



# Otovo

## The solar and battery marketplace

Q4 24 presentation  
24 February 2025

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# Today's speakers

## Presenting

Founder and CEO  
**Andreas Thorsheim**



CFO  
**Petter Ulset**



## Agenda

**1**

**Financial results**

**2**

**Business update**

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**Summary & Outlook**

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**Q&A**

# Agenda

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Financial results

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Business update – A New Otovo

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Summary & Outlook

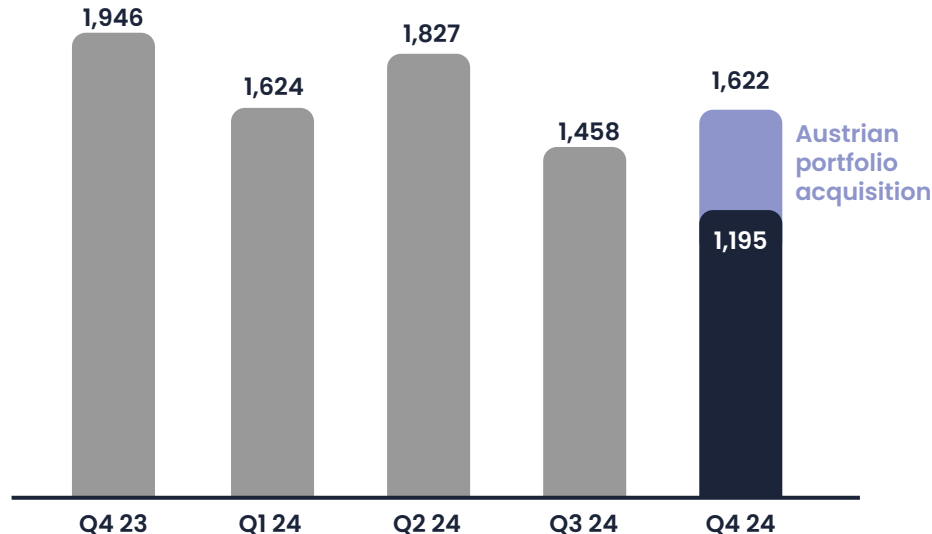
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Q&A

# Otovo completed approx. 1,200 installations and generated revenues of NOK 163m in the fourth quarter

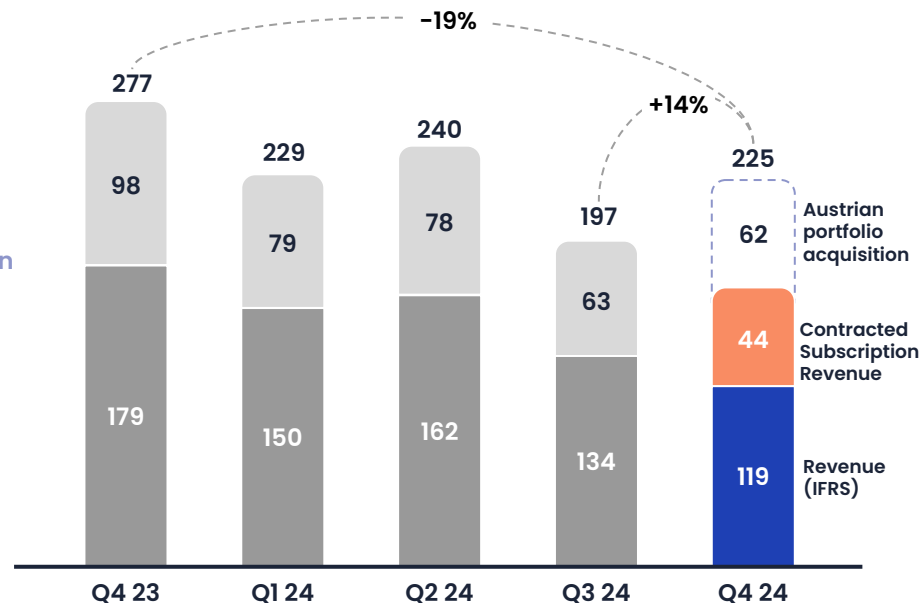
## Installations

Figures in #, including assets originated from Austrian portfolio acquisition



## Revenues Generated

Figures in NOKm

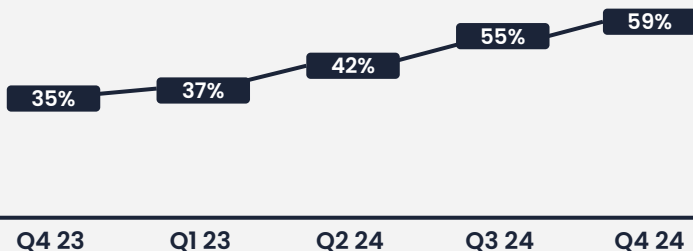


# Key metrics are faring well through turbulence, and we anticipate real increases occurring in all metrics during first half of 2025

## Battery attachment rate

Installed projects

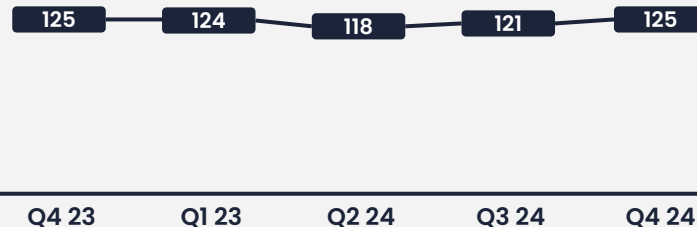
% of projects



## Ticket size

Installed projects

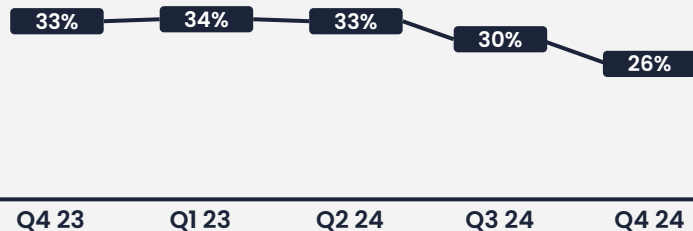
Figures in NOKk



## Subscription share

Installed projects

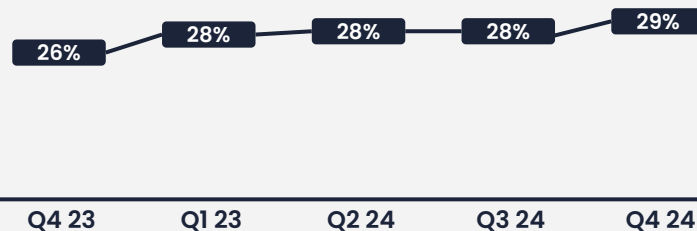
% of projects



## Gross Margin Generated

Installed projects

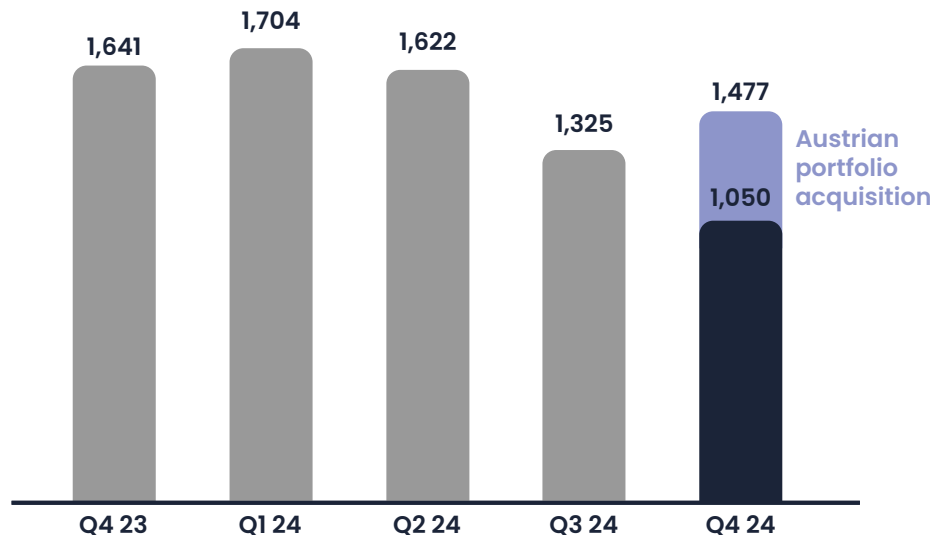
% of Revenues Generated



# Otovo is confident in a sales rebound from here on

## Net Sales<sup>1</sup> per quarter

Figures in #, including assets originated from Austrian portfolio acquisition



## Drivers of new unit growth



**The Good:** Portugal, Italy and Poland are stable and strong contributors with very positive outlook for 2025



**The Promising:** DACH region is catching up with last year's run rate and will surpass in Q2 25 as Otovo takes market share



**The Originals:** Very challenging markets currently, but Otovo has strong positions to leverage if policies and macro change.



**The paused:** Due to the cost program, three markets are paused currently. They represented ~10% of sales in 1H'24 for sake of comparison.

