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Otovo
The solar and battery marketplace

Q3 22 presentation
18 October 2022

The European solar & battery marketplace

On the mission to put solar panels on every roof and batteries in every home in Europe - in the easiest and most affordable way

Otovo installation in Italy, Q3 2022

Today's session

Present from Otovo

Andreas Thorsheim
Founder and CEO

Petter Ulset
CFO

Sondre Bergløff
Investor relations

Agenda

1. Business update
2. Financial results
3. Summary
4. Q&A

Agenda

Business update

Financial results

Summary

Q&A

A breakthrough quarter of records and subscription growth

+170%
Q3 21: 86

Revenues Generated
235 NOKm

+290%
Q3 21: 14

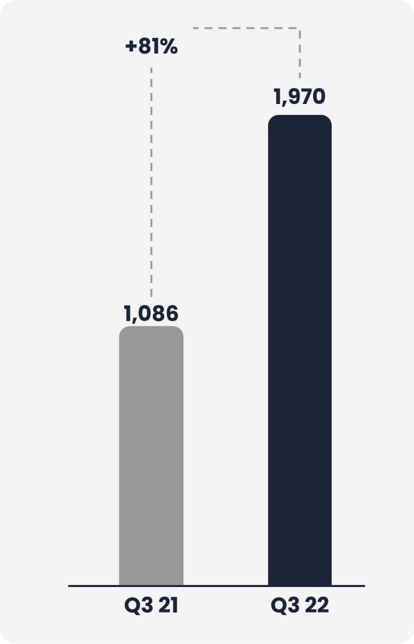
Gross Profit Generated
53 NOKm

+230%
Q3 21: 69

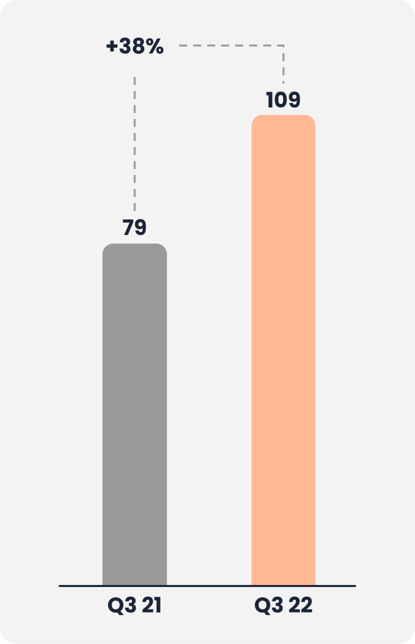
Accumulated Contracted Subscription Revenue
227 NOKm

Unit sales & installations up with growing tickets

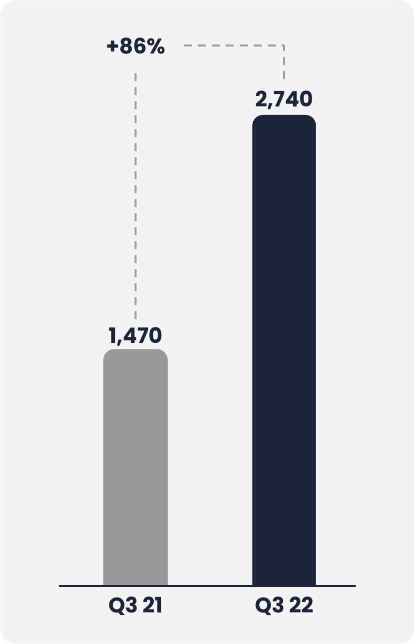
Installations
Number of projects



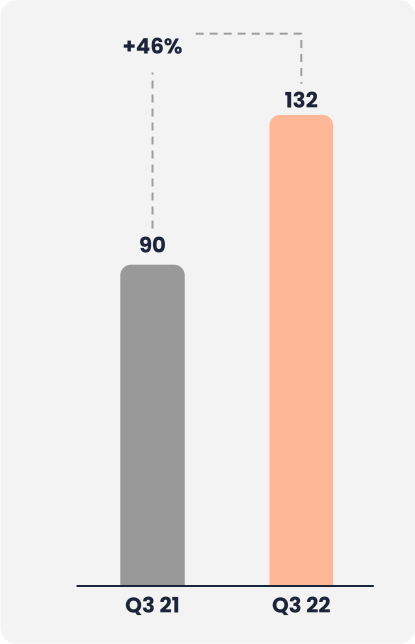
Installations
Ticket size, NOKk[1]



Sales
Number of projects



Sales
Ticket size, NOKk[1]

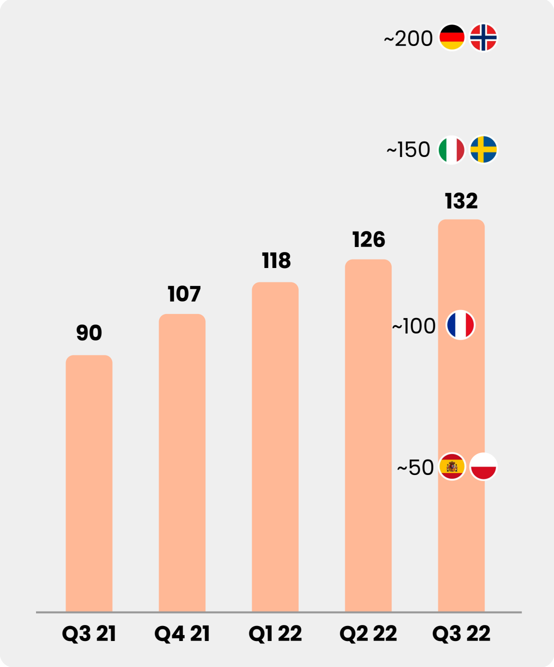


Note: 1) Including batteries

Ticket sizes and margins keep improving

Ticket size

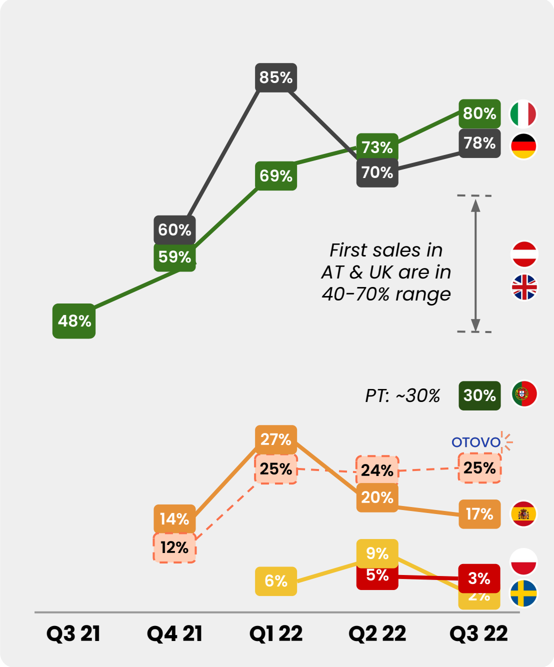
Average ticket size sold, NOKk



Customers buy bigger and more expensive systems

Battery attachment rate

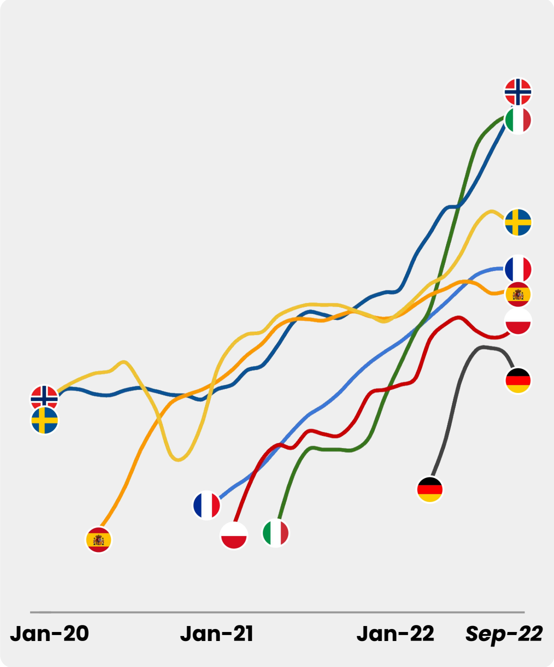
Battery attachment rate, sold projects



Batteries included on 1 in 4 sales

Margins

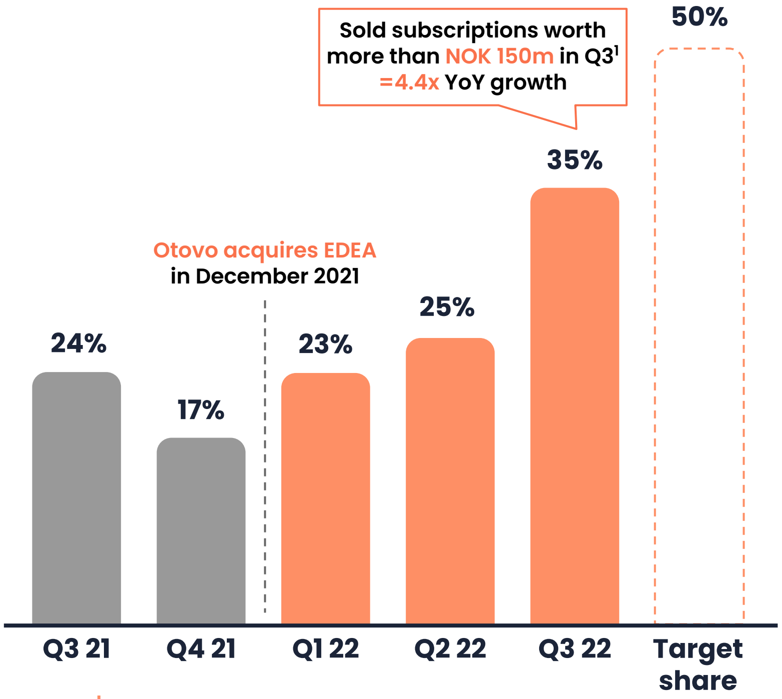
Sold margin (indexed), 3 month moving average



