Otovo

The solar and battery marketplace

Q4 23 presentation
8 February 2024

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Today’s speakers

Present from Otovo

Founder and CEO
Andreas Thorsheim

CFO
Petter Ulset

Agenda

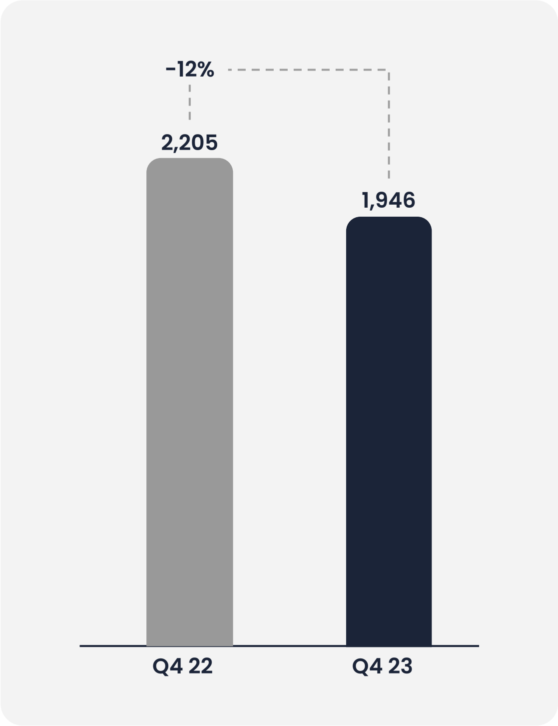
1. Business update
2. Company development
3. Portfolio monetization
4. Financial results
5. Summary & Outlook
6. Q&A

Q4 23: Cost cuts and efficiency program executed - ready for 2024

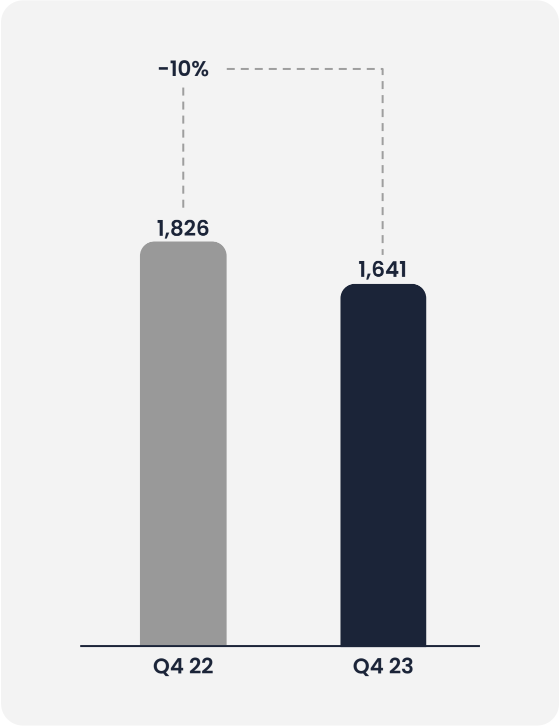
1. **Revenues held strong due to resilient ticket size, driven by increased battery attachment rate, and subscription portfolio sale**
   - Total Operating Income up 14% to NOK 233m (vs. 205m) including gain from portfolio sale
   - Revenues Generated come in flat at NOK 278 million (282m)(-1%)
2. **Implemented significant cost reduction program in Q4, aimed at lifting profitability per unit and reducing the break-even point**
   - NOK 80-100m annual opex reductions (14%-18% of Q3 23 annualized OPEX) expected from Q2 2024
   - 65 staff let go by reducing head office functions, middle management and creating more joint functions
   - Leaner and simpler organization, increasingly based in Madrid.
   - Significant reductions in SG&A across the Group
3. **Completed sale of NOK/SEK portfolio, proving value-creation in the subscription business, now initiating Continental Europe portfolio sale process**
4. **Sales behind previous performance, but closing the gap to comparables**
   - 1,641 net sales, down 10% (1,826)
   - 1,946 installations, down 12% (2,205)
5. **Value creation per customer much strengthened**
   - Gross Margins Generated expanded to 26% (20%), the highest on record
   - Average ticket size NOK 125k, up 4%, showing resilience in a market where solar costs are falling
   - Battery attachment rate step change to 35% (26%)
   - Subscription share strong at 33% (27%)

Sales and installations behind previous performance, but closing the gap

Installations



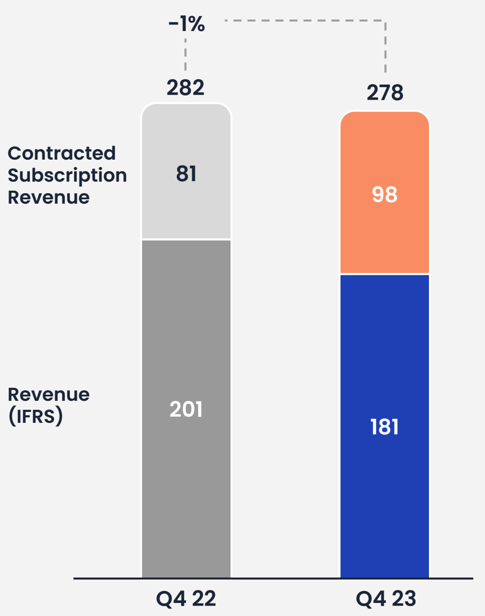
Net Sales



Growing profitability through the Subscription segment, while EBITDA impacted by non recurring costs

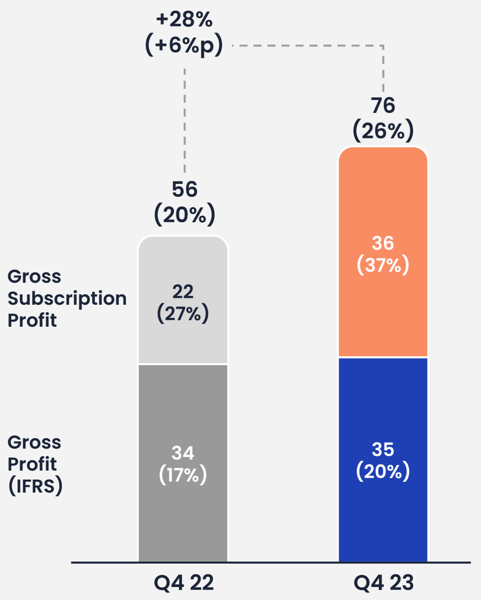
Revenues Generated

Figures in NOKm



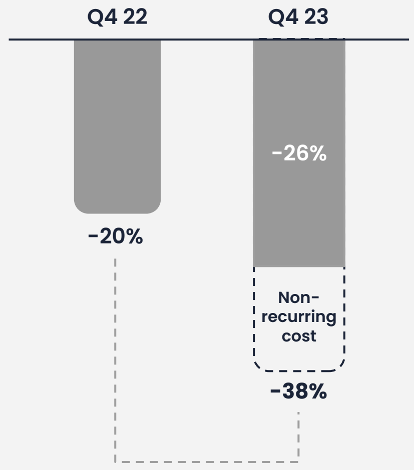
Gross Profit Generated

Figures in NOKm



% EBITDA Generated

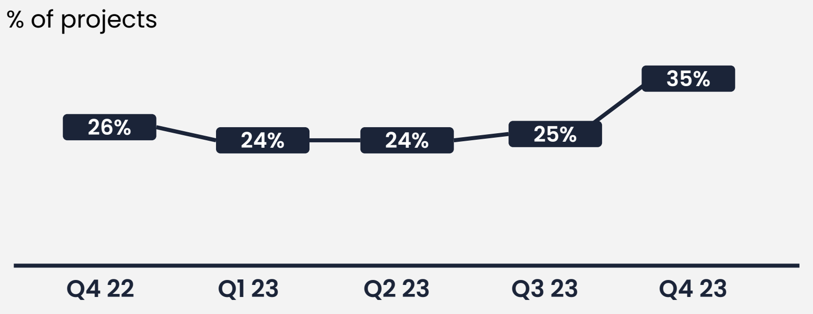
% of Revenues generated



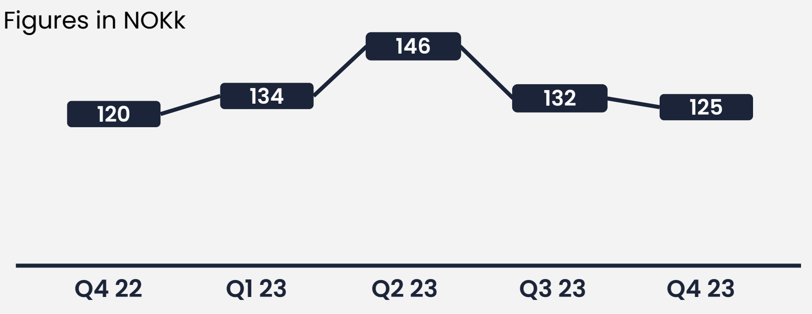
Opex impacted by one-off effects related to sale of subscription portfolio, organizational restructuring and equity incentive program

Battery business shifting upward, other key metrics remain strong proving underlying unit economics

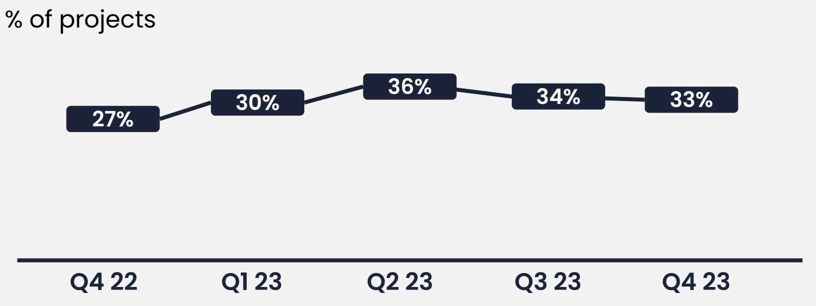
Battery attachment rate, installed



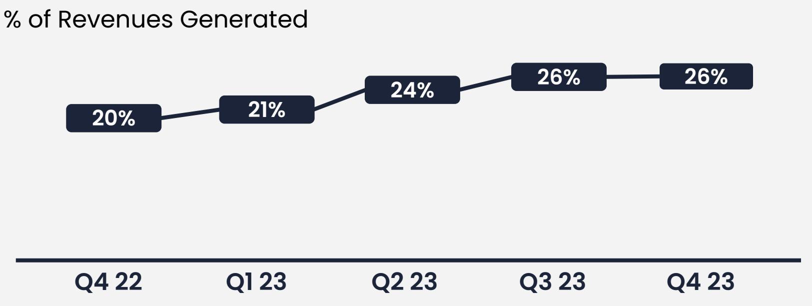
Ticket size, installed



Subscription share, installed



Gross Margin Generated, installed



Agenda

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OTOVO

On a mission to bring **European homeowners easy and affordable clean energy**

We aim to build a unique European platform for home energy tech

Subscription platform

Make a **monthly subscription** out of all **clean energy technology** that homeowners need

