



Q3 2022 report

SmartCraft ASA

November 1st 2022



Disclaimer

IMPORTANT – You must read the following before continuing. The following applies to this document, the oral presentation of the information in this document by SmartCraft ASA (the "Company") or any person on behalf of the Company, and any question-and-answer session that follows the oral presentation (collectively, the "Information"). In accessing the Information, you agree to be bound by the following terms and conditions.

The Information does not constitute or form part of, and should not be construed as an offer or the solicitation of an offer to subscribe for or purchase shares or other securities of the Company, and nothing contained therein shall form the basis of or be relied on in connection with any contract or commitment whatsoever, nor does it constitute a recommendation regarding such shares or other securities. Any shares or other securities of the Company may not be offered or sold in the United States or any other jurisdiction where such a registration would be required unless so registered, or an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended, or other applicable laws and regulations is available. The Information is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. The Information is not for publication, release or distribution in any jurisdiction in which offers or sales would be prohibited by applicable law.

The Information has been prepared by the Company, and no other party accepts any responsibility whatsoever, or makes any representation or warranty, express or implied, for the contents of the Information, including its accuracy, completeness or verification or for any other statement made or purported to be made in connection with the Company and nothing in this document or at this presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future.

The Information contains forward-looking statements. All statements other than statements of historical fact included in the Information are forward-looking statements. Forward-looking statements give the Company's current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "ambition", "outlook", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "plan", "project", "will", "can", "have", "likely", "should", "would", "could" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it will operate in the future. Furthermore, information about past performance given in this Information is given for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance.

No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the Information or the opinions contained therein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and, accordingly, neither the Company nor any of its parent or subsidiary undertakings or any such person's officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document. The Information has not been independently verified and will not be updated. The Information, including but not limited to forward-looking statements, applies only as of the date of this document and is not intended to give any assurances as to future results. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to the Information, including any financial data or forward-looking statements, and will not publicly release any revisions it may make to the Information that may result from any change in the Company's expectations, any change in events, conditions or circumstances on which these forward-looking statements are based, or other events or circumstances arising after the date of this document.

This presentation contains statistics, data, statements and other information relating to the group's markets and the industry in which it operates. Where such information has been derived from third-party sources, such sources have been identified herein. In addition, the Company has been named as a source for certain market and industry statements included in this presentation. Such "Company information" reflects the Company's views based on one or more sources available to it (some of which are not publicly available, but can be obtained against payment), including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third party sources.

By reviewing this Information you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the businesses of the Company. This Information must be read in conjunction with the recent financial reports of the Company and the disclosures therein.

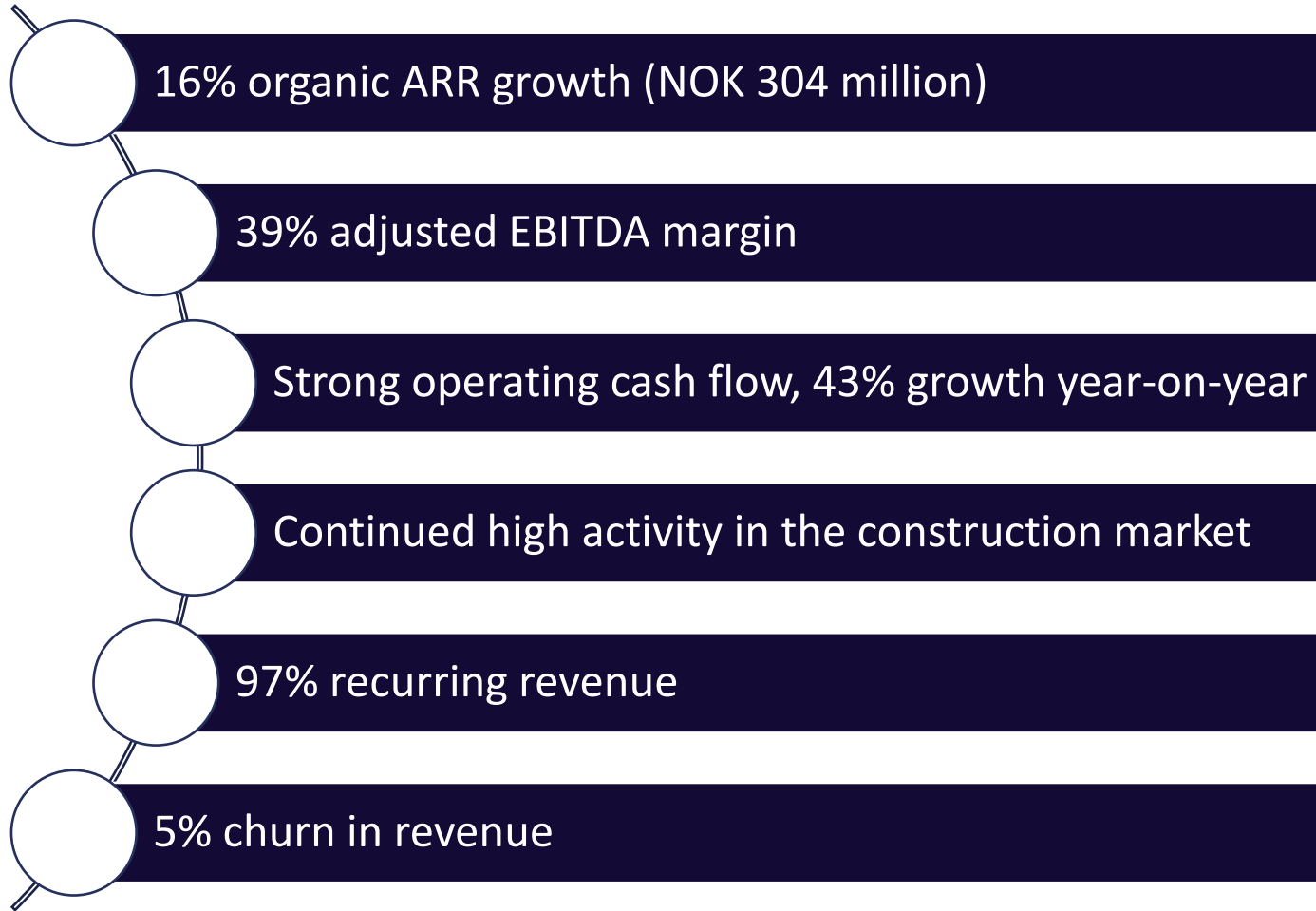
This Information shall be governed by Norwegian law, and any disputes relating to hereto is subject to the sole and exclusive jurisdiction of Norwegian courts.

