

voalue



Second Quarter 2022 Financial Results

19 August 2022

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Trond Straume

CEO



Arnstein Kjesbu

CFO



Jørund Haartveit

Senior VP

Value in brief

One of the largest software companies in Norway

Established

2020

Customers

2,200+

Engaged employees

750

Experience in Green Tech

50 years

Customers in

40+ countries

Offices

30

Industry segments



Energy



Power Grid



Infrastructure

Robust, flexible and scalable Volue platform

ENERGY TRADING

**25
MILLION**

algo trades every year based
on >30B automated
calculations

MARKET INSIGHT

**650
BILLION**

API calls to 150K price
curves each year

WEATHER DATA

**120
TRILLION**

data points collected from
sensors annually

Working across three major industry segments

Energy

Help customers master the energy transition by enabling end-to-end optimisation of the green energy value-chain

Q2 2022 revenues (% of total) NOK 189m (64%)

Recurring revenues share (2022) 57%

SaaS revenues (2022) 23 %

EU Taxonomy eligibility HIGH

Power Grid

Enable power distributors to support electrification of society by unlocking flexibility and digital management of the power grid

Q2 2022 revenues (% of total) NOK 60m (20%)

Recurring revenues share (2022) 65%

SaaS revenues (2022) 10%

EU Taxonomy eligibility HIGH

Infrastructure

Deliver flexible capabilities for digital water management and help automate processes and machines for the construction industry

Q2 2022 revenues (% of total) NOK 49m (16%)

Recurring revenues share (2022) 85%

SaaS revenues (2022) 41%

EU Taxonomy eligibility MEDIUM



Highlights for the Quarter

Recurring revenues

NOK
189 mill

17% growth from Q2 2021

Operating revenues

NOK
298 mill

28% growth from Q2 2021

SaaS revenues

NOK
68 mill

29% growth from Q2 2021

Adjusted EBITDA

NOK
44 mill

15% margin,
in line with Q1 2022

Q2 Highlights: Strong growth in Energy segment!

Performance, sales and operations

- Strong top-line growth, with solid closing of the quarter
- 44% growth in Energy segment, with especially tailwind in Trading offerings
- High sales performance, with closing of 750 new deals
- Strong growth in new strategic Energy service contributing to good performance
- Continued strong market outlook
- On track for 2025 ambitions

Adjusted EBITDA and other alternative performance measures (APMs) are defined as part of the APM section in this presentation on page 43.



Strong sales performance – continued strong market

Growing activities in trading market

Nordic & Europe

We closed more than

750

deals in Q2 2022

Managing

2,200+

Customers across more than 40 countries

2022: Several new

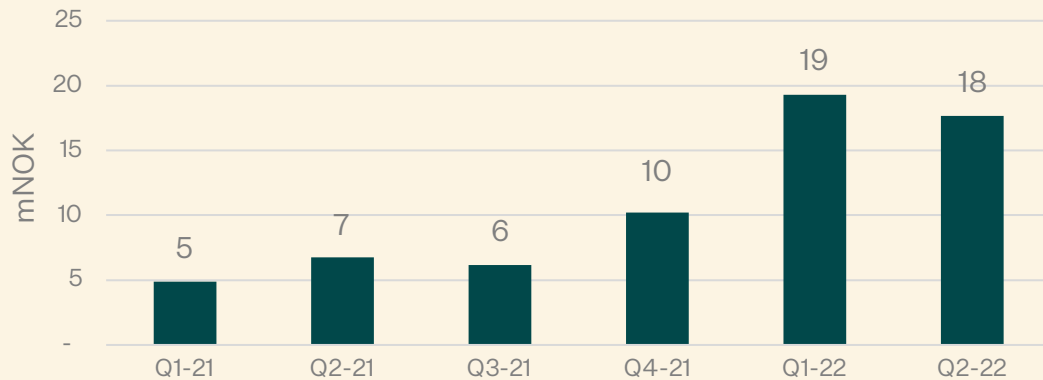
Strategic Contracts

New strategic revenue area

Trading advisory

- A logical next step, following Value’s European success with short-, mid- and long-term price forecasting through the Value Insight platform
- Scalable platform services, enabling customers to increase profit margin from their renewable portfolio, utilising Value’s deep insight to market dynamics and comprehensive trading strategies
- Proven market-ready following robust verification

Quarterly revenue from Trading Advisory 21-22



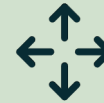
Key strategic value for Value:



Volatility in the Energy market increase complexity, requiring sophisticated solutions to rapidly act on market opportunities



Ground-breaking software trading algorithms, provide unprecedented opportunities for scale



Fixed mandates generating ARR growth



Second Quarter 2022 Financial Results



Financial highlights

Financial highlights (NOKm)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	LTM
Operating revenues ¹	298	233	584	489	1,135
Adjusted EBITDA ²	44	57	90	109	195
Adjusted EBITDA margin	15%	24%	15%	22%	17%
Recurring revenues growth (%)	17%	17%	15%	19%	15%
Recurring revenues (% of revenues)	63%	69%	63%	67%	62%
SaaS revenues growth (%)	29%	51%	39%	50%	42%
SaaS revenues (% of revenues)	23%	22%	23%	20%	22%
R&D CAPEX (% of revenues)	9%	10%	10%	10%	10%

Growth

- Strong financial performance with good growth in our software solution
- 28 % revenues growth from Q2-2021
- Strong growth in SaaS revenues of 29% from Q2 2021
- Energy Segment with 44% revenue growth
- Lower Growth in Power Grid and Infrastructure, but positive trend
- Ongoing change in business models

Profitability

Adjusted EBITDA margin in Q2 down from Q2 2021

- Strategic investments in SaaS platform creates short- to mid-term EBIT impact
- Increased cost to strengthen organisation for future growth
- Shift in business models gives impact on margins

Capex

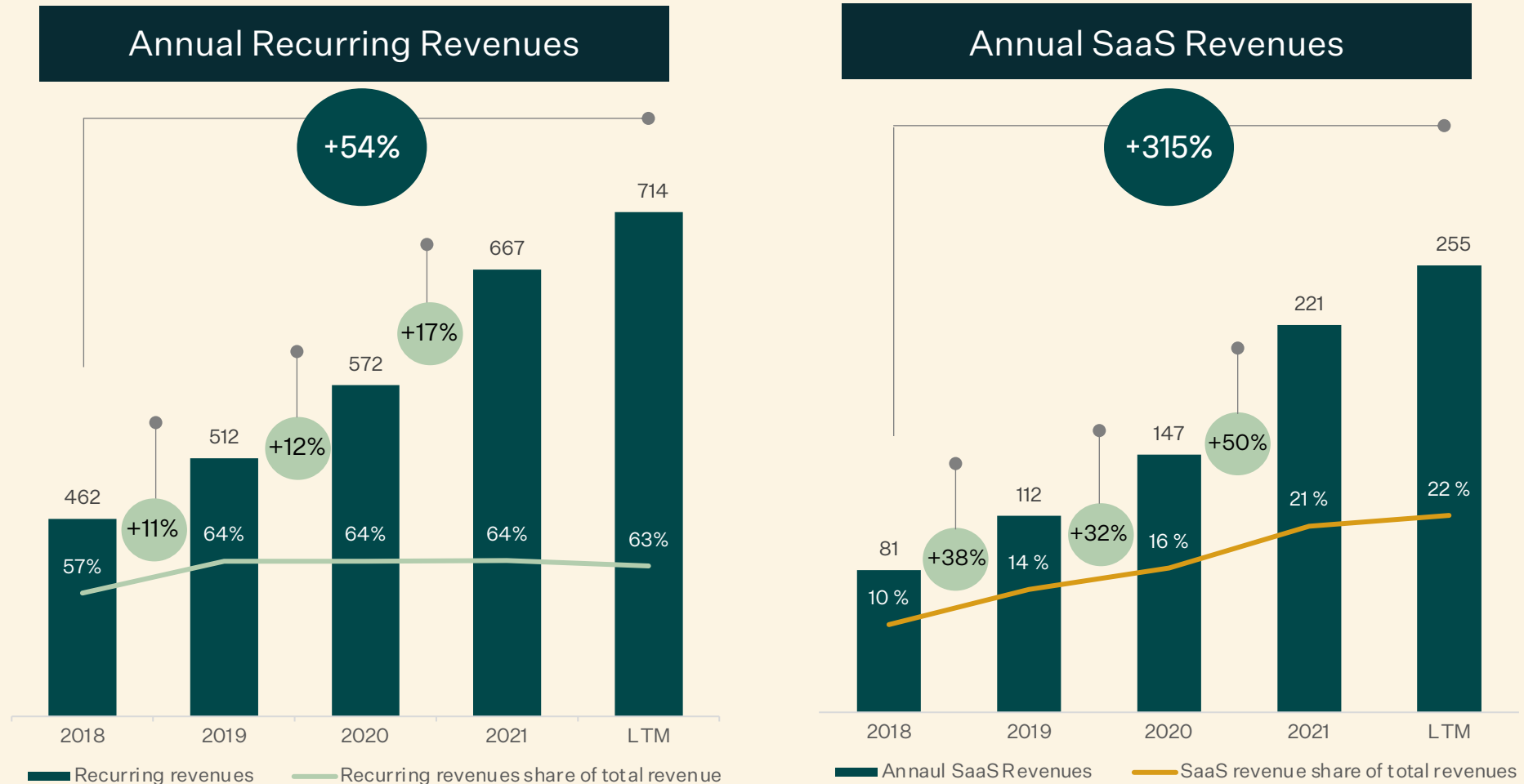
Relatively flat capex level, but lower than plan

- New product features for international growth driving the capex level
- Platform investment for further scalability

¹ Cyber insurance settlement of NOK 20 million not included in operating revenues for 2021.

