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Annual report 2018 (condensed)

CSAM Health AS / CSAM Invest AS Consolidated accounts

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Table of contents

01	About CSAM	04
02	Letter to Shareholders	06
03	Strengthening Nordic Leadership through Strategic M&As	12
04	A Synergistic Approach to Driving Organic Sales	16
05	Year in Review	20
06	Country Spotlights	22
07	Domains	34
80	Financials	38
09	Financial Notes	44
10	Our Offices	64

About CSAM

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 twelve offices in six countries, employing nearly 200 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 family of products comprises:

The Nordics' #1 blood management software

The Nordics' #1 oncology medication software

The Nordics' #1 non-radiology medical imaging software

The Nordics' #1 maternity software

Norway's #1 emergency and acute software solutions

and Sweden's #1 ambulance software solution

OUR VISION

Healthcare information without boundaries.

OUR MISSION

Enabling excellent healthcare by providing innovative niche software.

OUR PEOPLE

We are daring, different, and disruptive.

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

As a privately-owned eHealth company, 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

Letter to Shareholders



Letter to Shareholders 8

July 2019

To Our Shareholders:

I have the privilege of leading CSAM at an incredible time in the company's history. Each year, we build on the success of the last, expanding our portfolio of leading solutions, broadening our customer base and geographic footprint, and adding new, talented employees to our fast-growing company.

In 2018, CSAM once again delivered its best year on record.

Our financial results demonstrate the stability and strength of our business. We continued to achieve strong margin expansion, with more than 169 MNOK in sales and nearly 46 MNOK in earnings before interest, tax, depreciation and amortisation (EBITDA). And our ~30 per cent margin target is within reach.

Our talented team of employees delivered on a number of key priorities. Together, we launched a new product - CSAM CIMA - Clinical Imaging Mobile Application, closed a record number of sales cases, and delivered many important software updates across our portfolio of solutions, just to name a few.

We also successfully acquired and integrated Saab's Paratus emergency response business, expanding CSAM's leading portfolio in emergency and acute solutions, building a platform for continued growth in this important market, and welcoming new employees with critical domain expertise to CSAM's team.

Thanks to the dedication of our employees, the confidence of our customers, the strategic guidance of our Board of Directors and Management Team, and the partnership of our investors, CSAM made significant progress in 2018 towards realising its bold ambitions and continuing to build its leadership in the niche Nordic eHealth market.

Our Success Factors

CSAM's ability to successfully develop and export its niche software solutions to new markets and customers is a key element of our success. And it is made possible by a winning combination of where we operate, how we operate and how we grow.

Where we operate is within the rapidly expanding eHealth market, defining the Nordics as our home territory. Our experience has shown that the industry is nearly recession-proof - continuing to thrive regardless of overall economic conditions.

Patients continue to need healthcare, and hospitals continue to need our niche software solutions to support their highly specialised workflows. These entrenched workflow processes do not undergo significant changes over time, so CSAM's solutions will continue to produce recurring revenue for the foreseeable future.

How we operate is as a highly diversified, niche portfolio company with specialised software solutions. This business model is inherently low risk because it doesn't rely on large, all or nothing tenders. Instead, our specialised solutions integrate with a healthcare organisation's existing IT infrastructure. With our strong corporate governance, quality management system, and shared service model, we are well positioned to respond to customer needs, new regulations or quality requirements. And when we acquire a company or a business, we integrate the new business as quickly as practically possible. Although we have several operating entities, we effectively operate as one company with a common goal, sharing resources and best practices across the entire organisation.

How we grow is through our unique combination of organic sales and select M&As. I encourage you to read our feature articles in this report to learn more about our organic sales and M&A strategies, and how the two work together to deliver synergistic growth across the full breadth of CSAM's solutions and operating countries. In short; we do not only buy and build, we buy, *integrate* and build, and we firmly believe that makes all the difference.

Nordic eHealth Consolidation

Over the past five years, consolidation in the niche Nordic eHealth market has accelerated. With the success of the Paratus acquisition in 2018, we have further strengthened our experience and expertise in this area, and today, many companies are approaching CSAM as a potential partner for their business.

At CSAM, we have purposefully structured our niches and verticals so that we can acquire companies and maintain their strengths - such as expert teams, great products, and satisfied customers - while adding value and securing margin expansion through our common processes and shared services, like our highly skilled, dedicated development and testing team in the Philippines.

Most importantly, when we acquire a new company, we have the meaningful opportunity to ensure their innovative niche solutions continue to be available to the customers and patients who rely on them every day.

Letter to Shareholders 10

eHealth Market Trends

Market trends continued to develop in CSAM's favour throughout 2018. With the technology market evolving rapidly and healthcare spending on the rise, customers are increasingly looking to specialised eHealth solutions to achieve improved health outcomes and patient experience while delivering efficiency and reducing costs.

CSAM's niche business model allows us to capitalise on this trend. We develop and deliver the software that healthcare professionals need to manage their highly specialised workflows across a broad diversity of domains. The result is secure and recurring software revenue that shows no sign of slowing down.

In addition to the increased demand for specialised solutions, we also see more and more of our existing customers purchasing add-on products. In fact, a large portion of our organic growth is based on delivering add-ons to our specialised solutions. With our customers' highly entrenched, thoroughly designed, and specialised workflows, larger vendors simply cannot compete with their 'one solution fits all' approach.

The value of our niche solutions is evidenced by our growing role as a strategic vendor to healthcare organisation and regions across the Nordics. Recently, CSAM was invited to participate in projects in several Nordic capitals focussed on integrating our specialised solutions with new or existing legacy systems. Our customers are making strategic investments in specialised solutions now to deliver value to their organisation and the healthcare system over the coming years. These kinds of projects will continue to be the foundation of CSAM's growth in recurring revenue through 2019 and beyond.

Our 3CDE Formula

This year, for the first time, CSAM shared its unique formula for success - something we call our triple CDE formula. This formula describes the strategic values that guide our M&A decisions, the core values of our company, and the values of the people who work at CSAM.

Customers, Code & Competence represent what CSAM looks for in a company when considering an acquisition. We seek out companies with an existing customer base that funds recurring revenues, intellectual property (IP) ownership of highly specialised software code, and a skilled team of experts with complementary or needed competence in their domain area.

Daring, Different & Disruptive are the core values that shape CSAM as a company. At CSAM, we choose to do things differently. We didn't follow the typical path to success.

And we have charted our own course for the future. These values have helped us overcome challenges, pursue opportunities that others didn't know existed, and build a leading company in the niche Nordic eHealth market.

Empathy, Enthusiasm & Expertise are the core values of the people who work at CSAM - whom we affectionately refer to as CSAMers. Our people are the real secret to CSAM's success, and I am proud of the work we have accomplished together this year. Everyone at CSAM is highly specialised in their area of expertise and works tirelessly each day to deliver our solutions to the customers and patients who need them.

2019 Outlook

Our success in 2018 has allowed us to enter 2019 on a strong foundation for long-term, sustainable growth. Anchored by our vision - caring for life - we continue to expand our portfolio of leading solutions, broaden our customer base across the Nordics and beyond, and add new, talented team members with needed competence and skills.

With a history of delivering profitability and margin expansion, continued market momentum and a strong formula for success, we are confident that our five-year annual growth target of 40 per cent is realistically within reach.

On behalf of the Management Team and Board of Directors, I would like to thank our customers, employees and shareholders for their ongoing trust and support.

Sincerely,

Sverre Flatby

Chief Executive Officer

Strengthening Nordic Leadership through Strategic M&As



Technological innovation, customer consolidation, and increased regulation are hallmarks of today's eHealth landscape. While these markets trends bring challenges, they also offer unprecedented opportunities for companies to thrive, expanding their product offerings and the markets they serve.

Over the past five years, CSAM transformed its business model to meet the needs of this evolving eHealth marketplace. The company reshaped its offerings, focusing on niche software solutions, and implemented a new strategic framework founded on two fundamental pillars for long-term growth: organic sales and select mergers and acquisitions (M&As).

Today, the company's results speak to the success of this focus. CSAM has strategically acquired companies with strong product offerings in select domains that broadened their reach to new markets and customers, leading to a 38 per cent compound annual growth rate between 2015 and 2018.

