Q3 and YTD 2021 results

SmartCraft ASA

10th November 2021

Agenda

- A brief intro to SmartCraft
- Q3 operational and financial highlights
- Summary and outlook
- Q&A

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SmartCraft
BETTER DIGITAL TOOLS

Simplify business for construction companies

Become the leading provider of specialized digital solutions for construction companies in Northwestern Europe

SmartCraft has a clearly differentiated and unique position in the value chain

Least digitalized

	Design and planning phase	Building phase	Accounting phase
Enterprise	AUTODESK	PROCORE	Microsoft Dynamics
SME	NEMETSCHEK GROUP	SmartCraft	admicom / FORTNOX
Customers / User groups	**Architects | Engineers | Planners**	**General and speciality contractors**	**Accountants and administrators**

The leading Nordic provider[1] of mission critical solutions for the construction industry

Vast market opportunity, digitizing construction in the Nordics and North-Western Europe

Strong product portfolio with pure construction focus

Attractive SaaS business model

Unmatched combination of growth and profitability

1) Currently penetrated market. Source: ADL

Strong financial profile and attractive SaaS metrics

Nordic market leader	**Nordic leader with domain expertise**	**~115,000** users **~11,000** customers	**Complete vertical software offerings**
Attractive and scalable profile	**41%** Adjusted EBITDA margin	**55%** sales conversion[3]	**7** acquisitions in 2017-2021
Outstanding metrics	**NOK 260m** ARR[1], **6%** churn	**95%** recurring revenue[2], **18%** organic growth	**16%** organic growth in total revenue

Note: Based on YTD 30.09.2021 financials prepared according to IFRS
1. Defined as revenues from fixed price subscriptions; 2. Defined as subscription revenue on fixed price + transaction based pricing,
3. Conversion from meetings to sales in 2020

Solid platform for future growth

- Experienced management team with unique industry skills and proven SaaS track record
- 180 employees of which 1/3 work in R&D
- Solid balance sheet with net cash position
  - Strong investment and acquisition ability
- Solid domestic and international shareholder base
- Management and Board 10,4% ownership

