Q2 and first half year 2021 results

SmartCraft ASA

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Agenda

- A brief intro to SmartCraft
- Q2 operational and financial highlights
- Summary and outlook
- Q&A

A brief intro to SmartCraft

Presenters

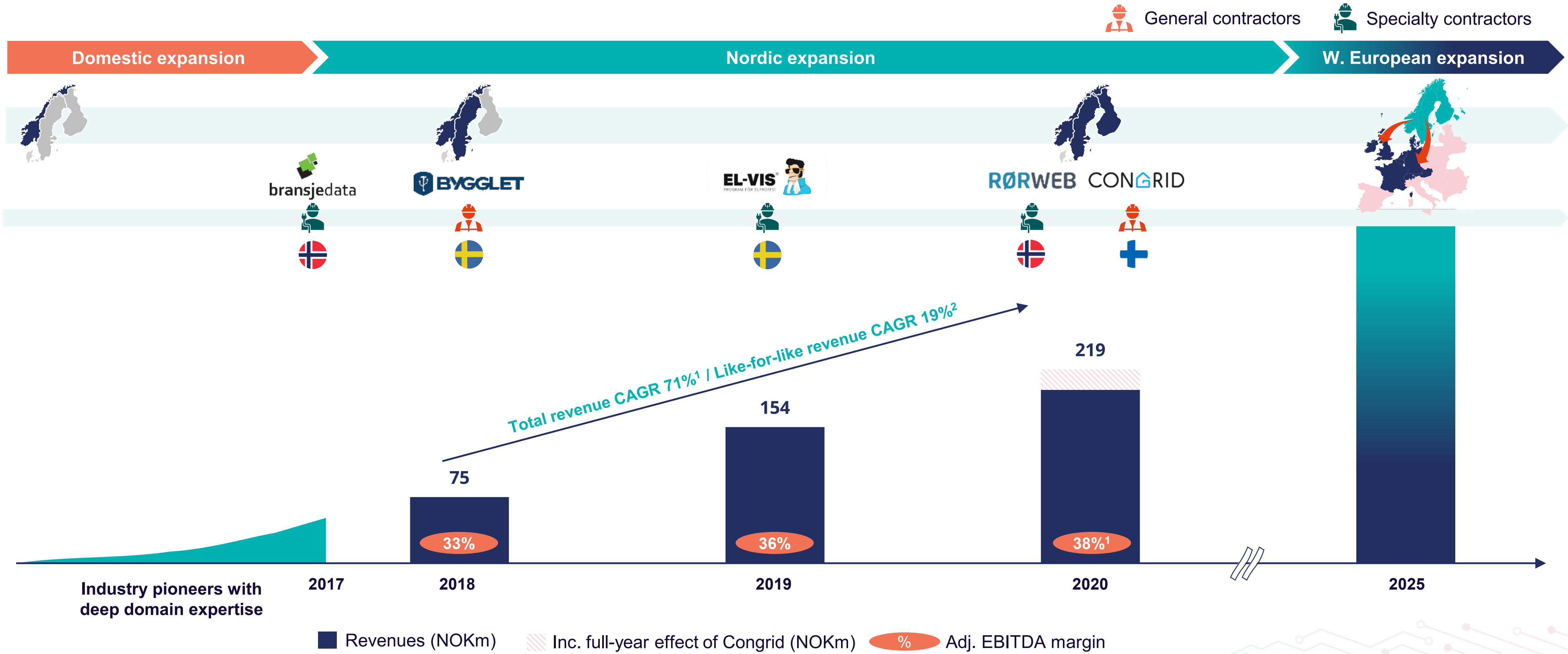
Gustav Line

Chief Executive Officer

Kjartan Bø

Chief Financial Officer

History of strong profitability and rapid growth

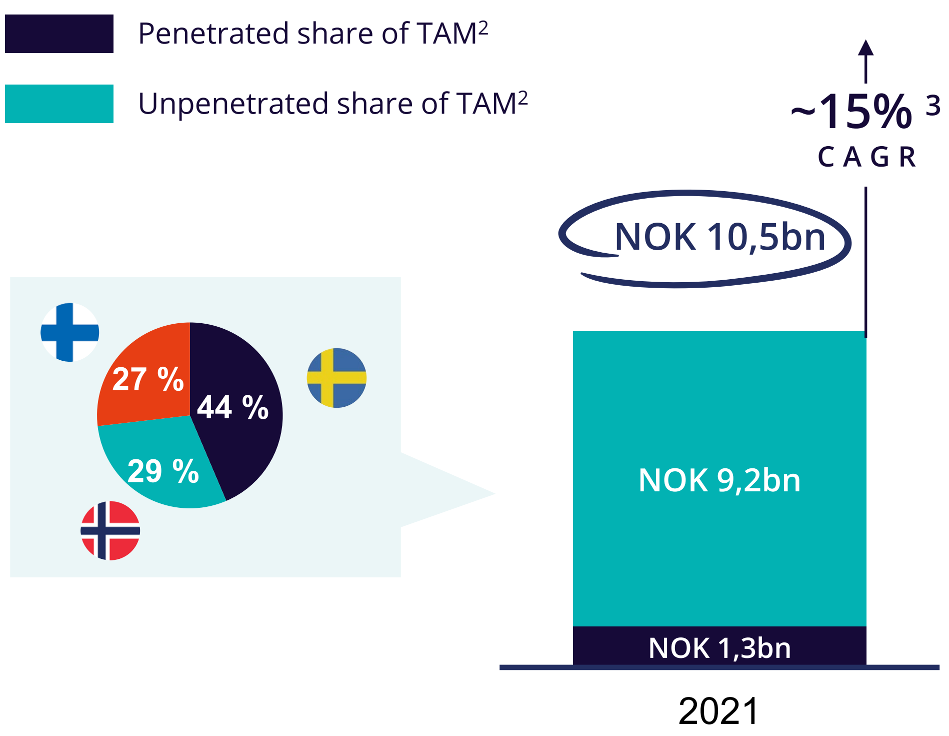


Note: Financials for 2019 and 2020 prepared according to IFRS, 2018 financials prepared according to NGAAP
