EARNINGS CALL · SECOND QUARTER 2026

Q2 / 26
Transcript

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RODNEY McMAHAN · INVESTOR RELATIONS
JOHN BERGER · CHIEF EXECUTIVE OFFICER
JENNIFER SANTOSCOY · CHIEF FINANCIAL OFFICER

Prepared from the earnings call recording for clarity and readability. Substantive content and financial figures are unchanged.

Contents & participants

Participants

Rodney McMahan · Investor Relations
John Berger · Chief Executive Officer
Jennifer Santoscoy · Chief Financial Officer

Q&A topics

EDITORIAL NOTE Questions submitted through the webcast chat were read by Rodney McMahan. Topic headings are editorial navigation and were not spoken aloud.

Prepared remarks

SLIDES 1-2

Opening & Disclaimer

RODNEY McMAHAN · INVESTOR RELATIONS

Good morning and welcome to Otovo's second quarter 2026 results presentation. I'm Rodney McMahan, Head of Investor Relations. Joining me today are John Berger, Chief Executive Officer, and Jennifer Santoscoy, Chief Financial Officer. Before we begin, please review the disclaimer on slide 2. Today's presentation contains forward-looking statements that involve risks and uncertainties; actual results may differ materially. With that, I'll hand over to John.

SLIDES 3-4

Introduction and Agenda

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Thank you, and good morning everyone.

I'll start with the headline numbers for the quarter, then walk you through Otovo 2.0 - what this company is now and why the model works. Jennifer will take you through the financials. I'll come back for the business highlights, and we'll close with outlook and guidance before opening for questions.

SLIDE 5

Q2 26 Highlights

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Q2, and specifically the month of June, marked a point of transition.

Total revenue was USD 10 million, up 8% quarter-on-quarter at constant currency - and that's despite deliberately winding down the Legacy Newbuild business. The engine that increased that number is field services revenue, which grew approximately 200% sequentially at constant currency on the ramp-up of the service businesses and the consolidation of EnergyAid.

Adjusted group gross profit moved up 28% quarter-on-quarter on an improved revenue mix consisting of an increase in Field Services revenue. Adjusted OpEx was down 9% quarter-on-quarter at constant currency even while absorbing EnergyAid, thanks to cost reductions. Adjusted EBITDA improved USD 1.1 million sequentially at constant currency and USD 1.5 million year-on-year.

But the story for the second quarter was our execution, especially in the month of June, as during the month we integrated EnergyAid quickly, saw additional significant Endurance driven cost cuts, and US sales moved materially higher. US sales towards the end of July were materially higher and continue to grow at a torrid pace. Equally important, the steps we took in the second quarter are poised to drive a strong second half for Otovo when the financial benefits take hold leading to the increase in guidance I'll discuss later in the call.

It is possible that the combination of rapidly increasing sales in the US and cost cuts due to Endurance being deployed in the global areas of sales, customer support, procurement, scheduling & dispatch, and marketing have moved us into Adjusted EBITDA positive over the last few days. With new acquisitions soon being added to the mix we expect to see similar success in Europe in the coming weeks thereby cementing our profitability and unlocking operating leverage resulting in significant cash flow potential. In addition, we are hiring additional technicians in the US and Europe to handle the increase in growth without having to add support staff thanks to Endurance. These strong tailwinds have continued into Q3 and are expected to grow even stronger in Q4.

On the business side: approximately 55,000 customers as of 31 July - up over 80% from Q1 and up over 200% from the end of 2025 - and the Endurance roll-out remains on track for company-wide completion in Q3. We identified more than USD 1 million cost avoidance from Endurance this quarter, taking the total well above USD 5 million. And we recently closed the SST acquisition, announced the Green Panel acquisition, and have three additional acquisitions – one in the US and two in Europe – expected to be announced in the coming days and weeks.

