

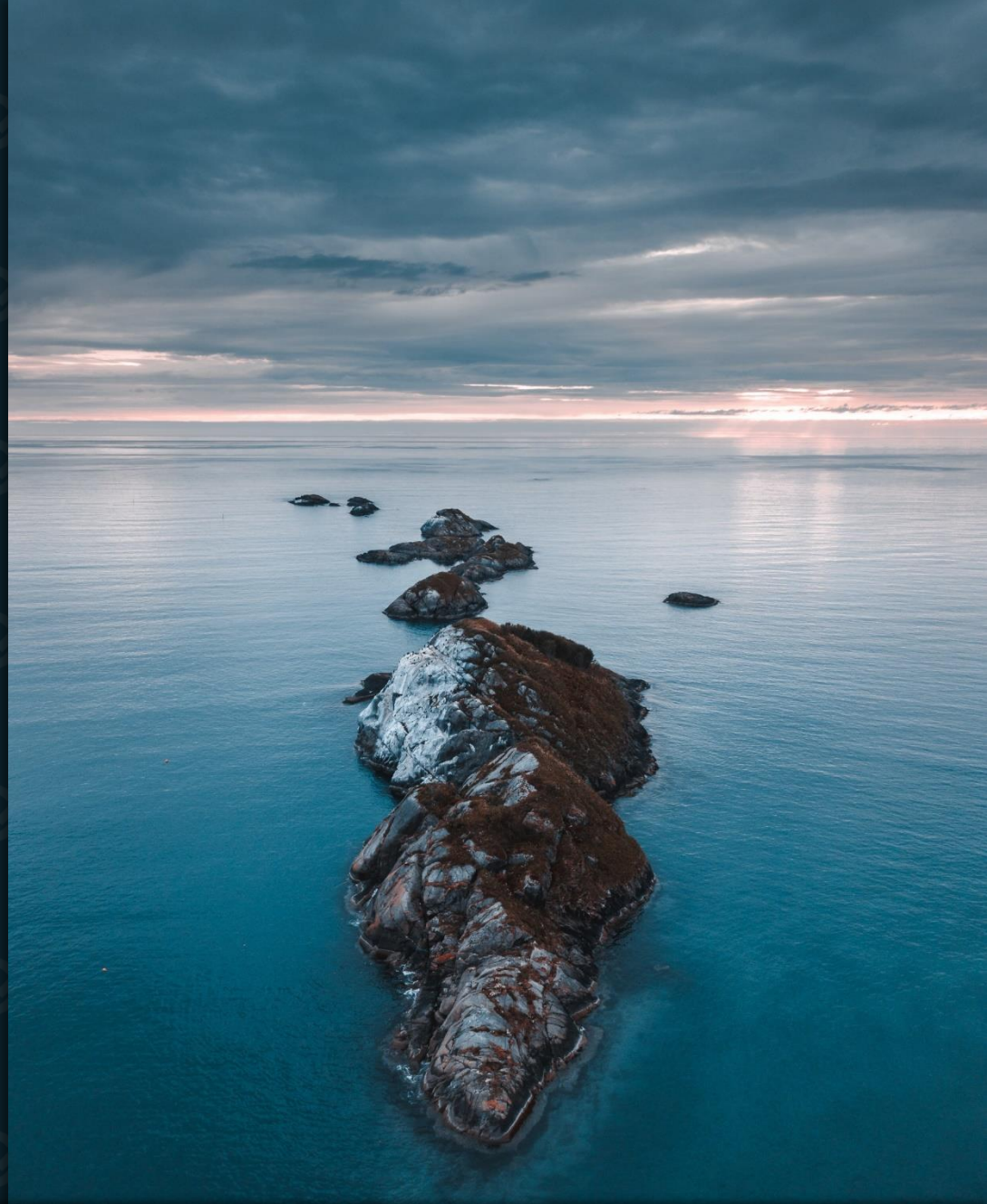


Quarterly Results

Q4 2022

Melissa Mulholland, CEO

Jon Birger Syvertsen, CFO



14 February 2023

FINANCIAL REVIEW

Resilient demand driving strong growth

Amounts in NOK



Q4 2022 ¹

Gross Profit
1,302m

+37%

Adj. EBITDA
287m

+28%

FY 2022 ¹

Gross Profit
4,353m

+43%

Adj. EBITDA
890m

+36%

Retention
94.5%

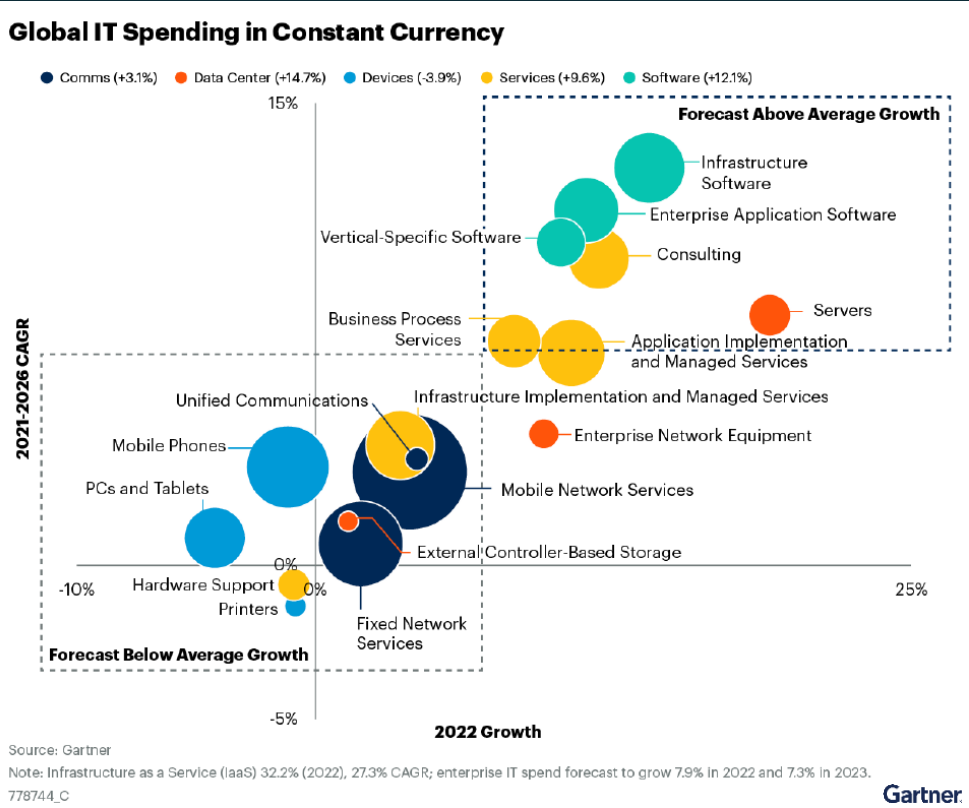
+1.5pp

Total headcount
3447

+547

¹ Based on historic accounting policy – for comparability

Solid market opportunity - software and services outperforming the sector



Digital transformation driving continued IT spend



Enterprises accelerate innovation and see investments in technology as enabler of cost efficiency