² EBITDA adjusted for non-recurring items.

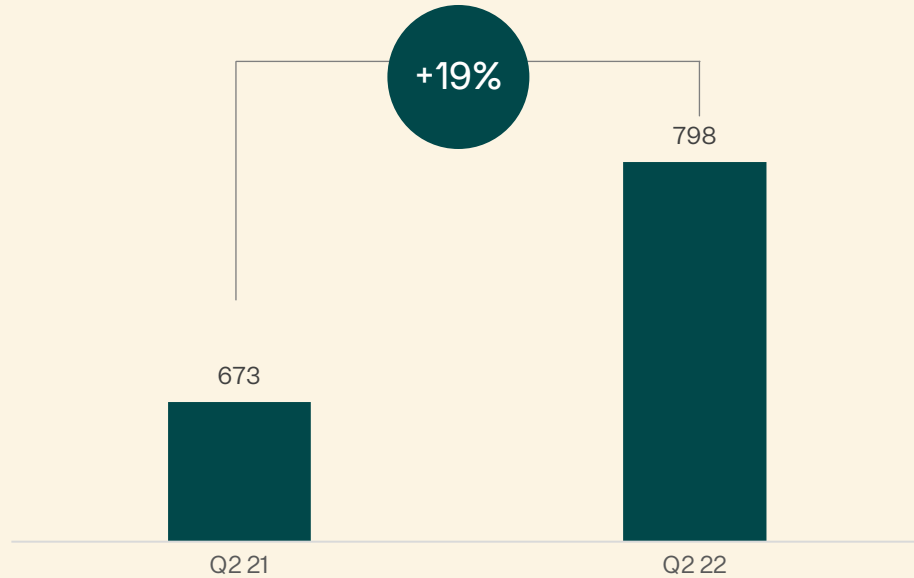
Strong growth in annual recurring revenues (ARR) Accelerating shift towards SaaS



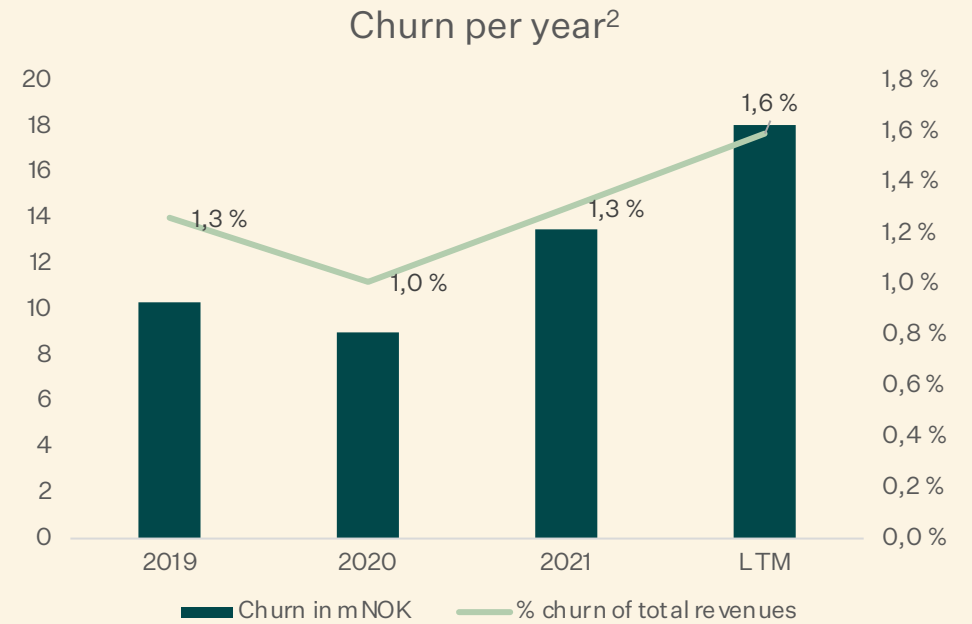
1 Recurring revenues are defined as revenues from recurring contracts including Software-as-a-Service (SaaS)
 2 SaaS revenues are defined as revenues from software hosted by Volue and distributed through web applications

