



# Q1 2025 REPORT



# Contents

4

Q1 2025 in brief

5

Letter from the CEO

6

Operational  
development

9

Financial review

12

Outlook

13

Consolidated  
Financial Statements

18

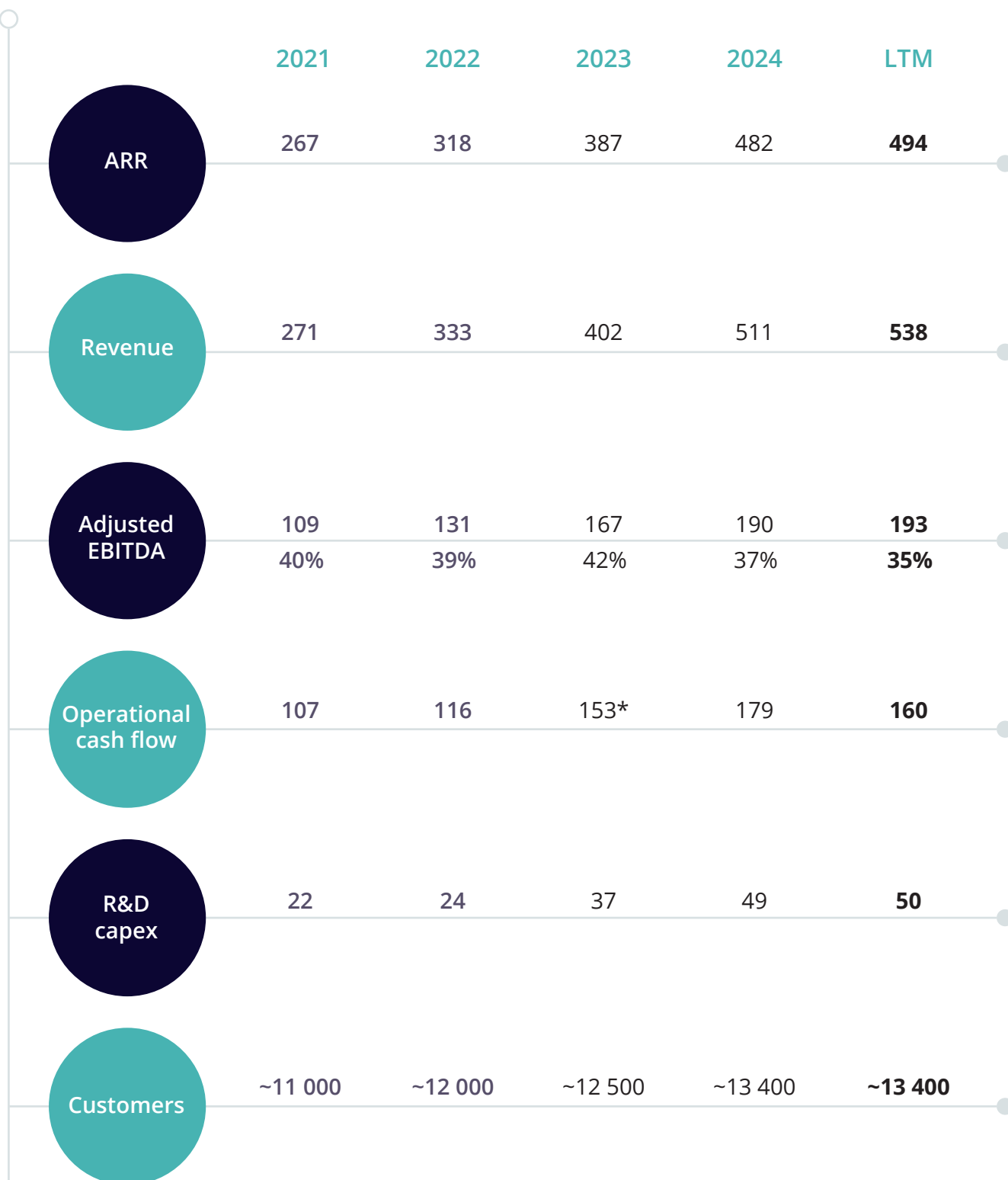
Alternative  
Performance  
Measures (APMs)

20

This is SmartCraft

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

Amounts in NOK (millions)



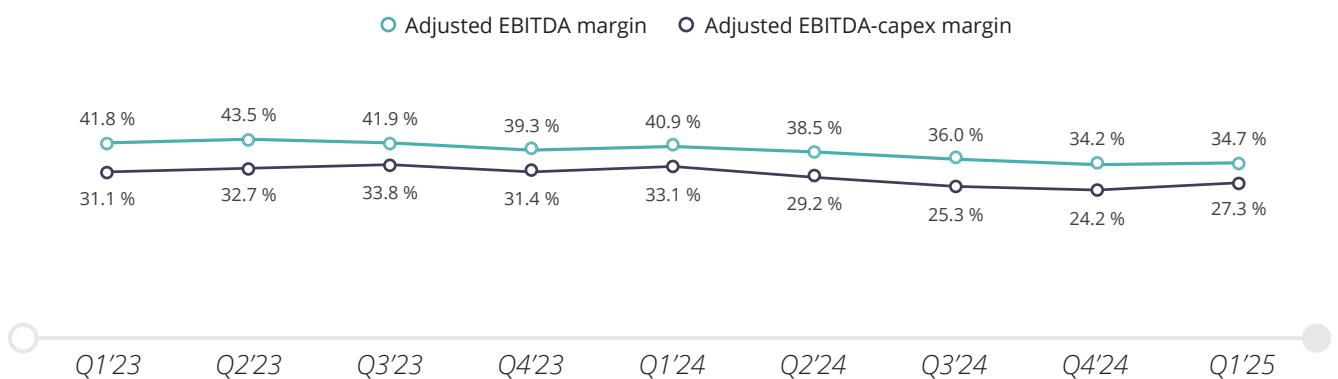
\* adjusted for HomeRun earnout recognized over P&L

