A platform for turbulent times

Investor presentation / Webcast / July 13th, 2020

Presenting today

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GM Spain

Otovo projects completed in Q2 2019 near Oslo, Norway

Contents

Outlook: Short term drop in business, long term very positive for solar PV and batteries

Q1: Disrupted value chains	• China hit by coronavirus, enters lockdown • Value chains disrupted, shortage of panels • Currency depreciation in Scandinavia **Increased prices of panels**	Returned to normal, slack being worked on and prices back down
Q2: Drop in sales	• European economies enter lockdown • Capex and discretionary spending contracts **Drop in sales**	Returned to normal, increased attractiveness of savings product
Q3: Installations slow down	• Installations typically take 90-100 days from interest to installation • Q3 installations come from Q2 sales **Drop in sales in Q2 translates to drop in installations in Q3**	Will return to normal in Q4
2021-22: Green stimulus in Europe, even lower hardware prices	• EU responds to crisis with Green Deal • Increased capital inflows to ESGs and energy efficiency, increased deal frequency • Improved regulatory and subsidy environment **Continuous improvement on prices on batteries and solar PV**	2020s looking very promising for price competitiveness

Booked revenue is down 10% in first half and number of units sold is down 6%

NORWAY revenue

	NOKm
1H20	37,5
1H19	49,8
%	-24,6%

SWEDEN revenue

	SEKm
1H20	36,9
1H19	37,5
%	-1,7%

FRANCE revenue

	EURm
1H20	0,2
1H19*	0,1
%	N/A

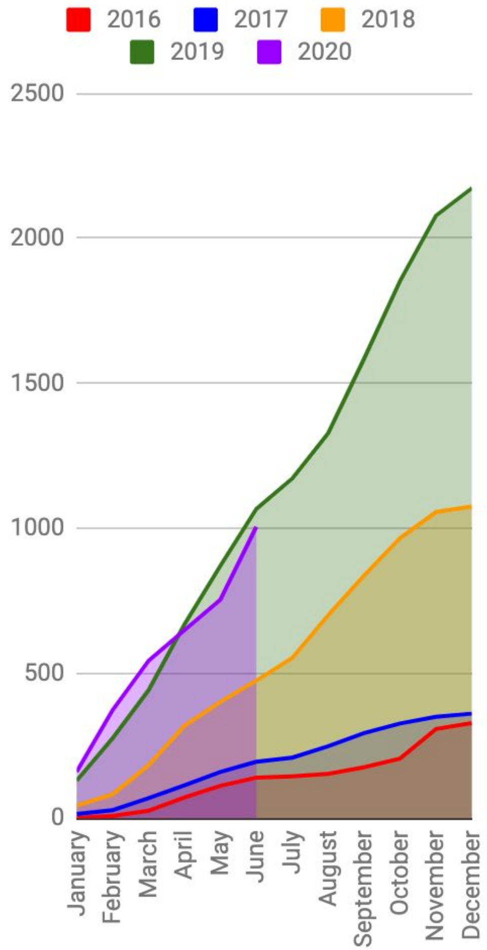
SPAIN revenue

	EURm
1H20	0,1
1H19	N/A
%	N/A

GROUP revenue

	NOKm
1H20	77,4
1H19	85,6
%	-9,6%

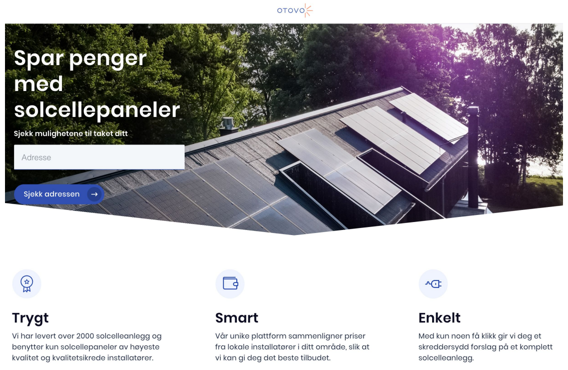
ALL EUROPE
no. of net units sold YTD



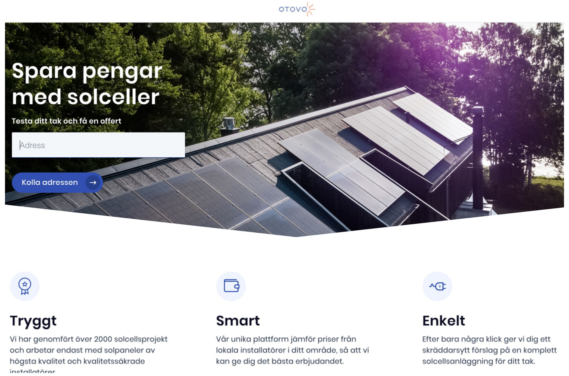
*France 1H19 includes only three months of revenue