SLIDES 6-7

Otovo 2.0 at a Glance

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Let me frame what this company is now, because it is a different business than the one many of you first knew. Otovo is an AI-Native behind-the-meter energy services company servicing homes and businesses in Europe and the United States. We combine equipment monitoring, rapid repairs, dependable power supply and grid participation into one service. Endurance, Otovo's AI platform, monitors installed equipment, optimizes service from problem detection to resolution and coordinates repairs around the clock.

For 2026 we're guiding to USD 105-115 million of revenue, an increase of 25 million from our guide last quarter, and USD 15-20 million of adjusted EBITDA, an increase of $12.5 million, both on a Q4 annualized run-rate basis.

Three things make this work. First, a large orphaned installed base - over 37 million behind-the-meter power asset installations across Europe and the US, of which more than 13 million have no service partner to call, because roughly half of installers have gone bankrupt or exited. Second, Endurance - our margin engine, which automates intake, diagnosis, dispatch and scheduling, and which we expect to lift EBIT margins from a 10-20% industry average into the 20-30% range. Third, we are a proven consolidator: seven deals have been closed and integrated since the December 2025 merger, with four additional transactions, including the announced Green Panel deal, expected to close this year.

SLIDE 8

Three Converging Theses

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Step back and there are three secular waves converging here, and they reinforce each other.

Power: a long-term global bull market in behind-the-meter energy, driven by AI, electrification, data centers and reshoring. Service: US home services - HVAC, pool, pest, plumbing - are consolidating for scale, and in our category the installer collapse has left an orphan gap of over 13 million customers. And AI: Applied AI is the next phase of the megatrend, and it drives real productivity gains in service businesses. Otovo converts that into margin through Endurance.

You rarely get to sit at the intersection of three tailwinds at once. We do.

SLIDE 9

The Market Opportunity

JOHN BERGER · CHIEF EXECUTIVE OFFICER

To size it: 37 million-plus installations across the US and Europe. More than 13 million orphaned customers. An annual service TAM north of USD 55 billion.

And the supply side is fragmented and distressed. In the US alone there are an estimated 300 service-only companies and over 10,000 installers with some service operations - most running expensive SaaS stacks and serving one local market. Roughly half of the residential solar installers operating in 2020 have gone bankrupt or exited. Depressed valuations plus stranded customers are close to an ideal M&A environment, and we are moving through it deliberately.

SLIDE 10

Business Model

JOHN BERGER · CHIEF EXECUTIVE OFFICER

The unit economics are straightforward. Five revenue streams per customer, targeting roughly USD 1,400 of annual Average Revenue Per User in residential at a 45% blended gross margin.

The Otovo Care membership - monitoring plus fast-response access - is about USD 250 of that. Repairs and field service, billed per job with priority response for members, is the largest piece at roughly USD 650. Equipment upgrades - batteries, EV chargers, load management - around USD 400. Then retail power and VPP/grid services is on top. On the commercial side, Average Revenue Per User is closer to USD 4,900.

One clarification we always make: Otovo Care is not a warranty and not insurance. It's monitoring, priority response and repair discounts. The bundle exists because service earns loyalty, and loyalty is what makes upgrades, retail and VPP land at high margin.

SLIDES 11–13

Endurance

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Endurance is one proprietary tech stack with AI agents running across every part of the business - marketing, sales, operations and supply chain. For security control we utilize our own servers with continuous internal audits and full lockdown capability.

What that means in practice is one record per customer - work orders, appointments, membership, territory and billing on a single screen, on one proprietary data layer. And the AI does the work: every call, email and text on one thread, with Endurance confirming the inspection appointment with the customer itself, unprompted.

SLIDE 14

Operating Leverage

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Our vision is that the technician becomes the only human touch point for our customers.

The cost impact identified to date is over USD 5 million annualized and growing. These are distinct and non-overlapping, and we expect the number to keep rising with both organic and inorganic growth.

One more point: Endurance now improves its own software. System issues and feature requests are picked up, investigated, fixed and merged by the platform itself - 1,113 of 1,362 actionable engineering tickets resolved and 696 code changes merged in the last thirty days. The team sets the direction; the system does the work.

