

value

Fourth Quarter 2023 Financial Results

9 February 2024

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Trond Straume

CEO



Arnstein Kjesbu

CFO



Value in brief

European industrial
software & data
leader in the energy
transition



Established
2020



Customers
2,500+



Engaged employees
800+



Customers in
40+
countries



Offices
30+



Experience in Green-Tech
50 years

Working across three major industry segments

Energy¹

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

Q4 revenues (% of total)	NOK 211 m (51%)
Recurring revenues share (Q4)	70%
SaaS revenues (Q4)	34%
EU Taxonomy eligibility	HIGH

Power Grid

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

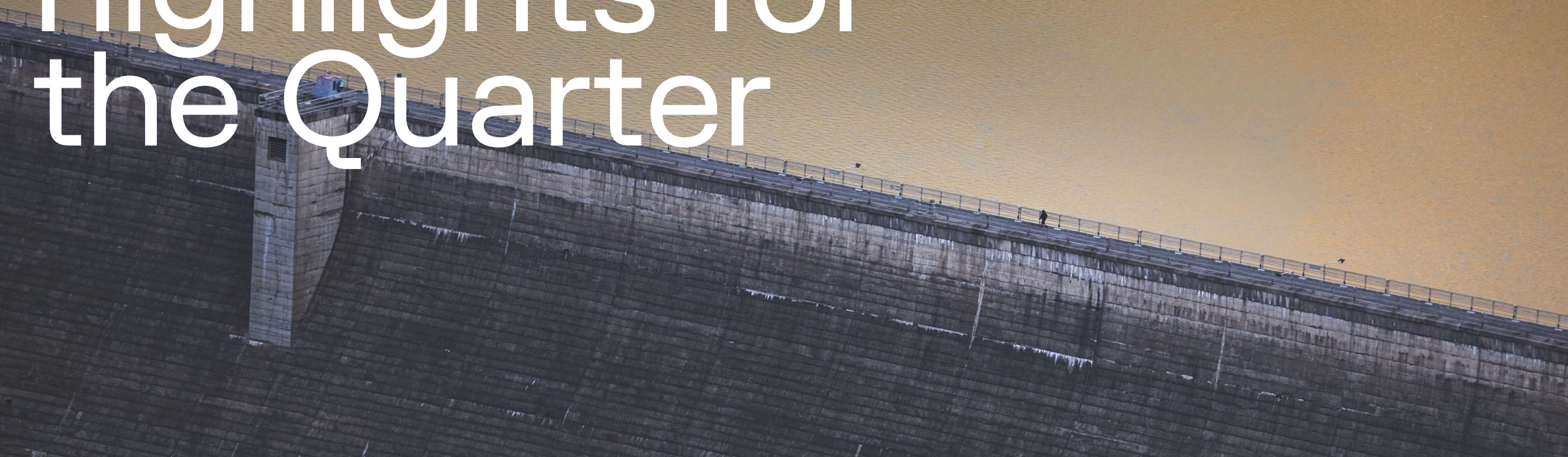
Q4 revenues (% of total)	NOK 91 m (22%)
Recurring revenues share (Q4)	56%
SaaS revenues (Q4)	9%
EU Taxonomy eligibility	HIGH

Infrastructure

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

Q4 revenues (% of total)	NOK 71m (17%)
Recurring revenues share (Q4)	70%
SaaS revenues (Q4)	38%
EU Taxonomy eligibility	MEDIUM

Highlights for the Quarter



Recurring revenues

NOK
272 mill

29% growth from Q4 2022

Operating revenues

NOK
413 mill

21% growth from Q4 2022

SaaS revenues

NOK
106 mill

35% growth from Q4 2022

Adjusted EBITDA

NOK
86 mill

21% margin,
Up from 19% Q4 2022

Q4 Highlights: Another record quarter

Performance, sales and operations

- Record operating revenues in the quarter, breaking the 400 million barrier
- Annualised ARR base reached 1,138 million in the quarter, adding to Value's robust base
- Previously guided head-winds in Market Services revenues compared to last year, countered by strong project delivery and advisory services
- Smart Power gone live with two major producers in Italy, making Value unrivalled in the country
- Legal dispute originating from 2021 resolved in Q4, see details on slide 22
- Enerim integration progressing according to plan, providing platform for growth and now handles more than 70TWh under asset management

Adjusted EBITDA and other alternative performance measures (APMs) are defined as part of the APM section in this presentation on page 35.

Market update

Energy

Smart Power signed significant customers in the Spanish growth market, the new Japanese market and the Nordic home market during Q4 '23

Infrastructure

90 customers reached in Sweden by Construction product line

Infrastructure

100 new logos won in 2023

Power Grid

Power Grid closed ARR for 26MNOK in 2023

Energy

Insight closed 369 deals in 2023

Power Grid

The Spark ecosystem has attracted 16 smart charging service providers and four grid operators, introducing incentives for grid-aware behaviour

Infrastructure

Increased confidence in global scalability, with customers in eight countries through incoming request

