



Q4 and FY 2021 results

SmartCraft ASA

23rd February 2021

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Q4 highlights

- NOK 267 million ARR at year end
 - 30% Y/Y growth
 - 17% organic growth
- 37% adjusted EBITDA margin
 - Full year EBITDA margin 40%
- Successful investments in product and technology development and sales and marketing
- Aligned and highly motivated organization ready to accelerate



Agenda

- Market position
- Q4 operational and financial highlights
- Summary and outlook
- Q&A



Strong growth drivers for digitalization of attractive SME construction market



Lack of skilled workers

- Need for skilled construction workers globally
- Aging workforce and lack of recruitment



Long tail of new projects and maintenance needs in public and private sector

- High activity of new buildings
- Increasing aging buildings in need of renovation



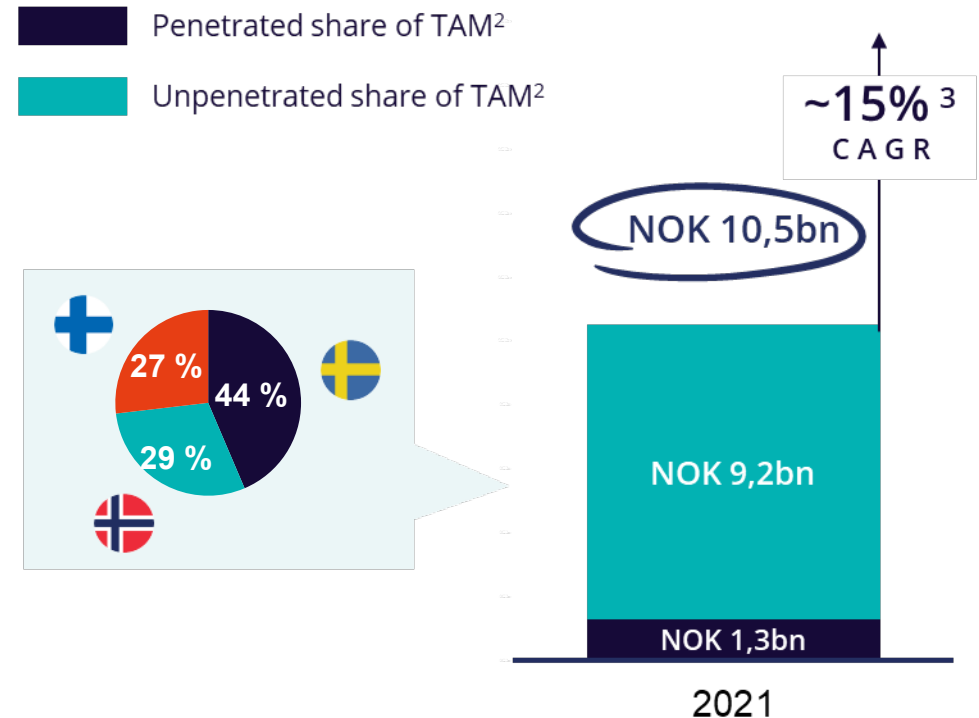
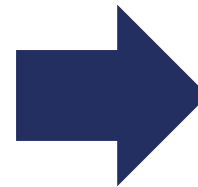
Increasing demand for detailed digital documentation

