

# Arendals Fossekompani Volue Investor Lunch presentation

Transcript

## **Arendals Fossekompani Volue lunch presentation Transcript 13 February 2026, 11:00am 1h 29m 4s**

### **Benjamin Golding, CEO Arendals Fossekompani**

So welcome to AFK's Investor Lunch. The focus for today is Volue.

I will start off with some introductory remarks for myself, and we'll hand the word over to Stephan, who'll spend a portion of the time on Volue and then we'll move to the Q&A and there should be questions to Stephan or to myself.

Most of you know us, maybe some of you don't. Arendals Fossekompani, we're a long-term industrial investment company. We invest in B2B companies in the tech and/or energy sector. We strive for sustainable value creation and we're active owners, currently with presence across the globe with our companies, and we they have six major portfolio companies.

These are our six major holdings we will be talking a lot more about today. ENRX, a leading industrial provider of induction heating applications for several industries. Tekna, a leading provider of materials to the booming 3D printing industry, towards defence and aerospace, and NSSLGlobal, our global satellite communications company also delivering broadly to the public and private sector, but also within defence. We also have a property portfolio and of course the cornerstone asset is hydropower and the hydropower production business. Now our portfolio strategy is that we focus on growth equity, and we'd rather have let's say a few larger companies than many small ones which is part of the process we've been on for the last couple of years. We are at heart majority owners, but we do have a large degree of flexibility when it comes to partnerships and various structures.

And I think Volue is a great, and the Volue journey is a great example of how Arendals Fossekompani creates value. This is an example of our business model in action.

In 2019, AFK created Volue by merging four of our portfolio companies, thereby establishing a completely new growth platform. In 2021, AFK listed Volue. This was in order to professionalize and streamline the business and also create a larger degree of visibility.

However, after some years on the Stock Exchange, we experienced that the public markets weren't sufficiently pricing the asset, at least in our view, and we saw that private markets and private capital was pricing the asset completely differently. We also saw there was a need to gain a broader access to capital competencies, capacities and the global network in order to take the company to the next level, which is why we decided in 2024 to take Volue private together with Advent International and Generation Investment Management. That transaction priced Volue on 100% basis to 6 billion kroner and it brought in access to capital resources and network through our new partners last night.

We announced a new partnership by bringing in TA Associates as a strategic investor in Volue and this transaction implies an equity value on 100% basis of 1.5 billion Euros, equivalent to around 17 billion NOK on a 100% basis. This transaction puts Volue at an even better position in terms of M&A and talent acquisition, and it also brings in one of the world's most sophisticated tech investors into our board, into our ownership circle and as a support and accelerator of the company. And finally, it crystallizes the value creation that has been done in

the company over the last 1, 1/2 years to the benefit of AFK's shareholders. So, this kind is an example of how we try to create value within our business model at AFK. So, with that context and backdrop, I'm very happy to introduce Stephan Sieber. Stephan has just newly joined Volue. We're very happy to have you, Stephan. We're going to let Stephan run through the company and the new strategy and after that we will move into Q&A,

### **Stephan Sieber, CEO Volue**

Thanks, Benjamin, for the intro. I probably want to say a few words about what Benjamin just ended. And this morning we obviously informed our team, and I had a quick call with the Excel team. That's sort of the top 40 senior leaders in the business to arm them with all the background for what we have announced and only say that this is a big moment for us as a company, right? I know TA from my personal past, my previous company that I was running was already a TA investment and I think I would agree they're probably one of the most sophisticated banking vessels in the world, at least in Europe. I've mainly worked in Europe with them. In my history, I also had the pleasure to work with Advent. I was at some point in time the CEO of an Advent company, Unit 4, a Dutch company, but had a strong tie to Norway because of the of acquisitions. At some point in time, some of you might remember Agresso, a respectable ERP business. I also had the pleasure to be the CEO of a digital freight platform, Transporter, a German company owned by HG. So those are my private equity stations and before that I was 14 years with SAP. So, I'm a tech guy through and through. I've done a fair amount of utilities during my SAP time, energy, electricity, but that's long gone.

But it's a pleasure to be here and having the opportunity to work with AFK as one of our shareholders with Advent, Generation investment and TA gives us an unbelievably strong backing for what lies ahead of us and a huge opportunity to really address and capitalise on that beautiful market position. We are in and all that beautiful market we can, we can serve, right? So over the next 25 minutes, what I want to do is I want to talk a little bit about what we do and why we think the world is a slightly better place because we exist than without us #2. I want to talk a little bit about the market and why the market pays in our favour or probably the other way around, how we position ourselves to make sure that we can benefit from the secular tailwinds that our market is offering. And #3, I want to look a little bit forward and say like what do we think will shape the future? Anatomy shape of the electricity market and how we try to address these mega trends, mega themes, mega problems that are out there, right. And then we have the time hopefully for Q&A as well, right. So, when we presented this and this is an excerpt from the strategy presentation we gave.

