

Q3 2017 presentation

21 November 2017



Disclaimer

These materials may contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact including, without limitation, those regarding Crayon Group Holding ASA's (the "Company") financial position, business strategy, plans and objectives of management for future operations is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors, including, among others competition from Nordic and international companies in the markets in which the Company operates, changes in the demand for IT services and software licensing, changes in international, national and local economic, political, business, industry and tax conditions, the Company's ability to realise backlog as operating revenue, the Company's ability to correctly assess costs, pricing and other terms of its contracts, the Company's ability to manage an increasingly complex business, political and administrative decisions that may affect the Company's public customer group contracts, the Company's ability to retain or replace key personnel and manage employee turnover and other labour costs, unplanned events affecting the Group's operations or equipment, the Company's ability to grow the business organically, changes regarding the Company's brand reputation and brand image, fluctuations in the price of goods, the value of the NOK and exchange and interest rates, the Company's ability to manage its international operations, changes in the legal and regulatory environment and in the Company's compliance with laws and regulations, increases to the Company's effective tax rate or other harm to its business as a result of changes in tax laws, changes in the Company's business strategy, development and investment plans, other factors referenced in this report and the Company's success in identifying other risks to its business and managing the risks of the aforementioned factors. Should one or more of these risks or uncertainties materialise, or should any underlying estimates or assumptions prove to be inappropriate or incorrect, our actual financial condition, cash flows or results of operations could differ materially from what is expressed or implied herein. The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

This presentation does not constitute or form part of, and is not prepared or made in connection with, an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. The information in this presentation is subject to verification, completion and change. The contents of this presentation have not been independently verified. The Company's securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), and are offered and sold only outside the United States in accordance with an exemption from registration provided by Regulation S of the US Securities Act. This presentation should not form the basis of any investment decision. Investors and prospective investors in securities of any issuer mentioned herein are required to make their own independent investigation and appraisal of the business and financial condition of such company and the nature of the securities.

Investor Relations



Update

- Main communications channels
 - Crayon IR webpages
(<https://www.crayon.com/en/about-us/investor-relations/>)
 - Group fact & figures
 - Reports & Presentations
 - Share and bond information
 - Newsweb
- Financial calendar for 2018 will be published **medio December 2017**
- Q4 2017 to be presented on **20th February 2018**

"Communicating with current and future shareholders, both in Norway and abroad, is a high priority for Crayon Group Holding ASA"

For IR-related requests:
Magnus Hofshagen
(+47 48 49 91 95)
ir@crayon.com / magnus.Hofshagen@crayon.com

Crayon is assisting its clients to address key IT challenges

Clients faced with key questions...

Organizations facing 3 main challenges within IT:



*How to **optimize/reduce** total **IT spending** while ensuring **compliance**?*



*How to utilize **software** and **technology** to maximize value and ensure that **new layers** of technology works **end-to-end**?*



*How to **simplify** ordering, provisioning, billing and administration of **software licenses**?*

...that Crayon helps to address

Crayon's business tailored to address the challenges:



- Leading global specialist in managing software complexity & optimizing clients' IT spend
- Own software helping customers stay compliant



- Experts in cloud and predictive analytics, assisting clients through all phases of digital transformation



- Global software expert supporting clients with license advisory and transactional fulfilment
- Global software distributor for ~2,700 channel partners, enabling automated provisioning and administration

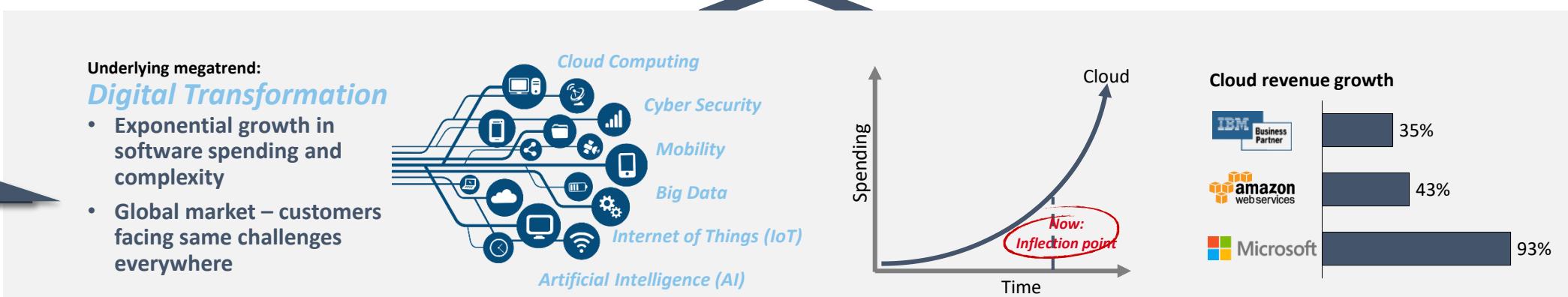
NUMBERS



BUSINESS



MARKET



Operational highlights Q3 2017



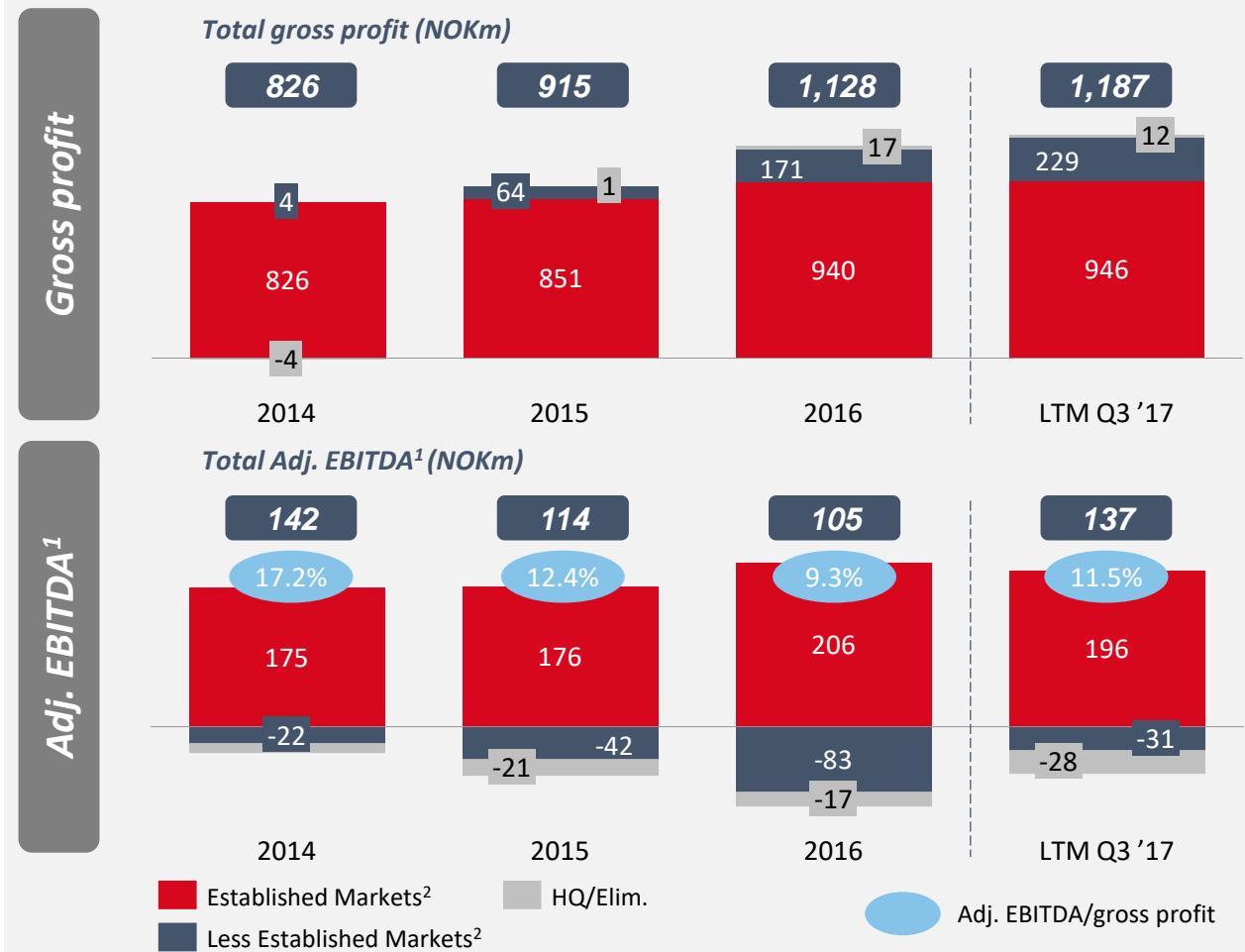
Photo: Thomas Brun/ NTB Scanpix

- **Continued strong momentum in new markets (US + 2014/15 start-ups), despite a seasonally weak quarter**
 - Gross profit growth of 28% (QoQ)
 - EBITDA improved by NOK 14m (QoQ)
- **All-time high cloud mix of 57% within Software Division**
 - 15+ pps higher than global partner benchmark group¹
 - Improved by 12 pps compared to same quarter last year
- **General Data Protection Regulation (“GDPR”) service finalized and ready for market launch**
- **~500 new customers/partners added to own IP (Cloud-iQ)**
 - Total 1,500 customers on Cloud-iQ monthly subscription model
 - ~350 Azure/AWS consumption agreements
- **5+ SAM projects delivered through own IP (Elevate)**
- **Continued strong outsourcing trend of SAM services among “Fortune 500” companies**
 - Crayon active in a handful of ongoing global RFPs
 - Saving participation schemes increasingly accepted