Agenda

- Market position
- Operational development
- Financial review and future outlook
- Q&A



Q3 highlights



Our customers need to digitalize in good and bad times



Lack of skilled workers

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



Long tail of service needs in private and public sector

- Increasing aging buildings in need of renovation
- Services include renovation, upgrades and maintenance of existing buildings



Increasing demand for detailed digital documentation

- Regulatory offices
- Consumers



Digitally maturing users and software

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

Our position

- Greatly underpenetrated market that grows
- SME focus
- High customer activity
- Solid business model



Challenging market

Focus on cost of material, utilization and margin

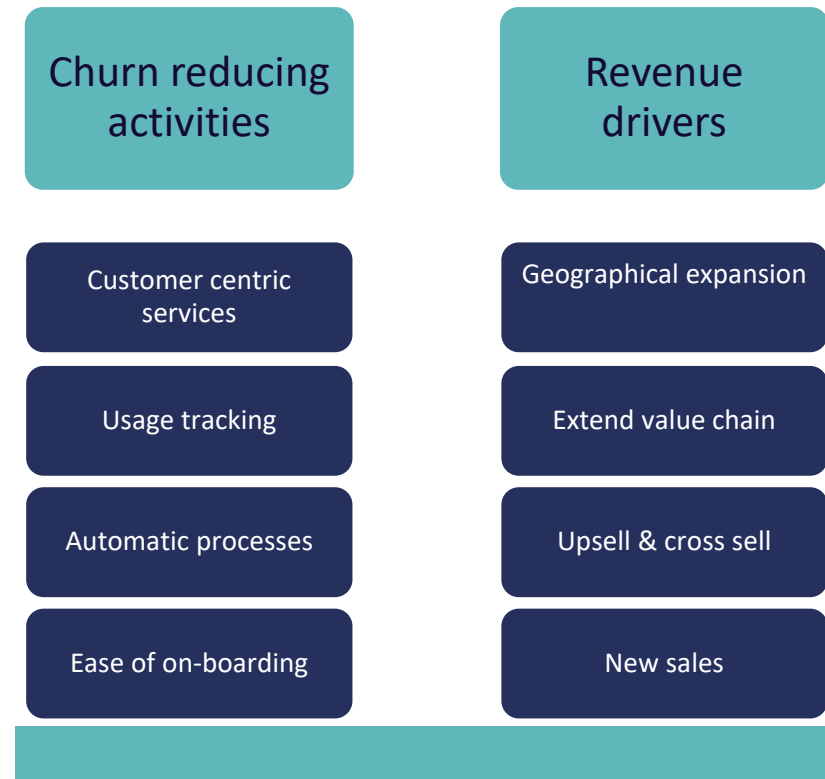


Great market

Lack resources and time to follow up customers

How to drive short/medium term revenue growth

- NOK 10bn market in existing geographies
- Strong culture and focus on organic growth
- Operationalizing several initiatives to keep churn at a low level
- Upside potential to increase prices from the average low level of NOK 7 pr user pr day



SmartCraft Group acquisition strategy

- Wide selection criteria in all three geographies
 - Additional functionality to widen offering
 - Additional customer base
- Selective
 - SaaS or SaaS understanding/mindset
 - Commercial proof of concept
 - Unique, not too generic
 - No customization
 - No turn-around

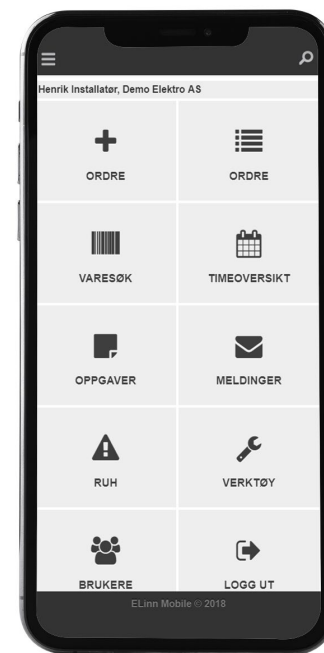


Targeting geographical expansion through M&A

- Strategic bridgehead with cultural and business knowledge
- Capital discipline – wait for the right acquisition opportunities