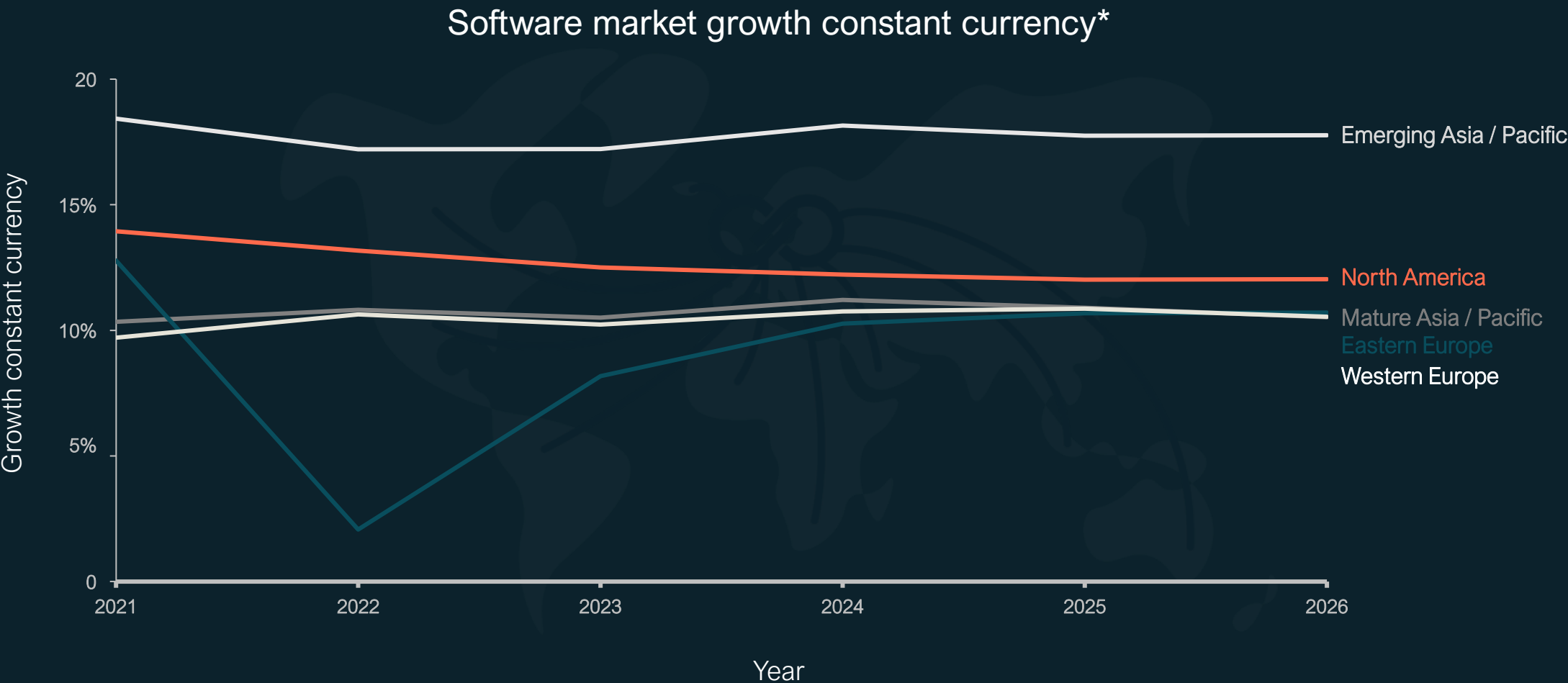


Digital technology applied to create new revenue streams, products, and services



Shift in spending to cloud first for new initiatives while maintaining existing on-premise environments

Resilient international markets

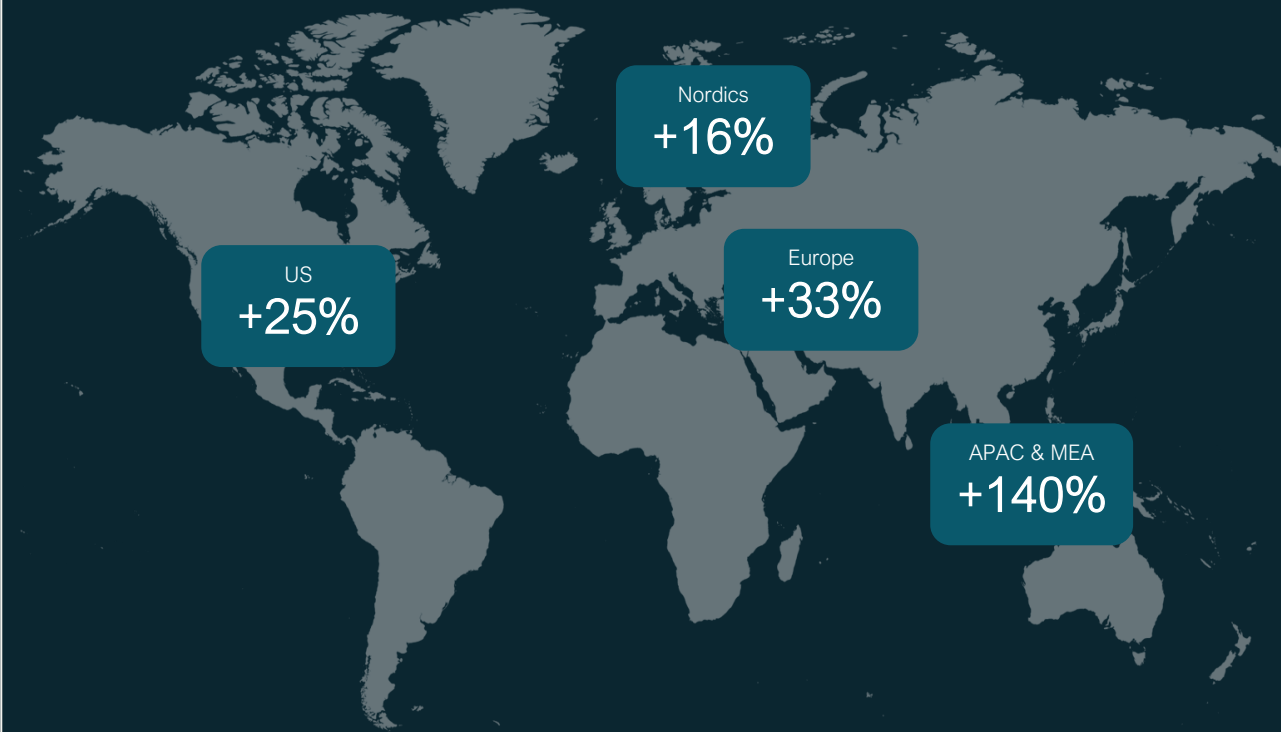


*Source: Forecast Analysis: IT Spending, Worldwide
Currency Published: 06 December 2022
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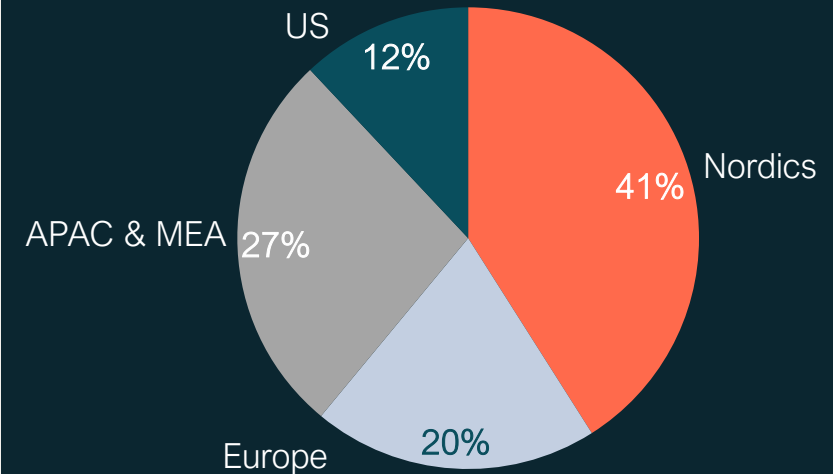
ABOUT

Global expansion continues - 59% of Gross Profit coming from international markets

2022 Gross Profit growth ¹



Gross Profit share ²



- Successful strategy for international growth continues
- Crayon business model scalable across geographies
- APAC & MEA growth driven by successful integration and continued strong business performance in rhipe

¹ Based on historic accounting policy – for comparability
² Gross Profit numbers based on LTM figures, excluding Admin/Eliminations

Key 2022 global achievements



People-centric strategy

- Strengthened leadership competency
- Celebrated 20-year anniversary – kicked off Crayon Cares
- Invest in employee development – 94.5% employee retention
- Established global DEI strategy – No. 2 on SHE Index

Customer-first focus

- 95% customer retention
- 3rd consecutive year of being in the Gartner MQ for SAM Mgd. Services
- Launched global Security Center of Excellence
- Integration with rhipe strengthened offerings in APAC

Best-in-class multicloud expertise

- Awarded Premier AWS Partner status
- Continued growth in our vendor portfolio across 21 providers
- AI and ML Advanced specialization Microsoft partner
- Fastest-growing Microsoft E5 partner worldwide

Increased value creation

- Strong Gross Profit growth
- Profitable growth across all markets and business areas
- Strong performance in APAC – accretive rhipe acquisition
- Cash flow performance in line with historical levels

Increasing our commitments to ESG

2022 main achievements

- 2022 marked the first year of Crayon's ESG campaign, including global implementation of Crayon Cares initiative
- Global ISO 9001, 27001, 27701, and 14001 certifications
- New ESG report complemented the Annual report – B+ in ESG 100 Index
- Carbon reporting across the whole group



2023 priorities

- Report all GHG emissions
- Achieve Science Based Targets initiative validation
- EU Taxonomy
- Further scale our DEI initiatives – mandatory unconscious bias training
- Maintain or improve our B+ rating for our 2022 ESG report

CUSTOMER STORY

AWS Migration and Cost Optimization



New Zealand



RecruitOnline is an Australia-based software company that helps with the entire recruitment process. It has thousands of customers in Australia, New Zealand, and the Philippines. The company aims to make recruitment easier and more efficient for businesses.



Client Problem

- Reduce and optimize AWS costs and infrastructure
- Move on-prem workloads to AWS
- Secure the platform
- Domestic growth and international (UK) expansion



Crayon Solution through Parallo

- Crayon sat on the same side as the customer to truly understand and resolve their challenges - to have a platform that is secure, optimized for cost and stable.
- Crayon was engaged for Cloud Platform Management Services, to optimize the customer's cloud environment for cost efficiency, and performance. This removed platform distractions and allowed the customer to focus on growth.
- Guidance on AWS funding (The team had no previous experience applying for vendor funding and found huge value in our support.)



Outcome

- With limited internal resource, RecruitOnline are now scaling efficiently.
- MVP agreement with Crayon will move onto an agreement from 1 March

RecruitOnline



CUSTOMER STORY

SCA Optimization and Direct Licensing



United States



A Fortune 500 company with more than 13,000 employees worldwide, including dozens of subsidiaries and affiliates and net sales over \$9 billion annually.