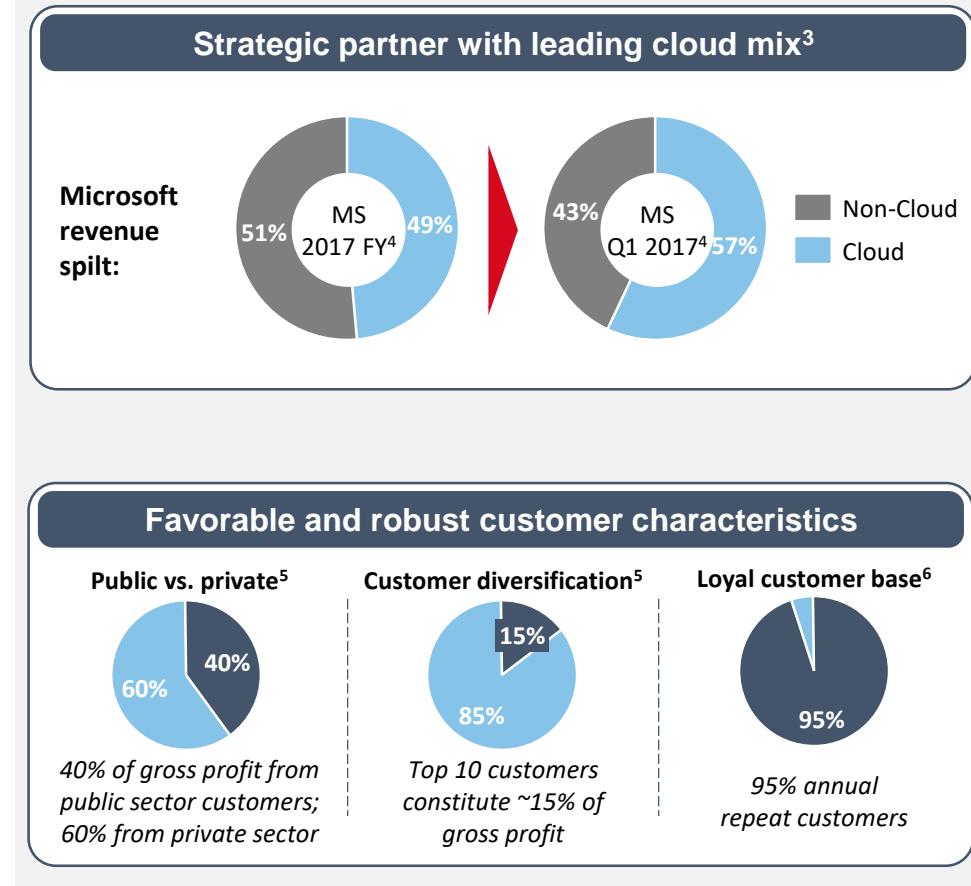
¹⁾ Microsoft strategic partners

Key financial figures and metrics

Financial summary



Key metrics



1) Adjusted EBITDA is reported EBITDA less other income&expenses items netted under HQ, hence not reflected on Market Cluster / Business Area level

2) Established Markets includes Nordic Markets and Growth Markets. Less Established Markets includes Start-Ups and US

3) Cloud mix defined as sales of products/licenses hosted by Microsoft in the cloud

4) MS = Microsoft and figures are based on Crayon MS revenue. Microsoft fiscal year ending 30 June. Microsoft Q1 2017 FY corresponds to Crayon Q3 2017

5) Based on 2016 gross profit from sales reports

6) Based on 2016 figures from sales reports. Average repeat customers defined as (1-customer churn in %)

Financial highlights Q3 2017



- Revenue **growth driven by Software Direct** which grew 43% (or NOK 209m) from Q3 2016 to Q3 2017
- Growth within Software Direct primarily driven by;
 - Contract wins**
 - Increased share of direct billing**



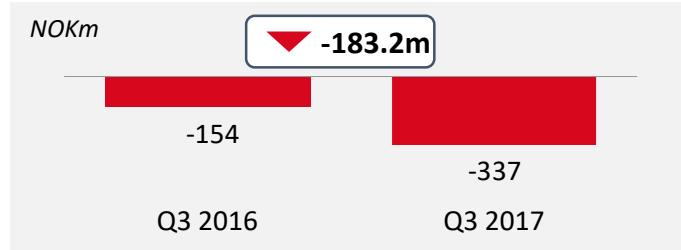
- Gross profit growth fueled by **Services which grew 8% YoY**
 - Services growth driven by increased spending and higher utilization
- Software Direct gross profit declined by 7% YoY in Q3 2017. Development largely explained by timing effect of contract renewals. **Strategically important Software Indirect** grew 11%
- All market clusters**, with the exception of Growth Markets, **had positive growth YoY**



- Fourth consecutive quarter with YoY growth**
 - EBITDA from less established markets (USA and Start-Ups) showing continued **positive development** in Q3 YoY
 - Adj. EBITDA relative to gross profit **improved from -5.3% (Q3 2016) to -4.1% (Q3 2017)**
- Negative adj. EBITDA **inline with management expectations, explained by seasonality**



- Cash used in **financing activities** (NOK -98m YoY) due to **refinancing CGH01**
- Reduced cash from **operating activities** (NOK -106m YoY) driven by **trade working capital²** build-up (NOK +57m YoY) from **changes in revenue mix**, in addition to **timing effect** around quarter close. Available **cash increased NOK ~+40m within two days** after quarter close
- Cash and cash equivalents was **NOK -136m** as of **Q3 2017**, compared to **NOK 23** in **Q3 2016³**



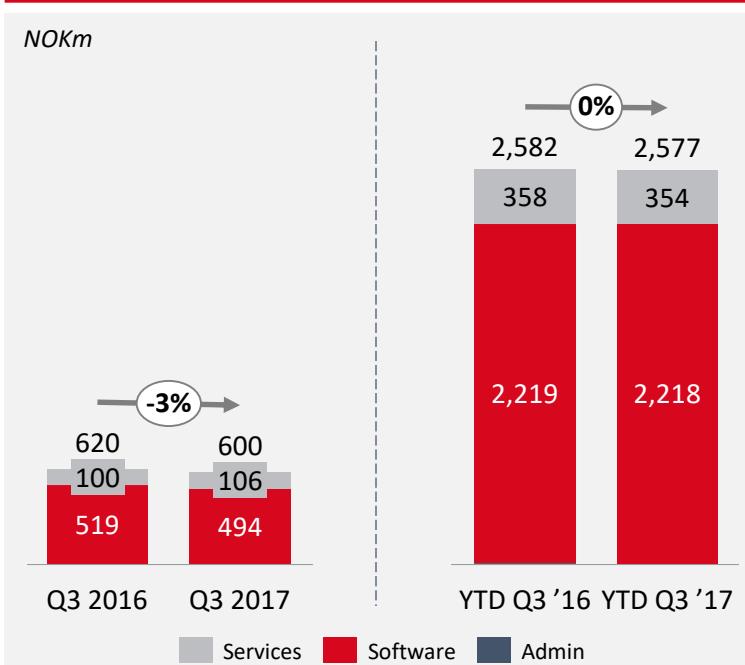
1) Adjusted EBITDA is reported EBITDA adjusted for other income & expenses. Other income & expenses are included as a separate line item and adjusted for in HQ/admin, hence not reflected on Market Cluster / Business Area level

2) Trade working capital = Accounts receivable (AR) + inventory – Accounts payable (AP)

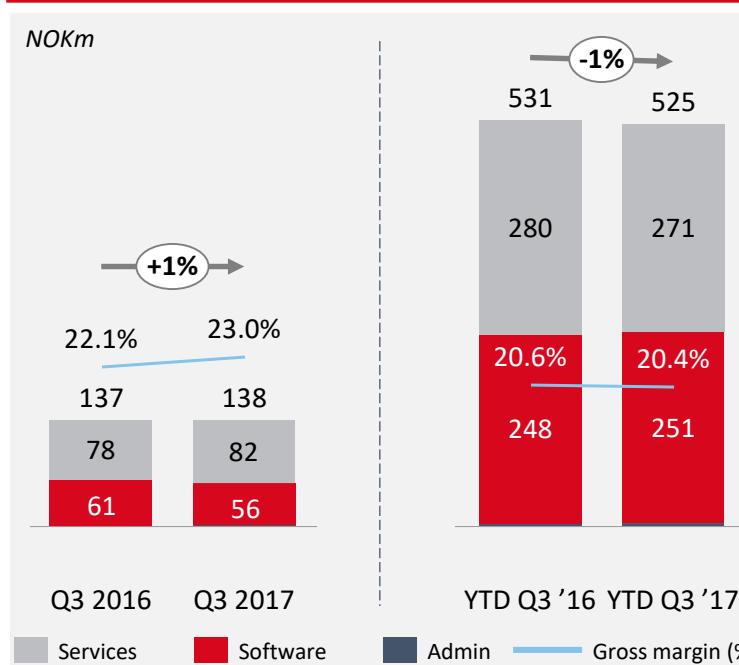
3) The Company reports its cash balance net of drawdown on its revolving credit facility ("RCF")

Nordic Markets

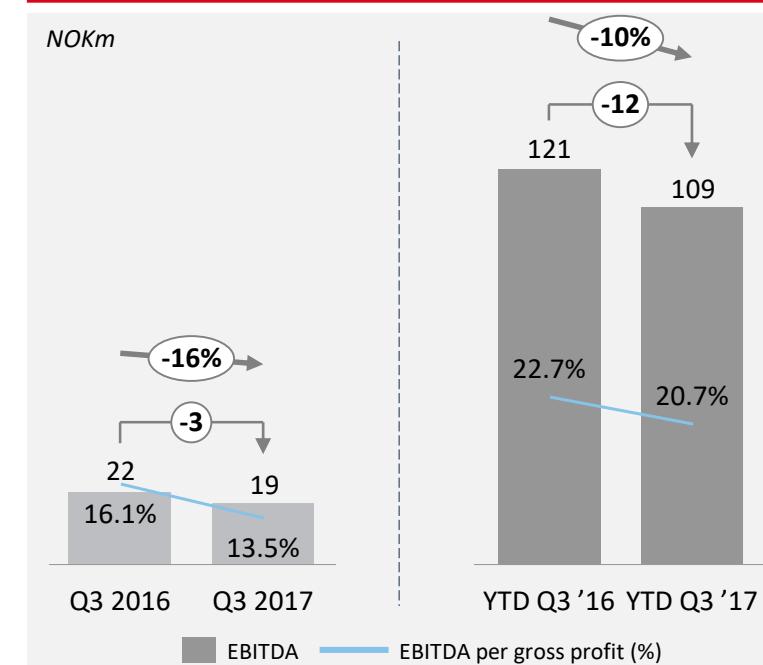
Revenue



Gross profit



EBITDA



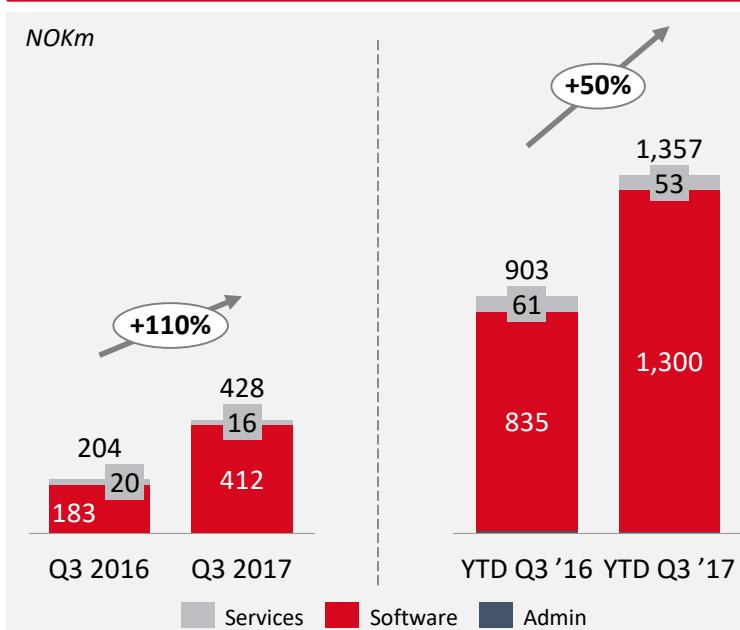
- Negative development in Q3 2017 due to **contract renewals** within **Software** being **moved from Q3 to Q4**

