# A platform for turbulent times

Investor presentation / Webcast / April 1, 2020

# Presenting today

**Andreas Thorsheim**
*CEO*

**Lars Syse Christiansen**
*CFO*

**Simen Fure Jørgensen**
*CPO*

**Cecilie Ellila Weltz**
*VP Finance*


OTOVO
Otovo is a marketplace for energy installation
building the European no.1 in residential solar
Otovo projects completed in Q2 2019 near Oslo, Norway

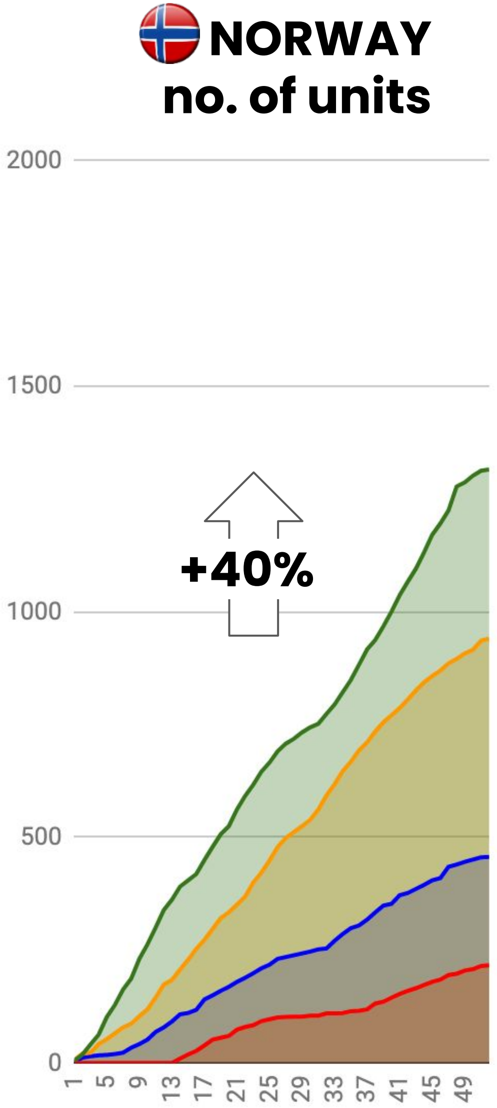
# Contents

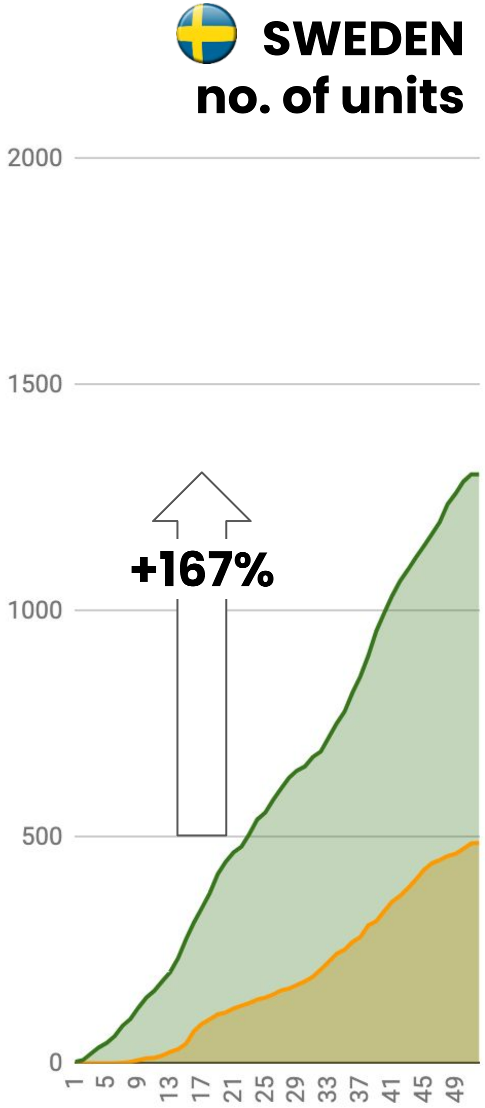
# In 2019 we grew into France and Spain – opening new possibilities for volume growth