Recurring revenues

NOK
984 mill

29% growth from 2022

Operating revenues

NOK
1463 mill

20% growth from 2022

SaaS revenues

NOK
397 mill

41% growth from 2022

Adjusted EBITDA

NOK
267 mill

18% margin

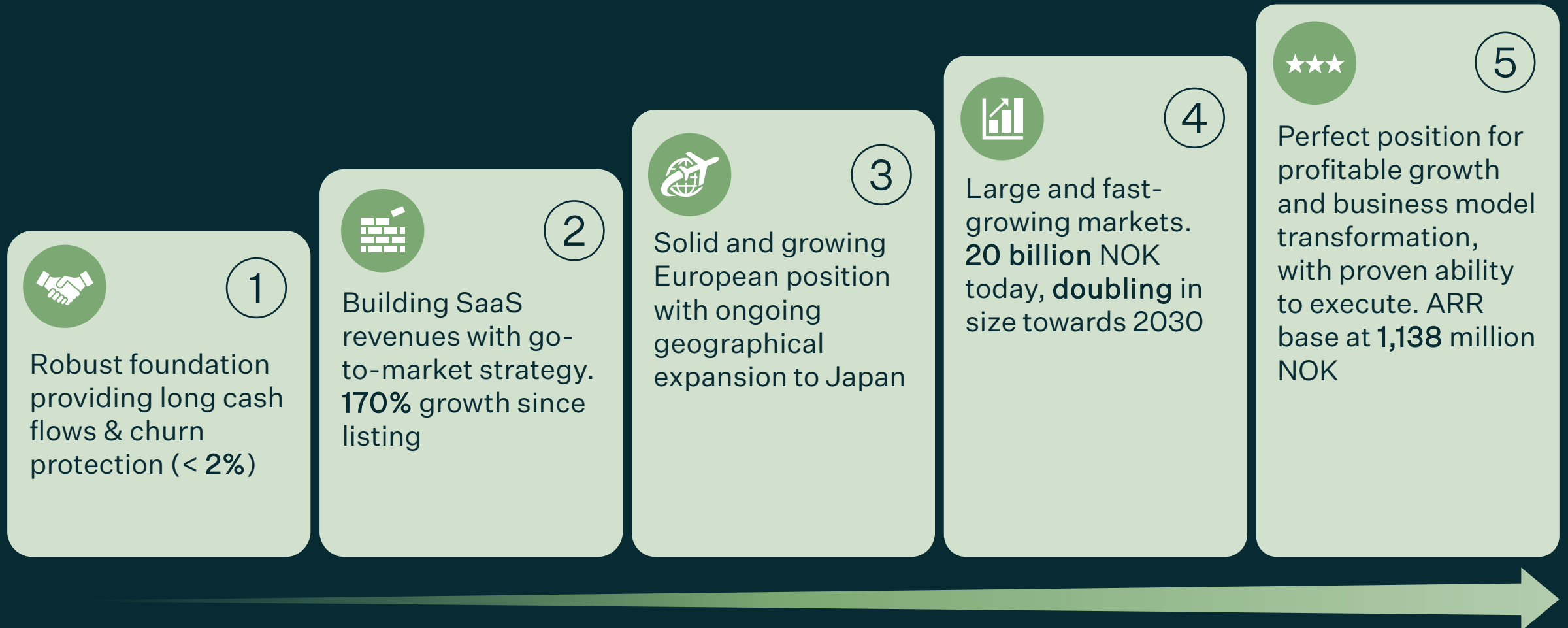
2023 Highlights: On track for 2025 ambitions

Performance, sales and operations

- Strong growth trajectory on SaaS, ARR and operating revenues
- Adjusted EBITDA uplift in accordance with guidance
- ARR growth and strong operational focus delivered robust 2023 performance despite announced head-winds on non-recurring revenues for Energy segment
- Project delivery bottleneck from 2022 relieved for Power Grid segment, unlocking improved delivery, growth and profitability
- Infrastructure segment continues the trend of growth and uplift in ARR and margins, following the completed business model transformation

Adjusted EBITDA and other alternative performance measures (APMs) are defined as part of the APM section in this presentation on page 35.

Fast-growing and profitable model with highly attractive growth strategy



① Robust foundation providing long cash flows & churn protection

Ⓐ Battle proven portfolio

- Mission critical solutions
- Decades of proven reliability
- Longstanding relationships with conservative customers

Ⓑ Highly attractive vendor position

- Sticky customer base with high switching cost
- Value on the right side of the fence with industry titans

Ⓒ Robust ARR foundation

- Predictable recurring revenue stream from current solutions
- Industry low customer churn below 2%

② Building SaaS revenues with go-to-market strategy

Ⓐ Insight platform

- Industry leading analytics platform
- Revenue more than doubled since creation in 2020
- Sales cycle of 6 hours to 6 weeks

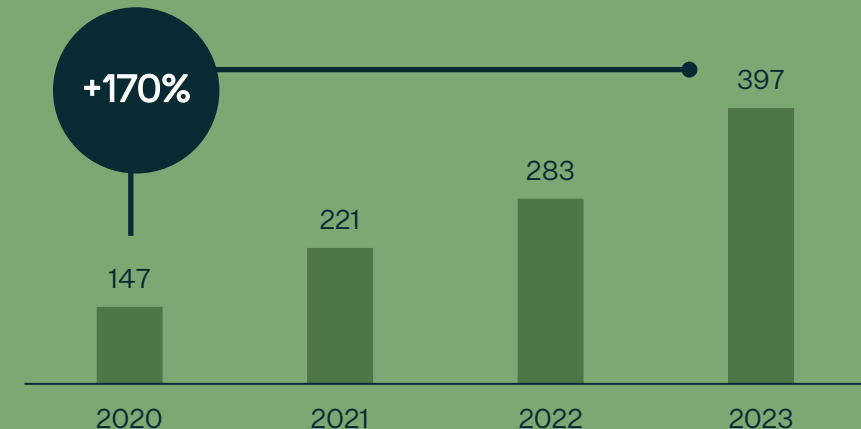
Ⓑ Trading solutions

- Market leading algo-trader
- 50M algo trades in 2023
- Sales cycle of 6 weeks to 6 months

