

voalue

First Quarter 2023 Financial Results

5 May 2023

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Trond Straume

CEO



Arnstein Kjesbu

CFO



Value in brief

One of the largest software companies in Norway



Established
2020



Customers
2,500



Engaged employees
770+



Customers in
40+
countries



Offices
30



Experience in Green-Tech
50 years

Robust, flexible and scalable Volue platform

ENERGY

480
TWH

energy generation planned and optimised annually

TRADING

37
MILLION

algo trades every year based on >45B automated calculations

MARKET INSIGHT

650
BILLION

API calls to 150K price curves annually

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

Q1 revenues (% of total)	NOK 209m (62%)
Recurring revenues share (Q1)	63%
SaaS revenues (Q1)	27 %
EU Taxonomy eligibility	HIGH

Power Grid

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

Q1 revenues (% of total)	NOK 76m (23%)
Recurring revenues share (Q1)	58%
SaaS revenues (Q1)	9%
EU Taxonomy eligibility	HIGH

Infrastructure

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

Q1 revenues (% of total)	NOK 54m (16%)
Recurring revenues share (Q1)	86%
SaaS revenues (Q1)	46%
EU Taxonomy eligibility	MEDIUM

Highlights for the Quarter

A large concrete dam with water behind it, under a golden sky. The dam is a massive structure with a curved spillway. The water is a deep blue-grey color, and the sky is a warm, golden-brown hue. The overall scene is a high-angle shot of the dam, showing its scale and the surrounding environment.

Recurring revenues

NOK
223 mill

21% growth from Q1 2022

Operating revenues

NOK
339 mill

19% growth from Q1 2022

SaaS revenues

NOK
88 mill

34% growth from Q1 2022

Adjusted EBITDA

NOK
55 mill

16% margin,
on par with Q1 2022

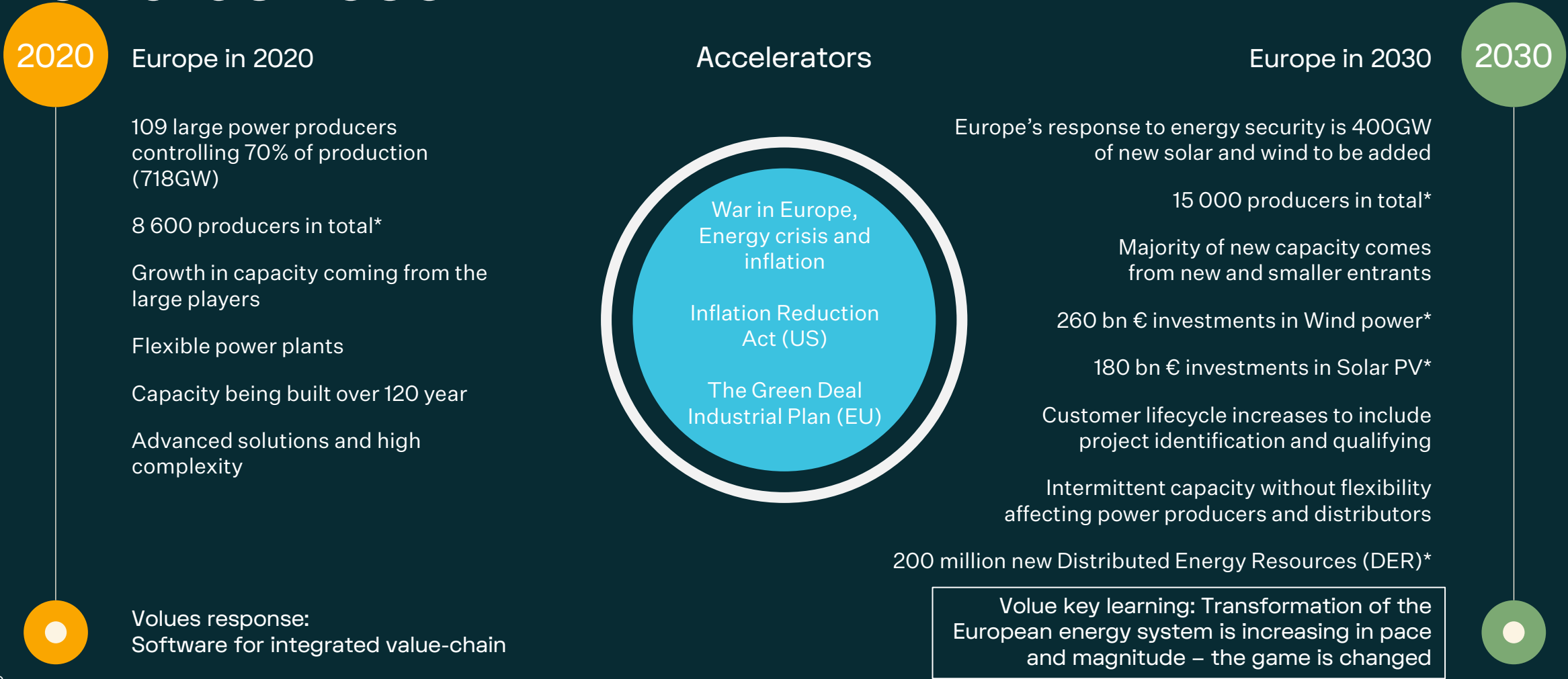
Q1 Highlights: Strong growth in ARR

Performance, sales and operations

- The group enters 2023 with strong momentum in revenue growth
- Strongest ARR growth since listing
- Energy segment with 22% growth and improved profitability
- Breakthrough in Japan with 11 customers to date
- Record quarterly revenues for Power Grid segment with 20% growth
- Profitability in line with expectations

Adjusted EBITDA and other alternative performance measures (APMs) are defined as part of the APM section in this presentation on page 33.