- Regulatory offices
- Consumers



Digitally maturing users and software

- Apps and SaaS solutions drive adoption
- Younger more digital workforce

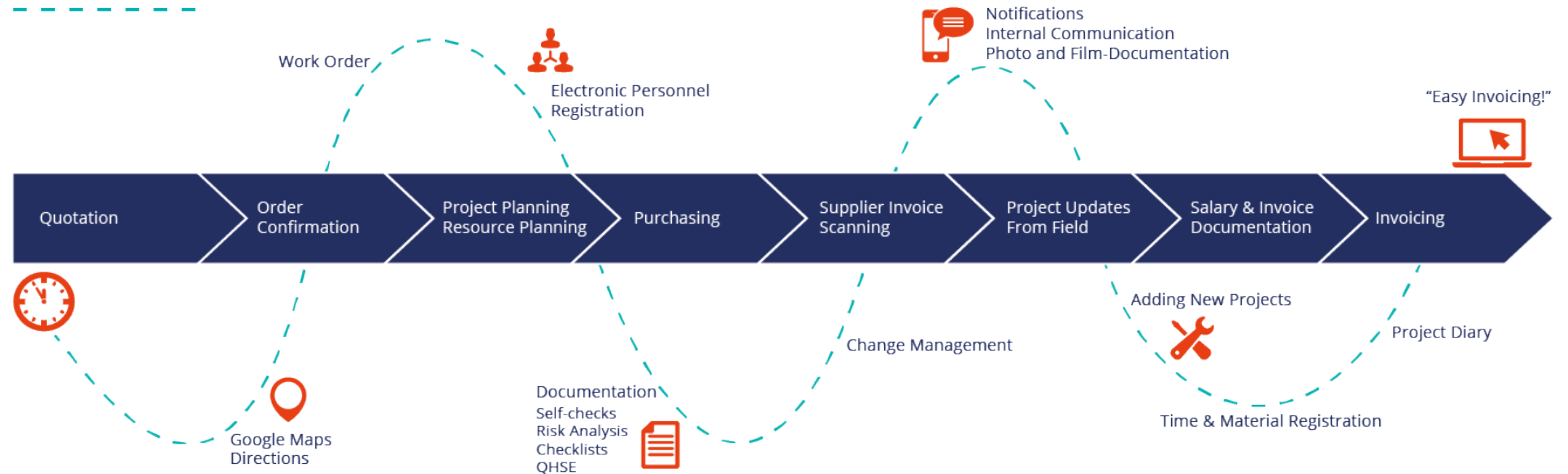


Source: ADL, allabolag.se, proff.no, taloussanomat.fi, statistical data from SCB, SSB, Statistics Finland, Eurostat, GlobalData
1. Nordic defined as Norway, Sweden and Finland; 2. Based on bottom-up market estimates for Norway, Sweden and Finland; 3. CAGR in penetrated market 2020-2025; 4. Based on 2021 market estimates; 5. "Northwestern Europe" outside current scope defined as Germany, Switzerland, The Netherlands, Denmark, Austria and United Kingdom

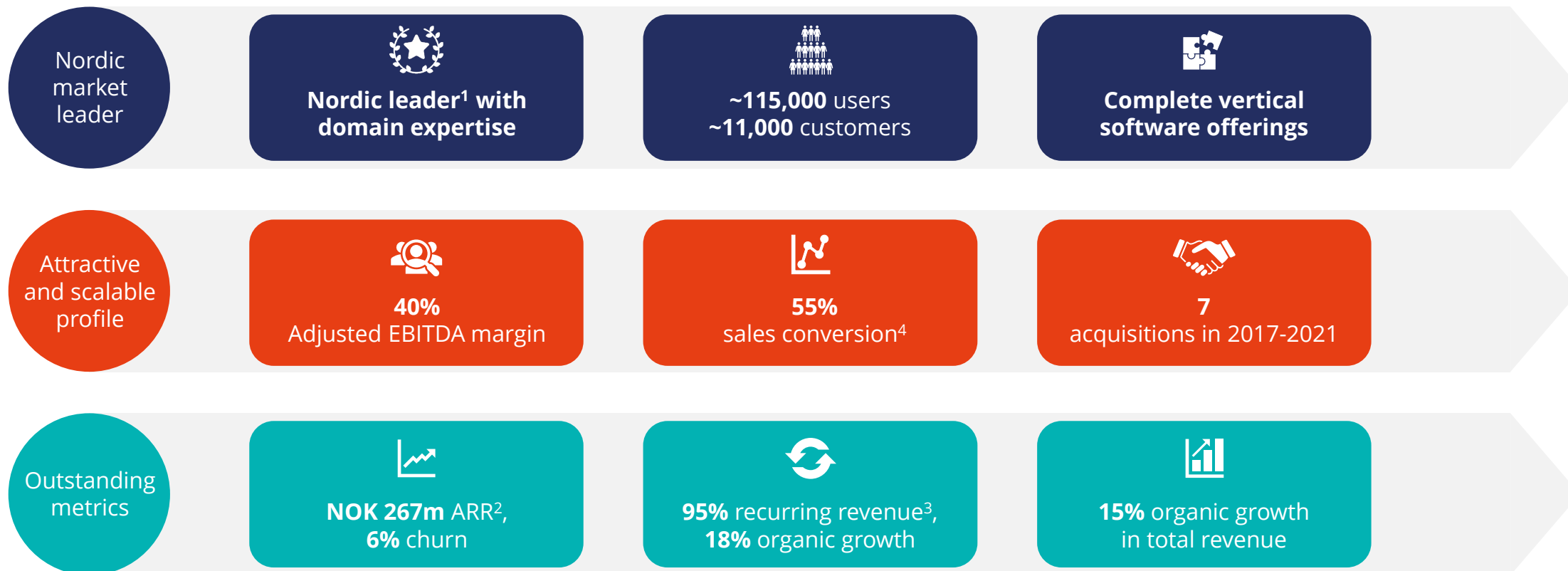
SmartCraft adding value throughout the customer journey

