



The Acquisition of Rhipe Limited

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Transaction overview

Acquisition of Rhipe Limited	Summary and key terms	<ul style="list-style-type: none"> Crayon is pleased to announce that it has entered into a binding Scheme Implementation Deed (“SID”) with Rhipe under which it is proposed that Crayon will acquire 100% of the shares in Rhipe by way of Scheme of Arrangement (the “Scheme”), an Australian legal concept whereby Rhipe will seek to convene a meeting of its shareholders to consider and vote on the proposed acquisition by Crayon¹⁾ Rhipe is a fast growing cloud channel player in the APAC region with AUD ~56m (24% CAGR since 2017) in revenues²⁾ and AUD ~15m in Adj. EBITDA³⁾ (~25% margin) for the fiscal year 2020 Under the terms of the SID, Crayon will pay a total cash consideration of AUD 2.50⁴⁾ for each Rhipe share, corresponding to an equity value of Rhipe of approximately AUD 408 million⁵⁾ (approx. NOK 2,600million⁶⁾) with an enterprise value of approx. AUD 354 million⁵⁾ (approx. NOK 2,300 million⁶⁾) and an estimated CY21 EV/Adj. EBITDA multiple of ~15.6x⁷⁾
Crayon Group has entered into Scheme implementation Deed with Rhipe Limited	Financing and timeline	<ul style="list-style-type: none"> The transaction is fully financed through a combination of proceeds from the newly completed bond issue, existing cash, and an extended RCF credit line The scheme meeting whereby Rhipe’s shareholders will vote on whether to approve the transaction is expected to take place in September 2021 <ul style="list-style-type: none"> Approval by a vote of Rhipe shareholders by at least 75% of votes cast and a majority by number of all Rhipe shareholders present and voting (in person or by proxy) The Rhipe Directors unanimously recommend that Rhipe shareholders vote in favour of the Scheme⁸⁾ One of rhipe's major shareholders Tutus McDonagh Pty Ltd, (who owns or controls approximately 14.8% of ordinary Rhipe shares on issue) has confirmed it intends to vote in favour of the scheme⁸⁾ The transaction is subject to other customary conditions, for a transaction of this nature, including, Rhipe shareholder approval by the requisite majorities at the Scheme meeting, approval by an Australian Court, customary regulatory approvals, the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Rhipe shareholders, no Rhipe material adverse change and no prescribed occurrences
<p>Purchase Price : AUD 408m</p> <p>Deal structure: 100% cash offer</p> <p>Closing: Q4 2021</p>		

1) Please see the Appendix for description of the Scheme Process and expected timeline for the transaction until closing

2) Equivalent of Crayon's reported line item "gross profit". Fiscal year 2020 meaning the 12-months period ending 30 June 2020

3) Equivalent of Crayon's APIM "Adjusted EBITDA", please see annual report for definition. Calculated by adding Rhipe's reported line item "AAS16" costs to the reported line item "operating profit"

4) Less any dividends or distributions declared by Rhipe after the signing of the SID

5) Based on a fully diluted share count of 163,341,637 fully diluted shares, consisting of 161,075,376 ordinary shares outstanding and 2,266,261 performance rights eligible to convert. Expected net cash balance at 30 June 2021 of around AUD 54 million

6) Source: Norges Banks AUDNOK of 6.46 (per 5 July 2021)

7) Estimated Crayon-comparable adjusted EBITDA for the calendar year 2021 calculated by adjusting consensus CY2021 adj. EBITDA of AUD 20.7 million (Rhipe's reported line-item "operating profit") with approx. AUD 2.0 million in estimated AASB16 costs

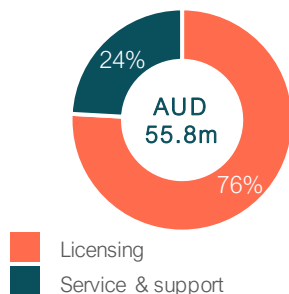
8) in the absence of a superior proposal and subject to the Independent Expert's Report concluding (and continuing to conclude) that the Scheme is in the best interests of rhipe's shareholders