Client Problem

- The company was looking for a new LSP to help drive their EA renewal
- They wanted to consolidate/centralize their licensing to achieve higher discounts
- They needed help to understand the best licensing options for their needs



Crayon Solution

- Crayon took a SAM approach, listened closely to the customer to understand and resolve their challenges
- The Crayon team completed Microsoft Baseline, Office 365 Rightsize, and Agreement Optimization engagements across all its subsidiaries
- Crayon helped consolidate, transfer licenses and rightsize the company's licensing to achieve the most cost-effective agreement



Outcome

- The company saved over \$3.1 Million USD over three years (equivalent to 25%)
- Crayon is proposing continued optimization services, renewal and negotiation support through a 3-year managed service to multiple subsidiaries worldwide.



"Great work Crayon team! On behalf of our team here we are very appreciative of the efforts and the results your team has made."



Financial Review

CFO highlights



2022 Highlights

- Strong Gross Profit growth resulting in EBITDA growth
- Successful integration of rhipe over the past 12 months, resulting in strong APAC performance
- Robust financial position – net debt / EBITDA 2.0x with available liquidity reserves of NOK1.5bn
- Final implementation of agent principle according to IFRS 15 completed



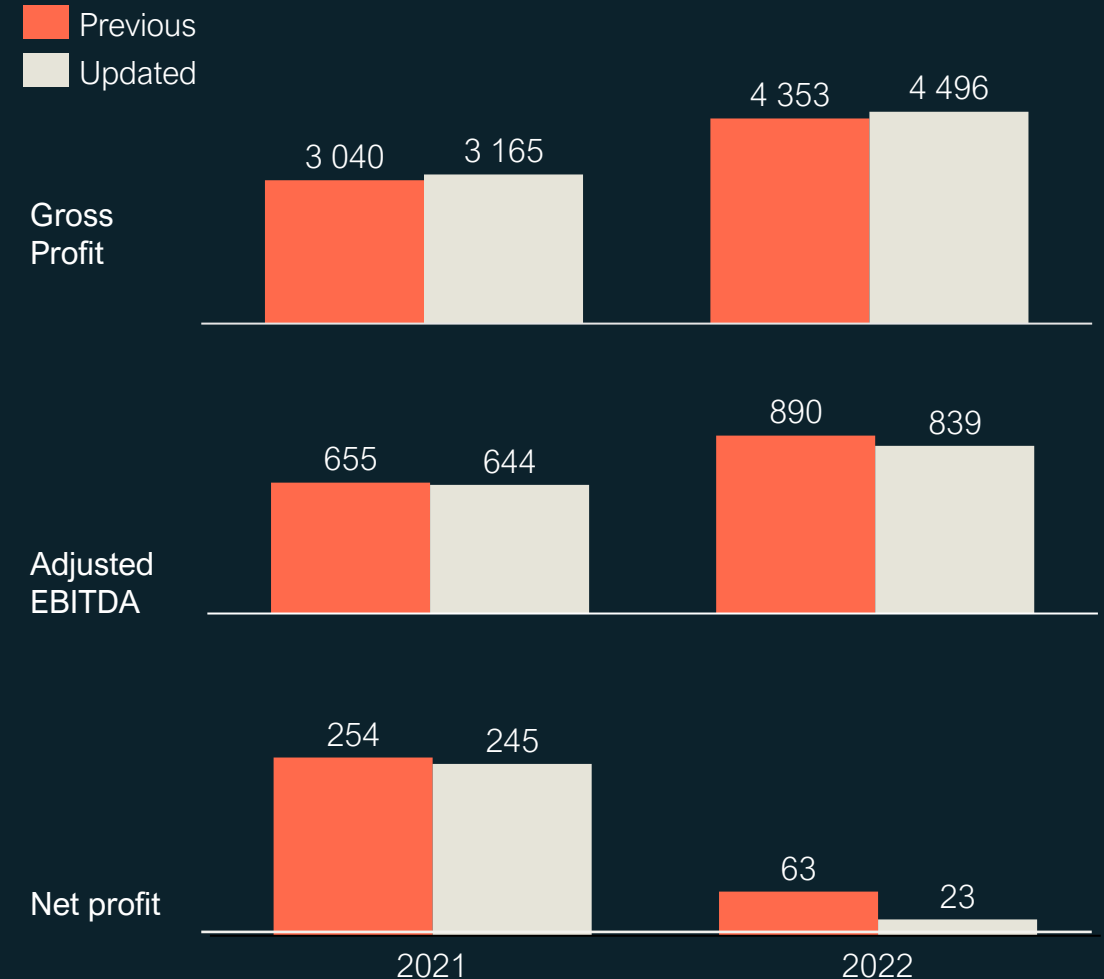
2023 Priorities

- Drive growth based on favorable market conditions and well-positioned business model
- Ensure cost control to drive profitable growth and margin expansion – cost efficiencies alone expected to drive 0.5 p.p margin improvement
- Improving cashflow by strengthening cash collection processes
- Identifying value accretive M&A targets in key international markets

Outlook for 2023 demonstrating resiliency of market and Crayon business model

Final implementation of agent principle

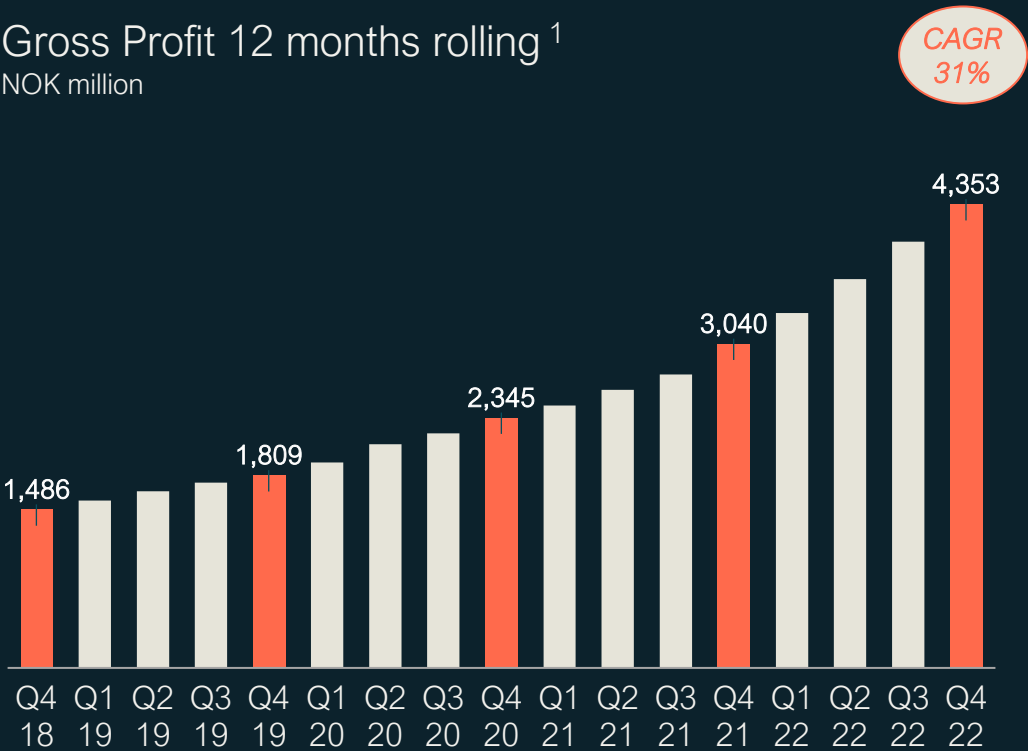
- On April 20, 2022, the IFRS Interpretation Committee (IFRIC) concluded on principal vs agent assessment under IFRS 15 for Software Resellers
- For 2022 quarterly reporting, this has been implemented by setting revenue equal to gross profit on all relevant SW&Cloud transactional business
- In parallel, re-assessing performance obligations under IFRS as customer (per agent principle) is no longer the end customer, but rather the vendor
- As the customer is changing, the performance obligations are also changing for some licensing programs
- As a consequence, two categories of changes, leading to a restatement of 2021 and 2022 results
 - Some incentive programs are no longer a reduction of costs, but rather a separate revenue stream
 - Multi-period license agreements to be recognized when agreement is concluded, not based on billing flow to end user
- The 2022 EBITDA impact is an implementation effect, and should not reflect on expected EBITDA in future periods



