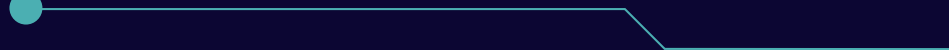




Q3 2024 REPORT



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This is SmartCraft

HISTORICAL FIGURES DEMONSTRATE EFFICIENT GROWTH MODEL, SCALABILITY AND STRONG CASH FLOW PROFILE

Amounts in NOK (millions)

	2020	2021	2022	2023	LTM
ARR	205	267	318	387	474
Revenue	196	271	333	402	482
Adjusted EBITDA	81 41%	109 40%	131 39%	167 42%	186 39%
Operational cash flow	98	107	116	153*	163
R&D capex	12	22	24	37	43
Customers	≈8 500	≈11 000	≈12 000	≈12 500	≈13 300

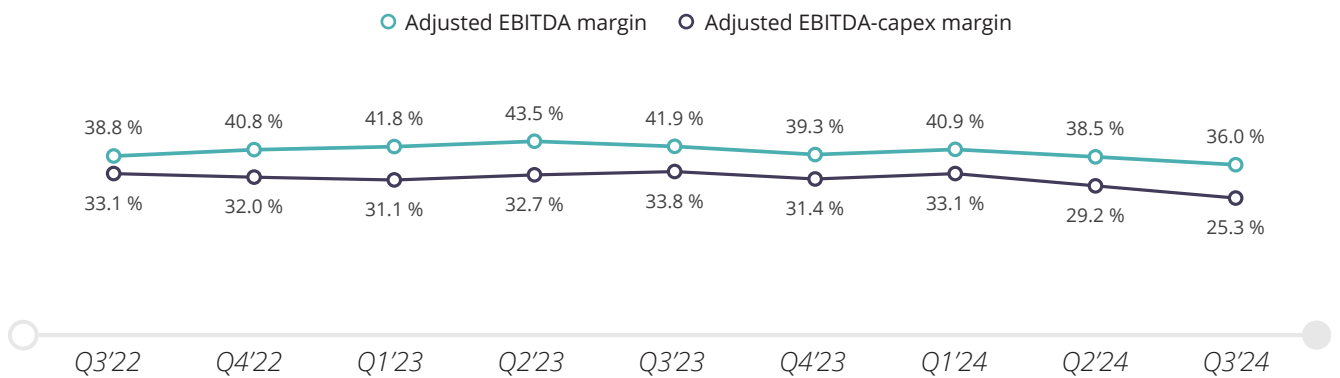
* adjusted for HomeRun earnout recognized over P&L

Q3 2024 in brief

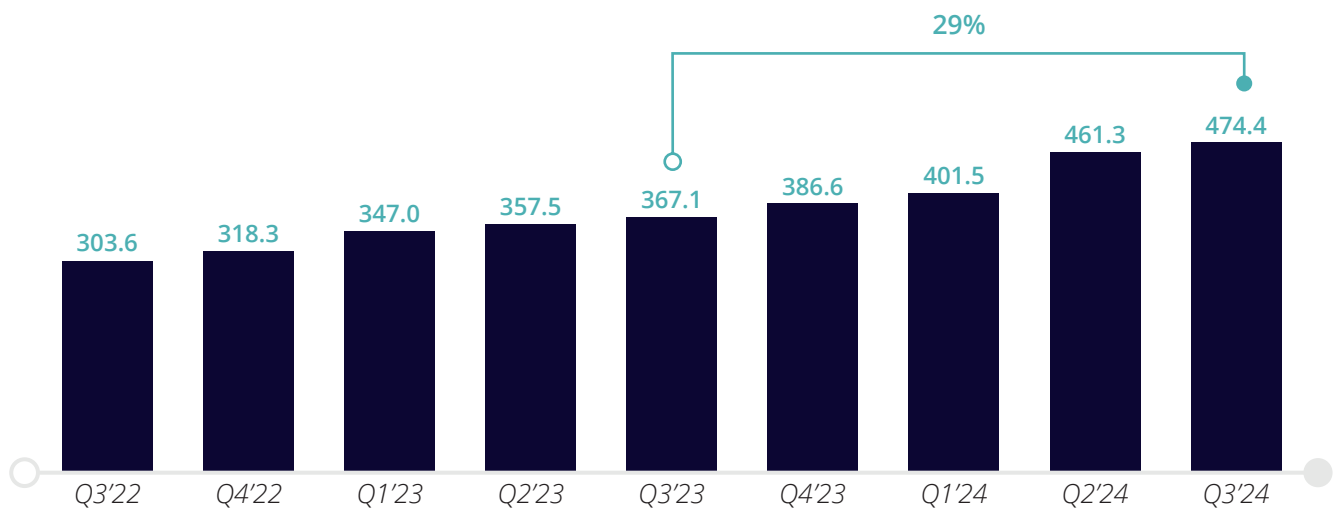
THIRD QUARTER 2024

- Revenue NOK 132 million, a growth of 32 percent
- Annual Recurring Revenue NOK 474 million, an organic growth of 10 percent, 3 percent growth (QoQ)
- Low churn at 8 percent, up 0.4 percentage point from last quarter
- Operational cash flow NOK 34 million, a growth of 58 percent
- Adjusted EBITDA NOK 47 million, a growth of 14 percent
- Adjusted EBITDA-capex margin of 25 percent, decline driven by dilution from acquisitions, and investments in disruptive development projects and a Group brand project

Adjusted EBITDA margin development per quarter (end of period, MNOK)



ARR development per quarter (end of period, MNOK)



Letter from the CEO

SmartCraft is committed to profitable growth. In the third quarter we extended our long-term track record with a revenue increase of 32 percent (YoY) to NOK 132 million. We continue to deliver high profitability with a 25 percent adjusted EBITDA-capex margin. The margin is, as expected, diluted by the recent acquisitions of Clixifix and Locka in the second quarter, in addition to one-off initiatives to increase scale and synergies. Customer revenue churn in the third quarter was slightly up to 8.3 percent.

The construction industry continues to experience a challenging macro environment with new build projects at a very low level. Our focus is to deliver software to small and medium enterprises working with renovation of existing buildings. Many of these are electricians and plumbers which are very much in demand to make the shift to more energy efficient buildings. Hence, we experience a good interest for our solutions, despite the gloomy macro picture, and are pleased to report a 10 percent organic increase in annual recurring revenue (ARR) for the quarter (YoY). In Q3 we are adding NOK 13 million, a record high third quarter growth of 3 percent (QoQ), lifting ARR to NOK 474 million.

We observe encouraging signals from the Swedish market, where three interest rate cuts this year have resulted in increased optimism within the construction industry and led to revenue growth for SmartCraft. This is a good indication of what to expect in Norway when interest rates also come down in this market.



Recurring revenue is our strategic top priority. In the third quarter we have started the implementation of transforming business to recurring revenue models in the newly acquired companies. Both Locka and Clixifix are now integrated and part of the Group structure.

In Q3 we are adding NOK 13 million, a record high third quarter growth of 3 percent (QoQ), lifting ARR to NOK 474 million.