Office Functionality

Field Functionality



Strong financial profile and attractive SaaS metrics



Note: Based on YTD 31.12.2021 financials prepared according to IFRS

1. Currently penetrated market. Source: ADL March 2021; 2 Defined as revenues from fixed price subscriptions;

3. Defined as subscription revenue on fixed price + transaction based pricing, 4. Conversion from meetings to sales in 2020

Our vision is to become the leading provider of specialized digital solutions for construction companies in Northwestern Europe

- Main focus is organic growth in the Nordics
 - Upsales to existing customers
 - Win new customers
 - Cross sell on existing portfolio
 - ...and bolt-on acquisitions
- Targeting geographical expansion through M&A
 - Strategic bridgehead with cultural and business knowledge
 - Capital discipline – wait for the right acquisition opportunities

Q4 operational and financial highlights



Operational development Q4

Market initiatives

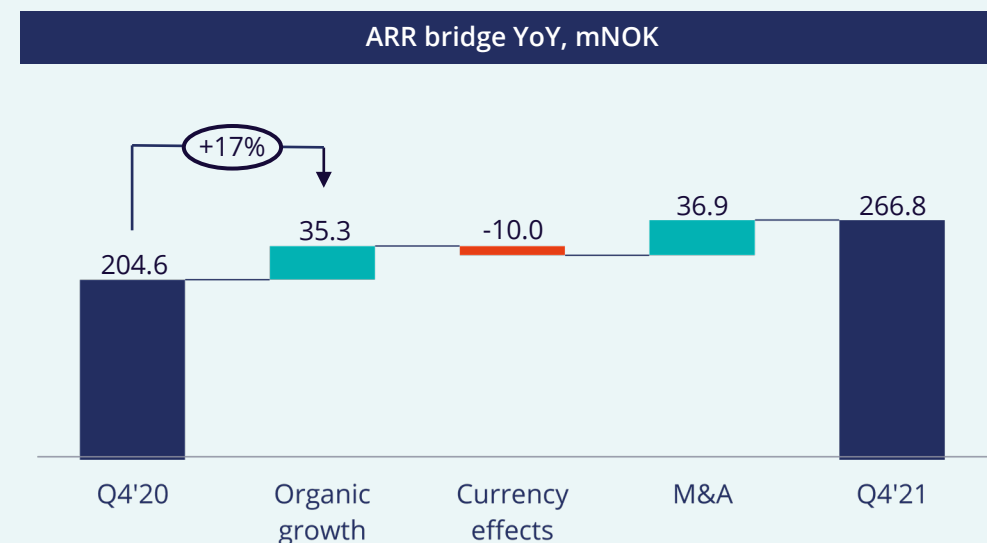
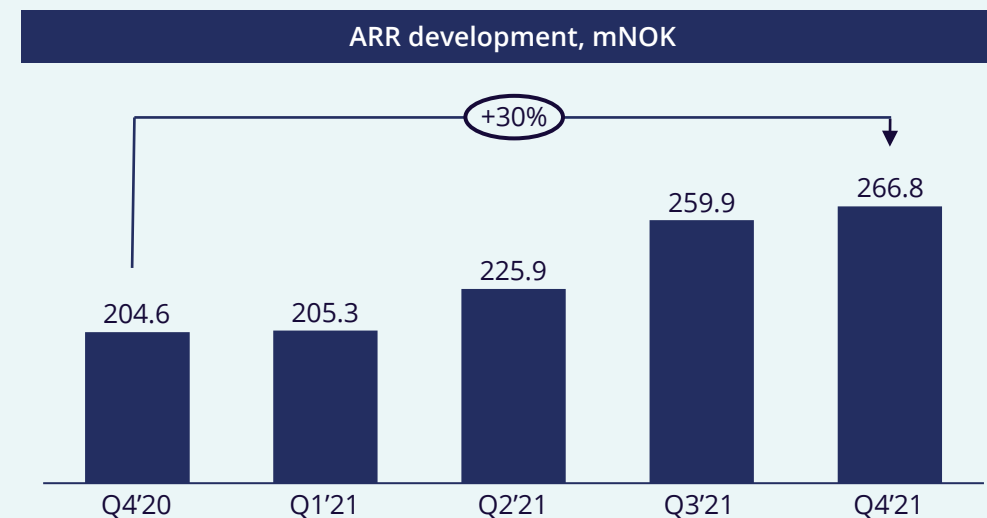
- Several development projects with upsell potential finalized in Q4
- Lowered the customers' barrier for investment
- Partnerships to increase sales:
 - Happy Homes
 - Abax
 - Norgeseliten
- Major construction companies chose SmartCraft solutions:
 - Consti chooses Congrid
 - JSB Construction AB

