



Q2 2024 Financial Report



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Highlights

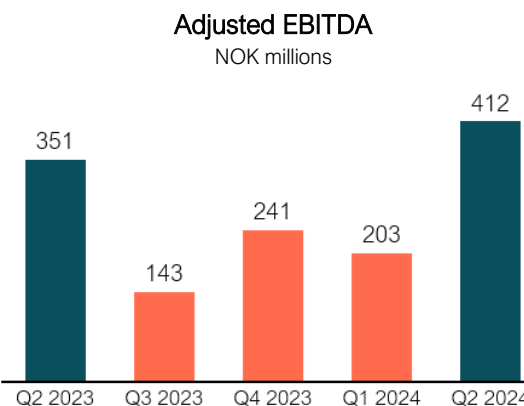
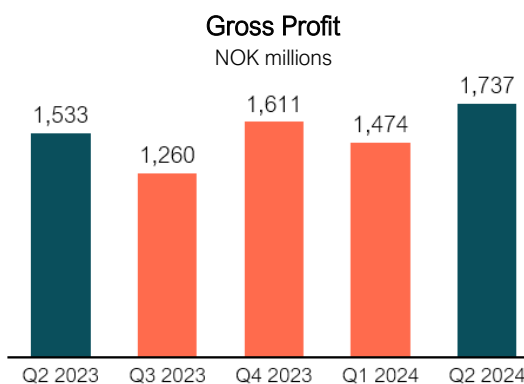
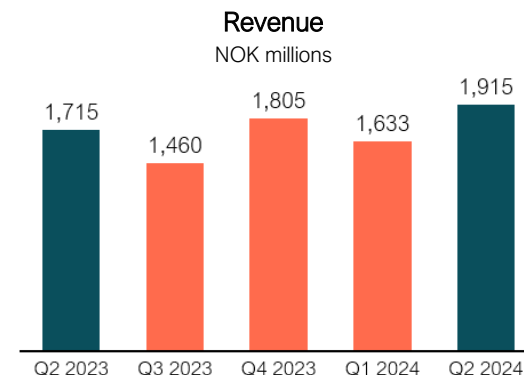
In Q2 2024:

- Gross Profit increased 13% (14% in constant currency) to NOK 1,737m.
- Adj. EBITDA ended at NOK 412m, reflecting a margin of 24%.
- Net working capital ended at an all-time best at minus NOK 1,403m.
- Long term financing successfully completed.
- Reduced net interest-bearing debt due to strong cash flow.

Key figures

| (NOK millions) | Year to date | | Year to date | | Full year |
|----------------------------------|--------------|-----------|---------------------|---------------------|---------------------|
| | Q2 2024 | Q2 2023 | Q2 2024 | Q2 2023 | 2023 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Gross Sales | 18,167 | 15,361 | 32,103 | 27,037 | 49,077 |
| Revenue | 1,915 | 1,715 | 3,548 | 3,132 | 6,397 |
| Gross profit | 1,737 | 1,533 | 3,211 | 2,790 | 5,662 |
| EBITDA | 394 | 296 | 572 | 480 | 745 |
| Adjusted EBITDA | 412 | 351 | 615 | 536 | 919 |
| Operating profit/EBIT | 311 | 217 | 408 | 319 | 442 |
| Net income | 134 | 68 | 143 | -23 | -159 |
| Cash flow from operations | 599 | 164 | 696 | 240 | 1,413 |
| Adjusted EBITDA margin (%) | 23.7% | 22.9% | 19.2% | 19.2% | 16.2% |
| Basic earnings per share (NOK) | 1.40 | 0.69 | 1.54 | -0.33 | -1.29 |
| Diluted earnings per share (NOK) | 1.38 | 0.68 | 1.52 | -0.33 | -1.29 |
| | | | Jun 30, 2024 | Jun 30, 2023 | Dec 31, 2023 |
| Net interest-bearing debt | | | 724 | 1,840 | 1,189 |
| Liquidity reserve | | | 3,205 | 2,165 | 2,726 |
| Leverage ratio (multiple) | | | 0.7 | 2.0 | 1.2 |
| Net working capital | | | -1,403 | -132 | -1,121 |
| Full time equivalents (FTE) | | | 4,114 | 3,878 | 4,021 |

See last section for details on Alternative Performance Measures.



Business review

(Figures in parentheses refer to the same period in the previous year)

Gross Profit grew 13% in the quarter to NOK 1,737m, while Adj. EBITDA increased NOK 61m to NOK 412m. Growth was solid across regions while Europe delivered another strong performance with 26% growth.

Adj. EBITDA increased to NOK 412m. Margin ended at 23.7% an improvement from 22.9% in Q2, 2023. Measures to improve profitability in the Consulting business are yielding results with Adj. EBITDA margin ending at 11%, up from 4% in the prior year.

Net working capital was record strong for the quarter at minus NOK 1,4bn. The performance demonstrates the continued focus on working capital management throughout the organization, as well as the inherent working capital dynamics in the business model.

Market Clusters

Gross Profit in the Nordics increased 13%, driven in particular by the Direct business which delivered solid growth across all countries. Performance in the Consulting business improved significantly, growing 7% in the second quarter. Adj. EBITDA increased from NOK 158m to NOK 189m, reflecting a margin of 31%, an improvement of 2 percentage points. The improvement is driven in particular by improved profitability in the service segments as a result of the measures taken in Q1, 2024.

Crayons performance in Europe continues to be strong, with Gross Profit growing 26% and Adj. EBITDA at 25%, at the same level as the same quarter in the prior year. The Channel business declined 18%. The negative performance is mainly driven by the exceptionally high comparable as Q2 previous year saw 89% growth in Gross Profit. Software and Cloud Economics and Consulting grew Gross Profit with 55% and 77% respectively.

Gross Profit in APAC & MEA increased by 16% driven by the strong growth of 30% in the Channel business. Software and Cloud Direct grew 4%. Performance in the Consulting business was solid with Gross profit

growing 11% to NOK 91m. Adj. EBITDA increased from NOK 43m to NOK 70m. Margin ended at 18.8% and increase from 13.4% prior year.

In the US Gross Profit grew 6% to NOK 181m. The low growth was mainly impacted by performance in both the Direct and Channel business, with 0% and minus 25% growth respectively. Gross Profit in Software and Cloud Economics remain solid with 7% Gross Profit growth.

Business areas

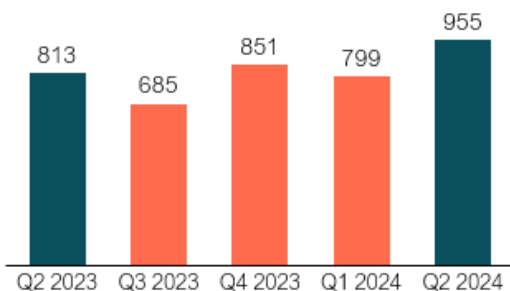
Software and Cloud demand remains strong across multiple vendors, growing Gross Profit with 17% compared to the same quarter the previous year. Adj. EBITDA increased by NOK 132m, and the margin increased from 53% to 59%, demonstrating the scalability in the business. The margin improvement is particularly driven by the Channel business which increased margin from 51% to 63%.

Gross Profit in the Service segments increased 18% to NOK 704m. The Nordic represents approximately 60% of Gross Profit in Consulting and grew 7% in what has been a muted market during the first half of 2024. Software and Cloud Economics had a strong performance in the quarter, growing Gross Profit with 23%, mainly driven by 55% growth in Europe. The strong growth is a result of focused investments as well as a strong drive from customers to optimize and reduce cost in their IT infrastructure.

In the beginning of the year, the company took actions to improve profitability in the Consulting business and these are yielding results. Adj. EBITDA increased with NOK 50m to NOK 73m reflecting a margin of 11%. This is a significant improvement compared to the same quarter in the previous year.

