Otovo
The solar and battery marketplace

Q3 23 presentation
26 October 2023

Disclaimer and important information

THIS PRESENTATION AND ITS CONTENTS IS NOT FOR DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OF AMERICA AND THE DISTRICT OF COLUMBIA) (THE "UNITED STATES"), AUSTRALIA, CANADA, THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA OR JAPAN, OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. THIS PRESENTATION IS NOT AN OFFER OR INVITATION TO BUY OR SELL SECURITIES IN ANY JURISDICTION.

This Presentation and its appendices (the "Presentation") has been produced by Otovo ASA (the "Company", and together with its direct and indirect subsidiaries, the "Group").

This Presentation has been prepared for information purposes only, and does not constitute or form part of, and is not prepared or made in connection with, an offer or invitation to sell or a solicitation of an offer to subscribe for or purchase, or a recommendation regarding, any securities of the Company and nothing contained herein shall form the basis of any contract or commitment whatsoever. This Presentation does not purport to contain all of the information that may be required to evaluate any investment in the Company or any of its securities and should not be relied upon to form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This presentation is intended to present background information on the Company, its business and the industry in which it operates and is not intended to provide complete disclosure upon which an investment decision could be made.

No representation, warranty or undertaking, express or implied, is made by the Company or its affiliates or representatives as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein, for any purpose whatsoever. Neither the Company nor any of its affiliates or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss whatsoever and howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with this Presentation.

This Presentation is current as of the date of presentation. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

The distribution of this Presentation by the Company in certain jurisdictions is restricted by law. Accordingly, this Presentation may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. This Presentation does not constitute an offer of, or an invitation to purchase, any securities.

IN RELATION TO THE UNITED STATES AND U.S. PERSONS, THIS PRESENTATION IS BEING FURNISHED ONLY TO INVESTORS THAT ARE "QIBs", AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THE SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION IN THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS.

By accepting these materials, each recipient represents and warrants that it is able to receive them without contravention of an unfulfilled registration requirements or other legal or regulatory restrictions in the jurisdiction in which such recipients resides or conducts business.

This Presentation is subject to and governed by Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts with Oslo District Court as exclusive legal venue.

Today's speakers

Present from Otovo

Founder and CEO
Andreas Thorsheim

CFO
Petter Ulset

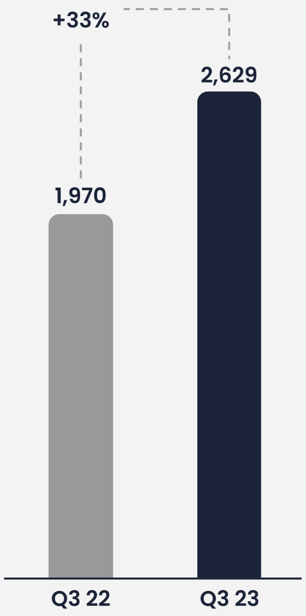
Agenda

1. Business update
2. Company development
3. Portfolio monetization
4. Financial results
5. Summary & Outlook
6. Q&A

Highest margins in Otovo history, lifting EBITDA generated margin 13%p YoY

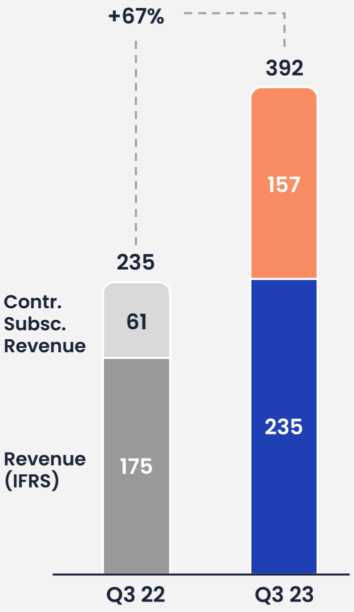
Installations

Figures in #



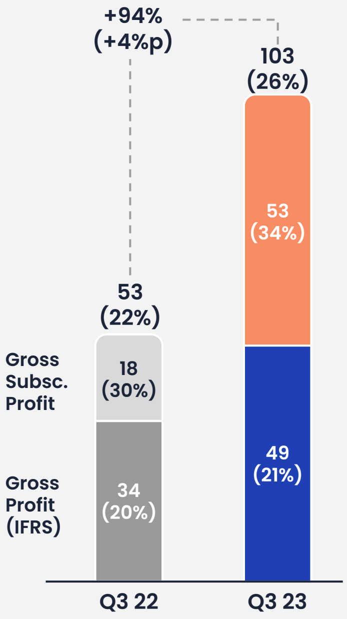
Revenues generated

Figures in NOKm



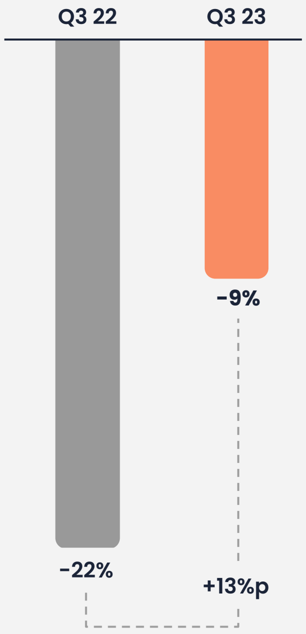
Gross profit generated

Figures in NOKm



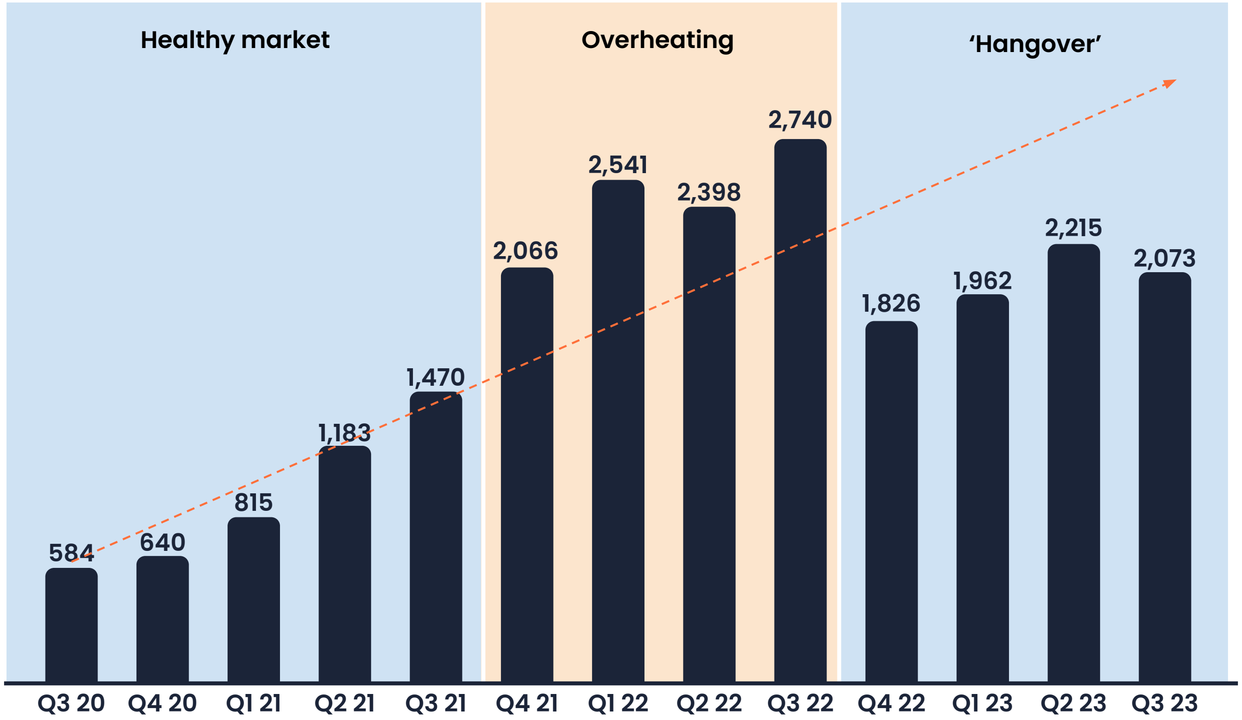
% EBITDA generated

% of Revenues generated



Consumers' sense of urgency rushed volumes in '22 – small triggers can lift sales substantially, back to trendline

Otovo net sales (# of projects)



Comments

Two years on the solarcoaster

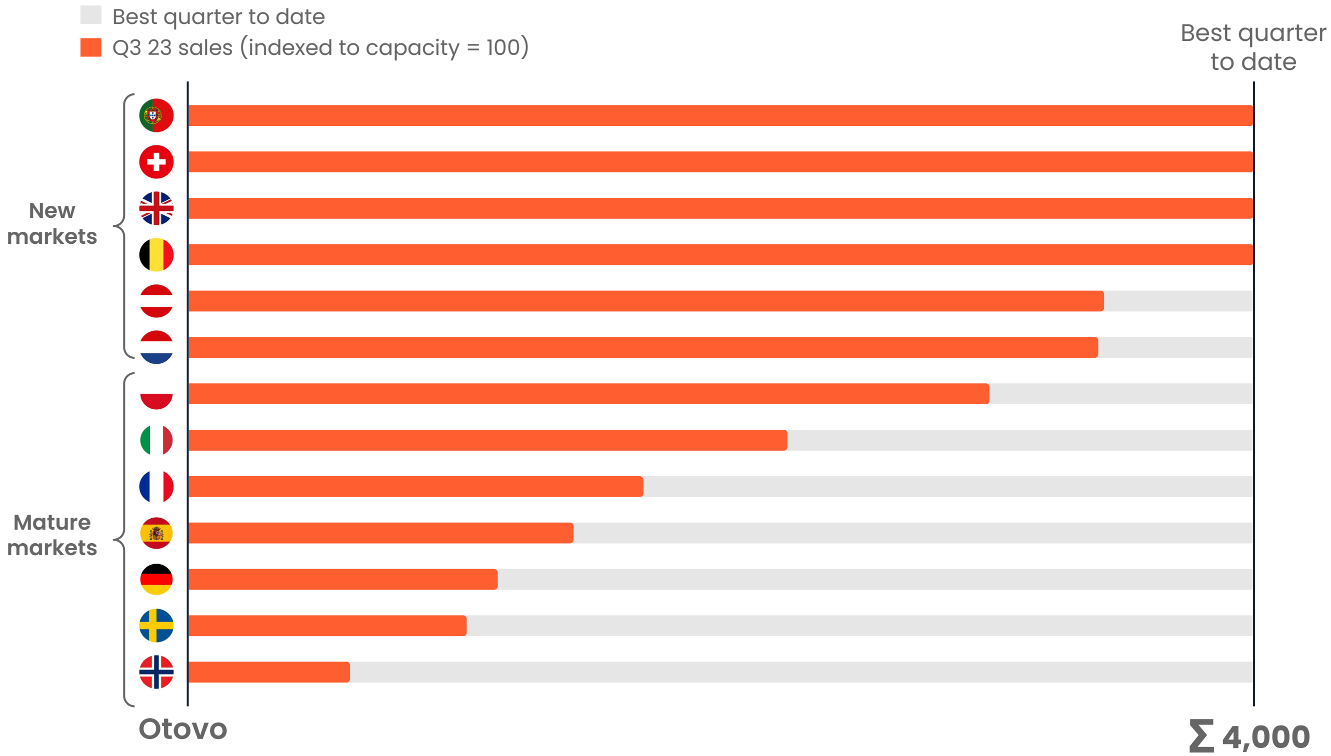
- In 2022, consumers all over Europe woke up to the merits of solar – all at the same time, causing an unprecedented spike in demand
- After the rush in 2022, this year has been comparatively soft

Long-term trend is clear: PV wins

- Exact timing of rebound is still unclear, but the market is poised for growth
- Different tailwinds arising with potential to trigger a swift rebound

8/13 countries are selling below peak levels, especially Scandinavia, Germany and Spain – vast latent potential

Sales performance by quarter



Comments

Only 4 markets at all-time-high

- If all markets sold as their best quarter to date, Q3 sales would total ~4,000

Otovo is set up for much bigger volumes

- Total capacity of markets is significantly above current levels
- As market rebounds, Otovo will be ready to absorb new volumes immediately

2024 shaping up to be a rebound for the PV market, supported by government policy and higher expected power prices

Degree of PV regulatory support by market

Strømstøtten reduseres ved at innslagspunktet heves

Fra neste år vil det bli utbetalt strømstøtte først når spotprisen er over 73 øre/kWh.

6. oktober 2023 9:37 OPPDATERT 6. oktober 2023 10:24

Av Haakon Barstad

Det fremkommer av en pressemelding regjeringen sendte ut sammen med statsbudsjettet fredag morgen.