1. Including full-year effect of full-year effect of Congrid; 2. Like-for-like growth defined as weighted average growth of companies part of the group at the end of the year

Great potential in existing markets

The construction industry has a low level of digitalization compared to other industries

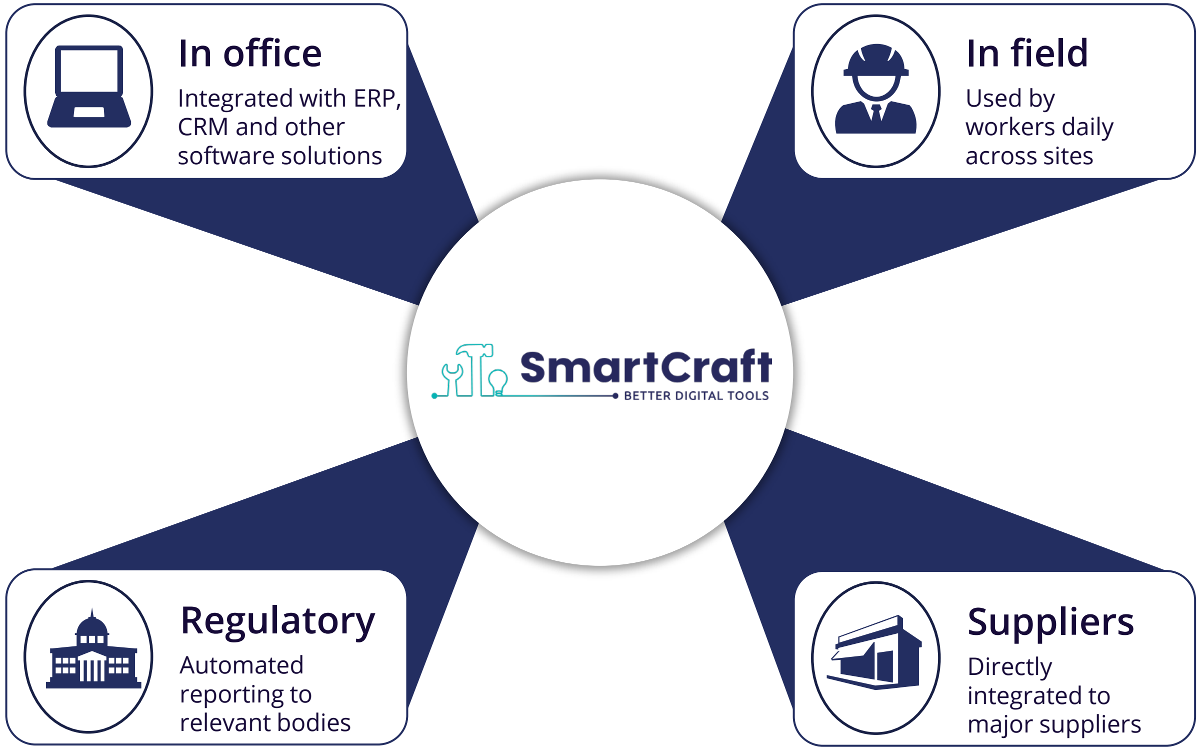
- Nordic market opportunity at ~50x SmartCraft 2020 sales
- Market growing by 15% annually
- Dramatically increase in building material costs requires great control of the use of materials



