

2024 ANNUAL REPORT

SMARTCRAFT ASA

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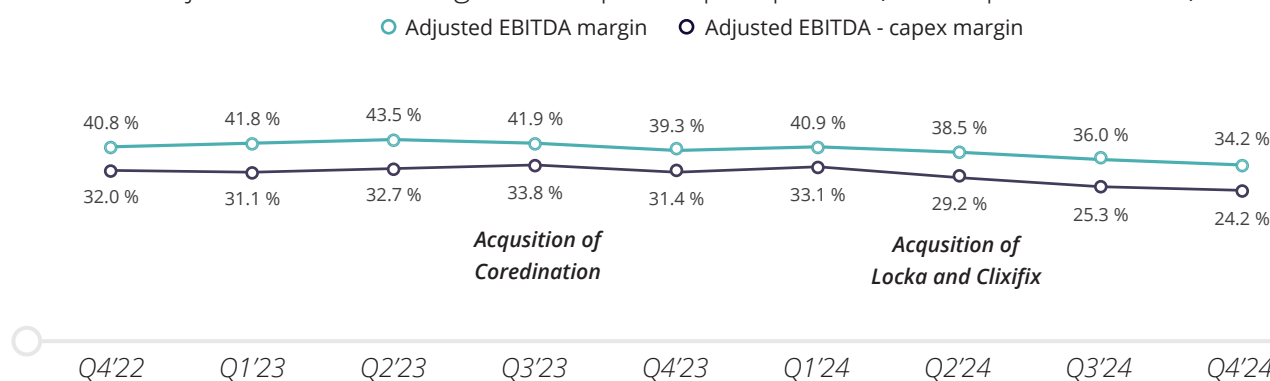
This is SmartCraft

- Leading Nordic provider of Software-as-a-Service (SaaS) to small and medium enterprises (SME) construction companies
- Our passion is to simplify business for construction companies
- More than 270 employees service 13 400 customers and more than 130 000 users
- Our Software-as-a-Service (SaaS) give overview and insight to increase revenue and margin
- Attractive business model with high earnings visibility, low risk and strong cash flow
- High quality of earnings with 94 percent recurring revenue and low churn
- Targeting 15-20% organic revenue growth in the medium-term with increasing adjusted EBITDA margin due to the scalability of the business

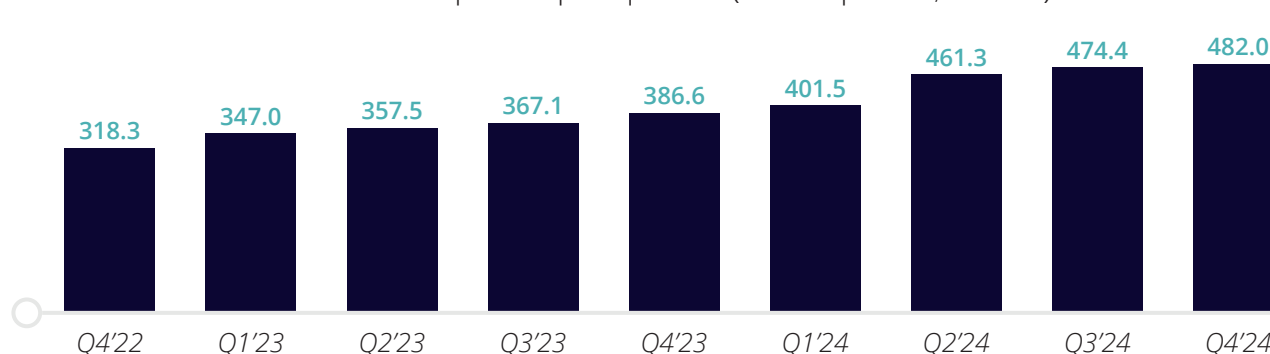
FULL YEAR 2024:

- Revenue 511 million, a growth of 27 percent
- Churn 9 percent
- Adjusted EBITDA NOK 190 million, a growth of 14 percent
- Adjusted EBITDA margin of 37 percent
- Net profit NOK 114 million, a growth of 6 percent
- NOK 179 million net cash from operating activities, a growth of 31 percent

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

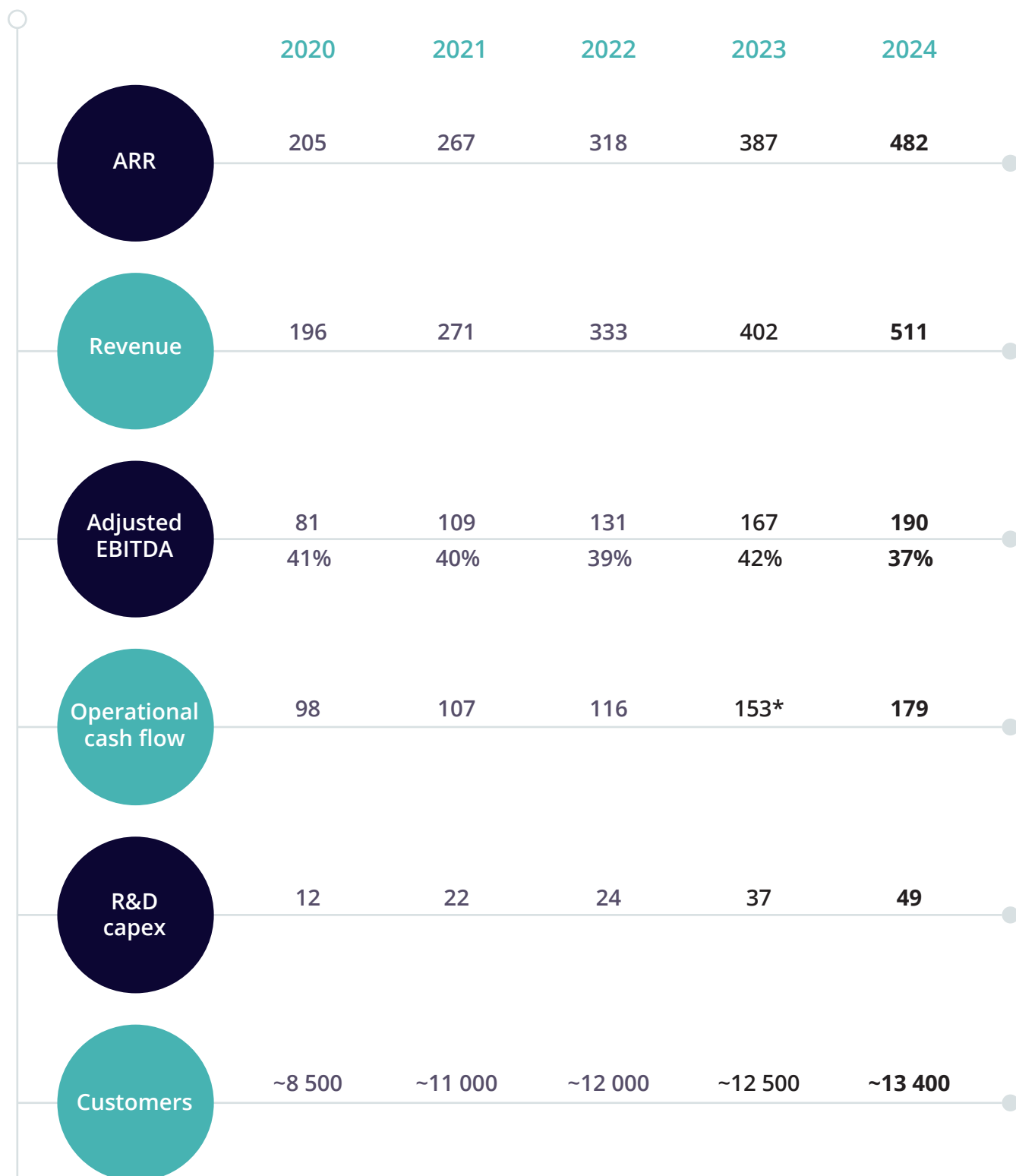


ARR development per quarter (end of period, MNOK)



Key figures

Amounts in NOK (millions)



* adjusted for HomeRun earnout recognized over P&L

Letter from CEO

For almost 30 years SmartCraft has operated with a mission to make life easier and business more profitable for construction companies. Today, we are a leading provider of Software as a Service solutions to electricians, plumbers, carpenters and all other small and medium sized operators in the construction industry in the Nordics and in the UK. Growth has been tremendous throughout our history, and since we became a public company, listed on Oslo Børs close to four years ago, the annual growth rate (CAGR) has been 27 percent.

Nevertheless, the potential is enormous. The construction industry is still one of the least digitalized industries. Many companies still use pen and paper or simple spreadsheets instead of specialized systems, so the outlook for massive future growth both from new and existing customers is very much intact.

The growth was significant also when looking at 2024 separately, with a revenue growth of 27 percent (YoY) to NOK 511 million. Our annual recurring revenue (ARR) of NOK 482 million at the end of the year was 25 percent higher than one year earlier. Organic growth in ARR and revenue was 8 percent. The organic growth rates are lower than our target for the medium term, as they are heavily affected by the soft macroeconomic conditions that have hit the construction industry throughout the whole year. The continued market uncertainty has resulted in delayed purchasing decisions among our potential customers and more downgrades and increased churn driven by bankruptcies among existing customers. Additionally, the price increases we implemented in the fourth quarter are also more moderate than one year earlier.

Our underlying profitability is solid, although the margin picture in 2024 was below our ambitions. The adjusted EBITDA-capex was NOK 141 million in 2024, representing a margin of 28 percent, down from 32 percent 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 2024 our operational cash flow was NOK 179 million, up from 136 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. Excluding the acquisitions in 2024, the gross number of new customers was 24 percent higher in 2024 than in 2023. Bygglet, the biggest solution in the group, measured by revenue, reached an all-time high of new-sales revenue in the fourth quarter.

We also keep very close attention to our operating expenses and investments. In the second half of 2024, 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.

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 green 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.

Statement of the Board of Directors

ACTIVITIES

The SmartCraft Group provides software solutions for the construction industry in Norway, Sweden, Finland and the UK. The parent company is SmartCraft ASA with head office in Hønefoss, Norway. In addition to the parent company the Group comprises 5 companies in Norway, 8 companies in Sweden, 1 company in Finland and 1 company in the UK. SmartCraft ASA owns 80% of the shares in the LTIP-structure where management and key employees holds the remaining 20%. Together, SmartCraft ASA and the LTIP-structure owns 100% (~99/~1 split) of the shares in SmartCraft Software AS, which owns 100% of the shares in the subsidiaries. SmartCraft ASA is a public limited company listed on the Oslo Stock Exchange "Oslo Børs".

The Group has an active M&A strategy and has acquired complementary solutions the last years. In 2024 the Group acquired the Locka solution in Sweden and entered the United Kingdom through the acquisition of the Clixifix solution.

STRATEGY AND OBJECTIVES

The overall mission for the Group is to simplify business for craftsmen. To accomplish this SmartCraft has gathered several of the leading providers of digital solutions to the construction business ranging from 3D visualisation, quality and risk management, project and procurement management, and aftermarket defect management. This way the company can provide out-of-the-box best-of-breed solutions that exactly fit its customers' needs and ease the digital transformation of one of the least digitized industries.

The Group has a strategy to ensure sustained profitable growth and to capitalize on the market leading position in the underpenetrated Nordic and European market. A strong industry focus, a leading SaaS solution and an efficient sales organization ensure great sales execution with low customer touch. SmartCraft also recognizes sustainability as a strategic area, and focuses to an increasing degree on identifying areas for improvement and areas where the company can make an impact. SmartCraft will continue this work and set sustainability targets that enables the company to measure progress and contribution.

SmartCraft strongly believes in a robust business model based on a high share of recurring revenue and good cost control. Although the macroeconomic conditions currently are challenging and bankruptcies increase our churn, SmartCraft has a strong financial position and the fact that the company generates a strong operational cash flow and is self-funded puts it in a great position to create further shareholder value.

The market for digital solutions for the construction industry is highly fragmented, and SmartCraft has taken a strong position as a consolidator. SmartCraft is actively searching for potential acquisitions, focusing on complementary technologies, new geographies and customer bases. In 2024, the Group has successfully acquired the Locka solution in Sweden, and through the acquisition of Clixifix the Group entered the UK market increasing its total applicable market (TAM) significantly. SmartCraft will continue to execute on its M&A strategy in the years to come.

The Group has many opportunities to upsell on its base of more than 13 400 customers and 130 000 users and will continue to explore these in the short and medium term. SmartCraft is looking to integrate and synergize its solutions where it makes sense. However, the company takes a pragmatic approach and does not want to jeopardize the uniqueness, flow and functionalities in the solutions at any cost, but will capitalize on areas where it benefits customers. In 2024, the Group has invested in resources to speed up the development of the groundbreaking SmartCraft Spark solution, combining the features of all our other solutions addressing electricians into a new and disruptive solution for this trade. And, with SmartCraft Core as the engine, the features of SmartCraft Spark can be efficiently reused to create disruptive solutions for other trades.

GROUP FINANCIAL STATEMENTS

The consolidated financial statement for 2024 for the SmartCraft Group is prepared in accordance with the IFRS Accounting Standards as endorsed by the European Union (EU) and Norwegian authorities and effective as of December 31st, 2024. These financial statements also provide disclosures as specified under the Norwegian Accounting Act (Regnskapsloven). In the Board's opinion, the financial statements provide an accurate view of the company's financial position at the end of the fiscal year.

In 2024 the Group has a revenue of TNOK 510 763 (TNOK 401 654 in 2023), a growth of 27 percent and an organic growth of 8 percent. The current macroeconomic climate has affected the company's growth through increasing churn and downgrades, and is well below the ambitions, but with a strong customer base with high recurring revenue the Group is expecting higher organic growth when the market turns.

The SmartCraft Group has high profitability and is guiding on increasing margin in the medium term. However, in 2024 a decline in the adjusted EBITDA-R&D capex margin to 28 percent (32 percent in 2023) was observed, driven by dilution from the

less profitable acquired solutions, and the strategic investments in development.

Total depreciation and amortization of tangible and intangible assets in 2024 is TNOK 53 538 (TNOK 36 204 in 2023), where TNOK 25 206 (TNOK 15 894 in 2023) is amortization of intangible assets related to M&A. Operating profit is TNOK 130 992 (TNOK 129 517 in 2023).

Profit before tax is TNOK 132 447 in 2024 (TNOK 136 268 in 2023). The decrease in profit before tax is mainly due to the increased cost level in acquired solutions, increased depreciations, and changes in foreign exchange currency as the Group is exposed to fluctuations in NOK compared to SEK, EUR and GBP through its operations in multiple countries.

Net cash provided from operational activities was TNOK 179 016 in 2024 (TNOK 136 297 in 2023), a growth of 31 percent. The increase in net cash provided from operational activities in 2024 is due to increased profit but is also positively impacted by the earn-out payment in 2023.

Net cash outflows from investing activities were TNOK 204 278 in 2024 (TNOK 62 914 in 2023). This is primarily connected to the acquisitions of Locka (April 2024) and Clifix (May 2024), together with capitalized development costs of a total of TNOK 48 664 (TNOK 37 472 in 2023).

Net cash outflows from financing activities are mainly affected by the acquisition of treasury shares, and repayment of lease liabilities. The total cash outflow related to purchase of treasury shares in 2024 were TNOK 40 865 (TNOK 53 508 in 2023). In total the net cash outflows by financing activities were TNOK 59 170 in 2024 (TNOK 64 686 in 2023). In the Board's opinion the Group's liquidity is solid and the Group has sufficient funds to settle all obligations when due. As of December 31st, 2024, the Group had cash and cash equivalents of TNOK 125 656 (TNOK 206 024 as of December 31st, 2023).

Shareholder's equity was TNOK 939 046 as of December 31st, 2024 (TNOK 843 675 as of December 31st, 2023) with an equity ratio of 73 percent (77 percent as of December 31st, 2023). The retained equity increased due to the profit in 2024. During 2024 the Group has continued to acquire treasury shares in SmartCraft ASA as part of buy-back programs managed by Carnegie. The difference between par value of the shares and the purchase price gives a total reduction in retained equity of TNOK 40 851 during 2024. As part of establishing the LTIP there is also recognized a non-controlling interest in the Group. The booked value of the non-controlling interest is TNOK 9 486 as of December 31st, 2024 (TNOK 4 631 as of December 31st, 2023). The LTIP is structured as a geared instrument with a corresponding risk for the participants. As of December 31st, 2024, changes compared to last year are due to changes in participants in the LTIP during 2024 by establishing a second investment company.

SMARTCRAFT ASA FINANCIAL STATEMENT

The financial statement for 2024 for SmartCraft ASA is prepared in accordance with the Norwegian Generally Accepted Accounting Principles. In the Board's opinion, the financial statements provide an accurate view of the company's financial position at the end of the fiscal year.

