Crayon

Annual Report 2022

Contents

Financial highlights[1]

42%
Gross profit growth

19%
Adjusted EBITDA margin

30%
Adjusted EBITDA growth

3,447
FTEs

Key figures

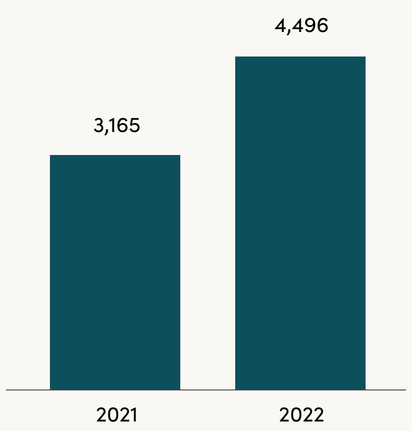
(NOK thousands)	**2022**	**2021**
Operating revenue	5,199,561	3,658,787
Gross profit	4,495,561	3,164,704
EBITDA	751,482	579,646
Adjusted EBITDA	839,217	643,572
EBIT	417,138	405,103
Net income	23,326	245,111
Earnings per share	0.29	2.59
Gross profit margin	11.5%	12.0%
Adjusted EBITDA margin	**18.7%**	**20.3%**

	2022	**2021**
Liquidity reserve	1,487,379	1,992,043
Net working capital	-120,530	-462,705
Leverage ratio (multiple)	2.2	1.8
Full time employees (FTE)	3,447	2,900

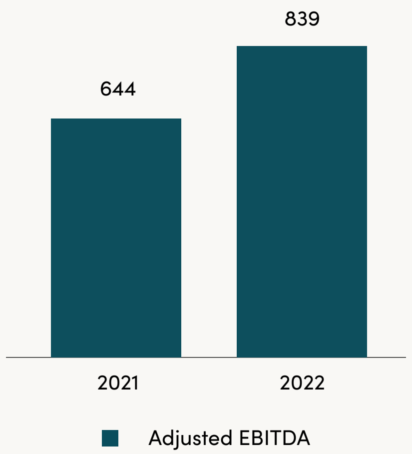
For further details see Alternative performance measures.

[1] Periods restated as agent.

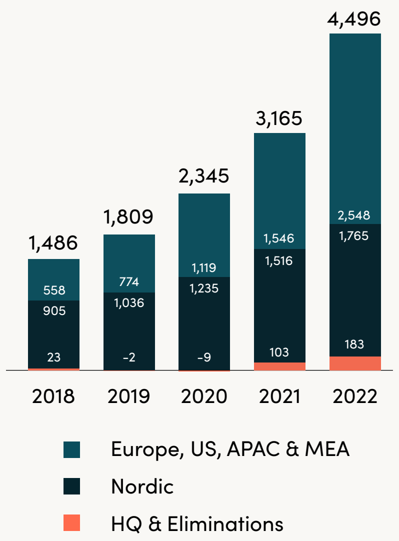
Gross profit
NOK million



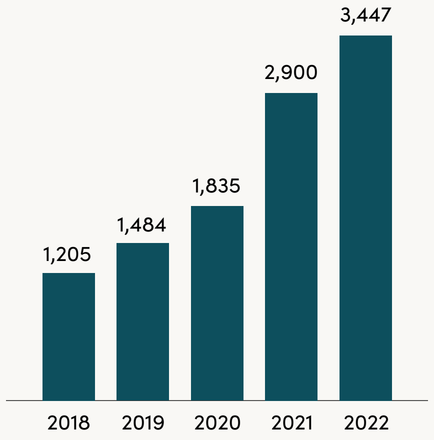
Adjusted EBITDA
NOK million



Gross profit by market clusters
NOK million



Full time employees (FTE)



CEO letter

Dear shareholders, customers, partners, and colleagues,

This year we have experienced strong growth, in both revenue and adjusted EBITDA, low employee turnover, and a continued 95% customer retention. All of this is thanks to our people-centric approach and resilient business strategy.

Our customer-first mindset has been the foundation of our culture and go-to-market throughout our 21-year history. It continues to be our key differentiator due to our focus on adding value to our customers and partners.

In this challenging market where businesses are looking for ways to trim costs, our customers are asking for more help, especially in optimizing IT spend, cloud usage as well as accessing data insights through AI to improve productivity.

The global market

The market has been fueled by a demand for technology solutions across the enterprise. This demand increased in the wake of the pandemic, and during global events such as the war in Ukraine and inflationary economic pressures.

According to Gartner[1]: "Global IT spending is forecast to reach $4.5 trillion in 2023, representing a 5.4% increase over 2022 spending levels."

The demand for IT remains strong:

- The cloud managed services market is forecast[2] to reach $9.182 billion in 2026, growing at a five-year CAGR of 11.7% in USD.
- Public cloud services are forecast[3] to grow by 20.4% as organizations continue to accelerate cloud adoption.
- The IT services market is forecast[4] to increase by 5.5% in USD in 2023.

1 Gartner® Forecast Analysis: IT Spending, Worldwide. Published 23 February 2023. By Analyst(s): John-David Lovelock, Linglan Wan.
2 Gartner Market Opportunity Map: Cloud IT Services Published 16 September 2022. By Analyst(s): Brandon Medford, Colleen Graham, Craig Lowery, Scot MacLellan.
3 Gartner Newsroom, October 31 2022: Gartner Forecasts Worldwide Public Cloud End-User Spending to Reach Nearly $600 Billion in 2023.
4 Gartner Market Databook, 4Q22 Update. Published 22 December 2022. By: John-David Lovelock, Linglan Wang, Adrian O'Connell, Ranjit Atwal, MeganFernandez, Grigory Betskov, Amarendra, Arunasree Cheparthi, Srujan Akurath.

When looking at how CIOs are spending money, they are evaluating cost savings, better leveraging the benefits of cloud, and getting more value out of their data.

Our customer-centric business strategy

Cost optimization. This is what we were founded on and an area where we have a competitive advantage. Making sure that our customers have the technology that they truly need fuels our customer-focused approach. We learn about their business, assess their software and cloud spending through our licensing capabilities, and find the best solutions for their success.

Cloud optimization. Businesses are continually looking to modernize their cloud use and operations. According to Gartner, spending in this area is forecast to grow by 11.8% for software and 8.5% for services.[1] This includes everything from our software capabilities, infrastructure, cybersecurity, applications, and overall managed services.

Business optimization. We unlock the value of data with scalable data platforms and AI-powered solutions. These solutions can be used to optimize all aspects of a business because it helps them make more informed decisions, reduce costs, increase efficiency, and improve customer satisfaction.

Crayon's Data and AI Services Practice, delivers world-class solutions through Centers of Excellence around the world. We have nearly 10 years of experience, more than 200 projects delivered, and 120 data and AI experts that help customers efficiently navigate the world of Data and AI, always focusing on the problem and solution, not technology.

Our financial strength is due to a resilient business model built on customer centricity. This has enabled us to weather economic turbulence and capitalize on market growth opportunities.

– Melissa Mulholland, CEO

2022 Financials

Our financial performance for this past year continued to be strong with a growth in revenue of 42%.
Our strategic global expansion efforts have been successful, with our international markets representing 57% of revenue, however, the Nordics remain our largest market and a cornerstone of the business. Growth also was particularly strong in Europe at 53% and in APAC and Middle East and Africa, which was up 128%.

Adjusted EBITDA ended at 18.7% for the full year with overall margin development impacted by continued investments into our international markets. In 2023 we will continue to drive profitable growth in key international markets while maintaining cost control to ensure margin expansion and create shareholder value.

Our people

The culture at Crayon is one of a kind. Though we are in 46 countries and have a diverse workforce, we are united as one in serving our customers and partners.

Our "One Crayon" philosophy was also exemplified when the war broke out in Ukraine. We organized evacuation efforts for our employees and their families who wanted to leave the country, employees from around the world opened their homes to help the evacuees relocate and we established a fund to help all those affected. The generosity shown is a great example of the mindset in our people-first culture.

Sustainability

In 2022, we also made significant gains in our approach to sustainability. We improved our carbon emissions reporting framework to ensure global consistency and accuracy.

This means in 2023 we will be able to better identify emission hotspots across the globe according to the GHG protocol and strengthen our data-driven approach to achieve our science-based targets.

Thank you

As the CEO of Crayon, I am proud of what we've been able to accomplish this year. Our solid financial results, the strength of our culture, and how we continue to help our customers reduce cost, manage software and cloud services, and leverage advanced technology to create business value.

Thank you for all that everyone has done in 2022 and I am looking forward to more success in 2023.

Melissa

Melissa Mulholland, CEO

Highlights of the year

Q1

January

- Crayon India begins employee program with more than 60 people focused on the professional development of women employees.

February

- Singapore's president gave Crayon national recognition for our disability-inclusive employment practices
- Crayon Norway opened its new office in Stavanger, Norway.

March

- Helped evacuate employees' families from Ukraine
- Started a donation fund for those affected by the war in Ukraine

Q2

April

- Crayon placed No. 2 on the SHE Index. Wins Rising Star Award for company that made the most advances.

May

- Crayon celebrated its 20th anniversary, with events in all its 46 countries.
- Crayon becomes a Microsoft AI and Machine Learning Advanced Specialization Partner.
- Workplace from Meta has awarded Crayon Elite Partner status.

June

- Crayon teams in Norway, Estonia and Romania win Microsoft Partner of the Year awards.
- AWS awarded Crayon with Premier Partner status

Q3

July

- Crayon releases new bonus share program for employees.
- Launches first companywide employee recognition award program Groupwide
- Crayon France named the DocuSign EMEA Strategic Reseller Partner of the Year.

August

- Crayon and its subsidiary Anglepoint named in Gartner's 2022 Magic Quadrant for SAM Managed Services

September

- rhipe won the ARN Distributor Innovation Software Award

Q4

October

- Bente Liberg appointed Chief HR Officer
- Erwin Heinrich appointed Chief Operating Officer
- Crayon India was awarded Best Workplaces for Women 2022
- Crayon launches global volunteering initiative called Crayon Cares

November

- The 2022 edition of Crayon's women leadership program begins.

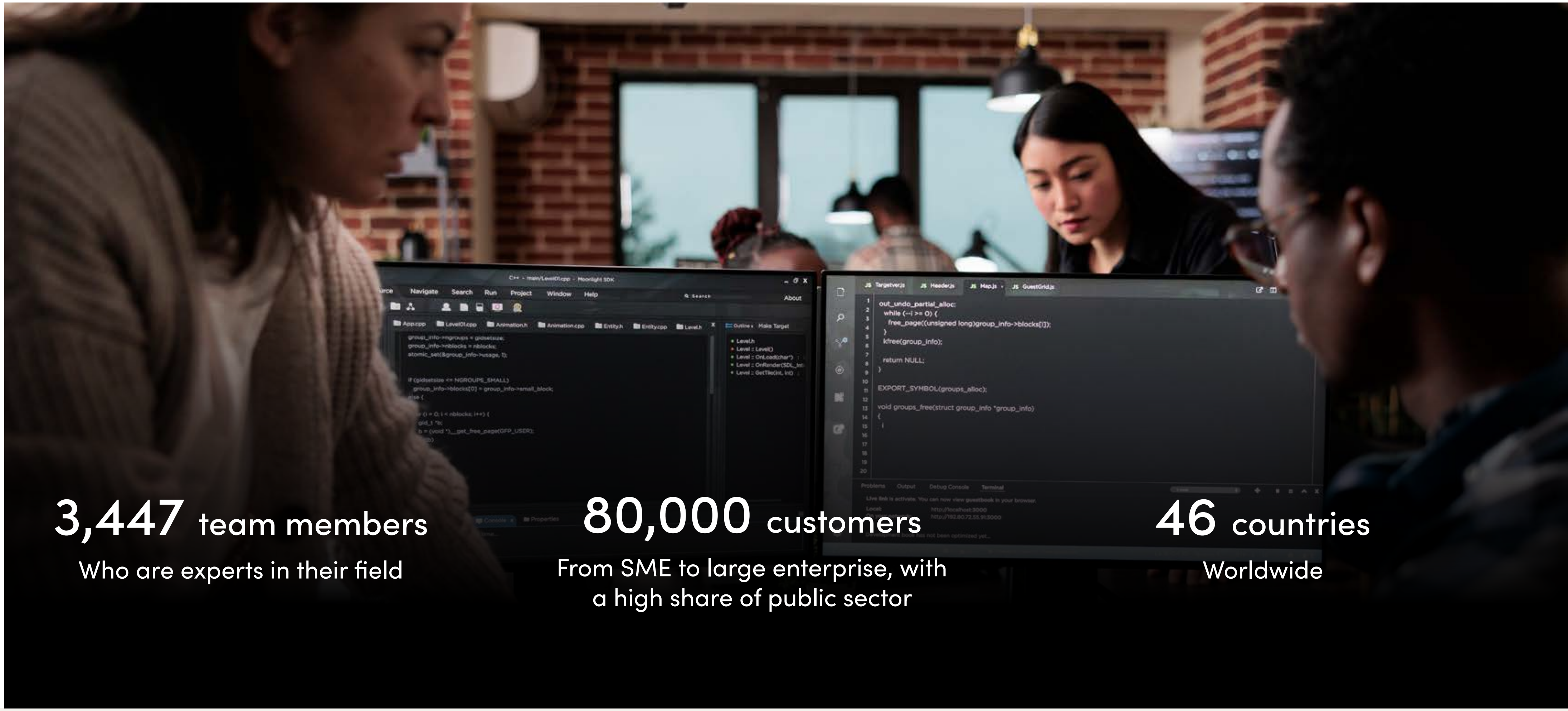
December

- Crayon becomes the No. 5 partner in the world for the Microsoft Azure Migration and Modernization Program (AMMP).

Crayon in brief

Crayon is a customer-centric innovation and IT services company that believes in the power of technology to drive the greater good.

We help our customers reduce cost, manage software and cloud services, and leverage advanced technology to create business value.



3,447 team members

Who are experts in their field

80,000 customers

From SME to large enterprise, with a high share of public sector

46 countries

Worldwide

INTEGRITY

With our actions we show integrity we are accountable for our actions and inactions

QUALITY

What we do, we do with excellence and better than anyone else

PACE

We are customer focused and act and execute with urgency

AGILITY

We innovate through continuous improvement & adapt quickly to change

Executive management

Melissa Mulholland
Chief Executive Officer

Melissa was appointed as CEO in March 2021 after joining Crayon in September 2020 as Chief Services & Solutions Officer, responsible for leading the global strategy to drive long-term customer success and innovation in the cloud. An acknowledged global expert in digital transformation, Melissa joined the company after a distinguished 12-year career at Microsoft where she led the global strategy and business development on how companies can be profitable in the cloud with an additional focus on talent development. Prior to Microsoft, Melissa worked at Intel Corporation as a Finance Manager.

Melissa holds an MA in Business Administration and Strategic Management from Regis University in Colorado and is the author of no less than 12 books focusing on building cloud businesses. A US national, she lives in Oslo, Norway.

Jon Birger Syvertsen
Chief Financial Officer

Jon Birger joined Crayon in March 2018 as CFO. Before this, he was the CFO of Kebony AS and he also held management/business development roles at FMC Health & Nutrition and Epax AS. He was Engagement Manager at McKinsey & Company, where he was a member of the Corporate Finance practice serving clients in multiple industries across Europe. Jon Birger holds a Master of Science degree in Industrial Economics and Technology Management from the Norwegian University of Science and Technology (NTNU) and Universität St. Gallen in Switzerland. He is a Norwegian citizen, residing in Oslo, Norway.

Bente Liberg
Chief Human Resources Officer

Bente Liberg joined Crayon in March 2002 and has held various positions in the company, operating first as Consulting Manager and then, from 2007, as Director of HR & Business Development. In 2010 she was appointed COO. Bente has 15 years of experience as an IT infrastructure consultant and nine years as a manager for IT consultants. Her previous employers include Netcenter, EDB, and Eterra/Getronics. Bente studied at the NKI Computer College (DPH). She is a Norwegian citizen, residing in Oslo, Norway.

Gudmundur Adalsteinsson
Chief Sales Officer

Gudmundur Adalsteinsson joined Crayon in 2013 and has since filled several roles including founding Crayon Iceland and serving as vice president of Channel. He also founded Ice Distribution, a subsidiary of Crayon. Prior to Crayon, Gudmundur spent 10 years at Microsoft, where he worked in Denmark, Iceland and New Zealand in different sales and partner management roles.

Gudmundur holds a bachelor's degree from Ecole Hoteliere de Lausanne. He is an Icelandic citizen who studied and worked in Switzerland, US, and New Zealand and currently resides in Copenhagen, Denmark.

Florian Rosenberg
Chief Technology Officer

Florian is responsible for leading the global services business, product strategy, and group IT. He has over 15 years of IT experience including 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. He holds several patents and is the author of numerous highly cited and peer-reviewed publications.

Florian has a PhD in Computer Science from Technical University in Vienna. He is an Austrian citizen, residing in Vienna, Austria

Erwin Heinrich
Chief Operating Officer

Erwin Heinrich was appointed COO in November 2022, where his focus is on strengthening Crayon's global ability to execute and scale efficiently. He has a proven record in business transformation, expansion and unlocking business potential, as demonstrated in several senior management positions.

As a General Manager for Crayon Austria, he previously rebuilt the organization and established the office to host the Crayon's Data and AI Center of Excellence.

Erwin has a Master's degree in Economics and Computer Science from the Technical University of Vienna. He is an Austrian citizen, residing in Vienna.

The Crayon Share

Crayon aims to provide value creation and attractive, long-term return to shareholders by delivering on its business plan and maintaining timely and accurate communications with the capital markets. The objective of Crayon's investor relations is to ensure that the share price accurately reflects the Company's value, risk and growth opportunities.

Communicating with investors and analysts is a high priority for Crayon Group Holding ASA. The objective is to ensure fair valuation of the company's securities by providing existing and potential investors and other stakeholders with simultaneous access to timely, relevant, and up-to-date information about Crayon. All investor relations activities are conducted in compliance with relevant rules, regulations and recommended practices.

The Group publishes quarterly financial results with live earnings presentations held by senior management. All reports and presentations are open to the wider investor community and made available online at www.crayon.com/investor-relations.

Share capital and ownership

Crayon's share is listed on Oslo Børs (the Oslo Stock Exchange) under the ticker code CRAYN. As of December 31, 2022, the share capital in the company was NOK 89,285,768, divided into 89,285,768 shares, each with a nominal value of NOK 1.00. Crayon has one share class, and each share carries a right to one vote.

As of December 31, 2022, Crayon had 4,912 private and institutional investors, of which approximately 35% Norwegian, 24% from the US, and 17% Sweden. The remaining 24% were spread across various international markets.

The share capital increased by NOK 1,213,781 in 2022, related to shares issued in relation to Crayon's employee stock purchase plan.

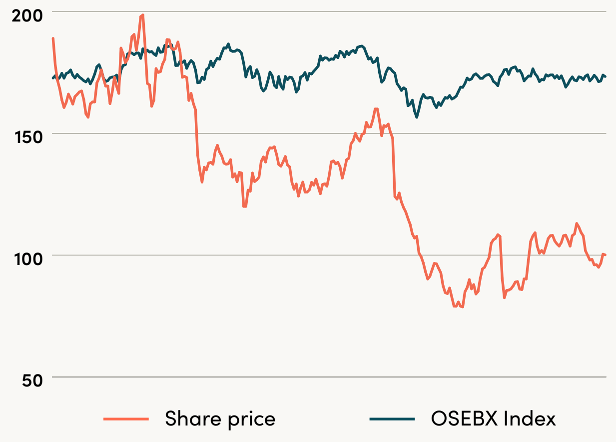
Share performance

At year-end, the share price was NOK 101.10, corresponding to a market capitalization of NOK 9.0bn. The highest share price achieved was NOK 198.6 in march, while the lowest price of NOK 78,75 was recorded in september. Total return on the share in 2022 was minus 45%.

Employee Stock Purchase Plan

Crayon Group Holding ASA has established an Employee Stock Purchase Plan (ESPP) through which all employees annually are given an opportunity to acquire stocks at a 20% discount to market price. After a two-year lock-up period, employees are awarded one additional bonus share for every three shares acquired. In 2022, Crayon issued a total of 408,123 new shares in relation to the program, each with a nominal value of NOK 1.00.

Share price and OSEBX Index[1] development 2022



Share price development since IPO

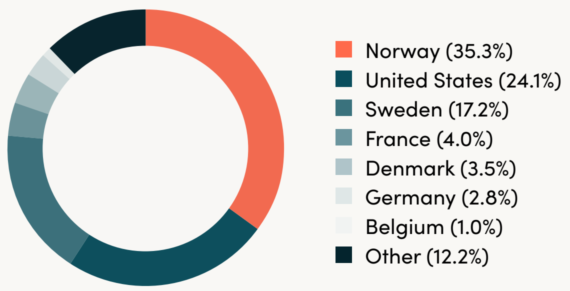
451%

Return on investments since IPO

4,912

Number of shareholders

Geographical shareholder distribution



Shareholders

Name	Shares	Ownership (%)
State Street Bank and Trust Comp	8,529,519	9.55
OEP ITS Coöperatief Holding U.A	7,400,000	8.29
FOLKETRYGDFONDET	6,253,036	7.00
State Street Bank and Trust Comp	4,856,919	5.44
KARBON INVEST AS	4,800,000	5.38
BNP PARIBAS ARBITRAGE SNC	4,275,529	4.79
Nordnet Bank AB	2,951,489	3.31
Skandinaviska Enskilda Banken AB	2,873,540	3.22
Credit Suisse (Switzerland) Ltd.	1,741,753	1.95
JPMorgan Chase Bank, N.A., London	1,607,407	1.80
Ten largest shareholders	**45,289,192**	**50.7**
Other shareholders	43,996,576	49.3
Total	**89,285,768**	**100.00**

Ownership structure

No. of shares held	No. of shareholders	Total number of shares	% of share capital
1–1 000	3,884	902,406	1.01
1 001–10 000	821	2,568,170	2.88
10 001–100 000	141	4,485,269	5.02
100 001–500 000	43	10,739,674	12.03
500 001–	25	70,590,249	79.06

Analyst coverage

Company	Analyst	Phone	Email
ABG Sundal Collier	Eirik Thune Øritsland	+47 22 01 61 40	eirik.oritsland@abgsc.no
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Berenberg	Karl-Oskar Vikstrom	+44 20 3465 2647	karl-oskar.vikstroem@berenberg.com
BNP Paribas Exane	Martin Jungfleisch	+49 69 4272 97328	martin.jungfleisch@exanebnpparibas.com
Carnegie	Oliver Pisani	+47 22 00 94 25	oliver.pisani@carnegie.no
Danske Bank	Mads Ek Strøm	+47 970 94 175	madstr@danskebank.com
DNB Markets	Christoffer Wang Bjørnsen	+47 24 16 91 43	christoffer.wang.bjornsen@dnb.no
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SEB	Oliver Kielland	+47 21 00 85 22	oliver.kielland@seb.no
Pareto Securities	Olav Rødevand	+47 22 87 87 30	olav.rodevand@paretosec.com

Financial calendar

Annual general meeting	April 26, 2023
Q1 2023 report	May 23, 2023
Q2 2023 report	August 24, 2023
Q3 2023 report	November 8, 2023
Q4 2023 report	February 14, 2024

ESG at Crayon

Our primary ambitions

By 2027
40% women

By 2030
Reduce GHG emissions by at least 40%

By 2027
Recognized leader in ESG products and services

ESG at Crayon

Crayon has a transformative Environmental, Social, and Governance strategy that is intertwined with our mission: We believe in the power of technology to drive the greater good.

In 2022, we focused on strengthening our ESG foundation and to ensure our momentum moving forward is both impactful and aligned across the organization, we have invested in driving the implementation of targeted initiatives by our responsible business units, and dedicated ESG resources to monitor progress and execute a data-driven approach in achieving our goals.

Environmental: One Planet

The maturity of Crayon's Environmental Management System was validated by the findings of our external audit in 2022 when it was awarded global ISO 14001 certification.

Race to net zero: On the road to achieving Crayon's target to reduce our Greenhouse Gas (GHG) emissions by at least 40% by 2030, we are implementing a new framework to capture emissions, identify hotspots, and secure reductions in targeted areas across the 46 countries in which we operate.

Crayon has helped to develop the digital collaboration platform used by members of the United National Environment Program (UNEP). Our ongoing engagement with UNEP enables Crayon to optimize the design and implementation of our environmental strategy through our direct exposure to cutting-edge research and thought leadership in the domain of environmental protection.

Social: People-first

Diversity, equity, and inclusion: Crayon's diversity is one of our critical success factors, as it drives our ability to innovate and deliver superior services to our customers and partners worldwide. With the continued growth in diversity across our workforce in 2022, we have a targeted focus on recruiting and developing talent from all backgrounds, experiences, and perspectives.

Employee well-being: We believe that our employees are our greatest asset and we want everyone to feel safe, valued, and to bring their authentic selves to work each day. In the face of challenges such as the impact of the global pandemic, Russia's invasion of Ukraine, and the rise in natural disasters, we protect team members with our rapid-reaction approach to crisis management and Crayon's needs-based approach to supporting our employees.