Source: ADL, alllabolag.se, proff.no, taloussanomat.fi, statistical data from SCB, SSB, Statistics Finland, Eurostat, GlobalData
1. Nordic defined as Norway, Sweden and Finland; 2. Based on bottom-up market estimates for Norway, Sweden and Finland; 3, CAGR in penetrated market 2020-2025, 4. Based on 2021 market estimates; 5. "Northwestern Europe" outside current scope defined as Germany, Switzerland, The Netherlands, Denmark, Austria and United Kingdom

Highly integrated solutions with many touch points

Integrated with all key customer activities



All-encompassing, easy-to-use platform

- ✓ Solution covers all daily and new project tasks
- ✓ Modular offering
- ✓ «All-in-one» app solution
- ✓ ~80% of users[1] use the solutions on a daily basis
- ✓ Easy to implement, easy to use, easy support

Note: 1. Based on Cordel users

SmartCraft has a clearly differentiated and unique position in the value chain

Least digitalized

	Design and planning phase	Building phase	Accounting phase
Enterprise	AUTODESK	PROCORE	Microsoft Dynamics
SME	NEMETSCHEK GROUP	SmartCraft admicom	FORTNOX
Customers / User groups	Architects | Engineers | Planners	General and speciality contractors	Accountants and administrators

Multiple attractive levers to drive organic growth

1

Continue to capitalize on position and underpenetrated market

2

Up-sell & price optimization
Multiple levers for up-selling

- Use case expanded
- Modules added
- Upgrade to premium
- Users added
- Basic

3

Cross-sell existing portfolio

All modules across all geographies

4

Deepen and expand presence in new industry verticals and new SaaS modules

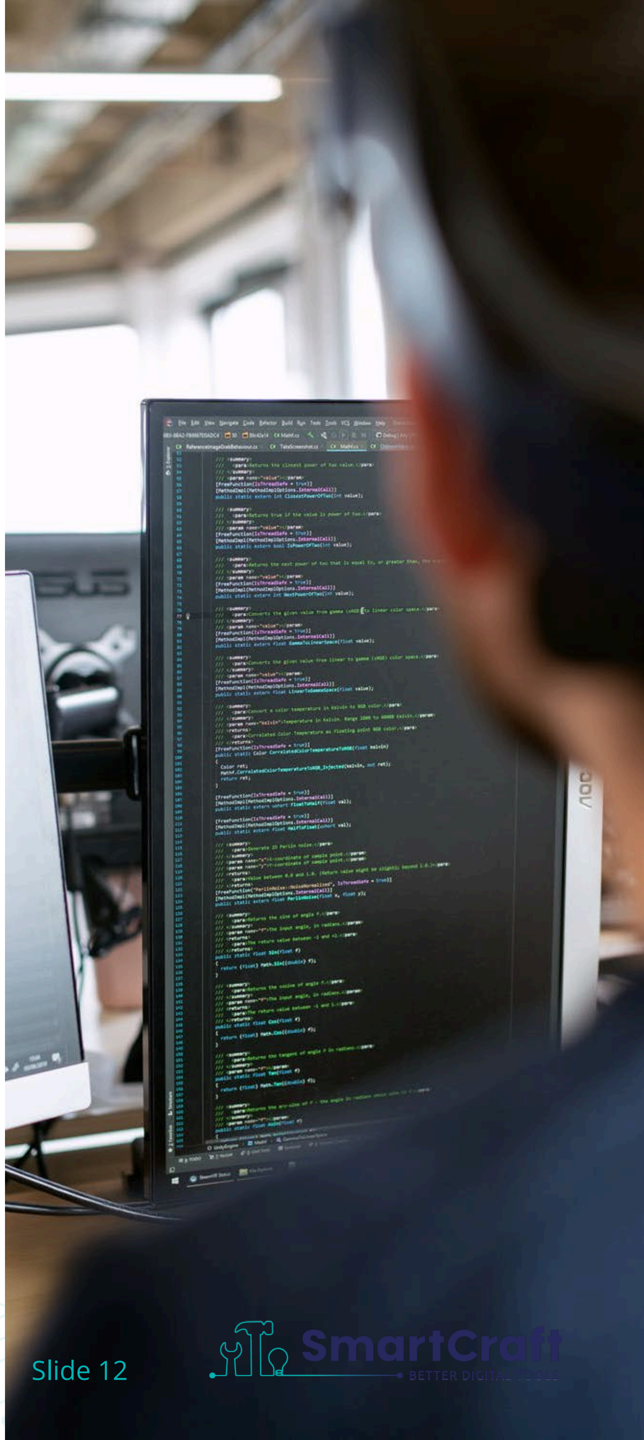
- New industry verticals
- New SaaS Modules

