



ANNUAL REVIEW 2018



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Documaster Narrative

In 2014, surrounded by mountains and fjords, our founders created an independent and scalable automated archiving solution with the power to free siloed data and preserve information for the future. It was accessible, appealing and enduring – just like Norway’s pristine landscape.

Today, many organisations find effective archiving to be a real challenge. Tools and policies can be highly complex, and responsibility for the process typically lies with employees who aren’t sure exactly what should be archived in the first place. Shared file folders exist in a state of perpetual chaos, and cloud folders often don’t scale as planned.

Information that does make it into the archive ends up in the equivalent of a knowledge graveyard, untouched and forgotten in silos or expensive legacy systems.

The end result is simple: valuable knowledge is lost.

We believe this situation will only get worse. The sheer volume of data companies use is increasing exponentially, and as the number of business process-specific systems offered to market grows, data becomes ever more fragmented.

In tandem with increasing data volumes, information governance problems multiply – where is information stored and who can access it? What data should be decommissioned and when? What information should be preserved?

We founded Documaster to solve these problems and more, developing intelligent, easy to use software that not only simplifies archiving through automation, it also helps businesses harness the potential of the knowledge stored in their archives.

Our people have diverse skillsets across design, IT and archiving. Together, we form a multidisciplinary team with a single-minded mission to develop state-of-the-art software and a world class user experience.

We’ve gone to great lengths to make our product as smart as possible, so there’s no need for your employees to spend time deciding what to archive while grappling with complex tools. With Documaster, archiving takes place entirely in the background – a seamless, automated process that saves man-hours and frees up employees to do the jobs you hired them for. At the same time, human errors are completely eradicated, dramatically improving the quality of your archive in a stroke.

You can harvest records across all your business systems automatically, storing them according to your own unique compliance policies, or to predefined industry standards. Documaster gives you the ability to transform your archives from the passive storage areas of the past into powerful, living assets capable of offering up valuable, relevant information the moment its needed. As a result, knowledge that might once have been lost is reused, improving the quality of information your business needs now.

Documaster was born into the API economy with a service-oriented mindset. We understand that archiving represents a highly specialised piece of a much larger puzzle, which is why our code libraries are published open source to help your developers with their integration code.

Working together should be easy, and we take great pride in making that ideal a reality.

Unlike traditional Enterprise Content Management vendors, we’re a product development company with predictable subscription fees and no hidden costs or inflated consultancy rates. Our SaaS agreements ensure that all our customers, both on-premises and in the cloud, are on the latest version of our software.

Ultimately, we truly care about the measurable impact our products have on your organisation. That’s why we’re focused on offering you the world’s best archiving solution – one that has the power to fundamentally change the way your business benefits from the knowledge you’ve work so hard to create.



