

Q1 2021

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 seven countries, employing 225 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 and Sweden's #1 emergency & acute software and Sweden's #1 ambulance software

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, Valencia, 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.

CSAM aspires to achieve continued growth both organically and through selected mergers and acquisitions. CSAM is listed on Oslo Stock Exchange, Euronext Growth and ABM.

For more information on CSAM, please visit 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.

First Quarter Highlights

Acquisition of Carmenta Public Safety's business: Complete software solutions for managing every aspect of emergency response. This transaction will increase CSAM's presence in the Emergency & Acute domain in the Nordics and expand position in Europe

Increased sales by 40%

Increased recurring revenue by 25%

Reported EBITDA of 14.4 MNOK (9.8)

Subsequent events to Q1

CSAM successfully completed a tap issue of NOK 200 million under the Company's existing senior secured bond with maturity date 25 September 2024 and ISIN NO 0010893738

The bond tap issue enables CSAM to continue to pursue its strategic growth path through M&A activities

CSAM announcement of new Board member, Gunnar Bjørkavåg

Introduction

CSAM continued its strong growth trajectory, displaying robust YoY growth and profitability - through both organic and targeted M&A activities. CSAM's energetic M&A ambitions were further bolstered by a new acquisition during the first quarter of 2021 - placing the company in pole position to becoming the Nordic's benchmark niche provider of end-to-end ecosystems within e-health.

Sverre Flatby, CEO commented

"Exhibiting our strongest quarter ever, CSAM demonstrated 40% top-line YoY growth from Q1-2020 to Q1-2021, further strengthening the tangibility of our communicated growth plans. As we continue to show strong organic growth and capture new market share through strategic M&A, CSAM is closing the gap to securing Nordics market position as the go-to provider of niche e-health solutions."

With 14.4 MNOK EBITDA, CSAM experienced a solid financial performance from operations during yet another consecutive quarter. During a continued period of rapid growth, CSAM's positive operational cash flow fulfils an important KPI that indicates a continued low operational risk.

The company's key value-creation KPI is clearly identifiable as the quickly expanding and highly diversified recurring revenues from numerous specialised hospitals and health care providers in the Nordics and increasingly in the rest of Europe. With 25% recurring revenue growth from Q1/20 to Q1/21 and low churn rate, CSAM's robust earnings platform continues to define the predictability of its long-term strategy, business model and vision capturing additional market share.

Through the successful acquisition of Carmenta Public Safety in the first quarter, CSAM has also demonstrated how targeted M&A strengthens its leading Nordic position and simultaneously expands its footprint in Europe using a managed risk approach. Providing services to over 45 million citizens throughout Europe, our public safety

software components continue to supply critical complementary elements of a growing bouquet of national health care systems in Europe.

With 1% sales outside the Nordics in Q1-2020, CSAM displayed an accelerated 7% in Q1-2021. YoY growth figures indicate CSAM's journey from positioning as the leading Nordic niche provider to an important European player, has begun, reconfirming the company's agile M&A strategy.

CSAM will continue its strategy to gather the best-of-breed European technology on the market into one unique family to provide a complete portfolio of niche products and solutions for its growing customer base.

"In addition to enjoying our growth success and continued profitability, our employees have become CSAM'ers for a reason. Our day-to-day work with highly specialised and lifesaving solutions are meaningful to all of us. With strong customer relationships that often last for decades, our agile teams work humbly and respectfully together with our highly diverse array of health care customers, knowing how our important supporting role has become invaluable for providers in many countries."



“CSAM is all about providing outstanding human skills and technology to enable healthcare providers and emergency response personnel to access the most relevant information at the point of care - seamlessly and efficiently - to empower our customers to do what they do best.”

