



OTOVO

Q4

2024 Report

CEO Message



A new Otovo emerges

In Q4 we executed a substantial downsizing affecting 200 people in the company who were relocated or made redundant and resulting in a net drawdown of 111 full time employee equivalents from the end of Q3 until today. For sake of comparison, Otovo had almost 400 employees a year ago.

The turnaround also entailed introducing automation and AI-support for tasks, increasing efficiency, and a re-orientation of the company's operational heart to Madrid where Spanish, German, Scandinavian and French speakers are now co-located to serve our markets from one hub. While impacting performance in sales and

customer service intermittently in Q4, this deep change program is fully executed and the teams are now back on track to sell, install and satisfy as they usually do.

Leasing solved

In addition, thanks to the recent seminal agreement with Swiss Life Asset Managers, Otovo frees up NOKm 155 in cash, the takeaway of which is added liquidity and runway, and a much lightened balance sheet. In addition, Swiss Life have committed to buy leasing contracts in eight countries on terms equivalent to those in this first close for 2025-26, meaning Otovo will not invest its own liquidity when building leasing assets but rather recognise the value creation immediately and get paid immediately. This means a completely transformed cash flow structure.

Batteries

Q4 sees a continuation of the strong battery growth trend. Otovo set a new battery attachment rate record of 65 percent. We will see battery stand alone sales accelerate, as Otovo taps into the vast market of more than 10 million homes with solar panels that don't yet have energy storage, including our own leasing fleets; as well as sell to new and incoming customers. Batteries are a new, strong and stable growth vector, as batteries create savings in many more scenarios than solar stand alone systems.

In sum, lower costs, strengthened liquidity and improved cash flow structure bode well for 2025 and 2026. When combined with green shoots in solar demand and an emerging growth vector in batteries, we see a new Otovo emerging.

Andreas E. Thorsheim,
CEO

Summary | Fourth quarter 2024 highlights

- **Cost cuts complete**
Cut 111 FTEs in Q4, bringing total headcount reduction to 208 since Q1 24, and reduced Opex below NOKm 100
- **Portfolio sale complete**
European subscription portfolio sold, freeing up NOKm 155
- **Solid for 2025-26**
Lower cost, strengthened liquidity and improved cash flow structure
- **Battery sales in progress**
Batteries included in 65% of customer contracts, a new record high and a new growth vector

-32% *IFRS* **Revenue incl. financial lease**
Q4 23: 181 **124 NOKm**

-12% **Gross Profit**
Q4 35.3 **31.1 NOKm**

-41% *APMs* **Revenue Generated**
Q4 23: 277 **163 NOKm**

-32% **Gross Profit Generated**
Q4 23: 71 **48 NOKm**

-2% **Accumulated Contracted Subscription Revenue**
Q4 23: 824 **930 NOKm**



Otovo installation Poland

Fourth quarter 2024 | Financial summary

Financial summary

(NOKm)	Q4 2024	Q4 2023	Change	FY 2024	FY 2023
Revenue & Finance lease revenue	123.7	180.6	-32%	585.7	1,010.6
Gross profit	31.1	35.2	-12%	131.3	200.9
Operating profit/(loss)	-49.9	-110.9		-380.0	-399.5
Profit/(loss) after tax	-56.7	-122.2		-374.5	-384.8

Financial summary - Comments

- Revenues are down 32% compared Q4 23, primarily due a challenging market for the Group's products where installations of new systems is down 39%
- Gross profit is down NOK 4.1m YoY or 12% which considerably less than the reduction in Revenues. Gross margin is up by 5.7 p.p. from 19.5% in Q4 23 to 25.2% in Q4 24
- Other operating income increased by 52% from NOK 14.4m in Q3 23 to NOK 20.6m Q3 24, explained by higher subscription revenues
- Other income, containing non-recurring gains relating to divestment and acquisition of subscription portfolios, is reduced from NOK 37.9m in Q4 23 to NOK 10.9m in Q4 24.
- Operating loss decreased from NOK 110.9m in Q4 23 to NOK 49.0m in Q4 24. The decrease in loss is mainly explained by reduction in underlying payroll and other operating expenses due to cost cut measures taken, partially offset by a reduction in contribution from non-recurring gains.