CSAM's results are due in part to an active and dynamic M&A strategy that allows the company to move quickly in acquiring appropriate targets that fit their business model.

- CSAM's well-developed acquisition strategy is a vital component of the organisation's past success and future growth, said Glenn Kenneth Bruun, CSAM's Chief Strategy Officer. - M&As complement our organic sales strategy by expanding our offerings in strategically organised verticals and niches, delivering exponential growth across our range of solutions and markets.

Customers, Code & Competence

CSAM's active M&A strategy means the company is consistently pursuing a number of short term and long-term discussions with potential partners. After successfully acquiring and integrating several

leading businesses over the past five years, more and more companies are approaching CSAM as a future home for their solutions, customers and employees.

- CSAM looks for a winning combination of customers, code and competence that are a fit with our long-term strategic goals, said Bruun.

Companies must have a certain market position, with an existing customer base that is capable of producing recurring revenues. They also need to have ownership rights for their specialised software code because CSAM owns the intellectual property (IP) rights to all of its niche software solutions.

Last but certainly not least is a roster of competent employees who have complementary or required expertise in the domain area. CSAM places a high priority of acquiring and continuously developing talented and high performing teams.

- Once a company fits all of our criteria, the real work begins. It's a robust process of valuation, negotiation, and financing to ensure all of the pieces come together, said Einar Bonnevie, CSAM CFO.

Buy, Integrate & Build

CSAM has successfully pursued several acquisitions that have added new talent, products and customers to the business. However, the company's strategy is not simply to buy an organisation and build it as a stand-alone business. Rather, CSAM employs a unique approach - buy, *integrate*, and build - meaning the acquired company is fully integrated into CSAM's operations as part of one organisation.

- CSAM is well established at integrating acquired companies while maintaining what made those companies great - innovative solutions, satisfied customers and highly specialised teams, said Bonnevie. - Simultaneously, we use our shared services and resources, such as our development and testing organisation in the Philippines, to deliver strong financial results.

CSAM's buy, integrate and build strategy has demonstrated success for the company over the past several years.

In 2015, CSAM entered the emergency and acute domain with the acquisition of AMIS, a market leader in Norway. Today, CSAM delivers this critical response software to all of the Emergency Medical Communication Centres in that country, with an increasing number of municipalities adopting the solution.

At the same time as the AMIS acquisition, CSAM was in discussions with Saab regarding the company's Paratus emergency response business, the market leader in Sweden. CSAM eventually acquired the Paratus business in 2018, gaining new customers, including 18 of 21 healthcare regions in Sweden. The acquisition not only increased CSAM's portfolio and market position but introduced new opportunities for synergies between the two products. Together with its AMIS suite of solutions, CSAM is now the only company with a full-scale offering in emergency health, from the call centre to ambulance to the emergency room.

In 2016, CSAM acquired Finnish company Mawell's eSystems business. The same year, the company purchased MediWare, a leading provider of maternity systems in Finland. With these two acquisitions, CSAM became the leading eHealth

provider in the Nordic Maternity niche, adding new products and enhancing its existing products with a cloud solution. The acquisitions also grew CSAM's footprint, giving the company a significant presence in the Finnish market.

One year later CSAM acquired ProSang, the leading blood, cell and tissue management system in Scandinavia. With this integration, CSAM expanded into a new domain, laboratory information management systems (LIMS), broadening its suite of niche software offerings and expanding its customer base across the Nordics.

Enduring Strategy for Growth

M&As are a valuable component of CSAM's strategic plan over the next five years as the company continues to pursue its ambitious goals.

- CSAM has developed a keen ability to find the right products at the right time in the right markets, said Bruun. - Each carefully selected acquisition allows us to expand our portfolio of solutions and export our products to new markets.

The company's M&A strategy also has a significant benefit for the healthcare system, providers and patients.

- When CSAM acquires and integrates these businesses, it provides us with the meaningful opportunity to ensure that the company's highly specialised solutions remain available to the customers and patients who rely on them, added Bonnevie.

CSAM continues to pursue acquisitions that fit the company's long-term strategy for growth and strengthen its position as the leading provider of niche eHealth solutions in the Nordics.

A Synergistic Approach to Driving Organic Sales



With the rise of chronic illness and an ageing population, healthcare systems across the globe are challenged by the need to provide quality patient care while containing costs. Niche eHealth solutions can play a critical role in helping solve these healthcare challenges, but there is more to success than just good technology. Companies must also be able to commercialise their solutions in a highly complex and rapidly evolving market.

Over the past decade, CSAM has grown its portfolio of software solutions across key domains of value for the healthcare system, accomplishing this through a combination of select development projects and strategic mergers and acquisitions (M&As). CSAM's sales organisation not only ensures healthcare organisations and providers are aware of these new solutions and their valuable benefits, but they work closely with customers to understand their needs and drive high customer satisfaction.

- CSAM's organic sales strategy is a core element of the company's success, complementing and benefitting from our product development and M&As, said Rolf-Henry Grønlund, CSAM's Chief Sales Officer. - By developing new or existing solutions, acquiring new customers and business, and exporting our solutions to new markets, we can unlock synergistic opportunities for sales.

And this strategy is paying off. In 2018, CSAM's results outpaced market growth, and the number of sales cases closed increased significantly from 2016 to 2018.

- The success of our organic sales approach comes not just from our dedicated sales team, but from embedding a commercial mindset throughout the organisation, said Grønlund. - From the product managers to the managing directors to shared services and development, everyone is involved in the commercial success of CSAM.

Building Strategic Partnerships

Over the past decade, the Nordic hospital sector has been reconfigured into fewer and larger administrative units, increasing the decision-making power of the regions. For eHealth companies, providing more than one solution or product to a region increases its ability to engage in meaningful conversations about the future of healthcare.

- What we see today is that regions are looking for more than just vendors, they are looking for strategic partners who can help them solve big-picture healthcare challenges, said Grønlund. - As CSAM grows its suite of solutions, we increase our value to the regions and hospitals because we can offer fully integrated solutions that help them solve their most pressing issues.

And CSAM's active M&A strategy adds fuel to the fire.

One of Sweden's largest regions has been a CSAM customer for several years, using CSAM Picsara for their medical imaging. In 2017, CSAM acquired ProSang, the leading blood, cell and tissue management system in Scandinavia, a product the region had already been using for some time. In 2018, CSAM acquired the Paratus emergency response business, which the region also used.

- Now instead of providing one solution, CSAM provides three, strengthening our relationship and increasing our value to this important customer, said

Grønlund. - We meet with the region twice a year to discuss how we can support them with additional solutions or services, leading to increased sales over the long-term.

Growing its portfolio of products and customers through acquisitions has led to a wealth of opportunities for cross-promotions, add-ons and integrations, strengthening CSAM's relationships with customers from single hospitals to entire regions.

Broadening Market & Customer Reach

One of the ways in which CSAM increases its organic sales is by exporting its specialised solutions to new markets and customers. Here again, M&As open doors that can increase the company's sales opportunities.

When CSAM purchased Mawell in 2016, the company acquired its S7 solution - a cloud-based platform for self-care and health counselling. S7 was and is still used with great success by the city of Oulu in Finland; a city recognised as a leader in healthcare connectivity throughout the industry.

- In Oulu, the S7 platform has more than 88 000 users and manages over 40 000 patient encounters per month, said Grønlund. - And the city of Oulu estimates the savings at one million euros per year.

Today, CSAM is working to export the solution to Sweden, working with an existing CSAM ProSang customer in that country to implement the platform.

And exporting these technologies to new markets and customers isn't just for recently acquired products. CSAM's leading oncology medication management solution, CSAM Cytodose, has been a leader in Norway for nearly a decade. Now, the company is looking to bring this leading solution to Finland.

- Exporting our solutions across geographic markets drives organic growth and strengthens CSAM's leadership in multiple domains throughout the Nordics, said Grønlund. - It also allows us to make these vital software solutions available to other healthcare providers and patients who can benefit from them.

Cultivating Commercial Awareness

Over the past few years, CSAM has increased both its marketing and sales effectiveness, implementing dedicated teams, tools and technologies. But building the company's overall commercial awareness has also been a significant driver for organic sales.