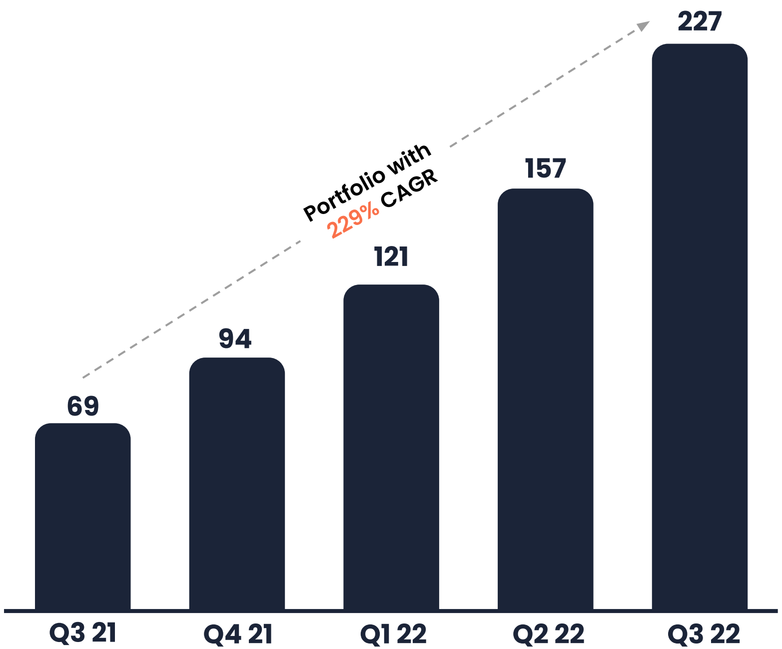
Margins are increasing in nearly all markets

Step-change in subscription sales: Now sold to 35% of customers, accelerating growth of the NOK 227m portfolio

Share of sales on Subscription model
Percent of total sales



Accumulated Contracted Subscription Revenue
Portfolio of installed projects, figures in NOKm



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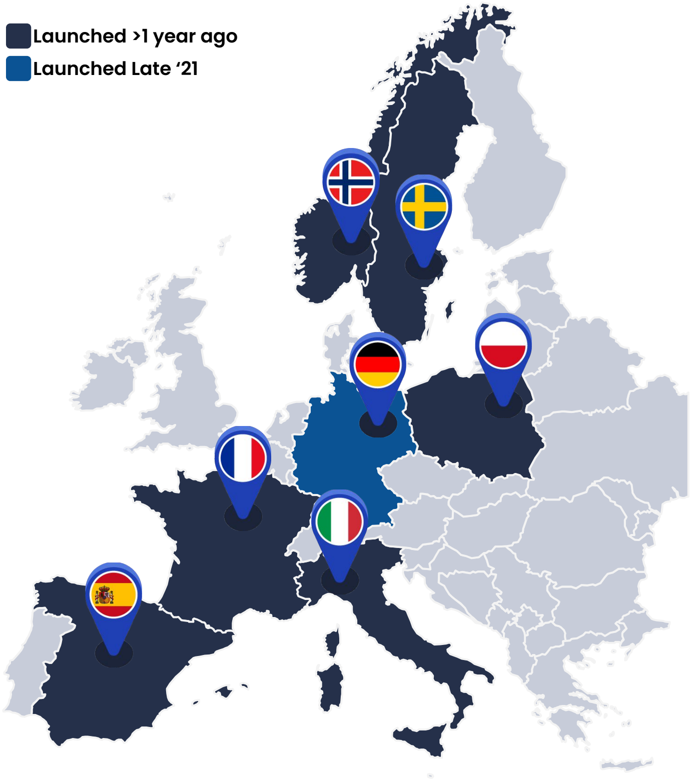
Note: 1) Contracted Subscription Revenue of projects sold in quarter

At the end of 2021, Otovo was established in 6 markets, and had recently launched Germany

Launched >1 year ago
Launched Late ‘21



Launch to maturity journey of a new country

	Web site and legal	Active installers	Active sales	Completed installation	Unit positive	EBITDA[1] positive
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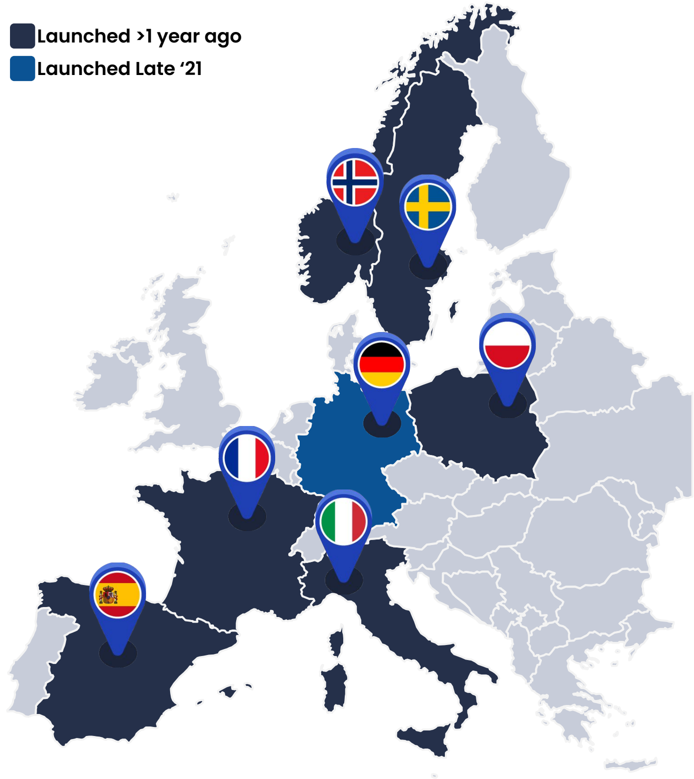
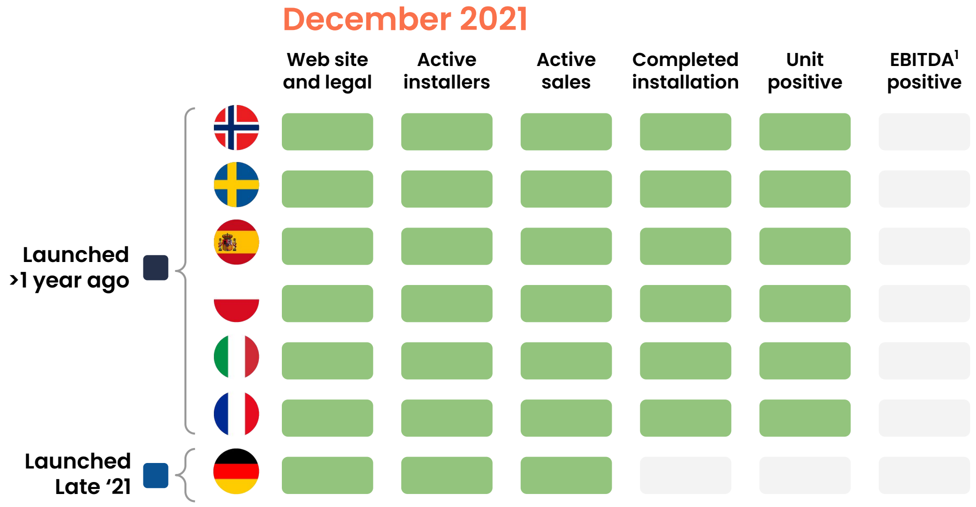
Otovo develops each one of its country business units from launch to maturity following the same steps

As Otovo has gained confidence in its model, we have taken on expansion in more countries simultaneously

Note: 1) EBITDA Generated on installed projects, before group costs

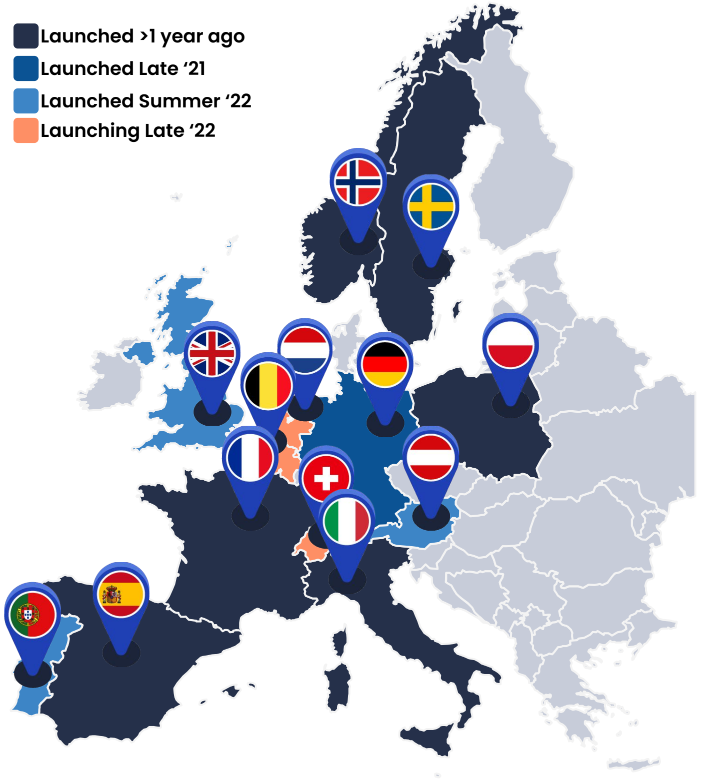
At the end of 2021, Otovo was established in 6 markets, and had recently launched Germany

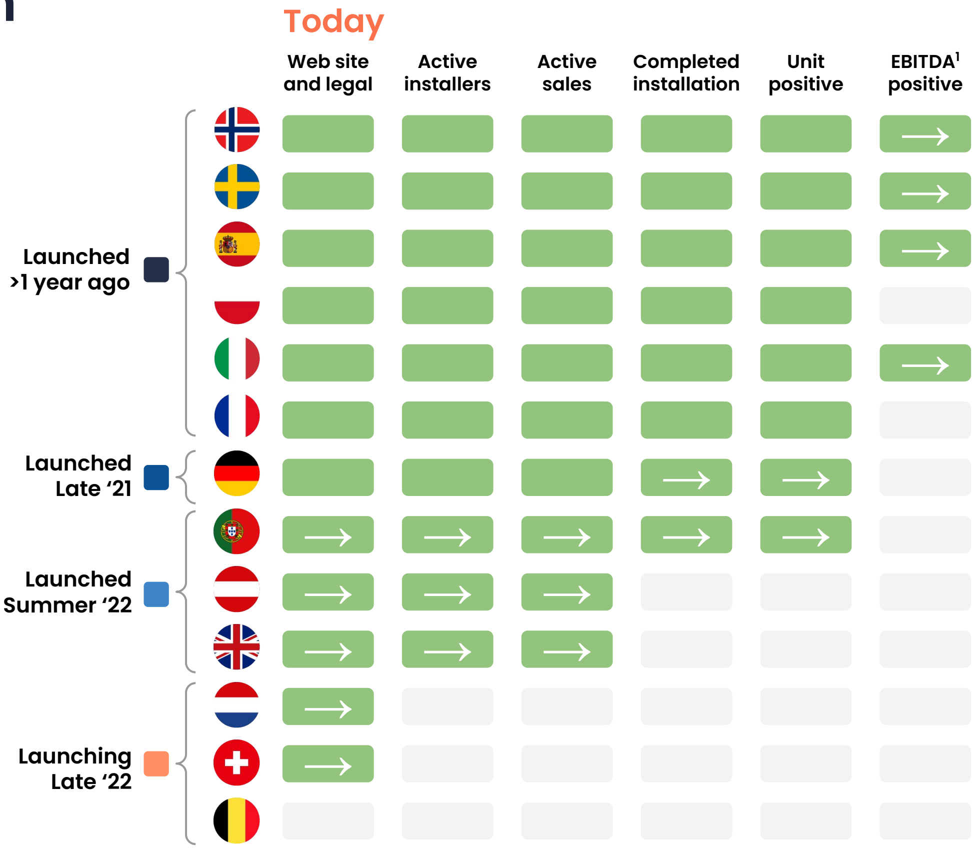




Note: 1) EBITDA Generated on installed projects, before group costs

Otovo’s model is now being rolled out - every country progressing according to plan





