



Otovo

The solar and battery marketplace

Q1 25 presentation
06 May 2025

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Today's speakers

Presenting

Founder and CEO
Andreas Thorsheim



CFO
Petter Ulset



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Quarterly highlights

Sales growth

- Strong growth in order intake, both in value (+30%) and in number of customers (+34%)
- Backlog up 27% from last quarter
- Profitability per project is strong

Cash buffer strengthened

- Cash flow fundamentally improved, with return to growth and new leasing structure
- Cash and receivables available at start of Q2 is above NOK 200m – a comfortable buffer

Cost structure reset

- Cost improvements evident in marketing (down 39%) and personnel cost (down 41%)
- Strong efficiency gains and confidence in ability to improve efficiency further

Consumer outlook improving

- Consumers triggered by shorter payback times on solar and batteries, while resilience and backup demand is likely to get boosted in quarters ahead

Overall

- Otovo returns to growth with improved cash structure and sights set on profitability

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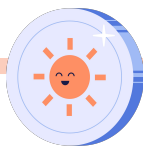
We have cut costs and monetized our leasing portfolio as we gear for new growth in distributed energy in Europe



Q4 2024

COST CUTS

- Prioritizing the most attractive geographies
- Reorganizing into a functional structure centered in Madrid
- Conducting tough cost cuts, taking cost base down NOK 200-250m



Q1 2025

PORTFOLIO SALE

- Freed up equity and profits from the leasing portfolios in Europe
- Move from invest in to harvest from leasing contracts with Swiss Life Asset Managers as our partner



Q1 2025 – ONWARD

SALES GROWTH

- Implementing a new sales methodology that reduces cost per sale and boosts conversion rates
- Grow sales and ticket size per customer
- Battery growth

How Otovo works now

Business segments



Direct to
consumer
(B2C)



Leasing
portfolio owner
(B2B2C)

Product range

Battery

Electric
Vehicle
Charger

Backup
system

Home Energy
Management
System

Solar PV

Heat Pump

Geography



Germany



Poland



Italy



France



Austria



Portugal



Spain



Switzerland








Sweden



Norway

Otovo has two business segments

Business segments		Description	Share of revenue Q1	Gross margin
1 B2C Household customer 	Direct to consumer	Customers pay Otovo in full at time of delivery	76%	23%
2 B2B2C Swiss Life 	Leasing portfolio owner	 Norway & Sweden Swedish & Norwegian customers entering subscription contracts	1%	24%
		 Rest of Europe European customers entering subscription contracts	23% 	32%

Return to growth in order intake

+30%

Q4 24: 118m

Order Intake

NOK 154m

-13%

Q4 24: 144m

Revenue

NOK 125m

+27%

Q4 24: 153m

Backlog (EOQ)

NOK 195m

-8%

Q4 24: 33m

Gross profit

NOK 31m

+2%p

Q4 24: 23%

Gross margin

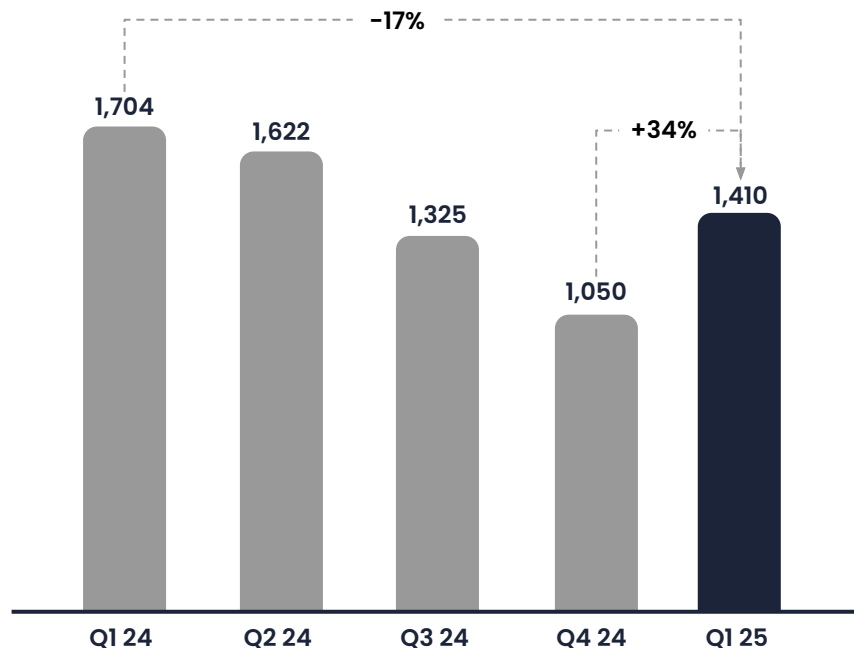
25%



Net sold projects up 34% since previous quarter, turning into installations the subsequent quarter