On the 27th of January to the board, you know, and after that our days and our calendars were not the same anymore, right? We went through a very intensive process over the last few weeks, but we successfully concluded last night, and I think also Benjamin and Lars Peder, thanks. For that sprint we put together all together, but that's sort of the first slide we presented to the board. And I said like we have two milestones, right? By 2028 we want to be the company that is undisputedly driving electrification in Europe and Japan. Those are the markets in which we play today. Our origin is Norway, Scandinavia. In the meantime, German speaking Europe is already of an equivalent size and is growing a little bit faster than our home markets and we will see increasingly European countries joining and Japan is, and that's a remarkable success, is

one of the very few showcases where a technology company has expanded overseas organically. So, without acquisition and by 2035, we want to be the global leader in electrification software. We believe that electrification. Electrification drives the future success of our society. We believe electrification is an important part of the energy transition of us fighting climate change, but we also believe that ultimately electrification is needed to keep the lights on in the purest meaning of the word. We're going to do this on five pillars, right? We serve global customers across all the relevant B2B segments, I have to say in electricity. We do this with one product and that is not totally normal. If you have an ERP company, for example, you always have local legislation. We do have as well to some extent, specifically in the grid part, distribution part of the business. Obviously, this is highly regulated, but the regulation follows a very similar pattern, and the regulation follows a pattern of deregulation of market liberalization. And Norway was and is probably the leading country in the world when it comes to deregulated and liberalized energy markets. And that's another reason why we originate in this country and why a lot of the things we produce, and we build and we invent come from here and then get exported to the rest of the world. But at the end of the day, the physics are the same for everybody.

The electrons. Most of the countries operate on 50 Hertz networks. Some countries have 60 Hertz. Very few countries have both 50 and 60 Hertz. Japan. Don't ask me why historical reasons, but they do, right? But other than that, the electrons and the physics are the same. Right. So that means we have a product that we can build an AI enabled end to end suite that supports energy producers, energy distributors, energy traders and more also large energy consumers because these consumers. Our producers as well in in managing their assets in an efficient way. So, we're all about operating assets that are existing. We're all about those assets that at least an investment decision is taken. Ideally, they exist because then we start to get active, right? We don't build them. We only operate them or we help operating them and then we operate them hopefully until at the end of their life cycle.

We have an amazing team of roughly 750 people. I have met many of them in the last few months and weeks. And I can say that the amount of subject matter expertise that sits in this country is, is, is mind blowing, right? You can argue we have a lot of locations pretty much everywhere where there's a great technical university in Europe, we have a team. Because we have people that are deeply passionate and deeply knowledgeable about the problem they solve. Volue is one of the very few companies, larger companies, 750 people, so decent sized companies that is still more passionate about the problem we solve than about the product we sell.

And we have strong financials and obviously that gives us the firepower to continue that growth journey, right? For me, it's very simple. You continuously outperform the market. You need to take something away from somebody else if you want to do this and your life is good, right? And for this, it's great to have a strong backing. Because that also gives you the power and that's the 5th pillar to accelerate your organic growth. With inorganic expansions, we look at two types of acquisitions. The first one is smaller talk-ins, 5 to 20 million revenue capabilities. So things that complement what we do or things that we would anyway do, but instead of doing them themselves, we acquire a team, we acquire a product and we accelerate throughout our own organic path. We've done about four of those in the last 12 months. The last one we've

announced on Monday, a Norwegian company, Optimeering. The absolute experts in ancillary market forecasting. Ancillary market is a secondary energy market. It's the energy that is produced not to feed the lights, but to just make sure that the network the grid stays in the 49.98 to 50.20 Hertz. And you need to forecast these markets. You need to understand what's the demand. You need to understand what's the supply. You need to understand what's the price. Because if you sit on an asset, be it a hydropower asset, be it a solar park, a wind park, you want to know. When to produce, how much energy, how many electrons moving in the same direction and where to sell them to make most of the money out of your asset, right. And then we look at the second category of acquisitions. Those are larger ones. They're probably more in the range of 100 to, sorry, 10 to 100 million revenue and those will be transformative. Those will be things that bring us into new application spaces. Those are things that could bring us into a new geography. At the moment, we haven't done any of those in the last two years, I'd say before when you of course did acquire businesses. But we have about 10 targets that we are actively tracking and where we are in conversations with the teams and waiting for the right timing to come, right.

