

Report per 24.08.2021



JottaGroup

JOTTA GROUP AS INTERIM REPORT Q2 2021

About Jotta Group

- Jotta Group is a Norwegian niche provider of cloud storage and managed file transfer software solutions founded in 2008.
- Jottacloud is the group's cloud storage Software as a Service ("SaaS") solution for private customers and businesses.
- In addition, Jotta Group offers a cloud storage Platform as a Service ("PaaS") solution for selected blue-chip partners (such as Telia, Obos, Elkjøp and Mediamarkt), enabling them to offer cloud storage services under their own brand to their customers via Jotta Group's PaaS solution.
- Filemail is the group's managed file transfer SaaS solution for private customers and businesses.
- In total Jotta Group has over 1.5 million subscriptions, of which approx. 450k are paying subscriptions.
- Per Q2 2021 the group has NOK 86m in LTM revenues combined with a strong track record of stable growth, with revenues and EBITDA growing at a CAGR of +30% since 2012.

Letter from the CEO

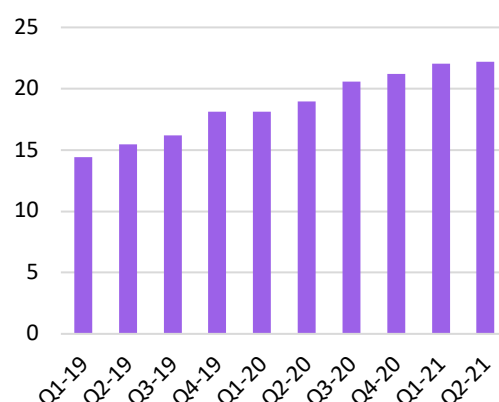
Q2 2021 has been an exciting quarter for Jotta Group, with highlights including a successful inaugural bond issue, launching our most comprehensive cloud storage PaaS partner agreement to date, participating in one advanced M&A process and reporting strong financial YoY growth in both sales and EBITDA — all the while our business environment is still facing challenging conditions due to covid-19.

Our financial performance for the quarter has been satisfactory but remains impacted by the wide closure of retail stores across Europe in April and May, effectively suspending one of our most important partner sales channels during this period. Still, sales came in at 22.2 MNOK, representing a 17% increase as compared to Q2 2020 (pro forma numbers including Filemail). Our adjusted EBITDA for the quarter is 14.2 MNOK, representing a 20% increase from Q2 2020. The LTM adjusted EBITDA amounts to 54 MNOK, up by 11% from FY 2020. The adjusted EBITDA margin for Q2 2021 is 64%. At the end of the quarter, we implemented a 15% price increase on our Jottacloud subscriptions, expecting to see a direct positive effect on sales from Q3 2021 and onwards. We are pleased to observe that the aforementioned price adjustment has had close to zero impact on our customer churn.

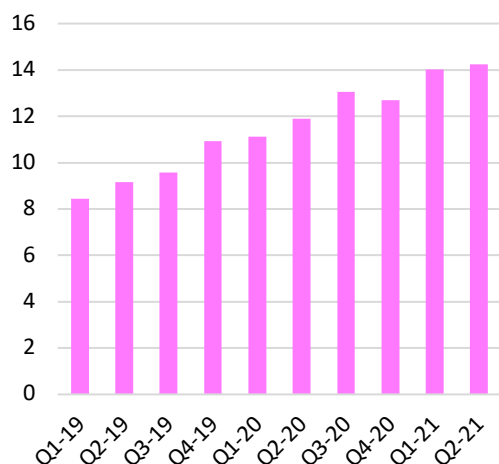
Q2 2021 has been a critical rollout period for new PaaS contracts, including the launch of our most comprehensive partner agreement to date — MediaMarkt in The Netherlands. The multinational consumer electronics chain has more than 1,000 stores in 13 European countries, representing a huge potential to grow Jotta Group's commercial reach in this region. Belgium was launched early in Q3 2021, and we will continue to invest great efforts into further developing the partnership with MediaMarkt, and step by step introduce our products in all their countries of presence. In parallel, we have several other possible PaaS partners in our pipeline, and also plan to introduce our file transfer service to new geographies like Japan, China, and Russia.

Our product team is focusing on usability and strengthening the PaaS offering. Key items on the cloud storage roadmap include a completely new desktop app, a rewrite of the web app, enhancing the photo features across devices and integrating with Vipps as a new payment provider. For file transfer, key items on the roadmap include support for additional languages and security upgrades such as two-factor authentication and audit logs. New hardware investments have been made during Q2 2021 to enable accelerated growth into the coming quarters. Several new hires were completed in Q2 2021 have strengthened the team's ability to execute on our strategy.

