



Quarterly Results

Q3 2022

Melissa Mulholland, CEO

Jon Birger Syvertsen, CFO



25 October 2022

FINANCIAL REVIEW

Continued strong demand

Amounts in NOK



51%

Gross sales
7,774m



55%

Gross Profit
993m



57%

Adj. EBITDA
127m



0.1pp

Adj. EBITDA margin ¹
12.8%

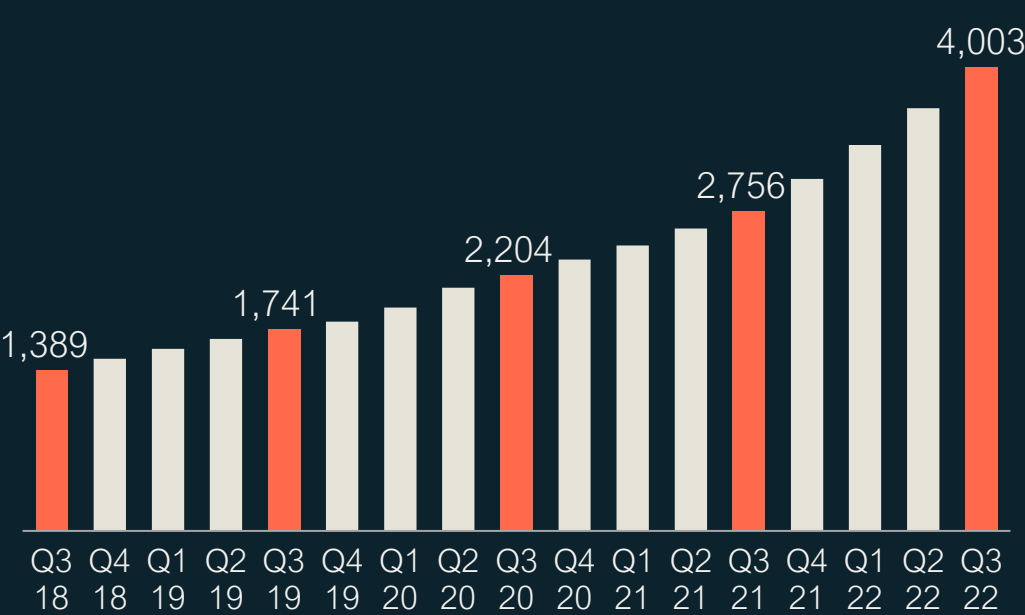
¹ Adjusted EBITDA divided by Gross Profit

FINANCIAL REVIEW

Continued strong growth momentum and value creation

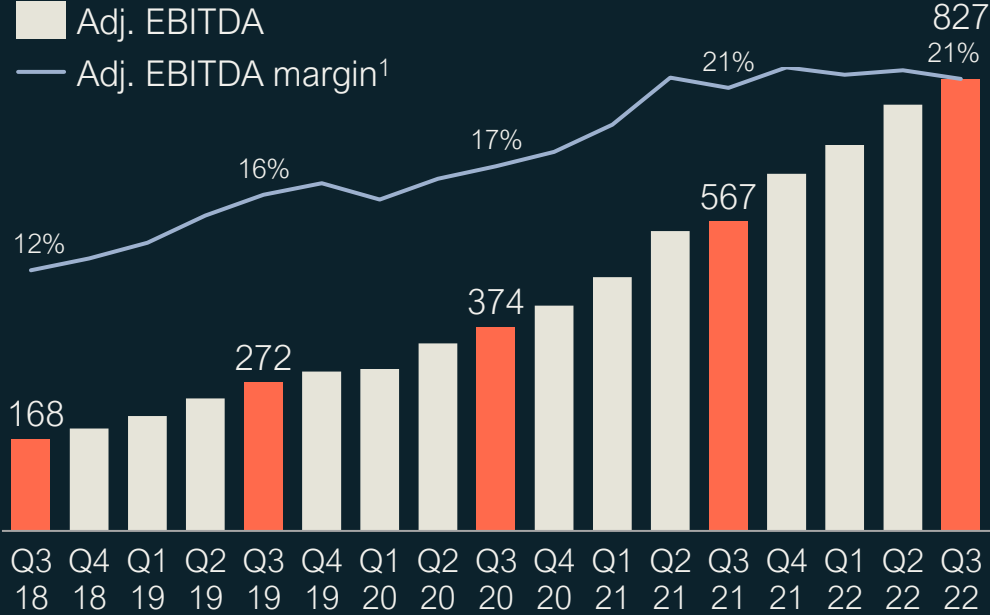
Gross Profit 12 months rolling
NOK million