Strong growth in ARR base and highly sticky customer base

Annualised recurring revenues basis¹, NOKm



Customers stay with Value

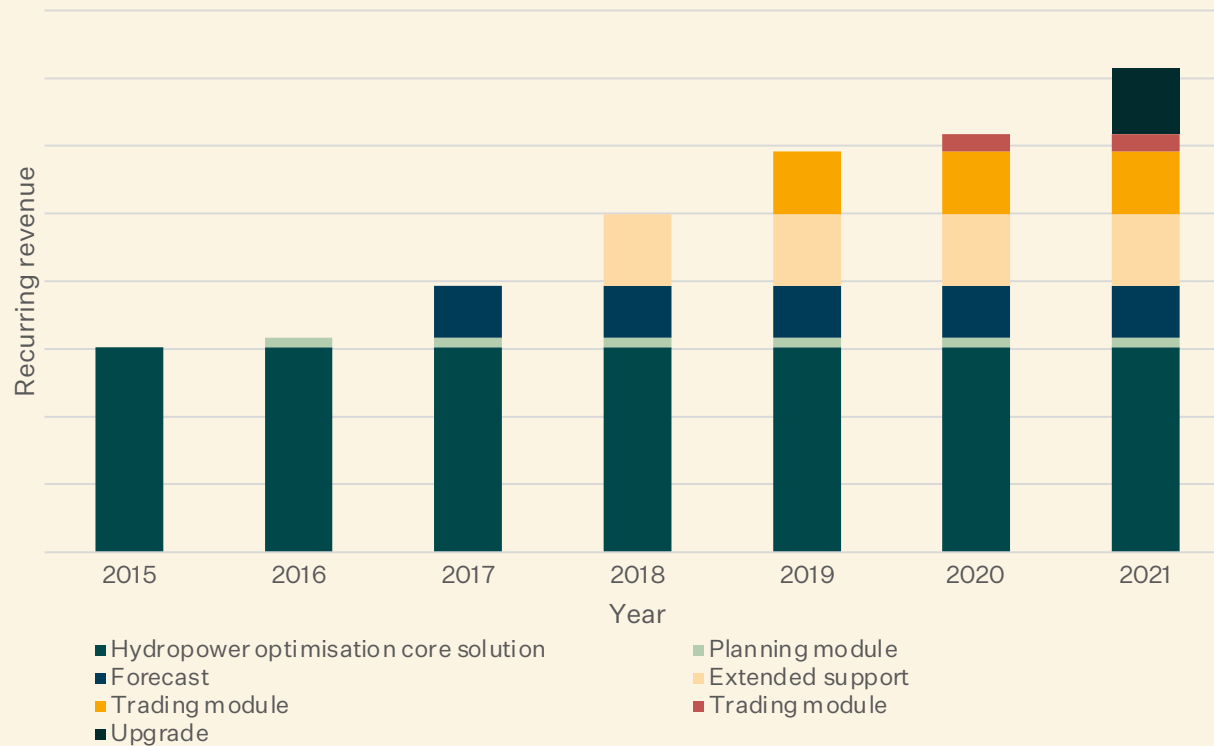


1. Annualised recurring revenues basis is the yearly value of recurring contracts, delivered and not delivered

2. Cancelled yearly recurring revenues divided by total revenues.

Sticky customer base – Volue delivers business critical infrastructure

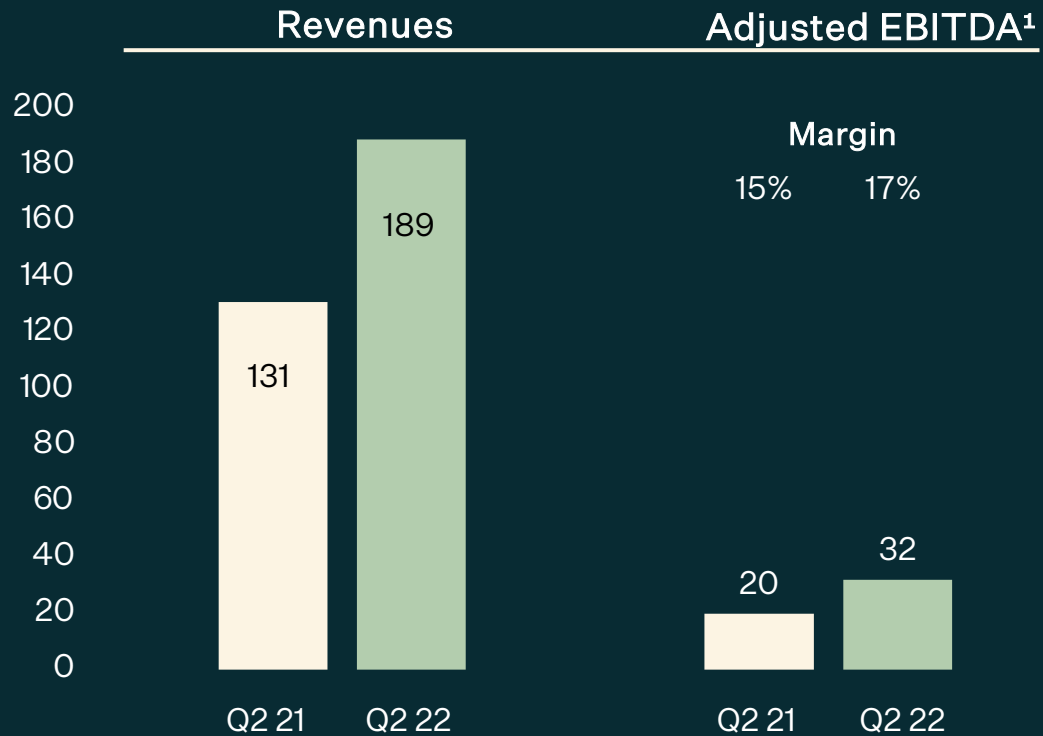
Typical revenue development for a larger
Energy production customer



- Providing high quality and sophisticated software to customers responsible for critical infrastructure
- Crucial for security of supply
- Long lasting customer relations
- Proven quality over time with a strong reputation in the market
- Very sticky customer base - Expanding value offerings for customers over time



Energy Segment



Growth

- Segment with strong growth of 44% from Q2 21
- Solid contribution from European expansion
- Trading area with strong figures due to high activity in the intraday markets
- Increased demands for forecast and analytics services following a strong market trends
- Extraordinary strong results from trading advisory services, giving uplift in operating revenues
- Strong sales, increased order back-log

Profitability

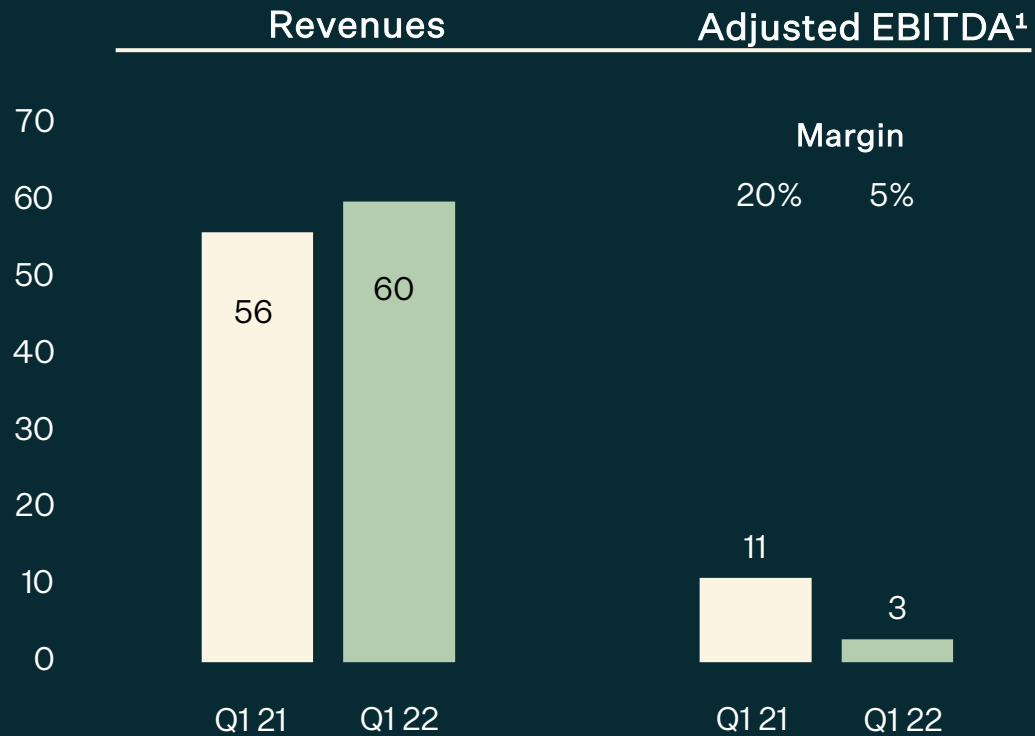
- Increased profitability due to uplift through scalable products
- Increased margins from product portfolio
- Large increase in capacity for further investments in new products and services
- Increased SaaS-share of revenues gives improved margins from the SaaS-portfolio

Capex

- CAPEX level at ~11 % of revenues, mainly constituted by R&D investments
- Significant investments into new products related to optimisation and trading solutions

¹ EBITDA adjusted for non-recurring items.

Power Grid Segment



¹ EBITDA adjusted for non-recurring items.

Growth

- Good sales performance gives uplift in ARR level
- Good market outlook with large pipeline and high activity
- Reduced growth due to mainly delivery capacity
- Strong sales, increased order back-log

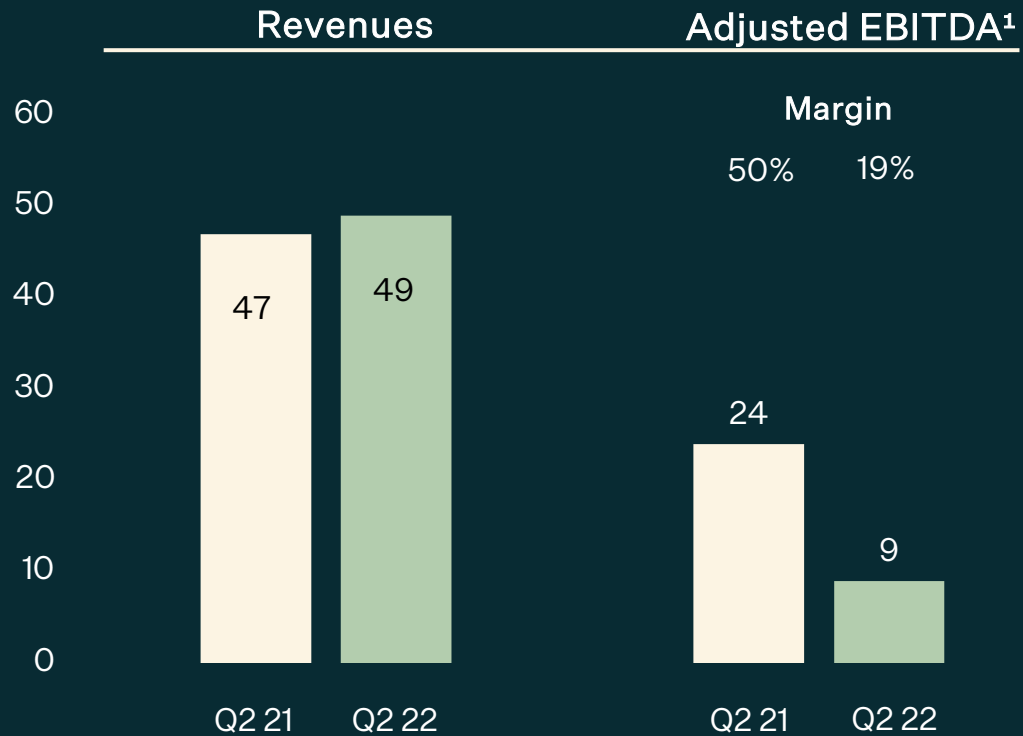
Profitability

- Decreased adjusted EBITDA margin from Q1 due to increased investment
- Investments in the Spark program gives impact on margins compared to last year
- Margins expected to improve going forward
- Investments in market expansions with new products for European markets

Capex

- Increase in CAPEX level in the quarter at ~9 % of revenues
- Ongoing investments in international expansion
- CAPEX level expected to increase over the next 12 months compared to average 2021