Autoconsumo Invertia

ENERGÍA

Los tres ingredientes que reactivarían el autoconsumo y dispararían la factura de la luz a partir de enero de 2024

Portugal doubles 2030 goals for solar and hydrogen capacity

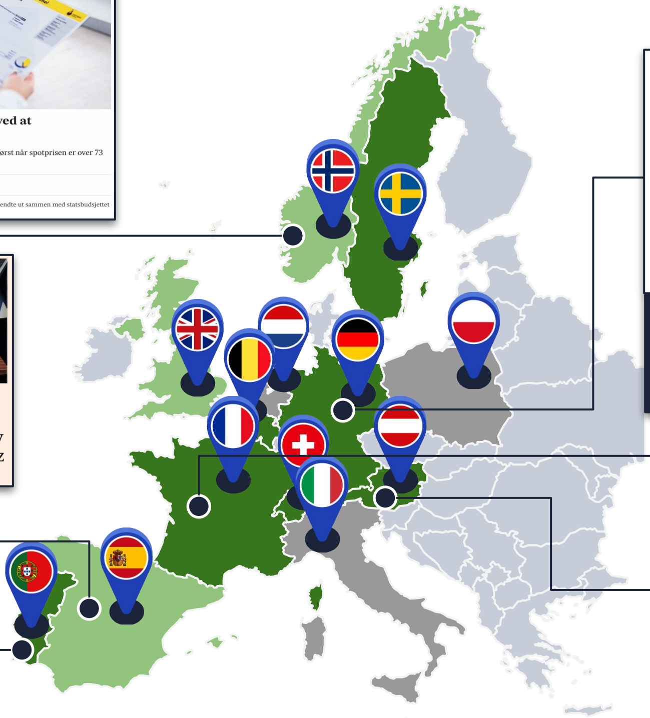
By Sergio Goncalves

July 3, 2023 12:30 PM GMT+2 · Updated 4 months ago

Workers walk during the installation of EDP's (Energias de Portugal) largest floating solar farm on a dam in Europe, on the surface of the Alqueva dam, in Moura, Portugal, May 5, 2022. Picture taken May 5, 2022. REUTERS/Pedro Nunes/File Photo Acquire Licensing Rights

LISBON, July 3 (Reuters) - Portugal has more than doubled its 2030 goals for installed capacity of solar energy and electrolysers to produce green hydrogen, as it aims to decommission natural gas-fired power plants by 2040 and possibly become carbon neutral by 2045.

NESP €30m package in July 23', excluding subscription, but signaled to be included in the future



German government backs rooftop solar for electric cars

TECH 2023-09-04 15:15 ADD BOOKMARK PRINT

By Carsten Kloth

This translation was created with the help of DeepL, original version, More...

From 26 September, homeowners can apply for funding from the Solar Power for Electric Cars programme. (Image: Keba)

Berlin (energate) - The German government plans to subsidise private charging infrastructure with up to 10,200 euros. The funding programme for the self-generation and use of solar energy for electric vehicles, announced by the transport minister, will start on 26 September. According to his ministry, owners of owner-occupied homes can apply to the KfW development bank for an investment grant for a charging station in combination with a photovoltaic system and battery storage. The prerequisite is that the owner has an electric car or has placed a binding order for one.

German government's 'Solar Power for Electric Cars' program offered €500m subsidy for combined PV+Battery+EV purchase

New €5.7bn French scheme to support small solar installations granted EU approval

The measure, which will run until 2026, will be open to operators of small solar installations located on buildings with a capacity of up to 500kW

Priyanka Shrestha

More Articles

Tuesday 31 August 2021

Austria slashes VAT on residential PV

Austria has reduced the value-added tax (VAT) on residential PV systems. The new measures apply to all new PV systems up to 35 kW in size, and it will go into force in January.

OCTOBER 18, 2023 SANDRA ENKHARDT

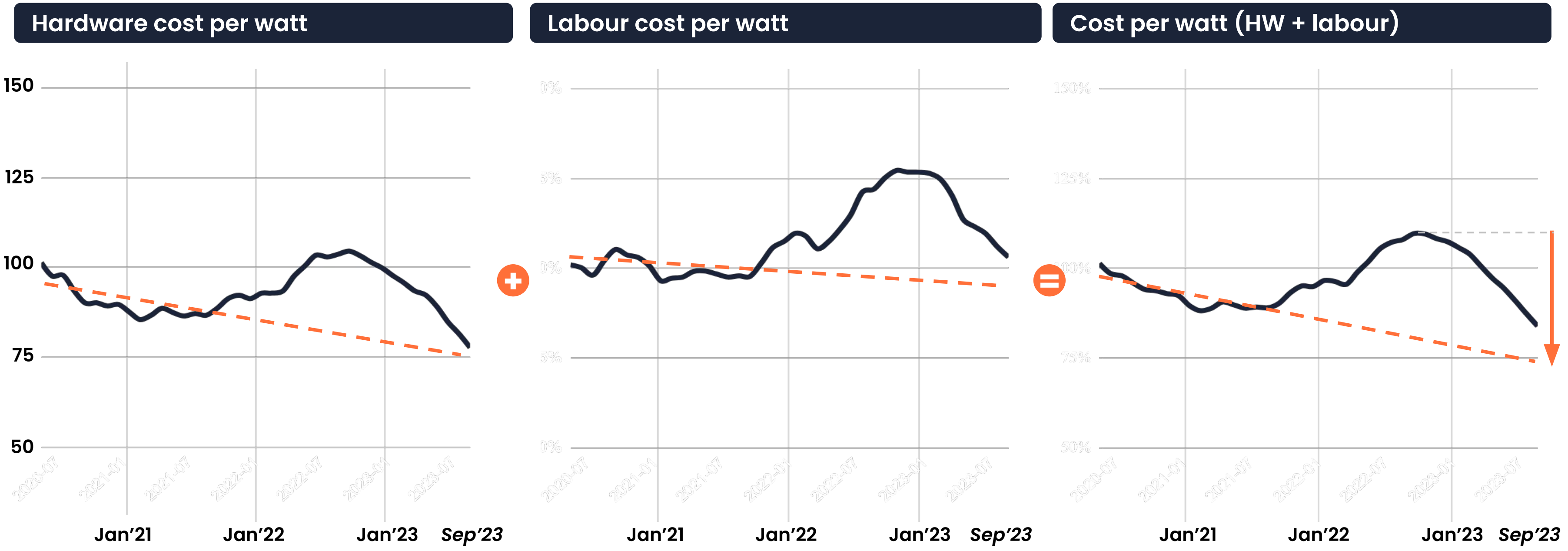
MARKETS RESIDENTIAL PV AUSTRIA

OTOVO

Favorable regulatory landscape in place/expected | Short-term regulatory upside potential | Neutral regulatory landscape

Otovo platform keeps teasing out cost improvements - cost per watt now at all-time-low

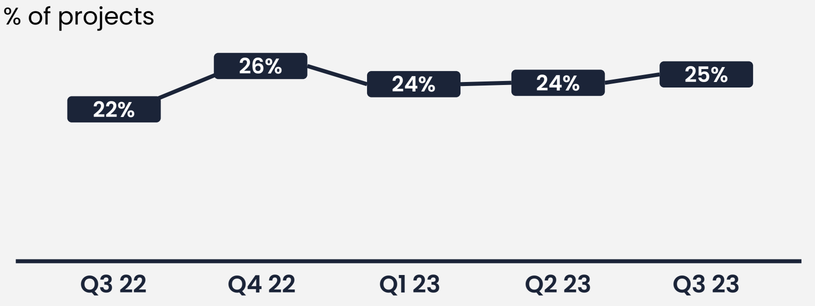
COGS per wattpeak for winning offers in the marketplace, average of Otovo's largest markets, May 2020– Sep 2023, EUR/Wp (indexed)



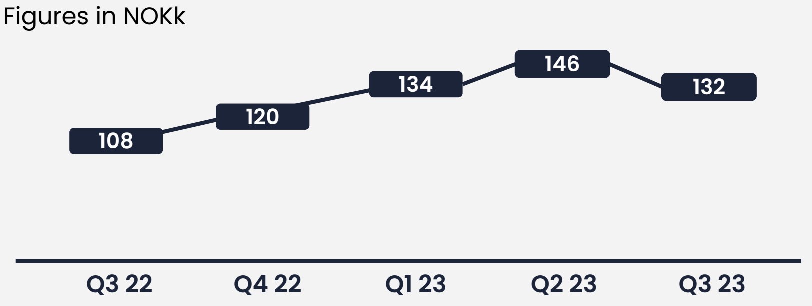
Sources: Otovo Cloud data

Gross Margin Generated at all time high – up 6p% from trough in Q4 22, while ticket size taking a step back after Q2 peak

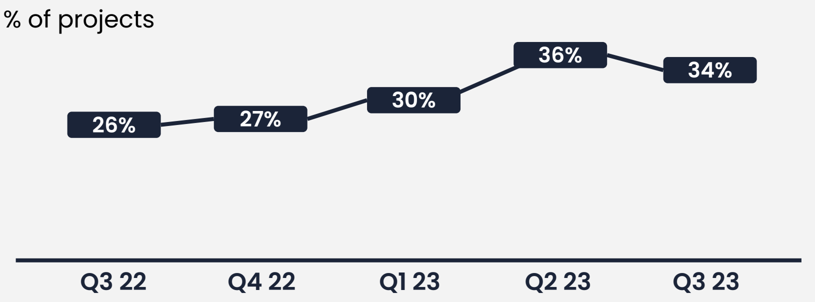
Battery attachment rate, installed



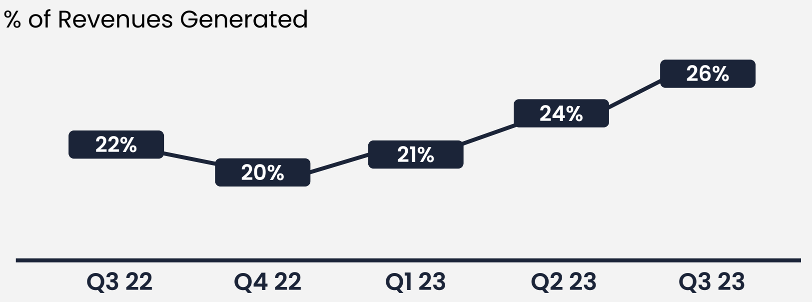
Ticket size, installed



Subscription share, installed



Gross Margin Generated, installed

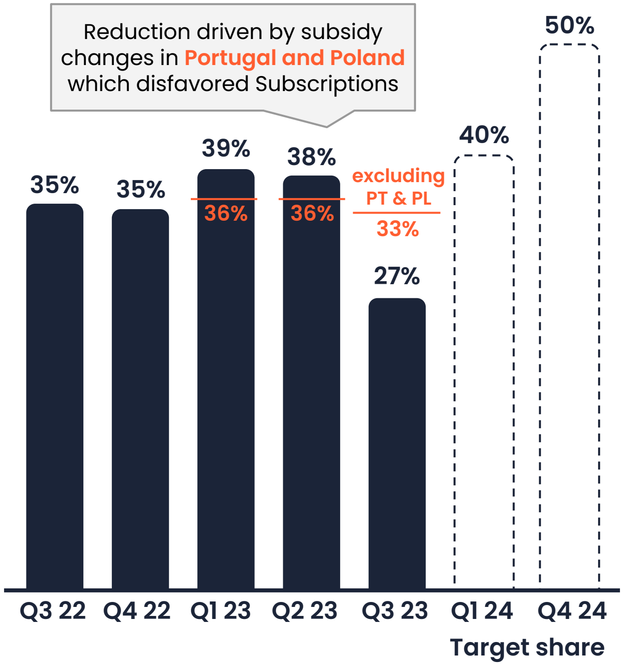


OTOVO

Successful sale of portfolio converting Accumulated Contracted Subscription Revenue into cash

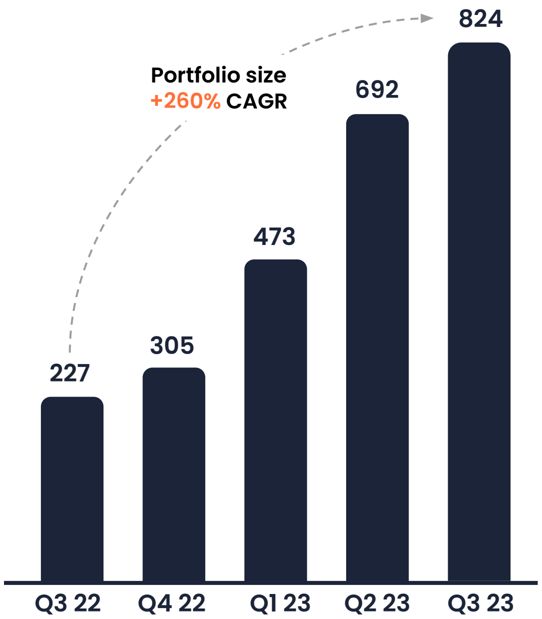
Share of sales on Subscription model

Percent of total sales



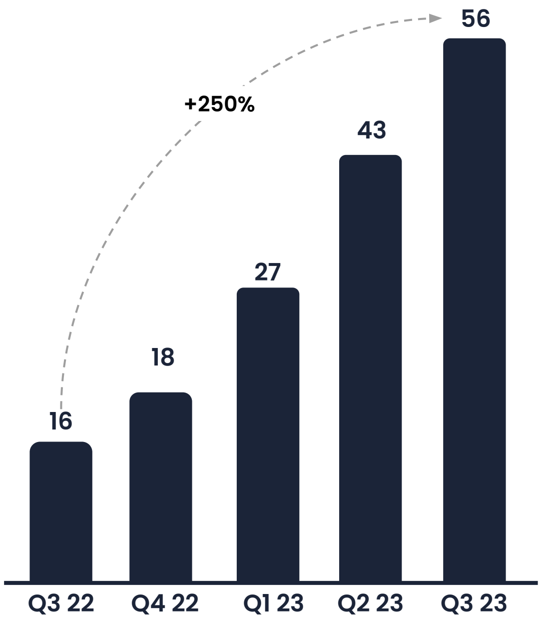
Accumulated Contracted Subscription Revenue