Key facts

Listed
Oslo Børs, Norway

Market cap
Pr 9/11/21: BNOK 3.7

IPO date
24 June 2021

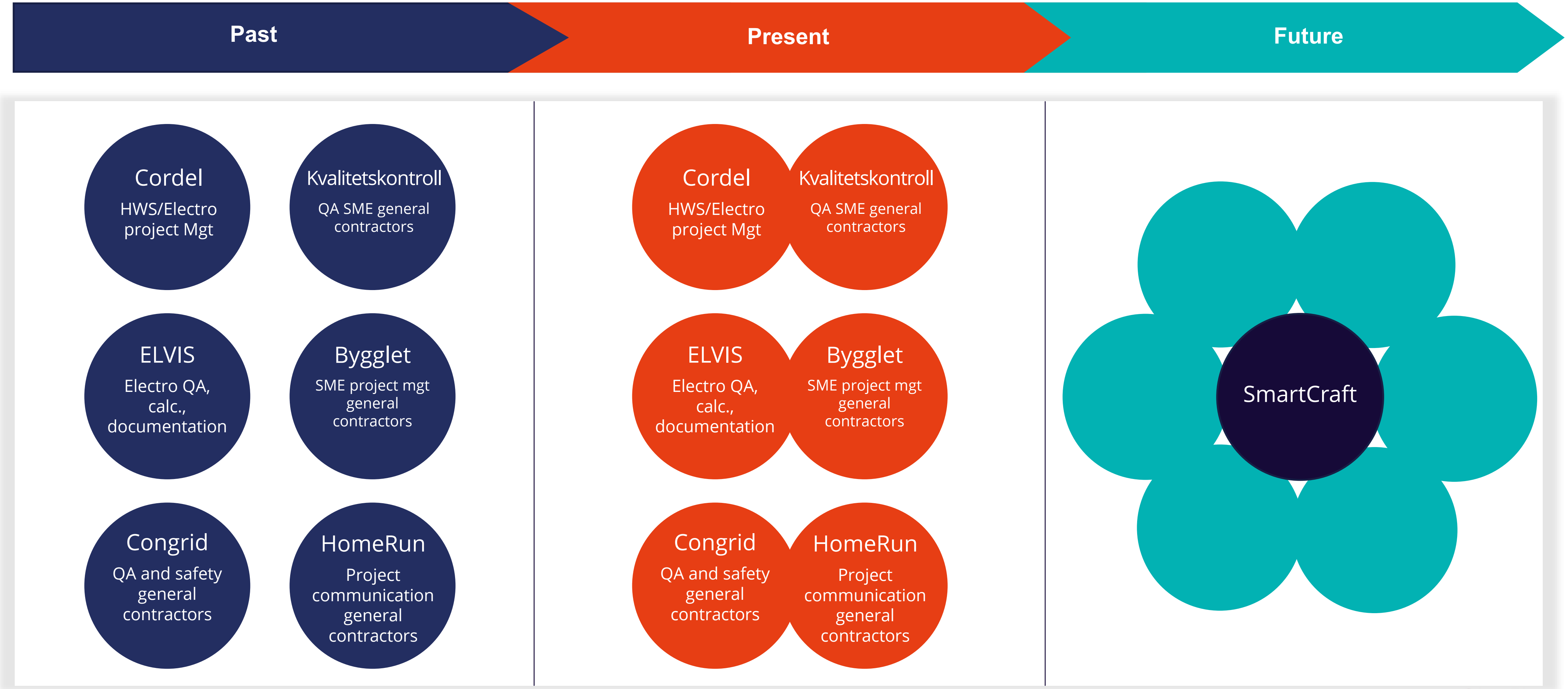
Reporting interval
Quarterly

Ticker code
SMCRT

Research coverage
ABG Sundal Collier Berenberg Carnegie

Website
Smartcraftready.com

Gradually integrating products and technology to leverage scalability



Individual autonomous solutions

Integrate where it makes sense

Common services; communication, authentication, single sign on, etc

Highly integrated solutions with many touch points

Integrated with all key customer activities

In office
Integrated with ERP, CRM and other software solutions

In field
Used by workers daily across sites

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Regulatory
Automated reporting to relevant bodies

Suppliers
Directly integrated to major suppliers

Mission critical SaaS solutions

- ✓ Solution covers all daily and new project tasks
- ✓ Modular offering
- ✓ «All-in-one» app solution
- ✓ ~80% of users[1] use the solutions on a daily basis
- ✓ Easy to implement, easy to use, easy support

Note: 1. Based on Cordel users

Multiple levers for growth

… driven by a strong commercial organization and proven go-to-market model

Organic growth: Further optimization of marketing and sales

- Win new customers
- Upsales to existing customers
- Cross sell on existing portfolio

M&A in existing and new geographies

- Proven M&A track record
- Detailed M&A methodology
- Active M&A pipeline

Q3 operational and financial highlights

Some operational highlights in Q3

Market

- Implementation of Congrid for big Swedish customer shows scaling potential outside Finland
- Continous focus on growth in the Electro vertical

Product

- EL-VIS ready for the Finnish market
- Cordel Quality Assurance module reached 1000 users

People

- Lifting of Covid-19 restrictions
- Co-located in Helsinki
- Increased collaboration for cross group and upsales

Proven M&A ability in a fragmented market – SmartCraft well positioned to lead the consolidation

