OTOVO

# Annual Report

2024

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# Otovo in brief

Otovo's mission is to bring European homeowners easy and affordable clean energy. Through our pan-European marketplace that connects consumers wanting to add batteries, heat pumps, EV chargers or solar panels to their homes with local, reliable installer companies looking to fill their order books with projects, we create an easy, trustworthy and affordable way to go solar.

By entering their home address on the local Otovo website, customers obtain proposed design and price for their installation in real-time, based on automatic and binding offers from Otovo's network of installers. This is offered both through a direct payment and subscription offering. An increasing share of Otovo's customers choose a subscription, where they enter into a 20-year customer relationship with Otovo.

Through its activities, Otovo contributes to making the European electricity grid both greener and more robust by providing conflict-free energy, replacing greenhouse gas emissions over the solar installation's lifetime, expected to be 30 years or more.

Founded in 2016, Otovo has rapidly scaled its platform across Europe. Otovo is headquartered in Oslo, with a shared service hub in Madrid and the Group has local offices in Berlin, Lisbon, Milan, Vienna and Warsaw with a team of dedicated and experienced Otovistas who obsess about our customers every day and are excited about Otovo's vision of leading Europe into a clean, electrified future.

# 01.

# Management's review

# CEO message

## Cost cut, portfolio sold, now re-growth

**Andreas Thorsheim**
**CEO and founder**

*"This is a simpler Otovo. It also means a more profitable Otovo"*

Otovo is starting 2025 in a much improved state over recent years. The Company has gone through a substantial transformation and created the mechanisms needed for profitability in a new energy and storage environment. We are proud of where we stand, and optimistic about the year ahead.

**Madrid at the heart**

During 2024, we have completed the transition to making Madrid the heart of Otovo's organization. From our new green and pleasant offices in Calle de Tiziano we serve ten markets with marketing, pre-sales, installer relations, project management, customer support, and accounting. This operational hub provides a lean and efficient infrastructure that is unique in the distributed energy space, and forms the backbone of an organization that can scale down and up as markets for batteries and solar fluctuate, or as consolidation, mergers and acquisitions add scale. Notably, this organization can bolt on leasing and subscription portfolios that would be inefficient to operate otherwise, providing Otovo with a unique advantage.

In addition we have seven regional offices across Europe, hosting online sales and field agents in daily contact with homeowners from the North of Norway to the South of Spain.

This new organization runs at less than half the cost of the previous one, thanks to our efficiency program (completed in Q4-24).

**A new setup for subscriptions**

We also start the year with an entirely new setup for our subscription business. After five years of building up portfolios, investing in the assets as we sign up thousands of customers for 20 year contracts, we have finally achieved critical size. In the fourth quarter of 2023, we sold the first subscription portfolio in Norway and Sweden to Swiss Life Asset Managers, and almost to the day a year later, we sold the euro-denominated assets in eight other countries to the same buyer. That means Otovo now has divested the subscription assets from our balance sheet, and operates in a simpler fashion: As a pure originator of solar, battery and other energy assets to the residential sector. We have two customer segments: Homeowners who buy directly and Swiss Life (or other infrastructure owners) who buy assets we generate on 20-year lease contracts.

This is a simpler Otovo. It also means a more profitable Otovo, and an Otovo that moves from investing to harvesting cash each time we build a subscription asset. Let's go!

**Andreas E. Thorsheim,**

*CEO and founder*

# Key figures 2024

586m
**Revenues (IFRS)**
(2023: 1,011m)

830m
**Revenues Generated**
(2023: 1,590m)

930m
**Accumulated Contracted Subscription Revenue**
(2023: 589m)

6,104
**Completed Installations**
(2023: 10,621)

5,701
**Net Sales**
(2023: 7,891)

# The share

Otovo has been listed on Euronext Growth Oslo since 19 February 2021 with ticker OTOVO.

On 14 February 2023, Otovo transferred to the main list on Euronext Oslo Børs .

# Highlights 2024

**Jan**

Completes **subsequent offering** following the Company's NOK 450 million private placement in December 2023

**Feb**

Announces partnership with Swiss solar module manufacturer **Meyer Burger** to provide **"Made in Europe"** solar products available for European customers

**Apr**

Welcomes Jacob Wall, Eivind Tønnessen and Mette Rokne Hanestad as new **board members** and Beatriz Malo de Molina as **chair of the Board of Directors**

**Jun**

Presents new **functional organization** that simplifies reporting lines, de-layers organization and enables a more efficient pan-European operating model with a **hearth in Madrid**

Signs high profile partnerships with **Volkswagen Group** and German drivers' association **ADAC** representing new and attractive channels for Otovo

Extends **debt facility with DNB and Sparebank 1 SR** to 24 January 2026 reducing margin to 3.25% and increasing leverage to 75% versus capex for four more countries

**Sep**

Launches **cost program** to align Otovo's cost structure with current activity levels reducing cost levels by between NOK 200-225m from Q2 2024 levels

**Oct**

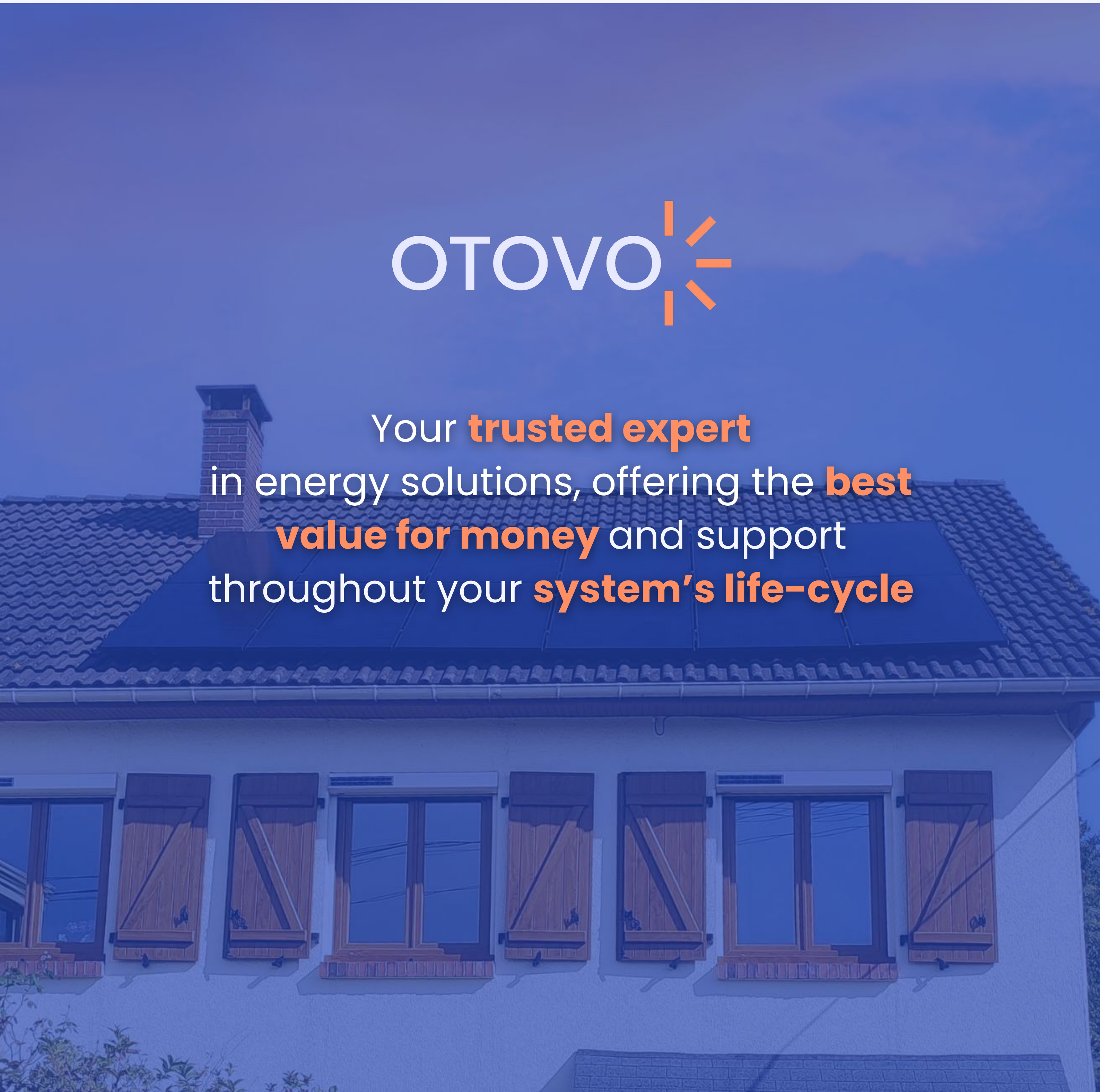
**Signs term sheet** agreement for sale of the Company's continental subscription portfolio in **EUR 105 million** transaction

**Dec**

**Purchases portfolio of subscription customers** in Austria with intention to roll portfolio into announced sale of continental subscription portfolio

# Strategy

Otovo aspires to be Europe's most trusted expert in energy solutions for private households, delivering the best value for money to consumers. To achieve this, the Company continually sets strategic priorities that drive its progress toward market leadership in Europe. These priorities, endorsed by the Board of Directors, help shape the Company's direction and focus.



### 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 decreasing cost base

**2025 →**
Leanest pan-European resi asset originator

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

Otovo was founded in 2016 with the vision that a marketplace approach was the winning model for putting solar panels on every roof of Europe. Over the following years, the Company scaled rapidly, culminating in a six-country market expansion in 2022. This happened amid high and rising energy prices, post-covid economic stimulus, and low interest rates - factors giving homeowners both the incentive and the opportunity to invest in solar energy. Media coverage of the European energy crisis combined with security threats ensured that consumers were frequently reminded of the importance of energy self-reliance. This was positive for the residential solar market.

In 2023, some of these tailwinds turned to headwinds, as interest rates increased, and energy prices came down from peak levels. For many European homeowners, mortgage payments overtook utility bills as the number one concern. Consequently, the European residential solar market stagnated.

As 2024 came to a start, it became clear that the market setback was not temporary. Addressing this, Otovo launched a complete redesign of its business model.

This entailed:
1. Prioritizing the most attractive geographies
2. Reorganizing into a functional structure centered in Madrid
3. Conducting tough cost cuts
4. Implementing a new sales methodology
5. Selling our portfolio of continental subscription assets

## 1 Geographic focus

In prioritizing where to invest sparse time and resources, Otovo made the decision to pause three markets: Belgium, the Netherlands, and the United Kingdom. These were relatively expensive countries to operate in, where market conditions did not allow for a favourable return on invested marketing spend. While on pause, Otovo will not spend on marketing in these markets, and they will be operated from other offices, primarily Madrid.

Italy, Poland, Portugal and the DACH region remain Otovo's strongest markets, and will continue to be a priority going into 2025. Scandinavia, France, and Spain all experienced challenging conditions through 2024, but have been Otovo strongholds historically, and will see a rapid Otovo rebound if the markets recover.

## 2 Doubling down on Madrid with a functional organization

When launching new markets in the past years, Otovo recruited world-class General Managers, and gave them a considerable amount of autonomy in setting up local organizations. Each General Manager was in charge of the sales agents, marketing managers, project managers and account managers in their respective market. This allowed us to adapt to local conditions, learn how consumers liked to buy solar installations, and how installers run their businesses. The drawback with such a setup is that it can foster diverse ways of working across the Company, as well as requiring a larger number of people to do the same job.

In 2024, Otovo took the step of changing to a functional organization, where all sales agents ultimately report to the Chief Revenue Officer, regardless of where in Europe they work. Similarly, everyone who works on ensuring a project is delivered efficiently and excellently on customers' property reports to the Chief Operating Officer. Together with the Chief Marketing Officer, Chief Product Officer and Chief Financial Officer, these make up the leaders of the five functional departments in Otovo.

Such a change creates some turbulence when being implemented, as the functional managers take on new roles, and employees adapt. But the benefits of a functional organization were quickly evident. With the geographical boundaries all but removed, there is now one way of doing things in Otovo. This enables a degree of centralization that would otherwise be impossible. Now, our Shared Service Center in Madrid, established over the last two years, is truly the core of Otovo's operations.

By year-end, 40% of Otovo's employees work from one single building in Madrid. Accountants, sales agents, marketing professionals, account managers, and many other roles are being filled in the Shared Service Center. We can now efficiently reallocate resources from Portugal to Poland, and from Sweden to Switzerland based on demand, because at Otovo those markets are only a few meters away from each other.

### 3 Cost cuts

Both the geographic prioritization and the reorganization around Madrid were part of a broader program to cut Otovo's cost base and ensure that the path to profitability was both viable and near at hand. The cost program was launched in Q3, with the aim of reducing annual costs by NOK 200-225 million. The headcount reduction was in large completed in 2024.

### 4 New sales method

The market headwinds made it harder to convince customers to take the step of going solar. Otovo responded to this change in customer behavior by adopting a new and more intimate sales approach. Under the new model, all potential customers visiting Otovo's website are prequalified by a dedicated pre-sales based in Madrid. This team contacts leads within 15 minutes, evaluating their intention to buy and verifying technical feasibility. The rapid engagement results in more motivated customers, who are then transferred to either:

- An online sales agent for a video consultation, or
- A field sales agent for an in-person home visit, if the customer is located in one of Otovo's ~40 designated hotspots across Europe

Compared to the previous sales approach, the conversion rates that Otovo observe are significantly higher. The new method was introduced gradually across Otovo in 2024 and full impact is expected to be realized through 2025 as additional sales agents are hired, onboarded and trained.

### 6 Portfolio sale

As outlined in the 2023 annual report, building and monetizing the Company's portfolio of subscription customers is a key pillar of Otovo's business model. This approach not only drives higher profitability compared to direct sales, but also ensures a stronger cash flow profile than retaining the portfolio on our balance sheet.

In October 2024, Otovo signed a term sheet with Swiss Life Asset Managers to do such a portfolio monetization for assets from eight European countries and the transaction closed in March 2025. This comes at the back of a similar transaction with the same counterparty in 2023, in which Scandinavian assets were successfully monetized.

The total transaction size was EUR 105 million (NOK 1,209m) split between assets built between 2020-2024 of EUR ~50 million (NOK 580m) that closed in Q1 2025, and a continuous sale agreement of EUR ~55 million covering all eight countries. The cash release from the part that closed in Q1 was EUR 13 million (NOK 155m) net of debt repayment and reinvestment. In addition, the continuous sale agreement has an estimated gross margin of 32% which significantly improves Otovo's running cash flow profile as systems sold under the continuous sales agreement are now sold on an ongoing basis rather than held by Otovo's balance sheet.

**A new Otovo with laser-focus on profitability in 2025**

With a redesigned business model and portfolio sale a new Otovo is emerging, with:

- A robust balance sheet, strengthened by the cash release from the portfolio sale and the more favorable cash flow dynamic that the continuous sale agreement ensures
- A lean cost structure, and a Madrid-centered functional organization that is built to carry ~2,000 installations per quarter, with limited additional opex required for further growth

This is the result of seven initiatives that Management has worked on during 2024.

1. Reducing payroll costs
2. Cutting General & Administrative costs
3. Completing portfolio sale with forward flow agreement
4. Increasing share of subscriptions
5. Optimizing marketing spend
6. Raising the average ticket size
7. Expanding volumes

Despite a negative EBITDA EBITDA of ~NOK 300 million these initiatives bring Otovo closer to profitability and reduces negative cash flow significantly.

The payroll reduction (1) and reduction of G&A (2) spend was initiated and to a large degree completed in 2024 and the portfolio sale was completed in Q1 (3). The positive EBITDA impact of these three initiatives, if they had been in effect from the start of 2024, would have been around NOK 180-220 million.

Management can now focus on increasing the value per customer (4,5,6) and driving volume growth (7) while protecting operational leverage. The potential from increasing value per customer is estimated to be around NOK 80-155 million while the impact from volumes is estimated to be between NOK 40-100 million. With the investments in our marketing setup in Madrid, and with the implementation of the new sales approach, Otovo is confident in its ability to meet these targets.

**Otovo's role in the European energy transition sets the longer term direction**

Europe's sense of energy security has been shaken in the first half of this decade. Amid a long and gradual process of electrification and decarbonization, the supply of natural gas was violently disrupted by Russia's full-scale invasion of Ukraine. What had been an inevitable and necessary shift became an urgent one. The need to rapidly scale renewable energy production in Europe is now self-evident. There is simultaneously a process of electrifying homes, and ensuring that the electricity is generated with renewable sources, that has strong political support across Europe.

Otovo is there to take a leading role as the trusted expert guiding European households through this transformation. It will require batteries, solar panels, heat pumps, electric vehicle chargers, and home energy management systems - all of which Otovo is a trusted supplier of. Beyond scaling the current business model, Otovo sees significant potential to build new and recurring revenue streams, including maintenance services to our growing installed base of direct sales customers, as well as leveraging the flexibility inherent in the thousands of installed batteries to provide grid services. As the energy landscape evolves, Otovo remains at the forefront, helping European households navigate and benefit from the green transition.

# 02.

# Governance

# Corporate governance

Otovo considers good corporate governance to be a prerequisite for value creation and trustworthiness and for access to capital. Through Otovo's corporate governance, the Board of Directors and management operate to ensure confidence in Otovo for our customers, shareholders, employees and other stakeholders and to secure value creation over time.

The governance principles ensure good and healthy business practices, reliable financial reporting and an environment of compliance with legislation and regulations across the Group. By pursuing the principles of corporate governance, the Board of Directors and management contribute to achieving effective decision-making based on transparency, open and clear communication, equal rights for all shareholders and good control and corporate governance mechanisms.

Otovo is incorporated and registered in Norway and is subject to Norwegian law. The Otovo shares are listed on the main list of the Oslo Stock Exchange. As a Norwegian public limited liability company listed on Oslo Stock Exchange, Otovo must comply with the Norwegian Securities Trading Act, Regulation (EU) 596/2014 regarding market abuse, the continuing obligations for companies with financial instruments listed on the Oslo Stock Exchange, the Norwegian Public Limited Companies Act and other applicable laws and regulations.

Otovo endorses the recommendations of the The Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board as amended from time to time (the "Code of Practice"). This statement fulfils the reporting requirement of section 1 of the Code of Practice. If the Code of Practice is deviated from, the deviation is described and explained in the relevant section of this statement.

Otovo uses the GRI Sustainability Reporting Standards (GRI Standards) for voluntary reporting of sustainable development, including corporate governance.

In addition, Otovo has established and implemented policies for all of its employees, addressing amongst other things matters of fundamental human rights, workers' environment, whistleblowing and anti-corruption and bribery. These policies are periodically reviewed and updated as needed.

**Business**

For homeowners, Otovo is the easiest way to get solar panels on the roof, and batteries in their home. Otovo is a marketplace that organises hundreds of local, high-quality, and qualified energy installers. Otovo uses its proprietary technology to analyse the potential of any home and finds the best price and installer for customers based on an automatic bidding process between available installers.

Otovo is on a mission to put solar panels on every roof and batteries in every home in Europe. Founded in 2016, Otovo has rapidly scaled its platform beyond the Nordics and it is currently operating across continental Europe beyond the Nordics. The ultimate vision is to put solar panels on every roof and batteries in every home in Europe.

The operations of the Group shall be in compliance with the business objective set forth in Otovo's articles of association which reads as follows: The Company's purpose is development, commercialization and instalment of renewable energy, as well as to take ownership or provide business advice related to these business areas.

### Strategy

Otovo's overall ambition is to become Europe's number-one provider of solar energy and batteries to private households. In 2024, the market for solar PV systems, batteries and related products faced headwinds. As a response to this, Otovo completed a reset of Otovo's business model. This comprised the launch of a new functional organization focused on Madrid as the core operating hub, a more intimate sales approach to convert customers in a tougher market and a reduction of cost of NOK 200-225 million. This, combined with the announced portfolio sale, makes the Company ready for 2025, where the goal is to move towards profitability. See the Strategic review section for more information.

### Capital structure, equity and dividends

The growth of Otovo's business model has been financed primarily through equity, which is the most appropriate funding source for a company in a scale-up phase like Otovo. The subscription business has historically been set up to be partly financed through bank debt. Following the portfolio sale the bank will have limited bank debt as almost all subscription systems are sold on a continuous sales agreement. The Board of Directors considers the capitalisation of the Group to be appropriate relative to its strategy and risk profile.

Otovo is in a scale-up phase and the Company's business model is currently not profitable. Consequently, Otovo is not in a position to pay dividends.

The Board of Directors' authorisation to increase the share capital in relation to the Company's option program, has a duration of two years from the date it was given.

### Equal treatment of shareholders and negotiability

Otovo is committed to equal treatment of shareholders, and would only deviate from preemptive rights when it is justified. In November 2023, Otovo raised NOK 450 million through a private placement to finance its path towards profitability.

The placement represented a deviation from the shareholders' pre-emptive right to subscribe for and be allocated the shares in the offering. The Board considered the structure of the equity raise in light of the equal treatment obligations under the Norwegian Public Limited Companies Act, the rules on equal treatment under Oslo Stock Exchange Rule Book Part II and the Oslo Stock Exchange's Guidelines on the rule of equal treatment, and the Board was of the opinion that the transaction structure was in compliance with these requirements.

The share issuance was carried out as private placements in order for the Company to complete the equity raise in a manner that was efficient and with a significantly lower risk and without the significant discount to the trading price compared to a rights issue.

The subscription price was set based on the market price on the day the transaction gained sufficient support to be launched.

In January 2024, the Board conducted a subsequent offering towards existing shareholders who did not participate in the November 2023 private placement.

On this basis, and based on an assessment of the equity capital markets, the Board considered the transaction to be in the common interest of the Company and its shareholders.

Further, Otovo has in place certain incentive programmes for employees which imply deviating from the preferential rights of the shareholders. The programmes are based on common market practice and deemed essential to be able to attract and retain talent and to keep personnel costs at a sustainable level. All programmes have been approved by the General Meeting.

There are no restrictions on any party's ability to own, trade or vote for the shares in the Company.

### General Meeting

The General Meeting expresses the will of the shareholders of Otovo and its tasks include formally appointing the external auditor, approving the annual accounts, the allocation of net income, mandating corporate actions involving shareholders' equity and electing the members of the Board of Directors and the Nomination Committee.

All of the Company's shareholders are free to participate in the General Meetings, and Otovo follows market practice, the Code of Practice and corporate law in relation to General Meetings. Shareholders who are not able to be present at the General Meeting are given the opportunity to vote by proxy or to participate online unless the Board of Directors finds that it has reasonable cause to refuse such online participation.

### Governing bodies

The Board of Directors and the Nomination Committee are elected by the General Meeting, while the Audit Committee and Remuneration Committee are elected by the Board of Directors from among the Board members. The nomination, selection and composition of all the governing bodies take into account the interests of stakeholders, including shareholders. In addition, consideration is given to independence and competencies such as financial literacy, as well as the ability to impact the organisation and add diversity of viewpoints. See Otovo's Sustainability Statements for further information about diversity, inclusion and equality at Otovo.

### Board of Directors

The Board of Directors of Otovo currently has six shareholder-elected members and two employee-elected members. All shareholder-elected members are independent of the executive personnel and three members are independent of the major shareholders of the Company. The Board of Directors currently consists of four women and four men, in accordance with the Company's policy of maximum 60% percent gender homogeneity.

See the Board of Directors section for information on each Board member.

The Board of Directors has implemented instructions for the Board of Directors and the executive management, including instructions for election and composition of the Board.

### Nomination Committee

The Company's Nomination Committee was elected at the Annual General Meeting 17 April 2024 and consists of Atle Knudsen (Executive Vice President for New Industry at Å Energi AS), Marie Strannegård (CEO of AxSol AB), Ingunn Andersen Randa, (Executive Vice President at Obos AS) and Christian Berg (CFO of Wilh. Wilhelmsen Holding ASA).

The Nomination Committee shall give recommendations for the election and remuneration of Board Members and members of the Nomination Committee. The Nomination Committee shall have contact with shareholders, the Board of Directors and the Company's executive personnel as part of its work. The further details of its responsibilities are described in Otovo's "Mandate for the Nomination Committee" that has been adopted by the General Meeting.

Otovo has provided information regarding the members of the Nomination Committee and deadlines for submitting proposals to the Nomination Committee.

### Audit Committee

The Board of Directors has established an Audit Committee The Audit Committee provides support to the Board of Directors within the scope of its mandate and in particular within financial reporting, corporate governance and risk management and in compliance rules and standards applicable to the Otovo Group. The Audit Committee has no decision-making authority unless the Board delegates such authority with respect to specific issues. The members of the Audit Committee are elected by and amongst the members of the Board of Directors for a term of up to two years. The Audit Committee currently consists of Mette Rokne Hanestad (chair) and Jacob Wall.

The Group rwill for annual and interim reporting make judgements. Such judgements are carried out under the control of the CFO. Additionally, judgemental items including methodology followed, assumptions used as well as results are discussed with the Audit Committee as part of their review of annual and interim financial reporting.

### Remuneration Committee

The Board of Directors has established a Remuneration Committee, which is currently composed of Tor Øystein Repstad (chair) and Beatriz Malo de Molina.

The primary purpose of the Remuneration Committee is to assist the Board of Directors in matters relating to remuneration of the executive management of the Otovo Group, including performance-based bonus and Employee Stock Option structures, as well as prepare matters relating to other material employment issues in respect of the executive management.

The members of the Remuneration Committee are elected by and amongst the members of the Board of Directors for a term of up to two years and shall be independent of Otovo's executive management.

The objectives, responsibilities and functions of the Remuneration Committee are described in Otovo's "Mandate for the Remuneration Committee".

### Risk management

Risk management is an integral part of Otovo's business activities and decisions every day, and risks are managed and monitored on an ongoing basis in accordance with Otovo's risk management policy. See the Risk Management section for further information.

### Board remuneration

Remuneration to the Board members for 2024 will be determined by the Annual General Meeting based on the recommendation of the Nomination Committee.

The remuneration to the Board members shall reflect the responsibility and amount of work they perform and is not performance based. No shareholder elected Board member currently has stock options related to the Company's shares.

### Salary and remuneration of executive personnel

The Company has in place a remuneration policy for leading employees that was approved by the Annual General Meeting in 2023. The Company has in place certain programmes for share-based remuneration. Performance-based compensation is capped for each individual, and no employee can receive more than 50 percent of base salary in performance-based compensation.

Further information about remuneration of the executive personnel is included in Otovo's Remuneration Report that will be presented to the Annual General Meeting.

**Directors and Officers liability insurance**

The Group currently holds a Directors and Officers liability insurance policy.

**Communication**

The Company has in place instructions for handling of insider information and follows market practice and rules for listed companies when it comes to disclosure of financial information as further specified in the Company's financial planning and reporting policy. The Company presents its quarterly results in due course after the end of each quarter. Financial calendars are public, and shareholders can easily follow the Company on Newsweb and on the investor relations site investor.otovo.com. Apart from shareholders that are employees or members of the Board, only public information is communicated to shareholders outside of the General Meeting.

**Take-overs**

As part of the instructions for the Board of Directors, the Company has in place guiding principles for how it will act in the event of a take-over bid. The guiding principles are in line with the Code of Practice.

**Auditor**

The Board of Directors works to ensure that the auditor presents the main features of the plan for its work regarding audits to the Board. The auditor participates in the meeting(s) of the Board where any of the following topics are on the agenda: the annual accounts, accounting principles, assessment of any accounting estimates and matters of importance on which there has been disagreement between the auditor and the Management.

The Company's auditor is Roger Telle-Hansen from BDO.

The Board of Directors reports the remuneration paid to the auditor to the shareholders at the Annual General Meeting.

# Risk management

Procedures for risk management in Otovo are governed by the Group's risk management policy.

The ultimate responsibility for risk management lies with the Board, whereas the Audit Committee oversees that the Group has sufficient systems for risk management in particular related to financial reporting.

The Group Management has the responsibility for establishing sufficient risk management processes and controls, ensuring that they are executed as intended, adjusted if needed, and that necessary mitigation actions are in place to reflect the risk situation at any given point in time. The major risks of the Group are reviewed on a regular basis.

The responsibility for the day to day risk management is not delegated to a specific function, but lies with the line and each manager. This responsibility includes ensuring that operations are in compliance with internal and applicable regulations in each market of operation.

**Commercial risk**

The Group's services and products are subject to local laws and regulations, including temporary incentive schemes designed to support the transition to renewable energy. Any legislative changes to these schemes could impact the Group's earnings, market position, and product range.

Otovo operates within a regulatory landscape defined by local laws and incentive schemes designed to support the transition to renewable energy. While these schemes present market opportunities, legislative changes could impact earnings, market position, and product range. To mitigate this, Otovo proactively monitors policy developments and macroeconomic trends, ensuring adaptability in its strategic approach.

As part of its efforts to improve operational efficiency and financial resilience Otovo focused its market presence from 13 to 10 countries in 2024, pausing three markets by limiting investments in marketing and personnel. At the same time, the Group underwent a reorganization to a functional structure, with increased centralization in a few key locations. This has helped strengthen operational leverage and reduce fixed costs, making the Group more resilient to market fluctuations.

While local downturns remain a challenge, Otovo's diversified presence mitigates dependence on any single market.

## Macroeconomic environment

The ongoing war in Ukraine continues to create uncertainty and poses a risk to the European economy. Any further escalation, particularly if China becomes more directly involved in the conflict on the Russian side, could impact the Group's supply chains and the broader economic landscape.

Energy prices have fallen in 2024, while interest rates and inflation have remained high in both Europe and the US. Otovo's value proposition remains strong, promising reduced total energy costs through solar solutions. However, the direct purchase model, which requires an upfront investment, has become less affordable for certain customers in the current economic climate.

The combination of lower energy prices, high inflation, and rising interest rates has resulted in decreased demand for solar and battery products in key markets for Otovo, leading to lower sales for the Group. Should this economic environment persist, it may continue to affect the Group's financial performance and growth prospects.

## Business model

Otovo's business model was initially fully remote, selling solar energy systems and batteries online with turnkey installations by local installers. As market dynamics evolved, the Group recognized the need for a more intimate sales approach where customers can also choose a home visit

Customer prices are determined based on installer offers on the Otovo platform, with an additional margin for the Group. While installer companies are committed to offering competitive prices, Otovo remains dependent on their ability to deliver. In cases of increased demand or rising hardware costs, enforcing contracts can become challenging, as installers may opt to leave the platform or incur losses. This can put pressure on margins and potentially result in losses for the Group.

This risk is mitigated by having a large network of installers, which helps ensure competitive pricing and delivery capacity. Additionally, Otovo has secured insurance for vicarious liability concerning subcontractors, further reducing potential risks. As a result, the installer capacity issues that impacted the business during the tight supply market seen in 2022-2023 have now been addressed, ensuring greater operational stability as Otovo adapts its business model for future growth.

## Supply chain

The solar panels and other materials delivered to the Group's customers are produced by large manufacturers, primarily in China or by Chinese companies in East Asia. The inverters supplied to the Group's customers come from a limited number of global manufacturers. Ongoing geopolitical tensions that have caused and may cause supply chain disruptions include the Russia-Ukraine war, and disruptions in key shipping routes such as the Red Sea due to Houthi rebel attacks. Additionally, trade and tariff risks have increased following the comprehensive tariffs launched by the current US administration in April 2025. Little of the products delivered to Otovo's customers are sourced from US suppliers, but there is significant risk of consequential tariffs being implemented towards Chinese and other Asian suppliers.

While the Group is often able to source alternative components or suppliers in response to shortages, supply chain constraints may lead to higher costs and reduced attractiveness of the Group's products. The Group actively monitors global supply chains and explores mitigation strategies to address potential shortages or price increases. See the Sustainability Statements for details regarding ESG risks in the supply chain.

## Regulatory incentive schemes

The Group's subscription product is generally considered not to require a financial licence in any jurisdiction except the UK, where the Group has an authorisation from the Finance Conduct Authority.

While the Group has done its assessment of whether the subscription product should be considered an operational or financial lease in all jurisdictions, and is confident that the product is not subject to licensing requirements in any other countries than the UK, financial supervisory authorities in the jurisdictions in which the Group is present may conclude differently. Any such decision could have a material effect on the Group's costs and result of operations.

The Group is exposed to risks regarding the correct application of tax regulations and to future changes in tax regulations. The application of tax laws, treaties and regulations are highly complex and subject to interpretation. Any misinterpretation of or change in tax regulations including tariffs could adversely impact the Group's results of operations and cash flows. In particular, it should be noted that the distinction between an operational leasing agreement and financial leasing for accounting, tax and VAT purposes is not entirely clear and may be difficult to draw in many jurisdictions. If local tax authorities argue that the agreements must be classified as financial leasing for tax and VAT purposes. This could potentially imply capital gains taxation which could increase the tax burden of the Group.

Leading up to the Swiss Life transaction regarding Otovo's continental leasing portfolio, the buyer conducted a thorough due diligence process, which revealed no findings that could not be resolved, addressed in the transaction documents, or that would prevent the closing of the transaction. This gives a high degree of confidence regarding compliance with local regulations.

The demand for the Group's products are also impacted by financial incentives available to promote energy from renewable sources such as solar energy systems. Such incentives are available in several of the Group's markets and include, among others, tax credits and reduced or zero VAT when purchasing a solar energy system and/or batteries. Such schemes are vulnerable to changes in government or policies. The withdrawal of, or changes to such schemes, or introduction of new ones, might impact the demand for the Group's products and services and consequently affect future sales. In addition, in some markets, the incentives are only available for customers choosing direct purchase which can reduce the subscription share of Otovo's sales.

## Financial risks

### Market risk

The Otovo Group is financing its activities in the financial markets and is thus exposed to market risk. The Group listed on Euronext Growth in February 2021, and uplisted to the main list on the Oslo Stock exchange (Euronext Oslo Børs) in February 2023. During 2024, the share price of Otovo has fallen significantly, which has worsened the access to capital and increased the risk of hostile takeovers.

The Group finances its subscription assets partly by debt through its revolving credit facility with DNB Bank and Sparebank 1 SR-bank. At the balance sheet date, before the closing of the continental subscription asset sale, these assets represent a significant item. After closing of the sale, they will constitute only a minor share of the Group's balance sheet. As a consequence, the Group's exposure to interest rate risk is significantly reduced and negligible going forward.

### Liquidity risk

At the end of 2024, The Group's cash position was NOK 183 million, down from NOK 583 million at the start of the year. The Group's operational results for 2024 were negative, and investments in the Subscription segment totaled NOK 143 million.

In February 2025, Otovo signed a EUR 105 million agreement with Swiss Life Asset Managers to sell its continental subscription assets, following the successful sale of Scandinavian subscription assets in late 2023.

These transactions have unlocked value from the Group's subscription portfolio, securing a significant cash release, strengthening cash flow, and demonstrating Otovo's ability to monetize portfolios effectively.

The agreement is structured into two parts: EUR ~57 million for assets built between 2020–2024, closing in Q1 2025, and EUR ~51 million for assets to be built between Q1 2025 – Q3 2026, under a continuous sale agreement. Following the transaction, Otovo will pay down EUR ~39m in debt, with an expected cash release of EUR 13 million (NOK 155m). As both the continental and Scandinavian agreements include a continuous sale structure, Otovo ensures that subscription sales are converted into cash as installations are completed with a gross margin of 32%.

In addition to the portfolio sale the Company also undertook a significant cost reduction program with the aim to reduce costs with NOK 200-225 million from Q2 2024. The combination of these measures significantly improves both the cash position at the closing of the portfolio sale as well as the cash conversion profile for the Group.

### Currency risk

The currency risk for each of the Group's subsidiaries is limited as each entity has revenues and costs in its local currency. Wholesale prices of materials may to a certain extent vary with fluctuations in exchange rates, that will influence prices to customers which in turn could affect the attractiveness of the product.

The Group finances its operations in subsidiaries partly through debt financing in the respective countries' currency. This leads to an currency risk because the intra group debt is valued in Norwegian kroner. While this can cause significant accounting effects the operational impact is limited as the subsidiaries operations are in their local currency.f

To mitigate the accounting effect, the Group has taken steps to reduce intra group debt. The proceeds from the recent sale of continental subscription assets, received in EUR, will help finance Eurozone subsidiaries, creating a natural hedge and reducing the need for currency conversions. Otherwise, the Group's current policy is not to hedge its currency risk through FX futures or other derivatives.

## Credit risk

Credit risk is the loss that the Group would suffer if a counterparty fails to perform its financial obligations. The Group's credit risks largely arise from trade receivables, finance lease receivables and cash and cash equivalents. The counterparts for the Group's cash deposits are large banks which are considered to be solid. The Group assesses that there are no material credit risks associated with these deposits.

Credit risk related to trade receivables is assessed to be limited due to the high number of customers in the Group's customer base and is further mitigated through the use of credit score providers ahead of sales, use of prepayments for customers or markets with higher risk, continuous monitoring of overdue invoices all combined with the Group holding the right to reclaim the assets in case of payment default.

An important element of the credit risk profile for the Group is that the subset of customers addressed are, as homeowners, already amongst the individuals with the most robust credit ratings. According to Intrum, one of Europe's largest debt collection agencies, the default probability on a utility bill is 6 times lower for a customer owning a house than for customers who are not homeowners. In addition, the single point exposure will be low, as the Group will have thousands of single counterparties across Europe.