Supporting local communities: In 2022, Crayon launched its corporate volunteering program called CrayonCares.

In addition to the incredible work already done by many team members who have a longstanding history of community support, this program enabled employees worldwide to come together and leverage each other's experience. While difficult to measure as we are accustomed to simply doing and giving, rather than talking about it, we are aware of over 1,000 hours of volunteer work having been carried out by team members globally since the launch of the initiative.

Governance: Trusted Business

The fact that integrity is one of Crayon's core business values is reflected in our ongoing commitment to ensuring our governance framework meets the requirements of a secured and trusted business.

Our newly established Crayon Trust Unit has brought safety, privacy, security, integrity, risk, and compliance under a unified Secured Productivity Management System that is already globally certified in two standards for information security (ISO 27001) and privacy information (ISO 27701). This restructuring continues to yield demonstrable results in increasing the impact of our activities in each branch of corporate governance, which are all subject to ongoing internal audits by our dedicated Trust Assurance team.

Secured business operations: In 2022, our ISO auditors validated the strength of Crayon's controls in multiple areas, including Risk Management and Business Continuity. Building on this validation, we are increasing the investment in our Risk and Compliance team. As part of our consolidation strategy under the Crayon Trust Unit, we are also implementing unified risk reporting and decision-making tools to ensure that the requirements associated with each of our governance branches are simultaneously built into the controls which serve to secure our business operations.

Secured data processing: As we continue the longstanding year-on-year investment in our Information Security and Data Protection team, its collaboration with Crayon's Global Cybersecurity Services Unit is fast becoming one of our greatest assets. This enables our internal security to leverage the capabilities built by our services unit which uses Crayon's Trust Unit to refine its service innovations and ensure they have maximum impact in the market.

Secured business ecosystem: Whenever our customers trust us with access to their IT systems and data, they must be able to trust our partners and suppliers on equal terms. Accordingly, we ensure our implementation of privacy by design and security by default encompasses our service delivery partners. We are also committed to ensuring our third parties meet our business integrity standards and to our own duty to practice responsible sourcing, especially from high-risk industries such as manufacturing, catering, and janitorial services. Accordingly, our incoming global due diligence process scrutinizes all our suppliers on their procedures for integrity assurance, protecting human rights, and ensuring decent working conditions.

Crayon team members presenting at the UNEP Global Environment Outlook (GEO) 7 meeting in Bangkok.

Crayon Cares

In Q4 of 2022, Crayon launched its corporate volunteering initiative, Crayon Cares. Teams from across the globe came together to take part in giving back to their communities and support organizations that are meaningful to them. The below details some of the activities that were participated in.

- **Finland**
  Donated and delivered toys, home goods, and gifts for families in crisis.
- **Norway**
  Donated to provide supplies to the world's most vulnerable.
- **Inmeta**
  Donated to Doctors without Borders as part of TV-aksjonen in Norway.
- **Sensa and Crayon Iceland**
  Volunteered at a distribution center sorting out clothes that had been donated.
- **South Africa**
  Donated to fund the education of girls in coding.
- **France**
  Ran a trail carrying children with disabilities in specially adapted wheelchairs.
- **UAE**
  Took part in DubaiCares run to raise money for charities supported by this event.
- **Germany**
  Donated warm clothes and blankets to Ukraine.
- **Poland**
  Donated toys, furniture, and Christmas gifts to a local orphanage.
- **USA**
  Donated money and food to support local food banks.
- **Australia**
  Supported Red Apple Day with a BBQ outside the office to raise money.
- **Bulgaria**
  Cooked Christmas dinner for the elderly in local villages and they made a food donation to a nearby food bank.
- **Malaysia**
  Spent a day volunteering in a sustainable farming project, learning about green farming practices.
- **The Netherlands**
  Completed four different volunteering activities to ensure that all colleagues got the opportunity to participate. These included making Christmas decorations in a care home and taking some elderly residents to the zoo.
- **Austria**
  Supported a homeless charity with a donation of warm clothes and coats.
- **Ukraine**
  Made a monetary donation to a charity supporting children in need.
- **UK**
  Took part in Movember (growing a moustache for charity) and raised money for men's physical and mental health charities.
- **Indonesia**
  Volunteered at a home for seriously ill children.
- **Romania**
  Gathered gifts and toys to donate to families in crisis.
- **Spain**
  Participated in a sponsored walk to raise money for Ukraine.
- **Denmark**
  Donated to a children's charity.

Our Middle East and Africa team participated in the Run Dubai event to support girls' education in coding.

Board of Directors' report

Summary

Despite a challenging macroeconomic climate, Crayon continued its strong performance with growth across all markets in 2022. Due to the success of its strategic, global expansion, markets outside the Nordics now represent 57% of revenue.

Crayon also celebrated its 20th anniversary, recognizing that since its founding, Crayon has stayed true to its go-to-market strategy and focused on building a customer-centric business. The acquisition of rhipe was closed in November 2021 and during 2022 the Group has focused on completing a successful integration as well as delivering on our growth ambitions. The acquisition has been highly accretive and makes Crayon a significant player in APAC.

During the year the Group added net 547 new hires to support future growth. In December changes were also made to the management team, where the decision was made to establish regional leadership in the Nordics and Europe. These changes are strategically important to enable us to drive further growth and focus on these regions.

About Crayon

Crayon is a leading global innovation and IT services company that help customers reduce cost, manage software and cloud services, and leverage advanced technology to create business value.

Crayon Group Holding ASA is the holding and parent company of the Crayon Group. The Company is headquartered in Oslo, Norway, and had 3,447 full time employees across 46 countries at the end of 2022.

Whether it's licensing, software and cloud economics, security, modern workplace, or data and AI, Crayon's focus is to create business value for customers and partners. This is achieved through a unique and customer-centric go-to-market strategy, enabled by skilled consultants who are experts in understanding the customers' needs and by utilizing high-quality proprietary IP tools.

Crayon's core strategy of putting our customers' value creation first by focusing on both the business benefits and the costs is driven by the fundamental belief that Software and Cloud Economics ("SCE"), is the foundation of all intelligent IT decision making. Through its business divisions Services and Software, Crayon's goal is to help customers optimize, manage and utilize the relationship with software vendors through the IT lifecycle, thus, establishing long-lasting and trusted positions with customers.

During 2022 the Group continued to focus on capitalizing and strengthening the positions in each of our geographic markets, improving growth based on our go to market strategy, as well as continuing to invest in new technologies and capabilities to further support our customers.

With this context the Board continuously strives to find the right balance in terms of protecting the core and maintaining short-term profitability, while investing for the future to drive long-term value creation. In order to achieve this, the company needs to continue its efforts on developing institutional capabilities and drive operational excellence across its operating entities, whilst being agile enough to keep pace with the industry itself.

Market environment

During 2022 the war in Ukraine, rising interest rates and fears of a global recession have been the primary concerns globally and across industries. Central banks have been in a difficult position, weighing to aggressively increase interest rates to fight off inflation while being mindful not to stifle economic growth. In addition, the pressure on global supply chains continued as several major cities in China througout the year implemented extensive restrictions and lockdown measures due to a rising number of Covid-19 cases.

Despite the challenging macroeconomic climate, increased complexity in software and cloud services and continuous digital transformation are driving continued IT spend. Rising inflation is impacting customer behavior and companies are increasingly facing resource and cost pressure driving customers to prioritize projects. While some reduce spend, others accelerate innovation and see investments in technology as an enabler of cost efficiency thereby making Crayon expertise in cost optimization increasingly important. The economic turbulence will likely change the way clients prioritize investments, where they increase spending in some areas and reduce in others, meaning the overall spending remains broadly intact.

The adoption of modern technology, the way multi cloud strategy drives digital transformation across sectors means that traditional IT service companies need to tailor their propositions to serve both adoption and management of cloud services, platform and various forms of digital initiatives.

In addition, clients are increasingly focusing on strengthening security requirements when moving to public cloud, driving the need for partners that provides services around software to ensure processes and tools that minimizes risk. Crayon has significant accreditations and strategic relationships with all major leading technology vendors globally to help our customers make informed decisions and optimize their IT estate and continues to expand the pool of vendors and partnerships. Vendors are changing their partner strategies focusing on building fewer and deeper relationships, partnering closer with those who have innovative capabilities. Its critical to have optimization services as well as capabilities within FinOps, grounded with License and vendor program expertise to be able to service customers well. Crayon is uniquely positioned to service clients and help optimize, manage and utilize the relationship with an expanding pool of software and cloud vendors.

Businesses and markets

Crayon is divided into four primary business areas: Software & Cloud Direct, Software & Cloud Channel, Software & Cloud Economics (SCE) and Consulting.

Software & Cloud Direct and Software & Cloud Channel make up the Group's software license offering through which Crayon provides customers with software and cloud infrastructure platforms developed by global software vendors, such as Microsoft, Google, and AWS. Together, these two business areas form the Software division, which made up 52% of gross profit in 2022. These are two distinct businesses where Crayon in its Direct business offers licenses directly from vendors to customers, whereas Channel is the license offering towards Channel partners, typically hosters and ISVs.

Software and Cloud Economics represents 48% of Gross Profit and consists of a combination of services, processes and tools to optimize customers' IT infrastructure and software license spend, ensuring compliance with the vendors' terms and conditions and enabling clients to build in-house Software Asset Management capabilities. Consulting consists of managed cloud and professional services and solutions related to infrastructure consulting, bespoke software deployment, and cloud migration and deployment.

In 2022 Software and Cloud Direct revenue grew 28% driven by strong performance in Nordics, Europe and APAC. Europe, Germany and Switzerland are seeing solid performance as Crayon continue to build capacity and win new clients. Software and Cloud Channel grew 104% in 2022, driven by the rhipe acquisition. Channel growth in Europe was also strong at 34%. Software and Cloud Economics continued its strong performance growing 14% organically. Growth in Consulting was 39%, impacted both by contribution from rhipe acquisition as well as strong performance in Europe with 121% growth.

Crayon's geographical presence is divided into four market clusters: the Nordics, Europe, APAC & MEA, and the US. As a result of increased international expansion, the international markets have been the primary driver of gross profit growth over the last few years and now represents 56% of gross profit in 2022, while the Nordics remains the largest and most mature market.

Financial summary

(amounts in parentheses refer to fiscal year 2021 results)

In 2022, Crayon continued to deliver strong growth in particular in the international markets with Revenues in Europe, APAC & MEA growing 53% and 128% respectively including contribution from the acquisition of rhipe. Also in the US, investments into growth is materializing and full year growth ended at 18%. Crayon has increased its investments and efforts in the international market over several years and the international expansion is a key building block in continuing to grow and scale the business.

The Nordic market remains the largest market and cornerstone of the business and continued its good performance with 15% revenue growth.

Profit or Loss
In 2022 revenue reached NOK 5 200m, up 42% year-over-year (YoY), with strong growth across all market clusters and business areas.

Adj. EBITDA[1] was NOK 839m, up 30% from NOK 644m in 2021. The resulting Adj. EBITDA margin[1] was 18.7% (20.3%). Included in the reported numbers are the effect of change of accounting policy causing a negative EBITDA impact in 2021 of NOK 11m and a negative EBITDA impact in 2022 of NOK 51m. Nordics remains the most profitable market cluster with stable high EBITDA margins of 34% (35%). Overall margin development for the international markets reflects continued investments in growth as well as somewhat higher cost related to travel, and social events compared to 2021. The EBITDA margin in APAC was impacted by significant one offs relating to the Philippine tax reassessments as well as Earn outs relating to overperformance of historic acquisitions in the region.

Other income and expenses and share based compensation (adjustments) were NOK 88m (64m) and consisted primarily of earnouts relating to overperformance in historic acquisitions and cost related to Philippine tax reassessment in addition to the share-based compensation. A tax audit in Crayon Philippines revealed incorrect VAT reporting on payments related to purchase of software licenses from foreign suppliers. The error related to a limited period and would not cause any benefits for Crayon, but nevertheless resulted in non-deductible VAT and penalties amounting to NOK 30m. Crayon has amended and rectified the reporting in Q4.

Operating profit grew 3% YoY to NOK 417m (405m), impacted by significant increase in depreciation, amortization and impairment ending at NOK 334m (175m). Interest expenses were NOK 194m up from NOK 83m in 2021, driven by increased net interest-bearing debt and increased market rates. Net other financial expenses were NOK 164m compared to NOK 29m in 2021. The change is driven mainly by currency fluctuations and revaluation of balance sheet items as a result of translating from foreign to functional currency, impacting in particular receivables and payables as well as cash balances. The strong negative impact for 2022 is driven mainly by depreciation of NOK towards both USD and EUR.

[1] See page 71 for details on Alternative performance measures

Income tax expense was NOK 42m (47m) and the resulting net income was NOK 23m (245m), representing diluted earnings per share of NOK 0.29, down from NOK 2.59 in 2021.

Cash flows
The Group's cash flow from operating activities increased to NOK 102m from NOK 25m in 2021. The cash flow from operating activities in 2022 was mainly driven by the EBITDA and changes in working capital. Working capital was furthermore impacted by significant outstanding receivables from Philippine public sector customers. Payables to Microsoft has been continuously settled resulting in negative working capital impact of approximately USD 45m for year-end 2022. Managing working capital efficiently remains a critical priority for management and the Group continuously strive to improve collection processes through both new tooling as well as increased internal focus on cash KPIs.

Cash flows from investments were NOK -225m (-2,561m). 2021 was impacted by the acquisition of rhipe in November 2021. In 2022 payments for capitalized assets increased to NOK 142m from NOK 83m, driven by increased investments in capitalized development cost and investments related to the two new office locations in Oslo and Sydney.

Cash flows from financing activities amounted to NOK 398m (2,375m), positively impacted by increased utilization of the Group's revolving credit facilities (RCF). In November the Group repaid its outstanding NOK 300m bond loan.

At the end of the year, Crayon had a strong cash position of NOK 1,530m, up from NOK 1,217m in 2021. The Board continuously monitors the Group's cash generation and will continue its efforts to maximize cash flows and the Group's liquidity position.

Financial position
As of December 31, 2022, the Group had total assets of NOK 14 833m. Current assets such as cash and receivables represented NOK 10 187m, of which Cash and Cash Equivalents made up NOK 1,530m and Accounts Receivable made up NOK 6 563m. Non-current assets represented NOK 4,464m and consisted primarily of NOK 3,147m in Goodwill, NOK 156m in Intangible Assets relating to Technology and Software and Development Costs, and NOK 541m from identified customer contracts in acquired entities.

Total liabilities as of December 31, 2022 were NOK 12,293m, of which NOK 8,972m were current liabilities such as accounts payables and public liability. Non-current liabilities amounted to NOK 3,321m, mainly related to a NOK 1,800m four-year senior unsecured bond issued in July 2021 and RCF of NOK 900m.

Total equity was NOK 2,540m at the end of 2022.

The Group had significant headroom with regards to its bank covenants as of December 31, 2022.

Allocation of earnings for the year
Consolidated comprehensive income for the year was NOK 157m. Crayon follows a growth strategy with significant opportunities for investments in both organic and inorganic growth. Profits are therefore reinvested into driving growth initiatives and there are no plans to distribute an annual dividend in the medium term.

Comprehensive income has been allocated to other equity. For more details see the Consolidated statement of changes in equity on page 29 of this report.

Parent company accounts
The parent company, Crayon Group Holding ASA, had a net loss of NOK 72m, compared to a net loss of NOK 53m in 2021. The loss is carried forward. Crayon Group Holding ASA has no employees, and the operating expenses are primarily shareholder-related costs for the parent company and finance costs related to bond financing. The parent company's main asset is its shareholdings in Crayon Group AS, while the main liability is bond debt.

Going concern
The Board confirms that the annual financial statements have been prepared under the assumption that the Group is a going concern, in accordance with §3-3a of the Norwegian Accounting Act and that such an assumption is appropriate, based on the Group's reported results, business strategy, financial situation and established budgets.

Risk management

The Board is careful to secure systematic and concerted management of risk in all parts of the business and regards this as critical for long-term value creation.

Macroeconomic and geopolitical risks have increased during 2022 and risk management have had a high focus througout the year.

Growth opportunities shall always be weighed against associated risks. The Board of Directors regularly reviews Crayon Group's risk profile. This includes risk relating to profitability, HSE, safety, privacy, security, compliance, market, financial reporting, interest rates, foreign currency, credit, and liquidity.

Interest rate risk
The Crayon Group's main external borrowing is in NOK, and it fluctuates with NIBOR reference rate. The Group currently does not have any interest rate hedge, hence the Group is impacted by interest cash flow risk. In the current marked with increasing reference rates globally, the Group experienced significant impact on interest paid during 2022 and see an increased risk of future interest payments. The Group also have interest bearing debt in other currencies, mainly lease liability and currency cash-pool balances, increasing the risk. The positive cash position of the Group mitigates some of the risk.

Liquidity risk
Crayon Group is impacted by liquidity fluctuation associated with its gross sales and growth. The cash flow from operating activities is mainly impacted by changes in the net working capital managed by the subsidiaries. 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.

Due to the financial market condition globally during the recent year, the growth of developing markets has become more working capital intensive in general. Optimizing working capital is the key focus area at Crayon. We strive for timely collection and efficient management of the receivables, which is crucial to ensure sufficient liquidity.

On 21st November 2022, Crayon successfully repaid the outstanding NOK 300m bond at maturity. On 31st December 2022, Crayon holds one senior unsecured bond of NOK 1 800m that matures July 2025. Cash and cash equivalents at year end amounted to NOK 1,530m.

In 2022, Crayon's revolving credit facility remained NOK 1,000m and was fully utilized at year end, whereof NOK 900m was drawn in cash and the remaining utilized for guarantees. The credit facility has mainly been utilized for working capital purposes and trade finance such as bank guarantees. Crayon stays compliant with the covenant reporting required by the credit facility throughout the year. As of December 31, 2022, the Group had significant headroom to the threshold in accordance with its financial covenants.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

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

Crayon operates in many jurisdictions and is increasing its presence in growth markets outside of the Nordic region, including markets that normally carry a higher credit risk. Crayon has the credit risk for the full amount of any gross sales invoiced on behalf of the software supplier, even when acting as an agent and only recognising net revenues. This also includes situations with disputes between the software vendor and the end user related to services delivered or consumed. In such cases, Crayon engages in dialogue with the end user and with the software vendor in order to agree on balanced solutions. Overdue receivables have increased significantly over the past year, increasing the overall credit risk. Included in the overdue receivables is however a significant governmental receivable of USD 45m in the Philippines. Delay in settlement is related to administrative procedures following the change in government and Crayon expects no impairment. See note 2.4 and 13 for further information.

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 and contract assets. Credit check and control procedure 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.

Foreign currency risk
The global expansion of Crayon has led to significant business growth as well as currency exposure. The currency fluctuation and risk are monitored and managed at the Group level and Crayon continuously work to mitigate the impact. The Group Treasury policy sets the standard for daily operations across businesses, whereas the revenue and cost of goods sold shall be in the same currency, seeking natural hedge to the extent possible concerning the currency exposure. The Group assesses business opportunities carefully to mitigate any future currency risk, any possible currency hedging mainly conducted through forward contracts. Currency swaps are regularly used to optimize liquidity and financial cost by the Group. Crayon Group stands as the sole external counterparty for all FX trading.

Secured Productivity Risk
Team member safety is of utmost priority to the Crayon Group, whereby centrally defined response and resumption strategies ensure maximum preparedness and business continuity in the event of a local disaster. The Crayon Trust Unit responsible for managing local incidents also performs ongoing environmental scanning and delivers assessments of new and emerging sociopolitical threats and natural disasters to the group's leadership to enable strategic decisions and the deployment of rapid intervention teams, where necessary. Business operations are secured through a horizontal approach to risk management, whereby dedicated registers and decision-making support tools are built to optimally fit the needs of each business unit and meet the group's compliance requirements. As an IT service provider, the group invests heavily in securing its data processing activities. The Crayon Trust Unit proactively manages internal information security and data protection risks together with the relevant business units at the earliest stages of design and development, in line with 'security by default' and 'privacy by design'. To ensure the Crayon Group remains resilient within the evolving risk landscape, its security operations team engages in ongoing environmental scanning and threat intelligence communities.

War in Ukraine
The invasion of Ukraine by Russia in February 2022 introduced geopolitical risk to global markets and business operations. During the year Crayon's top priority has been to ensure the safety and well being of its employees and their families as well as safeguarding customers, partners and society.

In April Crayon announced its decision to cease operations in Russia. On September 30, 2022, the remaining net investment including internal loans, were reclassified to assets held for sale. An agreement was signed in December 2022 for a management buyout. The transaction will be subject to governmental approval in Russia that is expected to take 3-6 months. The risk of the transaction not being approved is considered low, and consequently the sale transaction is recognized in December 2022. During the separation process Crayon continued to support its customers with the transition and as well as developing the next steps for its employees.

Increases geographical presence
Following the rhipe acquisition and the overall growth into new markets, Crayon entails increased risk in terms of complex laws and regulations, political risks such as changes in government and other laws and regulations such as tax laws, increasing the risk of unexpected changes that can impact the costs of doing business in these regions, such as taxes.

Organization, working environment, and equality

During the last two years since the pandemic, Crayon has continued to focus on a people first culture enabling our employees to develop and grow while making Crayon a top place to work. Crayon continue to invest in employee development achieving a 94.5% retention.

In 2022 we launched Crayon Cares, our global employee engagement and volunteering initiative to bring locally driven volunteer programs under one umbrella. The goal is to drive innovation between our NGOs and ISV partners, promote the work of chosen NGOs and the causes they support, align with Crayon's chosen UN sustainability goals, and increase the social impact of Crayon and its employees.

Crayon continued to invest in its organization in 2022 and reached 3,447 full-time employees (FTE) at year-end, a net increase of 547 compared to 2021. The average number of FTEs in 2022 was 3,288 up from 2,318 in 2021.

Group-wide recruitment activities are overseen and quality-checked by an in-house team of trained recruitment professionals and Crayon has programs to ensure employee training and development. Crayon has also implemented online onboarding programs for all new employees to ensure knowledge and understanding the group's values, vision, business strategy, and key policies covering areas such as GDPR, Security, Integrity, and Sustainability. All new employees are required to review and sign the Code of Conduct for Employees.

Crayon annually conducts a group-wide employee survey to gauge and assess employee fulfillment, happiness, and well-being. Despite challenges related to Covid-19, the results of the employee survey reached an all-time high in 2022, with improvements across all categories and an overall score of 4.2/5.0. For more details on the employee survey and employee well-being, see the 2022 ESG report that will be published 26 april on our website.

Health and safety
The health and well-being of Crayon employees are paramount to maintaining successful operations and we and we strive to ensure sound safety and health practices throughout organization and comply with all local workplace safety regulations.

Sickness absence amounted to 2.3% in 2022, an increase from 2.2% in 2021 and no material personal injuries or damage to material was registered. Each year employees are offered the opportunity to attend first-aid courses, which includes training in how to use defibrillators. The Company's management has implemented an HSE course and drawn up an associated plan to maintain compliance with HSE issues. Employee representatives serve on the company's board.

Diversity, equity, and inclusion
We value a diverse workforce and are committed to attracting, retaining, and promoting women across our operations. The IT industry in general is characterized by a low share of female workers and Crayon works systematically to increase the share of female employees at all levels and offers equal salary levels and career opportunities regardless of gender. At the end of the year, 32% of Crayon's FTEs were women. The Board of Directors consists of ten members, of which 50% are women. There are six members of the executive management team, of which 33% are women.

During the year a global DEI strategy was established with the goal of advancing diversity, equity, inclusion, and respect through education, hiring practices, and a positive workplace culture. The company build that culture by making sure all individuals are treated fairly and respectfully, fostering equal pay, and have equitable access to opportunities and resources. Through this we ensure that Crayon's core values are rooted throughout the organization.

The purpose of the Norwegian Anti-Discrimination Act is to promote equality, safeguard equal opportunities and rights, and prevent discrimination on the grounds of ethnicity, national origin, descent, skin color, language, orientation, religion, or belief. The Group endeavors to promote the objectives of the Act in its operations with regard to recruitment, wages and working conditions, promotion, development opportunities and protection against harassment. The Group strives to be a workplace where there is no discrimination.

Directors and Officers liability
Crayon has purchased and maintains a Directors and Officers Liability Insurance on behalf of the members of the Board of Directors and Company officers. The insurance includes controlled subsidiaries and is issued by a reputable insurer.

Corporate responsibility

All Crayon employees shall display respect and integrity in dealing with their business contacts, colleagues, or others with whom they come in contact with through their work. Crayon does not accept any form of harassment, discrimination, or other conduct that could be deemed to be threatening or demeaning.

Crayon aims to provide an attractive workplace with good working conditions, a safe working environment and to promote diversity, equal gender distribution, and inclusive recruitment.

Crayon's employees shall assume responsibility for the market and the society that the group serves by conducting operations to a high ethical standard and in accordance with applicable legislation and human rights. The company is aware of the impact of technology on society and the environment. The Group also has a written anti-corruption policy in place which is approved by the Board of Directors and distributed across the Group.

Crayon's line of business is business-to-business consulting services and reselling of software licenses. The company's activities do not involve the manufacturing of products or physical distribution. For this reason, there is a very low impact on the external environment from Crayon's operations.