CAGR
32%



Adj. EBITDA 12 months rolling
NOK million

CAGR
45%

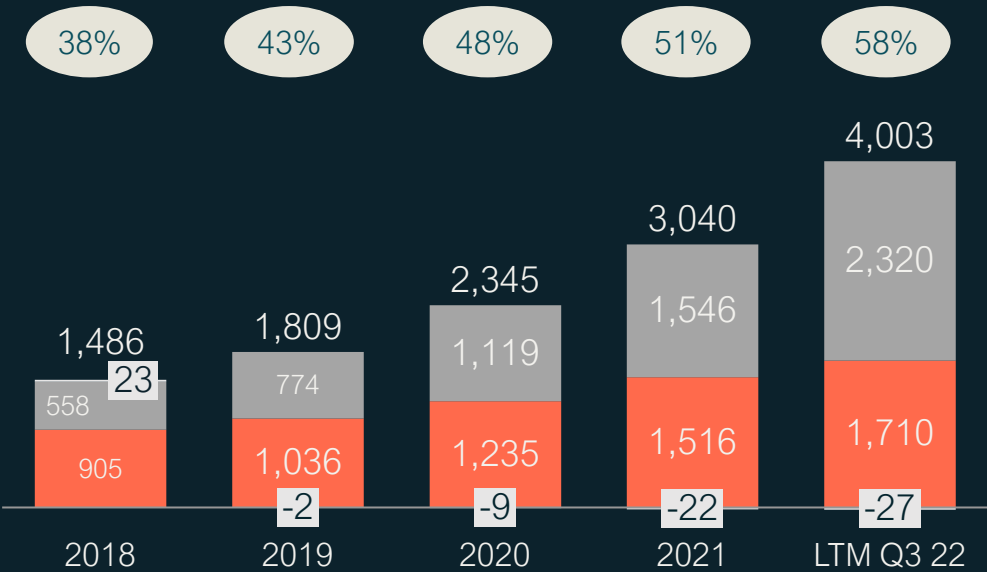


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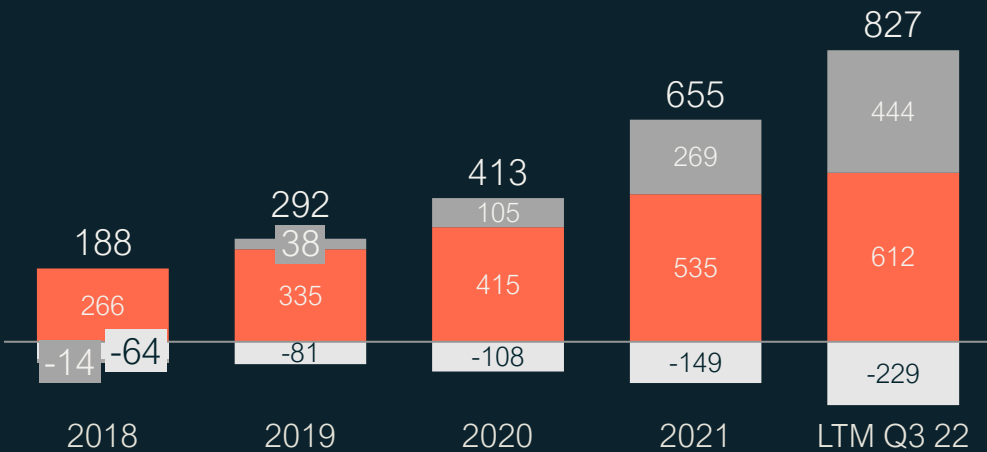
FINANCIAL REVIEW

Executing on strategy for profitable international growth

Gross Profit
NOK million



Adj. EBITDA ¹
NOK million



■ Nordic ■ International ■ HQ/Elim. % International share

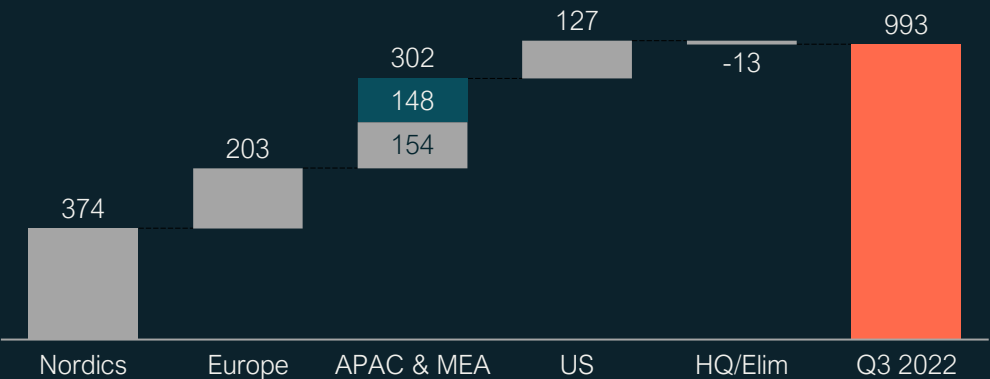
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Strong growth momentum across all market clusters

Crayon
Rhipe

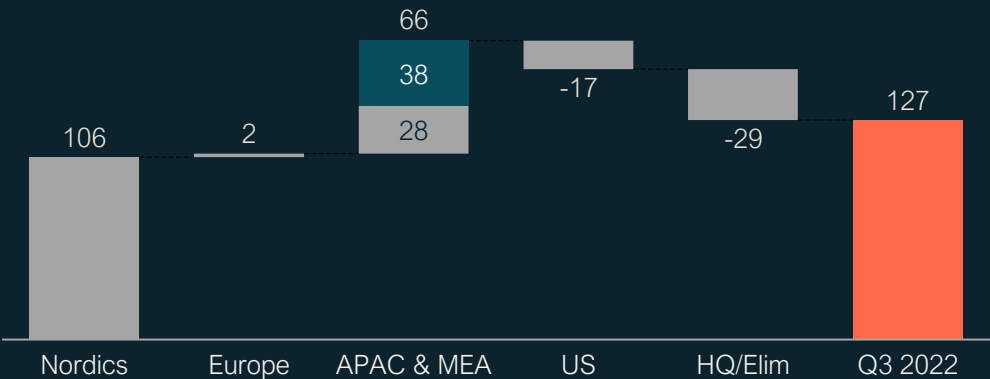
Q3 gross profit by market cluster

NOK million



Q3 adj. EBITDA by market cluster

NOK million



Growth	18%	43%	280%	16%	n/a	55%
Organic growth	18%	43%	94%	16%	n/a	33%

EBITDA Margin ¹	28%	1%	22%	-13%	n/a	13%
Change YoY	-3.8pp	-1.1pp	28.3pp	-19.6pp	n/a	0.1pp

