



*The preferred choice
for industrial efficiency*



Goodtech ASA - Investor Presentation

December 2020

Important information (1/2)

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Important information (2/2)

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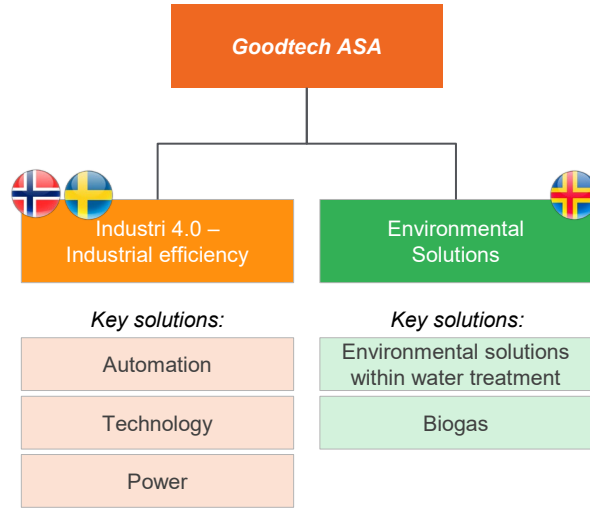
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Goodtech – the preferred provider of industrial efficiency

Business overview

- Goodtech is a leading Nordic engineering and technology group
- Core capabilities within automation, power and industrial engineering and environmental solutions
- Develop and deliver projects ranging from large and demanding to local solutions
- Unique competence within selected verticals: process and manufacturing industries, aquaculture, oil & gas, power and water treatment
- Creating customer value through enabling increased efficiency, stable operations as well as improved health, safety and environment
- Approx. 270 employees across Norway, Sweden and the Åland Islands
- Listed on the Oslo Stock Exchange since 1984

Core capabilities

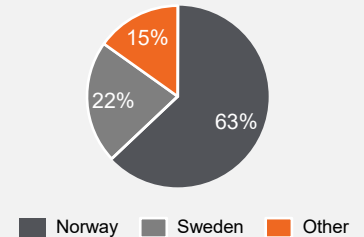


Revenue split 2019

By solution



By geography



Group revenues

NOK 450m (2019)

NOK ~500m (LTM Q3 2020)

More than 100 years of innovation and development

Founded in 1913 by the two twin brothers – Alf and Thomas Snillsberg

Company active producing cables for telephones, telegraphs and radios

New strategy to focus on automation, installation, industrial and environmental technology

Forms a powerful player within electrical engineering, environmental- and industrial technology

Enhanced financial position, and a stronger technological focus with a more precise market orientation

Leading Nordic supplier of automation, installation, power engineering, industrial and environmental technology