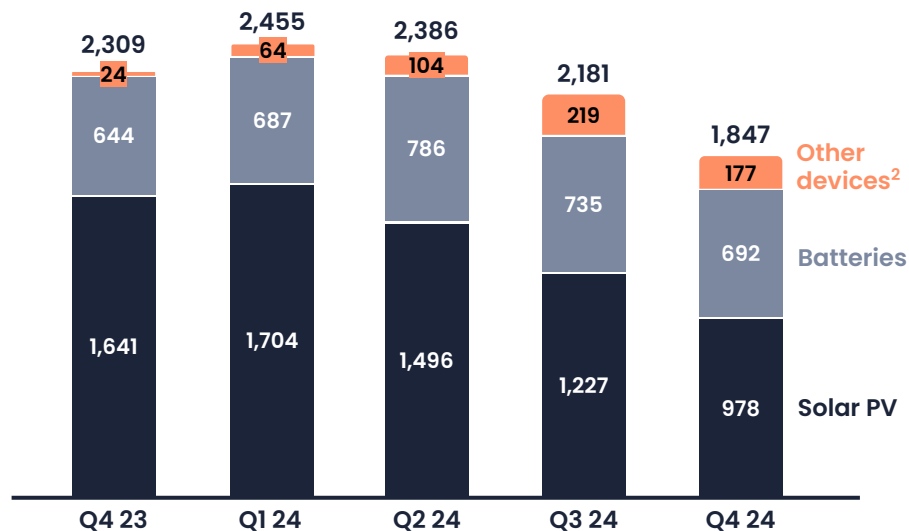


**Batteries:** The ability to sell batteries to existing solar owners and new segments represents a promising growth vector

# Customers are increasingly buying batteries, heat pumps, electric vehicle chargers and home energy mgmt. systems

## Products<sup>1</sup> sold per quarter (net sales)

Figures in # of products



## Otovo products





# Income statement

## Consolidated Financial Summary

(NOKm)	Q4 24	Q3 24	Q4 23	ΔYoY
Total operating income	155	153	233	-57
COGS	93	109	145	-53
Opex net of D&A	97	157	180	-84
Depreciation and amortisation	15	17	18	-3
<b>Operating profit</b>	<b>-49</b>	<b>-131</b>	<b>-111</b>	<b>+62</b>
<b>EBITDA</b>	<b>-34</b>	<b>-114</b>	<b>-93</b>	<b>+59</b>
EBITDA%	-22%	-42%	-40%	+18%

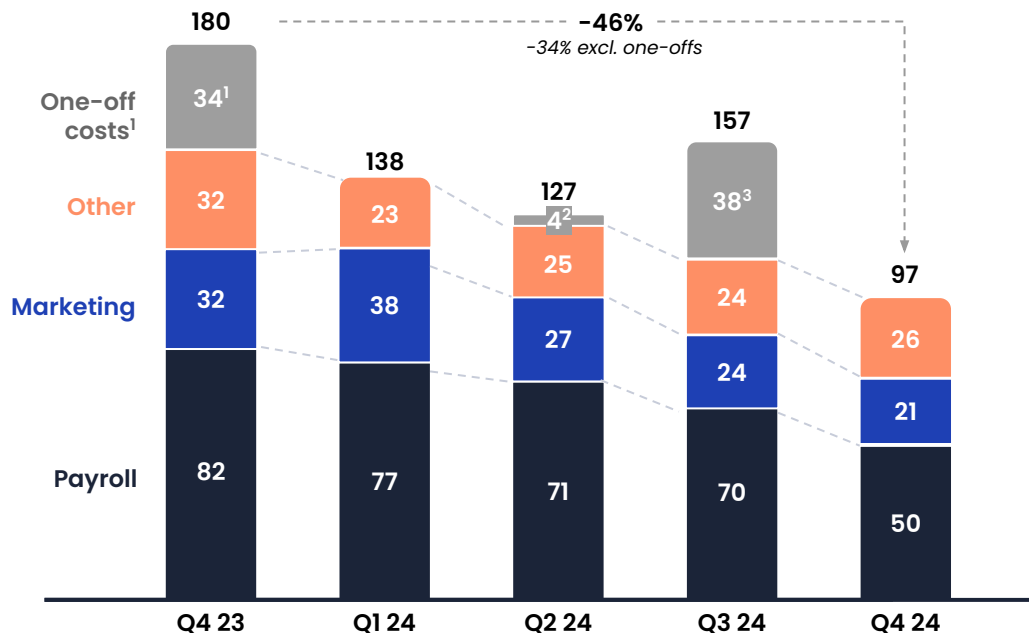
## Comments

- Total operating income is down year over year but flat sequentially due to gain realized on acquisition of Austrian subscription assets
- COGS is reduced in line with underlying installation activity
- Gross margin is up 6 p.p year over year and 3 p.p sequentially where approximately 2 p.p. is related to one-time effect
- Opex reduced significantly as impact of cost reduction program materialize

# Costs have come down markedly during 2024, driven mostly by payroll

## Opex by category

Figures in NOKm



## Comments

### Payroll

- Payroll costs have come down 40% year-over-year, driven by reduction in FTE count, and a higher proportion situated in Madrid
- Some of employees that were let go in cost program were on payroll throughout Q4, and a small minority into January and February 2025
- Expecting further reduction in payroll costs in Q1'25, as a result of 2024 cost cut programme

### Marketing

- Reduced in the quarter alongside sales volume

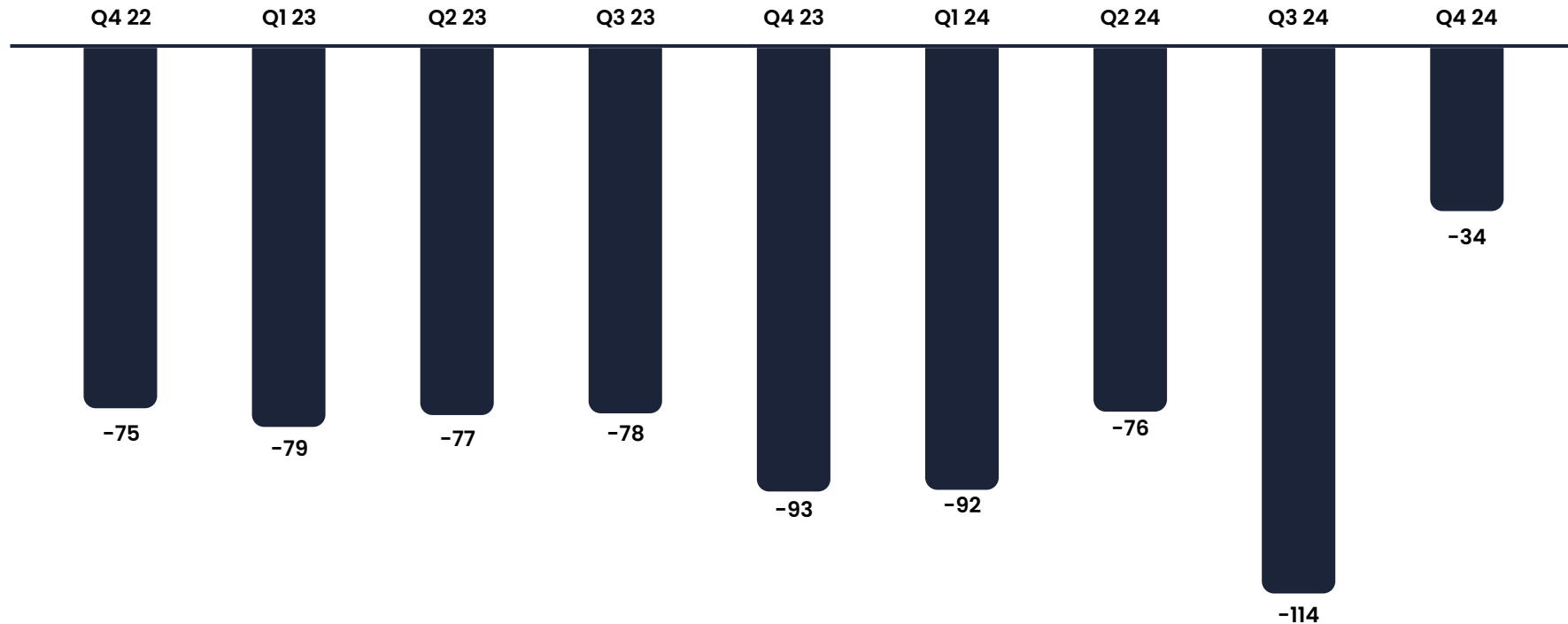
### Other

- Underlying figure is flat, but a bad debt provision of NOK 2m is included in the quarter

# EBITDA loss is at lowest level in several years

## EBITDA by quarter

Figures in NOKm



# Balance sheet

## Consolidated Balance Sheet

(NOKm)	Q4 24	Q3 24	Q4 23	ΔYoY
Non-current assets	825	745	624	+202
Cash	183	270	583	-400
Other current assets	107	129	151	-44
<b>Assets</b>	<b>1,115</b>	<b>1,144</b>	<b>1,358</b>	<b>-242</b>
Equity	501	556	874	-373
Liabilities	614	588	483	+131
<b>Equity and liabilities</b>	<b>1,115</b>	<b>1,144</b>	<b>1,358</b>	<b>-242</b>

