



Q4 2023 report

FEBRUARY 14TH, 2023

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 The Information is not for publication, release or distribution in any jurisdiction in which offers or sales would be prohibited by applicable law.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

- Solid demand in a challenged market
- Financial highlights
- Summary and Q&A



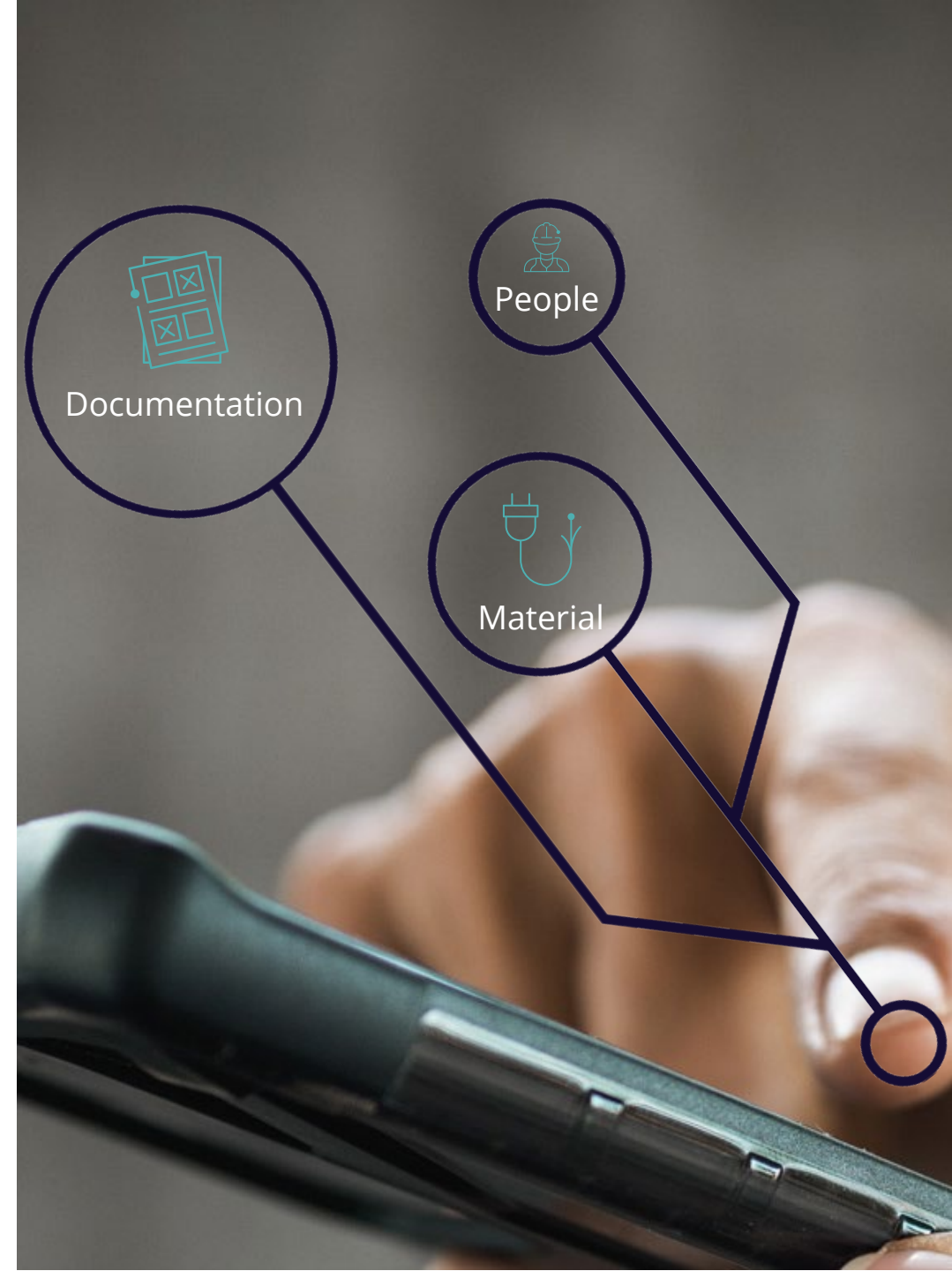
SaaS for SME construction companies

Industry challenges

- 0-5% margins -> High level of bankruptcies
- High level of conflict between construction company and customer
- High level of accidents and deaths
- Increasing demand for documentation and reporting

SmartCraft digital solutions

- Business overview and insight with control of people and material costs
- Digital flow of documentation to avoid conflict
- Safety at your fingertips
- Digital quality assurance to build according to rules and regulations