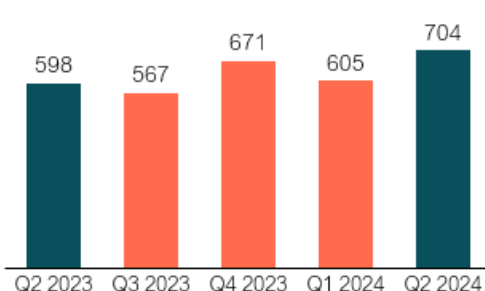
Software & Cloud Gross Profit

NOK millions



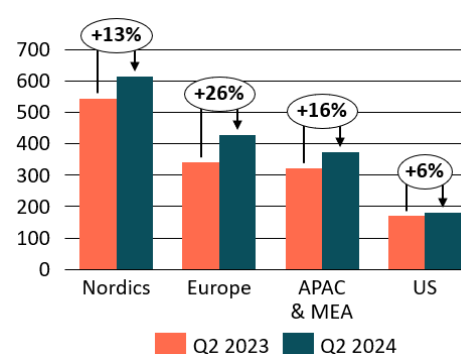
Services Gross Profit

NOK millions



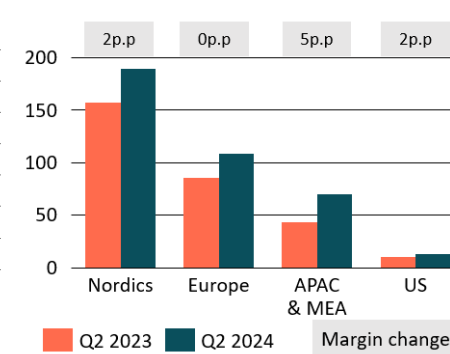
Gross Profit by Market Cluster

NOK millions



Adj. EBITDA by Market Cluster

NOK millions



Financial review

(Figures in parentheses refer to the same period in the previous year)

Revenue and Gross profit

Revenue in Q2, 2024 increased 12% YoY to NOK 1,915m. Gross profit increased 13% to NOK 1,737m.

Adjusted EBITDA

Adjusted EBITDA was NOK 412m compared to NOK 351m last year, corresponding to an increase of 17%. The increase derives from an increase in Gross profit of 13%, higher than the net off increase in payroll and other operating expenses of 12%, resulting in an Adj. EBITDA margin of 23.7% (22.9%).

Adjustments include share-based compensations and other income and expenses. Other income and expenses amount to NOK 3m for the quarter and is M&A related.

Net income

Depreciation, amortization and impairment increased 5% compared to last year.

Interest expense decreased YoY by NOK 2m in Q2 to NOK 66m.

Net other financial items contributed with an expense for the quarter of NOK 57m same as last year. The expense includes termination cost related to refinancing the bond amounting to NOK 34m. The rest mainly consist of net currency exchange losses. Last year the full amount related to currency losses.

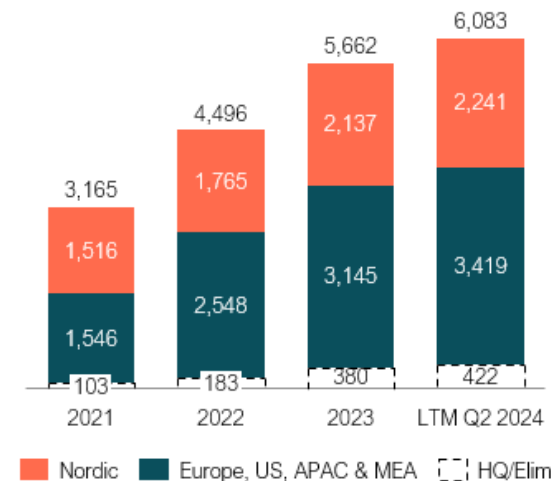
Income tax expense ended at NOK 54m for the quarter, compared to NOK 24m last year.

Net income amounted to NOK 134m for the quarter, compared to NOK 68m last year.

Basic and diluted earnings per share for the quarter amounted to NOK 1.40 and 1.38 respectively (0.69 and 0.68).

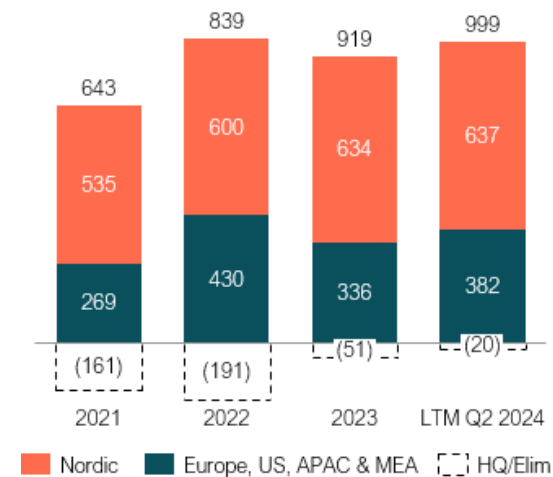
Gross Profit by Market Cluster

NOK millions



Adj. EBITDA by Market Cluster

NOK millions



Balance sheet

Total non-current assets reduced by NOK 8m to NOK 4,976m during the quarter.

Total current assets increased by 14% to NOK 15,613m compared to Q2, 2023, less than the increase in gross sales of 18% for the quarter compared to last year.

There have been no material changes in the process of collecting the significant delayed public sector receivable in the Philippines amounting to approximately USD 45m. The Department of Budget and Management Procurement Services ("PS-DBM") was in 2023 subject to an audit by the Commission of Audit (CoA). The audit led to a stop in payments, as timing was dependent on official audit completion. The Annual Audit Report was released in July 2023 and CoA recommended PS-DBM to proceed with the payment of USD 37m. The remaining outstanding amount of USD 8m relates to new taxation included in the price of the licenses, where PS-DBM is recommended to coordinate with NEDA (National Economic and Development Authority) and endorses the request for the pricing change. The process of having PS-DBM to clarify approval of payments with CoA is still ongoing. A provision of NOK 30m has been considered as part of the bad debt provision on June 30, 2024, an increase of NOK 9m in the quarter. The provision is calculated based on the time value of the expected settlement applying a scenario analysis where the timing of the payment is the main variable. The assessments of the management and our legal advisor have not changed, and we expect the full payment to be processed.

The extended terms on certain accounts payables achieved by the Company at year end 2023 is still valid and are largely offsetting the negative effect the overdue receivable in the Philippines had on the Net Working Capital.

Total bad debt provisions increased during the quarter by NOK 16m to NOK 247m at the end of the quarter. The increase relates to net allowance for bad debt of NOK 23m (including the impairment loss described above of NOK 9m for the quarter) and currency effects of NOK -7m.

Crayon has non-recourse factoring agreements. On June 30, 2024, factoring reduced accounts receivable by NOK 124m (NOK 317m) and related to India. Total factoring also reduced from NOK 247m end of last quarter.

Interest-bearing liability decreased by NOK 455m to NOK 2,109m during the quarter, mainly due to refinancing and repayment of bond by NOK 600m from NOK 1,800m to NOK 1,200m. Total cash of NOK 1,435m increased by NOK 33m from the last quarter. Net interest-bearing debt decreased by NOK 490m to NOK 724m supported by the operating cash flow.

Total equity increased by NOK 159m to NOK 2,749m during the quarter driven by the net income of NOK 134m, and positive effect from sale of own shares of NOK 38m. The equity ratio was 13%.

Cash flow

Cash flow from operations in Q2 was NOK 599m (NOK 164m) due to the adjusted EBITDA of NOK 412m and a favorable NWC development. Due to gross sales flowing through our books and seasonal variances, the short-term cash flow can be volatile. Historically, Q2 and Q4 provide better operating cash flow than Q1 and Q3.

Cash paid for investing activities amounted to NOK 39m in the quarter (NOK 39m) and mainly relates to ordinary CAPEX.

Cash flow from financing activities amounted to NOK -509m (NOK -149m) and relates to repayment of bond loan of NOK 600m during the quarter, in addition to ordinary interest payments, lease payments, and changes in credit facilities utilization.

