



JottaGroup

JOTTA GROUP AS
INTERIM REPORT
Q3 2022

About Jotta Group

- Jotta Group is a Nordic cloud software group operating across three key segments:
 - Cloud storage and file transfer
 - Cloud workflow and documentation
 - Cloud hosting
- All of Jotta 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.

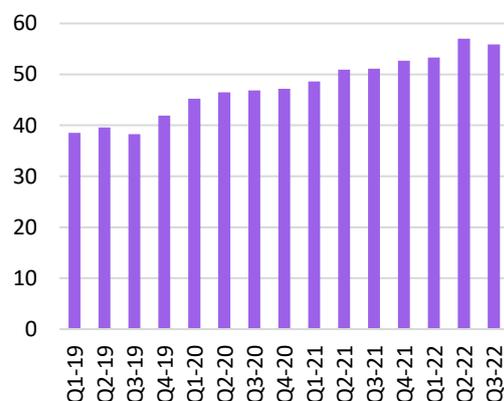
Letter from the CEO

We are happy to report sustained year-over-year growth for the companies in Jotta Group during the third quarter of 2022, which also represents a rewarding period in terms of group-level cost and revenue synergies. Pro forma revenue for the quarter ended at 55.9 MNOK, representing a 9% increase compared to Q3 2021. LTM pro forma EBITDA amounts to 111.5 MNOK with a margin of 51%.

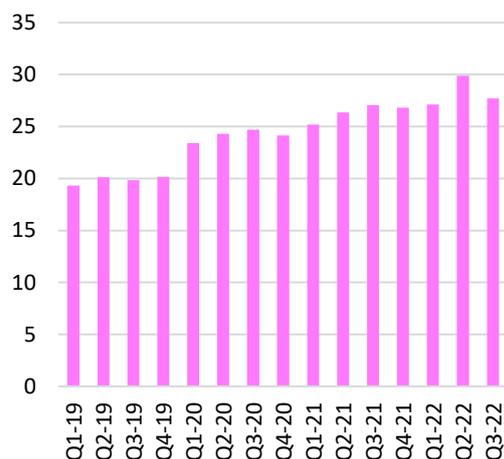
Highlights from Q3 include a notable cross-sales case between the two Group companies Jotta and ToKeep, extending Jotta’s successful negotiation pilot on payments terms from Q1 to other subsidiaries, and co-locating servers to cut costs. Macro-economic challenges have also been affecting our operational business conditions lately. Faced with a steep incline in power consumption costs, combined with inflation and general price growth still at abnormally high levels, we are taking further measures to control and reduce expenses. In parallel, the administrative and operational capabilities of group management are being strengthened. We have increased the representation of Jotta Group’s largest owner on the board with one additional director and hired a Head of Group Accounting to further boost the corporate finance function’s ability to ensure appropriate reporting, compliance, and investor relations.

The rollout of new PaaS contracts on Jottacloud continues as a top strategic priority. In Q1 we announced an agreement with one of our most important platform partners in the telecommunications sector on hard bundling our offering with a selection of their premium subscription plans. In Q3 we announced that the launch will take place in mid October – well before year-end as planned. Looking at our partner program with MediaMarkt, it remains one of our most interesting long-term PaaS growth opportunities, with more than 1,000 stores in 13 countries across Europe. Currently, attention is centered on the rollout in Germany and Spain, representing two very strategic regions for MediaMarkt. Per current outlook it no longer seems feasible to meet our original ambitions of launching within the year, and we are now working with a revised 2023 timeline for launch in these two countries. In Q3 we also closed the first cross-sales case between our subsidiaries Jotta and Tokeep – to be launched and live from early January 2023. For quite some time, we have observed a steady trend of customers with increasing preference to access and engage in our products through mobile devices. We continue to adjust our energy accordingly, and in Q3 we strengthened Jotta’s mobile platform capabilities and expanded the team assigned to mobile development. The Android app has already been updated with a range of performance and usability improvements, and the iOS app is next.

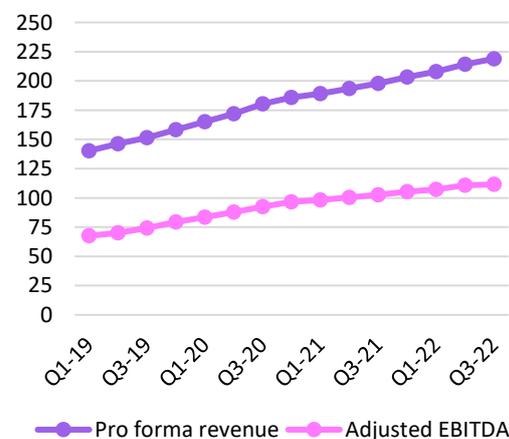
Pro forma revenue (NOKm)



Adjusted EBITDA (NOKm)



Rolling LTM (NOKm)



For Storegate, our structured efforts to build and boost the internal sales team are starting to bear fruits, with outbound corporate sales growing by 40 % LTM and online sales by 11 %. Results start showing on the bottom line with YTD EBITDA growing by ~60 % vs. the same period last year. Axel Hermansen is stepping up from Head of Sales to new interim CEO in Storegate, replacing Mats Karlsson who is retiring. Other highlights include release of a new Storegate app for Microsoft Teams, the ISO 27001 certification process moving forward as planned and implementation of AES 256 encryption storage infrastructure.