Otovo installation in Norway

Fourth quarter 2024 | APMs and Key performance figures

Alternative Performance Measures

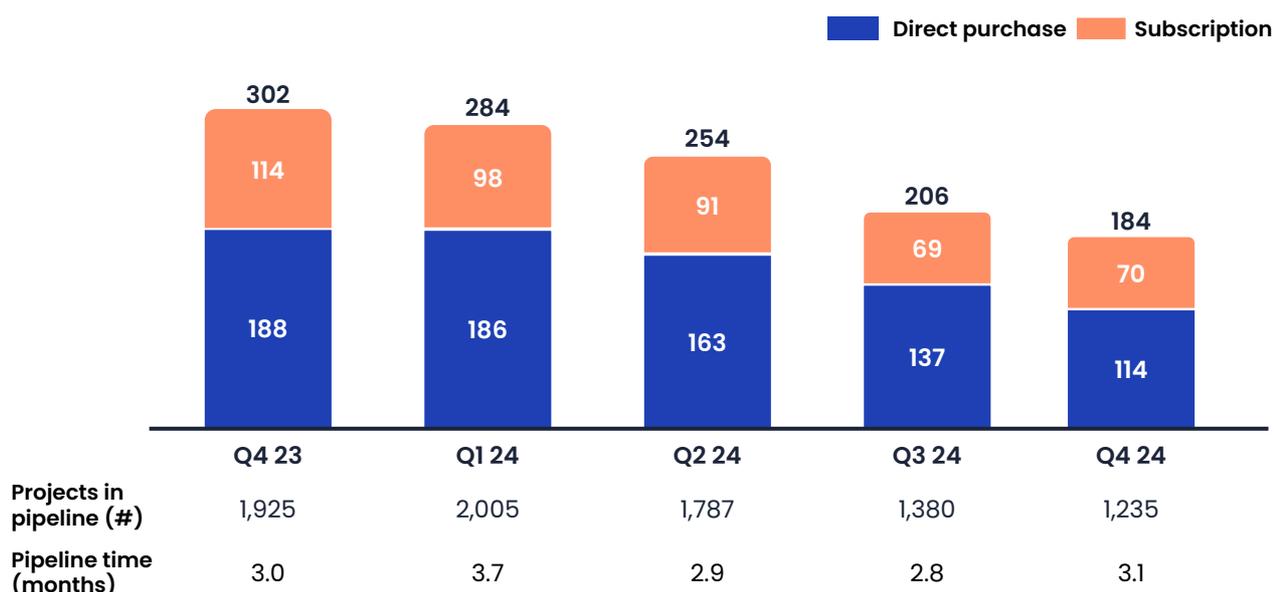
Reported financials do not reflect underlying value creation in the Subscription portfolio given the delayed revenue recognition of Subscription contracts versus Direct Purchase contracts. This has led to the introduction of Alternative Performance Measures (APM), that reflects the value creation from direct purchase projects with the value creation from subscription projects. Please refer to Alternative Performance Measures section of the report for further details.

(NOKm)	Q4 2024	Q4 2023	Change	FY 2024	FY 2023
Revenue Generated	163.5	276.6	-41%	829.8	1,590.2
Gross Profit Generated	48.1	71.0	-32%	233.6	385.4
Gross Margin Generated %	29%	26%	+4%p	28%	24%
EBITDA Generated	-46.6	-107.1		-281.1	-216.4

Key performance figures

(Units)	Q4 2024	Q4 2023	Change	FY 2024	FY 2023
Unit sales	1,050	1,641	-36%	5,701	7,891
Completed projects/installations	1,195	1,946	-39%	6,104	10,621
Project pipeline	1,235	1,925	-36%	1,235	1,925

Pipeline - Value (NOKm) and Units (#)



Financial review | Cost base reset on track for stronger 2025

In the fourth quarter the company effectuated the majority of the restructuring measures announced in the third quarter. The stated ambition announced in September was to reduce cost levels with around NOK 200-225m to bring cost inline with current activity levels. In the fourth quarter Otovo reduced the number of employees considerably as 111 FTEs was offboarded. It is expected that this continues in Q1 with an additional 56 FTEs bringing the total reduction to 181 FTEs versus the communicated baseline of 366 FTEs.

The restructuring and continued market headwinds adversely impacted the company's performance in Q4 and both sales and installation activity levels declined from the third quarter. Gross margins expanded to 25.2% as the company continues to optimize pricing across its markets. In addition to the reduction in payroll mentioned above, other operating expenses also was reduced as a result of the company's cost savings measure. This led to a lower operating loss both sequentially and year over year.

