

value

Second Quarter 2024 Financial Results

15 August 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

Q2 revenues (% of total)	NOK 204 m (50%)
Recurring revenues share (Q2)	79%
SaaS revenues (Q2)	43%
EU Taxonomy eligibility	HIGH

Power Grid

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

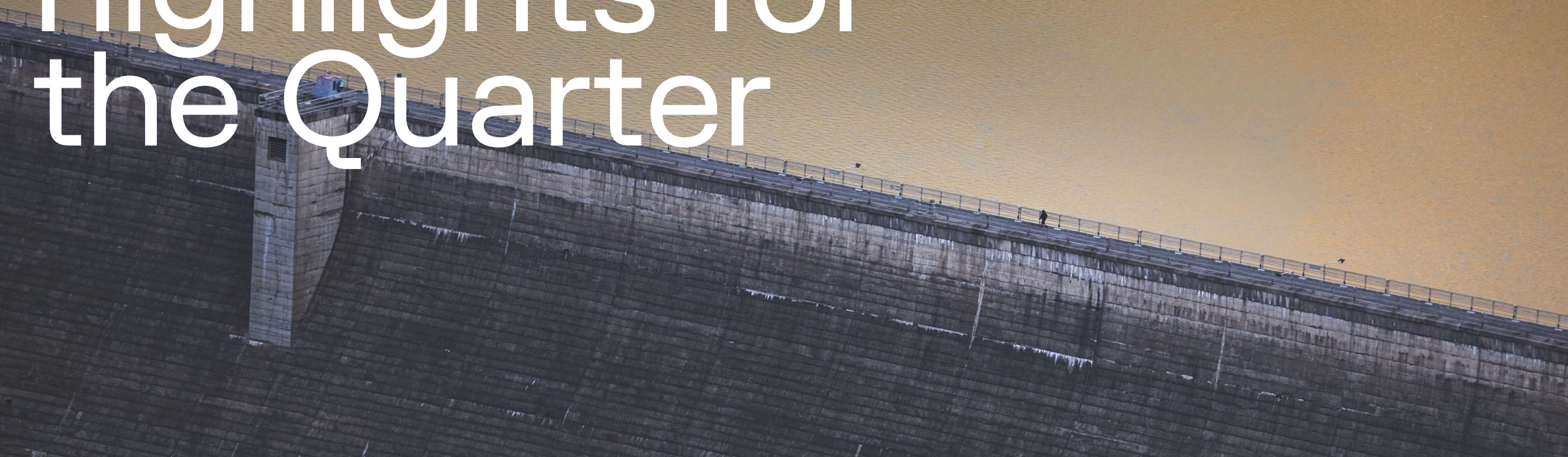
Q2 revenues (% of total)	NOK 98 m (24%)
Recurring revenues share (Q2)	51%
SaaS revenues (Q2)	9%
EU Taxonomy eligibility	HIGH

Infrastructure

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

Q2 revenues (% of total)	NOK 66m (16%)
Recurring revenues share (Q2)	86%
SaaS revenues (Q2)	60%
EU Taxonomy eligibility	MEDIUM

Highlights for the Quarter



Recurring revenues

NOK
292 mill

24% growth from Q2 2023

Operating revenues

NOK
409 mill

9% growth from Q2 2023

SaaS revenues

NOK
135 mill

38% growth from Q2 2023

Adjusted EBITDA

NOK
88 mill

22% margin,
Up from 17% Q2 2023

Q2 Highlights: Scalability lifting margins

Performance, sales and operations

- Operating revenue growth at 9% (0% organic) impacted by shift away from non-ARR in the Energy segment
- Power Grid delivering record adjusted EBITDA margin
- Infrastructure taking great strides in ARR, SaaS and profitability compared to Q2'23
- Strong sales closing, providing runway for growth
- 20% improved accuracy from new AI-based wind model, solidifying leadership for the Insight platform
- Momentum in ARR and SaaS boosting robust revenue streams
- Operating margin improved according to guidance, proving scalability of business model
- Intention to launch voluntary cash offer at NOK 42 for all outstanding shares in Volue by Arendals Fossekompni, Advent International and Generation Investment Management

Adjusted EBITDA and other alternative performance measures (APMs) are defined as part of the APM section in this presentation on page 36.