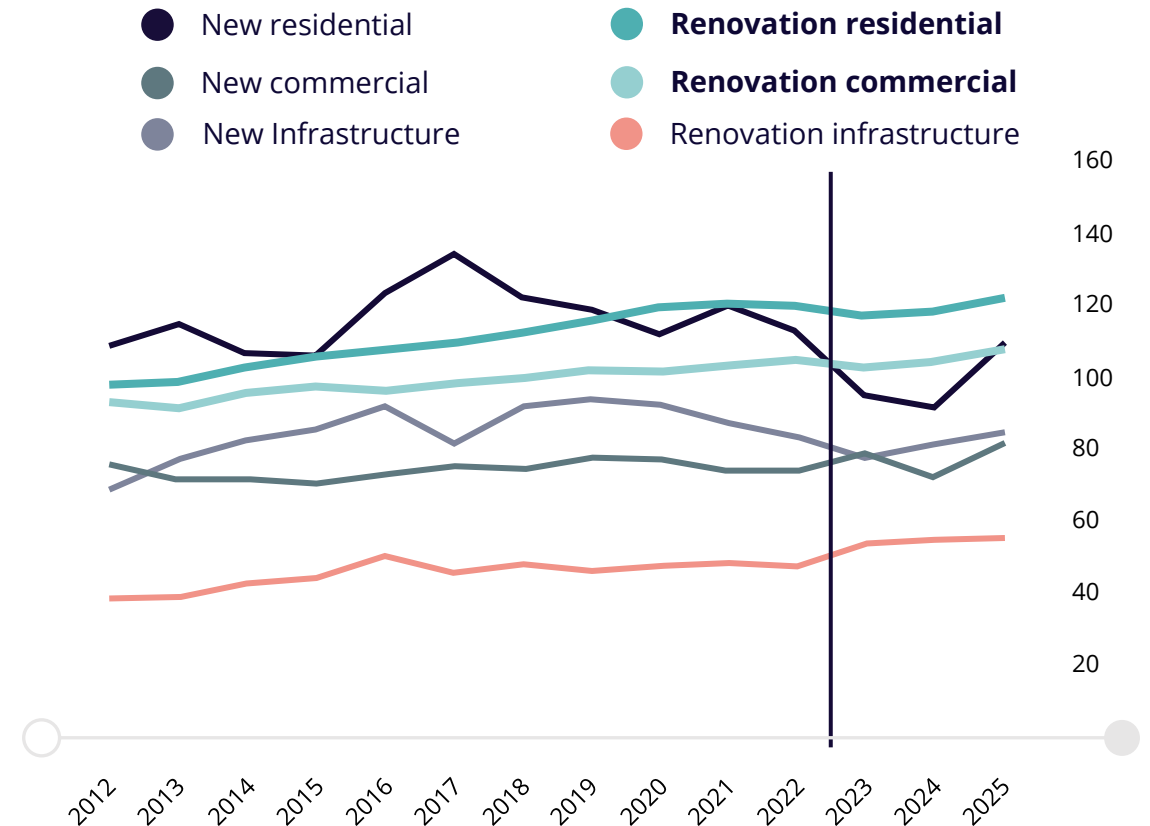


Renovation is our target segment

Renovation is our target market

- Large market, bigger than new build
- Less volatile, with consistent growth
- Downturn in new build affects the large construction companies, engineers and architects
- In a normal year 3% new build vs 97% existing buildings
- Existing buildings have constant demand for renovation, maintenance and service
- Energy efficiency drives further demand for renovation
- Ongoing digitalization of a digitally immature market

Norwegian construction market by segment, bNOK

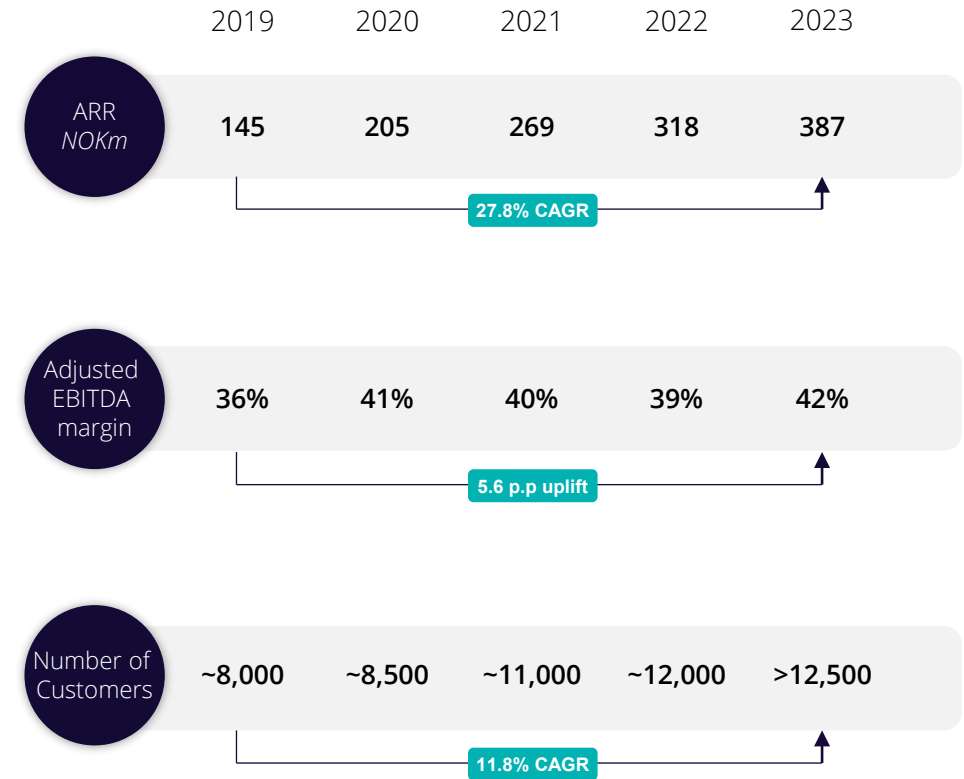


Source: Prognosesenteret, 2023

Leading position in the Nordics

- Consistent and solid growth before and after the IPO in June 2021
- Constantly gaining market share
- 15 offices in Sweden, Norway and Finland
- 210 employees

