



HAWK INFINITY  
SOFTWARE AS  
INTERIM REPORT  
Q4 2022

# About Hawk Infinity Software

- Hawk Infinity Software is a Nordic cloud software group operating across three key segments:
  - Cloud storage and file transfer
  - Cloud workflow and documentation
  - Cloud hosting
- All of the Group's cloud software products offer safe and GDPR compliant data storage under EU data privacy laws.
- The Group has a proven track record of strong, stable and profitable growth over more than 10 years supported by attractive and sticky Software as a Service ("**SaaS**") and Platform as a Service ("**PaaS**") business models which combined are generating approx. 95% recurring revenues.

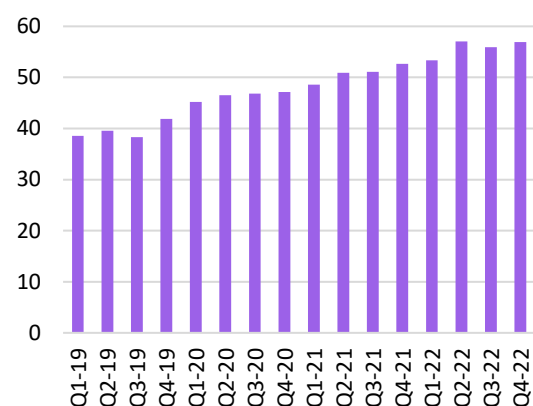
# Letter from the CEO

As we approach the end of 2022, I would like to take a moment to reflect on the progress we have made in strengthening our existing operations and growing our business this last quarter. One area of particular focus has been our pricing strategy. We have worked hard to refine our pricing models, implement general price increases, and make targeted adjustments to offset the impact of inflation. Despite economic turbulence, we have maintained moderate revenue growth, which is a testament to the strength and resilience of the group. At the end of the quarter, we changed our company name from Jotta Group AS to Hawk Infinity Software AS. This name change reflects the increased collaboration and alignment of interests we unlocked after Hawk Infinity AS increased its ownership in the group from 35.1% to 98.9% in June 2022. We are excited to work even more closely with Hawk Infinity AS in the future.

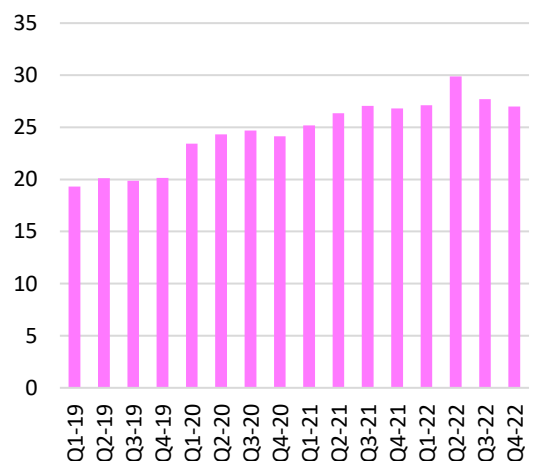
Pro forma revenue for the quarter ended at 56.9 MNOK, representing an 8% increase compared to Q4 2021. LTM pro forma EBITDA amounts to 111.7 MNOK with a margin of 50%. Our operating margins have been negatively impacted by certain cost items with high inflation during the year, primarily driven by a strong increase in electricity prices impacting costs related to data centres in our operation. In addition, we have professionalised certain group functions to address reporting and bond listing requirements, as well as improving integration capacity. We remain highly focused on cost control, operating margins and free cash flow, and will continue to prioritise measures that drive performance on these KPIs.

Through structured work over many years, Jottacloud has successfully established strong PaaS partnerships with leading players in the consumer electronics and telecommunications industries. For the consumer electronics segment, planning and executing the rollout of our PaaS agreement with MediaMarkt in Germany and Spain remains one of the top commercial priorities. The launch is expected to take place during the year in accordance with our revised plan. Further, we have taken proactive measures to mitigate the negative effects of challenges faced by the segment in the Nordics, and have secured additional recurring revenue to offset these effects. We are committed to building and developing strategic partnerships, including with one of the largest Nordic corporations in the telecommunications sector. As planned and earlier announced, we successfully launched a hard bundle of our offering with a selection of their premium subscription plans early Q4. For Jottacloud’s direct channel, revenue has increased by 11% compared to the same period in 2021.