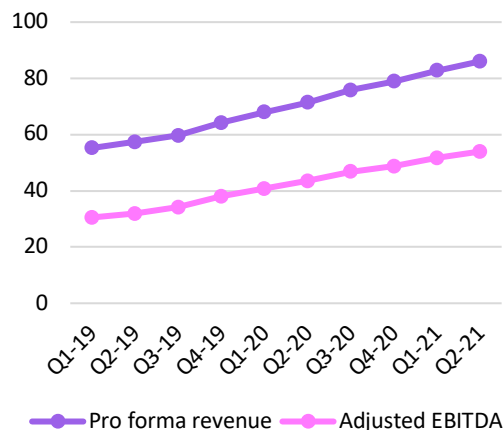
Pro forma revenue (NOKm)



Adjusted EBITDA (NOKm)



Rolling LTM (NOKm)



During the quarter Jotta Group successfully completed our 400 MNOK inaugural bond issue. The net proceeds after repayment of existing bank loan will be allocated to finance our M&A strategy, with the objective of expanding Jotta Group's business into new geographies, customer groups and/or product offerings through acquisitions. In Q2 2021 we participated in one structured bid process, but we ultimately elected to withdraw during the final phase of the process as we perceived the valuation required to prevail to be unattractive. We have a clear principle to only proceed with acquisitions that are accretive for the group and all its stakeholders, and we will remain disciplined in terms of capital allocation for M&A opportunities. Moving forward, we are committed to continue our screening of possible M&A targets and only engage in advanced processes where we perceive there is a high probability to close an accretive acquisition. As of the time this report is issued, we are currently involved in discussions around a possible transaction. In addition to the bond financing, we also completed a 50 MNOK equity issue to existing shareholders in Q2 2021.

We remain highly positive on the outlook for Jotta Group. We will continue to invest in product development and usability and work hard to deliver on our fundamental objective to drive further growth in our current markets. Our key focus remains on continuing to develop our existing business and scaling up our new PaaS contracts in Europe, while simultaneously pursuing our defined and disciplined M&A strategy. We are optimistic that at least one acquisition will be closed during 2021 and expect that the company will continue to exhibit profitable organic growth going forward.

Roland Rabben
CEO

Key figures Q2 2021

| Pro forma revenue | Adjusted EBITDA | LTM adjusted EBITDA | Net debt position |
|-------------------|-----------------|---------------------|---|
| 22.2m | 14.2m | 54.0m | 29.9m |
| +17% vs. Q2-20 | +20% vs. Q2-20 | +11% vs. FY20 | Proceeds from bond issue largely unused |

| NOKm | Q2-21 | Q2-20 | YTD-21 | YTD-20 | LTM | FY20 |
|------------------------|-------|-------|--------|--------|------|------|
| Pro forma revenue | 22.2 | 18.9 | 44.2 | 37.1 | 86.0 | 78.9 |
| Adjusted EBITDA | 14.2 | 11.9 | 28.3 | 23.0 | 54.0 | 48.8 |
| Adjusted EBITDA margin | 64% | 63% | 64% | 62% | 63% | 62% |

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

- Filemail AS was acquired 1 November 2020 and is included in the reported figures from this date. Pro forma figures include Filemail AS from 1 January 2020.
- Adjusted EBITDA excludes M&A advisor fees and other costs of a non-recurring nature.

Interim consolidated financial accounts (1/3)

Condensed consolidated income statement

| <i>NOKm</i> | Q2-21 | Q2-20 | YTD-21 | YTD-20 | FY20 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenues | 22.2 | 16.1 | 44.2 | 31.5 | 68.6 |
| Personnel expenses | -4.6 | -4.5 | -10.4 | -8.8 | -18.7 |
| Other operating expenses | -5.9 | -2.3 | -9.2 | -4.7 | -10.9 |
| EBITDA | 11.7 | 9.3 | 24.6 | 17.9 | 39.0 |
| Depreciation and amortisation | -6.5 | -6.1 | -13.1 | -10.6 | -22.5 |
| EBIT | 5.2 | 3.2 | 11.6 | 7.3 | 16.6 |
| Net finance | -7.2 | -1.2 | -8.9 | -1.6 | -4.8 |
| EBT | -2.1 | 2.0 | 2.6 | 5.7 | 11.8 |
| Taxes | 0.4 | -0.4 | -0.5 | -1.1 | -2.2 |
| Net profit (loss) after tax | -1.6 | 1.7 | 2.1 | 4.7 | 9.6 |
| Profits attributable to shareholders | -1.6 | 1.7 | 2.1 | 4.7 | 9.6 |