The energy system facing tectonic shift towards 2030



2020

Europe in 2020

- 109 large power producers controlling 70% of production (718GW)
- 8 600 producers in total*
- Growth in capacity coming from the large players
- Flexible power plants
- Capacity being built over 120 year
- Advanced solutions and high complexity

Accelerators

- War in Europe, Energy crisis and inflation
- Inflation Reduction Act (US)
- The Green Deal Industrial Plan (EU)

Europe in 2030

2030

- Europe's response to energy security is 400GW of new solar and wind to be added
- 15 000 producers in total*
- Majority of new capacity comes from new and smaller entrants
- 260 bn € investments in Wind power*
- 180 bn € investments in Solar PV*
- Customer lifecycle increases to include project identification and qualifying
- Intermittent capacity without flexibility affecting power producers and distributors
- 200 million new Distributed Energy Resources (DER)*

Value key learning: Transformation of the European energy system is increasing in pace and magnitude – the game is changed








Value response:
Software for integrated value-chain



Value's strategic focus 2030

Become the number one software and software-integrated service provider to the European energy system by 2030

- 
 Platform to leverage the flexibility of 200M Distributed Energy Resources
 First Spark offering launched Q1'23 ✓
- 
 New offering for small wind, solar and battery players
 Proof-point deal signed Q1'23 ✓
- 
 Next generation capabilities digitising European Power Grids
 Strategic deals Q4'22 and Q1'23 ✓
- 
 Portfolio Management as a Service
 Given highest growth priority from Q1'23 ✓
- 
 Software platform for incumbent power producers
 Smart Power launched Q2'23 ✓

Value's foundation is a battle-proven portfolio for incumbent power producers. Adopting to the tectonic shift faced by the European energy system, Value is laser-focused on development efforts targeting the energy market of tomorrow. The efforts are all encompassing and yielding valuable proof-points already.

Artificial Intelligence

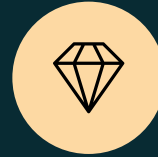
- an integral part of the Volue platform



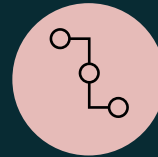
Initial investments in AI dates back to 1996. Dedicated AI Centre Of Excellence in 2016 and building competence in the field ever since



AI is used to improve analysis and predictions across the Volue portfolio of offerings



AI is a fundamental part of Volue's current offering, contributing to the market leading position



Two selected highlights in Volue's value chain where AI plays a fundamental role in creating customer value

AI Forecast

AI is a central and cutting-edge component in delivering Volue's unparalleled price prognoses for the power market

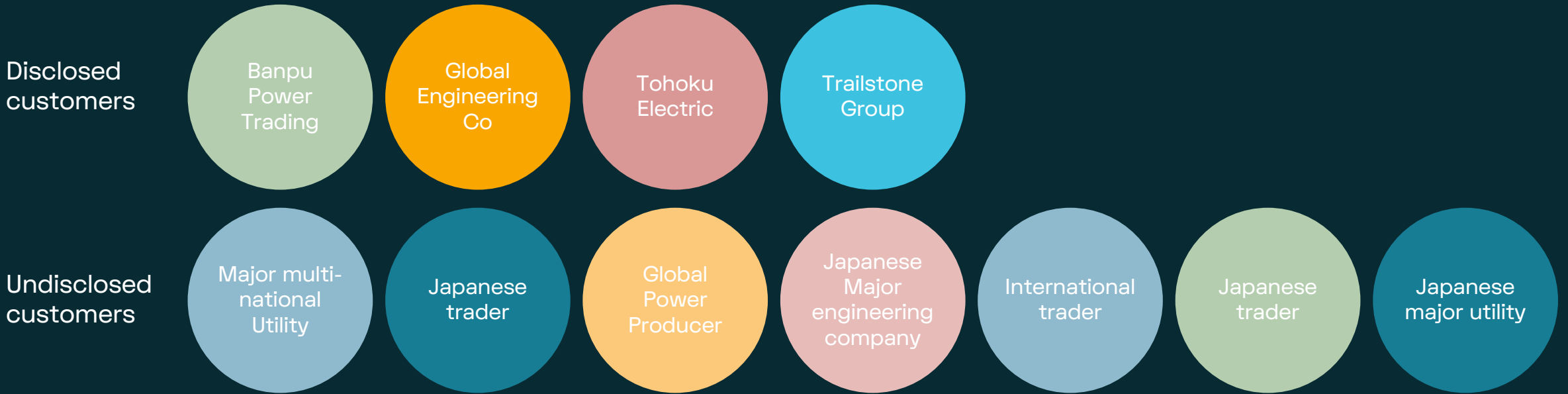
AI Trade

AI detects hidden correlations between predictable factors and tradable price spreads in Volue trading software

To date AI has enabled Volue become market leader in forecasting and trading. It is a fundamental building block in capturing the growth in the energy system

Update on Japan

Market fit proving very successful, leading to accelerated growth



ABOUT VOLUE’S EFFORTS IN JAPAN

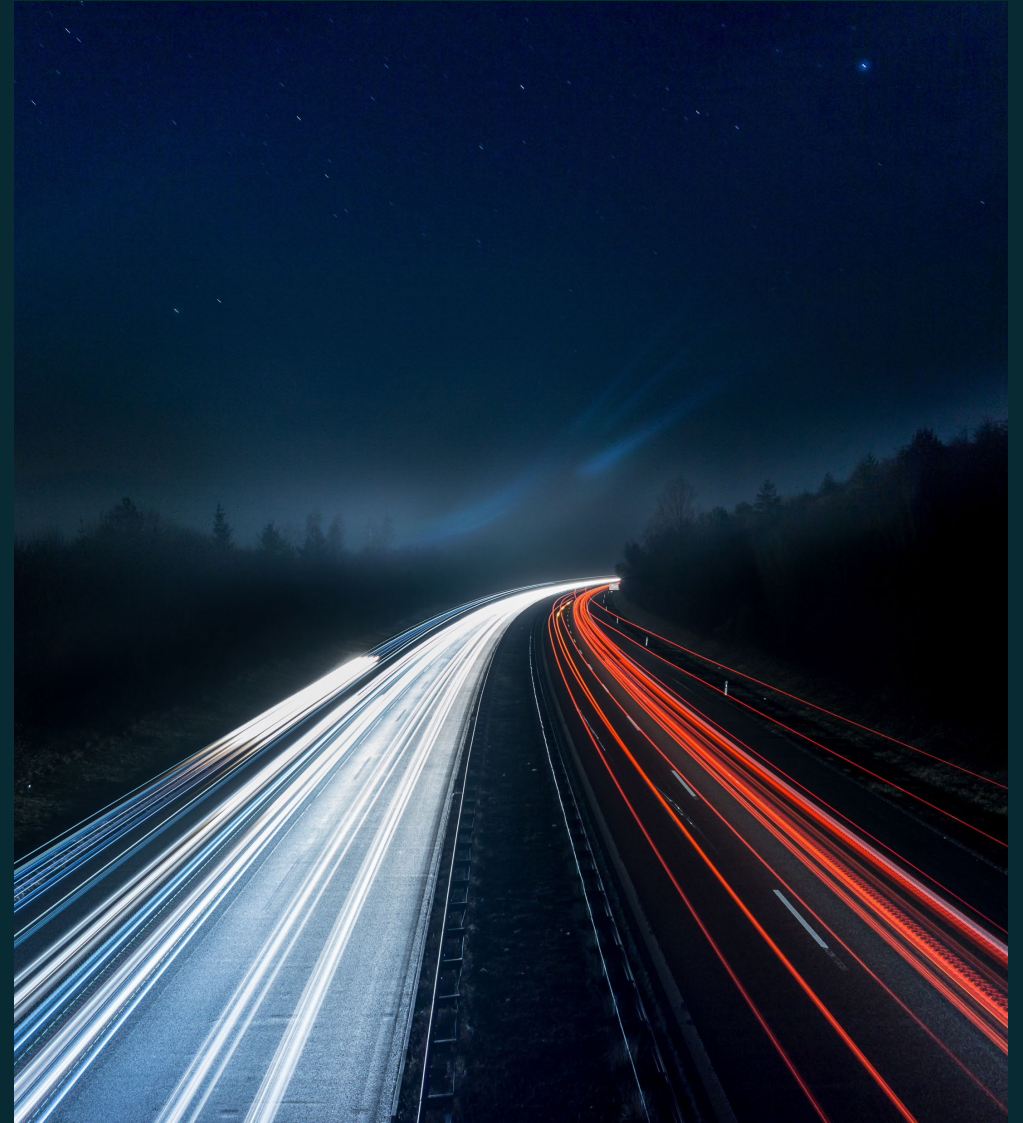
- Markets being deregulated following Fukushima
- Japan represents a third of Europe in terms of capacity
- Most exciting new geography in Volue’s eyes
- Volue entry initially limited to the Insight platform
- Following the successful entry, expansion to broaden the market offering is under consideration

