

Q4 2019 Presentation

11 February 2020

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Unique Business Model

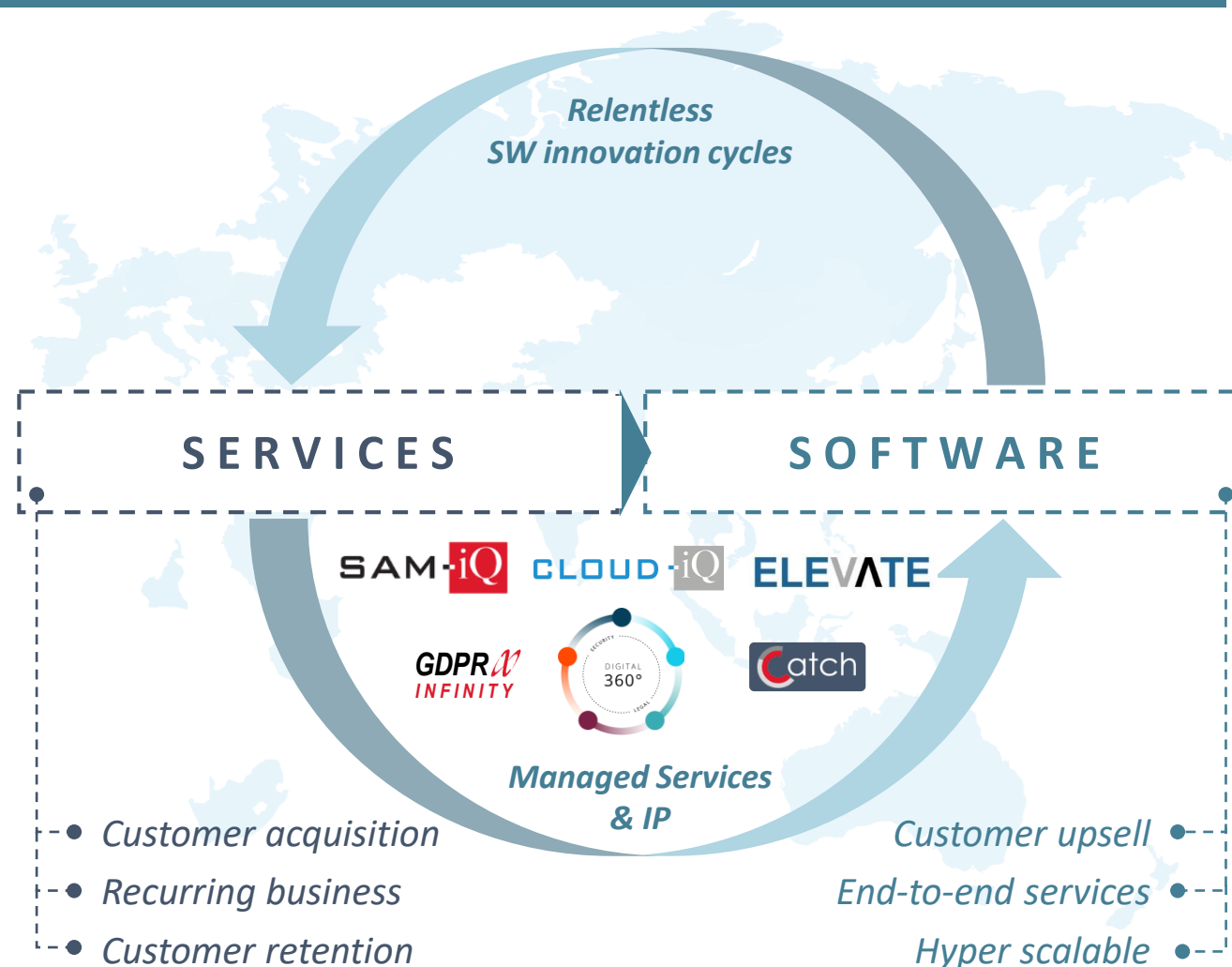
Customers' key challenges within IT

 Crayon | Business Model

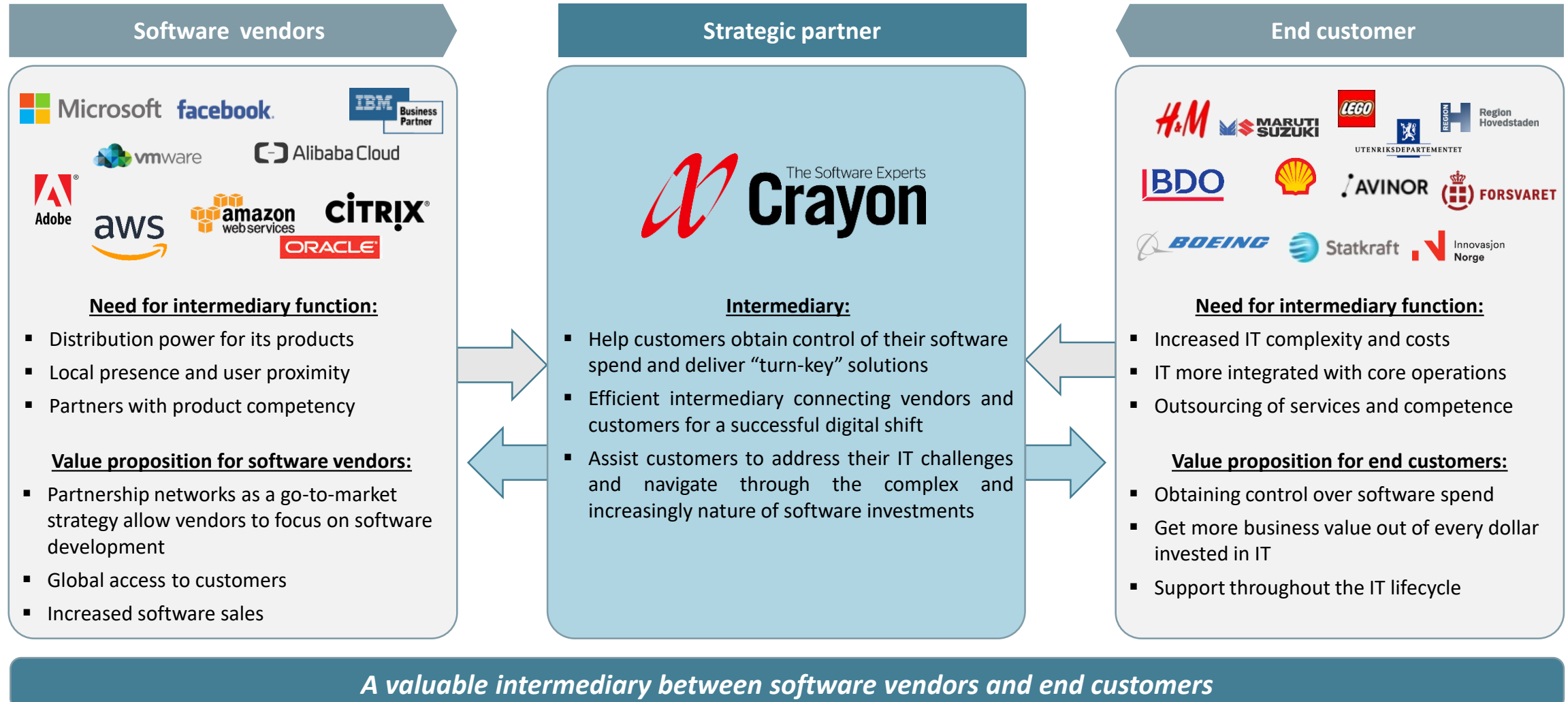


How to optimize SW spending?

Costs Business Value
Procurement & Deployment



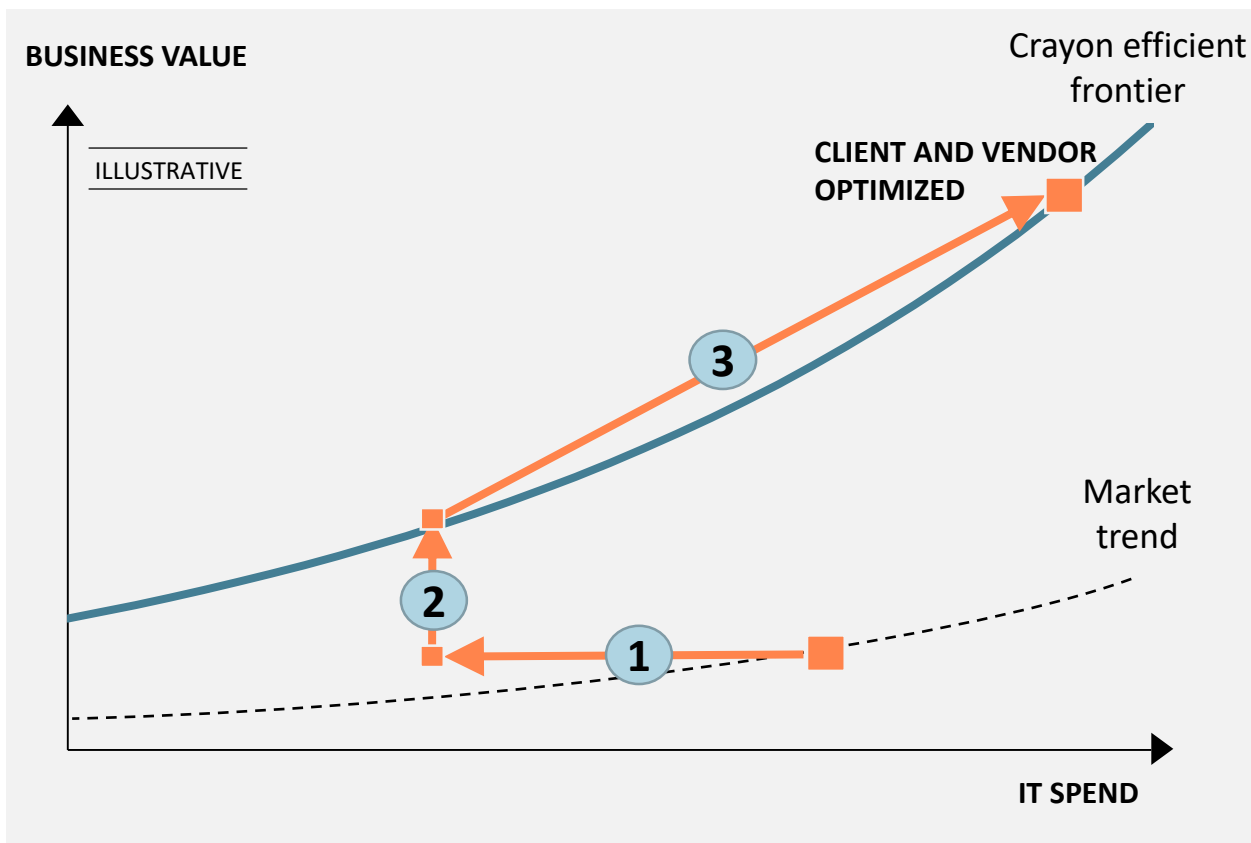
Creating value for software vendors and customers



Crayon is the preferred digital transformation partner...



Crayon's three-step framework to optimize customer's IT spend

**1**

Reduce IT spend

Reduce or right-size spending based on customer's existing needs and capabilities

2

Improve business value

Enabling the customer to get more business value out of every dollar invested

3

Invest in technology

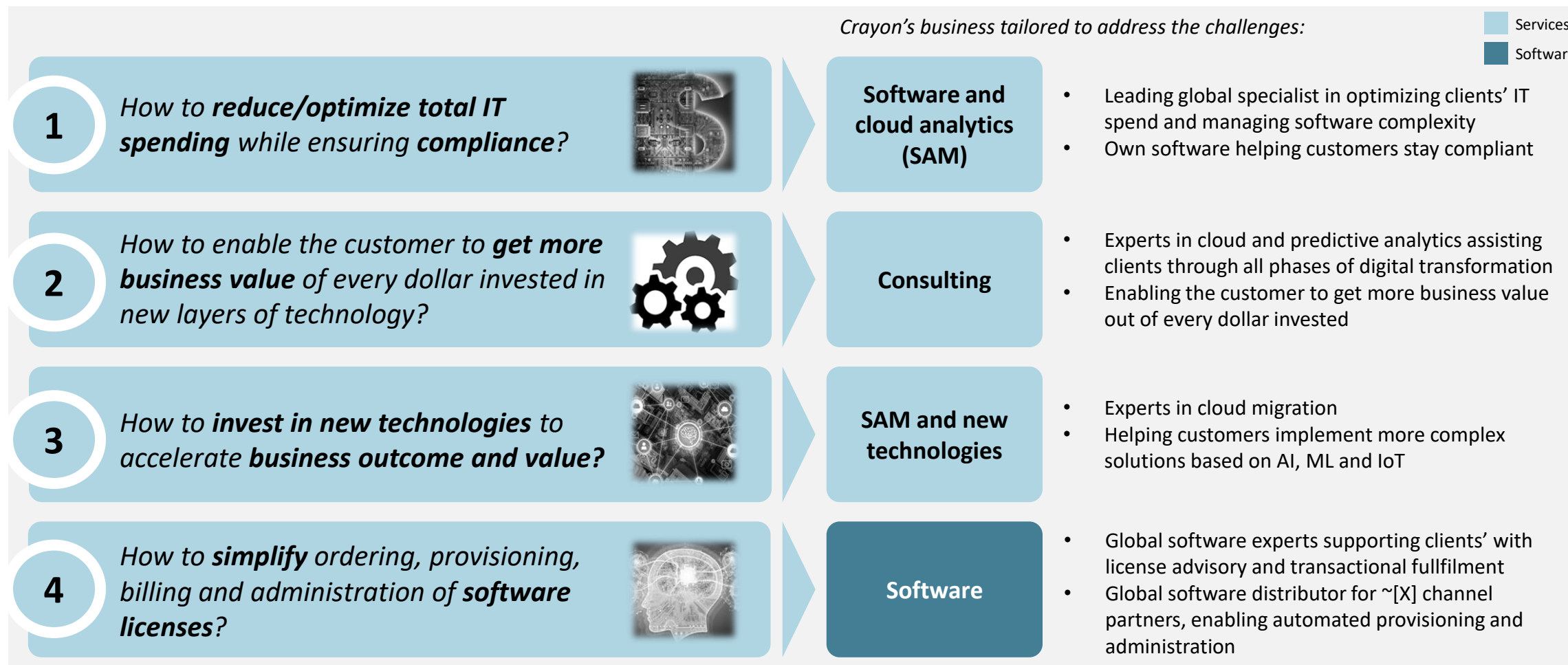
Investing in new technology to accelerate business outcome and value