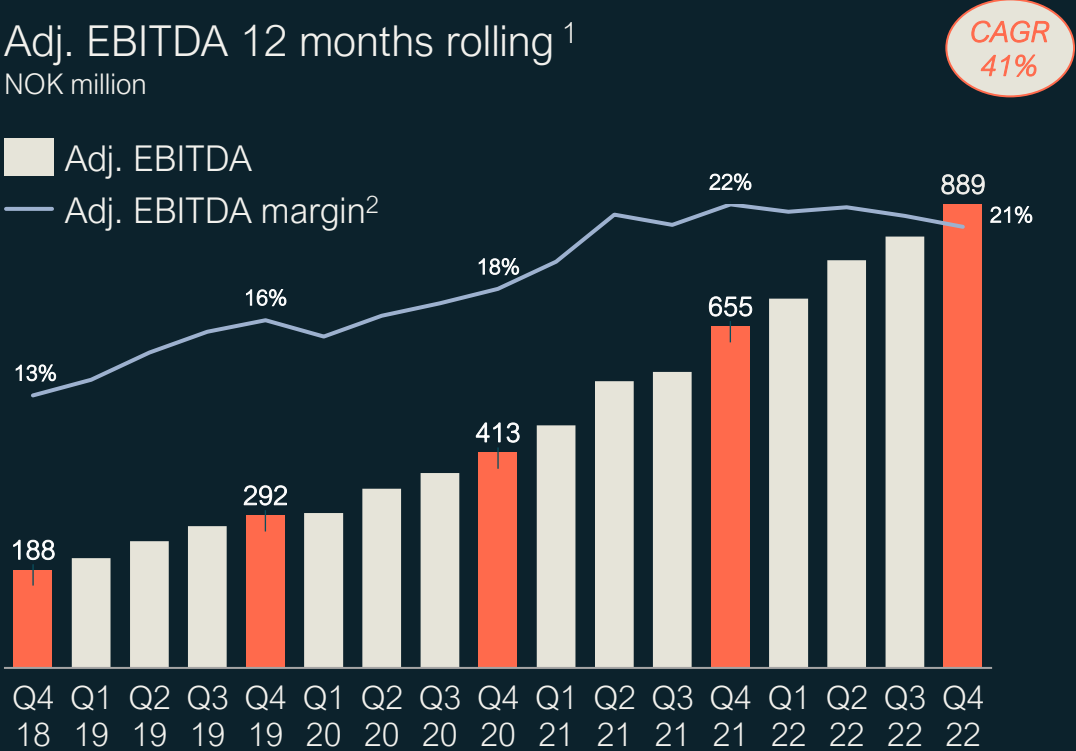
FINANCIAL REVIEW

Continued strong growth momentum and value creation

Gross Profit 12 months rolling ¹
NOK million



Adj. EBITDA 12 months rolling ¹
NOK million

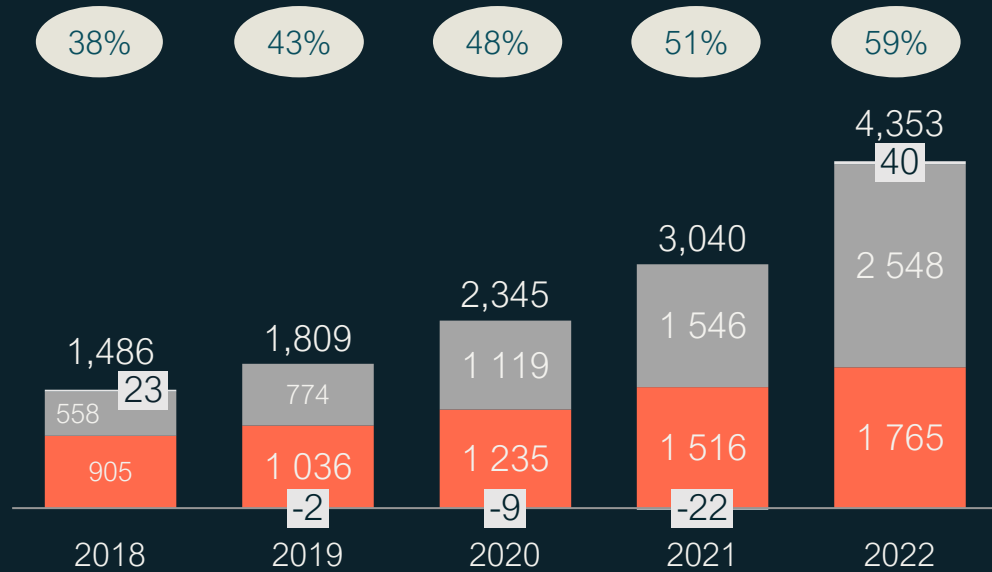


¹ Based on historic accounting policy – for comparability
² Adjusted EBITDA divided by Gross Profit

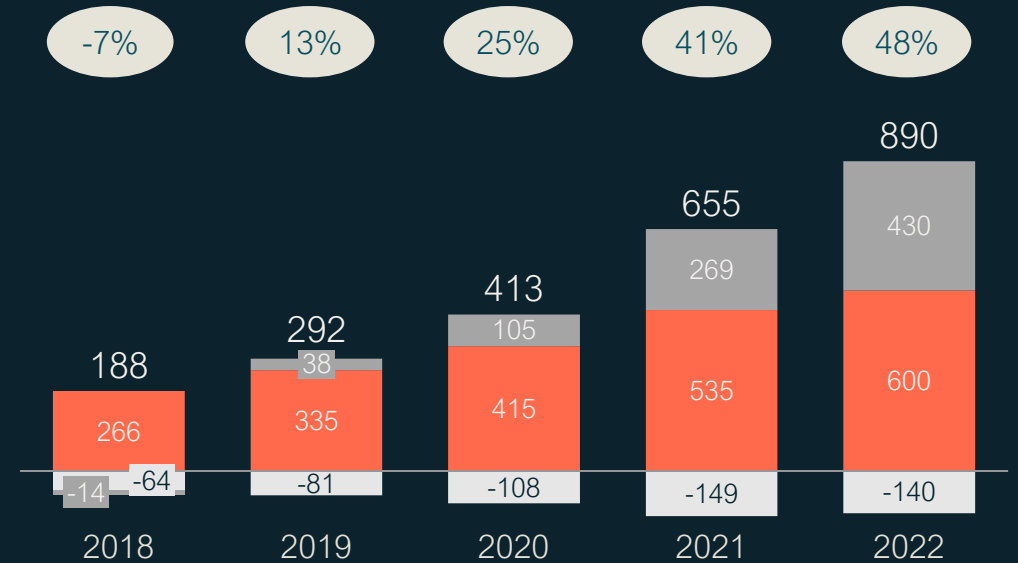
FINANCIAL REVIEW

59% of Gross Profit coming from international markets

Gross Profit ¹
NOK million



Adj. EBITDA ¹
NOK million



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

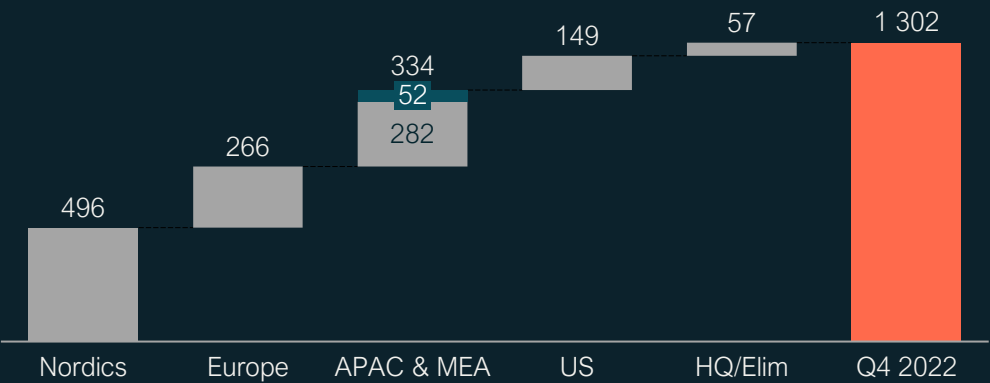
¹ Based on historic accounting policy – for comparability