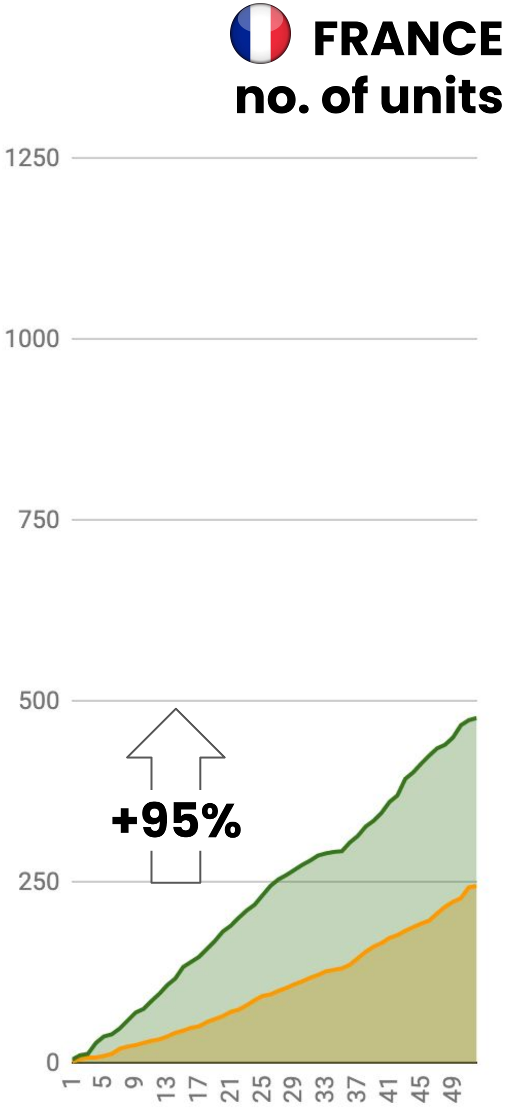
***1H-2019: In Sun We Trust and Otovo merged to create the top technology challenger brand in French solar.***

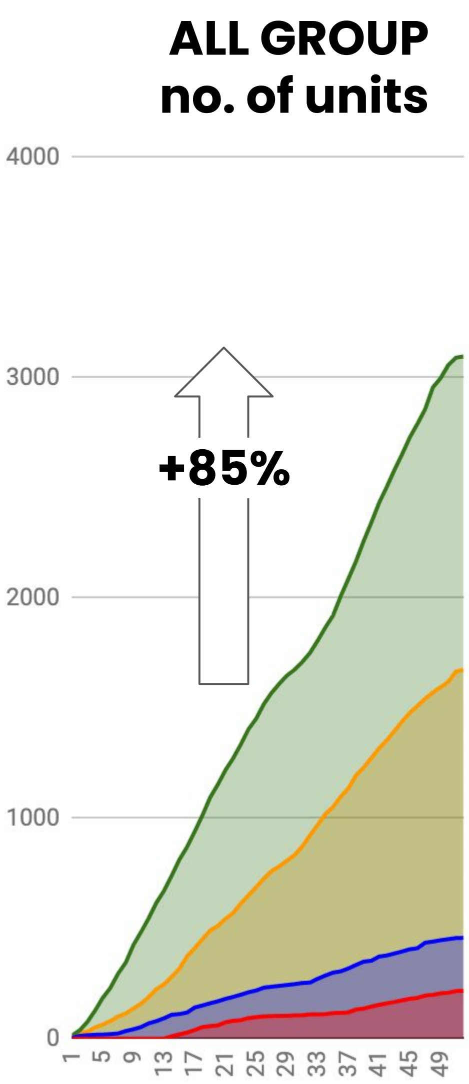

***2H-2019: Iñigo Amoribieta joined as GM Spain, bringing expertise from Rocket Internet. Launched in Spain in December.***

