



Investor presentation

March 2024



IMPORTANT INFORMATION

Disclaimer (1/2)

IMPORTANT INFORMATION

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- b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other bonds will have on its overall investment portfolio;
- c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;

- d) understand thoroughly the final terms and conditions for the Bonds; and
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IMPORTANT INFORMATION

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Target market

Solely for the purposes of the Manufacturer's (as used herein, "Manufacturer" refers to the Managers) product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Bonds are appropriate. The negative target market for the Bonds is investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile. Any person subsequently offering, selling or recommending the Bonds (a "Distributor") should take into consideration the Manufacturer's target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the Manufacturer's target market assessment) and determining appropriate distribution channels.

Placing fee

The Managers will be paid a fee by the Issuer in respect of the placement of the transaction.

ANY POTENTIAL INVESTOR INVESTING IN THE BONDS IS BOUND BY THE FINAL BOND TERMS WHICH THE INVESTOR ACKNOWLEDGES HAVING ACCEPTED BY SUBSCRIBING FOR SUCH BONDS.

IMPORTANT INFORMATION

Summary of risk factors (1/2)

An investment in the Bonds involves a high degree of financial risk. The below is a summary of relevant risk factors. Although the order in which the risk factors are presented is intended to reflect the importance or likelihood of occurrence, no assurance or confirmation can be given in respect of the ultimate precision of the ranking, as this is, to a large extent, based on subjective assumptions about future occurrences. An investment in the Issuer is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. Furthermore, the risk factors presented herein are not exhaustive and other factors currently not known to the Issuer or which the Issuer currently does not deem to be material could also in the future have a material adverse effect on the Issuer. A full text of the risks factors is attached to this Presentation.

Risks related to the implementation of the Group's strategy

1. The Group's results of operations could be negatively affected if the Group cannot adapt, expand and develop its services in response to changes in technology or customer demand
2. Any inability to manage the Group's growth could disrupt the Group's business and reduce the Group's profitability
3. The markets in which the Group competes are highly competitive, and the Group might not be able to compete effectively
4. Acquisitions, investments and other strategic transactions could result in operating difficulties and other negative consequences

Risk relating to operational activities

1. The Group's success depends upon its management team and highly skilled IT professionals and the Group's ability to hire, attract, motivate, retain and train these personnel
2. The Group has been granted various licenses and authorizations, and a disadvantageous amendment or termination of any license agreement or authorization may have an adverse or even destructive effect on the Group's operations
3. The Group could be subject to liabilities if the Group's strategic partners, software vendors, service providers or subcontractors do not perform their obligations or deliver their project contributions on time or at all
4. The Group's business and business strategy are tied to its intellectual property rights, however, no assurances can be given as to the adequacy of the protection of the Group's intellectual property rights
5. The Group is exposed to the risk of breaching international sanctions and anti-bribery/anti-corruption laws, any of which may have a negative impact to the Group's reputation and financial condition
6. The Group faces risks of non-compliance with applicable laws and regulations, such as laws and regulations relating to data protection, privacy, consumer and other contractual protection laws, public procurement and labour laws, and the applicable legislation and standards are subject to changes
7. The Group is exposed to risk relating to data protection and data privacy regulations, licenses etc., such as the General Data Protection Regulation (EU) 2016/679 ("GDPR") and the local law implementations of GDPR in the EU member states that the Group operates in, including the Norwegian Data Protection Act of 15 June 2018 no. 38
8. The Group may be negatively affected by global and local outbreaks of pandemics, and new laws and regulations that could directly, or indirectly, affect the Group's operations may enter into force
9. Any system failures could harm the Group's ability to provide its services and solutions, damage the Group's reputation or otherwise adversely affect the Group's business
10. The Group may not be sufficiently prepared to manage cyber threats that have the potential to significantly disrupt the Group and its customers' services
11. Undetected errors or defects in the Group's products or any third party products could adversely affect the performance of the

products, software or solutions and negatively impact the demand

Risk relating to customer relationships and third parties

1. The Group's success depends on its ability to attract and retain customers and procure additional work from existing clients, and any failure to do so may have a material adverse effect on the Group's business, financial condition and prospects
2. The Group's work with public sector customers exposes the Group to additional risks inherent in the public sector contracting environment
3. Any failure in a customer's infrastructure or applications as a result, or alleged result, of the Group's consulting services' failure could result in a claim for substantial damages against the Group or result in significant reputational harm, and the Group's liability insurance coverage may not cover all potential losses
4. Contractual default by counterparties could impair the Group's liquidity and cause significant losses, which in turn could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects

Risks relating to financing and accounts

1. The Issuer's revenues, operating results and working capital may fluctuate significantly which could cause the Issuer to fail to meet or exceed the expectations of the market
2. The Group conducts its business in currencies other than its functional reporting currency, making its results of operations, financial position and future prospect vulnerable for currency fluctuations
3. Interest rate fluctuations could affect the Group's cash flow and financial condition

Risk relating to international and macroeconomic developments

1. New markets and international sales pose additional risks to the Group's operations and if the Group is unsuccessful in sufficiently mitigating these risks, they may have a material adverse effect on the Group's business and operations
2. The distribution of the Group's technology and applications across a wide variety of jurisdictions exposes the Group to risks inherent in operating internationally and in regions with political tension and/or surveillance of digital technology, any of which may negatively affect the Group's results of operations

Risks relating to the Bonds

1. The Bonds are unsecured and will not have any security over any of the Issuer's assets or be guaranteed by any other entity which means that there is a risk that the bondholders' claims against the Issuer in an event of insolvency or liquidation may not be covered in full, partly or at all
2. The Bonds can be repaid prior to maturity where the amount to be paid to each bondholder, if such option is exercised, equals the outstanding principal amount of the Bonds, plus accrued and unpaid interest to the date of redemption and a premium calculated in accordance with the terms and conditions of the Bond Terms. The call option mechanisms may limit the market value of the Bonds
3. The Issuer's ability to redeem the Bonds with cash in a change of control event may be limited and it is possible that the Issuer will not have sufficient funds at the time of the change of control event to make the required redemption of the Bonds
4. The Bond Terms will contain provisions for calling meetings of bondholders to consider matters affecting their interests. These provisions permit defined majorities to bind all bondholders, including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority, thus preventing individual bondholders from taking individual action

IMPORTANT INFORMATION

Summary of risk factors (2/2)

5. *Applicable law as well as contractual limitations may limit the amounts that some of the members of the Group will be permitted to pay as dividends or distributions on their equity interests and the timing for such payments*
6. *There is no existing market for the Bonds, and no assurances can be provided as regards the future development of a market for the Bonds, and, therefore, the liquidity of the Bond and the volume it is traded in cannot be guaranteed. This may apply even if the Bonds are listed and there are no market-makers agreements in place or intended to be established in order to secure a liquid market for the Bonds after the Issue date*

The Bonds may be transferred or resold in the United States only in a transaction registered under or exempt from the registration requirements of the securities act and applicable state securities law, and the seller may be required to bear the risk of holding the Bond investment for an indefinite period of time

IMPORTANT INFORMATION

Issuer characteristics and confirmatory work undertaken

Issuer characteristics

Issuer overview

- The issuer, Crayon Group ASA (the “**Issuer**”) together with its subsidiaries (the “**Company**” or “**Crayon**”) is a publicly listed company incorporated in Norway
- The Issuer’s shares are listed on Oslo Børs with a market capitalization of approximately NOK 6,700 million

Group description

- Crayon is a customer-centric innovation and IT services company with over 4,000 employees across 46 countries

Group ownership

- Karbon Invest, representing Crayon’s founders Rune Syversen and Jens Rugseth, is the largest shareholder with 5.4% ownership

Previous capital markets experience

- The Group is a publicly listed company with significant capital markets experience, having issued five bonds in the past decade alongside several equity issues

Confirmatory/verification work conducted

- Representatives of the Issuer have signed a “Declaration of Completeness” and participated in a “Bring Down Due Diligence” call, confirming to the Managers that, inter alia, the marketing material in all aspects is correct and complete and not misleading, and that all matters relevant for evaluating the Issuer and the transaction are properly disclosed in the marketing material
- Please note that the Managers have not engaged any external advisors to carry out any other due diligence than mentioned above
- Please review this Investor Presentation in detail, including the Disclaimer on page 2-3 and the Risk Factors on pages 57-60
- The latest audited financials are the annual report for 2022 and latest unaudited financials are the Q4 2023 interim report

Overview of advisors to the Managers and the Issuer

- Danske Bank, Norwegian Branch and Pareto Securities are acting as Joint Bookrunners (together the “**Managers**”)
- Nordic Trustee AS (the “**Trustee**”) will act as trustee for the contemplated bond issue
- The Norwegian law firm Wikborg Rein acts as legal counsel to the Managers and the Trustee
- The Norwegian law firm Schjødt acts as legal counsel to the Issuer
- Danske Bank will act as paying agent for the Issuer
- KPMG is the Group’s auditor



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- II Company introduction
- III Industry overview
- IV Financial overview
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- VI Risk factors

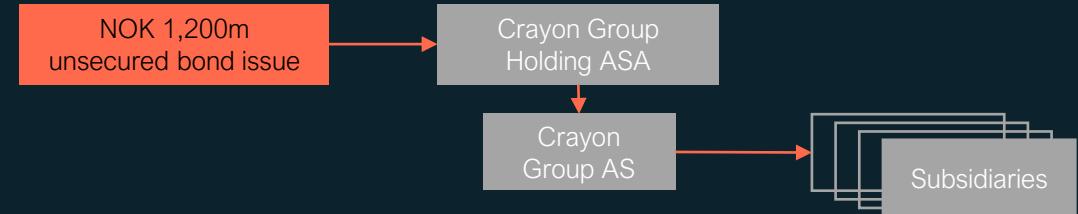


Transaction summary

Transaction summary

- Crayon Group Holding ASA (the “**Issuer**”, and together with its subsidiaries “**Crayon**” or the “**Company**”), listed on Oslo Børs with a market capitalization of approximately NOK 6,700 million, contemplates issuing new senior unsecured bonds in an initial amount of NOK 1,200 million (the “**Bonds**” or the “**Bond Issue**”) with a tenor of 4 years
- In connection with the contemplated Bond Issue, Crayon has received commitment from Danske Bank for a NOK 500 million increase in the existing revolving credit facility (“RCF”). The increased RCF will be available for working capital purposes and will enhance the group’s financial flexibility, and is subject to the successful placement of the new Bond Issue
- Crayon has a strong history of profitable growth and strong cash generation, and therefore intends to reduce its outstanding gross leverage to further improve its capital structure and the free cash flow in the business
- Although Crayon has ample debt financing sources available to finance its operations and to manage working capital fluctuation, the debt capital markets are deemed important to retain a healthy diversification of financing sources
- On the back of the improved liquidity position, the Company intends to refinance its outstanding NOK 1,800 million 2021/2025 bond (CRAYON04, ISIN: NO0011045478) (the “**Existing Bonds**”), while at the same time extending the Company’s maturity profile
- Subject to the successful placement of the contemplated Bond Issue, Crayon will call the remaining net outstanding amount of the Existing Bonds
- Consequently, the net proceeds of the Bond Issue shall, together with available cash, be applied towards (i) refinancing the Existing Bonds and (ii) general corporate purposes (including investments and acquisitions)
- Following the Bond Issue, the Company will have a conservative leverage profile with net leverage standing at 1.3x (~0.7x excluding lease impact)
- Following the contemplated Bond Issue, Crayon will have an enterprise value of NOK c. 7,800m and a modest LTV ratio at c. 15%

Consolidated corporate structure



TRANSACTION SUMMARY

Transaction summary

SOURCES & USES ¹		
Sources	NOKm	Uses
New senior unsecured bond	1,200	Refinance Existing Bond
Opening cash (less restricted cash)	1,418	Call premium
		Closing cash & GCP (less restricted cash)
Total sources	2,618	Total uses

KEY CREDIT METRICS		PF Q4'23
Adj. EBITDA		920
Gross leverage		2.2x
Net leverage		1.3x

CAPITALISATION TABLE ¹					
Current capital structure (Q4'23)			Pro forma capital structure (PF Q4'23)		
	NOKm	x adj. EBITDA		Δ	
Senior unsecured bond	1,800	2.0x		-600	
RCF (drawn)	0	0.0x		0	
Supplier financing	127	0.1x		0	
Leasing liabilities	581	0.6x		0	
Other interest bearing debt	106	0.1x		0	
Gross debt	2,614	2.8x		-600	
Cash on balance (less restricted cash)	1,418	1.5x		-627	
Net debt	1,196	1.3x		27	

1) Not including transaction fees

TRANSACTION SUMMARY

Main bond terms

Issuer	Crayon Group Holding ASA
Status	Senior unsecured
Initial issue amount	NOK 1,200 million
Max issue amount	NOK 2,500 million
Use of Proceeds	Net proceeds from the Bond Issue shall be applied towards (i) refinancing the outstanding NOK 1,800 million 2021/2025 bonds and (ii) general corporate purposes
Tenor	4 years
Coupon	3m NIBOR + [●] % p.a., quarterly interest payments
Issue price	100%
Amortization	None, bullet repayment at the maturity date
Issuer's call options (American)	Make whole first 2 years, thereafter callable (in whole or parts) at par plus 50.0% / 37.5% / 25.0% / 12.5% / 0.0% of the Coupon after 24 / 30 / 36 / 42 / 47 months, respectively
Incurrence test	<p>For new financial indebtedness</p> <ul style="list-style-type: none"> Net interest-bearing debt / PF adj. EBITDA < 3.50x & Interest Coverage Ratio > 3.00x <p>For distributions</p> <ul style="list-style-type: none"> Net interest-bearing debt / PF adj. EBITDA < 2.50x & Interest Coverage Ratio > 3.00x <p>Negative pledge with carve out for <i>inter alia</i>:</p> <ul style="list-style-type: none"> Revolving Credit Facility¹ where the aggregate amount drawn shall not exceed the higher of 2.0x EBITDA and NOK 1,900 million Financial arrangements with local financial institutions not exceeding 0.2x EBITDA Hedging and other debt related to ordinary course of business Basket for other financial indebtedness not exceeding 0.1x EBITDA <p>No additional debt, with carve out for <i>inter alia</i>:</p> <ul style="list-style-type: none"> Tap issues of the bond and new unsecured financial indebtedness with longer tenor, subject to the incurrence test Leasing, hedging and other debt related to ordinary course of business Subordinated loans Basket for other financial indebtedness not exceeding 0.2x EBITDA
Permitted additional debt	
Distribution restrictions	Maximum 50% of the Issuer's consolidated net profit for the previous financial year s.t. the incurrence test, or otherwise permitted through buy back of own shares, not exceeding in any financial year, an aggregate purchase price equal to 0.2x EBITDA
Change of control	Bondholder's put option at 101%
Listing	Frankfurt Open Market as soon as practicable, and Oslo Børs within 6 months from the issue date, otherwise coupon step up of 1.0% p.a. until the bonds have been listed
Governing law / Trustee	Norwegian law / Nordic Trustee