Otovo Spain is growing fastest and working to secure a permanent leading positions in the market

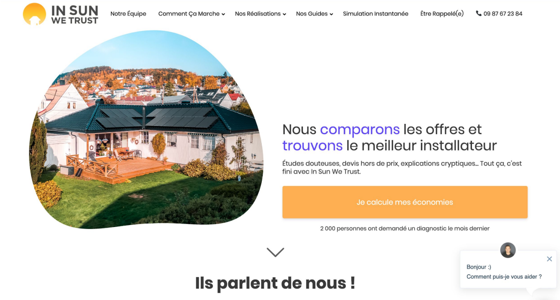
Norway



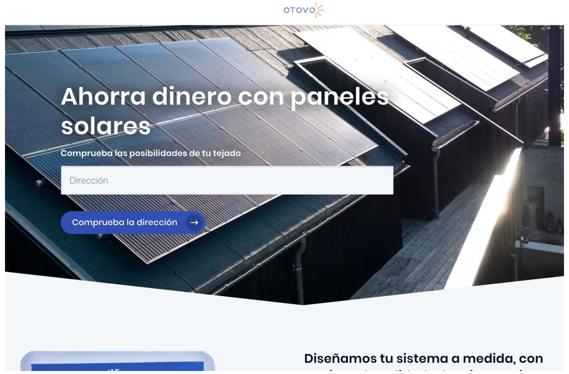
Sweden



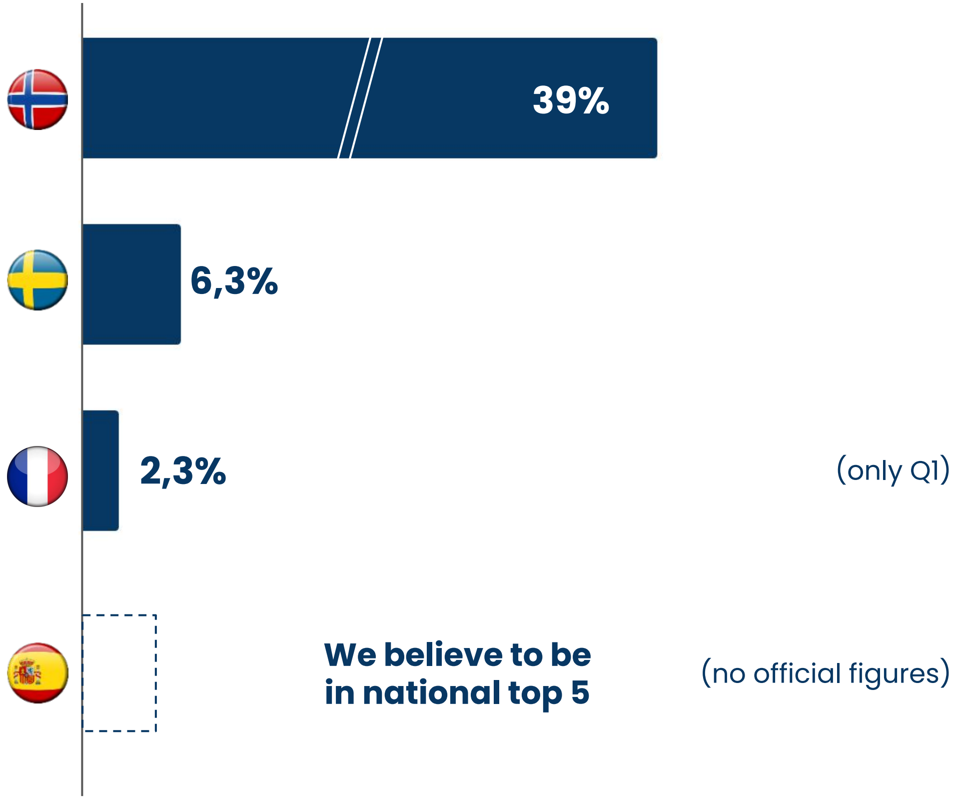
France



Spain

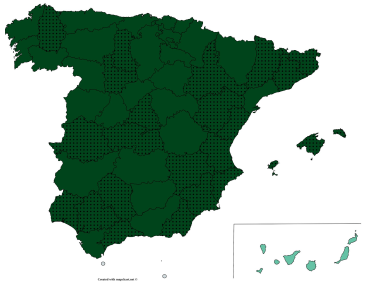


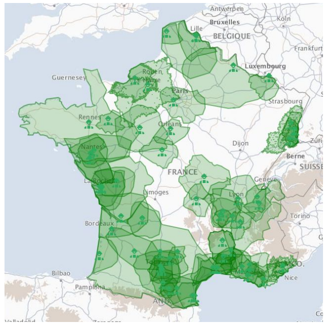
Market share
(H1 2020)

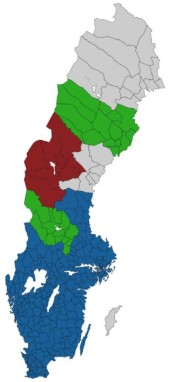


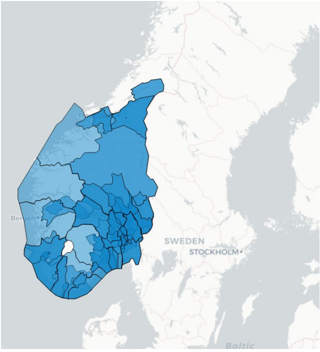
We're expecting to end the year with more than 300 installer companies on the platform

