

**Q4 2020**  
Quarterly Report

Caring for Life - this is what inspires the people of CSAM each and every day.

Our diverse portfolio of software solutions enables healthcare providers to access relevant clinical information at the point of care, so they can provide the highest quality care to patients.

CSAM has established itself as a leading Nordic niche player in the specialised eHealth market, with a unique blend of best-in-class innovative technology, and outstanding human skills. We have 12 offices in six countries, employing 168 talented individuals.

Our leading product portfolio includes innovative niche solutions in connected healthcare, medical imaging, women and children's health, emergency and acute care, medication management, and laboratory information management systems.

Our leading product portfolio of innovative niche solutions comprises:

**Connected Healthcare**

Denmark's #1 radiology information sharing network

**Medical Imaging**

The Nordics' #1 non - radiology medical imaging software

**Women & Children's Health**

The Nordics' #1 maternity software

**Emergency & Acute**

Norway's #1 emergency and acute software solutions & Sweden's #1 ambulance software solution

**Medication Management**

The Nordics' #1 oncology medication software

**LIMS**

The Nordics' #1 blood management software

The company's commercial headquarters are located in Oslo, Norway. CSAM also has local offices in Stockholm, Gothenburg, Uppsala, Karlstad, Copenhagen, Helsinki, Oulu, Tampere, Tromsø, and Warwickshire, as well as a wholly owned software engineering subsidiary in the Philippines.

We focus on our customers, using profits to strengthen our products and services, create a great place to work for our employees, and serve as a responsible business within the global community.

Backed by strong financial partners, CSAM aspires to achieve continued growth both organically and through selected mergers and acquisitions.

For more information on CSAM, please visit [www.csamhealth.com](http://www.csamhealth.com)

**Our Vision**

Healthcare information without boundaries.

**Our Mission**

Enabling excellent healthcare by providing innovative niche software.

**Our People**

We are daring, different, and disruptive.

# Fourth Quarter Highlights

Q4 2020 sales of MNOK 62.4, representing growth of 5%

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Q4 2020 recurring revenue of 44.6 MNOK, representing growth of 10%

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Increased reported EBITDA margin - from 11% in Q4 2019 to 16% in Q4 2020

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EBITDA FY 2020, adjusted for one-offs, amounts to 67 MNOK

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EBITDA FY 2020 F/X effects amounts to ~5 MNOK

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Q4 2020 cost and thus EBITDA is notably impacted by one-off costs, primarily related to the bond issue and the IPO in H2 2020.

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Publicly listed CSAM on the Oslo Stock Exchange (Euronext Growth)

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Increased financial capacity to accelerate M&A strategy

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Acquired Fertsoft AB, which provides complete care and practice management software for Assisted Reproductive Technology (ART) clinics.

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2020 revenue of MNOK 229, representing growth of 10%

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2020 recurring revenue of MNOK 173.5, representing growth of 14%

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## Subsequent events

In February 2021, CSAM acquired Carmenta's Public Safety business, which provides complete software solutions for managing every aspect of emergency response. This acquisition substantially increases CSAM's presence in the Emergency & Acute domain in the Nordics, in addition to expanding CSAM's position in Europe.

# Introduction

CSAM was listed on Euronext Growth this quarter, while continuing to perform predictably and profitably. The company also furthered the M&A pipeline with the acquisition of Fertsoft AB. This solid platform exiting Q4 2020 provides confidence that that we can execute on our strategic growth ambitions.

**Sverre Flatby, CEO commented:**

*- As the fourth quarter of 2020 comes to a close, CSAM is celebrating five years of consecutive profitable growth and our listing as a public company on the Oslo Stock Exchange (Euronext Growth market). Our successes this quarter represents the culmination of years of hard work and dedication by our employees as well as prudent strategic and financial management by our Management Team.*

During Q4, CSAM increased profitable growth, as well as the predictability and diversification of its revenues. Fourth quarter sales ended at 62.4 MNOK, an increase of 5 per cent since the fourth quarter of 2019. The full year reported preliminary EBITDA margin was 25 per cent, an increase of 8 percentage points compared with 2019, but below the company's average operational target margin. Quarterly recurring revenues increased by 10 per cent, compared to Q4 2019, and 14 per cent year over year.

