

value

A photograph of a wind farm at sunset. Several wind turbines are silhouetted against a bright orange and yellow sky. The sun is low on the horizon, creating a strong lens flare effect. The foreground is a field of tall, golden-brown grass.

# Fourth-quarter 2020 financial results

12 February 2021

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# Q4 Highlights

## Financial results



### Revenues

NOK 240 million

17 % growth from Q4 2019\*



### Adjusted EBITDA

NOK 54 million

23 % margin, improved from Q4 2019



### Recurring revenues

NOK 170 million

17 % growth from Q4 2019



### Cash balance

NOK 411 million\*\*

Improved from operational activities

## Operations and sales

- Listed on Euronext Growth, gross proceeds of NOK 500 million raised in private placement
- Acquired leading algorithmic trading provider Likron GmbH
- Purchased minority shares in subsidiaries of Volue AS
- Sales closed above target for the period
- Reiterating solid market outlook for 2021
- Limited operational impact by COVID-19 pandemic

## Subsequent events

- Launched Volue as one brand in January
- On-track for OSE listing in H1 2021
- Additional contract win in the US with the Insight portfolio

\*The 2019 figures have been prepared in accordance with International Financial Reporting Standards (IFRS) and is based on continuity and not the proforma figures, which was reported in the Q3 report.

\*\* Cash balance, ex restricted cash

# Volue – Realising the future of energy



<https://vimeo.com/455734115?ref=em-v-share>

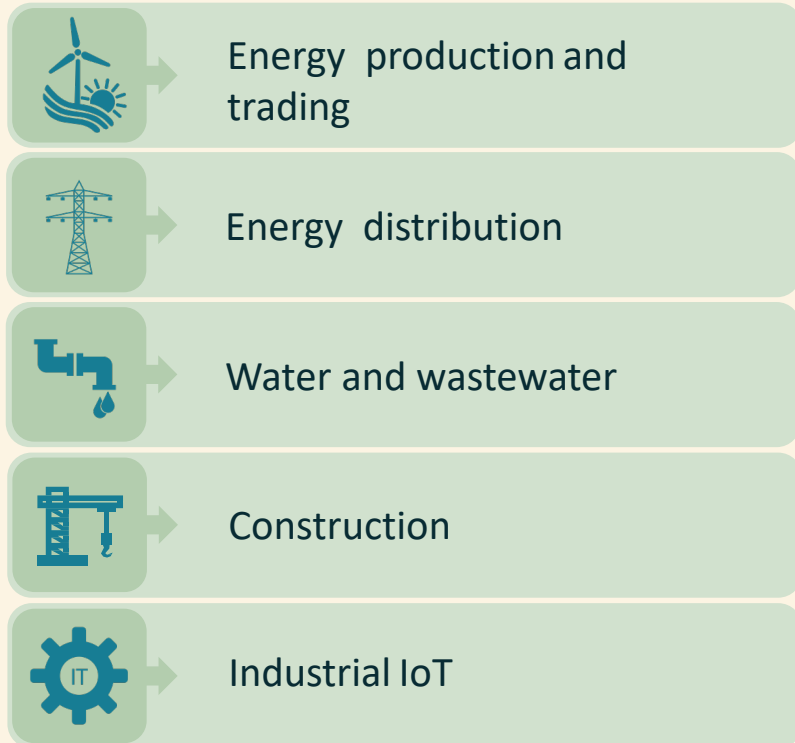
# Volue in brief: A leading supplier of software and technology solutions for the energy, power grid and infrastructure markets

## Brief overview of Volue

### Value in numbers

- 2,000 customers in 44 countries
- 50 years in green-tech
- One of the largest software companies in Norway
- NOK 892m in revenues (2020)
- 22% adjusted EBITDA margin (2020)
- More than 30 offices in 9 countries
- A strong team of 600 engaged employees

## Key target markets



# Value in brief: A leading supplier of software and technology solutions for the energy, power grid and infrastructure markets

## What Volue offers



Software suite built on deep domain knowledge for the entire clean energy value-chain



Market-leading access to data required to optimise operations and trading in the complex future energy markets



Strong and trusted relationship with > 2,000 customers in the Nordics and Europe

# Volue is active in three segments



## Energy

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

<b>2020 sales (% of total)</b>	NOK 454m (51%)
<b>Recurring revenue share (2020)</b>	66%
<b>Degree of EU Taxonomy alignment</b>	HIGH



## Power Grid

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

<b>2020 sales (% of total)</b>	NOK 236m (26%)
<b>Recurring revenue share (2020)</b>	60%
<b>Degree of EU Taxonomy alignment</b>	HIGH



## Infrastructure

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

<b>2020 sales (% of total)</b>	NOK 202m (23%)
<b>Recurring revenue share (2020)</b>	63%
<b>Degree of EU Taxonomy alignment</b>	HIGH

# Key developments

# On track to list on OSE in H1 2021

1

Listing on Euronext Growth was important milestone to accelerate structural and organic growth

2

Attracting a broader investor market base is important for Value over time. The company has the right metrics for being listed on OSE

3

Company prepares for OSE listing in H1 2021

# Key developments in Q4

1

## Intraday trading transformation

- Significant contract wins full digitalisation of intraday trading process
- Partnership programme with customers from Nordics and continental Europe

2

## Promising development in the US market with Insight portfolio

- Increasing market activities

3

## Sales transformation

- Reinvented sales from field sales to digital channels
- Digital infrastructure conference with record-high attendance

4

## Completion of Likron GmbH acquisition

- Adding a highly skilled and experienced team
- Forming new Centre of Excellence for Power trading solutions



# Likron: A pioneer in automated energy trading

## About Likron

### Founded in 2010

- First Independent Software Vendor (ISV) for the European power exchange EPEX SPOT to develop an algorithmic machine for electrical power intraday trading
- Brings deep trading expertise, state of the art IT and quantitative analysis to the short-term energy markets

### Milestones

- First EPEX SPOT ISV 2014 (Germany)
- Nord Pool ISV 2016 (Nordics)
- ICS / Catrina 2018 (Cross border capacity trading)
- Trayport / Pegas 2018 (European Natural Gas)
- HUPX 2019 (Hungary)

### Core services & products

- Cloud born SaaS offering, 65% of total revenue
- 24/7 algo energy trading
- Quant trading strategies
- Portfolio optimisation

## Likron in numbers

> 6 years of Algo trading	~ 45 GWh/day with algos
> 30 employees	~ 22k trades / day
> 40 TWh traded	~20% of EPEX Trades
> 30 production accounts	2/3 market share of ISV trading volume

## Selected customers and projects

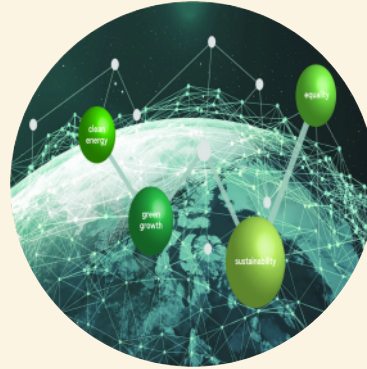


# Likron – Strategic rationale for acquisition



## **Creating an algorithmic trading powerhouse**

Acquisition further strengthens Value's offering within algorithmic power trading solutions in Europe



## **Consolidating fragmented energy technology market**

Value takes active role in a much-needed consolidation of energy technology market, with a goal of helping customers accelerate shift to renewable energy



## **Accelerating growth and innovation in areas relevant to the green energy transition**

Transition to carbon-free energy production depends on a successful digitalisation of the entire green energy value-chain

One company, one culture, one brand,  
one go-to-market channel



# Financial results for the fourth quarter 2020

# Financial highlights

## Financial highlights

Financial highlights (NOKm)	Q4 2020	Q4 2019 <sup>1</sup>	31.12.2020	31.12.2019 <sup>1</sup>
Revenue	240	206	892	798
Gross margin	81 %	87 %	83 %	87 %
Adjusted EBITDA <sup>2</sup>	54	32	197	134
Adjusted EBITDA margin	23 %	16 %	22 %	17 %
EBITDA	30	19	149	100
EBITDA margin	13 %	9 %	17 %	13 %
Cash balance at the end of the period <sup>3</sup>	453	233	453	280
Recurring revenue growth (%)	17 %	NA	12 %	NA
Recurring revenue (% of revenue)	70 %	69 %	64 %	64 %
SaaS revenue growth (%)	34 %	NA	31 %	NA
SaaS revenue (% of revenue)	20 %	17 %	16 %	14 %
R&D CAPEX (NOKm)	27	9	86	33
R&D CAPEX (% of revenue)	11 %	5 %	10 %	4 %

<sup>1</sup> The 2019 figures have been prepared in accordance with International Financial Reporting Standards (IFRS) and is based on continuity and not the proforma figures, which was reported in the Q3 report.