The liquidity position remained strong, with a total liquidity reserve of NOK 3,205m on June 30, 2024.

Leverage

Net interest-bearing debt as of June 30, 2024, was NOK 724m, with a corresponding leverage ratio of 0.7x Adj. EBITDA¹⁾, providing significant headroom with regards to bank covenants (4.5x Adj. EBITDA¹⁾) at the end of the quarter.

Employees

Our people are our greatest asset, and we strive to continuously attract, develop, and retain top talent, but even more importantly, we empower our employees to perform at the best of their abilities every day.

The number of full-time equivalents on June 30, 2024, increased by 6% to 4,114 compared to 3,878 on June 30, 2023. In the Software & Cloud business division, full-time equivalents increased by 96, representing a 4% increase, while in the Services business division, it increased by 64 employees, an increase of 3%. Other employees increased by 76 YoY.

1) On an LTM basis, excluding non-controlling interests.

Condensed Consolidated Statement of Income

| (NOK millions) | Note | Year to date | | Year to date | | Full year |
|--|------|----------------------|----------------------|----------------------|----------------------|-----------------|
| | | Q2 2024 Unaudited | Q2 2023 Unaudited | Q2 2024 Unaudited | Q2 2023 Unaudited | 2023 Audited |
| Revenue | 6 | 1,915 | 1,715 | 3,548 | 3,132 | 6,397 |
| Cost of sales | | -178 | -183 | -337 | -341 | -735 |
| Gross profit | | 1,737 | 1,533 | 3,211 | 2,790 | 5,662 |
| Payroll and related expenses | | -1,110 | -1,007 | -2,191 | -1,923 | -3,986 |
| Other operating expenses | | -215 | -174 | -405 | -331 | -756 |
| Share based compensation | | -16 | -25 | -24 | -26 | -42 |
| Other income and expenses | | -3 | -30 | -20 | -30 | -132 |
| EBITDA | | 394 | 296 | 572 | 480 | 745 |
| Adjustments | | 19 | 55 | 43 | 57 | 175 |
| Adjusted EBITDA | | 412 | 351 | 615 | 536 | 919 |
| Depreciation, amortization and impairment | 4 | -83 | -79 | -164 | -161 | -302 |
| Operating profit/EBIT | | 311 | 217 | 408 | 319 | 442 |
| Share of profit (loss) from associated companies | | 0 | 0 | 0 | -0 | -0 |
| Interest expense | | -66 | -68 | -138 | -128 | -276 |
| Other financial expense, net | 5 | -57 | -57 | -67 | -210 | -249 |
| Net income before tax | | 188 | 92 | 204 | -19 | -82 |
| Income tax expense on ordinary result | | -54 | -24 | -61 | -5 | -77 |
| Net income | | 134 | 68 | 143 | -23 | -159 |
| Comprehensive income | | | | | | |
| Items that are or may be reclassified subsequently to profit or loss | | | | | | |
| Currency translation | | -2 | 122 | 89 | 319 | 189 |
| Comprehensive income net of tax | | 132 | 189 | 232 | 295 | 29 |
| Allocation of net income | | | | | | |
| Non-controlling interests | | 8 | 6 | 6 | 6 | -44 |
| Owners of Crayon Group Holding ASA | | 125 | 61 | 138 | -29 | -115 |
| Net income allocated | | 134 | 68 | 143 | -23 | -159 |
| Earnings per share (NOK) | | 1.40 | 0.69 | 1.54 | -0.33 | -1.29 |
| Dilutive earnings per share (NOK) | | 1.38 | 0.68 | 1.52 | -0.33 | -1.29 |
| Allocation of comprehensive income | | | | | | |
| Non-controlling interests | | 8 | 8 | 6 | 10 | -41 |
| Owners of Crayon Group Holding ASA | | 123 | 181 | 226 | 285 | 70 |
| Comprehensive income allocated | | 132 | 189 | 232 | 295 | 29 |

Condensed Consolidated Balance Sheet Statement

| (NOK millions) | | Jun 30, 2024 | Jun 30, 2023 | Dec 31, 2023 |
|--|------|---------------|---------------|---------------|
| ASSETS | Note | Unaudited | Unaudited | Audited |
| Non-current assets: | | | | |
| Goodwill | 9 | 3,331 | 3,349 | 3,262 |
| Other intangible assets | 8 | 640 | 701 | 660 |
| Deferred tax asset | | 156 | 213 | 117 |
| Equipment | | 102 | 103 | 103 |
| Right-of-use assets | 12 | 530 | 448 | 547 |
| Investment in associated companies | | 43 | 42 | 43 |
| Other non-current assets | | 174 | 70 | 156 |
| Total non-current assets | | 4,976 | 4,925 | 4,888 |
| Current assets: | | | | |
| Inventory | | -0 | 19 | 18 |
| Accounts receivable | 11 | 11,132 | 9,314 | 7,847 |
| Other current receivables and current assets | 13 | 3,046 | 2,930 | 2,324 |
| Cash & cash equivalents | 10 | 1,435 | 1,405 | 1,467 |
| Total current assets | | 15,613 | 13,669 | 11,656 |
| Total assets | | 20,589 | 18,594 | 16,544 |

| (NOK millions) | | Jun 30, 2024 | Jun 30, 2023 | Dec 31, 2023 |
|---|------|---------------|---------------|---------------|
| LIABILITIES AND SHAREHOLDERS' EQUITY | Note | Unaudited | Unaudited | Audited |
| Shareholders' equity: | | | | |
| Share capital | | 90 | 89 | 90 |
| Own shares | | -23 | -0 | -100 |
| Share premium | | 1,821 | 1,818 | 1,821 |
| Total paid-in equity | | 1,888 | 1,907 | 1,810 |
| Retained earnings | | 869 | 901 | 686 |
| Total equity attributable to parent company shareholders | | 2,756 | 2,808 | 2,497 |
| Non-controlling interests | | -7 | 33 | -17 |
| Total shareholders' equity | | 2,749 | 2,841 | 2,479 |
| Non-current liabilities: | | | | |
| Interest-bearing liabilities | 10 | 1,190 | 1,790 | 1,792 |
| Deferred tax liabilities | | 123 | 232 | 115 |
| Lease liabilities | 10 | 466 | 403 | 488 |
| Other non-current liabilities | | 27 | 32 | 33 |
| Total non-current liabilities | | 1,805 | 2,457 | 2,428 |
| Current liabilities: | | | | |
| Accounts payable | | 12,332 | 9,506 | 8,753 |
| Income taxes payable | | 117 | 88 | 74 |
| Public duties | | 1,050 | 894 | 659 |
| Current lease liabilities | 10 | 105 | 76 | 93 |
| Other current interest-bearing liabilities | 10 | 348 | 824 | 233 |
| Other current liabilities | | 2,082 | 1,907 | 1,824 |
| Total current liabilities | | 16,034 | 13,296 | 11,636 |
| Total liabilities | | 17,839 | 15,753 | 14,065 |
| Total equity and liabilities | | 20,589 | 18,594 | 16,544 |