Norsk Elektrisk Kabelfabrikk was founded

1913



Norway's first cable factory

1913 – 1990s



Separated as a stand-alone entity as «Goodtech» in 1993

1990s



Goodtech merges with EI & Industrimontage Group

2010



Strategic restructuring to increase business focus and investments

2015



Preferred choice for industrial efficiency

Today

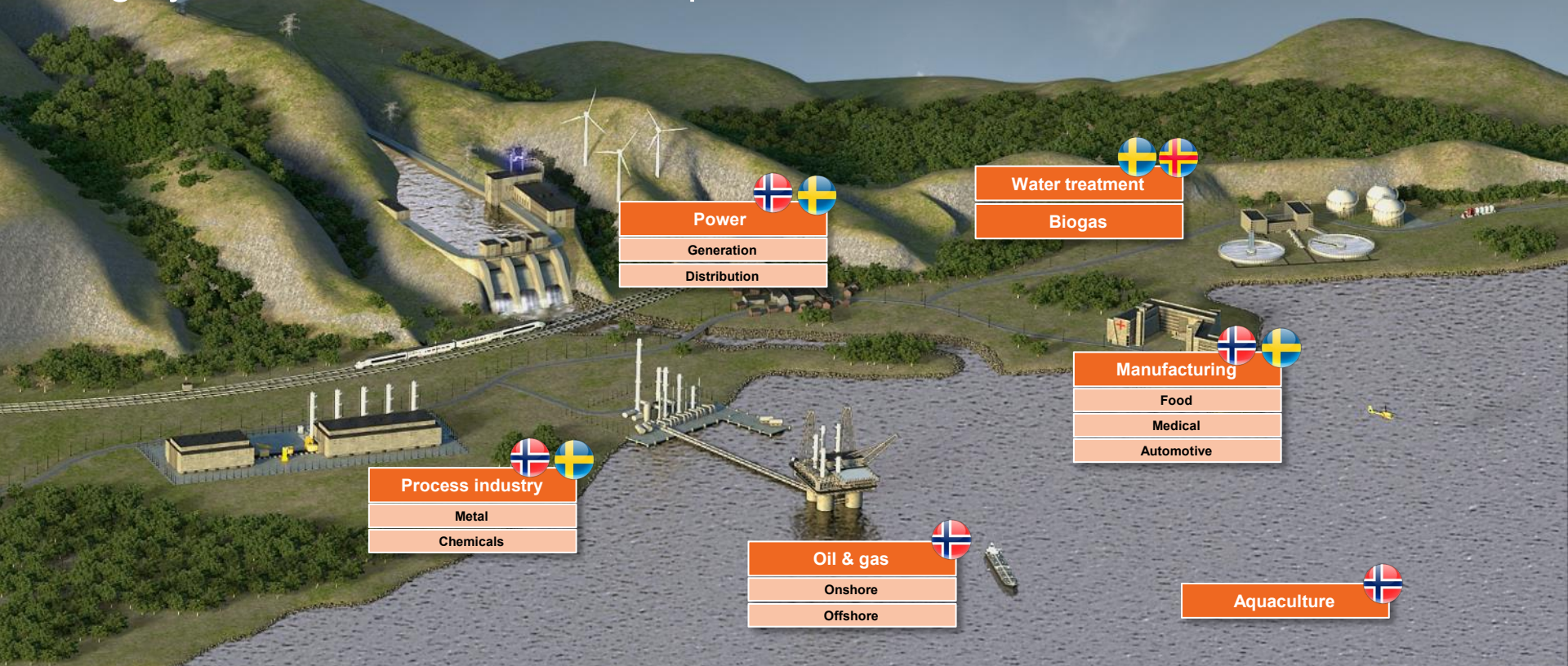
Strong presence in key regions across Norway and Sweden

Office locations	Employees
Oslo (headquarter)	54
Trondheim	10
Bergen	63
Porsgrunn	30
Fredrikstad	29
Moss	14
Karlstad	30
Arvika	13
Åland	27