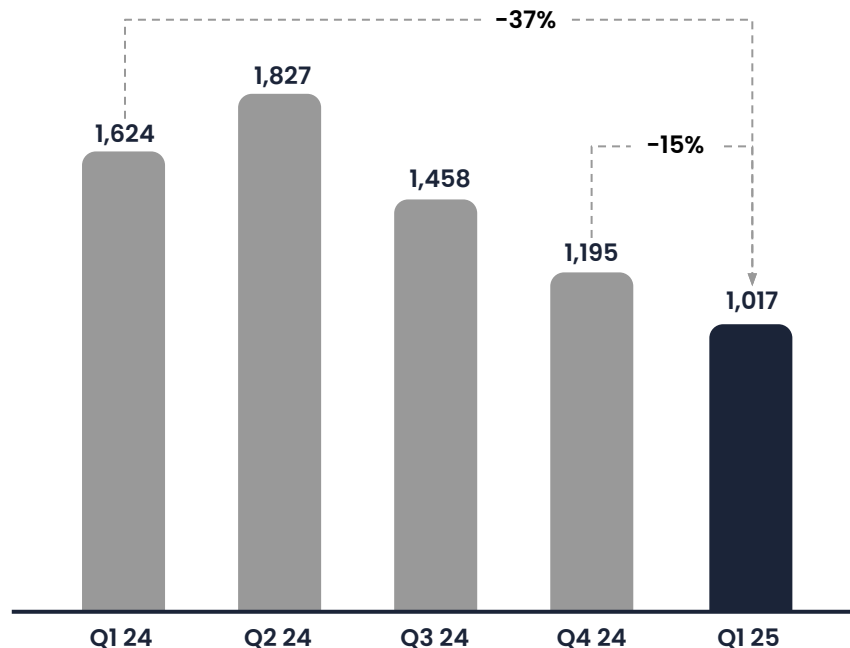
Net sales

Figures in #



Installations

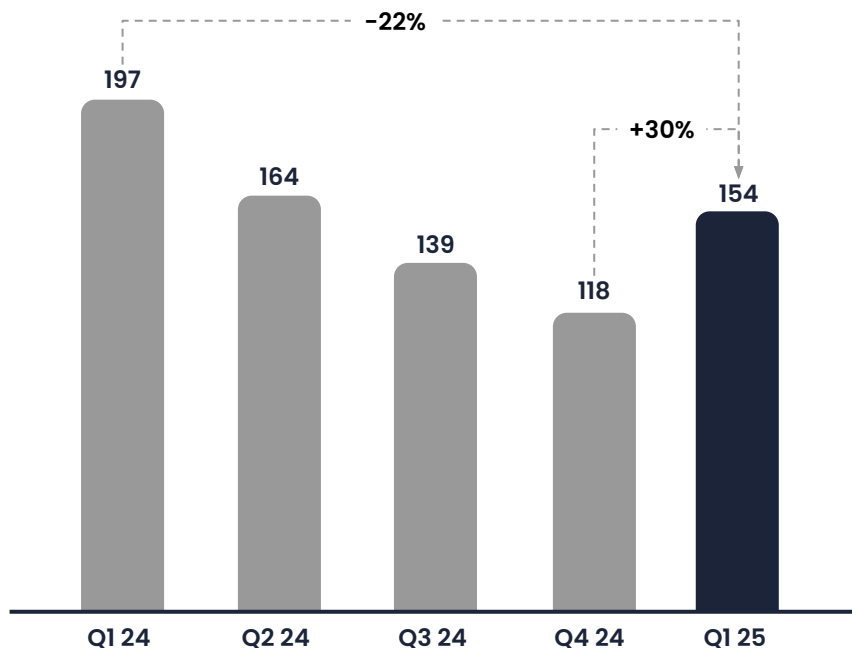
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Order intake up 30% since previous quarter, turning into revenue the subsequent quarter