- CSAM's product managers and local managing directors play a crucial role in customer satisfaction and ongoing communication that informs our sales strategy, said Grønlund. - These are the people working 'on the ground' and close to the users in each country, so it is vital that they possess a commercial mindset.

CSAM's product managers, in particular, have a deep understanding of their customer needs, environment and work processes. They know what customers want today, but they are also in the best position to predict what customers will want tomorrow, or what they may not know they want.

- Mining our product managers' deep insights from years of working collaboratively with customers is a key part of the sales organisation and process at CSAM, said Grønlund. - This information allows us to pursue the kinds of product development, M&A and sales strategies that deliver value for both CSAM and our customers for years to come.

Year In Review

Q1 CSAM hosts successful two-day User Conference for more than 85 AMIS customers **Q2** CSAM signs deal to acquire Saab's Paratus business, strengthening its position in the emergency & acute market CSAM signed a contract extension with Regional Zealand and continues further development for integration with Sundhetsplattformen and a major international developer of general eHealth systems. CSAM launches CIMA - clinical imaging mobile application CSAM impresses at Vitalis, Sweden's largest eHealth conference Q3St. Peters Hospital becomes the first organisation to sign an agreement to use CSAM CIMA Oslo University Hospital signs agreement to use CSAM Picsara & **Q4** CSAM CIMA in their Orthopaedic Department. CSAM signs agreement with Varsinais-Suomen Hospital District (VSSHP) to use CSAM iPana Maternity Service for its 3 800 annual births starting in 2019. CSAM opens new office in Stockholm, Sweden housing the CSAM Sweden & CSAM ProSang teams.

CSAM ends the year with a record Q4, making 2018

the best year in company history.



Norway

PEOPLE

- CSAM's head office is located in Oslo
- The office houses 36 employees working in women & children's health, oncology medication management, emergency & acute, and shared service functions (HR, accounting, marketing, and management)

SOLUTIONS

- CSAM AMIS
- CSAM Partus & CSAM Natus
- CSAM Cytodose/ELAS

CUSTOMERS

- Helse Sør-Øst RHF uses CSAM Partus, CSAM Cytodose, and CSAM ProSang.
- Helse Vest RHF uses CSAM Natus, CSAM Ctytodose, CSAM AMIS, and CSAM ProSang.
- Helse Midt-Norge RHF uses CSAM Natus, CSAM Cytodose, CSAM AMIS and CSAM ProSang.

2018 SUCCESSES

- New versions of CSAM Partus and CSAM Natus were rolled out to all hospitals in Norway.
- The Norweigan team delivered CSAM Cytodose/ELAS 4.1 to nearly all customers in Sweden.

- CSAM Health AS was founded in Norway in 2005.
- Norway accounts for 31 per cent of CSAM total revenue.
- All births in Norway are entered in CSAM's Partus/Natus maternity solutions.
- Employees at the head office have a great view of the famous Oslo Fjord!



Sweden

PEOPLE

- Sweden is home to three offices in Stockholm, Gothenburg, and Karlstad.
- Forty-eight employees work in Sweden with three legal entities: CSAM Sweden AB, CSAM ProSang AB and CSAM Karlstad AB.

SOLUTIONS

- CSAM ProSang
- CSAM Paratus
- CSAM Infobroker & CSAM XDS
- CSAM Picsara & CSAM CIMA

CUSTOMERS

- All regions in Sweden, with the exception of Region Skåne, use CSAM ProSang.
- Region Stockholm (SLL) and Region Västra Götaland both use CSAM Picsara.
- CSAM Paratus is used by 18 of 21 regions in Sweden, including Region Skåne, Region Östergötland, Region Dalarna, Region Västernorrland, and Region Värmland.

2018 SUCCESSES

- Working in collaboration with colleagues across the Nordics and Philippines, the Swedish team captained the successful launch of CSAM CIMA - Clinical Imaging Mobile Application - in Q2.
- CSAM opened a new office in Stockholm, a collaborative space for CSAM Sweden and CSAM ProSang employees, and the company's largest office in any country.
- CSAM acquired the Paratus business from Saab in 2018, integrating the company and establishing CSAM Karlstad AB.

- Sweden is CSAM's largest market, accounting for 40 per cent of the company's total revenue.
- CSAM acquired Mawell in 2016 creating CSAM Sweden AB.
- CSAM acquired Databyrån in 2017 creating CSAM ProSang AB.
- CSAM acquired Paratus in 2018 creating CSAM Karlstad AB.



Finland

PEOPLE

- CSAM has three offices in major Finnish cities: Oulu, Tampere and Helsinki.
- The offices are home to more than 24 employees working in connected healthcare, women & children's health, and medical imaging.

SOLUTIONS

- CSAM S7
- CSAM iPana
- CSAM Medimaker

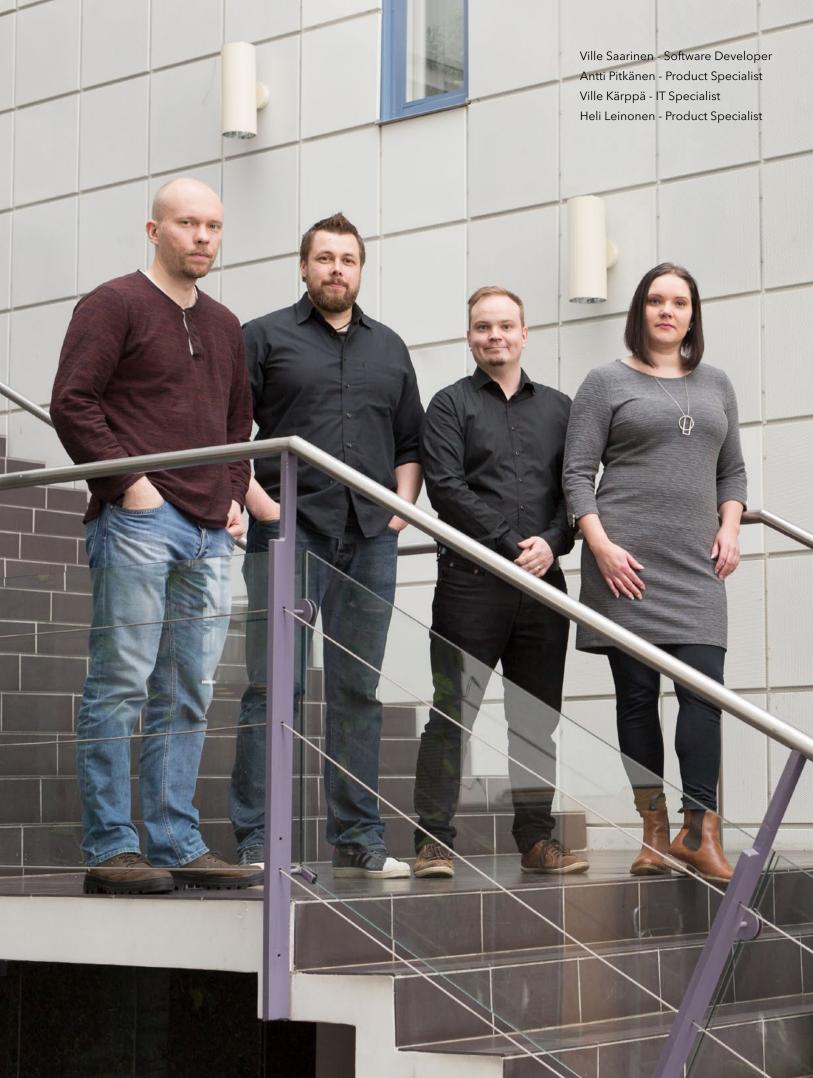
CUSTOMERS

- Pirkanmaa Hospital district uses CSAM Medimaker, CSAM iPana, and CSAM maternity services.
- Varsinais-Suomi hospital district uses CSAM Medimaker, CSAM iPana, and CSAM maternity services
- Lappi hospital district uses CSAM S7, CSAM iPana, and CSAM maternity services

2018 SUCCESSES

- The Finnish team completed a successful rollout of district-wide Maternity Services in Varsinais-Suomi and Lappi hospital districts.
- CSAM merged two existing Finnish companies CSAM Finland Oy and CSAM Mediware Oy into one synergistic organisation.