SmartCraft ASA had a total revenue of TNOK 22 397 in 2024 (TNOK 14 289 in 2023), and operating profit of TNOK -13 161 in 2024 (TNOK -9 120 in 2023). As of December 31st, 2024, the company has a total equity of TNOK 593 019 with an equity ratio of 88 percent.

In the Board's opinion the company's liquidity is satisfactory and the company has sufficient funds to settle all obligations when due.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group is subject to various types of risks

relating to operations and finance. The Group's risk management system shall ensure a systematic and uniform approach to identify, evaluate and mitigate risks, and describe processes and internal control actions.

Operational risks

The Group's operations involve development and maintenance of software solutions sold to a third party. Trends within the software industry can affect the overall level of demand for IT services and accordingly influence the Group's sales. Further, the ability to attract and retain sufficient competent personnel to secure the Group's future development of existing and new solutions is crucial to the Group's operations. The Group's Chief Technical Officer oversees the technical resources within the Group and assesses any measures if needed.

A significant part of the Group's growth is through acquisitions. The inability to secure an acquisition in line with the Group's product portfolio, technology and culture could result in negative effects in operational focus and financial performance. A thorough and tested M&A and onboarding process has historically limited any negative effects of acquisitions.

Volatile, negative, or uncertain economic or political conditions may have a negative effect on the Group's operations and financial performance. Such events may result in a loss of revenue as customers stop buying the solution, or increased costs if the Group needs to change to a more expensive business operation to keep the services running. The recent years' events and inflationary pressure have increased the Group's churn and customer downgrades, as bankruptcies increase and many customers experience reduced activity. The operational risks are considered moderate given the uncertainty of the situation.

The Group's customers are all in the same industry which exposes the Group to an industry specific risk. Changes in the macro environment may

affect the industry, and the Group, negatively. The construction industry has seen macroeconomic challenges in the last years, resulting in fewer new build projects. The Group focus on small and medium enterprises (SMEs) which have the renovation segment as their primary target market. The renovation segment is bigger than the new build part of the industry and has proven to be less volatile, growing steadily over the last years and is expected to do so for the coming years. Additionally, most of our customers are electricians and plumbers that are experiencing high demand due to energy efficiency initiatives of existing buildings. The risk is considered moderate.

Financial risks

As the Group operates internationally it is exposed to other currencies than NOK (functional currency). However, there is a natural hedge on the currency exchange risk as all operating entities have material costs and revenue in their functional currency, and the Group has both assets and liabilities in foreign currency. Still, the Group sees an increase in the number of suppliers linking their prices to a currency other than local currency, and the currency risk is considered moderate.

The active M&A strategy may be a significant contributor to the Group's growth. As the Group's profitability and financial position may fluctuate, as well as the tech sector specifically and general financial market changes, there is a risk of the Group not being able to obtain funding on favorable terms. In this event, the use of a larger portion of the Group's cash will reduce the Group's funds available for operations or future business opportunities. The risk is considered low/moderate. The Group's financial position as of December 31st, 2024, leaves the Group with positive direct exposure to the increased interest rates across the operating countries as the Group is in a net cash position with no external loan facilities.

Credit risk is considered low/moderate as the Group invoice most of its services upfront and can block access to non-paying customers, although

there is a reminder period where the Group runs the risk of loss. Additionally, the Group's customers are operating in the same industry, exposing the Group to general market/industry risk. On historical basis the market risk is considered low/moderate. The Group has ample cash to support operations and cover its current liabilities.

WORKING ENVIRONMENT, EQUAL OPPORTUNITIES AND DISCRIMINATION

The SmartCraft Group has 271 employees as of December 31st, 2024. There has been no reported work-related injuries or accidents in 2024. Absence due to sickness was 4.6%.

Society is increasingly expectating companies to be transparent about their corporate actions, diversity and equal employment opportunities. The Group is, by its Code of Conduct, committed to build a highly skilled workforce and ensuring that recruitment processes actively foster equal opportunities and diversity. The company prohibits discrimination in any form, whether based on political views, sexual orientation, disability, union membership, or age. As of December 31st, 2024, there are 5 men and 3 women in manager positions including the Group executive suite.

SmartCraft ASA

SmartCraft ASA has 4 employees as of December 31st, 2024. There has been no reported work-related injuries or accidents in 2024. There was no absence due to sickness. The company's human resource policy is based on equal rights for all, and there is no difference in treatment on any basis in terms of salary or recruitment. The Board of Directors is comprised of 4 men and 3 women.

The Transparency Act was implemented from July 1st, 2022, and the SmartCraft Group is according to the Act required to carry out due diligence assessments according to OECD's guidelines. The Group published an annual report in accordance with the Transparency Act at smartcraft.com in June 2024.

The Group's corporate social responsibilities are included in the separate sustainability report.

EXTERNAL ENVIRONMENT

The Group does not pollute the external environment beyond what ensues from normal office operations. The Board of Directors and employees are traveling as a part of daily operations. The Group encourages the use of environmentally friendly transport, and if possible, video conferences, to reduce the effects on the environment. See the separate sustainability report.

INSURANCE FOR BOARD MEMBERS AND EXECUTIVE OFFICERS

The Company has directors' and officers' liability insurance. The insurance covers the Board of Directors as well as the executive officers of the company from legal personal liability for financial damage caused by the performance of their duties.

CORPORATE GOVERNANCE

Good corporate governance is essential to ensure that the Group protects the long-term interest of the stakeholders. The Group's corporate

governance principles is compliant with the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance. The Group's corporate governance practices are subject to annual reviews and discussion by the Board of Directors. The Group's corporate governance policy is available at smartcraft.com/investor-relations/corporate-governance. The code is based on the "comply or explain" principle and deviations, if any, is explained under the relevant topic in the report on Corporate Governance for 2024 which is included in this Annual Report.

GOING CONCERN ASSUMPTION

In accordance with the Norwegian accounting act, the Board confirms that the accounts have been prepared in conformity with the going concern assumption and this assumption is valid.

SUBSEQUENT EVENTS

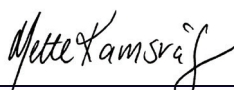
No material corporate or financial events have taken place after December 31st, 2024. There has been no material change in any of the current markets or solutions after December 31st, 2024.

April 9th, 2025

Board of Directors and CEO, SmartCraft ASA



Gunnar Haglund
Chairman of the Board



Mette Kamsvåg
Deputy Chairperson of the Board



Bernt Ulstein
Board member



Carl Ivarsson
Board member



Isabella Alveberg
Board member



Eva Hemb
Board member



Allan Engström
Board member



Gustav Line
CEO

Board of Directors report on Corporate Governance

REPORTING ON CORPORATE GOVERNANCE

The Group's corporate governance policy is compliant with the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance (NUES). The Group's corporate governance practices are subject to annual reviews and discussion by the Board of Directors. The Group's corporate governance policy is available at smartcraft.com/investor-relations/corporate-governance. The code is based on the "comply or explain" principle and deviations, if any, is explained under the relevant topic in the report. The Group believes that good corporate governance involves transparent and trustful cooperation between all parties involved with the Group and its business. This includes the Company's shareholders, Board of Directors and Executive Management team, employees, customers, suppliers, and other business partners, as well as public authorities and society at large. The Board of Directors and Executive Management shall contribute to achieve the following core objectives when honoring the Company's corporate governance policy:

- Transparency. Communication with the Company's shareholders, stakeholders and other interest group's shall be based on transparency and openness on issues relevant for the evaluation of the development and position of the Company.
- Independence. The relationship between the Board of Directors, Executive Management and shareholders shall be based on independence principles. Independence shall ensure that all decisions are made on an unbiased and neutral basis.

- Equal treatment. A fundamental objective for good corporate governance is equal treatment and equal rights for all of the Company's shareholders.
- Control and management. Sound control and corporate governance mechanisms shall contribute to predictability and reduce the level of risk for the Company's shareholders, stakeholders, and other interest group's.

BUSINESS OBJECTIVE

The Company's business objective, as set out in the Company's articles of association, reads as follows: "The Company's objects is industry, trade and investments in shares and other assets in other companies and enterprises as well as all other activities related to this." The Board of Directors has defined objectives, strategies, and risk profiles for the Company's business activities as an effort to create value for its shareholders in a sustainable manner. These objectives, strategies and risk profiles are evaluated annually.

EQUITY AND DIVIDENDS

The Board of Directors is responsible for ensuring that the Group is adequately capitalized relative to the risk and scope of operations and that the capital requirements set forth in laws and regulations are met.

The Group's consolidated equity was TNOK 939 046 on December 31st, 2024, representing an equity ratio of 73 percent. The Board monitors the capital situation and takes actions necessary to ensure that the equity or liquidity is adequate. The Company shall, at all times, have a clear and predictable dividend policy. The company believes that it will serve its shareholders best by investing for the long term and growing and developing the business.

The company's dividend policy is that the company does not expect to pay any dividend in the short to medium term as the company intends to use its profit for both organic and inorganic growth initiatives as well as product and technology innovation. The company will in the future continuously evaluate its capital allocation and will prioritize organic growth investments and acquisitions over dividends if the company expects that this will generate an attractive return on capital.

At the Annual General Meeting on May 2nd, 2024, the Board was granted the following authorities:

- Authorization to increase the share capital in one or more rounds by up to NOK 171 522,305. The authorization covers contribution in kind and the right to incur specific obligations on behalf of the Company and includes mergers. There have not been issued any new shares under this authorization. The authorization is valid until the Company's Annual General Meeting in 2025, but not longer than June 30th, 2025.
- Authorization to increase the share capital in one or more rounds by up to NOK 17 152,23. The authorization covers settlement of the Group's long-term investment program (LTIP). There have not been issued any new shares under this authorization. The authorization is valid until the Company's Annual General Meeting in 2026, but not longer than June 30th, 2026.
- Authorization to acquire own shares with a total nominal value up to NOK 85 761,15 which is equivalent to 5 percent of the current share capital. The maximum purchase price is NOK 50 and minimum NOK 1. As of December 31st, 2024, the authorization has been used to purchase 1 198 083 shares for a total of TNOK 35 067. The authorization is valid until the Company's Annual General Meeting in 2025, but not longer than June 30th, 2025.

EQUAL TREATMENT OF SHAREHOLDERS

All shareholders shall be treated on an equal basis unless there is a just and factual cause for treating them differently. Each share in the Company carries one vote, and all shares carry equal rights, including the right to participate in general meetings and the right to dividends. Where the Board of Directors resolves to issue new shares and deviate from existing shareholders' pre-emptive rights pursuant to an authorization granted to the Board of Directors, the stock exchange announcement issued in connection with the share issue shall also include a justification for the deviation.

The Company's transactions in treasury shares shall be carried out through Oslo Stock Exchange' trading platform at the prevailing trading price or by making a public offer to all shareholders. All transactions in treasury shares shall be publicly disclosed in a stock exchange announcement. There was a total of 117 transaction in treasury shares in 2024 which was carried out by Carnegie on behalf of the Company.

Transactions between the Company and its shareholders, a shareholder's parent company, members of the Board of Directors, executive management or closely associated persons to any such party, that are deemed material under the Norwegian Public Limited Liability Companies Act, are subject to approval by the general meeting. Furthermore, the Board of Directors is required to arrange for an independent auditor's valuation of the transaction. When restructuring the Group companies there was performed several transfers of shares internally. The transactions were not subject to approval by the general meeting as it was defined as an intercompany transaction.

FREELY TRANSFERABLE SHARES

The shares of the Company are listed on the Oslo Stock Exchange and are freely transferable and there are no limitations on any party's ability to own or vote for the shares in the Company.

Deviation from the Code of Practice:

Sellers of the shares in Clixifix Ltd. has entered into a lock-up agreement for shares purchased as part of the settlement. The lock-up period is valid until May 2nd, 2025.

GENERAL MEETINGS

The General Meeting is the Company's highest authority, and open to all shareholders. The Company encourages shareholders to participate and exercise their rights. The 2024 Annual General Meeting was held digitally on May 2nd, 2024, with 85,19 percent of the Company's shares represented.

The Board, auditor, or shareholders representing at least 5 percent of the shares can call for Extraordinary General Meetings when deemed necessary.

The notice of the General Meeting and supporting documents are made available on the Company's website no later than 3 weeks prior to the date of the meeting. Shareholders may request the documents by mail. Efforts are made to ensure that proposed resolutions and supporting information are sufficiently detailed and comprehensive to allow the shareholders to form a view on all matters to be considered at the meeting. The notice includes information about shareholders' rights. The notice period, right to attend and agenda proposals are regulated in the Articles of Association.

The deadline for shareholders to notify the Company if they wish to participate at the General Meeting shall be set as close to the date of the general meeting as practically possible, but at the earliest two business days before the General Meeting.

Shareholders who are unable to attend the general meeting shall be given the opportunity to be represented by proxy and to vote by proxy. The Board of Directors shall in this respect, with regards to the notice of the general meeting:

- provide information on the procedure for attending by proxy;
- nominate a person who will be available to vote on behalf of non-attending shareholders as their proxy (normally being the chair of the Board of Directors); and
- prepare a proxy form, which shall, to the extent possible, be set up so that it is possible to vote separately on each individual matter on the agenda and each candidate nominated for election.

Deviation from the Code of Practice: The Code recommends separate voting for candidates to the Board. However, the Board must be in accordance with applicable legislation regarding gender representation and qualifications for committee assignments. The nomination committee's proposal is given with respect to such legislation. Should a situation arise where the composition of the Board might conflict with applicable legislation, the situation and consequences of electing a board contrary to legislation should be discussed at the General Meeting and shareholders should base their votes on the views discussed.

NOMINATION COMMITTEE

The Nomination Committee is governed by the Articles of Association section 10. The nomination committee does not include any executive personnel or any member of the company's Board of Directors. All members of the Nomination committee are independent of the Board of Directors and Group Management. The members of the Nomination Committee are elected at the General Meeting for a period of two year. Mr. Arild Bødal (chair) and Ms. Helen Fasth Gilstedt were elected at the General Meeting on April 28th, 2023, and Ms. Ingeborg Aavatsmark was elected at the General Meeting on May 2nd, 2024.

The General Meeting stipulates the rules of procedure for the Nomination Committee and determines the Committees' remuneration. The Nomination Committee gives its recommendation to the General Meeting on election of and compensation to members of the Board of

Directors, in addition to election of members of the Nomination Committee. Each proposal is justified on an individual basis. All shareholders are entitled to nominate candidates to the Board of Directors, and information on how to propose candidates can be found on the company's website.

COMPOSITION AND INDEPENDENCE OF THE BOARD OF DIRECTORS

In accordance with the articles of association section 7, the company's Board of Directors shall consist of three to nine members. On December 31st, 2024, the Board of Directors consisted of seven members (see table below), of which three

were female. The directors can be elected by the General Meeting for a term no longer than two years and may be re-elected.

The company's website provides information to illustrate the expertise of the members of the Board of Directors. The Board of Directors considers its composition to be diverse and represent required competencies including financial and industrial experience. Board members are encouraged to own shares in the company. An overview of board members' share ownership in the Company is available in note 25 to the consolidated financial statements.

Name	Role	Independent	Served since	Term expires	Meeting participation
Gunnar Haglund	Chairperson	Yes	15.03.2017	AGM 2025	9 of 9
Mette Kamsvåg	Deputy chairperson	Yes	02.05.2024	AGM 2026	5 of 6
Bernt Ulstein	Board member	Yes	15.03.2017	AGM 2025	9 of 9
Maria Danell	Board member	Yes	21.04.2021	02.05.2024	3 of 3
Carl Ivarsson	Board member	No	14.02.2017	AGM 2025	9 of 9
Marianne Bergmann Røren	Board member	Yes	21.04.2021	02.05.2024	0 of 3
Allan Engström	Board Member	No	14.02.2017	AGM 2025	9 of 9
Isabella Alveberg	Board Member	Yes	28.04.2023	AGM 2025	8 of 9
Eva Hemb	Board Member	Yes	02.05.2024	AGM 2026	6 of 6

Mr. Ivarsson and Mr. Engström represents Valedo Partners III AB which holds 39.6% of the shares in SmartCraft ASA. All board members are independent of Group management and material business contacts.

WORK OF THE BOARD OF DIRECTORS

The objectives, responsibilities and functions of the Board of Directors and the CEO shall be in compliance with rules and standards applicable to the Group, which are described in the Company's "Instructions for the board of directors of SmartCraft ASA". The Board has the ultimate responsibility for the management of the Company and the Group and for supervising Group Management.

The Board of Directors shall annually evaluate its performance and expertise for the previous year. This evaluation shall include the composition of the Board of Directors and the manner in which its members function, individually and as a group, in

relation to the objectives set out for its work. The report shall be made available to the nomination committee.

