



Q4 2024 REPORT



Contents

4

Q4 2024 in brief

5

Letter from the CEO

7

Operational
development

10

Financial review

13

Outlook

14

Consolidated
Financial Statements

19

Alternative
Performance
Measures (APMs)

21

This is SmartCraft

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

Amounts in NOK (millions)

	2020	2021	2022	2023	2024
ARR	205	267	318	387	482
Revenue	196	271	333	402	511
Adjusted EBITDA	81 41%	109 40%	131 39%	167 42%	190 37%
Operational cash flow	98	107	116	153*	179
R&D capex	12	22	24	37	49
Customers	~8 500	~11 000	~12 000	~12 500	~13 400

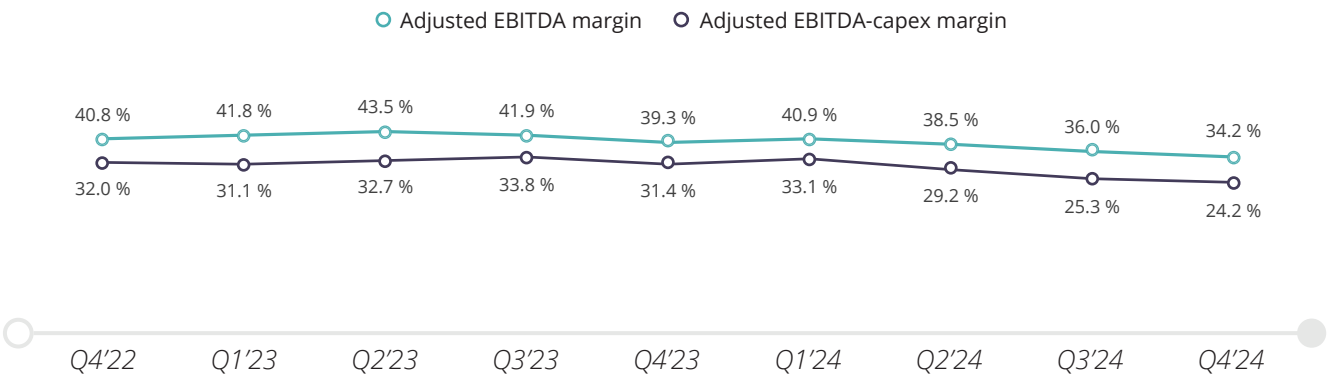
* adjusted for HomeRun earnout recognized over P&L

Q4 2024 in brief

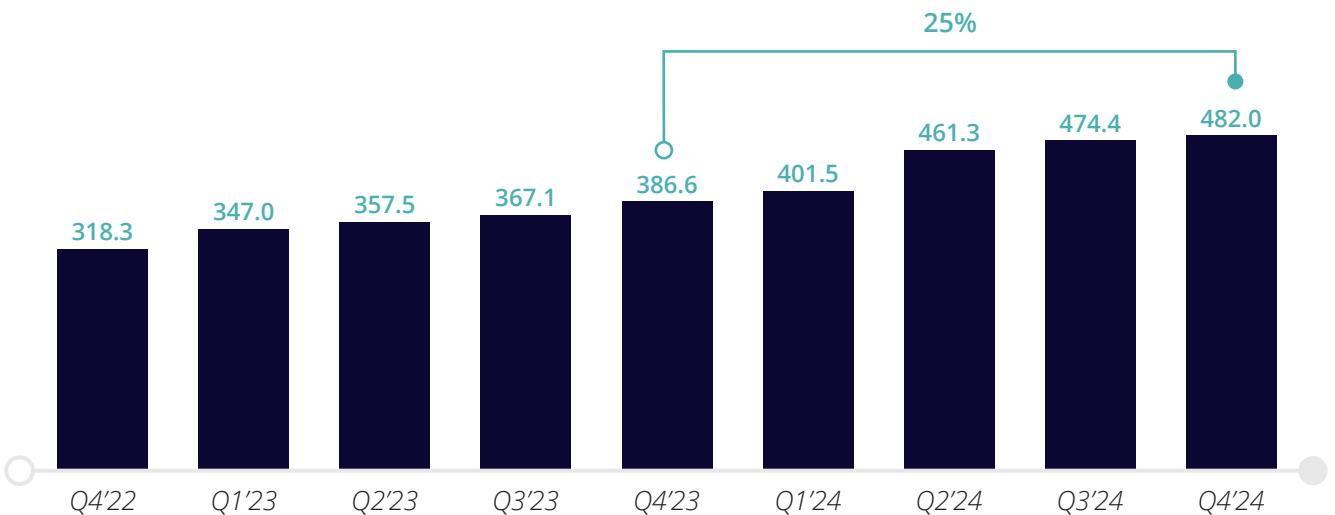
FOURTH QUARTER 2024

- Revenue NOK 136 million, a growth of 27 percent
- Operational cash flow NOK 48 million, a growth of 53 percent
- Annual Recurring Revenue NOK 482 million, an organic growth of 8 percent, affected by lower annual price increases, higher customer churn and downgrades
- Adjusted EBITDA-capex margin of 24 percent, decline driven by dilution from acquisitions