- Services: positive Q3 YoY development driven by Consulting (NOK +3.0m)**
- Software: Q3/Q4 timing effect for contract renewals**
- Q3 YoY positive growth: Denmark (NOK +1.3m), Iceland (NOK +0.9m) and Sweden (NOK +0.8m)**
- Q3 YoY negative growth: Norway (NOK -0.5m) and Finland (NOK -1.6m)**

- Q3 YoY decrease driven by Finland (NOK -2.5m) and Norway (NOK -1.2m)**
 - Partially offset by Iceland (NOK +0.7m)**
- Q3 YoY Norway decline driven by Solution Consulting (Inmeta and Puzzlepart)**
- Q3 YoY Finland decline driven by Software Direct (changes in government framework agreements)**

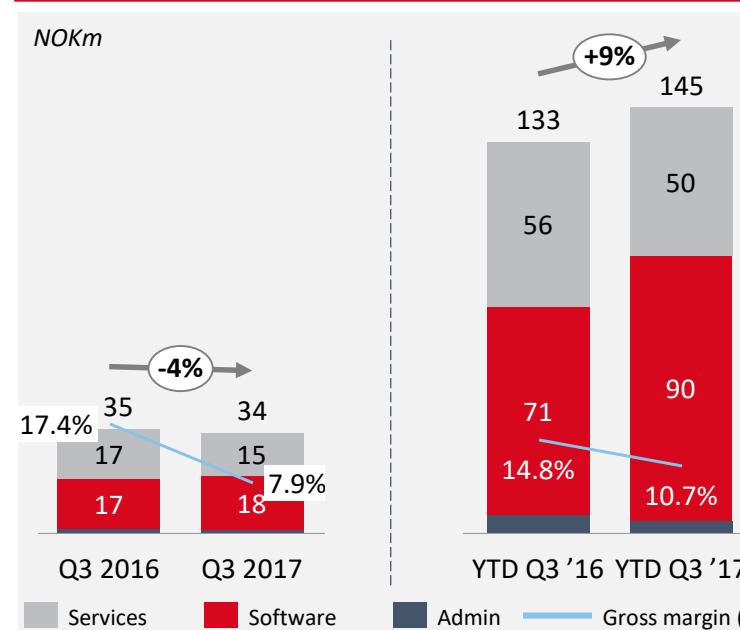
Growth Markets

Revenue



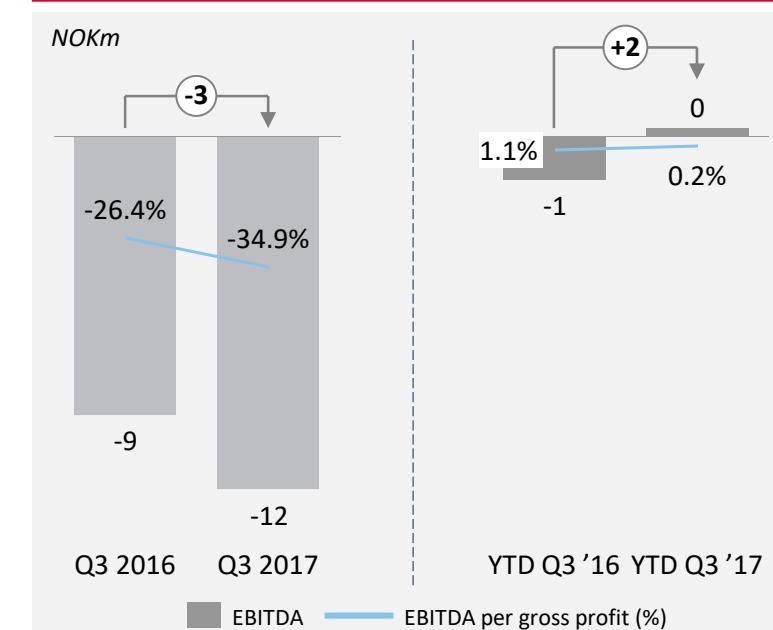
- Q3 2017 growth driven by **contract wins and increased direct billing within Software**
 - Especially positive development in the Middle East

Gross profit



- **Services: negative** Q3 YoY development due to UK legacy operations (NOK -3.8m)
- **Software: positive** Q3 YoY development from Software Indirect (NOK +1.5m)
- **Q3 YoY positive growth: Middle East** (NOK +0.4m) and **France** (NOK +0.3m)
- **Q3 YoY negative growth: UK** (NOK -1.9m) and **Germany** (NOK -0.3m)

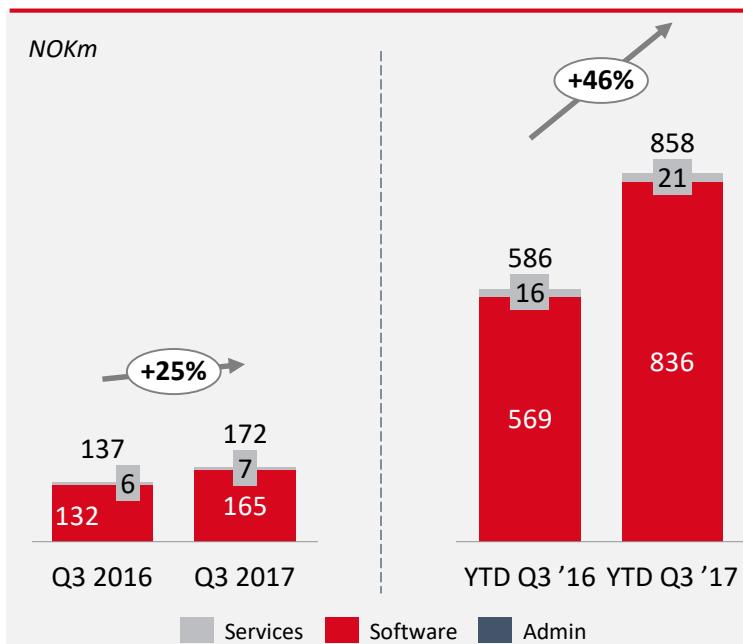
EBITDA



- **Q3 YoY decrease driven by Middle East** (NOK -2.1m) and **the UK** (NOK -2.1m)
 - **Partially offset by Germany** (NOK +0.9m) and **France** (NOK +0.7m)
- **Middle East driven by opex investment to position for future growth.** UK affected by legacy operations

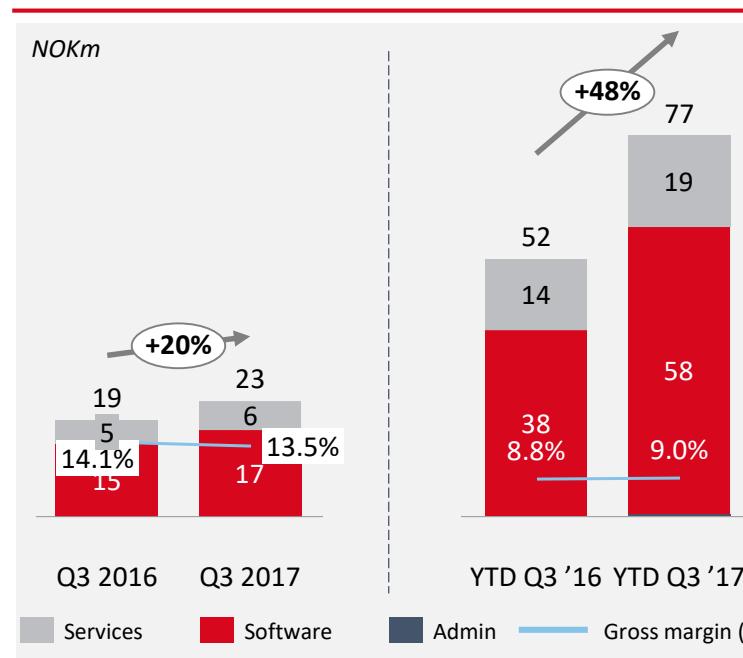
Start-ups

Revenue



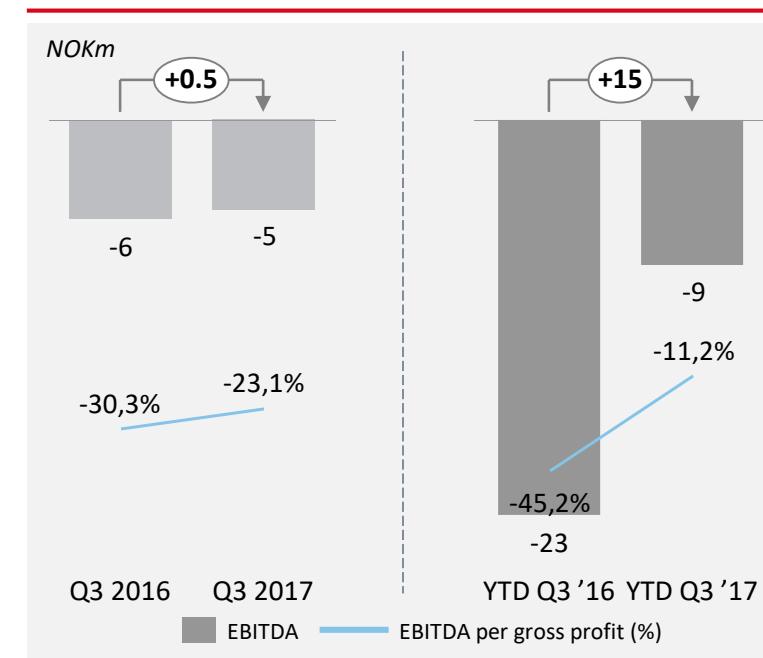
- Q3 2017 growth driven by **contract wins and increased direct billing within Software**
 - Especially positive development in India