Low-cost, scalable operations

Flexible structure, based on highly efficient **Shared Service Center** in Madrid

We aim to build a unique European platform for home energy tech

Subscription platform

1 **Solid capital position** with debt and equity in place to originate highly valuable subscription assets across Europe

2 **Multi-hardware asset** platform for solar, battery, heat pumps and EV chargers

3 **First portfolio sale** to Swiss Life closed, with next portfolio sale coming up - quickly cycling back invested cash

Low-cost, scalable operations

4 **Software-based** platform established across 13 European countries, with proprietary marketing, sales and operations

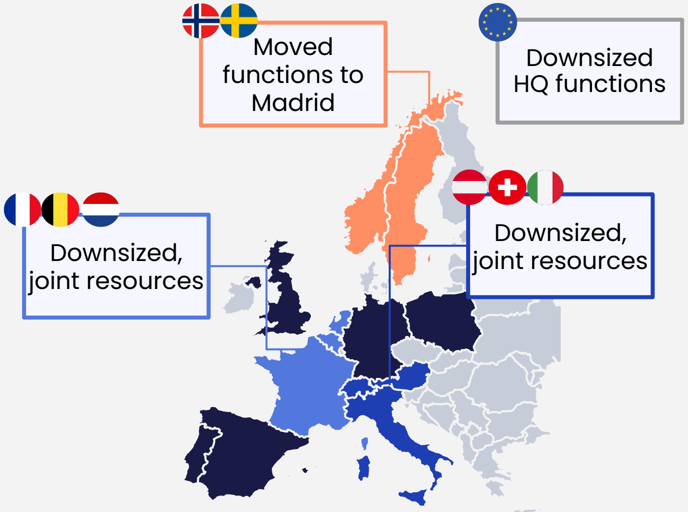
5 **Shared Service Center** Madrid-based, cost-effective back bone for operations, marketing and finance established in 2023

6 NEW **Lean cost structure** Following significant FTE and SG&A cuts across Europe in Dec 2023, resulting in a market-leading cost per installed unit

Significant measures implemented in Q4 to reduce cost and increase efficiency

Headcount reductions

Headcount reductions conducted in headquarter functions and higher cost markets, in addition to **market reorganization** improving efficiency through more joint functions and increasingly remote operations



SG&A reductions

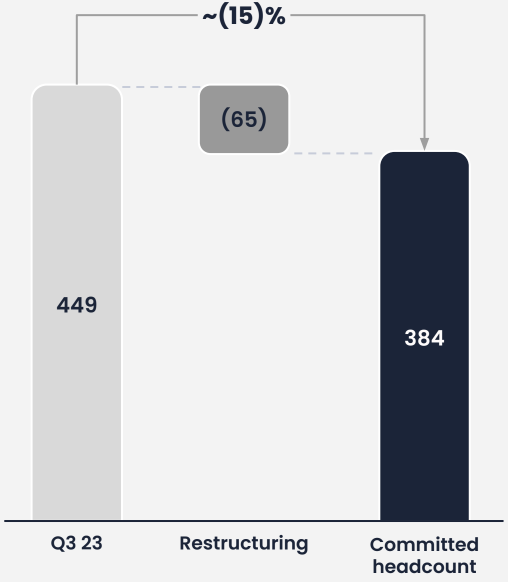
Non-marketing **SG&A cost reduction** program to reduce expenses in non-critical categories and boost operational leverage across all markets

- **Office** downsizing and closing
- **Software** cost cuts and renegotiations
- Reduction of **travel** & in-person **meetings**
- Cut and insourced **external services** & **agencies**

Staff and SG&A cuts expected to result in NOK 80–100m OPEX reduction annualized

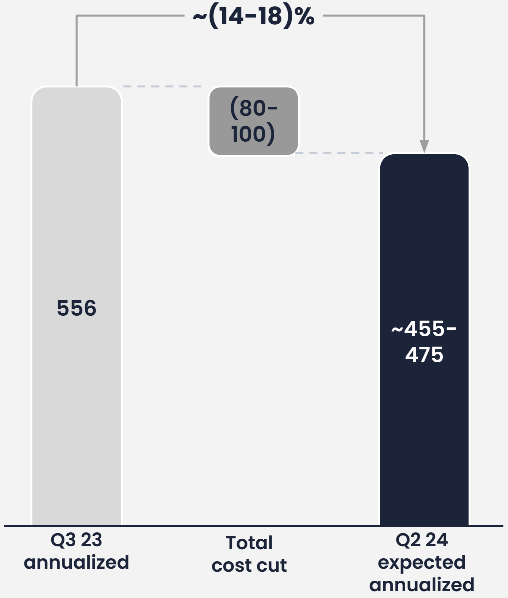
Total FTE reductions

Headcount, #



Total OPEX impact

OPEX (payroll and SG&A), NOKm



~15% headcount reduction (~65 employees) and SG&A cuts expected to result in annualized cost savings of

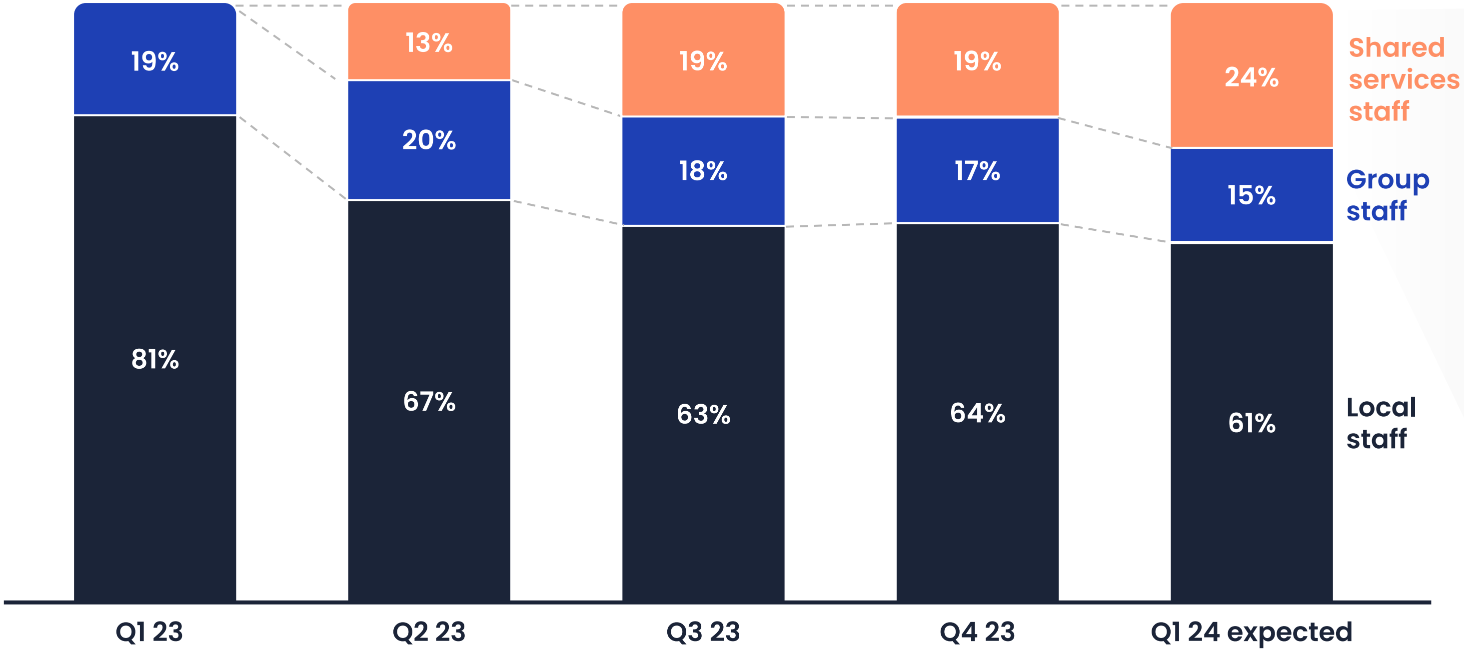
NOK 80–100m

compared to Q3 23 OPEX and volume baseline

The Shared Service Center in Madrid is now the operational center of gravity for Otovo

Share of FTEs

By affiliation



~75%
of installations post-sale expected to be handled from the European Operations Center in Madrid in Q1 24

