFILE INSTITUTE AB

On October 18th, Carasent ASA acquired the Swedish company HPI Health Profile Institute AB ("HPI"), a leading provider of software solutions for occupational healthcare in Sweden.

Founded in Sweden in 1976, HPI provides software as a service solution for digitalization of workflows for health profile services and medical check-ups and health assessments in working life. A vast majority of occupational healthcare providers in the Swedish market are on HPI's customer list.

HPI has an attractive customer base of approximately 200 clients in Sweden and Norway with revenues of SEK 15.1 million LTM September 2022 growing from SEK 10.6 million LTM September 2021. From the beginning of 2021, HPI strongly invested in the organisation and competence to enable further growth. Hence, HPI's EBITDA has been neutral since 2021. Through leveraging Carasent and HPI's combined offering for the occupational healthcare, the Company aims to accelerate this growth going forward.

The transaction values HPI at an enterprise value of SEK 35 million including a contingent earn-out of up to SEK 13 million, based on the achievement of certain performance metrics in 2023. The initial purchase price is based on an upfront enterprise value of SEK 22 million less HPI's consolidated net debt position of SEK 11 million (the "Purchase Price").

CHANGES IN BOARD AND MANAGEMENT

In April, the Nomination Committee of Carasent ASA proposed that Camilla Skoog and Ulrika Cederskog Sundling was elected as new Board members at the Annual General Meeting on April 28, 2022. The new board members replaced Ebba Fåhreus and Anna Kinberg Batra.

In June, the Board of Directors of Carasent ASA announced that it has appointed Daniel Öhman as new CEO. Daniel was previously CEO of GHP Speciality Care, a role he held since 2013. During Öhman's leadership, GHP Specialty Care's valuation increased from SEK 370 million to SEK 2 450 million, turnover doubled, and EBITDA increased from SEK 50 million to SEK 200 million. Öhman was also instrumental in the development of GHP Solutions, a business area within which healthcare is sold as a subscription service and continuously refined using a uniquely comprehensive data layer.

Furthermore, the Nomination Committee of Carasent ASA proposed that Petri Niemi was elected as new Chairman of the Board after Johan Lindqvist decided to step down after 16 years as Chairman of the Board. The proposal was approved at the Extraordinary General Meeting on October 19, 2022.

Petri Niemi brings extensive experience from the software industry and is currently Chairman of Admicom and LeadDesk, two fast growing and publicly listed SaaS (Software as a Service) companies. Petri was previously a Senior Partner and Head of Technology Investments at CapMan, a private equity firm, and has completed six successful IPOs. Mr. Niemi has a strong track record of value creation in fast growing technology companies through both organic growth and M&A. Petri holds an MSc. in Physics from Helsinki University of Technology.

Camilla Skoog has more than 25 years of experience from the software industry with several executive positions across product development and sales. Camilla is currently at Fortnox, a leading Nordic SaaS company, where she is a member of the Group Management Team and Head of business unit Byrån, Fortnox's offering to accounting firms and their clients. Before her current role, Camilla was Chief Sales Officer at Fortnox with responsibility for go-to-market initiatives across the Group.

Ulrika Cederskog Sundling has more than 25 years of experience from large corporations and smaller, fast-growing businesses over the last decades. She was at McKinsey & Co in London 1994-2002, in executive roles at Ericsson for 11 years, and as Deputy CEO at Business Sweden 2016-2019. Current assignment as Chief Growth Officer at Varnish Software, and member of the boards of Carmenta AB and Invest in Norrbotten AB.

INCENTIVE PROGRAMS

NEW INCENTIVE PROGRAMS

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 still employed with the Group.

The employees were granted a discount of NOK 1.369 million 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.

On 3 October 2022, the Board in Carasent ASA approved a stock option program for the new CEO (Daniel Öhman) and the new Chairman of the Board (Petri Niemi).

Total invested amount was NOK 2 million, where the two acquired shares in the market for NOK 200 thousand each and purchased an option to buy warrants from the Company at fair market value for NOK 800 thousand each.

Number of warrants acquired were 130 294 of Warrant A and 130 294 of Warrant B in total. The Warrant A have an exercise period of four years and the Warrant B have an exercise period of five years. The fair market price of each warrant is calculated in accordance with the Black-Scholes option pricing formula to be NOK 32.20 and NOK 36.82 for Warrant A and B, respectively.

SETTLED STOCK OPTION PROGRAM

As announced on November 15, 2019, the Board in Carasent ASA approved a stock option program for up to 2 million shares. The options were structured as warrants based on market value and had a strike of price of NOK 14.47 with a 3-year term. When exercised, the Board had 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 paid for by the option holder.

On 3 October 2022, The Board of Carasent decided to use the right to settle the options in cash. The cash amount was settled based on average volume-weighted share quoted for the 20 trading days period in advance of November 30, 2022. The cash amount was calculated to NOK 7.6 million.

BOARD OF DIRECTORS

Mr. Niemi was appointed Chairman of the Board of Carasent ASA in 2022. Further information detailed above ("Changes in Board and Management").

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.

Mr. Hanstorp was appointed Director of Carasent ASA in 2021. 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.

Ms. Skoog was appointed Director of Carasent ASA in 2022. Further information detailed above ("Changes in Board and Management")

Ms. Sundling was appointed Director of Carasent ASA in 2022. Further information detailed above ("Changes in Board and Management")

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 public minority 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 2022 the Company had 178 employees. No accidents have occurred during 2022. There were no significant absences due to illness in 2022.

The total absence due to sickness was 3.5% 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, 2022, the members of the senior management team consisted of four males and five 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

Companies, as well as the society as a whole, 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 has identified several environmental, social and governance (ESG) risks and opportunities associated with its business. These include cybersecurity risks, data privacy risks, environmental risks, and supply chain risks.

Environmental Risks:

- Energy consumption and carbon emissions associated with data centers and cloud computing services.
- Waste generation from electronic equipment and software development processes.
- Risks associated with climate change, such as natural disasters and disruptions to supply chains.

Social Risks:

- Data privacy and security risks associated with handling sensitive healthcare information.
- Risks related to the use of artificial intelligence and machine learning algorithms that may perpetuate biases or discriminate against certain groups of people.
- Ethical concerns regarding the use of patient data for research and development purposes.

Governance Risks:

- Compliance with regulations and standards related to data privacy, cybersecurity, and software development.
- Risk of legal and regulatory action related to software errors or data breaches.
- Board diversity and composition, including the need for directors with relevant healthcare industry expertise.

Carasent's ESG approach is guided by its commitment to creating long-term value for its stakeholders while operating in an ethical and sustainable manner. Carasent is committed to protect the environment and is focused on ensuring that the business operation has limited negative impact on the environment.

The Company has taken various steps to ensure that it operates in compliance with all applicable laws and regulations, protects patient data privacy, promotes diversity and inclusion, and minimizes its environmental impact.

All employees are encouraged to act and live in an environmentally friendly way. The Company 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.

The Company's business model is to develop, market and rent out information technology-based solutions and related services to businesses in the healthcare sector. The Group's main markets are Sweden and Norway.

The Group has a total of 178 employees as per December, 2022. Further details about the business are provided above.

The Company is committed to creating value for its stakeholders while operating in an environmentally sustainable and socially responsible manner.

Being a software company, the overall impact on the environment is considered low. Computers and servers are vital working tool, which requires electric power. The Company has limited use and production of paper as the vast majority of our work is performed and stored electronically. To reduce travel, the employees are encouraged to arrange meetings via Teams, Zoom or similar platforms. Air travels are restricted as much as possible.

The Company is operating in rented, modern and safe office environments with limited exposure to environmental hazards. The biggest threat is considered to be lack of electricity and clean water. The Company has not considered it required to take our own specific actions to mitigate this risk.

The Company´s internal guidelines and policies concerning environmental issues are covered by various internal documents. Based on the nature of our services and operations, we have not seen a need to develop more detailed internal documents. However, this issue is under constant review and we are prepared to take further actions if deemed required.

Based on the same rational as detailed in the paragraph above, we have, up until now, not seen a need to develop specific indicators for reducing our impact on the environment. While we have not set specific goals for reducing our footprint, both management and the Board are watching all aspects of environmental exposure and impact closely, and will assess the need for this going forward.

Corporate Social Responsibility is covered in various company internal documents. The company has so far not seen the need to develop a separate policy document to this effect.

The Norwegian Transparency Act (“Åpenhetsloven”) requires companies to conduct due diligence assessments and prepare a report documenting the assessments annually. The due diligence assessments will analyze the risk of adverse impacts on human rights or decent working conditions in own operations, the supply chain and other business relationships. The assessments must be carried out in accordance with the OECD Guidelines for Multinational Enterprises.

A report documenting the Company’s due diligence assessments in connection with the Transparency Act will be made available on the Company’s webpage within 30 June 2023. This report can be found on our «Investor relations» page under «Reports and presentations».

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.

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.