TRANSACTION SUMMARY

Credit highlights

The global leader in software asset management and cloud optimization	<ul style="list-style-type: none">■ Crayon stands as the fifth-largest value-added reseller of Microsoft licenses on a global scale. Beyond this, it serves as a value-added reseller for various other cloud and SaaS solutions, an IT infrastructure manager, a consultancy firm, and more. Leveraging profound expertise in software and cloud technologies, complemented by proprietary software tailored to streamline procurement and reporting processes, Crayon targets to reduce customers' IT expenditures by 15-30% while maximizing their ROI■ Strategic partnerships in place with all the global software vendors such as Microsoft, Google, AWS, IBM/RedHat and Oracle and scores high on vendor KPIs. Crayon boasts +20 years of expertise in volume software licensing optimization and is recognized as a leader by Gartner Magic Quadrant■ Reciprocal relationships with suppliers where Crayon is the fifth-largest value-added reseller of Microsoft licenses globally■ +4,000 employees and more than 1,000 (cumbersome to attain) certifications across a wide range of technology solutions
Large and diversified customer portfolio with a high share of public sector counterparties and predictable revenue base	<ul style="list-style-type: none">■ 80% global market coverage and presence in over 46 countries serving approximately 80,000 customers, ranging from SMBs to large global enterprises, with a significant presence in the public sector■ Predictable revenue base where customer contract length generally spans 3-5 years, and by primarily implementing business-critical software and cloud offerings, revenue streams are highly recurring in nature, with unmatched customer loyalty illustrated by a 94% repeat purchase rate■ Highly diversified customer base with top 10 largest customers accounting for ~7% of gross profit¹
Highly profitable business model with strong growth and robust balance sheet leading to conservative leverage metrics	<ul style="list-style-type: none">■ Long history of profitable growth where both gross profit and adjusted EBITDA has grown by a CAGR of +33% between 2019-2023, currently standing at NOK 5.7bn and NOK 920m, respectively for FY23■ Favourable cost pass-through dynamics where Crayon bears no risk in case of price increases from suppliers■ De-risked credit profile post contemplated bond issue – Crayon has a conservative leverage profile with a pro forma Bond Issue NIBD/ 2023 adj. EBITDA of 0.7x. (~1.3x incl. leases) and reduced gross leverage
Strong market with rapid growth supported by digitalization and cloud mega trends	<ul style="list-style-type: none">■ Favorable mega trends driven by cloud transition and digitalization with global IT spending expected to reach USD 2.8 trillion in 2024²■ Underlying demand further driven by increased digitalization resulting in increased complexity creating higher demand for Crayon's services
Listed issuer with strong capital markets track record backed by experienced management with founders still on the board	<ul style="list-style-type: none">■ Listing on Oslo Børs since 2017 with a market capitalization of ca. NOK 6.7 billion, implying a net LTV of 15% following the contemplated bond issue■ Strong capital markets track record, having issued five bonds in the past decade alongside several equity issues■ Ample debt financing sources available, but preference to remain active in Nordic bond market■ Highly experienced management and board of directors with founders still active at board level

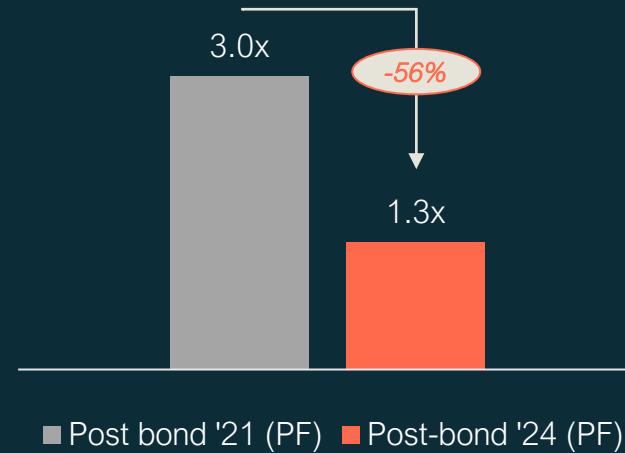
TRANSACTION SUMMARY

Selected highlights since last bond issue in 2021

Strong operational development



Significant decrease in net leverage²



Lower risk profile



- Substantial growth in gross profit and EBITDA since the latest bond issue in Q1 2021 has been driven by continued demand for its offerings, successful global expansion, and new product launches
- Based on year-end 2023 financials, gross profit has increased by 130%, and adjusted EBITDA has risen by 82% compared to Q1 2021 LTM

- Significant deleveraging since bond issue in 2021 – post issue 2021, NIBD/LTM adj. EBITDA (PF) stood at 3.0x, compared to 1.3x post this contemplated bond issue
- De-risked leverage profile as total outstanding bond volume amounted to NOK 2.1bn in 2021, contrasting with the contemplated refinancing to NOK 1.2bn now

- Use of proceeds for the bond in 2021 was mainly to fund the acquisition of an undisclosed target (post transaction revealed as Rhipe)
- Use of proceeds from this contemplated 2024 bond issue of NOK 1.2bn is a refinancing to extend the maturity profile of the group while reducing gross leverage
- No acquisition / merger / integration risk

1) Gross profit and adjusted EBITDA adj. as reported in Q1'21. Share based compensation and other income and expenses excluded from cost overview in line with definition of adjusted EBITDA

2) Post bond '21 net leverage post-acquisition

3) Gross profit considered key performance indicator as gross revenues include pass-through revenues as it incorporates partners' license revenues



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COMPANY INTRODUCTION

Crayon at a glance

Company in brief



> 20 years experience
and expertise in software & cloud advisory



+80 000 customers
from SMB to enterprise across all industry segments with high share of public sector



80% market coverage
globally with over 50 offices across 46 countries



Strong relationships
and strategic partnerships with leading technology vendors and cloud partners



4 000 employees
Who are experts in their field



Value creation
>30% Gross Profit CAGR



5th largest reseller globally
Crayon is the 5th largest reseller of Microsoft licenses globally



1
Gartner Magic Quadrant
Leader in the latest Gartner Magic Quadrant for Software Asset Management

Gross Profit 12 months rolling

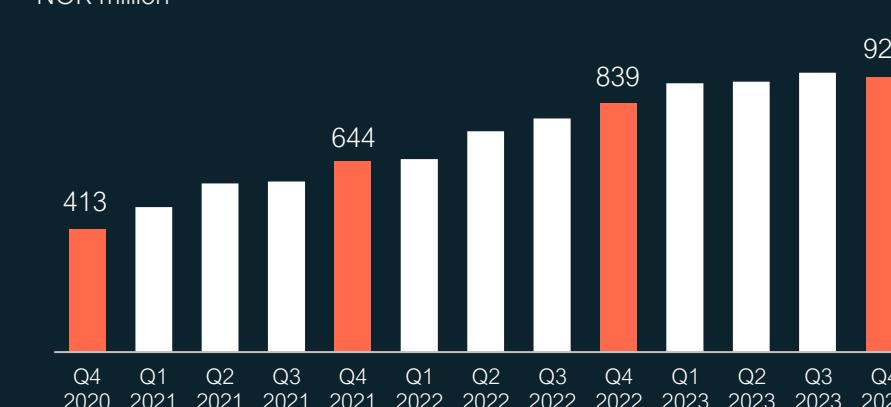
NOK million



CAGR
34 %

Adj. EBITDA 12 months rolling ¹

NOK million



CAGR
31 %

¹⁾ Share based compensation and other income and expenses excluded from cost overview in line with definition of adjusted EBITDA

Crayon has four separate business areas

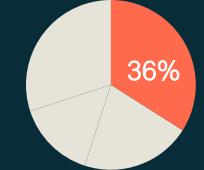


Software

Software & Cloud Direct - License offering directly from vendor to customers

- Software license offering from partners (e.g. Microsoft, Adobe, IBM, Oracle etc.)
- Cloud infrastructure from hyperscale cloud platforms (e.g. Azure, AWS)

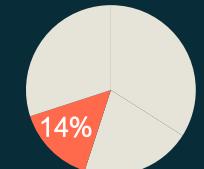
Share of GP¹



Service

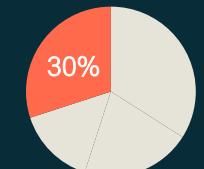
Software & Cloud Economics - Crayon's customer acquisition

- License spend optimization and support for clients in vendor audits
- Optimizing costs of cloud platforms and infrastructure



Consulting - Cloud and solutions consulting services

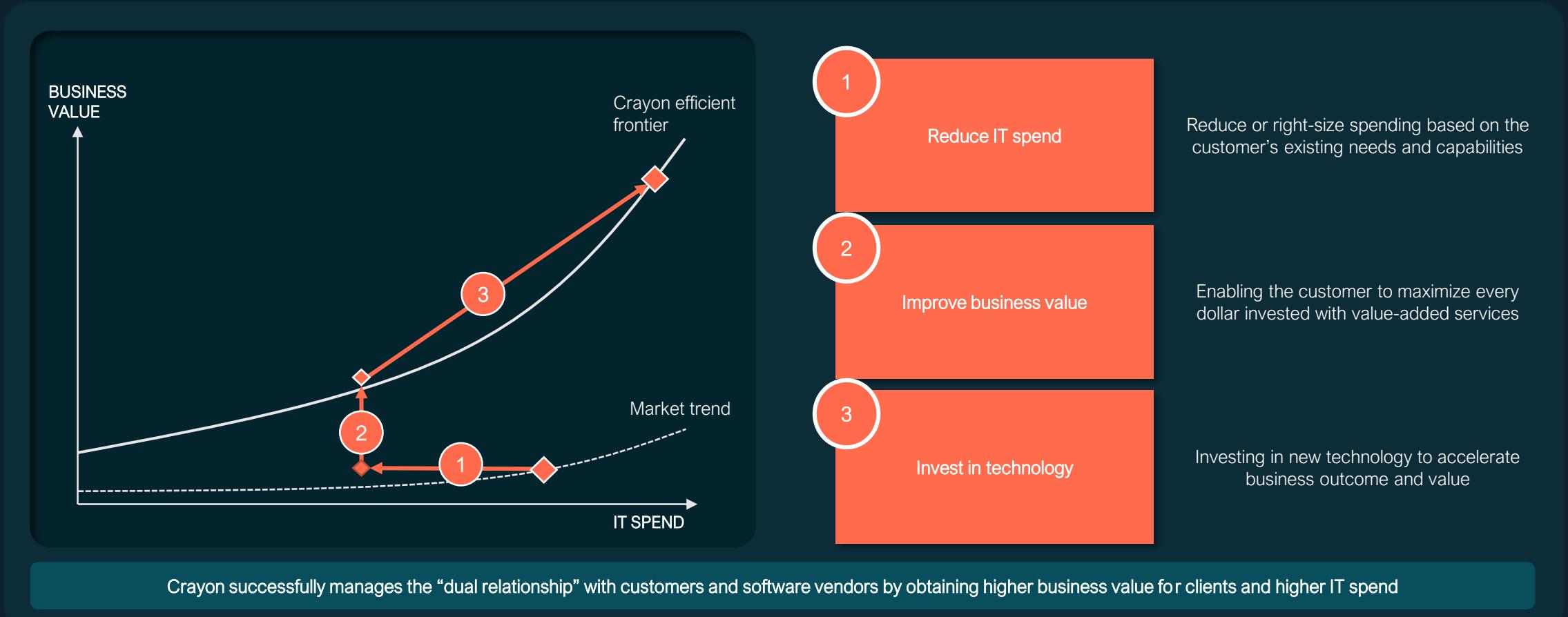
- Infrastructure consulting, cloud migration and deployment, bespoke software deployment and follow-up of applications



1) FY23

Crayon is the preferred digital transformation partner...

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



...assisting its clients to address key IT challenges

Clients faced with key questions...

...that Crayon helps to address

1

How to **reduce/optimize total IT spending** while ensuring **compliance**?

Software and Cloud Economics

- Leading global specialist in optimizing clients' IT spend and managing software complexity
- Crayon's own software helps customers stay compliant

2

How to enable the customer to **get more business value** of every dollar invested in new layers of technology?

Consulting

- Experts in cloud and predictive analytics assisting clients through all phases of digital transformation
- Enabling the customer to get more business value out of every dollar invested

3

How to **invest in new technologies** to accelerate **business outcome and value**?

Cloud Services

- Experts in cloud migration
- Helping customers implement more complex solutions based on AI, ML and IoT
- Generative AI – Microsoft Co Pilot driving demand

4

How to **simplify ordering, provisioning, billing and administration of software licenses**?

Software

- Global software experts supporting clients with license advisory and transactional fulfilment
- Global software distributor for 2,800 channel partners, enabling automated provisioning and administration

■ Services
■ Software

COMPANY INTRODUCTION

Adds value for both sides through its software and cloud segment

Crayon's end customers



- ✓ Provides an overview and expertise in an IT environment with increasing complexity and costs
- ✓ Helps customers get control over and manage IT spend through compliance and rightsizing of IT assets
- ✓ Proprietary IP solutions to help streamlining and integrate IT solutions
- ✓ Crayon further helps clients maximize return on IT investments aligning investments with strategic initiatives

Crayon



- ✓ Help customers obtain control of their software spend and deliver «turn-key» solutions
- ✓ Efficient intermediary connecting vendors and customers for a successful digital shift
- ✓ Always in the end customer's corner working with a vendor agnostic view maximizing value creation for Crayon's customers

Software vendors



- ✓ Increased complexity and solution possibilities demand higher competence in sales organization and tighter collaboration with end user through local presence
- ✓ Outsourcing of services and competence brings the highest product distribution power for software vendors
- ✓ Through partnership networks, software vendors obtain a global access and increased software sales

COMPANY INTRODUCTION

A global partner to software vendors

Strong scores with key vendors (selected accolades)



- 20+ year relationship, fastest growing partner globally
- +5,000 certifications
- Azure Expert MSP
- One of few to hold 6/6 MCPPs¹



- Global Premier Consulting Partner
- +150 certifications



- Google Cloud and Workspace (G-suite) partner
- Professional Cloud Security Architect Certification
- Professional Cloud Security Engineer Certification



- Global IBM Platinum Business Partner
- One-stop-shop certified across the IBM software stack



- Platinum-level reseller



- Broad competencies including VMware Managed Service Provider, VMware Aggregator and VMware Solution Provider



- Global market leader on SAM services for Oracle

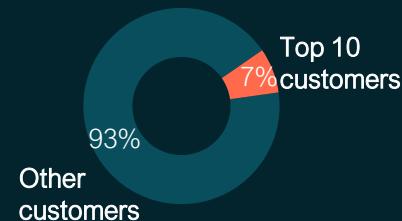


Well diversified and sticky customer base

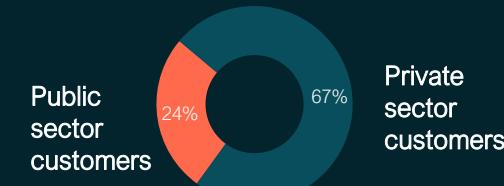
Low customer concentration...