# Q1 2025 in brief

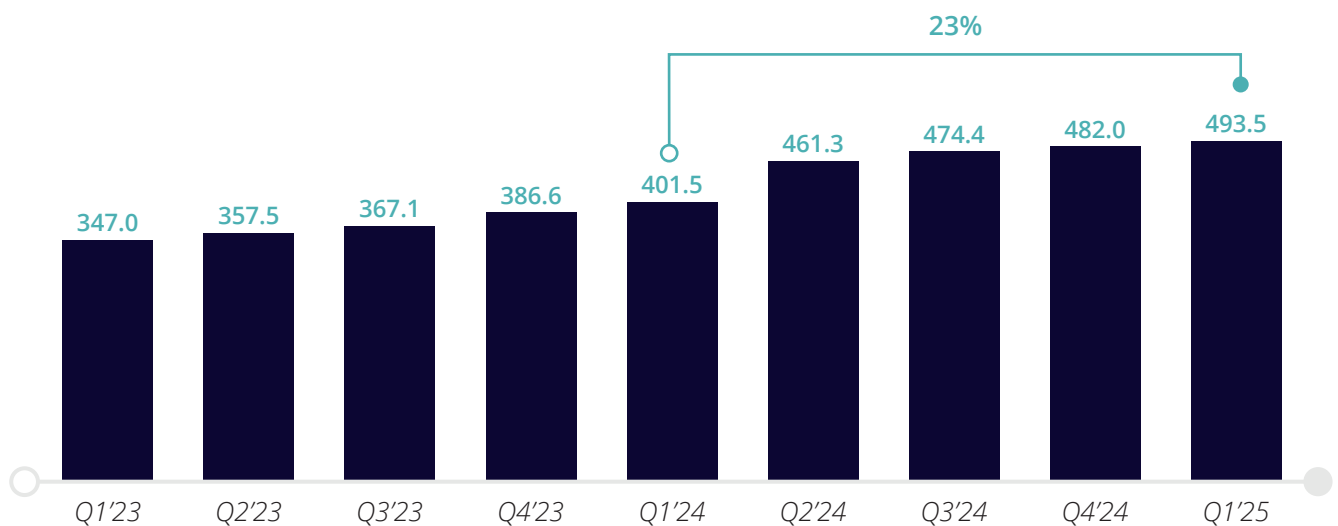
## FIRST QUARTER 2025

- Revenue NOK 137 million, a growth of 25 percent
- Continued strong operational cash flow NOK 54 million
- 16 percent increase in new customers reflecting good underlying demand
- Annual Recurring Revenue NOK 494 million, an organic growth of 6 percent, growth dampened by higher customer churn and downgrades
- Adjusted EBITDA-capex margin of 27 percent, a 3.1 percentage point increase QoQ

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



ARR development per quarter (end of period, MNOK)





# Letter from the CEO

SmartCraft continued to grow significantly in the first quarter, with revenue growth of 25 percent (YoY) to NOK 137 million. Our annual recurring revenue (ARR) of NOK 494 million at the end of the first quarter was 23 percent higher than one year earlier. At the same time, organic growth in ARR of 6.3 percent and organic revenue growth of 5.7 percent is lower than our ambition.

The weak macroeconomic conditions are affecting the organic growth with continued market uncertainty among customers, more downgrades and increased churn. The price increases we implemented in December 2024 and at the beginning of the year are also more moderate than one year earlier, as inflation has come down. The customer revenue churn in the first quarter increased to 9.3 percent, as the number of bankruptcies continues to increase in the whole industry.

While the challenging market creates headwind in terms of increased churn and downgrades from existing customers, we continue to deliver well regarding new sales. In the first quarter of 2025 the gross number of new customers grew 16 percent (YoY). The growth is the result of several marketing activities ranging from physical fairs to digital marketing to create inbound customer leads, and a motivated sales team proactively working to convert the leads to new customers. In total, we conducted 52 percent more sales meetings in the first quarter compared to the same period last year.

Our adjusted EBITDA-capex was NOK 37 million in the first quarter, representing a margin of 27 percent, down from 33 percent in the same period in 2024, but up from 24 percent in the last quarter. The profit is below our ambitions due to the reduced revenue growth, dilution

from acquisitions and investments related to the development of our disruptive solution for electricians, SmartCraft Spark.

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. The Swedish and the Finnish construction market seems to have bottomed out and hopefully we will see better market conditions in the second half of 2025. In Norway and in the UK, interest rates remain high and there are no immediate signs of recovery.

We continue to improve our organization, turn every stone to maximize our resources and find new ways to win new customers and keep our existing customers. When the pickup eventually comes, we expect customer churn to decrease, customers to start upscaling their use of our tools, and organic growth to return to a higher level. Hence, we are well positioned to deliver on our medium-term financial targets of 15-20 percent organic growth with increasing margins.



Gustav Line  
CEO

# Operational development

**In the first quarter our revenue grew by 25 percent to NOK 137 million, driven by both organic growth and the acquisitions of Locka and Clixifix in the second quarter of 2024.**

The growth rate is however hampered by the soft macroeconomic conditions, resulting in a higher level of downgrades and churn from existing customers. To continue our growth journey, we look to maximize existing resources and how we work together and towards the market. As a result, we will close one office in Norway before the summer and relocate some of the resources to our other offices. We expect this to improve sales execution as we will consolidate into one central sales team at one physical location. This will improve coordination and make us less vulnerable to people churn. It will also have a positive impact on the margin for the Norwegian segment in the second half of the year.

We have continued to work diligently with structured marketing activities, which range from physical attendance at trade events and seminars to digital web meetings, paid digital marketing and search optimization. Leads from these activities, so-called warm leads, are followed up by dedicated sales teams in each country. The sales personnel also conduct cold calls to build customer pipeline. As a result, we had 52 percent more customer sales meetings and won 16 percent more new customers in the first quarter than in the same period in 2024.

We soft launched SmartCraft Spark in the Norwegian market at the end of 2024 and has expanded to Sweden in the first quarter of 2025. SmartCraft Spark is a disruptive solution for electricians, based on our platform SmartCraft Core. The platform, which we have invested in for years, offers numerous capabilities, some of which are used in combination with specific functionalities for electricians. We are excited about our first package in this new product, developed using our accumulated knowledge of the electrical field and customer input. It addresses critical pain points and has been well received by early adopters, resulting in strong interest from the market. Our aim is to build a complete ecosystem for electricians in all our markets that evolves with their changing needs.