Clear growth levers to be driven by a strong commercial organisation and proven go-to-market model

Q2 operational and financial highlights

Continued focus on M&A, product development and organization

- Financial results and execution in Q2 according to plan
  - 36% revenue growth
  - 47% adjusted EBITDA
- Successful IPO
- Acquisition of HomeRun strengthens position in Finland
- Christian Saleki started as CTO enabling further synergies and scale
- Strengthened position in Electro with strategic customer wins and new features in solutions
- Continued focus on sales excellence
  - Success with digital events and meetings continues
  - EL-VIS 1500 participants at digital events



Successful IPO – Solid platform for future growth

- Solid domestic and international investors including
  - Capital World Investors
  - Carnegie Fonder AB
  - Handelsbanken Fonder AB

- Strengthened Board of Directors with broad industry and international experience

- IPO proceeds gross mNOK 568*:
  - Redeemed preference shares mNOK 209
  - Paid down loan facilities mNOK 234
  - Strengthened investment and acquisition ability

*) Including greenshoe of mNOK 68 materialized in July

Key facts

Listed
Oslo Børs, Norway

Market cap
Pr 20/8/21: BNOK 3.84

IPO date
24 June 2021

Reporting interval
Quarterly

Ticker code
SMCRT

Research coverage
ABG Sundal Collier Berenberg Carnegie

Website
Smartcraftready.com

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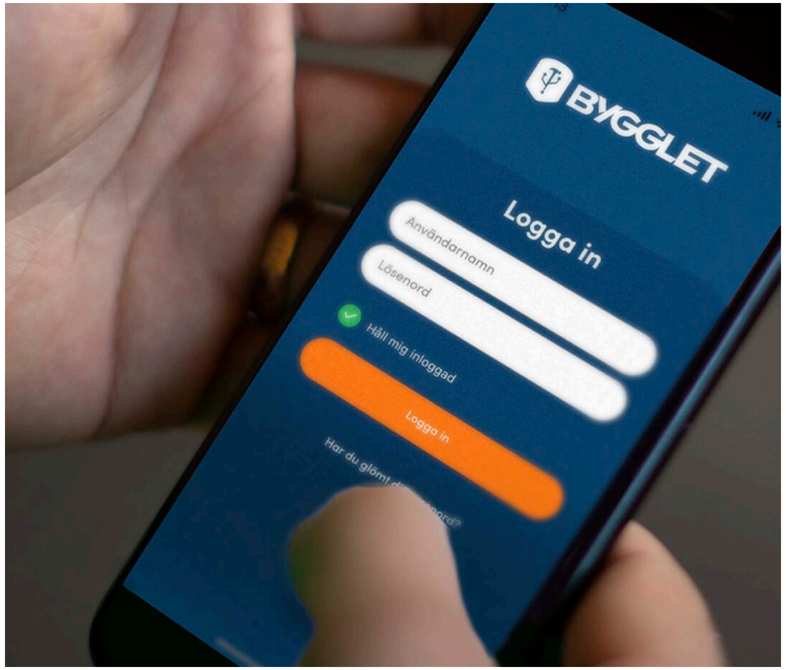
Product development on plan

- BIM viewer released and pilots ongoing
- Cordel Quality Assurance module reached 600 users
- EL-VIS is on plan for internationalization, on target to release in Finland in Q3
- Released new Bygglet App
- Launch pilot of Nordic tender calculation in H2



Proven M&A ability in a fragmented market – SmartCraft well positioned to lead the consolidation

HomeRun.net

- HomeRun (acquired May 21)
- Project communication and management platform for housing projects
- Great potential to scale solution cross customer base
- Strengthened position in Finland

KVALITETSKONTROLL

- Kvalitetskontroll (acquired July 2021)
- Quality Assurance and Environment, Health & Safety solutions
- Great opportunities for cross sell in Norway and potentially the Nordics
- Establish SmartCraft as an industry leader with strong expertise in this area

