REGISTRATION DOCUMENT

OTOVO ASA

(A public limited liability company incorporated under the laws of Norway)

The date of this Registration Document is 9 December 2022

IMPORTANT INFORMATION

This Registration document (the "**Registration Document**") has been prepared by Otovo ASA (the "**Company**" and, together with its subsidiaries, the "**Group**" or "**Otovo**"), a public limited company incorporated under the laws of Norway, to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Registration Document has been prepared solely in the English language. This Registration Document has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Registration Document. Investors should make their own assessment as to the suitability of investing in the securities.

For definitions of certain other terms used throughout this Registration Document, reference is made to Section 14 "Definitions and glossary".

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Registration Document, which may affect the assessment of the Company's shares (the "**Shares**") and which arises or is noted between the time when the Registration Document is approved by the Norwegian FSA and the listing of the Shares on the Oslo Stock Exchange, will be mentioned in a supplement to this Registration Document without undue delay. Neither the publication nor distribution of this Registration Document shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Registration Document.

No person is authorised to give information or to make any representation concerning the Group other than as contained in this Registration Document. If any such information is given or made, it must not be relied upon as having been authorised by the Company or by any of its affiliates, representatives or advisors.

The distribution of this Registration Document in certain jurisdictions may be restricted by law. This Registration Document does not constitute an offer of, or an invitation to purchase, any of the Shares. Neither this Registration Document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Registration Document are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. For further information on sale and transfer of the Shares, see Section 12 "Selling and transfer restrictions".

Any reproduction or distribution of this Registration Document, in whole or in part, and any disclosure of its content is prohibited.

This Registration Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Registration Document.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the Shares, including the merits and risks involved. Neither the Company nor any of its representatives or advisors are making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares by such purchaser under the laws applicable to the purchaser. Each reader of this Registration Document should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

All Sections of the Registration Document should be read in context with the information included in Section 3 "General Information".

Investing in the Shares involves certain risks. See Section 1 "Risk Factors" beginning on page 4.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the senior management of the Group (the "**Management**") are not residents of the United States, and all of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or the Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

TABLE OF CONTENTS

APPENDICES

1 RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Prospective investors should carefully consider the risk factors set out in this Section 1 and all information contained in this Registration Document, including the Financial Information (as defined herein). The risks and uncertainties described in this Section 1 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof, and represents those risk factors that the Company believes to represent the most material risks for prospective investors when making their investment decision in the Company and the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 1 "Risk factors" are not exhaustive with respect to all risks relating to the Group and the Shares, but are limited to risk factors that are considered specific and material to the Group and/or the Shares. The risk factors are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Group, taking into account their potential negative effect for the Group and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats. Accordingly, they should therefore be considered prior to making an investment decision.

If any of the following risks were to materialise, either individually, cumulatively or together with other circumstances, it or they could have a material and adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the same. Additional specific risk factors of which the Company is currently unaware, or which it currently deems not to be material risks, may also have corresponding negative effects. Before making any investment decision, prospective investors must also take into account that a number of general risk factors that are not included in this Section 1 still apply to the Group and the Shares.

1.1 Risks related to the business and industry in which the Group operates

1.1.1 The Group may be unable to obtain access to or attract local installers

Otovo operates an online marketplace platform for residential solar energy systems and battery installations (the "**Otovo Platform**"), as further described in Section 6.5.3 "The Otovo Platform" below. The Group's customers are private homeowners and the products are delivered by local installer companies in the various markets in which the Group operates. The Group purchases turnkey installations from the installers and does not itself provide installation services of its products. Accordingly, in order to ensure delivery of the solar energy systems and batteries to the end customer, the Group relies on the one hand on a large number of available local installer companies and on the other hand on the demand for energy assets among end customers.

The Group's ability to deliver its products to end customers in different regions depends on the ability to attract installers that compete for the projects on the Otovo Platform. In certain regions, the number of installers present may be low or installers may prefer to sell their products directly to end customers rather than through Otovo. To the extent that the Group is unable to attract a sufficient number of installers in each region it operates, or one or more installers grow to dominate a part of the market, the Group may not be able to sell its products due to unattractive prices or it may not be able to deliver due to lack of capacity. This may have a significant impact on the Group's business model and ultimately the Group's result of operations, financial condition, cash flow and prospects.

Furthermore, customer prices are determined based on the installers' offers on the Otovo Platform with the addition of the Group's own margin. While the installers are bound by the prices they offer on the Otovo Platform, the Group is still reliant on the installers' successful delivery. In a situation with high demand or where hardware prices are increasing, enforcing contracts towards installers may not be commercially viable, as the installers may choose to leave the Otovo Platform or may incur unbearable losses. In such a situation the Group may face pressure on margins or losses, which may have a material and adverse effect on the Group's result of operations, financial condition, cash flow and prospects.

1.1.2 Risks related to erroneous work by installers and insufficient insurance coverage

The Group's products must be integrated with the end customer's homes, specifically by installing the solar energy system 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 customer's and other third parties' properties and health. Operational problems that are caused by errors done by the subcontractors of the Group, including the installers, may also be discovered after the installation is completed.

The Group has in place contractual arrangements to ensure that it has recourse against installers of its products and insurance that cover general liability and product liability, which is specifically important for the Group due to the nature of the Group's operations through use of third-party services for installation work. However, there is a risk that the insurance is insufficient and/or that the Group is unable to effectively enforce a recourse claim against the relevant supplier (for example following a bankruptcy of the supplier or due to the warranty period under the end customer agreements being longer than the warranty periods provided by the Groups supplier's) and/or that the default related to the installation or operation may lead to a right for the end customer to terminate the agreement. As the contractual arrangements and insurance coverage is a necessity for the Group in order to mitigate potential liability, the Group faces specific risks associated with the insurance and/or right of recourse against installers proving to be insufficient in case of major or systematic incidents related to certain installations or installers. Any such issues related to the installation and operation experienced by the Group, or the Group's contractors, manufacturers and suppliers may adversely affect the Group's business, operating results, access to products and financial condition.

1.1.3 The Group is exposed to disruptions in the supply chain and material adverse changes in the macroeconomic environment

The solar energy systems and batteries delivered to the Group's end customers, are produced by large manufacturers mainly situated in China or by Chinese companies in East Asia. The inverters delivered to the Group's customers are delivered by a limited number of global manufacturers. The Covid-19 pandemic political and macroeconomic factors, notably trade and tariff disputes or bans on import from certain manufacturers, regions or countries, have in the past caused and may continue to cause disruption to import supply chains for the Group. Specifically related to the Covid-19 pandemic the Group experienced a disruption in the import supply chain because of the lockdown effectuated in Shanghai in April 2021 that resulted in significant challenges for one of the Group's key suppliers in China to deliver batteries and inverters. Although the lockdown has been lifted in Shanghai, the Covid-19 pandemic is still ongoing and the Group considers itself exposed for future disruptions should similar means be put in place, in China or other jurisdictions forming part of the Group's supply chain.

During the second half of 2021, the Group experienced a shortage in access to certain types of solar panels in Scandinavia, and batteries and other components throughout Europe. These challenges have later been managed partly by changing deliveries to other components or by switching supply of components from other countries. Should the situation with shortage of material continue or occur again, the Group will have to choose between reducing its installations speed or engage with other parts of the value chain compared to how the Group otherwise operate and accordingly incur operational risk for the Group related to transport and operational handling, counterparty risk, inventory risk, storage costs, price risk and risk related to currency fluctuations. If the Group's supply chain is disrupted and the Group is not able to find adequate solutions to such disruption, including by replacing a large number of or its major suppliers, the Group may be unable to deliver the solar energy systems on time or with the planned margin, which may in turn impact the Groups financial condition and operational results. Further, disruptions in global supply chains may lead to increased prices on the products the Group offers, which again may lead to lower demand from end customers.

1.1.4 The Group may be unable to keep pace with the markets and technological changes

The Group operates in markets that are new, fragmented, rapidly changing, and which are expected to be increasingly competitive. The Group's success depends on numerous factors, including its ability to successfully market and sell its products and services, its ability to introduce new products and services, and its ability to identify and develop market opportunities. Current and potential competitors might be better established and may have greater financial, technical, marketing and distribution resources than the Group. If the Group is unable to compete successfully, it may result in a reduction of the Group's customer levels and the Group could lose market share to competitors, which could adversely affect the Group's business, results of operations, financial condition, cash flows and prospects.

Factors which are prominent in respect of the Group's competitive position include new players in the industry, pressure on market prices and future demand and supply factors, including the relative price or attractiveness of power produced by the solar energy systems compared with other sources of power. These factors can have a negative impact on the results and financial position of the Group. New hardware types, integration of solar energy systems into building materials, integrations between hardware types and home services controlled by competitors may also negatively affect the Company's ability to grow its business.

For the Group to grow and survive, it must continue to enhance and improve the functionality and features of the Group's products, services and technology to address the clients' changing behaviour and needs. The Group's future growth therefore depends on the success of the development and commercialization of its technology. The markets that the Group intends to operate within undergo rapid technological change, and the Group's future success will depend on its ability to meet the changing needs of the industry. The Group's competitors, and their ability to meet the technological needs of the industry, is always a possible threat to the Group's success.

The renewable energy industry is subject to continuing introduction of new technologies. The Group depends on its ability to offer a good-quality energy product and services, including its continued ability to stay updated on new technology. As competitors and others use or develop new technology, the Group may be placed at a competitive disadvantage, and there may be pressure to implement or acquire certain new technologies at a substantial cost. Any failure to do so could lead to loss of customers and consequently a basis of income. This could affect the Group's business and consequently its profitability.

1.1.5 The demand for the Group's products may vary based on the electricity prices and grid tariffs

The end customers' demand for the products delivered by the Group is dependent on factors such as electricity prices, grid tariffs, grid taxation, subsidies and other general macroeconomic factors such as unemployment rates, all of which represents uncertainties in respect of the Group's success. While the demand for the Group's product is expected to rise in the years to come due in part to the volatility in and increased electricity prices, these factors may develop differently compared to expectations and thus have a negative effect on expected future demand. A general drop in demand for the Groups products will have a material negative impact on the Group's business, result of operation, financial condition and prospects.

The Group's marketing and advertising is to a large extent based on the economic benefits by using solar energy systems as a source of electricity, in preference to purchasing the electricity from other vendors. Consequently, if the electricity prices are low, or if there are changes in the design of grid tariffs that reduce the profitability of energy efficiency or self-consuming of solar energy, the economic benefits of the Group's products could be reduced, which could negatively affect the demand for the Group's products.

1.1.6 The Group depends on retaining and attracting qualified persons, particularly for technical expertise

The Group's business is of a technical nature and requires specialised and skilled personnel in this sector. There is a risk that the Group will be unable to keep a sufficient number of appropriate key executives, key employees and qualified new employees to effectively manage the business. The management team and the key employees have agreed to short mutual notice periods of three months which may entail challenges for the Company to hire replacements in connection with termination of employment before expiry of the termination period. The Group may not be successful in retaining its key executives, key employees and qualified employees or replace such personnel with corresponding qualifications. If the Group fails to do so, it could have a material adverse effect on the Group's business result of operations, financial condition or prospects.

The loss of one or more key executives or key employees, or inability to recruit relevant new personnel, might also impede the achievement of the Group's development and commercial objectives. As the industry in which the Group operates is new, the Group's key personnel are also likely to be subject to competing employment offers and are attractive for the Group's competitors. The Group's key personnel are only to a limited extent subject to restrictive covenants such as non-compete undertakings in their employment agreements, and the Group's competitors may therefore be successful in recruiting and hiring one or more key persons, including members of the Group's key executives and other key persons hired as part of its international expansion, and it may be difficult for the Group to find suitable replacements on a timely basis, on competitive terms or at all.

1.1.7 The Group may be unable to implement its business strategy successfully, reach its strategic objectives or manage its growth

The Group's strategy involves growing and expanding its international operations. The Group is currently present in 13 European countries. In the current environment with very high demand for residential solar and battery installations and thus low spare capacity with local installer companies, it could be difficult to attract a sufficient base of local installers to the Otovo Platform. Competition from other players in the market and lack of new installer companies entering the market could limit the Group's ability to attract a sufficient base of installers. In particular in the new markets the Group has entered in the past twelve months, it is still a risk that the Group will not be able to reach a sufficient base of installers. Should access to local installers be limited or difficult to develop, it may have a negative consequence of the Group's ability to enter the market and accordingly it represents a specific risk with respect to the successful implementation of its business strategy.

Further, the Group relies on its ability to attract new customers and create demand. When entering a new market, the Group typically has low margins in order to be competitive. In markets with advanced competition, the Group may be unable to achieve the needed market shares to be profitable in the medium to long term. Thus, should the Group not be able to generate the demand for its products by customers and/or achieve a significant market share this may have an adverse effect on the Group's ability to reach its objectives.

In addition, the Group requires additional funding in order to finance its future growth, to pursue its business strategy as described and may require further additional capital due to unforeseen liabilities, delayed or failed technical or commercial launch of its products or in order for it to take advantage of opportunities that may be presented to it. Should such additional funding not be available to the Group or only available on unfavourable terms, the Group may not be able to implement its business strategy successfully, including entering into new markets, which as communicated is part of the Group's growth ambitions, or manage its growth effectively, for example in relation to the significant increase in demand for the Group's products in Norway. The Group's failure to execute its business strategy or to manage its growth effectively could adversely affect the Group's business, financial condition and results of operation and/or prospects.

1.1.8 Bankruptcy of the Group's end customers may result in solar energy systems being seized

For Subscription (as defined below), the Group owns the solar energy systems that are leased out to its customers. The Group's Subscription model and segment is further described in Sections 6.5.4 "Purchasing models" and 7.8 "Reporting segment information and revenue". As each solar energy system is integrated with the end customer's home, there is a risk for the Group that pursuant to the laws of the relevant jurisdiction, which is relevant for all jurisdictions in which the Group operates, that the Group's ownership may be challenged and/or that the solar energy system is seized as a part of bankruptcy proceedings against a customer which in turn will result in the Group losing its investment in the solar energy system. If a large number of end customers are subject to bankruptcy proceedings, this could have a material adverse impact on the Group's business and financial condition.

1.2 Risks related to laws, regulations and compliance

1.2.1 Presence and operation in multiple jurisdictions involve application of different regulatory regimes

The Group operates in several jurisdictions in addition to Norway, including Sweden, France, Spain, Italy, Poland, Germany, Austria, Portugal, the UK, the Netherlands, Belgium and Switzerland. The Group's operations in several international markets exposes it to risks particularly with respect to general economic conditions in each such international market, overlapping differing tax structures, management requiring knowledge to operate over various jurisdictions, increased operating costs, complications and delays associated with repairing and replacing equipment (including as a result of having to transport replacement equipment from distant locations). Furthermore, as the Group continues to expand its operations to other international markets the level of complexity will continue to grow.

Operations in the international markets where the Group is, and may in the future be, present require the Group to adapt to and comply with the regulatory regime applicable in the respective jurisdiction. Accordingly, whilst the Group will maintain its current business model with an international supply chain and apply that in other new international markets the Group is specifically exposed to risks associated with unexpected changes in regulatory requirements, complying with a variety of foreign laws and regulations, wage and price controls, sanctions and/or other imposition of trade barriers, imposition or changes in enforcement of local content laws, changes in economic or tax policies, changes in legislation which give raise to increased compliance costs, restrictions on currency or capital repatriations, currency fluctuations and devaluations and high levels of inflation, high interest rates, significant governmental influence over many aspects of local economies and/or other forms of government regulation and economic conditions, all of which could have a material adverse effect on the Group's business, financial position, result of operations and cash flows. In particular, the operation of the Otovo Platform is subject to various regulations which are constantly evolving and, accordingly, changes or revised application of such regulations could result in the Group being unable to continue to operate the Otovo Platform on the current terms in the future.

Prior to any new market entry, the Group undertakes an examination of the various laws and regulations applicable for the Group's business and setup, including with respect to any licence, concession or other governmental approval requirements. In this respect, the Group's legal and contractual setup is to a large extent the same in each market based on a set of global template agreements. As it is not possible to obtain advance clarification from the local authorities concerning what types of governmental approvals the Group requires to operate its business in the relevant jurisdiction, the Group relies to a large extent on advice from local expertise typically by engaging local law firms. While the Group has relied on such legal assistance when analysing the regulatory environment, any consequences for the operational setup and localising agreements to be compliant with local regulations, new laws and regulations or interpretation of existing legislation, may require modifications to the setup and no assurances can be given that the Group has obtained or is not required to obtain any and all such governmental approvals. Should the Group fail and operate without the necessary approvals this could ultimately result in the Group having to terminate its operations until such are in place.

1.2.2 Risk related to the application of tax laws and regulations

The Group is exposed to risks regarding the correct application of tax regulations, for instance related to future changes in the tax regulation because of the Group's operations in several international markets. The Group's future effective tax rates could be adversely affected by changes in applicable tax laws, treaties and regulations, which comprises a broad set due to the Group's international presence. The application of tax laws, treaties and regulations are highly complex and subject to interpretation. Consequently, the Group is subject to changing tax laws, treaties and regulations in and between countries in which it operates and such changes could have an adverse impact on the Group's business, financial position, results of operations and cash flows.

The Group will also have to make decisions and take certain positions with respect to tax treatment of its assets, income, costs etc., that may prove incorrect. It is therefore a risk that local tax authorities will disagree with the decisions and positions taken by the Group, which is prominent for the Group due to its multiple international locations. Thus, there is a risk that local tax authorities in the countries in which the Group is present will increase the tax burden of the Group, which could have an adverse impact on the Group's business, financial position, results of operations and cash flows.

It should be noted that the distinction between an operational leasing agreement and financial leasing for accounting and tax 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 purposes, there is a risk that the Group is considered to transfer ownership of its solar energy systems to the customers upon entering into the lease agreements. This could potentially imply capital gains taxation which could significantly increase the tax burden of the Group. While the Group offers Subscription for its solar energy systems and batteries, there is a risk that the authorities in the different jurisdictions where the Group operates may classify this model to in effect be either operational or financial leasing for tax purposes. The Subscription model may also be considered to be financial leasing under local GAAP.

1.2.3 Risk related to regulatory incentive schemes

In certain countries in which the Group operates, such as Italy and Sweden, the Group's customers are entitled to a tax credit when purchasing the Group's products, and in line with market practice in the respective markets, the Group accepts such tax credits as part of the consideration for the purchase. Tax credits are accounted as non-cash consideration under IFRS and the fair value of the non-cash consideration is included in the transaction price. To the extent the Group should be unable to claim or resell the tax credit, or the tax credits are resold to a lower price, this will result in loss of revenue and reduced margins.

1.2.4 Risk related to government regulations

The Group is subject to various government regulations. Government regulations may be amended, and new regulations may be introduced, both of which may be burdensome. The Group is subject to risk relating to the structure of tariffs and fees in the electricity system as mandated by government agencies impacting the attractiveness of distributed energy to consumers and thus possibly reducing sales.

In certain jurisdictions, the end customers and/or the Group may benefit from governmental subsidies intended to promote climate friendly technologies and products, such as the Enova grant scheme in the Norwegian market. Future changes or reductions to such subsidy arrangements may impact the attractiveness of the Group's products for its potential customers and consequently affect future sales.

Historically solar energy has been a target of taxation in certain jurisdictions, including in Spain, and the introduction of such taxation may impact the Group's ability to improve consumers' energy economics, and consequently reduce the Group's potential for future sales. At the same time, several countries are introducing tax benefits or subsidy schemes to fuel solar energy system installations in private homes. Such schemes are vulnerable to changes in government or policies. Retroactive changes to policies or subsidies, or changes related to subsidies or tax benefits for the Group's customers may lead to lower demand. In certain jurisdictions the Group claims tax benefits on behalf of the customer. As a result, changes in policies, practices or subsidy schemes could have direct impact on the Group and a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects.

1.2.5 Risk related to GDPR

The Group is in a position where it will collect and manage personal data with respect to, inter alia, its customers and suppliers. The EU General Data Protection Regulation ("**GDPR**") introduces new obligations on data controllers and rights for data subjects. GDPR also introduces new fines and penalties for a breach of requirements, including fines for serious breaches of up to the higher of 4% of annual worldwide turnover or EUR 20 million and fines up to the higher of 2% of annual worldwide turnover or EUR 10 million for other specified infringements. The implementation of GDPR has required amendments to the Group's procedures and policies, including measures to ensure compliance with the new rules. If there are breaches of these measures, the Group could face significant administrative and monetary sanctions which may have a material adverse effect on the Group's financial condition and results of operation.

1.2.6 The Russian invasion of Ukraine may affect the operations of the Group in the short and potentially longer term

Recent developments in Europe, with Russia's invasion of Ukraine in March 2022 and the war in Ukraine, have created an unstable geopolitical situation both in Europe and globally, and have led to a variety of sanctions imposed on Russian and Belarus interests by the EU/EEA, the United Kingdom, the United States and several other nations. The effects of such an unstable situation, including sanctions, have shown to have significant implications on global trade, global markets, fuel prices and other aspects of the global economy, with uncertain outcomes in the medium to longer term. Such implications have led to an increase in prices on hardware that the Group specifically relies on in its business as the costs are borne by the entire value chain applicable for the Group. The war may continue to strain global supply chains for an uncertain period of time. Furthermore, it also affects transportation, not only with respect to air routes and shipping routes, but also transportation costs due to *inter alia* significant increases in fuel prices which have an impact on the Group specifically in the way that the costs for obtaining the solar energy systems and batteries increases.

As of the date of this Registration Document, the duration and development of the war and related sanctions toward Russian and Belarusian interests are highly uncertain, and as such, the medium-term and long-term impacts this will have on the global economy and the Group is challenging to predict accurately.

1.3 Risks related to the Group's financial situation

1.3.1 The Group is exposed to liquidity risk

While the Group currently has a strong cash position, the Group's results of operations for the period covered by the historical financial information and up to the date of this Registration Document have been negative and the Subscription segment of the Group's business is exposed to certain liquidity risk over time. The Subscription segment consists mainly of purchasing and installing solar energy systems and/or batteries at private individuals' houses, and entering into long term subscription contracts with these customers. The Subscription segment is therefore relying on financial markets to finance the necessary equity and banks or financial markets for its debt financing in order to grow, and the Group may have to obtain additional financing in order to reach profitability. In order to obtain financing from the financial markets and banks or financial markets for debt financing, the Group is required to generate sufficient cash and if the Group's future cash flows from operations and other capital resources are insufficient to pay obligations as they mature or to fund liquidity needs, the Group may be obliged to take actions that could have a material adverse effect on the Group's financial condition and results of operations. In the event the Company is unable to obtain adequate financing, the Group may ultimately need to scale down or stop subscription sale and only offer direct purchase. While such change would have a positive effect on the short term liquidity of the Group, it would lower the longer term value per customer. This may in turn have a material adverse effect on the valuation of the Group.

1.3.2 Risk related to interest rate fluctuations

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). 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. The Group has addressed the impact of this in two ways. Firstly, the monthly payments from the customers are subject to an annual consumer price index ("**CPI**") adjustment, which is expected to compensate for increased financing costs to a large extent. However, if the inflation rates are low, resulting in a lower CPI adjustment, and the interest rates are high, the financial impact resulting from the difference between recurring revenues and financing costs is not fully covered through the CPI adjustment. Secondly, the implicit interest rates in new customer contracts may be increased if the financing costs increase, giving higher recurring revenue in the future but does not affect existing customer contracts. Accordingly, over time significant differences between the recurring revenues and financing costs could have a material adverse effect on the Group's financial condition, results of operations and prospects.

1.3.3 The Group is exposed to credit risk

The Group has a significant amount of trade receivables, and will be dependent on being able to collect such receivables. Consequently, the Group may be exposed to financial loss if a customer or counterparty fails to meet its contractual obligations. To the extent payment is done by payment letter or credit or otherwise given, the Group is vulnerable to credit risk and any failure by its counterparties to meet their obligations may affect the Group's income. Failure by the Group to collect its trade receivables or customers' unwillingness or inability to pay could have a material adverse impact on the Group's business and financial condition.

Should the credit risk materialise and adversely affect the Group's income, this may also have a material adverse effect on the Group's ability to meet its financial obligations under the existing Financing Arrangements. For example, as further described in Section 8.8.2 "Main terms and conditions for the Group's material borrowings, including financial covenants and change of control" the Facilities Agreement between EDEA Midco and Nordea as lender contain financial covenants with respect to the Group's leverage ratio and interest cover ratio, each directed towards the Group's ability to generate available income to pay down its debt and interest pursuant to borrowings made under the Facilities Agreement. A breach by the Group of the financial covenants may cause an event of default under the Facilities Agreement and, subject to applicable cure periods and other limitations on acceleration or enforcement, Nordea could cancel any commitments thereunder and elect to declare all amounts owed to them, including accrued interest, immediately due and payable. If Nordea were to accelerate payments of outstanding amounts due under the Facilities Agreement, the Group may not have sufficient assets to repay in full those amounts due and payable. In such case, this will have a material adverse impact on the Group's business and financial condition.

1.3.4 The Group is exposed to 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 average exchange rates for the period. The most important foreign currencies to the Group are SEK and EUR, and changes in currency rates could have a negative impact on the Group's competitive position, and have significant effect on the Group's operational income.

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

2 RESPONSIBILITY FOR THE REGISTRATION DOCUMENT

The Board of Directors of Otovo ASA accepts responsibility for the information contained in this Registration Document. The members of the Board of Directors confirm that to the best of their knowledge, the information contained in this Registration Document is in accordance with the facts and that the Registration Document makes no omission likely to affect its import.

9 December 2022

The Board of Directors of Otovo ASA

____________ Peter Mellbye *(chairperson)*	____________ Tor Øystein Repstad *(board member)*	____________ Ingunn Andersen Randa *(board member)*
____________ Johan Erik Sixten Bergström *(board member)*	____________ Stine Halla *(board member)*	____________ Josefin Christina Landgård *(board member)*
____________ Julie Orzechowski *(board member, employee representative)*	____________ Alejandro José Diaz Burgers *(board member, employee representative)*	

3 GENERAL INFORMATION

3.1 Other important investor information

The Norwegian FSA has reviewed and approved this Registration Document, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Registration Document. This Registration Document was approved by the Norwegian FSA on 9 December 2022.

The Company has furnished the information in this Registration Document. Each investor should make its own assessment as to the suitability of investing in the Shares and should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of an investment in the Shares.

Investing in the Shares involves a high degree of risk. See Section 1 "Risk factors" beginning on page 4.

3.2 Presentation of financial and other information

3.2.1 Financial information in the Registration Document

The following historical financial information is included in this Registration Document:

- the Group's unaudited consolidated interim financial statements for the nine months' period ended 30 September 2022, with comparative figures for 2021 (the "**Interim Financial Statements**") prepared in accordance with International Accounting Standard 34 as adopted by the EU ("**IAS 34**");

- the Group's audited consolidated financial statements for the year ended 31 December 2021 with comparative figures for 2020 (the "**IFRS Financial Statements**"), prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"); and

- the Group's audited consolidated financial statements for the year ended 31 December 2020 and 2019 (the "**NGAAP Financial Statements**"), prepared in accordance with Norwegian General Accepted Accounting Principles ("**NGAAP**").

The IFRS Financial Statements and the NGAAP Financial Statements are referred to herein as the "**Financial Statements**". The Financial Statements and the Interim Financial Statements are referred to herein as the "**Financial Information**".

The IFRS Financial Statements are included in Appendix B (2021), while the NGAAP Financial Statements are included in Appendix C (2020) and Appendix D (2019). The Interim Financial Statements are included in Appendix E.

Following the EDEA Acquisition described in 3.2.2 "Acquisition of EDEA through voluntary offer and subsequent merger ", EDEA has been consolidated into the group accounts as of the acquisition date (8 December 2021) and is reported as a separate operating segment, see note 22 (business combinations) and note 6 (reporting segments) of the IFRS Financial Statements. The effect of the EDEA Acquisition is accordingly fully reflected in the balance sheet of the IFRS Financial Statement, and the effect on the Group's income statement is fully reflected in the Interim Financial Statements.

The Financial Statements have been audited by BDO AS ("**BDO**"), as set forth in their auditor's report included therein. The Interim Financial Statements have not been audited, but have been subject to a limited review by BDO under International Standards for Review Engagements 2410, and their limited review report has been included therein. BDO has not audited, reviewed or produced any report on any other information provided in this Registration Document.

The Group presents its Financial Information in NOK as reporting currency, which is also the functional currency of the Company.

3.2.2 Acquisition of EDEA through voluntary offer and subsequent merger

European Distributed Energy Assets Holding AS ("**EDEA**") was founded by the Company in 2020 in order to finance the Subscription of solar energy systems, and was the former parent company of European Distributed Energy Assets Midco AS ("**EDEA Midco**") and its subsidiaries (together, the "**EDEA Group**"). During 2020, the Company reduced its ownership interest in EDEA from 100% to 18.75%.

On 10 November 2021, Otovo launched an all-share voluntary offer for EDEA, to regain control over the strategic important Subscription offering of the Group and to facilitate future growth. After completion of the offer on 8 December 2021, Otovo had increased its ownership from 18.63% to 88.43% (the "**EDEA Acquisition**").

On 7 April 2022, the Company and EDEA entered into a merger plan for the merger and the dissolution of EDEA by the transfer of all assets, rights and liabilities in its entirety to the Company (the "**Merger**"). The reason for the Merger was to optimise the business of EDEA, and to be better positioned for accelerated growth and have a greater flexibility in terms of capitalisation and future strategy for financing of solar energy systems. The Merger was registered as completed in the Norwegian Register of Business Enterprises on 16 June 2022, upon which all assets, rights and obligations of EDEA, including its shares in European Distributed Energy Assets Midco AS, was transferred to the Company.

See Section 8.7.1 "Principal historical investments" for further information regarding the EDEA Acquisition and the Merger.

3.2.3 Alternative performance measures (APMs)

In order to enhance investors' understanding of the Group's performance, the Company presents in this Registration Document certain alternative performance measures ("**APMs**") as defined by the European Securities and Markets Authority ("**ESMA**") in the ESMA Guidelines on Alternative Performance Measures 2015/1057. Otovo has previously included certain key metrics in its reports to the public and intends to report these as APMs going forward with effect from the listing of the Company's shares on the Oslo Stock Exchange (main list).

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). The Company uses APMs to measure operating performance and value creation, and is of the view that the APMs provide investors with relevant and specific figures for the Group's operations and value creation which may enhance their understanding of the Group's performance and comparability of the results and cash flows from period to period when analysing the Group. The Company uses the APMs: Contracted Subscription Revenue (CSR), Subscription O&M (S O&M), Gross Subscription Profit (GSP), Revenue Generated, Gross Profit Generated, Gross Margin Generated (%), EBITDA Generated and Accumulated Contracted Subscription Revenue, as further defined below.

The APMs presented herein are not measurement of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative or substitute to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. However, with the inclusion of the subscription model in Otovo's business, there is a need to report the value creation. The Group's subscription contracts for solar energy systems and batteries are defined as service agreements under IFRS 15 "Revenue from Contracts with Customers" and operating leases under IFRS 16 "Leases", respectively. The revenues are recognised over the contract period of 20 years for solar energy systems and 10 years for batteries. The Group has chosen to use APMs similar to those used by US peers in order to visualise the value related to the subscription business. The value creation is not directly reflected in the Consolidated Income Statement and the Consolidated Statement of Financial Position due to elimination of transactions between the direct purchase segment and the subscription segment, and revenue recognition of subscription contracts over 20 and 10 years accordingly. Neither does it reflect that over time the net present value of cash flows from subscription customers is substantially higher than the net present value of cash flows from direct purchase customers. The APMs are calculated consistently over time and are based on financial data consistent with how the Company report under IFRS and other operational data as further described below.

The APMs presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Company believes that the APMs presented herein are commonly reported by companies in the markets in which the Group competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortisation and impairment, which can vary significantly depending upon accounting measures (in particular when acquisitions have occurred), business practice or non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods, and of the Group's ability to service its debt. As companies calculate the APMs presented herein differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The APMs used by the Group are set out below:

- **Contracted Subscription Revenue ("CSR")** is defined as 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. As a performance measure, 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")** is defined as net present value of operation and maintenance cost relating to the fulfilment of subscription contracts over their lifetime, such cost is currently estimated to be approximately 1% of the installation cost, including replacement of default equipment. As a performance measure, 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")** is defined as 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). As a performance measure, 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.

- **Revenue Generated** is defined as revenue (as reported in the Company's consolidated income statement in line with IFRS), plus Contracted Subscription Revenue (CSR). As a performance measure, 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.

- **Investment in Subscription Asset** is defined as 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.

- **Gross Profit** is defined as revenue less COGS (both as reported in the Company's consolidated income statement). As a performance measure, 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** is defined as Gross Profit, plus Gross Subscription Profit (GSP). As a performance measure, 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 and10 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 (%)** is defined as Gross Profit Generated divided by Revenue Generated.

- **Accumulated Contracted Subscription Revenue ("ACSR")** is defined as 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. From one reporting period to the next, the development in ACSR will typically be as follows:

	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**

As a performance measure, 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.

- **EBITDA Generated** is defined as 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. As a performance measure, 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.

3.2.4 Calculations and reconciliations of APMs

The tables below set out certain APMs presented by the Group in this Registration Document and other marketing material on an historical interim and annual basis. The tables show the relevant APMs reconciled to the Group's reported IFRS figures, in order to provide investors with an overview of the basis of calculation of such APMs. See Section 3.2.3 "Alternative performance measures (APMs)" above for a further description of the APMs presented herein. No reconciliations are presented for the year ended 2019, as the financial statements for this period were prepared in accordance with NGAAP (the NGAAP Financial Statements).

The table below sets forth reconciliation of Contracted Subscription Revenue.

In NOK thousand	**Three months ended 30 September**		**Nine months ended 30 September**		**Year ended 31 December**	
	2022	**2021**	**2022**	**2021**	**2021**	**2020**
COGS to Subscription segment	37,926	-	78,349	-	3,279	-
Batteries share of COGS to Subscription segment	8%	0%	6%	0%	0%	0%
Solar energy systems share of COGS to Subscription segment......................................	92%	100%	94%	100%	100%	100%
COGS to Subscription segment – Solar energy systems..	34.999	0	73,584	-	3,272	0
Lifetime of contracts – Solar energy systems	20	20	20	20	20	20
Average yield (first year payment to COGS) – Solar energy systems.......................................	11.0%	N/A	11.2%	N/A	11.7%	0
First year subscription payment – Solar energy systems..	3,857	0	8,252	0	383	0
Nominal lifetime subscription payments, not inflation adjusted	77,139	0	165,037	0	7,665	0
Inflation adjustment	16,575	0	35,461	0	1,647	0
Reduction from discounting to present value	(37,150)	0	(79,482)	0	(3,691)	0
Contracted Subscription Revenue – Solar energy systems...	**56,564**	**0**	**121,017**	**0**	**5,620**	**0**
COGS to Subscription segment – Batteries ..	2,927	0	4,765	0	7	0
Lifetime of contracts - Batteries	10	10	10	10	10	10
Average yield (first year payment to COGS) – Batteries...	16.9%	N/A	16.7%	N/A	11.7%	N/A
First year subscription payment – Batteries.	493	0	794	0	1	0
Nominal lifetime subscription payments, not inflation adjusted	4,934	0	7,943	0	8	0
Inflation adjustment	469	0	754	0	1	0

Reduction from discounting to present value	(1,264)	0	(2,035)	0	(2)	0
Contracted Subscription Revenue – Batteries	4,139	0	6,663	0	7	0
Contracted Subscription Revenue – Total	**60,703**	**0**	**127,680**	**0**	**5,627**	**0**
Assumed inflation	2%					
Discount rate	5%					

1 In Q4 2021 and Q1 2022, yields were not differentiated between PV and battery, as the impact was considered immaterial

The table below sets forth reconciliation of Contracted Subscription Revenue (CSR), Revenue Generated, S O&M, Gross Profit Generated, Gross Margin Generated, Gross Subscription Profit and EBITDA Generated.

In NOK thousand	**Three months ended 30 September**		**Nine months ended 30 September**		**Year ended 31 December**	
	2022	**2021**	**2022**	**2021**	**2021**	**2020**
Revenue (IFRS)	174,548	85,963	436,743	187,745	285,265	147,532
Add Contracted Subscription Revenue (CSR)	60,703	-	127,679	-	5,927	-
Revenue Generated	**235,251**	**85,963**	**564,422**	**187,745**	**291,192**	**147,532**
Subtract cost of goods sold (IFRS)	140,356	72,246	355,919	158,237	240,362	121,309
Subtract Investment in Subscription Asset	37,929	-	78,349	-	3,278	-
Subtracts Subscription O&M costs (S O&M)	4,362	-	9,210	-	431	-
Gross Profit Generated	**52,604**	**52,604**	**120,944**	**29,508**	**47,122**	**26,233**
Gross Margin Generated	22.36%	15.96%	21,43%	15.72%	16.18%	17.77%
Operating profit/(loss) (IFRS)	(82,641)	(35,471)	(224,507)	(112,889)	(175,294)	(93,598)
Add back depreciation and amortisation (IFRS)	16,266	4,502	46,497	12,348	21,649	12,154
Add Gross Subscription Profit	18,415	-	40,121	-	2,043	-
Subtracts subscription revenue (IFRS)	3,150	-	7,110	-	423	-
EBITDA Generated	**(51,110)**	**30,969**	**(144,999)**	**(100,541)**	**(152,025)**	**(81,444)**

3.2.5 Industry and market data

This Registration Document contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Company's estimates based on analysis, research and surveys of multiple sources, including data compiled from professional organisations and analysts and information otherwise derived from other third-party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Company. Unless otherwise indicated in the Registration Document, the basis for any statements regarding the Company's competitive position in the future is based on the Company's own assessment and knowledge of the potential market in which it may operate. The relevant information and data is sourced herein as "**Company estimate**".

The Company confirms that where information has been sourced from a third-party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third-party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third-parties has been presented, the source of such information has been identified, however, source references to websites shall not be deemed as incorporated by reference to this Registration Document.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy or completeness of market data contained in this Registration Document that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Company cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Registration Document, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Registration Document (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 1 "Risk factors" and elsewhere in this Registration Document.

3.2.6 Other information

In this Registration Document, all references to "**NOK**" are to the lawful currency of Norway, all references to "**EUR**" are to the lawful currency of the European Union, all references to "**GBP**" are to the lawful currency of the United Kingdom, and all references to "**USD**" are to the lawful currency of the United States. No representation is made that the NOK, EUR, GBP or USD amounts referred to herein could have been or could be converted into NOK, EUR, GBP or USD, as the case may be, at any particular rate, or at all.

3.2.7 Rounding

Certain figures included in this Registration Document have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

3.3 Cautionary note regarding forward-looking statements

This Registration Document forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. They appear in the following Sections in this Registration Document, Section 4 "Dividends and dividend policy", Section 5 "Industry and market overview", Section 6 "Business of the Group" , and Section 8 "Operating and financial review", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Group's financial strength and position, backlog, pipeline, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates, such as but not limited to the Group's expansion in existing and entry into new markets in the future.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry and potential market in which the Group may operate in the future, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Registration Document. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- the competitive market in which the Group operates, and the competitive pressure and changes to the competitive environment in general (including new market entrants);
- changes in the technological development in the industry and markets in which the Group operates;
- implementation of the Group's strategy and its ability to further expand its business and growth, including, without limitation, its ability to continue building strong brand name;
- earnings, cash flow, dividends and other expected financial results and conditions;
- changes in the legal and regulatory environment, for example, changes in tax regulations and governmental approval requirements;
- access to capital funding and governmental financial schemes;
- fluctuations in exchange and interest rates; and
- legal proceedings.

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the Forward-looking Statements are discussed in Section 1 "Risk factors".

The information contained in this Registration Document identifies additional factors that could affect the Group's financial position, operating results, cash flows, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Registration Document for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as of the date on which they are made. Except as required by applicable law, the Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Registration Document.

4 DIVIDENDS AND DIVIDEND POLICY

4.1 Dividend policy

Any future proposal by the Board of Directors to declare dividends will be subject to applicable laws and will be dependent on a number of factors, including the Company's financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that the Board of Directors may deem relevant. See Section 4.2 "Legal constraints on the distribution of dividends" below.

Otovo is in a growth and up-scale phase, and is currently not in position to pay dividends. Once profitability is reached, the Company has an ambition to distribute dividends to the shareholders. The amount of any dividend to be distributed will be dependent on, *inter alia*, the Company's investment requirements and rate of growth. There can be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy.

The Company did not pay any dividends during the financial years 2021, 2020 or 2019.

4.2 Legal constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Companies Act**"), the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealised gains and the reserve for valuation of differences).

  The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the general meeting may also authorise the board of directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be distributed by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Public Limited Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

4.3 Manner of dividend payments

The Company's equity capital is denominated in NOK and all dividends on the Shares will therefore be declared in NOK. As such, investors whose reference currency is a currency other than NOK may be affected by currency fluctuations in the value of NOK relative to such investor's reference currency in connection with a dividend distribution by the Company. Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through the CSD Registrar. Shareholders registered in the Norwegian Central Securities Depository (the "**CSD**") who have not supplied the CSD Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the CSD Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the CSD Registrar's exchange rate on the payment date. Dividends will be credited automatically to the CSD registered shareholders' accounts, or in lieu of such registered accounts, at the time when the shareholder has provided the CSD Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the CSD Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the CSD Registrar to the Company.

5 INDUSTRY AND MARKET OVERVIEW

This Section discusses the industry in which the Group operates. Certain parts of the information in this Section relating to market environment, market developments, growth rates, market trends, industry trends, competition and similar information are estimates based market data from external and publicly available sources, and the Company's knowledge of the markets, see Section 3.2.5 "Industry and market data". The following discussion contains forward-looking statements, see Section 3.3 "Cautionary note regarding forward-looking statements". Any forecast information and other forward-looking statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, see Section 1 "Risk factors".

5.1 Introduction

Otovo connects consumers and installers of residential solar energy systems and batteries through the Group's marketplace. Solar energy systems capture the sun's energy and convert it into electricity. Batteries ensure that households can use their solar power at any time, even when the sun is not shining. Since its establishment, the Group has regularly expanded into new European countries, and is currently established in Norway, Sweden, Spain, Poland, France, Italy, Germany, Portugal, Austria, the UK, the Netherlands, Belgium and Switzerland.

5.2 European market

Residential solar energy systems were historically a niche in the larger photovoltaic ("**PV**") market but has grown significantly in recent years, fuelled by declining costs and supporting subsidy schemes. In Europe, the incremental residential solar energy system capacity of 6.1 gigawatts ("**GW**") made up 30% of the solar capacity additions in 2020. When looking at the past 15 years, residential capacity additions have been rather lumpy, driven by varying levels of public support. The period 2010-2015 was characterised by high subsidy levels in large Western European markets such as Germany, Italy, France, the UK and Belgium. However, as the support schemes became less favourable, investments declined. Nevertheless, as the cost of residential solar energy systems has declined and more countries have improved their public support schemes, there has been a rapid increase in annual residential solar energy system capacity additions and accumulated capacity in Europe in recent years, from 1.2 GW in 2016 to 6.1 GW in 2020.[1] In 2022, the growth has further accelerated due to increased energy prices as a result of the Russian invasion of Ukraine.

Rooftop solar energy systems allow homeowners to produce their own clean and cheap electricity. This market is characterised by small deal sizes, high volumes, flexible market entries, and high industry returns. In total, the Company estimates the addressable market to reach ~ 1,400,000 residential installations in 2022.

Solar energy systems produce electricity as long as the sun is shining, which means that they only produce electricity during the day. The output depends on the amount of direct sunlight and thus peak capacity is reached around midday. This is normally when electricity prices are lower and households use less electricity. At the same time, a typical household uses more electricity during the morning and in the evening, when there is limited sunlight and the electricity prices are higher. A residential battery combined with a solar energy system enables the storage of excess electricity produced during the day for consumption at night time.

Although installation of batteries together with residential solar energy systems has several benefits for the consumer and society, the market has lagged significantly behind that of residential solar energy systems. However, there is currently solid momentum for batteries as well, driven by declining costs and more favourable policies for batteries, as well as high growth in the residential solar energy system segment.[2] Hence, there has been a rapid increase in battery additions to solar energy systems in Europe of approx. 3,473% in the period 2013-2020, from 30 MWh yearly in 2013 to 1,072 MWh yearly in 2020.[3]

There are multiple benefits for coupling solar energy systems with batteries. Firstly, a battery increases self-consumption of solar energy produced as the battery can be charged when production is higher than consumption and be discharged in the opposite case. In theory, it may also enable the customer to arbitrage against price on electricity from the grid because they can choose

[1] Source: *International Energy Agency ("**IEA**") (https://www.iea.org/data-and-statistics/data-tools/renewables-2021-data-explorer?mode=market&region=Europe&publication=2021&product=PV+residential+systems) under "Net additions".*

[2] Source: *Report by DNB Markets: Initiation of coverage. The report can be obtained by request to DNB Markets.*

[3] Source: *SolarPower Europe: European Market Outlook for Residential Battery Storage 2021– 2025 (https://api.solarpowereurope.org/uploads/4721_SPE_BESS_report_08_mr_fae9b5f56b.pdf)*

when to consume and sell their self-produced electricity and thereby increase the total savings from solar energy systems, although this is not necessarily the case for the batteries that the Group delivers. Lastly, a battery provides emergency power and can serve as a backup in case of an electricity outage. The batteries are currently in the early phase of development, but there are already software available that can be connected to batteries in order to make sure that the grid electricity is purchased and stored during the hours of the day with the lowest prices, and consumed from the battery or sold to the grid during the hours with the highest prices. During power outages like the power outage in Texas in February 2021, customers that have a battery, can be self-supplied and maintain electricity consumption even if the grid electricity is unavailable.

5.3 Key growth drivers in the market in which Otovo operates

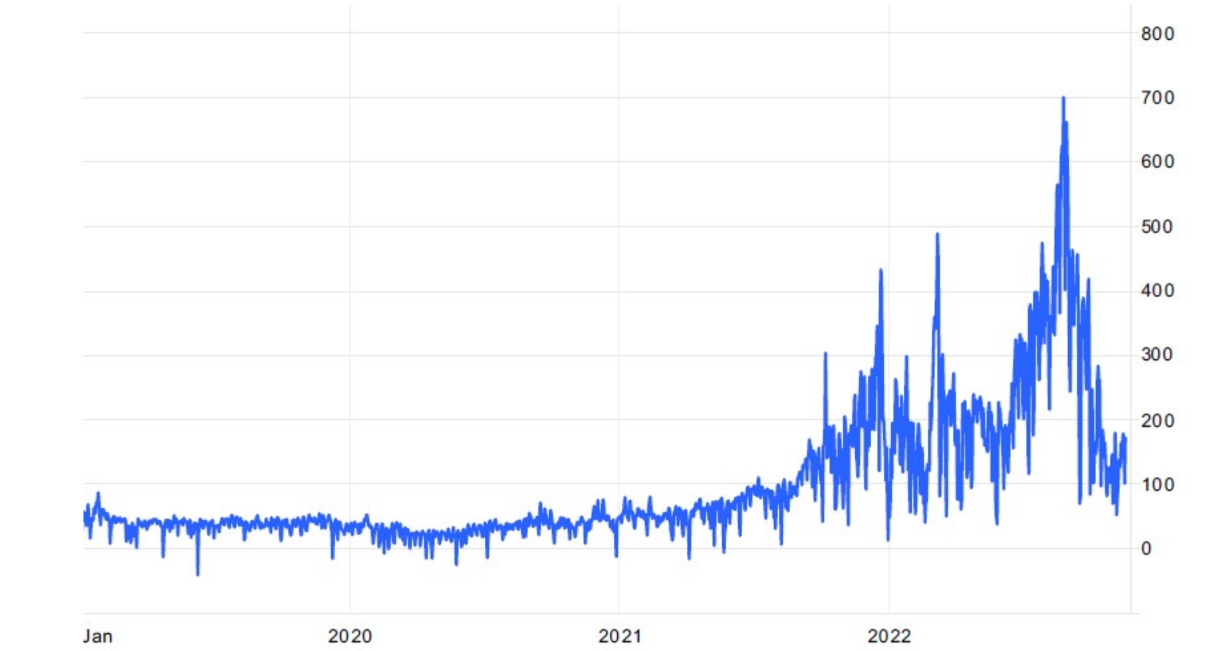
5.3.1 Decreasing capital expenditures due to falling hardware prices

The cost of solar energy systems and batteries have dropped significantly over the past ten years and the Company expects that such decline will continue. Since there are limited operation and maintenance costs associated with residential solar energy systems, the capital expenditure ("**Capex**") makes up most of the cost for solar power. For example in Germany, residential solar Capex has declined from about USD 4.00 per watt in 2010 to below USD 2.00 per watt in 2021.[4] Similarly, lithium-ion battery pack prices, which were above USD 1,200 per kWh in 2010, have fallen 89% in real terms to USD 132 per kWh in 2021.[5] This is also a 6% drop from USD 140 per kWh in 2020.[6] Furthermore, it is expected that battery pack prices will drop to USD 92 per kWh by 2024 and USD 58 per kWh by 2030.[7]

5.3.2 Increasing electricity prices

Europe's cost of electricity has increased rapidly since the second half of 2021. This is due to the unprecedented increase in gas prices in the global markets, extreme temperatures during the winter and summer which have increased demand for heating and cooling, and increasing geopolitical tensions, including the war in Ukraine. With increasing electricity prices, the payback time of a solar energy system is reduced. The increasing electricity prices in Europe is exemplified by the German spot electricity prices illustrated in the chart below, which have experienced a rapid increase over the past two years.