The Group's cash position stood at NOK 183m at the end of the quarter. In addition the company expects to receive NOK 175m from the sale of the continental subscription portfolio to Swiss Life Asset Managers.

Income statement

Revenues were down 32% compared with Q4 23, reflecting lower sales and less installations compared to the year before.

Other operating income increased from NOK 14.4m in Q4 23 to NOK 20.6m Q4 24, due to an increasing number of active subscriptions.

Other income, containing non-recurring gains relating to divestment and acquisition of subscription portfolios, is reduced from NOK 37.9m in Q4 23 to NOK 10.1m in Q4 24. The gain in Q4 23 was related to divestment of the Norwegian and Swedish subscription portfolios, while the gain in Q4 24 relates to purchase of a subscription portfolio in Austria where the company made a "bargain purchase" by paying less than fair value.

Gross profit decreased by NOK 4.1m compared to Q4 23 as a result of lower installation activity and increased by NOK 1.3 compared to Q3 24. The gross margin of 25.1% in Q4 24 is up from 19.5% in Q4 23 and 21.4% in Q3 24. The increase contains one-off effects of -1.9 p.p. and the underlying gross margin was 23.2% which is up 1.8 p.p. Sequentially.

Payroll and related costs decreased from NOK 108m in Q4 23 and 99.8m in Q3 24 to 49.7m in Q4 24. The decrease in payroll related costs is due to the restructuring of the company which took place in Q4 23 and Q3 24 resulting in less FTE's and a larger share of the FTE's located in the Group's service hub in Madrid.

Expenses for share based payments programs were NOK 2.3m in the quarter, compared with NOK 24.2m for Q4 23, and NOK 3.6m in Q3 24.

Other operating expenses are down from NOK 72.1m in Q4 23 to NOK 46.8m in Q4 24, mainly due to a decrease in legal fees, marketing costs and consultancy fees.

Compared to Q3 24, Other operating expenses decreased from 57.6m primarily due to prior quarter non-recurring fees related to restructuring and preparation for the sale of the continental subscription portfolio, in addition to lower cost as a result of the company's cost cutting program.

Net financial items improved from a loss of NOK 11.8m in Q4 23 to a loss of NOK 6.5m in Q4 24. This is mainly due to currency effects on internal loans denominated in EUR, from parent company with functional currency in NOK, partially netted by exchange losses on the external financing in EUR. The positive change in currency effects are partially netted by higher interest expenses on the financing of new subscription assets in the quarter.



Otovo EV charger in Poland

Financial review | Cost base reset on track for stronger 2025

Balance sheet

Total non-current assets as of year-end 2024 have increased to NOK 825m, from NOK 624m at year-end 2023. The increase is mainly driven by an increase in Property, plant and equipment of NOK 170m due to capitalization of solar energy systems and batteries in the subscription business, including NOK 57m from the acquisition of a subscription portfolio in Austria, consisting of 429 subscription customer contracts, and the related assets.

Total current assets have decreased from NOK 734m at year-end 2023 to NOK 289m at the end 2024. The decrease is mainly related to a reduction in cash and cash equivalents, driven by the operating losses YTD Q4 24, and a reduction in other receivables and prepayments, mainly due to a reduction in prepaid expenses, tax credits and VAT receivables.

Total non-current liabilities have increased from NOK 244m at year-end 2023 to NOK 467m at the end 2024. The increase is primarily relating to the financing of new subscription assets.

Total current liabilities have decreased from NOK 239m at year-end 2023 to NOK 149m as of year-end 2024. The change is driven by reduced project related payables and accruals, in addition to reductions in accruals related to legal fees and payroll.

Cash flow

Net cash flow from operating activities was -NOK 89m in Q4 24, driven by the operating losses for the quarter.

Net cash flow from investing activities in Q4 24 was -NOK 79m, mainly driven by investments in new subscription assets, including the acquisition of a subscription portfolio in Austria and finance leases, as well as continued development of Otovo Cloud.

Net cash flow from financing activities was NOK 80m in Q4 24. This increase is primarily explained by draw on the revolving credit facility related to the financing of subscription assets.

Outlook

The market for solar systems and batteries faced headwinds in 2023 which have continued into 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 were implemented during Q3 and Q4 allowing for a lower break-even point for the company.