Acquisition of Inprog, strengthening leadership in software for electricians

- Acquired in the beginning of October
- Nice addition to SmartCraft electro portfolio
- Made by electricians for electricians
 - Specialize in project management for electricians in the field
 - Good intuitive app
- Synergies in development and cross sales
- Small revenue, but proven commercially
 - 250 customers / 1600 users
 - ARR NOK 5.9 million (30. June 2022)

Q3 operational
development



SmartCraft planning for further scale and growth

SmartCraft 1.0 (to date)

- Established Nordic leader
- Proven ability to drive successful consolidation
- Portfolio of great best of breed SaaS construction solutions
- IPO with good investors
- Established great financial record underpinned by high growth and strong cash generation

SmartCraft 2.0 (going forward)

- New leadership team
- Continue targeted acquisitions
- One marketing organization, strengthening the SmartCraft brand
- Synergize product and technology development and connecting the dots
- Collaboration and alignment in the Electro domain



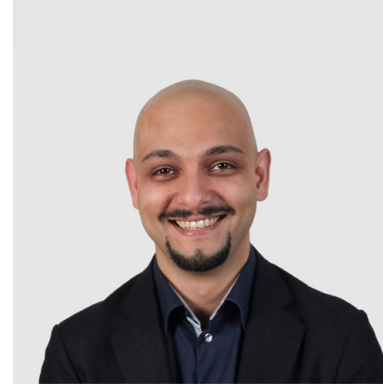
Leadership team – aligning for scalability and higher growth



Gustav Line
Chief Executive Officer



Kjartan Bø
Chief Financial Officer



Christian Saleki
Chief Technology Officer



Katja Widlund
Chief Marketing Officer



Hanna Konyi
Country Manager Sweden



Timo Makkonen
Country Manager Finland



Vivienne B. Karlsen
Country Manager Norway





Increased coordination and collaboration in each geography

- Coordinating sales efforts
 - Avoid contacting the same customers with different messages
- Collaboration across solutions
 - Remove silo thinking and execution
- Marketing synergies
 - Avoid competing for SoMe attention
 - Attending trade fairs with one coordinated booth

Think globally
Act locally



**WE ARE ON A MISSION TO
DIGITALIZE THE
CONSTRUCTION INDUSTRY**



Two important obstacles in faster rate of digitalization

Super fast onboarding



Maximize usage of our solutions and deliver value quickly



Organizing workflow according to domains – Starting with electricians

- It is about understanding user needs from the start to end of a workday
- Mapping user's journey throughout workday with a digital tool
- Providing value, comfort and relief along the journey
- In a way, domains can be seen as an ecosystem for a certain type of user, f.ex an electrician



Aligning and segmenting solutions for electricians to optimize customer benefit and growth