## SEGMENTS

### Distribution of revenue per reporting segment

<i>Amounts in NOK (millions)</i>	<b>Q1'25</b>	<b>Q1'24</b>	<b>FY'24</b>
Norway	47.6	46.1	184.0
Sweden	65.5	51.5	247.4
Finland	12.8	12.2	50.3
UK	11.1	-	29.1
<b>Total revenue per reporting segment</b>	<b>137.0</b>	<b>109.7</b>	<b>510.8</b>

### Distribution of revenue per reporting segment

	<b>Q1'25</b>	<b>Q1'24</b>	<b>FY'24</b>
<i>Organic growth total revenue</i>			
Norway	3.4 %	12.5 %	9.7 %
Sweden	8.6 %	13.6 %	10.8 %
Finland	2.6 %	(5.5 %)	(2.6 %)
UK	-	-	-

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

<i>Amounts in NOK (millions)</i>	<b>Q1'25</b>	<b>Q1'24</b>	<b>FY'24</b>
Norway	18.1	20.0	78.6
Sweden	30.2	28.1	119.2
Finland	3.3	3.5	15.5
UK	2.6	-	8.6
<b>Adjusted EBITDA per reporting segment</b>	<b>54.2</b>	<b>51.5</b>	<b>221.9</b>
<i>Adjusted EBITDA margin</i>			
Norway	38.1 %	43.4 %	42.7 %
Sweden	46.1 %	54.5 %	48.2 %
Finland	25.9 %	28.3 %	30.9 %
UK	23.1 %	-	29.6 %

### SmartCraft Sweden

SmartCraft Sweden is our largest segment with 48 percent of the revenue in the group. The revenue in the first quarter grew by 27 percent, underpinned by the acquisition of Locka in the second quarter of 2024. Organic revenue grew by 9 percent driven by new sales and upsales. Our growth is affected by the higher customer churn in the current economic climate.

The reported EBITDA margin decreased by 8 percentage points compared to the first quarter 2024 due to the dilution from the acquisition of Locka, which was loss-making in the first quarter of 2025. We focus on shifting customers towards recurring revenue to increase both ARR and margin in Locka. Short-term, the transition puts pressure on revenue growth and profitability.

### SmartCraft Norway

Norway is our second biggest segment, accounting for 35 percent of the revenue in the group. Revenue in the first quarter grew by 3 percent. We created more new potential customer leads in the quarter compared to the same period last year and conducted 6 percent more customer meetings (YoY). However, our growth is dampened by a challenging market with little signs of recovery. Prognosesenteret, a Nordic company analyzing and forecasting the construction industry, reported that new residential construction activity last quarter was at its lowest level since the second world war, but in its report for the first quarter of 2025 construction projects started the last 12 months increased by 4 percents compared to the previous 12 months.

At the end of 2023/beginning of 2024 we made a higher annual price adjustment due to elevated inflation rates than we have implemented in the first quarter of 2025. This, together with higher churn, curbs the revenue growth for the quarter. Additionally, we have observed an increase in customers downgrading due to fewer projects and a reduced workforce. We are confident we will accelerate growth in a stable market.

With lower revenue growth and capitalizations, the EBITDA margin fell 5 percentage points compared to the first quarter 2024 but is still at a high level and increasing by 2 percentage points QoQ. As described above, we have initiated changes in the organization which will have a positive effect on the margin in the second half of 2025.

### SmartCraft Finland

Finland accounts for 9 percent of the Group revenue. The Finnish market seems to have bottomed out and we have gone from negative growth in 2024 to a revenue growth of 5 percent in the first quarter compared to the same period last year (representing an organic growth of 3 percent).

Similarly to Norway and Sweden, we expect to be at a much higher growth when customer churn and downgrades normalize. The EBITDA margin decreased slightly in the quarter to 26 percent.

### SmartCraft UK

UK accounts for 8 percent of the Group revenue and is included as a segment in 2025. Upon acquiring Clixifix, which today is the only company in SmartCraft UK, we knew they would potentially lose a large customer in the near future as the customer changed their focus from new build to maintenance of existing buildings, where they no longer required our solution. This has a full effect from the first quarter of 2025. Additionally, we focus on moving non-recurring revenue to recurring revenue, which put a downwards pressure on revenue growth. The proforma revenue growth was 10 percent for the quarter with improving margins compared to the first quarter of 2024.

We are excited about the opportunities in the UK and are patient to see how we can realize these both organically and through acquisitions.



# Financial review

<i>Amounts in NOK (thousands)</i>	<b>Q1'25</b>	<b>Q1'24</b>	<b>FY'24</b>
Revenue from customers	136 961	109 742	510 763
<b>Total operating revenue</b>	<b>136 961</b>	<b>109 742</b>	<b>510 763</b>
Purchase of goods and services	11 063	8 042	43 551
Payroll and related expenses	56 842	40 155	198 804
Other operating expenses	21 583	16 689	83 879
<b>Total operating expenses</b>	<b>89 489</b>	<b>64 887</b>	<b>326 234</b>
<b>EBITDA</b>	<b>47 473</b>	<b>44 855</b>	<b>184 530</b>
Adjustments of special items	0	0	5 458
<b>Adjusted EBITDA</b>	<b>47 473</b>	<b>44 855</b>	<b>189 987</b>
Depreciation and amortization	20 185	9 801	52 465
<b>Operating profit (loss) before financial items and tax</b>	<b>27 288</b>	<b>35 054</b>	<b>132 064</b>
EBITDA-margin	34.7 %	40.9 %	36.1 %
Adjusted EBITDA-margin	34.7 %	40.9 %	37.2 %

SmartCraft's consolidated revenue in Q1 2025 grew by 24.8 percent to NOK 137.0 million, up from NOK 109.7 million in Q1 2024. The revenue growth was driven by organic growth from the Group's SaaS solutions, the acquisitions of Locka Group (April 2024) and Clixifix (May 2024), as well as changes in currency rates. ARR grew to NOK 493.5 million, a growth of 22.9 percent year over year with an organic growth of 6.3 percent.