Portfolio of installed projects, figures in NOKm



Portfolio Annual Recurring Revenue

Annualized subscription revenue in NOKm, Sep '23[1]



OTOVO

1) Annual Recurring Revenue (ARR) equals the monthly Subscription Revenue in the last month of the period, multiplied by 12

More volume needed to shift remaining countries to profitability

Stage complete | New this quarter

End of Q3 status

		Completed installation	Unit positive	EBITDA positive: Generated (w/ subscription)	EBITDA positive: IFRS
Mature Markets (Launched 2016-2021)	🇳🇴	✓	✓	✓	✓
	🇸🇪	✓	✓	✓	✓
	🇪🇸	✓	✓	✓	
	🇵🇱	✓	✓	✓	
	🇮🇹	✓	✓	✓	✓
	🇫🇷	✓	✓		
New Markets (Launched last 2 years)	🇩🇪	✓	✓		
	🇵🇹	✓	✓		
	🇬🇧	✓	✓		
	🇦🇹	✓	✓		
	🇨🇭	✓	✓		
	🇧🇪	✓	✓		
	🇳🇱	✓	✓		

More volume needed to shift remaining countries to profitability

Profitable mature markets

- Norway, Sweden and Italy have been EBITDA-positive at IFRS level for several quarters
- Poland and Spain with positive generated EBITDA (w/ subscription)

New markets need to reach minimum required volume

- All new markets delivered unit positive profitability, yet sufficient scale needs to be achieved at each market to reach EBITDA profitability

Further potential for efficiency gains

- Measures already taken to streamline cost base and boost operational efficiency
- Additionally, we have identified significant potential for further cost adjustments

Agenda

Priorities communicated in Q1: All priorities progressing according to plan

	Priorities	Status
Operations	Reduce project cost on marketplace	✓ Cost per watt at all-time-low
	Software automation	✓ Automate installer process to reduce discrepancies in margin
	Increased operational leverage	✓ 19% of FTEs are now in Madrid Shared Service Hub
New	Adding heat pumps and EV chargers	✓ Launched EV chargers in Germany and started piloting heat pumps in Italy
Portfolio	Increased leverage ratio on debt facility	✓ Expanded debt facility in place with higher debt ratio
	Subscription portfolio sale	✓ NOK/SEK portfolio sold to Swiss Life Asset Managers

Established shared service center in Madrid, where cost per FTE is ~50% of other markets

Shared Service Center (SSC) in Madrid

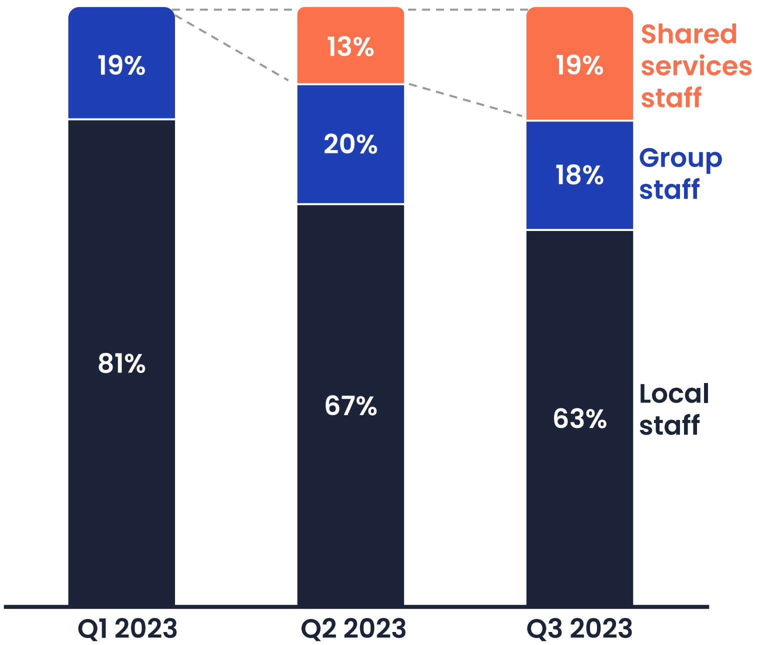
Otovo **cut ~50 FTEs** in established markets and **avoided ~50 FTEs** in new markets additions by year-end through SSC

Madrid is an **international talent hub** providing various native speakers and experts needed to staff the service center

Created a **cheaper, more flexible cost structure** by transferring marketing and operations roles to Madrid

Share of FTEs

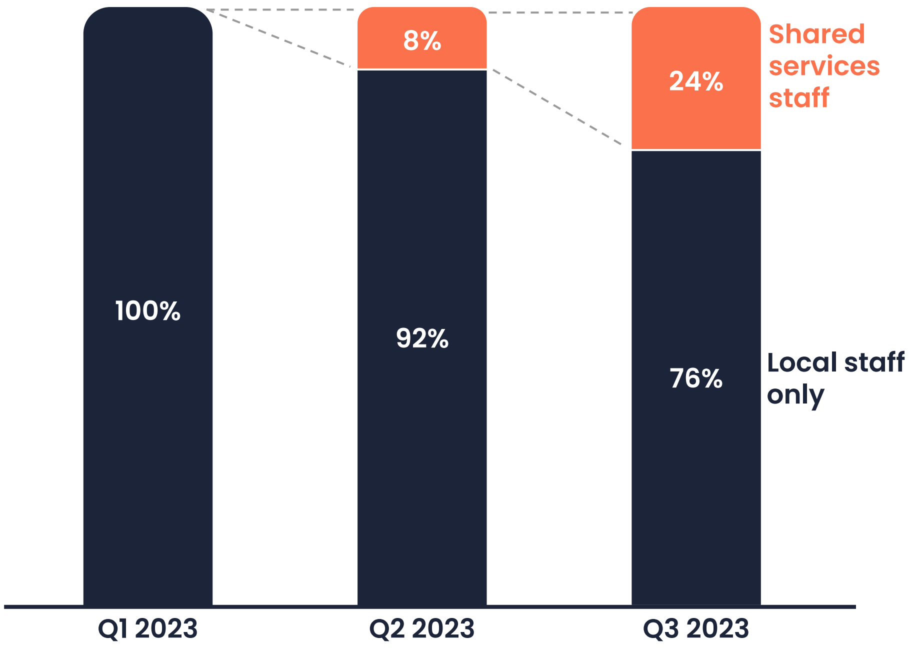
By affiliation



An increasing share of projects are handled from Madrid, leading to higher efficiency and lower cost per project

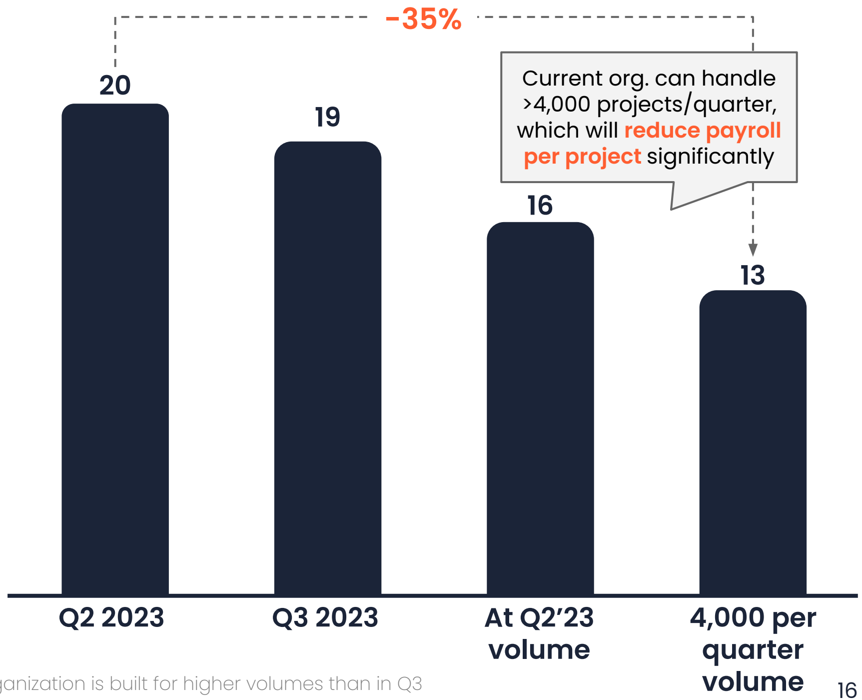
Projects increasingly managed from Madrid

Split by whether handled by local/SSC staff



Payroll per project declining

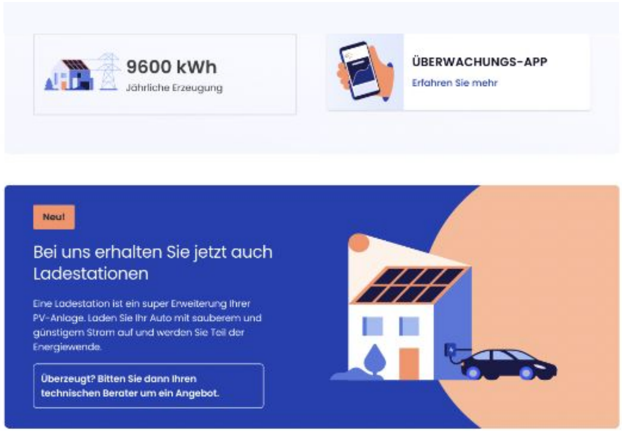
Non-group payroll / installation (NOKk/unit)



Note 1) Assuming Q3 23 local payroll stays the same as volumes change. Current organization is built for higher volumes than in Q3

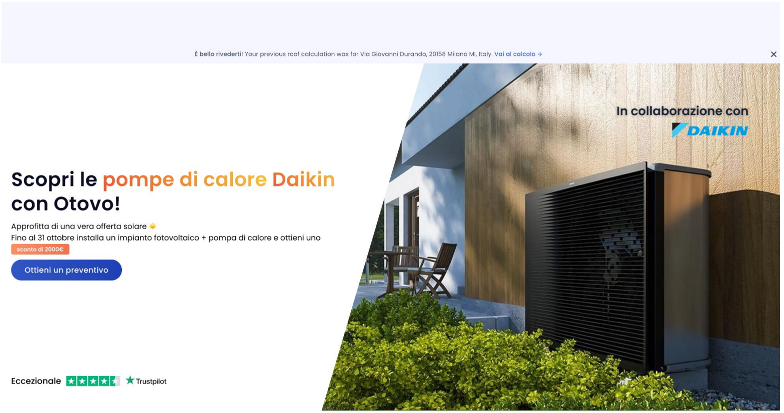
Started EV charger sales in Germany and piloting heat pumps in Italy

Launch of EV chargers in Germany



2 Sep	24 days	26 Sep
German gov't announces subsidy		Otovo launches EV chargers in DE at subsidy start day

Heat pump pilot launch in Italy

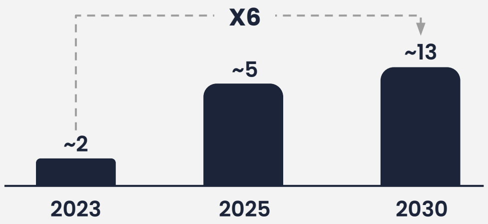


7 Jun	2 Oct	TBD
Pilot Phase I launched	Pilot Phase II launched	Potential official heat pump launch in IT and other markets

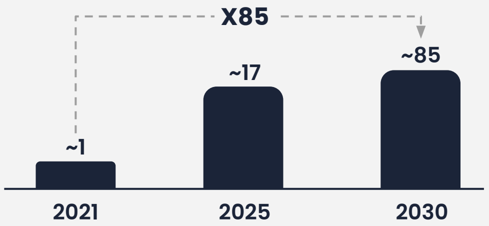
Both EV chargers and heat pumps expected to deliver high growth with vast potential across the European residential market