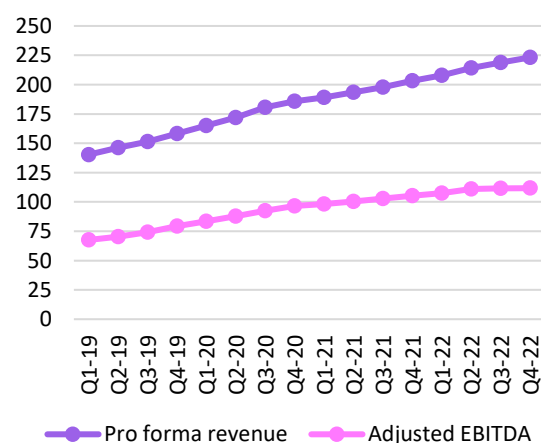
Pro forma revenue (NOKm)



Adjusted EBITDA (NOKm)



Rolling LTM (NOKm)



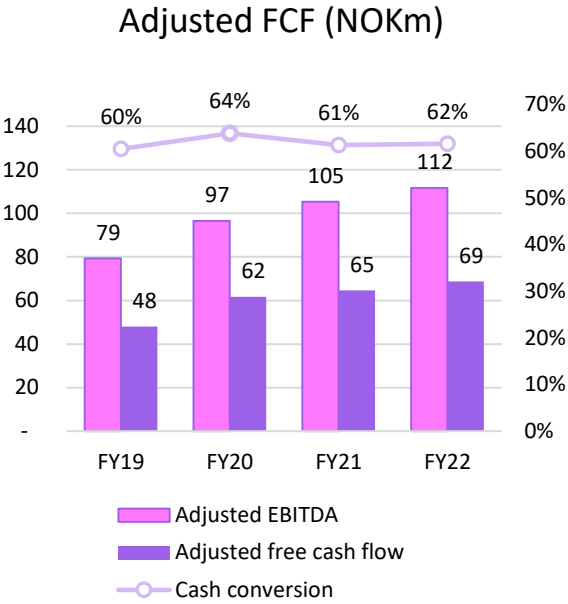
Storegate has achieved sound growth in the strategic channels, with a 36% revenue increase compared to Q4 last year, and a 15% increase compared to Q3 2022. We closed several new clients within the public sector segment in Q4, including The Swedish National Pension Fund. In the enterprise segment, we are happy to welcome the Swedish branch of CGI as a new customer, one of the world's largest IT consulting firms. To further enhance Storegate's reputation as a premium cloud storage and backup brand in Sweden, we have launched a new module for business contingency planning to cater for customers' backup and restoration needs during unexpected events.

Filemail achieved several significant milestones during Q4. The capacity on infrastructure in Norway, Amsterdam, and New York has been increased to meet the demands of rapid growth. Outgoing prices for extra storage have been increased by 80% without any notable resistance from customers, and we successfully completed a seamless transition of payments processing from Braintree to Stripe. Since Stripe is also the payments processing provider for Jottacloud, this move creates cost synergies within the group by using the same provider.

We are continuing to expand and develop our existing business within cloud workflow and documentation services. Currently, our efforts to unlock synergies between our two 100% owned facility management players, Curotech and FDVhuset, are focused on cross-selling, utilization of key employees, and coordination of development pipelines. Similar efforts are in progress also with Viscenario, paving the way for a one-stop-shop customer experience from the construction phase through to operations & maintenance. For Norbits, we continue the gradual conversion of auto customers on legacy solutions to cloud based offering, enabling higher revenue and lower cost per customer.

Finally, while we are generally satisfied with the progress we have made in Hawk Infinity Software during Q4, we will continue to focus on recurring volume growth to ensure long-term financial success. Our efforts to develop and mature the group over the past year have laid a solid foundation that is fully prepared for further growth as we enter a new year. We are excited about the state of our portfolio of companies, and we look forward to a new year.