Customers by % of GP

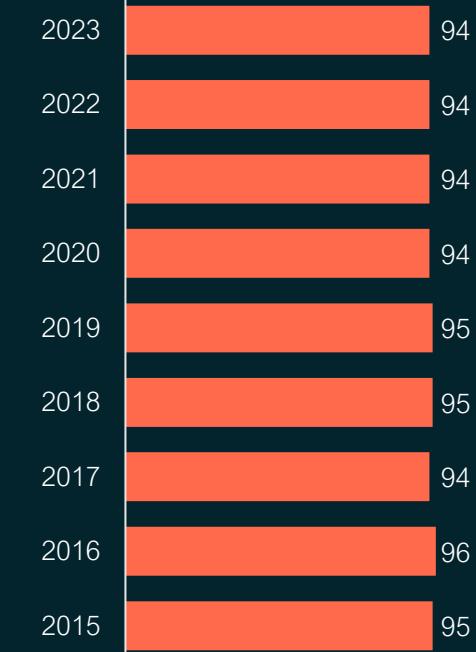


Customers by % of GP



...with sticky recurring revenue

Average % repeat customer buy

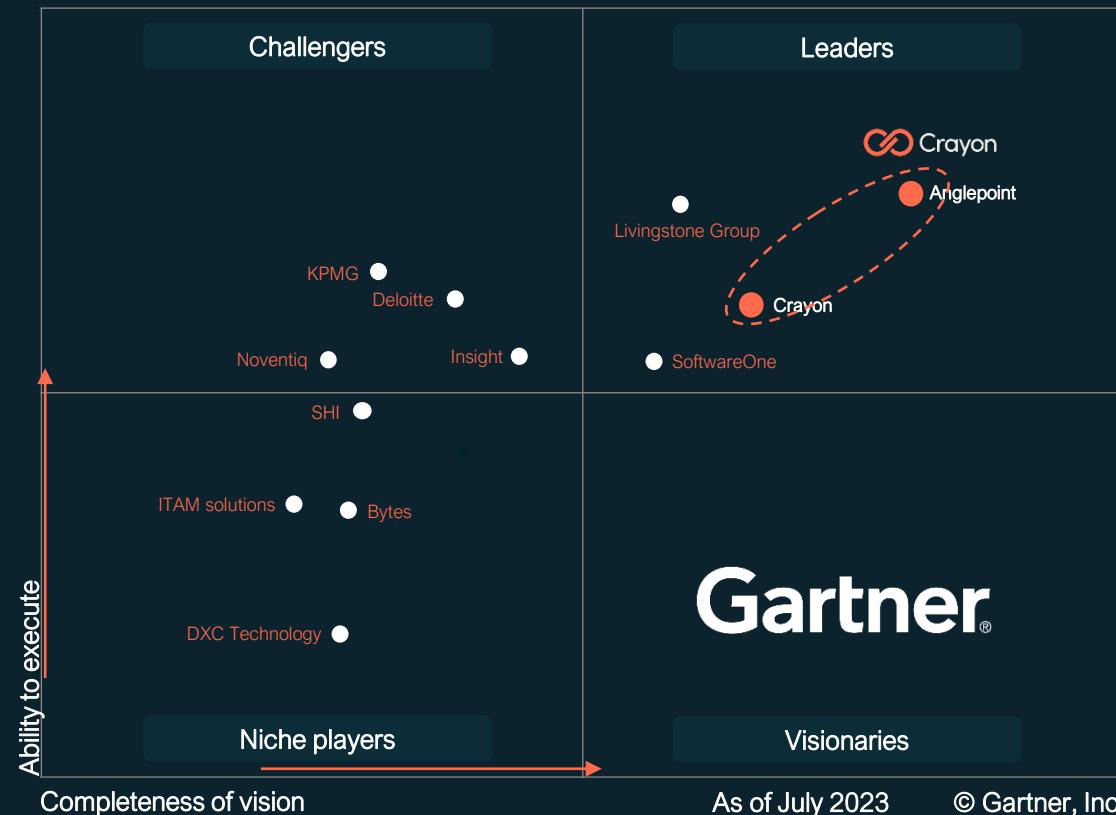


1) Data based on Crayon's largest segment, Software and Cloud Direct, which constitutes 36% of GP

COMPANY INTRODUCTION

Market leader in Gartner's Magic Quadrant

Software and cloud leader



Source: Gartner 2023 Magic Quadrant for Software Asset Management Managed Services

- ✓ Crayon was again acclaimed a position as a Leader in the latest Gartner Magic Quadrant for Software Asset Management Managed Services in 2023
- ✓ The market leader position is a confirmation of Crayon's success in helping customers optimize, manage, and innovate their IT estates
- ✓ The report highlight that managed software asset management is a discipline Crayon have been perfecting for almost 20 years
- ✓ Crayon's SAM manged service client volume, contract maturity and proportion of continuous SAM service delivery are each among the highest in the industry
- ✓ Crayon scored especially within innovation and IP, and is praised by reference clients for service methodology and execution
- ✓ The Crayon subsidiary Anglepoint is in the nr 1 spot, closely followed by Crayon

Profit and growth dynamics

Key pillars of growth

Strong market growth

Global software and
cloud business scalability

Expanding service upsell

Nordics

Europe

APAC &
MEA

US

Growth and profitability from diverse vendor portfolio.
Services upsell and ISV ecosystem.

Execute on the business model. Growth and scale.

Drive synergies and services margin improvement.
Deliver growth through Channel with ISV recruitment.

Continue to execute on turnaround – progressing in line
with plan. Clear go-to-market strategy driving growth.

Strongly committed to environmental, social and governance

2023 main achievements

- 1.73% decrease in carbon intensity by revenue
 - Against 23% revenue growth
- New global sustainable device management programme launched
- 32% of our workforce was women
- Charitable giving through Crayon Cares:
 - US\$106,012 donated
 - 48% of employees volunteered
- Continued progress with labour and human rights due diligence
 - In own operations and supply chain
- ISO 37001 certification for our anti-bribery and corruption management system



Plans going forward

- CSRD and ESRS readiness
 - Carry out double materiality assessment
 - Transition to integrated annual reporting
 - Institute limited assurance of ESG data
- Set science-based emission reduction targets
 - Including decarbonization plan
- Continue evaluation of Crayon activities eligible and aligned with the EU Taxonomy Regulation

Design enhanced global ESG strategy factoring in all of the above and other relevant considerations.



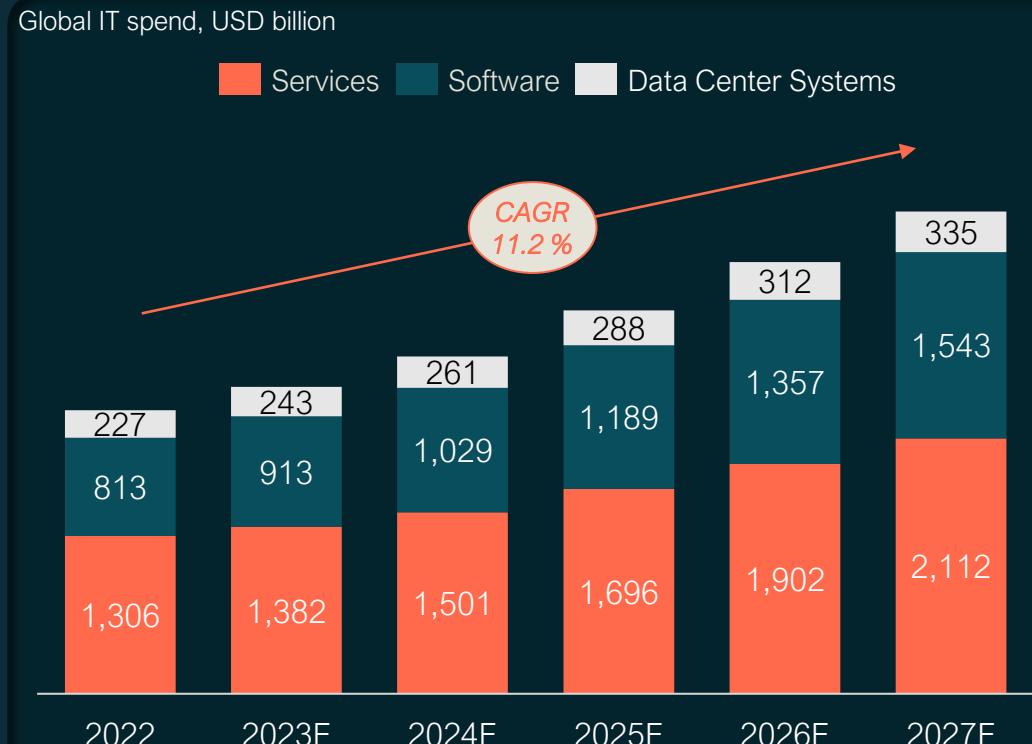
- I Transaction summary
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INDUSTRY OVERVIEW

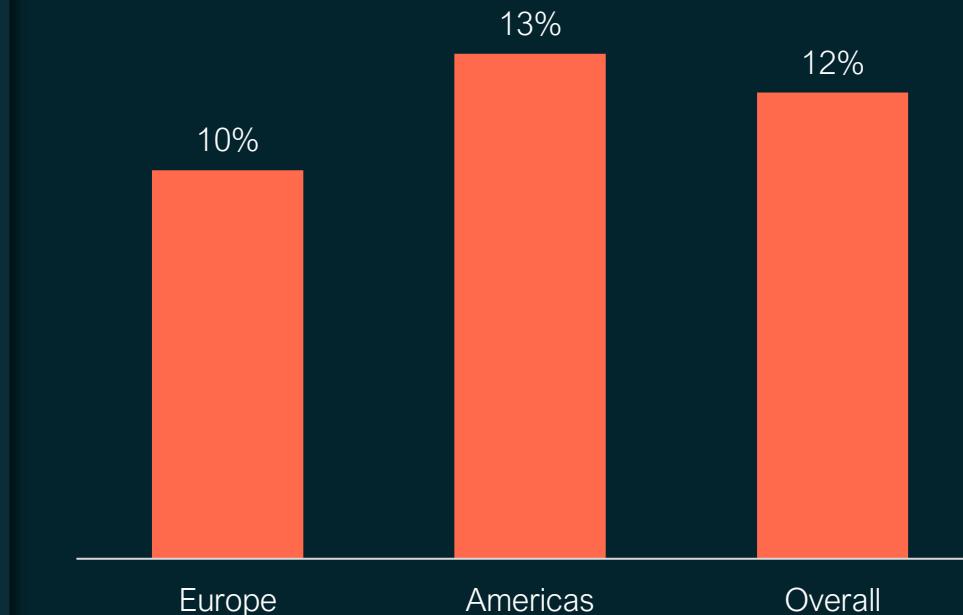
Global IT spending is growing and becoming increasingly important

Global IT spending expected to reach close to USD 4 trillion in 2027¹



IT spending constitutes a substantial portion of companies' revenues

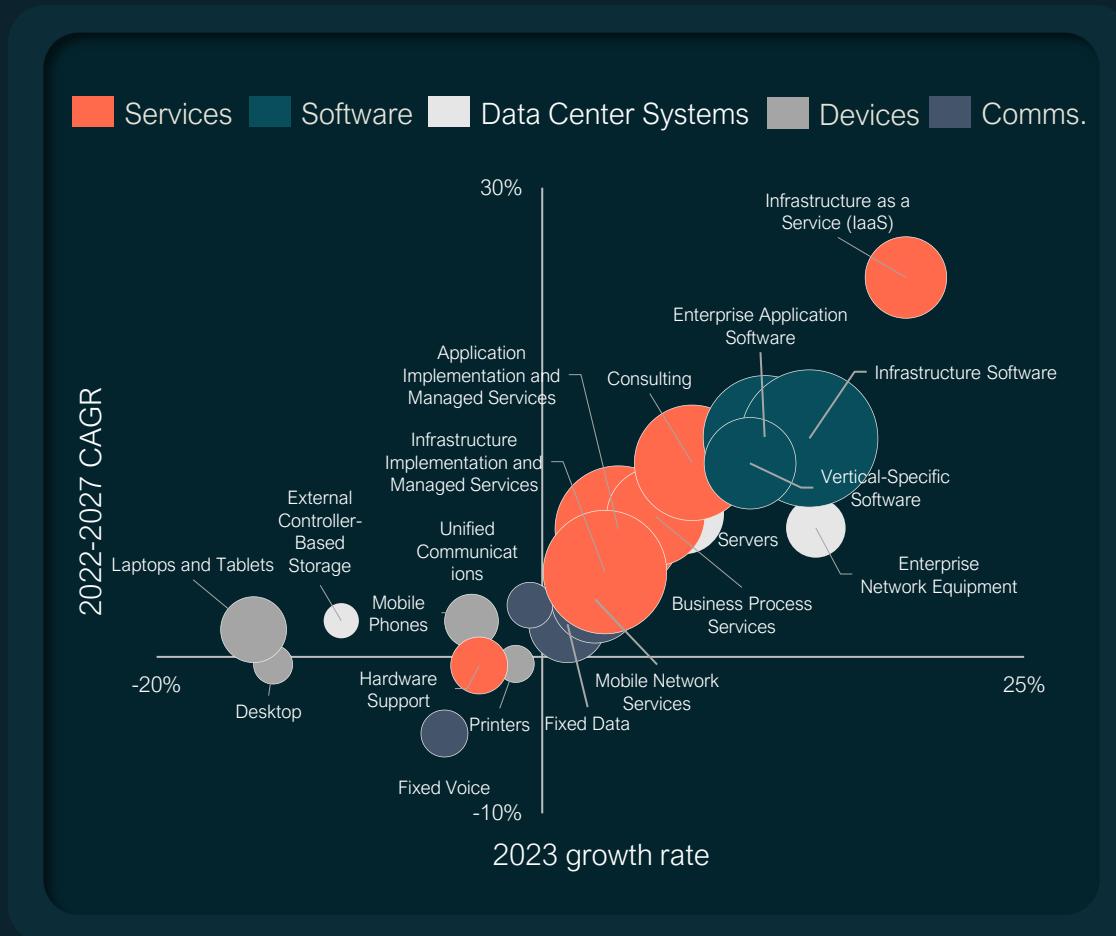
IT spend as % of revenue



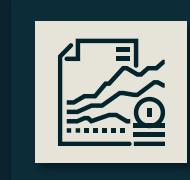
1) Global IT spending excluding devices and communication services

Source: Gartner Market Databook (4Q 2023 Update), Flexera 2023 Tech Spend Pulse

Software and services outperforming the sector



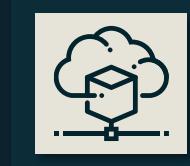
Digital transformation driving continued IT spend



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

Notes: Excluding consumer IT spending. Bubble size represents 2023E global business IT spending
Source: Gartner Market Databook (4Q 2023 Update)