Looking at Locka, the business is being included in the Swedish organization and benefits from best practices and synergies in sales and marketing. To date, Locka's business model has achieved approximately 50 percent recurring revenue. We are now focusing on raising this proportion by minimizing non-recurring fees such as consulting, training and start-up fees. Instead, we seek to include this in the monthly fee to the customer. While this decreases revenue initially, it benefits the customer by lowering their upfront payments and makes onboarding smoother. Furthermore, SmartCraft benefits with improved revenue predictability and increased long-term revenue.

Clixifix will work as our platform in the UK, where we see significant growth potential. We have already started multiple projects to explore growth opportunities, both organically and through acquisitions.

Q3 was the first full quarter with Clixifix as part of SmartCraft. We are delighted to have Clixifix as part of our family and entering the UK has increased our TAM to NOK 50 billion. Clixifix is delivering very solidly so far, with above 30 percent organic growth in recurring revenue and the company has gone from negative EBITDA-CAPEX margin in Q3 2023 to a double digit figure in the third quarter this year. Clixifix will work as our platform in the UK, where we see significant growth potential. We have already started multiple projects to explore growth opportunities, both organically and through acquisitions. At present, we are assessing the feasibility of introducing some of our Nordic offerings to the UK market along with Clixifix. Meanwhile, we are also developing a list of potential acquisition targets.

Across the group we continue to proactively enhance our competitive edge by carrying out projects that upgrade our products and drive both revenue and profitability over time. For instance, in the third quarter, we incurred a one-time expense of NOK 1.5 million for a SmartCraft Group branding project, which we anticipate will start to pay off in 2025. Additionally, we have been active in product and technology development, raising the capitalized cost by NOK 6 million in the third quarter compared to the same period last year. These investments and other initiatives we have initiated, put us in pole position when the market turns.

Wrapping up, we remain enthusiastic about the opportunities in the current market and new markets we may enter, especially when the macroeconomic environment becomes more favorable. With the big market potential in an under digitalized industry, our great team, solutions that fit well to market needs and a business model that scales well, we are well positioned to deliver on our medium-term financial targets of 15-20 percent organic growth with increasing margins.



Gustav Line
CEO

Operational development

SmartCraft continues to deliver on our strategy to grow both organically and by acquisitions. We use our structured go-to-market approach to win new customers and upsell to existing customers and together with the acquisitions of Clixifix and Locka in the second quarter our ARR grew by 29 percent to NOK 474 million in the third quarter (YoY).

SmartCraft's strategy is to prioritize and maximize recurring revenue over non-recurring revenue. The strategy increases earnings visibility, and hence reduces operational risks. During the third quarter, we continued to actively evaluate the potential to transform non-recurring revenue, such as start-up fees, initial training, etc., into SaaS services, thus reducing the threshold to become a customer, and growing ARR. In the third quarter, this has been particularly important in our newly acquired businesses Clixifix and Locka, which in the short-term transition phase puts downwards pressure on revenue and margin growth.

The third quarter is our shortest quarter from a market execution point of view, due to summer holidays in July and August. In a very challenging macro environment for construction companies our solutions fit the current market well, and this combined with good execution of marketing and sales activities resulted in an increase of 62 percent in meetings with potential new customers

(YoY). However, as our customers are uncertain of the short-term future, decisions are postponed, and our sales conversions from customer sales meetings to sales declined to 35 percent in the third quarter compared to above 50 percent in a normal market. Hence, to further increase our pipeline we have invested more in marketing and a Group branding project to be even more visible in the market.

It is important for SmartCraft to leverage our ability to continue to drive penetration and capture market share even in challenging market conditions. This will lead to an even stronger competitive positioning when markets pick up. In the third quarter, we invested more than last year in development of new initiatives and solutions, resulting in a higher level of capitalization. The most significant new investment is a new solution to disrupt how electricians currently do their administrative work.

SEGMENTS¹

Distribution of revenue per reporting segment

<i>Amounts in NOK (millions)</i>	Q3'24	Q3'23	YTD'24	YTD'23	FY'23
Norway	45.1	41.7	137.4	124.2	167.7
Sweden	63.0	45.6	181.9	132.5	183.2
Finland	12.7	12.4	37.4	38.1	50.7
Total revenue per reporting segment	120.7	99.7	356.6	294.8	401.7

1) UK is excluded from the segment reporting due to transparency reasons as there is currently only one SmartCraft solution offered in the UK market.

Distribution of revenue per reporting segment

	Q3'24	Q3'23	YTD'24	YTD'23	FY'23
<i>Organic growth total recurring revenue</i>					
Norway	9.7 %	16.2 %	12.2 %	17.3 %	16.9 %
Sweden	11.3 %	11.5 %	11.6 %	12.3 %	12.4 %
Finland	(0.7 %)	4.0 %	(3.3 %)	8.3 %	5.9 %
<i>Organic growth total revenue</i>					
Norway	8.2 %	14.3 %	10.6 %	15.3 %	14.6 %
Sweden	11.4 %	12.3 %	11.0 %	13.2 %	13.1 %
Finland	(0.7 %)	2.7 %	(3.9 %)	5.3 %	3.4 %

Distribution of EBITDA per reporting segment *(Excluding Group overhead)*

<i>Amounts in NOK (millions)</i>	Q3'24	Q3'23	YTD'24	YTD'23	FY'23
Norway	20.5	17.9	61.9	57.9	73.7
Sweden	28.4	24.4	87.6	68.4	97.6
Finland	4.7	4.4	11.7	13.9	17.2
Adjusted EBITDA per reporting segment	53.6	46.7	161.2	140.2	188.5
<i>Adjusted EBITDA margin</i>					
Norway	45.5 %	43.0 %	45.0 %	46.6 %	43.9 %
Sweden	45.1 %	53.5 %	48.2 %	51.6 %	53.3 %
Finland	36.7 %	35.2 %	31.3 %	36.4 %	34.0 %

SmartCraft Sweden

Sweden is our largest segment with 48 percent of the revenue in the group. In the third quarter revenue grew by 38 percent, mainly driven by the acquisition of Locka in the previous quarter. The macroeconomic backdrop is improving in Sweden, following three interest rate cuts so far this year, and together with increased marketing spend, this has contributed to improved trends with regards to organic recurring revenue growth. The YoY organic growth in recurring revenue in the third quarter was 11.3 percent, compared to 10.8 percent in the second quarter.

The profitability has decreased by 8 percentage

points (YoY), mainly due to the acquisition of Locka which operates with a significantly lower margin than the rest of our Swedish solutions. We are working to both increase ARR and margin in the acquired company, although the transition from non-recurring revenue will put pressure on revenue growth and profitability in the short term.

