Otovo

A leading European residential solar company

Q1 2021 presentation, 28 April 2021

Today’s presenters

Andreas Thorsheim

Founder and CEO

Lars Ekeland

Acting CFO and General Counsel

Agenda

1. Quarterly highlights
2. Business update
3. Financial results
4. Outlook

Otovo is an online marketplace for energy installations

Building Europe’s no.1 in residential solar energy

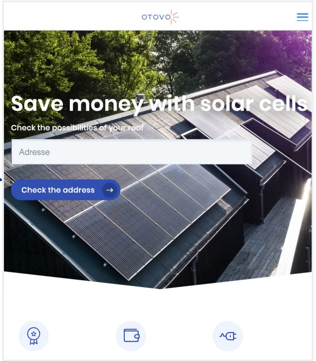
Otovo installation in Ski, Norway

Otovo | The easiest way for homeowners to go solar

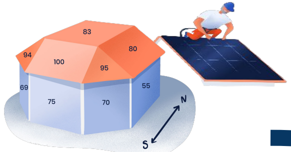
Seamless and convenient customer journey

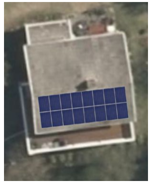
Go to otovo.com …

…insert your address…

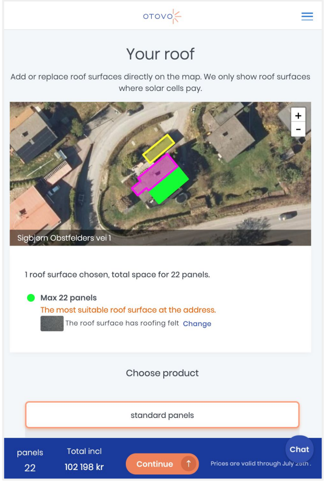


…through machine learning we price & find an installer for your solar panels in real-time…