TEN OUT OF ELEVEN CONTRACTS SIGNED IN 2023

Customer testimony: “Following our comprehensive benchmark, Volue is consistently outperforming its competitors”

Proof-point deal in the transforming energy system

- ✓ **Client description**
 Globally dominant car manufacturer
- ✓ **Assets to be managed**
 Batteries will be utilised in the energy markets before being provided as replacement batteries for EVs.
- ✓ **Value capabilities**
 Value optimisation-, battery management- and algo trading software to capitalise on the German market's peaks and redundancy
- ✓ **Contract description**
 Year long PoC
- ✓ **Size of the project**
 PoC phase is of a modest 1-5MW, with the ambition of growing to 400MW in next phase
- ✓ **Value showcasing the ability to leverage utility scale batteries and monetise on peaks and redundancy in energy markets**
- ✓ **Reference case from an industry giant, in a market expected to undergo exceptional growth**



Value is focusing on software and services for a transforming energy system

Value has initiated a strategical assessment of its ownership in Industrial IoT

2022

NOK million	Value Group		Value Industrial IoT		Value Software & Services	
SaaS	283	23%	0	0%	283	27%
ARR	765	63%	96	61%	669	63%
Non-recurring revenues	452		60		392	
Operating Revenues	1217		156		1061	
EBITDA Adj	203	17%	5	3%	198	19%

Q1 2023

NOK million	Value Group		Value Industrial IoT		Value Software & Services	
SaaS	88	26%	0	0%	88	30%
ARR	223	66%	24	55%	199	67%
Non-recurring revenues	114		20		95	
Operating Revenues	339		44		296	
EBITDA Adj	55	16%	1	2%	54	18%



First Quarter 2023 Financial Results

Financial highlights

Financial highlights (NOKm)	Q1 2023	Q1 2022	FY 2022	LTM
Operating revenues	339	286	1,217	1,270
Adjusted EBITDA ¹	55	45	203	213
Adjusted EBITDA margin	16%	16%	17%	17%
Recurring revenues growth (%)	21%	13%	15%	17%
Recurring revenues (% of revenues)	66%	65%	63%	63%
SaaS revenues growth (%)	34%	40%	28%	27%
SaaS revenues (% of revenues)	26%	23%	23%	24%
R&D CAPEX (% of revenues)	11%	11%	11%	10 %

¹ EBITDA adjusted for non-recurring items.

Growth

- Strong financial performance with good growth for our software solutions
- 19% revenue growth from Q1 2022
- Strong growth in SaaS revenues of 34% from Q1 2022
- Energy Segment with 22% revenue growth
- Power Grid with record high growth
- Some revenue tailwinds from currency in the quarter. Revenues and costs are tightly linked in currency, so the profitability impact is neutral to slightly positive