Expected market growth

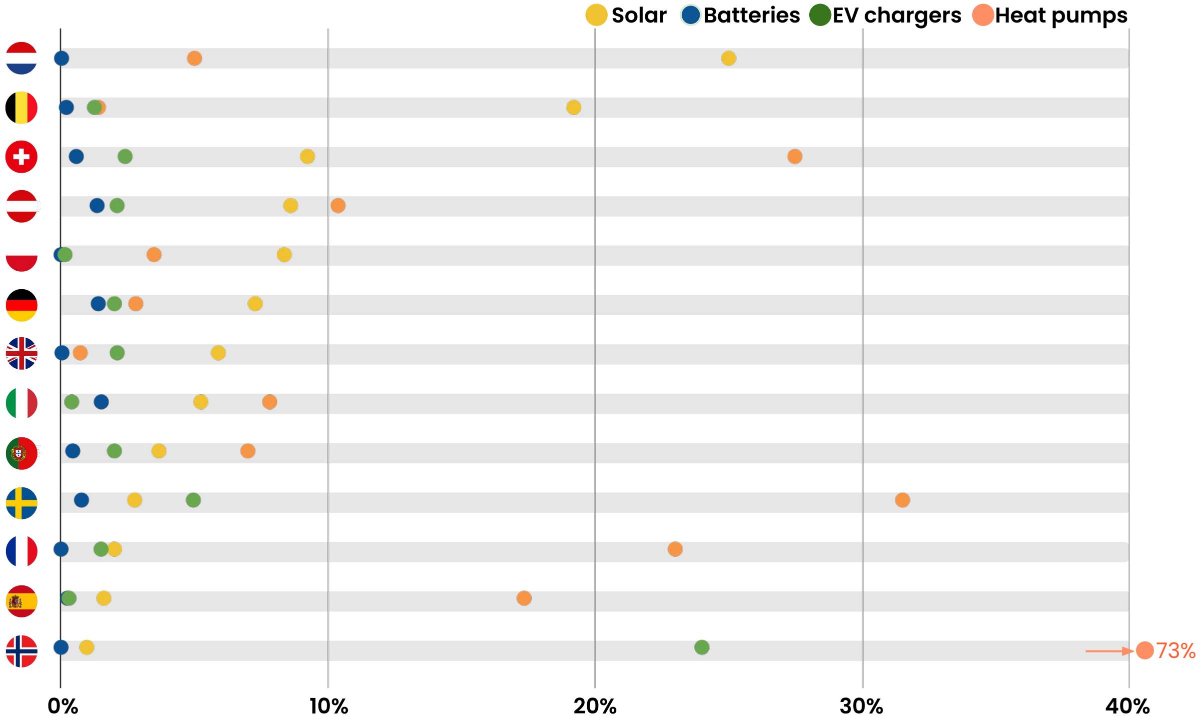
European heat pump market
Annual sales (M units)



European EV charger market
Energy demand for non-public EV charging (TWh)

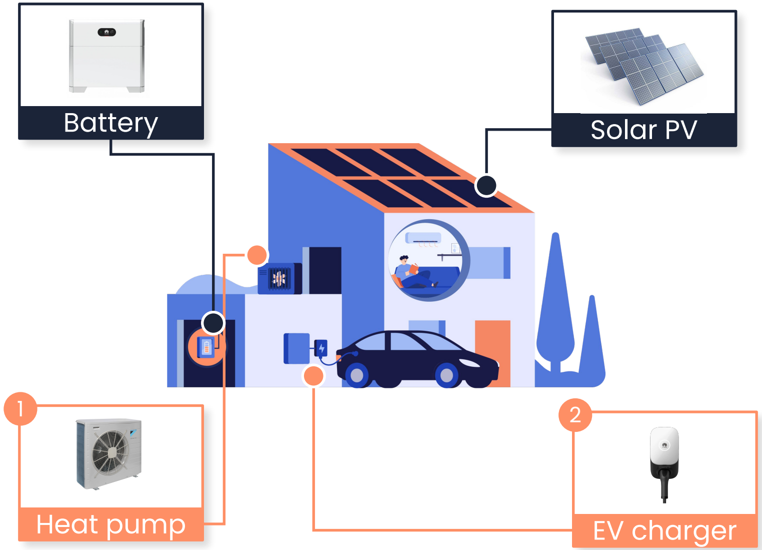


Penetration per hardware type

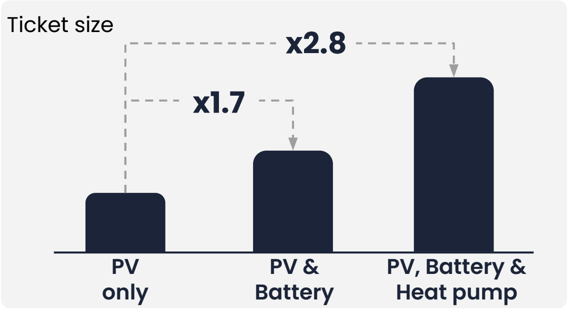


Note: PV, heat pump and battery penetration calculated as a percentage of all households in the country; solar considers rooftop household solar <20kWp or similar national cap a
Heat pumps considers all types of heat pumps; BEV not including plug-in hybrid electrics (PHEVs) as a percentage of entire car fleet
Source: european electric vehicle charging infrastructure masterplan; European Heat Pump Association

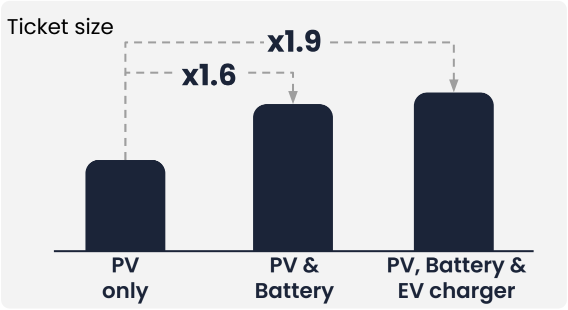
Hardware expansion expected to drive ticket size positively



Italy’s heat pump pilot



Germany’s entry into EV chargers



New in this quarter

1. Launch of **air-water heat pump pilot in Italy**, expecting to achieve 100% national coverage for HP sales in October
2. Launch of **EV chargers in Germany**, in response to the government’s 'Solar Power for Electric Cars' subsidy program

Agenda

Otovo sold its NOK+SEK portfolios’ 2020–2024 vintages to Swiss Life Asset Managers at attractive valuations

Sold all subscription assets in Norway and Sweden ‘20–’24

Reputable buyer

Improved cash position and cash flow profile

Proven business model

First Transaction

Geography
Sweden and Norway

Products
Solar

Time originated
2020 to Aug 2023

Volume
1,600 contracts

Continuous sale agreement

Geography
Sweden and Norway

Products
Solar

Time originated
Sep 2023 to Dec 2024

Volume
All new contracts originated by Otovo - expected to end at 3,000-3,500 units

The transaction at Otovo APMs and 2% inflation gives a **post-tax discount rate of 5.1%, equivalent to 6.4% pre-tax**

NOK 700m transaction

Details of transaction:

- First close of **assets up until Aug 23**, **continuous sale** of assets until reaching a target ticket size of NOK 600m
- **Purchase price of NOK 230m for first close**, and an additional estimated NOK 470m from the continuous sale agreement - in total NOK ~700m deal size
- **External debt to be repaid of NOK 153m** resulting in cash release of NOK 77m at close
- **Accounting gain** estimated to be around **NOK 60-70m** at the agreement date
- ~~**Funds withheld of NOK 13.6m**, pending financial license requirement for EDEA AS~~
- **NOK 7.3m** put in **escrow account**, related to SPA indemnities
- Otovo to continue **operating the assets on behalf of SLAM**, through a service & maintenance and customer service agreement

Transaction validates Otovo's subscription business

Track record

- **December 2020:** NOK 150m debt facility from Nordea at 50% leverage ratio
- **March 2021:** Increased Nordea facility to NOK 300m
- **January 2023:** New €50m debt facility from DNB and SR-Bank at 67% leverage[1]
- **August 2023:** Increased facility to €100m with guarantee from Eksfin, at 70% leverage[2]
- **October 2023:** Portfolio sale, releasing > NOK 160m in cash, sufficient to finance > 1 year of capex
- **2024:** Continuous sale agreement for further NOK/SEK assets, and intention to explore EUR assets

Proven business model

- Demonstrated ability to structure, originate, finance and monetize subscription assets
- Otovo the only company with pan European franchise to scale solar subscriptions similar to US
- Validated by reputable counterparty following thorough transaction process

Future portfolio development

- Selling new NOK/SEK-denominated assets to SLAM as they are originated at agreed terms with improved cash flow profile
- Keep building euro-denominated portfolio until optimal size for monetization

Strategic initiatives

- Potential M&A
- Potential to add hardware types

1) Norway, Germany, Sweden <75%, other countries <60%, leading to an expected 67% total
2)Approximately 70% depending on country mix. Austria, Switzerland, the Netherlands and Belgium now also at 75%

Infrastructure in place for regular monetization of European portfolios – Otovo the sole player with setup and track record

Scale & business model

- ✓ Presence in all large European markets
- ✓ Tens of thousands of installations completed
- ✓ Operations setup to handle massive growth
- ✓ Scalable & efficient model

Legal & administrative infrastructure

- ✓ Compliant customer contracts
- ✓ Payments infrastructure in place across markets
- ✓ Credit checking and sound underwriting framework
- ✓ Collections, dunning process and default handling

Financial capabilities

- ✓ Favourable debt facility in place
- ✓ Strong unit economics & IRR
- ✓ Access to capital

Track record

- ✓ Monetization of portfolio completed
- ✓ Passed due diligence / scrutiny of major asset manager

Otovo has built up a unique infrastructure for **originating and monetizing** subscription portfolios

–

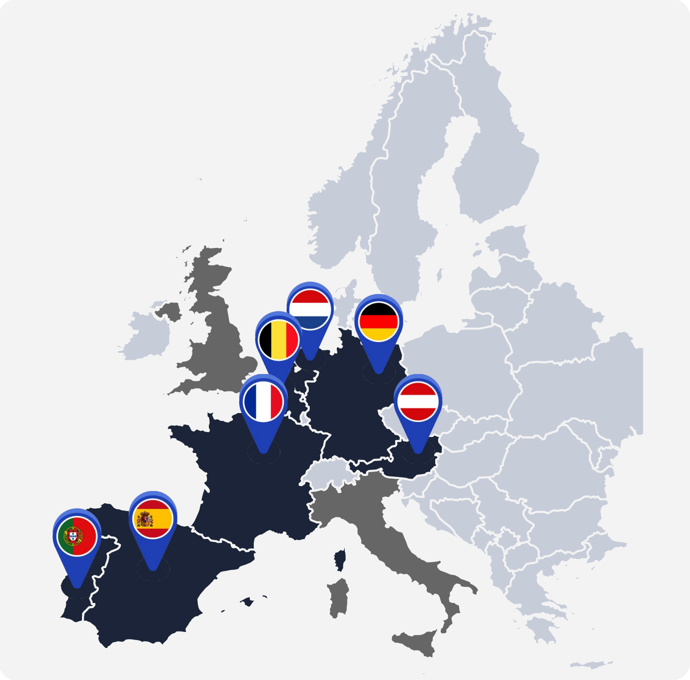
Would likely take **more than 2 years** to put in place with an established footprint - even longer if starting from scratch

Optionality to monetize EUR portfolio, and release additional cash back to Otovo

Groundwork laid for future sale of Euro-denominated portfolio

- Current pan-European portfolio of **~4k active solar PV projects,** with reduced risk due to **diversification across 7 European markets**
- Compared to Scandinavian portfolio, these projects deliver **higher yield** (kWh/kWp), given better solar conditions in Central and Southern Europe
  - Better business case for consumer
  - Higher implied yield
- Otovo received **inbound interest** regarding the EUR portfolio from multiple parties
- Expecting **lower discount rates** from sale of euro-denominated portfolio due to more sought-after currency than NOK/SEK
- Potential to leverage **process and portfolio-related learnings from** sale of NOK/SEK portfolio sale
- Process likely to take 1-2 quarters from time initiated