Infrastructure Segment



Growth

- Successful shift in business models progressing, creating up-lift in ARR
- Strong growth in SaaS revenues
- Increased activities in Construction market, especially for Sweden
- Strong sales, increased order back-log

Profitability

- Ongoing investments in market expansions combined with shifting to SaaS business models putting pressure on EBITDA margins in the short term throughout 2022
- Adjusted EBITDA margins increased following stronger sales in the quarter compared

Capex

- CAPEX level at ~14% of revenues, expected at same levels in the near-term
- Ongoing investments to increase offerings on SaaS platform and additions to the current product range addressing innovative solution for the water industry

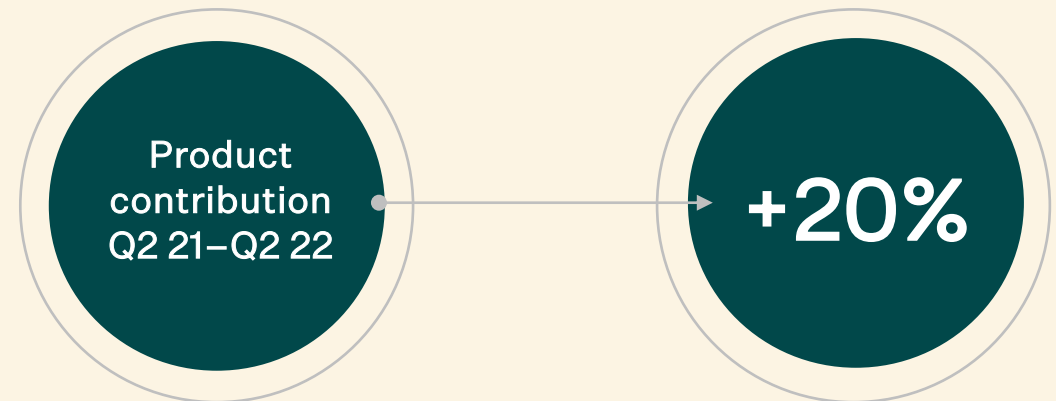
¹ EBITDA adjusted for non-recurring items.

Main drivers for growth in profitability towards 2025

Main drivers for increased profitability towards 2025

- Shift to SaaS will increase profitability over time, but short-term impact
- Economy of scale with centralised technology services and capabilities in Volue Platform
- Realising synergies within the Volue group
- Profitable upsell and growth in new markets

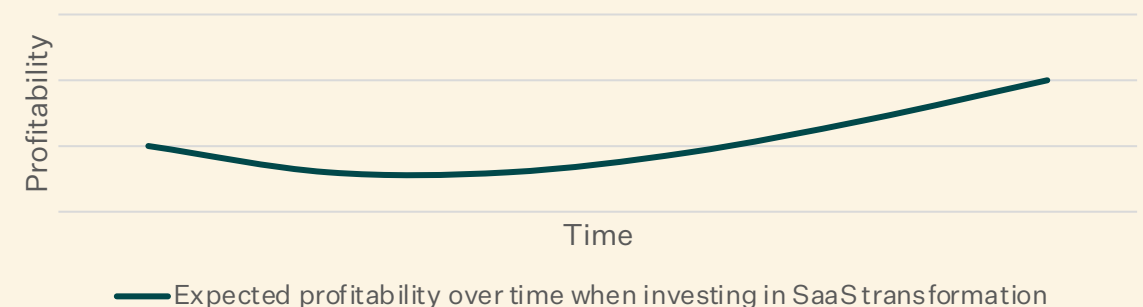
Increasing contribution from product lines



Impacting profitability in 2022

- Investments in scaling the organization, particularly on sales and marketing
- SaaS journey and shift in business models
- Several new business development activities taken into the accounts

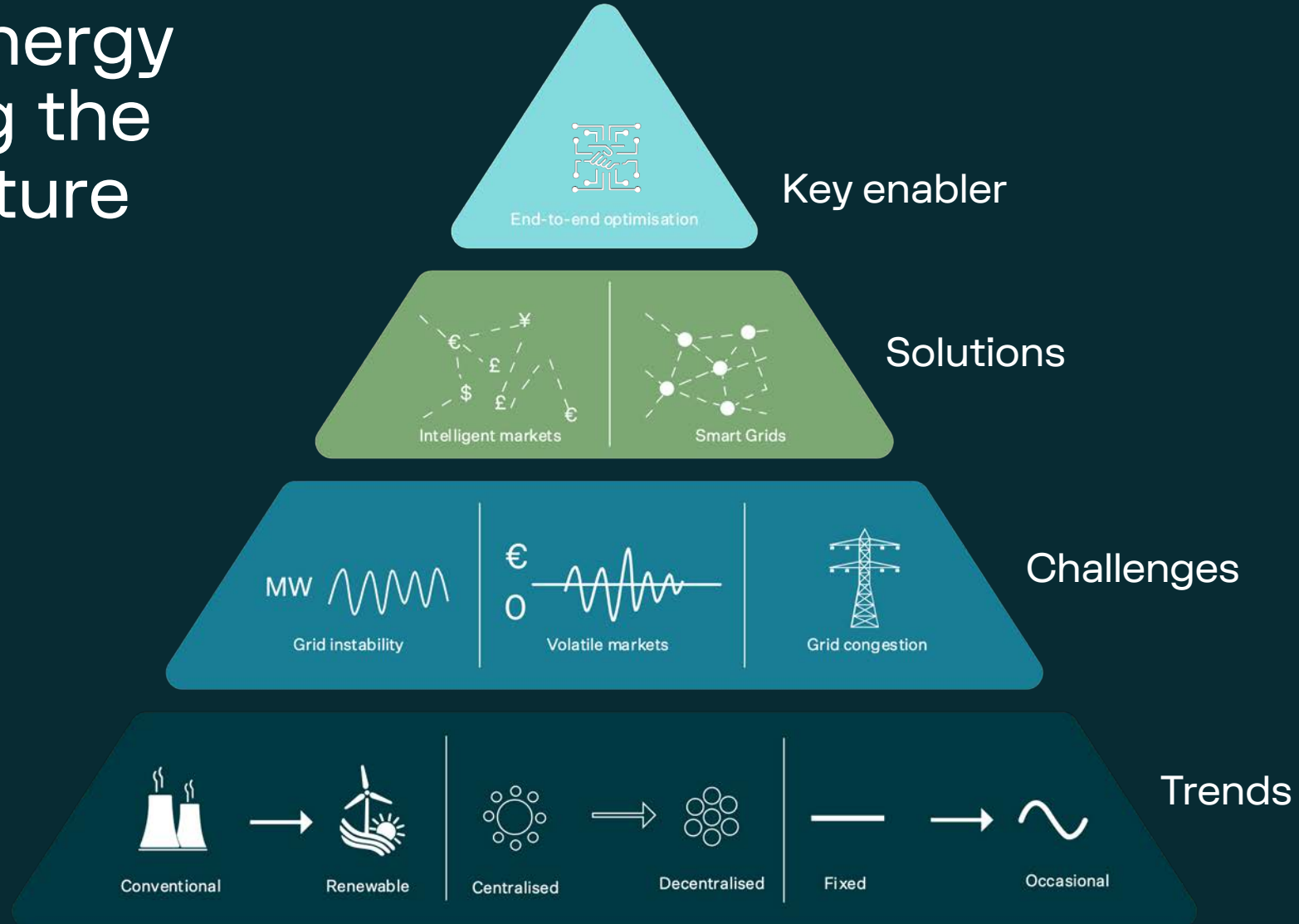
Changing towards SaaS require investments impacting profitability for target product on short term



The image features two prominent high-voltage power transmission towers in the foreground, their intricate lattice structures silhouetted against a soft, orange and blue sky at sunset. Numerous power lines stretch across the frame, creating a sense of depth and scale. In the background, a city skyline is visible, with various buildings and structures also in silhouette. The overall mood is industrial and serene.