Condensed Consolidated Statement of Cash Flows

| (NOK millions) | Q2 2024 | Q2 2023 | Year to date Q2 2024 | Year to date Q2 2023 | Full year 2023 |
|---|--------------|--------------|-------------------------|-------------------------|-------------------|
| | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Cash flows from operating activities: | | | | | |
| Net income before tax | 188 | 92 | 204 | -19 | -82 |
| Taxes paid | -16 | -40 | -36 | -66 | -167 |
| Depreciation, amortization and impairment | 83 | 79 | 164 | 161 | 302 |
| Net interest expense | 62 | 62 | 128 | 115 | 252 |
| Interest received | 4 | 6 | 9 | 12 | 23 |
| Changes in trade working capital | 274 | -472 | 312 | 189 | 905 |
| Changes in other working capital and other adjustments | 4 | 437 | -86 | -154 | 179 |
| Net cash flow from operating activities | 599 | 164 | 696 | 240 | 1,413 |
| Cash flows from investing activities: | | | | | |
| Payment for capitalized assets | -39 | -39 | -71 | -73 | -153 |
| Acquisition of subsidiaries - (net of cash acquired) | 0 | -32 | 0 | -32 | -31 |
| Change in other investments | 0 | 0 | -14 | 0 | -87 |
| Net cash flow from investing activities | -39 | -71 | -85 | -105 | -271 |
| Cash flows from financing activities: | | | | | |
| Interest paid | -77 | -68 | -148 | -124 | -270 |
| Share issues | 0 | 0 | 0 | 0 | 3 |
| Net purchase and sale of own shares | 38 | 0 | 38 | 0 | -100 |
| Acquisition/disposal of non-controlling interests | -15 | 0 | -15 | -24 | -42 |
| Repayment of bond loan | -600 | 0 | -600 | 0 | 0 |
| Payment of lease liability | -27 | -22 | -51 | -37 | -80 |
| Change in RCF utilization | 0 | -350 | 0 | -500 | -900 |
| Net change in other credit facilities utilization | 171 | 291 | 97 | 291 | 109 |
| Net cash flow from financing activities | -509 | -149 | -679 | -394 | -1,280 |
| Net increase (decrease) in cash and cash equivalents | 50 | -56 | -67 | -259 | -139 |
| Cash and cash equivalents at beginning of period | 1,402 | 1,413 | 1,467 | 1,530 | 1,530 |
| Currency translation | -17 | 48 | 35 | 134 | 76 |
| Cash and cash equivalents at end of period | 1,435 | 1,405 | 1,435 | 1,405 | 1,467 |

Condensed Consolidated Statement of Changes in Shareholder's Equity

Year to date period ending

Jun 30, 2023

Attributable to equity holders of Crayon Group Holding ASA

| (NOK millions) | Share capital | Own shares | Share premium | Translation difference | Other Equity | Total | Non-controlling interests | Total equity |
|---|---------------|------------|---------------|------------------------|--------------|--------------|---------------------------|--------------|
| Balance at Jan 1, 2023 | 89 | -0 | 1,818 | 209 | 395 | 2,511 | 30 | 2,540 |
| Net income | 0 | 0 | 0 | 0 | -29 | -29 | 6 | -23 |
| Other comprehensive income | 0 | 0 | 0 | 314 | 0 | 314 | 4 | 319 |
| Total comprehensive income | 0 | 0 | 0 | 314 | -29 | 285 | 10 | 295 |
| Share-based compensation | 0 | 0 | 0 | 0 | 24 | 24 | 1 | 25 |
| Transactions with non-controlling interests | 0 | 0 | 0 | 0 | -8 | -8 | -8 | -16 |
| Transactions with owners | 0 | 0 | 0 | 0 | 16 | 16 | -7 | 9 |
| Balance as of end of period | 89 | -0 | 1,818 | 523 | 382 | 2,812 | 33 | 2,845 |

Jun 30, 2024

Attributable to equity holders of Crayon Group Holding ASA

| (NOK millions) | Share capital | Own shares | Share premium | Translation difference | Other Equity | Total | Non-controlling interests | Total equity |
|---|---------------|-------------|---------------|------------------------|--------------|--------------|---------------------------|--------------|
| Balance at Jan 1, 2024 | 90 | -100 | 1,821 | 394 | 292 | 2,497 | -17 | 2,479 |
| Net income | 0 | 0 | 0 | 0 | 138 | 138 | 6 | 143 |
| Other comprehensive income | 0 | 0 | 0 | 88 | 0 | 88 | 1 | 89 |
| Total comprehensive income | 0 | 0 | 0 | 88 | 138 | 226 | 6 | 232 |
| Net purchase and sale of own shares | 0 | 77 | 0 | 0 | -39 | 38 | 0 | 38 |
| Share-based compensation | 0 | 0 | 0 | 0 | 12 | 12 | 0 | 13 |
| Transactions with non-controlling interests | 0 | 0 | 0 | 0 | -13 | -13 | -1 | -14 |
| Other changes | 0 | 0 | 0 | 0 | -4 | -4 | 5 | 1 |
| Transactions with owners | 0 | 77 | 0 | 0 | -44 | 34 | 4 | 38 |
| Balance as of end of period | 90 | -23 | 1,821 | 483 | 386 | 2,756 | -7 | 2,749 |

Notes

Note 1 – Corporate information

The Board of Directors has approved the condensed interim financial statements as at June 30, 2024, for publication on August 29, 2024. These Group financial statements have not been subject to audit or review.

Crayon Group Holding ASA is a public limited company registered in Norway. The headquarters is located at Gullhaug Torg 5, 0484 Oslo, Norway. Crayon Group Holding ASA is listed on Oslo Stock Exchange (Oslo Børs) under the ticker “CRAYN”.

Crayon specializes in supporting customers across all industry sectors with complex local, regional and global IT estates. Crayon helps clients specify, plan, deploy, manage and optimize technology ecosystems.

Crayon had 4,114 full-time equivalents across 46 countries at the end of the period.

Note 2 – Basis of preparation

The consolidated condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 “Interim Financial Reporting”. The condensed interim financial statements do not include all information and disclosures required in the annual financial statement and should be read in accordance with the Group’s Annual Report for 2023, which has been prepared according to IFRS as adopted by EU.

The preparation of interim financial statements requires the Group to make certain estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated by the management based on historical experience and other factors, including expectations of future events that are deemed to be reasonable under the circumstances. Actual results may differ from these estimates. The most significant judgements used in preparing these interim financial statements and the key areas of estimation uncertainty are the same as those applied in the consolidated annual report for 2023.

Note 3 – Significant accounting principles

The accounting policies applied in the preparation of the consolidated interim financial statement are consistent with those applied in the preparation of the annual IFRS financial statement for the year ended December 31, 2023.

Note 4 – Depreciation, amortization and impairment

Depreciation, amortization and impairment consist of the following:

| (NOK millions) | Year to date | | Year to date | | Full year |
|-----------------------------|--------------|-----------|--------------|------------|------------|
| | Q2 2024 | Q2 2023 | Q2 2024 | Q2 2023 | |
| Depreciation | 41 | 31 | 82 | 60 | 129 |
| Amortization of intangibles | 42 | 49 | 82 | 101 | 173 |
| Impairment | 0 | 0 | 0 | 0 | 0 |
| Total | 83 | 79 | 164 | 161 | 302 |

See Note 8 for breakdown of intangible assets. See Note 12 for more information on Right-of-use assets.

Note 5 – Other financial income and expenses

Other financial income and expenses consist of the following:

| (NOK millions) | Year to date | | Year to date | | Full year |
|------------------------------|--------------|------------|--------------|-------------|-------------|
| | Q2 2024 | Q2 2023 | Q2 2024 | Q2 2023 | |
| Interest income | 4 | 6 | 9 | 12 | 23 |
| Other financial expense, net | -61 | -63 | -76 | -222 | -272 |
| Total | -57 | -57 | -67 | -210 | -249 |

Other financial expenses largely relate to currency exchange effects from foreign to functional currencies in each unit on monetary transactions and assets such as accounts receivables, accounts payables, loans and cash, including group internal balances. The volatility of the NOK towards some of our main currencies such as the EUR and USD during the quarter is the most important reason for the expense recognized year to date Q2, 2023. Measures were implemented during second half of 2023 to reduce the sensitivity of currency and is the main reason for the significant decrease year to date 2024. Included in other financial expense for the quarter is a termination cost related to refinancing the bond amounting to NOK 34m. See Note 10 for further information.

Note 6 – Segment information

The Group regularly reports revenue, gross profit and adjusted EBITDA in operating segments and geographical market clusters to the Board of Directors and executive management (the Group's chief operating decision makers). While Crayon uses all three measures to analyze performance, the Group's strategy of profitable growth means that adjusted EBITDA is the prevailing measure of performance.

The reporting segments are Software & Cloud Direct, Software & Cloud Channel, Software & Cloud Economics and Consulting in addition to General & Administration. Further information is found in Note 2 in the Annual report for 2023.