Note: 1) EBITDA Generated on installed projects, before group costs

Increased demand for solar in a challenging time for Europe – Otovo has a clear role to play in mitigating the problems

Current macro trends in Europe	
Interest rates ↑	Inflation ↑
Energy prices ↑	Geopolitical stability ↓

Impact on Otovo	
Need for solar energy to replace gas imports ↑	Policy response ↑
Demand for PV as cost saving ↑	Consumer sentiment ↑

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Otovo resisting inflationary pressures – increasing margins

Hardware and **labour** costs are increasing, but Otovo is able to increase **markup**

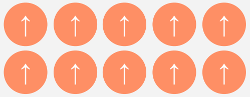
Hardware costs

9/10 countries increased YoY

Labour costs

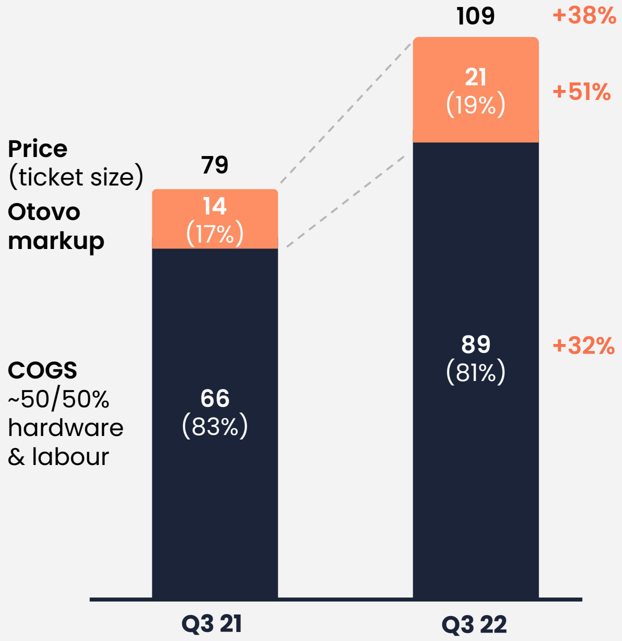
9/10 countries increased YoY

Otovo markup



10/10 countries increased YoY

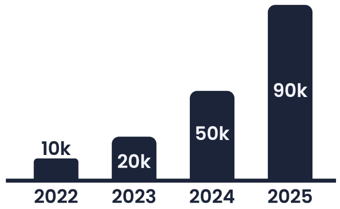
Economics of average installed project
Assuming all projects are direct purchase, NOKk



Strategic focus on volume growth, hardware and subscription

Current focus

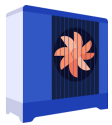
Volume growth



- Current plan built on **doubling volume every year** from 2020-2025
- **Entering new markets** aggressively in 2022
- **Gaining market share** in existing ones

Potential: **Current trajectory to ~90k sales in 2025**

Hardware extensions



- **Batteries** added in Apr 2021, a resounding success in year 1
- Battery attachment rate at 25% and rising
- Further upside potential with EV chargers, heat pumps, energy management tech etc.

Potential: **Ticket size increase by adding hardware types**

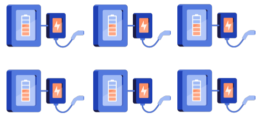
Subscriptions

- Subscription deployment grows from both **Otovo's overall growth** and a rising **subscription ratio in sales**
- **Profits per customer** are ~2x direct purchase profit
- Confident in **developing financial structure** of SPV

Potential: **Building long term customer contracts at scale**

'Next horizon'

Grid services



- Operating **fleet of batteries**, providing flexibility and response services to grid
- **Virtual Power Plant** (VPP) increasingly monetizable
- Developing contracts and tech capabilities during 2023

Potential: **Significant potential from managing large fleet of batteries in Europe**

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Strong performance on reported financials

IFRS accounts

Consolidated Financial Summary

(NOK 000')	**Q3 2022**	Q3 2021
Total operating revenue	179,131	87,746
COGS	140,356	72,476
Opex	105,150	46,239
Depreciation	16,266	4,502
Operating profit	-82,641	-35,471
EBITDA	-66,375	-30,969
EBITDA%	*-37%*	*-35%*

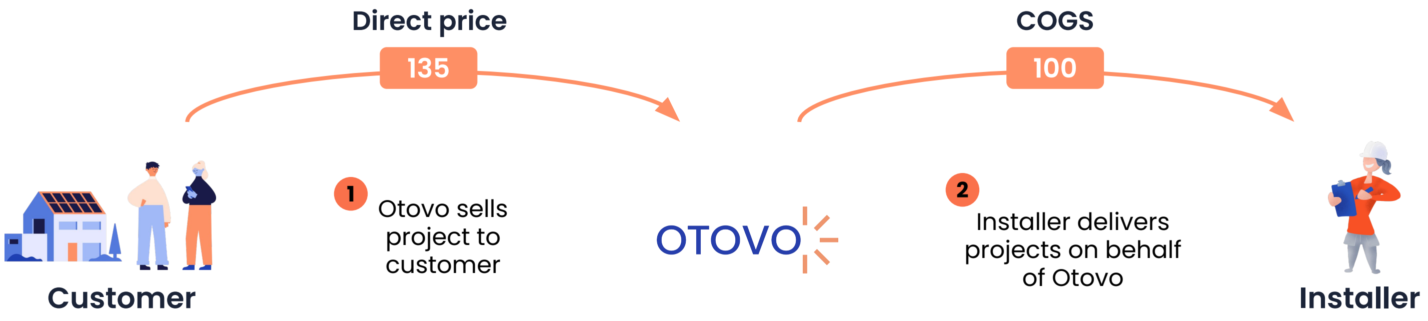
Consolidated Balance Sheet

(NOK 000')	**Q3 2022**	Q3 2021
Non-current assets	438,652	176,280
Inventory	16,358	0[1]
Cash	291,055	206,752
Other current assets	206,898	46,855
Assets	952,964	429,886
Equity	619,986	335,363
Liabilities	332,978	94,523
Equity and liabilities	952,964	429,886

Note: 1) Included in Other Current Assets in previous quarters

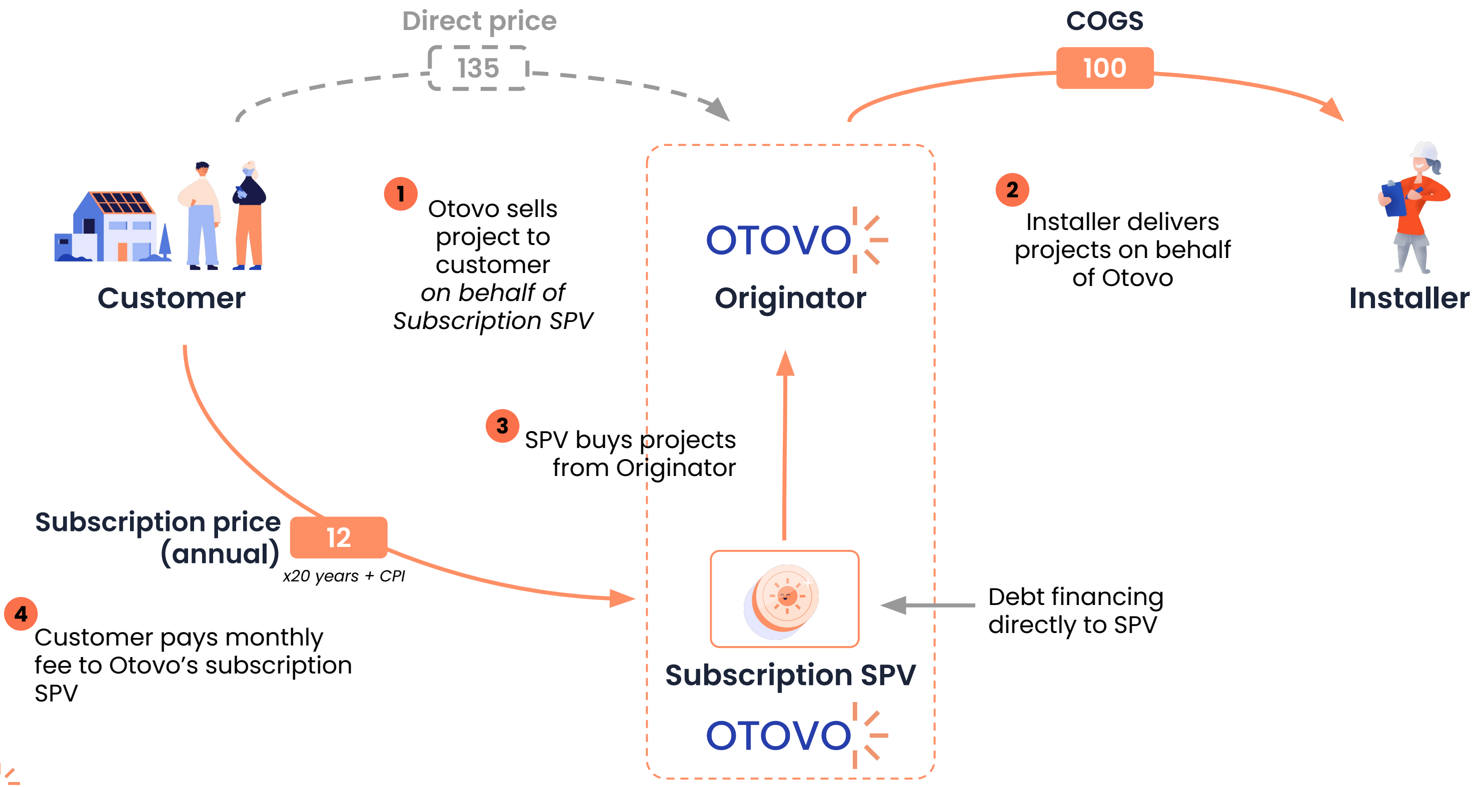
Consumer either buys on a Direct purchase model

xxx *Example figures, indexed to COGS=100*



… or through entering into a long term Subscription with Otovo

xxx *Example figures, indexed to COGS=100*



Reported financials do not reflect underlying value creation in Subscription portfolio – introduction of Key Metrics