Net addition of 61 installer companies in the first half of 2020

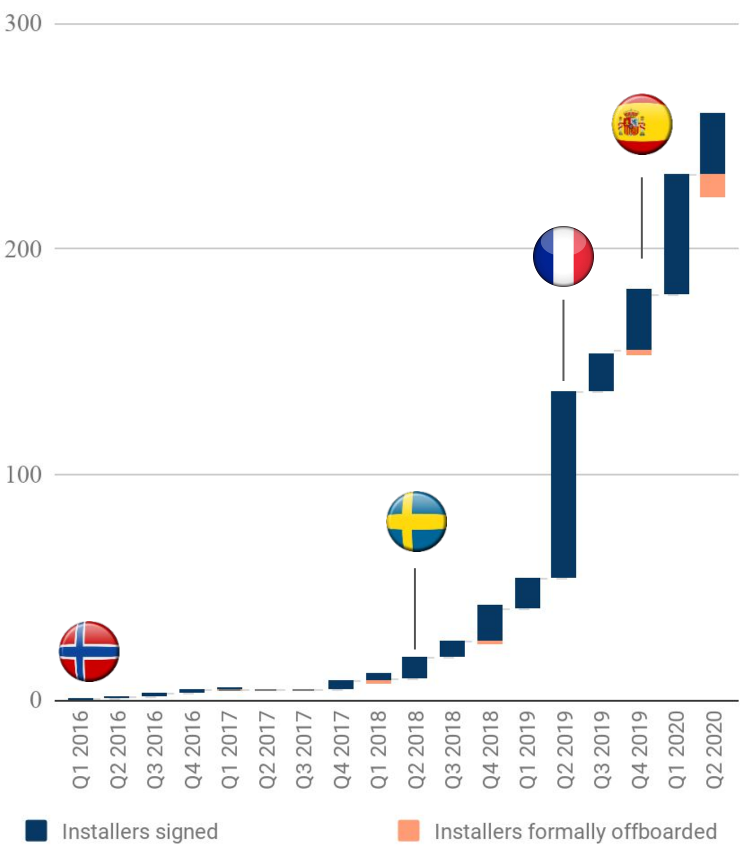






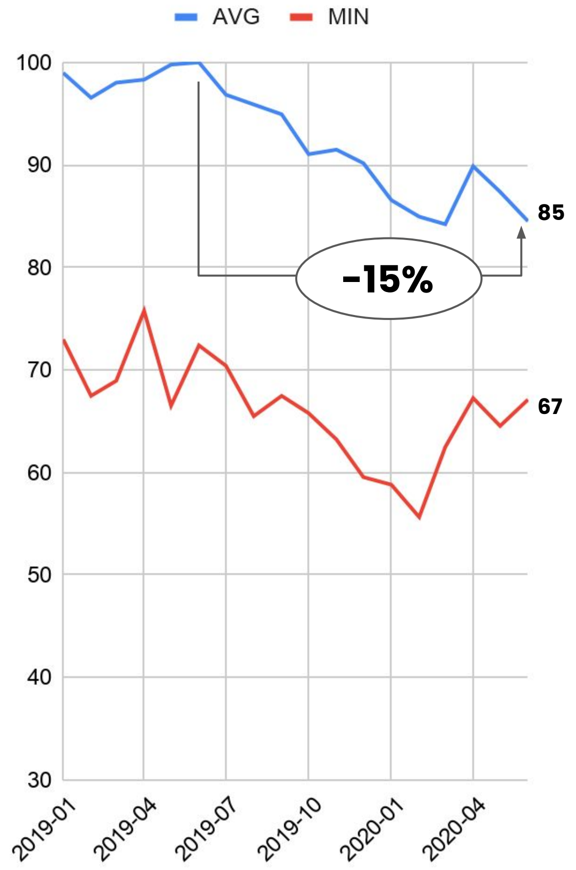


Number of installers
(signed contracts and offboarded)

