

# Technology for a sustainable tomorrow

First half 2021 interim report

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# Highlights of the First Half Year 2021

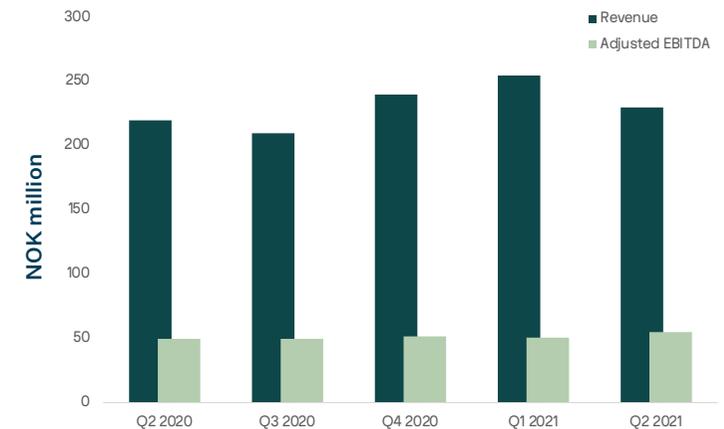
Value on track for 2025 targets – successful cyber-incident management.

- Total operating revenues in the first half year of 2021 amounted to NOK 489 million, compared to 443 million in first half year of 2020. For the second quarter 2021, the revenues were NOK 233, compared to 217 for second quarter 2020.
- The revenue growth for the first half year was 10% compared to the first half year of 2020. For the second quarter, the revenue growth was 8% compared to the second quarter of 2020.
- Adjusted for the estimated effects of the cyber-incident, the revenue growth for the first half year of 2021 was 16% compared to the first half year of 2020. For the second quarter, the revenue growth was 18% from 2020 to 2021 when adjusting for estimated effects of the cyber-incident.
- The top-line growth has been mainly driven from the Energy area, with a growth for the segment of 26% adjusted for estimated effects of the cyber-incident in the quarter. The main reason for the growth is the increased expansion through new solution and market expansions in Europe.
- Adjusted EBITDA was NOK 109 million for the

first half of 2021 compared to 92 million in the same period in 2020. For the second quarter 2021 it was NOK 57 million, up from 52 million in the same quarter in 2020.

- The company has recognised one-off cost related to the cyber-incident at NOK 40 million. In addition the company estimates one-off loss in revenues of NOK 25 million in the second quarter.
- The sales closing has been good for the first half year. The performance has been especially strong in the second quarter, despite the cyber-incident, with closing of approximately 700 smaller and larger sales and three larger international contracts in the quarter.
- The increase in annual recurring revenue is 19% compared to first half 2020. The company has a growth at 50% on SaaS revenues from first half 2020. From second quarter 2020 to second quarter 2021, the recurring revenue growth has been 17%, while SaaS revenue growth has been 51%.
- The company reiterates the strong market outlook and two NOK billion ambitions for 2025

- The quarter has been strongly influenced by the cyber-incident, but by deploying all relevant resources to handle the situation, our position as a leading provider of safe operations were verified as battle proven.



# Subsequent Events

## European Expansion

Volue announced the acquisition of German ProCom GmbH (ProCom) to strengthen its position as the leading provider of sustainable technology solutions to the European energy sector.

“We are pleased to announce the investment in ProCom to strengthen our European offering further. ProCom has an ambitious growth and expansion strategy, and we look forward to working with the ProCom team in expanding their offering and market presence in this rapidly growing and changing industry,”

Trond Straume,  
CEO at Volue

Through the acquisition, Volue will add three million euros in annual recurring revenues, approximately 60 employees and over 60 customers to its business. ProCom is headquartered in Aachen, Germany and has offices in Cologne and Berlin, serving primarily customers in Germany.



# Key Figures

<i>Financial highlights (NOKm)</i>	Q2 2021	Q2 2020	YTD 2021	YTD 2020	LTM
<b>Revenue</b>	<b>233</b>	<b>217</b>	<b>489</b>	<b>443</b>	<b>938</b>
Gross margin	84%	83%	84%	85%	82%
Adjusted EBITDA <sup>1</sup>	57	52	109	92	213
Adjusted EBITDA margin	24%	24%	22%	21%	23%
EBITDA <sup>2</sup>	14	39	56	79	126
EBITDA margin	6%	18%	11%	18%	13%
EBIT <sup>3</sup>	-11	24	10	48	45
Profit before tax	-10	20	11	47	40
Cash balance at the end of the period	484	347	484	594	484
Recurring revenue growth (%)	17%	10%	19%	9%	16%
Recurring revenue (% of revenue)	69%	63%	67%	62%	66%
SaaS <sup>4</sup> revenue growth (%)	51%	33%	50%	33%	40%
SaaS revenue (% of revenue)	22%	16%	20%	15%	19%
R&D CAPEX (NOKm)	23	21	49	41	92
R&D CAPEX (% of revenue)	10%	10%	10%	9%	10%

<sup>1</sup> EBITDA adjusted for non-recurring items. Note that the adjustment does not include estimated one-off loss of revenue due to the cyber-incident.

<sup>2</sup> Profit/loss before tax, net finance cost, depreciation, amortisation and impairment.

<sup>3</sup> Profit/loss before tax and net finance cost.