<sup>2</sup> EBITDA adjusted for non-recurring items

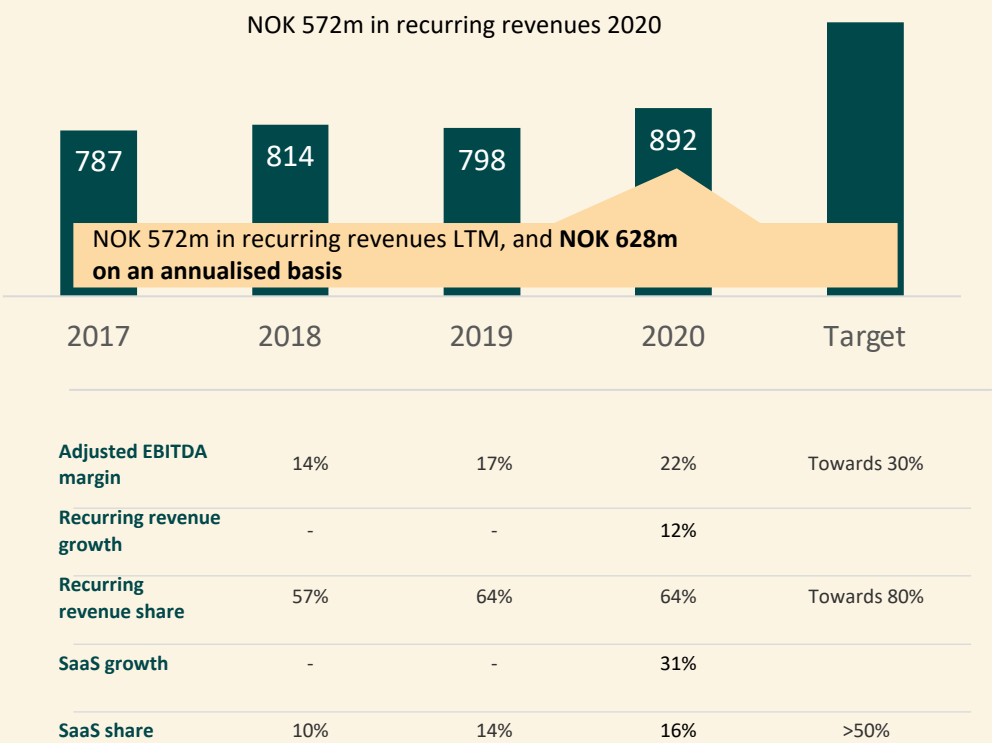
<sup>3</sup> Including restricted cash

## Comments

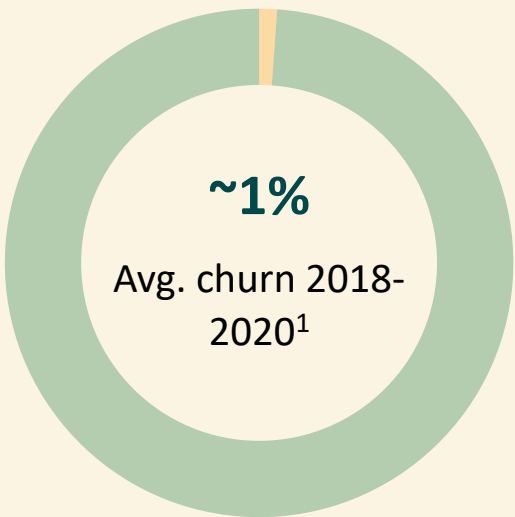
- Strong revenue growth in Q4 2020 on 17 % driven by European expansion
  - Strong contribution from the Energy segment with 18 % growth in Q4
  - Infrastructure area with a growth rate on 29 % growth in Q4
  - Limited impact from Covid-19 with good order intake and growth in Q4 2020
  - Growth in recurring revenues through sales closing above targets
  - Overall - Growth rates significantly improved compared to 2019
- Adjusted EBITDA margin in Q4 improved
  - Personnel + other OPEX growing lower than revenue, scale advantages will increase margin levels going forward
  - Cost related to IPO partly included in Q4 results
  - Improved EBITDA margins for all segments
- R&D capitalisation stable around ~10-11%

# Step change in revenue growth and highly sticky customer base

## Step change in revenue growth expected



~0 customer relations lost due to replacement

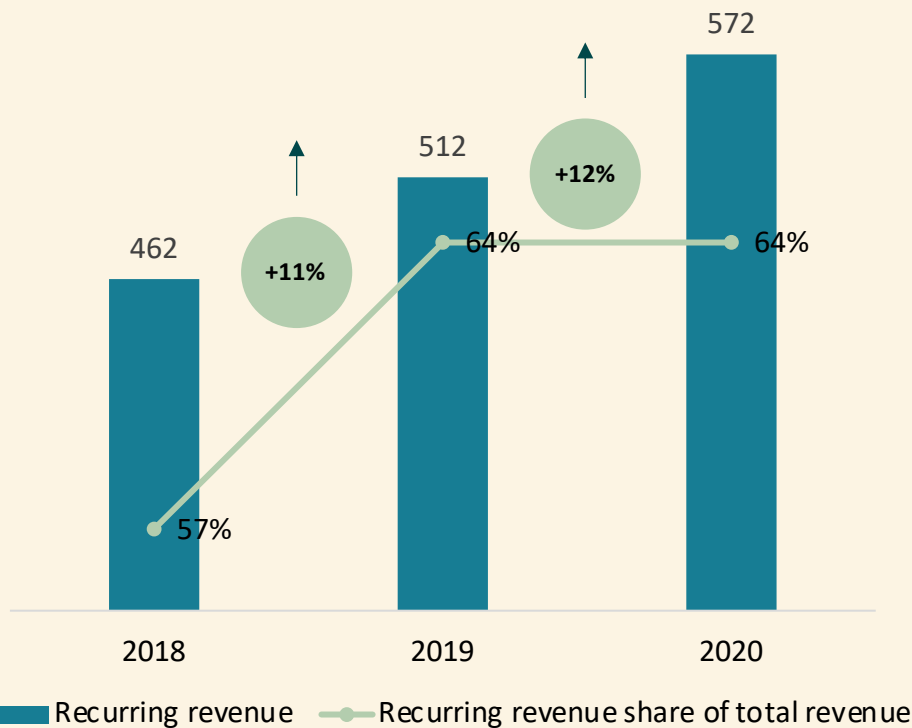


Value increases being addressed gradually to maintain customers

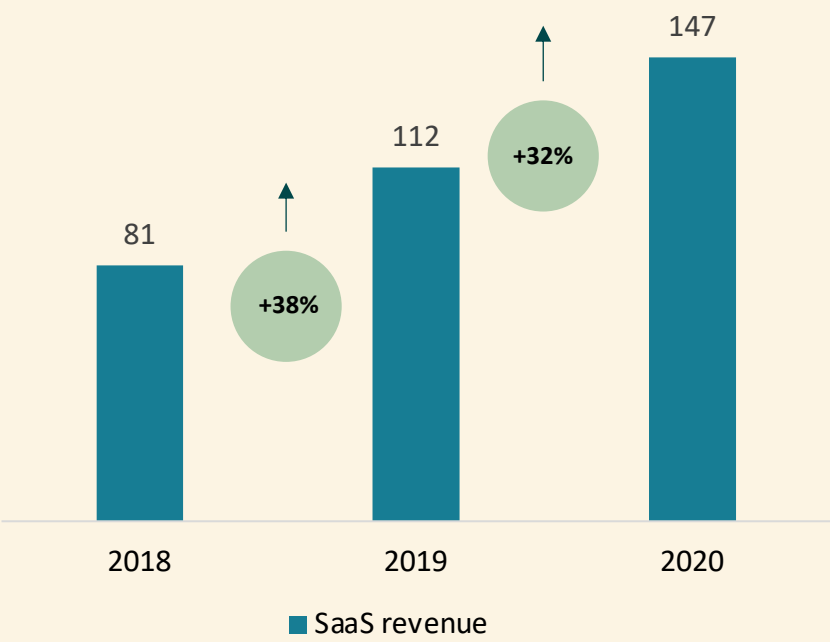
1 Cancelled yearly value of recurring revenue divided by revenue. Mergers and bankruptcies the main churn generator