CSAM has not experienced any significant impact on its current business due to the ongoing Covid-19 outbreak, but some implementation projects have been deferred due to a shift in customer priorities, leading to an observable change in income composition.

In October, CSAM successfully launched an IPO and listing on the Oslo Stock Exchange (Euronext Growth Market). The net proceeds from this listing will be used to fund further M&A growth.

CSAM closed one new acquisition in Q4 - acquiring Fertsoft AB, a Swedish company that provides complete care and practice management software for Assisted

Reproductive Technology (ART) clinics. With the acquisition of Fertsoft, CSAM has expanded the already comprehensive portfolio of women and children's healthcare solutions - ranging now from conception to early childhood, increasing the company's geographic and product offerings within this domain.

In addition to the diversification of revenues, CSAM continues to focus on specialised and entrenched software solutions. The company delivers solutions for complex, specialised healthcare workflows which are established over many years and therefore rarely change. Deeply rooted in the clinical care process, CSAM's solutions are an essential part of the specialised care delivery in hospitals, creating stable and predictable revenue year over year.

CSAM will continue to pursue growth through a strategic combination of M&As, organic sales and long-term recurring revenues.



**“As the fourth quarter of 2020 comes to a close, CSAM is celebrating five years of consecutive profitable growth and our listing as a public company on the Oslo Stock Exchange (Euronext Growth market). Our successes this quarter represents the culmination of years of hard work and dedication by our employees as well as prudent strategic and financial management by our Management Team.”**

**–Sverre Flatby, CEO**

**INCOME STATEMENT** - CSAM Health Group AS, consolidated unaudited accounts

<b>KNOK</b>	<b>2020 Q4</b>	<b>2019 Q4</b>	<b>2020 FY</b>	<b>2019 FY*</b>
License sales	1 136	5 473	9 739	16 649
Recurring Software Revenue	44 565	40 387	173 535	151 751
Professional Services	13 977	10 177	35 817	24 837
Other operating income	162	323	529	2 801
Hardware	2 581	3 273	9 445	9 348
<b>Total Sales</b>	<b>62 420</b>	<b>59 634</b>	<b>229 065</b>	<b>205 386</b>
Government grants R&D (Skattefunn)	-487	-	741	1 844
<b>Total Income</b>	<b>61 933</b>	<b>59 634</b>	<b>229 807</b>	<b>207 231</b>
Cost of Goods and Services	6 810	7 995	25 683	24 693
Salary and personnel	36 161	31 444	115 904	96 097
Other cost	8 991	13 684	30 079	50 326
<b>Total Cost</b>	<b>51 962</b>	<b>53 122</b>	<b>171 667</b>	<b>171 115</b>
<b>EBITDA</b>	<b>9 970</b>	<b>6 512</b>	<b>58 140</b>	<b>36 116</b>
EBITDA-%	16%	11%	25%	17%
Depreciation	391	384	1 517	1 410
<b>EBITA</b>	<b>9 580</b>	<b>6 128</b>	<b>56 623</b>	<b>34 706</b>
EBITA-%	15%	10%	25%	17%
Amortisation of goodwill and licenses	12 259	17 039	39 360	53 720
<b>EBIT</b>	<b>-2 679</b>	<b>-10 911</b>	<b>17 263</b>	<b>-19 014</b>
EBIT %	-4%	-18%	8%	-9%
Net financials	-15 487	-3 656	-25 272	-18 284
<b>Profit before tax</b>	<b>-18 166</b>	<b>-14 567</b>	<b>-8 009</b>	<b>-37 299</b>
Taxes	1 157	-2 452	1 217	-1 058
<b>Net profit</b>	<b>-19 323</b>	<b>-12 115</b>	<b>-9 226</b>	<b>-36 241</b>
<b>Key ratios</b>				
Capitalised R&D expenditure	6 695	8 189	25 708	25 949
Capex %	10.7%	13.7%	11.2%	12.6%