Industry Developments and Strategy

Cleaner energy pressuring the infrastructure



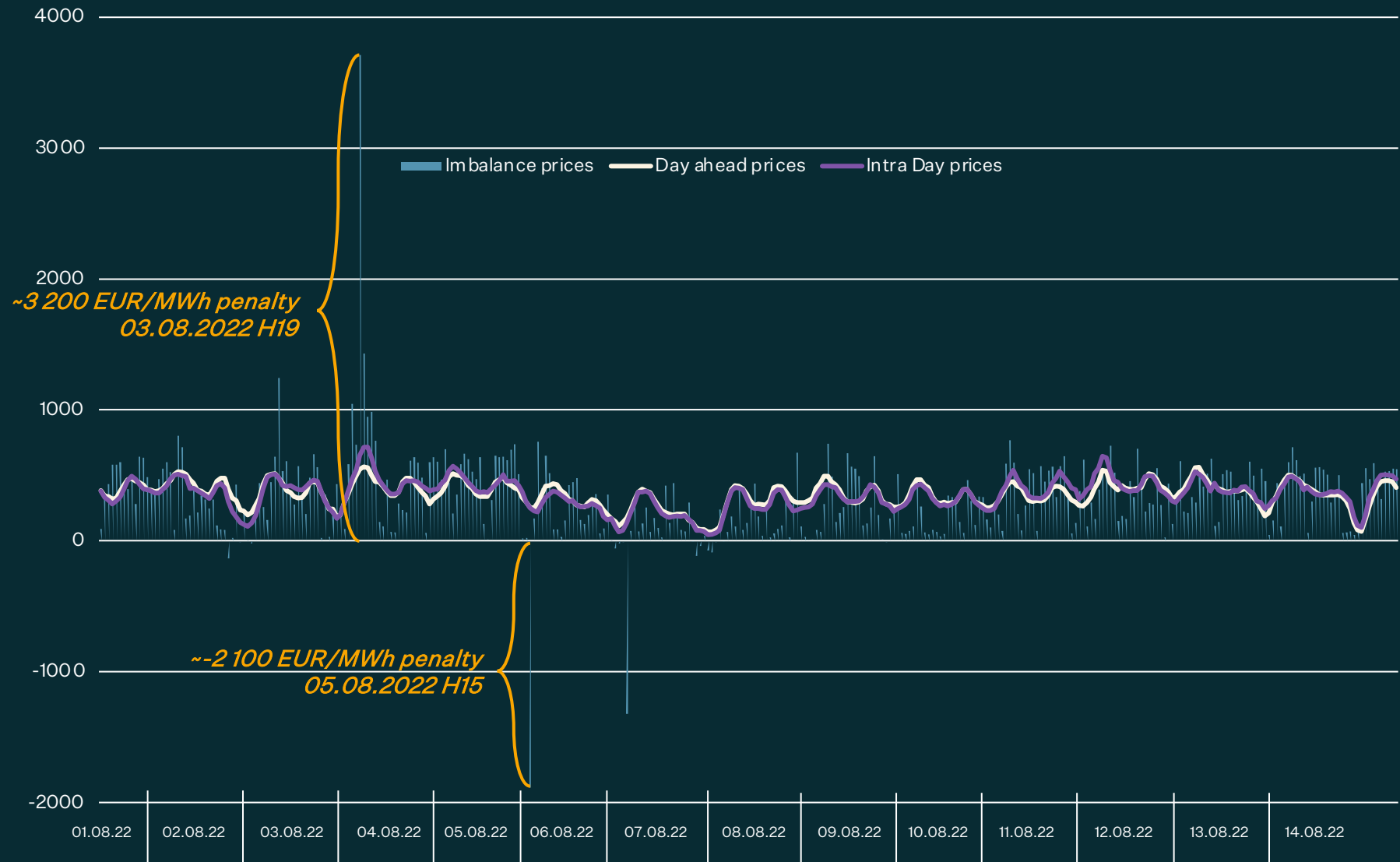
(In)security of supply

- Shortage of gas
- Geopolitical challenges
- Coal and nuclear decommissioning
- Volatile consumption
- Increased power demand
- Rapid increase of renewables
- Electrification ongoing



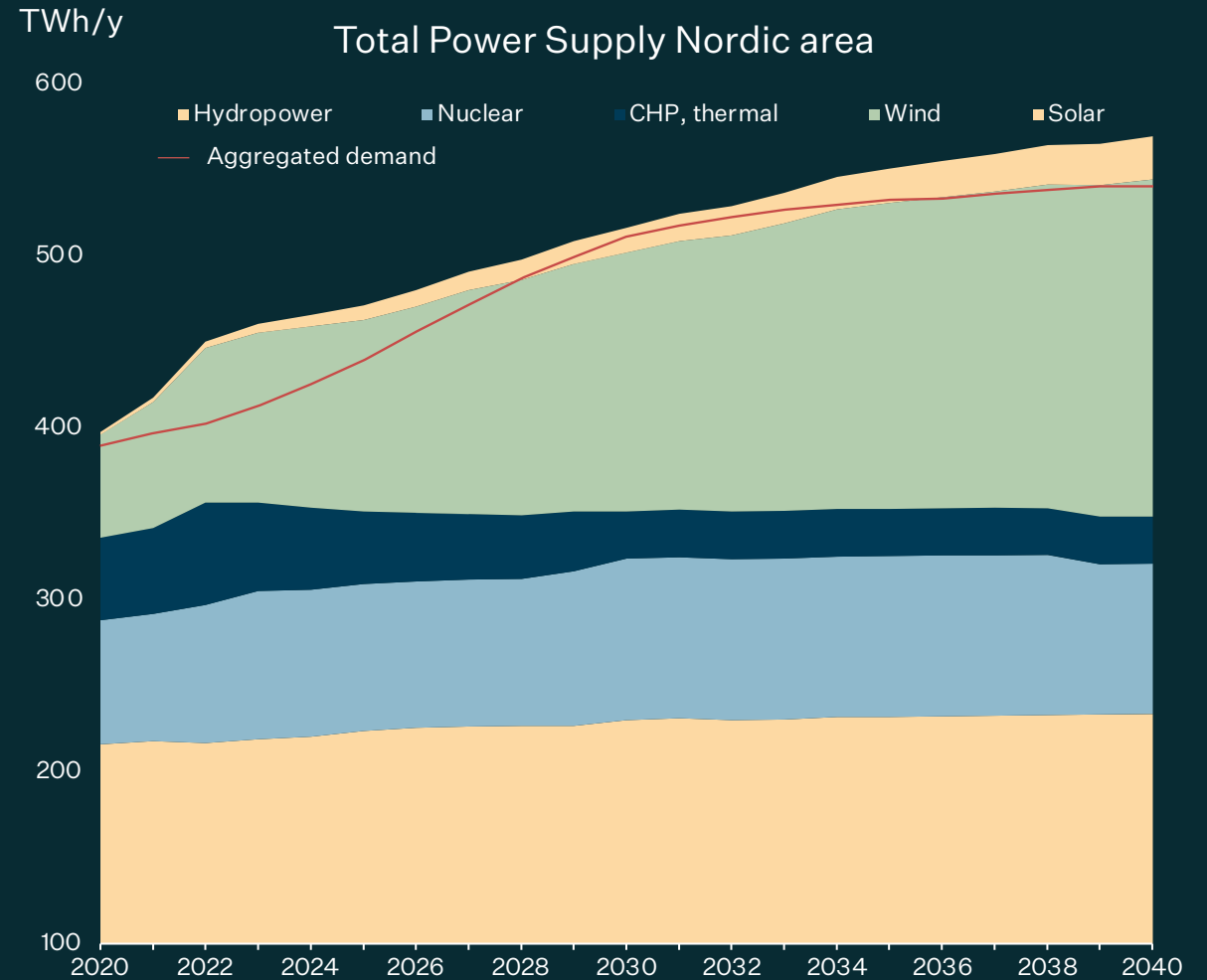
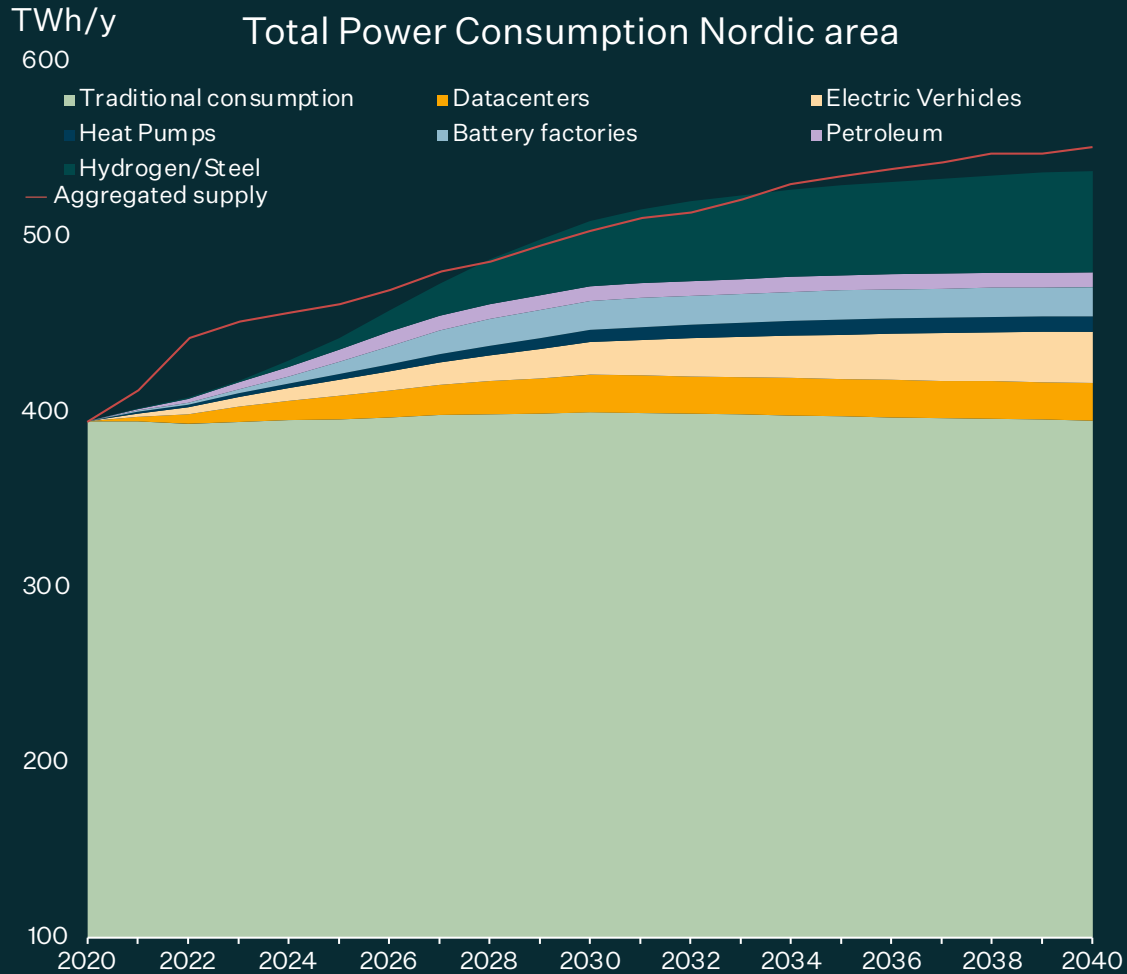
High volatility –
increasing the
need for
sophisticated
solutions

