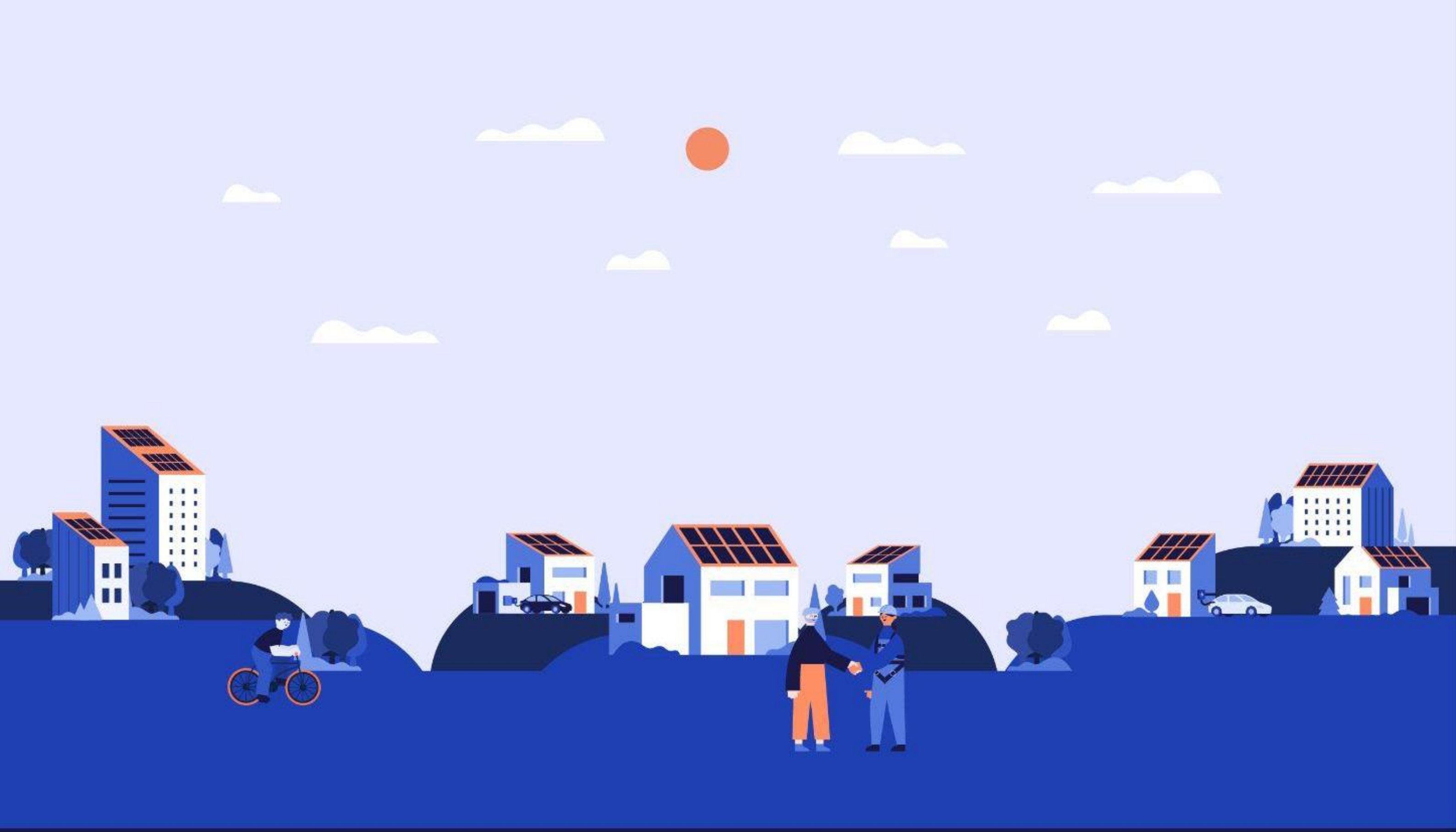