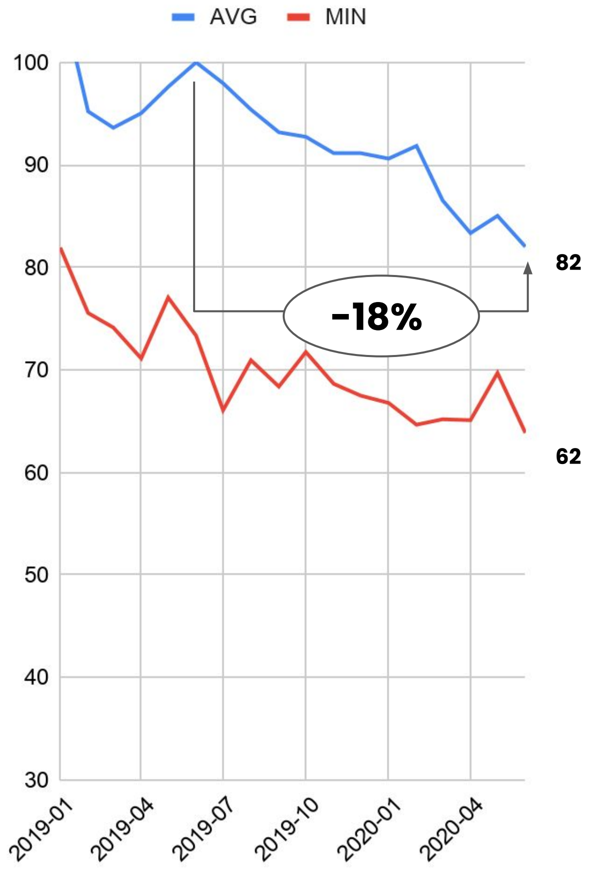


Platform is working: Costs keep coming down despite Covid troubles. Spain clear cost leader locally

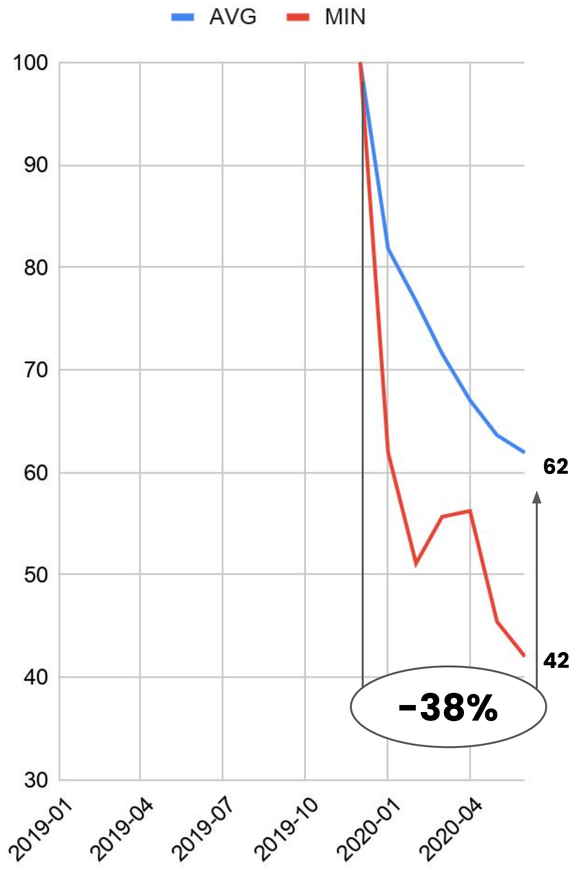
Norway average cost down 15% last 12 months