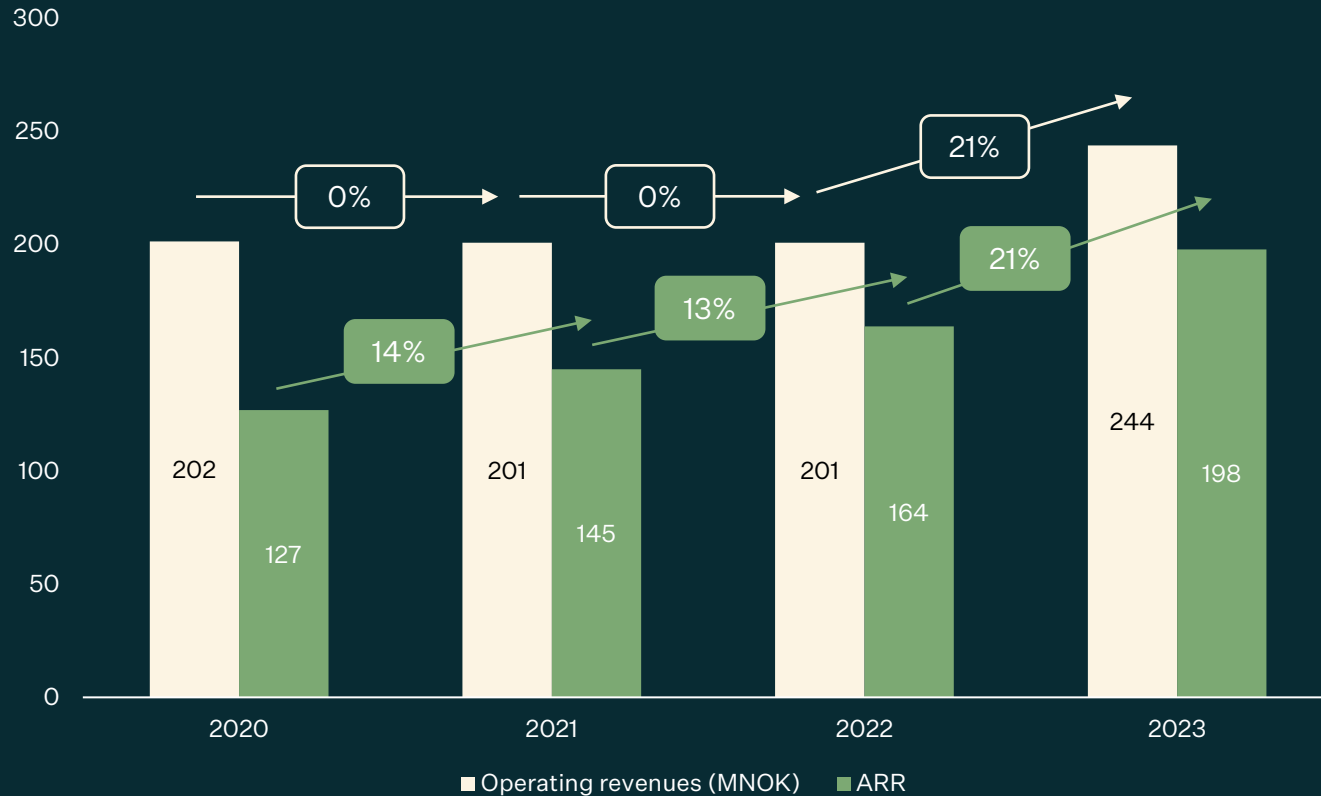
Ⓒ Smart Power

- Next generation optimisation platform built on decades of experience
- Unique multi-asset, multi-market platform
- Sales cycle of 6 to 18 months

Ⓓ Increased SaaS



② Transformation in the Infrastructure segment



- Business model transformation complete
- Strong ARR trajectory
- Top line growth for the first time since listing...
- ... accompanied by improving margins

③ Geographical expansion to Japan following go-to-market playbook



4

Large and fast-growing markets



Markets set to double to NOK 40 billion ARR towards 2030



Installed renewable capacity growing with a CAGR of 10%



Number of power producers growing with a CAGR of 6%



Fuelled by global electrification megatrend



Attractive current market size of NOK 20 billion ARR

5

Perfect position for profitable growth and business model transformation, with proven ability to execute

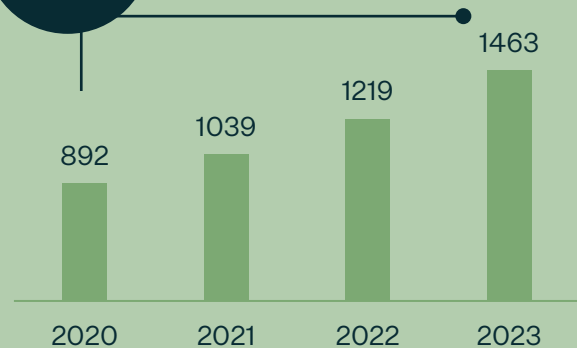
Robust foundation providing long cash flows & churn protection

Building SaaS revenues with go-to-market strategy

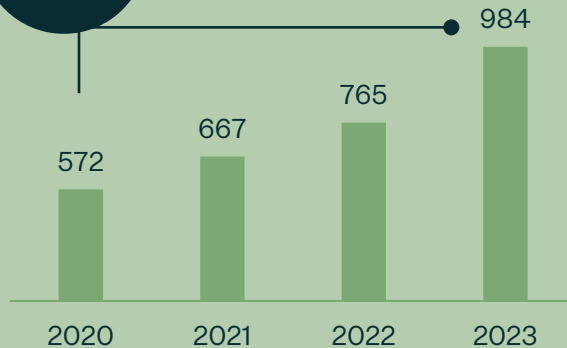
Geographical expansion to Japan

Large and fast-growing markets

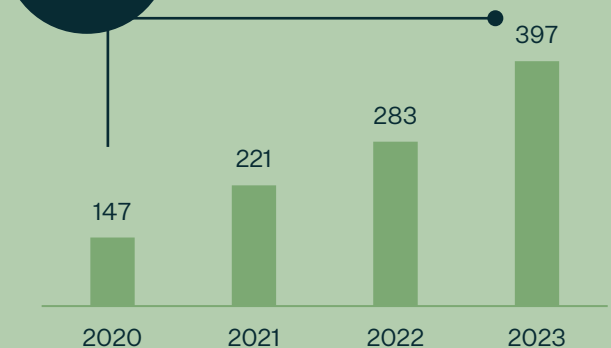
+64% Operating revenue (MNOK)



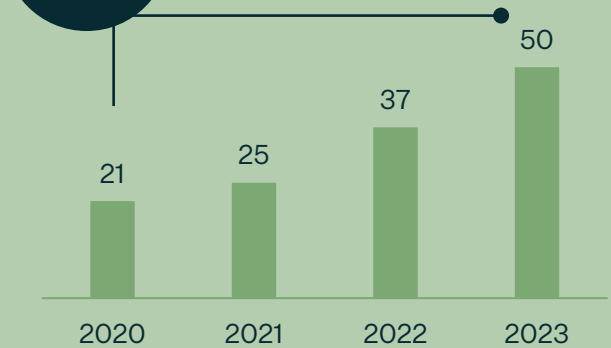
+72% ARR (MNOK)



+170% SaaS (MNOK)



+138% Million algo trades on the Value platform





Fourth Quarter 2023 Financial Results

Financial highlights

Financial highlights (NOKm)	Q4 2023	Q4 2022	2023	2022
Operating revenues	413	339	1,463	1,217
Adjusted EBITDA ¹	86	64	267	203
Adjusted EBITDA margin	21%	19%	18%	17%
EBITDA	30	22	215	147
EBITDA margin	7%	6%	15%	12%
Recurring revenues growth (%)	29%	12%	28%	15%
Recurring revenues (% of revenues)	66%	62%	67%	63%
SaaS revenues growth (%)	35%	22%	41%	28%
SaaS revenues (% of revenues)	26%	23%	27%	23%
R&D CAPEX (% of revenues)	14%	14%	10%	11%