People/operations

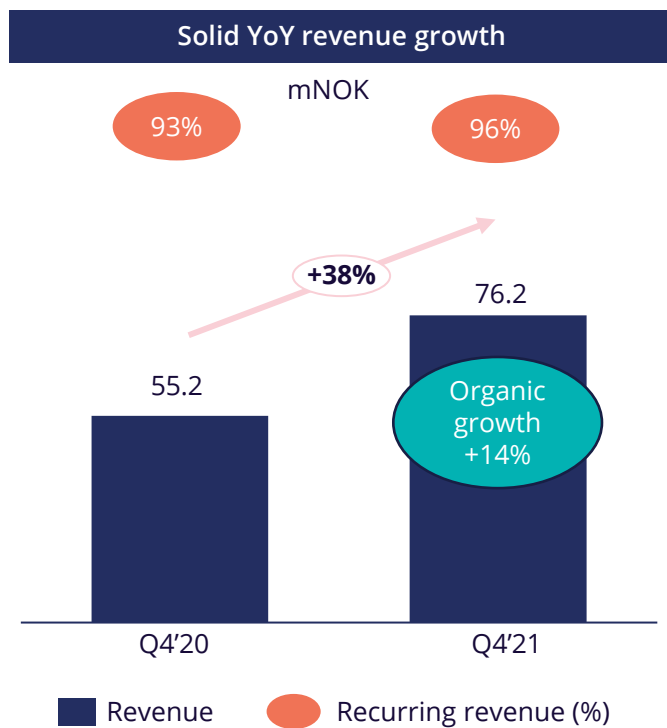
- Increasing team scalability by exploring outsourcing
- Closer partnership with our cloud service providers Amazon and Microsoft
- Invested in security workshops
- Tools for customer self service
- Organization aligned, highly motivated and ready to accelerate

Strong growth in recurring revenue in Q4

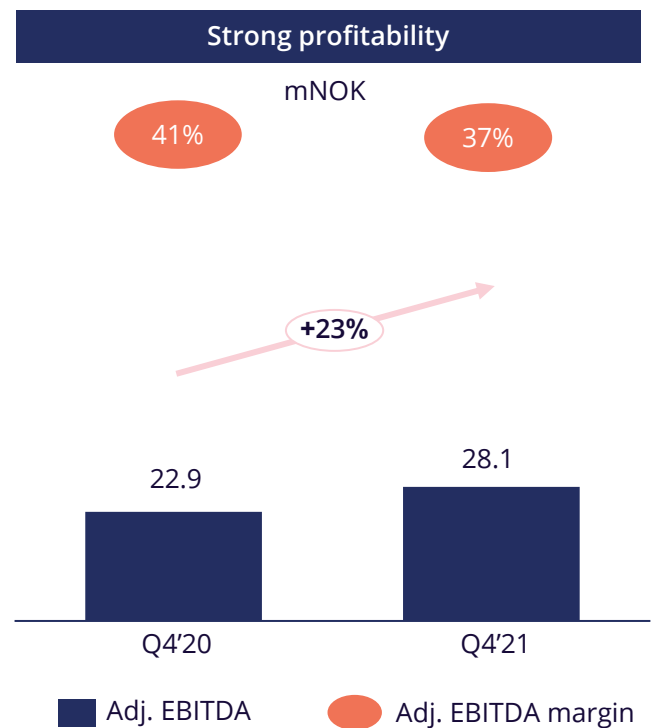
- 30% growth in ARR
 - 17% organic growth from new sales and upsales
 - Acquisition of HomeRun in May 2021 and Kvalitetskontroll in July 2021
- 96% recurring revenue share
 - Fixed pricing, 16% organic growth
 - Transaction based pricing, 38% organic growth