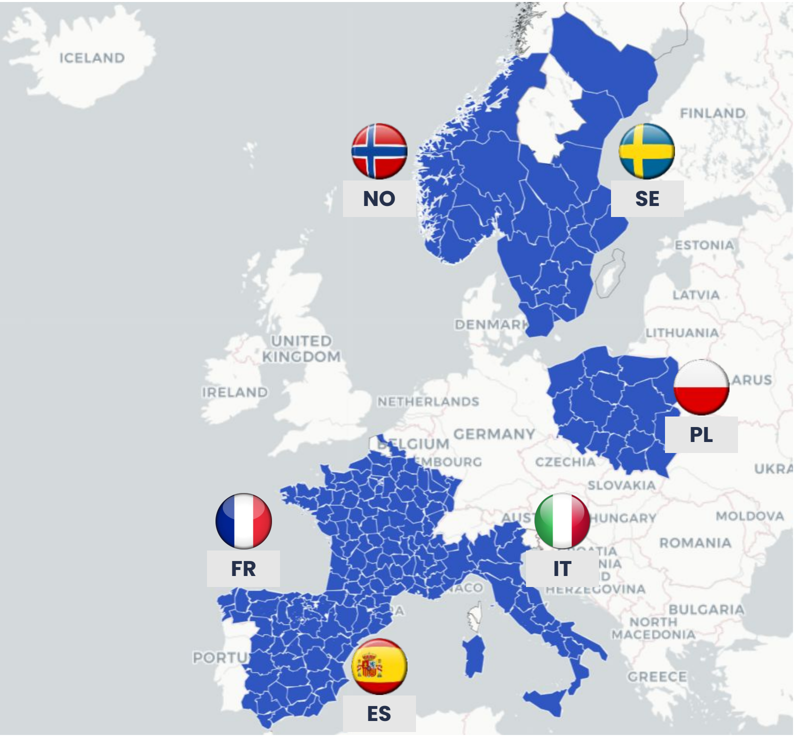


…and you buy solar panels online



Otovo | Building the leading European solar company

Otovo present in 6 countries – covering >200m people…

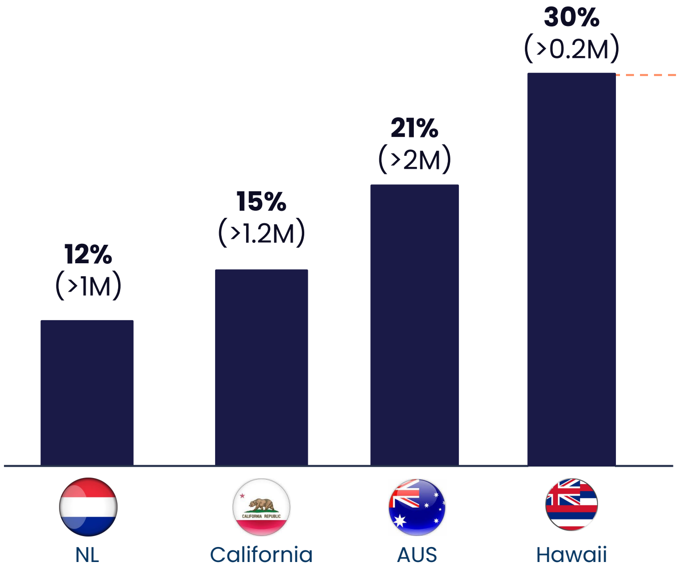


…installed panels on >600 roofs across Europe in Q1

Otovo | Current markets will continue to grow rapidly

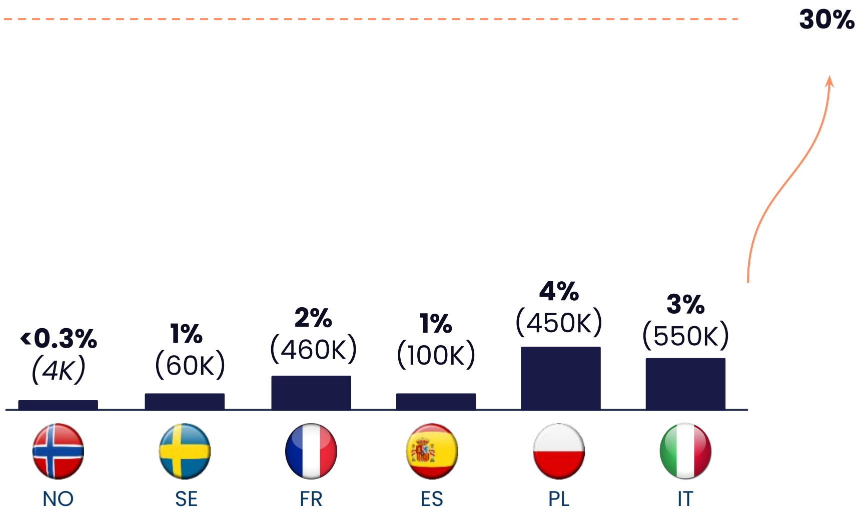
High penetration in leading solar countries

Share of addressable households with PV installed 2020 (# Households)



Ample room for our markets to grow

Share of addressable households with PV installed 2020 (# Households)



Source: IEA, SolarPower Europe, Eurostat, Australian Government, SEIA

Q1 2021 | Returning to growth & funding completed

1 Returning to growth

- **Revenue up** 7% YoY to NOK 38m
- **Net sold projects up** 49% YoY to 815
- **Pipeline value up** 29% YoY to NOK 66m
- **Installers on platform up** 47% YoY to 340

2 IPO & funding completed

- **Funding** and listing provide clear runway for future growth
- **Solid NOK 284m cash position** per Q1 21

3 Building a pan-European product & organization

- **Improved consumer offering** with leasing, batteries, guarantees
- **Three strong General Manager hires** made in Scandinavia, Italy, France

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First Otovo installation in Italy, at Lake Garda

Business update | Strong entries in Italy and Poland

Markets:

- New markets, **Italy and Poland**, show strong early sales
- **France** lands a record sales quarter, as integration is completed
- March with **highest monthly number of installations** ever (~300), showing Otovo's ability to operate at a high pace of installation

Product:

- **Leasing launched** in Poland & France
- **'Otovo Guarantee'** made available for all Otovo customers, expected to boost conversion from interest to sale
- **Improved installer onboarding software** to increase coverage and lower prices to our customers

Operations:

- **Battery offering** soft-launched in Italy, fully live from Q2 and expected to be deployed gradually to more markets in upcoming quarters
- **Installers on platform up** 47% YoY to 340 (231 in Q1 20)
- **Cost / Wp down 16% YoY;** 21% on non-hardware, 12% on hardware elements[1]

1: Based on projects sold in Scandinavia and Spain, weighted based on value of sold projects in Q1 2021

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Markets | Overall strong traction with sales up 49% YTD

Key highlights from Otovo's markets

Group:

- **Sales up 49% in number of units** (from 546 to 815), driven by new countries adding volumes fast and the Scandinavian decline stopped
- **A majority of sales are now outside Scandinavia**, emphasizing Otovo's development into a true pan-European platform for energy installations

Scandinavia:

- **Sales decline from 2020 have stopped**, March sales ahead of March 2020
- **Increased marketing and sales capacity** during the quarter to respond to rebound in market, materializing in expectations for better sales in Q2

Spain

- **Net sales growth** of ~3x YoY
- Strengthening sales staff during quarter in anticipation of continued growth

France

- **Net sales accelerated** neatly from 2020 on the back of the technology transition to the Otovo platform

Poland

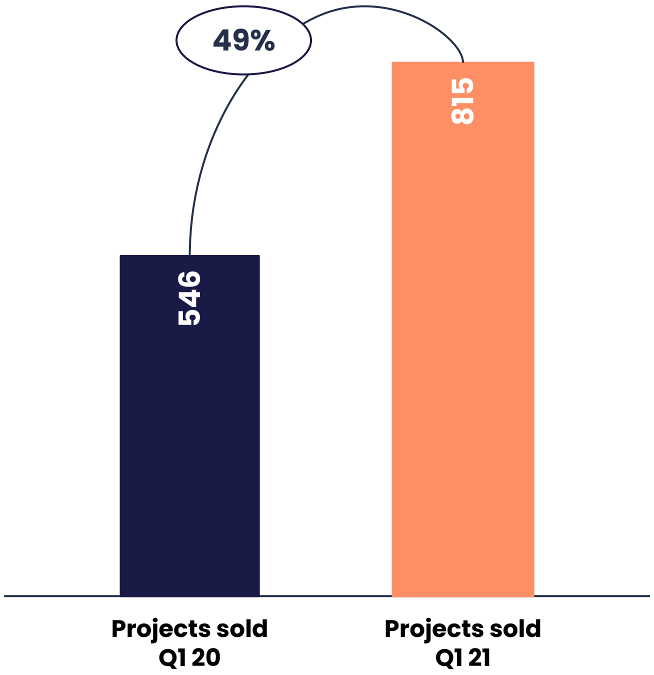
- **Strong sales** with short installation times
- **Key subsidy program announced** from 1 July, building expectations for the year

Italy

- **Very strong GM** in place - continue to build team
- **Launched in April**, but some sales booked during market entry preparations in March

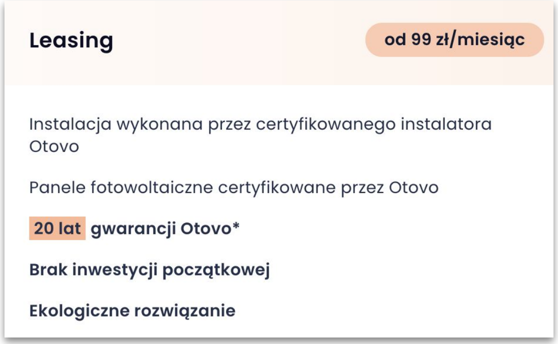
...delivering a strong sales quarter

Net sold projects in quarter (units)



Product | Continued improvements in product offering

Leasing in Poland and France

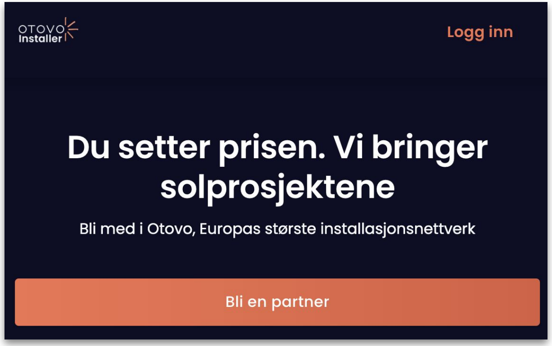


Otovo's unique leasing offering has been made available to homeowners in Poland and France. Customers can now go solar with zero upfront payment and low monthly fee.

Otovo Guarantee launched

The Otovo Guarantee is a best in market extended, worry-free warranty. Homeowners that go solar with the full purchase option get up to 10 years of Otovo Guarantee included, while leasing customers get 20 years.