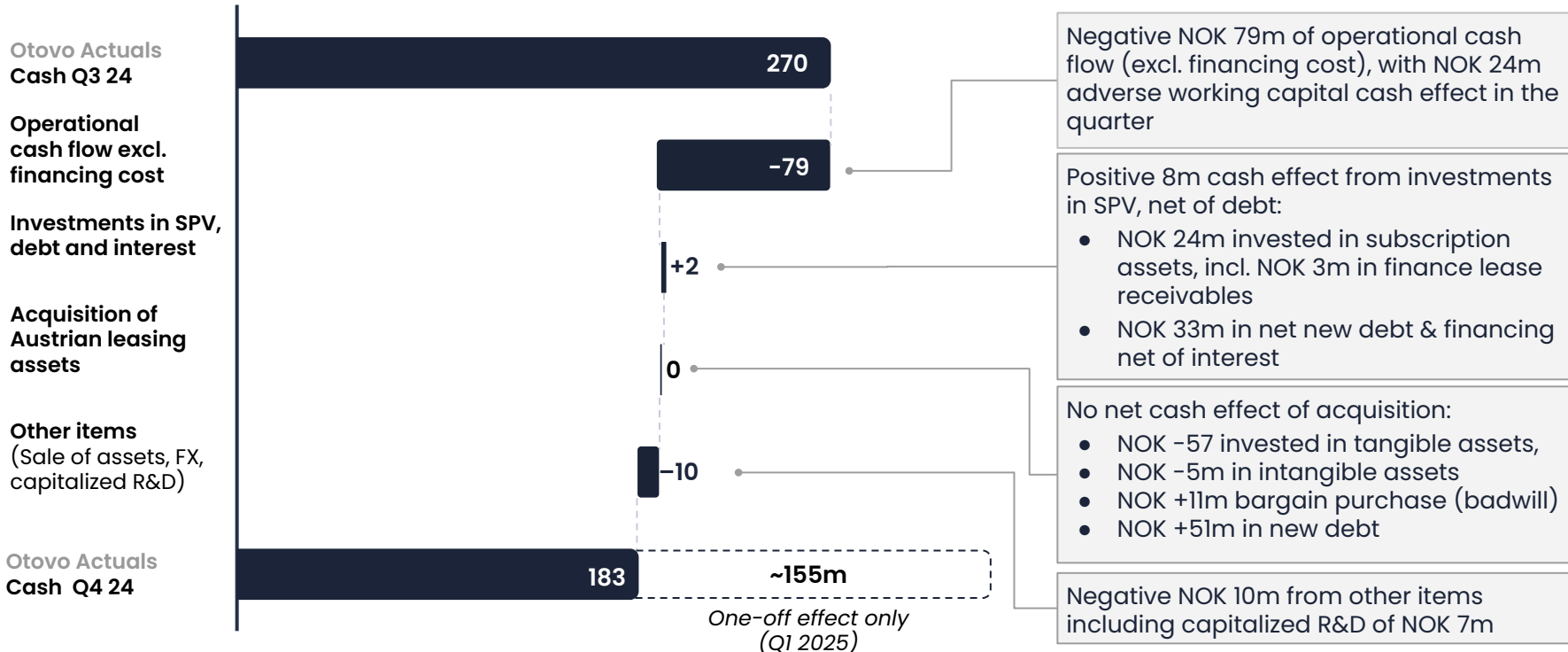
## Comments

- Non-current assets expand due to new subscription customers and the acquisition of the Austrian subscription customers
- (Negative) working capital contracts as installation activity comes down which ties up NOK 24 million of cash
- Cash stood at NOK 183m at the end of the quarter

# Cash position of NOK 183m with additional cash release of NOK 155m from portfolio transaction

## Cash development during Q4 2024 (NOKm)

## Comments



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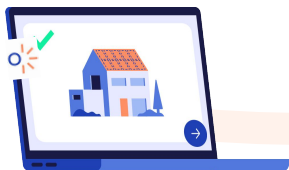
4

Q&A

# A new Otovo is emerging in 2025 – lean and on the attack

2016 – 2018

Creating the software product



- Establishment of the first marketplace for solar energy installations in Europe
- Finding product-market fit in Scandinavia and gaining strong market share

2019 – 2022

European scaling and expansion



- Build #1 distributed energy platform in Europe
- 5 countries in three years, then 6 in one
- Creation of leasing entity

2023–2024

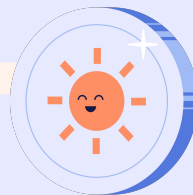
Adapt to energy “hangover market”



- Launch of low cost new service hub in Madrid
- Reprioritization of geographies and market presence
- Downsizing to 200 FTEs and leaning out of cost base

2025 →

Leanest pan-European resi asset originator

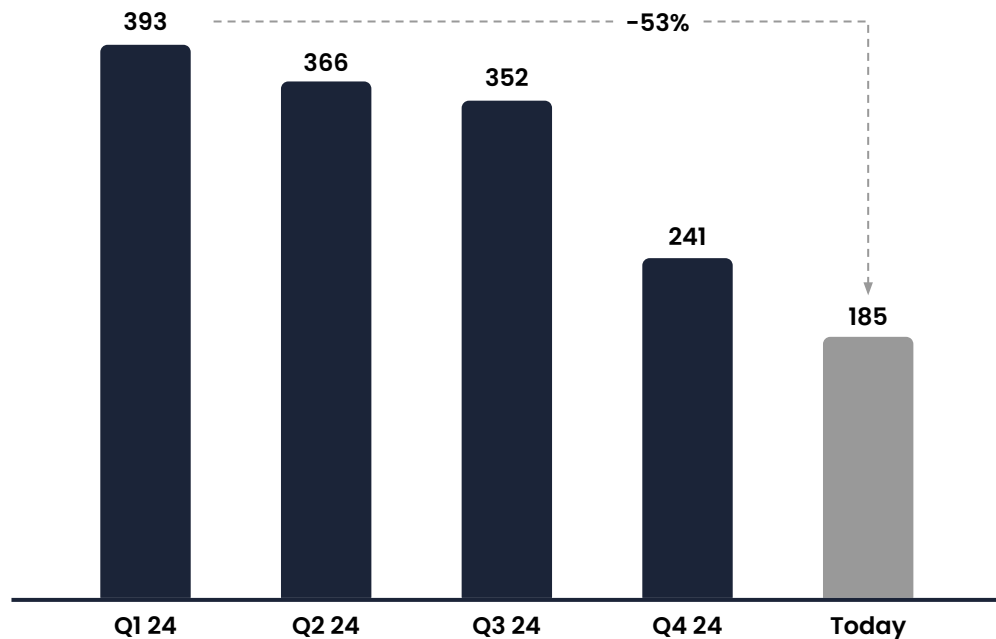


- Operate at 200–250m lower cost base at same sales level
- Monetize leasing portfolios, move from invest to harvest
- Grow sales absolute and ticket per customer
- Become profitable on a running basis

# Employee base reduced by more than half since Q1 2024

## FTEs (end-of-quarter)<sup>1</sup>

Figures in NOKm



## Comments

- The cost and personnel efficiency program has entailed:
  - Reducing number of sales offices from 13 to 8
  - Co-locating operations, marketing, and accounting in Madrid
  - Cut approximately 200 positions and rehired in desired locations
  - Reduced average cost per FTE
- 40% of Otovo's Full-time employees are situated in the Madrid office
- On track to achieve efficiency gains during 2025 as volumes of projects are expected to increase without hires being needed



# Transaction structured in two parts – assets built over the last 5 years, and new assets built in 2025 & 2026

Transaction covers sale of **existing** portfolio and future **vintages**

Full sales value of future volumes sold will be **recognized immediately**

Transaction is in advanced stages and **expected to close in Q1**

## Q1 2025 event (2020–24 vintages)

Expected impact:

- Transaction value: €50m
- Debt repayment: €31m
- Retained equity: €6m
- Cash effect: €13m

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**Cash release and profit  
taking from leasing portfolio**

## Continuous sale agreement (2025–26Q3)





Expected impact:

- Volume: ~€55m
- Gross margin of 32%
- Revenue recognition: Instant after system installation

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**Continuous positive cash  
flow sales of leasing assets**

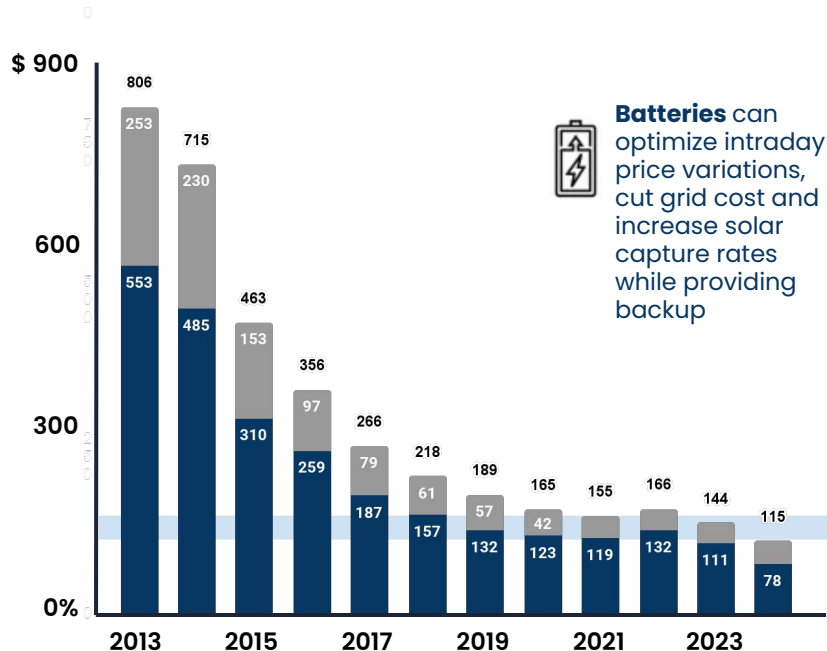
# Otovo will then sell to two types of customers

	Customer type	Description	Share of sales in Q4	Gross margin
1	<b>D2C</b> Household customer 	<b>Direct to consumer</b>	Customers pay Otovo in full at time of delivery	
			76%	23%
2	<b>B2B2C</b> Swiss Life 	<b>Leasing portfolio owner</b>		
	 Norway & Sweden	Swedish & Norwegian customers entering subscription contracts	2%	24%
	 Rest of Europe	European customers entering subscription contracts	23%	32%