INDUSTRY OVERVIEW

IT projects have an increasing priority – driving IT budgets

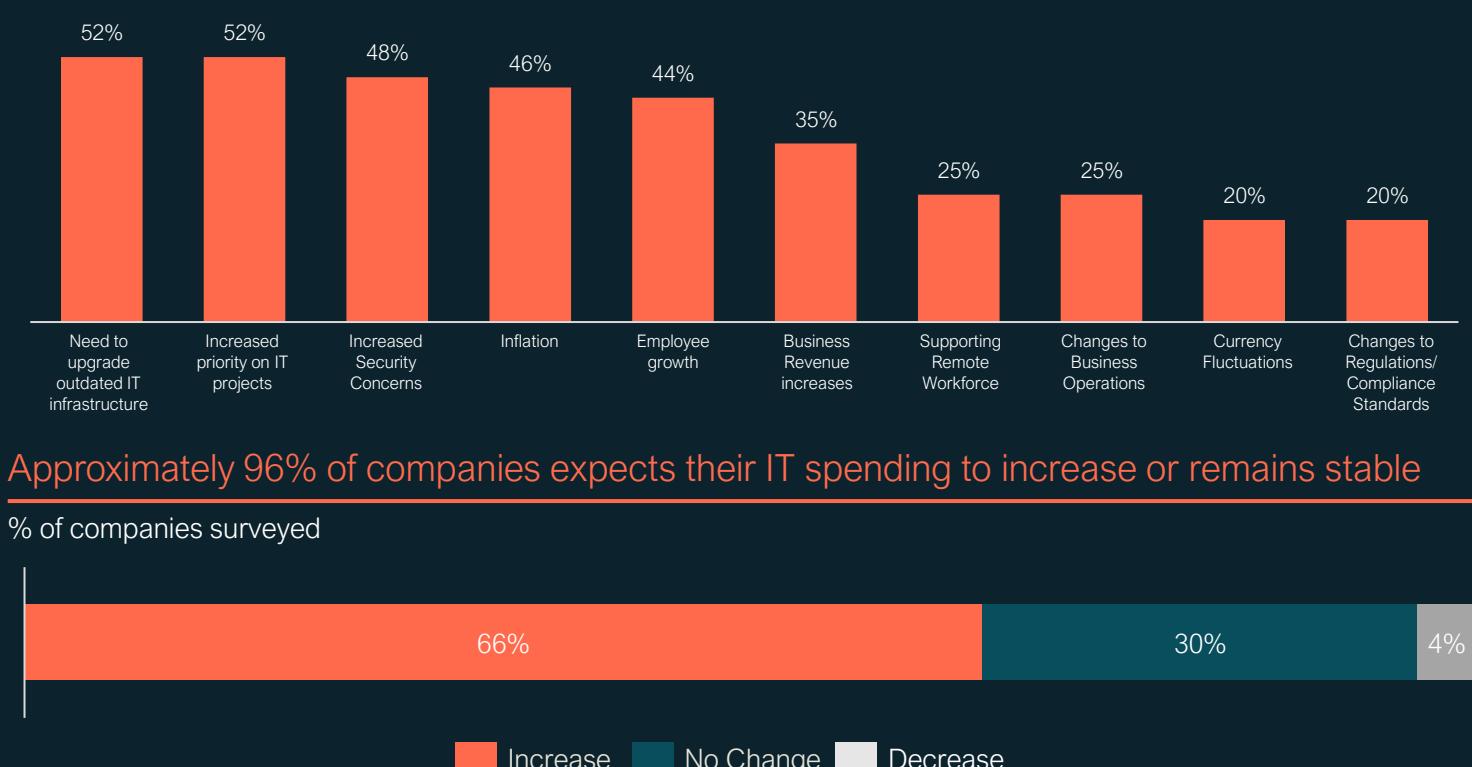
Top cloud challenges¹

Main challenges listed by % of companies surveyed



Most important factors for increased IT budgets

Main factors listed by % of companies surveyed

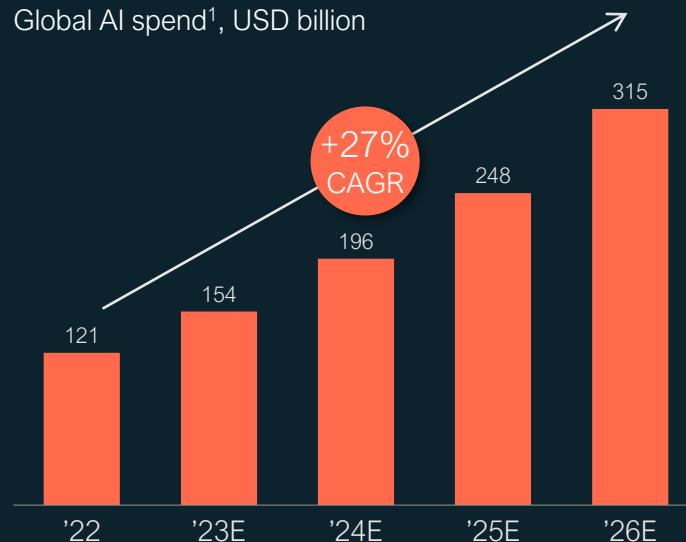


1) Percentages indicate share of organization experiencing this as a cloud-related challenges
Source: Flexera 2023 State of the Cloud report and SWZD 2024 State of IT report

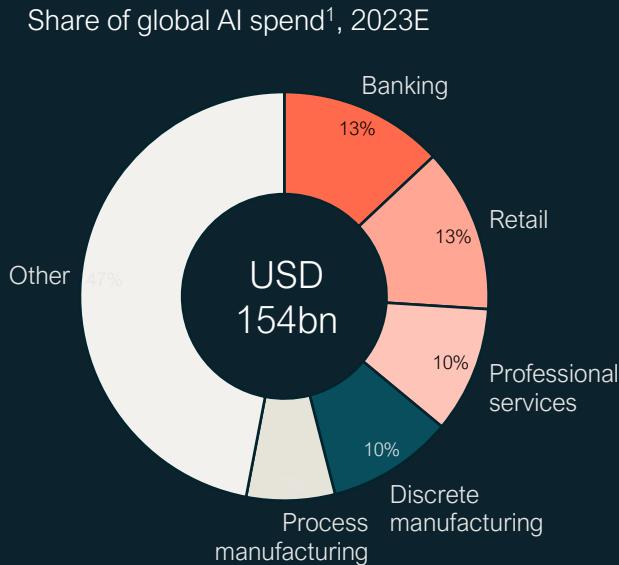
INDUSTRY OVERVIEW

Data & AI is accelerating, opening a major market for services that help enterprises realize business value

AI spend to grow at a rapid pace



Spend diversified across industries



It is happening as we speak



Days to one million users

ChatGPT	5 days
Instagram	2.5 months
Spotify	5 months
Facebook	10 months
Twitter	2 years

1) Includes software, hardware and services for AI-centric systems
Source: IDC, Google Trends, Gartner

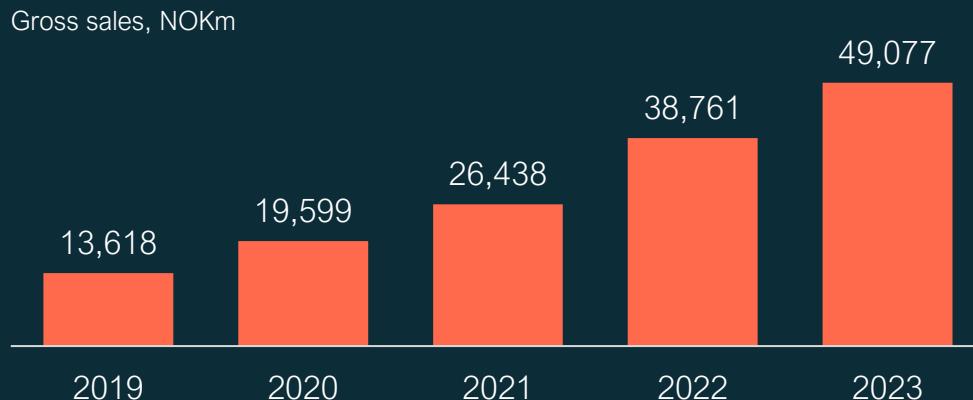


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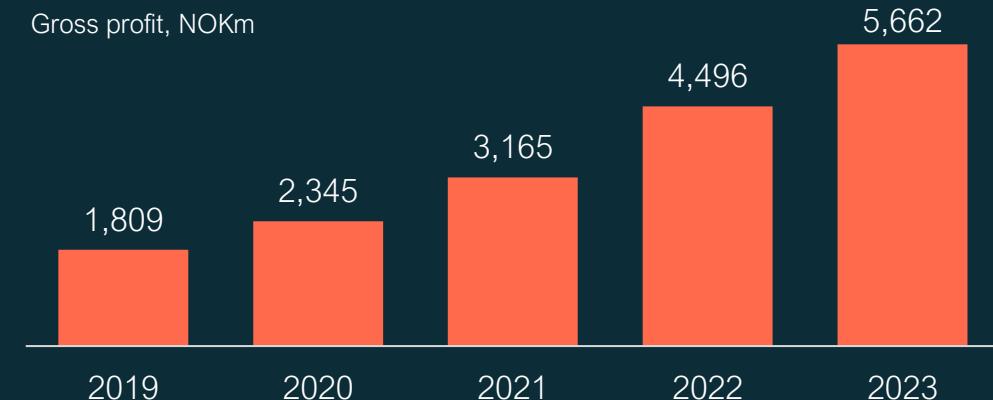


Gross profit up more than 200% since 2019

Gross sales underpins scale and footprint...



... while gross profit is the key measure

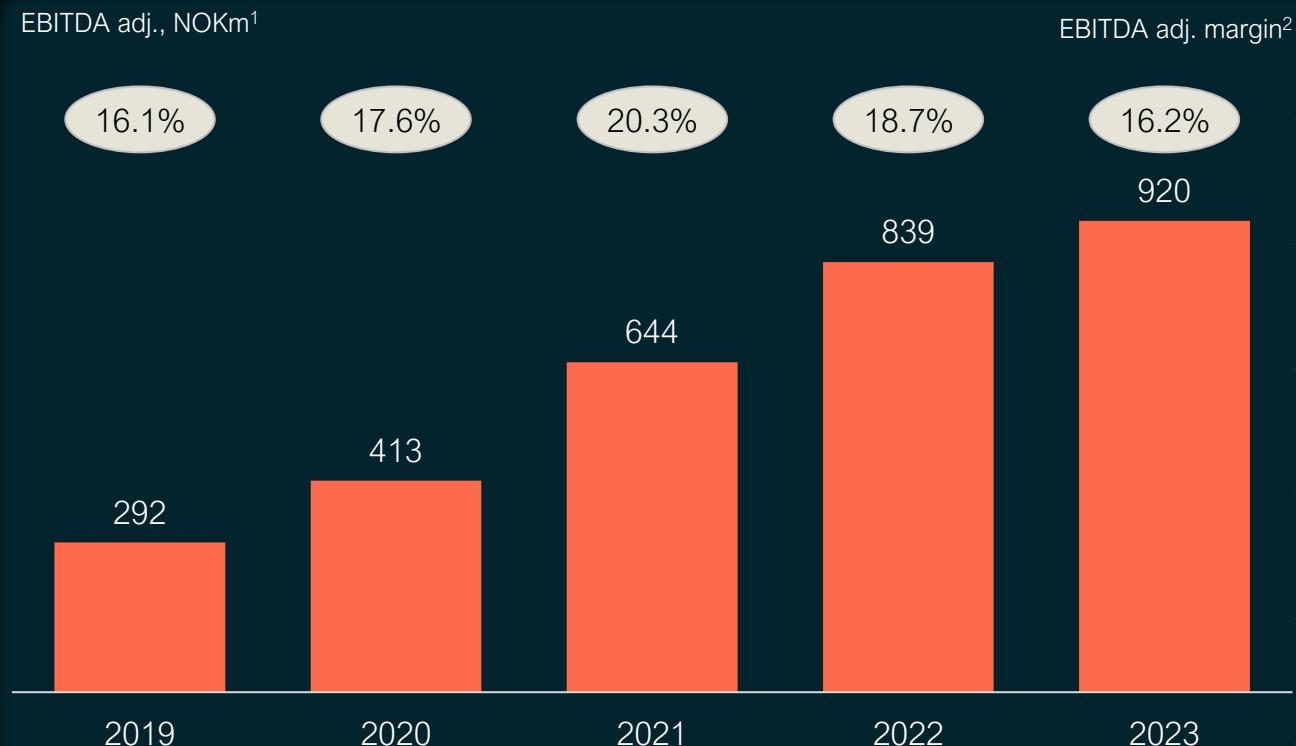


- Gross sales includes the gross cost of software licenses to customers and serve as a solid indication of Crayon's scale and footprint. However, as it includes 'passthrough revenues' as it incorporate partners license revenues, it does not accurately reflect the actual value creation within Crayon

- Gross profit is regarded as the primary 'turnover measure' for Crayon, as it accounts for adjustments related to the cost of licenses and other expenses incurred with Crayon's vendor partners. Thus, Crayon considers gross profit to be the appropriate key performance indicator (KPI) as it enables comparability across various business segments
- Following continued demand for Crayon offerings, global expansion, and new product launches, Crayon has successfully expanded gross profit by 213% since 2019, equal to a 5-year CAGR of 33%

FINANCIAL OVERVIEW

Strong focus on profitability has led to a 215% increase in adjusted EBITDA since 2019



- Driven by stringent cost control and continued growth, Crayon has experienced a substantial increase in adjusted EBITDA. In total, adjusted EBITDA is up 215% between 2019 and 2023, equal to a CAGR of 33%
- In 2023, the demand for its primary offerings, Software & Cloud Direct and Channel, remained robust, witnessing a year-over-year increase in adjusted EBITDA from NOK 1,231m to NOK 1,505m
- However, due to macro-related factors, Crayon witnessed lower-than expected demand for its consulting business in the H2'23, resulting in a decline in adjusted EBITDA for this segment from NOK 148m to NOK 23m, negatively impacting the total group margin
- The Company has initiated measures to cope with the demand for its consultancy offerings, including a hiring slowdown, resource optimization, and strengthening leadership. As a consequence, the Company expects the total group margin to pick up to 18-20% in 2024

1) Share based compensation and other income and expenses excluded from cost overview inline with definition of adjusted EBITDA

2) Adjusted EBITDA margin calculated as adjusted EBITDA divided by gross profit

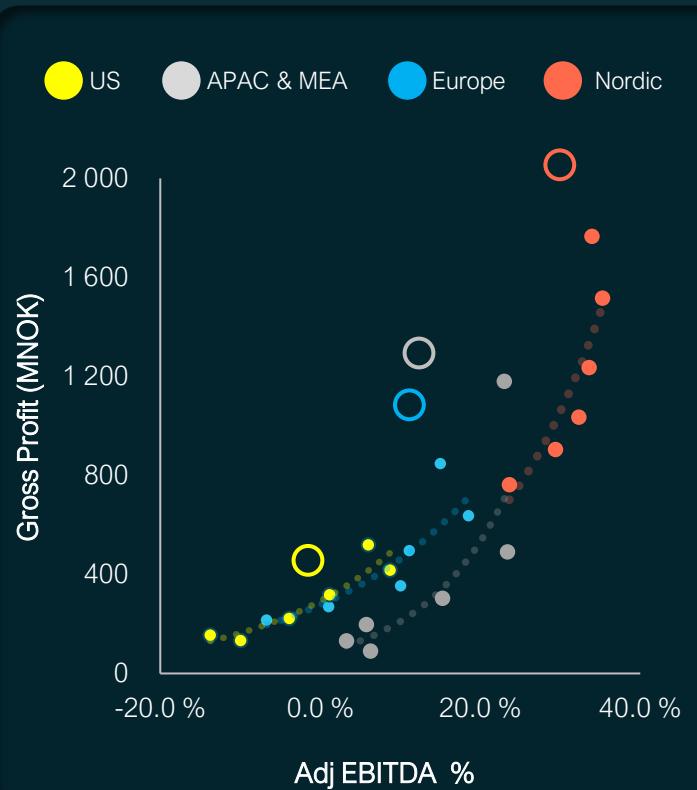
FINANCIAL OVERVIEW

Continued devotion to expansion as scale alters margin enhancement

Gross profit* split by market cluster



Profit Expansion by region (2017 - 2023)



- Consistent pattern of growth and margin improvements as the business scales in local markets and regions
- The Nordic region represents the margin potential of the business model operating at scale, with consistent margins >30%
- Clear margin improvement potential across APAC/MEA and Europe based on current scale, partly offset by continued investments in driving growth across a large number of markets