Crayon successfully manages the “dual relationship” with customers and software vendors by obtaining higher business value for clients and higher IT spend

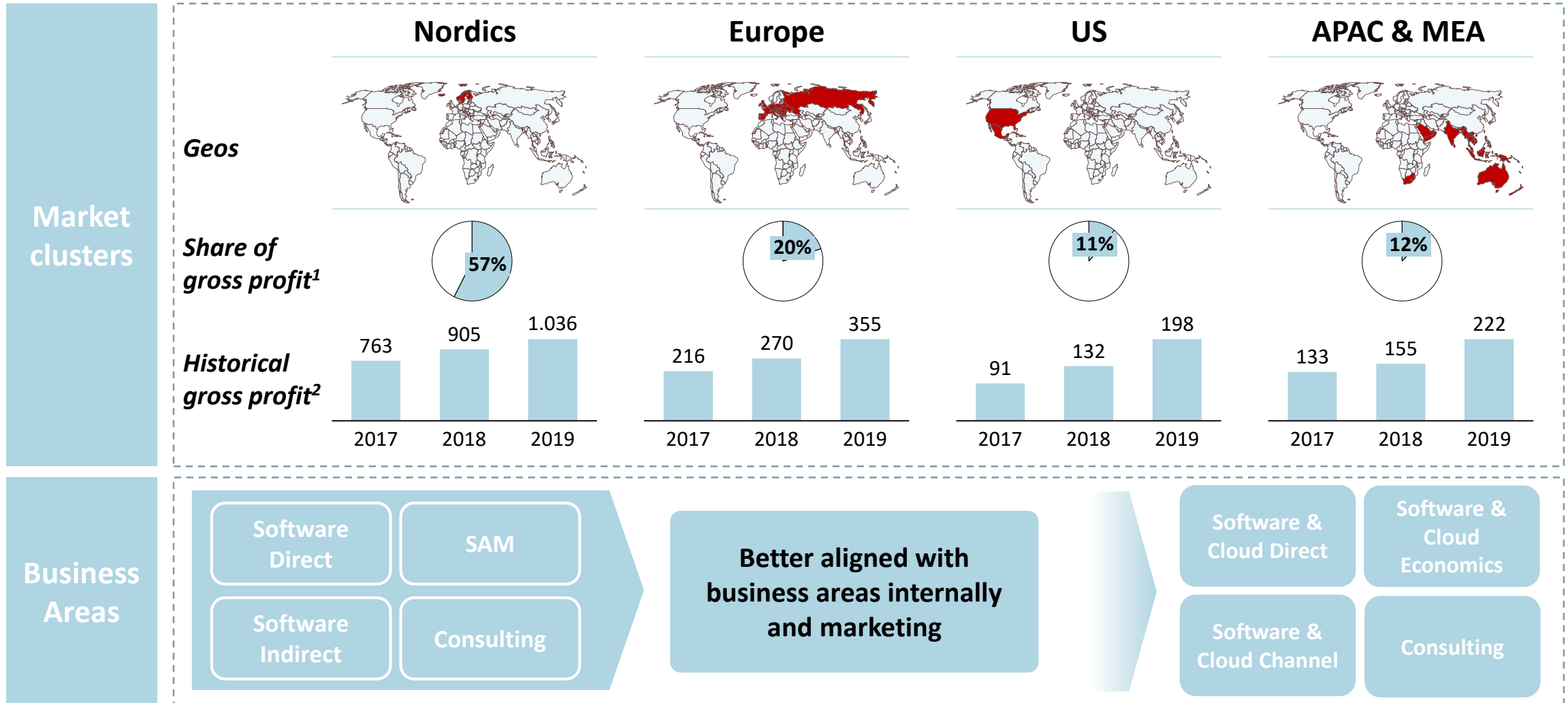
...assisting its clients to address key IT challenges

Clients faced with key questions...

...that Crayon helps to adress



Changes to financial reporting segments



1 LTM Q4 market cluster total gross profit as a percentage of total gross profit, excluding HQ and eliminations
 2 Total gross profit (NOK, millions) development per market cluster last three years

Business Update

Q4 2019 | CEO Torgrim Takle




Q4 2019 Highlights

1 RECORD FINANCIAL QUARTER & FY 2019

2 STRONG PERFORMANCE IN US & EUROPE

3 SERVICES GROWTH & PROFITABILITY

4 RECRUITMENT & PEOPLE PROCESSES AT SCALE

A background image for the quote featuring a stylized brain in the center, surrounded by a complex network of white lines and dots on a blue background, resembling a circuit board or neural network.

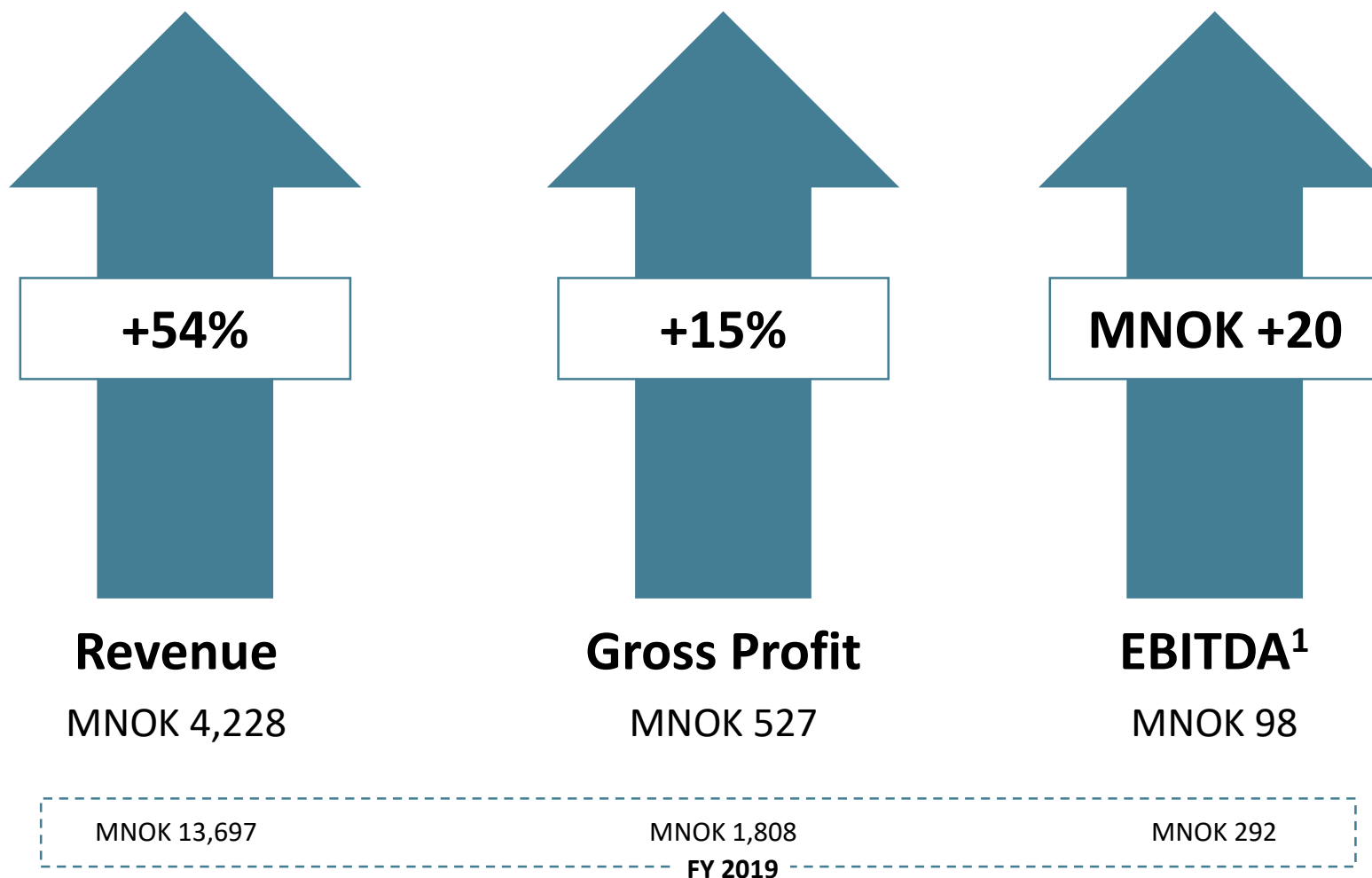
“Tech spend as a percentage of GDP is projected to double over the next decade”

Satya Nadella, CEO Microsoft
29 January 2020

Record Financial Quarter & FY



Compared to corresponding period last year



¹ Adjusted EBITDA – EBITDA adjusted for share based compensation and other one-off income and expenses.

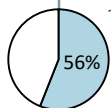
2 Strong Performance in US & Europe

Compared to corresponding period last year



Share of gross profit (Q4 2019)

Nordics



Gross Profit

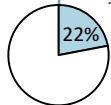
+6%

EBITDA

MNOK +2

- Continued strong market
- Norway performing well, remaining markets below expectations
- Sales targets & plans reinforced; Positive outlook for the region

Europe



Gross Profit

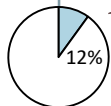
+49%

EBITDA

MNOK +9

- Software1/Comparex merger yields unique market opportunity
- Gaining momentum in “high potential” markets (UK, DE & FR)
- CEE expansion plan on track

US



Gross Profit

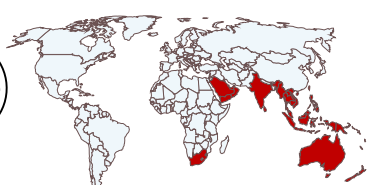
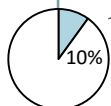
+56%

EBITDA

MNOK +5

- Continued to penetrate the enterprise & public sector segments
- Strong commercial momentum for Software & Cloud Economics
- Expected to break-even in 2020

APAC & MEA



Gross Profit

+4%

EBITDA

MNOK -9

- Weak financial results, driven by Middle East & Australia
- Continued strong performance and momentum in India
- Stabilization initiatives implemented

Services Demonstrating Strong Growth & Profitability Improvements



	SOFTWARE		SERVICES	
	Software & Cloud Direct	Software & Cloud Channel	Software & Cloud Economics	Consulting
Gross profit growth ¹	+4%	+28%	+25%	+32%
EBITDA margin ²	51% +2pp	31% -10pp	13% +3pp	20% +4pp
Significant client wins				
Q4 drivers and outlook	<ul style="list-style-type: none"> Continued strong market growth and share gains Product and program mix shifts (cloud, new vendors, shift to subscription models) Timing impact of incentive changes 	<ul style="list-style-type: none"> Multi-tier scalability (# partners, #customers per partner, and end-user consumption) Growth on new technology platforms (AWS) and partner segments (ISVs) 	<ul style="list-style-type: none"> Strong market demand for in Cloud Economics & optimization services SAM-iQ subscription growth Profitability restored in US 	<ul style="list-style-type: none"> Strong market growth Improved utilization & hourly rates Capacity increase Strong growth in Cloud Adoption & AI/ML services

¹ Gross profit growth Year over Year ("YoY")

² EBITDA as a percentage of gross profit

Recruitment & People Processes at Scale

People investments



Centralized global recruitment engine with **305 new hires signed during FY 2019**



Employee Share Purchase Program launched with **405 employees** participating



Global HR-system deployed across markets for talent development



New Resource Management System to utilize resources across markets

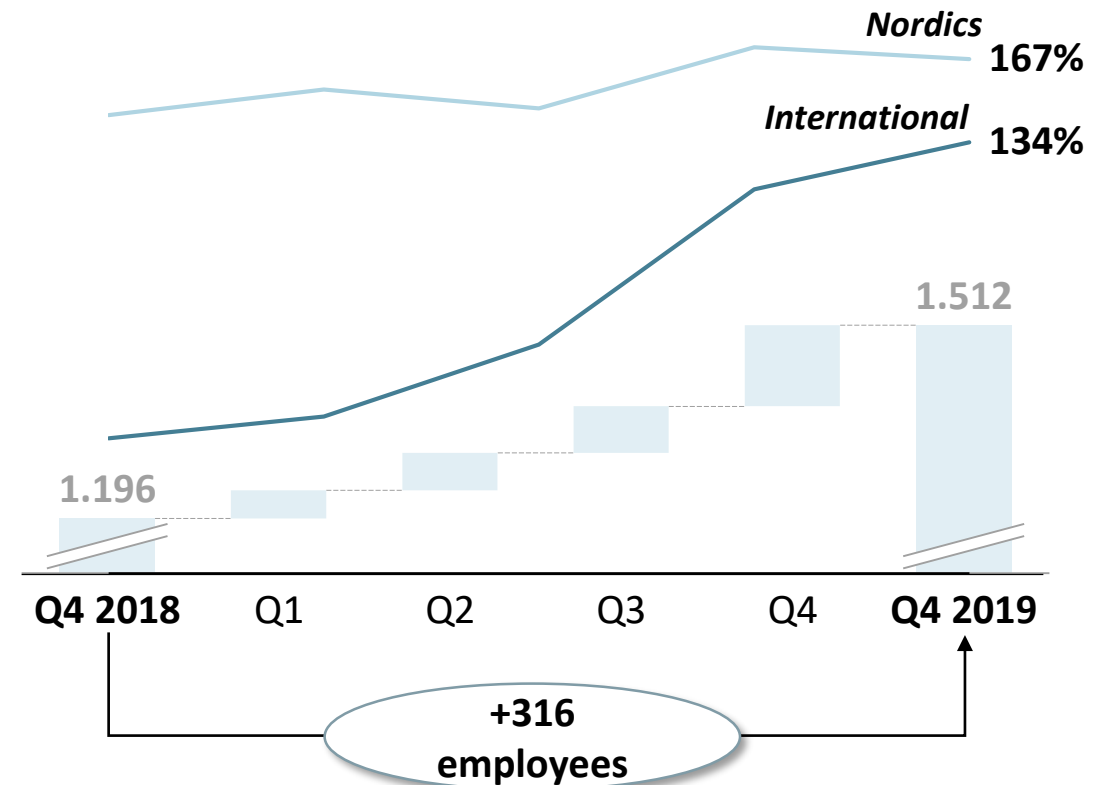


Accelerating vendor certifications, including Azure MSP Expert



Continuous investment in **IP & tools** to automate & streamline manual tasks

Headcount & LTM productivity¹ (gross profit/salary)