–Sverre Flatby, CEO

INCOME STATEMENT - CSAM Health Group AS, consolidated unaudited accounts

KNOK	2021 Q1	2020 Q1	2021 YTD	2020 YTD	2020 FY*
License sales	3 941	3 464	3 941	3 464	9 739
Recurring Software Revenue	53 338	42 543	53 338	42 543	173 535
Professional Services	11 015	6 081	11 015	6 081	35 817
Other operating income	9	169	9	169	529
Hardware	8 147	2 048	8 147	2 048	9 445
Total Sales	76 449	54 305	76 449	54 305	229 065
Government grants R&D (Skattefunn)	303	410	303	410	741
Total Income	76 752	54 714	76 752	54 714	229 807
Cost of Goods and Services	10 548	6 033	10 548	6 033	25 683
Salary and personnel	37 972	27 732	37 972	27 732	115 904
Other cost	13 857	11 159	13 857	11 159	30 079
Sum Cost	62 377	44 925	62 377	44 925	171 667
EBITDA	14 375	9 790	14 375	9 790	58 140
EBITDA-%	19%	18%	19%	18%	25%
Depreciation	440	376	440	376	1 517
EBITA	13 935	9 414	13 935	9 414	56 623
EBITA-%	18%	17%	18%	17%	25%
Amortization of goodwill and licenses	17 245	16 236	17 245	16 236	39 360
EBIT	-3 310	-6 822	-3 310	-6 822	17 263
EBIT %	-4%	-13%	-4%	-13%	8%
Interest expenses	-5 058	-4 577	-5 058	-4 577	-25 312
Other net financials	-14 815	13 025	-14 815	13 025	40
Profit before tax	-23 183	1 627	-23 183	1 627	-8 009
Taxes	22	-	22	-	1 217
Net profit	-23 205	1 627	-23 205	1 627	-9 226
Key ratios					
Capitalized R&D expenditure	6 879	7 846	6 879	7 846	25 708
CAPEX-%	9%	14%	9%	14%	11%

* Audited numbers

BALANCE SHEET - CSAM Health Group AS, consolidated unaudited accounts

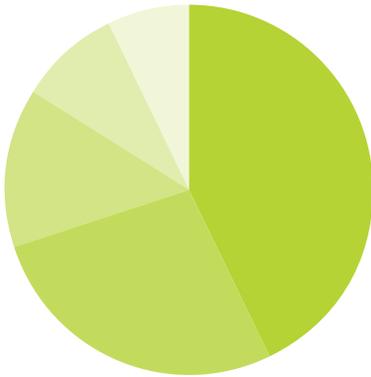
KNOK	31.03.21	31.12.20*
Deferred tax	29 521	39 217
Goodwill, customer contracts and IP	287 786	160 272
Intangible assets developed	91 681	87 714
Total intangible assets	408 987	287 202
Fixed durable assets	3 579	3 075
Total tangible assets	3 579	3 075
Inventories	100	52
Accounts receivables	36 817	53 514
Other receivables	24 966	12 948
Cash and liquid assets	183 135	304 616
Current assets	245 018	371 130
Total assets	657 584	661 407
Share capital	2 097	2 091
Share premium reserve	216 469	246 255
Total equity	218 566	248 346
Bond Loan	285 365	284 320
Total long term liabilities	285 365	284 320
Accounts payable	10 875	11 476
Public duties payable	20 818	20 095
Other short term liabilities	121 961	97 170
Current liabilities	153 653	128 742
Total equity and liabilities	657 584	661 407