Anders Johnsen
CEO

Income statement

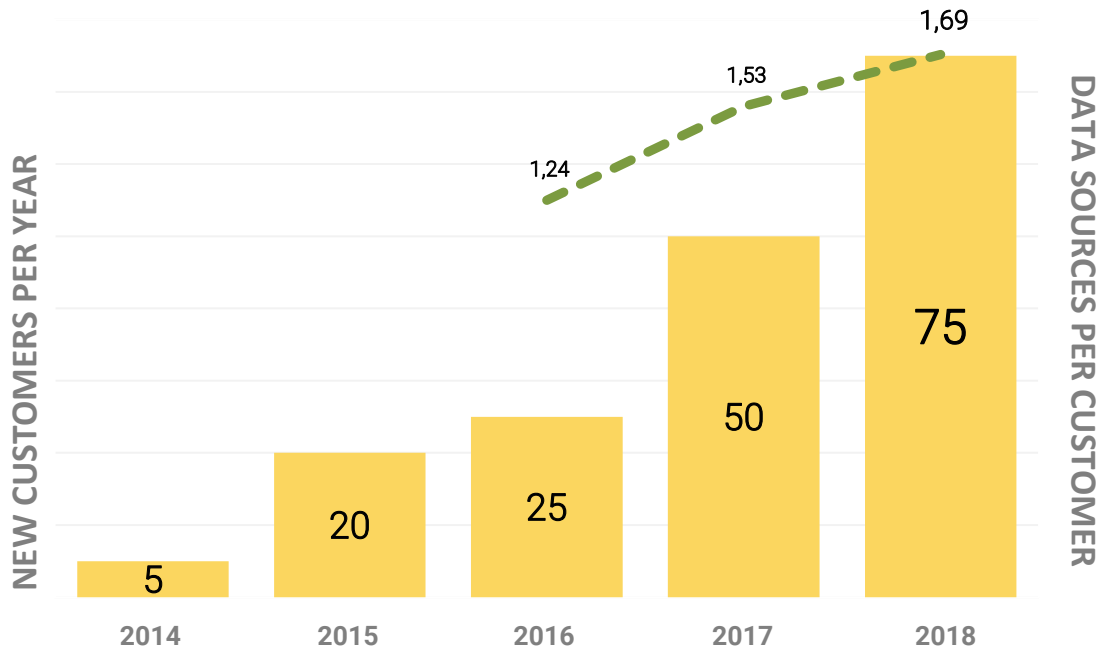
DOCUMASTER GROUP	NOK '000		EUR '000	
	2018	2017	2018	2017
Recurring revenue	13 085	7 645	1 377	805
Non-recurring revenue	3 366	3 203	354	337
Deferred revenue	-2 233	-1 405	- 235	- 148
TOTAL REVENUE	14 218	9 443	1 497	994
Cost of goods sold	1 797	2 304	189	243
GROSS PROFIT	12 421	7 139	1 307	751
Personnel costs	19 073	12 672	2 008	1 334
Other operating costs	15 740	3 703	1 657	390
TOTAL OPERATING EXPENSES	34 813	16 375	3 665	1724
EBITDA	-22 392	- 9 236	-2 357	-972
Depreciation and amortization	10 458	6 217	1 101	654
EBIT	-32 850	-15 453	-3 458	- 1 627
Net financial items	- 595	- 347	- 63	- 37
PROFIT BEFORE TAX INCOME	-33 445	-15 800	-3 521	-1 663
Tax on earnings	12	108	1	11
PROFIT FOR THE PERIOD	-33 457	-15 908	-3 522	-1 675

The figures include the parent company Documaster AS with the following subsidiaries as per 31st December 2018: Documaster AB, Arkivplan.no AS and Documaster Bulgaria EOOD.

The consolidated accounts are prepared in Norwegian kroner (NOK) which is the functional currency in the parent company and the Group. Figures in EUR are presented for informational purposes only. For the statements of profit and loss and balance sheet conversion rate of 9.5 has been utilized for 2018 and 2017 to avoid any translation differences between the fiscal years.

Creating value for us and our customers

We believe in data management. Since 2014 our customer base has grown steadily, and we are pleased to see that the number of data connections has grown in our existing customer base. This only proves that managing data is as important to our customers as it is to us.



Customer satisfaction is high! We take pride in adding value for our customers with our service. With a track record of zero churn we know we are doing things right! At the same time, we as a company need to be doing the proper investments in obtaining these customers. Being best in class isn't something we take easy- but it makes us proud!

0 %

Zero churn

5.2

**Best in class
LTV/CAC**

126 %

Net Retention Rate

Customer interaction is important to us. We want to address the issues as experienced from our customers as soon as possible and innovation is a high priority.