Gross profit



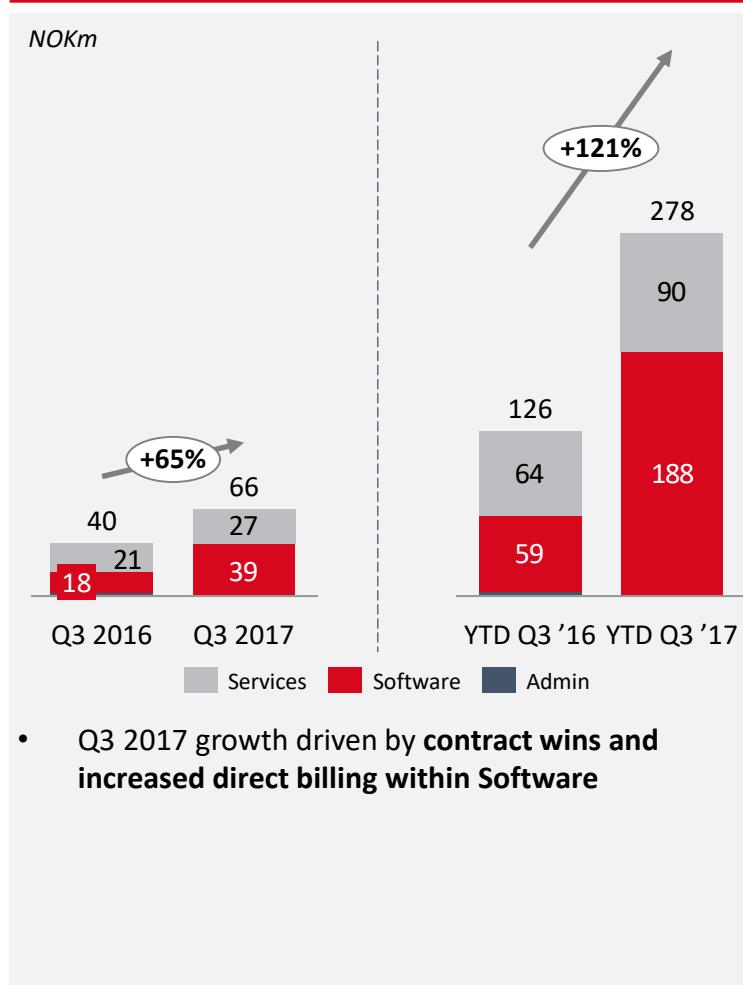
- **Services: positive** Q3 YoY development from **SAM** (NOK +1.2m)
- **Software: positive** Q3 YoY development from **Software Indirect** (NOK +3.5m)
- **Q3 YoY positive growth:** **India** (NOK +3.1m), **Switzerland** (NOK +1.8m) and **Portugal** (NOK +1.5m)
- **Q3 YoY negative growth:** **Netherlands** (NOK -2.0m), **Spain/Malaysia/Austria** (NOK -0.5m)

EBITDA

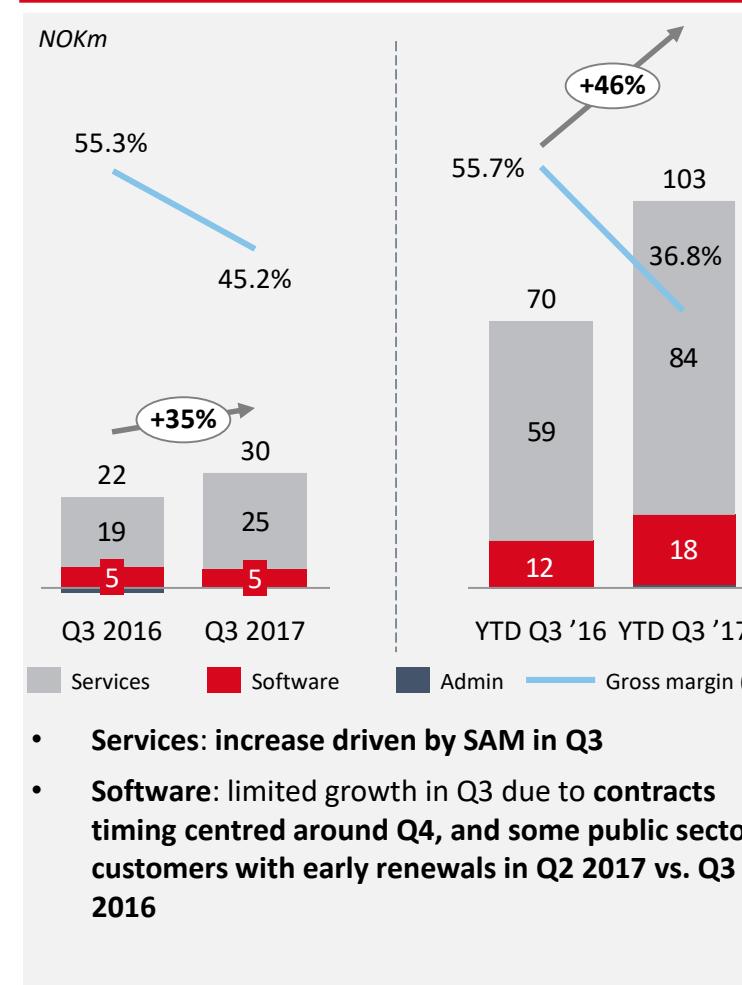


- **Q3 YoY increase driven by Switzerland** (NOK +1.3m), **Portugal** (NOK +1.3m) and **India** (NOK +1.2m)
 - **Partially offset by Netherlands** (NOK -3.0m)
- **Negative development in Netherlands** driven by a **large one-off contract** within the software division in Q3 2016

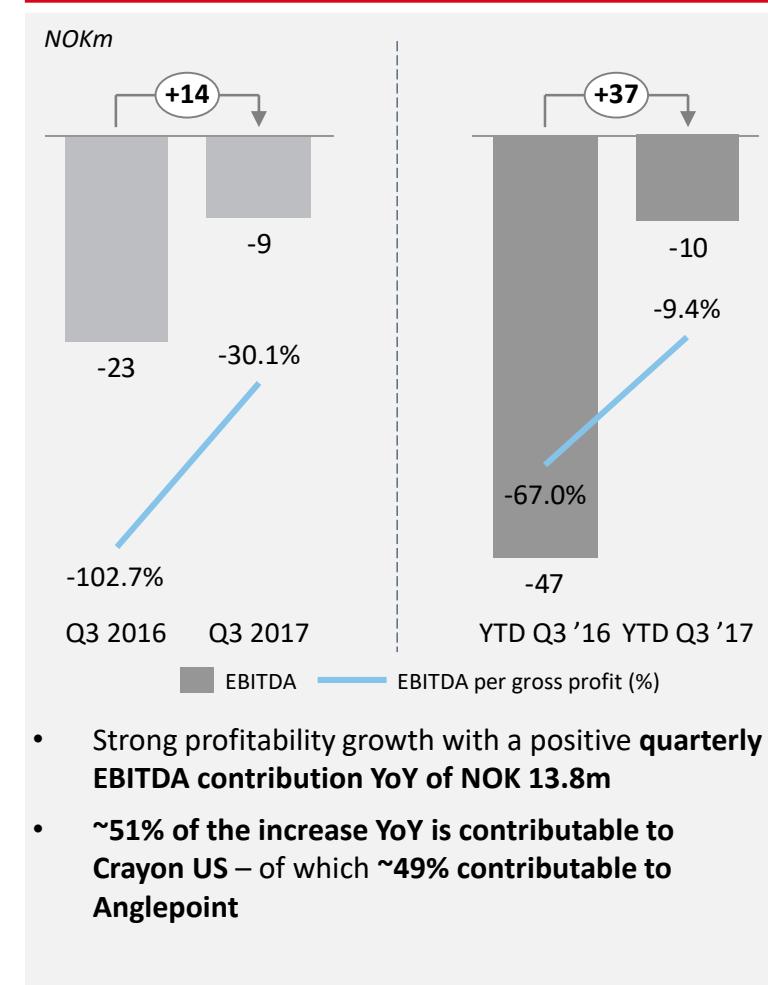
Revenue



Gross profit



EBITDA



- Q3 2017 growth driven by **contract wins** and **increased direct billing** within Software

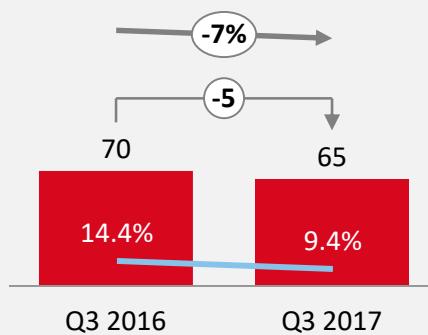
- Services: increase driven by SAM in Q3**
- Software: limited growth in Q3 due to contracts timing centred around Q4, and some public sector customers with early renewals in Q2 2017 vs. Q3 2016**

- Strong profitability growth with a positive **quarterly EBITDA contribution YoY of NOK 13.8m**
- ~51% of the increase YoY is contributable to Crayon US – of which ~49% contributable to Anglepoint

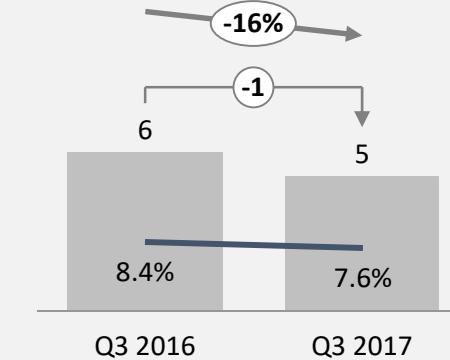
Software

Software Direct

Gross profit development, NOKm



EBITDA development, NOKm



+10%

+30

289

11.0%

319

9.8%

YTD Q3 '16

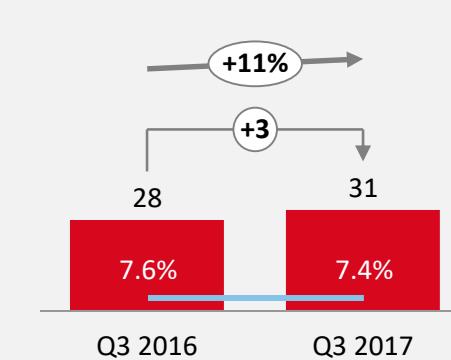
YTD Q3 '17

Reduced “cost to serve”/OPEX improving EBITDA development YoY

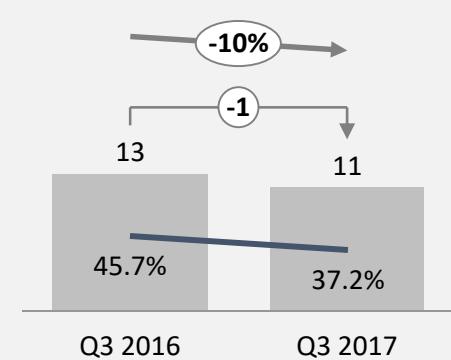
■ Gross profit — Gross margin (%)

Software Indirect

Gross profit development, NOKm



EBITDA development, NOKm



Q3 2016 Q3 2017

+22%

+18

80

7.6%

YTD Q3 '16

98

7.7%

YTD Q3 '17

YTD Q3 '16 YTD Q3 '17

+12%

+4

36

45.0%

YTD Q3 '16

41

41.3%

YTD Q3 '17

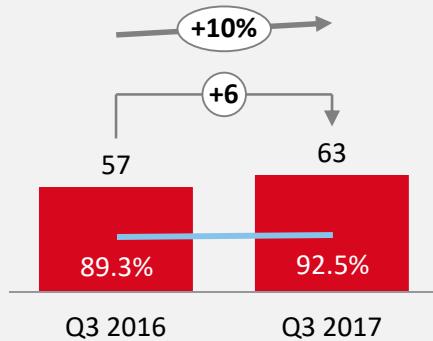
Healthy gross profit growth - EBITDA influenced by OPEX investments, primarily in USA, for future growth and profitability

■ EBITDA — EBITDA per gross profit (%)