\* Audited numbers

**BALANCE SHEET** - CSAM Health Group AS, consolidated unaudited accounts

<b>KNOK</b>	<b>31.12.2020</b>	<b>31.12.2019*</b>
Deferred tax	39 217	30 238
Goodwill	85 894	101 213
Customer contracts	34 740	30 729
IP, acquired and developed	127 352	102 216
<b>Total intangible assets</b>	<b>287 202</b>	<b>264 397</b>
Fixed durable assets	3 075	2 761
<b>Total tangible assets</b>	<b>3 075</b>	<b>2 761</b>
Inventories	52	38
Accounts receivables	53 514	41 250
Other receivables	12 948	15 090
Cash and liquid assets	304 616	22 677
<b>Current assets</b>	<b>371 130</b>	<b>79 056</b>
<b>Total assets</b>	<b>661 407</b>	<b>346 215</b>
Sum Equity	248 346	34 197
<b>Total equity</b>	<b>248 346</b>	<b>34 197</b>
Bond Loan	284 320	-
Other long term liabilities	-	163 563
<b>Total long term liabilities</b>	<b>284 320</b>	<b>163 563</b>
Accounts payable	11 476	11 641
Public duties payable	20 095	18 185
Other short term liabilities	97 170	118 629
<b>Current liabilities</b>	<b>128 742</b>	<b>148 455</b>
<b>Total equity and liabilities</b>	<b>661 407</b>	<b>346 215</b>

\* Audited numbers

**CASH FLOW** - CSAM Health Group AS, consolidated unaudited accounts

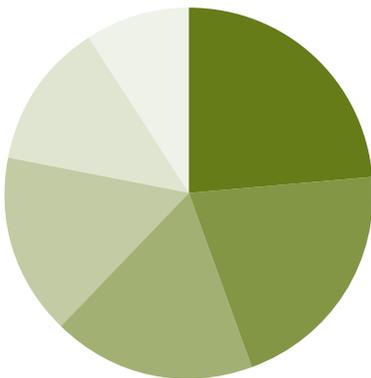
<b>KNOK</b>	<b>2020 Q4</b>	<b>2019 Q4</b>	<b>2020 FY</b>	<b>2019 FY*</b>
Profit/(loss) before taxation	-18 166	-14 567	-8 009	-37 299
Net financial items	15 487	3 656	25 272	18 284
Depreciation and Amortisation	12 650	17 423	40 877	55 130
<b>Cash earnings</b>	<b>9 970</b>	<b>6 512</b>	<b>58 140</b>	<b>36 116</b>
Changes in accounts receivables	-35 898	-17 698	-12 254	-622
Changes in accounts payables	-12 783	28 207	-164	-879
Changes in other current receivables/liabilities	21 172	6 633	-16 770	20 959
Taxes paid	-	-1 128	-	-3 324
<b>Cash flow from operating activities</b>	<b>-17 539</b>	<b>22 527</b>	<b>28 952</b>	<b>52 251</b>
Capital Expenditure IP	-6 695	-8 189	-25 708	-25 949
Capital Expenditure other	-1 160	-270	-1 830	-702
Acquisitions	-	-	-	-18 259
<b>Cash flow from investing activities</b>	<b>-7 855</b>	<b>-8 459</b>	<b>-27 538</b>	<b>-44 910</b>
Dividend paid	-80 000	-	-80 000	-4 200
Net proceeds from new shares issue	288 499	-	288 499	1 125
Change in Debt	-149 034	-	97 298	14 520
Financing activities and other financial items	-15 487	-2 494	-25 272	-14 031
<b>Cash flow from financing activities</b>	<b>43 977</b>	<b>-2 494</b>	<b>280 525</b>	<b>-2 586</b>
Net change in cash and cash equivalents	18 584	11 574	281 939	4 755
Cash and cash equivalents at start of the period	286 032	11 103	22 677	17 922
<b>Cash and cash equivalents at end of the period</b>	<b>304 616</b>	<b>22 677</b>	<b>304 616</b>	<b>22 677</b>