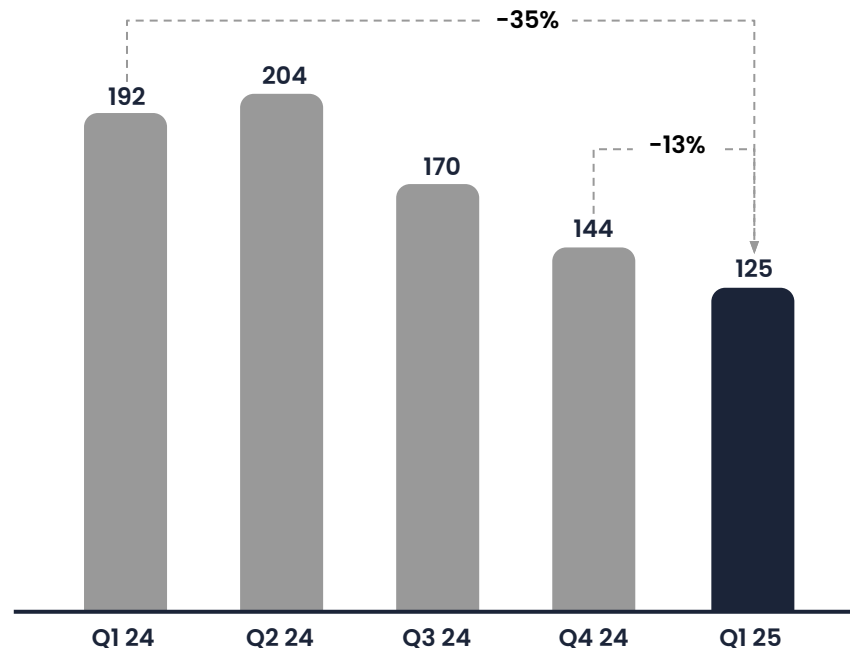
Order Intake (new sales value)

Figures in NOKm



Revenue (installed value)