Sweden average cost down 18% last 12 months



Spain average cost down 38% year to date



Source: Otovo winning bids on sold projects. Index 100 = July 2019 (NO, SE), Dec 2019 (ES), index is local and in local

Contents

OTOVO

Revenue down 10%
3pp increase in gross margin

P&L H1 2020

P&L (NOKm)

	2020 H1	2019 H1
Revenue	77,4	85,6
Cost of goods sold	(64,7)	(74,1)
Gross profit	**12,7**	**11,5**
Gross margin	**16,4%**	**13,4%**
Personnel cost	(22,9)	(20,8)
Other opex	(20,5)	(20,0)
EBITDA	**(30,8)**	**(29,4)**
D&A	(9,6)	(1,7)
EBIT	**(40,4)**	**(31,1)**
Financial income	2,2	0,2
Financial expenses	(5,4)	(0,4)
EBT	**(43,5)**	**(31,2)**
Tax	-	-
Net income	**(43,5)**	**(31,2)**

Comments

- Revenue down 10% compared to H1 2019
- Gross margin improvement of 3pp driven by increased volume and improved unit margins
- Total opex increased due to market entry in Spain and full six months operations in France (3 months included in the H1 2019 P&L)
- D&A include NOKm 5 in goodwill depreciation

Guidance 2020 (unchanged)

- 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
NOK 153m in cash as of 30.06.20

Balance sheet H1 2020

Balance sheet (NOKm)

Assets	30.06.20	31.12.19
Intangible assets	138,5	126,9
Tangible fixed assets	5,8	5,4
Inventory	-	-
Trade receivables	11,2	13,7
Other receivables	3,4	17,2
Cash	153,5	193,0
Total assets	**312,6**	**356,2**

Equity and liabilities	30.06.20	31.12.19
Equity	209,6	239,8
Non-current int. bearing debt	17,1	17,6
Non int.bearing debt	60,5	56,4
Trade payables	6,3	9,8
Other current liabilities	19,0	32,5
Total equity and liabilities	**312,6**	**356,2**

Comments

- Acquisition of InSunWeTrust represented as goodwill in intangible assets (NOKm 91), and remaining earn out obligation as non.int bearing debt. Settlement 90% Otovo shares / 10% cash during July 2020 and 2021/2022
- Cash position NOKm 153 as of 30.06.2020

Guidance 2020

- Target cash position 31.12.2020 NOK 65-75m, after expected equity funding of EDEA (AssetCo) of NOK 25m
- Restart of growth / business development activities in H2 2020 not-included in target cash position

Solid and long term owners

July 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, administered 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

Total number of issued shares	8,545,327
ISWT sellers loan & earn out	240,315
Employee share options execution	76,572
Total number of issued shares registered July 2020	8,862,214

Top shareholders

#	Name	Subscription capital
1	Axel Johnson	21,8%
2	Agder Energi Venture	10,3%
3	Akershus Energi	10,0%
4	Andreas Thorsheim (founder & CEO)	9,8%
5	Nysnø (Fornybar AS)	9,6%
6	KLP (AksjeNorge and KLP Liv)	8,2%
7	OBOS	4,2%
8	Simen Jørgensen (CPO and Founder)	3,1%
9	Andreas Bentzen (CTO and Founder)	2,7%
10	Lars Syse (CFO and Founder)	2,4%
11	Others	18,0%

Founders hold more than 20% of shares

Sources: Home pages and annual reports

Contents

Giving access to solar power to more people

OTOVO

	Strong personal economy	Normal personal economy
Green motivation	1 Innovators	Early majority new
Savings motivation	2 Early adopters	

LEASING EMPOWERS THESE

Launch obtaining extensive PR coverage

OTOVO

Expansión

ORBYT. | Ediciones ▾ | Versión ▾

MERCADOS | AHORRO | EMPRESAS | ECONOMÍA | EXPANSIÓN&EMPLEO | JURÍDICO | TECNOLOGÍA

Otovo lanza un sistema de 'renting' de paneles solares para consumidores domésticos

