Crayon

Second Quarter 2020 Results

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AUGUST 11, 2020

Q2 2020

Business Update

CEO Torgrim Takle

Q2 2020 Highlights

1. Best-Ever Quarterly Financial Results
2. Covid-19: Continued Surge Demand
3. Strategic AWS Partnership Agreement
4. M&A Strengthen Position in Australia
5. Crayon no 1 in Gartner's Magic Quadrant

"Crayon went above and beyond to ensure the project was completed in a challenging timeframe, and came up with creative ways to beat the financial targets that we had established for this initiative"

Mano S., Vice President IT, Cambium (US)
June, 2020

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Q2 2020 HIGHLIGHTS

1 Best-Ever Quarterly Financial Results

Compared to corresponding period last year

Revenue	Gross Profit	EBITDA[1]
+44%	+35%	MNOK +47
MNOK 6,095	MNOK 666	MNOK 171
MNOK 17,035	MNOK 2,101	MNOK 344

LAST 12 MONTHS

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

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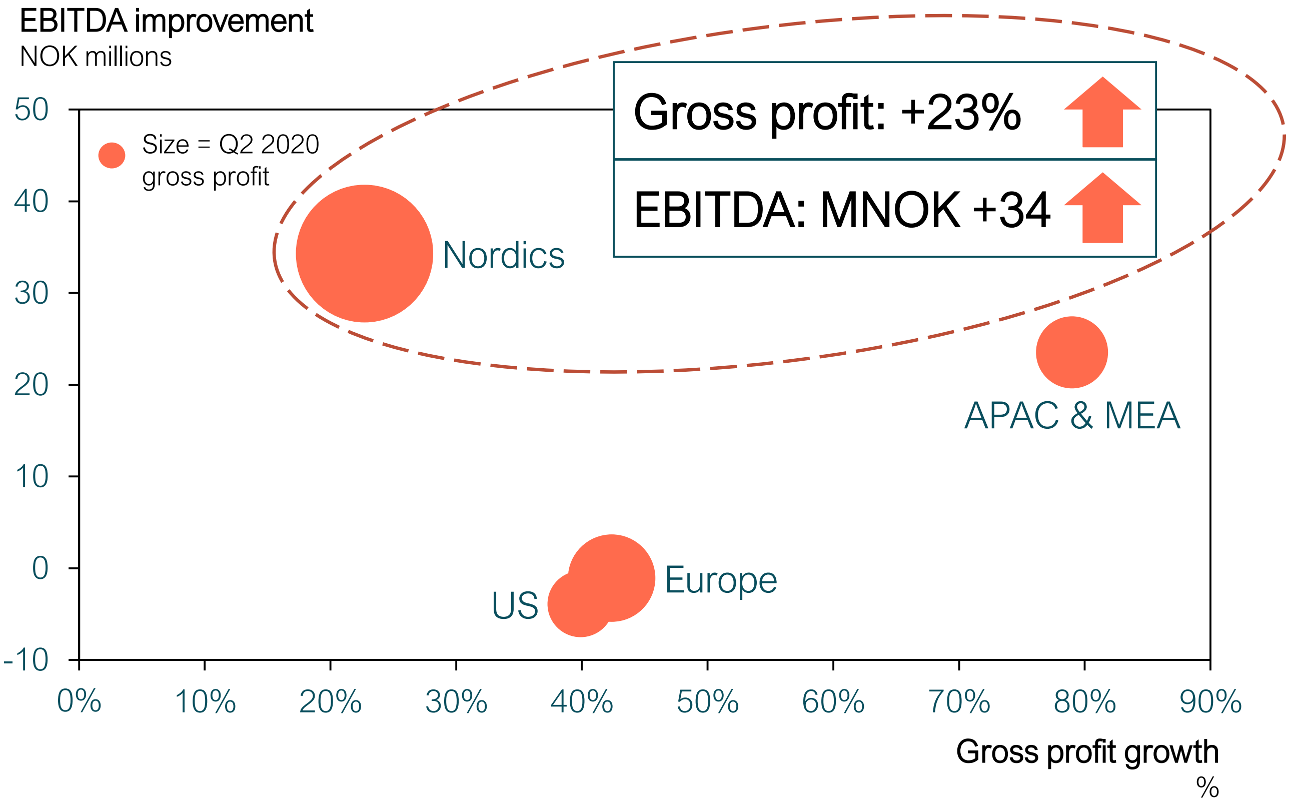
Q2 2020 HIGHLIGHTS

2 The Nordics Continued To Outperform

Compared to corresponding period last year



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Q2 2020 HIGHLIGHTS

2 Strong Performance Across Business Areas

YoY change

	SOFTWARE		SERVICES	
	Software & Cloud Direct	Software & Cloud Channel	Software & Cloud Economics	Consulting
Gross profit growth[1]	+27%	+52%	+29%	+43%
EBITDA margin[2]	56% -4pp	38%	6% +2pp	18% +2pp
Significant client wins	Ministerie van Defensie, TUI, Miele	Garuda Indonesia (The Airline of Indonesia), UNITAS GLOBAL	Cambium Networks, Infosys	TINE, NRK
Q2 drivers and outlook	• Digital collaboration & remote operations • Product and program mix shifts (cloud, new vendors, shift to subscription models) • Capacity increase	• Continued surge demand for productivity offerings • Growth on new technology platforms (AWS) and partner segments (ISVs)	• Strong market demand for in Cloud Economics & optimization services • 80% YoY growth in recurring contracts	• Continued surge demand for “remote of everything” • Stable market growth, utilization and hourly rates • Capacity increase, particularly for AI/ML practice

1 Gross profit growth Year over Year (“YoY”)
2 EBITDA as a percentage of gross profit

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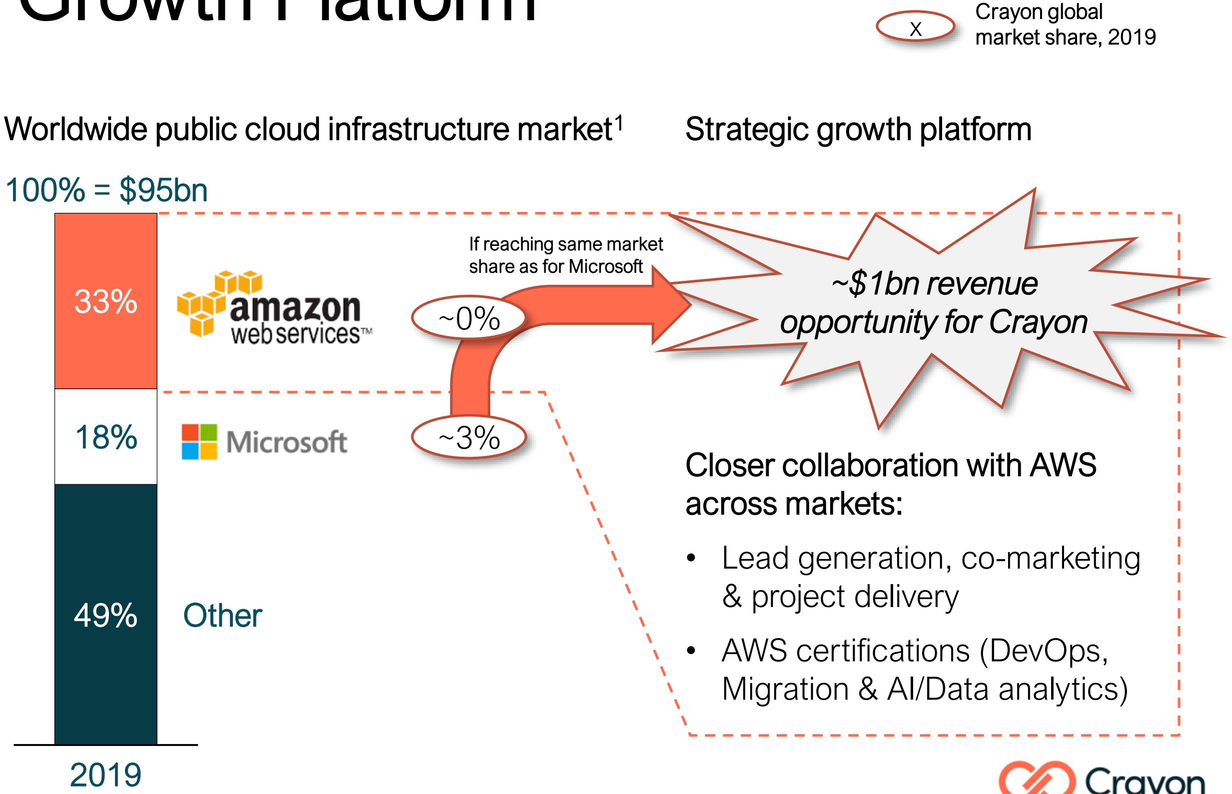
Q2 2020 HIGHLIGHTS