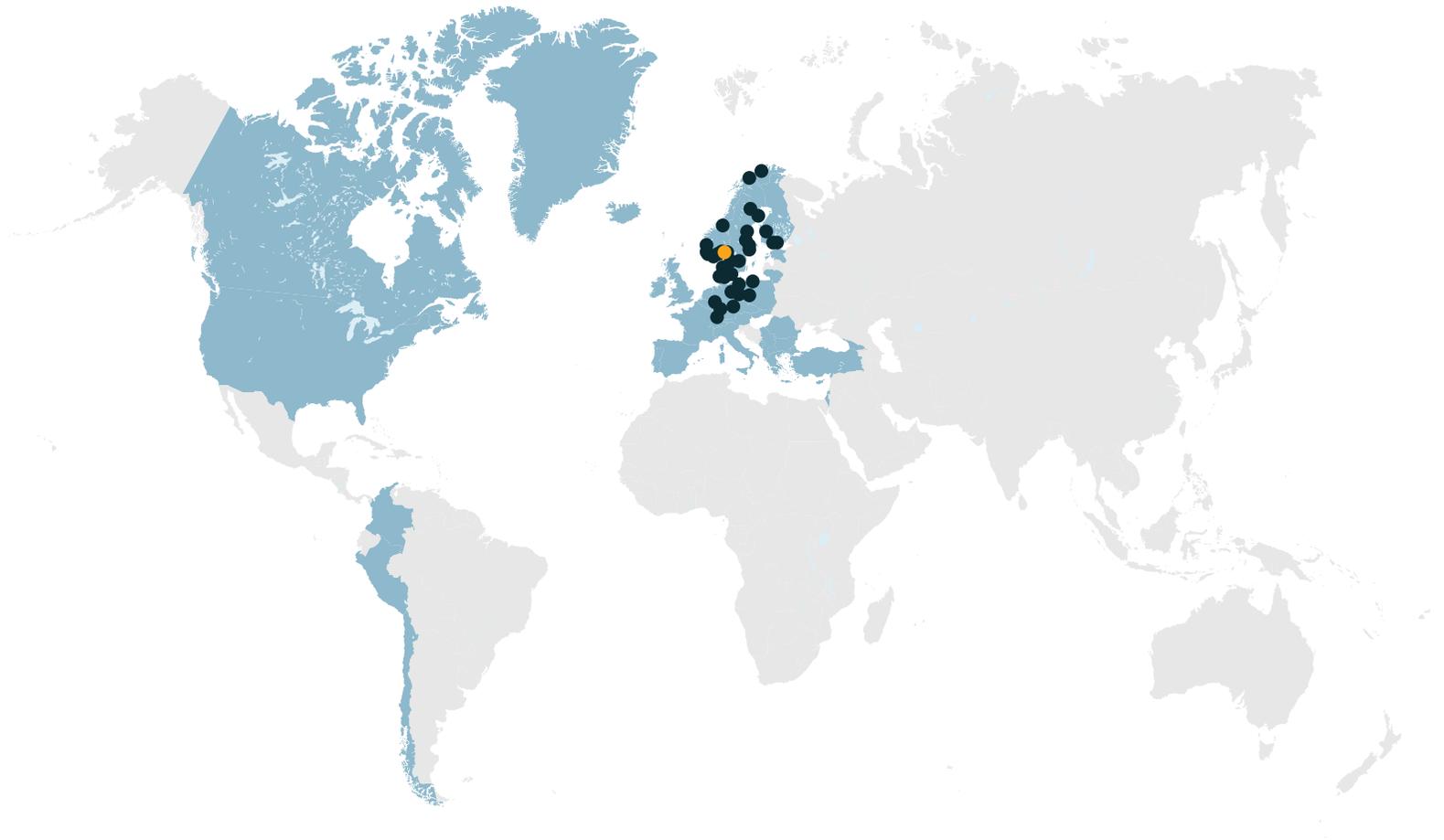
<sup>4</sup> Software as a Service

### Value by numbers

**650**  
EMPLOYEES

**2 200**  
CUSTOMERS  
IN 40+ COUNTRIES

**30+**  
OFFICES  
IN 9 COUNTRIES



#### Where we are:

- Value's HQ
- Value's offices
- Countries where Value has customers

# Value in Brief

Value is a market leader in technologies and services that power the green transition. Based on 50 years of experience, Value provides innovative solutions, systems and insights to industries critical to society. Over 650 employees work with more than 2200 customers on energy, power grid, water and infrastructure projects that ensure a sustainable, flexible and reliable future. The company is headquartered in Oslo, Norway and active in 40+ countries.

The company was launched in March 2020 through the merger of the Trondheim company Powel and the Arendal companies Scanmatic, Markedskraft and Wattsight to increase the returns and reduce greenhouse gas emissions for customers in the European power market, while at the same time safeguarding the role as a promoter of increased digitalisation in other industries.

Combined, the four companies have large, established positions in the European energy market, with a natural centre of gravity in the Nordic region.

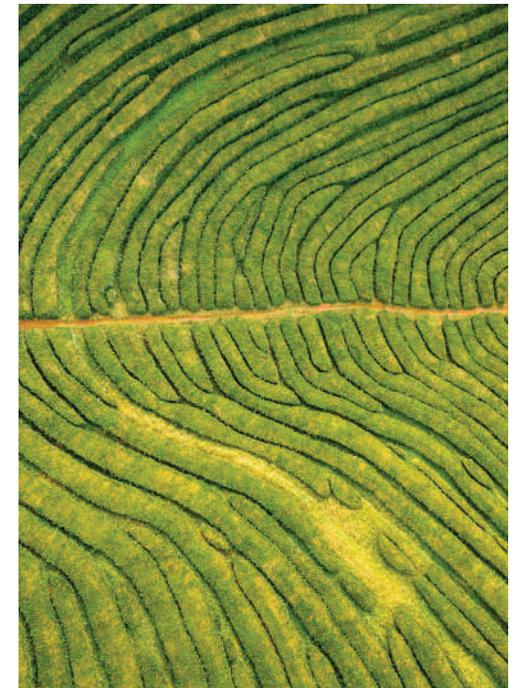
Value's digital platforms and innovative solutions support digital water management and the automation of processes and machines for the construction industry. Our software suite, built on deep domain knowledge, enables customers across the clean energy value chain to provide services critical to society flexibly, reliably and efficiently, thereby accelerating the green energy transition.

#### Value's product families are:

- Industrial IoT
- Water & Community Software
- Construction Software
- Market Services
- Transmission & Distribution Software
- Optimisation & Trading Software
- Insight

All employees at Value are united behind the belief that great people, delivering end-to-end platforms and technology services, hold the key to unlocking a more equitable, sustainable and prosperous future.

Value is headquartered in Oslo, Norway, with teams based across 30 offices all over Europe, thereby enabling us to be closely connected with our customers, markets and industries. We are thinking globally and acting regionally.



# Financial Review

Value continued the positive development in the first half year of 2021 and is on track for the 2025 targets and ambitions.

The company sees a strong development on building a continually increased recurring revenue base, where its SaaS transformation is steadily progressing with a solid development from the corresponding period last year. Adjusted for estimated effects of the cyber-incident, the revenues grew 16% compared to the first half of 2020.

Total operating revenues for the first half year amounted to NOK 489 million (443 million). For the second quarter, the revenues were NOK 233 million (217 million). This represents a growth of 10% for the first half year compared to the first half year of 2020 and 8% for the second quarter compared to the second quarter of 2020.

Total operating expenses comprises materials and consumables used, employee benefit expenses, other operating expenses, depreciation, amortisation and impairment. The total operating expenses in the first half 2021 has increased by 17%, to NOK 479 million, up from NOK 395 million same period last year. For the second quarter, total operating

expenses has increased by 23%.

Materials and consumables used has increased with 15% from first half 2020. The increased cost of goods sold are related to increased trading and third-party cost. For the second quarter, the increase is 4% compared to the second quarter in 2020.