	Direct purchase (~65% of customers today)	Subscription (~35% of customers today)	Otovo Group
Revenue	**Revenue** Booked revenue, value of upfront payment from customer	**Contracted Subscription Revenue** Present value of all subscription payments over 20 years, discounted at 5%	**Revenue Generated** Revenue + Contracted Subscription Revenue
Profit	**Gross profit** Revenue - Upfront COGS, value of payment to installers (inc. HW)	**Gross Subscription Profit** Contracted Subscription Revenue - Upfront COGS, value of payment to installers (inc. HW) - Present value of O&M cost (Inverter replacement in Y 10 & customer service)	**Gross Profit Generated** Gross Profit + (Gross subscription profit
Assets		**Accumulated Contracted Subscription Revenue** Present value of the remaining cash flows from subscription contracts, discounted at 5%	**Accumulated Contracted Subscription Revenue** Present value of the all remaining cash flows from subscription and service contracts, discounted at 5%

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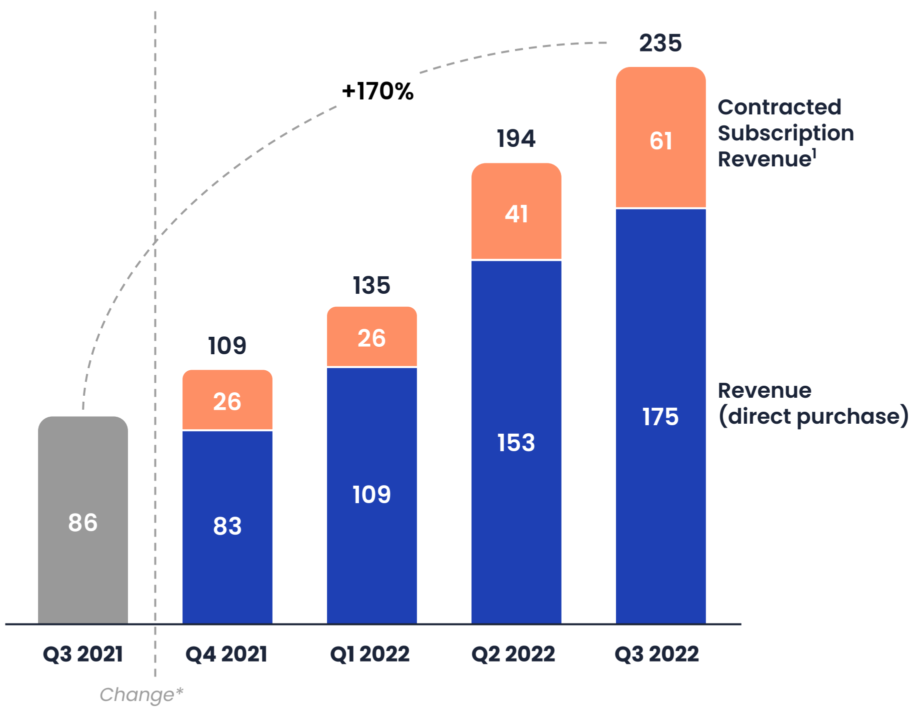
Discount rate: Rate used to discount future subscription cash flows in order to calculate net present value. The discount rate of 5% is based on a conservative estimate of the weighted average cost of capital (WACC) of the subscription cash flows and observations of common industry practice (see US peers RUN and NOVA). This allows rooms for fluctuations in capital costs, while ensuring value upside from funding or exit at lower cost of capital.

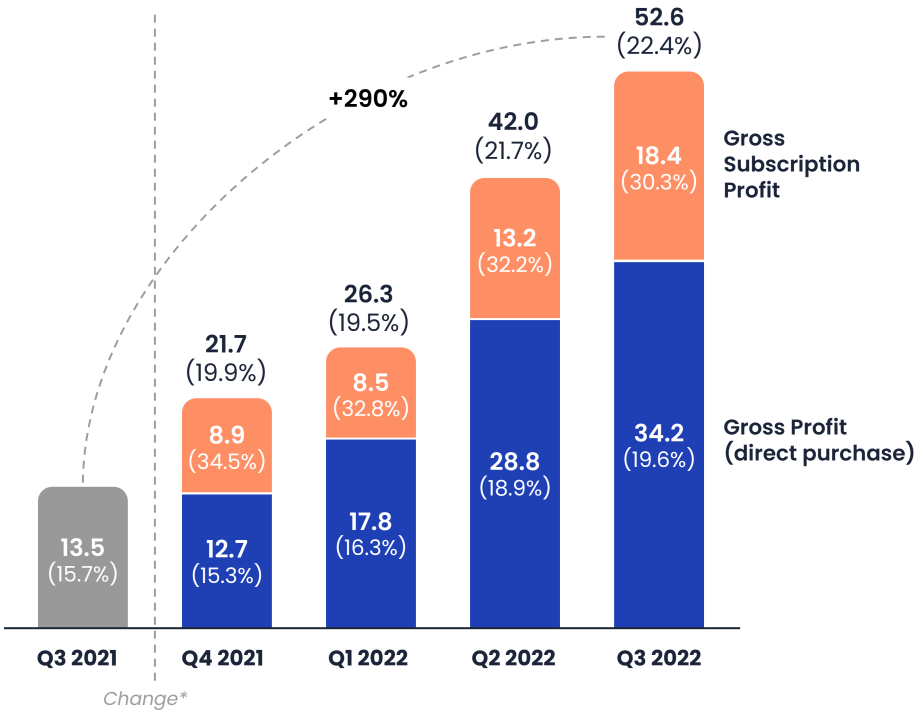
Strong improvement in profitability - Contracted Subscription Revenue increasingly important share of Revenue Generated

Key metrics

Revenue Generated (NOKm)



Gross Profit Generated (NOKm)

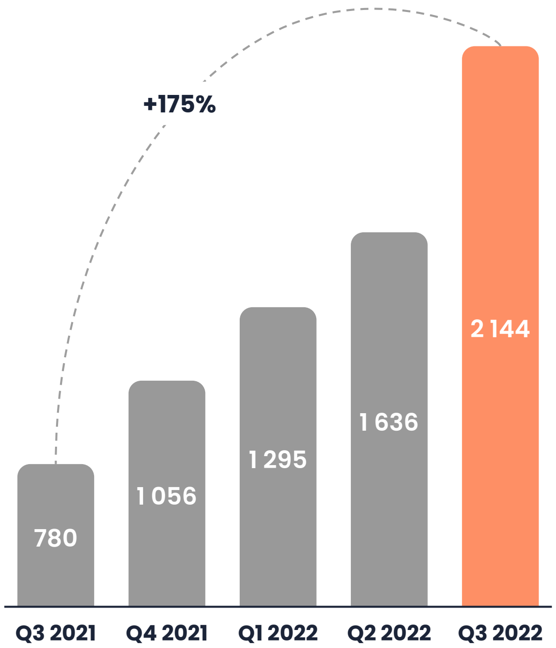


*Reclassifications not reflected in historical numbers (details in Note 1 in the Q4 21 financial report)
Note: 1) Unlevered IRR of 11.6% for Q3 projects (Future customer payments assuming 2% inflation with Otovo COGS as face value)

Continued growth in Subscription segment

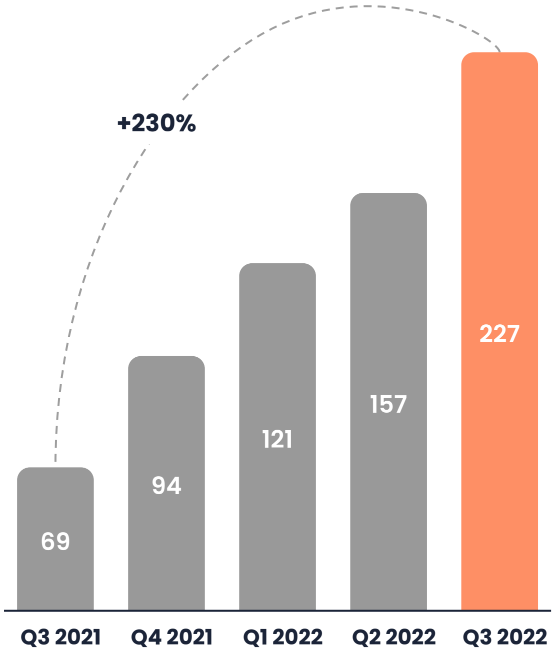
Total Subscribers

of customers with active subscriptions[2]



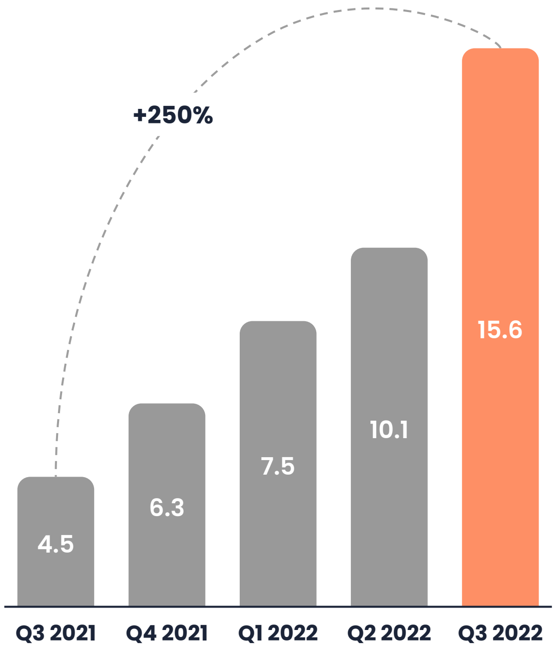
Accumulated Contracted Subscription Revenue