SmartCraft Norway

Norway is our second biggest segment, accounting for 34 percent of the revenue in the group. Revenue in the second quarter grew by 8 percent, driven by new sales and upsales. The Norwegian construction market has become more challenging in the last months, affecting all players in the

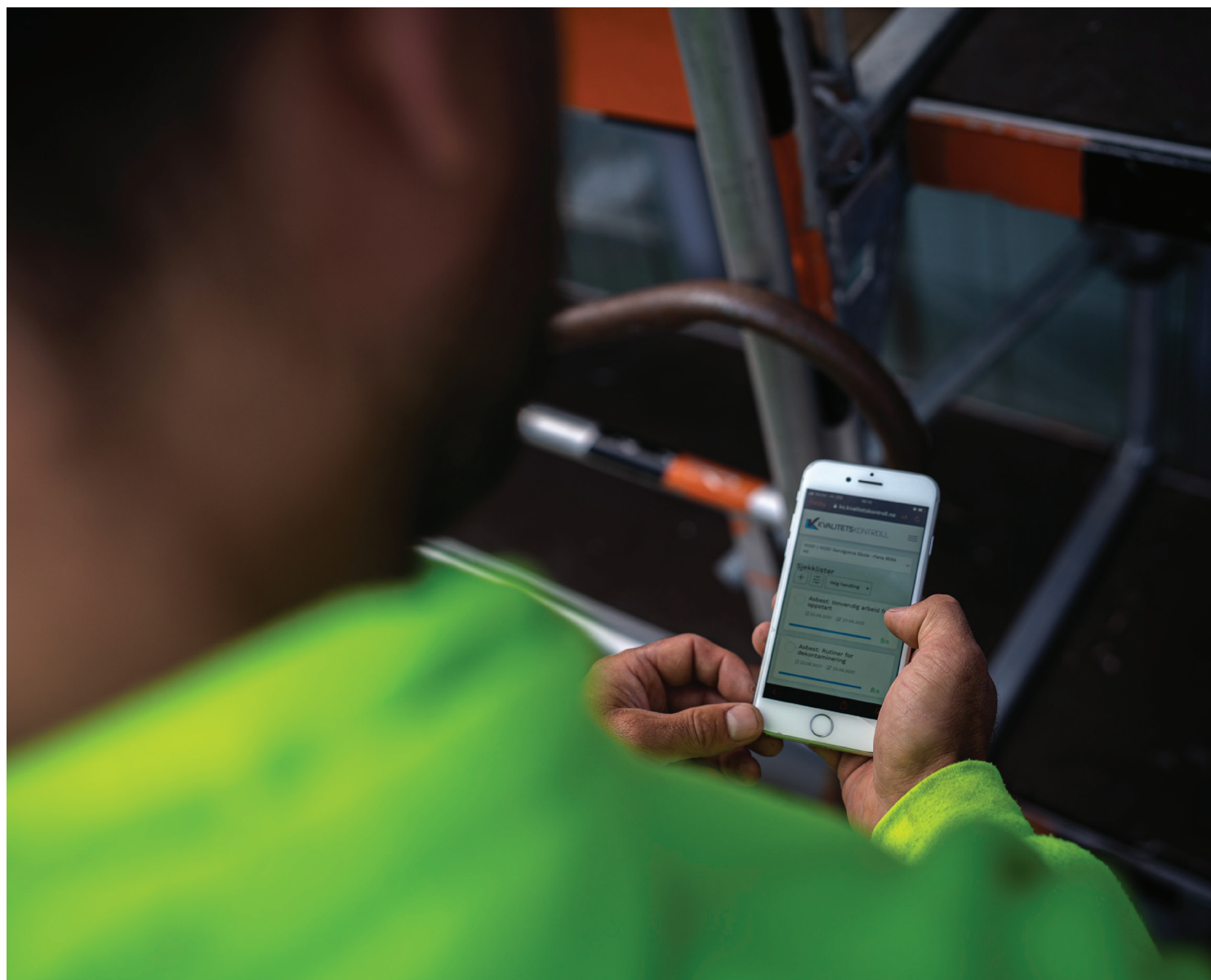
industry. We continue to shift revenue from non-recurring to recurring revenue, putting pressure on our revenue growth, and are pleased to report an organic recurring revenue growth of 10 percent (YoY). We have a consistent and high profitability in the quarter (YoY).

SmartCraft Finland

Finland accounts for 10 percent of the Group revenue. The market continues to be challenging in Finland, although we see positive macroeconomic signals, leading to a more positive revenue trend. Revenue grew 2 percent in the third quarter (YoY),

driven by exchange rate, while the organic revenue growth was slightly negative. This marks a notable improvement from the 6 percent decline recorded in the first and second quarter this year.

As we have a higher exposure to larger customers and new build projects in Finland we have seen more downgrades in this market. As most of the customers do not churn, we believe we are well positioned to increase revenue when the market turns, and these customers increase the use of our solutions. We still have a healthy margin of 37 percent in the quarter, which is a slight increase (YoY).



Financial review

<i>Amounts in NOK (thousands)</i>	Q3'24	Q3'23	YTD'24	YTD'23	FY'23
Revenue from customers	131 849	99 663	374 633	294 789	401 654
Total operating revenue	131 849	99 663	374 633	294 789	401 654
Purchase of goods and services	11 250	7 651	30 869	23 803	32 681
Payroll and related expenses	54 375	38 225	144 746	109 819	145 637
Other operating expenses	21 557	12 318	60 990	37 694	57 616
Total operating expenses	87 182	58 194	236 606	171 316	235 934
EBITDA	44 667	41 470	138 027	123 473	165 721
Adjustments of special items	2 796	268	5 458	1 525	1 525
Adjusted EBITDA	47 462	41 738	143 484	124 998	167 246
Depreciation and amortization	13 271	8 942	36 012	25 686	36 204
Operating profit (loss) before financial items and tax	31 396	32 527	102 015	97 787	129 516
<i>EBITDA-margin</i>	33.9 %	41.6 %	36.8 %	41.9 %	41.3 %
<i>Adjusted EBITDA-margin</i>	36.0 %	41.9 %	38.3 %	42.4 %	41.6 %

SmartCraft's consolidated revenue in Q3 2024 grew by 32.3 percent to NOK 131.8 million, up from NOK 99.7 million in Q3 2023. The revenue growth was driven by organic growth from the Group's SaaS solutions, the acquisitions of Locka Group (April 2024) and Clixifix (May 2024), as well as changes in currency rates. ARR grew to NOK 474.4 million, a growth of 29.2 percent year over year with an organic growth of 9.5 percent.

SmartCraft's strategy is to prioritize and maximize recurring revenue over non-recurring revenue, including transforming non-recurring services to SaaS services. The short-term result of this however, may be a negative effect on total revenue as existing non-recurring revenue no longer is recognized at a single point in time but over time as recurring revenue. In Q3, the share of recurring revenue was 94.1 percent, a decline from 97.5 percent in Q3 2023 but an increase from 89.6 percent in Q2 2024. The main changes in the

recurring revenue share are related to the acquired companies Clixifix and Locka. Over time we expect to increase SmartCraft's recurring revenue share and consistently be in the mid to high 90 percent range.

The Group had a churn of 8.3 percent in Q3 2024, compared to 7.9 percent last year. Bankruptcies in the construction industry have increased materially the last quarters which affect SmartCraft and remain the main reason for churn.

The scalability of the business model ensures a relatively stable cost base while delivering good growth in revenues. The agile business model also ensures the ability to adjust the cost base effectively. The reported EBITDA was NOK 44.7 million in Q3 2024. Adjusted for expenses related to acquisitions, the Group had an adjusted EBITDA of NOK 47.5 million (NOK 41.7 million in Q3 2023). The adjusted EBITDA margin for Q3 2024 was 36.0

Organic growth YoY	Q3'24	Q3'23	YTD'24	YTD'23	FY'23
Fixed price subscriptions	9.4 %	13.8 %	10.1 %	14.6 %	14.1 %
Transaction priced add-on subscriptions	6.5 %	2.6 %	8.0 %	6.7 %	6.4 %
Total recurring revenue	9.1 %	12.8 %	9.9 %	13.8 %	13.4 %
Non-recurring revenue	(12.1 %)	(6.8 %)	(20.3 %)	(7.2 %)	(10.5 %)
Total revenue	8.6 %	12.3 %	8.9 %	13.0 %	12.5 %

percent compared to 41.9 percent in Q3 2023. The decline in margin was due to a dilution from acquisitions and increases in operational initiatives that will drive future growth.