# Accelerating shift towards SaaS and recurring revenue

Double-digit recurring revenue growth



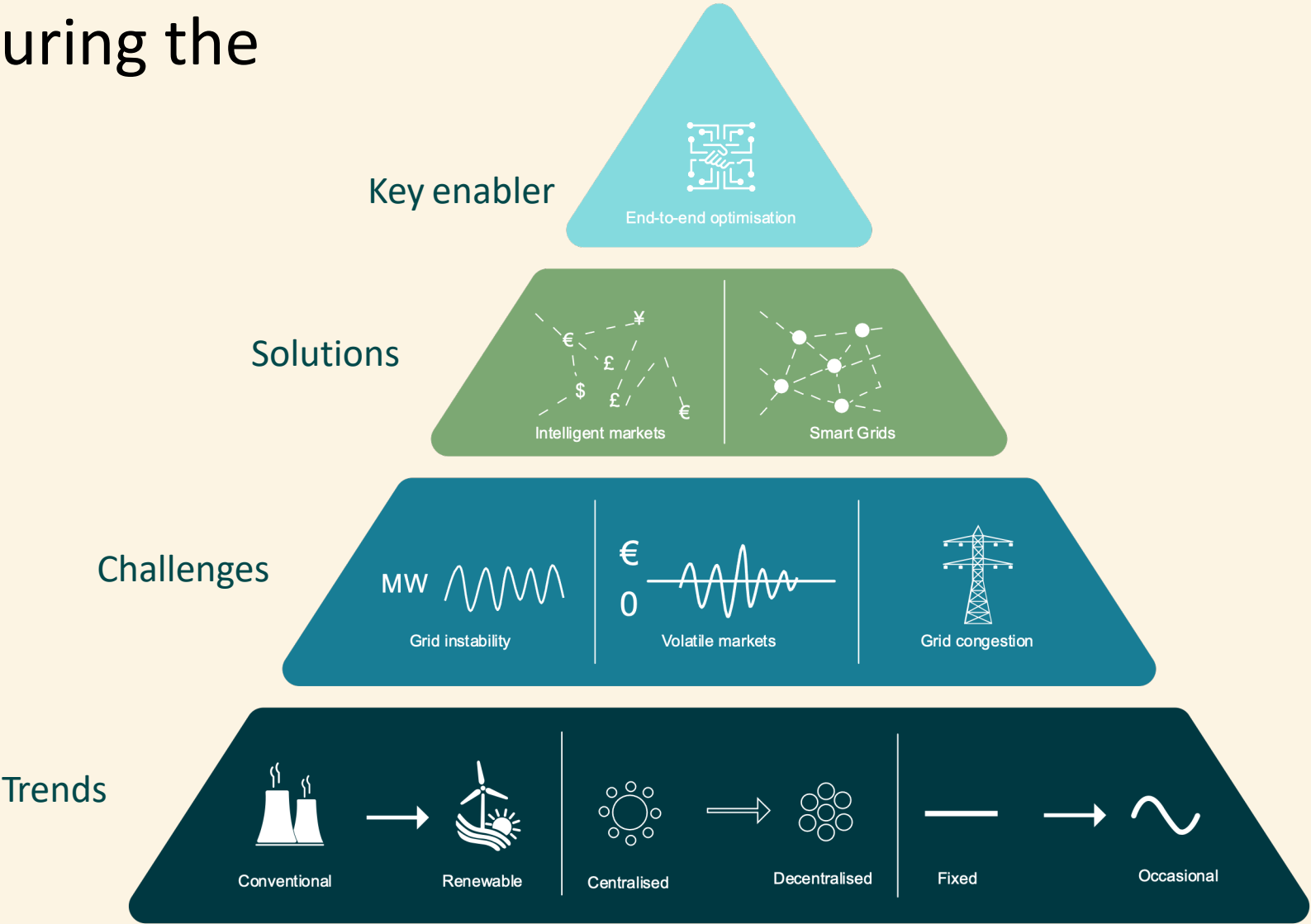
SaaS growth: >30%



1 Recurring revenues is defined as revenue from subscriptions and maintenance over a year  
 2 SaaS revenue is defined as revenue from software hosted by Value and distributed through web applications

# Industry developments and strategy

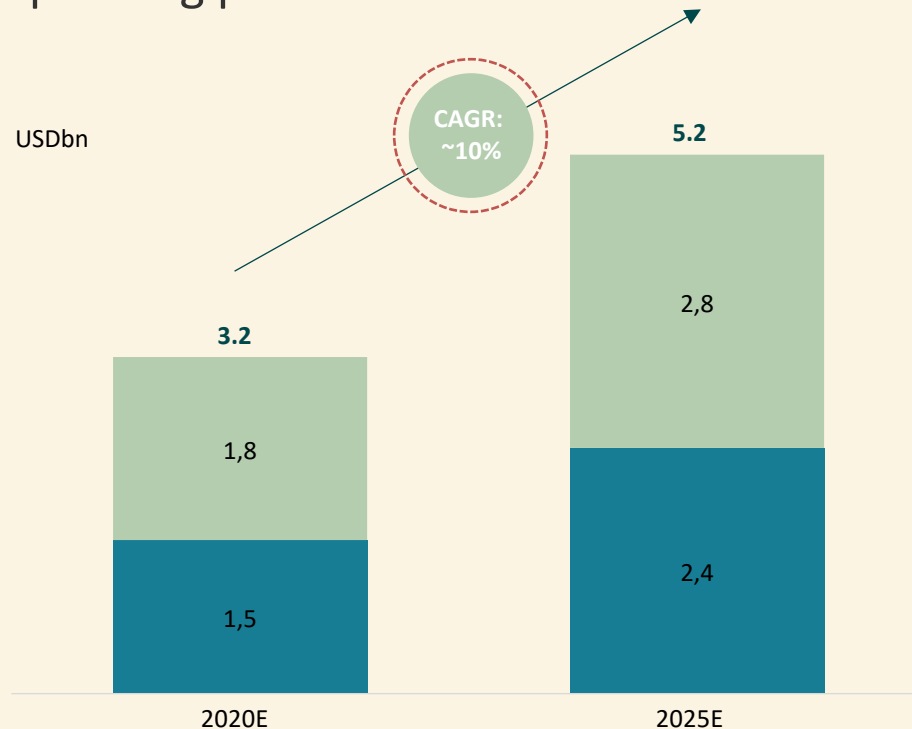
# Cleaner energy pressuring the infrastructure



# Software spending from the power sector to reach USD 5bn by 2025 (up 60% vs. today), fuelled by the green energy shift


10% growth in global power sector software spending p.a.<sup>1</sup>

Growth drivers




Power generation

Power grid



Increased renewable capacity and shifting wholesale market dynamics, resulting in increased power market complexity



Solutions within advanced analytics, artificial intelligence and optimisation growing the most



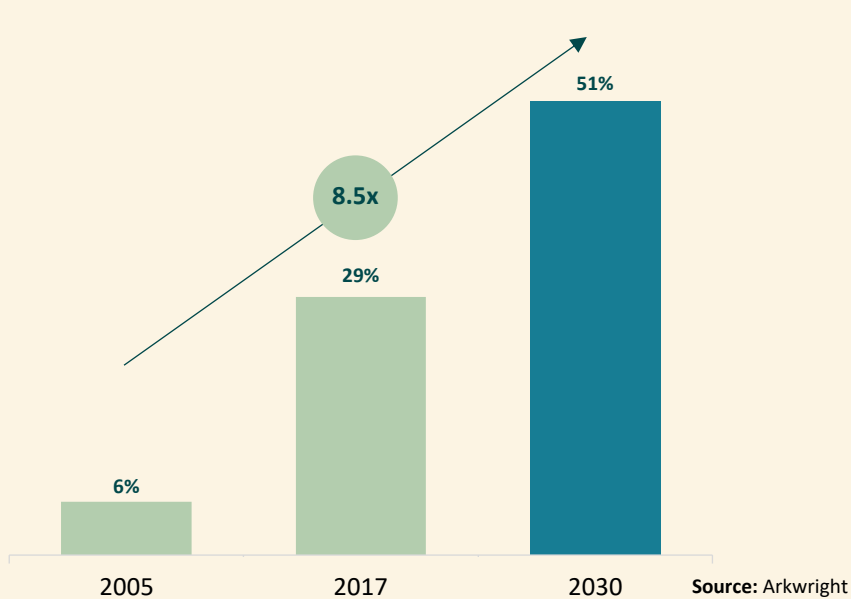
Expected growth in power software spending, requires additional hardware, implementation and services, driving total digitalisation costs to **2x** power software spending