Finally, the solar system contract will be cost saving for customers in most markets, meaning that choosing not to pay the subscription contract will result in a higher electricity cost to the customer. The incentive to pay is further strengthened by the severe repercussion non-payment can have on a customer's credit score and resulting access to credit. Both incentives are stronger in countries where Otovo observes higher loss given default (such as Spain) and as such contributes to reduce the overall credit risk.

Overall the Group considers the financial risks to be acceptable.

## Operational risk

Operational risk is the risk that Otovo's planned operations can be negatively impacted due to failures in internal processes, procedures or instructions, human error, criminal offences or external events.

In particular, the Group is exposed to human error in relation to installation of the products it offers. When installing solar energy systems on the customers roofs and integrating the hardware with the end customer's existing electrical system, a defect or malfunction caused during the installation of the solar energy system or related to the solar energy system and/or integrated hardware, can cause material damage to the end customers and other third parties' properties and health. Operational problems that are caused by errors caused by subcontractors of the Group, including the installers, may also be discovered after the installation is completed.

The Group has contractual arrangements in place to ensure it has recourse against installers of its products, along with insurance coverage for general liability and product liability. This is particularly important given the Group's reliance on third-party services for installation work. The Group maintains general liability insurance, including vicarious liability coverage for subcontractors, ensuring protection even if an installer becomes bankrupt. Additionally, the Group's product liability insurance is provided by QBE.

## HSEQ risk

Within HSEQ risks, examples of areas in scope of control are injuries related to Otovo staff, installers or customers, material damage to property or equipment, environmental harming, GDPR breach, loss of personal data or other activities that can harm reputation. The Company has in place HSEQ policies and instructions for IT and handling of personal data. In addition the employees, installation partners and suppliers are subject to Otovo's Code of conduct in order to guide decision-making, and to ensure compliance with internal and external rules and regulations.

In case of an emergency (event with potential for personal injury or loss of data), an emergency response group is mobilised responsible for end to end management of the event. The emergency response group consists of the line manager responsible for the area where the event has been recorded, the GM in the applicable market, the Otovo HSEQ responsible for duty and the relevant person from functional management.

## Other operational risks

Examples of other operational risks are skewed capacity and constraints in the supply chain. Installer concentration and supply chain management are measured separately to ensure timely installation capacity and mitigate such risks. Each country's head of operations is responsible to monitor this. The risk of losing key employees has increased due to higher workloads following rightsizing and challenging market conditions, raising the risk of knowledge loss. To address this, the Group is implementing a new performance review process, career planning initiatives, and systematic documentation of key processes to ensure smoother transitions and less pressured handovers.

# Executive management

## Andreas Egge Thorsheim

*Chief Executive Officer and Founder*

Andreas Egge Thorsheim has had the position as CEO of the Company since January 2016. He has previously had the position as CFO/COO in Schibsted Norge AS, CEO of Bergens Tidende and other executive roles within the Schibsted Group. He has also been SVP of Product at Opera Software. Thorsheim holds a Master of Science in economics from the Norwegian School of Economics, and a Msc. in international management from London School of Economics. Thorsheim also serves on various boards.

## Petter Ulset

*Chief Financial Officer*

Petter Ulset assumed the position as CFO in March 2022. Ulset comes from the role as SVP Corporate Development at Cognite AS. Prior to Cognite, Ulset was an Investment Manager with the publicly listed industrial investment company Aker ASA. Ulset also served as board director and observer of several listed and private portfolio companies. Before that Ulset was an Associate Partner with McKinsey & Company. Ulset holds an Msc. in Industrial Economics from the Norwegian University of Science and Technology (NTNU).

## Simen Fure Jørgensen

*Chief Operations Officer and Co-Founder*

Simen Fure Jørgensen is Co-founder, and has been the Chief Product Officer of Otovo since January 2016, leading the development of Otovo's technology. He is also the chairman of the Board of Directors in Simvest AS and Lean Friends AS, in addition to serving as a board member on the Board of Directors in Kaukus AS. Jørgensen holds a Msc. from the Norwegian University of Science and Technology (NTNU).

## Ida Groth

*Chief Product Officer*

Ida Groth is the Chief Product Officer, driving innovation with a wealth of experience in product management and consulting. Before joining her current role, she was a Senior Product Manager at Mestergruppen and a Manager at Implement Consulting Group. She also held roles at Visma and served on the Board of Apéritif AS. She holds an MSc in Engineering and Business Development from NTNU.

## Fabio Stefanini

*Chief Revenue Officer*

Fabio Stefanini is the Chief Revenue Officer of Otovo. He joined the Company General Manager of Italy in February 2021. He is based in Milan, and is responsible for Otovo's sales organization. Stefanini was General Manager for Uber New Mobility, and Country Lead for Amazon Pantry in Italy before joining Otovo. He holds an MBA from SDA Bocconi & Wharton, and a Master's degree in Management Engineering from Universitá di Bologna.

## Paulina Ackermann

*Chief Field Operations Officer*

*(on maternity leave)* Paulina Ackermann is the Chief Field Operations Officer.. She has worked for Otovo in Warsaw since October 2020, starting out as General Manager for Poland. Before this she held the General Manager Position for Poland Czech Republic & Hungary for Lime. Prior to Lime, Ackermann worked in senior positions in Uber for four years. She holds a Master's degree in Econometrics & Operations research from Maastricht University.

## Alexander Berson

*Chief Marketing Officer*

Alexander Berson joined the Company as Chief Marketing Officer in September 2023. He leads the marketing, communications and partnerships functions. Berson was previously the Europe CEO of a fintech scale-up Rain and a managing director of digital retail lending at Barclays. He has also held senior positions at eBay and Groupon's European marketing functions. He holds an MBA from Harvard Business School and a BA from Whitman College.

# Board of Directors

**Beatriz Malo de Molina**
*Chair*

Beatriz Malo de Molina (1972) has had a 30 year career in M&A, finance and capital markets, beginning in 1994 with EY and including positions in Alvarez & Marsal, Orkla, Kistefos, McKinsey, and Goldman Sachs. Current board positions: Otovo, Nel Hydrogen and EMGS. She graduated *summa cum laude* from Georgetown University in Washington D.C., and has a Master's degree from the University of Oslo. Ms. Malo de Molina is a Spanish citizen and has been a resident of Norway since 2006.

**Jacob Wall**
*Board Member*

Jacob Wall was elected board member in December 2023. He currently serves as Axel Johnson's EVP of Business Development. In this capacity he is the Board chair of Novax and a board member of Elon and New Moon. Wall was previously a partner and advisor at ABG Sundal Collier and, prior to that, Senior Vice President and co-founder of Alcur hedge fund. He studied financial management, economic history and political science at Stockholm University and Uppsala University.

**Tor Øystein Repstad**
*Board Member*

Tor Øystein Repstad has been a member of the Company's Board of Directors since September 2016. He is currently the CEO of Å Energy Invest AS. Repstad is a board member in several companies, such as NetSecurity AS, Bio Energy AS, Norgesfilm AS, RT Capital AS, Green Hyco AS, Resitec As, Neg AS, Adaptic AS, Eco Stor AS, and Morrow Batteries AS. Repstad holds a master's degree in industrial economy from NTNU, and an MBA in finance from NHH.

**Eivind Tønnnessen**
*Board member*

Eivind Tønnessen was appointed to the Board of Directors in April 2024. He has deep expertise in investment management and renewable energy. Tønnessenis a Director of Investments at Å Energi and serves as Chair of the Board at Entelios AG, ECO STOR AS and Nodes AS, as well as a Board Member at Netsecurity AS, Entelios AS and ECO STOR Newco AS . He holds an MSc in Financial Economy from NHH with MBA courses in Finance and Economics from UCLA.

**Mette Rokne Hanestad**
*Board Member*

Mette Rokne Hanestad has been a member of the Company's Board of Directors since 2024 and chairs the Company's audit committee. She is a state-authorized auditor with extensive experience in energy transition businesses. Hanestad is currently the CFO of Corvus Energy and has previously held roles as Finance Manager at Avance Gas and Manager at EY. She holds an MRR from BI Norwegian Business School and an MSc in Economics from NHH.

**Josefin Landgård**
*Board member*

Josefin Landgård has served on the Board of Directors since April 2021, and is currently Founder and CEO of Mantle. She was the founder of byFounders and KRY, and has been an independent consultant for more than twelve years. Landgård has been Senior Consultant in Volvo, board member at Phoniro systems AS, COO in Viewserve. Landgård holds a Master's degree in Management from Stockholm School of Economics.

**Zoë Wyon**
*Board Member & Employee Representative*

Zoê Won works in Otovo's Product function and is employed in Otovo ASA. She is the Product Manager for the software that oversees the end-to-end process of delivering solar panels and batteries to customers. Prior to joining Otovo, she was a consultant with Netlight. She holds a Master's degree in Industrial Engineering and management from Lund University.

**Nico Schwab**
*Board Member & Employee Representative*

Nico Schwab is a Customer Manager for the DACH region, based in Otovo's hub in Madrid. In this role he is responsible for managing and developing customer relationships across the region. Prior to joining Otovo, he completed a Bachelor's degree at Goethe University Frankfurt, specializing in Romance Languages, Literature, and Linguistics, as well as Business Administration.

# 03.
# Sustainability statements

# Introduction from the CEO

Since Otovo's establishment in 2016, our core mission has remained unchanged: driving the shift towards decarbonization by building clean electricity generation and enabling electrification. Witnessing Europe's rapid advancements in renewable energy adoption continues to inspire us. 2024 was a landmark year in the European energy transition, when, for the first time, solar surpassed coal in the EU's electricity generation mix. This is a major milestone on the path to decarbonizing the economy. The decline of coal has happened in parallel with a fall in gas-fired power production, meaning that the fossil fuels are successfully being phased out of the grid, and being replaced by renewable energy sources.

Throughout 2024, Otovo achieved substantial milestones, notably installing 50 MWp of rooftop solar systems. Additionally, battery storage capacity grew significantly, totaling 50 MWh. These batteries enable our customers to extend their solar energy usage into evening hours, alleviating pressure on the electricity grid and maximizing the effectiveness of renewable solutions. Two thirds of Otovo customers opted for integrated battery systems by year's end.

Further diversifying our solutions, Otovo expanded its offerings to include heat pumps, renowned for their exceptional energy efficiency—providing triple the energy output compared to their input. Collectively, these renewable assets developed in 2024 are projected to eliminate approximately 0.7 million tonnes of CO2 emissions over their operational lifetime, elevating our cumulative impact to 3.5 million tonnes since the Company's inception.

Looking ahead, Otovo is committed to three strategic priorities:

First, expanding our technology portfolio, which includes solar panels, battery storage, EV chargers, home energy management systems, and heat pumps. These technologies are essential for transforming homes into energy-efficient systems capable of producing, storing, conserving, and managing electricity.

Second, enhancing the affordability and accessibility of solar solutions by improving installation efficiencies and offering flexible subscription models. This approach aims to attract households that initially are hesitant about upfront investments.

Third, actively growing our customer base. Following a period of stabilization, Otovo is now focused on achieving significant growth, driven by our unwavering commitment to tackling climate change with urgency.

# General

## Basis for Sustainability Statements Preparation

### Frameworks and Data Selection

Sustainability statements adhere to the comprehensive module of EFRAG's Voluntary standard for SMEs (V-SME). Disclosures in E, S, and G sections are either material per our Double Materiality Assessment (DMA) which has been performed using the approach for DMAs developed by EFRAG or are V-SME mandatory. We have also chosen to include an overview of how our Sustainability Statements relates to the Global Reporting Initiatives framework for sustainability reporting. See GRI Index in th Appendix section.

### Consolidation

The Sustainability Statements are prepared on a consolidated basis, following the same principles as the Financial Statements. They include Otovo ASA and subsidiaries controlled by Otovo ASA at the time of reporting. This includes:

| Company | Country | City |
|---|---|---|
| Otovo GmbH | Austria | Vienna |
| EDEA GmbH | Austria | Vienna |
| EDEA Two GmbH | Austria | Vienna |
| Otovo BE B.V. | Belgium | Brussels |
| European Distributed Energy Assets BE B.V. | Belgium | Brussels |
| Otovo France SAS | France | Paris |
| Distributed Energy Assets SARL | France | Paris |
| Otovo GmbH | Germany | Berlin |
| European Distributed Energy Assets GmbH | Germany | Berlin |
| Otovo Srl | Italy | Milan |
| Otovo B.V. | Netherlands | Amsterdam |
| European Distributed Energy Assets B.V. | Netherlands | Amsterdam |
| European Distributed Energy Assets Midco AS | Norway | Oslo |
| EDEA Europe AS | Norway | Oslo |
| Otovo Sp. Z.o.o | Poland | Warsaw |
| Edea Polska Sp. Z.o.o | Poland | Warsaw |
| Otovo Unipessoal LDA | Portugal | Lisbon |
| Otovo Energy Assets Unipessoal LDA | Portugal | Lisbon |
| Otovo Iberic SL | Spain | Madrid |
| Otovo Shared Services SL | Spain | Madrid |
| Distributed Energy Assets SLU | Spain | Madrid |
| Otovo AB | Sweden | Stockholm |
| EDEA II AB | Sweden | Stockholm |
| Otovo Schweiz GmbH | Switzerland | Zürich |
| European Distributed Energy Assets Switzerland | Switzerland | Zürich |
| Otovo Limited | United Kingdom | London |
| European Distributed Energy Assets Limited | United Kingdom | London |

## Value Chain

In our value chain we cover upstream and downstream activities. This is further reflected in our Double Materiality Assessment (DMA) where impacts, risks, and opportunities have been identified.

## Measurement Basis

Policies are applied consistently for the financial year and comparative figures. Calculation factors and references are listed with relevant metrics.

## External Review

The sustainability statements has been prepared by Otovo and has not undergone a formal external review.

## Disclosures Related to Specific Circumstance:

- **Estimation and Uncertainty:** Estimates are used for some data points, including sector-average data, proxies, and scope 3 GHG emissions. Estimates are regularly reassessed and revised changes are recognized in the revision period. Accurate supplier-specific data for all scope 3 GHG emissions categories is not feasible.
- **Changes in Preparation/Presentation:** ESG metrics are annually assessed for adjustments or restatements due to errors or policy changes. Material restatements are clearly indicated in the relevant tables.
- **Changes in 2024:** There has been no material changes requiring disclosure in 2024

# Governance

## Adoption of frameworks, conventions and laws

In Otovo, we are committed to conduct our business in line with international frameworks and conventions on fundamental principles and rights in working life and other similar guidelines for the environment and climate, including: the Universal Declaration of Human Rights (UDHR), International Labour Organisation's (ILO) conventions, the UN Guiding Principles on Business and Human Rights (UNGP, 2011) and the UN Sustainable Development Goals (SDG).

While the 17 SDGs are interconnected, we focus our efforts in particular on positive contributions to the following SDGs: Take urgent action to combat climate change and its impacts (SDG 13), Ensure access to affordable, reliable, sustainable and modern energy for all (SDG 7), Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (SDG 8), and, Ensure sustainable consumption and production patterns (SDG 12), supported by recognizing the value of strengthening partnerships to achieve the goals (SDG 17).

Otovo is obliged to fulfil the requirements of the Norwegian Transparency Act by conducting due diligence assessments, and to account for these publicly, in line with OECD Due Diligence Guidance for Responsible Business Conduct. Otovo is a member of the UN Global Compact, we support the Ten Principles on human rights, labour, environment and anti-corruption, and are committed to make them a part of our strategy, culture and day to day operations.

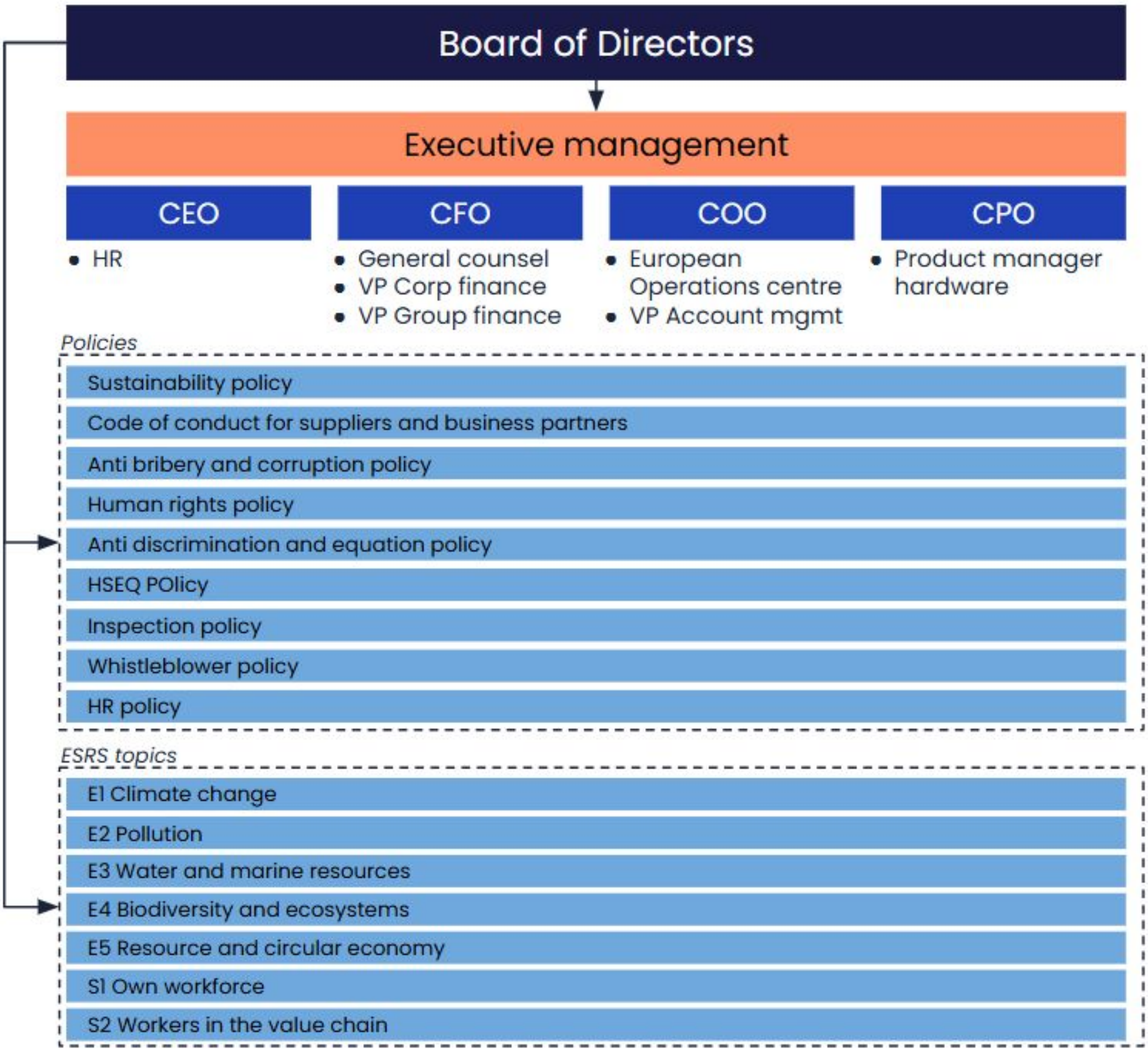
## How we govern ESG in Otovo

Otovo was founded on the vision to drive the societal shift towards sustainable energy. This is our raison d'être and is embedded in our organizational DNA and how we act as human beings. Consequently ,ESG is embedded in Otovo's business model. It is a responsibility all Otovistas own with pride, and as such, we don't have an appointed "Head of ESG".

The Board of Directors has the overall responsibility for Otovo's governance and compliance with ESG requirements and targets. The main principles for Otovo's approach to sustainability are set forth in the Group's sustainability policy, which interlinks, among others, with the human rights policy, anti-corruption policy and anti-discrimination policy. Further, the Group has a code of conduct for suppliers and business partners setting forth the principles we expect our partners to adhere to. Otovo's Board of Directors reviews the ongoing work related to sustainability and the relevant policies on an annual basis.

The day-to-day work with sustainability is owned by the Executive management team. Together with resources in their respective functions, they work to follow up the impacts, risks, and opportunities identified in our Double Materiality Assessment (DMA). Their work is governed by the policies adopted by the Board of Directors, and the work is reviewed on an ongoing basis by the responsible member of the Executive management team. Annually, the Executive management team does a thorough assessment of sustainability in Otovo.

## Governance of Sustainability in Otovo



# Our business model and how we create value

Otovo ASA is a Norwegian listed company. Our business model is a marketplace model (NSACE code 46180) where we connect homeowners with local installation partners in 13 countries in Europe; Norway, Sweden, France, Spain, Poland, Italy, Germany, Portugal, UK, Austria, Belgium, Switzerland and the Netherlands. We help these homeowners to electrify their home by supplying them with solar PV systems, batteries and related equipment installed in a safe and affordable way.

By entering their home address in the Otovo webshop, homeowners obtain proposed designs and prices for solar systems in real-time, based on automated offers from Otovo's network of local, reliable installers. Customers can choose between purchasing the solar and battery installations directly or by entering into a 20-year subscription agreement (10 years for batteries). As a marketplace, we rely on our installer partners to perform the physical installation, and we charge a mark-up on their cost for the extra value we provide to the customer.

## Key inputs, and what we depend on

### Natural resources

Our business relies on solar energy for the solar systems that we provide to be able to generate renewable energy. These solar systems, batteries and related products are developed using raw materials such as silica, alumina, silver and copper. We secure those inputs through a rigorous whitelisting process that we apply to the hardware we supply to our customers.

### Human capital

We operate an online marketplace. As such, we are dependent on access to software development expertise to maintain and further develop our proprietary software that enables our software to operate. Further, we rely on the smartness of these developers as well as our marketing expertise to efficiently source customers online across the markets where we operate. Additionally, we depend on the ability of our installation partners and operations team to be able to install solar systems, batteries and related products across Europe.

### Financing

Since the Company was founded in 2016, Otovo has used external capital to finance the development of our software, business model and our expansion across Europe. Otovo has been reliant on this capital, acquired through several funding rounds. However, this will to a lesser extent be the case going forward. The sale to Swiss Life Asset Managers of our continental portfolio of subscription assets releases a significant amount of capital, which Otovo can use to finance the next stage in the Company's growth journey, making us more independent of external capital.

### Government

While solar energy and storage are competitive without direct support in almost all applications, we depend on continued political support for predictable energy markets and a continued European energy transition. The European Union and national governments continue to make financial incentives available for homeowners and simplify regulations to make the adoption of solar systems, batteries, and related products easier and more convenient for the homeowner.

## Key outputs and benefits created

### Customers

The solar systems, batteries and related equipment we supply help our customers engage in the new energy market by providing instant savings on their power bill, acting as an insurance against price shocks, reducing grid charges and providing backup energy should the grid fail. This is further detailed in the exhibit below

### Power systems

The products we supply reduces the investments required by governments in both generation capacity and related grid investments as our consumers use the clean energy provided by the sun “behind the meter".

### Shareholders

We have created a pan-European platform for bringing together retail demand and supply for solar systems, batteries and related products for the home. We have also demonstrated our ability to create, purchase and sell customer portfolios based on our financing structure.

While we are still in a scaling phase and are not able to generate dividends or other shareholder returns, we are confident that the platform and brand that we are building will generate value to our shareholders over time.

### Employees

We have built our workplace around the vision of Electrifying Europe, and we see how motivated Otovistas are by solving this generational challenge. We're committed to a culture that values diversity, equality, and inclusion, ensuring everyone feels respected and empowered to share their talents and perspectives.

## ESG and our business model

Otovo was established with a clear purpose: accelerating the transition to renewable energy. This purpose defines who we are, shapes our actions, and guides our decisions at every level of the organization. Because of this, ESG is organically infused into our business model.

| Energy market trends | Rising energy costs | Periods of extreme prices | More expensive grid charges | Need for energy resilience | New markets for home assets |
|---|---|---|---|---|---|
| | **Instant savings** | **Price shock insurance** | **Reduce grid charges** | **Backup energy** | **Energy trading** |
| **Solar PV** | ✓✓✓ | ✓ | ✓ | ✓ | ✓ |
| **Batteries** | ✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ |
| **EV charger** | | | ✓✓ | ✓✓ | ✓✓ |
| **Heat pump** | ✓✓✓ | ✓✓ | ✓ | | ✓ |
| **Home Energy Mgmt. Systems** | ✓✓✓ | ✓✓✓ | ✓ | ✓ | ✓✓ |

# Otovo's value chain and key stakeholders

Otovo's value chain can be broken down into three major components:

1. Hardware manufacturing
2. Otovo's operations
3. Installation

| | Hardware manufacturing | Otovo's operations | Installation |
|---|---|---|---|
| Description | • Manufacturing of Solar PV modules, batteries, inverters and other related equipment | • With an outsourced business model Otovo's own operations has a limited ESG footprint | • Installation partners perform the physical work at customers site |
| ESG evaluation | • Inherently exposed to ESG topics<br>• Sourcing of material and complex manufacturing process | • Key topics will be fair labor practices, data protection and fair selection of partners | • HSE practices in installation partners work force and operations<br>• Selection of hardware |
| Key partners | • Hardware manufacturers<br>• Sub-suppliers to hardware manufacturers | • Demand partnerships | • Installation partners<br>• Supply chain distribution partners |

**Otovo's Own Operations**

Otovo is an online marketplace where both sourcing of equipment from Hardware manufacturing and Installation is outsourced to Installer partners. Consequently, the activities in Otovo's Own Operations is limited and more similar to companies like Booking.com, DeliveryHero and Ebay. As such key aspects include fair labor practices that ensure diversity, equity and inclusion among employees, data protection strategies for sensitive customer data and the selection of partners both upstream and downstream. Strong governance practices and transparent reporting further enhance stakeholder trust.

**Installation Services (3rd parties)**

For Otovo, the physical work happening at customers' homes is performed by installation partners. Consequently, ensuring rigorous health and safety standards for installation workers, proper training and fair wages, maintaining quality standards to ensure safe and efficient installations, responsible waste management of packaging materials, and supporting local economies by partnering with local installation providers are crucial topics.

Ensuring installers comply with ethical business practices and environmental regulations is critical to maintaining high ESG standards and, de facto, Otovo's brand value and license to operate.

**Hardware Manufacturing**

For Otovo, sourcing happens through our installation partners in accordance with criteria set by us. Hardware manufacturing involves the production of solar systems and related equipment. The key aspects in this step of the value chain includes the responsible sourcing of raw materials such as polysilicon, rare earth metals, and aluminum, ensuring ethical labor practices in manufacturing processes, minimizing environmental impacts like greenhouse gas emissions, waste reduction, and sustainable packaging. Transparency in supply chain practices is crucial to mitigate risks such as forced labor and environmental degradation.

## Key stakeholders

For a marketplace company like Otovo, it is crucial to have strong relationships with suppliers and business partners to remain competitive, ensure a reliable supply of products and services, foster innovation, mitigate risks and promote sustainable development. A selection of Otovo's key business partners highlighted below.

**Hardware manufacturers**

The main components of a solar system are silicon photovoltaic (PV) modules, inverter(s), cabling and switches and the aluminium or steel mounting structure. Some solar systems also include DC optimizers, batteries, smart meters, and/or batteries only. While Otovo purchases turnkey installations, including hardware, from our installation partners, only a limited selection of hardware components are placed on a whitelist and approved for use in Otovo projects.

In Otovo's Whitelisting approach, we set requirements for technology, product quality, manufacturer financial solidity and sustainable manufacturing practices, to ensure that only the best solar hardware is installed on and in our customers' roofs and homes. Hardware manufacturers are located across the globe, with a majority in Asia. Otovo engages directly with hardware manufacturers and conducts risk based due diligence assessments to promote responsible sourcing and implement mitigating actions where necessary.

**Demand (sale and lead) partnerships**

To increase demand and strengthen our brand, Otovo partners with leading business-to-consumer oriented companies across Europe. By collaborating with selected partners in sectors like utilities, retail, real estate, and finance, we can reach their interested customers with our solar proposition.

Our partners receive commissions or financial incentives, like discounts for their customers. In 2024, net sales from partnerships accounted for over 29% of Otovo's total. The added benefit for our partners include the ability to promote a sustainable service.

**Installation partners**

Over 500 installer companies have partnered with Otovo, offering turnkey solar and battery installations to our customers through our platform. These partners provide pricing details, including labor, hardware, and transportation costs, as well as specifying their service offerings and operational regions within Otovo's digital software. This enables us to provide real-time pricing to our customers. Through our digital platform, Otovo gathers customer documentation and information, reducing the need for expensive pre-installation inspections. Project planning, execution, and completion are seamlessly managed within the software, with support from Otovo's teams of project managers. Installer companies are recruited and receive ongoing support from dedicated local account managers.

**Supply chain distribution partners**

As Otovo purchases turnkey installations from our installation partners, the supply chain is outsourced. Otovo's sales and delivery volumes are typically greater than those of each individual installation partner. To create attractive benefits for our installation partners Otovo signs framework agreements with a number of distribution partners in each country. The benefits range from ensuring better prices, credit lines and payment terms, to securing prioritised delivery in times of shortage.

# Double materiality assessment

As a key element of our work to prepare for sustainability reporting, Otovo's Double Materiality Assessment (DMA) approach is based on the 'IG1: Materiality Assessment Implementation Guidance' published by EFRAG in May 2024. This method is an evolution of our previous approach from the 2023 Sustainability Statements, where we followed Global Reporting Initiative guidelines. The material topics identified align closely with this year's Impacts, Risks, and Opportunities (IROs).

This year's DMA captures learnings that will enable us to improve our methodology in the future. We have followed the limited guidance provided by the 'IG1, and combined it with our own interpretation of the standards to develop a structured process, scoring matrices, and a prioritization model. During 2025 we will further refine our DMA process and methodology.

## Double Materiality Assessment Process Overview

We structured our DMA into five distinct steps:

1. **Understanding the Context**
   First, we mapped out our sustainability landscape to assess Otovo's impact on the environment and society through our operations and value chain. Sustainability has always been central to Otovo's mission, and our DMA reflects nearly a decade of continuous learning and active stakeholder engagement. We regularly scan industry trends, media, peer activities, and reassess our value chain to stay current.

2. **Scoping Key IROs**
   We began with sustainability topics from ESRS 1, reviewed based on the specific reality and relevant topics to our industry and business, and created an initial long-list. We then refined this list, clearly linking each topic to ESRS sub-topics, forming the basis for our workshops. Based on this list, we defined the relevant sustainability-related impacts derived from our operations and value chain, and conducted a financial analysis of the sustainability-related risks we are exposed to as a business. Where possible, we quantified the effects of those matters and supplemented them with qualitative assessments. Given our previous efforts on estimating sustainability related impacts and the complexity implied in quantifying risks to our business, this year we focused mostly on the impact assessment.

3. **IRO Assessment Workshops**
   We ran two workshops to further refine, score and evaluate each IRO. The finance team, leveraging deep sustainability expertise built up over the last years conducted the first session. The second involved key internal leaders, including our CEO, COO, and CPO. Given the ESRS's principles and requirements extensiveness, we have limited the number and group of stakeholders involved in the assessment to internal subject-matter experts only. Participants used clear assessment criteria for impact focused on:
   a. Severity of negative impacts and significance of positive impacts
   b. Likelihood of potential impacts
   c. Location within our value chain
   d. Timing of anticipated impacts (short-, medium-, long-term)

   We mapped the longlist of topics versus our established risk catalogue and also conducted a top down assessment of identifying major ESG related risks. We then assessed materiality and negative impacts were given a higher weight based on guidance from ESRS.

4. **Validation & Calibration**
   Results from the workshops were systematically recorded, scored, and aggregated. The finance team reviewed these results, ensuring accuracy and consistency across the assessment.

5. **Final Review & Approval**
   Finally, Otovo's Executive Management reviewed the DMA results, assigning responsibility for each IRO based on functional roles. Necessary adjustments were made before final approval, with the entire process receiving formal sign-off by the Board of Directors.

## Results from Double Materiality Assessment

We manage and track material topics based on their significance and expected timing along our value chain. Recognizing that impacts may emerge over an extended period, we use three time horizons:

- **Short term (0–1 year):** Immediate or rapidly emerging impacts.
- **Medium term (2–5 years):** Impacts likely to emerge or intensify soon.
- **Long term (6–30 years):** Impacts anticipated to develop or grow significantly over a longer timeframe.

We have identified our impacts on the environment, society and governance (impact materiality assessment) as well as the sustainability-related risks that we are exposed to (financial materiality assessment).

| Topic | IRO | Type | +/- | A/P | Time frame | OO/ VC |
|---|---|---|---|---|---|---|
| E1 | Renewable energy deployment: low-carbon energy through accessible and reliable solar solutions | I | + | Act | LT | VC |
| | Electrify and decarbonize homes, enabling them to make, save, store and charge electricity | I | + | Act | LT | VC |
| | Production of solar grade silicon is highly energy intensive | I | - | Act | ST | VC |
| | Oversupply of energy may drive energy prices down/negative levels and de-incentivize consumers' transition to renewable energy | R | - | | | VC |
| | Transition climate risk related to potential lack of political support for the continued renewable energy build-out (potential insufficient political and regulatory support) | R | - | | | VC |
| E2 | Emission avoidance from replacement of power generation from fossil fuels with emission-free electricity | I | + | Act | LT | VC |
| | Energy consumption/GHG emissions from hardware manufacturing | I | - | Act | ST | VC |
| E4 | Rooftop-mounted panels optimise urban spaces, preserving land and ecosystems | I | + | Pot | LT | VC |
| | Natural resources exploitation and land-use change from mining of minerals and metals | I | - | Act | ST | VC |
| E5 | Avoidance of fossil fuel extraction (oil and gas drilling and coal mining) | I | + | Act | LT | VC |
| | Use of virgin materials in our supply chain | I | - | Act | ST | VC |
| | Waste generation during operation and decommissioning | I | - | Pot | LT | VC |
| | Availability of materials and components in case of an accelerated increase in the demand for renewables | R | - | | | VC |
| G1 | Selling VAT-compliant systems in an industry where tax avoidance is ripe | I | + | Pot | ST | OO |
| | Lobbying activities and other means of political influence have positive societal and environmental effects | I | + | Act | LT | OO |
| S1 | Secure employment: safe and fair working environment with transparent and compliant employment terms and benefits | I | + | Act | ST | OO |
| | Increased voluntary turnover, possibly driven by employee perceptions of internal risks or org. uncertainty | R | - | | | OO |
| | Flexible workplace: Employees are part of a flexible workplace, and are empowered to balance work and private life in alignment with their people leaders. | I | + | Act | ST | OO |
| | Health, Safety, Environment and Quality (HSEQ) policies in place for our own operations and employees | I | + | Act | ST | OO |
| | Diversity resulting in innovative thinking and approaches | O | + | Pot | ST | OO |
| | Transparent feedback loop to ensure career progression through training and development | I | + | Act | ST | OO |
| | Fostering inclusive culture | I | + | Act | ST | OO |
| | Recruiting and advancing women and under-represented groups | I | - | Act | ST | OO |
| S2 | Production of hardware involves labour intensive industry sectors, particularly in the Xinjiang region region of China | I | - | Pot | LT | VC |
| | Potential social dumping and poor working conditions in the installation process | I | - | Pot | ST | VC |

# Environmental

Details of our IROs

| Positive impacts | |
|---|---|
| Renewable energy deployment (E1)<br>Electrify and decarbonize homes (E1)<br>Emission avoidance (E2) | |
| **Description** | **How we manage our IROs** |
| Deploying residential solar creates significant opportunities. The shift to clean energy aligns closely with our mission, turning challenges related to the European energy transition into growth potential.<br><br>By installing solar systems, we deliver environmental and community benefits critical for increasing the electrification of European homes and thus the economy, reducing emissions and reaching climate goals set by the European Union and national governments. | Otovo was founded with one vision - driving the shift towards sustainable energy. Our business model is set up to allow us to pursue and capture the value this opportunity creates. |

| Negative impacts | |
|---|---|
| Energy intensive production of solar grade silicon (E1)<br>Emissions from hardware manufacturing (E2)<br>Natural resources exploitation (E4)<br>Use of virgin material (E5)<br>Waste generation (E5) | |
| **Description** | **How we manage our IROs** |
| These negative impacts relate to upstream activities in the value chain where natural resources are converted into products such as solar panels, batteries and related equipment. This results in both scope 3 GHG emissions that contribute to global warming as well as the consumption of finite natural resources.<br><br>A material potential and future negative impact is the waste generation that is inherent in installing solar panels on customers' roofs which ultimately will need to be dismantled and reused or recycled. | In our activities we aim to deliver high performing solar panels with optimised energy production.<br><br>We also carefully consider the environmental footprint of the manufacturing process when choosing what equipment to offer.<br><br>Our software is designed to minimize resource use and optimize transport logistics.<br><br>We work with our installers to ensure complete collection and correct handling<br>of hardware reaching end of life. |

| Risks | |
|---|---|
| Oversupply of energy reduces demand (E1)<br>Transition related risk from lack of political support (E2)<br>Availability of equipment in case of accelerated demand (E5) | |
| **Description** | **How we manage our IROs** |
| Although Otovo's business model is positively exposed to the European energy transition there are negative risks related to market and political factors affecting residential solar adoption. An oversupply of energy (E1) could reduce demand for residential solar installations, hindering growth. Additionally, insufficient political support (E2) poses risks to solar expansion through reduced incentives or unfavorable policies.<br><br>As a counterbalance, a rapid market acceleration as seen following the Russian invasion of Ukraine may lead to shortages in equipment availability (E5), creating bottlenecks that restrict our ability to meet customer demand. | We carefully track and monitor the wider energy sector in Europe to understand the dynamics and have a natural hedge by being present in 13 markets. Through our Service Centre in Madrid we can deploy resources to follow demand.<br><br>Following the experience with a stretched supply chain in 2022-2023 we have made adoptions to our software and strengthened collaboration with hardware distributors to be prepared for similar events. |

## Our approach and policies

Otovo annually reports on emissions in accordance with the GHG Protocol, including emissions from our entire value chain. In addition we estimate the avoided emissions, resulting from replacing grid electricity with local, solar power.