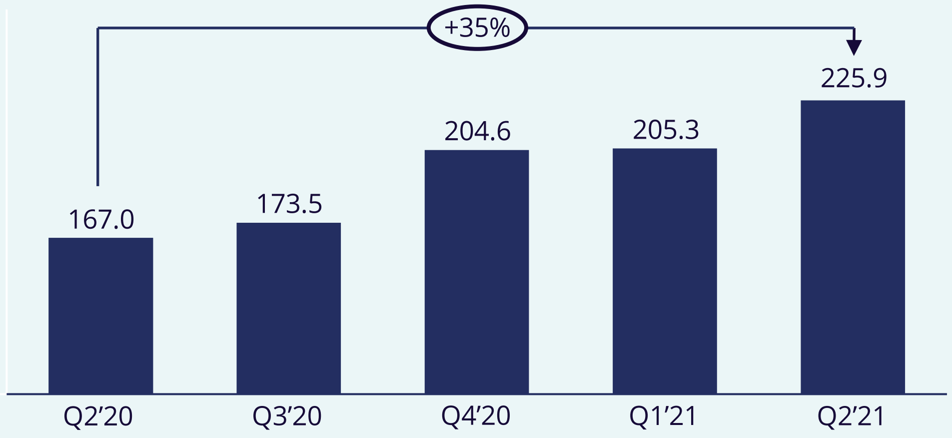
M&A strategy

- Buy complementary solutions in existing and new markets
- Use acquired solutions in new geographies as a bridgehead for existing portfolio solutions
- Buy similar best-in-class solutions in new geographies
- Potential to offer a combination of existing solutions to new geographical markets

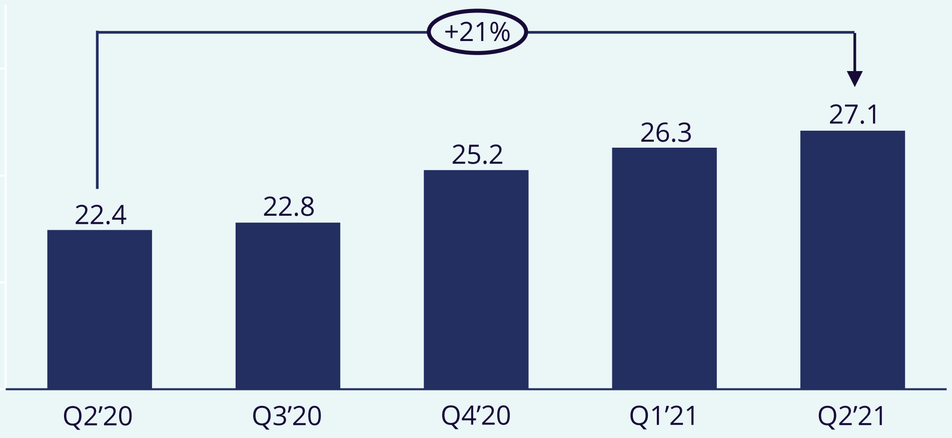
Strong growth and high profitability in Q2

- Strong growth in ARR and ARPC
- 35,7% revenue growth
- 17,9% organic growth
- 47,1% adjusted EBITDA margin
- Churn stable at 6,3%
- Strong cash conversion