Countries with Euro assets



Agenda

Reported revenues up 40%, with 7 percentage points improvement in EBITDA

IFRS accounts

Consolidated Financial Summary

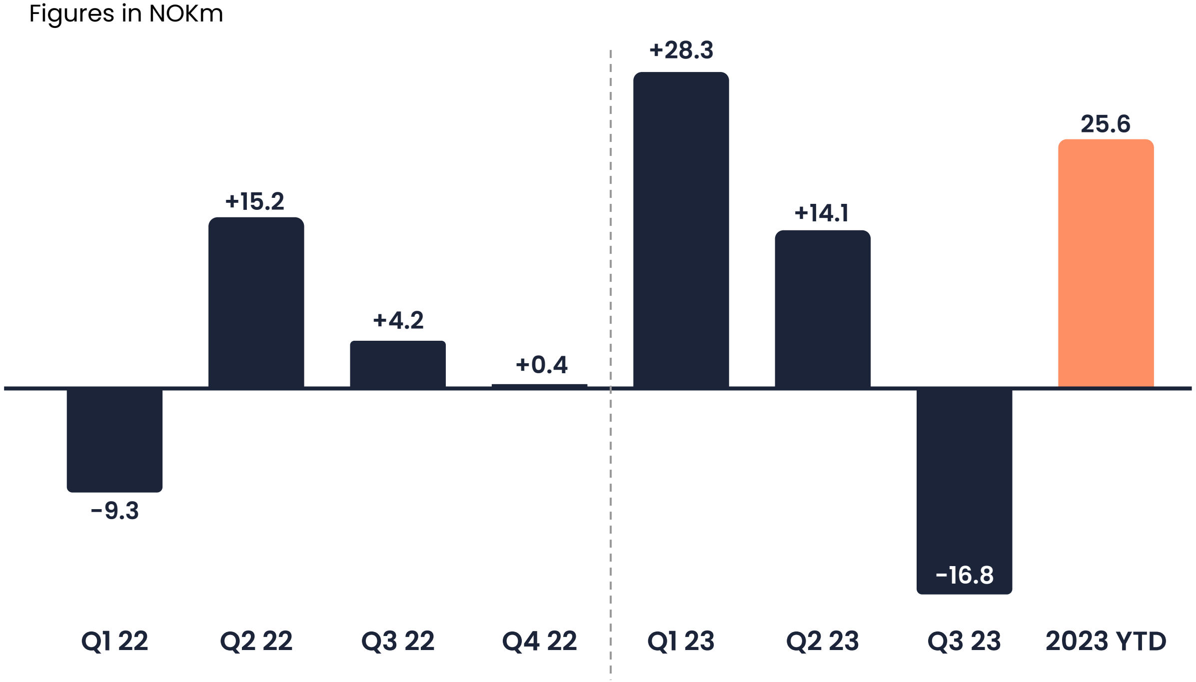
(NOKk)	Q3 2023	Q3 2022	Δ	YTD 23	YTD 22
Total operating income	248,907	179,131	69,776	847,499	447,313
COGS	185,940	140,356	45,584	653,522	355,919
Opex net of D&A	139,466	105,150	34,316	426,936	269,404
Depreciation and amortisation	16,956	16,266	690	57,399	46,497
Operating profit	-93,455	-82,641	-10,814	-290,358	-224,507
EBITDA	-76,499	-66,375	-10,124	-232,959	-178,010
EBITDA%	-31%	-37%	+7%p	-27%	-40%

Comments

- Total operating income increased NOK 70m to NOK 249m which is an increase of 39%. Subscription revenues up 316%
- Increase in COGS of 32%, resulting in an improved gross margin reported at 21%
- Opex net of D&A up NOK 34.3m year over year but reduced NOK 12m quarter over quarter

NOK 17m negative currency effect in Q3 - reducing the 2023 YTD net effect to positive NOK 26m

Net currency effects



Comments

- Investments in subsidiaries are partly done through internal loans in Euros
- Most subsidiaries have Euro as functional currency while ParentCo has NOK as functional currency and has to revalue the internal loans
- As a consequence of the revaluation in ParentCo profit(loss) before tax will fluctuate with changes in exchange rate due
- Currency fluctuations are markedly larger in 2023 than 2022
- While the net effects are positive this year, we may consider converting parts of the internal loans to equity

Balance sheet expanded through investments in Subscription SPV largely funded by debt

IFRS accounts

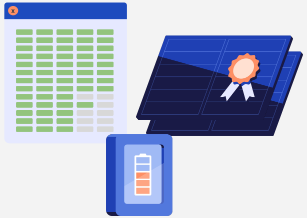
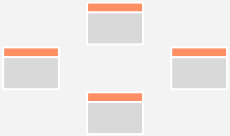
Consolidated Balance Sheet

(NOKk)	Q3 2023	Q3 2022	Δ	FY 22
Non-current assets	567,144	438,652	128,492	478,440
Assets classified as held for sale	223,988	-	223,988	9,748
Inventory	1,302	16,358	-15,056	10,761
Cash	236,900	291,055	-54,155	193,868
Other current assets	192,988	206,898	-13,910	244,449
Assets	**1,222,322**	**952,964**	**269,358**	**937,266**
Equity	533,908	619,986	-86,078	531,497
Liabilities	687,003	332,977	354,026	405,768
Liabilities classified as held for sale	1,411	-	1,411	-
Equity and liabilities	**1,222,322**	**952,964**	**269,358**	**937,266**

Comments

- Inventory reduced to NOK 1.3m
- Other current assets reduced by NOK 14m, primarily due to balance of Italian tax credits being reduced partially netted by increased VAT in select markets
- Assets held for sale of NOK 222.5m (net)
  - Includes consideration from EDEA acquisition, VAT receivables, internal profits and capex for the month of November
  - Estimated gain from transaction is NOK 60-70m at the agreement date
- Cash position reduced NOK 76m from previous quarter (see separate slide)

Otovo is generating shareholder value in our Marketplace and Subscription Portfolio

	1 Marketplace	2 Subscription Portfolio	3 Opex	4 Balance sheet
	Solar & battery marketplace, charging markup on installer cost	Portfolio of cash flow-generating customer contracts	Investments in Opex to enable company to scale	Optimization of cash and portfolio value
				
Value driver	• Gross profit • Capital efficiency	• Subscription SPV Capex • Return on capital (IRR)	• Operational leverage • Unit costs	• Scale of portfolio (WACC) • Access to capital
Current focus	• Bring markets to profitability • Improve unit economics • Keep growing installation volumes	• Keep building EUR-denominated portfolio until monetization • Sell new NOK/SEK assets to SLAM with improved cash flow profile	• Maintain operational leverage as new markets continue to scale • Decreasing unit costs by leveraging our Pan-European model	• Keep developing balance sheet

The Marketplace sells projects to two counterparties – Consumers, and our Subscription SPV

Otovo's customers can choose between a **Direct Purchase**, or a **Subscription**

OTOVO
Marketplace

Direct Purchase

Otovo sells project directly to customer, recorded as **Direct Purchase Revenue**

Customer

Customer pays a monthly CPI-adjusted amount over 20 years for PV, and 10 years for batteries

The lifetime payments add up to more than the Subscription SPV Capex, as measured by the **IRR**

Subscription

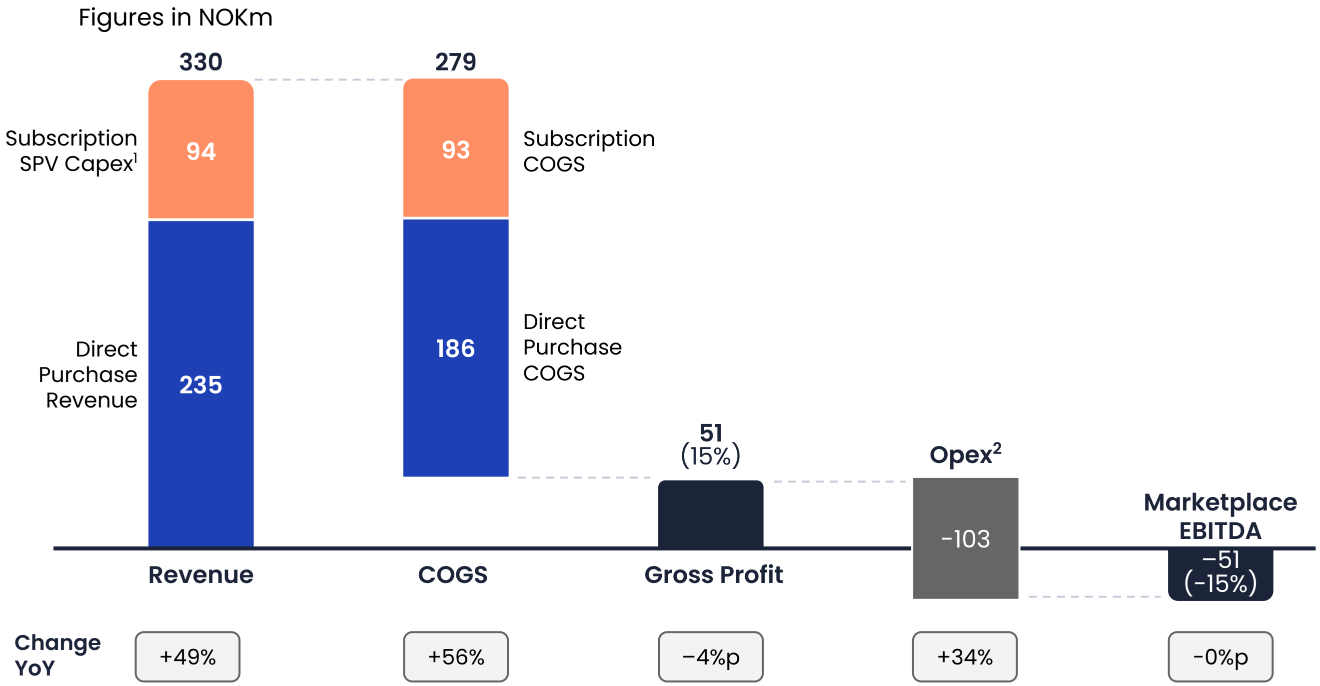
Marketplace sells project to SPV, recorded as **Subscription SPV Capex**

OTOVO
Subscription SPV

Debt financing, with leverage at ~70% of Subscription SPV Capex

Marketplace financials

Marketplace financials - Q3 2023



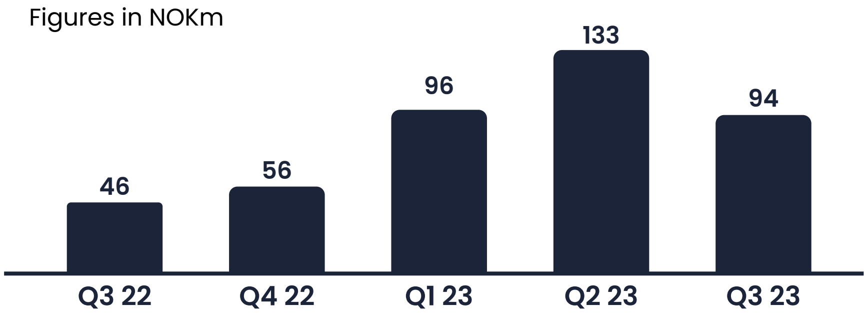
Comments

- Marketplace financials shows performance of Otovo's marketplaces not captured in reported P&L as sales to Subscription SPV are eliminated
- Profitability impacted by low margin on sale to Subscription SPV to meet yield requirement

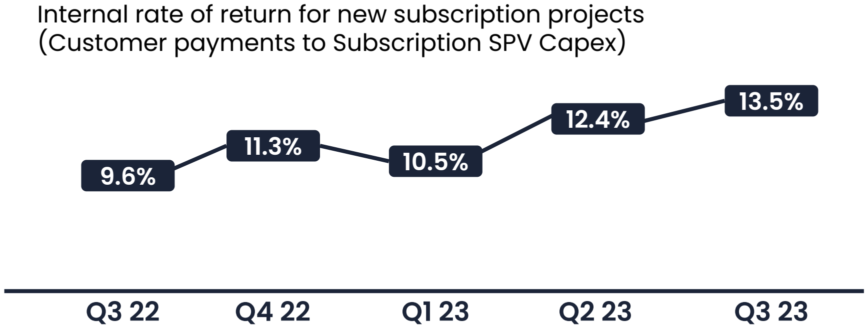
1) Sales from Otovo to Subscription SPV. Recorded as Capex for Subscription SPV. Sales to Subscription SPV is eliminated in consolidated accounts
2) Opex for local operations. Does not include Group Costs

NOK 94m of capex deployed at all-time-high IRR of 13.5%

Subscription SPV Capex



IRR - Projects installed in the quarter



Contracted Subscription Revenue - Proj. installed in quarter

Figures in NOKm

Inflation	Discount rate 5.0%	5.5%	6.0%	6.5%	7.0%
5%	202	193	184	175	167
4%	185	177	169	161	154
3%	170	163	155	149	143
2%	**157**	150	144	138	132
1%	144	138	133	128	123
0%	134	128	123	118	114

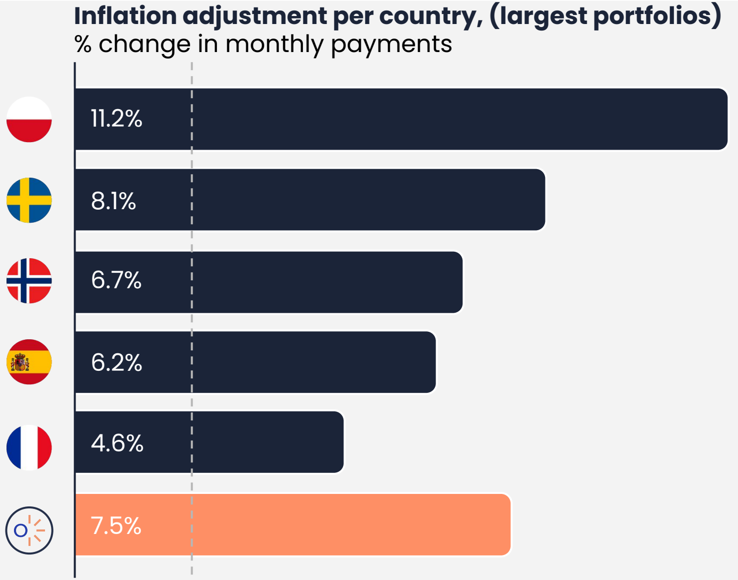
Accumulated Contracted Subscription Revenues

Figures in NOKm

Inflation	Discount rate 5.0%	5.5%	6.0%	6.5%	7.0%
5%	1,064	1,016	972	930	890
4%	975	933	893	856	820
3%	895	858	822	789	758
2%	**824**	790	759	729	701
1%	760	730	701	675	650
0%	702	675	650	626	603