Introduction to Rhipe

Rhipe at a glance

- Established in 2003, Rhipe is a leading whole-sale provider of subscription-based cloud licences, infrastructure and services in the APAC region
- Leading Channel partner in Australia on software and cloud
- Overlapping partnerships with Crayon, with Microsoft being the largest software vendor accounting for approx. 75% of sales
- The company has operations in 10 countries in the Asia Pacific region, and is headquartered in Sydney, Australia
- A large player with more than 3,000 IT services customers, and approx. 500 employees
- Rhipe is listed at the Australian Securities Exchange (ASX)

Revenue¹ split FY 2020



Facts and figures



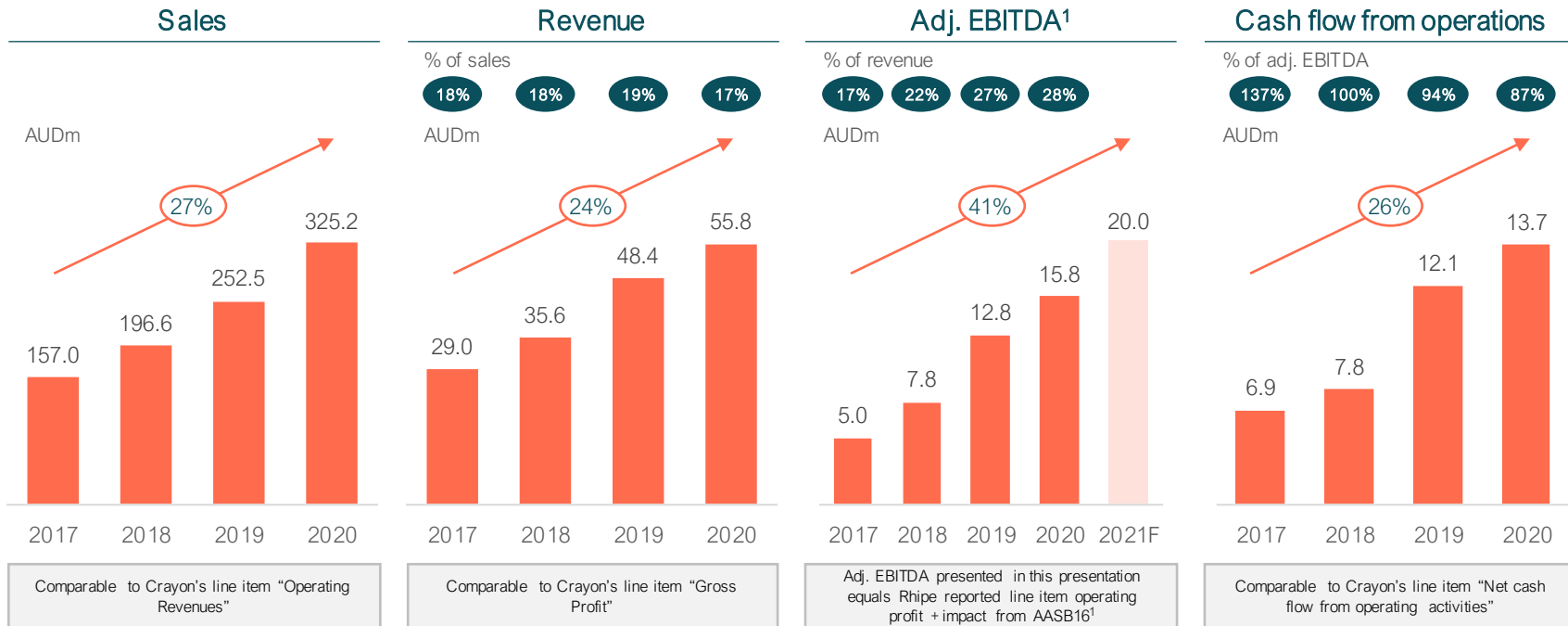
- Rhipe revenue similar to Crayon's reported line item "gross profit"
- LTM Q1 CY2021 (unaudited)
- Fiscal years, software products and services sales
- Unaudited. Estimated adj. EBITDA incl. full-year effects calculated as Rhipe's reported line item "operating profit" of AUD 19.3m per LTM Q1 CY2021 plus estimated line item "AASB16" leasing of