Strong growth momentum across all market clusters

Crayon
rhipes³

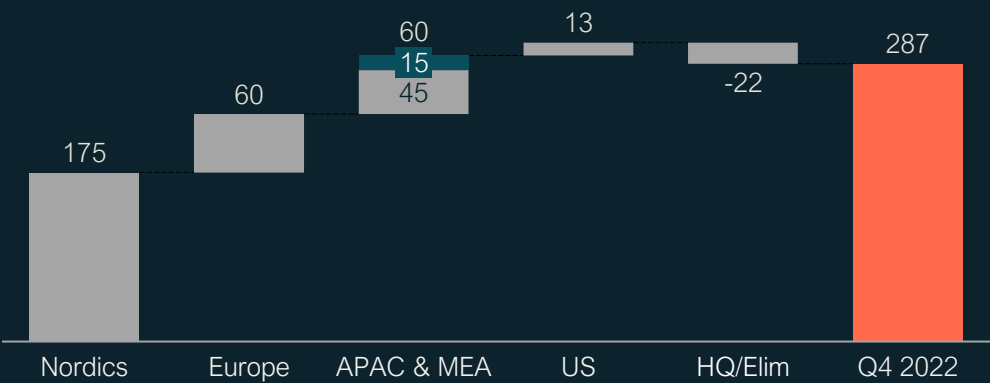
Q4 Gross Profit by market cluster ¹

NOK million



Q4 adj. EBITDA by market cluster ¹

NOK million

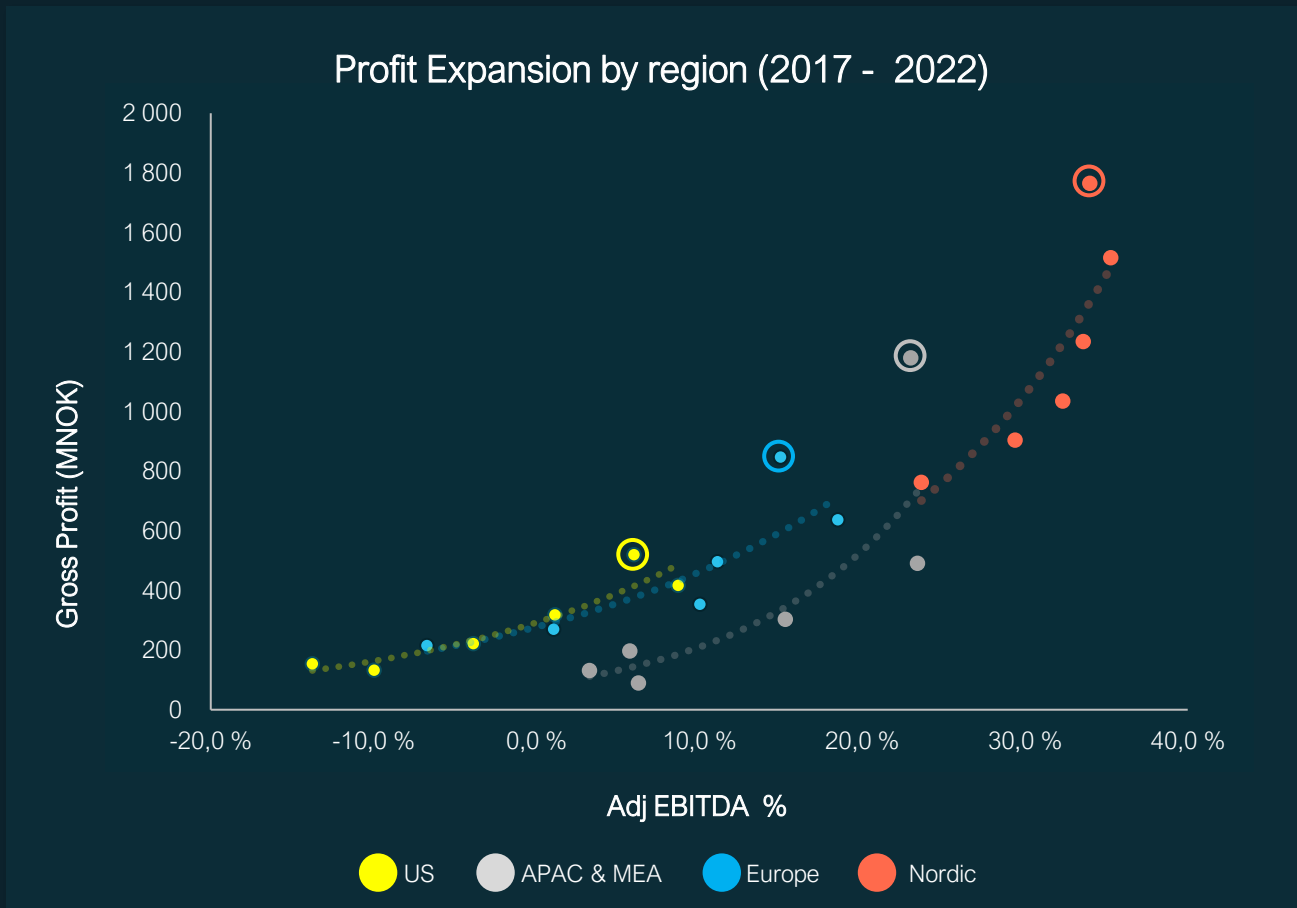


Growth	12%	35%	59%	31%	n/a	37%
Organic growth	12%	35%	34%	31%	n/a	31%

EBITDA Margin ²	31%	17%	19%	4%	n/a	22%
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¹ Based on historic accounting policy – for comparability
² Adjusted EBITDA divided by Gross Profit
³ October 2023 contribution from rhipes, as rhipes was fully consolidated into Crayon from Nov 2022

Scale supporting profit expansion



Crayon Philippines status

Tax audit

- Tax audit in Crayon Philippines revealed incorrect VAT reporting on payments related to purchases of software from foreign suppliers
- Crayon has amended and rectified the reporting in Q4
- Incorrect reporting had no P&L benefit for Crayon but rectifying had a negative working capital impact as prepayments of approximately NOK 55m NOK of VAT was required
- As a result of the incorrect reporting, Crayon has been charged with penalties of NOK 30m and interest of NOK 9m
- Penalty excluded from adjusted EBITDA

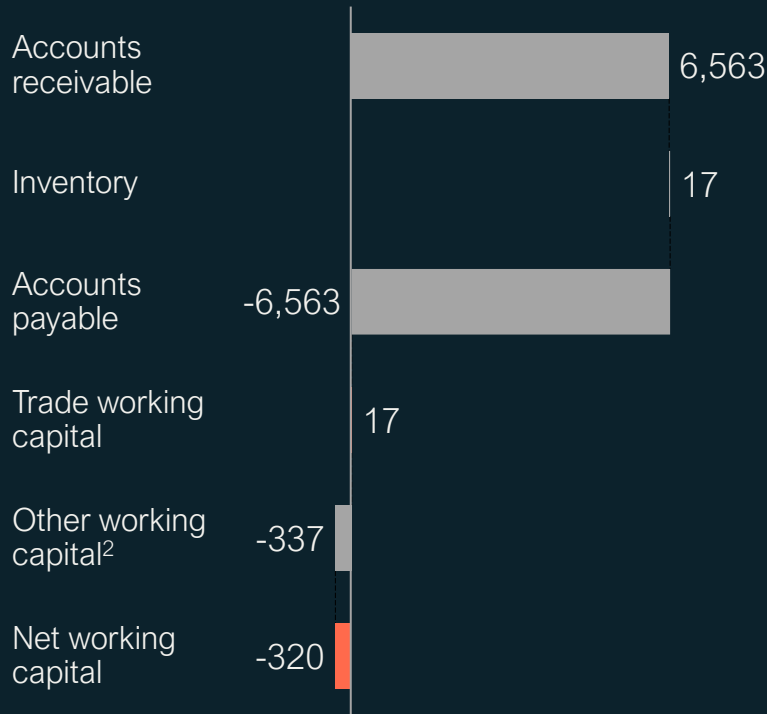
Outstanding Receivables from Public Sector

- Change of government in the Philippines has led to delayed payments across the public sector, affecting all vendors
- Crayon has for the past 2 years served the PH public sector on Microsoft licenses with timely payments
- Starting Q3 2022, the public sector agreement was subjected to an audit for new taxation introduced by the government and included in cost of licenses
- Audit has led to delay in payments, as timing of payment is dependent on official audit completion
- No concern around eligibility of receivables - also confirmed with independent legal advice
- However, payables to Microsoft has been continuously settled resulting in Q4 negative working capital impact of approximately USD 45m for year-end 2022

Working capital in line with historical seasonality

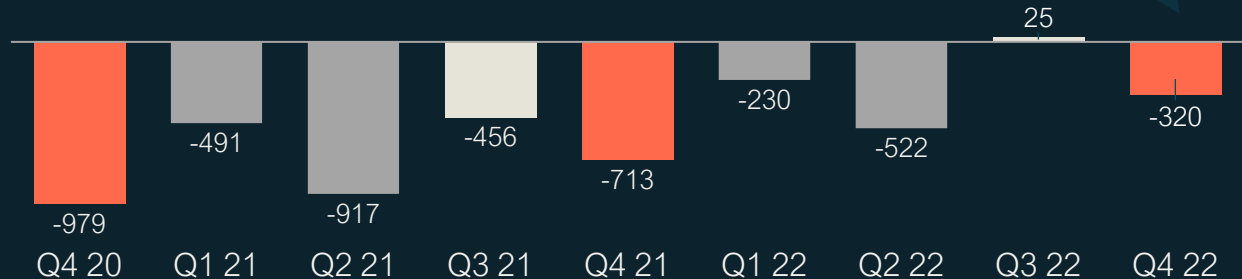
Net working capital Q4 2022 ¹

NOK million



Net working capital over time

NOK million



Adjusting for Philippine public sector receivables, working capital performance would be in line with Q4 2021 – a substantial improvement from Q3 2022

Change in net working capital in Q4 2022 compared with Q4 2021 driven by a NOK 335m increase in trade working capital and NOK 75m increase in other working capital

¹ Based on historic accounting policy – for comparability

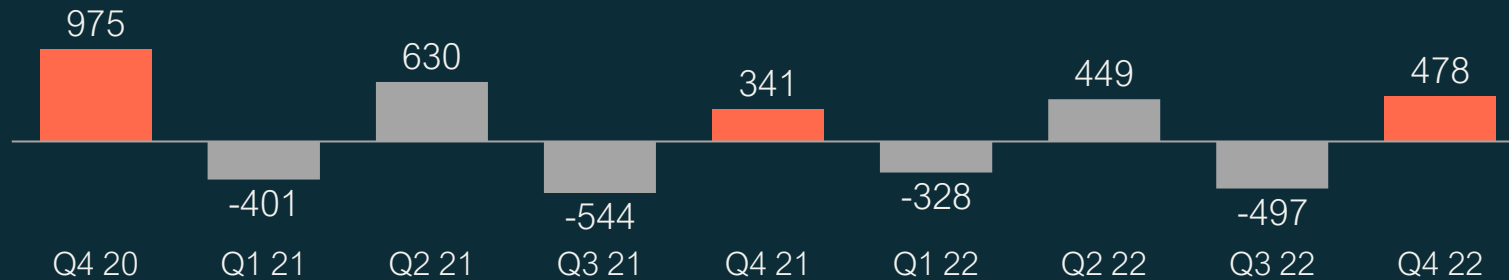
² Other working capital includes other receivables, income tax payable, public duties payable and other short-term liabilities