- **Software & Cloud Direct** is Crayon's license offering from software vendors (e.g., Microsoft, Adobe, Symantec, Citrix, Broadcom, Oracle, IBM and others). The emphasis is towards standard software, which customers consistently use year after year, and which plays a key role in their technological platforms and critical commercial processes.
- **Software & Cloud Channel** is Crayon's offering towards hosters, system integrators and independent software vendors (ISV) which includes license advisory/optimization, software license sales and access to Crayon's proprietary tools and IP.
- **Software & Cloud Economics** services include processes and tools for enabling clients to build in-house Software Asset Management (SAM) capabilities, license spend optimization, and support for clients in vendor audits.
- **Consulting** consists of Cloud Consulting and Solution Consulting services related to infrastructure consulting, cloud migration and deployment, bespoke software deployment and follow-up of applications.
- **General & Administration** includes certain Group incentives and internal and external administrative income and expenses.

The market clusters are composed of operations in the different geographical areas. Crayon operates with five main geographical areas: Nordics, Europe, APAC & MEA and US in addition to HQ.

HQ includes certain Group incentives and internal and external administrative income and expenses.

Group Adjustments include certain IFRS 15 adjustments related to timing of revenue recognition following the IFRIC decision incorporated in 2022.

Segment information June 30, 2024

| (NOK millions) | Q2 2024 | | | | | | | Year to date Q2 2024 | | | | | | | | |
|--------------------------------------|-------------------------|--------------------------|----------------------------|------------|-------------|--------------------------|--------------|----------------------|-------------------------|--------------------------|----------------------------|-------------|-------------|--------------------------|--------------|-------|
| | Software & Cloud | | Services | | | General & Administration | Eliminations | Total | Software & Cloud | | Services | | | General & Administration | Eliminations | Total |
| | Software & Cloud Direct | Software & Cloud Channel | Software & Cloud Economics | Consulting | Cloud | | | | Software & Cloud Direct | Software & Cloud Channel | Software & Cloud Economics | Consulting | Cloud | | | |
| Revenue | | | | | | | | | | | | | | | | |
| Nordics | 232 | 58 | 59 | 382 | 1 | 0 | 733 | 435 | 123 | 106 | 749 | 4 | 0 | 1,417 | | |
| Europe | 226 | 45 | 90 | 150 | 0 | 0 | 510 | 351 | 99 | 160 | 250 | 3 | 0 | 863 | | |
| APAC & MEA | 105 | 156 | 23 | 191 | 3 | 0 | 478 | 193 | 311 | 43 | 324 | 5 | 0 | 876 | | |
| US | 56 | 11 | 112 | 29 | 0 | 0 | 208 | 101 | 24 | 215 | 53 | 0 | 0 | 393 | | |
| HQ | 27 | 0 | 0 | 0 | 127 | 0 | 154 | 48 | 0 | 0 | -1 | 267 | 0 | 314 | | |
| Group Adjustments | 25 | 16 | 0 | 0 | 0 | 0 | 41 | 21 | 48 | 0 | 0 | 0 | 0 | 69 | | |
| Eliminations | 0 | 0 | 0 | 0 | 0 | -207 | -207 | 0 | 0 | 0 | 0 | 0 | -385 | -385 | | |
| Revenue | 670 | 285 | 284 | 752 | 131 | -207 | 1,915 | 1,149 | 605 | 525 | 1,375 | 279 | -385 | 3,548 | | |
| Gross profit | | | | | | | | | | | | | | | | |
| Nordics | 232 | 58 | 50 | 272 | 1 | 0 | 614 | 435 | 123 | 92 | 534 | 4 | 0 | 1,188 | | |
| Europe | 226 | 45 | 77 | 81 | 0 | 0 | 428 | 351 | 99 | 140 | 138 | 3 | 0 | 731 | | |
| APAC & MEA | 105 | 156 | 18 | 91 | 3 | 0 | 373 | 193 | 311 | 32 | 160 | 5 | 0 | 701 | | |
| US | 56 | 11 | 91 | 23 | 0 | 0 | 181 | 101 | 24 | 178 | 35 | 0 | 0 | 339 | | |
| HQ | 27 | 0 | 0 | 0 | 127 | 0 | 154 | 48 | 0 | 0 | -1 | 267 | 0 | 314 | | |
| Group Adjustments | 25 | 16 | 0 | 0 | 0 | 0 | 41 | 21 | 48 | 0 | 0 | 0 | 0 | 69 | | |
| Eliminations | 0 | 0 | 0 | 0 | 0 | -54 | -54 | 0 | 0 | 0 | 0 | 0 | -131 | -131 | | |
| Gross profit | 670 | 285 | 237 | 467 | 131 | -54 | 1,737 | 1,149 | 605 | 441 | 867 | 279 | -131 | 3,211 | | |
| Payroll and other operating expenses | -293 | -104 | -215 | -415 | -351 | 54 | -1,324 | -573 | -202 | -408 | -833 | -711 | 131 | -2,595 | | |
| Adjusted EBITDA | 377 | 182 | 22 | 52 | -220 | 0 | 412 | 576 | 403 | 34 | 35 | -432 | 0 | 615 | | |

Segment information June 30, 2023

| (NOK millions) | Q2 2023 | | | | | | | Year to date Q2 2023 | | | | | | | | |
|--------------------------------------|-------------------------|--------------------------|----------------------------|------------|------------|--------------------------|--------------|----------------------|-------------------------|--------------------------|----------------------------|-------------|-------------|--------------------------|--------------|-------|
| | Software & Cloud | | Services | | | General & Administration | Eliminations | Total | Software & Cloud | | Services | | | General & Administration | Eliminations | Total |
| | Software & Cloud Direct | Software & Cloud Channel | Software & Cloud Economics | Consulting | Cloud | | | | Software & Cloud Direct | Software & Cloud Channel | Software & Cloud Economics | Consulting | Cloud | | | |
| Revenue | | | | | | | | | | | | | | | | |
| Nordics | 190 | 54 | 52 | 376 | 1 | 0 | 674 | 362 | 107 | 99 | 759 | -0 | 0 | 1,326 | | |
| Europe | 190 | 55 | 54 | 72 | 1 | 0 | 371 | 300 | 90 | 120 | 135 | 3 | 0 | 647 | | |
| APAC & MEA | 100 | 120 | 21 | 172 | 3 | 0 | 415 | 169 | 262 | 39 | 297 | -2 | 0 | 766 | | |
| US | 56 | 14 | 99 | 27 | 0 | 0 | 197 | 94 | 28 | 185 | 49 | 0 | 0 | 356 | | |
| HQ | 19 | 0 | -4 | 8 | 180 | 0 | 203 | 24 | 0 | -4 | 8 | 257 | 0 | 285 | | |
| Group Adjustments | 4 | 11 | 0 | 0 | 0 | 0 | 15 | 14 | 30 | 0 | -1 | 0 | 0 | 43 | | |
| Eliminations | 0 | 0 | 0 | 0 | 0 | -161 | -161 | 0 | 0 | 0 | 0 | 0 | -292 | -292 | | |
| Revenue | 560 | 253 | 223 | 654 | 185 | -161 | 1,715 | 962 | 516 | 439 | 1,249 | 258 | -292 | 3,132 | | |
| Gross profit | | | | | | | | | | | | | | | | |
| Nordics | 190 | 54 | 44 | 255 | 1 | 0 | 545 | 362 | 107 | 86 | 530 | -0 | 0 | 1,084 | | |
| Europe | 190 | 55 | 49 | 46 | 1 | 0 | 341 | 300 | 90 | 95 | 85 | 3 | 0 | 572 | | |
| APAC & MEA | 100 | 120 | 18 | 82 | 3 | 0 | 322 | 169 | 262 | 31 | 149 | -2 | 0 | 610 | | |
| US | 56 | 14 | 86 | 14 | 0 | 0 | 171 | 94 | 28 | 162 | 30 | 0 | 0 | 315 | | |
| HQ | 19 | 0 | -4 | 8 | 180 | 0 | 203 | 24 | 0 | -4 | 8 | 257 | 0 | 285 | | |
| Group Adjustments | 4 | 11 | 0 | 0 | 0 | 0 | 15 | 14 | 30 | 0 | 0 | 0 | 0 | 44 | | |
| Eliminations | 0 | 0 | 0 | 0 | 0 | -65 | -65 | 0 | 0 | 0 | 0 | 0 | -119 | -119 | | |
| Gross profit | 560 | 253 | 193 | 405 | 185 | -65 | 1,533 | 962 | 516 | 370 | 803 | 258 | -119 | 2,790 | | |
| Payroll and other operating expenses | -264 | -123 | -174 | -401 | -284 | 65 | -1,181 | -480 | -230 | -330 | -777 | -556 | 119 | -2,254 | | |
| Adjusted EBITDA | 296 | 130 | 19 | 5 | -99 | 0 | 351 | 483 | 286 | 40 | 26 | -298 | 0 | 536 | | |