¹ Last twelve months ("LTM") gross profit divided by fully loaded payroll costs, (excluding HQ, extraordinary costs and eliminations)

Financial Review

Q4 2019 | CFO Jon Birger Syvertsen

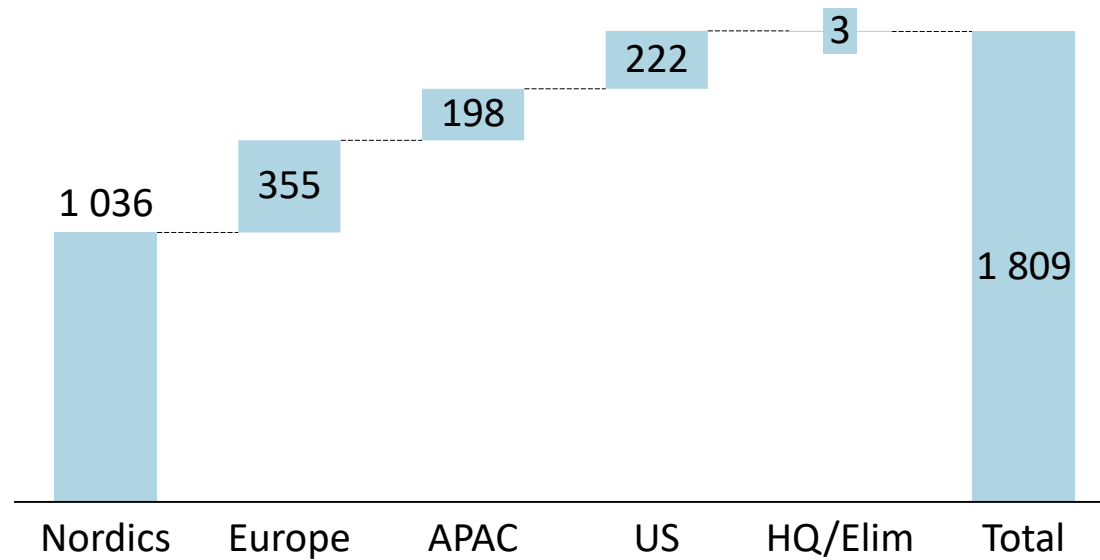
Q4 2019

Strong Q4 leads to 22% gross profit growth LTM



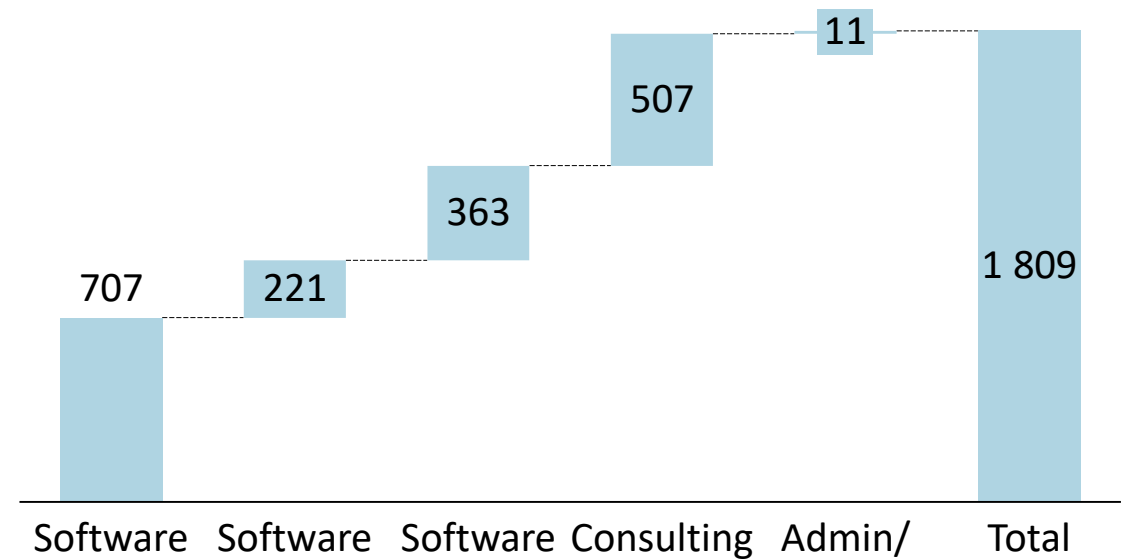
LTM gross profit by market cluster

NOK million



LTM gross profit by business area

NOK million



Growth
rate¹

15%

31%

49%

43%

n/a

22%

21%

33%

17%

31%

n/a

22%

¹ LTM vs previous LTM period

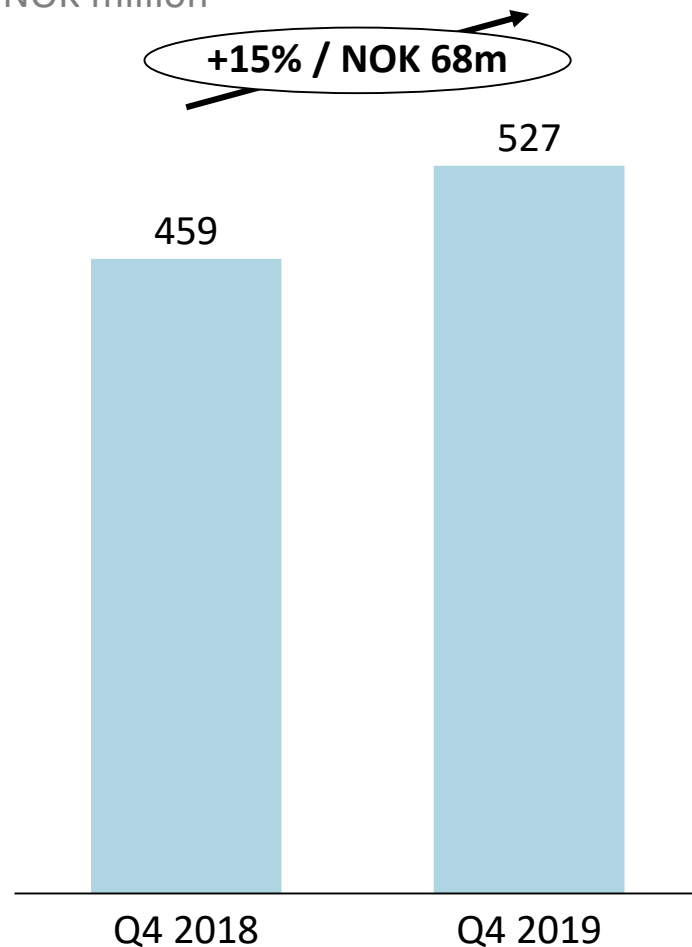
Q4 2019

Q4 GP growth driven by international markets



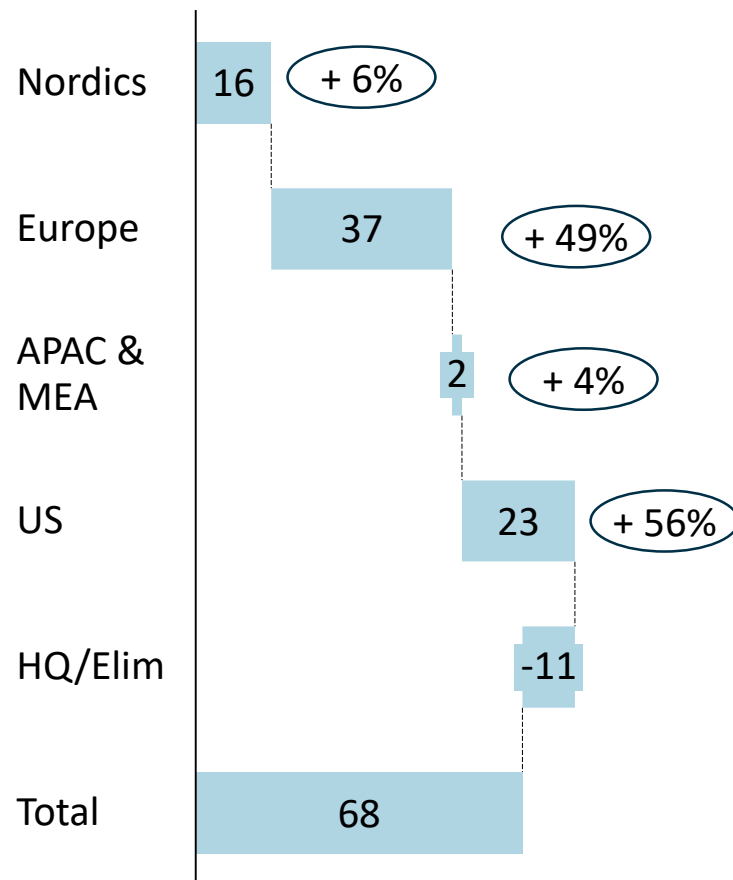
Gross profit

NOK million



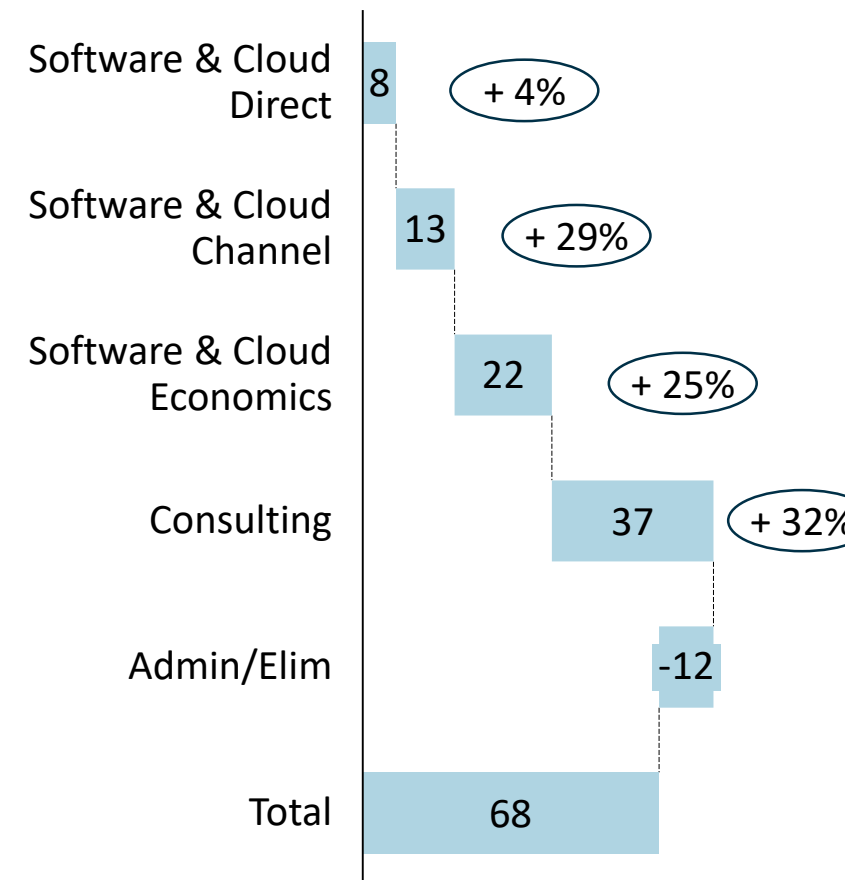
YoY gross profit growth by market cluster