Compared to Q3 last year, sales of our managed file transfer service Filemail has grown more than 30 %. The product is currently translated into 18 different languages, providing a wide geographical reach for further accelerated growth. More translations will be added continuously also in the future, to further expand our addressable market for Filemail. One of the most important technical projects during the quarter is the transition to a new single sign-on architecture, to quicker adapt to other login providers in the future, thereby enabling a deeper integration of the file transfer product into external services. During the quarter, we successfully completed a negotiation with Jottacloud's payments provider to let Filemail enroll to the agreement on the same terms as Jottacloud secured as a pilot for the Group in Q1. The change back then resulted in instant cost savings on payments of more than 40 % for Jottacloud, and we now expect similar positive results for Filemail.

Norbis has launched a fully cloud-based ERP solution for auto services as planned in Q3, and the conversion of existing on-premise customers is already well underway. The shift will provide customers with an offering built on modern cloud technology and architecture, while at the same time reducing our costs of development, maintenance, and support. Further, a new and modern digital profile and user interface has been introduced for all Norbits modules. Hawk Infinity, which is the main owner of Jotta Group, has during October 2022 acquired majority ownership of Norbits' industry peer Cars Software AS, opening strategic cooperation opportunities between the two former competitors.

CuroTech reports YTD revenue and EBITDA growth of 7 % and 12 %, respectively, vs. the same period last year. The company has faced some setbacks in project sales due to slowing construction market but seems to partly recover now and is anyway offset by recurring revenue growth.

In FDVhuset, investments in product features, resilience, and cyber security continued in Q3 – yet with strong cash flow generation. A new sales partnership is likely to drive significant sales growth for the company going forward.

Servebolt reports revenues growth of ~31 % vs the same period last year. The company retains a strong cash position and EBITDA on budget, yet making efforts to speed up time to profitability given the uncertain macro environment. As an example, we are currently co-locating certain Servebolt servers and infrastructure to Jotta's existing data center to enable cost synergies.

We are moving into the last and final quarter of 2022 with a general positive outlook for the future, despite the macroeconomic challenges observed in our markets. The striking spike in power consumption costs hitting the Q3 bottom lines throughout the Group, already shows signs of retracting back to normal levels in the early days of Q4. Even though purchasing power development is currently on a downward vector, we have a portfolio of sticky products providing value to our customers irrespective of market sentiment. For the remainder of 2022 we'll stay sharp with our focus on structured cost-cut initiatives and control – and uninterrupted profitable growth for our family of companies.

Roland Rabben
CEO

Key figures Q3 2022

Pro forma revenue	Adjusted EBITDA	LTM adjusted EBITDA	Senior net debt
55.9m	27.7m	111.5m	490.4m
+9% vs. Q3-21	+2% vs. Q3-21	+6% vs. FY21	

NOKm	Q3-22	Q3-21	YTD-22	YTD-21	LTM	FY21
Pro forma revenue	55.9	51.1	166.3	150.6	218.9	203.3
Adjusted EBITDA	27.7	27.1	84.7	78.6	111.5	105.4
Adjusted EBITDA margin	50 %	53 %	52 %	52 %	51 %	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>	Q3-22 (unaudited)	Q3-21 (unaudited)	YTD-22 (unaudited)	YTD-21 (unaudited)	FY21 (audited)
Revenues	55.9	23.5	151.5	67.7	96.1
Personnel expenses	-16.4	-6.5	-48.1	-16.8	-24.6
Other operating expenses	-12.1	-4.3	-30.7	-13.6	-19.4
EBITDA¹	27.4	12.7	72.7	37.3	52.1
Depreciation and amortisation	-13.3	-6.3	-36.7	-19.3	-24.9
Operating profit	14.1	6.4	36.0	17.9	27.2
Net finance	-13.4	-7.0	-36.8	-16.0	-41.2
Profit before tax	0.7	-0.7	-0.8	2.0	-14.1
Taxes	-0.2	0.1	-0.2	-0.3	-1.0
Net profit (loss) after tax	0.6	-0.5	-1.0	1.6	-15.0