Profitability

Adjusted EBITDA margin in Q1 2023 inline with Q1 2022

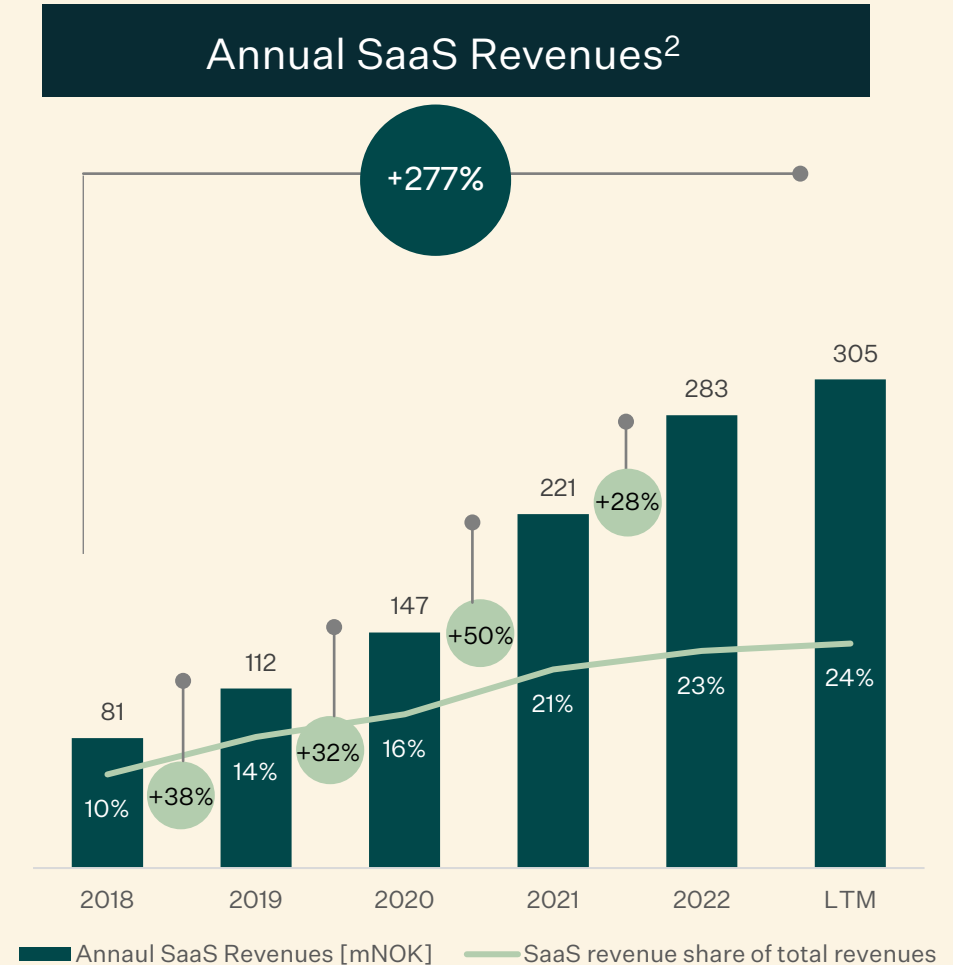
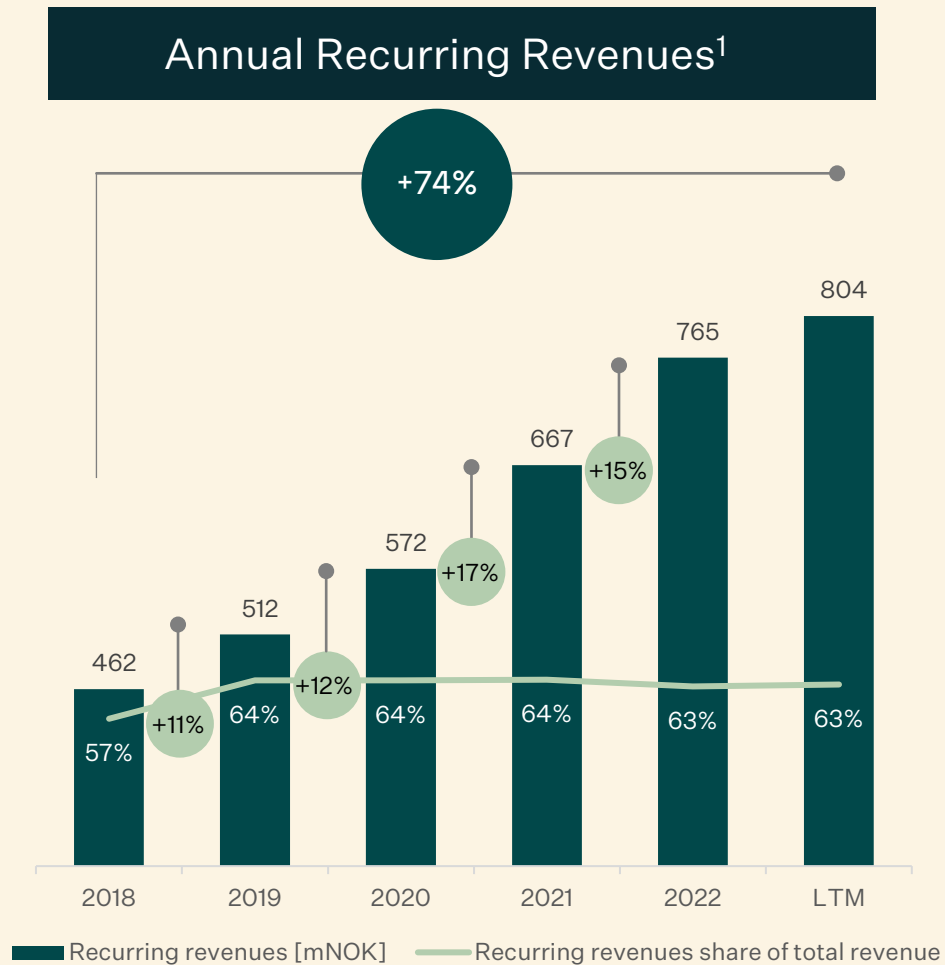
- Onboarding of new personnel in 2022 main driver for increased cost level, that gives a flat margin development from Q1 2022
- Inflation rates increase cost level more rapid
- Profitability measures in Q1 allows Volue to keep current cost base while maintaining growth
- Increased market activities gives impact for Infrastructure
- Shift in business models gives impact on margins
- Strategic investments in SaaS platform creates short- to mid-term EBIT impact

Capex

Increased Capex level in the quarter in line with plans

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

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

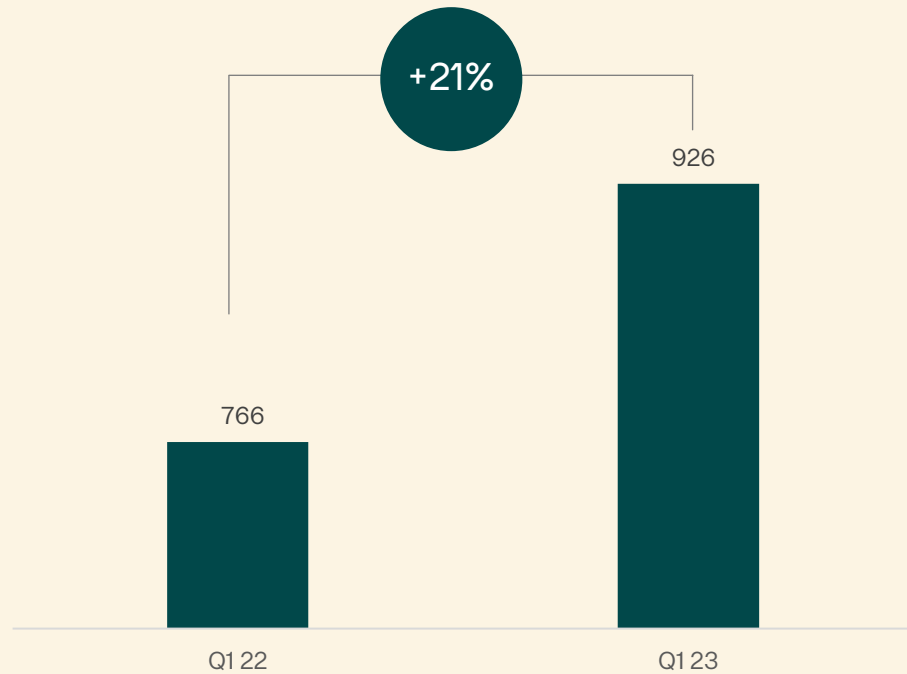


¹ Recurring revenues are defined as revenues from recurring contracts including Software-as-a-Service (SaaS)