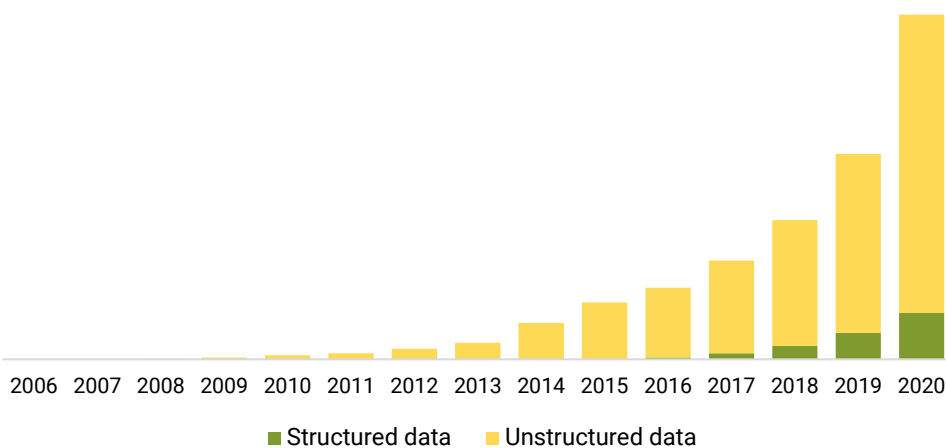
For the past couple of years, we have organized yearly Customer Gatherings. The focus has been to address important issues such as data management, compliance regulations and to interact with our customers.



Customer Gathering 2018. On stage, Arnstein Teigene - Head of Product Management Private Product – telling about the innovation currently carried out on a new Documaster product.

During 2018 we have also extended our presence to a new space – the private market. The need for data management in the private sector is a growing challenge. Reports indicate that data volume is exploding and that humans create 2 500 000 000 GB of data daily. **By 2020, our digital universe will contain nearly as many digital bits as there are stars in the physical universe.**

Documaster has met this challenge. During 2018 we onboarded highly skilled developers who are currently working on creating a solution tailored for the private sector.



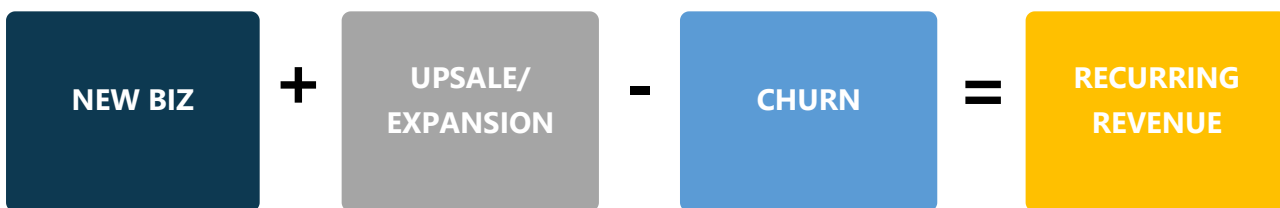
Balance sheet

DOCUMASTER GROUP	NOK '000		EUR '000	
	2018	2017	2018	2017
Research and development	32 526	23 680	3 424	2 493
Goodwill and Trademark	14 923	17 081	1 570	1 798
Furnishings and equipment	1 087	1 210	114	127
Other receivables	4 153	-	437	-
Total non-current assets	52 680	41 971	5 545	4 418
Trade receivables	2 420	2 724	255	287
Other receivables	1 289	2 748	136	289
Cash and cash equivalent	12 005	39 223	1 264	4 129
Total current assets	15 714	44 694	1 654	4 705
TOTAL ASSETS	68 394	86 665	7 199	9 123
Share capital	2 754	2 744	290	289
Share premium	85 342	84 611	8 983	8 906
Other equity	-50 328	-17 983	-5 298	-1 893
Total equity	37 768	69 372	3 976	7 302
Other long-term liabilities	3 133	4 018	330	423
Liabilities to financial institutions	14 800	6 300	1 558	663
Total non-current liabilities	17 933	10 317	1 888	1 086
Trade creditors	2 196	1 198	231	126
Other short-term liabilities	10 497	5 777	1 105	608
Total current liabilities	12 693	6 976	1 336	734
Total liabilities	30 626	17 293	3 224	1 820
TOTAL EQUITY AND LIABILITIES	68 394	86 665	7 199	9 123

Investing for higher growth trajectory

Our Annual Recurring Revenue (ARR) – an important metric for any SaaS company- shows a y/y increase of 71% on invoiced income. However, contracted (signed deals) but not invoiced ARR shows an increase above 100% when comparing performance in 2018 to 2017. Churned customers are at 0% and we have a healthy growth rate on expansion sales y/y. It takes a huge effort to maintain this level of growth, but our ambition is to do exactly that in the coming years.

