

SmartCraft acquires Kvalitetskontroll AS, further consolidating the SaaS market for construction companies

9 July 2021: SmartCraft ASA ("SmartCraft" or the "Company") has today entered into an agreement and completed the acquisition of all the shares of Kvalitetskontroll AS ("Kvalitetskontroll"), adding almost 2,000 SaaS customers within quality assurance and environment, health and safety for the construction industry in Norway.

"Kvalitetskontroll and SmartCraft is a perfect match, as we are now adding important functionality and a significant number of new clients to our already market leading portfolio of services for craftsmen and contractors in the Nordics," said Gustav Line, CEO of SmartCraft, newly listed on Oslo Børs.

More than 21,000 users in almost 2,000 companies use Kvalitetskontroll's SaaS based solutions for quality assurance and environment and health and safety (EHS), with functionality like deviation management, checklists, time management, inspection management and order management.

Kvalitetskontroll had NOK 23.5 million of revenue in 2020, of which close to 90 percent was recurring. The revenue grew by 24 percent from 2019, when adjusting for certain one-off revenues related to one particular customer. The EBITDA margin in 2020 was 4 percent. Kvalitetskontroll is based in Rogn outside Bergen, Norway, and has 29 employees.

"Kvalitetskontroll is our seventh acquisition, and an active approach to M&A and consolidation of the industry is a key part of SmartCraft's strategy. We expect to achieve significant synergies through the acquisition of Kvalitetskontroll,



as we will be able to cross-sell Kvalitetskontroll's solutions to our existing customer base and vice versa. The combination will also allow for increased efficiency and lower cost when it comes to sales and product development," said Gustav Line.

"The goals and visions of Kvalitetskontroll are very much aligned with those of SmartCraft. As members of the SmartCraft family, we will be able to provide a stronger and better product to existing customers as well as capture new market shares being part of a larger, competent and powerful group," said Christer-Andre Kleppestø, CEO of Kvalitetskontroll.

The transaction is based on an enterprise value of NOK 58.6 million. The purchase price for the shares is NOK 63.0 million, of which NOK 52.4 million was paid in cash and NOK 10.6 million settled by a seller credit that will be converted to 505,618 new shares to be issued by SmartCraft at a subscription price of NOK 21.00 per share, equivalent to the closing price of the shares on Oslo Børs on 8 July 2021. The acquisition is made through SmartCraft ASA's wholly owned subsidiary SmartCraft Norway AS

SmartCraft's goal is to become a leader in the construction market in Northwestern Europe, which is valued at NOK 70 billion.

"We plan to grow significantly and at the same time maintain and increase our profit margin. Our organic growth target is 15-20 percent per year, which will be supplemented by further acquisitions," Gustav Line says.

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IMPORTANT INFORMATION

This information is considered to be inside information pursuant to the EU Market Abuse Regulation, and is subject to disclosure requirements pursuant to Section 5-12 of the Norwegian Securities Trading Act. The stock exchange announcement was published by Gustav Line, CEO, SmartCraft on 9 July 2021 at 7:59.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intends", "may", "should", "will" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