In early 2022, the Board of Directors established an ESG Board Committee to ensure that ESG is fully integrated into the company's long-term strategy, and to support the Board in safeguarding the interests of the company's key stakeholders, including employees, customers, shareholders, business partners, governments, and civil society.

For further information, see the 2022 ESG report that will be published 26 april on our website.

Corporate governance

Crayon considers good corporate governance to be a prerequisite for value creation, trustworthiness and access to capital. In order to secure strong and sustainable corporate governance, we work continiously to implement good and healthy business practices, reliable financial reporting and compliance with legislation and regulations across Crayon Group.

Crayon Group Holding ASA is incorporated and registered in Norway and is subject to Norwegian law. The shares of Crayon are listed on the Oslo Stock

Exchange (Nw.: Oslo Børs). As a Norwegian public limited liability company listed on Oslo Børs, Crayon must comply with the Norwegian Securities Trading Act, the Continuous obligations for companies listed on Oslo Børs, the Norwegian Public Limited Liability Companies Act, and all other applicable laws and regulations.

The Company endorses the Norwegian Code of Practice for Corporate Governance, issued by the Norwegian Corporate Governance Board, most recently revised on October 14, 2021.

In accordance with Crayon's commitment to the Norwegian Transparency Act, our account of the due diligence we perform to promote fundamental human rights and decent working will be made available on our website within June 30 2023.

The annual statement on corporate governance for 2022 has been approved by the Board and can be found on page 21 of this report.

Shareholders exercise the ultimate authority in Crayon through the Annual General Meeting, which all shareholders are entitled to attend. The Board encourages all investors to participate in the AGM.

Environmental, Social and Governance

Our commitment to ESG has gained significant momentum this year and we're proud to continue to invest in a dedicated team that is responsible for executing and growing our global strategy. We set bold ambitions centered around people, planet, prosperity, and governance. This resulted in an improved carbon emissions reporting framework to ensure consistency and accuracy, bringing our global ISO certifications to three, and establishing a worldwide philanthropic campaign that supports the communities in which our employees live.

Equity and shareholder issues

In 2022, Crayon Group Holding increased its share capital by 1 213 781 shares in relation to a broad-based employee stock purchase plan.

The Annual General Meeting on May 20, 2022 authorized the Board of Directors to increase the share capital in connection with the company's incentive schemes.

The Board granted an authorization to increase the Company's share capital with up to NOK 5,284,319, provided however that the authorization cannot be used for an amount in excess of 6.0% of the Company's share capital. The authorization is valid from the time of registration with the Norwegian Register of Business Enterprises and until the earlier of the Company's annual general meeting in 2024 and 30 June 2023. The shares in Crayon Group are freely tradable, and to the knowledge of the Board there are no shareholders' agreements in the company regarding exercise of voting power or limiting trading in the shares.

Outlook

In 2023, Crayon will continue its focus on driving growth across markets by capitalizing on past investments into strengthened capabilities and strategic acquisitions. The group will maintain its focus on organic growth in combination with strategic acquisitions, which are made to strengthen Group-wide service capabilities and local capacity or to add scale in international sub-scale markets. Furthermore, a key focus in 2023 will be to ensure profitable growth and margin expansion driven both by a scalable business model as well as improved cost efficiency.

The group see clear margin improvement potential as the businesses continue to scale in local markets and regions.

Crayon will also continue to invest in further development and improvements to its proprietary IP portfolio, with particular focus on Cloud-iQ, Crayon's market-leading customer platform for digital procurement and management of cloud software and resources. Read more about Crayon-iQ on our website.

Future financial performance will depend both on market demand for products and services offered by Crayon and Crayon's ability to address this market demand. The Board expects both of these elements to continue to develop in Crayon's favor. As a result, the Group targets further growth in gross profit and EBITDA during 2023. The Board will continue to focus on balancing profitability and growth.
The board acknowlegedes the strong efforts and contributions from the whole organization to a very solid result in 2022.

Oslo, March 28, 2023

Rune Syversen
(Chairman)

Wenche Agerup
(Board Member)

Jennifer Koss
(Board Member)

Jens Moberg
(Board Member)

Dagfinn Ringås
(Board Member)

Jens Rugseth
(Board Member)

Grethe H. Viksaas
(Board Member)

Brit B. Smestad
(Employee Representative)

Mette Wam
(Employee Representative)

Christian B. Ødemark
(Employee Representative)

Melissa Mulholland
(CEO)

Board of Directors

Rune Syversen (1968)
Chairman of the Board

Rune Syversen co-founded Crayon Group alongside Jens Rugseth. Prior to Crayon's launch, he held several senior positions within Telenor Group, Norway's leading telecoms company. A successful serial entrepreneur with deep experience of the global IT, data services, and financial sectors, Rune was instrumental in the creation and growth of, amongst other companies, Link Mobility and Sikri. In addition to Crayon Group, he is Chairman of the Board at Cyviz ASA, Board Member at Karbon Invest AS, LINK Mobility Group ASA, Sevencs AS, and Calusa AS.

Rune has a BSc. in Business Administration from BI Norwegian Business School. He is a Norwegian citizen, residing Luzern, Switzerland.

Wenche Agerup (1964)
Board member

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. She has lived and worked abroad in both Asia and Australia. 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. She is a Norwegian citizen residing in Oslo, Norway.

Jennifer Koss (1977)
Board member

Jen is the Founding Partner of an early stage venture fund, Springbank that invests in the infrastructure serving the long-overlooked needs of women and working families. She has spent the majority of her professional career focused on the consumer and retail sectors. In 2012, she founded an experiential retail agency, BRIKA (acquired in 2021 by SALT XC). Prior to her current role, she has worked over a decade in management consulting (The Parthenon Group and The Bridgespan Group), investment banking, and as both a private equity investor and funds' investor at Ontario Teachers' Pension Plan. She holds various board and advisory positions in publicly listed corporations, private companies and non-profit institutions. Jen has an MBA from Harvard Business School, an MPhil from the University of Oxford and an A.B. Magna cum laude from Harvard University. She is a US and Canadian citizen living in Oslo, Norway.

Jens Moberg (1962)
Board member

Jens has more than 20 years of experience in executive positions in technology companies, including Microsoft and IBM. He is the owner and founder of Leadership Institute and serves as Chairman of the Board of Grundfos. He is also chairman of Adapteo and a board member at Kirk Kapital and the Poul Due Jensen Foundation.

Jens worked for 14 years at Microsoft, first in Nordic positions, later on as CEO of Microsoft Denmark, and then as Head of Western Europe. From 2005 to 2008 he was Head of Enterprise and Partner Group at Microsoft USA. During 2008 and 2009 he was responsible for development and growth of Microsoft's Enterprise business in Russia, India, and China.

Jens has a Diploma (HD) in Marketing from Copenhagen Business School. He is a Danish citizen residing in Copenhagen, Denmark.

Dagfinn Ringås (1974)
Board member

Dagfinn Ringås is the Group CEO of Cegal SYSCO, a Nordic technology company in the energy sector. He has more than 25 years of experience in the IT-industry, a career which has seen him hold leadership roles at Microsoft and operate as Country President of Schneider Electric Norway.

Dagfinn has an MBA from Sydney Business School, an Executive Leadership Program from Instead, and a BSc. degree in American Studies & Political Science from the University of Oslo. He is a Norwegian citizen, currently residing in Asker, Norway.

Jens Rugseth (1962)
Board member

Jens Rugseth co-founded Crayon in 2002 together with Rune Syversen. He is a serial entrepreneur, having founded multiple companies in the IT sector over the past 35 years. He has operated as the CEO of some of the largest IT-companies in Norway, including ARK ASA, Cinet AS, and Skrivervik Data AS, As well as having been CEO, Chairman of the Board and now Member of the Board in Crayon Group.

At present Jens has ownership in a multitude of companies both on and off the Stock Exchange through his and Rune Syversen's Investment company Karbon Invest AS

Jens studied business economics at BI Norwegian Business School. He is a Norwegian citizen, currently residing in Luzern, Switzerland.

Grethe H. Viksaas (1958)
Board member

Grethe has had a long career with Basefarm, the Northern European managed services provider, first as founder and CEO (2000-2017), and subsequently (2018-2020) as a member of the Board of Directors.

Grethe has also served as a director on the board of Telenor ASA (2017-2020) and as Chair of the Board of Norsk Regnesentral (2016-2020). She is currently Chair of the Board of PoLight ASA and Farmforce AS, and Board Member in Link Mobility ASA and CatalystONE Solutions Holding AS.

Grethe has a master's degree in computer science from the University of Oslo. She is a Norwegian citizen, currently residing in Oslo, Norway.

Brit B. Smestad (1966)
Employee Representative

Brit Smestad is the Customer Success Manager for Crayon Managed Cloud Services. She is responsible for ensuring that all Operational Level Agreements and Underpinning Contracts are appropriate. She is also responsible for ensuring that every IT service being provided is delivered as agreed. Prior to this position, Brit was a Bid Manager for Crayon, leading multi-disciplined teams as they tendered for complex software and cloud contracts in the public and private arena. She has deep experience in the software licensing sales/audit sector having worked for Merkantildata and Eterra, before joining Crayon Group AS in 2002.

Brit studied Project Management at BI Norwegian Business School and resides in Oslo, Norway.

Mette Wam (1963)
Employee Representative

Mette Wam is the 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, with past experience from companies such as Software Innovation AS, Transmit Medical AS, and Sysdeco.

She has a BSc. in Computer Science from Strathclyde University and the University of South-Eastern Norway. Norwegian citizen residing in Oslo

Christian B. Ødemark (1977)
Employee Representative

Christian joined Crayon in 2017 as Finance Manager of Crayon Norway, responsible for accounting and salaries for multiple Norwegian entities. Prior to joining Crayon, he served as Finance Manager for both Gunnebo Nordic and REMA 1000 Oslo as well as Project Manager and Administration Officer at Lidl Norway.

Christian holds a Master of Business and Economics from the BI Norwegian Business School and was a Corporal in the Norwegian Army's Special Forces. He is a Norwegian citizen, residing in Nittedal, Norway.

Statement of Corporate Governance

Introduction

The Board of Directors of Crayon Group Holding ASA (the Company) has approved this statement of corporate governance.

The statement of corporate governance addresses the framework of guidelines and principles regulating the interaction between the Company's shareholders, the Board of Directors (the Board), the Chief Executive Officer (the CEO) and the Company's executive management team.

The statement of corporate governance is based on the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board. The Company will, in accordance with applicable legislation and stock exchange listing rules, provide a report on the Company's corporate governance in the directors' report or in a document that is referred to in the directors' report in connection with its annual financial statements and report.

During 2022 the board held 15 board meetings.

Business

The Company's articles of association shall clearly describe the business that the Company shall operate.

The Board have defined clear objectives, strategies and risk profiles for the Groups's business activities such that the Group creates value for shareholders in a sustainable manner. When carrying out this work, the Board have taken in into account financial, social and environmental considereations.

The Board evaluates these objectives, strategies and risk profiles at least once a year.

Company capital and dividends

The Board is committed to maintain a satisfactory equity ratio in the group according to the Groups's objectives, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The Board will continuously assess the Groups's capital requirements related to the Groups's strategy and risk profile.

The Company is committed to create long-term value for its shareholders. The Company shall, at all times, have a clear and predictable dividend policy established by the board of directors. The dividend policy forms the basis for the board of directors' proposals on dividend payments to the Company's general meeting. The dividend policy shall be disclosed to the shareholders. The background for any proposal to grant the board of directors an authorization to approve distribution of dividends should be explained. Currently the company aims to continue to invest in capabilities to drive future growth and does not distribute dividends.

Any proposal for the Board to be given authorization to approve the distribution of dividends shall be explained. General authorizations for the Board to increase the share capital and buy own shares will normally be restricted to defined purposes and will, in general, be limited in time to no later than the date of the next annual general meeting of the Company.

Equal treatment of shareholders

There is only one class of shares in the Company and all shares carry equal rights. Each share carry one vote. The Company emphasise equal treatment of its shareholders.

All shareholders shall be treated on an equal basis, unless there is a just cause for treating them differently in accordance with applicable laws and regulations.

In the event of an increase in share capital of the Company through issuance of new shares, a decision to waive the existing shareholders' pre-emptive rights to subscribe for shares shall be justified. If the Board resolves to issue new shares and waive the pre-emptive rights of existing shareholders pursuant to a Board authorization granted by the general meeting, the justification shall be publicly disclosed in a stock exchange announcement issued in connection with the shares issue. The reasons for any deviation from equal treatment of all shareholders in capital transactions will be included in the stock exchange announcement made in connection with the transaction.

Any transactions carried out by the Company in the Company's own shares shall be carried out through Oslo Børs and in any case at prevailing stock exchange prices. In the event that there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of shareholders. Any transactions in own shares will be evaluated in relation to the rules on the duty of disclosure, as well as in relation to the prohibition against illegal insider trading and market manipulation, the requirement for equal treatment of all shareholders, and the prohibition of unreasonable business methods.

Shares and negotiability

The shares of the Company are freely negotiable.

The general meeting

All shareholders have the right to participate in the general meetings of the Company, which exercise the highest authority of the Company. The annual general meeting shall normally be held before 30 June each year.

The full notice for general meetings shall be sent to shareholders no later than 21 calendar days prior to the meeting. The notices for such meetings shall include documents providing the shareholders with comprehensive, spesific and sufficient details in order for the shareholders to make an assessment of all the cases to be considered as well as all relevant information regarding procedures of attendance and voting. The notice and the documents may be sent to or made available to the shareholders through electronic communication. The Board shall ensure that the members of the Board and the chair of the nomination committee attends the general meetings. The Company's auditor will normally be present. In addition, the Board shall ensure that the general meeting is able to elect an independent chair for the general meeting.

Notices for general meetings shall provide information on the procedures shareholders shall observe in order to participate in and vote at the general meeting. The notices will also set out: (i) the procedure for representation at the meeting through a proxy, including a form to appoint a proxy, and (ii) the right for shareholders to propose resolutions in respect of matters to be dealt with by the general meeting. Shareholders shall have the right to attend by electronic means unless the Board has sufficient cause to refuse electronic participation. In addition, the shareholders have the right to vote during a specific period in advance of the general meeting, to the extent allowed in the Company's article of association.

The cut-off for confirmation of attendance shall be set as short as practically possible and the Board will arrange matters so that shareholders who are unable to attend in person, will be able to vote by proxy. A form of proxy will be distributed with the notice.

Nomination committee

The Company have a nomination committee as set out in the articles of association. The general meeting stipulates guidelines for the duties of the nomination committee, elects the chairperson and members of the nomination committee, in addition to determining the committee's remuneration. The members of the nomination committee shall be elected to take into account the interests of shareholders in general, and the majority of the nomination committee shall be independent of the Board and the executive management team. Members of the Board and the executive management team shall not be members of the nomination committee. Instructions for the nomination committee shall be approved by the Company's general meeting.

The nomination committee's duties shall be to propose candidates for election to the Board and nomination committee and to propose the fees to be paid to members of these bodies. The nomination committee shall have contact with the shareholders, the Board and the company's executive personnel as part of its work on proposing candidates for election to the Board. Furthermore, the nomination committee shall justify why it is proposing each candidate separately.

The Company shall provide information on the members of the committee and any deadline for proposing candidates. The Company will make this information available on its website.

The board – composition and independence

The composition of the Board shall ensure that the Board can attend the common interests of all shareholders and meet the Company's need for expertise, capacity and diversity. In appointing members to the Board, it is emphasised that the Board shall have the necessary competence to independently evaluate the subject presented by the executive management team. It is also considered important that the Board can function well as a team. Board members shall be elected for periods not exceeding two years at a time, with the possibility of re-election. Board members are encouraged to own shares in the Company.

The Board shall comply with all applicable requirements as set out in the Norwegian Public Limited Liability Companies Act and the listing rules of Oslo Børs. Acknowledging that the Board is ultimately appointed by and at the shareholders' discretion, the composition of the Board should also seek to comply with the recommendations set out in the Norwegian Code of Practice for Corporate Governance.

The Company does not have a corporate assembly.

The work of the board

The Board prepares an annual plan for its work with special emphasis on goals and strategy. The Board's primary responsibilities shall be (i) participating in the development and approval of the Company's strategy, (ii) performing necessary control functions and (iii) acting as an advisory body for the executive management team. Its duties are not static, and the focus will depend on the Company's ongoing needs. The chair of the Board is responsible for ensuring that the Board's work is performed effectively and correctly.

The Board shall ensure that the Company has proper management with a clear internal distribution of responsibilities and duties. A division of work has been established between the Board and the executive management team. The CEO is responsible for the executive management of the Company. Furthermore, the Board shall issue instructions that state how the Board and the executive management shall handle agreements with related parties, including whether an independent valuation must be obtained. The Board shall present any such agreements in their annual director's report.

The Board shall ensure that the members of the Board and executive personnel make the Company aware of any material interests that they may have in items to be considered by the Board. In order to ensure a more independent consideration of matters of a material character in which the chair of the Board is or has been personally involved, the Board's consideration of such matters shall be chaired by other members of the Board.

All members of the Board shall regularly receive information about the Company's operational and financial development. The Company's strategies shall regularly be subject to review and evaluation by the Board. Additionally, the Board shall prepare an annual evaluation of its own work, including its performance, expertise, composition and how its members function (both individually and as a team) in relation to the objectives set out for its work.

The board of directors shall, inter alia, deliberate and decide on the following:

a. Such matters as required by statutory law, the articles of association, these Rules, or the resolutions of the general meeting;
b. Matters outside the scope of the statutory responsibilities of the chief executive officer (i.e. matters that given the situation of the Company are unusual in character or of major importance);
c. Matters outside the scope of the general authority granted to the chief executive officer, such as major investments, borrowings, sales or purchases of real estate, and similar agreements that commit the Company for an amount in excess of the authority granted to the chief executive officer;
d. The prudent organization of the activities of the Company;
e. Satisfactory control of the ongoing activities of the Company, including the approval of contract formations that exceed the authority granted to the chief executive officer;
f. Strategy and objectives;
g. Budget and financing plans for the Company and the Crayon Group;
h. Appointment/dismissal of the chief executive officer and fixing of salary or other remuneration to the chief executive officer, adoption of instructions for the chief executive officer and determining of the remuneration policy for key employees;
i. Major changes in the business activities of the Company and organizational changes of substantial importance;
j. Safeguarding the financial statues and appropriate equity, including the financial policy of the Crayon Group and review and deliberation of any management letters from the Company's auditor;
k. Legal disputes of major importance;
l. Annual accounts and annual reports of the Company and the Crayon Group;
m. Acquisitions, investments and divestments;
n. Proposal for the allocation of profits or losses in accordance with the provisions of the Norwegian Accounting Act;
o. Agreements between the Company and a member of the board of directors or the chief executive officer or any agreement between the Company and a third party in which a member of the board of directors or the chief executive officer has a distinct interest; and
p. Other matters that the board of directors or the chief executive officer considers of importance to decide upon.

Board committees

The Company shall have an audit & risk committee in accordance with the rules of the Norwegian Public Limited Liability Companies Act and the listing rules of Oslo Børs. The majority of the members of the committee shall be independent of the Company.

The Board has established a remuneration committee in accordance with the rules of the Norwegian Public Limited Liability Companies Act. The remuneration committee shall review and recommend to the Board the remuneration policies/framework for the Company's executive/senior management, and provide general advice related to compensation paid to executive personnel. Membership of such committee shall be restricted to members of the Board who are independent of the Company's executive personnel.

Risk management and internal control

The Board shall ensure that the Group has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Group's activities.

The objective of the risk management and the internal control is to manage and eliminate, exposure to risks in order to ensure successful conduct of the Group's business and to support the quality of its financial reporting.

The Board shall carry out an annual review of the Group's most important areas of exposure to risk and its internal control arrangements. The Board shall provide an account in the annual report of the main features of the Group's internal control and risk management systems as they relate to the Groups's financial reporting.

The Audit and Risk Committee shall

a. oversee the Company's compliance and risk management processes and financial reporting procedures;
b. support the board of directors in assessing and determining the Company's risk appetite;
c. keep abreast of the most up to date information available to it within the areas of financial reporting, compliance and risk;
d. with respect to financial reporting processes, monitor the systems for internal control, risk management and internal audit without compromising the Committee's independent role

Remuneration of the board

The general meeting shall determine the Board's remuneration annually, normally in advance. Remuneration of Board members shall be reasonable and based on the Board's responsibilities, expertise, time invested and the complexity of the enterprise. The remuneration of the Board shall not be linked to the Company's performance. The Company shall not grant options to members of its Board.

The Board shall be informed if individual Board members perform tasks for the Company other than exercising their role as Board members. Work in sub-committees may be compensated in addition to the remuneration received for Board membership. The Company's financial statements shall provide information regarding the Board's remuneration. Any remuneration in addition to normal director's fee shall be specifically identified in the annual report.

Salary and other remuneration for the executive personnel

The Board shall prepare clear and comprehensible guidelines on the fixing of salaries and other remuneration to the Company's CEO, other executive personnel or employees who are members of the Board or the corporate assembly (if any). The guidelines shall contribute to the Company's commercial strategy, long-term interests and financial viability. The content of the guidelines shall be in accordance with the Norwegian Regulations on Guidelines and Reports on the Remuneration of Executive Personnel.

Any material change to the guidelines shall be considered and approved by the general meeting. The guidelines are subject to review and approval by the general meeting at least every fourth year. Guidelines approved by the general meeting, including the result of the vote and the date of approval, shall be published on the Company's website. The Company's arrangements in respect of salary and other remuneration shall help ensure the executive personnel and shareholders have convergent interests and should be simple.

Performance-related remuneration shall be subject to an absolute limit.

In addition to the above, the Board shall, for every financial year, ensure that a report is prepared which provides a comprehensive overview of paid and outstanding remuneration covered by the remuneration guidelines. The specific requirements for the content of the reports are supplemented by the Norwegian Regulations on Guidelines and Reports on the Remuneration of Executive Personnel. The report is subject to advisory vote by the general meeting and report shall be published on the Company's website after the annual meeting has been held.

Information and communication

The Board and the executive management team assign considerable importance to giving the shareholders relevant and current information about the Company and its activity areas. Emphasis is placed on ensuring that the shareholders receive the same and simultaneous information. Furthermore, the Board shall establish guidelines for the Company's reporting of financial or other information based on openness and taking into account the requirement for equal treatment of all participants in the securities market.

Sensitive information will be handled internally in a manner that minimizes the risk of leaks.

The Board have a policy on who is entitled to speak on behalf of the Company on various subjects. The Company shall have a contingency plan for information management in repsons to events of a particular character or of interest to the media. The CEO, CFO, Head of Investor Relations and Head of Communication will be the main contact persons of the Company in such respects.

The Board should ensure that the shareholders are given the opportunity to make known their points of view at and outside the general meeting. The Board shall establish gudielines for shareholders communication with the Company other than through general meetings.

Take-overs

The Board have established guiding principles for how it will act in the event of a take-over bid.

In a take-over process, should it occur, the Board and the executive management team each have an individual responsibility to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The Board has a particular responsibility in ensuring, to the extent possible, that the shareholders have sufficient information and time to assess the offer.

In the event of a take-over process, the Board shall ensure that:

a) the Board will not seek to hinder or obstruct any takeover bid for the Company's operations or shares unless there are particular reasons for doing so;
b) the Board will not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company;
c) the Board will not institute measures with the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and
d) the Board shall be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a take-over bid, the Board will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Norwegian Code of Practice for Corporate Governance unless there are particular reasons not to. This includes obtaining a valuation from an independent expert. On this basis, the Board will seek to make a recommendation as to whether or not the shareholders should accept the bid.

Auditor

Each year, the auditor shall present to the Board a plan for the implementation of the audit work and submit to the audit & risk committee an annual additional report in which it declares its independence and explains the results of the statutory audit carried out by providing a range of information about the audit.

The auditor shall be invited to be present at Board meetings where the annual accounts are dealt with. At these meetings the auditor shall report on any material changes in the Company's accounting principles and key aspects of the audit, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the Company's executive management. The Board and/or audit & risk committee shall meet with the auditor at least once a year to review the Company's accounting principles, risk areas, internal control routines, including weaknesses identified by the auditor and proposals for improvement.

The auditor should only be used as a financial advisor to the Company where such use does not affect or reasonably question the auditor's independence and objectiveness as auditor for the Company. Only the Company's CEO and/or CFO shall have the authority to enter into agreements in respect of such counselling assignments. The Bord shall establish guidelines in respect of the use of the auditor by the Company's executive management for other services than the audit.

At the annual general meeting and/or in the annual financial statements, the Board shall present a review of the auditor's compensation as paid for auditory work required by law and remuneration associated with other concrete assignments.

In connection with the auditor's presentation to the Board of the annual work plan, the Board are responsible for reviewing the auditors plan and the results of the audit performed and also assess the quality of the external auditors work including inspections of the audit form by the regulator

The Board shall invite the auditor to attend all general meetings.