We also maintain an overview of the overall environmental footprint of our products including natural resource use. This is an important input factor that we use to determine which products we offer to our customers.

Reporting on environmental footprint including GHG emissions is owned by the CFO and supported by dedicated employees responsible for data collection.

Our principles are aligned with the UN Sustainability Goals, as embedded in our Sustainability Policy

## Actions planned and taken

We work to minimise the environmental footprint and maximise the positive impact of our business by:

**Reducing carbon and environmental impact of equipment in our core business**

- Delivering high-quality solar systems with long product lifetimes
- Delivering high-performing solar systems with optimised energy production
- Considering the environmental footprint related to hardware manufacturing and transport when making decisions on what to distribute and promote through our platform

**Increasing resource and energy efficiency of operations in our value chain**

- Developing software to eliminate unnecessary resource use and optimise installation transport logistics
- Contributing to increased circularity in the solar value chain, e.g. by enabling complete collection and correct handling of hardware reaching end of life

**Reducing the Carbon and Environmental Impact Reduction of our own operations**

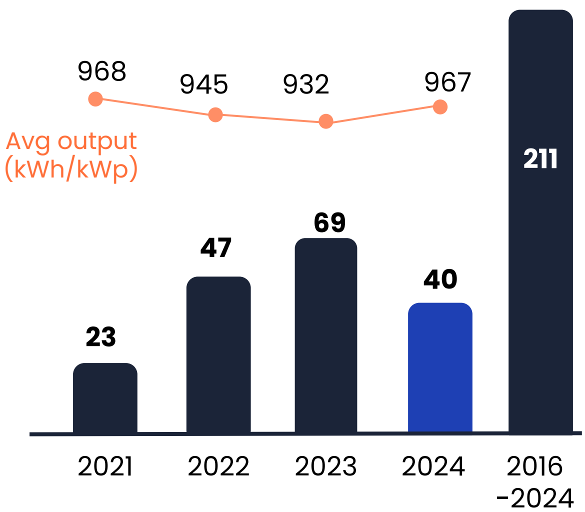
- Minimising carbon-intensive activities like air travel and meat consumption
- Using certified textiles for company garments
- Avoiding purchase of waste-generating company merchandise
- Disposing of waste safely and responsibly
- Offsetting emissions we are not able to reduce

## Overview of key developments and performance metrics

In 2024, more than 6 000 households became powered by the sun through an Otovo installation, collectively adding 40 megawatts of solar capacity to homes on the European power grid. Based on a projected lifetime average output of 967 kilowatt hours per kilowatt, these systems are expected to generate 1.2 billion kilowatt hours (1.2 TWh) of clean energy over the next 30 years. In addition, 2 864 batteries have been installed, adding a total storage capacity of 20 megawatt hours, helping to increase self-consumption and grid stability.

We calculate and account for climate impact when the systems are operational, not when they are sold. Hence, only systems installed within 2024 are included in the presented data.

### Installed Capacity (MWp)




**40 MW**
Installed PV Capacity

**967 kWh/kWp**
Avg output, 30y

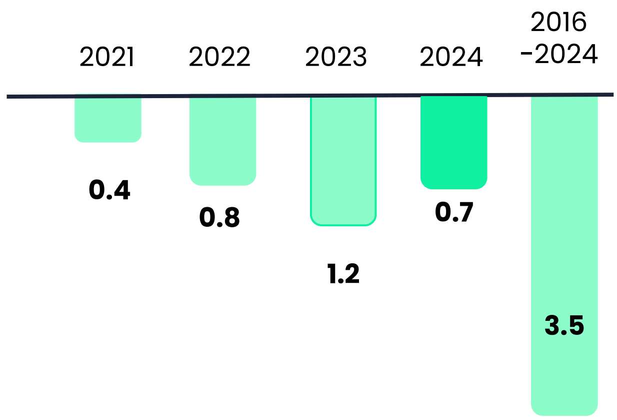
**1.2 TWh**
Lifetime Production

## Emissions

When a solar system starts operating, it generates emission-free electricity for 30 years or more by replacing power generation from fossil fuels, like coal and gas, emissions from these sources are avoided. We quantify the avoided emissions using the European Attribute Mix (EAM), which represents the surplus of electricity in the European grid that is sold without guarantees of origin.

The systems installed in 2024 will over the next 30 years generate 1.2 TWh of clean electricity, enabling emissions of over 1 million tonnes of CO2-equivalents to be avoided. Including systems installed since 2016, the total avoided emissions surpasses 3.5 tonnes of CO2e, shown in the figure on the right.

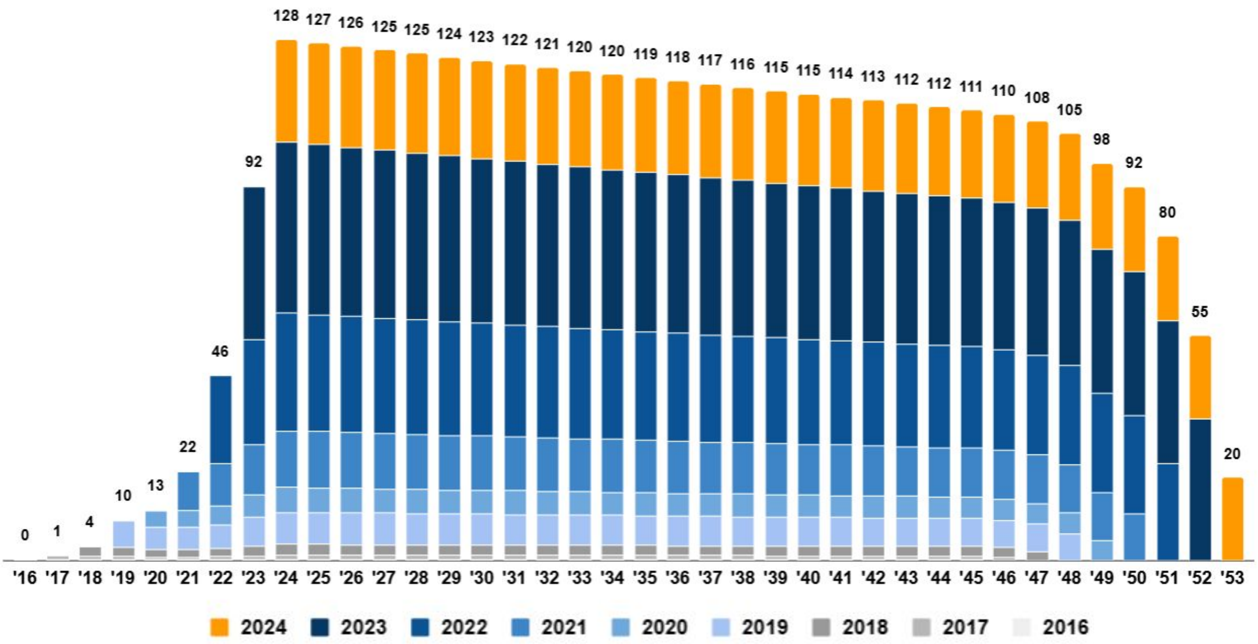
### Lifetime avoided emissions (million tonnes CO2e)




The figure below represents the annual avoided emissions from Otovo systems per calendar year (horizontal axis), split by contribution of systems installed within a reporting year (vertical axis).

Using this methodology, we apply current knowledge of the electricity mix to predict avoided emissions 30 years into the future. In 2023, which represents the most recently published data, the EAM was 599.23 kgCO2/kWh. As new data for the EAM is published annually, we make adjustments for the remaining lifetimes of all solar systems accordingly. We emphasise that this comparative impact is not directly equivalent to changes in the amount of GHGs emitted into the atmosphere.

### Annual avoided emissions (thousand tonnes CO2e)



## GHG emissions and intensity

Solar panels continue to improve significantly, driven by advances in efficiency, cost reduction, and sustainability. Innovations like thinner wafering and advanced cell designs have boosted energy output while lowering material usage and waste. The use of thinner silicon wafers and better silicon ingot utilization has also reduced the carbon footprint of solar-grade silicon production. In 2024, we updated our emission factor for solar modules based on recent manufacturer data (see Appendix B for details).

Solar panel manufacturing represents the largest share of Otovo's Scope 3 emissions, but improvements in manufacturing are gradually reducing emission intensity (kgCO2/MW). We continue collaborating with manufacturers to secure Environmental Product Declarations (EPDs) for all whitelisted products.

Figure 4 summarizes Otovo's Scope 1-3 emissions. Scope 3 emissions are categorized into: (1) employee-related activities (commuting, business travel, office electronics, and waste), (2) installer transportation, and (3) manufacturing, shipping, and end-of-life treatment of solar hardware.

Otovo's own activity emissions decreased in 2024, primarily due to a reduced number of employees that resulted in less business travel. Given Otovo's pan-European operations, some travel is necessary, though addressing this area is crucial for achieving net zero. In the meantime, we offset emissions through carbon credits. in total we consumed 190 MWh in our activities out of which 76 MWh was renewable.

**Fig 4a: Total GHG Emissions, 2024 (tonne CO2e)**

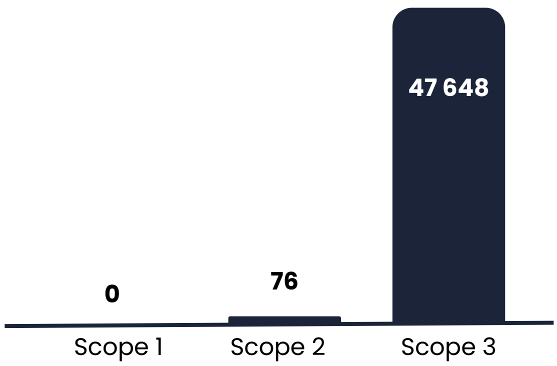
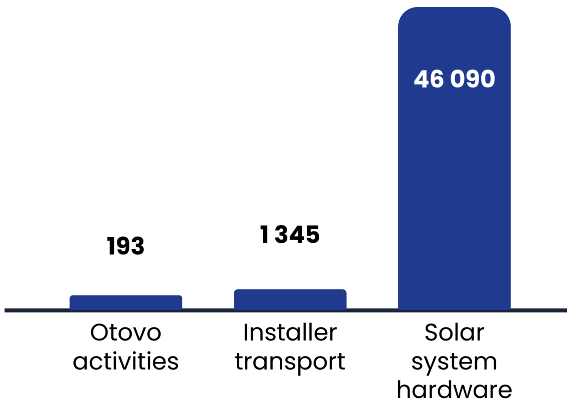



**Fig 4b: Scope 3 emissions, 2024 (tonne CO2e)**
*Otovo specific categories*




| GHG Emissions and intensity | | | | |
|---|---|---|---|---|
| **Category** | **Unit** | 2022 | 2023 | **2024** |
| **Scope 1 - Direct Emissions** | tCO2e | 0 | 0 | **0** |
| **Scope 2 - Electricity Emissions** | tCO2e | 56 | 99 | 76 |
| **Scope 3 Indirect Emissions** | tCO2e | 48 741 | 60 199 | **47 628** |
| *Otovo Activities* | | *338* | *516* | *357* |
| *Installer Transport* | | *509* | *725* | *1 345* |
| *Solar System Hardware* | | *47 895* | *58 957* | *45 926* |
| **Emissions Intensity** | Thousand tCO2/MW Installed | 1.04 | 0.87 | **1.20** |
| **Emissions Intensity** | Thousand tCO2/ MEUR Revenue* | 0.77 | 0.68 | **0.96** |
| **Lifecycle emissions** Incl battery installations | gCO2/kWh | 37 | 31 | **42** |

*) IFRS Revenue. Converted from NOK based on average exchange rate within year (EXCHANGE-RATES.org)

4) https://offset.climateneutralnow.org/

## Carbon offsetting

Carbon offsetting is the purchase of carbon credits, which represents a certified reduction or removal of one tonne of carbon dioxide equivalents (tCO2e) from the atmosphere. We offset emissions directly related to Otovo's operations and our employees' activities by purchasing carbon credits. This includes office energy consumption (scope 2) and employee commuting, business travel, electronic office supplies and office waste (scope 3). In 2024 Otovo offset 178 tCO2e through The UN Carbon offset platform.

# Social

## Our employees

### Details of our IROs

| Positive impacts | |
|---|---|
| Secure employment with safe working environment (S1)<br>Employees are part of a flexible workplace (S1)<br>Diversity resulting in innovative thinking (S1)<br>Ensuring career progression through development (S1)<br>Fostering inclusive culture (S1)<br>Recruiting under-represented groups (S1)<br>HSEQ policies in place for our ops and employees (S1) | |
| **Description** | How we manage our IROs |
| Otovo has spent considerable resources to create a working environment that is flexible, safe and inclusive towards under represented groups. Our company was founded in 2016 in the Nordics and is as such built on modern organizational practices with a relatively low degree of bureaucracy, high degree of inclusion and tolerance for differences of opinion. | Leadership training that encourages diversity.<br><br>Employee handbooks for all our locations that define rules to ensure flexibility.<br><br>Recruiting strategies to avoid bias and foster DE&I. |

| Risks | |
|---|---|
| Increased voluntary turnover, possibly driven by employee perceptions of internal risks or organizational uncertainty (S1) | |
| **Description** | **How we manage our IROs** |
| In 2023 and 2024 Otovo did two rounds of downsizing. In total the number of employees was reduced by ~50%, the Company also transitioned from a geographical to a functional business model.<br><br>The downsizing processes have created uncertainty within the organization, both during the period when the downsizing was effectuated and, to a lesser extent,in the following periods. In addition, an indirect implication of the downsizing and switch to a functional organization increased workload for  certain employees. | Following the downsizing we have launched initiatives to improve employee satisfaction which we track through regular surveys<br><br>We have also launched a leadership training program to better train managers<br><br>We have implemented 360° reviews to foster development and open communication between managers and employees, providing a comprehensive overview of needs and enhancing overall employee satisfaction.<br><br>In addition we have done reviews of how work is distributed in the new organizational structure |

## Our approach and policies

Otovo was founded and is headquartered in the Nordics. As such, creating a workplace that values, supports and promotes Diversity, Equality and Inclusion - where employees feel valued, respected and able to contribute - has been a priority from day 1.

Our work in this area is embedded in our Anti-Discrimination and Equality policy as well as in our Employee Handbooks. These are aligned with the UN Global Compact Principle 6, Sustainable Development Goal 5 and the Norwegian Equality and Anti-Discrimination Act.

The ultimate oversight lies with the CEO and Executive Management. In addition, Otovo's Working Environment Committee (WEC) is regularly involved to measure and report on progress, make recommendations and review topics within the HR area. We also have a centralized HR function that is responsible for maintaining and developing relevant policies, conducting training and running group wide initiatives. The organization including the DEI status is reviewed annually with the Board of Directors.

If an employee in Otovo experiences or observes unwanted behaviour, harassment, breach of guidelines or law, we have an internal process for Whistleblowing and Complaints. If this is experienced to be insufficient, reports can also be submitted to Otovo's external Whistleblowing Channel.

Our principles, embedded in our Anti-Discrimination and Equality Policy are:

| | |
|---|---|
| **Anti-Discrimination** | • We do not accept any discrimination based on personal identity such as gender, ethnicity, religion, gender identity, sexual orientation, age or disability<br>• We do not discriminate based on pregnancy, parental leave at birth and adoption, or care responsibilities<br>• We will work to prevent discrimination by evaluating if and how it may occur with respect to work related activities, like: recruitment; remuneration, working conditions; opportunities for promotion and development; and combining work and family life |
| **Gender Equality** | • We promote equality, giving people equal opportunity and equal rights. We practise equal pay for work of equal value.. We recognise that accessibility and facilitation are a prerequisite for equality.<br>• We are committed to being a company with:<br>a. Equal participation in decision making, with maximum 60% gender homogeneity in managerial positions, executive management positions, the Board of Directors<br>b. Equal pay for equal work<br>c. Equal opportunities |
| **No Harassment** | • In Otovo every employee, customer and partner is to be treated with dignity, kindness and respect<br>• We have a zero tolerance for harrasment, and sexual harassment. |

## Overview of key developments and performance metrics

During the spring of 2024 it became clear that the market headwinds Otovo had been facing in 2023 were not transitory. As outlined in the strategic report, Otovo responded by redesigning our business model. This involved a large restructuring of our organization that had three main components:

- **Shift to a functional organization:** Previously Otovo had adopted a geographical model where each local market was set-up with its own resources. This model supports and enables rapid growth, but when Otovo faced market headwinds, it did not provide the required resource efficiency. As such, a functional organization was adopted to allow for greater efficiency through standardization and resource sharing across markets.
- **Rightsizing:** Otovo's organization was designed to handle activity levels seen at the installation activity peak in 2023. On the back of the redesign, we also carried out an exercise to design the organization to fit the activity level seen in 2024. As a result, a cost-cutting program was launched in September with the aim to take out between NOK 200-225 million of costs million where NOK 150 million of the savings was headcount-driven.
- **Centralizing positions in our shared service centre:** To support the benefits of a functional organization we also choose to move positions to our shared service centre in Madrid.

As a result Otovo's organization decreased significantly in size. At end of 2024 we had 238 FTEs down from 383 FTEs the year before. We observe that the downsizing has been difficult for the organization. This has been clear in our internal surveys that measure employee satisfaction as well as in increased regrettable churn.

We have launched several initiatives to improve employee satisfaction including providing transparency to employees on why these changes were required and how it fits into the longer term direction of the Company, reviewing roles and responsibilities to reflect the new organization, providing transparency to employees and leadership training to middle managers.

At the same time, we believe that a functional organization with an operational hub in Madrid will contribute to both efficiency gains, enhancing communication and customer satisfaction as well as enable Otovistas to create meaningful career paths in Otovo where they can deploy their talent. Our shared service centre today employs numerous nationalities with a varied set of backgrounds and we are pleased to report a 56% female share of employees as shown in the Gender Balance table.

Reorganization also impacted our management structure. While in 2023 we reported 27 people under management, we have in the new functional organization 23 people under the same category. The restructuring did not impact the gender homogeneity in the management group, and it remains a priority for the Company.

### Other activities and improvement Initiatives

**Performance management:** In 2024, we improved our approach to performance management. All Otovistas get their annual goals tracked in our HR software HiBOB. We use a biannual process to evaluate performance, provide feedback to the employees and allow for adjustments.

**Leadership training:** Otovo's Leadership Program is designed to cultivate future leaders by preparing high-potential employees for key leadership roles. It enhances leadership capabilities, particularly for upper management, ensuring strategic decision-making and career growth.

**Leadership training (cont):** With a focus on cross-border leadership, participants gain essential skills to manage teams across Europe through expert-led training and cultural competence development. As a result, the program not only develops leadership talent but also creates a more cohesive, high-performing workforce, driving success and growth for everyone at Otovo.

**WEC:** In 2024, the main activity of the WEC was a survey aimed at understanding employee satisfaction better. A significant 68% participated, providing valuable feedback across several areas. The survey highlighted key strengths where employees reported feeling a strong sense of connection within their immediate teams. Furthermore, the Company was recognized for effectively promoting inclusion and diversity across its workforce. However, the survey also identified improvement areas related to salary levels and career development plans.

### State of Gender Equality and other key metrics

A the end if the calendar year of 2024 Otovo had 238 FTEs including part time workers. Down from 436 FTS the year before. The reduction in employees led to a turnover rate of 113% for the year.

Otovo's employees where at the end of the year spread across 12 locations. 5.8% of Otovistas were covered by an collective agreement. In all markets we pay our Employees more than the minimum, salary. As we exclusively employs white collar employees we recorded no work related incidents or fatalities in our own operations.

The overall gender balance in the Otovo Group is good, with a gender homogeneity close to 50% which is an improvement year-over-year. Compared to 2023, the overall gender balance has improved by 3 percentage points towards a higher female share, and we note that the Shared Service Hub which represents the largest group now has a 56% female share.

**Gender Balance in Otovo Group:**
Given as **Headcount per 31.12. (Parental leave year total)**

| Office | Full time | | | Temporary | | Part time | | All contracts | | Parental leave (avg weeks) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | F* | M | F* Share | F* | M | F* | M | Total | F* share total | F | M |
| Amsterdam | 0 | 1 | *0 %* | 0 | 0 | 0 | 0 | 1 | 0 % | - | 8 |
| Berlin | 6 | 15 | *29 %* | 0 | 1 | 1 | 1 | 24 | 29 % | - | - |
| Brussels | 0 | 0 | *NA %* | 0 | 0 | 0 | 0 | 0 | NA % | - | - |
| HQ Oslo | 18 | 19 | *49 %* | 1 | 3 | 0 | 0 | 41 | 46 % | 21 | - |
| Lisbon | 8 | 8 | *50 %* | 1 | 0 | 0 | 0 | 17 | 53 % | 32 | 4 |
| London | 1 | 0 | *100 %* | 0 | 0 | 0 | 0 | 1 | 100 % | - | - |
| Madrid | 4 | 4 | *50 %* | 0 | 0 | 0 | 0 | 8 | 50 % | - | 20 |
| Milan | 12 | 17 | *41 %* | 0 | 2 | 0 | 0 | 31 | 39 % | - | - |
| Oslo | 4 | 3 | *57 %* | 1 | 2 | 0 | 0 | 10 | 50 % | 52 | - |
| Paris | 3 | 3 | *50 %* | 0 | 0 | 0 | 0 | 6 | 50 % | - | - |
| SSH** | 35 | 28 | *56 %* | 3 | 2 | 0 | 0 | 68 | 56 % | 13 | 42 |
| Stockholm | 2 | 2 | *50 %* | 0 | 1 | 0 | 0 | 5 | 40 % | - | 40 |
| Vienna | 7 | 10 | *41 %* | 1 | 0 | 1 | 0 | 19 | 47 % | 59 | 4 |
| Warsaw | 13 | 14 | *48 %* | 1 | 6 | 1 | 2 | 37 | 41 % | 58 | 63 |
| Zurich | 0 | 1 | *0 %* | 0 | 1 | 0 | 0 | 2 | 0 % | - | - |
| **Year end** | **113** | **125** | ***47 %*** | **8** | **18** | **3** | **3** | **270** | **46 %** | **39** | **26** |

* ) Employees identifying as Non-binary has been included in the "Female" columns for reporting purposes. The share of NB employees is non-material as to affect the standard approach.
**) Shared Service Hub, Madrid

| Gender Balance in Group Management, Otovo Group (Headcount, 31.12) | | | |
|---|---|---|---|
| **Role** | **Female** | **Male** | **Gender Homogeneity** |
| Executive management | 2 | 5 | 71 % |
| VPs and others reporting to executive management | 3 | 13 | 81 % |
| **Total** | **5** | **18** | **78 %** |

**Gender balance in Group Management:** The Company's policy objective of achieving maximum 60% gender homogeneity was not achieved within the management teams.

| Gender Balance in the Board of Directors (31.12) | | | |
|---|---|---|---|
| **Role** | **Female** | **Male** | **Gender Homogeneity** |
| Chair | 1 | - | |
| Board members | 2 | 3 | |
| Board members: Employee Representatives | 1 | 1 | |
| **Total** | **4** | **4** | **50 %** |

In June, we elected Nico Schwab as employee representative to the Board of Directors to replace Matteo Ciprandi who resigned from the Company. Nico was elected by simple majority for the period 2023-2025. He is a German citizen and works as a customer manager in our shared service centre in Madrid. The election was carried out according to the Norwegian regulations on the employees' right to representation in companies listed on the stock exchange (No: Representasjonsforskriften). Otovo currently has an equal split of men and women in the Board of Directors, in line with the commitments in our sustainability policy and internal anti-discrimination and equality policy.

| Pay Gap In Otovo Group - Annual Total Compensation ratio | | | |
|---|---|---|---|
| **Roles** | **Female** | **Male** | **Pay Gap*** |
| Executive management | 2 | 5 | 27% |
| VPs and others reporting to executive management | 3 | 13 | 2% |
| All other employees | 119 | 128 | 0% |

The table above shows the pay gap among employees in the Otovo Group. Pay gap is given as the difference between women's to men's average salary, divided by men's average salary. Bonus and provisions included. The pay gap for the Group is low, but is significant in Executive management. This is in large due to transitions in 2024 where new female Executives replaced male Executives in positions that had pay in the lower end of the range of Executive pay.

## Sick leave in Parent Company Otovo ASA and in Otovo Group

| Sick leave Otovo ASA and Otovo Group - percentage of total hours, year avg | | | |
|---|---|---|---|
| | **Otovo ASA** | | **Otovo Group** |
| | **2023** | **2024** | **2024** |
| Women | 2.02 | 0.99 | 2.15 |
| Men | 0.77 | 0.61 | 1 |
| Total | 1.29 | 1.78 | 1.52 |

**Sick leave in Otovo ASA and in Otovo Group:** The table above shows the sick leave in percentage of total planned work hours for employees in Otovo ASA and for the Group as a whole. Overall the sick leave is low, with a reduction overall from 2023 to 2024 for the employees of the parent company.

# Workers in our value chain

## Details of our IROs

| Negative impacts | |
|---|---|
| Secure employment with safe working environment (S1)<br>Labour intensive production of hardware (S2)<br>Potential social dumping and poor working conditions (S2) | |
| **Description** | **How we manage our IROs** |
| Upstream, workers in the solar PV supply chain may also face forced labour. These issues negatively affect workers and their families, both immediately and in the long term. | Otovo's whitelisting approach has a particular focus on assessing risk of forced labour, where we have blacklisted certain manufacturers due to perceived non-compliance. |
| Our installer partners' employees sometimes face long hours without proper breaks, risking injuries that can occasionally be serious or fatal. In regions with weaker labour laws, poor conditions put workers' physical and mental health at higher risk. | With our installer partners we sign a master franchise agreement and an installer code of conduct that governs employees working conditions. |

## Our approach and policies

Otovo's value chain includes both upstream workers involved in manufacturing the solar equipment we provide to customers, and downstream workers engaged in system installation. Our installer partners directly employ thousands of skilled blue-collar workers who install solar panels on rooftops across Europe every day. We assess risks and conditions in our value chain using a combination of industry insights and internal expertise, developed through our active participation in relevant industry forums and stakeholder engagements with manufacturers and installers.

Otovo is firmly committed to respecting internationally recognized human rights, including the *Universal Declaration of Human Rights* and the *ILO Declaration on Fundamental Principles and Rights at Work*. These commitments extend across our operations, value chain, and the communities where we and our business partners operate.

These principles are embedded in our **Policy for Human Rights and Responsible Business Conduct**, and are further operationalized through our **Code of Conduct for Suppliers and Business Partners,** which sets clear expectations and requirements.

Risk assessments and human rights due diligence are carried out by the Chief Product Officer, reviewed regularly, and integrated into Otovo's broader risk management framework which is reported to the Board of Directors annually.

All personnel working at or on behalf of Otovo must adhere to our **Health, Safety, Environment, and Quality (HSEQ)** policies. The majority of HSEQ efforts are focused on the installation phase, where key risks include falls from height, falling objects, electrical exposure, stress injuries, and traffic-related incidents.

The Chief Operating Officer holds overall responsibility for HSEQ policy and compliance across Otovo. We take a proactive approach to maintaining a safe and responsible installer ecosystem, in line with our long-term commitment to sustainability and operational excellence. This work includes:

- Maintaining a safe and injury-free working environment, through systematic HSE practices and frequently conducted third party inspections.
- Providing clear ethical guidelines and compliance requirements through our HSEQ requirements and the Code of Conduct for Suppliers and Business Partners.
- Conducting thorough due diligence upon onboarding installation partners, and thereafter on an annual basis, mitigating identified risks, e.g. undeclared work and social dumping.
- Providing and continuously improving a strong digital service with excellent user experience for efficient handling of project pricing, planning and documentation.
- Providing increased predictability in order volume and reduced financial risk.
- Creating favourable conditions and attractive benefits, e.g. economies of scale, through distributor partnerships serving our installers.

## Overview of key developments and performance metrics

In 2024, the product category portfolio was strategically expanded to enhance customer value and address a broader range of installation needs. New categories and brands were introduced within the electrical segment, including inverters, batteries, and other addon products. All additions were subject to and passed the standard due diligence process. The variety of PV module manufacturers remained stable, with nine approved brands — including three European manufacturers - and one new European PV module manufacturer was added to the whitelist.

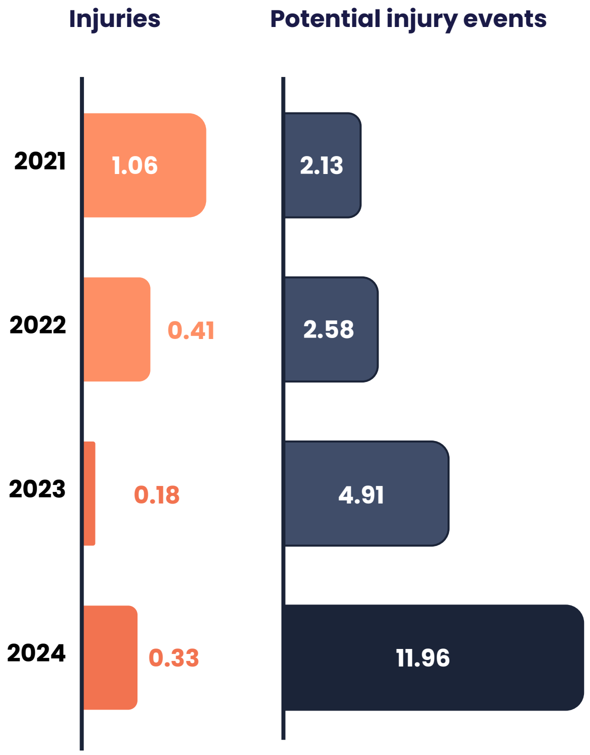
The Otovo Code of Conduct for suppliers and business partners, launched in 2022, remained a key element of supplier governance in 2024. Efforts continued to promote adoption and compliance through strategic engagement with distributors and hardware suppliers. New suppliers and partners are expected to review and understand the key provisions of the Code during onboarding.

In 2024, we focused on on reinforcing expectations across our supplier base. All new and existing partners have been informed of the Code of Conduct and are expected to operate in alignment with its principles. At the end of the year, 39% of indirect suppliers have signed across categories and 100% have been informed.

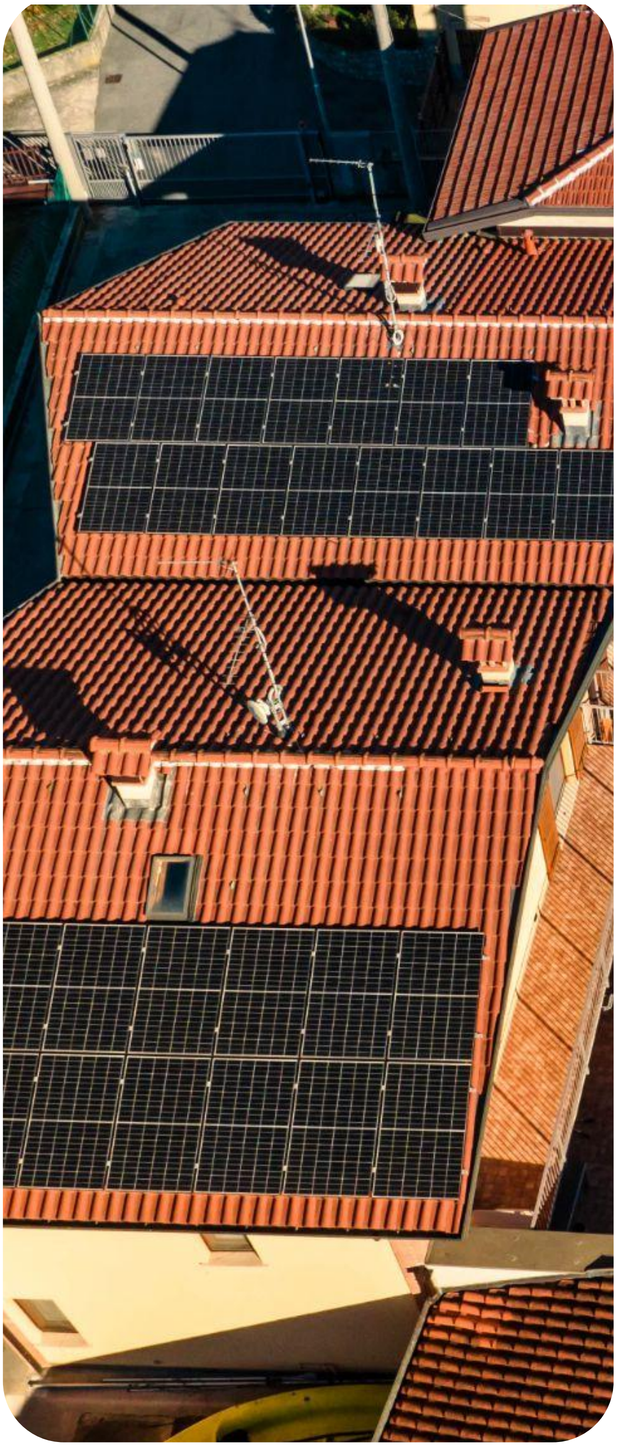
In 2024, Otovo installed 6104 systems across Europe. In this process, our installer partners are exposed to risk of personal harm. We record HSEQ events in our internally developed software where we classify them according to severity on a relative scale from 1-5 where 3 or more indicates risk or actual personal injury:

- We recorded two incidents with personal injury. These two events represent approximately 9.3 injuries resulting in work absence per million work hours.
- 54 recorded HSE events with potential for personal injury. The majority of events are related to installers wearing insufficient personal protective equipment, like gloves, glasses and incorrect footwear, or incorrect use of scaffolding components.
- 19 recorded HSE events with potential for loss of life. All events are related to observations of installers on roofs without sufficient personal protective equipment. All without injury.
- We recorded no incidents with loss of life.

**Events and injuries per 1000 installations**




An important measure to ensure compliance is inspections. In 2024, Otovo's third party inspection partners conducted 264 inspections, covering 4.3% of all installations. This was lower than the year before as a result of a lower installation activity, while the relative share of installations inspected increased 0.2 percentage points.



# Governmental

## Details of our IROs

| Positive impacts | |
|---|---|
| Selling VAT-compliant systems in an industry where tax avoidance is ripe.<br><br>Lobbying activities and other means of political influence have positive societal and environmental effects. | |
| **Description** | **How we manage our IROs** |
| The energy transition has had strong political support. We contribute positively to this as our indirect and direct lobbying activities and other means of political influence enable us to contribute positively to the introduction and improvement of policies, legislation and regulations that support the energy transition.<br><br>The trade of installing solar panels, batteries, and related equipment is inherently exposed to the risk of VAT non-compliance given the fragmentation of the industry and the large share of labour cost. | We work through interest groups at both the national and European levels to ensure continued support. In addition, in our biggest markets our managers actively engage in discussions with government agencies and politicians on said matters.<br><br>We have set up our businesses with advice from third-party experts and use local partners to make timely filings. We also conduct regular due diligence on our setup to ensure we are compliant. |

## Our approach and policies

Our business conduct is routed in our Code of Conduct. Here we define how we want to operate as a company and we set clear guidelines for Otovistas. The code of conduct is further detailed in relevant policies. Our Anti-Bribery and Corruption Policy is owned by the General Counsel and defines how we should engage with business partners, governments and politicians. Engagement with regulators, bureaucrats, and politicians is led by or overseen by our Executive Management team.

In our governing documents the responsibility for compliance with VAT regulations lies with the Chief Financial Officer as defined in our Financial Policy. Otovo operates in 13 European markets and as such must comply with a range of VAT rules and regulations. We have used third-party advisors on the setup of our local entities. This has included advice on how we should treat our products for VAT purposes. While we have centralized our accounting operations in Madrid, we leverage local advisors for submission of VAT returns in most markets to ensure compliance and to understand and be in a position to adapt to changes in regulations.

## Overview of key developments and performance metrics

During the course of 2024, we engaged in lobbying activities in several European countries. This included:

- **Germany:** We teamed up with the swiss solar panel manufacturer Meyer Burger to promote support for European made solar systems for European consumers.
- **Portugal:** We engaged with the Ministry of Energy to promote the need to allow subscription customers access to subsidies and also to promote extending the VAT exemption currently offered to customers buying solar and batteries as a package to be applicable to individual products.
- **Norway:** In Norway, we have been in contact with political parties across the political spectrum to promote the need to strengthen support for solar energy and battery storage. We have also worked through interest groups on subject matters such as ensuring that homeowners with solar systems are exempt from taxes on energy exported to the grid.

As part of the sale of our continental subscription portfolio, we did a detailed review of our VAT setup. This review was performed by EY and did not identify any material non-compliance with VAT regulations. Based on the review, we have made certain adjustments to our customer contracts and internal routines for VAT submissions.

# 04.

# Comments on the financial statements

# Comments on the financial statement

### Financial review of 2024

The consolidated financial statements of Otovo ASA for 2024 have been prepared following the IFRS® Accounting Standards as endorsed by the European Union.