German day-ahead baseload electricity spot price (EUR/MWh)



Source: Trading Economics: (https://tradingeconomics.com/germany/electricity-price)

---

[4] *Source: Report by DNB Markets,: Initiation of coverage. The report can be obtained by request to DNB Markets.*

[5] *Source: Bloomberg NEF (https://about.bnef.com/blog/battery-pack-prices-fall-to-an-average-of-132-kwh-but-rising-commodity-prices-start-to-bite/)*

[6] *Source: Bloomberg NEF (https://about.bnef.com/blog/battery-pack-prices-fall-to-an-average-of-132-kwh-but-rising-commodity-prices-start-to-bite/)*

[7] *Source: EV Plug: (https://evplugs.co.in/blogs/the-fluctuating-cost-implications-of-evs-batteries)*

Together with batteries, residential solar energy systems could help stabilise the effective electricity price for households. The batteries can release energy produced by the solar energy systems in periods with energy consumption and typically high electricity prices, and charge when the power generation is higher than the load (typically periods with low electricity prices).[8]

5.3.3 Green transition

To combat climate change, there is a need to reduce greenhouse gas emissions. Green energy, such as solar energy, is critical to reach the EU's climate objectives. The EU introduced the REPowerEU plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition in May 2022. The REPowerEU plan includes measures for accelerated rollout of renewable energy, such as e.g., a solar energy system rooftop initiative with a phased-in legal obligation to install solar energy systems on new residential buildings.

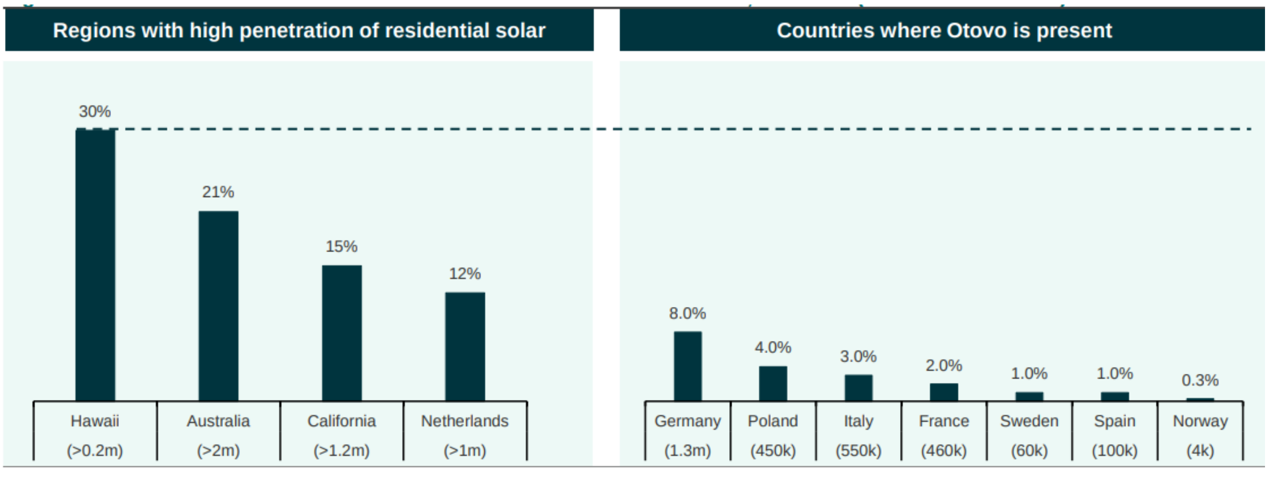
5.3.4 Government subsidies

Market growth is further fuelled by a favourable regulatory environment across all markets in which the Group operates. There are subsidies in place both to help fund the green transition and to reduce the pressure on the grid. The subsidies make it cheaper for the customer to purchase a solar energy system and reduce the payback time. For example in Italy, the government provides consumers with tax credits equivalent to 50% of total investment cost, both for solar energy systems and batteries. Furthermore, in Norway subsidies average ~15-20% of investment, and in Sweden homeowners with solar energy systems receive 15% tax deduction.

5.4 Geographic data

Even the largest European markets are lagging behind leading solar energy system markets such as Hawaii, Australia and California, with solar penetration rates of 30%, 21% and 15%, respectively as of year end 2020.[9] Meaning that the share of detached and semi-detached houses with solar energy systems installed is significantly higher in the leading solar energy system markets than in most European countries as shown in the illustrations below.

Share of detached and semi-detached houses with a solar energy system installed (number of solar energy systems installed as of year end 2020)



Source: Company estimate, see Section 3.2.3

5.5 Competition

The Group's main competitors fall into the following three categories:

- **Vertically integrated installers:** The vertically integrated installers typically own a whole part of the value chain, which makes them asset-heavy. They own the installers and typically also own the hardware distributors or order directly

[8] *Source: Report by DNB Markets: Initiation of coverage. The report can be obtained by request to DNB Markets.*

[9] *Source: Company estimate, see Section 3.2.3*

from the manufacturer. Generally, the business model is non-digital. Example players are Columbus Energy in Poland and Svea Solar in Sweden.

- **Retailers with subcontractors:** The retailers with subcontractors are power companies or "big box" retailers with online sales. They use a small number of subcontractors and have a domestic focus. The sales and planning can be both digital and non-digital. Example players are Fjordkraft in Norway, Sungevity in the Netherlands and EDF in France.

- **Digital platforms:** The digital platforms are platforms where installers can find local solar energy system projects. The projects are take it or leave it, where the installers have no impact on price. The sales and planning process are fully-digital. Zolar in Germany is an example of a digital platform competitor. Enpal in Germany can be considered a mixture of a vertically integrated installer and a digital platform.

5.6 Subscription

Subscription solves the financing problem for consumer in addition to being a trouble-free option for solar energy systems and/or batteries as a service throughout the contract period. With subscription, customers can save money from day one as the monthly energy bill savings often are larger than the monthly subscription. Therefore subscription has become increasingly popular in recent years.

While subscription has been available in the residential solar energy system market in the Unites States for a decade, it is quite new in the European market and Otovo believes to be one of the largest players in this segment, as provider of subscription in eight countries. Apart from Otovo, subscription is offered by other players in Germany, the Netherlands and Spain with Enpal, Zonnenplan, Bullfinch and Solease being the main players.

6 BUSINESS OF THE GROUP

6.1 Overview

Otovo operates an online marketplace platform for residential solar energy system and battery installations (the Otovo Platform), where customers, by entering their home address obtain proposed design and price for installations in real-time, based on input from the Group's network of local, reliable installers. The installations may consist of solar energy systems, batteries or both. The installations are offered by the Group to end customers either through Direct Purchase where the customer owns the product, or through Subscription where Otovo owns the product throughout the subscription period.

Founded in 2016, Otovo has rapidly scaled its marketplace beyond the Nordic regions and it is currently operating in Norway, Sweden, France, Spain, Italy, Poland, Germany, Austria, Portugal ,the UK, the Netherlands, Belgium and Switzerland. The Group is headquartered in Oslo, Norway and has local offices in all its target markets, with an expanding team of dedicated and experienced employees and managers.

6.2 History and important events

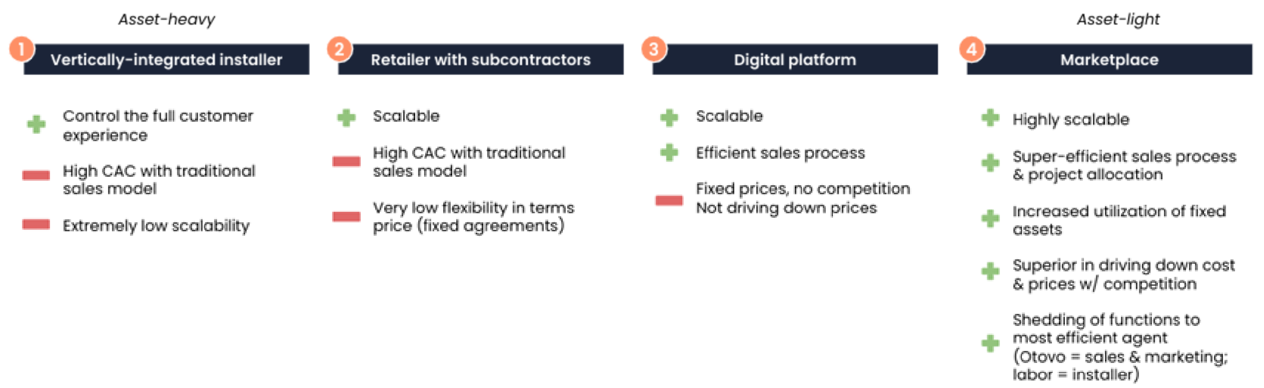
Otovo was established in Norway in 2016, with the aim to make solar energy systems easily accessible for homeowners, and enabling the production of local and green energy on private roof tops. Since 2016, Otovo has sold and completed thousands of solar energy system projects all over Europe, and aims to become Europe's leading provider of solar energy systems. The table below shows the Group's key milestones from its inception and up to the date of this Registration Document:

Year	Event
2016	Otovo established in Norway
2016	Closes EUR 2.5m seed round led by Agder Energy Ventures
2017	Closes EUR 6m in Series A led by Akershus Energi and OBOS
2018	Launch in Sweden
2018	Closes EUR 10m in Series B led by Nysnø and KLP
2019	Closes EUR 20m round led by Axel Johnson
2019	Acquisition of Otovo France SAS (previously known as 'In Sun We Trust 2.0' ("**ISWT**"), France
2019	Launch in Spain
2020	EDEA established and funding secured (30 mEUR, 50% debt)
2020	Launch in Poland
2020	Subscription is introduced in Norway, Sweden and Spain
2020	First sale on marketplace model in France
2020	Joint Venture between Otovo and Gera in Brazil (Holu)
2021	Launch of EDEA in France and Poland
2021	The Company is listed on Euronext Growth Oslo
2021	Subscription is introduced in Poland and France
2021	Launch and introduction of batteries in Italy
2021	Batteries are introduced in Spain
2021	Otovo's ownership interest in EDEA is reduced from 100% to 18.75%
2021	Subscription is introduced in France and Poland
2021	Launch and completion of a voluntary offer for all outstanding shares in EDEA (the EDEA Acquisition as described in Section 3.2.2 above)
2021	Launch and introduction of batteries in Germany and
2022	The Merger with EDEA is completed (the Merger as described in Section 3.2.2 above)
2022	Conversion of the Company into a Norwegian public limited liability company
2022	Launch in Portugal and Austria
2022	Otovo expanded into the Netherlands, Belgium and Switzerland

6.3 Competitive strengths

Otovo operates an online marketplace platform, differentiated from the competition in Europe. The Group's business model and the Otovo Platform offers several traits versus the other operating models in the industry, such as increased utilisation of fixed assets, competition which may drive costs and prices down, and shredding of functions to most efficient agent, as illustrated below.

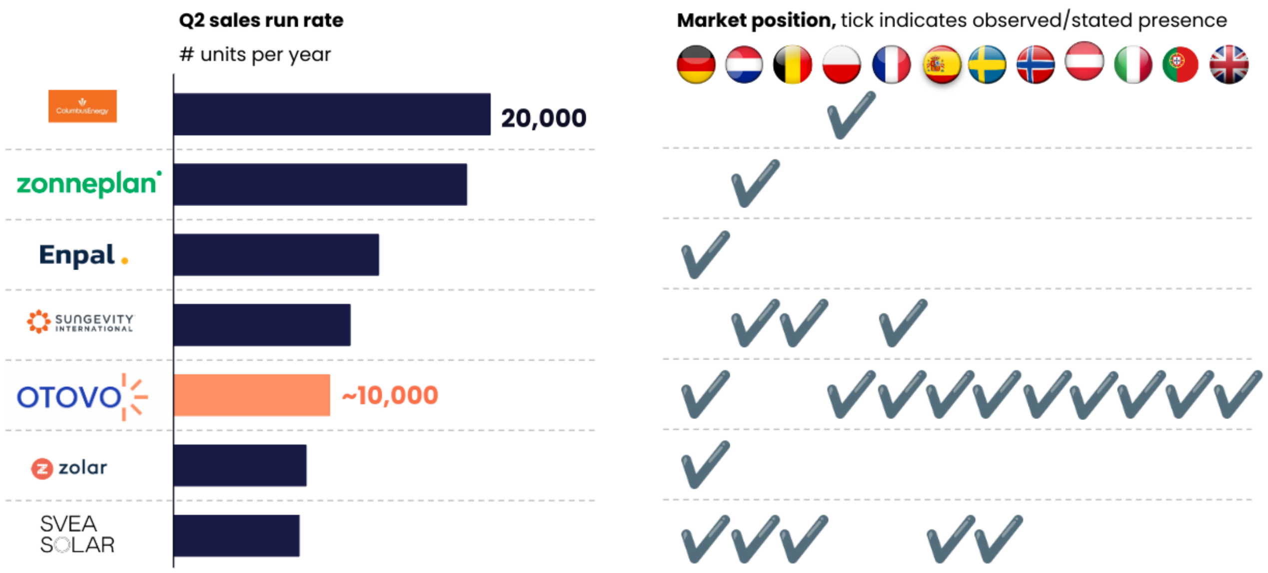
Competitive strengths - characteristics



Source: Company estimate, see Section 3.2.3

In Q2 2022, the Group completed 1,745 solar energy system installations, which places Otovo among the medium-sized companies in European market measured by monthly installations.

Q2 sales run rate[1] in Europe



1 *'Q2 sales run rate' means the yearly number of sales if the number of sales made in Q2 was repeated for four consecutive quarters.*

Source: Company estimate, see Section 3.2.3

6.4 Strategy

Otovo's overall ambition is to become Europe's number one marketplace and provider of solar energy system and battery installations to private homeowners. The Group's strategic priorities to achieve this ambition are, *inter alia,* to reach pan-European scale, increase ticket sizes through batteries and in the future other hardware, and make its products available to a wider group of customers through Subscription.

6.4.1 Reach pan-European scale

Scaling is important to achieve Otovo's mission to become Europe's number one provider of solar energy system and battery installations to private homeowners, and is about increasing market share in existing markets and entering new markets.

In existing markets, Otovo has been focusing on entering partnerships that give Otovo access to a larger customer base and the partner access to a broader product offering. Some partners refer their existing customers to Otovo providing Otovo with leads to obtain new customers (lead partners). In addition, the Group launched a new type of partnership in 2021 where Otovo does the installation on behalf of the partner, but where the sales are either handled by the partner or by Otovo on a whitelabeling solution.

The Group's process of entering a new market starts by recruiting a general manager typically with experience from other similar platform companies, followed by establishment of a local subsidiary and localisation of agreements and recruiting of installers. Once the first cost models from the installers are in place, the Group starts acquiring customers and selling solar energy systems and batteries. Time from recruitment of a general manager to first sale is typically three to six months.

When a new market is launched, prices to customers are set at levels the Company believes will be competitive and sustainable over time. The Group will typically have low margins in the beginning to get customers onboard quickly. Once more installers get on the Group's marketplace to compete for the projects, installation cost goes down, which allows for increased margins without changing customer prices significantly.

In isolation, launching new markets will dilute margins temporarily. At the same time, Otovo's aim is to increase margins in all markets so that the effect of new markets is compensated by higher margins in more mature markets.

6.4.2 Increase ticket sizes through batteries

In 2021, batteries took a big step toward becoming mainstream in a number of the Group's markets, costs continue dropping and customers are looking to become independent of the grid and electricity companies. Currently, one in four sales and one in five installations carried out by the Group include a battery.

Based on this development and the fact that customers in Italy asked for batteries from the time of launch, Otovo decided to grasp this opportunity and launch batteries as a first step toward becoming a multi hardware marketplace. In Italy, the current subsidy scheme gives the customer a tax credit for 50% of the price of a solar energy system and a battery. This has fuelled the demand and after Otovo launched batteries in April 2021, the battery attachment rate increased rapidly to above 50% for Italian customers.

For Otovo, selling a battery with a solar energy system almost doubles the ticket size for each sale, without impacting the cost to get the customer into the shop, which means that the net contribution from a sale with a battery is a lot higher than for a sale of the same solar energy system without a battery. In addition, having access to a larger customer base with batteries, may in the future lead to opportunities for operating a virtual power plant where electricity can be fed into the grid in case of shortage in the market and also allow for the development of other products like heat pumps and EV chargers. After a successful launch in Italy in April 2021, batteries have been rolled out in all established markets except Norway. The attachment rates are promising and Otovo aims to increase the attachment rates going forward.

6.4.3 Make products available to a wider group of end customers through subscription

In addition to solving the financing problem for the customer, as described in Section 5.6 "Subscription" above, the subscription segment enables Otovo to increase profitability per customer significantly. After the Merger with EDEA, as further described in Section 3.2.2 "Acquisition of EDEA through voluntary offer and subsequent merger ", interests have been aligned and Otovo has been incentivized to increase spending related to subscription customers. This accelerates deployment through volume growth and higher subscription share, which again opens for higher leverage ratio and profitability for the subscription portfolio. Subscription is therefore an important strategic pillar in order for the Group to reach profitability. The Group targets a high subscription share and consistent deployment of EUR 100 million per year.

6.4.4 Key factors that could pose a challenge to the Group's ability to deliver on its strategy

The Group depends on certain key factors that could pose a challenge to the Group's ability to deliver on its strategy. Demand for solar energy systems and batteries and the Group’s ability to achieve a sufficient share of the customers in each market, may vary over time and depend on external factors like electricity prices and governmental subsidies, but also on the Group's ability to maintain attractive prices compared with its competitors. The Group also depends on access to local installer companies and access to hardware and components in order to successfully deliver the products it sells. The Group's origination business is capital light, but in order to become number one in Europe, the Group may require further capital in the future. Finally, the Group's subscription business is quite capital intensive, and the Group will require additional debt financing in order to grow the subscription business in accordance with its strategy.

6.5 The Group's business activity

6.5.1 Introduction

Otovo operates an online marketplace platform for residential solar energy system and battery installations (the Otovo Platform), where customers, by entering their home address obtain proposed design and price for installations in real-time, based on input from the Group's network of local, reliable installers. Through automatic auctions, the installers on the Otovo Platform in the geographic region of the customer bid for incoming projects. Through its bidding process for installers, the Otovo Platform creates a competitive marketplace that provides lower prices to the end customers. For further information about the Otovo Platform, see Section 6.5.3 "The Otovo Platform".

The Group is positioned in the residential segment of solar energy systems and batteries. The Group's main activities are marketing and lead generation, sales and planning of installation, financing, follow-up during and after installation, and provision of services, as further described in Section 6.5.2 "The Otovo Model" below. The Group does not employ or own any installers or installer companies, and does not execute the installations. However, the Group offers customer follow-ups both before and after installation, and acts as a professional counterpart in case there are any issues with the installation.

The Group offers two different purchasing arrangements for solar energy system installations; (i) purchase by way of direct payment (Direct Purchase), or (ii) subscription over 20 years for solar energy systems and subscription for 10 years for batteries (Subscription), as further described in Section 6.5.4 "Purchasing models" and Section 7.8 "Reporting segment information and revenue".

6.5.2 The Otovo Model

Otovo generates revenue from selling solar energy systems and batteries, that are installed by third party installers, to end customers. As a result, the Group's operating income is impacted by the size of the Group's margin, i.e. the difference between the price the customer pays for an installation and the installers' cost.

The model through which the Group's business operations is carried out (the "**Otovo Model**") consists of the following six steps:

(i) The first step is marketing and lead generation, where the Group performs low-cost customer acquisition through a combination of organic searches, search engine optimisation ("**SEO**"), paid marketing and partnerships.

(ii) The second step is sales, where customers having requested an offer on the Otovo website are contacted by lead qualifiers. Then the low-cost lead qualifiers pass on qualifiers to sales representatives. The sales representatives ensure a high conversion rate, and increase the value of a sale through batteries and subscription. The contract is then signed digitally.

(iii) The third step is financing if the customer does not want to purchase by way of direct payment. The Group provides financing through subscription, or a local bank partner provides loan financing.

(iv) The fourth step is planning, where an Otovo project manager does high-level planning together with the customer. The project is assigned to an installer based on cost and available capacity. The installer performs the engineering, sets the installation date and purchases hardware.

(v) The fifth step is installation, where the installer performs all installation work as Otovo's subcontractor. Otovo is kept informed throughout the process through the Group's marketplace, where the installers documents the entire installation with data, photos and document uploads. Otovo performs quality assurance of each project, handles customer invoicing and installer payment.

(vi) The sixth and last step is post-sale servicing. Otovo maintains the customer relationship by providing an app with monitoring services and technical troubleshooting. Subcontractors carry out any necessary work on site.

6.5.3 The Otovo Platform

The Otovo Platform matches customers and installers, and supports the Group's value chain from (i) sales (compilation of map data, building data, solar radiation data and algorithmic bidding on solar energy system projects) to (ii) planning (obtaining cost models from installers, choosing an installer and assigning projects), and (iii) follow-up of projects and managing the project from the sale to the completion of the project. The Otovo Platform needs continuous development and the Group expects that the development activities will increase in scope during 2023, as the Group aims to add more countries, products and new functionality both for customers, installers and internal users of the platform.

The Otovo Platform consists of four different functions performing tasks relating to the assessment of the house where the Group's product is to be installed, sales assistance and identification of the best and cheapest installer, project installation and the operation of the solar energy system or battery throughout its lifetime. Additionally, the Otovo Platform is supported by a fifth function allowing the Group to operate in several markets and with several partners simultaneously. Further details about the main functions of the Otovo Platform are set out below:

(i) **The first function is for getting homeowners onboard**. The homeowners who consider rooftop solar energy systems visit the website for the relevant country and enter their home address. The Otovo Platform then retrieves cadastral information, and the algorithm identifies roof surfaces and calculates insolation using locally available data. Lastly, the Otovo Platform finds the optimal panel placement for the rooftop solar energy system, and a project plan is created, ready for automated bidding through the marketplace. Additionally, the analytics tool calculates the possible savings for the customer.

(ii) **The second function is for finding the best installer for every roof.** A matching algorithm runs through all possible configurations to find the ideal match. The marketplace engine identifies installer companies with active cost models and delivery capability in the area. A cost model is the installer's prices for each component of an installation (e.g. price per solar energy system, travel cost, and scaffolding) placed into the system by the installer. Each cost model is used to create multiple possible project configurations. As a result of the Otovo Platform's bidding process, the cost of the project is established and the project is ready for installation by the chosen installer company.

(iii) **The third function is for handling the installation project flow.** When the project is ready for installation and assigned to the installer, a remote home visit is conducted by one of the Group's project managers. Here, information is gathered from the homeowner, with support for local installation requirements. Then electrical compliance is verified and the installation is scheduled. After the installation, the installer has to document the project on the Otovo Platform, including health, safety, environment and quality ("**HSEQ**") and regulatory compliance. After the installation project flow is completed, a rooftop solar energy system is installed and connected to the electrical grid.

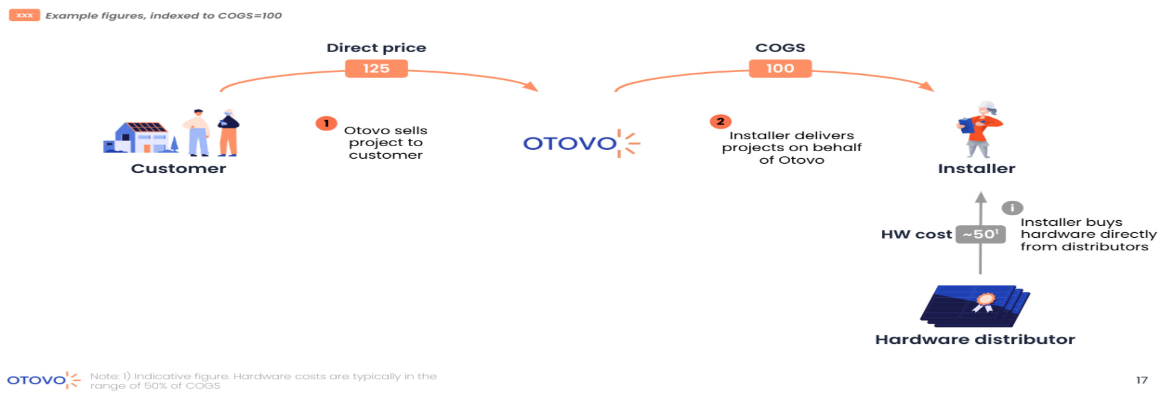
(iv) **The fourth function is for installation management solutions.** Through this function, the Group offers a lifetime of quality service to the consumer and installer after installation. The Otovo app allows the consumer to monitor the installation's electricity production. Furthermore, the Group offers a monitoring system that gathers production data from the installations for the installers, which also alerts the installers about possible issues with their installations for fast resolution.

(v) **Finally, other partnership services support multiple markets and partners.** A multitenancy module manages accounts and permissions required for supporting several platform hosts, allowing the Group to operate in several markets with several partners at the same time. A market configuration module holds the configurations for setups and parameters that vary per market, enabling fast setup times for new markets. Lastly, an external interface includes services and application programming interfaces ("**APIs**") for integrations with platform customers' business solutions and customer relationship management ("**CRM**") systems.

6.5.4 Purchasing models

There are two ways for a customer to purchase the Group's products; either through Direct Purchase where the customer owns the product, or through Subscription where Otovo owns the assets throughout the subscription period. In the Direct Purchase model, the customer purchases a solar energy system or battery from Otovo, which an installer delivers on behalf of Otovo. Thus, Otovo purchases turnkey installations from the installer, which Otovo sells to the customer for an upfront payment. The installer purchases hardware directly from distributors. For Direct Purchases, the Group also facilitates solar loan financing through a local bank partner.

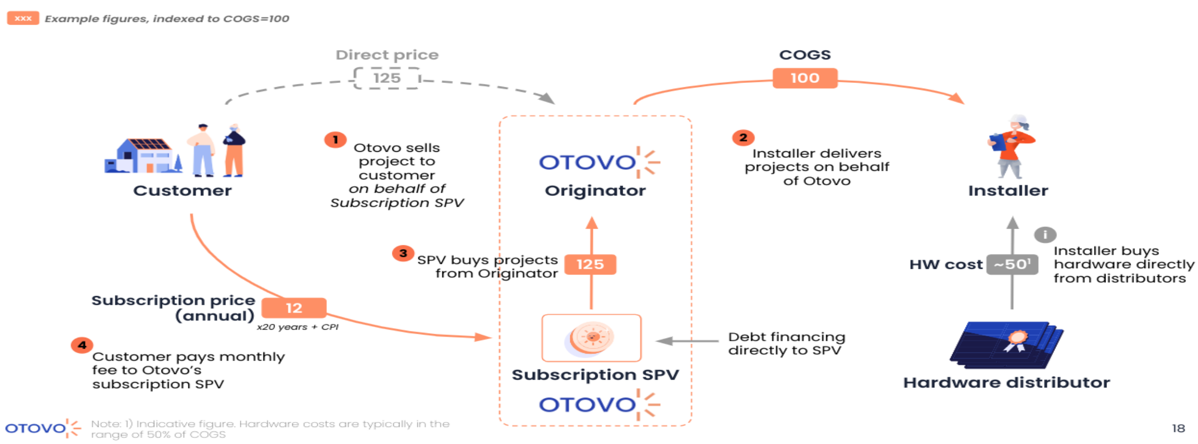
Direct Purchase



Source: Company estimate, see Section 3.2.3

Furthermore, the Group offers Subscription as an important part of its product offering. Subscription means that the customers pay a monthly fee over 20 years for solar energy systems and 10 years for batteries with no upfront payment, where Otovo owns the assets. Consequently, subscription solves financing for the consumer as well as reducing other barriers to purchase the Group's products for the consumer and expands the total addressable market for the Group. In addition, subscription customers benefit from a functional guarantee for the duration of the contract which means that Otovo takes care of maintenance, repair and any faulty products. Each subscription contract is priced based on the cost of the solar energy system and/or battery and the yield requirement defined in the relevant market. Further, each subscription contract is inflation adjusted annually, but never adjusted downwards. Hence, the monthly subscription fee will increase over the lifetime of the contract. The annual inflation adjustments made by the Group also mitigate the effect of the floating interest under the Facilities Agreement, as further described in Section 8.8.2Main terms and conditions for the Group's material borrowings, including financial covenants and change of control" below.

Subscription



Source: Company estimate, see Section 3.2.3

Batteries can be sold together with a new solar energy system, to existing solar energy system owners, or stand-alone to non solar energy system owners. Batteries are a part of Otovo's offer in all markets except for Norway. In Q2 2022, batteries were a part of 24% of all Otovo sales and 19% of all installations.

6.5.5 Installers

6.5.5.1 Installer network

The Group is subcontracting the installations of the solar energy systems and batteries through its network of installers, and purchases turnkey installations from the installer. The Group has entered into agreements with hardware distributors in each country so that the installers can purchase hardware on Otovo prices, when installing Otovo projects. Therefore the Group is not involved in the logistics or warehousing of hardware in the ordinary course of business. From time to time, when there are bottlenecks in the delivery of hardware, the Group has however, solved such issues by purchasing hardware typically in a country with good availability and delivering it to the installers or the customers directly in the country where the bottleneck has occurred. The Group freely determines which installer is to be assigned the individual installations, and may take into consideration matters such as price, service area, experience, available capacity and customer satisfaction. The installers are responsible for the purchase and delivery of all necessary and required materials for the installation, and bear the risk for the quality and usability of the materials delivered to the customer.

6.5.5.2 Installer recruitment

The Group's account managers expand and develop the installer network. They hunt new installers outside of the Group network, qualify inbound interests, perform quality assurance and onboard the installers to the Otovo way and tools. Additionally, they farm the relationship with existing installers to optimise cost and increase capacity on the Otovo Platform. This is done with digital tools through the Group's marketplace to among others, optimise the installers' cost models and coverage area.

6.5.6 Organisation and employees

The Group's organisation consists of the business units; products, central operations, marketing and international business development, in addition to the staff units finance, legal and HR. In addition, each country has its own sales, marketing and operations staff handling the relationship towards the customers, in addition to account managers recruiting and following up the installer companies bidding on the Otovo Platform. Each country has a general manager that has the overall commercial responsibility for the operations in the country.

The operations in each country are carried out by wholly-owned subsidiaries, except for Norway where all operations are carried by the Company itself. The head office provides products and services to the subsidiaries and follows up on performance, execution of the Group's strategy, financial results, risk and compliance.

As of 31 December 2021 and 31 December 2020, the Group had a total of 209 and 166 full-time employees, respectively. The Group had an average of 67 employees for the year ended 31 December 2019.

6.5.7 Marketing and advertising

Otovo primarily employs the following three means for marketing and advertising towards potential customers:

- **Paid marketing:** consists of targeted ads, on e.g. Facebook, Google, and Bing. Paid marketing gives Otovo the ability to prioritise regions and customer segments depending on opportunity and installation capacity. This way of advertising is highly effective, but more costly than other marketing channels. Cost per activation decreased by ~85% from Q1 2021 to Q2 2022, driven by campaign optimisation.

- **Organic traffic:** has a strong focus on search engine optimisation and blog. Constant public relations ("**PR**") efforts leads to increasing brand awareness and word of mouth. This marketing channel contributes to an increasingly important share of sales.

- **Partnerships:** to further decrease customer acquisition cost, Otovo partners with utility companies or other players with sizable footprint (within the home improvement and electronics retail chains). Otovo provides technology, installer network, and in some instances sales efforts. The partner channels leads to Otovo taking a commission.

6.6 Sustainability

6.6.1 Introduction

Since the core of the Group's business idea is to provide products and services that have a positive impact on the environment, the Group strives to always improve and maintain awareness of potential challenges in the Group's industry and operations. Sustainability is therefore a key theme for the Group and necessary to support the Group's long-term business model. As a part of the Group's sustainability approach, the Group is committed to the United Nations Sustainable Development Goals ("**SDGs**") and believes that they are a core part of The Group's values. The Group has chosen to focus on the following five of the SDGs:

Otovo's core business

Otovo works to increase the share of renewable energy in the global energy mix by providing the easiest and most affordable way for consumers to become producers of local, clean and cheap energy.

Otovo's commitment

Climate change is the greatest challenge facing humanity. Deploying solar energy is a way of aligning our energy system to the earth's environmental boundaries. The Group believes in taking direct climate action and the core or Otovo's business is having a positive impact on the environment. Otovo is carbon-neutral as a company and carbon reducing as part of society.

How Otovo work

Otovo will execute equal pay for work of equal value. In addition, the Group is committed to use its position in the global hardware value chain to protect labour rights, and promote safe and secure working environments, and is committed to making the ten principles a part of the Group's strategy, culture and day-to-day operations.

Otovo is a member of the UN Global Compact. an initiative that helps organisations set and work towards goals on sustainable development in human rights, labour, environment and anti-corruption.

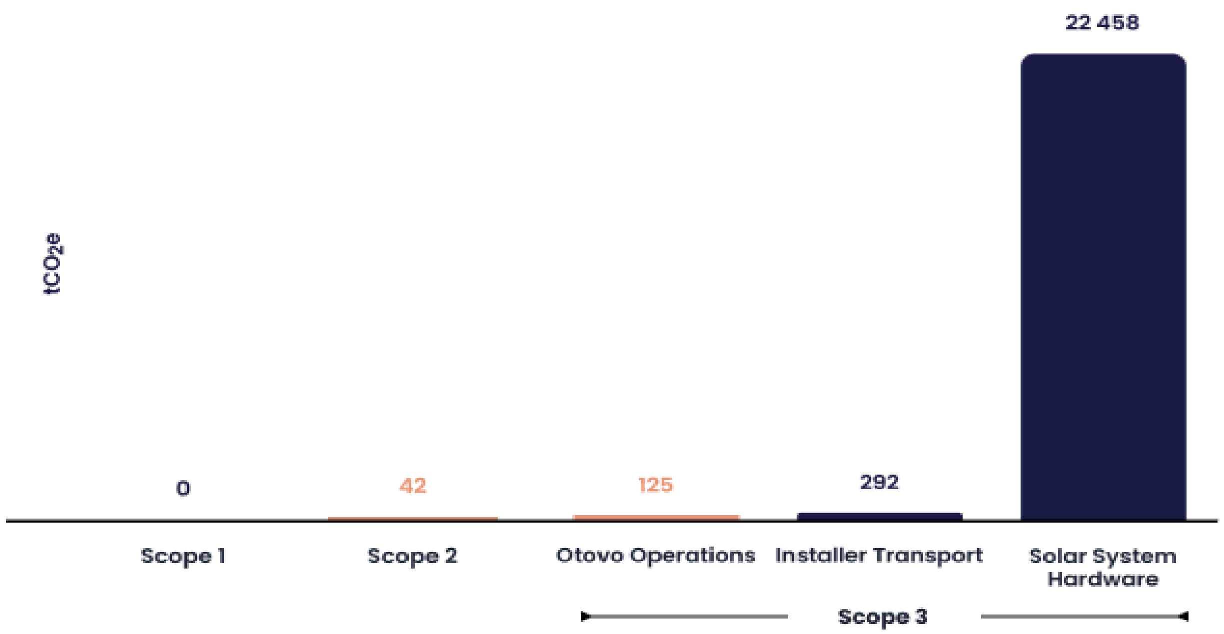
Otovo will target a more efficient use of natural resources, including reducing and neutralising the carbon footprint and emissions from its consumption of goods, energy and services, and reducing the food waste within the Group.

6.6.2 Environmental footprint

The Group is an emissions-neutral company and aims to be an emissions-reducing part of society. In order to achieve its goals, the Group tracks, measures and reports on greenhouse gas emissions ("**GHG-emissions**") in carbon dioxide equivalents ("**CO2e**") to among others reduce emissions from its activities and operations, and for the Group to make better choices when sourcing and whitelisting hardware.

The tracking, measuring and reporting of GHG-emissions is based on scopes 1-3 under the standards of the GHG Protocol Corporate Standard[10]. The Group's current emissions model was developed in 2019, where scope 1 in the Group's emissions model is *direct emissions from controlled resources*, scope 2 is *indirect emissions from purchased energy* and scope 3 is *indirect emissions not owned*. The numbers in the Group's emissions model are reported in metric tonnes of CO2e ("**tCO2e**").

Emissions, GHG Protocol



Source: Company estimate, see Section 3.2.3

In 2021, the Group's entire value chain in Norway, Sweden, France, Spain, Italy and Poland, plus a small contribution from preparations for launch in Germany, resulted in direct and indirect emissions of 22,918 tCO2e. The Group does not own or control its own resources with emissions, hence scope 1 was zero. Scope 2 emissions are related to electricity consumption in its offices, while scope 3 covers all indirect emissions related to the Group's purchases of equipment and tools, manufacturing and shipping of hardware used for solar energy system installations, installation activities, website traffic, and employee activities such as travelling and commuting. 98% of the emissions in the Group's entire value chain originate from the manufacturing and shipping of hardware, of which approximately 80% stems from the solar energy systems and their precursors. Production of polysilicon and ingots used for silicon solar cells is energy intensive and therefore constitutes the biggest share of indirect carbon emissions. The rest relates to the Group's own operations and transportation among its installer companies.

To further improve the Group's emissions, the Group has decided to offset emissions directly related to the Group's operations and its employees' activities by purchasing carbon credits. Carbon offsetting is the purchase of carbon credits, where a carbon credit represents the certified reduction or removal of one tonne of carbon dioxide equivalents (tCO2e) from the atmosphere. In 2021 Otovo offset 167 tCO2e through the Gold Standard.[11]

Since solar energy systems produce clean, emission-free electricity, the Group are also responsible for certain avoided emissions. For the Group's customers, solar energy replaces electricity otherwise consumed from the electric grid, which is reducing the need for and emissions related to the production of grid electricity in Europe. The Group quantifies avoided emissions using the

[10] The GHG Protocol is a stakeholder partnership of businesses, non-governmental organizations ("**NGOs**"), governments, and others convened by the World Resources Institute (WRI), a U.S.-based environmental NGO, and the World Business Council for Sustainable Development (WBCSD), a Geneva-based coalition of 170 international companies launched in 1998

[11] https://www.goldstandard.org/

European Attribute Mix ("**EAM**"), reported annually by AIB[12]. In 2021 the Group installed 22,5 Mega Watt peak ("**MWp**") of solar capacity. Over the expected lifetime, these installations yield on average 968 kilo Watt hour/kilo Watt peak ("**kWh/kWp**") annually, ranging from 747 kWh/kWp in Norway to 1388 kWh/ kWp in Spain. By replacing grid electricity, these systems will avoid emissions of 263,674 tonnes of CO2e throughout their lifetime with the current grid mix. Due to avoided emissions, the net impact, meaning the difference between caused and avoided emissions by the Group amounted to -240,759 tonnes of CO2e in 2021.

To further improve the Group's environmental footprint, the following focus areas are relevant for the Group:

- Increasing avoided emissions by installing more solar energy systems and building better systems;
- Reducing emissions from hardware manufacturing and shipping; by reducing CO2 emissions per kilowatt peak and increasing solar energy system efficiency and sourcing more sustainable products; and
- Reducing operating emissions; by less travel, less driving, and less fossil fuel consumption.

While the Group believes it is its responsibility and objective to reduce the total emissions from its value chains, the positive impact of adding more solar energy systems far outweighs these emissions.

6.6.3 Social impact

Social impact places a special emphasis on the impact the Group has on its employees, its installers and the people related to the Group's supply chains.

The Group believes that people work better together and further believes that companies where diversity and cooperation thrive, in place of cliques and subcultures, are better at unleashing the creativity and energy of all the people in them. The Group is a strong advocate of personal freedom and equality. Consequently, employment by the Group can only be based on qualifications as they relate to the professional tasks to be solved. In all business activities, the Group does not accept any discrimination based on personal identities such as gender, race, colour, religion, national origin, gender identity, age or disability.

To further improve the Group's social impact on its employees, the Group has the following goals:

- Otovo will have gender balance (50/50) in management positions at all levels;
- Otovo will execute equal pay for work of equal value; and
- Otovo will be diverse and inclusive.

As of 31 December 2021, the Group had a total of 209 employees, of which 42% were female and 58% were male. The executive management consisted of five men and two women as of 31 December 2021, while the middle management consisted of nine men and six women. In order to further improve the gender balance at all levels, the Group actively seeks to attract candidates of both genders when recruiting and has been specifically targeting female candidates for certain management positions.

6.6.3.1 Sustainable installation partners

The installation companies delivering solar energy system installations through the Otovo Platform are the Group's most important partners. The Group is committed to ensuring a safe and sustainable working environment for all of its installers by preventing incidents and being a workplace without injury or harm.

The Group is focused on actively spreading a culture of safety in the industry and believes that quality work is quality in everything and considers the following as the two main areas of potential risks to a sustainable workplace for our installers; undeclared work and social dumping and unsafe work environment.

[12] https://www.aib-net.org/facts/european-residual-mix

To combat the use of undeclared work or social dumping, the Group only works with high-quality installers, meeting its requirements for certification. Upon being considered for a partnership, installers must document that they pay taxes, fulfil insurance requirements and are registered to perform electrical work. In addition, the installers must document competence and previous experience with solar energy system installations and provide the Group with customer references, for subsequent reference checks by the Group.

The Group's installation partners are bound to be compliant with and take an active approach to health, safety and environment ("**HSE**") work in their organisations. The majority of the Group's HSE resources are allocated toward the solar energy system installation process, which has the highest risk profile in terms of both potential impacts from an incident and the likelihood of an incident occurring. To promote a safe work environment for installers, the Group conducts third-party inspections through renowned partners and further differentiates between quality inspections, usually taking place after the installation process is completed, and HSE inspections conducted during ongoing installations. Events uncovered during an inspection, by the Group, reported by the installers themselves, by customers or by bystanders, are handled systematically. Breaches with potential personal injury or other severe impacts are always escalated and handled at the Group management level.

As of 31 December 2021, the Group's installer network recorded one event with serious personal injury, where an installer suffered fractures after falling from a roof, three events with less serious personal injuries as well as eight events with the potential risk of personal injury, i.e. installers not wearing correct or sufficient safety equipment.

6.6.3.2 Social impact in the supply chain

The Group is dependent on a complex, global value chain as the production of solar energy systems consists of mining, refining and production of raw materials, made into polysilicon, made into ingots, cut to wafers, made into cells, and assembled into modules.

For many products manufactured today, global trade and good access to transport enable components and raw materials to be provided by several different factories, manufacturers and parts of the world. Several layers of subcontractors make full traceability in the value chain challenging, in turn increasing the Group's reliance on transparency from the module manufacturers. The Group is committed to using its position in the global hardware value chain to protect labour rights, and promote safe and secure working environments.

The Group is fully committed to:

- Only use products or raw materials produced under acceptable labour conditions and a safe working environment;
- Only select products and manufacturers in a whitelisting process focusing on quality, commercial sustainability, social responsibility and environmental impact; and
- De-list manufacturers or products that fail to deliver on the Group's quality and sustainability requirements over time.

In 2021, the Group decided to de-list and stop all sales and purchases of one manufacturer following allegations of ties to affected suppliers due to the ongoing concern regarding breaches of fundamental human rights for workers in the Xinjiang region of China. Xinjiang is home to large chemical industries, including the production of polysilicon for use in the global value chain of silicon solar energy systems which is affecting some of the major manufacturers. The Group further works to monitor, document and follow up on the traceability of its suppliers and their subcontractors.

The Group must comply with the requirements of the Norwegian Transparency Act by conducting due diligence assessments and account for these publicly, in line with the OECD Due Diligence Guidance for Responsible Business Conduct. In this regard, the Group is working to implement internal systems for its due diligence processes, which includes the following steps from the OECD Due Diligence Guidance for Responsible Business Conduct;

- Embed respect for human rights into the Group's policies and management systems;

- Identify actual or potential adverse impacts on human rights issues that the company has either caused or contributed to, or that are directly related to Group's business activities, products or services through supply chains or business partners;
- Take adequate actions to cease, prevent or mitigate adverse impacts,
- Track implementation and results,
- Communicate how impacts are addressed; and
- Enable remediation when appropriate.

Further, the Group has a whitelist approach, where the Group certifies hardware and equipment that can be sold and installed through the Otovo Platform. In addition to requiring documentation on technology, quality, warranties and environmental footprint of the products, the Group performs due diligence of the manufacturer with an assessment of bankability and sustainability. The manufacturers need to hold ISO certification in quality (ISO 9001), environment (ISO 14001) and HSE (OHSAS 18001/ISO 45001). In 2021, the Group started the work of acquiring formal statements from manufacturers, where they clearly commit to following internationally acceptable labour practices in their own production, and that the same holds true for any and all of their subcontractors.

6.7 Research and development

Otovo's research and development ("**R&D**") activities are focused on developing and maintaining the in-house developed Otovo Platform which is critical for Otovo's competitive position, as it enables Otovo to compete in low-margin markets. Otovo invests substantially in product development to be able to offer new services and enter new markets smoothly. One example is that the Otovo Platform can calculate insolation and production capacity for potential customers based on the data sources available in a specific country. Another example is commencing a project to develop a solution for integrating solar energy systems and batteries. The Group's software is mainly developed at the Otovo headquarter in Oslo, Norway by Otovo's own employees. As of 30 June 2022, Otovo employed 36 persons dedicated to product development and engineering. These include designers, developers, data engineers, app developers, and machine learning researchers and engineers.

6.8 Property, plant and equipment

All of the Group's offices are leased from third parties as the Group does not own any real property. The Group leases offices in Oslo, Stockholm, Milan, Paris, Madrid, Lisbon London, Warsaw, Berlin, and Vienna as of the date of this Registration Document. In addition, the Group is in the process of establishing offices in Amsterdam, Brussels and Zürich. The Group believes that its current facilities are sufficient to meet its needs for the near future and that suitable new or substitute facilities will be available on commercially reasonable terms to accommodate foreseeable future operations.

The lease agreement for the Group's headquarter in Oslo, Norway located in Torggata 7, 0181 Oslo, has been entered into by the Company and OTE Eiendom AS, which is not a related party to the Group.

The Group’s main tangible fixed assets are solar energy systems and batteries mounted on end customers properties and subject to subscription contracts. As at 31 December 2021, the Group's solar energy systems and batteries had a book value of NOK 71.2 million. The solar energy systems and batteries are spread across the Company's operating subsidiaries. The Group ensures that all distributors of hardware pay an earmarked fee for the future handling of solar energy systems and batteries in accordance with the Waste Electrical & Electronic Equipment Directive (Directive EU 2012/19) (the "**WEEE Directive**"). At the end of a subscription period, the Group makes sure that the material is delivered to recycling.

To the Company's knowledge, currently there are no environmental issues that may affect the Group's utilisation of its tangible fixed assets.

6.9 Regulatory overview

The Group is subject to consumer protection laws and regulations such as consumer purchase, marketing and e-commerce rules Consumer protection rules are to a large extent homogeneous across Europe due to the application of Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 (the "**Consumer Rights Directive**") in all countries within the EU and EEA. In certain countries, like the UK, the Group has chosen to offer its consumer customers wider consumer protection than required by law for businesses selling or offering subscription of renewable energy generation systems to domestic consumers.

As a main rule the Group's business does not require any licence from any supervisory authorities within the jurisdictions the Group operates in. However, the Group relies on the Group's installer network in each jurisdiction in which the Group operates to have the necessary authorisations to perform electrical work in each jurisdiction as well as requirements related to construction work in some jurisdictions. Further, the Group's subscription contracts for solar energy systems and batteries are considered as service agreements under IFRS 15 and operating leases under IFRS 16, respectively. Due to special regulations set forth in the Consumer Credit Act in the UK, the subscription segment cannot be offered in the UK without a licence from the Financial Conduct Authority. The Group has therefore initiated an application process for a full financial licence and expects it to conclude in 2023.

When the Group enters a new market, it relies on local legal advisors to analyse any local regulatory requirements that may affect the business model and operations in the country. In addition, the Group's global standard agreements both towards installers and consumers are localised in each market with the assistance of local legal advisors in order to have a contractual setup that is compliant with local rules, and subject to local law and jurisdiction.

In addition, the Group has in place global policies for compliance with data protection rules and is subject to the GDPR and local implementing laws in the jurisdiction in which the Group operates, which affects its business and day-to-day operations. In particular, the GDPR puts in place stringent operational obligations on the Group in relation to the collection, processing, sharing and otherwise handling of personal data. The GDPR imposes a mandatory duty on businesses to self-report certain personal data breaches to supervisory authorities, and, under certain circumstances, to affected individuals. Additionally, where the Group engages third-party processors in connection with the processing of personal data, the Group is required to take various steps including undertaking appropriate due diligence of the service provider and putting in place contractual arrangements which comply with the GDPR's detailed requirements. The Group also has in place policies for transparency on human rights, anti-discrimination and gender equality. For further information about the Group's compliance with the Norwegian Transparency Act, see Section 6.6.3 "Social impact" above.

Moreover, the Group is subject to tax laws and regulations in each jurisdiction it operates. The Group's overall tax charge is dependent on where profits are accumulated and taxed, whereas different countries have different tax systems and tax rates, including different systems for tax residency, tax credits and tax exemptions. Tax and VAT laws and regulations are highly complex and subject to interpretation. For the Group's subscription customers, the subscription agreements entered into by the Group include a clause where the monthly subscription fee can be changed in case of changes in any VAT rates applicable for the subscription provided.