# While solar PV matures, a new energy technology wave swells

## Battery prices have come down to grid-competitive levels

Volume-weighted average Li-ion battery pack and cell price split, USD



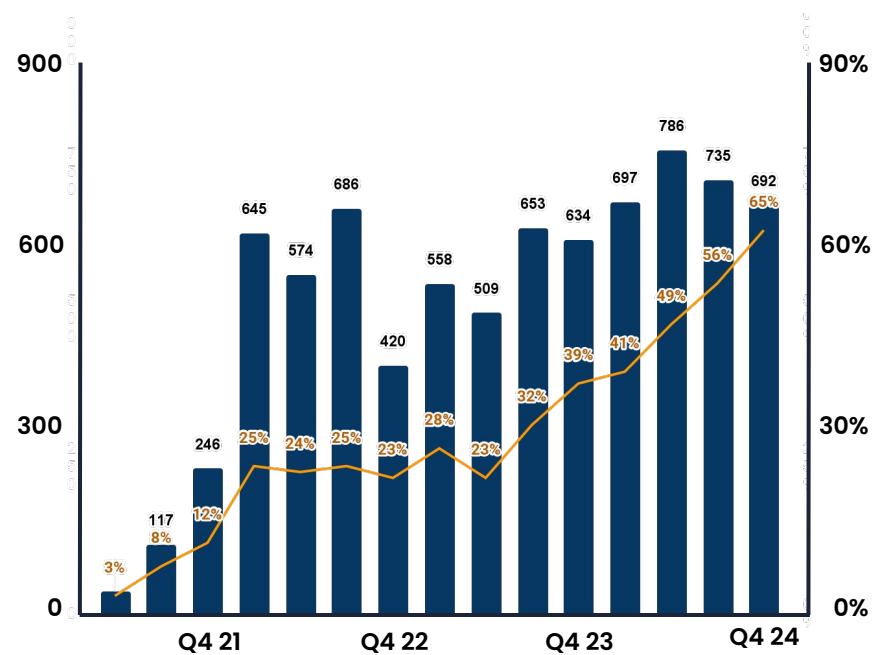
Source: Bloomberg NEF












■ Pack ■ Cell ■ Grid fee competitive level

## ... boosting battery sales across Europe on the OTOVO

Otovo battery sales in no. customers (left) and as share of total sales (right)



# Cost cuts and Portfolio sale boost profitability – initiatives in place with NOK 300–475m EBITDA improvement potential

Profit improvement measure		Comment	Potential	Achieved
Cost	① Reduced payroll	<ul style="list-style-type: none"> <li>Cut number of employees in half</li> <li>Reduction in Payroll per FTE</li> </ul>	150–170 NOKm	 NOK 120–150m of savings in Q1'25 vs. 2024FY
	② Cuts in G&A costs	<ul style="list-style-type: none"> <li>Closed down local offices</li> <li>Miscellaneous costs</li> </ul>	10–20 NOKm	 NOK 12m of savings locked in vs. 2024FY
Leasing	Portfolio sale w/ forward flow	a Loss of customer pmt	-55 NOKm	 In effect from Q1'25
		b New recurring revenue	10–15 NOKm	 In effect from Q1'25
		c IFRS recognition	60–70 NOKm	 In effect from Q1'25
	④ Increased leasing share	<ul style="list-style-type: none"> <li>Many countries have achieved quarters with &gt;75% sub. share over the last years</li> </ul>	25–70 NOKm	 Share declined in Q4 – confident in '25 increase
Performance improvement	⑤ Reduced marketing spend	<ul style="list-style-type: none"> <li>Lower cost per activation</li> <li>Higher conversion from activation to sale</li> </ul>	45–60 NOKm	 New sales method showing early results
Volumes & Value	⑥ Larger average ticket size	<ul style="list-style-type: none"> <li>More hardware sold in addition to PV</li> <li>Larger average system size (Watts)</li> </ul>	20–25 NOKm	 Batteries a huge success, with more HW to follow
	⑦ Increase volumes	<ul style="list-style-type: none"> <li>Otovo has installed more than 3,000 systems in a quarter before</li> </ul>	40–100 NOKm	 Volumes at a low-point
Total effect		<ul style="list-style-type: none"> <li>Otovo EBITDA in FY'24: -317 NOKm</li> </ul>	300–475 NOKm	

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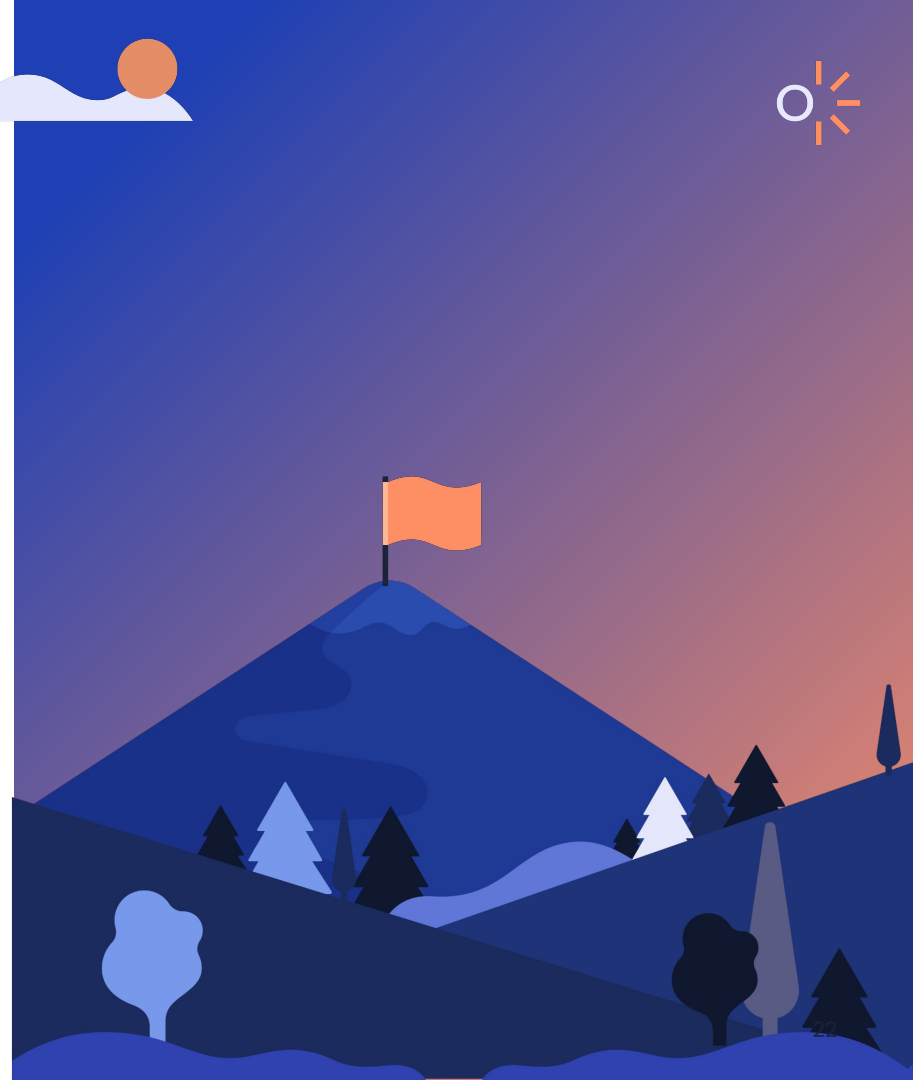
Summary & Outlook

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# New Otovo

- Exposure to **megatrends in huge market**
  - Solving the defining problems of our generation
- The best **online infrastructure** combined with a lean cost structure
- The only pan-European **leasing platform** for home energy assets
- **Positive asymmetric risk** into transformative years of European energy



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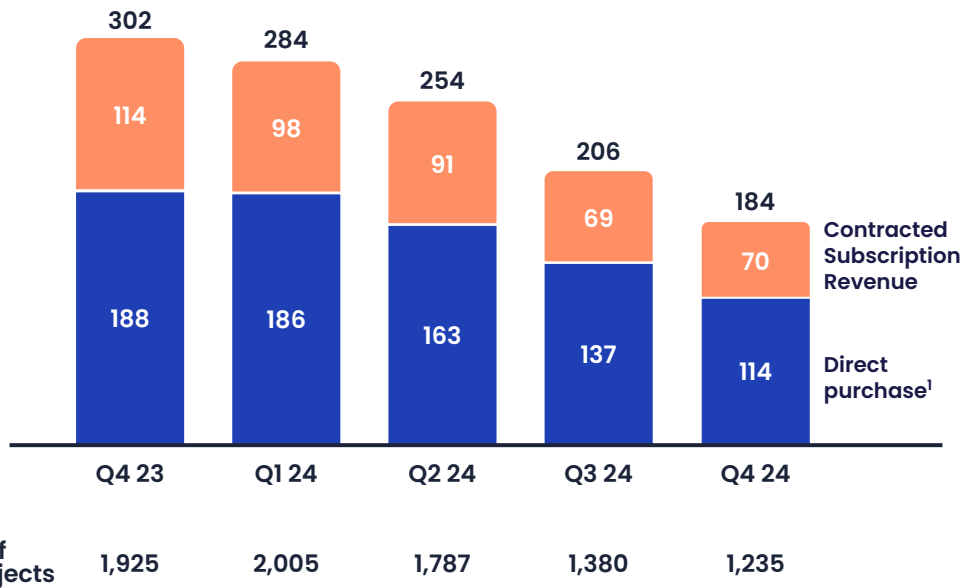
# Appendix



# Pipeline

## Pipeline value at end of quarter

Figures in NOKm

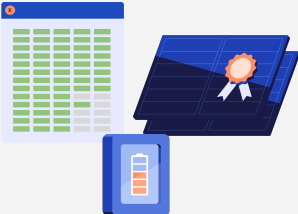
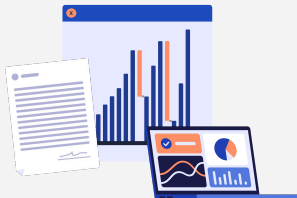