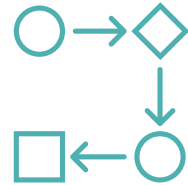
Bob the electrician



The benefits of domains



Focus for teams involved



Align business functions



Natural **feedback** loop that drives product development



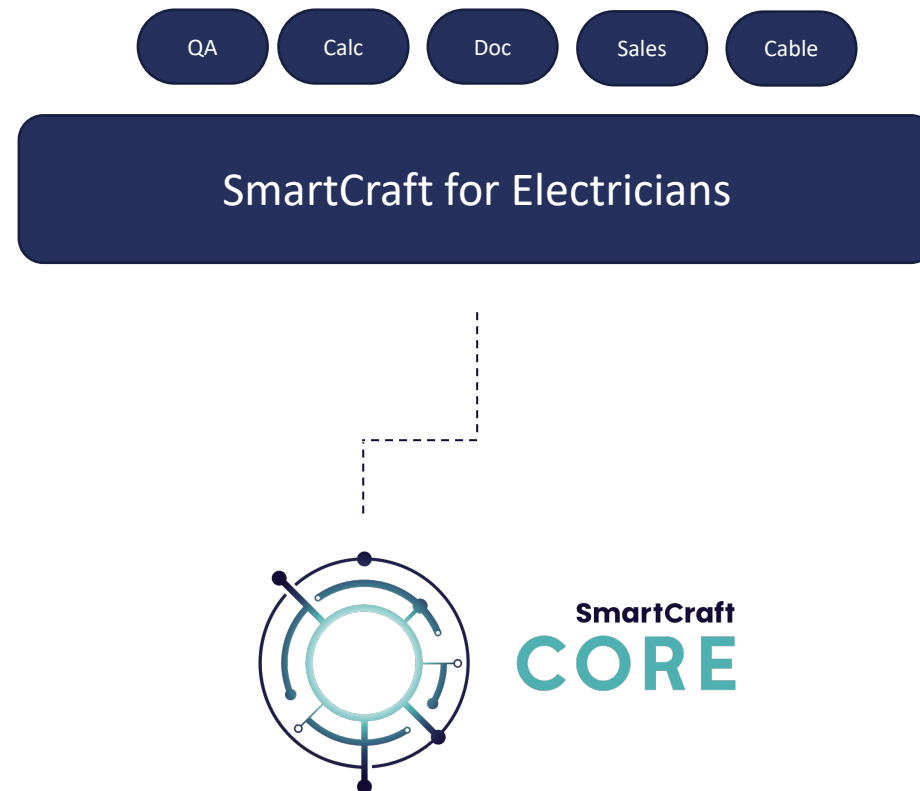
Clarity for the end users



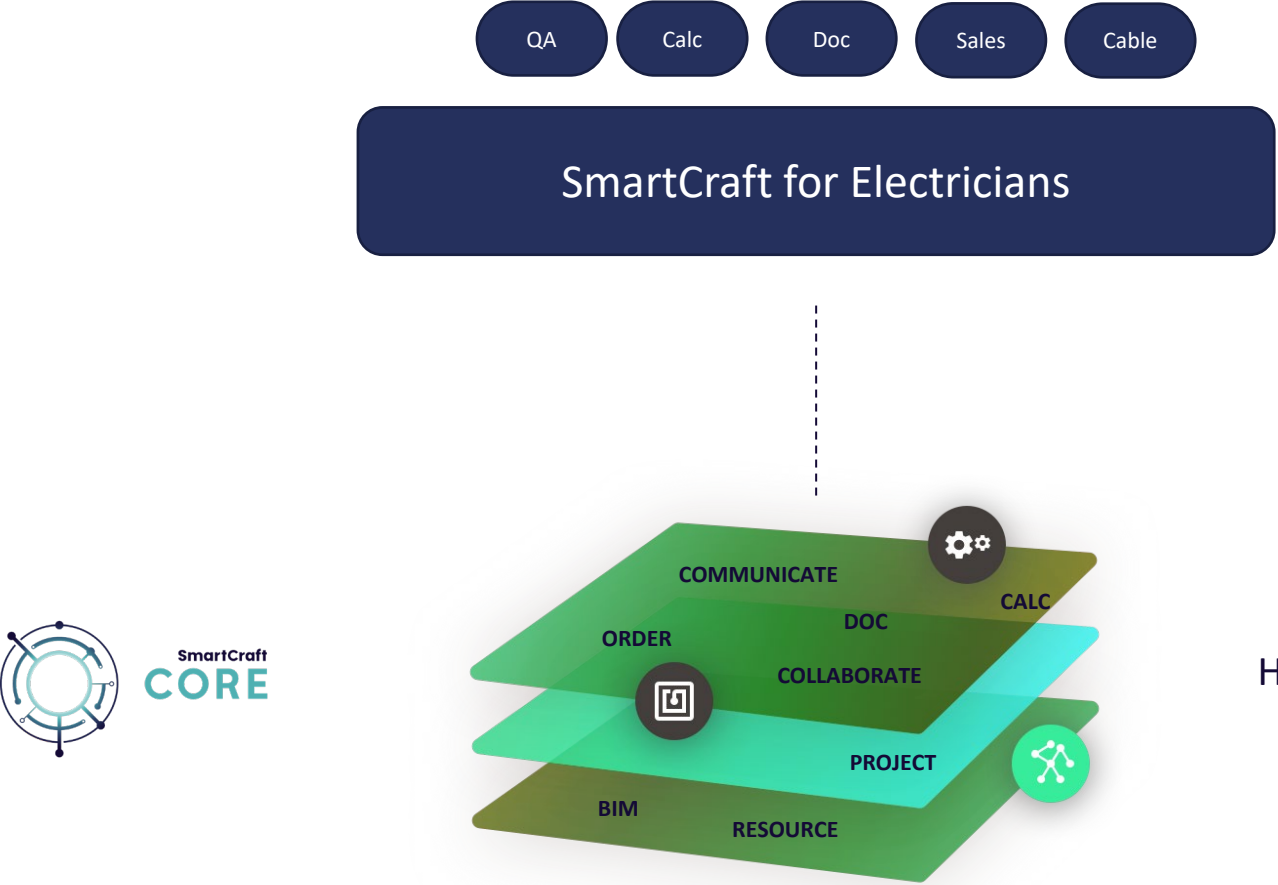
SmartCraft CORE



Medium term SmartCraft offering for small and medium enterprises (SME)