The demand for the Group's products are among others, 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. In some of these markets, the incentives are only available for customers choosing direct purchase. For customers choosing a subscription usually, there are no incentives available, or it remains to be clarified whether incentives can be applied. The withdrawal of, changes in existing, or introduction of new incentives might impact the demand for the Group's products and services, however, in the short term, these changes are expected to be favourable for the Group. The Council of the European Union has amongst other adopted a directive allowing member states to reduce VAT for certain products and services that are consistent with EU Environmental and Health policies. The directive specifies that member states will have the possibility to promote the use of renewable energy sources by means of reduced VAT rates, to support the transition to the use of renewable energy sources and to promote the European Union's self-sufficiency in energy, it is necessary to allow member states to improve access for end consumers to green energy sources.

6.10 Insurance

The Group has various insurance policies in place for its operations, including without limitations, general and product liability insurance, directors and officer liability insurance, personal injury insurance, employer's liability insurance, travel insurance, all subject to certain limitations, deductibles and caps. The Management and Board of Directors are also covered by the directors and officers liability insurance.

The Management considers the Group to be adequately covered with regard to the nature of the business activities of the Group and the related risks in the context of available insurance offerings and premiums. The Management regularly reviews the adequacy of the insurance coverage.

6.11 Legal proceedings

From time to time, the Group is involved in litigation, disputes and other legal proceedings arising in the normal course of its business. Neither the Company nor any other company in the Group, is, nor has been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

6.12 Material contracts outside the ordinary course of business

The Group has not entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Registration Document. Furthermore, the Group has not entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement.

6.13 Dependency on contracts, licenses, patents, etc.

It is the Company's opinion that the Group's existing business and profitability are not dependent upon any contracts. It is further the opinion of the Company that the Group's existing business and profitability is not dependent on any patents, licenses or other intellectual property.

7 SELECTED FINANCIAL INFORMATION

7.1 Introduction

The following selected financial information has been extracted from the Financial Statements and the Interim Financial Statements. For further details, please refer to Section 3.2.1 "Financial information in the Registration Document".

7.2 Consolidated income statement

The table below sets out select data from the Group's consolidated income statement for the three and nine months ended 30 September 2022 with comparative figures for 2021, and for the financial years ended 31 December 2021, 2020 and 2019.

In NOK thousand	**Three months ended 30 September**		**Nine months ended 30 September**		**Year ended 31 December**		
	2022	**2021**	**2022**	**2021**	**2021**	**2020**	**2019**
	IAS 34	*IAS 34*	*IAS 34*	*IAS 34*	*IFRS*	*IFRS*[2]	*NGAAP*[1]
Revenue	174,548	85,963	436,743	181,745	285,265	147,532	193,662
Other operating revenue	4,583	1,782	10,570	2,346	4,137	3,390	-
Total operating revenue	**179,131**	**87,746**	**447,313**	**190,091**	**289,402**	**150,922**	**193,662**
Cost of goods sold..................................	140,356	72,476	355,919	158,237	240,362	121,309	165,827
Payroll and related costs.......................	59,665	26,769	148,416	76,499	113,548	52,825	43,180
Depreciation, amortisation and impairment...	16,266	4,502	46,497	12,348	21,649	12,154	5,569
Amortisation of goodwill.......................	-	-	-	-	-	-	7,055
Other operating expenses....................	45,485	19,470	120,988	55,896	89,137	58,232	38,711
Total operating expenses	**261,772**	**123,217**	**671,820**	**302,980**	**464,696**	**244,520**	**260,342**
Operating profit/(loss)........................	**(82,641)**	**(35,471)**	**(224,507)**	**(112,889)**	**(175,294)**	**(93,598)**	**(66,680)**
Financial income....................................	328	92	1,384	243	3,194	1,673	496,309
Financial expenses................................	116	242	692	754	1,000	942	2,237,045
Net exchange gain/(loss).......................	4,210	(493)	10,188	(1,185)	(2,452)	(409)	-
Gains (losses) on disposal/acquisition of subsidiary...	-	-	-	-	24,647	1,786	-
Share of profit (loss) of equity accounted investees, net of tax..........	(2,763)	(779)	(7,473)	(1,827)	(3,312)	(685)	-
Net financial items	**1,659**	**(1,423)**	**3,407**	**(3,522)**	**21,077**	**1,423**	**(1,741)**
Profit/ (loss) before income tax	**(80,982)**	**(36,894)**	**(221,100)**	**(116,411)**	**(154,217)**	**(92,175)**	**(68,421)**
Income tax expense..............................	(2,003)	-	(5,836)	-	(457)	(86)	(17,015)
Profit/ (loss) for the period................	**(78,979)**	**(36,894)**	**(215,264)**	**(116,411)**	**(153,760)**	**(92,090)**	**(51,406)**
Profit/(loss) is attributable to							
Owners of Otovo AS..............................	(78,979)	(36,894)	(213,264)	(116,411)	(153,612)	(91,348)	**-**
Non-controlling interests......................	-	-	(1,768)	-	(148)	(742)	**-**

In NOK thousand	**Three months ended 30 September**		**Nine months ended 30 September**		**Year ended 31 December**		
	2022	**2021**	**2022**	**2021**	**2021**	**2020**	**2019**
	IAS 34	*IAS 34*	*IAS 34*	*IAS 34*	*IFRS*	*IFRS*[2]	*NGAAP*[1]
Earnings per share							
Basic and diluted, for profit attributable to the ordinary equity holders of the company	(0,58)	(0,35)	(1,72)	(1,30)	(1,64)	(1,10)	-

1 Extracted from the NGAAP Financial Statements, originally presented in NOK (not NOK thousand).

2 Extracted from the comparative figures in the IFRS Financial Statements.

7.3 Consolidated statement of comprehensive income

The table below sets out data from the Group's consolidated statement of comprehensive income for the three and nine months ended 30 September 2022 with comparative figures for 2021, and for the year ended 31 December 2021 and 2020, as derived from the Interim Financial Statements and the IFRS Financial Statements. The Company did not report a consolidated statement of comprehensive income in the NGAAP Financial Statements.

In NOK thousand	**Three months ended 30 September**		**Nine months ended 30 September**		**Year ended 31 December**	
	2022	**2021**	**2022**	**2021**	**2021**	**2020**
	IAS 34	*IAS 34*	*IAS 34*	*IAS 34*	*IFRS*	*IFRS*[1]
Profit for the period	**(78,979)**	**(36,894)**	**(215,264)**	**(116,411)**	**(153,760)**	**(92,090)**
Other comprehensive income which may be reclassified to profit and loss:						
Foreign currency translation differences	**(4,576)**	**1,849**	**(3,377)**	**(2,331)**	**(3,509)**	**6,721**
Total comprehensive income for the period	**(83,555)**	**(35,044)**	**(218,641)**	**(118,742)**	**(157,269)**	**(85,368)**
Total comprehensive income attributable to:						
Owners of Otovo	(83,555)	(35,044)	(216,846)	(118,742)	(153,612)	(91,348)
Non-controlling interests	-	-	(1,795)	-	(148)	(742)
					(153,760)	**(92,090)**

1 Extracted from the comparative figures in the IFRS Financial Statements.

7.4 Consolidated statement of financial position

The table below sets out data from the Group's consolidated statement of financial position as at 30 September 2022 with comparative figures for 2021, and as at 31 December 2021, 2020 and 2019, as derived from the Financial Information.

In NOK thousand	**As at 30 September**		**As at 31 December**		
	2022	**2021**	**2021**	**2020**	**2019**
	IAS 34	*IAS 34*	*IFRS*	*IFRS*[1]	*IFRS*[1]
Assets					
Intangible assets	107,689	42,717	124,409	32,427	23,192
Goodwill	158,314	89,406	153,637	92,091	86,736
Investments in associated companies	8,090	27,778	3,360	27,615	-

In NOK thousand	As at 30 September		As at 31 December		
	2022	**2021**	**2021**	**2020**	**2019**
	IAS 34	*IAS 34*	*IFRS*	*IFRS*[1]	*IFRS*[1]
Property, plant and equipment	149,234	4,531	73,099	4,205	4,555
Right-of-use assets	12,382	9,551	8,524	11,793	-
Other assets	2,943	2,297	2,236	914	811
Total non-current assets ...	**438,652**	**176,280**	**365,265**	**169,046**	**117,564**
Trade receivables	61,186	29,670	22,170	7,787	12,804
Other receivables and prepayments	145,712	17,185	50,643	14,254	18,051
Inventory	16,358	-	-	-	-
Cash and cash equivalents	291,055	206,752	224,187	73,677	193,036
Total current assets	**514,311**	**253,607**	**297,000**	**95,718**	**223,890**
Total assets	**952,964**	**428,886**	**662,267**	**264,764**	**341,454**
Equity					
Share capital	1,362	533	571	443	424
Share premium reserve	1,156,329	633,862	824,236	355,102	328,556
Other paid-in equity	30,056	10,032	12,380	2,130	-
Total paid-in equity	**1,187,747**	**644,426**	**837,187**	**357,675**	**328,980**
Foreign currency translation reserve	29	4,584	3,406	6,915	**195**
Retained earnings	(567,790)	(313,647)	(350,848)	(197,236)	**(106,337)**
Non-controlling interests	-	-	31,303	**-**	**-**
Other equity	-	-	-	**-**	-
Total equity	**619,986**	**335,363**	**521,049**	**167,354**	**228,838**
Liabilities					
Deferred tax liability	11,552	-	17,388	**-**	**-**
Non-current Interest bearing liabilities	79,305	5,862	6,809	13,481	15,181
Lease liabilities non-current	7,078	6,658	6,165	8,661	1,355
Other non-current provisions	-	-	-	6,745	34,145
Other liabilities	107	4,261	29	90	**-**
Total non-current liabilities	**98,043**	**16,781**	**30,391**	**28,977**	**50,681**
Lease liabilities current	5,750	3,090	2,674	3,199	915
Trade payables	71,713	16,391	29,889	12,494	9,856
Other current liabilities	157,471	58,260	78,264	52,740	57,164
Total current liabilities	**234,935**	**77,742**	**110,827**	**68,433**	**67,935**
Total equity and liabilities	**952,964**	**429,886**	**662,267**	**264,764**	**341,454**

1 IFRS opening balance, as presented in the IFRS Financial Statements. Originally reported under the NGAAP Financial Statements.

2 Extracted from the comparative figures in the IFRS Financial Statements.

7.5 Consolidated statement of cash flows

The table below sets out data from the Group's consolidated statement of cash flows for the three and nine months ended 30 September 2022 with comparable figures for 2021, and cash flows for the financial years ended 31 December 2021, 2020 and 2019.

In NOK thousand	**Three months ended 30 September**		**Nine months ended 30 September**		**Year ended 31 December**		
	2022	**2021**	**2022**	**2021**	**2021**	**2020**	**2019**
	IAS 34	*IAS 34*	*IAS 34*	*IAS 34*	*IFRS*	*IFRS*[2]	*NGAAP*[1]
Profit/(loss) before tax	**(80,982)**	**(36,894)**	**(221,100)**	**(116,411)**	**(154,217)**	**(92,175)**	**(68,420,621)**
Adjustment for:							
Depreciation, amortisation and impairment	16,266	4,502	46,497	12,348	21,649	12,154	12,624
Expensed share-based payments	7,689	2,404	17,673	7,902	10,248	2,130	-
Net interest income and interest expenses	(191)	150	177	511	692	408	-
Share of profit (loss) of equity accounted investees and gain/losses on acquisition and disposal of subsidiaries	2,763	779	7,473	1,827	(21,335)	(1,101)	-
Currency (gains)/losses not related to operating activities	(1,142)	-	(6,099)	-	-	-	-
Changes in trade receivables	(9,527)	(8,791)	(37,255)	(19,703)	(13,483)	5,016	-
Changes in trade payables	19,201	(2,871)	37,738	3,897	10,995	2,638	-
Changes in trade receivables and trade payables	-	-	-	-	-	-	(2,788)
Change in other assets and other liabilities	12,552	1,158	(33,818)	16,925	10,167	(2,982)	12,388
Cash generated from operating activities	**(33,370)**	**(39,712)**	**(188,714)**	**(92,705)**	**(135,284)**	**(73,912)**	**(46,197)**
Received interest	304	92	610	243	305	532	-
Paid interest	(115)	(242)	(789)	(754)	(1,039)	(902)	-
Net cash flow from operating activities	**(33,181)**	**(39,712)**	**(188,893)**	**(93,216)**	**(136,018)**	**(74,282)**	**(46,197)**
Investment in other companies	(4,542)	-	(11,259)	(1,720)	(5,478)	(2,237)	(11,500)
Disposal of subsidiary (EDEA)/shares in EDEA	-	-	-	-	-	(25,095)	-
Cash balance from EDEA acquisition	-	-	-	-	78,602	-	-
Investments in intangible assets	(7,250)	(5,783)	(21,389)	(19,337)	(28,774)	(18,312)	(16,198)
Investments in tangible assets	(38,505)	(103)	(79,718)	(1,104)	(4,713)	(851)	(857)
Net cash flow from investing activities	**(50,298)**	**(5,886)**	**(112,366)**	**(22,160)**	**39,638**	**(46,495)**	**(28,555)**
Proceeds from issuance of ordinary shares	1,625	1	299,902	254,634	255,634	4,056	150,159

In NOK thousand	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2022	**2021**	**2022**	**2021**	**2021**	**2020**	**2019**
	IAS 34	*IAS 34*	*IAS 34*	*IAS 34*	*IFRS*	*IFRS[2]*	*NGAAP[1]*
Payment of lease liabilities	(1,223)	(822)	(3,333)	(2,201)	(3,451)	(1,525)	-
Inflow due to new non-current liabilities	48,224	-	72,376	-	-	1,286	-
Outflow due to downpayment of non-current liabilities	(399)	(2,312)	(2,512)	(3,875)	(4,622)	(2,399)	-
Net cash flow from financing activities	**48,227**	**(3,134)**	**366,433**	**248,558**	**247,561**	**1,418**	**150,159**
Net change in cash and cash equivalents	(35,252)	(48,732)	65,174	133,183	151,181	(119,359)	75,407
Effects of foreign exchange on cash and cash equivalents	(4,427)	(239)	1,694	(108)	(671)	-	-
Cash and cash equivalents at the beginning of the period	**330,734**	**255,723**	**224,187**	**73,677**	**73,677**	**193,036**	**117,629**
Cash and cash equivalents at the end of the period	**291,055**	**206,752**	**291,055**	**206,752**	**224,187**	**73,677**	**193,036**

1 Extracted from the NGAAP Financial Statements, originally presented in NOK (not NOK thousand)

2 Extracted from the comparative figures in the IFRS Financial Statements.

7.6 Consolidated statement of changes in equity

The table below sets out data from the Company's consolidated statement of changes in equity for the nine months ended 30 September 2022 and the years ended 31 December 2021, 2020 and 2019.

In NOK thousand	Attributable to owners of Otovo							
	Share capital	**Share premium reserve**	**Other paid-in equity**	**Foreign currency translation reserve**	**Retained earning**	**Total**	**Non-controlling interests**	**Total equity**
Equity at 31 December 2019 (NGAAP)	424	328,108	-	195	(88,873)	239,854	-	**239,854**
Effect of implementation to IFRS	-	-	-	-	(17,015)	(17,015)	-	**(17,015)**
Equity at 1 January 2020	424	328,108	-	195	(105,888)	222,839	-	**222,839**
Net profit for the period	-	-	-	-	(91,348)	(91,348)	(742)	**(92,090)**
Other comprehensive income in the period, net of tax	-	-	-	6,720	-	6,720	-	**6,720**
Total comprehensive income in the period	-	-	-	**6,720**	**(91,348)**	**(84,628)**	**(742)**	**(85,370)**
Issuance of shares	12	24,015	-	-	-	24,027	-	**24,027**

In NOK thousand	Attributable to owners of Otovo							
	Share capital	**Share premium reserve**	**Other paid-in equity**	**Foreign currency translation reserve**	**Retained earning**	**Total**	**Non-controlling interests**	**Total equity**
Transaction costs on equity issues.......................	-	(73)	-	-	-	(73)	-	**(73)**
Disposal of subsidiaries with non-controlling interests	-	-	-	-	-	-	742	**742**
Share based payments, exercised.............................	7	3,053	-	-	-	3,060	-	**3,060**
Share-based payments accrual	-	-	2,130	-	-	2,130	-	**2,130**
Equity at 31 December 2020	**443**	**355,102**	**2,130**	**6,915**	**(197,236)**	**167,354**	-	**167,354**
Equity at 1 January 2021 .	443	355,102	2,130	6,915	(197,236)	**167,354**	-	**167,354**
Net profit for the period ...	-	-	-	-	(153,612)	**(153,612)**	(148)	**(153,760)**
Other comprehensive income in the period, net of tax....................................	-	-	-	(3,509)	-	**(3,509)**	-	**(3,509)**
Total comprehensive income in the period.......	-	-	-	**(3,509)**	**(153,612)**	**(157,121)**	**(148)**	**(157,269)**
Issuance of shares.............	107	463,524	-	-	-	463,631	31,451	495,082
Transaction costs on equity issues.......................	-	(13,434)	-	-	-	(13,434)	-	(13,434)
Share based payments, exercised.............................	22	19,044	-	-	-	19,066	-	19,066
Share-based payments accrual	-	-	10,249	-	-	10,249	-	10,250
Equity at 31 December 2021	**571**	**824,236**	**12,380**	**3,406**	**(350,848)**	**489,746**	**31,303**	**521,049**
Equity at 1 January 2022								
Net profit for the period ...	-	-	-	-	(213,496)	(213,496)	(1,768)	(215,264)
Other comprehensive income in the period, net of tax....................................	-	-	-	(3,377)	-	(3,377)	-	(3,377)
Total comprehensive income in the period.......	**-**	**-**	**-**	**(3,377)**	**(213,496)**	**(216,873)**	**(1,768)**	**(218,641)**
Issuance of shares.............	94	300,103	-	-	-	300,197	-	300,197
Change in nominal value	673	(673)	-	-	-	-	-	-
Transaction costs on equity issues.......................	-	(10,00)	-	-	-	(10,000)	-	(10,000)

In NOK thousand	Attributable to owners of Otovo							
	Share capital	Share premium reserve	Other paid-in equity	Foreign currency translation reserve	Retained earning	Total	Non-controlling interests	Total equity
Purchase of non-controlling interest	13	32,968	-	-	(3,446)	29,535	(29,535)	-
Share based payments, exercised	11	9,964	-	-	-	9,705	-	9,705
Share-based payments accrual	-	-	17,673	-	-	17,673	-	17,673
Equity at 30 September 2022	**533**	**633,861**	**10,032**	**4,584**	**(313,647)**	**335,363**	**-**	**335,363**

7.7 Independent auditor

The Company's independent auditor is BDO AS with business registration number 993 606 650, and business address Munkedamsveien 45A, 0250 Oslo, Norway. The partners of BDO are members of the Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforening*). BDO has been the Company's auditor since 2019.

The Financial Statements have been audited by BDO, as set forth in their auditor's report included therein. The Interim Financial Statements have not been audited, but have been subject to a limited review by BDO under International Standards for Review Engagements 2410, as set forth in their limited review report included therein. BDO has not audited, reviewed or produced any report on any other information provided in this Registration Document.

7.8 Reporting segment information and revenue

As at the date of this Registration Document, and as reported in the IFRS Financial Statements, the Group has implemented the two reporting segments set out below:

- **Direct purchase:** The direct purchase segment consists of transactions relating to sale of the Group's products ("**Direct Purchase**"). This segment also comprises the Group's management costs and strategic initiatives. Batteries are currently offered in all of the Group's markets with the exception of Norway. Revenue from sales of solar energy systems and batteries is recognised at the point in time when the solar panel installation is completed and the related significant risks and rewards of ownership is transferred to the customer. In Italy, parts of the settlement from the customer is through transfer of tax credits, this is accounted for as non-cash consideration. The non-cash consideration is recognised at fair value at the transaction date. The fair value of the related asset is reviewed at the reporting date, and any fair value adjustment is reported as part of other operating expenses.

- **Subscription**: The subscription segment consists of transactions related to customers subscribing to use the Group's products ("**Subscription**"). The Group has entered into 20 year subscription agreements and 10 year subscription agreements with customers for their use of solar energy systems and batteries provided by the Group, respectively. The contracts for solar energy systems are classified as service agreements in accordance with IFRS 15, while the contracts for batteries are classified as operating leases in accordance with IFRS 16. Revenues are recognised monthly, under both classifications, in accordance with the invoiced subscription amount, over 20 and 10 years accordingly. Any revenues relating to buy-out of the subscription asset is reported in this segment. The Subscription segment is currently offered in all of the Group's markets, with the exception of Italy and UK.

As of 8 December 2021 (being the acquisition date for the EDEA Acquisition), EDEA has been consolidated into the IFRS Financial Statements, and reported as a separate operating segment. See note 22 (business combinations) and note 6 (reporting segments) of the IFRS Financial Statements for further information.

Transactions between the Group's operating segments are based on market prices. For further information about direct purchase and subscription, see Section 6.5.4 "Purchasing models".

Set out in the table below is information about the reporting segments of the Group for the three and nine months ended 30 September 2022, and the year ended 31 December 2021, as extracted from the Interim Financial Statements and the IFRS Financial Statements:

Three months ended 30 September 2022 (in NOK thousand)	**Reportable segments**			
	Direct purchase	**Subscription**	**Elimination**	**Total**
Revenue	220,601	-	(46,053)	174,548
Other operating revenue	2,119	3,150	(686)	4,583
Total operating revenue	**222,720**	**3,150**	**(46,739)**	**179,131**
Cost of goods sold	178,282	-	(37,926)	140,356
Payroll and related costs	59,665	-	-	59,665
Depreciation, amortisation and impairment	5,783	1,641	8,842	16,266
Other operating expenses	44,376	1,805	(696)	45,485
Operating profit/ (loss)	**(65,386)**	**(296)**	**(16,959)**	**(82,641)**

Nine months ended 30 September 2022 (in NOK thousand)	**Reportable segments**			
	Direct purchase	**Subscription**	**Elimination**	**Total**
Revenue	532,530	-	(95,787	436,743
Other operating revenue	5,227	7,110	(1,767)	10,570
Total operating revenue	**537,757**	**7,110**	**(97,554)**	**447,313**
Cost of goods sold	434,268	-	(78,349)	355,919
Payroll and related costs	147,851	565	-	148,416
Depreciation, amortisation and impairment	16,216	3,755	26,526	46,497
Other operating expenses	117,077	5,646	(1,735)	120,988
Operating profit/ (loss)	**(177,655)**	**(2,856)**	**(43,996)**	**(224,507)**

2021 (in NOK thousand)	**Reportable segments**			
	Direct purchase	**Subscription**	**Elimination**	**Total**
Revenue	289,339	-	(4,074)	285,265
Other operating revenue	3,714	423	-	4,137
Total operating revenue	**293,053**	**423**	**(4,074)**	**289,402**
Cost of goods sold	243,640	-	(3,278)	240,362
Payroll and related costs	113,348	200	-	113,548
Depreciation, amortisation and impairment	19,419	82	2,076	21,649

Other operating expenses	88,568	569	-	89,137
Operating profit/ (loss)	**(171,994)**	**(428)**	**(2,872)**	**(175,294)**

In 2020, the Group only had activity in the Direct Purchase segment. Furthermore, only one segment was reported in the NGAAP Financial Statements, and hence there is no reporting segment breakdown for 2019.

7.9 Geographic information

The table below sets out geographical distribution of external revenues based on customer location for the year ended 31 December 2021 and 2020, as extracted from the IFRS Financial Statements.

Geographical information (in NOK thousand)	**2021**	**2020**
Northern Europe[1]	161,452	132,117
Southern Europe[2]	127,950	18,804
Total revenue and other income	**289,402**	**150,921**

1 Comprising Norway, Sweden, Poland and Germany.

2 Comprising France, Spain and Italy.

The Group did not report a breakdown of total revenues in the NGAAP Financial Statements for the year ended 31 December 2019.

8 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read in connection with Section 7 "Selected financial information" the Financial Statements and the Interim Financial Statements and related notes as incorporated to this Registration Document by reference and appended hereto, as further specified. The Financial Statements have been prepared in accordance with IFRS and NGAAP, while the Interim Financial Statements have been prepared in accordance with IAS 34. See Section 3.2.1 "Financial information in the Registration Document" for more information.

The operating and financial review contains Forward-looking Statements. These Forward-looking Statements are not historical facts, but are rather based on the Company's current expectations, estimates, assumptions and projections about the Group's industry, business and future financial results. Actual results could differ materially from the results contemplated by these Forward-looking Statements because of several factors, including those discussed in Section 1 "Risk factors" and Section 3.3 "Cautionary note regarding forward-looking statements", as well as other Sections of this Registration Document.

8.1 Presentation of financial information

Please refer to Section 3.2.1 "Financial information in the Registration Document" for an overview of the Financial Information, the accounting standards pursuant to which the Financial Information has been prepared and the review that the Financial Information has been subject to.

8.2 Key factors affecting the Group's result of operations and financial performance

The Group's operations, and hence results of operations, have been affected by a number of different factors, and may continue to be affected by some or all of these factors. The factors that the Company believes have had a material effect on the Group's result of operations during the financial periods under review, as well as those considered likely to have a material effect on its results of operations and financial performance in the future, are described below.

8.2.1 The Group's margins depend on competition and demand

The Group's operating income is, among other factors, impacted by the Group's margin i.e., the difference between the price the customer pays for an installation and the installers' cost. The margins depend to a large extent on the competition, and will be higher in times with high demand, while come under pressure if competition increases and demand drops. when entering a new country, the Group typically starts with lower margins in order to gain traction and increase demand. After having obtained a foothold in the market, the Group has so far been able increase margins. The Group has entered eight markets during the financial periods under review, which has diluted margins for these periods.

8.2.2 Hardware and supply chain

The Group relies on availability of solar panels, inverters and batteries, hardware that is mainly produced in China. When there is a shortage in these components, such as during the Covid-19 pandemic, the Group's results of operations are affected in that less projects can be installed. Even if the Group has enough installers in its network, if installers operate at lower utilisation rates due to lack of hardware, this may affect the number of installations that are completed. Access to hardware has improved during 2022, and the Group, having a pan-European presence, is also able to source hardware between its markets in case of local bottleneck or shortages. Shortage of components has to a certain extent influenced the Group’s installation speed and operating revenue in 2022.

8.2.3 Installer network availability

The availability of installers in the Group's network with capacity to install projects for Otovo, is a key factor affecting the Group's financial performance. If installers run out of capacity, the Group may not be able to complete as many projects or installations may be more costly. The Group has currently around 700 installers on the Otovo Platform. With more installers costs tend to decrease with competition, which enables the Group to increase margins. In particular in Norway, the increase in demand led to lack of capacity with installers during end of 2021 and beginning of 2022.

8.2.4 Entering new markets

The Group's profitability has been impacted by the Group expanding into twelve markets since starting in Norway in 2016. Entering a new market has a negative effect on the Group's short-term financial performance, as it requires upfront investments. This includes legal processes, recruitment of a local organisation, sourcing and onboarding of installers, configuration of the Otovo Platform to support the new country and development of a country playbook. However, the Group has an asset light business model, and does not own installers or inventory. Thus, the investment when entering a new market is limited and at the same time the Group can obtain national installation coverage within weeks. Entering a new country increases the Group's growth opportunities and enables faster growth in revenues.

8.2.5 Electricity prices

The Group's marketing and advertising is to a large extent based on the economic benefits of using solar energy systems as a source of electricity, in preference to purchasing the electricity from other vendors. Consequently, the electricity prices and the design of grid tariffs affect the profitability of the consumer's solar energy. In periods with high electricity prices and a large focus on these prices, the economic benefit of the Group's products is obvious. Thus, the electricity prices and design of grid tariffs are important for the demand in it self, and reduce the need for paid marketing. The past year this has influenced the Group's revenue and profit, and it is likely that electricity prices will have a similar effect going forward.

8.2.6 Seasonality in installations

The Group's business is subject to seasonality in installations due to changing weather conditions throughout the year, which can impact, and has historically impacted to some extent, the rate at which projects can be completed, and thereby have an effect on the Group's operating income. Typically, installers in Scandinavia cannot install when there is snow. Furthermore, demand for solar energy systems is lower when there is less sunlight in Northern Europe and the customers do not see the purpose of installing solar energy systems.

8.2.7 Scalability

The Group's profit is affected by the scalability of the Group, i.e., being able to handle a higher number of installations in various countries on the existing infrastructure and operating expenses. To a certain extent such infrastructure has to be built before the Group is able to scale. In addition, expenses related to sales are incurred three to six months before the installation is carried out and the corresponding revenue from those sales is recognised. This lag effect in combination with high growth in the number of sales has and will continue to affect the Group's result as the operational expenses in a period to a large extent relates to revenues in future periods.

8.3 Recent developments and trends

As of the date of this Registration Document, the Group has not experienced nor does it have any information about significant changes compared to historical trends in production, sales, costs and selling prices, uncertainties, demands, commitments or events since 30 September 2022 that are likely to have a material effect on the Group's prospects for the current financial year. The Company is also not aware of any significant change to the Group's financial performance in the period between 30 September 2022 and to the date of this Registration Document.

8.4 Financial review of the Group's results of operations

8.4.1 Results of operations for the three month period ended 30 September 2022 compared to the three month period ended 30 September 2021

The table below is an extract of the condensed consolidated statement of profit and loss in the Interim Financial Statements, setting out line items to be discussed in this Section.

In NOK thousand	**Three months ended 30 September**	
	2022	**2021**
	IAS 34	*IAS 34*
Total operating revenue	**179,131**	**87,746**
Cost of goods sold	140,356	72,476
Payroll and related costs	59,655	26,769

In NOK thousand	Three months ended 30 September	
	2022	**2021**
	IAS 34	*IAS 34*
Depreciation, amortisation and impairment	16,266	4,502
Oher operating expenses	45,485	19,470
Operating profit/(loss)	**(82,641)**	**(35,471)**
Net financial items	1,659	(1,423)
Profit/ (loss) before tax	**(80,982)**	**(36,894)**
Income tax expense/(income)	(2,003)	-
Profit/ (loss) after tax	**(78,979)**	**(36,894)**

Operating revenues

The Group's total operating revenue increased by NOK 91.4 million, from NOK 87.7 million for the three months ended 30 September 2021 to NOK 179.1 million for the three months ended 30 September 2022, primarily due to a significant growth in the number of installations in all of Otovo's markets. The growth is also explained by the introduction of batteries in Otovo's product offering, increased markups and successful launches in new markets.

Operating expenses

The Group's costs of goods sold increased by NOK 67.9 million, from NOK 72.5 million for the three months ended 30 September 2021 to NOK 140.4 million for the three months ended 30 September 2022, primarily due to increased activity and linked to higher sales revenue. The percentage increase in costs of goods sold is lower than the percentage increase in revenue due to higher markups and stronger contribution from markets with higher margins.

The Group's payroll and related costs increased by NOK 32.9 million, from NOK 26.8 million for the three months ended 30 September 2021 to NOK 59.7 million for the three months ended 30 September 2022, primarily due to new hires, increase in sales commission as a result of higher sales, expenses relating to share based payments and scaling the organisation for growth.

The Group's depreciation, amortisation and impairment cost increased by NOK 11.8 million, from NOK 4.5 million for the three months ended 30 September 2021 to NOK 16.3 million for the three months ended 30 September 2022, primarily due to the depreciation of excess values stemming from the EDEA acquisition and capitalisation of assets in Subscription.

The Group's other operating expenses increased by NOK 26.0 million, from NOK 19.5 million for the three months ended 30 September 2021 to NOK 45.5 million for the three months ended 30 September 2022, mainly due to higher activity and entry into new markets.

Furthermore, and as a result of the above, the Group's total operating expenses increased by NOK 138.6 million, from NOK 123.2 million for the three months ended 30 September 2021 to NOK 261.8 million for the three months ended 30 September 2022.

Operating result

As a result of the above discussed changes in the Group's total operating revenues and total operating expenses for the three months ended 30 September 2021 compared with the three months ended 30 September 2022, there was a change in the operating result of NOK (47.1) million, from NOK (35.5) million to NOK (82.6) million for the same period. The Group is currently not profitable, and the increase in losses results primarily from the Group's accelerated entry into new markets and increased Group functions to support 13 countries of operations.

Net financial items

For the three months ended 30 September 2022, the Group had net financial items amounting to NOK 1.7 million, which was an increase of NOK 3.1 million, compared to the NOK (1.4) million in net financial items for the three months ended 30 September

2021. The change in net financial items is primarily attributable to foreign exchange gains on EUR loans to subsidiaries, partly netted by an increase in loss from investments in associated companies.

Profit/ (loss) before tax

Further, as a result of the above changes discussed under the sub-headings "operating revenues", "operating expenses", "operating result" and "net financial items", the Group's loss before tax increased by NOK (44.1) million, from NOK (36.9) million for the three months ended 30 September 2021 to NOK (81.0) million for the three months ended 30 September 2022.

Income tax expenses

The Group's income tax expense decreased by NOK (2.0) million, from nil for the three months ended 30 September 2021 to NOK (2.0) million for the three months ended 30 September 2022, primarily due to change in deferred tax asset stemming for the EDEA acquisition.

Profit/ (loss) after tax

The Group's loss after tax for the three months ended 30 September 2022 amounted to NOK (79.0) million. This represented an increase of NOK (42.1) million from NOK (36.9) million for the previous year.

8.4.2 Results of operations for the nine month period ended 30 September 2022 compared to the nine month period ended 30 September 2021

The table below is an extract of the condensed consolidated statement of profit and loss in the Interim Financial Statements, setting out line items to be discussed in this Section.

In NOK thousand unless otherwise stated	**Nine months ended 30 September**	
	2022	**2021**
	IAS 34	*IAS 34*
Total operating revenue	**447,313**	**190,091**
Cost of goods sold	355,919	158,237
Payroll and related costs	148,416	76,499
Depreciation, amortisation and impairment	46,497	12,348
Other operating expenses	120,988	55,896
Operating profit/(loss)	**(224,507)**	**(112,889)**
Net financial items	3,407	(3,522)
Profit/ (loss) before tax	**(221,100)**	**(116,411)**
Income tax expense/(income)	(5,836)	-
Profit/ (loss) after tax	**(215,264)**	**(116,411)**

Operating revenues

The Group's total operating revenue increased by NOK 257.2 million, from NOK 190.1 million for the nine months ended 30 September 2021 to NOK 447.3 million for the nine months ended 30 September 2022, primarily due to significant growth in Otovo's markets, successful launches in new markets, introduction of batteries in Otovo's product offering and increased markups in established markets.

Operating expenses

The Group's costs of goods sold increased by NOK 197.7 million, from NOK 158.2 million for the nine months ended 30 September 2021 to NOK 355.9 million for the nine months ended 30 September 2022, primarily due to higher activity and increase in sales. The increase in percentage points is lower than the increase in revenue as established markets contribute with higher margins.

The Group's payroll and related costs increased by NOK 71.9 million, from NOK 76.5 million for the nine months ended 30 September 2021 to NOK 148.4 million for the nine months ended 30 September 2022, primarily due to the growth in the organisation with new hires, increase in sales commissions linked to the increase in sales, and expenses related to share based payments.

The Group's depreciation, amortisation and impairment cost increased by NOK 34.1 million, from NOK 12.3 million for the nine months ended 30 September 2021 to NOK 46.5 million for the nine months ended 30 September 2022, primarily due to the depreciation of excess values stemming from the EDEA acquisition and capitalisation of assets in Subscription.

The Group's other operating expenses increased by NOK 65.1 million, from NOK 55.9 million for the nine months ended 30 September 2021 to NOK 121.0 million for the nine months ended 30 September 2022, mainly due to the amortisation of excess values coming from the acquisition of EDEA in December 2021, amortisation of the Group’s investments Cloud and depreciation of capitalised assets from Subscription.

Furthermore, and as a result of the above, the Group's total operating expenses increased by NOK 368.4 million, from NOK 303.0 million for the nine months ended 30 September 2021 to NOK 671.8 million for the nine months ended 30 September 2022.

Operating result

As a result of the above discussed changes in the Group's total operating revenues and total operating expenses for the nine months ended 30 September 2021 compared with the nine months ended 30 September 2022, there was a change in the operating result of NOK (111.6) million, from NOK (112.9) million to NOK (224.5) million for the same period.

Net financial items

For the nine months ended 30 September 2022, the Group had net financial items amounting to NOK 3.4 million, which was an increase of NOK 6.9 million, compared to the NOK (3.5) million in net financial items for the nine months ended 30 September 2021. The change in net financial items is primarily attributable to foreign exchange rate effects related to Otovo ASA’s subsidiaries and intercompany loans as well as an increase in the loss attributable to Otovo’s investments in associated companies.

Profit/ (loss) before tax

Further, as a result of the above changes discussed under the sub-headings "operating revenues", "operating expenses", "operating result" and "net financial items”, the Group's loss before tax increased by NOK (104.7) million, from NOK (116.4) million for the nine months ended 30 September 2021 to NOK (221.1) million for the nine months ended 30 September 2022.

Income tax expenses

The Group's income tax expense decreased by NOK (5.8) million, from nil for the nine months ended 30 September 2021 to NOK (5.8) for the nine months ended 30 September 2022, primarily due to amortisation of the excess values from the acquisition of EDEA and the related deferred tax liability amortisation of the excess values from the acquisition of EDEA and the related deferred tax liability.

Profit/ (loss) after tax

The Group's loss after tax for the nine months ended 30 September 2022 amounted to NOK (215.3) million. This represented an increase of NOK (98.9) million from NOK (116.4) million for the previous year.

8.4.3 Results of operations for the year ended 31 December 2021 compared to the year ended 31 December 2020

The table below is an extract of the consolidated income statements in the IFRS Financial Statements, setting out line items to be discussed in this Section.

In NOK thousand unless otherwise stated	**Year ended 31 December**	
	2021	**2020**
	IFRS	*IFRS*
Total operating revenue	**289,402**	**150,922**
Cost of goods sold	240,362	121,309
Payroll and related costs	113,548	52,825
Depreciation, amortisation and impairment	21,649	12,154
Oher operating expenses	89,137	58,232
Operating profit/(loss)	**(175,294)**	**(93,598)**
Net financial items	21,077	1,423
Profit/ (loss) before income tax	**(154,217)**	**(92,175)**
Income tax expense	(457)	(86)
Profit/ (loss) for the period	**(153,760)**	**(92,090)**

Operating revenues

The Group's total operating revenue increased by NOK 138.5 million, from NOK 150.9 million for the year ended 31 December 2020 to NOK 289.4 million for the year ended 31 December 2021. The growth was mainly driven by substantial contribution from the new market launches in Poland and Italy, as well as increased activity in Spain and France. Transition from the previous broker model to full integration on the Group's marketplace in France further enhanced the contribution from the French business. Otovo also launched sales of batteries in Italy and Spain during 2021, something that increased the average purchase (ticket size) of its customers.

During 2021, the trend in Europe towards more renewable energy was strengthened, and hikes in energy prices accelerated consumers' interest in solar energy systems and batteries. The revenue increase in 2021 reflects the increasing demand for the Group's products, and the Group's ability to scale the business to meet this demand.

Operating expenses

The Group's costs of goods sold increased by NOK 119.1 million from NOK 121.3 million for the year ended 31 December 2020 to NOK 240.4 million for the year ended 31 December 2021. The increase was linked with the increase in revenue, but was slightly higher in percentage points as entry margins in new markets are lower than the margins in established markets. Transition from the broker model in France also contributed to the reduction in margin. Margins gradually increased after new country launches, as more installers were onboarded to the marketplace, competing against each other to deliver projects and driving cost down, and the Otovo brand gained a position in the market.

The Group's payroll and related costs increased by NOK 60.7 million from NOK 52.8 million for the year ended 31 December 2020 to NOK 113.5 million for the year ended 31 December 2021, an increase of 115%, of which NOK 16 million of the growth was related to share-based payment programs. The remaining increase in costs is explained by Otovo's launch in new markets and expansion in current markets, in addition to the strengthening of key Group functions, facilitating future growth.

The Group's depreciation, amortisation and impairment cost increased by NOK 9.5 million from NOK 12.2 million for the year ended 31 December 2020 to NOK 21.6 million for the year ended 31 December 2021. The increase is mainly explained by amortisation of excess values stemming from the EDEA Acquisition in December 2021 as well as amortisation of the Group's increasing investment in the Group's marketplace.

The Group's other operating expenses increased by NOK 30.9 million from NOK 58.2 million for the year ended 31 December 2020 to NOK 89.1 million for the year ended 31 December 2021, mainly due to higher activity in the established markets and entry into new markets, driven by media spend and use of professional services.

Furthermore, and as a result of the above, the Group's total operating expenses increased by NOK 220.2 million from NOK 244.5 million for the year ended 31 December 2020 to NOK 464.7 million for the year ended 31 December 2021.

Operating result

As a result of the above discussed changes in the Group's total operating revenues and total operating expenses for the year ended 31 December 2021 compared with the year ended 31 December 2020, there was a change in the operating result of NOK (81.7) million, from NOK (93.6) million to NOK (175.3) million for the same period.

Net financial items

For the year ended 31 December 2021, the Group had net financial items amounting to NOK 21.1 million, which was an increase of NOK 19.7 million compared to the NOK 1.4 million in net financial items for the year ended 31 December 2020. Net financial items for 2021 included an acquisition gain of NOK 25.0 million related to the shares held in EDEA ahead of the acquisition date. Aside from this, the change in net financial items from 2020 to 2021 is primarily attributable to increase in loss from equity accounted investments as well as increased currency losses.

Profit/ (loss) before income tax

Further, as a result of the above changes discussed under the sub-headings "operating revenues", "operating expenses", "operating result" and "net financial items", the Group's loss before income tax increased by NOK (62.0) million, from NOK (92.2) million for the year ended 31 December 2020 to NOK (154.2) million for the year ended 31 December 2021.

Income tax expenses

The Group's income tax expense increased by NOK (0.4) million, from NOK (0.5) million for the year ended 31 December 2021 to NOK (0.1) million for the year ended 31 December 2020, primarily due to amortisation of the excess values from the acquisition of EDEA and the related deferred tax liability amortisation of the excess values from the acquisition of EDEA and the related deferred tax liability.

Profit/ (loss) after tax

The Group's loss for the year ended 31 December 2021 amounted to NOK (153.8) million. This represented a change of NOK (61.7) million from NOK (92.1) million for the previous year.

8.4.4 Results of operations for the year ended 31 December 2020 compared to the year ended 31 December 2019

The table below is an extract of the consolidated income statements in the Financial Statements, setting out line items to be discussed in this Section.

In NOK thousand unless otherwise stated	**Year ended 31 December**	
	2020	**2019**
	IFRS	*NGAAP*[1]
Total operating revenue	**150,922**	**193,662**
Cost of goods sold	121,309	165,827
Payroll and related costs	52,825	43,180
Depreciation, amortisation and impairment	12,154	5,569

In NOK thousand unless otherwise stated	Year ended 31 December	
	2020 *IFRS*	2019 *NGAAP*[1]
Amortisation of goodwill	-	7,055
Other operating expenses	58,232	38,711
Operating profit/(loss)	**(93,598)**	**(66,680)**
Net financial items	1,423	(1,741)
Profit/ (loss) before income tax	**(92,175)**	**(68,421)**
Income tax expense	(86)	(17,015)
Profit/ (loss) for the period	**(92,090)**	**(51,406)**

1 Extracted from the NGAAP Financial Statements originally presented in NOK (not NOK thousand)

Total operating revenues

The Group's total operating revenue decreased by NOK 42.7 million, from NOK 193.7 million for the year ended 31 December 2019 to NOK 150.9 million for the year ended 31 December 2020. During 2020, the Group expanded its operations to new markets and expanded its product offering with the introduction of Subscription for solar energy systems. Demand was negatively affected by the ongoing covid-19 pandemic and low electricity prices in Scandinavia. The number of installed solar energy systems were down 5% compared to last year, and the relatively larger decline in revenues was due to an increased share of installed systems outside of Scandinavia, where the average system is smaller.

Operating expenses

The Group's costs of goods sold decreased by NOK 44.5 million, from NOK 165.8 million for the year ended 31 December 2019 to NOK 121.3 million for the year ended 31 December 2020, primarily linked with the above mentioned reduction in total operating revenue, the reduction in cost of goods sold is higher than the reduction in revenues due to increased margins.

The Group's payroll and related costs increased by NOK 9.6 million, from NOK 43.2 million for the year ended 31 December 2019 to NOK 52.8 million for the year ended 31 December 2020, primarily due to expansion into new markets as well as expenses related to share-based payment schemes.

The Group's depreciation, amortisation and impairment cost increased by NOK 6.6 million, from NOK 5.6 million for the year ended 31 December 2019 to NOK 12.2 million for the year ended 31 December 2020, primarily due to increase in investment in, and related depreciation of the Group's marketplace as well as transition to IFRS and depreciation of the right of use assets.

The Group's amortisation of goodwill is reduced by NOK 7.1 million, to 0, due to conversion to IFRS with effective date 1 January 2020.

The Group's other operating expenses increased by NOK 19.5 million, from NOK 38.7 million for the year ended 31 December 2019 to NOK 58.2 million for the year ended 31 December 2020, mainly due to expansion into new markets and related increase in amongst other media spend and use of professional services.

Furthermore, and as a result of the above, the Group's total operating expenses decreased by NOK 15.8 million, from NOK 260.3 million for the year ended 31 December 2019 to NOK 244.5 million for the year ended 31 December 2020.

Operating profit/(loss)

As a result of the above discussed changes in the Group's total operating revenues and total operating expenses for the year ended 31 December 2019 compared with the year ended 31 December 2020, there was a change in the operating result of NOK 26.9 million, from NOK 66.7 million to NOK 93.6 million for the same period.

Net financial items

For the year ended 31 December 2020, the Group had net financial items amounting to NOK 1.4 million, which was an increase of NOK 3.1 million, compared to the NOK (1.7) million in net financial items for the year ended 31 December 2019. The change in net financial items is primarily attributable to a reduction in the earn-out liability related to the acquisition of the French company Otovo France SAS (previously known as ISWT) in 2019, resulting in a financial income in 2020, and gain on disposal of EDEA.

Profit/ (loss) before tax

Further, as a result of the above changes discussed under the sub-headings "operating revenues", "operating expenses", "operating result" and "net financial items", the Group's loss before tax increased by NOK (23.8) million, from NOK (68.4) million the year ended 31 December 2019 to NOK (92.2) million for the year ended 31 December 2020.

Income tax expenses

The Group's income tax expense decreased by NOK 16.9 million, from NOK (17.0) million for the year ended 31 December 2019 to NOK (0.1) for the year ended 31 December 2020, primarily due to change in policy for recognition of deferred tax asset. The deferred tax asset and related tax income of NOK 17 million was reversed in relation with conversion to IFRS.

Profit/ (loss) after tax

The Group's loss for the year ended 31 December 2020 amounted to NOK (92.1) million. This represented a change of NOK (40.7) million from NOK (51.4) million for the previous year.

8.5 Financial review of the Group's financial position

8.5.1 Financial position as at 30 September 2022 compared to 30 September 2021

The table below is an extract of the condensed consolidated statement of financial position in the Interim Financial Statements, setting out line items to be discussed in this Section.

In NOK thousand unless otherwise stated	**As at 30 September**	
	2022	**2021**
	IAS 34	*IAS 34*
Total non-current assets	438,652	176,280
Total current assets	514,311	253,607
Total assets	**952,964**	**429,886**
Total equity	**619,986**	**335,363**
Total non-current liabilities	98,043	16,781
Total current liabilities	234,935	77,742
Total equity and liabilities	**952,964**	**429,886**

Assets

The Group's non-current assets comprise primarily intangible assets, property, plant and equipment and goodwill. Total non-current assets increased by NOK 262.3 million, from NOK 176.3 million as at 30 September 2021 to NOK 438.7 million as at 30 September 2022, primarily due to the acquisition of EDEA which was not consolidated in the Group's financial statements in Q3 2021, in addition to capitalization of solar energy systems in Subscription.

The Group's current assets comprise mainly of cash and cash equivalents, trade receivables and other receivables and prepayments. Total current assets increased by NOK 260.7 million, from NOK 253.6 million as at 30 September 2021 to NOK 514.3 million as at 30 September 2022, primarily due to a capital increase of NOK 300 million in Q1 2022, inflow from new non-current liabilities and an increase in receivables, netted by negative cash flow from operations and cash flow from investments in the period from 1 October 2021 to 30 September 2022. Trade receivables increased due to increased activity, while other receivables and prepayments were impacted by significantly more installations completed in the end of the period. Furthermore, current assets have increased due to a growing tax credit receivable in Italy pending to be sold to Italian financial institutions.

As a result of the above, the Group's total assets increased by NOK 523.1 million, from NOK 429.9 million as at 30 September 2021 to NOK 953.0 million as at 30 September 2022.

Equity

The Group's equity comprises share capital, share premium and retained earnings. Total equity increased by NOK 284.6 million, from NOK 335.4 million as at 30 September 2021 to NOK 620.0 million as at 30 September 2022, primarily due to the above mentioned capital increase in Q1 2022 and result for period.

Liabilities

The Group's non-current liabilities comprise non-current lease liabilities and interest bearing debt. Total non-current liabilities increased by NOK 81.3 million, from NOK 16.8 million as at 30 September 2021 to NOK 98.0 million as at 30 September 2022, primarily due to draws on a credit facility held with Nordea in Q2 and Q3 2022 in total of EUR 7.2 million, and a change in the deferred tax liability related to excess values from the EDEA acquisition.

The Group's current liabilities comprise primarily of trade payables and other current liabilities. Total liabilities increased by NOK 157.2 million, from NOK 77.7 million as at 30 September 2021 to NOK 234.9 million as at 30 September 2022, primarily due to an increase in trade payables and other current liabilities. This is mainly driven by higher activity and timing of completions which affects accrued costs and deferred revenues and trade payables. The increase in activity is a result of expansion to new countries, launch of batteries in the product offering and in general increasing demand in the market for the products and services delivered by Otovo.