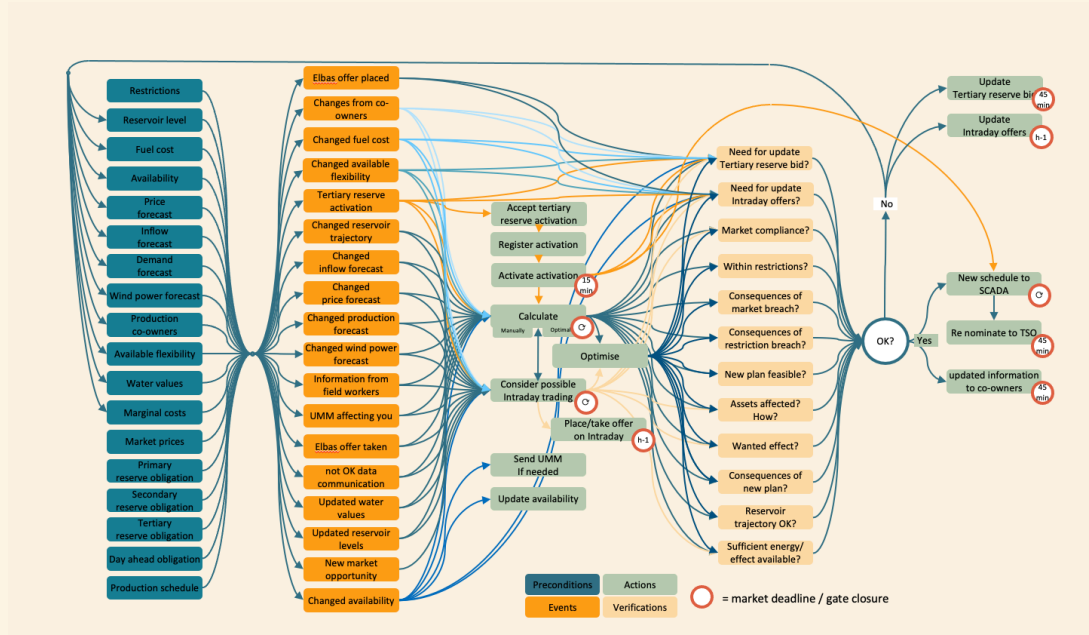
Europe is at the forefront of power digitalisation, with 25% share of global spending



# Growing share of green, non-controllable power sources increases the complexity in the European energy markets

Non-controllable power will represent more than 50% of European power capacity...



...making the process to optimise production and trading exponentially more complex



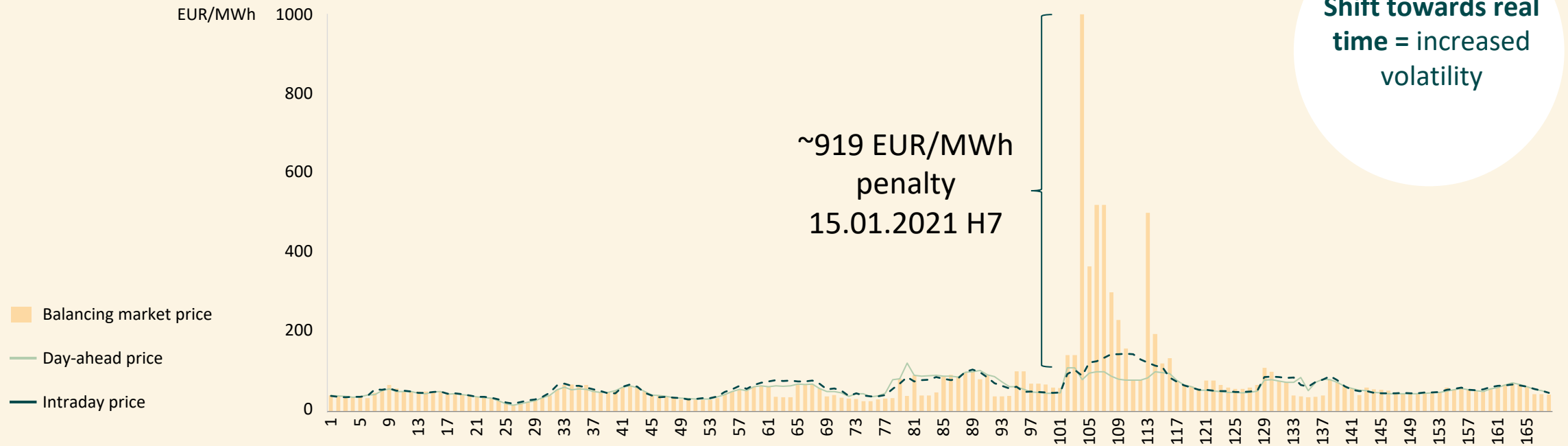
-  Increase in non-controllable production sources, with production changing in seconds
-  Few and expensive storage or switch-off alternatives



Real-time decision making requires new software tools

# Example from the new reality: Penalties paid in the balancing market can be extreme if failing to re-position in the intraday market

Example: Market prices in Finland, Week 2 2021



# Value enabling customer success

*Software, markets insights and IoT technology covering entire value-chain*



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



Significantly simplifying access and interaction for all stakeholders



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



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

# Large international client base a testament to Value's high-quality offering

Recent significant strategic contract wins



Multinational Italian  
electric utility company  
serving over 70 million  
customers

**Q4 2019**



German electric utility  
company serving more  
than  
5 million costumers

**Q3 2020**

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

Strong value creation for customers...

...set to increase from the integrated Value platform

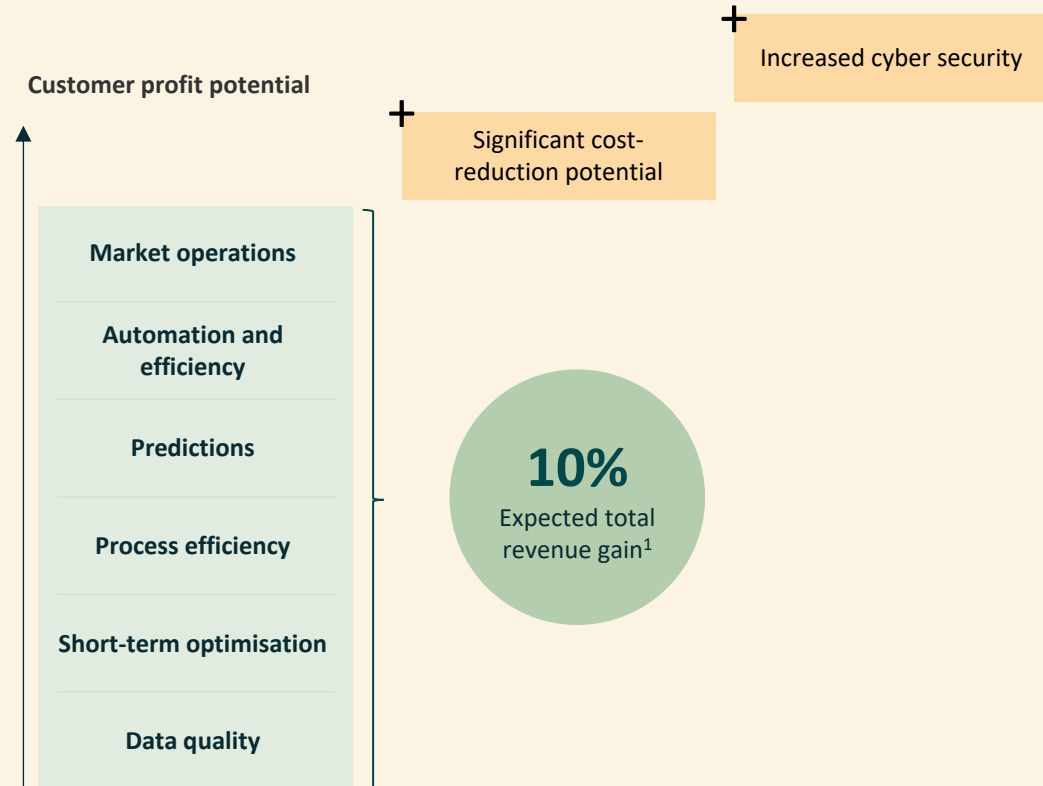
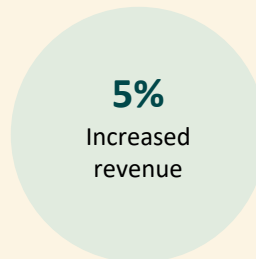
## Example 1: Large Utility