Otovo operates in two primary segments: Marketplace, involving direct customer payments relating to solar panels and related products, and Subscription, where customers subscribe to use solar panels and related products.

### Income statement

Total operating income in 2024 decreased by 40% to NOK 657 million, compared to NOK 1,1 billion in 2023. This reduction primarily reflects a lower activity level as the number of installations decreased by 43%.

Cost of materials and installation services was reduced proportionately by 44% to NOK 454 million from NOK 810 million in 2023, aligning with the decrease in revenue. Gross margins reflected an improvement, indicative of the resilience of Otovo's marketplace model. Gross margins are gradually increasing, as installers are on-boarded to the platform, competing against each other to deliver projects and driving costs down, and the Otovo brand has gained a position in the market.

Payroll and related costs decreased by 15% from NOK 347 million in 2023 to NOK 295 million in 2024. The reduction is mainly due to a reduction in the number of employees as Otovo saw the effect of the downsizings launched in Q4 2023 and 2024 as well as a reduction in share based compensation.

Depreciation, amortization, and impairment expenses were down 16% from NOK 75 million to NOK 63 million, primarily related to a decrease of NOK 23 million in depreciations of excess values stemming from the EDEA acquisition. The reduction is due to partial sale of EDEA in 2023. This decrease was partially offset by increased depreciation of Otovo Cloud and new subscription assets.

Net financial items decreased from NOK 9.6 million in 2023 to NOK 5.8 million in 2024, mainly due to the gain on disposal of Otovo's investment in associated company Holu in 2023 of NOK 13.8 million. This effect is partially offset by an increase in financial expenses related to the Group's external financing of new subscription assets. In addition, the Group has increased interest income and an increased gain on currency related to the internal loans in EUR, which also offsets parts of the above effects.

The Group recorded a net loss of NOK 375 million for 2024, slightly improved from NOK 385 million in 2023, with a basic and diluted loss per share reduced to NOK 1.34 from NOK 2.43.

### Financial Position

Total assets as of December 31, 2024, stood at NOK 1,1 billion, a reduction from NOK 1,4 billion in 2023, primarily due to a significant decline in cash and cash equivalents utilized to fund operations and investment activities.

Non-current assets grew to NOK 825 million from NOK 624 million, mainly due to continued investments in property, plant, and equipment within the Subscription segment.

Total non-current liabilities increased from NOK 244 million to NOK 467 million, largely attributable to external financing required to support the expansion and acquisition of subscription assets.

### Cashflow

Net cash flow from operating activities was negative NOK 400 million, compared to negative NOK 204 million recorded in 2023, reflecting increased operational losses and decreased gains from divestments.

Net cash outflow from investing activities increased to NOK 213 million, primarily driven by acquisitions in subsidiaries, continued investment in subscription assets, and intangible assets development, partially offset by minor asset disposals

Net cash inflow from financing activities decreased to NOK 212 million compared to NOK 750 million in the prior year. The decrease was primarily due to lower proceeds from share issuances as the Company did not raise equity beyond the Subsequent Offering in Q1 2024. The Group has continued to draw on the debt facility held with DNB Bank ASA and Sparebank 1 SR-bank ASA. The facility, obtained in January 2023, is a EUR 50 million revolving credit facility to finance subscription assets.

Overall, 2024 was characterized by a challenging operating environment with reduced income and continued operational and investment-related expenditures, partially balanced by improved gross margin efficiencies and decreased payroll expenditures as a result of significant cost-cutting and reorganization programs during the year.

**Financial Position**

Total assets increased by NOK 93 million to NOK 1.4 billion. The increase is funded with equity raised in the private placement conducted in February as well as through an increase in long term debt.

The increase in assets is explained by an increase in property, plant and equipment related to the Group's Subscription segment, net of divestment of Norwegian and Swedish subscription assets as well as an increase in cash as a result of the private placement conducted in November 2023.

Total non-current liabilities have increased, primarily due to external financing of new subscription assets..

## Review of the parent company's financial statements

The annual accounts for the parent company have been prepared according to Norwegian Generally Accepted Accounting Principles (NGAAP).

Otovo ASA is the parent company in the Otovo Group.

Otovo ASA had NOK 91 million in total revenues in 2024, a decrease of NOK 304 million compared to the previous year. The reduction in revenues was primarily due to decreased installations in Norway and lower software charges to subsidiaries.

Other operating expenses significantly decreased due to reduced head office expenditures, lower market expansion costs, and a substantial decrease in media spending in Norway. Payroll and related expenses decreased substantially, primarily reflecting lower share-based expenses and efficiencies achieved from restructuring and consolidating operations into the shared service center in Madrid.

The result for the year ended with a loss of NOK 261 million compared with a loss of NOK 40 million in 2023, mainly due to significant impairments of financial assets as Otovo ASA wrote down loans and equity related to markets where Otovo has paused activities as well as impairments of loans and equity towards subsidiaries in France and Spain to reflect the weaker market outlook.

At the end of 2024, Otovo ASA had total assets of NOK 1,380 million and bank deposits of NOK 51 million. Total equity stood at NOK 1,314 million, reflecting a decrease from the prior year primarily due to the loss incurred during the year.

Despite the reduction in liquidity during the year, the Company's liquidity position and its ability to finance future investments and meet its obligations remain adequate and satisfactory.

## Annual profits and distributions

The result for the year in Otovo ASA was a loss of NOK 240 million. The Board proposes to transfer this from other equity. The Board proposes that no dividend is distributed for the financial year 2024.

After the transfer, Otovo ASA will have an equity as of 31 December 2024 of NOK 1 314 million, corresponding to an equity ratio of 95.%, while the Group has an equity of NOK 450 million and an equity ratio of 47%.

## Outlook for 2025

The market for solar systems and batteries faced headwinds in 2023 and 2024, as higher interest rates and an uncertain economic environment continued to negatively influence consumer sentiment.

In order to adapt to market realities, Otovo has simplified and reduced its organization, and has refocused its marketing, partnership, and new sales methods. Significant reductions to the cost base allow for a lower break-even point for the Company.

Otovo expects a continued uncertain market in 2025, but is in a much improved position from which to face this following the closing of the sale of the continental subscription portfolio. In addition to significant cash proceeds from the transaction, Otovo's cash conversion is expected to improve through future sales of Subscription systems to Swiss Life Asset Managers.

## Going concern

The Board of Directors is of the opinion that the Group will have adequate financial strength and flexibility to provide sufficient support to operations in subsidiaries and meet the Group's targets for 2025.

The Board of Directors confirms that the prerequisites for the going concern assumption exist and the financial statements have been prepared based on a going concern basis in accordance with the Norwegian Accounting Act.

**Subsequent events**

## Sale of Continental Subscription portfolio to Swiss Life Asset Managers

Otovo ASA on 28 March 2025 closed the transaction to sell its continental portfolio of subscription assets in Austria, Belgium, France, Germany, Netherlands, Spain, Poland and Portugal to Swiss Life Asset Managers ("SLAM"). The transaction relates to the sale of 89% of the shares in eight special purpose vehicles holding a fleet of around 6,000 residential solar and battery leasing assets in the eight countries. The total transaction size on a 100% basis is EUR 105 million (NOK 1,209m) split on assets built between 2020-2024 of EUR ~50 million (NOK 580m) closing in Q1; and continuous sale agreement of EUR ~55 million where SLAM will continue to buy subscription assets until the end of Q3 2026. The cash release from the first close net of debt repayment and reinvestment is EUR 13 million (NOK 155m), whereas the estimated gross margin for the continuous sales agreement is 32%.

# Statement from CEO & Board of Directors

The Board of Directors and the CEO have today reviewed and approved the annual report for Otovo ASA for the calendar year ending 31 December 2024. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and related interpretations as adopted by the EU, as well as additional disclosure requirements stipulated by the Norwegian Accounting Act. The financial statements for the parent company, Otovo ASA, have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

We confirm, to the best of our knowledge, the following:

- The consolidated financial statements for the period 1 January up to and including 31 December 2024 have been prepared in accordance with applicable accounting standards.
- The information provided in these financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company.
- The information that constitutes the Board of Directors' Report includes a fair review of the development and performance of the business and the position of the Company and the Group as a whole, together with a description of the principal risks and uncertainties they face.

**Oslo, 23 April 2025**

Board of Directors of Otovo ASA

***(Signed electronically)***

| | | |
|---|---|---|
| **Beatriz Malo de Molina**<br>Chair of the Board | **Tor Øystein Repstad**<br>Board member | **Jacob Wall**<br>Board member |
| **Eivind Tønnessen**<br>Board member | **Mette Rokne Hanestad**<br>Board member | **Josefin Christina Landgård**<br>Board member |
| **Zoë Wyon**<br>Board member | **Nico Schwab**<br>Board member | **Andreas Egge Thorsheim**<br>Chief Executive Officer |

OTOVO

## The below listed parts of the Otovo's Annual report 2024 constitute the Board of Directors' Report.

| | Content | Annual Report References / comment | Page ref |
|---|---|---|---|
| **Norwegian Accounting Act** | | | |
| Section 2-2 (1) | Information regarding the nature and location of the business, including information on any branch offices | Otovo in brief | 3 |
| Section 2-2 (2) | Review of the development and result of the enterprise's operations and position together with a description of the key risks and uncertainty factors facing the Company, including information on research and development activities | Management's review - Strategy<br>Governance - Risk | 8-14<br>20-26 |
| Section 2-2 (3) | Information about developments and indicators that are crucial to understand the financial development of the Group | Management's review - Strategy<br>Sustainability statements | 8-14<br>29-60 |
| Section 2-2 (5) | A description that provides a basis for assessing the enterprise's further outlook, including whether the results for the year agree with previously stated target results and expected developments and give reason for any discrepancy. | Management's review - Strategy<br>Sustainability Statements - Our business model | 8-14<br>35-37 |
| Section 2-2 (6) | Information regarding any financial risk that is significant to the evaluation of enterprise's assets, liabilities, financial position, and result. An account shall be given of the enterprise's exposure to market risk, credit risk, and liquidity risk. | Governance - Risk management | 20-26 |
| Section 2-2 (7) | A description of key intangible assets, explain how the Company's business model is fundamentally dependent on such resources, and how such resources are a source of value creation for the business. | Management's review - Strategy<br>Sustainability Statements - Our business model | 8-14<br>35-37 |
| Section 2-2 (8) cfr. 4-5 | Information regarding the going concern assumption | Comments on the financial statement | 63 |
| Section 2-2 (9) | Proposal for the allocation of profit or settlement of loss | Comments on the financial statement | 63 |
| Section 2-2 (10) | Information about the work environment, along with an overview of implemented measures relevant to the working environment. Information on injuries, accidents, and sick leave rates. | Sustainability statements - Social - Our employees | 49-55 |
| Section 2-2 (11) | Information on matters relating to the business, including its factor inputs and products, which may result in not insignificant impact on the external environment. The environmental impact of each aspect of the business or measures implemented to prevent or reduce negative environmental impacts shall be stated. | Sustainability statements | 29-60 |
| Section 2-2 (12) | Information on whether insurances covering the board members' and CEO's potential liabilities towards the enterprise and third parties are maintained, including information on relevant insurance coverage. | Governance - Corporate governance<br>Note 7 to financial statements | 15-20<br>97 |
| Section 2-2 (13) no. 1 | Shareholders information: A description of provisions in the articles of association that restrict the right to trade in the shares of the Company. | There a no provision in the articles of association that restricts the right to trade | n.m |
| Section 2-2 (13) no. 2 | Shareholders information: A description of who exercises the rights connected to shares in any employee share schemes where authority is not exercised directly by the employees covered by the scheme. | There are no employee share schemes where authority is not directly exercised by employee | n.m |
| Section 2-2 (13) no. 3 | Shareholders information: Any agreements between shareholders which are known to the enterprise and which restrict the possibilities of trading in or exercising voting rights connected to the shares. | The Company is not aware of any such agreements | n.m |
| Section 2-2 (13) no. 4 | Shareholders information: Any significant agreements to which the enterprise is a party, the terms of which take effect, alter or terminate as a result of a takeover bid, and a description of those terms. | The Company is not aware of any agreements where a takeover bid has such consequences | n.m |
| Section 2-9 | Report on corporate governance | Governance - Corporate governance | 15-20<br>97 |
| **Equality and Anti-Discrimination Act** | | | |
| Section 26a. | Description of the factual status of gender equality in the enterprise and what actions are taken to fulfill requirements. | Sustainability Statements - Social - Our employees | 52-54 |
| **Transparency act** | | | |
| Section 5 letter a), cfr. Section 4 | General description of the Group's organization, area of operation, description of policies and routines for handling actual and potential negative impacts for fundamental human rights and decent working conditions. | Governance Corporate governance<br>Sustainability statements - Social | 15-20<br>29-60 |
| Section 5 letter b), cfr. Section 4 | Information about actual and significant risks of negative impacts that the Company has identified through its assessments pursuant to section 4 of the Transparency Act | Governance Corporate governance<br>Sustainability statements - Social | 15-20<br>29-60 |
| Section 5 letter c), cfr. Section 4 | Inform about measures that the Company has carried out or is planning to carry out to stop actual negative impacts, or limit significant risks, and describe the result or expected result of these measures. | Governance Corporate governance<br>Sustainability statements - Social | 15-20<br>29-60 |
| **Public Limited Liability Company Act** | | | |
| Section 6-16a. and 6-16b. | The Board shall prepare guidelines on the determination of the salary and other remuneration payable to the Executive Management. A report providing a combined overview of the paid and owed salary and remuneration covered by the guidelines must be prepared. | Remuneration report available at investors.otovo.com | n.m |

# 05.

# Financial Statements

# Consolidated Financial Statements

# Financial Statements

## Consolidated income statement

### Amounts in NOK thousand

| For the year ended 31 December | Note | 2024 | 2023 |
|---|---|---|---|
| Revenue | 5 | 565 611 | 996 203 |
| Finance Lease Revenue | 5, 23 | 20 068 | 14 347 |
| Other Operating Income | 5 | 63 294 | 44 099 |
| Other Income | 5 | 8 025 | 37 925 |
| **Total operating income** | | **656 998** | **1 092 574** |
| Cost of goods sold | 5 | 454 367 | 809 649 |
| Payroll and related costs | 5, 6 | 294 639 | 347 272 |
| Depreciation, amortisation and impairment | 5, 10, 11, 12 | 63 083 | 75 200 |
| Other operating expenses | 5, 7, 13 | 224 917 | 259 904 |
| **Total operating expenses** | | **1 037 006** | **1 492 025** |
| **Operating profit/(loss)** | | **-380 008** | **-399 451** |
| Financial income | 8 | 8 572 | 4 487 |
| Financial expenses | 8 | 35 885 | 29 234 |
| Net exchange gain/(loss) | 8 | 33 109 | 20 587 |
| Gains (losses) on disposal/acquisition of subsidiary | 22 | - | 13 791 |
| **Net financial items** | | **5 796** | **9 631** |
| **Profit/(loss) before income tax** | | **-374 212** | **-389 820** |
| Income tax expense | 9 | -298 | -5 047 |
| **Profit/(loss) for the period** | | **-374 510** | **-384 773** |
| **Profit/(loss) is attributable to** | | | |
| Owners of Otovo ASA | | -374 510 | -384 773 |
| **Earnings per share** | | | |
| Basic and diluted, for profit attributable to the ordinary equity holders of the Company: | 21 | -1.34 | -2.43 |

# Consolidated statement of comprehensive income

## Amounts in NOK thousand

| For the year ended 31 December | Note | 2024 | 2023 |
|---|---|---|---|
| **Profit/(loss) after tax for the period** | | **-374 510** | **-384 773** |
| **Other comprehensive income which may be reclassified to profit and loss** | | | |
| Foreign currency translation differences | | -11 030 | 125 |
| **Total comprehensive income for the period** | | **-385 540** | **-384 648** |
| **Total comprehensive income is attributable to:** | | | |
| Owners of Otovo ASA | | -385 540 | -384 648 |
| | | **-385 540** | **-384 648** |

# Consolidated statement of financial position

## Amounts in NOK thousand

| For the year ended 31 December | Note | 31 Dec '24 | 31 Dec '23 |
|---|---|---|---|
| **Assets** | | | |
| Intangible assets | 12,20 | 90 451 | 83 656 |
| Goodwill | 12,20 | 169 555 | 164 611 |
| Property, plant and equipment | 10 | 514 425 | 344 108 |
| Right of use assets | 11 | 5 898 | 13 939 |
| Financial lease receivables | | 30 728 | 13 002 |
| Other non-current assets | | 14 210 | 4 334 |
| **Total non-current assets** | | **825 267** | **623 650** |
| Trade receivables | 13,18 | 45 478 | 46 196 |
| Other receivables and prepayments | 14 | 57 951 | 103 319 |
| Finance lease receivables | | 1 248 | 717 |
| Inventory | | 1 330 | 1 091 |
| Cash and cash equivalents | 16 | 183 109 | 582 707 |
| **Total current assets** | | **289 116** | **734 030** |
| **Total assets** | | **1 114 383** | **1 357 680** |
| **Equity** | | | |
| Share capital | 19 | 2 800 | 2 792 |
| Share premium reserve | 19 | 1 834 953 | 1 834 616 |
| Other paid-in equity | 19 | 94 684 | 84 960 |
| **Total paid-in equity** | | **1 932 437** | **1 922 368** |
| Foreign currency translation reserve | | -10 637 | 393 |
| Retained earnings | | -1 423 076 | -1 048 566 |
| **Total equity** | | **498 724** | **874 195** |
| **Liabilities** | | | |
| Deferred tax liability | 9 | 2 052 | 2 109 |
| Non-current interest-bearing liabilities | 15,16,18 | 460 211 | 235 432 |
| Lease liabilities non-current | 11,16,18 | 3 449 | 6 696 |
| Other non-current liabilities | | 923 | - |
| **Total non-current liabilities** | | **466 635** | **244 237** |
| Lease liabilities current | 11,16,18 | 2 377 | 8 362 |
| Trade payables | 17,18 | 47 419 | 69 343 |
| Other current liabilities | 15,17,18 | 99 096 | 161 444 |
| Current tax payables | 9 | 132 | 99 |
| **Total current liabilities** | | **149 024** | **239 248** |
| **Total equity and liabilities** | | **1 114 383** | **1 357 680** |

**Oslo, 23 April 2025**

Board of Directors of Otovo ASA

*(Signed electronically)*

| | | |
|---|---|---|
| **Beatriz Malo de Molina**<br>Chair of the Board | **Mette Rokne Hanestad**<br>Board member | **Eivind Tønnessen**<br>Board member |
| **Tor Øystein Repstad**<br>Board member | **Jacob Wall**<br>Board member | **Josefin Christina Landgård**<br>Board member |
| **Zoë Wyon**<br>Board member | **Nico Schwab**<br>Board member | **Andreas Egge Thorsheim**<br>Chief Executive Officer |

# Consolidated statement of cash flows

## Amounts in NOK thousand

| For the year ended 31 December | Note | 2024 | 2023 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit/(loss) before tax | | -374 212 | -389 820 |
| Gain on Business combination/divestment of business | | -8 025 | -37 925 |
| Depreciation, amortisation and impairment | 10, 11, 12 | 63 083 | 75 200 |
| Expensed share-based payments | 6 | 10 185 | 47 629 |
| Net interest income and interest expenses | 8 | 26 692 | 24 537 |
| Share of profit (loss) of equity accounted investees | 22 | - | -13 791 |
| Currency (gains)/losses not related to operating activities | | -27 225 | -22 077 |
| Changes in trade receivables | | 5 938 | 1 892 |
| Changes in trade payables | | -27 451 | -8 629 |
| Change in other assets and other liabilities | | -54 628 | 134 106 |
| **Cash generated from operating activities** | | **-385 643** | **-188 878** |
| Received interest | 8 | 8 421 | 4 309 |
| Paid interest | 8 | -22 888 | -19 185 |
| **Net cash flow from operating activities** | | **-400 110** | **-203 754** |
| **Cash flow from investing activities** | | | |
| Disposal of associated company | 22 | - | 23 540 |
| Acquisition of Subsidiary, net of cash acquired | | -51 014 | - |
| Disposal of subsidiary, net of cash disposed of | | -2 911 | 220 585 |
| Investment in Finance Lease | 23 | -15 605 | -12 048 |
| Investments in intangible assets | 12 | -28 483 | -36 703 |
| Investments in tangible assets | 10 | -127 157 | -369 449 |
| Disposals of tangible and intangible assets | 10, 12 | 11 846 | 7 967 |
| **Net cash flow from investing activities** | | **-213 324** | **-166 108** |
| **Cash flow from financing activities** | | | |
| Proceeds from issuance of ordinary shares | | -176 | 679 717 |
| Payment of lease liabilities | 11 | -8 595 | -7 247 |
| Inflow due to new non-current liabilities | 16 | 222 581 | 423 293 |
| Outflow due to down payment of non-current liabilities | 16 | -1 758 | -345 660 |
| **Net cash flow from financing activities** | | **212 052** | **750 103** |
| **Net cash flow during the period** | | **-401 382** | **380 242** |
| Cash and cash equivalents at the beginning of the period | | 582 707 | 193 868 |
| Exchange rate difference on cash and cash equivalents | | 1 785 | 8 598 |
| **Cash and cash equivalents at the end of the period** | 16 | **183 109** | **582 707** |

# Consolidated statement of equity

## Amounts in NOK thousand

| | Attributable to owners of Otovo ASA | | | | | |
|---|---|---|---|---|---|---|
| | Share capital | Share premium reserve | Other paid-in equity | Foreign currency translation reserve | Retained earnings | Total Equity |
| **Equity at 1 January 2023** | 1 362 | 1 156 328 | 37 331 | 268 | -663 792 | **531 497** |
| Net profit for the period | - | - | - | - | -384 773 | **-384 773** |
| Foreign currency translation differences | - | - | - | 125 | - | **125** |
| **Total comprehensive income in the period** | **-** | **-** | **-** | **125** | **-384 773** | **-384 648** |
| Issuance of shares | 1 430 | 698 570 | - | - | - | **700 000** |
| Change in nominal value | - | - | - | - | - | **-** |
| Transaction costs on equity issues | - | -20 283 | - | - | - | **-20 283** |
| Share-based payments accrual | - | - | 47 629 | - | - | **47 629** |
| **Equity at 31 December 2023** | **2 792** | **1 834 615** | **84 960** | **393** | **-1 048 565** | **874 195** |

| | Attributable to owners of Otovo ASA | | | | | |
|---|---|---|---|---|---|---|
| | Share capital | Share premium reserve | Other paid-in equity | Foreign currency translation reserve | Retained earnings | Total equity |
| **Equity at 1 January 2024** | 2 792 | 1 834 615 | 84 960 | 393 | -1 048 565 | 874 195 |
| Net profit for the period | - | - | - | - | -374 510 | -374 510 |
| Foreign currency translation differences | - | - | - | -11 030 | - | -11 030 |
| **Total comprehensive income in the period** | **-** | **-** | **-** | **-11 030** | **-374 510** | **-385 540** |
| Issuance of shares | 4 | 1 255 | - | - | - | 1 259 |
| Transaction costs on equity issues | - | -918 | - | - | - | -918 |
| Share-based payments, exercised | 4 | - | - | - | - | 4 |
| Share-based payments, accrual | - | - | 10 238 | - | - | 10 238 |
| Purchased Back Shares | - | - | -514 | - | - | -514 |
| **Equity at 31 December 2024** | **2 800** | **1 834 953** | **94 684** | **-10 637** | **-1 423 076** | **498 724** |

# Notes to the consolidated financial statements

## Note 1. General information and basis for preparation

**General information**

Otovo ASA, the parent company of the Otovo Group is a public limited liability company incorporated and domiciled in Norway, with its head office in Torggata 11, 0181 Oslo. The Company is listed on the Oslo Stock Exchange (Oslo Børs) and has the ticker "OTOVO".

The consolidated financial statements include the parent company and its subsidiaries (together referred to as the "Group"). The Board of Directors authorised for issue the consolidated financial statements on 23 April 2025.

The Group's business is primarily related to sale of and subscription services for solar panel installations and related products through an online sales platform, developed and maintained by Otovo.

**Basis for preparation**

The consolidated financial statements of the Group have been prepared in accordance with IFRS ® Accounting Standards as adopted by the European Union and Norwegian authorities, effective as of December 31, 2024. Otovo also provides additional required disclosures as specified in the Norwegian Accounting Act.

The consolidated financial statements have been prepared based on the historical cost principle, with some exceptions, as detailed in the accounting policies set out below.

The consolidated financial statements are presented in Norwegian Krone (NOK), and rounded to the nearest thousand, unless otherwise indicated. NOK is the functional currency of the parent company.

Otovo ASA has been granted permission from the Norwegian authorities to publish the Group accounts in English only.

**New and amended standards**

Otovo has not implemented any new accounting standards or otherwise made any changes to accounting policies during 2024.

At the date of authorisation of these financial statements, the following standard that could affect Otovo's consolidated financial statements was issued, but not effective:

- The new IFRS 18 Presentation and Disclosure in Financial Statements effective 1 January 2027 replaces IAS 1 Presentation of Financial Statements. The standard seeks to improve financial reporting by requiring defined subtotals, disclosure of management-defined performance measures (MPM), and new principles for the aggregation and disaggregation of information.

Management anticipates that the new IFRS 18 standard will be adopted at the effective date stated above, provided that the changes are approved by the EU. There are no other standards, interpretations, or amendments effective from 1 January 2025 or later that are expected to have a significant impact on the consolidated financial statements.

# Note 2. Accounting policies

**Consolidation principles**

The consolidated financial statements present the aggregated profit and loss and financial position of Otovo ASA, including companies that are directly or indirectly controlled by Otovo ASA. The Group controls a company when it is exposed, or has rights, to variable returns from its involvement with the Company and has the ability to affect those returns through its power over the Company.

## Business combinations and goodwill

Business combinations are accounted for according to the acquisition method in IFRS 3. Under IFRS 3, the considerations are measured at the fair value of acquired assets, equity and liabilities incurred. Goodwill is measured as the difference between the consideration transferred and net identifiable assets. Identifiable assets, liabilities and contingent liabilities are calculated at fair value at the time of the acquisition. If the difference is negative, the resulting gain is a bargain purchase in profit or loss. However, before any bargain purchase gain is recognised, a review is undertaken to ensure the identification of assets and liabilities is complete, and that measurements appropriately reflect consideration of all available information. Transaction-related costs are expensed as incurred.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU), or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, by comparing the carrying amount of the CGU, including goodwill, with the recoverable amount of the CGU. The Group calculates the recoverable amount of the CGU by determining the higher of the fair value less cost to sell and its value in use. The key assumption for the value in use calculation is the forecasted cash flows during the forecast period. If the recoverable amount of the CGU is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is recognised immediately in the consolidated income statement and is not reversed in a subsequent period.

### Foreign currency translation and transactions

Foreign currency transactions are translated into the entities' functional currency using the exchange rates prevailing at the date of each transaction. Monetary assets and liabilities in foreign currencies are translated into the entities' functional currency using the exchange rates on the balance sheet date. Foreign currency exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of profit and loss as foreign exchange gains/losses.

The Group has foreign entities with functional currency other than NOK, with EUR being the most dominant. At the reporting date, the assets and liabilities of foreign entities with functional currencies other than NOK are translated into NOK at the rate of exchange at the reporting date and their income statements are translated at the average exchange rates for the year. The translation differences arising from the translation are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement

### Current/non-current classification

An asset is classified as current when it is expected to be realised, or is intended for sale or consumption, in the Group's normal operating cycle, it is held primarily for the purpose of being traded, or it is expected/due to be realised or settled within twelve months after the reporting date. Other assets are classified as non-current. A liability is classified as current when it is expected to be settled in the Group's normal operating cycle, is held primarily for the purpose of being traded, the liability is due to be settled within twelve months after the reporting period or if the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

### Reporting segments

Segments in the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, the Group Executive Management. The segment reporting is consistent with internal policies regarding allocation of resources and assessments of the Group's performance. Transactions between the operating segments are based on market prices.

The Group's operating segments are Marketplace and Subscription SPV.

The Marketplace segment consists of transactions relating to sale of solar panels and related products, while the Subscription segment consists of transactions related to customers subscribing to use solar panels and related products.

## Revenue

The Group's revenue streams can be broken down as follows:

### Revenues from leases (lessor - operating lease)

The Group enters into 10 year subscription contracts with customers for their use of standard, mass produced home batteries installed at their premises. The batteries are guaranteed by the hardware producers to have 70-80% of original capacity at the end of the lease, and the estimated useful life of a home battery is 15 years or more. The customer has the right to purchase the battery during the contract period at residual value, which is considered to be above market value, or at the end of the contract period at market value. Dismantling expenses at the end of the contract period are to be covered by the customer.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.

Otovo has concluded that the Group has not transferred substantially all the risks and rewards incidental to ownership of the batteries and has classified the subscription contracts for home batteries as operating leases. Operating lease payments are recognised as income on a straight-line basis and are presented as Other operating income.

### Revenues from leases (lessor - finance lease)

The Group has changed contracts with new subscriptions customers in Germany, Austria and the UK as a result of local changes in VAT. The change was effective for installations completed starting from January 2023 in Germany, and January 2024 for Austria and the UK. The change entails that the customer has the right to purchase the battery at the end of the contract period at a price that is significantly lower than fair value at the date the option becomes exercisable. It is considered to be reasonably certain that the option will be exercised.

Otovo has concluded that the Group has transferred substantially all the risks and rewards incidental to ownership of the batteries installed in the applicable markets in 2023 and/or 2024 under the subscription model.

The related subscription contracts are classified as finance leases. At the inception of the lease the net present value of the minimum lease payments and any discounted unguaranteed residual value are recognised as Finance lease receivables, split into a non-current and a current part.

Revenue, being the present value of the lease payments, discounted using a market rate of interest, is recognised at the point in time when the battery installation is completed. Interest income, included in Finance lease revenue, is recognised over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment. Revenue from the provision of services, embedded in the lease, is generally recognised over time when or as the Group performs the related service during the agreed service period.

Revenues from leases are reported in the Group's subscription segment.

## Revenues from Contracts with Customers

Revenues from contracts with customers primarily comprise sale of

- Goods: solar panel installations and related products such as batteries.
- Services: subscriptions relating to use of solar panel installations

In addition to selling solar panel installations the Group enters into 20 year subscription contracts with customers for their use of standard, mass produced solar panels installed at their premises. The estimated useful life of solar panels is 30-40 years or more. The customer has the right to purchase the solar panel installation during the contract period at residual value, which is considered to be above market value, or at the end of the contract period at market value. Dismantling expenses at the end of the contract period are to be covered by the customer.

All major components of the solar panels installed are standardised, i.e. there is no tailor made solution that works only with that specific house or on that specific roof. The solar panels are guaranteed by the hardware producers to have no malfunctions in 12-15 years, and have a performance warranty of 25 years. The customer can choose amongst different panels standards but is not able to direct how and for what purpose the solar panel installation is used throughout the period of use. The contracts are classified as service agreements in accordance with IFRS 15.

When the Group enters into an agreement with a customer, the goods and services promised in the contract are identified as separate performance obligations to the extent that the customer can benefit from the goods or services either on their own or together with other resources that are readily available to the customer, and that the goods and services are separately identifiable from other promises in the contract. Goods and services that do not meet the criteria to be identified as separate performance obligations are aggregated with other goods and/or services in the agreement, until a separate performance obligation is identified. Otovo's contracts with customers are for installation of a complete system of solar panels and related products, as well as subscription services for the use of solar panels. It is not possible to purchase neither the solar panels nor the installation services separately from Otovo and the solar panels are first delivered to the customer when the installation is completed. The solar panels and the installation are highly interrelated as the customer can not benefit from either the solar panels or the installation in isolation.

For goods sold the Group provides standard guarantees for the period of up to 10 years from installation of the solar panels. These are guarantees that are either mandatory or expected by the customer and not a product that could have been sold separately, hence Otovo has concluded that the guarantee is not a separate performance obligation. The guarantees only provide assurance that the product sold to the customer complies with agreed-upon specifications.

The Group determines the transaction price to be the amount of consideration which it expects to be entitled in exchange for transferring the promised goods and services to the customer, net of discounts and sales related taxes. Sales related taxes are regarded as collected on behalf of the authorities. The Group adjusts the transaction price for a significant financing component if, at contract inception, the expected period between the transfer of a good or service to the customer and when the customer pays for that good or service is more than one year, unless the timing of the transfer of those goods or services is at the discretion of the customer (i.e. prepaid services). Prepayments are used in some markets to reduce credit risk. Due to the short time lag between prepayment and transfer of ownership the Group has concluded that the contract does not include a financing arrangement. In some of the Group's markets parts of the settlement from the customer is through non-cash consideration, the non-cash consideration is recognised at fair value at the transaction date. Payment terms are ranging from a few days to a few weeks, varying from market to market.

New contracts are created for any modifications after installation, such as adding more panels or other hardware. This is invoiced and recognised in revenues separately.

Revenue is recognised when the respective performance obligations in the contract are satisfied and payment remains probable. Revenue from sales of solar panels and batteries is recognised at the point in time when the installation is completed and the related significant risks and rewards of ownership is transferred to the customer. Revenue from the provision of services is generally recognised over time, when or as the Group performs the related service during the agreed service period.

When another party is involved in providing goods or services to a customer, the Group evaluates whether it has an obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). Where the Group acts as a principal, the revenues are recognised on a gross basis with any related expenses charged as costs. Where the Group acts as an agent, the expenses are offset against the revenues and the resulting net revenues represent the margins or commissions earned for providing services in the capacity of an agent. Solar panel installations are performed by a significant number of partners registered on Otovo's digital platform, though as it is the Group that has the primary responsibility for fulfilling the promise towards the customer revenues from installation of solar panels are recognised gross in the income statement.

**Employee benefits**

Current liabilities to employees, such as salary, are measured at an undiscounted basis and recognised in the period in which they are incurred.

Pension contributions are paid into defined contribution pension plans and there are no outstanding pension liabilities at the time of the payments. Contributions made for the defined contribution pension plans are expensed in the period in which they are incurred.

Share-based payments

The fair value of options granted under the share-based payments programme is recognised as an employee benefit expense with a corresponding increase in equity and other current liabilities.

The Group has share-based payment programs to management and employees. The Group is obliged to withhold and pay an amount, and report the full amount, to local tax authorities for the employee's tax obligations associated with redemption of vested share options. In addition, the Group may be obliged to report and pay social security tax. These share-based payment programs, including tax, are considered as equity-settled share-based payments. In addition, the Group is obliged to make a provision for social security tax related to these programs, to be transferred to the tax authority, normally in cash. This part of the share-based payment arrangements is recognised as a cash-settled share-based payment.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest, adjusted for the effect of non-market based vesting conditions. Cash-settled share-based payments are measured at fair value of the liability. The liability is remeasured at each reporting date.

### Financial income and expenses

Interest income or expense is recognised using the effective interest method.

### Income tax

Income tax expense includes taxes incurred during the year (tax payable) and changes in deferred tax and deferred tax assets.

Deferred income tax is calculated on all temporary differences between the carrying amounts for reporting purposes and the taxable value at the reporting date. The tax calculations are based on the nominal tax rate. Deferred tax assets arise when the temporary differences provide taxable deduction in the future, and the deduction is expected to be used.

Deferred income tax asset and liability are offset when there is a legally enforceable right to offset, and is related to income taxes levied by the same taxation authority for the same taxable entity or separate taxable entities where the intention is to settle taxable positions on a net basis.

Tax payable and deferred tax/deferred tax assets are calculated at the tax rate based on the countries that Otovo is liable to pay tax.

Further details are included in note 9 Income tax.

**Property, plant and equipment**

The Group's Property, plant and equipment consists primarily of solar panel installations and batteries used in the Group's subscription business. Property, plant and equipment are presented in the statement of financial position at cost, less accumulated depreciation and write-downs. Property, plant and equipment acquired through business combinations are recognised at fair value on the date of acquisition. Material components of fixed assets with varying life expectancy are separately assessed in depreciation schedules. Straight line depreciation is used over the useful life of assets.

Acquisition costs include costs directly related to the purchase of fixed assets, including purchase price and costs directly related to development and preparation of the assets' intended use.

Repair and maintenance are expensed as incurred. If new parts are capitalised, replaced parts are derecognised and any remaining net carrying amount is recognised in operating profit (loss) as loss on disposal.

An asset is derecognised at the point no future economic benefit can be identified. The subscription customer has the right to purchase solar panel installation and battery during the contract period at residual value. Gain or loss on sale of an asset is calculated as the difference between sales price and book value at the time of the sale. The gain is recognised under Other operating income while the loss is recognised under other operating expenses.

The expected useful life and residual value, which are used in the depreciation calculation of tangible fixed assets, are reviewed, and if necessary, adjusted annually.

Further details are included in note 10 Property, plant and equipment.

**Leases (lessee)**

The Group leases office buildings and smaller equipment. Rental contracts are typically made for fixed periods of 6 months and above, but may have extension or termination options.