Total equity and liabilities

The Group's total equity and liabilities increased by NOK 523.0 million, from NOK 429.9 million as at 30 September 2021 to NOK 953.0 million as at 30 September 2022. As explained above, the increase was primarily related to increase in equity, draws on the credit facility held with Nordea and an increase in payables and other current liabilities.

8.5.2 Financial position as at 31 December 2021 compared to 31 December 2020

The table below is an extract of the consolidated statements of financial position in the Financial Statements, setting out line items to be discussed in this Section.

In NOK thousand	**As at 31 December**	
	2021	**2020**
	IFRS	*IFRS*
Total non-current assets	365,265	169,046
Total current assets	297,000	95,718
Total assets	**662,267**	**264,764**
Total equity	**521,049**	**167,354**
Total non-current liabilities	30,391	28,977
Total current liabilities	110,827	68,433
Total equity and liabilities	**662,267**	**264,764**

Assets

The Group's non-current assets comprise primarily intangible assets, goodwill, investment in associated companies and property, plant and equipment. Total non-current assets increased by NOK 196.3 million, from NOK 169.0 million for the year ended 31 December 2020 to NOK 365.3 million for the year ended 31 December 2021. The EDEA Acquisition in December 2021 explains the majority of the increase in goodwill, intangible assets and property, plant and equipment, non-current assets of NOK 212 million. Intangible assets acquired relates to customer contracts with a duration of 20 years and an exclusivity agreement with Otovo with a duration of 2.5 years. Property, plant and equipment comprise solar energy systems used in Subscription.

The increase in non-current assets is also reflecting the Group's investment in the Group's marketplace. The investment in 2020 was NOK 18 million.

The Group's current assets comprise trade receivables, other receivables and prepayments and cash and cash equivalents. Total current assets increased by NOK 201.3 million, from NOK 95.7 million for the year ended 31 December 2020 to NOK 297.0 million for the year ended 31 December 2021, primarily due to an increase in cash and cash equivalents. The increase in cash and cash equivalents are mainly proceeds from issuance of ordinary shares in a private placement in connection with the listing on Euronext Growth and the cash balance in EDEA at the EDEA Acquisition in December 2021.

Trade receivables and other current receivables has also increased due to higher activity at the end of 2021 compared with the end of 2020. In the end of 2020 and during 2021, Otovo established a presence in several new countries and launched new products. Combined with the trend in Europe towards more renewable energy, and hikes in energy prices consumers' interest in solar energy systems and batteries has accelerated, and this is reflected in Otovo's sales and installation numbers.

As a result of the above, the Group's total assets increased by NOK 397.5 million, from NOK 264.8 million for the year ended 31 December 2020 to NOK 662.3 million for the year ended 31 December 2021.

Equity

The Group's equity comprises share capital, share premium reserve and other equity. Total equity increased by NOK 353.6 million, from NOK 167.4 million for the year ended 31 December 2020 to NOK 521.0 million for the year ended 31 December 2021, primarily due to issuance of shares in a private placement in connection with the listing on Euronext Growth and through the Group's employee share programs, partly offset by the net loss for the year ended 31 December 2021.

Liabilities

The Group's non-current liabilities comprise deferred tax liability , interest-bearing liabilities and lease liabilities. Total non-current liabilities increased by NOK 1.4 million, from NOK 29.0 million for the year ended 31 December 2020 to NOK 30.4 million for the year ended 31 December 2021, primarily due to an increase in deferred tax liability relating to excess values from the EDEA Acquisition, partially offset by down payments on interest-bearing liabilities and settlement of an earnout liability from the acquisition in France in 2019.

The Group's current liabilities comprise lease liabilities, trade payables and other current liabilities. Total current liabilities increased by NOK 42.4 million, from NOK 68.4 million for the year ended 31 December 2020 to NOK 110.8 million for the year ended 31 December 2021, primarily due to higher activity at the end of 2021 compared with the end of 2020. The increase in activity is a result of expansion to new countries, launch of batteries in the product offering and in general increasing demand in the market for the products and services delivered by Otovo.

Total equity and liabilities

The Group's total equity and liabilities increased by NOK 397.5 million, from NOK 264.8 million for the year ended 31 December 2020 to NOK 662.3 million for the year ended 31 December 2021. As explained above, the increase was primarily related to issuance of shares in a private placement in connection with the listing on Euronext Growth.

8.5.3 Financial position as of 31 December 2020 compared to 31 December 2019

The table below is an extract of the consolidated statements of financial position in the Financial Statements, setting out line items to be discussed in this Section.

In NOK thousand	As at 31 December	
	2020 *IFRS*	**2019** *NGAAP*[1]
Total non-current assets	169,046	132,308
Total current assets	95,718	223,890
Total assets	**264,764**	**356,199**
Total equity	**167,354**	**239,854**
Total non-current liabilities	28,977	74,035
Total current liabilities	68,433	42,310
Total equity and liabilities	**264,764**	**356,199**

1 Extracted from the NGAAP Financial Statements, originally presented in NOK (not NOK thousand).

Assets

The Group's non-current assets comprise primarily of intangible assets, goodwill, investments in associated companies and property, plant and equipment. Total non-current assets increased by NOK 36.7 million, from NOK 132.3 million for the year ended 31 December 2019 to NOK 169.0 million for the year ended 31 December 2020, primarily due to the establishment of European Distributed Energy Assets Holding AS in 2020. The increase in non-current assets is also reflecting the Group's investment in the Group's marketplace. Please refer to the section on financial position as at 31 December 2021 compared to 31 December 2020 above for further details.

The Group's current assets comprise trade receivables, other receivables and prepayments, and cash and cash equivalents. Total current assets decreased by NOK 128.2 million, from NOK 223.9 million for the year ended 31 December 2019 to NOK 95.7 million for the year ended 31 December 2020. A general decrease in receivables is related a negative effect on demand due to the Covid-19 pandemic and low electricity prices in Scandinavia. The main decrease in current assets is related to a reduction in cash and cash equivalents.

As a result of the above, the Group's total assets decreased by NOK 91.4 million, from NOK 356.2 million for the year ended 31 December 2019 to NOK 264.8 million for the year ended 31 December 2020.

Equity

The Group's equity comprises shares capital, share premium reserve and other equity. Total equity decreased by NOK 72.5 million, from NOK 239.9 million for the year ended 31 December 2019 to NOK 167.4 million for the year ended 31 December 2020. The Group's equity was impacted by proceeds from the issue of shares as a result of the earnout agreement with the ISWT sellers, yet the decrease was mainly driven by the result for the year 2020. The result for the year were impacted by lower volume than expected in Scandinavia together with a larger proportion of installations outside of Scandinavia where the average solar energy system is smaller. Furthermore, the result is impacted by higher expenses (payroll and other operating expenses) related to the expansion into new countries.

Liabilities

The Group's non-current liabilities comprise interest-bearing liabilities, and other long-term liabilities. Total non-current liabilities decreased by NOK 45.0 million, from NOK 74.0 million for the year ended 31 December 2019 to NOK 29.0 million for the year ended

31 December 2020, primarily due to reclassification of an earnout liability from non-current to current, earnout settlement in shares, and a reduction in the earnout liability due to changes in the agreement.

The Group's current liabilities comprise trade payables, public taxes payable and other current liabilities. Total liabilities increased by NOK 26.1 million, from NOK 42.3 million for the year ended 31 December 2019 to NOK 68.4 million for the year ended 31 December 2020, primarily due to reclassification of earnout liability from non-current to current, as well as a reduction in public taxes payable.

Total equity and liabilities

The Group's total equity and liabilities decreased by NOK 91.4 million, from NOK 356.2 million for the year ended 31 December 2019 to NOK 264.8 million for the year ended 31 December 2020. As explained above, the decrease was primarily related to the decrease in equity due to the loss for the year and renegotiated earnout agreement.

8.6 Liquidity and capital resources

8.6.1 Sources and use of cash

The Group's principal sources of liquidity are cash which mainly have been generated from its operations, and supplemented with debt financing from its Financing Arrangements (as defined below).

8.6.2 Cash flows

8.6.2.1 The three month period ended 30 September 2022 compared to the three month period ended 30 September 2021

The table below is an extract of the consolidated statement of cash flows in the Interim Financial Statements, setting out line items to be discussed in this Section.

In NOK thousand	**Three months ended 30 September**	
	2022	**2021**
	IAS 34	*IAS 34*
Net cash flow from operating activities	(33,181)	(39,712)
Net cash flow from investing activities	(50,298)	(5,886)
Net cash flow from financing activities	48,227	(3,134)

Net cash from operating activities

Net cash from operating activities primarily originates from sale of the Group's products (earnings) and changes in net working capital. For the three months ended 30 September 2022, the Group's cash from operating activities amounted to NOK (33.2) million, which represented a change of NOK 6.2 million compared to NOK (39.7) million for three months ended 30 September 2021. The change of NOK 6.2 million was primarily due to a greater operating loss as a result of expansion to new markets and scaling the business for future growth, changes in the Group's net working capital and an increase in receivables from Italian tax credits.

Net cash flow from investing activities

Net cash flow from investing activities primarily covers changes relating to investments in and disposals of subsidiaries and associated companies, in addition to the Group's investments in software development and in the Subscription segment following the EDEA Acquisition and Merger, as further described in Section 3.2.2 "Acquisition of EDEA through voluntary offer and subsequent merger". For the three months ended 30 September 2022, the Group's cash flow from investing activities amounted to NOK (50.3) million, which represented a change of NOK (44.4) million compared to NOK (5.9) million for the three months ended 30 September 2021. The change of NOK (44.4) million was primarily due to investments in solar energy systems as part of the Subscription segment, that were not a part of the Group's cash flow for the three months ended 31 September 2021, as EDEA was not part of the consolidated financial statements until December 2021.

Net cash flow from financing activities

Net cash flow from financing activities primarily originates from shares issuance and changes in external long term liabilities. For the three months ended 30 September 2022, the Group's cash flow from financing activities amounted to NOK 48.2 million, which represented a change of NOK 51.3 million compared to NOK (3.1) million for the three months ended 30 September 2021. The change of NOK 51.3 million was primarily due to draws on the credit facility held with Nordea.

8.6.2.2 The nine month period ended 30 September 2022 compared to the nine month period ended 30 September 2021

The table below is an extract of the consolidated statement of cash flows in the Interim Financial Statements, setting out line items to be discussed in this Section.

In NOK thousand	**Nine months ended 30 September**	
	2022	**2021**
	IAS 34	*IAS 34*
Net cash flow from operating activities	(188,893)	(93,216)
Net cash flow from investing activities	(112,366)	(22,160)
Net cash flow from financing activities	366,433	248,558

Net cash from operating activities

Net cash from operating activities primarily originates from the sale of the Group's products (earnings) and changes in net working capital. For the nine months ended 30 September 2022, the Group's cash from operating activities amounted to NOK (188.9) million, which represented a change of NOK (95.7) million compared to NOK (93.2) million for nine months ended 30 September 2021. The change of NOK (95.7) was primarily due to an increase in the operating loss for the period as a result of the Group's expansion into new markets and the scaling for future growth, and changes in the Group's net working capital and increase in tax credit receivables in the Italian market.

Net cash flow from investing activities

Net cash flow from investing activities primarily covers changes relating to investments in and disposals of subsidiaries and associated companies, and investments in the Group's software development and assets used in the Subscription segment. For the nine months ended 30 September 2022, the Group's cash flow from investing activities amounted to NOK (112.4) million, which represented a change of NOK (90.2) million compared to NOK (22.2) million for the nine months ended 30 September 2021. The change of NOK (90.2) million was primarily due to capitalisation of cloud and NOK (78) million in solar energy systems stems as part of the Subscription segment. Investment in the Subscription segment was not part of the Groups cashflow for the nine month period ended 30 September 2021, as EDEA that was not part of the consolidated financial statements until December 2021.

Net cash flow from financing activities

Net cash flow from financing activities primarily originates from shares issuance and changes in external long term liabilities. For the nine months ended 30 September 2022, the Group's cash flow from financing activities amounted to NOK 366.4 million, which represented a change of NOK 117.9 million compared to NOK 248.6 million for the nine months ended 30 September 2021. The change of NOK 117.9 million was primarily due to draws on the credit facility held with Nordea of EUR 7.2 million in Q2 and Q3 2022 and explained in section 8.5.1 and a capital increase in Q1 2022.

8.6.2.3 The financial year ended 31 December 2021 compared to the financial year ended 31 December 2020

The table below is an extract of the consolidated statement of cash flows in the Financial Statements, setting out line items to be discussed in this Section.

In NOK thousand	**Year ended 31 December**	
	2021	**2020**
	IFRS	*IFRS*
Net cash flow from operating activities	(136,018)	(74,282)
Net cash flow from investing activities	39,638	(46,495)
Net cash flow from financing activities	247,561	1,418

Net cash from operating activities

Net cash from operating activities primarily originates from sale of the Group's products (earnings) and changes in the Group's net working capital. For the year ended 31 December 2021, the Group's cash from operating activities amounted to NOK (136.0) million, which represented a change of NOK (61.7) million compared to NOK (74.3) million for the year ended 31 December 2020. The change of NOK (61.7) million was primarily due to increases in operating losses resulting from expansion to new markets and scaling the business for future growth.

Net cash flow from investing activities

Net cash flow from investing activities primarily covers changes relating to investments in and disposals of subsidiaries and associated companies, in addition to the Group's investments in software development and assets to be used in the Subscription Segment. For the year ended 31 December 2021, the Group's cash flow from investing activities amounted to NOK 39.6 million, which represented a change of NOK 86.1 million compared to NOK (46.5) million for the year ended 31 December 2020. The change of NOK 86.1 million was primarily due to a positive impact in 2021 relating to the cash balance from the EDEA Acquisition of NOK 78.6 million, when the Group regained control of the company, while 2020 was negatively impacted by the down sell and deconsolidation of EDEA with an impact of NOK 25.1 million.

Net cash flow from financing activities

Net cash flow from financing activities primarily originates from share issuance. For the year ended 31 December 2021, the Group's cash flow from financing activities amounted to NOK 247.6 million, which represented a change of NOK 246.2 million compared to NOK 1.4 million for the year ended 31 December 2020. The change of NOK 246.2 million was primarily due to the issuance of shares in a private placement in connection with the listing on Euronext Growth, net of transaction costs.

8.6.2.4 The financial year ended 31 December 2020 compared to the financial year ended 31 December 2019

The table below is an extract of the consolidated statement of cash flows in the Financial Statements, setting out line items to be discussed in this Section.

In NOK thousand	**Year ended 31 December**	
	2020	**2019**
	IFRS	*NGAAP*[1]
Net cash flow from operating activities	(74,282)	(46,197)
Net cash flow from investing activities	(46,495)	(28,555)
Net cash flow from financing activities	1,418	150,159

1 Extracted from the NGAAP Financial Statements, originally presented in NOK (not NOK thousand).

Net cash from operating activities

Net cash from operating activities primarily originates from sale of the Group's products (earnings) and changes in the Group's net working capital. For the year ended 31 December 2020, the Group's cash from operating activities amounted to NOK (74.3) million, which represented a change of NOK (28.1) million compared to NOK (46.2) million for the year ended 31 December 2019. The change of NOK (28.1) million was primarily due to increases in operating losses resulting from expansion to new markets and scaling the business for future growth.

Net cash flow from investing activities

Net cash flow from investing activities primarily covers changes relating to investments in and disposals of subsidiaries and associated companies, in addition to the Group's investments in software development and assets to be used in the Subscription Segment. For the year ended 31 December 2020, the Group's cash flow from investing activities amounted to NOK (46.5) million, which represented a change of NOK (17.9) million compared to NOK (28.6) million for the year ended 31 December 2019. The change of NOK 17,9 million was primarily due to the down sell and deconsolidation of EDEA with an impact of NOK 25.1 million.

Net cash flow from financing activities

Net cash flow from financing activities primarily originates from share issuance. For the year ended 31 December 2020, the Group's cash flow from investing activities amounted to NOK 1.4 million, which represented a change of NOK 148.8 million compared to NOK 150.2 million for the year ended 31 December 2019. The change of NOK 148.8 million was primarily due to capital increase in 2019.

8.7 Investments

8.7.1 Principal historical investments

The Group's historical capital expenditures and investments relate to investments in tangible and intangible assets and acquisition of businesses (M&A). The table below sets out an overview of the material investments made by the Group during the years ended 31 December 2021, 2020 and 2019, and the nine months period ended 30 September 2022.

In NOK thousand	**Nine months ended 30 September**	**Year ended 31 December**			
	2022	**2021**	**2020**	**2019**	**Total**
Acquisition of businesses (M&A)	11,259	194,893	28,315	88,272	**322,739**
Tangible capital expenditure	79,718	4,713	851	857	**86,139**
Intangible capital expenditure	21,389	28,774	18,312	16,199	**84,674**
Total	**112,336**	**228,380**	**47,478**	**105,328**	**493,522**

The Group has not made any material investments since 30 September 2022 and up to the date of this Registration Document.

Investment in acquisition of businesses (M&A)

Introduction

The Group has invested in acquisitions of businesses (M&A). The consideration agreed for acquired businesses for the period covered by the Financial Statements and the Interim Financial Statements accumulated to a total of NOK 322.8 million:

- NOK 88.3 million for the year ended 31 December 2019
  - Otovo France SAS (previously known as ISWT): NOK 88.3 million
- NOK 28.3 million for the year ended 31 December 2020
  - European Distributed Energy Assets Holding AS (EDEA): NOK 27.8 million
  - Holu Technologia SA: NOK 0.5 million
- NOK 194.9 million for the year ended 31 December 2021

- European Distributed Energy Assets Holding AS (EDEA): NOK 189.4 million
- Holu Technologia SA: NOK 0.5 million

- NOK 11.3 million for the nine months ended 30 September 2022
  - Holu Technologia SA: NOK 11.3 million

The EDEA Acquisition

Otovo Group has a clear growth strategy, primarily through organic growth, but also through acquisitions from time to time. EDEA was founded by Otovo in 2020, and during 2020 Otovo's ownership interest was reduced from 100% to 18.75%. From the establishment of EDEA the two companies have cooperated closely and have had mutual exclusivity when it comes to originating and financing, respectively of subscription to customers in Otovo's markets. During 2021, Otovo ASA increased its investment in EDEA to 88.43% and gained control of the company through a voluntary offer, a step taken to regain control over the strategically important Subscription segment of Otovo and to facilitate future growth. In Otovo's voluntary offer for EDEA, shareholders of EDEA were offered 1.7 shares in Otovo for each tendered share in EDEA and the acquisition was accordingly financed through the issuance of consideration shares. In the voluntary offer, Otovo was valued at NOK 24.794 per share, corresponding to a total equity value of NOK 2,641,163,742, based on volume-weighted trades during the two day period ahead of the announcement of the offer. since a fixed period. The consideration offered by Otovo to the eligible EDEA shareholders, valued the EDEA share at NOK 42.15 per share, corresponding to a total equity value of NOK 271,384,859. In 2022, the general meetings of EDEA and Otovo resolved a merger plan for the merger of the two companies, and the merger was completed on 16 June 2022, resulting in EDEA Midco becoming wholly-owned by Otovo. In the merger, the parties had agreed on a valuation of Otovo at a total equity value of NOK 3,484,390,351 and the valuation of EDEA at a total equity value of NOK 285,132,515, which implied a share-for-share exchange ratio equal to 1.7 shares in Otovo per share in EDEA.

EDEA has been consolidated into the group accounts as of the acquisition date in December 2021 and is reported as a separate operating segment. Ahead of this date the investment in EDEA was accounted for under the equity method. Net consideration for the EDEA shares was NOK 189.415 million, this was settled with Otovo shares. Acquisition cost expensed in 2021 is NOK 2.4 million.

Due to relatively low capital intensity in acquisitions other than the value of customer contracts and intellectual property, acquisitions within this sector will typically result in a relatively large goodwill balance. This goodwill balance represents the surplus of the purchase price compared with the accounting value of the net fixed and intangible assets of the acquired company. Goodwill can be explained by the value associated with the skills and know-how of acquired company's employees, new customers and potential extensions of existing relationships. The goodwill represents expected synergies both on revenue and expenses and increased market share, and it is not tax deductible. The following assets were identified and acquired with EDEA through the EDEA Acquisition in December 2021:

In NOK thousand	**Total**
Customer contracts	21,440
Exclusivity agreement	59,675
Fixed assets	64,950
Trade receivables	900
Other short-term receivables	10,874
Cash and cash equivalents	78.602
Total Assets	**236,442**
Deferred tax liability	17,845
Current liabilities	12,631
Total Liabilities	**205,965**
Goodwill	**65,870**

The value of customer contracts is calculated based on the net present value of future customer payments, net of service and management fee to Otovo for systems installed at the acquisition date and for systems sold, not yet installed at the acquisition date. The value of exclusivity agreements is calculated based on the net present value of future customer payments, net of service and management fee to Otovo for systems expected to be sold during the remainder of the exclusivity contract between Otovo and EDEA, primarily in the markets in which Otovo was established at the acquisition date. The contract end date is 23 October 2023. Otovo has after the EDEA Acquisition delivered higher leasing shares, higher ticket sizes and launched more countries than what was set as assumptions in the calculation of the value of the exclusivity agreement.

See also Section 3.2.2 "Acquisition of EDEA through voluntary offer and subsequent merger" for further information.

Holu

Holu is a partnership between Otovo and Gera, established in 2020, to pilot the Group's marketplace as a service. Otovo owns 34%, of Holu, which is established in Brazil. Holu runs on the software behind the Groups marketplace, and Otovo collects a fee on the net sales made by Holu through such marketplace.

Otovo France SAS (previously known as ISWT)

In 2019, the Group established its presence outside of Scandinavia through the acquisition of Otovo France SAS (previously known as ISWT) in France, holding the platform InSunWeTrust. Approximately 80 installer companies were registered on the InSunWeTrust platform and the company operated on a broker model, earning a commission on the sales made through the InSunWeTrust platform. The acquisition of Otovo France SAS was the start of Otovo's expansion in Europe, and later the same year Otovo also established a company in Spain.

The sellers of Otovo France SAS were the company's founders, management and middle management, as well as Transvalor, which was the main provider of the technology in Otovo France SAS (calculating solar production potential of houses) and acquaintances of the founders. The consideration was settled as follows:

- Cash: NOK 8.6 million
- Otovo shares: Equivalent to NOK 27.4 million at the time of the acquisition
- Earn-out rights: NOK 52.3 million

At the time of the acquisition, the company was not yet profitable and net assets were negative, leading to significant goodwill of EUR 9.5 million. The Group's goodwill was reduced by MEUR 0.7 to MEUR 8.8 in the period from the acquisition date in March 2019 to 31 December 2019, following which the amortisation of goodwill was discontinued due to conversion to IFRS with effective date 1 January 2020. Since the acquisition, the Group has replaced the founders with professional management, the old broker model and website with the Group's marketplace and business model, launched subscription and batteries, as well as rebranded the company from InSunWeTrust to Otovo France.

The total acquisition cost in 2019 was NOK 2.9 million. The final settlement of the abovementioned earn-out rights was made in August 2022.

Investments in tangible assets

The Group defines investments in assets like solar energy systems, batteries, IT equipment, office equipment and other tangible assets as "tangible capital expenditures". The tangible capital expenditure of the Group has been very moderate up until the acquisition and consolidation of EDEA. EDEA purchases solar energy systems and related assets, such as batteries, from Otovo and uses these assets in the Subscription segment.

The Group's investments in tangible assets have been financed with proceeds from issuance of new Shares and through the Facilities Agreement with Nordea.

Investments in intangible assets

The Group defines investments in technology, capitalization of R&D and other intangible assets as "intangible capital expenditures" where capitalised investments (expenses) include material cost, direct wage costs and a share of directly attributable overhead costs.

Otovo's business model is based on the Group's self-developed marketplace and related applications such as software for extracting and reading production data from various solar energy system hardware. In addition, the system supports Otovo's customer relationship after the installation of the solar energy system by collecting, compiling and presenting production data from photovoltaic inverters. The system is scalable and is used across the markets in which the Group operates, at the same time the Group carries out significant development work to adapt the system to handle the variation in input and requirements that exist across the Group's current and potential new markets and products. A significant part of the Group's future value creation is expected to come as a result of further development and improvement of this system.

The Group's investments in intangible assets have been financed through proceeds from issuance of Shares and cash flow from operations.

8.7.2 Principal investments in progress and planned principal investments

As of the date of this Registration Document, the Group does not have any material investments in progress or investments for which firm commitments have already been made. The Group will however continue to invest in its software, adding new markets, new functionality and new products to its marketplace over the next years. Such investments will be financed through cash flow from operations.

As a result of the acquisition of EDEA in December 2021, adding batteries to the Subscription segment and launching new markets, the Group expects increasing investments in the Group's products. The Group has no commitment to continue investing in the Subscription segment. The investments in the Subscription segment will be financed through the Facilities Agreement as described in Section 8.8.2 "Main terms and conditions for the Group's material borrowings, including financial covenants and change of control".

8.8 Financing and other contractual obligations

8.8.1 Overview of financing arrangements

The table below sets out an overview of the Group's financing arrangements (the **Financing Arrangements**") in place as of the date of this Registration Document.

Group company (Borrower)	Lender	Outstanding amount as at 30 September 2022	Maturity	Interest rate
Otovo ASA	Innovasjon Norge	NOK 1,562,500	10.12.2023	3.7%
Otovo ASA	Innovasjon Norge	NOK 1,562,500	10.01.2024	4.0%
Otovo France SAS	Banque Publique d'Investissement ("**Bpifrance**")	NOK 1,008,973	31.03.2025	1.3%
Otovo France SAS	Bpifrance	NOK 578,058	31.10.2024	5.3%
Otovo France SAS	Bpifrance	NOK 4,992,317	31.12.2026	2.8%
EDEA Midco	Nordea Bank Abp, filial i Norge ("**Nordea**")	NOK 73,052,846	31.12.2024	IBOR+2.50%

In addition to the above, the Company is in final stage negotiations with Nordea and other potential lenders to refinance its debt and secure a new financing facility for its subscription segment by January 2023.

8.8.2 Main terms and conditions for the Group's material borrowings, including financial covenants and change of control

On 14 September 2020, EDEA Midco entered into a NOK 50,000,000 senior term loan facilities agreement with Nordea as lender, for the financing of the Group's Subscription segment, subsequently been amended by two side letters on 18 October 2021, and 18 January 2022, and an addendum dated 27 September 2022 (the "**Facilities Agreement**"). As at the date of this Registration Document, the Facilities Agreement consists of six capital expenditure facilities of NOK 25 000 000, in total NOK 150 000 000. The duration of the initial two facilities (Facility A and Facility B) has a duration of three years from the date of first utilisation of each of the two facilities, whilst the new capital expenditure facilities have a duration of three years from the date of the addendum (27 September 2022). The Facilities Agreement is originally denominated in EUR.

For the purposes of the Facilities Agreement, the term "Obligor" means each of EDEA Midco, EDEA, Distributed Energy Assets SLU, Otovo France SAS, European Distributed Energy Assets AS and European Distributed Energy Assets AB. The term "Guarantor" means each of the Obligors (other than EDEA Midco).

Each loan under the respective facilities is interest bearing, with an interest rate of the aggregate of an applicable margin and the applicable IBOR (being NIBOR in relation to any loan in NOK, EURIBOR in relation to any loan in EUR and STIBOR in relation to any loan in SEK, in each case with a zero floor), calculated on the actual number of calendar days elapsed divided by 360 and payable on the last day of each interest period. The margin is two hundred and fifty basis points (250 bps) per annum in relation to each loan, subject to the occurrence of a margin adjustment event upon which the margin will be adjusted upwards by fifty basis points (50 bps) per annum to three hundred basis points (300 bps) per annum.

Each loan under the respective facilities shall be repaid in quarterly instalments, based on a twenty (20) year amortization profile. The first instalment under each loan shall be due twelve (12) months from the first utilisation date and the subsequent instalments shall fall due on each date falling on three (3) monthly intervals thereafter. Each loan is subject to balloon repayment of the remaining outstanding amount under each facility on the final maturity date.

The Facilities Agreement contains the following financial covenants:

- **Leverage ratio:** EDEA Midco shall ensure that the net interest bearing debt to EBITDA in respect of the "Reference Periods" set out in column 1 below shall not exceed the ratio set out in column 2 below opposite that Reference Period:

Column 1 – Reference Period ending:	**Column 2 – Ratio:**
30 September 2021	10.70x
31 December 2021	10.40x
31 March 2022	10.20x
30 June 2022	9.80x
30 September 2022	9.50x
31 December 2022	9.20x
31 March 2023	9.00x
30 June 2023	8.70x
30 September 2023	8.40x
31 December 2023	8.10x

- **Interest Cover Ratio:** EDEA Midco shall ensure that EBITDA to net finance charges in respect of the Reference Periods set out in Column 1 below shall not be less than the ratio set out in Column 2 below opposite that Reference Period:

Column 1 – Reference Period ending:	**Column 2 – Ratio:**
30 September 2021	3.00x
31 December 2021	3.10x
31 March 2022	2.90x
30 June 2022	3.10x
30 September 2022	3.10x
31 December 2022	3.20x
31 March 2023	3.00x
30 June 2023	3.10x

Column 1 – Reference Period ending:	Column 2 – Ratio:
30 September 2021	3.00x
31 December 2021	3.10x

- **Equity ratio**: EDEA Midco shall at all times ensure that the total equity to total assets shall be no less than thirty per cent (30%).

The Facilities Agreement contains a change of control clause which will be triggered if:

- in relation to the Company only: (i) the Qualified Institutional Owners (excluding the investors described in paragraph (b) and (c) of the definition of such term below) in aggregate cease to own and control (directly or indirectly) more than one-half (1/2) of the shares and the voting rights in the Company (ii) any person other than Qualified Institutional Owners acquires or holds more than one-half (1/2) of the shares or the voting rights in the Company;
- the Company ceases to own and control directly all (1/1) of the shares and voting rights in EDEA Midco; or
- EDEA Midco ceases to own and control directly all (1/1) of the shares and voting rights in each of its subsidiaries.

For the purposes of the Facilities Agreement, "Qualified Institutional Investors" means the Qualified Institutional Owners and any other reputable investment fund, foundations, credit institutions or similar institutional investors with a proven track record in the similar sector, with its based in Norway, Sweden, Finland, Denmark, Germany, the United Kingdom or such other jurisdictions as may be agreed under the Facilities Agreement, in each case having its seat in a member state of the European Union or the European Economic Area, and always subject to satisfaction of any applicable "know your customer" and "anti-money laundering" requirements of the lender under the Facilities Agreement. The term "Qualified Institutional Owners" means (a) Agder Energi Venture AS, Akershus Energi Infrastruktur AS, Akershus Energi Infrastruktur AS, Verdipapirfondet Klp Aksjenorge, OBOS Bbl, Axel Johnson Group, Kommunal Landspensjonskasse Gjensidig Forsikringsselskap, Selvaag Bolig ASA, (b) any Qualified Institutional Investor which has subscribed to equity/shares in the Parent in the period from the date of signing of the Facilities Agreement up to 31 December 2020 and (c) any other institutional owner which is accepted by the lender under the Facilities Agreement.

The Facilities Agreement is secured by, inter alia, the following security and guarantees granted in favour of the lender:

- security over all outstanding shares in EDEA Midco and its subsidiaries;
- security over intra-group loans or credit granted by a Group Company to an Obligor and any intra-group loans granted by an Obligor to a member of the Group which is a non-Obligor;
- security over shareholder loans granted to EDEA Midco by its direct or indirect shareholders;
- security over trade receivables (No. Factoring), inventory (Nw.: *varelager*) and operating assets (Nw.: *driftstilbehør*) (or the equivalent in any jurisdiction outside Norway, subject to a cost/benefit analysis by the lender) of each Obligor;
- security over all bank accounts of each Obligor (subject to such bank accounts remaining at the free disposal of the relevant Obligor until the occurrence of an event of default under the Facilities Agreement); and
- the guarantees provided by the Guarantors.

In addition, the Facilities Agreement contains a negative pledge provision whereby the Obligors undertake not to (and EDEA Midco undertakes to ensure that no other Group Company will) provide security over any of its assets in favour of any other creditors, subject to certain exceptions. Furthermore, the Facilities Agreement prohibits EDEA Midco from, without the prior written consent of Nordea, (i) redeem, repurchase, retire or repay any of its share capital or resolve to do so or (ii) declare, make or pay any dividend or other distribution (whether in cash or in kind, including payment of principal or interest on shareholder loans) or in respect of its share capital.

As at the date of this Registration Document, EDEA Midco is compliant with the financial covenants and any other obligations it has under the Facilities Agreement and the Company is of the view that there are no material risks of any of the companies in the Group being in breach with any financial covenants under the Financing Arrangements in the near term.

8.8.3 Debt repayment, borrowing requirements and equity ratio

The table below sets out the maturity profile of the Group's interest-bearing liabilities as of 31 December 2021, as extracted from the IFRS Financial Statements.

Interest-bearing liabilities – maturity 2021 (in NOK thousand)	2022	2023	2024	2025	2026	2027	Total
Borrowings from credit institutions and other interest-bearing liabilities	5,080	2,434	1,537	1,337	998	499	11,885
Total interest-bearing liabilities excl. prepaid borrowing expenses	**5,080**	**2,434**	**1,537**	**1,337**	**998**	**499**	**11,885**
Interest to be paid on interest-bearing liabilities	272	175	113	60	25	10	655
Total interest payments	**272**	**175**	**113**	**60**	**25**	**10**	**655**
Total future payments on Interest-bearing liabilities	**5,353**	**2,609**	**1,650**	**1,397**	**1,023**	**509**	**12,541**

The table below sets out the Group's total equity, non-current interest bearing liabilities, total equity and liabilities and equity ratio as at 30 September 2022, as derived from the Interim Financial Statements.

	As at 30 September 2022 (in NOK thousand)
Total equity	619,986
Non-current interest bearing liabilities	79,305
Total equity and liabilities	952,964
Equity ratio	65.06%

8.8.4 Off-balance sheet arrangements

The Group does not have any material off-balance sheet arrangements as at the date of this Registration Document.

8.8.5 Funding and treasury policy

The Group's funding and treasury policy consists in obtaining equity funding through issuance of shares in the Company and debt funding through the Group's special purpose vehicle for Subscription, EDEA Midco. The treasury function of the Group is centralised in the finance function and all subsidiaries are financed through equity or debt from its immediate parent. It is the Group's policy to have at least 20% equity in all subsidiaries.

While the Group's equity and accounting currency is NOK, the debt financing is primarily drawn in EUR. It is the Group's current policy not to hedge interest rate and currency risk through financial derivatives. Interest rate risk is mitigated through CPI adjustments of customer contracts and increase of yield on new contracts, while currency exposure is mitigated through spot transactions.

8.9 Financial risk and management

See note 19 of the IFRS Financial Statements for an overview of the Group's financial risk management, in addition to the Board of Directors' report beginning on page 28 and the risk management section beginning on page 8 of the IFRS Financial Statements.

8.10 Significant change

There has been no significant changes in the financial or trading position of the Group since 30 September 2022.

9 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

9.1 Introduction

The general meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at general meetings of the Company and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested with the Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has established two committees: an audit committee and a remuneration committee. In addition, a separate nomination committee is expected to be appointed on the Company's annual general meeting to be held in 2023. The audit committee and remuneration committee have been established, and the nomination committee is expected to be established, in accordance with the Corporate Governance Code (as defined below), and comply with applicable laws and regulations for such committees. See Sections 9.7 to 9.10 below for more information on these committees.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer (the "**CEO**"), is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must, according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results once a month as a minimum.

9.2 The Board of Directors

9.2.1 Overview

The Articles of Association provide that the Board of Directors shall consist of a maximum of eight board members, as elected by the general meeting of the Company. The current Board of Directors consists of eight Board Members, as listed in the table in Section 9.2.2 "Composition of the Board of Directors" below.

Pursuant to the Norwegian Code of Practice for Corporate Governance, last updated on 14 October 2021 (the "**Corporate Governance Code**"), (i) the majority of the shareholder-elected members of the board of directors should be independent of the company's executive management and material business contacts, (ii) at least two of the shareholder-elected board members should be independent of the company's main shareholders (being shareholders holding more than 10% of the shares in the company), and (iii) no member of the company's management should be on the board of directors.

The composition of the Board of Directors is in compliance with the independence requirements of the Corporate Governance Code, meaning that (i) the majority of the shareholder-elected board members are independent from the Company's executive management and material business connections, (ii) at least two of the shareholder elected board members are independent of the Company's main shareholders (shareholders holding 10% or more of the shares in the Company), and (iii) no member of the Company's executive management serve on the Board of Directors. With the exception of Johan Erik Sixten Bergström, who is the CEO of the Company's largest shareholder, AxSol AB (owner of 20.31% of Shares at the date of this Registration Document), the Board Members are independent of the Company. The above requirements under the Norwegian Corporate Governance Code are thus met as at the date of this Registration Document

9.2.2 Composition of the Board of Directors

The names and positions and current term of office of the Board Members as at the date of this Registration Document are set out in the table below.

Name	Position	Served since	Term expires
Peter Mellbye	Chairperson	March 2017	2023
Tor Øystein Repstad	Board member	September 2016	2023

Name	Position	Served since	Term expires
Ingunn Andersen Randa	Board member	June 2018	2023
Johan Erik Sixten Bergström	Board member	October 2020	2023
Josefin Christina Landgård	Board member	April 2021	2023
Stine Halla	Board member	April 2022	2024
Alejandro José Diaz Burgers	Employee representative	June 2021	2023
Julie Orzechowski	Employee representative	June 2022	2024

The Group's corporate headquarters, located at Torggata 7, 0181 Oslo, Norway, serves as the business address for the members of the Board of Directors in relation to their directorship in the Company.

9.2.3 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members. The biographies include each Board Member's relevant management expertise and experience, an indication of any significant principal activities performed by such member outside the Company and names of companies and partnerships where the member is or has been a member of the administrative management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Peter Mellbye, Chairperson

Peter Mellbye has been the chairperson of the Board of Directors of the Company since March 2017. Mr. Mellby has held management roles for more than 20 years in Statoil (now Equinor). He is currently a member of the board of directors in Technip FMC plc., Statkraft AS, Resoptima AS, WestGass AS, and Wellesley Petroleum AS, and has previously been a member of the board of directors in Altus Intervention AS, Competentia AS and Halfwave AS. Mr. Mellbye holds a Cand. Polit. degree in Economics, Law and Politics. He is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions	*Wellesley Petroleum AS (chair), Westgass AS (chair), Statkraft AS (board member vice chair), Resoptima AS (board member), TechnipFMC plc (board member)*
Previous directorships and senior management positions last five years	*Competentia AS (board member), HalfWave AS (board member), Althus Intervention AS (board member)*

Tor Øystein Repstad, Board member

Tor Øystein Repstad has been a Board Member since September 2016. He is currently the CEO of Agder Energy Invest AS and a member of the board of directors of several companies, such as NetSecurity AS, Norgesfilm AS, RT Capital AS, Green Hyco AS, Resitec As, Neg AS, Adaptic AS, Eco Stor AS, and Morrow Batteries AS. Mr. Repstad holds a master's degree in industrial economics from the Norwegian University of Science and Technology (NTNU), and an MBA in finance from the Norwegian School of Economics. He is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions	*Agder Energi Invest (CEO), Agder Energi GKV AS (CEO), Torrep Invest AS (CEO and chair), Agder Energi AS (investment director), Agder Energi Varme AS (chair), Egon Nordic (chair), Resitec AS (chair), Adaptic AS (chair), Norgesfilm AS (chair), Green Hyco AS (chair), Battery Storage Holding AS (chair), NetSecurity AS (chair) Morrow Batteries AS (board member), Skareak Maturo V AS (board member), Entelios AG (board member), Skagerak Venture Capital AS (board member), Ego Stor AS (board member), Skagerak Seed Capital II AS (board member)*
Previous directorships and senior management positions last five years	*BioEnergy AS (chair), Meventus AS (board member)*

Ingunn Andersen Randa, Board member

Ingunn Andersen Randa has served on the Board of Directors since June 2018 and is currently the Executive President of OBOS BBL, responsible for the OBOS bank, strategic investments and business development. She is also a member of the board of directors of OBOS Eiendomsmegling AS, Wanda Gruppen AS and Solon Eiendom AS, among others, and has previously worked in various roles in Nordea, and served on the board of directors on Hybel.no AS. Mrs. Randa holds a master's degree in business and economics from the Norwegian School of Economics. She is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions	*OBOS BBL (Executive President), OBOB-banken AS (board member), Wanda Group AS (board member), Construct Venture AS (board member), Solon Eiendom AS (board member)*
Previous directorships and senior management positions last five years.............	*OBOS Eiendom AS (board member), OBOS Eiendomsforvaltning AS (board member), Hybel AS (board member), OBOB Finans Holding AS (board member), OBOS Nye Hjem AS (board member), OBOS Eiendomsmegling AS (board member)*

Johan Erik Sixten Bergström, Board member

Johan Bergström has been a Board Member since October 2020 and is the CEO of AxSol AB (the Company's largest shareholder). Mr. Bergström also holds various directorships in other companies, such as Solkompaniet AB, AdMedic AB, and Clinic Partner AB, among others. He has previously been an Associate Partner with McKinsey & Company. Mr. Bergström holds a master's degree in finance from the Stockholm School of Economics, and a bachelor's and master's degree in fine arts from the Royal Institute of Fine Art in Stockholm, Sweden. He is a Swedish citizen, currently residing in Sweden.

Current directorships and senior management positions	*Epishine AB (board member), Solkompaniet (board member), EnergiEngagemang AB (board member), AxSol AB (CEO and board member), Ryggkirurgiskt Centrum (board member), Ledplastikcentrum, AdMedic AB (board member), Juice! AB (board member)*
Previous directorships and senior management positions last five years.............	*Svea Solar AB (board member), Alight AB (board member)*

Josefin Christina Landgård, Board member

Josefin Landgård has served on the Board of Directors since April 2021 and is the founder and CEO of Mantle Wellness AB. She was also one of the founders of byFounders and KRY, and has been an independent consultant for eleven years. Mrs. Landgård has been a Senior Consultant in Volvo, a board member at Phoniro systems AS, and COO in Viewserve. Mrs. Landgård holds a Master's Management degree from the Stockholm School of Economics. She is a Swedish citizen, currently residing in Sweden.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years.............	-

Stine Halla, Board member

Stine Halla has been a Board Member since April 2022 and is the SVP of Finance in Nordic Marketplaces AS. She has previously been a senior manager in PricewaterhouseCoopers, CFO of Bergens Tidende and CFO of Verdens Gang AS. Mrs. Halla holds a master's degree in Economics and a master's degree in Business Administration (MBA) from the Norwegian School of Economics. She is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions	*Nordic Marketplaces AS (SVP Finance), Finn.no AS (board member), Halla Invest AS (chairperson), Schibsted Denmark Aps (board member)*
Previous directorships and senior management positions last five years.............	*News Media Schibsted Norge AS (SVP Finance and strategy), Bergens Tidende AS (board member), Stavanger Aftenblad AS (board member), PodMe AB (board member), Aftonbladet Hierta AB (board member), Verdens Gang AS (board member), Polaris Media ASA (board member), Svenska Dagbladet Holding AB (board member), Svenska Dagbladets AB (board member), Kredd AS (board member), PodMe AS (board member), Aftenposten AS (board member)*

Alejandro José Diaz Burgers, Employee representative

Alejandro Diaz is currently employed by Otovo Iberic in Spain, and is elected as an employee representative on the Board of Directors of the Company. Mr. Diaz currently holds the position of Head of Business Development & Key Account Management in Otovo Spain. He has previous experience as the co-Founder & Managing Partner in Metepatas, Sale & Marketing representative for Tesla in Spain, and Management & Sales Consultant in Frontline Performance group. Further, Mr. Diaz has Sale Manager experience from Abercrombie & Fitch and Massimo Dutti. Mr. Diaz also has broad TV producer experience as he holds a Master's Degree in Audio-visual Communication from Universidad Francisco de Vitoria, Madrid, Spain. He is a Spanish and Dutch citizen, currently residing in Spain.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years.............	-

Julie Orzechowski, Employee representative

Julie Orzechowski is employed by the Group and is elected as an employee representative on the Board of Directors. Mrs. Orzechowski holds the position of Head of Operations of the Company. Prior to joining the Company, Mrs. Orzechowski was the Key Account Manager in WeMaintain. She holds a master's degree in Science of Management from Emlyon Business School in Lyon, France. She is a French citizen, currently residing in France.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years.............	-

9.2.4 Shares held by Board Members

As of the date of this Registration Document, the Board Members have the following shareholdings in the Company:

Name	Position	Shares	Share options	Performance shares	Retention shares
Peter Mellbye	Chair	40,000	-	-	-
Tor Øystein Repstad	Board member	-	-	-	-
Ingunn Andersen Randa	Board member	-	-	-	-
Johan Erik Sixten Bergström....	Board member	-	-	-	-
Josefin Christina Landgård.......	Board member	91,583[1]	-	-	-
Stine Halla..................................	Board member	-	-	-	-
Alejandro José Diaz Burgers....	Employee representative	78,600	33,333	-	14,300
Julie Orzechowski	Employee representative	-	15,000	-	-

1 Mrs. Landgård holds her shares in the Company through her private holding company, Josefin Landgård AB.

9.3 Management

9.3.1 Composition of the Company's Management

The Group's Management consists of seven individuals. The names of the members of Management and their respective positions are presented in the table below.

Name	Position	Held position since
Andreas Egge Thorsheim..................................	Chief Executive Officer	January 2016
Petter Ulset...	Chief Financial Officer	March 2022
Simen Fure Jørgensen	Chief Product Officer	January 2016
Paulina Ackermann	Managing Director (Poland, Austria, Norway and Sweden)	October 2020
Inigo Amoribieta	Managing Director (Spain, Portugal, the UK and Ireland)	April 2022
Jean Rosado..	Managing Director (France, Belgium and the Netherlands)	May 2021

Name	Position	Held position since
Fabio Stefanini	Managing Director (Italy, Austria and Switzerland)	February 2021

The Group's corporate headquarters, Torggata 7, 0181 Oslo, Norway, serves as the business address for all members of Management in relation to their positions with the Company.

9.3.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of the Management. The biographies include the member of Management's relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Andreas Egge Thorsheim, Chief Executive Officer

Andreas Egge Thorsheim has held the position as CEO of the Company since January 2016. He has previously held 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. Mr. Thorsheim holds an MSc in economics from the Norwegian School of Economics, and a Master of Science in International Management from the London School of Economics and Political Science. He is a Norwegian citizen, residing in Norway.

Current directorships and senior management positions	*Iswt 2.0 (CEO), European Distributed Energy Assets AS (chair), European Distributed Energy Assets Midco AS (chair), Andmar Operations AS (chair), Patientsky Group AS (board member), Equality Check AS (board member)*
Previous directorships and senior management positions last five years.............	*Energi og klima AS (board member), Dagens Næringsliv AS (board member), Norsk tipping AS (board member)*

Petter Ulset, Chief Financial Officer

Petter Ulset assumed the position as CFO of the Company on 1 March 2022. Prior to joining the Group, Mr. Ulset had the roles of SVP Corporate Development at Cognite AS, Investment Manager in Aker ASA and Associate Partner with McKinsey & Company. Mr. Ulset also has experience from directorships and observer of several listed and private portfolio companies. Mr. Ulset holds a Master of Science degree in Industrial Economics and Technology Management from the Norwegian University of Science and Technology (NTNU). He is a Norwegian citizen, residing in Norway.

Current directorships and senior management positions	*Panter Capital AS (chairperson)*
Previous directorships and senior management positions last five years.............	*Cognite AS and group companies (SVP Corporate Development, board member and chairperson), Align AS (Executive Director)*

Simen Fure Jørgensen, Chief Product Officer

Simen Fure Jørgensen has been the CPO of the Company since January 2016. He is also the chairman of the board of directors in Simvest AS, JP Capital AS and Lean Friends AS, in addition to serving as a board member on the board of directors in Kaukus AS, Glint Solar AS and Tretoen AS. Jørgensen holds a Master of Science degree from the Norwegian University of Science and Technology (NTNU). He is a Norwegian citizen, residing in Norway.

Current directorships and senior management positions	*Lean Friends AS (chair), JP Capital AS (chair), Simvest AS (chair), Kaukus AS (board member), Tretoen AS (board member), Glint Solar AS (board member).*
Previous directorships and senior management positions last five years.............	*Friendsta AS (chair)*

Paulina Ackermann, Managing Director

Paulina Ackermann has been employed by the Company since October 2020 and has served as a Managing Director since April 2022. She has previously held various management positions, such as General Manager in Lime and Head of Customer Strategy and Operations in Uber. Mrs. Ackermann holds a bachelor's degree in Quantitative Methods in Economics and Information from the Warsaw School of Economics and a master's degree in Econometrics & Operations Research from Maastricht University. She is a Polish citizen, residing in Poland.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years	-

Inigo Amoribieta, Managing Director

Inigo Amoribieta assumed the position as Managing Director in April 2022. Prior to that, he served as a General Manager of the Group from August 2019. Before joining the Group, Mr. Amoribieta held various management positions, such as Chief Executive Officer in Groupon Spain and La Nevera Roja, and Chief Operating Officer in We Are Knitters. Mr. Amoribieta holds a bachelor's degree from Carnegie Mellon University in Pittsburgh, Pennsylvania and an MBA from Harvard Business School. He is a Spanish citizen, residing in Spain.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years	*We Are Knitters (Chief Operating Officer)*

Jean Rosado, Managing Director

Jean Rosado has been employed as Managing Director since May 2021. Prior to joining the Group, he served as Deputy General Manager in Flix, Strategy Consultant in Bain & Company, and Regional Aircraft & Services Sales Director in ATR. Mr. Rosado holds a master's degree in Engineering from Ecole centrale de Lyon, a master's degree in Aeronautical and Astronautical Engineering from Technische Universität Berlin and an MBA from INSEAD in France. He is a French citizen, residing in France.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years	*Eurolines and Transdev Eurolines (Deputy General Manager, Administrator)*

Fabio Stefanini, Managing Director

Fabio Stefanini has been employed by the Company since February 2021 and served as Managing Director since September 2022. He has previously had various management positions, such as General Manager at Uber and Country Lead at Amazon. Mr. Stefanini holds an MBA from SDA Bocconi, Italy and an MBA from The Wharton School in Pennsylvania, the United States. He is an Italian citizen, residing in Italy.