3 Global Partnership Agreement with AWS Provides New Strategic Growth Platform

- Multi-year strategic partnership agreement with Amazon Web Services ("AWS")
- Leveraging Crayon's capabilities & IP to accelerate digital transformation based on AWS' technology platform
- Co-investments in dedicated resources and services
- Crayon chosen as one of very few strategic global AWS partners (only one in the Nordics)

Worldwide public cloud infrastructure market[1]

Strategic growth platform



Closer collaboration with AWS across markets:

- Lead generation, co-marketing & project delivery
- AWS certifications (DevOps, Migration & AI/Data analytics)

1 Infrastructure-as-a-service (Iaas) and Platform-as-a-service (PaaS)
Source: Gartner (July 2020); Synergy Research Group

Q2 2020 HIGHLIGHTS

4 Two M&A Deals Strengthen Strategic Position in Australia

M&A in Crayon:

- ➡ Global scope with strong M&A pipeline
- ➡ Increased valuation spread expected during next quarters (Covid-19)
- ➡ Internal resources & financial flexibility to execute on accretive M&A opportunities

M&As accomplished in Australia

winc.

Asset Purchase Agreement
(signed June 2020)

- Microsoft authorized licensing partner (1 of 6 in total)
- Revenue of MNOK ~200
- ~250 customers

NAVICLE

Sales Purchase Agreement
(closed June 2020)

- Oracle software & cloud economics expert
- Consulting & licensing services
- Revenue of MNOK ~15

Q2 2020 HIGHLIGHTS

5 Crayon Named no 1 in Gartner’s Magic Quadrant

Magic Quadrant for Software Asset Management Managed Services

Gartner®

Magic Quadrant

Just released
6th August!

“Crayon is a Leader in this Magic Quadrant….”

“….praised by reference clients for service methodology and execution ”

“…demonstrated benefit delivery beyond its peers assessed…. ”

“…instrumental in developing vision, progressing SAM maturity and driving continuous improvement….. “

“…. introducing capability from Crayon’s AI practice to enable entitlement and use rights management through contract analysis “

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Source: Gartner (August 2020)

Financial Review

Q2 2020

CFO Jon Birger Syvertsen

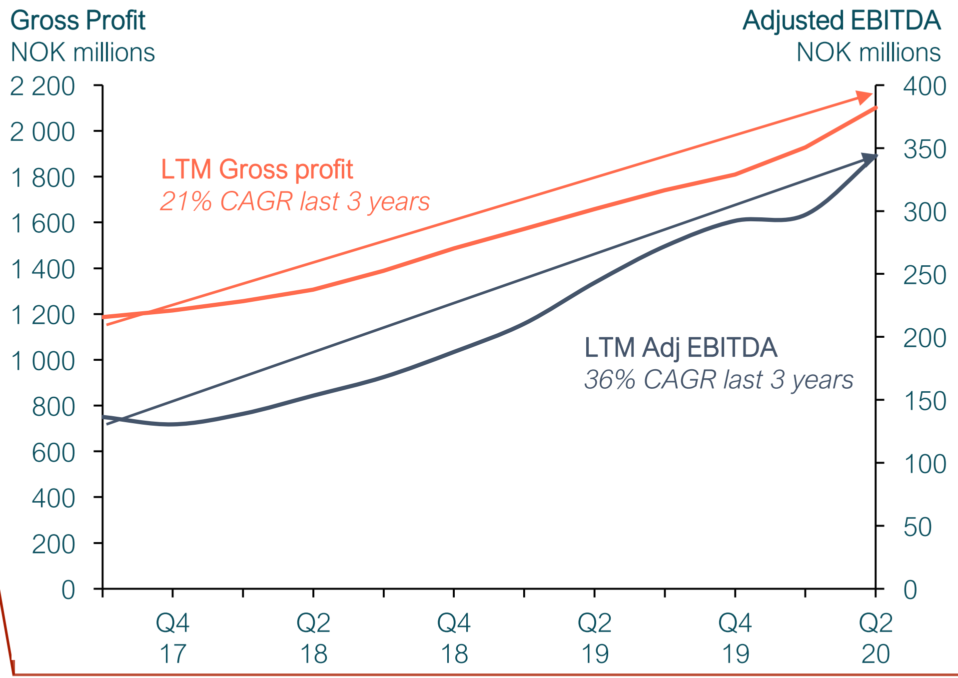
Q2 2020 FINANCIAL REVIEW

Q2 2020 - Summary

1. Sustained GP and EBITDA growth

2. Strong cash flow performance

3. Updated outlook – accellerating 2020 growth



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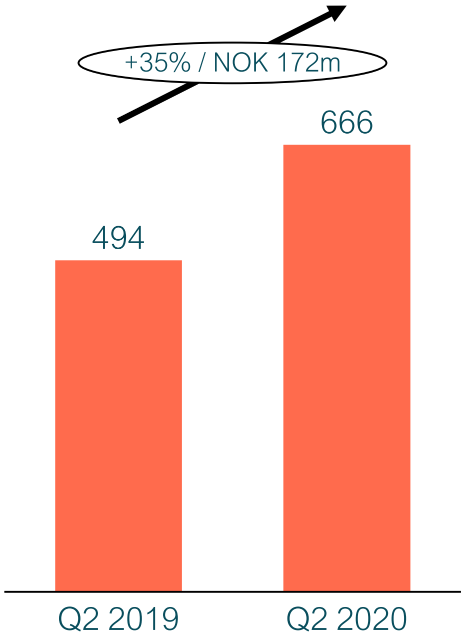
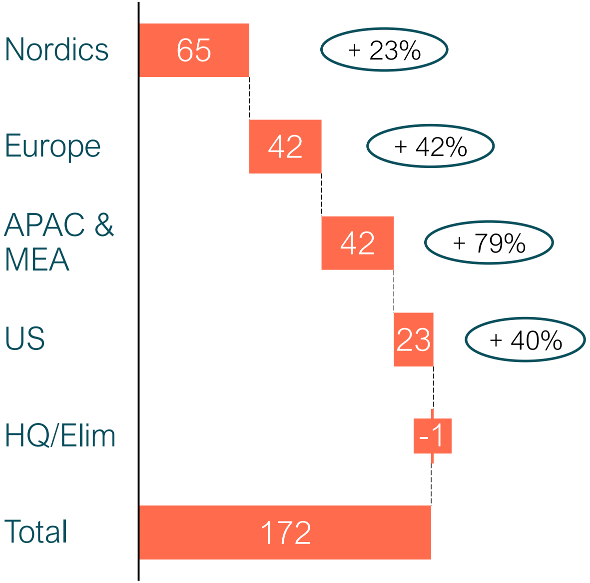
Strong GP growth across markets