Right-of-use assets and lease liabilities are initially recognised in the consolidated statement of financial position at present value of future lease payments. Lease payments are discounted with the Group's estimated incremental borrowing rate. Right-of-use assets are depreciated on a straight-line basis from the time of recognition to the first of either end of useful life or end of lease term. Extension options, which are assessed as reasonably certain to be exercised, are included in the lease term. Lease payments are split into payment of principal and interest. Interest on lease liabilities in each accounting period during the lease period will be the amount which presents a constant periodic interest for the lease liability's outstanding balance (annuity principle). The interest expense is included in Financial expenses.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as other operating expenses in the Consolidated Income Statement.

Right-of-use assets are presented separately in the consolidated statement of financial position, and lease liabilities are classified as either current or non-current. Next year's payment of principal is classified as current.

In the statement of cash flows, payments on lease principal are included in financing activities and interest is operating activities. The transaction of entering into new lease agreements has no cash flow effect.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

**Intangible assets**

Intangible assets are measured at cost less any accumulated amortisation or impairment losses. Intangible assets acquired through business combinations are measured at fair value at the acquisition date. Intangible assets with finite useful lives are amortised using the straight-line method over estimated useful lives. Intangible assets are derecognised on disposal, or when no future economic benefits are expected to be derived.

**Research and development costs**

The development costs capitalised relate to the development of the software “Otovo Cloud”. The software is the platform used in the interface between the Group, its customers and potential customers, and installation partners. See further details in note 12.

Development expenditures are capitalised only when the criteria for recognition is met, i.e. that it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, management has committed itself to complete the asset, the technical feasibility of completing the asset has been demonstrated and the cost can be measured reliably. The assets are amortised over their expected useful life once the assets are available for use. Costs incurred during the research stage of a project, as well as maintenance and training costs are expensed as incurred. Development costs that do not meet the criteria for capitalisation are expensed as incurred.

**Trade receivables**

Trade receivables and other receivables are carried on the consolidated statement of financial position at amortised cost after deduction of provision for expected credit losses. The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance for all trade receivables.

**Bank deposits and cash and cash equivalents**

Cash and cash equivalents consist of cash and short-term deposits as well as immediately available balances with banks and similar institutions. Short-term deposits are easily and readily convertible to a known amount of cash and have a maturity of not more than three months.

**Interest-bearing liabilities**

Interest-bearing liabilities are initially recognised at fair value less transaction costs that are directly attributable to the financial liability.

After initial recognition, interest-bearing liabilities are measured at amortised cost using the effective interest-method.

**Provisions**

Provisions such as workforce reductions, onerous contracts and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value.

Following the restructuring of the Group during 2024, workforce reductions were required. At the end of 2024 there are still certain provisions recognised in the balance sheet related to this. The provisions are included in other current liabilities.

**Warranty provisions**

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. For the direct sales of solar panel installations and batteries the warranty period is up to 10 years, varying from market to market. The Group has back to back warranties with hardware producers and installation partners, but is ultimately responsible for solving the problem in the event that hardware producers fail to replace the defect hardware, or installation partners fail to resolve issues related to the quality of the work performed on the installation. The Group is also responsible for covering the installation work related to replacing defect hardware.

As the replacement cost is not expected to be significant and it is difficult to prepare a reliable estimate, including the percentage of defect hardware or installations with quality issues, the timing of the issue and the Group's share of the expense, no accruals have been made. The Group's share of repair and replacement costs will be expensed as they occur.

For subscription customers there is formally no guarantee, but Otovo is responsible for ensuring that the system works throughout the contract period, which is 20 years for PVs and 10 years for batteries. The Group's share of repair and replacement costs will be expensed as they occur.

**Trade payables and Other current liabilities**

Trade payables and Other current liabilities are recognised when the counterparty has performed and there is a contractual obligation on the Group to pay, even if an invoice has not yet been received.

Trade payables are recognised when an invoice has been received and approved. Trade payables and Other current liabilities are recognised initially at fair value and subsequently measured at amortised cost. The anticipated maturity of these payables is short, so their carrying values are not discounted.

**Inventory**

Inventories comprise solar panels, batteries and related products such as inverters. Purchases are made to reduce supply chain risk. Otovo Group does not hold work in progress, spare parts and raw materials.

Inventories are stated at the lower of cost and net realisable value, where the latter is the estimated selling price in the ordinary course of business less estimated completion and selling costs. Inventories are presented net of write-downs. Write-downs are recognised for the amount by which the carrying amount exceeds the net realisable value.

**Cash flow statement**

The cash flow statement has been prepared according to the indirect method.

# Note 3. Use of estimates and judgement

The preparation of consolidated financial statements requires management to make judgements and assumptions that can significantly affect the amounts recognised in the financial statements. Additionally, major sources of estimation uncertainty at the end of the reporting period can have a significant risk of resulting in a material adjustment to the carrying amounts of assets or liabilities in future periods.

Key sources of estimation uncertainty and critical judgements are continually evaluated and updated based on expectations about future events that are believed by Management to be reasonable under the circumstances.

When applying the Group's accounting policies, Management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Areas where the use of assumptions and estimates are significant for the Group Accounts.

**Impairment**

The Group has made significant investments in property, plant and equipment, intangible assets and goodwill. Goodwill, intangible assets with indefinite useful life and intangible assets not yet in use are tested for impairment annually or more often if indicators of impairment exist, whereas other assets are tested for impairment when circumstances indicate there may be a potential impairment. Factors that indicate impairment which trigger impairment testing include the following: significant fall in market values; significant underperformance relative to historical or projected future operating results; significant changes in the use of the assets or the strategy for the overall business, including assets that are decided to be phased out or replaced and assets that are damaged or taken out of use; significant negative industry or economic trends; significant loss of market share; significant adverse political and/or regulatory development.

In accordance with IAS 36 Impairment of assets the recoverable amounts of assets and companies is the higher of value in use and fair value less cost of disposal. Value in use, particularly when discounted cash flow methods are used, involves management judgement. There is estimation uncertainty, complexity and subjectivity related to the value in use determination, including determining the discount rate, estimating future performance, revenue generating capacity of the assets, margins, political and regulatory risk, required maintenance capex, technological developments, and assumptions of the future market conditions. In some markets, certain expenses and capex are denominated in foreign currency and impacted by currency fluctuations. Recessionary effects and increased macroeconomic risks may impact the estimates of growth, future performance and discount rates used in estimating recoverable amounts of assets. Discount rates are impacted by several macroeconomic factors including borrowing rates, country risk, inflation assumptions and currency development. For assumptions used, external evidence has been taken into consideration. Refer to note 12 for further information about the assumptions used.

The future developments of EBITDA margins, invested capital and growth, are important in the Group's impairment assessments, and the long-term estimates of EBITDA margins for each country are uncertain.

**Share-based payments**

Estimating the fair value for share-based payment transactions requires judgement as to the use of the most appropriate valuation model, which depends on the terms and conditions of the option program agreements. Management has decided to use the BlackScholes option-pricing model. The estimate of the option's fair value requires Management judgement related to the definition and estimation of the inputs to the option-pricing model, which include the expected life of the share option, as well as the estimated volatility of the underlying share price and determination of the risk free rate of return. The assumptions and model used for estimating the fair value for share based payments are discussed in more detail in note 6 Employee benefits.

**Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that will be recognised, based upon the reliable evidence as to the estimated timing and amount of the future taxable profits. Further details are included in note 10 Income tax.

**Capitalisation of internally generated intangible assets**

A significant part of the Group's intangible assets relates to software generated internally. Otovo's business model is based on the self-developed system Otovo Cloud and related applications such as software for extracting and reading production data from various solar cell hardware.

It may be challenging to assess whether an internally generated intangible asset qualifies for recognition, due to issues related to identifying whether and when the identifiable asset will generate expected future economic benefit and determining the costs of the asset reliably. In some cases, the cost of generating an intangible asset internally cannot be distinguished from the cost of maintaining the asset or from the running of the day to day operations.

Management has assessed the future benefits of the changes made to the asset during the year based on the Product road map for the year and related submitted time sheets. The assessment has also considered the actual impact of the added functionality for the users of the software. Based on this assessment the Management has split the associated costs on development and maintenance.

Refer to note 12 for further information about the software and the development in 2024.

# Note 4. Subsidiaries and changes to the Group structure

Otovo ASA (the Company or Parent) and its subsidiaries (together the Group) operates an online marketplace for solar installations.

On 29 November 2024, Otovo ASA purchased a portfolio of subscription customers in Austria from a reputable electricity provider through a wholly owned subsidiary. Otovo ASA purchased 100% of the shares in a special purpose vehicle that has leasing agreements with customers similar to those in EDEA's current portfolio. Refer to Note 22 for further information.

In 2023, EDEA Midco AS sold 100% of the shares for their Norwegian and Swedish subscription portfolios, refer to Note 22 for additional information.

As of year-end 2024 the Group consists of the subsidiaries presented in the table below.

| Company | Country | Location | Equity interests | | Reportable segment | Parent company |
|---|---|---|---|---|---|---|
| | | | 31 Dec 2024 | 31 Dec 2023 | | |
| Otovo AB | Sweden | Stockholm | 100% | 100% | Marketplace | Otovo ASA |
| Otovo France SAS | France | Paris | 100% | 100% | Marketplace | Otovo ASA |
| Otovo Iberic SL | Spain | Madrid | 100% | 100% | Marketplace | Otovo ASA |
| Otovo Srl | Italy | Milan | 100% | 100% | Marketplace | Otovo ASA |
| Otovo Sp. Z.o.o | Poland | Warsaw | 100% | 100% | Marketplace | Otovo ASA |
| Otovo GmbH | Germany | Berlin | 100% | 100% | Marketplace | Otovo ASA |
| Otovo GmbH | Austria | Vienna | 100% | 100% | Marketplace | Otovo ASA |
| Otovo Unipessoal LDA | Portugal | Lisbon | 100% | 100% | Marketplace | Otovo ASA |
| Otovo Limited | United Kingdom | London | 100% | 100% | Marketplace | Otovo ASA |
| Otovo Schweiz GmbH | Switzerland | Zürich | 100% | 100% | Marketplace | Otovo ASA |
| Otovo B.V. | Netherlands | Amsterdam | 100% | 100% | Marketplace | Otovo ASA |
| Otovo BE B.V. | Belgium | Brussels | 100% | 100% | Marketplace | Otovo ASA |
| Otovo Shared Services SL | Spain | Madrid | 100% | 100% | Marketplace | Otovo ASA |
| European Distributed Energy Assets Midco AS | Norway | Oslo | 100 % | 100 % | Subscription | Otovo ASA |

| Company | Country | Location | Equity interests | | Reportable segment | Parent company |
|---|---|---|---|---|---|---|
| | | | 31 Dec 2024 | 31 Dec 2023 | | |
| Edea Polska Sp. Z.o.o | Poland | Warsaw | 100 % | 100 % | Subscription | European Distributed Energy Assets Midco AS |
| Distributed Energy Assets SLU | Spain | Madrid | 100 % | 100 % | Subscription | European Distributed Energy Assets Midco AS |
| Distributed Energy Assets SARL | France | Paris | 100 % | 100 % | Subscription | European Distributed Energy Assets Midco AS |
| European Distributed Energy Assets GmbH | Germany | Berlin | 100 % | 100 % | Subscription | European Distributed Energy Assets Midco AS |
| EDEA GmbH | Austria | Vienna | 100 % | 100 % | Subscription | European Distributed Energy Assets Midco AS |
| Otovo Energy Assets Unipessoal LDA | Portugal | Lisbon | 100 % | 100 % | Subscription | European Distributed Energy Assets Midco AS |
| European Distributed Energy Assets Limited | United Kingdom | London | 100 % | 100 % | Subscription | European Distributed Energy Assets Midco AS |
| European Distributed Energy Assets Switzerland | Switzerland | Zürich | 100 % | 100 % | Subscription | European Distributed Energy Assets Midco AS |
| European Distributed Energy Assets B.V. | Netherlands | Amsterdam | 100 % | 100 % | Subscription | European Distributed Energy Assets Midco AS |
| European Distributed Energy Assets BE B.V. | Belgium | Brussels | 100 % | 100 % | Subscription | European Distributed Energy Assets Midco AS |
| EDEA II AB | Sweden | Stockholm | 100% | 0% | Subscription | European Distribution Energy Assets Midco AS |
| EDEA Europe AS | Norway | Oslo | 100% | 0% | Subscription | European Distribution Energy Assets Midco AS |
| EDEA Two GmbH | Austria | Vienna | 100% | 0% | Subscription | EDEA GmbH |

# Note 5. Reporting segment information and revenue

## Amounts in NOK thousand

For Management purposes the Group is organized into two reporting segment. "Marketplace" and "Subscription SPV". The Executive Management monitors the operating results of these segments separately for the purposes of making decisions about resource allocation and performance assessment.

The Marketplace segment consists of transactions relating to sale of solar panels and related products, while the Subscription segment consists of transactions related to customers subscribing to use solar panels and related products. Revenues and Cost of goods sold on sales to Group internal parties, using the assets in its subscription business, are eliminated in the Consolidated financial statements. Internal profits are eliminated against Property, plan and equipment, as the assets purchased by the Subscription segment are recognised in the balance sheet.

Currently the subscription period for solar panels is 20 years while it is 10 years for batteries. Subscription for solar panel installations are classified as service agreements, while subscription contracts for batteries are classified either as operating leases or finance leases. Refer to note 2 and 20 for further information.

The segment reporting is presented in the same manner as presented to the Executive Management.

**The following changes in presentation have been implemented for FY 2023 financial information, compared to the presentation in the annual consolidated financial statements for 2023**

- Finance lease revenues, included in Revenues in FY 2023, is presented separately in the Consolidated income statement
- Gain on disposal of subsidiary is reclassified from Other operating income and presented separately in Other Income

## Information regarding reporting segments in the Group

(NOK 000')

| | Marketplace | | Subscription SPV | | Elimination | | Group total | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenue & Finance lease revenue | 565 612 | 996 209 | 20 067 | 14 341 | - | - | 585 679 | 1 010 550 |
| Revenue internal | 166 549 | 376 880 | - | - | - 166 549 | - 376 880 | - | - |
| Other operating income | 5 515 | 5 814 | 57 779 | 38 285 | - | - | 63 294 | 44 099 |
| Other operating income internal | 5 752 | 5 279 | 1 564 | 1 002 | - 7 316 | - 6 281 | - | - |
| Other income | - | - | 8 025 | 37 925 | - | - | 8 025 | 37 925 |
| **Total operating income** | **743 428** | **1 384 182** | **87 435** | **91 553** | **-173 865** | **- 383 161** | **656 998** | **1 092 574** |
| | | | | | | | | |
| Cost of materials and installation services | 581 146 | 1 163 605 | 15 605 | 12 048 | - 142 384 | - 366 003 | 454 367 | 809 649 |
| Payroll and related costs | 292 635 | 346 924 | 2 004 | 251 | - | 97 | 294 639 | 347 272 |
| Depreciation, amortisation and impairment | 37 205 | 31 132 | 27 484 | 22 722 | -1 606 | 21 346 | 63 083 | 75 200 |
| Other operating expenses | 212 296 | 238 955 | 20 035 | 26 706 | - 7 414 | - 5 756 | 224 917 | 259 904 |
| **Operating profit/(loss)** | **- 379 854** | **- 396 432** | **22 307** | **29 826** | **- 22 461** | **- 32 845** | **- 380 008** | **- 399 451** |

| Revenue external by product / service | 2024 | 2023 |
|---|---|---|
| Solar panels and related products[1)] | 565 612 | 996 209 |
| Finance lease | 20 067 | 14 341 |
| Operating lease and service agreements[1) 2)] | 57 779 | 38 285 |
| Other operating income | 5 515 | 5 814 |
| Other income | 8 025 | 37 925 |
| **Total operating income** | **656 998** | **1 092 574** |
| 1) Of which are revenues from contracts with customers | 621 598 | 1 033 306 |
| 2) Of which are revenues from operating leases | 1 793 | 1 188 |

## Disaggregation of Total revenue and income

The reported Revenue & Finance lease revenue is stemming from contracts with customers for their purchase of solar panels and batteries, including service and interest income on the financial leases. The majority of the Revenue & Finance lease revenue is related to installations completed during the year and the consideration recognised at the inception of the lease. The reported Other operating income is primarily stemming from contracts with customer for their use of solar panels and batteries held by the Group, as reported in the subscription segment. The reported Other income is stemming from non-recurring gains relating to divestment and acquisition of subscription portfolios.

Total operating income from external customers is NOK 657 million, while it is NOK 174 million on intersegment sales. Intersegment sales is primarily sale of solar panels and related products from the Marketplace segment to the Subscription segment.

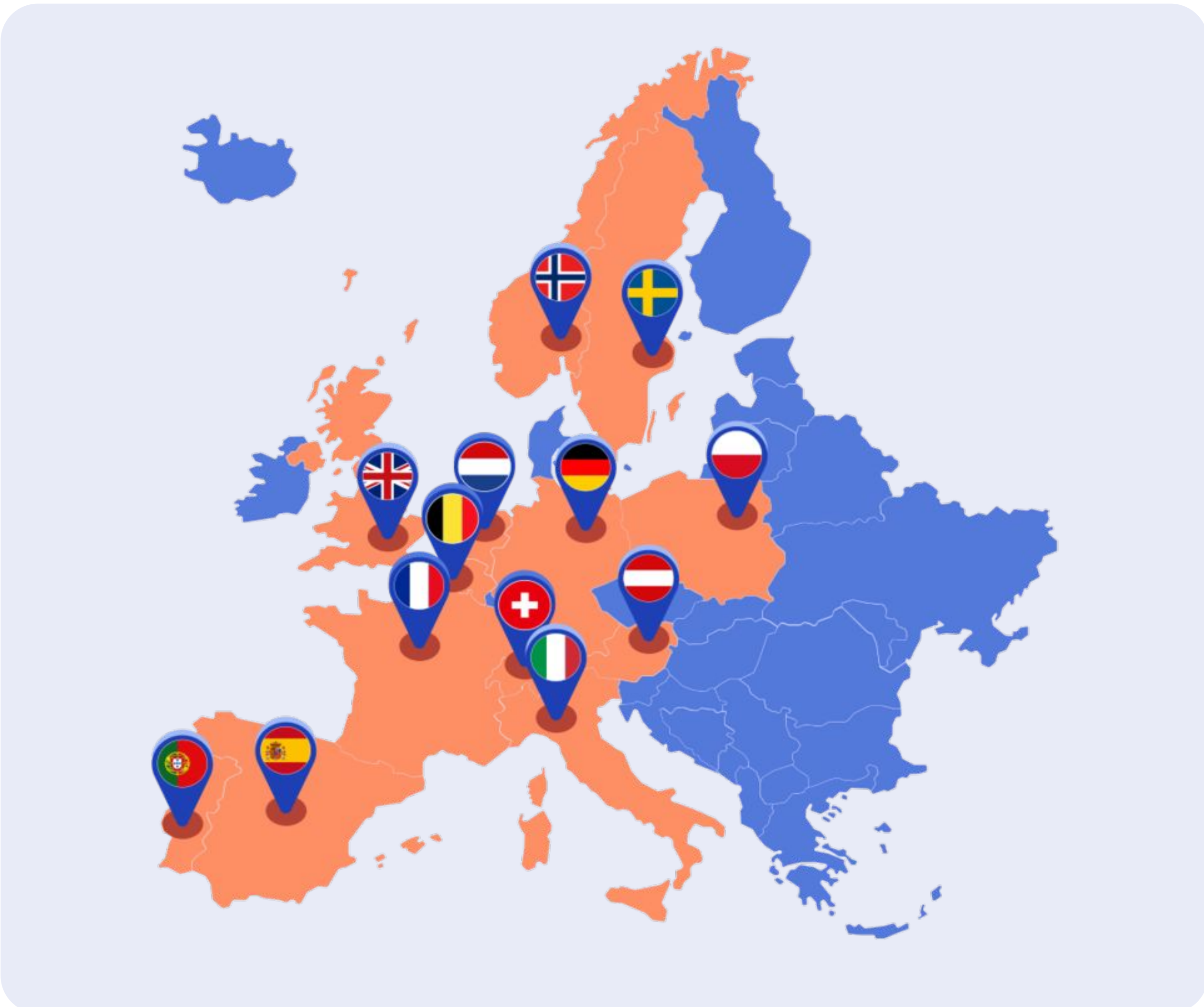
### Geographical distribution of external revenues based on customer location

| Geographical information | 2024 | 2023 |
|---|---|---|
| North[1] | 184 281 | 464 092 |
| DACH + Italy[2] | 336 667 | 415 475 |
| Benefrux[3] | 78 770 | 120 115 |
| Atlantic[4] | 57 280 | 92 891 |
| **Total revenue and other income** | **656 998** | **1 092 574** |

### Assets by geographical location of the Company

| Geographical information | 2024 | 2023 |
|---|---|---|
| North[1] | 171 940 | 157 454 |
| DACH + Italy[2] | 280 889 | 154 224 |
| Benefrux[3] | 201 867 | 167 962 |
| Atlantic[4] | 170 572 | 144 007 |
| **Total non-current assets** | **825 268** | **623 650** |

1) Norway, Sweden and Poland, of which Norway is 44 884 (2024) and 213 172 (2023)
2) Italy, Germany, Switzerland and Austria
3) France, the Netherlands and Belgium
4) Spain, Portugal and the UK



# Note 6. Employee benefits

Amounts in NOK thousand

| Specification of payroll and related cost | 2024 | 2023 |
|---|---|---|
| Salary/wages | 233 090 | 278 612 |
| Employee tax | 50 670 | 53 609 |
| Pension costs | 5 879 | 8 598 |
| Other personnel costs | 5 000 | 6 453 |
| **Total payroll expense** | **294 639** | **347 272** |
| **Full time equivalents** | **2024** | **2023** |
| Male | 125 | 218 |
| Female | 113 | 165 |
| Total | 238 | 383 |
| Percentage female employees | 47% | 43% |

**Remuneration to CEO, Executive Management and board members**

| 2024 | Salary | Bonus | Pension | Share-based | Other | Total |
|---|---|---|---|---|---|---|
| CEO | 3 002 | 750 | 121 | 660 | 11 | 4 544 |
| Other members of Executive Management | 11 737 | 2 746 | 616 | 668 | 3 213 | 18 998 |
| Board members | - | - | - | - | 1 583 | 1 583 |
| **Total remuneration** | **14 739** | **3 514** | **738** | **1 328** | **4 807** | **25 125** |

| 2023 | Salary | Bonus | Pension | Share-based | Other | Total |
|---|---|---|---|---|---|---|
| CEO | 2 581 | 263 | 125 | - | 8 | 2 977 |
| Other members of Executive Management | 11 680 | 2 013 | 657 | - | 2 442 | 16 792 |
| Board members | - | - | - | - | 1 270 | 1 270 |
| **Total remuneration** | **14 261** | **2 276** | **782** | **-** | **3 720** | **21 039** |

### Salary to CEO and other members of Group Management

The accumulated remuneration to the CEO and other members of Group Management consists of a fixed salary, standard pension- and insurance terms for employees and a variable salary. Additionally, the Group Management has received share-based payments. The main purpose of the system for management remuneration is to stimulate a strong and lasting profit oriented culture leading to an increasing value of the Company. Other members of Group Management consist of 8 persons, included in the table above with the remuneration for the period they were members of Group Management. The management team, excluding CEO, has on average consisted of 6 persons in 2024 and 2023.

One of the members of Group Management was an external consultant from September 2023 until he was employed in August 2024, his compensation for the period up until he was employed has been included in "Other". Additionally, "Other" includes severance payments to a former member of Group Management in 2024, and compensation for parental leave in 2023.

The CEO has 6 months notice period and is entitled to severance pay equal to six months salary in case of termination.

The Group Management are members of a collective pension and insurance scheme applicable to all employees in the country of employment.

For more information about remuneration to Group Management, refer to the Remuneration report.

### Loans to employees and board members

A former member of Group Management was granted a loan in a prior year. The loan was repaid during 2024. No guarantees have been given to members of the Management, the Board of Directors or other elected corporate bodies.

### Pension costs and obligations

The Group has a defined contribution plan for some of its employees. The Group's payments are recognized in the profit or loss as an employee benefit expenses for the year to which the contribution applies. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods, and therefore does not record a pension liability in the balance sheet.

The pension schemes of the Norwegian companies in the Group follow the requirements in the Act on Mandatory company pension.

### Shares, shares options, performance shares and retention shares held by CEO, other members of Group Management and Board of Directors, or by an entity controlled by these

| Name | Role | Shares | Share options | Perform. shares | Retention shares | Total 31.12.2023 |
|---|---|---|---|---|---|---|
| Andreas Thorsheim | CEO | 8 664 610 | 3 000 000 | - | - | 11 664 610 |
| Other members for Group Management | Management | 2 858 797 | 2 883 334 | - | 42.735 | 5 784 866 |
| Josefin Christina Landgård | Board member | 91 583 | - | - | - | 91 583 |
| Zoë Wyon | Board member | 14 326 | - | - | - | 14 326 |

**Shares, shares options, performance shares and retention shares held by entities which have representation in the Board of Directors**

| Name | Shares |
|---|---|
| Å Energi Invest AS | 87 732 581 |
| Axel Johnson AB | 68 686 696 |

**Share-based payments**

The Group has in place share option programmes where the employees have been granted options at the strike price in accordance with the market price at the time of issuance. The programs includes both existing and new employees who are awarded options based on an allocation into defined tiers proposed by Management and approved by the Board of Directors. The options vest with ⅓ each year the three years after the issuance. In December 2023 Otovo granted share options to management and key personnel and cancelled old option programs. The new grant is recognised at its grant-date fair value and the original grant is accounted for as a cancellation. The cancellation is accounted for as an acceleration of the vesting period and any amount unrecognised that would otherwise have been recognised was recognised immediately as an expense. The expense related to the cancellation was NOK 17.4 million. In December 2024 Otovo bught back options that vested on 1 January 2024, or will west on 1 January 2025. The buy back was at fair value of the instrument and has been accounted for as repurchase of equity interest. The repurchase amounts to NOK 2.3 million, including social security. The cancelled and repurchased options are included in "Options forfeited" in the below overview of outstanding options.

Furthermore, a share purchase programme was established by the Group in 2020 where the participants subscribe to new shares as an initial investment, and receive performance shares after two years if the share price has doubled and retention shares after three and four years respectively if they are still employed with the Group. The share purchase program is discontinued, but there are still outstanding retention shares.

| Expenses related to share-based payments included in total payroll expense | 2024 | 2023 |
|---|---|---|
| Share-based payments | 12 172 | 47 629 |
| Social security contribution | -178 | -1 309 |
| **Total expenses related to share-based payments** | **11 993** | **46 320** |

| Overview of outstanding options (after share split) | 2024 | 2023 |
|---|---|---|
| Outstanding options 1 January | 27 573 334 | 4 740 007 |
| Options granted | 160 000 | 32 396 000 |
| Options exercised | - | -23 340 |
| Options forfeited | -20 417 660 | -9 539 333 |
| **Outstanding options 31 December** | **7 315 674** | **27 573 334** |
| **Of which exercisable** | **-** | **-** |
| Average share price at grant date (NOK per share) | 3,45 | 3,55 |
| Weighted average remaining contractual life of outstanding options (years) | 1,51 | 2,5 |

| Overview of outstanding performance and retention shares | 2024 | 2023 |
|---|---|---|
| Outstanding shares 1 January | 1 073 930 | 1 417 762 |
| Shares granted | - | - |
| Shares released | -944 115 | - |
| Shares forfeited | -59 302 | -343,832 |
| **Outstanding shares 31 December** | **70 513** | **1,073,930** |
| Performance shares 31 December | - | - |
| Retention shares 31 December | 70 513 | 1,073,930 |
| **Total** | **70 513** | **1,073,930** |
| Weighted average remaining contractual life of performance shares | - | - |
| Weighted average remaining contractual life of retention shares | 1.33 | 1.5 |

# Note 7. Other operating expenses

## Amounts in NOK thousand

| | 2024 | 2023 |
|---|---|---|
| Other expenses related to buildings and short-term/low value rent of equipment | 8 703 | 14 427 |
| External personnel and consultancy fees [1] | 59 057 | 79 592 |
| Media spend, advertising and partnerships | 116 810 | 121 504 |
| System and software | 19 643 | 18 321 |
| Other operating expenses[2] | 20 704 | 26 060 |
| **Total other operating expenses** | **224 917** | **259 904** |

*1) Including audit fee, see specification below*

*2) Including fees for Board Insurance with AIG. This policy provides coverage of NOK 150 million for each individual instance of a claim, with an accumulated limit of NOK 150 million for the entire year.*

In FY 2024 , the Group has changed the presentation of costs associated with lead purchases and referrals to Media Spend, advertising, and partnerships. Previously, these costs were included in Other operating expenses. The 2023 numbers in this note have been adjusted accordingly.

**Specification of audit fees**
The table below summarises audit fees, fees for further assurance services and tax services incurred by the Group during 2024 and 2023 from BDO. Fees include all companies in the Group.

| | 2024 | 2023 |
|---|---|---|
| Audit fees | 2 061 | 2 717 |
| Fees for further assurance services | 123 | 178 |
| Fees for other services | 57 | 54 |
| Fees for tax services | - | - |
| **Total fees to auditors** | **2 241** | **2 949** |

The amounts in the tables for audit fees are the amounts expensed in 2024 and 2023. Amounts presented exclude VAT.

# Note 8. Net financial items

## Amounts in NOK thousand

Interest expenses relating to leasing agreements are included in the below and specified in note 11. The increase in interest income from 2023 to 2024 is related to cash balance from capital increases in 2024. The increase in interest expense is related to debt financing of new subscription assets, net of the effects from repayments in the end of 2023 related to the divestment of Swedish and Norwegian subscription assets. Refer to note 22 for more information. Interest expenses includes commitment fees and amortisation of arrangement fees relating to the debt facility for financing of subscription assets. Refer to note 15 for more information about the facility.

The increase in net currency gain is primarily attributable to internal loans denominated in EUR, resulting from the strengthening of EUR compared to NOK, partially netted by external financing in EUR.

Gains/(losses) on disposal of investment in associated company in 2023 is related to the sale of Otovo's stake in the Brazilian solar platform Holu. Holu was established as a joint venture with Gera in 2019 where Otovo owned 34%. The sale resulted in a gain of NOK 13.8 million and a positive cash effect of NOK 23.5 million.

| Specification of financial income | 2024 | 2023 |
|---|---|---|
| Interest income | 8 423 | 4 309 |
| Net exchange gain | 33 109 | 20 587 |
| Other financial income | 149 | 178 |
| **Total financial income** | **41 681** | **25 074** |

| Specification of financial expenses | 2024 | 2023 |
|---|---|---|
| Interest expenses | 35 115 | 28 846 |
| Net exchange gain | - | - |
| Other financial expenses | 770 | 387 |
| **Total financial expenses** | **35 885** | **29 234** |

# Note 9. Income tax

## Amounts in NOK thousand

| Income tax expense in the consolidated statement of income | 2024 | 2023 |
|---|---|---|
| Income tax payable | - | - |
| Changes in deferred tax / deferred tax asset | -57 | -5 047 |
| Tax assets not recognised in previous year | 355 | - |
| **Total income tax expense reported in the income statement** | **298** | **-5 047** |

| Reconciliation from nominal to effective tax rate | 2024 | 2023 |
|---|---|---|
| **Profit/(loss) before tax** | **-374 212** | **-389 820** |
| Estimated tax expense with nominal tax rate, 22% of profit/(loss) before tax | -82 327 | -85 760 |
| **Tax effect of the following items:** | | |
| 22% of net permanent differences | 2 871 | 2 492 |
| Other items | -15 483 | -6 304 |
| Deferred tax asset not recognised current year | 95 237 | 84 525 |
| **Total income tax expense reported in the income statement** | **298** | **-5 047** |
| Effective tax rate | 0.1% | 1.3% |

The nominal tax rate in Norway was 22 % in 2023 and 2024. Subsidiaries outside Norway are subject to local tax rates in their country of operation.

The tax expense is also dependent on whether or not to recognise a deferred tax asset from carry forward losses in the individual entity.

As of year-end 2024 none of the Group entities are in a position to recognize a deferred tax asset.

| Specifications of temporary differences on wich deferred tax is recognised | 2024 | 2023 |
|---|---|---|
| Intangible assets | -914 | -1 695 |
| Right of use assets | –1 298 | -3 067 |
| Trade receivables | 213 | 192 |
| Provisions | 3 818 | 7 540 |
| Deferred gains / losses | 209 | -253 |
| Lease liabilities | 1 282 | 3 313 |
| Loss carried forward | 312 176 | 214 163 |
| Not recognised deferred tax | –317 539 | -222 303 |
| **Total** | **-2 052** | **-2 109** |

| Changes in deferred tax | 2024 | 2023 |
|---|---|---|
| Opening balance at 1 January | -2 109 | -9 607 |
| Recognised in current year's profit | 57 | 5 047 |
| Deferred tax on disposals | - | 2 451 |
| **Balance at 31 December** | **-2 052** | **-2 109** |

The majority of tax losses carried forward relate to entities domiciled in countries where there are no time-limits related to when the tax losses may be utilized.

The deferred tax liability is related to the excess values from the acquisition of EDEA, that the Group has not been able to net against other temporary differences.

# Note 10. Property, plant and equipment

Amounts in NOK thousand

| | Equipment and machinery | Solar panels | Batteries | Total |
|---|---|---|---|---|
| **Accumulated cost** | | | | |
| **As of 1 January 2023** | **6 107** | **200 897** | **4 342** | **211 346** |
| Additions during the year | 2 281 | 339 609 | 27 559 | 369 449 |
| Additions through acquisition of subsidiaries | - | - | - | - |
| Disposals | - | -217 731 | -488 | -218 220 |
| Translation differences | 105 | 4 024 | 392 | 4 520 |
| **As of 31 December 2023** | **8 493** | **326 799** | **31 804** | **367 095** |
| Additions during the year | 360 | 112 559 | 14 237 | 127 157 |
| Additions through acquisition of subsidiaries | - | 56 558 | - | 56 558 |
| Disposals | -1 603 | -9 270 | -1 600 | - 12 473 |
| Translation differences | 432 | 23 603 | 1 908 | 25 943 |
| **As of 31 December 2024** | **7 682** | **510 249** | **46 349** | **564 280** |
| **Accumulated depreciation and impairment losses** | | | | |
| **As of 1 January 2023** | **-3 349** | **-7 406** | **-100** | **-10 855** |
| Depreciation | -1 780 | -18 402 | -1 613 | -21 795 |
| Impairment | - | -1 207 | - | -1 207 |
| Accumulated depreciation disposals | - | 10 430 | - 29 | 10 401 |
| Translation difference | 130 | 157 | 181 | 468 |
| **As of 31 December 2023** | **-4 999** | **-16 428** | **-1 561** | **-22 988** |
| Depreciation | -1 219 | -19 861 | -4 162 | -25 242 |
| Impairment | -900 | -1 820 | - | -2 720 |
| Disposals | 1 453 | 581 | 146 | 2 180 |
| Translation difference | -185 | -823 | -78 | -1 086 |
| **As of 31 December 2024** | **-5 850** | **-38 350** | **-5 655** | **-49 855** |
| **Carrying amount** | | | | |
| As of 31 December 2023 | 3 494 | 310 371 | 30 243 | 344 108 |
| As of 31 December 2024 | 1 832 | 471 899 | 40 694 | 514 425 |
| | | | | |
| Depreciation method | Straight line | Straight line | Straight line | |
| Useful life | 3-10 years | 20 years | 10 years | |

The significant amount on disposals in 2023 is related with the EDEA transaction, where Otovo sold Norwegian and Swedish subscription portfolios. Refer to note 24 for more information.