# Sold revenue (value of projects) up from 127mnok in 2018 to 221mnok in 2019 – growth everywhere



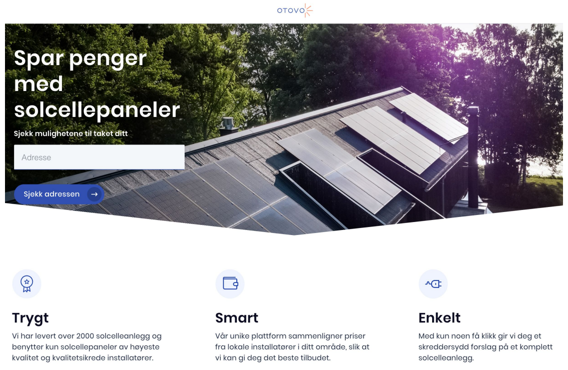



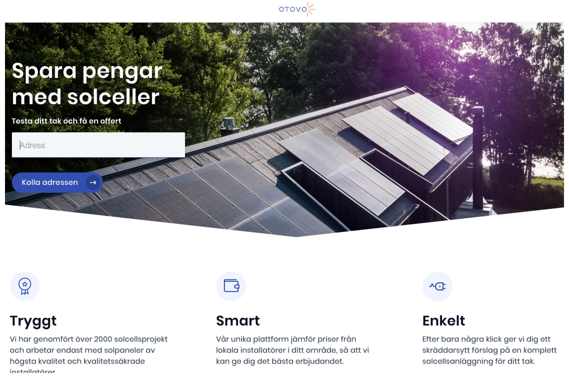



# We expanded our overall market shares - proving we can win anywhere

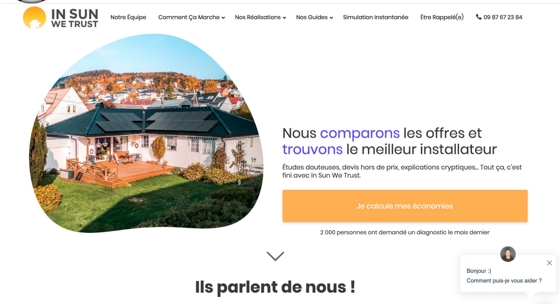
## Norway



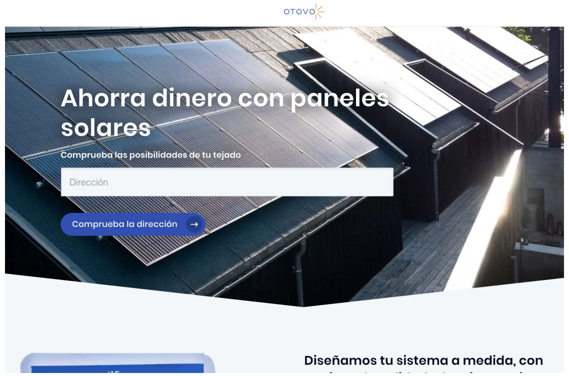

## Sweden



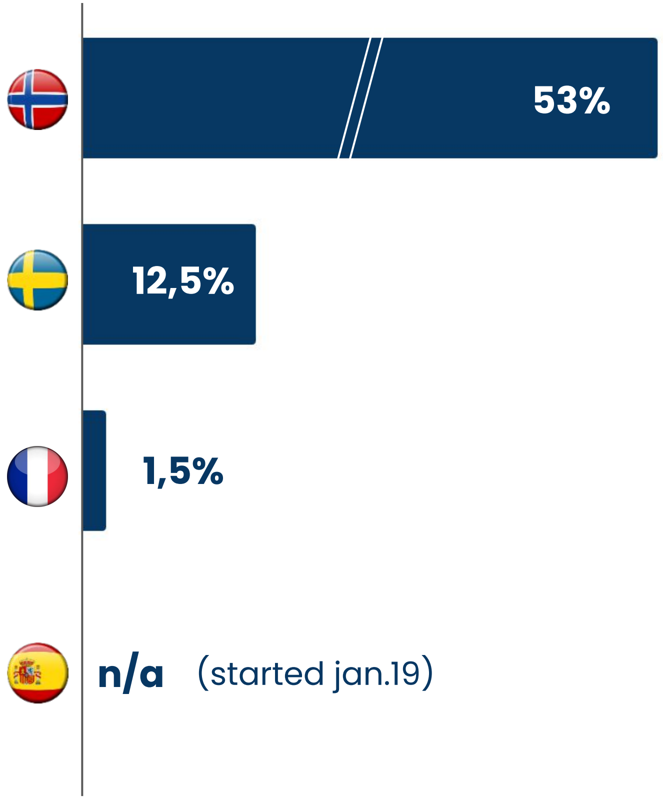

## France




## Spain

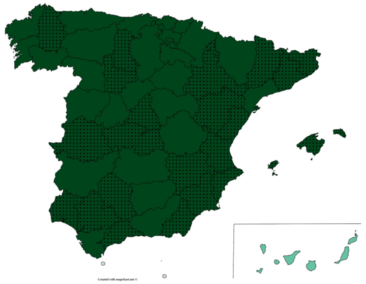


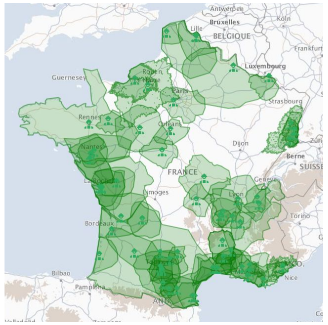

## Market share (full year 2019)

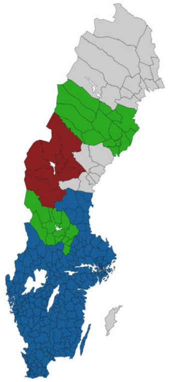


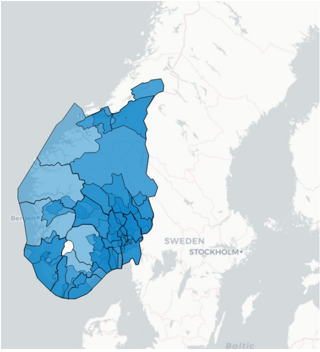
# Now more than 200 installer companies on the platform – a network of competitive quality workers