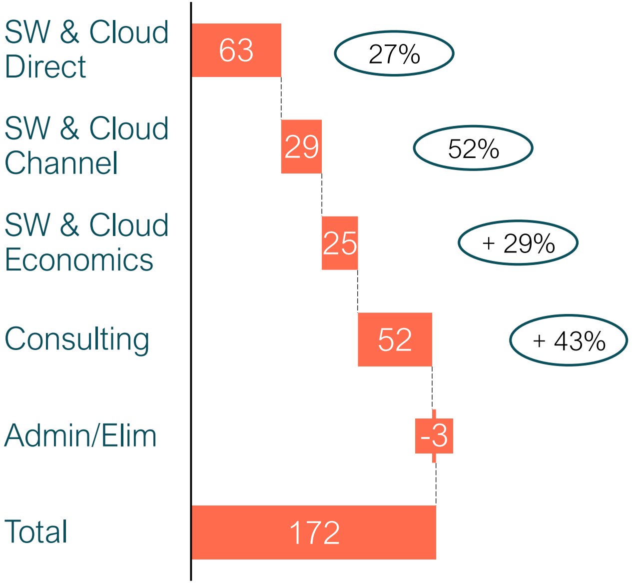
Gross profit
NOK million



YoY gross profit growth by market cluster
NOK million



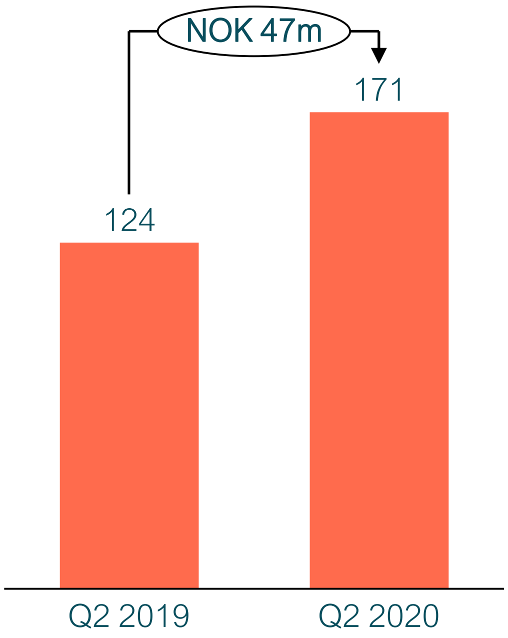
YoY gross profit growth by business area
NOK million



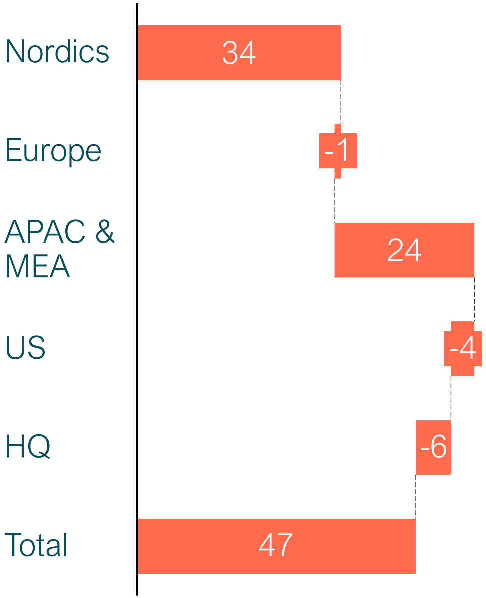
Q2 2020 FINANCIAL REVIEW

EBITDA growth driven by Nordics and APAC&MEA

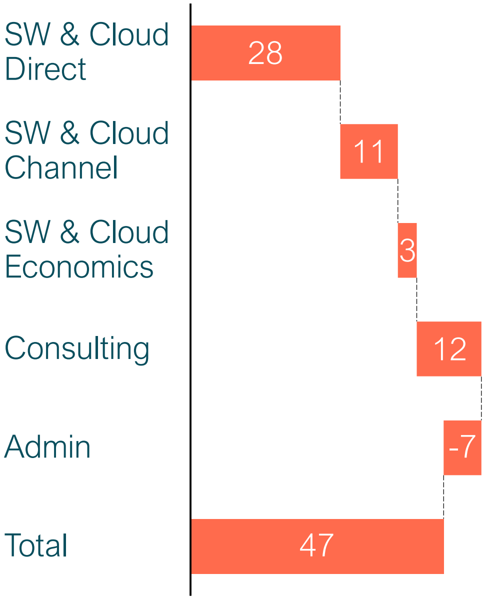
Adjusted EBITDA
NOK million



YoY Adj EBITDA growth by market cluster
NOK million



YoY Adj EBITDA growth by business area
NOK million



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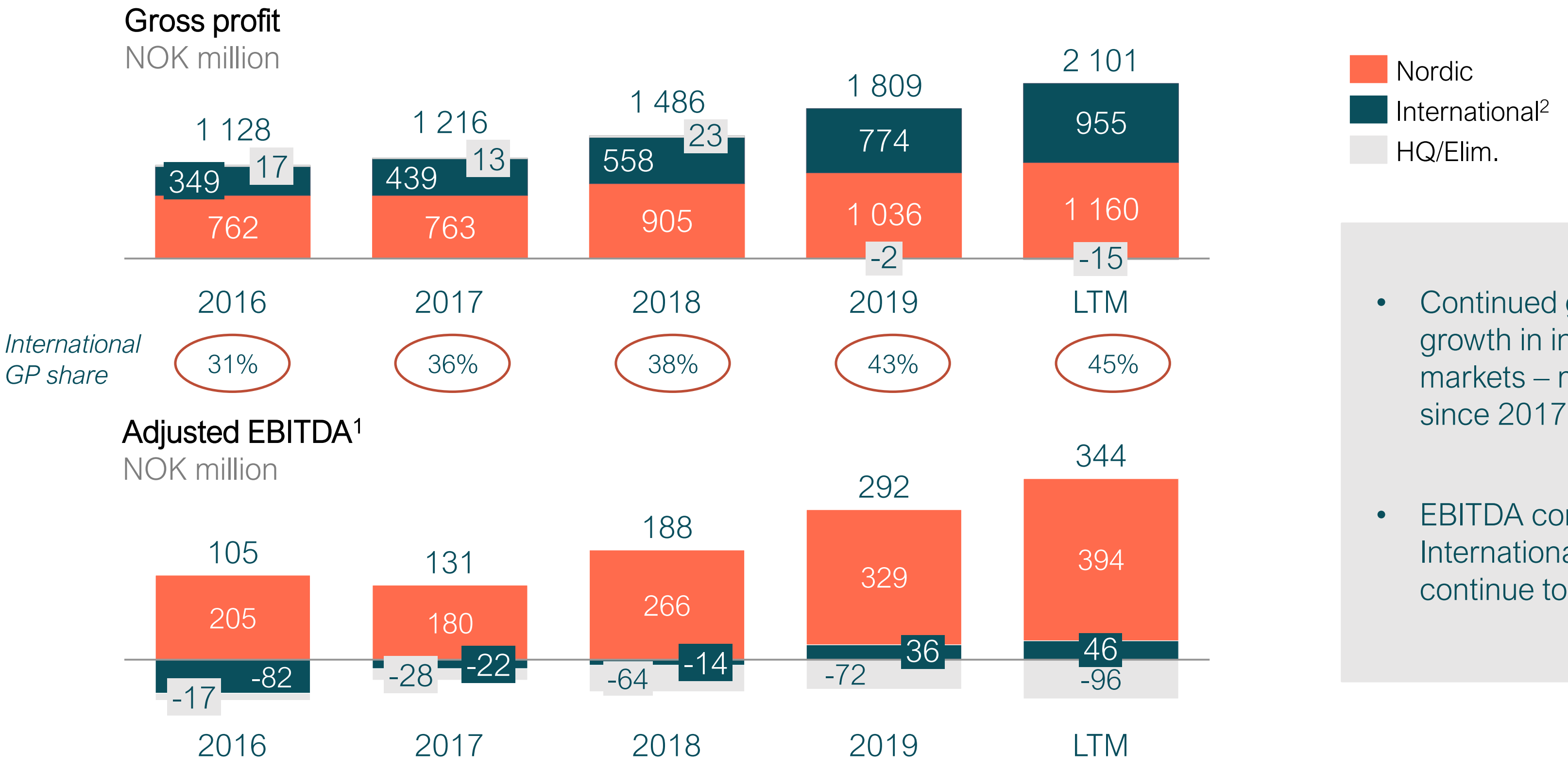
Q2 2020