KVALITETSKONTROLL

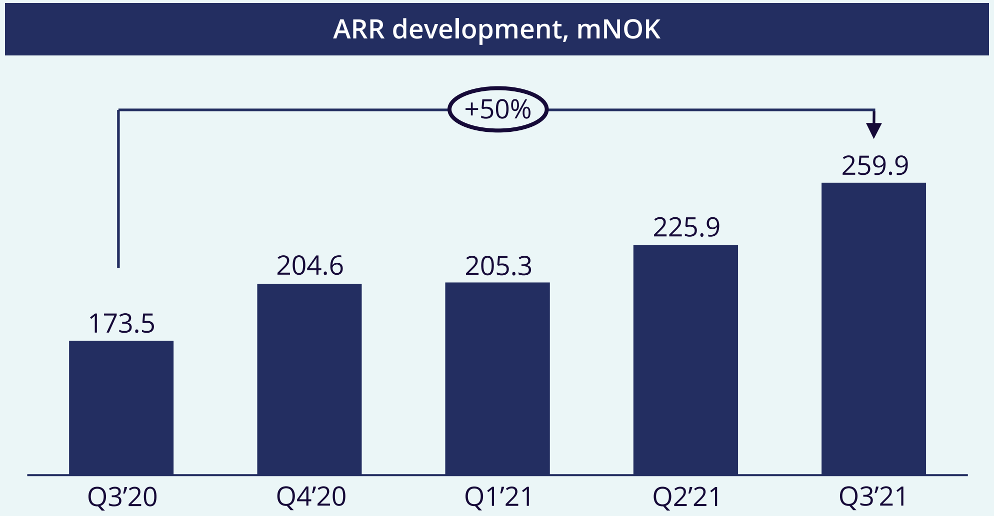
- Kvalitetskontroll (acquired July 2021)
- Quality Assurance and Environment, Health & Safety solutions
- Great opportunities for cross sell in Norway and potentially the Nordics
- Establish SmartCraft as an industry leader with strong expertise in this area

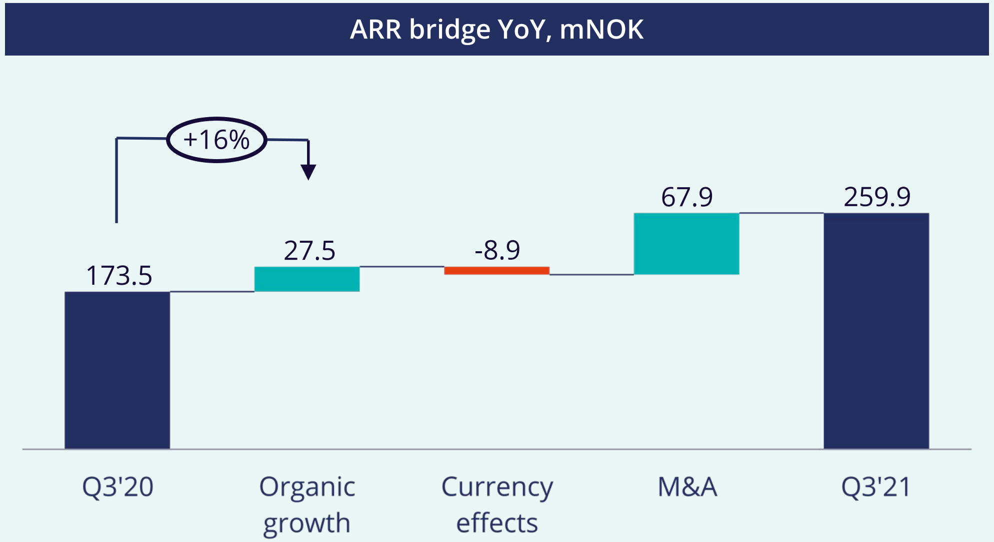
M&A strategy

- Buy complementary solutions in existing and new markets
- Use acquired solutions in new geographies as a bridgehead for existing portfolio solutions
- Buy similar best-in-class solutions in new geographies
- Potential to offer a combination of existing solutions to new geographical markets

Strong growth in recurring revenue and ARPC in Q3

- 50% growth in ARR
  - 16% organic growth from new sales and upsales
  - Acquisition of Congrid in Dec 2020, HomeRun in May 2021 and Kvalitetskontroll in July 2021
- 22% growth in ARPC, to NOK 27 903
- 96% recurring revenue share
  - Fixed pricing (ARR), 16% organic growth
  - Transaction based pricing, 21% organic growth