Installer onboarding

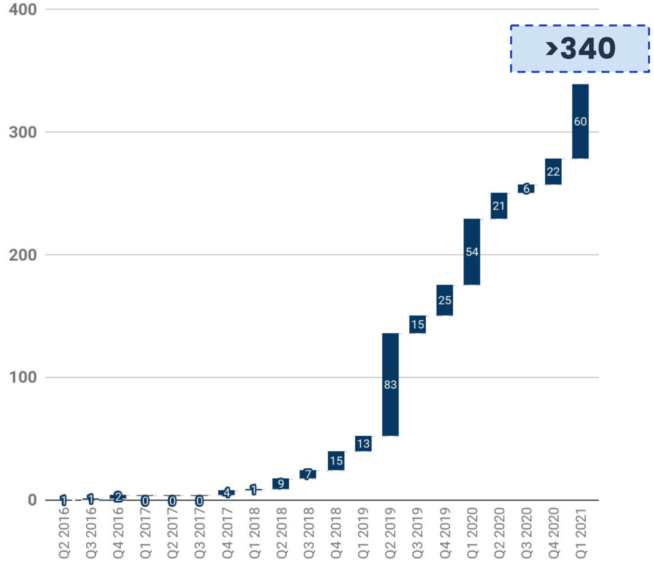


The recruiting and onboarding of new installers has been made easier and faster with a new installer site and improved tools for installers to get started on our platform.

Operations | New installers continue to drive down cost

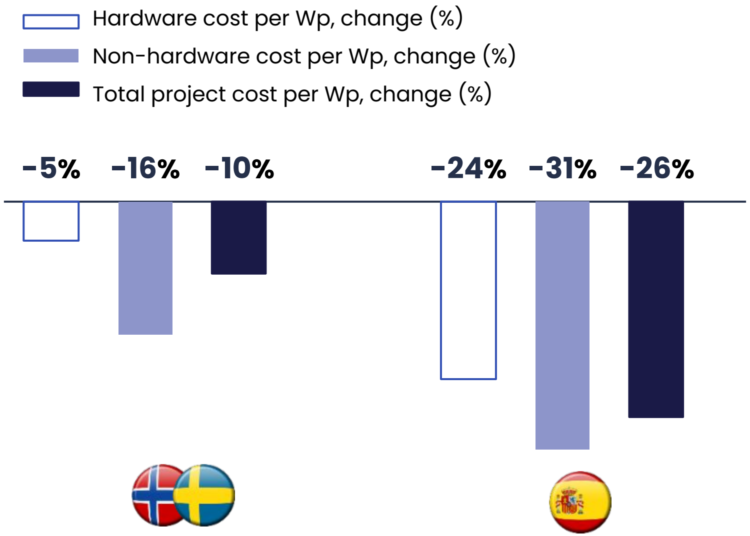
60 new installers to the platform, >340 active in Q1...

Net installers added to platform, by quarter (Q2 16-Q1 21)



...competition keep driving down cost for homeowners

Cost of hardware and non-hardware in Q1 21 vs. Q1 20



- Sold cost / Wp in Scandinavia and Spain Q1 20 vs. Q1 21
- Otovo platform continues to drive down cost, even in our mature markets

Source: Based on projects sold in Scandinavia and Spain, weighted based on project value, excluding Otovo margin

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Team | Attracting world-leading talent to drive growth

New board member

Josefin Landgård joins the board of directors

- **Co-founder and former CEO and COO of Kry**, a leading provider of remote healthcare consultations, and a current founder of Mantle, a CBD oil product company
- Brings years of experience from the product, marketing and operations dimensions of **scaling platforms internationally**

New GMs in SCA, FR, IT

Otovo's lineup of new General Manager completed

- **Daniel Munnich** (former BCG, tech scaleups and energy companies) will become GM of Scandinavia
- **Jean Rosado** (former Director FlixBus, Bain & Company) new GM in **France** from May 21
- **Fabio Stefanini** (former Director Uber, Amazon Italy, Bain & Company) started as the GM in **Italy**

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Q1 21 - Financial highlights | 7% growth in revenue

Otovo key figures (NOKm)

	Q1 21	Q1 20	Change
Revenue	37.6	35.0	2.5
Cost of goods sold	31.9	29.2	2.7
Gross profit	5.7	5.7	-0.1
Gross margin (%)	15.1%	16.4%	-1.3*(pp)*
Other revenue	0	0.1	-0.1
Personnel cost	27.2	16.1	11.1
Other op. expenses	15.9	11.8	4.1
EBITDA	-37.4	-22.1	-15.3
Cash	284	170	114