- The history of CSAM Finland's products and people began more than a decade ago. CSAM entered into the business in 2016 with the acquisition of two Finnish eHealth companies - Mediware Oy and Mawell Oy.
- Finland accounts for 15 per cent of CSAM sales.
- Oulu, the most populous city in northern Finland, is known as a leading tech city, and they use CSAM's S7 platform to deliver health and social welfare programs to all of their citizens.



United Kingdom

PEOPLE CSAM has a small but mighty footprint in the UK with one office and employee. The company has a growing number of installations in the country, with plans to expand over the next two years through strategic acquisitions. **SOLUTIONS CSAM Picsara CSAM CIMA CUSTOMERS** HCA International uses CSAM Picsara for physiotherapy. Ashford and St. Peters NHS Trust uses CSAM Picsara and CSAM CIMA for dermatology. Clinisys Ltd uses CSAM Picsara for pathology imaging. **2018 SUCCESSES** Working collaboratively across the UK, Nordics and Philippines, the team deployed CSAM CIMA with St. Peter's Hospital in Surrey the first delivery of CIMA after it was launched in Q2. **FAST FACTS** CSAM Health UK was formed in 2016 through a strategic acquisition of Mawell UK. Despite the ongoing Brexit debate, the UK economy is strong and demand for specialised eHealth technologies continues to grow. Together with Estonia, Iceland, Latvia and Spain, the UK accounts for approximately one per cent of CSAM's sales, however, the market has great future potential for CSAM software solutions.

Philippines

PEOPLE

- CSAM's Filipino headquarters are located in Cebu.
- The office houses nearly 40 highly skilled employees with expertise in all facets of software development, testing and management.

SOLUTIONS

The Filipino team works on a number of CSAM's best selling products, including:

- Women & children's health (CSAM Partus, CSAM Natus and CSAM iPana)
- Oncology medical management (CSAM Cytodose/ELAS)
- Medical imaging (CSAM Picsara, CSAM Medimaker, CSAM Aqua and CSAM CIMA)
- Emergency & acute (CSAM AMIS and CSAM Paratus)
- Connected healthcare (CSAM S7)

2018 SUCCESSES

- The team has increased personnel from 21 employees in 2017 to 32 in 2018 and growing.
- As of 2018, employees in the Philippines office are working on development projects across nearly every domain CSAM operates within.
- Collaboration across the Philippines and Nordics teams continued to strengthen and harmonise throughout 2018.

- The CSAM Philippines operation was established in 2006.
- CSAM is investing in Filipino operations with plans to expand the offices and number of employees to meet the demand for further growth in the development side of the organisation.
- The Philippines team is very social and enjoys hosting visitors from CSAM's other countries and companies!
- On a regular basis, Filipino employees work in one of the Nordic countries in close collaboration with their respective teams for an extensive four to six-week period.



Domains

Connected Healthcare

CSAM has a range of connected healthcare solutions that provide secure information sharing and collaboration across the entire healthcare value chain, from within a healthcare organisation, across healthcare providers or regions, and between healthcare professionals and their patients.

CSAM solves connectivity challenges by implementing comprehensive solutions that address both internal connectivity and cloud services that connect healthcare professionals to their patients. We provide infrastructure applications and security components, as well as workflow support for specific domains, including image management and maternity.

Medical Imaging

CSAM supports healthcare professionals and organisations across the entire management of images - from capture to storing, sharing and archiving.

Our image management solutions are suited to any medical discipline and organisations of any size - from a small clinic to large regions and national imaging networks. CSAM is at the forefront of the medical imaging domain, offering new and innovative solutions, including mobile imaging technology and secure transfer of large volume imaging files. We help healthcare professionals capture, access and share the medical images they need, when and where they need them, so they can make the best decisions for their patients.

Women & Children's Health

CSAM has a range of maternity solutions that support expectant mothers, hospitals, and maternity clinics in the collecting, storing and sharing of important medical information at every stage of pregnancy and beyond. Today, all births in Norway are registered in one of CSAM's maternity systems.

Our solutions provide significant value to healthcare providers across the entire maternity treatment chain, improving the flow of critical medical information, reducing the manual collection of data, and improving risk assessment. CSAM offers both specialised software for the maternity workflow, as well as cloud-based maternity care that delivers a truly integrated sharing of information between expectant mothers, maternity clinics and midwives, as well as hospitals and private doctors.

Domains 36

Emergency & Acute

CSAM's emergency and acute solutions provide a complete and integrated system that supports the professionals who save lives in an emergency. CSAM is the only Nordic niche eHealth company with a full-scale software offering in emergency health, from the emergency call centre to the ambulance to the emergency room.

Our systems facilitate a robust and safe emergency response - from daily operations to major incidents - by ensuring that emergency response professionals at all levels have the right information at the right time so they can make the best decisions possible.

Medication Management

CSAM's leading oncology medication management solution, CSAM Cytodose, is a decision support and medication management software that uses clinically validated protocols and patient parameters to deliver safe and effective treatment for oncology patients.

Our medication management solution is designed to support all aspects of medical care for cancer patients, with seamless integration flow between prescribers, pharmacies, and nurses. It provides support for all adult and pediatric cancers and cancer medications, including chemotherapy, immunotherapy, and hormone therapy.

Laboratory Information Management Systems (LIMS)

CSAM's advanced Laboratory Information Management System, CSAM ProSang, simplifies the entire management of blood, cells and tissues - from donation to transfusion or transplantation.

Our LIMS solution provides comprehensive support for all aspects of blood, cell and tissue management, with full traceability from donor to recipient. It is currently used by blood centres, blood donors, transfusion laboratories, clinical immunology laboratories, transplantation laboratories and stem cell facilities. It is operating in five countries, at more than 180 blood centres, in 26 healthcare regions.



Financials

"For a true visionary, today started yesterday."

- Craig D. Lounsbrough

Total sales

CSAM achieved record financial performance in 2018, surpassing the company's ambitious goals. Full-year sales exceeded 167 MNOK - up 53 per cent from 2017.

Quality of earnings remained high, with software sales comprising 81 per cent of total income. While this number is temporarily lower than last year, this is due to a large order of specialised hardware components required to run niche CSAM software in ambulances. The investment in this hardware represents a non-recurring item, however, the software component will generate continued revenue for CSAM in the years to come.

License sales more than doubled in 2018 versus 2017. These sales are undisturbed by the general market trend towards the SaaS model, due to large healthcare organisations slower pace in adopting these trends. Most importantly, CSAM's recurring revenue continues to rise comfortably, up 34 per cent compared to last year.

The combination of record high license sales, a generally high activity level and unprecedented exit speed bodes well for continued success in 2019 and beyond.

EBITDA margins

CSAM's net EBITDA margin climbed from 18.9 per cent in 2017 to 27.4 per cent in 2018, near the company's ambitious 28 per cent target. These increased EBITDA margins are driven by higher software sales, a successful strategy for cost containment, and ongoing results from operational optimisation, including synergies realised from streamlining operations after acquisitions.

Financials 40

Contingent upon the quality of earnings in new acquisitions, it is expected that EBITDA margins will remain in the upper twenties moving forward. What may disturb this prediction is the inclusion of newly acquired businesses. As part of its strategic M&A strategy, CSAM may acquire underperforming companies that could benefit from integrating them into its successful business model. While this strategy may temporarily impact margins in the short-term, it provides margin expansion opportunities in the long-run, and importantly, strengthens the company's standing among Nordic eHealth customers.

For investors with the right vision, there are significant rewards in the long-term. CSAM's record performance in 2018 is the result of strategic and deliberate actions taken over the past several years.

Future predictability and growth

To continue our trajectory of profitable growth, CSAM will remain focussed on its two strategic pillars - organic sales and select M&As. The company has enjoyed combined growth of nearly 40 per cent per annum since 2015, and this trend is poised to continue into 2019 and beyond.

In addition to organic sales opportunities, CSAM relentlessly works to identify, approach and acquire new acquisitions targets. The company's pipeline of acquisition prospects continues to expand, ensuring continued success with this strategy. CSAM is increasingly recognised as the preferred partner for smaller business seeking a new home for their software solutions.