New AI-based wind model yielding unprecedented results for the Insight platform

⊕ Automated retraining

⊕ Expanded weather inputs

⊕ Optimised for both onshore and offshore wind

⊕ Adaptability to changing geographical distribution

20%

Accuracy improvement

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

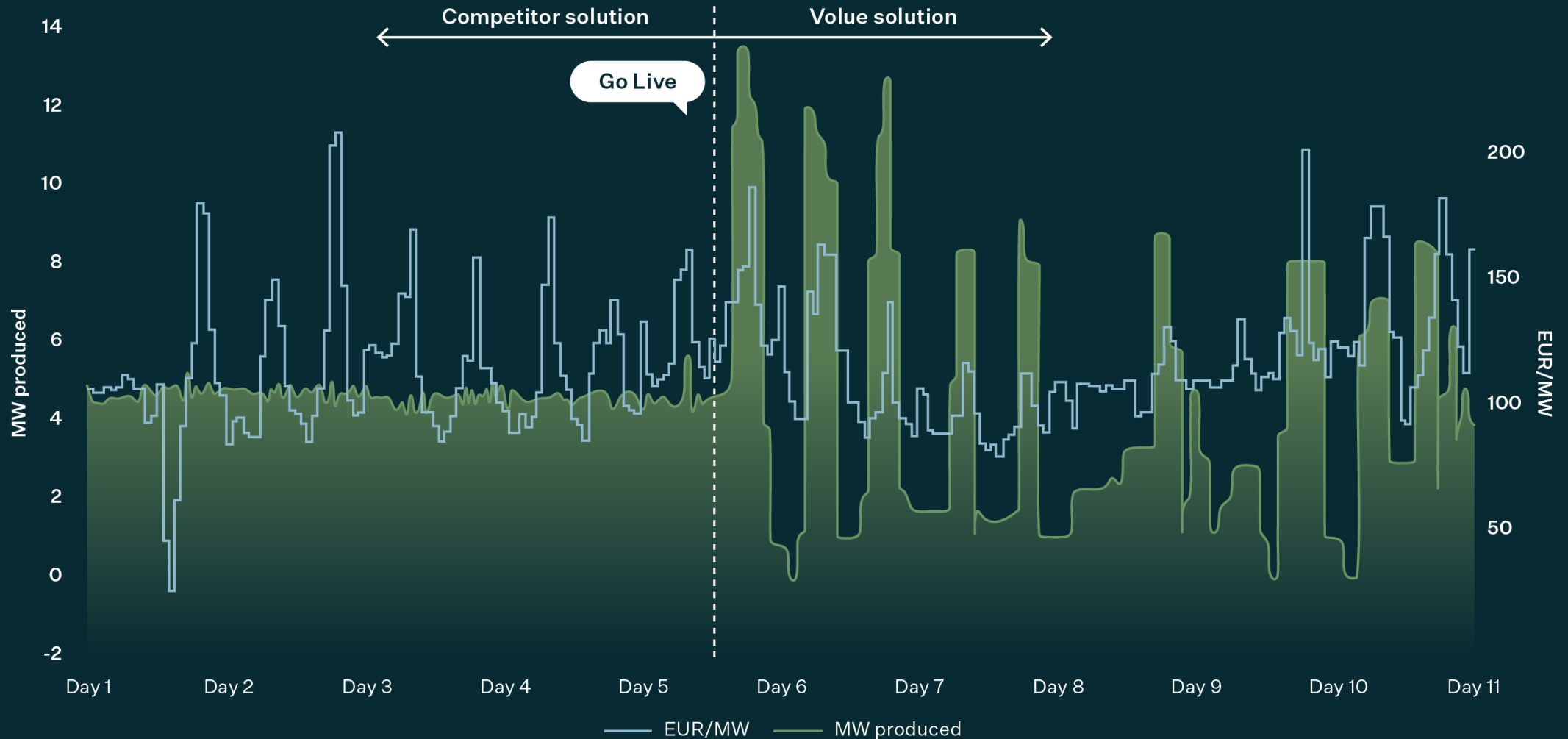
Ⓑ Highly attractive vendor position

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

Ⓒ Robust ARR foundation

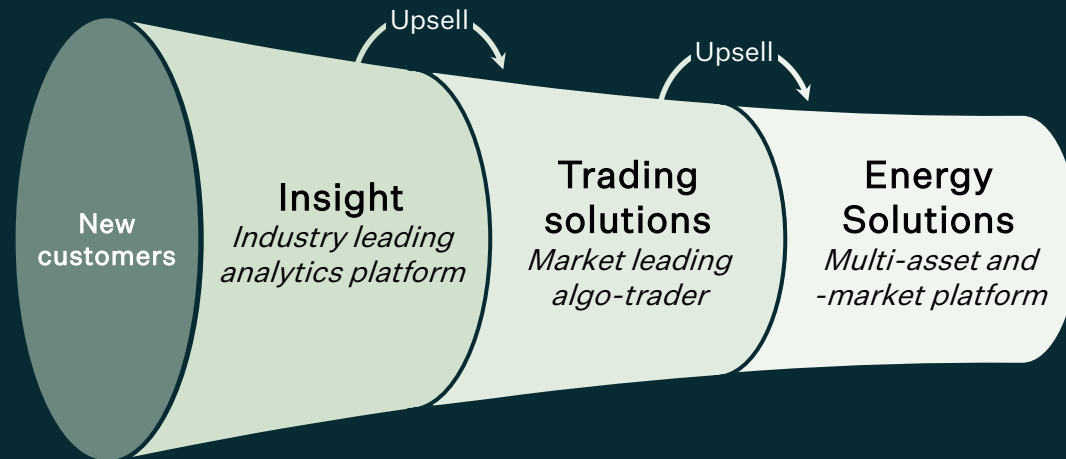
- Predictable recurring revenue stream from current solutions
- Industry low customer churn below 2%

① Customer impact by utilising Smart Power: Increased revenues and stabilising the energy system

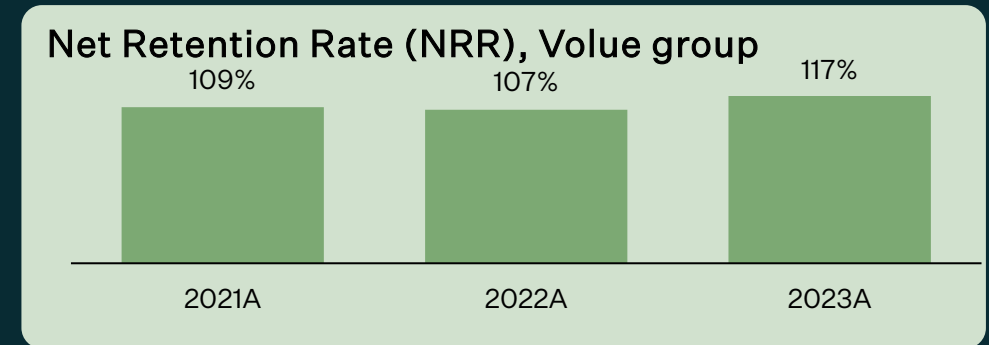


2 Building SaaS revenues with go-to-market strategy

Go-to-market model in the Energy segment



Strong customer relationships and proven platform



High customer loyalty and satisfaction, providing predictable revenue streams



Significant inherent cross- and upselling opportunities



Virtually zero churn, with merges and bankruptcies the main churn generators



Large share of SaaS products sold to legacy customers

3

Incidents pushing Europe in Volue's direction

June '24

Power outage hits Balkan states as heat overloads system, minister says

Story by Reuters

© 3 minute read · Published 4:55 AM EDT, Sat June 22, 2024



July '24

Baltic countries notify Russia and Belarus they will exit the Moscow-controlled electricity grid