ARR development, mNOK



ARPC development, tNOK



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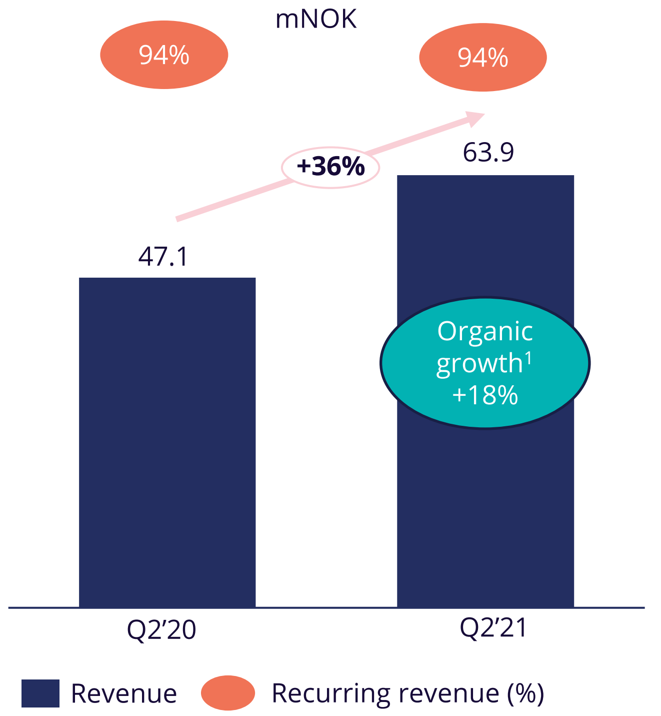
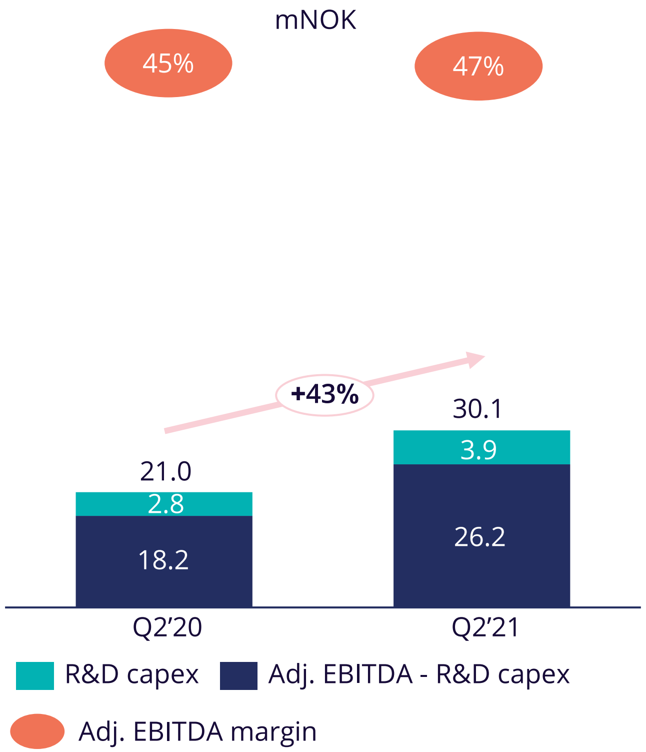
Q2 2021 proves the strong momentum of the business and the scalability of the business model

Strong YoY revenue growth



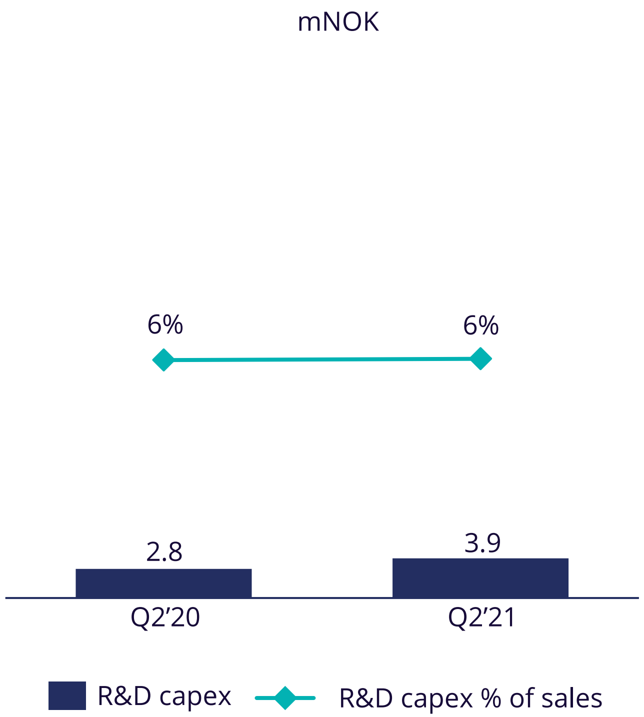
- Continued solid organic growth with additional M&A