Quantitative results

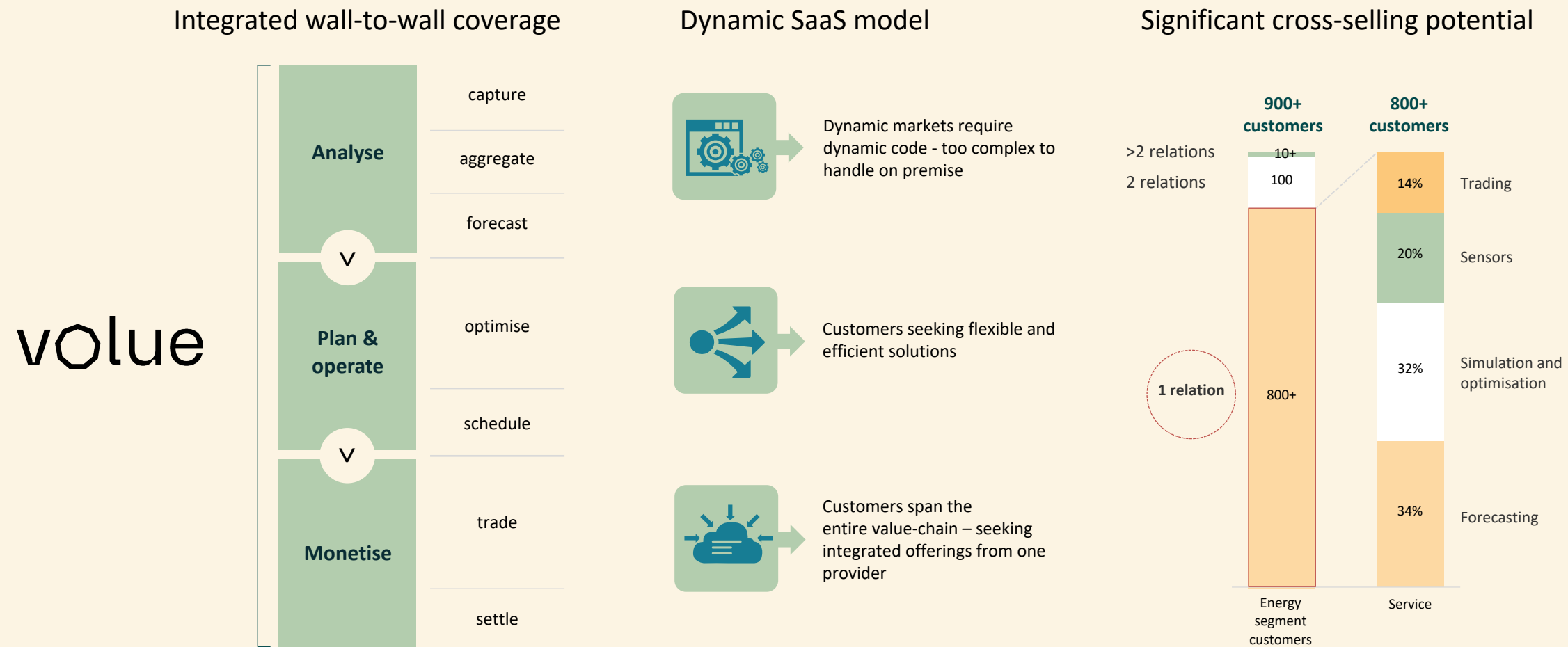


## Example 2: Small Utility

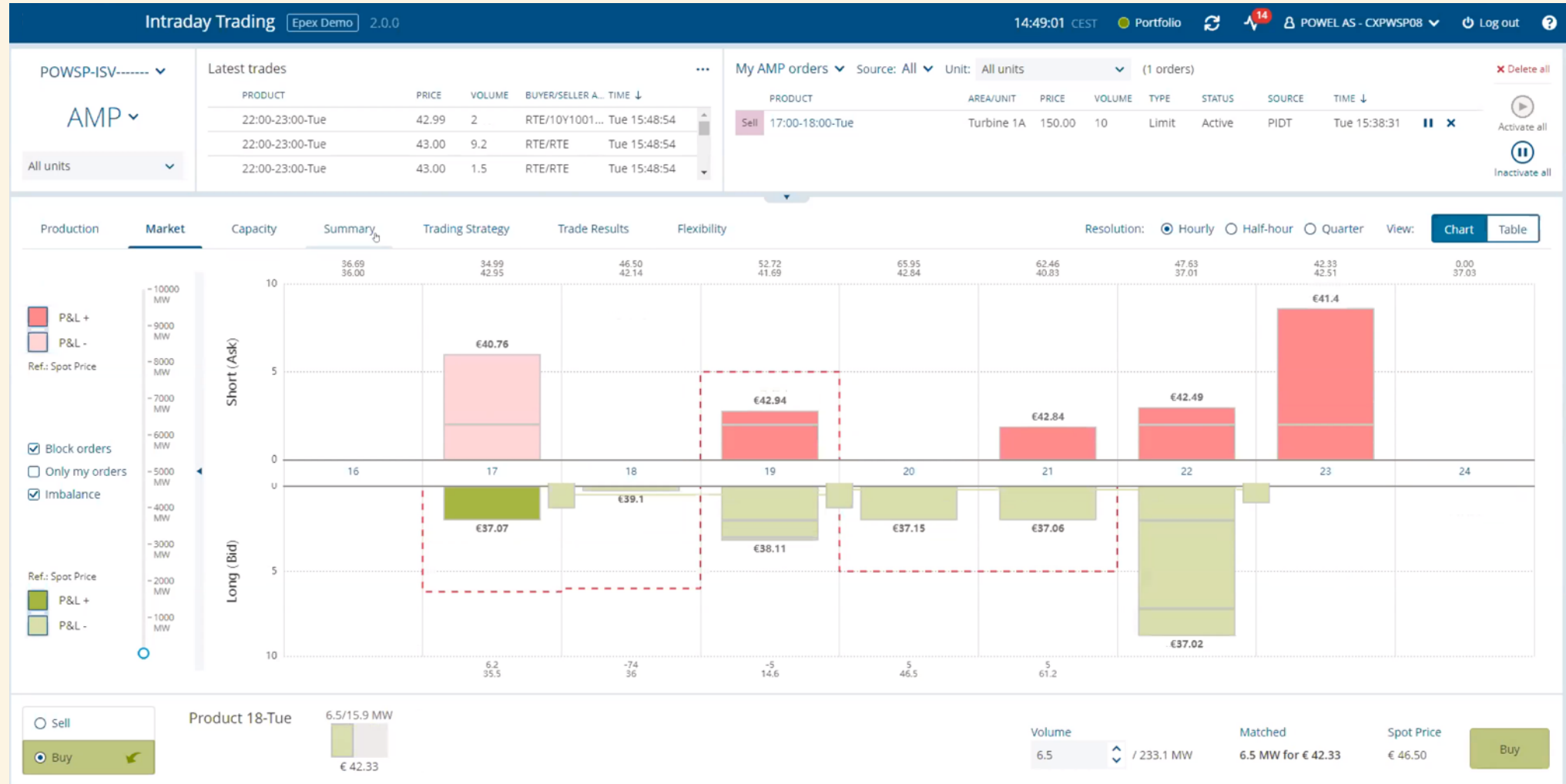
Quantitative results



# Integrated SaaS offering covering the whole value-chain



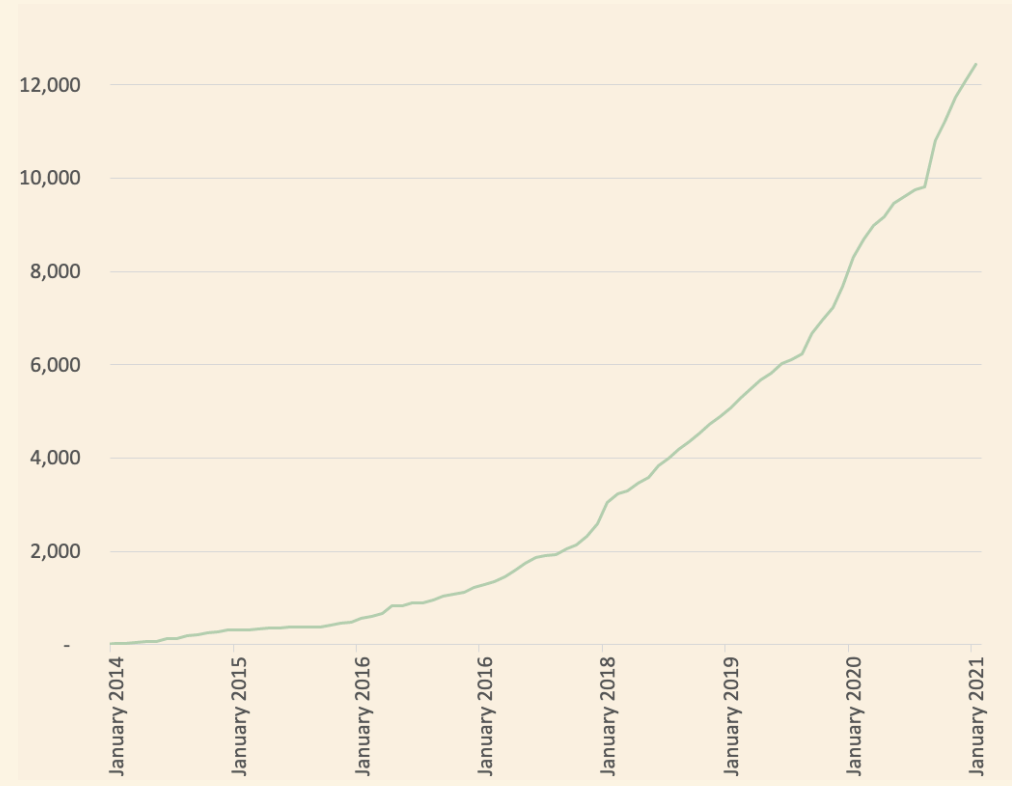
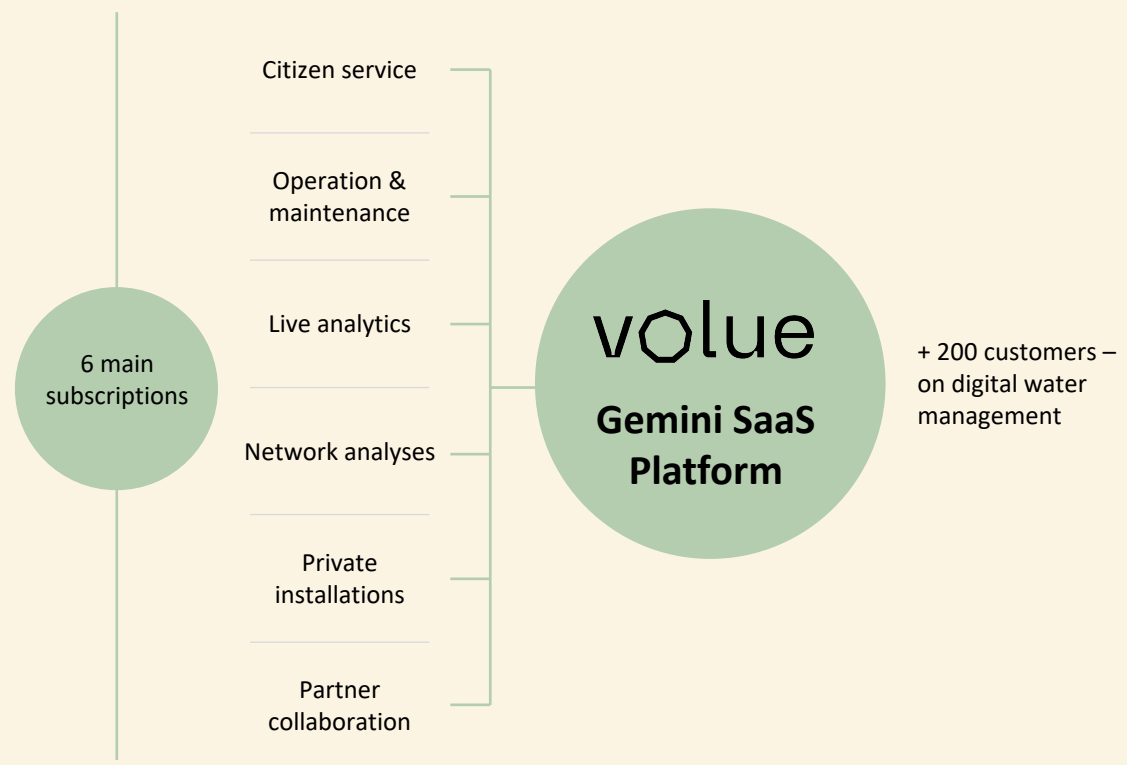
# Real-life example – Volue trading platform



# Value's successful Gemini SaaS platform illustrates the potential of the transition towards a cloud-based model

Gemini Environmental platform has transferred all services to cloud...