1. International includes US, Europe, APAC & MEA

FINANCIAL OVERVIEW

2023 growth and profit dynamics by market cluster

2023 Gross Profit by market cluster
NOK million



2023 Adj. EBITDA by market cluster¹
NOK million



Growth YoY

EBITDA Margin²

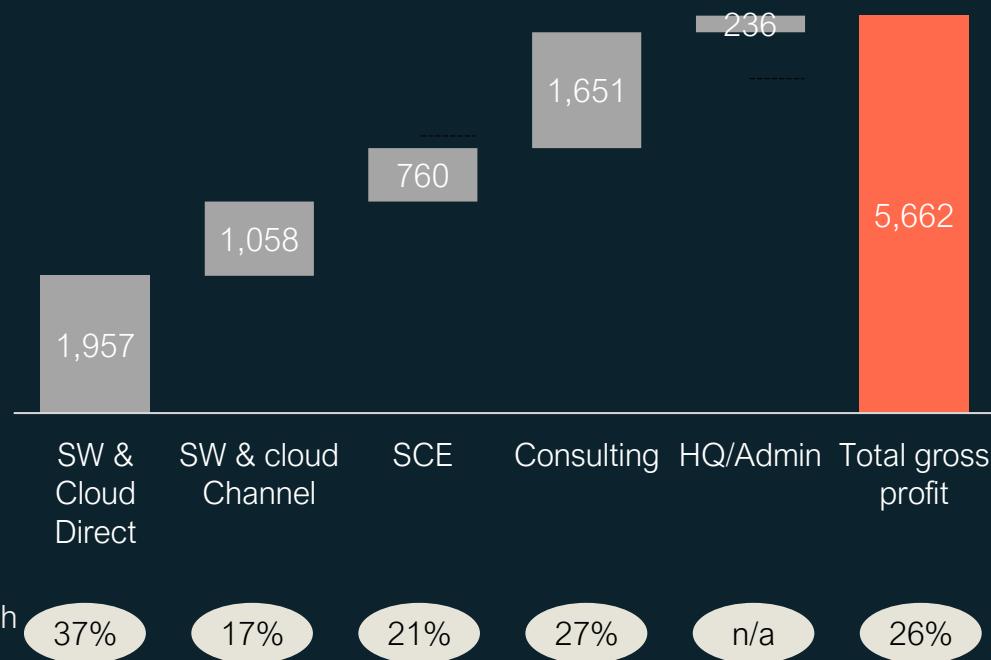
1) Share based compensation and other income and expenses excluded from cost overview inline with definition of adjusted EBITDA

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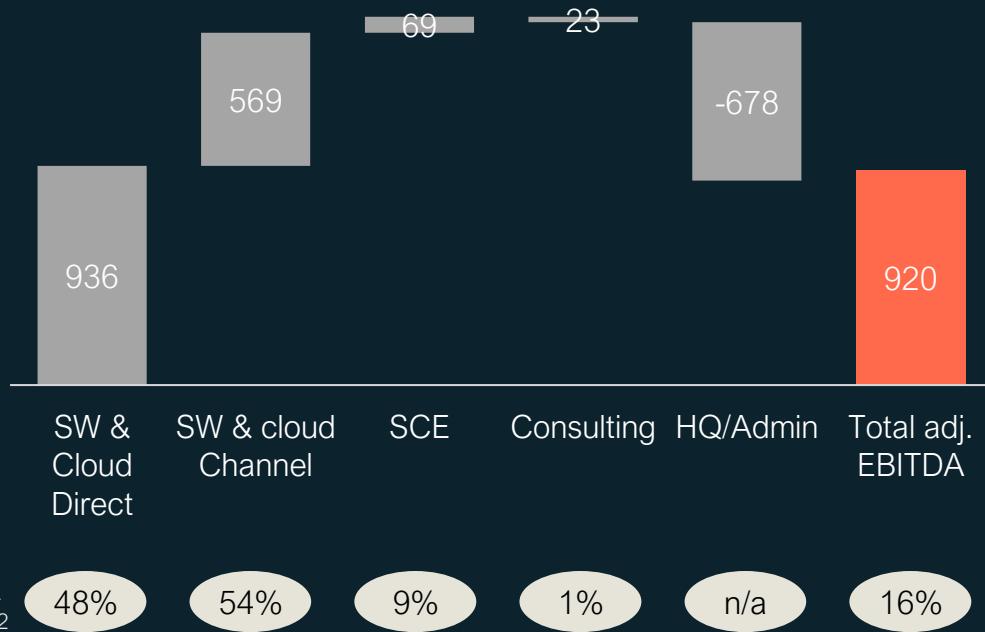
FINANCIAL OVERVIEW

2023 growth and profit dynamics by business area

2023 Gross Profit by business area
NOK million



2023 Adj. EBITDA by business area ¹
NOK million



1) Share based compensation and other income and expenses excluded from cost overview inline with definition of adjusted EBITDA

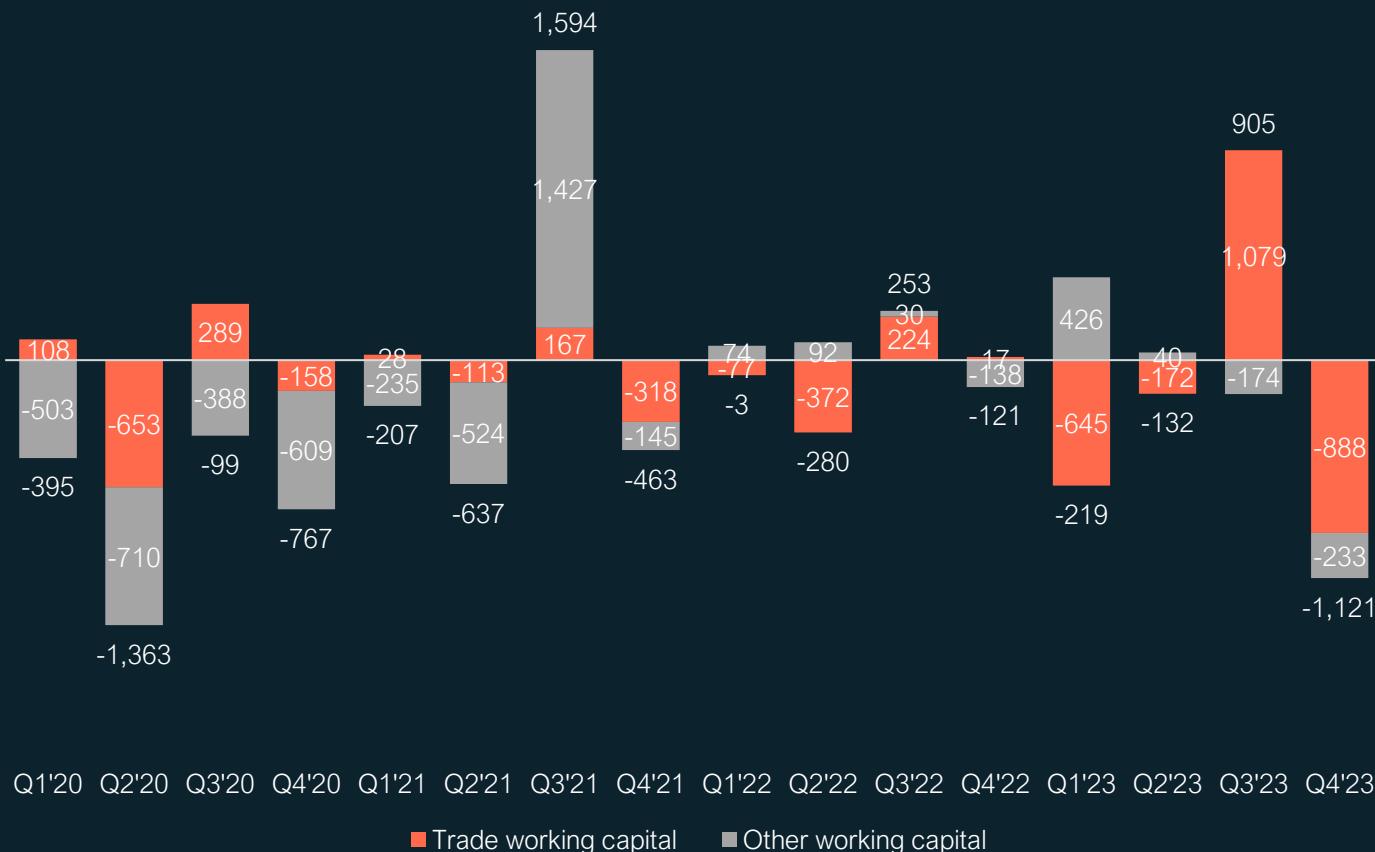
2) Adjusted EBITDA margin calculated as adjusted EBITDA divided by gross profit

FINANCIAL OVERVIEW

Business seasonality impacting net working capital

Net working capital¹

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

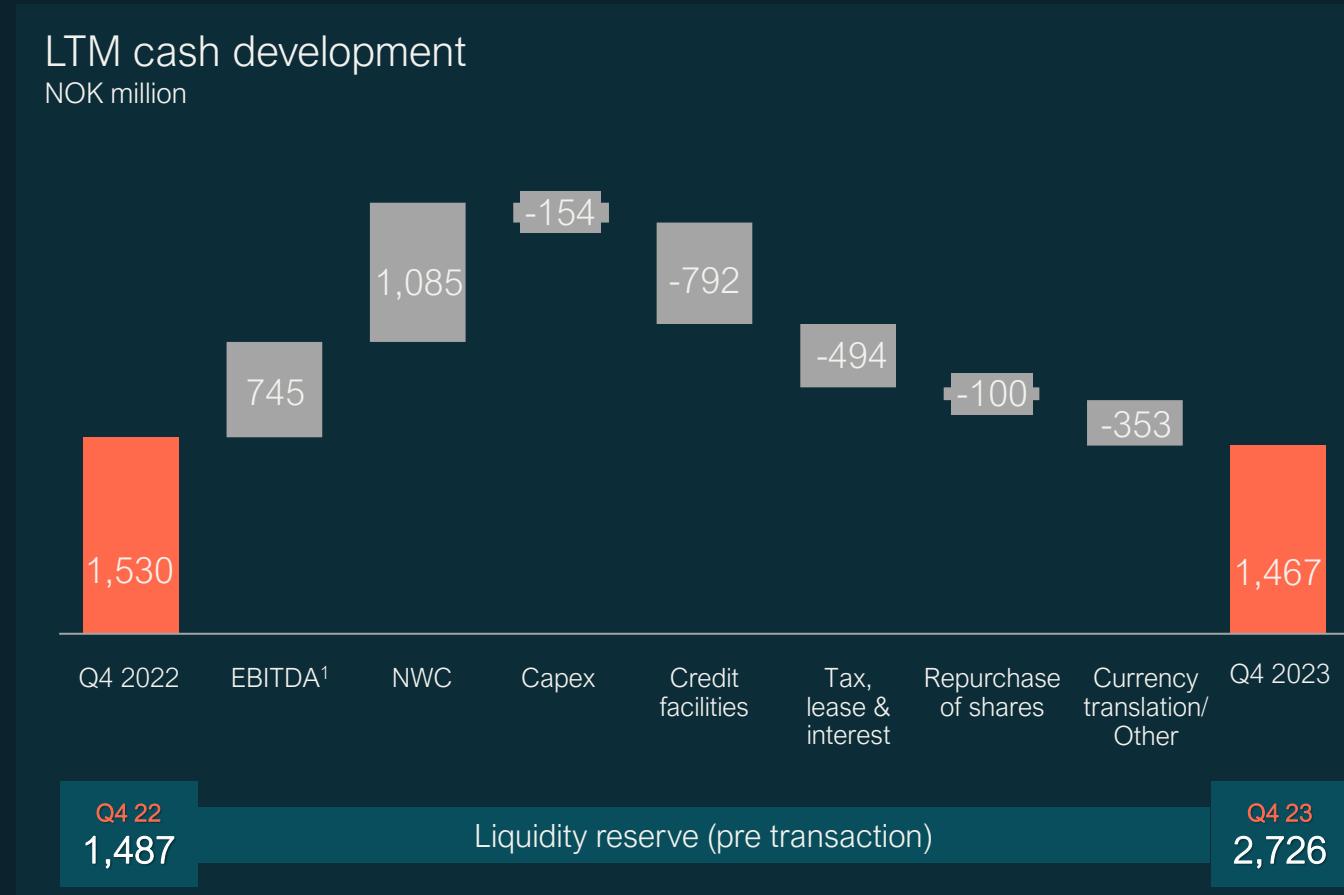
Other Working Capital

- 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

FINANCIAL OVERVIEW

Cash flow movements in 2023 and debt capital structure post transaction



Q4'23 pro forma capital structure ²	NOK	x adj. EBITDA
Senior unsecured bond	1,200	1.3x
RCF (drawn)	0	0.0x
Supplier financing	127	0.1x
Leasing liabilities	581	0.6x
Other interest-bearing debt	106	0.1x
Gross debt	2,014	2.2x
Cash on balance (less restricted cash)	791	0.9x
Net debt	1,223	1.3x

1) Share based compensation and other income and expenses excluded from cost overview inline with definition of adjusted EBITDA

2) Not including transaction fees

FINANCIAL OVERVIEW

2024 outlook

	2023	2024	Medium term	Comment
Gross Profit growth	26%	18-20%	~20%	2024 outlook implies organic growth in line with medium-term outlook
Adj. EBITDA margin ¹	16.2%	18-20%	Gradual increase to 25%	Continuing growth while also improving cost efficiency
Net working capital ²	-2.6%	-2.5% to -10%	~ -15%	Expected to normalize medium-term driven by working capital improvements

1) Adjusted EBITDA margin calculated as adjusted EBITDA divided by gross profit

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

Financial Policies

Dividends

- The company does not expect to distribute dividends, but a potential dividend payment will be restricted to maximum 50% of consolidated net profits
- Any distributions will only happen when it is strategically optimal, subject to a satisfactory underlying financial performance and the incurrence test in the bond terms (leverage ratio (NIBD / pro forma adj. EBITDA) < 2.5x & ICR > 3.0x)

Leverage ratio

- Crayon considers a leverage ratio (NIBD / pro forma adj. EBITDA) of 3.0x to be the maximum leverage over a longer period
- Due to the inherent seasonality in working capital between quarters, there might be shorter periods with higher levels

Hedging

- The company is exposed to currency fluctuations due to the international nature of its operations, but this exposure is limited by a natural hedge where most revenue and goods sold are in the same currency
- Major transactions in foreign currency are hedged according to a pre-defined policy using forward contracts



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Management overview



Melissa Mulholland

Chief Executive Officer

- Appointed CEO in 2021 after joining the company as Chief Service & Solutions Officer in 2020
- 12 years experience from Microsoft leading the global strategy and business development in the cloud segment
- Additional experience as Finance Manager at Intel Corporation
- MA Business Administration and Strategic Management from Regis University



Brede Huser

Chief Financial Officer

- Joined in 2023 as CFO
- Experience as CFO at Flyr from 2020, and both CEO and CFO from 2022. Has over 15 years of experience from Norwegian Air Shuttle, including being part of the financial management from 2006 to 2015
- Additional experience in financial and consultant positions in Orkla, Arthur Andersen, and EY
- MSc. in Finance from BI Norwegian Business School



Bente Liberg

Chief Human Resource Officer

- Appointed as Chief HR Officer in 2022. Prior to this held position as COO since 2010, Director of HR & Business development since 2007, and Consulting Manager since 2002
- 15 years of experience as an IT infrastructure consultant and 9 years as manager for IT consultants
- Prior employers include Netcenter, EDB, and Eterra/Getronics
- Education from NKI Computer College



Erwin Heinrich

Chief Operating Officer

- Appointed COO in 2022, where his focus is on strengthening the company's global ability to execute and scale efficiently
- Proven record in business transformation, expansion, and unlocking business potential, as demonstrated in several senior management positions
- Master degree in Economics and CS from the Technical University of Vienna



Florian Rosenberg

Chief Technology Officer

- Joined in 2019, former VP for Data & AI Tech, leading global technical strategy and delivery for data and AI
- Over 15 years of IT experience and a strong passion for technology leadership
- Experience from several leadership roles, most notably at IBM in the US and Europe, where he was responsible for developing innovative solutions in cloud, DevOps, and AI
- PhD in CS from the Technical University in Vienna