**Roland Rabben**  
CEO



## Key figures Q4 2022

Pro forma revenue	Adjusted EBITDA	LTM adjusted EBITDA	Senior net debt
<b>56.9m</b>	<b>27.0m</b>	<b>111.7m</b>	<b>492.5m</b>
+8% vs. Q4-21	+1% vs. Q4-21	+6% vs. FY21	

NOKm	Q4-22	Q4-21	LTM	FY21
Pro forma revenue	56.9	52.7	223.2	203.3
Adjusted EBITDA	27.0	26.8	111.7	105.4
Adjusted EBITDA margin	48 %	51 %	50 %	52 %

Please note that pro forma figures on this page and in the letter from the CEO differ from the reported figures in the following respects:

- Pro forma figures include acquired subsidiaries from 1 January 2019, while reported figures include these entities from the acquisition date.
  - Filemail AS was acquired 1 November 2020
  - Storegate AB and ToKeep Sweden AB were acquired 5 November 2021
  - Viscenario AS was acquired 23 November 2021
  - Curotech AS was acquired 12 January 2022
  - Norbits AS was acquired 2 March 2022
  - FDVhuset AS was acquired 16 May 2022
- Pro forma figures do not include Servebolt AS as the Group's ownership is less than 50%.
- Adjusted EBITDA excludes M&A advisor fees and other items of a non-recurring nature.

# Interim consolidated financial accounts (1/3)

## Condensed consolidated income statement

<i>NOKm</i>	Note	Q4-22 (unaudited)	Q4-21 (unaudited)	FY22 (unaudited)	FY21 (audited)
<b>Revenues</b>	2	<b>56.9</b>	<b>28.3</b>	<b>208.4</b>	<b>96.1</b>
Personnel expenses		-14.6	-7.1	-62.7	-24.6
Other operating expenses		-15.8	-5.5	-46.5	-19.4
<b>EBITDA</b>		<b>26.5</b>	<b>15.7</b>	<b>99.2</b>	<b>52.1</b>
Depreciation, amortisation and impairment	3	-27.3	-6.9	-64.0	-24.9
<b>Operating profit</b>		<b>-0.8</b>	<b>8.8</b>	<b>35.2</b>	<b>27.2</b>
Net finance	4	-13.5	-24.0	-50.2	-41.2
<b>Profit before tax</b>		<b>-14.2</b>	<b>-15.2</b>	<b>-15.0</b>	<b>-14.1</b>
Taxes		0.3	0.8	0.1	-1.0
<b>Net profit (loss) after tax</b>		<b>-13.9</b>	<b>-14.5</b>	<b>-14.9</b>	<b>-15.0</b>

## Condensed consolidated statement of comprehensive income

<i>NOKm</i>	Q4-22 (unaudited)	Q4-21 (unaudited)	FY22 (unaudited)	FY21 (audited)
<b>Net profit (loss) after tax</b>	<b>-13.9</b>	<b>-14.5</b>	<b>-14.9</b>	<b>-15.0</b>
Items that may be classified to P&L	-	-	-	-
Other comprehensive income items	-1.2	0.9	-1.4	-1.0
<b>Total comprehensive income</b>	<b>-15.1</b>	<b>-13.6</b>	<b>-16.3</b>	<b>-16.0</b>
Attributable to:				
Equity holders of the parent	-13.5	-13.5	-16.5	-15.9
Non-controlling interest	-1.6	-0.1	0.3	-0.2

# Interim consolidated financial accounts (2/3)

## Condensed consolidated statement of financial position

<i>NOKm</i>	Note	31.12.22 (unaudited)	31.12.21 (audited)
Goodwill	3	471.7	170.8
Other intangible assets	3	160.1	53.1
Machinery and equipment	3	4.4	2.8
Leasing assets		30.3	27.7
Shares in associated companies		36.3	45.6
<b>Non-current assets</b>		<b>702.9</b>	<b>300.0</b>
Accounts receivable		13.3	8.7
Short term receivables		6.3	5.5
Cash and cash equivalents	5	83.6	283.3
<b>Current assets</b>		<b>103.2</b>	<b>297.4</b>
<b>Total assets</b>		<b>806.1</b>	<b>597.4</b>
Paid-up capital		92.3	76.3
Other equity		-34.0	-17.0
Non-controlling interests		21.9	11.2
<b>Total equity</b>		<b>80.2</b>	<b>70.4</b>
Deferred tax		22.2	3.3
Long-term borrowings	4	491.6	388.2
Non-current lease liabilities		18.2	15.7
<b>Non-current liabilities</b>		<b>532.0</b>	<b>407.2</b>
Liabilities to financial institutions	4	40.2	0.0
Accounts payable		6.7	3.4
Public duties payable		10.7	6.1
Other short-term liabilities		136.4	110.3
<b>Current liabilities</b>		<b>193.9</b>	<b>119.8</b>
<b>Total liabilities</b>		<b>725.9</b>	<b>527.0</b>
<b>Total equity and liabilities</b>		<b>806.1</b>	<b>597.4</b>