Sales

- Strong underlying financial performance with growth for all segments, despite previously guided head-winds in Market Services revenues compared to last year
- Record quarterly operating revenues, exceeding NOK 400 million for the first time
- 21% revenue growth from Q4 2022, 13% organic growth
- 20% revenue growth for the year, 16% organic growth
- 3 percentage points positive impact from exchange rates in Q4

Profitability

- Adjusted EBITDA in Q4 2023 improved from last year and Q3 2023
- Growth in top-line paves way for improved profitability
- Decline in high-profit non-recurring revenues from Q4 2022 outweighed by uplift in ARR and project delivery with improved overall margin
- Increased growth from recurring revenues impacts margins over time
- Cost base impact from exchange rates at 3 percentage points in Q4, resulting in a neutral impact on profitability
- Two projects with negative impact in Q4 weakened the margin, combined 12 MNOK impacting other Opex
- EBITDA impacted by legal dispute, details on slide 22

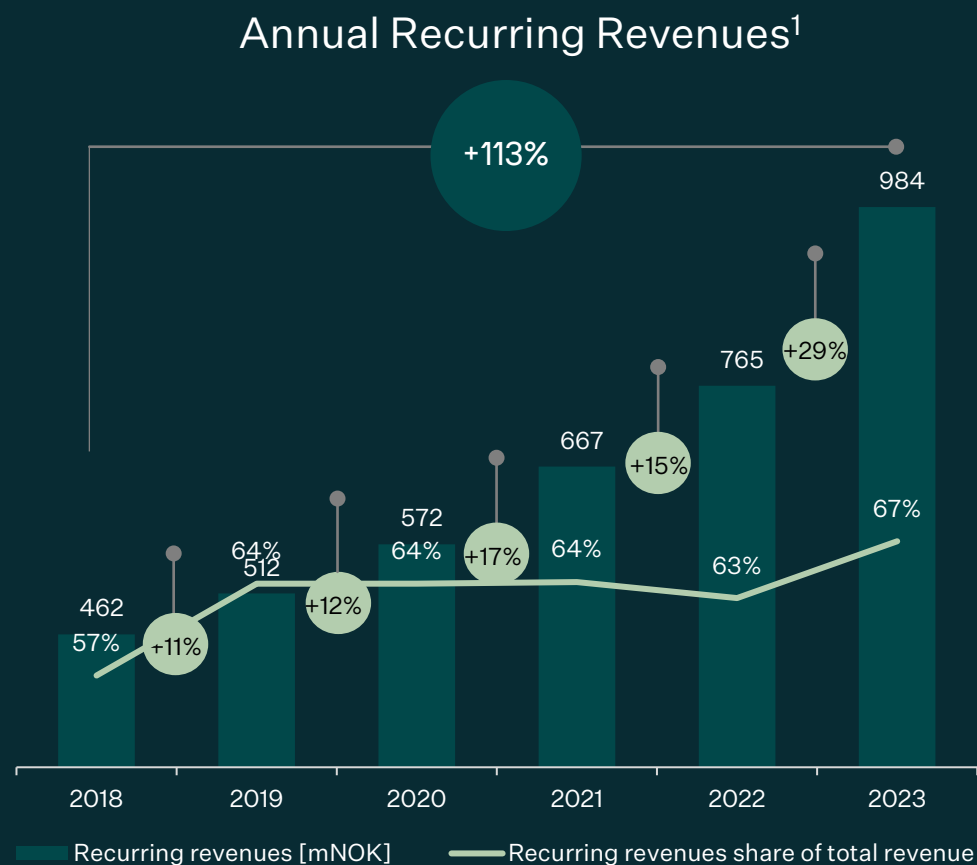
Capex

- Higher Capex at year end due to seasonality and assessment of project. Expect Capex to be at 10-11% on yearly basis.

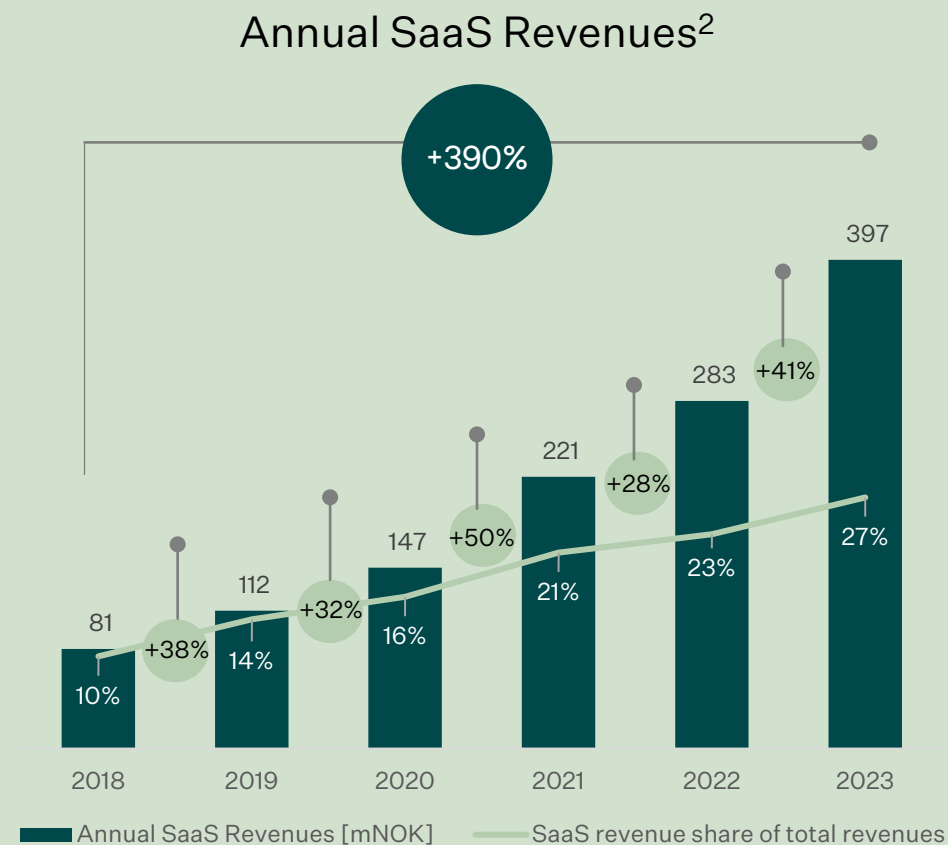
Cash flow

- Cash position at low level at year end due to pre-payments of recurring revenues in Q1