Employee benefit expenses increased by 16% compared to the same half year in 2020, which is explained by a higher number of employees, as part of Value growth strategy and increased revenues. For the second quarter, personnel expenses have increased by 17% compared to the second quarter in 2020.

Other operating expenses increased by 34% compared to the same period last year. The high level of personnel and other operating costs are the results of Value's strategic decision to pursue growth and higher activity levels. For the second quarter, other operating expenses has increased with 69% compared to the second quarter in 2020.

Adjusted EBITDA for the half year

ended at NOK 109 million (92 million for the same period in 2020), while the adjusted EBITDA margin was 22% (21%). For the second quarter 2021, adjusted EBITDA was NOK 57 million (52 for second quarter 2020), while the adjusted EBITDA margin was 24% for second quarter 2021 (24% for second quarter 2020).

Recurring revenues ended at NOK 326 million for the first half year 2021, (274 million for the same period in 2020) representing 67% of total revenues. The SaaS-revenues ended at NOK 100 million, representing 20% of total revenues in the period. The share on recurring revenues and SaaS revenues of total revenues is higher due to lower one-off revenues following the cyber-incident.

For the second quarter 2021, recurring revenues were NOK 162 million (138 in second quarter 2020), representing 69% of total revenues. SaaS revenue were NOK 53 million in the second quarter (47 million in second quarter 2020), representing 22% of total revenues.

Total assets were NOK 1 498 million

at the end of the period, compared to NOK 1 473 million at the end of 2020.

Total equity was NOK 743 million at the end of the half year, thus, the equity ratio was 50%.

Net cash flow from operating activities for the half year was NOK 121 million, compared to NOK -188 million by end first half year 2020. The development is following prepayments from customers and furthermore good underlying performance adjusted for the Cyber-incident. Net cash flow from investing activities was NOK -48 million (-38 million) following mainly from acquisitions and R&D investments.

Value's cash balance at the end of first half year 2021 was NOK 484 million (347 million at the end of first half 2020). The increase from same period in 2020 is mainly due to raising gross proceeds of NOK 500 million from the share capital increase in October 2020 and net cash flow from operations. This is partly offset by negative cash flow from investments and purchase of minority interest.

# Development

## Market Sectors

Volue is organised into three business segments: Energy, Power Grid, Infrastructure.

## Energy

The Energy segment help customers master the energy transition by enabling end-to-end optimisation of the green energy value-chain by offering software solutions and consulting services related to forecasting and optimisation of the different energy markets.

Revenue in the Energy segment was NOK 131 million for the quarter. Adjusted for estimated effects of the cyber-incident , the growth rate from second quarter 2020 was 26%. For the first half year, revenue in the Energy segment was NOK 267 million. Adjusted for estimated effects of the cyber-incident , the growth rate from first half 2020 was 24%.

Growth rates were primarily driven by SaaS-offerings and large ongoing software delivery projects. In the Energy segment, Volue is expanding from a dominating Nordic position, into continental Europe. The acquisition of Likron has strengthen Volue market presence further in Europe and the first half year the Likron business has been fully integrated into the Energy line of business strengthen the offerings in the trading area.

Part of Volue's initial focus was on the most complex optimisation challenge, which was for hydropower. Since then, Volue has worked to expand its platform into thermal, solar, wind and batteries. This is important to Volue's customers as they continue to operate their existing assets, while expanding capacity in new asset types. Trading solutions has growing in part of total solution in portfolio and the recent acquisition of Likron will be core as part of the value offering. Data capture has been important part of Volue with gathering of data from sensor through our Industrial IoT solution. In the Energy market Volue offers forecast solutions that provide customers with the best-in-class data for cost-efficient decision-making. Volue translate weather into energy and present scenarios that help customers manage trading risks. CAPEX levels in the Energy segment represents approximately 12 per cent of sales, which is mainly composed of by R&D investments.

Volue is making significant investments into new products related to optimisation, trading solutions, analyses and forecast solutions. In the second quarter for 2021, Volue won three significant and strategic contracts with SaaS-offerings in Europe.

## Power Grid

The Power Grid segment enable power distributors to support electrification of society by unlocking flexibility and digital

management of the power grid. The Group offer both software solutions and consulting services.

Revenue in the Power Grid segment was NOK 56 million for the quarter. Adjusted for estimated effects of the cyber-incident , the growth rate from second quarter 2020 was 14%. For the first half year, revenue in the Power Grid segment was NOK 123 million. Adjusted for estimated effects of the cyber-incident , the growth rate from first half 2020 was 13%.

Volue holds a strong market position in the Nordics. With decades of experience supporting customers, the Nordic region has built one of the strongest grids in Europe, which is now being put under pressure by the electric vehicles revolution. The electrification of the society is growing, creating new challenges and opportunities.

Volue aims to expand its footprint in the Power Grid segment through its market position in the Energy segment.

## Infrastructure segment

The Infrastructure segment deliver flexible capabilities for digital water management, consisting of both software solutions and consulting services, in addition to helping clients in the construction industry automate processes and machines.

Revenue in the Infrastructure segment was NOK 47 million for the quarter. Adjusted

for estimated effects of the cyber-incident , the growth rate from second quarter 2020 was 14%. For the first half year, revenue in the Infrastructure segment was NOK 99 million. Adjusted for estimated effects of the cyber-incident , the growth rate from first half 2020 was 1%.

Growth rates were primarily driven by a strong performance in the home markets from the construction market, where there is increasing need for digitalization. Deliveries through software and Software as a Service (SaaS) also reported a strong uplift in recurring revenue levels. Volue has so far focused on SaaS transformation in its home market, with 900 customers in the infrastructure construction business, in addition to covering 84 per cent of the Norwegian population with its water and waste-water business. Volue forecasts further increased profitable growth in Scandinavia, driven by the on-going expansion to Sweden and Denmark. CAPEX levels in the Infrastructure segment represents approximately 11 per cent of sales and are expected to remain at these levels in the near term. All investments are directed towards Volue's SaaS offerings.