# Interim consolidated financial accounts (3/3)

## Condensed consolidated statement of cash flow

<i>NOKm</i>	<b>FY22</b> (unaudited)	<b>FY21</b> (audited)
Profit before tax	-15.0	-14.1
Depreciation, amortisation and impairment	64.0	24.9
Change in working capital items	5.0	26.6
<b>Cash flow from operations</b>	<b>53.9</b>	<b>37.5</b>
Acquisition net of cash acquired	-347.8	-122.1
Purchase of non-current assets	-31.6	-13.6
<b>Cash flow from investments</b>	<b>-379.3</b>	<b>-135.8</b>
Proceeds from borrowings	140.0	384.8
Repayment of borrowings	-13.1	-75.0
Lease payments	-16.8	-16.4
Proceeds from issue of equity	15.7	51.5
<b>Cash flow from financing</b>	<b>125.8</b>	<b>344.9</b>
Cash at beginning of period	283.3	36.7
Net change in cash and cash equivalents	-199.7	246.6
<b>Cash at end of period</b>	<b>83.6</b>	<b>283.3</b>

## Condensed statement changes in equity

<i>NOKm</i>	<b>Share capital</b>	<b>Other paid-in equity</b>	<b>Other equity</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
<b>Equity 01.01.2021</b>	<b>1.1</b>	<b>22.5</b>	<b>-1.1</b>	<b>-</b>	<b>22.6</b>
Issuing of equity	0.1	52.6	-	-	52.6
Acquisition of subsidiaries	-	-	-	11.4	11.4
Profit for the period	-	-	-16.0	-0.2	-16.2
<b>Equity 31.12.2021</b>	<b>1.2</b>	<b>75.1</b>	<b>-17.0</b>	<b>11.2</b>	<b>70.4</b>

<i>NOKm</i>	<b>Share capital</b>	<b>Other paid-in equity</b>	<b>Other equity</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
<b>Equity 01.01.2022</b>	<b>1.2</b>	<b>75.1</b>	<b>-17.0</b>	<b>11.2</b>	<b>70.4</b>
Issuing of equity	0.0	16.0	-0.5	0.5	16.1
Acquisition of subsidiaries	-	-	-	9.9	9.9
Profit for the period	-	-	-16.5	0.3	-16.3
<b>Equity 31.12.2022</b>	<b>1.2</b>	<b>91.1</b>	<b>-34.0</b>	<b>21.9</b>	<b>80.2</b>



# Selected notes and disclosures

## General

Hawk Infinity Software AS ("the Company") and its subsidiaries (together "the Group") has its headquarters and registered office at Øvre Slottsgate 5, 0157 Oslo, Norway.

Group entities and legal organisation number:

- Hawk Infinity Software AS (org. number 922 182 795)
- Jotta AS (org. number 992 603 615)
- Filemail AS (org. number 893 823 972)
- Saas Holding AS (org. number 927 958 457)
- Viscenario AS (org. number 998 718 287)
- Storegate AB (org. number 556623-6179)
- ToKeep Sweden AB (org. number 559193-966)
- CuroTech AS (org. number 979 573 464)
- Norbits AS (org. number 982 528 054)
- FDVhuset AS (org. number 883 759 702)

## Note 1: Basis for preparation

These condensed interim consolidated financial statements are prepared in accordance with recognition, measurement and presentation principles consistent with International Financing Reporting Standards as adopted by the European Union ("IFRS") for interim reporting under the International Accounting Standard ("IAS") 34 Interim Financial reporting. These condensed interim consolidated financial statements are unaudited.

Please refer to the annual report for a full overview of the accounting principles applied by the group.

## Note 2: Revenue recognition

Subscription revenue is recognised linearly over the period of the subscription. For non-recurring contracts, the revenue is recognised at the point in time when the services are delivered.