***300% growth in the number of installer companies that have signed to work with Otovo in SCA, FR, ES***

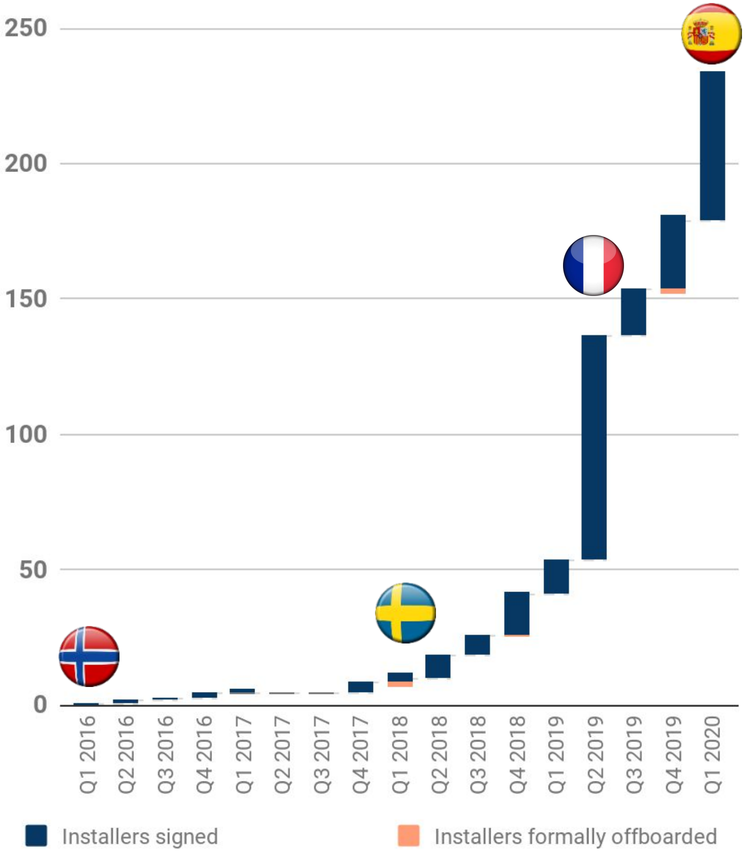








## Number of installers
(signed contracts and offboarded)



# Contents

# 103% top line growth, 9,4pp gross margin widening

P&L 2019

**P&L (NOKm)**

| | 2019 Full year | 2018 Full year |
|---|---|---|
| Revenue | 193,6 | 95,3 |
| Cost of goods sold | (165,8) | (90,6) |
| **Gross profit** | **27,8** | **4,7** |
| **Gross margin** | **14,3%** | **4,9%** |
| Personnel cost | (41,2) | (21,6) |
| Other opex | (38,7) | (21) |
| **EBITDA** | **(54)** | **(37,9)** |
| D&A | (12,6) | (2) |
| **EBIT** | **(66,7)** | **(39.8)** |
| Financial income | 0,5 | 0.5 |
| Financial expenses | (2)) | (0.7) |
| **EBT** | **(68,4)** | **(40,1)** |
| Tax | 17 | - |
| **Net income** | **(51.4)** | **(40.1)** |

**Comments**

- Revenue growth 2 X compared to 2018
- Revenue of ~ NOKm 220 including sales value of France projects
- Gross margin improved 5,9X driven by increased volume and improved unit margins
- D&A include NOKm 7 in goodwill depreciation

**Guidance 2020**

- Substantial uncertainty in revenue outcome
- Cost reduction measures implemented, but Scandinavia profitability target delayed
- Expecting increased gross margin % YoY
- EBITDA for 2020 expected in line with 2019
- Restart of growth / business development activities in H2 2020 not reflected in EBITDA guidance

# Robust balance sheet entering coronavirus pandemic: 193mnok cash on 31.12.19

Balance sheet 2019

**Balance sheet (NOKm)**

| Assets | 31.12.19 | 31.12.18 |
|---|---|---|
| Intangible assets | 127 | 10.5 |
| Tangible fixed assets | 5.3 | 4.7 |
| Inventory | - | - |
| Trade receivables | 13.7 | 13.7 |
| Other receivables | 17.2 | 2 |
| Cash | 193 | 117,7 |
| **Total assets** | **356.2** | **148.6** |

| Equity and liabilities | 31.12.19 | 31.12.18 |
|---|---|---|
| Equity | 239.8 | 114.6 |
| Non-current int. bearing debt | 17.6 | 10 |
| Non int.bearing debt | 56.4 | - |
| Trade payables | 9.8 | 12.6 |
| Other current liabilities | 32.5 | 11.4 |
| **Total equity and liabilities** | **356.2** | **148.6** |

**Comments**

- Acquisition of In InSunWeTrust represented as goodwill in intangible assets (NOKm 86), and remaining earn out obligation as non.int bearing debt. Settlement 90% Otovo shares / 10% cash during 2020 and 2021
- Cash position NOKm 193 as of 31.12.19

**Guidance 2020**

- 2020 investments in the range of NOKm 20 - NOKm 25 including cash portion of earn out
- Target cash position 31.12.2020 MNOK 80-90
- Restart of growth / business development activities in H2 2020, and investments to launch a leasing product not-included in target cash position

# Solid and long term owners

March 2020

## Short description of largest non-mgmt. shareholders

**Axel Johnson** is one of the largest consumer retail, trade and service companies in the Nordic region, and remains family-owned in the fifth generation

**Nysnø** is a governmental climate investment fund, administrated by the Norwegian Ministry of Trade, Industry and Fisheries

**KLP** is Norway's largest life insurance and pension company with ~NOK 690bn under management and about 980 employees. KLP is managing funds for about 950,000 Norwegians

**Agder Energi** is a Norwegian regional utility located in the southern part of Norway. Its primary areas of business are hydropower and grid. In 2017 the company had revenues of NOK 10.2bn

**Akershus Energi** is a Norwegian regional utility located in the eastern part of Norway. Its primary areas of business are hydropower and district heating. In 2017 the company had revenues of NOK 830m

**OBOS** is the largest Nordic cooperative building association. OBOS has built more than 100,000 homes primarily in the Oslo area. OBOS is owned by its 435,000 members