Transactions with related parties or close associates

Any transactions, agreements or arrangements between the Group and the Company's shareholders, members of the Board, members of the executive management team or close associates of any such parties may only be entered into as part of the ordinary course of business and on arm's length market terms. All such transactions shall, where relevant, comply with the procedures set out in the Norwegian Public Limited Liability Companies Act. The Board shall, in principle, arrange for a valuation to be obtained from an independent third party for transactions with related parties, including agreements that are considered immaterial or covered by section 3-16 of the Norwegian Public Limited Liability Companies Act. The Company's financial statements shall provide further information about transactions with related parties in accordance with applicable accounting principles.

The Company may engage in business activities with, or in cooperation with, its shareholders. Such activities shall be handled at the board level, with a view of securing a foreseeable and consistent practice which prevents potential conflict of interest situations, arm's-length treatment, and sound governance. Board members shall immediately notify the Board and members of the executive management team shall immediately notify the CEO (who, where relevant, will notify the Board) if they have any material direct or indirect interest in any transaction entered into by the Company.

Financials

Crayon Group Holding ASA

Consolidated statement of profit or loss and other comprehensive income

(NOK thousands)	Note	2022	Restated 2021
Operating revenue	3	5,199,561	3,658,787
Cost of sales		-704,000	-494,083
Payroll and related cost	4	-3,076,549	-2,201,989
Other operating expenses	5	-579,795	-319,143
Share based compensation	6	-13,445	-55,002
Other income and expenses	5	-74,290	-8,923
EBITDA		**751,482**	**579,646**
Depreciation, amortization and impairment	7, 8	-334,344	-174,543
Operating profit/EBIT		**417,138**	**405,103**
Share of results from associates	24	6,563	-1,172
Interest income		29,444	13,948
Other financial income		1,819	807
Total financial income	10	**31,263**	**14,755**
Interest expense		-193,924	-83,067
Other financial expenses		-195,560	-43,845
Total financial expenses	10	**-389,484**	**-126,912**
Net financial income and expenses		**-358,221**	**-112,158**
Net income before tax		**65,480**	**291,774**
Income tax expense	12	-42,154	-46,663
Net income		**23,326**	**245,111**
Allocation of net income			
Non-controlling interests	24	-1,961	27,020
Owners of Crayon Group Holding ASA		25,286	218,091
Total net income (loss) allocated		**23,326**	**245,111**
Basic earnings (loss) per share (NOK per share)	11	0.29	2.59
Diluted earnings (loss) per share (NOK per share)	11	0.28	2.54

(NOK thousands)	Note	2022	Restated 2021
Comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation		133,646	11,570
Total comprehensive income - net of tax		**156,971**	**256,681**
Allocation of Total comprehensive income			
Non-controlling interests		6,672	27,524
Owners of Crayon Group Holding ASA		150,299	229,157
Total comprehensive income allocated		**156,971**	**256,681**

Crayon Group Holding ASA

Consolidated statement of financial position as of December 31

(NOK thousands)	Note	2022	Restated 2021
ASSETS			
NON-CURRENT ASSETS:			
Intangible assets			
Development costs	8	119,967	98,165
Technology and software	8	36,556	99,487
Contracts	8	541,322	598,831
Software licenses (IP)	8	1,709	1,941
Goodwill	9	3,146,679	2,998,258
Deferred tax asset	12	144,790	81,201
Total intangible assets		**3,991,024**	**3,877,883**
Tangible assets			
Equipment	7	90,291	59,753
Right-of-use assets	7	451,499	114,958
Total tangible assets		**541,790**	**174,711**
Investment in associates	24	43,133	36,571
Total investment in associates		**43,133**	**36,571**
Financial assets			
Other non-current receivables	18	70,504	68,574
Total financial assets		**70,504**	**68,574**
Total non-current assets		**4,646,452**	**4,157,739**
CURRENT ASSETS:			
Inventory		17,328	2,869
Total inventory		**17,328**	**2,869**
Accounts receivable	13, 18, 19	6,562,970	4,492,969
Other current receivables	13, 18	2,076,867	1,635,919
Total receivables		**8,639,838**	**6,128,888**
Cash and cash equivalents	14, 18	1,529,641	1,216,618
Total current assets		**10,186,807**	**7,348,376**
Total assets		**14,833,260**	**11,506,114**

(NOK thousands)	Note	2022	Restated 2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY:			
Share capital	11, 15	89,285	88,072
Own shares	11, 15	-10	-10
Share premium		1,817,693	1,734,159
Total paid-in equity		**1,906,968**	**1,822,221**
Retained earnings			
Other equity		603,552	494,204
Total retained earnings		**603,552**	**494,204**
Total equity attributable to parent company shareholders		**2,510,520**	**2,316,425**
Non-controlling interests		29,833	36,440
Total shareholders' equity		**2,540,353**	**2,352,865**
NON-CURRENT LIABILITIES:			
Bond loan	18	1,777,986	1,771,052
Lease liabilities	18	410,047	87,164
Other interest-bearing liabilities	16, 18, 19	900,001	0
Deferred tax liabilities	12	199,617	189,998
Other non-current liabilities	17, 18	33,185	58,197
Total non-current liabilities		**3,320,836**	**2,106,411**
CURRENT LIABILITIES:			
Accounts payable	18	6,563,280	4,813,772
Income taxes payable		76,300	58,171
Public duties		612,971	458,898
Current lease liabilities	16, 18, 19	72,578	39,064
Other current interest-bearing liabilities	16, 18	121,796	413,311
Other current liabilities	17, 18	1,525,145	1,263,621
Total current liabilities		**8,972,070**	**7,046,838**
Total liabilities		**12,292,906**	**9,153,249**
Total equity and liabilities		**14,833,260**	**11,506,114**

Oslo, March 28, 2023

Rune Syversen
(Chairman)

Wenche Agerup
(Board Member)

Jennifer Koss
(Board Member)

Jens Moberg
(Board Member)

Dagfinn Ringås
(Board Member)

Jens Rugseth
(Board Member)

Grethe H. Viksaas
(Board Member)

Brit B. Smestad
(Employee Representative)

Mette Wam
(Employee Representative)

Christian B. Ødemark
(Employee Representative)

Melissa Mulholland
(CEO)

Crayon Group Holding ASA

Consolidated statement of cash flows

(NOK thousands)	Note	**2022**	Restated 2021
Cash flows from operating activities:			
Net income before tax		65,480	291,774
Taxes paid		-117,863	-72,103
Depreciation, amortization and impairment	7, 8, 9	334,344	174,543
Net interest expense	10	164,480	69,119
Changes in inventory, accounts receivable/payable		-332,602	43,088
Changes in other current assets/liabilities		-11,416	-480,663
Net cash flow from operating activities		**102,423**	**25,758**
Cash flows used in investing activities:			
Payment for capitalized assets		-142,328	-82,807
Acquisition of subsidiaries – (net of cash acquired) and associates	20	-57,177	-2,477,900
Divestment – net of cash		-25,750	0
Net cash flow from investing activities		**-225,255**	**-2,560,707**
Cash flow from financing activities:			
Interest paid		-173,901	-42,057
Share issues	15	72,690	685,892
Acquisition/disposal of non-controlling interest	24	-49,761	-4,964
Proceeds from issuance of interest bearing debt	16	900,001	1,800,000
Repayment of interest bearing debt	18	-350,800	-53,385
Other financial items		0	-10,000
Net cash flow from financing activities		**398,229**	**2,375,486**
Net increase (decrease) in cash and cash equivalents		**275,398**	**-159,463**
Cash and cash equivalents at beginning of period [1]		1,216,619	1,394,120
Currency translation		37,625	-18,038
Cash and cash equivalents at end of period [1]		**1,529,642**	**1,216,619**

[1] Restricted cash is part of the Cash and cash equivalents, further details in Note 14 Cash and cash equivalents.

Crayon Group Holding ASA

Consolidated statement of changes in equity

Year to date period ending December 31, 2022

		Attributable to owners of the company						
(NOK thousands)	Note	Share capital	Own shares	Share premium	Other equity	Total	Non-controlling interests	**Total equity**
Balance at Dec 31, 2020		**81,688**	**-10**	**976,887**	**41,276**	**1,099,841**	**3,334**	**1,103,174**
Restatement		0	0	0	203,754	203,754	0	203,754
Balance at Jan 1, 2021		**81,688**	**-10**	**976,887**	**245,030**	**1,303,595**	**3,334**	**1,306,928**
Net income restated		0	0	0	218,091	218,091	27,020	245,111
Currency translation		0	0	0	11,066	11,066	504	11,570
Total comprehensive income		**0**	**0**	**0**	**229,157**	**229,157**	**27,524**	**256,681**
Share issues	15	6,384	0	757,272	0	763,656	0	763,656
Equity-settled share-based payments		0	0	0	33,443	33,443	2,146	35,589
Transactions with non-controlling interests		0	0	0	-13,426	-13,426	3,436	-9,990
Transactions with owners		**6,384**	**0**	**757,272**	**20,017**	**783,673**	**5,582**	**789,255**
Balance as of end of period		**88,072**	**-10**	**1,734,159**	**494,204**	**2,316,425**	**36,440**	**2,352,865**

		Attributable to owners of the company						
(NOK thousands)	Note	Share capital	Own shares	Share premium	Other equity	Total	Non-controlling interests	**Total**
Balance at Jan 1, 2022		**88,072**	**-10**	**1,734,159**	**299,285**	**2,121,506**	**36,440**	**2,157,946**
Restatement		0	0	0	194,919	194,919	0	194,919
Balance at Jan 1, 2022		**88,072**	**-10**	**1,734,159**	**494,204**	**2,316,425**	**36,440**	**2,352,865**
Net income (loss)		0	0	0	25,286	25,286	-1,961	23,326
Currency translation		0	0	0	125,013	125,013	8,632	133,646
Total comprehensive income		**0**	**0**	**0**	**150,299**	**150,299**	**6,672**	**156,971**
Share issues	15	1,214	0	83,534	0	84,748	0	84,748
Equity-settled share-based payments		0	0	0	27,045	27,045	1,807	28,852
Transactions with non-controlling interests		0	0	0	-67,998	-67,998	-15,085	-83,083
Transactions with owners		**1,214**	**0**	**83,534**	**-40,953**	**43,795**	**-13,279**	**30,517**
Balance as of end of period		**89,286**	**-10**	**1,817,693**	**603,551**	**2,510,520**	**29,833**	**2,540,353**

NOTE 1 Corporate information

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

These consolidated financial statements of Crayon Group Holding ASA and its subsidiaries (collectively referred to as "Crayon" or "the Group") for the year ended December 31, 2022, were authorized for issue by the Company's board of directors and CEO on March 28, 2023.

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.

The principal activities for the Group's various business areas are described in more detail in Note 3 Segment information.

NOTE 2 Significant accounting policies

2.1 BASIS OF PREPARATION

The consolidated financial statements of Crayon have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and their interpretations adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost principle, except for certain financial instruments and contingent considerations which are measured at fair value.

The financial statements are presented in Norwegian kroner (NOK), which is also the Parent Company's functional currency. Amounts are presented in NOK thousand, unless otherwise stated. The subtotals and totals in some of the tables in the note disclosures may not equal the sum of the amounts shown in the primary financial statements due to rounding. Certain comparative figures have been reclassified to conform to the current year presentation.

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures. Actual results may differ from these estimates. The areas where significant judgements and estimates have been made are disclosed in section 2.4.

The Group uses various alternative performance measures (APM) throughout the consolidated financial statements. The APMs are defined at the end of the report.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Crayon Group Holding ASA and its subsidiaries. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

When the Group loses control over a subsidiary, it derecognizes the related assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

When preparing the consolidated financial statements, intra-group transactions and balances, along with gains and losses on transactions between group units, are eliminated.

Non-controlling interests represent equity interests in subsidiaries held by other owners than Crayon. Results attributed to non-controlling interests are based on ownership interest, or other methods of allocation if required by a separate agreement.

When non-controlling interests hold put options related to shares in subsidiaries and Crayon Group is required to acquire such shares by cash considerations, a financial liability is recognized.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.3 SIGNIFICANT ACCOUNTING PRINCIPLES

Revenue from contracts with customers

Revenue recognition

Revenue from contracts with customers comprises revenue for sale of software and cloud licenses, software and cloud economics and consulting services. Revenue from customer contracts is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. The performance obligation is satisfied when control of the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Timing of revenue recognition under each contract or type of contract is determined by the timing of the transfer of promised goods or services to the customer. The amount of revenue recognized reflects the amount of consideration to which Crayon is entitled for each performance obligation.

For license reseller contracts, Crayon determines whether the nature of our promise is to provide the license (we act as a principal) or to arrange for the license to be provided by another party (we act as an agent).

Sale of software and cloud licenses, acting as an agent

For most of our license reseller contracts we act as an agent. Our performance obligation is to arrange for the licenses to be provided by the software company. We normally only have one performance obligation that is satisfied upon the initial completion of the contract towards the agent. Revenues consist of any agent fees from the software company and any sales proceeds from the end user less any costs from the software company. Agent fees are normally due within 30-60 days after completion. Any license cost to be paid to the software company are payable upon 30-60 days, and any gross sales proceeds are normally due within 30 days upon completion. Multiple-year agreements commonly include annual settlements with similar due dates based on the annual anniversary date of the contract.

Sale of software and cloud licenses, acting as a principal

Crayon can act as a principal on sale of licenses that we control. Our performance obligation is to deliver the licenses and the revenue is recognized at a point in time or over time dependent on our commitments toward the customer. Revenues consist of the sales proceeds from the customer. Any incentives or rebates received from the software company are recognized net of cost of sales. Payment terms are normally within 30 days.

Software and Cloud Economics

Crayon sells services related to process and tools for enabling clients to build in-house capabilities, license spend optimization and support for clients in vendor audits. The performance obligations related to these services are satisfied over time, because the customer simultaneously receives and benefits from the services provided. Revenue is recognized on a straight-line basis over the subscription period. Invoices are issued periodically, usually monthly, and payable within 14 to 30 days.

Consulting

Crayon provides cloud consulting and solution consulting services related to infrastructure, cloud migration and deployment, bespoke software deployment and follow-up applications. Revenue is recognized when a customer can obtain the benefits from the service which may be over time or on final delivery of a product or service depending on the nature of the promise. Crayon assesses whether there are multiple performance obligations within each consulting services contract and assesses revenue recognition accordingly. Invoices are issued once the performance obligation is satisfied and usually payable within 14 to 45 days.

Variable consideration

For several of our contracts, primarily related to multiple-periods agreements, the consideration promised in the contract related to following years include variable consideration related to changes in such as volume, price, exchange rates and incentives. Variable consideration is estimated based on the sum of probability-weighted amounts or the single most likely outcome, depending on which method better predicts the amount of consideration, and is consistently applied throughout the contract. Variable consideration is only considered to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Accounts receivables
Accounts receivables are unconditional right to consideration, that is right to payment even though that amount may be subject to refund in the future.

Contract assets
When the Group transfer services to a customer before the payment is due under the contract, the revenue is presented as contract asset. This mainly relates to subsequent period payments for multiple-period contracts.

Business combinations
Business combinations are accounted for using the acquisition method as of the day the Group obtains control. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. For each business combination, the Group elects whether to measure any non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Any contingent consideration is measured at fair value at the date of acquisition. Subsequent changes to the contingent consideration as a result of additional information the Group obtained after that date about facts and circumstances that existed at the acquisition date are measurement period adjustments that will adjust the purchase price allocation until final, but no later than 12 months after the acquisition day.

Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9 and presented as Other income and expenses, together with other direct expenses associated with the acquisition.

Current / non-current classification
An asset is classified as current when it is expected to be realized or is intended for sale or consumption in the Group's normal operating cycle, it is held primarily for the purpose of being traded or it is expected/due to be realized or settled within twelve months after the reporting date. Other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in the group's normal operating cycle, is held primarily for the purpose of being traded, if the liability is due to be settled within twelve months after the reporting period or if the group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Other liabilities are classified as non- current. Financial instruments are classified based on maturity.

Cash and cash equivalents
Cash and cash equivalents include cash on hand and bank deposits. Cash equivalents are short-term investments that can be converted into a known amount in cash within three months and which contain insignificant risk elements.

Accounts receivables and other receivables
Accounts receivables arise from the sale of licenses or services within the ordinary course of business and consist of unconditional rights to consideration based on the agreement (invoiced amounts). Contract assets are included in other receivables and are the Group's right to consideration in exchange for goods or services transferred but not yet invoiced to the customer. Trade receivables without a significant financing component are initially measured at the transaction price. For some portfolios of trade receivables, Crayon has entered into factoring agreements. The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. For bad debt see section on impairment of financial assets.

Inventories
Inventories mainly consist of licenses which are carried at the lowest of cost and net realizable values. Net realizable value is the estimated selling price in the ordinary course of business minus any selling expenses.

Equipment
Equipment is measured at acquisition cost, minus accumulated depreciation and impairments.

Subsequent expenditure is capitalized only if it if is probable that the future economic benefits with the expenditure will flow to the Group. Equipment is depreciated linearly over the expected useful life.

Financial assets and liabilities
Financial assets
The financial assets of the Group are generally measured at amortized cost as the business model is to hold the asset to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interests (SPPI criterion).

Financial liabilities
Financial liabilities are classified at amortized cost or at fair value through profit and loss (FVTPL). Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expenses, are recognized in profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Any gain and loss on derecognition are recognized in profit and loss.

A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. In the case of recognizing a new liability, the fees are treated as part of the amortized cost. Financial liabilities are presented as current if the liabilities are due to be settled within 12 months after the balance sheet date, whereas liabilities with the legal right to be settled more than 12 months after the balance sheet date are classified as non-current liabilities.

The Group has a limited volume of derivative financial instruments, including forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial liabilities when the fair value is negative.

According to the group's policy derivatives can be designated as hedging instruments for fair value or cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges
The effective portion of changes in the fair values are recognized in other comprehensive. Any ineffective portion is recognized immediately in the statement of profit or loss. Realized effects are recognized through statement of profit or loss, in the same line as the hedge objects.

Fair value hedges
Changes in the fair value of derivatives that are designated and qualify as hedging instruments in fair value hedges, are recognized in the statement of profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Impairment of financial assets
The Group assesses at each balance sheet date whether a financial asset or group of financial assets may be impaired. Financial assets are impaired when there is objective evidence that the Group is not likely to recover all the amounts in connection with contractual terms related to loans and receivables. A financial asset carried at amortized cost is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flow of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data such as significant financial difficulty of the debtor, a breach in the contract and, the probability of the debtor entering bankruptcy.

The Group recognizes loss allowance for lifetime expected credit losses (ECLs) on financial assets measured at amortized cost. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Intangible assets

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is recognized as the aggregate of the consideration transferred less the fair value of the net of the acquisition-date amounts of the identifiable assets acquired, and the liabilities assumed. For each business combination, the Group elects whether to measure any non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Goodwill is not depreciated but is tested at least annually for impairment.

Contractual customer relationships

Contractual customer relationships that are acquired by the Group and have finite useful lives, are measured at cost less accumulated amortization and any accumulated impairment losses. Amortization is recognized in profit or loss on a straight-line basis over the asset's estimated useful life. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is at a minimum tested annually for impairment.

For impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGU). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Equity

For repurchases of own shares, the purchase price, including directly attributable costs, such as changes in equity, is recorded. Own shares are presented as a reduction of equity. Gains or losses on transactions in own shares are not recognized in the P&L. Transactions directly related to an equity transaction are recognized directly in equity net of tax.

Foreign currency

Transactions in foreign currency

Transactions in foreign currency (other than the unit's functional currency) are converted at the exchange rate on the transaction date. Monetary items in foreign currency are converted to functional currency using the exchange rate at the balance sheet date. Non-monetary items measured at the historical rate expressed in a foreign currency are converted into NOK using the exchange rate on the transaction date. Foreign currency differences are netted and recognized in profit or loss generally as a financial item.

Foreign operations

Assets and liabilities in foreign subsidiaries, whose functional currency differ from the presentation currency, are converted to NOK using the exchange rate in effect at the balance sheet date. Income and expenses from foreign companies are converted to NOK using the monthly average rate of exchange. If the average is not a reasonable estimate of the cumulative effects of using transaction rate, the actual transaction rate is used. All translation differences are recognized in Other comprehensive income and accumulated in the translation reserve in Other equity.

Long-term receivables from a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future, is considered a part of the net investment. Translation differences are recognised in other comprehensive income.

When a net investment is disposed of, the related cumulative amount of translation differences is reclassified to profit or loss. Goodwill and fair value adjustments of assets and liabilities associated with the acquisition of a foreign entity are treated as assets and liabilities in the acquired entity and translated at the rate in effect on the balance sheet date.

Government grants

The Group recognizes government grants that compensate the Group for expenses incurred in profit or loss as reduction of costs on a systematic basis in the periods in which the expenses are recognized, unless the conditions for receiving the grant are met after the related expenses have been recognized. In this case, the grant is recognized when it becomes receivable. Grants are offset against the expenses the grant is meant.

Grant received related to assets is accounted for by deducting the grant from the carrying amount of the related asset/s if there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant. Grants are then credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received subject to uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Deferred tax and deferred tax assets are recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and on tax losses carried forward. Deferred tax is not recognized for temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is not calculated for temporary differences from investments in subsidiaries, except when the Group cannot control the timing of the reversal of the temporary differences, and it is probable that these will be reversed in the foreseeable future. In the balance sheet, deferred taxes are reported net if the Group has a legal right to offset deferred tax assets against deferred taxes and if the deferred taxes are owed to the same tax authority.

Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pensions

The Group operates defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions to the pension plan for benefits relating to employee service in the current and prior periods. The contributions are recognized as payroll and related costs as incurred. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Leases

Leases are contracts conveying the right to control the use of an identified asset for a period of time in exchange for consideration. Crayon leases office premises, vehicles and equipment.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities in separate lines in the statement of financial position. The Group has elected to use the exemptions in the standard on short-term lease contracts and for lease contracts where the underlying asset is of low value. These leases are recognized as other operating expenses in profit or loss.

Investments in associates and joint ventures
Investments in associates and joint ventures are accounted for applying the equity method.

The aggregate of the Group's share of profit or loss of associated companies and a joint venture is presented as a financial item.

2.4 SIGNIFICANT JUDGEMENT AND ESTIMATION UNCERTAINTY
The application of accounting policies requires management to make judgements, estimates and assumptions in determining the amount of certain assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates, judgements, and underlying assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Changes in accounting estimates are generally recognized in the period when the changes occurred. If the changes also apply to future periods, the effect will be distributed between the current period and future periods. The following summarizes the assumptions and estimation uncertainties on 31 December 2022 that have most significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities in the next financial year.

Revenue recognition
For license reseller contracts, Crayon determines whether the nature of our promise is to provide the license as a principal or to arrange for the license to be provided by another party as an agent. Principal versus agent assessments depend on the specific facts and circumstances in the agreement and can be complex and judgmental.

Multi period contracts can include variable consideration recognised as contract assets where the final result can differ from the estimate. The estimate is most sensitive to changes in the volume of the agreement. For further information Section 2.3 Significant accounting principles and 2.5 Changes in accounting policies.

Impairment of non-financial assets
Goodwill has an indefinite useful life and is tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment assessment for 2022 is based on management assumptions using best estimates that is most sensitive to future cash flows and discount rates. For furher information see Note 9 Goodwill.

Impairment of financial assets, bad debt
Crayon operates in many jurisdictions and is increasing its presence in growth markets outside of the Nordic region, including markets that normally carry a higher credit risk. Crayon has the credit risk for the full amount of any gross sales invoiced on behalf of the software supplier, even when acting as an agent and only recognising net revenues. This also include situations with disputes between the software vendor and the end user related to services delivered or consumed. In such cases, Crayon engages in dialogue with the end user and with the software vendor in order to agree on balanced solutions.

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 analysed, 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 involve both backward and forward-looking information and analysis. The management estimate is most sensitive to the forward-looking analysis. For further information see Note 13 Current recivables and Note 19 Financial risk.

Direct and indirect taxes including deferred tax assets
Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. For further information see Note 12 Tax.

By operating in different tax jurisdictions and by increasing our presence in countries outside the Nordic region, the Group is exposes to more complex tax regulations, increasing the risk of errors related to direct and indirect taxes. Tax compliance is managed by local management including use of external experts when considered necessary. Group Finance have an oversight role with regard to policies and reporting. The Group incurred in 2022 exceptional costs of NOK 30m reported as Other income and expenses and NOK 8m reported as Interest expense related to formal errors for VAT reporting in the Philippines.

2.5 CHANGES IN ACCOUNTING POLICIES
Changes in accounting policies
In May 2022, the IFRS Interpretation Committee (IFRIC) formally published the final agenda decision providing guidance to principal versus agent-assessment under IFRS 15 for Software Resellers. The new guidance clarifies that the software reseller presales advice (while important) is not an implicit promise in a contract with a customer. At the time of entering a contract with the customer, the reseller has already provided the advice. There is no further advice to be provided by the reseller and the advice already provided will not be transferred to the customer after contract inception. Accordingly, the IFRIC concluded that, at the time of entering a contract with a customer, there is no valid expectation of the customer that the reseller will transfer a good or service to the customer other than the software licenses provided by the software company.