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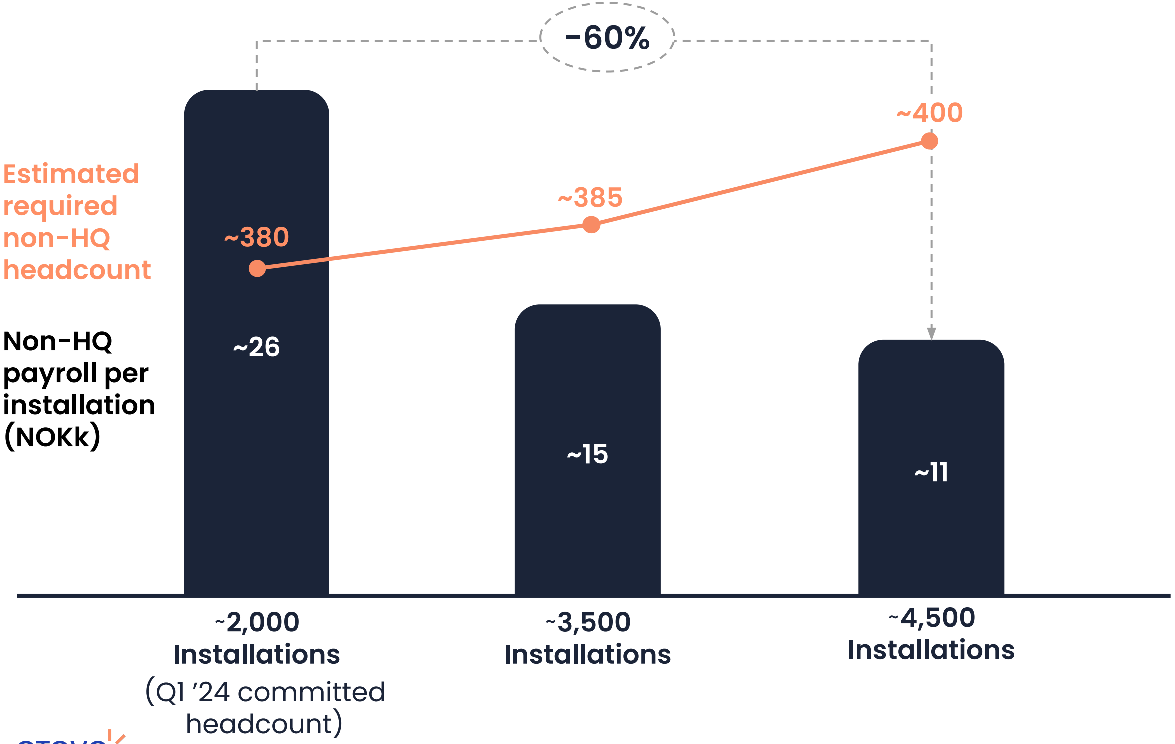
Note: *Expected based on volume of projects expected from EOC countries in future quarters

Otovo now set up for operational leverage – payroll per project expected to decline markedly as volumes increase

Operational leverage



Setup for efficient growth

- Completed FTE reductions and transfer of local resources to Shared Service Center in Madrid
- Leaner and more efficient setup capable of handling higher volumes per FTE
- Marginal resources to be added at significantly lower cost per FTE than in downsized high-cost markets

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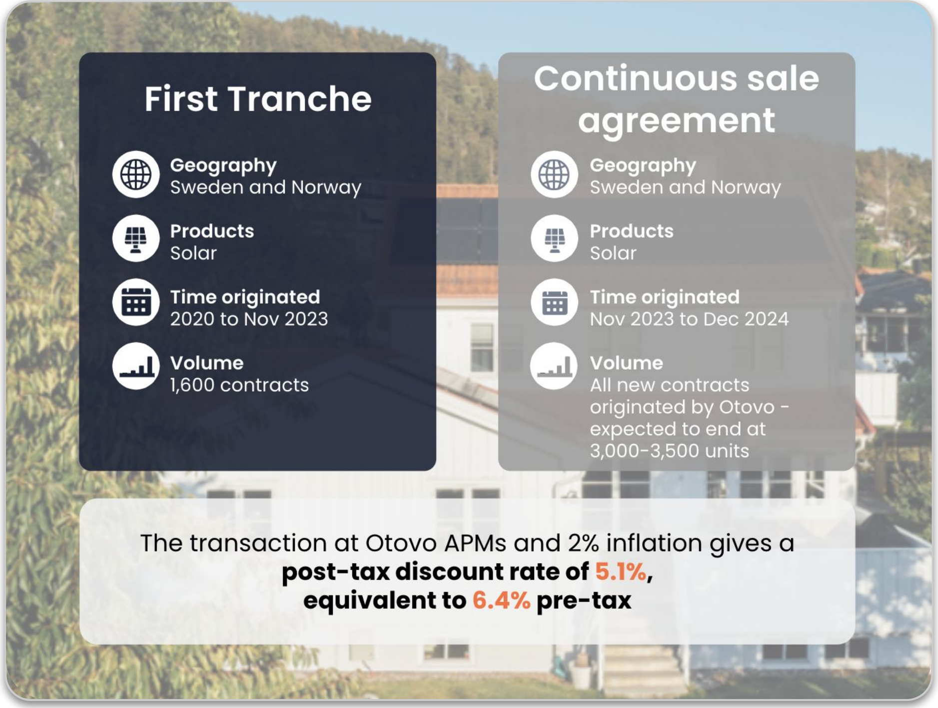
Nordic subscription portfolio sold to Swiss Life Asset Managers

- Subscription assets in Norway and Sweden
- Reputable buyer
- Proven business model
- Improved cash position and cash flow profile

Sale closed in Q4, with continuous sale agreement running

Announced portfolio sale in October 2023



First Tranche

- **Geography** Sweden and Norway
- **Products** Solar
- **Time originated** 2020 to Nov 2023
- **Volume** 1,600 contracts

Continuous sale agreement

- **Geography** Sweden and Norway
- **Products** Solar
- **Time originated** Nov 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**

Comments

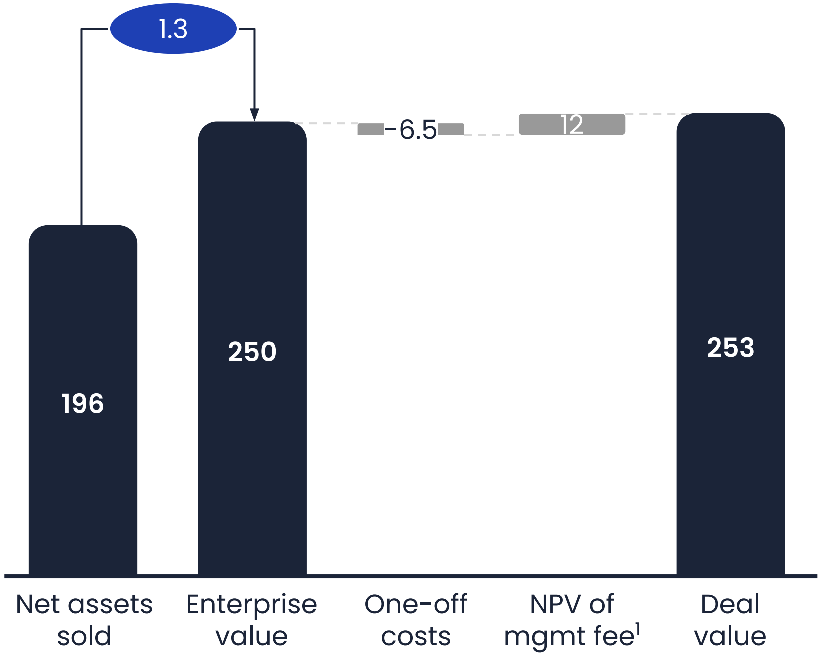
- Announced portfolio sale in October 2023
- Consists of two elements:
  - First transaction covering vintages built between 2020 and November 2023
  - Continuous sale agreement for volumes originated to ultimo 2024, with possible extension into 2025
- Transaction closed in November 2023
- Partnership is operationalized
  - Swiss Life has assumed control of EDEA AS and EDEA AB and is buying assets on continuous basis from Otovo

Otovo will record a one-time gain from the transaction in Q4

Transaction details

- Swiss Life acquired the shares in Otovo's SPVs in Norway and Sweden (EDEA AS and EDEA AB) for NOK 257m, of which NOK 7m is related to working capital
- Accounting gain from transaction
  - Gross accounting gain of NOK 53m
  - Net of excess values attributable to the acquisition of EDEA in 2021 of NOK 9m and transaction costs of NOK 6.5m
  - Net accounting gain of NOK 38m
- Net assets sold of 196 million

Value creation from First Tranche



Note: NPV of management fees payable to Otovo discounted at 6.4%

Continuous sales agreement with Swiss Life operationalized

Financial impact

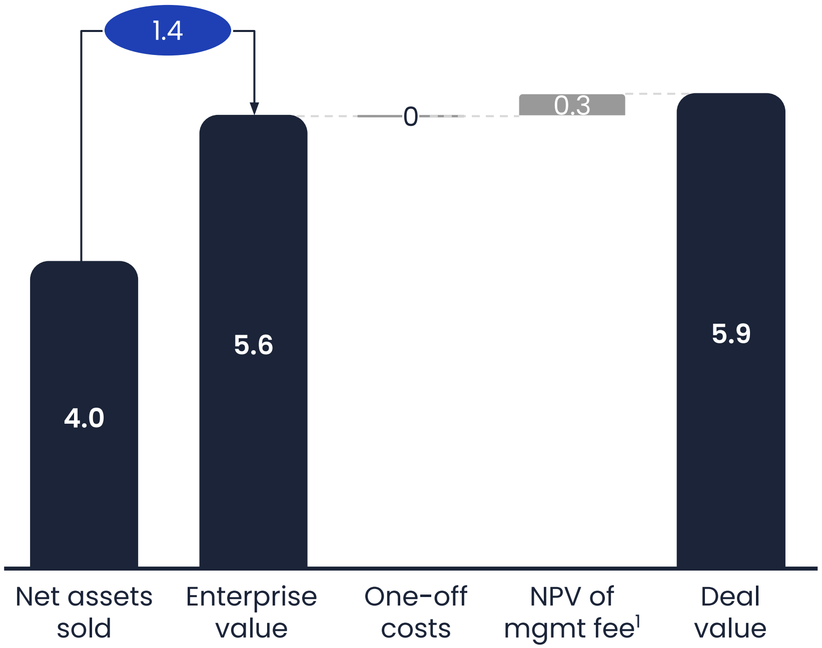
Continuous sale agreement

(NOKm)	Q4 2023
Revenues, (1) + (2)	5.6
COGS	4.0
Gross Profit	**1.6**
Gross Margin	*28%*
Value uplift on COGS, #	1.4
NPV of management fee (3)	0.3
Total value creation	**1.9**
	32%

Payment consists of three parts:

1. Payment of initial capex on an monthly basis
2. Biannual payment of additional value creation from subscription contract
3. Payment of customer service fees on an ongoing basis over contract lifetime

Value creation from Continuous Sale



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Value of Continental Europe portfolio higher than Nordic portfolio