The Board has established two committees, an Audit Committee, and a Remuneration Committee.

Audit Committee

Pursuant to section 6-41 of the Norwegian Public Limited Liability Companies Act, Rule Book II and recommendations set out in the Code, the Company is obliged to establish an audit committee. The Committee members are appointed by and among the Board of Directors.

Per December 31st, 2024, the audit committee

members were Mr. Gunnar Haglund (chair), Mrs. Eva Hemb and Mr. Carl Ivarsson, all considered independent of Group Management. The Audit Committee held 7 meetings in 2024.

Remuneration Committee

The remuneration committee shall provide the Board of Directors with a guideline and recommendation for the salary and other remuneration for executive management, which shall be made in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act. The members of the remuneration committee are elected by and among the members of the Board of Directors for a term of up to two years. Per December 31st, 2024, the remuneration committee members were Mr. Gunnar Haglund (chair), Mr. Allan Engström and Mr. Bernt Ulstein, all independent of the Group Management. For 2024, the Committee met 2 times.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group's risk management system shall ensure that the Group has a systematic and uniform approach to risk management. The system defines responsibilities, processes, tools and documentation, including considerations related to integrating stakeholders in relation to the Company's value creation.

Group Management sets the context in which risks are managed and supervises the risk management process. Risk assessments are presented to the Audit Committee and the Board of Directors. The Board performs a review of risks in connection with the approval of the annual budget.

Group Management regularly updates the Board of Directors including operational reviews, HSE (Health, Safety and Environment) measures, financial status and key performance indicators. Prior to each Board meeting, the CEO and CFO prepares a report to the Board of Directors, which includes this information in addition to any items requested by Board members and items requiring

action by the Board of Directors. Because the Group operates internationally, it is required to comply with numerous national and international laws and regulations. All business activities and processes must be conducted in accordance with laws, and regulations.

The quarterly and yearly reporting process and significant accounting and reporting issues are discussed with the Audit Committee in the presence of the external auditor.

REMUNERATION OF THE BOARD OF DIRECTORS

The members of the Board of Directors receive remuneration in accordance with their individual roles. The remuneration is not linked to Company performance and members are not granted share options. Remuneration for each member of the Board of Directors is detailed in note 11 to the consolidated financial statements.

Members of the Board of Directors and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the Board of Directors, but if they do, this shall be disclosed to the full Board. The remuneration for such additional duties will be approved by the Board of Directors. There were no such assignments in 2024.

REMUNERATION OF EXECUTIVE MANAGEMENT

The policy for remuneration of executive management of the Group was last updated in April 2023 and presented at the Annual General Meeting in 2023. The remuneration policy must be approved by the Annual General Meeting upon any material changes and at minimum every four years. The Board determines remuneration of the Chief Executive Officer while remuneration of Group Management is determined according to guidelines. The Board's statement regarding compensation of leading employees, required by accounting act §7-31b, is published on smartcraft.com.

INFORMATION AND COMMUNICATION

The Company treats its investors equally. Timely information is published simultaneously to all investors in accordance with applicable legislation and regulation to provide the best possible basis for evaluation of Company performance. All information is provided in English. Interim reports are published on a quarterly basis, in line with Oslo Stock Exchange's recommendations.

Interim reports include presentations to provide an overview of operational and financial developments, market outlook, and the Company's prospects. The presentations are open to the public and made available through a webcast. The Chief Executive Officer and the Chief Financial Officer are normally present at the quarterly presentations. Furthermore, the Company keeps an ongoing dialogue with its investors and makes presentations to analysts and investors through various conferences and events.

TAKEOVERS

The Board of Directors have established the main principles for its actions in the event of a takeover offer. In a takeover process, the Board of Directors, and the Executive Management each have independent responsibilities to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The Board of Directors has a particular responsibility to ensure that the shareholders are given sufficient information and time to assess the offer. The Company has no written guidelines for procedures to be followed in the event of a takeover offer. The Board is open to initiatives that are commercially and financially attractive for the shareholders. The Board will assess potential offers in accordance with applicable legislation and Code of Practice requirements in due course.

STATUTORY AUDITOR

The Company's external auditor, Ernst & Young AS, is appointed by the General Meeting and is independent from the Company.

The auditor shall participate in meeting(s) of the Board of Directors where any of the following topics is on the agenda: the annual accounts, accounting principles, assessment of any important accounting estimates and other matters of importance where there has been disagreement between the auditor and the Company's executive management and/or the audit committee.

The auditor shall at least once a year present to the Board of Directors or the audit committee a review of the Company's internal control procedures, including identification of weaknesses and proposals for improvement. The audit committee shall hold a meeting with the auditor at least once a year in which no representative of the executive management can be present. To strengthen the Board of Directors' work on financial reporting and internal control, the auditor shall provide a report to the audit committee on the main features of the audit in respect to the previous financial year, and especially mention any material weaknesses identified in the internal control relating to the financial reporting process.

Remuneration to the auditor is approved by the General Meeting and the Board of Directors shall specify the executive management's right to use the auditor for other purposes than auditing. For remuneration to the auditor see note 21 to the consolidated financial statements.

Statement of compliance

The Board of Directors and the Chief Executive Officer (CEO) have today considered and approved the report from the Board of Directors and CEO, the financial statements for the Group and for the parent company SmartCraft ASA (the Company) for the year ending December 31st, 2024.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements as stated in the Norwegian Accounting Act that are applicable at December 31st, 2024.

The financial statements for the Company have been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway that are applicable at December 31st, 2024. The report from the Board of Directors and CEO for the Group and the Company has been prepared in accordance with

the Norwegian Accounting Act and the Norwegian Accounting Standard no. 16 applicable at December 31st, 2024.

We confirm that, to the best of our knowledge:

- the financial statements for the period from January 1st to December 31st, 2024, for the Group and the Company have been prepared in accordance with applicable accounting standards
- the financial statements give a true and fair view of the Company's and the Group's consolidated assets, liabilities, financial position and results of operations
- the Board of Directors' report provides a true and fair view of the development and performance of the business and the position of the Company and the Group, together with a description of the key risks and uncertainty factors that the company is facing

April 9th, 2025

Board of Directors and CEO, SmartCraft ASA



Gunnar Haglund
Chairman of the Board



Mette Kamsvåg
Deputy Chairperson of the Board



Bernt Ulstein
Board member



Carl Ivarsson
Board member



Isabella Alveberg
Board member



Eva Hemb
Board member



Allan Engström
Board member



Gustav Line
CEO

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK (thousands)</i>	<i>Note</i>	2024	2023
Revenue from customers	8	510 763	401 654
Total operating revenue		510 763	401 654
Purchase of goods and services		43 551	32 681
Payroll and related expenses	10, 11	198 804	145 637
Other operating expenses	21	83 879	57 616
Depreciation and amortization	13, 23, 24	52 465	36 204
Total operating expenses		378 699	272 138
Operating profit (loss) before financial items and tax		132 064	129 517
Financial income	22	21 158	29 520
Financial expenses	22	(19 703)	(22 768)
Financial income (expense), net		1 455	6 752
Profit (loss) before tax		133 519	136 268
Tax expense	20	27 560	28 640
Profit (loss)		105 959	107 628
Attributable to:			
Shareholders in SmartCraft ASA	26	105 959	107 628
Non-controlling interests		-	-
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Currency translation differences, net of tax		16 957	24 685
Other comprehensive income (loss) for the period net of tax		16 957	24 685
Total comprehensive income		122 916	132 313
<i>Amounts in NOK (thousands)</i>	<i>Note</i>	2024	2023
Profit for the year		105 959	107 628
Profit for the year attributable to non-controlling interests		-	-
Profit for the year attributable to equity holders of SmartCraft ASA		105 959	107 628
Average numbers of common shares		167 907 976	169 575 195
Earning per share and diluted earnings per share NOK	26	0,63	0,63

CONSOLIDATED STATEMENT OF FINANCIAL POSITION


Amounts in NOK (thousands)

ASSETS	Note	31.12.2024	31.12.2023
Goodwill	6, 12	662 299	547 580
Intangible assets	13	376 806	246 079
Right to use assets	24	35 411	24 656
Tangible Assets	23	4 855	3 001
Total non-current assets		1 079 372	821 316
Other current assets	7, 16	10 476	8 112
Accounts Receivable	7, 15	67 611	64 612
Cash and cash equivalents	7, 17	125 655	206 024
Total current assets		203 742	278 748
Total assets		1 283 114	1 100 063
EQUITY AND LIABILITIES			
Share capital	25	1 715	1 715
Own shares		(45)	(31)
Share premium		605 893	605 893
Retained earnings		280 193	214 846
Other components of equity		33 578	16 621
Non-controlling interests	25	9 486	4 631
Total equity		930 821	843 675
Non-current lease liabilities	17, 24	23 281	14 764
Deferred tax liabilities	20	62 672	36 580
Total non-current liabilities		85 953	51 344
Current portion of deferred revenue	8	149 839	106 029
Current portion of lease liabilities	17, 24	12 886	10 360
Accounts payable	7, 18	11 760	8 628
Taxes payable	7, 20	15 700	22 402
Other current liabilities	7, 19, 28	76 155	57 626
Total current liabilities		266 340	205 044
Total liabilities		352 293	256 388
Total equity and liabilities		1 283 114	1 100 063

April 9th, 2025
Board of Directors and CEO, SmartCraft ASA



Gunnar Haglund
Chairman of the Board



Mette Kamsvåg
Deputy Chairperson of the Board



Bernt Ulstein
Board member



Carl Ivarsson
Board member



Isabella Alveberg
Board member



Eva Hemb
Board member



Allan Engström
Board member



Gustav Line
CEO

CONSOLIDATED CASH FLOW STATEMENT

<i>Amounts in NOK (thousands)</i>	Note	2024	2023
Operating activities			
Profit before tax		133 519	136 268
Paid taxes	20	(41 251)	(24 058)
Net financial income		(1 989)	(6 752)
Gains/losses sold assets	13, 23, 24	75	(82)
Depreciation and amortization	13, 23, 24	52 465	36 204
Payments related to acquisitions	7, 19	-	(16 861)
Interest received	22	4 781	3 724
Net cash provided from operating activities before net working capital changes		147 600	128 443
<i>Working capital adjustments:</i>			
Changes in accounts receivable		7 160	(33 619)
Changes in deferred revenue		24 441	35 284
Changes in accounts payable		229	744
Changes in all other working capital items		(415)	5 445
Net cash provided from operating activities		179 015	136 297
Investing activities			
Investments in tangible and intangible assets	13, 23	(3 558)	(1 474)
Payments for acquisitions	6, 19	(152 056)	(23 968)
Payments for software development costs	13	(48 664)	(37 472)
Foreign currency effect		-	-
Net cash used in investing activities		(204 278)	(62 914)
Financing activities			
Cash proceeds from capital increases	25	4 720	-
Downpayment on loan facilities	17	(7 954)	-
Interest payments	22	(2 792)	(1 214)
Repayments of lease liabilities	17	(12 278)	(9 964)
Payments of treasury shares	25	(40 865)	(53 508)
Net cash provided by (used in) financing activities		(59 170)	(64 686)
Net increase (decrease) in cash and cash equivalents		(84 432)	8 696
Cash and cash equivalents at the beginning of year		206 024	191 587
Foreign currency effects		4 063	5 740
Cash and cash equivalents at end of year	17	125 655	206 024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK (thousands)</i>	Share capital	Treasury shares	Share premium	Retained earnings	Currency translation reserve	Non-controlling interest	Total equity
Total equity 31.12.2022	1 715	(5)	605 893	161 149	(8 063)	4 881	765 570
Profit / (-) loss for the period	-	-	-	107 628	-	-	107 628
Other comprehensive income	-	-	-	-	24 685	-	24 685
Changes in non-controlling interests	-	-	-	-	-	(250)	(250)
Purchase of treasury shares	-	(26)	-	(53 482)	-	-	(53 508)
Other changes	-	-	-	(449)	-	-	(449)
Total equity 31.12.2023	1 715	(31)	605 893	214 846	16 621	4 631	843 675
Profit / (-) loss for the period	-	-	-	105 959	-	-	105 959
Other comprehensive income	-	-	-	-	16 957	-	16 957
Changes in non-controlling interests	-	-	-	-	-	4 855	4 855
Purchase of treasury shares	-	(14)	-	(40 851)	-	-	(40 865)
Other changes	-	-	-	239	-	-	239
Total equity 31.12.2024	1 715	(45)	605 893	280 193	33 578	9 486	930 821

Notes

NOTE 1 REPORTING ENTITY

The reporting entity reflected in these financial statements is comprised of SmartCraft ASA and the consolidated subsidiaries that make up the SmartCraft Group. The parent company SmartCraft ASA is a Norwegian entity and headquarters is located Strandgata 3, 3513 Hønefoss, Norway. The Group operates with offices in Norway, Sweden, Finland and United Kingdom.

SmartCraft ASA is a software company with a portfolio of related software brands. Currently, Bygglet, Cordel, Congrid, EL-VIS, HomeRun, Kvalitetskontroll, El-verdi, Elinn, Coredination, Locka and Clixifix are all brands in the Group's portfolio. The Group operates in the Nordic region and the UK and provides SaaS and subscription software solutions for construction- and craftsmen companies, with market leading positions.

NOTE 2 BASIS OF PREPARATION

The consolidated financial statements of SmartCraft ASA and its subsidiaries are prepared in accordance with IFRS Accounting Standards as endorsed by the European Union (EU) and Norwegian authorities and effective as of December 31st, 2024. These financial statements also provide disclosures as specified under the Norwegian Accounting Act (Regnskapsloven). The financial statements are prepared on a historical cost basis, except for certain assets, liabilities, and financial instruments, which are measured at fair value. Preparation of financial statements including note disclosures requires management to make estimates and assumptions that affect amounts reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities. Actual results may differ from these estimates. Slight rounding differences may occur between

the financial statements and the note disclosures. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, or if the revision affects both current and future periods. Judgments made by management in the application of IFRS which have a significant effect on the consolidated financial statements and estimates, with a significant risk of material adjustment in the next year, are discussed in note 4.

NOTE 3 MATERIAL ACCOUNTING POLICIES

This following description of material accounting principles applies to the SmartCraft Group's 2024 financial reporting, including all comparative figures. The relevant accounting policies for selected financial statement line items are described in detail in the specific notes in this set of financial statements. Changes in accounting policies and new pronouncements are discussed at the end of this section.

3.1 Basis of consolidation

The consolidated financial statements include SmartCraft ASA and subsidiaries, in which SmartCraft ASA is exposed, or has the rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the investee. Power is normally achieved through ownership, directly or indirectly, of more than 50% of the voting power.

Subsidiaries are included from the date control commences until the date control ceases. There were three acquisitions completed during 2023-2024. Coredination AB where control was commenced as of July 1st 2023, Locka Group AB as of 1st April 2024 and Clixifix Limited as of 1st May 2024.

Intercompany transactions and intercompany balances, including internal profits and unrealized gains and losses, are eliminated.

Business combinations

The acquiree's identifiable assets, liabilities and contingent liabilities are recognized separately at the acquisition date at their fair value irrespective of any non-controlling interest, and goodwill recognized to the extent the consideration exceeds identified net assets.

Goodwill

Goodwill is recognized as a part of business combinations. Goodwill is initially measured either as the excess of the consideration over the SmartCraft Group's interest or the fair value of 100 percent of the acquiree in excess of the acquiree's identifiable net assets (full goodwill). Goodwill is not amortized, but is tested for impairment annually, and more frequently if indicators of possible impairment are observed. Goodwill is allocated to the cash generating units or groups of cash generating units expected to benefit from the synergies of the combination and that are monitored for internal management purposes.

Foreign currency translation

The Group presents its financial statements in the Norwegian krone (NOK). This is also the parent company's functional currency. Each subsidiary has local currency of their market as the functional currency. For consolidation purposes, the balance sheet figures for subsidiaries with a different functional currency have been translated at the rate applicable at the balance sheet date. The income statement has been translated at the average rate for the reported period. Exchange rate differences are recognized in equity. Changes in exchange rate are recognized in the statement of comprehensive income as they occur during the period. When investments in foreign subsidiaries are sold the accumulated exchange rate differences relating to the subsidiary are recognized in the income statement.

3.2 Intangible assets

Intangible assets acquired individually or as a group are recognized at cost when acquired. Intangible assets acquired in a business combination are recognized at fair value separately from goodwill when they arise from contractual or legal rights or can be separated from the acquired entity and sold or transferred. Internally generated intangible assets are recognized when the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Development costs are capitalized as intangible assets at cost in accordance with IAS 38 Intangible Assets when the recognition criteria are met. Research expenditures are expensed as incurred. Intangible assets with indefinite useful life are tested for impairment yearly. For intangible assets with definite useful life, SmartCraft reviews the residual value and useful life of its assets, with any estimate changes accounted for prospectively over the remaining useful life of the asset.