In order to secure proper fundament for growth, the company has invested quite much in 2018. With the headcount now present in Documaster maintaining the level of growth ambition is achievable. Subsequently the profitability is intentionally at a low level. However, going forward the company will have focus on profitability as well as recurring revenue. We will continue hiring great people within the different disciplines, but at a lower speed.



Operating Cash flow is negative with -13.9 MNOK and it is apparent that the company will have to work with generating satisfactory cash flows in the coming years.

Documaster has over 400 customers, either through the fully owned subsidiary Arkivplan.no AS or with their own product offering in Norway and Sweden, mainly within the Public sector. The main objective has been to get new customers onboard, with a smooth onboarding process and ensuring high satisfaction. However, the number of data source connections is also increasing in our customer base- only proving that our services are well valued.

In 2018 the company also ramped up the organization for development of a new product offering for the Private Market. Launch is expected in Q2 2019- with global potential. As a consequence, the company now leases office space in London for a more global presence.

The most important asset for any company is its employees. If we are to continue with our growth, we need to hire the right talent, constantly motivate and nourish these talents. We believe we are fortunate to have a group of dedicated and hard-working people currently onboard our journey to the future.



Waqas Azeem
CFO

Cash flow statement

DOCUMASTER GROUP	NOK '000		EUR '000	
	2018	2017	2018	2017
EBT	-33 445	-15 800	-3 521	-1 663
Taxes paid during the period	- 41	29	-4	3
Change in working capital	19 517	7145	2 054	752
CASH FLOW FROM OPERATING ACTIVITIES	-13 969	-8 626	-1 779	-908
Purchase of fixed assets	- 671	-604	-71	-64
Capitalized development costs	-19 097	-9 330	-2 010	-982
Other intangible assets	- 1 668	-593	-176	-62
Investment in subsidiaries	- 930	-	-98	-
Capital increase	4 088	49 491	430	5 210
CASH FLOW FROM INVESTING ACTIVITIES	-18 279	38 964	-1 924	4 101
Increase/(decrease) in LT debt	4 312	4 305	454	453
Proceeds from equity transactions	924	-	97	-
CASH FLOW FROM FINANCING ACTIVITIES	5 236	4 305	551	453
Cash at the beginning of the period	39 223	4 868	4 129	512
Cash at the end of the period	12 005	39 223	1 264	4 129
Translation differences	207	288	29	30
NET CHANGE IN CASH DURING PERIOD	-27 011	34 643	-2 836	3 647

Our shareholders



Strong ownership!

We are proud to be owned by companies that value innovation, potential and care about the environment we live in. We believe in what we do and consequently nearly all employees in Documaster are shareholders.

Summa Equity own the majority of shares in Documaster with 53 %

Norselab DM Invest AS own 33 %

Documaster employees own 12 %

The remainder of the shares are owned by other external parties

Continuous innovation as our cornerstone

Official Documaster software products must pass through several activities before and after they are launched to the customer. This illustrates an important cornerstone in our organization. It all starts with our own employees. All new Documasters are trained during onboarding to ensure they understand the big picture the problems Documaster solves.

Any development carried out is done with close relation to users and customers. Documaster follows a Dual-Track Agile principle (discovery and delivery), where users are invited into a discovery track where ideas and prototypes are discussed iteratively with professional designers, developers and product managers. When prototypes are refined and ideas proven to be viable, tasks are spawned in the delivery track to be designed, coded and then tested by users. Several fast iterations between the discovery and delivery track will result in a minimum viable product (MVP) that can be used in production environments.