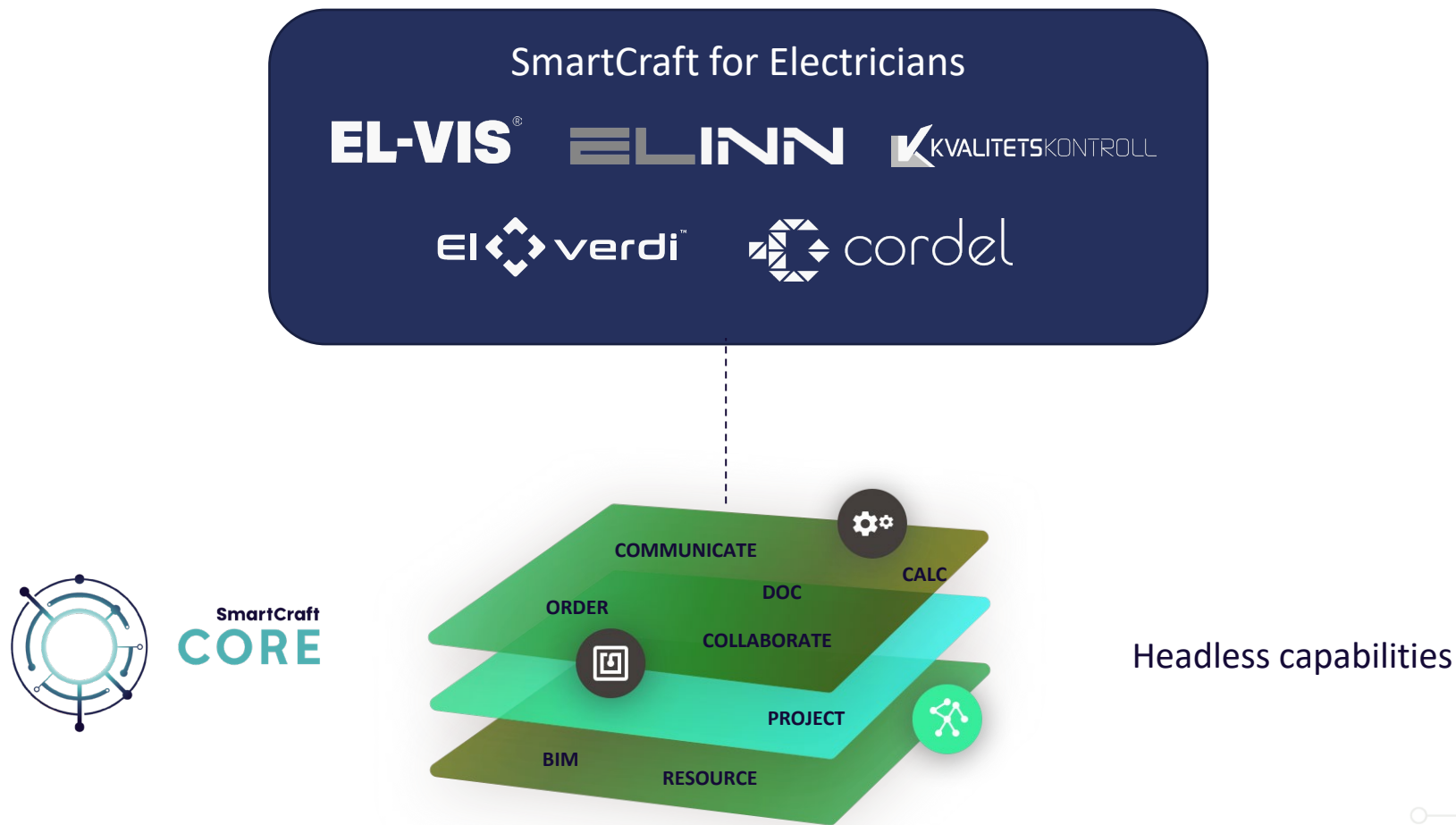


Medium term SmartCraft offering for small and medium enterprises (SME)



Headless capabilities

Medium term SmartCraft offering for small and medium enterprises (SME)



