



# Crayon A/S

Tobaksvejen 2A, 3.  
DK-2860 Søborg

CVR no. 28 71 61 84

## Annual report 2021

The annual report was presented and approved at  
the Company's annual general meeting on

19 May 2022

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Chairman of the annual general meeting

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**Crayon A/S**  
Annual report 2021  
CVR no. 28 71 61 84

## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Crayon A/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Gladsaxe, 19 May 2022  
Executive Board:

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Marina Lønning

Board of Directors:

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Rune Syversen  
Chairman

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Melissa Ann Mulholland

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Jon Birger Syvertsen

## Independent auditor's report

### To the shareholder of Crayon A/S

#### Opinion

We have audited the financial statements of Crayon A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

## Independent auditor's report

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, 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 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 in preparing the financial statements 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 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 to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 19 May 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen  
State Authorised  
Public Accountant  
mne34459

Niklas R. Filipsen  
State Authorised  
Public Accountant  
mne47781

**Crayon A/S**  
Annual report 2021  
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## Management's review

### Company details

Crayon A/S  
Tobaksvejen 2A, 3.  
2860 Søborg  
Denmark

CVR no.:	28 71 61 84
Established:	1 June 2005
Registered office:	Gladsaxe
Financial year:	1 January – 31 December

### Board of Directors

Rune Syversen, Chairman  
Melissa Ann Mulholland  
Jon Birger Syvertsen

### Executive Board

Marina Lønning

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13  
DK-8210 Aarhus V  
CVR no. 25 57 81 98

## Management's review

### Financial highlights

DKK'000	2021	2020	2019	2018	2017
<b>Key figures</b>					
Revenue	1,193,105	1,006,823	859,348	560,900	464,188
Gross profit	108,745	97,490	85,794	77,259	60,703
Profit before financial income and expenses	39,291	31,799	23,721	16,859	11,549
Profit/loss from financial income and expenses	-729	-1,609	856	-115	-543
Profit for the year	29,928	23,470	18,840	13,293	8,561
<b>Balance sheet</b>					
Total assets	338,457	267,689	198,130	138,578	148,379
Equity	46,613	36,505	30,742	21,769	16,906
Investment in property, plant and equipment	387	360	170	1,004	722
<b>Ratios</b>					
Return on invested capital	13.0%	13.7%	14.1%	11.8%	7.6%
Return on equity	72.0%	69.8%	71.8%	68.7%	42.9%
Solvency ratio	13.8%	13.6%	15.5%	15.7%	11.4%

The financial ratios have been calculated as follows:

Return on invested capital

$$\frac{\text{Operating profit} * 100}{\text{Average invested capital}}$$

Return on equity

$$\frac{\text{Profit from ordinary activities after tax} * 100}{\text{Average equity}}$$

Solvency ratio

$$\frac{\text{Equity} * 100}{\text{Total equity and liabilities at year-end}}$$

## Management's review

### Operating review

#### Principal activities

The Company resells software and provide consultancy services and managed services within Software Asset Management, Cloud services, IT infrastructure and IT architecture.

#### Development in activities and financial position

##### *Profit for the year*

The Company's income statement for 2021 shows a profit of DKK 29,928 as against DKK 23,470 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 46,613 as against DKK 36,505 at 31 December 2020.

2021 is a year where our industry rises to the ongoing challenges of rapid rates of innovation and responding to what our customers require in a new normal working in a hybrid environment. Several larger new customers and partners have chosen Crayon as their partner for cloud services and software asset management, and we have kept almost all existing customers and partners in our portfolio.

Crayon Denmark has launched several new services focusing on helping customers on their digital transformation journey and at the same time optimizing the ROI of software investments. Our most popular bestsellers in 2021 have been cloud services, software asset management, cloud economics, audit support and cost optimization services. Our indirect business, where we support hosting and cloud partners, continue to grow and we see a continuous growth in consumption of services in the Cloud.

The result for the year was better than expected. Earnings are better than expected and we have significant growth rates on licenses, Cloud, and Managed Services.