NOK million



YoY gross profit growth by business area

NOK million



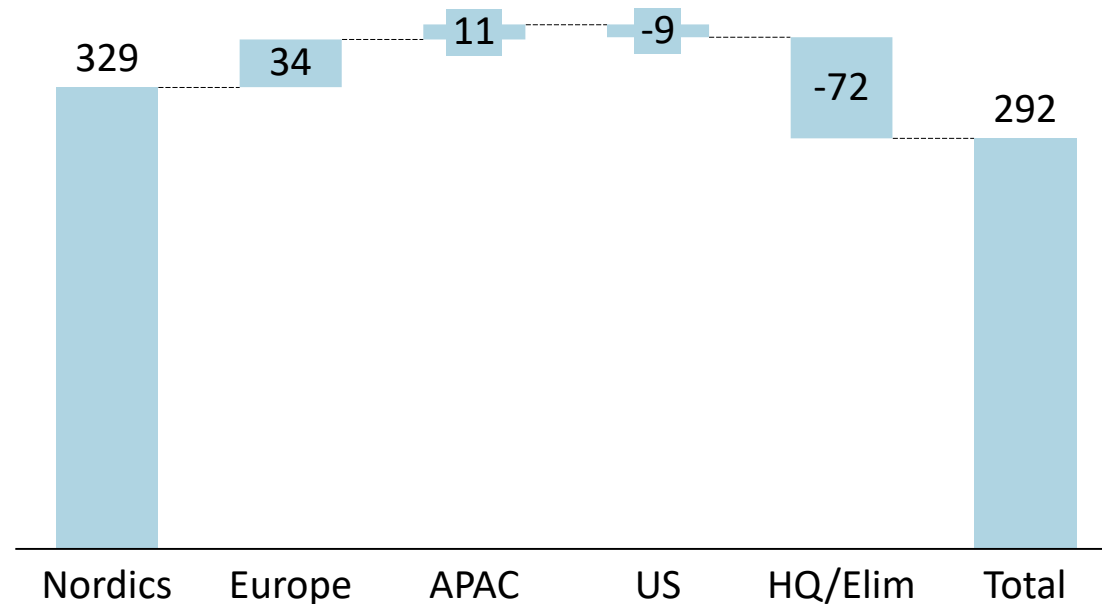
Q4 2019

LTM Adjusted EBITDA of NOK 292 million



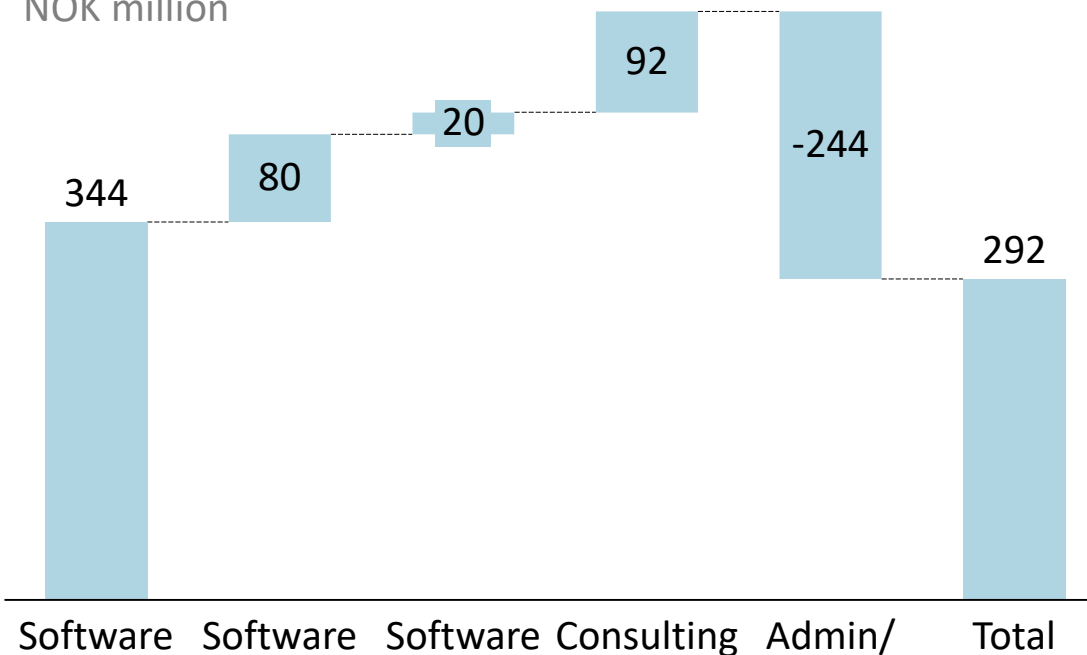
LTM adjusted EBITDA by market cluster

NOK million



LTM adjusted EBITDA by business area

NOK million



EBITDA
margin¹

Nordics	Europe	APAC & MEA	US	HQ/Elim	Total
32%	10%	5%	-4%	n/a	16%

Change in
EBITDA
margin²

Nordics	Europe	APAC & MEA	US	HQ/Elim	Total
+2.3 pp	+8.6 pp	+2.0 pp	+9.7 pp	n/a	+3.5pp

Software & Cloud Direct	Software & Cloud Channel	Software & Cloud Economics	Consulting	Admin/ Elim	Total
49%	36%	5%	18%	n/a	16%

Software & Cloud Direct	Software & Cloud Channel	Software & Cloud Economics	Consulting	Admin/ Elim	Total
+6.4 pp	-3.7 pp	-1.1 pp	+4.8 pp	n/a	+3.5 pp

¹ Adjusted EBITDA as share of Gross Profit
² LTM vs previous LTM period

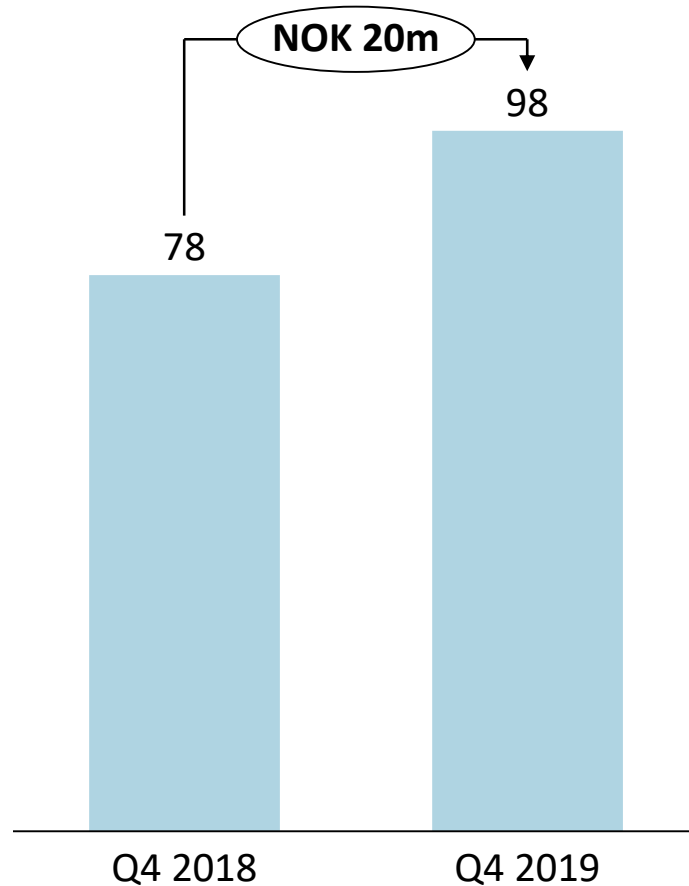
Q4 2019

Strong EBITDA growth in Q4 2019



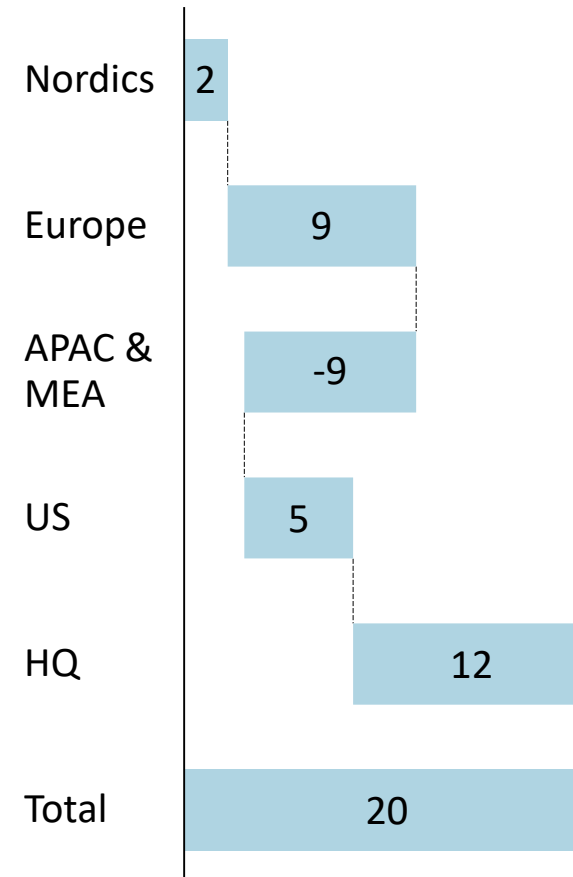
Adjusted EBITDA

NOK million



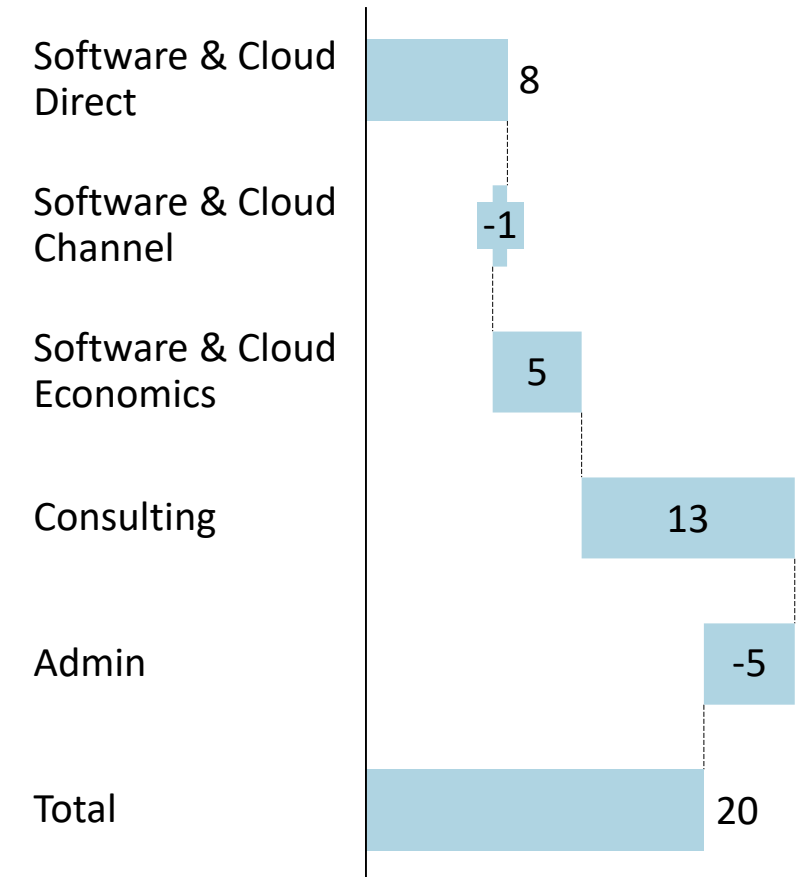
YoY Adj EBITDA growth by market cluster

NOK million



YoY Adj EBITDA growth by business area

NOK million



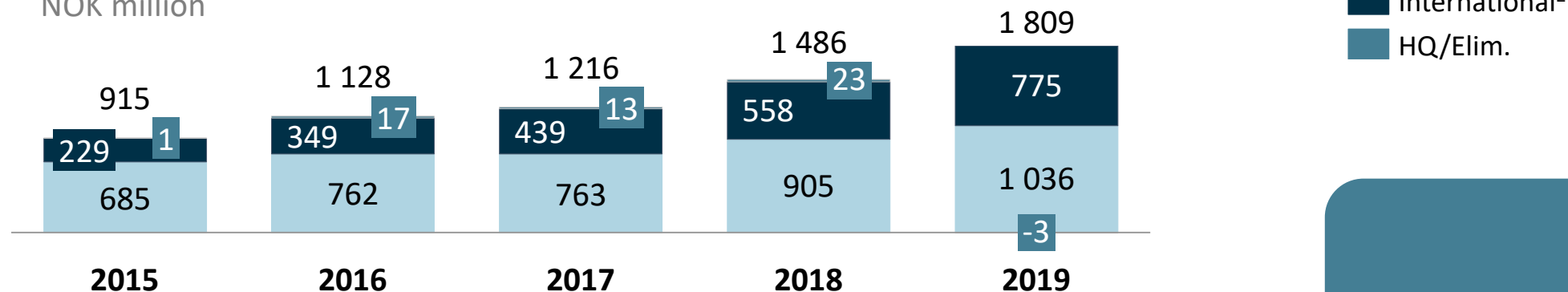
Q4 2019

International expansion momentum continues



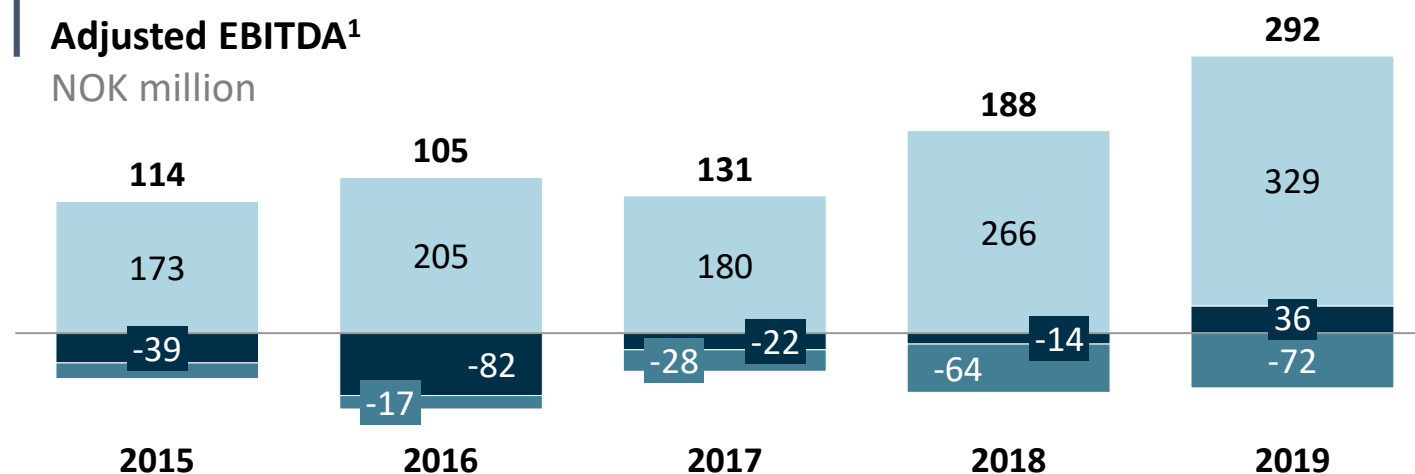
Gross profit

NOK million



Adjusted EBITDA¹

NOK million



- Continued gross profit growth in international markets, with a > 3x growth since 2015
- International expansion now delivering positive EBITDA on an LTM basis