SLIDES 15–16

Growth Strategy & Transactions

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Three growth channels, ranked by impact.

First, M&A - rolling up service companies and customer books. We acquire local service companies and get vans, technicians and customer contracts in one stroke; we buy customer books from failed installers at cents on the dollar; and we deploy Endurance post-close to strip out SaaS, dispatch and call-center cost.

Second, OEM and asset-owner deals - multi-geography contracts with OEMs, solar funds, utilities and leasing platforms. Each new geography compounds the value of the relationships we already have.

Third, direct organic acquisition into our 1.9 million legacy customers inherited from predecessor brands.

Slide 16 sets out our strategic transactions.

Green Panel is our latest announced transaction that will greatly bolster our European operations with a purchase price of USD 11 million against 2026 expected revenue of approximately USD 12.8 million and EBIT of approximately USD 2.9 million. While it is Israel's number one solar O&M provider, Green Panel reaches well beyond Asia into the attractive European markets of Austria, Italy, and Hungary, with around 280 megawatts under management and roughly 100 commercial and industrial customers. Its O&M playbook is directly transferable to our US and European markets and is expected to close in Q3.

With that, I'll hand the call over to Jennifer for the financials.

SLIDES 17-18

Financial Results

JENNIFER SANTOSCOY · CHIEF FINANCIAL OFFICER

Thank you, John, and good morning everyone.

Revenue in Q2 was $10M, up 8% versus Q1 at constant currency. Field services contributed $3.3M, up approximately 200%. Recurring Services was $600K, up 20% at constant currency, driven by subscription growth. We continue to shift our focus from Newbuild to Service, and the migration of the continuing Newbuild business from installations to upgrades.

Looking forward we expect service revenue to accelerate into Q3 with SST - now closed – and four other M&A transactions expected later this year. Recurring Services will continue to grow alongside the subscriber base.

Adjusted group gross profit was up 28% quarter-on-quarter on improved revenue mix, and the trajectory through the quarter was positive.

Adjusted OpEx was $6.8M, down 9% quarter-on-quarter at constant currency, as cost reductions more than offset the consolidation of EnergyAid. One-time costs included $1.1M of severance and M&A plus $900K non-cash expenses. Adjusted EBITDA was negative $4.5M, an improvement of $1.1M sequentially at constant currency and an improvement of $1.5M year-on-year.

SLIDE 19

Field Services Gross Margin

JENNIFER SANTOSCOY · CHIEF FINANCIAL OFFICER

For me, I think this is one of the most interesting slides in the deck.

Field services gross margin was 18% in Q2, versus negative 12% in Q1 - a 30-point swing in a single quarter. The June margin was 34%, and our model forecasts gross margin approaching 45% at the end of 2026.

SLIDE 20

Cost Reset

JENNIFER SANTOSCOY · CHIEF FINANCIAL OFFICER

Operating cost per customer is being reset structurally. For 2H 26 we expect OpEx per customer of approximately $402. That’s a significant decline from $1,268 we saw in 1H25.

SLIDE 21

Balance Sheet

JENNIFER SANTOSCOY · CHIEF FINANCIAL OFFICER

Cash was 3.9M at the end of Q2, down from $15.6M at the end of Q1, after funding the cash portion of EnergyAid, one-time M&A and severance payments, and operating losses. Since quarter end, the July raise added approximately $7M.

The numbers have been converted from NOK to U.S. dollars at the fixed rate of NOK 9.424 per USD.

On the same fixed-rate basis, total equity rose 11% quarter-on-quarter to $36.4M, reflecting shares issued as consideration for EnergyAid, partly offset by period losses. Total assets were $56.9M and total liabilities were $20.5M, of which other current liabilities of $7.2M included $5.9M of trade payables.

I'll hand back to John for the business highlights.

SLIDES 22-23

Customer Growth Trajectory

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Thank you, Jennifer.