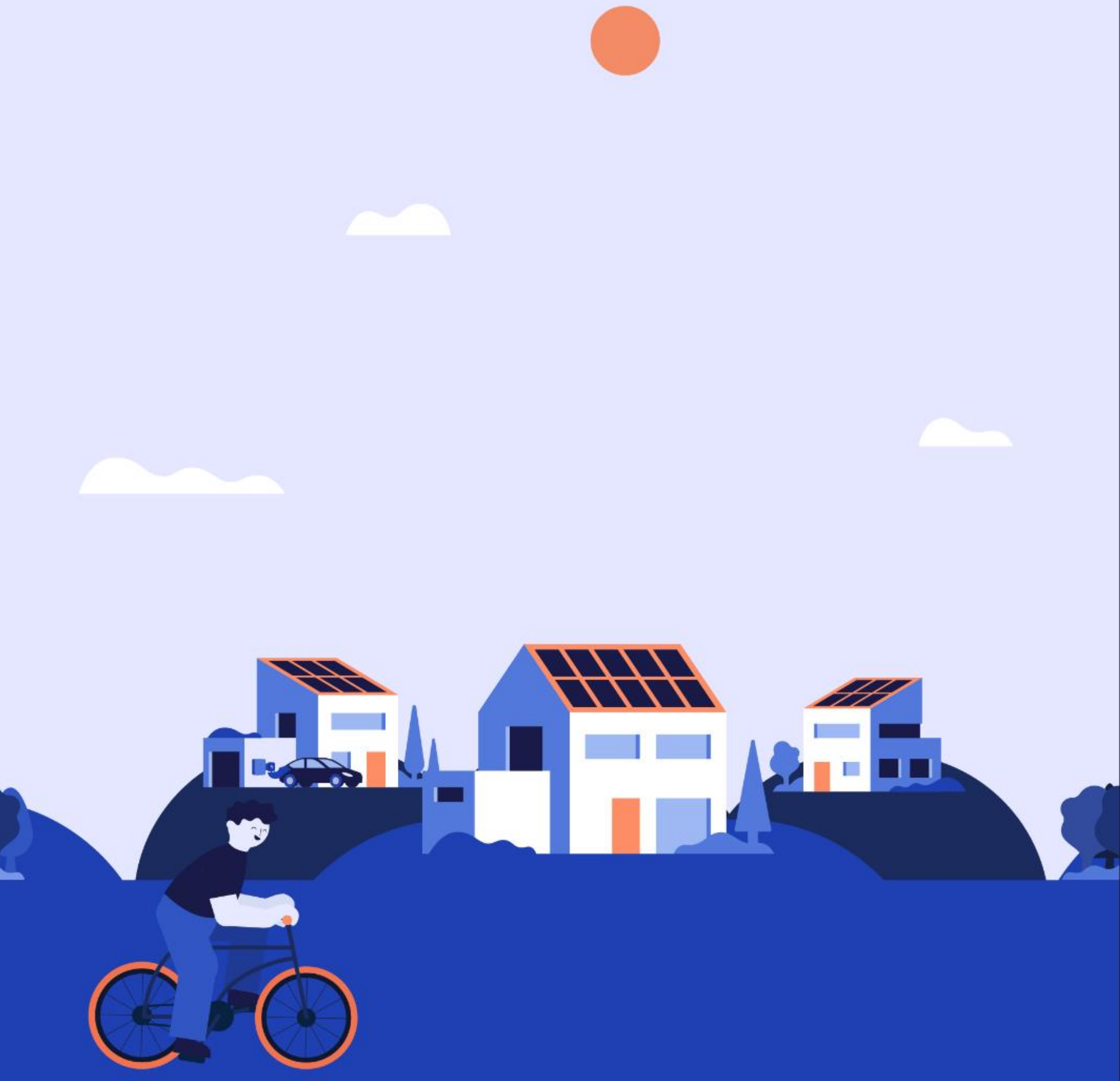