International expansion momentum continues



- Continued gross profit growth in international markets – more than doubled since 2017
- EBITDA contribution from International markets continue to improve

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

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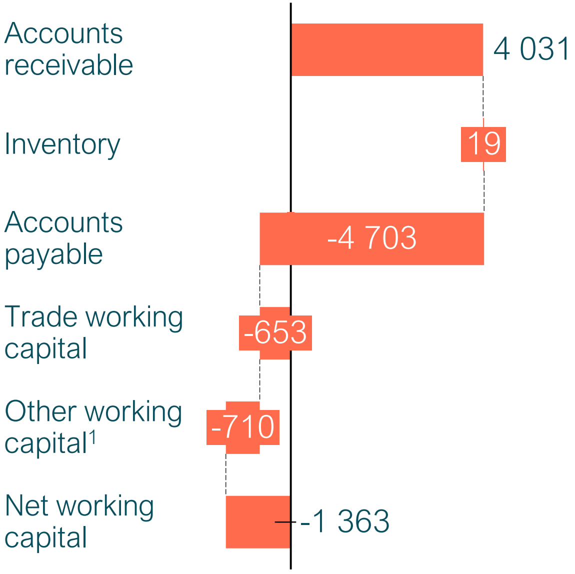
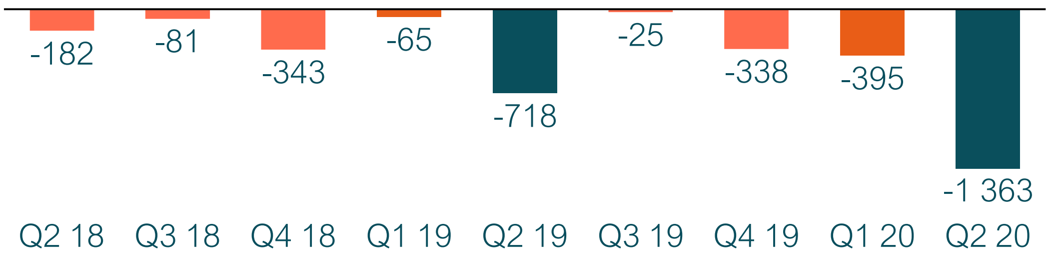
Working capital driven by seasonality

2020 Q2 net working capital
NOK million



Net working capital over time
NOK million

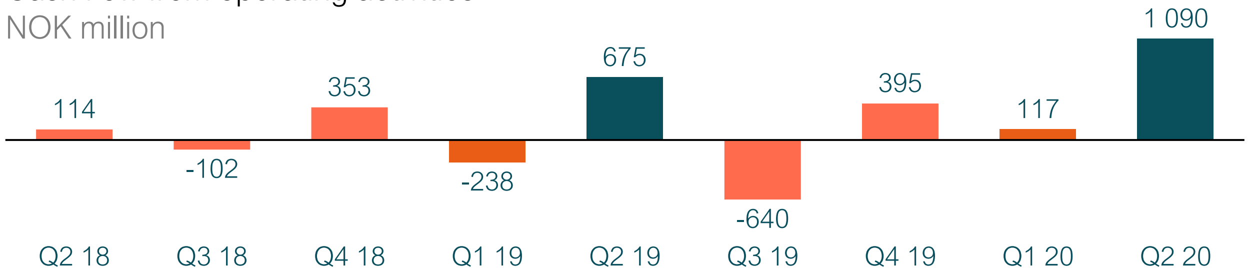


- Q2 2020 net working capital is 645 MNOK more negative than Q2 2019, driven by a decrease of trade working capital of 455 MNOK and other working capital of 190 MNOK
- As a reminder, Q2 2019 was a strong comparable driven by favorable timing of payment flows, indicating a very solid improvement in Q2 2020
- Improvement driven by a combination of improved collection processes and renegotiated payment terms in light of Covid-19 – vendor payment terms expected to return to normal during 2020

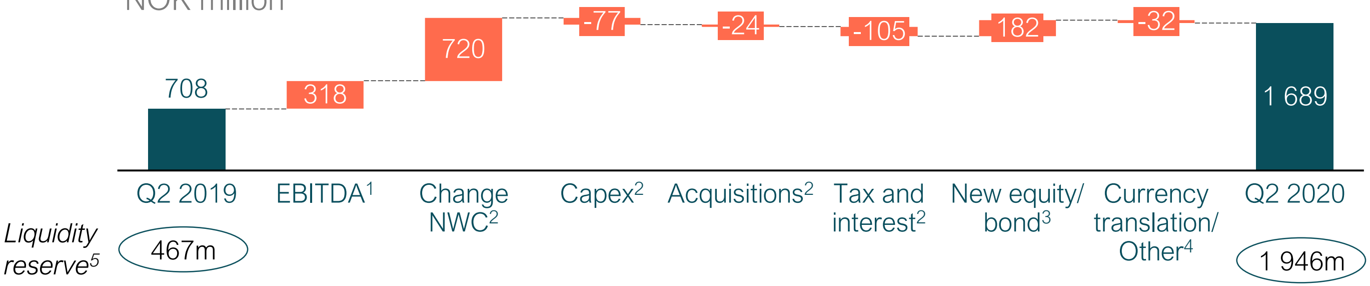
1 Other working capital includes other recievables, income tax payable, public duties payable and other short-term liabilities

Strong cash flow driven by working capital

Cash flow from operating activities
NOK million



LTM cash development
NOK million



- Cash flow from operations is seasonal and driven by changes to net working capital
- Q2 2020 cash flow is strong, driven by improved credit and collection processes and renegotiated vendor payment terms as a consequence of Covid-19
- Cash flow will continue to be seasonal going forward as payment terms are expected to normalize over time

1 EBITDA (non-adjusted)
2 As seen from the cash flow statement;
3 Delvereage of 150 MNOK on the bond; 297 MNOK new equity from share issue May 2020 and 35 MNOK new equity from ESPP in Q4 2019
4 Also includes cash flow effects from IFRS 16, cash flow from financing activites etc
5 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

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P&L - summary

NOKm	Q2 2019	Q2 2020	YTD Q2 2019	YTD Q2 2020
Operating revenue	4 242.7	6 095.0	6 882.0	10 299.0
Cost of sales	-3 748.9	-5 429.2	-5 993.0	-9 118.0
Gross profit	**493.7**	**665.8**	**889.0**	**1 181.0**
Payroll and related costs	-333.1	-449.9	-640.8	-845.4
Other operating expenses	-55.2	-51.5	-113.4	-132.8
Total operating expenses	**-388.3**	**-501.4**	**-754.2**	**-978.1**
EBITDA	**105.5**	**164.4**	**134.8**	**202.9**
Depreciation	-10.9	-13.1	-20.0	-25.6
Amortisation	-18.1	-21.5	-35.4	-41.6
EBIT	**76.5**	**129.8**	**79.4**	**135.7**
Interest expense	14.4	7.8	28.7	23.2
Other financial expense, net	3.0	-9.8	1.1	22.1
Ordinary result before tax	**59.2**	**131.8**	**49.6**	**90.3**
Income tax expense on ordinary result	-13.3	-29.3	-12.7	-39.4
Net (loss) income	**45.9**	**102.6**	**36.9**	**51.0**
Adjusted EBITDA reconciliation				
Reported EBITDA	105.5	164.4	134.8	202.9
Other income and expenses	18.8	6.8	25.3	8.9
Adjusted EBITDA	**124.3**	**171.2**	**160.1**	**211.8**

- Depreciation and amortization in line with plan, with higher deprecation driven by higher investments in previous periods
- Interest expense reduced following the refinancing of the bond, while net financial expense is positive due to currency effects
- Income tax expenses increases as a consequence of strong pre-tax earnings of NOK 131.8
- EBITDA adjustments of NOK 6.8m in Q2 2020 primarily related to share-based compensation

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Balance sheet and net interest-bearing debt