Solid performance over time



Q4 2023 highlights

Continued strong growth, consistently high margins and low churn



MNOK 387

Annual Recurring
Revenue



39%

Adjusted EBITDA

Consistently high
profitability

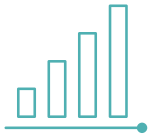


7%

Churn
Down from 8% in Q3

2023 highlights

Continued strong profitable growth and solid operational cash flow



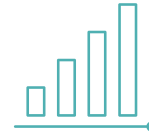
MNOK 402

Revenue
+ 20%



MNOK 167

Adjusted EBITDA
+27%



MNOK 115

Net profit
+68%



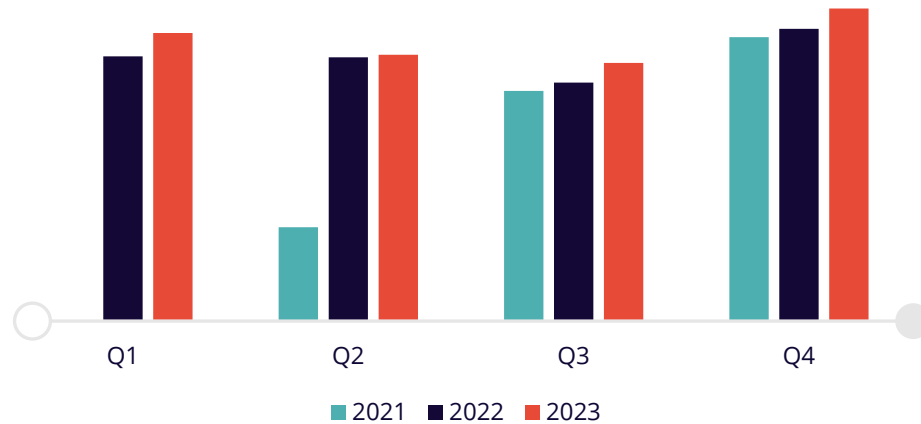
MNOK 153

Operational cash flow
+32%

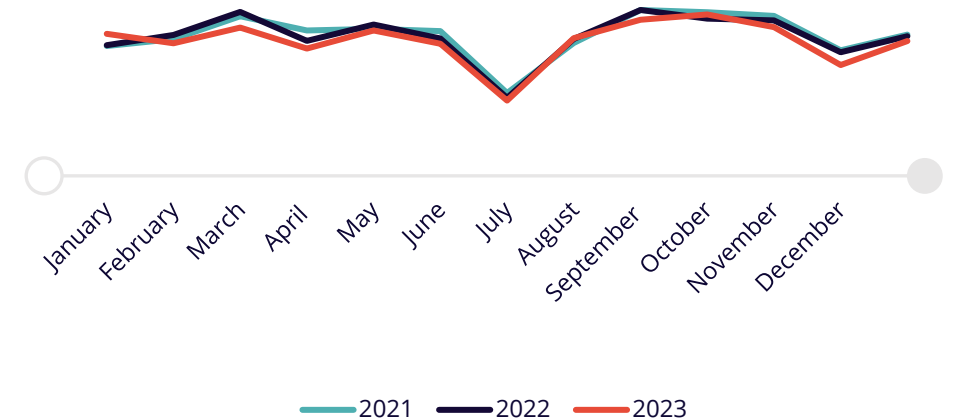
Our customers experience continuous **solid demand**