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



ARR development per quarter (end of period, MNOK)



Letter from the CEO

SmartCraft continued to grow significantly in the fourth quarter, with revenue growth of 27 percent (YoY) to NOK 136 million. Our annual recurring revenue (ARR) of NOK 482 million at the end of the fourth quarter was 25 percent higher than one year earlier. Organic growth in ARR and revenue was 8.2 percent.

The growth rates are heavily affected by the soft macroeconomic conditions and during the last couple of months of 2024 the development was lower than we anticipated, due to continued market uncertainty among customers, more downgrades and increased churn. The price increases we implemented in the fourth quarter are also more moderate than one year earlier, as inflation has come down. Finally, the customer revenue churn in the fourth quarter increased to 9.2 percent, as the number of bankruptcies continues to increase in the whole industry.

In Q4, profitability is below our ambitions, but the underlying margin is solid. The adjusted EBITDA-capex is NOK 33 million, representing a margin of 24 percent, down from 31 percent in the same period in 2023. Our cost control remains tight, and the margin decline is a result of dilution by the two recent acquisitions of Locka and Clixifix in the second quarter and increased capex related to the development of our disruptive solution for electricians, SmartCraft Spark, which launched its basic version late 2024, and with full version to be launched in 2025. Adjusted for these factors, the EBITDA-capex margin was 32 percent.

We continue to generate strong cash flow as a large portion of our revenue is pre-paid. In the fourth quarter our operational cash flow was NOK 48.2 million, up from 31.5 million in the same period in 2023.



Our top priority entering 2025 is to navigate in the most challenging market conditions for our customers in decades, with new build activities at a very low level. For SmartCraft, it is important to balance long-term growth initiatives with short-term optimization. And although we are always mindful of the short-term profitability, strategic choices for long-term growth take priority.

First of all, we continue to push hard for conversion of one-off revenues to recurring revenue in our acquired businesses. This has a negative effect on revenue and EBITDA in the short-term but will undoubtedly create value longer-term. As an example, Locka produced negative EBITDA in the fourth quarter, but saw a very solid ARR development of 9% QoQ (~42% annualized).

Secondly, we continue to work very efficiently on new-sales, with positive results. The gross number of new customers was 11 percent higher in the fourth quarter than in the same period in 2023, and 30 percent higher than in the third quarter 2024. In total, excluding the recent acquisitions, the number of new customers added was the highest since the beginning of 2022. Bygglet, the solution carrying the highest level of revenue in the group reached an all-time high of new-sales revenue in the quarter.

We also keep very close attention to our operating expenses and investments. In the fourth quarter, capex increased YoY as a result of our decision to develop SmartCraft Spark. SmartCraft Spark is one example of the synergy initiatives we will increasingly push through. With an increasingly joint tech stack, we reduce complexity in development, unite our sales and marketing resources and make it easier to price optimize and upsell to existing customers. This way we will gradually be able to realize synergies to a much larger extent going forward.

Wrapping up, I'd like to reiterate that there are still way too many craftsmen lacking proper digital tools to optimize their business performance and free up time. Therein lies our mission. We are enthusiastic about the opportunities and potential we see in this underpenetrated market. Our solid business model and strong financial position puts us in pole position to continue to invest for future growth.

The timing of a macroeconomic recovery remains uncertain, but forecasts for the construction industry indicates that a pick-up might start materializing in the second half of 2025. Sweden already leads the way following a string of interest rate cuts. The Finnish market, which has been hit hard by the downturn, seems to have leveled out and is starting to show greens shoots. In Norway, the interest rate is still high and there are no immediate signs of recovery. When the pickup eventually comes, we expect customer churn to decrease, customers to start upscaling their use of our tools, and organic growth to return to a higher level. Hence, 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 grow organically and to scale the company for further growth. The growth rate is however hampered by the soft macroeconomic conditions. In the fourth quarter our year-to-date revenue grew by 27 percent to NOK 511 million, driven by both organic growth and the acquisitions of Locka and Clixifix in the second quarter.

We have continued to work diligently with structured marketing activities, which range from physical attendance at trade events and seminars to digital web meetings, paid digital marketing and search optimization. Leads from these activities, so-called warm leads, are followed-up by dedicated sales teams in each country. The sales personnel also conduct cold calls to build customer pipeline.