Current directorships and senior management positions	-
Previous directorships and senior management positions last five years	-

9.3.3 Shares held by Management

As of the date of this Registration Document, the members of the Management have the following shareholdings in the Company:

Name	Position	Shares	Share options	Performance shares	Retention shares
Andreas Egge Thorsheim	Chief Executive Officer	8,664,610[1]	100,000	-	14,300
Petter Ulset	Chief Financial Officer	-	500,000	-	-
Simen Fure Jørgensen	Chief Product Officer	2,631,288[2]	100,000	-	14,300
Paulina Ackermann	Managing Director (Poland, Austria, Norway and Sweden)	248,000	250,000	-	143,040

Inigo Amoribieta	Managing Director (Spain, Portugal, the UK and Ireland)	286,080	250,000	-	143,040
Jean Rosado	Managing Director (France, Belgium and the Netherlands)	85,470	350,000	85,470	85,470
Fabio Stefanini	Managing Director (Italy, Austria and Switzerland)	85,470	350,000	85,470	85,470

1 Mr. Thorsheim holds his Shares through the company AndMar Operations AS, of which Thorsheim owns 50% and the remaining 50% is owned by an affiliated person

2 Mr. Jørgensen holds his Shares in the Company through Simvest AS of which he owns 93% of the shares.

9.4 Remuneration and benefits

The table below sets out the remuneration and benefits of the members of the Management and Board of Directors for the year ended 31 December 2021.

(In NOK thousand)	Salary	Bonus	Pension	Share-based payments	Other	Total
CEO	1,400	-	104	616	8	2,128
Other members of the Management	6,515	-	728	8,744	53	16,039
Board Members	-	-	-	-	120	120
Total remuneration	**7,914**	**-**	**832**	**9,359**	**61**	**18,167**

In 2021, the Management and Board of Directors had a different composition than as of the date of this Registration Document. Hence, the remuneration and benefits set out in the table above do not include all members of Management or Board of Directors as of the date of this Registration Document, but include the remuneration and benefits of all members of Management and Board of Directors for the year ended 31 December 2021, as derived from note 7 of the IFRS Financial Statements.

The accumulated remuneration to the CEO and other members of Management for the year ended 31 December 2021 consisted of a fixed salary, standard pension and insurance terms for employees and a variable salary. Additionally, the Management received share-based payments under Otovo's share options and share purchase programmes as further described in Section 9.4.2 "The share options and share purchase programmes of the Group".

9.4.1 Bonus scheme

Pursuant to the Group's bonus scheme, the members of Management and certain key employees are eligible for an annual bonus based on Otovo's performance and certain predefined targets. The bonus levels are set individually, but no member of Management or key employee is entitled to a bonus of more than 50% of its annual base salary. The Company includes the bonus payments in the basis for calculation of holiday pay and pension.

9.4.2 The share options and share purchase programmes of the Group

The Group has in place three share option programmes from 2020, 2021 and 2022 (the "**Share Option Programmes**"). Under the Share Option programmes, the employees have been granted options at the strike price in accordance with the market price at the time of issuance. The strike prices under the different tranches are NOK 6.650, NOK 20.00 and NOK 23.095, respectively. The number of outstanding options in each tranche under the Share Option Programmes are 43,340 options, 333,334 options and 5,160,000 options respectively, and in total 5,536,674 options.

Furthermore, a share purchase programme was established by the Group in 2020 (the "**Share Purchase Programme**"). Under the Share Purchase Programme, the participants subscribe to new shares as an initial investment. After two years, the participants are granted one additional share ("**Performance Share**") for each share initially subscribed for, if the share price is doubled since the initial investment. After three years the participants are granted one additional share ("**Retention Share**") for every two shares initially subscribed for, provided that the participant is still employed by the Group. After four years, the participants are also granted one additional Retention Share for every two shares initially subscribed for, provided that the participant is still employed by the Group. All Shares under the Share Purchase Programme will vest upon a change of control of the Company. There are

379,730 Performance Shares and 1,258,350 Retention Shares outstanding under the Share Purchase Programme. The participants in the Share Purchase Programme have entered into customary lock-up agreements for a period of three years, as further described in section 11.4 "Lock-up restrictions".

9.4.3 Benefits upon termination

No member of the Board of Directors or Management is entitled to benefits from the Company or any of its subsidiaries upon termination of their position.

9.5 Loans and guarantees

No loans or guarantees have been given to members of the Management, the Board of Directors or other elected corporate bodies.

9.6 Pension and retirement benefits

The Group has a defined contribution plan for some of its employees and the pension schemes of the Norwegian companies in the Group follow the requirements in the Mandatory Occupational Pension Act. Employees in Norway also have a contractual pension scheme (AFP). Due to the employee's age composition, obligations related to this are not actuated and no obligation has been made relating to this. Management is included in the Group's ordinary defined contribution pension schemes. The Group employees and Management have collective pension and an insurance scheme.

For the year ended 31 December 2021, the costs of pensions for members of the Management amounted to approximately NOK 0.7 million. No amounts have been set aside or accrued by the Group to provide for pension, retirement or similar benefits.

9.7 Audit committee

The Board of Directors has established an audit committee, currently comprising of Stine Halla (chair) and Ingunn Andersen Randa. The composition of the Company's audit committee is compliant with the requirements for qualifications and competence in accounting and auditing as set out in the Norwegian Public Limited Companies Act. The audit committee also complies with the independence requirements set out in the Corporate Governance Code. The primary purpose of the audit committee is to assist the Board of Directors in matters relating to safeguarding of the Company's resources and to review the Company's' quarterly and annual reporting. Furthermore, the audit committee shall ensure that the Company has policies and procedures that are implemented to govern the company's critical strategic and operational activities and to facilitate reporting of possible breaches of internal governing policies, laws and regulations while the informant's rights are protected. The audit committee provides support to the Board of Directors within the scope of its mandate and has no decision-making authority unless the board delegates such authority with respect to specific issues.

9.8 Remuneration committee

The Board of Directors has established a remuneration committee, which is currently composed of Peter Mellbye (chair) and Johan Erik Sixten Bergström. 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 Group, as well as reviewing recruitment policies, career planning and management development plans, and prepare matters relating to other material employment issues in respect of the executive management. The remuneration committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

9.9 Nomination committee

The Company intends to appoint a nomination committee in accordance with the recommendations set out in the Corporate Governance Code, at the annual general meeting of the Company in 2023. The nomination committee shall give recommendations for the election of Board Members and members of the nomination committee, and make recommendations for remuneration to the Board Members and members of the nomination committee.

9.10 Corporate governance

The Board of Directors has a responsibility to ensure that the Company has good corporate governance. The Company has adopted and implemented a corporate governance regime which complies with the Corporate Governance Code.

Neither the Board of Directors nor the general meeting has adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime.

9.11 Conflict of interests, convictions for fraudulent offences, bankruptcy etc.

No Board Member or member of Management has, or had, as applicable, during the last five years preceding the date of the Registration Document:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

As set out above, certain members of the Board of Directors and the Management have financial interest in the Company through shareholdings. In addition, members of the Board of Directors and the Management may be board members or managers of other companies and hold shares in other companies, and in the event any such company enters into business relationships with the Company, the members of the Board of Directors and Management may have a conflict of interest, which is managed by the person concerned not being involved in the handling of the matter on behalf of the Company. Board Member, Johan Erik Sixten Bergström, is the CEO of the Company's largest shareholder, AxSol AB. Other than this, there are no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management and the Board of Directors, including any family relationships between such persons.

10 RELATED PARTY TRANSACTIONS

10.1 Introduction

Set out below are overviews and summaries of the Group's related party transactions for the period covered by the historical financial information and up to the date of this Registration Document, as extracted from the Financial Statements and Interim Financial Statements. All transactions have been entered into in accordance with the arms' length principle, meaning that prices and other main terms and conditions are deemed to be commercial.

For the purposes of this Section, related parties are defined as entities outside the Group, that are under control (directly or indirectly), joint control and/or significant influence by Otovo. Equity accounted companies are also deemed related parties.

10.2 Transactions carried out with related parties in the years ended 31 December 2021, 2020 and 2019

The following amounts from the audited consolidated statement of profit and loss and consolidated statement of financial position relates to transactions with related parties throughout the year ended 31 December 2021 and 2020:

Consolidated statements of profit and loss

In NOK thousand	**Year ended 31 December**	
	2021	**2020**
Sale to EDEA (during the period it was an associated company)	56,642	10,107
Sale to Holu	353	-
Total	**56,996**	**10,107**

Sale to EDEA comprise of assets arising as a result of subscription sales to customers. EDEA buys the project from Otovo and recognises this on the EDEA balance sheet.

Sale to Holu comprise of marketplace fee based on net sales through the Group's marketplace.

Consolidated statements of financial position

In NOK thousand	**As at 31 December**	
	2021	**2020**
Other receivables and prepayments	353	4,260
Other current liabilities	-	974
Net balances with related parties	**353**	**3,286**

No transactions with related parties were carried out in the year ended 31 December 2019.

10.3 Transactions carried out with related parties in the nine months period ended 30 September 2022

The Group has not carried out any transactions with related parties in the nine months period ended 30 September 2022.

10.4 Transactions carried out with related parties in the period following 30 September 2022

The Group has not carried out any transactions with related parties in the period following 30 September 2022.

11 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Articles of Association and applicable Norwegian law in effect as of the date of this Registration Document. The summary does not purport to be complete and is qualified in its entirety by the Articles of Association, included in Appendix A to this Registration Document, and applicable law.

11.1 Company corporate information

The Company's registered name is Otovo ASA, while its commercial name is Otovo. The Company is a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office is in the municipality of Oslo, Norway. The Company was incorporated on 1 June 2015 as a private limited liability company. In the annual general meeting held on 26 April 2022, the Company was resolved converted from a private limited liability company to a public limited liability company. This conversion entered into force on 6 May 2022, and at the same time, the Company's name changed from "Otovo AS" to "Otovo ASA". The Company's registration number in the Norwegian Register of Business Enterprises is 915 501 680 and its LEI code is 213800GFRKV96MLT9G04.

The Company's Shares were admitted to trading on Euronext Growth on 19 February 2021.

The Shares are governed by the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with CSD under ISIN NO 0010809783. The Company's register of shareholders in CSD is administrated by Nordea Bank Abp (publ), filial i Norge (the "**CSD Registrar**"), with registered business address at Essendrops gate 7, 0368 Oslo, Norway.

The Company's registered office is located at Torggata 7, 0181 Oslo, Norway and the Company's main telephone number at that address is +47 21 65 65 10 and its e-mail sol@otovo.no. The Company's investor website can be found at https://investor.otovo.com. The content of the Company's website is not incorporated by reference into this Registration Document, nor does it in any other manner constitute a part of this Registration Document.

11.2 Legal structure

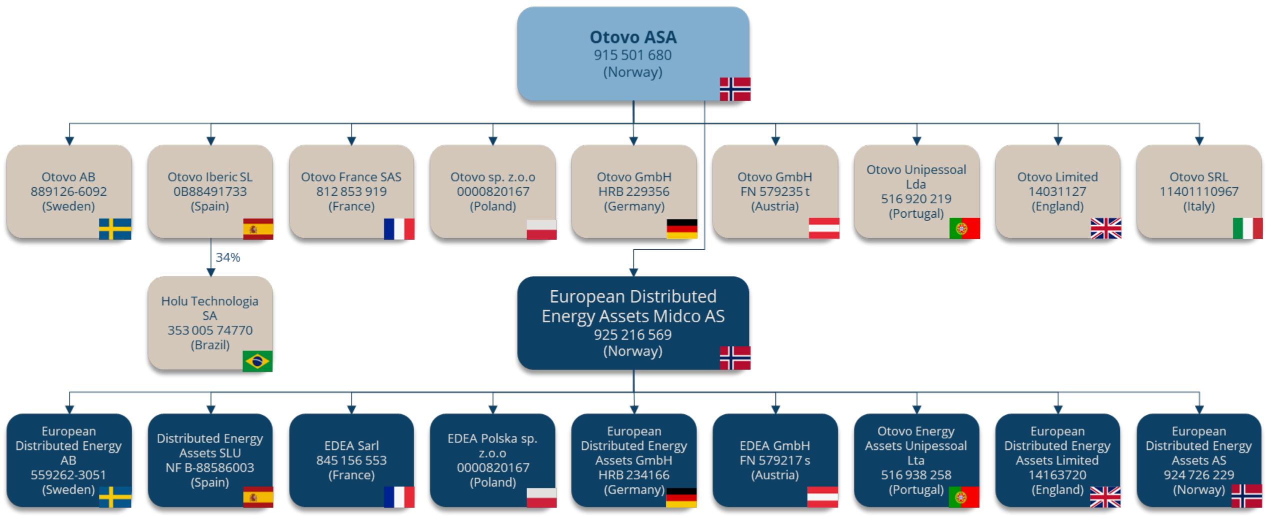
Otovo is the parent company of the Group, and carries out operating activities in Norway and the Group's head-office operations. The table below sets out brief information about the Group companies consolidated with the Company and associated companies, including country of incorporation and location, the reporting segment they belong to as well as the Company's direct and indirect ownership interest. Companies owned directly by Otovo are highlighted for ease of reference.

Company	Jurisdiction	Reporting segment	Ownership interest
Otovo AB	**Sweden**	**Direct purchase**	**100%**
Otovo Iberic SL	**Spain**	**Direct purchase**	**100%**
Otovo SRL.	**Italy**	**Direct purchase**	**100%**
Otovo Sp. Z.o.o	**Poland**	**Direct purchase**	**100%**
Otovo GmbH	**Germany**	**Direct purchase**	**100%**
Otovo Limited	**The UK**	**Direct purchase**	**100%**
Otovo Unipessoal Lda	**Portugal**	**Direct purchase**	**100%**
Otovo GmbH	**Austria**	**Direct purchase**	**100%**
Otovo France SAS	**France**	**Direct purchase**	**100%**
European Distributed Energy Assets Midco AS	**Norway**	**Subscription**	**100%**
European Distributed Energy Assets AS	Norway	Subscription	100%
European Distributed Energy Assets AB	Sweden	Subscription	100%
EDEA Polska Sp. Z.o.o	Poland	Subscription	100%
Distributed Energy Assets SLU	Spain	Subscription	100%
DEA Sarl	France	Subscription	100%

Company	Jurisdiction	Reporting segment	Ownership interest
European Distributed Energy Assets GmbH	Germany	Subscription	100%
EDEA GmbH	Austria	Subscription	100%
Otovo Energy Assets Unipessoal Lta.	Portugal	Subscription	100%
Holu Technologia SA ("**Holu**")	Brazil	-	34%[1]

1 Holu is a partnership between Otovo and Gera, established in 2020, to pilot the Group's marketplace as a service in Brazil. Holu runs on the software behind the Group's marketplace, but operations are performed separately. Otovo holds 34% and Gera holds 54% of the shares in Holu, while the remaining 12% is held by an investor independent of Gera and Otovo.

The figure below sets forth an overview of the Group's current legal structure including its ownership in the joint venture, Holu. All ownership interests are 100% unless otherwise stated.



11.3 Share capital and share capital history

As at the date of the Registration Document, the Company's share capital is NOK 1,362,143.46, divided into 136,214,346 Shares, each with a nominal value of NOK 0.01. All the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid.

All Shares provide equal rights in the Company, including voting rights and right to dividend. As of 6 December 2022 (being the closest practical date prior to the date of this Registration Document), the Company held 397,939 Shares, each with a nominal value of NOK 0.01 as treasury shares, equal to 0.29% of the Company's outstanding share capital, pending delivery to certain participants under the Company's employee share purchase programmes as further described in Section 9.4.2 "The share options and share purchase programmes of the Group". As of 31 December 2021, each Share held by the Company as treasury shares carried a book value of NOK 3.12.The table below provides an exhaustive overview of the development in the Company's issued share capital for the historical financial period and up to the date of this Registration Document, i.e. for the period from 1 January 2019 and up to the date hereof:

Date of registration	Type of change	Change in share capital (NOK)	New share capital (NOK)	Nominal value (NOK)	New number of total issued shares	Subscription price per share (NOK)
3 June 2019	Share capital increase for the delivery of consideration shares in connection with the acquisition of Otovo France SAS (previously known as ISWT).	18,294.40	345,111.00	0.05	6,902,220	- NOK 67.00

16 December 2019..	Share capital increase by the issuance of preference B-shares in the Company.	78,947.35	424,058.35	0.05	8,481,167	- NOK 95.00
28 January 2020......	Share capital increase by issuance of shares to employees in the Company in accordance with the Company's share option program.	3,208.00	427,266.35	0.05	8,545,327	- NOK 27.83 for 38,266 ordinary A-shares; and - NOK 32.90 for 25,894 ordinary A-shares
20 July 2020	Share capital increase by conversion of sellers' loan issued by the founders of Otovo France SAS (previously known as ISWT).	2,110.25	429,376.60	0.05	8,587,532	- NOK 67.00
20 July 2020	Share capital increase by conversion of debt in connection with the Company's acquisition of Otovo France SAS (previously known as ISWT).	9.905.50	439,282.10	0.05	8,785,642	- NOK 101.60
26 August 2020.......	Share capital increase by issuance of shares to employees in the Company in accordance with the Company's share option program.	3,828.60	443,110.70	0.05	8,862,214	- NOK 27.825 for 15,668 ordinary A-shares; - NOK 32.90 for 25,936 ordinary A-shares; and - NOK 46.90 for 34,968 ordinary A-shares.
8 January 2021	Share capital increase by issuance of shares to employees in the Company in accordance with the Company's share option program.	1,465.90	444,576.60	0.05	8,891,532	- NOK 27.825 for 10,800 ordinary A-shares; - NOK 32.90 for 7,217 ordinary A-shares; and - NOK 46.89 for 11,301 ordinary A-shares.
8 February 2021......	Share capital increase by issuance of shares to employees in the Company in accordance with the Company's share purchase program.	5,58.00	450,157.60	0.05	9,003,152	- NOK 69.91
17 February 2021 ...	Share capital increase due to completion of a private placement and consolidation of the Company's two share classes into one share class.	62,500.00	512,657.60	0.05	10,253,152	- NOK 200
23 April 2021	Share capital increase by issuance of shares to employees in the Company in accordance with the Company's share option program.	6,464.60	519,122.20	0.005	103,824,440	- NOK 2.7825 for 3,000 shares; - NOK 3.290 for 357,850 shares; - NOK 4.690 for 908,740 shares;

						- NOK 6.650 for 23,330 shares.
23 April 2021	Share capital increase by issuance of shares to employees in the Company in accordance with the Company's share purchase program.	5,58.00	524,703.20	0.005	104,940,640	- NOK 0.005
8 June 2021	Share capital increase by conversion of debt in connection with the Company's acquisition of Otovo France SAS (previously known as ISWT).	5,929.47	530,632.67	0.005	106,126,534	- NOK 20.42
4 August 2021	Share capital increase by issuance of shares to employees in the Company in accordance with the Company's share purchase program.	1,988.88	532,621.55	0.005	106,524,310	- NOK 11.70
3 December 2021 ...	Share capital increase by issuance of shares to employees in the Company in accordance with the Company's share purchase program.	550,795.00	533,172.345	0.005	106,634,469	- NOK 9.07778
7 December 2021 ...	Share capital increase by contribution in kind in connection with completion of the Company's offer to acquire all shares in European Distributed Energy Assets Holding AS.	38,197.54	571,369.89	0.005	114,273,978	- NOK 24.7941176470588
8 February 2022......	Share capital increase by issuance of shares to employees in the Company in accordance with the Company's share option program.	3,669.05	575,038.94	0.005	115,007,788	- NOK 2.7825 for 64,000 shares; - NOK 3.290 for 81,800 shares; and - NOK 4.690 for 588,010 shares.
3 March 2022	Share capital increase in relation to private placement.	93,750.00	668,788.94	0.005	133,757,788	- NOK 16
25 April 2022	Share capital increase by issuance of shares to employees in the Company in accordance with the Company's share option program	4,049.80	672,838.74	0.005	134,567,748	- NOK 3.290 for 30,000 shares; - NOK 4.690 for 756,630 shares; and - NOK 6.650 for 23 330 shares.
6 May 2022	Bonus issue in connection with the conversion of Otovo to a public limited liability company.	672,838.74	1,345,677.47	0.01	134,567,747	- Nominal value increased by NOK 0.005, from NOK 0.005 to NOK 0.01, by the transfer of funds from other equity.

16 June 2022...........	Share capital increase in connection with the merger between the Company and EDEA.	12,660.70	1,358,338.17	0.01	135,833,817	- NOK 26.05
22 August 2022.......	Share capital increase by issuance of shares to the remaining earn out beneficiaries under the share purchase and contribution agreement relating to the Company's acquisition of Otovo France SAS (previously known as ISWT) in 2019.	96.63	1,358,434.80	0.01	135,843,480	- NOK 20.42
22 August 2022.......	Share capital increase by issuance of shares to employees in the Company in accordance with the Company's share option program	3,708.66	1,362,143.46	0.01	136,214,346	- NOK 3.290 for 44,540 shares; - NOK 4.690 for 259,660 shares; and - NOK 20.00 for 66,666 shares.

11.4 Lock-up restrictions

The participants under the Company's Share Purchase Programme (as described in section 9.4.2 "The share options and share purchase programmes of the Group") have entered into customary lock-ups with the Company for a period of three years, which restricts such shareholders from**,** without the prior consent of the Company which may be given by the Company at any time in its sole discretion, carrying out a sale of the Shares initially subscribed for under the Share Purchase Programme. The lock-up agreements do not include any specific exceptions. Any received Performance Shares and Retention Shares are not comprised by any lock-up restriction.

11.5 Admission to trading

The Company has been admitted to listing and trading of its Shares on Euronext Growth Oslo, a multilateral trading facility operated by the Oslo Stock Exchange ("**Euronext Growth**") since February 2019 under the ticker code "OTOVO". The Company will apply to Oslo Børs to have its Shares transferred to and admitted to listing on the Oslo Stock Exchange (main list) (the "**OSE Listing**"), and is targeting the OSE Listing to take place in January 2023. Upon the OSE Listing, the Shares will be deregistered from Euronext Growth, and will be admitted to trading through the facilities of the Oslo Stock Exchange under the ticker code "OTOVO". The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

11.6 Ownership structure

As of 6 December 2022 (being the closest practical date prior to the date of this Registration Document), the Company had 4,570 shareholders registered in the CSD. The table below sets forth the Company's top 20 shareholders registered in the CSD as of the said date.

#	Shareholder	Number of shares	% of total shareholders
1	AxSol AB[1]........................	27,668,523	20.31%
2	Nysnø Klimainvesteringer AS	9,880,175	7.25%
3	Agder Energi Invest AS........................	9,206,240	6.76%
4	Andmar Operations AS........................	8,664,610	6.36%
5	Akerhus Energi Sol AS........................	6,312,420	4.63%
6	BNP Paribas	6,173,622	4.53%
7	Verdipapirfondet Holberg Global	5,308,927	3.90%
8	OBOS BBL........................	5,260,180	3.86%

9	Verdipapirfondet DNB Grønt Norden	4,172,461	3.06%
10	Altitude Capital AS	3,090,081	2.27%
11	Citibank Europe plc	2,861,606	2.10%
12	Verdipapirfondet KLP AksjeNorge	2,761,048	2.03%
13	Simvest AS	2,631,288	1.93%
14	Morgan Stanley & Co. Int. Plc.	2,384,847	1.75%
15	Beacon Group AS	2,167,100	1.59%
16	J.P. Morgan SE	1,898,320	1.39%
17	Pictet & Cie (Europe) S.A.	1,638,715	1.20%
18	Verdipapirfondet DNB SMB	1,531,551	1.12%
19	Morgan Stanley & Co. LLC	1,332,369	0.98%
20	Cak AS	1,175,006	0.86%
Total Top 20		**106,135,054**	**77.92%**
Others		**30,079,292**	**22.08%**
Total		**136,214,346**	**100%**

1 Shares held through a nominee account in the name of Svenska Handelsbanken AB.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act.

As of 6 December 2022 (being the closest practical date prior to the date of this Registration Document), AxSol AB (20.31%), Nysnø Klimainvesteringer AS (7.25%), Agder Energi Invest AS (6.76%) and Andmar Operations AS (6.36%) held in excess of 5% of the shareholding in the Company as registered in the CSD. The Company is not aware of any other persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company, as illustrated in the paragraph above. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

No particular measures have been put in place to ensure that control is not abused by large shareholders. Minority shareholders are protected against abuse by relevant regulations in inter alia the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act.

11.7 Authorisations to increase the share capital and to issue new Shares

On the date of this Registration Document, the Board of Directors holds authorisations to increase the share capital of the Company by up to NOK 88,756.40. An overview of the authorisations is included below.

- On 15 December 2020, the Board of Directors was granted an authorisation to increase the share capital by up to NOK 19,456.40. The authorisation may be used in connection with the establishment of the Group's employee share purchase program for the Group's employees. The authorisation is valid until 15 December 2022. The preferential rights of the existing shareholders to subscribe for new Shares pursuant to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be deviated from pursuant to the rules set out in Section 10-5 of the said Act.

- On 16 February 2021, the Board of Directors was granted an authorisation to increase the share capital by up to NOK 15,000. The authorisation may be used to in connection with the issuance of consideration shares. The authorisation is valid until 16 February 2023. The preferential rights of the existing shareholders to subscribe for new Shares pursuant to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be deviated from pursuant to the rules set out in Section 10-5 of the said Act.

- On 16 February 2021, the Board of Directors was granted an authorisation to increase the share capital by up to NOK 12,500. The authorisation may be used in connection with mergers and acquisitions. The authorisation is valid until 16 February 2023. The preferential rights of the existing shareholders to subscribe for new Shares pursuant to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be deviated from pursuant to the rules set out in Section 10-5 of the said Act.

- On 27 April 2021, the Board of Directors was granted an authorisation to increase the share capital by up to NOK 15,000. The authorisation may be used to increase the Company's share capital by issuance of shares in connection with the Company's share option program. The authorisation is valid until 24 April 2023. The preferential rights of the existing shareholders to subscribe for new Shares pursuant to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be deviated from pursuant to the rules set out in Section 10-5 of the said Act.

- On 3 December 2021, the Board of Directors was granted an authorisation to increase the share capital by up to NOK 25,800. The authorisation may be used to increase the Company's share capital by issuance of shares in connection with the Company's employee share option program. The authorisation is valid until 3 December 2023. The preferential rights of the existing shareholders to subscribe for new Shares pursuant to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be deviated from pursuant to the rules set out in Section 10-5 of the said Act.

- On 3 December 2021, the Board of Directors was granted an authorisation to increase the share capital by up to NOK 1,000. The authorisation may be used to increase the Company's share capital by issuance of shares in connection with the Company's share option program for the Board of Directors. The authorisation is valid until 3 December 2023. The preferential rights of the existing shareholders to subscribe for new Shares pursuant to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be deviated from pursuant to the rules set out in Section 10-5 of the said Act.

11.8 Authorisations to acquire treasury shares

As at the date of this Registration Document, the Board of Directors does not hold any authorisations to acquire treasury shares.

11.9 Other financial instruments

Other than the share options and share purchase programmes as described in Section 9.4.2 "The share options and share purchase programmes of the Group", neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such to subscribe for any shares in the Company or its subsidiaries. Furthermore, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in the Company's subsidiaries will be held, directly or indirectly, by the Company or, in case of joint venture companies, by the Company and its partners.

11.10 Shareholder rights

The Company has one class of Shares in issue and, in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. The rights attached to the Share are further described in Section 11.13 "The Articles of Association".

11.11 Transferability of Shares

All Shares are freely transferable pursuant to the Articles of Association.

11.12 Shareholders' agreements

To the knowledge of the Company, there are no shareholders' agreements related to the Shares.

11.13 The Articles of Association

The Company's Articles of Association are set out in Appendix A to this Registration Document. Below is a summary of provisions of the Articles of Association.

Company name

The Company's name is Otovo ASA. The Company is a public limited liability company.

Objects of the Company

The objects of the Company is development, commercialisation and installation of renewable power, including taking ownership or providing business advisory services within these fields.

Registered office

The Company's registered office is in the municipality of Oslo, Norway.

Share capital and par value

The Company's share capital is NOK 1,362,143.46, divided into 135,214,346 shares, each with a nominal value of NOK 0.01.

Board of Directors

The Company's board of directors shall consist of up to eight members. The chairperson shall be elected by the general meeting.

Signatory rights

Two board members jointly, or the chairperson and the CEO jointly have the right to sign on behalf of the Company.

Restrictions on transfer of Shares

Transfer of shares does not require consent from the Board of Directors.

Rights of first refusal

Transfer of shares in the Company does not give shareholders a right of first refusal.

General meetings

Documents related to matters to be dealt with by the Company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request to receive documents which relate to matters to be dealt with at the general meeting.

The annual general meeting shall deal with and decide the approval of the annual report and annual accounts, including distribution of dividend. Furthermore, the general meeting shall deal with other matters which according to the law fall within the responsibility of the general meeting.

A shareholder may vote in writing, including by using electronic communication, in a given period before the general meeting. The Board of Directors may give further instructions regarding such advance voting. The instructions shall be included in the notice of the general meeting.

The Board of Directors may decide that a shareholder who wants to participate at the general meeting, must give notice of intention to attend within a given deadline which cannot expire earlier that two days ahead of the general meeting.

Communication with shareholders

The Company may use e-mail to give messages, notifications, information, documents, and similar pursuant to the Norwegian Public Limited Liability Companies Act to a shareholder.

Nomination committee

The Company shall have a nomination committee from the time of, and as long as, the Company's shares are listed on a regulated market. The nomination committee shall consist of two to three members, subject to the general meeting's decision, and the majority of the members shall be independent of the Board of Directors and the management. The members of the nomination committee, including the chairperson shall be elected by the general meeting for a period of two years, if the general meeting does not decide otherwise in connection with the election.

The nomination committee shall give a recommendation to the general meeting of the election of shareholder-elected members to the Board of Directors and the chairperson, members to the nomination committee and remuneration to the members of the Board of Directors and the nomination committee. The general meeting may establish instructions for the nomination committee.

12 SELLING AND TRANSFER RESTRICTIONS

The Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this Registration Document shall not constitute an offer for Shares and this Registration Document is for information only and should not be copied or redistributed. Accordingly, if an existing shareholder receives a copy of this Registration Document, the existing shareholder should not distribute or send the same, or transfer the Shares to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an existing shareholder forwards this Registration Document into any such territories (whether under a contractual or legal obligation or otherwise), the existing shareholder should direct the recipient's attention to the contents of this Section 12 "Selling and transfer restrictions".

The Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to offer the Shares and this Registration Document shall not be accessed by any person in any jurisdiction in which it would not be permissible to offer the Shares.

Neither the Company nor its representatives, is making any representation to any purchaser of Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

The information set out in this Section 12 "Selling and transfer restrictions" is intended as a general guide only. If you are in any doubt about any of the contents of these restrictions, or whether any of these restrictions apply to you, you should obtain independent professional advice without delay.

13 ADDITIONAL INFORMATION

13.1 Auditor and advisors

The Company's independent auditor is BDO AS with business registration number 993 606 650, and business address at Munkedamsveien 45A, 0250 Oslo, Norway. The partners of BDO AS are members of the Norwegian Institute of Public Accountants (Nw.*: Den Norske Revisorforening*). BDO AS has been the Company's auditor since 2019.

Advokatfirmaet Thommessen AS (Ruseløkkveien 38, 0251 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

13.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Torggata 7, 0250 Oslo, Norway during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Registration Document:

- the Company's certificate of incorporation and Articles of Association; and
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Registration Document; and
- this Registration Document.

14 DEFINITIONS AND GLOSSARY

In the Registration Document, the following defined terms have the following meanings:

Accumulated Contracted Subscription Revenue	Has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
ACSR	Accumulated Contracted Subscription Revenue, has meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
APIs	An external interface includes services and application programming interfaces.
APMs	Alternative Performance Measures.
Articles of Association	The Company's articles of association.
BDO	BDO AS.
Board Members	A member of the Company's Board of Directors.
Board of Directors	The Company's board of directors.
Bpifrance	Banque Publique d'Investissement.
Capex	Capital expenditure.
CEO	The Company's Chief Executive Officer.
CO2e	Carbon dioxide equivalents.
Company	Otovo ASA.
Company estimate	Has the meaning ascribed to such term in Section "3.2.5 "Industry and market data".
Contracted Subscription Revenue	Has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
Consumer Rights Directive	Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011.
COGS	Cost of goods sold.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, last updated on 14 October 2021.
CPI	Consumer Price Index.
CRM	Customer relationship management.
CSD	The Norwegian Central Securities Depository.
CSD Registrar	Nordea Bank Abp (publ), filial i Norge.
CSP	Gross Subscription Profit, has meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
CSR	Contracted Subscription Revenue, has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
Direct Purchase	Has the meaning ascribed to such term in Section 7.8 "Reporting segment information and revenue".
EAM	European Attribute Mix.
EBITDA Generated	Has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
EDEA	European Distributed Energy Assets Holding AS.
EDEA Acquisition	Has the meaning ascribed to such term in Section 3.2.2 "Acquisition of EDEA through voluntary offer and subsequent merger".
EDEA Group	European Distributed Energy Assets Midco AS and its subsidiaries.
EDEA Midco	European Distributed Energy Assets Midco AS.
ESMA	European Securities and Markets Authority.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with section 7-1 of the Norwegian Securities Trading Act.

EUR	The lawful currency of the European Union.
Euronext Growth	Euronext Growth Oslo, a multilateral trading facility operated by the Oslo Stock Exchange.
Facilities Agreement	The six capital expenditure facilities entered into by EDEA Midco with Nordea as lender.
Financial Information	The Financial Statements and the Interim Financial Statements.
Financial Statements	The IFRS Financial Statements and the NGAAP Financial Statements.
GBP	The lawful currency of the United Kingdom.
GDPR	The EU General Data Protection Regulation.
GHG-emissions	The tracking, measuring and reporting on greenhouse gas emissions.
Gross Margin Generated (%)	Has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
Gross Profit	Has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
Gross Profit Generated	Has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
Gross Subscription Profit	Has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
Group	The Company together with its subsidiaries.
GSP	Gross Subscription Profit, has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
GW	Gigawatt.
Holu	Holu Technologia SA.
HSE	Health, safety and environment.
HSEQ	Health, safety, environment and quality.
IAS 34	International Accounting Standard 34 "Interim Financial Reporting".
IEA	International Energy Agency.
IFRS	International Financial Reporting Standards as adopted by the EU.
IFRS Financial Statements	The Group's audited consolidated financial statements for the year ended 31 December 2021 with comparative figures for 2020.
Interim Financial Statements	The Group's unaudited consolidated interim financial statements for the nine months' period ended 30 September 2022, with comparative figures for 2021.
Investment in Subscription Asset	Has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
ISWT	In Sun We Trust 2.0.
kWh/kWp	kilo Watt hour/kilo Watt peak.
Management	The members of the Company's Executive Management.
Merger	The Company's merger with European Distributed Energy Assets Holding AS, as completed on 16 June 2022.
MwP	Mega Watt peak.
NGAAP	Norwegian General Accepted Accounting Principles.
NGAAP Financial Statements	The Group's audited consolidated financial statements for the year ended 31 December 2020 and 2019.
NGOs	Non-governmental organizations.
NOK	The lawful currency of Norway.
Nordea	Nordea Bank Abp, filial i Norge.
Norwegian FSA	The Norwegian Financial Supervisory Authority (Nw. Finanstilsynet).

Norwegian Public Limited Companies Act	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45.
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 2007 no. 75, as amended.
Otovo	The Company together with its subsidiaries.
Otovo Model	The model through which the Group's business operations is carried out.
Otovo Platform	The online marketplace platform for residential solar energy systems and battery installations operated by the Group.
OSE Listing	The contemplated transfer and listing of the Company's shares on the Oslo Stock Exchange (main list).
Performance Share	Shares granted to the participants under the Share Purchase Programme after two years, pursuant to set terms and conditions.
PR	Public relations.
PV	Photovoltaic.
R&D	Research and development.
Registration Document	This Registration document.
Retention Share	Shares granted to the participants under the Shares Purchase Programme after three and four years, pursuant to set terms and conditions.
Revenue Generated	Has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
S O&M	Subscription O&M cost, has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
SDGs	The United Nations Sustainable Development Goals.
SEO	Search engine optimisation.
Share Option Programmes	The Group's share option programme from 2020, 2021 and 2022.
Share Purchase Programme	The Group's share purchase programme, established in 2020.
Shares	The Company's shares.
Subscription	Has the meaning ascribed to such term in Section 7.8 "Reporting segment information and revenue".
Subscription O&M costs	Has the meaning ascribed to such term in Section 3.2.3 "Alternative performance measures (APMs)".
tCO2e	Tonnes of CO2e.
USD	The lawful currency of the United States.
WEEE Directive	Waste Electrical & Electronic Equipment Directive (Directive EU 2012/19).

APPENDIX A

ARTICLES OF ASSOCIATION OF OTOVO ASA

Vedtekter

for

Otovo ASA

§ 1

Selskapets navn er Otovo ASA. Selskapet er et allmennaksjeselskap.

§ 2

Selskapets forretningskontor er i Oslo kommune.

§ 3

Selskapets formål er utvikling, kommersialisering og installasjon av fornybar kraft, samt å ta eierskap eller yte bedriftsrådgivning knyttet til disse feltene.

§ 4

Selskapets aksjekapital er NOK 1 362 143,46. Selskapets aksjer består av totalt 136 214 346 aksjer, hver pålydende NOK 0,01.

Selskapets aksjer skal være registrert i et verdipapirregister (VPS).

§ 5

Selskapets styre skal ha maksimalt åtte medlemmer.

Styrets leder velges av generalforsamlingen.

Selskapets firma kan tegnes av to styremedlemmer i fellesskap eller styrets leder og daglig leder i fellesskap.

§ 6

Overføring av aksjer i selskapet krever ikke samtykke fra styret.

§ 7

Overføring av aksjer i selskapet utløser ikke forkjøpsrett.

§ 8

Dokumenter som gjelder saker som skal behandles på selskapets generalforsamling, herunder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen, trenger ikke sendes til aksjonærene dersom dokumentene er tilgjengelige på selskapets hjemmeside. En aksjonær kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

Den ordinære generalforsamlingen skal behandle:

- Godkjennelse av årsberetningen og årsregnskapet, herunder utdeling av utbytte.
- Andre saker som etter loven hører under generalforsamlingen.

Aksjonærer kan avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere retningslinjer for slik forhåndsstemming. Det skal fremgå av generalforsamlingsinnkallingen hvilke retningslinjer som er fastsatt.

Styret kan beslutte at aksjonærer som vil delta på generalforsamlingen, må melde dette til selskapet innen en bestemt frist som ikke kan utløpe tidligere enn to dager før generalforsamlingen.

§ 9

Selskapet kan benytte e-post når det skal gi meldinger, varsler, informasjon, dokumenter, underretninger og liknende etter allmennaksjeloven til en aksjeeier.

§ 10

Selskapet skal ha en valgkomité fra det tidspunkt og så lenge selskapets aksjer er notert på et regulert marked. Valgkomiteen skal bestå av to til tre medlemmer, etter generalforsamlingens beslutning, hvor flertallet skal være uavhengige av styret og den daglige ledelse. Valgkomiteens medlemmer, herunder valgkomiteens leder, velges av generalforsamlingen for to år av gangen om ikke generalforsamlingen fastsetter en annen periode i forbindelse med valget.

Valgkomiteen avgir innstilling til generalforsamlingen om valg av aksjonærvalgte medlemmer til styret og styrets leder, medlemmer til valgkomiteen og godtgjørelse til styrets medlemmer og valgkomiteens medlemmer. Generalforsamlingen kan fastsette instruks for valgkomiteen.

Oslo, 15. juni 2022

APPENDIX B

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Annual Report
2021

Contents

Otovo in brief

Otovo is the European marketplace that connects consumers wanting to add batteries or solar panels to their homes with installer companies looking to fill their order book with projects. Otovo's mission is to put solar panels and batteries in every home in Europe by creating the easiest and most affordable way to go solar.

By entering their home address, customers obtain proposed design and prices for solar installations in real-time, based on automatic and binding offers from Otovo's network of local, reliable installers. The solar installations are offered both through direct payment and subscription.

Through our activities, we contribute 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 beyond the Nordics and it is currently operating in seven countries: Norway, Sweden, France, Spain, Poland, Italy, and Germany. In addition to this Otovo's software platform runs Holu, a Brazilian marketplace partially owned by Otovo.

Otovo is headquartered in Oslo and the Group has local offices in all of its markets, with an expanding team of dedicated and experienced employees and managers.

CEO message

Building Europe's number 1 residential solar company

Andreas Thorsheim,
CEO and founder, Otovo AS

Panels on every roof, batteries in every home

Otovo is on a mission. We will play a central role in electrifying Europe. We have a unique ability to capture homeowners' attention and convert it quickly to a decision to get a new energy system, while addressing their worries about quality, price and workmanship. With 500 installer companies participating on the platform, Otovo commands a sizable workforce reaching from the North of Scandinavia to the South of Spain. Combining the demand and supply sides of the residential distributed energy market, we see ourselves putting solar panels on every roof and batteries in every home across the continent.

The difference a year makes

As 2021 started, Otovo had just turned the corner from a slow-down in solar sales in Scandinavia in 2020. The initial effect of the pandemic had been a soft demand, but as the sun rose on 2021, a mix of retained spending in households and careful optimism buoyed sales once again. Otovo was optimistic, but carefully so. As summer approached, increasing fossil fuel prices and disruptions to nuclear output started lifting wholesale electricity prices. During the autumn this had fed into consumer prices in almost all European markets. Households' response to the electricity price hikes was a rush to alternatives, and a new fear that electricity would never again be cheap and predictable. Demand for solar was once again setting records on a daily basis.

Listed on Euronext

We listed on the Euronext Growth exchange in Oslo in February, a natural step in building the Company and diversifying its shareholder base. Our intention is to uplist to the main list of Oslo Stock Exchange in the short to medium term as the Company grows and attracts wider attention in the capital market. In the first four quarters as a listed company, Otovo has delivered on targets and guidance, and kept a pace above the 100 percent compounded annual growth rate that we have indicated for investors as necessary in order to achieve our ambition of being the clear number one in Europe.

Scaling in existing markets

In Scandinavia, France and Spain, Otovo's markets at the begin-

> Our mission resonates with a generation that knows its task is to lead in a massive electrification of homes, buildout of renewables and the elimination of fossil fuels in our societies.

ning of 2021, the Group has grabbed market share. In Sweden it's been about regaining market share lost during the early pandemic, while in Norway Otovo has maintained its extraordinary 50 percent of the market, positioning itself for an eventual takeoff in the home market. In Spain, Otovo has grown ahead of the market, developing the position as a quality brand that sits top of mind with consumers and on Google searches. In France, the efforts made the previous year in converting the technology to the Otovo core systems were followed up with a change in management, and this paid off in the second part of the year. The French position grew somewhat slower than a booming French market, but accelerated out of 2021 and looks well set up for 2022. In sum, the four existing markets all ended up more than doubling their unit sales, meaning aggregate "same store sales" more than doubled.

Expanding into new markets

Otovo added three new markets between December 2020 and December 2021: Poland, Italy and Germany. Poland sped along for all of 2021, at times ahead of the previous year's Spanish launch, until political disturbance over regulations and tariffs challenged the market in the fourth quarter. In Italy, the launch in April was successful from the start, with massive media attention and a rapid recruitment of installer companies. Germany was the fastest, cheapest and safest launch to date: From the time GM was recruited in September until the German Otovo team had sold 50 projects, only three months elapsed. The three successful launches boosted our confidence, proving to us that the model allows us to compete in every relevant market and that we can be the first residential solar company to reach continental scale in Europe.

Becoming a battery company

When launching Italy, we put batteries on the product lineup for the first time. It was a resounding success. Within half a year two thirds of consumers buying solar panels from Otovo in Italy also bought a battery. The batteries help consumers extend the usefulness of their solar system into the evening hours, or allow them to arbitrage on power and grid price variations, or they can provide emergency power in times of outage. The proposition is good and will become better and cheaper over time. We see batteries in every home in Europe within a generation, and in 2021 we decided that we will put batteries at the forefront of our product offering in all markets. The battery launch will be complete in the first half of 2022 and we expect battery attachment rates to grow steadily across the Group.

Solar as a service

One of the main events in 2021 was the purchase of shares in European Distributed Energy Assets, bringing Otovo's ownership from 18.75 percent to 88.43 percent. With the increased ownership in the asset owning entity, Otovo has aligned the interest in origination, where the costs are, and asset ownership, where the profits are. The result will be that the joint structure will lean heavily into leasing, subscription and service products that yield 3-4 times higher profits per customer and provide a long lasting, recurring stream of revenue. Consumer interaction with up-sell potential is of strategic importance to Otovo.

Team strengthened

As founder and CEO my greatest duty and pleasure is to bring the right people into the vision of Otovo. This year we have seen an extraordinary expansion of the Otovo family. I expect great things from our three newest general managers; Jean Rosado in France bringing strong operational experience from Flixbus and the aerospace industry; Fabio Stefanini in Italy in his third GM role after Uber micromobilty and Amazon Pantry; and Christian Rahn in his fourth GM role, joining us from BlaBlaCar. They have expanded their teams, as have the established GMs in Scandinavia, Spain and Poland, with inspired, driven, environmentally minded and gifted colleagues eager to put solar panels on every roof in sight.

Fighting fossil fuels

Our mission resonates with a generation that knows its task is to lead in a massive electrification of homes, buildout of renewables and the elimination of fossil fuels in our societies. I write this in the beginning of the year 2022 where the urgency in these matters has increased. We need to improve Europe's energy security and remove the continent's reliance on foreign, unreliable fossil fuels. The net impact of our 2021 installations is -240 thousand tCO2e (compared to -105 thousand tCO2e in 2020). Building on a strong 2021, Otovo is ready for more in 2022.

Sunny wishes for the year ahead,

Andreas E. Thorsheim,
CEO and founder

Key figures 2021

297m
Revenues Generated
(2020: 147)

5500
Sales
(2020: 2 247)

3759
Installations
(2020: 2019)

7
Countries
(2020: 5)

500
Installers
(2020: 400)

The share

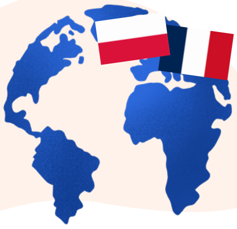
OTOVO

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

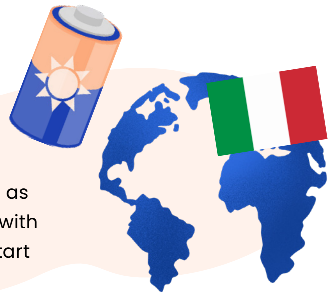
Highlights 2021

February
Otovo is listed on Euronext Growth Oslo

March
Leasing introduced in Poland and France



April
Italy is launched as the 6th country, with batteries from start



July
2020 sales volume surpassed

September
Batteries are introduced in Spain

November
Successful acquisition of EDEA

December
Germany is launched as the 7th country, with batteries from start

Risk management

Procedures for risk management in Otovo are governed by the Group's risk management policy. After the acquisition of the majority of the shares in EDEA, the risks related to EDEA are also covered by the risk management procedures of Otovo.

The ultimate responsibility for risk management lies with the board, whereas the CEO 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 external rules and regulation.

Commercial risk

The primary commercial risk for the Group is related to general economic conditions and statutory regulations in various geographical markets which have an impact on the experienced attractiveness of the product offering of the Group.

The services and products offered in the respective geographical markets are subject to local laws and regulations, including temporary incentive schemes introduced to facilitate the transition to renewable energy sources.

Any legislative changes concerning incentive schemes could affect the Group's earnings, market position and range of products and services. While the commercial risk by nature is difficult to mitigate, Otovo closely follows changes in policies and macroeconomic conditions on an ongoing basis.

Business model

The Group's business model consists in selling solar energy systems and batteries to end customers delivered through turnkey installations purchased from local installer companies. Customer prices are determined based on the installer companies' offers on the Otovo platform with the addition of the Group's own margin. While the installer companies are bound by the prices they offer on the platform, the Group is still reliant on the installers being able to deliver. In a situation with high demand or where hardware prices are increasing, enforcing contracts towards installers may not be commercially viable, as the installers may choose to leave the platform or may incur unbearable losses. In such a situation the Group may face pressure on margins or losses.

Covid-19

Throughout 2021 the covid-19 pandemic and the measures taken to limit the consequences, influenced all the countries where the Group is present. However, the pandemic had little impact on Otovo's business, demand for its products or its operations. Towards the end of 2021 and in the beginning of 2022 certain measures are still imposed in certain of our countries, but the general risk related to the pandemic is now considered to be low.