In total ~270 employees across the Nordics



Highly diversified end-market exposure



Power
Generation
Distribution

Water treatment
Biogas

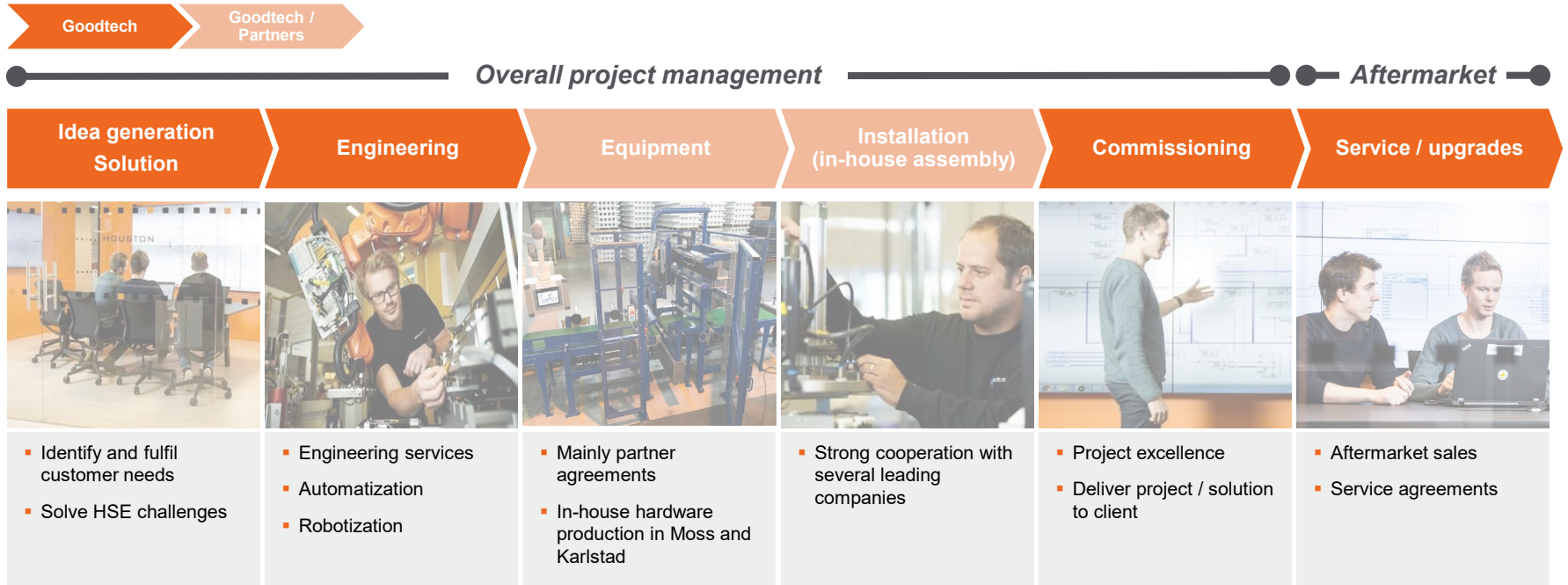
Manufacturing
Food
Medical
Automotive

Process industry
Metal
Chemicals

Oil & gas
Onshore
Offshore

Aquaculture

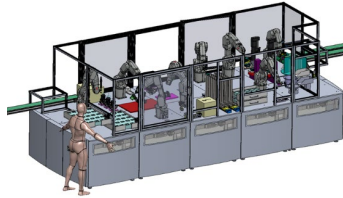
A trusted partner from project generation to aftermarket services



Focus on digitalization, efficiency and quality throughout the project delivery process

Delivering high customer value to Tier 1 customers

Husqvarna - Turnkey robotization solution



Delivery:

- Delivery of turnkey robotization solution for Husqvarna
- Fully automated production line for assembly of motors
- Modul based and highly flexible

Customer value:

- Significantly less manual work and production space
- Reduced manufacturing lead time
- Better quality controls

Orkla - New biogas facility



Delivery:

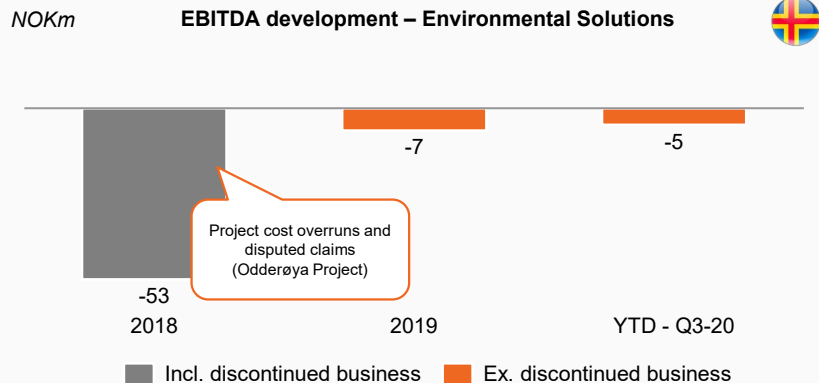
- Construction of new biogas facility for Orkla at Åland
- Convert agricultural waste into biogas
- Project completion before year-end 2020

Customer value:

- Expected increase of production of biogas from 650,000 to 1,400,000 cubic meter per year
- Reduction of emissions by 15-20%

Attractive growth prospects in environmental business going forward

Improved financial development after turnaround



- The environmental business in Åland was in June 2019 discontinued due to unresolved legal dispute with the municipality of Kristiansand on the Odderøya Project, which affected the 2018 result negatively
- Even after several attempts, no common agreement was reached
- Later in June 2019, a newly established company by Goodtech negotiated with customers of the discontinued entity to continue working on existing projects