Internally generated development:

Expenses relating to research activities are recognized as they occur. Expenses relating to development activities are capitalized to the extent that the product or process is technically and commercially viable and the Group has sufficient resources to complete the development work. Expenses that are capitalized include the costs of materials, direct wage costs and a share of the directly attributable common expenses. Capitalized development costs are recognized at their cost minus accumulated amortization and impairment losses.

Cost of building new features and functionality together with significant and pervasive improvements of the core platform, provided that the significant and pervasive improvements of parts or main components of the core platform will generate probable future economic benefits, are capitalized as development costs and amortized on a straight-line basis over the estimated economic lifetime.

To the extent developers perform updates that are required to maintain the products functionalities, the costs are expensed.

Customer relationship:

Customer relationships are recognized as a part of business combinations and measured initially as the net present value of the lifetime revenue from existing customers less cost to fulfill the contractual obligations. Customer relationships are depreciated on a straight-line basis over the expected lifetime of the relationship.

Software:

Software is recognized both as a part of business combinations and by internal development. Acquired software in a business combination is measured at fair value. The fair value measurement is if possible based on observable market data, if such data is not available, fair value is estimated as the expected cost to develop a similar software and internally developed software is capitalized in accordance with the measurement criteria in IAS 38 and amortized on a straight-line basis over the estimated economic lifetime.

Brand names:

Brand names that contribute to future economic benefits are recognized separately from Goodwill as a part of business combinations. Brand names are measured using the royalty method, the management evaluates whether to have indefinite or definite useful lifetime and tested annually for impairment.

3.3 Revenue from contracts with customers

At contract inception, SmartCraft identifies the promised licenses and services within the contract and determines which of those are separate performance obligations. SmartCraft performance obligations within the contracts are described below. The timing of the transfer is determined based on when the customer obtains control of the delivered licenses or services.

SmartCraft usually does not pay sales commission to its partners on sales to customers. On the few occasions it has been paid sales commissions SmartCraft has applied the practical expedient for costs to obtain a contracts to immediately expense sales commissions because the amortization period of the asset otherwise would have used is one year or less. SmartCraft generates revenue from five main sources and subcategories in total.

Subscriptions

Revenue from software subscriptions (right to access) are recognized on a straight-line basis over time, as the customer simultaneously receives and consumes the benefits of the services. Subscription contracts are invoiced in advance, up to and mainly on a 12month interval.

Integrated services and bundled services

Revenue from the transactional use of integrated or bundled 3rd party services are recognized at a point in time, on the time of the services being rendered and invoiced subsequently at the end of the month.

Expert services

Revenue from the sale of support, consultancy, system set-up and other advisory services are recognized at a point in time, on the time of the services being rendered and invoiced subsequently at the end of the month. Expert services included in the SaaS and software subscriptions is not recognized as independent revenues.

3.4 Leasing

Identifying a lease

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

For contracts that constitute, or contain a lease, the Group separates lease components if it

benefits from the use of each underlying asset either on its own or together with other resources that are readily available, and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract. The Group then accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

Recognition of leases and exemptions

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets (defined as less than NOK 50 000)

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amount expected to be payable by the Group under residual value guarantees.
- The exercise price of a purchase option, if the

Group is reasonably certain to exercise that option.

- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments dependent upon an index or a rate, in the lease liability. Instead, the Group recognizes these variable lease expenses in the statement of profit or loss.

SmartCraft presents its lease liabilities as separate line items in the statement of financial position and has initially applied weighted average incremental borrowing rate in the range of 2.75 % to 9.98 % when recognizing the lease liability.

Right-of-use assets

The Group measures the right-of-use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized.
- Any lease payments made at or before the commencement date, less any incentives received.
- Any initial direct costs incurred by the Group. An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

SmartCraft applies the depreciation requirements in *IAS 16 Property, Plant and Equipment* in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Group applies *IAS 36 Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

3.5 Financial instruments

Financial assets

Financial assets represent a contractual right by the SmartCraft Group to receive cash or another financial asset in the future. Financial assets include cash and cash equivalents, accounts receivable and withheld cash receivable. On initial recognition, a financial asset is measured at fair value, and classified for subsequent measurement at amortized cost; at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL). Classification depends on the business model and, for some instruments, the entity's choice. Financial assets are derecognized when the rights to receive cash from the asset have expired or when SmartCraft has transferred the asset.

Financial liabilities

Financial liabilities represent a contractual obligation by the SmartCraft Group to deliver cash in the future and are classified as either current or non-current. Financial liabilities include the long-term loan, contingent liabilities, accounts payable and other financial liabilities. Financial liabilities are initially recognized at fair value, including transaction costs directly attributable to the transaction, and are subsequently measured at amortized cost. Financial liabilities are derecognized when the obligation is discharged through payment or when SmartCraft is legally released from the primary responsibility for the liability.

3.6 Measurement of fair value

SmartCraft measures certain assets and liabilities at fair value for the purposes of recognition or disclosure. Non-recurring fair value measurement is used for transactions, such as business combinations, contingent consideration and other non-routine transactions. SmartCraft does not have any recurring fair value measurement as the group does not have any derivative financial instruments, equity investments or other similar financial assets or liabilities that are measured at fair value.

3.7 Employee benefit expense

Payments to employees, such as wages, salaries, social security contributions, paid annual leave and bonus agreements are accrued in the period in which the associated services are rendered by the employee. All Group companies have defined contribution pension plans. The Group has no other obligations after payment of the pension premium has been made. The pension premiums are charged to expenses as they are incurred.

The company has established a pension scheme as required by Norwegian law for employees in the Norwegian entities.

3.8 Current and deferred income tax

The income tax expense consists of tax payable and changes to deferred tax. Deferred tax liability/tax assets are calculated on all taxable temporary differences, except for goodwill for which amortization is not deductible for tax purposes. Deferred tax assets are recognized when it is probable that the company will have sufficient profit for tax purposes to utilize the tax asset. SmartCraft recognizes formerly unrecognized deferred tax assets to the extent that it has become probable that the Group can utilize the deferred tax asset. Similarly, the company reduces its deferred tax assets to the extent that it can no longer utilize these.

Deferred tax liabilities and deferred tax assets are measured based on the expected future tax rates applicable to the companies in the Group where temporary differences have arisen. Deferred tax

liabilities and deferred tax assets are recognized at their nominal value and are classified as non-current liabilities or non-current assets in the balance sheet. The tax payable and deferred taxes are recognized directly in equity to the extent they relate to equity transactions.

3.9 Provisions

Provisions are recognized when, and only when, the Group has a valid liability (legal or estimated) because of events that have taken place and it can be proven probable (more probable than not) that a financial settlement will take place, as a result of a liability, and that the size of the amount can be measured reliably.

3.10 Changes in accounting policies and new pronouncements

There are no changes in accounting principles compared to previous years. The Group has applied all relevant IFRS standards that were in effect for 2024.

None of the issued, not yet effective, accounting standards or amendments to such standards are expected to have significant effects for the SmartCraft Group's financial reporting.

3.11 Equity

Treasury shares are shares in SmartCraft ASA controlled by the Group. When there are transactions with treasury shares the nominal value of the shares are booked as treasury shares. Differences between nominal value of the shares and the acquisition cost/selling price of the shares are booked towards other components of equity.

NOTE 4 SIGNIFICANT ESTIMATES AND JUDGEMENTS

The application of accounting policies requires that management makes estimates and judgements in determining certain revenues, expenses, assets and liabilities. The following areas involve a significant degree of judgement and complexity, and may result in significant variation in amounts:

- Identification and initial measurement of intangible assets acquired in a business combination – see note 6
- Impairment of goodwill - see note 12
- Capitalization of internally generated intangible assets - see note 13

NOTE 5 FINANCIAL RISK DISCLOSURES

Credit risk

Credit risk for the Group consists of balances of accounts receivable in addition to cash deposits held at several banks that have a long history and credible reputations. Management believes customer risk is low/moderate as customers generally need to pay upfront in order to receive services. As the Group has a very diverse customer base and limited customer acquisition cost as well as no material customer exposures, credit checks of new and existing customers are not deemed necessary. If existing customers are not paying for subscriptions the Group can block access to their systems, although the Group is at risk for loss in the period between due date and blocking access. Exposure to default risk on individual customers is low as the Group has a large number of customers. However, most customers are related to the same industry and this exposes the Group to the industry specific risk. For additional information regarding loss and loss allowance, see note 15.

Liquidity risk

The Group needs to maintain enough liquidity in order to pay running operating costs. Non-current lease liabilities and non-current financial liabilities have a maturity of up to 7 years, and all other financial liabilities (current lease liabilities and accounts payable) are due within 12 months. The SmartCraft Group has ample cash to support operations and liabilities. The SmartCraft Group has no investments in equity securities and does

not use financial derivatives. For information regarding future payments of liability, see note 28.

Capital management

Management believes that SmartCraft is in a growth phase with the intention of increasing market share and expand into new markets. Management will undertake M&A where it sees market growth opportunities. The Group intends to fund M&A and internal growth through current cash balances, equity, and external capital from bonds, banks and similar lenders. The Group prepares an annual detailed liquidity budget to ensure sufficient liquidity throughout the year. The Group policy is to keep its cash in a checking account. The banks where SmartCraft keeps excess liquidity are well established and reputable with a long history of holding deposits without defaults.

Interest risk

The Group has no financial liabilities to lenders which bear an interest as of 31.12.2024. See notes 7, 22 and 28 for more information. The group has no hedging of interest risk.

Foreign exchange risk

As of December 31st 2024 the Group has financial liabilities of foreign currency of TNOK 49 595, and financial assets in foreign currency in total of TNOK 147 609. Net amount in foreign currency translates to a financial asset of TNOK 98 014, and the exposure of foreign currency risk is considered low.

<i>Amounts in NOK (thousands)</i>	Amount 31.12.2024	Effect on EBT + 5%	Effect on EBT - 5%
Foreign exchange risk sensitivity			
Financial assets in foreign currency	147 609	7 380	(7 380)
Financial liabilities in foreign currency	(50 280)	(2 514)	2 514
Total for SmartCraft Group	97 329	4 866	(4 866)

<i>Amounts in NOK (thousands)</i>	Amount 31.12.2023	Effect on EBT + 5%	Effect on EBT - 5%
Foreign exchange risk sensitivity			
Financial assets in foreign currency	226 695	11 335	(11 335)
Financial liabilities in foreign currency	(34 812)	(1 741)	1 741
Total for SmartCraft Group	191 882	9 594	(9 594)

The Group earns revenue in NOK, SEK, EUR and GBP. All operating entities have all material costs and revenue in their functional currency. This works as a natural hedge on the currency exchange risk and as such the management considers the

foreign exchange risk exposure for the group to be the low/moderate. The calculated effect on revenue and EBITDA is based on a change of 5% in the currency rate for SEK, EUR and GBP towards NOK.

<i>Amounts in NOK (thousands)</i>	Revenue 2024	Effect on revenue +/- 5%	EBITDA 2024	Effect on EBITDA +/- 5%
Foreign exchange risk sensitivity				
SmartCraft Group consolidated	510 763	+/- 16 338	184 530	+/- 6 692

<i>Amounts in NOK (thousands)</i>	Revenue 2023	Effect on revenue +/- 5%	EBITDA 2023	Effect on EBITDA +/- 5%
Foreign exchange risk sensitivity				
SmartCraft Group consolidated	401 654	+/- 11 698	165 721	+/- 5 724

NOTE 6 BUSINESS COMBINATIONS

Significant judgment in accounting for business combinations

In a business combination, consideration, assets and liabilities are recognized at estimated fair value, and any excess purchase price included in goodwill. In the businesses SmartCraft operates, fair values of individual assets and liabilities are normally not readily observable in active markets. Estimation of fair values requires the use of valuation models for acquired assets and liabilities as well as ownership interests. Such valuations are subject to numerous assumptions and are thus uncertain. The quality of fair value estimates may impact periodic depreciation and amortization of fixed assets, and assessment of possible impairment of assets and/or goodwill in future periods. The specific significant judgements for SmartCraft during 2024 include the identification and fair value of the acquired intangible assets in

Locka Group AB and Clixifix Limited. These are all discussed below in the specific relevant section. During 2024 the Group has recognized acquisition related costs as other operating expenses in the profit and loss of at total of TNOK 5 458.

Acquisitions in 2024

In 2024 SmartCraft Sweden AB has acquired 100% of the share capital and the voting rights of Locka Group AB and its subsidiaries Locka Software AB and Locka Service AB. The Locka solution is a 3D visualization with customer interaction and after-sales service for the construction industry. The acquisition was financed by cash transfer.

Net profit for Locka Group is included in the consolidated financial statements from April 1st 2024. For the year 2024 the companies' contributions to the SmartCraft Group amounted to TNOK 32 979 in revenue, an EBITDA of TNOK 1 936 and EBT of TNOK 250.

If the companies had been included from January 1st, the SmartCraft Group had ended the year with TNOK 519 985 (+9 222) in revenues, an EBITDA of TNOK 185 260 (+730) and EBT of TNOK 131 319 (-1 523).

Significant judgement related to the identification of the acquired intangible assets and their valuation

The Goodwill arising on the transaction are related to anticipated profitability of the operations and anticipated synergies with the existing SmartCraft

solutions. The Goodwill is not tax deductible.

The management places a significant value on the technology and estimates its value based on the cost incurred related to the development of the technology at the time of acquisition.

The brand is established in Sweden and registered for use in Europe. The brands value is based on existing customers and customer loyalty and the potential revenue growth for the brand.

Locka Group AB

Purchase consideration:	Amounts in NOK (thousands)
Cash paid	8 841
Total purchase consideration	8 841
The assets and liabilities recognized as a result of the acquisition are as follows:	
<i>Amounts in NOK (thousands)</i>	<i>Fair value as of acquisition date</i>
Cash	(947)
Trade receivables	3 419
Office machinery and equipment	85
Right-of-use assets	541
Other receivables	809
Brand	2 309
Technology	16 043
Customer relationships	9 740
Total assets	31 999
Trade creditors	2 501
Lease liabilities	541
Public duties payable	2 964
Other short-term liabilities	9 299
Other long-term liabilities	7 954
Deferred tax liability	11 082
Total Liabilities	34 342
Net identifiable assets	(2 343)
Goodwill	11 183
Total consideration for the shares	8 841

In 2024 SmartCraft Software AS acquired 100% of the share capital and voting rights of Clixifix Limited. The Clixifix solution is an end-to-end SaaS for managing defects, complaints and repairs for constructor companies and property owners. The acquisition of Clixifix also expands the SmartCraft Group into the UK market. This acquisition was

financed by cash transfer and transfer of treasury shares.

Net profit from Clixifix Limited is included in the consolidated financial statements from May 1st 2024. For the year 2024 the company's contribution to the SmartCraft Group amounted to TNOK 29

085 in revenues, an EBITDA of TNOK 8 616 and EBT of TNOK 1 754.

If the company had been included from January 1st, the SmartCraft Group had ended the year with TNOK 523 871 (+13 018) in revenues, an EBITDA of TNOK 188 669 (+4 139) and EBT of TNOK 133 546 (+704).

Significant judgement related to the identification of the acquired intangible assets and their valuation

The Goodwill arising on the transaction are related to anticipated profitability of the operations and

anticipated synergies with the existing SmartCraft solutions. The Goodwill is not tax deductible.

The management places a significant value on the technology and estimates its value based on the cost incurred related to the development of the technology at the time of acquisition.

The brand is established in the UK and registered for use in Europe. The brands value is based on existing customers and customer loyalty and the potential revenue growth for the brand.

Clixifix Ltd.

Purchase consideration:	Amounts in NOK (thousands)
Cash paid	145 619
Transfer of treasury shares	4 413
Total purchase consideration	150 032

The assets and liabilities recognized as a result of the acquisition are as follows:

Amounts in NOK (thousands)	Fair value as of acquisition date
Cash	7 270
Trade receivables	4 966
Office machinery and equipment	468
Other receivables	2 708
Brand	15 869
Technology	38 980
Customer relationships	32 526
Total assets	102 787
Trade creditors	648
Lease liabilities	4 335
Public duties payable	13 392
Other short-term liabilities	626
Deferred tax liability	25 379
Total Liabilities	44 379
Net identifiable assets	58 408
Goodwill	91 624
Total consideration for the shares	150 032
Of which cash	145 619
Of which equity	4 413

Acquisitions in 2023

In 2023 SmartCraft Sweden AB has acquired 100% of the share capital and voting rights of Coredination AB with the solution Coredination that provides a digital project tool for workforce management, machine rental and fleet management. Coredination further complements the SmartCraft solutions by adding important functionality to the SmartCraft portfolio. This acquisition was financed by cash transfer. Net profit for Coredination AB is included in the consolidated financial statements from July 1st, 2023. For the year 2023 the companies' contribution to the SmartCraft Group amounted to TNOK 6 119 in revenues, an EBITDA of TNOK 2 455 and EBT of TNOK 1 590.