Contracted Sub. Revenue from installed projects, NOKm



Annual Recurring Revenue

Annualized Subscription Revenue, September[1], NOKm



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1) Annual Recurring Revenue (ARR) equals the monthly Subscription Revenue in the last month of the period, multiplied by 12
2) Some deviation in figures prior to Q3 due to timing of buyouts (~0.5% delta)

Business case for residential solar better than ever; Otovo's subscription product to benefit from economic climate

Current macro trends in Europe

Impact on subscription portfolio

Attractiveness of solar:

- Market is experiencing increased cost per watt due to inflation in **hardware and labour costs**
- Economics of solar have improved due to the substantial increase in energy prices
- Otovo selling higher **ticket sizes** than before, on higher **margins**

Attractiveness for consumer:

- Subscription model requires no upfront cash from consumers, favourable when **credit availability** is reduced and economic **outlook is more uncertain**

Attractiveness for investors:

- Portfolio is **inflation adjusted** annually; payment curve permanently shifted upwards in month 13, never shifted down
- When **interest rates** increase, yield on new subscriptions are increased

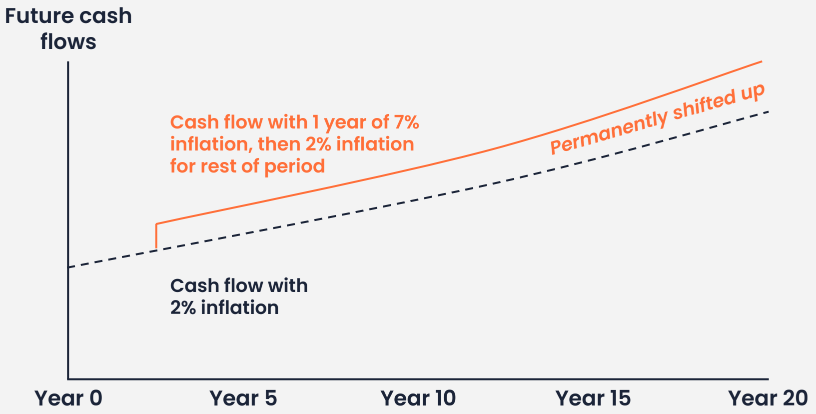
Subscription portfolio is resilient to changes in discount rate, through contractual one-sided inflation adjustment

Factors affecting portfolio value[1]

Net Present Value of subscription portfolio = **# of subscription customers** × **Recurring payment** × $\frac{\textbf{Inflation}}{\textbf{Discount rate}}$

Net Present Value of subscription portfolio	# of subscription customers	Recurring payment	Inflation / Discount rate
Accumulated Contracted Subscription Value	*Driven by volume and subscription share*	*Determined by markup and yield*	*Both vary over economic cycles, usually together*

Single-contract illustration: Effect of inflation on cash flow



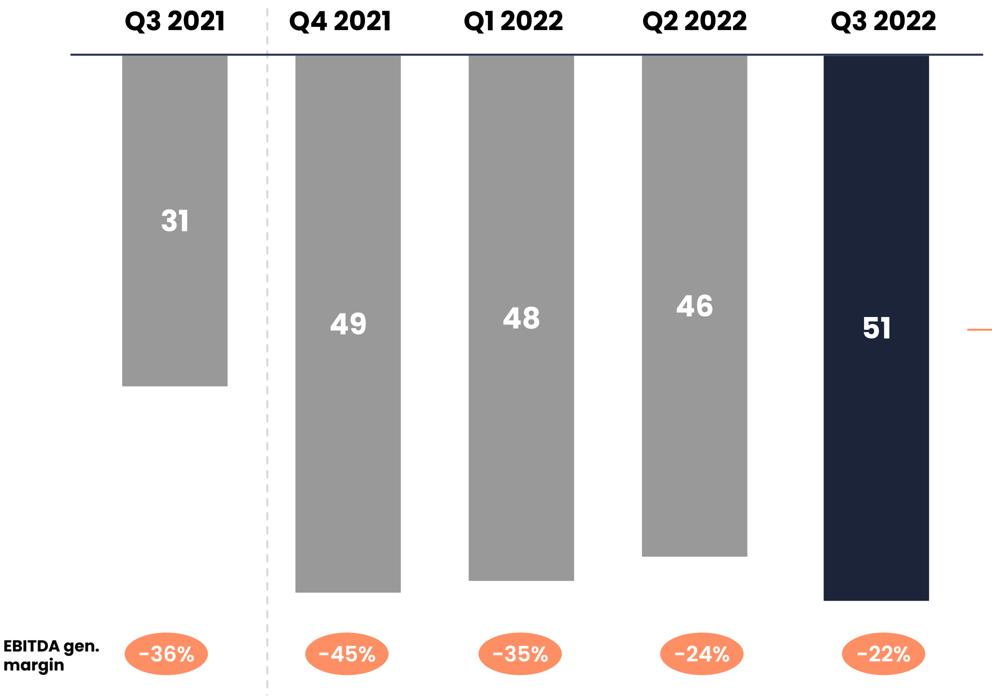
Portfolio value: Sensitivity to discount rate and inflation

Inflation \ Discount rate	3%	4%	5%	6%	7%
5%	161.4	145.8	132.2	120.3	109.9
4%	146.0	132.2	120.2	109.7	100.5
3%	132.2	120.1	109.5	100.3	92.1
2%	120.0	109.3	100 Base case	91.8	84.5
1%	109.1	100.0	91.5	84.2	77.8
0%	99.5	91.2	83.9	77.4	71.7

Note 1) Simplified relationship. Actual equation per contract is $NPV = COGS((markup)\sum_{y=1}^{y=N}\frac{r(1+i)^{y-1}}{(1-(1+r)^{-y})} - 1)$ *, where r is the interest Otovo charges, y is month, N is duration*

EBITDA Generated margin continues to improve

EBITDA Generated (NOKm)[1]



Comments

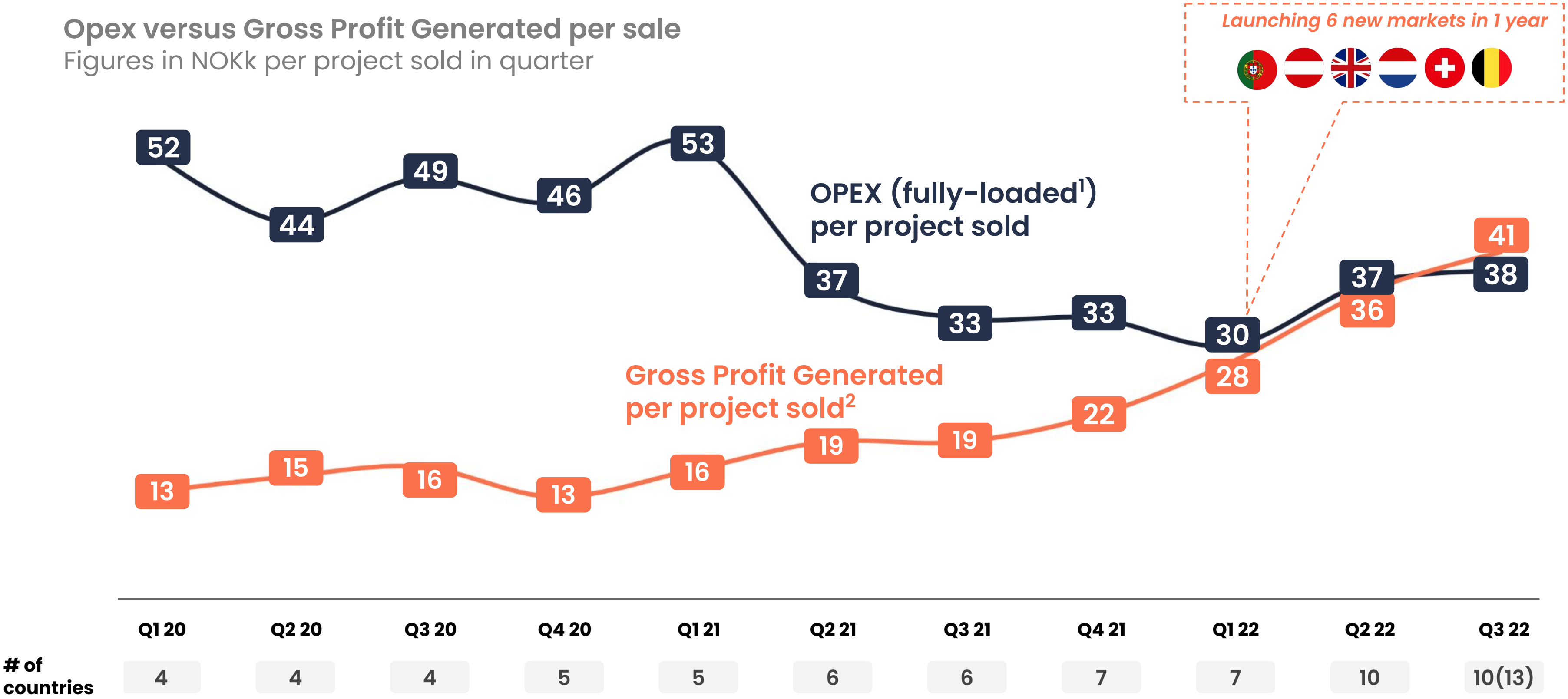
EBITDA[2] Generated at NOK -51m down from NOK -46m in Q2 *of which*:

- **Non-recurring items totalling -13.6m, including country launch, growth-related costs and fair value adjustment of Italian tax credits**
- **Non cash cost related to share-based compensation -8.7m**

1) Showing pro-forma figures for Q4 2021, and reported figures in Q3 2021
2) The details of the EBITDA Generated metric are set out in Otovo Q3 2022 Report