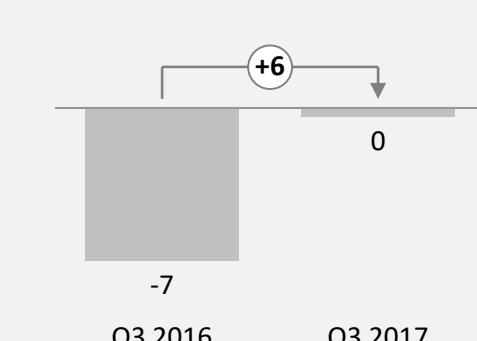
Services

SAM

Gross profit development, NOKm



EBITDA development, NOKm



Q3 2016 Q3 2017

+9%

+17

YTD Q3 '16 YTD Q3 '17

190 207

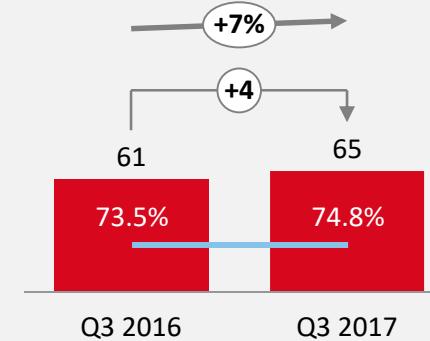
89.7% 90.8%

Strong YoY growth fueled by US – EBITDA capitalizing on investments made

 Gross profit  Gross margin (%)

Consulting

Gross profit development, NOKm



Q3 2016 Q3 2017

+7% +4

-1% -2

219 217

76.1% 74.7%

Positive Q3 growth driven increased spending and higher utilization, EBITDA YoY influenced by OPEX investments in the Nordics and UK

 EBITDA  EBITDA per gross profit (%)

P&L summary and items below EBITDA

P&L

NOKm	2016	Q3 2016	Q3 2017	YTD Q3 2016	YTD Q3 2017
Operating revenue	6,015.2	995.4	1,249.7	4,188.1	5,010.0
Materials and supplies	-4,886.8	-779.4	-1,022.0	-3,392.2	-4,155.9
Gross profit	1,128.4	216.0	227.8	795.9	854.1
Payroll and related costs	-877.9	-198.6	-204.5	-646.5	-676.9
Other operating expenses	-158.8	-39.3	-43.3	-119.4	-115.5
Total operating expenses	-1,036.7	-237.9	-247.8	-765.9	-792.4
EBITDA	91.7	-21.9	-20.1	30.0	61.7
Depreciation	-9.2	-4.6	-2.4	-12.5	-7.2
Amortization	-80.9	-16.8	-13.8	-52.7	-40.0
Goodwill impairment	-8.9	0.0	0.0	0.0	-1.3
EBIT	-7.3	-43.3	-36.2	-35.1	13.1
Net financial expense	-32.5	0.9	-27.2	-18.5	-79.5
Ordinary result before tax	-39.8	-42.5	-63.4	-53.6	-66.3
Income tax expense on ordinary result	9.6	17.3	11.2	29.1	9.8
Net income	-30.2	-25.1	-52.2	-24.5	-56.5
<i>Adjusted EBITDA reconciliation</i>					
Reported EBITDA	91.7	-21.9	-20.1	30.0	61.7
Other income and expenses	13.5	10.5	10.7	11.5	11.2
Adjusted EBITDA	105.2	-11.4	-9.3	41.5	72.9

Comments

Depreciation and amortization

- Decrease in depreciation driven by wrong classification (vs. amortization) in Q3 2016 which was reversed and corrected for in Q4 2016
- Amortizations reduced YoY due to one fully amortized intangible asset arising from Inmeta-Crayon delisting in 2012

Net financial expenses

- Increase due to net other financial expenses
 - Increase due to refinancing costs and currency effects
 - Currency effects also driven by net unrealized FX loss from intercompany funding, where offset is presented as part of other comprehensive income (i.e. translation effect)

Income tax

- Increase in income tax expenses driven by over-accrual of tax credit in Q3 2016 which was reversed in Q4 2016

Adjusted EBITDA

- Of total other income and expense items in Q3 2017 of NOK 10.7m, **NOK 5.5m was related to the IPO in November 2017**, and **NOK 5.1m was related to deferred consideration to former Anglepoint shareholders** (final payment due Q3 2018)

Cash flow development

Cash flow

NOKm	Q3 2016	Q3 2017	YTD Q3 2016	YTD Q3 2017
Net income before tax	-42	-63	-54	-66
Taxes paid	-4	-3	-15	-14
Depreciation and amortization, incl. write-down	21	16	65	49
Net interest to credit institutions	14	12	39	40
Changes in inventory, AR/AP ¹	39	-11	-10	-155
Changes in other current assets	-131	-161	-109	-50
Net cash flow from operating activities	-104	-210	-83	-197
 Adj. EBITDA	 -11	 -9	 42	 73
 Capex	 11	 11	 39	 36

Cash flow from operations (NOKm):



Comments

Capex

- Capex in Q3 2017 of NOK 11m **mainly related to investments in new ERP system and IP** (Cloud IQ, Elevate, Catch)
 - NOK 8.6m of capex related to intangible assets** (vs. NOK 8.5m in Q3 2016), of which **NOK 3.5m are capitalized personnel costs** (vs. NOK 5.7m in Q3 2016)

Net working capital and cash

- Two main aspects affecting the Q3 2017 working capital development and cash balance:**
 - Q3 2017 ending on a weekend **delaying customer payments into Q4** - **available cash increased by NOK ~40m** within two days after quarter close
 - Underlying **increase in working capital in line with Crayon targets** – driven by accounts receivables build-up due to changes in revenue mix

Cash flow from operations fluctuations

- Seasonality in line with historical patterns and in line with expectations**
 - Contract renewals are skewed towards Q2 and Q4** driven by year-end campaigns by key software partners (Microsoft's fiscal year ends 30 June, Oracle fiscal year ends 31 May)
- Operational expenses are relatively stable quarter-to-quarter, resulting in seasonality** in cash flow from operations
- Seasonal patterns, with **strong operational cash flow in Q4**, expected to continue

1) AR = Accounts Receivable, AP = Accounts Payable

Balance sheet and net interest bearing debt

NOKm	2016	Q3 2016	Q3 2017
Assets			
Inventory	17.5	16.4	13.6
Accounts receivable	1,206.8	637.0	769.8
Income tax receivable	2.7	7.1	1.6
Other receivables	54.4	35.6	43.4
Net cash and cash equivalents ¹	227.9	23.4	-136.4
Total current assets	1,509.4	719.5	692.0
Technology, software and R&D	104.3	100.2	104.9
Contracts	101.0	112.5	85.9
Goodwill ²	827.1	831.8	819.4
Software licenses (IP)	7.4	7.4	7.4
Deferred tax assets	29.6	26.0	29.4
Equipment	18.7	19.1	19.8
Other receivables	3.2	2.6	3.4
Total non-current assets	1,091.3	1,099.6	1,070.0
Total assets	2,600.7	1,819.2	1,762.0
Equity and liabilities			
Total equity	272.4	297.1	219.0
Short-term debt	661.0	-	-
Trade creditors	1,224.1	555.0	628.2
Public duties payable	186.9	102.3	109.6
Other current liabilities	210.0	178.5	186.0
Total current liabilities	2,282.0	835.8	923.8
Long-term debt	0.0	656.1	590.3
Deferred tax liabilities	44.8	27.5	27.4
Other long-term liabilities	1.5	2.7	1.5
Total long-term liabilities	46.3	686.3	619.2
Total liabilities	2,328.3	1,522.1	1,543.0
Total equity & liabilities	2,600.7	1,819.2	1,762.0

Net interest bearing debt - NOKm	Q3 2017, IPO adjusted
Bond loan ³	600.0
Other debt (Anglepoint promissory note)	5.5
Net cash and cash equivalents ¹	136.4
Restricted cash	8.2
Net interest bearing debt before primary offering	750.1
Equity issue (net proceeds) ⁴	305.0
Net interest bearing debt (NIBD)	445.1

Crayon debt items

- Crayon has a bond of **NOK 600m outstanding**
 - On 8 November 2017, Crayon announced that it will **redeem NOK 150 million of the bond** at 102% of par value under an equity claw-back call option allowed for in the bond agreement
- **NOK 200m RCF with Danske Bank**
 - NOK 166.7m drawn on the RCF per Q3 2017, i.e. gross cash was NOK 30.3m per 30.09.2017

Cash balance and net debt

- **The IPO of Crayon in November 2017 raised net primary proceeds⁴ of NOK 305m**
 - NIBD / LTM Adj. EBITDA ratio of 3.3x when adjusting for the net proceeds from the equity issue in the IPO
- **Timing effect on Q3 2017 cash balance – available cash increased by NOK ~40m within two days after quarter close**
 - **The leverage ratio at 3.0x** when adjusting for the NOK ~40m cash swing around Q3 close

1) The Company reports its cash balance net of drawdown on its revolving credit facility ("RCF")

2) Approx. NOK 556m of goodwill as of year-end 2016 relates to the Oslo Stock Exchange delisting of Inmeta-Crayon in 2012

3) Note that bond transactional costs of around NOK 10m are capitalized, and accretion expensed over the lifetime of the bond, cf. IAS 39

4) Based on estimated total IPO costs of NOK 35m, as communicated in prospectus

2017 financial targets

	2016	LTM Q3 2017	2017 target
Gross profit	<i>NOK 1,128m</i> <i>Growth from 2015: 23%</i>	<i>NOK 1,187m</i> <i>Growth from LTM Q3 2016: 6%</i> <i>YTD growth of: 7%</i>	<ul style="list-style-type: none"> • Around 10% growth compared to 2016
Gross margin	18.8%	17.4%	<ul style="list-style-type: none"> • Around LTM Q2 level¹
Adj. EBITDA % of gross profit	9.3%	11.5%	<ul style="list-style-type: none"> • Around 12%
Depreciation and amortization	<i>Depreciation: NOK 9.2m</i> <i>Amortization: NOK 80.9m²</i> Total D&A: NOK 90.1m²	<i>Depreciation: NOK 4.0m</i> <i>Amortization: NOK 68.3m²</i> Total D&A: NOK 72.2m²	<ul style="list-style-type: none"> • Depreciation around 2016 absolute level • Amortization around NOK ~55-60m³
Capex	<i>NOK 51.2m</i>	<i>NOK 48.2m</i>	<ul style="list-style-type: none"> • Target around NOK 40-45m⁴
NWC	<i>~-18%⁵</i>	<i>~-20%⁵</i>	<ul style="list-style-type: none"> • Around -20%⁵

Crayon reiterates 2017 targets communicated in IPO process

1) LTM Q2 2017 gross margin was 17.8%

2) Excluding goodwill write-down of NOK 8.9m in 2016 and NOK 1.3m in Q2 2017

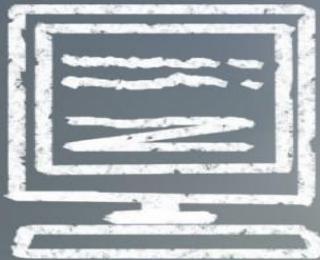
3) Of the annual amortization of NOK ~55-60m, approximately NOK 7m relates to amortization of acquired technology and software, and around NOK 20m relates to amortization of acquired customer relationships

4) The absolute level of tangible asset Capex in 2015 and 2016 is representative for 2017