# Note 11. Leases

## Amounts in NOK thousand

The Group's lease agreements, where the Group is a lessee, mainly relates to the lease of office premises. Refer to note 8 for further details about expenses relating to short-term and low value leases.

| Overview of changes to right of use assets | 2024 | 2023 |
|---|---|---|
| **Opening balance 1 January** | **13 939** | **14 317** |
| Depreciation | -8 151 | -7 702 |
| Additions | 5 427 | 7 654 |
| Disposals | -5 316 | - |
| Other / exchanges differences | -1 | -330 |
| **Balance per 31 December** | **5 898** | **13 939** |

| Overview of changes to lease liabilities | 2024 | 2023 |
|---|---|---|
| **Opening balance 1 January** | **15 058** | **14 877** |
| Payments | -8 595 | -7 247 |
| Additions | 5 427 | 7 654 |
| Disposals | -6 064 | - |
| Other / exchanges differences | 1 | 227 |
| **Balance per 31 December** | **5 826** | **15 058** |
| Lease liabilities non-current | 3 449 | 6 696 |
| Lease liabilities current | 2 377 | 8 362 |
| **Total** | **5 826** | **15 058** |

#### Maturity analysis: contractual, undiscounted cash flows

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Current liabilities | | |
| Less than one year | 2 909 | 9 534 |
| Non-current liabilities | | |
| One to five years | 3 872 | 7 229 |
| More than five years | - | - |
| **Total** | **6 780** | **16 763** |

#### Amounts recognized in the consolidated statement of income

| | 2024 | 2023 |
|---|---|---|
| Depreciation | 8 151 | 7 702 |
| Interest expense | 612 | 823 |
| **Total** | **8 763** | **8 525** |

#### Amounts recognized in statement of cash flows

| | 2024 | 2023 |
|---|---|---|
| Interest payments | 612 | 823 |
| Payments of principal | 8 595 | 7 247 |
| **Total lease payments** | **9 207** | **8 070** |

# Note 12. Intangible assets and goodwill

Amounts in NOK thousand

| | Goodwill | Otovo Cloud | Other intangible assets | Exclusivity agreement | Customer contracts | Total |
|---|---|---|---|---|---|---|
| **Accumulated cost** | | | | | | |
| **As of 1 January 2023** | **158 181** | **92 181** | **3 967** | **59 675** | **21 440** | **335 442** |
| Additions during the year | - | 36 187 | 516 | - | - | 36 703 |
| Additions through acquisition of subsidiaries | - | - | - | - | - | - |
| Disposals | - | - | -7 | -59 675 | -11 577 | -71 259 |
| Translation difference | 6 430 | - | -57 | - | - | 6 373 |
| **As of 31 December 2023** | **164 611** | **128 368** | **4 418** | **-** | **9 863** | **307 260** |
| Additions during the year | - | 28 557 | - | - | - | 28 557 |
| Additions through acquisition of subsidiaries | - | - | - | - | 5 274 | 5 274 |
| Disposals | - | - | -77 | - | - | -77 |
| Translation difference | 4 944 | - | - | - | - | 4 944 |
| **As of 31 December 2024** | **169 555** | **156 925** | **4 342** | **-** | **15 137** | **345 958** |
| **Accumulated amortisation and impairment losses** | | | | | | |
| **As of 1 January 2023** | **-** | **-36 095** | **-921** | **-37 187** | **-257** | **-74 460** |
| Amortisation | - | -20 772 | -928 | -22 488 | -257 | -44 445 |
| Impairment | - | - | - | - | - | - |
| Accumulated depreciation disposals | - | - | 4 | 59 675 | 240 | 59 919 |
| Translation difference | - | - | -6 | - | - | -6 |
| **As of 31 December 2023** | **-** | **-56,867** | **-1,851** | **-** | **-275** | **-58,992** |
| Amortisation | - | -25 828 | -917 | - | -257 | -27 002 |
| Impairment | - | - | - | - | - | - |
| Accumulated depreciation disposals | - | - | 42 | - | - | 42 |
| Translation difference | - | - | - | - | - | - |
| **As of 31 December 2024** | **-** | **-82 695** | **-2 726** | **-** | **-532** | **-85 953** |
| **Carrying amount** | | | | | | |
| **As of 31 December 2023** | **164 611** | **71 501** | **2 567** | **-** | **9 588** | **248 267** |
| **As of 31 December 2024** | **169 555** | **74 230** | **1 616** | **-** | **14 605** | **260 006** |
| Depreciation method | - | Straight line | Straight line | Straight line | Straight line | |
| Useful life | Indefinite | 5 years | 5 years | 2 years | 20 years | |

**Otovo Cloud**

Otovo's business model is fundamentally digital and software-driven. Central to this architecture is Otovo Cloud, a proprietary platform developed in-house, which integrates seamlessly with complementary applications. These include software designed to collect and analyze production data from various solar hardware, as well as systems for streamlined financial management and reporting, as well as end-customer interactions.

Otovo Cloud is tailored to Otovo's marketplace business model and supports the Company's value chain from sales (compilation of map data, building data, solar radiation data and algorithmic bidding on solar cell projects) to planning (obtaining cost models from installers, choosing an installer and awarding projects), follow-up and invoicing of the project (monitoring progress, obtaining documentation of the work performed and generating sales orders that will be sent to the Group ERP as basis for invoicing). Post installation and invoicing, Otovo Cloud continues to create value for the customer through collecting, compiling and presenting production data from inverters.

Additional to maintaining the software, significant development work has been carried out to adapt the software and integrations to handle the variation in input and requirements that exist across the Company's current and potential new markets and products, as well as adding new functionality facilitating for efficient internal processes through standardization and automation. A significant part of the Group's future value creation is expected to come as a result of the functionality currently available and further development.

The software is scalable and is used across the markets in which the Group operates.

Development and maintenance of the Otovo Cloud is handled by the Product team in Otovo. Direct payroll expenses relating to the Product team are split into development and maintenance, with payroll expenses relating to development being capitalised as an intangible asset and amortised.

Key developments in 2024 largely focused on enhancing the Otovo Cloud platform's capabilities to better support the sales process. Notable improvements include functionalities enabling the introduction of a field-sales approach and standardization of the sales workflow across Otovo’s markets, resulting amongst others in higher conversion rates. Additionally, significant advancements were made to the core marketplace functionality, extending Otovo Cloud's capacity beyond traditional solar panel products to accommodate new SKUs such as batteries, EV chargers, heat pumps, and home energy management systems. These enhancements substantially improved the platform's user interface (UI) and user experience (UX) for customers.

The useful life of the asset and related amortisation expenses are based on management’s estimates and the chosen amortisation method. Estimates may change due to technological developments and other factors and may result in changes in the estimated useful life and in the amortisation or depreciation charges. Technological developments are difficult to predict and the Group’s views on the trends and pace of development may change over time. The useful lives are reviewed at least annually taking into consideration the factors mentioned above and all other important relevant factors.

**Goodwill**

The goodwill stems from acquisition of subsidiary ISWT (now Otovo France) in 2019 and EDEA (subscription business) in 2021. The goodwill from both the ISWT purchase and the EDEA acquisition have been tested for impairment. Please refer to the below for further details.

The goodwill is split as follows

| Company name | Allocated goodwill | |
|---|---|---|
| | 2024 | 2023 |
| ISWT | 103 685 | 98 741 |
| EDEA | 65 870 | 65 870 |
| **Total** | **169 555** | **164 611** |

### Impairment testing

*ISWT*

The Group conducts an annual impairment test to assess whether goodwill has suffered any impairment. The subsidiary ISWT is treated as a separate cash-generating unit (CGU), while goodwill from the EDEA acquisition is tested at the EDEA Group CGU level. The impairment assessment is performed at the CGU level, and the calculated present values of free cash flows from existing assets exceed their respective carrying amounts. As a result, no impairment of goodwill has been identified.

The calculation is based on pre-tax cash flow projections derived from the financial budget approved by the Board of Directors and expected market developments. The growth rate in the explicit forecast is reduced from last year to reflect observed market development over the last year. Beyond the 5-years period, we have applied a steady growth rate of 3% to calculate the terminal value using the Gordon Growth Model. The change from the 2% used in 2023 to 3% used in 2024 is based on an analysis of the implied growth rate derived from the valuation of marketplace businesses with similar characteristics to Otovo. The 3% growth rate reflects a balanced approach, considering both strong near-term growth projections and IAS 36.33(c) guidance, which calls for a steady or declining rate beyond that period. This conservative estimate ensures long-term sustainability while accounting for potential market fluctuations and competitive dynamics, as outlined in IAS 36.37. The change in average gross margin is based on the achieved gross margin in the transaction with Swiss Life Asset Managers that was announced in October 2024. The reduction in discount rate is reflecting the reduction in long term interest rates seen in 2024.

| | ISWT | |
|---|---|---|
| | **2024** | **2023** |
| Long term growth rate (%) | 3% | 2% |
| Long term gross margin (%) | 31% | 25% |
| Average annual growth rate used in cash flow projections (%) | 9% | 35% |
| Discount rate pre tax (%) | 13% | 14.1% |

The Group assessed the impact of changes in key variables within the valuation model on impairment.  Given the increased focus on subscriptions in 2024, Management conducted a sensitivity analysis for ISWT on compounded growth combined with gross margin across various scenarios, recognizing that subscription revenue and margins are higher than those of direct sales:

- A 1 percentage point change in the gross margin impacts the net present value of future cash flows by approximately ±10%. Should gross margins be reduced with more than 4 percentage points the carrying value would exceed the value of future cash flows
- A 1 percentage point reduction of  while a similar change in the growth rate affects it by around ±4%.  Should growth rates be reduced with more than 5 p.p. the carrying value would exceed the value of future cash flows.

Additionally, a 1 percentage point change in the discount rate results in a ±12% shift in net present value, with headroom remaining positive in all scenarios.

*EDEA*

For EDEA, projections are based on expected pre-tax cash flows over the contract lifetime for subscription contracts active at the end of the reporting period. It is assumed that 90% of customers will extend their contracts for an additional five years at 50% of the original contractual amount. Extensions occur when customers choose to continue subscribing beyond the initial term, generating additional cash flow. Subscription fees are adjusted annually for inflation. The assumptions and enterprise value are supported by recent agreements with Swiss Life Asset Managers for the sale of Scandinavian and Continental subscription assets (refer to note 22 and 24 for further information), which reduce uncertainty.

| | EDEA | |
|---|---|---|
| | **2024** | **2023** |
| Long term growth rate (%) | 0% | 0% |
| Average annual growth rate used in cash flow projections (%) | 2% | 2% |
| IRR (%) | 12% | 11.4% |
| Discount rate pre tax (%) | 7.8% | 8.1% |

The goodwill from the EDEA acquisition retains significant headroom. To simplify, a long-term growth rate of 0% is assumed, reflecting no further deployments beyond 2024. The discount rate is based on the continental portfolio sale transaction announced in February 2025. Refer to note 24 for further information. A 1 percentage point change in the discount rate would impact the net present value of future cash flows by approximately ±8%.

# Note 13. Trade receivables

Amounts in NOK thousand

| | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Trade receivables | 52 197 | 49 017 |
| Provision for bad debt | -6 719 | -2 821 |
| **Total trade receivables** | **45 478** | **46 196** |

| Trade receivables at 31 December - ageing | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Not due | 10 259 | 14 762 |
| 1–30 days past due | 9 935 | 16 117 |
| 31–60 days past due | 3 456 | 1 422 |
| 61–90 days past due | 3 102 | 5 998 |
| More than 90 days past due | 25 445 | 10 718 |
| **Total trade receivables** | **52 197** | **49 017** |

For the trade receivables that are not impaired or past due, there are no indicators at the date of the reporting that the debtors will not be able to meet their payment obligations. Expected losses for trade receivables past due are estimated based on payment history, the cause of the default, the collection methods available in the applicable markets and other relevant information.

The increase in bad debt provision during the year is driven by:

- Increase in provision for recharges to installers that it has been challenging to collect
- Increase in provision for buy outs and terminations in the subscription segment

Refer to note 18 for further information about the Group's assessment of credit risk.

| Trade receivables denominated in currency | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| NOK | 5 524 | 4 055 |
| SEK | 6 183 | 7 556 |
| EUR | 31 245 | 25 231 |
| PLN | 3 610 | 2 456 |
| CHF | 5 045 | 8 960 |
| GBP | 590 | 758 |
| **Total trade receivables** | **52 197** | **49 017** |

# Note 14. Other receivables and prepayments

## Amounts in NOK thousand

| Current receivables | | |
|---|---|---|
| | **31 Dec 2024** | **31 Dec 2023** |
| Subsidy related receivables | 9 627 | 14 349 |
| VAT receivables | 19 537 | 33 528 |
| Prepaid expenses | 6 172 | 17 524 |
| Earned not invoiced revenue | 10 333 | 16 349 |
| Other receivables | 12 282 | 21 569 |
| **Total other receivables and prepayments** | **57 951** | **103 319** |

Subsidy related receivables are related to subsidy programs in Sweden and Italy where parts of the consideration from the customer was settled non-cash in the form of tax credit receivables.

The reduction in prepaid expenses is primarily explained by arrangement fees incurred in NOK at the establishment of the Group's loan facility. Arrangement fees, net of amortisation, were included in Total other receivables and prepayments at 31 December 2023, but are netted in Interest-bearing liabilities at 31.12.24, refer to note 16.

# Note 15. Interest-bearing liabilities

## Amounts in NOK thousand

At the end of the year the Group has 3 loans from Banque Publique d'Investissement (BPI) and a debt facility from DNB Bank ASA and Sparebank 1 SR-bank ASA. The facility, obtained in January 2023, is a EUR 50 million revolving credit facility to finance the subscription assets. The facility is priced based on a floating interest rate, with EURIBOR, NIBOR, STIBOR, or other relevant IBOR as the reference rate based on the the loan currency, and a margin of 325 bps. Total outstanding amount at 31 December 2024 was NOK 458 million. Arrangement fees incurred in NOK at the establishment of the facility are netted with the loan drawdown and amortised over the loan period.

In addition to this the Group has lease liabilities relating to office premises. Refer to note 11 for further details about the lease liabilities.

| At 31 Dec 2024 | Currency | Interest rate | Maturity | Outstanding nominal value | |
|---|---|---|---|---|---|
| | | | | (Currency) | (NOK) |
| BPI 1 | EUR | 5.27% | April 2025 | 10 | 118 |
| BPI 2 | EUR | 1.25% | September 2025 | 32 | 377 |
| BPI 3 | EUR | 2.81% | March 2027 | 275 | 3 242 |
| DNB Bank ASA and Sparebank 1 SR-bank ASA | EUR | EURIBOR + 3.25% | January 2027 | 39 784 | 468 995 |
| **Total** | | | | | **472 732** |

| | Non-current | | Current | |
|---|---|---|---|---|
| **Interest-bearing liabilities** | **31 Dec 2024** | **31 Dec 2023** | **31 Dec 2024** | **31 Dec 2023** |
| Borrowings from credit institutions | 470 763 | 235 431 | 1 969 | 2 077 |
| **Total interest-bearing liabilities** | **470 763** | **235 431** | **1 969** | **2 077** |

| Interest-bearing liabilities by currency | 31 December 2024 Currency amount | NOK amount | 31 December 2023 Currency amount | NOK amount |
|---|---|---|---|---|
| EUR | 40 101 | 472 732 | 21 153 | 237 508 |
| **Total interest-bearing liabilities** | **40 101** | **472 732** | **21 153** | **237 508** |

| Interest-bearing liabilities - maturity 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | Total |
|---|---|---|---|---|---|---|---|
| Borrowings from credit institutions | 1 969 | 1 474 | 469 289 | - | - | - | 472 732 |
| **Total interest-bearing liabilities excl. prepaid borrowing expenses** | **1 969** | **1 474** | **469 289** | **-** | **-** | **-** | **472 732** |
| Interest to be paid on interest-bearing liabilities | 27 976 | 27 976 | 1 865 | - | - | - | 57 816 |
| **Total interest payments** | **27 976** | **27 976** | **1 865** | **-** | **-** | **-** | **57 816** |
| **Total future payments on interest-bearing liabilities** | **29 945** | **29 450** | **471 154** | **-** | **-** | **-** | **530 548** |

| Interest-bearing liabilities - maturity 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | Total |
|---|---|---|---|---|---|---|---|
| Borrowings from credit institutions | 2 077 | 233 748 | 1 123 | 561 | - | - | 237 509 |
| **Total interest-bearing liabilities excl. prepaid borrowing expenses** | **2 077** | **233 748** | **1 123** | **561** | **-** | **-** | **237 509** |
| Interest to be paid on interest-bearing liabilities | 17 292 | 1 481 | 16 | - | - | - | 18 789 |
| **Total interest payments** | **17 292** | **1 481** | **16** | **-** | **-** | **-** | **18 789** |
| **Total future payments on interest-bearing liabilities** | **19 369** | **235 229** | **1 139** | **561** | **-** | **-** | **256 298** |

**Financial Covenants**
The debt facility held with DNB Bank ASA and Sparebank1 SR-Bank ASA contains financial covenants. The Group conducts a quarterly assessment of its compliance with financial covenants associated with outstanding debt. These covenants require the maintenance of a loan-to-value ratio not exceeding 80%, an interest coverage ratio of at least 1.4, and an equity ratio of no less than 30%. The covenants are measured at EDEA Midco subgroup. As of 31 December 2024, the Group is in full compliance with all applicable financial covenants.

**Change of Control**
In addition to the financial covenants, the debt facility agreement with DNB Bank ASA and Sparebank1 SR-Bank ASA contains a change of control clause. The clause will be triggered if 1) there is a change of control in Otovo ASA, or 2) Otovo ceases to own and control directly all of the shares ad voting right in EDEA Midco, or 3) EDEA Midco ceases to own and control directly all of the share and voting rights in each of its subsidiaries. Following the successful sale of Scandinavian subscription assets in late 2023 the Group's started the process to sell its continental subscription assets during 2024. In February 2025 Otovo signed an agreement with Swiss Life Asset Managers to sell these assets. Parts of the consideration will be used to repay debt. Refer to note 24 for further details about the transaction.

**Security and Guarantees**
The debt facility held with DNB Bank ASA and Sparebank1 SR-Bank ASA is secured by all outstanding shares in EDEA Midco and it subsidiaries, intra-group loans and credit, trade receivables, inventory and operating assets, all bank accounts, and guarantees provided by the Guarantors.

# Note 16. Cash and cash equivalents

## Amounts in NOK thousand

| | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| **Total cash and cash equivalents in the statement of financial position and in the statement of cash flow** | **183 109** | **582 707** |
| Restricted deposits related to employee tax deduction | 3 095 | 4 674 |
| Restricted deposits related to escrow | 0 | 7 566 |
| **Total cash and cash equivalents net of restricted deposits** | **180 014** | **570 468** |

**Cash flow from interest-bearing liabilities**
Cash flow from financing activities consists of proceeds and repayments of borrowings.

In 2024 the proceeds relate to a debt facility with DNB Bank ASA and Sparebank 1 SR-bank ASA. The facility, obtained in January 2023, is a EUR 50 million revolving credit facility to finance the subscription assets. The repayments of borrowings relate to loans from Banque Publique d'Investissement (BPI).

| Reconciliation of Interest-bearing liabilities | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Interest-bearing liabilities | Lease liabilities | Total | Interest-bearing liabilities | Lease liabilities | Total |
| Balance as of 1 January | 237 473 | 15 511 | 252 984 | 135 136 | 14 877 | 150 013 |
| *Cash flow from Financing activities* | | | | | | |
| Proceeds from borrowings | 222 581 | - | 222 581 | 423 293 | - | 423 293 |
| Repayments of borrowings | -1 758 | - | -1 758 | -345 660 | - | -345 660 |
| Payments of lease liabilities | - | -8 595 | -8 595 | - | - 7 247 | -7 247 |
| **Net cash flow from financing activities** | **220 823** | **-8 595** | **212 228** | **77 633** | **-7 247** | **70 386** |
| FX Rate effects | 14 461 | 1 | 14 462 | 11 696 | 227 | 11 469 |
| New lease contracts | - | 5 427 | 5 427 | - | 7 654 | 7 654 |
| Disposal of Lease Liability | | -6 064 | - 6 064 | | | |
| Arrangement fees | -10 577 | - | -10 577 | 13 008 | - | 13 008 |
| **Other changes** | **3 884** | **-637** | **3 248** | **24 704** | **7 881** | **32 131** |
| **Balance as of 31 December** | **462 180** | **6 280** | **468 460** | **237 473** | **15 511** | **252 531** |
| Non-current liabilities | 470,763 | 3,449 | 474,212 | 235 431 | 6 696 | 242 127 |
| Current liabilities | 1,969 | 2,377 | 4,346 | 2 077 | 8 362 | 10 439 |

# Note 17. Other liabilities

## Amounts in NOK thousand

| Other current liabilities | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Accrued wages and holiday pay | 39 137 | 47 534 |
| Indirect taxes payable | 18 217 | 13 735 |
| Accrued interest costs | 1 634 | 4 052 |
| Other accruals | 21 540 | 75 010 |
| Prepayments from customers | 16 599 | 19 036 |
| Current portion of non-current debt | 1 969 | 2 077 |
| **Total other current liabilities** | **99 096** | **161 444** |

**Warranties**

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. For the direct sales of solar panel installations and batteries the warranty period is up to 10 years, varying from market to market. The Group has back to back warranties with hardware producers and installation partners, but is ultimately responsible for solving the problem in the event that hardware producers fail to replace the defect hardware, or installation partners fail to resolve issues related to the quality of the work performed on the installation. The Group is also responsible for covering the installation work related to replacing defect hardware. Refer to note 1 for further information about warranties.

As the replacement cost is not expected to be significant and it is difficult to prepare a reliable estimate, including the percentage of defect hardware or installations with quality issues, the timing of the issue and the Group's share of the expense, no accruals have been made. The Group's share of repair and replacement costs will be expensed as they occur.

Since the start of Otovo's operations the expenses relating to malfunctions one year or more after the installation date have been immaterial and according to information received by hardware producers and distributors is that they receive warranty claims on less than 1% of all panels sold.

# Note 18. Risk management

Amounts in NOK thousand

**Capital Management**

The Group's capital management policy is to have a capital structure which meets the demands of operations, reduces cost of capital and complies with financial covenants and future investments planned by the Group. The Group will adjust debt and equity to maintain and secure an optimal capital structure by continuously monitoring the total equity level and the equity ratio of the Group. During 2024 the share price of Otovo has fallen significantly, while the Group has not raised additional equity beyond the Offering completed in January 2024, the recent share price performance suggests that securing new equity could be more difficult in the current market environment. To address this, management has maintained close communication with key investors and continued broader investor relations efforts.

The Group's activities are exposed to financial risks: credit risk, liquidity risk, currency risk and interest risk.

**Financial Risk**

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

In order to adapt to the current market environment, Otovo has simplified and reduced its organization significantly, and has refocused its marketing, partnership, and launched new sales methods. Further to this the Group's financial position is expected to significantly strengthen upon closing of the portfolio transaction that was signed on 21 February 2025. Refer to note 24 for more information.

Overall the Group considers the financial risks to be acceptable.

**Credit risk**

Credit risk is the loss that the Group would suffer if a counterparty fails to perform its financial obligations.

The Group's credit risks largely arise from trade receivables, finance lease receivables and cash and cash equivalents. The counterparts for the Group's cash deposits are large banks which are considered to be solid. The Group assesses that there are no material credit risks associated with these deposits.

Credit risk related to trade receivables and finance lease receivables is assessed to be limited due to the high number of customers in the Group's customer base and is further mitigated through the use of credit rating agencies ahead of sales, use of prepayments for customers or markets with higher risk, continuous monitoring of overdue invoices, all combined with the Group holding the right to reclaim the assets in case of payment default.

An important element of the credit risk profile for the Group is that the subset of customers addressed are, as homeowners, already amongst the individuals with the most robust economy and credit ratings. According to Intrum, one of Europe's largest debt collection agencies, the default probability on a utility bill is 6 times lower for a customer owning a house than for customers who are not a homeowner. In addition, the single point exposure will be low, as the Group will have thousands of single counterparties across Europe.

Finally, the solar system contract will be cost saving for customers in most markets, resulting in the outcome for the end customer if choosing not to pay the subscription contract being worse than paying. The incentive to pay is further strengthened by the severe repercussion non-payment can have on a customer's credit score and resulting access to credit. Both incentives are stronger in countries where Otovo observes a higher loss given default (such as Spain) and as such contributes to reduce the overall credit risk.

| | 2024 | 2023 |
|---|---|---|
| Loss on trade receivables | 701 | 166 |
| **Loss on trade receivables in % of Revenues** | **0.12%** | **0.02%** |

### Trade receivables

At 31 December the exposure to credit risk were separated into the following segments;

| | 2024 | 2023 |
|---|---|---|
| Marketplace | 40 503 | 45 117 |
| Subscription | 11 694 | 3 900 |

| Trade receivables at 31 December - ageing | 2024 | 2023 |
|---|---|---|
| Not due | 10 259 | 14 762 |
| 1–30 days past due | 9 935 | 16 117 |
| 31–60 days past due | 3 456 | 1 422 |
| 61–90 days past due | 3 102 | 5 998 |
| More than 90 days past due | 25 445 | 10 718 |
| **Total trade receivables** | **52 197** | **49 017** |
| | | |
| **Bad debt provision** | **-6 719** | **-2 821** |

The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

Historical losses in the Group have been very low, as a result of the measures implemented in order to reduce the credit risk. As an example prepayments are required for the whole or parts of the contract amount in some markets. This is reflecting the risk of default in those markets, and the local debt collection process and tools available in case of default.

For Marketplace segment the customers are grouped into categories, market by market, and the expected credit loss is estimated category by category. The expected loss reflects the Group’s ability to collect once receivables are overdue. The residual value of the solar panels installations and batteries sold is included in the expected loss assessment, when relevant. For Subscription segment the same method is applied, however additional to estimating the expected credit loss for the trade receivables, the fixed assets (solar panel systems mounted on the subscription customers roof) related to customers with increased risk of payment default is assessed for impairment, as the fixed assets would ultimately be reclaimed and sold in the second hand market.

The expected loss is based on experience from debt collection processes and estimated residual value for the products that can be reclaimed, both in current and previous years. The Group is however in an early stage of its commercial journey, hence the Group has limited historical data. As a consequence of this the loss rates are frequently reviewed and updated to reflect the actual risk in each of the Group's markets.

### Liquidity risk

Liquidity risk is the risk that the Group will have difficulties in paying its financial liabilities. The Group's business is exposed to liquidity risk over time.

The combination of lower energy prices, high inflation, and rising interest rates has resulted in decreased demand for solar and battery products in key markets for Otovo, leading to lower sales and increasing liquidity risk for the Group. As part of its efforts to improve operational efficiency and financial resilience, Otovo focused its market presence to 10 countries during 2024, pausing three markets by limiting investments in marketing and personnel. At the same time, the Group underwent a reorganization to a functional structure, with increased centralization in a few key locations, and executed a cost reduction program in order to strengthen the cash position and align operation levels with expected installations in the near future .

The subscription business consists mainly of purchasing and installing solar systems and batteries at private individuals' houses, and entering into long term leasing contracts with these customers (20 years for PV and 10 years for batteries). The Group has a EUR 50 million revolving credit facility to finance the subscription assets. Following the successful sale of Scandinavian subscription assets in late 2023 the Group's started the process to sell its continental subscription assets during 2024. In February 2025 Otovo signed an agreement with Swiss Life Asset Managers to sell these assets. As both the continental and Scandinavian agreements include a continuous sale structure, Otovo ensures that subscription sales are converted into cash as installations are completed going forward. Refer to note 24 for further details about the transaction. The Group's financial position is expected to strengthen after closing of the transaction.

Considering the expected effects the above measures will have on the Group's cash position, the liquidity risk is considered to be acceptable.

### Maturity profile of the Group's liabilities (in nominal values)

| | Total as of 31.12.24 | < 1 year | 2 years | 3 years | 4 years | 5 years | >5 years |
|---|---|---|---|---|---|---|---|
| **Non-derivative financial obligations** | | | | | | | |
| Leasing | 6 780 | 2 909 | 2 070 | 1 802 | - | - | - |
| Borrowings from credit institutions | 472 732 | 1 969 | 1 474 | 469 289 | - | - | - |
| Trade payables | 47 419 | 47 419 | - | - | - | - | - |
| Public duties payable | 18 217 | 18 217 | - | - | - | - | - |
| Other current liabilities | 78 910 | 78 910 | - | - | - | - | - |
| **Total** | **624 058** | **149 424** | **3 544** | **471 091** | **-** | **-** | **-** |

| | Total as of 31.12.23 | < 1 year | 2 years | 3 years | 4 years | 5 years | >5 years |
|---|---|---|---|---|---|---|---|
| **Non-derivative financial obligations** | | | | | | | |
| Leasing | 16 763 | 9 534 | 7 229 | - | - | - | - |
| Borrowings from credit institutions | 237 509 | 2 077 | 233 748 | 1 123 | 561 | - | - |
| Trade payables | 69 343 | 69 343 | - | - | - | - | - |
| Public duties payable | 13 735 | 13 735 | - | - | - | - | - |
| Other current liabilities | 145 632 | 145 632 | - | - | - | - | - |
| **Total** | **482 983** | **240 321** | **240 977** | **1 123** | **561** | **-** | **-** |

Interest expenses are excluded from the above maturity tables. Estimated interest expenses for future years, calculated based on the interest rate and outstanding loan balance at the balance sheet date, can be found in note 15.

### Currency risk

The Group is exposed to currency risk related to investments in foreign entities and proceeds from these investments that vary with changes in the foreign exchange rate. The net income of the Group is also affected by currency fluctuations, as the profit and losses from foreign operations are translated into NOK using the average exchange rates for the period.

To the extent possible, the Group intends to finance its operations through debt financing in the respective countries' currency. The Group's current policy is not to hedge its currency risk through FX futures or other derivatives.

The currency risk for each of the Group's subsidiaries is limited as each entity has its revenues and costs in its local currency. Wholesale prices of materials may to a certain extent vary with variations in foreign exchange rates, that will influence prices to customers which again could affect the attractiveness of the product.

### Sensitivity

Loan financing of subsidiaries are in the subsidiaries' local currency, primarily EUR. A strengthening of EUR compared to NOK, would have a positive effect on the Group's profit and loss before tax, while a weakening of EUR would have a negative effect on the Group's profit and loss. The currency effects are primarily explained by internal loans in EUR and other foreign currencies being higher than external financing in EUR and other foreign currencies in the NOK entities providing the internal loans.

If the following currencies had strengthened/weakened against the functional currency, it would have had the below effect on the Group's profit and loss.

| Profit and loss | | | |
|---|---|---|---|
| | **Change in** | **2024** | **2023** |
| EUR | +/- 10% | 57 236 | 58 134 |
| SEK | +/- 10% | 2 133 | 3 706 |
| PLN | +/- 10% | 518 | 750 |
| GBP | +/- 10% | 3 675 | 1 453 |
| CHF | +/- 10% | 5 778 | 2 347 |
| USD | +/- 10% | 2 | 3 |
| **Total** | | **69 342** | **66 393** |

### Interest rate risk

EDEA, the subscription business, is financing its activities partly through a debt facility from DNB Bank ASA and Sparebank 1 SR-bank ASA, obtained in 2023. Thus the Group is exposed to market risk related to fluctuations in interest rates and currencies in the countries where the Group has operations. The interest rates in the Group's financing agreements vary with the respective IBOR-rate. All customer contracts have a fixed, implicit interest rate that is set at the start of the contract period and not changed for the duration of the contract period (20 years for solar panel installations, 10 years for batteries).

Consequently, the Group is exposed to the risk that its financing costs may increase, while its recurring revenues to a larger extent is based on fixed price contracts. This risk is mitigated in two ways. The monthly payments from the customers are subject to an annual CPI adjustment, which is expected to compensate for increasing financing costs to a large extent. In addition, the implicit interest rates in new customer contracts may be increased if the financing costs increase, giving higher recurring revenue in the future.

Overall the risk related to interest rates has decreased slightly from 2023 to 2024, with the decreasing interest rates. In combination with the decreasing interest rates and mitigating factors of inflation and yield adjustment on new contracts (as described above), the Group has decided to maintain its' policy not to enter into interest rate swaps to hedge interest rate risk.

See note 15 for further information about the debt facility.

### Interest Rate Sensitivity

If the following interest rates had strengthened or weakened, the change would have had the below effect on the Group's Loss:

| Profit and loss | | | |
|---|---|---|---|
| | Change in Interest Rate | 2024 | 2023 |
| EURIBOR + 3.25% ('24)/3.5% ('23) | +/- 1% | 4 690 | 2 358 |

## Note 19. Share capital and shareholder information

Ordinary shares have a nominal value of NOK 0.01 each and all provide the same rights in the Company.

The Company completed two capital increases during 2024 and issued 782,804 shares. In total, NOK 0.35 million, net of transaction costs, was raised through the capital increases.

At the end of the year, the Company owned 464,865 own shares, corresponding to 0.17% of the share capital. The average cost price for the shares was NOK 1.17. The shares were purchased in order to fulfill the Company's obligations to deliver shares under the Company's share purchase programme. 42.735 shares were delivered under the employee share purchase program during 2024.

In addition to the own shares, the Company also held 287,207 shares in custody on behalf of employees as of 31.12.24.

| Share capital | Number of shares | Share price | Carrying amount |
|---|---|---|---|
| Ordinary shares | 280 007 384 | 0.9 | 252 006 646 |

| The shareholders of Otovo ASA | Number of shares | % Total |
|---|---|---|
| Å Energi Invest AS | 87 732 581 | 31.33% |
| Axel Johnson AB | 68 686 696 | 24.53% |
| Nysnø Klimainvesteringer AS | 19 306 931 | 6.90% |
| Codee Holding AS | 11 000 000 | 3.93% |
| Andmar Operations AS | 8 664 610 | 3.09% |
| Obos Bbl | 7 261 870 | 2.59% |
| N.A. Citibank | 7 000 000 | 2.50% |
| Akershus Energi Sol AS | 6 312 420 | 2.25% |
| Verdipapirfondet Dnb Grønt Norden | 5 874 863 | 2.10% |
| Citibank Europe Plc | 3 600 000 | 1.29% |
| Simvest AS | 2 528 127 | 0.90% |
| Beacon Group AS | 1 807 730 | 0.65% |
| Bank Pictet & Cie (europe) AG | 1 733 876 | 0.62% |
| Telinet Invest AS | 1 402 678 | 0.50% |
| Roar Henden | 1 288 660 | 0.46% |
| Verdipapirfondet Dnb Miljøinvest | 1 259 570 | 0.45% |
| Erøy AS | 1 217 916 | 0.43% |
| Nordnet Livsforsikring AS | 1 005 367 | 0.36% |
| Emjo AS | 839 000 | 0.30% |
| Gekko AS | 732 330 | 0.26% |
| *Remaining shareholders (less than 1%)* | *40 752 159* | *14.55%* |

*Showing holdings as of 31 December 2024*
*Updated list of shareholders can be found at investor.otovo.com/stock-info*

# Note 20. Contracted future subscription payments

## Amounts in NOK thousand

Subscription customers enters into a 20 year contract for PV systems, and 10 year contract for batteries, paying a monthly price that is adjusted for inflation annually. The existing subscription customers are contracted to pay the subscription SPV NOK 1.4b over the next 20 years, assuming 2% annual inflation for the remainder of the contract period, without accounting for churn. The customer has the right to purchase the solar panel installation during the contract period at residual value, which is considered to be above market value, or at the end of the contract period at market value. Dismantling expenses at the end of the contract period are to be covered by the customer.

Subscriptions customers have 20 year guarantees for PV systems, 10 years for batteries, the guarantee is related to the performance of assets held and maintained by the Group. The Group's share of repair and replacement costs will be expensed as they occur, if not covered by warranties from hardware producers or installation partners.

The calculated Contracted Customer Payments are impacted by changes in foreign exchange rates during the year.

| EDEA Contracted customer payments | NPV | 2025 | 2026 -2028 | 2029 -2031 | 2032 -2044 | Total |
|---|---|---|---|---|---|---|
| Non-discounted contracted customer payments* | | 71 178 | 222 131 | 235 728 | 896 496 | **1 425 533** |
| NPV at 5% discount rate | **930 451** | | | | | |

*) Assuming 2% Annual inflation

# Note 21. Earnings per share

## Amounts in NOK thousand

Basic earnings per share amounts are calculated by dividing the profit after tax for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit after tax for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive ordinary shares into ordinary shares.

The following reflects the profit and share data used in the basic and diluted earnings per share computations.

| | 2024 | 2023 |
|---|---|---|
| **Profit/(loss) after tax attributable to parent company shareholders** | **-374 510** | **-384 773** |
| Number of shares outstanding at 1 January | 279 224 580 | 136 214 346 |
| New shares issued during the year | 782 804 | 143 010 234 |
| **Number of shares outstanding at 31 December** | **280 007 384** | **279 224 580** |
| **Weighted average number of shares during the year** | **279 837 686** | **158 611 409** |
| Earnings per share (in NOK) | | |
| Basic | -1.34 | -2.43 |
| Diluted | -1.34 | -2.43 |

Effect of dilution is 0 in both years as the Group is reporting a loss after tax. Retention shares and share options granted could potentially dilute basic earnings per share in the future. Refer to note 6 for further details about these shares and options

# Note 22. Acquisition and disposal of subsidiaries

**Acquisition of Subsidiary**

On 2 December 2024 it was announced that Otovo ASA on 29 November 2024 bought a portfolio of subscription customers in Austria for EURm 4.3 (the "Transaction"), the SPV HalloSONNE GmbH, from a reputable electricity provider, through a wholly owned subsidiary. The Company has changed name to EDEA Two GmbH after the acquisition.

The Transaction is structured as a purchase of 100% of the shares in an Austrian special purpose vehicle that has entered into leasing agreements with customers that are similar to those in EDEA's current portfolio. The purchase of a subscription portfolio in Austria, is consisting of 429 subscription customer contracts, and the related assets.

Net consideration for the shares was EUR 4.33 million. The consideration was settled with cash.

| Transaction Details (EUR) | |
|---|---|
| Acquiring Company | EDEA Gmbh |
| Acquisition date | 29.11.2024 |
| Country | Austria |
| Currency | EUR |
| Voting Rights/Ownership Interest before Acquisition | 0.00% |
| Voting rights / ownership interest after Acquisition | 100% |

| Identified assets acquired and liabilities assumed (EUR) | |
|---|---|
| Customer contracts | 447 390 |
| Fixed assets | 4 797 326 |
| Trade receivables | 5 042 |
| Cash and cash equivalent | 46 512 |
| **Total Assets** | **5 296 270** |
| Current Liabilities | 32 471 |
| **Total Liabilities** | **32 471** |
| | |
| **Total identifiable net assets acquired** | **5 263 799** |
| Consideration transferred (for 100% of shares) | 4 326 245 |
| Fair value of identifiable net assets (100%) | 5 263 799 |
| **Goodwill** | **-937 554** |

The consideration transferred is less than the fair value of net identifiable assets acquired and liabilities assumed, resulting in a gain.

The main underlying explanation for the bargain purchase price is that the seller has decided to discontinue their leasing business. Otovo is one of few potential buyers, and is benefiting from the already existing presences and business setup in Austria.