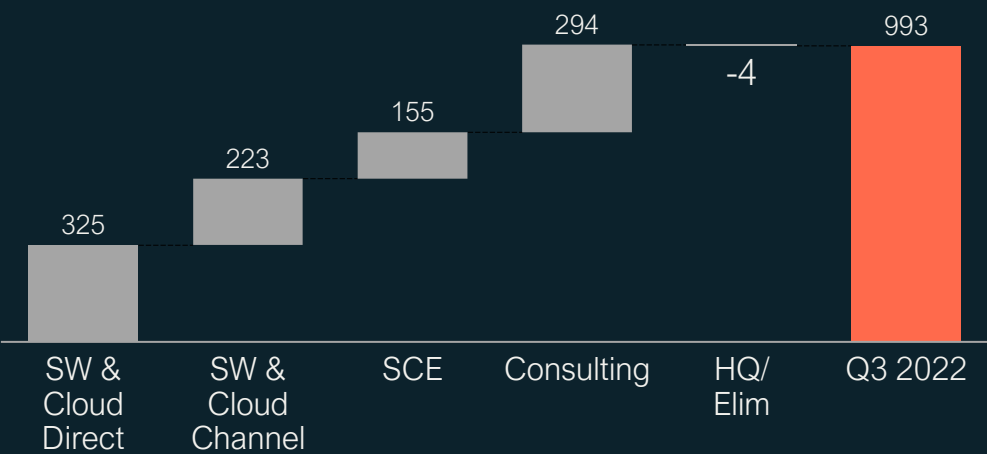
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FINANCIAL REVIEW