Figures in NOKm



Consumers get better technology to survive in new energy market

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	✓✓✓	✓✓✓	✓	✓	✓✓

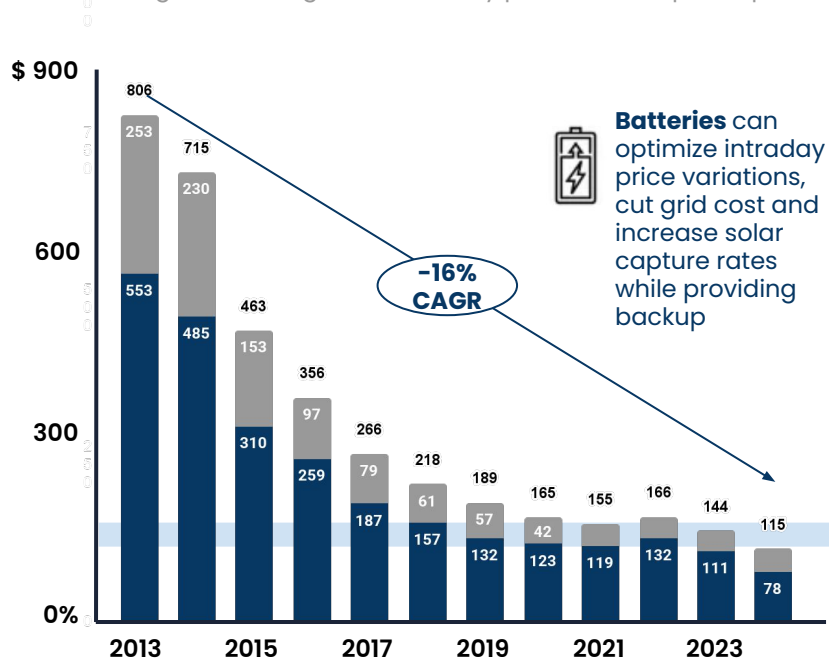


Expecting demand for batteries and backup solutions to rise

With batteries, a new energy technology wave is swelling

Battery prices have come down to grid-competitive levels

Volume-weighted average Li-Ion Battery pack and cell price split, USD



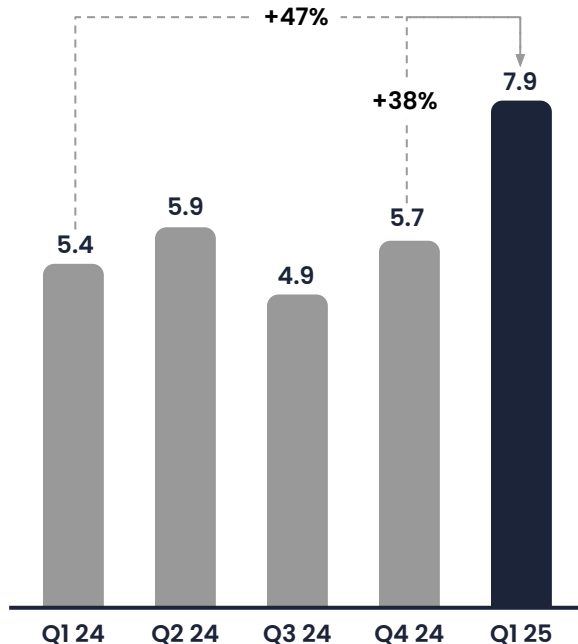
Source: Bloomberg NEF



■ Pack ■ Cell ■ Grid fee competitive level

Batteries – Order intake

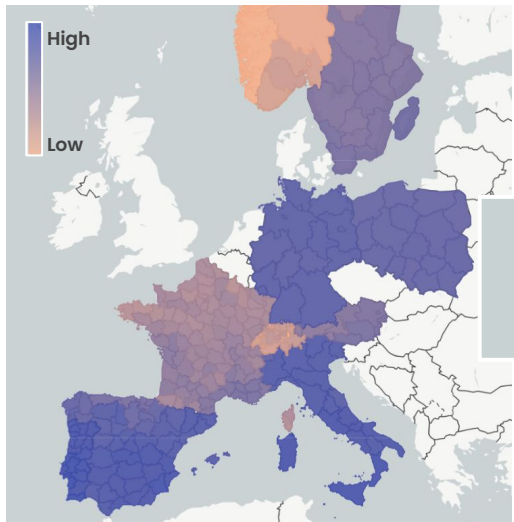
Figures in Megawatt-hours



And the profitability of solar is once again improving in Europe

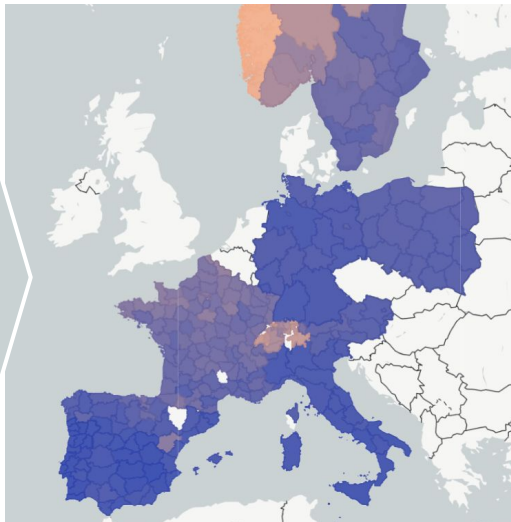
Consumer profitability 2024 Q1

Consumer profitability given prices on Otopo Platform



Consumer profitability 2025 Q1

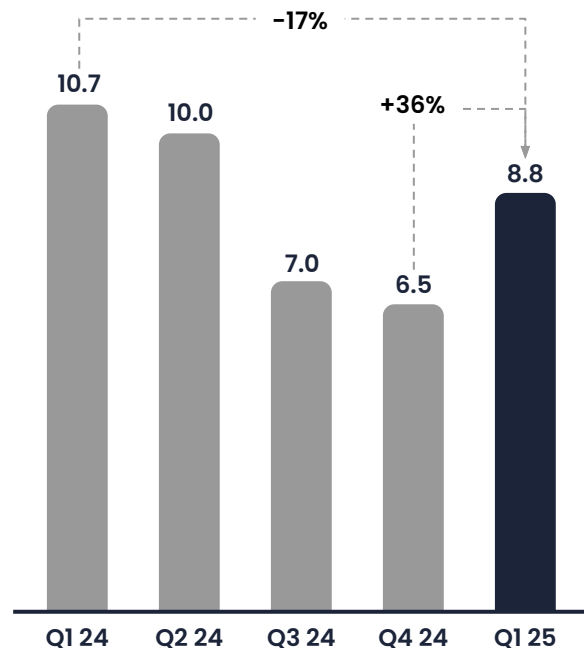
Consumer profitability given prices on Otopo Platform



Method: Calculated as $cpW / (kWh/kW * € / kWh)$, where cpW denotes consumer price per Wattpeak of installed capacity, kWh/kW denotes the local energy yield per Wattpeak installed under optimal conditions, and €/kWh denotes the consumer electricity prices per country.