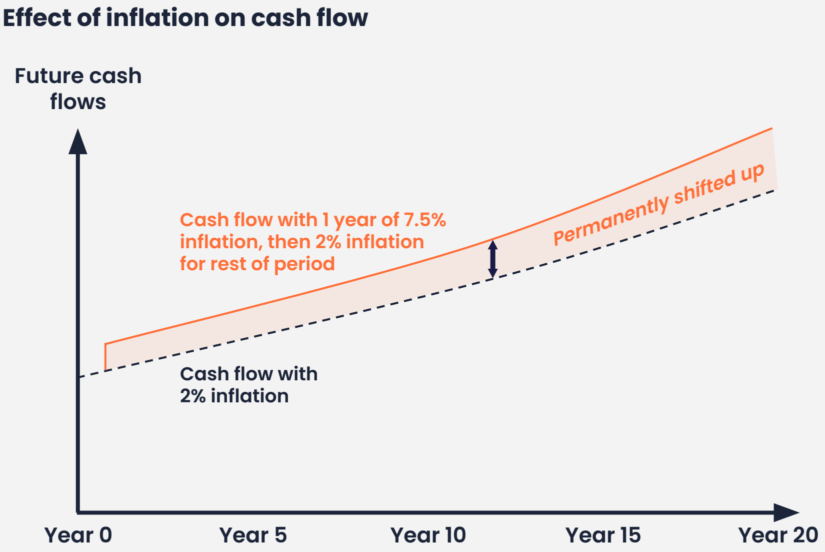
Average inflation adjustment of 7.5% in Q3

Q3 inflation adjustments



Dotted line: 2% inflation used in calculation of APMs

Significant increase in lifetime payments

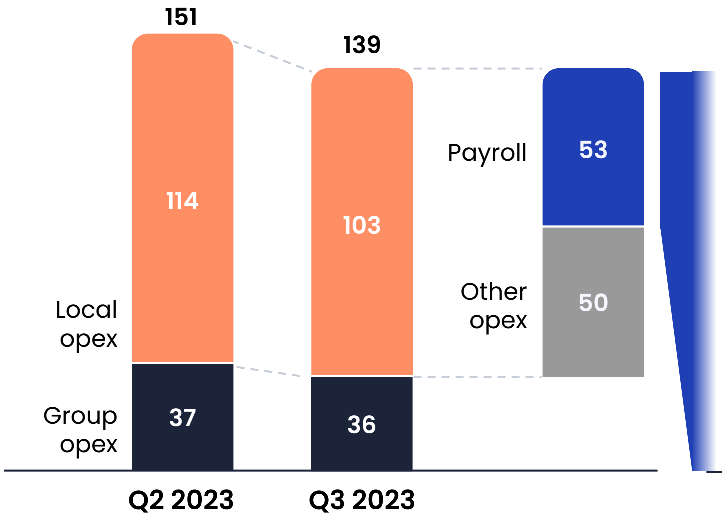


- Otovo Subscription contracts are inflation protected - adjustment only possible upwards not down
- Customers' monthly payments adjusted once a year

Opex investments are primarily building up our 13 European markets – Otovo Shared Services contributing to lower cost

Local vs. Group Opex

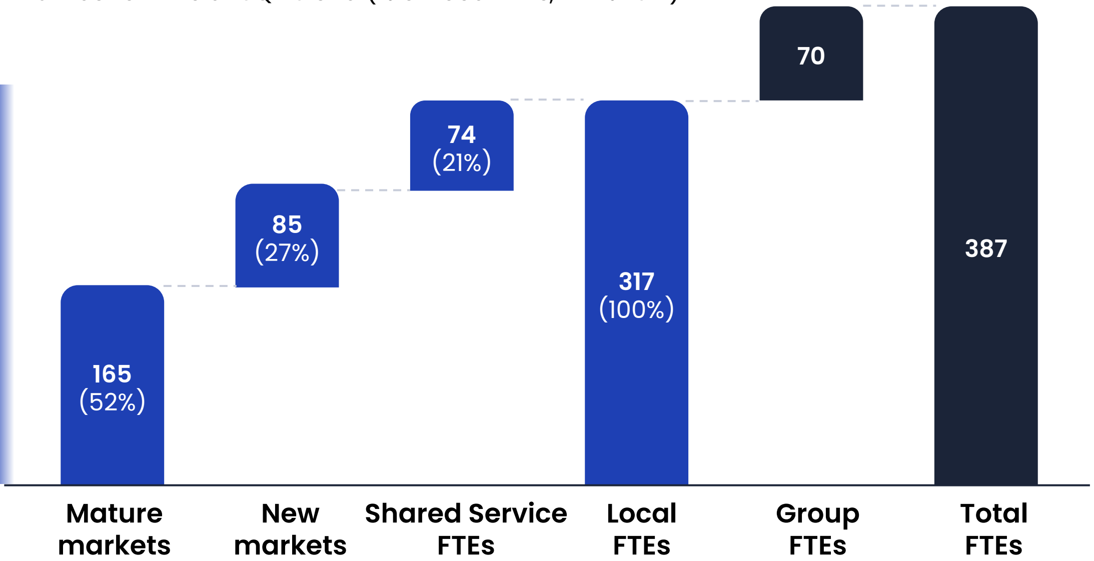
Figures in NOKm



- Opex decreased by 8% during the quarter
- Driven by savings in Local Opex

Split of payroll

Number of FTEs at 3Q 23 end (% of Local FTEs, 100%=317)



- 27% of local FTEs in countries that are under development and 21% in Shared Services to enhance operational leverage

Note: FTE calculation approach changed from previous quarters to exclude accounting of non-permanent employees. Based on new approach, FTE count in Q2 was as follows: 146 Mature markets (57%), 68 New markets (26%), 44 Shared Services (17%), 68 Group FTEs, with a total 326 FTEs

Our financial framework to maximize shareholder value

Cash performance

Operational leverage drives increased investment capacity

Capital discipline

Negative working capital and disciplined Investments in tech

Balance sheet

Continue to optimize balance sheet

Portfolio sales

Reinvest proceeds in marketplace and SPV

Our financial framework to maximize shareholder value

Cash performance

Operational leverage drives increased investment capacity

- ✓ Improved IFRS EBITDA by 7%p in Q3 YoY

Capital discipline

Negative working capital and disciplined Investments in tech

- ✓ Disciplined software investments
- ✓ WC remains negative

Balance sheet

Continue to optimize balance sheet

- ✓ Increased leverage
- ✓ Doubled facility from €50m to €100m

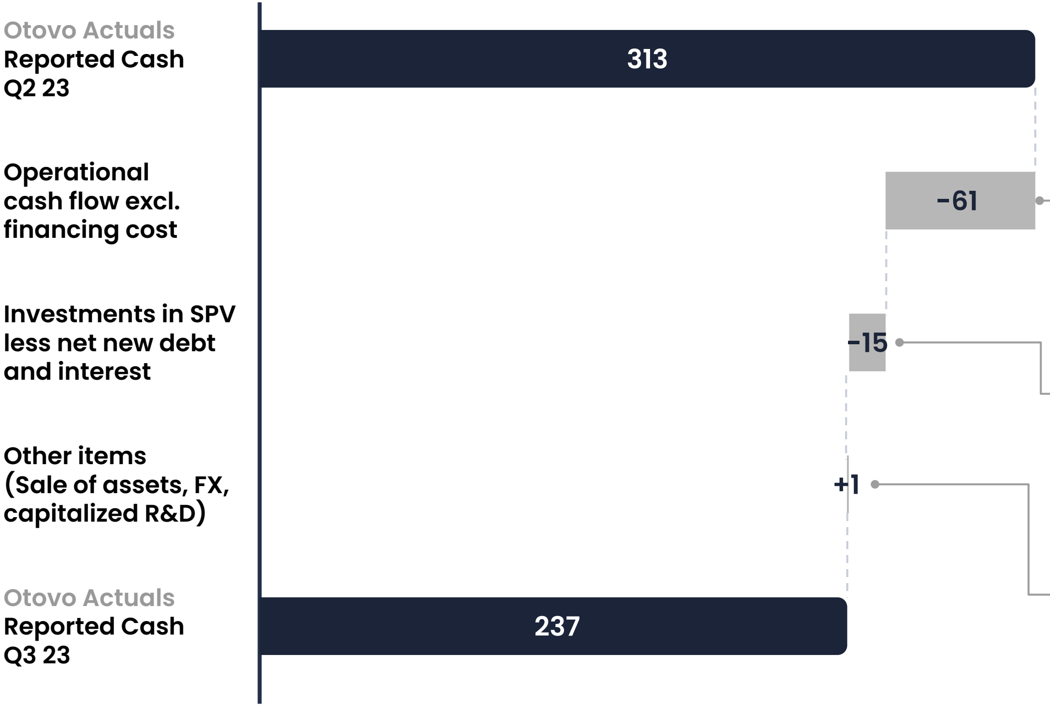
Portfolio sales

Reinvest proceeds in marketplace and SPV

- ✓ Sold NOK/SEK portfolio to SLAM

Cash position of NOK 237 million the quarter end, with cash from portfolio sale expected in Q4

Cash development during Q3 2023 (NOKm)



Comments

NOK -61m of operational cash flow (excl. financing costs) including:

- Sale of Italian tax credits +36m
- Trade Working capital -15m on lower installation volumes
- Non-trade working capital +4m

NOK -15m on investments in SPV less net financing:

- NOK 94m invested in subscription assets
- While drawing on NOK 77m in net new debt & financing net of interest

NOK 1m from other items including:

- Capitalized R&D of NOK -10m
- Net currency effects +7m

Agenda

Otovo **progressing towards profitability**, which will be reached through a combination of **sales volume growth,** operational **cost improvements**, and the **monetization** of its euro denominated assets

- To fund this expected growth journey, the Company is considering a **potential share issue to raise capital**, and has retained Pareto Securities; DNB Markets; and Bryan, Garnier & Co to assist and advise
- The **Company's largest shareholders** have expressed **strong interest in supporting a share issue**

The timing, structure and size of any share Issue will be subject to, inter alia, prevailing market conditions and necessary corporate resolutions, and no assurance can be given that the Company will carry out any share Issue


Otovo installation in Spain

Highest margin on record, built for market bounceback

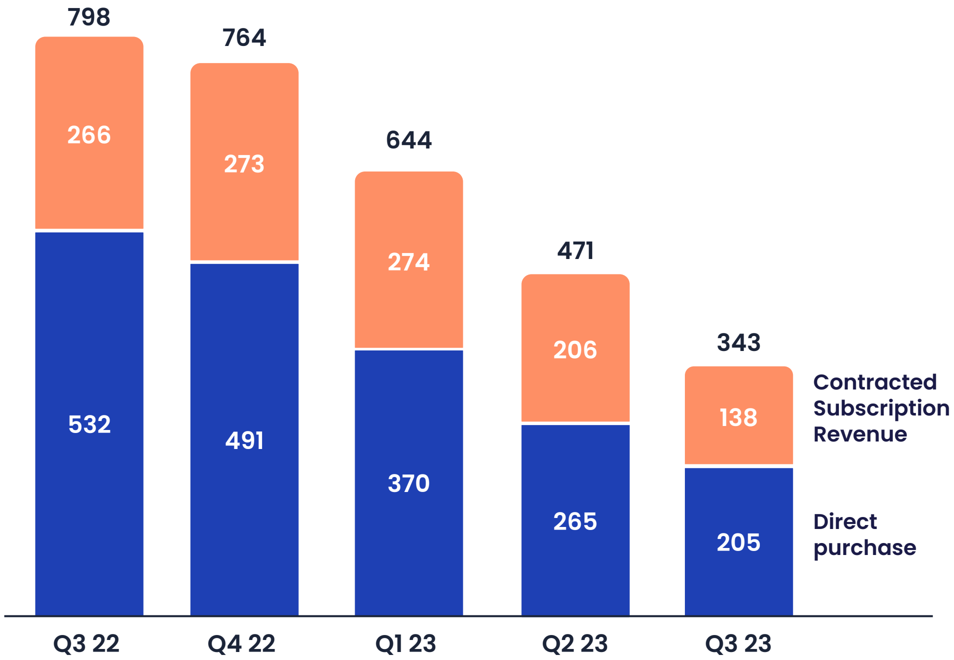
- **Strong annual growth**, despite market taking a breath after spur in 2022
  - **2,629 installations** versus **1,970** same quarter last year, **up 33%**
  - **2,073 unit sales** versus **2,740** same quarter last year, **down 24%**
  - **IFRS Revenues of NOK 235m, up 35%** versus last year
  - **IFRS reported margins 21%, up 1.5%p** versus last year
  - **Gross Margin Generated at 26%, up 4%p** versus last year
- **Proving that portfolios can turn to cash**
  - **Completed first-of-its-kind solar portfolio sale in Europe**, with Swiss Life Asset Managers
  - **Building new portfolio cohorts,** deploying NOK 94m Subscription SPV Capex, **up 2x**
  - **Significant increase in IRR,** at 13.5% for projects installed this quarter v.s. 9.6% same quarter last year, **up 3.9%**
- **Increasing share of projects handled from Madrid**
  - A full **24% of projects installed in Q3** were handled from the **Shared Service Center,** up from 0% one year ago, and **8% last quarter**
  - **1 in 5 of Otovo's employees** are now situated in the Shared Service Hub in Madrid
- **Adding new hardware - will boost ticket size**
  - **EV charger launch in Germany** as a response to the German government's 'Solar Power for Electric Cars' subsidy program and **Italy starting to pilot Heat pumps**, with **1.9x and 2.8x impact on ticket size**, respectively
- **Progressing towards profitability - Otovo will consider potential share issue to finance growth**