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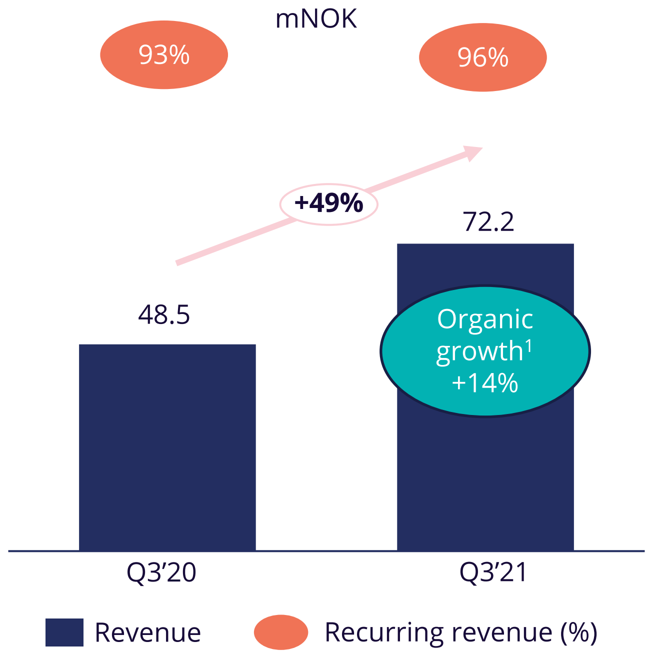
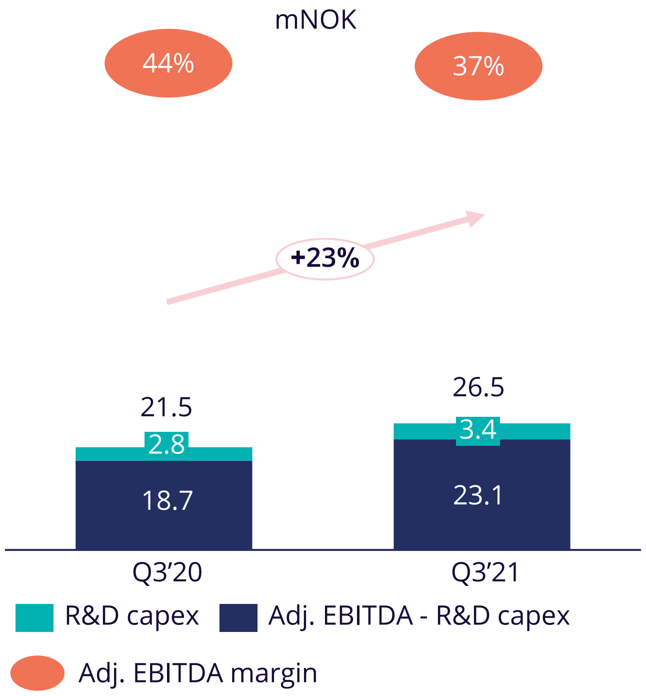
Q3 2021 proves the strong momentum of the business and the scalability of the business model

Solid YoY revenue growth



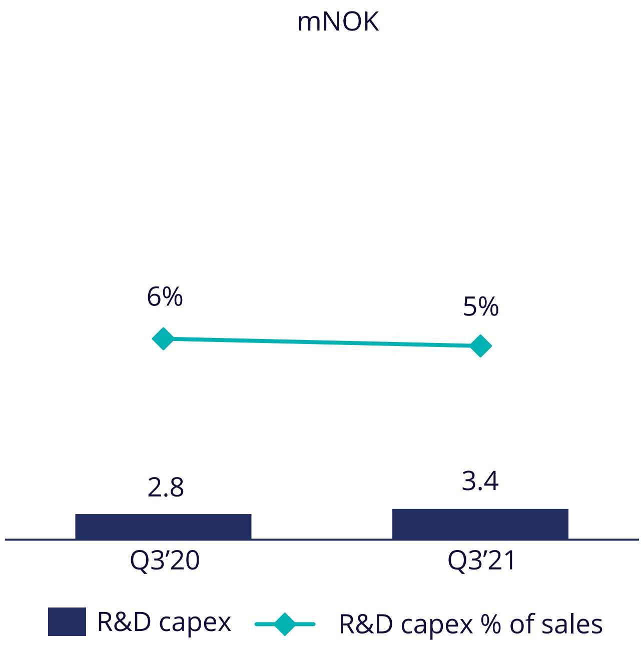
- Continued solid organic growth with additional M&A
- Increase in recurring revenue share
- 17% organic growth in recurring revenue