Portfolio Value

		# of contracts	Avg. remaining life, years	IRR	Value uplift
Nordic	First Tranche	1,600	18.5	●●●○○	1.3
Nordic	Continuous Sale	1,600	20	●●●◐○	1.4
Continental	Continental portfolio	4,000	~18	●●●●◐	>1.4

Comments

- Continental portfolio of **~4k active solar PV projects**, with reduced risk due to diversification across multiple European markets
- **Higher value uplift** & IRR, and better customer business case due to sunnier conditions in Central & Southern Europe and higher energy prices
- **Higher expected value uplift** from sale of Euro-denominated portfolio, due to more sought-after currency than NOK/SEK

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Surpassing NOK 1b in Total operating income in 2023

IFRS accounts

Consolidated Financial Summary

(NOKm)	Q4 2023	Q4 2022	Δ	FY 2023	FY 2022
Total operating income	233	205	+28	1,093	652
COGS	145	167	-22	810	523
Opex net of D&A	180	113	+67	607	382
Depreciation and amortisation	18	18	0	75	64
Operating profit	**-111**	**-93**	**-18**	**-399**	**-318**
EBITDA	**-93**	**-75**	**-18**	**-324**	**-253**
EBITDA%	*-40%*	*-37%*	*-3pp*	*-30%*	*-39%*

Comments

Q4 2023:

- Total operating income includes one-time gain of NOK 38m from portfolio sale to Swiss Life. Revenues reduced with NOK 20.5m (10%) from Q4 2022
- Decrease in COGS of 13% resulting in an improved gross margin which is up 3%p year over year
- Opex net of D&A at NOK 180m which is up NOK 41m QoQ and NOK 67m YoY inclusive of non-recurring costs of NOK 34m

FY2023:

- Total operating income increased by 66% to NOK 1.1b
- Gross profit improved 2%p to 20% in 2023 from 18% in 2022
- EBITDA margin improved 9%p from 2022

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of which non-recurring	34	8	+26		
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FY2023:

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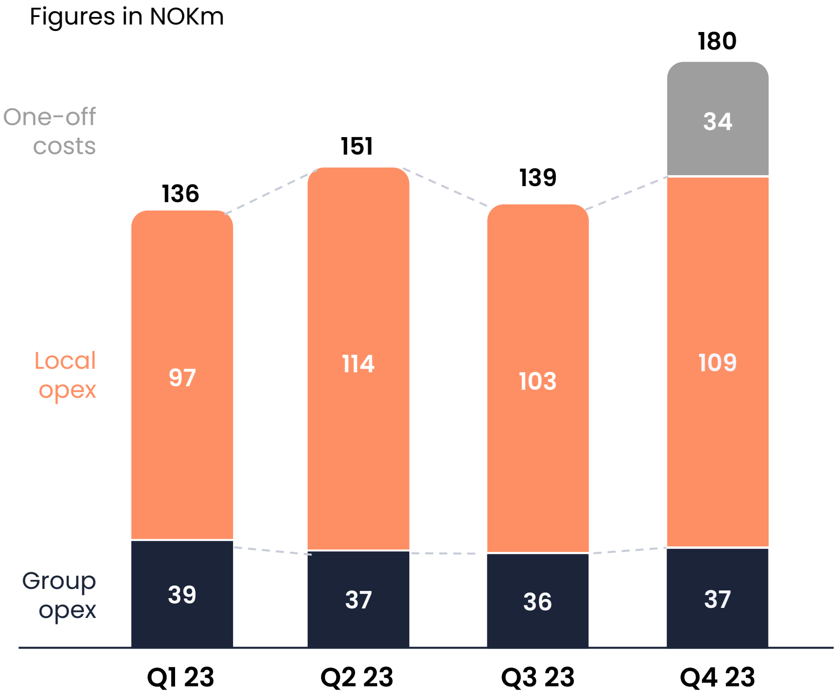
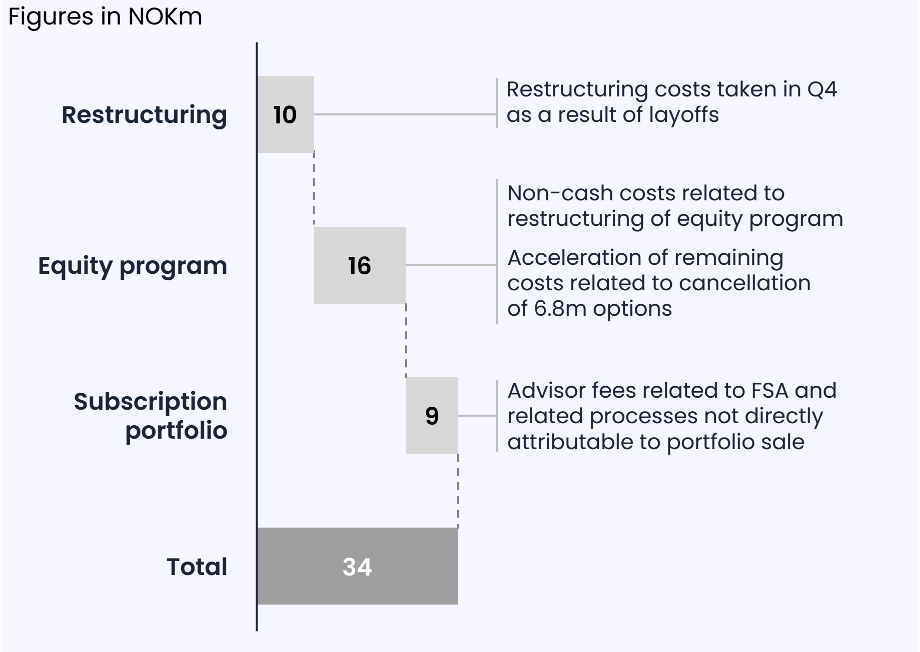
- Gross profit improved 2%p to 20% in 2023 from 18% in 2022
- EBITDA margin improved 9%p from 2022

Opex impacted by one-off effects related to sale of subscription portfolio, restructuring and equity incentive program

Opex overview



Breakdown of non-recurring, one-off costs



Balance sheet strengthened through portfolio sale and equity raise

IFRS accounts

Consolidated Balance Sheet

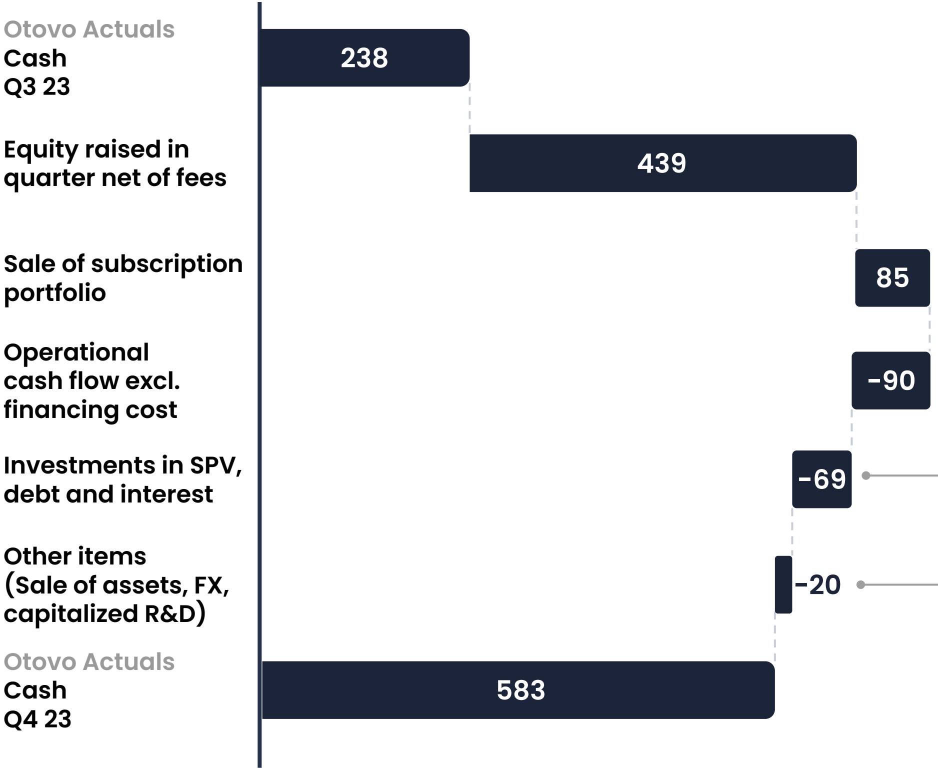
(NOKm)	Q4 2023	Q4 2022	Δ
Non-current assets	624	478	145
Assets classified as held for sale	-	10	-10
Inventory	1	11	-10
Cash	583	194	389
Other current assets	150	244	-94
Assets	**1,358**	**937**	**420**
Equity	874	531	343
Liabilities	483	406	78
Liabilities classified as held for sale	-	-	-
Equity and liabilities	**1,358**	**937**	**420**

Comments

- Other current assets reduced by NOK 94m, inclusive of sale of majority of remaining italian tax credits
- Cash position of NOK 583m
- Liabilities of NOK 438m inclusive of NOK 235m non-current debt to DNB/SR Bank
    - Company did not draw on facility in Q4
    - Undrawn capacity of ~NOK 15m

Cash position of NOK 583m at the end of the quarter

Cash development during Q4 2023 (NOKm)



Comments

NOK +85m from Plumeria transaction inclusive of NOK 170m in debt repayments to DNB and SR-Bank

NOK -90m of operational cash flow (excl. financing costs) including working capital NOK +22m

NOK -69m on investments in SPV and net financing:

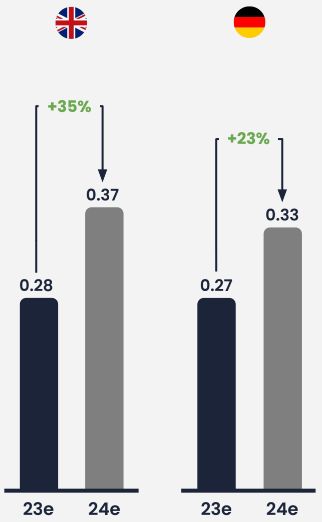
- NOK 56m investments in subscription SPV
- Repaid part of long-term financing and interest of total NOK 13m