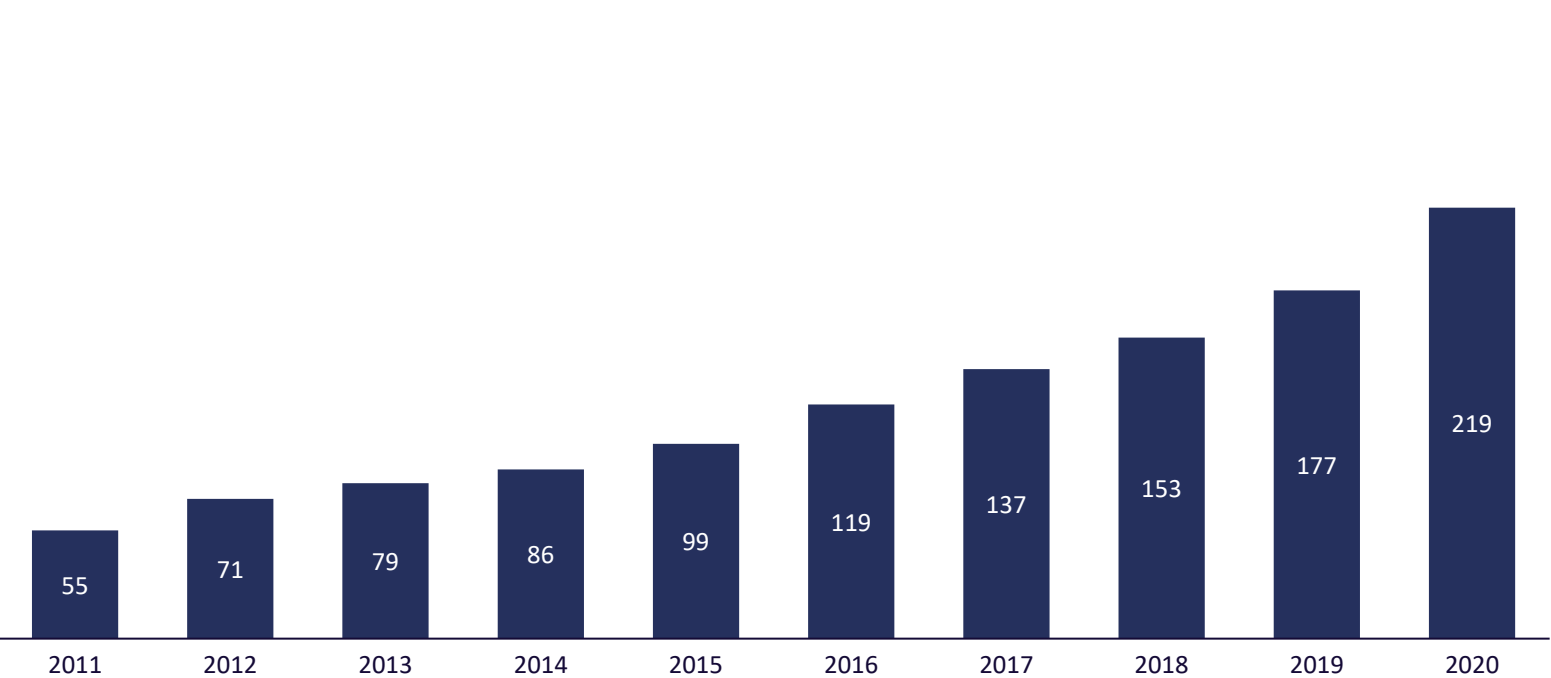
Q3 Financial review and future outlook



Long history of growth irrespective of macro conditions

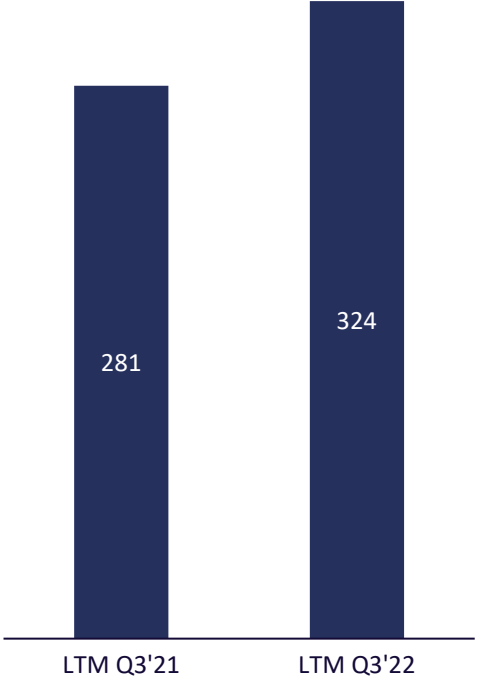
Aggregated revenue for companies embedded in SmartCraft pre IPO...

mNOK



Amalgamated revenue pre IPO¹

...and post IPO

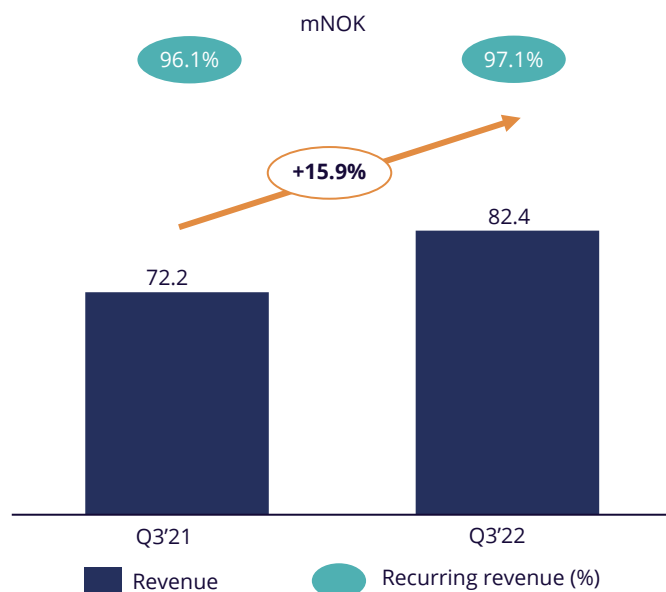


Amalgamated revenue post IPO²

1. Amalgamated revenue includes the aggregate revenue for companies embedded in SmartCraft in 2020.
2. Amalgamated revenue includes the aggregate revenue for companies embedded in SmartCraft in Q3 2022

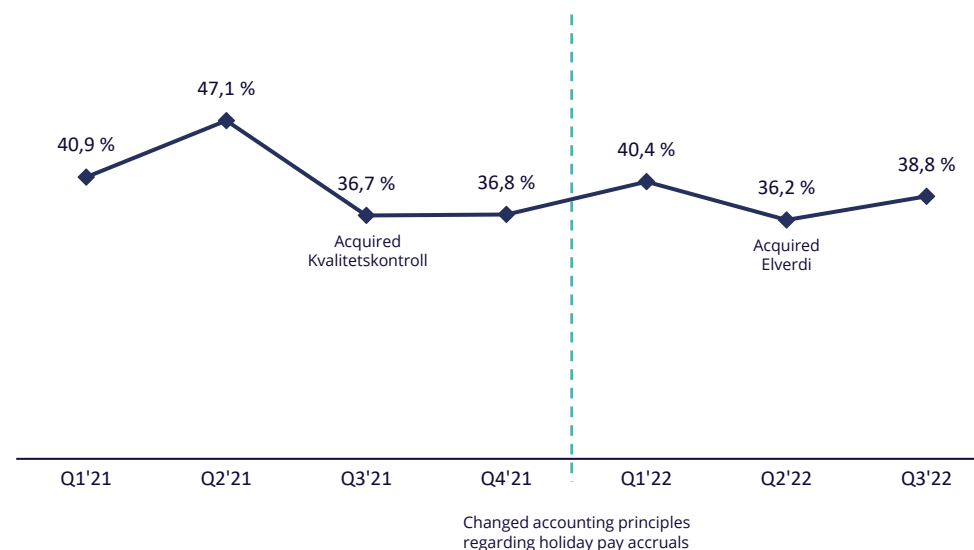
Continued growth in revenue and increasingly strong profitability