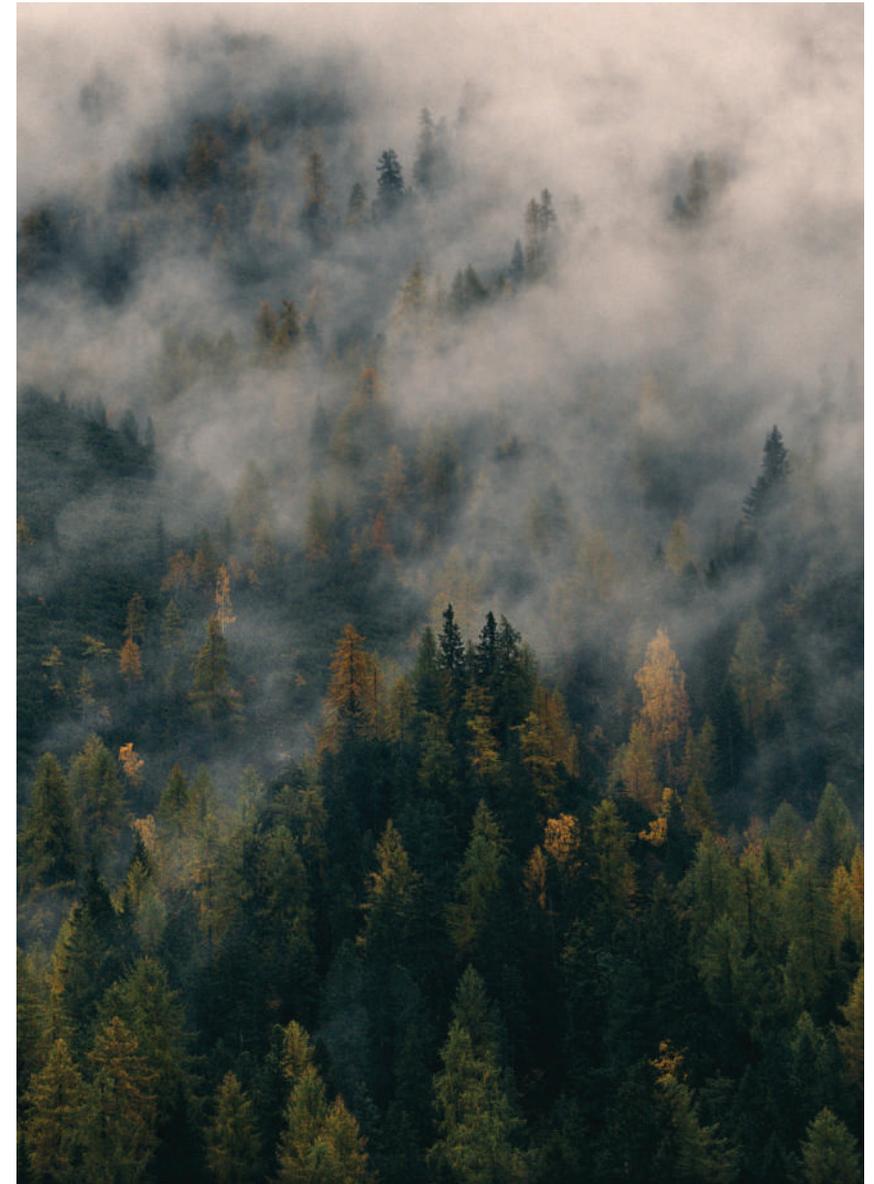
# Cyber-incident

After the closing of the quarter, Volue announced the completion of the final documentation following the 5 May 2021 cyber-incident and that normal operations have resumed.

“We deployed all relevant resources to manage the situation and immediately decided to share all knowledge during and after the attack. Volue has received tremendous support and feedback from our customers and the cyber security environment, and our position as a leading provider of safe operations is verified as battle proven,”

Trond Straume,  
Chief Executive Officer at Volue.

The company has recognised one-off cost related to the cyber-incident at NOK 40 million. In addition the company estimates one-off loss in revenues in the second quarter. Volue do not expect any financial impact following the cyber-incident after Q2 2021.



# Sales Closing

The sales closing has been good for the first half year and Volute continue to grow the business with especially focus upon closing recurring revenues.

For the second quarter the company closed approximately 700 smaller and larger sales, including three larger international contracts, expanding Volute's footprint further.

One of the cases closed is for Statkraft. For years, Volute has supported Statkraft with software and data to manage one of the most extensive energy trading operations in Europe.

The new solution for Statkraft will shift these services to a cloud environment. Volute is a reliable and experienced technology and software vendor, able to run even the most business-critical software as Software-as-a-Service. By that Volute helps clients decrease operational excellence and increase scalability.



# ProCom

Volue has also announced the acquisition of German ProCom GmbH (ProCom) to strengthen its position as the leading provider of sustainable technology solutions to the European energy sector.

“We are pleased to announce the investment in ProCom to strengthen our European offering further. ProCom has an ambitious growth and expansion strategy, and we look forward to working with the ProCom team in expanding their offering and market presence in this rapidly growing and changing industry,”

Trond Straume,  
Chief Executive Officer at Volue.

Through the acquisition, Volue will add three million euros in annual recurring revenues, approximately 60 employees and over 60 customers to its business. ProCom is headquartered in Aachen, Germany and has offices in Cologne and Berlin, serving primarily customers in Germany.



# Listing on Oslo Stock Exchange

One of the important key developments in the half year was the listing of Volute on the Oslo Stock Exchange.

“Volute is focused on securing the availability of the core services societies rely on – from energy, power grid, water to infrastructure - today and tomorrow, and this new milestone will enable us to broaden our investor base and provides a stronger foundation to accelerate structural and organic growth. By being admitted to Oslo Børs, we’ve achieved one of our milestones for year,”

Trond Straume,  
Chief Executive Officer at Volute.



# Risks and Uncertainty Factors

Value's Board of Directors and Executive Management conduct risk assessments relating to various dimensions and aspects of operations, to verify that adequate risk management systems are in place. The Group's risk management is predominantly controlled by the finance departments in the group companies, under policies approved by the Board of Directors. The responsible identifies, evaluates, and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as currency risk, interest rate risk and credit risk.

The Group's software solutions and platforms are subject to substantial external threats associated with data security, such as risk of virus attacks, attempts at hacking, social manipulation and phishing scams. The recent cyber-incident has increased the group effort on cyber security and the company will continue to increase effort upon cyber-security.



# Market Outlook

Value is a market leader in technologies and services that power the green transition. Based on 50 years of experience, Value provides innovative solutions, systems and insights to industries critical to society. Over 650 employees work with more than 2 200 customers across energy, power grid, water and infrastructure projects to ensure a sustainable, flexible and reliable future.