² SaaS revenues are defined as revenues from software & services operated by Volue in the cloud

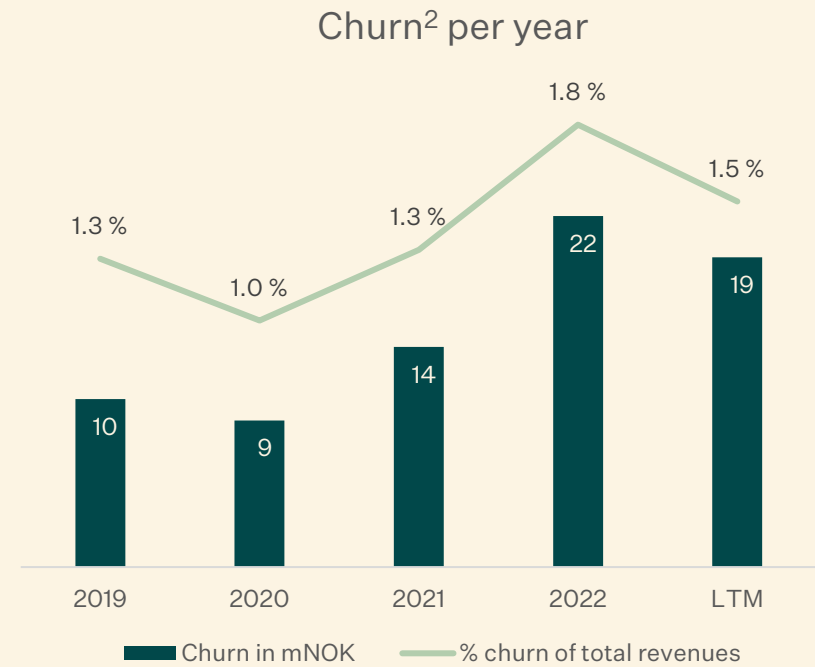
Strong growth in ARR base and highly sticky customer base

Annualised recurring revenues basis¹, mNOK



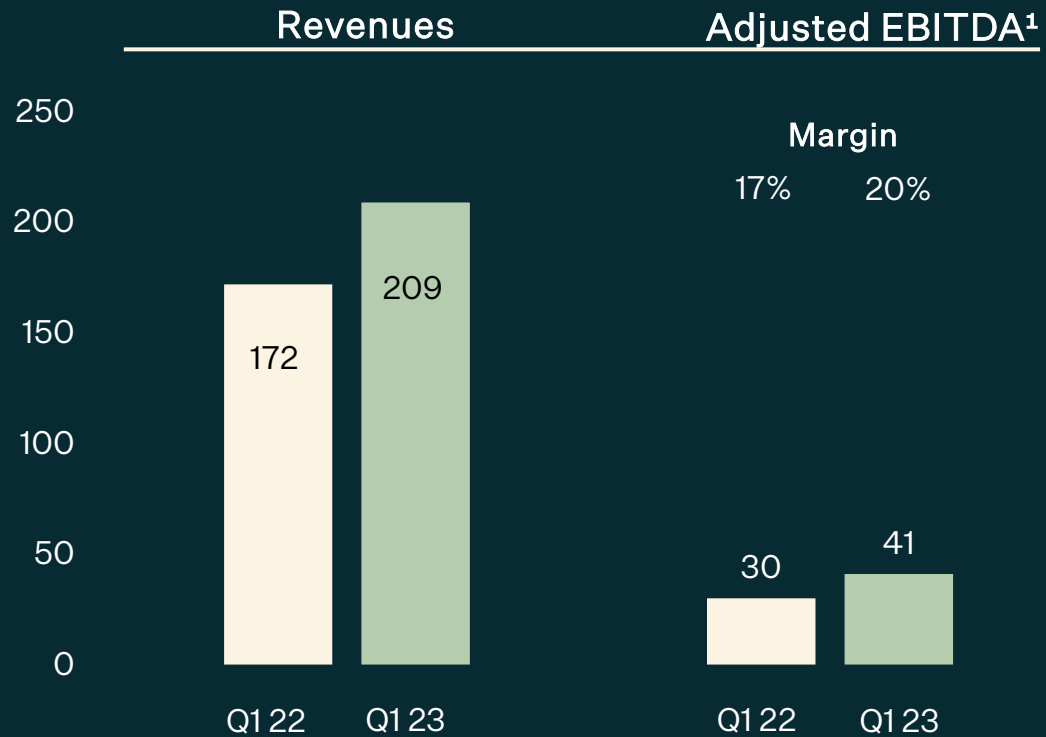
1. Annualised recurring revenues basis is the yearly value of recurring contracts, delivered and not delivered

Customers stay with Volue



2. Churn is cancelled yearly recurring revenues divided by total revenues.

Energy Segment



¹ EBITDA adjusted for non-recurring items.

Growth

- Segment with growth of 22% from Q1 22
- Revenue from Energy Market Operations coming down from an abnormal 2022, stabilising on new normal levels
- Strong sales due to increased demand for forecast and analytics services
- Increased order backlog, and solid growth in ARR base

Profitability in the quarter

- Increased margins from product portfolio, influenced by good margins from Market Operations area
- Large increase in capacity for further investments in new products and services has been onboarded throughout 2022