Solar PV – Order intake

Figures in Megawatts



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Otovo has two segments – Selling systems directly to households and to Swiss Life Asset Managers

Illustration of segments for financial reporting

Figures indexed to COGS = 100

B2C



B2B2C



Deconsolidation of Subscription SPVs

- The 8 subscription SPVs that were included in the portfolio transaction are no longer consolidated on Otovo's balance sheet
- Subscription contracts are sold on a continuous basis out of the Otovo Group, and the revenue is recognized in the quarter when the project is installed

Revenue and gross margin from B2B2C customers clearly visible in income statement

Consolidated Financial Summary

(NOKm)	Q1 25	Q4 24	Q1 24	ΔQoQ	ΔYoY
Revenue	125	144	192	-13%	-35%
Cost of materials and installation services	-94	-111	-158	-15%	-41%
Gross profit	31	33	34	-8%	-11%
Other operating income	4	4	3	-10%	10%
Payroll	-42	-50	-73	-15%	-41%
Other operating expenses	-57	-44	-66	29%	-13%
EBITDA	-65	-57	-100	-9	35
Depreciation and amortisation	-9	-8	-9	13%	-2%
Operating profit	-74	-65	-110	-10	35
<i>Gross margin</i>	<i>25%</i>	<i>23%</i>	<i>18%</i>	<i>2%</i>	<i>7%</i>
<i>EBITDA margin</i>	<i>-52%</i>	<i>-39%</i>	<i>-52%</i>	<i>-13%</i>	<i>0%</i>

Comments

- Revenues of NOK 125 million in the first quarter which is reduced in line with installation activity both sequentially and YoY
- Gross profit reduced correspondingly less than Gross Profit due to higher profitability B2B2C customers now included fully in P&L
- Payroll reduced sequentially and YoY while Other Operating Expenses is higher than in Q4 due to high strategic project related activity

Profitability in B2BC segment was 10 percentage points higher than in B2C segment

Revenue by segment

(NOKm)	Q1 25	Q4 24	Q1 24	ΔQoQ	ΔYoY
B2C	95	117	143	-19%	-34%
B2B2C	30	27	49	10%	-39%
Total Revenue	125	144	192	-13%	-35%

Gross profit by segment

(NOKm)	Q1 25	Q4 24	Q1 24	ΔQoQ	ΔYoY
B2C	21	29	31	-26%	-31%
B2B2C	9	5	4	107%	162%
Total Gross profit	31	33	34	-8%	-11%

Gross margin by segment

	Q1 25	Q4 24	Q1 24	ΔQoQ	ΔYoY
B2C	22.3%	24.5%	21.4%	-2.2%p	+0.9%p
B2B2C	31.9%	16.9%	7.4%	+15.0%p	+24.5%p
Total Gross margin	24.6%	23.1%	17.8%	+1.5%p	+6.8%p

Comments

- Otovo will report on two segments
 - B2C: Sales to homeowners (76%)
 - B2B2C: Sales to Swiss Life owned entities (24%)
- Profitability is higher in the B2B2C segment as this shows the additional value that Otovo gets from consumers that subscribe to Solar PV systems and related products

Order intake is increased both from higher unit sales and the additional value from B2B2C customers