If the companies had been included from January 1st, the SmartCraft Group had ended the year with

TNOK 406 990 (+5 335) in revenues, an EBITDA of TNOK 165 863 (+143) and EBT of TNOK 136 400 (+131).

Significant judgement related to the identification of the acquired intangible assets and their valuation

The Goodwill arising on the transaction are related to anticipated profitability of the operations and anticipated synergies with the existing SmartCraft solutions. The Goodwill is not tax deductible.

The management places a significant value on the technology and estimates its value based on the cost incurred related to the development of the technology at the time of acquisition. The brand is established in Sweden and registered for use in Europe. The brands value is based on existing customers and customer loyalty and the potential revenue growth for the brand.

Coredination AB

Purchase consideration:	Amounts in NOK (thousands)
Cash paid	25 325
Total purchase consideration	25 325
The assets and liabilities recognized as a result of the acquisition are as follows:	
<i>Amounts in NOK (thousands)</i>	<i>Fair value as of acquisition date</i>
Cash	1 559
Trade receivables	1 534
Office machinery and equipment	34
Right-of-use assets	1 185
Other receivables	27
Brand	2 043
Technology	10 908
Customer relationships	3 007
Total assets	20 297
Trade creditors	55
Lease liabilities	1 097
Public duties payable	615
Other short-term liabilities	1 430
Deferred tax liability	3 314
Total Liabilities	6 512
Net identifiable assets	13 786
Goodwill	11 539
Total consideration for the shares	25 325

NOTE 7 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

<i>Amounts in NOK (thousands)</i>	Category	31.12.2024	31.12.2023
<i>Financial assets</i>			
Current financial assets	FAAC	1 078	1 393
Accounts Receivable	FAAC	67 611	64 612
Accrued revenue	FAAC	804	395
Cash and cash equivalents	FAAC	125 655	206 024
Total financial assets		195 149	272 423
<i>Financial liabilities</i>			
VAT and other public taxes	FLAC	37 637	28 374
Accrued operating cost	FLAC	33 565	25 213
Accounts payable	FLAC	11 760	8 628
Current financial liabilities	FLAC	-	39
Earn-outs related to acquisitions	FVTPL	4 413	4 000
Total financial liabilities		87 374	66 253

FAAC - Financial Assets at Amortized Costs

FLAC - Financial Liabilities at Amortized Costs

FVTPL - Fair Value Through P&L

NOTE 8 REVENUE FROM CUSTOMERS

Disaggregation of revenue from contracts with customers

<i>Amounts in NOK (thousands)</i>	2024	2023
Revenue from contracts with customers	510 763	401 654
At a point in time revenue recognition	2024	2023
Integrated services and bundled services	20 826	20 051
Expert services	29 090	7 361
Other revenue	22 677	18 032
Total at a point in time revenue recognition	72 593	45 444
Over time revenue recognition	2024	2023
SaaS (software as a service)	427 733	340 277
Software subscriptions	10 438	15 933
Total over time revenue recognition	438 170	356 211

Deferred revenue

<i>Amounts in NOK (thousands)</i>	31.12.2024	31.12.2023
Opening balance	106 029	69 936
Revenue recognized in this period that was included in the deferred revenue balance at the beginning of the period	(106 029)	(69 936)
Aquired through business combinations	17 705	25
Additions in the period	132 134	106 004
Deferred revenue in balance sheet	149 839	106 029

There are not identified any performance obligations related to contracts with costumers that has an original expected duration more than one year.

Accrued revenue

<i>Amounts in NOK (thousands)</i>	31.12.2024	31.12.2023
Opening balance	395	416
Revenue recognized previous period that was accrued in the beginning of the period	(395)	(416)
Aquired through business combinations	-	-
Revenue recognized in this period that is accrued in the end of the period	804	395
Deferred revenue in balance sheet	804	395

The contract assets are costs incurred on specific customer contracts which has been used to satisfy performance obligations and are recoverable. There are not identified any contract assets that will not be recovered during the next year.

NOTE 9 SEGMENT INFORMATION

The Group regularly reports detailed profit/loss statements with emphasis on operating revenue and EBITDA in functional operating segments to the Board of Directors. While the Group uses both measures to analyze performance, the Group's strategy of profitable growth means that EBITDA is the prevailing measure of performance. Operating segments are reported in the consolidated

financial statements by the emphasized measures as is presented to the Board of Directors.

The operating units through 2024 have been countries as a focus area is to expand the solutions across borders. This also aligns with the organizational structure that have been settled with Country Managements and the reporting structure.

Revenue

<i>Amounts in NOK (thousands)</i>	2024	2023
Norway	184 008	167 684
Sweden	247 387	183 234
Finland	50 283	50 736
UK	29 085	-
Total revenue	510 763	401 654

EBT

<i>Amounts in NOK (thousands)</i>	2024	2023
Norway	55 083	52 121
Sweden	93 867	86 088
Finland	4 266	9 668
UK	1 754	-
Group/eliminations	(21 451)	(11 609)
Total EBT	133 519	136 268

Non/current assets

<i>Amounts in NOK (thousands)</i>	2024	2023
Norway	373 933	384 397
Sweden	327 753	284 151
Finland	164 975	152 208
UK	184 939	-
Group/eliminations	27 772	559
Total non-current assets	1 079 372	821 316

NOTE 10 PAYROLL AND RELATED EXPENSES

<i>Amounts in NOK (thousands)</i>	2024	2023
Salaries	171 020	128 621
Social security costs	34 618	24 590
Governmental tax relief (SkatteFUNN)	(252)	(511)
Other personnel related costs	15 955	11 228
Pension expense defined contribution plans	14 745	11 192
Total payroll and related expenses	236 086	175 119
Less capitalized personnel costs	37 282	29 482
Total payroll and related expenses recognized in the P&L	198 804	145 637
Average number of FTEs	247	189

NOTE 11 MANAGEMENT AND BOARD OF DIRECTORS REMUNERATION

Payments to Management and Board of Directors

<i>Amounts in NOK (thousands)</i>	2024				
	Salary	Bonus	Pension benefit	Other remuneration	Total remuneration
Gustav Line, CEO ¹	2 752	560	90	11	3 413
Kjartan Bø, CFO ²	1 877	-	88	11	1 976
Christian Saleki, CTO	1 538	41	340	90	2 008
Katja Widlund, CMO	1 294	85	265	74	1 719
Gunnar Haglund, Chairman of the Board ³	-	-	-	416	416
Mette Kamsvåg, Deputy Chairperson of the Board ⁹	-	-	-	-	-
Carl Ivarsson, Board member ⁴	-	-	-	-	-
Allan Engström, Board member ⁵	-	-	-	-	-
Marianne Røren, Board member ⁶	-	-	-	224	224
Maria Danell, Board member ⁷	-	-	-	182	182
Bernt Ulstein, Board member ⁸	-	-	-	192	192
Isabella Alvberg, Board member	-	-	-	182	182
Eva Hemb ⁹	-	-	-	-	-
Total	7 461	686	783	1 382	10 312

1. If the company terminates the employment, Mr. Line is entitled to 6 months' salary after a 6-month termination period.

2. If the company terminates the employment, Mr. Bø is entitled to 3 months' salary after a 3-month termination period.

3. Mr. Haglund also serves as Chairman of the Audit Committee and Remuneration Committee.

4. Mr. Ivarsson represents Valedo Partners III AB on the Board of Directors. Mr. Ivarsson receives salary from Valedo and has refrained from remuneration as a member of the Board. Mr. Ivarsson also serves as a member of the Audit Committee.

5. Mr. Engström represents Valedo Partners III AB on the Board of Directors. Mr. Engström receives salary from Valedo and has refrained from remuneration as a member of the Board. Mr. Engström also serves as a member of the Remuneration Committee.

6. Ms. Røren also served as a member of the Audit Committee until the Annual General Meeting in 2024.

7. Ms. Danell served as a member of the Board of Directors until the Annual General Meeting in 2024.

8. Mr. Ulstein also serves as a member of the Remuneration committee.

9. Ms. Kamsvåg and Ms. Hemb has served as a member of the Board of Directors from the Annual General Meeting in 2024.

<i>Amounts in NOK (thousands)</i>	2023				
	Salary	Bonus	Pension benefit	Other remuneration	Total remuneration
Gustav Line, CEO ¹	2 530	879	85	10	3 504
Kjartan Bø, CFO ²	1 685	167	83	10	1 945
Christian Saleki, CTO	1 340	50	287	97	1 774
Katja Widlund, CMO	1 206	75	189	87	1 557
Gunnar Haglund, Chairman of the Board ³	-	-	-	400	400
Carl Ivarsson, Board member ⁴	-	-	-	-	-
Allan Engström, Board member ⁵	-	-	-	-	-
Christina Skogster Stange, Board member ⁶	-	-	-	175	175
Marianne Røren, Board member ⁷	-	-	-	215	215
Maria Danell, Board member	-	-	-	175	175
Bernt Ulstein, Board member ⁸	-	-	-	185	185
Isabella Alvberg, Board member ⁹	-	-	-	-	-
Total	6 761	1 171	644	1 354	9 930

1. If the company terminates the employment, Mr. Line is entitled to 6 months' salary after a 6-month termination period.
2. If the company terminates the employment, Mr. Bø is entitled to 3 months' salary after a 3-month termination period.
3. Mr. Haglund also serves as Chairman of the Audit Committee and Remuneration Committee.
4. Mr. Ivarsson represents Valedo Partners III AB on the Board of Directors. Mr. Ivarsson receives salary from Valedo and has refrained from remuneration as a member of the Board. Mr. Ivarsson also serves as a member of the Audit Committee.
5. Mr. Engström represents Valedo Partners III AB on the Board of Directors. Mr. Engström receives salary from Valedo and has refrained from remuneration as a member of the Board. Mr. Engström also serves as a member of the Remuneration Committee.
6. Ms. Stange served as a member of the Board of Directors until the Annual General Meeting in 2023.
7. Ms. Røren also serves as a member of the Audit Committee.
8. Mr. Ulstein also serves as a member of the Remuneration committee.
9. Ms. Alvberg has served as a member of the Board of Directors from the Annual General Meeting in 2023.

The Group senior executive management consists of the Chief Officer Suite.

The Group has not given any loans or security deposits to the CEO, the Chairman of the Board or their related parties for either 2023 or 2024.

A bonus program exists for the senior executive management of SmartCraft. A limit is set for the amount of bonus that can be achieved. The size of the bonus payment is dependent on actual group performance compared to a set of predefined targets. The bonus for the CEO is decided on by the Board of Directors.

The Group has issued a separate report for remuneration of Group senior executive management in accordance with The Public Limited Liability Companies Act § 6-16b. The report is available at the Groups website smartcraft.com/investor-relations/

For shares owned by the management and Board of Directors see note 25.

NOTE 12 GOODWILL AND IMPAIRMENT TESTING OF GOODWILL

Goodwill is recognized as a part of business combinations. Goodwill is initially measured either as the excess of the consideration over the SmartCraft Group's interest or the fair value of 100% of the acquiree in excess of the acquiree's identifiable net assets (full goodwill). Goodwill is not amortized, but is tested for impairment annually, and more frequently if indicators of possible impairment are observed, in accordance with IAS 36 Impairment of Assets. Goodwill is

allocated to the cash generating units or groups of cash generating units expected to benefit from the synergies of the combination and that are monitored for internal management purposes.

The SmartCraft Group has goodwill in connection with the acquisitions of Cordel Norge AS in 2017, the Bygglet Group in 2018, the EL-Info Group in 2019, Congrid Oy in 2020, Homerunbynet Oy and Kvalitetskontroll AS in 2021, Elverdi Norge AS and Inprog AS in 2022, Coredination AB in 2023 and Locka Group AB and Clixifix Limited in 2024.

Goodwill

<i>Amounts in NOK (thousands)</i>	2024	2023
Acquisition cost 01.01	547 580	517 302
Additions	105 910	11 539
Currency translation	8 809	18 739
Acquisition cost 31.12	662 299	547 580
Impairment 01.01	-	-
Impairment	-	-
Accumulated impairment 31.12	-	-
Net value 31.12	662 299	547 580

The goodwill is related to know-how and other non-identified assets from the acquisitions of shares in the acquired companies. Impairment testing of the goodwill is carried out at the end of the year for the respective cash generating units to which the goodwill relates to. Recoverable amount, which is determined based on the higher of the value in use or fair value, is derived from an assessment of the expected future cash flows before tax for the next five years, discounted at an appropriate discount rate before tax that takes into account the maturity and risk. Recoverable amount

will therefore demonstrate what the value of the asset is expected to contribute.

The estimated recoverable amount exceeds the carrying amount with a significant headroom for all Cash Generating Units (CGU). No impairment losses are recognized during 2024. In connection with the impairment testing of goodwill, sensitivity analysis has been carried out. The sensitivity analysis has tested changes in WACC, revenue growth rates, net working capital and EBITDA margins.

Estimates relating to the impairment test are as follows:

Goodwill per CGU

<i>Amounts in NOK (thousands)</i>	2024	2023
The SmartCraft Sweden Group	187 258	172 619
The SmartCraft Finland Group	111 570	105 872
The SmartCraft Norway Group	269 082	269 082
The SmartCraft UK Group	94 388	-
Total	662 299	547 573

Budget and forecast period

The basis for the projection of the future cash flows estimated is based on the financial budget of one year approved by the Board of Directors. The budget in combination with the forecasts represent the management's best estimate of the range of economic conditions that will exist over the useful life of the asset. The remaining four years of the forecast period are estimated based on budget and projected performance. After the five-year period the growth rate is based on the risk-free rate in the applicable market.

Growth rate

Growth rate is represented by five-year CAGR, which is defined as the average annual gross profit growth rate over a five-year projected cash flow period. Average rates of growth in operating revenue are based on the management's expectations of future conditions in the markets in which the business operates, and historical growth rate for the CGUs. The projected cash flow also includes a growth assumption of 2% in the terminal value.

The 5-year Compound Annual Growth Rate (CAGR) is the rate of return that is required for an investment to grow from its beginning balance to its ending balance five years later. The calculation assumes that profits are reinvested at the end of each period. When testing for impairment the Group has used a 5-year CAGR in the range between 13.6% and 18.0% to project the cash flows beyond the period covered by the most recent budgets. When testing for impairment in 2023 the applied 5-year CAGR were between 16.5% and 17.3%.

EBITDA margin

EBITDA margins are based on the margins achieved historically, adjusted for expected future developments in market conditions.

WACC

Future cash flows are discounted to present value using a discount rate based on a calculation of a weighted average cost of capital (WACC). The pre-tax WACC for each CGU is calculated on basis of a risk-free rate and a risk premium, adjusted by a beta for the software market. Adjustments for country specific risks are applied where necessary. The discount rates applied to the cash flow projections range between 12.1% and 17.8%. When testing for impairment in 2023 the WACC ranged from 15.1% to 17.8%.

WACC per CGU	2024	2023
The SmartCraft Sweden Group	15.6 %	15.1 %
The SmartCraft Finland Group	16.5 %	16.4 %
The SmartCraft Norway Group	17.8 %	17.8 %
The SmartCraft UK Group	12.1 %	-

Sensitivity

As of December 31st 2024, the Group's value in use for each CGU was significantly higher than the carrying amount of tested goodwill in the CGUs Norway, Sweden and Finland. A sensitivity analysis has been performed in order to determine if a reasonable change in key assumptions would cause the carrying amount to exceed the recoverable amount. The sensitivity analysis shows little headroom for the CGU UK. As UK is a new geography and CGU in 2024, after the acquisition of Clixifix, the carrying amount is expected to be close to the recoverable amount and thus the sensitivity analysis is not raising a concern.

Estimated change in impairment

Amounts in NOK (thousands)

Key assumptions for 2024

	The SmartCraft UK Group
Pre-tax discount rate +1 pp	-
Revenue growth rate -5 pp	-
EBITDA-margin -10 pp	3 630

NOTE 13 INTANGIBLE ASSETS

SmartCraft has capitalized expenses related to new research and development activities that are technically and commercially viable for the business according to IAS 38. Activities related to maintenance of existing software have not been capitalized but is recognized in the income statement.