Based on a control assessment of the standard software license as the promised goods rather than a combination with an implied promise of providing a service, arising from the new guidance, Crayon has reassessed whether the group acts as a principal or an agent for transactions under the software and cloud divisions. Management concluded that Crayon for a significant part of our operations does not control the software licenses from the software provider before they are transferred to the customer and therefore acts as an agent on these agreements. Consequently, the Group has revised its accounting policy for the software and cloud licenses business and is from 2022 accounting for this as agent and recognizes revenue net of related costs. Incentives and rebates from vendors previously recognized as a reduction in cost of sales will be recognized as revenue. Prior period has been restated. Refer to section 2.6 for further information.

New standards, interpretations and amendments adopted by the Group
The following new standards and amendments became effective for annual periods beginning on or after January 1, 2022:

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37). Effective date, January 1, 2022.
- Annual Improvements to IFRS Standards 2018–2020. Effective date, January 1, 2022.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16). Effective date, January 1, 2022.
- Reference to Conceptual Framework (Amendments to IFRS 3). Effective date, January 1, 2022.

None had significant impact on the Group's consolidated financial statements.

Standards issued but not yet effective
Several new standards are effective for annual periods beginning after January 1, 2021, and earlier application is permitted. The Group has not early adopted the new or amended standards in preparing these consolidated financial statements. The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). Effective date, January 1, 2023.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1). Effective date, January 1, 2023.
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts. Effective date, January 1, 2023.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2). Effective date, January 1, 2023.
- Definition of Accounting Estimates (Amendments to IAS 8). Effective date, January 1, 2023.

2.6 CHANGES IN REVENUE RECOGNITION

Upon the reassessment described in section 2.5, under the majority of licence resale contracts we have deterimed that we act as an agent for the software company and our performance obligation relates to us arranging for the sale of licenses on behalf of the software company. As part of our analysis during 2022 we have concluded that for certain multiperiod contracts and for some of our incentives, the timing of our revenue will change. This is because our performance obligation is fulfilled upon the initial arrangement of the sale rather than connected to the licensing period. Some of our incentives and rebates are also reclassified from reduction of cost of sales or other operating expenses to revenues. Based on our change of view, our restatements consist of:

- Change from principal to agent means the software supplier is our customer rather than the software end-user. Our revenues consist of any agent fees from the software company and any sales proceeds from the end user less any costs from the software company. Our revenues are no longer based on the gross amount invoiced towards the end-user.
- Under the previous accounting principles, some multi-period contracts, were we acted as principal, required us to provide licenses on a period-by-period basis and as such revenue was recognized at each period when the licenses were delivered. Upon change to agent, our performance obligation towards our customer is to arrange for the sale of the license. Normally we will only have one performance obligation that is satisfied upon the initial completion of the contract towards the agent, and we must recognize the full estimated gross margin for the entire agreement period. Gross margins earned but not billed, are recognized as contract assets.
- Some incentives received from software suppliers viewed as vendors rather than customers were recognized net of expenses assumed to be covered by the agreement. Incentives were recognized in the same period as the cost incurred. Upon change to agent, the software supplier becomes our customer, and the incentives received become our revenue to be recognized in the period earned.

The change has been implemented for 2022 and 2021 numbers have been restated correspondingly. In addition to impacting all our statements, note 3, 4, 11, 12, 13, 17 and 18 have been restated.

Effect of restated statement of Profit or loss

	2021		
(NOK thousands)	Reported	Restatement	Restated
Operating revenue	26,438,331	-22,779,544	3,658,787
Cost of sales	-23,398,584	22,904,501	-494,083
Payroll and related cost	-2,067,845	-134,144	-2,201,989
Other operating expenses	-317,004	-2,139	-319,143
Share based compensation	-55,002	0	-55,002
Other income and (expenses)	-8,923	0	-8,923
EBITDA	**590,973**	**-11,327**	**579,646**
Depreciation, amortization and impairment	-174,543	0	-174,543
Operating profit/EBIT	**416,430**	**-11,327**	**405,103**
Share of results from associates	-1,172	0	-1,172
Net financial income and expenses	**-112,158**	**0**	**-112,158**
Net income before tax	**303,100**	**-11,326**	**291,774**
Income tax expense on ordinary result	-49,155	2,492	-46,663
Net income	**253,947**	**-8,836**	**245,111**

Effect of restated statements of Financial position

Assets

(NOK thousands)	Dec 31, 2020 Reported	IFRS 15 Restatement	Jan 1, 2021 Restated	Dec 31, 2021 Reported	IFRS 15 Restatement	Dec 31, 2021 Restated
Non-current assets:						
Total non-current assets	**1,254,893**	**0**	**1,254,893**	**4,157,739**	**0**	**4,157,739**
Current assets:						
Total inventory	**8,846**	**0**	**8,846**	**2,869**	**0**	**2,869**
Accounts receivable	3,393,421	0	3,393,421	4,492,969	0	4,492,969
Other current receivables	263,347	212,185	475,532	1,421,421	214,498	1,635,919
Total receivables	**3,656,768**	**212,185**	**3,868,953**	**5,914,390**	**214,498**	**6,128,888**
Cash and cash equivalents	1,394,120	0	1,394,120	1,216,618	0	1,216,618
Total current assets	**5,059,733**	**212,185**	**5,271,918**	**7,133,877**	**214,498**	**7,348,376**
Total assets	**6,314,626**	**212,185**	**6,526,811**	**11,291,616**	**214,498**	**11,506,114**

Liabilities and shareholders' equity

	Dec 31, 2020		Jan 1, 2021	Dec 31, 2021		Dec 31, 2021
(NOK thousands)	Reported	IFRS 15 Restatement	Restated	Reported	IFRS 15 Restatement	Restated
Shareholders' equity:						
Sum paid-in equity	**1,058,565**	**0**	**1,058,565**	**1,822,221**	**0**	**1,822,221**
Retained earnings						
Other equity	41,276	203,754	245,030	299,285	194,919	494,204
Total retained earnings	**41,276**	**203,754**	**245,030**	**299,285**	**194,919**	**494,204**
Total equity attributable to parent company shareholders	**1,099,840**	**203,754**	**1,303,594**	**2,121,506**	**194,919**	**2,316,425**
Non-controlling interests	3,334	0	3,334	36,440	0	36,440
Total shareholders' equity	**1,103,174**	**203,754**	**1,306,928**	**2,157,946**	**194,919**	**2,352,865**
Non-current liabilities:						
Bond loan	295,215	0	295,215	1,771,052	0	1,771,052
Lease liabilities	95,340	0	95,340	87,164	0	87,164
Deferred tax liabilities	21,505	57,469	78,974	135,021	54,977	189,998
Other non-current liabilities	47,503	0	47,503	58,197	0	58,197
Total non-current liabilities	**459,562**	**57,469**	**517,031**	**2,051,434**	**54,977**	**2,106,411**
Current liabilities:						
Accounts payable	3,560,040	0	3,560,040	4,813,772	0	4,813,772
Income taxes payable	49,812	0	49,812	58,171	0	58,171
Public duties	250,918	0	250,918	458,898	0	458,898
Current lease liabilities	31,230	0	31,230	39,064	0	39,064
Other current interest-bearing liabilities	75,884	0	75,884	413,311	0	413,311
Other current liabilities	784,004	-49,039	734,965	1,299,019	-35,398	1,263,621
Total current liabilities	**4,751,889**	**-49,039**	**4,702,850**	**7,082,235**	**-35,397**	**7,046,838**
Total liabilities	**5,211,452**	**8,430**	**5,219,882**	**9,133,669**	**19,580**	**9,153,249**
Total equity and liabilities	**6,314,626**	**212,185**	**6,526,811**	**11,291,616**	**214,498**	**11,506,114**

Effect of restated segment information

	2021						
	Software & Cloud		Services				
(NOK thousands)	Software & Cloud Direct	Software & Cloud Channel	Software & Cloud Economics	Consulting	Admin & Eliminations	IFRS 15 restatement	Restated
Revenue							
Nordics	6,779,500	1,810,677	141,444	1,190,387	3,343	-7,942,319	1,983,032
Europe	5,299,043	1,276,037	146,677	110,829	3,280	-6,157,482	678,384
APAC & MEA	4,233,682	2,054,326	93,464	184,712	3,789	-5,929,194	640,779
US	1,823,285	1,384,699	267,397	62,833	972	-3,077,078	462,108
HQ	0	0	0	1,012	64,428	116	65,556
Eliminations	0	0	0	0	-497,483	326,411	-171,072
Revenue Reported	**18,135,510**	**6,525,739**	**648,982**	**1,549,773**	**-421,671**		
IFRS 15 Restatement	**-17,023,501**	**-6,080,141**	**0**	**0**	**324,097**	**-22,779,546**	
Revenue Restated	**1,112,009**	**445,598**	**648,982**	**1,549,773**	**-97,574**		**3,658,787**
Gross profit							
Nordics	494,448	153,409	118,543	746,289	3,620		1,516,309
Europe	322,810	94,788	124,127	91,210	4,043		636,978
APAC & MEA	192,238	166,577	46,001	82,316	4,495		491,627
US	100,199	30,707	240,921	44,414	972		417,213
HQ	0	116	0	-18	65,255	124,956	190,309
Eliminations	0	0	0	0	-87,733		-87,733
Gross Profit Reported	**1,109,695**	**445,598**	**529,592**	**964,212**	**-9,349**		
IFRS 15 Restatement	**2,313**	**0**	**0**	**0**	**122,643**	**124,956**	
Gross Profit Restated	**1,112,008**	**445,598**	**529,592**	**964,212**	**113,294**		**3,164,704**
Operating expenses Reported	-559,146	-195,948	-445,263	-795,137	-453,279		-2,448,773
IFRS 15 Restatement	0	0	0	0	-136,284		-136,284
Operating expenses Restated	-559,146	-195,948	-445,263	-795,137	-589,563		-2,585,057
EBITDA Reported	**550,549**	**249,649**	**84,329**	**169,075**	**-462,628**		**590,974**
IFRS 15 Restatement	**2,313**	**0**	**0**	**0**	**-13,641**		**-11,328**
EBITDA Restated	**552,862**	**249,649**	**84,329**	**169,075**	**-476,269**		**579,646**
Depreciation and amortization							-174,543
Share of results from associates							0
Net financial income and expenses							-113,329
Net income before tax Reported							**303,102**
IFRS 15 Restatement							**-11,328**
Net income before tax Restated							**291,774**
Adjustments	0	0	0	0	63,926		63,926
Adjusted EBITDA Reported	**550,549**	**249,649**	**84,329**	**169,075**	**-398,703**		**654,899**
IFRS 15 Restatement	**2,313**	**0**	**0**	**0**	**-13,641**		**-11,327**
Adjusted EBITDA Restated	**552,862**	**249,649**	**84,329**	**169,075**	**-412,344**		**643,571**

NOTE 3 Segment information

The group regularly reports operating revenue, gross profit and EBITDA in functional operating segments and geographical market clusters to the Board of Directors (the group's chief operating decision makers). While Crayon uses all three measures to analyse performance, the Group's strategy of profitable growth means that adjusted EBITDA is the prevailing measure of performance. Operating segments are reported in the consolidated financial statements in the same manner as internal reporting to the chief operating decision makers. In the segment reporting, the elimination of internal profit on sales between the various segments is presented separately.

The operating units that form a natural reporting segment are Software & Cloud Direct, Software & Cloud Channel, Software & Cloud Economics and Consulting in addition to Admin/Eliminations (Administration & Shared Services and Eliminations). The Group resources are organised according to both the products or services below and the different geographical areas the Group operate into.

- Software & Cloud Direct is Crayon's licence offering from software vendors (e.g Microsoft, Adobe, Symantec, Citrix, Vmware, 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 ISVs, which includes licence advisory/optimization, software licence sales and access to Crayons proprietary tool and IP.
- Software & Cloud Economics services include processes and tools for enabling clients to build in-house SAM (SAM: Software Asset Management) capabilities, licence spend optimization and support for clients in vendor audits.
- Consulting consists of cloud consulting and solutions consulting services related to infrastructure consulting, cloud migration and deployment, bespoke software deployment and follow-up of applications.
- Admin & shared services includes administrative income and costs, corporate administrative costs (excluding other income and expenses), unallocated global share costs and eliminations.
- The market clusters are composed of operating countries in the different geographical areas. HQ & Eliminations includes corporate admin costs (excluding other income and expenses), unallocated global shared cost and eliminations.

Refer to Note 2 Significant accounting policies for the revenue recognition policy for the different segments.

Direct and indirect revenues related to our largest customer, Microsoft, constitute approximately 42% of our total revenues in 2022. The revenue mainly derives from our Software and Cloud segments. Microsoft is our only customer aggregating more than 10% of our total revenues.

Segment information 2022

	Software & Cloud		Services			
(NOK thousands)	Software & Cloud Direct	Software & Cloud Channel	Software & Cloud Economics	Consulting	Admin/ eliminations	Total
Operating revenue						
Nordics	573,960	183,756	171,254	1,327,661	16,909	2,273,539
Europe	428,750	127,295	204,862	245,275	29,229	1,035,412
APAC & MEA	309,204	535,250	87,529	501,112	25,444	1,458,539
US	149,547	43,512	278,721	74,610	599	546,989
HQ	-25	-37	0	892	101,958	102,789
IFRS 15 - change in principle	-33,222	17,905	0	0	158,089	142,771
Eliminations	0	0	0	0	-360,477	-360,477
Operating revenue	**1,428,214**	**907,681**	**742,365**	**2,149,550**	**-28,249**	**5,199,561**
Gross profit						
Nordics	573,960	183,756	138,494	861,192	7,276	1,764,677
Europe	428,750	127,295	159,283	129,698	2,666	847,693
APAC & MEA	309,204	535,250	53,914	254,158	26,971	1,179,497
US	149,547	43,512	277,520	49,480	658	520,717
HQ	-25	-37	-5	462	101,943	102,339
IFRS 15 - change in principle	-33,222	17,905	0	0	158,089	142,771
Eliminations	0	0	0	0	-62,133	-62,133
Gross profit	**1,428,214**	**907,681**	**629,206**	**1,294,990**	**235,470**	**4,495,561**
IFRS 15 - change in principle	0	0	0	0	-193,486	-193,486
Operating expenses	-701,036	-403,719	-541,147	-1,147,472	-757,220	-3,550,595
EBITDA	**727,178**	**503,962**	**88,059**	**147,518**	**-715,236**	**751,481**
Depreciation, amortization and impairment						-334,344
Share of results from associates						6,563
Net financial income and expenses						-358,221
Net income before tax						**65,478**
Adjustments	0	0	0	0	87,736	87,736
Adjusted EBITDA	**727,178**	**503,962**	**88,059**	**147,518**	**-627,500**	**839,217**

Segment Information 2021 (Restated)

	Software & Cloud		Services			
(NOK thousands)	Software & Cloud Direct	Software & Cloud Channel	Software & Cloud Economics	Consulting	Admin/ eliminations	Total
Operating revenue						
Nordics	494,448	153,409	141,444	1,190,387	3,343	1,983,032
Europe	322,810	94,788	146,677	110,829	3,280	678,384
APAC & MEA	192,238	166,577	93,464	184,712	3,789	640,779
US	100,199	30,707	267,397	62,833	972	462,108
HQ	0	116	0	1,012	64,428	65,556
IFRS 15 – change in principle	2,314	0	0	0	122,643	124,957
Eliminations	0	0	0	0	-296,028	-296,028
Operating revenue	**1,112,008**	**445,598**	**648,983**	**1,549,772**	**-97,574**	**3,658,787**
Gross profit						
Nordics	494,448	153,409	118,543	746,289	3,620	1,516,311
Europe	322,810	94,788	124,127	91,210	4,043	636,978
APAC & MEA	192,238	166,577	46,001	82,316	4,495	491,626
US	100,199	30,707	240,921	44,414	972	417,213
HQ	0	116	0	-18	65,255	65,353
IFRS 15 – change in principle	2,314	0	0	0	122,643	124,957
Eliminations	0	0	0	0	-87,733	-87,733
Gross profit	**1,112,008**	**445,598**	**529,592**	**964,212**	**113,294**	**3,164,704**
IFRS 15 – change in principle	0	0	0	0	-136,284	-136,284
Operating expenses	-559,146	-195,948	-445,263	-795,137	-453,279	-2,448,773
EBITDA	**552,862**	**249,650**	**84,329**	**169,075**	**-476,269**	**579,647**
Depreciation and amortization						-174,543
Share of results from associates						-1,172
Net financial income and expenses						-112,158
Net income before tax						**291,775**
Adjustments	0	0	0	0	63,926	63,926
Adjusted EBITDA	**552,862**	**249,650**	**84,329**	**169,075**	**-412,343**	**643,572**

(NOK thousands)	2022	Restated 2021
Assets per market cluster		
– Nordics	5,022,621	3,669,498
– Europe	2,314,489	1,624,811
– APAC & MEA	7,404,803	5,682,118
– US	1,189,891	1,028,482
– HQ/eliminations	-1,098,544	-498,795
Total	**14,833,260**	**11,506,114**

NOTE 4 Payroll and related cost

(NOK thousands)	2022	Restated 2021
Payroll expenses		
Wages and salaries	2,496,288	1,767,828
Social security	268,756	222,996
Pension expenses	130,238	85,595
Other benefits	181,265	125,570
Total	**3,076,549**	**2,201,989**
Average number of full time employees	3,288	2,318
Women	31.5%	32.0%

Pensions

Crayon Group companies covered by Norwegian legislation have pension schemes that satisfy the provisions of mandatory occupational pensions, for all employees. These are part of defined contribution schemes with a total pension cost of NOK 130.2m in 2022 (2021: NOK 85.6m). The Group obligations are limited to the annual contributions to the scheme.

NOTE 5 Other operating expenses and other income and expenses

(NOK thousands)	**2022**	2021
Other operating expenses		
Premises, furniture and office expenses	168,385	111,613
External assistance	147,894	96,611
Travel expenses	40,204	11,683
Insurance	11,659	9,036
Sales, advertising and entertainment costs	72,112	32,696
Bad debts expenses	58,272	26,786
Other	81,269	30,718
Total	**579,795**	**319,143**

(NOK thousands)	**2022**	2021
Expensed audit fee (excl VAT)		
Audit fee	13,379	8,041
Other assurance services	55	275
Other non-audit services	550	2,029
Total	**13,984**	**10,346**

Audit fee is included in Other in the table specifying Other operating expenses above. KPMG is the Group auditor of Crayon and the statutory auditor for a major part of our subsidiaries. Total audit fee includes fees for all our auditors. Non-audit fees only include fees to KPMG.

(NOK thousands)	**2022**	2021
Other income and expenses		
Business development expenses and legal structuring	4,698	19,701
Forgivable loan (US)	0	-13,516
Indirect tax reassessment	30,361	0
Fair value adjustment earn-out	27,835	0
Other personell costs	11,396	2,738
Total	**74,290**	**8,923**

NOTE 6 Share options

Share options

There are two option programs, one granted in 2017 in relation to the IPO (IPO Share incentive scheme) and one share-based incentive scheme implemented in 2020 to general managers and executive management (Management share option program). A share grant program has been implemented as part of bonus scheme for general managers in 2021 and 2022 (General manager share grant program). The management share option program and share grant program includes both employment and performance vesting conditions. In July 2022, the CTO was awarded 100,000 options with strike price NOK 125.20 (CTO options 2022). The options will vest in three tranches, with 1/3 vesting annually. Vesting of the options are subject to employment vesting conditions. Each share option allows for the subscription of one share in Crayon Group Holding ASA. The fair value of the options and shares granted is calculated at grant date and expensed over the vesting period.

Exercised options

In Q2 2022, 250,000 options from the IPO Share incentive scheme and 92,332 options from Management share option program were exercised. Share price at date of exercise was NOK 183.50. Exercise of options do not affect the option cost recognised. During Q2 2022, also a total of 13,782 shares were released under the General manager share grant program from 2021.

Employee share purchase program (ESPP)

In the employee share purchase program, all employees in the Company and its subsidiaries in which an offer could be lawfully made, have been offered to participate. First offer given in conjunction with Share incentive scheme (ESPP 2019) and a second offer was given in Q4 2020 (ESPP 2020). Latest offer was given in Q2 2022 (ESPP 2022). The subscription price was equal to 3-month average share price at the start of the subscription period with a 20% discount. The employees have been offered to subscribe for amounts between NOK 10,000 to NOK 100,000 (all amounts including the 20% discount). Some employees have subscribed for amounts up to NOK 450,000 after specific approval from Board of Directors, in line with the Remuneration Policy. In aggregate, 407 and 533 employees participated in the ESPP 2019 and ESPP 2020, respectively. In Q2 2022, 913 employees participated in the ESPP 2022 and a total of approximately 540,000 shares were subscribed for. The board of directors and executive management were allotted approximately 17,000 and 7,000 shares, respectively. Additional bonus shares will be granted to employees participating in the ESPP and remaining employed by Crayon by the end of the lock-up period. One bonus share will then be granted for every third share subscribed for under the program. The bonus shares vest over two years. The fair value of the shares is calculated at grant date and expensed over the vesting period.

Released shares

In Q4 2022, bonus shares under the ESPP 2020 program were released to participants in the program still employed in Crayon. In total 115,576 bonus shares were released to employees. The board of directors and executive management were allotted approximately 7,000 and 2,000 shares, respectively.

Fair value

The fair value at grant date is determined using an adjusted form of the Black Scholes Model, which considers the exercise price/subscription price, the term of the option/lock-up period, the impact of dilution (where material), the share price at grant date, expected price volatility of the underlying share and risk-free interest. For the IPO Share incentive scheme, the expected volatility is based on historical volatility for a selection of comparable listed companies. For the remaining programs, the expected volatility is based on historical volatility for listed Crayon shares from November 8, 2017 up until the grant date. Risk free interest is based on treasury bond with same maturity as the option program. The variables used are displayed in the table Variables.

Allotment of share options	Share options start of period	Allocated share options	Forfeited share options	Exercised share options	Released shares	Options expired	Average excercise price	Remaining share options	Exercisable share options at the end of the period
Share incentive scheme (IPO)	350,000	0	0	-250,000	0	-50,000	NOK 15.50	50,000	50,000
Management share option program - GM and Ext.mng	1,780,625	0	-70,835	-92,332	0	0	NOK 53.60	1,617,458	1,061,603
Management share grant program 2021	101,200	0	-32,857	0	-13,782	0	NOK 0	54,561	0
Management share grant program 2022 [1)]	0	86,061	-7,824	0	0	0	NOK 0	78,237	0
CTO option program 2022	0	100,000	0	0	0	0	NOK 125.20	100,000	0
ESPP 2020 - bonus shares	140,741	0	-25,165	0	-115,576	0	NOK 1	0	0
ESPP 2022 - bonus shares	0	180,518	-8,371	0	0	0	NOK 1	172,147	0
Total	**2,372,566**	**366,579**	**-145,052**	**-342,332**	**-129,358**	**-50,000**		**2,072,403**	**1,111,603**

1) Allocated share grant based on estimate.

(NOK thousands)	Fair value	Strike price	Grant date	Earnings date	Expiry date	Latest exercise schedule
Share incentive scheme (IPO)	5,707	NOK 15.50	Oct. 2017	Oct. 2018- Oct. 2020	Oct. 2022	NA
Management share option program - GM and Ext.mng	47,845	NOK 53.60	Jan. 2020	Dec. 2021 - Dec. 2023	Dec. 2025	NA
General manager share grant program 2021	11,982	NOK 1	Jan. 2021	Mar. 2022 - Mar. 2024	NA	NA
General manager share grant program 2022	14,321	NOK 1	Jan. 2022	Mar. 2023 - Mar. 2025	NA	NA
CTO option program 2022	5,382	NOK 125.20	Jul. 2022	Jul. 2023 - Jul. 2025	Jul. 2027	NA
ESPP 2020 - bonus shares	11,299	NOK 1	Nov. 2020	Nov. 2022	Nov. 2022	NA
ESPP 2022 - bonus shares	22,691	NOK 1	May 2022	May 2024	May 2024	NA
Total	**119,227**					

Variables	Share incentive scheme (IPO)	Management share option program - General managers and Executive management	General manager share grant program 2021	General manager share grant program 2022	CTO option program 2022	ESPP 2020	ESPP 2022
Number of share options allotted	1.92 m options	1.8m options	-	-	0.1m options	-	-
Exercise price	NOK 15.50	NOK 53.60	-	-	NOK 125.20	-	-
Term of the option	5 years	5 years	-	-	5 years	-	-
Volatility	0.26	0.45	-	-	0.47-0.50	0.50	0.47
Risk-free rate	0.41%-1.44%	1.38%	-	-	2.58%-2.69%	0.18%	2.29%
Share price at grant date	NOK 15.50	NOK 53.60	NOK 118.40	NOK 166.40	NOK 138.30	NOK 112.40	NOK 126.70
Numbers of shares allotted	-	-	69k shares	86k shares (estimates)	-	0.5m shares	0.5m shares
Subscription price	-	-	-	-	-	NOK 85.90	NOK 117.70
Lock-up period	-	-	0-2 years	0-2 years	-	2 years	2 years

Cost related to share based compensation as displayed in the table below includes employee social security tax. Negative amount in 2022 relates to adjustment of accrued social scurity tax.