Although the construction industry is in a challenging situation, we experience great interest in our solutions. We have a high level of sales and marketing activities in the fourth quarter, which led to 70 percent more customer meetings compared to the fourth quarter last year. We are pleased to see that the sales conversions from customer sales meetings to sales increased to 44 percent, up from 34 percent the previous quarter. In total, the number of new customers increased by 11 percent YoY and the trend is also solid QoQ, with 30 percent growth. On the other hand, downgrades and churn affects reported numbers negatively.

Our strategy is to build a great SaaS company with the best standardized solutions for different trades in the construction industry. This requires a global mindset of our employees and that we focus on the total customer journey for different trades. We started this journey in 2023 when we organized people and management by geography for better business alignment to create synergies and scale. In 2025 we are taking this to the next level with stronger focus on certain trades.

During the second half-year 2024, we continued with the operationalization of this strategy, investing in the development of our solutions

for electricians. We have now soft-launched a new solution called SmartCraft Spark, which is based on our platform SmartCraft Core. The platform, which we have invested in for years, has a lot of capabilities and some of these are used in combination with specific functionalities for electricians. We are excited about our first package in this new product, developed using our accumulated knowledge of the electrical field and customer input. It addresses critical pain points and has been well-received by early adopters, with strong interest from the market. Our aim is to build a complete ecosystem for electricians in all our markets that evolves with their changing needs.

During Q4, we finished a set of important features in our BIM tool that will provide our users with enhanced accuracy to identify and fix issues before they become expensive problems. With our solution, BIM technology does not just give the customer a neat 3D model, it brings the whole project team onto the same page. By linking inspections, notes, and real-time data updates, our customers can catch mistakes sooner, reduce miscommunication, and ultimately deliver higher-quality results for their clients. This improved efficiency helps our customers to spend less time searching for information and more time getting the job done. In addition, boosted collaboration keeps everyone onsite and offsite in sync with the latest project data.

SEGMENTS¹

Distribution of revenue per reporting segment

<i>Amounts in NOK (millions)</i>	Q4'24	Q4'23	<i>Unaudited</i>	<i>Audited</i>
			FY'24	FY'23
Norway	46.7	43.5	184.0	167.7
Sweden	65.6	50.8	247.5	183.2
Finland	12.9	12.6	50.3	50.7
Total revenue per reporting segment	125.2	107.0	481.8	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

	Q4'24	Q4'23	<i>Unaudited</i>	<i>Audited</i>
			FY'24	FY'23
<i>Organic growth total recurring revenue</i>				
Norway	8.3 %	16.2 %	11.2 %	16.9 %
Sweden	10.7 %	11.5 %	11.3 %	12.4 %
Finland	2.1 %	4.0 %	(2.0 %)	5.9 %
<i>Organic growth total revenue</i>				
Norway	7.3 %	12.7 %	9.7 %	14.6 %
Sweden	10.5 %	12.9 %	10.9 %	13.1 %
Finland	1.5 %	(2.1 %)	(2.6 %)	3.4 %

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

<i>Amounts in NOK (millions)</i>	Q4'24	Q4'23	<i>Unaudited</i>	<i>Audited</i>
			FY'24	FY'23
Norway	16.8	16.2	78.7	73.7
Sweden	32.2	29.6	119.8	97.6
Finland	4.2	3.5	15.9	17.2
Adjusted EBITDA per reporting segment	53.2	49.3	214.4	188.5
<i>Adjusted EBITDA margin</i>				
Norway	36.0 %	37.4 %	42.8 %	43.9 %
Sweden	49.1 %	58.2 %	48.4 %	53.3 %
Finland	32.2 %	27.5 %	31.5 %	34.0 %

SmartCraft Sweden

SmartCraft Sweden is our largest segment with 48 percent of the revenue in the group. The revenue in the fourth quarter grew by 29 percent, underpinned by the acquisition of Locka in the second quarter. Organic revenue grew by 11 percent driven by new sales and upsales. Bygglät, the solution carrying the highest level of revenue in the group reached an all-time high of new-sales revenue in the quarter. Our growth is affected by higher customer churn in the current economic climate.

The Swedish trade organization Byggföretagen reports that the level of bankruptcies in 2024 is at the highest level since 1993. On a positive note, the Swedish central bank has lowered the interest rates four times in 2024 and according to Byggfakta, the housing construction market increased by 3 percent in December (YoY), which could imply a better market in 2025.