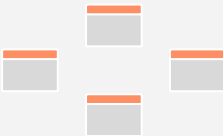


## Comments

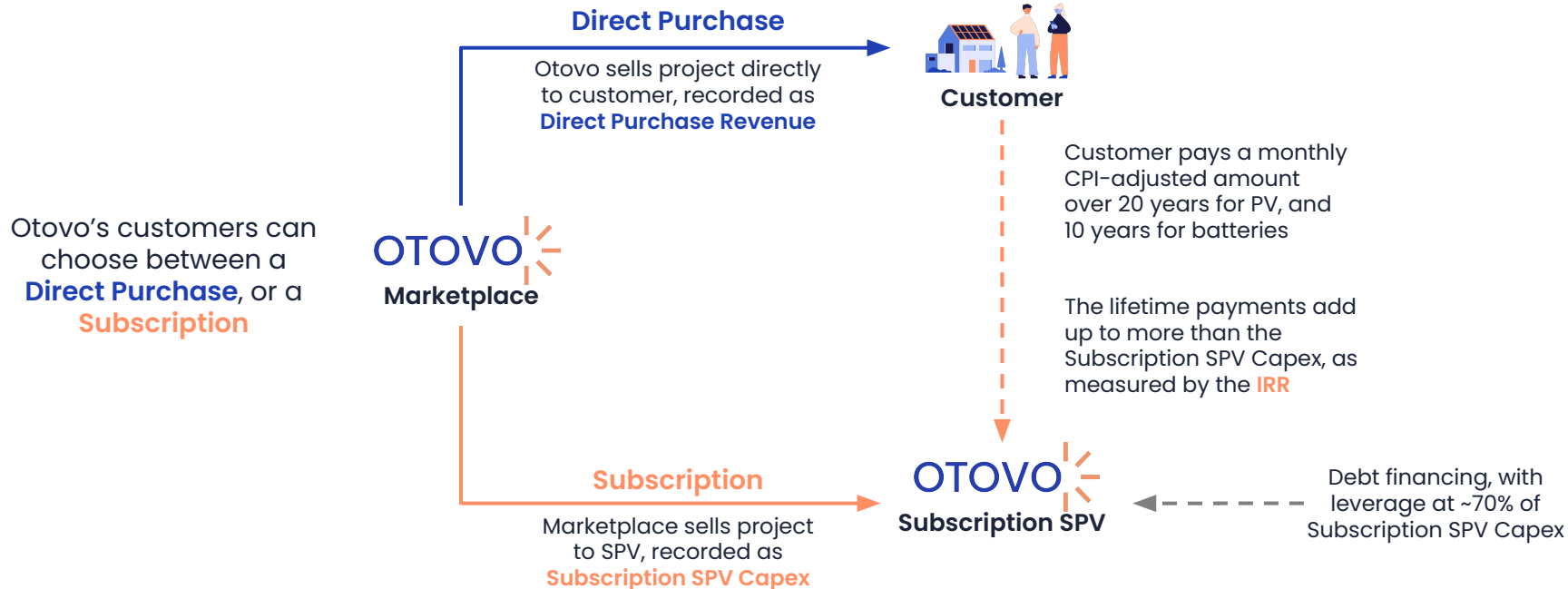
### Characteristics of pipeline

- 48% of projects in pipeline have a battery
- 32% are subscription projects
- Average ticket size is NOK 132k

# Otovo is generating shareholder value in our Marketplace and Subscription Portfolio

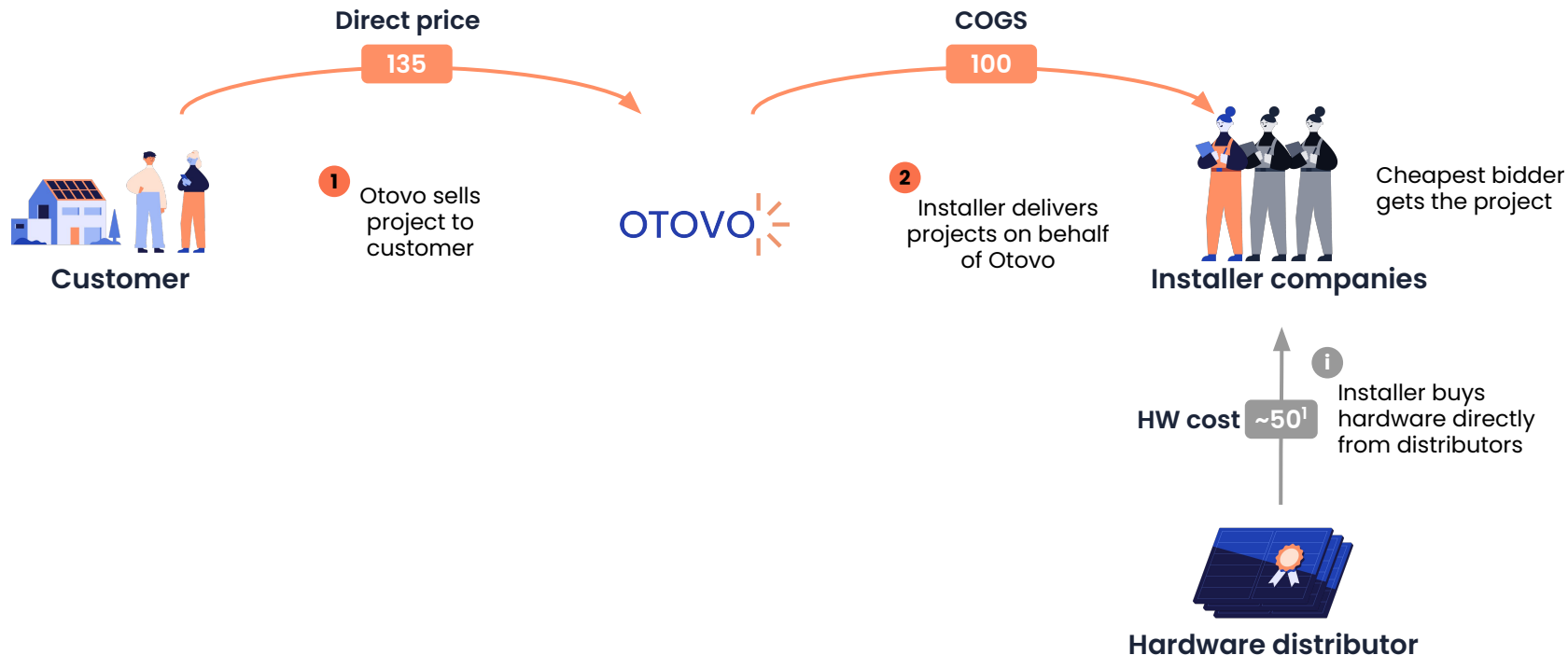
	1 Marketplace	2 Subscription Portfolio	3 Opex	4 Balance sheet
	<p>Solar &amp; battery marketplace, charging markup on installer cost</p> 	<p>Portfolio of cash flow-generating customer contracts</p> 	<p>Investments in Opex to enable company to scale</p> 	<p>Optimization of cash and portfolio value</p> 
<b>Value driver</b>	<ul style="list-style-type: none"> <li>Gross profit</li> <li>Capital efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Subscription SPV Capex</li> <li>Return on capital (IRR)</li> </ul>	<ul style="list-style-type: none"> <li>Operational leverage</li> <li>Unit costs</li> </ul>	<ul style="list-style-type: none"> <li>Scale of portfolio (WACC)</li> <li>Access to capital</li> </ul>
<b>Current focus</b>	<ul style="list-style-type: none"> <li>Bring markets to profitability</li> <li>Improve unit economics</li> <li>Keep growing installation volumes</li> </ul>	<ul style="list-style-type: none"> <li>Keep building EUR-denominated portfolio until monetization</li> <li>Sell new NOK/SEK assets to SLAM with improved cash flow profile</li> </ul>	<ul style="list-style-type: none"> <li>Maintain operational leverage as new markets continue to scale</li> <li>Decreasing unit costs by leveraging our Pan-European model</li> </ul>	<ul style="list-style-type: none"> <li>Keep developing balance sheet</li> </ul>

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



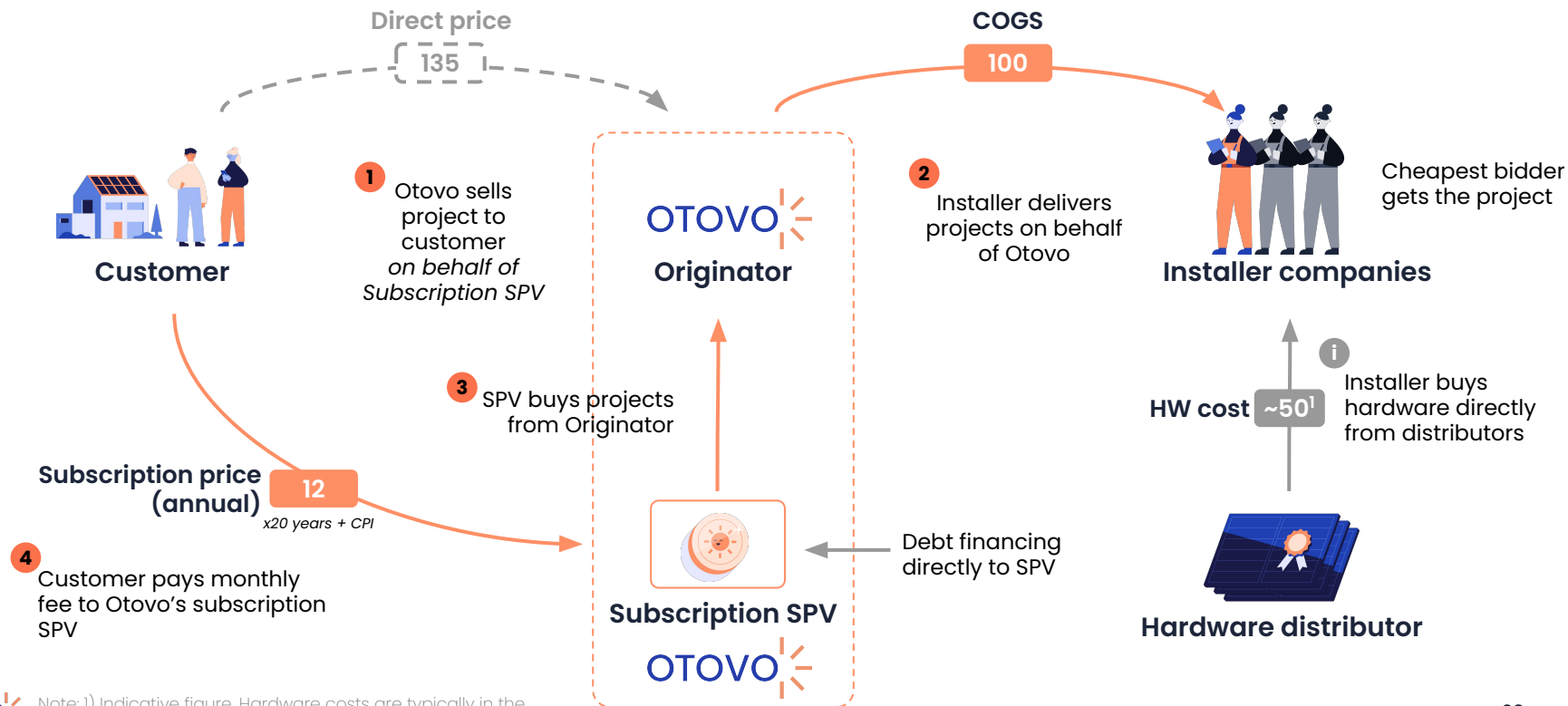
# Consumer either buys on a Direct purchase model...