User data from our main solutions show good level of activities

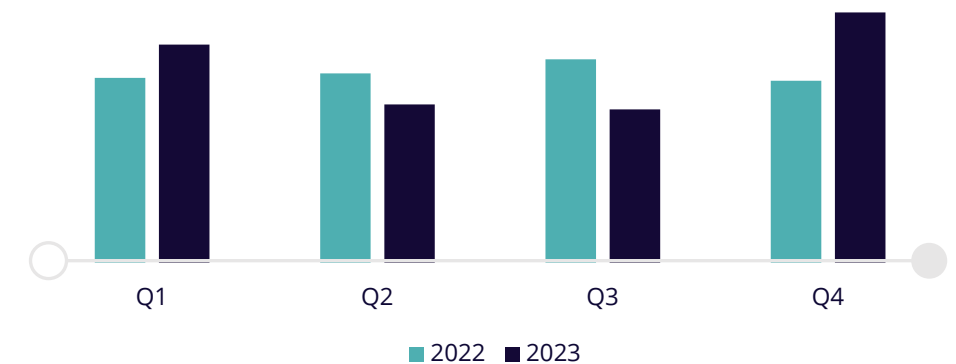
Electronic invoice usage - Cordel



Average number of projects - Bygglet



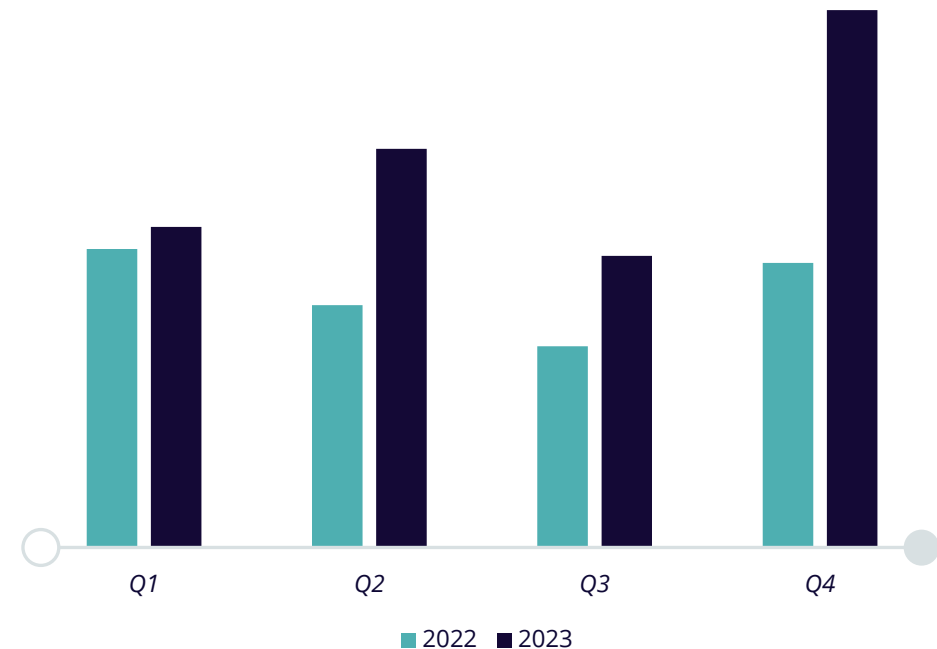
Average number of check lists pr customer - Cordel



Increased momentum in Sweden

- Continued strong demand for Bygglet
 - 88% increase in booked meetings in Q4 YoY
 - Sales time down to 21 days in Q4 (28 days Q4 2022)
 - Sales conversions consistently high
- Successful pilot of integration to Visma eEkonomi

Booked Meetings (Bygglet)

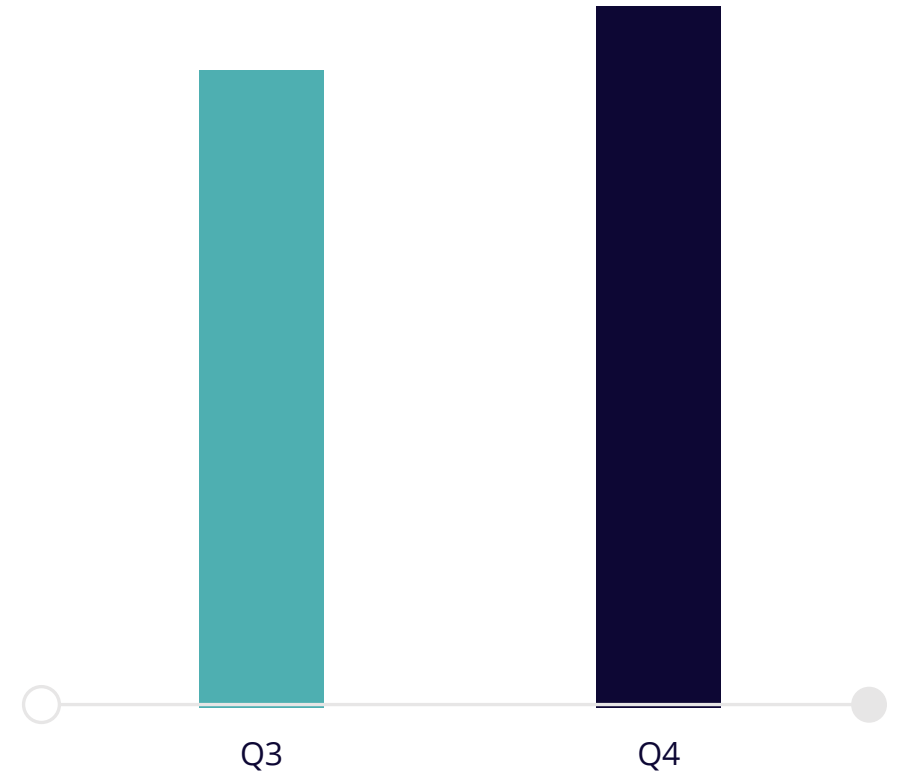


Still challenging new build market in Finland

- 51% reduction in building permits from September to December (Y/Y) *
- Growth in Finland is reduced by lower activity in new construction projects from existing customers
- 122% growth in number of leads (QoQ)
- Customer revenue pipeline grew by 10%
- Churn is at a low level
- Project based revenue model implies a growth tailwind when market turns