Furthermore, the dual track process will continue to improve and enhance the product to its vision.



All software produced by the company has been developed by the company's employees. Quality is built into each step in the R&D delivery process, starting from careful and comprehensive planning, going through detail-oriented execution, with testing being performed in parallel throughout the whole process, and ending up with release and deployment for our customers. Documaster has so far developed more than 700 automated tests for our product and we're continuing to add more with every feature being released to production.

Testing is the main mechanism through which quality is ensured in the Product development world and for us in Documaster, high quality of the end-product is a top priority. Therefore, testing is one of the cornerstones in our development and we are dedicating a serious amount of resources to it.

Releases in Documaster are usually done each quarter, therefore we have an average of four releases per year. Usually our releases include a new feature to the product, however there are rare cases when purely infrastructural updates are being released, which would typically go unrecognized by the users.

Once customers have decided to onboard our solutions, maintenance and support become the most crucial service for our clients.

Great people creating great things together

OFFICES

OSLO (HQ)
 ÅLESUND
 TRONDHEIM
 STOCKHOLM
 SOFIA
 LONDON



0 %

Employee churn

92 %

Overall health

Dedicated and motivated people create the best companies! We are privileged to have the best and brightest. From our offices in Oslo, Ålesund and Trondheim to our offices in Sofia, Stockholm and London dedicated Documasters work hard to make our company the best it can be. Documaster conducts yearly employee satisfaction surveys and is pleased to say that our overall work health is satisfactory.

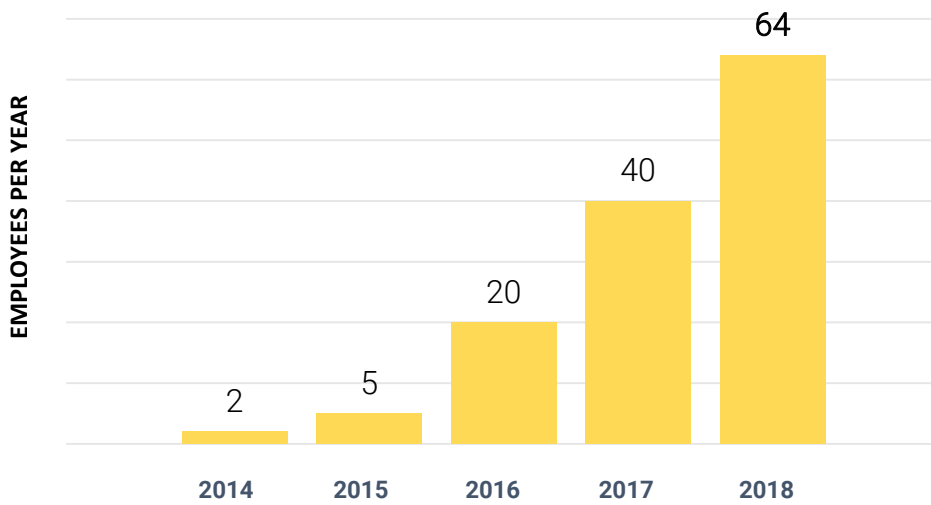
"Documaster scored a near perfect result, indicating an incredibly vibrant and extremely healthy organisation.

We have never seen such consistently high scores, for any organisation. This is a result to be hugely proud of."

Pete Clark, CEO, Qlearsite



Not only do we have a year over year growth in recurring software revenue, but our organization has grown from the humble start-up in 2014 to the present day - **and we are still growing strong!** By year end 2018 we were 64 dedicated people in DocuMaster.



Gender equality is important to us and we are constantly working on balancing the equation. We have currently 23% female employees, which is good within the IT sector, but going forward we would want this to be even better!

Contact Waqas Azeem, CFO in Documaster for any other details:

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