Excellent growth in annual recurring revenues (ARR)

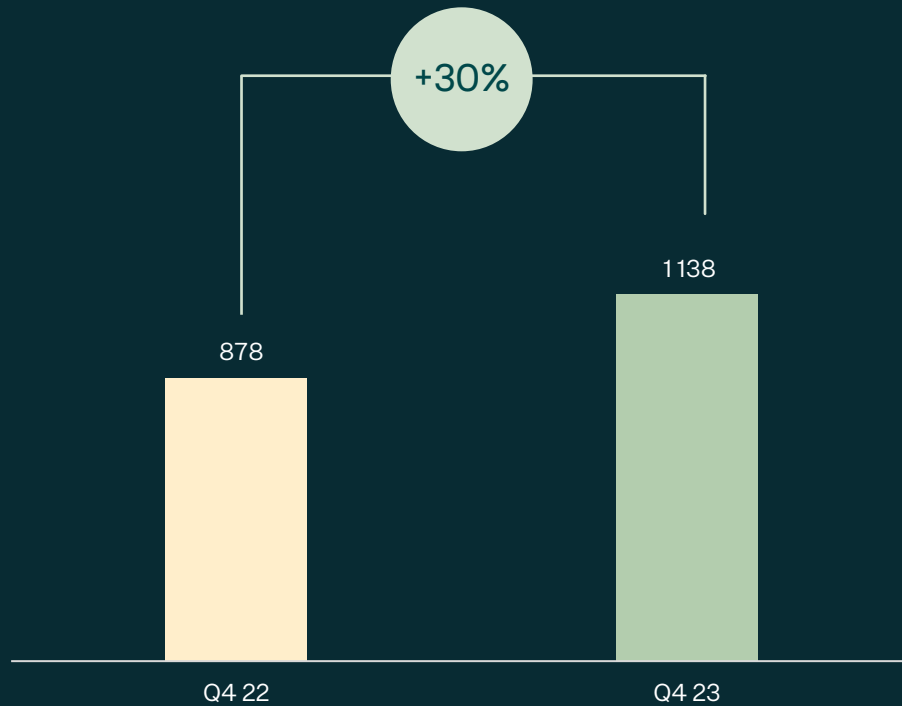


Accelerating shift towards SaaS



ARR Milestone achieved

Annualised recurring revenues basis¹
mNOK



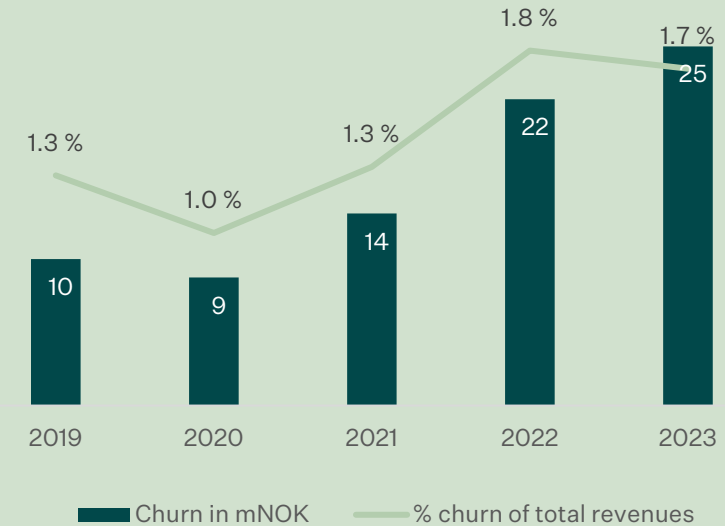
1. Annualised recurring revenues basis is the yearly value of recurring contracts, delivered and not delivered

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And highly sticky customer base