OTOVO

Green finance framework

October 2022

Contents



1. Introduction

1.1 About Otovo

Otovo ASA

Otovo is the European marketplace that connects consumers wanting to add batteries or solar panels to their homes with installer companies looking to fill their order book with projects. Otovo's mission is to be the easy, trustworthy and affordable way for homeowners to go solar.

By entering their home address, customers obtain proposed design and prices for solar installations in real-time, based on automatic and binding offers from Otovo's network of local, reliable installers. The solar installations are offered both through direct payment and subscription.

Through our activities, we contribute to making the European electricity grid both greener and more robust by providing conflict free energy, replacing greenhouse gas emissions over the solar installation's lifetime, expected to be 30 years or more.

Founded in 2016, Otovo has rapidly scaled its platform beyond the Nordics and it is currently operating in ten countries: Norway, Sweden, France, Spain, Poland, Italy, Germany, Austria, Portugal and the UK. Before year-end 2022, Otovo aims at launching operations also in the Netherlands, Belgium and Switzerland. In addition, Otovo's software platform runs Holu, a Brazilian marketplace partially owned by Otovo.

European Distributed Energy Assets

Subscription customers enter into long term contracts with Otovo's wholly owned subsidiary, European Distributed Energy Assets Midco AS (“**EDEA**”), which is the financing vehicle of the subscription business. Specifically, EDEA will purchase solar systems and batteries installed at end customers' homes from Otovo and enter subscription agreements with these customers. EDEA is financed through debt and equity. EDEA will therefore be the primary issuer of debt tied to this Green Finance Framework. EDEA and Otovo have entered into an agreement concerning Otovo's origination of end customer subscription agreements, delivery of solar systems and batteries, maintenance, support and management services on behalf of EDEA.

Subscription of solar panels

While the majority of the customers choose to purchase the solar installations or batteries directly from Otovo, the subscription product that Otovo launched in 2020 has become an important part of its product offering. Subscription customers pay a monthly fee over 20 years for solar installations and 10 years for batteries, with no upfront payment. Consequently, the product solves the financing problem for the consumer as well as reducing other barriers to purchase and expands the total addressable market for Otovo. The subscription customers benefit from a functional guarantee for the duration of the contract which means that Otovo takes care of maintenance, repair and any faulty products.

Batteries

Otovo offers batteries as an add-on to the solar systems sales. For the consumer, a battery increases self-consumption of solar energy produced as the battery can be charged when production is higher than consumption and be discharged in the opposite case. Further, it enables the customer to arbitrage against price on electricity from the grid. Finally, a battery can serve as backup in case of an electricity outage.

1.2 Otovo's sustainability contribution

The core of Otovo's business idea is to provide products and services that have a positive impact on the environment. At the same time, we can always improve, and maintain awareness on potential challenges in our industry and operations. With continued growth, and adding six new markets in 2022, the complexity of our operations increases. In this process we are committed to further structure our focus on sustainability.

Otovo's operations linked to UN Sustainable Development Goals

Otovo is committed to the United Nations Sustainable Development Goals (SDGs) and will actively use our position as the leading solar platform in Europe to impact implementation of actions supporting these goals. Working with the SDGs are a core part of our company's values and are a central part of training when onboarding new employees.

Recognizing that the 17 goals are interconnected, where improvement in one area affects others, we have chosen to focus on SDGs 7, 8, 12, 13 and 17.

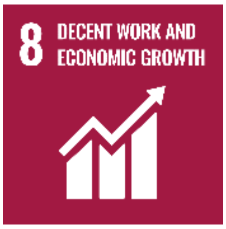
Our commitment

Climate action
Climate change is the greatest challenge facing humanity. Deploying solar energy is a way of aligning our energy system to the Earth's environ- mental boundaries. We believe in taking direct climate action and the core of our business is having a positive impact on the environment. Otovo is carbon-neutral as a company, and carbon-reducing as part of society.

Our core business

Affordable and clean energy
Otovo works to increase the share of renewable energy in the global energy mix by providing the easiest and most affordable way for consumers to become producers of local, clean and cheap energy.

How we work



Decent work and economic growth
Otovo will execute equal pay for work of equal value. In addition we are committed to use our position in the global hardware value chain to protect labour rights, and promote safe and secure working environments.

Responsible consumption and production
Otovo will target a more efficient use of natural resources, including reducing and neutralising the carbon footprint and emissions from our consumption of goods, energy and services, and reducing the food waste within our company.

Partnership for the goals
Otovo is a member of the UN Global Compact, an initiative that helps organisations set and work towards goals on sustainable development in human rights, labour, environment and anti-corruption.

Otovo ASA climate reporting and impact

Otovo is committed to track, measure and report GHG emissions in scope 1-3 in accordance with the standards of the GHG protocol. Numbers are reported in metric tonnes of CO2-equivalents (tCO2e).

Otovo’s current emissions model was developed in 2019 and is based on the GHG Protocol Corporate Standard. Conversion factors are collected from the UK Government and updated annually.

In 2021 Otovo installed 22,5 MWp of solar capacity. Over the expected lifetime, these installations yield, on average, 968 kWh/ kWp annually, ranging from 747 kWh/kWp in Norway to 1 388 kWh/ kWp in sunny Spain. By replacing grid electricity, these systems will avoid emissions of 263 674 tCO2e through their lifetime with the current grid mix. Net impact is the difference between caused and avoided emissions, which in 2021 amounted to -240 759 tCO2e.

When estimating avoided emissions we consider how solar energy for our customers replaces electricity otherwise consumed from the electric grid, avoiding emissions related to production of grid electricity across Europe. Through common energy market rules and cross-border infrastructure energy can be produced in one EU country and delivered to consumers in another. We argue that the alternative sources to be replaced by distributed solar power generation, are those currently untracked in the European market, i.e., sold without Guarantees of Origin. We quantify avoided emissions using the European Attribute mix[1], which is the European pool of surplus attributes. This methodology allows for easy accounting, as the same grid mix can be applied for all Otovo countries and reflects the cross-border nature of the electricity market.