Order intake by segment

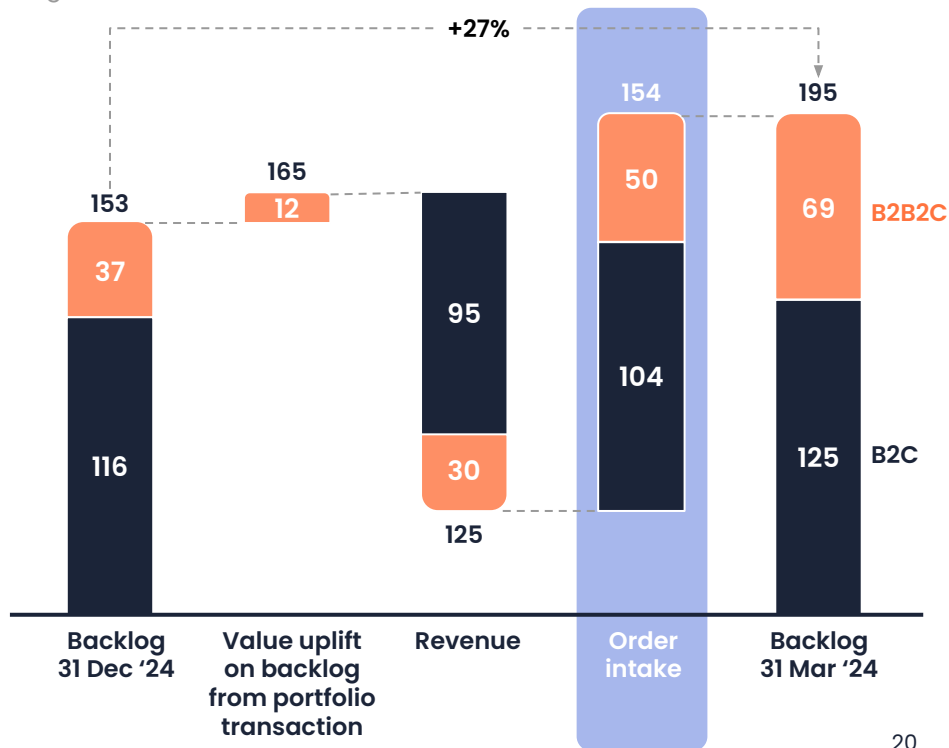
(NOKm)	Q1 25	Q4 24	Q1 24	ΔQoQ	ΔYoY
B2C	104	93	149	11%	-30%
B2B2C	50	25	48	100%	3%
Total Order intake	154	118	197	30%	-22%

Comments

- Subscription projects in backlog at EOY'24 had a value of NOK 37m, corresponding to the internal price ("SPV Capex") paid by local Otovo entities to the Subscription SPVs ("EDEA")
- The value of these increased by NOK 12m to NOK 49m after the portfolio transaction, according to the terms of the continuous sale agreement
- Swiss and UK subscription projects are recorded in backlog with the customer payments in the quarter (NOK 0.4m in Q1'25)
- Order intake was 1.23x revenue, which combined with the value uplift lead to an increase in backlog of 27%

Change in backlog

Figures in NOKm



Cost cuts on track – working on improving and preserving operational leverage while resuming growth

Payroll

- FTE count has been reduced to 193, from 366 in Q2 2024
- Cost program completed, with 41% reduction in payroll cost

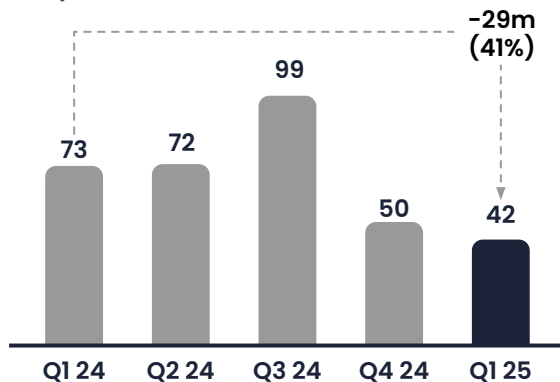
Marketing

- Marketing costs reduced by 39% since Q1 2024
- Successfully decreased marketing cost per net sale by 27% YoY, and 19% since QoQ, to lowest levels seen in several years

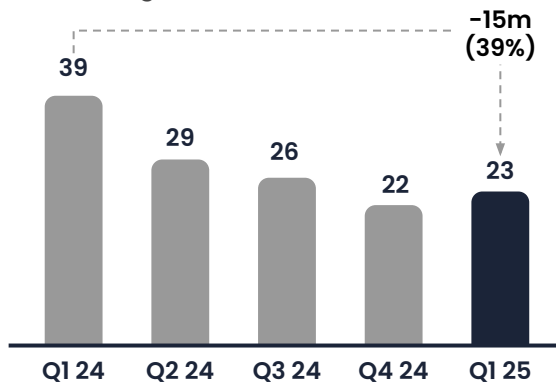
Other opex

- Underlying flat, but NOK 10m in strategic project related costs taken in Q1

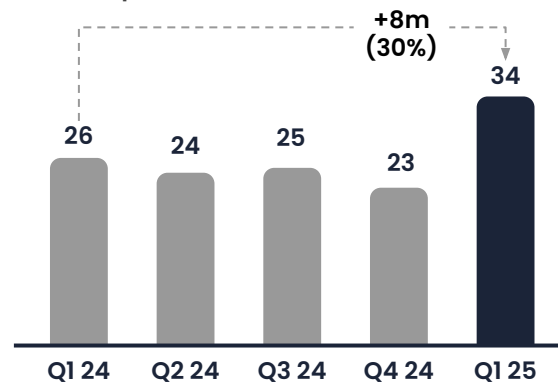
Payroll cost (NOKm)