Markets enabling sustained ARR growth for Volue in Europe

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

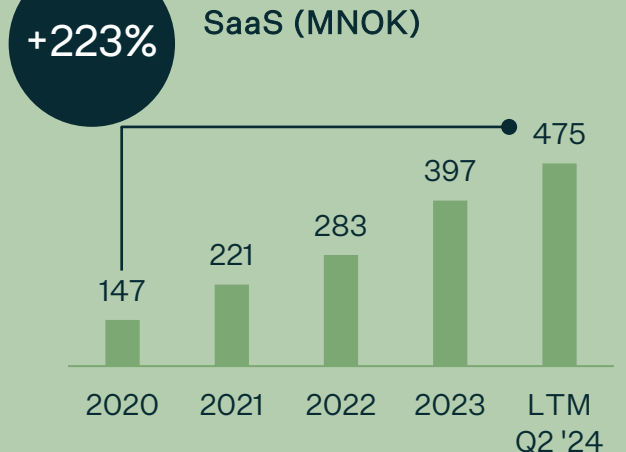
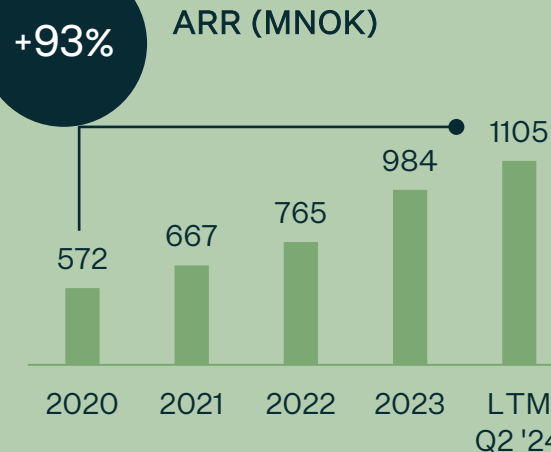
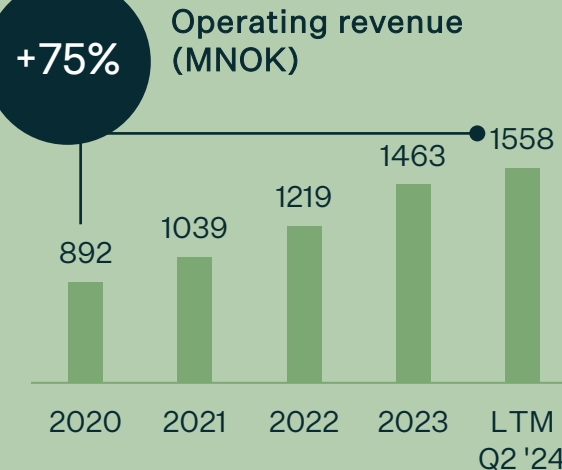
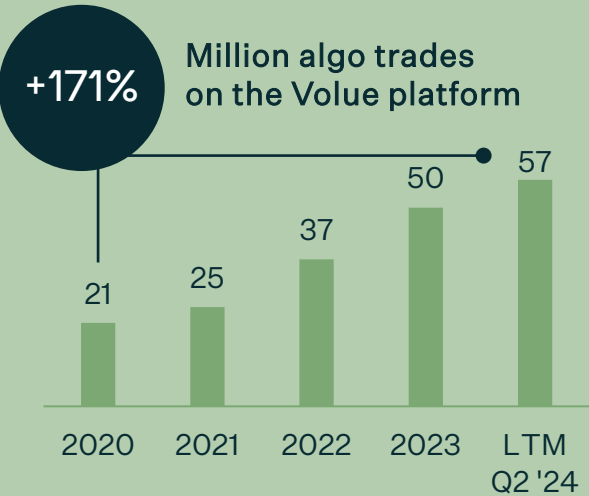
Perfect position for profitable growth and business model transformation, with proven ability to execute

Robust foundation providing long cash flows & churn protection

Building SaaS revenues with go-to-market strategy

Growing European position with strong tailwind

Large and fast-growing markets





Second Quarter 2024 Financial Results

Financial highlights

Financial highlights (NOKm)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	LTM
Operating revenues	409	375	809	715	1,558
Adjusted EBITDA ¹	88	63	171	118	320
Adjusted EBITDA margin	22%	17%	21%	16%	21%
EBITDA	81	80	153	127	234
EBITDA margin	20%	21%	19%	18%	15%
Recurring revenues growth (%)	24%	25%	24%	24%	19%
Recurring revenues (% of revenues)	71%	63%	71%	64%	71%
SaaS revenues growth (%)	38%	43%	38%	39%	42%
SaaS revenues (% of revenues)	33%	26%	33%	26%	30%
R&D CAPEX (% of revenues)	13%	8%	12%	9%	11%

Sales

- Operating revenues grew by 9% and organic revenues were flat, compared to Q2'23
- Somewhat soft growth in operating revenues, impacted by strategic switch from Non-ARR to ARR and SaaS in the Energy segment, building a more resilient revenue base over time
- Strong sales closing in the quarter, with solid Net Retention Rate (NRR)

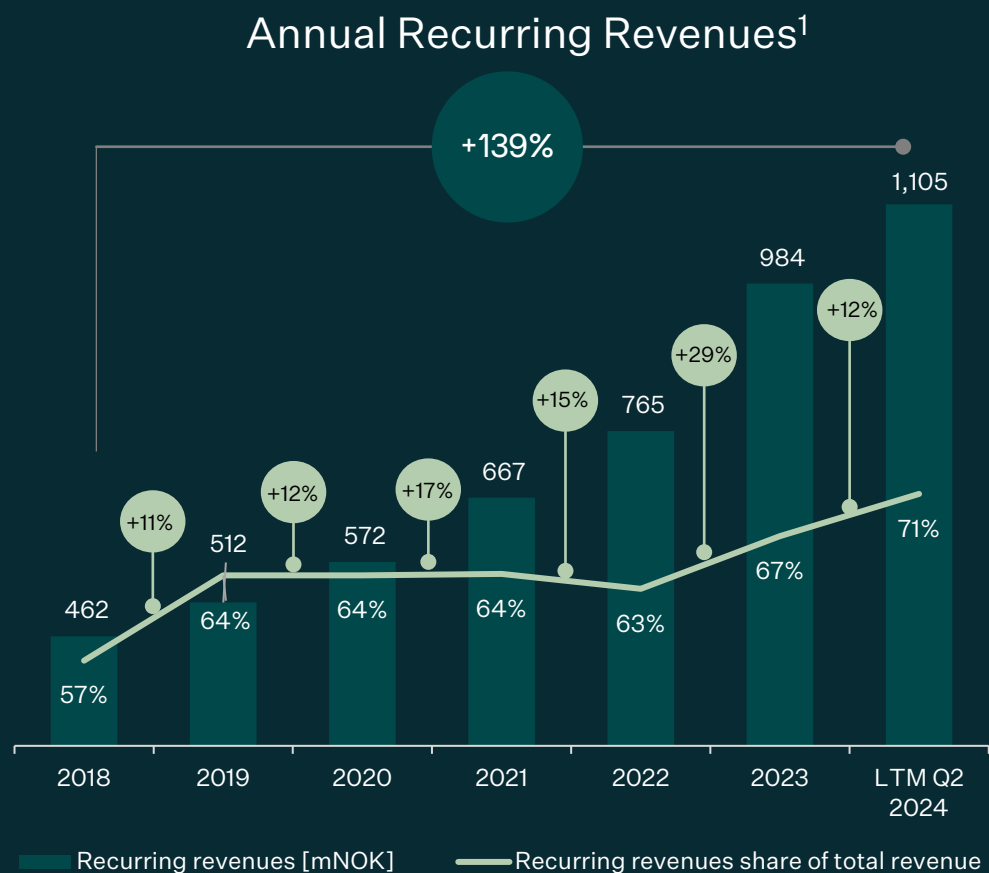
Profitability

- Adjusted EBITDA improving from 17% in Q2'23 to 22% in Q2'24, mainly driven by a more stable cost base and growth in scalable products
- Margin has improved in the quarter, despite shortfall in non-recurring revenues with high profit margins
- Improved margin comes from organic efforts
- Growth in ARR, SaaS in particular, paves way for further profitability improvement