Prices in Germany
last 2 Weeks - August
2022



The green shift triggers a race on both sides!

2025-2030 the consumption grows faster than the production

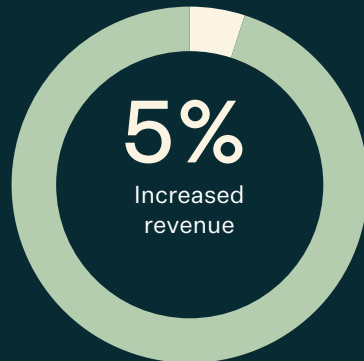


Significant value-creation potential demonstrated for customers adopting *business-critical* solutions from Volue

Strong value creation for customers...

Example 1: Large Utility

Quantitative results



Example 2: Small Utility

Quantitative results



...set to increase from the integrated Volue platform

Customer profit potential

- Market operations
- Automation and efficiency
- Predictions
- Process efficiency
- Short-term optimisation
- Data quality

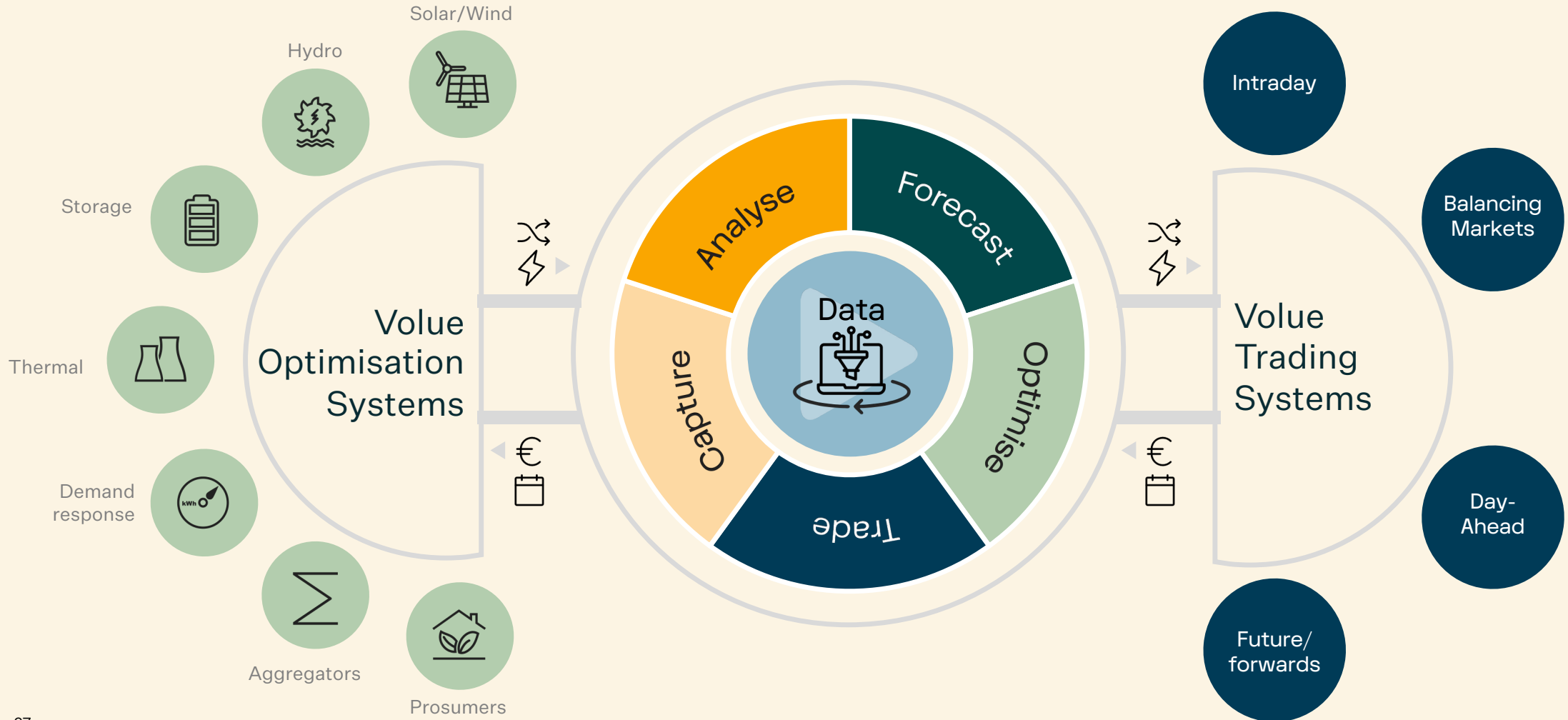
Significant cost-reduction potential

Increased cyber security



Reduce risk and increase profit

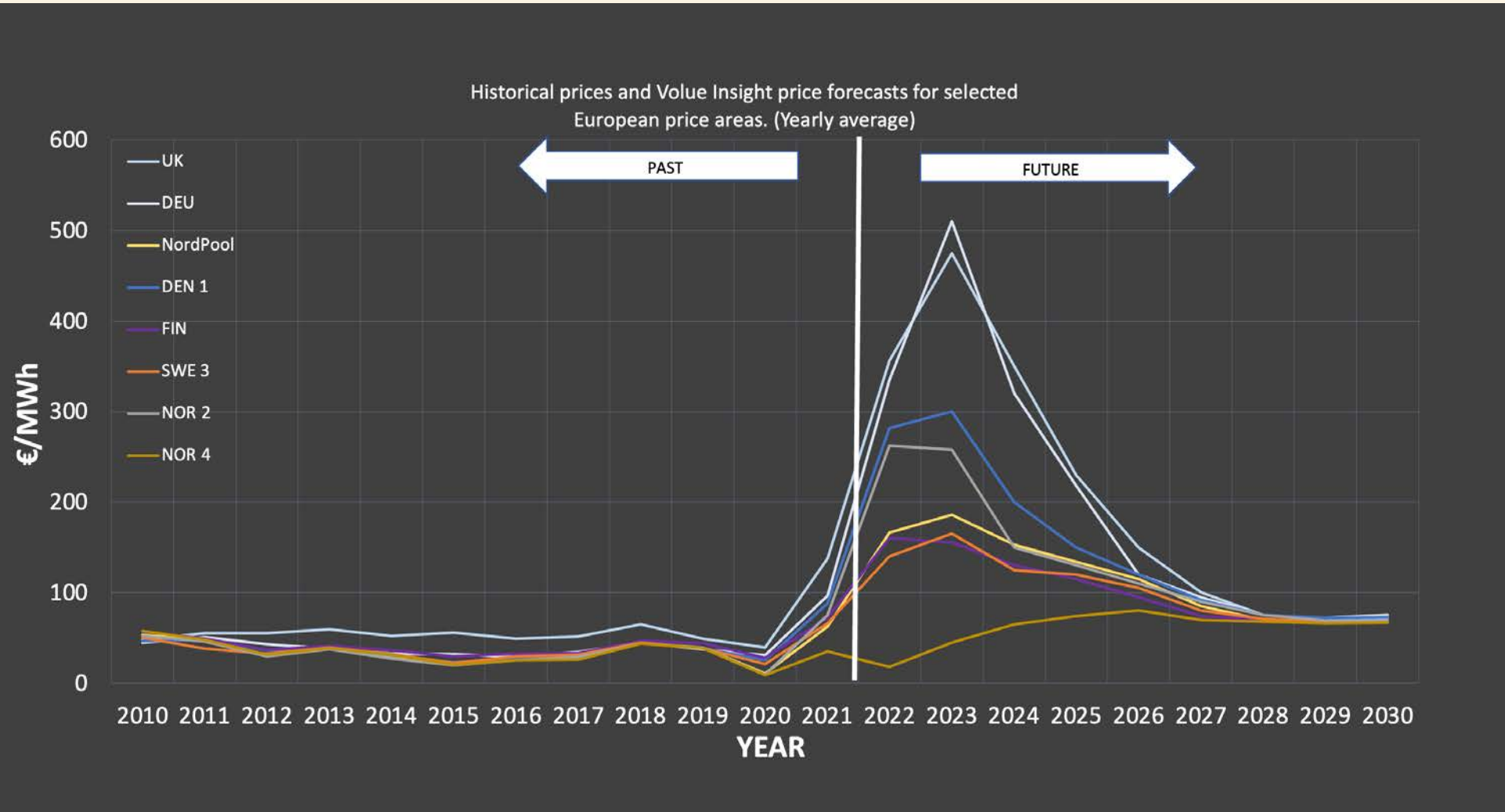
By utilising Volue's open eco-system to connect assets to markets