It takes human, strategic and financial competence, coupled with investors who share CSAM's goals and vision, to enable the company's continued leadership. As a fast-growing niche Nordic eHealth company, CSAM has the unique opportunity to deliver results to our investors while creating meaningful value in the lives of patients, healthcare professionals, employees and society.

INCOME STATEMENT

CSAM Health AS, consolidated accounts

CSAM Invest AS, consolidated accounts

Note	2018	2017		2018	2017
	17 573	7 969	License sales	17 573	7 969
	118 422	88 471	Service & Maintenance	118 422	88 471
	15 234	11 525	IT Services	15 234	11 525
	2 730	1 365	Other operating income	2 730	1 365
	13 358	377	Hardware	13 358	377
	167 317	109 707	Total Sales	167 317	109 707
	1 612		Government grants R&D (Skattefunn)	1 612	
13	168 929	109 707	Total Income	168 929	109 707
	25 516	10 619	Cost of Goods and Services	25 516	10 702
11,14	67 874	54 410	Salary and personnel	67 874	54 669
14,15,19	29 614	23 904	Other cost	33 327	25 193
.,,,	123 005	88 933	Sum Cost	126 718	90 564
	45 924	20 774	EBITDA	42 211	19 143
	27 %	19 %	EBITDA-%	25 %	17 %
4	934	572	Depreciation	934	572
	44 991	20 203	EBITA	41 277	18 571
	27 %	18 %	EBITA-%	24 %	17 %
3	28 601	22 843	Amortisation of goodwill and licenses	34 557	28 799
	-	-	Write-downs	-	-
	16 389	-2 640	EBIT	6 720	-10 228
	10 %	-2 %	EBIT %	4 %	-9 %
16,17,18	-18 575	-5 895	Net financials	-16 967	-8 156
	-2 186	-8 535	Profit before tax	-10 247	-18 384
12	1 457	-3 015	Taxes	1 235	-3 708
	-3 643	-5 520	Net profit	-11 481	-14 676
			Key ratios		
	22 767	11 361	Capitalised R&D expenditure	22 767	11 361
	23 157	9 413	EBITDAC	19 444	7 782
	14 %	9 %	EBITDAC %	12 %	7 %

Financials 42

BALANCE SHEET

CSAM Health AS, consolidated accounts

CSAM Invest AS, consolidated accounts

Note	2018	2017		2018	2017
12	22 499	19 898	Deferred tax	28 257	25 433
3	100 334	106 047	Goodwill, customer contracts and IP	119 692	131 361
3	71 051	40 118	Intangible assets developed	71 051	40 118
	193 884	166 063	Total intangible assets	219 000	196 912
4	2 939	1 911	Fixed durable assets	2 939	1 911
2,5	502	-	Fixed financial assets	502	-
	3 441	1 911	Total tangible assets	3 440	1 911
6,7	40 622	30 116	Accounts receivables	40 629	31 474
	10 935	12 040	Other receivables	10 928	10 711
8	17 891	16 792	Cash and liquid assets	17 922	16 809
	-	29	Called up, allotted but not paid share capital	-	2 746
	210	-	Inventories	210	-
	69 657	58 977	Current assets	69 688	61 740
	266 982	226 951	Total assets	292 128	260 564
9,10	9 326	17 675	Sum Equity	60 334	45 950
			Shareholder loans	13 772	25 384
	9 326	17 675	Total equity & Shareholder Financing	74 106	71 334
6	121 171	92 141	Liabilities to financial institutions	121 171	92 141
	121 171	92 141	Total long term liabilities	121 171	92 141
	12 337	12 673	Accounts payable	12 520	12 878
	15 323	13 438	Public duties payable	15 323	13 438
6,7,8	108 825	91 024	Other short term liabilities	69 009	70 773
	136 485	117 135	Current liabilities	96 851	97 089
	266 982	226 951	Total equity and liabilities	292 128	260 564

CASH FLOW

CSAM Health AS, consolidated accounts

CSAM Invest AS, consolidated accounts

2018		2018
45 924	EBITDA	42 211
-24 641	Change in Net Working Capital	-22 523
-566	Taxes paid	-566
20 717	Operating Cash Flow after Taxes	19 122
-22 370	Capital Expenditure IP	-22 370
-1 997	Capital Expenditure other	-1 997
-32 312	Acquisitions	-32 312
-56 679	Cash flow from investing activities	-56 679
14 017	New Equity	14 017
28 658	Loan from Cordet	28 658
-	Dividend	-
14 286	Changes in bank overdraft	14 286
-4 704	Repayment of Debt	-4 704
-15 196	Net financials	-13 588
37 061	Cash flow from financing activities	38 669
1 099	Cash flow for the period	1 112
16 792	Cash and cash equivalents at beginning of period	16 809
17 891	Cash and cash equivalents at end of period	17 921

Note 1 - Accounting principles

Ownership and company structure

CSAM Invest AS owns 100% of the shares in CSAM Health AS. The shares in CSAM Invest AS are held by Priveq through Qevirp 47 Ltd., and employees of CSAM Health AS through their own investment companies, and through the jointly-owned company CSAM Holding AS.

CSAM Health AS owns 100% of the shares in CSAM Sweden AB, in Sweden.

CSAM Health AS owns 100% of the shares in CSAM ProSang AB, in Sweden.

CSAM Health AS owns 100% of the shares in CSAM Finland Oy, in Finland.

CSAM Health AS owns 100% of the shares in CSAM (UK) Ltd, in England.

CSAM Health AS owns 99.995% of the shares in CSAM Philippines Inc, in the Philippines.

CSAM (UK) Ltd owns 100% of the shares in CSAM Health UK Ltd.

CSAM ProSang AB owns 100% the shares in CSAM Karlstad AB which was aquired in June 2018 as an instrument to purchase part of operations from Saab AB.

Accounting principles

The Annual financial statements, together with consolidated financial statements, have been prepared under the Norwegian accounting act of 1998 and generally accepted accounting principles in Norway.

Subsidiaries/associated companies

Investments made by the parent company in the subsidiary are assessed according to the cost method.

The investment is valued at the acquisition cost of the shares unless a write-down has been necessary.

A write-down to fair value is carried out when the impairment is attributable to causes not deemed to be temporary, and where such action is deemed necessary per generally accepted accounting practice. Write-downs are reversed when the basis for the impairment no longer exists. Dividends and other distributions are recognised as income in the same year that they are proposed in the subsidiary. If the dividend exceeds the share of retained earnings after the acquisition, the excess share is deemed to represent repayment of the invested capital, and the distributions are deducted from the value of the investment in the balance sheet.

Consolidation principles

The consolidated financial statements comprise the parent company CSAM Health AS and companies in which the company has a controlling influence, directly or indirectly, regardless of company type.

The consolidated accounts are prepared according to uniform principles for the entire group. Internal transactions, profits, receivables, and liabilities are eliminated.

The cost price for shares and shares in subsidiaries is eliminated in the consolidated financial statements against the equity measured in the subsidiary at the time of establishment or purchase (acquisition method). Excess values are allocated to the assets concerned and are Amortised over the estimated economic life span of the assets. An excess value that cannot be attributed to specific assets is classified as goodwill and Amortised over the expected economic life span.

Consolidation of foreign subsidiaries

For the consolidation of foreign subsidiaries, balance sheet items are recognised using the exchange rate on the balance sheet date. Income statement items are recognised using the average exchange rate for the financial year. Currency differences related to such calculations are recognised directly in equity.

Use of estimates

When preparing the annual accounts per good accounting practice, the best estimate is used based on the information that is available when annual accounts are presented.

Consequently, actual figures may differ from the estimates. The effects of changes in accounting estimates are recognised in the income statement in the period in which the estimate changes. Contingent liabilities which are probable and quantifiable are expensed on an ongoing basis.

The general rule for valuation and classification of assets and liabilities

Assets intended for permanent ownership or long-term use are classified as fixed assets. Other assets are classified as current assets. Receivables to be repaid within one year are classified as current assets. Similar criteria are used when classifying current and long-term liabilities.

Fixed assets are recorded at acquisition cost with deductions for planned depreciation.