Condensed consolidated statement of comprehensive income

| <i>NOKm</i> | Q2-21 | Q2-20 | YTD-21 | YTD-20 | FY20 |
|-------------------------------------|-------------|------------|------------|------------|------------|
| Net profit (loss) after tax | -1.6 | 1.7 | 2.1 | 4.7 | 9.6 |
| Items that may be classified to P&L | - | - | - | - | - |
| Other comprehensive income items | - | - | - | - | - |
| Tax related to comprehensive income | - | - | - | - | - |
| Total comprehensive income | -1.6 | 1.7 | 2.1 | 4.7 | 9.6 |

Interim consolidated financial accounts (2/3)

Condensed consolidated statement of financial position

| <i>NOKm</i> | 30.06.21 | 30.06.20 | 31.12.20 |
|-------------------------------------|--------------|--------------|--------------|
| Goodwill | 109.4 | 40.0 | 109.4 |
| Other intangible assets | 23.8 | 13.5 | 23.1 |
| Machinery and equipment | 2.1 | 1.2 | 1.5 |
| Leasing assets | 19.7 | 22.0 | 23.0 |
| Non-current assets | 154.9 | 76.8 | 157.0 |
| Accounts receivables | 5.9 | 6.0 | 9.7 |
| Short term receivables | 1.1 | 4.3 | 1.7 |
| Cash and cash equivalents | 390.9 | 22.2 | 36.7 |
| Current assets | 397.9 | 32.5 | 48.1 |
| Total assets | 552.8 | 109.3 | 205.1 |
| Paid-up capital | 75.2 | 1.1 | 23.6 |
| Other equity | 1.1 | -6.0 | -1.1 |
| Total equity | 76.3 | -4.9 | 22.6 |
| Deferred tax | 0.3 | 0.8 | 1.5 |
| Long-term borrowings | 388.1 | 41.5 | 72.8 |
| Long-term leasing liability | 11.3 | 11.0 | 11.9 |
| Non-current liabilities | 399.7 | 53.2 | 86.2 |
| Accounts payable | 2.5 | 1.9 | 2.9 |
| Public duties payable | 2.5 | 3.2 | 4.3 |
| Other short-term liabilities | 71.8 | 55.8 | 89.2 |
| Current liabilities | 76.8 | 61.0 | 96.4 |
| Total liabilities | 476.5 | 114.2 | 182.5 |
| Total equity and liabilities | 552.8 | 109.3 | 205.1 |

Interim consolidated financial accounts (3/3)

Condensed consolidated statement of cash flow

| NOKm | Q2-21 | Q2-20 | YTD-21 | YTD-20 | FY20 |
|---|--------------|-------------|--------------|--------------|--------------|
| Profit before tax | -2,1 | 2,0 | 2,6 | 5,7 | 11,8 |
| Paid income taxes | 0,0 | 0,0 | 0,0 | 0,0 | -0,6 |
| Depreciation and amortisation | 6,5 | 6,1 | 13,1 | 10,6 | 22,5 |
| Change in working capital items | 1,2 | -6,2 | 1,8 | -3,3 | 10,1 |
| Cash flow from operations | 5,7 | 1,9 | 17,5 | 13,1 | 43,7 |
| Acquisition net of cash acquired | -10,0 | 0,0 | -10,0 | 0,0 | -32,0 |
| Purchase of non-current assets | -3,1 | -2,0 | -7,2 | -4,3 | -9,2 |
| Cash flow from investments | -13,1 | -2,0 | -17,2 | -4,3 | -41,2 |
| Proceeds from borrowings | 384,8 | 0,0 | 384,8 | 0,0 | 72,8 |
| Repayment of borrowings | -75,0 | -2,0 | -75,0 | -4,0 | -45,5 |
| Lease payments | -4,2 | -4,0 | -7,4 | -8,0 | -16,1 |
| Proceeds from issue of equity | 51,5 | 0,0 | 51,5 | 0,0 | 2,5 |
| Payment of dividends | 0,0 | 0,0 | 0,0 | 0,0 | -5,0 |
| Cash flow from financing | 357,1 | -6,0 | 353,9 | -12,0 | 8,8 |
| Cash at beginning of period | 41,2 | 28,3 | 36,7 | 25,4 | 25,4 |
| Net change in cash and cash equivalents | 349,7 | -6,1 | 354,3 | -3,3 | 11,2 |
| Cash at end of period | 390,9 | 22,2 | 390,9 | 22,2 | 36,7 |

Notes

General

Jotta Group AS ("the Company") and its subsidiaries Jotta AS and Filemail AS (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)

Note 1: Basis for preparation

The condensed interim consolidated financial statements have been prepared in accordance 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: Net debt position

| <i>NOKm</i> | 30.06.21 |
|---------------------------|-----------------|
| Bond loan | 400.0 |
| Leasing liabilities | 20.8 |
| Cash and cash equivalents | -390.9 |
| Net debt | 29.9 |