Gudmundur Adalsteinsson

Chief Sales Officer

- Joined the company in 2013 and has since filled several roles including founding Crayon Iceland and serving as VP of Channel
- 10 years experience from Microsoft, where he worked in Denmark, Iceland and New Zealand in different sales and partner management roles
- Bachelor degree from Ecole Hoteliere de Lausanne



Jon Birger Syvertsen

Chief Strategy Officer

- Appointed Chief Strategy Officer in 2023 after joining the company as CFO in 2018
- Experience as CFO of Kebony AS, various management/business development roles at FMC Health & Nutrition and Epax AS
- Additional experience as Engagement Manager at McKinsey & Company
- MSc. in Industrial Economics and Technology Management from NTNU and St. Gallen

Board of directors



Rune Syversen

- Chairman of the Board and Co-founder of Crayon Group
- Held several senior positions within Telenor Group
- Successful serial entrepreneur with deep experience of the global IT, data service, and financial sectors
- Chairman of the Board at Cyviz and Board Member at Karbon Invest AS, LINK Mobility Group ASA, Sevencs AS, and Calusa AS
- BSc. in Business Administration from BI Norwegian Business school



Dagfinn Ringås

- Group CEO of Cegal SYSCO, a Nordic technology company in the energy sector
- More than 25 years of experience in the IT industry, holding various leadership roles at Microsoft as well as operating as Country President of Schneider Electric Norway
- MBA from Sydney Business School, and Executive Leadership Program from Instead, and a BSc. in American Studies & Political Science from the University of Oslo



Grethe Viksaas

- Long career with Basefarm, the Northern European managed service provider, first as founder and CEO, and subsequently as a board member
- Experience as director on the board of Telenor ASA (2017-2020) and as Chair of the Board of Norsk Regnesentral (2016-2020)
- Currently Chair of the Board of Polight ASA and Farmforce AS, and Board Member in Link Mobility ASA, Norkart AS and CatalystONE Solutions Holding AS
- Master's degree in Computer Science from the University of Oslo



Jennifer Koss

- Founding Partner of Springbank, a fund that focuses on building the critical infrastructure to eliminate the gender gap. Furthermore, founder of the experiential retail agency, BRIKA (acquired in 2021 by SALT XC)
- Spent the majority of her professional career focused on the consumer and retail sector having worked over a decade in management consulting, investment banking, and private equity
- Various board and advisory positions in publicly listed corporations, private companies and non-profit institutions
- Graduate of Harvard University, Oxford University, and Harvard Business School



Jens Moberg

- More than 20 years of experience in executive positions in technology companies, including Microsoft and IBM
- Owner and founder of Leadership Institute
- Chairman of the Board of Adapteo and Grundfos, and board member at Kirk Kapital and the Poul Due Jensen Foundation
- Diploma (HD) in Marketing from Copenhagen Business School



Jens Rugseth

- Co-founder of Crayon together with Rune Syversen
- Serial entrepreneur, having founded multiple companies in the IT sector over the past 25 years
- Operates as the CEO of some of the largest IT companies in Norway, including ARK ASA, Cinet AS, and Skrivelvik Data AS
- Studied business economics at BI Norwegian Business School



Lars Larhammer¹

- Employee, serving as the Finance Manager of Crayon, overseeing accounting and salary function for a prominent Group entity
- Joined the company in 2017 and has held various roles within the Finance division
- Bachelor's degree in Business Administration from BI Norwegian Business School and Master's degree in Finance, Economics, and International Finance from Oslo Metropolitan University and Rennes School of Business



Liv Hege Jensen¹

- Employee, responsible for the Administrative and Operational functions in Crayon AS, with particular focus on internal management and business processes, Finance, Bid, HR and Privacy and Compliance
- Over 20 years of experience in roles within administration & management in the private sector, both from the USA and Norway
- Educated at the Norwegian School of Marketing/BI and Florida Atlantic University



Mette Wam¹

- CEO of Esito AS, which is part of Crayon subsidiary, Inmeta Consulting, and she is a leader in Inmeta's engineering department. She joined the company in 2011 and has significant expertise within project management, software product development, and leadership
- Prior experience from companies such as Software Innovation AS, Transmit Medical AS, and Sysdeco.
- BSc. in Computer Science from Strathclyde University and the University of South-Eastern Norway



Wenche Agerup

- Wenche is currently EVP and CPO in Wallenius Wilhelmsen ASA.
- She has previously more than 30 years of experience in international, operational and executive positions in various industries such as telecom, aluminium and oil and gas.
- Wenche has also served on several boards as a director since 2005, and most recently served at the board of Equinor ASA (2015-20) and TGS ASA (2015-22).
- She holds a Master's in Law from the University of Oslo and an MBA from Babson College, Massachusetts, USA.

1) Employee Representative

FINANCIAL REVIEW

EBITDA adjustments

NOK million	2019	2020	2021 ¹	2022 ¹	2023
Reported EBITDA	250	381	580	751	745
Adjustments					
M&A expenses	22	0.4	20	5	10
IPO cost 2017 (Project Elevate)	0.5	-	-	-	-
Forgivable loan (US)	-	-18	-14	-	-
Contingent considerations, fair value adjustments	-	-	-	28	18
Restructuring expenses	-	-	3	11	1
Other non-recurring items ²	-	-	-	30	102
Share based compensation	20	49	55	13	42
Total adjustments	42	31	64	88	175
Adjusted EBITDA	292	413	644	839	919

FINANCIAL REVIEW

Profit and loss

NOK million	2019	2020	2021 ²	2022 ²	2023
Gross Sales¹	13,618	19,599	26,438	38,761	49,077
Revenue ¹	-	2,688	3,659	5,200	6,397
Cost of sales	-11,809	-17,255	-494	-704	-735
Gross profit	1,809	2,345	3,165	4,496	5,662
Operating expenses	-1,559	-1,963	-2,585	-3,744	-4,917
EBITDA	250	381	580	751	745
Adjustments	42	31	64	88	175
Adj EBITDA	292	413	644	839	919
Depreciation and amortization	-173	-140	-175	-334	-302
EBIT	77	241	405	417	442
Share of profit (loss) from associated companies	-	-	-1	6	-0.4
Interest expense	-60	-41	-83	-194	-276
Other financial income/expense	-8	-6	-29	-164	-249
Net income before tax	10	194	292	65	-82
Tax	-29	-67	-47	-42	-77
Net income	-19	127	245	23	-159
EPS	-0.16	1.52	2.59	0.29	-1.29
Comprehensive income					
Currency translation	9	5	12	134	189
Comprehensive income, net of tax	-10	132	257	157	29

1) Gross Sales was historically reported as revenue, but following an accounting principle change in Q1 2022, revenue from Software & Cloud is recognized on a net basis. Revenue has been restated from Q1 2020. For more information, see Note 3 in the financial report for Q1 2022

2) Restated for changes in accounting policies implemented in Q1 2022. For more information, see Annual report 2022

FINANCIAL REVIEW

Balance sheet – Q4 2023

NOK million	31 Dec 2019	31 Dec 2020	31 Dec 2021 ¹	31 Dec 2022 ¹	31 Dec 2023	NOK million	31 Dec 2019	31 Dec 2020	31 Dec 2021 ¹	31 Dec 2022 ¹	31 Dec 2023
Assets						Equity and liabilities					
Contracts	70	60	599	541	489	Shareholders' equity	585	1,103	2,353	2,540	2 479
Goodwill	829	851	2,998	3,147	3 262	Long term lease liability	96	95	87	410	488
Deferred tax asset	23	35	81	145	117	Other interest-bearing debt	293	295	1,771	2,678	1 792
Other intangible assets	114	109	200	158	171	Deferred tax liabilities	30	22	190	200	115
Total tangible	154	159	175	542	650	Other non-current debt	42	48	58	33	33
Investments in assoc.comp.	-	-	37	43	43	Total non-current liabilities	460	460	2,106	3,321	2 428
Non-current receivables	26	40	69	71	156	Accounts payable	2,361	3,560	4,814	6,563	8 753
Total non-current assets	1,216	1,255	4,158	4,646	4 888	Public duties payable	235	251	459	613	659
Inventory	14	9	3	17	18	Current lease liabilities	26	31	39	73	93
Accounts receivable	2,554	3,393	4,493	6,563	7 847	Income taxes payable	24	50	58	76	74
Other current receivables	156	263	1,636	2,077	2 324	Other interest-bearing debt	45	76	413	122	233
Cash and cash equivalents	239	1,394	1,217	1,530	1 467	Other current liabilities	441	784	1,264	1,525	1 824
Total current assets	2,963	5,060	7,348	10,187	11 656	Total current liabilities	3,133	4,752	7,047	8,972	11 636
Total assets	4,179	6,315	11,506	14,833	16 544	Total equity and liabilities	4,179	6,315	11,506	14,833	16 544

1) Restated for changes in accounting policies implemented in Q1 2022. For more information, see Annual report 2022

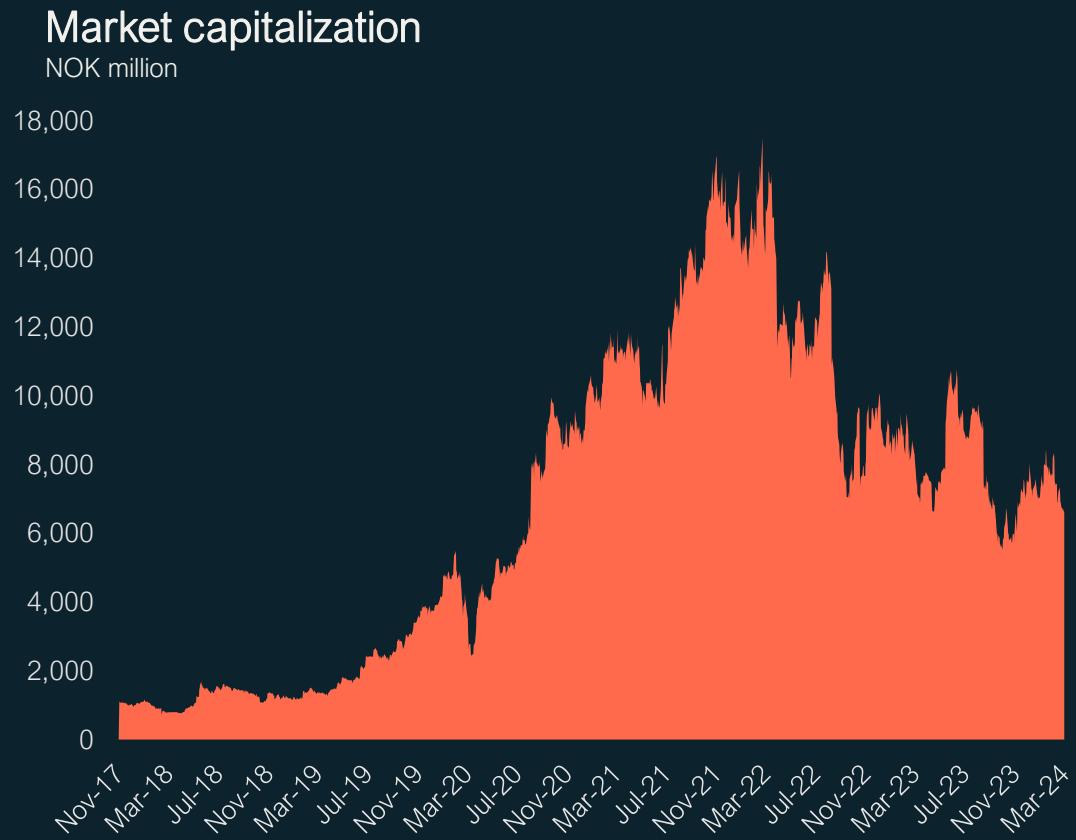
FINANCIAL REVIEW

Cash flow – Q4 2023

NOK million	2019	2020	2021 ¹	2022 ¹	2023
Net income before tax	10	194	292	65	-82
Taxes paid	-30	-35	-72	-118	-167
Depreciation, amortization and impairment	173	140	175	334	302
Net interest expense	48	33	69	164	252
Changes in inventory, accounts receivable/payable	-109	364	43	-333	905
Changes in other current accounts	100	245	-481	-11	180
Net cash flow from operating activities	191	942	26	102	1,390
Payment for capitalized assets	-85	-94	-83	-142	-153
Acquisition of subsidiaries - (net of cash acquired) and associated companies	-	-	-2,478	-83	-31
Net cash flow from investing activities	-85	-94	-2,561	-225	-185
Net interest paid	-56	-44	-42	-174	-247
Share issues	35	360	686	73	3
Acquisition/disposal of non-controlling interests	-32	8	-5	-50	-42
Proceeds from issuance of interest-bearing liabilities	300	34	1,800	-	-
Repayment of interest-bearing liabilities	-489	-43	-53	-351	-230
Other financial items	-3	-4	-10	-	-100
Change in RCF utilization	-	-	-	-	-750
Change in other credit facility utilization	-	-	-	-	108
Change in deposits	-	-	-	-	-87
Net cash flow from financing activities	-244	312	2,375	-502	-1,344
Net increase (decrease) in cash and cash equivalents	-138	1,159	-159	-625	-139
Cash and cash equivalents at beginning of period	379	239	1,394	1,217	1,530
Re classification of RCF to interest-bearing liabilities	-	-	-	900	-
Currency translation	-3	-4	-18	38	76
Cash and cash equivalents at end of period	239	1,394	1,217	1,530	1,467

1) Restated for changes in accounting policies implemented in Q1 2022. For more information, see Annual report 2022

Market capitalization development and shareholder overview



#	Shareholder's name	Number of shares	% of total
1	KARBON INVEST AS	4,800,000	5.37 %
2	SKANDINAViska ENSKILDA BANKEN AB	4,165,635	4.66 %
3	OEP ITS COÖPERATIEF HOLDING U.A	3,400,000	3.80 %
4	THE BANK OF NEW YORK MELLON	3,015,372	3.37 %
5	NORDNET BANK AB	2,753,505	3.08 %
6	J.P. MORGAN SE	2,614,174	2.92 %
7	STATE STREET BANK AND TRUST COMP	2,584,253	2.89 %
8	FOLKETRYGDFONDET	2,457,719	2.75 %
9	VPF DNB AM NORSKE AKSJER	2,241,645	2.51 %
10	HVALER INVEST AS	2,200,000	2.46 %
11	VERDIPAPIRFONDET DNB NORGE	2,119,075	2.37 %
12	CREDIT SUISSE (SWITZERLAND) LTD.	1,820,820	2.04 %
13	JPMORGAN CHASE BANK, N.A., LONDON	1,719,760	1.92 %
14	VERDIPAPIRFONDET HOLBERG NORGE	1,700,000	1.90 %
15	CITIBANK, N.A.	1,654,006	1.85 %
16	J.P. MORGAN SE	1,533,612	1.72 %
17	THE BANK OF NEW YORK MELLON SA/NV	1,317,287	1.47 %
18	CRAYON GROUP HOLDING ASA	1,316,994	1.47 %
19	STATE STREET BANK AND TRUST COMP	1,306,180	1.46 %
20	DANSKE INVEST NORSKE INSTIT. II.	1,186,864	1.33 %
Total 20 largest shareholders		45,906,901	51.45%
Others		43,494,433	48.65%
Total shareholders		89,401,344	100%

General Industry

Please list the industry's three biggest sustainability (ESG)-related challenges and briefly describe the process for identifying these challenges

1. Privacy and Data Security, including in the face of a higher volume of attacks that are growing in sophistication
2. Balancing business growth and development objectives with environmental objectives
3. The availability of a large and diversified talent pool, reflecting the broad skills sets needed in our evolving industry; achieving gender equality in the tech industry is also a challenge.