An integrated European Power Market



A new price regime



To reduce risk and increase profit Value provides:

- A pan European Service providing up-to-date price- and fundamental data forecasts for all time horizons.
- Unrivaled analysis and research provided by in-house market experts delivered on an intuitive web-interface.
- Easy access data through best-in-class data-API and offers all relevant curves to support and facilitate all daily operations from short to long term markets.

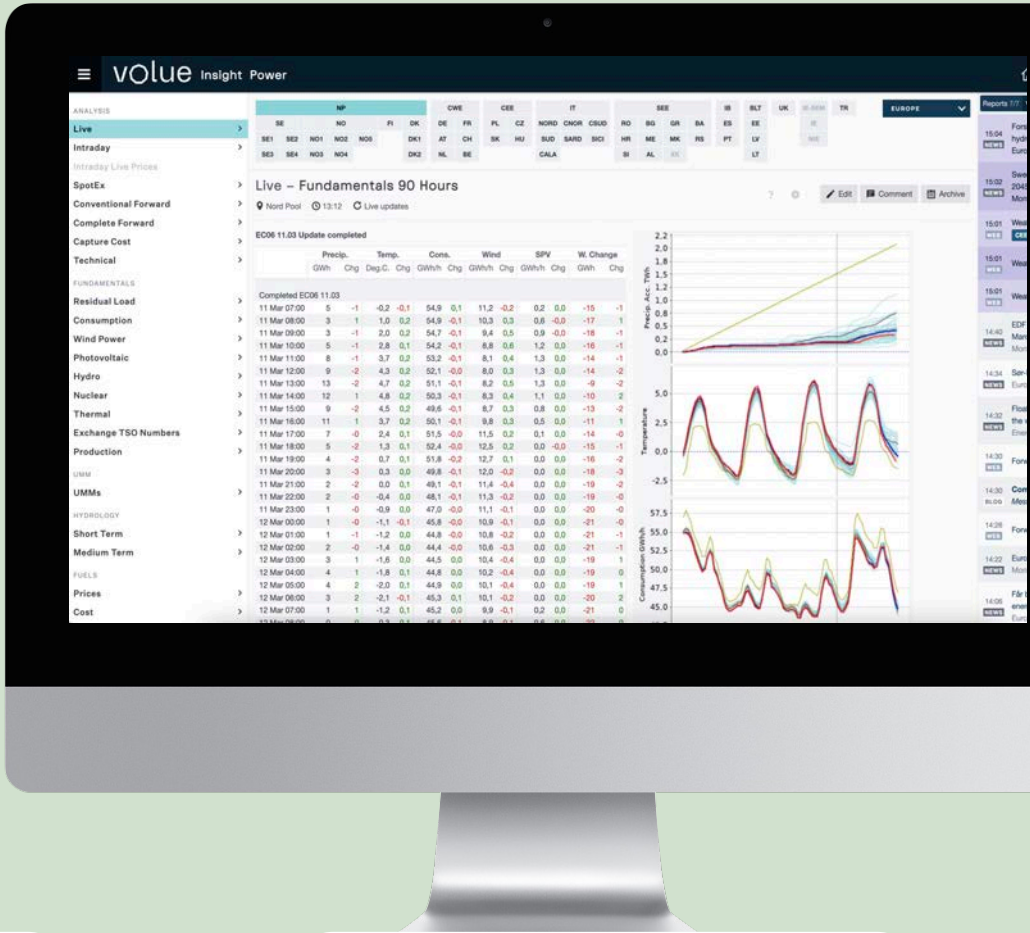
Balancing Market

Intraday Market

Day Ahead Market

Derivatives Market

Investment



Platform APIs accessed
~35 million
 Times every day

AND

Used by more than
5 100
 Power Professionals

FROM

More than
450
 Subscribing companies

Save the date:

Value Capital Markets Day

21 September 2022

Value offers a comprehensive product and service portfolio, covering the entire clean energy value-chain



Services are mainly delivered on a cloud platform, underlining fact that the SaaS transformation is well underway



Significantly simplifying access and interaction for all stakeholders



Addressing the shared customer segment across Value's business units - opens significant cross-sales and upselling opportunities