5) Average 4 quarter rolling NWC as % of LTM gross profit. 2017 target of approx. same level as LTM Q1 2017 average 4 quarter rolling NWC as 18 % of LTM gross profit which was negative ~20%



Datapack



Introduction to key P&L drivers

NOKm	2014	2015	2016
Operating revenue	3,731.8	4,687.9	6,015.2
<i>Growth</i>		25.6%	28.3%
Materials and supplies	-2,905.5	-3,773.0	-4,886.8
Gross profit	826.3	914.9	1,128.4
<i>Gross margin</i>	22.1%	19.5%	18.8%
Payroll and related costs	-586.3	-668.3	-877.9
Other operating expenses	-102.1	-149.1	-158.8
Total operating expenses	-688.4	-817.4	-1,036.7
EBITDA	137.8	97.5	91.7
<i>EBITDA % of gross profit</i>	16.7%	10.7%	8.1%
Exceptional items	4.0	16.3	13.5
Adjusted EBITDA	141.8	113.7	105.2
<i>Adj. EBITDA % of gross profit</i>	17.2%	12.4%	9.3%

#FTEs

700

807

945

- Revenue will be subject to fluctuations that do not impact absolute gross profit level as customers shift between direct and indirect billing¹

Revenue model

Services

- 3-5 years managed service agreements (SAM)
- Frame agreements
- Hours sold

Software

- ~3 year subscription/ARPU model where a certain percentage is contractually recurring
- Frame agreements
- Traditional licensing deals (one-time fee)

Services

- Number of FTEs
- Hourly rate / Fixed price agreements
- Utilization
- Recurring agreements

Software

- Number of FTEs
- Gross profit per FTE
- Vendor, product, new vs. existing customers etc.

- Payroll and related costs driven by number of FTEs – of which ~15-20% is variable salary
- Other opex driven by size and geographical width of organization
- Other opex primarily consisting of rented premises (~25%), professional services e.g. accounting and legal (~25%), travel (~20%) and IT and office equipment (~15%)

- Adjusted EBITDA as percentage of gross profit a suitable metric for comparison across Market Clusters and Business Areas due to gross margin variation

Income statement

NOKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	Q1 2017	Q2 2017	Q3 2017
Operating revenue	1,242.2	1,950.5	995.4	1,827.1	6,015.2	1,358.5	2,401.7	1,249.7
<i>Growth</i>					28.3%	9.4%	23.1%	25.5%
Materials and supplies	-992.9	-1,619.9	-779.4	-1,494.6	-4,886.8	-1,088.7	-2,045.2	-1,022.0
Gross profit	249.3	330.6	216.0	332.5	1,128.4	269.8	356.6	227.8
<i>Gross margin</i>	20.1%	16.9%	21.7%	18.2%	18.8%	19.9%	14.8%	18.2%
Payroll and related costs	-221.1	-226.7	-198.6	-231.4	-877.9	-228.4	-244.0	-204.5
Other operating expenses	-36.8	-43.3	-39.3	-39.4	-158.8	-36.7	-35.5	-43.3
Total operating expenses	-258.0	-270.0	-237.9	-270.8	-1,036.7	-265.2	-279.4	-247.8
EBITDA	-8.6	60.6	-21.9	61.7	91.7	4.7	77.1	-20.1
<i>EBITDA margin</i>	-0.7%	3.1%	-2.2%	3.4%	1.5%	0.3%	3.2%	-1.6%
Depreciation	-3.8	-4.1	-4.6	3.3	-9.2	-2.4	-2.4	-2.4
Amortization	-17.4	-18.4	-16.8	-28.2	-80.9	-12.8	-13.4	-13.8
Goodwill impairment	0.0	0.0	0.0	-8.9	-8.9	0.0	-1.3	0.0
EBIT	-29.9	38.1	-43.3	27.8	-7.3	-10.6	60.0	-36.2
<i>EBIT margin</i>	-2.4%	2.0%	-4.4%	1.5%	-0.1%	-0.8%	2.5%	-2.9%
Financial income	23.3	17.1	50.5	30.0	35.8	35.0	17.5	27.7
Financial expense	-32.2	-27.5	-49.6	-44.1	-68.3	-51.2	-53.7	-54.9
Net financial expense	-8.9	-10.4	0.9	-14.0	-32.5	-16.2	-36.2	-27.2
Ordinary result before tax	-38.8	27.7	-42.5	13.8	-39.8	-26.8	23.8	-63.4
Income tax expense on ordinary result	14.3	-2.5	17.3	-17.2	9.6	5.1	-6.4	11.2
Net income	-24.5	25.1	-25.1	-3.5	-30.2	-21.7	17.4	-52.2
Adjusted EBITDA reconciliation								
Reported EBITDA	-8.6	60.6	-21.9	61.7	91.7	4.7	77.1	-20.1
Exceptional items ¹	0.7	0.4	10.5	1.9	13.5	0.3	0.2	10.7
Adjusted EBITDA	-8.0	61.0	-11.4	63.6	105.2	4.9	77.3	-9.3
<i>Adj. EBITDA % of gross profit</i>	-3.2%	18.4%	-5.3%	19.1%	9.3%	1.8%	21.7%	-4.1%

1) Exceptional items are one-off costs mainly related to strategy projects, restructurings, and the acquisition of businesses

Balance sheet

NOKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Assets							
Inventory	21.9	21.8	16.4	17.5	18.8	24.0	13.6
Accounts receivable	654.1	1,224.9	637.0	1,206.8	722.0	1,573.7	769.8
Income tax receivable	3.2	3.7	7.1	2.7	6.1	2.9	1.6
Other receivables	37.8	31.2	35.6	54.4	36.0	45.9	43.4
Net cash and cash equivalents ¹	68.6	180.2	23.4	227.9	66.5	204.7	-136.4
Total current assets	785.6	1,461.8	719.5	1,509.4	849.4	1,851.2	692.0
Technology, software and R&D	97.2	100.8	100.2	104.3	104.4	106.8	104.9
Contracts	142.2	127.9	112.5	101.0	96.1	92.2	85.9
Goodwill ²	843.8	843.4	831.8	827.1	829.1	828.4	819.4
Software licenses (IP)	7.4	7.4	7.4	7.4	7.4	7.4	7.4
Deferred tax assets	10.1	19.1	26.0	29.6	33.8	28.7	29.4
Equipment	19.1	18.3	19.1	18.7	19.2	20.4	19.8
Other receivables	3.4	3.4	2.6	3.2	4.1	4.8	3.4
Total non-current assets	1,123.2	1,120.3	1,099.6	1,091.3	1,094.1	1,088.8	1,070.0
Total assets	1,908.7	2,582.1	1,819.2	2,600.7	1,943.5	2,940.0	1,762.0
Equity and liabilities							
Share capital	52.5	52.5	52.5	52.5	52.5	52.5	52.5
Own shares	-	-	-	-	-	-	-
Share premium reserve	262.3	262.3	262.3	262.3	262.3	262.3	262.3
Other equity	13.2	20.0	-7.1	-53.6	-69.4	-50.0	-99.0
Minority interest	-2.7	0.5	-10.6	11.2	7.0	8.9	3.2
Total equity	325.3	335.3	297.1	272.4	252.4	273.7	219.0
Short-term debt	-	-	-	661.0	661.1	100.5	-
Trade creditors	503.5	1,111.4	555.0	1,224.1	660.5	1,453.6	628.2
Public duties payable	161.3	207.9	102.3	186.9	119.0	254.5	109.6
Other current liabilities	175.9	191.9	178.5	210.0	208.8	227.0	186.0
Total current liabilities	840.7	1,511.2	835.8	2,282.0	1,649.4	2,035.6	923.8
Long-term debt	671.7	666.1	656.1	0.0	0.0	591.7	590.3
Deferred tax liabilities	37.3	40.6	27.5	44.8	40.1	37.6	27.4
Other long-term liabilities	33.7	28.9	2.7	1.5	1.6	1.4	1.5
Total long-term liabilities	742.7	735.6	686.3	46.3	41.7	630.7	619.2
Total liabilities	1,583.4	2,246.8	1,522.1	2,328.3	1,691.1	2,666.3	1,543.0
Total equity & liabilities	1,908.7	2,582.1	1,819.2	2,600.7	1,943.5	2,940.0	1,762.0

1) The Company reports its cash balance net of drawdown on its revolving credit facility ("RCF")

2) Approx. NOK 556m of goodwill as of year-end 2016 relates to the Oslo Stock Exchange delisting of Inmeta-Crayon in 2012

Cash flow statement

NOKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	Q1 2017	Q2 2017	Q3 2017
Cash flow from operating activities								
Net income before tax	-38.8	27.7	-42.5	13.8	-39.8	-26.8	23.8	-63.4
Taxes paid	-3.1	-7.1	-4.5	-2.9	-17.6	-9.5	-1.4	-3.3
Depreciation and amortization	21.2	22.5	21.4	33.9	99.0	15.3	17.1	16.2
Net interest to credit institutions	13.1	11.7	14.2	10.4	49.4	12.3	15.1	12.4
Changes in inventory, accounts receivable/payable	-88.3	39.5	38.5	88.0	77.8	-80.1	-63.9	-11.1
Changes in other current assets	-44.5	66.6	-130.9	79.8	-29.1	-50.4	161.6	-160.7
Net cash flow from operating activities	-140.4	160.8	-103.7	223.0	139.7	-139.1	152.3	-210.0
Cash flow from investing activities								
Acquisition of assets	-9.2	-18.5	-11.2	-12.2	-51.2	-10.1	-14.5	-11.4
Acquisition of subsidiaries (cash paid net of cash in acquired entity)	-1.5	-6.7	-21.1	-0.3	-29.6	0.0	0.0	0.0
Divestments	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Net cash flow from investing activities	-10.7	-25.2	-32.3	-12.5	-80.7	-10.1	-14.5	-11.4
Cash flow from financing activities								
Net interest paid to credit institutions	-12.3	-13.6	-13.6	-11.7	-51.1	-12.7	-14.9	-13.6
Change in subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from issuance of interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0	591.6	-1.9
Repayment of interest-bearing debt	0.0	-0.1	0.0	0.0	-0.1	0.0	-571.8	-100.5
Change in other long-term debt	-0.3	-4.4	-4.1	5.2	-3.6	0.1	-9.7	0.6
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by financing activities	-12.6	-18.0	-17.7	-6.4	-54.8	-12.6	-4.8	-115.4
Net increase (decrease) in cash and cash equivalents	-163.8	117.6	-153.7	204.1	4.2	-161.8	133.0	-336.8
Cash and cash equivalents at beginning of period	236.3	68.6	180.2	23.4	236.3	227.9	66.5	204.7
Currency translation on cash and cash equivalents	-4.0	-6.0	-3.1	0.5	-12.6	0.5	5.2	-4.3
Cash and cash equivalents at end of period	68.6	180.2	23.4	227.9	227.9	66.5	204.7	-136.4