NOK -20m from other items including:

- Capitalized R&D of NOK -10m

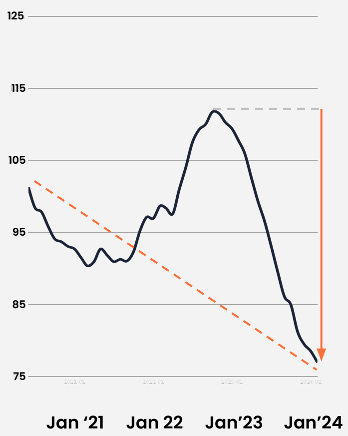
Agenda

Triggers in place to spur growth: Best consumer business case ever

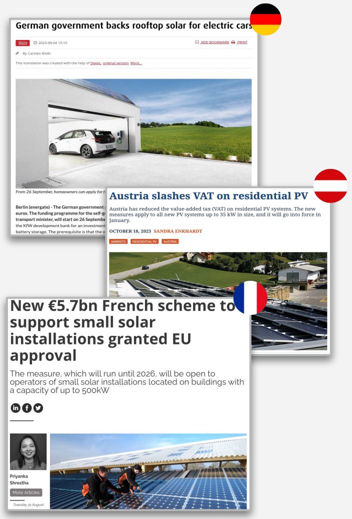


Energy prices back on **rising trend**

Cost per watt (HW + labour) on Otovo platform



Cost of solar at all-time lows into 2024


German government backs rooftop solar for electric cars

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

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

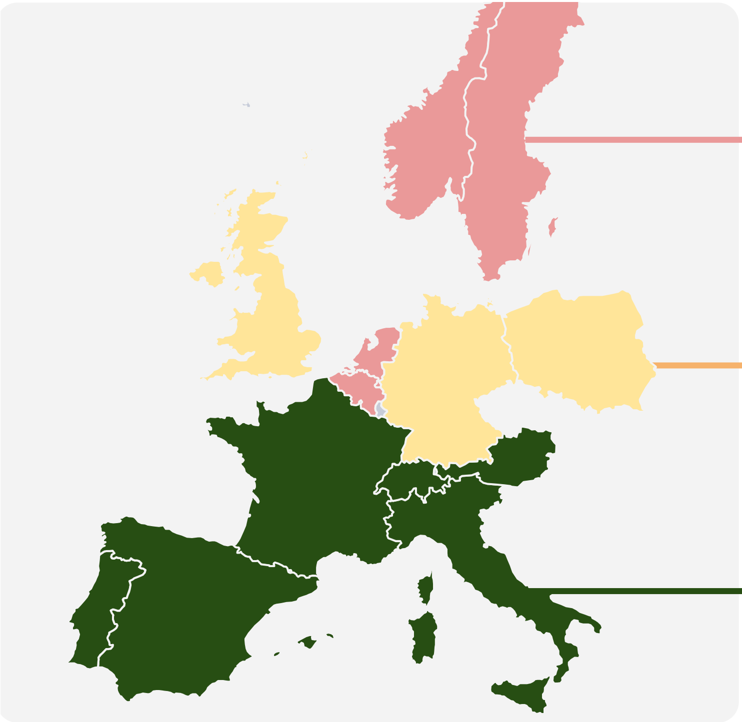
The measure, which will run until 2026, will be open to operators of small solar installations located on buildings with a capacity of up to 500kW

Priyanka Shrestha

Regulatory **simplification** and possibly **new support**

Consumers' business case has never been better

Sales outlook: Stronger market in the South of Europe, expecting more attractive 2024



Northern Europe – Challenging outlook

- Consumers under pressure given high mortgages, variable interest rates, remaining inflation, poor wage growth
- Limited policy support improvements, particularly in the more saturated solar markets

Central Europe – Stable outlook, with possible triggers

- Large solar markets with stable growth outlook
- Positive policy triggers possible in these markets

Southern Europe – Positive outlook

- Better consumer macro with consumers purchasing power slowly improving
- Positive policy sentiment, allowing for sales improvement in the short term


Otovo installation in Spain

Summary and outlook

1. **Revenues held strong** due to resilient ticket size, driven by battery attachment rate and subscription portfolio sale

2. **Cost reduction program executed** in Q4, expected to result in NOK 80-100m in annual savings

3. **Completed sale of NOK/SEK portfolio:** proving subscription business, initiating EUR portfolio sale process

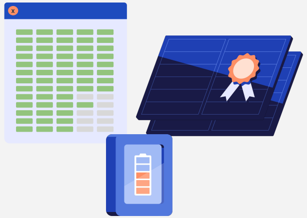
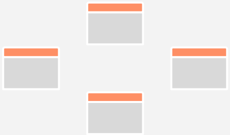
4. **Strengthened value creation:** Gross Margins Generated expanded to 26% (20%), and more batteries and subscriptions sold per customer

5. **Sales outlook:** Stronger market in the South of Europe, expecting more attractive 2024

Agenda

Appendix

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

OTOVO

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

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

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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**

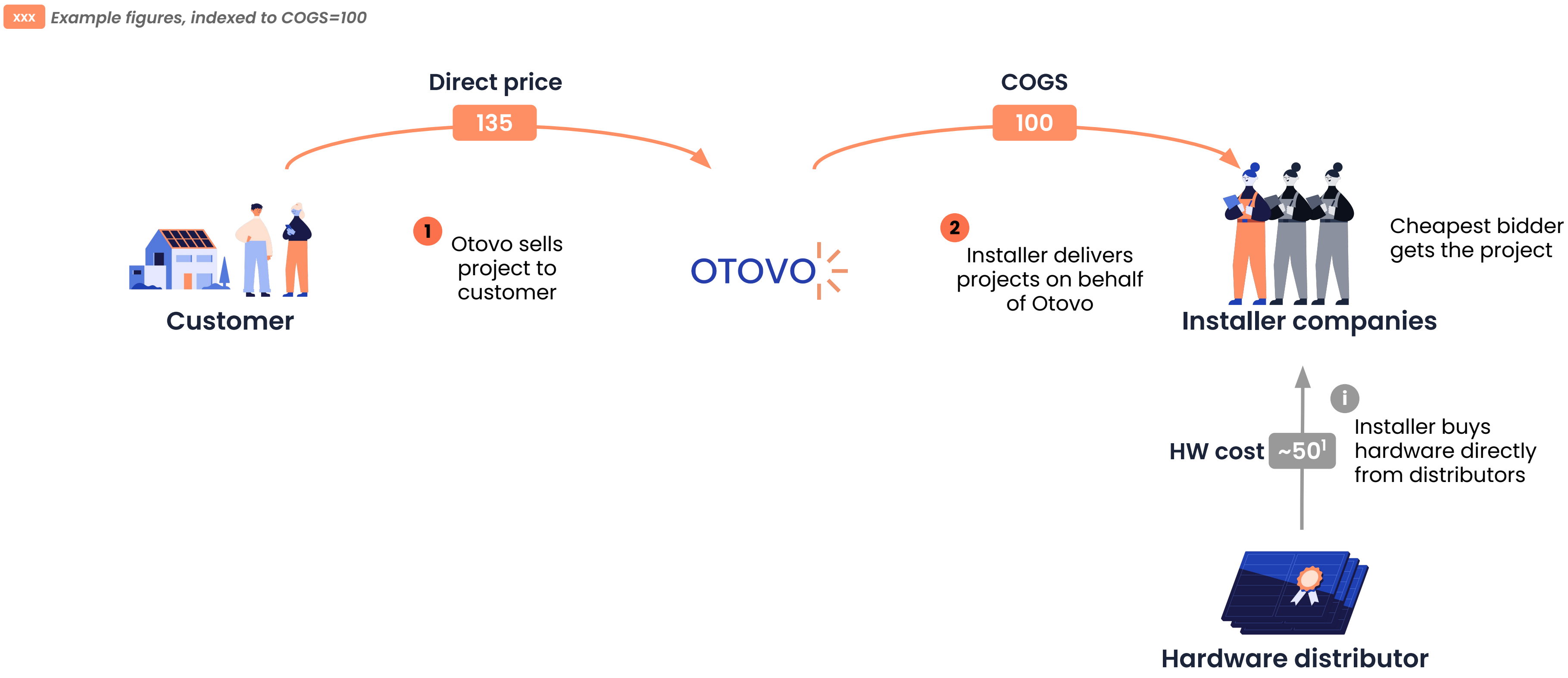
Subscription

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

OTOVO
Subscription SPV

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

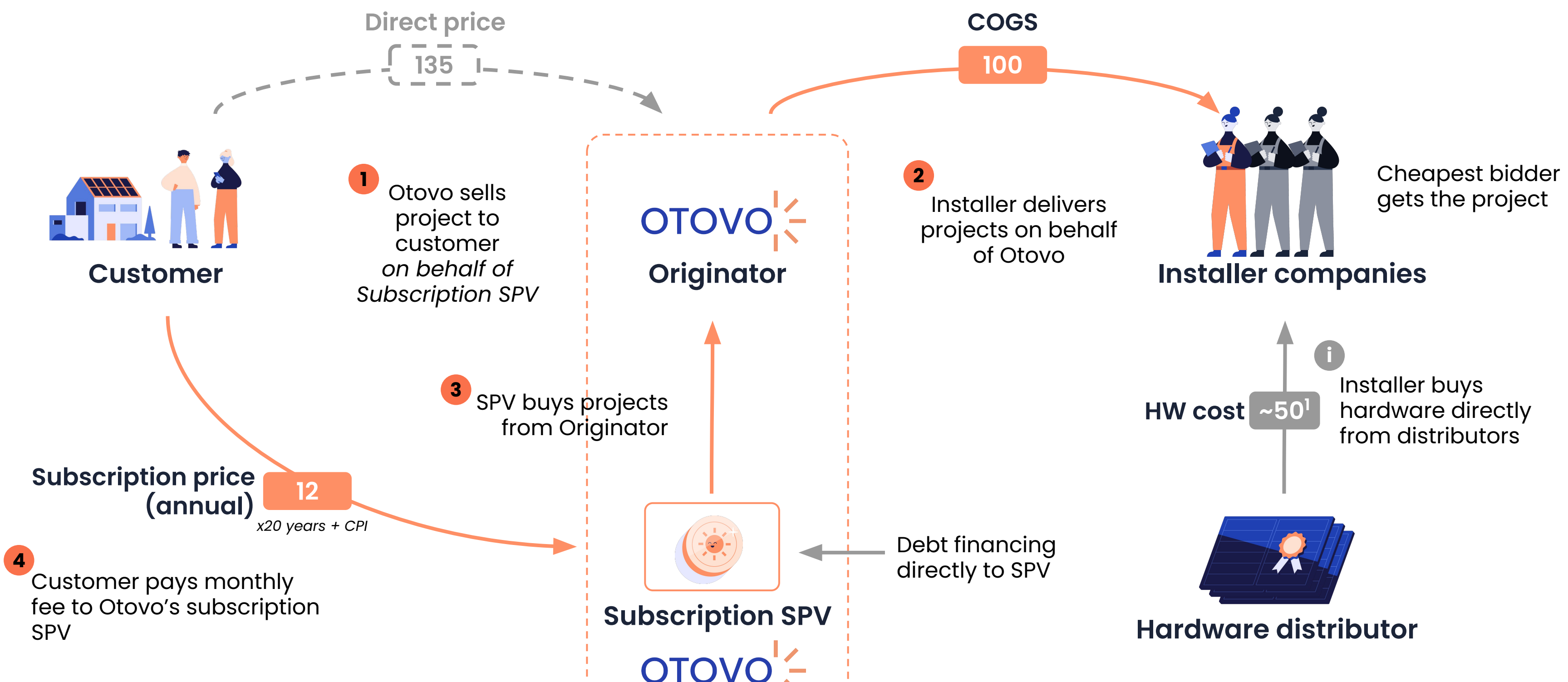
Consumer either buys on a Direct purchase model