## Top shareholders

| # | Name | Subscription capital |
|---|---|---|
| 1 | Axel Johnson | 21,8% |
| 2 | Agder Energi Venture | 10,3% |
| 3 | Akershus Energi | 10% |
| 4 | Andreas Thorsheim (founder & CEO) | 9,9% |
| 5 | Nysnø (Fornybar AS) | 9,5% |
| 6 | KLP (AksjeNorge and KLP Liv) | 8,2% |
| 7 | OBOS | 4,2% |
| 8 | Simen Jørgensen (CPO and Founder) | 3,2% |
| 9 | Andreas Bentzen (CTO and Founder) | 2,7% |
| 10 | Lars Syse (CFO and Founder) | 2,4% |
| 11 | Others | 189 |

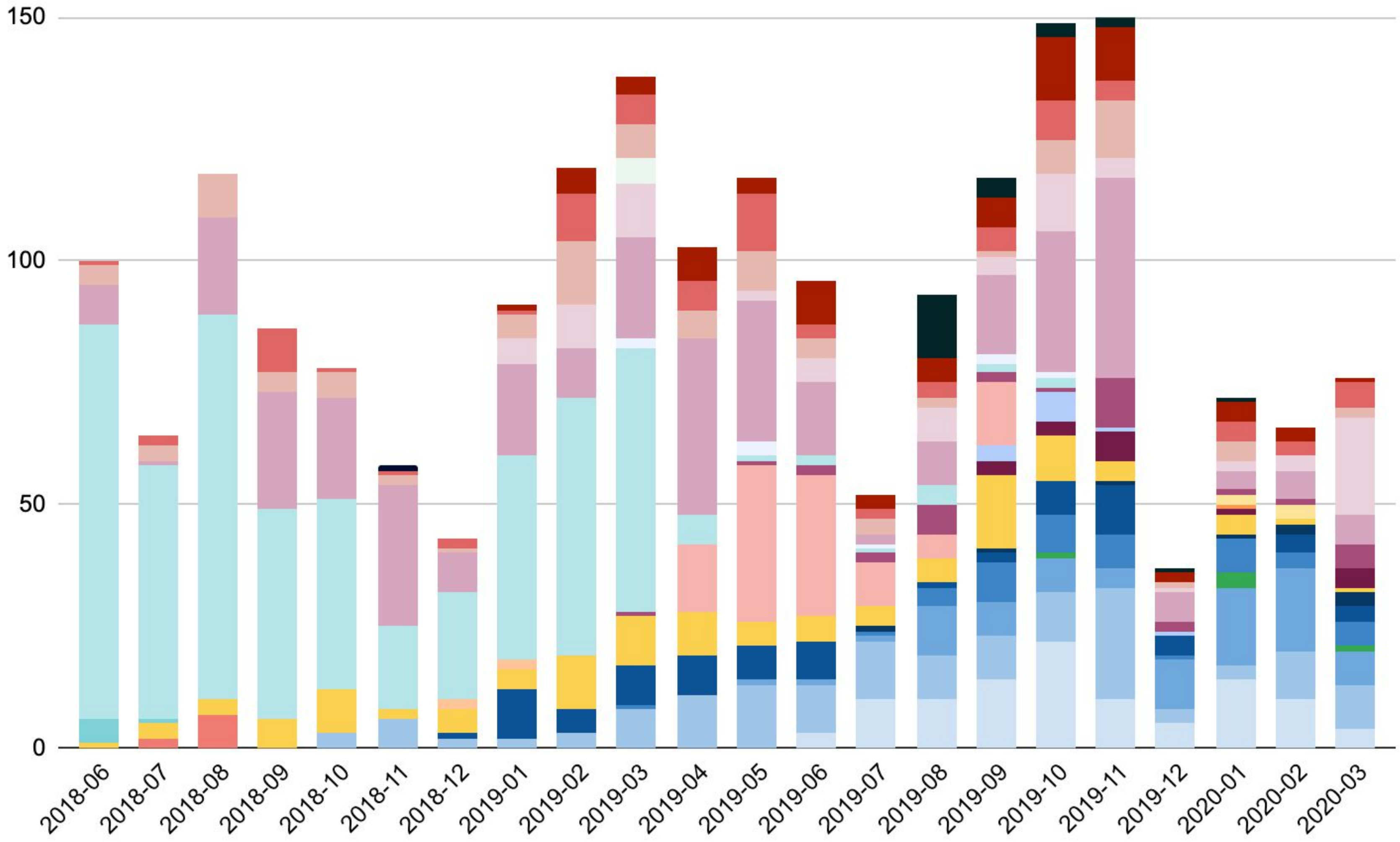
***Founders hold more than 20% of shares***

Sources: Home pages and annual reports

# Contents

# Installer portfolio is diversified

Assigned projects per installer per month (one country)