increasing profitability



- Q2 is a seasonally strong quarter
- Some planned hires delayed

R&D capex

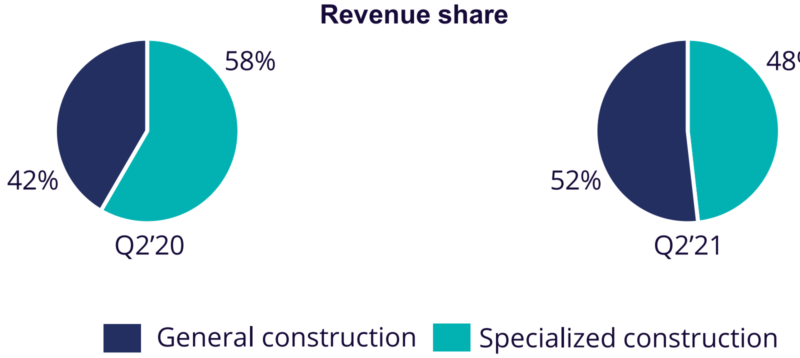


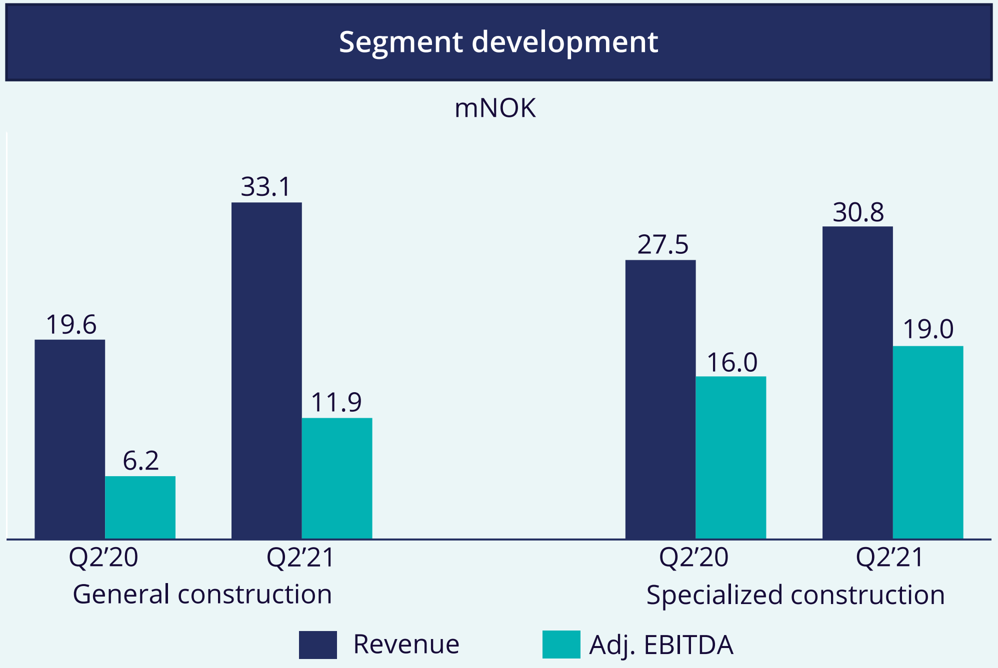
- R&D capex expected to continue to increase in line with growing revenues

Note 1. Defined as weighted average growth of the companies part of the group in Q1'20 adjusted for currency effects

Healthy development in both segments in Q2

- General construction revenue growth 69%
  - Acquired two companies
  - Existing solutions in general construction drive EBITDA growth
- Stable revenue growth of 12% in specialized construction solutions
  - Strong EBITDA margin due to unique value proposition and seasonality
- Segments have equal share of revenue in Q2





- General construction growth driven by both acquisitions of Congrid and Homerun and existing solutions
- Both segment's underlines the business scalability

Financials

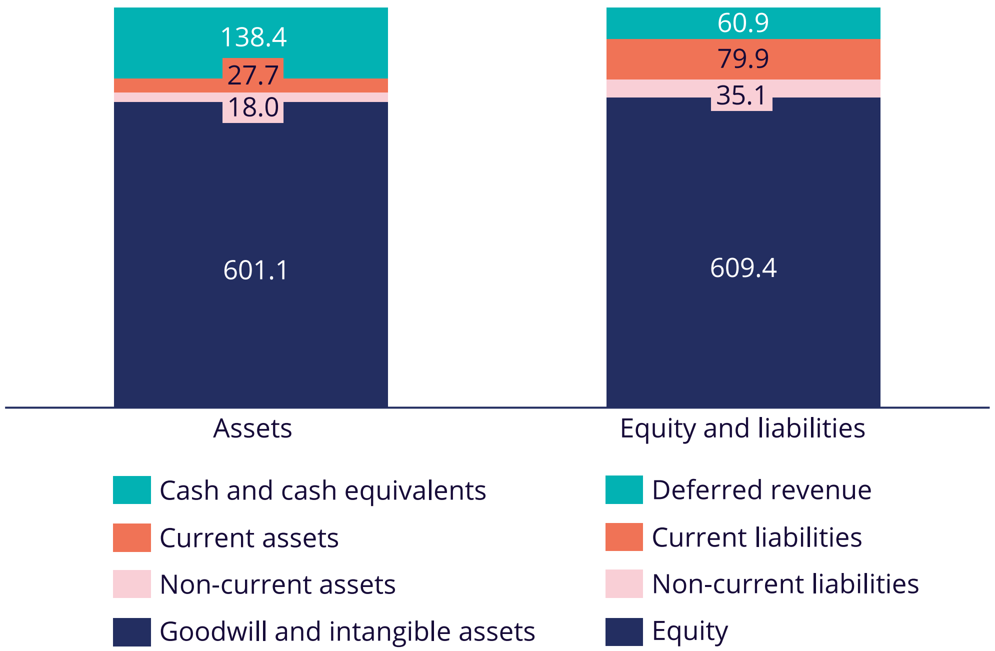
- Maintaining a high gross margin
- Payroll expenses increase from acquisition, FTE growth and salary increases
- EBITDA adjusted for restructuring/IPO expenses, acquisition costs and other one-off items
- D&A increase driven by acquisition and R&D
- Net financial items decrease as Q1'20 was largely affected by currency changes
- Accrued tax is determined by a set representative tax rate for the Group and calculated on basis of GAAP taxable profit