Commentary

Revenue up 7% YoY to NOK 37.6m

- Strong results in **Spain** and **France**
- Partly offset by **Scandinavia** down from last year as a result of weak sales in a soft Q4 20 market after uncertainty about subsidies in Sweden and grid tariffs in Norway, both clarified in December
- **Poland and Italy** had their first installations in Q4 20 and Q1 21 respectively

Gross margin 15.1% (down by 1.3 pp)

- New markets start at lower margins in the entry phase
- Campaigns to boost sales in soft Scandinavian market
- France transitioning from commission sales to Otovo business model

Group gross margin expected to exceed 18% by end of 2021

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Q1 21 - Financial highlights | Costs as expected

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Commentary

EBITDA at NOK -37.4m (NOK -22.1m Q1 20):

- Listing-related and other non-recurring cost items amount to NOK 8m (Personnel cost NOK 7m, Other operating expenses NOK 1m)

Personnel cost up NOK 11m vs Q1 20

- HQ up NOK 2m
- ES, FR, IT and PL up NOK 5.5m
- Cost of share programmes at NOK 8m
  - NOK 4m is front loaded due to listing
  - NOK 2m is increased social security due to share price increase

Other operating expenses up NOK 4m vs Q1 20

- Entry-costs in new markets (NOK 3m)
- HQ with temporary increased cost ahead of listing (NOK 1m)

Solid financial cash position with NOK 284m per Q1 21

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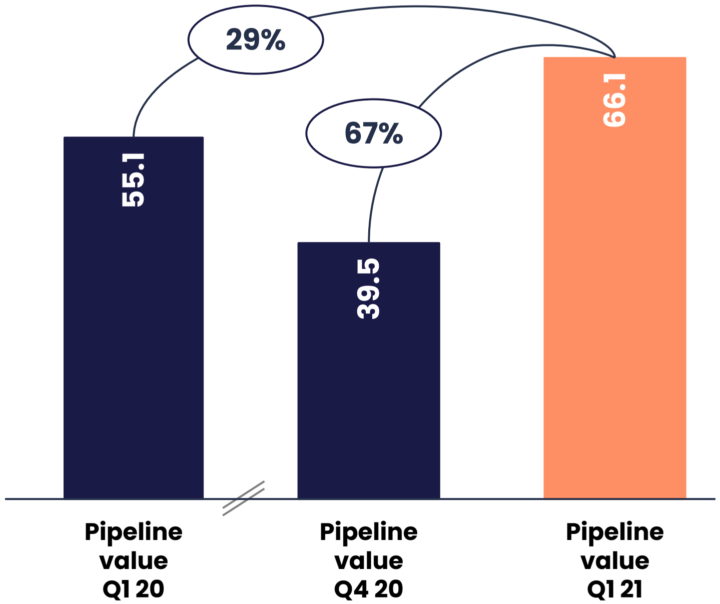
Q1 21 – Pipeline | Up 29% YoY, driven by Spain & France

Pipeline value (NOK m)



Commentary

Group pipeline up by 29% vs Q1 20 and 67% from last quarter

Scandinavia pipeline down compared to Q1 20, but show very strong rebound from Q4 20