#### Outlook

The business is expected to have continued stable growth, with a continued increase in the number of customers, sales, and earnings. In line with the company's strategy, growth will occur relatively faster in services, which require an increase in staff. The company has delivered strong earnings growth in 2021 and expects continued growth and a positive result in 2022. The overall expectation is a yearly growth in Gross Profit of 5-10%.

#### Environmental matters

Sustainability report and information on how the Company takes a position on issues relating to the environment, social conditions, human rights and counteracted by corruption, is covered by our Parent Company, Crayon Group AS org. No. 981125592, with registered office in Oslo, Norway. The CSR report is available via [www.crayon.com](http://www.crayon.com).

#### Corporate social responsibility in accordance with section 99a of the Danish Financial Statements Act

Corporate responsibility is in the core of what we do. We support the United Nations Global Compact and its 10 principles of human rights, labor, environment, and anti-corruption.

Corporate social responsibility (CSR) in Crayon is firmly based on the Group's core values and its 'Corporate Social Responsibility Policy' and 'Corporate Governance Guidelines' as adopted by Crayon Group.



## Management's review

### Operating review

#### Human rights

Integrity is a core value for us and as a part of this we act respectful to others. We do not tolerate any forms of harassment or discrimination. Issues are resolved respectfully, and we never resort to acts or threats of violence.

Crayon as a company has been admitted into the UN Global Compact, which is an initiative that aims to “advance universal principles on human rights, Labor, environment and anti-corruption through the active engagement of the corporate community”. As part of this engagement, Crayon is committed to internalize the ten key UN principles within our strategies, policies, and operations.

We also have taken on projects to advance the UN’s Sustainable Development Goals (SDG.) The UN established 17 SDGs to achieve by 2030 that Crayon aim to end poverty, fight inequality and injustice and protect the planet.

There has been no reported violation of human rights in 2021 and no risk has been identified in relation to this matter in 2021.

## Management's review

### Operating review

#### Climate impact

Crayon Denmark's offices is DGNB-platin certified as the first in Denmark for its holistic approach to sustainability with a combination of the use of sustainable materials, flexible work areas and technical solutions to create a healthy environment, both inside and outside.

Further we fulfil the EU legislation on energy and conduct regular energy inspections in our offices. To reduce Co2 we allow our people to work from home 2-3 days per week to the extent the nature of the work allows it. We use video as much as possible to reduce travel activities.

In our product and service development going forward we strive to embed measures on how the customers reduce their CO2 by using our services.

Crayon Group's Corporate Social Responsibility (CSR) status is evaluated by an independent, third party named Eco Vadis. The methodology covers 21 criteria across four themes: environment, Labor & Human Rights, ethics/fair business practices, and supply chain.

The methodology is built on international CSR standards including the Global Reporting Initiative, the United Nations Global Compact, and ISO 26000.

Sustainability is foundational to our business strategy, as we support businesses along every step of their digital transformation journey. This means helping them to move away from on-premises servers and into the more eco-friendly, secure, and efficient cloud. We also use innovation to drive more sustainable solutions, such as building sustainable license management practices and offering services that help companies take charge of their carbon emissions.

In June we launched our first fully global ESG strategy that covers all 37 countries and more than 50 offices worldwide.

The strategy is anchored at the board level and centers around the sustainability pillars of people, planet, and prosperity. Twenty percent of our global workforce is already engaged in our ESG plan.

The global strategy includes clear baseline metrics in terms of measuring and understanding our own materiality, environmental impact and targets, impactful diversity, equity and inclusion efforts, and innovative products to help our customers on their own ESG journey.

Crayon as a company will continue the work in 2022 with Corporate Social Responsibility (CSR) in the four aspects environment, Labor & Human Rights, ethics/fair business practices, and supply chain to obtain the focus and continue to deliver good results in this aspect.

## Management's review

### Operating review

#### Anticorruption and bribery

We do not tolerate any kind of corruption or bribery – this is clearly stated in our code of conducts and our handbook available for all employees and delivered to all new employees. All employees have completed Microsoft's "Anti- corruption training that is required to complete every year.

As of 13 April 2021, Crayon is ISO certified within Information Security, Privacy and Quality.