* Audited numbers

CASH FLOW - CSAM Health Group AS, consolidated unaudited accounts

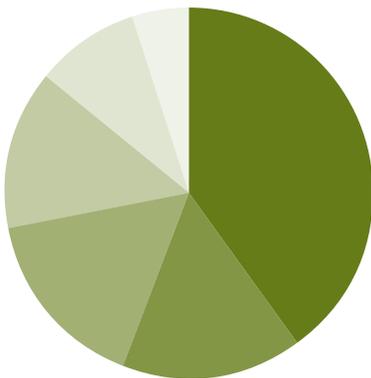
KNOK	2021 Q1	2020 Q1	2021 YTD	2020 YTD	2020 FY*
Profit/(loss) before taxation	-23 183	1 627	-23 183	1 627	-8 009
Net financial items	19 873	-8 448	19 873	-8 448	25 272
Depreciation and amortisation	17 685	16 611	17 685	16 611	40 877
Cash earnings from operations	14 375	9 790	14 375	9 790	58 140
Changes in accounts receivables	16 698	17 730	16 698	17 730	-12 254
Changes in accounts payables	-601	-6 362	-601	-6 362	-164
Changes in other current receivables/liabilities	14 113	-9 118	14 113	-9 118	-16 770
Taxes paid	-770	-670	-770	-670	-
Cash flow from operating activities	43 815	11 369	43 815	11 369	28 952
Capital Expenditure IP	-6 879	-7 846	-6 879	-7 846	-25 708
Capital Expenditure other	-944	-485	-944	-485	-1 830
Acquisitions	-158 653	-4 000	-158 653	-4 000	-
Cash flow from investing activities	-166 476	-12 331	-166 476	-12 331	-27 538
Dividend paid	-	-	-	-	-80 000
Proceeds from new shares issue	6 238	-	6 238	-	288 499
Change in Debt	-	-	-	-	97 298
Net financial items	-5 058	-4 577	-5 058	-4 577	-25 272
Cash flow from financing activities	1 180	-4 577	1 180	-4 577	280 525
Net change in cash and cash equivalents	-121 481	-5 538	-121 481	-5 538	281 939
Cash and cash equivalents at start of the period	304 616	26 128	304 616	26 128	22 677
Cash and cash equivalents at end of the period	183 135	20 590	183 135	20 590	304 616

* Audited numbers



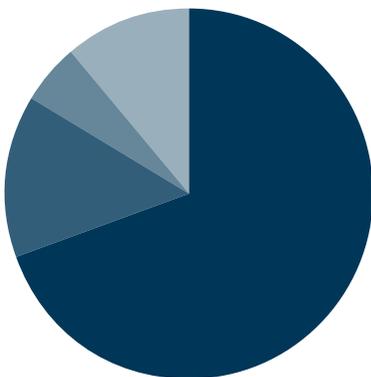
DISTRIBUTION OF SALES, PER COUNTRY

- Sweden 43%
- Norway 27%
- Finland 14%
- Denmark 9%
- Europe 7%



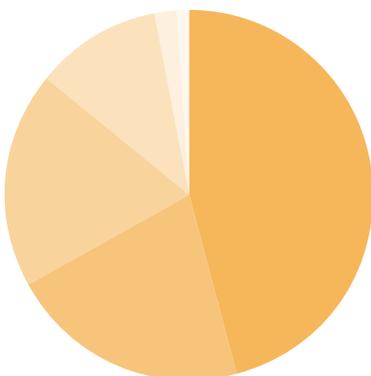
DISTRIBUTION OF SALES, PER PRODUCT

- Emergency & Acute 40%
- Women & Children's Health 16%
- Connected Healthcare 16%
- LIMS 14%
- Medical Imaging 9%
- Medication Management 5%



DISTRIBUTION OF SALES, PER INCOME TYPE

- Recurring Software Revenue 69%
- Professional Services 14%
- License Sales 5%
- Hardware sales 11%



EMPLOYEES PER Q1 2021 (TOTAL 225)

- Sweden 46%
- Norway 21%
- Philippines 19%
- Finland 11%
- Spain 2%
- Denmark 1%

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 2020. All numbers are presented in NOK.

RESULTS FOR THE FIRST QUARTER 2021

CSAM showed 40% growth in reported revenue for the first quarter of 2021. Reported EBITDA increased to 14.4 million (9.8). The reported EBITDA-margin increased to 19% in 2021 from 18% in 2020.