03/06/2020 | EUROPA_PRESS

Twitter

MADRID, 3 (EUROPA PRESS)

Otovo ha lanzado un servicio de alquiler de paneles sola
ofrece a los consumidores la posibilidad de instalar esta
de las viviendas unifamiliares, sin necesidad de inversión previa, según

elperiódico de la energía

POLÍTICA ENERGÉTICA ⌄ ELÉCTRICAS ⌄ RENOVABLES ⌄ PETRÓLEO
EFICIENCIA ⌄ MERCADOS ⌄ MEDIO AMBIENTE ⌄ MOVILIDAD ⌄ T

La noruega Otovo lanza un 'renting' para autoconsumo: alquiler de paneles solares para instalaciones sin inversión previa

Menú | Buscar | epeconomía | europa press | Abon

Otovo lanza un sistema de 'renting' de paneles solares para consumidores domésticos

ENERGÍAS RENOVABLES
El periodismo de las energías limpias

Agenda | Cursos | Empresas | Empleo | tvER | Quiénes somos | Sábado, 11 de julio de 2020

Inicio | Panorama | Eólica | Solar | Bioenergía | Otras fuentes | Ahorro | Almacenamiento | Movilidad | Entrevistas

La compañía noruega Otovo lanza en España la instalación de autoconsumo gratis total

Miércoles, 03 de junio de 2020

90

Antonio Barrero F.

Otovo ofrece al usuario un servicio "llave en mano" de instalación de paneles solares en viviendas unifamiliares (instalaciones para autoconsumo). Otovo se ocupa de todo: (1) dimensiona un sistema fotovoltaico optimizado para cada tejado; (2) busca el mejor precio entre su red de instaladores certificados; y (3) le hace al cliente una propuesta de instalación (si este está conforme, Otovo se hace cargo de todo el proceso: "antes, durante y después de la instalación"). Hace solo unos días,

Comments

- Leasing is **first-of a kind product in Spain**, generating hundreds of impacts and driving unseen volumes of traffic
- **Norwegian and nordic origin is viewed in a very positive light** across Spain and Southern Europe in general: modern, trustworthy and environmentally conscious
- These elements contribute and confirm our **ability to build a pan-European brand** across many countries beyond our existing footprint

Customer feedback is very positive in Spain

The entire process from configuration to setup, licensing and installation has been done **quickly and easily**. The way to advise me on the installation has been **transparent and clear**. **Even with an alarm state** in between, the installation has been carried out very quickly.

- *Teodoro, Google*

The whole process, from the first contact with Otovo, has been **fluid and friendly**; They have **met the established deadlines**, and my facility is **working with all the administrative procedures** carried out. **Unbeatable follow-up work** and the concern of his staff (Pablo) that everything works well. They take an interest and care about it.

- *Antonio, Trustpilot*

Excellent work, **very serious and recommendable company**. I hope to enjoy the installation for many years.

- *Juanjo, Habitissimo*

In my experience with them, it is a **serious and compliant company**. Highly recommended.

- *Anto, Google*

Sincere and professional attention, very happy with them.