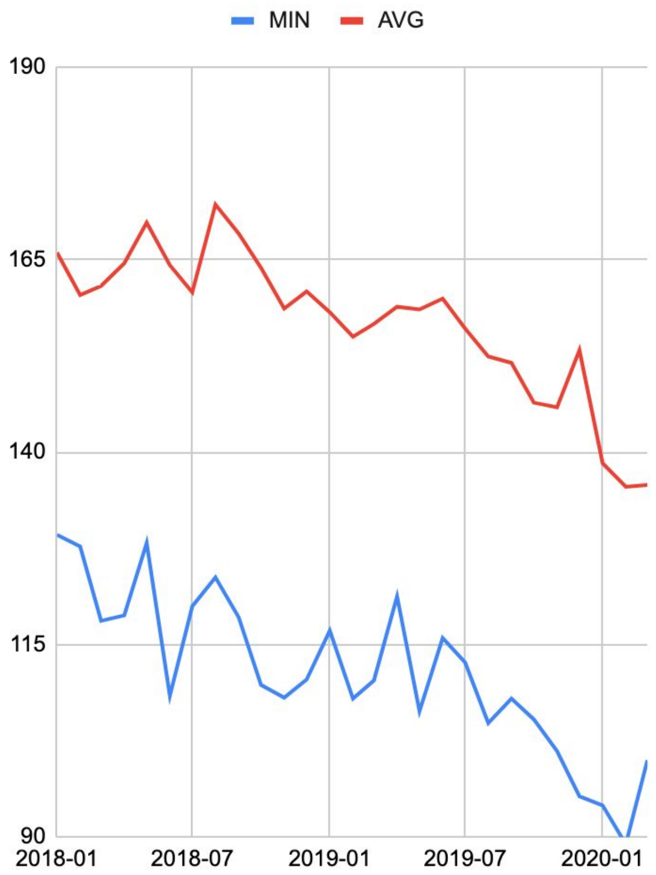



**Comments**

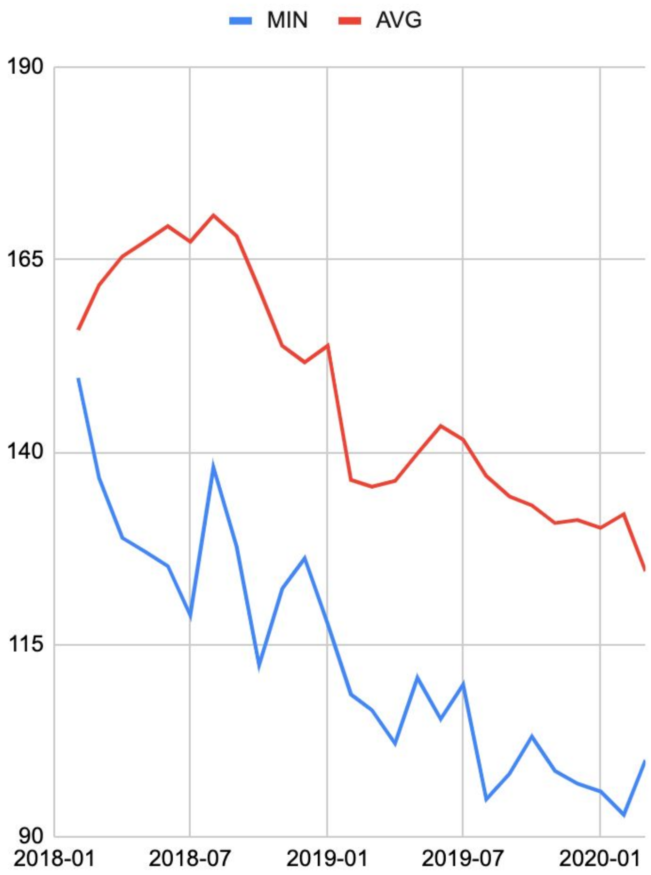
- Installers responding to harder demand situation may lead to all of the below:
    - reduced coverage
    - reduced cost
    - increased cost
    - reduced capacity
- BUT multiple installers winning bids means low dependence on a single installer for good prices or for capacity
- No company has more than 25% of monthly installations in any country

# Platform is working: Our costs keep coming down

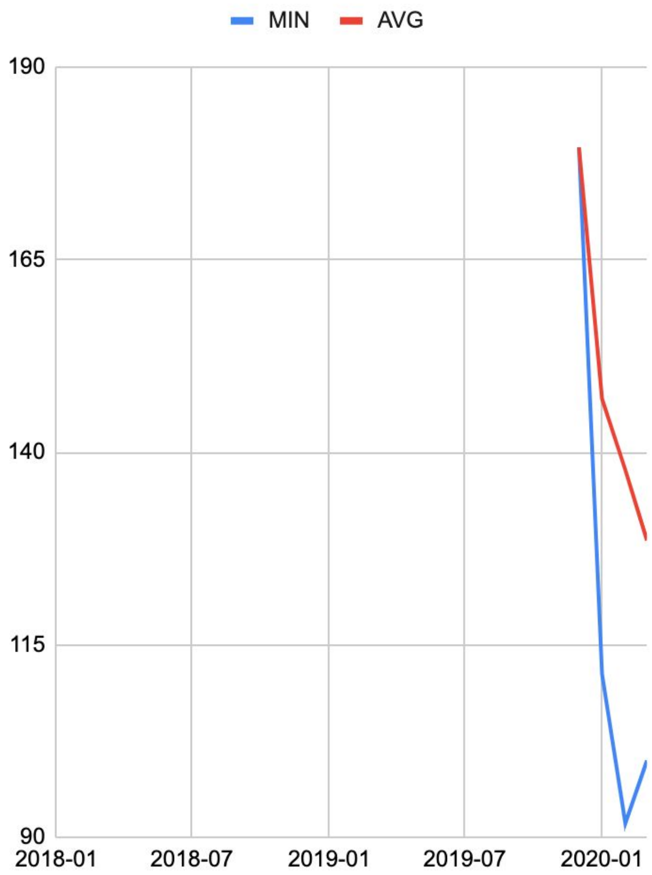
**Norway best cost down 35% in 2 years**