* Statistics Finland Jan 2024

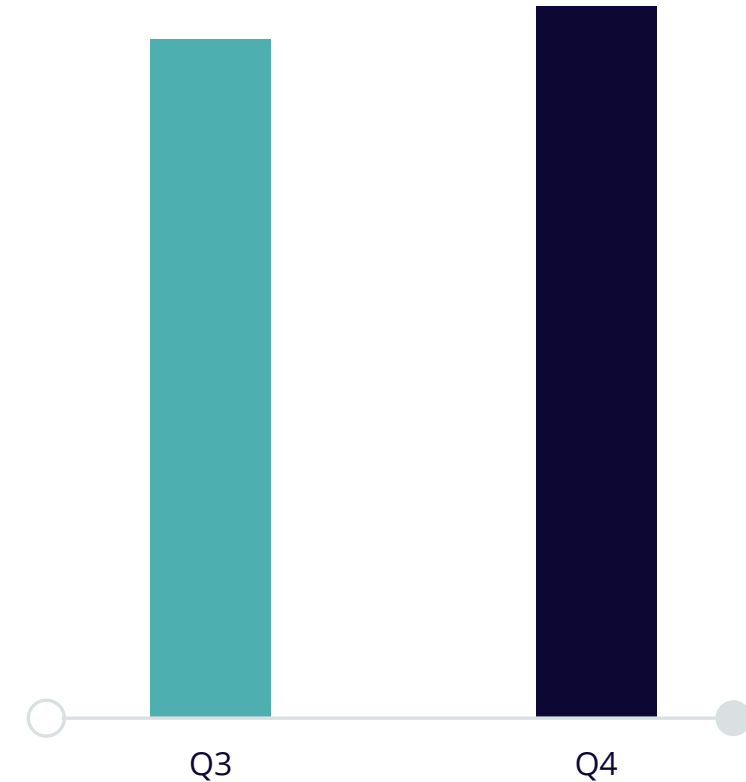
Customer revenue pipeline



Continued strong market situation in Norway

- Great sales activities
 - Signed 9 partner contracts (3 new) for scale and growth
 - 5% increase in customer leads (Q/Q)
 - Potential revenue pipeline is strong and at same level as at the end of Q3

New customer leads

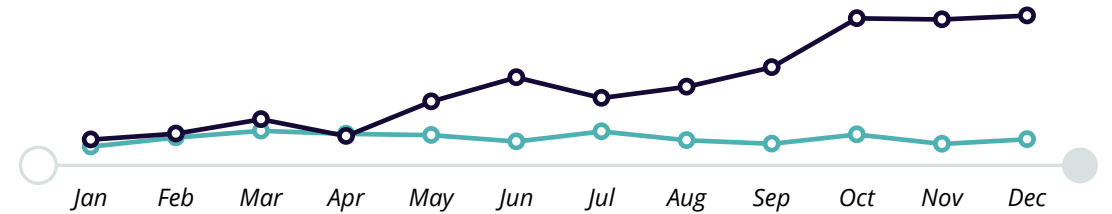


Marketing and sales efficiency in Q4

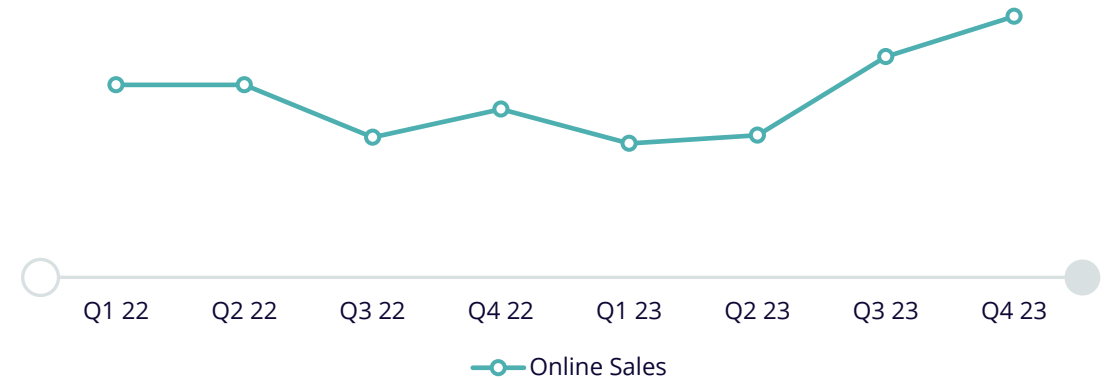
- +595% (Y/Y) brand exposure¹
- 28% of new customers from online sales (21% Y/Y)
- Attended Elmässan & Bygg Reis Deg
- 23% more leads (YoY)
- 58% conversion rate from meeting to sales (55% Q3 LTM)
- Good start to 2024