The underlying profitability grew by more than 1 percentage point, while the reported margin decreased by 9 percentage points due to the dilution from the acquisition of Locka, which was loss-making in the fourth quarter. We are pushing to rapidly shift customers towards recurring revenue type of contracts to increase both ARR and margin in Locka. Short-term, the transition, puts pressure on revenue growth and profitability. Note that the ARR growth momentum throughout the fourth quarter is strong in Locka, with a 35 percent YoY growth in ARR.

SmartCraft Norway

Norway is our second biggest segment, accounting for 34 percent of the revenue in the group. Revenue in the fourth quarter grew by 7 percent. We created more new potential customer leads in the quarter and conducted customer meetings at the same level as the fourth quarter of 2023. However, our growth is dampened by

a challenging market with currently no signs of recovery. According to Dagens Næringsliv, the level of bankruptcies has doubled from normal levels previous years, and Prognosesenteret reports that new residential activity is at its lowest level since the second world war. In December 2023 we had a higher annual price adjustment due to high inflation rates than we have in December 2024. This and higher churn lower the revenue growth for the quarter. We are positive that we will increase growth in a more normal market.

With a lower revenue growth, the margin fell slightly but is still at a high and consistent level.

SmartCraft Finland

Finland accounts for 9 percent of the Group revenue. The Finnish market has been depressed since 2022 with a continuous decline in "residential buildings started" (Statistics Finland). The decline seems to have reached a bottom, and we can see a slight increase in the last quarter of 2024. Our growth in Finland has also gone from negative to positive, although we expect to be at a much higher growth when customer churn and downgrades normalize. With a lean organization and good cost control, the margin increased by nearly 5 percentage points.

Financial review

<i>Amounts in NOK (thousands)</i>			<i>Unaudited</i>	<i>Audited</i>
	Q4'24	Q4'23	FY'24	FY'23
Revenue from customers	136 254	106 960	510 886	401 654
Total operating revenue	136 254	106 960	510 886	401 654
Purchase of goods and services	12 672	8 885	43 541	32 681
Payroll and related expenses	54 056	38 976	199 036	145 637
Other operating expenses	22 878	17 070	83 634	57 616
Total operating expenses	89 606	64 931	326 211	235 934
EBITDA	46 648	42 030	184 675	165 721
Adjustments of special items	-	-	5 458	1 525
Adjusted EBITDA	46 648	42 030	190 133	167 246
Depreciation and amortization	15 101	10 407	51 112	36 204
Operating profit (loss) before financial items and tax	31 548	31 623	133 563	129 516
<i>EBITDA-margin</i>	34.2 %	39.3 %	36.1 %	41.3 %
<i>Adjusted EBITDA-margin</i>	34.2 %	39.3 %	37.2 %	41.6 %

SmartCraft's consolidated revenue in Q4 2024 grew by 27.2 percent to NOK 136.3 million, up from NOK 107.0 million in Q4 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 482.0 million, a growth of 24.7 percent year over year with an organic growth of 8.2 percent. As the current pricing strategy is based on inflation adjustments, the growth rate faces headwind as price adjustments implemented in December were 5 percentage points lower in 2024 than the year before.

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, is a negative effect on total revenue as existing non-recurring revenue is no longer

recognized at a single point in time but over time as recurring revenue. In Q4, the share of recurring revenue was 94.0 percent, a decline from 97.2 percent in Q4 2023. 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 9.2 percent in Q4 2024, compared to 7.2 percent last year. Bankruptcies in the construction industry have increased materially in the last quarters which affect SmartCraft and remain the main reason for churn.

The reported and adjusted EBITDA was NOK 46.6 million in Q4 2024 (adjusted EBITDA of NOK 42.0 million in Q4 2023). The adjusted EBITDA margin for Q4 2024 was 34.2 percent compared to 39.3 percent in Q4 2023. The decline in margin was

Organic growth YoY			Unaudited	Audited
	Q4'24	Q4'23	FY'24	FY'23
Fixed price subscriptions	8.7 %	12.8 %	9.7 %	14.1 %
Transaction priced add-on subscriptions	8.1 %	5.5 %	8.0 %	6.4 %
Total recurring revenue	8.7 %	12.1 %	9.6 %	13.4 %
Non-recurring revenue	(9.9 %)	(20.0 %)	(17.8 %)	(10.5 %)
Total revenue	8.2 %	10.9 %	8.7 %	12.5 %

due to a dilution from acquisitions of 5.8 percentage points, giving a like-for-like margin increase of 0.7 percentage points. This includes increased loss provisions as a result of the challenging market and level of bankruptcies.

The adjusted EBITDA-capex margin was 24.2 percent in Q4 2024 (31.4 percent in Q4 2023). The decline excluding the dilution from acquisitions was 1.4 percentage point. The SmartCraft Spark project, that was announced at the Q3 report, will drive future revenue and synergize costs. Investments in the project affect the margin by 1.9 percentage points. SmartCraft Spark was soft-launched at the end of November, with high interest from potential customers. The solution has a free 30 day trial period and revenue will be recognized from January 2025.