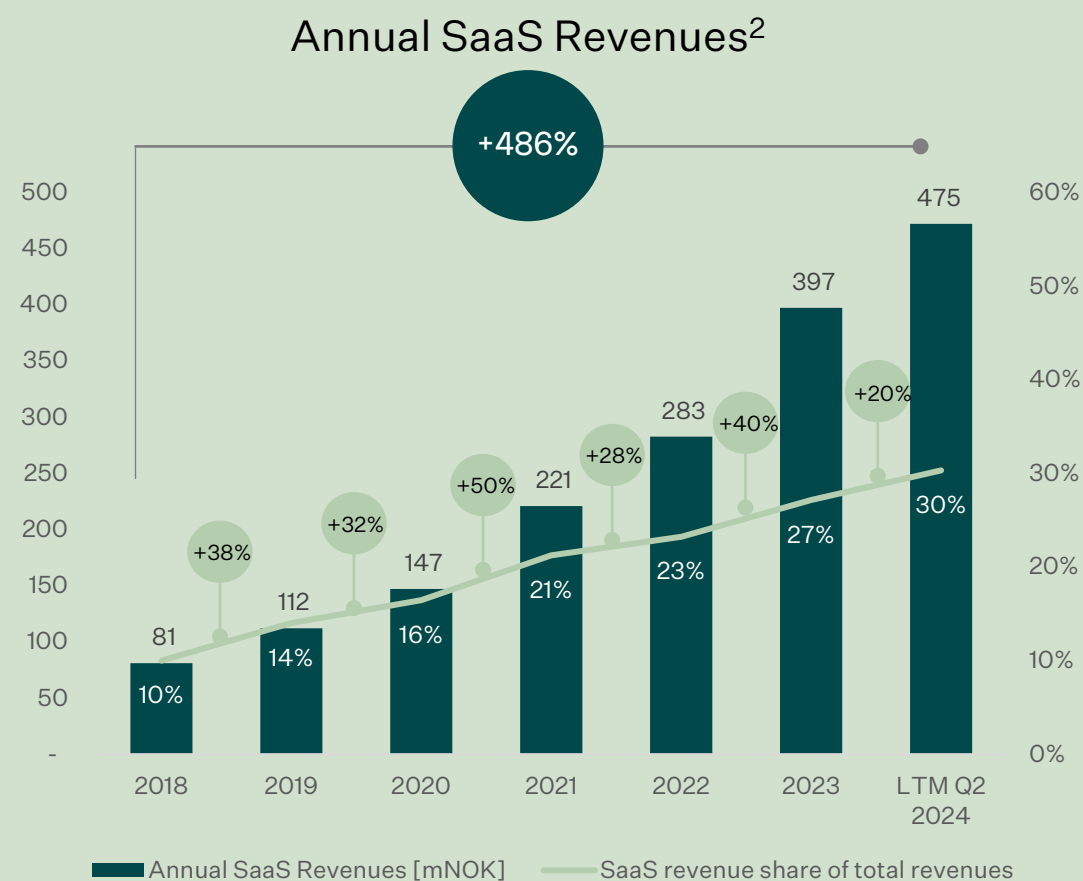
Capex

- Capex slightly higher than previous quarters due to seasonality and business opportunities, expected to decrease in the short- to medium term

Excellent growth in annual recurring revenues (ARR)