Total additions in 2024 is TNOK 48 664 that is reduced by TNOK 2 311 due to government grants. Amortization came to TNOK 40 138 in 2023. TNOK 54 114 has been recognized as development cost in the income statement (TNOK 31 311 in 2023). The directly attributable development cost that is capitalized as a part of the products include the software development employee costs and an appropriate portion of the relevant overhead costs. The costs of product development cost not fulfilling the criteria of capitalization are expensed over the income statement. Amortization of capitalized development projects are included in other operating expenses in the table below.

Customer relationships

Customer relationships is related to the purchase of the Bygglet Group in 2018, the EL-Info Group in 2019, Congrid Oy in 2020, Homerunbynet Oy and Kvalitetskontroll AS in 2021, Elverdi Norge AS and Inprog AS in 2022, Coreidation AB in 2023 and Locka and Clixifix in 2024. The customer relationships are depreciated on a straight-line basis over 10-20 years as the history indicates at least 10 to 20-year average lifetime of customers. The SmartCraft Group has a significant number of recurring subscriptions.

Software

Software is related to the purchase of the Bygglet Group in 2018, the EL-Info Group in 2019, Congrid Oy in 2020, Homerunbynet Oy and Kvalitetskontroll AS in 2021, Elverdi Norge AS and Inprog AS in 2022, Coreidation AB in 2023 and Locka and Clixifix in 2024 where the group acquired the Bygglet, EL-VIS, Congrid, Homerun, Kvalitetskontroll, El-verdi, Elinn, Coreidation, Locka and Clixifix software. Software is depreciated on a straight-line basis over 10 years

as the management expects economic benefits from the software over such period of time before the software are replaced or substituted by continuous improvements.

Individual significant assets are:

- **Cordel:** The original Cordel software has no allocated value as an asset. The Cordel SaaS solution consists of several modules, but the framework is included as capitalized development with a book value of 11 859 pr 31.12.2024 and remaining life of 8 years.
- **Bygglet:** Bygglet is a true-SaaS born in the cloud solution with accessibility on multiple platforms, book value 31.12.2023 is TNOK 8 250 and remaining useful life of 4 years.
- **EL-VIS:** The EL-VIS software is a modular solution offering mission critical services in the electricians' daily operations, book value 31.12.2024 is TNOK 6 340 and remaining useful life of 4 years.
- **Congrid:** The Congrid solution is a cloud-based tool for complete project management in construction companies, book value 31.12.2024 is TNOK 9 523 and remaining useful life of 6 years.
- **Kvalitetskontroll:** The Kvalitetskontroll solution is a cloud-based project management solution and quality assurance platform for construction companies, book value 31.12.2024 is TNOK 12 493 and remaining useful life of 6 years.
- **El-verdi:** The El-verdi solution is a digital sales tool for electricians, book value 31.12.2024 is TNOK 3 419. Due new investments in internal R&D the solution will be full out amortized during 2025.
- **ELinn:** The ELinn solution is a cloud-based solution for electricians to make offers and handle project management, book value 31.12.2024 is TNOK 5 889 and remaining useful life of 2 years.

Further information can be found in note 6 for acquired intangible assets.

<i>Amounts in NOK (thousands)</i>	Internally generated development under construction	Internally generated development	Customer relationships	Software	Brand	Total
Balance SmartCraft 01.01.2024	30 927	75 268	107 111	90 466	18 581	322 353
Additions	-	-	-	-	-	-
Additions from business combinations	-	-	43 498	56 613	18 717	118 827
Capitalized employee benefit and other expenses	13 840	34 823	-	-	-	48 664
Disposals	-	-	-	-	-	-
Reclassification	(3 713)	3 713	-	-	-	-
Other changes*	(2 311)	-	-	-	-	(2 311)
Foreign currency translation effect	127	1 343	2 649	1 693	350	6 162
Acquired cost 31.12.2024	38 871	115 147	153 259	148 772	37 647	493 696
Balance SmartCraft 01.01.2024	-	15 476	29 791	29 879	1 128	76 274
Amortization of the year	-	12 943	14 552	10 332	301	38 129
Accumulated amortization disposals	-	-	-	-	-	-
Foreign currency translation effect	-	834	1 021	571	61	2 487
Accumulated amortization 31.12.2024	-	29 254	45 365	40 782	1 490	116 890
Carrying value 31.12.2024	38 871	85 893	107 894	107 990	36 158	376 806
Estimated lifetime		5-10 years	10-20 years	10 years	3 years/ indefinite	
Amortization schedule		Straight line	Straight line	Straight line	Straight line	

* Other changes comprises of government grants related to SkatteFUNN.

<i>Amounts in NOK (thousands)</i>	Internally generated development under construction	Internally generated development	Customer relationships	Software	Brand	Total
Balance SmartCraft 01.01.2023	27 910	40 207	90 997	84 214	15 894	259 222
Additions	-	-	-	-	-	-
Additions from business combinations	-	-	10 908	3 007	2 043	15 958
Capitalized employee benefit and other expenses	26 688	10 785	-	-	-	37 472
Disposals	-	-	-	-	-	-
Reclassification	(22 806)	22 806	-	-	-	-
Other changes*	(980)	-	-	-	-	(980)
Foreign currency translation effect	116	1 470	5 206	3 245	644	10 681
Acquired cost 31.12.2023	30 927	75 268	107 111	90 466	18 581	322 353
Balance SmartCraft 01.01.2023	-	6 475	21 692	20 124	991	49 283
Amortization of the year	-	8 700	7 107	8 882	43	24 732
Accumulated amortization disposals	-	-	-	-	-	-
Foreign currency translation effect	-	301	993	872	94	2 259
Accumulated amortization 31.12.2023	-	15 476	29 791	29 879	1 128	76 274
Carrying value 31.12.2023	30 927	59 791	77 321	60 587	17 453	246 079
Estimated lifetime		5-10 years	10-20 years	10 years	3 years/ indefinite	
Amortization schedule		Straight line	Straight line	Straight line	Straight line	

* Other changes comprises of government grants related to SkatteFUNN.

Spesification of expensed research and development costs

<i>Amounts in NOK (thousands)</i>	2024	2023
Wages and personell costs	46 079	25 287
Consultancy	8 035	6 024
Total expenses	54 114	31 311

NOTE 14 GOVERNMENT GRANTS

<i>Amounts in NOK (thousands)</i>	2024	2023
Government grant booked as reduction in payroll expenses	258	511
Government grant booked as reduction of the carrying value of the asset	2 311	980
Total government grants	2 569	1 491

The 2024 government grant has not been received and is included in the Group's receivables.

NOTE 15 ACCOUNTS RECEIVABLE

<i>Amounts in NOK (thousands)</i>	31.12.2024	31.12.2023
Accounts receivable	69 084	65 490
Loss allowance	1 473	878
Total	67 611	64 612

Accounts receivables are initially recognized at transaction price, subsequently accounted for at amortized cost and are reviewed for impairment on an ongoing basis. Individual significant accounts are assessed for impairment taking into consideration indicators of financial difficulty

and management assessment. The remaining receivables are impaired based on an Estimated Credit Loss-model (ECL). The SmartCraft Group's business model for accounts receivable is to hold the receivables to collect the contractual cash flows.

Distribution by currency

<i>Amounts in NOK (thousands)</i>	31.12.2024	31.12.2023
Accounts receivable NOK	20 376	31 773
Accounts receivable SEK	38 039	26 126
Accounts receivable EUR	6 248	7 589
Accounts receivable GBP	4 421	-
Total	69 084	65 490

Loss and loss allowances

The Group has minor losses historically, which also is expected going forward. The Group tests for loss allowance by reviewing historical losses against each interval of aging receivables. As of December 31st 2024, the Group has estimated TNOK 1 473 in loss allowance based on the ECL-model.

<i>Amounts in NOK (thousands)</i>	31.12.2024	31.12.2023
Opening balance 01.01.	878	1 000
Foreign currency translation effect	12	63
Acquired in business combinations	28	-
Net allowance / (reversal)	554	(186)
Closing balance 31.12.	1 473	878
Realised losses	2 964	786

NOTE 16 OTHER CURRENT ASSETS

Other current assets

<i>Amounts in NOK (thousands)</i>	31.12.2024	31.12.2023
Prepaid expenses	7 752	5 640
Accrued revenue	804	395
Inventory	167	175
Other accruals	1 752	1 902
Total Other current asset	10 476	8 112

Other current accruals consist primarily of accrued revenue, tax claim and prepayments to employees.

NOTE 17 CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise the following on December 31st:

<i>Amounts in NOK (thousands)</i>	31.12.2024	31.12.2023
Cash at banks and on hand	122 764	203 111
Restricted cash balances	2 892	2 913
Total cash and cash equivalents	125 655	206 024

The Group has restricted cash related to employees' tax withholding account. The restricted cash can only be deposited to the Norwegian tax authorities.

Changes in liabilities arising from financing activities

<i>Amounts in NOK (thousands)</i>	31.12.2024	31.12.2023
Balance at the beginning of the period	25 162	14 604
Cash changes		
Principal payment to lender/lessor	(11 615)	(9 964)
Interest payment to lender/lessor	(1 815)	(776)
Non-cash changes		
Buisniess combinations	555	1 185
Initial recognition	17 218	4 530
Change in liability	-	39
Changes in accrued interest	1 825	778
Lease modifications	4 525	13 491
Foreign currency translation effect	310	501
Balance at the end of the period	36 166	25 163

NOTE 18 ACCOUNTS PAYABLE

<i>Amounts in NOK (thousands)</i>	31.12.2024	31.12.2023
Accounts payable	11 760	8 628
Total	11 760	8 628

All accounts payable to suppliers are due within 12 months.

NOTE 19 OTHER CURRENT LIABILITIES

<i>Amounts in NOK (thousands)</i>	31.12.2024	31.12.2023
Payroll related liabilities	32 004	25 809
VAT	21 727	16 176
Accrued operating expenses	7 106	4 492
Earn-out for acquisitions	-	4 000
Liabilities related to acquisitions	4 413	-
Pre-payments from customers*	4 583	3 769
Accrued payroll and bonuses	3 081	2 656
Other	3 241	725
Total Other current liabilities	76 155	57 626

**Pre-payments from customers are payments made from customers to register credits that later can be converted into transaction-based services or special reports. The prepayments are converted to revenue when the service is acquired. If the customers don't utilize the credits they are entitled to a payback of the outstanding amount.*

The liability for the earn-out for acquisitions pr 31.12.2023 was related to Inprog AS and has been paid in full in 2024. The liability related to acquisitions pr 31.12.2024 is related to payment to sellers of Clixifix. The liability is to be settled by transfer of shares in SmartCraft ASA.

NOTE 20 TAXES

Calculation of deferred tax/deferred tax benefit

<i>Amounts in NOK (thousands)</i>	2024	2023
Differences evaluated to be offset:		
Intangible assets arising from business combinations	251 598	154 781
Property, plant and equipment	543	(1 403)
Non-current receivables	5 072	5 046
Liabilities	-	-
Tax losses carry -forward	(78)	(58)
Other differences	26 991	17 190
Total	284 126	175 555
Deferred tax assets (-)	(847)	-
Deferred tax (+)	63 519	36 580
Deferred tax (-) / tax assets (+) in balance sheet of 31.12.		
Tax assets (-)/ deferred tax (+) Norwegian companies	8 786	10 012
Tax assets (-)/ deferred tax (+) foreign companies	53 886	26 568
Total tax assets (-) / deferred tax (+)	62 672	36 580

Basis for income tax expense, changes in deferred tax and tax payable

<i>Amounts in NOK (thousands)</i>	2024	2023
Total tax expense for the period		
Taxes payable on this years profit	36 091	31 630
Adjusted allocated tax from last year	278	409
Change in deferred tax for Norwegian companies	(1 225)	(1 349)
Change in deferred tax for foreign companies	(7 584)	(2 049)
Total	27 560	28 641
Tax rate	22%	22%
Taxes payable for the year		
Profit before tax	133 518	136 268
Permanent differences	(2 000)	(2 955)
Change in temporary differences	25 585	16 776
Utilisation of previously unrecognised tax losses	-	-
Basis for taxes payable	157 103	150 089

<i>Amounts in NOK (thousands)</i>	2024	2023
Specification of taxes payable		
Taxes payable on this years profit	34 365	31 865
Advance tax payment, foreign companies	(16 950)	(8 034)
Tax reduction by SkatteFunn grant	(2 568)	(1 491)
Tax obligation related to merger or acquisition	854	63
Carried forward tax compensation	-	-
Total taxes payable	15 700	22 402

<i>Amounts in NOK (thousands)</i>	2024	2023
Reconciling the tax cost		
Earnings before tax	133 518	136 268
Calculated tax at 22 %	29 374	29 979
Tax result permanent differences and tax rate difference	(2 106)	(1 910)
Use of previously unrecognised loss carried forward (-) / Increase in valuation allowance	1 968	(351)
Adjusted allocated tax from last year	(1 676)	922
Tax expense	27 560	28 640

Deferred tax assets are recognized when the Group can document future taxable profits to utilize the tax asset per company. The deferred tax asset is recognized for the amount corresponding to the expected taxable profit based on the convincing evidence. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that convincing

evidence no longer exists for the utilization. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that convincing evidence exists supporting that taxable profits will allow the deferred tax asset to be recovered. The actual outcome of future tax costs may deviate from these estimates.

NOTE 21 OTHER OPERATING EXPENSES

<i>Amounts in NOK (thousands)</i>	2024	2023
Miscellaneous office expenses	7 152	3 505
Office premises	5 401	4 930
Fixtures and fittings	5 869	4 238
External services	22 577	17 459
Travel and vehicle expenses	4 742	3 436
Marketing	19 957	14 937
Loss on receivables	3 595	828
Transaction costs on acquisitions	5 458	221
Other	9 128	8 061
Total	83 879	57 616

Audit fees

The Group has the following audit related fees, provided by our elected auditor, included in the legal and audit fees in the table above (all

figures excl. VAT). The table below shows the remuneration to the group auditors in 2024 and 2023.

<i>Amounts in NOK (thousands)</i>	2024	2023
Statutory audit	2 476	1 723
Other audit related services	276	-
Total	2 752	1 723

NOTE 22 FINANCIAL ITEMS

Financial items

Amounts in NOK (thousands)	2024	2023
Interest income	4 781	3 544
Exchange rate gains	15 799	25 795
Other financial income	578	180
Financial income	21 158	29 520
Interest expense	981	388
Interest expense on lease liabilities	1 815	776
Exchange rate losses	16 787	21 554
Other financial expense	120	51
Financial expense	19 703	22 768
Net financial items	1 455	6 752

NOTE 23 TANGIBLE ASSETS

Tangible assets consisting of office equipment and vehicles are recognized at acquisition cost. The carrying value is comprised of the historical cost less accumulated depreciation and accumulated impairment losses (if any).

Depreciation expenses are measured on a straight-line basis over the estimated useful life of the asset, commencing when the asset is ready for its intended use.

At each financial year-end SmartCraft reviews the residual value and useful life of its assets, with any estimate changes accounted for prospectively over the remaining useful life of the asset.

Amounts in NOK (thousands)	Vehicles	Office equipment	Total
Balance SmartCraft 01.01.2024	1 122	11 457	12 578
Additions	-	3 558	3 193
Acquisitions of a subsidiary	-	570	570
Disposals	-	(170)	(170)
Foreign currency translation effect	-	(238)	127
Acquired cost 31.12.2024	1 122	15 177	16 298

Accumulated depreciation and impairment

Balance SmartCraft 01.01.2024	560	9 018	9 578
Depreciation of the year	207	1 688	1 895
Impairment of the year	-	-	-
Accumulated depreciation disposals	-	(130)	(130)
Foreign currency translation effect	-	101	101
Accumulated depreciation and impairments 31.12.2024	767	10 676	11 443

Carrying value 31.12.2024	354	4 501	4 855
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Amounts in NOK (thousands)	Vehicles	Office equipment	Total
Balance SmartCraft 01.01.2023	1 122	9 676	10 797
Additions	-	1 474	1 474
Acquisitions of a subsidiary	-	34	34
Disposals	-	-	-
Foreign currency translation effect	-	273	273
Acquired cost 31.12.2023	1 122	11 457	12 578

Accumulated depreciation and impairment

Balance SmartCraft 01.01.2023	353	7 131	7 483
Depreciation of the year	207	1 691	1 898
Impairment of the year	-	-	-
Accumulated depreciation disposals	-	-	-
Foreign currency translation effect	-	196	196
Accumulated depreciation and impairments 31.12.2023	560	9 018	9 578

Carrying value 31.12.2023	562	2 439	3 001
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NOTE 24 LEASING

Office buildings consist of leased assets (right-of-use assets). The Group has contracts divided into the category's office buildings, vehicles and machinery. Short-term and low-value leases are excluded from the lease accounting. When measuring leases, SmartCraft includes fixed

lease payments for extension periods reasonably certain to be used. As a practical expedient, non-lease components are not separated from lease contracts, and not recognized but expensed in the period when the lease expense is incurred. Judgement is applied in assessing whether renewal options are reasonably certain to be utilized.