The Group's financial position is expected to significantly strengthen upon closing of the portfolio transaction that was signed on 21 February 2025. Closing is expected in Q1, and the cash proceeds from the transaction, together with future sales related to the structure, are expected to improve future cash conversion. The transaction is expected to improve the Company's financial strength and liquidity runway, putting Otovo in a much improved position from which to face an uncertain market in 2025.

Disclaimer

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

Board of Directors, Otovo ASA, 23 February 2025



Consolidated income statement

Consolidated income statement

<i>NOK 000'</i>	Notes	Unaudited Q4 2024	Restated Q4 2023	Unaudited FY 2024	Audited FY 2023
Revenue	2	119,477	179,061	565,611	996,203
Finance lease revenue	2	4,189	1,514	20,068	14,347
Other operating income	2	20,596	14,372	63,294	44,099
Other income	7	10,090	37,925	8,025	37,925
Total revenue and income		154,352	232,872	656,998	1,092,574
Cost of goods sold	2	92,575	145,363	454,367	809,649
Payroll and related costs	2,6	49,732	108,173	294,639	347,272
Depreciation, amortisation and impairment	2	15,116	18,216	63,083	75,200
Other operating expenses	2,3	46,804	72,067	224,917	259,904
Operating profit/(loss)		-49,875	-110,947	-380,008	-399,451
Financial Income		1,313	2,496	8,572	4,487
Financial Expense		11,557	9,256	35,885	29,234
Net exchange gain/(loss)		3,738	-5,021	33,109	20,587
Gains/(losses) on disposal of investment in associated company		-	-	-	13,791
Net financial items		-6,506	-11,781	5,796	9,631
Profit/(loss) before tax		-56,381	-122,728	-374,212	-389,820
Income tax expense/(income)		343	-519	298	-5,047
Profit/(loss) after tax		-56,724	-122,209	-374,510	-384,773
Profit is attributable to:					
- Owners of Otovo ASA		-56,724	-122,209	-374,510	-384,773
Basic earnings per share (NOK)		-0.20	-0.57	-1.34	-2.43
Diluted earnings per share (NOK)		-0.20	-0.57	-1.34	-2.43

Consolidated statement of comprehensive income

<i>NOK 000'</i>	Unaudited Q4 2024	Restated Q4 2023	Unaudited FY 2024	Audited FY 2023
Profit/(loss) after tax for the period	-56,724	-122,209	-374,510	-384,773
Other comprehensive income which may be reclassified to profit and loss				
Foreign currency translation differences	-1,276	-4,576	-11,030	125
Total comprehensive income for the period	-58,000	-126,785	-385,540	-384,648
Total comprehensive income is attributable to:				
- Owners of Otovo ASA	-58,000	-126,785	-385,540	-384,648

Consolidated balance sheet

Consolidated statement of financial position

NOK 000'	Notes	Unaudited	Audited
		2024 31 Dec	2023 31 Dec
ASSETS			
Intangible assets	7	90,451	83,656
Goodwill		169,555	164,611
Property, plant and equipment	7	514,425	344,108
Right of use asset		5,898	13,939
Finance lease receivables		30,728	13,002
Other assets		14,210	4,334
Total non-current assets		825,267	623,650
Trade receivables		45,478	46,196
Other receivables and prepayments		57,951	103,319
Assets classified as held for sale		-	-
Finance lease receivables		1,248	717
Inventory		1,330	1,091
Cash and cash equivalents		183,109	582,707
Total current assets		289,116	734,030
Total assets		1,114,383	1,357,680
EQUITY			
Share capital		2,800	2,792
Share premium reserve		1,834,953	1,834,616
Other paid-in equity		94,684	84,960
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		2,052	2,109
Non-current interest bearing liabilities	4	460,211	235,432
Lease liabilities non-current		3,449	6,696
Other non-current liabilities		923	-
Total non-current liabilities		466,635	244,237
Lease liabilities current		2,377	8,362
Trade payable		47,419	69,343
Other current liabilities		99,096	161,444
Income Taxes Payable		132	99
Total current liabilities		149,024	239,248
Total equity and liabilities		1,114,383	1,357,680