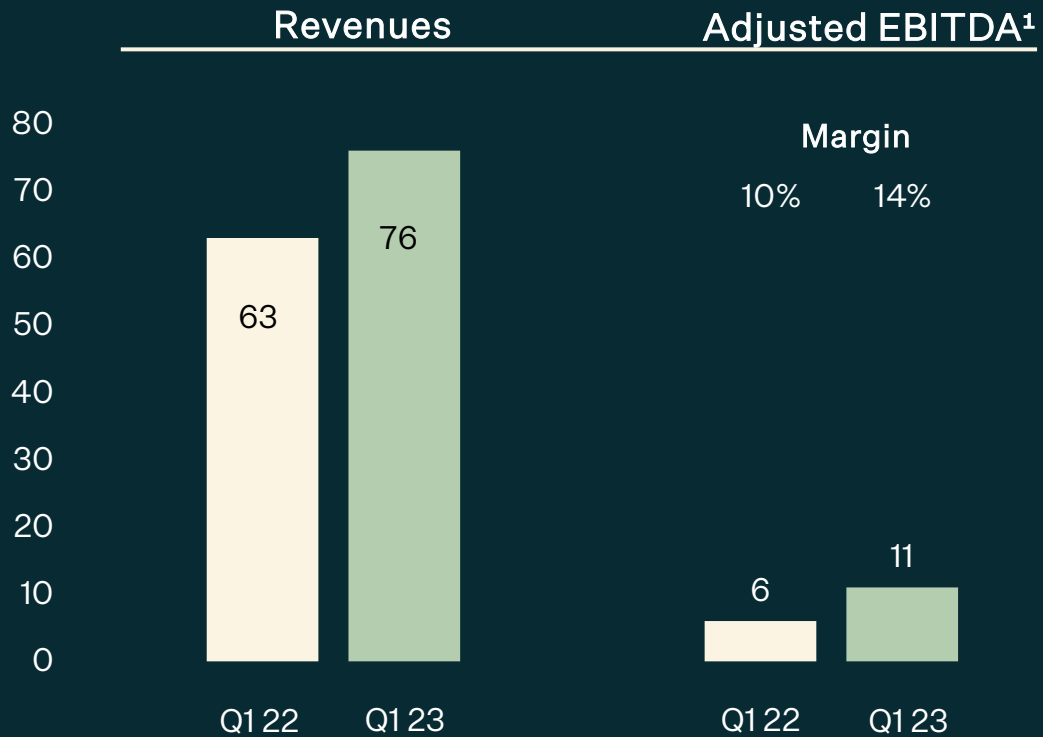
Main drivers for uplift in contribution going forward

- Sales closing mainly from scalable SaaS product on trading and insight products, giving uplift in contribution without adding new cost
- Few new headcounts planned to be added throughout 2023
- Synergies on cost level through more integrated product lines that reduce OPEX level

Investments

- CAPEX level at ~9% of revenues, mainly constituted by R&D investments
- Significant investments into new products related to optimisation and trading solutions

Power Grid Segment



¹ EBITDA adjusted for non-recurring items.

Growth

- Growth rates picking up due to strong sales
- Delivery capacity increased, allowing further growth
- Solid market outlook with large pipeline
- Major deal in Denmark on strategic product area

Profitability in the quarter

- Adjusted EBITDA margin increased in the quarter compared with 2022
- Investments in market expansions with new products for European markets impacts the margins in the quarter

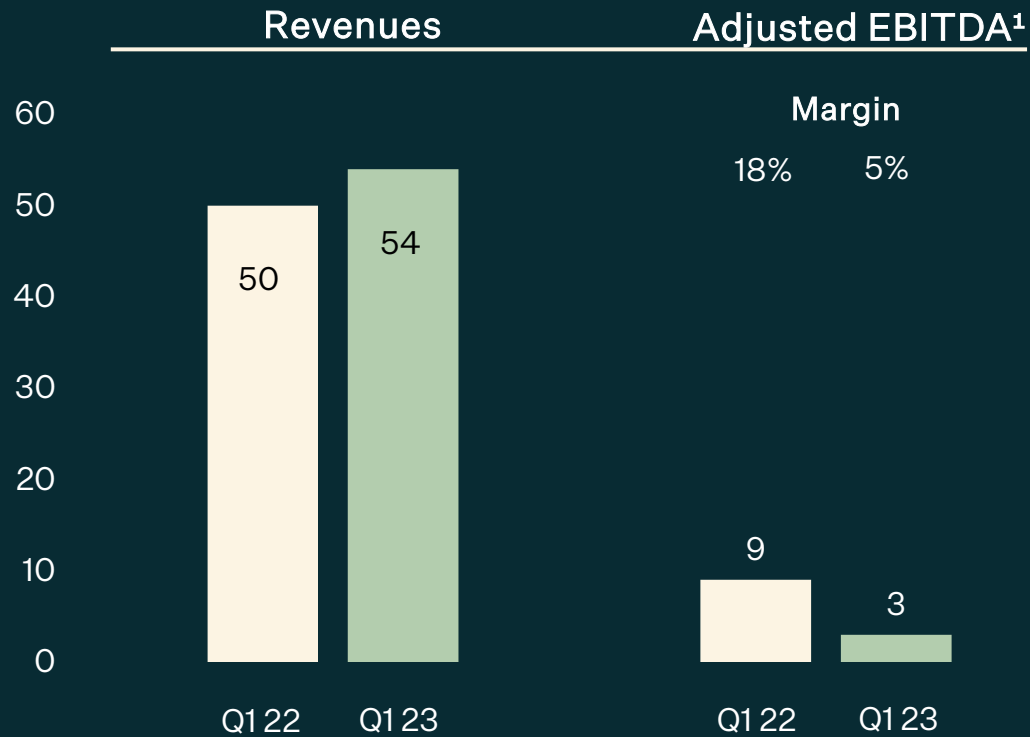
Main drivers for uplift in contribution going forward

- Mid-term increased contribution following sale of scalable products from our Spark program
- Current team scaled to capture growth throughout 2023
- Shift in business models and growth on top line on scalable SaaS products
- Uplift in contribution from improved profitability in consulting activities

Investments

- Increase in CAPEX level in the quarter at ~15 % of revenues
- Ongoing investments in international expansion
- CAPEX level expected to be on same level going forward

Infrastructure Segment



¹ EBITDA adjusted for non-recurring items.