*1 Response to SmartCraft communication in different media channels

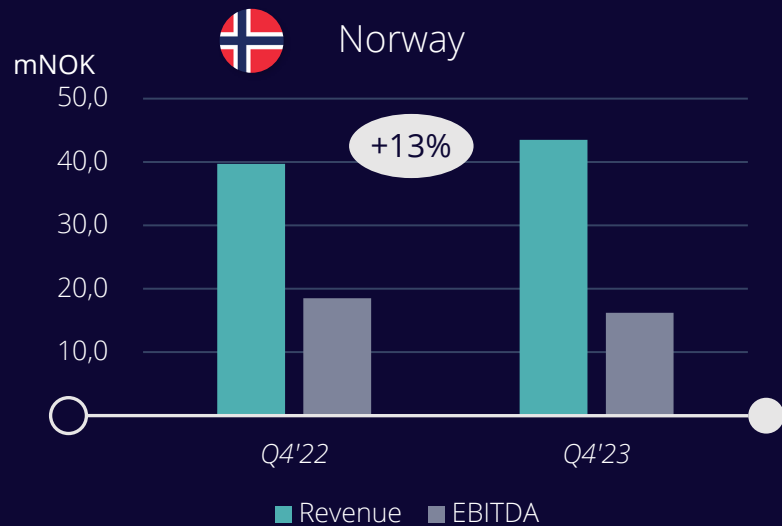
Brand exposure for the SmartCraft Group



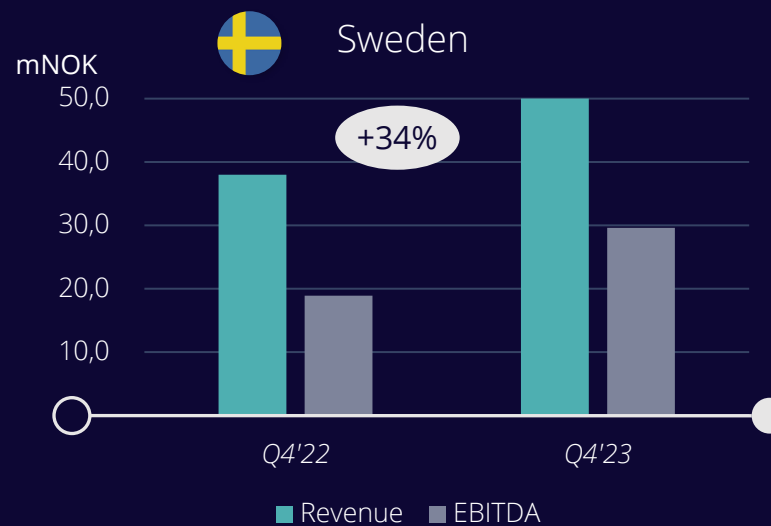
Online Sales in the SmartCraft Group



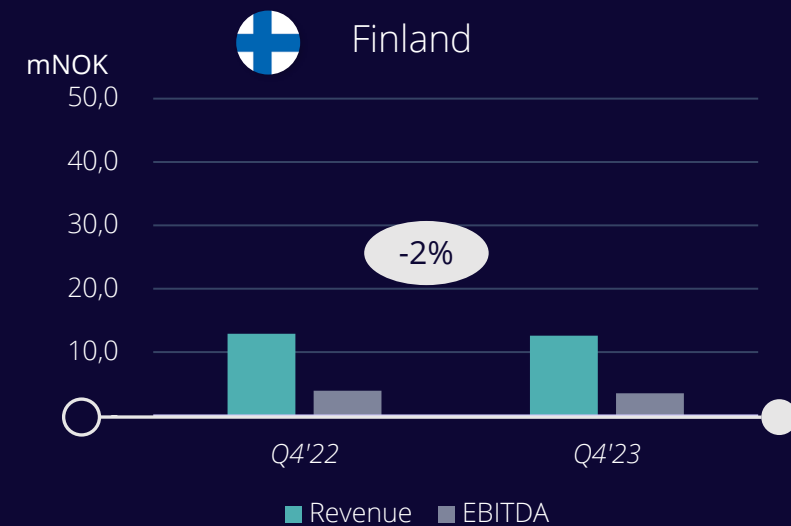
Solid performance in all segments



- Organic ARR growth +15% YoY
- Maintained strong pipeline with leads generating activities
- Less capitalization due to non-capitalizable research activities and year-end adjustments



- Organic ARR growth +18% YoY
- Good sales performance and positive trend
- Improved profitability due to scalability, bonus accruals and increased R&D capex

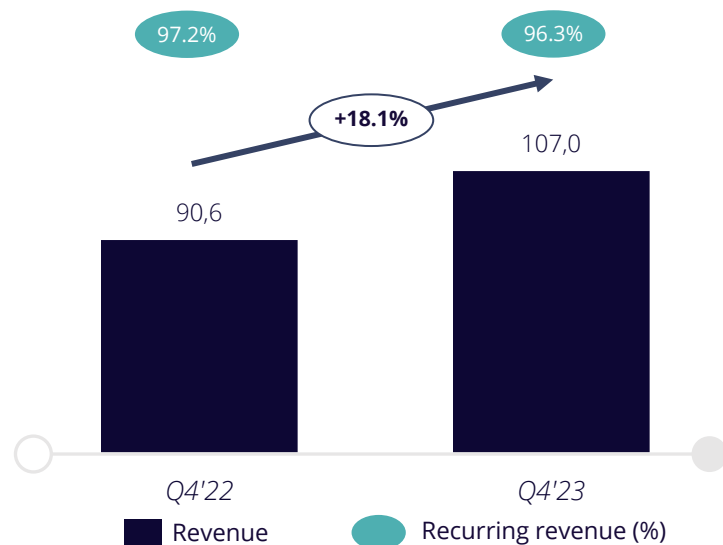


- Organic ARR growth -2% YoY
- Exposure to large customers in “new build” construction
- Increased potential revenue pipeline
- Growth offset by downgrades relating to new build-projects
- Low churn of 5%

Continued growth in revenue and strong profitability

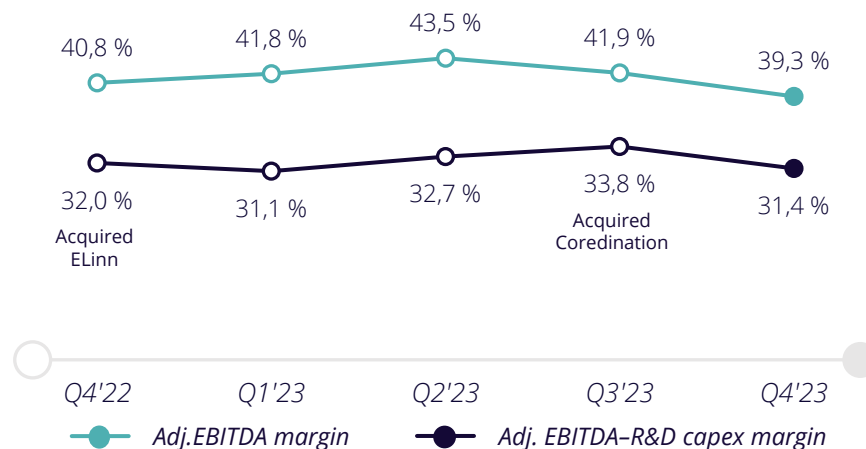
Solid YoY revenue growth

mNOK



- Maintaining high recurring revenue share
- 14% organic growth in annual recurring revenue