- Crayon's most recent formal materiality assessment was conducted in 2021 with the assistance of KPMG Norway. The assessment identified potential material topics through peer benchmarking, document reviews, internal and external interviews (including with investors and other stakeholders), and an analysis of strengths, weaknesses, opportunities and threats (SWOT). Crayon's executive management team selected and ranked the most important issues which were then affirmed by a board committee.
- A high-level review and update of the material ESG topics was carried out in 2023 to ensure continued salience and facilitate more streamlined reporting. An in-depth analysis centered on the concept of double materiality will be carried out in 2024 as part of Crayon's preparations to comply with the Corporate Sustainability Reporting Directive (CSRD) and its associated European Sustainability Reporting Standards (ESRS). We will start reporting in line with the CSRD and ESRS in 2025, covering FY2024.

Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?

- In 2023, we conducted a preliminary analysis which showed that parts of Crayon's core business may potentially correspond to some of the relevant, in-scope economic activities identified in the Climate Delegated Act. Although we made progress in 2023, Crayon is still in the process of completing our assessment and will have more comprehensive findings to disclose in next year's Taxonomy report. Consequently, for 2023 we are reporting zero eligibility and zero alignment across turnover, CapEx and OpEx.
- Please refer to our upcoming 2023 ESG Report for additional information about Crayon's process and progress related to the EU Taxonomy Regulation.

Environment (1/3)

Please list the firm's three primary risks related to climate change and, if any, the firm's climate-related opportunities.

- Scope 3 emissions accounted for 92% of our total carbon footprint in 2023, followed by scope 2 emissions at 6% and scope 1 emissions at 2% respectively. Within scope 3 emissions, goods and services procured from our value chain were the single biggest component of our scope 3 and overall emissions. We are exploring measures such as cost containment and other interventions in our value chain as these would have the biggest impact on our total carbon footprint. We are also cognizant of the need to expand our reporting to more scope 3 sub-categories in order to have a more accurate assessment of our emissions and where and how to intervene.
- Notwithstanding, reducing scope 3 emissions requires collaborative efforts within our business ecosystem. In future, Crayon will be working even more closely with our customers, partners and suppliers to drive down emissions and their associated environmental impacts.
- In 2024 we plan to set science-based emission reduction targets in accordance with the Science Based Targets Initiative (SBTi). The targets and accompanying decarbonization plan will help us to mitigate our carbon emissions. This exercise, combined with the enhanced reporting requirements under the CSRD and ESRS, will yield more insight into our climate-related physical and transition risks and mitigation pathways. Where applicable, opportunities for climate change adaptation may also be identified.

Does the firm anticipate any climate-related investments, and if so to what extent?

- Once finalized in 2024, our emissions reduction targets and decarbonization plan will guide the identification of the type, scale and time horizon of Crayon's potential climate-related investments

Environment (2/3)

Circular Economy: how are purchases and waste managed? If the firm relies on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g. recycling, reusing substitutes, or improved resource efficiency.

- Crayon do not rely on any scarce resources for our operations.
- Crayon is evolving to adopt a more circular approach to business to reduce waste and harm. These initiatives include:
 - Improve energy efficiency: constantly evaluate consumption and deploy measures to reduce usage, as demonstrated in the green building design and certification of our headquarters in Oslo.
 - Support green sourcing by purchasing electricity and fuel generated from renewable energy sources e.g. 45% of our energy consumption in 2023 was from renewable sources.
 - Reduce e-waste by launching a sustainable device management programme in 2023.

Transition-related risks (for example changed customer preferences or legislation): Do you anticipate any risks or opportunities due to the transition to a carbon-neutral society? Is there any risk of the firm's offer being negatively affected? If yes, how has the firm positioned itself to handle that risk?

- Part of our overarching decarbonization plan and emission target setting in 2024 will involve identifying potential transition risks and opportunities; as well as and measures to either mitigate them (risks) or leverage them (opportunities).

Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?

- In 2024 we plan to set science-based emission reduction targets in accordance with the Science Based Targets Initiative (SBTi).

Environment (3/3)

Please list the firm's primary means of making a positive environmental impact or minimizing negative environmental impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?

- **SDG 12 Responsible consumption and production**
 - Our group-wide ISO 14001 certification promotes reduced energy consumption, more recycling and other green practices at our various sites around the world. Our sustainable device management programme aims to maximise the productive or useful life of devices used by our employees, while also promoting the use of recycled materials and components in the design and manufacture of the devices.
- **SDG 13 Climate action**
 - Crayon has committed to setting science-based targets to be submitted for validation in 2024.

ESG QUESTIONNAIRE

Social (1/2)

Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?

- No history of accidents.

If applicable, please state your targets for gender and cultural equality and indicate the relative split of men/women at every level of the firm

Representation of women by seniority	2023	2022	2021	Representation of women by seniority	2023	2022	2021
Women in Crayon's overall workforce (%)	32%	32%	31%	Technical (%)	24%	23%	21%
Women in Crayon's executive management team (%)	29%	33%	43%	Management (%)	29%	29%	27%
Women on Crayon Board of Directors (%)	50%	50%	50%	All other employees (%)	43%	41%	40%

Does the company conduct any other community engagement activities aside from those directly connected to the business?

- Through our Crayon Cares initiative, we give back to local communities in the form of cash donations, sponsorships, in-kind donations of goods and materials, and our employees' time and labor (employee volunteerism).
- In 2023, we donated a total of US\$106,012 to various charities and non-governmental organizations (NGOs) in 32 countries around the world as part of Crayon Cares (2021:US\$111,116). The funds comprised personal contributions from our employees matched by funding from Crayon. In addition, our employees volunteered their time to initiatives such as tree planting and running to raise funds for worthy causes.

ESG QUESTIONNAIRE

Social (2/2)

How often does the firm conduct audits of its suppliers, and how often do you discover incidents not compliant with your code of conduct?

- Crayon perform due diligence on local suppliers and IT suppliers that encompass ESG, human rights and decent working conditions, business integrity and information security.
- Please refer to our 2023 ESG Report for additional information (including metrics) on our supply chain due diligence specifically related to labour and human rights.

Please list the firm's (1-2) primary means of making a positive social impact or minimizing negative social impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?

- **SDG 5 Gender equality** - Engaging actively to improve gender equality across all parts of the organization.
 - By participating in the SHE index and being an active member in female promoting communities, as well as designing our own internal DEI roadmap (DEI training and volunteer community) and corresponding development programs, we will continue to focus on equal rights and the end of discrimination against women and girls across the global audience.
- **SDG 8 Decent work and economic growth** - Creating innovative solutions to help our customers develop and achieve their own sustainability targets.
 - Crayon's product catalog continues to diversify, and we are a leader in using AI and data technologies to innovate across sectors. Increasingly this expertise is being used in labor intensive markets such as farming and manufacturing to increase health and safety as well as sustainable farming practices.

Governance (1/2)

Do all staff members receive continuing education on anti-corruption? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?

- Crayon's Integrity and ESG training, which encompasses topics such as anti-bribery and corruption, is an integral component of our mandatory onboarding program for all employees. All current employees receive regular training to ensure ongoing awareness and understanding of these crucial subjects. We place great importance on ensuring that our team members feel empowered and secure in reporting potential integrity concerns involving corruption and other unethical conduct. This is why we have a strict non-retaliation policy in place, and thoroughly investigate any concerns we receive. Any reported concerns are subjected to thorough investigation, underscoring our dedication to addressing issues promptly and effectively.

Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen

- Crayon is a Norwegian publicly listed company, with tax residency in Norway and established under Norwegian laws.

How many independent members sit on the Board of Directors?

- Five of the ten (50%) board members are independent.

ESG QUESTIONNAIRE

Governance (2/2)

Please state if and to what extent, the company has transactions with related parties

- No transaction with related parties, except Crayon Group holding ASA has transactions with the form of purchases of services and income from Crayon Group AS, subsidiaries and other group companies. Any transactions, agreements or arrangements between the Group and related parties are entered into as part of the ordinary course of business and on arm's length market terms.

Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?

- The variable remuneration for senior management, shall be linked to long-term strategy and value creation for shareholders and the performance of the Company. All senior management has a variable component as part of their remuneration. The variable compensation is based on a combination of financial results and strategic targets.

Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. In your response, please confirm what KPIs are monitored (if any) and how frequently reporting is undertaken

- Crayon's executive management team collectively makes all major strategic and operational decisions, extending to those involving ESG.
- On a day-to-day basis, the Chief Strategy Officer has direct responsibility for ESG, overseeing and collaborating with the Vice President of ESG. The Vice President of ESG defines and realises Crayon's global ESG priorities, including leading ESG reporting and the preparation of this report. Critical concerns about ESG are escalated to Crayon's executive management team, and where relevant and appropriate, to Crayon's Board of Directors.

Have you signed a Union agreement?

- Yes, we have collective bargaining agreements in place.

ESG QUESTIONNAIRE

Principle Adverse Impacts (PAI)

Revenue (EUR)	<ul style="list-style-type: none"> Revenue FY23: EUR 570m (6,397 NOK millions) 	Fossil fuel operations	<ul style="list-style-type: none"> NO
Greenhouse gas emissions	<ul style="list-style-type: none"> Scope 1- 332 tCO2e Scope 2- 1,057 tCO2e (location-based) Scope 3- 16,458 tCO2e 	Sites/operations located in or near to biodiversity-sensitive areas where activities negatively affect those areas	<ul style="list-style-type: none"> NO
Share of non-renewable energy consumption	<ul style="list-style-type: none"> 55% 	Science Based Target	<ul style="list-style-type: none"> NO (SBTi committed by 2024)
Share of non-renewable energy production	<ul style="list-style-type: none"> n/a 	Reports to CDP	<ul style="list-style-type: none"> YES
Energy consumption in GWh Electricity	<ul style="list-style-type: none"> 6.659 GWh 	UN Global Compact Signatory	<ul style="list-style-type: none"> YES
Tonnes of emissions to water	<ul style="list-style-type: none"> n/a 	Involved in the manufacture or selling of controversial weapons	<ul style="list-style-type: none"> NO
Tonnes of hazardous waste and radioactive waste generated	<ul style="list-style-type: none"> 15 tons of hazardous waste (data applicable to Nordics only) 	Whistleblower policy	<ul style="list-style-type: none"> YES
Unadjusted gender pay gap	<ul style="list-style-type: none"> n/a 	Supplier code of conduct	<ul style="list-style-type: none"> YES
Board gender diversity	<ul style="list-style-type: none"> 50% 		

Notes: Preliminary data, subject to final confirmation when the 2023 ESG report is published



- I Transaction summary
- II Company introduction
- III Industry overview
- IV Financial overview
- V Appendix
- VI Risk factors



RISK FACTORS

Risk factors (1/4)

An investment in the Bonds involves a high degree of financial risk. Potential investors should carefully consider all information in this Presentation, including the risks described below, before deciding to make an investment in the Bonds. If the risks materialize, individually or together with other circumstances, they may substantially impair the business of the Group and have material adverse effects on the Group's business prospects, financial condition or results of operations and the price of the Issuer's securities may decline, causing investors to lose all or part of their invested capital. As certain of the assets of the Group are held by the Issuer's subsidiaries, the risks associated with the group will also be relevant for the Issuer, and references to the "Group" shall mean the Issuer together with its subsidiaries. An investment in the Issuer is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. Furthermore, the risk factors presented herein are not exhaustive and other factors currently not known to the Issuer or which the Issuer currently does not deem to be material could also in the future have a material adverse effect on the Issuer.

The risks presented herein have been divided into six categories based on their nature. Within each category, the risk assumed to be the most material is presented first. However, the order in which the subsequent risk factors are presented after the first risk factor in each category is not intended to reflect neither the relative probability nor the potential impact of their materialization. The order of the categories does not represent any evaluation of the materiality of the risk within that category, compared to risks in another category.

Risks related to the implementation of the Group's strategy

The Group may adapt, expand and develop its services in response to changes in technology or customer demand

The market for the services offered by the Group is characterized by rapid technological changes, frequent new product introductions, technology enhancements, increasingly sophisticated customer requirements and evolving industry standards. The Group's future success depends on its ability to continue to provide high quality consulting services and to develop, market and implement services and solutions that are attractive, timely and cost-efficient for its existing and new customers. If the Group fails to keep up with technological changes or to convince customers of the value of its services, intellectual property ("IP") and solutions in light of new technologies or new offerings by competitors, the Group's business, results of operations, financial condition, cash flow and/or prospects could be materially and adversely affected.

Any inability to manage the Group's growth could disrupt the Group's business and reduce the Group's profitability

The future growth of the Group will depend on the successful implementation of the Group's business strategy. The Group's ability to achieve its business and financial objectives is subject to a variety of factors, many of which are beyond the Group's control, such as market conditions, customer demand and regulatory and fiscal matters. Any failure to manage growth effectively and integrate new personnel and consultants on a timely basis could have material adverse effect on the Group's business, operating results and financial condition.

The markets in which the Group competes are highly competitive, and the Group might not be able to compete effectively

The Group operates in a highly competitive and rapidly changing global marketplace and competes with a variety of organizations that offer similar services to those the Group offers, such as large multinational information technology ("IT") services providers; offshore ("pureplay") IT service providers in lower-cost locations; providers of cloud services and solutions; accounting and management consulting firms; and niche service providers and local competitors. In addition, existing vertically integrated companies that provide hardware, software or equipment and services, or those formed through industry consolidation, may be able to provide a more attractive integrated offering, particularly where services are standardized. If the Group is unable to compete successfully, the Group could lose market share and customers to competitors, which could adversely affect the Group's business, results of operations, financial condition, cash flows and/or prospects.

Acquisitions, investments and other strategic transactions could result in operating difficulties and other negative consequences

The Company does not exclude the possibility that it will make acquisitions or enter into other strategic transactions going forward. Such

transactions involve significant challenges and risks, including that the transaction fails to advance the Company's business strategy, that the Company does not realize a satisfactory return on its investment, that it acquires unknown liabilities, or that it experiences difficulties in the integration of business systems and technologies, the integration and retention of new employees, or in the maintenance of key business and customer relationships in the existing businesses it acquires, or diversion of Management's attention from the Company's other businesses. Events like these may harm the Company's operating results or financial condition.

Risk relating to operational activities

The Group's success depends upon its management team and highly skilled IT professionals and the Group's ability to hire, attract, motivate, retain and train these personnel

The Group's success to date has depended to a significant extent upon, and the Group's future success will also depend upon, the Group's ability to attract and retain members of its management team who are able to challenge today's technology and implement the Group's business strategy, and thereby further develop the Group's business. Further, the Group must attract, train and retain appropriate numbers highly qualified IT professionals with diverse skills, including project managers, consultants, IT engineers and other senior technical personnel, in order to serve customer needs and grow the Group's business. If the Group is unable to do so, the Group's ability to develop new business and effectively lead the Group's current projects could be jeopardized. Additionally, and although the Group seeks to diversify its interactions with its customers and ensure that no customer relationship is managed by one employee only, the loss of key employees could negatively affect the Group's ability to maintain and renew existing customer relationships.