- *Jose, Habitissimo*

Leasing is a countercyclical product that has had a positive impact on KPIs

Comments

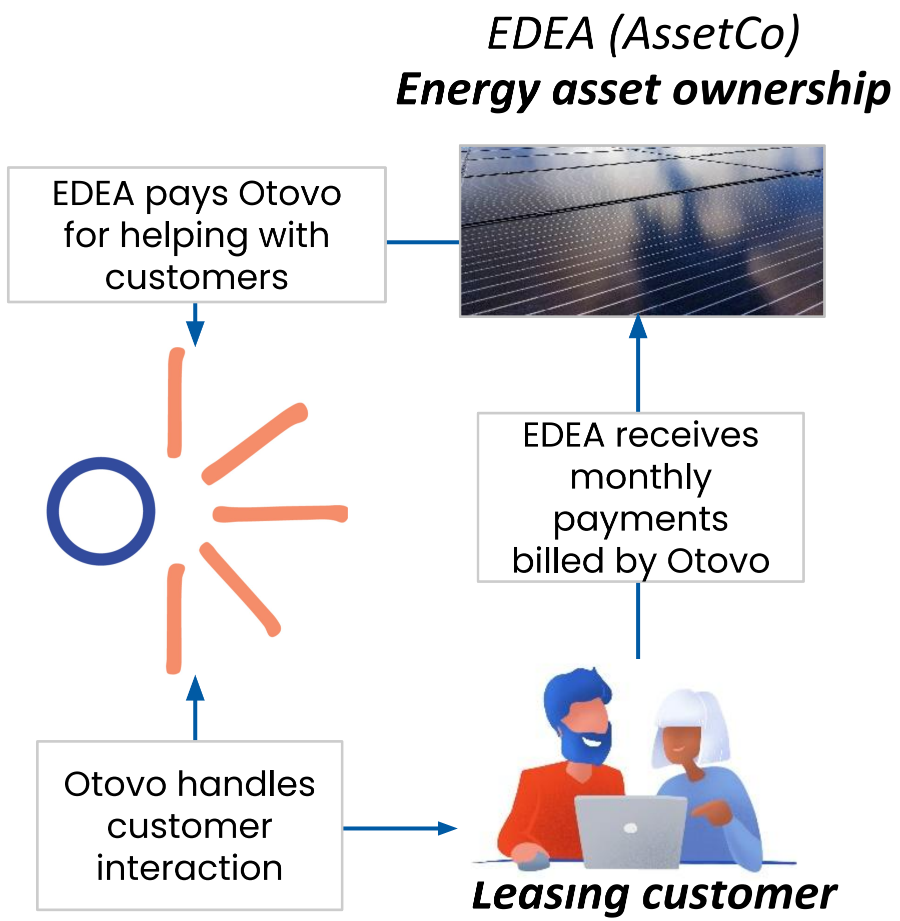
- Leasing was launched in Spain on June 3rd and in Norway on June 10th
- We expect the share of leasing sales to grow, as the direct purchases are leads from confinement times, so we are enjoying "catch-up sales" from March and April
- Early signs of the positive impact of leasing:
  - Cheaper leads
  - Improved conversion and shorter sales cycles
  - Significant contribution to sales volume converting customers that otherwise would not have

Launching EDEA -
An opportunity to deploy NOK 1bn+ 2020-2023

Comments

- European Distributed Energy Assets (EDEA) owns the solar systems and receives fixed monthly payments from leasing customers
- Otovo handles all customer interaction and receives service and maintenance fees from EDEA
- Based on initial customer feedback and forecasted growth of residential solar it is estimated that EDEA will deploy assets for more than NOK 1bn 2020-2023
- Credit approved term sheet with large Nordic bank for initial debt funding of EDEA. Facility of NOK 50m at attractive terms
- Initial stage equity of NOK 25m is funded by Otovo. Additional equity of approx. NOK 30m to be raised from existing Otovo shareholders during August/September

The Otovo leasing concept



Distributed solar assets investment opportunity

Volume	**NOK 1 bn+ capital deployment next three years**	• Solar systems represent a significant investment for the avg household – leasing removes financial barriers • Continuous capital deployment
Cash flow	**Highly attractive cash flows**	• 20 years of fixed monthly payments from customers with CPI-adjustment • No regulatory risk in contracted revenue stream • No power price or power production volume risk for AssetCo
Diversification	**Solid counterparties and easily manageable risk**	• AssetCo will provide financing of critical infrastructure (power supply) for solid house owners in stable and prosperous Western European countries with low political risk • Risk management benefit in large number of independent counterparties
Yield compression	**Yield compression case at exit**	• With an established portfolio and demonstrated track-record, the perceived risk is lowered and there is a potential to sell the portfolio to investors with lower return requirements

Contents

Leasing product off to a great start with consumers - now we'll be offering investment into solar assets

- **Covid impact: Expecting a no-growth year, but entry speed into 2021 that is highly encouraging**
  - Profitability per project improved
  - More growth outside Scandinavia
  - France moving to Otovo platform in second half 2020

- **Leasing offer started: Successful launch and promising early numbers**
  - PR and public reception very positive
  - Improving key metrics on all fronts

- **EDEA launch now: We're executing on creating EDEA – the asset owning company that will hold the leasing assets on its balance sheet**
  - Otovo and Otovo shareholders to take first leg
  - Nordic bank debt facility secured
  - Plan to deploy NOK +1bn in the medium term (2020-23)

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