Income statement by market cluster

NOKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	Q1 2017	Q2 2017	Q3 2017
Revenue								
Nordic Markets	907.9	1,054.3	619.9	1,185.9	3,767.9	869.8	1,106.7	600.2
Growth Markets	168.7	529.7	204.3	340.8	1,243.5	230.7	697.8	428.4
Start-ups	135.8	313.3	137.3	304.4	890.9	202.8	483.3	171.6
US	33.7	51.8	40.2	53.2	178.8	72.3	139.6	66.3
HQ	15.3	22.9	16.0	13.7	67.9	5.8	27.7	19.3
Eliminations	-19.0	-21.6	-22.2	-71.0	-133.8	-22.9	-53.4	-36.1
Total revenue	1,242.2	1,950.5	995.4	1,827.1	6,015.2	1,358.5	2,401.7	1,249.7
Gross profit								
Nordic Markets	174.5	219.2	137.3	226.7	757.7	175.1	212.2	138.1
Growth Markets	40.6	57.1	35.5	49.6	182.8	42.3	68.5	34.0
Start-ups	12.9	19.6	19.3	18.7	70.6	18.9	34.7	23.2
US	19.7	28.0	22.2	30.7	100.7	32.1	40.5	29.9
HQ	14.5	16.4	14.4	8.6	53.9	13.3	13.6	15.0
Eliminations	-12.9	-9.9	-12.6	-1.7	-37.2	-11.9	-12.9	-12.4
Total gross profit	249.3	330.6	216.0	332.5	1,128.4	269.8	356.6	227.8
EBITDA								
Nordic Markets	27.1	71.4	22.1	83.8	204.4	29.3	60.9	18.6
Growth Markets	-2.0	9.9	-9.4	2.8	1.3	-4.2	16.3	-11.9
Start-ups	-11.1	-6.5	-5.9	-9.5	-33.0	-8.1	4.9	-5.4
US	-16.2	-7.8	-22.8	-3.3	-50.1	-4.1	3.5	-9.0
HQ	-5.6	-5.8	4.1	-10.2	-17.4	-8.0	-8.2	-1.7
Eliminations	-0.2	-0.2	0.4	0.0	0.0	0.0	0.0	0.0
Adjusted EBITDA¹	-8.0	61.0	-11.4	63.6	105.2	4.9	77.3	-9.3

1) Other income and expense items netted under "HQ"

Income statement by business area

NOKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	Q1 2017	Q2 2017	Q3 2017
Revenue								
SAM	65.0	82.9	63.9	79.4	291.2	75.2	85.4	67.6
Consulting	97.3	107.4	83.3	115.4	403.4	101.0	101.4	87.5
Software (Direct)	748.1	1,398.6	485.8	1,303.2	3,935.7	790.0	1,774.5	694.9
Software (Indirect)	332.2	358.3	365.8	385.0	1,441.2	394.2	473.3	414.7
Admin	18.7	24.9	18.8	15.1	77.5	21.0	20.4	21.0
Eliminations	-19.0	-21.6	-22.2	-71.0	-133.8	-22.9	-53.4	-36.1
Total revenue	1,242.2	1,950.5	995.4	1,827.1	6,015.2	1,358.5	2,401.7	1,249.7
Gross profit								
SAM	59.4	73.5	57.0	72.1	262.0	68.4	76.3	62.6
Consulting	75.5	82.3	61.2	82.1	301.2	76.3	74.9	65.4
Software (Direct)	83.0	135.7	70.1	140.3	429.1	87.5	166.4	65.1
Software (Indirect)	26.7	26.1	27.6	30.2	110.5	32.1	35.6	30.6
Admin	17.8	22.7	12.7	9.5	62.8	17.3	16.4	16.5
Eliminations	-12.9	-9.9	-12.6	-1.7	-37.2	-11.9	-12.9	-12.4
Total gross profit	249.3	330.6	216.0	332.5	1,128.4	269.8	356.6	227.8
EBITDA								
SAM	1.2	10.9	-6.7	7.9	13.4	8.5	12.7	-0.4
Consulting	2.2	11.9	7.8	11.6	33.6	5.9	1.2	7.4
Software (Direct)	10.2	63.9	5.9	59.2	139.1	19.9	93.5	5.0
Software (Indirect)	11.0	12.5	12.6	14.2	50.3	13.5	15.6	11.4
Admin	-32.5	-38.0	-31.5	-29.2	-131.2	-42.9	-45.6	-32.6
Eliminations	-0.2	-0.2	0.4	0.0	0.0	0.0	0.0	0.0
Adjusted EBITDA¹	-8.0	61.0	-11.4	63.6	105.2	4.9	77.3	-9.3

1) Other income and expense items netted under "Admin"

Revenue – Market cluster by business area

NOKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	Q1 2017	Q2 2017	Q3 2017
Nordic Markets								
Services	120.1	137.8	100.4	139.7	498.0	126.7	126.7	105.9
Software	786.8	913.0	518.9	1,042.3	3,261.0	978.8	978.8	493.8
Admin	1.0	3.6	0.6	3.8	8.9	1.2	1.2	0.5
Nordic Markets revenue	907.9	1,054.3	619.9	1,185.9	3,767.9	1,106.7	1,106.7	600.2
Growth Markets								
Services	20.0	21.0	20.0	21.3	82.3	18.1	18.1	15.7
Software	147.4	504.7	182.9	317.9	1,152.8	678.6	678.6	411.6
Admin	1.2	4.1	1.4	1.7	8.4	1.1	1.1	1.0
Growth Markets revenue	168.7	529.7	204.3	340.8	1,243.5	697.8	697.8	428.4
Start-ups								
Services	4.9	5.6	5.9	8.0	24.5	8.5	8.5	6.7
Software	130.1	307.9	131.5	296.4	865.8	474.6	474.6	164.9
Admin	0.8	-0.2	-0.1	0.1	0.6	0.3	0.3	0.0
Start-ups revenue	135.8	313.3	137.3	304.4	890.9	483.3	483.3	171.6
US								
Services	17.2	25.8	21.0	25.8	89.8	33.6	33.6	26.8
Software	16.0	24.9	18.2	27.9	87.0	105.9	105.9	39.3
Admin	0.4	1.1	0.9	-0.5	2.0	0.1	0.1	0.1
US revenue	33.7	51.8	40.2	53.2	178.8	139.6	139.6	66.3
HQ								
Services	0.0	0.0	0.0	-0.0	-0.0	-	-	0.0
Software	-0.0	6.5	-0.0	3.7	10.2	9.9	9.9	-0.0
Admin	15.3	16.4	16.0	10.0	57.7	17.8	17.8	19.3
HQ revenue	15.3	22.9	16.0	13.7	67.9	27.7	27.7	19.3
Group								
Services	162.3	190.2	147.2	194.8	694.6	186.9	186.9	155.2
Software	1,080.3	1,756.9	851.6	1,688.1	5,376.9	2,247.8	2,247.8	1,109.6
Admin	18.7	24.9	18.8	15.1	77.5	20.4	20.4	21.0
Eliminations	-19.0	-21.6	-22.2	-71.0	-133.8	-53.4	-53.4	-36.1
Group revenue	1,242.2	1,950.5	995.4	1,827.1	6,015.2	2,401.7	2,401.7	1,249.7

Gross profit – Market cluster by business area

NOKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	Q1 2017	Q2 2017	Q3 2017
Nordic Markets								
Services	95.8	106.3	77.6	106.6	386.3	93.8	95.2	82.1
Software	76.7	109.9	60.9	116.9	364.4	78.6	116.4	55.6
Admin	2.0	3.0	-1.3	3.2	6.9	2.7	0.6	0.4
Nordic Markets revenue	174.5	219.2	137.3	226.7	757.7	175.1	212.2	138.1
Growth Markets								
Services	18.8	20.4	17.0	19.6	75.8	18.2	17.5	14.7
Software	21.1	32.6	17.1	28.5	99.2	22.2	49.9	18.3
Admin	0.7	4.0	1.4	1.6	7.7	1.9	1.1	1.0
Growth Markets revenue	40.6	57.1	35.5	49.6	182.8	42.3	68.5	34.0
Start-ups								
Services	4.4	5.1	4.8	5.9	20.2	5.5	7.2	5.9
Software	8.0	14.9	14.7	12.7	50.3	13.3	27.3	17.3
Admin	0.4	-0.3	-0.2	0.1	0.1	0.2	0.3	0.0
Start-ups revenue	12.9	19.6	19.3	18.7	70.6	18.9	34.7	23.2
US								
Services	15.7	24.0	18.9	22.2	80.8	27.3	31.2	25.3
Software	3.8	3.2	5.1	8.8	20.9	4.7	9.2	4.6
Admin	0.2	0.9	-1.7	-0.3	-1.0	0.2	0.1	0.1
US revenue	19.7	28.0	22.2	30.7	100.7	32.1	40.5	29.9
HQ								
Services	0.0	0.0	0.0	-0.0	0.0	0.0	0.0	-
Software	-0.0	1.3	-0.1	3.7	4.8	0.9	-0.8	-0.0
Admin	14.5	15.1	14.5	5.0	49.0	12.4	14.4	15.0
HQ revenue	14.5	16.4	14.4	8.6	53.9	13.3	13.6	15.0
Group								
Services	134.9	155.8	118.3	154.2	563.2	144.8	151.1	128.0
Software	109.6	161.9	97.7	170.5	539.6	119.6	201.9	95.7
Admin	17.8	22.7	12.7	9.5	62.8	17.3	16.4	16.5
Eliminations	-12.9	-9.9	-12.6	-1.7	-37.2	-11.9	-12.9	-12.4
Group revenue	249.3	330.6	216.0	332.5	1,128.4	269.8	356.6	227.8