Depreciation expenses are measured on a straight-line basis over the contract period of the asset, commencing when the asset is ready for its intended use.

<i>Amounts in NOK (thousands)</i>	Office buildings (Right-of-use assets)	Vehicles (Right-of-use assets)	Machinery (Right-of-use assets)	Total
Balance SmartCraft 01.01.2024	49 587	8 540	645	58 772
Additions and adjustments	11 963	1 808	-	13 770
Acquisitions of a subsidiary	555	-	-	555
Disposals	(581)	(2 330)	(645)	(3 556)
Foreign currency translation effect	670	128	-	798
Acquired cost 31.12.2024	62 194	8 146	-	70 340
<i>Accumulated depreciation and impairment</i>				
Balance SmartCraft 01.01.2024	28 450	5 022	645	34 117
Depreciation of the year	10 495	1 961	-	12 457
Impairment of the year	-	-	-	-
Accumulated depreciation disposals	(10 453)	(1 151)	(645)	(12 249)
Foreign currency translation effect	508	97	-	605
Accumulated depreciation and impairments 31.12.2024	29 000	5 929	(0)	34 929
Carrying value 31.12.2024	33 194	2 217	0	35 411
Balance SmartCraft 01.01.2023	32 931	4 863	645	38 439
Additions and adjustments	15 772	3 340	-	19 112
Acquisitions of a subsidiary	571	613	-	1 185
Disposals	(619)	(282)	-	(901)
Foreign currency translation effect	932	6	(0)	938
Acquired cost 31.12.2023	49 587	8 540	645	58 772
<i>Accumulated depreciation and impairment</i>				
Balance SmartCraft 01.01.2023	20 401	3 242	645	24 288
Depreciation of the year	7 629	1 945	-	9 574
Impairment of the year	-	-	-	-
Accumulated depreciation disposals	(236)	(110)	-	(345)
Foreign currency translation effect	655	(55)	-	600
Accumulated depreciation and impairments 31.12.2023	28 450	5 022	645	34 117
Carrying value 31.12.2023	21 137	3 519	0	24 656

Lease liabilities

<i>Amounts in NOK (thousands)</i>	31.12.2024	31.12.2023
Current lease liabilities	12 886	10 360
Non-current lease liabilities	23 281	14 764
Balance at the beginning of the period	25 124	14 604
Cash changes		
Payment to lessor	(12 278)	(9 964)
Non-cash changes		
Initial recognition	17 218	4 530
Business combinations	555	1 185
Accrued interest	1 825	778
Lease modifications	4 525	13 491
Foreign currency translation effect	(802)	501
Balance at the end of the period	36 167	25 124

Total undiscounted lease liabilities

<i>Amounts in NOK (thousands)</i>	Maturity analysis	Total 2024
Less than 1 year	13 286	13 286
1-2-years	12 032	12 032
2-3 years	7 054	7 054
3-4 years	6 930	6 930
4-5 years	2 035	2 035
More than 5 years	-	-
Total undiscounted lease liability	41 336	41 336

The SmartCraft Group has some leases that are not accounted for as right-of-use assets and lease liabilities at the balance sheet date because they are exempted as low-value or short-term

leases. The amount of the future minimum lease payments due under these leases is considered to not be material.

Expenses related to the right of use assets and lease liabilities recognized in the P&L

	2024	2023
Total lease expenses related to short-term or low value leases	774	972
Depreciation	12 457	9 574
Interest on lease liabilities	1 825	778
Total expenses from leases recognized in the P&L	15 056	11 324

The Group has not included any extension options in recognizing right-of-use assets and lease liabilities, based on the high level of uncertainty regarding future needs.

NOTE 25 SUBSIDIARIES AND SHAREHOLDERS

The consolidated Group financial statements include the financial statements of SmartCraft ASA and the subsidiaries listed in the following table:

	Ownership	Voting rights	Acquired	Location	Functional currency
SMCRT MGMT 1 AS	81%	81%	2022	Hønefoss, Norway	NOK
SMCRT MGMT 2 AS	80%	80%	2024	Hønefoss, Norway	NOK
SmartCraft Software AS	99,7 %	99,7 %	2022	Hønefoss, Norway	NOK
SmartCraft Tech AS (indirect)	100%	100%	2024	Hønefoss, Norway	NOK
SmartCraft Tech Sweden AB (indirect)	100%	100%	2024	Gothenburg, Sweden	SEK
SmartCraft Norway AS (indirect)	100%	100%	2021	Hønefoss, Norway	NOK
SmartCraft Sweden AB (indirect)	100%	100%	2018	Gothenburg, Sweden	SEK
Bygglet AB (indirect)	100%	100%	2018	Gothenburg, Sweden	SEK
El-Info i Växjö AB (indirect)	100%	100%	2019	Växjö, Sweden	SEK
Coredination AB (indirect)	100%	100%	2023	Stockholm, Sweden	SEK
Locka Group AB (indirect)	100%	100%	2024	Trollhättan, Sweden	SEK
Locka Software AB (indirect)	100%	100%	2024	Trollhättan, Sweden	SEK
Locka Service AB (indirect)	100%	100%	2024	Örebro, Sweden	SEK
Congrid Oy (indirect)	100%	100%	2020	Helsinki, Finland	EUR
Clixifix Limited (indirect)	100%	100%	2024	Houghton Le Spring, UK	GBP

When establishing the LTIP invited personnel signed up for 20% of the shares in SMCRT MGMT 1 AS. Changes in ownership for SMCRT MGMT 1 AS is due to exit of management investors. The LTIP has been extended further in 2024 and invited personnel signed up for 20% of the shares in SMCRT MGMT 2 AS for a total of TNOK 4 720. Changes in non-controlling interests is due to changes in participants in the LTIP during 2024 and the establishment of SMCRT MGMT 2 AS.

All subsidiaries follow the same financial calendar as the Group with year-end on December 31st.

As of December 31st 2024, SmartCraft ASA had a share capital of NOK 1 715 223 distributed in 171 522 305 common shares, each with a nominal value of NOK 0,01. Each share grants 1 voting right.

As part of the acquisition of Clixifix Limited SmartCraft ASA has committed to transfer 177 353 of its treasury shares as a part of the settlement.

SmartCraft ASA shareholders as of December 31st, 2024

Shareholders	Number of common shares	Percent of shareholding
Valedo Partners III AB	67 903 692	39,6 %
State Street Bank and Trust Comp	21 454 787	12,5 %
Bernt Ulstein (via B. Ulstein AS)	10 741 975	6,3 %
Jefferies LLC	7 783 342	4,5 %
SmartCraft ASA (Treasury shares) ¹	4 506 204	2,6 %
HSBC Bank Plc	4 078 648	2,4 %
Société Générale	3 439 481	2,0 %
Svenska Handelsbanken AB	2 843 168	1,7 %
J.P. Morgan SE	2 211 887	1,3 %
Interactive Brokers LLC	2 206 598	1,3 %
BNP Paribas	2 377 564	1,4 %
Mustad Industrier AS	2 100 000	1,2 %
Gustav Line (via Line Invest AS)	1 278 025	0,7 %
Gunnar Haglund, Chairperson of the Board (via Skarvhaugen Förvaltning AB)	1 004 800	0,6 %
Mette Kamsvåg, Deputy Chairperson of the Board	16 500	0,0 %
Isabella Alveberg, Board member	575	0,0 %
Kjartan Bø, CFO (via KBI AS)	250 000	0,1 %
Christian Saleki, CTO	18 149	0,0 %
Katja Widlund, CMO	70 809	0,0 %
Other (< 1%)	37 236 101	21,7 %
Total	171 522 305	100.0 %

1. There were performed transactions 27.12.2024 and 30.12.2024 where SmartCraft ASA purchased additionally 3 351 and 755 treasury shares. Due to holidays these transactions were not registered in VPS pr 31.12.2024.

SmartCraft ASA shareholders as of December 31st, 2023

Shareholders	Number of common shares	Percent of shareholding
Valedo Partners III AB	67 903 692	39,6 %
State Street Bank and Trust Comp	25 103 311	14,6 %
Bernt Ulstein (via B. Ulstein AS)	11 306 975	6,6 %
HSBC Bank Plc	4 264 661	2,5 %
Svenska Handelsbanken AB	3 082 918	1,8 %
SmartCraft ASA (Treasury shares) ¹	3 053 862	1,8 %
The Northern Trust Comp, London Br	2 760 410	1,6 %
Swedbank AB	2 654 120	1,5 %
BNP Paribas	2 377 564	1,4 %
Skandinaviska Enskilda Banken AB	2 344 420	1,4 %
State Street Bank and Trust Comp	2 336 700	1,4 %
BNP Paribas	2 335 165	1,4 %
J.P. Morgan SE	2 211 887	1,3 %
Gustav Line (via Line Invest AS)	2 078 025	1,2 %
CACEIS Bank	2 066 831	1,2 %
State Street Bank and Trust Comp	2 060 271	1,2 %
Mustad Industrier AS	1 900 000	1,1 %
Gunnar Haglund, Chairperson of the Board (via Skarvhaugen Förvaltning AB)	1 004 800	0,6 %
Marianne Bergman Røren, Board member	5 617	0,0 %
Maria Danell, Board member	5 617	0,0 %
Isabella Alveberg, Board member	575	0,0 %
Kjartan Bø, CFO (via KBI AS)	298 000	0,2 %
Christian Saleki, CTO	18 149	0,0 %
Katja Widlund, CMO	70 809	0,0 %
Other (< 1%)	30 277 926	17,7 %
Total	171 522 305	100.0 %

1. There were performed transactions 28.12.2023 and 29.12.2023 where SmartCraft ASA purchased additionally 7 423 and 14 964 treasury shares. Due to holidays these transactions were not registered in VPS pr 31.12.2023.

NOTE 26 EARNINGS PER SHARE

The calculation of earnings per share is based on the profit of the year attributable to the shareholders of the parent company and a weighted average number of shares outstanding during the year ending 31st December. Treasury shares purchased during the period is excluded in the calculation of weighted average number of shares from the date the shares are purchased.

<i>Amounts in NOK (thousands)</i>	2024	2023
Profit for the year	105 959	107 628
Profit for the year attributable to non-controlling interests	-	-
Profit for the year attributable to equity holders of SmartCraft ASA	105 959	107 628
Average numbers of common shares	167 907 976	169 575 195
Earnings per share and diluted earnings per share NOK	0,63	0,63

SmartCraft ASA has during 2024 bought 1 434 061 treasury shares at total of TNOK 40 906. In 2023 SmartCraft bought 2 625 248 treasury shares at total of TNOK 53 508 as part of a share buy-back program. The buy-back program was originally authorized by the Extraordinary General Meeting held November 2nd 2022 and re-authorized by the Annual General Meeting held 2nd April 2024. The program is managed by Carnegie AS.

As of December 31st 2024, the SmartCraft Group has no share options, share incentive schemes or employee share purchase programs.

2024	Treasury shares acquired	Total outstanding shares	Ytd average outstanding shares
Shares outstanding 01.01.2024	3 076 249	168 446 056	461 496
January	25 284	168 420 772	13 842 929
February	121 422	168 299 350	34 124 763
March	-	168 299 350	-
April	89 272	168 210 078	10 138 948
May	145 764	168 064 314	12 437 609
June	281 627	167 782 687	13 337 381
July	89 105	167 693 582	14 245 698
August	1 084	167 692 498	43 646 001
September	-	167 692 498	-
October	-	167 692 498	-
November	310 425	167 382 073	12 393 430
December	370 078	167 011 995	13 279 722
Shares outstanding 31.12	4 510 310	167 011 995	167 907 976

2023	Treasury shares acquired	Total outstanding shares	Ytd average outstanding shares
Outstanding 01.01.2023	451 001	171 071 304	468 689
January	181 932	170 889 372	14 052 480
February	308 406	170 580 966	13 097 738
March	317 364	170 263 602	14 475 943
April	103 325	170 160 277	14 457 058
May	340 678	169 819 599	13 969 068
June	353 348	169 466 251	14 875 986
July	388 840	169 077 411	13 445 339
August	159 231	168 918 180	14 352 398
September	114 446	168 803 734	14 340 746
October	115 240	168 688 494	13 869 878
November	126 784	168 561 710	13 858 821
December	115 654	168 446 056	14 311 051
Shares outstanding 31.12	3 076 249	168 446 056	169 575 195

NOTE 27 RELATED PARTIES

The sales to and purchases from related parties are made at arm's length prices. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

There are no such transactions in 2024 and 2023. All transactions are at arm's length market prices.

NOTE 28 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Current financial liabilities

<i>Amounts in NOK (thousands)</i>	31.12.2024	31.12.2023
Current portion of loan facilities	-	-
Accrued interest	-	-
Current portion of lease liabilities	12 886	10 360
Other current financial liabilities	-	39
Total current financial liabilities at 31.12	12 886	10 399

Non-current financial liabilities

<i>Amounts in NOK (thousands)</i>	Lease liabilities	Financial liabilities	Total 2024
Less than 1 year	13 286	-	13 286
1-2-years	12 032	-	12 032
2-3 years	7 054	-	7 054
3-4 years	6 930	-	6 930
4-5 years	2 035	-	2 035
More than 5 years	-	-	-
Total undiscounted financial liabilities at 31.12	41 336	-	41 336

Covenants

There are no financial liabilities related to external loans as of December 31st 2024. The Group has no covenants regarding its financial liabilities.

Collateral

The Groups had no collateral related to the financial liabilities as of December 31st 2024.

NOTE 29 SUBSEQUENT EVENTS

There have been no significant subsequent events that could affect the Group financial statements as of 31st December 2024.

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>	Note	2024	2023
Revenue from customers	8	510 763	401 654
Total operating revenue		510 763	401 654

<i>Amounts in NOK (thousands)</i>	Note	2024	2023
EBITDA		184 530	165 721
Adjustments of special items		5 458	1 525
Adjusted EBITDA		189 987	167 245

EBITDA-margin	36.1 %	41.3 %
Adjusted EBITDA-margin	37.2 %	41.6 %

<i>Amounts in NOK (thousands)</i>	Note	2024	2023
Adjusted EBITDA		189 987	167 245
Capitalized development expenses		48 664	37 472
Adjusted EBITDA - CAPEX margin		27.7 %	32.3 %

		2024	2023
Annual Recurring Revenue (ARR) (EoP)	TNOK	481 958	386 641
Recurring revenue		93.5 %	96.9 %
Average Revenue per Customer (ARPC)	NOK	38 848	32 452
Churn rate (R12m)		9.2 %	7.2 %

Financial statements - SmartCraft ASA

INCOME STATEMENT

Operating income and operating expenses

<i>Amounts in NOK (thousands)</i>	Note	2024	2023
Other revenue	2	13 983	14 289
Total income		13 983	14 289
Cost of sold goods		73	-
Employee benefits expense	3	17 022	15 719
Depreciation and amortisation expenses	4	58	50
Other expenses	3, 5	9 991	7 640
Total expenses		27 144	23 409
Operating profit		(13 161)	(9 120)
Financial income and expenses			
Income from subsidiaries		28 829	1 911
Interest income from group companies		12 405	6 818
Other interest income	6	4 550	3 237
Other financial income	6	10 660	25 108
Interest expense to group companies		12 359	5 332
Other interest expenses	6	6	278
Other financial expenses	6	7 148	20 961
Net financial items		36 930	10 503
Net profit before tax		23 770	1 383
Income tax expense	7	514	290
Net profit / loss	8	23 256	1 093
Distributed profit / loss			
Other equity		23 256	1 093
Total distributed		23 256	1 093

BALANCE SHEET

Assets

Amounts in NOK (thousands)	Note	2024	2023
Non-current assets			
Trademark and other intangible assets		353	399
Total intangible assets	4	353	399
Equipment and other movables	4	43	12
Total property, plant and equipment	4	43	12
Non-current financial assets			
Investments in subsidiaries	9	524 337	508 119
Total non-current financial assets		524 337	508 119
Total non-current assets		524 732	508 531
Current assets			
Debtors			
Other short-term receivables		1 040	371
Receivables from group companies	10	63 658	128 100
Total receivables		64 698	128 471
Cash and cash equivalents	11	88 431	178 616
Total current assets		153 128	307 087
Total assets		677 860	815 618

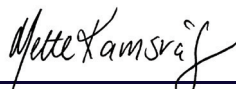
Equity and liabilities

Amounts in NOK (thousands)	Note	2024	2023
Equity			
Contributed equity			
Share capital	12	1 715	1 715
Treasury stock	12, 13	(45)	(31)
Share premium reserve		605 893	605 893
Total contributed equity		607 563	607 577
Retained earnings			
Other equity		(8 681)	8 910
Total retained earnings		(8 681)	8 910
Total equity	8	598 882	616 487
Liabilities			
Deferred tax	7	1 627	1 113
Total provisions		1 627	1 113
Current liabilities			
Trade payables		2 914	324
Tax payable	7	-	247
Public duties payable		534	512
Liabilities to group companies	10	70 289	194 125
Other current liabilities	14	3 614	2 810
Total current liabilities		77 351	198 018
Total liabilities		78 978	199 131
Total equity and liabilities		677 860	815 618

April 9th, 2025
Board of Directors and CEO, SmartCraft ASA



Gunnar Haglund
Chairman of the Board



Mette Kamsvåg
Deputy Chairperson of the Board



Bernt Ulstein
Board member



Carl Ivarsson
Board member



Isabella Alveberg
Board member



Eva Hemb
Board member



Allan Engström
Board member



Gustav Line
CEO

INDIRECT CASH FLOW

<i>Amounts in NOK (thousands)</i>	<i>Note</i>	2024	2023
Cash flows from operating activities			
Profit/loss before tax		23 770	27 903
Paid taxes		248	(1 146)
Gained sale of shares	5	(21 312)	(131)
Ordinary depreciation		58	50
Change in accounts payable		2 590	92
Change in other accrual items		157	(985)
Net cash flows from operating activities		5 015	6 053
Cash flows from investment activities			
Investments in tangible assets		(42)	-
Proceeds from sale of shares		23 973	331
Investments in shares and participations in other companies		(18 879)	(533)
Net cash flows from investment activities		5 053	(202)
Cash flows from financing activities			
Group contributions		-	24 166
Change in intercompany debt		64 448	(39 647)
Change in cashpool account		(123 836)	186 244
Payment of treasure shares	13	(40 865)	(53 508)
Net cash flows from financing activities		(100 254)	117 255
Net change in cash and cash equivalents		(90 186)	111 000
Cash and cash equivalents at the start of the period		178 616	67 617
Cash and cash equivalents at the end of the period	11	88 431	178 616

ACCOUNTING PRINCIPLES

The annual accounts have been prepared in conformity with the provisions of the Norwegian Accounting Act and good accounting practice.