Spain maintains pipeline and **France** delivers record pipeline

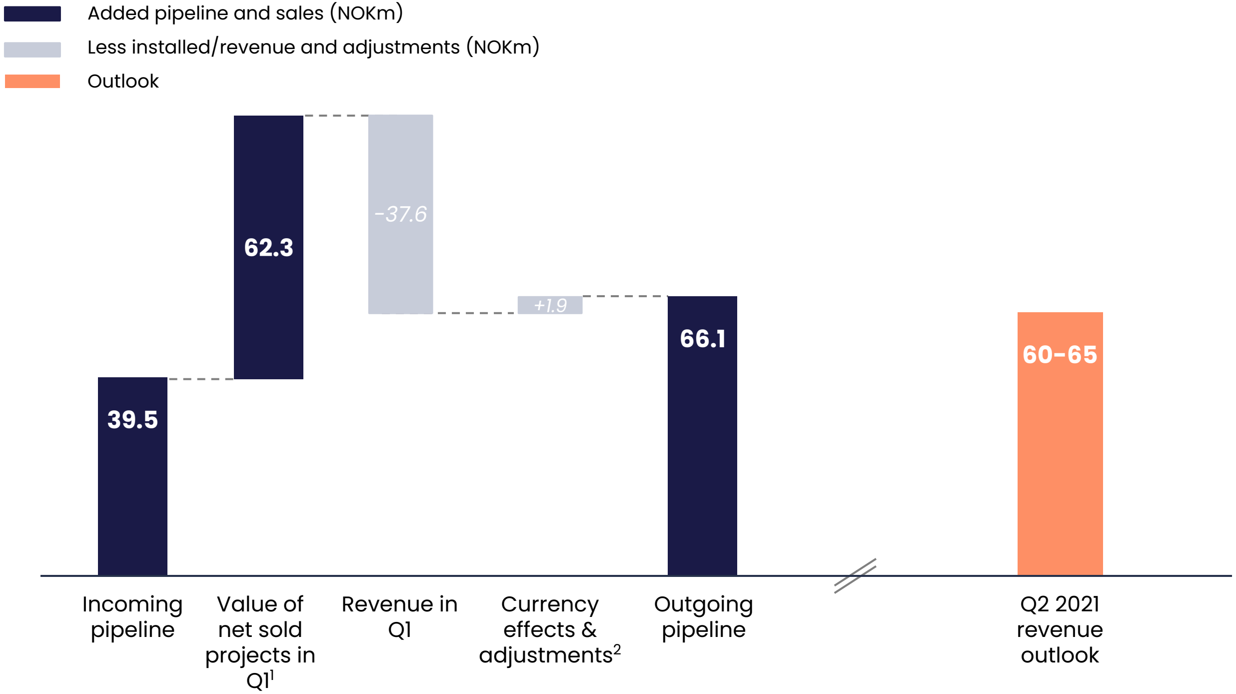
Poland does mostly intra-quarter installations leaving a relatively small pipeline

Italy soft launched, with most of its sales happening in the last few weeks of March. Expect Italy to build pipeline during Q2

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

Q1 21 – Pipeline | Q2 revenue expected at NOK 60–65 m

Incoming and outgoing pipeline Q1 21



1. Value of net sold projects in mNOK, subject to currency and other adjustments
2. Pipeline adjustments can be changes to project values or currency effects

Commentary

- Rule of thumb: 65–75% of incoming pipeline is installed in the quarter, the remainder flows over to the next quarter's pipeline
- In addition, 15–20% of quarterly sales are installed in same period
- Various non-operational factors may impact this rule of thumb:
  - The mix of countries in the pipeline (Poland is faster; France and Spain slower than average)
  - The season (winter and holidays may slow)
  - Subsidy scheme changes may impact either way
- Expecting NOK 60-65m revenue in Q2 21

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Otovo installation in Otwocki, Poland

Outlook | Strong 2021 ahead

Strong growth in 2021 - reiterate FY 2021 revenue of EUR 29m

- **Scandinavia** remains challenging, but will improve YoY in next three quarters as Otovo responds to more positive market conditions
- **Poland** ahead of internal estimates and on track to be a repeat of our entry to Spain in 2020, but with faster effect on the P&L
- **France, Italy and Spain** progress as anticipated and will grow during all of 2021

Gross margin target above 18% gross margins by end of FY 2021

- Will be diluted by growth in new markets in the near term
- Expected to pick up throughout Q3, coming out of Q4 above 18%, and further increase from there and into 2022

In total, we believe this sets us up for a strong 2021 and high pace of entry into 2022.

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Definitions

Abandoned project

An abandoned project is a project that has been cancelled after the contract with the customer is signed

Installed project

A installed project is a project that has been physically completed and is capable of producing electricity

Net sold project

Net sold project is the number of projects sold during the period less projects abandoned during the period

Project pipeline

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

Otovo business model

Otovo bills the final customer (private homeowner or asset-owner) and gets invoiced by the installer company with the winning bid. The difference between the two invoices is Otovo's gross profit. Until Q4 2020 the French business unit was using a different model, where they only billed the installer a commission (typically 10% of the project value), and the installer billed the final customer. During Q1 2021 the French business unit has gradually transitioned to the Otovo direct sales model

Cost per Wp

Otovo reports on the industry standard on cost per Watt-peak (Wp). The figure is calculated as the in hardware; non-hardware; or the sum of all project cost, divided by the size of the system measured in Watt-peak, for example a 10 panel system with 375Wp panels would have 3750Wp in the denominator of a cost per Watt-peak calculation.

Disclaimer

This report contains forward-looking statements that reflect management's current view with respect to future events. All such statements are subject to inherent risks and uncertainties, and many factors can lead to developments deviating from what has been expressed or implied in such statements.