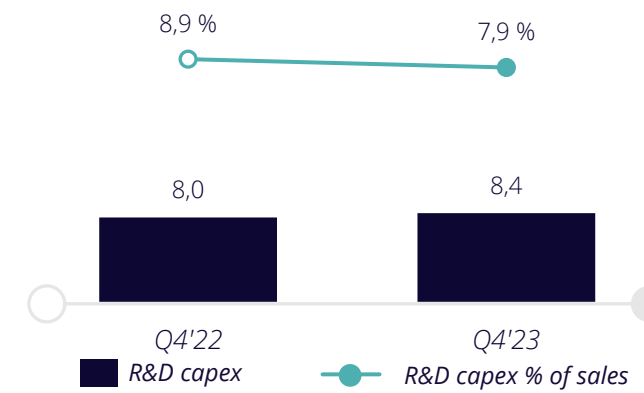
Consistently high profitability



- Increased marketing spending in Q4 2023 to generate long-term leads
- Agile business model to scale costs in a more demanding business climate with the ability to increase margin both short-term and long-term

R&D capex

mNOK

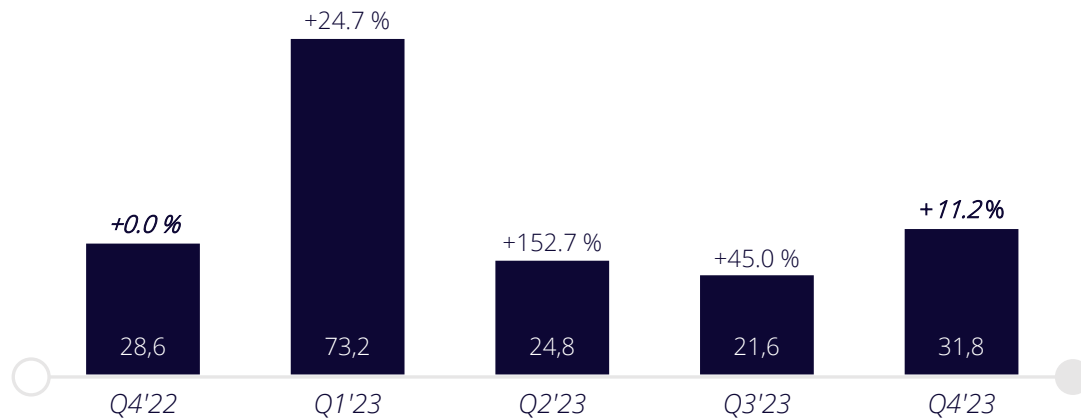


- Development of SmartCraft Core and integrations for cross sale and upsales
- 9.3% for FY'23

Solid financial position and strong cash flow

- to support growth strategy and M&A activity

Operating cash flow
mNOK, YoY growth



- Cash positive all quarters (seasonally strong Q1)
- YoY Cash increase in all quarters
- Cash generated from operations enables strategic investments and M&A

Balance sheet, December 31, 2023

mNOK

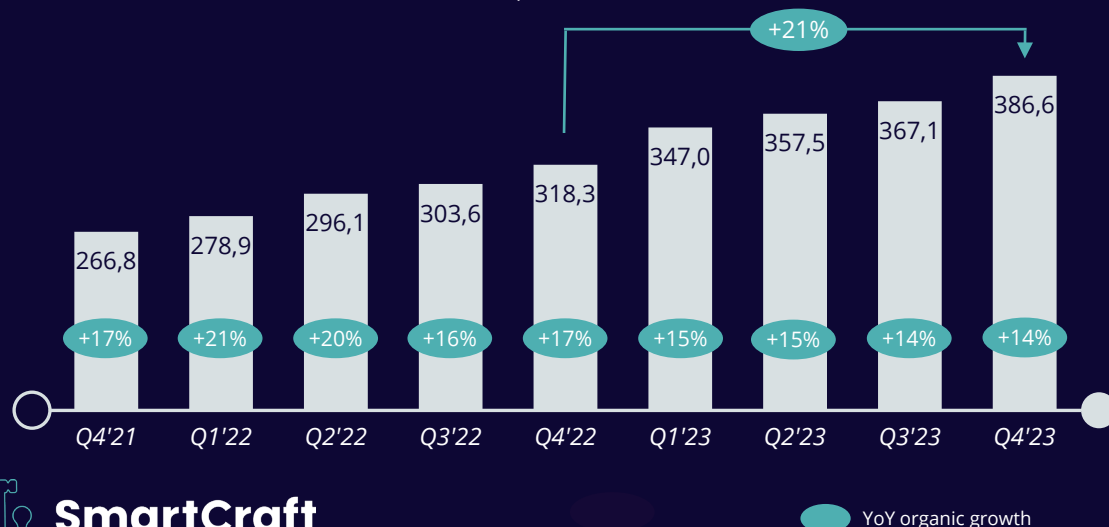


- Net cash positive
- Negative net working capital driven by customer prepayments
- Holds 1,85% (~3,2m) shares , per mid-February