NOKm	30/06/2019	30/06/2020
ASSETS		
Development Costs	79.6	87.6
Technology and software	29.3	24.3
Contracts	78.4	68.1
Software licenses (IP)	1.0	2.4
Goodwill	876.9	869.5
Deferred tax asset	16.8	29.6
Total intangible assets	**1 082.1**	**1 081.5**
Equipment	31.3	39.1
Right of use assets	118.6	120.4
Total tangible assets	**149.9**	**159.4**
Other long-term receivables	18.4	21.7
Inventory	9.1	19.0
Accounts receivable	2 872.3	4 030.7
Other receivables	94.2	160.9
Cash & cash equivalents	707.8	1 689.4
Total current assets	**3 683.4**	**5 899.9**
Total assets	**4 933.8**	**7 162.5**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	75.4	81.2
Own shares	-0.0	-0.0
Share premium	588.4	914.2
Sum paid-in equity	**663.8**	**995.4**
Retained Earnings	-73.3	19.3
Total equity attributable to parent	**590.5**	**1 014.7**
Non-controlling interests	-6.5	-7.0
Total shareholders' equity	**584.0**	**1 007.7**
Bond loan	-	294.0
Derivative financial liabilities	-	-0.0
Deferred tax liabilities	31.6	28.4
Lease liabilities	108.5	95.8
Other long-term liabilities	46.0	76.2
Total long-term liabilities	**186.1**	**494.3**
Accounts payable	3 079.2	4 702.6
Income taxes payable	14.5	39.5
Public duties	311.2	286.4
Current lease liabilities	11.5	29.6
Other short-term interest bearing debt	12.5	57.1
Other current liabilities	288.7	545.2
Bond loan, current liabilties	447.9	-
Derivative financial liabilities	-1.7	-
Total current liabilities	**4 163.6**	**5 660.4**
Total liabilities	**4 349.8**	**6 154.8**
Total equity and liabilities	**4 933.8**	**7 162.5**

	30/06/2019	30/06/2020
Long-term interest bearing debt	1.4	303.8
Bond loan short term	450.0	0.0
Short-term interest bearing debt	12.5	57.1
Cash and cash equivalents	-707.8	-1 689.4
Restricted cash	19.1	23.4
Net interest bearing debt (NIBD)	**-224.8**	**-1 305.1**

- Refinancing of bond in November 19 decrease long-term debt, offset by a corresponding increase in RCF
- Increase in other long-term liabilities driven by provisions for earn-out from acquistions
- NIBD to LTM EBITDA of -3.8x vs -0.9x on June 30 2019
- Very strong liquidity position end Q2 2020, with a total liquidity reserve of NOK 1.9 bn

Notes
- The Company reports its cash balance net of drawdown on its revolving credit facility ("RCF")
- Approx. NOK 556m of goodwill as of year-end 2016 relates to the Oslo Stock Exchange delisting of Inmeta-Crayon in 2012
- Note that bond transactional costs of around NOK 7m are capitalized , and accretion expensed over the lifetime of the bond, cf. IAS 39

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Cash flow development

NOKm	Q2 2019	Q2 2020	YTD Q2 2019	YTD Q2 2020
Net income before tax	59.2	131.8	49.6	90.3
Taxes paid	-2.6	-5.1	-10.9	-15.4
Depreciation and amortisation, incl. impairment	28.9	34.6	55.4	67.2
Net interest to credit institutions	11.9	4.7	23.7	17.0
Changes in inventory, AR/AP[1]	534.6	760.5	295.0	859.2
Changes in other current assets	42.6	163.6	23.6	188.3
Net cash flow from operating activities	**674.5**	**1 090.0**	**436.4**	**1 206.8**
Net cash flow from financing activities	**-28.5**	**300.0**	**-57.3**	**287.1**
Acquisition of assets	-15.1	-17.2	-34.4	-34.9
Acquisition of subsidiaries - net of cash acquired/ Business combinations	-7.5	-11.6	-7.5	-12.6
Net cash flow from investing activities	**-22.5**	**-28.8**	**-41.9**	**-47.5**

- Strong cash flow from operations in Q2 2020, driven by improvement in working capital
- Cash flow from financing activites driven by 300 MNOK share issue in May 2020
- Acquisition of assets in Q2 2020 of NOK 17.2m mainly related to investments in new ERP system and Cloud IQ platform

1 AR = Accounts Receivable, AP = Accounts Payable

Outlook

2020 outlook updated to reflect growth opportunity

	2019 actuals	2020 Q2 LTM	2020 previous outlook	2020 updated outlook	Medium term[2]	Comment
Gross profit growth	+21.7 %	+26.7%	+15-20%	+25-30%	+10-15 %	Accellerating growth based on additional investments
Adjusted EBITDA as share of gross profit	16.2%	16.4%	17-18%	16-17%	Gradually increase to 19%	Margin reduced in light of accelerated growth investments, nominal EBITDA expectations slightly increased
NWC[1]	-10.7 %	-25.2%	-10% to -15%	-20% to -25%	-10% to -15%	Expect NWC to fluctuate around historic levels in the medium term
Capex	NOK 76m	NOK 77m	NOK ~70m	NOK 75-80m	NOK ~70m	Continued investments in platforms and IP

1 Average NWC last 4 quarters as share of gross profit last 4 quarters
2 Medium term guidance updated annually as part of the annual business planning cycle

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 , Oslo Stock Exchange

Financial calendar 2020:

- 28.10.20 – Q3 report released
- 16.02.21 – Q4 report released

For IR-related requests:

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CRAYON GROUP

Data pack available at crayon.com

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Appendix

Introduction to key P&L drivers

NOK million	2016	2017	2018	2019
Operating revenue	**6 015.2**	**7 301.7**	**9 047.5**	**13 618.0**
Growth	*28.3%*	*21.4%*	*23.9%*	*50.5%*
Materials and supplies	-4 886.8	-6 086.9	-7 561.4	-11 809.3
Gross profit	**1 128.4**	**1 215.8**	**1 486.1**	**1 808.7**
Gross margin	*18.8%*	*16.7%*	*16.4%*	*13.3%*
Payroll and related costs	-877.9	-940.5	-1 105.8	-1 312.7
Other operating expenses	-158.8	-144.7	-203.3	-246.1
Total operating expenses	**-1 036.7**	**-1 085.2**	**1 309.1**	**-1 558.8**
EBITDA	**91.7**	**103.8**	**177.1**	**249.9**
EBITDA % of gross profit	*8.1%*	*8.5%*	*11.9%*	*13.8%*
Exceptional items	13.5	26.8	11.1	42.3
Adjusted EBITDA	**105.2**	**130.6**	**188.1**	**292.2**
Adj. EBITDA % of gross profit	*9.3%*	*10.7%*	*12.7%*	*16.2%*
#FTEs	945	977	1,128	1,512

- Revenue will be subject to fluctuations that do not impact absolute gross profit level as customers shift between direct and indirect billing[1]

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

Source: Annual Report

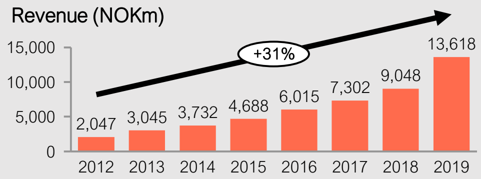
1 In direct billing, Crayon invoices the customer directly. In indirect billing, the software vendor bills the customer and Crayon receives a fee from the software vendor

Crayon at a glance

Numbers

~1700 teammates

35 countries



~30% revenue CAGR

Business Areas

Software & Cloud Economics

Cloud Consulting & Solutions

48% SERVICES

% of gross profit[1]

52% SOFTWARE

Software & Cloud Direct

Software & Cloud Channel

Market

Underlying megatrend

Digital Transformation

- Exponential growth in software spending and complexity
- Global market – customers facing same challenges everywhere