Marketing cost (NOKm)



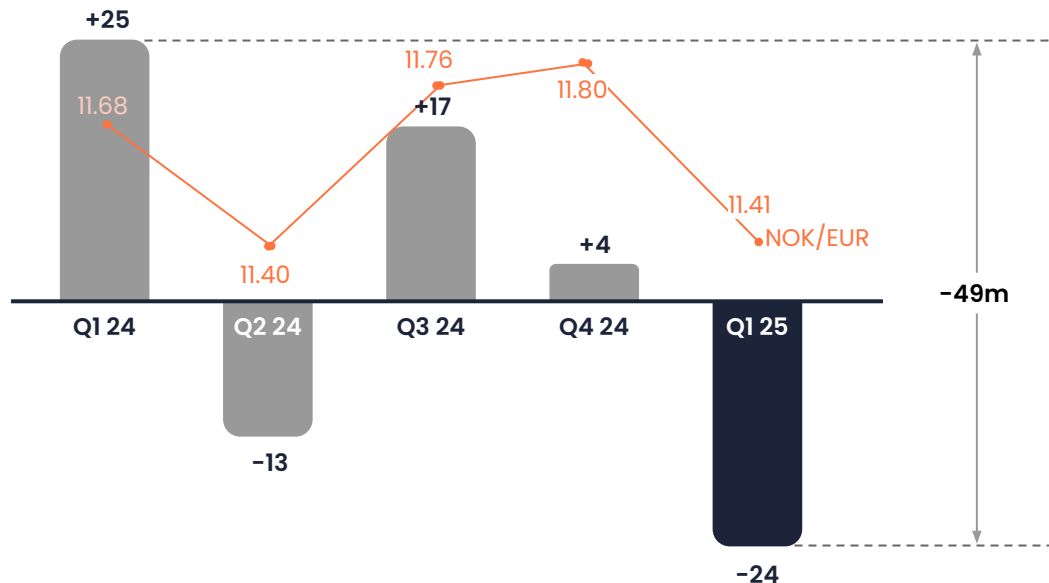
Other opex (NOKm)



Adverse currency effects of NOK 24m in the quarter with no cash effect related to financing of subsidiaries in EUR

Currency effect on net exchange gain/loss in subsidiaries

- Net exchange gain/(loss), figures in NOKm
- NOK/EUR exchange rate at end of quarter for illustrative purposes



Comments

- Otovo finances Group subsidiaries through a combination of equity and shareholder loans, the majority of which is denominated in EUR
 - When the EUR appreciates towards the NOK (the reporting currency) there is a currency gain in Otovo's P&L
 - In Q1 2025 the EUR depreciated vs. the NOK, resulting in a currency loss of NOK 24m
- This has no cash effect and has no impact on the subsidiaries' financials or solidity, as they operate in EUR

Balance sheet is reduced following divestment of the continental subscription portfolio