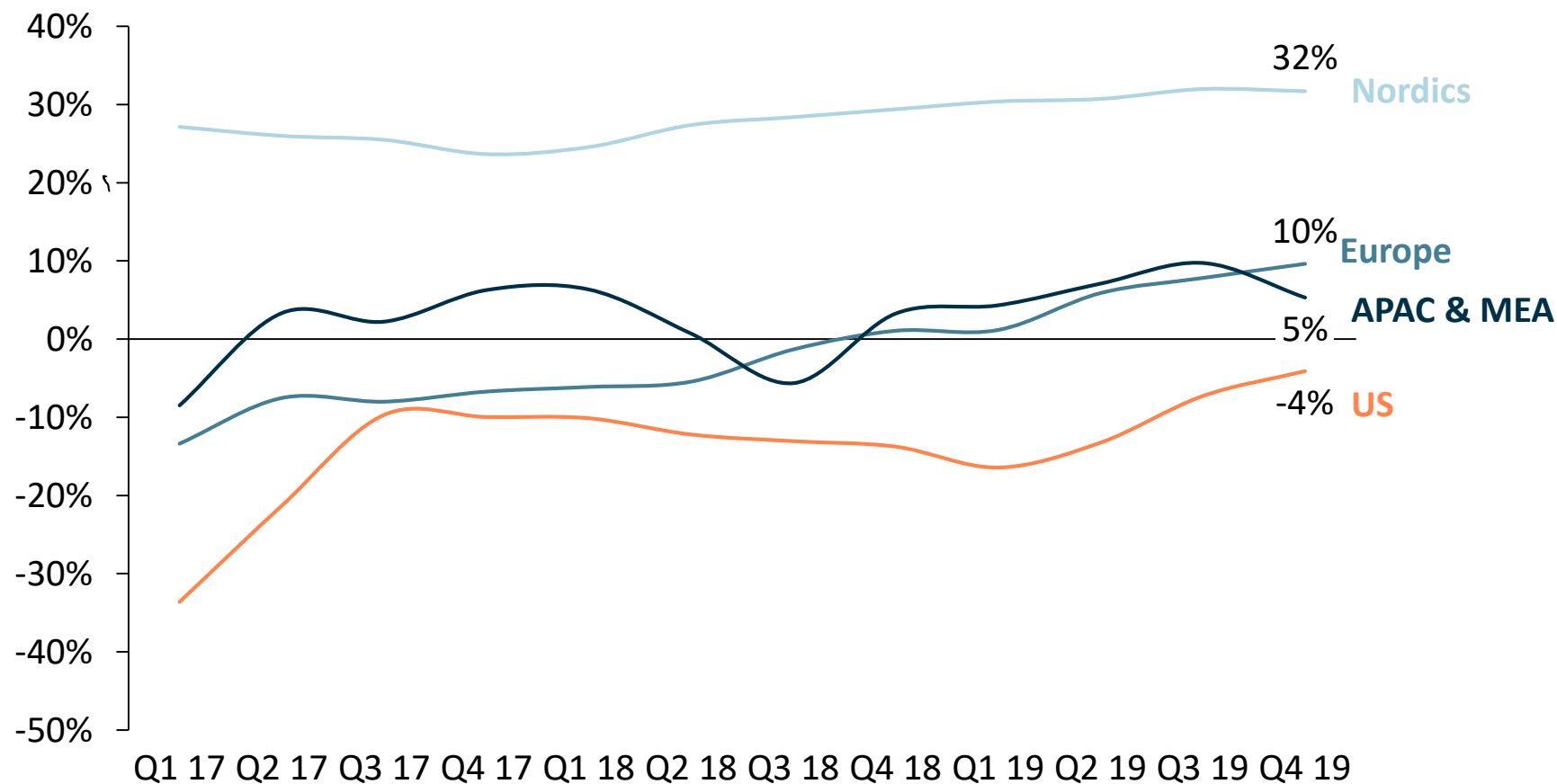
¹ Adjusted EBITDA is reported EBITDA less other income & expenses items netted under HQ, hence not reflected on Market Cluster / Business Area level

² International includes market clusters Growth Markets, Start-Ups and USA

International EBITDA margins continues to improve



LTM adjusted EBITDA margin¹



- Nordics with continued strong EBITDA margins
- Europe EBITDA margin improvements driven by continued GP growth
- APAC & MEA EBITDA margin drops due MEA performance
- US margins continue to improve despite significant investments in growth

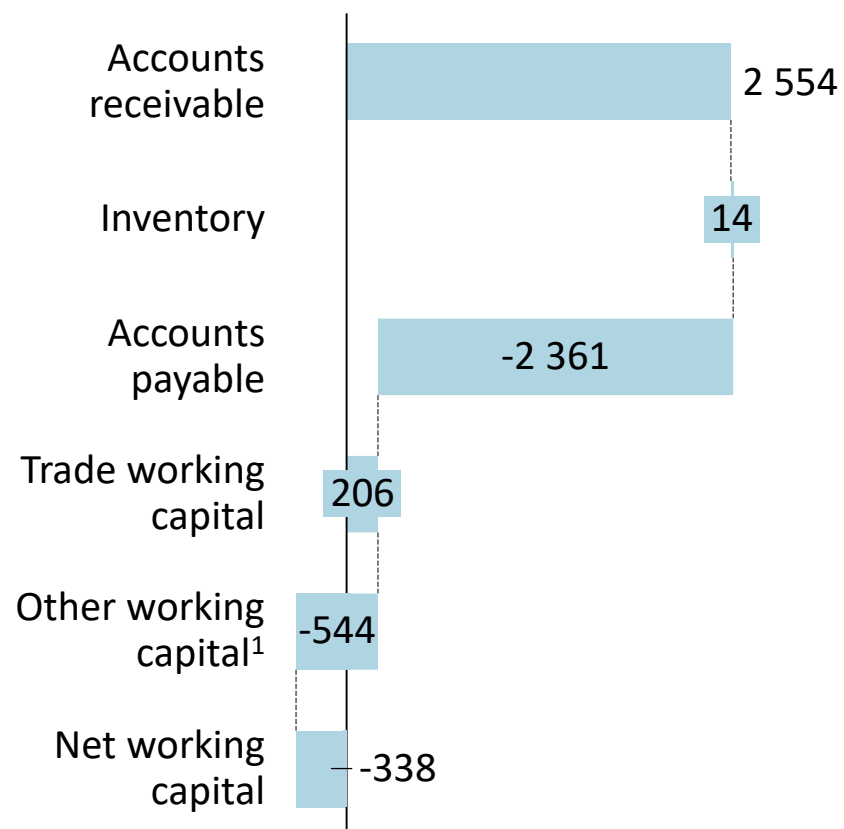
Q4 2019

Working capital driven by seasonality



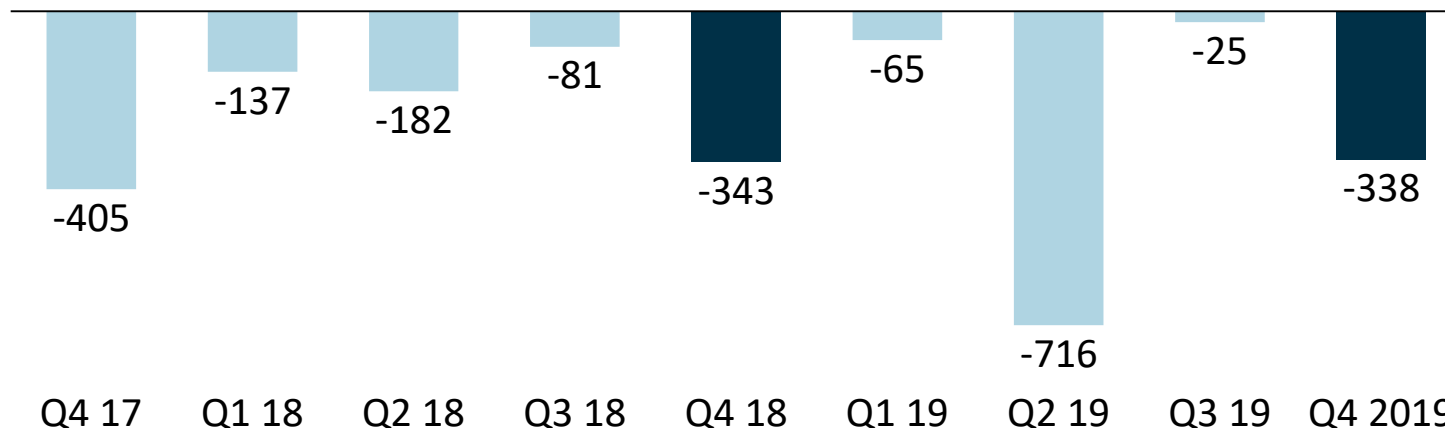
2019 Q4 net working capital

NOK million



Net working capital over time

NOK million



- Q4 2019 net working capital is on the same level as Q4 2018
- Trade working capital increase 131 MNOK which is offset by a decrease of 125 MNOK decrease in Other working capital

¹ Other working capital includes other receivables, income tax payable, public duties payable and other short-term liabilities

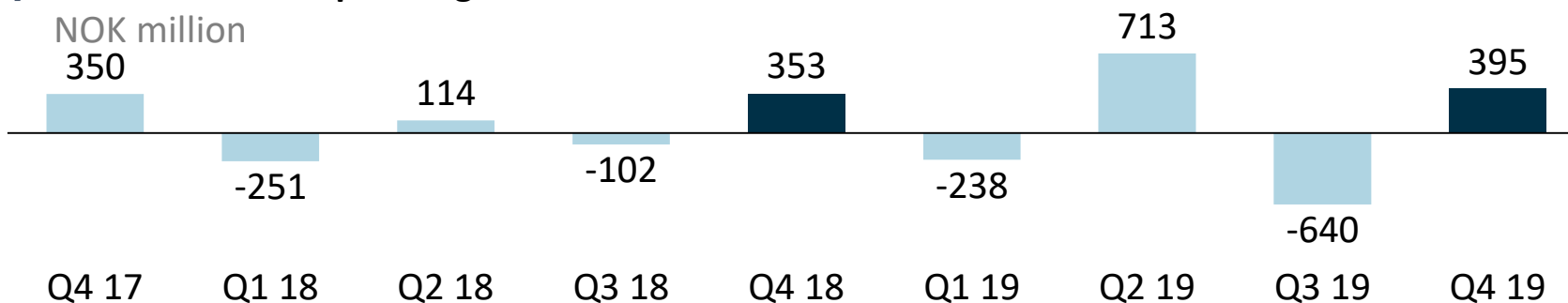
Q4 2019

Cash flow is driven by working capital



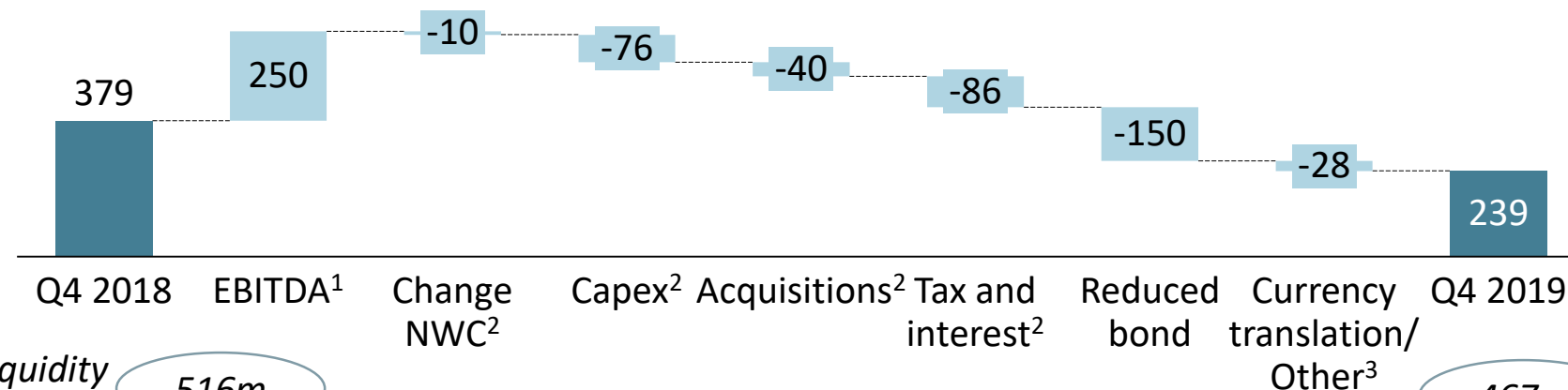
Cash flow from operating activities

NOK million



LTM cash development

NOK million



Liquidity reserve⁴ 516m

467m

- Cash flow from operations is seasonal and driven by changes to net working capital
- Q4 2019 cash flow from operations is in line with Q4 2018

¹ EBITDA (non-adjusted)

² As seen from the cash flow statement

³ Also includes cash flow effects from IFRS 16, cash flow from financing activities etc

⁴ Liquidity reserve is reported in the 'Alternative Performance Measures' section in the quarterly report, and is defined as the sum of freely available cash and available credit facilities

Q4 2019

P&L - summary



NOKm	Q4 2018	Q4 2019	YTD Q4 18	YTD Q4 19
Operating revenue	2 739,6	4 228,2	9 047,5	13 696,9
Cost of sales	-2 280,6	-3 701,6	-7 561,4	-11 888,2
Gross profit	459,0	526,6	1 486,1	1 808,7
Payroll and related costs	-327,8	-362,9	-1 114,7	-1 312,7
Other operating expenses	-55,1	-79,7	-194,3	-246,1
Total operating expenses	-382,9	-442,6	-1 309,1	-1 558,8
EBITDA	76,1	84,0	177,1	249,9
Depreciation	-3,5	-11,0	-11,6	-40,6
Amortisation and impairment	-17,4	-78,6	-64,9	-132,2
EBIT	55,3	-5,6	100,6	77,1
Net financial expense	-13,3	-26,2	-46,8	-67,5
Ordinary result before tax	42,0	-31,8	53,8	9,6
Income tax expense on ordinary	-37,3	-6,3	-42,8	-28,9
Net income	4,7	-38,1	11,0	-19,3
Adjusted EBITDA reconciliation				
Reported EBITDA	76,1	84,0	177,1	249,9
Other income and expenses	1,6	13,9	11,1	42,3
Adjusted EBITDA	77,7	97,9	188,1	292,2