(Amounts in NOK 1 000)	**2022**
Transferred to retained earnings	26 498
Allocated	26 498

OSLO, NORWAY
31 MARCH 2023

PETRI NIEMI
CHAIRMAN OF THE BOARD

STAFFAN ERLING HANSTORP
BOARD MEMBER

CAMILLA SKOOG
BOARD MEMBER

TERJE ROGNE
BOARD MEMBER

ULRIKA CEDERSKOG SUNDLIG
BOARD MEMBER

DANIEL ÖHMAN
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 2022 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
31 MARCH 2023

PETRI NIEMI
CHAIRMAN OF THE BOARD

STAFFAN ERLING HANSTORP
BOARD MEMBER

CAMILLA SKOOG
BOARD MEMBER

TERJE ROGNE
BOARD MEMBER

ULRIKA CEDERSKOG SUNDLIG
BOARD MEMBER

DANIEL ÖHMAN
CEO

REPORT ON CORPORATE GOVERNANCE 2022

1. 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 14, 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.

2. 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. While creating shareholder value is a vital objective, the Company is fully committed to ensure that the business operations in all aspects are performed in a sustainable manner. This also means that we in our daily life as well in all our dealings, will strive to reduce our footprint and limit the negative impact on the environment. The focus on sustainability is an integrated part of our business strategy and serves as guideline when developing the business. Many aspects of our core service offering reduces negative impact on the environment, like less need for travel and paper documentation, and increases the quality of healthcare to the patients.

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.

3. EQUITY AND DIVIDENDS

The Company has per December 31, 2022 a registered share capital of NOK 106.054.543,29 and 79 620 528 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 April 28, 2022 the Board was granted the authority to increase the Company's share capital by issuance of new shares with a total amount of NOK 10,598,153 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.

4. 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.

5. SHARES AND NEGOTIABILITY

During 2022 the Company has made one new acquisition, HPI Health Profile Institute AB ("HPI"). Part of the consideration was paid in new shares in Carasent ASA. The total number of shares is based on HPI's financial performance until the financial year 2023.

The Share Purchase Agreements between Carasent ASA and the Sellers of HPI includes a lock-up for all the Sellers and the consideration shares totaling 122,375 shares will not be tradeable until June 30, 2024.

The acquisition of Medrave Software AB was signed in December, 2021 and closed in January, 2022.
The Share Purchase Agreement between Carasent ASA and the Sellers of Medrave Software AB included a lock-up for all the Sellers and the consideration shares totaling 627,391 will not be tradeable for a period of 15 months from closing which was January 11, 2022.

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.

6. 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 in advance as well as 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 will arranged as a physical or electronic meeting. All shareholders has the right to participate 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) as early as possible in advance of a General Meeting and no later than 21 days prior to the meeting. Election of nominated candidates for the Board will be made separately for each candidate.

7. 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 April 28, 2022. The members of the Nomination Committee are independent of the Board and endeavor to represent the shareholder's joint interests.

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 has approved guidelines for the duties of the Nomination Committee, last revised in the Annual Shareholder Meeting on April 28. 2022.

Contact information related to the Company's Nomination Committee is provided on the Company's Investor Relations web page.

8. 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.
The Nomination Committee has during 2022 performed a detailed assessment of the Board, including interviews with current Board members.

In June, 2022 Ulrika Cederskog Sundling and Camilla Skoog were elected as new Board members, replacing Ebba Fåhreaus and Anna Kinberg Batra.

In October, 2022, Johan Lindqvist stepped down after more than 16 years as Chairman. Petri Nemi was elected as new Chairman.

The Board member Staffan Hanstorp is related to the Aeternum Capital AS who controls directly and indirectly 10 450 000 shares representing 13.14% of total number of shares.

The alternate Board Member Tomas Meerits is related to Vitruvian Partners who controls directly and indirectly 11 987 332 shares representing 15.08% of total number of shares.

None of the Board members are related to or dependent upon 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.

9. THE WORK OF THE BOARD OF DIRECTORS

The Board has 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. It is further stated that if found relevant to secure a fair valuation , a valuation from an independent third party, not being the Company's auditor, will be obtained.

Any agreement with a close associate will 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. There are currently no such agreements with close associates in place.

The Board meets regularly both in closed sessions and in face to face meetings with the CEO and CFO as the Board deems fit. The Company's auditor will also participate in all relevant Board meetings. The Secretary to the Board is qualified attorney-at-law. All Board members have participated in all Board meeting, with a few exceptions due to unforeseen and valid reasons for absence. The Board members have broad and relevant, diversified competence which include both financial, operational and healthcare business knowledge. For Board member's independence, see Chapter 8 for further details.

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 participates in the meetings. The Audit Committee has a mandate approved by the Board. The mandate is revised annual during Q2. The Board is considering to establish a Remuneration Committee, but has so far not seen the need as the entire Board has discussed compensation issues related to executive management. 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.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for ensuring that management establishes and maintains adequate internal control over financial reporting. The Group has grown substantially in 2022 which has increased both the awareness and competence related to risk management and internal control. 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.

The Group has clear guidelines for reporting, routines related to financial reporting, implementation of new companies, accounting principles, roles and responsibilities which help to ensure reliable financial reporting. This is available to employees in the Group at all times.

The Group has a defined M&A strategy which together with the daily business include focus and monitoring of various business and operational opportunities. The Group strive to secure that all business dealings are performed in compliance with applicable laws and internal guidelines. Further, that our operations are safe, cost-effective and goal-oriented based on reliable financial handling and reporting.

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.

11. REMUNERATION OF THE BOARD OF DIRECTORS

Compensation for Board members is resolved by the shareholders in the General Meeting based on a written proposal from the Nomination Committee 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.

12. REMUNERATION OF EXECUTIVE PERSONNEL

It is an overall objective that the total compensation to the executive management is structured in a way that aligns there interest with the interest of the shareholders. Performance-related compensation is limited.
The compensation structure promotes the Company's strategy, long-term interest as well the Company's financial sustainability.

The shareholders have in a General Meeting on October 27, 2021 approved a policy for salary and other remuneration to senior management. The policy is developed in accordance with the Norwegian Public Limited Liability Companies Act § 6-16a

The Board will to this effect annual issue a report to the General Meeting in accordance with the Norwegian Public Limited Liability Companies Act §6-16b

13. 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

14. 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.

15. 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. The Company's Audit Committee (see Chapter 9 for further details) has established a policy for approval of non-audit work from the auditor.

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. Solution at the Annual meeting.

CONSOLIDATED FINANCIAL STATEMENTS 2022

CONSOLIDATED FINANCIAL STATEMENTS CONSISTS OF

OVERVIEW OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

(Amounts in NOK 1 000)	Note	12 Months Ended December 31, 2022	12 Months Ended December 31, 2021
Revenue		195 260	137 125
Operating Revenues	4	195 260	137 125
Cost of Sales	5	33 840	24 226
Gross Profit		161 420	112 899
Operating Expenses			
Employee Compensation and Benefits	6	82 739	47 274
Other Operational and Administrative Expenses	7	45 961	32 643
Depreciation and Amortization	12, 13, 16	34 081	23 336
Total Operating Expenses		162 782	103 253
Net Operating Income/(Loss)		(1 361)	9 646
Financial Items			
Interest Expenses		1 274	646
Other Financial (Income)/Expenses	8	(36 509)	5 267
Net Financial Items	8	(35 235)	5 913
Net Income/(Loss) Before Income Taxes		33 874	3 734
Income Tax Expense/(Income)	9	2 704	3 882
Net Income/(Loss)		31 170	(148)
Attributable to Equity Holders of the Parent		31 170	(148)
Earnings Per Share:			
Basic earnings per share	10	0,39	(0,00)
Diluted earnings per share	10	0,39	(0,00)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK 1 000)	12 Months Ended December 31, 2022	12 Months Ended December 31, 2021
Net Income/ (Loss)	31 170	(148)
Changes in Translation Differences	(10 402)	(11 889)
Items that may be Reclassified Subsequently to the Income Statement	(10 402)	(11 889)
Total Other Comprehensive Income/(Loss) for the Period	(10 402)	(11 889)
Total Comprehensive Income/(Loss) for the Period	20 768	(12 037)
Attributable to Equity Holders of the Parent	20 768	(12 037)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK 1 000)	Note	December 31, 2022	December 31, 2021
ASSETS			
Non-Current Assets			
Goodwill	11, 12	385 181	271 990
Customer Relationships	12	45 240	26 733
Technology	12	164 806	76 186
Other Intangible Assets		1 437	-
Total Intangible Assets		596 664	374 909
Tools and Equipment	13	3 030	1 507
Right of Use Asset	16	36 993	14 612
Deferred Tax Assets	9	-	327
Total Non-Current Assets		636 688	391 354
Current Assets			
Customer Receivables	14	27 575	20 093
Other Receivables		2 667	3 455
Prepaid Expenses		6 692	2 161
Cash and Cash Equivalents	15	697 276	883 756
Total Current Assets		734 210	909 465
TOTAL ASSETS		**1 370 898**	**1 300 818**

(Amounts in NOK 1 000)	Note	December 31, 2022	December 31, 2021
LIABILITIES AND SHAREHOLDERS EQUITY			
Equity Attributed to Equity Holders of the Parent			
Share Capital	20	106 055	104 719
Other Paid-in Capital		1 136 377	1 105 556
Translation Difference Reserves		(12 161)	(2 560)
Retained Earnings		(5 269)	(36 440)
Warrants Outstanding	19	1 600	-
Total Shareholders Equity	20	1 226 601	1 171 274
Liabilities to Credit Institutions	23	625	-
Lease Liability	16	28 225	10 634
Deferred Tax Liability	9	12 945	9 864
Other Non-Current Liabilities	17	8 517	-
Total Non-Current Liabilities		50 311	20 497
Current Liabilities			
Trade Accounts Payable	23	20 245	8 942
Accrued Expenses	23	26 393	24 027
Contract Liability	4	25 029	17 506
Liability Stock Option Program	20	-	46 238
Current Liabilities to Credit Institutions	23	968	-
Current Lease Liability	16	9 065	5 703
Other Current Liabilities	23	12 285	6 630
Total Current Liabilities		93 985	109 047
TOTAL LIABILITIES AND EQUITY		**1 370 898**	**1 300 818**