Consolidated statement of changes in equity

Consolidated statement of changes in equity

(NOK 000)	Attributable to the owners of Otovo ASA							Non controlling interest	Total equity
	Share capital	Share premium reserve	Other paid-in equity	Foreign currency translation reserve	Retained earnings	Total			
Equity at 1 January 2024	2,792	1,834,615	84,960	393	-1,048,565	874,195	-	874,195	
Net profit for the period	-	-	-	-	-374,510	-374,510	-	-374,510	
Other comprehensive income for the period, net of tax	-	-	-	-11,030	-	-11,030	-	-11,030	
Total comprehensive income in the period	-	-	-	-11,030	-374,510	-385,540	-	-385,540	
Issuance of shares	4	1,255	-	-	-	1,259	-	1,259	
Change in nominal value	-	-	-	-	-	-	-	-	
Transaction costs on equity issues	-	-918	-	-	-	-918	-	-918	
Purchase of non-controlling interest	-	-	-	-	-	-	-	-	
Share-based payments, exercised	4	-	-	-	-	4	-	4	
Share-based payments accrual	-	-	10,185	-	-	10,185	-	10,185	
Purchased back shares	-	-	-461	-	-	-461	-	-461	
Equity as of 31.12.2024	2,800	1,834,953	94,684	-10,637	-1,423,075	498,724	-	498,724	

(NOK 000)	Attributable to the owners of Otovo ASA							Non controlling interest	Total equity
	Share capital	Share premium reserve	Other paid-in equity	Foreign currency translation reserve	Retained earnings	Total			
Equity at 1 January 2023	1,362	1,156,328	37,331	268	-663,792	531,497	-	531,497	
Net profit for the period	-	-	-	-	-384,773	-384,773	-	-384,773	
Other comprehensive income for the period, net of tax	-	-	-	125	-	125	-	125	
Total comprehensive income in the period	-	-	-	125	-384,773	-384,648	-	-384,648	
Issuance of shares	1,430	698,570	-	-	-	700,000	-	700,000	
Change in nominal value	-	-	-	-	-	-	-	-	
Transaction costs on equity issues	-	-20,283	-	-	-	-20,283	-	-20,283	
Purchase of non-controlling interest	-	-	-	-	-	-	-	-	
Share-based payments, exercised	-	-	-	-	-	-	-	-	
Share-based payments accrual	-	-	47,629	-	-	47,629	-	47,629	
Purchased back shares	-	-	-	-	-	-	-	-	
Equity as of 31.12.2023	2,792	1,834,616	84,960	393	-1,048,566	874,195	-	874,195	

Consolidated statement of cash flows

Consolidated statement of cash flows

(NOK 000')	Notes	Unaudited Q4 2024	Restated Q4 2023	Unaudited FY 2024	Restated FY 2023
Cash flow from operating activities					
Profit/(loss) before tax		-56,381	-122,725	-374,212	-389,820
Gain on business combination/divestment of business	7	-10,090	-37,925	-8,025	-37,925
Depreciation, amortisation and impairment		15,116	18,216	63,083	75,200
Expensed share-based payments	6	266	24,520	10,185	47,629
Net interest income and interest expenses		5,628	3,810	14,467	14,876
Share of profit/(loss) of equity accounted investees/Gain on disposal of associated company		-	-	-	-13,791
Currency (gains)/losses not related to operating activities		-2,901	1,418	-27,225	-22,077
Changes in trade receivables		8,198	15,378	5,938	1,892
Changes in trade payables		-8,448	-15,694	-27,451	-8,629
Change in other assets and other liabilities		-35,122	65,704	-42,403	143,767
Cash generated from operating activities		-83,734	-47,298	-385,643	-188,878
Received interest		1,276	2,682	8,421	4,309
Paid interest		-6,904	-6,492	-22,888	-19,185
Net cash flow from operating activities		-89,362	-51,108	-400,110	-203,754
Cash flow from investing activities					
Disposal of associated company		-	-	-	23,539
Acquisition of subsidiary, net of cash acquired	7	-51,014	-	-51,014	-
Disposal of subsidiary, net of cash disposed of		-846	220,585	-2,911	220,585
Investment in finance leases		-3,150	-1,284	-15,605	-12,048
Investments in intangible assets		-6,779	-10,237	-28,483	-36,703
Investments in tangible assets		-20,387	-69,726	-127,157	-369,449
Disposals of tangible and intangible assets		2,905	-	11,846	7,967
Net cash flow from investing activities		-79,271	139,339	-213,324	-166,107
Cash flow from financing activities					
Proceeds from issuance of ordinary shares		-53	438,060	-176	679,717
Payment of lease liabilities		-1,918	-2,504	-8,595	-7,247
Inflow due to new non-current liabilities	4	83,456	-	222,581	423,293
Outflow due to downpayment of non-current liabilities		-1,227	-185,451	-1,758	-345,660
Net cash flow from financing activities		80,258	250,105	212,052	750,103
Net cash flow during the period		-88,375	338,335	-401,382	380,242
Cash and cash equivalents at the beginning of the period		270,074	236,900	582,707	193,868
Exchange rate difference on cash and cash equivalents		1,411	7,472	1,785	8,598
Cash and cash equivalents at the end of the period		183,109	582,707	183,109	582,707