Improved profitability driven by scale and synergy effects

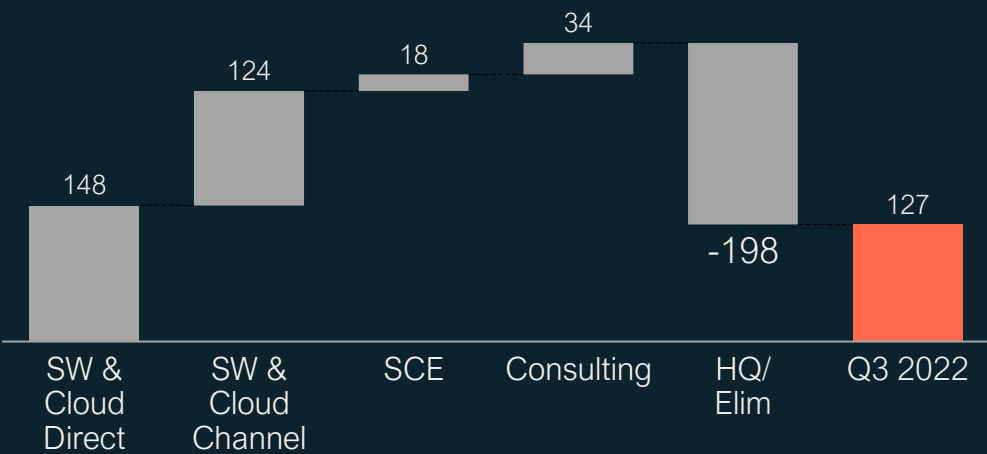
Q3 gross profit by business area

NOK million



Q3 adj. EBITDA by business area

NOK million



Growth
YoY



EBITDA
Margin ¹



Change
YoY

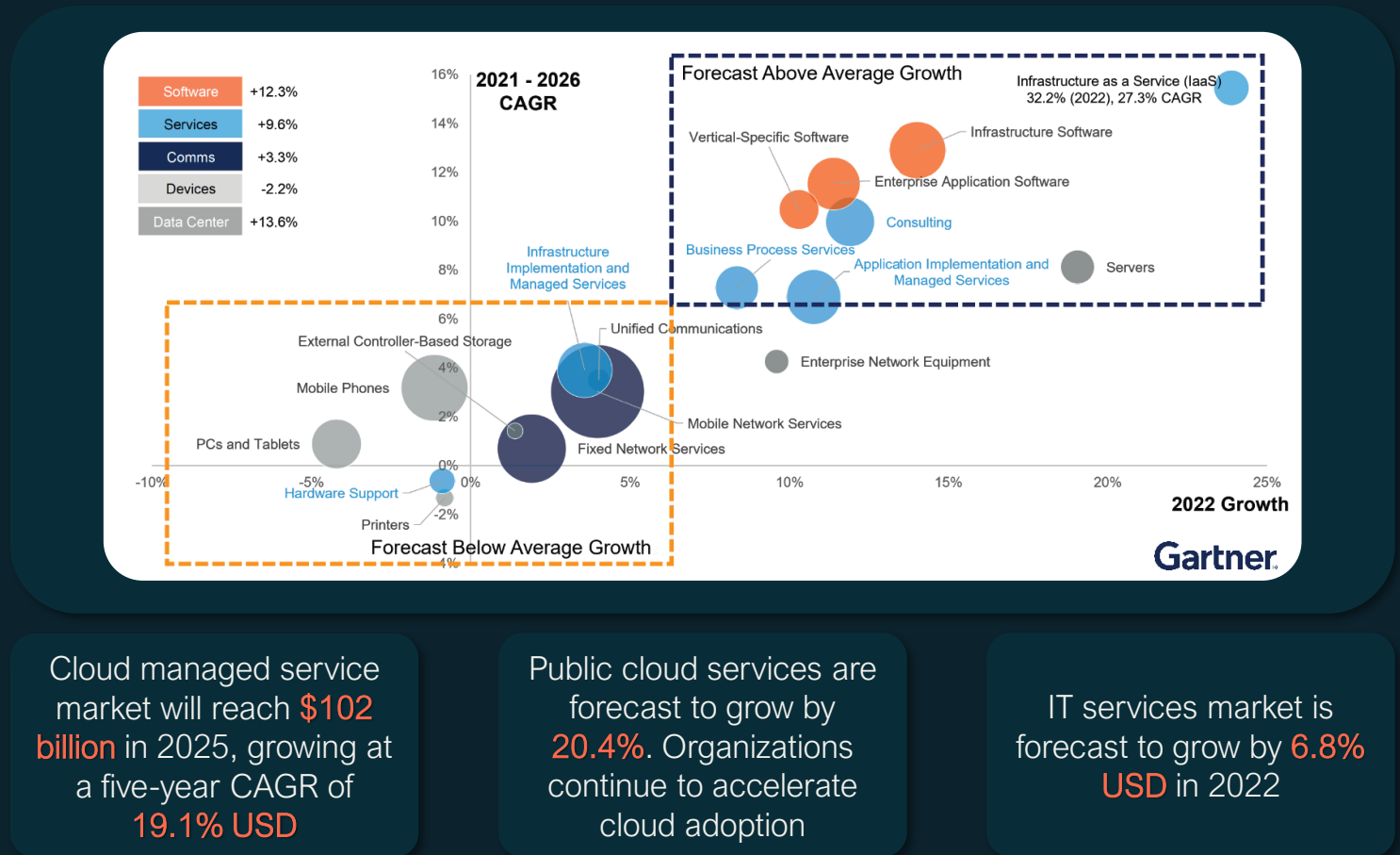


¹ Adjusted EBITDA divided by Gross Profit

Market opportunity

- ● Global IT spending reached **\$4.4 trillion** in 2022, representing a **4.0% increase** over 2021 spending levels. *Demand for IT remains strong* as enterprises push forward with digital business initiatives in response to economic turmoil.

- Gartner Forecast Analysis, 2022



Cloud managed service market will reach **\$102 billion** in 2025, growing at a five-year CAGR of **19.1% USD**

Public cloud services are forecast to grow by **20.4%**. Organizations continue to accelerate cloud adoption

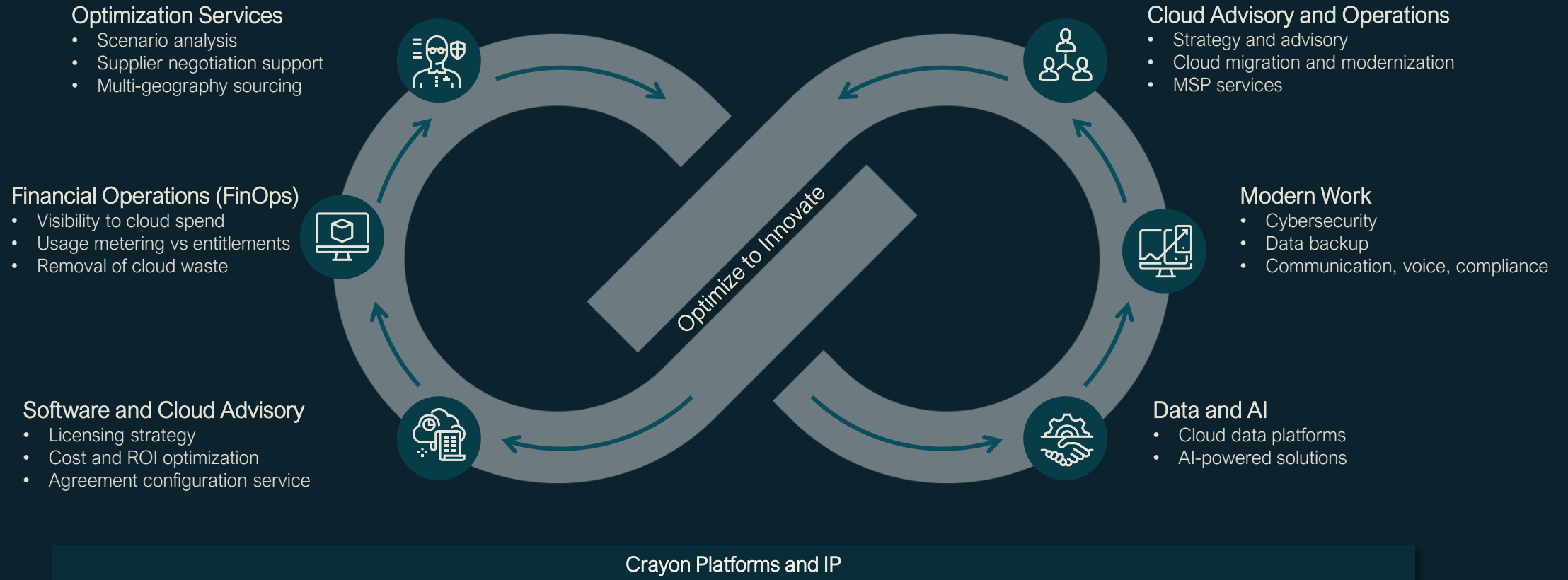
IT services market is forecast to grow by **6.8% USD** in 2022