Cloud Computing

Cyber Security

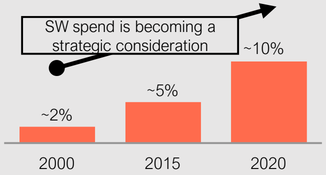
Mobility

Big Data

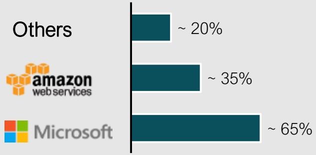
Internet of Things (IoT)

Artificial Intelligence (AI)

SW spend as % of total opex



Cloud revenue growth



1 Based on 2019 gross profit, excl. admin & eliminations

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~4bn
- ~1,700 employees and ~10,000 customers of which more than 40% public
- 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 13.5bn with high growth and strong cash conversion

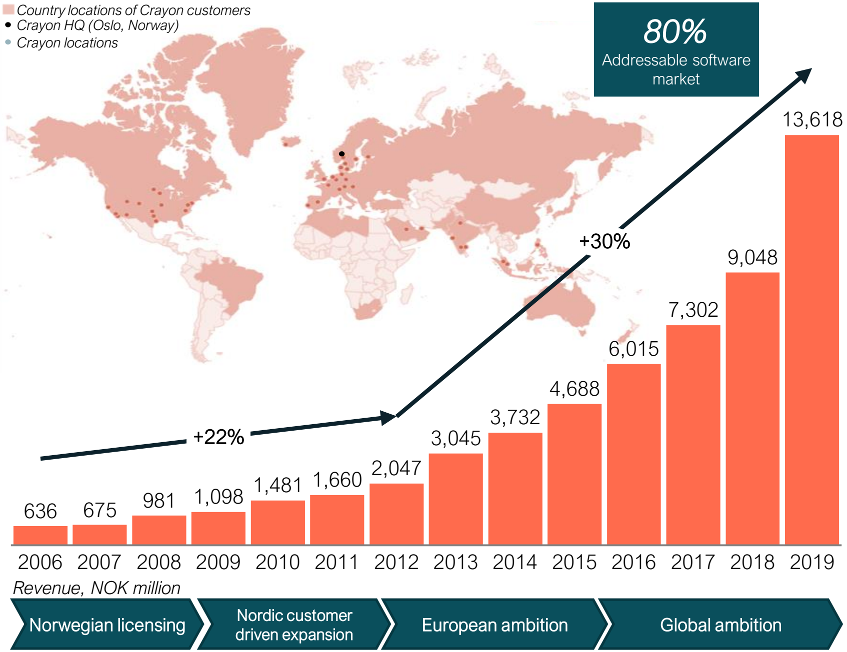
Offering and value proposition

Services

Software

- Helps customers to optimize software costs and reduce complexity
- Customers save ~15-30% of software cost
- Customers benefit from Crayon's global position and value-adding end-to-end services along the software value chain

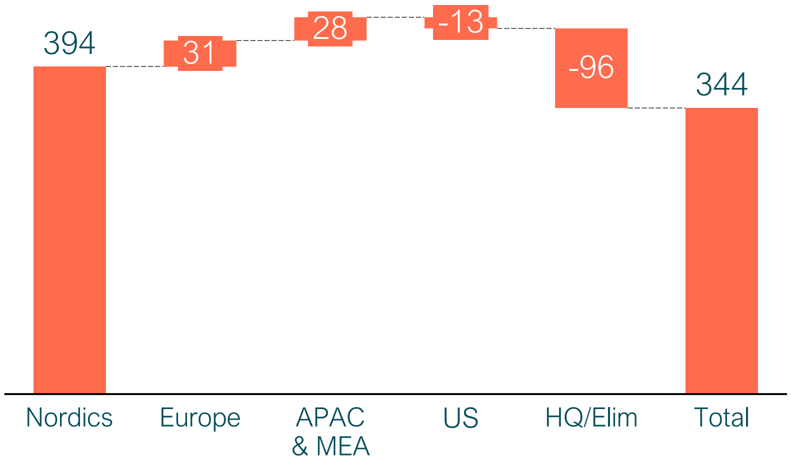
An international growth story with strengthening momentum



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

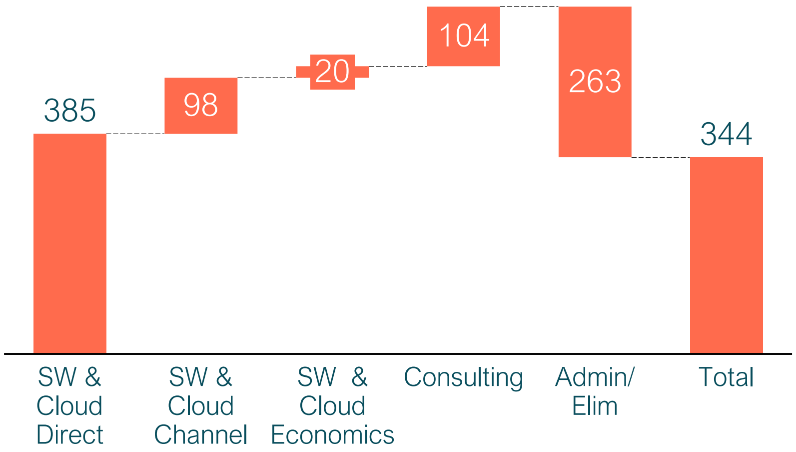
LTM Adjusted EBITDA of NOK 344 million

LTM adjusted EBITDA by market cluster
NOK million



	Nordics	Europe	APAC & MEA	US	HQ/Elim	Total
EBITDA margin[1]	34%	7%	11%	-5%	n/a	16%
Change in EBITDA margin[2]	+3.2 pp	+1.5 pp	+3.6 pp	+8.3 pp	n/a	+1.7 pp

LTM adjusted EBITDA by business area
NOK million

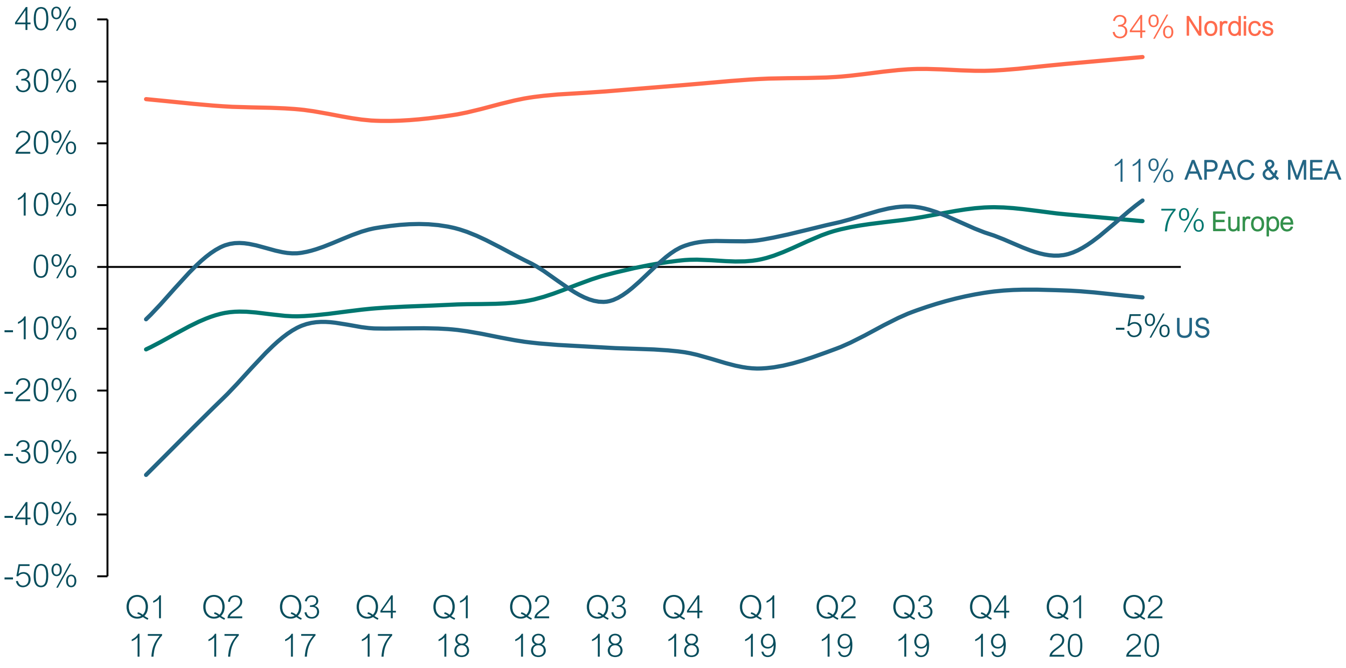


	SW & Cloud Direct	SW & Cloud Channel	SW & Cloud Economics	Consulting	Admin/ Elim	Total
EBITDA margin[1]	47%	36%	5%	17%	n/a	16%
Change in EBITDA margin[2]	+1.3 pp	-5.3 pp	+1.2 pp	+1.6 pp	n/a	+1.7 pp