Accelerating shift towards SaaS

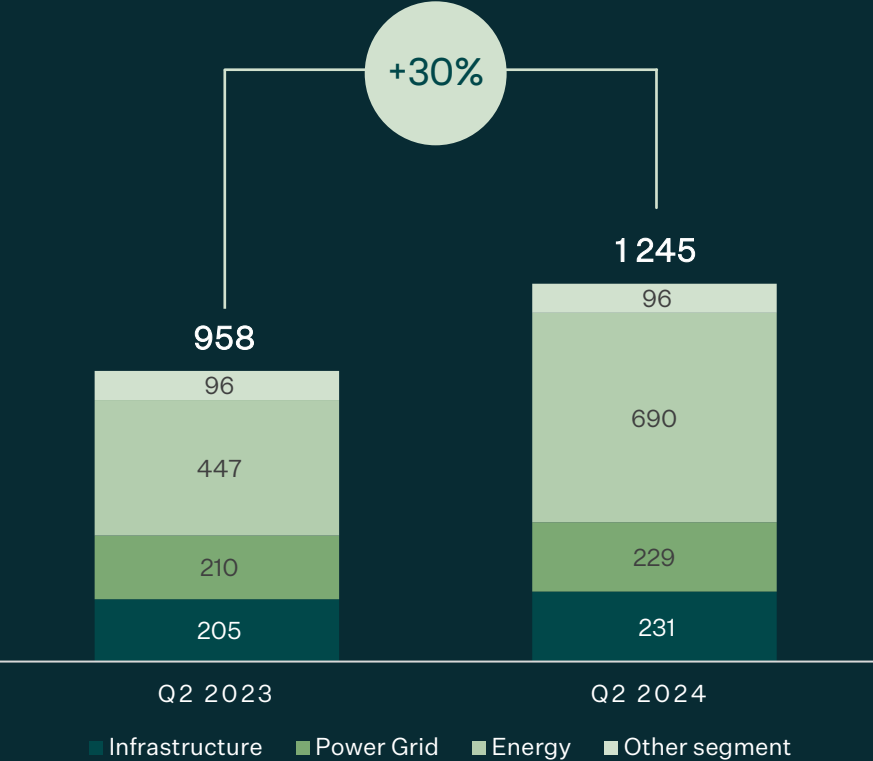


Expanding ARR base

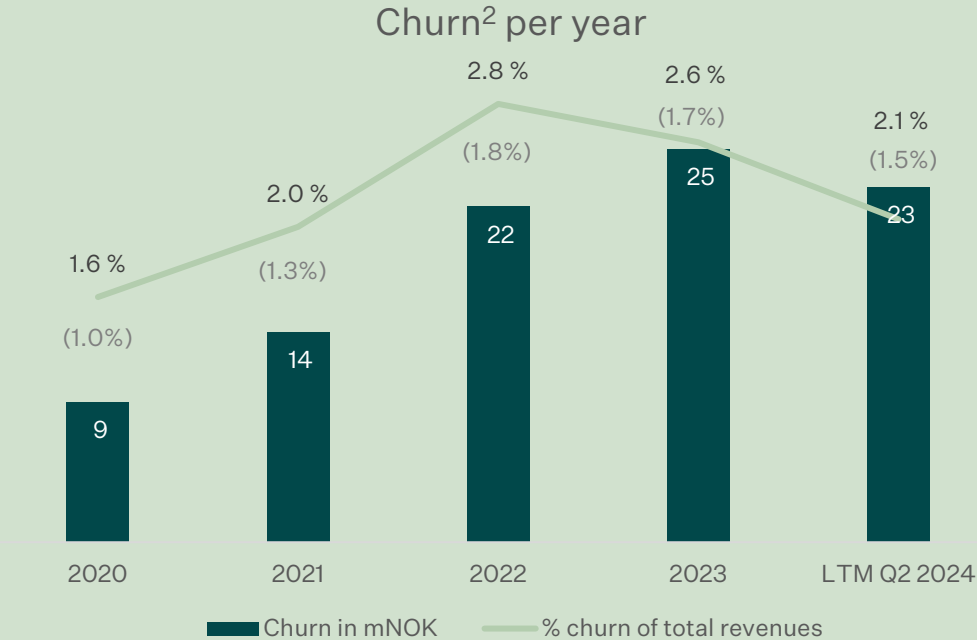
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And highly sticky customer base

Annualised recurring revenues basis¹
mNOK



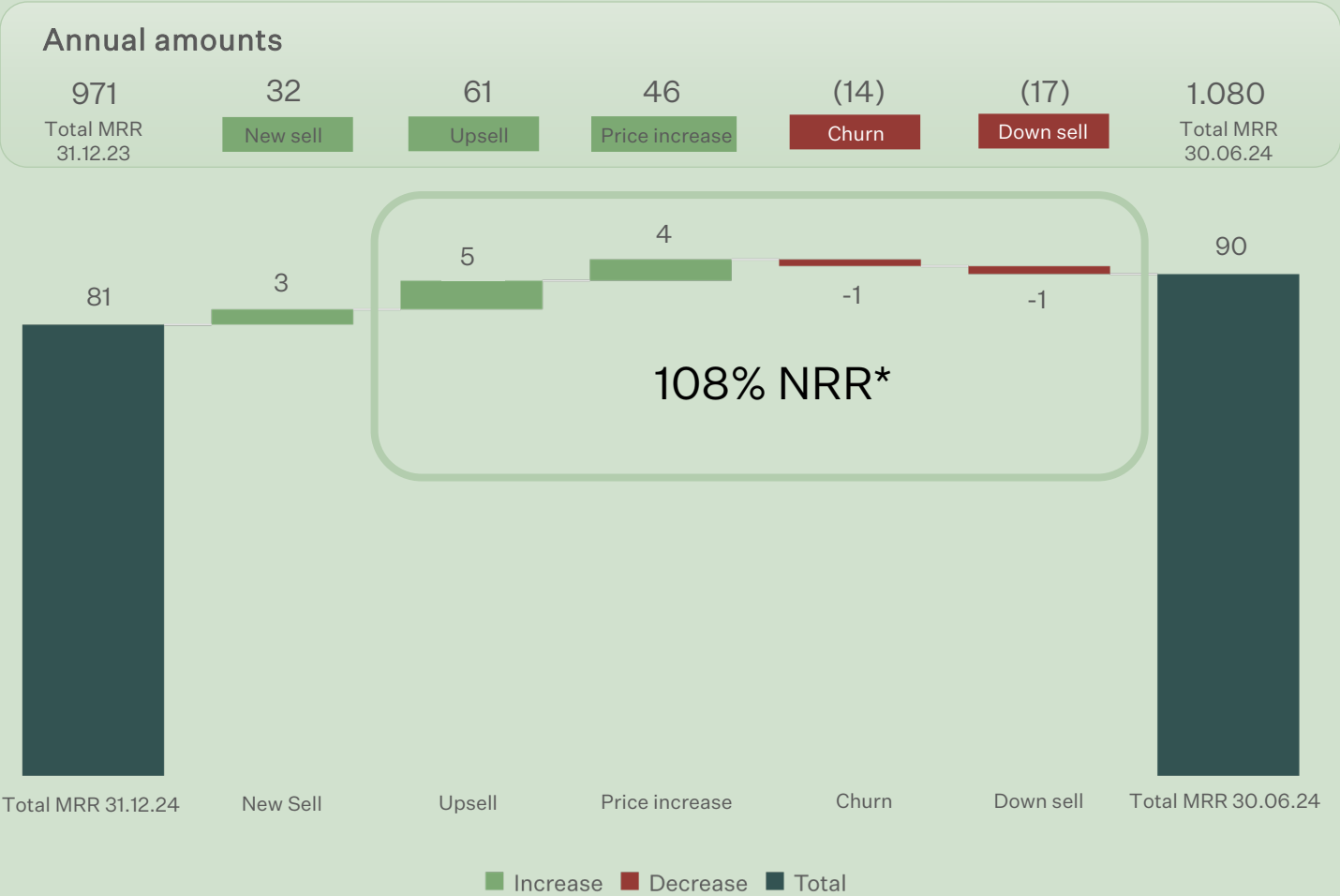
Customers stay with Volue



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

1. Note that changes have been made in the calculation of churn, ref . APM on page 36. In reports prior to Q1 2024 this has been reported as ARR contribution of lost customers divided by total revenues last twelve months, and we have included figures calculated using this method in paratheses for comparison.
2. Please note that we have improved our churn data with effect from 01.01.2024. For previous years, the reported churn are affected by some down sell numbers (lost ARR contribution of existing customers).

NRR YTD Q2 – Second quarter



*Excluding Other segments (Scanmatic AS).