SmartCraft's strategy is to prioritize and maximize recurring revenue over non-recurring revenue, including transforming non-recurring services to SaaS services. The short-term result of this, however, is a negative effect on total revenue as existing non-recurring revenue is no longer recognized at a single point in time but over time as recurring revenue. In Q1, the share of recurring revenue was 94.7 percent, a decline from 97.0 percent in Q1 2024. The main changes in the recurring revenue share are related to the acquired

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

The Group had a churn of 9.3 percent in Q1 2025, compared to 7.4 percent last year and 9.2 percent in the previous quarter. Bankruptcies in the construction industry have increased materially in the last quarters which affect SmartCraft and remain the main reason for churn.

The reported and adjusted EBITDA was NOK 47.5 million in Q1 2025 (adjusted EBITDA of NOK 44.9 million in Q1 2024). The adjusted EBITDA margin for Q1 2025 was 34.7 percent compared to 40.9 percent in Q1 2024 and 34.2 percent in Q4 2024. The decline in margin compared to Q1 2024 was mainly due to a dilution from acquisitions of 4.5 percentage points, and the previously mentioned investments in development.

Organic growth YoY	Q1'25	Q1'24	FY'24
Fixed price subscriptions	6.2 %	11.5 %	9.7 %
Transaction priced add-on subscriptions	9.8 %	6.2 %	8.0 %
<b>Total recurring revenue</b>	<b>6.5 %</b>	<b>11.1 %</b>	<b>9.6 %</b>
Non-recurring revenue	(17.2 %)	(3.9 %)	(17.8 %)
<b>Total revenue</b>	<b>5.7 %</b>	<b>10.6 %</b>	<b>8.7 %</b>

The adjusted EBITDA-capex margin was 27.3 percent in Q1 2025 (33.1 percent in Q1 2024 and 24.2 percent in Q4 2024). The decline excluding the dilution from acquisitions was 0.6 percentage point. The SmartCraft Spark project, that was announced in the Q3 report, will drive future revenue and synergize costs. Investments in the project affect the margin by 1.9 percentage points. SmartCraft Spark was soft-launched at the end of November 2024, with high interest from potential customers. The solution has a free 30 day trial period and revenue, still small numbers, was recognized from 2025.

SmartCraft is focused on increasing the margins for all solutions in the medium/long-term. Our approach to increase the margins in acquired solutions is first and foremost to help the solutions optimize operations to stimulate better scale and grow, and thereby create a long-term business advantage, rather than cost-cutting. In the short-term we focus on resource allocation, utilizing synergies, and optimizing the structure.

Depreciations and amortizations were NOK 20.2 million in Q1 2025 compared to NOK 9.8 million in Q1 2024. D&A steadily increases as a result of the Group's continuous R&D activities, and acquisitions. In relation to the new investments in the development of SmartCraft Spark to disrupt the market, the Group adjusted in Q4 2024 the D&A schedule of two other solutions which increase D&A going forward. In Q1 2025, amortization related to M&A was NOK 8.9 million, compared to NOK 4.2 million in Q1 2024.

The Group had a net financial expense of NOK 1.6 million in Q1 2025, compared to a net

financial income of NOK 4.1 million in Q1 2024. Net financial items are mainly driven by interest income and currency effects.

## CASH FLOW

SmartCraft's business model generates a high and positive cash contribution throughout the entire year, although there are seasonal variations relating to the timing of invoicing. Cash flow from operating activities was NOK 54.3 million in Q1 2025, a decrease from NOK 73.5 million in Q1 2024. The decrease from last year relates to the improvements in invoicing routines, which resulted in a portion of payments from customers was received in December instead of January. The Group is constantly working to improve its net working capital, which will continue to contribute to improved cash flow from operating activities during the year.

Cash flow from investing activities was NOK -10.8 million in Q1 2025, compared to NOK -12.6 million in Q1 2024. In Q1 2025 investing activity was mainly capitalized development costs of NOK 10.0 million (NOK 8.5 million in Q1 2024). In general, we focus on shifting an increasing share of our cost base towards R&D activities, however the level of capitalization varies from quarter to quarter depending on the stage in the lifecycle and nature of each development project. In Q1 2025 capitalizations constitute 7.3 percent of revenue, a decrease from 7.8 percent in Q1 2024.

Net cash flow from financing activities was NOK -20.7 million in Q1 2025. Through the buy-back program, SmartCraft acquired 599 955 own shares (0.35 percent of total shares) totaling NOK 16.7 million in Q1 2025.



The latest SmartCraft share buy-back program of up to NOK 20 million, at a maximum share price of NOK 33, was initiated after the published Q4 report in February 2025. The treasury shares may be used for payment for potential future acquisitions in combination with cash. Additionally, treasury shares may be used for potential future settlement of the Group's long-term investment program for management and key employees. At the end of Q1 2025 SmartCraft had, through previous and existing buy-back programs, acquired in total 5 134 937 shares (2.99 percent of total shares) at an average price of NOK 23.00 per share.

SmartCraft has a positive cash contribution from operations every quarter. The Group operates in an under-penetrated market and plans to continue its role as a consolidator and increase its market share. SmartCraft does not expect to pay dividends in the short to medium term and the accumulating cash holding will be allocated to investments and acquisitions supporting the Group's position and plans, and potential future share buy-back programs.

## FINANCIAL POSITION

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

Total assets amounted to NOK 1 287.3 million (NOK 1 283.1 million at the end of 2024), of which cash and cash equivalents amounted to NOK 152.5 million (NOK 125.7 million at the end of 2024), the increase in cash is driven by operational activity. Non-current assets amounted to NOK 1 065.4 million (NOK 1 079.4 million at the end of 2024). The increase in total assets is driven by the cash flow from operations and changes in currency rates.

Total liabilities amounted to NOK 353.2 million (NOK 352.3 million at the end of 2024). The change is mainly related to the increase in deferred revenue and the decrease of payable tax.