Q3 sales are profitable on EBITDA generated level

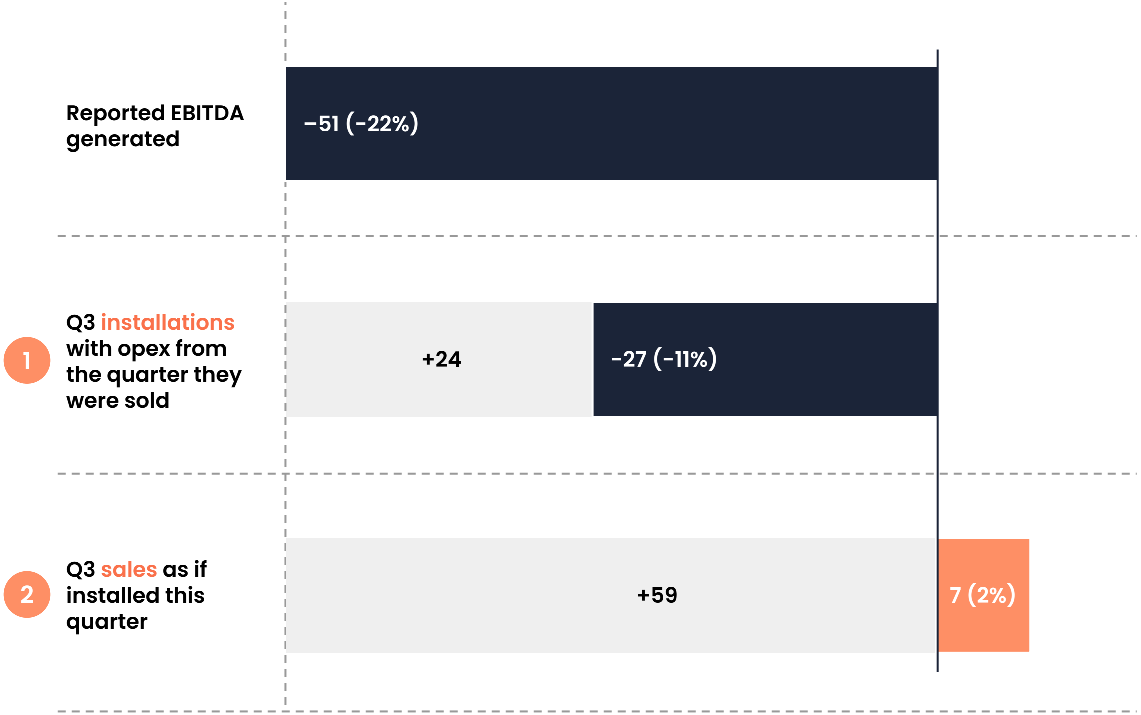
Opex versus Gross Profit Generated per sale
Figures in NOKk per project sold in quarter



1) Includes all payroll and other operating expenses. Depreciation, amortization and impairment is excluded
2) Prior to Q4'21, showing Otovo gross profit, i.e. excluding the value generated for EDEA. Q4'21 shown as if EDEA fully owned Oct-Dec.

Reported EBITDA skewed by time lag of installations, and investments in growth - Healthy underlying profitability

Underlying profitability (NOKm)



Comments

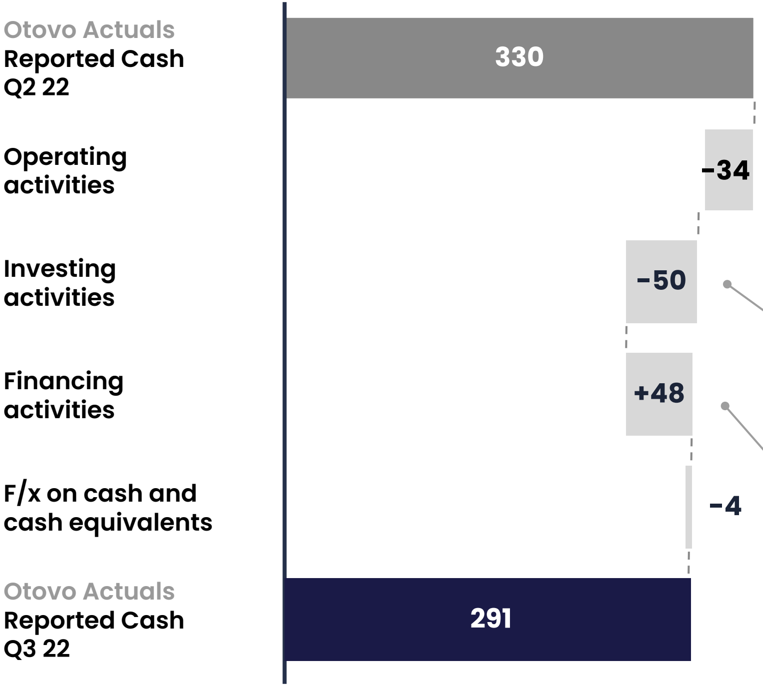
- Otovo is growing aggressively by expanding to new markets
- We make significant investments as Opex before reaping benefits months later
- With strong positive unit economics potential for EBITDA profitability is clear and present in Otovo's business model
- Accounting for growth effect through different lenses shows underlying business health:

1. Using the opex from the time the project that were installed in Q3 were sold would cut the EBITDA loss in half

2. Using the sales of this quarter and the opex of this quarter shows that the business is positive when adjusting for the time lag for the projects to be realized.

Cash position still solid, down NOKm 39 in quarter to NOKm 291

Cash development during Q3 2022 (NOKm)



Details on cash flow relating to operating activities

NOK -34m of cash flow from operating activities
- Cash EBITDA of NOK -50m
- Improved operating working capital - NOKm 26 over period despite increase in inventory of NOKm 6
- Non-operating working capital increased by NOK 10m driven mainly by Italian tax credits

NOK -50m from investing activities
- Equity paid in for Holu, Brazilian JV, of NOK 5m
- Capitalized R&D (software development) of NOK 7m
- NOK 38m invested in Subscription assets

NOK 48m of cash flow from Financing activities which in large is due to draw on debt with Nordea in the quarter

Note: Does not sum due to rounding

Important financial priorities for Q4

Refinancing of subscription SPV


Otovo ASA
Green Finance Second Opinion

- Financing of Subscription SPV develops according to plan laid out earlier - we have drawn NOKm 75 and secured an additional NOKm 75 from Nordea
- As communicated on Q2 we have launched a process to secure SPV financing for 2023+, and dialogues have been initiated across Nordic and International lenders
- As part of the process Otovo has developed a Green Financing Framework which has received a Dark Green rating by CICERO
- Lenders have shown strong interest and responses have been positive – financing expected to be secured in coming months
- Key focus area for the company is to increase the leverage ratio and ensure flexibility suited to the subscription business model and future growth

Sale of Italian tax credits


la Repubblica
Superbonus, the Revenue Circular arrives to restart the assignment of credits

- Tax credit market stopped before summer - parties awaiting election and passing of certain rules on transferability of credits - market has now reopened
- Non-functioning market is significant problem in several Italian industries and has been a recurring topic in Italian press and political debate
- Otovo have signed agreements with two leading Italian banks for sale of a total of EUR 9m gross value
- Sale will be done in several tranches. Transfer of funds from first tranche completed in start of Q4

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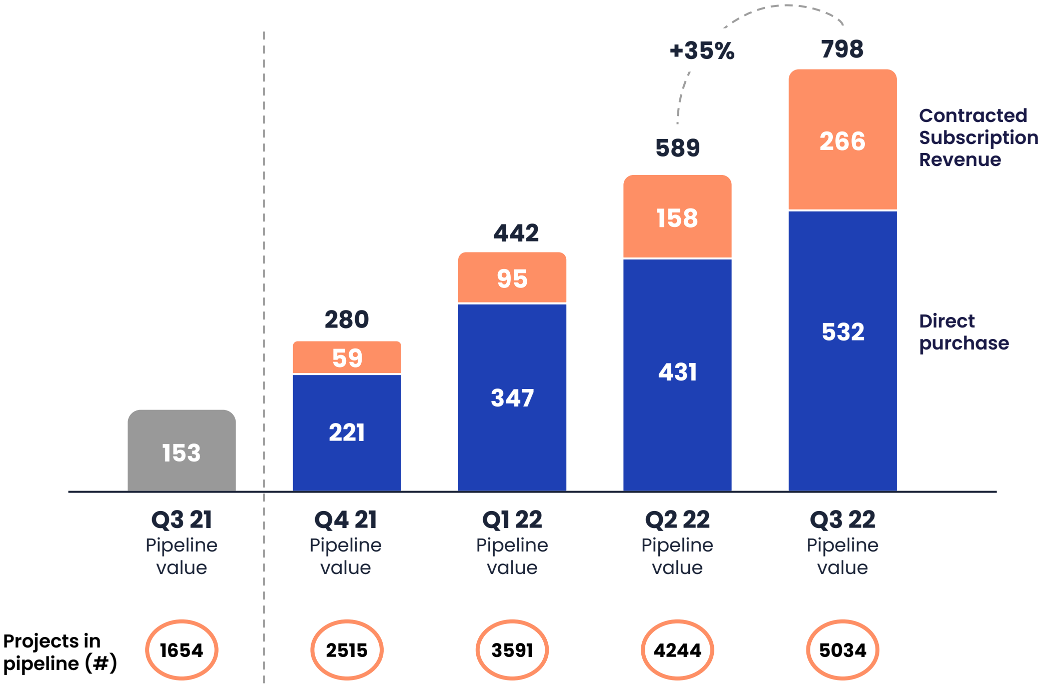
Very strong pipeline:
NOK 800m in pipeline, 266m of which are subscription projects

Pipeline value at end of quarter (NOKm)



Comments

- Building pipeline of **high-value** projects
  - Average project in pipeline has **ticket size of NOK 148k**
  - 1,483 projects in pipeline are on a **subscription** model, 29% of total
  - Pipeline consists of 1,275 projects that include a **battery**, 25% of all projects
- Good visibility on next few quarters' Revenue
- Comfortable with H2 target of **NOK 500m**, implying more than NOK 265m Revenues Generated in Q4

Note: A project is included in the pipeline when the contract with customer has been signed and is excluded when the installation is completed or the project has been abandoned

Frictions lifting – increasingly confident in outlook

Supply chain situation is easing

	Q1 22	Q2 22	Q3 22	Q4 + '23
Labour	High friction	Some friction	Some friction	Some friction
Panels	High friction	Some friction	Low friction	Low friction
Inverters & batteries	High friction	High friction	High friction	Some friction

Friction sources are lifting in labour and hardware, expected to take effect during Q4

Governments and EU support expected to add stimulus late in 2023

Outlook

Continued growth

- Easing friction in supply chain to have effect in Q4, and increasingly in Q1 2023
- Confident in ability to maintain >100% growth rate in coming years, implying at least
    - NOK 660m Revenues Generated in first half of 2023