(NOK thousands)	**2022**	2021
Share incentive scheme (IPO)	-3,794	4,488
Employee share purchase program 2019-2022	8,835	12,320
Management share option and share grant program 2020-2022	8,404	38,195
Total	**13,445**	**55,002**

As of December 31, 2022, the following primary insiders currently holds options	Number of share options
Melissa Mulholland (CEO)	300,000
Jon Birger Syvertsen (CFO)	200,000
Bente Liberg (COO)	100,000
Gudmundur Adalsteinson (CSO)	100,000
Florian Rosenberg (CTO)	100,000

NOTE 7 Equipment and right-of-use assets

Tangible assets 2022

	Equipment			Right-of-use assets		
(NOK thousands)	IT systems and equipment	Office furnishings, fixtures and cars	**Total**	Leased premises	Other leased items	**Total**
Acquisition cost Jan 1, 2022	170,843	68,540	239,383	222,240	15,693	237,932
Additions	41,830	32,888	74,718	396,207	2,091	398,298
Disposals	-957	-229	-1,186	-16,178	-730	-16,908
Currency translation	-4,310	5,724	1,413	10,055	491	10,546
Acquisition cost Dec 31, 2022	**207,406**	**106,922**	**314,328**	**612,324**	**17,544**	**629,868**
Accumulated depreciation Jan 1, 2022	134,210	44,344	178,554	113,895	12,492	126,386
Depreciation	27,553	12,427	39,981	65,122	3,077	68,199
Disposals	-700	0	-700	-16,178	-730	-16,908
Currency translation	3,982	2,220	6,202	650	41	692
Accumulated depreciation Dec 31, 2022	**165,045**	**58,991**	**224,037**	**163,490**	**14,879**	**178,369**
Net value per Dec 31, 2022	**42,360**	**47,931**	**90,291**	**448,834**	**2,665**	**451,499**
Depreciation period	1-5 years	1-5 years		1-10 years	1-10 years	
Depreciation method	Linear	Linear		Linear	Linear	

Tangible assets 2021

	Equipment			Right-of-use assets		
(NOK thousands)	IT systems and equipment	Office furnishings, fixtures and cars	**Total**	Leased premises	Other leased items	**Total**
Acquisition cost Jan 1, 2021	73,742	55,615	129,357	164,301	13,094	177,395
Additions	21,483	7,923	29,406	28,852	2,599	31,450
Additions from business combinations	84,240	14,988	99,228	29,087	0	29,087
Disposals	-8,621	-9,987	-18,608	0	0	0
Acquisition cost Dec 31, 2021	**170,843**	**68,540**	**239,383**	**222,240**	**15,693**	**237,932**
Accumulated depreciation Jan 1, 2021	56,291	34,992	91,283	54,554	7,390	61,944
Depreciation	16,514	7,809	24,323	39,498	5,102	44,600
Depreciation from business combinations	70,629	10,338	80,967	19,843	0	19,843
Disposals	-9,225	-8,795	-18,020	0	0	0
Accumulated depreciation Dec 31, 2021	**134,210**	**44,344**	**178,554**	**113,895**	**12,492**	**126,386**
Net value per Dec 31, 2021 excl currency translation	**36,634**	**24,196**	**60,829**	**108,345**	**3,201**	**111,546**
Currency translation	-331	-745	-1,076	3,314	98	3,412
Net value per Dec 31, 2021 incl. currency translation	**36,302**	**23,451**	**59,753**	**111,659**	**3,299**	**114,958**
Depreciation period	1-5 years	1-5 years		1-10 years	1-10 years	
Depreciation method	Linear	Linear		Linear	Linear	

Lease agreements

The total cash outflow for leases for 2022 amounted NOK 80m. The lease agreements do not impose any covenants. The weighted average discount rate on lease liabilities is 6.17%.

NOTE 8 Intangible assets

Intangible assets 2022

(NOK thousands)	Software licenses (IP)	Development costs	Contracts	Technology and software	**Total**
Acquisition cost Jan 1, 2022	8,760	386,130	986,201	208,585	1,589,675
Additions	0	90,763	0	0	90,763
Currency translation	44	2,460	24,410	6,814	33,729
Acquisition cost Dec 31, 2022	**8,804**	**479,353**	**1,010,611**	**215,399**	**1,714,167**
Amortization and impairment Jan 1, 2022	6,820	287,965	387,370	109,098	791,252
Amortization	276	71,421	81,919	38,416	192,032
Impairment	0	0	0	31,328	31,328
Accumulated amortization and impairment Dec 31, 2022	**7,096**	**359,386**	**469,289**	**178,842**	**1,014,612**
Net value Dec 31, 2022	**1,709**	**119,967**	**541,322**	**36,557**	**699,555**
Amortization period	0-5 years	3 years	5-10 years	3-10 years	
Amortization method	Linear	Linear	Linear	Linear	

In 2022, the total capitalised development costs of NOK 78m consist of NOK 63m from capitalised internal hours and NOK 15m from capitalised external operating expenses.

Intangible assets 2021

(NOK thousands)	Software licenses (IP)	Development costs	Contracts	Technology and software	**Total**
Acquisition cost Jan 1, 2021	8,769	316,823	401,684	67,741	795,017
Additions	0	57,960	0	0	57,960
Additions from business combinations	0	266	582,563	143,621	726,450
Currency translation	-9	11,081	1,953	-2,778	10,248
Acquisition cost Dec 31, 2021	**8,760**	**386,130**	**986,201**	**208,585**	**1,589,675**
Amortization and impairment Jan 1, 2021	6,554	228,067	341,305	49,226	625,152
Amortization	265	59,704	35,844	9,807	105,620
Amortization from business combinations	0	194	10,220	50,065	60,479
Accumulated amortization and impairment Dec 31, 2021	**6,820**	**287,965**	**387,370**	**109,098**	**791,252**
Net value Dec 31, 2021	**1,940**	**98,165**	**598,831**	**99,487**	**798,424**
Amortization period	0-5 years	3 years	5-10 years	3-10 years	
Amortization method	Linear	Linear	Linear	Linear	

In 2021, the total capitalised development costs of NOK 58m consist of NOK 46m from capitalised internal hours and NOK 12m from capitalised external operating expenses.

NOTE 9 Goodwill

Goodwill

(NOK thousands)	**2022**	2021
Acquisition cost Jan 1	3,107,775	960,450
Additions	39,511	2,134,174
Currency translation	108,911	13,151
Acquisition cost Dec 31	**3,256,196**	**3,107,775**
Impairment Jan 1	109,517	109,517
Impairment	0	0
Accumulated impairment Dec 31	**109,517**	**109,517**
Net value Dec 31	**3,146,679**	**2,998,258**

Additions in 2022 include two smaller acquisitions in Finland and the UK aggregating NOK 14m. The remaining amount is an adjustment to a prior period error.

The Group tests goodwill for impairment annually (at year-end) by determining the recoverable amount. The recoverable amount of the cash generating units (CGU), which is based on the higher of the value in use or fair value less costs of disposal, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes and operating costs, terminal value growth rates and the weighted-average cost of capital (WACC).

Based on the value-in-use calculation, the estimated recoverable amount exceeds the carrying amount with a significant headroom for most CGU's. No impairment losses are recognised during 2022.

In connection with the impairment testing of goodwill, sensitivity analysis has been carried out. The sensitivity analysis has tested changes in WACC, gross profit, net working capital, EBITDA margins, CAPEX and budget. The estimates used to determine future cash flows and WACC when calculating value in use are subject to uncertainty. The assumptions are described below:

Budget and forecast period
The basis for the projection of the future cash flows estimated is based on the financial budget of one year. The budget in combination with the forecasts represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Previous year budgets are tested for reliability and adjusted in case of underperformance. The remaining four years of the forecast period are estimated based on budget and projected performance.

Local currency
All CGU's forecasted projections are done using the functional currency of the CGU.

Growth rate
Growth rate is represented by five-year CAGR (Compound Annual Growth Rate), which is defined as the average annual gross profit growth over the five-year forecasting period. Average rates of growth in operating revenue and gross profit are based on management's expectations of future conditions in the markets in which the business operates. Assumptions for terminal growth are between 3.7 and 3.9%.

EBITDA margins
EBITDA margins are based on the volume/margins achieved historically, adjusted for expected future developments in market conditions.

WACC

Future cash flows are discounted to present value using a discount rate based on a calculation of a weighted average cost of capital (WACC). The Group pre-tax WACC is based on market data from the relevant CGU.

Sensitivity

At December 31, 2022, the Group's value in use for each CGU was significantly higher than the carrying amount of tested goodwill and intangible assets with indefinite useful lives. The calculation is most sensitive to changes in EBITDA and gross profit (GP) margins. No reasonably likely change in the key assumptions listed above would cause the carrying value to materially exceed the recoverable amount for any of the CGUs.

Goodwill split by CGU

	2022	5 year sales CAGR assumption	Pre-tax WACC assumption	2021	5 year sales CAGR assumption	Pre-tax WACC assumption
Licensing Norway[1]	270,705	12.4%	12.8%	270,705	10.4%	9.1%
Consulting Norway[1]	149,713	13.2%	12.8%	164,729	12.7%	9.1%
Puzzlepart	5,927	21.7%	12.8%	7,172	22.4%	9.1%
Licensing Sweden[1]	52,991	-12.0%	12.8%	52,991	10.3%	9.1%
Crayon Denmark[1]	96,149	8.8%	12.8%	84,954	12.5%	9.1%
Crayon Finland[1]	53,459	27.1%	12.8%	47,623	10.0%	9.1%
Crayon Germany[1]	15,948	16.3%	12.8%	15,948	20.0%	9.1%
Crayon UK (Fast PPA)	43,167	41.7%	13.6%	43,326	17.9%	8.3%
Kryptos Networks	22,599	0.3%	12.8%	22,597	23.6%	11.0%
Angelpoint (Anglepoint PPA)	91,416	11.1%	12.8%	79,722	19.4%	9.1%
Crayon US[2]	9,473	29.7%	12.8%	10,504	53.7%	9.1%
Kryptos Technologies (India)[3]	3,373	61.1%	12.8%	5,055	175.0%	11.0%
Crayon SG (Tribal Knowledge PPA)[3]	3,222	43.9%	12.8%	2,873	86.8%	9.1%
Complit AS (Norway)[3]	3,810	5.3%	12.8%	3,810	11.9%	9.1%
Sequint BV (the Netherlands)[3]	40,357	46.8%	12.8%	21,136	4.8%	9.1%
Navicle[4]	15,884	-21.4%	12.8%	15,189	-1.9%	9.1%
Sensa	104,541	25.1%	12.8%	77,342	24.6%	9.1%
rhipe	2,163,946	15.9%	13.4%	2,072,583	9.0%	10.1%
Total	**3,146,679**			**2,998,258**		

[1] Inmeta Crayon PPA
[2] Software Wholesale International PPA
[3] These are related to acquisitions from 2018 and 2019
[4] Related Navicle Pte Ltd (Australia) acquisition in 2020

NOTE 10 Financial income and expenses

(NOK thousands)	2022	2021
Financial income		
Interest income from bank deposits	27,410	12,659
Interest income from accounts receivable	2,034	1,289
Total interest income	**29,444**	**13,948**
Other financial income	1,819	807
Other financial income	**1,819**	**807**
Total financial income	**31,263**	**14,755**

(NOK thousands)	2022	2021
Financial expenses		
Interest expense credit institutions	62,102	24,432
Interest leases	16,611	11,430
Interest bond loan	115,210	47,205
Total interest expense	**193,924**	**83,067**
Foreign currency loss	147,993	10,024
Impairment losses on financial assets	13,957	0
Other financial expenses	33,609	33,821
Total other financial expenses	**195,560**	**43,845**
Total financial expenses	**389,484**	**126,913**

Impairment losses on financial assets relates to impairment on loans to our former Russian subsidiary. Please refer to Note 19 Financial Risk for further information.

NOTE 11 Earnings per share

The Group's earnings per share are calculated as:

(NOK thousands)	**2022**	Restated 2021
Net income	23,326	245,111
Non-controlling interests	-1,961	27,021
Owners of Crayon Group Holding ASA	25,286	218,090
Weighted average number of ordinary shares (basic)		
Issued ordinary shares at 1 January	88,072	81,688
Effect of shares issued Jan 2021	0	1,487
Effect of shares issued April 2021	0	513
Effect of shares issued Nov 2021	0	445
Effect of shares issued Dec 2021	0	26
Effect of shares issued May 2022	325	0
Effect of shares issued Aug 2022	121	0
Effect of shares issued Sept 2022	100	0
Effect of own shares held	-10	-10
Weighted average number of ordinary shares (basic) at Dec 31	**88,608**	**84,150**
Basic earnings per share (NOK)	**0.29**	**2.59**
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares (basic)	88,608	84,150
Effect of share options on issue	1,236	1,820
Weighted average number of ordinary shares (diluted) at Dec 31	**89,844**	**85,970**
Diluted earnings/(loss) per share (NOK)	**0.28**	**2.54**
Number of outstanding ordinary shares per Jan 1	88,061,823	81,687,519
Number of outstanding ordinary shares per Dec 31	89,275,668	88,061,823

NOTE 12 Tax

Net income tax expense consists of the following:

Tax expense

(NOK thousands)	**2022**	Restated 2021
Income tax on net profit	106,156	116,927
Change in deferred taxes	-64,002	-70,265
Total	**42,154**	**46,663**

The income tax expense differs from the amounts computed when applying the Norwegian statutory tax rate to income before income taxes as a result of the following:

Reconciliation of tax charge

(NOK thousands)	**2022**	Restated 2021
Net income before income tax expense	65,480	291,774
Norwegian statutory rate	22%	22%
Estimated income taxes at statutory rate	**14,406**	**64,190**
Increase (decrease) in income taxes from:		
Effect of tax rates other than statutory tax rate in Norway	-2,202	543
Permanent differences/unrecognized deferred tax assets	29,950	-18,070
Total income tax expense	**42,154**	**46,663**

The tax effects of the Group’s temporary differences are as follows:

Basis for recognized deferred tax assets

(NOK thousands)	2022	Restated 2021
Current assets	3,145	59,780
Fixed assets	72,236	19,273
Interest limitation	0	5,138
Provision	116,958	85,677
Non-current debt / receivables	-58,513	-11,630
Tax losses carried forward	404,237	171,755
Other	25,640	0
Total basis for recognized deferred tax assets	**563,703**	**329,993**
Deferred tax asset	144,790	81,201

Basis for recognized deferred tax liabilities

(NOK thousands)	2022	Restated 2021
Current assets	306,831	195,667
Purchase price allocations (intangible assets)	492,670	479,999
Fixed assets	4,859	10,400
Provisions	-4,440	0
Other	733	0
Total basis for recognized deferred tax liabilities	**800,653**	**686,066**
Deferred tax liabilities	199,617	189,998

The Group recognizes deferred tax assets when it is probable that future tax profits will be available to be utilized against existing tax losses carried forward. Based on past experince, future taxable profit supporting the recognised deferred tax assets is assessed as probable.

The basis for the Group's total unrecognized tax assets as of December 31, 2022, is NOK 157m (2021: NOK 139m).

Reconciliation of net deferred tax asset/(liability)

(NOK thousands)	2022	Restated 2021
Opening balance as of Jan 1, 2022	-108,797	-42,516
Tax expense/income recognised in profit and loss	64,002	70,265
Tax expense/income recognised in other comprehensive income	15,632	-14,106
Deferred tax assets and liabilities attributable to business combinations	-25,664	-122,439
Net deferred tax liability as of Dec 31, 2022	**-54,827**	**-108,797**

NOTE 13 Current receivables

Accounts receivables relate to the sale of licenses or services that are within the normal operating cycle. If the settlement is expected within one year or less, the receivable is classified under current assets. If exceeding more than one year, the receivable is classified under non-current receivables.

Receivables outstanding

(NOK thousands)	2022	%	2021	%
Not due	4,357,710	65%	3,278,338	73%
1–30 days overdue	876,155	13%	700,102	16%
31–60 days overdue	366,551	5%	199,560	4%
61–90 days overdue	177,857	3%	101,259	2%
91–120 days overdue	213,008	3%	121,793	3%
More than 120 days overdue	687,230	10%	91,915	2%
Total	**6,678,511**		**4,492,969**	

Allowance for doubtful accounts in the balance sheet

(NOK thousands)	2022	2021
Opening balance Jan 1	85,623	52,492
Additions from acquisitions	0	15,223
Currency translation	-498	1,163
Net (reversal) / allowance	30,416	16,744
Closing balance Dec 31	**115,541**	**85,623**

Profit or loss effect of bad debt

(NOK thousands)	2022	2021
Realized losses	27,856	10,042
Allowance for doubtful accounts	30,416	16,744
Net accounting losses on receivables	**58,272**	**26,786**

Losses on receivables are reported as other operating expenses in profit or loss.

The Group's credit risk exposure is mainly impacted by outstanding receivables and contract assets. Credit check and control procedure conducted by local subsidiaries ensure the credit quality of the costumers of Crayon. Please refer to Note 19 Financial risk for further details on the credit risk.

For the bad debt impairment testing the Group has applied the IFRS 9 simplified approach to trade receivables with no significant financing component. The analysis is performed on each subsidiary by determining appropriate groupings, considering estimated future macro-economic factors and adjusting historical loss rates for current and forward-looking information. Accounts receivables overdue have increased significantly during 2022, mainly due to unpaid and delayed public sector receivables in the Philippines amounting to approximately USD 45m. Crayon has for the past 2 years served the Philippine public sector on Microsoft licenses. In Q3 2022 the agreement was subjected to an audit introduced by the new government. The audit has led to delay in payments, as timing of payment is dependent on official audit completion. Crayon assesses that the delay in settlement is related to administrative procedures following the change in government and Crayon expects that open amounts will be settled on completion of the government audit and associated administrative processes. Crayon management has engaged local legal counsel to assist in expediating the process. Risk of losses from public sector receivables are in general considered low. No provision has been made for these receivables.

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.

The current provision is in accordance with IFRS 9 and assessed to be best estimate when taking into consideration a cautious approach. See section 2.3 for further information on IFRS 9.

In 2018 Crayon entered a non-recourse factoring agreement with BNP. This has been implemented for a set of customers in Norway and in Denmark. As of December 31, 2022, accounts receivables are reduced by NOK 311m (2021: NOK 282m) compared to a situation without the factoring agreement.

The factoring agreement reduces the credit risk for Crayon, as the credit risk is transferred to BNP when customer invoices are sold to BNP.

Other current receivables

(NOK thousands)	2022	2021
Unbilled revenue	1,010,254	752,224
Public duty receivables	489,860	320,954
Prepaid expenses	356,046	309,052
Contract assets	199,181	214,499
Other	21,526	39,191
Total	**2,076,867**	**1,635,919**

Contract assets mainly relates to subsequent period net payments for multiple-period contracts where Crayon transfers services to a customer before the customer pays consideration. Change in contract assets during the year relates to changes in the remaining subsequent net payments for the relevant contracts.

NOTE 14 Cash and cash equivalents

NOK 52.3m of the total bank deposits as of December 31, 2022, is restricted cash. As of December 31, 2021, restricted cash was NOK 72.3m. Restricted cash consists both of employee taxes withheld and cash as collateral for bank guarantees. Further information regarding liquidity reserve is shown in detail in Note 18 Financial instruments.

Free available cash: Cash and cash equivalents less restricted cash
Liquidity reserve: Free available cash and available credit facilities
Available credit facility: Unused credit facility less guarantees

(NOK thousands)	2022	2021
Cash and cash equivalents	1,529,641	1,216,618
Restricted cash	-52,290	-72,261
Free available cash	1,477,352	1,144,357
Available credit facility	10,027	847,786
Liquidity reserve Dec 31	**1,487,379**	**1,992,143**

NOTE 15 Equity

Crayon group Holding ASA has 89,286,768 issued shares at a nominal value of NOK 1 (December 31, 2021; 88,071,987 shares at nominal value of NOK 1). In 2022 the company increased the share capital with 1,213,781 shares at nominal value of NOK 1. Each share gives right to one vote. The total share capital amounts to NOK 89,286,768.

Transction costs accounted as of deduction of equity amounts to NOK 16.9m in 2021. No transactions costs are deducted in equity in 2022.

Reconciliation of of the number of shares as follows:

	Ordinary shares		Treasury shares		Total	
	2022	2021	**2022**	2021	**2022**	2021
Issued at Jan 1	88,073	81,688	-10	-10	88,062	81,678
Issued for cash	0	3,685	0	0	0	3,685
Issued for acquisition of Sensa	0	700	0	0	0	700
Issued for payment of shares in Rewired	315	0	0	0	315	0
Exercised shares options and bonus shares	898	2,000	0	0	898	2,000
Issued Dec 31 - fully paid	**89,286**	**88,072**	**-10**	**-10**	**89,276**	**88,062**

The company owns 10,100 of its own shares to facilitate management of employee share purchases.

The General Meeting on May 20, 2022 authorized the board of directors to increase the share capital in three different settings. The authorizations are valid until the earlier of Crayon's annual general meeting in 2023 and June 30, 2023.

In relation to the Group's incentive schemes, the Board is granted an authorization to increase the Group's share capital with up to NOK 5,284,319, provided however that the authorization cannot be used for an amount in excess of 6.0% of the Group's share capital.

In connection with acquistions, etc. The Board is granted an authorization to increase the Group's share capital with up to NOK 8,807,198, provided however that the authorization cannot be used for an amount in excess of 10% of the Group's share capital.

The board of directors is granted an authorization to, on behalf of the Company, to repurchase treasury shares with a total nominal value of NOK 8,807,987, corresponding to 10% of of the Group's share capital at the time of the approval. The maximum amount to be paid per share is NOK 250 and the minimum is NOK 1.

In accordance with the company's Articles of Association, the number of shares is the same as the number of ordinary shares issued and fully paid-up.

NOTE 16 Interest bearing debt and derivatives

In November 2019, the company issued a NOK 300m senior unsecured bond, with a NOK 600m borrowing limit. The bond has a floating coupon rate of 3 months NIBOR + 350 bps p.a. Maturity date and settlement was November 21, 2022.

On July 1, 2021, Crayon entered a NOK 1,800m 4-year senior unsecured floating rate bond with a coupon of 3 months NIBOR + 375 bps. The bond was issued July 15, 2021, and matures July 15, 2025 and is listed on the Oslo Stock Exchange (CRAYON 04).

The Group has revolving credit facility (RCF) of NOK 1,000m, of which NOK 900m was available December 31, 2022. The facilities mature on April 15, 2025. The outstanding liability is presented as a non-current liability. The facility has an interest rate of 3 months NIBOR + 275 bps at leverage below 2.5.

Total interest-bearing liabilities as of Dec 31:

	2022			2021		
(NOK thousands)	Non-current	Current	Total	Non-current	Current	Total
Bond principal	1,800,000	0	1,800,000	1,800,000	300,000	2,100,000
Amortization cost[1]	-22,014	0	-22,014	-28,948	0	-28,948
Revolving credit facility	900,001	0	900,001	0	0	0
Lease liabilities[2]	410,047	72,578	482,624	87,164	39,064	126,228
Other current interest bearing debt	0	121,796	121,796	0	113,311	113,311
Total financial liabilities	**3,088,034**	**194,374**	**3,282,408**	**1,858,216**	**452,375**	**2,310,591**

[1] Amortization costs are capitalized and recognised in Profit or loss over the lifetime of the bond. Carrying amount of the non current bond loan and the current bond loan will be equal to principal amounts of NOK 1,800m at maturity in FY 2025 and NOK 300m at maturity in FY 2021, respectively.
[2] Future cash outflows related to lease agreements not reflected in the measurements of lease liabilities amount to NOK 26m in 2022. Cash outflows are related to signed lease agreements where the leases are not yet commenced and related to a period of 3 to 6 years starting 2023.

NOTE 17 Other non-current and current liabilities

Other non-current liabilities

(NOK thousands)	**2022**	2021
Deferred consideration from business combinations	8,385	11,613
Customer contract financing	529	12,724
Liabilities to employees	5,487	4,338
Other	18,783	29,523
Total	**33,185**	**58,197**

Other current liabilities

(NOK thousands)	**2022**	Restated 2021
Deferred consideration from business combinations	22,583	27,187
Customer contract financing	23,127	41,792
Employee benefits related accruals	366,906	338,422
Prepayments	62,524	130,818
Accruals	973,101	713,471
Other	76,904	11,932
Total	**1,525,145**	**1,263,621**

NOTE 18 Financial instruments

Financial instruments by category

(NOK thousands)	Fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
2022				
Financial assets				
Other non-current receivables	0	70,504	0	70,504
Accounts receivable	0	6,562,970	0	6,562,970
Other current receivables	0	1,720,821	0	1,720,821
Cash and cash equivalent	0	1,529,641	0	1,529,641
Total financial assets	**0**	**9,883,937**	**0**	**9,883,937**
Financial liabilities				
Bond loan	0	0	1,777,986	1,777,986
Lease liability	0	0	482,624	482,624
Revolving credit facility	0	0	900,001	900,001
Other non-current liabilities	8,385	0	24,799	33,185
Other current interest bearing debt	0	0	121,796	121,796
Other current liabilities	24,381	0	11,513	35,895
Accounts payable	0	0	6,563,280	6,563,280
Total financial liabilities	**32,767**	**0**	**9,882,001**	**9,914,768**

(NOK thousands)	Fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
Restated 2021				
Financial assets				
Other non-current receivables	0	68,574	0	68,574
Accounts receivable	0	4,492,969	0	4,492,969
Other current receivables	0	1,635,919	0	1,635,919
Cash and cash equivalent	0	1,216,618	0	1,216,618
Total financial assets	**0**	**7,414,081**	**0**	**7,414,081**
Financial liabilities				
Bond loan	0	0	1,771,052	1,771,052
Lease liability	0	0	126,228	126,228
Other non-current liabilities	12,465	0	45,733	58,197
Other current interest bearing debt	0	0	413,311	413,311
Other current liabilities	28,083	0	41,792	69,876
Accounts payable	0	0	4,813,772	4,813,772
Total financial liabilities	**40,548**	**0**	**7,211,888**	**7,252,436**

Fair value measurement

The following tables present the Group's financial assets and liabilities measured at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within level one that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices).
Level 3: Inputs for the assets or liabilities that are not based on observable market data.