...now with ~10,000 cloud users



# 2021 - Outlook and priorities

# Summary: Solid position for profitable growth and expansion

1

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

2

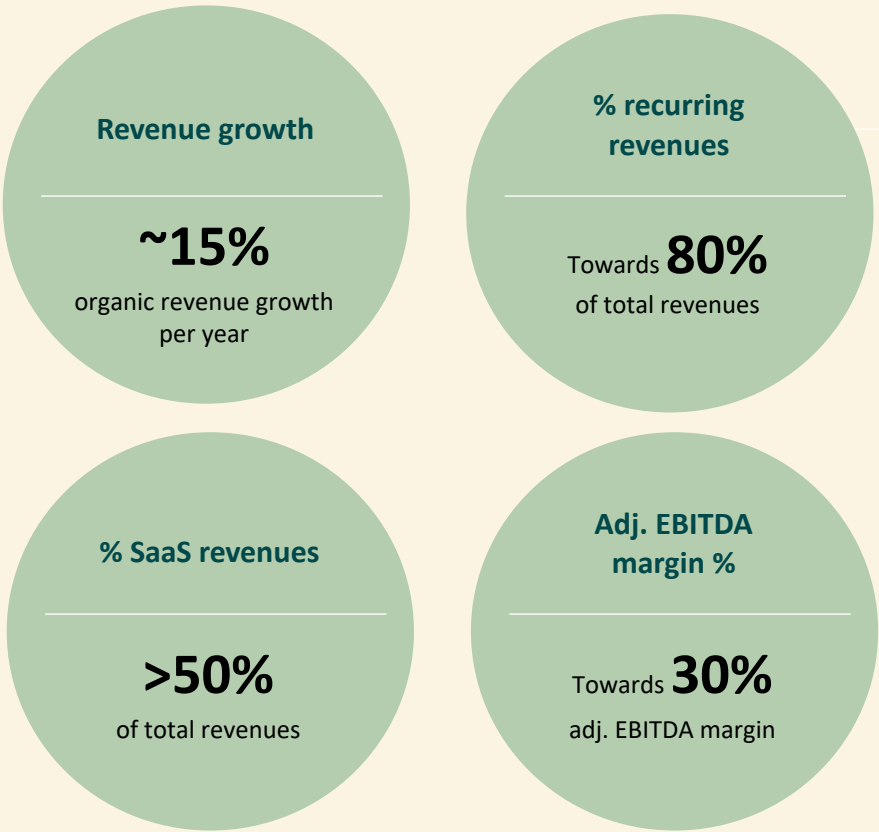
Value offers wall-to-wall SaaS solutions and has built up a customer base comprising the leading European energy companies

3

Ongoing SaaS-transformation with solid growth in recurring revenues and an uptick in EBITDA margins

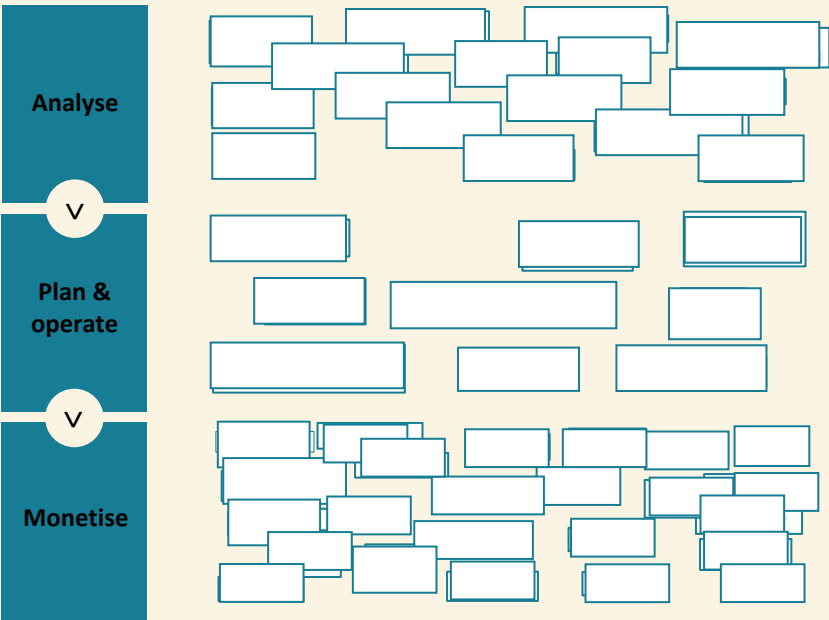
# Ambitions to create a NOK 2 billion revenue company by 2025