Customers stay with Volue

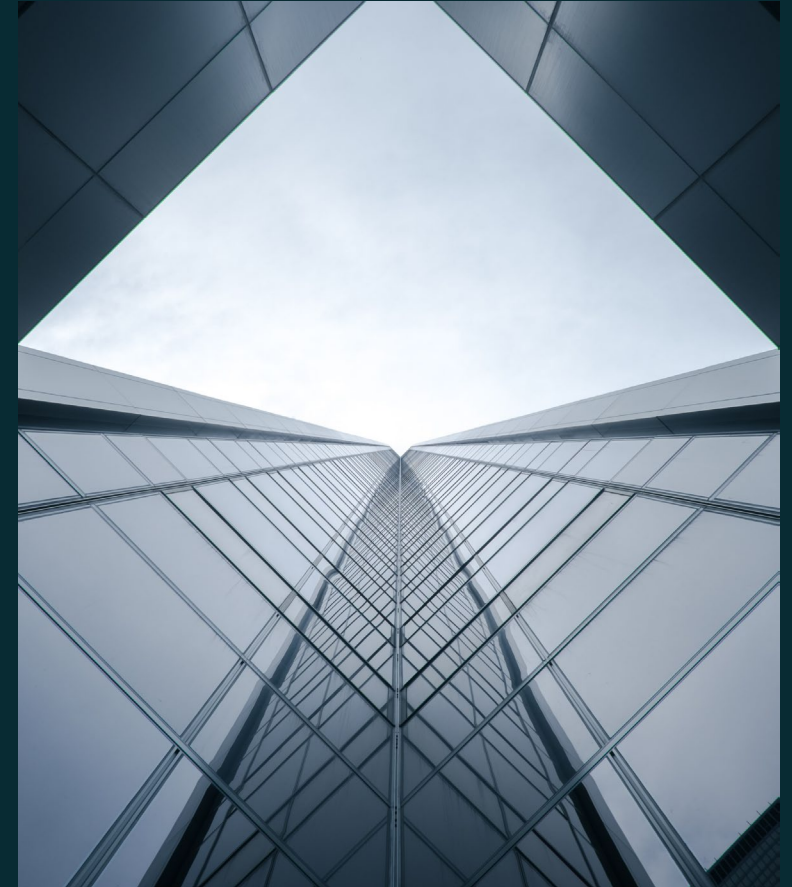
Churn² per year



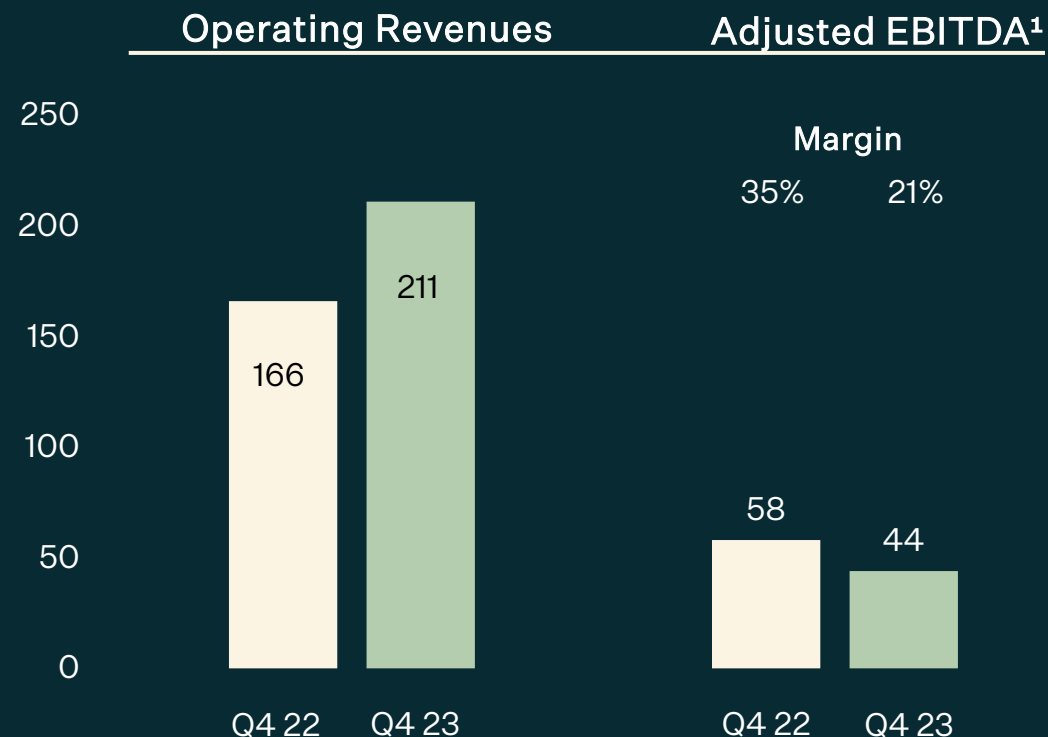
2. Churn is cancelled yearly recurring revenues divided by total revenues. Excluding downsell and product groups sold out of Volue. In 2023 Fire & Chimney portfolio with 5mNOK ARR was sold.

Settlement of legal dispute

- With reference to stock exchange notice posted 18.11.2023 about a dispute originating from 2021
- Interests from 2021 (7M) and legal costs (6M) take impact booked in Q4 from the announced 44M to 57M
- 50M booked as other non-recurring operating expenses and 7M as other finance costs
- Consequently, adjusted EBITDA is unaffected to reflect the performance of underlying business



Energy segment



From Q3 IoT is reported under «other segment» (see appendix slide 31)

Growth

- Segment with 27% growth from Q4 22
- Non-recurring revenues from Energy Market Services coming down from an abnormal 2022, approximately 25MNOK decline vs Q4 22
- Strong sales due to increased demand for forecast and analytics services
- Powerful growth in recurring revenues and project delivery improvement

Profitability in the quarter

- Stable margins from the business over the year, despite lower contribution from Market Services. Q4 2022 was abnormally strong due to Market Services revenues.
- Industrial IoT, excluded from the Energy segment, highlighting performance of underlying business
- Strategic investment in R&D capacity in 2022, scaling for long-term growth and impacting margins
- Enerim integration progressing according to plan and the business line has been carrying integration cost that is pulling the margins down for the Energy Segment

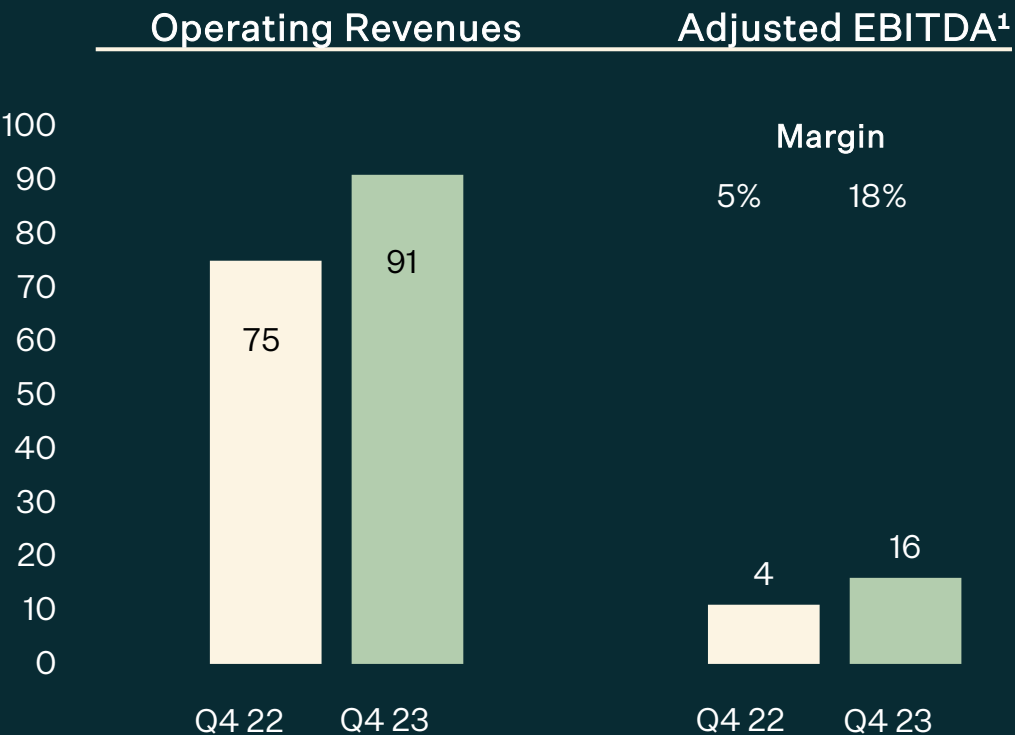
Main drivers for uplift in contribution going forward

- Sales closing mainly from scalable SaaS products within Trading and Insight, giving uplift in contribution without adding new cost
- Few new headcounts planned to be added throughout 2024
- Synergies on cost level through more integrated product lines that reduce OPEX level
- Significant growth in ARR base that will give uplift in 2024 revenues