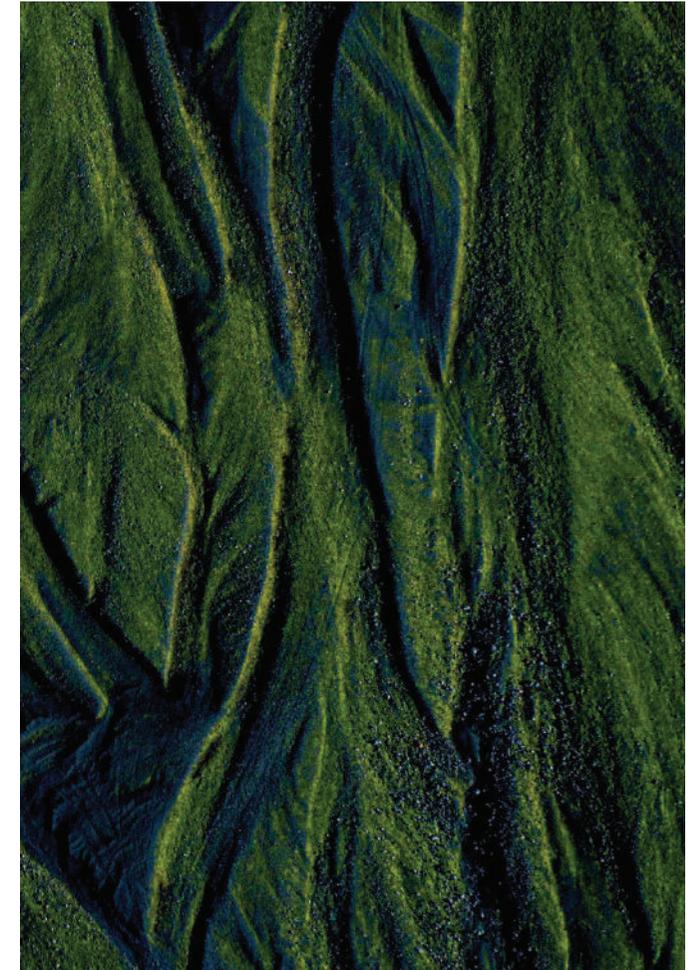
Furthermore, Value is a solid company that has a strong position for profitable growth and expansion based on the following pillars:

- The shift towards green, non-controllable energy sources drives increased volatility and complexity for customers, requiring dynamic and cloud-based software solutions.
- Value offers wall-to-wall SaaS solutions and has built up a customer base comprising the leading European energy companies
- Ongoing SaaS-transformation with solid growth in recurring revenues and an uptick in EBITDA margins.

The short-term financial guidance is discontinued following the cyber-incident, but the company has the following priorities for 2021:

- Accelerate growth in ARR through SaaS transformation
- Structural growth – Take lead position in market consolidation
- Utilise synergies in Value group to increase operational efficiency

Following the solid underlying performance in 2021, the company reiterates the strong market outlook and the ambitions to create a NOK 2 billion revenue company by 2025 with an adjusted EBITDA margin towards 30%.



# Condensed Interim Financial Information

## Condensed consolidated statement of income

<i>Amounts in NOK 1000</i>	Note	Half Year	
		2021	2020
<b>Continuing operations</b>			
Revenues	5.6	489 274	443 202
Materials and consumables used		78 309	68 190
Employee benefit expenses		263 953	228 328
Other operating expenses		90 748	67 771
<b>EBITDA</b>		<b>56 264</b>	<b>78 913</b>
Depreciation and amortisation		45 813	30 461
Impairment loss from PPE		-	404
<b>Net operating income/(loss)</b>		<b>10 451</b>	<b>48 047</b>
Finance income		8 038	10 446
Finance costs		7 251	11 634
<b>Profit/(loss) before income tax</b>		<b>11 238</b>	<b>46 859</b>
Income tax expense		1 704	6 170
<b>Profit/(loss) from continuing operations</b>		<b>9 534</b>	<b>40 688</b>
Profit/(loss) from discontinued operation	8	-	6 388
<b>Profit/(loss) for the period</b>		<b>9 534</b>	<b>47 076</b>
Attributable to equity holders of the company		9 510	38 862
Attributable to non-controlling interests		24	8 214
Basic earnings per share		0,07	0,47
Diluted earnings per share		0,07	0,47
Basic earnings per share from continuing operations		0,07	0,40
Diluted earnings per share from continuing operations		0,07	0,40

## Condensed Consolidated Statement of Other Comprehensive Income

<i>Amounts in NOK 1000</i>	Half Year	
	2021	2020
<b>Items that may be reclassified to statement of income</b>		
Exchange differences on translation of foreign operations	-6,548	4,461
Changes on cash flow hedges	595	-3,380
Income tax related to these items	-	-
<b>Items that may be reclassified to statement of income</b>	<b>-5,954</b>	<b>1,080</b>
<b>Items that will not be reclassified to statement of income</b>		
Remeasurements of post-employment benefit obligations	-0	-
Income tax relating to these items	-	-
<b>Items that will not be reclassified to statement of income</b>	<b>-0</b>	<b>-</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>-5,954</b>	<b>1,080</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>3,580</b>	<b>48,157</b>
Attributable to equity holders of the company	3,567	39,949
Attributable to non-controlling interests	14	8,207

## Condensed Consolidated Balance Sheet

Amounts in NOK 1000	Note	30-Jun 2021	31-Dec 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		161,960	162,492
Intangible assets		481,577	462,975
Pension assets		15,374	14,622
Non-current receivables and investments		32,455	31,774
Deferred tax assets		15,905	7,950
<b>Total non-current assets</b>		<b>707,271</b>	<b>679,813</b>
<b>Current assets</b>			
Inventories		20,637	13,137
Contract assets		52,780	39,335
Trade and other receivables		233,042	296,312
Other current assets		-	562
Financial investments		-	10 000
Cash and cash equivalents		484,351	433,527
		<b>790,810</b>	<b>792,873</b>
Assets connected to discontinued operation		-	-
<b>Total Current assets</b>		<b>790,810</b>	<b>792,873</b>
<b>Total assets</b>		<b>1 498 081</b>	<b>1 472 687</b>

Oslo, Norway, 19 August 2021  
The Board of Directors and CEO Volute ASA



Ørjan Svanvik  
Chairman of the Board



Lars Peder Fensli  
Board Member



Ingunn Ettestøl  
Board Member



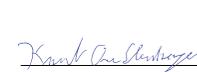
Henning Hansen  
Board Member



Christine Grabmair  
Board Member



Bård Mageli  
Board Member



Knut Ove Stenhagen  
Board Member



Solfrid Dalum  
Board Member



Trond Straume  
Chief Executive Officer

Amounts in NOK 1000	Note	30-Jun 2021	31-Dec 2020
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital and share premium		4,492,332	4,492,332
Other reserves		-3,751,848	-3,752,655
<b>Capital and reserves attributable to holders of the company</b>		<b>740,484</b>	<b>739,677</b>
Non-controlling interests		2,972	3,411
<b>Total equity</b>		<b>743,456</b>	<b>743,087</b>
<b>Non-current liabilities</b>			
Lease liabilities		104,504	117,475
Employee benefits		9,217	8,731
Other non-current liabilities		5,722	28,500
Provisions		341	372
Deferred tax liabilities		36,218	26,385
<b>Total non-current liabilities</b>		<b>156,002</b>	<b>181,463</b>
<b>Current liabilities</b>			
Borrowings		6,726	3,695
Lease liabilities		30,542	21,356
Trade and other payables		44,988	146,633
Current tax liabilities		5,189	15,606
Contract liabilities		169,937	55,917
Other current liabilities		341,244	304,930
		<b>598,624</b>	<b>548,137</b>
Liabilities connected to discontinued operation		-	-
<b>Total current liabilities</b>		<b>598,624</b>	<b>548,137</b>
<b>Total liabilities and equity</b>		<b>1 498 081</b>	<b>1 472 687</b>