Use of estimates

In the preparation of the annual accounts estimates and assumptions have been made that have affected the profit and loss account and the valuation of assets and liabilities, and uncertain assets and liabilities on the balance sheet date in accordance with generally accepted accounting practice. Areas which to a large extent contain such subjective evaluations, a high degree of complexity, or areas where the assumptions and estimates are material for the annual accounts, are described in the notes.

Revenues

Services are posted as income as they are delivered. The company provides management services for the other companies in the SmartCraft Group.

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

Classification and valuation of fixed assets

Fixed assets consist of assets intended for long-term ownership and use. Fixed assets are valued at acquisition cost less depreciation and write-downs. Long-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Plant and equipment is capitalised and appreciated over the economic lifetime of the asset. Significant items of plant and equipment that consist of several material components with different lifetimes are broken down in order to establish different depreciation periods for the different components. Direct maintenance of plant and equipment is expensed on an ongoing basis under operating costs, while additions or improvements are added to the asset's cost price and depreciated in line with the asset. Plant and equipment is written down to the recoverable amount in the event of a fall in value that is not expected to be temporary. The recoverable amount is the higher of the net sales value and the value in use. Value in use is the present value of future cash flows related to the asset. The write-down is reversed when the basis for the write-down is no longer present.

Classification and valuation of current assets

Current assets and short-term liabilities consist normally of items that fall due for payment within one year of the balance sheet date, as well as items related to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Subsidiaries and associated companies

Subsidiaries and associated companies are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to

income in the same year as provided for in the distributor's accounts. To the extent that dividends/group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables. In addition an unspecified provision is made to cover expected losses on claims in respect of customer receivables.

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

NOTE 1 FINANCIAL MARKET RISK

SmartCraft ASA have a limited activity other than management of group companies.

Credit risk

The company has a credit risk related to receivables from group companies. The risk of a counterpart not having the financial capacity to fulfil its obligations is considered to be low. Historically, there have been no losses on intercompany receivables.

Currency risk

The company's currency exposure is related to intercompany balances being booked in the local currency of the counterpart. As of December 31st, 2024 SmartCraft ASA has financial assets of TEUR 5 855, TSEK 551, TGBP 14 and TUSD 232. The exposure of foreign currency is considered low.

NOTE 2 OTHER REVENUE

Amounts in NOK (thousands)	2024	2023
By business area		
Management services	13 983	14 289
Total	13 983	14 289
Geographic breakdown		
Norway	13 983	14 178
Sweden	-	53
Finland	-	58
Total	13 983	14 289

NOTE 3 SALARY COSTS AND BENEFITS, REMUNERATION TO THE CHIEF EXECUTIVE, BOARD AND AUDITOR

Salary cost

Amounts in NOK (thousands)	2024	2023
Salaries	8 986	7 795
Employment tax	1 419	1 486
Pension costs	309	285
Other benefits	6 443	6 153
Total	17 156	15 719

In 2024 the company employed 4 full time employees.

Pension liabilities

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes are defined contribution schemes and satisfy the requirements of this Act.

Remuneration to leading personnel

<i>Amounts in NOK (thousands)</i>	Chief Executive Officer	Board
Salaries	2 752	-
Pension costs	90	-
Other remuneration	571	1 196
Total	3 413	1 196

If the company terminates the employment the CEO is entitled to 6 months' salary after a 6 month termination period. There are no loans or collateral granted the CEO or members of the Board. SmartCraft ASA has prepared a report for remuneration to leading personnel in accordance with the Accounting Act § 7-31b.

Auditor

Remuneration to the elected auditor for 2024 amount to TNOK 1 260 ex. vat. where TNOK 156 is related to audit related services.

NOTE 4 INTANGIBLE AND TANGIBLE ASSETS

<i>Amounts in NOK (thousands)</i>	Fixtures and office equipment	Trademark and other intangible assets	Total
Purchase cost as of 01.01.24	17	464	481
Inflow purchased fixed assets	42	-	42
Acquisition cost 31.12.2024	59	464	522
Accumulated depreciations 31.12.24	16	112	128
Book value 31.12.2024	43	352	395
This year's ordinary depreciation	11	47	58
Economic lifetime	5 years	10 years	
Decreciation plan	Linear	Linear	

NOTE 5 INDIVIDUAL TRANSACTIONS

In 2024 the group expanded the long term investment program and established SMCRT MGMT 2 AS. As part of the establishment of SMCRT MGMT 2 AS 13 342 521 shares in SmartCraft Software AS were sold from SmartCraft ASA to SMCRT MGMT 2 AS.

NOTE 6 ITEMS THAT ARE AGGREGATED IN THE ACCOUNTS

Financial income

<i>Amounts in NOK</i>	2024	2023
Interest income CashPool	4 550	3 237
Agio	10 660	25 108
Total financial income	15 210	28 344

Financial costs

<i>Amounts in NOK</i>	2024	2023
Interest costs from companies in the same group	-	-
Interest and provisions for CashPool	6	213
Other interest expenses	-	65
Disagio	7 148	20 961
Total financial costs	7 154	21 239

NOTE 7 TAX

This year's tax expense

<i>Amounts in NOK (thousands)</i>	2024	2023
Entered tax on ordinary profit/loss:		
Payable tax	-	247
Changes in deferred tax	514	43
Tax expense on ordinary profit/loss	514	290
Taxable income:		
Ordinary result before tax	23 770	1 383
Permanent differences	(28 948)	(1 843)
Changes in temporary differences	(2 338)	(197)
Received intra-group contribution	7 516	1 780
Taxable income	.	1 123
Payable tax in the balance:		
Payable tax on this year's result	(1 654)	(145)
Payable tax on received Group contribution	1 654	392
Total payable tax in the balance	-	247
Calculation of effective tax rate		
Profit before tax	23 770	1 383
Calculated tax on profit before tax	5 229	304
Tax effect of permanent differences	(4 715)	(14)
Total	514	290
Effective tax rate	2.2%	21.0%

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

<i>Amounts in NOK (thousands)</i>	2024	2023	Difference
Tangible assets	13	12	(1)
Long-term receivables and liabilities in foreign currency	7 383	5 046	(2 337)
Total	7 396	5 058	(2 338)
Basis for deferred tax	7396	5 058	(2 338)
Deferred tax (22%)	1 627	1 113	(514)

NOTE 8 EQUITY

	Share capital	Own shares	Share premium	Other equity capital	Total equity capital
Pr. 31.12.2023	1 715	(31)	605 893	8 914	616 491
Purchase of own shares	-	(14)	-	(40 851)	(40 865)
Result of the year	-	-	-	23 256	23 256
Pr. 31.12.2024	1 715	(45)	605 893	(8 681)	598 882

NOTE 9 SUBSIDIARIES, ASSOCIATED COMPANIES ETC.

<i>Amounts in NOK (thousands)</i>		Acquisition	Ownership		Share of	Share of
Subsidiary	Office	registered	interest	Book value	equity	result
SmartCraft Software AS	Hønefoss, NOR	2022	99 %	485 783	505 347	-
SMCRT MGMT 1 AS	Hønefoss, NOR	2022	82 %	19 675	19 877	3
SMCRT MGMT 2 AS	Hønefoss, NOR	2024	80 %	18 879	18 833	(6)
Total				524 337		

Investments in subsidiaries are recognised according to the cost method in the company's financial statements.

NOTE 10 INTERCOMPANY ITEMS BETWEEN COMPANIES IN THE SAME GROUP ETC.

<i>Amounts in NOK (thousands)</i>	Customer receivables		Other receivables	
	2024	2023	2024	2023
SmartCraft Software AS	3 509	-	7 516	(988)
SmartCraft Norway AS	943	-	-	95 518
SmartCraft Sweden AB	12	-	-	26 813
SmartCraft Finland Oy	49	-	51 252	46 681
Clixifix Ltd	37	-	-	-
Bygglet AB	60	-	-	(378)
EL-Info i Växjö AB	48	-	-	(51 603)
Coredination AB	10	-	-	-
Locka Software AB	16	-	-	-
Locka Service AB	5	-	-	-
SmartCraft MGMT 1 AS	-	-	135	128
SmartCraft MGMT 2 AS	-	-	64	-
Cordel Norge AS	-	-	-	2 607
Kvalitetskontroll AS	-	-	-	7 531
Inprog AS	-	-	-	1 790
Total	4 690	-	58 968	128 100

<i>Amounts in NOK (thousands)</i>	Debt to suppliers		Other liabilities	
	2024	2023	2024	2023
SmartCraft Norway AS	24	-	3 372	(25 851)
SmartCraft Sweden AB	676	-	(22 005)	(3 780)
Bygglet AB	57	-	158 404	101 992
SmartCraft Software AS	-	-	(124 028)	8 296
SmartCraft Finland Oy	-	-	(11 974)	(16 862)
EL-Info i Växjö AB	-	-	78 814	32 026
Coredination AB	-	-	2 249	-
Locka Software AB	-	-	(17 673)	-
Locka Service AB	-	-	4 580	-
Locka Group AB	-	-	(1 511)	-
SmartCraft Tech AS	-	-	30	-
SmartCraft Tech Sweden AB	-	-	31	-
Cordel Norge AS	-	-	-	73 631
Kvalitetskontroll AS	-	-	-	23 160
Inprog AS	-	-	-	1 513
Total	757	-	70 289	194 125

Other liabilities are balances related to the global cash pool.

NOTE 11 BANK DEPOSITS

Funds standing on the tax deduction account (restricted funds) are TNOK 334.

SmartCraft ASA is the owner of the Cash Pool organized together with:

- SmartCraft Norway AS
- SmartCraft Software AS
- SmartCraft Tech AS
- SmartCraft Tech Sweden AB
- SmartCraft Sweden AB
- Bygglet AB
- EL-Info AB
- Coredination AB
- Locka Group AB
- Locka Software AB
- Locka Service AB
- SmartCraft Finland Oy

NOTE 12 SHAREHOLDERS

Share capital in SmartCraft ASA pr. December 31st 2024 consists of:

	Total	Nominal value	Share capital
Common shares	171 522 305	0.01	1 715
Total	171 522 305		1 715

Shareholders

The largest shareholders as of December 31st 2024 were:

Shareholders	Number of common shares	Percent of shareholding
Valedo Partners III AB	67 903 692	39.6 %
State Street Bank and Trust Comp	21 454 787	12.5 %
B. Ulstein AS (Bernt Ulstein, Board member)	10 741 975	6.3 %
Jefferies LLC	7 783 342	4.5 %
SmartCraft ASA (treasury shares)	4 506 204	2.6 %
HSBC Bank Plc	4 078 648	2.4 %
Société Générale	3 439 481	2.0 %
Svenska Handelsbanken AB	2 843 168	1.7 %
BNP Parabis	2 377 564	1.4 %
J.P. Morgan SE	2 211 887	1.3 %
Interactive Brokers LLC	2 206 598	1.3 %
Mustad Industrier AS	2 100 000	1.2 %
Shares owned by Board members and leading personnel		
Gustav Line, CEO (via Line Invest AS)	1 278 025	0.7 %
Gunnar Haglund, Chairperson of the Board (via Skarvhagen Förvaltning AB)	1 004 800	0.6 %
Kjartan Bø, CFO (via KBI AS)	250 000	0.1 %
Katja Widlund, CMO	70 809	0.0 %
Christian Saleki, CTO	18 149	0.0 %
Mette Kamsvåg, Deputy Chairperson of the Board	16 500	0.0 %
Isabella Alveberg, Board member	575	0.0 %
Total Other	37 236 101	21.7 %
Total	171 522 305	100.0 %

SmartCraft ASA is the parent company in the SmartCraft Group and prepares consolidated accounts which can be handed out at the company's offices in Strandgata 3, 3513 Hønefoss.

NOTE 13 TREASURY SHARES

During 2024 the company acquired 1 434 061 shares in the market at TNOK 40 865. The purchase of shares are in accordance of the share buy-back program authorized by the Annual General Meeting held May 2nd 2024. The buy-back program is managed by Carnegie AS.

Development in the company's purchase of treasury shares

Development in the company's own shares	Number of shares	Par value per share	Total amount	Amount of share capital
Holding as at 1.1.2024	3 076 249	0.01	31	0.3 %
Acquisition of own shares	1 434 061	0.01	14	1.5 %
Disposal of own shares	-	-	(5)	-
Holding as at 31.12.2024	4 510 310	0.01	45	1.8 %

NOTE 14 PROVISIONS FOR LIABILITIES

Short-term provisions

	Accrued cost	Total
Balance 01.01.2024	2 810	2 810
Provisions	3 614	3 614
Provisions utilized	(2 810)	(2 810)
Balance 31.12.2024	3 614	3 614

There are no contingent liabilities as of 31.12.2024.



Statsautoriserte revisorer
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Medlemmer av Den norske Revisorforening

To the General Meeting in SmartCraft ASA

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SmartCraft ASA (the Company) which comprise:

- The financial statements of the Company, which comprise balance sheet as at 31 December 2024 and income statement and indirect cash flow for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise statement of financial position as at 31 December 2024, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Impairment assessment of goodwill

Basis for the key audit matter

Goodwill amounts to NOK 662 million in the consolidated financial statements as at 31 December 2024. In total, this accounts for 52% percent of total assets of the Group. The Group performed impairment tests to determine the recoverable amounts and recorded no impairment in 2024. Goodwill impairment test was based on value-in use using estimated future cash flows. Due to the subjectivity involved in forecasting and discounting of future cash flows and the significance of the Group's recognized goodwill as at 31 December 2024, this was considered a key audit matter.

Our audit response

We evaluated management's assessment of impairment and management's estimates related to sales forecasts. We further inquired and evaluated management's assumptions regarding the current market situation and expectations about future sales. Furthermore, we evaluated the valuation methodology and the discount rate applied by using external market information. We also tested the mathematical accuracy of the value in use calculation. Our audit procedures further included analysis and evaluation of historical accuracy of prior year's forecasts. We refer to the Group's disclosures in notes 4 and 12 of the consolidated financial statements.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. The board of directors and Group Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly for the statement on Corporate Governance.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of SmartCraft ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name smartcraftasa-2024-12-31-0-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (the ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

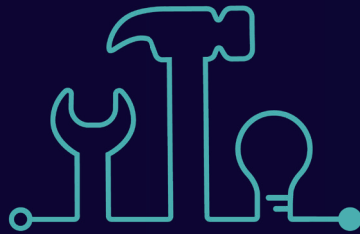
As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 9 April 2025
ERNST & YOUNG AS

Alexandra van der Zalm Bristol
State Authorised Public Accountant (Norway)

Independent auditor's report - SmartCraft ASA 2024

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