Strong operational outlook

- Restructuring in environmental business completed in 2019
- New strategy with focus on projects with lower risk profile for value creation. Continue to primarily focus on the Swedish market
 - As a measure to improve profitability, the workforce was downsized by ~20% during the autumn 2018
- New company (“GESAB”) negotiated with customers to continue existing projects from discontinued entity
 - Example of contracts include contract to build a new biogas facility for food waste for Hulesjön’s drainage system in Falköping, and contract with AF Bygg Syd for remodelling and expansion of the process facility to the waterworks in Älmhult
- Turnaround situation intact, although somewhat affected negatively by Covid-19 pandemic. Several attractive new contracts awarded recently:
 - Sep-20: Goodtech wins contract to deliver water purification systems to Sydsvatten in cooperation with Peab in Skåne. The project has a contract value of SEK 55m, with expected completion at the end of 2020
 - Oct-20: Goodtech assigned to build water purification system to Södra Cell Värö in Sweden (contract value of EUR 1.1m)

Goodtech contributes to develop a more sustainable society

Developing systems that increase efficiency, reduce energy consumption and provide the least possible environmental impact

6 CLEAN WATER
AND SANITATION



Effective solutions for chemical purification and filtering of waste- and drinking water

7 AFFORDABLE AND
CLEAN ENERGY



Provides solutions and services to several renewable energy projects

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Innovative automation solutions that increases efficiency and reduces energy consumption

13 CLIMATE
ACTION



Building and construction of efficient energy production facilities with low carbon footprint

Real case examples of Goodtech contribution

Provider of water purification systems to secure clean drinking water to local regions

Subcontractor of exhaust gas cleaning systems to cruise ships to reduce carbon emissions

Fully automated filling and bagging for packaging of LiOH¹ and battery production

Delivery of control system for "Power Management" to the electric passenger boat "Ole Bull" – No CO₂ emission

Robust and proven customer value proposition with loyal customer base

Attractive points of differentiation for customers...



One-stop shop

Wide solution portfolio



Independent

Use best equipment for solution



Diversified knowledge base

Presence in several end-markets

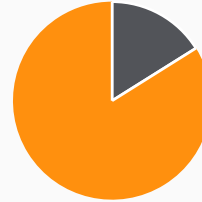


Strong regional presence

Serving small to large customers

...ensuring excellent customer satisfaction scores

To which extent does Goodtech deliver customer value?¹



84%...

...of customers says Goodtech delivers high customer value

How likely is it that you will choose Goodtech again?¹



82%...

...of customers will choose Goodtech on a new project

- Goodtech scores very high in customer surveys¹ – underpins the company's strong position and high quality project deliveries
- Approx. 85% of customers answer that Goodtech delivers high customer value
- High share of repeating customers
- Key to find optimal solutions to customer needs to secure repeating business

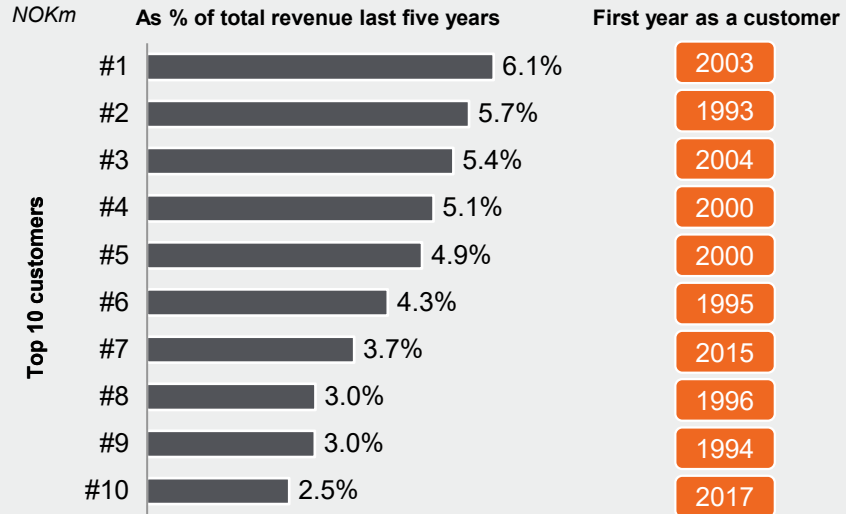
Solid customer base of Tier 1 clients across end-markets ...