OSLO, NORWAY
31 MARCH 2023

PETRI NIEMI
CHAIRMAN OF THE BOARD

STAFFAN ERLING HANSTORP
BOARD MEMBER

CAMILLA SKOOG
BOARD MEMBER

TERJE ROGNE
BOARD MEMBER

ULRIKA CEDERSKOG SUNDLIG
BOARD MEMBER

DANIEL ÖHMAN
CEO

CONSOLIDATED STATEMENT OF CASH FLOWS

		12 months ended	
		December 31, 2022	**December 31, 2021**
(Amounts in NOK 1 000)	**Note**		
Cash Flows from Operating Activities			
Profit/(Loss) Before Tax		33 874	3 734
Depreciation and Amortization	12, 13, 16	34 081	23 336
Interest Expense	8	1 279	646
Fair Value Adjustments	17	(39 334)	5 061
Derecognition net of RoU-assets and lease liability	16	(1 614)	-
Share based payment	18	2 169	-
Change in Accounts Receivable	14	(3 385)	(3 816)
Change in Accounts Payable		10 079	2 558
Change in Current Assets & Liabilities		(243)	3 631
Income Tax Paid		(3 295)	(2 669)
Net Cash Flows Provided by Operating Activities		33 612	32 480
Cash Flows from Investing Activities			
Investments in Intangible and Tangible Assets	12,13	(91 562)	(38 227)
Acquisition of Company, Net of Cash Paid	3	(104 885)	(86 897)
Settlement of purchased debt	3	(13 053)	-
Cash Flows Used in Investing Activities		(209 500)	(125 124)
Cash Flows from Financing Activities			
Issuance of Shares	20	5 475	790 758
Transaction Cost Related to Issuance of Shares	20	(273)	(28 683)
Cash Settlement Stock Options	17	(7 569)	-
Issuance of Warrants	20	800	-
Payment Lease Liability	16	(7 191)	(4 867)
Repayment of Debt to Credit Institutions		(158)	-
Paid Interest	8	(1 279)	(646)
Cash Flows Used in Financing Activities		(10 195)	756 562
Effect of Exchange Rates on Cash and Cash Equivalents		(398)	(1 317)
Net Change in Cash and Cash Equivalents		(186 481)	662 601
Cash and Cash Equivalents at Beginning of Period		883 756	221 155
Cash and Cash Equivalents at End of Period	15	**697 276**	**883 756**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in NOK 1 000)	**Share Capital**	**Other Paid-in Capital**	**Warrants Out-standing**	**Share Based Payment Reserve**	**Translation Difference Reserves**	**Retained Earnings**	**Total Equity**
Equity December 31, 2021	**104 719**	**1 105 556**	**-**	**-**	**(2 560)**	**(36 439)**	**1 171 274**
Net Income for the Period	-	-	-	-	-	31 170	31 170
Other Comprehensive Income/(Loss)	-	-	-	-	(10 402)	-	(10 402)
Total Comprehensive Income/(Loss)	**-**	**-**	**-**	**-**	**(10 402)**	**31 170**	**20 768**
Share Issuance	1 336	29 726	-	-	-	-	31 061
Transaction Costs	-	(273)	-	-	-	-	(273)
Share Based Payments	-	1 369	-	801	-	-	2 169
Warrants Issuance	-	-	1 600	-	-	-	1 600
Equity December 31, 2022	**106 055**	**1 136 377**	**1 600**	**801**	**(12 962)**	**(5 269)**	**1 226 601**

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

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 2022 were approved by the Board of Directors for publication on 31 March, 2023.

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 2022:

Company	Year of acquisition/ incorporation	Registered office	Voting share	Ownership share
Carasent AS	2019	Norway	100%	100%
Carasent Sweden AB (Evimeria EMR AB)	2018	Sweden	100%	100%
Carasent Norge AS (Avans Soma AS)	2020	Norway	100%	100%
Metodika AB	2021	Sweden	100%	100%
Medrave Software AB	2022	Sweden	100%	100%
Medrave Software AS	2022	Norway	100%	100%
Carasent Holding AB	2022	Sweden	100%	100%
HPI Health Profile Institute AB	2022	Sweden	100%	100%

SEGMENTS

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. The Company 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

In the first quarter of 2022 the Group assessed its internal organizational structure, internal reporting system and geographical business units, and concluded that there is only one segment, the total Group. The Group is monitored using the consolidated statement of profit or loss, balance sheet and statement of cash flows.

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 11 for further information
- Intagible assets, see note 12 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 HPI HEALTH PROFILE INSTITUTE AB

Carasent Holding AB acquired HPI Health Profile Institute AB (“HPI”) on 18 October, 2022, for a purchase price of SEK 20.9 million. The transaction was settled with SEK 8.9 million in cash, SEK 2.2 million by consideration shares and a contingent earn out of maximum SEK 13 million with a net present value of SEK 9.7 million.

SIGNIFICANT ESTIMATES

The acquisition required the use of critical judgements and significant estimates when identifying and valuing intangible assets. For HPI 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 twelve 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 11%. The technology is assumed to have a useful life of nine 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 10%. The cash flows are discounted using a 11.5% discount rate. The customer relationships are assumed to have a useful life of 10 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:

(Amounts in NOK 1 000)	**HPI**
Purchase consideration	
Cash consideration	8 473
Ordinary shares issued	2 120
Deferred purchase price (“earn out”)	9 220
Total purchase consideration	**19 812**
Technology	12 466
Customer relationship	8 227
Tools and Equipment	143
Customer receivables	2 829
Cash and cash equivalents	3 313
Deferred tax liability	(267)
Trade payables	(901)
Accrued expenses and prepaid income	(2 395)
Contract liability	(720)
Liabilities to credit institutions - current portion	(949)
Liabilities to credit institutions - non-current portion	(786)
Payable to group companies	(13 053)
Net other assets and liabilities	(4 653)
Goodwill	**16 559**
Net cash outflow arising on acquisition	
Cash consideration	8 473
Cash and cash equivalent balances acquired	(3 313)
Net cash outflow arising on acquisition	**5 160**

Goodwill from the acquisition of HPI represents expected synergies in the Group and will lead to additional value for the Carasent platform with combined product portfolio and developing activities.

Acquisition costs of NOK 0.7 million arose as a result of the transactions. These have been recognized as part of other operating expenses in the statement of income.
As part of the transaction, the Group has settled the debt to the prior owners of HPI of NOK 13.0 million.

HPI has contributed NOK 2.2 million to the Group’s revenue since the acquisition date and net loss of NOK 0.6 million to the Group’s total net income. If the acquisition of HPI had occurred on 1 January 2022, the proforma revenue for the Group could have been NOK 209.4 million and the Group’s net income could have been NOK 30 million

As of 31 December 2022, the fair value of the contingent earn out was estimated to be SEK 9.0 million (NOK 8.5 million) - see more information in note 17.

ACQUISITION OF MEDRAVE AB

Carasent ASA acquired Medrave Software AB ("Medrave") on 11 January, 2022, for a purchase price of SEK 133 million. The transaction was settled with SEK 110 million in cash and SEK 23 million by a seller's credit which was offset by issuance of consideration shares reinvested by key employees with fair value price of NOK 37.4 per share.

SIGNIFICANT ESTIMATES

The acquisition 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.

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	107 809
Ordinary shares issued	23 486
Total purchase consideration	**131 295**
Technology	18 936
Customer relationship	7 257
Right of use assets	2 004
Customer receivables	1 261
Cash and cash equivalents	8 084
Deferred tax liability	(5 937)
Lease liability	(2 004)
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	131 295
Goodwill	**104 552**
Net cash outflow arising on acquisition	
Cash consideration	107 809
Less:	
Cash and cash equivalent balances acquired	(8 084)
Net cash outflow arising on acquisition	**99 725**

Goodwill from the acquisition of Medrave represents expected synergies in the Group and will lead to additional value for the Carasent platform with combined product portfolio and developing activities.

Acquisition costs of NOK 3.5 million arose as a result of the transactions. The majority was recognized as part of other operating expenses in the statement of income for the year ended 31 December 2021. Medrave has contributed NOK 26.3 million to the Group’s revenue since the acquisition date and net income of NOK 5.3 million to the Group’s total loss.

ACQUISITION OF METODIKA AB

Carasent ASA acquired the Swedish company Metodika AB (“Metodika”) on 25 May 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:

(Amounts in NOK 1 000)	**Metodika**
Purchase consideration	
Cash consideration	90 777
Ordinary shares issued	20 263
Total purchase consideration	**111 040**
Technology	5 568
Customer relationship	2 729
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
Total net identifiable assets acquired at fair value	**1 829**
Consideration	111 040
Goodwill	**109 210**
Net cash outflow arising on acquisition	
Cash consideration	90 777
Less:	
Cash and cash equivalent balances acquired	(3 880)
Net cash outflow arising on acquisition	**86 897**

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 for the year ended 2021.