Notes to the interim consolidated financial statements

Note 1 – General information and basis for preparation

Otovo ASA (the Company or Parent) and its subsidiaries (together the Group) operates an online marketplace for solar installations and related products. Otovo ASA is a public limited liability company, incorporated and domiciled in Norway. The Company's registered office is at Torggata 11, 0181 Oslo, Norway.

The interim condensed consolidated financial statements consist of the Group and the Group's interests in associated companies and joint arrangements. As a result of rounding differences, numbers or percentages may not add up to the total. These interim condensed consolidated financial statements for the fourth quarter and the year ended 31 December 2024, have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statement for 2023. The annual consolidated financial statements for 2023 are available at the company's website (<https://investor.otovo.com/>). None of the amendments effective from 1 January 2024 has had a significant impact on the Group's consolidated interim financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The interim financial information for the quarters ended 31 December 2024 and 31 December 2023, and for the year ended 31 December 2024, are unaudited.

Restatement

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
- Investments in finance leases have been reclassified from Net cash flow from operating activities to Net cash flow from investing activities for FY 2023 in the Consolidated statement of cash flows
- Gain on disposal of subsidiary is reclassified from Other operating income and presented separately in Other Income
- Cash effects from disposal of subsidiaries are reclassified as follows
 - 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 adjustments

Notes to the interim consolidated financial statements

Note 2 – Segment reporting

For Management purposes the Group is organized into two reporting segment. "Marketplace" and "Subscription SPV". The Executive Management monitors the operating results of these business lines 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.

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

(NOK 000')

	Marketplace		Subscription SPV		Elimination		Group total	
	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023
Revenue & Finance lease revenue	119,478	179,067	4,188	1,508	-	-	123,666	180,575
Revenue internal	39,136	54,167	-	-	-39,136	-54,167	-	-
Other operating income	1,327	3,133	19,269	11,239	-	-	20,596	14,372
Other operating income internal	1,688	1,004	372	1,002	-2,060	-2,006	-	-
Other income	-	-	10,090	37,925	-	-	10,090	37,925
Total revenue and income	161,629	237,371	33,919	51,674	-41,196	-56,173	154,352	232,872
Cost of goods sold	112,939	200,010	3,149	1,284	-23,513	-55,931	92,575	145,363
Payroll and related costs	49,517	107,264	215	251	-	658	49,732	108,173
Depreciation, amortisation and impairment	9,459	14,118	7,456	6,497	-1,799	-2,399	15,116	18,216
Other operating expenses	44,144	58,891	4,726	13,002	-2,066	174	46,804	72,067
Operating profit/(loss)	-54,430	-142,912	18,373	30,640	-13,818	1,325	-49,875	-110,947

Notes to the interim consolidated financial statements

Note 2 – Segment reporting

(NOK 000')

	Marketplace		Subscription SPV		Elimination		Group total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 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 revenue and income	743,428	1,422,107	87,435	53,628	-173,865	-383,161	656,998	1,092,574
Cost of goods sold	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	-358,509	22,307	-8,099	-22,461	-32,845	-380,008	-399,451

Revenue external by product / service	Q4 2024	Q4 2023	FY 2024	FY 2023
Solar panels and related products	119,478	179,067	565,612	996,209
Finance lease	4,188	1,508	20,067	14,341
Operating lease and service agreements	19,269	11,239	57,779	38,285
Other operating income	1,327	3,133	5,515	5,814
Other income	10,090	37,925	8,025	37,925
Total revenue and income	154,352	232,872	656,998	1,092,574

Notes to the interim consolidated financial statements

Note 3 – Other Operating Expenses

Other Operating Expenses				
(NOK 000')	Q4 2024	Q4 2023	FY 2024	FY 2023
Other expenses related to buildings and short-term/low value rent of equipment	1,426	2,945	8,703	14,427
External personnel and consultancy fees 1)	13,002	27,283	59,057	79,593
Media spend, advertising and partnerships	20,469	30,088	112,439	116,083
System and software	4,460	3,485	19,643	18,321
Other operating expenses	7,447	8,266	25,075	31,480
Total other operating expenses	46,804	72,067	224,917	259,904

1) Including audit fee.