## SHARE INFORMATION

At the end of Q1 2025 SmartCraft ASA had 171.5 million shares at par value of NOK 0.01. There have been no changes in shares or share capital in Q1 2025 in SmartCraft ASA.

As of 31 March 2025, SmartCraft holds 5 110 265 own shares (2.98 percent) and total outstanding shares were 166 412 040.

## RISK FACTORS

Risk factors are described in the information document prepared in connection with the listing on Oslo Børs, published June 14<sup>th</sup>, 2021 and in the annual accounts for 2024, published April 10<sup>th</sup>, 2025.

## FINANCIAL CALENDAR

- |                               |   |
|-------------------------------|---|
| o August 26 <sup>th</sup>     | Half-yearly Reporting                   |
| o August 27 <sup>th</sup>     | DNB Nordic TMT conference, Oslo         |
| o September 3-4 <sup>th</sup> | DNB Carnegie Small & Mid Cap Conference |
| o November 4 <sup>th</sup>    | Q3 2025 Reporting                       |

Please visit [smartcraft.com/investor-relations/](https://smartcraft.com/investor-relations/) for most recent calendar update.

## EVENTS AFTER THE REPORTING PERIOD

On 2 May 2025, SmartCraft announced that Gustav Line has decided to step down as chief executive officer (CEO) of SmartCraft after seven years in the position. Line will continue to serve in the position until a successor is in place, no later than in the fourth quarter of 2025. Line has accepted a

position as CEO of a Norwegian software company which does not compete with SmartCraft. He has a 6 month notice period in SmartCraft. The Board will initiate a thorough international CEO recruitment process to identify the successor to the CEO position.

# Outlook

The SmartCraft Group has performed well throughout the downturn cycle for the construction industry, and our target group, small and medium-sized contractors, are less exposed to the cyclical new-build market. Nevertheless, SmartCraft's revenue growth is to some extent dependent on the general macroeconomic development. While we expect to continue to perform well in terms of new sales, which are largely dependent on our own capabilities, the macro-related factors, bankruptcies and downgrades, will influence our growth rate.

Third party industry research indicates the beginning of a recovery for the construction industry in the second half-year 2025, which will support SmartCraft's development. Sweden and Finland seem to have bottomed out and growing, while we see few signs of recovery in Norway and the UK.

We remain highly positive about our medium- and long-term future prospects. The short-term development will depend on the timing of an improvement of the macroeconomic situation and a normalization of the activity level in the construction industry. When the recovery starts materializing, we expect our organic growth to benefit from churn returning to historic levels around 5-7 percent and existing customers upgrading their solutions in line with increased activity. In addition, we expect to see a higher conversion of our pipeline to customer contracts, and that our newly acquired companies will start contributing to organic growth in 2025.

Our target of 15-20 percent organic revenue growth in the medium term is reiterated. Similarly, we expect the adjusted EBITDA margin to increase due to the scalability of the business.



# Condensed Consolidated Financial Statements

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in NOK (thousands)</i>	<b>Q1'25</b>	<b>Q1'24</b>	<b>FY'24</b>
Revenue from customers	136 961	109 742	510 763
<b>Total operating revenue</b>	<b>136 961</b>	<b>109 742</b>	<b>510 763</b>
Purchase of goods and services	11 063	8 042	43 551
Payroll and related expenses	56 842	40 155	198 804
Other operating expenses	21 583	16 689	83 879
Depreciation and amortization	20 185	9 801	52 465
<b>Total operating expenses</b>	<b>109 673</b>	<b>74 688</b>	<b>378 699</b>
<b>Operating profit (loss) before financial items and tax</b>	<b>27 288</b>	<b>35 054</b>	<b>132 064</b>
Financial income	2 456	6 694	21 158
Financial expenses	(4 035)	(2 544)	(19 703)
<b>Financial income (expense), net</b>	<b>(1 579)</b>	<b>4 150</b>	<b>1 455</b>
<b>Profit (loss) before tax</b>	<b>25 709</b>	<b>39 204</b>	<b>133 519</b>
Tax expense	3 646	7 358	27 560
<b>Profit (loss)</b>	<b>22 064</b>	<b>31 846</b>	<b>105 959</b>
<b>Other comprehensive income</b>			
Items to be reclassified to profit or loss:			
Currency translation differences, net of tax	(1 778)	4 752	16 957
<b>Total</b>	<b>(1 778)</b>	<b>4 752</b>	<b>16 957</b>
<b>Total comprehensive income</b>	<b>20 286</b>	<b>36 598</b>	<b>122 916</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ASSETS

<i>Amounts in NOK (thousands)</i>	<b>March 31<sup>st</sup> 2025</b>	<b>March 31<sup>st</sup> 2024</b>	<b>Dec 31<sup>st</sup> 2024</b>
Goodwill	658 256	552 135	662 299
Intangible assets	367 555	250 370	376 806
Right to use assets	34 628	31 648	35 411
Tangible Assets	4 929	2 940	4 856
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1 065 368</b>	<b>837 093</b>	<b>1 079 372</b>
Other current assets	15 732	9 898	10 476
Accounts Receivable	53 745	46 834	67 611
Cash and cash equivalents	152 464	260 119	125 655
<b>TOTAL CURRENT ASSETS</b>	<b>221 941</b>	<b>316 852</b>	<b>203 742</b>
<b>TOTAL ASSETS</b>	<b>1 287 308</b>	<b>1 153 944</b>	<b>1 283 114</b>