Financial liabilities at fair value through profit or loss:

	2022	2021
Level 1	0	0
Level 2	1,798	1,749
Level 3	30,968	38,799
Total	**32,767**	**40,548**

Reconciliation of liabilities arising from financing activities

(NOK thousands)	Transaction costs	Non-current bond loan	Other interest-bearing debt	Lease liabilities	Total liabilities from financing activities
Dec 31, 2021	-28,948	1,800,000	413,311	126,228	2,310,591
Revolving credit facility	0	900,001	0	0	900,001
Proceeds from issuance of interest bearing debt	0	0	0	413,313	413,313
Amortizations/instalments	6,935	0	0	-63,285	-56,350
Credit facility	0	0	8,485	0	8,485
Currency effect	0	0	0	6,369	6,369
Bond settlement	0	0	-300,000	0	-300,000
Dec 31, 2022	**-22,014**	**2,700,001**	**121,796**	**482,625**	**3,282,409**

Hedging (derivatives)

According to the group's policy derivatives can be designated as hedging instruments for fair value hedges and cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, are recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss. Realised effects are recognised through statement of profit or loss, in the same line as the hedge objects.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as hedging instruments in fair value hedges, are recognised in the statement of profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

NOTE 19 Financial risk

The Group activities involve various types of financial risk, including market risk, credit risk and liquidity risk. The Group Treasury department mitigate risk that can be controlled, in close cooperation with the subsidiaries.

On April 26, 2022, Crayon announced its decision to cease operations in Russia due to the war in Ukraine. On September 30, 2022, the remaining net investment including internal loans, were reclassified to assets held for sale. An agreement was signed in December 2022 for a management buyout. The transaction will be subject to governmental approval in Russia that is expected to take 3-6 months. The risk of the transaction not being approved is considered low, and consequently the sale transaction is recognized in December 2022. Impairment losses related to financial assets of NOK 14m were recognized as other financial expenses as a result of the transaction.

1. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risk mostly comprises cash flow interest rate risk and currency risk.

1.a Cash flow interest risk

The group interest-bearing liability generally consists of floating rates; hence the Group is impacted by interest cash flow risk. In the current marked with increasing reference rates globally, the Group experienced significant impact on interest paid during 2022 and see an increased risk of future interest payments. The interest expense for 2022 increased to NOK 194m (NOK 83m). The interest rate risk largely relates to the bond loan and revolving credit facility (RCF), sensitive to NIBOR. Based on the liability at the end of the year, an increase of 100 basis points in NIBOR would have an annual effect of approximately NOK 27m (NOK 21m) on financial expenses. The Group also has interest bearing debt in other currencies, mainly lease liability and currency cash-pool balances, increasing the risk. The positive cash position of the Group mitigates some of the risk. No interest positions are hedged.

1.b Foreign exchange risk

Crayon has gross sales, 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 of licenses and proceeds for incentives are to a large extent 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 and any gross sales and revenues more often are denominated in 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. The Group uses a limited number of cash flow hedges to cover the risk of sale and purchase in different currencies. Crayon seeks primarily natural hedges to the extent it is economically viable and to reduce volume of transactions in other than functional currencies.

By having operational units in different functional currencies, the Group is exposed to currency translation risks related to net investments in subsidiaries. Crayon aims to establish natural hedging positions if this is possible and economically viable. Financial derivatives can be used to hedge the remaining net currency risk exposures for relevant periods of time. Larger transactions involving currency exposure can be hedged by means of currency forwards as was used for the rhipe acquisition in 2021.

See sensitivity analysis below for details on the foreign exchange risk exposure.

2. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and 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 have deposits with sound financial institutions. 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 and contract assets. Credit check and control procedure 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.

See further information in Note 2.4 Significant judgement and estimation uncertainty and Note 13 Current receivables.

3. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall 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 changes in the net working capital managed by the subsidiaries. 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's covenants are attached to the revolving credit facilities and the bond loan. Net interest-bearing debt as of December 31, 2022, was NOK 1,805m, with a corresponding leverage ratio of 2.2x of Adj. EBITDA, providing significant headroom with regards to bank covenants (4.5x Adj. EBITDA) as of the end of the year. The Group's interest-bearing liabilities are shown in detail in Note 16 Interest bearing debt and derivatives.

Crayon has total current assets amounting to NOK 10,187m (NOK 7,348m) end of the year, NOK 1,215m more than the short-term liabilities (including interest-bearing liabilities due within 12 months) of NOK 8,972m (NOK 7,047m). The Group has significant liquidity reserves available both through bank deposits, multicurrency cash-pool and credit facilities and the liquidity risk is therefore considered low.

Sensitivity

The Group has identified currency risk (foreign exchange risk, primarily with respect to EUR, SEK, DKK, GBP, INR, CHF and USD) and floating interest rate risk as the two important financial risk factors it is exposed to and discloses the respective sensitivity analysis as follows:

(NOK thousands)	2022 EBITDA	NOK appreciates 10%	NOK depreciates 10%	2021 EBITDA	NOK appreciates 10%	NOK depreciates 10%
Currency						
SEK	117,759	-11,776	11,776	98,593	-9,859	9,859
DKK	99,445	-9,944	9,944	63,786	-6,379	6,379
EUR	113,870	-11,387	11,387	112,744	-11,274	11,274
USD	60,582	-6,058	6,058	57,582	-5,758	5,758
INR	60,723	-6,072	6,072	46,850	-4,685	4,685
CHF	28,300	-2,830	2,830	19,545	-1,955	1,955
AUD	106,803	-10,680	10,680	14,052	-1,405	1,405
ISK	25,884	-2,588	2,588	40,716	-4,072	4,072
Effect of sensitivity		**-61,337**	**61,337**		**-45,387**	**45,387**

The following table presents the maturity profile of the group's financial liabilities based on contractual payments and non-cancellable lease payments.

All amounts presented in the table are undiscounted cash flows:

Maturity profile 2022

(NOK thousands)	2023	2024	2025	2026->	**Total**
Bond loan	0	0	1,800,000	0	1,800,000
Other financial liabilities	45,710	33,185	0	0	78,895
Revolving credit facility	0	0	900,001	0	900,001
Other current interest bearing debt	121,796	0	0	0	121,796
Accounts Payable	6,563,280	0	0	0	6,563,280
Lease payments	97,435	87,749	74,010	335,841	595,035
Total	**6,828,222**	**120,934**	**2,774,011**	**335,841**	**10,059,007**

NOTE 20 Business combinations

2022 Acquisitions

Additions include two smaller acquisitions in Finland (solvit) and the UK (Fischer) aggregating NOK 14m. The remaining amount is an adjustment to a prior period error.

2021 Acquisitions

Sensa Ehf. (Island)

On April 8, 2021 Crayon Group acquired 100% of the voting shares in Sensa Ehf. Sensa is a leading IT services company for providing hosting and operations services as well as communications and security solutions to the corporate market. The company is based in Reykjavik, Iceland. The company provides services and solutions on Microsoft, Amazon Web Services, Cisco and NetApp among other industry leaders. The acquisition will support Crayon in expanding the value chain into cloud managed services for multicloud environments and further accelerate Crayon's global service operations. The total consideration amounted to ISK 3,484m (NOK 236m) and was settled as follows (i) 2/3 in cash (ii) 1/3 in shares in Crayon Group Holding ASA subject to a 12-month lock-up from date of the agreement. There is a monthly release of 1/12 of shareholding during the lock-up period. The total amount of shares issued was 699,636. The fair value of the shares is calculated with reference to the quoted price of the company shares as of November 30, 2020 (NOK 112.8).

Identifiable assets acquired and liabilities assumed

The following table summarises the recognized amounts acquired, and liabilities assumed at the date of acquisition (preliminary purchase price allocation):

(NOK thousands)	Fair value
Customer contracts	101,393
Customer relationship	27,530
Intangible assets recorded in Sensa	110
Operating Assets	11,917
Lease assets	1,448
Inventory	2,459
Accounts receivable	31,986
Other receivable	4,930
Cash	34,149
Lease liabilities	-1,486
Accounts payable	-18,298
Other current liabilities	-39,296
Total identifiable net assets acquired at fair value	**156,841**
Goodwill	78,822
Purchase consideration transferred	235,663
Cash	156,742
Subscription Shares in Crayon Group Holding ASA	78,919
Total consideration	**235,662**
Paid in cash	-156,742
Cash received	34,149
Net (decrease) / increase in cash	**-122,593**

Customer contracts and customer relationship are identified as intangible assets which fulfil the recognition criteria under IAS 38.

The goodwill of NOK 79m comprises the value of expected synergies arising from the acquisition, including employees and knowhow in Sensa.

rhipe Limited (Australia)
On November 3, 2021 Crayon acquired 100% of the voting shares in rhipe Limited (rhipe). rhipe is a leading distributor of cloud solutions and services, providing partners with business advisory and deep domain technical expertise to thrive in the growing cloud market. rhipe distributes and aggregates subscription licensing models for Service Providers from many of the world's leading software vendors including Microsoft, VMware, Red Hat, Citrix, Veeam, Trend Micro, Sinefa and DocuSign. rhipes employes about 600 staff across 10 countries. This acquisition is very synergistic as it combines Crayon's business models empowering Crayon to help customers and partners solve their business needs with more solutions and services.

The total consideration amounted AUD 387m (NOK 2,450m) and was settled in cash.

Identifiable assets acquired and liabilities assumed
The following table summarises the recognized amounts acquired, and liabilities assumed at the date of acquisition (preliminary purchase price allocation):

(NOK thousands)	Fair value
Customer relationship	445,752
Technology and software	97,497
Deferred tax assets	23,483
Other intangibles	10,769
Tangible assets	15,916
Accounts receivable	363,941
Other receivable	32,856
Cash and cash equivalents	214,813
Total assets	**1,205,026**
Other non current liabilities	-94,663
Deferred tax liablities	-122,439
Current liabilities[1]	-516,646
Total liabilities	**-733,749**
Total identifiable net assets acquired at fair value	471,277
Goodwill	2,055,352
Total consideration (cash)[2]	**2,526,629**
Paid in cash	-2,526,629
Cash received	214,813
Net (decrease) / increase in cash	**-2,311,817**

[1] Includes a deferred consideration of NOK 21.9m
[2] Includes the loss attributable to the hedged risk (NOK 76.4m)

Customer relationship are identified as intangible assets which fulfil the recognition criteria under IAS 38.

The goodwill comprises the value associated with the skills and know-how of rhipe's employees, new customers and potential extensions of existing relationships. Transaction cost of approximately NOK 19m are recognised as other operating expenses.

NOTE 21 Management remuneration

Compensation to the executive management is detailed below.

(NOK thousands)	2022	2021
Salaries	14,963	13,485
Bonus	4,594	4,641
Pension	1,056	953
Share-based payments[1]	8,839	8,443
Other benefits	422	582
Total	**29,873**	**28,104**

[1] Cost based on Black-Schols model.

Remuneration to the members of the Board is summarized below. The Board of Directors and committee fees are approved by the shareholders at the Annual General Meeting for the period until the next Annual General Meeting. Amounts presented below represent the fees approved by the Annual General Meeting in 2022 and 2021, respectively.

(NOK thousands)	2022	2021
Board of Directors fee	3,175	2,985
Audit Committee fee	200	200
Remuneration Committee fee	110	155
ESG Committee	320	0
Share-based payments[1]	240	733
Total	**4,045**	**4,073**

[1] Cost based on Black-Schols model

More detailed information on the compensation to the Group's directors including executive management as well as members of the Board of Directors is provided in a separate remuneration report prepared in accordance with the Norwegian Public Limited Liability Companies Act § 6-16b. The report for the financial year 2022 will be published on the Group's website subsequent to the General Annual Meeting.

NOTE 22 Related parties

Transactions with related persons are disclosed in Note 21 Management remuneration and in the remuneration report. Overview of related companies are disclosed in Note 24 Subsidiaries, associates and non-controlling interests. During 2022, the Group had no other related parties.

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.

NOTE 23 Collateral and guarantees

As security for the Crayon Group's Super Senior Multicurrency Revolving Credit Facility Agreement (RCF), Crayon Group AS has provided a first priority assignment agreement with respect to the RCF and the top account in the cash pool agreement to which it is a party. The liability of each Guarantor, listed below, shall be limited to NOK 1,200m plus any unpaid amount of interest, fees, liability, premium and expenses. The security included pledges over accounts receivabled limited to NOK 450m for each guarantors in addition to pledges over shares and intercompany loans. For further information see Note 16 Interest bearing debt and derivatives.

List of guarantors

Crayon Group Holding ASA
Crayon Group AS
Crayon AS
Inmeta Consulting AS
Crayon A/S
Crayon AB

Crayon Group Holding ASA (parent company) guarantees to Microsoft the full and promptly payment of a number of the parent's company affiliates outstanding debt and performance obligations, related to the normal core of business of the Group and recognised as part of account payables in the statement of the financial position. At year end, the total outstanding debt and obligations of the relevant parent company affiliates amounted to NOK 1,843m.

Other guarantees consist of:

(In thousands)	Type of Guarantee	Guarantee	Amount	Currency	Amount (NOK)
Subsidiaries					
Crayon India	Financial Security	ICICI BANK LIMITED	392,000	INR	48,574
Crayon AS	Rental	Avantor Gullhaug Torg 5 AS	12,050	NOK	12,050
Crayon FR	Rental	La Francaise Real Estate Managers	104	EUR	947
Inmeta Consulting	Rental	Utstillingsplassen Eiendom AS	479	NOK	479
Inmeta Consulting	Rental	Inger Bang Lunds vei 10-16 AS	379	NOK	379
Crayon Group Holding ASA	Skattetrekk		44,000	NOK	44,000
Crayon AS	Bid bond	AEN 19077 Datasimulator	200	NOK	200
Crayon UK	Payment	Bacstel, UK	350	GBP	3,541
Crayon DE	Rental	Kapfinger	2	EUR	19
Crayon DE	Rental	Dussten	17	EUR	150
Crayon DE	Rental	Schroder	12	EUR	109
Crayon DE	Rental	WCP Munich	106	EUR	961
Crayon SE	Rental	Fastighet AB	625	SEK	572
Crayon PL	Rental	DWS Grundbesitz GmbH Sp. z o.o.	163	PLN	344
Rhipe AU	Rental	Brisbane Rent	101	AUD	634
Rhipe AU	Rental	Melbourne Rent	107	AUD	673
Rhipe AU	Rental	Sydney Rent	751	AUD	4,719
Rhipe AU	Rental	Sydney Rent-supplementary	896	AUD	5,631
Crayon UK	Performance		12	EUR	109
Crayon LT	Performance		197	EUR	1,787
Crayon PL	Performance		819	PLN	1,725
Crayon PL	Performance		23	EUR	205
Crayon PL	Bid bond		5,609	PLN	11,811
Crayon RS	Performance		1,053	USD	8,697
Crayon CZ	Performance		191	EUR	1,729
Crayon RM	Performance		60	RON	127
Other					
Krayon	Performance	PAO Aeroflot	49,962	RUB	6,516

NOTE 24 Subsidiaries, associates and non-controlling interests

The Crayon Group Holding ASA consists of the following subsidiaries as of December 31:

Subsidiary	Office location	Ownership % 2022	Ownership % 2021
Nordics			
Crayon Group AS	Oslo	100%	100%
Crayon AS	Oslo	100%	100%
Inmeta Consulting AS	Oslo	100%	91%
Esito AS	Oslo	100%	91%
Rewired AS	Oslo	100%	72%
Puzzlepart AS	Oslo	79%	79%
Crayon Consulting A/S	Copenhagen	100%	100%
Crayon A/S	Copenhagen	100%	100%
Crayon AB	Stockholm	100%	100%
Crayon OY	Helsinki	100%	100%
Crayon Iceland ehf.	Reykjavik	100%	100%
Ice Distributions hf	Reykjavik	100%	100%
COMPLIT AS	Oslo	100%	100%
Crayon IOT AS	Oslo	100%	100%
Crayon Constellation AS	Oslo	100%	100%
Inmeta Management Consulting AS	Oslo	70%	70%
Sensa Ehf	Reykjavík	100%	100%
Europe			
Crayon UK Ltd	London	100%	100%
Crayon France SAS	Paris	79%	79%
Crayon Deutschland GmbH	Munich	100%	100%
Crayon Austria GmbH	Vienna	100%	100%
Crayon Schweiz AG	Altdorf	99%	94%
Crayon Software Experts Spain SL	Madrid	86%	86%
Crayon Software Licensing Unipessoal LDA	Lisbon	86%	86%
Crayon BV	Amsterdam	100%	80%
Crayon doo Beograd	Beograd	80%	100%
Crayon Bulgaria OOD	Sofia	80%	80%
SEQUINT BV	Rotterdam	100%	100%
Krejon Makedonija DOO	Skopje	90%	100%
SIA "Crayon Latvia"	Riga	83%	83%
Crayon Software Experts Romania S.R.L.	Bucharest	80%	80%
Crayon Poland sp. z o.o.	Warszawa	80%	80%
Crayon Czech Republic and Slovakia s.r.o.	Prague	80%	80%
Crayon LLC	Moscow	0%	80%
LLC "Crayon Ukraine"	Kyiv	80%	80%
Crayon Magyarország Korlátolt Felelősségű Társaság	Budapest	80%	0%
CRAYON, celovite IT rešitve, d.o.o.	Ljubljana	80%	0%

Subsidiary	Office location	Ownership % 2022	Ownership % 2021
Anglepoint (UK) Limited	London	77%	77%
Anglepoint Group (Germany) GmbH	Hamburg	77%	77%
Anglepoint (Ireland) Limited	Ballincollig	77%	77%
Fisher IT Services Holdings Limited	London	77%	0%
Fisher IT Asset Consulting Limited	London	77%	0%
Fisher Analytics and Control Technology Limited	London	77%	0%
rhipe UK Pty Ltd	London	100%	100%
APAC & MEA			
Crayon DMCC	Dubai	80%	80%
Crayon Abu Dhabi	Abu Dhabi	39%	39%
Crayon Arabia LLC	Doha	39%	0%
Atria Technologies Pte Ltd	Singapore	100%	100%
Crayon Pte Ltd	Singapore	100%	100%
Kryptos Networks Pvt Ltd	Chennai	100%	100%
Kryptos Technologies Private Limited	Mumbai	50%	50%
Crayon Software Experts India Pvt Ltd	Mumbai	100%	100%
Crayon Software Experts Philippines Inc	Makati City	99%	100%
Crayon Software Experts Malaysia Sdn Bhd	Kuala Lumpur	90%	90%
Crayon Australia PTY LTD	Sydney	87%	84%
Crayon Mauritius Ltd	Port Louis	100%	100%
Crayon Africa SA	Johannesburg	100%	100%
Wadi Al Omar CO	Riyadh	85%	85%
Crayon Sri Lanka	Colombo	90%	90%
Navicle Pty Ltd	Sydney	100%	100%
Crayon IT Services Private Limited	Mumbai	100%	100%
PT rhipe International Indonesia	Jakarta	99%	99%
rhipe Japan K. K.	Tokyo	80%	80%
PT Krayon Konsultan Indonesia	Jakarta	100%	100%
Crayon Australia Holding Pty Ltd (Holdco)	Melbourne	100%	100%
Crayon Software Experts Australia Pty Ltd (Bidco)	Melbourne	100%	100%
rhipe Limited	Sydney	100%	100%
rhipe Australia Pty Ltd	Sydney	100%	100%
rhipe Dynamics Pty Ltd	Sydney	100%	100%
rhipe Technology(Thailand) Co. Ltd	Bangkok	100%	100%
rhipe Philippines, Inc	Manila	100%	100%
rhipe Licensing Technology Korea Ltd	Seoul	100%	100%
rhipe Singapore Pte Ltd	Singapore	100%	100%
rhipe Malaysia Sdn. Bhd.	Kuala Lumpur	100%	100%
rhipe Technology Philippines, Inc	Manila	100%	100%
rhipe Lanka (Pvt) Limited	Colombo	100%	100%
rhipe Hong Kong Limited	Hong Kong	100%	100%
rhipe New Zealand Ltd	Auckland	100%	100%

		Ownership %	
Subsidiary	Office location	2022	2021
Dynamic Business IT Solutions Pty Limited	Brisbane	100%	100%
SmartEncrypt Pty Ltd	Sydney	100%	100%
Parallo Limited	Auckland	100%	100%
Parallo Pty Ltd ATF Parallo Unit Trust	Sydney	100%	100%
emt Distribution Pty Ltd	Adelaide	100%	100%
emt Distribution Pte Ltd	Singapore	100%	100%
rhipe Cloud Solutions Pty Ltd	Sydney	100%	100%
rhipe Solutions Australia Pty Ltd	Sydney	100%	100%
Anglepoint Group, Inc	New South Wales	77%	77%
Anglepoint India Private Limited	Delhi	77%	77%
U.S.			
Crayon Software Experts Holding LLC	Dallas	100%	100%
Crayon Software Experts LLC	Dallas	77%	77%
Anglepoint Group Inc	San Francisco	77%	77%
Software Wholesale International Inc	Denver	77%	77%
Crayon Global Services GmbH	Munich	77%	77%
rhipe Solutions LLC	New York	100%	100%
Associates			
Cloud Direct Limited	England and Wales	23%	23%

The non-controlling interest and associates share of the net income for 2021 and equity as of December 31, 2022 is detailed below:

Specification of non-controlling interests 2022

(NOK thousands)	NCI ownership share	NCI share of equity	NCI share of net income
Nordics			
Puzzlepart AS	21%	10,372	3,641
Inmeta Management Consulting AS	30%	-1,937	-1,580
Europe			
Crayon Schweiz AG	2%	1,521	254
Crayon Software Licensing Unipessoal LDA	14%	-311	356
Crayon Software Experts Spain SL	14%	-4,152	21
Crayon France SAS	21%	5,842	3,212
Crayon Software Experts Romania S.R.L.	20%	1,768	403
Crayon Poland sp. z o.o.	20%	650	521
Crayon Bulgaria OOD	20%	2,419	497
LLC "Crayon Ukraine"	20%	-318	-559
Crayon Czech Republic and Slovakia s.r.o.	20%	866	-29
SIA "Crayon Latvia"	17%	15	-882
Crayon doo Beograd	20%	146	500
Anglepoint (UK) Limited	23%	622	-3,268
Crayon Magyarország Korlátolt Felelősségű Társaság	20%	876	-712
CRAYON, celovite IT rešitve, d.o.o.	20%	877	-761
Fisher IT Services Holdings Limited	23%	1	0
Fisher IT Asset Consulting Limited	23%	-441	0
Fisher Analytics and Control Technology Limited	23%	126	0
Krejon Makedonija DOO	10%	116	99
Anglepoint Group (Germany) GmbH	23%	-443	-426
Anglepoint (Ireland) Limited	23%	-1	-1
APAC & MEA			
Crayon DMCC	20%	7,489	4,449
Crayon Abu Dhabi	61%	8,101	3,205
Crayon Sri Lanka	10%	-2,209	-2,730
Kryptos Technologies Private Limited	50%	-734	-303
Crayon Software Experts Philippines Inc.	1%	-1,563	-1,566
Crayon Software Experts Malaysia Sdn Bhd	10%	-991	-907
Crayon Australia PTY LTD	13%	-5,424	-2,211
Wadi Al Omar CO	15%	4,686	3,787
PT rhipe International Indonesia	1%	103	63
rhipe Japan K. K.	20%	-1,833	-1,652
Crayon Arabia LLC	61%	1,132	49
U.S.			
Crayon Software Experts LLC	23%	-9,795	-8,587
Anglepoint Group Inc	23%	15,025	3,247
Software Wholesale International Inc	23%	-694	0
Crayon Global Services GmbH	23%	-2,111	-128
Anglepoint Group, Inc	23%	-14	-14
Anglepoint India Private Limited	23%	51	53
Total		**29,833**	**-1,961**

Specification of associates 2022

	Ownership share	Share of investment	Share of net income
Cloud Direct Limited	23%	43,133	6,563
Total		**43,133**	**6,563**

Written Put Options over Non-Controlling Interests

Anglepoint

In September 2015, Crayon Group AS acquired 100% of the shares in Anglepoint Group Inc. through its wholly owned subsidiary Crayon Software Experts LLC. As part of the consideration, the shareholders of Anglepoint received a 26% (in 2017 reduced to 23.3%) non-controlling interest in Crayon Software Experts LLC. Simultaneously, Crayon Group Holding ASA issued written put options over the non-controlling interests in Crayon Software Experts LLC. The put options will be settled by non-controlling interests selling their shares in Crayon Software Experts LLC in exchange for cash or shares in Crayon Group Holding ASA.