\* Audited numbers



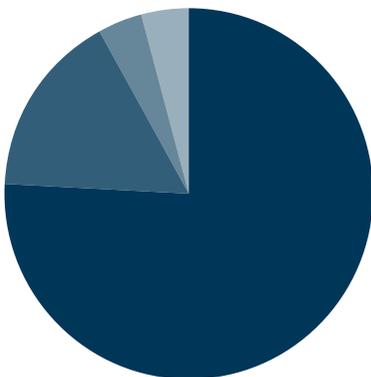
**DISTRIBUTION OF SALES, PER COUNTRY**

- Norway 35%
- Sweden 32%
- Finland 19%
- Denmark 12%
- Europe 1%



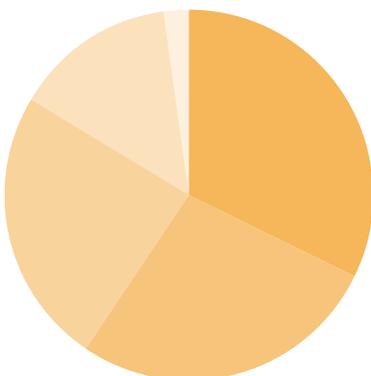
**DISTRIBUTION OF SALES, PER PRODUCT**

- Connected Healthcare 24%
- Women & Children's Health 21%
- LIMS 18%
- Emergency & Acute 16%
- Medical Imaging 13%
- Medication Management 9%



**DISTRIBUTION OF SALES, PER INCOME TYPE**

- Recurring Software Revenue 76%
- Professional Services 16%
- License Sales 4%
- Hardware sales 4%
- Other income 0%



**EMPLOYEES PER Q4 2020 (TOTAL 168)**

- Sweden 32%
- Norway 27%
- Philippines 24%
- Finland 14%
- Denmark 2%

# Financial Review

The financial accounts have been prepared in accordance with NGAAP. Figures in brackets in the text below relate to the corresponding periods in 2019. All numbers are presented in NOK.

## **RESULTS FOR THE FOURTH QUARTER AND FULL YEAR 2020**

CSAM showed 5% growth in reported revenue for the fourth quarter of 2020. Reported EBITDA increased to 10 million (6.5). The reported EBITDA-margin increased to 16% in Q4 2020 from 11% in Q4 2019. For the year, reported revenue increased by 11.5%. Reported EBITDA increased to 58.1 million (36.1).

## **M&A**

CSAM completed the acquisition of Fertsoft AB in December 2020, thereby strengthening our position within the Women and Children's health domain.

In February 2021, CSAM completed the acquisition of Carmenta Public Safety, thereby significantly strengthening our position within the Emergency & Acute domain in the Nordics as well as in selected countries in Europe.

## **Profit and Loss account (unaudited)**

### **REVENUE**

Total sales in the fourth quarter of 2020 amounted to 62.4 million compared to 59.6 million in the fourth quarter of 2019.

The organic revenue increase was primarily driven by new sales of Professional Services, upselling and increased recurring revenue based on sales in previous periods. Revenue for the year amounted to 229.8 million (207.2).

### **OPERATING COSTS**

Operating costs were 52 million in the fourth quarter (53.1). The decrease in operating costs is primarily due to cost optimisation linked to the two acquisitions completed in 2019.

COGS were 6.8 million (8). Personnel costs amounted to 36.2 million in the fourth quarter (31.4), including one-off costs of 5.2 MNOK.

Capex decreased to 6.7 million in the fourth quarter (8.2).

Other Q4 operating costs were 9 million (13.7), including one-off costs of 1.6 MNOK.

Note that a 6.2 million cost related to certain personnel expenses in the Group was previously booked as other opex, while these costs are now classified under personnel.

Other operating costs for the year amounted to 30.1 million (50.3).

### **EBITDA**

Reported EBITDA was 10.0 million in the fourth quarter of 2020 (6.5), and the reported EBITDA-margin increased to 16% in Q4 2020 from 11% in Q4 2019.

For the year, reported EBITDA was 58.1 million (36.1).

Acquisitions overall show initially lower EBITDA margins than the Group average, and fourth quarter 2020 is another indication of realised synergies. In general, acquisitions should be expected to have an initial dilutive effect on overall Group margins, improving to Group average within a 12 to 24-month period.