~AUD 2.0m and plus estimated full-year effects of Parallo Pty ("Parallo") acquired in September 2020 and emt distribution Pty Ltd (Australia) and emt distribution Pte Limited (Singapore) acquired in April 2021 (together "emt")

Local champion in the APAC region



Rhipe has a consistent track record of strong growth



Compelling and sound strategic rationale for the transaction

1 Crayon will become a leading regional player in the APAC region

- The combined entity will be the third largest player in the region across all business areas with >1,000 employees and >6.4 billion NOK in operating revenues
- Strong cloud channel segment leadership - the clear #1 Cloud Service Partner (CSP) in the region

2 Market leadership enables Crayon to accelerate the strong market opportunity in APAC

- The APAC cloud services market is expected to grow rapidly over the next five years, making it the fastest growing cloud services region globally
- Solidifies Crayon's position in Australia and New Zealand, the second largest market in the APAC region from a revenue perspective (AUS market USD 5.2bn alone¹)

3 Significant synergy potential both short- and long term

- Significant synergy opportunities across platforms, operations and cross- and up-sale opportunities across customer portfolio
- Increase in scale across APAC will enable the business to leapfrog the maturity curve in new markets, improving margins

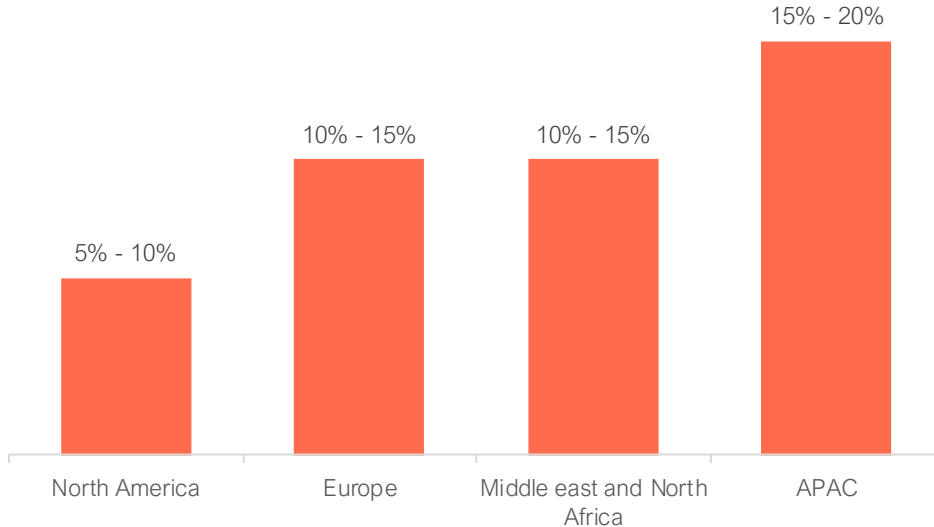
4 Strong overlap on business models and culture enables a rapid integration and value capture

- 100% overlap between Crayon's channel business and Rhipe's licensing business allows for quick and effortless integration
- Parallel growth journeys have resulted in very similar company cultures and mindset

Long term sustained growth expected in the APAC region

The APAC market for managed cloud services is the fastest growing region globally

Managed services and cloud infrastructure services APAC IT spending, CAGR per region, 2020 – 2025E