**Sweden best cost down 33% in 2 years**




**Spain best cost down 45% in only 3 months!**



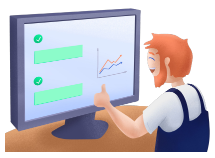

Source: Otovo winning bids on sold projects. Now=index 100

# Contents

# Contents

# We are setting Otovo up with a new Platform-as-a-Service line of business

**A new offer from Otovo**



## Unique technology platform
Otovo is a proven platform for organizing solar installation marketplaces.

## Worldwide demand
Utilities, wholesalers and others are trying to organize installer networks everywhere.

## Otovo-as-a-Service
Otovo will offer access to our platform to customers outside Europe.

**Pilot market**

## Solar in Brazil

- Population of 2011 million.
- 8 million high income households in core areas
- A lot of sun and high energy prices
- Solar subsidies through net metering
- Consumers are tech savvy and used to online services

# Otovo Brazil is being set up as a Joint Venture between Otovo and Gera

## A new offer from Otovo

### Rodrigo Freire hired and started working for Otovo Brazil

- Previously General Manager at UberEATS Brazil.
- BSc in law from UC Sao Paolo, MBA from IMD
- Background from private equity firm BRZ and top Brazilian law firm. Varied board experience.


## Shareholder agreement signed

- JV company OTOVO GERA ENERGIA BRASIL LTDA
  - GERA BRASIL TECNOLOGIA : 54%
  - Otovo AS: 34%
  - Energy investors (EIA)[1] AS: 12%
- Initial Otovo investment NOKm 0,5, expected Otovo investment in 2020 NOKm 4 with a 24 month lock-up period for all founding shareholders
- Gera & Otovo with 2 board of directors representatives, EIA with one representative
- Founding shareholders with right of first refusals, drag & tag along rights
- Customary deadlock & conflict resolution clauses

## Platform/software license agreement in closing

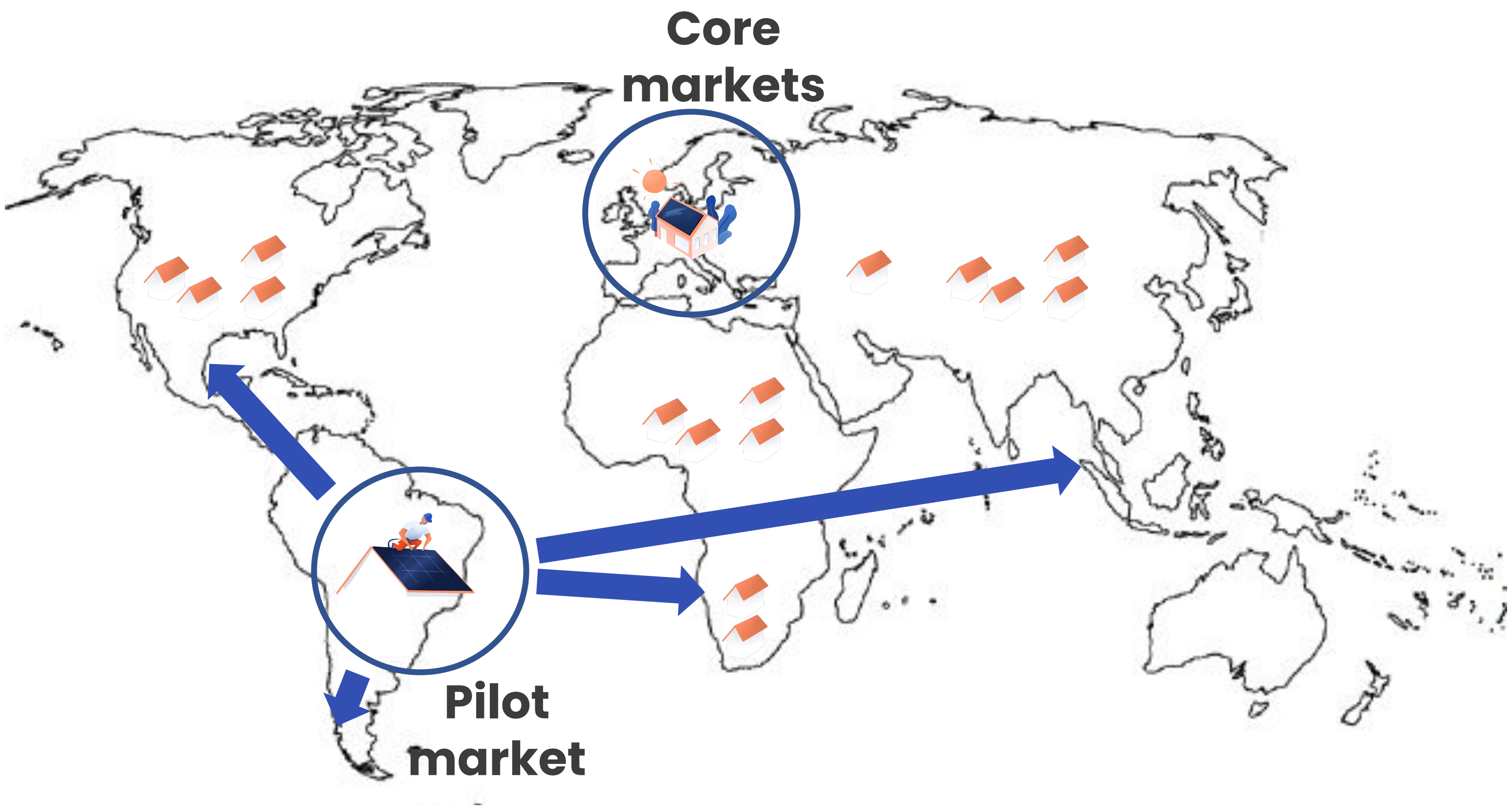
- Based upon Otovo's new standard agreement for Otovo Platform-as-a-Service
- Volume based charges set to start from early 2020