Customer-centric approach



OUR GTM OFFERING

Crayon Service Portfolio



OUR DNA

Crayon Ukraine: A story of business resiliency



25

Total employees at
Crayon Ukraine



9

New team
members



27

New certifications



\$67k

Employee
donations raised



160+

workshops
delivered



20 000+

users moved to
cloud



40+

pre-sales for
Migration to Azure



141

customers received
trial Microsoft licenses



“Keeping up ‘business as usual’
seems impossible, but we want to
share our achievements with you.”

- Crayon Ukraine

CUSTOMER STORY

Optimization Services



Switzerland



The Coop Group includes various formats for retail, wholesale and production companies. With over 95,000 employees, the Coop Group, generated 31.9 billion francs in sales in 2021.



About the engagement

- Coop commissioned Crayon Schweiz AG to identify potential savings within the scope of the "Microsoft Optimization Services" to develop proposals for a future-proof licensing strategy



Business Solution

- Crayon focused on Coop's actual license requirements and offered customer-centric advice detached from manufacturer strategies.
- Crayon developed a standardized procedure for the eight largest companies within Coop Group and their subsidiaries.
- The Crayon consulting team developed proposals to optimize licensing models/plans. A significant element was de-bundling, the abandonment of software packages in favor of individual products.



Outcome

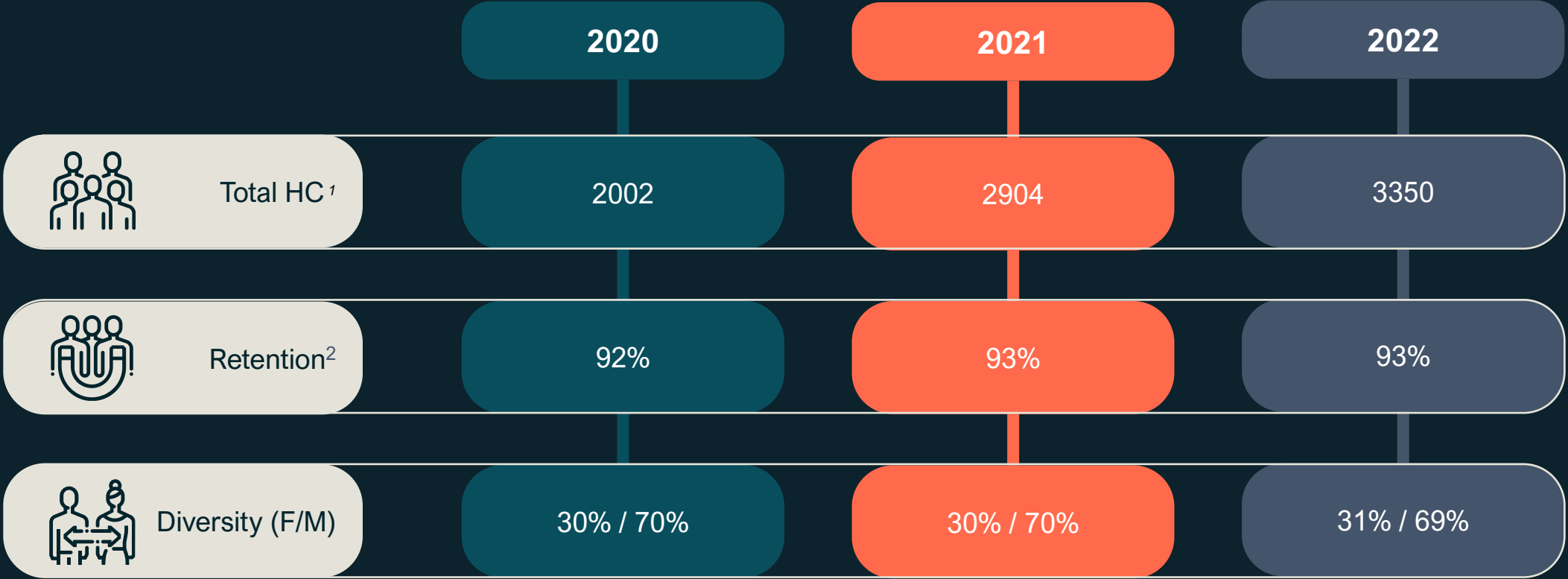
- Realization of a considerable savings potential for 95,000 employees
- A well-thought-out plan with consideration for Coop's current cloud strategy
- Renewal of Microsoft licenses after result-oriented negotiations
- Open, transparent communication with fast response times



"License optimization for an international group entails numerous challenges. Crayon asked the right questions and developed a holistic analysis of the license requirements."

- Jakob Schnurr, ICT controller
Coop cooperative.

Our team statistics



1 Includes FTE and Contractors
2 Average quarterly retention rate

Results of our commitment to ESG



Crayon is on the ESG100 list with a B+ grade

- Our global commitment to ESG has made us the fastest-rising company on the ESG100 list from Position Green.
- Crayon's improved rating can also be attributed to the publication of its ESG report in April.
- We are proud to continue to invest in a dedicated team that is responsible for executing and growing Crayon's ESG strategy.