To achieve a global ISO authorization in three major areas in just four months is a truly remarkable achievement. This has been possible thanks to an innovative approach, where we have certified our service development framework and methodology together with our new service development tool. An approach like this now allows us to refer to our ISO certificate by making sure our services are defined, documented, and developed through our new service development process.

- Information Security - ISO 27001:2013
- Privacy - ISO 27701:2019
- Quality - ISO 9001:2015

The work with obtaining clear Anti- corruption trainings for all employees and Crayon's work with the ISO certification will continue going forward.

No risk has been identified in relation to anticorruption and bribery in 2021.

## Management's review

### Operating review

#### Goals and policies for the underrepresented gender in accordance with section 99b of the Danish Financial Statements Act

Overall Crayon Denmark has significant better employee satisfaction compared to the average in the Danish market. We also strive for diversity in all aspects including gender equality. As of now the management team in Crayon A/S consists of 50% females and 50% males and the company in total have 37% females and 63% males employed. For the Group, 32% of employees are women.

The Board of Directors was 2 men and 1 woman, and the gender is now equally represented. Going forward we strive to have the genders equally represented.

The IT industry in general is characterized by a low share of female employees and further measure has been put in place to increase our gender diversity; among others we will always have both genders represented at the final hiring interview.

The SHE Index started in 2018, with an aim to close the gender gap because it measures and compares companies' gender diversity.

Crayon Group has been a participant of SHE Index since 2018, and we are focused to keep working continuously for gender equality. For this year's index, Crayon scored 98 out of 100 points to achieve the ranking of second place. Its 2021 score is 18 points higher than the previous year.

Crayon Group as a company also won the Rising Star Award for making the most gains on the index in a single year.

Crayon's biggest asset is our employees, and employees' development in Crayon will continue to be a focus in 2022.

In 2022, Crayon will increase the technical development and competence of our employees, through the management tool implemented in 2019, with targeted trainings, upskilling, and certifications across our vendors, which strengthens our multicloud capabilities.

In 2019 the company established a stock ownership program available to all employees. This stock ownership program will continue going forward, because it is very important for us that our employees have a share in the development of Crayon.

Work-life balance is taken seriously, and Crayon supports flexible working hours, provides training to employees, and has a transparent recruitment process in place that is clearly communicated to all candidates.

## Management's review

### Operating review

#### The Company's risk exposure

##### **Business risks**

Risks and uncertainties in the business are access to qualified personnel in the areas we operate. Specialist expertise is a decisive factor in gaining new and retaining existing customers, and in maintaining certifications and authorizations required by larger software vendors.

Most of our customers have adapted to the new normal in Covid-19 times and have a continuous need to automate and accelerate their digital transformation to stay competitive. Software and adoption of new technologies is a key enabler for this and the need to optimize, operate, innovate and secure IT environments remains strong.

Further uncertainty is how COVID-19 will impact our customers and their willingness to buy our services. We remain optimistic as most customers and partners are looking for cost savings and optimization of their software and cloud assets. In addition, COVID-19 has accelerated the need for digital transformation in almost all industries to sell and develop a good customer experience.

Our employees have shown an impressive ability to adapt to the new normal in COVID-19 times, develop our competencies and deliver high quality to our customers.

##### **Financial risks**

Larger transactions involving currency risk are hedged by the means of forward contracts. The company do not have any financial instruments in foreign currency.

The fact that the company purchases in the same currency in which the sales are performed, mitigates the currency exposure resulting in a natural hedging for the company.

#### Data ethics in accordance with section 99d of the Danish Financial Statements Act

Crayon's data ethics principles cover all confidential business and personal data collected, analysed, stored, shared, and otherwise processed.

Whereas Crayon's Security and Privacy Policy governs the data principles which each processing activity must strictly adhere to, including the collection, storage, use and sharing of financial data, Crayon's Integrity Policy governs the ethical codes of conduct which each team member must strictly adhere to when processing confidential business and personal data, including the processing and sharing of financial data.