Strong profitability



- Q3'21 margin diluted 6%-pts by acquisitions
- Expect to increase margin in acquired companies over time

R&D capex



- No capex in recently acquired companies, project evaluation ongoing
- R&D capex expected to continue to increase in line with growing revenues

Note 1. Defined as weighted average growth of the companies part of the group in Q3'20 adjusted for currency effects

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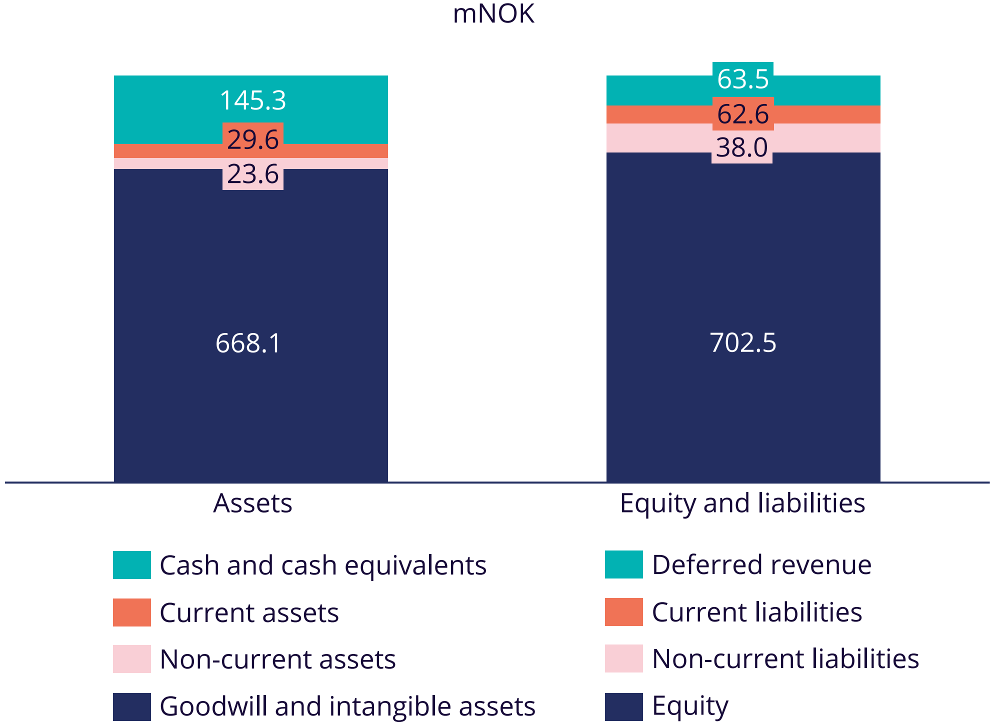
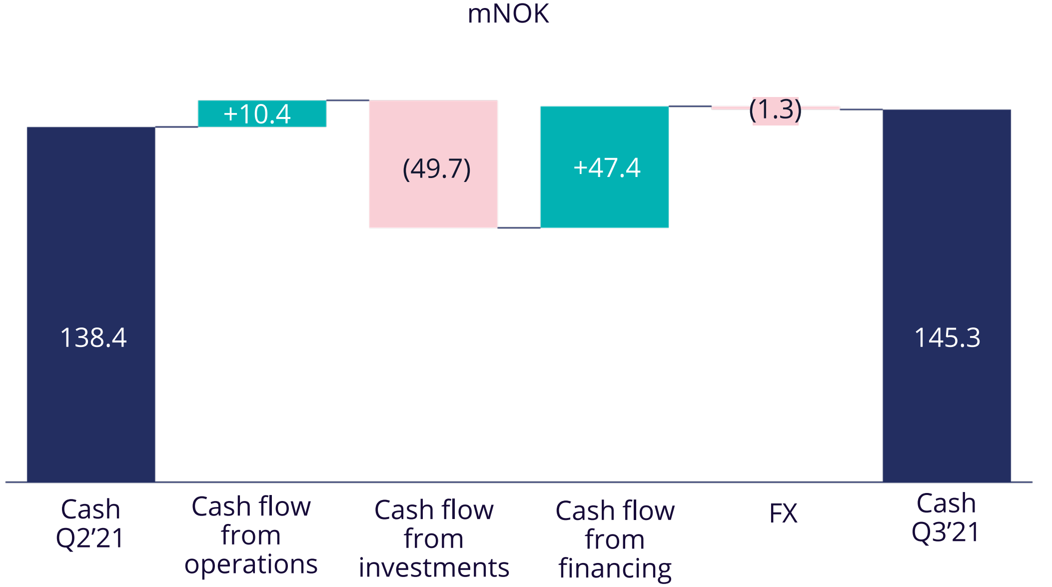
Financials