Otovo subscription system in Oslo, Q3 2022

Breakthrough quarter, subscriptions stepping up

- **ANOTHER QUARTER OF RECORDS** in sales, installations, revenue and margin:
  - 2,740 sales versus 1,470 same quarter last year, **up 1.9x**
  - 1,970 installations versus 1,086 same quarter last year, **up 1.8x**
  - NOKm 235 Revenue Generated versus NOKm 86 same quarter last year, **up 2.7x**
  - NOKm 53 Gross Profit Generated versus NOKm 14 same quarter last year, **up 3.9x**
- **BREAKTHROUGH QUARTER FOR SUBSCRIPTIONS**, portfolio reaching NOKm 227, and selling more than NOKm 150 worth of subscription projects in a single quarter
- **PAN-EUROPEAN POSITION ESTABLISHED:** Otovo successfully launched in Portugal, UK and Austria, having sold projects in 10 European countries. Netherlands, Belgium and Switzerland announced as next three markets to be added in 2022
- **INFLATION:** Hardware and labor costs are increasing, but Otovo is able to increase markup and margins in all countries
- **EASING FRICTIONS** in supply chain to have effect in Q4 and increasingly in 2023
- **STRONG OUTLOOK**, reiterating guiding of NOKm 500+ Revenue Generated in second half of 2022 (265m remaining in Q4). Confident in continued >100% growth into 2023, implying at least NOKm 660 Revenue Generated in first half of 2023

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Appendix

Historic figures | Pipeline vs. sales vs. installations

Q3 2022	Unit	Sales	Pipeline	Installations
Units	**#**	**2,740**	**5,034**	**1,970**
Direct purchase	*#*	*1,768*	3,551	1,449
Subscription	*#*	*972*	1,483	521
Subscription share	**%**	**35%**	**29%**	**26%**
Battery attachment rate	**%**	**25%**	**25%**	**22%**
Avg. ticket size	**NOKk**	**132**	**148**	**109**
Direct purchase	*NOKk*	*133*	*150*	116
Subscription	*NOKk*	*131*	142	89

Q2 2022	Unit	Sales	Pipeline	Installations
Units	**#**	**2,398**	**4,244**	**1,745**
Direct purchase	*#*	*1,808*	*3,205*	1,382
Subscription	*#*	*590*	*1,039*	363
Subscription share	**%**	**25%**	**24%**	**21%**
Battery attachment rate	**%**	**24%**	**23%**	**19%**
Avg. ticket size	**NOKk**	**125**	**131**	**103**
Direct purchase	*NOKk*	*128*	*135*	*108*
Subscription	*NOKk*	*114*	*120*	*84*

Evolution of metrics

- Installation metrics (e.g. ticket size) naturally lag sales & pipeline metrics
- Due to differences in time from sale to installation between markets, pipeline can accumulate a skewed sample of sold projects
- E.g., longer lead time in markets with high ticket size will skew pipeline ticket size up, and installation ticket size down
- Projects sold and installed within the same quarter never enter pipeline, and are therefore only reflected in Sales & Installations

1) Ticket sizes shown net of tax credit loss in Italy. In the Q1 2021 presentation, ticket sizes were reported without subtracting tax credit losses.
Note: Battery attachment rate and subscription share in pipeline is estimated, and may deviate from time of installation due to changes in project or disproportionate abandonment rates. Characteristics of sold projects can change between time of sale and installation

Financials | Segment reporting

P&L if all assets were direct purchase

Actual revenues & cost for the subscription SPV

Eliminating the revenue & cogs on subscription assets (w/o value uplift)

(NOK 000')	Direct purchase	Subscription	Elimination	Otovo Group
Revenue	220,601	-	-46,053	174,548
Other operating revenue	2,119	3,150	-686	4,583
Total operating revenue	**222,720**	**3,150**	**-46,739**	**179,131**
Cost of goods sold	178,282	-	-37,926	140,356
Payroll and related costs	59,665	-	-	59,665
Depreciation, amortisation and impairment	5,783	1,641	8,842	16,266
Other operating expenses	44,376	1,805	-696	45,485
Operating profit/(loss)	**-65,386**	**-296**	**-16,959**	**-82,641**

Direct purchase segment - *Blue bars on p.22*

Subscription SPV now fully owned by Otovo, and will have a smaller cost base going forward

Not including value of subscription assets - artificially low. Replaced by the Key Metrics

Historical figures

Historic figures | Reported financials

Accounting measures	Unit	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Revenue (ex. other revenue)	*NOKm*	35	42	30	40	38	64	86	98	109	153	175
Other revenue	*NOKm*	0	0	0	5	0	0	2	2	3	3	5
Total revenue	***NOKm***	**35**	**43**	**30**	**45**	**38**	**64**	**88**	**99**	**112**	**156**	**179**
COGS	*NOKm*	-29	-36	-24	-33	-32	-54	-72	-82	-91	-124	-140
Gross profit	***NOKm***	**6**	**7**	**6**	**7**	**6**	**10**	**13**	**15**	**18**	**29**	**34**
Opex	*NOKm*	-28	-21	-29	-29	-42	-44	-44	-70	-76	-89	-105
EBITDA	***NOKm***	**-22**	**-14**	**-22**	**-22**	**-36**	**-33**	**-31**	**-53**	**-55**	**-57**	**-66**
Depreciation	*NOKm*	-5	-5	-5	-4	-4	-4	-5	-9	-15	-16	-16
EBIT (Operating profit)	***NOKm***	**-27**	**-19**	**-28**	**-26**	**-40**	**-38**	**-35**	**-62**	**-69**	**-72**	**-83**
Gross margin	*%*	*16%*	*16%*	*21%*	*18%*	*15%*	*16%*	*16%*	*16%*	*16%*	*19%*	*20%*
EBITDA margin	*%*	*-63%*	*-32%*	*-74%*	*-55%*	*-96%*	*-52%*	*-36%*	*-54%*	*-50%*	*-37%*	*-38%*

Note: Some historical figures updated after changes to reporting principles, and hence differ somewhat from previous quarters' reports

Historic figures | Operating metrics

Operating metrics	Unit	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Sales	#	546	477	584	640	815	1,183	1,470	2,066	2,541	2,398	2,740
Pipeline	#	659	673	771	805	924	1,286	1,654	2,515	3,591	4,244	5,034
Installations	#	452	464	486	617	663	864	1,086	1,209	1,459	1,745	1,970
Average ticket size (sold)*	*NOKk*	76	60	58	55	81	85	90	106	117	125	132
Average ticket size (installed)*	*NOKk*	79	90	61	62	54	75	79	83	88	103	109
Battery attachment rate (sold)	*% of #*	0%	0%	0%	0%	0%	3%	8%	12%	25%	24%	25%
Battery attachment rate (installed)	*% of #*	0%	0%	0%	0%	0%	0%	0%	1%	10%	19%	22%
Subscription share (sold)	*% of #*	0%	18%	29%	23%	20%	23%	24%	17%	23%	25%	35%
Subscription share (installed)	*% of #*	0%	0%	13%	17%	22%	22%	27%	21%	18%	21%	26%
Net interest-bearing debt	*NOKm*	-170	-145	-138	-58	-270	-242	-195	-219	-415	-300	-212
Fully diluted number of shares	*#m*					105	111	111	119	141	142	143

Note: Some historical figures updated after changes to reporting principles, and hence differ somewhat from previous quarters' reports

Historic figures | Group metrics

Note: Pro-forma group metrics prior to Q4 21 are indicative

Group metrics (pro-forma)	Unit	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Revenue generated	***NOKm***	**36**	**42**	**31**	**41**	**39**	**69**	**93**	**109**	**135**	**194**	**235**
Revenue	*NOKm*	36	42	25	32	27	52	65	83	109	153	175
Contracted subscription revenue	*NOKm*	0	0	6	9	12	17	28	26	26	41	61
Total COGS	***NOKm***	**-30**	**-35**	**-28**	**-37**	**-30**	**-56**	**-74**	**-87**	**-109**	**-152**	**-183**
Cost of goods sold - Cash sales	*NOKm*	-30	-35	-24	-31	-22	-45	-55	-70	-91	-124	-140
Cost of goods sold - Subscription	*NOKm*	0	0	-4	-5	-7	-10	-17	-15	-16	-25	-38
Subscription O&M cost	*NOKm*	0	0	0	-1	-1	-1	-2	-2	-2	-3	-4
Profit generated	***NOKm***	**6**	**7**	**3**	**4**	**9**	**13**	**19**	**22**	**26**	**42**	**53**
Cash sales	*NOKm*	6	7	2	0	5	7	10	13	18	29	34
Subscription	*NOKm*	0	0	2	3	4	6	9	9	9	13	18
Opex & adjustments	***NOKm***	**-28**	**-21**	**-26**	**-26**	**-47**	**-48**	**-50**	**-71**	**-75**	**-88**	**-104**
Opex	*NOKm*	-28	-21	-29	-29	-43	-44	-48	-69	-76	-89	-105
Other revenues, originator	*NOKm*	0	0	0	5	0	0	0	1	1	1	1
EBITDA generated	***NOKm***	**-22**	**-14**	**-22**	**-22**	**-37**	**-35**	**-31**	**-49**	**-48**	**-46**	**-51**
Gross margin generated	*%*	*16%*	*17%*	*10%*	*9%*	*24%*	*19%*	*21%*	*20%*	*19%*	*22%*	*22%*
EBITDA margin generated	*%*	*-62%*	*-32%*	*-71%*	*-54%*	*-95%*	*-51%*	*-33%*	*-45%*	*-36%*	*-24%*	*-22%*
Sold - Revenue generated	*NOKm*	41	30	38	39	70	108	142	229	312	315	393
Sold - Gross profit generated	*NOKm*	7	7	9	8	13	22	28	45	71	86	111
Gross profit generated per sale	*NOKk*	13	15	16	13	16	19	19	22	28	36	41
Opex per sale	*NOKk*	-52	-44	-49	-46	-53	-37	-33	-33	-30	-37	-38
Opex per installation	*NOKk*	-62	-44	-59	-48	-65	-51	-44	-57	-52	-51	-53

Estimated future revenue and Gross Profit Generated from the projects sold in the quarter, irrespective of installation timing

Estimated Gross Profit Generated of sales in quarter, divided by number of units sold

Current quarter opex divided by number of sales in & installations quarter

Note: Some historical figures updated after changes to reporting principles, and hence differ somewhat from previous quarters' reports.