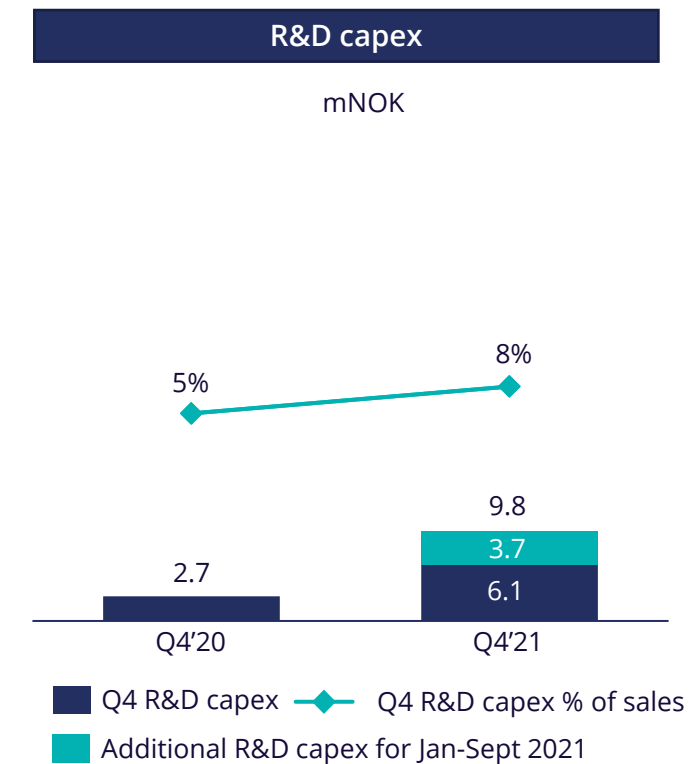
Q4 2021 - Continued growth in revenue and profitability



- Continued solid organic growth with additional M&A
- Increase in recurring revenue share
- 18% organic growth in recurring revenue



- Q4'21 margin diluted 3%-pts by acquisitions
- Confident to increase margin in the medium term