Growth

- Successful shift in business models progressing, creating uplift in ARR
- Solid sale in 2023, giving increased order backlog, that will influence growth rate for remaining 2023
- 100 new clients added in 2022. All SaaS and 30 new in Sweden

Profitability

- Ongoing investments in market expansions combined with shift to SaaS business models putting pressure on EBITDA margins
- Construction with a full market entry in Sweden gives impact on margins

Main drivers for uplift in contribution going forward

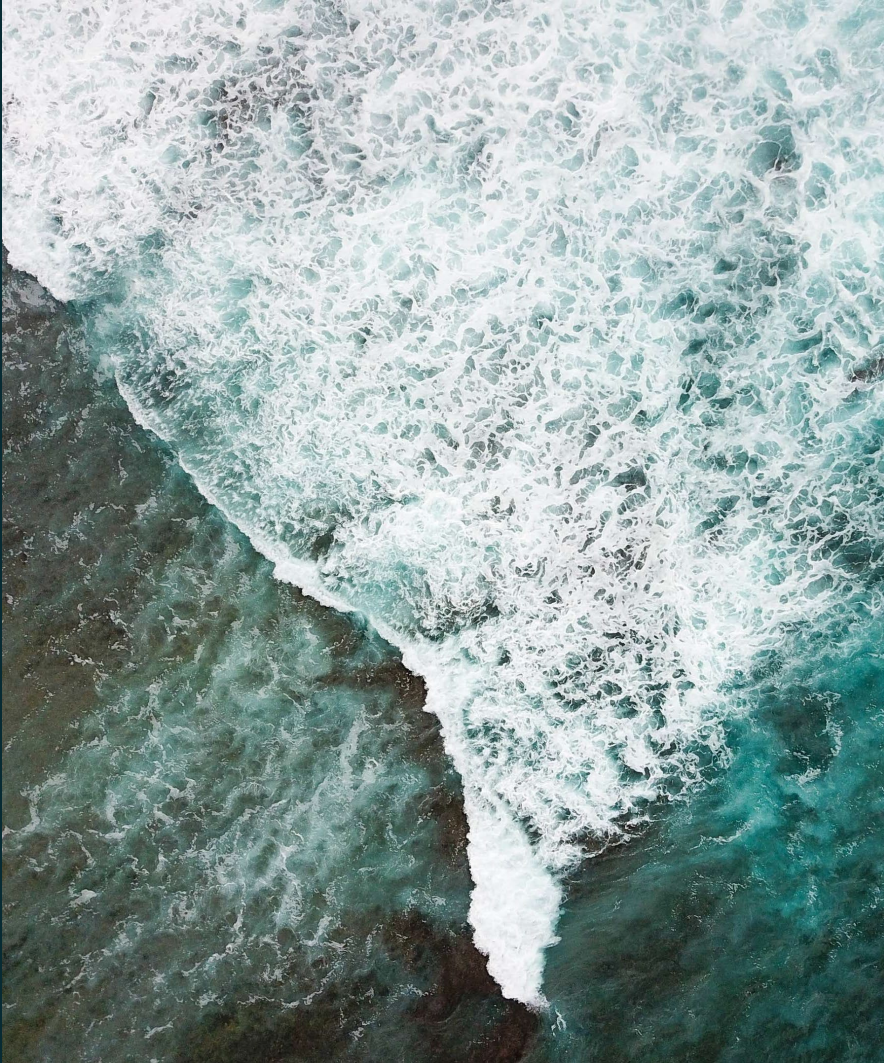
- Strong growth in sales closing on SaaS platform will drive uplift in margins with main investments completed
- Current team scaled to capture growth throughout 2023
- Reduced order backlog will improve time-to-cash and provide margin uplift

Investments and subsequent events

- CAPEX level at ~12% of revenues, expected at same levels in the near-term and decline over time
- After closing of Q1, Value has sold its position within Fire and Chimney with annual revenues of 4,8 MNOK. The transaction value is estimated to 25 MNOK.

Guidance & Priorities

Update on guidance



Annual long-term organic growth of 15% reiterated



Target of NOK 2 billion in revenues 2025, including M&A, reiterated



Year-by-year increase of adjusted EBITDA margin, cash conversion, share of ARR and SaaS revenues

Priorities for 2023

- Long-term growth target of 15% reiterated, whilst lower 2023 non-recurring revenues may limit growth from 2022
- Continue to grow ARR business in line with 2022 performance
- Focus on profitability initiatives to improve profitability and cash conversion
- Structural growth through M&A



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Appendix

Financial and Operational Information

Group P&L and KPIs

Group financial performance

Key metrics (NOKm)	Q1 2023	Q1 2022	LTM	2022
Operating revenues	339	286	1,270	1,217
COGS	50	43	215	208
Gross profit	289	243	1,057	1,011
Gross margin %	85 %	85 %	83%	83%
Personnel expenses (excl. capitalised R&D)	180	151	631	602
Other OPEX	55	47	214	206
Adjusted EBITDA	55	45	213	203
Adjusted EBITDA margin %	16%	16 %	17%	17%
Non-recurring items	8	5	60	57
EBITDA	46	40	153	146
EBITDA margin %	14%	14%	12%	12%
Depreciation and amortisation	23	26	103	106
EBIT	24	14	50	40
EBIT margin %	7%	5%	4%	3%
Net financial items	1	-3	0	-4
EBT	25	10	50	36
Tax	6	4	11	9
Profit (loss)	19	6	39	27