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

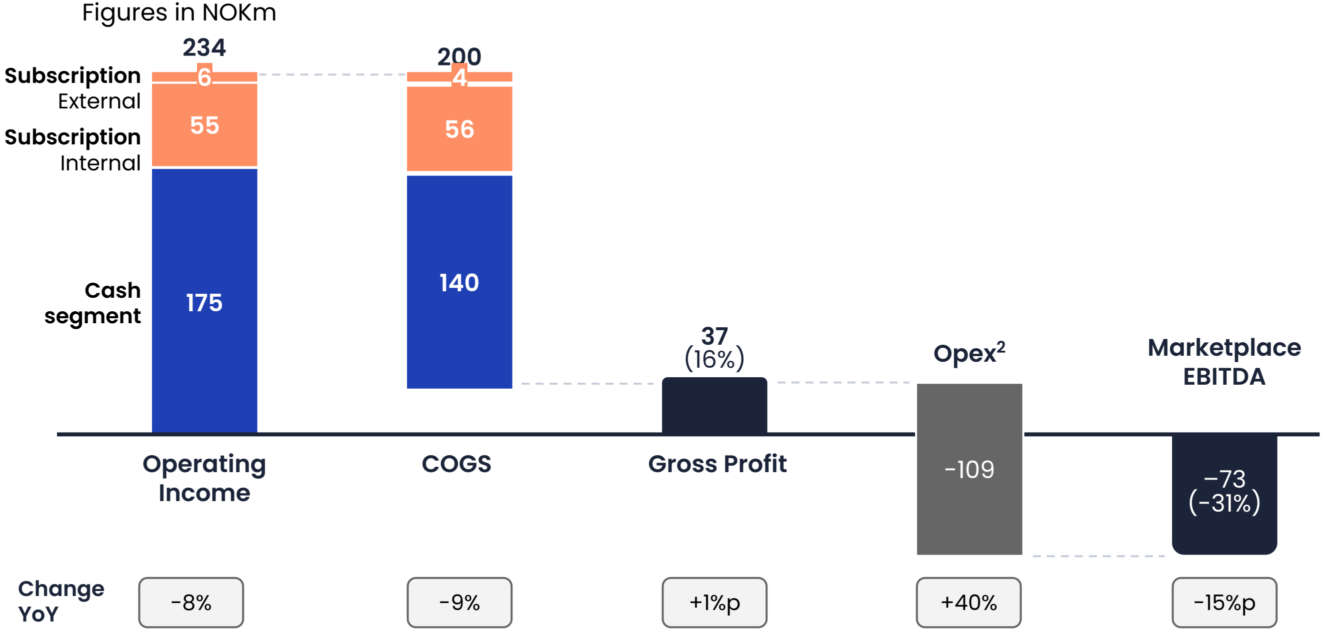
xxx *Example figures, indexed to COGS=100*



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

Otovo's marketplace with Total Operating Income of NOK 234m in the fourth quarter

Marketplace financials - Q4 2023



Comments

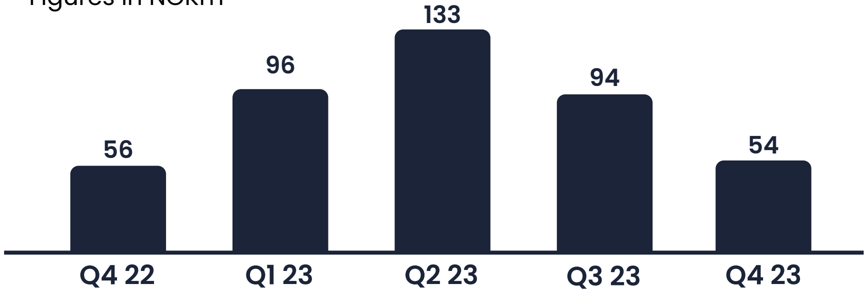
- Marketplace financials show performance of Otovo's marketplaces not captured in reported P&L, as sales to Subscription SPV are eliminated
- Profitability impacted by low margin on sale to Subscription SPV to meet yield requirement

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 54m of capex deployed at attractive IRR

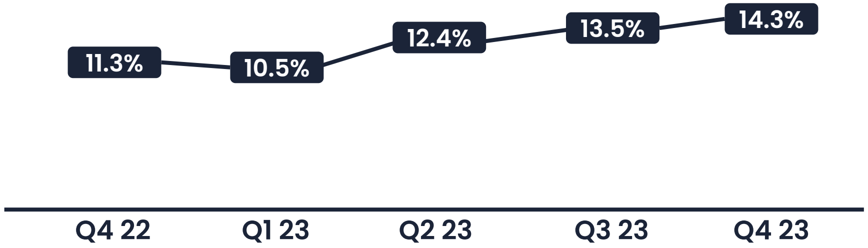
Subscription SPV Capex

Figures in NOKm



IRR - Projects installed in the quarter

Internal rate of return for new subscription projects
(Customer payments to Subscription SPV Capex)



Contracted Subscription Revenue - Proj. installed in quarter

Figures in NOKm

Inflation	Discount rate 5.0%	5.5%	6.0%	6.5%	7.0%
5%	128	121	116	110	105
4%	117	111	106	101	96
3%	107	102	97	93	89
2%	**98**	94	89	86	82
1%	90	86	82	79	76
0%	83	79	76	73	70

Accumulated Contracted Subscription Revenues

Figures in NOKm

Inflation	Discount rate 5.0%	5.5%	6.0%	6.5%	7.0%
5%	760	728	698	670	643
4%	697	669	642	617	593
3%	640	615	591	569	548
2%	**589**	567	546	526	507
1%	543	523	504	487	470
0%	502	484	467	451	436

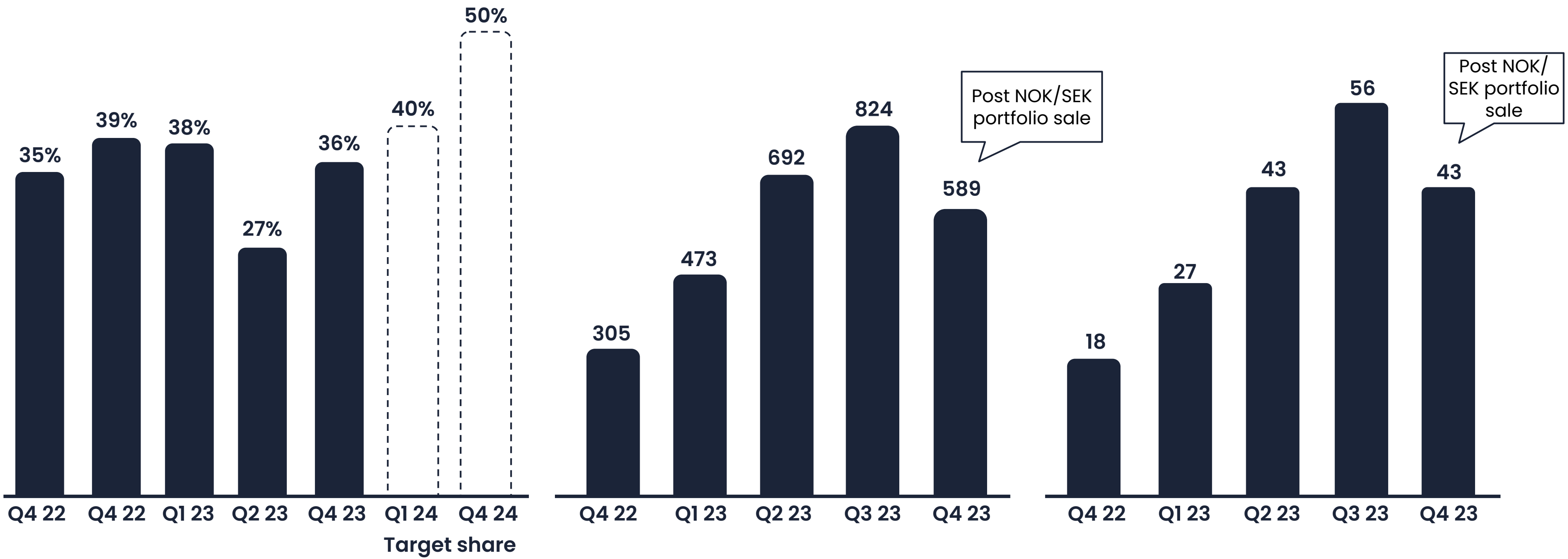
Note: Projects related to the internal subscription segment, i.e excluding projects in the forward flow agreement. For details please see slide 42