- Depreciation in line with plan, with higher depreciation driven by IFRS 16
- Impairment increase as a consequence of impairment of goodwill from FAST acquisition in UK in 2013
- Net financial expense increase due to currency effects, IFRS 16 effect on interest and refinancing costs for RCF
- Income tax expenses in Q4 2018 driven by balance sheet impact of tax loss carryforward in the US
- EBITDA adjustments of NOK 13.9 mn in Q4 2019 primarily related to share-based compensation and employee share purchase program

Q4 2019

Balance sheet and net interest-bearing debt



NOKm	31.12.2018	31.12.2019
Assets		
Development Costs	77,6	86,6
Technology and software	33,6	26,8
Contracts	66,1	69,8
Software licenses (IP)	1,0	1,0
Goodwill ²	840,3	829,3
Deferred tax asset	29,4	23,2
Total intangible assets	1 048,0	1 036,7
Equipment	24,7	35,4
Right of use assets	0,0	118,3
Total tangible assets	24,7	153,7
Other long-term receivables	22,7	25,6
Inventory	8,6	14,0
Accounts receivable	1 876,0	2 553,5
Other receivables	76,0	156,3
Cash & cash equivalents ¹	379,3	238,8
Total current assets	2 339,9	2 962,6
Total assets	3 435,2	4 178,6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	75,4	76,6
Share premium	588,1	622,1
Sum paid-in equity	663,4	698,8
Retained Earnings	-72,5	-103,5
Total equity attributable to parent company shareholders	590,9	595,2
Non-controlling interests	-4,6	-9,8
Total shareholders' equity	586,3	585,4
Bond loan ³	446,6	293,2
Derivative financial liabilities	3,3	0,1
Deferred tax liabilities	30,3	29,7
Lease liabilities	0,0	95,5
Other long-term liabilities	25,0	42,0
Total long-term liabilities	505,1	460,5
Accounts payable	1 787,3	2 361,2
Income taxes payable	20,3	24,4
Public duties	209,6	235,2
Current lease liabilities	0,0	26,1
Other short-term interest bearing debt	40,0	45,1
Other current liabilities	286,5	440,7
Total current liabilities	2 343,8	3 132,7
Total liabilities	2 848,9	3 593,2
Total equity and liabilities	3 435,2	4 178,6

Net interest bearing debt - NOKm	31.12.2018	31.12.2019
Long-term interest bearing debt	452,8	303,4
Short-term interest bearing debt	40,0	45,1
Cash and cash equivalents	-379,3	-238,8
Restricted cash	17,4	20,5
Net interest bearing debt (NIBD)	130,9	130,2

- Crayon refinanced the bond in Q4 2019, replacing Crayon02 (Secured, 450 MNOK) with Crayon03 (Unsecured, 300 MNOK)
- As part of this process, a new secured NOK 350m multicurrency revolving credit facility (RCF) replaced the old RCF (NOK 200 million)
- Right of use assets and other long-term liabilities have both increased as a consequence of IFRS 16
- NIBD to LTM EBITDA of 0.4x vs 0.7x at December 31 2018
- Strong liquidity position end Q4 2019, with a total liquidity reserve of NOK 516m

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

Q4 2019

Cash flow development



NOKm	Q4 2018	Q4 2019	YTD Q4 18	YTD Q4 19
Net income before tax	42,0	-31,8	53,8	9,6
Taxes paid	-6,7	-16,3	-23,6	-30,5
Depreciation and amortization, incl. write-down	20,9	89,6	76,5	172,9
Net interest to credit institutions	7,8	12,9	35,2	48,1
Changes in inventory, AR/AP1	75,2	207,2	-130,1	-109,0
Changes in other current assets	214,1	133,1	103,0	99,9
Net cash flow from operating activities	353,3	394,6	114,7	191,0
Net cash flow from financing activities	-12,7	-162,4	-40,1	-243,7
Acquisition of assets	-15,5	-30,1	-62,2	-76,3
Acquisition of subsidiaries - net of cash acquired	0,2	-0,9	-7,3	-9
Net cash flow from investing activities	-15,3	-31,0	-69,5	-85,2

- Q4 2019 cash flow from operations is positive in line with seasonality and ahead of Q4 2018,
- Cash flow from financing activities is driven by reduction of bond loan and refinancing costs
- Capex in Q4 2019 of NOK 30.1m mainly related to investments in new ERP system and Cloud IQ platform, in particular related to accelerated ramp-up of systems in CEE.

Outlook

Q4 2019

Strong outlook for 2020 and medium term

	<i>2019 initial outlook³</i>	<i>2019 latest outlook</i>	2019 actuals	2020 outlook	Medium term	Comment
Gross profit growth	+15-20%	+20-25%	+21.7%	+15-20%	+10-15 %	Above market growth from scaling up international markets
Adjusted EBITDA as share of gross profit	15-16%	16-17%	16.2%	17-18%	Gradually increase to 19%	Continued margin improvement, driven by International markets
NWC ¹	-10% to -15%	-10% to -15%	-15.8%	-10% to -15%	-10% to -15%	Expect NWC to fluctuate around current level
Capex	NOK ~60 mn	NOK ~60 mn	NOK 76 mn	NOK ~70 mn	NOK ~70 mn	Continued investments in platforms and IP

¹ Average NWC last 4 quarters as share of gross profit last 4 quarters

² Excluding the IFRS 16 effect

³ 2019 guidance published on February 12, 2019

Q&A session

Investor Relations

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 2020:

- 02.04.20 – Annual Report
- 24.04.20 – AGM
- 12.05.20 – Q1 report
- 11.08.20 – H1 report
- 28.10.20 – Q3 report
- 16.02.21 – Q4 report

Analysts covering Crayon:

Company	Analyst	Telephone
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DNB	Christoffer Wang Bjørnsen	+47 24 16 91 43
SpareBank 1	Petter Kongsli	+47 98 41 10 80

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**Data pack available at
crayon.com**

Appendix

Introduction to key P&L drivers



NOK million	2015	2016	2017	2018
Operating revenue	4 687.9	6 015.2	7 301.7	9 047.5
<i>Growth</i>	25.6%	28.3%	21.4%	23.9%
Materials and supplies	-3 773.0	-4 886.8	-6 086.9	-7 561.4
Gross profit	914.9	1 128.4	1 215.8	1 486.1
<i>Gross margin</i>	19.5%	18.8%	16.7%	16.4%
Payroll and related costs	-668.3	-877.9	-940.5	-1 105.8
Other operating expenses	-149.1	-158.8	-144.7	-203.3
Total operating expenses	-817.4	-1 036.7	-1 085.2	1 309.1
EBITDA	97.5	91.7	103.8	177.1
<i>EBITDA % of gross profit</i>	10.7%	8.1%	8.5%	11.9%
Exceptional items	16.3	13.5	26.8	11.1
Adjusted EBITDA	113.7	105.2	130.6	188.1
<i>Adj. EBITDA % of gross profit</i>	12.4%	9.3%	10.7%	12.7%

#FTEs	807	945	977	1,128
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- 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

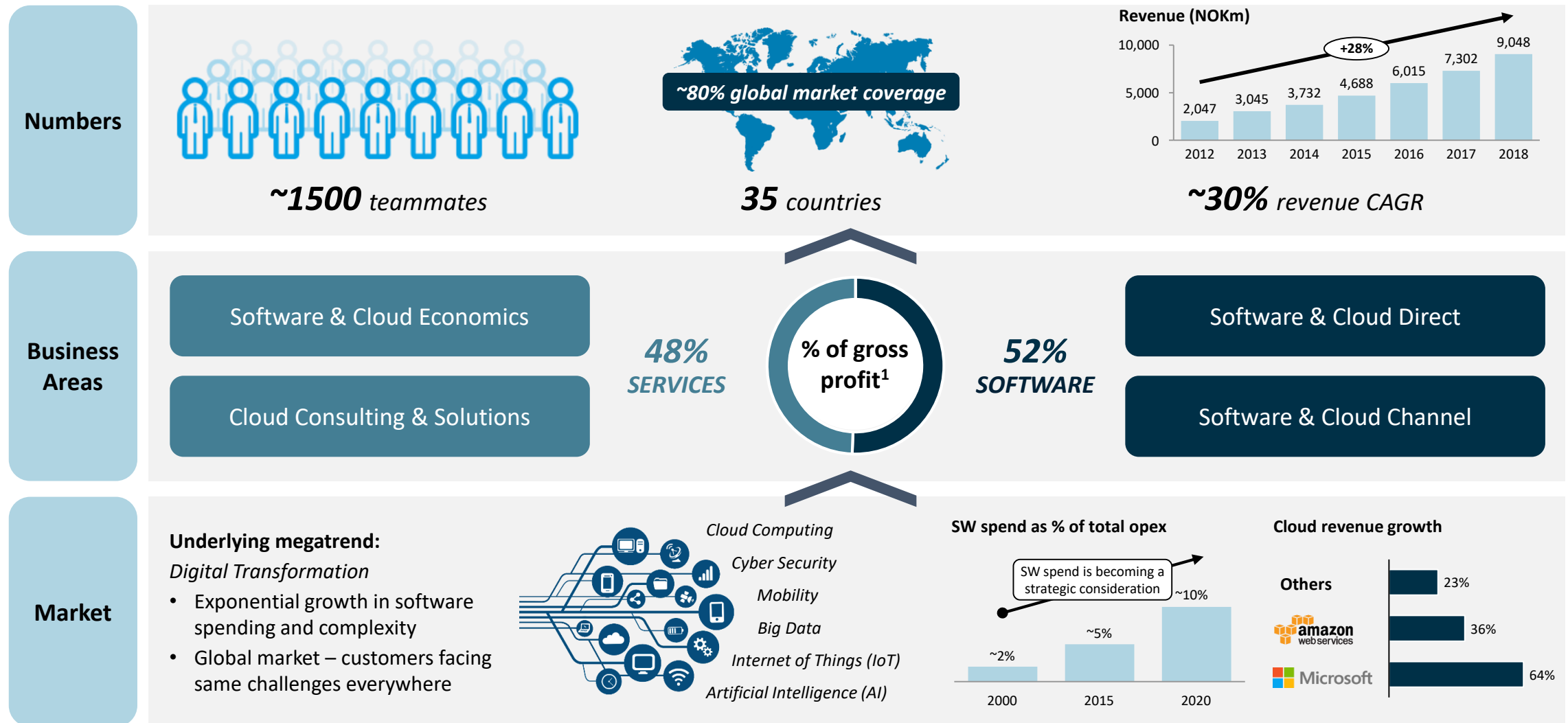
Software

- 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

Crayon at a glance



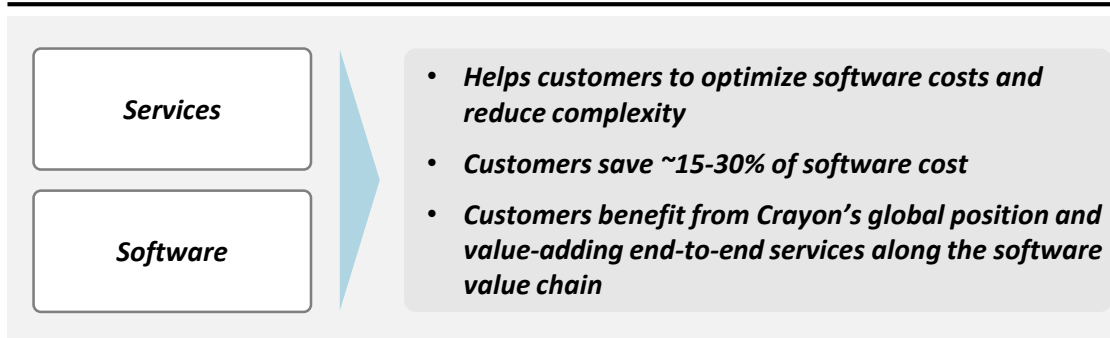
Crayon – a fast growing global software and services expert



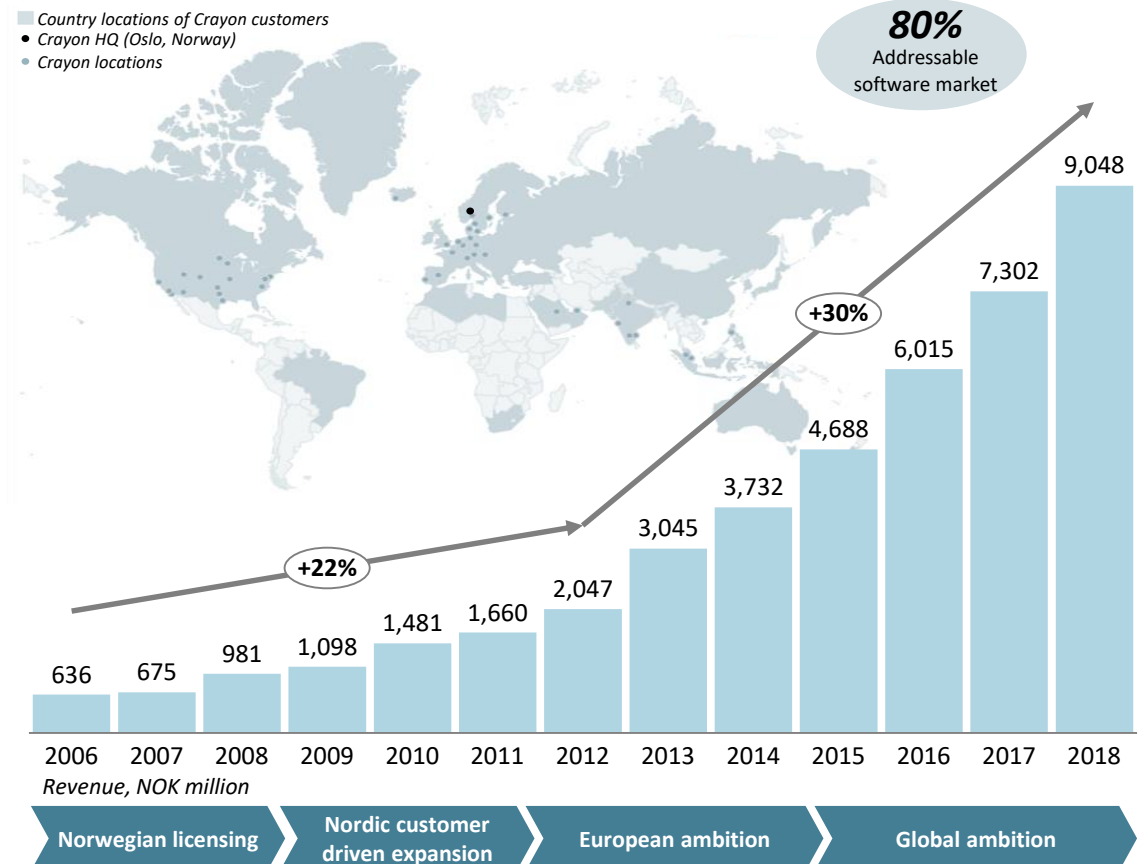
Company at a glance

- Founded in 2002 with headquarters in Oslo, Norway
- Publicly listed company in 2017 with current market cap of NOK~3,198¹m
- ~1,500 employees and ~10,000 customers of which more than 40% public²
- Strategic partnerships with the largest software vendors globally
- Extensive IP portfolio yielding competitive advantages
- Presence in 35 countries covering 80% of the addressable market
- Revenues of NOK 12.2³bn 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