Details on allocation and impact reporting tied to specifically Green Eligible Assets detailed in Section 5.

Governance of ESG & Sustainability

In Otovo we are committed to conduct our business in line with international frameworks and conventions on fundamental principles and rights in working life and other similar guidelines for the environment and climate, including: the Universal Declaration of Human Rights (UDHR), International Labour Organisations' (ILO) conventions, the UN Guiding Principles on Business and Human Rights (UNGP, 2011) and the UN Sustainability Goals (SDG). Otovo is obliged to fulfil the requirements of the Norwegian Transparency Act by conducting due diligence assessments, and to account for these publicly, in line with OECD Due Diligence Guidance for Responsible Business Conduct.

Otovo became a member of the UN Global Compact in February 2022. We support the Ten Principles on human rights, labour, environment and anti-corruption, and are committed to make them a part of our strategy, culture and day to day operations. Otovo will report on progress (Communication on Progress, CoP) in accordance with the membership requirements from 2023, for the reporting year 2022.

The board of directors has the overall responsibility for Otovo's governance and compliance with ESG requirements and targets. The main principles for Otovo's approach to sustainability are set forth in the Group's sustainability policy, which interlinks with the human rights policy, anti-corruption policy and anti-discrimination policy. Further, the

[1] https://www.aib-net.org/facts/european-residual-mix

Group has recently established a code of conduct for suppliers and business partners setting forth the principles we expect our partners to adhere to.

2. Otovo Green Financing Framework overview

In accordance with our strategy, Otovo has designed this Green Financing Framework (the "Framework") under which EDEA will finance or refinance new and/or existing assets, in whole or in part, that have environmental benefits. This Framework details which assets are eligible for financing / refinancing with the net proceeds of various types of financing that EDEA selects to use (e.g., bond issuances, convertible notes, securitizations, term loans, commercial paper, preferred stock, among other options each, a "Green Financing").

This Framework addresses the four core components (shown below) of the International Capital Markets Association (ICMA) Green Bond Principles (2021) and their recommendations on the use of external review and impact reporting:

1. Use of Proceeds

2. Process for Asset Evaluation and Selection

3. Management of Proceeds

4. Reporting

A dedicated Green Finance Committee ("GFC") has been established to create and oversee compliance with this Framework. The committee will also be responsible for the evaluation and selection of green assets as set out below. The committee consists of the Head of Sustainability (chair), the General Counsel and the CFO.

3. Use or proceeds

For each Green Financing under this Framework, EDEA intends to allocate an amount at least equal to the net proceeds to finance or refinance, in whole or in part, existing or new assets (each a "Green Eligible Asset") in the form of investments and expenditures by EDEA, and its subsidiaries in accordance with the criteria listed in the table below (the "Eligibility Criteria").

The Green Eligible Assets will include assets for which EDEA has commenced operations or placed-in-service prior to the applicable Green Financing, unless otherwise noted in the respective financing documents.

The Green Eligible Assets are defined as investments that promote the green energy transition, such as the acquisition of solar panels and batteries by EDEA from Otovo for leasing purposes.

3.1 Green Asset Categories

Green Asset categories	Eligibility Criteria and Example Assets	UN SDG Alignment
Renewable Energy and Energy Services	Expenditures related to the purchase of solar systems at end-customers' houses, with simultaneous conclusion of a subscription agreement with the end-customer Expenditures related to the batteries in end-customers' houses, with simultaneous conclusion of a subscription agreement with the end-customer	7, 8, 12, 13, 17

3.2 EU Taxonomy alignment

3.2.1 Substantial contribution alignment

Otovo considers its activities consisting of sale and installation of solar and battery systems to private homeowners all to be aligned with the EU taxonomy and more specifically the criteria for activities with substantial contribution to climate change mitigation. Further, social and environmental risks are handled through our corporate governance policies and procedures. It is our intention to start reporting on taxonomy alignment in 2023.