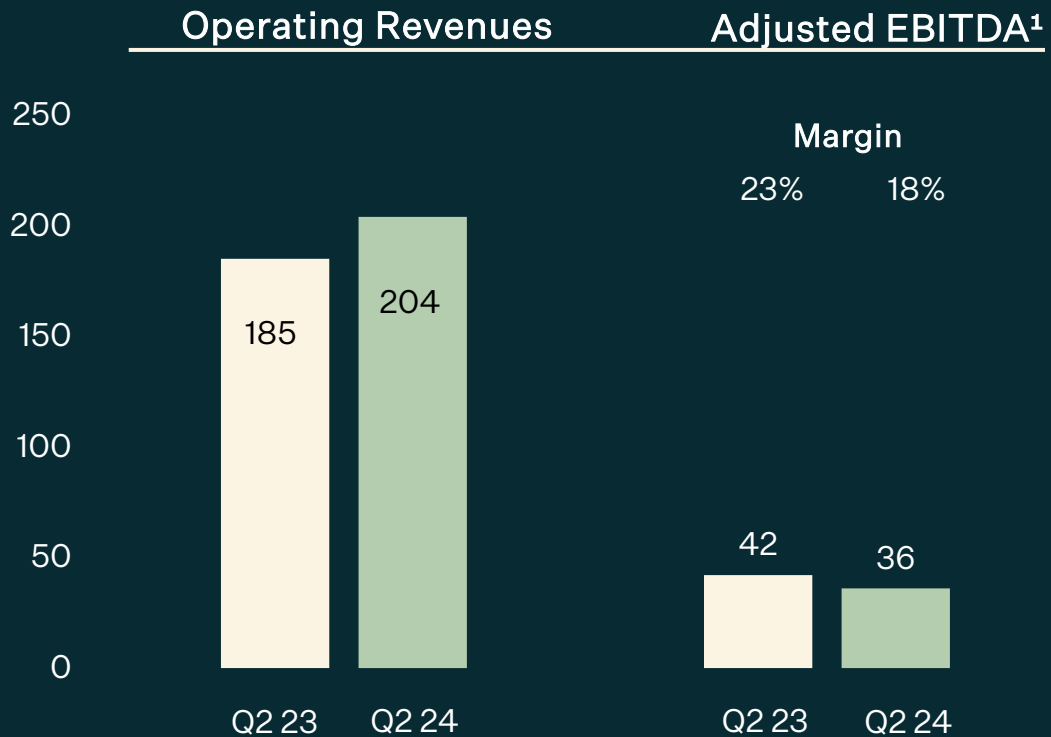
NRR and other alternative performance measures (APMs) are defined as part of the APM section in this presentation on page 36.

NRR – Net Retention Rate

- NRR shown only covers Q1 and Q2 2024.
- Total MRR (Monthly Recurring Revenue), is the sum of the delivered contracts to customers.
- New sell and upsell includes what is delivered in the period.
- Main share of contracts are yearly renewed January 1st. Price increase, which consists of both CPI and additional extra ordinary price increases will therefore primarily have effect on Q1. The same apply for churn and down sell.
- Due to the nature of contract renewals, Q1 will typically have a higher NRR than Q2, Q3 and Q4.
- Annual amounts are only an indication of MRR on annual basis.

New sell: New ARR to new customers, included when delivered
Upsell: Additional ARR to existing customers (included when delivered) and cross sale
Price increase: Contractual adjustments and extra ordinary price increases
Churn: loss of customers canceling contracts, compared to previous period
Down sell: reduction of contracts, compared to previous period

Energy segment



From Q3 IoT is reported under «other segment» (see appendix slide 33)

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Growth

- Segment with 10% growth and -9% organic growth from Q2'23
- Organic uplift in ARR and SaaS of 10% and 12% respectively compared to Q2'23
- Non-recurring revenues from Energy Market Services and Trading Advisory decreasing approximately 23 MNOK vs Q2'23
- Strong ARR growth offsetting non-ARR decline, building a more resilient revenue base and profitability over time
- Decline in consulting revenues compared to Q2'23
- Strong sales due to increased demand for forecast and analytics services

Profitability in the quarter

- Adjusted EBITDA at 18% in Q2'24, compared to 23% Q2'23, with negative impact from less non-recurring revenues
- Enerim integration and business model transformation progressing according to plan
- Strategic investment in the segment, scaling for long-term growth and impacting margins

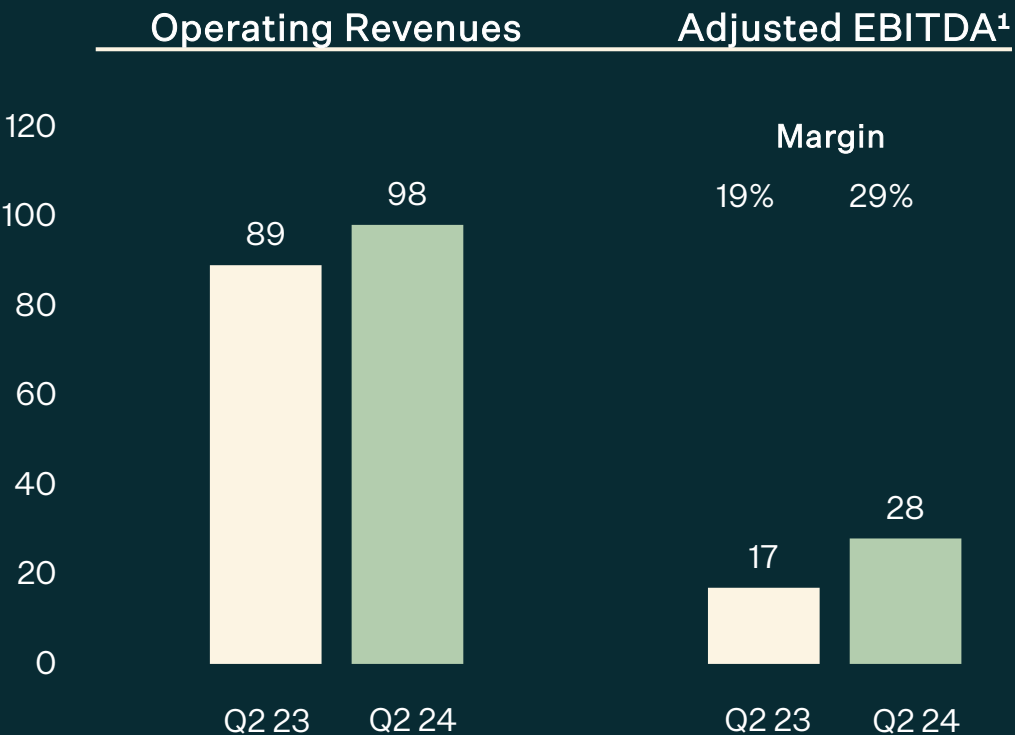
Main profitability drivers going forward

- 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 12% of revenues in the quarter
- Significant investments into new products related to Optimisation and Trading Solutions

Power Grid Segment



Growth

- 11% growth compared to Q2'23 from strong sales
- Resilient consulting operations, leading to increased revenues
- Solid market outlook

Profitability in the quarter

- Adjusted EBITDA margin at 29% in the second quarter – the strongest since listing
- Strong margin following good project deliveries