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 stimulate better scale and grow, and thereby create a long-term business advantage, rather than reducing cost.

Depreciations and amortizations were NOK 15.1 million in Q4 2024 compared to NOK 10.4 million in Q4 2023. D&A steadily increases as a result of the Group's continuous R&D activities, and acquisitions. In relation to the new investments in development to disrupt the market, the Group has in Q4 2024 adjusted the D&A schedule of certain solutions which increase D&A going forward. In Q4 2024, amortization related to M&A was NOK 6.9 million, compared to NOK 4.2 million in Q4 2023.

The Group had a net financial income of NOK 1.9 million in Q4 2024, compared to NOK 1.8 million in Q4 2023. Net financial items are mainly driven by interest income and 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 48.2 million in Q4 2024, an increase from NOK 31.5 million in Q4 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.

Cash flow from investing activities was NOK -14.7 million in Q4 2024, compared to NOK -8.8 million in Q4 2023. In Q4 2024 investing activity was mainly capitalized development costs of NOK 13.6 million (NOK 8.4 million in Q4 2023). We are focusing on shifting an increasing share of our cost base towards R&D activities, which in Q4 2024 constitutes 10.0 percent of revenue, an increase from 7.9 percent in Q4 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.

Net cash flow from financing activities was NOK -24.2 million in Q4 2024. Through the buy-back program, SmartCraft acquired 680 503 own shares (0.40 percent of total shares) totaling NOK 20.0 million in Q4 2024.

The last SmartCraft share buy-back program of up to NOK 20 million, at a maximum share price of NOK 33, was initiated after the published Q3 report in November 2024 and finalized January 6th 2025. 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 Q4 2024 SmartCraft had, through previous and existing buy-back programs, acquired in total 4 510 310 shares (2.63 percent of total shares) at an average price of NOK 22.48 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 1 281.1 million (NOK 1 100.1 million at the end of 2023), of which cash and cash equivalents amounted to NOK 125.7 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 1 077.5 million (NOK 821.3 million at the end of 2023). The increase in total assets is driven by the cash flow from operations and changes in currency rates.

Total liabilities amounted to NOK 343.9 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 Q4 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 Q4 2024 in SmartCraft ASA.

As of 31 December 2024, SmartCraft holds 4 510 310 own shares (2.63 percent) and total outstanding shares were 167 011 995. 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

- April 10th Annual Report 2024
- 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

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. Even though our target group, small and medium-sized contractors, are less exposed to the cyclical new-build market, we see the prolonged softness within newbuild affecting them, as they in certain cases serve as subcontractors.

Four interest rate cuts in Sweden in 2024 have led to improved outlook for the construction industry and also for SmartCraft revenue in Sweden. Short-term, the market remains challenging in Norway, with few signs of improvement. While we expect muted total development for the first half-year 2025, we expect further macroeconomic improvement in 2025 to start affecting revenue growth positively across our markets. Third party industry research indicates the beginning of a recovery for the construction industry in the second half-year 2025, which will support SmartCraft's development. With regards to profitability, we expect a limited increase in EBITDA-capex margin YoY in the first half, with an increased positive effect in the second half. 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 growth going forward. Clixifix will be included in the Groups organic growth from May 2025.

As we are still in a phase where our key focus is to drive customer growth and increased penetration, the price increases for 2025, which were imposed as of December 2024, were more modest than the price increases one year earlier. This is in line with

our stated strategy to adjust prices in accordance with general inflation. The effect of the lower price increases is expected to affect the revenue growth rate somewhat more in the first quarter of 2025 than in the fourth quarter 2024.

In summary, we stay positive about our medium- and long-term future prospects. The timing of an improvement of the macroeconomic situation and a normalization of the activity in the construction market is uncertain. However, when the recovery starts materializing, we expect our organic growth to benefit from churn returning to historic levels around 5-7 percent and existing customers upgrading their solutions in line with increased activity. In addition, we expect to see higher conversion of our pipeline to customer contracts, and that our newly acquired companies will start contributing to organic growth in 2025. Our target of 15-20 percent organic revenue growth in the medium term is reiterated. 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>	Q4'24	Q4'23	<i>Unaudited</i> FY'24	<i>Audited</i> FY'23
Revenue from customers	136 254	106 960	510 886	401 654
Total operating revenue	136 254	106 960	510 886	401 654
Purchase of goods and services	12 672	8 885	43 541	32 681
Payroll and related expenses	54 056	38 976	199 036	145 637
Other operating expenses	22 878	17 070	83 634	57 616
Depreciation and amortization	15 101	10 407	51 112	36 204
Total operating expenses	104 706	75 338	377 324	272 138
Operating profit (loss) before financial items and tax	31 548	31 623	133 563	129 516
Financial income	6 854	8 938	21 158	29 520
Financial expenses	(4 996)	(7 136)	(19 685)	(22 768)
Financial income (expense), net	1 858	1 802	1 473	6 752
Profit (loss) before tax	33 405	33 424	135 035	136 268
Tax expense	7 875	5 171	29 603	28 640
Profit (loss)	25 531	28 253	105 432	107 628
Other comprehensive income				
Items to be reclassified to profit or loss:				
Currency translation differences, net of tax	1 092	11 009	24 073	24 685
Total	1 092	11 009	24 073	24 685
Total comprehensive income	26 623	39 262	129 506	132 313