ICMA Green Bond Principles category	Sub-category	EU Taxonomy environmental objective	EU Taxonomy activities
Renewable energy	Solar PV and ancillary equipment	Substantial contribution to climate change mitigation	7.6 Installation, maintenance and repair of renewable energy technologies

3.2.2 Do no significant harm criteria

Otovo considers that all eligible projects meet the do no significant harm criteria:

- **Climate change adaptation:** When assessing the impact of acute and chronic climate hazards on any solar installation, we consider effects on both the electrical system and its power generation abilities and the mechanical system, including the thresholds of mounting equipment and panels to withstand stress, to ensure that our assets are resilient during their lifetime.
- **Sustainable use and protection of water and marine resources:** Otovo operates purely in the residential solar segment, mounting solar systems of private homeowners' roofs. Otovo considers that this activity does no harm to water and marine resources.
- **Transition to a circular economy:** Otovo ensures that all distributors of hardware pay an earmarked fee for the future handling of solar panels and batteries in accordance with the EU directive 2012/19/EU for waste electrical and electronic equipment (WEEE).
- **Pollution prevention and control:** Operating in the residential solar segment, Otovo considers the risk of pollution to be negligible.
- **Protection and restoration of biodiversity and ecosystems:** Otovo considers this not to be applicable to residential solar mounted on existing houses.

3.2.3 Minimum social safeguards

Otovo's business conduct is based on the principles and guidance in the UN's guiding principles for business and human rights (UNGP, 2011) and the OECD's due diligence guidance for responsible business conduct (OECD, 2018). All direct suppliers which are installers of residential solar are vetted to ensure that the companies follow local rules and Otovo's HSE requirements. Further, Otovo has adapted and is in the process of implementing a Code of conduct for Suppliers and Business Partners[2], and we will conduct risk assessments in accordance with the Norwegian transparency act by 30 June 2023.

[2] [Insert link]

4. Process for asset evaluation and selection

4.1 Selection of Green Eligible Assets

The evaluation and selection process for Green Eligible Assets is a key process in ensuring that the amount equivalent to the net proceeds from Green Finance Instruments is allocated to assets and expenditures which meet the criteria of the Framework.

Only such assets that comply with the criteria defined in the Use of Proceeds section of this Framework are eligible to be financed with Green Finance Instruments. Currently all assets acquired by EDEA are classified as Green Eligible Assets. The Green Financing Committee decides on the inclusion of new asset categories. The CFO and Treasury Department are responsible for keeping an updated register of Green Eligible Assets.

4.2 Exclusion

Otovo is not involved in fossil fuel energy production, storing or transportation, nuclear generation, weapons and defense industries, potentially harmful resource extraction, gambling, tobacco, or other drugs. Therefore, net proceeds from Otovo's Green Finance Instruments will not be used to finance any of the above.

5. Management of proceeds

The proceeds from Otovo's Green Finance Instruments will be managed through a portfolio approach. The net proceeds will be used for financing and refinancing of Green Eligible Assets as defined in this Framework.

The Finance department will endeavor to ensure that the value of Green Eligible Assets, at all times, exceed the total amount of Green Finance Instruments outstanding. If a Green Eligible Asset already funded by Green Finance Instruments is sold, or for other reasons loses its eligibility in line with the criteria in this Framework, the Company will strive to replace such asset by another qualifying Green Eligible Asset.

Any unallocated proceeds temporarily held by Otovo will be placed in the Company's ordinary bank account or short-term money markets until deployed.

Reporting

To enable investors, lenders and other stakeholders to follow the development of the assets funded by Green Finance Instruments, a Green Finance Report will be made available on the Company's website. The Green Finance Report will include an Allocation Report and an Impact Report and be published annually as long as there are Green Finance Instruments outstanding. For the avoidance of doubt, both reports will center on EDEA.

Allocation of proceeds reporting

- Summary of main activities
- Total amount of Green Finance Instruments outstanding and split breakdown per instrument
- Total value of the ingoing and outgoing portfolio of Green Eligible Assets
- Share of unallocated proceeds (if any)

Impact reporting

The impact report aims to disclose the environmental impact of the Green Eligible Assets financed under this Framework. Impact reporting will, to some extent, be aggregated and depending on data availability, calculations will be made on a best intention basis. The impact assessment may, where applicable, be based on the metrics listed below. Impact reporting covers all assets financed by Green Finance Instruments.

- Number of customers with installed systems
- MW of solar capacity installed
- MW and MWh of energy storage capacity installed
- kWh generated by our systems and resulting metric tons of CO_2 avoided

6. External review

Second Party Opinion

To confirm the transparency and robustness of Otovo's Green Financing Framework, it is verified and approved by an external second party opinion provider. The second party opinion by was provided by CICERO and is available on Otovo's website, together with this Framework.

External part/verifier

Allocation of proceeds will be subject to an annual review by an external part/verifier. A verification report provided by the external part will be published on the Company's website.

Green

Otovo is committed to be a part of global change in clean renewable energy