| (NOK millions) | Q2 2024 | Q2 2023 | Year to date Q2 2024 | Year to date Q2 2023 | Full year 2023 |
|--|------------|------------|-------------------------|-------------------------|-------------------|
| Adj EBITDA - Operating Segment | | | | | |
| - Software & Cloud Direct | 377 | 296 | 576 | 483 | 936 |
| - Software & Cloud Channel | 182 | 130 | 403 | 286 | 568 |
| Total Adj EBITDA - Software & Cloud | 559 | 427 | 979 | 769 | 1,505 |
| - Software & Cloud Economics | 22 | 19 | 34 | 40 | 69 |
| - Consulting | 52 | 5 | 35 | 26 | 23 |
| Total Adj EBITDA - Services | 73 | 24 | 68 | 66 | 93 |
| General & Administration | -220 | -99 | -432 | -298 | -678 |
| Total Adjusted EBITDA | 412 | 351 | 615 | 536 | 919 |

| (NOK millions) | Q2 2024 | Q2 2023 | Year to date Q2 2024 | Year to date Q2 2023 | Full year 2023 |
|--------------------------------------|------------|------------|-------------------------|-------------------------|-------------------|
| Adj EBITDA per Market Cluster | | | | | |
| - Nordics | 189 | 158 | 337 | 334 | 634 |
| - Europe | 108 | 86 | 106 | 103 | 154 |
| - APAC & MEA | 70 | 43 | 108 | 77 | 185 |
| - US | 13 | 10 | 13 | 1 | -3 |
| - HQ | -9 | 40 | -17 | -22 | -106 |
| - Group Adjustments | 41 | 15 | 69 | 44 | 54 |
| Total Adjusted EBITDA | 412 | 351 | 615 | 536 | 919 |

Note 7 – Share based compensation

Please refer to Note 6 in Annual Report 2023 for overview and details on the different ongoing option and employee share purchase programs.

Cost in Q2, 2024 includes general manager share grant program for 2024. In addition, an offer under the employee share purchase program (ESPP) was given during Q2, 2024. Both programs are subject to similar conditions as previous years. Under the ESPP, employees were offered to subscribe for shares with subscription price of NOK 62.19 per share. A total of 398,807 shares were subscribed for and allocated, including a total of 25,076 shares subscribed for by primary insiders and close associates.

In Q2, 2024 a total of 992,680 shares were allocated to employees. This includes shares vested under the general manager share grant programs, shares subscribed for under the ESPP 2024, bonus shares under the ESPP 2022 and options exercised under the 2017 IPO program.

Shares were allocated to employees using Treasury shares. The weighted average cost price of the shares allocated was NOK 77.83. A total loss of NOK 39m from the difference between strike price paid by employees and cost price for the allocated shares are recognized to equity.

Cost related to share-based compensation is displayed in the table below.

| (NOK millions) | Q2 2024 | Q2 2023 | Year to date Q2 2024 | Year to date Q2 2023 | Full year 2023 |
|--|-----------|-----------|-------------------------|-------------------------|-------------------|
| Cost related to equity-settled share-based compensation transactions | 4 | 18 | 13 | 23 | 43 |
| Change in accrued employee social security tax | 11 | 7 | 11 | 3 | -1 |
| Total | 16 | 25 | 24 | 26 | 42 |

Note 8 – Intangible assets

| (NOK millions) | Software licenses (IP) | Development costs | Customer relationships | Technology and software | Total |
|--|---------------------------|----------------------|---------------------------|----------------------------|--------------|
| Cost at Jan 1, 2024 | 9 | 555 | 728 | 217 | 1,509 |
| Additions | 0 | 49 | 0 | 0 | 49 |
| Currency translation | 0 | 6 | 16 | 6 | 29 |
| Cost at Jun 30, 2024 | 9 | 610 | 744 | 224 | 1,587 |
| Amortization and impairment Jan 1, 2024 | 7 | 408 | 239 | 195 | 849 |
| Amortization | 0 | 41 | 40 | 1 | 82 |
| Currency translation | 0 | 5 | 5 | 6 | 16 |
| Accumulated amortization and impairment at Jun 30, 2024 | 8 | 454 | 283 | 202 | 947 |
| Net book value at Jun 30, 2024 | 1 | 157 | 461 | 21 | 640 |

The company recognizes intangible assets if it is likely that the expected future economic benefits attributable to the asset will flow to the company and the cost of the asset can be measured reliably. Intangible assets with a limited useful life are measured at cost less accumulated amortization and impairments. Amortization is recognized on a straight-line basis over the estimated useful life. Amortization period is reviewed annually.

Amortization of intangible assets identified as fair value adjustments as part of purchase price allocation from acquisitions amount to NOK 35m year to date.

The company divides its Intangible assets into the following categories in the balance sheet:

Software licenses (IP):

Intangible assets from historical acquisitions.

Development cost:

Crayon capitalizes expenses related to development activities according to IAS 38. Expenses capitalized include costs of materials and services used or consumed in generating the intangible asset and costs of employee benefits arising from the generation of the intangible asset. Capitalized development costs are amortized on a straight-line basis over the estimated useful life.

Customer relationships:

The intangible asset value related to customer relationships is mainly from the acquisitions of Sensa and rhipe. These assets are amortized on a straight-line basis over the estimated useful lifetime.

Technology and software:

Technology and software include intangible assets arising from the business combinations of Anglepoint and rhipe. Anglepoint contains capitalized software and technology developed internally by Anglepoint. Intangible assets from the rhipe acquisition are related to an internally developed subscription management platform used in the licensing business.

Note 9 – Goodwill

Goodwill arising on business combinations is initially measured at cost, being the excess of the cost of an acquisition over the net identifiable assets (including intangible assets) and liabilities assumed at the date of acquisition and relates to the future economic benefits arising from assets which are not capable of being identified and separately recognized. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Reconciliation of the carrying amount of goodwill is presented below:

| (NOK millions) | Goodwill |
|---|--------------|
| Acquisition cost at Jan 1, 2024 | 3,371 |
| Additions | 0 |
| Currency translation | 69 |
| Acquisition cost at Jun 30, 2024 | 3,440 |
| Impairment at Jan 1, 2024 | 110 |
| Impairment during the period | 0 |
| Accumulated impairment at Jun 30, 2024 | 110 |
| Net book value at Jun 30, 2024 | 3,331 |

The Group performs an impairment test for goodwill on an annual basis or when there are impairment indicators. There were no impairment indicators during Q2, 2024. See Note 9 in the Annual Report for 2023 for further information.

Note 10 – Net interest-bearing debt

Interest-bearing debt is recognized at amortized cost.

On April 8, 2024, the company completed a new senior unsecured bond loan of NOK 1,200m with a 4-year tenor. The bonds will carry an interest rate at 3M NIBOR + 2.75% margin. The new bond was in its entirety used to redeem the outstanding NOK 1,800m bond loan, carrying an interest rate at 3M NIBOR + 3.75%, which had an initial maturity date in July 2025. Financial cost related to the settlement of the bond amounted to NOK 34m and was recognized as Other financial expenses. Transaction costs of NOK 10m related to the NOK 1,200m bond are carried at amortized cost.