#### Events after the balance sheet date

No events have occurred from the balance sheet data and to this date that will change the assessment of the financial statements.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2021	2020
<b>Revenue</b>	2	1,193,105	1,006,823
Cost of sales		-1,072,855	-898,651
Other operating income		308	666
Other external costs		-11,813	-11,348
<b>Gross profit</b>		108,745	97,490
Staff costs	3	-67,718	-63,646
Depreciation and amortisation		-1,736	-2,033
Other operating expenses		0	-12
<b>Profit before financial income and expenses</b>		39,291	31,799
Financial income	4	1,045	351
Financial expenses	5	-1,774	-1,960
<b>Profit before tax</b>		38,562	30,190
Tax on profit for the year		-8,634	-6,720
<b>Profit for the year</b>	6	29,928	23,470

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	7		
Goodwill		<u>1,200</u>	<u>2,400</u>
<b>Property, plant and equipment</b>	8		
Fixtures and fittings, tools and equipment		426	458
Leasehold improvements		<u>23</u>	<u>140</u>
		<u>449</u>	<u>598</u>
<b>Financial assets</b>	9		
Deposits		<u>1,496</u>	<u>1,551</u>
<b>Total fixed assets</b>		<u>3,145</u>	<u>4,549</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables	10	207,943	181,195
Receivables from group entities		4,663	2,636
Service in progress	11	1,140	0
Other receivables		0	277
Prepayments	12	<u>100</u>	<u>99</u>
		<u>213,846</u>	<u>184,207</u>
<b>Cash at bank and in hand</b>		<u>121,466</u>	<u>78,933</u>
<b>Total current assets</b>		<u>335,312</u>	<u>263,140</u>
<b>TOTAL ASSETS</b>		<u><u>338,457</u></u>	<u><u>267,689</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		532	532
Retained earnings		21,081	15,473
Proposed dividends for the financial year		<u>25,000</u>	<u>20,500</u>
<b>Total equity</b>		<u>46,613</u>	<u>36,505</u>
<b>Provisions</b>			
Provisions for deferred tax	13	<u>100</u>	<u>296</u>
<b>Total provisions</b>		<u>100</u>	<u>296</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Other credit institutions		<u>12,827</u>	<u>0</u>
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities		6,664	0
Banks		988	0
Prepayments received from customers		9,606	10,745
Trade payables		215,302	151,671
Payables to group entities		7,451	25,154
Corporation tax		2,152	2,292
Other payables		36,499	39,883
Deferred income	14	<u>255</u>	<u>1,143</u>
		<u>278,917</u>	<u>230,888</u>
<b>Total liabilities other than provisions</b>		<u>291,744</u>	<u>230,888</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>338,457</u>	<u>267,689</u>
<b>Contractual obligations, contingencies, etc.</b>	15		
<b>Mortgages and collateral</b>	16		
<b>Related party disclosures</b>	17		
<b>Fees to auditor appointed at the general meeting</b>	18		



## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2021	532	15,473	20,500	36,505
Equity movements	0	680	0	680
Ordinary dividends paid	0	0	-20,500	-20,500
Transferred over the profit appropriation	0	4,928	25,000	29,928
<b>Equity at 31 December 2021</b>	<b>532</b>	<b>21,081</b>	<b>25,000</b>	<b>46,613</b>

## Financial statements 1 January – 31 December

### Cash flow statement

DKK'000	Note	2021	2020
Profit for the year		29,928	23,470
Other adjustments of non-cash operating items	19	10,042	8,622
Depreciation and amortisation		1,736	2,033
Cash flows from operations before changes in working capital		41,706	34,125
Changes in working capital	20	30,424	-7,099
Cash flows from ordinary activities		72,130	27,026
Interest income		1,045	351
Interest expense		-1,774	-1,960
Corporation tax paid		-8,969	-7,951
<b>Cash flows from operating activities</b>		<b>62,432</b>	<b>17,466</b>
Acquisition of property, plant and equipment		-387	-360
Disposal of property, plant and equipment		0	11
<b>Cash flows from investing activities</b>		<b>-387</b>	<b>-349</b>
Shareholders:			
Distributed dividends		-20,500	-18,000
<b>Cash flows from financing activities</b>		<b>-20,500</b>	<b>-18,000</b>
<b>Cash flows for the year</b>		<b>41,545</b>	<b>-883</b>
Cash and cash equivalents at the beginning of the year		78,933	79,816
<b>Cash and cash equivalents at year-end</b>		<b>120,478</b>	<b>78,933</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Crayon A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

### Income statement

#### Revenue

##### Net revenue

Net revenue is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Income is considered realised when an agreement has been signed with the customer and the company is considered to have delivered its service. Income is accrued over the term of the contract because the customers may change supplier during the contract period. The income of the year corresponds to 12 months of income for contracts on which the company is supplier. Income for a year is recognised at the time when the customer has decided to use the customer as supplier for another 12 months period.