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS		
<i>Amounts in NOK (thousands)</i>	Dec 31st 2024	Dec 31st 2023
Goodwill	676 333	547 580
Intangible assets	360 097	246 079
Right to use assets	36 223	24 656
Tangible Assets	4 855	3 001
TOTAL NON-CURRENT ASSETS	1 077 509	821 316
Other current assets	10 296	8 112
Accounts Receivable	67 605	64 612
Cash and cash equivalents	125 655	206 024
TOTAL CURRENT ASSETS	203 557	278 748
TOTAL ASSETS	1 281 065	1 100 063
EQUITY AND LIABILITIES		
<i>Amounts in NOK (thousands)</i>	Dec 31st 2024	Dec 31st 2023
Share capital	1 715	1 715
Treasury shares	(45)	(31)
Share premium	605 893	605 893
Retained earnings	279 428	214 846
Other components of equity	40 694	16 621
Non-controlling interests	9 486	4 631
TOTAL EQUITY	937 171	843 675
Non-current lease liabilities	23 916	14 764
Deferred tax liabilities	62 146	36 580
Total non-current liabilities	86 062	51 344
Deferred revenue	150 467	106 029
Current portion of lease liabilities	13 035	10 360
Accounts payable	11 760	8 628
Taxes payable	7 037	22 402
Other current liabilities	75 534	57 626
Total current liabilities	257 833	205 045
TOTAL LIABILITIES	343 895	256 388
TOTAL EQUITY AND LIABILITIES	1 281 065	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
Purchase of treasury shares	-	(26)	-	-	(53 482)	-	(53 508)
Changes in non-controlling interests	-	-	-	-	-	(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	-	-	-	-	105 432	-	105 432
Other comprehensive income	-	-	-	24 073	-	-	24 073
Purchase of treasury shares	-	(14)	-	-	(40 851)	-	(40 865)
Changes in non-controlling interests	-	-	-	-	-	4 855	4 855
Total equity 31.12.2024	1 715	(45)	605 893	40 693	279 428	9 486	937 171

CONSOLIDATED CASH FLOW STATEMENT

<i>Amounts in NOK (thousands)</i>	Q4'24	Q4'23	<i>Unaudited</i> FY'24	<i>Audited</i> FY'23
Operating activities				
Profit before tax	33 405	33 424	135 035	136 268
Paid taxes	(14 723)	(3 457)	(41 414)	(24 058)
Net financial income	(29)	(1 617)	(2 012)	(6 752)
Gains/loss sold assets	(11)	-	75	(82)
Depreciation	8 189	6 242	27 956	20 310
Amortisation of intangible assets	6 912	4 164	23 156	15 894
Payments related to acquisitions	-	-	-	(16 861)
Interest received	1 056	1 708	4 783	3 724
Net cash provided from operating activities before net working capital changes	34 800	40 464	147 580	128 443
<i>Working capital adjustments:</i>				
Changes in accounts receivable	(8 737)	(26 788)	7 199	(33 619)
Changes in deferred revenue	16 420	15 999	24 359	35 284
Changes in accounts payable	2 901	1 206	228	744
Changes in all other working capital items	2 776	587	(317)	5 445
Net cash provided from operating activities	48 160	31 468	179 049	136 297
Investing activities				
Investments in tangible and intangible assets	(1 053)	(365)	(3 558)	(1 474)
Payments for acquisitions	-	-	(152 056)	(23 968)
Payments for software development costs	(13 629)	(8 446)	(48 664)	(37 472)
Net cash used in investing activities	(14 683)	(8 811)	(204 278)	(62 914)
Financing activities				
Cash proceeds from capital increases	-	-	4 720	-
Downpayment on loan facilities	-	-	(7 954)	-
Interest payments	(1 028)	(290)	(2 771)	(1 214)
Repayments of lease liabilities	(3 106)	(2 597)	(12 327)	(9 964)
Payment of treasury shares	(20 018)	(7 587)	(40 865)	(53 508)
Net cash provided by (used in) financing activities	(24 152)	(10 474)	(59 198)	(64 686)
Net increase (decrease) in cash and cash equivalents	9 326	12 183	(84 427)	8 697
Cash and cash equivalents at the beginning of period*	117 751	189 690	206 024	191 587
Foreign currency effects on cash and cash equivalents	(1 422)	4 151	4 059	5 740
Cash and cash equivalents at end of period*	125 656	206 024	125 656	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 4th 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	Q4'24	Q4'23	<i>Unaudited</i>	<i>Audited</i>
				FY'24	FY'23
Fixed price subscriptions	Over time	117 058	94 703	438 348	356 219
Transaction priced subscriptions	Point in time	11 057	9 242	39 426	32 922
Total recurring revenue		128 115	103 945	477 775	389 141
Non-recurring revenue	Point in time	8 139	3 015	33 112	12 513
Total revenue		136 254	106 960	510 886	401 654