Agenda

Appendix

Pipeline | Increased throughput speed

Pipeline value at end of quarter (NOKm)



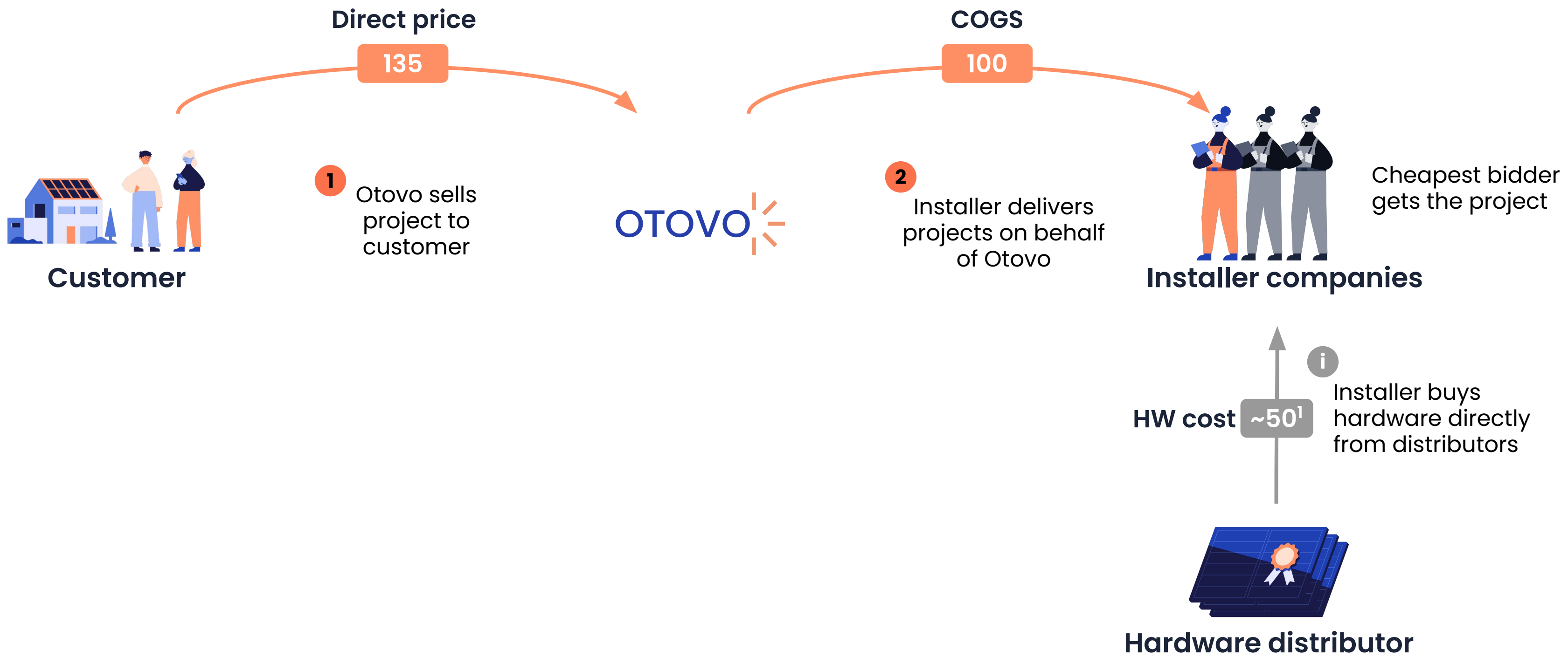
Comments

- Pipeline was trimmed in Q3, further increasing throughput speed to a record 2.5 months, providing for expected intra-quarter delivery to customers
- Mix effects favour faster, low-permitting countries going forward (Northern Europe)
- Pipeline made up of **high-value** projects
  - 757 projects in pipeline are on a **subscription** model, 34% of total
  - Pipeline consists of 740 projects that include a **battery**, 33% of all projects

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

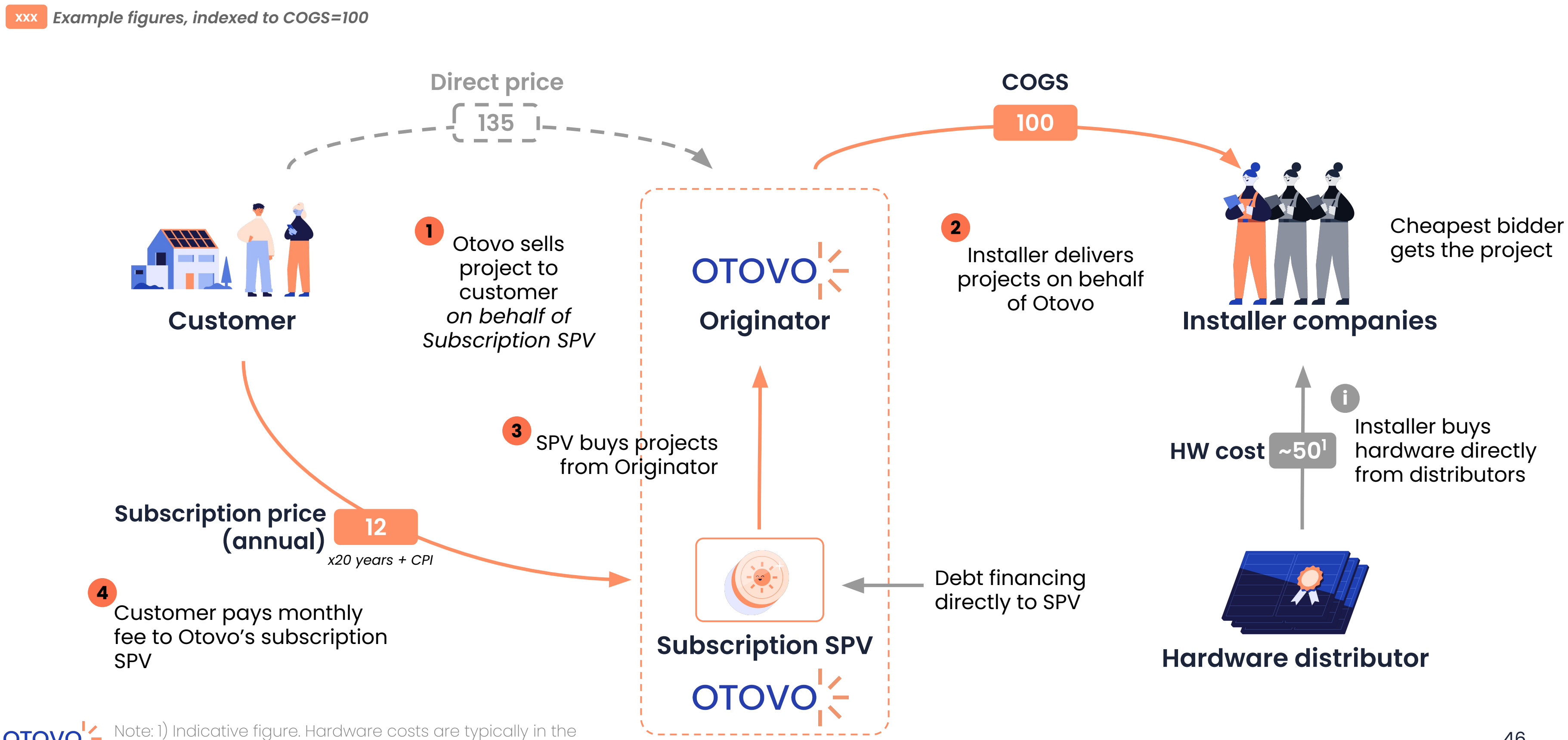
Consumer either buys on a Direct purchase model

xxx *Example figures, indexed to COGS=100*



Note: 1) Indicative figure. Hardware costs are typically in the range of 50% of COGS

… or through entering into a long term Subscription with Otovo



Note: 1) Indicative figure. Hardware costs are typically in the range of 50% of COGS

Historic figures | Pipeline vs. sales vs. installations

Q3 2023	Unit	Sales	Pipeline	Installations
Units	**#**	**2,073**	**2,230**	**2,629**
Direct purchase	*#*	*1,511*	*1,473*	*1,745*
Subscription	*#*	*562*	*757*	*884*
Subscription share	**%**	**27%**	**34%**	**34%**
Battery attachment rate	**%**	**32%**	**33%**	**25%**
Avg. ticket size	**NOKk**	**112**	**133**	**132**
Direct purchase	*NOKk*	*116*	*139*	*135*
Subscription	*NOKk*	*103*	*121*	*130*

Q2 2023	Unit	Sales	Pipeline	Installations
Units	**#**	**2,215**	**2,786**	**3,214**
Direct purchase	*#*	*1,376*	*1,707*	*2,066*
Subscription	*#*	*839*	*1,079*	*1,148*
Subscription share	**%**	**38%**	**39%**	**36%**
Battery attachment rate	**%**	**23%**	**26%**	**24%**
Avg. ticket size	**NOKk**	**122**	**149**	**146**
Direct purchase	*NOKk*	*125*	*155*	*149*
Subscription	*NOKk*	*117*	*140*	*140*

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

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)

Segment reporting - Q3 2023				
(NOK 000')	**Direct purchase**	**Subscription**	**Elimination**	**Otovo Group**
Revenue	329,627	9	-94,201	235,435
Other operating income	2,329	13,107	-1,965	13,472
Total operating income	**331,956**	**13,116**	**-96,166**	**248,907**
Cost of goods sold	278,563	-	-92,623	185,940
Payroll and related costs	76,623	-	-644	75,979
Depreciation, amortisation and impairment	6,019	7,207	3,730	16,956
Other operating expenses	57,812	6,740	-1,065	63,487
Operating profit/(loss)	**-87,061**	**-831**	**-5,564**	**-93,455**

Direct Purchase segment (IFRS)

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 APMs

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	Q4 22	Q1 23	Q2 23	Q3 23
Revenue (ex. other revenue)	*NOKm*	35	42	30	40	38	64	86	98	109	153	175	201	274	307	235
Other revenue	*NOKm*	0	0	0	5	0	0	2	2	3	3	5	4	7	10	14
Total revenue	***NOKm***	**35**	**43**	**30**	**45**	**38**	**64**	**88**	**99**	**112**	**156**	**179**	**205**	**281**	**317**	**249**
COGS	*NOKm*	-29	-36	-24	-33	-32	-54	-72	-82	-91	-124	-140	-167	-224	-244	-186
Gross profit	***NOKm***	**6**	**7**	**6**	**7**	**6**	**10**	**13**	**15**	**18**	**29**	**34**	**34**	**50**	**64**	**49**
Opex	*NOKm*	-28	-21	-29	-29	-42	-44	-44	-70	-76	-89	-105	-113	-136	-151	-139
EBITDA	***NOKm***	**-22**	**-14**	**-22**	**-22**	**-36**	**-33**	**-31**	**-53**	**-55**	**-57**	**-66**	**-75**	**-79**	**-77**	**-76**
Depreciation & amortization	*NOKm*	-5	-5	-5	-4	-4	-4	-5	-9	-15	-16	-16	-18	-19	-22	-17
EBIT (Operating profit)	***NOKm***	**-27**	**-19**	**-28**	**-26**	**-40**	**-38**	**-35**	**-62**	**-69**	**-72**	**-83**	**-93**	**-98**	**-99**	**-93**
Gross margin	*%*	*16%*	*16%*	*21%*	*18%*	*15%*	*16%*	*16%*	*16%*	*16%*	*19%*	*20%*	*17%*	*18%*	*21%*	*21%*
EBITDA margin	*%*	*-63%*	*-32%*	*-74%*	*-49%*	*-95%*	*-52%*	*-35%*	*-53%*	*-49%*	*-36%*	*-37%*	*-37%*	*-28%*	*-25%*	*-25%*

Note: EBITDA margin shown as share of Total revenue, vs. as a share of Revenue (ex. other revenue) in earlier presentations.