## Note 3: Tangible and intangible assets

<i>NOKm</i>	Goodwill	Other intangible assets	Tangible assets	Total
<b>Net book amount 1 January 2022</b>	<b>170.8</b>	<b>53.1</b>	<b>2.8</b>	<b>226.6</b>
Additions	-	27.3	1.4	28.7
Additions - Business Combinations	306.3	121.0	2.1	429.4
Impairment charge	-5.4	-	-	-5.4
Depreciation charge	-	-41.3	-1.8	-43.1
<b>Net book amount 31 December 2022</b>	<b>471.7</b>	<b>160.1</b>	<b>4.4</b>	<b>636.2</b>
Economic life	N/A	3-12 years	3-5 years	
Depreciation plan		Straight line	Straight line	

## Note 4: Long term debt and credit facilities

<i>NOKm</i>	31.12.22	31.12.21
<b><u>Bond loan</u></b>		
Bond loan	500.0	400.0
Engagement fee and commitment fee	-9.6	-12.5
<b>Book value</b>	<b>490.4</b>	<b>387.5</b>
<p>A bond tap issue of NOK 100m was conducted in April 2022.            The bond loan has an interest rate of 3M NIBOR + 6.5. The maturity date is 28.05.2025.</p>		
<b><u>Revolving Credit Facility</u></b>		
Revolving Facility Commitment (due 2025-02-28)	50.0	40.0
Drawn amount	40.0	-

## Note 5: Net debt position

<i>NOKm</i>	<i>31.12.22</i>
Bond loan	500.0
RCF	40.0
Leasing liabilities	30.5
Other liabilities	5.7
Cash and cash equivalents	-83.6
<b>Senior net debt</b>	<b>492.5</b>

<i>NOKm</i>	<i>31.12.22</i>
Senior net debt	492.5
Subordinated earn-out and seller credits	48.2
<b>Total net debt</b>	<b>540.8</b>

## Note 6: Subsequent events

On 14 February 2023, Jotta AS entered into a share purchase agreement regarding the sale of 9.99% of the shares in Filemail AS. The buyer Degree Holding Group AS is controlled by the founders of Filemail which sold the company to Jotta on 30 October 2020. As consideration for the shares, Degree shall offset the remaining subordinated seller's credit under the original share purchase agreement. The subordinated seller's credit was booked at NOK 18.2m in the statement of financial position as of 31.12.2022.

As per management's opinion, there are no other significant subsequent events after the period end that could have a material impact on the reported interim financial statement.

## Note 7: Definitions

### Alternative Performance Measures (APMs)

The Group uses the following financial measures that are not defined as financial measures by IFRS. The alternative performance measures are used consistently and are intended to enhance comparability when comparing financial performance versus previous reporting periods.

<b>Adjusted EBITDA</b>	EBITDA excluding M&A advisor fees and other non-recurring items.
<b>Adjusted EBITDA margin</b>	Adjusted EBITDA divided by pro forma revenue.
<b>Adjusted Free Cash Flow</b>	Adjusted EBITDA less capex, leasing and working capital items.
<b>Cash Conversion</b>	Adjusted Free Cash Flow divided by Adjusted EBITDA.
<b>EBITDA</b>	Earnings Before Interest, Taxes, Depreciation, and Amortisation.
<b>LTM</b>	Last twelve months.
<b>Pro forma revenue</b>	Revenue including acquired subsidiaries as if they were controlled over the full reporting period
<b>Senior net debt</b>	Interest-bearing liabilities, excluding subordinated acquisition financing less cash and cash equivalents. As defined in the bond terms.
<b>Total net debt</b>	Interest-bearing liabilities less cash and cash equivalents.

# Responsibility statement

We confirm that, to the best of our knowledge, the condensed interim financial statement for the period 1 January 2022 to 31 December 2022 has been prepared in accordance with IAS 34 Interim Financial Reporting, and that the information gives a true and fair view of the Group's assets, liabilities, financial position and result for the period.

We also confirm that the interim report includes a fair review of any significant events which arose during the period and their effect on the financial report and any significant related party transactions. The report includes, to the best of our knowledge, a description of the material risks which the board of directors deems at the time of this report might have a significant impact on the financial performance of the company.

Oslo, 28 February 2023

Nils Arne Bakke  
Chairman

Reiulf Johansen  
Board member

Joakim Stavnes Karlsen  
Board member

Jannik Woxholth  
Board member

Roland Rabben  
Board member and CEO