Supply chain

The solar panels and other material delivered to the Group's customers are produced by large producers mainly situated in China or fabricated by Chinese companies in East Asia. The inverters delivered to the Group's customers are delivered by a limited number of global manufacturers. The pandemic, political and macroeconomic factors, notably trade and tariff disputes have caused and may continue to cause disruption to import supply chains of the Group. Disruptions caused by the pandemic were further amplified in March 2021 when the Suez Canal was blocked for six days after the grounding of Ever Given. During 2021 certain components have been unavailable in certain countries where the Group is present, but these challenges have been managed partly by changing deliveries to other components or by switching supply of components to other countries. The Group is monitoring global supply chains closely, and is looking at ways to mitigate shortage of components or price increases.

Macroeconomic environment

Towards the end of 2021 and the start of 2022 the Russian Federation moved troops towards the Ukrainian border under the pretext of conducting a military exercise. US intelligence warned that the Russian regime planned an invasion. Despite efforts to calm the escalated situation, Russian troops invaded Ukraine on 24 February 2022. The outcome of the war and any potential further escalation outside Ukraine remains uncertain and is a risk to the European economy. A further escalation could also impact the Group's supply chains, in particular should China become involved in the conflict on the Russian side.

A united Europe and USA have responded by implementing harsh economic sanctions against the Russian Federation. In addition, the EU announced on 8 March a plan to make Europe independent from Russian fossil fuels well before 2030, starting with gas, in light of Russia's invasion of Ukraine. A part of the plan is to support more solar panel rooftops, heat pumps and energy savings to reduce dependency on fossil fuels across Europe. In isolation, the plan will be positive for the demand for Otovo's products.

Regulatory incentive schemes

In certain countries like Italy and Sweden, the Group's customers are entitled to a tax credit when purchasing the Group's products, and in line with market practice in the respective markets, the Group accepts such tax credits as part of the consideration for the purchase. Tax credits are accounted as non-cash consideration under IFRS and the fair value of the non-cash consideration is included in the transaction price. To the extent the Group should be unable to claim or resell the tax credit, or the tax credits are resold to a lower price, this will result in loss of revenue and reduced margins.

Financial risks

Market risk

The Otovo group is financing its activities in the financial markets and is thus exposed to market risk. In february 2021 Otovo raised NOK 250m and listed on Euronext Growth. As a listed company, the group considers the access to funding to be good, something that was confirmed when the group recently was able to raise NOK 300m for acceleration of entry into new markets, despite uncertain market conditions ahead of the Russian invasion of Ukraine. Cash situation is now very healthy.

The EDEA Group is financing its activities partly through debt financing from Nordea Bank. 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).

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. Firstly, 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. Secondly, the im-plicit 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 is moderate, and it is the group's policy not to enter into interest rate swaps to hedge this risk.

The Otovo group is further 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 average exchange rates for the period.

To the extent possible, the Group intends to finance its opera-tions in other countries 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.

Liquidity risk

While the Otovo group currently has a very strong cash position, the subscription business is exposed to certain liquidity risk over time. The subscription business consists mainly of purchasing and installing solar systems and batteries at private individ-uals' houses, and entering into long term leasing contracts with these customers (20 years for PV and 10 years for batteries). The subscription business is therefore relying on financial markets to finance the necessary equity and banks or financial markets for its debt financing. The EDEA Group raised NOK 155 million in equity during 2020. In addition the Group secured a loan facility from Nordea bank of NOK 50 million that it will extend to minimum NOK 150m in 2022. Financing of new customer contracts may require further debt and equity in the future.

While the customer contracts have a duration of 20 years, the current Nordea facility has a maturity of three years. The main liquidity risk at the moment is therefore related to the refinancing of the Nordea facility. This risk is considered moderate. The facility was established before the capital was raised, and the Group considers the access to bank or bond financing is better now, and will improve as deployment increases.

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 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. Credit risk is further mitigated through the use of credit rating agencies ahead of sales, use of prepayments for customers or markets with higher risk and continuous monitoring of overdue invoices. The Group is also 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 counter-parties 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. In addition this element is more prominent in markets with higher expected loss given defaults (LGD). I.e. the customer business case is often stronger in countries where the LGD is higher.

Overall the group considers the financial risk 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. Within operational risks, examples of scope of control are related to HSEQ measures, roles & responsibilities, installer concentration, and supply chain management.

HSEQ risks

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 policy 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 installer bankruptcies, skewed capacity and constraints in the supply chain. Installer concentration and supply chain management is measured separately to ensure timely installation capacity and mitigate such risks. Each country manager is responsible by delegation to monitor this.

Strategic report

During 2021 the strategic priorities have been to scale the Group's business, add batteries to the Company's offering and capture the additional value creation in subscription.

Otovo's overall ambition is to become Europe's number one provider of solar energy and batteries to private households. To achieve this, the Company regularly defines strategic priorities that would bring the company forward on the journey towards market leader in Europe. These priorities are endorsed by the Board of Directors and help define the direction and priorities of the business units.

Scale

Scaling is important to achieve Otovo's mission to become Europe's number one provider of solar and batteries to private homeowners. Scaling is about increasing market share in existing markets and entering new markets. In existing markets Otovo has during 2021 been focusing on entering partnerships that gives Otovo access to a larger customer base, and that give the partner access to a broader product offering. Some partners are lead partners that refer their existing customers to Otovo. In addition, we have in 2021 launched a new type of platform partnership where Otovo does the installation on behalf of the partner, but where the sales are either handled by the partner or by Otovo on a whitelabeling solution.

Scaling is also about entering new markets. Otovo launched in Poland in December 2020, Italy in April 2021 and Germany in December 2021. All launches have been very successful, and the time it takes to reach the first sales has been decreasing each time. In Germany we reached 50 sales only three months after the general manager ("GM") was recruited and started.

When we enter a new country, we start by recruiting a GM typically with experience from other platform companies, we establish a local subsidiary, we localise agreements and start recruiting installers. Once we have in place the first cost models from our installers, we start acquiring customers and selling solar and batteries. Time from GM recruitment to first sale is typically three to six months.

When a new market is launched, prices to customers are set at levels we believe will be competitive and sustainable over time. We would then typically have low margins in the beginning to get customers onboard quickly. Once we get more installers on the platform that compete for the projects, installation cost goes down, which allows for increased margins without changing customer prices significantly.

In isolation launching new markets will dilute margins temporarily. At the same time, our aim is to increase margins in all markets so that the effect of new markets is compensated by higher margins in more mature markets.

After having launched Poland, Italy, and Germany in the space of twelve months in 2021 our confidence in the ability to launch markets swiftly, safely, and at a low cost has been strengthened. Therefore, we announced in February 2022 that we intend to accelerate the entry into new markets by launching six new markets in the next 12 months. In order to finance this accelerated growth the Group conducted a private placement of NOK 300 million that was completed on 17 February 2022.

On 22 February we further announced that the three first markets will be the UK, Austria and Portugal, while three additional markets are expected to be launched in the next 12 months. Following these launches, Otovo will further consolidate its position as Europe's leading marketplace for solar installations for private households, becoming the first to reach continental scale in Europe, gaining volume advantages in hardware deals; partnership opportunities; leasing deployment volumes; while reducing political exposure through country diversification.

Scaling in existing markets and into new markets also opens opportunities on the hardware supply side where Otovo as a large player in the market may get better terms than the installers. While the current setup is to purchase turn key systems from the installers where the installers source all the material, other ways of operating will be explored going forward. In addition, with disruptions in global supply chains, being able to source material across borders has become an important tool to ensure delivery and mitigate bottlenecks or shortages in certain regions.

Batteries

For the consumer, a battery increases self-consumption of solar energy produced as the battery can be charged when production is higher than consumption and be discharged in the opposite case. Further, it enables the customer to arbitrage against price on electricity from the grid. Finally, a battery can serve as backup in case of an electricity outage.

During 2021 batteries have taken a big step towards becoming mainstream in a number of our markets, costs are dropping and customers are looking to become independent of the grid and electricity companies.

Based on this development and that customers in Italy asked for batteries from the launch, Otovo decided to grasp this opportunity and to launch batteries as a first step towards becoming a multi hardware platform. In Italy, the current subsidy scheme gives the customer a tax credit for 50 percent of the price of solar and a battery. This has fueled demand and after Otovo launched batteries in April 2021 the battery attachment rate increased rapidly to above 50 percent for Italian customers.

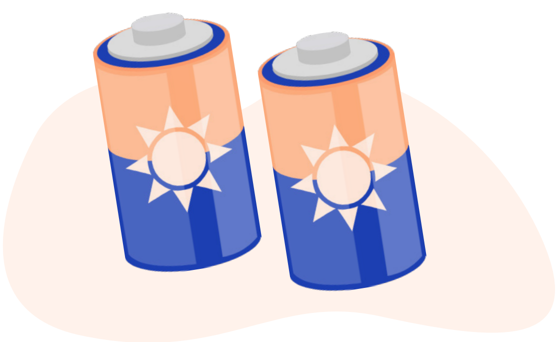
For Otovo, selling a battery with a solar system almost doubles the ticket size for each sale, without impacting the cost to get the customer into the shop which means that the net contribution from a sale with a battery is a lot higher than for a sale of the same solar system without a battery. In addition, having access to a large customer base with batteries, may in the future lead to opportunities for operating a virtual power plant where electricity can be fed into the grid in case of shortage in the market.

After a very successful launch in Italy, batteries were launched in Spain in September 2021 and in Germany from the start in December 2021. Attachment rates are very promising in these countries too, and Otovo intends to launch batteries in all remaining markets during 2022.

With batteries Otovo is becoming a multi hardware provider, and during 2021 we have done the necessary development of the platform to also allow for other products like heat pumps and EV chargers in the future.

Subscription

Otovo offers subscriptions as an important part of its product offering. Subscription customers pay a monthly fee over 20 years and 10 years for battery with no upfront payment. Consequently, the product solves financing for the consumer as well as reducing other barriers to purchase for the consumer and expands the total addressable market for Otovo. In addition, subscription customers benefit from a functional guarantee for the duration of the contract which means that Otovo takes care of maintenance, repair and any faulty products.



> "For Otovo, selling a battery with a solar system almost doubles the ticket size for each sale, without impacting the cost to get the customer into the shop...

The subscription assets are financed by EDEA. The subscription contracts have attractive yields and constitute attractive assets for investors given the relatively low, distributed risk. EDEA was established by Otovo in 2020 as a single purpose financing vehicle and spun out through an equity raise of NOK 150 million in October 2020. Otovo and EDEA have entered into an agreement concerning Otovo's origination of end customer subscription agreements, delivery of solar systems and batteries, maintenance, support and management services on behalf of EDEA. While the unlevered internal rate of return for EDEA's current portfolio is between 7% and 10%, higher return on the equity can be obtained by financing parts of the balance sheet by debt. Volume is key to increase the debt to equity ratio and unlock additional value related to subscription customers. Therefore, it would make sense to increase marketing spending and other customer acquisition efforts in order to grow the subscription portfolio.
In the setup between Otovo and EDEA, however, Otovo bears the cost of acquiring the customer, whereas EDEA gets the upside from increased volume and yield compression with increasing debt to equity ratio. When EDEA was spun out of Otovo, Otovo was therefore not incentivised to increase spending related to subscription customers as the additional value would belong to EDEA.

In order to align interests between Otovo and EDEA, Otovo launched an offer to acquire all the shares in EDEA in an all share transaction where EDEA's investors received 1.7 shares in Otovo for every tendered share in EDEA.

Since Otovo established EDEA, leasing has also proven to be attractive to customers in Europe, access to capital and the interest in investing in this space has increased significantly.
In the current competitive environment, it was crucial to align Otovo's and EDEA's interests and join forces. The acquisition will align interests and unlock value for all shareholders. It will also enable EDEA to increase leverage ratio, and incentivise Otovo to sell leasing and invest in necessary leasing technology and services.

The combined company will have full flexibility when it comes to capitalisation and strategy when critical size is reached. Together the companies will be positioned for accelerated growth that Otovo believes will unlock value to all EDEA and Otovo shareholders.

After the transaction Otovo owns 88.43 percent of the shares in EDEA which means that EDEA is consolidated into Otovo's accounts.

Corporate governance

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 as well as value creation over time.

The governance principles secure operational and financial performance follow up and effective decision-making based on transparency, clear communication and understanding of roles and responsibilities across Otovo.

The employees, management and board members adhere to our Code of Conduct which sets out requirements for business practices as well as personal conduct, rules for follow up and the whistleblower policy.

By pursuing the principles of corporate governance, the Board of Directors and Management contributes to achieving open communication, equal rights for all shareholders and good control and corporate governance mechanisms.

Otovo aspires to comply with the recommendations of the The Norwegian Code of Practice for Corporate Governance (the "Code"), and will review the corporate governance principles in 2022. If the Code is deviated from, the deviation is described and explained in the relevant section of this statement.

Business

For homeowners, Otovo is the easiest way to get solar panels and batteries. Otovo is a marketplace that organises hundreds of local, high-quality, and qualified energy installers. The Group 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 the path to becoming number one in European residential solar. Founded in 2016, Otovo has rapidly scaled its platform beyond the Nordics and it is currently operating in seven countries: Norway, Sweden, France, Spain, Poland, Italy and Germany. The ultimate vision is to put solar panels on every roof and batteries in every home in Europe.

Strategy

Otovo's overall ambition is to become Europe's number one provider of solar energy and batteries to private households. The strategic priorities to achieve this are achieving pan European scale, increasing ticket sizes through batteries and in the future other hardware and winning customers in a higher value subscription model. See the strategic report for more information.

Capital structure, equity and dividends

Otovo's business is financed primarily through equity, which is the most appropriate funding source for a company in a scale up phase like Otovo. The subscription business which is financed by EDEA, is set up to be partly financed through bank debt.

Otovo is in a growth and scale-up phase, and is currently not in position to pay dividends. The company has certain authorisations for capital increase that have a duration of two years from the date they were 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. During 2021 Otovo raised NOK 250 million through a private placement directed towards certain professional investors in connection with listing on Euronext Growth. In addition to securing financing of further growth in an efficient way, the aim of the listing was to broaden the investor base and improve access to financing in the future. The fundraising was approved by the general meeting.

In addition, 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.
All of the company's shareholders are free to participate in the general meetings, and Otovo follows market practice, the Code and corporate law in relation to general meetings. Physical attendance to general meetings was restricted in 2021 due to covid-19. The company does not have a nomination committee elected by the general meeting. The company intends to update the articles and elect a nomination committee in 2022.

Board of directors

The board of directors of Otovo currently has six shareholders-elected members and one employee-elected member.
All the shareholders-elected members are independent of the executive personnel and three members are independent of the major shareholders of the company.

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. It is the intention of the board of directors to establish an audit committee in 2022. The compensation committee has in 2021 consisted of the chair Peter Mellbye and board member Johan Bergström.

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 the group's risk management policy. See the Risk management section for further information.

Board remuneration

The ordinary general meeting in 2021 resolved a remuneration to the Chair of the Board for the period until the ordinary general meeting in 2021 of NOK 120,000 and a remuneration of the shareholders-elected board members for the period until the ordinary general meeting in 2022 of NOK 120,000 each. The shareholders-elected board members that represent large shareholders do not receive remuneration from the company. The employee-elected board member receives ordinary salary from the company.

The remuneration to the independent board members reflects the responsibility and amount of work they perform and is not performance based. The company has previously issued options to certain board members, but all these options have now been exercised. The company is in the process of establishing a board share purchase programme.

Salary and remuneration of executive personnel

Otovo does not currently have a specific remuneration policy. Salaries are moderate compared with the general level for executive personnel in Norway. Due to a relatively low salary level, the company has in place certain programmes for share based remuneration. Performance based salary is capped for each individual, and no employee can receive more than 50 percent of its base salary.

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. 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

The Company does not currently have guiding principles for how it will act in the event of a take-over bid, but the Board of Directors would in case seek legal advice and make sure the Code and best practice is followed.

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. During 2021 the auditor took part in several board meetings regarding listing on Euronext Growth and transition to IFRS, in addition to approval of the annual report and approval of quarterly results. Further, the auditor had a separate meeting without Management in the board meeting where the auditor's report was presented to the Board of Directors.

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

Sustainability in Otovo

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs"

Our Common Future, 1987.

For a company to become more sustainable, it can increase its positive impacts (light) or reduce its negative impacts (shadow) on the environment and society. A company sheds light when it solves problems caused by others, and casts shadows when causing problems for others. In Otovo we certainly aim to solve problems. By delivering solar installations across Europe, generating clean electricity harvested from the sun, our customers increase the share of renewable energy in the global energy mix. And we do so in a time when increasing Europe's energy capacity has never been more important. By the initial statement, we both shed and capture the light.

The core of Otovo's business idea is to provide products and services that have a positive impact on the environment. At the same time, we can always improve, and maintain awareness on potential challenges in our industry and operations. With continued growth, aiming to add six new markets in 2022, the complexity of our operations increases. In this process we are committed to further structure our focus on sustainability.

In this report we present Otovo's work on sustainability in 2021, including general information on how we work, measurement of our environmental footprint and impact and a review of our social impact.

UNs Sustainable Development Goals

Otovo is committed to the United Nations Sustainable Development Goals (SDGs) and will actively use our position as the leading solar platform in Europe to impact implementation of actions supporting these goals. Working with the SDGs are a core part of our company values and are a central part of training when we onboard new Otovo employees.

Recognising that the 17 goals are interconnected, where improvement in one area affects others, we have chosen to focus on SDGs 7, 8, 12, 13 and 17.

Our commitment

13 CLIMATE ACTION

Climate action
Climate change is the greatest challenge facing humanity. Deploying solar energy is a way of aligning our energy system to the Earth's environmental boundaries. We believe in taking direct climate action and the core of our business is having a positive impact on the environment. Otovo is carbon-neutral as a company, and carbon-reducing as part of society.

Our core business

7 AFFORDABLE AND CLEAN ENERGY

Affordable and clean energy
Otovo works to increase the share of renewable energy in the global energy mix by providing the easiest and most affordable way for consumers to become producers of local, clean and cheap energy.

How we work

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth
Otovo will execute equal pay for work of equal value. In addition we are committed to use our position in the global hardware value chain to protect labour rights, and promote safe and secure working environments.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible consumption and production
Otovo will target a more efficient use of natural resources, including reducing and neutralising the carbon footprint and emissions from our consumption of goods, energy and services, and reducing the food waste within our company.

17 PARTNERSHIPS FOR THE GOALS

Partnership for the goals
Otovo is a member of the UN Global Compact, an initiative that helps organisations set and work towards goals on sustainable development in human rights, labour, environment and anti-corruption.

UN Global Compact

As of February 2022 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.

Table 1: UN Global Compact, Ten Principles

Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Environmental footprint

Otovo is emissions-neutral as a company, and Otovo is emissions-reducing as part of society. We track, measure and report on GHG emissions in CO2e, in order to (1) reduce emissions from our own activities and operations, and (2) make better choices when sourcing and whitelisting hardware.

Measuring our GHG Emissions

Otovo is committed to track, measure and report GHG emissions in scope 1-3 in accordance with the standards of the GHG protocol. Numbers are reported in metric tonnes of CO2-equivalents (tCO2e).

Otovo's current emissions model was developed in 2019 and is based on the GHG Protocol Corporate Standard. Conversion factors are collected from the UK Government and updated annually.

Table 2: Otovo Emissions Model

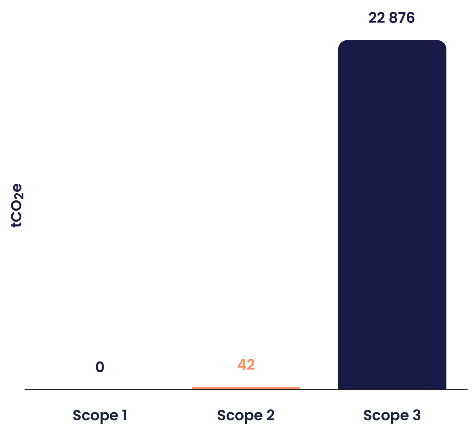
Activity	Input for model
Scope 1: Direct emissions from controlled resources	
Currently none due to the nature of Otovo's business.	
Scope 2: Indirect emissions from purchased energy	
Electricity use in Offices in Oslo, Stockholm, Paris, Madrid, Warsaw, Milan.	kWh * European Attribute Mix
Scope 3: Indirect emissions not owned	
Production and freight of hardware, cradle to gate. Including: PV modules, inverters, mounting systems, batteries, cabling & electrical.	Installed components * EPD (estimate)
Installer Transport (from base to installation site)	Distance to installation site in km. Estimated installation time of 1 day per 12 panels.
Employee commuting	Estimate on total travel distance per means of transport (employee survey)
Business Travel	Total travel distance per means of transport. Aviation including radiative forcing.
Website Emissions	Total website views * emission factor. Adjusted to account for ad blocking (+25%).
Electronic office supplies - "cradle to gate"	EPD (estimate)
Office Waste	kg waste per office * local office recycling standard

[1] *https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021 (22/03/09)*

Emissions in 2021

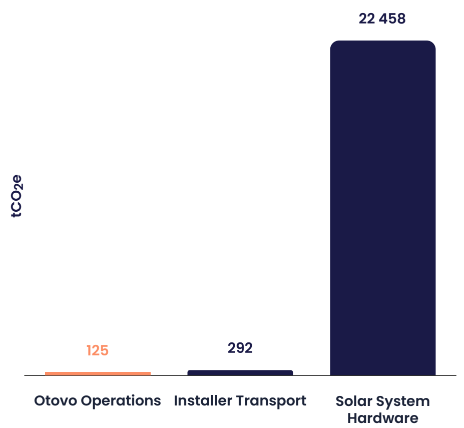
In 2021 Otovo's entire value chain in Norway, Sweden, France, Spain, Italy and Poland, plus a small contribution from preparations for launch in Germany, resulted in direct and indirect emissions of 22 918 tCO2e. Otovo does not own or control our own resources with emissions, hence scope 1 is zero. Scope 2 emissions are related to electricity consumption in our offices, while scope 3 covers all indirect emissions related to Otovo's purchases of equipment and tools, manufacturing and shipping of hardware used for solar installations, installation activities, website traffic, and employee activities such as travelling and commuting.

Figure 1: Emissions, GHG Protocol



98% of the emissions in Otovo's entire value chain originate from manufacturing and shipping of hardware, of which approximately 80% stems from the solar panels and their precursors. Production of polysilicon and ingots used for silicon solar cells is energy intensive and therefore constitutes the biggest share of indirect carbon emissions. The rest relates to Otovo's own operations and transportation among our installer companies.

Figure 2: Scope 3 Emissions



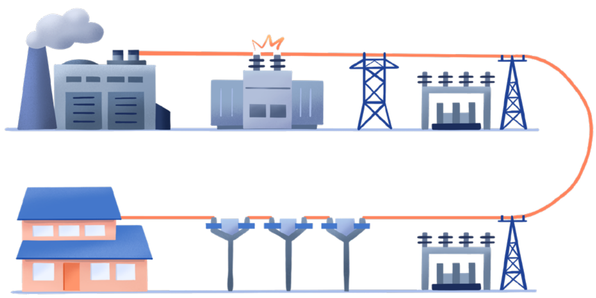
Carbon offsetting

Carbon offsetting is the purchase of carbon credits, where a carbon credit represents the certified reduction or removal of one tonne of carbon dioxide equivalents (tCO2e) from the atmosphere.

Otovo has decided to 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, website emissions, electronic office supplies and office waste (scope 3), illustrated in orange in figure 1 and 2 above. In 2021 Otovo offset 167 tCO2e through Gold Standard[1].

Net Impact - Caused and avoided emissions

Solar panels produce clean, emission free electricity. For our customers, solar energy replaces electricity otherwise consumed from the electric grid - reducing the need for and emissions related to production of grid electricity in Europe. We quantify avoided emissions using the European Attribute Mix[2] (EAM), reported annually by AIB.



In our climate impact model, the average lifetime of a solar energy installation is estimated to be 30 years, accommodating a linear degradation of the energy production in accordance with solar panel specifications. Yearly solar energy yield for all installed systems, i.e. the specific kWh/kWp for each and every installation, forms the basis for forward looking lifetime energy production of all installations. We model the emissions from all systems installed in 2021 using the applicable European Attribute Mix (in gCO2e/kWh).

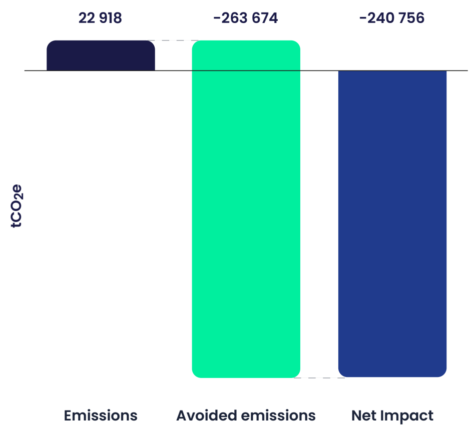
We accommodate future reductions of the forward looking avoided emissions by performing a posteriori adjustment of the accumulated avoided emissions, always reporting accumulated numbers based on the current knowledge of the European Attribute Mix.

[1] https://www.goldstandard.org
[2] https://www.aib-net.org/facts/european-residual-mix

Net impact in 2021

In 2021 Otovo installed 22,5 MWp of solar capacity. Over the expected lifetime, these installations yield on average 968 kWh/kWp annually, ranging from 747 kWh/kWp in Norway to 1388 kWh/kWp in sunny Spain. By replacing grid electricity, these systems will avoid emissions of 263 674 tCO2e through their lifetime with the current grid mix. Net impact is the difference between caused and avoided emissions, which in 2021 amounted to **-240 759 tCO2e.**

Figure 3: Net impact 2021



While there is uncertainty related to how the grid mix will look in the future, it is clear the systems installed in 2021 will have a substantial positive impact on the environment over their lifetime.

Another way of illustrating the positive impact of solar energy is to consider the carbon payback time. The term refers to the time it takes for the negative environmental impact of deploying the system, from manufacturing to installation, to be offset by the positive environmental impact of clean energy production. For the systems delivered in 2021, the average carbon payback time is **2,6 years.**

Accumulated Net Impact

Fig 4 below displays the installed capacity since Otovo's first installation in 2016. In addition to installing more solar systems every year, the average yields (kWh/kWp) of the systems have increased, as shown in Fig 5. Higher yields results primarily from more panels being installed in southern European locations.

Higher yields and more installed capacity increase the size of our positive impact. Otovo's accumulated net impact is displayed in Fig 6, where the forward looking avoided emissions are adjusted for changes in the grid mix (EAM).

Figure 4: MWp Installed

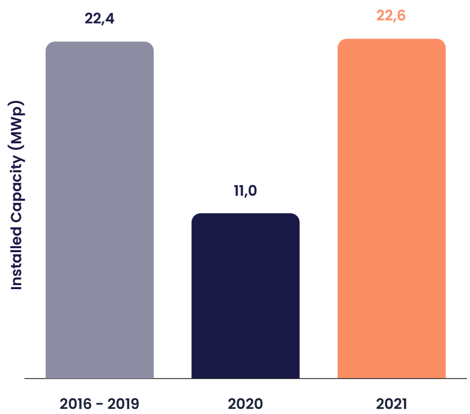


Figure 5: Energy yield per installation (kWh/kWp)

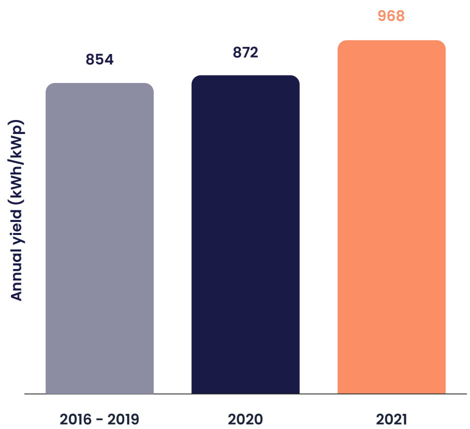
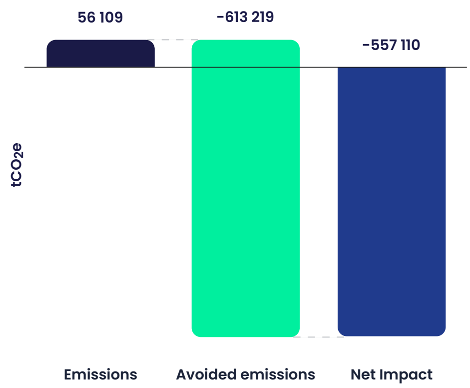


Figure 6: Accumulated net impact (2016 - 2021)



Further improvements

To further improve our positive impact on the environment, several focus areas are relevant:

1. Increase avoided emissions:
   - **Install more solar panels**
   - **Build better systems** (more kWh/kW)

2. Reduce emissions from hardware manufacturing and shipping:
   - Reduce CO_2 emissions per kWp
   - Increase solar panel efficiency (more kW/area)
   - Source more sustainable products

3. Reduce operating emissions:
   - Less travel, less driving, less fossil fuel consumption

While it is our responsibility and objective to reduce the total emissions from our value chains, the positive impact of adding more solar panels far outweighs these emissions. As an illustration, for 2021 the carbon footprint of our entire value chain corresponds to only 8.7% of the CO_2 emissions avoided. The single most important thing we can do right now is installing more and better solar systems.

Social Impact

Otovo places special emphasis on the impact we have on our employees, our installers and the people related to our supply chains.

A sustainable workplace

In Otovo we believe that people work **better together.** We believe that companies where diversity and cooperation thrive, in place of cliques and subcultures, are better at unleashing the creativity and energy of all the people in them. To us, creation is a team sport.

We are **purpose driven** and together carry the big mission of putting local and clean energy in every home.

We believe in being **kind, clear** and to **trust in people.**

Diversity and Inclusion
Statement in accordance with the equality and anti-disctrimination act

In Otovo we are strong advocates of personal freedom and equality. Consequently, employment can only be based on qualifications as they relate to the professional tasks to be solved. In all business activities we do not accept any discrimination based on personal identity such as gender, race, color, religion, national origin, gender identity, age or disability. (Internal Code of Conduct)

Goal:
- Otovo will have a good gender balance (40/60) in management positions at all levels.
- Otovo will execute equal pay for work of equal value.
- Otovo will be diverse and inclusive.

In 2021 the Otovo Group grew to a total of 209 employees, of which 42% female and 58% male.

Table 3: Gender balance & sick leave in Otovo Group

Market	FTEs 2021	Sick leave*	Employees per 31.12	Female per 31.12	Male per 31.12
Norway, Otovo AS	57.86	2.14%	72	24 (33.3%)	48 (66.7%)
Sweden, Otovo AB	7.62	0.00%	10	1 (10%)	9 (90%)
Spain, Otovo Iberic	28	3.11%	35	20 (57.1%)	15 (42.9%)
France, ISWT	26.28	0.83%	27	12 (44.4%)	15 (55.6%)
Italy, Otovo SRL	11.36	0.80%	32	14 (43.8%)	18 (56.3%)
Poland, Otovo sp zoo	15.14	5.08%	23	14 (60.9%)	9 (39.1%)
Germany, Otovo GmbH	1.58	0.00%	9	1 (11.1%)	8 (88.9%)
EDEA	1	0.00%	1	1 (100%)	-
Otovo Group	**148.8**	**2.14%**	**209**	**87 (41.6%)**	**122 (58.4%)**

** Share of 230 working days per FTE.*

Otovo AS has employed 87 people in 2021, of which 33% female and 67% male. The group has only limited part time employment and no involuntary part time. Temporary employment consisted primarily of summer interns. Two men and two women were on parent leave during the year. All four belong to executive or middle management.

The executive management consisted of five men and two women as of 31 December. The middle management consisted of nine men and six women. In the executive management, female salary was 94.5% of male salary. In middle management female salary was 107% of male salary. For other personnel excl. sales personnel, female salary was 88.7% of male salary.

The differences in salaries are due to differences in roles, tenure and experience, as Otovo's aim is to pay equal salary for equal work.

Table 4: Gender Balance in Otovo As

	Total	Female	Male
Otovo As	**87***	**29 (33,3%)**	**58 (66,7%)**
Full Time Employments	71	24	47
Temporary Employments	12	4	8
Part time Employments	4	1	3
Involuntary Part time	na	na	na
Parental Leave	74 weeks	47 weeks	27 weeks

*) 57,9 FTE total, of which part time and temporary employment together constituted 3 FTE.

Table 5: Pay Gap in Otovo As

		Gender Balance		Ratio women/men average salary	
Managerial Level	**Total**	**Female**	**Male**	**Variable Salary**	**Fixed Salary**
C-suite, GMs	7	2	5	93.9%	94.5%
Heads of, Functional Managers	15	6	9	109%	107%
Other personnel excl SP	30	13	17	88,3%	88,7%
Sales Personnel (SP)	10	0	10	na	na
Otovo As	**62**	**21**	**41**		

No variable bonuses or overtime pay.
No options or stocks included.
Based on full time employees per 31.12

We are proud to be represented by 21 nationalities, with employees from Norway, Sweden, France, Spain, Germany, Poland, Italy, Tunisia, Gabon, Madagascar, Mexico, Ukraine, Venezuela, Belarus, Denmark, Netherlands, Russia, India, United Kingdom, Latvia and Finland.

The work with equality and anti-discrimination is embodied in Otovo's internal Code of Conduct, and is an important part of the company's human resources work.

We promote diversity in job listings and on career pages. We actively seek to attract candidates of both genders when we recruit, and we have been specifically targeting female candidates for certain management positions. While gender equality in middle management is at an acceptable level, we are behind our target for the executive management.

Gender equality and anti-discrimination is a topic in both functional and internantional management meetings as well as in the working evironment committee. Feedback from employees is also given through employee surveys that are conducted monthly.

Employee satisfaction

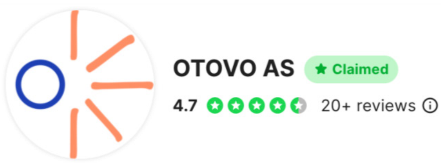
To enable Otovo to continuously listen to and act on feedback, employees are surveyed anonymously on the experience of working with the company, on a monthly basis Recurring questions aim to measure the employees mood and sense of progress, on a score from one to four. In addition to recurring questions, we always include a current question and an open question on what we can do to improve the company in the coming 12 months. Results are shared with all employees at the following Otovo Lunch presentation by the CEO. Our goal is to always stay above a mood score of 3.5, and this objective is part of the group level OKRs for 2022 that all top managers work to achieve.

- MOOD: I feel good about my work, my colleagues, my boss, our way of working and our purpose (Where 1=Not at all and 4=Yes, really!)
- PROGRESS: At Otovo I get to evolve and learn more than elsewhere (Where 1=Not true and 4=Entirely true)

In 2021 the average mood score was 3.48/4.

Equality Check

Equality Check is a service where employees can leave an anonymous review about how they experience the culture, management and work life balance in Otovo. At time of reporting Otovo has a collective score of 4.7 of 5. [1]



[1] https://reviews.equalitycheck.com/companies/NO/OTOVOAS/915501680 (March 14, 2022)

Sustainable installation partners

The installation companies delivering solar installations through our platform are Otovo's most important partners. We are committed to ensure a safe and sustainable working environment for our installers, to prevent incidents and to be a workplace without injury or harm.

We are focused on actively spreading a culture of safety in the industry. We believe that **quality work** is **quality in everything.**

We consider the following as two main areas of potential risks to a sustainable workplace for our installers:

- Undeclared work and social dumping
- Unsafe work environment

To combat the use of undeclared work or social dumping, we only work with high quality installers, meeting our requirements for certification. Upon being considered for a partnership, installers document that they pay taxes, fulfil insurance requirements and are registered to perform electrical work. In addition, the installer documents competence and previous experience with PV installations, and provides Otovo with customer references, for subsequent reference checks. Our partners are bound to be compliant with and take an active approach to health, safety and environment work in their organisations.

The majority of Otovo's HSE resources are allocated towards the solar system installation process, which has the highest risk profile in terms of both potential impact from an incident and likelihood of an incident occurring. To promote a safe work environment for installers, we conduct third party inspections through renowned partners. We differentiate between quality inspections, usually taking place after the installation process is completed, and HSE inspections conducted during ongoing installations. Events uncovered during an inspection, by Otovo, reported by the installers themselves, by customers or bystanders, are handled systematically. Breaches with potential personal injury or other severe impacts are always escalated and handled at Group management level.

Incidents in 2021

One (1) event with serious personal injury, where an installer suffered fractures after falling from a roof. Three (3) events with less serious personal injuries. Eight (8) events with potential risk of personal injury, i.e. installers not wearing correct or sufficient safety equipment.

Social impact in the supply chain

In Otovo we are committed to use our position in the global hardware value chain to protect labour rights, and promote safe and secure working environments.

To install a solar panel on a European rooftop, we are dependent on a complex, global value chain. Simply put, the production of solar panels consists of mining, refining and production of raw materials, made into polysilicon, made into ingots, cut to wafers, made into cells, and assembled to modules. For many products manufactured today, global trade and good access to transport enables components and raw materials to be provided by several different factories, manufacturers and parts of the world. Several layers of subcontractors make full traceability in the value chain challenging, in turn increasing our reliance on transparency from the module manufacturers.

There is an ongoing concern regarding breaches of fundamental human rights for workers in the Xinjiang region of China. Xinjiang is home to large chemical industries, including the production of polysilicon for use in the global value chain of silicon solar panels - affecting some of the major manufacturers. Otovo works to monitor, document and follow up the traceability of our suppliers and their subcontractors. In 2021 Otovo decided to delist and stop all sales and purchases of one manufacturer following allegations of ties to affected suppliers. See the following section for more details on Otovo's whitelisting approach.

Otovo is fully committed to:

- Only use products or raw materials produced under acceptable labour conditions and a safe working environment
- Only select products and manufactures in a whitelisting process focusing on quality, commercial sustainability, social responsibility and environmental impact
- De-list manufacturers or products that fails to deliver on our quality and sustainability requirements over time

Only the best manufacturers - the whitelisting process

Otovo has a whitelist approach, where we certify hardware and equipment that can be sold and installed through our platform. In addition to requiring documentation on technology, quality, warranties and environmental footprint of the products, we perform due diligence of the manufacturer with assessment of bankability and sustainability. The manufacturers need to hold ISO-certification in quality (ISO 9001), environment (ISO 14001) and HSE (OHSAS 18001/ISO 45001). In 2021 we started the work of acquiring formal statements from manufacturers, where they clearly commit to follow internationally acceptable labour practices in their own production, and that the same holds true for any and all of their subcontractors.

Subscription metrics

New metrics for the subscription business

Following Otovo's acquisition of EDEA in late 2021 (see Strategic Report), subscriptions will become an even more important feature of the Group. Subscription concepts built the best residential solar players in the United States ten years ago and we believe this will happen again in Europe. A zero-money-down product expands the addressable market and turns a decision about a major capital outlay into a simple choice for consumers looking to save money in the first month after installation.

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 key metrics 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 2021, 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 chooses subscription, 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".

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

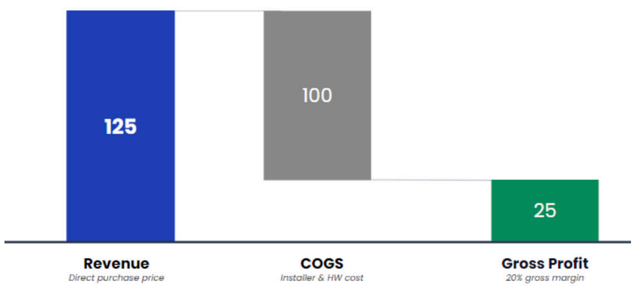
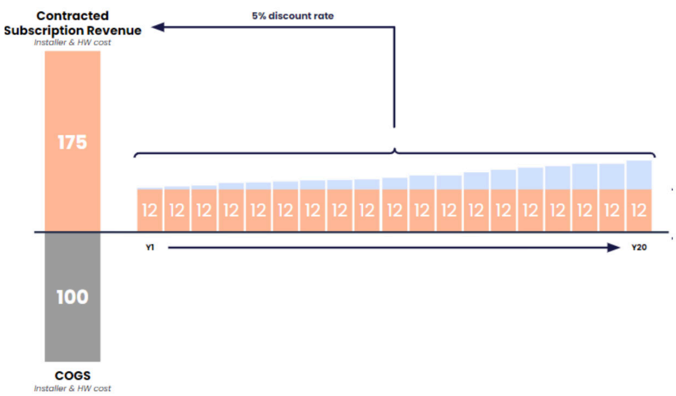


Figure 2: Contracted Subscription Revenue related to a subscription contract



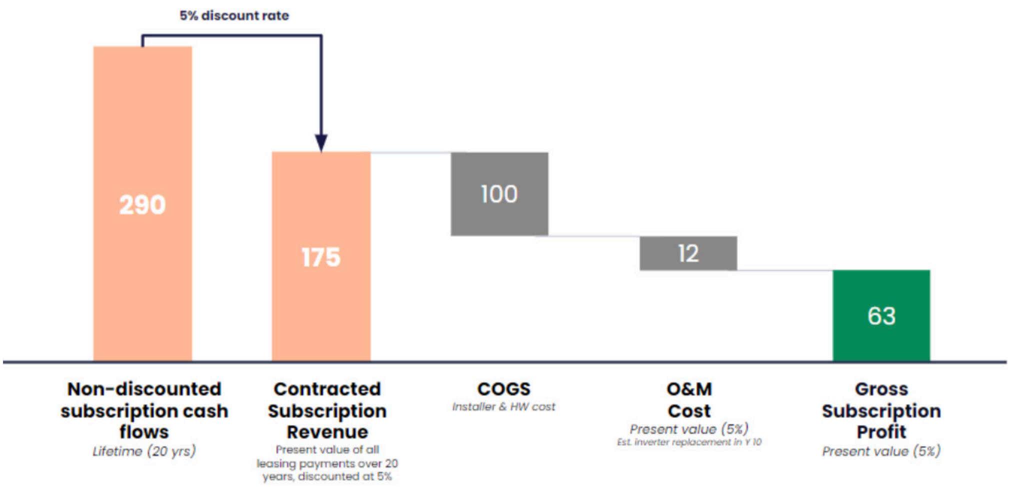


Figure 3: Contracted subscription revenue and gross subscription profit related to a subscription contract

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.

If the customer chooses subscription, this example shows that the same system generates 63 in profit, compared with 25 for a direct purchase agreement.

Going forward, the Group will show these new metrics for all subscription contracts generated in an accounting period. As the revenue and profit generated is counted up front, the recurring revenue over the lifetime of the subscription contracts, is subtracted when looking at these metrics on a Group consolidated level. Finally, the Group will show an EBITDA-equivalent metric where revenue is replaced by revenue generated.

Directors' report

2021 was a very strong year for Otovo. The company doubled its revenue, entered two new countries being present in seven countries at year-end, launched batteries, listed on Euronext Growth and acquired its affiliated company European Distributed Energy Assets (EDEA) that was spun out the year before.

Demand was fueled by both regulatory tailwinds and unprecedented price spikes in the electricity markets across Europe. With a pipeline of projects into 2022 that is close to the total revenue for 2021, prospects for further growth and expansion are very good.

Strategy

Otovo's overall ambition is to become Europe's number one provider of solar energy and batteries to private households. The strategic priorities to achieve this are to reach pan-European scale, increasing ticket sizes through batteries and in the future other hardware and making the products available to a wider group of customers through a high value subscription model. See the strategic report for more information.

Corporate governance and sustainability

Corporate governance in Otovo is how the Board of Directors and the Management operate to ensure confidence in the value creation in Otovo over time for our customers, shareholders, employees and other stakeholders. See the corporate governance report for more information.

Sustainability is about having a positive impact on the environment and society while minimising any negative impact. By delivering solar installations across Europe, generating clean electricity harvested from the sun, Otovo's business is at the core of the energy transition that will take place in Europe in the coming years, to reduce greenhouse gas emissions and achieve the Paris agreement targets. See the sustainability report for more information.

Risk management

Procedures for risk management in Otovo are governed by the Group's risk management policy. After the acquisition of the majority of the shares in EDEA, the risks related to EDEA are also covered by the risk management procedures of Otovo.

The ultimate responsibility for risk management lies with the board, whereas the CEO 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.

See the risk management section for more information.

Financial review of 2021

2021 is the first year for which the Group has prepared consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU). Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2021, together with the comparative period data for the financial year ended 31 December 2020. In preparing the consolidated financial statements, the Group's opening statement of financial position was prepared as at 1 January 2020 (the Group's date of transition to IFRS).

The Group has a clear growth strategy, both through organic growth and through acquisitions. On 8 December 2021 Otovo AS increased its investment in European Distributed Energy Assets Holding AS (EDEA) from 18.75% to 88.43%, a step taken to regain control over the strategically important subscription offering of Otovo and to facilitate future growth. EDEA was founded by Otovo in 2020. During 2020 Otovo's ownership interest was reduced from 100% to 18.75%. From the establishment of EDEA the two companies have cooperated closely, and had exclusivity when it comes to offering solar subscription to customers in Otovo's markets. EDEA has been consolidated into the Group accounts as of the acquisition date, and is reported as a separate operating segment as of the same date.

Income statement

The revenues in 2021 were NOK 289 million, 92% above the NOK 151 million revenues previous year, mainly driven by substantial contribution from the new market launches, Poland and Italy as well as increase in activity in Spain and France. Transition from the previous broker model to full integration on the Otovo Platform in France further enhanced the contribution from the French business. Otovo has also launched sales of batteries in Italy and Spain during 2021, something that increases the average purchase (ticket size) of the customers.

During 2021 the trend in Europe towards more renewable energy has been strengthened, and hikes in energy prices has accelerated consumers' interest in PV systems and batteries. The revenue increase is reflecting the increasing demand for PV systems and related products, and Otovo's ability to scale the business to meet this demand.

Cost of goods sold increased 98%, to NOK 240 million, compared to NOK 121 million last year. The increase is linked with the increase in revenue, but is slightly higher in percentage points as entry margins in new markets are lower than the margins in established markets. Transition from the broker model in France is also contributing to the reduction in margin. Margins are gradually increasing after new country launches, as more installers are onboarded to the platform, competing against each other to deliver projects and driving cost down, and the Otovo brand has gained a position in the market.

Payroll and related costs increased from NOK 53 million in 2020 to NOK 114 million in 2021, an increase of 115%, of which NOK 16 million of the growth is related to share-based payment programs. The remaining increase in costs is explained by launch in new markets and expansion in current markets, in addition to strengthening of Group functions, facilitating future growth.

Depreciation, amortisation and impairment ended at NOK 22 million, up 78% from NOK 12 million in 2020. The increase is primarily related to development of the Otovo Cloud, combined with amortisation of excess values from the acquisition of EDEA.

The Otovo Cloud is an internally generated software that is used in the interface with customers and installers. The software makes it possible for installers to price, as well as for Otovo to calculate the price for, various options of solar panels directly on the Group's websites. Furthermore, a production potential is calculated together with estimated annual power savings. The software needs continuous development and a proportion of hours and costs related to this is capitalised in the balance sheet as an intangible asset. Otovo expects that development activities will increase in scope during 2022, as the company adds more countries, products and new functionality both for customers, installers and internal users of the platform.

Net financial items for 2021 include an acquisition gain of NOK 25 million related to the shares held in EDEA ahead of the acquisition date. Aside from this, the change in net financial items from 2020 to 2021 is primarily attributable to increase in loss from equity accounted investments as well as increased currency losses.

Financial Position

Total assets increased by NOK 398 million to NOK 662 million, the increase is funded with equity raised through the listing on Euronext Growth Oslo in February and issuance of Otovo shares in relation with the EDEA acquisition in December. The EDEA acquisition explains the majority of the increase in intangible assets, relating to customer contracts and exclusivity agreements, goodwill and property plant and equipment, and contributed to the increase in cash and cash equivalents.

Total current liabilities increased from NOK 68 million to NOK 111 million, primarily explained by increasing activity.

Cashflow

Net cash flow from operating activities was negative by NOK 136 million in 2021, compared to a negative NOK 74 million in 2020, the change reflects the increase in operating losses due to expansion to new markets and scaling the business for future growth.

> During 2021 the trend in Europe towards more renewable energy has been strengthened, and hikes in energy prices has accelerated consumers' interest in PV systems and batteries.

Net cash inflow from investing activities was NOK 40 million in 2021, positively impacted by the cash balance from the EDEA acquisition when the Group regained control, while 2020 was negatively impacted by the downsell and deconsolidation of EDEA, ending at a cash outflow of NOK 46 million.

Net cash inflow from financing activities was NOK 248 million in 2021, compared to NOK 1 million in 2020. This significant increase is primarily explained by the cash raised at listing on Euronext Growth Oslo, net of transaction costs.

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 AS is the parent company in the Otovo Group.

Otovo AS had NOK 96 million in total revenues in 2021, an increase of NOK 12 million from the previous year. The increase in revenues was driven by a market rebounding from the Covid pandemic and a market reacting to hikes in electricity prices in Norway. Cost of goods sold increased less than the revenues due to higher margin. Other operating expenses and payroll and related costs have primarily increased as a result of head office costs incurred for expansion to new markets and launch of new products.

The result for the year ended at a loss of NOK 74 million compared with a loss of NOK 41 million in 2020.

At the end of the year, Otovo AS had assets of NOK 756 million and bank deposits of NOK 120 million. At the end of the year, Otovo AS had total equity of NOK 691 million. The increase compared with last year is primarily due to equity raised through the listing on Euronext Growth Oslo in February and issuance of Otovo shares in relation with the EDEA acquisition in December.