¹ As of 28.10.2019

² Based on share of gross profit 2018

³ LTM as of Q3 2019

Crayon's key strategic priorities to drive value



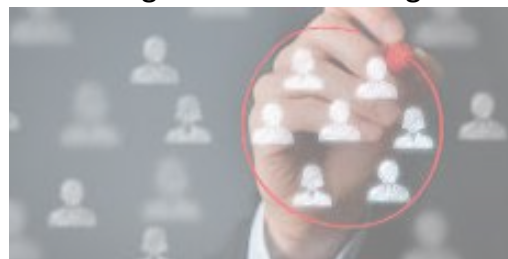
Business

- Continue strategic positioning in attractive markets
- Help customers improve internal processes and capabilities
- Streamlining opportunities and cost synergies across the organization



Drive consolidation – increase scale

- Highly scalable business model coupled with increasingly complex industry – scale is everything
- Advantages in procurement, operations and capabilities – structured approach to M&A
- Global market with customers facing the same challenges



Improved position amongst key software vendors

- Global partners is a strategic need for software vendors..
- ..with the best IP, technical competence and presence
- Clear incentives to take the #1 position amongst key vendors



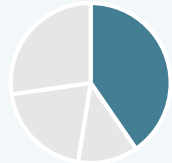

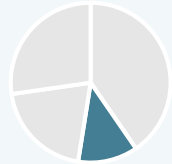

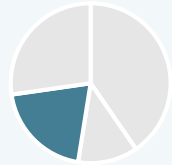
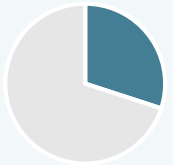
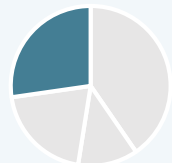

Increased share of wallet

- Significant value in being a one-stop shop to customers
- Untapped potential in up- and cross-selling of services
- Unique proprietary and highly scalable IP portfolio



Business overview



Business segment	Description	Value proposition	% of GP ¹	Top 10 client's share of segment GP ²
Software & Cloud Direct	<ul style="list-style-type: none"> Software license offering from partners (e.g. Microsoft, Adobe, Symantec, Citrix, VMware, Oracle, IBM etc.) Standard software important for critical processes Revenues from software sales 	<ul style="list-style-type: none"> Lower total software costs Simplify usage/consumption reporting to software vendors 	 39%	 14%
Software & Cloud Channel	<ul style="list-style-type: none"> Crayon's service offering towards "hosters" which includes license advisory/optimization, software license sale and access to Crayon's reporting portal Revenues from software sales through partners 	<ul style="list-style-type: none"> Lower total software costs Simplify usage/consumption reporting to software vendors 	 12%	 7%
Software & Cloud Economics	<ul style="list-style-type: none"> SAM focuses on license spend optimization and support for clients in vendor audits Revenues from consulting/advisory, recurring services and licensing subscription 	<ul style="list-style-type: none"> Reduce software cost Stay compliant Eliminate risk and substantial penalties from vendors for being under-licensed 	 20%	 30%
Consulting	<ul style="list-style-type: none"> Consulting services is related to deployment and application services IT infrastructure services and tailored software Revenues from consulting hours 	<ul style="list-style-type: none"> Resolve complex IT problems/issues that the client can not solve internally 	 28%	 51%

¹ Based on LTM figures. Does not add up to 100%, due to Admin

² Based on 2018 figures. Source: Crayon sales report

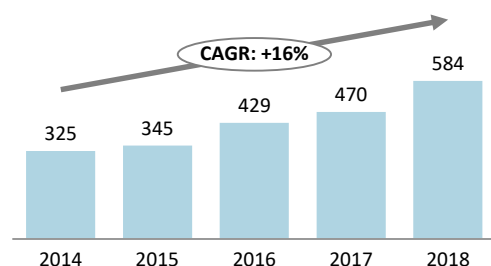
Source: Crayon Group Holding ASA financial accounts

Software & Cloud – Direct and Channel

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
- 360 sales and 1st line support employees per year end 2019 (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 2018
- 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

Gross profit¹ (NOKm)



KPIs

Repeat buy	96% (Annual repeat buy ²)
Public vs. private mix	40% (Public customers ³)
Customer concentration	14% (Gross profit of top 10 customers ³)

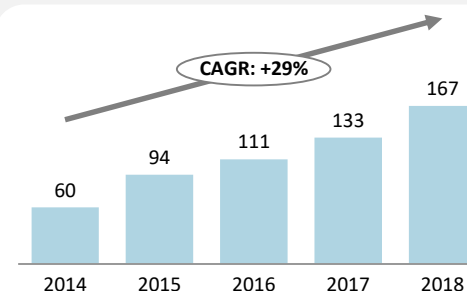
Channel – license offering towards channel partners

- 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
- 160 sales and 1st line support employees per year end (FTEs)
- ~100% recurring revenue driven by multi-year agreements with monthly invoicing
- Proprietary IP applied comprise Cloud-IQ

Gross profit¹ (NOKm)



KPIs

Repeat buy	99% (Annual repeat buy ²)
Public vs. private mix	0% (Public customers ³)
Customer concentration	7% (Gross profit of top 10 customers ³)

¹ 2014-2018 Source: Crayon Group Holding AS financial accounts

² 2018 gross profit repeat buy. Repeat buy is (1-churn). Source: Sales data

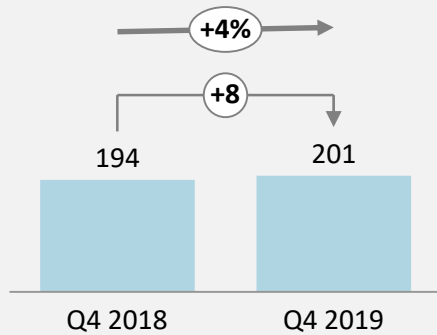
³ Based on 2018 figures. Source: Crayon sales report

⁴ Crayon direct billing of Microsoft's share of gross profit. Based on 2018 figures. Source: Crayon sales report

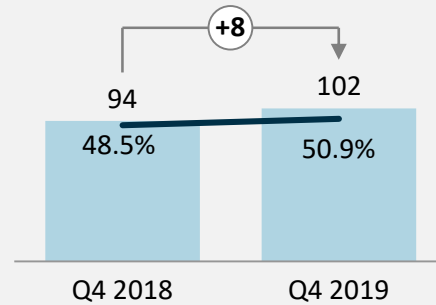
Software

Software & Cloud Direct

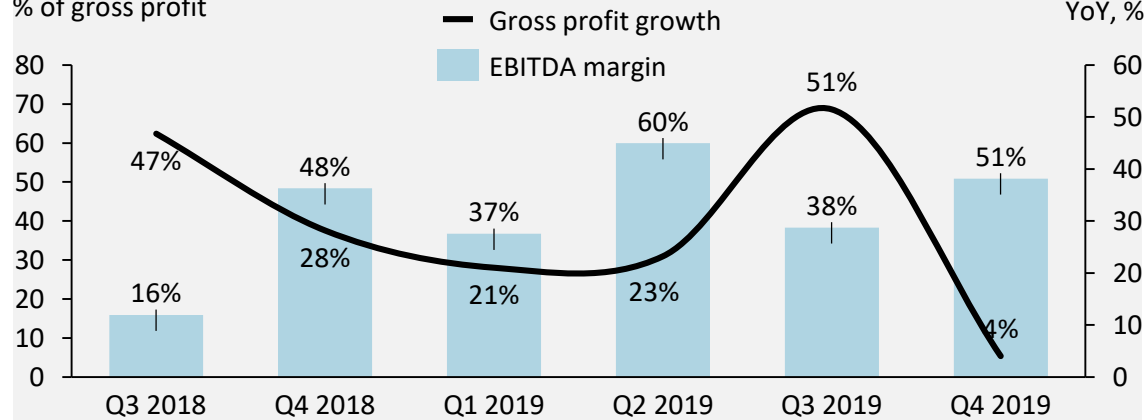
Gross profit development, NOKm



EBITDA development, NOKm

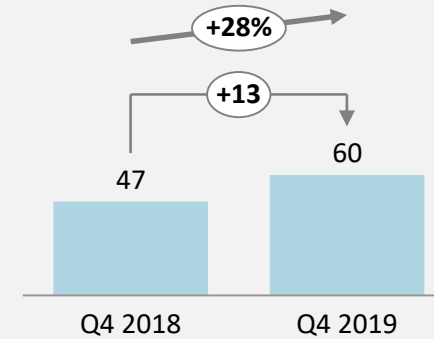


EBITDA margin¹
% of gross profit

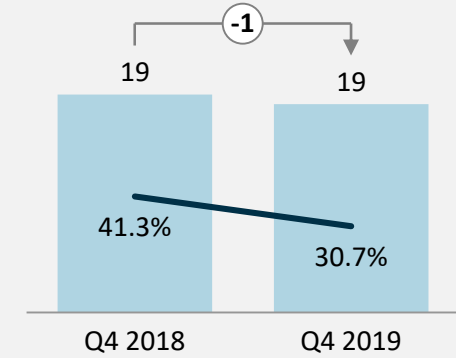


Software & Cloud Channel

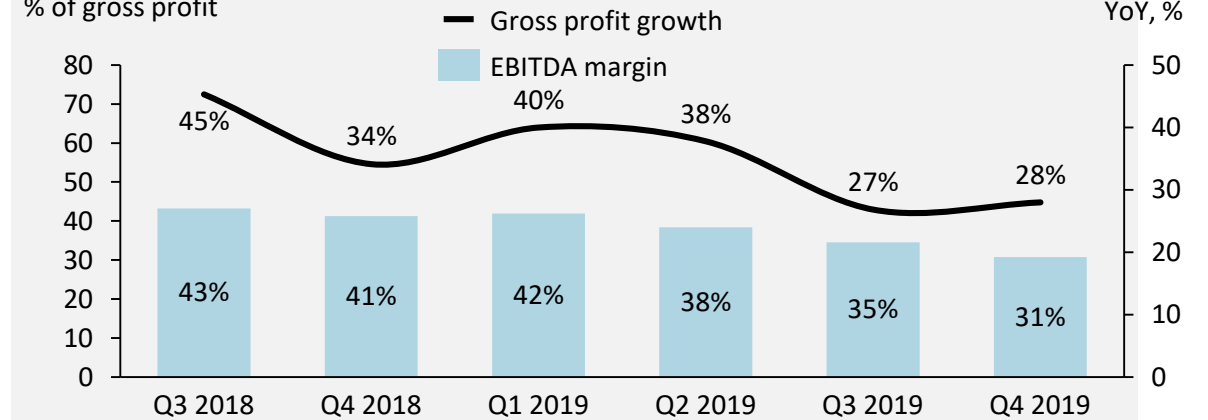
Gross profit development, NOKm



EBITDA development, NOKm



EBITDA margin¹
% of gross profit



¹ EBITDA divided by reported gross profit

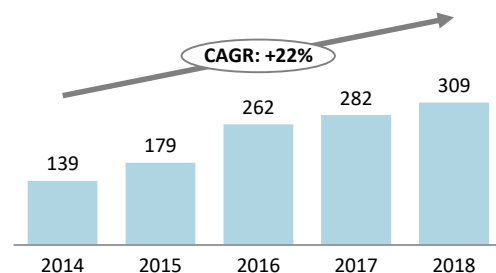
Services – Software & Cloud Economics and Consulting



Software & Cloud Economics – IT optimization

- 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
- SCE is the go-to-market model and has been deployed as a customer acquisition tool when Crayon have entered new geographical markets
- SCE 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 SCE offering comprises Elevate, SAM-IQ and Catch
- With +300 SAM consultants, Crayon is a leading global player on SAM, and has the highest number of SAM consultants in the world¹

Gross profit² (NOKm)



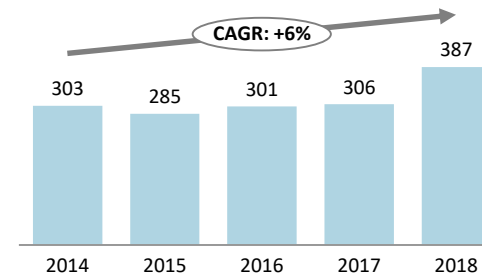
KPIs

Repeat buy	87% (Annual repeat buy ³)
Public vs. private mix	20% (Public customers ⁴)
Customer concentration	30% (Gross profit of top 10 customers ⁵)

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
 - **AI & Machine learning:** Strategic advisory and development for customers
- Total of ~550 consultants per year end (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

Gross profit² (NOKm)



KPIs

Repeat buy	93% (Annual repeat buy ³)
Public vs. private mix	45% (Public customers ⁴)
Customer concentration	50% (Cloud) (Gross profit of top 10 customers ⁵) 52% (Solutions)

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 2014-2018 Source: Crayon Group Holding AS financial accounts.