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

International EBITDA margins continues to improve

LTM adjusted EBITDA margin[1]



- Nordics with continued strong EBITDA margins
- APAC&MEA EBITDA margins improving
- Europe EBITDA margins negatively influenced by investments into CEE
- Slight decline of EBITDA margin in US

1 Adjusted EBITDA as share of Gross Profit

Crayon

Crayon's key strategic priorities to drive value

Crayon

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..
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Increased share of wallet

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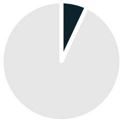
Crayon

Business overview

Business segment	Description	Value proposition	% of GP[1]	Top 10 client's share of segment GP[2]
Software & Cloud Direct	• 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	• Lower total software costs • Simplify usage/consumption reporting to software vendors	 39%	 14%
Software & Cloud Channel	• 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	• Lower total software costs • Simplify usage/consumption reporting to software vendors	 12%	 7%
Software & Cloud Economics	• SAM focuses on license spend optimization and support for clients in vendor audits • Revenues from consulting/advisory, recurring services and licensing subscription	• Reduce software cost • Stay compliant • Eliminate risk and substantial penalties from vendors for being under-licensed	 20%	 30%
Consulting	• Consulting services is related to deployment and • application services • IT infrastructure services and tailored software • Revenues from consulting hours	• Resolve complex IT problems/issues that the client can not solve internally	 28%	 51%

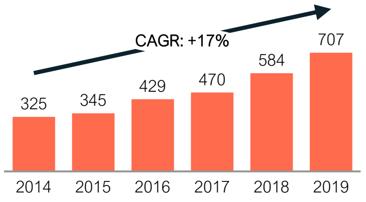
1 Based on 2019 figures. Does not add up to 100%, due to Admin
2 Based on 2019 figures. Source: Crayon sales report
Source: Crayon Group Holding ASA financial accounts

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 profit[1] (NOKm)



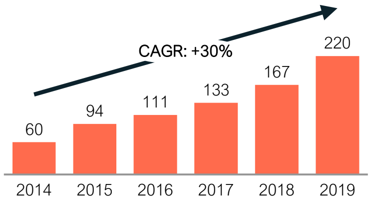
KPIs

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 profit[1] (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 2014-2019 Source: Crayon Group Holding AS financial accounts
2 2019 gross profit repeat buy. Repeat buy is (1-churn). Source: Sales data
3 Based on 2019 figures. Source: Crayon sales report
4 Crayon direct billing of Microsoft's share of gross profit. Based on 2019 figures. Source: Crayon sales report

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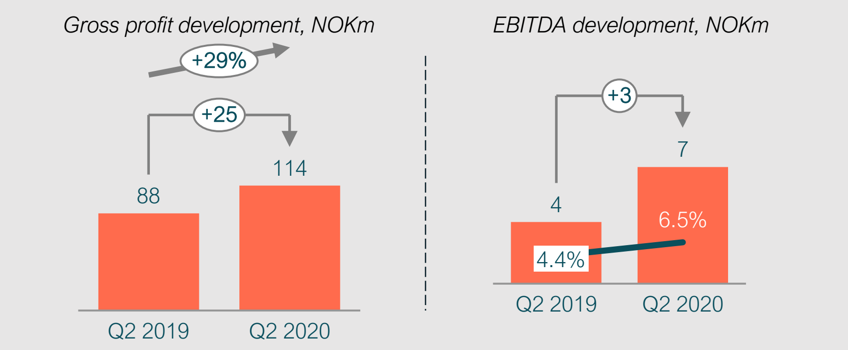
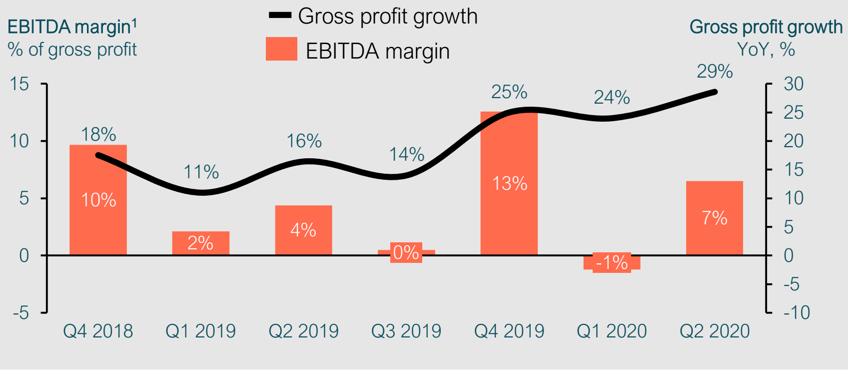
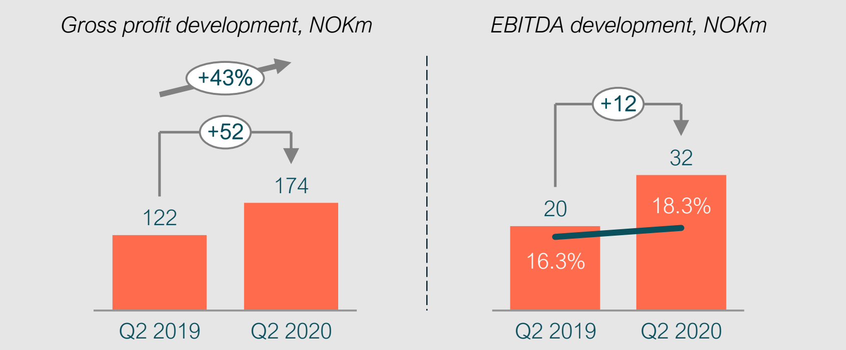
Services