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.

NOTE 4 – REVENUE

ACCOUNTING PRINCIPLES

In 2022 the Group has reassessed its internal organizational structure, internal reporting system and geographical business units. Hence, the Group has changed how the Chief Operating Decision Maker (the Board) review disaggregated revenue.

The revenue in the Group can be categorized into four different categories: Webdoc Electronic Health Record (“EHR”), Other EHR, Platform Services and Consulting & Other. The accounting principles for each revenue category are described below.

WEBDOC EHR

The Group delivers the cloud-based EHR system Webdoc. The category includes the related license and ongoing access to receive support, upgrades and new functionality. These agreements provides the customers with the right to access the Group’s IP. All services are transferred to the customers on a continuous basis and are recognized over time.

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

OTHER EHR

The Group also delivers other EHR solutions. Other EHR includes all other EHR services than Webdoc. The category includes the related license and ongoing access to receive support, upgrades and new functionality. 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.

PLATFORM SERVICES

Platform Services are services that are not EHR systems, including for example analytical tools and/or integrated with a third party. These platform services includes among others Medrave, Vårdrummet, HPI, Advoca, Confrere, electronic letters, SMS services, portal to medical services etc. Platform Services are a separate performance obligations and recognized over time or point in time, pending on the service delivered.

Platform services are invoiced monthly in arrears with 30 days payment terms.

CONSULTING & OTHER

Consulting & Other consists of the former Consulting, License and other categories. 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.

The Group 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.

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.

(Amounts in NOK 1 000)	**2022**	**2021**
Webdoc EHR	50 035	41 006
Other EHR	45 002	34 946
Platform Services	80 197	46 812
Consulting & Other	20 025	14 361
Total revenue	**195 260**	**137 125**
Recognized over time	161 238	114 591
Recognized at a point in time	34 022	22 535
Total revenue by geograpchical area:		
Sweden		
Webdoc EHR	50 035	41 006
Other EHR	3 359	2 058
Platform Services	68 752	43 108
Consulting & Other	10 422	4 949
Total revenue	**132 568**	**91 121**
Norway		
Webdoc EHR	-	-
Other EHR	36 184	29 668
Platform Services	9 676	2 306
Consulting & Other	6 704	7 728
Total revenue	**52 564**	**39 702**
International		
Webdoc EHR	-	-
Other EHR	5 459	3 220
Platform Services	1 769	1 399
Consulting & Other	2 900	1 684
Total revenue	**10 128**	**6 303**

CONTRACT LIABILITY

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

(Amounts in NOK 1 000)	Liability
Balance December 31, 2020	6 930
Invoiced in 2021	59 864
Revenue recognized in 2021	55 820
Acquired business	7 326
FX effects	-794
Balance December 31, 2021	17 506
Invoiced in 2022	96 864
Revenue recognized in 2022	90 888
Acquired business	720
FX effects	826
Balance December 31, 2022	25 029

NOTE 5 – 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.

(Amounts in NOK 1 000)	**2022**	**2021**
Third party suppliers	33 840	24 226
Total	**33 840**	**24 226**

NOTE 6 – 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 expense for the year to which the contribution applies.

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

(Amounts in NOK 1 000)	2022	2021
Wages and salaries	93 113	55 078
Social security tax	25 451	15 033
Pension costs	7 051	3 752
Other benefits	6 830	1 702
Work performed by the company for its own use and capitalzed as intangible asset	(48 648)	(27 594)
Government grants	(1 058)	(698)
Total Employee Compensation and Beneftis	**82 739**	**47 274**

In 2022 Carasent has received government grants of NOK 2.3 million. This was related to the tax deduction scheme for the companies with research and development projects (SkatteFUNN) and grants from "Forskningsrådet". The grants were recognized as cost reduction of the respective incurred costs (NOK 1.1 million reduction of Employee Compensation and NOK 1.2 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 2022 and 2021:

	2022			2021		
(Amounts in NOK 1 000)	CEO	Other key mgmt.	Board	CEO	Other key mgmt.	Board
Wages and salaries	2 059	4 474	1 615	1 576	2 216	1 200
Pension costs	497	653	-	-	-	-
Other benefits	29	34	-	240	169	400
Total key management compensation	**2 584**	**5 161**	**1 615**	**1 816**	**2 385**	**1 600**

The Group has increased the participants in the key management, hence the increase in wages and salaries in 2022. 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.

NOTE 7 – OTHER OPERATIONAL AND ADMINISTRATIVE COSTS

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

(Amounts in NOK 1 000)	2022	2021
Marketing	1 467	1 732
Travel and entertainment	1 978	715
Rent and office expenses	1 479	2 090
Professional services	62 259	32 191
Utilities and maintenance costs	4 060	2 739
IT services	6 143	3 043
Other operating expenses	430	839
Work performed by external consultants and capitalized as intangible asset	(30 644)	(9 293)
Government grants	(1 211)	(1 413)
Total Operating Expenses	**45 961**	**32 643**

AUDIT FEES

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

(Amounts in NOK 1 000)	2022	2021
Audit	2 393	1 795
Other assurance services	110	598
Tax services	-	72
Other services	3 745	1 179
Total Audit Fees	**6 248**	**3 643**

Fees for other services mainly consists of due diligence services

NOTE 8 – FINANCIAL INCOME AND EXPENSES

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

(Amounts in NOK 1 000)	2022	2021
Net Interest Expense	1 274	646
Change in fair value of stock option liability, see note 17	(38 669)	5 061
Change in fair value of contingent earn out, see note 17	(664)	-
Other financial items	2 824	205
Financial (Income) and Expense	**(35 235)**	**5 913**

NOTE 9 – 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)	**2022**	**2021**
Tax payable	4 890	2 669
Changes in deferred tax	(2 186)	1 212
Total income tax expense	**2 704**	**3 882**

SPECIFICATION OF BASIS FOR DEFERRED TAX BALANCES:

Specification of basis for deferred tax balances:

(Amounts in NOK 1 000)	**2022**	**2021**
Non current assets	62 266	45 789
Gains and loss account	37	66
Other temporary differences	(152)	(46 238)
Total	**62 151**	**(384)**
Tax loss carried forward	(294 589)	(267 429)
Net temporary differences	**(232 438)**	**(267 813)**
Deferred tax liability (asset)	(51 541)	(59 129)
Of which not recognized	64 486	68 666
Carrying value deferred tax liability (assets)	**12 945**	**9 537**
whereof deferred tax assets	-	327
whereof deferred tax liabilities	12 945	9 864

RECONCILIATION OF NET DEFERRED TAX BALANCES:

Reconciliation of net deferred tax

(Amounts in NOK 1 000)	**2022**	**2021**
Deferred tax liabilities at 1 January	9 537	7 756
Recognised deferred tax expense	(2 186)	1 212
Acquisition of companies	6 004	1 357
Currency translation effects	(411)	(789)
Deferred tax liabilities at 31 December	**12 945**	**9 537**

The Group's tax loss carried forward relates to tax positions in Norway. 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. The company has not recognized deferred tax assets relating to tax loss carry forward

RECONCILIATION OF EFFECTIVE TAX RATE:

Reconciliation of effective tax rate **(Amounts in NOK 1 000)**	**2022**	**2021**
Net Income (Loss) before tax	33 873	3 734
Expected income taxes at statutory tax rate	7 466	684
Permanent differences	867	(4 446)
Unrecognized deferred tax assets	(4 180)	7 178
Other changes	(1 448)	465
Income tax expense	**2 704**	**3 882**
Effective tax rate in %	**8%**	**104%**

The Group's effective tax rate is impacted by changes in unrecognized deferred tax assets.

NOTE 10 – 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.

While the warrants are out-of-the-money there is no dilutive effect on EPS from the outstanding warrants. The warrants will be out-of-the-money during the time period 2022-2025 when the warrants are not exercisable – see note 19 for more information regarding the warrants.

The following table presents the earnings per share:

(Amounts in NOK 1 000 - Except Share Data)	**2022**	**2021**
Income/ (Loss) for the year	31 170	(148)
Total Income/ (Loss) for the Year	**31 170**	**(148)**
Weighted Average Common Shares Outstanding	79 450 218	67 120 235
Dilutive Shares Outstanding	74 082	2 000 000
Basic Earning Per Share for the Year	**0,39**	**(0,00)**
Diluted Earning Per Share for the Year	**0,39**	**(0,00)**

NOTE 11 – GOODWILL AND IMPAIRMENT TESTING

ACCOUNTING PRINCIPLES

Goodwill is recognized as a part of business combinations. Goodwill is initially measured as the excess of the consideration of the acquiree less 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 or group of 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.

In 2022 the Group assessed its internal organizational structure, internal reporting system and geographical business units. The Group has concluded that it has one operating and reporting segment. In the former reporting structure, the Group reported operating segments based on legal entities occurred from acquisitions.

The identified group of cash-generating units is therefore the Group as a whole consisting of the wholly owned subsidiaries Carasent Sweden AB (Evimeria AB), Metodika AB, Medrave AB, Carasent Norge AS (Avans Soma AS) and HPI AB.

Goodwill is allocated to the lowest level within the entity at which the goodwill is monitored for internal management purposes; and is not larger than an operating segment. Based on the reassessed reporting structure, goodwill is now monitored for the group as a whole.