³ 2018 gross profit repeat buy adjusted for FAST acquisition in the UK for SAM. Repeat buy is (1-churn). Source: Sales data

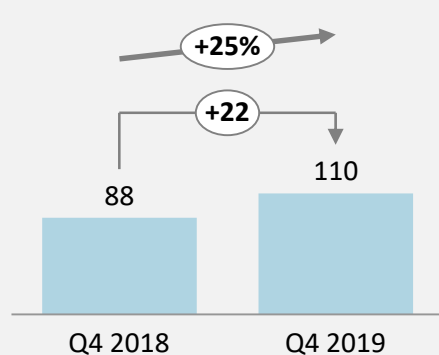
⁴ Based on 2018 figures. Source: Crayon sales report

⁵ Gross profit 2018 figures excluding Admin and eliminations

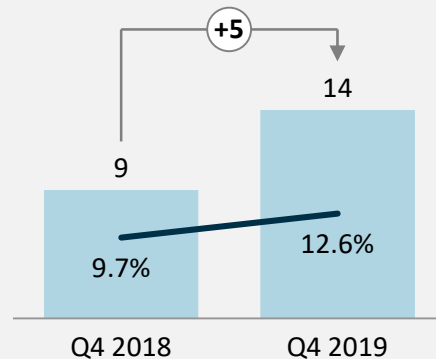
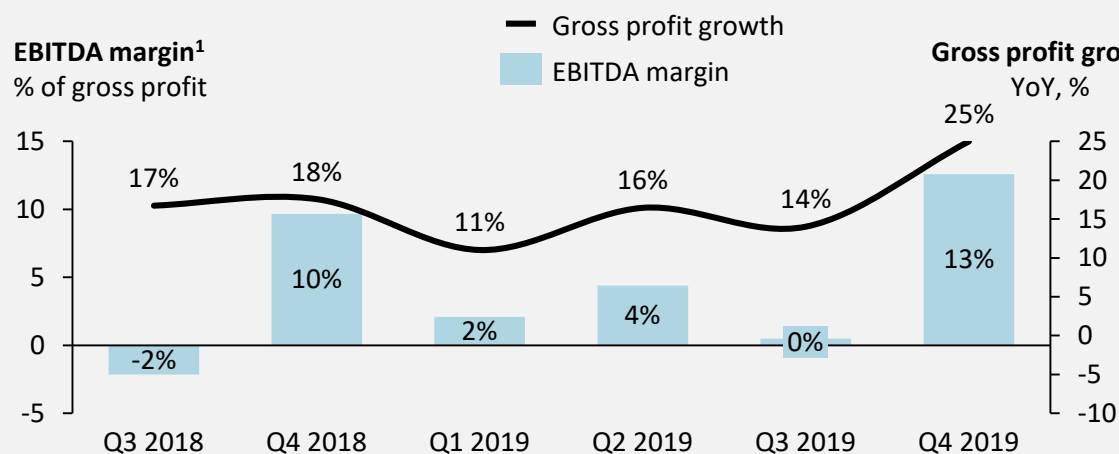
Services

Software & Cloud Economics

Gross profit development, NOKm

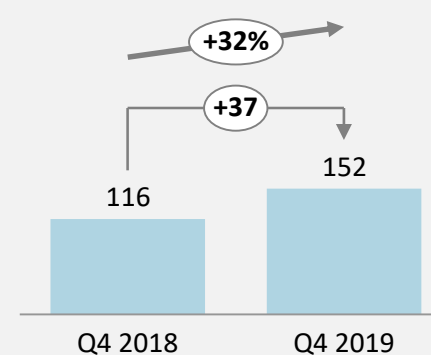


EBITDA development, NOKm

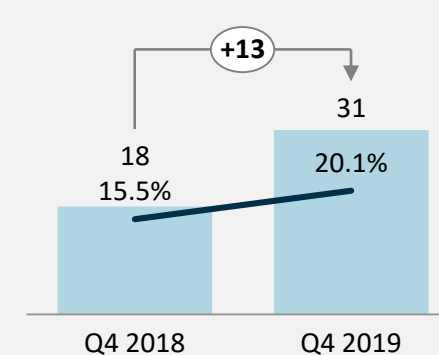
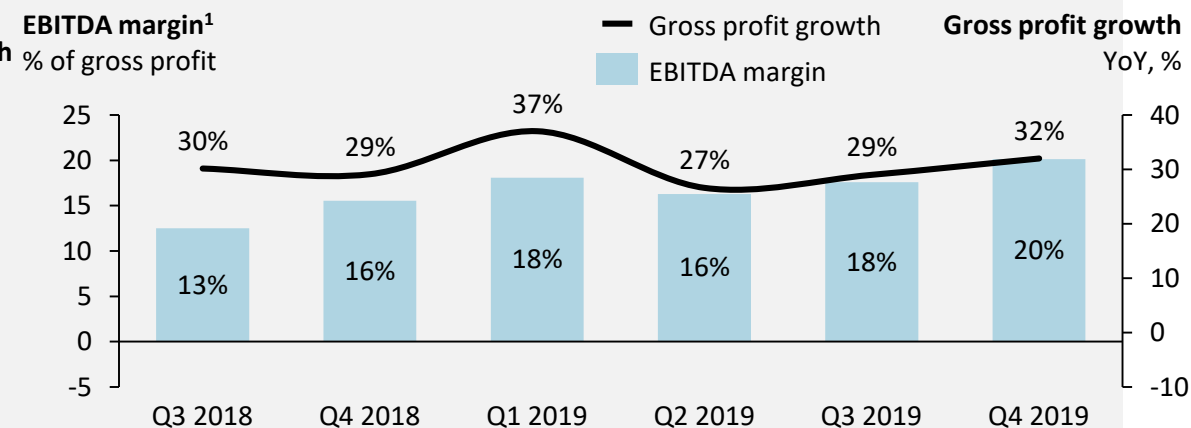
EBITDA margin¹
% of gross profit

Consulting

Gross profit development, NOKm



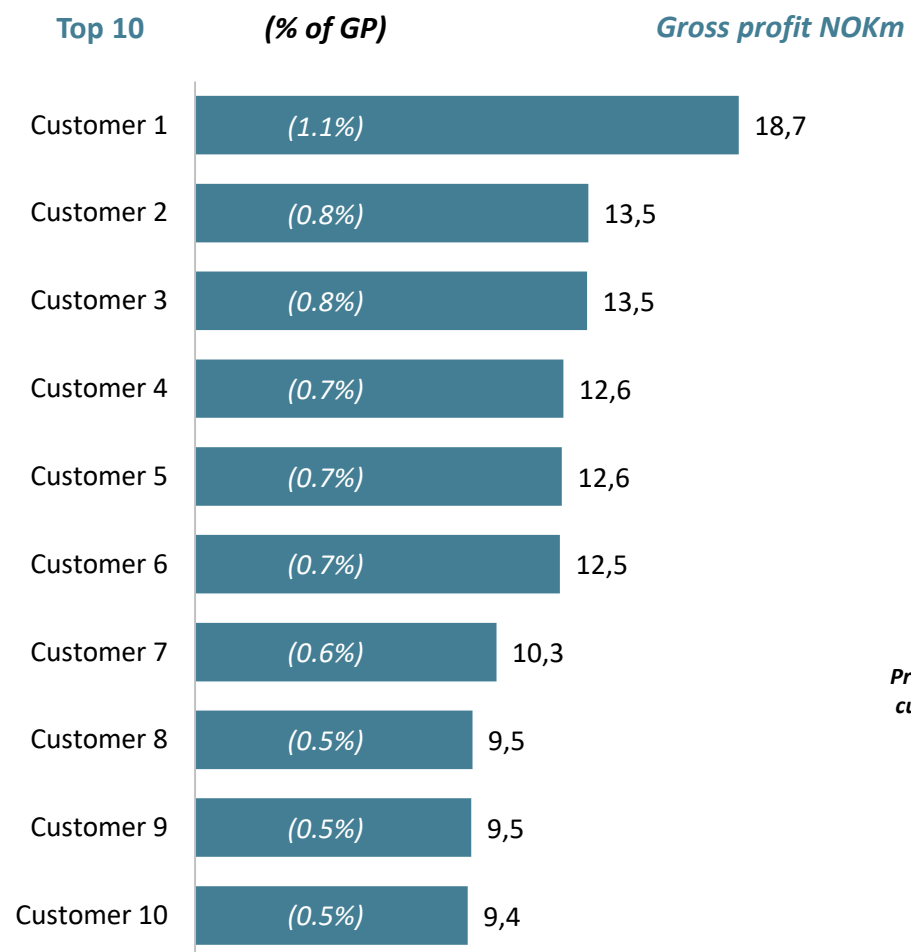
EBITDA development, NOKm

EBITDA margin¹
% of gross profit

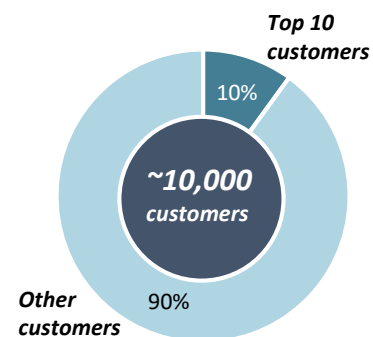
¹ EBITDA divided by reported gross profit

Well diversified and loyal customer base

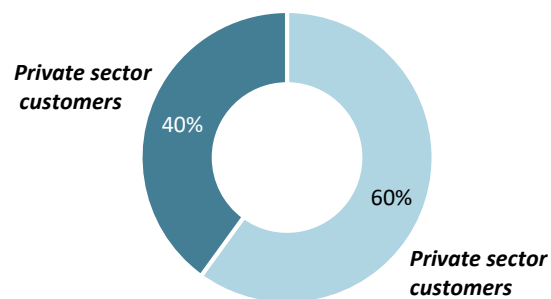
Low customer concentration¹



Customers by % of GP

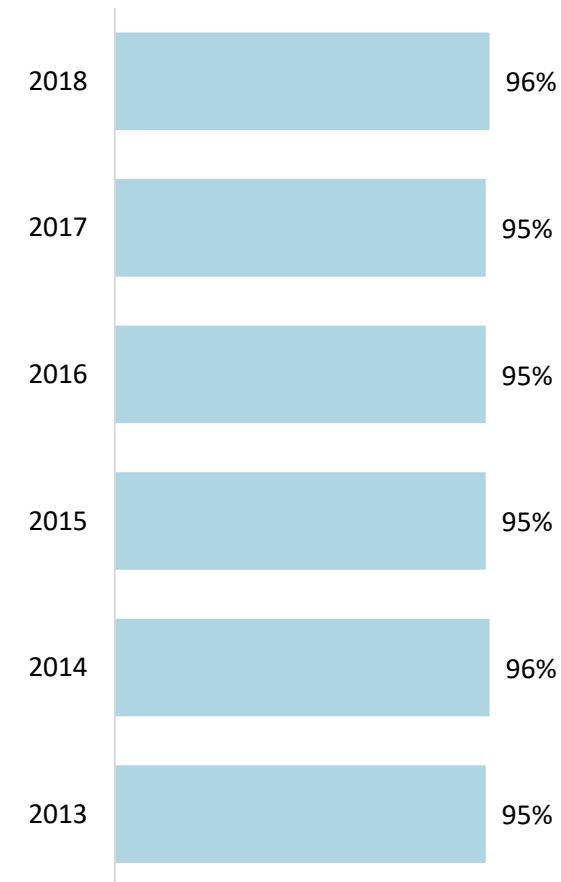


Customers by % of GP



Unparalleled customer loyalty

Average % repeat customer buy



¹ Based on customer data LTM Q4 2019

Crayon ticks all the boxes for global software vendors



Scoring well on relevant KPIs...



~69%
Cloud mix¹



~80%
Addressable
market coverage²



22%
Gross profit
growth YoY³



~10,000
Different
customers



~96%
Avg. repeat
customers



Clients facing **increased complexity**
and compliancy requirements



**Proven international expansion
strategy**, now in 35 markets



A result of international expansion
and high customer retention



Strong customer base built on
successful client relationships



Sticky customer base driven by **high
customer satisfaction**

...and fulfilling key criteria for vendors

1

Consultative capabilities to drive cloud sales and support the full life
cycle of cloud workloads

2

Deep technical competencies supporting sale of complex licensing
workloads

3

Global reach and scale



Strategic partnerships with the largest global vendors



¹ Microsoft strategic partners; Cloud Revenue Metrics includes Public Cloud + Hybrid Cloud (SPLA & System Center); Percent of total Microsoft revenue Q4 2019

² Defined as markets reachable through current geographical presence





³ Based on LTM figures

Committed to build a greener and more sustainable future



CSR themes:

Selected CSR measures executed by Crayon

 ENVIRONMENT	<ul style="list-style-type: none">✓ Measures to reduce CO2 emissions from business travel✓ Measures to reduce energy consumption✓ Measures to recycle IT equipment
 LABOUR & HUMAN RIGHTS	<ul style="list-style-type: none">✓ Internal audits on health & safety issues✓ Whistleblower procedures on discrimination and/or harassment issues✓ Official measures to promote work-life balance
 ETHICS	<ul style="list-style-type: none">✓ Whistleblower procedure to report business ethics issues✓ Specific approval procedure for sensitive transactions (e.g. gifts, travel)✓ Awareness training on business ethics issues
 SUSTAINABLE PROCUREMENT	<ul style="list-style-type: none">✓ Sustainable procurement policies on environment issues✓ Regular supplier assessment✓ Training of buyers on social & environmental issues within the supply chain