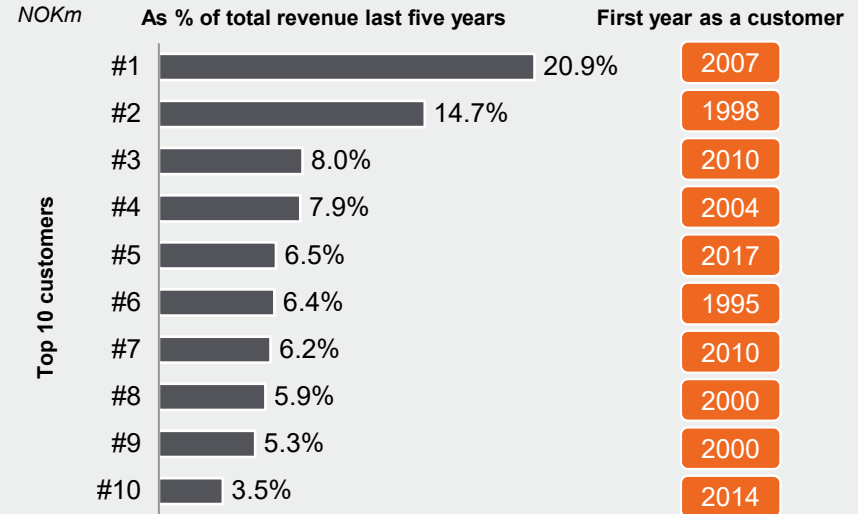
Established relationship with key large industrial companies across the Nordics

... with longstanding relationships and repeating business

Top 10 customers last five years - Goodtech AS



Top 10 customers last five years - Goodtech Solutions AB

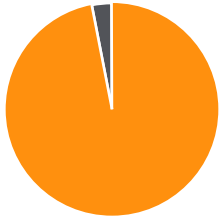


Several key customer relationships started in the 1990s

Good company culture with great employees

Great Place to Work

- Health, Safety and Environment (HSE) and compliance are an important part of the company culture
- Zero vision of damages and accidents
- Leave of absence of only 2.5% – ratio has been downward trending over the past years



97%...

...of employees says Goodtech is a safe place to work¹







“Great Place to Work” certified since 2019

Goodtech culture



“The employees are our most important asset”














Contract wins underpins the broad competence base

Hywind Tampen - Wood	Permascand	Haldex	Lingalaks	Sydvatten
Power	Manufacturing	Manufacturing	Aquaculture	Water treatment
				
<p>Contract value: Undisclosed</p>	<p>Contract value: SEK 19m</p>	<p>Contract value: SEK 30m</p>	<p>Contract value: NOK 9m</p>	<p>Contract value: SEK 55m</p>
<ul style="list-style-type: none"> ▪ Delivery: Complete SCADA system to the offshore wind field ▪ Customer value: Customized system for monitoring and controlling automated processes – increased process insights 	<ul style="list-style-type: none"> ▪ Delivery: Fully automated production line consisting of five robots for handling and assembly of equipment, as well as laser welding ▪ Customer value: Increased production with reduced staffing, flexibility towards new products and higher efficiency 	<ul style="list-style-type: none"> ▪ Delivery: Turnkey project of a semi automated assembly line for components for control and steering of breaking systems on trailers ▪ Customer value: Increased efficiency via improved flexibility and scale 	<ul style="list-style-type: none"> ▪ Delivery: Effective turnkey concept to shore power to replace diesel aggregators ▪ Customer value: Lower costs, reduced greenhouse emissions, automated solutions 	<ul style="list-style-type: none"> ▪ Delivery: Water purification system in cooperation with Peab in Skåne ▪ Customer value: Secure clean drinking water to more than 900,000 residents in Skåne