IMPAIRMENT OF ASSETS

The group of cash-generating units to which goodwill has been allocated, are tested for impairment annually or more frequently if there is any indication that the group of cash-generating unit may be impaired. If the recoverable amount of the group of 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 or group of cash-generating units 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, the cash-generating unit or group of cash-generating units to which the asset belongs.

The Group's Goodwill relates to the following:

(Amounts in NOK 1 000)	2021	Acquisitions	Exchange rate differences	2022
Carasent Group	271 990	121 111	(7 920)	385 181
Total	**271 990**	**121 111**	**(7 920)**	**385 181**

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 or group of cash-generating units 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 or group of 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 group of cash-generating units. The recoverable amount for the group of cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial forecasts 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 11%.

Key assumptions used in value in use calculations for the Group for December 31, 2022.

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 cash-generating untis 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 of the group of cash-generating units.

The Group has performed a sensitivity analysis for each cash-generating units to substantiate the conclusion. The forecasted EBIT can decrease by 60% before headroom turns negative, all else equal. The pre-tax WACC can be 40% before headroom turns negative, all else equal.

NOTE 12 – 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 relates to the new development in existing markets and new initiatives relating to the new platform for European market, Webdoc X, and the ongoing Norwegian expansion for Webdoc.

ACQUISITION OF ASSETS – CONFRERE

In 2022, Carasent entered into a partnership agreement with the Norwegian company Confrere 4 AS ("Confrere").

As part of the agreement, Carasent acquired the Confrere brand (Other Intangible Assets) and took over the customer agreements (Customer Relationships), while Confrere continues to maintain the technology solution.

The purchase price was approximately NOK 10 million, of which NOK 5 million were paid upfront and the remaining payments allocated to the assets are deferred over time until July 2024, at the latest.

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

(Amounts in NOK 1 000)	Customer Relationship	Technology	Goodwill	Capitalized development	Other intangible assets	Total
Cost						
Cost at 31 December 2020	**35 696**	**31 771**	**170 339**	**29 003**	**-**	**266 809**
Additions	-	-	-	38 300	-	38 300
Acquisition of business	2 729	5 568	109 210	-	-	117 508
Exchange differences	(1 784)	(2 027)	(7 559)	(765)	-	(12 135)
Cost at 31 December 2021	**36 641**	**35 312**	**271 990**	**66 539**	**-**	**410 482**
Additions	8 355	-	-	79 292	1 568	89 215
Acquisition of business	15 484	31 401	121 111	-	-	167 997
Exchange differences	(742)	(224)	(7 920)	(737)	-	(9 623)
Cost at 31 December 2022	**59 738**	**66 490**	**385 181**	**145 094**	**1 568**	**658 071**
						-
Amortization and impairment						-
Accumulated at 31 December 2020	**(6 387)**	**(5 648)**	**-**	**(5 994)**	**-**	**(18 030)**
Disposals	-	-	-	-	-	-
Amortization for the year	(3 521)	(4 213)	-	(9 810)	-	(17 544)
Impairment	-		-		-	-
Accumulated at 31 December 2021	**(9 908)**	**(9 861)**	**-**	**(15 804)**	**-**	**(35 573)**
Disposals	-	-	-	-	-	-
Amortization for the year	(4 591)	(10 689)		(10 423)	(131)	(25 834)
Reclassification of accumulated amortization	-	(6 463)	-	6 463	-	-
Impairment	-	-	-	-	-	-
Accumulated at 31 December 2022	**(14 499)**	**(27 013)**	**-**	**(19 764)**	**(131)**	**(61 407)**
Carrying amount at 31 December 2021	**26 733**	**25 451**	**271 990**	**50 735**	**-**	**374 909**
Carrying amount at 31 December 2022	**45 240**	**39 477**	**385 181**	**125 329**	**1 437**	**596 665**
Amortization method	**Straight-line 7-10 years**	**Straigh-line 5-7 years**	**Indefinite**	**Straight-line 5 years**	**Straight-line 5 years**	

NOTE 13 – 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:

(Amounts in NOK 1 000)	**Tools and equipment**
Cost	
Cost at 31 December 2020	**2 069**
Additions	802
Acquisition of business	322
Net Exchange differences	(95)
Cost at 31 December 2021	**3 098**
Additions	2 395
Acquisition of business	139
Net Exchange differences	(104)
Cost at 31 December 2022	**5 529**
Depreciation and impairment	
Accumulated at 31 December 2020	**(871)**
Depreciation for the year	(721)
Accumulated at 31 December 2021	**(1 592)**
Depreciation for the year	(907)
Accumulated at 31 December 2022	**(2 498)**
Carrying amount at 31 December 2021	**1 507**
Carrying amount at 31 December 2022	**3 031**
Depreciation method	**Straight-line 3-5 years**

NOTE 14 – 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 tables below sets forth the Group's customer receivables as of 31 December 2022 and 2021:

31 December 2022

(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 %	2,0 %	25,0 %	50,0 %	**1,0 %**
Gross carrying amount - trade receivables	26 567	597	297	406	27 864
Loss allowance - trade receivables		**12**	**74**	**203**	**289**

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 %	**0,7 %**
Gross carrying amount - trade receivables	19 817	88	123	197	**20 224**
Loss allowance - trade receivables	0	2	31	98	**132**

(Amounts in NOK 1 000)	Loss reserves
December 31, 2020	**83**
Change in reserve	48
December 31, 2021	**132**
Change in reserve	157
December 31, 2022	**289**

NOTE 15 – 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:

(Amounts in NOK 1 000)	2022	2021
Cash at Bank	694 832	882 772
Restricted Cash	2 444	984
Total Cash and Cash Equivalents	**697 276**	**883 756**

NOTE 16 – 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.

Gains and losses arising from derecognition of right-of-use assets and corresponding lease liabilities (i.e. cancellation, transfer or sales of leases) are measured as the difference between the remaining net carrying amount of the right-of-use assets and corresponding lease liabilities, and any proceeds or termination fees, and are reported as as an adjustment to other operational and administrative expenses in the income statement as part of operating profit.

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% for agreements contracted before 2022 and 4.25% for the addition in 2022.

The following tables summarizes the Group's Leases:

RIGHT OF USE ASSETS

(Amounts in NOK 1 000)	**Property**	**Equipment**	**Total**
Balance December 31, 2020	**14 368**	**1 549**	**15 917**
Depreciation	(4 701)	(371)	(5 072)
Acquired business	4 794	-	4 794
FX effects	(930)	(97)	(1 027)
Balance December 31, 2021	**13 530**	**1 081**	**14 612**
Depreciation	(6 989)	(352)	(7 341)
Acquired business	1 963	-	1 963
Addition	34 694	-	34 694
Adjustments due to terminations	(6 420)	-	(6 420)
FX effects	(483)	(30)	(513)
Balance December 31, 2022	**36 294**	**699**	**36 993**

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

LEASE LIABILITY

(Amounts in NOK 1 000)	Property	Equipment	Total
Balance December 31, 2020	**16 003**	**1 564**	**17 566**
Cash changes			
Repayments of lease liabilities	(4 528)	(359)	(4 887)
Paid interest on lease liabilities	(564)	(65)	(629)
Non-cash changes			
Accrued interest	564	65	629
Acquired business	4 794	-	4 794
FX effects	(1 033)	(103)	(1 136)
Balance December 31, 2021	**15 236**	**1 101**	**16 337**
Cash changes			
Repayments of lease liabilities	(6 822)	(368)	(7 191)
Paid interest on lease liabilities	(894)	(45)	(940)
Non-cash changes			
Accrued interest	894	45	940
Acquired business	1 963	-	1 963
Addition	34 694	-	34 694
Adjustments due to terminations	(7 955)	-	(7 955)
FX effects	(527)	(30)	(558)
Balance December 31, 2022	**36 588**	**703**	**37 290**

AMOUNTS RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

(Amounts in NOK 1 000)	2022	2021
Depreciation of right of use asset	7 341	5 072
Interest expense	940	630
Gains (-) and losses (+) due to terminations	(1 534)	-
Expenses relating to short-term and low value leases	1 633	1 066
Total expenses for lease	**8 379**	**6 767**

NOTE 17 – FAIR VALUE MEASUREMENT

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.

STOCK OPTION PROGRAM

As announced on November 15, 2019, the Board in Carasent ASA approved a stock option program for up to 2 million shares. The options were structured as warrants based on market value and had a strike of price of NOK 14.47 with a 3-year term. When exercised, the Board had 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. Based on the 2 million options, the change in fair value resulted in NOK 38.7 million gain for the year ended 2022. The stock option program has been measured in accordance with level 2 in the fair value hierarchy until settlement. On 3 October 2022, The Board of Carasent ASA decided to use the right to settle the options in cash. The cash amount was settled based on average volume-weighted share quoted for the 20 trading days period in advance of 30 November 2022. The cash amount was calculated to NOK 7.6 million.

CONTINGENT CONSIDERATION

The acquisition of HPI included a contingent earnout of maximum SEK 13 million. The fair value of the contingent liability is determined by thresholds achieved after the acquisition date of the business combination and changes in interest rate.

The earnout relating to HPI is determined based on gross turnover targets for the financial year 2023.

Given the contingent consideration liability will be settled in the future, the discounted cash flow method and the probability of cash flow was used to capture the fair value of the contingent liability. The discount rate applied was 11.8% and the probability of cash flow 70%.