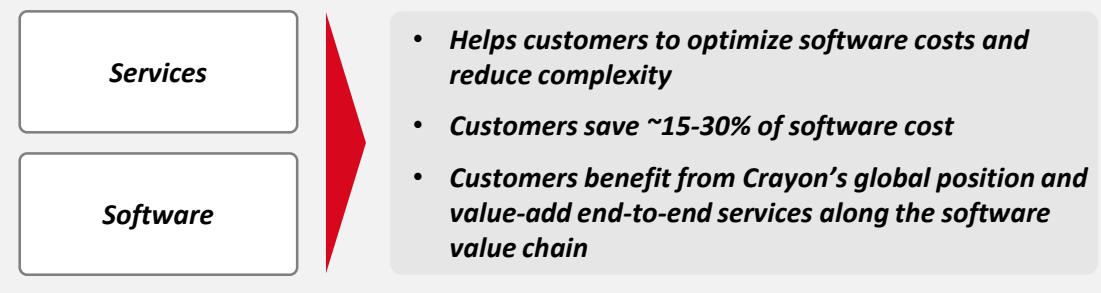
Appendix

The Software Experts
Crayon

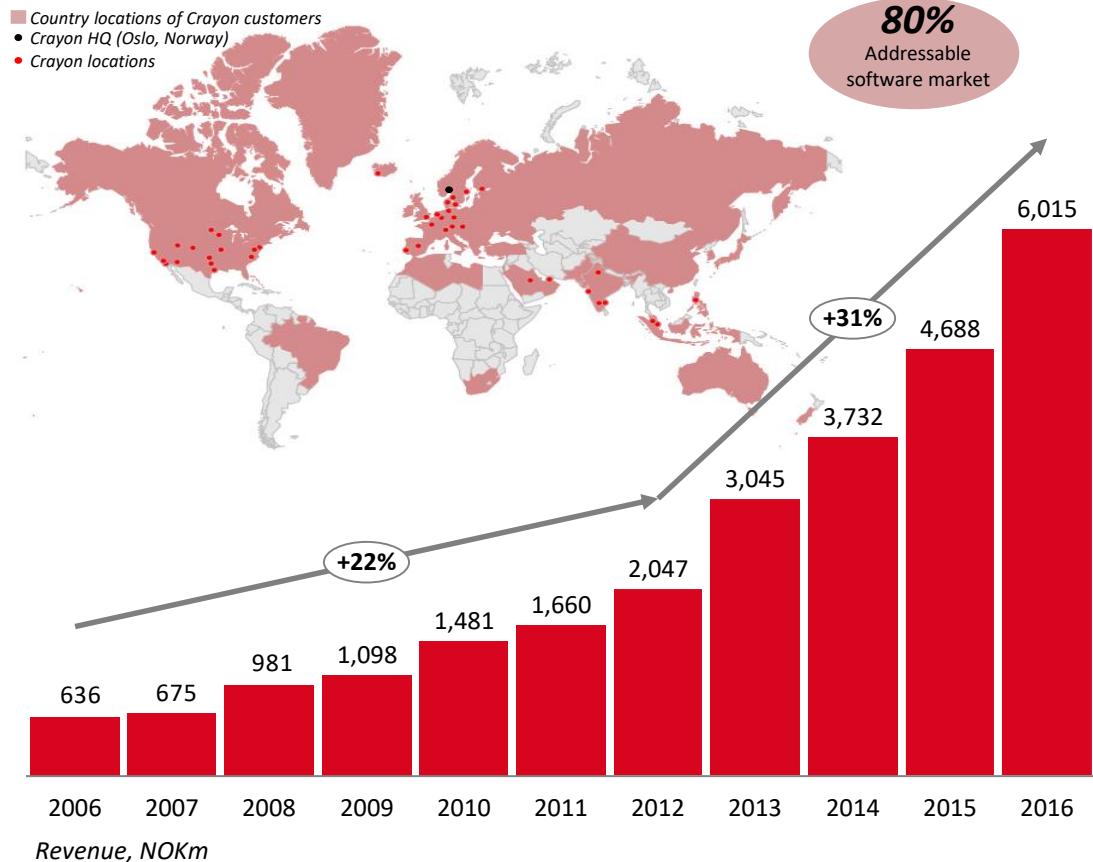
Company at a glance

- Founded in 2002 with headquarters in Oslo, Norway
- Owned by management, PE firm Norvestor Equity and KLP since 2012
- ~1,000 employees and ~8,000 customers of which more than 40% public¹
- Strategic partnerships with the largest software vendors globally
- Extensive IP portfolio yielding competitive advantages
- Presence in 21 countries covering 80% of addressable market
- Revenues of NOK 6.0bn with high growth and strong cash conversion

Offering and value proposition



An international growth story with strengthening momentum



Crayon is a trusted advisor for customers in their digital transformation journey

SAM – IT optimization; Crayon's customer acquisition tool

- Crayon's offering seeks to optimize the IT structure of customers by
 - improving software ROI
 - helping customers stay compliant
 - and helping customer to avoid fines
- SAM is the go-to-market model and has been deployed as a customer acquisition tool when Crayon have entered new geographical markets
- SAM comprise both tactical advisory to mid-level management and strategic advice with customer top management as counterparties
- Crayon uses proprietary IP to differentiate from competitors and to build customer stickiness – IP applied in SAM offering comprises Elevate, SAM-IQ and Catch
- With +240 SAM consultants, Crayon is a leading global player on SAM, and has the highest number of SAM consultants in the world¹



Consulting – cloud and solutions consulting services

- Crayon offers consulting services in principally two areas: Cloud and Solutions
 - **Cloud Consulting:** Generic support and services on universal technology platforms
 - **Solutions Consulting:** Bespoke application development tailored to customers' needs
- Total of 247 consultants per year end 2016 (FTEs)
- Core offering includes:
 - IT infrastructure services (planning and analysis support related to larger IT upgrade projects)
 - Cloud Consulting: helping customer migrate to the cloud
 - Tailored software solution or application development and the resolving of complex IT problems including on-site support
- Providing value to customer through helping to solve complex problems that customers are unable to solve internally
- 98% of business in the Nordic region⁵, predominantly in Norway



¹⁾ Crayon Management estimates based on number of independent SAM consultants (independent SAM consultants meaning consultants working for the customer, not the software vendor)

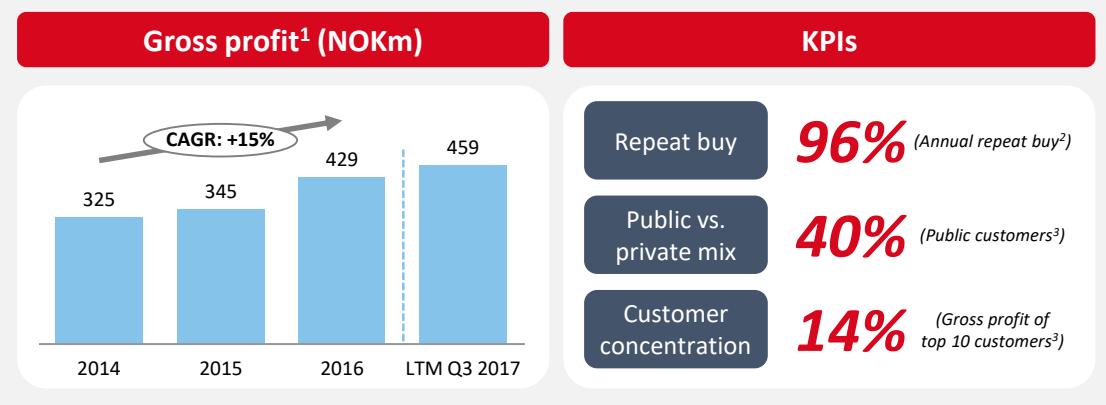
²⁾ 2014-2016 Source: Crayon Group Holding AS financial accounts. Q3 LTM 2017 Source: Crayon sales report. Note: Payroll expenses are fully classified below gross profit

³⁾ 2016 gross profit repeat buy adjusted for FAST acquisition in the UK for SAM. Repeat buy

⁴⁾ is (1-churn). Source: Sales data
Based on 2016 figures. Source: Crayon sales report
Gross profit 2016 figures excluding Admin and eliminations

Direct – license offering directly from vendor to customers

- Focus on standard software that customers use consistently year after year, and which play a key role in their technological platforms and critical commercial processes
- 280 sales and 1st line support employees per year end 2016 (FTEs)
- Clients acquired through SAM approach
- Majority of billing is done through Crayon – meaning Crayon are billing clients directly, strengthening client relationships
 - 60% direct billing per 2016⁴
- Solid level of recurring revenues from 3-5 year agreements with customers
 - Base for recurring and sticky customer relationships further supported by proprietary IP applied (Navigator)
- License advisory and transactional support related to purchase of 3rd party software



¹⁾ 2014-2016 Source: Crayon Group Holding AS financial accounts. Q3 LTM 2017 Source: Crayon sales report. Note: Payroll expenses are fully classified below gross profit

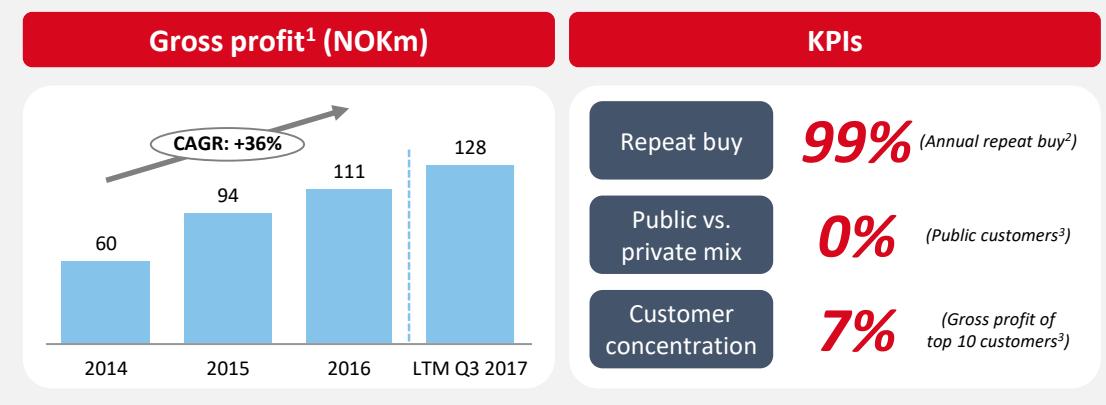
²⁾ 2016 gross profit repeat buy. Repeat buy is (1-churn). Source: Sales data

³⁾ Based on 2016 figures. Source: Crayon sales report

⁴⁾ Crayon direct billing of Microsoft's share of gross profit. Based on 2016 figures. Source: Crayon sales report

Indirect – license offering towards channel partners

- Crayon's license offering towards channel partners:
 - License advisory / optimization, software license sale and access to Crayon's reporting portal
- Crayon sells software licenses through a diverse group of leading channel partners:
 
- Crayon not the customers direct point-of-contact, hence Crayon revenue is generated through channel partner network
- 73 sales and 1st line support employees per year end 2016 (FTEs)
- ~100% recurring revenue driven by multi-year agreements with monthly invoicing
- Proprietary IP applied comprise Cloud-IQ



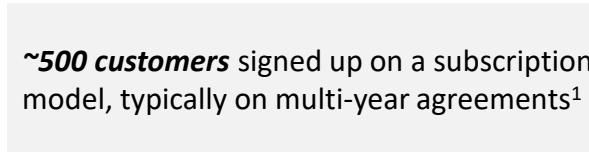
Extensive portfolio of intellectual property

Unique proprietary intellectual property portfolio...



- ✓ Help customers improve internal processes and capabilities
- ✓ Web portal providing tools and scripts

...providing differentiation and customer stickiness



~20%



- ✓ SAM delivery and collaboration platform

Used by Crayon for various SAM services

- ✓ License management tool for monitoring software usage and inventory

Used by Crayon and licensed to customers

- ✓ Self-provisioning web portal
- ✓ Effective provision and administration of cloud services for customers

~1,500 customers signed up on a monthly subscription model¹

~50%

...of total gross profit relates to use of Crayon's own IP portfolio^{2,3}

- ✓ Software webshop and self-provisioning portals for customers and partners

~2,000 customers signed up on a monthly subscription model¹

...of the customers are signed up on subscription models for the Crayon IP¹

Proven execution of international expansion strategy

Successful development from being a Norwegian licensing provider to global ambitions