In connection with the new bond issue, on April 5, Crayon increased the current revolving facility from NOK 1,000m to 1,500m. As of June 30, 2024, the Group has not utilized the revolving credit facility (RCF). The facility matured on April 15, 2025. However, in July, 2024 Crayon entered into a new RCF agreement, refer to Note 15 for further information.

The Group entered into short term supplier financing agreements during Q2, 2023. Total liability end of the quarter amounted to NOK 239m.

Total unused credit facilities (RCF and cash pool) amounted to NOK 1,821m at the end of the quarter.

Net interest-bearing debt means senior debt to credit institutions and other interest-bearing debt including leasing less non-restricted cash.

| (NOK millions) | Jun 30, 2024 | Jun 30, 2023 | Dec 31, 2023 |
|--|--------------|--------------|--------------|
| Bond loan, non-current liabilities | 1,190 | 1,790 | 1,792 |
| Revolving credit facility | 0 | 400 | 0 |
| Overdraft facility | 0 | 0 | 0 |
| Supplier financing | 239 | 302 | 127 |
| Lease liabilities | 466 | 403 | 488 |
| Current lease liabilities | 105 | 76 | 93 |
| Other current interest-bearing liabilities | 108 | 123 | 106 |
| Cash & cash equivalents | -1,435 | -1,405 | -1,467 |
| Restricted cash | 51 | 152 | 49 |
| Net interest-bearing debt | 724 | 1,840 | 1,189 |

Note 11 – Financial Risk

Crayon Group is exposed to several financial risks, including foreign currency exchange risk, interest rate risk, liquidity risk and credit risk. For a detailed description of these risks and how they are managed, please see the 2023 Annual Report, Note 19.

On April 26, 2022, Crayon announced its decision to cease operations in Russia due to the war in Ukraine. An agreement was signed in December 2022 for a management buyout. The transaction is still subject to governmental approval in Russia. The risk of the transaction not being approved was considered low, and consequently the sale transaction was recognized, and Russia deconsolidated in December 2022.

Market risk

Interest rate exposure

The Group's interest rate risk arises from interest-bearing debt at a floating rate (cash flow interest rate risk). The Group is sensitive to changes in NIBOR having an impact on the NOK 1,200m bond, utilized amounts under the NOK 1,500m revolving credit facility and the NOK 400m cash-pool 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. No interest positions are hedged.

Foreign currency risk exposure

Crayon has revenues and operating costs in various currencies. The global expansion of Crayon has led to significant business growth as well as currency exposure. The gross cost and sales of licenses and proceeds for 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 our operating cost can be denominated in other local currencies. A rather comprehensive volume of transactions and balances in foreign currencies make the group volatile for exchange rate changes. The Group assesses business opportunities carefully to mitigate any current and future currency risks. Crayon seeks primarily natural hedge to the extent it is economically viable, e.g. by having gross sales and gross cost of licenses sold in same currency.

By having operational units in different functional currencies, the Group is exposed to currency translation risks related to subsidiaries. Crayon aims to establish natural hedging positions if this is possible and economically viable.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations when they are due, and that financing will not be available at a reasonable price. Crayon Group is impacted by liquidity fluctuation associated with its gross sales and growth. The cash flow from operating activities is mainly impacted by EBITDA and changes in the net working capital managed by the subsidiaries.

The Group's covenants are attached to the revolving credit facilities and the bond loan. Net interest-bearing debt as of June 30, 2024, was NOK 724m, with a corresponding leverage ratio of 0.7x of Adj. EBITDA, providing significant headroom with regards to bank covenants (4.5x Adj. EBITDA) as of the end of the quarter.

The Group Treasury Department is responsible for Group cash flow forecasting and optimizing liquidity flows centrally. Group Treasury monitors forecasts of the Group's liquidity frequently and ensures that the operational requirements are met as well as always maintaining sufficient headroom on debt facilities. The Group has significant liquidity reserves available both through cash, multicurrency cash-pool and RCF, amounting to NOK 3,205m at the end of the quarter and the liquidity risk is therefore considered low.

Credit risk

The Group is exposed to credit risk from its operational activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. The Group has deposits with sound financial institutions.

Management makes assessments of the credit risk and updates its estimates of losses and the corresponding provision for bad debt on a regular basis. Historical losses and ageing are analyzed, and additional credit risk premium based on geographical analysis and other statistic information on country risk have been incorporated in the loss provision model. Crayon measures allowance for bad debt based on lifetime expected credit losses (ELCs). This involves both backward and forward-looking information and analysis. The management estimate is most sensitive to the forward-looking analysis.

The Group Treasury overlooks the credit risk on a centralized level whilst the subsidiaries are responsible for enforcing standard payment and delivery terms and conditions towards the clients. Credit risk exposure is largely impacted by outstanding receivables related to gross sales and contract assets. Credit check and control procedures conducted by local subsidiaries ensure the credit quality of the customers of Crayon. The Group continues to intensify collection efforts over accounts receivable as a precaution against risk brought about by increased operations in new markets outside the core Nordic region.

Crayon presents losses on accounts receivable as operating expenses. The impact of accounts receivable is presented below.

Allowance for doubtful accounts in the balance sheet

| (NOK millions) | Jun 30, 2024 | Jun 30, 2023 | Dec 31, 2023 |
|------------------------|--------------|--------------|--------------|
| Balance at Jan 1 | 197 | 116 | 116 |
| Currency translation | 5 | 14 | 6 |
| Net reversal/allowance | 45 | 8 | 76 |
| Closing balance | 247 | 138 | 197 |

Profit or loss effect of bad debt

| (NOK millions) | Q2 2024 | Q2 2023 | Year to date Q2 2024 | Year to date Q2 2023 | Full year 2023 |
|---|-----------|-----------|-------------------------|-------------------------|-------------------|
| Realized losses | 2 | 4 | 5 | 6 | 6 |
| Allowance for doubtful accounts | 23 | 11 | 45 | 8 | 76 |
| Net accounting losses on trade receivables | 25 | 14 | 50 | 14 | 82 |

There have been no material changes in the process of collecting the significant delayed public sector receivable in the Philippines amounting to approximately USD 45m. The Department of Budget and Management Procurement Services ("PS-DBM") was in 2023 subject to an audit by the Commission of Audit (CoA). The audit led to a stop in payments, as timing was dependent on official audit completion. The Annual Audit Report was released in July 2023 and CoA recommended PS-DBM to proceed with the payment of USD 37m. The remaining outstanding amount of USD 8m relates to new taxation included in the price of the licenses, where PS-DBM is recommended to coordinate with NEDA (National Economic and Development Authority) and endorses the request for the pricing change. The process of having PS-DBM to clarify approval of payments with CoA is still ongoing. A provision of NOK 30m has been considered as part of the bad debt provision as of Q2, 2024, an increase of NOK 9m from the provision included as of Q1, 2024. The provision is calculated based on the time value of the expected settlement applying a scenario analysis where the timing of the payment is the main variable. The assessments of the management and our legal advisor have not changed, and we expect the full payment to be processed, but timing remain uncertain.

Note 12 – Right-of-use assets

| (NOK millions) | Right-of-use assets |
|---|---------------------|
| Acquisition cost at Jan 1, 2024 | 725 |
| Additions | 28 |
| Disposals | -9 |
| Adjustments | 7 |
| Currency translation | 7 |
| Acquisition cost at Jun 30, 2024 | 758 |
| Depreciation at Jan 1, 2024 | 179 |
| Depreciation during the period | 57 |
| Disposals | -9 |
| Currency translation | 3 |
| Accumulated amortization at Jun 30, 2024 | 229 |
| Net book value at Jun 30, 2024 | 530 |

Note 13 – Contract assets

Contract assets are included in Other current receivables and amount to:

| (NOK millions) | Jun 30, 2024 | Jun 30, 2023 | Dec 31, 2023 |
|-----------------|--------------|--------------|--------------|
| Contract assets | 322 | 243 | 253 |
| Total | 322 | 243 | 253 |

Contract assets are subsequent period net payments for multiple-period contracts where Crayon transfers services to a customer before the customer pays consideration. The assets are related to contracts under the software and cloud divisions.