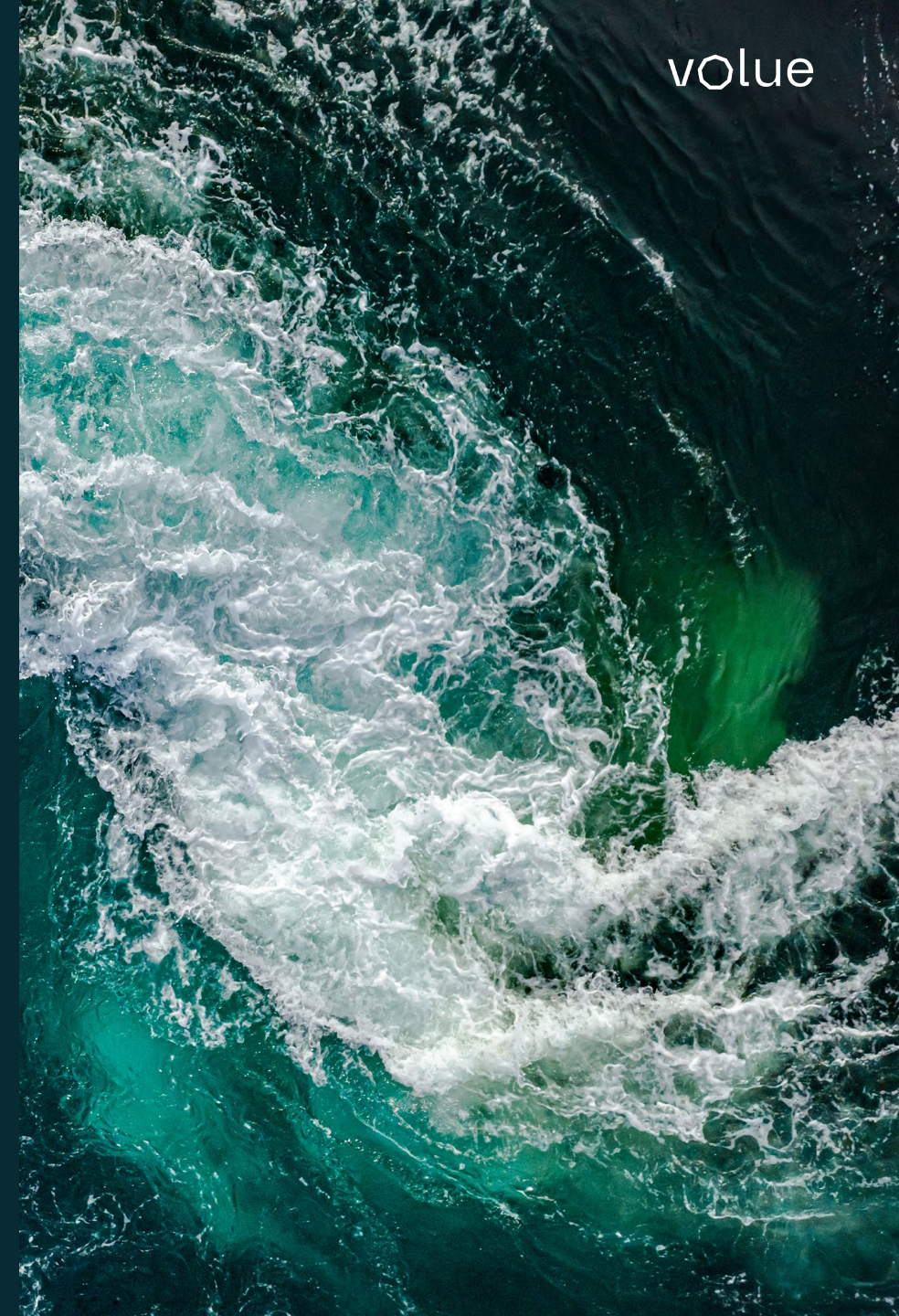


Balance sheet

Balance sheet (NOKm)	Q1 2023	31.03 2022	31.12 2022	Balance sheet (NOKm)	Q1 2023	31.03 2022	31.12 2022
ASSETS				LIABILITIES AND EQUITY			
Property, plant and equipment	122	135	124	Equity	840	767	808
Intangible assets	665	551	623	Total Equity	840	767	808
Pension assets	6	8	6	Lease liabilities	74	84	77
Non-current receivables and investments	37	37	35	Employee benefits	0	536	0
Total non-current assets	830	731	788	Other non-current liabilities	11	14	15
				Deferred tax liabilities	16	15	23
				Total non - current liabilities	102	114	117
Inventory	28	24	29	Borrowings	5	10	7
Contract assets	68	74	54	Lease liabilities	21	25	19
Trade and other receivables	543	305	543	Trade and other payables	111	72	397
Other current assets	0	2	0	Current tax liabilities	34	27	24
Cash and cash equivalents	636	631	446	Contract liabilities	319	269	31
Total current assets	1,161	1,036	1,073	Other current liabilities	559	483	457
Total assets	1,991	1,767	1,861	Total current liabilities	1,050	886	936
				Total liabilities and equity	1,991	1,767	1,861

Cash flow statement

Cash flow statement (NOKm)	31.03.2023	31.03.2022
Profit before tax	25	10
Depreciations	23	26
Net finance	0	3
Change in inventories	1	-4
Change in other current assets	103	147
Change in other current liabilities	160	106
Change in other provisions	1	0
Change in tax paid	-7	-4
Net cash flow from operating activities	305	285
Interest received	2	1
Purchase of property, plant and intangible assets	-41	-34
Cash flows related to acquisitions	-85	0
Acquisition of non-controlling interests	-10	0
Net cash flow from investing activities	-135	-33
Movement in borrowings	3	-14
Interest paid	-8	-2
Purchase of own shares	0	-1
Net cash flow from financing activities	-5	-17
Net change in cash and cash equivalents	165	234
Cash and cash equivalents opening balance	446	404
Effects of exchange rate changes on cash and cash equivalents	24	-7
Cash and cash equivalents closing balance	636	631



Segment overview

Energy Segment (NOKm)	Q1 2023	Q1 2022	2022	LTM
Operating revenues	209	172	762	799
Adjusted EBITDA	41	30	151	158
Adjusted EBITDA margin	20%	17%	20%	20%
R&D CAPEX (% of revenues)	9%	10%	8%	11%

Power Grid Segment (NOKm)	Q1 2023	Q1 2022	2022	LTM
Operating revenues	76	64	254	267
Adjusted EBITDA	11	6	19	24
Adjusted EBITDA margin	14%	10%	7%	9%
R&D CAPEX (% of revenues)	15%	9%	12%	17%

Infrastructure Segment (NOKm)	Q1 2022	Q1 2022	2022	LTM
Revenues	54	50	201	205
Adjusted EBITDA	3	9	33	27
Adjusted EBITDA margin	5%	18%	16%	13%
R&D CAPEX (% of revenues)	12%	14%	15%	20%



Revenue splits within segments, Q1 2023

% of segment revenue	Energy	Power grid	Infrastructure
Total ARR	64%	58%	86%
of which is SaaS	27%	9%	46%
License fee	3%	5%	1%
Consulting	12%	32%	12%
Energy Market Operations	12%	0%	0%
Other Revenue non-recurring	10%	5%	1%

Revenues from Energy Market Operations came down from 2022

The Energy segment has experienced abnormal trading revenues from volatility in the region of 60MNOK in 2022. Trending somewhat down as expected in Q1 2023

Power Grid has a strong pipeline for growing ARR business

Infrastructure continue to display highly attractive ARR and SaaS numbers

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.

SaaS – Software as a service. SaaS revenues are defined as revenues from software & services operated by Value in the cloud.

Non-recurring items - items that are not part of the ordinary business, such as external costs related to implementation of corporate back-office cloud-based systems (e.g. ERP), M&A related costs and costs related to the share based remuneration schemes. 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.