The adjusted EBITDA-capex margin decreased by 8.5 percentage points to 25.3 percent (33.8 percent in Q3 2023), which included a 4.4 percentage points dilution from acquisitions. The additional 4.1 percentage point decline is a result of several initiatives to synergize costs and solutions, scale the organization and increase sales in the longer term. The SmartCraft-brand project, which is a project to package and synergize the Group's brands to better scale marketing and sales starting in 2025, has a 1.1 percentage point negative one-off effect on the Q3 2024 margin. Additionally, the Group has invested in new development initiatives to disrupt the way electricians do their administrative work and increase competitiveness when the market improves, lowering margins by 2 percentage points. The remaining decline in margins relates to marketing activities aimed to proactively increase sales in a challenging market, improved data security due to more cyber threats and increased customer losses due to the high level of bankruptcies.

SmartCraft is focused on increasing the margins for all solutions in the medium/long-term. Our approach to increase the margins in acquired solutions is first and foremost to help the solutions optimize operations to better scale and grow, and thereby create a long-term business advantage, rather than reducing cost.

SmartCraft constantly improves existing solutions and develops new solutions and add-ons. We

are focusing on shifting an increasing share of our cost base towards R&D activities. In Q3 2024, SmartCraft capitalized NOK 14.2 million in development costs for creating new solutions and add-ons. This constitutes 10.7 percent of revenue, an increase from 8.1 percent in Q2 2023. While increased capitalization is a result of investments in increased capacity, the level of capitalization also varies from quarter to quarter depending on the stage in the lifecycle and nature of each development project.

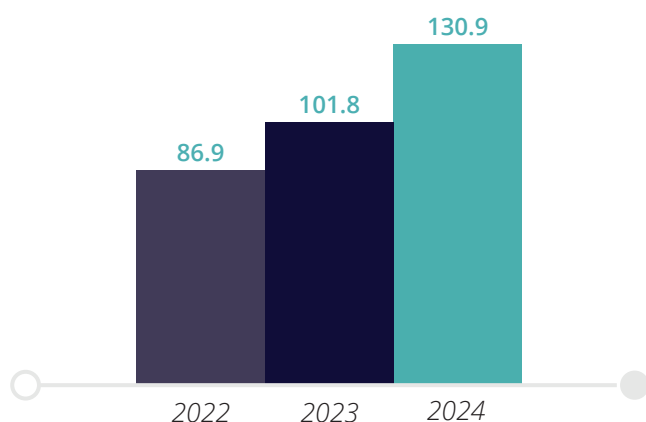
Depreciations and amortizations were NOK 13.3 million in Q3 2024 compared to NOK 8.9 million in Q3 2023. The increase is a result of the Group's continuous R&D activities and acquisitions. In Q3 2024, amortization related to M&A was NOK 7.1 million, compared to NOK 4.0 million in Q3 2023.

The Group had a net financial expense of NOK 2.7 million in Q3 2024, compared to NOK 1.3 million in Q3 2023. Net financial items are mainly driven by negative currency effects.

CASH FLOW

SmartCraft's business model generates a high and positive cash contribution throughout the entire year, although there are seasonal variations relating to the timing of invoicing. Cash flow from operating activities was NOK 34.3 million in Q3 2024, an increase from NOK 21.6 million in Q3 2023. The increase from last year is mainly due to an increase in accruals and prepayments. The Group is constantly working to improve its net working capital, which will continue to contribute to improved cash flow from operating activities.

Quartely development in
operating cash flow
YTD Q3, MNOK



Cash flow from investing activities was NOK -14.4 million in Q3 2024, compared to NOK -31.2 million in Q3 2023. In Q3 2024 investing activity was mainly capitalized development costs of NOK 14.2 million (NOK 8.1 million in Q3 2023).

Net cash flow from financing activities was NOK -6.2 million in Q3 2024. Through the buy-back program, SmartCraft acquired 90 189 own shares (0.05 percent of total shares) totaling NOK 2.7 million in Q3 2024.

The SmartCraft share buy-back program of up to NOK 15 million, at a maximum share price of NOK 30, was initiated after the annual general meeting in May 2024 and finalized in August 2024. The treasury shares may be used for payment for potential future acquisitions in combination with cash. Additionally, treasury shares may be used for potential future settlement of the Group's long-term investment program for management and key employees. At the end of Q3 2024 SmartCraft had, through previous and existing buy-back programs, acquired in total 3 829 807 shares (2.23 percent of total shares) at an average price of NOK 21.25 per share.

SmartCraft has a positive cash contribution from operations every quarter. The Group operates in an under-penetrated market and plans to continue its role as a consolidator and increase its market

share. SmartCraft does not expect to pay dividends in the short to medium term and the accumulating cash holding will be allocated to investments and acquisitions supporting the Group's position and plans, and potential future share-buy back programs.

FINANCIAL POSITION

The balance sheet of SmartCraft remains solid and the Group has a negative net working capital driven by customer prepayments. The Group is in a net cash position, is self-funded and well capitalized to deliver on the organic growth ambitions and M&A strategy.

Total assets amounted to NOK 1 260.5 million (NOK 1 100.1 million at the end of 2023), of which cash and cash equivalents amounted to NOK 117.8 million (NOK 206.0 million at the end of 2023), the decrease in cash is driven by the payment for acquisitions. Non-current assets amounted to NOK 1 072.4 million (NOK 821.3 million at the end of 2023). The increase in assets is driven by cash flow from operations and changes in currency rates.

Total liabilities amounted to NOK 329.4 million (NOK 256.4 million at the end of 2023). The increase is mainly related to the increase in deferred revenue.

SHARE INFORMATION

At the end of Q3 2024 SmartCraft ASA had 171.5 million shares at par value of NOK 0.01. There have been no changes in shares or share capital in Q3 2024 in SmartCraft ASA.

As of 30 September 2024, SmartCraft holds 3 829 807 own shares (2.23 percent) and total outstanding shares were 167 692 498. SmartCraft owes 177 353 shares to the sellers of Clixifix.

RISK FACTORS

Risk factors are described in the information document prepared in connection with the listing on Oslo Børs, published June 14th, 2021 and in the annual accounts for 2023, published April 11th, 2024.

FINANCIAL CALENDAR

- November 8th Berenberg Nordic Seminar, Paris
- November 28th Pareto Nordic TechSaaS conference
- February 13th Q4 2024 Reporting
- May 2nd Annual General Meeting
- May 7th Q1 2025 Reporting
- August 26th Half-yearly Reporting
- November 4th Q3 2025 Reporting

Please visit smartcraft.com/investor-relations/ for most recent calendar update.

Outlook

SmartCraft continues to deliver strong growth and corresponding high margins in a challenging construction market. Firstly, our strategic focus is to continue to build a robust business model with a high level of recurring revenue and good financial visibility and stability. Secondly, our market positioning offers resilience as most of our customers are small and medium enterprises focusing on the renovation part of the industry, where demand is very stable and growing, as opposed to in the newbuild segment. Furthermore, most of our customers are electricians and plumbers that experience high demand due to energy efficiency initiatives of existing buildings.