Global trends

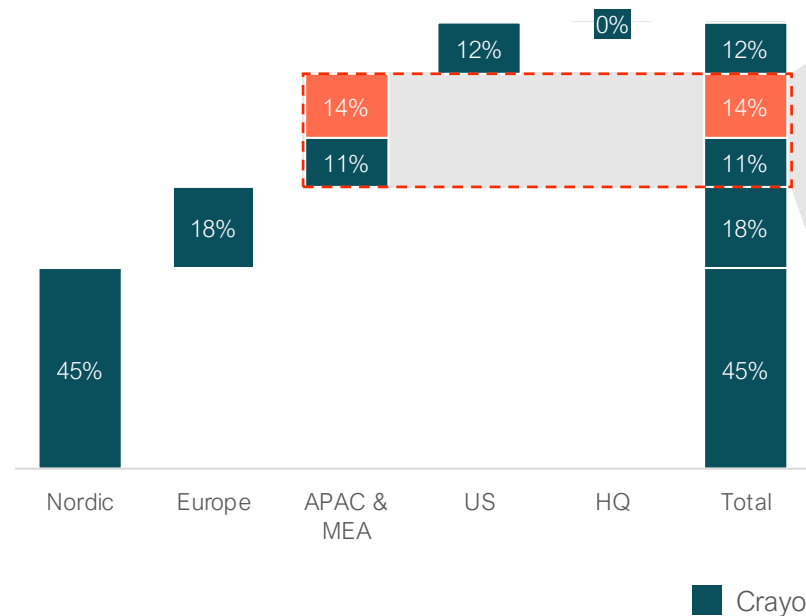
- ✓ Public cloud markets are forecasted to grow 3.5 times faster than IT spending generally
- ✓ By 2025, 75% of large organisation would have used external consultants to develop their cloud strategy
- ✓ By 2025, 85% of large organisation would have engaged external service providers to migrate applications to cloud
- ✓ Significant opportunity beyond enterprises, small and medium businesses have an immediate need for moving to the cloud (further accelerated by the pandemic)

APAC

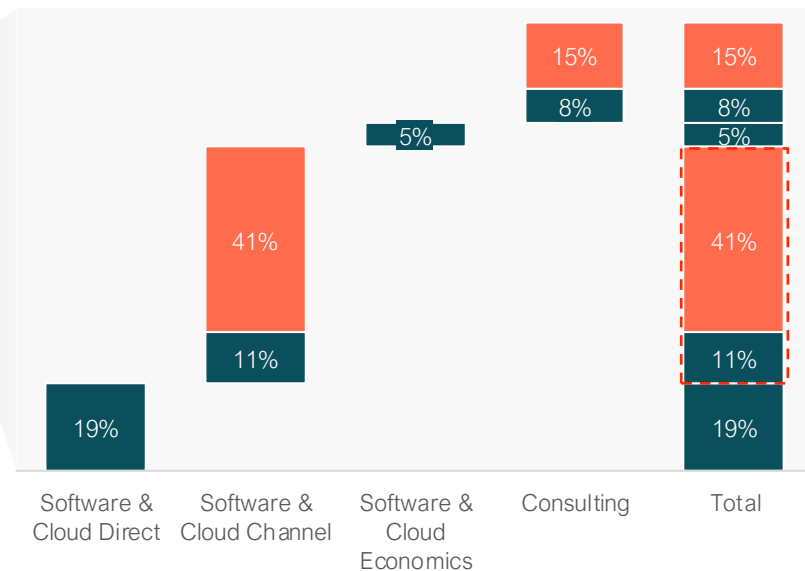
- ✓ Higher growth than other geographies due to relative immaturity
- ✓ Infrastructure as a service the fastest growing sub-segment of cloud managed services in the region – growing close to 50% in 2021 and expected to grow +30% in the period 2020 – 2025E