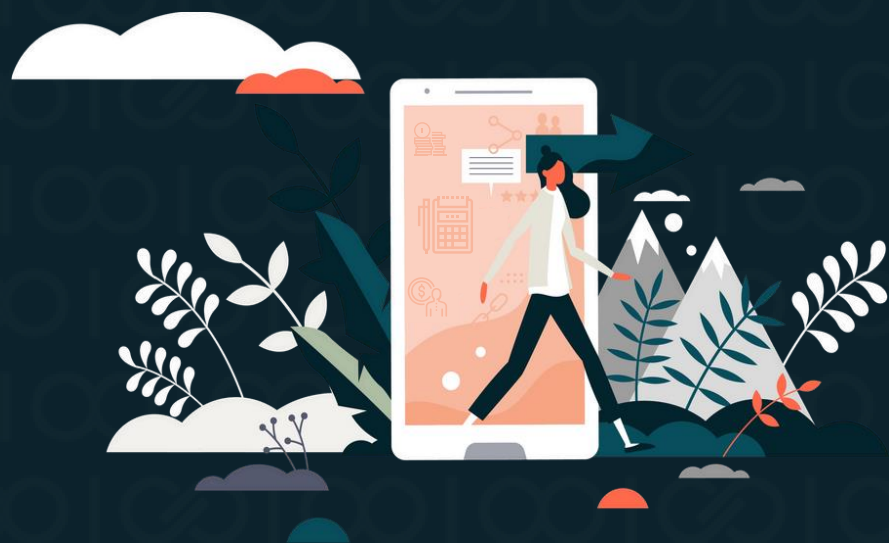
ISO 14001
certification

Global
Carbon
Reporting

98/100
SHE Index
& Inclusion
focus

Milestones that have helped Crayon get to this point.



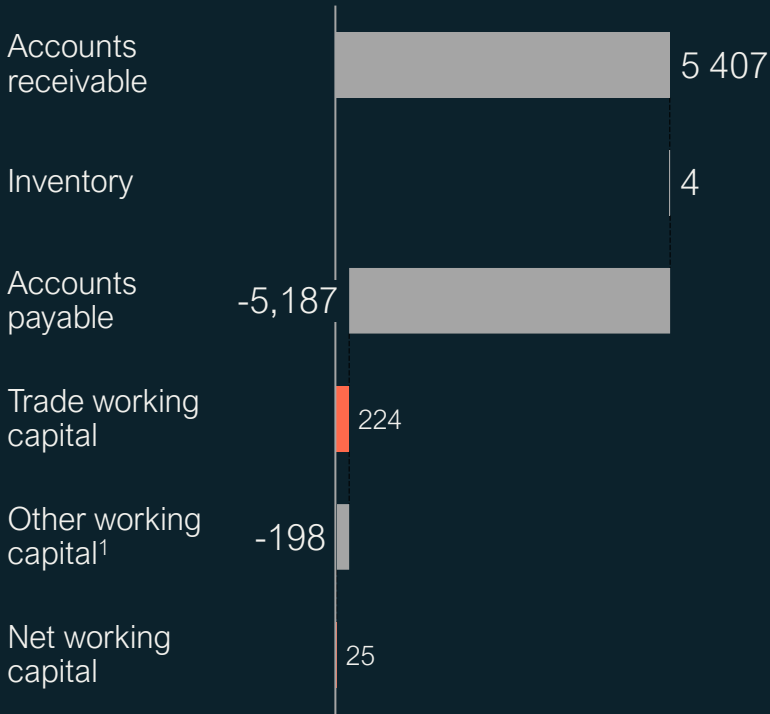


Financial Review

Working capital position in line with historic seasonality

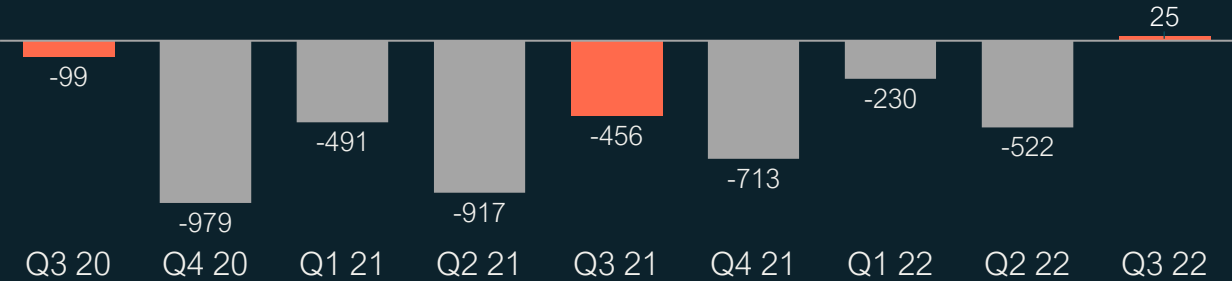
Net working capital Q3 2022

NOK million



Net working capital over time

NOK million



Change in net working capital in Q3 2022 compared with Q3 2021 is primarily driven by a NOK 424m increase in other working capital