The change in in fair value for the year ended 2022 impacted the net income with NOK 0.7 million resulting in a financial liability of NOK 8.5 million by 31 December 2022. The liability is remeasured at each reporting date. The contingent earnout is measured in accordance with level 3 in the fair value hierarchy.

NOTE 18 – SHARE BASED PAYMENTS

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 any 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.

Cash-settled share-based payments are measured at fair value of the liability.

DESCRIPTION

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 still employed with the Group.

The employees were granted a discount of NOK 1.369 million 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.

Granted instrument	**2022**
Quantity 31.12.2022 (instruments)	84 324
Quantity 31.12.2022 (shares)	84 324
Contractual life*	2,0
Share price*	27,0
Expected lifetime*	2,0
Volatility*	59,52%
Interest rate*	1,85%
FV per instrument*	27,0

*Weighted average parameters at grant of instrument

Activity	**2022**
Outstanding OB (01.01.2022)	-
Granted	84 324
Terminated	(10 242)
Outstanding CB (31.12.2022)	74 082

Grant year	**Strike price**	**Number of instruments outstanding**	**Weighted average remaining contractual life**
2022	-	74 082	1,20

NOTE 19 – STOCK OPTION PROGRAM – EQUITY FINANCIAL INSTRUMENT

ACCOUNTING PRINCIPLES

Warrants are recognized in the financial statements as an equity financial instrument, as the warrant exercise terms are fixed-for-fixed. The warrants are classified as equity at initial recognition and initially measured at the fair value of the cash received for the warrants. The subscription price of the warrants was determined by management using a Black-Scholes option pricing model.
The warrants are classified as equity and there is no subsequent remeasurement. Exercise of the warrant will be at the agreed exercise price, with one warrant being exchanged for one share. Exercise of the warrants will be recognized as an equity transaction. While the warrants are out-of-the-money there is no dilutive effect on EPS from the outstanding warrants. The warrants will be out-of-the-money during the time period 2022-2025 when the warrants are not exercisable.

DESCRIPTION OF STOCK OPTION PROGRAM 2022

On 03 October 2022, the Board in Carasent ASA approved a stock option program for the new CEO (Daniel Öhman) and the new Chairman of the Board (Petri Niemi).

Total invested amount will be NOK 2 million, where the two have acquired shares in the market for NOK 200 thousand each and received an option to buy warrants from the Company at fair market value for NOK 800 thousand each.

Number of warrants acquired were 130 294 of Warrant A and 130 294 of Warrant B for both the CEO and the Chairman. The Warrant A have an exercise period of four years and the Warrant B have an exercise period of five years. The fair market price of each warrant is calculated in accordance with the Black-Scholes option pricing formula to be NOK 32.20 and NOK 36.82 for Warrant A and B, respectively.

At the date of initial recognition the Group has recognized NOK 0.884 million and NOK 0.766 million as equity ("Warrants Outstanding") for Warrant A and Warrant B, respectively.

As of 31 December 2022, the Group had issued all warrants, however NOK 0.8 million were not paid in until January 2023.

The basis for the fair value is the Black-Scholes option pricing model. The following parameters are used as basis for the calculation:

	Warrants A	Warrants B
Risk-free rate	3,19%	3,22%
Value of underlying option program:	NOK 18,31	NOK 18,31
Duration	4,2	5,2
Strike price	NOK 32,02	NOK 36,82
Volatility	44,2 %	42,3 %
Dividend	-	-
Liquidity discount	20,0 %	25,0 %

DESCRIPTION OF STOCK OPTION PROGRAM 2019

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. Based on the 2 million options, the change in fair value resulted in a NOK 38.7 million gain for the year ended 2022. On 3 October 2022, The Board of Carasent decided to use the right to settle the options in cash. The cash amount was settled based on average volume-weighted share quoted for the 20 trading days period in advance of 30 November 30 2022. The cash amount was calculated to NOK 7.6 million.

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:

	2022	2021
Number of instruments	-	2 000 000
Contractual life	-	0,9
Share price	-	38,3
Subscription price	-	14,5
Volatility	0,0 %	46,1 %
Dividend	-	-
Liquidity discount	0,0 %	3,7 %

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 20 – 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 31 December 2022, 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)
31 December 2020	**55 035 159**	**73 307**
Share issuance	23 582 598	31 412
31 December 2021	**78 617 757**	**104 719**
Share issuance	1 002 771	1 336
31 December 2022	**79 620 528**	**106 055**

In conjunction with the acquisition of Medrave AB (January 2022), where part of the consideration is agreed to be new shares, Carasent ASA registered 627,391 additional shares on 13 January 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.

In conjunction with the acquisition of HPI AB (October 2022), where part of the consideration was agreed to be new shares, Carasent ASA registered 122,375 additional shares on the 18 October 2022. The share capital increased by NOK 163 thousand to NOK 106,055 thousand.

SHARE BASED PAYMENTS RESERVES

Share based payments represents cost charged to income statement over the vesting period based on the fair value measured at grant date for equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

TRANSLATION DIFFERENCE RESERVES

This reserve included unrealised gains and losses arising from foreign entities with functional currency other than NOK and are recognised directly in other comprehensive income until the entity is disposed of, at which time the cumulative gain or loss is reclassified within equity from other reserves to retained earnings.

WARRANTS OUTSTANDING

The warrants from the 2022 Warrant program are recognized in the financial statements as an equity financial instrument, as the warrant exercise terms are fixed-for-fixed. The warrants are classified as equity at initial recognition and measured at the fair value of the cash received for the warrants.

As the warrants are classified as equity there is no subsequent remeasurement even though the fair value of the option changes over time. The Warrant A and Warrant B options have an exercise period of four or five years, respectively. Exercise of the warrant is at the agreed exercise price, with one warrant being exchanged for one share. Exercise or expiration of the warrants shall be recognized in equity.

NOTE 21 – SHAREHOLDERS OF THE GROUP

Shareholder	Holding	Stake
BNP Paribas	11 987 332	15%
Aeternum Capital AS	10 450 000	13%
Swedbank AB	6 711 814	8%
Avanza Bank AB	4 066 738	5%
Skandinaviska Enskilda Banken AB	3 038 000	4%
Jpmorgan Chase Bank, N.A., London	2 718 193	3%
The Northern Trust Comp, London Br	2 660 315	3%
State Street Bank And Trust Comp	2 443 343	3%
Danske Bank A/S	2 416 382	3%
Nordnet Bank AB	2 340 166	3%
Windchange AS	2 212 040	3%
Rbc Investor Services Bank S.A.	2 171 172	3%
Jannerberg Invest AB	2 122 831	3%
Rbc Investor Services Bank S.A.	2 000 000	3%
Skandinaviska Enskilda Banken AB	1 592 548	2%
Skandinaviska Enskilda Banken AB	1 500 000	2%
Danske Bank A/S	1 479 401	2%
Rieber & Søn AS	973 187	1%
Tigerstaden AS	868 863	1%
Skandinaviska Enskilda Banken AB	863 963	1%
Total Largest 20 Shareholders	**64 616 288**	**81,2%**
Other Shareholders	15 004 240	18,8 %
Total Shares Outstanding	**79 620 528**	**100,0%**

NOTE 22 – TRANSACTION WITH RELATED PARTIES

Shares owned (both directly and indirectly) by the Board of Directors and key management as of 31 December 2022:

Name	Position	Shares
Petri Niemi	Chairman	12 264
Terje Rogne	Board Member	500 000
Daniel Öhman	CEO	12 221
Svein Martin Björnstad	CFO	130 249
Niclas Hugosson	CPO	2 907 038
Kajsa Conradi	HR	4 158
Ankie Sjöberg	QA	4 621
Total		**3 713 740**

Share options held by management as of 31 December 2022:

Share options 2022	Position	Granted	Exercised	Terminated	Total outstanding
Dennis Höjer	(Former CEO)	1 540	-	1 540	-
Svein Martin Björnstad	CFO	1 540	-	-	1 540
Kajsa Conradi	Chief People Officer	1 386	-	-	1 386
Ankie Sjöberg	Director of Quality Assurance	1 540	-	-	1 540
Niclas Hugosson	Chief Product Offiser	1 540	-	-	1 540
Total		**7 546**	**-**	**1 540**	**6 006**

Warrants held by Board of Directors and key management as of 31 December 2022:

Warrants	Position	Acquired	Exercised	Total outstanding
Petri Niemi	Chairman	260 588	-	260 588
Daniel Öhman	CEO	260 588	-	260 588
Total		**521 176**	**-**	**521 176**

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

Transactions with related parties

(Amounts in NOK 1 000)

Related party	Relationship	Transaction type	Currency	2022	2021
Windchange AB (Lars Forsberg, former CFO)	Shareholder	CFO related services	NOK	-	1 100 950
Human Peak & Balance AB (Johan Lindqvist CoB)	Shareholder	Management services	NOK	-	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 2022, there are no related party balance items as balance items.

NOTE 23 – 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.