Balance sheet, September 30, 2021



- Acquired Kvalitetskontroll
- Equity increase related to greenshoe option and acquisition

Cash flow



- Strong cash flow in Q3
- Acquisition paid mainly in cash
- Greenshoe option exercised in July

Financials

- Maintaining a high gross margin
- Payroll expenses increase from acquisition, FTE growth and salary increases
- EBITDA adjusted for special items
  - Restructuring/IPO expenses (tNOK 1 963)
  - Acquisition costs (tNOK 1 710)
- D&A increase driven by acquisition and R&D
- Net financial items increase as the Group repaid loan facilities in connection with the IPO
- Accrued tax is determined by a set representative tax rate for the Group and calculated on basis of GAAP taxable profit

Amounts in NOK (thousands)	**Q3 2021** *unaudited*	**Q3 2020** *unaudited*	**change**	**change %**
Revenue from customers	72 160	48 539	23 620	48,7 %
Purchase of goods and services	5 657	4 726	931	19,7 %
Gross profit	66 503	43 813	22 689	51,8 %
Gross margin	*92.2 %*	*90.3 %*	*+1.9 pts*	*+1.9 pts*
Payroll and related expenses	30 431	18 580	11 851	63,8 %
Other operating expenses	13 259	4 383	8 875	202.5 %
EBITDA	**22 813**	**20 850**	**1 963**	**9,4 %**
Adjustments of special items	3 673	630	3 043	482,9 %
Adjusted EBITDA	**26 486**	**21 480**	**5 005**	**23,3 %**
EBITDA margin	*31.6 %*	*43,0 %*	*(11.4 pts)*	*(11.4 pts)*
Adjusted EBITDA margin	*36.7 %*	*44,3 %*	*(7.6 pts)*	*(7.6 pts)*
Depreciation and amortization	5 486	4 203	1 283	30.5 %
EBIT	**17 327**	**16 647**	**680**	**4,1 %**
Net financial income (expense)	496	(3 297)	3 794	115.1 %
EBT	**17 824**	**13 350**	**4 474**	**33,5 %**
Tax expense	2 730	3 334	(604)	(18.1 %)
Profit (loss)	**15 094**	**10 016**	**5 078**	**50,7 %**

Summary and outlook

Medium term financial targets stand firm

Growth

Organic growth

15 – 20%

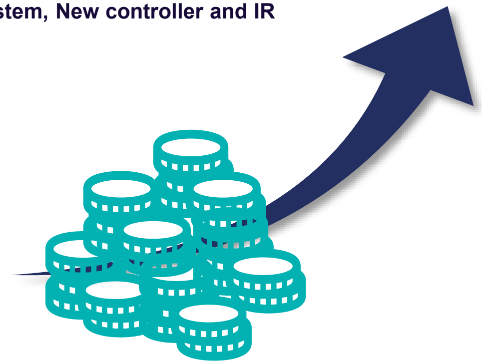
\+ **bolt on M&A**

Margin

Margin expected to increase due to scalability of the business

Short-term considerations:

1) **Impact from acquired companies last 12 months**
2) **Additional costs as a listed company: New accounting system, New controller and IR function**



Q&A