Total one-off expenses impacting the reported EBITDA related to funding activities amount to ~7 MNOK in Q4. In addition, reclassification of Govt Grants and miscellaneous accruals impacts the reported EBITDA negatively. Total one-off effects amounts to more than 9 MNOK in Q4 2020.

### **EBIT**

Depreciation and amortisation amounted to 12.3 million in the fourth quarter (17), and 39.4 million for the full twelve months (53.7).

Note that depreciation and amortisation principles were revisited for 2020 and adjusted to better reflect the actual lifespan of these assets. These changes explain the reduced amortisations in 2020 compared to 2019.

Intangible assets from acquisitions are amortised over a period of five years, and Goodwill from acquisitions is amortised over a period of ten years in accordance with NGAAP.

The reported operating income (EBIT) was -2.7 million in the fourth quarter, compared to an operating loss of 10.9 million in the same period last year. For the full twelve months of 2020, operating income was 17.3 million, compared to an operating loss of 19 million in the same period last year.

## NET FINANCIALS

The net financial cost was -15.5 million in the fourth quarter of 2020 (-3.7), and -25.3 million for the full twelve months (-18.3). The reported numbers include one-off costs related to the termination of the lending agreement with Cordet Capital. Going forward, reported and actual financing cost will be significantly lower.

Agio effects related to EBITDA, booked as financial income, amounts to ~ 5 MNOK for the year.

## RESULTS

Profit before tax was -19.3 million in the fourth quarter of 2020 (-12.1), and -9.6 million for the full twelve months (-36.2).

The company has tax losses carried forward from previous years and expect to utilise these in the years to come, thus we expect a relatively low effective taxation of the Groups profits going forward.

## Financial position

### ASSETS

Total non-current assets amounted to 290.4 million at the end of December 2020 (267.2). Intangible assets accounted for 287.2 million (264.4). The intangible assets mainly stem from the acquisitions made during the last five years, in addition to developed software.

Current assets amounted to 371 million at the end of the year (79). Cash and cash equivalents amounted to 304.6 million (22.7). The large increase in available cash is explained by the successful Bond issue the Group made at the end of September 2020 and proceeds from the primary part of the IPO (325 MNOK gross) in October 2020. The bond is listed on the Oslo Stock Exchange ABM (CSAM01 PRO). The bond matures four years from issuance and has a tap issue of 200 million. The share is listed on Euronext Growth (CSAM).

### EQUITY AND LIABILITIES

CSAM had total booked equity of 248.3 million (34.2) of a total reported balance of 661.4 million (346.2).

Total liabilities amounted to 413.1 million at the end of the year (312), of which 128.7 million in current liabilities (148.5), and 284.3 million in long-term liabilities (163.6). CSAM markedly improved its financial position and flexibility through the refinancing activity referred to above.

## Cash flow

### CASH FLOW FROM OPERATING ACTIVITIES

Cash earnings were 58.1 million in the full twelve months of 2020 (36.1).

### CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities was a negative 27.5 million for the year, split between 25.7 million for development of IP, (25.9), 1.8 million for purchase of property, plant and equipment (0.7).

### CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities was 280.5 million for the year (-2.6), which primarily reflects proceeds from the issue of the CSAM-01 PRO and the primary part of the IPO in October.

Cash and cash equivalents increased to 304.6 million (22.7).

## Declaration by the Board of Directors and CEO

We hereby confirm that, to the best of our knowledge, that the interim financial statements for the period from 1 January to 31 December 2020 have been prepared in accordance with NGAAP, and that the information in the financial statements gives a true and fair view of the Group's assets, liabilities, financial position and profit & loss taken as a whole.

We also confirm that, to the best of our knowledge, the interim report for the fourth quarter gives a true and fair view of important events in the accounting period and their influence on the interim report for the fourth quarter, as well as the principal risks and uncertainties facing the business in the next accounting period.

The Board of Directors of CSAM Health Group AS Oslo 26 February 2021.

**Sverre Flatby**  
CEO

**Åse Aulie Michelet**  
Chair of the Board

**Louise Nilsson**  
Director

**Mats Hjerpe**  
Director

**Mats Larson**  
Director

**Ansgar Gabrielsen**  
Director