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

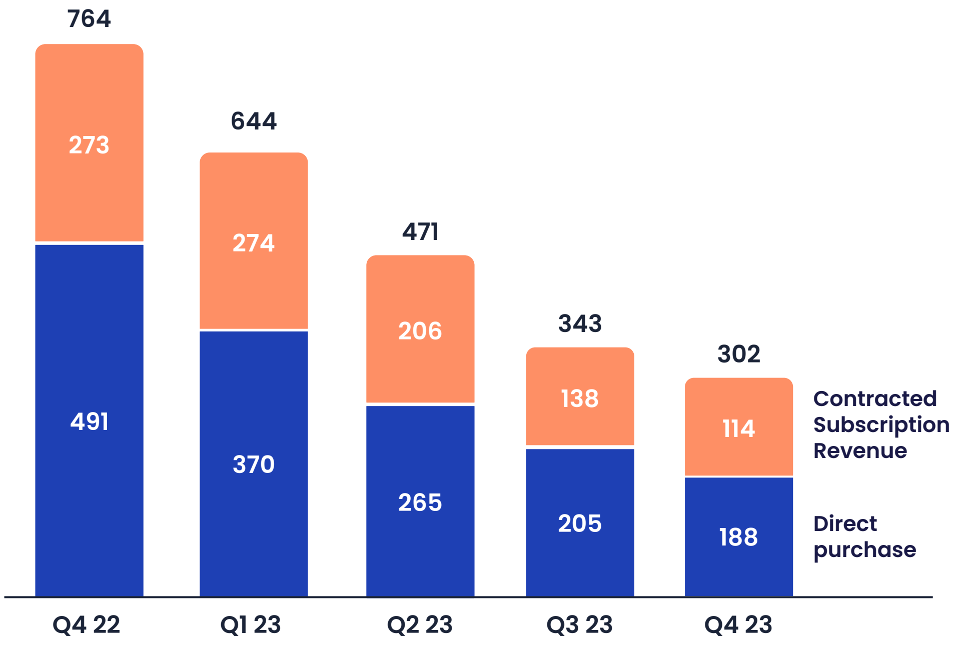
Portfolio Annual Recurring Revenue
Annualized subscription revenue in NOKm, Q4'23[1]



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

Pipeline value

Pipeline value at end of quarter (NOKm)



Comments

- Pipeline was slightly trimmed in Q4 with a throughput speed of 3 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
  - ~675 projects in pipeline are on a **subscription** model, 35% of total
  - 36% of projects in pipeline include a **battery**

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

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 - Q4 2023

(NOK 000')	Marketplace				Subscription SPV			Elimination	Consolidated Group
	Cash Segment	Subscription Seg. Internal**	Subscription Seg. External***	**Marketplace total**	Operational Leasing	Financial Leasing****	**Suscription SPV total**		
Revenue	173,511	53,626	5,556	232,693	0	1,508	1,508	-53,626	180,576
Other operating income	2,228	1,846	0	4,074	50,166	4	50,171	-1,948	52,297
Total operating income	**175,739**	**55,472**	**5,556**	**236,768**	**50,166**	**1,512**	**51,679**	**-55,574**	**232,873**
Cost of goods sold	140,096	55,931	3,989	200,016	0	1,284	1,284	-55,931	145,369
Payroll and related costs	107,922	148	0	108,070	251	0	251	-148	108,173
Depreciation and impairment	9,499	-225	0	9,274	8,301	0	8,716	225	18,216
Other operating expense	59,065	1,611	0	60,676	13,002	0	13,002	-1,611	72,067
Operating profit/(loss)	**-140,843**	**-1,993**	**1,567**	**-141,269**	**28,612**	**229**	**28,425**	**1,891**	**-110,952**

Direct Purchase segment (IFRS)

** One-off effect of NOK/SEK portfolio sale to Swiss Life in Q4 2024* 0.1404289676

*** Transcation related to Subscription SPV* 32,677

**** Forward flow agreement with Swiss Life Asset Managers for NOK/SEK subscription assets*

***** Today comprised of German Battery Subscriptions. Not including Financial income of NOKk 185 for Q4 2024*

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 | Pipeline vs. sales vs. installations

Q4 2023	Unit	Sales	Pipeline	Installations
Units	**#**	**1,641**	**1,925**	**1,946**
Direct purchase	*#*	*1,088*	*1,249*	*1,312*
Subscription	*#*	*553*	*676*	*634*
Subscription share	**%**	**36%**	**35%**	**33%**
Battery attachment rate	**%**	**39%**	**36%**	**35%**
Avg. ticket size	**NOKk**	**125**	**139**	**125**
Direct purchase	*NOKk*	*141*	*151*	*138*
Subscription	*NOKk*	*98*	*116*	*107*

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*

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

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	Q4 23
Revenue (ex. other revenue)	*NOKm*	35	42	30	40	38	64	86	98	109	153	175	201	274	307	235	181
Other revenue	*NOKm*	0	0	0	5	0	0	2	2	3	3	5	4	7	10	14	52
Total revenue	***NOKm***	**35**	**43**	**30**	**45**	**38**	**64**	**88**	**99**	**112**	**156**	**179**	**205**	**281**	**317**	**249**	**233**
COGS	*NOKm*	-29	-36	-24	-33	-32	-54	-72	-82	-91	-124	-140	-167	-224	-244	-186	-145
Gross profit	***NOKm***	**6**	**7**	**6**	**7**	**6**	**10**	**13**	**15**	**18**	**29**	**34**	**34**	**50**	**64**	**49**	**35**
Opex	*NOKm*	-28	-21	-29	-29	-42	-44	-44	-70	-76	-89	-105	-113	-136	-151	-139	-180
EBITDA	***NOKm***	**-22**	**-14**	**-22**	**-22**	**-36**	**-33**	**-31**	**-53**	**-55**	**-57**	**-66**	**-75**	**-79**	**-77**	**-76**	**-101**
Depreciation & amortization	*NOKm*	-5	-5	-5	-4	-4	-4	-5	-9	-15	-16	-16	-18	-19	-22	-17	-20
EBIT (Operating profit)	***NOKm***	**-27**	**-19**	**-28**	**-26**	**-40**	**-38**	**-35**	**-62**	**-69**	**-72**	**-83**	**-93**	**-98**	**-99**	**-93**	**-121**
Gross margin	*%*	*16%*	*16%*	*21%*	*18%*	*15%*	*16%*	*16%*	*16%*	*16%*	*19%*	*20%*	*17%*	*18%*	*21%*	*21%*	*20%*
EBITDA margin	*%*	*-63%*	*-32%*	*-74%*	*-49%*	*-95%*	*-52%*	*-35%*	*-53%*	*-49%*	*-36%*	*-37%*	*-37%*	*-28%*	*-25%*	*-25%*	*-43%*

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	Q4 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	1,641
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	1,925
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	1,946
Average ticket size (sold)*	*NOKk*	76	60	58	55	81	85	90	106	117	125	132	116	124	122	112	125
Average ticket size (installed)*	*NOKk*	79	90	61	62	54	75	79	83	88	103	109	120	134	146	132	125
Battery attachment rate (sold)	*% of #*	0%	0%	0%	0%	0%	3%	8%	12%	25%	24%	25%	23%	28%	23%	32%	39%
Battery attachment rate (installed)	*% of #*	0%	0%	0%	0%	0%	0%	2%	4%	10%	19%	22%	26%	24%	24%	25%	35%
Subscription share (sold)	*% of #*	0%	19%	31%	23%	20%	23%	24%	17%	23%	25%	35%	35%	39%	38%	27%	36%
Subscription share (installed)	*% of #*	0%	0%	13%	18%	23%	22%	27%	21%	18%	21%	26%	27%	30%	36%	34%	33%
Net interest-bearing debt	*NOKm*	-170	-145	-138	-58	-270	-242	-195	-219	-415	-300	-212	-69	-153	29	177	-347
Fully diluted number of shares	*#m*					105	111	111	119	141	142	143	143	159	159	159	290

**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 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	Q4 23
Revenue generated	***NOKm***	**36**	**42**	**31**	**41**	**39**	**69**	**93**	**109**	**135**	**194**	**235**	**282**	**408**	**514**	**392**	**278**
Revenue	*NOKm*	36	42	25	32	27	52	65	83	109	153	175	201	274	307	235	181
Contracted Subscription Revenue	*NOKm*	0	0	6	9	12	17	28	26	26	41	61	81	133	206	157	98
Total COGS	***NOKm***	**-30**	**-35**	**-28**	**-37**	**-30**	**-56**	**-74**	**-87**	**-109**	**-152**	**-183**	**-226**	**-320**	**-390**	**-289**	**-207**
Cost of goods sold - Direct purchase	*NOKm*	-30	-35	-24	-31	-22	-45	-55	-70	-91	-124	-140	-167	-224	-244	-186	-145
Cost of goods sold - Subscription	*NOKm*	0	0	-4	-5	-7	-10	-17	-15	-16	-25	-38	-53	-87	-131	-93	-56
Subscription O&M costs	*NOKm*	0	0	0	-1	-1	-1	-2	-2	-2	-3	-4	-6	-10	-15	-11	-6
Gross Profit generated	***NOKm***	**6**	**7**	**3**	**4**	**9**	**13**	**19**	**22**	**26**	**42**	**53**	**56**	**87**	**124**	**103**	**71**
Gross Profit	*NOKm*	6	7	2	0	5	7	10	13	18	29	34	34	50	64	49	35
Gross Subscription Profit	*NOKm*	0	0	2	3	4	6	9	9	9	13	18	22	37	61	53	36
Opex & adjustments	***NOKm***	**-28**	**-21**	**-26**	**-26**	**-47**	**-48**	**-50**	**-71**	**-74**	**-88**	**-104**	**-113**	**-135**	**-150**	**-139**	**-178**
Opex	*NOKm*	-28	-21	-29	-29	-43	-44	-48	-69	-76	-89	-105	-113	-136	-151	-139	-180
Other revenues, originator	*NOKm*	0	0	0	5	0	0	0	1	1	1	1	0	1	1	1	2
EBITDA generated	***NOKm***	**-22**	**-14**	**-22**	**-22**	**-37**	**-35**	**-31**	**-49**	**-48**	**-46**	**-51**	**-57**	**-48**	**-26**	**-36**	**-107**
Gross Margin generated	*%*	*16%*	*17%*	*11%*	*9%*	*24%*	*19%*	*21%*	*20%*	*19%*	*22%*	*22%*	*20%*	*21%*	*24%*	*26%*	*26%*
EBITDA Margin generated	*%*	*-62%*	*-32%*	*-71%*	*-54%*	*-95%*	*-51%*	*-33%*	*-45%*	*-35%*	*-24%*	*-22%*	*-20%*	*-12%*	*-5%*	*-9%*	*-38%*
Sold - Revenue Generated	NOKm	41	30	38	39	70	108	142	229	312	315	393	231	267	316	259	236
Sold - Gross Profit Generated	NOKm	7	7	9	8	13	22	28	45	71	86	111	55	62	82	66	64
Gross Profit Generated per sale	NOKk	13	15	16	13	16	19	19	22	28	36	41	30	31	37	32	39
Opex per sale	NOKk	-52	-44	-49	-46	-53	-37	-33	-33	-30	-37	-38	-62	-70	-68	-67	110
Opex per installation	NOKk	-62	-44	-59	-48	-65	-51	-44	-57	-52	-51	-53	-51	-48	-47	-53	93