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	Q4 22	Q1 23	Q2 23	Q3 23
Sales	#	546	477	584	640	815	1,183	1,470	2,066	2,541	2,398	2,740	1,826	1,962	2,215	2,073
Pipeline	#	659	673	771	805	924	1,286	1,654	2,515	3,591	4,244	5,034	4,655	3,785	2,786	2,230
Installations	#	452	464	486	617	663	864	1,086	1,209	1,459	1,745	1,970	2,205	2,832	3,214	2,629
Average ticket size (sold)*	*NOKk*	76	60	58	55	81	85	90	106	117	125	132	116	124	122	112
Average ticket size (installed)*	*NOKk*	79	90	61	62	54	75	79	83	88	103	109	120	134	146	132
Battery attachment rate (sold)	*% of #*	0%	0%	0%	0%	0%	3%	8%	12%	25%	24%	25%	23%	28%	23%	32%
Battery attachment rate (installed)	*% of #*	0%	0%	0%	0%	0%	0%	2%	4%	10%	19%	22%	26%	24%	24%	25%
Subscription share (sold)	*% of #*	0%	19%	31%	23%	20%	23%	24%	17%	23%	25%	35%	35%	39%	38%	27%
Subscription share (installed)	*% of #*	0%	0%	13%	18%	23%	22%	27%	21%	18%	21%	26%	27%	30%	36%	34%
Net interest-bearing debt	*NOKm*	-170	-145	-138	-58	-270	-242	-195	-219	-415	-300	-212	-69	-153	29	177
Fully diluted number of shares	*#m*					105	111	111	119	141	142	143	143	159	159	159

**Adjusted to reflect losses on tax credits in Italy*

Historic figures | Alternative Performance Measures

Note: Pro-forma APMs prior to Q4 21 are indicative

APMs (pro-forma)	Unit	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
Revenue generated	***NOKm***	**39**	**69**	**93**	**109**	**135**	**194**	**235**	**282**	**408**	**514**	**392**
Revenue	*NOKm*	27	52	65	83	109	153	175	201	274	307	235
Contracted Subscription Revenue	*NOKm*	12	17	28	26	26	41	61	81	133	206	157
Total COGS	***NOKm***	**-30**	**-56**	**-74**	**-87**	**-109**	**-152**	**-183**	**-226**	**-320**	**-390**	**-289**
Cost of goods sold - Direct purchase	*NOKm*	-22	-45	-55	-70	-91	-124	-140	-167	-224	-244	-186
Cost of goods sold - Subscription	*NOKm*	-7	-10	-17	-15	-16	-25	-38	-53	-87	-131	-93
Subscription O&M costs	*NOKm*	-1	-1	-2	-2	-2	-3	-4	-6	-10	-15	-11
Gross Profit generated	***NOKm***	**9**	**13**	**19**	**22**	**26**	**42**	**53**	**56**	**87**	**124**	**103**
Gross Profit	*NOKm*	5	7	10	13	18	29	34	34	50	64	49
Gross Subscription Profit	*NOKm*	4	6	9	9	9	13	18	22	37	61	53
Opex & adjustments	***NOKm***	**-47**	**-48**	**-50**	**-71**	**-74**	**-88**	**-104**	**-113**	**-135**	**-150**	**-139**
Opex	*NOKm*	-43	-44	-48	-69	-76	-89	-105	-113	-136	-151	-139
Other revenues, originator	*NOKm*	0	0	0	1	1	1	1	0	1	1	1
EBITDA generated	***NOKm***	**-37**	**-35**	**-31**	**-49**	**-48**	**-46**	**-51**	**-57**	**-48**	**-26**	**-36**
Gross Margin generated	*%*	*24%*	*19%*	*21%*	*20%*	*19%*	*22%*	*22%*	*20%*	*21%*	*24%*	*26%*
EBITDA Margin generated	*%*	*-95%*	*-51%*	*-33%*	*-45%*	*-35%*	*-24%*	*-22%*	*-20%*	*-12%*	*-5%*	*-9%*
Sold - Revenue Generated	*NOKm*	70	108	142	229	312	315	393	231	267	316	259
Sold - Gross Profit Generated	*NOKm*	13	22	28	45	71	86	111	55	62	82	66
Gross Profit Generated per sale	*NOKk*	16	19	19	22	28	36	41	30	31	37	32
Opex per sale	*NOKk*	-53	-37	-33	-33	-30	-37	-38	-62	-70	-68	-67
Opex per installation	*NOKk*	-65	-51	-44	-57	-52	-51	-53	-51	-48	-47	-53

Estimated future Revenues Generated 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 and installations in quarter

Historic figures | Subscription portfolio

Portfolio duration	Unit	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
PV contracts	*years*	19.4	19.3	19.3	19.3	19.2	19.3	19.1
Battery contracts	*years*	9.9	9.9	9.8	9.8	9.7	9.6	9.4
Total portfolio	*years*	19.3	19.0	18.7	18.4	18.3	17.6	17.3

Duration is calculated as the weighted average time to maturity for all contracts in portfolio, measured in the last day of the quarter.
PV & Battery contracts are counted separately, weighted by first month payments.

Deployment & IRR	Unit	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
Subscription SPV Capex	*NOKm*	19	31	46	56	96	133	94
Accumulated Contracted Sub. Revenue	*NOKm*	121	157	227	305	473	692	824
Subscription SPV IRR (installed in quarter)	*%*	10.0%	9.7%	9.6%	11.3%	10.5%	12.4%	13.5%
Project IRR (installed in quarter)	*%*	13.4%	13.4%	12.9%	12.2%	12.3%	12.6%	13.8%

Subscription SPV Capex is the price that EDEA (the subscription SPV) pays to Otovo (the originator) for projects installed in the quarter.
Accumulated Contracted Subscription Revenue, assuming 2% inflation and 5% discount rate.
Subscription SPV IRR is the internal rate of return for new subscription projects installed in the quarter (Customer payments to Subscription SPV Capex).
Project IRR is the the internal rate of return for new subscription projects installed in the quarter for Otovo Group, i.e Customer Payments to COGS

Alternative Performance Measures

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

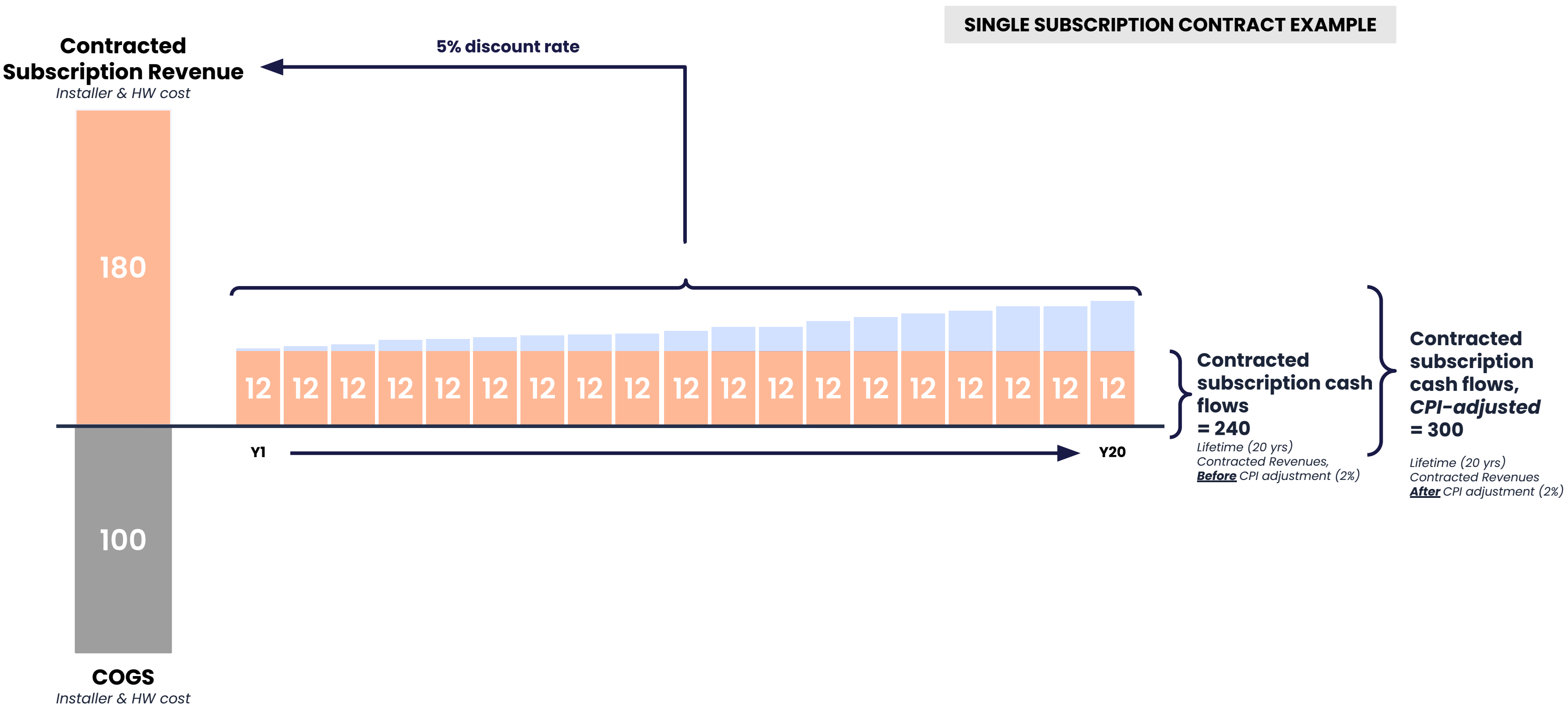
Alternative Performance Measures (APMs)

	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%

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

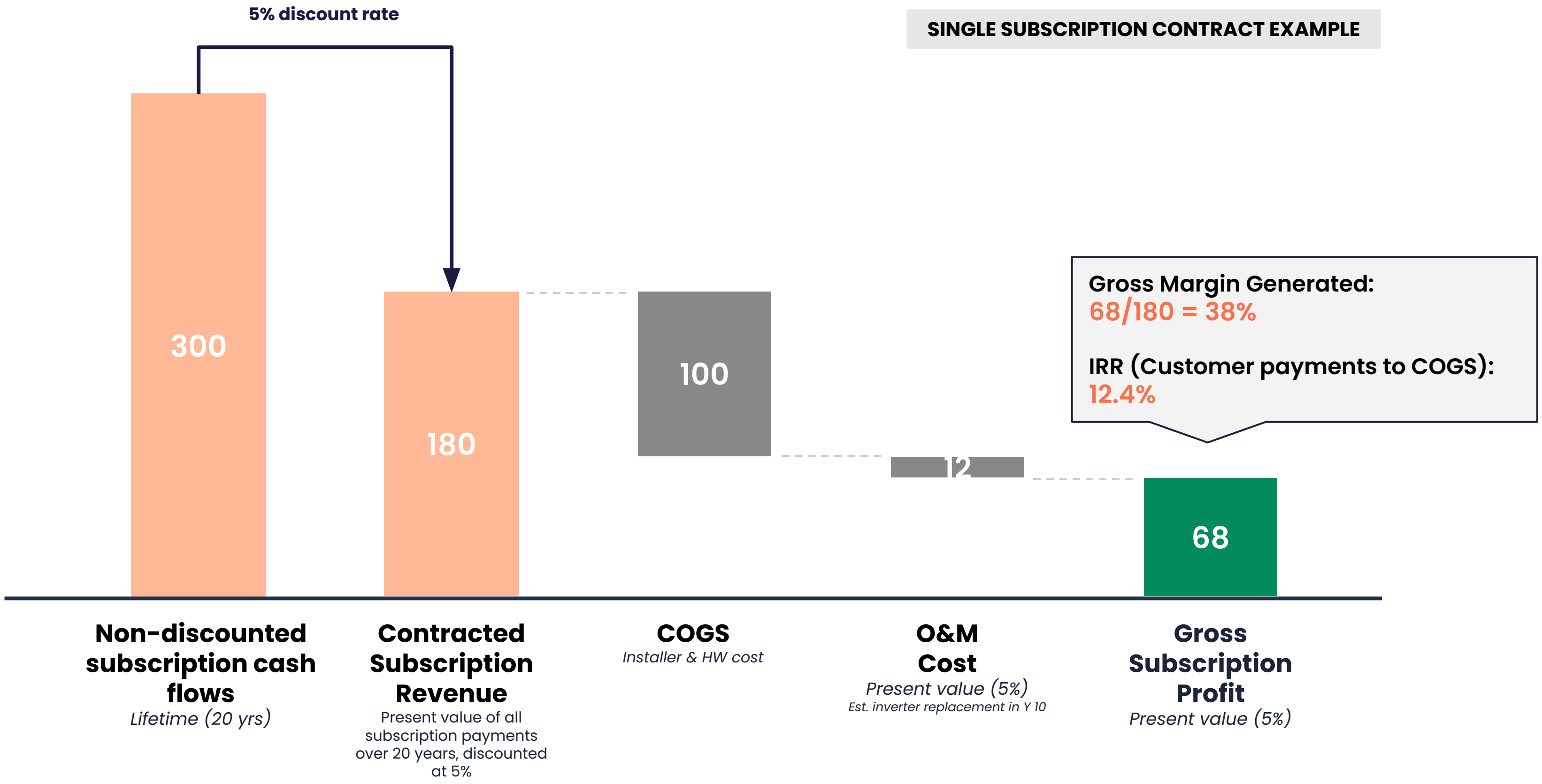
Contracted Subscription Revenue | Revenue metric



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



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 93 60 26 43
petterul@otovo.com

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