##### Indirect sales

In indirect sales arrangements, Crayon invoices the customer and receives payment from the customer, while the software vendor bills and receives payment from Crayon. Crayon has a risk of delinquency by the customer, whilst having a financial commitment to the supplier. The gross amount billed to the customer is therefore recognised as revenue in the financial statements and the purchase from the supplier is recognised as cost of sales.

##### Direct sales

In direct sales arrangements, the vendor invoices customers directly, not through Crayon. Crayon A/S recognises incentive fees in the same month as the sales agreement is signed.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Sales of licenses

Income from sale of licences is recognised at the time of delivery. As regards sale of licences on a long-term contract where the customers pay annual fees, the income is recognised in the relevant period.

As regards sale of licences, Crayon A/S invoices the gross amount and receives an invoice from the relevant software provider. The Company bears the debtor risk concerning its customers and the Company therefore recognises sale of licences by a gross presentation under revenue.

##### Rendering of services

The rendering of services typically involves the performance by the entity of a contractually agreed task over an agreed period of time. The services may be rendered within a single period or over more than one period. Revenue from the rendering of services is to be recognised based on the percentage-of-completion method when the outcome of the transaction can be estimated reliably.

##### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

##### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

##### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

##### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

##### Other operating expenses

Other operating expenses include items of a secondary nature in relation to the entity's principal activities, including loss from the sale of property, plant and equipment.

##### Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from transactions in foreign currencies as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

##### Balance sheet

##### Intangible assets

###### *Goodwill*

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life, which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile and the industry-specific conditions.

##### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Depreciation is recognised in the income statement as depreciation and amortisation.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Financial assets

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

#### Leases

Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

#### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as financial assets is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

#### Service in progress

Service in progress is measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual service contract. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual contract.

When the selling price of a service contract cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

The individual service contract is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise the total of service in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of service in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

#### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Equity

##### *Dividends*

The expected dividends payment for the year is disclosed as a separate item under equity.

##### *Share-based incentive schemes*

Share-based incentive schemes for the Group's Management and employees with the option to subscribe for shares in the Parent Company (options) are considered a matter of the relevant shareholders, and the fair value of options granted is therefore not recognised in the income statement as estimated payroll costs on an ongoing basis.

#### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

##### Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

##### Cash flows from operating activities

Cash flows from operating activities are calculated as the Company's share of profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

##### Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

##### Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's contributed capital and costs in this respect as well as raising of loans, installments on interest-bearing debt and distribution of dividends to owners.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash, bank deposits and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

##### Segment information

Segment information is provided on business segments and geographical markets. The segment information is in line with the Group's accounting policies, risks and internal financial management.

Assets in the segment comprise assets used directly in revenue-generating activities.

Segment liabilities comprise liabilities derived from the operations of the segment, including trade payables and other payables.



## Financial statements 1 January – 31 December

### Notes

#### 2 Revenue

##### Geographical and activities segments

DKK'000	Service	Software and Cloud	Total
2021			
EU - other than Nordics	1,155	98,527	99,682
Nordics	20,815	1,035,774	1,056,589
Other	<u>2,858</u>	<u>33,976</u>	<u>36,834</u>
Total	<u><u>24,828</u></u>	<u><u>1,168,277</u></u>	<u><u>1,193,105</u></u>

#### 3 Staff costs

DKK'000	2021	2020
Wages and salaries	56,679	54,383
Pensions	7,747	6,142
Other social security costs	525	540
Other staff costs	<u>2,767</u>	<u>2,581</u>
	<u><u>67,718</u></u>	<u><u>63,646</u></u>
Average number of full-time employees	<u><u>83</u></u>	<u><u>82</u></u>

Pursuant to section 98b(3) of the Danish Financial Statements Act, the Company has not disclosed remuneration of Management for 2021 as only one member of the Board of Directors and Executive Board is remunerated.