### EQUITY AND LIABILITIES

<i>Amounts in NOK (thousands)</i>	<b>March 31<sup>st</sup> 2025</b>	<b>March 31<sup>st</sup> 2024</b>	<b>Dec 31<sup>st</sup> 2024</b>
Share capital	1 715	1 715	1 715
Treasury shares	(51)	(32)	(45)
Share premium	605 893	605 893	605 893
Retained earnings	285 552	243 070	280 193
Other components of equity	31 606	21 373	33 578
Non-controlling interests	9 381	4 767	9 486
<b>TOTAL EQUITY</b>	<b>934 096</b>	<b>876 786</b>	<b>930 821</b>
Non-current lease liabilities	21 697	19 754	23 281
Deferred tax liabilities	60 118	36 038	62 672
<b>Total non-current liabilities</b>	<b>81 816</b>	<b>55 792</b>	<b>85 953</b>
Deferred revenue	163 048	125 386	149 839
Current portion of lease liabilities	13 878	12 348	12 886
Accounts payable	15 521	13 182	11 760
Taxes payable	6 055	15 478	15 700
Other current liabilities	72 894	54 971	76 155
<b>Total current liabilities</b>	<b>271 396</b>	<b>221 366</b>	<b>266 340</b>
<b>TOTAL LIABILITIES</b>	<b>353 212</b>	<b>277 158</b>	<b>352 293</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 287 308</b>	<b>1 153 944</b>	<b>1 283 114</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in NOK (thousands)</i>	Share capital	Own shares	Share premium	Other components of equity	Retained earnings	Non-controlling interest	Total equity
<b>Total equity 31.12.2023</b>	<b>1 715</b>	<b>(31)</b>	<b>605 893</b>	<b>16 621</b>	<b>214 846</b>	<b>4 631</b>	<b>843 675</b>
Profit / (-) loss for the period	-	-	-	-	105 959	-	105 959
Other comprehensive income	-	-	-	16 957	-	-	16 957
Purchase of treasury shares	-	(14)	-	-	(40 851)	-	(40 865)
Changes in non-controlling interests	-	-	-	-	-	4 855	4 855
Other changes	-	-	-	-	239	-	239
<b>Total equity 31.12.2024</b>	<b>1 715</b>	<b>(45)</b>	<b>605 893</b>	<b>33 579</b>	<b>280 193</b>	<b>9 486</b>	<b>930 821</b>
Profit / (-) loss for the period	-	-	-	-	22 064	-	22 064
Other comprehensive income	-	-	-	(1 972)	-	-	(1 972)
Purchase of treasury shares	-	(6)	-	-	(16 705)	-	(16 711)
Changes in non-controlling interests	-	-	-	-	-	(105)	(105)
<b>Total equity 31.03.2025</b>	<b>1 715</b>	<b>(51)</b>	<b>605 893</b>	<b>31 606</b>	<b>285 552</b>	<b>9 381</b>	<b>934 096</b>

## CONSOLIDATED CASH FLOW STATEMENT

<i>Amounts in NOK (thousands)</i>	<b>Q1'25</b>	<b>Q1'24</b>	<b>FY'24</b>
<b>Operating activities</b>			
Profit before tax	25 709	39 204	133 519
Paid taxes	(14 652)	(14 938)	(41 251)
Net financial income	143	(4 150)	(1 989)
Gains/loss sold assets	(114)	106	75
Depreciation and amortisation	20 185	9 801	52 465
Interest received	737	2 123	4 781
<b>Net cash provided from operating activities before net working capital changes</b>	<b>32 008</b>	<b>32 147</b>	<b>147 600</b>
<i>Working capital adjustments:</i>			
Changes in accounts receivable	14 051	17 778	7 160
Changes in deferred revenue	11 048	19 357	24 441
Changes in accounts payable	3 790	4 555	229
Changes in all other working capital items	(6 637)	(329)	(415)
<b>Net cash provided from operating activities</b>	<b>54 280</b>	<b>73 508</b>	<b>179 015</b>
<b>Investing activities</b>			
Investments in tangible and intangible assets	(411)	(443)	(3 558)
Payments for acquisitions	(300)	(3 625)	(152 056)
Payments for software development costs	(10 047)	(8 548)	(48 664)
<b>Net cash used in investing activities</b>	<b>(10 757)</b>	<b>(12 617)</b>	<b>(204 278)</b>
<b>Financing activities</b>			
Cash proceeds from capital increases	-	-	4 720
Downpayment on loan facilities	-	-	(7 954)
Interest payments	(880)	(486)	(2 792)
Repayments of lease liabilities	(3 063)	(3 073)	(12 278)
Payment of treasury shares	(16 711)	(3 623)	(40 865)
<b>Net cash provided by (used in) financing activities</b>	<b>(20 654)</b>	<b>(7 183)</b>	<b>(59 170)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>22 869</b>	<b>53 708</b>	<b>(84 432)</b>
Cash and cash equivalents at the beginning of period*	125 655	206 024	206 024
Foreign currency effects on cash and cash equivalents	3 939	387	4 063
<b>Cash and cash equivalents at end of period*</b>	<b>152 464</b>	<b>260 119</b>	<b>125 655</b>

\* Cash and cash equivalent include restricted funds



# Explanatory Notes to the Consolidated Financial Statements

## NOTE 1 ACCOUNTING POLICIES

The interim report for the SmartCraft Group for 1<sup>st</sup> quarter 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting policies and methods for computation

have been applied as in the latest annual statement. For further information on accounting policies see the Annual Report 2024.

## NOTE 2 REVENUE

<i>Amounts in NOK (thousands)</i>	<i>Revenue recognition</i>	<b>Q1'25</b>	<b>Q1'24</b>	<b>FY'24</b>
Fixed price subscriptions	Over time	118 974	97 620	438 216
Transaction priced subscriptions	Point in time	10 793	8 809	39 425
<b>Total recurring revenue</b>		<b>129 767</b>	<b>106 429</b>	<b>477 642</b>
Non-recurring revenue	Point in time	7 195	3 314	33 121
<b>Total revenue</b>		<b>136 961</b>	<b>109 742</b>	<b>510 763</b>

## NOTE 3 EARNINGS PER SHARE

		<b>Q1'25</b>	<b>Q1'24</b>	<b>FY'24</b>
Profit for the period	TNOK	22 064	31 846	105 959
Profit for the period attributable to equity holders of SmartCraft ASA	TNOK	22 064	31 846	105 959
Average numbers of shares, excl. treasury shares		166 849 534	168 356 730	167 907 976
<b>Earnings per share</b>	<b>NOK</b>	<b>0.13</b>	<b>0.19</b>	<b>0.63</b>