So when you compare Volue, what it is today to Volue, as you might know it from the past, a lot of things have happened and this is a very wordy slides, right? But I think when Advent and AFK together with Generation decided to partner and took the company private, a phase of restructuring started. That phase sort of had three implied elements.

Number one, a high level strategy that says we're in electricity, we're not in energy, we're in electricity

Number two, resulting divestment of certain parts of the business IoT infrastructure, water assets were divested were carved out and number 3, we also did say we I wasn't on board back then. We also did a restructuring in terms of a reduction in force. We set the company on what we think is healthy financials, giving us a chance to start working towards that rule of 40 that most of you might know or I guess all of you do know. Rule of 40 is sort of the key metric for a technology company to hit, it's a combination of your CAGR revenue growth and your profit. If you add those two numbers, you should at least come up to 40. It's OK to have 40% growth and 0% margin. It's OK to have 0% growth and 40% margin well, I don't think it's OK. We'll discuss that. But ideally you have a mix of both when you hit the rule of 40 and we are finding our way towards this rule of 40, right.

Today we are an electrification software leader. We have a European, a pan European footprint. We're expanding into Southern Europe and Eastern Europe. We have an established footprint in Japan. We've grown our revenues quite significantly. We've expanded our profit and we have moved towards that rule of 40 now, hitting pretty much the rule of 40. Now if you, if you read the literature, many people tell you the rule of 40 is not enough anymore, right? It's a rule of 50. It's a rule of 60. It's a rule of 70. So, we need to keep going and that's sort of what we want to do in the future. When we really start to accelerate the scale of us as a business, we play in five application markets, right? The size of these is, quite different. I'm more looking at this from a stack point of view, right? Not the Aussie layer model with the bare metal here and the analytics on top, but sort of a little bit on top sits data in forecasting. That's what we call operations intelligence.

Those are data products that allow our customers to better understand what the market is doing and most importantly what the market will be doing, right. We expect the data and forecasting

products to grow about 25%. Those are elements like weather forecasts. Price, supply and demand forecasts that give a trader, an operator, a generator, but also a distributor an opportunity to take the right production, purchasing and selling decisions. The execution of those in trading. That's the core of our business. That's probably the biggest part of our today's business we're. By far the leader in intraday trading, that's basically the short-term trading. It's the core discipline. It's where most of the primary energy market gets traded. Depending on who you ask and how you count, we are trading about 20 to 30% of Europe's power in the intraday market and there's nobody else who comes anywhere close to this.

Next to the intraday trading primary energy market, this ancillary market, the balancing market becomes more and more important and I'll talk about this in a second. It has to do with energy transition, with new energy sources, renewable energy sources and obviously a change in the industry dynamics that makes this an interesting play for us going.

Forward, hence also the strong growth expectation, optimization and planning. That's where we touch assets, where we start to model asset parks, hydro parks, solar parks, wind parks and help producers, energy generators decide which asset to run at which point in time with which utilization.

Asset operations we offer as a service to run assets on behalf of our customers. We do this with an open book policy. We're a technology company, we're not an energy trader, we're not a utilities company, but for some of those new players entering the market, small wind part owners, small battery owners, it's actually quite favourable to have an opportunity to not operate the assets from the get-go by themselves but have somebody who can professionally do this. And as they grow and have built their business on our technology, we're happy to continue to do it or give them the chance to insource it and do it themselves.

And then last but not least, the distribution side of the business, which is from a deregulation perspective quite separate from the trading and the optimization side, but obviously an important part because electricity flows, electricity cannot be stored. With the exception of batteries, an interesting fast evolving market. So, you need to make sure that that grid stays in balance at any point in time. And think about electricity for a second. It is the largest real-time market that is at any point in time, not at any point in time as we have seen.

In Spain recently, but in most of the time in perfect equilibrium. When you turn on the lights at home, what you in essence do is you make a deal with an energy company somewhere in the world. These contracts are hedged. There are fixed fees and fixed capacities and fixed rates. But in essence, at this very moment, when you turn on the light, there's 15 players in this chain that somehow are involved in a buying and selling decision. And it goes 24 by 7, 365 times a day, a year, it's 365 days a year and most of the cases we can just assume it works, right? It's an amazing, an amazing industry and its mission critical to everything.

The wonderful leadership all together, a good mix of individuals, of backgrounds, of track records, of experiences, a diverse team in terms of gender, nationality. I'd love to find a few more female leaders joining us. You see that many people have joined us recently as a part of this upgrade and this new ambition. We also wanted to make sure that we hire a management team that has a good knowledge about what good looks like in the market. You know some of them.