The bargain purchase gain has been included in Other income. The gain was EUR 938k, translated to NOK 10.9 million.

Total revenue and income in the ownership period was EUR 60k, translated to NOK 713k, while the profit for the ownership period was EUR 35k, translated to NOK 407k.

Total revenue and income for the the Company for full year 2024 was EUR 451k, while the Company had a loss for the year of EUR 546K. The loss for the year is primarily explained by reversal of prior year tax income relating to Group taxation. The prior tax group was dissolved retroactively and the tax income reversed.

**Disposal of subsidiaries**

On 6 October 2023, Otovo announced that its fully owned subsidiary EDEA MidCo AS entered into a share purchase agreement with Forte PV S.à.r.l part of a collective investment scheme managed by Swiss Life Asset Managers for the sale of its Norwegian and Swedish subscription portfolios. The deal was completed 15 November 2023.

The transaction involves 100% of the shares held by EDEA MidCo AS in its Norwegian and Swedish subsidiaries, European Distributed Energy Assets AS and European Distributed Energy Assets AB. This comprises all subscription assets originated by Otovo in Norway and Sweden up until end of August 2023 and the cash flows pursuant to these assets. In addition, Otovo continues to enter into new subscription agreements on behalf of the portfolio companies sold. Otovo has also agreed to sell all solar rooftop projects originating in Scandinavia to the buyer until end of 2024 on the same terms, with a possible extension to September 2025 in case of delays in installations.The extension has been applied, and the parties are discussing further extensions, but nothing has been concluded as of 31.12.24.

Out of a total settlement of NOK 257 million, NOK 204 million was repayment of intercompany loans from EDEA MidCo AS to European Distributed Energy Assets AS and European Distributed Energy Assets AB. NOK 170 million of the repayment was used to settle external non-current liabilities related to Swedish and Norwegian subscription assets. NOK 54 million of the settlement was consideration for shares, of which NOK 7.5 million is held in an escrow account in Otovo's name, related to indemnities under the Share Purchase Agreement.

The disposal consist primarily of subscription assets in Norway and Sweden, with a net book value at disposal of NOK 199 million, and related subscription contracts and receivables, as well as excess values directly allocated to the Norwegian and Swedish subscription business stemming from the acquisition of EDEA in December 2021. The net book value of disposed excess values was NOK 9 million, net of deferred tax. The subscription business in Norway and Sweden has been reported as part of the subscription segment. Refer to note 5 for more information.

The gain on the transaction, based on the submitted completion accounts was NOK 38 million, net of directly attributable costs of NOK 6.5 million. The gain was recognised in 2023, but adjusted with NOK 2.9 million in 2024 due to working capital adjustments to the purchase price, reducing the gain. The gain has been included in Other income in 2023 and 2024 accordingly.

The following changes in presentation have been implemented for FY 2023, compared to the presentation in the annual consolidated financial statements for 2023:

- Gain on disposal of subsidiary is reclassified from Other operating income to Other Income
- Cash effects relating to tangible and intangible assets included in the transaction are excluded from disposal of tangible and intangible assets in Net cash flow from investing activities
- Consideration, net of cash disposed of, is presented as Disposal of subsidiary, net of cash disposed of
- Gain on the disposal of subsidiary is presented as a separate adjustment in Cash flow from operating activities
- Change in other assets and other liabilities, in Cash generated from operating activities, is adjusted with the net effects of the above

# Note 23. Finance lease

## Amounts in NOK thousand

The Group enters into 10 year subscription contracts with customers for their use of standard, mass produced home batteries installed at their premises. Otovo has previously concluded that the Group has not transferred substantially all the risks and rewards incidental to ownership of the batteries and has classified the subscription contracts for home batteries as operating leases. Operating lease payments are recognised as income on a straight-line basis.

The Group has changed contracts with new subscriptions customers in Germany, Austria and the UK as a result of local changes in VAT. The change was effective for installations completed starting from January 2023 in Germany, and January 2024 for Austria and the UK. The change entails that the customer has the right to purchase the battery at a price that is significantly lower than fair value at the date the option becomes exercisable. It is considered to be reasonably certain that the option will be exercised. Otovo has concluded that the Group has transferred substantially all the risks and rewards incidental to ownership of the batteries installed in the applicable markets in 2023 and/or 2024, and has classified the related subscription contracts as finance leases. Refer to note 2 for more information.

Sales price, Service fee and Interest income are included in Finance lease revenues in 2024, while for 2023 Service fee was included in Other operating income and Interest income was included in Financial income.

| Consolidated statement of profit and loss | 2024 | 2023 |
|---|---|---|
| Revenue | 18 517 | 14 347 |
| Cost of materials and installation services | 15 605 | 12 048 |
| **Selling profit** | **2 912** | **2 299** |
| Service fee | 17 | 11 |
| Interest income | 1 535 | 441 |
| **Net impact on Consolidated statement of profit and loss** | **4 463** | **2751** |

| Consolidated statement of financial position | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| - Less than one year | 4 735 | 1 850 |
| - One to five years | 18 939 | 7 400 |
| - More than five years | 23 674 | 10 175 |
| **Gross finance lease receivable** | **47 347** | **19 425** |
| Less unearned Interest income | -15 371 | -5 706 |
| **Total finance lease receivables** | **31 976** | **13 719** |

## Note 24. Events after the reporting period

Otovo ASA on 28 March 2025 closed the transaction to sell its continental portfolio of subscription assets in Austria, Belgium, France, Germany, Netherlands, Spain, Poland and Portugal to Swiss Life Asset Managers ("SLAM"). The transaction relates to the sale of 89% of the shares in eight special purpose vehicles holding a fleet of around 6,000 residential solar and battery leasing assets in the eight countries. The total transaction size on a 100% basis is EUR 105 million (NOK 1,209m) split on assets built between 2020-2024 of EUR ~50 million (NOK 580m) closing in Q1; and continuous sale agreement of EUR ~55 million where SLAM will continue to buy subscription assets until the end of Q3 2026. The cash release from the first close net of debt repayment and reinvestment is EUR 13 million (NOK 155m), whereas the estimated gross margin for the continuous sales agreement is 32%. The accounting effect of the transaction will be included in the Q1 2025 financial report.

OTOVO

# Parent Company Financial Statements

# Parent company income statement

## Amounts in NOK thousand

| | Note | 2024 | 2023 |
|---|---|---|---|
| Revenue | | 38 882 | 292 032 |
| Other operating revenue | | 51 742 | 103 333 |
| **Total revenue and other income** | 2 | **90 624** | **395 365** |
| Cost of goods sold | | 30 021 | 244 287 |
| Payroll and related costs | 3 | 59 836 | 115 334 |
| Depreciation, amortisation and impairment | 4,5 | 27 119 | 22 476 |
| Other operating expenses | 3, 6,9,10 | 56 798 | 88 578 |
| **Total operating expenses** | | **173 773** | **470 674** |
| **Operating profit/(loss)** | | **-83 149** | **-75 309** |
| Financial income | | 32 240 | 21 550 |
| Financial expenses | | 119 | 222 |
| Impairment of financial assets | 9,10 | 229 419 | 0 |
| Net exchange gain/(loss) | | 19 706 | 14 311 |
| **Net Financial items** | 7 | **-177 592** | **35 639** |
| **Profit/(loss)before income tax** | | **-260 741** | **-39 669** |
| Income tax | 8 | 132 | - |
| **Profit/(loss) after tax** | | **-260 873** | **-39 669** |
| **Transferred to uncovered loss** | | **-260 873** | **-39 669** |
| **Total allocations and equity transfers** | | **-260 873** | **-39 669** |

# Parent company balance sheet

## Amounts in NOK thousand

| For the year ended 31 December | Note | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|---|
| **Assets** | | | |
| Intangible assets | 4 | 75 847 | 74 044 |
| Fixtures and fittings | 5 | 2 726 | 3 175 |
| Investments in Group companies | 9 | 751 620 | 600 645 |
| Loans to Group companies | 10 | 436 004 | 409 444 |
| **Total non-current assets** | | **1 266 197** | **1 087 309** |
| Accounts receivable | 11 | 4 705 | 4 819 |
| Other receivables | | 8 462 | 11 782 |
| Receivables from Group companies | 10 | 49 465 | 117 689 |
| Cash and cash equivalents | 12 | 51 299 | 432 303 |
| **Total current assets** | | **113 930** | **566 592** |
| **TOTAL ASSETS** | | **1 380 127** | **1 653 900** |
| **EQUITY AND LIABILITIES** | | | |
| Share capital | 13,14,15 | 2 800 | 2 792 |
| Share premium | 13,14 | 1 834 953 | 1 834 616 |
| Other paid-in equity | 13,14 | 94 684 | 84 960 |
| **Total paid-in equity** | | **1 932 437** | **1 922 368** |
| Uncovered loss | 14 | -618 588 | -357 715 |
| **Total equity** | | **1 313 850** | **1 564 654** |
| Other provisions for liabilities | | 5 430 | 4 585 |
| **Total non-current liabilities** | | **5 430** | **4 585** |
| Accounts payable | | 14 235 | 17 321 |
| Accounts payable to Group companies | 10 | 11 804 | 2 |
| Other taxes and withholdings | | 4 355 | 6 515 |
| Other current liabilities to Group companies | 10 | 5 315 | 25 492 |
| Other current liabilities | | 25 138 | 35 331 |
| **Total current liabilities** | | **60 847** | **84 661** |
| **Total liabilities** | | **66 277** | **89 246** |
| **TOTAL EQUITY AND LIABILITIES** | | **1 380 127** | **1 653 900** |

**Oslo, 23 April 2025**

Board of Directors of Otovo ASA

***(Signed electronically)***

**Beatriz Malo de Molina**
Chair of the Board

**Mette Rokne Hanestad**
Board member

**Eivind Tønnessen**
Board member

**Tor Øystein Repstad**
Board member

**Jacob Wall**
Board member

**Josefin Christina Landgård**
Board member

**Zoë Wyon**
Board member

**Nico Schwab**
Board member

**Andreas Egge Thorsheim**
Chief Executive Officer

# Parent company cash flow statement

## Amounts in NOK thousand

| | 2024 | 2023 |
|---|---|---|
| **Cash flow from operations** | | |
| Profit/(loss) before taxation | -260 741 | -39 669 |
| Depreciation, amortisation and impairment | 256 538 | 22 476 |
| Net currency (gains) losses not relating to operating activities | -18 258 | -18 347 |
| Expensed share-based payments | 10 238 | 47 629 |
| Change in accounts receivables and accounts payables | 8 830 | 4 655 |
| Change in other balance sheet items | 39 765 | -23 900 |
| **Net cash flow from operations** | **36 371** | **-7 156** |
| **Cash flow from investment activities** | | |
| Investment in Group companies | -91 486 | -121 577 |
| Loans to Group companies | -297 210 | -124 694 |
| Investments in intangible assets | -28 510 | -36 671 |
| Investments in tangible assets | - | -686 |
| **Net cash flow from investment activities** | **-417 206** | **-283 628** |
| **Cash flow from financing activities** | | |
| Proceeds from issuance of ordinary shares | 345 | 679 717 |
| Purchased back shares | -514 | 0 |
| Outflow due to downpayment of non-current liabilities | - | -2 500 |
| **Net cash flow from financing activities** | **-169** | **677 217** |
| Net cash flow during the period | -381 004 | 386 433 |
| Cash and cash equivalents at the beginning of the period | 432 303 | 45 870 |
| **Bank deposits, cash and equivalents at 31 December** | **51 299** | **432 303** |

# Notes to the parent company financial statements

For the year ended 31 December

## Note 1. Accounting policies

The financial statements, which have been presented in compliance with the Norwegian Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles in effect at 31 December 2024, consist of the income statement, balance sheet, cash flow statement and notes to the accounts. The financial statements are presented in Norwegian kroner (NOK) and all values are rounded to the nearest thousand (NOK' 000) unless otherwise stated.

**Valuation and classification of assets and liabilities**

Assets intended for permanent ownership or use in the business are classified as non-current assets.

Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

**Foreign currency**

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

**Intangible fixed assets**

Expenses relating to the development of intangible assets are capitalised when it becomes probable that the future economic benefits arising from the assets will accrue to the Company, and the cost of the assets can be reliably measured.

Intangible assets that are acquired separately, are recognised at historical cost. Intangible assets acquired in a business combination, are recognised at historical cost when the criteria for balance sheet recognition have been met.

# Notes to the parent company financial statements

For the year ended 31 December

**Shares in subsidiaries and associates**

Subsidiaries and investments in associates are carried at cost. A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Received dividends and Group contributions are recognised as other financial income. The same applies for investments in associates.

The following companies are included in the Group on 31.12, with entities directly owned by Otovo ASA highlighted:

| **Shares in subsidiaries and associates** | | | |
|---|---|---|---|
| **Company** | **Country** | **Location** | **31 Dec 2024** |
| Otovo ASA Parent company | Norway | Oslo | n.m |
| **Otovo AB** | **Sweden** | **Stockholm** | **100%** |
| **Otovo France SAS** | **France** | **Paris** | **100%** |
| **Otovo Iberic SL** | **Spain** | **Madrid** | **100%** |
| **Otovo Srl** | **Italy** | **Milan** | **100%** |
| **Otovo Sp. Z.o.o** | **Poland** | **Warsaw** | **100%** |
| **Otovo GmbH** | **Germany** | **Berlin** | **100%** |
| **Otovo GmbH** | **Austria** | **Wien** | **100%** |
| **Otovo Unipessoal LDA** | **Portugal** | **Lisboa** | **100%** |
| **Otovo Limited** | **UK** | **London** | **100%** |
| **Otovo Schweiz GmbH** | **Switzerland** | **Zürich** | **100%** |
| **Otovo B.V.** | **Netherlands** | **Amsterdam** | **100%** |
| **Otovo BE B.V.** | **Belgium** | **Brussels** | **100%** |
| **Otovo Shared Services SL** | **Spain** | **Madrid** | **100%** |
| **European Distributed Energy Assets Midco AS** | **Norway** | **Oslo** | **100%** |
| Edea Polska Sp. Z.o.o | Poland | Warsaw | 100% |
| Distributed Energy Assets SLU | Spain | Madrid | 100% |
| Distributed Energy Assets SARL | France | Paris | 100% |
| European Distributed Energy Assets GmbH | Germany | Berlin | 100% |
| EDEA GmbH | Austria | Wien | 100% |
| Otovo Energy Assets Unipessoal LDA | Portugal | Lisboa | 100% |
| European Distributed Energy Assets Limited | UK | London | 100% |
| European Distributed Energy Assets Switzerland | Switzerland | Zürich | 100% |
| European Distributed Energy Assets B.V. | Netherlands | Amsterdam | 100% |
| European Distributed Energy Assets BE B.V. | Belgium | Brussels | 100% |
| EDEA II AB | Sweden | Stockholm | 100% |
| EDEA Two GmbH | Austria | Wien | 100% |
| EDEA Europe AS | Norway | Oslo | 100% |

# Notes to the parent company financial statements

For the year ended 31 December

**Revenue**

Revenue from the sales of services is valued at fair value of the consideration, after deduction of VAT and discounts. Sales are recognized when The Company has delivered its services to the customer and there are no unfulfilled obligations that may affect the customer's acceptance of the delivery.

The Company's revenues are related to sale of solar panels and installation of these. For projects where a fixed fee has been agreed, revenues and costs are settled based on the best estimate for expected profit and actual progress.

Cost of goods is recognized with associated operating revenues.

**Receivables**

Trade receivables and other receivables are recognised at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

**Cash flow**

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

**Pensions**

Defined contribution plans are accounted for according to the matching principle. Contributions to the pension plan are recorded as expenses.

**Cost of sales and other expenses**

In principle, cost of sales and other expenses are recognised in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated.
Other exceptions to the matching criteria are disclosed where appropriate.

**Income taxes**
Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. Group contribution, is recognised directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

**Warranty provisions**

Otovo provides warranties for general repairs of defects that existed at the time of sale, as required by law. For the direct sales of solar panel installations the warranty period is 10 years. As the Company has back to back warranties with hardware producers and installation partners, no provision has been recognised. The Company is ultimately responsible for solving the problem in the event that hardware producers fail to replace the defect hardware, or installation partners fail to resolve issues related to the quality of the work performed on the installation. The Company is also responsible for covering the installation work related to replacing defect hardware.

As it is not possible to prepare a reliable estimate including the percentage of defect hardware or installations with quality issues, the timing of the issue and the Company's share of the expense, no accruals have been made. The Company's share of repair and replacement costs will be expensed as they occur.

## Note 2. Sales revenue

| Income statement | 2024 | 2023 |
|---|---|---|
| Sales of solar panels | 38 882 | 292 032 |
| Other income | 51 742 | 103 333 |
| **Total** | **90 624** | **395 365** |

**Sales of solar panels**
All sales of solar panels are in Norway

**Other income**
Other income is primarily relating to software fee charged to the Company's subsidiaries for their use of Otovo Cloud, amounting to NOK 37 million. Refer to note 4 for more information about Otovo Cloud. Additionally, Other income includes intercompany management fees, and management and service fees

# Note 3. Payroll costs, number of employees, benefits, loans to employees etc.

| Payroll costs | 2024 | 2023 |
|---|---|---|
| Wages and salaries | 33 371 | 47 007 |
| Social security tax | 9 471 | 11 574 |
| Pension costs | 3 065 | 4 732 |
| Other benefits | 13 930 | 52 018 |
| **Total** | **59 837** | **115 331** |
| Average number of employees during the year | 69 | 91 |

The Group's pension scheme satisfies the requirement of the Act of obligatory occupational pensions.

**Share-based payments**

Otovo has share option programmes where the employees have been granted options at the strike price in accordance with the market price at the time of issuance. The programs includes both existing and new employees who are awarded options based on an allocation into defined tiers proposed by Management and approved by the Board of Directors. The options vest with ⅓ each year the three years after the issuance. In December 2023 Otovo granted share options to management and key personnel and cancelled old option programs. The new grant is recognised at its grant-date fair value and the original grant is accounted for as a cancellation. The cancellation is accounted for as an acceleration of the vesting period and any amount unrecognised that would otherwise have been recognised was recognised immediately as an expense. The expense related to the cancellation was NOK 17.4 million. In December 2024 Otovo bught back options that vested on 1 January 2024, or will west on 1 January 2025. The buy back was at fair value of the instrument and has been accounted for as repurchase of equity interest. The repurchase amounts to NOK 2.3 million, including social security.

Furthermore, a share purchase programme was established by the Group in 2020 where the participants subscribe to new shares as an initial investment, and receive performance shares after two years if the share price has doubled and retention shares after three and four years respectively if they are still employed with the Group. The share purchase program is discontinued, but there are still outstanding retention shares.

Expenses related to share-based payments are included in Other benefits in the table above.

| Specification of expensed share-based payment | 2024 | 2023 |
|---|---|---|
| Payroll costs | 12 172 | 47 630 |
| Social security | -178 | -1 309 |
| **Total expensed share-based payments** | **11 994** | **46 321** |

| Directors' remuneration | Salaries, bonus, fees | Pensions | Other benefits |
|---|---|---|---|
| Chief Executive Officer | 4 412 | 121 | 11 |
| Board of Directors | - | - | 1 583 |

Chief Executive Officer has a maximum yearly bonus of 50% of base salary. No loans or guarantees have been granted to management etc.

The CEO has 6 months notice period and is entitled to severance pay equal to six months salary in case of termination.

**Auditor**
Remuneration to BDO AS and their associates is as follows:

| | 2024 | 2023 |
|---|---|---|
| Statutory audit | 1 276 | 1 732 |
| Other assurance services | 31 | 102 |
| Other non-assurance services | 57 | 28 |

All amounts are excluded VAT

# Note 4. Intangible assets

| | Otovo Cloud | Other intangible assets | Total |
|---|---|---|---|
| Cost at 1 January 2024 | 128 781 | 4 603 | 133 384 |
| Additions | 28 510 | - | 28 510 |
| **Cost at 31 December 2024** | **157 291** | **4 603** | **161 894** |
| Acc. amortisation at 1 January 2024 | -57 286 | -2 056 | -59 342 |
| Accumulated and reversed amortisation and impairment at 31 December 2024 | -83 075 | -2 973 | -86 049 |
| **Balance at 31 December 2024** | **74 216** | **1 630** | **75 845** |
| Current year amortisation charge | 25 789 | 917 | 26 707 |
| Economic life | 5 years | 5 years | |
| Amortisation method | straight-line | straight-line | |

**Otovo Cloud**

Otovo's business model is fundamentally digital and software-driven. Central to this architecture is Otovo Cloud, a proprietary platform developed in-house, which integrates seamlessly with complementary applications. These include software designed to collect and analyze production data from various solar hardware, as well as systems for streamlined financial management and reporting, as well as end-customer interactions.

Otovo Cloud is tailored to Otovo's marketplace business model and supports the Group's value chain from sales (compilation of map data, building data, solar radiation data and algorithmic bidding on solar cell projects) to planning (obtaining cost models from installers, choosing an installer and awarding projects), follow-up and invoicing of the project (monitoring progress, obtaining documentation of the work performed and generating sales orders that will be sent to the Group ERP as basis for invoicing). Post installation and invoicing, Otovo Cloud continues to create value for the customer through collecting, compiling and presenting production data from inverters.

The software is scalable and is used across the markets in which the Group operates.

Development and maintenance of the Otovo Cloud is handled by the Product team in Otovo. Direct payroll expenses relating to the Product team are split into development and maintenance, with payroll expenses relating to development being capitalised as an intangible asset and amortised.

Key developments in 2024 largely focused on enhancing the Otovo Cloud platform's capabilities to better support the sales process. Notable improvements include functionalities enabling the introduction of a field-sales approach and standardization of the sales workflow across Otovo's 13 markets, resulting amongst other in higher conversion rates. Additionally, significant advancements were made to the core marketplace functionality, extending Otovo Cloud's capacity beyond traditional solar panel products to accommodate new SKUs such as batteries, EV chargers, heat pumps, and home energy management systems. These enhancements substantially improved the platform's user interface (UI) and user experience (UX) for customers.

The useful life of the asset and related amortisation expenses are based on management's estimates and the chosen amortisation method. Estimates may change due to technological developments and other factors and may result in changes in the estimated useful life and in the amortisation or depreciation charges. Technological developments are difficult to predict and the Group's views on the trends and pace of development may change over time. The useful lives are reviewed at least annually taking into consideration the factors mentioned above and all other important relevant factors.

Otovo ASA is charging subsidiaries a fee for their use of Otovo Cloud. The fee for 2024 was NOK 37 million, and is included in Other operating income.

# Note 5. Property, plant and equipment

| | Fittings and fixtures | Solar panels | Total |
|---|---|---|---|
| Cost at 1 January 2024 | 3 406 | 4 505 | 7 911 |
| Additions, purchased | - | - | - |
| Disposals | -122 | - | -122 |
| **Cost at 31 December 2024** | **3 283** | **4 505** | **7 789** |
| Acc. amortisation at 1 January 2024 | -2 991 | -1 744 | -4 735 |
| Accumulated depreciation and impairment at 31 December 2024 | -3 116 | -1 946 | -5 062 |
| **Balance at 31 December 2024** | **167** | **2 559** | **2 727** |
| Current year amortisation charge | 208 | 202 | 410 |
| Economic life | 3 years | 20 years | |
| Depreciation method | straight-line | straight-line | |

# Note 6. Operating costs

| Operating costs by nature | 2024 | 2023 |
|---|---|---|
| Office related expenses | 3 600 | 4 623 |
| External personnel and consultancy fees, including audit fees | 14 624 | 23 421 |
| Media spend, advertising and partnerships | 6 434 | 11 972 |
| System and software | 19 227 | 18 467 |
| Fees for Group employees hired in subsidiaries | 8 076 | 21 659 |
| Other operating expenses | 4 837 | 8 436 |
| **Total** | **56 798** | **88 578** |

The Company has entered into commercial leases for office premises. The lease contract for the current office premises has been terminated and a new lease has been entered into from January 2025. The new lease matures in April 2031 but is mutually cancellable with 6 months notice from June 2025. The lease is annually adjusted according to the consumer price index. There are no restrictions placed upon the lessee under the lease contract to use the office premises in the normal course of business.

The local organization have had separate office premises in Rådhusgata 20 in 2023. The lease matured at the end of April 2024.

# Note 7. Specification of financial income and financial expenses

| Other Financial Income | 2024 | 2023 |
|---|---|---|
| Exchange gain (agio) | 23 828 | 34 871 |
| Interest income from Group companies | 24 911 | 18 941 |
| Other financial income | 1 | 2 |
| Other interest income | 7 329 | 2 607 |
| **Total of Other Financial Income** | **56 069** | **56 421** |

| Other Financial Expense | 2024 | 2023 |
|---|---|---|
| Exchange loss (disagio) | 4 123 | 20 559 |
| Other financial expense | 67 | 11 |
| Other interest expense | 52 | 211 |
| **Total of Other Financial Expense** | **4 242** | **20 781** |
| **Net Financial Income and Financial Expense** | **51 827** | **35 640** |

# Note 8. Income tax expense

| Specification of income tax expense | 2024 | 2023 |
|---|---|---|
| Current income tax payable | - | - |
| Changes in deferred tax | - | - |
| Withholding tax | 132 | - |
| **Tax on profit/(loss)** | **132** | **-** |

| Basis for tax expense, change in deferred tax and tax payables | 2024 | 2023 |
|---|---|---|
| Profit/(loss) before taxation | -260 741 | -39 669 |
| Permanent differences | 238 411 | 22 546 |
| Basis for the tax cost on this years profit/loss | -22 330 | -17 123 |
| Change in temporary differences | -13 574 | -16 422 |
| **This year's tax base** | **-35 904** | **-33 545** |
| Received/issued Group contribution | - | - |
| **Basis payable tax** | **-35 904** | **-35 545** |

| Payable tax | 2024 | 2023 |
|---|---|---|
| Tax rate | 22% | 22% |

| Specification of deferred tax | 2024 | 2023 |
|---|---|---|
| Differences that are offset: | | |
| Fixed assets | -2 969 | -3 053 |
| Long-term receivables in foreign currency | 44 715 | 25 629 |
| Outstanding receivables | -818 | -764 |
| Accruals etc. | -16 823 | -11 260 |
| Profit and loss account | -82 | -103 |
| **Net temporary differences** | **24 023** | **-10 450** |
| Loss carry-forward | -310 769 | -274 865 |
| Not included in the calculation of deferred tax | - | - |
| **Basis for deferred tax/deferred tax asset** | **-286 746** | **-264 415** |
| Net deferred tax/deferred tax asset | -63 084 | -58 171 |
| Of which not capitalised deferred tax asset | 63 084 | 58 171 |
| **Deferred tax in the balance sheet** | **-** | **-** |

# Note 9. Investments in subsidiaries

| Equity interests | | | | |
|---|---|---|---|---|
| **Company** | **Country** | **Location** | **31 Dec 2024** | **31 Dec 2023** |
| Otovo AB | Sweden | Stockholm | 100% | 100% |
| Otovo France SAS | France | Paris | 100% | 100% |
| Otovo Iberic SL | Spain | Madrid | 100% | 100% |
| Otovo Srl | Italy | Milan | 100% | 100% |
| Otovo Sp. Z.o.o | Poland | Warsaw | 100% | 100% |
| Otovo GmbH | Germany | Berlin | 100% | 100% |
| Otovo GmbH | Austria | Wien | 100% | 100% |
| Otovo Unipessoal LDA | Portugal | Lisboa | 100% | 100% |
| Otovo Limited | UK | London | 100% | 100% |
| Otovo Schweiz GmbH | Switzerland | Zürich | 100% | 100% |
| Otovo B.V. | Netherlands | Amsterdam | 100% | 100% |
| Otovo BE B.V. | Belgium | Brussels | 100% | 100% |
| Otovo Shared Services SL | Spain | Madrid | 100% | 100% |
| European Distributed Energy Assets Midco AS | Norway | Oslo | 100% | 100% |
| Edea Polska Sp. Z.o.o | Poland | Warsaw | 100% | 100% |
| Distributed Energy Assets SLU | Spain | Madrid | 100% | 100% |
| Distributed Energy Assets SARL | France | Paris | 100% | 100% |
| European Distributed Energy Assets GmbH | Germany | Berlin | 100% | 100% |
| EDEA GmbH | Austria | Wien | 100% | 100% |
| Otovo Energy Assets Unipessoal LDA | Portugal | Lisboa | 100% | 100% |
| European Distributed Energy Assets Limited | UK | London | 100% | 100% |
| European Distributed Energy Assets Switzerland | Switzerland | Zürich | 100% | 100% |
| European Distributed Energy Assets B.V. | Netherlands | Amsterdam | 100% | 100% |
| European Distributed Energy Assets BE B.V. | Belgium | Brussels | 100% | 100% |
| EDEA II AB | Sweden | Stockholm | 100% | - |
| EDEA Two GmbH | Austria | Wien | 100% | - |
| EDEA Europe AS | Norway | Oslo | 100% | - |

On 2 December 2024 it was announced that Otovo ASA on 29 November 2024 bought a portfolio of subscription customers in Austria for EURm 4.3 (the "Transaction"), the SPV HalloSONNE GmbH, from a reputable electricity provider, through a wholly owned subsidiary. The Company has changed name to EDEA Two GmbH after the acquisition.

The Transaction is structured as a purchase of 100% of the shares in an Austrian special purpose vehicle that has entered into leasing agreements with customers that are similar to those in EDEA's current portfolio. The purchase of a subscription portfolio in Austria, is consisting of 429 subscription customer contracts, and the related assets.

Net consideration for the shares was EUR 4.33 million. The consideration was settled with cash.

### Book value of companies owned directly by Otovo ASA

| Company | Book value 31 December 2024 |
|---|---:|
| Otovo AB | 135 539 |
| Otovo France SAS | 167 569 |
| Otovo Iberic SL | 33 633 |
| Otovo Srl | 63 759 |
| Otovo Sp. Z.o.o | 65 973 |
| Otovo GmbH (Germany) | 4 878 |
| Otovo GmbH (Austria) | 24 478 |
| Otovo, Unipessoal LDA | 31 134 |
| EDEA MidCo AS | 224 407 |
| Otovo Schweiz GmbH | 215 |
| Otovo Limited | - |
| Otovo BE B.V. | - |
| Otovo B.V. | - |
| Otovo Shared Services SL | 34 |
| **Total** | **751 620** |

Otovo ASA has financed its subsidiaries through a combination of equity and loans, with each subsidiary identified as a cash-generating unit.

Due to performance issues in 2024 the investment in, and loans to, Group companies have been impairment tested 2024. The impairment test is based on pre-tax cash flow projections, derived from the financial budget approved by the Board of Directors and expected market developments. Beyond the 5-years period, we have applied a steady growth rate of 3% to calculate the terminal value using the Gordon Growth Model. Otovo has paused activities in Otovo BE B.V., Otovo B.V. and Otovo Limited. This implies that the Group is making no limited investments in marketing and personnel. Consequently, the cash flow projections have been set to 0 for these subsidiaries. The present value of free cash flows exceeds the carrying amounts for most subsidiaries. However, for Otovo France SAS and Otovo Iberic SL, additional to for the paused markets, the present value of future cash flows is lower than the carrying amount and the the investment in shares in the subsidiaries are partially impaired. Total impairment of investment in Group companies, reported in Impairment of financial assets, was NOK 193.1 million in 2024.

| Company | Otovo Iberic SL | Otovo France SAS | Otovo BE B.V. | Otovo B.V. | Otovo Limited |
|---|---:|---:|---:|---:|---:|
| Long term growth rate (%) | 3% | 3% | - | - | - |
| Average annual growth rate used in cash flow projections (%) | 11% | 9% | - | - | - |
| Long term gross margin (%) | 36.2% | 30.9% | - | - | - |
| Discount rate pre tax (%) | 12.5% | 12.5% | - | - | - |
| **Impairment** | **86 076** | **32 766** | **42 270** | **22 709** | **9 283** |

# Note 10. Related party transactions and balances

**Related party balance items**

| | Relationship to counterpart | Accounts receivables | | Other receivables | |
|---|---|---|---|---|---|
| **Counterpart** | | **2024** | **2023** | **2024** | **2023** |
| Otovo AB | Subsidiary | 537 | - | 2 536 | 17 036 |
| Otovo France SAS | Subsidiary | 464 | - | 3 041 | 11 556 |
| Otovo Iberic SL | Subsidiary | 568 | - | 860 | 7 582 |
| Otovo SRL | Subsidiary | 3 138 | - | 5 225 | 23 753 |
| Otovo Sp. Z.o.o | Subsidiary | 4 053 | - | 4 923 | 10 445 |
| Otovo GmbH (Germany) | Subsidiary | 1 137 | - | 3 841 | 13 530 |
| Otovo GmbH (Austria) | Subsidiary | 1 441 | - | 2 997 | 8 597 |
| Otovo Unipessoal LDA | Subsidiary | 2 077 | - | 1 196 | 5 289 |
| Otovo Schweiz GmbH | Subsidiary | 1 043 | - | 2 665 | 8 049 |
| Otovo Limited | Subsidiary | - | - | - | 4 463 |
| Otovo B.V. | Subsidiary | - | - | - | 2 536 |
| Otovo BE B.V. | Subsidiary | - | - | - | 4 729 |
| Otovo Shared Services SL | Subsidiary | - | - | 184 | - |
| Distributed Energy Assets SLU | Subsidiary | - | 99 | - | - |
| European Distributed Energy Assets Midco AS | Subsidiary | 3 693 | - | 3 848 | - |
| Distributed Energy Assets SARL | Subsidiary | - | - | - | - |
| European Distributed Energy Assets B.V. | Subsidiary | - | 26 | - | - |
| **Total** | | **18 151** | **124** | **31 314** | **117 565** |

| | Relationship to counterpart | Accounts payable | | Other current liabilities | |
|---|---|---|---|---|---|
| **Counterpart** | | **2024** | **2023** | **2024** | **2023** |
| Otovo AB | Subsidiary | - | - | 1 517 | 6 779 |
| Otovo France SAS | Subsidiary | 1 942 | - | - | 5 202 |
| Otovo SRL | Subsidiary | -686 | - | - | 1 114 |
| Otovo Unipessoal LDA | Subsidiary | 670 | - | - | 2 771 |
| Otovo Limited | Subsidiary | - | - | - | 3 035 |
| Otovo Sp. Z.o.o | Subsidiary | - | - | 3 798 | 1 242 |
| Otovo Shared Services SL | Subsidiary | - | - | - | 5 348 |
| Otovo GmbH (Germany) | Subsidiary | 8 134 | - | - | - |
| Otovo GmbH (Austria) | Subsidiary | 1 393 | - | - | - |
| **Total** | | **11 804** | **-** | **5 315** | **25 492** |

| | Relationship to counterpart | | Loan | |
|---|---|---|---|---|
| **Counterpart** | | | **2024** | **2023** |
| Otovo AB | Subsidiary | | 19 766 | 27 412 |
| Otovo France SAS | Subsidiary | | 22 045 | 42 689 |
| Otovo Iberic SL | Subsidiary | | 7 893 | 61 682 |
| Otovo SRL | Subsidiary | | 22 071 | 1 675 |
| Otovo Sp. Z.o.o | Subsidiary | | 15 666 | 33 398 |
| Otovo GmbH (Germany) | Subsidiary | | 160 328 | 109 083 |
| Otovo GmbH (Austria) | Subsidiary | | 72 048 | 26 910 |
| Otovo Unipessoal LDA | Subsidiary | | 9 524 | 20 324 |
| Otovo Schweiz GmbH | Subsidiary | | 54 073 | 17 391 |
| Otovo Limited | Subsidiary | | - | 14 415 |
| Otovo BE B.V. | Subsidiary | | - | 31 697 |
| Otovo B.V. | Subsidiary | | - | 12 910 |
| Otovo Shared Services SL | Subsidiary | | 52 589 | 9 859 |
| **Total** | | | **436 004** | **409 444** |

**Further explanation to related party balance items:**
The companies in the Group are also related parties. Transactions and balances with subsidiaries are eliminated in the consolidated financial statements. Sale to and purchase from subsidiaries and associated companies are at market price and the transactions have similar conditions as transactions with independent parties.

Other receivables and loans to Otovo B.V., Otovo BE B.V. and Otovo Limited have been impaired or provisioned for in full, as the the Group has hibernated all activities in the applicable markets during 2024, and the subsidiaries do not have funds available to settle the liabilities to the Company.

Total impairment of loans, reported in Impairment of financial assets, was NOK 36.3 million in 2024. Total provision for other receivables, reported in Other operating expenses, was NOK 1.2 million in 2024.

Balances on the balance sheet date are unsecured and interest-free, with the exception of the Loans which are subject to interest.

## Note 11. Receivables

| | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Accounts receivable | 5 523 | 5 583 |
| Provision for losses on accounts receivables | -818 | -764 |
| **Total** | **4 705** | **4 819** |

## Note 12. Restricted funds

| | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Restricted bank deposits | 3 072 | 4 529 |

# Note 13. Share capital and shareholder information

Ordinary shares have a nominal value of NOK 0.01 each and all provide the same rights in the Company.

The Company completed two capital increases during 2024 and issued 782,804 shares. In total, NOK 0.35 million, net of transaction costs, was raised through the capital increases.