Most of the revenue in the Group derives from Sweden and Norway. Both markets continue to experience good demand given the macroeconomic backdrop. The solutions also have a great market fit despite a challenging market for the construction industry in general. It is satisfying to see that customers with exposure to the newbuild market, and hence reduced activity, are typically not churning. This means that they are likely to increase spending when their market recovers.

Our Finnish business is more exposed to newbuild and hence macro fluctuations, which means higher dependence on the macroeconomic development.

M&A is an important part of SmartCraft's growth strategy, and we continue to develop our pipeline of potential acquisition targets. The acquisition of Clixifix in the UK represents an important strategic milestone for SmartCraft, expanding our market potential significantly, as Clixifix represents a foothold and a good starting point for further organic and non-organic growth in the UK.

The companies acquired in 2023 and 2024 (Coredination, Locka and Clixifix) have a dilutive effect on the Group's EBITDA margin. We will

apply our proven methodology to increase scalability over time, improve margins and increase the recurring revenue share in the acquired companies.

SmartCraft is successfully focusing on increased visibility in the market, constantly reaching more potential customers, resulting in more leads and customer meetings. Hence, the pipeline remains healthy for the quarters to come. SmartCraft is in a good position to win market share with a great team and our best of breed solutions.

While the SmartCraft Group has performed well throughout the downturn cycle for the construction industry, our revenue growth is indeed to some extent dependent on the general macroeconomic development in our markets. Three interest rate cuts in Sweden so far in 2024 have led to improved trends for the construction industry and SmartCraft revenue in Sweden, and we expect any further macroeconomic improvement in the remaining part of 2024 and into 2025 to affect revenue growth positively across our markets. Clixifix is currently growing significantly faster than the group average, and with a positive outlook for 2025, the business is expected to strengthen the group's reported organic ARR growth going forward.

As we are still in a phase where our key focus is to drive customer growth and increased penetration, we expect to continue to raise prices moderately in the coming quarters, in accordance with general inflation.

In summary, we stay positive about our future prospects and reiterate our targets of 15-20 percent organic revenue growth in the medium term. Similarly, we expect the adjusted EBITDA margin to increase due to the scalability of the business.

Condensed Consolidated Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK (thousands)</i>	Q3'24	Q3'23	YTD'24	YTD'23	FY'23
Revenue from customers	131 849	99 663	374 633	294 789	401 654
Total operating revenue	131 849	99 663	374 633	294 789	401 654
Purchase of goods and services	11 250	7 651	30 869	23 803	32 681
Payroll and related expenses	54 375	38 225	144 746	109 819	145 637
Other operating expenses	21 557	12 318	60 990	37 694	57 616
Depreciation and amortization	13 271	8 942	36 012	25 686	36 204
Total operating expenses	100 453	67 136	272 618	197 002	272 138
Operating profit (loss) before financial items and tax	31 396	32 527	102 015	97 787	129 516
Financial income	4 138	4 409	19 984	20 511	29 520
Financial expenses	(6 835)	(5 697)	(20 369)	(15 642)	(22 768)
Financial income (expense), net	(2 697)	(1 288)	(385)	4 869	6 752
Profit (loss) before tax	28 699	31 239	101 630	102 656	136 268
Tax expense	6 942	5 207	21 729	16 639	28 640
Profit (loss)	21 756	26 031	79 902	86 017	107 628
Other comprehensive income					
Items to be reclassified to profit or loss:					
Currency translation differences, net of tax	27 394	(8 015)	23 481	11 786	24 685
Total	27 394	(8 015)	23 481	11 786	24 685
Total comprehensive income	49 151	18 016	103 383	97 803	132 313

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS			
<i>Amounts in NOK (thousands)</i>	Sep 30th 2024	Sep 30th 2023	Dec 31st 2023
Goodwill	676 487	542 752	547 580
Intangible assets	361 033	240 830	246 079
Right to use assets	30 490	16 650	24 656
Tangible Assets	4 360	3 030	3 001
TOTAL NON-CURRENT ASSETS	1 072 370	803 262	821 316
Other current assets	10 562	9 812	8 112
Accounts Receivable	59 778	40 734	64 612
Cash and cash equivalents	117 751	189 690	206 024
TOTAL CURRENT ASSETS	188 091	240 237	278 748
TOTAL ASSETS	1 260 460	1 043 498	1 100 063

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES			
<i>Amounts in NOK (thousands)</i>	Sep 30th 2024	Sep 30th 2023	Dec 31st 2023
Share capital	1 715	1 715	1 715
Treasury shares	(38)	(27)	(31)
Share premium	605 893	605 893	605 893
Retained earnings	273 908	201 268	214 846
Other components of equity	40 102	3 721	16 621
Non-controlling interests	9 486	4 881	4 631
TOTAL EQUITY	931 066	817 451	843 675
Non-current lease liabilities	19 199	9 933	14 764
Deferred tax liabilities	64 337	37 747	36 580
Total non-current liabilities	83 535	47 680	51 344
Deferred revenue	134 679	87 640	106 029
Current portion of lease liabilities	11 872	7 305	10 360
Accounts payable	8 800	11 345	8 628
Taxes payable	17 413	13 866	22 402
Other current liabilities	73 095	58 211	57 626
Total current liabilities	245 859	178 368	205 045
TOTAL LIABILITIES	329 394	226 048	256 388
TOTAL EQUITY AND LIABILITIES	1 260 460	1 043 498	1 100 063

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK (thousands)</i>	Share capital	Own shares	Share premium	Other components of equity	Retained earnings	Non-controlling interest	Total equity
Total equity 31.12.2022	1 715	(5)	605 893	(8 064)	161 149	4 881	765 569
Profit / (-) loss for the period	-	-	-	-	107 628	-	107 628
Other comprehensive income	-	-	-	24 685	-	-	24 685
Capital increase 13.07.2022	-	(26)	-	-	(53 482)	-	(53 508)
Purchase of treasury shares	-	-	-	-	-	(250)	(250)
Other changes	-	-	-	-	(449)	-	(449)
Total equity 31.12.2023	1 715	(31)	605 893	16 621	214 846	4 631	843 675
Profit / (-) loss for the period	-	-	-	-	79 902	-	79 902
Other comprehensive income	-	-	-	23 481	-	-	23 481
Purchase of own shares	-	(8)	-	-	(20 839)	-	(20 847)
Changes in non-controlling interests	-	-	-	-	-	4 855	4 855
Total equity 30.09.2024	1 715	(38)	605 893	40 102	273 909	9 486	931 066