I'm sure you know Arnstein is sort of one of the oldies in Volue. He joined us through Powell, the former part of Volue in 2017, we have industry experts, Helmut Spindler for example. He is the founder and CEO of Powerbot, an acquisition we did in 2024. When we acquire businesses, that is at least 50% talent acquisition hires in this. Helmut built a wonderful trading application that is, you know, probably the next generation trading application that allows us to move from 20-30% to 40-50%. Daniela Halgiselman was running the Global Energy and Natural Resource Business Unit for SAP excited to join us, but then also functional experts like Sebastian Tourneman, a Swedish colleague who is our Chief Revenue Officer and who was there when Splunk did a phase of massive growth and really knew and learned how to build a go to market engine. From scratch.

Now the market, right, we expect our markets to accelerate. Growth in the past was around 11 in the good low teens, and we expect this to move towards the high teens. A few things drive this.

Number one, today about 20 percent, 23% of Europe's energy consumption is electricity. The reminder is fossil fuels, fossil, mainly fossil fuels, but also still quite a lot of nuclear. Nuclear robberies prepare, gets translated into energy, but originally it's not an electricity source, right? The European Union has committed to increase that share to more than 30% in the next 10 years. So that increase that we expect in in electricity over the next 10 years is about as much as we have seen in the last 30 years. So, with three times acceleration of electricity demand and with this also supply because otherwise the net is not in equilibrium, the lights go off.

That drives the need for software. On top of that, we see an increased volatility in the market because of intermittent energy sources becoming more prominent. Solar, wind, hydro, batteries. So, energy sources that are dependent on outside factors may weather and that are not available at any point in time like coal or oil or nuclear. That obviously drives a dynamic on the demand and on the supply side because your customer today might be the producer tomorrow or sometimes even the consumer at 6:00 AM in the morning might be a producer at 4:00 PM in the afternoon. On top of that, the trading intervals in the industry have massively increased. When you look at the Norwegian energy market, as I said, probably one of the most sophisticated markets. We serve about 6 different energy markets, 3 primary markets, 4 primary markets. It's more than six, about 8, three to four primary markets, 3 to 4 ancillary markets. The fastest market is below 2 seconds. That's basically that area where the grid operator needs to make sure that at any point in time when the frequency drops, because production is too low or consumption is too high or both, you have two seconds to respond and to feed additional capacity, additional energy in the grid to keep it stable.

The longest market is the day ahead market in which we operate for us or probably the auction bidding market which is usually a few weeks or a few months in advance, right. But we're pretty much short term. We like; we like the real time game. The regulatory complexity increases. We're convinced that deregulation drives efficiency and Norway. Again, is a proof point, but deregulation also drives certain complexity because multiple players need to be orchestrated. And the good news is the technology maturity has increased for us to be courageous to do more of these things, but equally the technology maturity forces us to do more of these same things. So, all in all, it creates wonderful secular tailwinds that give us an opportunity to serve that

market growth and to follow sort of that path of deregulation driven by drivers on the demand and supply side, electrification, electromobility, data centres, artificial intelligence. Generating a lot more demand for electricity, but also a disruption on the supply side. Renewables, battery energy management systems that come into the game combined with the market response of liberalization, giving the market an opportunity to play and to work and new market entrants entering the industry. Any large industrial company today, not any, but most of the large industrial companies today are energy producers because they have solar panels on the roof, because they operate battery systems. In the US, very common that they build a new plant and put a gas turbine engine next to it because it takes them ten years. Until the grid is extended, they don't want to wait 10 years until they can start the factory. So, they build their own little energy plant. They expire and at some point in time, once the grid is there, they obviously want to make use of that and sell the distribution. In Europe, it's more the battery players that come into the game. And as I said, soLLAR and wind players, so wonderful market that requires at the end of the day to accept that we're moving from a very sequential and static way of electricity where we have a few producers.

And many consumers and the energy or the electricity usually flows in one direction into sort of an operations 2.0, a circular continuous integrated network that can only be served if you combine the technical operation side, the electrons.

And the way you make these electrons move in the right direction, in the right quantity at the right point in time and the commercial operations, how you translate these electrons into dollar to avoid that you lose money or even better that you make some money. And the combining element is operations intelligence. It is basically that data.

Layer that gives you the opportunity to look at both sites, electrons and dollars in an integrated way. And Volue is the only company that plays in all of these three fields, at least the only company that does this at our sites.

We serve all the companies in V2B companies in energy, in electricity, multinational power companies, the Eons, the Starkrafts, the Unipers, the EDFs, so brands that are familiar to all of us, regional power companies in Germany, the Stadtwerke.

Livio, Tenzio, Arba, Beamonets, but also smaller companies, traders, energy traders, so asset free IPPs, VPPs, aggregators, virtual power plants. So, companies that just basically lease capacity a wind park.