"If the fair value of fixed assets is lower than recorded value, and the impairment is not deemed to be temporary, the assets are written down to fair value." Current assets are valued at the lower of cost and fair value.

Receivables

Trade and other receivables are recognised at nominal value in the balance sheet, reduced by provisions for expected bad debts.

Bad-debt provisions are based on an individual assessment of each receivable.

Foreign currencies

Foreign currency transactions are recognised at the exchange rate on the transaction date.

Balance sheet items in foreign currency are valued at the exchange rate at the end of the financial year.

Intangible assets - licenses

The basis for capitalisation of own licenses is the time elapsed to develop products that are not made for or on behalf of a particular customer.

Capitalised amounts are Amortised on a straight-line basis over the period the products estimated economic lifespan.

A product version is Amortised from the day the product is considered ready for sale, and one or more customers have approved the installation of the solution.

If there is an indication of a write-down, an impairment test is performed. If the fair value of own licenses is lower than the book value and the impairment is not expected to be temporary, a write-down is made to fair value.

Acquired licenses are Amortised over the estimated economic life of the product.

If the fair value of acquired licenses is lower than the book value, and the impairment is not expected to be temporary, the license values are written down to fair value.

Financial debt

Loans are recognised at fair value when the payment of the loan takes place, transaction costs deducted. In subsequent periods, loans are recognised at Amortised cost using the effective interest method. The difference between the loan amount paid (principal at the time of withdrawal, transaction costs deducted) and the redemption value is recognised in the income statement over the term of the loan as part of the loan's effective interest cost.

Loans are classified as short-term unless the company/group has an unconditional right to postpone settlement of the liability for at least 12 months after the balance sheet date.

Sales revenues

Revenues derived from the sale of services are recognised in income when they are earned. Sale of licenses is recognised at the time of the delivery (installation) to the customer, and according to plan. Maintenance and support are recognised as income over the delivery period.

Pensions

The company in Norway has defined contribution pension schemes for employees in Norway. Contributions to defined contribution schemes are charged to the income statement in the period to which the contributions relate.

Taxes

The tax expense in the income statement comprises both taxes payable for the period and changes in deferred tax liabilities/benefits.

Deferred tax is calculated as 22% of the basis of temporary differences that exist at the end of the financial year between the accounting and tax written-down values, and tax loss carried forward. Tax-reducing and tax-increasing temporary differences that reverse or could reverse in the same period are set off. Net deferred tax benefits that are considered to be utilised in the future are recognised as intangible assets.

Government grants

CSAM Health AS receives government grants from "Skattfunn" related to research and development.

A part of the yearly grant, equivalent to the sum of manhours recognised as work in progress of the product under development that has received the grant, is recognised as unearned income, and amortised over three years from the year after the grant. The remaining grant is recognised as a reduction of personell expenses or operating costs depending on which costs are the basis for the grant, in accordance with norwegian accounting rule.

Related parties

CSAM Invest AS and CSAM Holding AS, as well as the board and the management of the company, are considered to be group's related parties. In addition, private equity fund Qevirp 47 Ltd and employees of the company that directly, or indirectly through their own companies, own shares in CSAM Invest AS, are also

considered to be related parties. Furthermore, the subsidiaries of CSAM Health AS are also considered as related parties. All transactions with related parties are based on the arm's length principle.

Cash flow statement

The cash flow statement has been prepared following the indirect method. Cash and cash equivalents include cash, bank deposits, and other current liquid investments.

Note 2 - Subsequent events/Events after the year-end closing of the accounts

CSAM Health AS signed an Agreement 8. March 2019 to acquire 100% of the shares in Arcid AS, orgnr. 981 187 849. Arcid AS, with offices in Tromsø and Oslo, focuses on information flow in the teleradiology domain. The company's solutions support workflows related to the sharing and analysis of radiology images. The combination of CSAM and Arcid is expected to create an innovative and comprehensive offering in the medical imaging and connected health domains, enabling us to better serve existing and new customers and their patients in the Nordics. The agreed consideration is partly arranged as a seller credit falling due 12 and 24 months after closing.

Note 3 - Intangible assets

CSAM Health AS	Goodwill on merger with Amis	Goodwill on the purchase of Natus	Goodwill on the purchase of Clinsoft AS	Licenc- es, ac- quired	Licences, proprietary	Total
Acquisition cost at 01.01.18	11 165	15 000	12 971	18 000	147 926	205 062
Additions during the year	-	-	37	-	10 286	10 323
Acquisition cost at 31.12.18	11 165	15 000	13 008	18 000	158 212	215 385
Accumulated amortisation as at 31.12.18	3 914	7 625	4 897	9 473	89 586	115 495
Accumulated write-downs at 31.12.18	-	-	8 110	8 527	40 623	57 260
Book value at 31.12.18	7 251	7 375	-	-	28 004	42 629
Amortisation charge for the year 2018	1 208	1 500	438	-	10 097	13 243
Write-downs 2018	-	-	-	-	-	-
Linear amortisation method; amortisation period:	10 years	10 years	10 years	5 years	*)	

	Software, replacement	Customer	Licences,	Licences,		
CSAM Health Group	value of IP	contracts	proprietary	acquired	Goodwill	Total
Acquisition cost at 01.01.18	-	-	160 410	18 000	137 041	315 451
Additions from develop- ment of intangible assets	-	-	22 370	-	-	22 370
Additions from acquisition of new companies	13 365	10 229	-	-	8 718	32 313
Currency effect on opening balance	443	339	111	-	(1 755)	(862)
Acquisition cost at 31.12.18	13 808	10 569	182 891	18 000	144 004	369 272
Accumulated amortisation as at 31.12.18	2 228	1 023	92 343	9 473	35 998	141 065
Accumulated write-downs at 31.12.18	-	-	40 623	8 527	7 672	56 822
Book value at 31.12.18	11 580	9 546	49 925	-	100 334	171 385
Amortisation charge for the year 2018	2 228	1 023	12 674	-	12 677	28 601
Write-downs 2018	-	-	-	-	-	-
Linear amortisation method; amortisation period:	3 years	5 years	3 years*	5 years	10 years	

^{*)} The company's developed licenses are Amortised over three years from the approved delivery of a new product or new product version to the first customer. The amortisation period is assessed for the number of years the program version provides income by delivery of 1-2 upgrades of the product per year. Goodwill value is primarily related to the fact that one has acquired access to existing customer networks, partners and framework agreements that can be utilised to achieve increased sales for the entire group. The health sector is considered to be a market where growth is expected in the development of IT solutions/applications over a long period. Based on this, it is likely that one can utilise established positions to create results for several years to come. CSAM Health AS has thus paid, partially, for expected future earnings from the acquisitions of the eHealth products in the Swedish companies Databyrån AB and Mawell Sverige AB, as well as the Finnish companies Mawell Oy and the Mediware Oy, in addition to Amis, Natus and Clinsoft AS. This goodwill is considered to amortise over ten years, based on experience and sales in this sector having a long-term perspective. In 2018 CSAM Karlstad acquired an ambulance software solution of Saab AB.

Note 4 - Tangible fixed assets

CSAM Health AS signed an Agreement 8. March 2019 to acquire 100% of the shares in Arcid AS, orgnr. 981 187 849. Arcid AS, with offices in Tromsø and Oslo, focuses on information flow in the teleradiology domain. The company's solutions support workflows related to the sharing and analysis of radiology images. The combination of CSAM and Arcid is expected to create an innovative and comprehensive offering in the medical imaging and connected health domains, enabling us to better serve existing and new customers and their patients in the Nordics. The agreed consideration is partly arranged as a seller credit falling due 12 and 24 months after closing.