NOTE 3 EARNINGS PER SHARE

		Q4'24	Q4'23	<i>Unaudited</i>	<i>Audited</i>
				FY'24	FY'23
Profit for the period	TNOK	25 531	28 253	105 432	107 628
Profit for the period attributable to equity holders of SmartCraft ASA	TNOK	25 531	28 253	105 432	107 628
Average numbers of shares, excl. treasury shares		167 471 845	168 622 961	167 907 976	169 575 195
Earnings per share	NOK	0.15	0.17	0.63	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>	Q4'24	Q4'23	<i>Unaudited</i> FY'24	<i>Audited</i> FY'23
Revenue from customers	136 254	106 960	510 886	401 654
Total operating revenue	136 254	106 960	510 886	401 654

<i>Amounts in NOK (thousands)</i>	Q4'24	Q4'23	<i>Unaudited</i> FY'24	<i>Audited</i> FY'23
EBITDA	46 648	42 030	184 675	165 721
Adjustments of special items	0	0	5 458	1 525
Adjusted EBITDA	46 648	42 030	190 133	167 246

<i>EBITDA-margin</i>	34.2 %	39.3 %	36.1 %	41.3 %
<i>Adjusted EBITDA-margin</i>	34.2 %	39.3 %	37.2 %	41.6 %

<i>Amounts in NOK (thousands)</i>	Q4'24	Q4'23	<i>Unaudited</i> FY'24	<i>Audited</i> FY'23
Adjusted EBITDA	46 648	42 030	190 133	167 245
Capitalized development expenses	13 629	8 446	48 664	37 472
Adjusted EBITDA - CAPEX margin	24.2 %	31.4 %	27.7 %	32.3 %

		Q4'24	Q4'23	<i>Unaudited</i> FY'24	<i>Audited</i> FY'23
Annual Recurring Revenue (ARR) (EoP)	TNOK	481 958	386 641	481 958	386 641
Recurring revenue		94.0 %	97.2 %	93.5 %	96.9 %
Average Revenue per Customer (ARPC)	NOK	40 737	33 898	38 848	32 452
Churn rate (R12m) (EoP)		9.2 %	7.2 %	9.2 %	7.2 %



This is SmartCraft

February 2025

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 2025 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 13 400 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