#### Incentive schemes

##### Share option program (IPO)

In connection with the listing on Group level in Norway, the Board of Directors resolved to establish a new option program to tie key personnel closer to the Company and to enhance the economic incentive related to value creation within the Group. There are two share option programs, one granted in relation to the IPO (IPO Share incentive scheme) and one share-based incentive scheme implemented in 2020 to general managers and to executive management (Management share option programs). Management share option program includes both employment and performance vesting conditions. Each share option allows for the subscription of one share in Crayon Group Holding ASA. The fair value of the options is calculated at grant date and expensed over the vesting period.

##### Employee share purchase program (ESPP):

There are two employee share purchase programs, where all employees in the Company and its subsidiaries in which an offer could be lawfully made, have been offered to participate. First offer was given in Q4 2019 (ESPP 2019) and a second offer in Q4 2020 (ESPP 2020).

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). The duration of the program is five years from the grant date on 18 October 2017. The size of the option program is up to 200,000 options relating to Crayon A/S, Denmark. The program consists of three tranches with an earnings period of 1, 2 and 3 years. The options will vest in the three tranches, whereby each tranche consisting of 1/3 of the options will vest on the first, second and third anniversary of the grant date, respectively (i.e. 18 October 2018, 2019 and 2020).

## Financial statements 1 January – 31 December

### Notes

A cost of DKK 680 thousand (2020: DKK 295 thousand) has been charged as an expense in the income statement for 2021.

Fair value of options

The fair value at grant date is determined using an adjusted form of the Black Scholes Model that considers exercise price, the term of the option, 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 8 November 2017 up until the grant date. Risk free interest is based on treasury bond with same maturity as the option program.

The expiry date of all three tranches is October 2022.

The fair value of issued options is as follows as of 31 December 2021:

GM options 2020: NOK 902,006

ESPP 2020: NOK 180,778

ESPP 2019: NOK 190,383

DKK'000

#### 4 Financial income

	2021	2020
Interest income from group entities	214	222
Other financial income	831	129
	<u>1,045</u>	<u>351</u>

#### 5 Financial expenses

Interest expense to group entities	0	680
Other financial expenses	1,774	1,280
	<u>1,774</u>	<u>1,960</u>

#### 6 Proposed profit appropriation

Proposed dividends for the year	25,000	20,500
Retained earnings	4,928	2,970
	<u>29,928</u>	<u>23,470</u>

## Financial statements 1 January – 31 December

### Notes

#### 7 Intangible assets

DKK'000	<u>Goodwill</u>
Cost at 1 January 2021	12,000
Cost at 31 December 2021	12,000
Amortisation and impairment losses at 1 January 2021	-9,600
Amortisation for the year	-1,200
Amortisation and impairment losses at 31 December 2021	-10,800
<b>Carrying amount at 31 December 2021</b>	<b>1,200</b>

#### 8 Property, plant and equipment

DKK'000	<u>Fixtures and fittings, tools and equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost at 1 January 2021	3,263	697	3,960
Additions for the year	387	0	387
Disposals for the year	-139	0	-139
Cost at 31 December 2021	3,511	697	4,208
Depreciation and impairment losses at 1 January 2021	-2,805	-557	-3,362
Depreciation for the year	-419	-117	-536
Reversed impairment losses	139	0	139
Depreciation and impairment losses at 31 December 2021	-3,085	-674	-3,759
<b>Carrying amount at 31 December 2021</b>	<b>426</b>	<b>23</b>	<b>449</b>

#### 9 Financial assets

DKK'000	<u>Other receivables</u>
Cost at 1 January 2021	1,551
Disposals for the year	-55
Cost at 31 December 2021	1,496
<b>Carrying amount at 31 December 2021</b>	<b>1,496</b>

#### 10 Trade receivables

Of the total trade receivables of DKK 207,943 thousand, DKK 7,076 thousand (2020: DKK 14,152 thousand) falls due after 12 months from the balance sheet date.