Improving customer profitability through digitalisation and efficient and flexible solutions

Digitalization will be a key growth and profitability driver going forward

Long track record of technology development

Period	Selected customer	Selected deliveries
1998	  <small>NORDIC ALUMINIUM LIVAL GROUP</small>	First digitalization solutions provided to industry customers
2003	  	First oil & gas digitalization project – increased production by 3%
2007	 	Delivery of data bridge – streaming all process data
2015	 	Digitalization Support Team covering 24 assets and assisted surveillance through OPS ¹
2019	  <small>SKRETTING is a Lubricant company</small>	Digitalization Support Team covering 30 assets and assisted surveillance through data bridge
2020	 	Delivery of complete SCADA system to offshore wind field

Selection of current digitalization initiatives

- Goodtech Digital Solutions established in 2019 to strengthen focus on internal digital solutions and product developments
- Delivers technology solutions for production lines, robot cells and industrial IT-solutions, such as Manufacturing Execution Systems (MES)
- Most prominent internal digitalization projects are Wizx and Neuron (JV with New & Company - Goodtech owns 60%) – both with a large market potential

Wizx



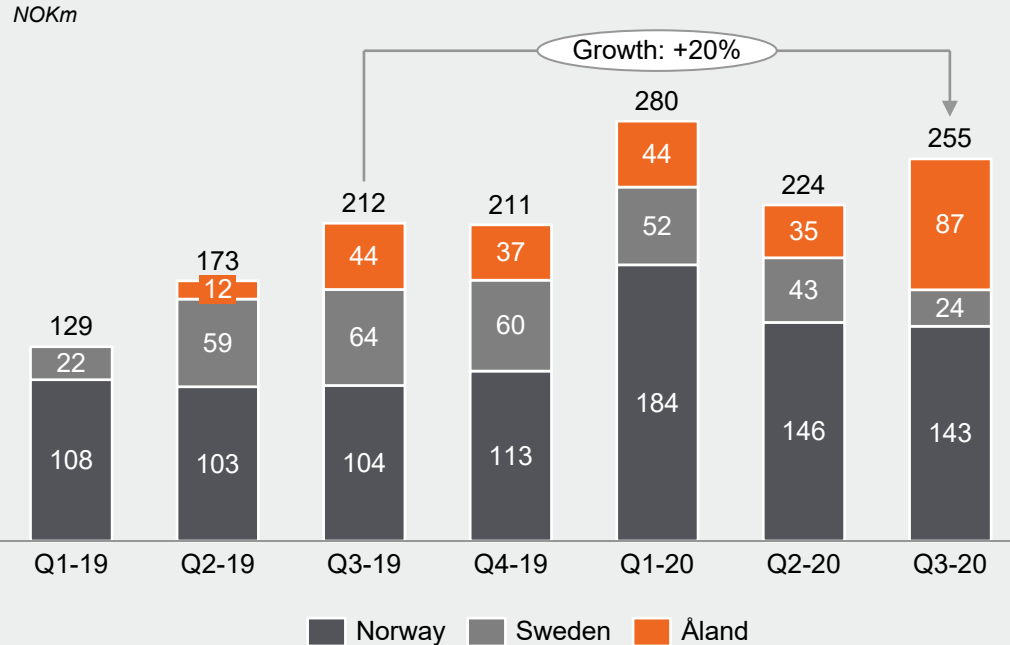
- IoT solution that uses sensor technology to collect data (e.g. temperature and vibrations on a manufacturing facility)
- Product not yet launched – currently working with design and hardware development
- Pilot projects with several Tier 1 industrial companies

Neuron

- Software solution that analyses and processes industrial data (e.g. data collected from Wizx)
- Several pilot-projects within oil & gas and shipping sector
- Partner agreement with Veracity by DNV GL signed in Q3-20