Main profitability drivers going forward

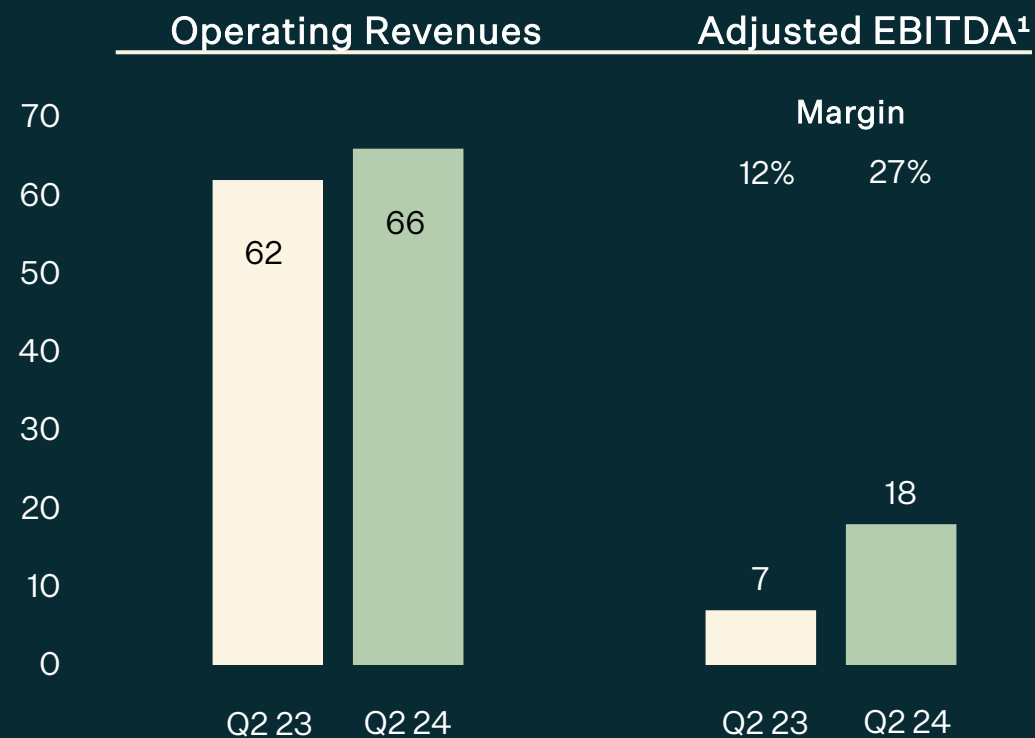
- Mid- to long-term increased contribution following sale of scalable products from the Spark program
- Current team scaled to capture growth
- Shift in business models and growth on top line on scalable SaaS products
- Uplift in contribution from improved profitability in consulting activities

Investments

- CAPEX in the quarter at 15% of revenues, somewhat higher than expectation for the short-term
- Ongoing investments in international expansion

1. EBITDA adjusted for non-recurring items

Infrastructure Segment



Growth

- Operating revenues growth at 7% to Q2'23
- Organic growth rate at 9%, adjusting for Fire & Chimney product line divestment in 2023
- Growth in SaaS at 67%, compared to Q2'23
- Successful shift in business models with 86% ARR and 60% SaaS in the second quarter of 2024
- Strong sales closing, giving increased order backlog, positively impact growth rates going forward

Profitability

- Improved margins from Q2'23 through scalability in business model combined with uplift in ARR and SaaS

Main profitability drivers 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 following new sales

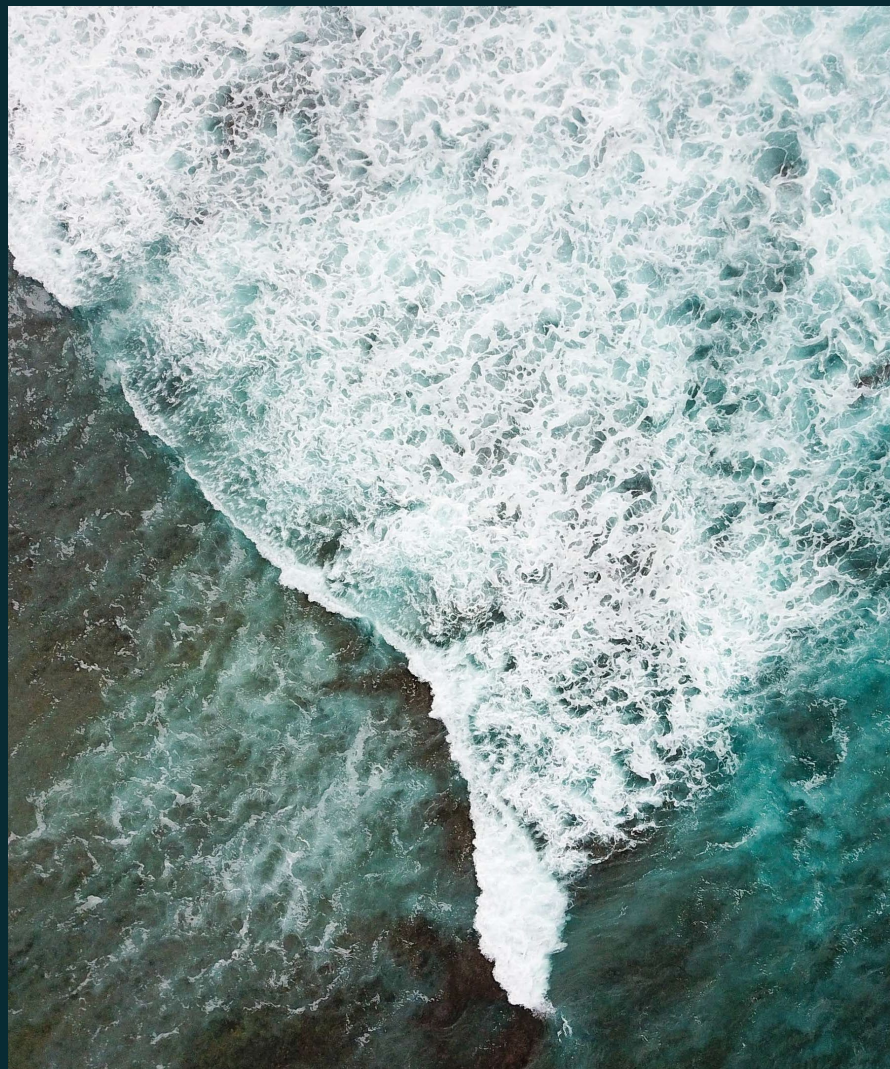
Investments

- CAPEX level at 17% of revenues for the quarter, expected to decrease in the short- to mid-term