CONSOLIDATED CASH FLOW STATEMENT

<i>Amounts in NOK (thousands)</i>	Q3'24	Q3'23	YTD'24	YTD'23	FY'23
Operating activities					
Profit before tax	28 699	31 239	101 630	102 656	136 268
Paid taxes	(4 480)	(7 021)	(26 691)	(18 099)	(24 058)
Net financial income	(138)	(1 059)	(1 983)	(4 869)	(6 752)
Gains/loss sold assets	38	-	86	-	(82)
Depreciation	6 169	4 907	19 767	14 261	20 310
Amortisation of intangible assets	7 102	4 035	16 244	11 425	15 894
Payments related to acquisitions	-	-	-	(16 861)	(16 861)
Interest received	602	1 489	3 727	1 887	3 724
Net cash provided from operating activities before net working capital changes	37 990	33 590	112 780	90 399	128 443
<i>Working capital adjustments:</i>					
Changes in accounts receivable	3 084	(14 604)	15 936	(9 698)	(33 619)
Changes in deferred revenue	(4 545)	(4 837)	7 939	16 894	35 284
Changes in accounts payable	(17 632)	4 794	(2 673)	3 461	744
Changes in all other working capital items	15 378	2 707	(3 096)	745	5 445
Net cash provided from operating activities	34 276	21 650	130 886	101 801	136 297
Investing activities					
Investments in tangible and intangible assets	(263)	(264)	(2 505)	(1 026)	(1 474)
Payments for acquisitions	-	(22 856)	(152 056)	(22 856)	(23 968)
Payments for software development costs	(14 158)	(8 063)	(35 035)	(29 065)	(37 472)
Net cash used in investing activities	(14 421)	(31 183)	(189 596)	(52 947)	(62 914)
Financing activities					
Cash proceeds from capital increases	-	-	4 720	-	-
Downpayment on loan facilities	-	-	(7 954)	-	-
Interest payments	(464)	(439)	(1 740)	(1 040)	(1 214)
Repayments of lease liabilities	(3 014)	(2 471)	(9 221)	(6 925)	(9 964)
Payment of treasury shares	(2 695)	(13 774)	(20 847)	(45 921)	(53 508)
Net cash provided by (used in) financing activities	(6 172)	(16 684)	(35 043)	(53 886)	(64 686)
Net increase (decrease) in cash and cash equivalents	13 683	(26 217)	(93 753)	(5 032)	8 697
Cash and cash equivalents at the beginning of period*	97 064	217 649	206 024	191 587	191 587
Foreign currency effects on cash and cash equivalents	7 005	(1 742)	5 481	3 136	5 740
Cash and cash equivalents at end of period*	117 751	189 690	117 751	189 690	206 024

* Cash and cash equivalent include restricted funds

Explanatory Notes to the Consolidated Financial Statements

NOTE 1 ACCOUNTING POLICIES

The interim report for the SmartCraft Group for 3rd quarter 2024 has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting policies and methods for computation

have been applied as in the latest annual statement. For further information on accounting policies see the Annual Report 2023.

NOTE 2 REVENUE

<i>Amounts in NOK (thousands)</i>	Revenue recognition	Q3'24	Q3'23	YTD'24	YTD'23	FY'23
Fixed price subscriptions	Over time	114 528	89 407	321 290	261 183	356 219
Transaction priced subscriptions	Point in time	9 540	7 731	28 369	24 117	32 922
Total recurring revenue		124 068	97 138	349 660	285 300	389 141
Non-recurring revenue	Point in time	7 780	2 526	24 973	9 489	12 513
Total revenue		131 849	99 663	374 633	294 789	401 654

NOTE 3 EARNINGS PER SHARE

		Q3'24	Q3'23	YTD'24	YTD'23	FY'23
Profit for the period	TNOK	21 756	26 031	79 902	86 017	107 628
Profit for the period attributable to equity holders of SmartCraft ASA	TNOK	21 756	26 031	79 902	86 017	107 628
Average numbers of shares, excl. treasury shares		167 706 688	169 029 077	168 052 822	169 896 094	169 575 195
Earnings per share	NOK	0.13	0.15	0.48	0.51	0.63

Alternative Performance Measures (APMs)

The following terms are used by the Group in definitions of APMs:

- **EBITDA:** Is defined as operating income before depreciation of tangible and intangible non-current assets.
- **Adjusted EBITDA:** Is defined as EBITDA adjusted for special operating items that distorts comparison, such as acquisition related expenses, listing preparation costs and other items which are special in nature compared to ordinary operational income or expenses.
- **Adjusted EBITDA margin (%):** Is defined as Adjusted EBITDA divided by sales, expressed as a percentage.
- **Adjusted EBITDA – Capex margin (%):** Is defined as Adjusted EBITDA – R&D capex divided by sales, expressed as a percentage.
- **Annual Recurring Revenue (“ARR”):** Is defined as a 12 month subscription value of the Group’s customer base at the end of the reporting period. The ARR metric only includes fixed price subscriptions.
- **Recurring Revenue (%):** Is defined as subscription revenue generated over the historical period divided by sales for the same period, expressed as a percentage. Recurring Revenue includes both fixed price and transaction-based subscription revenues.
- **Average Revenue Per Customer (“ARPC”):** Is defined as the annualized monthly total operating revenue divided by the number of customers at the end of the month.
- **Churn Rate (%):** Is a measure of loss of ARR on a rolling 12-month basis, expressed as a percentage of average monthly ingoing ARR for the same 12-month period.

<i>Amounts in NOK (thousands)</i>	Q3'24	Q3'23	YTD'24	YTD'23	FY'23
Revenue from customers	131 849	99 663	374 633	294 789	401 654
Total operating revenue	131 849	99 663	374 633	294 789	401 654

<i>Amounts in NOK (thousands)</i>	Q3'24	Q3'23	YTD'24	YTD'23	FY'23
EBITDA	44 667	41 470	138 027	123 473	165 721
Adjustments of special items	2 796	268	5 458	1 525	1 525
Adjusted EBITDA	47 462	41 738	143 484	124 998	167 246

<i>EBITDA-margin</i>	33.9 %	41.6 %	36.8 %	41.9 %	41.3 %
<i>Adjusted EBITDA-margin</i>	36.0 %	41.9 %	38.3 %	42.4 %	41.6 %

<i>Amounts in NOK (thousands)</i>	Q3'24	Q3'23	YTD'24	YTD'23	FY'23
Adjusted EBITDA	47 462	41 738	143 484	124 998	167 245
Capitalized development expenses	14 158	8 063	35 035	29 065	37 472
Adjusted EBITDA - CAPEX margin	25.3 %	33.8 %	28.9 %	32.5 %	32.3 %

		Q3'24	Q3'23	YTD'24	YTD'23	FY'23
Annual Recurring Revenue (ARR) (EoP)	TNOK	474 386	367 062	474 386	367 062	386 641
Recurring revenue		94.1 %	97.5 %	93.3 %	96.8 %	96.9 %
Average Revenue per Customer (ARPC)	NOK	39 713	32 030	38 219	31 970	32 452
Churn rate (R12m) (EoP)		8.3 %	7.9 %	8.3 %	7.9 %	7.2 %



This is SmartCraft

November 2024

Our passion is to simplify business for construction companies

SmartCraft's mission is to streamline operations and free up time for construction companies, so they can generate additional revenue instead of spending evenings and weekends with planning, purchasing, invoicing and documentation. This is especially true for small and medium enterprises, but our specialized software is also used by large installation companies, as many of the processes in the field and in the office are the same. In the future, well-functioning and efficient processes will be necessary for craftsmen and contractors to keep up with competition.

Our solutions are used by our customers even before they have won a contract. As a natural part of the sales process, our solutions enable our customers to be more efficient and precise in their offers. Official requirements and regulations, for example with regards to health and safety as well as quality control, become increasingly comprehensive and end-customers require more documentation of the work being done. Nevertheless, the construction industry is today one of the least digitized. We are more convinced than ever that this will change rapidly in the years to come. Those who remain passive and stick with their analogue processes will be left behind.