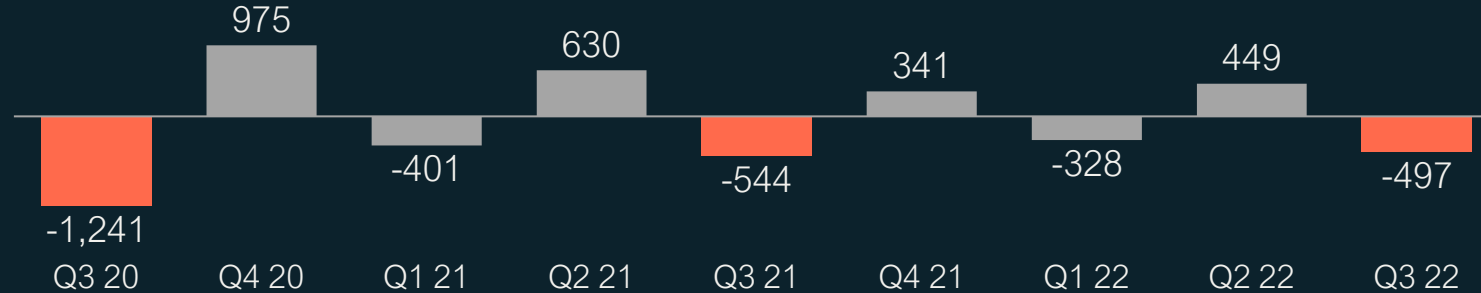
¹ Other working capital includes other receivables, income tax payable, public duties payable and other short-term liabilities

FINANCIAL REVIEW

Cash flow from operations also in line with historic seasonality

Cash flow from operating activities

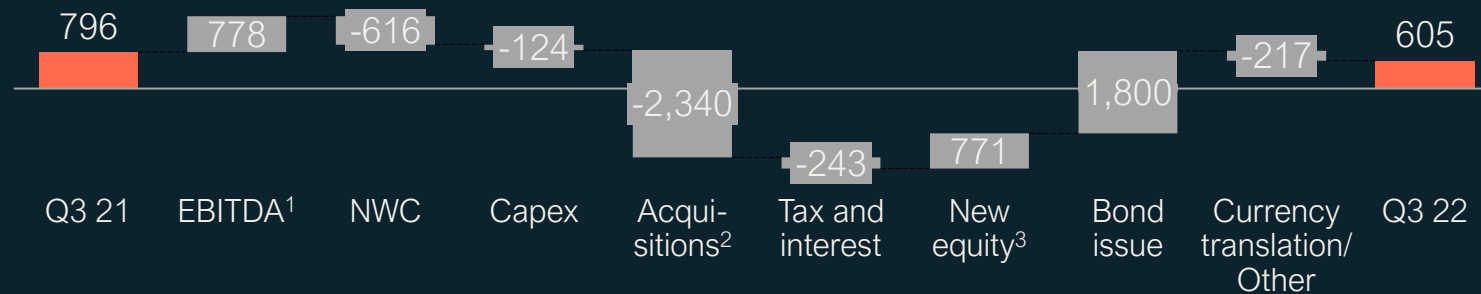
NOK million



Cash flow from operations is seasonal and driven mainly by changes to net working capital

LTM cash development

NOK million



Strong cash position and liquidity reserve of NOK 1,441m (943m) included undrawn facilities

¹ EBITDA (non-adjusted)

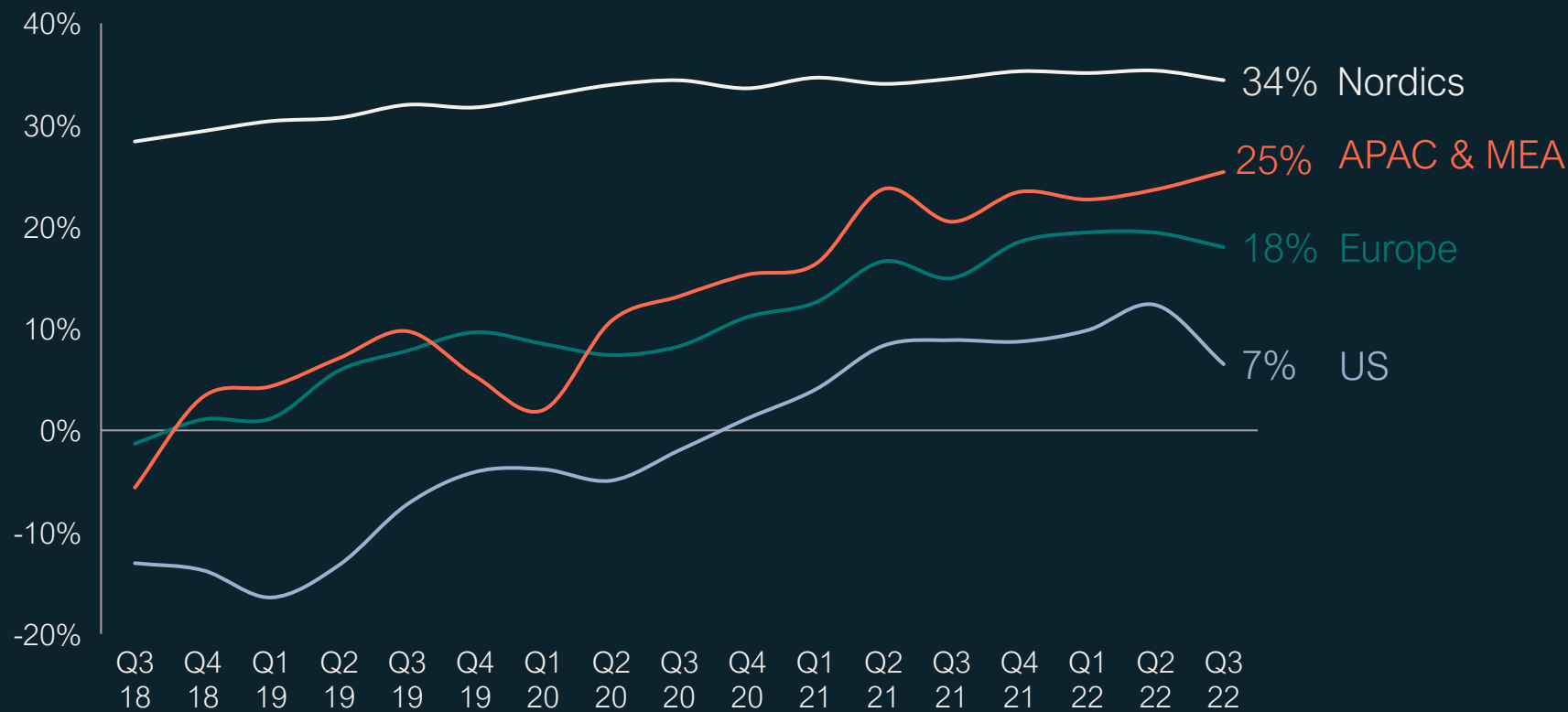
² Acquisitions include business combinations.