## Financial statements 1 January – 31 December

### Notes

#### 11 Service in progress

DKK'000	<u>31/12 2021</u>	<u>31/12 2020</u>
Selling price of work performed that can be specified as follows:	1,140	0
Service in progress (assets)	1,140	0

#### 12 Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years including prepaid insurance, rent, licenses, etc.

#### 13 Deferred tax

DKK'000	<u>31/12 2021</u>	<u>31/12 2020</u>
Deferred tax at 1 January	296	622
Deferred tax adjustment for the year in the income statement	<u>-196</u>	<u>-326</u>
	100	296
	<u>100</u>	<u>296</u>
Intangible assets	264	528
Tangible assets	-186	-252
Prepayments	<u>22</u>	<u>20</u>
	<u>100</u>	<u>296</u>

#### 14 Deferred income

Deferred income consists of payments received in respect of income in subsequent financial years.

#### 15 Contractual obligations, contingencies, etc.

##### Operating lease obligations

The Company has entered into contractual obligations, including leases and rent agreements with a residual term of up to 32 months. The obligations at 31 December 2021 is totalling DKK 12,525 thousand (2020: DKK 17,219 thousand), of which DKK 5,111 thousand (2020: DKK 5,268 thousand) falls due for payment in 2022.

##### Joint liabilities

The Company is jointly taxed with the other Danish companies in the Crayon Group. As a wholly-owned subsidiary, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends. Any subsequent correction of the taxable jointly taxed income or withholding taxes may entail an adjustment of the Company's liability.

## Financial statements 1 January – 31 December

### Notes

#### 16 Mortgages and collateral

As a guarantor, the Company has provided joint collateral up to NOK 1.2 billion in favour of Crayon Group Holding AS' engagement with Nordic Trustee ASA.

The collateral is provided in connection with Crayon Group Holding AS' bonds, which are listed on the Oslo Stock Exchange.

#### 17 Related party disclosures

##### Control

Crayon A/S' related parties comprise the following:

Crayon Group AS, Sandakerveien 114A, 0484 Oslo, Norway

Crayon Group AS holds the majority of the contributed capital in the Company.

Crayon A/S is part of the consolidated financial statements of Crayon Group Holding ASA, Sandakerveien 114, 0484 Oslo, Norway, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Crayon Group Holding ASA can be obtained by contacting the parent company at the above address or on the Company's website: [www.crayon.com](http://www.crayon.com)

##### Related party transactions

The Company recognised the following transactions with related parties in 2021:

Sale of services to related parties amounts to DKK 15,590 thousand.

Cost of services purchased from related parties amounts to DKK 420,442 thousand.

Pursuant to section 98b(3) of the Danish Financial Statements Act, the Company has not disclosed remuneration of Management for 2021 as only one member of the Board of Directors and Executive Board is remunerated.

Payables/receivables to/from related parties are disclosed in the balance sheet.

Financial income from related parties is disclosed in note 4.

Dividends paid in 2021 to Crayon A/S' shareholder amounts to DKK 20,500 thousand.

#### 18 Fees to auditor appointed at the general meeting

DKK'000	2021	2020
Audit fee	207	200
Other assurance engagements	0	14
Tax advisory services	10	10
Other services	38	8
	<u>255</u>	<u>232</u>

## Financial statements 1 January – 31 December

### Notes

#### 19 Cash flow statement - Other adjustments

DKK'000	2021	2020
Financial income	-1,045	-351
Financial expenses	1,774	1,960
Tax on profit for the year	8,633	6,720
Equity movements	680	293
	<u>10,042</u>	<u>8,622</u>

#### 20 Change in working capital

Change in receivables	-29,584	-72,125
Change in trade and other payables	60,008	65,026
	<u>30,424</u>	<u>-7,099</u>

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### Bestyrelsesformand

On behalf of: Crayon A/S/Crayon Consulting A/S

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2022-05-19 08:05:58 UTC



## Jon Birger Syvertsen

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## Marina Lønning

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## Niklas Filipen

### Statsautoriseret revisor

On behalf of: KPMG Statsautoriseret Revisionspartners...

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## Mikkel Trabjerg Knudsen

### Statsautoriseret revisor

On behalf of: KPMG Statsautoriseret Revisionspartners...

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## Rune Syversen

### Dirigent

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