We ended 2025 with 18,000 customers. As of 31 July we're at approximately 55,000 - driven by acquisitions and organic growth in existing markets. We're targeting 90,000 by year-end 2026 - raised from 60,000 - then 170,000 by year-end 2027 and 275,000 by year-end 2028, all net of churn.

The logic is density: cover the top solar markets in the US and Europe, build density in each, and every incremental customer costs less to serve than the last.

SLIDE 24

Endurance Roll-Out Update

JOHN BERGER · CHIEF EXECUTIVE OFFICER

The roll-out is on schedule. Platform build and migrations completed across Q4 25 and 1H 26. Roll-out is underway across all organizations and acquisitions to date. Company-wide completion and Legacy SaaS retirement in Q3, with savings landing visibly in the P&L in Q4.

Identified savings are now well over USD 5 million annualized, up from about USD 4 million at Q1 - and we regard that as subject to upward revision.

SLIDE 25

Technician Growth

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Technicians are the revenue engine, so we track the ratio closely. Since the start of the year the technician share of our workforce has risen sharply, and by year end we model technicians to become more than half of all FTEs. That shift - from overhead-heavy to technician-heavy - is the whole thesis in one metric.

SLIDES 26-28

Outlook: The Transformation

JOHN BERGER · CHIEF EXECUTIVE OFFICER

The transformation is well underway: cutting costs while accelerating an already-profitable Services business. Slide 27 bridges where we are today to the Q4 annualized run rate we're guiding to.

What breaks the cost curve is AI. The traditional relationship between field and office labor has been severed by aggressive Endurance deployment, delivered by a six-person core AI team, with an M&A integration cadence of roughly three weeks. Revenue, excluding newbuild, is expected to rise to $27.5 million in Q4, more than seven times what was reported in Q2, while core G&A slightly declines over the same period of time. As I noted earlier, it's the steps we have taken to date that give us confidence in such strong financial growth in a short period of time; it is expected to materialize in our numbers once severance is paid out and reductions from SaaS and office terminations take hold.

SLIDE 29

Q4 26 Run-Rate Guidance

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Accordingly, we are raising guidance.

Revenue: USD 105-115 million, up from USD 80-90 million. Adjusted EBITDA: USD 15-20 million, up from USD 2.5-7.5 million. Year-end customers: 90,000, net of churn, raised from 60,000. These are Q4 annualized run-rate figures that include Green Panel - full effect from Q4 - three additional smaller acquisitions in 2026 that are near LOI, more B2B potential, incremental Endurance savings, and a faster Legacy business wind-down.

On the pipeline: we are in active definitive discussions with five companies representing over USD 118 million of revenue potential and over USD 18 million of EBIT potential, with a further shortlist of four companies representing more than USD 17 million of revenue potential.

Front and center of this pipeline are three companies I just mentioned, 2 European and 1 American, that are expected to have letters of intent in the coming days at attractive multiples. These three additions, plus Green Panel, as well as our organic growth further increase our number of techs in the field thus increasing our operating capacity both in the US and Europe. In addition, this additional M&A and organic growth is expected to be highly accretive to both our Adjusted EBITDA and net income well positioning Otovo for 2027.

And we expect the M&A landscape to remain robust beyond 2026 and based on what we have closed to date, will generate more cost savings than expected.

SLIDE 30

Summary

JOHN BERGER · CHIEF EXECUTIVE OFFICER

To recap, Otovo is a leader in using AI to break the cost curve by ending the age-old practice of having to add significant office personnel when the in-the-field labor skyrockets to meet the surging demand. We are capturing the addressable market through aggressive acquisitions at attractive multiples, costs continue to come down driven by our Endurance platform and we look forward to connecting with you on future earnings calls when the benefits of the changes made earlier this year come to fruition as made clear in the financial statements.

Now we'll take questions. If you'd like to ask a question, please use the chat feature.

Questions & answers

Questions were submitted through the webcast chat and read by Rodney McMahan. Answers were given by John Berger.