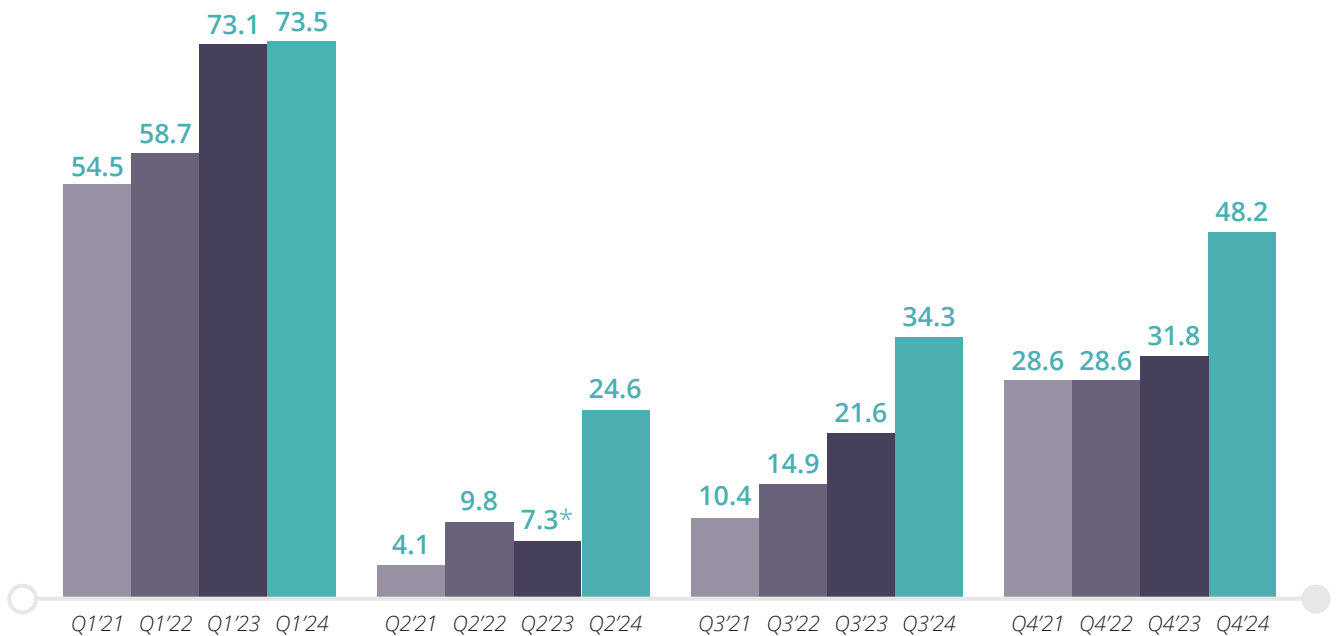
The story of SmartCraft has for many years been the story of profitable growth. We love our cloud-based Software-as-a-Service model for many reasons. One being the fact that the cost of adding one additional customer or user is minimal. This, combined with an efficient sales and marketing organization 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 fourth quarter 2024, 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

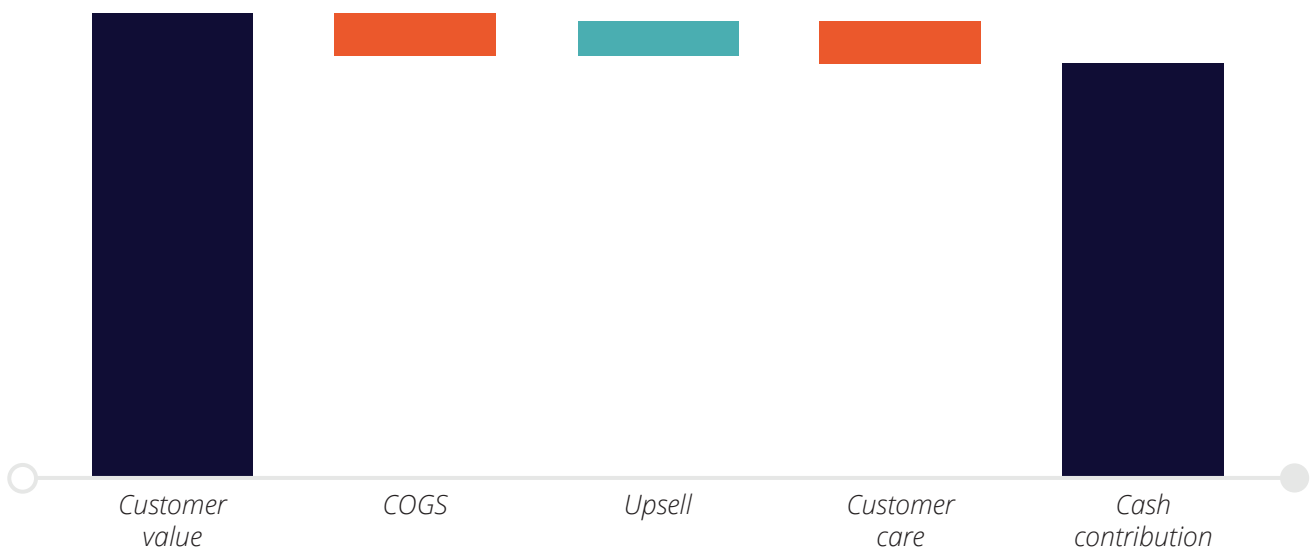
Revenue sources we avoid	Actions to secure high recurring revenue	Short-term financial effects	Strategic benefit
Setup/installation fees	Including one-time revenue in subscription fee	Reduced revenue Lower margin	<ul style="list-style-type: none"> o Low threshold to become a customer o Increased recurring 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



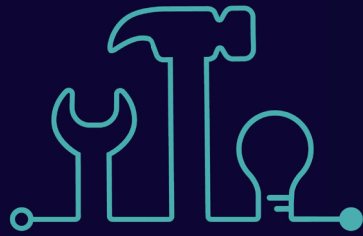
Proven M&A track record



Detailed M&A methodology



Active M&A pipeline



SmartCraft