M&A

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

Profit and Loss account

REVENUE

Total income in the first quarter of 2021 amounted to 76.8 million compared to 54.7 million in the first quarter of 2020.

The revenue increase was primarily driven by a mix of organic and acquired growth. Hardware sales were unusually high in the quarter, driven primarily by a large order within Emergency and Acute, bundled with CSAM software.

OPERATING COSTS

Operating costs were 62.4 million in the first quarter (44.9). The increase in operating costs is primarily due to inclusion of two new businesses, Fertsoft (Dec-20) and Carmenta (Feb-21). COGS were higher, 10.5 million (6) than Q1/20 due to the large HW order described above.

Personnel costs amounted to 38 million in the first quarter (27.7), while Other costs amounted to 13.9 million (11.2).

Capex decreased to 6.9 million in the first quarter (7.8), and the Capex-% decreased to 9% (14%) of total revenue.

Note that audit fees for 2020 are fully reflected in the numbers for Q1 2021, while these costs for the most part were booked in Q2 in 2020. This impacts the reported numbers in Q1 2021 negatively by > 1 million compared to same quarter last year.

EBITDA

Reported EBITDA was 14.4 million in the first quarter of 2021 (9.8), and the reported EBITDA-margin increased to 19% from 18%.

Acquisitions overall show initially lower EBITDA margins than the Group average, and first quarter 2021 clearly shows this very much announced effect. 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.

EBIT

Depreciation and amortisation amounted to 17.7 million in the first quarter (16.6).

As a consequence of increased M&A activity, amortisation will increase through 2021.

IP from acquisitions is amortised over a period of five years, and Customer contracts and Goodwill from acquisitions is amortised over a period of ten years in accordance with NGAAP.

The reported operating income (EBIT) was -3.3 million in the first quarter, compared to an operating loss of 6.8 million in the same period last year.

FINANCIALS

Interest expenses amounted to 5.1 million (4.6) in the first quarter. Other financial cost comprises calculated agio/disagio related to acquisitions in foreign currency. This calculated financial item has no cash effect on the accounts.

RESULTS

Profit before tax was -23.2 million in the first quarter of 2021 (1.6).

Financial position

ASSETS

Total non-current assets amounted to 412.6 million at the end of the first quarter 2021 (290.3). Intangible assets accounted for 409 million (287.2). The intangible assets mainly stem from the acquisitions made during the last seven years, in addition to developed software.

Current assets amounted to 245 million at the end of the year (371.1). Cash and cash equivalents amounted to 183.1 million (304.6). The large deviation in available cash is explained by the settlement of the Carmenta transaction mid-February.

EQUITY AND LIABILITIES

CSAM had total booked equity of 218.6 million (248.3) of a total reported balance of 657.6 million (661.4).

Total liabilities amounted to 439 million at the end of the quarter (413.1), of which 153.7 million in current liabilities (128.7), and 285.4 million in long-term liabilities (284.3), represented in its entirety by CSAM01 PRO.

Cash flow

CASH FLOW FROM OPERATING ACTIVITIES

Cash earnings were 14.4 million in the first three months of 2021 (9.8).

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities was a negative 166.5 million for the quarter, split between 6.9 million for development of IP (7.8), 0.9 million for purchase of property, plant and equipment (0.5), and settlement of agreed acquisitions 158.7 (4.0).

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities was 1.2 million for the period (-4.6), related to the directed equity issue in conjunction with the settlement of the acquisition of Fertsoft AB at the very end of 2020.

Cash and cash equivalents at the end of the first quarter amounted to 183.1 million (20.6).

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 March 2021 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 first quarter gives a true and fair view of important events in the accounting period and their influence on the interim report for the first 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 25 May 2021.

Åse Aulie Michelet

Chair of the Board

Kjellrun Borgmo

Director (employee
representative)

Sverre Flatby

CEO

Louise Nilsson

Director

Gunnar Bjørkavåg

Director

Mats Larson

Director

Ansgar Gabrielsen

Director