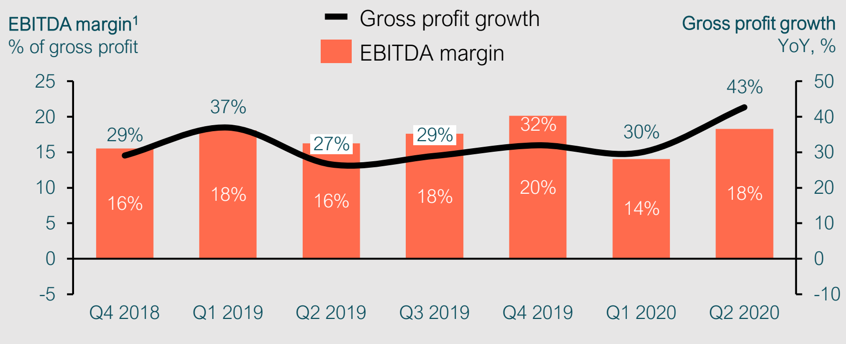
SW & Cloud Economics





Consulting



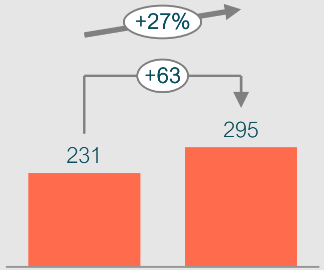


1 Adj. EBITDA divided by reported gross profit

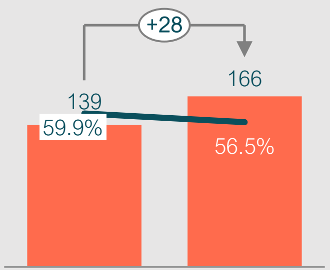
Software

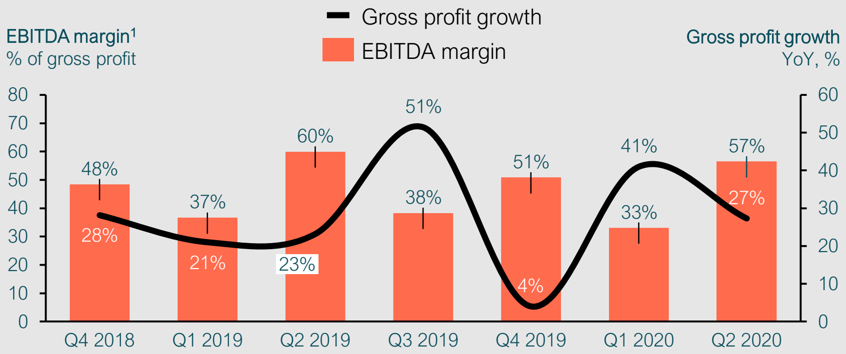
SW & Cloud Direct

Gross profit development, NOKm



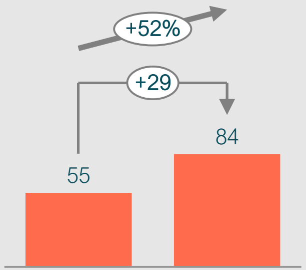
EBITDA development, NOKm



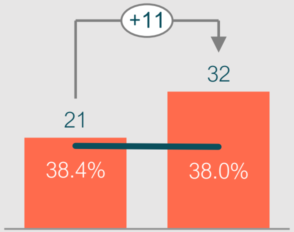


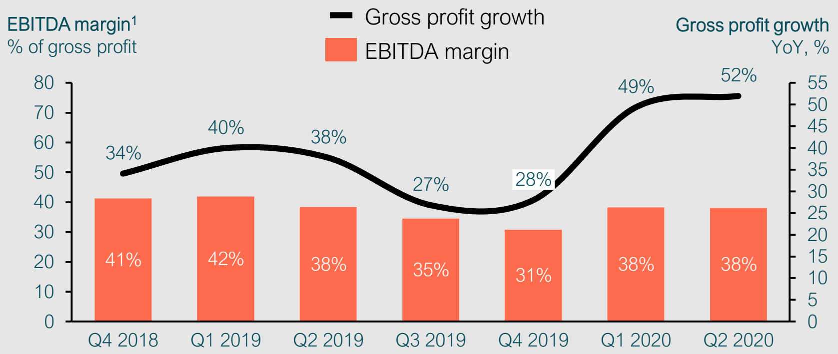
SW & Cloud Channel

Gross profit development, NOKm



EBITDA development, NOKm





1 EBITDA divided by reported gross profit

Global SW&Cloud vs Services split

Gross Profit, NOK millions

	SW&Cloud	Services	
Nordics	180	170	350[1]
Europe	102	40	142
APAC&MEA	70	25	95
US	27	53	80
Total[3]			645

LTM GP growth rate, percent

	SW&Cloud	Services	Service share Q2[2]
Nordics	14.3%	20.4%	48.7%
Europe	52.2%	28.7%	27.9%
APAC&MEA	40.0%	109.4%	26.1%
US	58.1%	47.1%	66.7%
Total[3]	29.6%	29.4%	43.2%

1 Total excludes admin costs
2 Service GP as share of total service and SW&Cloud GP
3 Total includes HQ and eliminations

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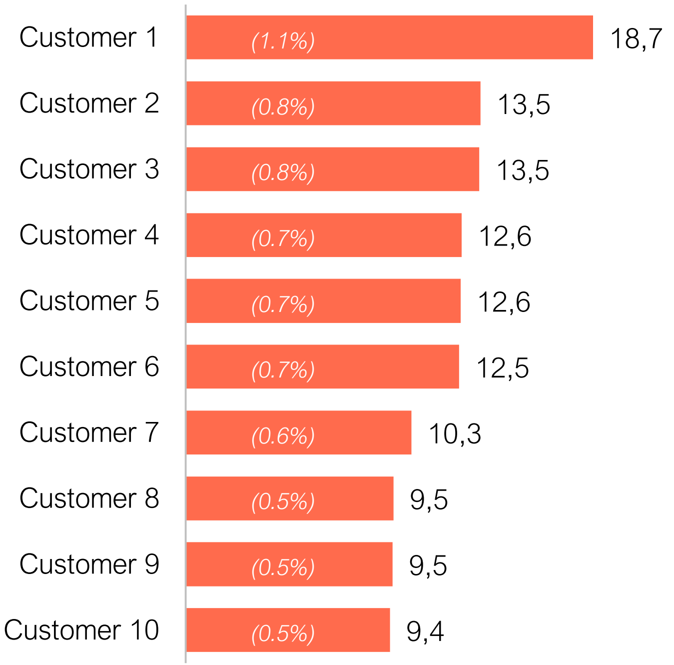
Crayon

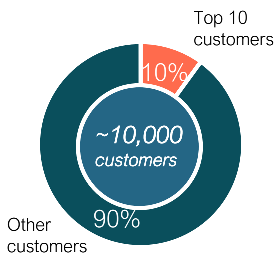
Well diversified and loyal customer base

Low customer concentration[1]

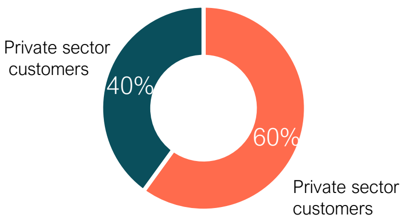
Top 10 (% of GP) *Gross profit NOKm*



Customers by % of GP

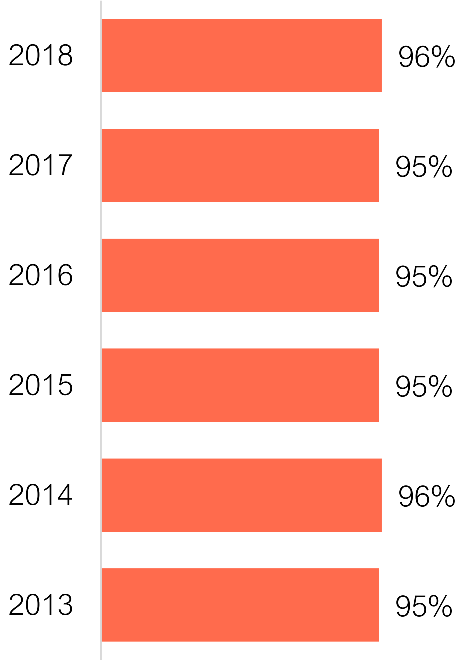


Customers by % of GP



Unparalleled customer loyalty

Average % repeat customer buy



Crayon ticks all the boxes for global software vendors

Scoring well on relevant KPIs…

~69%
Cloud mix[1]

~80%
Addressable market coverage[2]

22%
Gross profit growth YoY[3]

~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 2019 figures

Committed to build a greener and more sustainable future

CSR themes:	Selected CSR measures executed by Crayon
ENVIRONMENT	✓ Measures to reduce CO2 emissions from business travel ✓ Measures to reduce energy consumption ✓ Measures to recycle IT equipment
LABOUR & HUMAN RIGHTS	✓ Internal audits on health & safety issues ✓ Whistle-blower procedures on discrimination and/or harassment issues ✓ Official measures to promote work-life balance
ETHICS	✓ Whistle-blower procedure to report business ethics issues ✓ Specific approval procedure for sensitive transactions (e.g. gifts, travel) ✓ Awareness training on business ethics issues
SUSTAINABLE PROCUREMENT	✓ Sustainable procurement policies on environment issues ✓ Regular supplier assessment ✓ Training of buyers on social & environmental issues within the supply chain

Source: Eco Vadis report 2019

Crayon