FINANCIAL REVIEW

Cash flow in Q4 2022 reflecting improving working capital

Cash flow from operating activities

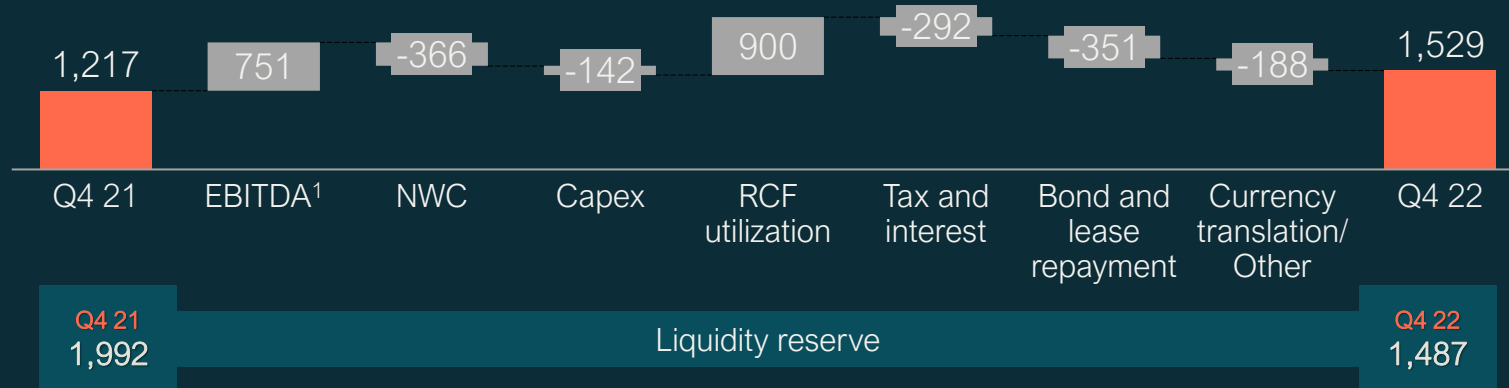
NOK million



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 1,487m included undrawn facilities. NOK 300m bond settled in cash in November

1 EBITDA (non-adjusted)

FINANCIAL REVIEW

Profit and loss – Q4 2022

NOK million	Q4 2022	Q4 2021	2022	2021
Revenue	1,506.6	1,186.8	5,199.5	3,658.8
Cost of sales	(233.7)	(180.8)	(704.0)	(494.0)
Gross Profit	1,272.9	1,006.0	4,495.6	3,164.7
Operating expenses	(1,088.1)	(834.7)	(3,744.0)	(2,585.0)
EBITDA	184.8	171.4	751.5	579.7
Adjustments	73.2	35.0	87.7	63.9
Adj. EBITDA	258.0	206.4	839.2	643.6
Depreciation & Amortization	(118.9)	(57.3)	(334.3)	(174.5)
EBIT	65.8	114.0	417.1	405.1
Interest expense	(57.8)	(37.9)	(193.9)	(83.0)
Other financial income/expense	54.8	124.5	(164.3)	(29.0)
Net income before tax	63.1	199.5	65.5	291.8
Tax expense	(39.6)	0.25	(42.1)	(46.6)
Net income	23.5	199.7	23.3	245.1
EPS	0.38	2.31	0.29	2.59

- Increased Depreciation & Amortization compared to Q322 related to write down of rhipe IP – no Goodwill impairment
- Interest expenses increased largely due to increased market rates
- Tax expense driven by profitable operations in multiple markets
- Other financial income driven mainly by currency movements and divestment in Russia

Summary of adjustment items

Adjustment items (mnok)	Q4 2022	FY 2022
Share based compensation	8.8	13.5
Philippine tax reassessment	30.5	30.5
Fair value adjustments earn-outs	27.8	27.8
Other personal cost	5.7	11.4
Business development expenses and legal restructuring	4.2	4.7
Total	73.2	87.7

- Share based compensation related to accruals for options and bonus shares under ESPP program
- Philippines tax reassessment discussed on separate slide
- Earn outs relating to overperformance of historic acquisitions, in particular Navicle and EMT
- M&A / Integration cost primarily related to rhipe acquisition – no material cost remaining

FINANCIAL REVIEW

Balance sheet – Q4 2022

Assets	31 Dec. 2022	31 Dec. 2021
Contracts	541.3	598.8
Goodwill	3,146.7	2,998.2
Other intangible assets	303.0	280.7
Tangible assets	541.8	174.7
Non-current receivables	70.5	68.6
Investments in assoc. comp.	43.1	36.6
Total non-current assets	4,646.4	4,157.7
Inventory	17.3	2.8
Accounts receivable	6,562.9	4,492.9
Other current receivables	2,076.8	1,635.9
Cash & cash equivalents	1,529.6	1,216.6
Total current assets	10,186.8	7,348.4
Total assets	14,833.2	11,506.1

Equity and Liabilities	31 Dec. 2022	31 Dec. 2021
Shareholders' equity	2,540.3	2,352.8
Lease liabilities	410.0	87.2
Other interest-bearing debt	2,677.9	1,771.0
Deferred tax liabilities	199.6	189.9
Other non-current liabilities	33.1	58.2
Total non-current liabilities	3,320.8	2,106.4
Accounts payable	6,563.3	4,813.7
Public duties	689.3	517.0
Current lease liabilities	72.6	39.0
Other interest-bearing debt	121.8	413.3
Other current liabilities	1,525.1	1,263.6
Total current liabilities	8,972.0	7,046.8
Total equity and liabilities	14,833.2	11,506.1

- Contracts and goodwill driven by Sensa and rhipe acquisitions
- NOK 300m bond settled in November in cash
- NIBD/Adj. EBITDA 2.0x



Outlook



2023 OUTLOOK

2023 outlook

	2022 Outlook	2022 Comparable ³	2022 Restated	FY 2023 Outlook	Medium term	Comment
Gross Profit growth	35-40%	43%	42%	~20%	~20%	2023 outlook implies organic growth in line with medium-term outlook
Adj. EBITDA margin ¹	22-23%	20.4%	18.7%	20-21%	Gradual increase to 25%	Continuing growth while also improving cost efficiency
Net working capital ²	-5% to -10%	-6.0%	-0.8%	-5% to -15%	-15% to -20%	Expected to normalize medium-term driven by working capital improvements
Capex	NOK ~125	NOK 142m	NOK 142m	NOK ~125m	NOK ~125m	Continued investments into platforms to drive scalable growth

¹ Adjusted EBITDA divided by Gross Profit

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

³ Based on historic accounting policy – for comparability

Growth and profit dynamics

Key value drivers	
Nordics	▪ Expanding business opportunity with existing customer base ▪ Strong position in services – Cybersecurity, Data & AI, Migration ▪ High share of public sector clients
Europe	▪ Gaining market share in major markets, e.g Germany, France, UK and Switzerland ▪ Traction with global enterprise customers ▪ Channel business expanding with global customers
APAC / MEA	▪ Scale Channel business across regions ▪ Expand enterprise business in mature markets ▪ Continue to drive growth and profitability on our service portfolio
US	▪ Capitalizing on growth investments ▪ Growth in mid-market customers ▪ Continue to invest to accelerate growth

2023 priorities



People-First

Continue to deliver a people-first culture, enabling our employees to develop and grow while making Crayon a top place to work



Customer-Centric

Deliver value to our customers, execute with excellence, and focus on quality and success



Shareholder value

Driving profitable growth in key international markets while maintaining stringent cost control to preserve margin