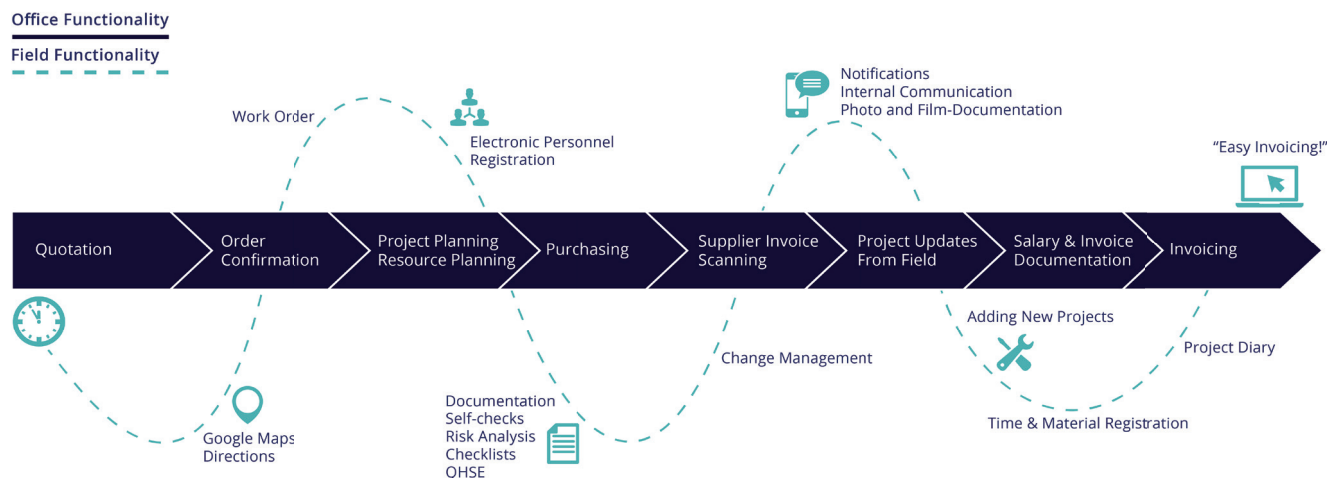
BEST-OF-BREED

We offer best-of-breed software. This means that our solutions are tailor-made for each of the niches we focus on. The best solution for a plumber is not necessarily ideal for a carpenter – and electricians have their specific requirements too. Since we were founded in 1987, we have followed this philosophy, which means that we over time have built deep insight and competency regarding the business models and workflows of our customers.

At the same time, we increasingly collaborate across the group and solutions when it comes to customer insight, product and technology, development and sales. Our goal is always to provide the most efficient and productive solutions to our customers. We expect to invest about 9 percent of our revenue in product and technology development in 2024 to further increase our potential to increase growth.

The craftsman's office is in the car or outside on a worksite. Our solutions are seamlessly available on smartphones and tablets for field workers and on rich web clients at the desktop for people in the office. Hence, SmartCraft users can use digital tools throughout the day in every step of the process. All the way from producing a quotation, project planning and work-order to project documentation, salaries and invoicing.

ADDING VALUE THROUGHOUT THE CUSTOMER JOURNEY



MASSIVE MARKET AND LOW TAKE-RATE

In our existing markets there are about 720 000 companies in the construction industry. As a market leader we have over 13 300 customers, showcasing the low market penetration. Most of these are SME companies where our solutions are a great fit. Calculations show that the potential market size is above NOK 50 billion* in the Nordics and the UK in 2024.

This market is expected to grow and we are deeply committed to remaining a leading player and a driving force in the industry going forward. It is essential for us to ensure that the purchase decision for new customers is easy. Our solutions are cloud based and easy to implement. Looking at the cost per month for a new SmartCraft customer, the take-rate is very low compared to the total cost base. For a customer, the return on investment is immense.

STRONG GROWTH DRIVERS FOR DIGITALISATION OF AN ATTRACTIVE SME CONSTRUCTION MARKET



Lack of skilled workers

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



Digitally maturing users and software

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



Increasing demand for detailed digital documentation

- Regulatory offices
- Consumers



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

*Analysis by SmartCraft, August 2024. Compounded on basis of ARPC, penetration and addressable companies (ADL model, 2021)

ATTRACTIVE BUSINESS MODEL

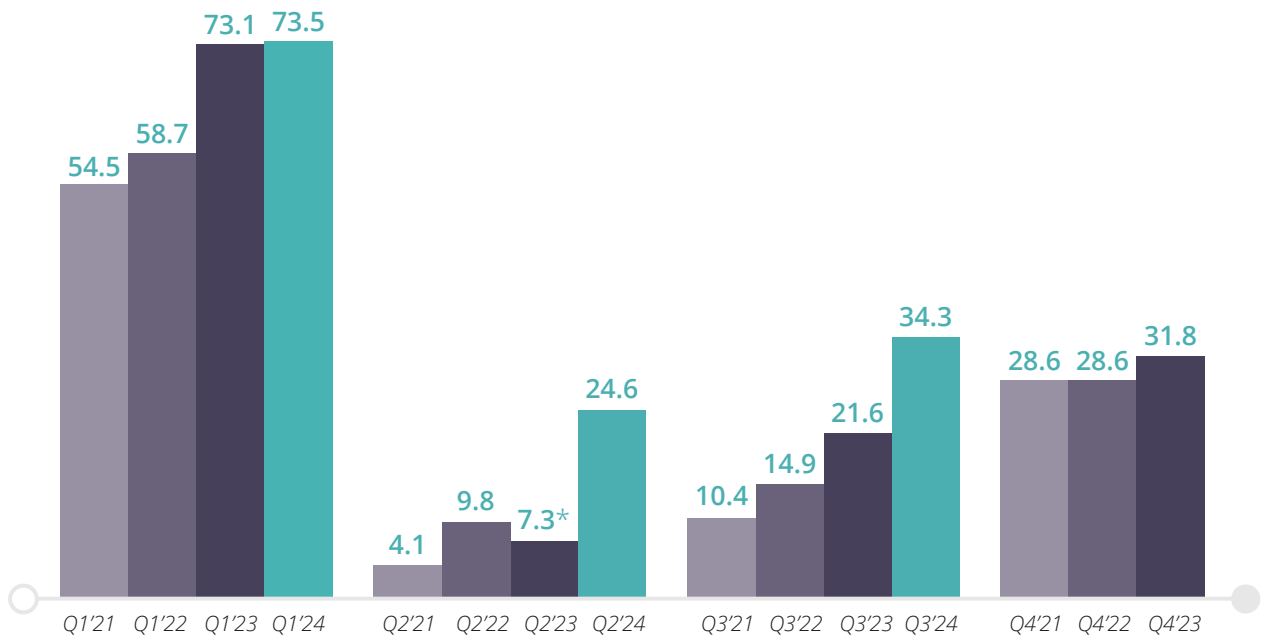
The story of SmartCraft has for many years been the story of profitable growth. We love our cloud-based Software-as-a-Service model for many reasons. One being the fact that the cost of adding one additional customer or user is minimal. This, combined with an efficient sales and marketing organization and a gross margin above 90 percent, gives us a strong business model. We are guiding our revenue to grow by 15-20 percent organically in the medium term and expect a growing EBITDA margin due to the scalability of the business. We are continuously investing in product development

to secure future growth, but in the profitable growth mindset we are focusing on maintaining a high margin before any capitalization is made.