Park 3-4 wind parks and manage this on behalf of somebody else. We all serve these B2B companies in all these segments. We have a strong market presence, a strong footprint and as I said, we are the only company who combines all the capabilities that are needed to optimally. Operate energy assets, electricity assets on both the technical side, the commercial side of the operations and the operations intelligence on top. We have a version of this slide that we decided to not show you that has all the competitors.

On in these boxes, the logos of all the competitors, and it's very remarkable to see that it's very rare that one logo appears in more than one box. And that sort of shows and illustrates the unique position and the unique opportunity that Volue has.

Because if we look forward, and that's my last point, is we believe there are 4 mega trends that will shape the future of electricity that will define the success of the players. It's number one, the ability to trade and optimize assets. Across the different markets, the markets is primary,

secondary, intraday, day ahead, the different balancing markets and you want to make sure that you produce the right amount of energy at the right point in time and you sell or buy it in obviously the market where you have the best conditions.

If you want to do this across a distributed suite of assets, it's no longer that you operate one coal plant. You have a wind park there; you have a solar park there. You sometimes have batteries. It's combined with gas turbines. We might still see coal for a while. We might still see nuclear for a while, but it's more.

More a distributed and fragmented suite of assets that you need to manage in real time. And they all have different capabilities, right? A gas turbine has a response time of a few hours, a nuclear plant, the response time of a few weeks, a hydropower station. With different buses is minutes, batteries is seconds and you need to synchronize all these capabilities and latencies of the individual assets to hit that real time demand in the market to make sure that you make most of your assets. You need to provide a control room that allows human beings that take these decisions to understand what's going on. And it's literally a four by two matrix, right? It's production, distribution, storage, consumption. It happens on the commercial side and it happens on the technical side.

And if you go into our control room in in Finland where we do the asset operations on behalf of customers, it's literally how the screens look like or how the walls look like and all these screens are fed with millions of data points in milliseconds. And there is an operator who tries to understand what's going on. And then last but not least, the grid will become the biggest asset itself, because today there is so much energy that sits not in the grid, but behind the meter, electric vehicles, home batteries, solar panels on. Homes and small resident buildings that are all in essence energy consumption, energy production, energy generation assets, if we look at it the right way and over time that circular dynamics that I showed on one of the previous slides will only accelerate and we need to start to think.

Think about the grid as a production or at least a storage asset and the ability to use that grid in a bidirectional way is basically what we do. And here we tried a little bit to show how these four mega trends touch those different application areas in which we are active.

And why it is absolutely needed that you build the ability to match this in a holistic and inclusive and integrated way. We're super excited. I hope you can see that about the future of Eliza Erbas. Very happy about the strong support and backing we get from AFK. That's where we come from. That's our origin. It's good to have a strong anchor investor like AFK on board. And I'm happy to take any question you might have.

## Q&A

Q: Do you think Europe or the Nordics will be able to build or also to rebuild the grid, which is partly all in a quick quickly enough to be able to do this transition?

Stephan Sieber: In the next 5 to 10 years, is there another option? No, there's not. But I mean with the how, how quickly will they be able to do it? I mean the copper prices high up and yeah, that that's a very good question. And I honestly, I haven't thought about the copper prices when, when, when, when I do this, but. Honestly, I think the grid is not necessarily the biggest problem. You know, depending on who you ask, people say the grid operates at 20 to 30% of its of its capacity. The problem is that we can't manage the volatility. And we don't know when the volatility hits. So, the copper in the ground or in the air, depending on where you are, the further South, the higher up the copper goes, right? It's not necessarily the problem, in my opinion. The problem is that we don't know where the nodes are. The grid is poorly documented. The grid is also hard to maintain when something happens. Often we don't know where and why it happened. But that's not a problem with the copper. It's a problem of the grid documentation and the grid connections we have in the real time visibility we have into the inside. And then the way we manage the grid is very inefficient because we do not proactively manage the volatility. So I do believe that Europe has probably the most advanced electricity market globally and I do believe that you know probably that little straw that we. Need to hold on is that this is probably one way that Europe can play a role in the world, a role in the world because we're managing the most advanced, most complex and most progressed energy markets probably with Japan together. But Japan is I would say. But I would say people tell me is about five years behind sort of the average European countries. Thank you.

Q: Can I ask you a question? Can you go maybe back to the slides with the various segments. Sorry, which side where you showed the different sort of segments where you have data forecasting. Oh sorry, this one, this one, this one, yes, because these I guess are different sort of in in in the stages of maturity that. Very different, yeah. Could you please elaborate a bit on that and how that sort of impacts your growth outlook going forward?