01 · Q&A TOPIC

Acquisition strategy and Endurance

RODNEY McMAHAN · INVESTOR RELATIONS

Our first question comes from Phil Shen of Roth Capital. Can you expand on your approach to acquisitions and how the Endurance platform is one of the fundamental drivers of value creation in your strategy?

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Thank you for the question. Endurance essentially allows us to remove SaaS—software-as-a-service costs—and the staffing associated with that software. We can also create AI agents to reduce office-staff costs and improve efficiency in customer support, scheduling and dispatch, and marketing. This has enabled us to take significant cost out of the business. We have also begun selling directly to customers, which further reduces customer-acquisition costs and improves customer service. This week, for example, we began automating scheduling and dispatch in a way that no human could, given the complexity. Customers are better served because they can select the date and time they want service.

02 · Q&A TOPIC

AI replication and competitive advantage

RODNEY McMAHAN · INVESTOR RELATIONS

Can you elaborate on what you are doing and how it compares with what some private-equity firms are trying to do? AI is described as a great equalizer that enables anyone to develop world-class code. If it is so easy to code the Endurance software, why can't someone simply replicate your strategy? What is—and will be—your enduring competitive advantage?

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Good question. I never said it was easy. A lot of work goes into building the software in the first place, and Endurance is more than software. It creates agents and uses agentic AI to perform tasks formerly done by people while serving customers better. The industry as a whole has been deficient in service, so we are intensely focused on the customer. Implementing AI is difficult. It is not just developing software or agents; it is restructuring the entire company around AI, which is very difficult at scale. Some private-equity firms are beginning to roll up service industries and inject a small AI team into the companies they acquire, much as Otovo has done, to create an AI-enabled company from the ground up. Execution is difficult. We expect competitors to try, but we are far ahead today. In geographic footprint and scale, nobody is larger globally in behind-the-meter power services. That gives us a substantial advantage in acquiring customers and working with partners such as large equipment manufacturers and large owners of solar, generator, and other residential and commercial behind-the-meter assets. We have a significant competitive lead.

03 · Q&A TOPIC

Integration of acquired companies

RODNEY McMAHAN · INVESTOR RELATIONS

You recently highlighted that you are removing as many as 60 SaaS packages, including Salesforce and DocuSign. What happens when you acquire a new service company in a new region? How do you integrate it? How long does it take to move the target company off its software systems and complete the transition to Endurance? What problems can arise, and how do you address them?

JOHN BERGER · CHIEF EXECUTIVE OFFICER

That is a lot of questions, Rodney. Let me take them one by one. From signing, we have been able to bring an acquisition to an almost complete—and sometimes complete—integration in about three weeks. We immediately remove the SaaS software and put Endurance in its place. That puts the company's data in one repository and everyone on the same system. It integrates the acquired team into Otovo and brings both employees and new customers onto a single platform. There is not much of a weaning period; the transition is rapid. It also lets us extend the relationships brought by new members of the Otovo family across our wider geography. As we expand our footprint, we can use those relationships to grow sales. That is much of what you have seen in July and August: multiplying relationships across broader geographies, building the Otovo brand, and gaining traction with direct-to-consumer sales in a growing number of markets. Any integration will have issues, and we work through them quickly. We are fortunate that our acquisitions come with strong leaders whom we can integrate into the management team, as well as excellent technicians who add to our base. Welcoming those leaders, technicians, and other employees helps smooth the inevitable issues that come with acquiring companies at this pace.

04 · Q&A TOPIC

Capital strategy

RODNEY McMAHAN · INVESTOR RELATIONS

Do you foresee further capital increases during the coming 12 months? If so, what would be the approximate amounts and planned use of proceeds?