Note 4 – Subscription SPV bank facility

The Subscription SPV has a revolving credit facility (“RCF” or “facility”) with DNB Bank ASA and Sparebank 1 SR-bank ASA for a total of EUR 50m. 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. The maturity date of the facility is 24 January 2027. At the end of the quarter the Subscription SPV had drawn EUR 37.8m on the RCF, of which EUR 7.1m was drawn during the quarter. The Subscription SPV was in compliance with financial covenants at the time of covenant reporting.

Note 5 – Contracted future payments

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. In order to terminate the contract a customer would have to either buyout the system or pay a fee, hence it has limited impact on the expected payments.

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

Contracted Customer Payments					
(NOKm)	NPV	2025	2026–2028	2029–2031	2032–2044
Non-discounted contracted customer payments*		71	222	236	896
NPV @5%	930				

*) Assuming 2% annual inflation

Notes to the interim consolidated financial statements

Note 6 – Share based payments

Otovo has granted share options to management and key personnel. During the quarter Otovo bought back options that vested on 1 January 2024, or will vest 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 2.3m, including social security.

As of 31.12.2024 there are 7,315,674 outstanding options with a weighted average strike price of 3.45 kroner per share. Further, Otovo has two employee share purchase programmes. There are 70,513 retention shares outstanding under these programmes. Expense in Q4 2024 was NOK 2.1m. Expense in Q4 2023 was NOK 24.2m.

Note 7 – Business combinations

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") from a reputable electricity provider, through a wholly owned subsidiary.

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 4.33m. The consideration was settled with cash.

Allocation of purchase price

Transaction details

(EUR)		EDEA Gmbh
Acquiring company		
Acquisition date		29.11.2024
Country		Austria
Currency		EUR
Voting rights / ownership interest before acquisition		0.00%
Voting rights / ownership interest after acquisition		100.00%

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)

Notes to the interim consolidated financial statements

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 is recognised in the quarter and has been included in Other income. The gain was EUR 938k, translated to NOK 10.9m.

Note 8 – Events after the reporting period

Otovo ASA on 20 February 2025 signed a definitive agreement 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 shares in eight special purpose vehicles holding a fleet of around 6,000 residential solar and battery leasing assets in the eight countries. The enterprise value on a cash and debt free basis is EUR 50 million. Under the transaction Otovo will also enter into a continuous sales agreement with SLAM where SLAM will continue to buy subscription assets until the end of Q3 2026.

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.

	Direct purchase (~65% of customers today)	Subscription (~35% of customers today)	Otovo Group
Revenue	Revenue Booked revenue, value of upfront payment from customer	Contracted Subscription Revenue Present value of all subscription payments over 20 years, discounted at 5%	Revenue Generated Revenue + Contracted Subscription Revenue
Profit	Gross profit Revenue - Upfront COGS, value of payment to installers (inc. HW)	Gross Subscription Profit Contracted Subscription Revenue - Upfront COGS, value of payment to installers (inc. HW) - Present value of O&M cost (inverter replacement in Y10 & customer service)	Gross Profit Generated Gross Profit + (Gross subscription profit)
Assets		Accumulated Contracted Subscription Revenue Present value of the remaining cash flows from subscription contracts, discounted at 5%	Accumulated Contracted Subscription Revenue Present value of the all remaining cash flows from subscription and service contracts, discounted at 5%

APM	Definition & Description
Contracted Subscription Revenue ("CSR")	<p>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.</p> <p>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 there may be differences in calculation methodologies 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.</p>
Subscription O&M costs ("S O&M")	<p>Net present value of operation and maintenance cost relating to the fulfilment of subscription contracts over their lifetime (1% of installation cost).</p> <p>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.</p>
Gross Subscription Profit ("GSP")	<p>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).</p> <p>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 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 segment during the reporting period.</p>
Investment in Subscription Asset	<p>Investment in tangible fixed assets in the Subscription 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.</p>