Stephan Sieber: Yeah, I mean. I'm not sure if I would agree that they're different in maturity, they're different in velocity and that that would I agree, right. And I think the velocity is a little bit reflected in the growth rates. I would say these two businesses here; they are relatively fast moving. Why? You don't really touch reality. You don't touch the copper, right? Data and forecast. It's about scraping. It's about buying. It's about generating data. It's about modelling data. It's about. You know, that's all, that's all in in in the virtual world, right? That doesn't need any physical reality. Obviously weather is a physical reality, no doubt. But the data we build on is not right. Trading the same, right? Trading is. We can a lot of the trades happen without anything ever happening, right. Speculative trading is just going short and long on positions. There's never, never an electron flowing left or right. So, they are very fast and obviously they are fast moving because there's a lot of new players coming in, right and electricity. It is a wonderful market for people to make money and to impact the world and that's why we see a lot of companies going in here. We also have a lot of non-

electricity company buying our data and forecasting products, financial service institutions, energy prices matter for economic forecasts for example, right.

As soon as we start to touch reality, it gets a bit slower, right? The asset operation business is the second fastest moving with 25% simply because that's also a small part of our business and driven by new markets entrance up market entrance up here and also partially up here, the virtual power plants.

Aggregators that behave like power plants but are not really power plants because they sit on all the people's assets might have more need for that as soon as we touch the physical reality, which is optimization and distribution. So, the hydropower, the buses, the dams, the solar Parks, the wind parks or the copper in the grid, obviously it decelerates a bit, right? That last part here, and that's also why it is the slowest growing here, is also a regulated part, right? The PSOS, the DSOS, the transmission system operators and the distribution system operators.

PSOS is high voltage, long distance. DSO is last mile distribution to the homes. They are, they are regulated. That was part of the deregulation that like in railways, the government said, OK, the grid is there and somebody needs to operate the grid in a certain bandwidth and then you guys can all use that grid against a certain fee. And that's just a slower moving market. But if you're in and we are in many countries, you're in, right. So, it's not a complaint, it's just a fact, right. Does that answer your question? Yeah, it is.

Q: Thank you. And I think my question originated from sort of that you have a very good growth trajectory and have for the last couple of years in. Do sort of data and forecast and trading and then you know my hypothesis I guess is that optimisation and planning and distribution is a bit sort of further out in time due to different or slow regulation, less harmonisation aspect on the distribution side maybe so that these segments maybe will sort of.

Stephan Sieber: Yeah, I think, I think you could almost say like this is leading, right. And when you look at Volue's growth, it is tightly connected to market deregulation, right, which started, but which you know happened a lot earlier in Norway than anywhere else and then it went S in Europe and it goes to the sites UK and. And Eastern Europe or sorry for counting Europe, UK into Europe, I mean now Swiss, Norwegians are also not really European sort of a bit similar there. And then Japan is the next market that follows. We believe that Brazil and India are markets that will follow very similar pattern. Australia does to some extent. Although Australia and New Zealand from a pricing perspective have more the structure of North America, it's a nodal pricing market versus a zone pricing market. So they're a bit different in their dynamics, but those are the two, the two businesses that benefit fastest from deregulation. But once these businesses have benefited from deregulation, then these businesses follow because when deregulation happens, new market entrants come in that need the as a service, the landscape of asset changes and you need to optimize multi asset. In order to play multi market and the distribution is basically it's like the railways network, it just needs to be there. But as you said right, there is only so much it can do because at the end of the day it's copper and it's lines that exist or don't and that are sufficient or not. But we play most of the growth is actually not the basic grid management, it's more of the grid connection and the grid planner, which is the documentation and the ability to plan the utilisation of the grid.

Q: Can I ask you about AI? So how do you use it, and you see it as a threat, potential threat for your market position?

Stepan Sieber: Look at the basics of what we do. It's physics, right?

And it's deterministic. It's deterministic models. They are, they are as they are, and you can put so much intelligence in it, gravity. And electrons and negative and positive charging of electrons don't change regardless of what an LLM or whatever says, right? On top of this deterministic layer, which is the physical reality of our business, there is time series and time series are huge data. Strings, right? It's like somebody said recently it's the master data of electricity and this is where machine learning sits right now is machine learning AI.

An LLM is nothing but machine learning. Its linear, right? It's not a GI. Don't ask me when a GI is there. I would be in Silicon Valley if I would know that, right. So, so that's an important part of our business and we recently acquired Haukom, an Austrian.