xxx Example figures, indexed to COGS=100



# ... or through entering into a long term Subscription with Otovo

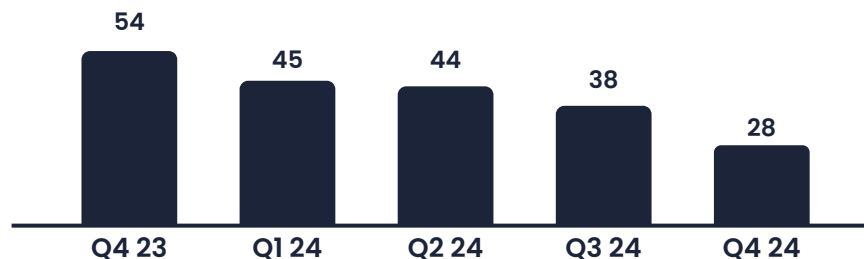
xxx Example figures, indexed to COGS=100



# NOK 39m of capex deployed at attractive IRR

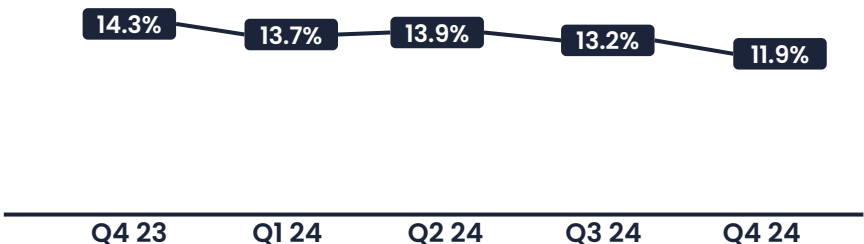
## Subscription SPV Capex

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%	56	53	51	49	47
4%	51	49	47	45	43
3%	48	45	43	41	40
2%	44	42	41	39	38
1%	41	39	38	37	35
0%	38	37	35	34	33

## Accumulated Contracted Subscription Revenues

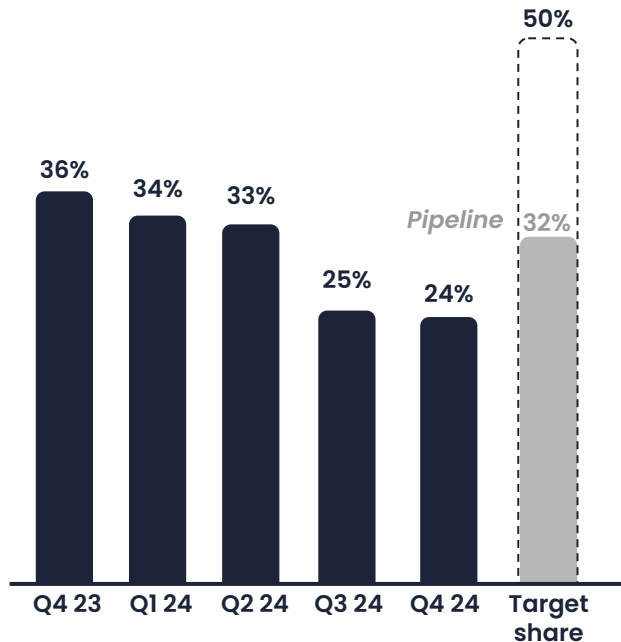
Figures in NOKm

Inflation	Discount rate				
	5.0%	5.5%	6.0%	6.5%	7.0%
5%	1,189	1,140	1,094	1,051	1,010
4%	1,093	1,050	1,009	971	934
3%	1,009	971	934	898	865
2%	930	896	863	832	803
1%	861	830	800	773	747
0%	798	770	744	719	695

# Successful sale of portfolio converting Accumulated Contracted Subscription Revenue into cash

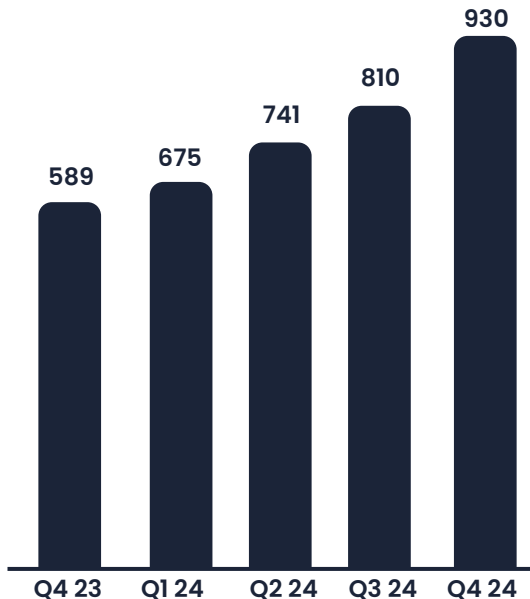
## Share of sales on Subscription model

Percent of total sales



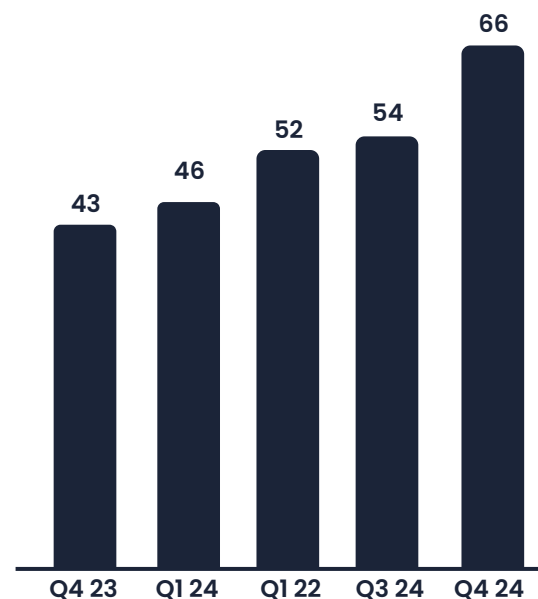
## Accumulated Contracted Subscription Revenue

Portfolio of installed projects, figures in NOKm



## Portfolio Annual Recurring Revenue

Annualized subscription revenue in NOKm, Q4'24<sup>1</sup>



# Financials | Segment reporting

(NOK 000')

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)

	Marketplace		Subscription SPV		Elimination		Group total	
	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023
Revenue	119,478	179,067	4,188	1,508	-	-	123,666	180,575
Revenue internal	39,136	54,167	-	-	-39,136	-54,167	-	-
Other operating income	2,172	3,133	18,423	11,239	-	-	20,595	14,372
Other operating income internal	1,688	1,004	372	1,002	-2,060	-2,006	-	-
Other income	-	37,925	10,936	-	-	-	10,936	37,925
<b>Total revenue and income</b>	<b>162,474</b>	<b>275,296</b>	<b>33,919</b>	<b>13,749</b>	<b>-41,196</b>	<b>-56,173</b>	<b>155,197</b>	<b>232,872</b>
Cost of goods sold	112,939	200,010	3,149	1,284	-23,513	-55,931	92,575	145,363
Payroll and related costs	49,517	107,264	215	251	-	658	49,732	108,173
Depreciation, amortisation and impairment	9,459	14,118	7,456	6,497	-1,799	-2,399	15,116	18,216
Other operating expenses	44,144	58,891	4,726	13,002	-2,066	174	46,804	72,067
<b>Operating profit/(loss)</b>	<b>-53,585</b>	<b>-104,987</b>	<b>18,373</b>	<b>-7,285</b>	<b>-13,818</b>	<b>1,325</b>	<b>-49,030</b>	<b>-110,947</b>

IFRS  
reported  
figures

Not including value of  
subscription assets - artificially  
low. Replaced by the APMs



# Historical figures

# Historical figures | Pipeline, Sales & Installations

Q4 2024	Unit	Sales	Pipeline	Installations
<b>Units</b>	<b>#</b>	<b>1,050</b>	<b>1,235</b>	<b>1,195</b>
<i>Direct purchase</i>	#	779	837	879
<i>Subscription</i>	#	271	398	316
<b>Subscription share</b>	<b>%</b>	<b>26%</b>	<b>32%</b>	<b>26%</b>
<b>Battery attachment rate</b>	<b>%</b>	<b>65%</b>	<b>48%</b>	<b>59%</b>
<b>Avg. ticket size</b>	<b>NOKk</b>	<b>120</b>	<b>132</b>	<b>125</b>
<i>Direct purchase</i>	NOKk	118	136	133
<i>Subscription</i>	NOKk	125	123	104