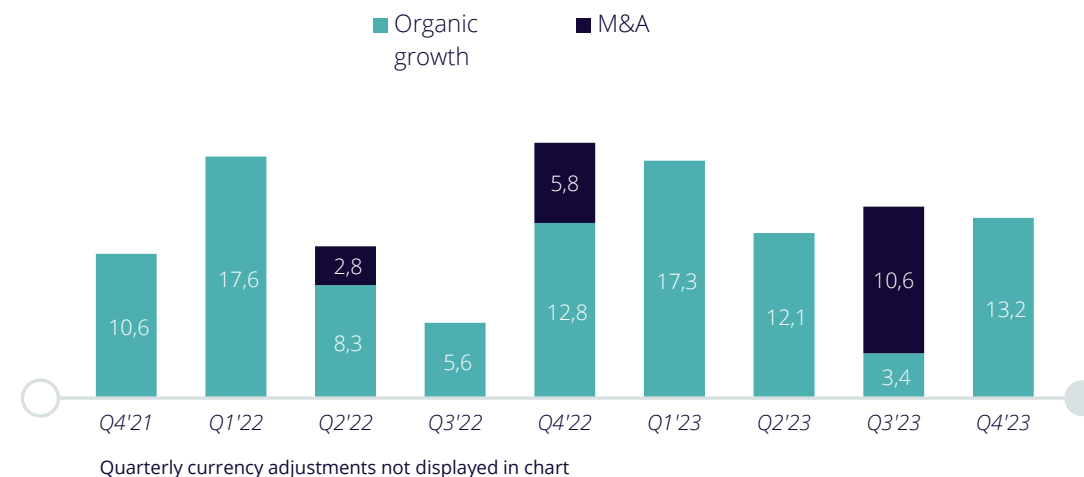
High growth in recurring revenue as basis for success

- 21% growth in ARR
 - 4% organic growth quarter-over-quarter
- Annual price adjustments started in December
 - 5-8% vs 8-10% last year
 - Revenue tailwind throughout the year as price increases take effect at automatic contract renewals, price increases are thus spread out over 12 months

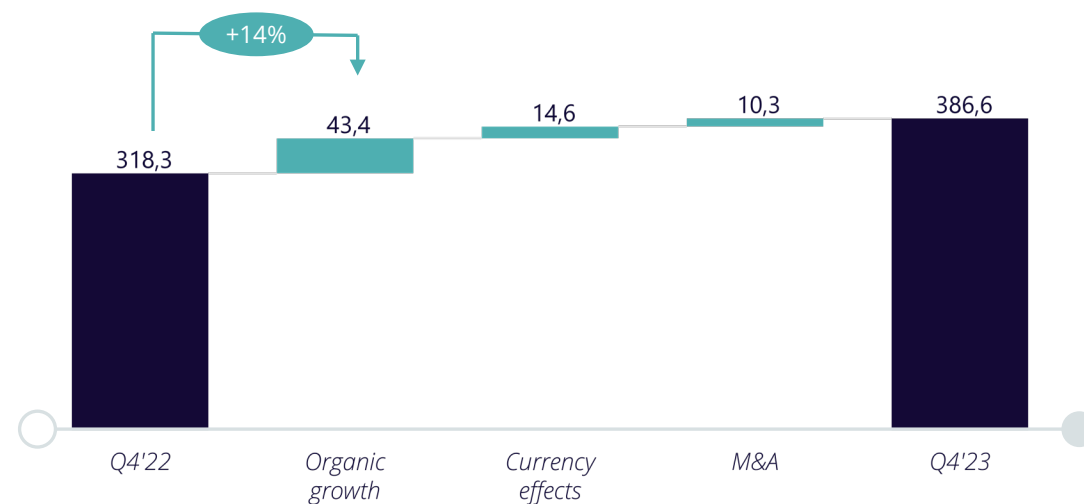
ARR development, mNOK



Quarterly ARR growth history, mNOK



ARR bridge YoY, mNOK



Some technology and product highlights

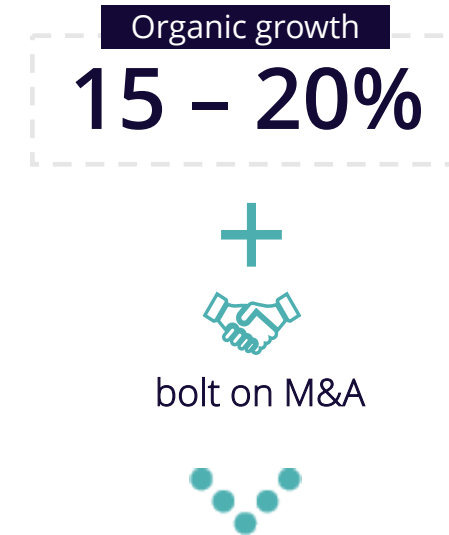
- Successful pilot of Visma eAccounting integration
- SmartCraft Accounting Connector processes +10.000 messages daily across different accounting systems
- Promising tests utilizing AI to assist customer success personnel
- Preparing SmartCraft Calculation for release in Q2



Key focus to ensure continued profitable growth

- Customer centric business model
- Continue with marketing and sales excellence to build solid new customer pipeline
- More sales automation & self service
- Use our flexible business model to be prudent on costs
- Value accretive M&A

Medium-term financial targets remain unchanged



Margin expected to increase due to scalability of the business

Short-term considerations:

Impact from acquired companies last 12 months

Q&A

Make sure to follow us for the latest news!



smartcraft.com



[LinkedIn](#)



[Facebook](#)



[YouTube](#)

We continue to deliver on our profitable growth journey

- Continue to deliver on strategy
- Reduced operational risk
- Consistent strong operational cash flow