# 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>	<b>Q1'25</b>	<b>Q1'24</b>	<b>FY'24</b>
Revenue from customers	136 961	109 742	510 763
<b>Total operating revenue</b>	<b>136 961</b>	<b>109 742</b>	<b>510 763</b>

<i>Amounts in NOK (thousands)</i>	<b>Q1'25</b>	<b>Q1'24</b>	<b>FY'24</b>
EBITDA	47 473	44 855	184 530
Adjustments of special items	-	-	5 458
<b>Adjusted EBITDA</b>	<b>47 473</b>	<b>44 855</b>	<b>189 987</b>

<i>EBITDA-margin</i>	34.7 %	40.9 %	36.1 %
<i>Adjusted EBITDA-margin</i>	34.7 %	40.9 %	37.2 %

<i>Amounts in NOK (thousands)</i>	<b>Q1'25</b>	<b>Q1'24</b>	<b>FY'24</b>
Adjusted EBITDA	47 473	44 855	189 987
Capitalized development expenses	10 047	8 548	48 664
<b>Adjusted EBITDA - CAPEX margin</b>	<b>27.3 %</b>	<b>33.1 %</b>	<b>27.7 %</b>

		<b>Q1'25</b>	<b>Q1'24</b>	<b>FY'24</b>
Annual Recurring Revenue (ARR) (EoP)	TNOK	493 546	401 476	481 958
Recurring revenue		94.7 %	97.0 %	93.5 %
Average Revenue per Customer (ARPC)	NOK	40 981	34 565	38 848
Churn rate (R12m) (EoP)		9.3 %	7.4 %	9.2 %





# This is SmartCraft

May 2025



# Our passion is to simplify business for construction companies

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

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

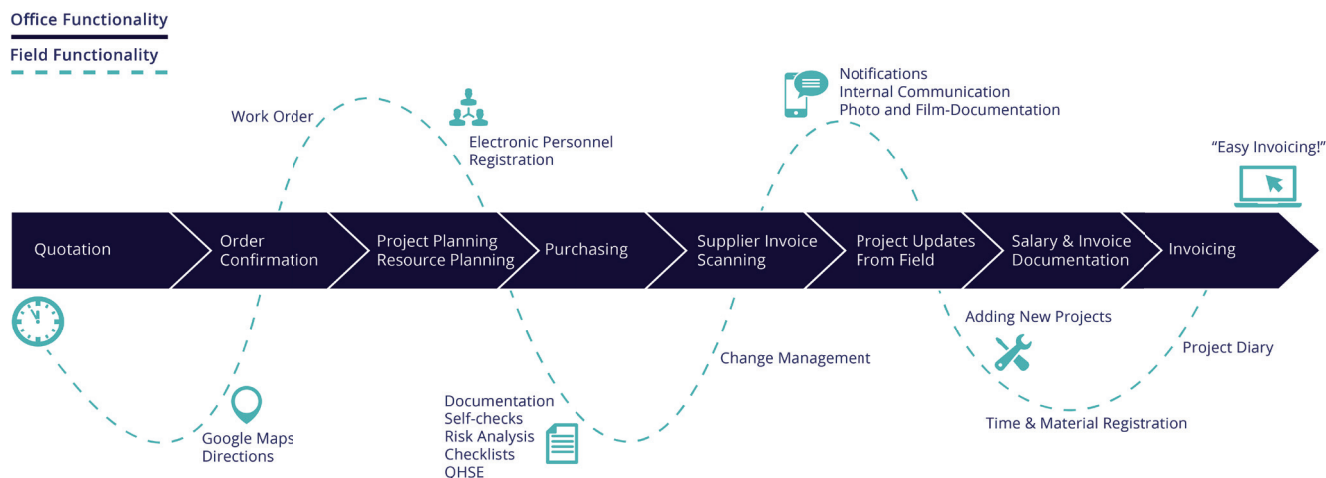
## BEST-OF-BREED

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

same time, we increasingly collaborate across the group and solutions when it comes to customer insight, product and technology, development and sales. Our goal is always to provide the most efficient and productive solutions to our customers. We expect to invest about 9 percent of our revenue in product and technology development in 2025 to further increase our potential to increase growth.

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

## ADDING VALUE THROUGHOUT THE CUSTOMER JOURNEY



## MASSIVE MARKET AND LOW TAKE-RATE

In our existing markets there are about 720 000 companies in the construction industry. As a market leader we have over 13 400 customers, showcasing the low market penetration. Most of these are SME companies where our solutions are a great fit. Calculations show that the potential market size is above NOK 50 billion\* in the Nordics and the UK in 2024.