Q3 2024	Unit	Sales	Pipeline	Installations
<b>Units</b>	<b>#</b>	<b>1,325</b>	<b>1,380</b>	<b>1,458</b>
<i>Direct purchase</i>	#	990	937	1,017
<i>Subscription</i>	#	335	443	441
<b>Subscription share</b>	<b>%</b>	<b>25%</b>	<b>32%</b>	<b>30%</b>
<b>Battery attachment rate</b>	<b>%</b>	<b>55%</b>	<b>45%</b>	<b>55%</b>
<b>Avg. ticket size</b>	<b>NOKk</b>	<b>127</b>	<b>134</b>	<b>121</b>
<i>Direct purchase</i>	NOKk	133	145	131
<i>Subscription</i>	NOKk	108	110	99

## 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

# Historical 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	Q1 24	Q2 24	Q3 24	Q4 24
Revenue (ex. other revenue)	NOKm	35	42	30	40	38	64	86	98	109	153	175	201	274	307	235	179	150	162	134	119
Financial lease revenue	NOKm	0	0	0	0	0	0	0	0	0	0	0	0	5	5	3	2	5	6	5	4
Other revenue	NOKm	0	0	0	5	0	0	2	2	3	3	5	4	7	10	13	52	13	14	14	32
<b>Total revenue</b>	<b>NOKm</b>	<b>35</b>	<b>43</b>	<b>30</b>	<b>45</b>	<b>38</b>	<b>64</b>	<b>88</b>	<b>99</b>	<b>112</b>	<b>156</b>	<b>179</b>	<b>205</b>	<b>281</b>	<b>322</b>	<b>251</b>	<b>233</b>	<b>167</b>	<b>183</b>	<b>153</b>	<b>155</b>
COGS	NOKm	-29	-36	-24	-33	-32	-54	-72	-82	-91	-124	-140	-167	-224	-248	-188	-145	-121	-131	-109	-93
<b>Gross profit</b>	<b>NOKm</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>10</b>	<b>13</b>	<b>15</b>	<b>18</b>	<b>29</b>	<b>34</b>	<b>34</b>	<b>50</b>	<b>64</b>	<b>50</b>	<b>35</b>	<b>33</b>	<b>37</b>	<b>30</b>	<b>31</b>
Opex	NOKm	-28	-21	-29	-29	-42	-44	-44	-70	-76	-89	-105	-113	-136	-151	-139	-180	-138	-127	-157	-97
<b>EBITDA</b>	<b>NOKm</b>	<b>-22</b>	<b>-14</b>	<b>-22</b>	<b>-22</b>	<b>-36</b>	<b>-33</b>	<b>-31</b>	<b>-53</b>	<b>-55</b>	<b>-57</b>	<b>-66</b>	<b>-75</b>	<b>-79</b>	<b>-77</b>	<b>-76</b>	<b>-93</b>	<b>-92</b>	<b>-76</b>	<b>-114</b>	<b>-34</b>
Depreciation & amortization	NOKm	-5	-5	-5	-4	-4	-4	-5	-9	-15	-16	-16	-18	-19	-21	-17	-18	-15	-16	-17	-15
<b>EBIT (Operating profit)</b>	<b>NOKm</b>	<b>-27</b>	<b>-19</b>	<b>-28</b>	<b>-26</b>	<b>-40</b>	<b>-38</b>	<b>-35</b>	<b>-62</b>	<b>-69</b>	<b>-72</b>	<b>-83</b>	<b>-93</b>	<b>-98</b>	<b>-98</b>	<b>-93</b>	<b>-111</b>	<b>-107</b>	<b>-92</b>	<b>-131</b>	<b>-49</b>
 Gross margin	%	16%	16%	21%	18%	15%	16%	16%	16%	16%	19%	20%	17%	18%	21%	21%	19%	21%	22%	21%	25%
EBITDA margin	%	-63%	-32%	-74%	-49%	-95%	-52%	-35%	-53%	-49%	-36%	-37%	-37%	-28%	-25%	-25%	-40%	-55%	-42%	-75%	-22%

# Historical 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	Q1 24	Q2 24	Q3 24	Q4 24
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	1,704	1,622	1,325	1,050
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	2,005	1,787	1,380	1,235
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	1,624	1,827	1,458	1,195
Avg. ticket size (sold)	NOKk	76	60	58	55	81	85	90	106	117	125	132	116	124	122	112	125	120	113	127	120
Avg. ticket size (installed)	NOKk	79	90	61	62	54	75	79	83	88	103	109	120	134	146	132	125	124	118	121	125
Battery attach. rate (sold)	% of #	0%	0%	0%	0%	0%	3%	8%	12%	25%	24%	25%	23%	28%	23%	32%	39%	41%	48%	55%	65%
Battery attach. rate (installed)	% of #	0%	0%	0%	0%	0%	0%	2%	4%	10%	19%	22%	26%	24%	24%	25%	35%	37%	42%	55%	59%
Subscription share (sold)	% of #	0%	19%	31%	23%	20%	23%	24%	17%	23%	25%	35%	35%	39%	38%	27%	36%	33%	34%	25%	26%
Subscription share (installed)	% of #	0%	0%	13%	18%	23%	22%	27%	21%	18%	21%	26%	27%	30%	36%	34%	33%	34%	33%	30%	26%
Net interest-bearing debt	NOKm	-170	-145	-138	-58	-270	-242	-195	-219	-415	-300	-212	-69	-153	29	177	-347	-170	-29	108	277
Fully diluted # of shares	#m					105	111	111	119	141	142	143	143	159	159	159	308	308	308	308	287

# Historical 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	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
<b>Revenue generated</b>	<b>NOKm</b>	<b>39</b>	<b>69</b>	<b>93</b>	<b>109</b>	<b>135</b>	<b>194</b>	<b>235</b>	<b>282</b>	<b>408</b>	<b>514</b>	<b>392</b>	<b>278</b>	<b>229</b>	<b>240</b>	<b>197</b>	<b>163</b>
Revenue	NOKm	27	52	65	83	109	153	175	201	274	307	235	181	150	162	134	119
Contracted Subscription Revenue	NOKm	12	17	28	26	26	41	61	81	133	206	157	98	79	78	63	44
<b>Total COGS</b>	<b>NOKm</b>	<b>-30</b>	<b>-56</b>	<b>-74</b>	<b>-87</b>	<b>-109</b>	<b>-152</b>	<b>-183</b>	<b>-226</b>	<b>-320</b>	<b>-390</b>	<b>-289</b>	<b>-207</b>	<b>-166</b>	<b>-173</b>	<b>-142</b>	<b>-115</b>
Cost of goods sold - Direct purchase	NOKm	-22	-45	-55	-70	-91	-124	-140	-167	-224	-244	-186	-145	-118	-127	-105	-90
Cost of goods sold - Subscription	NOKm	-7	-10	-17	-15	-16	-25	-38	-53	-87	-131	-93	-56	-44	-42	-34	-24
Subscription O&M costs	NOKm	-1	-1	-2	-2	-2	-3	-4	-6	-10	-15	-11	-6	-5	-4	-3	-2
<b>Gross Profit generated</b>	<b>NOKm</b>	<b>9</b>	<b>13</b>	<b>19</b>	<b>22</b>	<b>26</b>	<b>42</b>	<b>53</b>	<b>56</b>	<b>87</b>	<b>124</b>	<b>103</b>	<b>71</b>	<b>63</b>	<b>67</b>	<b>55</b>	<b>48</b>
Gross Profit	NOKm	5	7	10	13	18	29	34	34	50	64	49	35	32	36	29	30
Gross Subscription Profit	NOKm	4	6	9	9	9	13	18	22	37	61	53	36	31	32	26	18
<b>Opex &amp; adjustments</b>	<b>NOKm</b>	<b>-47</b>	<b>-48</b>	<b>-50</b>	<b>-71</b>	<b>-74</b>	<b>-88</b>	<b>-104</b>	<b>-113</b>	<b>-135</b>	<b>-150</b>	<b>-139</b>	<b>-178</b>	<b>-137</b>	<b>-125</b>	<b>-158</b>	<b>-95</b>
Opex	NOKm	-43	-44	-48	-69	-76	-89	-105	-113	-136	-151	-139	-180	-138	-127	-157	-97
Other revenues, originator	NOKm	0	0	0	1	1	1	1	0	1	1	1	2	1	2	0	-2
<b>EBITDA generated</b>	<b>NOKm</b>	<b>-37</b>	<b>-35</b>	<b>-31</b>	<b>-49</b>	<b>-48</b>	<b>-46</b>	<b>-51</b>	<b>-57</b>	<b>-48</b>	<b>-26</b>	<b>-36</b>	<b>-107</b>	<b>-74</b>	<b>-58</b>	<b>-103</b>	<b>-47</b>

Gross Margin generated	%	24%	19%	21%	20%	19%	22%	22%	20%	21%	24%	26%	26%	28%	28%	28%	29%
EBITDA Margin generated	%	-95%	-51%	-33%	-45%	-35%	-24%	-22%	-20%	-12%	-5%	-9%	-38%	-32%	-24%	-52%	-29%

Sold - Revenue Generated	NOKm	70	108	142	229	312	315	393	231	267	316	259	236	227	206	186	140	} Estimated future Revenues Generated and Gross Profit Generated from the projects sold in the quarter, irrespective of installation timing
Sold - Gross Profit Generated	NOKm	13	22	28	45	71	86	111	55	62	82	66	64	67	63	58	44	
Gross Profit Generated per sale	NOKk	16	19	19	22	28	36	41	30	31	37	32	39	39	39	44	42	} Estimated Gross Profit Generated of sales in quarter, divided by number of units sold
Opex per sale	NOKk	-53	-37	-33	-33	-30	-37	-38	-62	-70	-68	-67	-110	-81	-79	-119	-92	
Opex per installation	NOKk	-65	-51	-44	-57	-52	-51	-53	-51	-48	-47	-53	-93	-85	-70	-108	-81	} Current quarter opex divided by number of sales and installations in quarter