Q&A





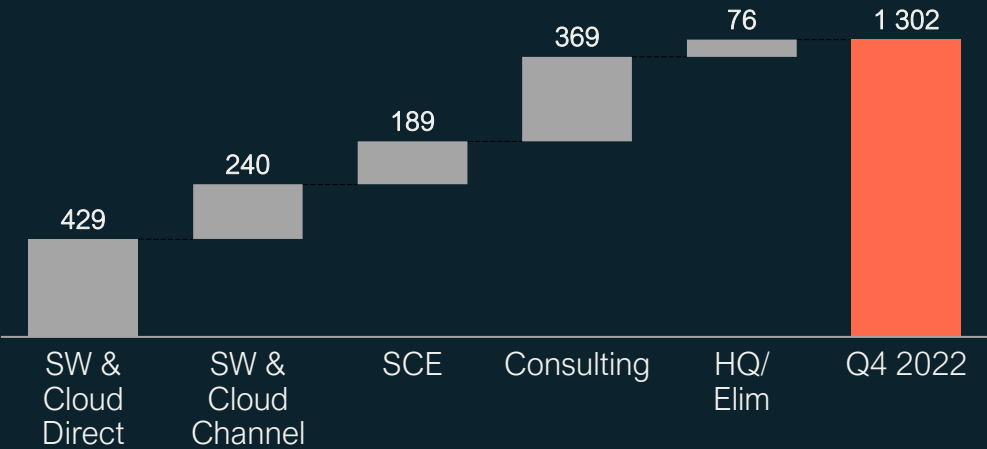
Appendix

FINANCIAL REVIEW

Solid growth across all business areas

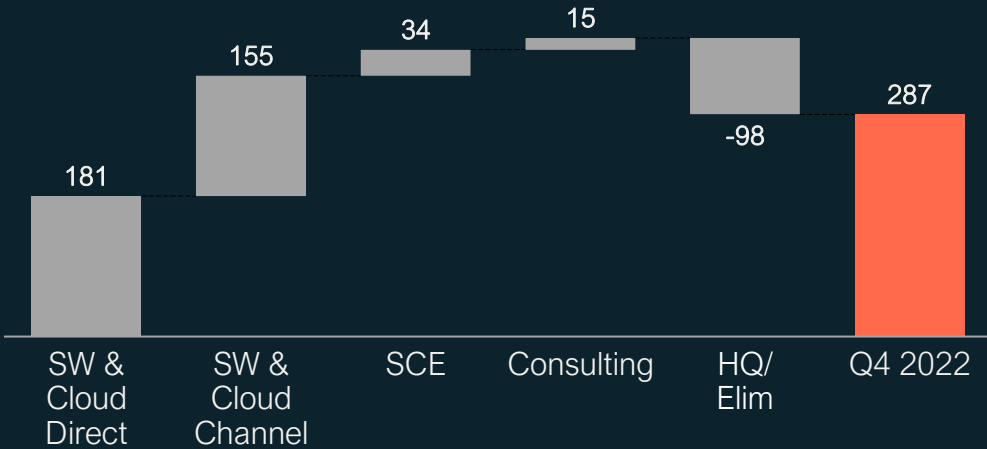
Q4 Gross Profit by business area ¹

NOK million



Q4 adj. EBITDA by business area ¹

NOK million



Growth
YoY



EBITDA
Margin ²



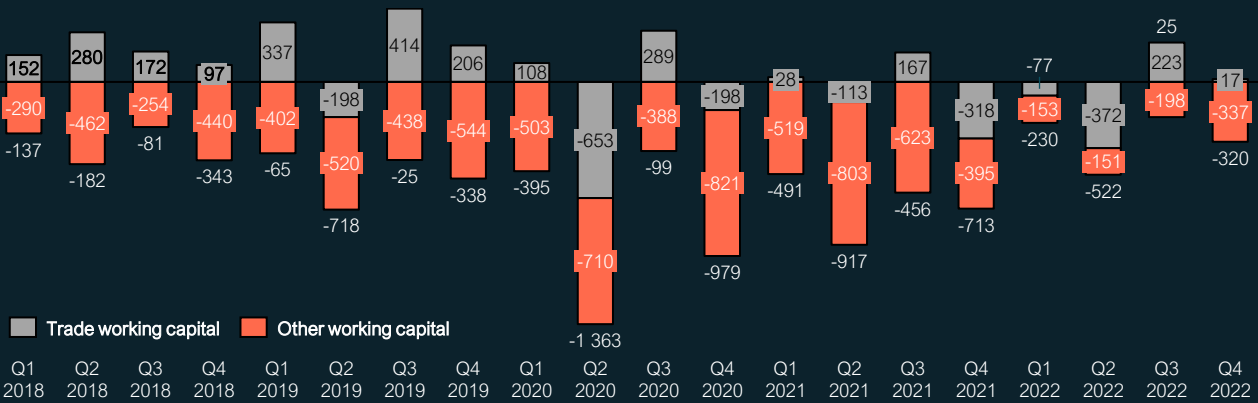
Change
YoY



1 Based on historic accounting policy – for comparability
2 Adjusted EBITDA divided by Gross Profit

Inherent business seasonality impacting net working capital

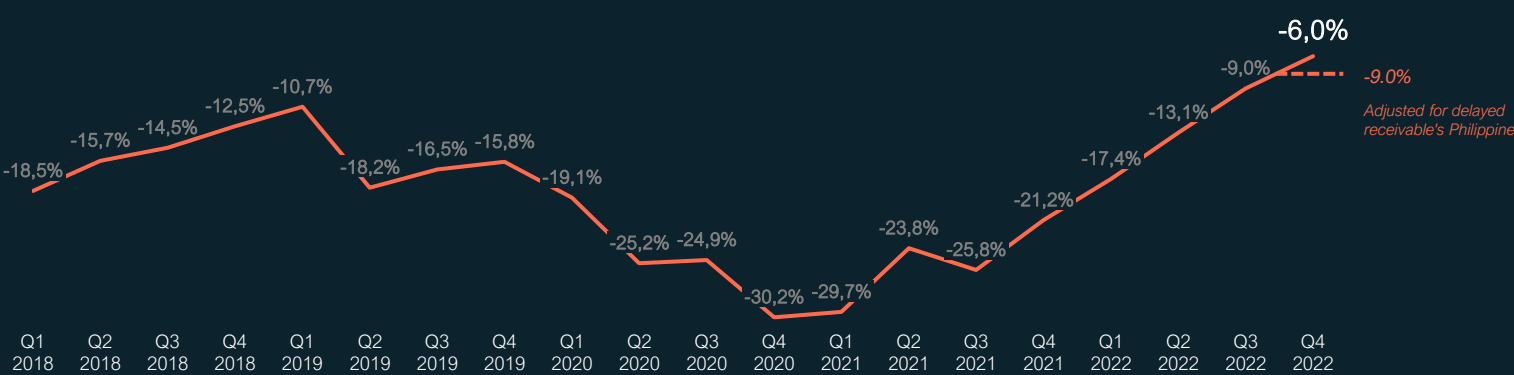
Net working capital ¹
NOK million



Trade Working Capital

- Receivables collection and timing for vendor payments are key drivers for trade working capital
- Working capital sensitivities: timing of business during quarter and collection end of quarter
- Significant QoQ and YoY variability
- Structurally higher working capital intensity in growing international markets
- High focus on improving collection processes – implementing Crayon best practice across all businesses

Average NWC as share of LTM gross profit ¹



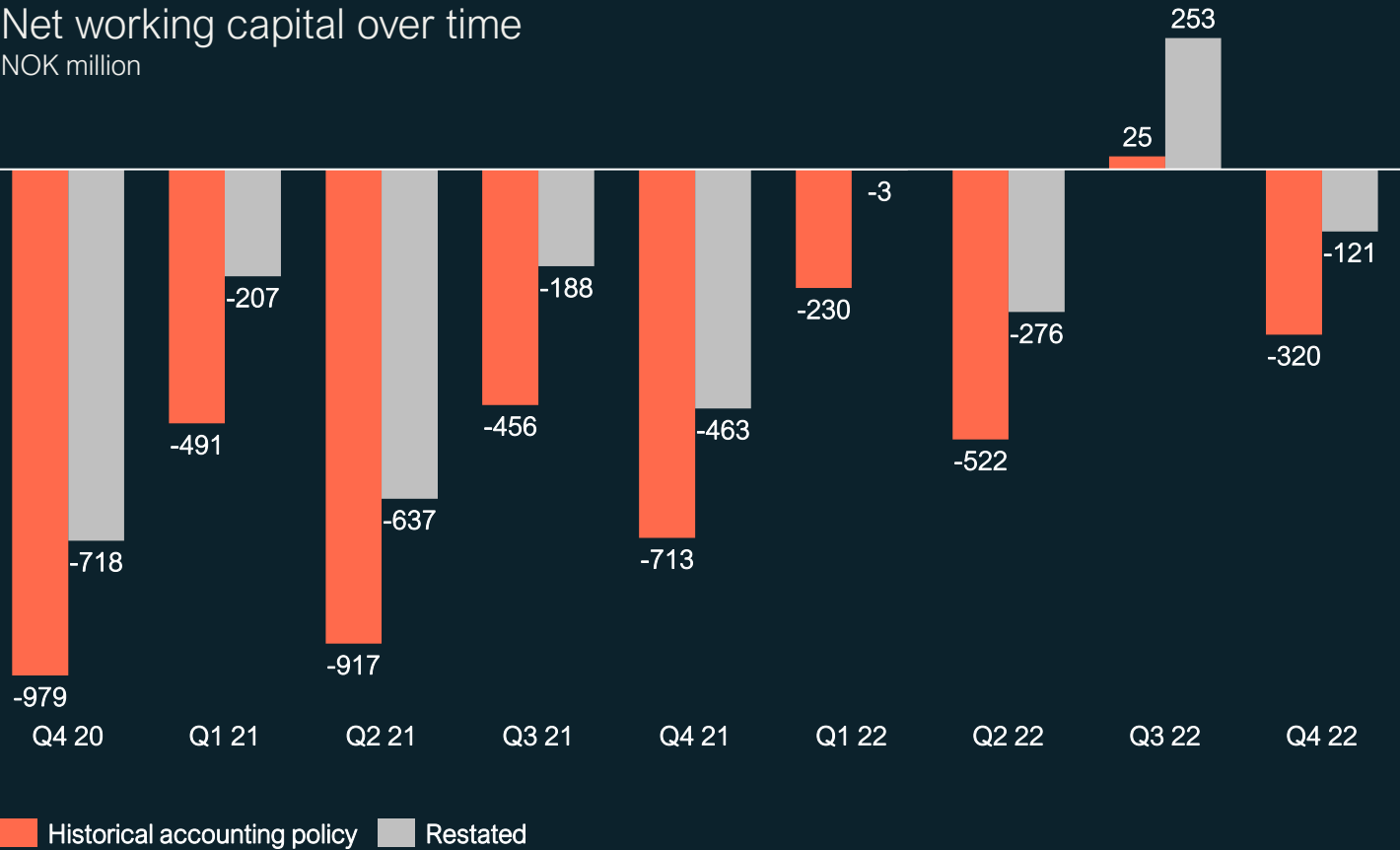
Other Working Capital

- Other current receivables include accruals for unbilled revenue – consistent with IFRS 15 requirements
- Other current liabilities include accruals for COGS, employee benefits related accruals, prepayments, other current accruals
- Timing of payment of public duties could give material swings
- Other working capital expected to grow in line with overall GP growth
- Longer billing cycles on consumption-based products