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

## STRONG GROWTH DRIVERS FOR DIGITALISATION OF AN ATTRACTIVE SME CONSTRUCTION MARKET



### Lack of skilled workers

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



### Digitally maturing users and software

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



### Increasing demand for detailed digital documentation

- Regulatory offices
- Consumers



### Long tail of service needs in private and public sector

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

## ATTRACTIVE BUSINESS MODEL

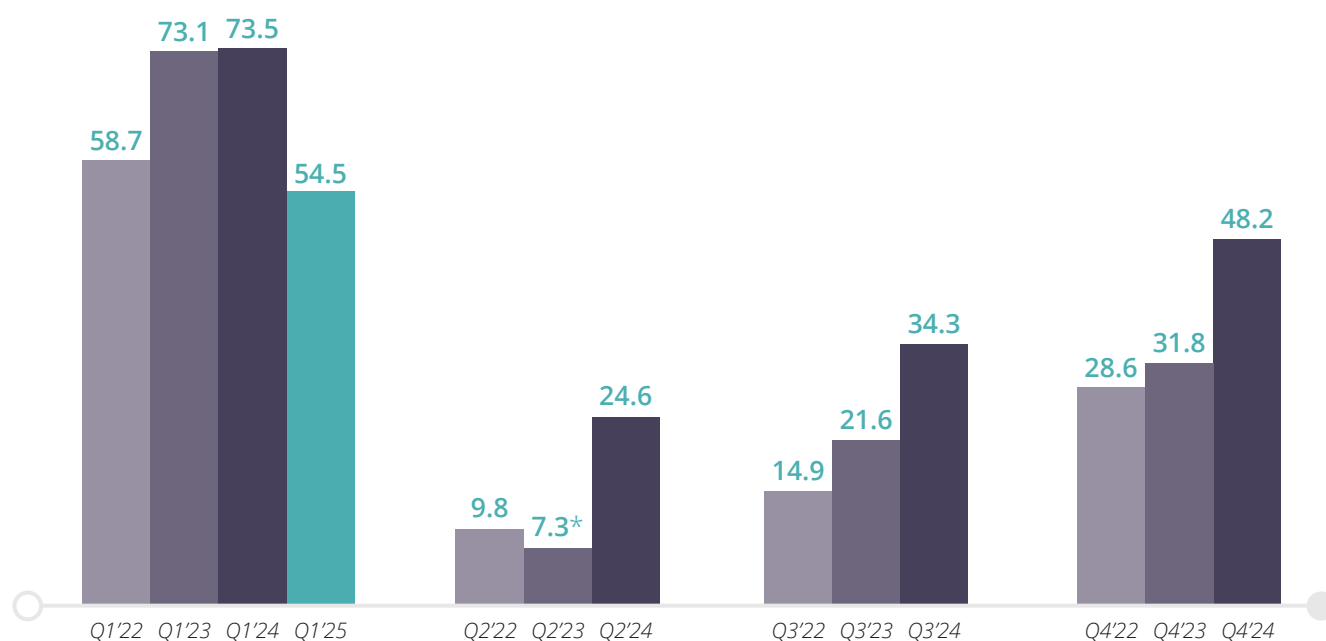
The story of SmartCraft has for many years been the story of profitable growth. We love our cloud-based Software-as-a-Service model for many reasons. One being the fact that the cost of adding one additional customer or user is minimal. This, combined with an efficient sales and marketing organization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

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

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

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

### HIGH LEVEL OF CASH GENERATION FROM OPERATING ACTIVITIES, MNOK



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

## HIGH QUALITY OF EARNINGS

We strongly believe in making business as easy as possible for our customers and that SmartCraft employees focusing on what is mission critical for our customers; to have business control by having a good digital overview of people, material and documentation. In the first quarter 2024, 95 percent of our revenue was recurring, adjusted for the recent acquisitions with low margins. The high level of recurring revenue creates a solid, predictable financial profile with low risk.

The high level of recurring revenue is a result of

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

Clear strategy to increase recurring revenue and financial visibility

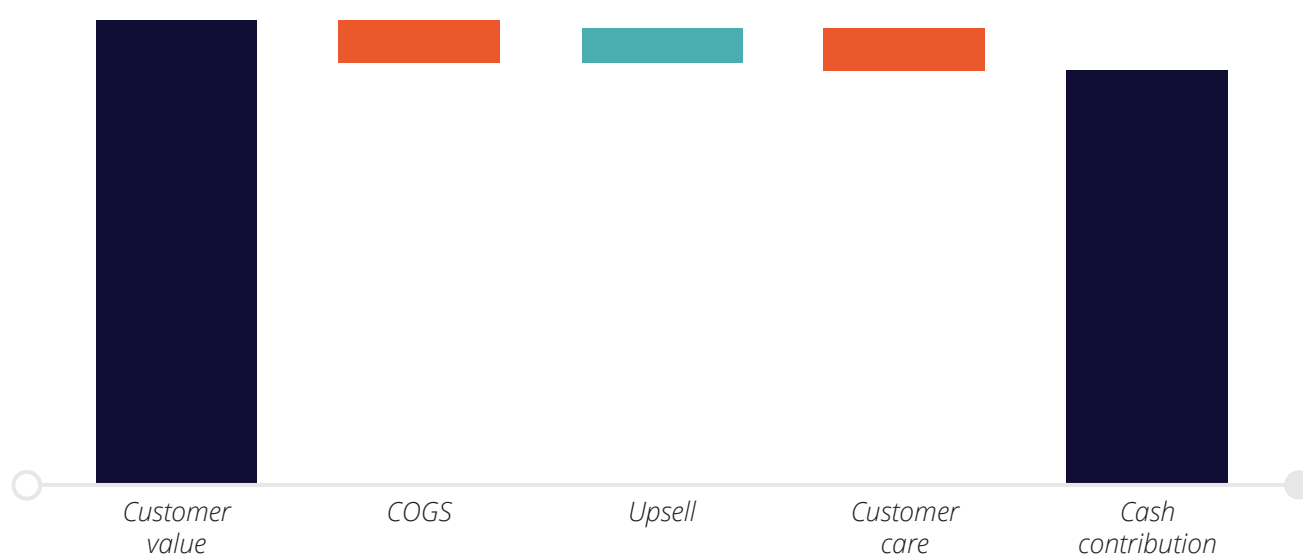
Revenue sources we avoid	Actions to secure high recurring revenue	Short-term financial effects	Strategic benefit
Setup/installation fees	Including one-time revenue in subscription fee	Reduced revenue Lower margin	<ul style="list-style-type: none"><li>o Low threshold to become a customer</li><li>o Increased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

## "RULE OF 90"

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

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

Scalable business model provides strong cash contribution per new customer





# FOCUS ON ELECTRO AND PLUMBING COMPANIES IN THE RENOVATION SECTOR

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

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

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

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

*\*Heating, water and sanitation*

## SIGNIFICANT GROWTH AMBITIONS

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

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

### Organic growth: Further optimization of marketing and sales



Win new customers



Upsell to existing customers



Cross sell on existing portfolio

### M&A in existing and new geographies



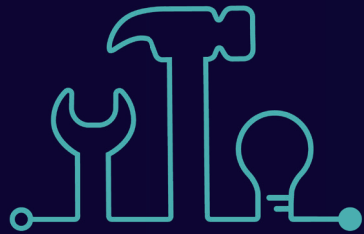
Proven M&A track record



Detailed M&A methodology



Active M&A pipeline



**SmartCraft**