Risk	Exposure arising from	Measurement
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:

(Amounts in NOK 1 000)	2022	2021
Financial instruments measured at amortized cost		
Customer receivables	27 575	20 093
Other Receivables	2 667	3 455
Cash and Cash Eqiuvalents	697 276	883 756
Liabilities to Credit Institutions	(1 593)	-
Trade Accounts Payable	(20 245)	(8 942)
Other Current Liabilities	(12 285)	(6 630)
Net Financial Instruments measured at amortized cost	**693 395**	**891 732**
Financial instruments measured at fair value		
Liability Stock Option Program	-	(46 238)
Contingent earn out	(8 517)	-
Net Financial Instruments measured at fair value	**(8 517)**	**(46 238)**
Totat Net Financial Instruments	**684 879**	**845 494**

All financial instruments measured at fair value through profit or loss is categorized within level 3 valuation method, see note 17 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, except for SEK. The Group is exposed to SEK, EUR, GBP and DKK. The currency exposure related to customers outside the Nordics is insignificant.

The following tables discloses the Group's exposure to SEK and the impact on pre tax profit if exchange rate increases 10%:

Foreign exchange risk

	31.12.2022
(Amounts in specified currency 1 000)	**SEK**
Trade receivables	-
Trade payables	(6 210)
Other current assets	744
Non current assets	75 000
Total	**69 534**

	31.12.2021
(Amounts in specified currency 1 000)	**SEK**
Trade receivables	4 538
Trade payables	-
Other current assets	-
Non current assets	-
Total	**4 538**

	Impact on pre tax profit	
(Amounts in NOK 1 000)	**2022**	**2021**
Increase in SEK/NOK exchange rate of 10%	6 573	442

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 tables discloses the maturity analysis for liabilities, showing its undiscounted remaining contractual liabilities:

(Amounts in NOK 1 000)	31.12.2022 Carrying amount	less than 1 year	1-2 years	3-5 years	5 years <	Total
Borrowings from financial institutions	1 593	625	968	-	-	1 593
Lease liabilities	37 290	10 888	18 623	13 337	-	42 848
Trade payable	20 245	20 245	-	-	-	20 245
Contract liability	25 029	25 029	-	-	-	25 029
Stock option liability	-	-	-	-	-	-
Contingent earn out	8 517	-	12 357	-	-	12 357
Other payables	38 679	38 679	-	-	-	38 679
Total	**131 351**	**95 466**	**31 948**	**13 337**	**-**	**140 751**

(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
Total	**119 680**	**109 813**	**10 341**	**-**	**-**	**120 154**

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 89% with a cash balance of NOK 697 million as of 31 December 2022. The Group does not have material interest-bearing loans.

NOTE 24 – CLIMATE RELATED MATTERS

In preparing the financial statements, management has considered the impact of climate change, particularly in the context of the material risks identified in the Board of Directors report. There has been no material impact identified on the financial reporting judgements and estimates. In particular, management considered the impact of climate change in respect of the following areas:

- Going concern and viability of the Group over the next years;
- Cash flow forecasts used in impairment assessments;
- Carrying value and useful economic lives of intangible assets

Whilst there is currently no medium-term impact expected from climate change, management are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates in preparation of the Group's financial statement.

NOTE 25 – EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

NOTE 26 – NEW AND AMENDED STANDARDS AND INTERPRETATIONS

NEW AND AMENDED STANDARDS

Carasent ASA has applied the following amendments for the first time for their annual reporting period commencing 1 January 2022:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020, and
- Reference to the Conceptual Framework – Amendments to IFRS 3.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. There are no new or amended standards that affect the Group as of the year 2022.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by Carasent ASA. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12, and
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2.

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:

(Amounts in NOK 1 000)	12 Months Ended December 31, 2022	12 Months Ended December 31, 2021
Net Income/(Loss)	**31 170**	**(148)**
Income Tax Expense/(Income)	2 704	3 882
Net Financial Items	(35 235)	5 913
Net Operating Income/(Loss)	**(1 361)**	**9 646**
Depreciation and Amortization	34 081	23 336
(a) EBITDA	**32 720**	**32 982**
Adjusted for:		
Transaction costs	6 908	9 597
Share Based Payments	2 303	-
Other special operating items	4 332	2 878
(b) Adjusted EBITDA	**46 263**	**45 457**
(c) Operating revenue	**195 260**	**137 125**
EBITDA Margin (a/c)	16,76%	24,05%
Adjusted EBITDA Margin (b/c)	23,69%	33,15%

(Amounts in NOK 1 000)	12 Months Ended December 31, 2022	12 Months Ended December 31, 2021
Net Income/(Loss)	**31 170**	**(148)**
Income Tax Expense/(Income)	2 704	3 882
Net Financial Items	(35 235)	5 913
(a) EBIT	**(1 361)**	**9 646**
Adjusted for:		
Transaction costs	6 908	9 597
Share Based Payments	2 303	-
Other special operating items	4 332	2 878
Amortization excess values	6 713	4 011
(b) Adjusted EBIT	**18 895**	**26 132**
(c) Operating revenue	**195 260**	**137 125**
EBIT Margin (a/c)	(0,7)%	7,03%
Adjusted EBIT Margin (b/c)	9,68%	19,06%

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 2022

CARASENT ASA FINANCIAL STATEMENTS CONSISTS OF

OVERVIEW OF NOTES TO THE CARASENT ASA FINANCIAL STATEMENTS

STATEMENT OF INCOME

(Amounts in NOK 1 000)	Note	12 Months Ended December 31, 2022	12 Months Ended December 31, 2021
Revenue	3	22 044	4 500
Operating Revenues		22 044	4 500
Operating Expenses			
Employee Compensation and Benefits	4	5 616	2 416
Other Operational and Administrative Expenses	5	27 515	7 887
Total Operating Expenses		33 131	10 303
Net Operating Income/(Loss)		(11 086)	(5 803)
Financial Items			
Interest (Income)/Expenses		(1 276)	-
Other Financial (Income)/Expenses		(36 309)	5 061
Net Financial Items	6	(37 585)	5 061
Net Income/(Loss) Before Income Taxes		26 498	(10 864)
Income Tax Expense/(Income)	7	-	-
Net Income/(Loss)		26 498	(10 864)

STATEMENT OF FINANCIAL POSITION

(Amounts in NOK 1 000)	Note	December 31, 2022	December 31, 2021
ASSETS			
Financial Non-Current Assets			
Investments in Subsidiaries	8	474 649	337 737
Total Intangible Assets		474 649	337 737
Loans to Group Companies	9	89 223	-
Total Non-Current Assets		563 872	337 737
Current Assets			
Other Receivables		-	658
Receivables Group Companies	9	23 498	6 141
Prepaid Expenses		2 057	3 912
Cash and Cash Equivalents	10	644 363	863 817
Total Current Assets		669 919	874 528
TOTAL ASSETS		**1 233 791**	**1 212 265**

(Amounts in NOK 1 000)	Note	December 31, 2022	December 31, 2021
LIABILITIES AND SHAREHOLDERS EQUITY			
Equity Attributed to Equity Holders of the Parent			
Share Capital		106 055	104 719
Other Paid-in Capital		1 136 377	1 105 556
Retained Earnings		(28 181)	(54 680)
Share Based Payment Reserve	11	801	-
Outstanding Warrants	12	1 600	-
Total Shareholders Equity	13	1 216 651	1 155 595
Current Liabilities			
Trade Accounts Payable		10 592	2 032
Accrued Expenses		4 723	7 519
Liability Stock Option Program	12	-	46 238
Other Current Liabilities		1 825	880
Total Current Liabilities		17 140	56 670
TOTAL LIABILITIES AND EQUITY		**1 233 791**	**1 212 265**

OSLO, NORWAY
31 MARCH 2023

PETRI NIEMI
CHAIRMAN OF THE BOARD

STAFFAN ERLING HANSTORP
BOARD MEMBER

CAMILLA SKOOG
BOARD MEMBER

TERJE ROGNE
BOARD MEMBER

ULRIKA CEDERSKOG SUNDLIG
BOARD MEMBER

DANIEL ÖHMAN
CEO

STATEMENT OF CASH FLOWS

(Amounts in NOK 1 000)	Note	12 months ended December 31, 2022	12 months ended December 31, 2021
Cash Flows from Operating Activities			
Profit/(Loss) Before Tax		26 498	(10 864)
Fair Value Adjustments Stock Options	12	(38 669)	5 061
Share Based Payments	11	86	-
Change in Accounts Payable		8 560	1 347
Change in Current Assets & Liabilities		(17 108)	(4 567)
Net Cash Flows Provided by Operating Activities		(20 632)	(9 023)
Cash Flows from Investing Activities			
Cash payments acquisition subsidiaries		(108 032)	(94 729)
Change in intercompany loan financing	9	(89 223)	-
Cash Flows Used in Investing Activities		(197 255)	(94 729)
Cash Flows from Financing Activities			
Issuance of Shares		5 475	790 758
Transaction Cost Related to Issuance of Shares		(273)	(28 683)
Cash Settlement Stock Options	12	(7 569)	-
Issuance of Warrants	12	800	-
Capital contribution in subsidiaries		-	(3 100)
Cash Flows Used in Financing Activities		(1 567)	758 975
Effect of Exchange Rates on Cash and Cash Equivalents		-	-
Net Change in Cash and Cash Equivalents		(219 454)	655 223
Cash and Cash Equivalents at Beginning of Period		863 817	208 594
Cash and Cash Equivalents at End of Period		**644 363**	**863 817**

NOTES TO CARASENT ASA FINACIAL 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 2019 stock options are measured according to its fair value. Changes in fair value are presented in profit or loss in the line-item Financial (Income)/expenses.