## Condensed Consolidated Statement of Changes in Equity

2021

Amounts in NOK 1000	Note	Attributable to equity holders of the company			Non-controlling interests	Total equity
		Share capital and share premium	Other reserves	Total		
<b>Balance at 1 January 2020</b>		-	321 298	321 298	40 442	361 740
Profit/(loss) for the period		-	39 211	39 211	7 865	47 076
Other comprehensive income/(loss)		-	738	738	342	1 080
Transaction with owners			-	-		
Issue of ordinary shares for cash		27 100	-	27 100	-	27 100
Dividends		-	-3 088	-3 088	-325	3 413
Other equity transactions		-	-38	-38	1 245	1 207
<b>Balance at 30 June 2020</b>		<b>27 100</b>	<b>358 121</b>	<b>385 121</b>	<b>49 570</b>	<b>434 791</b>
<b>Balance at 31 December 2020</b>		<b>4 492 332</b>	<b>-3 752 655</b>	<b>739 677</b>	<b>3 411</b>	<b>743 087</b>
Profit/(loss) for the period		-	9 511	9 511	24	9 534
Other comprehensive income/(loss)		-	-5 944	-5 944	-10	-5 954
Transaction with owners			-	-		
Acquisition of non-controlling interest		-	-4 410	-4 410	-422	-4 832
Other equity transactions		-	1 651	1 651	-31	1 620
<b>Balance at 30 June 2021</b>		<b>4 492 332</b>	<b>-3 751 848</b>	<b>740 484</b>	<b>2 972</b>	<b>743 456</b>

## Condensed Consolidated Statement of Cash Flows

<i>Amounts in NOK 1000</i>	Note	Half Year	
		2021	2020
<b>Cash flow from operating activities</b>			
<b>Profit/(loss) before income tax</b>		<b>11,238</b>	<b>46,859</b>
adjustments for:			
Depreciation, amortization and impairment		45,813	30,867
Net financial items		-787	1,188
(Gain)/Loss from sales of assets		22	-
<b>Total after adjustments to profit before income tax</b>		<b>56,286</b>	<b>78,914</b>
Change in Inventories		-7,554	-5,621
Change in other current assets		50,320	19,701
Change in other current liabilities		31,817	102,145
Change in other provisions		-	-254
Change in employee benefits		-308	3,475
<b>Total after adjustments to net assets</b>		<b>130,561</b>	<b>198,360</b>
Change in tax paid		-9,543	-10,085
<b>Net cash from operating activities</b>		<b>121,018</b>	<b>188,275</b>
<b>Cash flow from investing activities</b>			
Interest received		1,052	5,769
Purchase of PPE and intangible assets		-58,612	-45,024
Proceed from sale of other investments		9,774	97
Proceeds from the sales of shares in subsidiaries		-	1,048
<b>Net cash flow from investing activities</b>		<b>-47,786</b>	<b>-38,110</b>

<i>Amounts in NOK 1000</i>	Note	Half Year	
		2021	2020
<b>Cash flow from financing activities</b>			
Proceeds from issue of shares		-	27,100
Movement in borrowings		-15,580	-56,410
Interest paid etc.		-5,899	-7,650
Dividend paid		-	-3,413
Acquisition of non-controlling interests		-4,832	-
<b>Net cash flow from financing activities</b>		<b>-26,311</b>	<b>-40,373</b>
<b>Net increase in cash and cash equivalents</b>			
		<b>46,921</b>	<b>109,792</b>
Cash and cash equivalents at the beginning of the financial year		433,527	233,117
Effects of exchange rate changes on cash and cash equivalents		3,903	4,432
<b>Cash and cash equivalents at end of year</b>		<b>484,351</b>	<b>347,341</b>

# Notes to the Condensed Interim Financial Statement

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# Notes to the Condensed Interim Financial Statement

For the first half of 2021

## Note 1 Basis for preparation

This condensed interim consolidated financial report for the half-year reporting period ended 30 June 2021 has been prepared in accordance with International Financing Reporting Standards as adopted by the European Union (“IFRS”) for interim reporting under International Accounting Standard (“IAS”) 34 Interim Financial Reporting. The condensed interim consolidated financial report has not been audited.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by Volue during the interim reporting period.

The accounting policies adopted in the preparation of the interim report are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for 2020. New standards effective from 1 January 2021 have had no material effect on the interim report.

## Note 2 Estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group’s accounting policies. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Note 2 in the annual report for 2020 provides an overview of the areas that involves a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

## Note 3 Related parties

Volue has transactions and balances with key management. Note 24 in the annual report for 2020 provides details of transactions with related parties and the nature of these transactions.

All related party transactions have been carried out as part of the normal course of business and at arm's length.

## Note 4 Subsequent events

On 7 July 2021, Volue announced the acquisition of German ProCom GmbH (ProCom) to strengthen its position as the leading provider of sustainable technology solutions to the European energy sector. Volue has entered into an agreement to acquire 100% of ProCom.

## Note 5 Segments

### Segment information

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Energy

Help customers master the energy transition by enabling end-to-end optimisation of the green energy value-chain by offering software solutions and consulting services related to forecasting and optimisation of the different energy markets.

#### Power Grid

Enable power distributors to support electrification of society by unlocking flexibility and digital management of the power grid. The Group offer both software solutions and consulting services.

#### Infrastructure

Deliver flexible capabilities for digital water management, consisting of both software solutions and consulting services. Help automate processes and machines for the construction industry.

In order to assess the performance of the operating segments, the Group's management uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA, see below). Compared to EBITDA, non-recurring expenses are not included in adjusted EBITDA. Non-recurring expenses are related to cyber-incident, part of integration cost following establishment of Volue and one project in Volue with extraordinary expenses. In addition, the key performing indicators recurring revenue growth, recurring revenue (as percentage of total revenues), SaaS revenue growth (SaaS) and SaaS revenue (as a percentage of total revenues) are assessed each month.