Consolidated Balance Sheet

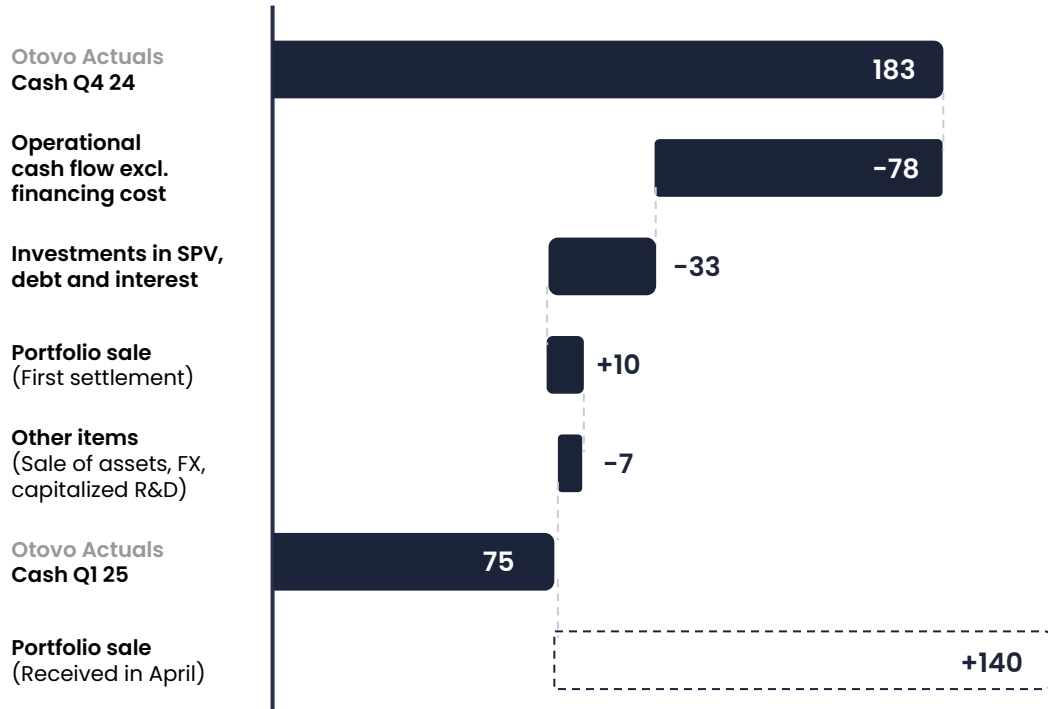
(NOKm)	Q1 25	Q4 24	Q1 24	ΔQoQ	ΔYoY
Non-current assets	289	825	680	-65%	-57%
Cash	75	183	434	-59%	-83%
Other current assets	227	106	161	114%	41%
Assets	591	1,114	1,274	-47%	-54%
Equity	428	499	778	-14%	-45%
Liabilities	164	616	496	-73%	-67%
Equity and liabilities	591	1,114	1,274	-47%	-54%

Comments

- Otovo's ~11% ownership stake in EDEA Europe (where Swiss Life Asset Managers owns the remaining stake) is accounted for as an associated company where the value is based on the transaction value at closing
- At the end of the quarter, Otovo had a receivable of NOK ~140m towards EDEA Europe, that will be paid in the quarter
- Going forward, Otovo invoices EDEA Europe for subscription projects on a continuous basis, but the additional value creation in excess of capex is invoiced quarterly, meaning there will be a receivable on Otovo's balance sheet at the end of every quarter

Cash position of NOK 75 million at the end of the quarter not reflecting the full impact of the portfolio sale

Cash development during Q1 2025 (NOKm)



Comments

- Cash flow from operations was negative NOK 78m in the quarter which includes NOK 20m in payments to employees related to severance and bonus paid for 2024
- Investments and interest paid of NOK 33 million related to subscription SPVs in the quarter
- Net effect of Portfolio sale of of NOK 10 million with – receivable on SLAM of NOK 140 million

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- Backlog building back to growth, up 27% from last quarter
- Profitability per project is strong

Cash buffer strengthened

- Cash flow fundamentally improved, with return to growth and new leasing structure
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Cost structure reset

- Cost improvements evident in marketing (down 39%) and personnel cost (down 41%)
- Strong efficiency gains and confidence in ability to improve cost further, even as volumes grow

Consumer outlook improving

- Consumers triggered by shorter payback times on solar and batteries, while resilience and backup demand is likely to get boosted in quarters ahead

Overall

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Definitions

Project / Unit / Customer

Number of customers with a PV and/or battery system. May also have other products in addition to PV/Battery.

Installation

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

Gross sale

The number of customers signing a contract for a project during the quarter.

Net sales

Gross sales in the quarter less abandons in the quarter.

Abandons

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

B2C customer

Customers paying Otovo directly for a project.

B2B2C customer

Customers entering into a long-term contract with one of the 10 companies that Otovo has sold to Swiss Life Asset Managers.

SLAM

Swiss Life Asset Managers, or FORTE PV S.à.r.l.

Backlog

The value of all projects with a signed contract that are yet to be installed as of the last day in the quarter.

Order Intake

Reflects the value of sales activity in the quarter and is calculated as the change in backlog plus revenues in the quarter.

Ticket size

The total price of the products that a customer would have paid if making the purchase as a B2C customer.

Gross profit

Revenue less Cost of materials and installation services, i.e. excluding Other Operating Income and Other Income.

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.

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