Company that's the world's best company in time series management in pretty much everything we do, certainly in this, certainly in this, to a large extent. Also, in this we have massive amount of time series we produce, and we use this time series data to create forecasts and to take optimization decisions. And trading decisions, right. So that's where we are mastering AI or at least machine learning already for many, many years, even before anybody came up and said there is AI and it's a threat or an opportunity and we will continue to do that and I think we. We know better than many other people how to do that, right. And then on top there is a layer of AI as we know it, generative genetic AI based on the known models where it is about that human interaction and that's where we think the control room elements like AI whether we just launched a product. That doesn't use numeric weather models anymore, but uses an AI or AI based weather models. We have two connected Google weather and a small Swiss startup called Yua. But we don't use their models, we use their data feeds to feed into our model and to complement the numeric models we have and to give real-time.

Weather forecasts in 15-minute increments and ideally, and we're not there yet down on an asset level, right? Because you don't want to know what the wind does in Oslo, you want to know what the wind does in that part of, not in Oslo, but around Oslo, in that part around Oslo where you have a wind farm and literally go down an asset level and.

That is where, you know, AI can help us to accelerate where we use it already and then we use it internally, right. Our coding productivity has increased. We've reduced the number of testers. We're about to implement an LLM, sort of an own LLM for internal purpose, customer documentation. Right. The grid stays around for 15 years, so when you go there, you need to know what the consultant has done 15 years ago. The code is sometimes also there for a while, so you want to use that and obviously in testing we use it a lot.

Q: I have a couple of ones. So, the first one is you just did another kind of restructuring. I think I read in the AFKs reports. So maybe you could shed a little bit more light on what you did there and how that differs from what you did in Q4 last year. And then my second question is you have an organic growth target of I think 15% is what AFK has disclosed. So do you have a target on margins also more long term?

Stephan Sieber: So question on what you can help me again quickly to understand which restructuring you are referring to the new segments, the technical operations, commercial

operations and operations and intelligence. OK, OK, so.

In essence what we've done is so step one was really look at the business and say like what should it do in the future and that's the electricity story that that I that I try to tell. Step 2 was then to take everything that wasn't or shouldn't be part of that story and divest it. And step three was then how do you, how do you group and how do you organise yourself to you know at the end of the day in software you ship your org chart, right. You customers receive some reflection of the organisation you have and that sort of. The approach we've taken where we said, OK, there is a technical side of operations, there is a commercial side of operations and then combined with that operations intelligence that doesn't lead to any layoffs or divestments or legal restructuring. It's more like how we operate as a business. It goes down to the operating model. Are you referring to the one of costs, for example? Yeah, yeah. So yeah, yeah, I think the one of costs were driven by, I think, four major pieces. Number one, there's a cost that comes with divestments, right? You need to execute them #2. There's a cost that comes with acquisitions. We've done a few of them. Number #3, there's a cost that comes with layoffs. We've done a few layoffs in 2024/2025 around year end and #4 we have done a tremendous amount of strategy work and we've commissioned a few external companies. This is to support us in this and that's a one of cost and that's basically what we've what we've done right. We don't have the same amount of one of costs in our 2026 plan and not in 2027 and hopefully not in 2028.

Benjamin Golding: I may, yeah, and I think what Stephan is describing are.

The sum of it is a huge transformation of the company over the last 13 months since we took it private. And so, there's been an extraordinary kind of activity around those things. I don't think you mentioned, but obviously the building of the stellar team that Stephan mentioned it's also been we've been in management has a price as well, right. But I think the company as it stands now and I and as you've described, it's really set up to move into the next phase.

Stephan Sieber: Look at the end of the day, it's quite simple. A technology company has nothing but people, right? Our products are sometimes I say it's canned talent, right? It's like corned beef. It was a cow, now it's in a can, right? Sometimes it was talent, now it's in a software product, right? When you look at the people 20/23/24/2025, we stayed stable on the number of efforts. Obviously the FTES themselves have changed significantly, but the number of people we've employed was stable. We've hired a few new people. I must believe that some of the new people we've hired are better talent than we had before, right? Hopefully, and so that has changed. But the productivity, the units of labour we had was relatively stable and we grew the business in the 20s, in the high teens, low tweens over that period. And that sort of what gives me as an operator the confidence that we are well staffed, right, that we have right sized the business. Right sized the business to be able to drive the business for driving. Now going forward 2026, we expect to increase our head count by about 10%, right. So around about 70, actually 77 people since the budget. And this is about half of them comes in in innovation, in product innovation. Around those four themes, there are 6 underlying growth plays that drive those four themes and we need people who build them, help accelerate this and the other half is in go to market, is in sales and marketing, right, because we need to go out into new companies. Countries, Eastern Europe, Germany, German speaking, Europe, Japan, you know we need more people, more feet on the street and that's why you know we don't, we don't foresee the same

amount of restructuring going forward. And then on the margin of course, yeah we do have we're a private largely a private equity backed company, and we have a five-year financial model that goes down to the last detail. I am not sure how much of the margin numbers and the financial details of your portfolio companies you share.