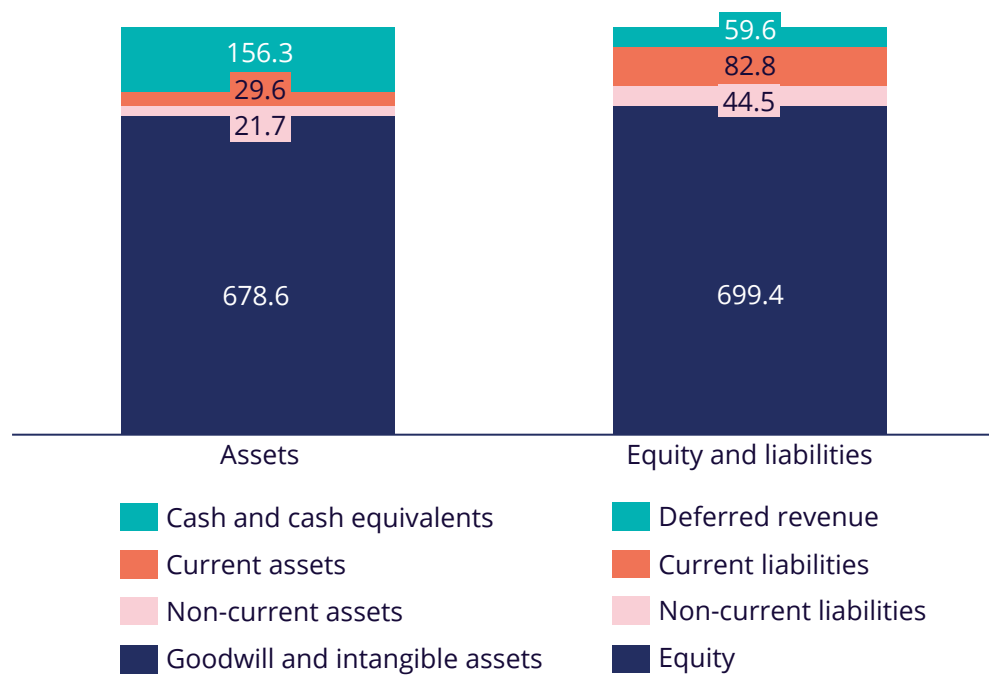


- Increased focus on product development
- Project evaluation complete, capex mNOK 3.7 from previous periods

Strong balance sheet and cash flow

Balance sheet, December 31, 2021

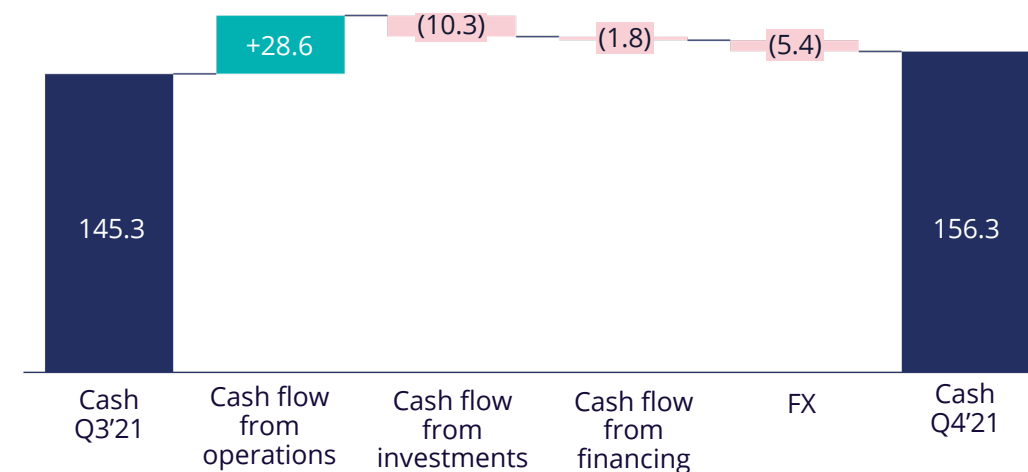
mNOK



- Net cash positive
- Earn-out consideration HomeRun for 2021, will be paid out in 2022

Cash flow

mNOK



- Strong cash flow in Q4 operations
- Negative effect of currency changes

Financials

- Maintaining a high gross margin
- Payroll expenses increase from acquisition, FTE growth and salary increases
- EBITDA adjusted for special items
 - Acquisition costs (tNOK 414)
- D&A increase driven by acquisition and R&D
- Net financial items is mainly loss on currency changes
- 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)	Q4 2021	Q4 2020	change	change %
Revenue from customers	76 153	55 221	20 932	37.9 %
Purchase of goods and services	6 475	5 936	539	9.1 %
Gross profit	69 678	49 285	20 393	41.4 %
<i>Gross margin</i>	<i>91.5 %</i>	<i>89.3 %</i>	<i>+2.2 pts</i>	<i>+2.2 pts</i>
Payroll and related expenses	28 105	21 257	6 848	32.2 %
Other operating expenses	13 933	8 542	5 391	63.1 %
EBITDA	27 639	19 485	8 155	41.9 %
Adjustments of special items	414	3 403	(2 989)	(87.8 %)
Adjusted EBITDA	28 054	22 888	5 166	22.6 %
<i>EBITDA margin</i>	<i>36.3 %</i>	<i>35,3 %</i>	<i>+1.0 pts</i>	<i>+1.0 pts</i>
<i>Adjusted EBITDA margin</i>	<i>36.8 %</i>	<i>41,4 %</i>	<i>(4.6 pts)</i>	<i>(4.6 pts)</i>
Depreciation and amortization	7 149	4 763	2 387	50.1 %
EBIT	20 490	14 722	5 768	39.2 %
Net financial income (expense)	(2 342)	(1 038)	(1 303)	125.5 %
EBT	18 148	13 684	4 465	32.6 %
Tax expense	8 017	6 424	1 593	24.8 %
Profit (loss)	10 131	7 260	2 871	39.6 %

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