## Note 5 Segments cont.

## Note 5 Segments

<i>Amounts in NOK 1000</i>	Energy	Power grid	Infra-structure	Other segments & eliminations	Total
<b>Half year 2021</b>					
Revenues third party and other income	267 318	123 238	98 718	0	489 274
<b>Total revenues and other income</b>	<b>267 318</b>	<b>123 238</b>	<b>98 718</b>	<b>0</b>	<b>489 274</b>
Materials and consumables used	42,790	23,841	11,678	0	78,309
Employee benefit expenses	124,849	56,843	41,402	0	223,095
Other operating expenses	48,716	19,393	11,020	0	79,129
<b>Adjusted EBITDA</b>	<b>50,963</b>	<b>23,161</b>	<b>34,617</b>	<b>0</b>	<b>108,741</b>
Non-recurring items	15,317	27,017	10,143		52,478
<b>EBITDA</b>	<b>35,647</b>	<b>-3,857</b>	<b>24,474</b>	<b>0</b>	<b>56,264</b>
Depreciation and amortization	26,568	9,496	9,749	0	45,813
Impairment	0	0	0	0	0
<b>Net operating income/(loss)</b>	<b>9,079</b>	<b>-13,353</b>	<b>14,724</b>	<b>0</b>	<b>10,451</b>
<b>Half year 2020</b>					
Revenues third party and other income	221 624	120 519	102 793	-1 734	443 202
<b>Total revenues and other income</b>	<b>221 624</b>	<b>120 519</b>	<b>102 793</b>	<b>-1 734</b>	<b>443 202</b>
Materials and consumables used	32,838	24,200	11,152	0	68,190
Employee benefit expenses	111,727	57,311	45,790	0	214,828
Other operating expenses	37,695	19,118	11,758	-800	67,771
<b>Adjusted EBITDA</b>	<b>39,364</b>	<b>19,890</b>	<b>34,093</b>	<b>-934</b>	<b>92,413</b>
Non-recurring items	3,500	10,000	0	0	13,500
<b>EBITDA</b>	<b>35,864</b>	<b>9,890</b>	<b>34,093</b>	<b>-934</b>	<b>78,913</b>
Depreciation and amortization	17,162	6,424	6,875	0	30,462
Impairment	0	0	0	404	404
<b>Net operating income/(loss)</b>	<b>18,702</b>	<b>3,466</b>	<b>27,218</b>	<b>-1,338</b>	<b>48,047</b>

## Note 6 Disaggregation of Revenue from Contracts with Customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product and service lines:

<i>Amounts in NOK 1000</i>	Energy	Power grid	Infra-structure	Other segments & eliminations	Total
<b>Half year 2021</b>					
Segment revenue	267 318	123 238	98 718	0	489 274
<b>Revenue from external customers</b>	<b>267 318</b>	<b>123 238</b>	<b>98 718</b>	<b>0</b>	<b>489 274</b>
<b>Timing of revenue recognition</b>					
At a point in time	128 903	35 092	8 122	0	172 118
Over time	138 415	88 146	90 596	0	317 157
<b>Total</b>	<b>267,318</b>	<b>123,238</b>	<b>98,718</b>	<b>0</b>	<b>489,274</b>
<b>Half year 2020</b>					
Segment revenue	221 624	120 519	102 793	-1 734	443 202
<b>Revenue from external customers</b>	<b>221 624</b>	<b>120 519</b>	<b>102 793</b>	<b>-1 734</b>	<b>443 202</b>
<b>Timing of revenue recognition</b>					
At a point in time	76 095	0	0	0	76 095
Over time	145 529	120 519	102 793	-1 734	367 107
<b>Total</b>	<b>221 624</b>	<b>120 519</b>	<b>102 793</b>	<b>-1 734</b>	<b>443 302</b>

## Note 7 Fair value measurement of financial instruments

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the annual report for 2020.

### Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Amounts in NOK 1000

	Level 1	Level 2	Level 3	Total
<b>At 30 June 2021</b>				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss (FVPL)	-	-	-	-
<b>Total financial assets at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Financial liabilities</b>				
Earn-out	-	-	60 700	60 700
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>60 700</b>	<b>60 700</b>

Amounts in NOK 1000

	Level 1	Level 2	Level 3	Total
<b>At 31 December 2020</b>				
<b>Financial Assets</b>				
Financial assets at fair value through profit or loss (FVPL)	-	10 000	-	10 000
<b>Total financial assets at fair value</b>	<b>-</b>	<b>10 000</b>	<b>-</b>	<b>10 000</b>

<b>Financial liabilities</b>				
Earn-out	-	-	60 700	60 700
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>60 700</b>	<b>60 700</b>

The financial assets at 31 December 2020 are investments in interest fund, which are sold in 2021.

The earn-out is a part of the purchase consideration for the purchase of Likron GmbH in 2020 and is based on Likron reaching threshold revenue targets indicating ARR growth for 2020 and 2021. Refer to note 21 in the annual report for 2020 for more information about the business combination and the purchase consideration. Earn-out for 2020 is calculated to 20 500 based on the 2020 annual report for Likron. Estimate for 2021 earn-out is 40 200. Settlement in 50 per cent cash and 50 per cent shares. The cash portion of the 2020 earn-out is paid out in July 2021.

## Note 8 Discontinued operations

On 11 August 2020, Volve Industrial IoT AS (former name Scanmatic AS) sold the 51% owned company Scanmatic Electro AS. Refer to note 23 in the annual report for more information.

The financial performance and cash flow information for the first half of 2020 is shown below.

<i>Amounts in NOK 1000</i>	Half-Year	
	2021	2020
<b>Summarized information about profit from discontinued operations</b>		
Revenue	0	158,855
Expenses	0	-150,659
Income tax	0	-1,808
<b>Profit/(loss) from discontinued operations</b>	<b>0</b>	<b>6,388</b>
<b>Summarized information about profit from discontinued operations</b>		
Net cash flow from operating activities	0	-70,138
Net cash flow from investing activities	0	849
Net cash flow from financing activities	0	31,396
<b>Net cash flow from discontinued operations</b>	<b>0</b>	<b>-37,893</b>

## Responsibility statement

We confirm to the best of our knowledge, that the condensed interim financial report for the period 1 January 2021 to 30 June 2021 has been prepared in accordance with IFRS as adopted by EU, and that the information gives a true and fair view of the Group's assets, liabilities, financial position and result for the period. We also confirm that presented information provides a fair overview of important events that have occurred during the period and their impact on the financial statements, key risks and uncertainty factors that Volue is facing during the next accounting period.