Alternative Performance Measures continued

APM	Definition & Description
Revenue Generated	<p>Revenue (as reported in the Company's consolidated income statement in line with IFRS), plus Contracted Subscription Revenue (CSR).</p> <p>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 Direct Purchase segment (as defined and further described in Section 6.5.4 "Purchasing models" and Section 7.8 "Reporting segment information and revenue") is recognised in the reporting period the installation is physically completed, while for customers in the subscription 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.</p>
Gross Profit	<p>Revenue less COGS (both as reported in the Company's consolidated income statement).</p> <p>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.</p>
Gross Profit Generated	<p>Gross Profit, plus Gross Subscription Profit (GSP).</p> <p>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 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.</p>
Gross Margin Generated (%)	<p>Gross Profit Generated divided by Revenue Generated.</p>
Accumulated Contracted Subscription Revenue ("ACSR")	<p>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.</p> <p>From one reporting period to the next, the development in ACSR will typically be as follows:</p> <p>Opening balance ACSR + CSR for the period - Subscription revenues (IFRS) for the period - Buyout and defaults during the reporting period +/- Foreign exchange rate effect =Closing balance ACSR</p> <p>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 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.</p>
EBITDA Generated	<p>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.</p> <p>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.</p>

Alternative Performance Measures continued

Contracted subscription revenue

(NOK 000')	Q4 24	Q4 23	FY 2024	FY 2023
Cost of goods sold (COGS) to subscription segment	23,513	55,931	142,636	366,003
Batteries share of COGS to subscription segment	23%	13%	19%	9%
Solar Energy Systems (PV) share of COGS to subscription segment	77%	87%	81%	91%
COGS to subscription segment - PV	18,480	48,682	116,130	333,900
Lifetime of contracts - PV	20	20	20	20
Average yield (first year payment to COGS)- PV	13.2%	12.2%	13.0%	11.3%
First year subscription payment - PV	2,432	5,918	15,140	37,579
Nominal lifetime subscription payments, not inflation adjusted	48,641	118,351	302,794	751,578
Inflation adjustment	10,451	25,430	65,061	161,491
Reduction from discounting to present value	-23,425	-56,998	-145,825	-361,959
Contracted subscription revenue - PV	35,667	86,783	222,030	550,272
COGS elimination - Batteries	5,033	7,249	26,506	32,103
Lifetime of contracts - Batteries	10	10	10	10
Average yield (first year payment to COGS)- Batteries*	19.8%	17.7%	19.0%	16.6%
First year subscription payment - Batteries	995	1,285	5,026	5,319
Nominal lifetime subscription payments, not inflation adjusted	9,950	12,854	50,265	53,194
Inflation adjustment	945	1,221	4,774	5,052
Reduction from discounting to present value	-2,549	-3,293	-12,876	-13,626
Contracted subscription revenue - Batteries	8,347	10,782	42,163	44,555
Contracted subscription revenue - Total	44,013	97,565	264,192	594,827

Revenue, Gross Profit and EBITDA Generated

(NOKm)	Note	Q4 24	Q4 23	FY 2024	FY 2023
Revenue (excl. Financial leasing)	2	119.5	179.1	565.6	996.2
Contracted subscription revenue (calculated)		44.0	97.6	264.2	594.0
Revenue Generated		163.5	276.6	829.8	1,590.2
Cost of goods sold (excl. financial leasing)	2	89.6	144.1	439.1	797.6
Investment in subscription assets	2	23.5	55.9	142.6	366.0
Subscription O&M cost (calculated)		2.3	5.6	14.5	41.2
Gross Profit Generated		48.1	71.0	233.6	385.4
<i>Gross Margin Generated %</i>		29.4%	25.7%	28.1%	24.2%
Operating profit/(loss)	2	-49.0	-110.9	-379.2	-399.5
Subtract financial leasing		-1.2	-0.2	-4.8	-2.3
Add back depreciation and amortisation	2	15.1	18.2	63.1	75.2
Add contracted subscription profit (calculated)		18.2	36.0	107.1	186.8
Subtract subscription revenue in the quarter	2	-29.7	-50.2	-67.4	-77.2
EBITDA Generated		-46.6	-107.1	-281.1	-216.9

Definitions

Project / Unit

A PV system and/or a battery

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

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.

Unit positive

A country installing projects with a positive net contribution, i.e. project gross profit less attributable sales commission and marketing spend

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

Customers

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

Churn

of subscription customers who exercised their purchase option in the period

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

Discount Rate

The discount rate is used to discount future cash flows in order to calculate net present value. Currently 5%

Contracted Subscription Revenue (CSR)

Net present value of contracted cash flows coming from installations in the period. The cash flows are calculated over the contract lifetime, adjusted with expected CPI increases (currently assumed at 2% per year)

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