JOHN BERGER · CHIEF EXECUTIVE OFFICER

I cannot legally answer questions about approximate amounts or planned uses of proceeds. What I can say is that we have consistently sought low-multiple, value-oriented acquisitions that are highly accretive, especially in the near term. We have also been clear that we will remain disciplined with capital. We are not going to take on a great deal of debt. We have been able to use our stock as acquisition currency, and we continue to see opportunities to do that. We will maintain an appropriate amount of equity and avoid large-scale debt—if any debt—in these acquisitions. The capital-discipline strategy is in place, it has worked well, and we will continue to follow it.

05 · Q&A TOPIC

EV charger network opportunity

RODNEY McMAHAN · INVESTOR RELATIONS

Do you see an opportunity to use the Otovo Care support platform and app in other segments, such as EV charger networks?

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Absolutely. We are in discussions with at least one potential acquisition that would allow us to enter that market at fairly large scale.

06 · Q&A TOPIC

EnergyAid and SST break-even

RODNEY McMAHAN · INVESTOR RELATIONS

EnergyAid contributed NOK 12.8 million in revenue and a NOK 14.5 million loss in Q2. How quickly will EnergyAid and the newly acquired SST reach adjusted EBITDA break-even, and what specific steps are driving that turnaround?

JOHN BERGER · CHIEF EXECUTIVE OFFICER

We discussed some of this in the prepared remarks. Revenue rebounded in June, and growth in the United States accelerated in July and particularly in August. That continues. We also expect to integrate Green Panel and three other acquisitions in the next few weeks and months. We are working to sign letters of intent with those three companies in the coming days and weeks and then close them rapidly. That growth and the ability to build our technician base in Europe give us confidence that the European market will generate substantial profitable growth. The United States is solid and continues to see more—and more profitable—growth. We have also reduced the cost structure rapidly. Much of that is not visible in the Q2 numbers because the reductions occurred in June, July, and August. We continue to see significant opportunities to reduce fixed costs, which is why the outlook shows revenue rising in Q4 while costs remain relatively flat. Based on the number of customers served in recent weeks and our current cost structure, with further reductions still under way, we believe we are most likely at the inflection point to profitability on an adjusted EBITDA basis. Additional acquisitions, organic growth, and global partnerships should continue to build cash flow in line with our guidance.

07 · Q&A TOPIC

Use of July equity proceeds

> RODNEY McMAHAN · INVESTOR RELATIONS
> Do the NOK 64 million of net proceeds from the July equity raise fully fund the Green Panel acquisition?

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Sorry, the question broke up a little. If I understood it correctly, the amount raised in early July will go toward the Green Panel acquisition, as we have stated previously.

08 · Q&A TOPIC

Field services gross margins

> RODNEY McMAHAN · INVESTOR RELATIONS
> Field services gross margins are currently burdened by onboarding and density costs. When do you expect those margins to normalize, and at what level?

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Our service cost of goods sold includes fixed costs, primarily service and support costs, which we are reducing with Endurance and expect to reduce further. We also have fleet costs. Roughly 20 vans currently have open capacity, which weighs on margins. We expect utilization to scale rapidly this month, reducing the negative impact of those fixed costs. That gives us confidence that we can move beyond the 34% gross margin achieved in June—which was already a substantial turnaround from Q1 and from May—and move toward, if not exceed, the 45% gross-margin target we set from the beginning.

09 · Q&A TOPIC

Timing of profitability

> RODNEY McMAHAN · INVESTOR RELATIONS
> You were targeting August or September as your first profitable month. Is that target based on the organic trajectory alone, or does it depend on Green Panel closing on schedule?

JOHN BERGER · CHIEF EXECUTIVE OFFICER

Our assumption does include Green Panel closing on schedule. We also have three other acquisitions with similarly accretive near-term and annualized net income. Collectively, we estimate the average valuation at approximately three times net income, which is very attractive. However, given the strength of recent growth and how successfully we have used Endurance to remove costs in the past few weeks, it is possible that we have reached adjusted EBITDA break-even and can move into positive territory even without the Green Panel acquisition.

> RODNEY McMAHAN · INVESTOR RELATIONS
> That is all the questions we have. Thank you, everyone, for joining us. We look forward to speaking with you next quarter.