Amounts in NOK (thousands)	**Q2 2021** unaudited	**Q2 2020** unaudited	**change**	**change %**
Revenue from customers	63 889	47 093	16 796	35,7 %
Purchase of goods and services	5 734	4 727	1 007	21,3 %
Gross profit	58 154	42 366	15 789	37,3 %
Gross margin	*91,0 %*	*90,0 %*	*+1,0 pts*	*+1,0 pts*
Payroll and related expenses	22 717	15 755	6 962	44,2 %
Other operating expenses	29 131	5 890	23 241	394,6 %
EBITDA	**6 306**	**20 720**	**(14 414)**	**(69,6 %)**
Adjustments of special items	23 755	240	23 515	9798,1 %
Adjusted EBITDA	**30 062**	**20 960**	**9 101**	**43,4 %**
EBITDA margin	*9,9 %*	*44,0 %*	*(34,1 pts)*	*(34,1 pts)*
Adjusted EBITDA margin	*47,1 %*	*44,5 %*	*+2,6 pts*	*+2,6 pts*
Depreciation and amortization	5 064	4 196	867	20,7 %
EBIT	**1 243**	**16 524**	**(15 281)**	**(92,5 %)**
Net financial income (expense)	(2 282)	339	(2 621)	(773,3 %)
EBT	**(1 040)**	**16 863**	**(17 903)**	**(106,2 %)**
Tax expense	1 121	3 119	(1 998)	(64,0 %)
Profit (loss)	**(2 161)**	**13 744**	**(15 905)**	**(115,7 %)**

Financials

Balance sheet, June 30, 2021

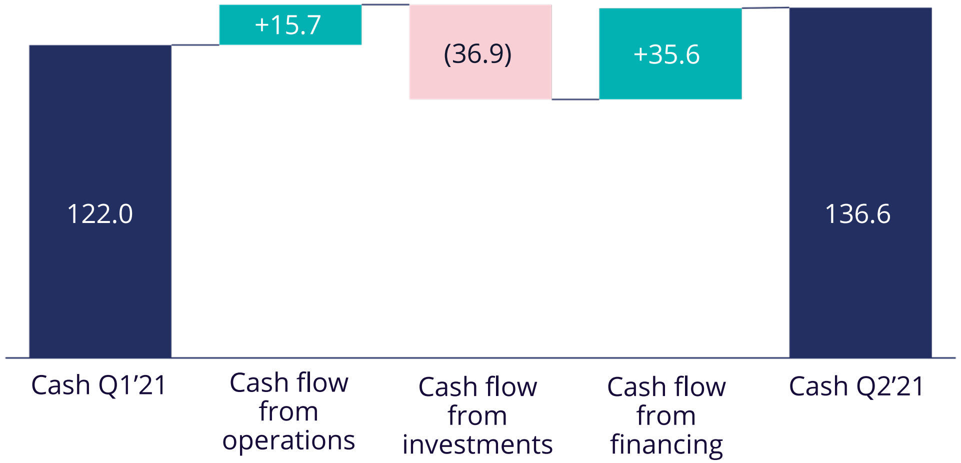
mNOK



- Repaid all loan facilities, negative NIBD post IPO
- Increasing negative NWC driven by customer payment plans

Cash flow

mNOK



- Strong cash flow in Q2 excl. IPO and M&A
- Cash conversion in line with expected level
- IPO proceeds of mNOK 500 offset by repayment of loan facilities and redemption of preference shares

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Summary and outlook

Summary & outlook

Key focus H2 2021

- Integrate HomeRun and Kvalitetskontroll
- ELVIS in Finland
- Cordel Nordic Calculation
- Continue focus on Electro companies
- Investigate cross group opportunities

Medium-term financial targets

- 15-20% annual organic revenue growth
  - Customers need to digitalize to increase productivity and reduce costs of material
  - Large underpenetrated market growing double digits annually
  - Cross sell and upsell
- Adjusted EBITDA margin to increase compared to the 2020 baseline due to scalability and synergies

Q&A

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