The Group has been granted various licenses and authorizations, and a disadvantageous amendment or termination of any license agreement or authorization may have an adverse or even destructive effect on the Company's operations

The Group is using third party technology and various licenses and authorizations to produce, develop, publish and distribute its products, for instance from Microsoft and other software vendors, which is essential for the Group in order to conduct its business in a profitable, even sustainable, manner. Any termination, non-renewal or renewal on disadvantageous terms and conditions, variation of fee structures or other contractual limitations in such reseller agreements, licenses or authorizations, could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group could be subject to liabilities if the Group's strategic partners, software vendors, service providers or subcontractors do not perform their obligations or deliver their project contributions on time or at all

The Group's ability to serve its customers and deliver and implement the Group's services and solutions in a timely manner depends on the ability of the Group's strategic partners, software vendors, service providers and subcontractors to perform their obligations and deliver their products and services in a timely manner and in accordance with contractual and project requirements. Changes in the pricing, incentives or other terms of the Group's agreements with its strategic partners, software vendors, service providers or subcontractors, or their failure to implement their services and deliverables in a correct and/or timely manner, could materially adversely affect the Group's ability to perform and subject the Group to additional liabilities, which could have an material adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects.

The Group's business and business strategy are tied to its intellectual property rights, however, no assurances can be given as to the adequacy of the protection of the Group's intellectual property rights

The Group operates in a business segment that makes it dependable on copyright, trademark, industrial design, trade secret and other related laws and confidentiality procedures and contractual provisions to protect, maintain and enforce its proprietary technology and IP rights and will rely on such in all jurisdictions it will operate in the future. The Group's failure to process, obtain or maintain adequate protection of its IP rights for any reason in foreign jurisdictions, as well as in Norway, may have a material adverse effect on the Group's business, results of operations and financial condition.

RISK FACTORS

Risk factors (2/4)

The Group faces risks of non-compliance with applicable laws and regulations

The Company is exposed towards risk relating to international sanctions, in particular sanctions on trade and import/export, anti-bribery/anti-corruption laws through its operations in and trade across multiple jurisdictions. Furthermore, sanctions imposed on certain countries, companies or individuals by international and regional bodies (e.g. the World Trade Organization, United Nations, the United States, the European Union (the "EU"), Great Britain etc.) could materially adversely affect the Group's ability to retain or establish its operations in or trade with those sanctioned countries or companies and/or individuals linked with such countries. Any of these events may result in loss of revenues, increased costs or decreased cash flows.

For example, due to the war in Ukraine, the Company ceased all business operations in Russia in 2022 via entry of a Framework Share Purchase Agreement. In 2021, Russia contributed 0.6 % of the Group's total gross profit and 0.4 % of Adj. EBITDA, amounting to approximately NOK 18.6 million and NOK 2.8 million, respectively.

The Group is exposed to risk relating to data protection and data privacy regulations, licenses etc.

The Group receives, stores, transfers and processes personal data, such as user data, through its business and operations in multiple jurisdictions. This makes the Group exposed to data protection and data privacy laws and regulations it must comply with, which all imposes stringent data protection requirements and provides high possible penalties for noncompliance, in particular relating to storing, sharing, use, processing, disclosure, transfer and protection of personal data on its platforms. The main regulations are the General Data Protection Regulation (EU) 2016/679 ("GDPR") and the local law implementations of GDPR in the EU member states that the Group operates in, including the Norwegian Data Protection Act of 15 June 2018 no. 38. The Group is also subject to data protection regulations in other jurisdictions the Group operates in, such as the United States.

Any failure to comply with data protection and data privacy policies, privacy-related obligations to customers or third parties, privacy-related legal obligations, regulations on the use of cookies on websites or any compromise of security that results in an unauthorized release, transfer or use of personally identifiable information or other customer data, may result in governmental enforcement, actions, litigation or public statements against the Group, in addition to reputational risks. Any such failure could cause the users of the Group's services to lose trust in the Group. If third parties violate applicable laws or its policies, such violations may also put users of the Group's services at risk and could in turn have an adverse effect on the Group's business. Currently, the GDPR sets strict requirements with regards to transfers of personal data outside the EU/EEA, which may impact the Group's international operations. Any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security, transfer or disclosure of users' personal data, or regarding the manner in which the express or implied consent of users for the collection, use, retention or disclosure of such personal data is obtained, could increase the Group's costs and require the Group to modify its services and features, possibly in a material manner, which the Group may be unable to complete and may limit its ability to store and process user data or develop new services and features.

The Group may suffer from pandemics

The Group's performance has been and may in the future be affected by global and local outbreaks of pandemics, including Covid-19 which was recognized as a pandemic by the World Health Organization in March 2020. Covid-19 and the extraordinary health measures and restrictions on local and global basis imposed by authorities across the world, did, and new outbreaks of Covid-19 or other pandemics may, severely impact companies and markets globally and locally. A prolonged reduction in activity level, in particular in the US and Norway, may severely impact the Group's customers, and could in turn negatively affect the Group's revenues and operations, including the Group's ability to raise capital or secure financing.

Any system failures could harm the Group's ability to provide its services and solutions, damage the Group's reputation or otherwise

adversely affect the Group's business

Certain of the IP-tools offered by the Group to its customers are hosted by the Group on the Group's servers, meaning that the Group must maintain continuous data center operations, including network, storage and server operations. Any significant disruption in operations and any major system failure could compromise the Group's ability to deliver services according to the Group's contracts or to complete projects for its customers on a timely basis (which could trigger penalty and/or damages payments by the Group), resulting in the loss of customers or curtailed operations, any of which could materially affect the Group's operating revenue and profitability.

The Group may not be sufficiently prepared to manage cyber threats that have the potential to significantly disrupt the Group and its customers' services

The Group and the Group's customers may become subject to attacks from cybercriminals and the sophistication and scope of cyber-attacks have developed such that cyber-attacks occur on a nearly daily basis. IT security breaches could lead to shutdowns or disruptions of the Group's systems and potential unauthorized disclosure of confidential information or data, including personal data. The Group may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. The theft or unauthorized use or publication of the Group's, or the Group's customers', confidential information or other proprietary business information as a result of an IT security incident could adversely affect the Group's competitive position and reputation.

Undetected errors or defects in the Group's products or in any third party products

The Group's products, software or solutions, as well as hardware, software and services provided by strategic partners, software vendors and channel partners, could contain errors or defects that could adversely affect the performance of the products, software or solutions and negatively impact the demand therefor. Any such errors or defects could result in adverse client reactions and negative publicity, because many of the Group's clients and potential clients are highly sensitive to defects in the products, software or solutions they use. Any defects or errors in the Group's products, software or solutions could result in the loss of orders or a delay in the receipt of orders and could result in reduced operating revenue. Any claim brought against the Group could be expensive to defend and require the expenditure of significant resources, regardless of the result.

1. Risk relating to customer relationships and third parties

The Group's success depends on its ability to attract and retain customers and procure additional work from existing clients

The Group's business is dependent on attracting new customers in order to continue its growth in revenues. Furthermore, several of the Group's current customer contracts are long-term, but the contracts can usually be terminated by the customers without cause. The Group also enters into framework agreements, which typically relate to system development and consulting engagements. The Group's customers generally have no financial commitment or minimum spending requirement thereunder. Moreover, the Group's contracts generally do not give the Group a right to be the exclusive supplier of services and solutions to its customers. Consequently, the Group's results of operations in subsequent periods could be materially lower than expected.

The Group's work with public sector customers exposes the Group to additional risks inherent in the public sector contracting environment

The Group works with public sector entities, which include national, provincial, state and local governmental entities as well as state-owned entities. Projects involving public sector customers carry various risks inherent in the public sector contracting process. These risks include onerous terms and conditions, limited or no room for negotiation, more publicity, public procurement rules and the risk of losing the public sector customer as a result of the tender process and a higher risk of reduction in scope or termination.

RISK FACTORS

Risk factors (3/4)

Any failure in a customer's infrastructure or applications as a result, or alleged result, of the Group's consulting services' failure could result in a claim for substantial damages against the Group or result in significant reputational harm, and the Group's liability insurance coverage may not cover all potential losses

Many of the Group's engagements involve projects and services that are critical to the operations of the Group's customers' businesses and provide benefits that are difficult to quantify. Any failure in an infrastructure component or application that the Group designed, built, operates or supports, or operated or supported in the past, could result in a claim for substantial damages against the Group and significant reputational harm, regardless of the Group's responsibility for the failure. Although the Group has product liability insurance coverage and IT consulting insurance coverage, there can be no assurance that any such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

Risks related to contractual default by counterparties

The ability of each counterparty to perform its obligations under a contract with the Group will depend on a number of factors beyond the Issuer's control including, for example, factors such as general economic conditions, the condition of the industry to which the counterparty is exposed and the overall financial condition of the counterparty. Should a counterparty fail to honor its obligations under its agreements with the Group, this could impair the Group's liquidity and cause significant losses, which in turn could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

Risks relating to financing and accounts

The Company's revenues, operating results and working capital may fluctuate significantly which could cause the Company to fail to meet or exceed the expectations of the market

The Issuer's results of operation and working capital are likely to fluctuate significantly in the future on a quarterly basis and on an annual basis due to a number of factors, many of which are beyond the Issuer's control. This problem is particularly acute for the Issuer because of the novelty and dynamics of the industry and markets in which the Issuer operates. Therefore, period-to-period comparisons of the Issuer's results of operations may not be meaningful, and investors should not rely on them as indications of the Issuer's future performance.

The Company conducts its business in currencies other than its functional reporting currency, making its results of operations, financial position and future prospect vulnerable for currency fluctuations

The Group has revenues and operating costs in various currencies. The gross costs and sales of licenses and proceeds from incentives are largely determined in international markets, primarily denominated in Euro (EUR), US Dollar (USD), Swedish Kroner (SEK) and Australian Dollar (AUD) in addition to Norwegian Kroner (NOK), while the Group's operating costs more often are denominated in local currencies. A rather comprehensive volume of transactions and balances in currencies other than its functional reporting currency (NOK), exposes the Company to volatility associated with foreign currency exchange rates. Exchange rate fluctuations may affect the Group's financial results through translation of the profit and loss accounts and balance sheets of foreign subsidiaries into NOK. Currency risks may also arise when Group companies enter into transactions that are denominated in other currencies than their functional currency.

Interest rate fluctuations could affect the Group's cash flow and financial condition

[The Group faces interest rate risk from interest-bearing debt with a floating rate. The Group is sensitive to changes in NIBOR having an impact on the Bonds, utilized amounts under the NOK 1,500 million revolving credit facility, and the NOK 400 million overdraft facility.] The Group can also be sensitive to interests on other currencies due to a multicurrency cash-pool in Danske Bank and to other interest-bearing debt, including lease liabilities. The Group does not currently have any hedging arrangements designed to fix or limit risk on a portion of these rates, and there can be no assurance that the Company will enter into such arrangements in the future or that such arrangements

will be available on commercially reasonable terms. If interest rates were to rise significantly the Group's interest expense would correspondingly increase, thus reducing free cash flow. Accordingly, fluctuations in interest rates could negatively affect the Group's business, results of operations, financial position and future prospects.

Risk relating to international and macroeconomic developments

New markets and international sales pose additional risks to the Group's operations

The Group has particularly since 2011 significantly expanded its presence in various geographical markets. The Group is subject to risks inherent in international business activities including the burdens of complying with a wide variety of foreign laws and regulations, import restrictions, tariffs and other trade barriers, difficulties in managing international operations and political and economic instability. Moreover, if for any reason exchange or price controls or other restrictions on conversion of foreign currencies were to be imposed, the Group's business could be adversely affected.

The distribution of the Group's technology and applications across a wide variety of jurisdictions exposes the Group to risks inherent to operating internationally and in regions with political tension and/or surveillance of digital technology, any of which may negatively affect the Group's results of operations

The Group currently has presence in multiple countries, and it cannot be excluded that the Group will expand its geographical presence in the future. Any political involvement or local restrictions of the Group's operations may negatively affect the Group's results of operations in that jurisdiction, but also its overall financial performance.

Risks relating to the Bonds

The Bonds are unsecured obligations of the Issuer and rank behind certain lenders

The Bonds are unsecured obligations of the issuer and will not have any security over any of the Issuer's assets or be guaranteed by any other entity. As such, any security provided by the Issuer to other creditors will take priority to the Bonds. Additionally, the Bonds are structurally subordinated certain other financial indebtedness of the Group, as permitted by the Bond terms, including the Revolving Credit Facility (as defined in the Bond Terms). Because of the unsecured nature of the Bonds and other secured and structurally senior indebtedness of the Group, there is a risk that the bondholders' claims against the Issuer in an event of insolvency or liquidation may not be covered in full, partly or at all.

The Bonds can be paid prior to maturity

Pursuant to the Bond terms, the Issuer may prepay the Bonds prior to their maturity date. The amount to be paid to each bondholder, if such option is exercised, equals the outstanding principal amount of the Bonds, plus accrued and unpaid interest to the date of redemption and a premium calculated in accordance with the terms and conditions of the Bond terms. The call option mechanisms may limit the market value of the Bonds.

Issuer's ability to redeem the Bonds with cash in a change of control event may be limited

Upon the occurrence of a change of control event (as defined in the Bond terms), each individual bondholder has a right of pre-payment of the Bonds at a price of 101 per cent of par value plus all accrued and unpaid interest to the date of redemption. However, it is possible that the Issuer will not have sufficient funds at the time of the change of control event to make the required redemption of the Bonds. The Issuer's failure to redeem the Bonds would constitute an event of default under the Bond terms.

RISK FACTORS

Risk factors (4/4)

Issuer' ability to redeem the Bonds with cash in a change of control event may be limited

Upon the occurrence of a change of control event (as defined in the Bond terms), each individual bondholder has a right of pre-payment of the Bonds at a price of 101 per cent of par value plus all accrued and unpaid interest to the date of redemption. However, it is possible that the Issuer will not have sufficient funds at the time of the change of control event to make the required redemption of the Bonds. The Issuer's failure to redeem the Bonds would constitute an event of default under the Bond terms.

Risks related to amendments of the Bonds Terms and remedies afforded to the bondholders

The Bond Terms will contain provisions for calling meetings of bondholders to consider matters affecting their interests. These provisions permit defined majorities to bind all bondholders, including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority. The bond trustee (the "Bond Trustee") may agree, without the consent of the bondholders, to certain modifications to the Bond Terms and other Finance Documents (as defined in the Bond Terms). Pursuant to the Bond Terms, remedies afforded to the bondholders are vested with the Bond Trustee, thus preventing individual bondholders from taking individual action. The Bond Trustee will be required to act in accordance with instructions given by a relevant majority of bondholders but is also vested with discretionary powers.

Debt service and upstream capacity

Applicable law as well as contractual limitations may limit the amounts that some of the members of the Group will be permitted to pay as dividends or distributions on their equity interests and the timing for such payments. Limitations on the ability to transfer cash among entities within the Group may mean that even though the entities in aggregate may have sufficient resources to meet their obligations, the relevant members of the Group may not be permitted to make the necessary transfers within the Group or to the Issuer and the Issuer may consequently not be able to pay its debts when due.

Limited secondary market

There is no existing market for the Bonds, and no assurances can be provided as regards the future development of a market for the Bonds, and, therefore, the liquidity of the Bonds and the volume they are traded in cannot be guaranteed. This may apply even if the Bonds are listed and there are no market-makers agreements in place or intended to be established in order to secure a liquid market for the Bonds after the Issue date.

Resale restrictions

The Bonds are being offered and sold pursuant to an exemption from registration under United States and applicable state security laws. Therefore, the Bonds may be transferred or resold in the United States only in a transaction registered under or exempt from the registration requirements of the securities act and applicable state securities law, and the seller may be required to bear the risk of holding the Bond investment for an indefinite period of time.