STOCK OPTION PROGRAM – EQUITY FINANCIAL INSTRUMENT

Warrants from the 2022 program are recognized in the financial statements as an equity financial instrument, as the warrant exercise terms are fixed-for-fixed. The warrants are classified as equity at initial recognition and initially measured at the fair value of the cash received for the warrants. The subscription price of the warrants was determined by management using a Black-Scholes option pricing model.

SHARE BASED PAYMENTS

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.

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 7

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 subsidiaries.

(Amounts in NOK 1 000)	**2022**	**2021**
Other revenues	22 044	4 500
Total revenues	**22 044**	**4 500**

NOTE 4 - COMPENSATION AND EMPLOYEE BENEFITS

The following table summarizes the Compensation and Employee Benefits:

(Amounts in NOK 1 000)	**2022**	**2021**
Wages and salaries	4 643	1 960
Social security tax	704	393
Pension costs	159	55
Other benefits	110	8
Total Employee Compensation and Beneftis	**5 616**	**2 416**
Average number of employees	2	1

Remuneration for Board of Directors are specified in Note 6 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.

NOTE 5 – OTHER OPERATIONAL AND ADMINISTRATIVE COSTS

The following table summarizes the Other Operational and Administrative Costs:

(Amounts in NOK 1 000)	2022	2021
Marketing	295	800
Travel and entertainment	140	57
Rent and office expenses	1 300	-
Professional services	24 296	6 483
Utilities and maintenance costs	15	44
IT services	841	502
Other operating expenses	628	1
Total Operating Expenses	**27 515**	**7 887**

AUDIT FEES

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

(Amounts in NOK 1 000)	2022	2021
Audit	1 481	1 331
Other assurance services	110	598
Tax services	-	55
Other services	3 745	1 179
Total Audit Fees	**5 336**	**3 162**

Fees for other services mainly consists of due diligence services

NOTE 6 – FINANCIAL INCOME AND EXPENSES

(Amounts in NOK 1 000)	2022	2021
Interest Expense	(1 276)	-
Change in fair value of stock option liability, see note 7	(38 669)	5 061
Foreign currency effects	2 360	-
Financial (Income) and Expense	**(37 585)**	**5 061**

NOTE 7 – 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)	2022	2021
Tax payable	-	-
Changes in deferred tax	-	-
Total income tax expense	**-**	**-**

SPECIFICATION OF BASIS FOR DEFERRED TAX BALANCES:

(Amounts in NOK 1 000)	2022	2021
Non current assets	(60)	(86)
Gains and loss account	-	20
Other temporary differences	-	(46 238)
Total	**(60)**	**(46 305)**
Tax loss carried forward	(279 528)	(265 451)
Net temporary differences	**(279 588)**	**(311 756)**
Deferred tax liability (asset)	(61 509)	(68 586)
Of which not recognized	61 509	68 586
Carrying value deferred tax liability (assets)	**-**	**-**
whereof deferred tax assets	-	-
whereof deferred tax liabilities	-	-

Carasent ASA has deferred tax assets relating to tax loss carry forward (NOK 279.5 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:

(Amounts in NOK 1 000)	2022	2021
Net Income (Loss) before tax	26 498	(10 864)
Expected income taxes at statutory tax rate	5 830	(2 390)
Permanent differences	1 247	(5 655)
Unrecognized deferred tax assets	(7 077)	8 045
Income tax expense	**0**	**0**
Effective tax rate in %	**0%**	**0%**

NOTE 8 – SHARES IN SUBSIDIARIES

The following table summarizes the Company's subsidiaries:

(Amounts in NOK 1 000)

Company	Book value	Equity	Net income	Incorporation/ Acquisition	Location	Ownership interest & Voting Shares
Carasent Sweden AB (Evimeria EMR AB)	88 210	39 216	13 021	2018	Gothenburg, Sweden	100%
Carasent AS	30	(24)	(43)	2019	Oslo, Norway	100%
Carasent Norge AS (Avans Soma AS)	132 944	17 578	(5 917)	2020	Oslo, Norway	100%
Metodika AB	121 153	3 979	1 967	2021	Stockholm, Sweden	100%
Medrave Software AB	135 265	9 341	4 224	2022	Stockholm, Sweden	100%
Carasent Holding AB	24	19 383	664	2022	Stockholm, Sweden	100%

The following table summarizes the Company's subsidiaries owned through subsidiaries:

(Amounts in NOK 1 000)

Company	Equity	Net income	Incorporation/ Acquisition	Location	Ownership interest & Voting Shares
HPI Health Profile Institute AB	377	(631)	2022	Stockholm, Sweden	100%
Medrave Software AS	1 306	126	2022	Oslo, Norway	100%

For companies acquired during the year, net income is from the acquisition date.

NOTE 9 – TRANSACTIONS WITH RELATED PARTIES

In 2022 Carasent ASA has provided management services to subsidiaries, reference is made to Note 3. The table below set out the intercompany balances per 31 December 2022:

(Amounts in NOK 1 000)

Related party	Relationship	Receivables	Liabilities	Interest
Carasent AS	Subsidiary	-	-	144
Carasent Norge AS (Avans Soma AS)	Subsidiary	20 286	-	287
Carasent Sweden AB (Evimeria EMR AB)	Subsidiary	58 389	(5 337)	895
Medrave AB	Subsidiary	2 795	-	-
Medrave AS	Subsidiary	358	-	-
Metodika	Subsidiary	2 983	-	-
Carasent Holding AB	Subsidiary	26 473	-	255
Total		**111 285**	**(5 337)**	**1 581**

See also note 22 in the Consolidated Financial Statement.

The table below set out the intercompany balances per 31 December 2021:

Related party	Relationship	Receivables	Liabilities	Interest
Carasent AS	Subsidiary	4 141	-	-
Carasent Norge AS (Avans Soma AS)	Subsidiary	2 000	-	-
Total		**6 141**	**-**	**-**

NOTE 10 – 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:

(Amounts in NOK 1 000)	2022	2021
Cash at Bank	643 112	863 684
Restricted Cash	1 251	133
Total Cash and Cash Equivalents	**644 363**	**863 817**

NOTE 11 – SHARE BASED PAYMENTS

For more information see Note 18 and 22 in the Group Financial Statement.

NOTE 12 - STOCK OPTIONS

Find more information under note 19 in the Group Financial Statement.

NOTE 13 - 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	Share Based Payment Reserve	Outstanding warrants	Retained Earnings	Total Equity
Equity December 31, 2020	**73 307**	**354 630**	**-**	**-**	**(43 815)**	**384 121**
Net Income for the Period	-	-	-	-	(10 864)	(10 864)
Share Issuance	31 412	779 609	-	-	-	811 021
Transaction Costs	-	(28 683)	-	-	-	(28 683)
Equity December 31, 2021	**104 719**	**1 105 555**	**-**	**-**	**(54 679)**	**1 155 595**
Net Income for the Period	-	-	-	-	26 498	26 498
Share Issuance	1 336	29 726	-	-	-	31 061
Transaction Costs	-	(273)	-	-	-	(273)
Share based payment	-	1 369	801	-	-	2 169
Warrants outstanding	-	-	-	1 600	-	1 600
Equity December 31, 2021	**106 055**	**1 136 377**	**801**	**1 600**	**(28 181)**	**1 216 651**

In conjunction with the acquisition of Medrave AB (January 2022), where part of the consideration is agreed to be new shares, Carasent ASA registered 627,391 additional shares on 13 January 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 17 March 2022. The share capital increased by NOK 337 thousand to NOK 105,892 thousand.

In conjunction with the acquisition of HPI AB (October 2022), where part of the consideration was agreed to be new shares, Carasent ASA registered 122,375 additional shares on the 18 October 2022. The share capital increased by NOK 163 thousand to NOK 106,055 thousand.

For more information about the shares see Note 20 in the Group Financial Statement.

NOTE 14 – EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

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To the General Meeting of Carasent ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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 2022, 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 2022, 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 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and

- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 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

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 relevant laws and regulations in Norway 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 5 years from the election by the general meeting of the shareholders on 24 July 2018 for the accounting year 2018.

KPMG

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 Medrave AB

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

The key audit matter	***How the matter was addressed in our audit***
On 11 January 2022 the Group acquired 100% of the shares in Medrave AB, a company based in Sweden. The acquisition price of NOK 131.3 million was settled partly with cash and partly by share consideration. 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 104.6 million. 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: • The identification, measurement and allocation of fair values of assets and liabilities acquired, and • The preparation of disclosures in the consolidated financial statements.	Our audit procedures in this area included: • Reading the related share purchase agreement; • Obtaining the transaction documents, tracing payments to bank statements and assessing the fair value of the share consideration; • Understanding and assessing management's process for identification of the acquired assets and liabilities; • 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 • Assessing the appropriateness of the disclosures in the consolidated financial statements with reference to the share purchase agreement and the purchase price allocation.

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 information accompanying the financial statements otherwise appear 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 statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the report on Corporate Governance, and reporting on Corporate Social Responsibility as included in the Board of Directors Report.

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 and 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's 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 Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Carasent ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXI9ZS60-2022-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance 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 about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data 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, 31 March 2023
KPMG AS

Øyvind Skorgevik

Øyvind Skorgevik
State Authorised Public Accountant

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.

Read more at **carasent.com**