Group metrics

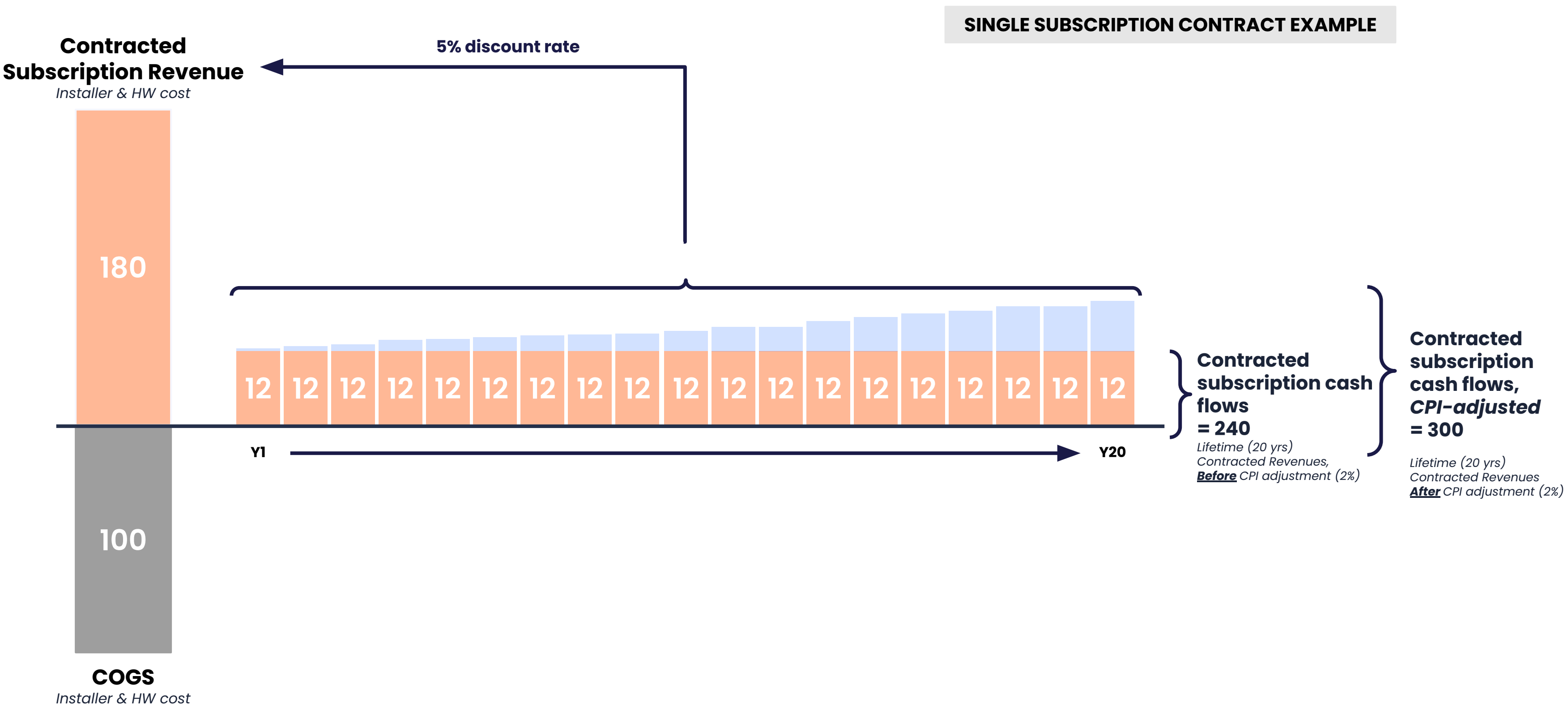
Reported financials do not reflect underlying value creation in Subscription portfolio – introduction of Key Metrics

	Direct purchase (~65% of customers today)	Subscription (~35% of customers today)	Otovo Group
Revenue	**Revenue** Booked revenue, value of upfront payment from customer	**Contracted Subscription Revenue** Present value of all subscription payments over 20 years, discounted at 5%	**Revenue Generated** (1a) Revenue + (2a) Contracted Subscription Revenue
Profit	**Gross profit** Revenue - Upfront COGS, value of payment to installers (inc. HW)	**Gross Subscription Profit** Contracted Subscription Revenue - Upfront COGS, value of payment to installers (inc. HW) - Present value of O&M cost (Inverter replacement in Y 10 & customer service)	**Gross Profit Generated** (1b) Gross Profit + (2b) Gross subscription profit
Assets		**Accumulated Contracted Subscription Revenue** Present value of the remaining cash flows from subscription contracts, discounted at 5%	**Accumulated Contracted Subscription Revenue** Present value of the all remaining cash flows from subscription and service contracts, discounted at 5%

Discount rate: Rate used to discount future subscription cash flows in order to calculate net present value. The discount rate of 5% is based on a conservative estimate of the weighted average cost of capital (WACC) of the subscription cash flows and observations of common industry practice (see US peers RUN and NOVA). This allows rooms for fluctuations in capital costs, while ensuring value upside from funding or exit at lower cost of capital.

Single contract example

Contracted Subscription Revenue | Revenue metric

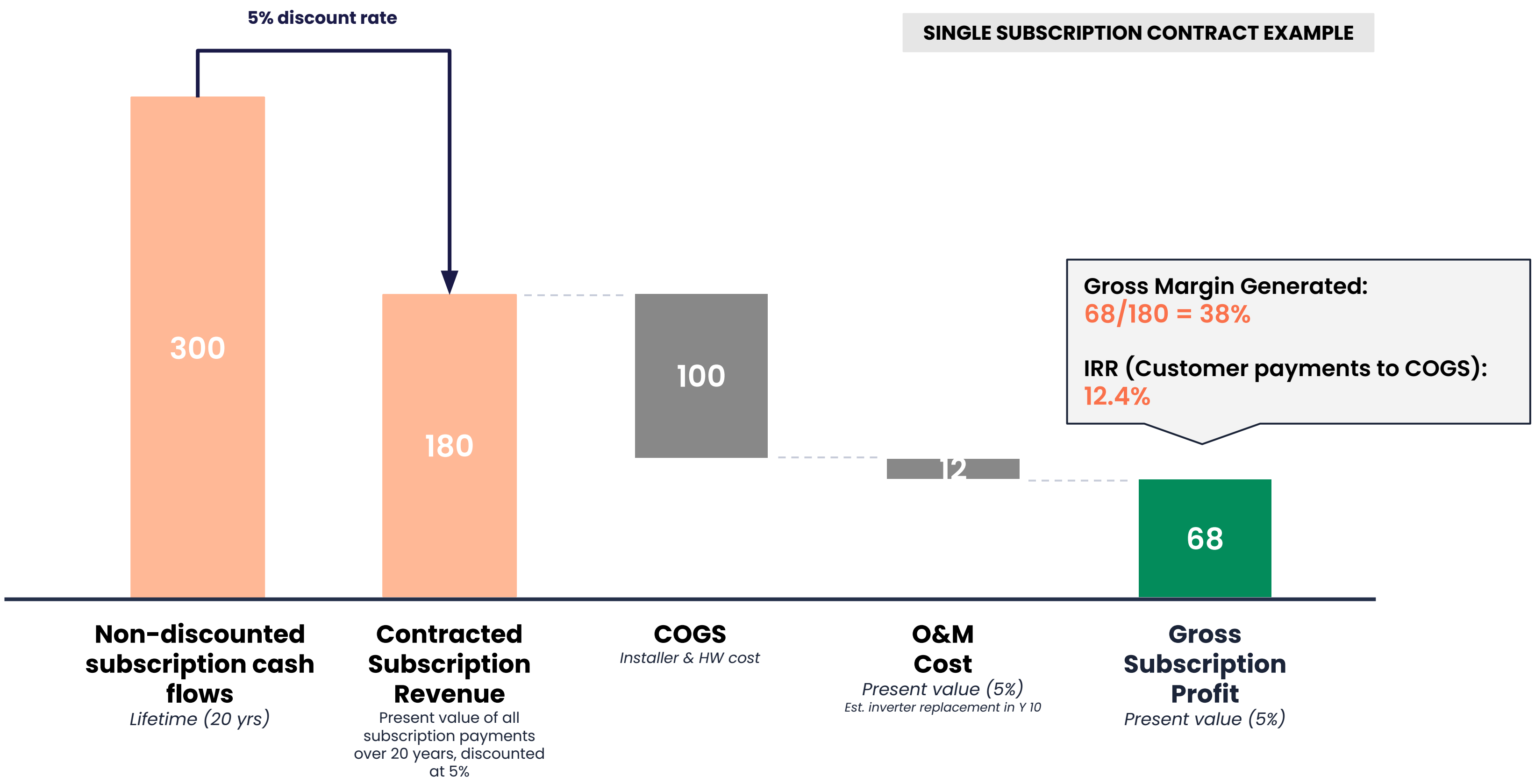


Discount rate: Rate used to discount future subscription cash flows in order to calculate net present value. The discount rate of 5% is based on a conservative estimate of the weighted average cost of capital (WACC) of the subscription cash flows and observations of common industry practice (see US peers RUN and NOVA). This allows room for fluctuations in capital costs, while ensuring value upside from funding or exit at lower cost of capital.

2b

Gross Subscription Profit | Metric to reflect gross profit

SINGLE SUBSCRIPTION CONTRACT EXAMPLE



Glossary

Definitions

Contracted Subscription Revenue (CSR)
Net present value of contracted cash flows created in the period from subscription customers over contract lifetime adjusted with expected CPI increases

Subscription O&M (S O&M)
Net present value of operation and maintenance cost relating to the fulfillment of subscription contracts over their lifetime (currently estimated at approx. 1% of COGS annually), including replacement of equipment.

Gross Subscription Profit (GSP)
Contracted subscription revenue less COGS and S O&M

Revenue Generated
Revenue + Contracted Subscription Revenue

Gross Profit Generated
Gross profit + Gross Subscription Profit

EBITDA Generated
Gross Profit Generated - total SG&A (Payroll & Related costs, Other Operating Expenses)

Accumulated Contracted Subscription Revenue (ACSR)
The accumulated CSR in the portfolio

Subscription
Customer relationships with recurring revenue, such as leases, service agreements etc relating to distributed energy systems

Definitions

Direct purchase
Distributed energy systems paid for directly by the customer, including sales financed by the homeowner's loans

Annual Recurring Revenue (ARR)
Annual recurring revenue from subscription portfolio

Customers
Number of customers per segment

Project / Unit
A PV system and/or a battery

Churn
# of subscription customers who exercised their purchase option in the period

Discount Rate
Rate used to discount future cash flows in order to calculate net present value. Currently 5%.

Contact

Andreas Thorsheim
CEO
+47 93 06 51 78
at@otovo.com

Petter Ulset
CFO
+47 97 34 37 47
petterul@otovo.com

Sondre Bergløff
Investor Relations
+47 47 26 06 70
sondrebe@otovo.com