Priorities and ambitions for H2 2022

01 Further utilise synergies to strengthen margins

02 Adj. EBITDA margins improving from H1 2022

03 Continue to grow ARR business in line with 2025 targets and 2021 performance

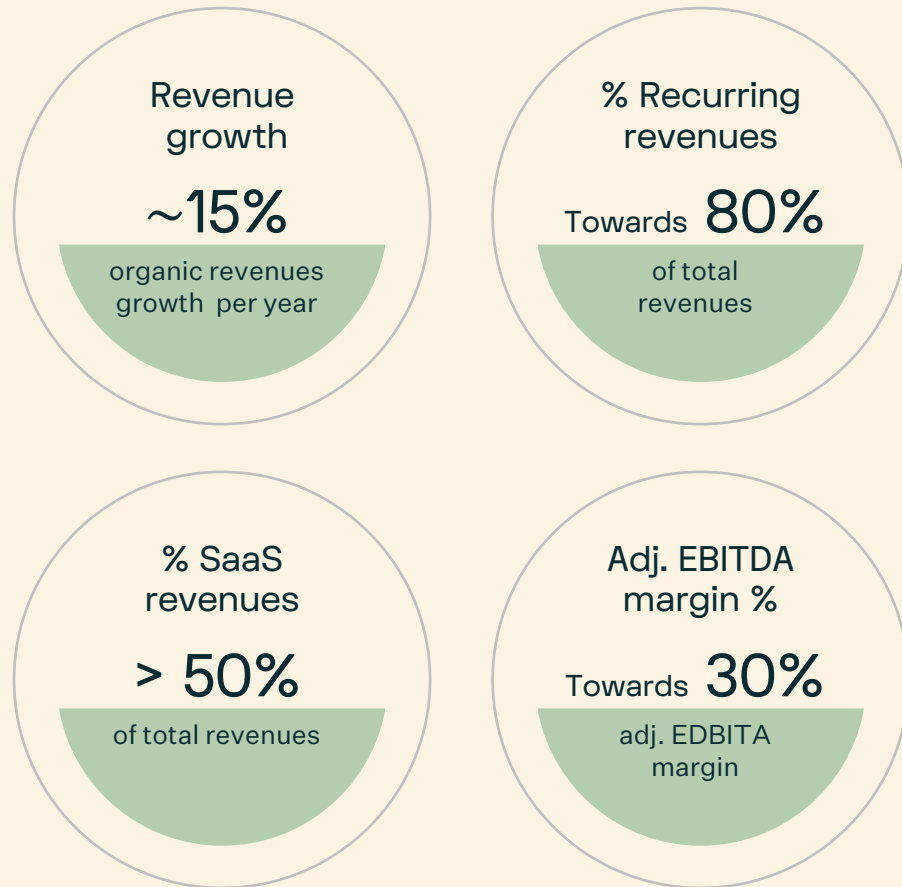
04 Expand activities outside Europe

05 Strategic investments for scalable growth

06 Structural growth through M&A

Ambitions to exceed NOK 2 billion revenues by 2025

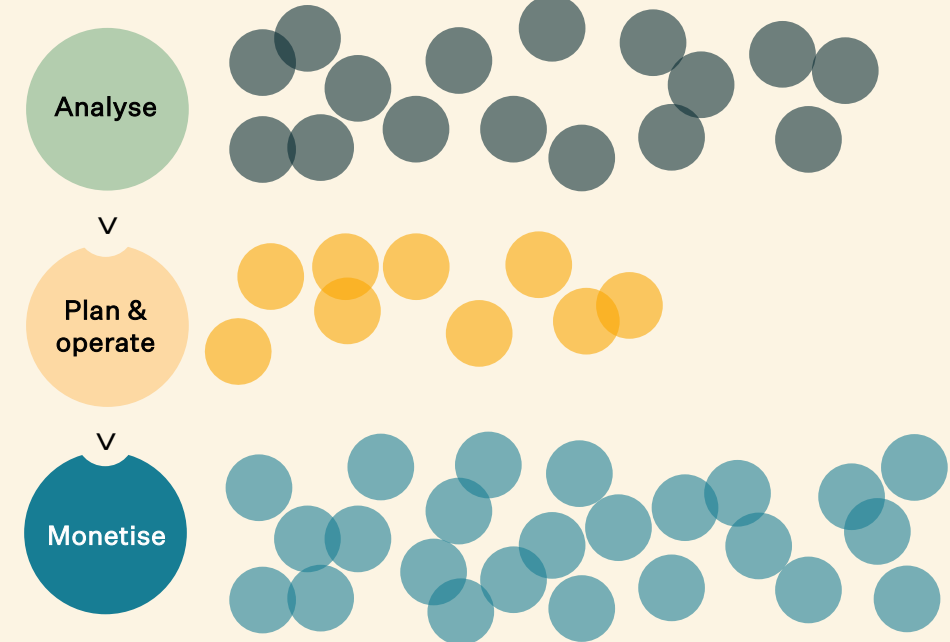
Mid- to long-term ambitions



M&A strategy

Highly fragmented market – Value aims to pursue consolidation

Europa primary focus; US and APAC secondary



Ambitions to act as a consolidator and engage in bolt-on transactions on a recurring basis as well as pursue larger strategic options in a more opportunistic manner

Summary: Solid position for profitable growth and expansion

01

The shift towards green, non-controllable energy sources drives increased volatility and complexity for customers, requiring dynamic and cloud-based software solutions

02

Value offers wall-to-wall SaaS solutions and has built up a customer base comprising the leading European energy companies

03

Ongoing SaaS-transformation with solid growth in recurring revenues and an uptick in EBITDA margins over time. On track for 2025 ambitions

Save the date:

Value Capital Markets Day

21 September 2022

voalue

Appendix

Financial and Operational Information

Group P&L and KPIs

Group financial performance

Key metrics (NOKm)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	LTM
Operating revenues	298	233	584	489	1,135
COGS	50	37	93	78	174
Gross profit	249	196	491	411	962
Gross margin %	83%	84%	84%	84%	85%
Personnel expenses (excl. capitalised R&D)	139	87	296	211	583
Other OPEX	65	52	106	91	184
Adjusted EBITDA	44	57	90	109	195
Adjusted EBITDA margin %	15%	24%	15%	22%	17%
Non-recurring items	6	43	10	52	33
EBITDA	39	14	79	56	162
EBITDA margin %	13%	6%	13%	11%	14%
Depreciation and amortisation	27	25	53	46	99
EBIT	12	-11	26	10	63
EBIT margin %	4%	-5%	4%	2%	6%
Net financial items	4	1	1	1	-5
EBT	16	-10	26	11	58
Tax	6	-5	10	2	23
Profit (loss)	10	-5	17	10	35



Balance sheet

Balance sheet (NOKm)	Q2 2022	Q1 2022	Q2 2021	Q4 2021	Balance sheet (NOKm)	Q2 2022	Q1 2022	Q2 2021	Q4 2021
ASSETS					LIABILITIES AND EQUITY				
Property, plant and equipment	130	135	162	141	Equity	785	767	743	767
Intangible assets	573	551	482	543	Total Equity	783	767	743	767
Pension assets	8	8	15	8					
Non-current receivables and investments	35	37	32	39	Lease liabilities	79	84	105	87
Deferred tax assets	21	13	16	5	Other non-current liabilities	14	15	15	15
Total non-current assets	767	744	707	736	Deferred tax liabilities	29	23	36	29
					Total non - current liabilities	123	126	156	132
Inventory	24	24	21	20	Borrowings	10	10	7	18
Contract assets	82	74	53	66	Lease liabilities	25	25	31	28
Trade and other receivables	277	307	233	520	Trade and other payables	72	72	45	351
Financial Investments			0	0	Current tax liabilities	41	27	5	19
Cash and cash equivalents	475	631	484	404	Contract liabilities	183	269	170	49
Total current assets	858	1,036	791	1,011	Other current liabilities	386	483	341	384
Total assets	1,626	1,780	1,498	1,746	Total current liabilities	717	886	599	848
					Total liabilities and equity	1,626	1,780	1,498	1,746

Cash flow statement

Cash flow statement (NOKm)	30.06.2022	30.06.2021
Profit before tax from continuing operations	26	11
Depreciations	53	46
Net finance	-1	-1
Change in current assets	-49	43
Change in current liabilities	137	32
Change in other operating items	-	-
Change in tax paid	-	-10
Net cash flow from operating activities	158	121
Interest received	3	1
Purchase of property, plant and intangible assets	-65	-59
Net cashflow from other investments	2	10
Purchase of shares in subsidiaries	-	-
Loans to employees	-	-
Net cash flow from investing activities	-60	-48
Proceeds from issue of shares	-	-
Movement in borrowings	-20	-16
Interest paid	-4	-6
Dividend paid	-	-
Acquisition of non-controlling interests	-2	-5
Purchase of own shares	-4	-
Net cash flow from financing activities	-30	-26
Net change in cash and cash equivalents	68	47
Cash and cash equivalents opening balance	404	434
Effects of exchange rate changes on cash and cash equivalents	3	4
Cash and cash equivalents closing balance	475	484



Segment overview

Energy Segment (NOKm)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	LTM
Operating revenues	189	131	361	267	689
Adjusted EBITDA	32	20	62	51	137
Adjusted EBITDA margin	17%	15%	17%	19%	20%
R&D CAPEX (% of revenues)	8 %	10%	9%	11%	9%

Power Grid Segment (NOKm)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	LTM
Operating revenues	60	56	124	123	250
Adjusted EBITDA	3	-8	10	23	19
Adjusted EBITDA margin	5%	-15%	8%	19%	7%
R&D CAPEX (% of revenues)	8%	6%	9%	7%	10%

Infrastructure Segment (NOKm)	Q2 2022	Q2 2021	YTD 2022	YTD 2021	LTM
Revenues	49	47	99	99	197
Adjusted EBITDA	9	24	18	35	41
Adjusted EBITDA margin	19%	52%	52%	35%	21%
R&D CAPEX (% of revenues)	15%	13%	14%	12%	13%



Alternative performance measures (APMs)

Basis for preparation

This presentation provides financial highlights for the quarter for Value. The financial information is not reported according to the requirements in IAS 34 and the figures are not audited.

Value ASA presents alternative performance measures as a supplement to measures regulated by IFRS.

The alternative performance measures are presented to provide better insight and understanding of operations, financial position and the basis for future developments.

The definitions of these measures are as follows:

Adjusted EBITDA - In order to give a better representation of underlying performance, EBITDA is adjusted with non-recurring items. Note that adjusted EBITDA does not include estimated one-off loss of revenues due to the cyber-incident.

ARR – Annual Recurring Revenues is defined as revenues from recurring contracts including software as a service.

EBIT - Profit/loss before tax and net finance cost.

EBITDA - Profit/loss before tax, net finance cost, depreciation, amortisation and impairment.

Revenue growth adjusted for cyber-incident - The growth in revenue from a previous period, after adjusting the 2021 numbers for estimated revenue loss from the cyber-incident (only relevant for 2021 figures).

SaaS – Software as a service. SaaS revenues are defined as revenues from software hosted by Value and distributed through web applications

Non-recurring items - items that are not part of the ordinary business, such as IPO related costs and costs related to the cyber-incident (only relevant for 2021 figures). In addition, external costs related to implementation of corporate back-office cloud-based systems (e.g. ERP) are considered non-recurring. In accordance with IFRS IC agenda decision (Configuration or Customisation Costs in a Cloud Computing Arrangement) from April 2021, these costs have not been capitalised, as they previously would have been.