Note 14 – Seasonality of operations

The Group's operating results and cash flows have varied, and are expected to continue to vary, from quarter to quarter. These fluctuations relate to a variety of factors including contractual renewals being skewed towards Q2 and Q4, year-end campaigns by key vendors (Microsoft's fiscal year ends June 30, Oracle fiscal year ends May 31), number of working days in a quarter impacting production periods for consultants and bank days toward the end of the period impacting cash and cash flow for the period.

Note 15 – Events after the balance sheet date

On July 2, 2024 Crayon entered into a new 1,500m revolving credit facility with a 3-year tenor and a 2-year extension option. The facility replaces the existing facility with maturity date in April 2025. In connection with the new RCF the existing overdraft facility with Danske Bank was reduced from NOK 400m to NOK 300m, and a new Overdraft facility of EUR 10m will be established with ING.

No further significant events to report after the balance sheet date.

Responsibility statement by the Board and CEO

The Board and CEO have considered the condensed set of interim financial statements for the period January 1 to June 30, 2024. We confirm to the best of our knowledge that the condensed set of financial statements for the above-mentioned period:

- Has been prepared in accordance with IAS 34 (Interim Financial Reporting).
- Gives a true and fair view of the Group's assets, liabilities, financial position, and overall results for the period viewed in in their entirety.
- That the business and financial review includes a fair overview of any significant events that arose during the above-mentioned period and their effect on the financial report.
- Gives a true picture of any significant related parties' transactions, principal risks and uncertainties faced by the Group.

Oslo, August 28, 2024



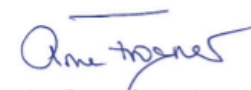
Rune Syversen
Chairman



Grethe Viksaas



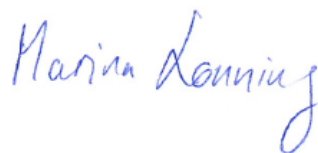
Dagfinn Ringås



Arne Frogner



Wenche Marie Agerup



Marina Lønning



Mette Wam



Jens Rugseth



Lars H. Larhammer



Liv Hege Jensen



Melissa Mulholland
CEO

Alternative Performance Measures and definitions

The financial information in this report is prepared under International Financial Reporting Standards (IFRS), as adopted by the EU. To enhance the understanding of Crayon's performance, the company has presented several alternative performance measures (APMs). An APM is defined by ESMA guidelines as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the relevant accounting rules (IFRS). Alternative performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement. The Group believes that APMs such as adjusted EBITDA are commonly reported by companies in the markets in which Crayon compete and are widely used by investors in comparing performance on a consistent basis without regard to factors such as other share-based payments and other income and expenses, which can vary significantly from period to period, especially due to M&A transactions, related reorganizations or other significant non-recurring items. Crayon discloses the APMs to permit a more complete and comprehensive analysis of its underlying operating performance relative to other companies and across periods. Because companies may calculate gross sales, gross profit, adjusted EBITDA, other income and expenses, net working capital and liquidity reserve differently, the Company's presentation of these APMs may not be comparable to similar titled measures used by other companies.

Crayon uses the following APM's and definitions:

Adjusted (Adj) EBITDA: EBITDA excluding share-based compensation and other income and expenses.

| (NOK millions) | Year to date Q2 2024 | Year to date Q2 2023 | Full year 2023 |
|---------------------------|-------------------------|-------------------------|-------------------|
| EBITDA | 572 | 480 | 745 |
| <i>Adjustments:</i> | | | |
| Share based compensation | 24 | 26 | 42 |
| Other income and expenses | 20 | 30 | 132 |
| Adjusted EBITDA | 615 | 536 | 919 |

Adjusted EBITDA margin: Adjusted EBITDA / Gross profit.

CAPEX: Capital expenditures that mainly consist of office equipment and capitalizes expenses related to development activities according to IAS 38.

Constant currency: Foreign currency transactions converted to constant currency.

EBIT: Earnings before interest expense, other financial items, and income taxes.

EBITDA: Earnings before interest expense, other financial items, income taxes, depreciation, impairment and amortization.

Gross profit: Operating Revenue less materials and supplies.

Gross sales: Gross revenues assuming we were principal and not agent on all software resales being restated and reflect the actual billing for the relevant period.

| (NOK millions) | Year to date Q2 2024 | Year to date Q2 2023 | Full year 2023 |
|----------------|-------------------------|-------------------------|-------------------|
| Gross Sales | 32,103 | 27,037 | 49,077 |

Leverage ratio: Net interest-bearing debt (Note 10), divided by LTM adjusted EBITDA.

Liquidity reserve: Non-restricted cash and available credit facilities in each company where Crayon operates. The liquidity reserve does not consider any restrictions on cross border cash transfers.

| (NOK millions) | Jun 30, 2024 | Jun 30, 2023 | Dec 31, 2023 |
|---------------------------|--------------|--------------|--------------|
| Cash & cash equivalents | 1,435 | 1,405 | 1,467 |
| Restricted cash | -51 | -152 | -49 |
| Non-restricted cash | 1,384 | 1,253 | 1,418 |
| Available credit facility | 1,821 | 912 | 1,308 |
| Liquidity reserve | 3,205 | 2,165 | 2,726 |

LTM: Last twelve months.

Net interest-bearing debt: Interest-bearing debt including leasing less unrestricted cash (Note 10).

Net Working Capital: Non- interest-bearing current assets less non- interest-bearing current liabilities. Net Working Capital gives a measure of the funding required by the operations of the business.

| (NOK millions) | Jun 30, 2024 | Jun 30, 2023 | Dec 31, 2023 |
|------------------------------------|---------------|--------------|---------------|
| Inventory | -0 | 19 | 18 |
| Accounts receivable | 11,132 | 9,314 | 7,847 |
| Accounts payable | -12,332 | -9,506 | -8,753 |
| Trade working capital | -1,200 | -172 | -888 |
| Unbilled gross sales | 1,666 | 1,584 | 1,297 |
| Public duty receivables | 827 | 923 | 553 |
| Contract assets | 322 | 243 | 253 |
| Prepaid expenses & other | 231 | 180 | 220 |
| Income taxes payable | -117 | -88 | -74 |
| Public duties | -1,050 | -894 | -659 |
| Accruals | -1,451 | -1,364 | -1,249 |
| Employee benefits related accruals | -491 | -399 | -440 |
| Prepayments & other | -141 | -145 | -135 |
| Other working capital | -203 | 40 | -233 |
| Net working capital | -1,403 | -132 | -1,121 |

Other income and expenses: Other income and expenses consist of M&A expenses and directly related reorganizations, subsequent adjustment of contingent considerations or other subsequent adjustments in business combinations including earn-out payments recognized in profit or loss and any other significant non-recurring items.

| (NOK millions) | Year to date Q2 2024 | Year to date Q2 2023 | Full year 2023 |
|---|-------------------------|-------------------------|-------------------|
| M&A expenses | -4 | -25 | -10 |
| Contingent considerations, fair value adjustments | -5 | -5 | -18 |
| Other non-recurring items | -11 | 0 | -104 |
| Other income and expenses | -20 | -30 | -132 |

Other non-recurring items in 2024 consist of restructuring cost in Q1, 2024 related to severance packages for consultants made redundant.

Organic growth: Comparable growth excluding effect of business combinations.

Trade Working Capital: The net amount of inventory, accounts receivables and accounts payables.

Restricted cash: The amount consists of employee taxes withheld and cash as collateral for bank guarantees.

YoY: Year over year, i.e. comparable period (e.g. quarter or YTD) last year.

YTD: Year to date.

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