Strengthening Crayon's position in the APAC region



Combined gross profit 2020 CY split by geography



Combined gross profit 2020 CY in the APAC & MEA region split by segment

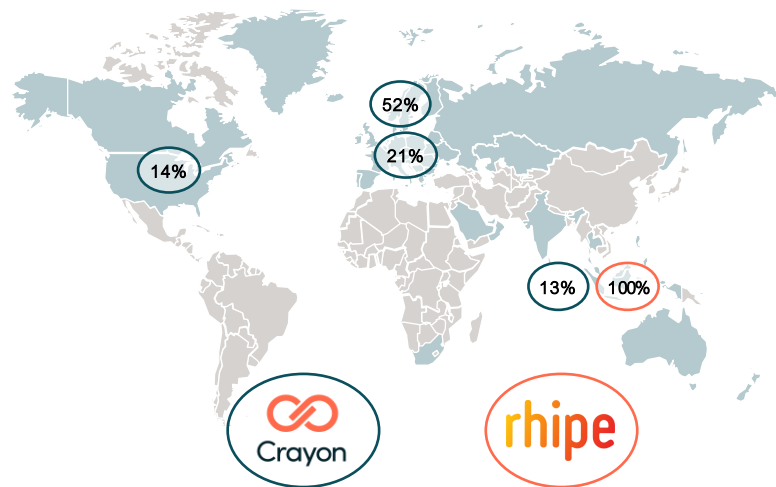


Compelling combined financials

LTM Q1 2021 NOKm ¹	 ¹ Crayon	+	 ^{2,3} rhipe	=	Combined
Revenue	21,271		2,337 ⁴		23,605
Gross profit	2,626		399 ⁵		3,024
Adj. EBITDA	504		139 ⁶		643
Adj. EBITDA margin	19%		31% ⁷		21% ⁷

Complementary footprint with limited overlap

Share of gross profit⁸



- 1) Source: Unaudited Q1 CY2021 LTM financials for Crayon Group Holding ASA, including full-year effect of Sensa EHF acquired in April 2021
- 2) Source: Unaudited Q1 CY2021 LTM / Q3 FY2021 LTM financials for Rhipe. Estimated Adj. EBITDA includes estimated full-year effects of Parallo and emt, see footnote 6) for more information
- 3) Source: Norges Banks AUDNOK ~of 6.46, NZDNOK of ~6.02 and ISKNOK of ~0.07(per 5 July 2021)
- 4) Rhipe's reported line item "Sales". With reference to footnote 2 above, this figure does not include full-year effects of Parallo and emt.
- 5) Rhipe's reported line-item "Revenue". With reference to footnote 2 above, this figure does not include full-year effects of Parallo and emt.
- 6) Estimated adj. EBITDA calculated as Rhipe's reported line item "operating profit" of AUD 19.3m plus estimated reported line item "AASB16" leasing of ~AUD 2.0m. Rhipe does not report AASB16 costs on a quarterly basis. With reference to footnote 2 above, this figure includes full-year effects of Parallo and emt
- 7) Calculated as adj. EBITDA excl. full-year effects from Parallo and emt divided by gross profit excl. full-year effects from Parallo and emt
- 8) Excl. admin/eliminations



Q&A session

Indicative transaction timeline

Event	Expected date	Brief description
Execution of Scheme Implementation Deed	6 July 2021	The Scheme Implementation Deed is fully executed by both parties
First court hearing	August 2021	Court must approve despatch of scheme booklet and order the convening of scheme meeting
Dispatch of Scheme booklet to Rhipe's shareholders	August 2021	The Scheme Booklet is distributed to the Shareholders of Rhipe
Scheme Meeting	September 2021	The scheme meeting whereby Rhipe's shareholders will vote on whether to approve the transaction
Second court hearing	October 2021	The Court to approve the scheme if the shareholder vote is cast in favour
Effective date	October 2021	Scheme is effective upon ASIC lodgement of court orders
Record date	October 2021	If the Scheme is effectuated, record date for determining who participates in the scheme as a shareholder in Rhipe
Implementation date	October 2021	If the Scheme is effectuated, the shares in Rhipe will be transferred to Crayon or cancelled, and the scheme consideration is provided to Rhipe's shareholders

These dates are indicative and subject to change



Thank you