## Mid to long-term ambitions



## M&A strategy

Highly fragmented market – Value aims to pursue consolidation



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

# Priorities and ambitions for 2021

- 1 Reach NOK 1 billion in run-rate sales
- 2 Exceed 20% in EBITDA margin
- 3 Accelerate growth in ARR through SaaS transformation
- 4 Structural growth – Take lead position in market consolidation
- 5 Utilise synergies in Volue group to increase operational efficiency
- 6 List on Oslo Stock Exchange in H1 2021



Q&A



# Appendix

Financial and operational information

# Group P&L and KPIs

## Group financial performance

Key metrics (NOKm)	Q4 2020	Q3 2020	Q4 2019	31.12.2020	31.12.2019
Revenue	240	209	206	892	798
COGS	45	40	26	153	107
<b>Gross profit</b>	<b>195</b>	<b>169</b>	<b>179</b>	<b>739</b>	<b>691</b>
Gross margin %	81 %	81 %	87 %	83 %	87 %
Personnel expenses (excl. capitalised R&D)	129	93	120	437	436
Other OPEX	11	26	27	105	122
<b>Adj EBITDA</b>	<b>54</b>	<b>50</b>	<b>32</b>	<b>197</b>	<b>134</b>
Adjusted EBITDA margin %	23 %	24 %	16 %	22 %	17 %
Non-recurring items	24	11	13	48	34
<b>EBITDA</b>	<b>30</b>	<b>40</b>	<b>19</b>	<b>149</b>	<b>100</b>
EBITDA margin %	13 %	19 %	9 %	17 %	13 %
Depreciation and amortization	18	17	15	66	60
<b>EBIT</b>	<b>12</b>	<b>23</b>	<b>4</b>	<b>83</b>	<b>40</b>
EBIT margin %	5 %	11 %	2 %	9 %	5 %
Net Finance	(4)	(4)	1	(9)	(6)
<b>EBT</b>	<b>8</b>	<b>19</b>	<b>5</b>	<b>74</b>	<b>34</b>
Tax	(13)	14	4	6	9
<b>Profit (loss) continued operations</b>	<b>21</b>	<b>5</b>	<b>1</b>	<b>67</b>	<b>25</b>
Profit/loss from discontinued operations <sup>1</sup>	0	33	(20)	39	(45)
<b>Net profit/loss</b>	<b>21</b>	<b>38</b>	<b>-20</b>	<b>106</b>	<b>-20</b>

## Comments

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- R&D capitalisation stable around ~10-11%

# Balance sheet

## Balance sheet

Balance sheet (NOKm)	Q4 2020	Q3 2020	Q4 2019	Balance sheet (NOKm)	Q4 2020	Q3 2020	Q4 2019
ASSETS				LIABILITIES AND EQUITY			
Deferred tax asset	12	8	5	Equity	807	417	362
Other intangible assets	212	129	92	<b>Total Equity</b>	<b>807</b>	<b>417</b>	<b>362</b>
Goodwill	248	147	146				
Tangible fixed assets	163	150	109	Deferred tax liabilities	37	17	5
Pension assets	15	13	19	Leasing obligations	130	105	74
Other receivables	0	0	1	Other long-term debt	9	9	8
<b>Total non -current assets</b>	<b>650</b>	<b>449</b>	<b>370</b>	<b>Total non - current liabilities</b>	<b>176</b>	<b>132</b>	<b>87</b>
Inventory	13	16	9	Loans	24	3	64
Contract assets	40	52	54	Accounts payable	205	92	114
Accounts receivable and other receivables	327	220	270	Tax payable	8	18	9
Cash and cash equivalents	453	280	233	Other current liabilities	274	364	339
Financial assets held for trading	10	10	10	Obligations discontinued business	0	0	112
Held for sale operations	0	0	142	<b>Total current liabilities</b>	<b>510</b>	<b>478</b>	<b>639</b>
<b>Total current assets</b>	<b>843</b>	<b>578</b>	<b>718</b>	<b>Total liabilities and equity</b>	<b>1,493</b>	<b>1,027</b>	<b>1,088</b>
<b>Total assets</b>	<b>1,493</b>	<b>1,027</b>	<b>1,088</b>				

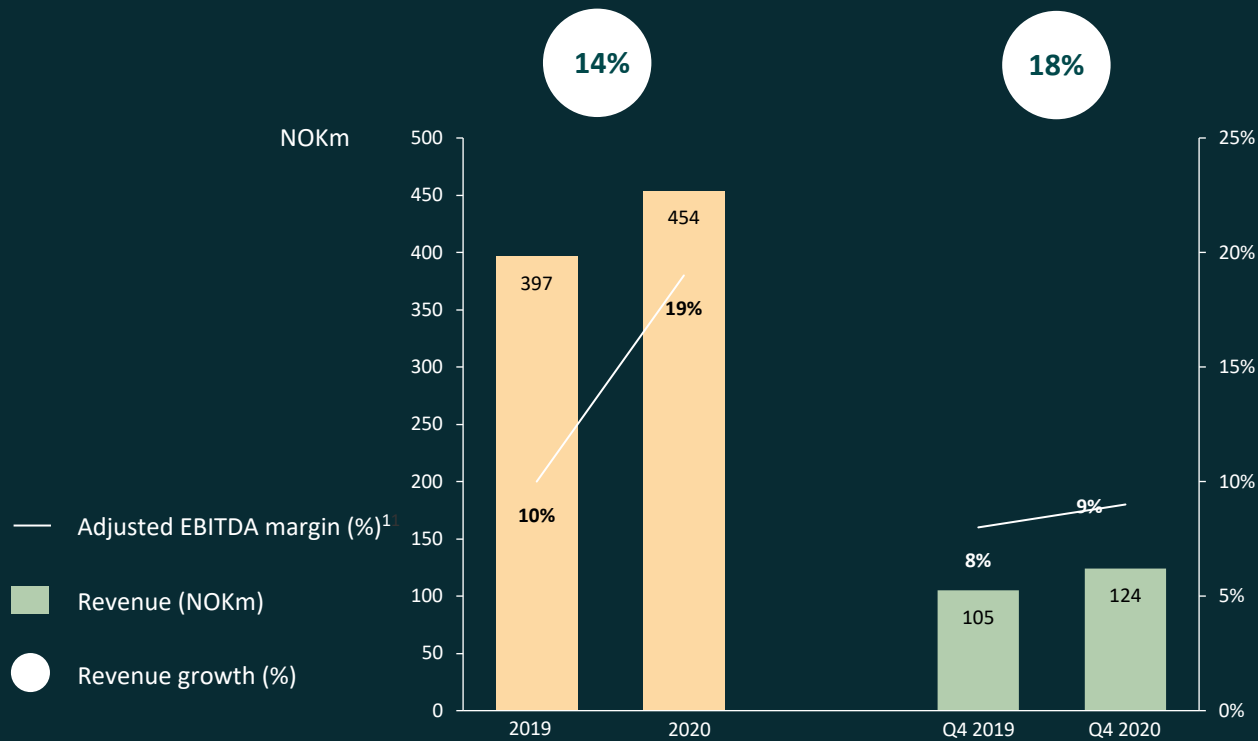
# Cash flow statement

Cash flow statement (NOKm)	31.12.2020	31.12.2019
Profit before tax from continuing operations	67	25
Depreciations	66	68
Net finance	9	6
Tax expense	6	9
Change in inventory, accounts receivable, contract assets and accounts payable	-57	-27
Change in net other current assets and other operating items	16	111
<b>Net cash flow from operating activities</b>	<b>108</b>	<b>191</b>
Interest received	7	8
Purchase of property, plant and intangible assets	-102	-32
Purchase of other investments	-	-10
Acquisition of non-controlling interests	-240	18
Acquisition of a subsidiary	-61	0
Proceeds from the sale of shares in subsidiaries	59	1
<b>Net cash flow from investing activities</b>	<b>-336</b>	<b>-15</b>
Payment of share capital	511	-
Dividends paid	-41	-7
Change in other financing activities	-20	-121
<b>Net cash flow from financing activities</b>	<b>449</b>	<b>-128</b>
Change in cash and cash equivalents	220	48
Cash and cash equivalents opening balance	233	185
<b>Cash and cash equivalents closing balance</b>	<b>453</b>	<b>233</b>



# Energy

## Key financials and KPIs



## Comments

### Growth

- Growth rates primarily driven SaaS-offerings and large ongoing projects – 18 % growth in Q4
- Growth through recurring revenues - strong performance on SaaS offering through analytics and forecasting platform
- Solid backlog from several major customer wins