Benjamin Golding: So, I would not answer specifically on the margins, but I think Stephan's answer gave you an indication.

Q: And how important is electricity market volatility for you? Because you said that plays into your hand and it seems like it is a source of growth as it were, markets becoming more volatile and we're seeing a lot of companies now making a bet on that and investing in new facilities. Et cetera to help dampen perhaps volatility. But just curious to understand when you have a five-year plan, you're expecting volatility to increase over that time or do you see the opposite?

Stephan Sieber: So just in your view on matters. To dramatically increase and that's the best thing that can happen to us. I mean, Volue stands for value through volatility, right? That's I think how the name was derived. I wasn't around, but I read it somewhere in the documents when I came on board, right? Absolutely. And it's a fact, right? There's no doubt that it happens. Um, like I met, I met the company like you know on this chart here. Sorry, wrong direction. On this chart here, right. So, this part here, this is the long term, the long-term side, right? This is, this is, this is the flow, right? Which assets flow into the electricity network. This is 10-15 years out planning. Where do we put the wind park? Where do we build? A dam, where do we pile up a solar plant, etc. That's not our business. OK, we're not in this. That's all the people's business. The distribution side here, retail, it's also not our business, right? We are really in that middle part where it is B2B. Assets that exist or at least investment decisions are being taken and to operate it right in in this segment here there's a company called Kraken which is a spin-off of Octopus. Octopus is a UK based energy company that said like it's almost like the Ryanair of energy sort of said like all these. All FART airlines, they don't know how or Norwegian airlines, right? If you want, we can do this better and then they developed their own technology platform which is in essence a CRM customer relationship management application for energy. I met the CEO recently and he said we're managing 2.5. GW of electricity, of capacity, which is equivalent to about two mid-sized nuclear plants or reactors, right? And it sits 80% in electric vehicles and 20% in home batteries. And that that trajectory knows only One Direction. I have bought two home batteries in the last 12 months, right? And I'm not sure how many home batteries you have, but I bet that at least half of you has a battery. And I'm not talking about the starter battery. I'm talking about the real battery in your car, right? So now they say they manage this. They don't really. They sell invoices to these customers, right? And it's a cool business, but it's not what we do, right? And they're also not managing this capacity because all the electric car manufacturers that I know have a warranty limitation that you can only. Put energy into the battery. You're not allowed to take energy out unless you drive the car. So, there is idle capacity of two nuclear reactors. And by the way, most of the home batteries have an, I don't know what the English word is an inverter, have an inverter that doesn't allow you to feed back into the public net. It's only when you basically do not consume from the public net that you get at the reduction in your power price, right? So, there is the capacity of two nuclear reactors sitting behind the meter in one company, Kraken, a

successful company, no doubt, but a young company that is unutilized. For the balancing market. And it sits in highly flexible, super dynamic assets, batteries. You can turn them on and off at any second. You don't need to open the gate in a in a dam somewhere or fire up a coal plant or whatever you want to do, right? There is no doubt that this volatility will increase and that the world will understand that we need to make these assets usable for grid stability, for market efficiency, etcetera. And it's happening today, right? Not, not on a home or individual battery level, but all the battery parks that are spanned up all around the world. Record speed. So, these battery energy storage systems, these BSS, they're a reality and they're here to stay. The fact that we will take off nuclear plants and that we will take off coal plants and that in in Eastern Europe they have 4 fourth hole or gas turbines. They're shutting down two and they're put. Putting batteries in, right? They charge the batteries with the remaining gas turbines because the battery is more flexible to respond and they can play in the balancing market, which requires like 2 seconds you have. It's an automated market, but there is a manual market that is 3 minutes, right? Still 3 minutes, right? It's quite fast. It's a regular pop song average, right? You need to react. There's no doubt that this happens. Now, the more of this volatility that happens, the more technology is required. The more technology we provide, the more complexity and volatility our customers can cope with. The more opportunities they have, the more they will play the volatility, the more technology they will consume. That's the theory, right? Behind every strategy is a theory. And only the future will prove whether it's right or wrong. But I I honestly believe this is going to happen. We see it, right? It's happening everywhere.

Yeah, I think we have maybe one more question if anybody has any. If not, I think we're just going to thank Stephan and thank you.

Benjamin Golding: So I want to say thank you very much everyone for joining. The materials that Stephan presented are at the back end of our quarterly report, which is published. So, you can find that there. Thank you.

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