³ Includes cash flow effects from IFRS 16 and cash flow from financing activities

FINANCIAL REVIEW

Margin expansion driven by increased scale and cost optimization

12-months rolling adj. EBITDA margin ¹



- Nordics maintaining strong margins
- APAC margins continuing to scale through ripe acquisition and synergies
- Continued investments in future growth in US and Europe

¹ Adjusted EBITDA divided by Gross Profit

FINANCIAL REVIEW

Profit and loss - Q3 2022

NOK million	Q3 2022	Q3 2021	2021
Gross sales	7,774.5	5,147.2	26,438.3
Revenue	1,180.9	750.4	3,533.8
Cost of sales	(188.4)	(108.6)	(494.1)
Gross profit	992.5	641.8	3,039.7
Operating expenses	(870.4)	(581.4)	(2,448.8)
EBITDA	122.2	60.4	591.0
Adjustments	5.3	(20.9)	63.9
Adj. EBITDA	127.4	81.4	654.9
Depreciation & Amortization	(72.6)	(41.3)	(174.5)
EBIT	49.6	19.0	416.4
Interest expense	(52.9)	(25.4)	(83.1)
Other financial income/expense	(96.3)	(121.4)	(30.3)
Net income before tax	(99.5)	(127.7)	303.1
Tax expense	30.3	(12.3)	(49.2)
Net income	(69.2)	(140.0)	253.9
EPS	(0.67)	(1.67)	2.58

- Depreciation & Amortization up NOK 31m YoY, of which NOK 25m directly related to Rhipe.
- Interest expenses increased largely due to interest on new bond issuance and increased market rates
- Other financial income driven mainly by currency movements

FINANCIAL REVIEW

Balance sheet – Q3 2022

Assets	30 Sept. 2022	30 Sept. 2021
Contracts	589	164
Goodwill	3,224	927
Other intangible assets	296	158
Tangible assets	471	162
Non-current receivables	42	70
Investments in assoc. comp.	43	36
Total non-current assets	4,666	1,517
Inventory	4	5
Accounts receivable	5,407	3,267
Other current receivables	1,880	604
Cash & cash equivalents	605	2,578
Total current assets	7,895	6,456
Total assets	12,561	7,972

Equity and Liabilities	30 Sept. 2022	30 Sept. 2021
Shareholders' equity	2,519	1,249
Interest-bearing debt	1,776	297
Deferred tax liabilities	123	14
Other non-current liabilities	369	158
Total non-current liabilities	2,269	469
Accounts payable	5,187	3,106
Public duties	546	330
Current lease liabilities	60	31
Other interest-bearing debt	447	1,890
Other current liabilities	1,532	897
Total current liabilities	7,773	6,254
Total equity and liabilities	12,561	7,972

- Contracts and goodwill driven by Sensa and rhipe acquisitions
- NOK 300m bond will be settled in November
- NIBD/Adj. EBITDA 2.5x



Outlook



2022 OUTLOOK

2022 gross profit and EBITDA outlook maintained

	2021	LTM Q3 2022	FY 2022 outlook	Medium term	Comment
Gross profit growth	29.6%	45.2%	35-40%	~20%	2022 outlook implies organic growth in line with medium-term outlook
Adj. EBITDA margin ¹	21.5%	20.7%	22-23%	Gradual increase to 25%	Continuing to invest in resources to drive growth while realizing scale benefits across international markets
Net working capital ²	-21.2%	-9.0%	-15% to -20% -5% to -10%	-15% to -20%	Expected to normalize medium-term driven by working capital improvements
Capex	NOK 82.8m	NOK 107.1m	NOK ~100m NOK ~125m	NOK ~100m	Continued investments into platforms to drive scalable growth, 2022 office move

¹ Adjusted EBITDA divided by Gross Profit

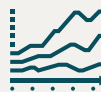
² Average NWC last 4 quarters as share of gross profit last 4 quarters

KEY TAKEAWAYS

Summary and Outlook



Strong demand environment supporting global growth ambitions



Proven ability to drive profitable growth across a global market portfolio



Customer centric business model at the core



Q&A