At the end of the year, the Company owned 464,865 own shares, corresponding to 0.17% of the share capital. The average cost price for the shares was NOK 1.17. The shares were purchased in order to fulfill the Company's obligations to deliver shares under the Company's share purchase programme. 42.735 shares were delivered under the employee share purchase program during 2024.

In addition to the own shares, the Company also held 287,207 shares in custody on behalf of employees as of 31.12.24.

| Share capital | Number of shares | Share price | Carrying amount |
|---|---|---|---|
| Ordinary shares | 280 007 384 | 0.9 | 252 006 646 |

| The shareholders of Otovo ASA | Number of shares | % Total |
|---|---|---|
| Å Energi Invest AS | 87 732 581 | 31.33% |
| Axel Johnson AB | 68 686 696 | 24.53% |
| Nysnø Klimainvesteringer AS | 19 306 931 | 6.90% |
| Codee Holding AS | 11 000 000 | 3.93% |
| Andmar Operations AS | 8 664 610 | 3.09% |
| Obos Bbl | 7 261 870 | 2.59% |
| N.A. Citibank | 7 000 000 | 2.50% |
| Akershus Energi Sol AS | 6 312 420 | 2.25% |
| Verdipapirfondet Dnb Grønt Norden | 5 874 863 | 2.10% |
| Citibank Europe Plc | 3 600 000 | 1.29% |
| Simvest AS | 2 528 127 | 0.90% |
| Beacon Group AS | 1 807 730 | 0.65% |
| Bank Pictet & Cie (europe) AG | 1 733 876 | 0.62% |
| Telinet Invest AS | 1 402 678 | 0.50% |
| Roar Henden | 1 288 660 | 0.46% |
| Verdipapirfondet Dnb Miljøinvest | 1 259 570 | 0.45% |
| Erøy AS | 1 217 916 | 0.43% |
| Nordnet Livsforsikring AS | 1 005 367 | 0.36% |
| Emjo AS | 839 000 | 0.30% |
| Gekko AS | 732 330 | 0.26% |
| *Remaining shareholders (less than 1%)* | *40 752 159* | *14.55%* |

*Showing holdings as of 31 December 2024*
*Updated list of shareholders can be found at investor.otovo.com/stock-info*

### Shares, shares options, performance shares and retention shares held by CEO, other members of Executive Management and BoD, or by an entity controlled by these

| Name | Role | Shares | Share options | Perform. shares | Retention shares | Total 31.12.2024 |
|---|---|---|---|---|---|---|
| Andreas Thorsheim | CEO | 8 664 610 | 3 000 000 | - | - | 11 664 610 |
| Other members for Group Management | Management | 2 858 797 | 2 883 334 | - | 42.735 | 5 784 866 |
| Josefin Christina Landgård | Board member | 91 583 | - | - | - | 91 583 |
| Zoë Wyon | Board member | 14 326 | - | - | - | 14 326 |

### Shares, shares options, performance shares and retention shares held by entities which have representation in the Board of Directors

| Name | Shares |
|---|---|
| Å Energi Invest AS | 87 732 581 |
| Axel Johnson AB | 68 686 696 |

# Note 14. Equity

| Paid-in equity | Share capital | Share premium | Other paid-in equity | Other equity | Total equity |
|---|---|---|---|---|---|
| **Equity at 1 January 2024** | **2 792** | **1 834 616** | **84 960** | **-357 715** | **1 564 654** |
| This year's change in equity | - | - | - | -260 873 | -260 873 |
| Issuance of shares | 8 | 1 255 | - | - | 1 263 |
| Transaction costs on equity issues | - | -918 | - | - | -918 |
| Purchased back shares | - | - | -514 | - | -514 |
| Share-based payments, accrual | - | - | 10 238 | - | 47 629 |
| **Equity at 31 December 2024** | **2 800** | **1 834 953** | **94 684** | **-618 587** | **1 313 851** |

## Note 15. Subsequent events

Otovo ASA on 28 March 2025 closed the transaction to sell its continental portfolio of subscription assets in Austria, Belgium, France, Germany, Netherlands, Spain, Poland and Portugal to Swiss Life Asset Managers ("SLAM"). The transaction relates to the sale of 89% of the shares in eight special purpose vehicles holding a fleet of around 6,000 residential solar and battery leasing assets in the eight countries. The total transaction size on a 100% basis is EUR 105 million (NOK 1,209m) split on assets built between 2020-2024 of EUR ~50 million (NOK 580m) closing in Q1; and continuous sale agreement of EUR ~55 million where SLAM will continue to buy subscription assets until the end of Q3 2026. The cash release from the first close net of debt repayment and reinvestment is EUR 13 million (NOK 155m), whereas the estimated gross margin for the continuous sales agreement is 32%. The accounting effect of the transaction will be included in the Q1 2025 financial report.

# Auditor’s report

BDO AS
Bygdøy Allè 2
PO Box 1704 Vika
0121 Oslo
Norway

To the General meeting of Otovo ASA

# Independent Auditor's Report

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Otovo ASA.

| The financial statements comprise: | In our opinion: |
|---|---|
| • The financial statements of the parent Company, which comprise the balance sheet as at 31 December 2024, income statement and cash flows for the year then ended, and notes to the financial statements,including a summary of significant accounting policies, and<br>• The financial statements of the Group, which comprise the balance sheet as at 31 December 2024, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information. | • The financial statements comply with applicable statutory requirements,<br>• The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.<br>• The accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU. |

Our opinion is consistent with our additional report to the Audit Committee.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Otovo ASA for 6 years from the election by the general meeting of the shareholders on 8 November for the accounting year 2019 (with at renewed election on the 17 April 2024).

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| **Description of the key audit matter** | **How the key audit matter was addressed in the audit** |
|---|---|
| **Goodwill**<br>Goodwill is included in the balance sheet and amounts to NOK 169,6 million. We refer to note 12 for more information. Under IFRS, the Group is required to test intangible assets for impairment annually.<br><br>The impairment test was significant to our audit due to the complexity of the assessment process and the significant judgements and assumptions involved. The impairment test is based on a calculated value in use for specifically defined cash generating units. Value in use is calculated based on a discounted pre-tax free cash flow, applying a pre-tax WACC. | Our audit procedures included, among others, a detailed review of the Group's impairment test for goodwill and the related documentation.<br><br>We have reviewed the methodology used and assessed the WACC against the criteria in IAS 36. We have also compared the cash-flows used in the impairment test to the Group's budgets and business plans and considered if there are factors indicating that these estimates are not realistic. We also tested the arithmetical accuracy of the calculations in the impairment test.<br><br>We have involved our internal valuation specialists to assist us in evaluating the assumptions and methodologies applied by the group. |
| **Otovo Cloud**<br>The development of Otovo Cloud, a proprietary platform, is capitalized in the balance sheet, and the book value of Otovo Cloud amounts to NOK 74,2 million as at 31 December 2024. We refer to note 12 for more information.<br><br>Under IFRS, development of software shall be capitalized in the balance sheet if the development meets the criteria in IAS 38. The capitalization of the development of Otovo Cloud was significant to the audit due to the | Our audit procedures included, among others, reviewing management's documentation for the capitalization of Otovo Cloud.<br><br>We reviewed the methodology used and assessed this against the criteria in IAS 38. We have also obtained a list of new developments in 2024 and verified capitalized amounts against the underlying documentation and against the requirements for capitalization. |

| | |
|---|---|
| complexity of the development, use of judgements and assumptions in the process, as well as the significance of the book value of Otovo Cloud. | |

## Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on the Board of Directors' report**

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly for the statements on Corporate Governance.

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
https://revisorforeningen.no/revisjonsberetninger

## Report on compliance with requirement on European Single Electronic Format (ESEF)

### Opinion

As part of the audit of the financial statements of Otovo ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Otovo-ASA-2024-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

### Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

### Auditor's responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

24.04.2025
BDO AS

Roger Telle-Hansen
State Authorised Public Accountant
(This document is signed electronically)

# 06.
# Appendix

# Alternative performance measures

Subscription customers enter into 20 year contracts (10 for batteries) with the asset-owning entity EDEA, that purchases the system from Otovo. Ahead of the acquisition of EDEA, Otovo's revenue on a subscription sale would be the same as on a direct sale. After the acquisition, revenue that stems from sale to EDEA is eliminated, and does no longer appear in the consolidated accounts.

As IFRS does not allow for recognising the fair value of a subscription contract, the Group has chosen to use Alternative Performance Measures (APMs) similar to those used by US peers in order to visualise the value related to the subscription business. In brief, the method consists of replacing traditional revenue by the present value of the 20 years' (or 10 years') cash flow that is generated from the subscription contract.

For an illustrative project in 2023, Otovo could typically have a margin of around 20 percent on a direct sale, so if the cost of installation of the system (COGS) is 100, the customer price and revenue would be 125 and the gross profit would be 25.

If the customer chose the subscription model, the subscription fee for the same system would typically be 1 per month or 12 per year adding up to 240 over 20 years. In addition the subscription fee is subject to annual, upward inflation adjustment. Assuming a conservative 2 percent inflation per year, the total payments over 20 years would be 290. Using a 5 percent discount rate in the alternative performance reporting, the net present value of this 20 years' cash flow would be 175. These 175 are the net present value of the signed 20 year commitment the customer has entered in the period, and will be reported at the time of completed installation of the project and be labelled as "Contracted Subscription Revenue".

A part of the subscription offering is maintenance on the system, so when looking at the profit generated over the lifetime of a subscription contract, the expected operations and maintenance (O&M) costs also have to be taken into account.

Figure 1: Revenue and gross profit related to a direct purchase contract

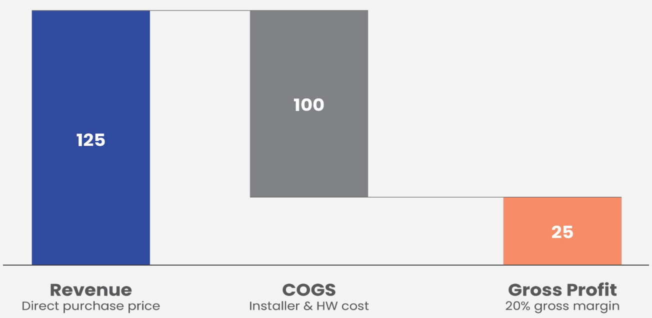
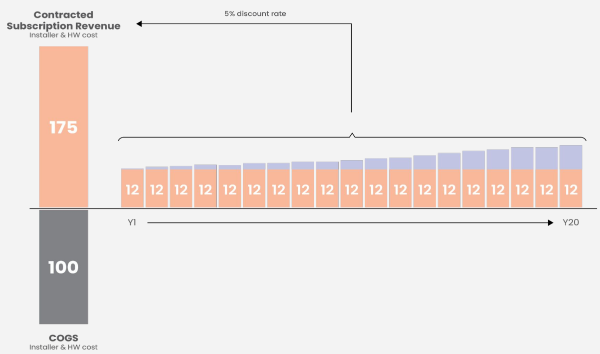



Figure 2: Contracted Subscription Revenue related to a subscription contract



# Alternative Performance Measures

Otovo's financial information is prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the Company presents alternative performance measures (APM). In management's view, the measures aim to provide relevant supplemental information of the Company's financial position and performance. The APMs are regularly reviewed by management, are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described in the table below.

| APM | Definition & Description |
|---|---|
| Contracted Subscription Revenue ("CSR") | Net present value of contracted cash flows from subscription installations in the reporting period, adjusted with expected CPI increases (2% annually), and discounted at 5% annual discount rate. Contracted cash flows are the sum of monthly subscription fees over the subscription contract period.<br><br>The Company uses CSR to provide an estimate of the future cash inflows relating to the solar energy system installed during the reporting period. Subscription customers enter into a 20 year contract for solar energy systems, and a 10 year contract for batteries, paying a monthly price that is adjusted for inflation (CPI) annually. In order to terminate the contract a customer would have to either buy out the system or pay a fee, hence any buyout will have limited impact on the expected payments. Similar APMs are common in the industry in which Otovo operates, however it may be calculated differently and may not be comparable. The Company believes that CSR is a measure relevant to investors who want to understand the generation of future cash flows stemming from solar energy systems and batteries installed in the subscription business during the reporting period. |
| Subscription O&M costs ("S O&M") | Net present value of operation and maintenance cost relating to the fulfillment of subscription contracts over their lifetime (1% of installation cost).<br><br>The Company uses S O&M as it provides an estimate of the future cash outflows relating to the solar energy system installations belonging to the subscription business during the reporting period. Subscription customers enter into a 20 year contract for solar energy systems, and a 10 year contract for batteries. The replacement cost is mainly related to an expected inverter change in the middle of the contract period for solar energy system subscription assets. The Company believes that CSR is a measure relevant to investors who want to understand the generation of future cash flows stemming from solar energy systems and batteries installed in the subscription business during the reporting period. |
| Gross Subscription Profit ("GSP") | Contracted Subscription Revenue (CSR) less the cost of the subscription assets at the time of installation and less the Subscription O&M costs (S O&M).<br><br>The Company uses GSP as it provides an estimate of the net contribution relating to the solar energy systems and batteries installed in the Subscription SPV segment during the reporting period. The acquisition cost of the subscription asset is recognised as part of property, plant and equipment in the consolidated statement of financial position and amortised over 20 years for solar energy installations and 10 years for batteries. Hence, this acquisition cost is not reflected in the consolidated income statement in the reporting period the installation has been completed (only through regular depreciation), but is included for the purpose of calculating GSP. Similar APMs are common in the industry in which Otovo operates, however it may be calculated differently and may not be comparable. The Company believes that GSP is a measure relevant to investors who want to understand the generation of net cash flows stemming from solar energy systems and batteries installed in the Subscription SPV segment during the reporting period. |
| Revenue Generated | Revenue (as reported in the Company's consolidated income statement in line with IFRS), plus Contracted Subscription Revenue (CSR).<br><br>The Company uses Revenue Generated as it provides an estimate of the total estimated cash inflows relating to the solar energy system installations performed during the reporting period. In accordance with the Group accounting policy, revenue from customers in the Marketplace segment (as defined and further described in Note 6 in the notes to the Group's financial statements) s recognised in the reporting period the installation is physically completed, while for customers in the Subscription SPV segment, the revenue is recognised over the contract period which is 20 years for solar energy systems and 10 years for batteries. Revenue Generated is disregarding the timing differences which are required for revenue recognition, as reported under IFRS, between the segments, and is also reflecting that a subscription customer is more valuable to the business than a direct purchase customer. Similar APMs are common in the industry in which Otovo operates, however it may be calculated differently and may not be comparable. The Company believes that Revenue Generated is a measure relevant to investors who want to understand the generation of cash flows stemming from solar energy systems and batteries installed during the reporting period, independent of purchase model. |

| APM | Definition & Description |
|---|---|
| Investment in Subscription Asset | Investment in tangible fixed assets in the Subscription SPV segment, equalling the amount the Group has paid, or is to pay, for the hardware and the installation work. The amount can be found in the elimination of cost of goods sold ("COGS") in the note for segment reporting in the Company's consolidated quarterly and annual reports. |
| Gross Profit | Revenue less COGS (both as reported in the Company's consolidated income statement).<br><br>The Company uses Gross Profit as it provides an estimate of the total contribution from the solar energy systems and batteries installed in the reporting period for the customers in the Direct Purchase segment. The recurring subscription revenues are not included in this measure. Similar APMs are common in the industry in which the Company operates, however it may be calculated differently and may not be comparable. |
| Gross Profit Generated | Gross Profit, plus Gross Subscription Profit (GSP).<br><br>The Company uses Gross Profit Generated as it provides an estimate of the total contribution from the solar energy systems and batteries installed in the reporting period. In accordance with the Group accounting policies, revenue and COGS in the Direct Purchase Segment is recognised in the reporting period the installation is physically completed, while for customers in the Subscription SPV segment, the revenue and amortisation of the subscription assets is recognised over the contract period which is 20 years for solar energy systems and 10 years for batteries. Gross Profit Generated is eliminating the timing differences in revenue and cost recognition, as reported under IFRS, between the segments, and is also reflecting that a Subscription customer is more valuable to the business than a Direct Purchase customer. Similar APMs are common in the industry in which Otovo operates, however it may be calculated differently and may not be comparable. The Company believes that Gross Profit Generated is a measure relevant to investors who want to understand the generation of net contribution stemming from solar energy systems and batteries installed during the reporting period. |
| Gross Margin Generated (%) | Gross Profit Generated divided by Revenue Generated. |
| Accumulated Contracted Subscription Revenue ("ACSR") | Net present value of all contracted cash flows in the portfolio over the remaining contract lifetime adjusted with expected CPI increases (2% annually), and discounted at 5% annual discount rate.<br><br>From one reporting period to the next, the development in ACSR will typically be as follows:<br><br>Opening balance ACSR<br>+ CSR for the period<br>- Subscription revenues (IFRS) for the period<br>- Buyout and defaults during the reporting period<br>+/- Foreign exchange rate effect<br>=Closing balance ACSR<br><br>The Company uses ACSR as it provides an estimate of the accumulated future cash inflows relating to the solar energy systems and batteries held by the subscription business. Customers in the Subscription SPV segment enter into a 20 year contract for solar energy systems and a 10 year contract for batteries, paying a monthly fee that is adjusted for inflation (CPI) annually. Similar APMs are common in the industry in which Otovo operates, however it may be calculated differently and may not be comparable. The Company believes that ACSR is a measure relevant to investors who want to understand the expected future cash flows stemming from solar energy systems and batteries held by the subscription business. |
| EBITDA Generated | Operating profit/(loss), net of depreciation and amortisation and net of subscription revenues (all as reported in the Company's consolidated income statement), plus Gross Subscription Profit.<br><br>The Company uses EBITDA Generated as it provides an estimate of the EBITDA that would be derived if the Company had sold the subscription assets and related contracts for the solar energy systems and batteries installed during the reporting period. EBITDA Generated is eliminating the timing differences in revenue and cost recognition which otherwise are accounted for under IFRS. Similar APMs are common in the industry in which Otovo operates, however it may be calculated differently and may not be comparable. The Company believes that EBITDA Generated is a measure relevant to investors who want to understand the generation of earnings before investment in fixed and intangible assets and the Company's ability to service debt. |

# Alternative Performance Measures

| Contracted subscription revenue | | |
|---|---|---|
| *(NOK 000')* | **FY 2024** | **FY 2023** |
| Cost of goods sold (COGS) to subscription segment | 142,636 | 366,003 |
| Batteries share of COGS to subscription segment | 19% | 9% |
| Solar Energy Systems (PV) share of COGS to subscription segment | 81% | 91% |
| | | |
| COGS to subscription segment - PV | 116,130 | 333,900 |
| Lifetime of contracts - PV | 20 | 20 |
| Average yield (first year payment to COGS)- PV | 0 | 0 |
| First year subscription payment - PV | 15,140 | 37,579 |
| Nominal lifetime subscription payments, not inflation adjusted | 302,794 | 751,578 |
| Inflation adjustment | 65,061 | 161,491 |
| Reduction from discounting to present value | -145,825 | -361,959 |
| **Contracted subscription revenue - PV** | **222,030** | **550,272** |
| | | |
| COGS elimination - Batteries | 26,506 | 32,103 |
| Lifetime of contracts - Batteries | 10 | 10 |
| Average yield (first year payment to COGS)- Batteries* | 19.0% | 16.6% |
| First year subscription payment - Batteries | 5,026 | 5,319 |
| Nominal lifetime subscription payments, not inflation adjusted | 50,265 | 53,194 |
| Inflation adjustment | 4,774 | 5,052 |
| Reduction from discounting to present value | -12,876 | -13,626 |
| **Contracted subscription revenue - Batteries** | **42,163** | **44,555** |
| | | |
| **Contracted subscription revenue - Total** | **264,192** | **594,827** |

| Revenue, Gross Profit and EBITDA Generated | | |
|---|---|---|
| *(NOK 000')* | **FY 2024** | **FY 2023** |
| Revenue according to the Income Statement | 565 611 | 996 211 |
| Contracted subscription revenue (calculated) | 264 192 | 594 020 |
| **Revenue Generated** | **829 803** | **1 590 231** |
| Cost of goods sold according to the Income Statement | 439 122 | 797 607 |
| Investment in subscription assets | 142 636 | 366 003 |
| Subscription O&M cost (calculated) | 14 472 | 41 193 |
| **Gross Profit Generated** | **233 573** | **385 427** |
| *Gross Margin Generated %* | *28.15%* | *24.24%* |
| | | |
| Operating profit/(loss) | -380 008 | -399 451 |
| Subtract financial leasing | -4 826 | -2 292 |
| Add back depreciation and amortisation | 63 083 | 75 200 |
| Add contracted subscription profit (calculated) | 107 084 | 186 823 |
| Subtract subscription revenue in the quarter | -67 367 | -77 217 |
| **EBITDA Generated** | **-281 141** | **-216 942** |

# Appendix A: GRI Index

| | |
|---|---|
| **Statement of use** | Otovo ASA has reported in accordance with the GRI Standards for the period January 1 to December 31, 2023 |
| **GRI 1 Used** | GRI 1: Foundations 2021 |
| **Applicable GRI Sector Standards** | Not applicable |

| GRI Standard | Disclosure | Location | ***Omission**: Requirements Omitted, Reason, Explanation* |
|---|---|---|---|
| **General Disclosures** | | | |
| GRI 2: General Disclosures 2021 | 2-1 Organisational Details | Page 3: *Otovo' in brief*<br>Headquartered in Torggata 7, 0181 Oslo, Norway | |
| | 2-2 Entities included in the organisation's sustainability reporting | Page 31**:** *Basis for Sustainability Statements Preparation* | |
| | 2-3 Reporting period, frequency and contact point | Otovo's report on sustainability aligns with the financial report, and is included in the Company's annual report, published in April for the period January 1 - December 31 of the preceding year (April 24, 2025).<br><br>Contact point for questions about the sustainability report or reported information:<br>Petter Ulset, petterul@otovo.com (Chief Financial Officer). | |
| | 2-4 Restatements of information | NA | |
| | 2-5 External assurance | The sustainability report has not been externally verified, but our work on human rights due diligence was supported by KPMG, and GHG reporting by Cemacys. | |
| | 2-6 Activities, value chain and other business relationships | Page 37-38: *Otovo's value chain and key stakeholders* | |
| | 2-7 Employees | Page 52: Our employees - *Actual State of Gender Equality* | |
| | 2-8 Workers who are not employees | In 2023 Otovo's installation partners performed 10 673 installations. Number of involved workers is estimated to be 2289 individuals based on the number of workers in each installation company and the number of installers. | |
| | 2-9 Otovo Governance structure and compositions | Page 15-20: Corporate Governance<br>Page 28: Otovo's Board of Directors | |
| | 2-10 Nomination and selection of the highest governance body | Page 17: Corporate Governance | |
| | 2-11 Chair of the highest governance body | Chair of the Otovo Board of Directors is Beatriz Malo de Molina<br>Beatriz Malo de Molina is not a senior executive of the organisation. | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Page 33-34: Sustainability statements - General - *Governance* | |
| | 2-13 Delegation of responsibility for managing impacts | The overall accountability lies with the executive management, delegation of responsibility per material topics is described in:<br>Page 44: Sustainability statements - *Environmental - Our approach and policies*<br>Page 50: Sustainability statements - *Our employees - Our approach and policies*<br>Page 55: Sustainability statements - *Workers in our value chain - Our approach and policies*<br>Page 59. Sustainability statements - *Governmental - Our approach and policies* | |
| | 2-14 Role of the highest governance body in sustainability reporting | Page 33-34: *Commitment and Governance*<br>The BoD is responsible for reviewing and approving the reporting information. Topic in audit committee and BoD meeting prior to publishing annual the report. | |
| | 2-15 Conflicts of interest | The Company handles conflict of interest and related party transactions in accordance with the Norwegian Public Limited Liability Companies Act. Conflicts of interest will be reported to stakeholder. There are no controlling shareholders. | |
| | 2-16 Communication of critical concerns | No critical concerns reported in 2024. | |
| | 2-17 Collective knowledge of the highest governance body | Discussions in Board of Directors' meetings. | |
| | 2-18 Evaluation of the performance of the highest governance body | Otovo's Board of Directors shall annually conduct a self-assessment, including its performance in overseeing the management of impacts. | |
| | 2-19 Remuneration policies | Page 18: Corporate Governance Report - *Board remuneration* and *Salary and remuneration of executive personnel* | |
| | 2-20 Process to determine remuneration | See 2-19, in addition:<br>The remuneration for the Board of Directors is set by the General Meeting based on a proposal from the nomination committee. The Board of Directors set the remuneration for the CEO based on proposal from the remuneration committee. The remuneration for the other members of Group management is set by the CEO in consultation with the remuneration committee and the Board of Directors. | |

# Appendix A: GRI Index cont.

| GRI Standard | Disclosure | Location<br>***Omission:*** *Requirements Omitted, Reason, Explanation* |
|---|---|---|
| **General Disclosures** | | |
| GRI 2: General Disclosures 2021 | 2-21 Annual total compensation ratio | The organisation's highest paid individual is the CEO.<br>The compensation ratio (CEO vs employee median): 3.2<br><br>Contextual information: Based on full time employees in Norway, employed by Otovo ASA at year end. Total annual compensation ratio is calculated from base salary + achieved bonus + realised variable compensations (only valid for sales managers). |
| | 2-22 Statement on sustainable development strategy | Page 30: Sustainability statements, *Introduction from the CEO* |
| | 2-23 Policy commitments | [https://www.otovo.no/a/humanrights/](https://www.otovo.no/a/humanrights/)<br>*Otovo's Sustainability Policy* |
| | 2-24 Embedding policy commitments | Page 55-56: Sustainability statements - Workers in our value chain - *Our approach and policies* |
| | 2-25 Processes to remediate negative impacts | Page 50: Sustainability statements - Social - Our approach and policies<br>Under the Norwegian transparency Act, Otovo has a duty to respond to requests for information. Otovo has an internal procedure for handling requests. In 2024 Otovo received one inquiry related to PV module sourcing. In 2024 Otovo received no grievances through our external whistleblower channel. |
| | 2-26 Mechanisms for seeking advice and raising concerns | Page 50: *Sustainability statements - Social - Our approach and policiesg*<br>In addition, Otovo has a process for handling whistleblowing from employees, where top level escalation is the chair of Otovo's Board of Directors. |
| | 2-27 Compliance with laws and regulations | No known instances of non-compliance with laws and regulations have occurred during the reporting period |
| | 2-28 Membership associations | Nelfo/NHO (Norwegian Association of Industry) and Solenergiklyngen (The Norwegian Solar Industry Association) |
| | 2-29 Approach to stakeholder engagement | Page 37-38: Sustainability statements - *General - Otovo's value chain and key stakeholders*<br>and *Appendix C: Stakeholder engagement* |
| | 2-30 Collective bargaining agreements | All employees in Otovo France and in Otovo Austria are covered by a collective bargaining agreement |
| **Material Topics** | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Page 39-42: Sustainability statements - General - *Double materiality assessment* |
| | 3-2 List of material topics | Page 42: Sustainability statements - General - *Overview of IROs* |
| **Environmental** | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 43-44: Sustainability statements - Environmental - *Details of our IROs*<br>*Appendix B: GHG model and emissions* |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | NA - Scope 1 is zero due to the nature of Otovo's business model. |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Page 45-47: *GHG Emissions and Intensity*<br>*Additional details in Appendix B: GHG model and emissions* |
| | 305-3 Other indirect (Scope 3) GHG emissions | Page 45-47: *GHG Emissions and Intensity*<br>*Additional details in Appendix B: GHG model and emissions* |
| | 305-4 GHG emissions intensity | *Page 47: Table:: GHG Emissions and intensity*<br>*Based on all GHG Emissions, incl Scope 3.* |
| | 305-5 Reduction of GHG emissions | Page 48: In 2024 we have purchased carbon credits for Otovo's direct activities.<br><br>*Omitted*: All<br>*Reason*: Lack of baseline year<br>*Explanation*: Otovo will use 2022 as a baseline and have initiated process of setting Science Based Targets. |

# Appendix A: GRI Index cont.

| GRI Standard | Disclosure | Location | Omission: *Requirements Omitted, Reason, Explanation* |
|---|---|---|---|
| **Social - Workers in our value chain** | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 55: Sustainability statements - *Workers in our value chain - details on our IROs* | |
| GRI 403: Occupational Health and Safety 2018 | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Page 55-57 | |
| | 403-9 Work-related injuries | Page 55-57: *Workers in our value chain*<br><br>a. No recorded injuries<br>b. Page 57: *Health and safety events* (we estimate that our installation partners have worked 213 thousand hours on installation-site in 2024).<br>c. Page 55: Details of our IROs<br>d. 55-57: *Workers in our value chain*<br>e. 1M hours worked (events also presented per 1k installations) | |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | All PV Module manufacturers on whitelist were screened using social criteria | |
| | 414-2 Negative social impacts in the supply chain and actions taken | Page 55: *Details on our IROs* | |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Page 55: *Details on our IROs* | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | | Omitted in this report. Otovo has introduced an environmental risk score and will develop this further in 2025. |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | | Omitted in this report. Otovo has introduced an environmental risk score and will develop this further in 2025. |
| **Social - Our employees** | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Page 49-50: *Details of our IROs* | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Page 52: Actual State of Gender Equality<br><br>BoD is presented on page 53<br>Executive Management is presented on page 53<br><br>Additional info:<br>a. i. Page 45: Table: Gender Balance in Board of Directors<br>ii: BoD: 72.5 % of members in age group 30-50, 37.5 % above 50. Group executive management: 100% in age group 30-50.<br><br>b.i. Page 44-46: Actual State of Gender Equality<br>ii. In the Otovo Group: 33% of FTEs are below 30, 64% are in age group 30-50 and 3% are above 50. | Omitted: a and b point iii.<br>Reason: Lack of updated indicators<br>Explanation: Otovo will work to improve recording of indicators |
| | 405-2 Ratio of basic salary and remuneration of women to men | Page 53: Pay Gap Table | |
| GRI 401: Employment 2016 | 401-3 Parental leave a, b | Page 52: Actual state of Gender Equality - Parental leave | |

# Appendix B: GHG model and emissions

| GHG Emissions | tCO2e | Model Input |
|---|---|---|
| **Scope 2: Indirect emissions from purchased energy** | | |
| **Electricity Market Based**<br>(Location based | **75.7**<br>21.3 | kWh * Local Market Based Mix |
| **Scope 3: Indirect emissions not owned** | | |
| **Employee Commuting** | **60.6** | Total travel distance per means of transport (employee survey) |
| **Purchased goods and services,** of which:<br>*Office electronics*<br>*Solar System Hardware (direct purchase)* | **23 874.6**<br>*163.9*<br>*23 710.7* | Office electronics: Purchased units x EPD estimate / Cemasys verified<br>Solar System hardware: Installed components x product carbon footprint** |
| **Business Travel** | **120.1** | Total travel distance per means of transport. |
| **Upstream transportation and distribution,** *of which:*<br>*Sea freight / shipping*<br>*Installer Transportation* | **1 344.8**<br><br>*847*<br>*497.8* | Shipping: Distance port to port * weight of installed hardware<br>Installer Transport: Roundtrip from installer to installation site in km * installation days (estimated installation time of 1 day per 12 panels) |
| **Waste** | **12** | FTEs * Cemsys Estimate (69 kgCO2e/FTE) |
| **End-of-life treatment of sold products** | **106.8** | Installed solar system components * EPD estimate / Cemasys verified |
| **Capital Goods**<br>*Solar system hardware (subscription)* | **22 108** | Installed components x product carbon footprint** |

**** Product Carbon Footprint**

| Category | Model Input |
|---|---|
| Hardware: Production (cradle - gate) | Installed components * EPD estimate (Cemasys verified)<br><br>*EPDs, LCAs and verification from Cemasys have been used to account for carbon footprints of solar system hardware manufacturing (A1 - A3).*<br><br>*Specific EPD estimates, per installed components:* |
| Hardware: End of life treatment | Installed components * EPD estimate (Cemasys verified)<br><br>*Specific EPD estimates, per installed components:* |

Hardware: Production (cradle - gate) — specific EPD estimates:

| | ***kgCO2e*** | ***per installed*** |
|---|---|---|
| Solar Modules | 617 | kWp PV capacity |
| Mounting Systems | 25.91 | m2 PV module area |
| Inverters String | 50 | kW inverter capacity |
| Inverters Micro | 90 | kW inverter capacity |
| Batteries | 130 | kWh storage capacity |
| Heat Pumps | 1200 | unit |

Hardware: End of life treatment — specific EPD estimates:

| | ***kgCO2e*** | ***per installed*** |
|---|---|---|
| Solar Modules | 1.11 | kWp PV capacity |
| Inverters String | 1.25 | kW inverter capacity |
| Inverters Micro | 1.25 | kW inverter capacity |
| Batteries | 0.5 | kWh storage capacity |
| Heat Pumps | 150 | unit |

# Appendix C: Stakeholder Engagement

Otovo seeks to engage with a variety of stakeholders, to take account of the individuals and groups impacted by our way of working, operations, business relationships and strategic directions.

| Stakeholder Engagement (GRI 2-29) | | |
|---|---|---|
| **Stakeholder Group** | **Type of engagement** | **Topics & Concerns Discussed** |
| Investors (Financial Community) | Meetings, financial reporting, investor pages, press and stock exchange releases | • Financial performance<br>• Management's strategic priorities<br>• Market development<br>• Impact of macroeconomic trends (inflation, interest rates, energy costs, etc.)<br>• Compliance & Governance<br>• Identify actual and potential impacts<br>• GHG Emissions<br>• Avoided emissions, including methodology<br>• Circularity<br>• Human Rights |
| Financiers / Banks | Meetings | • Financial performance<br>• Growth / deployment of capital<br>• Performance of subscription assets<br>• Covenants, solvency & solidity<br>• Risk management, incl climate risks<br>• Market outlook |
| Installation Partners | Communication through Otovo Installer platform, email, phone, meetings, third party inspections, webinars | • Occupational health and safety<br>• Quality Improvements<br>• Identify actual and potential impacts |
| Hardware Manufacturers | Email, meetings, industry meetups | • Human and labour rights<br>• GHG Emissions & Environmental Impact<br>• Policy commitments |
| Supply Chain Distribution Partners | Phone, email, meetings, fairs | • Human and labour rights<br>• GHG Emissions<br>• Cost efficiency<br>• Technology developments |
| Customers | Phone, email, newsletters, webinars | • Environmental Impact of PV<br>• Financial savings<br>• GHG Emissions<br>• Market outlook |
| Employees | • Internal communication channels<br>• Company wide Otovo Lunch/town hall (biweekly)<br>• Working at Otovo Survey (monthly)<br>• Performance dialogues and reviews<br>• Working Environment Committee (Group level) and Safety representatives per country<br>• Impact Assessment Survey | • Diversity, Inclusion and equal opportunity<br>• Occupational health and safety<br>• Talent development<br>• Strategy<br>• Identify actual and potential impacts<br>• GHG Emissions and Climate Impact |
| Media | Interviews, podcasts | • Financial performance<br>• Market outlook<br>• Relative sustainability merit of solar vs. other energy sources |
| Industry Associations | Meetings, working groups, industry meetups. conferences | • Identify actual and potential impacts<br>• Inform about incentives, taxation and rules for solar and storage<br>• Ethical Supply Chains<br>• HSEQ<br>• Education programs and training<br>• Fire Safety |
| Governments, Authorities, Policymakers | Meetings | • Renewable Energy Transition Enabling<br>• Subsidies<br>• Policies |

# Definitions

**Project / Unit**
A PV system and/or a battery or heatpump

**Direct sale**
PV or battery systems paid for directly by the customer, including sales financed by the homeowner's loan

**Subscription**
Customer relationships with recurring revenue, such as leases, service agreements, etc., relating to PV or battery system

**Sold projects**
Sold projects are the number of projects sold during the period less projects abandoned during the period

**Abandoned project**
An abandoned project is a project that has been canceled after the contract with the customer is signed

**Installed project**
An installed project is a project that has been physically completed, is capable of producing electricity, and can be invoiced by Otovo

**Otovo Shared Service centre**
**Otovo's operational hearth in Madrid providing high quality services to the rest of the Group allowing Otovo to shift resources efficiently between markets**

**System size**
Otovo reports on the industry standard Watt-peak (Wp). The term System size refers to the average system size of sold/installed PV projects, measured in kWp

**Battery attachment rate**
The share of projects which include a battery

**Ticket size**
The total project price which the customer pays to Otovo for a direct sale

**Cost per Wp**
Calculated as the total project cost (i.e., ticket size) divided by the system size measured kWp.

**Customers**
Number of customers with an installed PV and/or battery system and/or heatpump, both from a direct sale and subscription

**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

**Margin leakage**
The delta in a project's gross margin from the time it's sold to installed arising from re-scoping, re-pricing or re-assigning the project to a new installer. Can be positive (gain) or negative (loss).

**Discount Rate**
The discount rate is used to discount future cash flows in order to calculate net present value under Otovos alternative performance measures . Currently 5%

**Contracted Subscription Revenue (CSR)**
Net present value of contracted cash flows coming from sales or installations in the period. The cash flows are calculated over the contract lifetime, adjusted with expected CPI increases (currently assumed at 2%)

**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 SO&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

**Annual Recurring Revenue (ARR)**
Annual recurring revenue from the leasing portfolio

# Investor Relations Contacts

**Investor Relations**
ir@otovo.com
investor.otovo.com

**Petter Ulset (CFO)**
petterul@otovo.com
+47 93 60 26 43

OTOVO

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