**Ørjan Svanvik**  
Chairman of the Board



**Lars Peder Fensli**  
Board Member



**Ingunn Ettestøl**  
Board Member



**Henning Hansen**  
Board Member



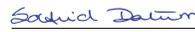
**Christine Grabmair**  
Board Member



**Bård Mageli**  
Board Member



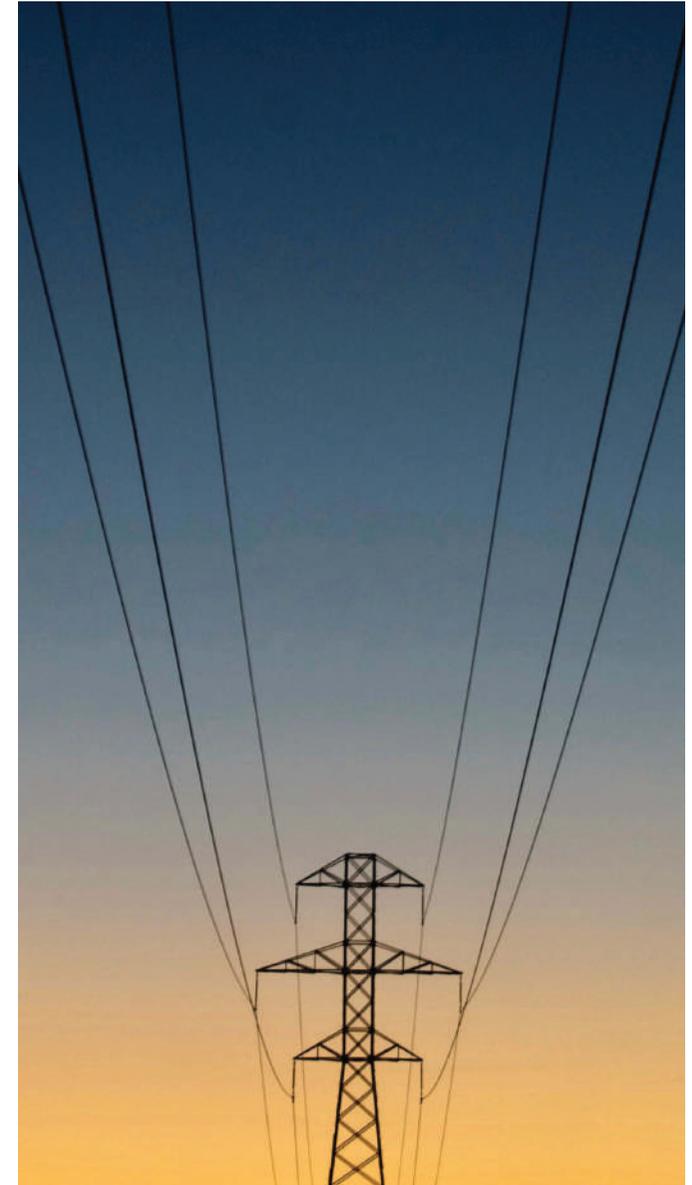
**Knut Ove Stenhagen**  
Board Member



**Solfrid Dalum**  
Board Member



**Trond Straume**  
Chief Executive Officer

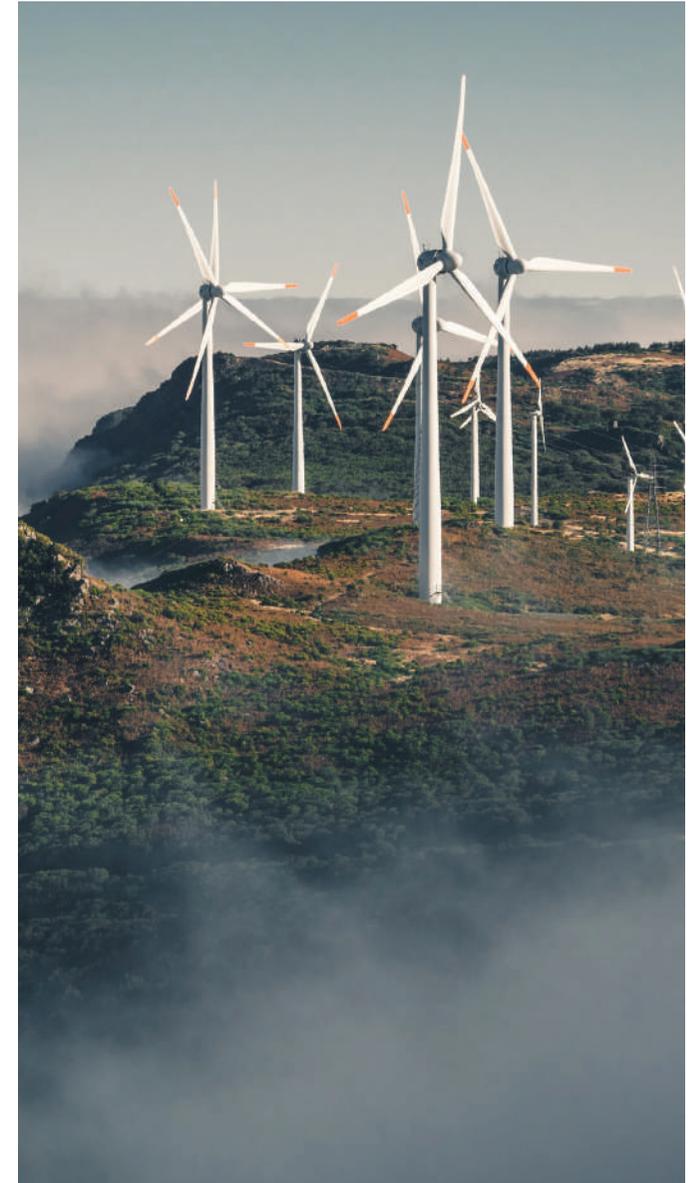


## Alternative Performance Measures

Volue 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, amortisation and impairment.
- EBITDA adjusted - In order to give a better representation of underlying performance, the following adjustments are made to EBITDA:
  - Non-recurring items: items that are not part of the ordinary business, such as IPO-related costs and costs related to the cyber-incident . Note that the adjustment does not include estimated one-off loss of revenue due to the cyber-incident .
- EBIT - Profit/loss before tax and net finance cost.
- SaaS – Software as a Service
- ARR – Annual Recurring Revenue
- Revenue growth adjusted for cyber-incident – The growth in revenue from a previous period, after adjusting the 2021 numbers for estimated revenue loss from the cyber-incident .



Through digital platforms and innovative solutions, we deliver services critical to society for a cleaner, better, and more profitable future.

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