Another strength of our business model is the long revenue visibility and hence low risk related to our cash flows. Once onboard, our customers stay with us for many years and historically we have a consistent low annual churn.

With our flexible business model we generate cash every quarter and every year.

INCREASING CASH GENERATION FROM OPERATING ACTIVITIES, MNOK



* Including earnout payment of NOK 17.6 million previously classified as investing activity (reclassified in Annual report 2023).

HIGH QUALITY OF EARNINGS

We strongly believe in making business as easy as possible for our customers and that SmartCraft employees focusing on what is mission critical for our customers; to have business control by having a good digital overview of people, material and documentation. In the third quarter, 94 percent of our revenue was recurring, adjusted for the recent acquisitions with low margins. The high level of recurring revenue creates a solid, predictable financial profile with low risk.

The high level of recurring revenue is a result of

our strategy to minimize non-recurring revenue like setup and installation fees, consulting fees, training fees and support fees, as we believe good software should be easy to use with minimum effort. We also believe that hardware and 3rd party software is best handled by the vendors of these and that SmartCraft employees should focus on making great mission critical solutions for our customers. As a result of this strategy, we have high earnings quality with good earnings visibility and low operational risk.

Clear strategy to increase recurring revenue and financial visibility

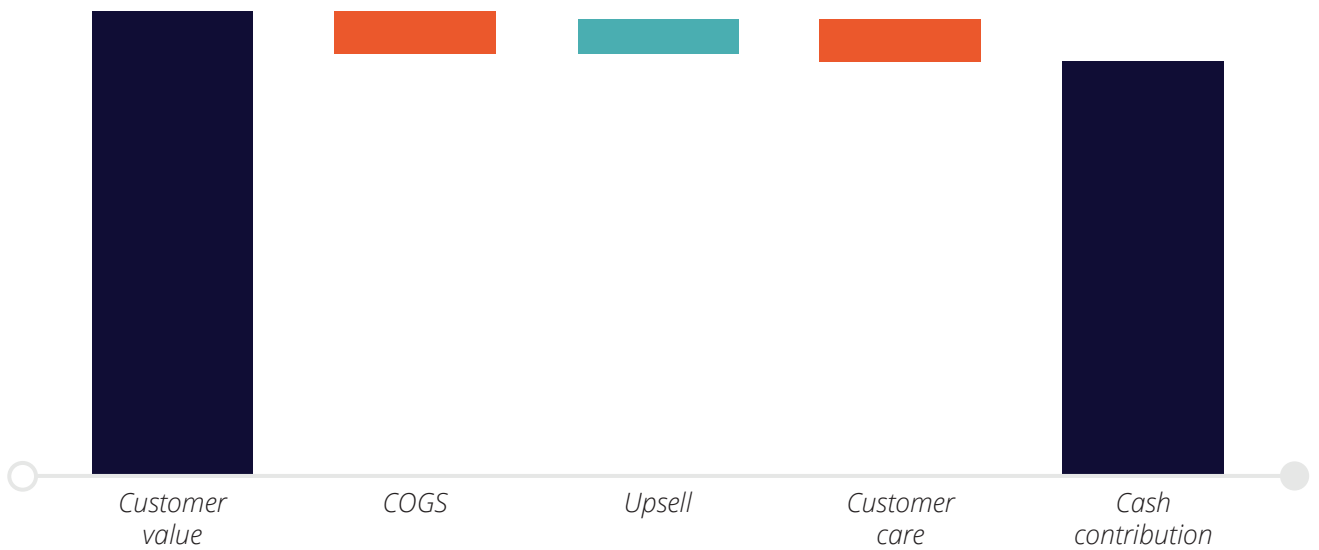
Revenue sources we avoid	Actions to secure high recurring revenue	Short-term financial effects	Strategic benefit
Setup/installation fees	Including one-time revenue in subscription fee	Reduced revenue Lower margin	<ul style="list-style-type: none"> o Low threshold to become a customer o Increased recurring revenue o Higher margin o High financial visibility o High quality of earnings o Low-risk business model
Consulting fees	Make easy to use solutions	Reduced revenue Higher margin	
Training fees	Make user-friendly and intuitive solutions		
Support fees	Provide solutions requiring minimum of support		
Hardware	Customers buy directly from hardware vendor		
3 rd party software	Customers buy directly from 3 rd party software vendor		

“RULE OF 90”

The beauty of software – in particular with a SaaS model - is the ability to achieve economies of scale. SmartCraft has both recurring revenue and a gross profit margin above 90 percent. We have an efficient marketing and sales organization enabling

sales and upsales at a relatively low cost. Low CAC combined with little efforts to retain a customer after onboarding and low churn, gives us a very healthy cash contribution from each incremental customer we win.

Scalable business model provides strong cash contribution per new customer



FOCUS ON ELECTRO AND PLUMBING COMPANIES IN THE RENOVATION SECTOR

SmartCraft focuses mainly on small and medium enterprises (SMEs) that work with renovation, upgrades, services and maintenance of existing buildings. Additionally, we have a high concentration of electrician and plumbing companies as customers. Due to energy savings and the green shift these contractors are very much in demand today and in the future. Hence, our strategic position makes SmartCraft less volatile in a challenging market. As illustrated in the table below the customer mix in Finland differs from the other two countries. We are actively

taking steps to increase the SME concentration and be less dependent on new projects in Finland, by expanding with solutions from Norway and Sweden.

SmartCraft operates in a largely underpenetrated market, where most SMEs lack effective digital solutions to comprehensively manage people, materials and documentation in their projects, which is crucial for enhancing revenue and profit margin. This represents a significant untapped potential for both the industry and SmartCraft.

Segment / Focus	SME concentration of customer base	Electro / HWS* concentration of customer base	New Build as main business for customer base
Sweden	High	High	Low
Norway	High	High	Low
Finland	Medium	Low	High

*Heating, water and sanitation

SIGNIFICANT GROWTH AMBITIONS

Looking ahead, we continue to follow our strategy of profitable organic growth and M&A driven consolidation. We have a strong financial foundation following the successful listing on Oslo Børs in 2021, providing a solid balance sheet and a broad, international investor base. Hence, our organic growth strategy is fully funded. Additionally, with a high cash conversion we are constantly increasing our M&A capabilities.

Our primary focus going forward is organic growth in the Nordics and the UK through upselling to existing customers, by winning new customers and by cross selling on our customer bases. Secondly, we are pursuing M&A opportunities both in existing and new geographies and are in dialogue with several companies. At the same time, we are patient. Capital discipline has high priority and we will only pursue the right acquisition target at the right price.

Organic growth: Further optimization of marketing and sales



Win new customers



Upsell to existing customers



Cross sell on existing portfolio

M&A in existing and new geographies



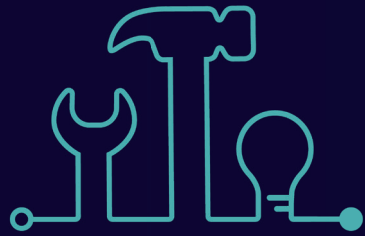
Proven M&A track record



Detailed M&A methodology



Active M&A pipeline



SmartCraft