Condensed consolidated statement of comprehensive income

<i>NOKm</i>	Q3-22 (unaudited)	Q3-21 (unaudited)	YTD-22 (unaudited)	YTD-21 (unaudited)	FY21 (audited)
Net profit (loss) after tax	0.6	-0.5	-1.0	1.6	-15.0
Items that may be classified to P&L	-	-	-	-	-
Other comprehensive income items	-0.2	0.0	-0.2	0.0	-1.0
Total comprehensive income	0.4	-0.5	-1.2	1.6	-16.0
Attributable to:					
Equity holders of the parent	-0.4	-0.5	-3.0	1.6	-15.9
Non-controlling interest	0.8	0.0	1.8	0.0	-0.2

¹ EBITDA: Non-GAAP measure defined as Earnings Before Interest, Taxes, Depreciation, and Amortisation

Interim consolidated financial accounts (2/3)

Condensed consolidated statement of financial position

NOKm	30.09.22 (unaudited)	31.12.21 (audited)
Goodwill	491.7	170.8
Other intangible assets	134.3	53.1
Machinery and equipment	4.4	2.8
Leasing assets	27.9	27.7
Shares in associated companies	45.0	45.6
Non-current assets	703.4	300.0
Accounts receivables	21.2	8.7
Short term receivables	5.9	5.5
Cash and cash equivalents	83.0	283.3
Current assets	110.1	297.4
Total assets	813.5	597.4
Paid-up capital	91.5	76.3
Other equity	-20.0	-17.0
Non-controlling interests	15.5	11.2
Total equity	87.0	70.4
Deferred tax	17.3	3.3
Long-term borrowings	491.0	388.2
Non-current lease liabilities	16.1	15.7
Non-current liabilities	524.4	407.2
Liabilities to financial institutions	40.2	0.0
Accounts payable	5.9	3.4
Public duties payable	12.6	6.1
Other short-term liabilities	143.4	110.3
Current liabilities	202.1	119.8
Total liabilities	726.5	527.0
Total equity and liabilities	813.5	597.4

Interim consolidated financial accounts (3/3)

Condensed consolidated statement of cash flow

<i>NOKm</i>	YTD-22 (unaudited)	YTD-21 (unaudited)	FY21 (audited)
Profit before tax	-0.8	2.0	-14.1
Depreciation and amortisation	36.7	19.3	24.9
Change in working capital items	-1.6	5.1	26.6
Cash flow from operations	34.3	26.5	37.5
Acquisition net of cash acquired	-336.6	-10.0	-122.1
Purchase of non-current assets	-18.0	-10.4	-13.6
Cash flow from investments	-354.6	-20.4	-135.8
Proceeds from borrowings	140.0	384.8	384.8
Repayment of borrowings	-20.7	-75.0	-75.0
Lease payments	-14.5	-11.4	-16.4
Proceeds from issue of equity	15.2	51.5	51.5
Cash flow from financing	120.0	349.9	344.9
Cash at beginning of period	283.3	36.7	36.7
Net change in cash and cash equivalents	-200.3	355.9	246.6
Cash at end of period	83.0	392.6	283.3

Condensed statement changes in equity

<i>NOKm</i>	Share capital	Other paid-in equity	Other equity	Non-controlling interests	Total equity
Equity 01.01.2021	1.1	22.5	-1.1	-	22.6
Issuing of equity	0.1	51.5	-	-	51.7
Profit for the period	-	-	1.6	-	1.6
Equity 30.09.2021	1.2	74.1	0.6	-	75.8

<i>NOKm</i>	Share capital	Other paid-in equity	Other equity	Non-controlling interests	Total equity
Equity 01.01.2022	1.2	75.1	-17.0	11.2	70.4
Issuing of equity	0.1	15.1	-	-	15.2
Acquisition of subsidiaries	-	-	-	2.5	2.5
Profit for the period	-	-	-3.0	1.8	-1.2
Equity 30.09.2022	1.3	90.2	-20.0	15.5	87.0

Selected notes and disclosures

General

Jotta Group 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:

- Jotta Group 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

The condensed interim consolidated financial statements have been prepared in accordance with International Financing Reporting Standards (IFRS) as adopted by the European Union and interpretations issued by the International Accounting Standards Board (IASB) that are relevant to the Group. The condensed interim consolidated financial statements are unaudited. The interim financial report has been prepared on the assumption that the company is a going concern.

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: Net debt position

<i>NOKm</i>	<i>30.09.22</i>
Bond loan	500.0
RCF	40.0
Leasing liabilities	28.7
Other liabilities	4.7
Cash and cash equivalents	-83.0
Senior net debt	490.4

<i>NOKm</i>	<i>30.09.22</i>
Senior net debt	490.4
Subordinated earn-out and seller credits	54.6
Total net debt	545.0

Note 4: Subsequent events

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

Note 5: Definitions

Alternative Performance Measures (APMs)

Jotta 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.

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