Solid YoY revenue growth



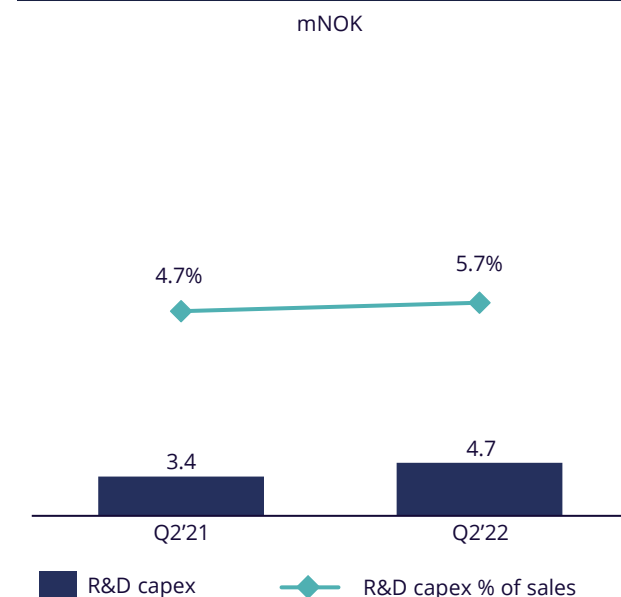
- 97.1% recurring revenue share
- Fixed pricing, 18.6% organic growth
- Transaction based pricing, 19.3% organic growth

Consistently high adjusted EBITDA margin



- All M&A dilute margin, but great track record of ability to increase
- Changed accounting principles for accrual of holiday pay (Q3'21 equivalent 34.9%)

R&D capex

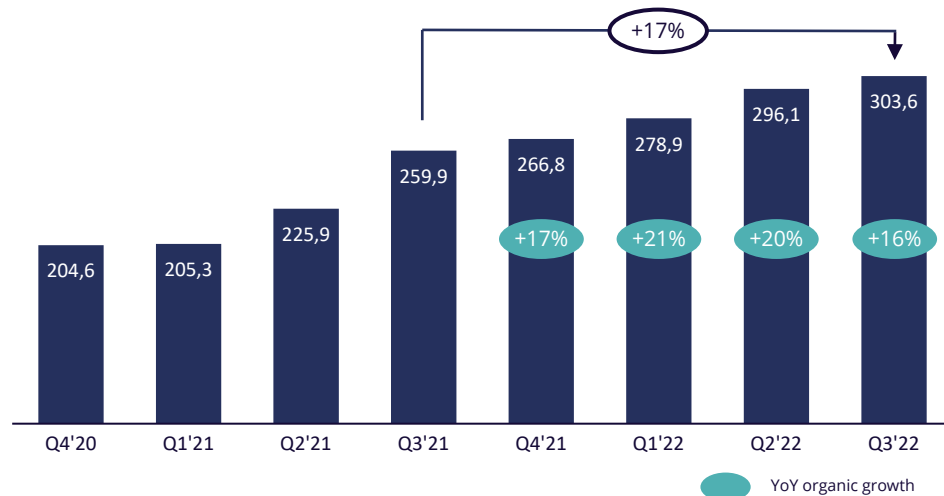


- Below estimate due to vacant positions
- Estimating FY'22 at around 7%

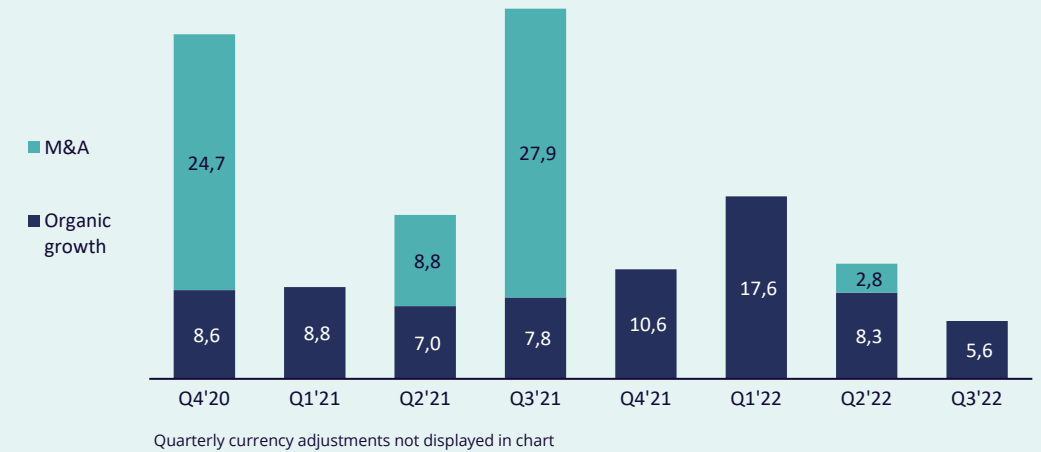
Maintaining high growth in Q3

- 17% growth in ARR
 - 16% organic growth from new sales and upsales
 - Acquisition of Elverdi in June 2022
- Continued high sales conversion rate and strong pipeline going into Q4
 - Prolonged sales cycle driven by high customer activity and somewhat lower future visibility