¹ Based on historic accounting policy – for comparability

Restatements impacts reported net working capital

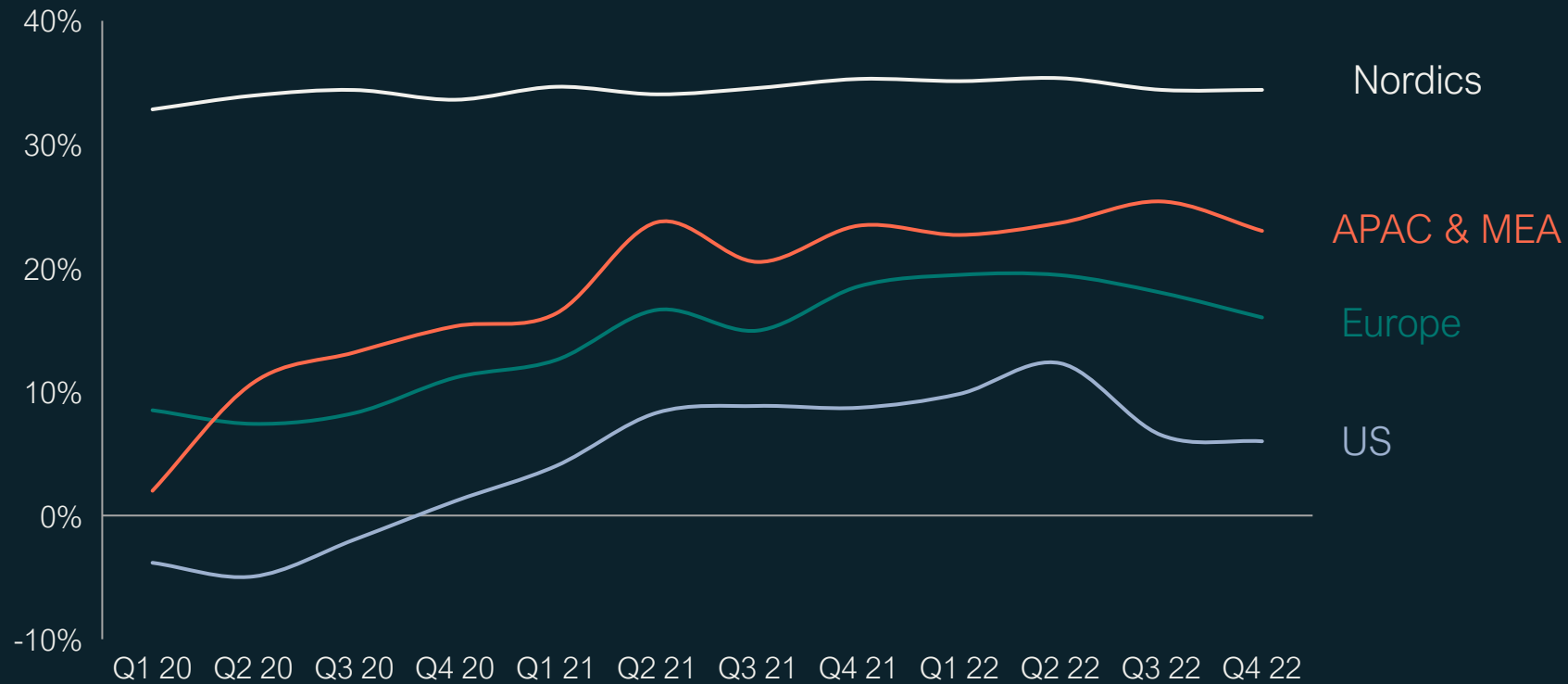
Net working capital over time
NOK million



- Change in policy increase Contract assets, which is included in Other receivables
- This increases historic net working capital on a consistent basis, however no cash impact

Margin development

12-months rolling adj. EBITDA margin ^{1/2}

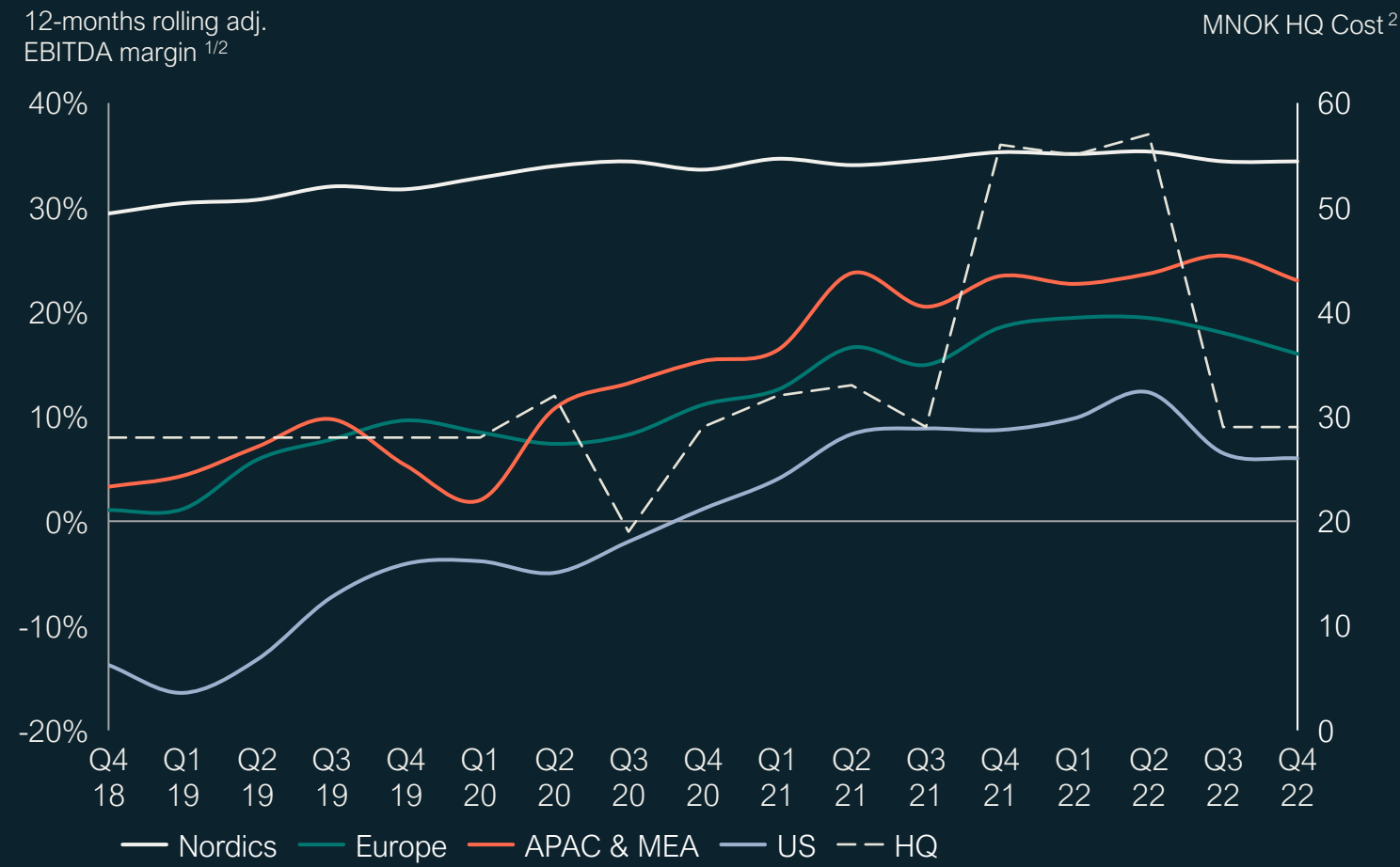


- Nordics maintaining strong margins
- APAC margins impacted cost related to PH tax audit
- Europe continues to invest in growth
- Margin reduction due to reallocation of HQ cost

¹ Adjusted EBITDA divided by Gross

² Based on historic accounting policy – for comparability

Margin development



- Nordics maintaining strong margins
- APAC margins impacted cost related to PH tax audit
- Europe continues to invest in growth
- Margin reduction due to reallocation of HQ cost

¹ Adjusted EBITDA divided by Gross
² Based on historic accounting policy – for comparability