1. EBITDA adjusted for non-recurring items

Summary & guidance

Update on guidance



Annual long-term organic growth of 15% reiterated



Active M&A agenda with 1-2 deals per year



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

Contemplated voluntary cash offer for Value

- With reference to the stock exchange notice posted July 8th 2024 about a contemplated voluntary cash offer for all shares in the company
- Offer price of NOK 42 per Value share
- Offer launch expected during August 2024
- The independent board of directors will issue its recommendation within the required timeframe
- The Offeror is a newly established entity which will be owned by Arendals Fossekompani ASA, Advent International and Generation Investment Management



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Appendix

Financial and Operational Information

Group P&L and KPIs

Group financial performance

Key metrics (NOKm)	Q2 2024	Q2 2023	YTD 2024	YTD 2023	LTM	2023
Operating revenues	409	375	809	715	1,558	1,464
COGS	57	54	118	105	214	201
Gross profit	352	322	691	611	1,344	1,263
Gross margin %	86%	86%	85%	85%	86%	86%
Personnel expenses (excl. capitalised R&D)	190	191	384	370	744	730
Other OPEX	74	68	136	123	280	267
Adjusted EBITDA	88	63	171	118	320	266
Adjusted EBITDA margin %	22%	17%	21%	16%	21%	18%
Non-recurring items	7	-17	18	-9	85	58
EBITDA	81	80	153	127	234	208
EBITDA margin %	20%	21%	19%	18%	15%	14%
Depreciation and amortisation	46	32	89	55	162	128
EBIT	35	48	64	72	72	80
EBIT margin %	8%	13%	8%	10%	5%	5%
Net financial items	-9	2	-14	3	-34	-17
EBT	26	50	50	75	39	63
Tax	4	16	12	22	16	27
Profit (loss)	22	34	39	52	23	36



Balance sheet

Balance sheet (NOKm)	Q2 2024	Q1 2024	Q2 2023	2023	Balance sheet (NOKm)	Q2 2024	Q1 2024	Q2 2023	2023
ASSETS					LIABILITIES AND EQUITY				
Property, plant and equipment	156	166	119	155	Equity	911	901	878	850
Intangible assets	1,143	1,145	1,037	1,102	Total Equity	911	901	878	850
Pension assets	7	8	6	7					
Non-current receivables and investments	49	48	47	48	Non-current loan	193	192	275	342
Total non-current assets	1,355	1,367	1,209	1,312	Lease liabilities	108	113	73	105
					Other non-current liabilities	11	15	10	15
					Deferred tax liabilities	50	67	9	70
					Total non - current liabilities	362	387	367	532
Inventory	36	33	27	30	Borrowings	2	0	5	76
Contract assets	102	98	108	59	Lease liabilities	26	26	18	24
Trade and other receivables	321	464	330	548	Trade and other payables	59	87	109	248
Cash and cash equivalents	193	349	361	178	Current tax liabilities	75	49	52	50
Total current assets	652	944	827	815	Contract liabilities	264	381	236	20
Total assets	2,007	2,311	2,036	2,127	Other current liabilities	308	480	370	327
					Total current liabilities	734	1,023	790	745
					Total liabilities and equity	2,007	2,311	2,036	2,127

Cash flow statement

Cash flow statement (NOKm)	30.06.2024	30.06.2023
Profit before tax	50	75
Adjusted for depreciations	89	53
Net finance	13	-1
Change in inventories	-6	2
Change in other current assets	184	153
Change in other current liabilities	47	-136
Change in other provisions	0	1
Change in tax paid	-7	-12
Net cash flow from operating activities	370	135
Interest received	5	6
Purchase of property, plant and intangible assets	-108	-83
Cash flows related to investments	-1	-95
Purchase of shares in subsidiaries	-	-363
Net cash flow from investing activities	-104	-534
Movement in short time borrowings	-78	269
Interest paid	-17	-15
Repayment of long-term borrowings	-158	-
Net cash flow from financing activities	-253	254
Net change in cash and cash equivalents	13	-145
Cash and cash equivalents opening balance	178	446
Effects of exchange rate changes on cash and cash equivalents	1	22
Cash and cash equivalents closing balance	192	323

Segment overview

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Energy Segment (NOKm)	Q2 2024	Q2 2023	YTD2024	YTD2023	LTM
Operating revenues	204	185	412	351	806
Adjusted EBITDA	36	42	78	86	161
Adjusted EBITDA margin	18%	23%	19%	24%	20%
R&D CAPEX (% of revenues)	12%	9%	10%	9%	7%

Power Grid Segment (NOKm)	Q2 2024	Q2 2023	YTD2024	YTD2023	LTM
Operating revenues	98	89	182	165	340
Adjusted EBITDA	28	17	47	27	70
Adjusted EBITDA margin	29%	19%	26%	17%	21%
R&D CAPEX (% of revenues)	15%	10%	15%	12%	15%

Infrastructure Segment (NOKm)	Q2 2024	Q2 2023	YTD2024	YTD2023	LTM
Operating revenues	66	62	132	116	260
Adjusted EBITDA	18	7	34	10	69
Adjusted EBITDA margin	27%	12%	26%	9%	27%
R&D CAPEX (% of revenues)	17%	10%	17%	11%	15%

Other Segment (NOKm)	Q22024	Q22023	YTD2024	YTD2023	LTM
Operating revenues	41	40	83	84	152
Adjusted EBITDA	6	-4	12	-6	21
Adjusted EBITDA margin	15%	-9%	15%	-7%	14%
R&D CAPEX (% of revenues)	4%	2%	4%	3%	3%



Revenue splits within segments, Q2 2024

% of segment revenue	Energy	Power Grid	Infrastructure	Other Segment
Total ARR	79 %	51 %	86 %	59 %
<i>of which is SaaS</i>	42 %	9 %	60 %	0 %
License fee	2 %	6 %	0 %	0 %
Consulting	11 %	39 %	12 %	0 %
Energy Market Operations	7 %	0 %	0 %	0 %
Other Revenue non-recurring	1 %	4 %	2 %	41 %

Value Energy Market Services (VEMS) undergoing business model transformation

Building on the platform acquired with Enerim, VEMS is undergoing a business model transformation, targeting ARR. In combination with softer volatility markets, this impacts short-term revenues and profitability for the business line.

Power Grid displays continued strong consultancy performance

Infrastructure keeps momentum in ARR and SaaS

Historical Net Retention Rate (NRR)

	Energy	Power Grid	Infrastructure	Value Group
2023	120%	113%	114%	117%
2022	106%	106%	113%	108%
2021	108%	104%	119%	109%

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.

NRR – Net retention rate. Monthly recurring revenue (MRR) at the end of the period excluded new sell and acquired MRR, divided by MRR at the end of last period.

Churn – defined as ARR contribution of lost customers divided by reported ARR over the last twelve months (note that this is changed from Q1 2024).

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.