### Profitability

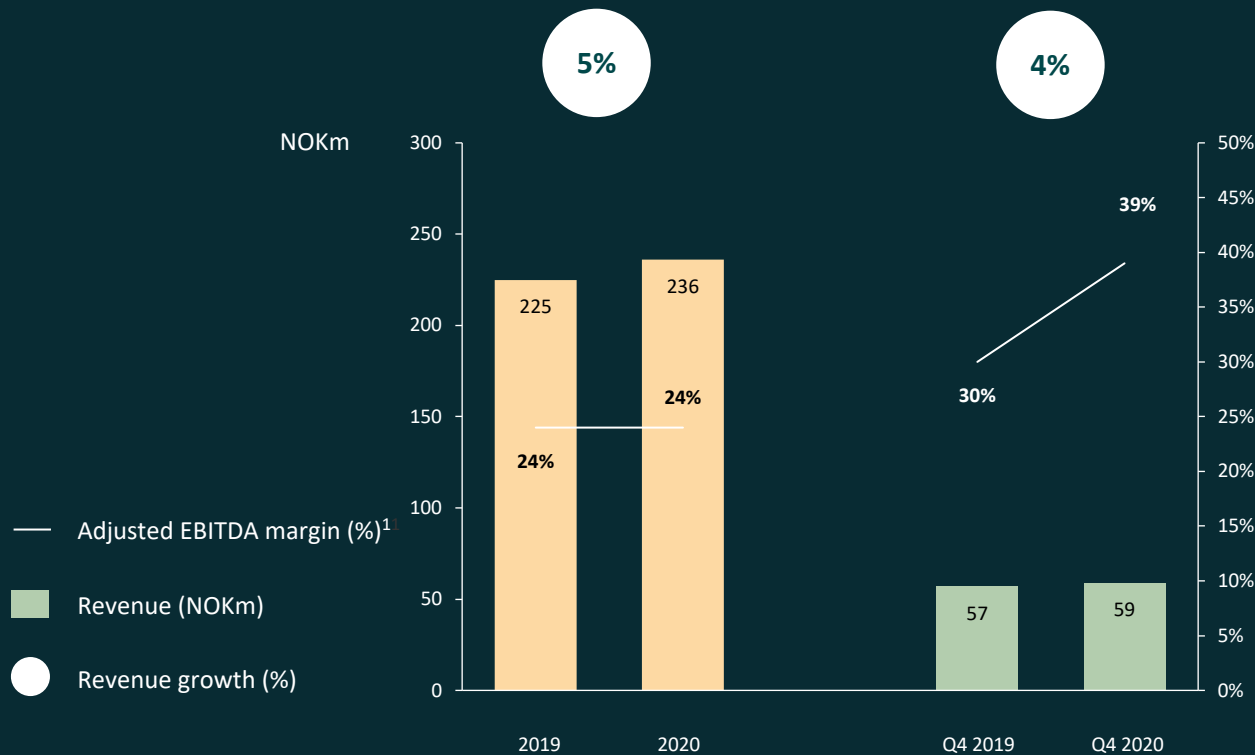
- Increase in margins 2020 due to strong revenue growth
- Turnaround in 2018 with impact on margins in 2019 – further uplift in EBITDA level throughout 2020. Large increase in capacity in 2020 for further investments in new product and services

### CAPEX

- CAPEX level at ~12 % of sales, mainly constituted by R&D investments
- Significant investments into new products related to optimisation and trading solutions
- Investment plan established in 2018 for analytics and forecasting – pure SaaS business and delivery model

# Power Grid

## Key financials and KPIs



## Comments

### Growth

- Positive development in growth rates in 2020 compared to 2019.
- Change in strategic focus areas in 2018 gives growth rates
- Growth in Sweden and Denmark, as well as in the Norwegian home market, with large ongoing projects

### Profitability

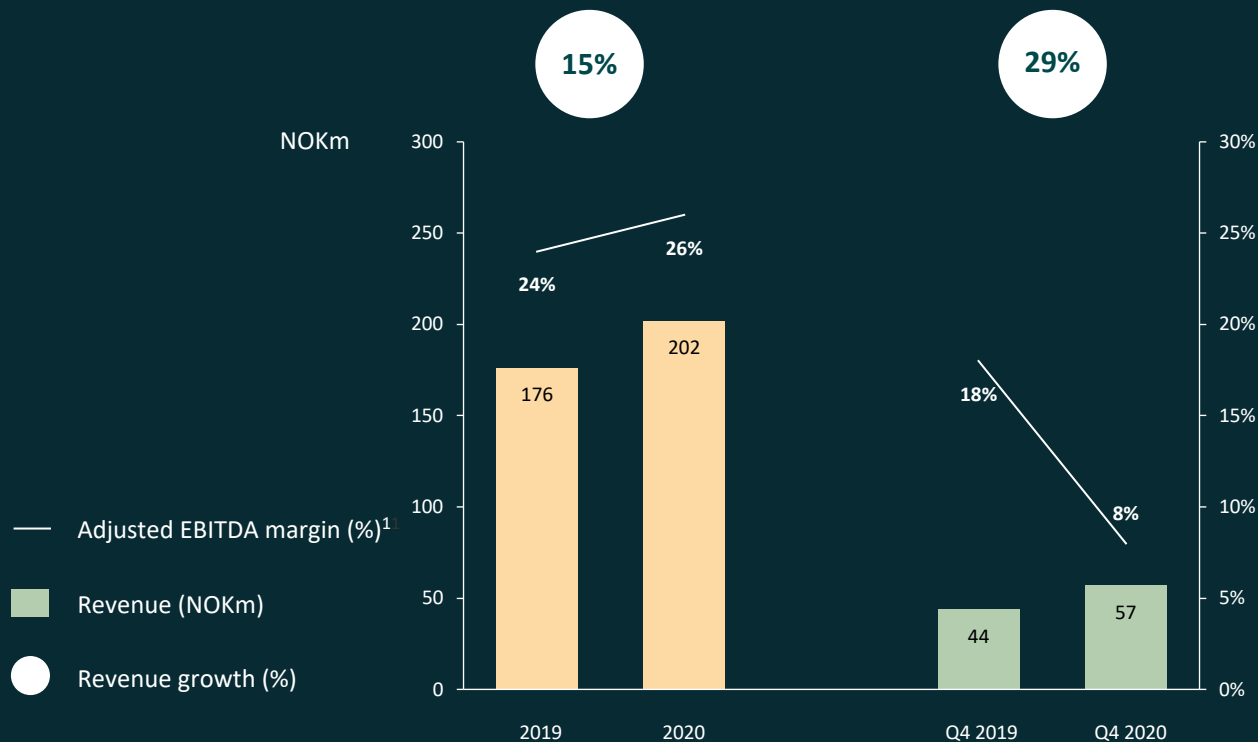
- EBITDA margin improved from Q4 2019
- Negative contribution from one large project impacting development in 2018, 2019 and 2020 – no negative impact expected for 2021
- Investments in market expansions in 2020

### CAPEX

- CAPEX at ~8 % of sales
- Ongoing investments in flexibility products
- CAPEX level expected to increase over the next 12 months

# Infrastructure

## Key financials and KPIs



## Comments

### Growth

- Strong growth in Q4 2020 with 29 % growth.
- Growth rates driven by strong performance in home markets from the Construction market
- Ongoing market expansions in Sweden gives uplift in revenue growth outside Norway
- Construction market with solid growth rates due to increasing need for digitalisation
- Deliveries through software and SaaS deliveries, with strong uplift in recurring revenue levels

### Profitability

- Strong margins following several years with high growth in recurring revenues, mainly through SaaS offerings
- Profitability supported by scalable business models and easy onboarding processes
- Investments in market expansions in 2020

### CAPEX

- CAPEX level at ~11 % of sales, expected to stay at same levels near-term
- Ongoing investments to increase offerings on Gemini platform and additions to the current product range
- All investments directed towards SaaS offerings

# Alternative performance measures

## 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.

The 2019 figures have been prepared in accordance with International Financial Reporting Standards (IFRS) and is based on continuity and not the proforma figures, which was reported in the Q3 report. The difference for revenues in 2019 proforma versus continuity figures is related to sales between Scanmatic AS and Scanmatic Electro AS. All figures related Scanmatic Electro AS has been classified as discontinued operation in 2019 and 2020 figures.



# Alternative performance measures

## Alternative performance measures

Value AS 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:

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

**EBITDA adjusted** - In order to give a better representation of underlying performance, the following adjustments are made to EBITDA:

- Special items: items that are not part of the ordinary business, such as IPO related costs

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

**Net interest-bearing debt** - Total interest-bearing debt, less interest-bearing receivables and cash.

**Equity ratio** - Total equity divided by total assets.

value