# Historical figures | Subscription portfolio

Portfolio duration	Unit	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
PV contracts	years	19.4	19.3	19.3	19.3	19.2	19.3	19.1	18.9	18.9	18.7	18.6	18.4
Battery contracts	years	9.9	9.9	9.8	9.8	9.7	9.6	9.4	9.3	9.2	9.1	9.0	8.9
Total portfolio	years	19.3	19.0	18.7	18.4	18.3	17.6	17.3	17.2	17.0	16.9	16.6	16.7

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	Q1 24	Q2 24	Q3 24	Q4 24
Subscription SPV Capex	NOKm	19	31	46	56	96	133	94	54	45	44	38	28
Accumulated Contracted Sub. Revenue	NOKm	121	157	227	305	473	692	824	589	675	741	810	930
Subscription SPV IRR (installed in quarter)	%	10.0%	9.7%	9.6%	11.3%	10.5%	12.4%	13.5%	14.3%	13.7%	13.9%	13.2%	11.9%
Project IRR (installed in quarter)	%	13.4%	13.4%	12.9%	12.2%	12.3%	12.6%	13.8%	13.6%	14.4%	15.1%	14.0%	14.1%

Note: Q4 2024 Subscription SPV capex and Subscription SPV IRR adjusted for NOK 10.9m of Transfer Price between Otovo and EDEA Poland from historic projects that were included in Q4 in the segment note.  
The unadjusted figure is NOK 39m

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 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

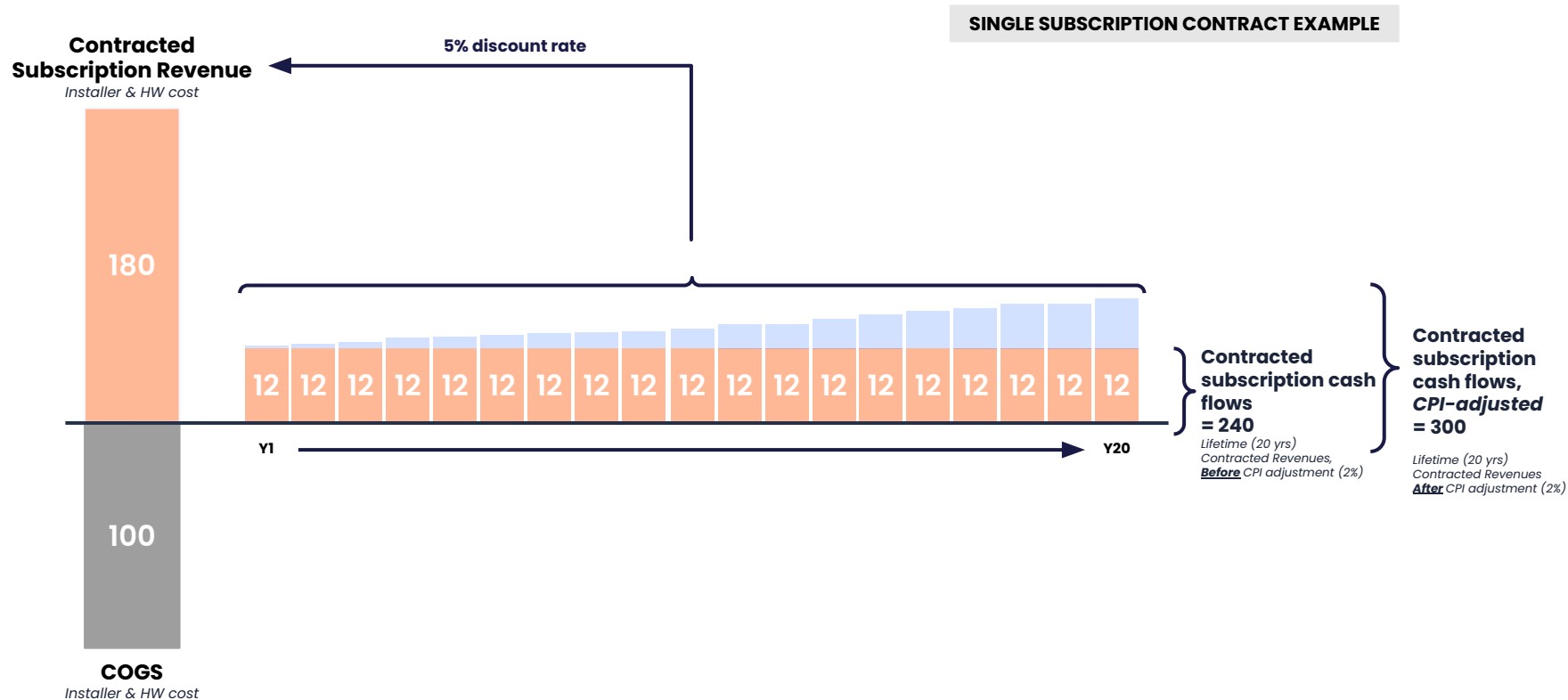
## Alternative Performance Measures (APMs)

	Direct purchase (~65% of customers today)	Subscription (~35% of customers today)	Otovo Group
Revenue	<b>Revenue</b> Booked revenue, value of upfront payment from customer	<b>Contracted Subscription Revenue</b> Present value of all subscription payments over 20 years, discounted at 5%	<b>Revenue Generated</b> Revenue + Contracted Subscription Revenue
Profit	<b>Gross profit</b> Revenue - Upfront COGS, value of payment to installers (inc. HW)	<b>Gross Subscription Profit</b> 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)	<b>Gross Profit Generated</b> Gross Profit + (Gross subscription profit)
Assets		<b>Accumulated Contracted Subscription Revenue</b> Present value of the remaining cash flows from subscription contracts, discounted at 5%	<b>Accumulated Contracted Subscription Revenue</b> Present value of the all remaining cash flows from subscription and service contracts, discounted at 5%

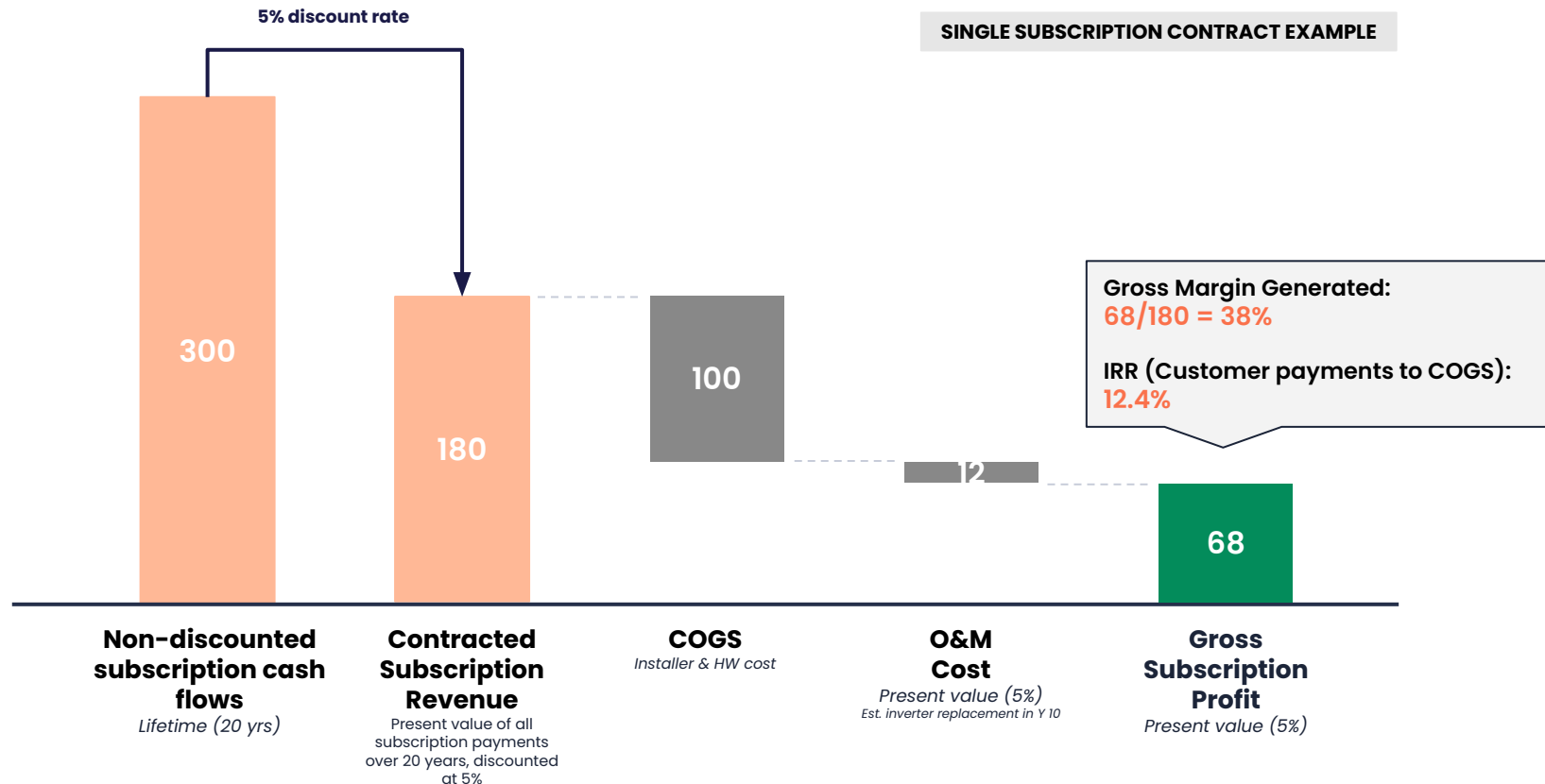


# **Single contract example**

# Contracted Subscription Revenue | Revenue metric



# 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**

VP Corporate Finance

+47 47 26 06 70

sondrebe@otovo.com