[1] Energy Investors AS owned by Svein Harald Øygard and Halvard Idland

# Otovo PaaS opens up the world as our potential market

**New vector for growth**
Otovo PaaS will be a capital light way to scale our business in markets outside of Europe



# Contents

# Leasing built the US residential solar market during the financial crisis


***Zero money down***

Access to solar energy with no upfront payment and savings from day one

***Convenience***

The easiest way to solar, no banks, no maintenance – just affordable & green energy

***Low risk***

It is your vendor, and not you, who make the long term upfront investment

# Leasing enables more people to go solar!

**The vendor handles installation and owns the system**


**The customer makes monthly payments to the vendor, gets the energy, subsidies and savings**

- **Removes financial barriers, thereby enabling more people to get solar panels**
- **Pool of distributed energy installations across Europe contracted towards homeowners, which makes for an attractive investment case**

# Early adopter now ready for large scale launch

**70%**
**chose leasing by Otovo in 2016**

**30%**
**potential market share**

**For Otovo this is an opportunity to introduce a unique product across European markets that will:**

- ***Expand market potential***
- ***Increase conversion***
- ***Improve unit economics***

**Timeline**

**Spring 2020**
Launch leasing product in selected markets

**Q4 2020**
Obtain long term financing of the asset base

# Contents

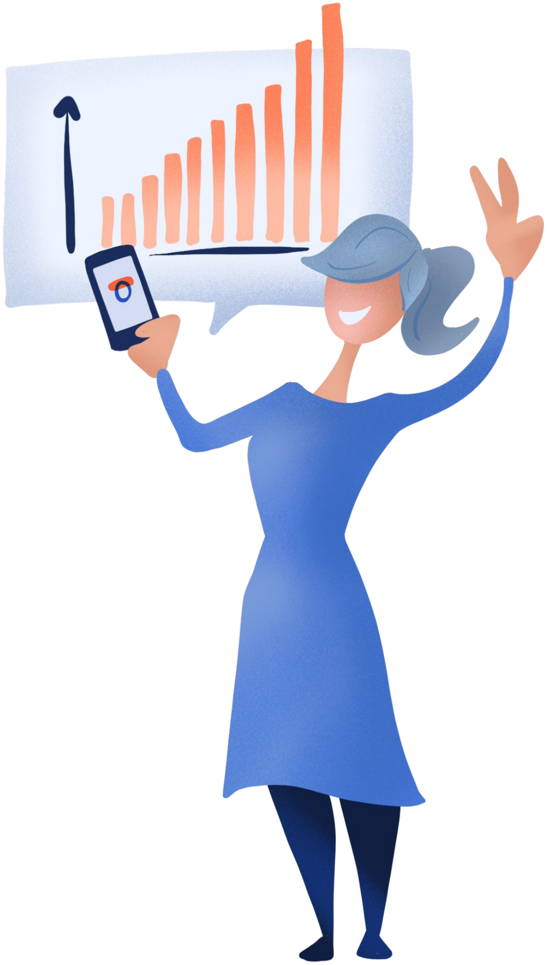
# We keep building,
# see promise despite tough times

- **Execution: Launched 2 new markets in 2019**
    - France through M&A
    - Spain through organic growth, top recruitments

- **Growth: Grew revenue, margins and active installers on platform**
    - Sold revenue up >100 mnok
    - Gross margin expanded by >9pp
    - No. of installers on platform up by 300%

- **Solidity: Strong cash position, solid owners, flexible model**
    - 193mnok in bank at start of year
    - Stable and longtermist owners
    - Platform is flexible in uncertain times

- **Promise: Developing leasing product and platform revenue**
    - Brazil shareholder agreement signed, PaaS growth vector set up
    - Leasing product is a future “killer app” in a recession



# Contact


Andreas Thorsheim
CEO
+4793065178
at@otovo.com

Lars Syse Christiansen
CFO
+4799413172
lasy@otovo.com