The Company's liquidity situation, ability to finance future investments, meeting its obligation and the solidity of the parent company are adequate and satisfactory.

Directors and officers liability insurance

The Group has a Directors and officers liability insurance with AIG.

Subsequent events

Fundraising, accelerated entry into new markets and intention uplist to the main list

After having launched Poland, Italy, and Germany in the space of twelve months in 2021 Otovo's confidence in the ability to launch markets swiftly, safely, and at a low cost has been strengthened. Therefore, the Group announced in February 2022 that it intends to accelerate the entry into new markets by launching six new markets in the next 12 months. In order to finance this accelerated growth the Group conducted a private placement of NOK 300 million that was completed on 17 February 2022.

On 22 February the Group further announced that the three first markets will be the UK, Austria and Portugal, while three additional markets are expected to be launched in the next 12 months. Following these launches, Otovo will further consolidate its position as Europe's leading marketplace for solar installations for private households, becoming the first to reach continental scale in Europe, gaining volume advantages in hardware deals; partnership opportunities; leasing deployment volumes; while reducing political exposure through country diversification.

In connection with the fundraising, the Group also announced that the board of directors intends to uplist to the main list of Oslo Stock Exchange within the next 12 months.

Macroeconomic environment

Towards the end of 2021 and the start of 2022 the Russian Federation moved troops towards the Ukrainian border under the pretext of conducting a military exercise. US intelligence warned that the Russian regime planned an invasion. Despite efforts to calm the escalated situation, Russian troops invaded Ukraine on 24 February. The outcome of the war and any potential further escalation outside Ukraine remains uncertain and is a risk to the European economy. A further escalation could also impact the Group's supply chains, in particular should China become involved in the conflict on the Russian side.

A united Europe and USA have responded by implementing harsh economic sanctions against the Russian Federation. In addition, the EU announced on 8 March a plan to make Europe independent from Russian fossil fuels well before 2030, starting with gas, in light of Russia's invasion of Ukraine. A part of the plan is to support more solar panel rooftops, heat pumps and energy savings to reduce dependency on fossil fuels across Europe. In isolation, the plan will be positive for the demand for Otovo's products.

Outlook for 2022

The Group entered 2022 with a pipeline of projects close to the number of projects delivered in the full year of 2021. Amid uncertain times, Otovo has confidence in its ability to scale to new European markets and grow market share in existing markets. Increased subscription share and battery attachment rate are expected to grow profit per customer in every market.

Annual profits and distributions

The result for the year in Otovo AS was a loss of NOK 74 million. The board proposes to transfer this from other equity. The board proposes that no dividend is distributed for the financial year 2021. After the transfer, Otovo AS will have an equity as of 31 December 2021 of NOK 691 million, corresponding to an equity ratio of 91.4%, while the Group has an equity of NOK 521 million and an equity ratio of 78.7%.

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 expansion targets for 2022.

The Board of Directors confirms that the financial statements have been prepared in accordance with the going concern assumption of the Norwegian Accounting Act.

Oslo, 22 March 2022

Board of directors of Otovo AS

Peter Mellbye Chairman of the Board	Ingunn Andersen Randa Board member	Olivier Francois Aizac Board member	Tor Øystein Repstad Board member
Johan Erik Sixten Bergström Board member	Alejandro Diaz Board member	Josefin Christina Landgård Board member	Andreas Egge Thorsheim Chief Executive Officer

Board of Directors

Peter Mellbye,
Chairperson
Peter Mellbye has been the chairperson of the Company since March 2017. Mellby has held management roles for more than 20 years in Statoil (now Equinor). He is currently a member of the board of directors in Technip FMC plc., Statkraft AS, Competentia AS, Resoptima AS, WestGass AS, and Wellesley Petroleum AS, and has previously been a member of the board of directors in in Altus Inter-vention AS, and Halfwave AS. Mr. Mellbye holds a Cand. Polit. degree in Economics, Law and Politics.

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 Agder Energy Invest AS. He is a member of the board of directors 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. He has previously been a member of the board of directors in Meventus AS, Enfo AS, Nordgoon Energie GmbH, Entelios AG, Netnordic AS, Stockwik AB, and 24 Seven Office AS. Mr. Repstad holds a master's degree in industrial economy from Norges teknisk-naturvitenskaplige universitet, and a MBA in finance from Norges Handels-høyskole.

Alejandro Diaz
Board Member
(employee representative)
Alejandro Diazl is currently employed by Otovo Iberic in Spain, a subsidiary of the Company, and is elected as an employee representative on the Board of Directors. Mr. Diaz currently holds the position as Head of Business Development & Key Account Management in Otovo Spain. Diaz was Co-Founder & Managing Partner in Metepatas, Sale & Marketing representative for Tesla in Spain, Management & Sales Consultant in Frontline Performance group, and has Sale Manager experience from both Abercrombie & Fitch and Massimo Dutti. Mr Diaz holds a Master Degree in Audiovisual Communication from Universidad Francisco de Vitoria, Madrid and has a broad TV producer experience.

Johan Bergström,
Board Member
Johan Bergström has been a Board Member since October 2020, and is currently the CEO of AxSol AB. He is also a member of the board of directors of Svea Solar AB; Alight AB, Solkompaniet AB, AdMedic AB, and Clinic Partner AB. He has previously been an Associate Partner with McKinsey & Company. Bergström holds a master's degree in finance from Stockholm School of Economics, and a bachelor's and master's degree in fine arts from Royal Institute of Fine Art.

Ingunn Andersen Randa,
Board Member
Ingunn Andersen Randa has served on the Board of Directors since June 2018, and is currently the Executive Vice President in OBOS BBL, responsible for the OBOS-bank, strategic investments and business development. She is also a member of the board of directors of Construct Venture AS and Wanda AS, and has previously worked in various roles in Nordea, and served on the board of directors on Hybel.no AS. Randa holds a master's degree in business and economics.

Olivier Francois Aizac,
Board Member
Oliver Francois Aizac has served on the Company's Board of Directors since January 2019. Aizac has previously been a member of the board of directors of Webedia Brazil, OLX Brazil, Infojobs Brazil, Donedeal Ireland, Willhaben Austria, and SCM Spain. He has also had the position as CEO in Webedia Brazil, and been the SVP of Schibsted Classifieds Media. Aizac holds a master's degree in Management from ESSEC Busines School.

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 founder of byFounders and KRY, and has been an independent consultant for 11 years. Landgård has been Senior Consultant in Volvo, board member at Phoniro systems AS, COO in Viewserve. Landgård holds a Master Management degree from Stockholm School of Economics;

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 Norges Handelshøyskole, and a Master of Science in international management from London School of Economics. Thorsheim also serves on various boards.

Petter Ulset,
Chief Financial Officer
(started 1 March 2022)
Petter Ulset assumed the position as CFO 1 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. Here, he 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 a Master of Science degree in Industrial Economics and Technology Management from the Norwegian University of Science and Technology (NTNU).

Lars Ekeland, General Counsel
(interim CFO until 1 March 2022)
Lars Ekeland has been the General Counsel of the Company since October 2020. He also acted as CFO for the Company for a year from March 2021 till February 2022. Ekeland has extensive commercial and legal experience, and has had various positions in DNB Bank ASA, Advokatfirmaet Hjort DA, Wikborg Rein Advokatfirma AS and Norsk Hydro ASA. Ekeland holds a Master of Science from INSA Toulouse, and a Master of laws from the University of Oslo.

Babak Tighnavard,
Chief Growth Officer
Babak Tighnavard had been the Company's Chief Growth Officer since March 2020. He has previously been the CEO of Soundation AB. Tighnavard holds a bachelor's degree in marketing from Stockholm University, and a master's degree in electrical, electronics and communications engineering from KTH Royal Institute of Technology.

Simen Fure Jørgensen,
Chief Product Officer and Co-Founder
Simen Fure Jørgensen has been the Chief Product Officer of Otovo since January 2016. 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 Master of Science from Norges teknisk-naturvitenskaplige universitet.

Andreas Bentzen,
Chief Technology Officer and Co-Founder
Andreas Bentzen has been employed with the Company since January 2016. He has previously had various management positions, such as VP Technology in Rec Technologies US Inc, Senior Strategy Consultant in Nofas AS, and he is the owner and founder of Beacon (Bentzen Consulting). Bentzen holds a PhD in physics from the University of Oslo, and a Master of Science in physical electronics from Norges teknisk-naturvitenskaplige universitet.

Anne Lene Holstad,
Chief Operating Officer
Anne Lene Holstad has been the COO of the Company since February 2019. She has previously had positions such as Senior Consultant Lean & Business Development in Statoil Fuel & Retail AS, Shares Service Manager in Topaz Energy Ltd, and Director Lean & StrategicProjects in Circle K. Holstad holds bachelor's degree in auditing and a master's degree in management accounting/finance from the University of Agder.

Cecilie Ellila Weltz,
Chief Executive officer EDEA
Cecilie Ellila Weltz has been CEO of European Distributed Energy Assets Holding AS since EDEA. In addition she held the role as CFO of Otovo from august 2020 till March 2021. Before joining Otovo Weltz worked as an investment professional in the private equity firm Verdane, and worked within corporate finance in Swedbank. In addition, she has served on the board of directors of Consector AB and ProNordic Group AB, and been a member of the nomination committee in Allgon AB. Weltz holds a Master of Science in economics and business from Norges Handelshøyskole.

Financial Statements

Consolidated income statement

Amounts in NOK thousand

For the year ended 31 December	Note	2021	2020
Revenue	6	285 265	147 532
Other operating revenue	6	4 137	3 390
Total operating revenue		**289 402**	**150 922**
Cost of goods sold		240 362	121 309
Payroll and related costs	7	113 548	52 825
Depreciation, amortisation and impairment	11, 12, 13	21 649	12 154
Other operating expenses	8, 14	89 137	58 232
Total operating expenses		**464 696**	**244 520**
Operating profit/(loss)		**-175 294**	**-93 598**
Financial income	9	3 194	1 673
Financial expenses	9	1 000	942
Net exchange gain/(loss)	9	-2 452	-409
Gains (losses) on disposal/acquisition of subsidiary	22	24 647	1 786
Share of profit (loss) of equity accounted investees, net of tax	5	-3 312	-685
Net financial items		**21 077**	**1 423**
Profit/(loss) before income tax		**-154 217**	**-92 175**
Income tax expense	10	-457	-86
Profit/(loss) for the period		**-153 760**	**-92 090**
Profit/(loss) is attributable to			
Owners of Otovo AS		-153 612	-91 348
Non-controlling interests		-148	-742
Earnings pere share			
Basic and diluted, for profit attributable to the ordinary equity holders of the company:	25	-1,64	-1,10

Consolidated statement of comprehensive income

Amounts in NOK thousand

For the year ended 31 December	Note	2021	2020
Profit for the period		**-153 760**	**-92 090**
Other comprehensive income not to be reclassified to profit and loss			
Foreign currency translation differences		**-3 509**	**6 721**
Total comprehensive income for the period		**-157 269**	**-85 368**
Total comprehensive income is attributable to:			
Owners of Otovo AS		-153 612	-91 348
Non-controlling interests		-148	-742
		-153 760	**-92 090**

Consolidated statement of financial position

Amounts in NOK thousand

	Note	31 December 2021	31 December 2020	1 January 2020
Assets				
Intangible assets	13, 22	124 409	32 427	23 192
Goodwill	13, 22	153 637	92 091	86 736
Investments in associated companies	5	3 360	27 615	-
Property, plant and equipment	11	73 099	4 205	4 555
Right-of-use assets	12	8 524	11 793	2 271
Other assets		2 236	914	811
Total non-current assets		**365 265**	**169 046**	**117 564**
Trade receivables	14	22 170	7 787	12 804
Other receivables and prepayments	15, 21	50 643	14 254	18 051
Cash and cash equivalents	17	224 187	73 677	193 036
Total current assets		**297 000**	**95 718**	**223 890**
Total assets		**662 267**	**264 764**	**341 454**
Equity				
Share capital	20	571	443	424
Share premium reserve	20	824 236	355 102	328 556
Other paid-in equity	20	12 380	2 130	-
Total paid-in equity		**837 187**	**357 675**	**328 980**
Foregin currency translation reserve		3 406	6 915	195
Retained earnings		-350 848	-197 236	-106 337
Non-controlling interests	20	31 303	-	-
Total equity		**521 049**	**167 354**	**222 838**
Liabilities				
Deferred tax liability	10	17 388	-	-
Interest-bearing liabilities	16, 19	6 809	13 481	15 181
Lease liabilities non-current	12, 19	6 165	8 661	1 355
Other non-current provisions	18	-	6 745	34 145
Other liabilities		29	90	-
Total non-current liabilities		**30 391**	**28 977**	**50 681**
Lease liabilities current	12, 19	2 674	3 199	915
Trade payables	19	29 889	12 494	9 856
Other current liabilities	16, 18, 19	78 264	52 740	57 164
Total current liabilities		**110 827**	**68 433**	**67 935**
Total equity and liabilities		**662 267**	**264 764**	**341 454**

Oslo, 22 March 2022
Board of Directors of Otovo AS

Peter Mellbye
Chairman of the Board

Ingunn Andersen Randa
Board member

Olivier François Aizac
Board member

Tor Øystein Repstad
Board member

Johan Erik Sixten Bergström
Board member

Alejandro Diaz
Board member

Josefin Christina Landgård
Board member

Andreas Egge Thorsheim
Chief Executive Officer

Consolidated statement of cash flows

Amounts in NOK thousand

For the year ended 31 December	Note	2021	2020
Profit before tax		**-154 217**	**-92 175**
Adjustments for:			
Depreciation, amortisation and impairment	11, 12, 13	21 649	12 154
Expensed share-based payments	7	10 248	2 130
Net interest income and interest expenses	9	692	408
Share of profit (loss) of equity accounted investees and gains/lossess on acquisition and disposal of subsidiaries	5, 22	-21 335	-1 101
Changes in trade receivables		-13 483	5 016
Changes in trade payables		10 995	2 638
Change in other assets and other liabilities		10 167	-2 982
Cash generated from operating activities		**-135 284**	**-73 912**
Received interest		305	532
Paid interest		-1 039	-902
Net cash flow from operating activities		**-136 018**	**-74 282**
Investment in other companies	5	-5 478	-2 237
Disposal of subsidiary (EDEA)/shares in EDEA	5	-	-25 095
Cash balance from EDEA acquisition		78 602	-
Investments in intangible assets	13	-28 774	-18 312
Investments in tangible assets	11	-4 713	-851
Net cash flow from investing activities		**39 638**	**-46 495**
Proceeds from issuance of ordinary shares		255 634	4 056
Payment of lease liabilities	12	-3 451	-1 525
Inflow due to new non-current liabilities		-	1 286
Outflow due to downpayment of non-current liabilities		-4 622	-2 399
Net cash flow from financing activities		**247 561**	**1 418**
Net change in cash and cash equivalents		151 181	-119 359
Effects of foreign exchange on cash and cash equivalents		-671	-
Cash and cash equivalents at the beginning of the period		**73 677**	**193 036**
Cash and cash equivalents at the end of the period	17	**224 187**	**73 677**

Consolidated statement of equity

Amounts in NOK thousand

	Attributable to owners of Otovo AS							
	Share capital	Share premium reserve	Other paid-in equity	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 31 December 2019 (NGAAP)	424	328 108	-	195	-88 873	239 854	-	**239 854**
Effect of implementation to IFRS	-	-	-	-	-17 015	-17 015	-	**-17 015**
Equity at 1 January 2020	424	328 108	-	195	-105 888	222 839	-	**222 839**
Net profit for the period	-	-	-	-	-91 348	-91 348	-742	**-92 090**
Other comprehensive income for the period, net of tax	-	-	-	6 720	**-**	6 720	-	**6 720**
Total comprehensive income in the period	**-**	**-**	**-**	**6 720**	**-91 348**	**-84 628**	**-742**	**-85 370**
Issuance of shares	12	24 015	-	-	**-**	24 027	-	**24 027**
Transaction costs on equity issues	-	-73	-	-	**-**	-73	-	**-73**
Disposal of subsidiaries with non-controlling interests	-	-	-	-	**-**	-	742	**742**
Share-based payments, exercised	7	3 053	-	-	**-**	3 060	-	**3 060**
Share-based payments accrual	-	-	2 130	-	**-**	2 130	-	**2 130**
Equity at 31 December 2020	**443**	**355 102**	**2 130**	**6 915**	**-197 236**	**167 354**	-	**167 354**

	Attributable to owners of Otovo AS							
	Share capital	Share premium reserve	Other paid-in equity	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity at 1 January 2021	443	355 102	2 130	6 915	-197 236	**167 354**	-	**167 354**
Net profit for the period	-	-	-	-	-153 612	**-153 612**	-148	**-153 760**
Other comprehensive income for the period, net of tax	-	-	-	-3 509	-	**-3 509**	-	**-3 509**
Total comprehensive income in the period	**-**	**-**	**-**	**-3 509**	**-153 612**	**-157 121**	**-148**	**-157 269**
Issuance of shares	107	463 524	-	-	-	**463 631**	31 451	**495 082**
Transaction costs on equity issues	-	-13 434	-	-	-	**-13 434**	-	-13 434
Share-based payments, exercised	22	19 044	-	-	-	**19 066**	-	**19 066**
Share-based payments accrual	-	-	10 249	-	-	**10 249**	-	**10 250**
Equity at 31 December 2021	**571**	**824 236**	**12 380**	**3 406**	**-350 848**	**489 746**	**31 303**	**521 049**

Notes to the consolidated financial statements

For the year ended 31 December

Note 1. General information and basis for preparation

General information

Otovo AS, the parent company of the Otovo Group is a limited liability company incorporated and domiciled in Norway, with its head office in Torggata 7, 0181 Oslo. The Company is listed on Euronext Growth in Oslo, Norway and has the ticker "OTOVO". The consolidated financial statements include the company, its subsidiaries (together referred to as the "Group") and the Group's share in associated companies. The board of directors authorised for issue the consolidated financial statements on 22 March 2022.

The Group's business is primarily related to sale of 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 International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and approved by the EU. This is the Group's first set of consolidated financial statements in compliance with IFRS, and therefore, the effects of the change in reporting standards are presented in note 23. The Group intends to be the issuer in an initial public offering (IPO) on the Oslo Stock Exchange. Accordingly, the consolidated financial statements have been converted to IFRS with the effect from 1. january 2020.

The consolidated financial statements are based on the IFRS mandatory accounting standards effective 31 December 2021. The consolidated financial statements have been prepared based on the historical cost principle, except for share based payment arrangements. Assets not at fair value are written down to their recoverable amount if the carrying value is higher. The recoverable amount is the higher of either the asset's value in use or its fair value less cost to sell.

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

Note 2. Significant accounting principles

Consolidation principles

The consolidated financial statements present the aggregated profit and loss and financial position of Otovo AS, including companies that are directly or indirectly controlled by Otovo AS. 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.

In the instances where the Group has controlling interest while owning less than 100% of the subsidiary, the subsidiary is still recognized with 100% line by line, while the non-controlling interest's part of profit after tax and equity are presented as a separate line. If the Group holds less than the majority of the voting rights of a company, the Group may still have power, for example through contractual arrangements. Subsidiaries are fully consolidated from the date control was achieved, until the date when control was ceased. The comprehensive income for each component is assigned to the owners of the parent company and the non-controlling interests. This distribution is presented on separate lines in the consolidated financial statements. Intercompany transactions, as well as unrealized revenue and expenses from intercompany transactions, are eliminated in the consolidated financial statements. Unrealized gains or losses are eliminated to the extent in which it does not affect the value.

Business combinations and goodwill

Business combinations that occur after 1 January 2020 are accounted for according to the acquisition method in IFRS 3. Under IFRS 3, the considerations are measured at the fair value of transferred 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. Transaction-related costs are expensed as incurred. In accordance with the optional exemptions in Appendix C of IFRS 1, acquisitions undertaken before 1 January 2020 have not been restated at transition to IFRS. For these business combinations the guidance in NGAAP has been applied, the main implication of this is that the goodwill related to the acquisition of ISWT has been amortised from the acquisition date in April 2019 until 31.12.2019, total amortised amount is NOK 7 million.

The allocation of the purchase price in business combinations may affect the impairment assessments of assets, including goodwill, in future periods.

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.

Investments in associated companies

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without the ability to have control over those policies. Significant influence normally exists when the Group has 20 % to 50 % voting power through ownership or agreements. Investments in associated companies are accounted for using the equity method, after initially being recognized at cost.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit and loss and OCI of the associate, until the date on which significant influence ceases to exist or the associated company becomes a subsidiary. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

The Group's share of unrealized gains is eliminated in the consolidated financial statements. Unrealized gains are eliminated against the investment in accordance with the Group's share of ownership.

Foreign currency translation and transactions

The consolidated financial statements are presented in NOK, which is Otovo AS's functional currency.

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 recognized in the statement of profit and loss as foreign exchange gains/losses.

The Group has foreign entities with functional currency other than NOK. 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 noncurrent.

Reporting segments

Segments in the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, the Chief Executive Officer. 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 Direct Purchase and Subscription.

The Direct Purchase 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. Currently the subscription period for solar panels is 20 years.

Revenue 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

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.

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 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 one market 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, 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 solar panel 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 amount 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. The revenues from the broker model in the French business were recognised as agent revenues. The broker model was discontinued during 2021.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grants relate to an expense item, it is normally recognised as a reduction of the expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset it is recognised in the income statement over the useful life of a depreciable asset as other operating revenues.

Employee benefits
Current liabilities to employees, such as salary, are measured at an undiscounted basis and recognized 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 recognized 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.

Property, plant and equipment
Property, plant and equipment are presented in the statement of financial position at cost, less accumulated depreciation and write-downs. Property, plant and equipment related to acquisitions are recognized 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 derecognized at the point no future economic benefit can be identified. 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 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.

Leases
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 Net financial items.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as other operating expenses in the Consolidated Income Statement. Short-term leases are leases with a lease term of 12 months or less.

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. Interest expenses for lease liabilities are presented as part of finance items.

In the statement of cash flows, payments on lease principal is 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.

Refer to note 23 for additional details and effects of IFRS 16 at transition to IFRS.

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 derecognized on disposal, or when no future economic benefits are expected to be derived. Gains or losses arising from derecognition are measured as the difference between the sales price and carrying value. The gains or losses are recognized as other operating income or other operating expenses in the consolidated statement of income.

Research and development costs

Research costs are expensed as incurred, while development costs are capitalised if the requirements in IAS 38 are met.

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 13.

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 estimated losses. The Group measures expected losses on trade receivables by the use of an expected loss model in accordance with IFRS 9.

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 recognized at fair value less prepaid expenses 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.

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. As the Group has back to back warranties with hardware producers and installation partners, no provision has been recognised. The Group 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 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 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.

Subscriptions customers have 20 year guarantees, the guarantee is related to the performance of assets held and maintained by the Group. The Group has no expense accrual relating to this guarantee. The Group's share of repair and replacement costs will be expensed as they occur.

Accounts payables and other payables

Payables 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. Accounts payable are recognised when an invoice has been received. Accounts and other payables 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.

Related parties

Parties are defined as related parties if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also related if they are subject to common control or common significant influence. All transactions between the related parties are based on the principle of 'arm's length' (estimated market value).

Cash flow statement

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

Events after the balance sheet date

New information about the Company's position on the balance sheet date is included in the financial statements. Events that occur after the balance sheet date that do not affect the company's position on the balance sheet date, but which affect the company's future position are reported if it is of significance.

Note 3. Use of estimates and judgement

The Group consolidated financial statements are prepared on the basis of uniform accounting principles for similar transactions and events. Unless otherwise stated the accounting policies as set out above have been consistently applied to all reporting periods presented. Presentation and classification of items in the financial statements is also consistent for the periods presented.

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 judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Areas where the use of assumptions and estimate are significant for the group accounts.

Impairment

The Group has made significant investments in property, plant and equipment, intangible assets, goodwill, associates and other investments. 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 appropriate cash-generating units, 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.

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.

Contingent consideration

Contingent consideration, resulting from business combinations, is initially recognised at fair value as of the acquisition date as part of the business combination and is classified either as "Other non-current provisions" or "Other current liabilities", depending on the contractually agreed payment dates. As the contingent consideration payable meets the definition of a financial liability, it is subsequently measured at fair value through profit or loss (FVTPL) at each reporting date. The determination of the fair value is based on a discounted cash flow model that includes a probability weighting of the assessed outcomes of the contractually agreed performance targets over the contractually agreed payment dates. Post-acquisition performance or other events can change the assumptions used by Management to assess the inputs used in the fair value estimate of the contingent consideration liability. For further details, see note 22 Business combinations and acquisition of non-controlling interests.

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 riskfree rate of return. The assumptions and model used for estimating the fair value for share based payments are discussed in more detail in note 7 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.

Revenue recognition of subscription agreements

The Group has entered into 20 year subscription agreements with customers for their use of solar panels provided by The Group. It requires judgement to determine whether the promise in the contract with the customer is to transfer a good or a service, or a series of distinct goods or services. The review of the contract has concluded that control over the assets has not been passed to the customer, and that the contracts do not contain a lease and are to be reported as service agreements in accordance with IFRS 15. The conclusion is based on the fact that the customer is not able to operate the asset throughout the period of use or impact the output of the solar panels. Neither is the customer able to design the assets in a way that predetermines how and for what purpose the asset will be used throughout the period of use. The customer is only able to choose between a few different classes of panels, and the number of panels, and will in reality receive a product that is predesigned by the Group. Revenues are recognised monthly in accordance with the invoiced subscription amount.

Investments

For all investments, Otovo has to determine whether it is a parent by assessing whether it controls the investee. Otovo controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the period between disposal of shares in EDEA in October 2020 (from 100% to 18.75%), to repurchase of shares in December 2021 (from 18.75% to 88.48%) the Group had concluded that it did not control EDEA, and the investment was accounted for using the equity method.

Note 4. Group structure and acquisitions

Otovo AS (the Company or Parent) and its subsidiaries (together the Group) operates an online marketplace for solar installations. During the year Otovo AS has increased its investment in European Distributed Energy Assets Holding AS (EDEA) and gained control of the company and its subsidiaries. The non-controlling interest in EDEA is 11.57%, spread across many individually small shareholders.

See further details about the acquisition, proforma numbers and non-controlling interest in note 22. The share of the consolidated results related to activity in EDEA from the acquisition date to 31.12.21 can be found in note 6, in the subscription segment.

As of year-end 2021 the Group consists of the subsidiaries presented in the table below. Companies owned directly by Otovo AS are highlighted. At 31.12.21 The Group was in the process of founding a subscription company in Germany, but this process was first completed in the beginning of 2022.

Company	Country	Location	Equity interests		Reportable segment	Parent company
			31 December 2021	31 December 2020		
Otovo AB	**Sweden**	**Stockholm**	**100%**	**100%**	**Direct purchase**	**Otovo AS**
ISWT	**France**	**Paris**	**100%**	**100%**	**Direct purchase**	**Otovo AS**
Otovo Iberic SL	**Spain**	**Madrid**	**100%**	**100%**	**Direct purchase**	**Otovo AS**
Otovo Srl	**Italy**	**Milan**	**100%**	**100%**	**Direct purchase**	**Otovo AS**
Otovo Sp. Z.o.o	**Poland**	**Warsaw**	**100%**	**100%**	**Direct purchase**	**Otovo AS**
European Distributed Energy Assets Holding AB	**Sweden**	**Stockholm**	**-**	**100%**	**Subscription**	**Otovo AS**
Otovo GmbH	**Germany**	**Berlin**	**100%**	**-**	**Direct purchase**	**Otovo AS**
European Distributed Energy Assets Holding AS	**Norway**	**Oslo**	**88.43%**	**18.75%**	**Subscription**	**Otovo AS**
European Distributed Energy Assets Midco AS	Norway	Oslo	88.43%	18.75%	Subscription	European Distributed Energy Assets Holding AS
European Distributed Energy Assets AS	Norway	Oslo	88.43%	18.75%	Subscription	European Distributed Energy Assets Midco AS
European Distributed Energy Assets AB	Sweden	Stockholm	88.43%	18.75%	Subscription	European Distributed Energy Assets Midco AS
Edea Polska Sp. Z.o.o	Poland	Warsaw	88.43%	-	Subscription	European Distributed Energy Assets Midco AS
Distributed Energy Assets SLU	Spain	Madrid	88.43%	18.75%	Subscription	European Distributed Energy Assets Midco AS
Distributed Energy Assets SARL	France	Paris	88.43%	18.75%	Subscription	European Distributed Energy Assets Midco AS

Note 5. Investments in associated companies

Otovo Group has a clear growth strategy, both through organic growth and through acquisitions. During 2021 Otovo AS increased its investment in European Distributed Energy Assets Holding AS (EDEA) from 18.75% to 88.43% and gained control of the company, a step taken to regain control over the strategically important subscription offering of Otovo and to facilitate future growth. EDEA was founded by Otovo in 2020, during 2020 Otovo's ownership interest was reduced from 100% to 18.75%. From the establishment of EDEA the two companies have cooperated closely, and had exclusivity when it comes to offering solar subscription to customers in Otovo's markets.

EDEA has been consolidated into the group accounts as of the acquisition date, and is reported as a separate operating segment. Refer to note 22 and note 6 for further details.

Holu is a partnership between Otovo and Gera, established in 2020, to pilot the Otovo Platform-as-a-Service in Brazil. Otovo owns 34% of Holu, and in addtion to potential returns on the investment Otovo collects a fee per sale made through the Otovo Platform. Holu runs on the Otovo tech platform, but operations are performed separately. Gera holds 54% of the shares in Holu, while the remaining 12% is held by an investor independent of Gera and Otovo.

Investments in equity accounted investees

Investments in equity accounted investees	Location	Reportable segment	Ownership and voting rights 31 December 2020	Ownership and voting rights 31 December 2021	Cost prices 31 December 2021	Carrying amounts 31 December 2021
European Distributed Energy Assets Holding AS	Norway	Oslo	18.75%	N/A	-	-
Holu Technologia SA	Brazil	São Paulo	34%	34%	5 972	3 360
TOTAL						

Investment in associated companies - Reconciliation	2021	2020
At 1 January	27 615	-
Additions	5 478	28 315
Book value of EDEA at acquisition date	-26 322	-
The Group's share of the associate's result after tax	-3 312	-685
Exchange difference	-99	-15
At 31 December	**3 360**	**27 615**

Note 6. Reporting segment information and revenue

Amounts in NOK thousand

For Management purposes the Group is organized into two business lines. "Direct purchase" and "Subscription". Starting from the EDEA acquisition 8 December 2021 The Executive Management monitors the operating results of these business lines separately for the purposes of making decisions about resource allocation and performance assessment. See further details about the acquisition in the note 22.

The Direct Purchase 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. Currently the subscription period for solar panels is 20 years.

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

In 2020 the Group only had activity in the direct purchase reporting segment. Refer to note 21 for information about transactions with EDEA ahead of the acquisition.

Information regarding reporting segments in the Group

	Reportable segments			
2021	**Direct purchase**	**Subscription**	**Elimination**	**Total**
Revenue	289 339	-	-4 074	285 265
Other operating revenue	3 714	423	-	4 137
Total operating revenue	**293 053**	**423**	**-4 074**	**289 402**
Cost of goods sold	243 640	-	-3 278	240 362
Payroll and related costs	113 348	200	-	113 548
Depreciation, amortisation and impairment	19 491	82	2 076	21 649
Other operating expenses	88 568	569	-	89 137
Operating profit/(loss)	**-171 994**	**-428**	**-2 872**	**-175 294**

Geographical distribution of external revenues based on customer location

Geographical information	2021	2020
Northern Europe	161 452	132 117
Southern Europe	127 950	18 804
Total revenue and other income	**289 402**	**150 921**

Note 7. Employee benefits

Amounts in NOK thousand

Specification of payroll and related cost	2021	2020
Salary/wages	80 565	40 003
Employee tax	26 492	8 531
Pension costs	4 444	2 552
Other personnel costs	2 047	1 738
Total payroll expense	**113 548**	**52 825**

Full time equivalents	2021	2020
Male	87	61
Female	62	42
Total	149	103
Percentage female employees	42%	41%

Remuneration to CEO, other members of Group Management and board members in 2021	Salary	Bonus	Pension	Share-based payments	Other	Total
CEO	1 400	-	104	616	8	2 128
Other members of Group Management	6 515	-	728	8 744	53	16 039
Board members	-	-	-	-	120	120
Total remuneration	**7 914**	**-**	**832**	**9 359**	**182**	**18 287**

Remuneration to CEO, other members of Group Management and board members in 2020	Salary	Bonus	Pension	Share-based payments	Other	Total
CEO	1 033	120	78	293	17	1 542
Other members of Group Management	5 449	812	560	2 458	42	9 320
Board members	-	-	-	-	212	212
Total remuneration	**6 482**	**932**	**637**	**2 751**	**272**	**11 074**

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 5 persons.

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

Loans to employees and board members

No loans or guarantees have been given to members of the Managment, 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	Performance shares	Retention shares	Total 31.12.2021
Andreas Thorsheim	CEO	8 647 950	16 660	-	14 300	8 678 910
Other members for Group Management	Management	5 960 976	232 200	34 188	313 108	6 540 472
Peter Mellbye	Chairman of the board	26 670	13 330	-	-	40 000
Olivier Francois Aizac	Board member	61 000	20 000	-	-	81 000
Josefin Christina Landgård	Board member	91 583	-	-	-	91 583
Alejandro Díaz	Board member	-	50 000	-	14 300	64 300

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

Name	Shares
Axel Johnson AB	22 920 702
Agder Energi Invest AS	9 146 240
OBOS BBL	3 990 180

Share-based payments

Otovo has share options and share purchase programs for management and key personnel. The share purchase program entitles the subscribers a certain number of shares, at no consideration, 2, 3 and 4 years after the transaction date, provided certain conditions are met.

Vesting of performance shares is dependent on the development of the market price of the share, in addition to continued employment, while vesting of retention shares is dependent only on continued employment.

Vesting of 1.116.200 performance shares were accelerated due to the listing of Otovo on Euronext Growth in February 2021, and the shares were released. All share numbers are updated to reflect split of 10 completed at the listing.

Expenses related to share-based payments included in total payroll expense	2021	2020
Share-based payments	10 249	2 130
Social security contribution	11 048	2 855
Total expenses related to share-based payments	**21 297**	**4 986**

Overview of outstanding options (after share split)	2021	2020
Outstanding options 1 January	3 381 180	5 292 740
Options granted	400 000	105 000
Options exercised	-2 026 730	-1 058 900
Options forfeited	-168 290	-957 660
Outstanding options 31 December	**1 586 160**	**3 381 180**
Of which exercisable		
Average share price at grant date (NOK per share, after 2021 share split)	8,57	3,78
Weighted average remaining contractual life of outstanding options (years)	1	2

Overview of outstanding performance and retention shares	2021	2020
Outstanding shares 1 January	2 232 400	-
Shares granted	1 015 870	2 232 400
Shares released	-1 116 200	-
Shares forfeited	-3 000	-
Outstanding shares 31 December	**2 129 070**	**2 232 400**
Performance shares 31 December	507 935	1 116 200
Retention shares 31 December	1 621 135	1 116 200
Total	**2 129 070**	**2 232 400**
Weighted average remaining contractual life of performance shares	2	2
Weighted average remaining contractual life of retention shares	4	4

Note 8. Other operating expenses

Amounts in NOK thousand

	2021	2020
Other expenses related to buildings and short-term/low value rent of equipment	2 221	2 423
Professional services [1]	28 164	20 953
Media spend and advertising	40 274	17 669
Other operating expenses	18 478	17 186
Total other operating expenses	**89 137**	**58 232**

1) Including audit fee, see specification below

Specification of audit fees

The table below summarises audit fees, fees for further assurance services and tax services incurred by the Group during 2021 and 2020 from BDO. Fees include all companies in the Group.

	2021	2020
Audit fees	1 239	678
Fees for further assurance services	145	-
Fees for tax services	84	414
Total fees to auditors	**1 468**	**1 092**

The amounts in the tables for audit fees are the amounts expensed in 2020 and 2021. Amounts presented exclude VAT.

Note 9. Financial income and expenses

Amounts in NOK thousand

Gains (losses) on disposal/acquisition of subsidiary and share of profit (loss) of equity accounted investees, net of tax is included in Net financial items. Refer to note 22 and note 5 for more details about these items. Interest expense relating to leasing agreements recognised in accordance with IFRS 16 is included in the below and specified in note 12.

Specification of financial income	2021	2020
Interest income	305	532
Other financial income	2 889	1 141
Total financial income	**3 194**	**1 673**

Specification of financial expenses	2021	2020
Interest expenses	997	940
Net currency loss	2 452	409
Other financial expenses	4	2
Total financial expenses	**3 452**	**1 351**

Note 10. Income tax

Amounts in NOK thousand

Income tax expense in the consolidated statement of income	2021	2020
Income tax payable	-	-86
Changes in deferred tax / deferred tax asset	-457	-
Tax assets not recognised in previous year	-	-
Total income tax expense reported in the income statement	**-457**	**-86**

Reconciliation from nominal to effective tax rate	2021	2020
Profit/(loss) before tax	**-154 217**	**-92 175**
Estimated tax expense with nominal tax rate, 22% of profit/(loss) before tax	-33 928	-20 279
Tax effect of the following items:		
22% of net permanent differences	-26 001	1 325
Other items	335	-486
Deferred tax asset not recognised current year	59 136	19 353
Total income tax expense reported in the income statement	**-457**	**-86**
Effective tax rate	0,3%	0,1%

The nominal tax rate in Norway was 22 % in 2021 and 2020. 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.

All group entities have been loss making since inception and as a result a deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences.

Specifications of temporary differences on wich deferred tax is recognised	2021	2020
Property, plant and equpment	79 213	-1 586
Right of use assets	8 524	11 793
Trade receivables	-394	423
Provisions	-534	-
Deferred gains / losses	-160	-200
Lease liabilities	-8 839	-11 860
Loss carried forward	-391 440	-226 981
Total	**-313 630**	**-228 411**

Changes in deferred tax	2021	2020
Opening balance at 1 January	-	-
Recognised in current year's profit	457	-
Deferred tax on new subsidiaries	-17 845	-
Balance at 31 December	**-17 388**	**-**

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 11. Property, plant and equipment

Amounts in NOK thousand

Property, plant and equipment

	Equipment and machinery	Solar panels	Total
Accumulated cost			
As of 1 January 2020	**2 064**	**4 149**	**6 213**
Additions during the year	851	-	851
Disposals	-	-43	-43
As of 31 December 2020	**2 916**	**4 106**	**7 022**
Additions during the year	1 434	3 279	4 713
Additions through acquisition of subsidiaries	-	64 950	64 950
Disposals	-17	-	-
Translation differences	150	290	440
As of 31 December 2021	**4 483**	**72 625**	**77 108**
Accumulated depreciation and impairment lossess			
As of 1 January 2020	**-1 048**	**-610**	**-1 658**
Depreciation	-611	-204	-816
Impairment	-	- 346	-346
Translation difference	2	-	2
As of 31 December 2020	**-1 657**	**-1 160**	**-2 818**
Depreciation	-896	-288	-1 183
Disposals	17	-	17
Accumulated depreciation disposals	-	-	-
Translation difference	-25	-	-25
As of 31 December 2021	**-2 561**	**-1 448**	**-4 009**
Carrying amount			
As of 31 December 2020	**1 258**	**2 946**	**4 205**
As of 31 December 2021	**1 922**	**71 177**	**73 099**
Depreciation method	Straight line	Straight line	
Useful life	3-10 years	20 years	

Note 12. Leases

Amounts in NOK thousand

The Group's lease agreements 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	2021	2020
Opening balance 1 January	**11 793**	**2 271**
Depreciation	-3 613	-1 591
Additions	528	10 514
Other / exchanges differences	-184	599
Balance per 31 December	**8 524**	**11 793**

Overview of changes to lease liabilities	2021	2020
Opening balance 1 January	**11 860**	**2 271**
Payments	-3 451	-1 525
Additions	528	10 514
Other / exchanges differences	-97	600
Balance per 31 December	**8 839**	**11 860**
Lease liabilities non-current	6 165	8 661
Lease liabilities current	2 674	3 199
Total	**8 839**	**11 860**

Maturity analysis: contractual, undiscounted cashflows	31 December 2021	31 December 2020	1 January 2020
Current liabilities			
Less than one year	2 797	3 665	1 184
Non-current liabilities			
One to five years	6 614	9 452	1 543
More than five years	-	-	-
Total	**9 411**	**13 116**	**2 727**

Amounts recognized in the consolidated statement of income	2021	2020
Depreciation	3 613	1 591
Interest expense	473	162
Total	**4 086**	**1 753**

Amounts recognized in statement of cashflows	2021	2020
Interest payments	473	162
Payments of principal	3 451	1 525
Total lease payments	**3 924**	**1 687**

Note 13. Intangible assets and goodwill

Amounts in NOK thousand

	Goodwill	Otovo Cloud and Hub	Other intangible assets	Exclusivity agreement	Customer contracts	Total
Accumulated cost						
As of 1 January 2020	86 736	28 903	-	-	-	115 639
Additions during the year	-	18 120	192	-	-	18 312
Disposals	-	-	-	-	-	-
Translation difference	5 355	-	-	-	-	5 355
As of 31 December 2020	**92 091**	**47 023**	**192**	**-**	**-**	**139 306**
Additions during the year	-	26 117	2 657	-	-	28 774
Additions through acquisition of subsidiaries	65 870	-	-	59 675	21 440	146 985
Disposals	-	-1 539	-	-	-	-1 539
Reclassification	-	-5 886	-263	-	-	-6 149
Translation difference	-4 324	-1 649	-	-	-	-5 973
As of 31 December 2021	**153 637**	**64 066**	**2 586**	**59 675**	**21 440**	**301 404**
Accumulated amortisation and impairment lossess						
As of 1 January 2020	**-**	**-5 711**	**-**	**-**	**-**	**-5 711**
Amortisation	-	-8 761	-13	-	-	-8 775
Impairment	-	-628	-	-	-	-628
Translation difference	-	326	-	-	-	326
As of 31 December 2020	**-**	**-14 774**	**-13**	**-**	**-**	**-14 788**
Amortisation	-	-10 818	-1 870	-2 076	-	-14 764
Impairment	-	-1 349	-740	-	-	-2 089
Accumulated depreciation disposals	-	1 539	-	-	-	1 539
Reclassification	-	3 701	2 448	-	-	6 149
Translation difference	-	595	-	-	-	595
As of 31 December 2021	**-**	**-21 106**	**-175**	**-2 076**	**-**	**-23 358**
Carrying amount						
As os 31 December 2020	**92 091**	**32 248**	**179**	**-**	**-**	**124 518**
As os 31 December 2021	**153 637**	**42 960**	**2 411**	**57 599**	**21 440**	**278 046**
Depreciation method	-	Straight line	Straight line	Straight line	Straight line	
Useful life	Indefinite	5 years	5 years	2 years	20 years	

Otovo Cloud

Otovo develops software that is used in the interface with customers and installers. The software makes it possible for installers to price their hardware and installation services, as well as for Otovo to calculate the price for various options of solar panels directly on the Group's websites. Furthermore, a production potential is calculated and estimated annually power savings. The software needs continuous development and a proportion of hours and costs related to this is capitalised in the balance sheet as an intangible asset. The asset is internally generated.

Goodwill

The goodwill stems from acquistion of subsidiary ISWT (France) in 2019 and EDEA (subscription business) in 2021. The goodwill from the ISWT purchase is tested for impairment, see further details below. The EDEA acquisition was completed 8 December 2021, due to the short period of time from the acquisition date to the balance sheet date, the goodwill from this acquisition has not been tested for impairment. No impairment indicators have been identified relating to the goodwill for the subscription business.

The goodwill is split as follows

Company name	Allocated goodwill		
	2021	2020	2019
ISWT	87 767	92 091	86 736
European Distributed Energy Assets Holding AS, and its subsidiaries	65 870	-	-
Total	**153 637**	**92 091**	**86 736**

Impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis. The subsidiary ISWT is regarded as an individual cash-generating unit (CGU). The annual impairment test of goodwill is performed at CGU level. The recoverable amount is determined based on value-in-use calculations. The value in use determined to be higher than its recoverable amount. The calculations use cash flow projections based on financial budgets approved by board covering a seven-year period. Seven years has been used to reflect that the enity is in a development phase with change in management, replacing the founders of ISWT, change in business model and launch of new products and sales models. The calculation is based on historical performance and expected development in the market in which the entity operates. Cash flows beyond the seven-year period are extrapolated using the estimated growth rates stated below.

	2021
Long term growth rate (%)	2%
Long term gross margin (%)	25%
Average annual growth rate used in cash flow projections (%)	52%
Discount rate after tax (%)	9,5%

Note 14. Trade receivables

Amounts in NOK thousand

	31 December 2021	31 December 2020	1 January 2020
Trade receivables	23 887	8 628	13 195
Provision for bad debt	-1 717	-841	-391
Total trade receivables	**22 170**	**7 787**	**12 804**

Trade receivables at 31 December - ageing	31 December 2021	31 December 2020	1 January 2020
Not due	13 738	3 438	5 344
1–30 days past due	4 279	1 125	4 945
31–60 days past due	3 282	-14	1 445
61–90 days past due	706	999	417
More than 90 days past due	1 882	3 079	1 044
Total trade receivables	**23 887**	**8 628**	**13 195**

Trade receivables denominated in currency	31 December 2021	31 December 2020	1 January 2020
NOK	3 198	3 106	5 974
SEK	1 490	2 766	6 830
EUR	18 928	2 757	-
PLN	271	-	-
Other currency	-	-	-
Total trade receivables	**23 887**	**8 628**	**12 804**

Note 15. Other receivables and prepayments

Amounts in NOK thousand

	Current receivables		
	31 December 2021	31 December 2020	1 January 2020
VAT receivables	10 277	3 443	111
Prepaid expenses	2 512	1 285	1 227
Receivables from associated companies	353	4 260	-
Other receivables	37 501	5 266	16 712
Total other receivables and prepayments	**50 643**	**14 254**	**18 051**

Note 16. Interest-bearing liabilities

Amounts in NOK thousand

At the end the year the Group has 3 loans from Banque Publique d'Investissement (BPI) and one loan from Innovasjon Norge. In addition to this the Group has lease liabilities relating to office premises. Ref to note 12 for further details about the lease liabilities.

EDEA entered into a loan agreement with Nordea ABP in 2020 with a loan limit of MNOK 50 which has not been drawn on the balance sheet date. Costs related to the loan of NOK 1,687,500 have been incurred. The cost is recorded as prepaid, reducing non-current interest bearing liabilities. The costs will be recognized as part of the effective interest rate at the time the loan is drawn.

At 31 December 2021	Currency	Interest rate %	Maturity	Outstanding nominal value (Currency)	Outstanding nominal value (NOK)
BPI 1	EUR	5.27%	April 2025	70	699
BPI 2	EUR	1.25%	September 2025	120	1 197
BPI 3	EUR	2.81%	March 2027	500	4 989
Innovasjon Norge	NOK	Floating	April 2023	5 000	5 000
Total					**11 885**

	Non-current			Current		
Interest-bearing liabilities	31 December 2021	31 December 2020	1 January 2020	31 December 2021	31 December 2020	1 January 2020
Borrowings from credit institutions	5 872	8 481	7 368	1 014	607	230
Other interest-bearing liabilities	938	5 000	7 813	4 063	2 813	2 188
Total interest-bearing liabilities	**6 809**	**13 481**	**15 181**	**5 076**	**3 420**	**2 417**

	31 December 2021		31 December 2020		1 January 2020	
Interest bearing liabilities specified per currency	**Currency amount**	**NOK amount**	**Currency amount**	**NOK amount**	**Currency amount**	**NOK amount**
EUR	690	6 885	868	9 088	771	7 598
NOK	5 000	5 000	7 813	7 813	10 000	10 000
Other currencies	-	-	-	-	-	-
Total interest-bearing liabilities		**11 885**		**16 901**		**17 598**

Interest-bearing liabilities - maturity 2021	2022	2023	2024	2025	2026	2027	Total
Borrowings from credit institutions and other interest-bearing liabilities	5 080	2 434	1 537	1 337	998	499	11 885
Total interest-bearing liabilities excl. prepaid borrowing expenses	**5 080**	**2 434**	**1 537**	**1 337**	**998**	**499**	**11 885**
Interest to be paid on interest-bearing liabilities	272	175	113	60	25	10	655
Total interest payments	**272**	**175**	**113**	**60**	**25**	**10**	**655**
Total future payments on interest-bearing liabilities	**5 353**	**2 609**	**1 650**	**1 397**	**1 023**	**509**	**12 541**

Interest-bearing liabilities - maturity 2020	2021	2022	2023	2024	2025	2026	Total
Borrowings from credit institutions and other interest-bearing liabilities	4 676	5 130	2 508	1 612	1 403	1 047	16 377
Total interest-bearing liabilities excl. prepaid borrowing expenses	**4 676**	**5 130**	**2 508**	**1 612**	**1 403**	**1 047**	**16 377**
Interest to be paid on interest-bearing liabilities	539	334	234	169	113	71	1 460
Total interest payments	**539**	**334**	**234**	**169**	**113**	**71**	**1 460**
Total future payments on interest-bearing liabilities	**5 215**	**5 464**	**2 742**	**1 782**	**1 516**	**1 118**	**17 837**

Interest-bearing liabilities - maturity 2019	2020	2021	2022	2023	2024	2025	Total
Borrowings from credit institutions and other interest-bearing liabilities	2 417	3 384	5 067	2 415	1 517	1 320	16 121
Total interest-bearing liabilities excl. prepaid borrowing expenses	**2 417**	**3 384**	**5 067**	**2 415**	**1 517**	**1 320**	**16 121**
Interest to be paid on interest-bearing liabilities	607	472	269	173	112	59	1 692
Total interest payments	**607**	**472**	**269**	**173**	**112**	**59**	**1 692**
Total interest-bearing liabilities	**3 025**	**3 856**	**5 336**	**2 588**	**1 629**	**1 379**	**17 812**

Note 17. Bank deposits and cash and cash equivalents

Amounts in NOK thousand

	31 December 2021	31 December 2020	1 January 2020
Bank deposits	221 781	72 178	191 474
Total Bank deposits in the statement of financial position	221 781	72 178	191 474
Restricted deposits related to employee tax deduction	2 406	1 499	1 562
Total cash and cash equivalents in the statement of cash flow	**224 187**	**73 677**	**193 036**

Note 18. Other liabilities

Amounts in NOK thousand

Other current liabilities	31 December 2021	31 December 2020	1 January 2020
Accrued wages and holiday pay	14 685	5 181	6 729
Indirect taxes payable	22 132	5 934	20 670
Accrued interest costs	2	44	7
Other accruals	22 765	9 273	3 841
Prepayments from customers	9 291	2 712	-
Earnout provision	886	26 176	23 500
Current portion of non-current debt	5 076	3 420	2 417
Other current liabilities	3 427	-	-
Total other current liabilities	**78 264**	**52 740**	**57 164**

Other non-current provisions	31 December 2021	31 December 2020	1 January 2020
Earnout provision	-	3 926	32 918
Deferred revenues	-	2 819	1 228
Total other non-current provisions	**-**	**6 745**	**34 145**

Note 19. Risk management

Amounts in NOK thousand

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

Overall the Group considers the financial risk 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 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 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 collec-tion 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. In addition this element is more prominent in markets with higher expected loss given defaults (LGD). I.e. the customer business case is often stronger in countries where the LGD is higher.