Strong order backlog development albeit Covid-19 pandemic situation

Strong order backlog development from 2019

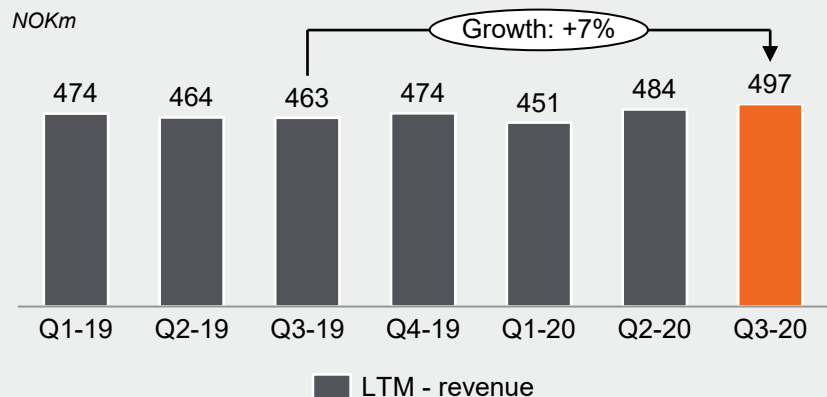


Key considerations

- Positive development in backlog – less variation and lower seasonality compared to previous years
- Decline in Q2-20 due to Covid-19 – work in Moss and Karlstad were affected negatively
- Decline in Sweden in Q2 and Q3-20 due to Covid-19 as clients were hesitant to take investment decisions. However, signs of recovery with several tenders expected to be concluded in short time
 - New order of NOK 5m in Karlstad received on 25-Nov
 - New contract of NOK 3.5m – with further upside potential - received from Orkla to Moss division on 25-Nov
- Note that backlog projects normally only accounts for ~50% of annual revenues - engineering services, support functions and other income not included in backlog

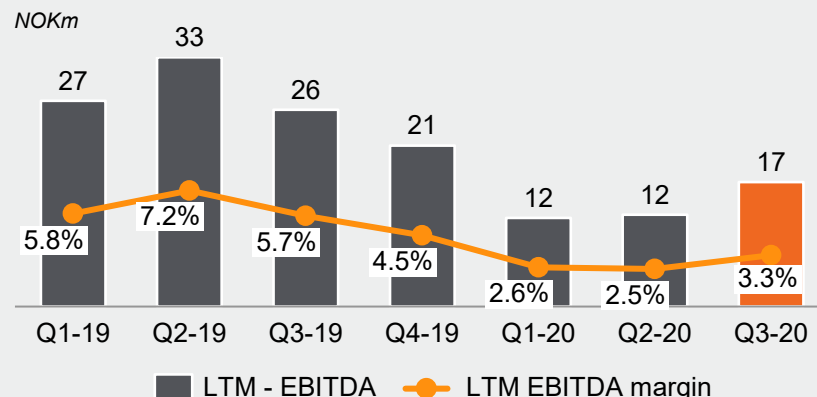
Positive trend in Q3-20 expected to continue

Revenue (LTM)



- Strong revenue development due to improved market activity and solid project execution
- Good operating activity albeit Covid-19 pandemic situation
- Improved operations in Åland following the restructuring process

EBITDA (LTM)



- Environmental business in Åland has historically affected margins negatively – ongoing turnaround set to support margins going forward
- One extraordinary project and product delivery postponements due to Covid-19 are key contributors to margin drop in 2020
- EBITDA and margins expected to improve from current levels

Management team – New CEO recently announced

Current Management



Eric Staurset

Leaving CEO

*4 years in
Goodtech ASA*



Synnøve Granli

CFO

*13 years in
Goodtech ASA*



Magne Reiersen

Project Director

*25 years in
Goodtech ASA*

Announcement of new CEO



Margrethe Hauge

New CEO – Announced on 26 November

Previous experience from CEO of TekniskBureau AS and has broad industrial leadership experience from TTS Group ASA, MRC Global Inc. and Kverneland Group ASA

Ongoing strategy set to drive profitable growth

Four key pillars

1

ORGANIC GROWTH



- Strengthen sales activities and expand engineering capabilities in selected niches
- Continue to focus on projects offering best risk / reward
- Strengthen presence in profitable niches (e.g. Portabulk)