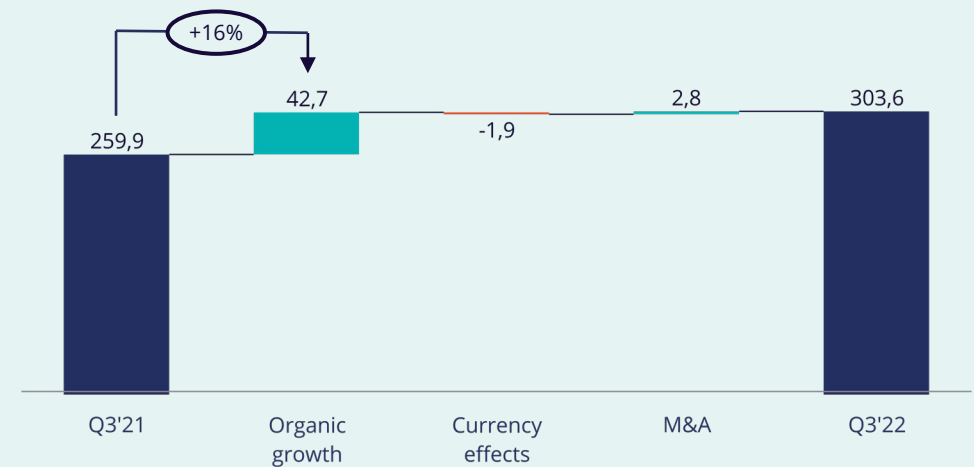
ARR development, mNOK



ARR growth, mNOK



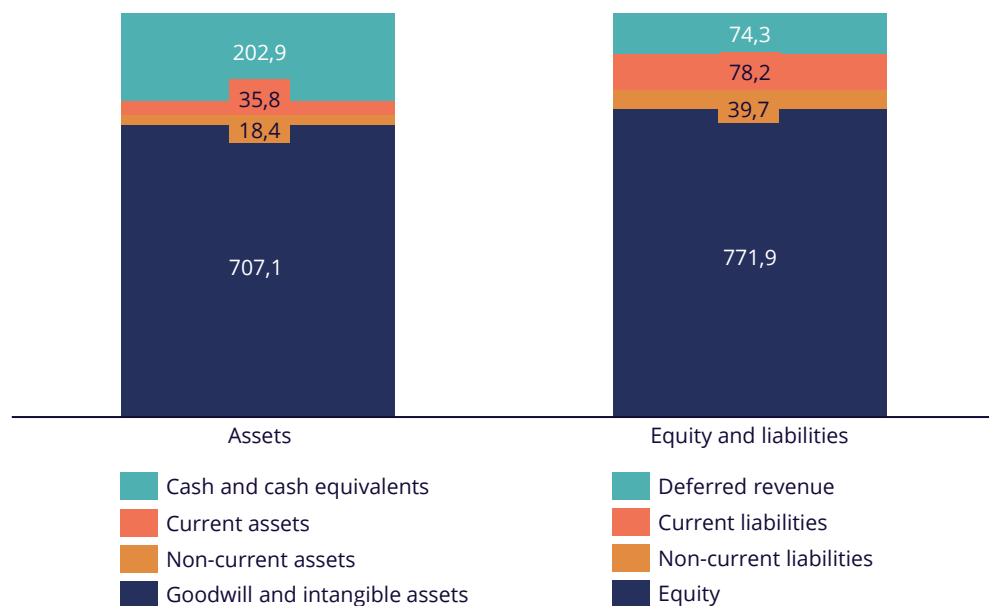
ARR bridge YoY, mNOK



Solid financial position and strong cash flow

Balance sheet, September 30, 2022

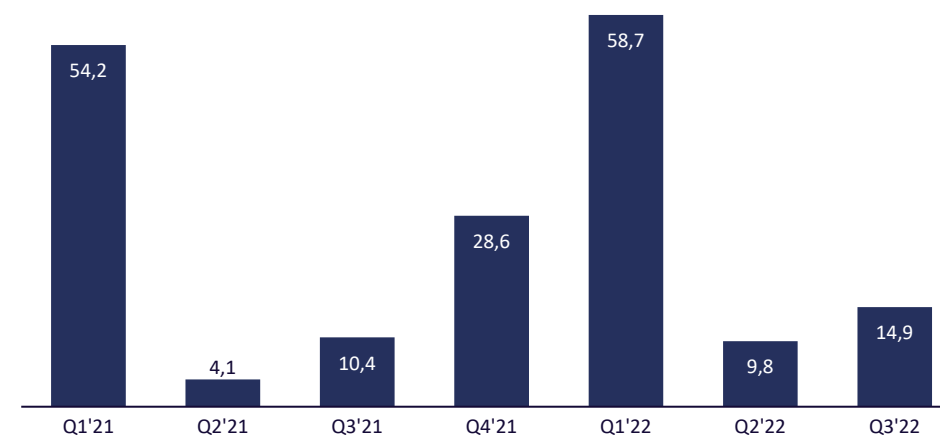
mNOK



- Net cash positive
- Negative net working capital

Operating cash flow

mNOK




- Cash positive all quarters
- Self funded with average cash conversion at 110%

Medium term financial targets stand firm

Growth

Organic growth
15 – 20%


 + bolt on M&A

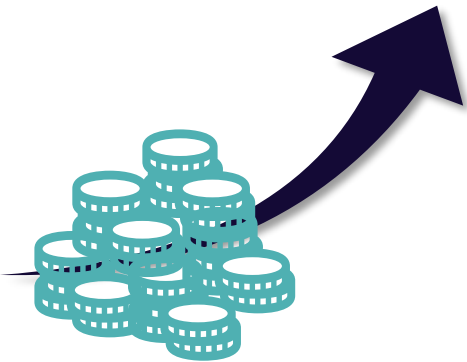


Margin

Margin expected to increase due to scalability of the business

Short-term considerations:

- 1) Impact from acquired companies last 12 months



Make sure to follow us for the latest news!



smartcraft.com



[Linkedin](#)



[Facebook](#)



[YouTube](#)

Q&A