CSAM Health AS	Software	Fixtures & fittings	Computer equipment	Total
Tangible fixed assets				
Acquisition cost at 01.01.18	386	1 991	5 061	7 437
Additions during the year	-	33	679	712
Acquisition cost at 31.12.18	386	2 024	5 740	8 149
Accumulated depreciation as at 31.12.18	322	1 930	4 974	7 226
Booked value as at 31.12.18	64	94	766	924
Depreciation charge for the year 2018	86	50	251	387
Linear depreciation method; depreciation period:	3 years	5 years	3 years	

CSAM Health group	Software	Fixtures & fittings	Computer equipment	Total
Tangible fixed assets				
Acquisition cost at 01.01.18	386	2 962	6 170	9 518
Additions during the year	-	714	1 284	1 997
Acquisition cost at 31.12.18	386	3 676	7 454	11 515
Accumulated depreciation as at 31.12.18	322	2 262	5 991	8 576
Booked value as at 31.12.18	64	1 413	1 463	2 939
Depreciation charge for the year 2018	86	298	549	934
Linear depreciation method; depreciation period:	3 years	5 years	3 years	

Note 5 - Subsidiaries

Company name	Acquisition	Business office	Owner's share	Voting rights
CSAM Philippines Inc	June 2005	Cebu, Philippines	99,995 %	99,995 %
CSAM (UK) Ltd	November 2008	Warwickshire	100 %	100 %
CSAM Sweden AB	January 2016	Solna	100 %	100 %
CSAM Finland OY	January 2016	Oulo	100 %	100 %
CSAM ProSang AB	November 2017	Solna	100 %	100 %

Company name	Share capital (NOK)	Number of shares	Book value as at 31.12.2018	Equity 31.12.2018 (NOK)	Company's result 2018 (NOK)
CSAM Philippines Inc	16	100 000	133	(543)	(248)
CSAM (UK) Ltd	111	1	104	(27 871)	(2 972)
CSAM Sweden AB	614	2 532	22 561	8 565	3 670
CSAM Finland OY	25	1	30 356	16 610	(647)
CSAM ProSang AB	98	10 080	51 607	12 403	7 700
Total			104 761		

Results from CSAM Karlstad AB, which is a subsidiary of CSAM ProSang AB, are recognised for the period in which the company has been a part of the group. Transaction expenses related to purchase of entities are recignized as part of the cost price of shares in subsidiaries when deemed probable that a transaction will take place.

Note 6 - Receivables and liabilities

Other short-term debt is distributed as follows:

	CSAM Health AS		CSAM Heal	th Group
_	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Invoiced, not earned income	19 870	19 286	32 367	33 738
Debt to previous owners of Amis, Mawell and Mediware	-	8 468	-	8 475
Accrued payroll and other short-term items	10 010	9 140	22 350	23 432
Total other short-term liabilities	29 880	36 894	54 717	65 646

Long-term liabilities

CSAM Health AS has a total long-term loan from Cordet of NOK 130 million. The loan consists of a tranche in NOK, a tranche in SEK and a tranche in EUR. The tranches in SEK and EUR are valued at the currency rate as of 31.12. The loan is measured at Amortised cost. The loan costs are Amortised over the term of the loan of 5 years. The tranche in EUR and NOK, total of MNOK 105, has due date in November 2022. The tranche in SEK, total of MNOK 25, has due date in May 2023.

Mortgages and collaterals

Accounts receivable and company's operating assets are registered as pledged with 30 MNOK and 25 MNOK respectively as collateral for the overdraft classified as short-term debt. The agreement with Nordea bank is revised to reflect reduced pledge of accounts receivable to 25 MNOK. The pledge of operating assets is terminated.

The following mortgage has been provided in relation to the Cordet-loan:

Inventory:	240 MNOK
Operating assets	240 MNOK
Accounts receivable:	240 MNOK

The shares in all subsidiaries except UK entities are pledged as collateral for the Cordet-loan.

Note 7 - Intercompany balances and related party transactions

CSAM Health AS

2018	CSAM Philippines Inc	CSAM ProSang AB	CSAM Health UK Ltd and UK Ltd	CSAM Sweden AB	CSAM Finland OY	CSAM Karlstad AB	CSAM Invest AS
Transactions							
Administra- tion services	-	2 942	111	1 787	2 680	203	438
Purchase of consulting services	6 737	-	-	35	-	-	-
Sales of consulting services	-	-	-	-	-	-	1 188
Assets and liabilities as per 31.12.							
Short-term receivables	591	28 414	-	9 474	-	-	-
Short-term liabilities	-	-	3 929	-	2 891	903	39 823
2017	CSAM Philippines Inc	CSAM UK Ltd	CSAM Health UK Ltd	CSAM Sweden AB	CSAM Finland OY	CSAM Mediware OY	CSAM Invest AS
Transactions							
Administra- tion services	-	-	147	4 071	1 845	2 029	438
Purchase of consulting services	6 460	-	72	5	6	-	-
Sales of consulting services	-	-	-	-	-	-	778
Assets and liabilities as per 31.12.							
Short-term receivables	291	-	-	2 877	1 598	-	-
Short-term liabilities	-	-	3 898	-	-	6 017	28 132

Note 8 - Restricted cash

	CSAM Health AS		CSAM Health AS CSAM Health Gro		CSAM Health AS CSAM Health Group	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017		
Tax withholding	1 740	2 415	1 740	2 415		
Total restricted cash	1 740	2 415	1 740	2 415		

Note 9 - Share capital and shareholder information

CSAM Health AS

All shares are owned by CSAM Invest AS.

	Number of ordinary shares	Per value	Share capital
Ordinary shares	5 000 000	0,40	2 000 000
Total	5 000 000	0,40	2 000 000

Note 10 - Equity

CSAM Health AS

	Share capital	Share premium	Other paid-in equity	Uncovered loss	Total
Reported equity at 31.12.2017	2 000	31 000	21 546	(34 308)	20 238
Adjustment historical error	-	-	-	(3 126)	(3 126)
Equity at 01.01.2018	2 000	31 000	21 546	(37 434)	17 112
Net profit/(loss) for the year	-	-	-	(8 405)	(8 405)
Equity at 31.12.2018	2 000	31 000	21 546	(45 839)	8 707

CSAM Health group

Share capital	Share premium	Other paid-in equity	Uncovered loss	Total
2 000	31 000	21 546	(36 871)	17 675
-	-	-	(3 126)	(3 126)
2 000	31 000	21 546	(39 997)	14 549
-	-	-	(3 643)	(3 643)
-	-	-	(1 580)	(1 580)
2 000	31 000	21 546	(45 220)	9 326
	2 000 - 2 000	2 000 31 000	2 000 31 000 21 546 2 000 31 000 21 546	2 000 31 000 21 546 (36 871) (3 126) 2 000 31 000 21 546 (39 997) (3 643) (1 580)

The amount of kNOK -3 126 recognised as a historical error against equity is due to changes in the principle of accounting of government grants related to research and development. ("Skattefunn"). With effect from 2018, a part of the yearly grant, equivalent to the sum of manhours recognised as capitalised developement for the product that has received the grant, is recognised as unearned government grants and amortised over three years from the year after the grant. The effect of this change is an increase in short term debt as of 01.01.2018 of kNOK 3 126. In 2018 a total of kNOK 1 612 of grants received prior to 2018 is recognised as other income, kNOK 2 106 of grants received in 2018 is recognised as unearned grants and kNOK 2 894 of grants received in 2018 is recognised as a reduction of personell expenses.

Note 11 - Pensions

CSAM Health AS

CSAM Health AS's pension scheme satisfies the respective statutory pension schemes. The company has a defined contribution plan in accordance with the Norwegian Law on Required Occupational Pension.

CSAM Health group

In addition to the pension scheme for CSAM Health AS, voluntary pension agreements have also been signed in the subsidiaries, where each company participates with part of the contributions.