Investments

- CAPEX at 9% of revenues in the quarter, mainly R&D investments
- Significant investments into new products related to Optimisation and Trading Solutions

Power Grid Segment



Growth

- Healthy growth rate at 21% from strong sales
- Service delivery capacity increased, enabling further growth
- Solid market outlook with large pipeline

Profitability in the quarter

- Adjusted EBITDA margin increased in the quarter compared to Q4 2022
- Consulting revenues back at expected levels, following seasonally low Q3, providing additional profitability
- Investments in market expansions with new products for European markets continue to impact margins in the quarter

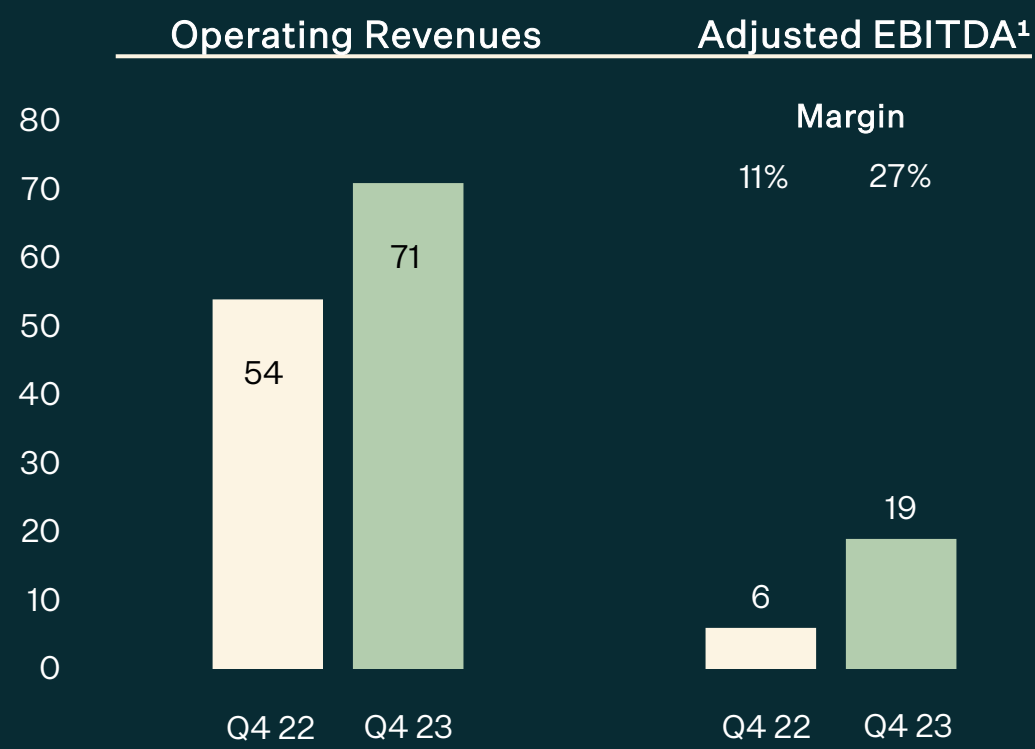
Main drivers for uplift in contribution going forward

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

Investments

- CAPEX in the quarter at 21% of revenues. Higher Capex at year-end due to seasonality and assessment of project.
- Ongoing investments in international expansion
- CAPEX for the year at 14%, expected somewhat lower going forward

Infrastructure Segment



Growth

- Continued growth momentum at 32% compared with Q4 2022
- Successful shift in business models – giving solid uplift in ARR
- Strong sales in 2023, giving increased order backlog, positively impact growth rates going forward

Profitability

- Uplift in margins from Q3 2023 and 2022 following uplift in ARR and SaaS
- Ongoing investments in market expansions impacting EBITDA 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
- Improved time-to-cash process will provide margin uplift

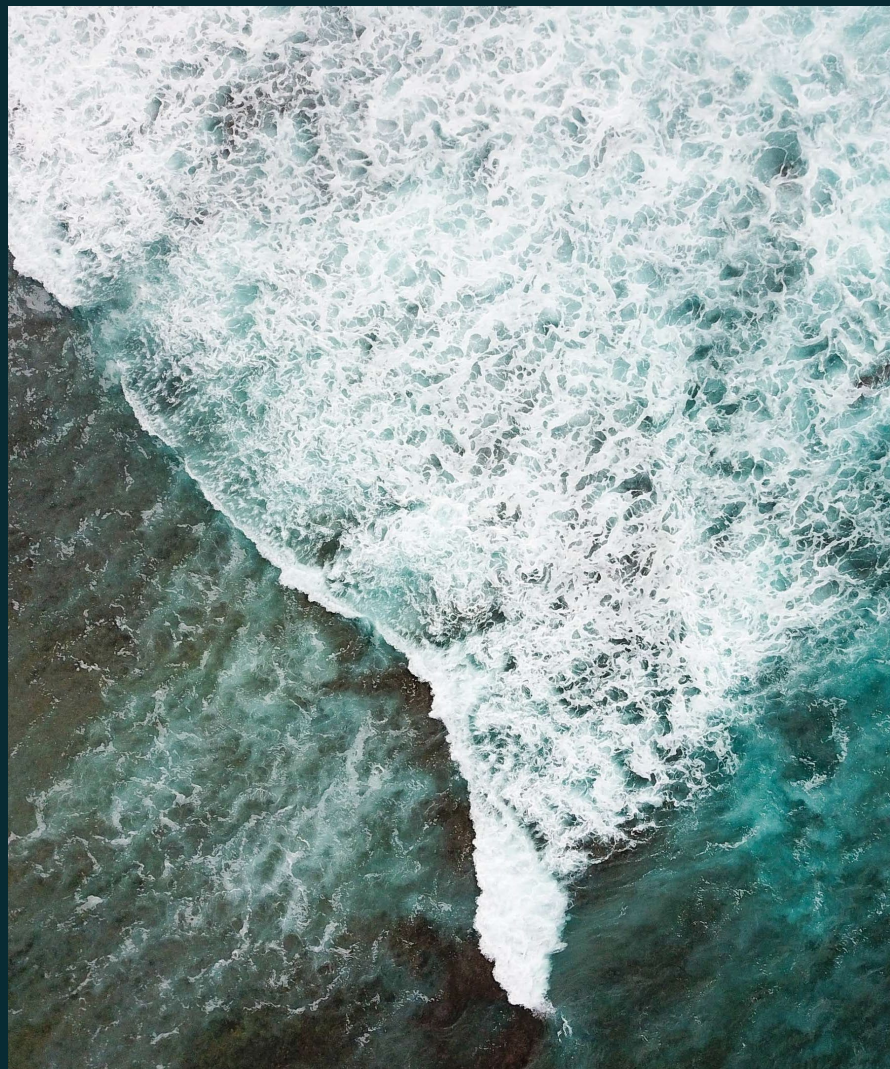
Investments

- CAPEX level at approx. 24% of revenues for the quarter.
- Higher Capex at year end due to seasonality and assessment of project.
- CAPEX for the year at 15%, expected lower going forward