2

COST OPTIMIZATION



- Deliver on the established improvement measures
- Internal employee development programs and system improvements

3

DIGITALIZATION



- New internal digitalization initiatives (e.g. Wizx and Neuron) to support operational scalability
- Focus on measures in-place, backed by the introduction of Goodtech Digital Solutions

4

M&A OPPORTUNITIES



- Carefully monitor market for attractive M&A targets in all end-markets
- Focus on M&A targets with a unique offering and a proven financial track-record

Appendix

Recent announcements

29 OCTOBER 2020
CONTRACT ANNOUNCEMENT

- Environmental business in Åland has been assigned to build water purification facilities to Södra Cell Värö as a part of their project "Expension Värö 2.0"

15 OCTOBER 2020
CONTRACT ANNOUNCEMENT

- New contract with Wood for the delivery of a complete SCADA system for Equinor's floating offshore wind project at Hywind Tampen

30 SEPTEMBER 2020
CONTRACT ANNOUNCEMENT

- New contract to deliver water purification systems to Sydsvatten in cooperation with Peab in Skåne

20 MAY 2020
CONTRACT ANNOUNCEMENT

- Announcement of digitalization project with Bane NOR – contract value of NOK 11m

11 MAY 2020
CONTRACT ANNOUNCEMENT

- Fortum Oslo Varme AS chooses Goodtech as supplier to upgrade customer centrals, including the implementation of a new communication system in the customer centrals

13 MARCH 2020
CONTRACT ANNOUNCEMENT

- Goodtech, utilising its proven Portabulk® technology, has consolidated its position as a preferred supplier of fully-automated filling and handling systems for bulk materials through the establishment of a supply contract with Graintec

Profit & Loss statements

Profit & Loss Statement (2017 – LTM Q3-20)

<i>NOKm</i>	2017	2018	2019	LTM Q3-20
Revenue	688.7	443.6	449.5	496.5
COGS	342.0	140.2	148.1	201.5
Salaries	270.8	229.8	232.8	232.4
Other expenses	71.1	53.9	45.2	45.9
Restructuring expenses	1.9	1.0	0.0	0.0
EBITDA	3.0	18.7	23.4	16.6
<i>EBITDA margin %</i>	0.4%	4.2%	5.2%	3.3%
Depreciation	11.4	9.1	21.6	23.1
Amortization	0.0	9.0	0.0	0.0
EBIT	(8.5)	0.6	1.8	(6.5)
Net financial items	(6.7)	(0.1)	(2.6)	(0.8)
Profit before tax	(15.2)	0.5	(0.8)	(7.4)
Tax	(0.4)	3.2	0.9	0.5
Profit after tax - continued business	(14.8)	(2.7)	(1.7)	(7.9)
Result from discontinued business	(0.3)	(59.0)	6.0	0.0
Profit after tax - incl. discontinued business	(15.1)	(61.7)	4.3	(7.9)

Balance sheet statement

Balance Sheet Statement (Q3-20)

Assets (NOKm)		Equity & Liabilities (NOKm)	
Tangible assets	51.5	Paid-in equity	435.0
Right of use asset	47.6	Retained earnings	(203.7)
Intangible assets	149.2	Non-controlling interest	2.4
Deferred tax benefit	42.4	Total equity	233.7
Other financial fixed assets	0.0	Interest bearing long-term debt	2.0
Fixed assets	290.8	Long-term leasing obligations	39.0
Inventory	5.7	Long-term debt	41.0
Account receivables	101.4	Non-interest bearing short-term debt	145.6
Other current receivables	5.7	Interest bearing short-term debt	38.8
Cash & cash equivalents	65.3	Short-term leasing obligations	9.7
Current assets	178.1	Short-term liabilities	194.2
Total assets	468.9	Total debt	235.2
		Total equity and liabilities	468.9

A man with glasses and a black t-shirt is focused on working with industrial machinery. The background is a blurred factory or workshop setting. The text 'goodtech' is overlaid in a white, stylized font, with a small orange square above the 'g'.

goodtech

førstevalget for industriell effektivitet