Note 12 -Tax

	CSAM He	alth AS	CSAM Health group	
Payable tax	2018	2017	2018*	2017*
Profit/loss before taxes	(10 888)	(13 924)	13 633	2 316
Permanent differences	(4 867)	(4 236)	360	78
Change in temporary differences	2 610	(6 980)	3 328	-
The year's tax base	(13 145)	(25 140)	17 321	2 394
Payable tax	-	-	3 802	479
Tax payable - previous years	-	-	-	87
Total tax payable	-	-	3 802	566
Tangible fixed assets	(216)	1 778	1 778	1 778
Borrowing costs	8 723	8 846	8 723	8 846
Tax losses carried forward	(109 956)	(98 065)	(154 605)	(148 462)
Non-deductible interest	(1 253)	-	(1 253)	-
Total temporary differences	(102 702)	(87 441)	(145 357)	(137 838)
Calculated deferred tax benefit (22%/23% of basis)	(22 594)	(20 111)	(31 117)	(29 969)
Of which deferred tax benefit that is not capitalised	-	-	8 523	9 635
Other tax-increasing effects	-	-	95	435
Deferred tax benefit	(22 594)	(20 111)	(22 499)	(19 898)
Explanation of this year's tax expense				
Change in deferred tax	(3 510)	(4 351)	(3 372)	(4 455)
Effect due to change in tax rate and additions from acquisition of new enterprises	1 027	874	1 027	874
Tax payable	-	-	3 802	566
This year's tax expense	(2 483)	(3 477)	1 457	(3 015)
Deferred tax benefit in balance sheet				
Calculated deferred tax benefit	22 594	20 111	22 499	19 898
Book value of deferred tax benefit as at 31.12.	22 594	20 111	22 499	19 898

^{*}Only group companies CSAM ProSang AB and CSAM Karlstad AB have had taxable profits in 2018, and tax payable (22%) is thus charged. The result shown for the Group for 2018 applies to these two entities. In 2017 CSAM Sweden AB and CSAM Finland Oy had taxable profit.

Deferred tax benefits in CSAM (UK) Ltd and CSAM Health UK Ltd of KNOK 8 234 and in CSAM Sweden AB of kNOK 289 have not been capitalised as of 31.12.2018. Tax rates used for calculating deferred tax and deferred tax assets on temporary differences are 19% in the UK, 22% in Sweden and 22% in Norway. The Finnish subsidiaries have no tax losses carried forward as at 31.12.2018.

Note 13 - Operating Income

	CSAM I	CSAM Health AS		th group
Geographical distribution	2018	2017	2018	2017
Norway	45 998	41 925	52 793	46 545
Sweden	13 952	10 382	67 542	18 489
Denmark	-	147	21 394	16 673
Finland	3 577	3 908	24 718	24 100
Spain	-	-	86	169
Estonia	-	-	136	188
Latvia	-	-	458	-
Iceland	-	-	372	-
UK	112	147	1 430	3 543
Total	63 639	56 509	168 929	109 707
<u> </u>				

Note 14 - Payroll costs, number of employees, management remunerations and remuneration to the auditor

	CSAM H	ealth As	CSAM Health group		
Payroll expenses	2018	2017	2018	2017	
Wages	32 579	29 502	79 474	57 260	
Capitalised payroll, intangible assets	(11 623)	(5 571)	(27 258)	(11 361)	
Payroll costs invoiced to other company units, acquisitions and raising of a new loan	(1 849)	(2 526)	(1 855)	(1 480)	
Government grant ("SkatteFUNN-fundings")	(2 894)	(4 411)	(2 894)	(4 411)	
Pension costs	1 137	1 041	4 480	4 377	
Social security tax	4 880	4 442	13 200	8 121	
Other payroll-related costs	1 265	920	2 727	1 904	
Total	23 495	23 397	67 874	54 410	
Average number of employees	35	35	138	127	

Management remunerations	CSAM H	ealth As	
	2018	2017	
Remuneration to the chief executive officer:			
Wages	2 382	2 408	
Pension costs	23	22	
Other benefits	10	-	

The chief executive officer is required to give six months' notice of resignation on either side. Beyond that, the company has no other obligations towards the chief executive officer as of 31.12.2018.

There are no loans or guarantees to the group CEO, to members of the board or to executive personnel. Board renumeration have not been paid during the year 2018.

Fees to auditor (amount net of VAT)	CSAM Healt	h AS	CSAM Health	Group
	2018	2017	2018	2017
Statutory audit	241	274	924	525
Accounting assistance and tax counselling	183	189	360	189
Assurance services	47	2	47	2
Other assistance	390	398	390	464
Total payments to the auditor	861	863	1 720	1 180

Note 15 - Other operating costs

Other operating costs are distributed as follows	CSAM H	ealth AS	CSAM Hea	lth group
	2018	2017	2018	2017
Rental costs, cleaning etc.	4 517	4 627	11 326	8 981
Data equipment etc.	1 796	1 260	3 064	1 846
Miscellaneous foreign services, legal services and audit	2 148	7 510	4 877	5 493
Office, seminars and telephony costs	1 299	927	3 058	2 038
Travel and car expenses	1 760	2 039	4 278	3 719
Advertising, marketing and exhibitions	1 120	874	1 975	1 267
Other	418	163	1 036	560
Write-down of receivables CSAM (UK)	-	23	-	-
Total other operating costs	13 058	17 423	29 614	23 904

Note 16 - Other financial income

Other financial income is distributed as follows	CSAM Hea	lth AS	CSAM Healt	h group
	2018	2017	2018	2017
Profit on foreign exchange/agio	247	-	-	382
Other financial items	-	-	6	-
Total other financial income	247	-	6	382

Note 17 - Other financial costs

Other interest costs are distributed as follows	CSAM Hea	lth AS	CSAM Healt	h group
	2018	2017	2018	2017
Interests on liabilities to credit institutions	218	1 289	319	1 289
Other interest expenses	13 815	490	13 816	775
Total other interest expenses	14 033	1 779	14 135	2 064

Other financial costs are distributed as follows:	CSAM Health AS		CSAM Health group	
	2018	2017	2018	2017
Loss on foreign exchange/disagio	2 033	1 131	898	1 647
Other financial expenses	147	380	201	456
Total other financial expenses	2 180	1 511	1 099	2 103

Note 18 - Financial market risk

The company does not make use of financial instruments in connection with the management of financial risk.

Interest rate risk

Cash flows related to the company's loan obligations are affected by interest rate changes in NIBOR, STIBOR and EURIBOR. Based on the book capital as of 31.12.2018, 1 percentage point change in these interest rates affects cost with about NOK 1,3 million before tax.

Foreign currency risk

Fluctuations in exchange rates entail both direct and indirect financial risks for the company. There are no agreements that reduce this risk as at 31.12.2018. The Group has income and cost in NOK, SEK, DKK. EUR and GBP, which represents an indirect hedge against currency fluctuations. It is decided to leave the cost in PHP unhedged. The Group has long term debt in NOK, SEK and EUR. An increase in EUR relative to NOK of 1 percentage points would result in increased liabilities of TNOK 566. An increase in SEK relative to NOK of 1 percentage points would result in increased liabilities of TNOK 255.

	2017			2018		
Company	Currency	Average rate	Closing rate 31.12.	Currency	Average rate	Closing rate 31.12.
CSAM Philippines Inc	PHP	0,1546	0,1655	PHP	0,1642	0,1646
CSAM (UK) Ltd	GBP	10,8502	11,1213	GBP	10,6512	11,0910
CSAM Health UK Ltd	GBP	10,8502	11,1213	GBP	10,6512	11,0910
CSAM ProSang AB	SEK	0,9363	0,9701	SEK	0,9680	0,9996
CSAM Sweden AB	SEK	0,9363	0,9701	SEK	0,9680	0,9996
CSAM Finland OY	EUR	9,5996	9,9483	EUR	9,3359	9,8403
CSAM Karlstad AB	SEK	0,9363	0,9701			

Note 19 - Non-current liabilities

CSAM Health AS

Research and development

In 2018, the company has been involved in three projects approved by the Research Council of Norway for Skattefunn-fundings, in order to claim Government grants R&D tax credit.

Rental and leasing agreements

The company has following rental and leasing contracts of significance: Rental costs Drammensveien 288:

Annual cost: 4 116

Contract expiry: 14/08/2019

CSAM Health group

Research and development

In 2018, the Company group has been involved in three projects approved by the Research Council of Norway for Skattefunn-fundings, in order to clam R&D tax credit.

The group company has following rental and leasing contracts of significance:

Annual cost (NOK 1 000)	Contract expiry	Applies to entity
4 116	14/08/2019	CSAM Health AS
460	Ongoing	CSAM Philippines Inc
1 060	Ongoing	CSAM Finland OY
1 800	31/10/2024	CSAM ProSang AB
1 285	31/10/2024	CSAM Sweden AB
609	30/04/2020	CSAM Karlstad AB
	4 116 460 1 060 1 800 1 285	4 116 14/08/2019 460 Ongoing 1 060 Ongoing 1 800 31/10/2024 1 285 31/10/2024

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