1. EBITDA adjusted for non-recurring items

Guidance

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

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Appendix

Financial and Operational Information

Group P&L and KPIs

Group financial performance

Key metrics (NOKm)	Q4 2023	Q4 2022	2023	2022
Operating revenues	413	339	1,463	1,217
COGS	55	64	205	208
Gross profit	358	277	1,259	1,011
Gross margin %	87%	82%	86%	83%
Personnel expenses (excl. capitalised R&D)	184	172	724	602
Other OPEX	88	41	267	206
Adjusted EBITDA	86	64	267	203
Adjusted EBITDA margin %	21%	19%	18%	17%
Non-recurring items	55	42	52	57
EBITDA	31	22	215	146
EBITDA margin %	7%	6%	15%	12%
Depreciation and amortisation	40	26	128	106
EBIT	-10	-4	87	40
EBIT margin %	-2%	-1%	6%	3%
Net financial items	-18	-7	-20	-4
EBT	-27	-12	67	36
Tax	-4	5	22	9
Profit (loss)	-23	-17	45	27



Balance sheet

Balance sheet (NOKm)	Q4 2023	Q3 2023	Q4 2022	Balance sheet (NOKm)	Q4 2023	Q3 2023	Q4 2022
ASSETS				LIABILITIES AND EQUITY			
Property, plant and equipment	167	111	124	Equity	845	870	809
Intangible assets	1,049	1,024	623	Total Equity	845	870	809
Pension assets	7	6	6				
Non-current receivables and investments	51	47	35	Non-current debt	345	345	
Total non-current assets	1,275	1,188	788	Lease liabilities	107	69	77
				Other non-current liabilities	11	10	15
				Deferred tax liabilities	31	25	23
				Total non - current liabilities	495	449	116
Inventory	30	27	29	Borrowings	80	5	7
Contract assets	58	88	54	Lease liabilities	35	17	19
Trade and other receivables	554	340	543	Trade and other payables	248	87	397
Cash and cash equivalents	174	270	446	Current tax liabilities	39	42	24
Total current assets	816	726	1,073	Contract liabilities	20	129	31
Total assets	2,091	1,914	1,861	Other current liabilities	329	316	458
				Total current liabilities	751	596	936
				Total liabilities and equity	2,091	1,914	1,861

Cash flow statement

Cash flow statement (NOKm)	31.12.2023	31.12.2022
Profit before tax	67	36
Adjusted for depreciations	127	106
Net finance	22	4
Change in inventories	0	-10
Change in other current assets	41	-25
Change in other current liabilities	-341	126
Change in other provisions	6	0
Change in tax paid	-12	-16
Net cash flow from operating activities	-90	222
Interest received	19	4
Purchase of property, plant and intangible assets	-174	-143
Cash flows related to acquisitions	-379	-1
Acquisition of non-controlling interests	-	-
Net cash flow from investing activities	-534	-140
Movement in borrowings	378	-36
Interest paid	-41	-9
Acquisition of non-controlling interests	-	-
Purchase of own shares	-	-
Net cash flow from financing activities	337	-45
Net change in cash and cash equivalents	-287	37
Cash and cash equivalents opening balance	446	404
Effects of exchange rate changes on cash and cash equivalents	15	5
Cash and cash equivalents closing balance	174	446

Segment overview

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Energy Segment (NOKm)	Q4 2023	Q4 2022	FY 2023	FY 2022
Operating revenues	211	166	741	607
Adjusted EBITDA	44	58	167	168
Adjusted EBITDA margin	21%	35%	23%	28%
R&D CAPEX (% of revenues)	9%	14%	9%	10%
Power Grid Segment (NOKm)	Q4 2023	Q4 2022	FY 2023	FY 2022
Operating revenues	91	75	321	254
Adjusted EBITDA	16	4	50	12
Adjusted EBITDA margin	18%	5%	16%	5%
R&D CAPEX (% of revenues)	21%	16%	12%	14%
Infrastructure Segment (NOKm)	Q4 2023	Q4 2022	FY 2023	FY 2022
Operating revenues	71	54	244	201
Adjusted EBITDA	19	6	45	34
Adjusted EBITDA margin	27%	11%	19%	17%
R&D CAPEX (% of revenues)	24%	20%	15%	17%
Other Segment (NOKm)	Q4 2023	Q4 2022	FY 2023	FY 2022
Operating revenues	40	44	157	155
Adjusted EBITDA	7	-4	4	-11
Adjusted EBITDA margin	17%	-8%	3%	-8%
R&D CAPEX (% of revenues)	3%	3%	3%	1%



Revenue splits within segments, Q4 2023

% of segment revenue	Energy	Power Grid	Infrastructure	Other Segment
Total ARR	70 %	56 %	70 %	60 %
<i>of which is SaaS</i>	34 %	9 %	38 %	0 %
License fee	4 %	7 %	0 %	0 %
Consulting	13 %	35 %	13 %	0 %
Energy Market Operations	13 %	0 %	0 %	0 %
Other Revenue non-recurring	1 %	2 %	17 %	24 %

Revenues from Energy Market Operations came down from 2022

The Energy segment experienced abnormal trading revenues from power market volatility in the region of 60MNOK in 2022. As expected, and indicated, these revenues are trending significantly down in Q4 2023. Bear in mind that parts of old Enerim's non-recurring revenues are classified as "Energy Market Operations"

Power Grid displays strong consultancy combined with uplift in ARR

Infrastructure continue to display strong 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.

ARR – Annual Recurring Revenues is defined as revenues from recurring contracts including software as a service. Includes also elements of reoccurring revenue, for Scanmatic that is reported under Other segments.

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.