The written put options over non-controlling interest are a current obligation for Crayon Group Holding ASA to purchase equity instruments from non-controlling interest with settlement in own shares (or cash at the descretion of the group), and classified as derivative financial liabilities and presented on net basis at fair value. The accounting policy applied for written put options over non-controlling interests is stated in Note 2 Significant accounting policies.

The number of put shares to be issued shall be such number of put shares whose fair market value is equal to the fair market value of the share units being exchanged by the non-controlling interests. Hence, the fair value of the written put options over non-controlling interests is zero as at December 31, 2022.

NOTE 25 Largest shareholders, numbers of shares held by management and board of directors

The company's major shareholders as of December 31, who own more than 1.0% of the share capital, are:

Shareholder name	Total Shareholding
State Street Bank and Trust Comp	9.6%
OEP ITS Coöperatief Holding U.A	8.3%
FOLKETRYGDFONDET	7.0%
State Street Bank and Trust Comp	5.4%
KARBON INVEST AS	5.4%
BNP PARIBAS ARBITRAGE SNC	4.8%
Nordnet Bank AB	3.3%
Skandinaviska Enskilda Banken AB	3.2%
Credit Suisse (Switzerland) Ltd.	2.0%
JPMorgan Chase Bank, N.A., London	1.8%
The Bank of New York Mellon SA/NV	1.7%
CLEARSTREAM BANKING S.A.	1.1%
State Street Bank and Trust Comp	1.1%
VERDIPAPIRFONDET HOLBERG NORGE	1.1%
Citibank, N.A.	1.1%
DANSKE INVEST NORSKE INSTIT. II.	1.1%
VERDIPAPIRFONDET DNB NORGE	1.1%

The company's trustees have shares in the company:

Officer	Total number of shares
Karbon Invest AS (Jens Rugseth and Rune Syversen)	4,800,000
Bente Liberg (CHRO), Goodcharma AS	338,390
Brit Smestad (employee representative)	149,900
Jon Birger Syvertsen (CFO)	106,570
Bente Liberg (CHRO)	100,000
Grethe Viksaas (board member)	41,724
Dagfinn Ringås (board member), CDR Holding AS	20,000
Christian Ødemark (employee representative)	13,593
Jens Rugseth (board member), Rugz AS	13,236
Melissa Mulholland (CEO)	7,946
Florian Rosenberg (CTO)	7,864
Mette Wam (employee representative)	7,735
Wenche Marie Agerup (board member)	2,500
Rune Syversen (board member), Sevencs AS	2,125
Jennifer Koss (board member), Firea AS	850

Bonus shares under the ESPP 2020 vested November 2022. The shares were issued January 2023 and are therefore not included in the number of shares registered at December 31, 2022 presented in the table above. A number of 1,940 bonus shares were allotted to Melissa Mulholland, Brit Smestad, Grethe Viksaas and Jens Rugseth, 388 shares were allotted to Christian Ødemark and Mette Wam and 310 shares were allotted to Florian Rosenberg.

NOTE 26 Subsequent events

No significant events to report after the balance sheet date.

Crayon Group Holding ASA

Statement of income 1.1 – 31.12

(NOK thousands)	Note	2022	2021
Operating income and expenses			
Payroll expenses	2, 3	-2,917	-4,400
Other operating expenses	3	-13,470	-8,865
Total operating income and expenses		**-16,387**	**-13,265**
Operating profit (EBIT)		**-16,387**	**-13,265**
Financial income and expenses			
Income from subsidiaries and other group companies	2, 4	0	53,663
Interest income from group companies	2	34,468	2,551
Other interest income		196	73
Other financial income		16,829	21,268
Total financial income		**51,493**	**77,555**
Other interest expenses to group companies		-236	-308
Other interest expenses		-114,012	-47,208
Other financial expenses		-13,408	-85,850
Total financial expenses		**-127,656**	**-133,366**
Net financial income and expenses		**-76,163**	**-55,811**
Net income (loss) before tax		**-92,550**	**-69,076**
Income tax expense on net income	5	20,340	16,262
Net income (loss)		**-72,210**	**-52,815**
Brought forward			
To other equity	6	0	0
Loss carried forward	6	-72,210	-52,815
Net carried forward		**-72,210**	**-52,815**

Crayon Group Holding ASA

Balance sheet as of 31.12

(NOK thousands)	Note	2022	2021
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax asset	5	49,963	29,955
Total intangible assets		**49,963**	**29,955**
Financial assets			
Investments in subsidiaries	4	879,625	850,193
Loan to group companies	2	4,373	4,160
Total financial assets		**883,998**	**854,354**
Total non-current assets		**933,961**	**884,309**
Current assets			
Other receivables	1, 2	2,972,063	3,180,382
Total receivables		**2,972,063**	**3,180,382**
Cash and cash equivalents	1	1,069	1,599
Total current assets		**2,973,131**	**3,181,981**
Total assets		**3,907,093**	**4,066,289**

(NOK thousands)	Note	2022	2021
EQUITY AND LIABILITIES			
Paid-in equity			
Share capital	6, 7	89,286	88,072
Own shares	6, 7	-10	-10
Share premium	6	1,817,693	1,734,159
Total paid-in equity		**1,906,969**	**1,822,221**
Retained earnings			
Other equity	6	-29,714	11,784
Total retained earnings		**-29,714**	**11,784**
Total equity		**1,877,255**	**1,834,005**
Non-current liabilities			
Other non-current liabilities		0	852
Bond loan	8, 9	1,787,387	1,780,796
Total non-current liabilities		**1,787,387**	**1,781,648**
Current liabilities			
Bond loan	8, 9	0	300,000
Accounts payable		928	432
Other current liabilities	2	241,522	150,204
Total current liabilities		**242,451**	**450,637**
Total liabilities		**2,029,837**	**2,232,284**
Total equity and liabilities		**3,907,093**	**4,066,289**

Oslo, March 28, 2023

Rune Syversen *(Chairman)*
Wenche Agerup *(Board Member)*
Jennifer Koss *(Board Member)*
Jens Moberg *(Board Member)*
Dagfinn Ringås *(Board Member)*
Jens Rugseth *(Board Member)*
Grethe H. Viksaas *(Board Member)*
Brit B. Smestad *(Employee Representative)*
Mette Wam *(Employee Representative)*
Christian B. Ødemark *(Employee Representative)*
Melissa Mulholland *(CEO)*

Crayon Group Holding ASA

Cash flow statement

(NOK thousands)	**2022**	2021
Cash flow from operating activities		
Net income before tax	-92,550	-69,076
Net interest paid to credit institutions and interest to bond loan	113,816	47,135
Paid interest to group companies	236	308
Received interest from group companies	-34,468	-2,551
Changes in inventory, accounts receivable/ payable	496	432
Changes in other current accounts	169,075	-2,579,302
Net cash provided by operating activities	**156,605**	**-2,603,054**
Cash flow from investing activities		
Acquisition of subsidiary	0	0
Sales/purchase of own shares	0	0
Net cash from investing activities	**0**	**0**
Cash flow from financing activities		
Interest paid	-113,816	-47,135
Interest paid to group companies	-236	-308
Received interest from group companies	34,468	2,551
New equity	72,690	685,892
Net change in cash pool, group companies	143,168	61,460
Proceeds from issuance of interest bearing debt	-300,000	1,800,000
Receivable group contribution	0	53,663
Other financial items	6,591	-14,702
Net cash from financing activities	**-157,134**	**2,541,421**
Net increase (decrease) in cash and cash equivalents	**-530**	**-61,633**
Cash and cash equivalents at beginning of period	1,598	63,232
Cash and cash equivalents end of period	**1,068**	**1,598**

Restricted cash as of December 31, 2022 amounts to NOK 1m.

NOTE 1 Accounting principles

The financial statements have been prepared in accordance with the Accounting Act (Norway) and generally accepted accounting principles in Norway.

Non-current liabilities
Non-current liability is initially valued at transaction value less attributable transaction costs. Subsequent to initial recognition, interest-bearing non-current liabilities are recognised at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowing on an effective interest basis.

Current assets and liabilities
Current assets and liabilities are comprised of items receivable/due within one year and items related to the circular flow of goods. Current assets are valued at the lower of cost and market value.

Investment in subsidiaries
Subsidiaries are valued at cost. If actual value is below cost value and this continues over time, the investment in subsidiaries will be impaired. Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends or group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and is recognized as a reduction in carrying value of the investment.

Foreign currency
Transactions in foreign currency are converted at the exchange rate applicable on the transaction date. Monetary items in a foreign currency are converted to NOK using the exchange rate applicable on the balance sheet date. Non-monetary items measured at the historical rate expressed in a foreign currency are converted into NOK using the exchange rate applicable on the transaction date. Non-monetary items measured at fair value expressed in a foreign currency are converted at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period, and are presented as financial items.

Cash flow
The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash in hand, bank deposits and other current, highly liquid investments.

Receivables
Accounts receivable and other receivables are recognized at transaction price, minus a provision for bad debt. Provision for bad debt is determined on the basis of an individual assessment of receivables. Other receivables are valued using the same principle. Bank accounts included in cashpool are classified as other receivables.

Taxes
The income tax expense is comprised of both taxes payable (22%) for the period, which will be due in the next financial year, and changes in deferred tax. Deferred tax is determined on the basis of existing temporary differences between booked net income and taxable net income, including year-end loss carry-forward, calculated at 22%. Temporary differences, both positive and negative, which will be reversed, or are likely to be reversed, in the same period, are recorded net.

NOTE 2 Transactions with related parties

Accounts receivable and payable to Group companies:

(NOK thousands)	**2022**	2021
Receivables		
Other receivables[1]	2,975,507	3,184,542
Total receivables	**2,975,507**	**3,184,542**
Liabilities		
Other current liabilities[1]	210,765	145,283
Total liabilities	**210,765**	**145,283**

Transactions with related parties:

(NOK thousands)	**2022**	2021
Purchases of services		
Purchases from Crayon Group AS	-4,187	-2,448
Total purchases	**-4,187**	**-2,448**
Financial items		
Income from subsidiaries and other group companies	0	53,663
Interest income from group companies	34,468	2,551
Other Interest expenses to group companies	-236	-308
Total net financial items	**34,232**	**55,906**

[1] Other receivables/ other current liabilities consist of receivables/ liabilities within the cash pool, where the Top Account belongs to Crayon Group AS.

Interest income and expenses are related to the receivables in the cash pool.

NOTE 3 Other operating expenses

The company has no employees. Compensation to the members of the Board amounted to NOK 4.2m in 2022, and NOK 2.4m in 2021. The company has paid remuneration to the auditor in the following amounts:

(NOK thousands)	**2022**	2021
Audit fee	3,641	2,694
Other assurance services	55	29
Other non-audit services	445	123
Total	**4,141**	**2,846**

Fees are quoted excluding VAT.

Regarding wages and benefits, please see group Note 4 Payroll and related cost.

NOTE 4 Investment in subsidiaries

The company is the parent company to Crayon Group AS. The company owns shares in:

(NOK thousands)	Registered office	Historical cost	Book value	Ownership interest and voting rights	Net profit/loss	Company's equity
Company						
Crayon Group AS	Oslo	783,903	879,374	100%	92,530	1,042,757
ICE Distribution hf	Reykjavik	3,145	251	100%	614	-682
			879,625			

Crayon Group Holding ASA has received the following group contributions:

(NOK thousands)	**2022**	2021
Crayon AS	0	54,043

Group accounts have been made for Crayon Group Holding ASA. Accounts are available from:
Crayon Group Holding ASA
Gullhaug Torg 5
0484 OSLO

NOTE 5 Tax

(NOK thousands)	**2022**	2021
Taxes payable on profit for the year	0	0
Change in deferred tax	20,340	-16,262
Total taxes for the year	**20,340**	**-16,262**
Specification of the tax base		
Net income before income tax	-92,550	-69,076
+ Permanent differences	95	-52,524
+ Changes in temporary differences	2,725	-12,567
+ Received group contributions	0	54,043
- Use of losses carry-forward	0	0
= Tax base	**-89,730**	**-80,125**
Specification of tax expenses		
Taxes payable in the balance sheet	0	0
= Total taxes payable	0	0
+/- Changes in tax rate	0	0
+/- Change in deferred tax/tax assets	-20,008	-14,863
+/- Change in deferred tax/tax assets correction from last year[1]	-332	-1,399
= Income tax expense	**-20,340**	**-16,262**

[1] Recognized into equity

Deferred tax/deferred tax assets

	2022	2021
Accumulated tax losses carried forward	-232,025	-143,821
Shares and other securities	0	0
Other differences	10,060	12,801
Limited deduction for interest on related parties	-5,138	-5,138
= Basis for deferred tax	**-227,103**	**-136,158**
Deferred tax	**0**	**0**
Negative basis for deferred tax	-227,103	-136,158
= Basis for deferred tax asset	**-227,103**	**-136,158**
Deferred tax asset	**-49,963**	**-29,955**
Tax rate Dec 31 (%)	22%	22%

Recognized deferred tax assets can be set off against future income.

NOTE 6 Equity

(NOK thousands)	Share capital	Own shares	Share premium	Other equity	Total equity
Value Jan 1, 2022	**88,072**	**-10**	**1,734,159**	**11,784**	**1,834,005**
Share issues	1,214	0	83,534	0	84,748
Sharebased compensation	0	0	0	29,522	29,522
Corr last year	0	0	0	1,190	1,190
Net income for the year	0	0	0	-72,210	-72,210
Value Dec 31, 2022	**89,286**	**-10**	**1,817,693**	**-29,714**	**1,877,255**

NOTE 7 Share capital

Crayon group Holding ASA has 89,295,768 issued shares at a nominal value of NOK 1 (December 31, 2021; 88,071,987 shares at nominal value of NOK 1).

In 2022 the company increased the share capital with 1,213,781 shares at nominal value of NOK 1. Each share gives right to one vote.

The total share capital amounts to NOK 89,285,768.

The company owns 10,000 of its own shares to facilitate management of employee share purchases.

Shares	Number of shares	Total nominal value	Statutory provisions on voting
Shares	89,285,768	89,285,768	One share – one vote

The General Meeting on May 20, 2022 authorized the board of directors to increase the share capital in three different settings. All three authorizations are valid until the earlier of Crayon's annual general meeting in 2023 and June 30, 2023.

In relation to the Company's incentive schemes, the Board is granted an authorization to increase the Company's share capital with up to NOK 5,284,319, provided however that the authorization cannot be used for an amount in excess of 6% of the Company's share capital.

In connection with acquistions, etc. The Board is granted an authorization to increase the Company's share capital with up to NOK 8,807,198, provided however that the authorization cannot be used for an amount in excess of 10% of the Company's share capital.

The board of directors is granted an authorization to, on behalf of the Company, to repurchase treasury shares with a total nominal value of NOK 8,807,987, corresponding to 10% of of the Company's share capital at the time of the approval. The maximum amount to be paid per share is NOK 250 and the minimum is NOK 1.

In accordance with the company's Articles of Association, the number of shares is the same as the number of ordinary shares issued and fully paid-up.

The company's major shareholders as of December 31 who own more than 1% of the share capital, are:

Shareholder name	Shareholding
State Street Bank and Trust Comp	9.6%
OEP ITS Coöperatief Holding U.A	8.3%
FOLKETRYGDFONDET	7.0%
State Street Bank and Trust Comp	5.4%
KARBON INVEST AS	5.4%
BNP PARIBAS ARBITRAGE SNC	4.8%
Nordnet Bank AB	3.3%
Skandinaviska Enskilda Banken AB	3.2%
Credit Suisse (Switzerland) Ltd.	2.0%
JPMorgan Chase Bank, N.A., London	1.8%
The Bank of New York Mellon SA/NV	1.7%
CLEARSTREAM BANKING S.A.	1.1%
State Street Bank and Trust Comp	1.1%
VERDIPAPIRFONDET HOLBERG NORGE	1.1%
Citibank, N.A.	1.1%
DANSKE INVEST NORSKE INSTIT. II.	1.1%
VERDIPAPIRFONDET DNB NORGE	1.1%

Company trustees share ownership:

Officer	Number of shares
Karbon Invest AS (Jens Rugseth and Rune Syversen)	4,800,000
Bente Liberg (CHRO), Goodcharma AS	338,390
Brit Smestad (employee representative)	149,900
Jon Birger Syvertsen (CFO)	106,570
Bente Liberg (CHRO)	100,000
Grethe Viksaas (board member)	41,724
Dagfinn Ringås (board member), CDR Holding AS	20,000
Christian Ødemark (employee representative)	13,593
Jens Rugseth (board member), Rugz AS	13,236
Melissa Mulholland (CEO)	7,946
Florian Rosenberg (CTO)	7,864
Mette Wam (employee representative)	7,735
Wenche Marie Agerup (board member)	2,500
Rune Syversen (board member), Sevencs AS	2,125
Jennifer Koss (board member), Firea AS	850

Bonus shares under the ESPP 2020 vested November 2022. The shares were issued January 2023 and are therefore not included in the number of shares registered at December 31, 2022 presented in the table above. A number of 1,940 bonus shares were allotted to Melissa Mulholland, Brit Smestad, Grethe Viksaas and Jens Rugseth, 388 shares were allotted to Christian Ødemark and Mette Wam and 310 shares were allotted to Florian Rosenberg.

NOTE 8 Financial instruments

The total financial liabilities relating to the bond loan amounted to the following at December 31:

(NOK thousands)	**2022**	2021
Bond principal	1,800,000	2,100,000
Transaction cost	-12,613	-19,204
Total financial liabilities	**1,787,387**	**2,080,796**

Further information regarding currency swap, interest swap and revolving credit facility, please see group Note 16 Interest bearing debt and derivatives and Note 19 Financial risk.

Guarantee
Crayon Group Holding ASA (parent company) guarantees to Microsoft the full and promptly payment of a number of the parent's company affiliates outstanding debt and performance obligations, related to the normal core of business of the Group and recognised as part of account payables in the statement of the financial position. At year end, the total outstanding debt and obligations of the relevant parent company affiliates amounted to NOK 1,843m.

NOTE 9 Issuance of bond loan

In November 2019, the company issued a NOK 300m senior unsecured bond, with a NOK 600m borrowing limit. The bond has a floating coupon rate of 3 months NIBOR + 350 bps p.a. Maturity date and settlement was November 21, 2022.

On July 1, 2021, Crayon entered a NOK 1,800m 4-year senior unsecured floating rate bond with a coupon of 3 months NIBOR + 375 bps. The bond was issued July 15, 2021, and matures July 15, 2025 and is listed on the Oslo Stock Exchange (CRAYON 04).

Responsibility statement from the Board of Directors

We hereby confirm that the annual accounts for the Group and the company for 2022 to the best of our knowledge have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the company taken as a whole.

The Board of Directors' report gives a true and fair view of the development and performance of the business and the position of the Group and the company, as well as a description of the principal risks and uncertainties facing the Group

The Board of Directors of Crayon Group Holding ASA

Oslo, March 28, 2023

Rune Syversen
(Chairman)

Wenche Agerup
(Board Member)

Jennifer Koss
(Board Member)

Jens Moberg
(Board Member)

Dagfinn Ringås
(Board Member)

Jens Rugseth
(Board Member)

Grethe H. Viksaas
(Board Member)

Brit B. Smestad
(Employee Representative)

Mette Wam
(Employee Representative)

Christian B. Ødemark
(Employee Representative)

Melissa Mulholland
(CEO)

Auditor's report

KPMG AS
Sørkedalsveien 6
P.O. Box 7000 Majorstuen
N-0306 Oslo

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Crayon Group Holding ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Crayon Group Holding ASA, which comprise:

- the financial statements of the parent company Crayon Group Holding ASA (the Company), which comprise the Balance Sheet as at 31 December 2022, the Statement of income and Cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Crayon Group Holding ASA and its subsidiaries (the Group), which comprise the Consolidated Statement of financial position as at 31 December 2022, the Consolidated Statement of profit or loss and other comprehensive income, Consolidated Statement of changes in equity and Consolidated Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board

Offices in:
Oslo, Alta, Arendal, Bergen, Bodø, Drammen, Elverum, Finnsnes, Hamar, Haugesund, Knarvik, Kristiansand, Mo i Rana, Molde, Sandefjord, Stavanger, Stord, Straume, Tromsø, Trondheim, Tynset, Ulsteinvik, Ålesund

for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders on 8 May 2018 for the accounting year 2018.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Refer to Notes *2.3 Significant Accounting Principles*, *2.4 Significant Judgement and Estimation Uncertainty*, *2.5 Changes in Accounting Policies*, *2.6 Changes in Revenue Recognition* and *3 Segment information*

The key audit matter	*How the matter was addressed in our audit*
The Group's revenue, which comprises revenue from sale of software and services, including software and cloud licenses and value-added services and consulting, totalled 5 199 MNOK for the year ended 31 December 2022. In May 2022, the IFRS Interpretation Committee (IFRIC) formally published the final agenda decision providing guidance to principal versus agent-assessment under IFRS 15 for Software Resellers. The new guidance clarifies that the software reseller presales advice (while important) is not an implicit promise in a contract with a customer. Crayon has concluded that for a significant part of its operations, it does not control the software licenses before transferring to the customer and acts as an agent on these agreements. The Group revised its accounting policy for software and cloud licenses business and is from 2022 accounting for agreements under these business units as an agent and recognizes revenue net of related costs. This has led to restated prior periods.	Our audit procedures in this area included: • Applying professional scepticism and critically assessing the accounting judgments against the requirements of IFRS 15 including an assessment of the timing of revenue recognised in the period; • Challenging management's assessment of revenue recognition criteria for licenses and services in particular in relation to new contracts and renewals, and the identification of performance obligations; • Assessing management's models for estimating the prior period and current period impacts of the change in accounting policy by understanding of assumptions and estimates applied, analysis of the inputs to the model, and mathematical accuracy of calculations; • Reviewing and assessing the reasonableness and accuracy of the disclosures provided pertaining to the change in accounting policy, the adjustments applied and comparing the amounts of the restatements to supporting schedules.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Governance and the reporting on Corporate Social Responsibility, as included in the Board of Directors Report.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of Crayon Group Holding ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXI98043-2022-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 28 March 2023
KPMG AS

Julie Berg

Julie Berg
State Authorised Public Accountant

Alternative performance measures

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 and reorganizations. 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 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:

Gross sales
Gross revenues assuming we were principal and not agent on all software resale being restated.

(NOK thousands)	**2022**	2021
Gross Sales	38,760,511	26,438,331

Gross profit
Operating Revenue less materials and supplies.

(NOK thousands)	**2022**	2021
Revenue	5,199,561	3,658,787
Cost of sales	-704,000	-494,083
Gross profit	**4,495,561**	**3,164,704**

EBITDA
Earnings before financial items, income taxes, depreciation, impairment and amortization.

Adjusted EBITDA
EBITDA excluding share-based compensation and Other income and expenses.

(NOK thousands)	**2022**	2021
EBITDA	751,482	579,646
Adjustments:		
Share based compensation	13,445	55,002
Other income and expenses	74,290	8,923
Adjusted EBITDA	**839,217**	**643,572**

Adjusted EBITDA margin
Adjusted EBITDA / Gross profit

(NOK thousands)	**2022**	2021
Gross profit	4,495,561	3,164,704
Adjusted EBIDTA	839,217	643,572
Adjusted EBITDA Margin	**18.7%**	**20.3%**

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. On December 31:

(NOK thousands)	**2022**	2021
Inventory	17,328	2,869
Accounts receivable	6,562,970	4,492,969
Other current receivables	2,076,867	1,635,919
Income taxes payable	-76,300	-58,171
Accounts payable	-6,563,280	-4,813,772
Public duties	-612,971	-458,898
Other current liabilities	-1,525,145	-1,263,621
Net working capital	**-120,530**	**-462,705**

Liquidity reserve: Free available cash and available credit facilities in each company where Crayon operates. The liquidity reserve does not consider any restrictions on cross border cash transfers. On December 31:

(NOK thousands)	**2022**	2021
Cash and cash equivalents	1,529,641	1,216,618
Restricted cash	-52,290	-72,261
Free available cash	1,477,352	1,144,357
Available credit facility	10,027	847,786
Liquidity reserve	**1,487,379**	**1,992,143**

Other definitions
CAPEX: Capital expenditures that mainly consist of office equipment and capitalizes expenses related to development activities according to IAS 38.
EBIT: Earnings before interest expense, other financial items, and income taxes.
Trade Working Capital: The net amount of inventory, accounts receivables and accounts payables.
Leverage ratio: Net interest-bearing debt (Note 16 Interest bearing debt and derivatives), divided by adjusted EBITDA.
Free available cash: Cash and cash equivalents less restricted cash.
Restricted cash: The amount consists of employee taxes withheld and cash as collateral for bank guarantees.

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