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

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Historic figures | Subscription portfolio

Portfolio duration	Unit	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
PV contracts	*years*	19.4	19.3	19.3	19.3	19.2	19.3	19.1	18.9
Battery contracts	*years*	9.9	9.9	9.8	9.8	9.7	9.6	9.4	9.3
Total portfolio	*years*	19.3	19.0	18.7	18.4	18.3	17.6	17.3	17.2

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	Q4 23
Subscription SPV Capex	*NOKm*	19	31	46	56	96	133	94	54
Accumulated Contracted Sub. Revenue	*NOKm*	121	157	227	305	473	692	824	939
Subscription SPV IRR (installed in quarter)	*%*	10.0%	9.7%	9.6%	11.3%	10.5%	12.4%	13.5%	14.3%
Project IRR (installed in quarter)	*%*	13.4%	13.4%	12.9%	12.2%	12.3%	12.6%	13.8%	12.5%

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)

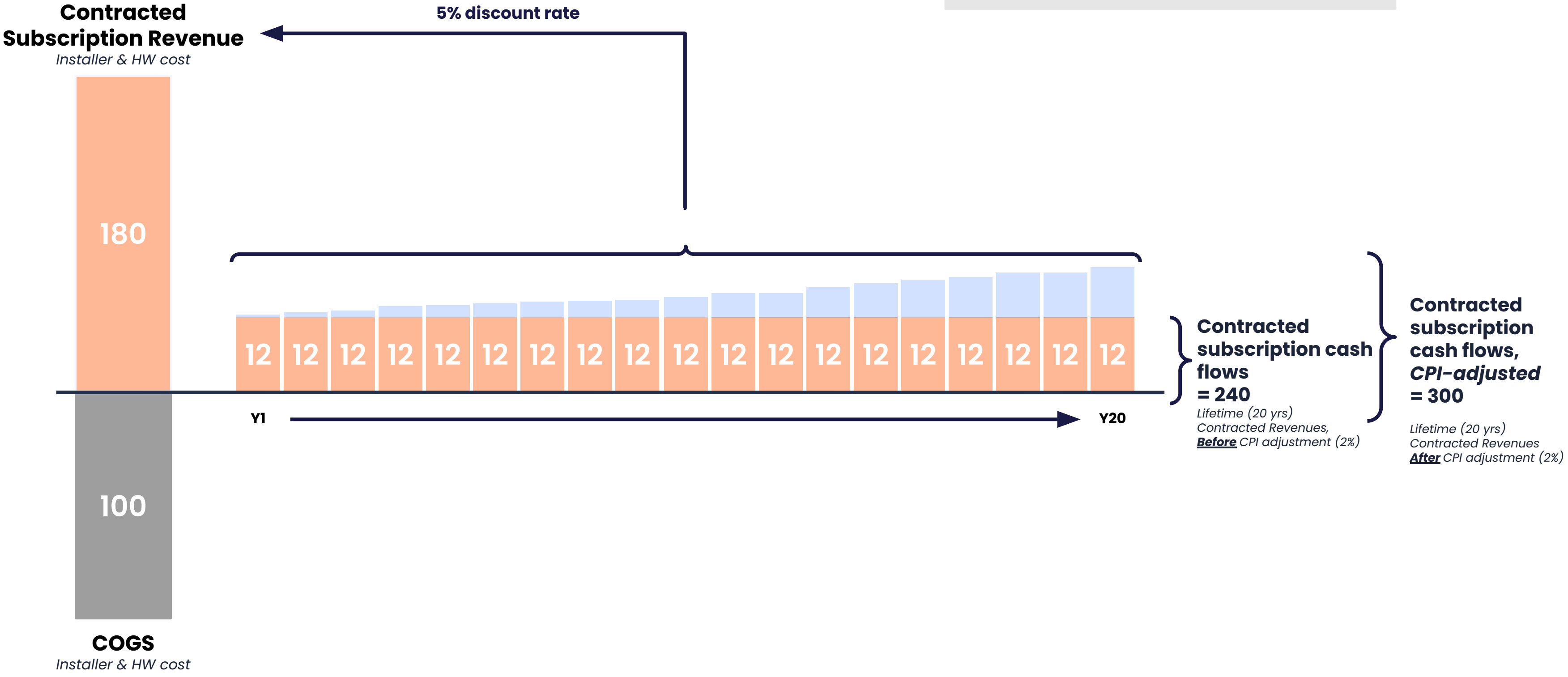
	Direct purchase (~65% of customers today)	Subscription (~35% of customers today)	Otovo Group
Revenue	**Revenue** Booked revenue, value of upfront payment from customer	**Contracted Subscription Revenue** Present value of all subscription payments over 20 years, discounted at 5%	**Revenue Generated** 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

SINGLE SUBSCRIPTION CONTRACT EXAMPLE



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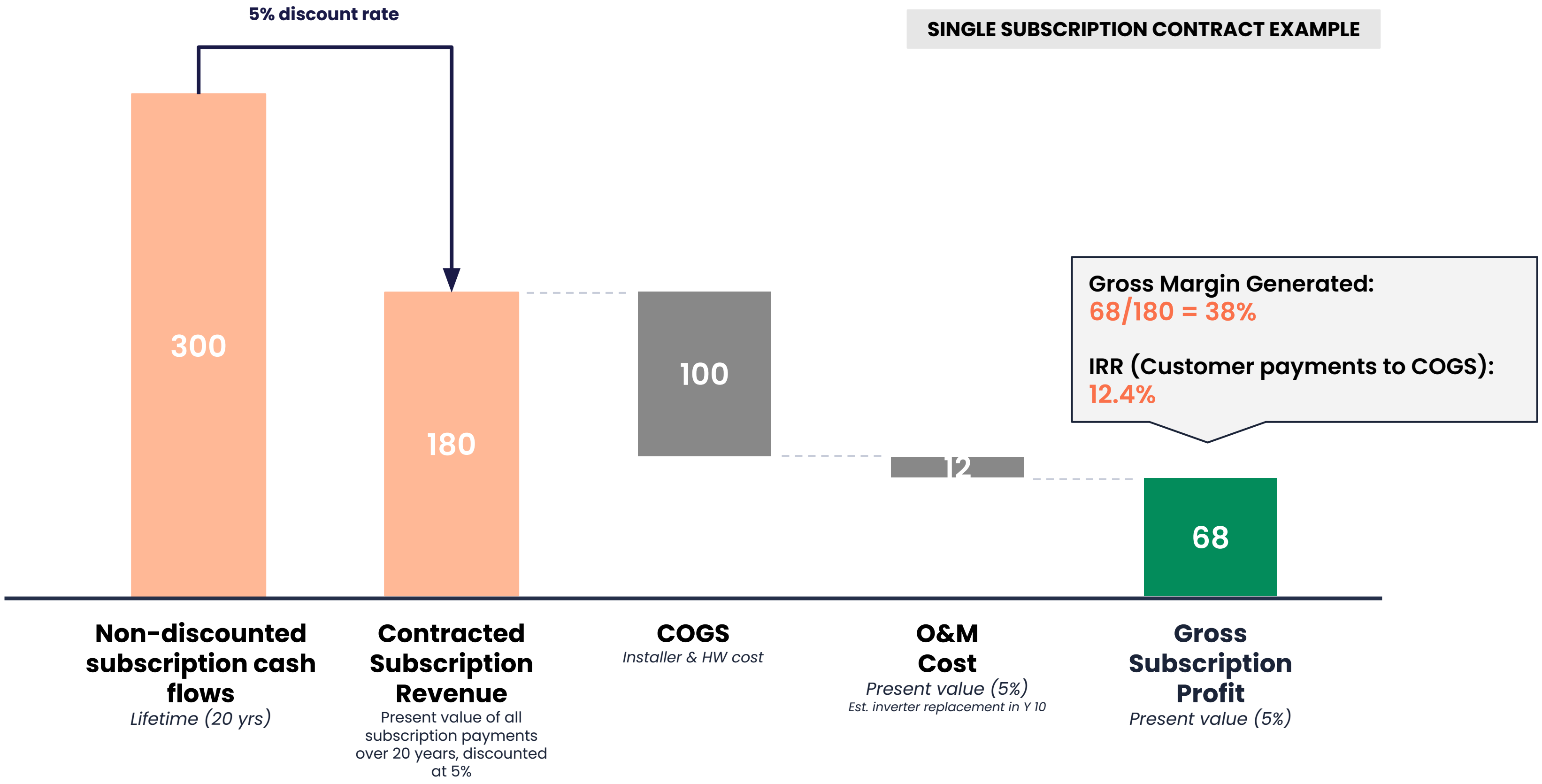
Discount rate: Rate used to discount future subscription cash flows in order to calculate net present value. The discount rate of 5% is based on a conservative estimate of the weighted average cost of capital (WACC) of the subscription cash flows and observations of common industry practice (see US peers RUN and NOVA). This allows 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%.

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