Loss on receivables are recognized as displayed below.

	2021	2020
Loss on trade receivables	712	154
Loss on trade receivables in % of Revenues	**0,25%**	**0,10%**

Trade receivables

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

	2021	2020
Direct purchase	23 043	8 628
Subscription	**844**	**-**

Trade receivables at 31 December - ageing	31 December 2021	31 December 2020	1 January 2020
Not due	13 738	3 438	5 344
1–30 days past due	4 279	1 125	4 945
31–60 days past due	3 282	-14	1 445
61–90 days past due	706	999	417
More than 90 days past due	1 882	3 079	1 044
Total trade receivables	**23 887**	**8 628**	**13 195**
Bad debt provision	**-1 717**	**-841**	**-391**

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 result of the measures implemented in order to reduce the credit risk. With the launch in new markets and and the aquistion of the subscription business, EDEA, the risk changes, as does the measures. 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 Direct Purchase the customers are grouped into categories, market by market, and the expected credit loss is estimated category by category. The expected loss reflect 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 residual value, when relevant. For subscription customers the same method is used, 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 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, with 2021 being the first year of operations in several of the markets, 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

While Otovo, the Direct Purchase business, currently has a very strong cash position, the subscription business (EDEA) is exposed to certain liquidity risk over time. The subscription business consists mainly of purchasing and installing solar panel systems (PV) 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 subscription business is therefore relying on financial markets to finance the necessary equity and banks or financial markets for its debt financing. EDEA raised NOK 155 million in equity during 2020. In addition EDEA secured a loan facility from Nordea bank of NOK 50 million that it will extend to minimum NOK 150 million in 2022. Financing of new customer contracts may require further debt and equity in the future.

While the customer contracts have a duration of 20 years, the current Nordea facility has a maturity of three years. The main liquidity risk at the moment is therefore related to the refinancing of the Nordea facility. This risk is considered moderate. The facility was established before the equity was raised, and the Group considers the access to bank or bond financing is better now, and will improve as deployment increases.

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

	Total as of 31.12.21	< 1 year	2 years	3 years	4 years	5 years	More than 5 years
Non-derivative financial obligations							
Leasing	9 411	2 797	2 205	2 205	2 205	-	-
Borrowings from credit institutions and other interest-bearing liabilities	12 541	5 353	2 609	1 650	1 397	1 023	509
Trade payables	29 889	29 889	-	-	-	-	-
Public duties payable	22 132	22 132	-	-	-	-	-
Other current liabilities	51 056	51 056	-	-	-	-	-
Total	**125 029**	**111 226**	**4 814**	**3 855**	**3 602**	**1 023**	**509**

	Total as of 31.12.20	< 1 year	2 years	3 years	4 years	5 years	More than 5 years
Non-derivative financial obligations							
Leasing	13 116	3 665	2 838	2 205	2 205	2 205	-
Borrowings from credit institutions and other interest-bearing liabilities	18 361	5 215	5 464	2 742	1 781	1 516	1 642
Trade payables	12 494	12 494	-	-	-	-	-
Public duties payable	5 934	5 934	-	-	-	-	-
Other current liabilities	43 386	43 386	-	-	-	-	-
Total	**93 291**	**70 693**	**8 302**	**4 947**	**3 986**	**3 721**	**1 642**

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 in other countries 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. Whole-sale 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

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

		Profit and loss	
	Change in	2021	2020
EUR	+/- 10%	8 485	1 013
SEK	+/- 10%	1 940	436
PLN	+/- 10%	726	19
Total		**11 151**	**1 468**

Interest rate risk

EDEA, the subscription business, is financing its activities partly through debt financing from Nordea Bank. 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).

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. As of the balance sheet date the Group has very moderate debt financing and interest expense, whereof only NOK 5 million has floating interest rate, hence the exposure to interest fluctuations is very limited. Refer to note 16 for further details.

Overall the risk related to interest rates is moderate, and it is the Group's policy not to enter into interest rate swaps to hedge this risk.

Note 20. Share capital and shareholder information

Amounts in NOK thousand

Ordinary shares have a nominal value of NOK 0.005 each and all provide the same rights in the Company.

Share capital	Number of shares	Share price	Carrying amount
Ordinary shares	114 273 977	27,75	3 171 102 862

The shareholders of Otovo AS	Number of shares	% Total
Axel Johnson AB	22 920 702	20,06%
Agder Energi Invest AS	9 146 240	8,00%
Akershus Energi Sol AS	9 017 740	7,89%
Andmar Operations AS	8 647 950	7,57%
Nysnø Klimainvesteringer AS	8 474 550	7,42%
Verdipapirfondet KLP Aksjenorge	4 919 660	4,31%
OBOS BBL	3 990 180	3,49%
BNP Paribas Securities Services	3 072 692	2,69%
Altitude Capital AS	2 786 136	2,44%
Simvest AS	2 764 628	2,42%
Beacon Group AS	2 300 440	2,01%
Verdipapirfondet Holberg Global	1 955 394	1,71%
Verdipapirfondet DNB Miljøinvest	1 252 175	1,10%
Remaining shareholders (less than 1%)	33 025 490	28,90%

Note 21. Related party transactions

Amounts in NOK thousand

Related parties are defined as entities outside the Otovo Group that are under control (directly or indirectly), joint control, significant influence by Otovo. Equity accounted companies are also considered as related parties.

Following amounts from the consolidated statement of profit and loss, if any, relates to transaction with related parties throughout the current financial year:

Consolidated statement of profit and loss	2021	2020
Sale to EDEA (during the period it was associated company)	56 642	10 107
Sale to Holu	353	-
Total revenues	**56 995**	**-**

Consolidated statement of financial position	31 December 2021	31 December 2020	1 January 2020
Other receivables and prepayments	353	4 260	-
Other current liabilities	-	974	-
Net balances with related parties	**353**	**3 286**	**-**

Note 22. Business combinations

Amounts in NOK thousand

Otovo Group has a clear growth strategy, both through organic growth and through acquisitions. During 2021 Otovo AS increased its investment in European Distributed Energy Assets Holding AS (EDEA) from 18.75% to 88.43% and gained control of the company, a step taken to regain control over the strategically important subscription offering of Otovo and to facilitate future growth. EDEA was founded by Otovo in 2020, during 2020 Otovo's ownership interest was reduced from 100% to 18.75%. From the establishment of EDEA the two companies have cooperated closely, and had exclusivity when it comes to offering solar subscription to customers in Otovo's markets.

EDEA has been consolidated into the group accounts as of the acquisition date, and is reported as a separate operating segment, see note 6 for further details. Ahead of this date the investment in EDEA was accounted for under the equity method. Net consideration for the EDEA shares was NOK 189.414.860, this was settled with Otovo shares. If control was gained from 1.1.2021, the consolidated Total operating revenue of Otovo Group would have been NOK 235 million with consolidated losses for the period of NOK 193 million. Consolidated loss for the period is calculated before tax and including full year amortisation of fair value assets acquired and excluding the acquisition cost. Proforma consolidated income statement is specified further below.

Acquisition cost expensed in 2021 is NOK 2.4 million.

Due to relatively low capital intensity in acquisitions other than the value of customer contracts and intellectual property, acquisitions within this sector will typically result in a relatively large goodwill balance. This goodwill balance represents the surplus of the purchase price compared with the accounting value of the net fixed and intangible assets of the acquired company. Goodwill can be explained by the value associated with the skills and know-how of acquired company's employees, new customers and potential extensions of existing relationships. The goodwill represents expected synergies both on revenue and expenses and increased market share, and it is not tax deductible.

Proforma consolidated income statement FY 2021	Otovo	EDEA	Elimination	Total
Revenue	289 339	-	-60 716	228 623
Other operating revenue	3 714	3 200	-410	6 504
Cost of goods sold	243 640	-	-49 988	193 652
Payroll and Other operating expenses	201 918	7 004	-410	208 512
Depreciation, amortisation and impairment	19 490	1 720	2 076	23 286
Operating profit/(loss)	**-171 995**	**-5 524**	**-12 804**	**-190 323**
Net financial items	-2 873	-1 068	1 008	-2 932
Profit/(loss) before tax	**-174 868**	**-6 592**	**-11 796**	**-193 255**

Assets identified includes present value of customer contracts. Which has been calculated as present value of future customer payments less operation & maintenance costs, upfront system COGS, tax and future SG&A for systems already sold or installed.
The exclusivity agreement between Otovo and EDEA valid until 2023 has been valued with the abovementioned approached, based on the expected future customer contracts to be originated and delivered under the exclusivity agreement in 2022 and 2023.

Fixed assets is the book value of systems installed as of closing of the transaction.

Allocation of purchase price

Transaction details	
Acquiring company	Otovo AS
Acquisition date	8.12.2021
Country	Norway
Currency	NOK
Voting rights / ownership interest before acquistion	18.75%
Voting rights / ownership interest after acquistion	88.43%
Consideration transferred in form of Otovo shares	189,414,860
69.68% of Total identifiable net assets acquired (see table below)	143,516,711

Identified assets acquired and liabilities assumed	
Customer contracts	21 440
Exclusivity agreement	59 675
Fixed assets	64 950
Trade receivables	900
Other short-term receivables	10 874
Cash and cash equivalent	78 602
Total assets	**236 442**
Deferred tax liability	17 845
Current liabilities	12 631
Total liabilities	**30 476**
Total identifiable net assets acquired	**205 965**
Consideration transferred (for 69.68% of shares)	189 415
Fair value of previous equity interest (18.75%)	50 969
Amount of non-controlling interest (11.57%)	31 451
Fair value 100%	271 835
Fair value of identifiable net assets (100%)	205 965
Goodwill	**65 870**
Book value of investment in EDEA before acquisition	26 322
Calculated value of 18.75% of shares at acquisition date	50 969
Acquisition gain in Otovo Group	**24 647**

Note 23. First time adoption of IFRS

Amounts in NOK thousand

2021 is the first year for which the Group has prepared consolidated financial statements in accordance with IFRS.

Accordingly, the Group has prepared interim financial statements that comply with IFRS applicable as at 31 December 2021, together with the comparative period data for the financial year ended 31 December 2020. In preparing the interim consolidated financial statements, the Group's opening statement of financial position was prepared as at 1 January 2020 (the Group's date of transition to IFRS). This note explains the main effects of the transition from NGAAP to IFRS on the financial positions on 1 January 2020 and 31 December 2020 and the consolidated income statement for 2020, in accordance with IFRS 1.

Business combinations

IFRS 3 Business Combinations has not been applied to either acquisitions of subsidiaries or interests in associates that are considered businesses under IFRS that occurred before 1 January 2020. Use of this exemption in IFRS 1 means that the NGAAP carrying amounts of assets and liabilities, that are required to be recognised according to IFRS 1, are their deemed cost at the date of the acquisition.

IFRS 1 also requires that the NGAAP carrying amount of goodwill must be used in the opening IFRS statement of financial position. In accordance with IFRS 1, the Group has tested goodwill for impairment at the date of transition to IFRS. There was no impairment recognised on goodwill at 1 January 2020.

Estimates

The estimates at 1 January 2020 and 31 December 2020 are consistent with those made for the same dates in accordance with NGAAP (after adjustments to reflect any differences in accounting policies).

Below is an overview of the main effects on equity, income statement and financial position of implementation of IFRS.

Group reconciliation of equity at 31 December 2020 and 1 January 2020	Note	31 December 2020	1 January 2020
Equity NGAAP		**174 486**	**239 854**
Right-of-use assets and lease liabilities IFRS 16	a	-67	-
Goodwill amortisation	b	9 956	-
Deferred tax	c	-17 020	-17 015
Total equity effect from implementation of IFRS		**-7 131**	**-17 015**
Equity IFRS		**167 355**	**222 838**

a) Right-of-use assets and lease liabilities IFRS 16

Under NGAAP, all lease contracts were classified as operational leases, with the related lease expenses recognised on a straight-line-basis over the period of the lease. At transition to IFRS, the present value of remaining future lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2020, are recognised in the consolidated statement of financial position as lease liabilities and right-of-use assets. The effect for the 2020 consolidated statement of income is a reduction in the lease expense and an increase in depreciation of the right-of-use assets and in interest expenses. 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. 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.In the statement of cash flows, payments on lease principal is included in financing activities and interest is operating activities. The transaction of entering into new lease agreements has no cash flow effect.

The Group has utilised the practical expedient for lease of low value assets and lease agreements with lease periods of up to one year, by recognising the lease payments for these leases as an expense on a straight-line basis over the lease term.

b) Goodwill amortisation
Under IFRS, goodwill is not subjected to amortisation. The goodwill identified when acquiring the subsidiary in France has historical-ly been amortised under NGAAP. The carrying amount of goodwill in the opening IFRS statement as of 1 January 2020 is the carrying amount in accordance with previous GAAP at the date of transition to IFRS. Historical amortisation before the transition is therefore not reversed. The effect for the 2020 consolidated statement of income is a reversal of amortisation and increased book value of goodwill.

Goodwill is tested for impairment annually or when an impairment indicator is identified.

c) Deferred tax

In connection with the adoption of IFRS, Otovo reassessed the deferred tax asset (DTA) previously capitalised under NGAAP.

Under IFRS a deferred tax asset is recognised in respect of deductible temporary differences only to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences can be utilised. All group entities have been loss making since inception and as a result a deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences.

Reclassifications
In relation with the transition a detailed review of the presentation in the consolidated income statement and the statement of financial position has been perfomed, resulting in some reclassifications. These are reflected in the reclassification column in the below tables.

Group reconciliation of total comprehensive income for the year ended 31 December 2020	Notes	NGAAP FY 2020	Reclas-sifications	IFRS Adjust-ments	IFRS FY 2020
Revenue		147 532	-	-	147 532
Other operating revenue		4 490	-1 100	-	3 390
Total operating revenue		**152 022**	**-1 100**	**-**	**150 922**
Cost of goods sold		-121 309	-	-	-121 309
Payroll and related costs		-52 825	-	-	-52 825
Depreciation, amortisation and impairment	a, b	-20 762	-	8 608	-12 154
Other operating expenses	a	-59 919	-	1 687	-58 232
Operating profit/(loss)		**-102 793**	**-1 100**	**10 295**	**-93 598**
Net financial items	**a**	**485**	**1 100**	**-162**	**1 423**
Profit/(loss) for the period		**-102 222**	**-**	**10 133**	**-92 090**
Other comprehensive income					
Items which is or may be reclassified to profit and loss					
Translation difference		6 969	-	-248	6 721
Other comprehensive income for the period, net of tax		**6 969**	**-**	**-248**	**6 721**
Total comprehensive income for the period		**-95 254**	**-**	**9 885**	**-85 368**

Group reconciliation of financial position at 31 December 2020	Notes	NGAAP 31.12.20	Reclas-sifications	IFRS Adjustments	IFRS 31.12.20
Assets					
Intangible assets		32 427	-	-	32 427
Goodwill	b	82 135	-	9 956	92 091
Deferred tax assets	c	17 020	-	-17 020	-
Investments in associated companies		27 615	-	-	27 615
Property, plant and equipment		4 205	-	-	4 205
Right-of-use assets	a	-	-	11 793	11 793
Other assets		914	-	-	914
Total non-current assets		**164 317**		**4 729**	**169 046**
Trade receivables		9 967	-2 180	-	7 787
Other receivables and prepayments		12 074	2 180	-	14 254
Cash and cash equivalents		73 677	-	-	73 677
Total current assets		**95 718**	**-**	**-**	**95 718**
Total assets		**260 035**	**-**	**4 729**	**264 764**
Equity					
Paid in capital		357 676	-	-	357 676
Retained earnings		-183 190	-	-7 131	-190 321
Total equity		**174 486**	**-**	**-7 131**	**167 355**
Interest-bearing liabilities		7 769	5 712	-	13 481
Lease liabilities non-current	a	-	-	8 661	8 661
Other non-current provisions		11 829	-5 084	-	6 745
Other liabilities		2 819	-2 729	-	90
Total non-current liabilities		**22 416**	**-2 101**	**8 661**	**28 977**
Lease liabilities current	a	-	-	3 199	3 199
Trade payables		12 494	-	-	12 494
Other current liabilities		50 639	2 101	-	52 740
Total current liabilities		**63 133**	**2 101**	**3 199**	**68 433**
Total equity and liabilities		**260 035**	**-**	**4 729**	**264 764**

Group reconciliation of financial position at 1 January 2020 (date of transition to IFRS)	**Notes**	**NGAAP 31.12.20**	**Reclassifica-tions**	**IFRS Adjustments**	**IFRS 01.01.20**
Assets					
Intangible assets		23 192	-	-	23 192
Goodwill		86 736	-	-	86 736
Deferred tax assets	c	17 015	-	-17 015	-
Property, plant and equipment		4 555	-	-	4 555
Right-of-use assets	a	-	-	2 271	2 271
Other assets		811	-	-	811
Total non-current assets		**132 308**	**-**	**-14 744**	**117 564**
Trade receivables		13 701	-897	-	12 804
Other receivables and prepayments		17 154	897	-	18 051
Cash and cash equivalents		193 036	-	-	193 036
Total current assets		**223 890**	**-**	**-**	**223 890**
Total assets		**356 199**	**-**	**-14 744**	**341 454**
Equity					
Paid in capital		328 980	-	-	328 980
Retained earnings		-89 127	-	-17 015	-106 142
Total equity		**239 854**	**-**	**-17 015**	**222 838**
Interest-bearing liabilities		10 000	5 181	-	10 000
Lease liabilities non-current	a	-	-	1 355	1 355
Other non-current provisions		64 035	-29 890	-	34 145
Total non-current liabilities		**74 035**	**-24 709**	**1 355**	**50 681**
Lease liabilities current	a	-	-	915	915
Trade payables		9 856	-	-	9 856
Other current liabilities		32 454	24 709	-	57 164
Total current liabilities		**42 310**	**24 709**	**915**	**67 935**
Total equity and liabilities		**356 199**	**-**	**-14 745**	**341 453**

Note 24. 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 inflation adjusted annually. EDEA's existing customers are contracted to pay EDEA NOK 152.4 million over the next 20 years, assuming 2% annual inflation, 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.

Subscriptions customers have 20 year guarantees, 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 producsers or intsallation partners.

EDEA Contracted customer payments	NPV	2022	2023-2025	2026-2030	2031-2040	Total
Non-discounted contracted customer payments		6 710	20 946	37 798	86 986	**152 441**
NPV @5% discount rate	**94 358**					

Note 25. 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. Earnings per share and number of shares (both years) outstanding is updated to reflect split of 10 completed at listing on Euronext Growth.

	2021	2020
Profit/(loss) after tax attributable to parent company shareholders	**-153 612**	**-91 348**
Number of shares outstanding at 1 January	83 066 905	84 811 670
New shares issued during the year	31 207 072	3 810 470
Number of shares outstanding at 31 December	**114 273 977**	**88 622 140**
Weighted average number of shares during the year	**93 553 324**	**83 066 905**
	-	-
Earnings per share (in NOK)		
Basic	-1,64	-1,10
Diluted	-1,64	-1,10

Effect of dilution is 0 in both years as the Group is reporting a loss after tax. Performance shares, retention share 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 26. Events after the reporting period

Fundraising, accelerated entry into new markets and intention uplist to the main list

After having launched Poland, Italy, and Germany in the space of twelve months in 2021 Otovo's confidence in the ability to launch markets swiftly, safely, and at a low cost has been strengthened. Therefore, the Group announced in February 2022 that it intends to accelerate the entry into new markets by launching six new markets in the next 12 months. In order to finance this accelerated growth the Group conducted a private placement of NOK 300 million that was completed on 17 February 2022.

On 22 February the Group further announced that the three first markets will be the UK, Austria and Portugal, while three additional markets are expected to be launched in the next 12 months. Following these launches, Otovo will further consolidate its position as Europe's leading marketplace for solar installations for private households, becoming the first to reach continental scale in Europe, gaining volume advantages in hardware deals; partnership opportunities; leasing deployment volumes; while reducing political exposure through country diversification.

In connection with the fundraising, the Group also announced that the board of directors intends to uplist to the main list of Oslo Stock Exchange within the next 12 months.

Macroeconomic environment

Towards the end of 2021 and the start of 2022 the Russian Federation moved troops towards the Ukrainian border under the pretext of conducting a military exercise. US intelligence warned that the Russian regime planned an invasion. Despite efforts to calm the escalated situation, Russian troops invaded Ukraine on 24 February. The outcome of the war and any potential further escalation outside Ukraine remains uncertain. A united Europe and USA have responded by implementing harsh economic sanctions against the Russian Federation. In addition, the EU announced on 8 March a plan to make Europe independent from Russian fossil fuels well before 2030, starting with gas, in light of Russia's invasion of Ukraine. A part of the plan is to support more solar panel rooftops, heat pumps and energy savings to reduce dependency on fossil fuels across Europe. In isolation, the plan will be positive for the demand for Otovo's products.

Parent company income statement

Amounts in NOK thousand

	Note	2021	2020
Revenue		77,987	67,902
Other operating revenue		17,934	15,660
Total revenue and other income	2	**95,921**	**83,562**
Cost of goods sold		64,174	58,717
Payroll and related costs	3	48,944	28,636
Depreciation, amortisation and impairment	5,6	11,341	7,802
Other operating expenses	3	31,238	30,705
Total operating expenses	4	**155,696**	**125,859**
Operating profit/(loss)		**-59,775**	**-42,297**
Financial income		3,469	1,675
Financial expenses		-2,838	-400
Net exchange gain/(loss)		2,162	-320
Net Financial items	14	**2,793**	**956**
Profit/(loss)before income tax		**-56,982**	**-41,341**
Deferred tax expense	13	16,809	0
Profit/(loss) after tax		**-73,790**	**-41,341**
Transferred to uncovered loss		**-73,790**	**-41,341**
Total allocations and equity transfers		**-73,790**	**-41,341**

Parent company balance sheet

Amounts in NOK thousand

	Note	31 December 2021	31 December 2020
ASSETS			
Intangible assets	5	45,303	26,188
Deferred tax assets	13	0	16,809
Fixtures and fittings	6	3,560	3,649
Investments in group companies	7	481,446	182,275
Loans to group companies	12	24,947	0
Investments in associated companies	7		27,762
Other assets		116	71
Total non-current assets		**555,372**	**256,754**
Accounts receivable	8	2,730	3,746
Other receivables		11,148	4,005
Receivables from group companies	12	66,545	17,492
Receivables from associated companies	12	300	3,319
Cash and cash equivalents	15	119,816	67,112
Total current assets		**200,540**	**95,674**
TOTAL ASSETS		**755,912**	**352,429**
EQUITY AND LIABILITIES			
Share capital	9,10	571	443
Share premium	9,10	824,236	355,102
Other paid-in equity	9,10	12,380	2,130
Total paid-in equity		**837,188**	**357,676**
Uncovered loss	10	-146,535	-72,745
Total equity		**690,653**	**284,931**
Other provisions for liabilities		1,392	2,801
Other non-current liabilities	11	2,813	11,739
Total non-current liabilities		**4,205**	**14,540**
Accounts payable		12,721	8,306
Accounts payable to group companies	12	1,109	638
Other taxes and withholdings		13,974	5,051
Debt to group companies	12	11,331	2,178
Other current liabilities		21,921	36,785
Total current liabilities		**61,055**	**52,958**
Total liabilities		**65,260**	**67,498**
TOTAL EQUITY AND LIABILITIES		**755,912**	**352,429**

Oslo, 22 March 2022

Board of directors of Otovo AS

Peter Mellbye
Chairman of the Board

Ingunn Andersen Randa
Board member

Olivier François Aizac
Board member

Tor Øystein Repstad
Board member

Johan Erik Sixten Bergström
Board member

Alejandro Diaz
Board member

Josefin Christina Landgård
Board member

Andreas Egge Thorsheim
Chief Executive Officer

Parent company cash flow statement

Amounts in NOK thousand

	2021	2020
Cash flow from operations		
Profit/(loss) before taxation	-56,982	-41,341
Depreciation, amortisation and impairment	11,341	7,802
Expensed share-based payments	10,248	2,130
Other income from EDEA	-	-2,702
Change in accounts receivables and accounts payables	5,902	3,053
Change in other balance sheet items	-33,000	-17,857
Net cash flow from operations	**-62,489**	**-48,916**
Cash flow from investment activites		
Investment in group companies	-81,968	-45,080
Acqusition of company	-	-2,237
Loans to group companies	-25,293	-
Investments in intangible assets	-29,696	-14,079
Investments in tangible assets	-671	-443
Net cash flow from investment activities	**-137,628**	**-61,839**
Cash flow from financing activities		
Proceeds from issuance of ordinary shares	255,634	4,056
Outflow due to downpayment of non-current liabilities	-2,813	-2,188
Net cash flow from financing activities	**252,822**	**1,868**
Net cash flow during the period	52,704	-108,887
Cash and cash equivalents at the beginning of the period	67,112	176,000
Bank deposits, cash and equivalents at 31 December	**119,816**	**67,112**

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 2021, 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.

Currency forward contracts are valued in the balance sheet at fair value on the balance sheet date.

Intangible fixed assets

Expenses relating to the development of intangible assets, including research and development expenses, 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.

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 acccounting 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 AS highlighted:

Otovo AS - Parent company
Otovo AB - 100%
ISWT - 100%
Otovo Iberic SL - 100%
Otovo SRL - 100%
Otovo Sp. Z.o.o - 100%
Otovo GmbH - 100%
European Distributed Energy Assets Holding AS - 88.43%
European Distributed Energy Assets Midco AS - 88.43%
European Distributed Energy Assets AS - 88.43%
European Distributed Energy Assets AB - 88.43%
Edea Polska Sp. Z.o.o - 88.43%
Distributed Energy Assets SLU - 88.43%
Distributed Energy Assets SARL - 88.43%

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

Consolidated statement of profit and loss	2021	2020
Sales of solar panels	77,987	67,902
Other income	17,934	15,660
Total	**95,921**	**83,562**

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

Payroll costs	2021	2020
Wages and salaries	16,987	16,370
Social security tax	17,044	7,585
Pension costs	2,727	1,778
Other benefits	12,185	2,902
Total	**48,944**	**28,636**

Average number of employees during the year	58	42

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

Share-based payment

Otovo has share options and share purchase programs for management and key personnel. The share purchase program entitles the subscribers a certain number of shares, at no consideration, 2, 3 and 4 years after the transaction date, provided certain conditions are met. Vesting of performance shares is dependent on the development of the market price of the share, in addition to continued employment, while vesting of retention shares is dependent only on continued employment.

2,026,730 options were exercised during 2021 at a weighted average price of NOK 4.69 per share. As of 31 December 2021, there are 1,586,160 outstanding options with an average exercise price of NOK 8.57 per share and average remaining contractual life is approximately 1 year.

Vesting of 1.116.200 performance shares were accelerated due to the listing of Otovo on Euronext Growth in February 2021, and the shares were released. As of 31 December 2021 there are 507,935 performance shares and 1,621,135 retention shares outstanding. Average remaining countractual life is approximately 2 years for performance shares and 4 years for retention shares.

All share numbers are updated to reflect split of 10 completed at the listing.

Fair value is calculated using the Black-Scholes option pricing model and Monte Carlo simulations. The risk-free interest rate on the transaction date has been obtained from Norges Bank and the expected duration is set to the date the right is earned. Volatility is set based on observed volatility for comparable companies. This is not taken into account in the calculation employees who leave the group during the vesting period and previous periods' expense recognition will consequently be reversed in the accounting period an employee may leave.

Cost for 2021 is included in the payroll costs with a contra entry in other paid-in equity and other short-term debt.

Spesification of expensed share-based payment	2021	2020
Payroll costs	17,460	4,986
Social security	3,094	332
Total expensed share-base payments	**20,554**	**5,318**

Directors' remuneration	Salaries, fees	Pensions	Other benefits
Chief Executive Officer	1,400	104	624
Board of Directors	120	-	-

Chief Executive Officer has a maximum yearly bonus of 25% of base salary
No loans or guarantees have been granted to management etc.

Auditor

Remuneration to BDO AS and their associates is as follows:

	2021	2020
Statutory audit	810	423
Other assurance services	111	381
Other non-assurance services	84	-

All amounts are excluded VAT

Note 4. Operating costs

Operating costs by nature	2021	2020
Costs of goods sold	64,174	58,717
Payroll and related costs	48,944	28,636
Depreciation and amortisation of fixed and intangible assets	10,675	6,828
Impairment of fixed and intangible assets	666	974
Other operating expenses	31,238	30,705
Total	**155,696**	**125,859**

The company has entered into commercial leases for office premises. The lease contract for the office premises mature in December 2025. The lease is annualy 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.

Note 5. Intangible assets

	Otovo Cloud	Other intangible assets	Otovo Hub	Total
Cost at 1 January 2021	36,949	192	1,539	38,679
Additions	27,117	2,579	-	29,696
Disposals	-	-	-1,539	-1,539
Cost at 31 Desember 2021	**64,066**	**2,772**	**-**	**66,837**
Acc. amortisation at 1 January 2021	-10,940	-13	-1,539	-12,492
Net accumulated amortisation and reversed	-	-	1,539	1,539
Impairment at 31 December 2021	-10,166	-415	-	-10,581
Accumulated and reversed amortisation and impairment at 31 December 2021	-21,106	-428	-	-21,534
Balance at 31 December 2021	**42,960**	**2,344**	**-**	**45,303**
Current year amortisation charge	9,786	125	-	9,911
Current year impairment charge	380	290	-	670
Current year reversal of impairment charges	-	-	-	-
Economic life	5 years	5 years	5 years	
Amortisation method	straight-line	straight-line	straight-line	

Principle for capitalisation of development costs
Otovo develops software that is used in the interface with customers and installers. The software makes it possible for installers to price their hardware and installation services, as well as for Otovo to calculate the price for various options of solar panels directly on the company's website. Furthermore, a production potential is calculated and estimated annually power savings. The software needs continuous development and a proportion of hours and costs related to this is capitalised in the balance sheet as an intangible asset.

Note 6. Property, plant and equipment

	Fittings and fixtures	Solar panels	Total
Cost at 1 January 2021	2,111	4,106	6,216
Additions, purchased	671	-	671
Additions, self constructed	-	-	-
Disposals	-	-	-
Cost at 31 Desember 2021	**2,782**	**4,106**	**6,888**
Including capitalised interest cost on manufactured additions	-	-	-
Acc. amortisation at 1 January 2021	-1,407	-1,160	-2,567
Net accumulated amortisation and reserved			
Impairment at 31 December 2021	-555	-205	-760
Accumulated depreciation and impairment at 31 December 2021	-1,962	-1,365	-3,328
Balance at 31 December 2021	**819**	**2,741**	**3,560**
Current year amortisation charge	555	205	760
Current year impairment charge	-	-	-
Current year reversal of impairment charges	-	-	-
Economic life	3 years	20 years	
Depreciation method	straight-line	straight-line	

Note 7. Investments in subsidiaries and associated companies

Company	Country	Location	Equity interests 31 December 2021	31 December 2020
Otovo AB	**Sweden**	**Stockholm**	**100%**	**100%**
ISWT	**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%**
European Distributed Energy Assets Holding AB	**Sweden**	**Stockholm**	**-**	**100%**
Otovo GmbH	**Germany**	**Berlin**	**100%**	**-**
European Distributed Energy Assets Holding AS	**Norway**	**Oslo**	**88.43%**	**18.75%**
European Distributed Energy Assets Midco AS	Norway	Oslo	88.43%	18.75%
European Distributed Energy Assets AS	Norway	Oslo	88.43%	18.75%
European Distributed Energy Assets AB	Sweden	Stockholm	88.43%	18.75%
Edea Polska Sp. Z.o.o	Poland	Warsaw	88.43%	-
Distributed Energy Assets SLU	Spain	Madrid	88.43%	18.75%
Distributed Energy Assets SARL	France	Paris	88.43%	18.75%

During the year Otovo AS has increased its investment in European Distributed Energy Assets Holding AS (EDEA) and gained control of the company and its subsidiaries. The non-controlling interest in EDEA is 11.57%, spread across many individually small shareholders.

Company	Book value 31 December 2021
Otovo AB	81,223
ISWT	117,888
Otovo Iberic SL	36,226
Otovo Srl	19,441
Otovo Sp. Z.o.o	7,650
Otovo GmbH	289
European Distributed Energy Assets Holding AS	218,729
Total	**481,446**

Note 8. Receivables

	2021	2020
Accounts receivable	3,170	3,847
Provision for losses on accounts receivables	-440	-101
Total	**2,730**	**3,746**

Note 9. Share capital and shareholder information

The share capital in the company at 31 December 2021 consists of the following classes:

	Number of shares	Share price	Carrying amount
Ordinary shares	114,273,977	27.75	3,171,102,862
Total	**114,273,977**		**3,171,102,862**

Ownership structure
Largest shareholders as of 31 December 2021:

	Number of shares	% Total
Axel Johnson AB	22,920,702	20.06%
Agder Energi Invest AS	9,146,240	8.00%
Akershus Energi Sol AS	9,017,740	7.89%
Andmar Operations AS	8,647,950	7.57%
Nysnø Klimainvesteringer AS	8,474,550	7.42%
Verdipapirfondet KLP Aksjenorge	4,919,660	4.31%
OBOS BBL	3,990,180	3.49%
BNP Paribas Securities Services	3,072,692	2.69%
Altitude Capital AS	2,786,136	2.44%
Simvest AS	2,764,628	2.42%
Beacon Group AS	2,300,440	2.01%
Verdipapirfondet Holberg Global	1,955,394	1.71%
Verdipapirfondet DNB Miljøinvest	1,252,175	1.10%
Total shareholders with minimum 1% ownership	**81,248,487**	**71.11%**
Total remaining shareholders	**33,025,490**	**28.90%**
Total number of shares	**114,273,977**	**100%**

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

Name, role	Shares	Share options	Performance shares	Retention shares	Total 31.12.2021
Andreas Thorsheim, CEO	8,647,950	16,660	-	14,300	8,678,910
Other members of Group Management	5,960,976	232,200	34,188	313,108	6,540,472
Peter Mellbye, Chairman of the board	26,670	13,330	-	-	40,000
Olivier Francois Aizac, board member	61,000	20,000	-	-	81,000
Josefin Christina Landgård, board member	91,583	-	-	-	91,583
Alejandro Díaz, board member	-	50,000	-	14,300	64,300

Note 10. Equity

Paid-in equity	Share capital	Share premium	Other paid-in equity	Other equity	Total equity
Equity at 1 January 2021	**443**	**355,102**	**2,130**	**-72,745**	**284,931**
This year's change in equity	-	-	-	-73,790	-73,790
Capital increase	128	469,134	-	-	469,262
Non-registered capital increase	-	-	-	-	-
Share-based payments	-	-	10,249	-	10,249
Equity at 31 December 2021	**571**	**824,236**	**12,380**	**-146,535**	**690,653**

Note 11. Other non-current liabilities

Liabilities that mature more than five years after year end	2021	2020
Borrowings from financial institutions	-	-
Loan Innovation Norway	2,813	7,813
Other non-current liabilities	-	3,926
Total other non-current liabilities	**2,813**	**11,739**

The other-non current liablity from 2020 is the non-current portion of the company's earn-out liability as of 31.12.2020. As of 31.12.2021 non of the earn out liability is classified as non-current.

Note 12. Related party transactions and balances

Related party balance items

Counterpart	Relationship to the counterpart	Accounts receivables 2021	Accounts receivables 2020	Other receivables 2021	Other receivables 2020
Otovo AB	Subisidiary	10,732	10,737	8,614	-
ISWT	Subisidiary	2,661	1,037	3,978	-
Otovo Iberic SL	Subisidiary	14,292	5,307	6,144	-
Otovo SRL	Subisidiary	4,333	189	5,227	-
Otovo Sp. Z.o.o	Subisidiary	4,054	197	3,207	-
Distributed Energy Assets SLU	Subisidiary	64	-	-	-
European Distributed Energy Assets AS	Subisidiary	1,235	-	-	-
Otovo GmbH	Subisidiary	-	-	2,004	-
European Distributed Energy Assets Holding AB	Subisidiary	-	-	-	26
European Distributed Energy Assets Holding AS	Subisidiary (associated company)	-	-	-	2,315
European Distributed Energy Assets Midco AS	Subisidiary (associated company)	-	-	-	1,004
Holu Technologia SA	Associated company	-	-	300	-
Total		**37,372**	**17,466**	**29,473**	**3,345**

Counterpart	Relationship to the counterpart	Accounts payable 2021	Accounts payable 2020	Other current liabilities 2021	Other current liabilities 2020
Otovo AB	Subsidiary	266	638	9,426	-
Otovo Iberic SL	Subsidiary	843	-	-	2,178
ISWT	Subsidiary	-	-	1,905	-
Total		**1,109**	**638**	**11,331**	**2,178**

Counterpart	Relationship to the counterpart	Loan 2021	Loan 2020
ISWT	Subsidiary	19,957	-
Otovo GmbH	Subsidiary	4,989	-
Total		**24,947**	**-**

Further explanation to related party balance items:

The companies in the group are also related parties. Transactions and balances with subisidaries are eliminated in the consolidated financial statements. Sale to and purchase from subsidiares and associated companies are at market price and the transactions have similar conditions as transactions with independent parties.

Balances on the balance sheet date are unsecured and interest-free.

Note 13. Income tax expense

Specification of income tax expense	2021	2020
Current income tax payable	-	-
Changes in deferred tax	-16,809	-
Tax on profit/(loss)	**-16,809**	**-**

Basis for tax expense, change in deferred tax and tax payables	2021	2020
Profit/(loss) before taxation	-56,982	-41,342
Permanent differences	-6,501	-6,269
Basis for the tax cost on this years profit/loss	-63,483	-47,611
Change in temporary differences	1,899	3,507
This year's tax base	**-61,583**	**-44,103**
Received/issued group contribution	-	-
Basis payable tax	**-61,583**	**-44,103**

Payable tax	2021	2020
Tax rate	22%	22%

Specification of deferred tax

Differences that are offset:	2021	2020
Fixed assets	-1,298	-1,586
Outstanding receivables	-394	-88
Accruals etc.	-4,724	-2,801
Profit and loss account	-160	-200
Net temporary differences	**-6,575**	**-4,676**
Loss carry-forward	-180,922	-119,338
Not included in the calculation of deferred tax	4,724	2,784
Basis for deferred tax/deferred tax asset	**-182,773**	**-121,230**
Net deferred tax/deferred tax asset	-40,210	-26,671
Of which not capitalised deferred tax asset	40,210	9,862
Deferred tax in the balance sheet	**-**	**-16,809**

Note 14. Specification of financial income and financial expenses

Other Financial Income	2021	2020
Exhange gain (agio)	1,222	934
Interest income from group companies	282	-
Change in the value of variable remuneration related to acquiring a company	-	1,127
Other financial income	2,888	-
Other interest income	299	548
Total of Other Financial Income	**4,691**	**2,609**

Other Financial Expense	2021	2020
Exchange loss (disagio)	-940	1,254
Other financial expense	2,558	1
Other interest expense	280	399
Total of Other Financial Expense	**1,898**	**1,654**

Net Finanical Income and Financial Expense	**2,793**	**956**

Note 15. Restricted funds

	As of 31.12.2021	As of 31.12.2020
Restriced bank deposits	2,378	1,499

Note 16. Subsequent events

Fundraising, accelerated entry into new markets and intention uplist to the main list

After having launched Poland, Italy, and Germany in the space of twelve months in 2021 Otovo's confidence in the ability to launch markets swiftly, safely, and at a low cost has been strengthened. Therefore, the Group announced in February 2022 that it intends to accelerate the entry into new markets by launching six new markets in the next 12 months. In order to finance this accelerated growth the Group conducted a private placement of NOK 300 million that was completed on 17 February 2022.

On 22 February the Group further announced that the three first markets will be the UK, Austria and Portugal, while three additional markets are expected to be launched in the next 12 months. Following these launches, Otovo will further consolidate its position as Europe's leading marketplace for solar installations for private households, becoming the first to reach continental scale in Europe, gaining volume advantages in hardware deals; partnership opportunities; leasing deployment volumes; while reducing political exposure through country diversification.

In connection with the fundraising, the Group also announced that the board of directors intends to uplist to the main list of Oslo Stock Exchange within the next 12 months.

Macroeconomic environment

Towards the end of 2021 and the start of 2022 the Russian Federation moved troops towards the Ukrainian border under the pretext of conducting a military exercise. US intelligence warned that the Russian regime planned an invasion. Despite efforts to calm the escalated situation, Russian troops invaded Ukraine on 24 February. The outcome of the war and any potential further escalation outside Ukraine remains uncertain. A united Europe and USA have responded by implementing harsh economic sanctions against the Russian Federation. In addition, the EU announced on 8 March a plan to make Europe independent from Russian fossil fuels well before 2030, starting with gas, in light of Russia's invasion of Ukraine. A part of the plan is to support more solar panel rooftops, heat pumps and energy savings to reduce dependency on fossil fuels across Europe. In isolation, the plan will be positive for the demand for Otovo's products.

Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2021 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the Group taken as a whole. We also confirm that the Board of Directors' report includes a true and fair review of the development and performance of the business and the position of the entity and the Group, together with a description of the principal risks and uncertainties facing the entity and the Group.

Oslo, 22 March 2022

Peter Mellbye Chairman of the Board	Andreas Egge Torsheim Chief Executive Officer	Olivier François Aizac Board member	Tor Øystein Repstad Board member
Johan Erik Sixten Bergström Board member	Alejandro Díaz Board member	Josefin Christina Landgård Board member	Ingunn Andersen Randa Board member

Definitions

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

Cost per Wp
Otovo reports on the industry standard on cost per Watt-peak (Wp). The figure is calculated as the in hardware; non-hardware; or the sum of all project cost, divided by the size of the system measured in Watt-peak, for example a 10 panel system with 375Wp panels would have 3750Wp in the denominator of a cost per Watt-peak calculation.

Sold projects
Sold projects is the number of projects sold during the period less projects abandoned during the period

Installed project
A installed project is a project that has been physically completed and is capable of producing electricity

Otovo business model
Otovo business model means that Otovo bills the final customer (private homeowner or asset-owner) and gets invoiced by the installer company with the winning bid. The difference between the two invoices is Otovo's gross profit. Until Q4 2020 the French business unit was using a different model, where they only billed the installer a commission (typically 10% of the project value), and the installer billed the final customer. During Q1 2021 the French business unit has gradually transitioned to the Otovo direct sales model

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

Contracted Subscription Revenue (CSR)
Net present value of contracted cash flows created in the period from subscription customers over contract lifetime adjusted with expected CPI increases

Subscription O&M (S O&M)
Net present value of operation and maintenance cost relating to the fulfillment of subscription contracts over their lifetime (currently estimated at approx. 1% of COGS annually), including replacement of equipment.

Gross Subscription Profit (GSP)
Contracted subscription revenue less COGS and S O&M

Revenue generated
Revenue + Contracted Subscription revenue

Gross Profit generated
Gross profit + Gross Subscription Profit

EBITDA generated
Gross Profit Generated - total SG&A (Payroll & Related costs, Other Operating Expenses)

Accumulated Contracted Subscription Revenue (ACSR)
The accumulated CSR in the portfolio

Subscription
Customer relationships with recurring revenue, such as leases, service agreements etc relating to distributed energy systems

Direct sale
Distributed energy systems paid for directly by the customer, including sales financed by the homeowner's loans

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

Customers
Number of customers per segment

Project / Unit
A PV system and/or a battery

Churn
# of subscription customers who exercised their purchase option in the period

Discount Rate
Rate used to discount future cash flows in order to calculate net present value. Currently 5%.

BDO AS
Munkedamsveien 45
Postboks 1704 Vika
0121 Oslo

Independent Auditor's Report

To the General Meeting in Otovo AS

Opinion

We have audited the financial statements of Otovo AS.

The financial statements comprise:	In our opinion:
• The financial statements of the parent company, which comprise the balance sheet as at 31 December 2021, income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and • The financial statements of the group, which comprise the balance sheet as at 31 December 2021, 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 a summary of significant accounting policies.	• The financial statements comply with applicable statutory requirements. • The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, 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. • The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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 laws and regulations and 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.

Other information

The Board of Directors and the Managing Director (management) is 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 Director's 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 legal requirements.

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

Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view, for in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by the EU, and 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 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

BDO AS,

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

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Roger Rostadmo Telle-Hansen
Statsautorisert revisor
På vegne av: BDO AS
Serienummer: 9578-5992-4-2934763
IP: 188.95.xxx.xxx
2022-03-23 22:46:00 UTC

Penneo Dokumentnøkkel: 0HHCK-ZVU6I-EV7O0-0Y7KA-5Q55K-IDXI8

APPENDIX C

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Årsrapport for 2020

Årsregnskap

- Årsberetning
- Resultatregnskap
- Balanse
- Kontantstrømoppstilling
- Noter

Revisjonsberetning

Årsberetning 2020 for Otovo konsern og Otovo AS

Konsernet har i løpet av 2020 ekspandert virksomheten til nye markeder og utvidet produkttilbudet med introduksjonen av leasing av solcelleanlegg. Etterspørselen ble negativt påvirket av den pågående covid-19 pandemien og lave strømpriser i Skandinavia. Otovo konsern oppnådde salgsinntekter på 148 millioner kroner i 2020, en nedgang på 23.8 % fra 2019 (194 millioner kroner). Antall installerte solcelleanlegg var ned 5 % mot fjoråret, og den relativt sett større nedgangen i inntekter skyldes økt andel installerte anlegg utenfor Skandinavia hvor det gjennomsnittlige anlegget er mindre. Konsernet utvidet bruttomarginen med 6,9 prosentpoeng fra 14.4 % i 2019 til 20.8 % i 2020. EBITDA endte på -82 millioner kroner mot -54 millioner kroner i 2019. Nedgangen skyldes oppstartskostnader i forbindelse med ekspansjon til nye markeder og utvidet produkttilbud.

Virksomhetens art

Otovo er en markedsplass på nett for salg av løsninger og tjenester tilknyttet distribuert fornybar energi. Ved å kombinere installatørdata fra Otovos plattform med solinnstrålingsdata og kartdata leverer Otovo tilbud på solcelleanlegg til europeiske kunder i sanntid.

Konsernet leverer i dag primært solenergiløsninger til privatkunder, og har som mål å ta en ledende posisjon innen dette markedet i Europa. Selskapets hovedkontor er i Oslo, og Otovo har også kontor i Stockholm, Paris, Madrid, Warszawa og Milano.

Viktige hendelser 2020

I første kvartal 2020 opprettet Otovo AS et separat selskap for å finansiere leasing av solcelleanlegg. European Distributed Energy Assets Holding AS (EDEA) hentet 155 millioner kroner i egenkapital i andre halvår og Otovo AS eier nå 18,75 % av EDEA. Selskapet sikret også lånefinansiering fra Nordea på 50 millioner kroner. EDEA har dermed kapital til å finansiere Otovos vekstambisjoner for leasingproduktet i 2021. Otovo lanserte leasing i Spania og Norge i henholdsvis mai og juni, og i Sverige i desember i 2020.

Otovo etablerte datterselskap i Polen i september, et av Europas største og raskest voksende markeder for solceller til husholdninger. Grunnlaget for lansering i Italia ble også lagt høsten 2020, og første salg er planlagt for i februar 2021.

InSunWeTrust, Otovos datterselskap i Frankrike kjøpt i 2019, ble flyttet over på markedsplass-modellen i fjerde kvartal og første salg ved bruk av Otovos plattform ble gjennomført.

I løpet av året har Otovo også inngått et samarbeid med Gera Energia i Brasil og etablert et joint venture under navnet Holu, som benytter seg av Otovo sin teknologi og nå er i gang med salg av solceller i landet.

Redegjørelse for årsregnskapet

Konsernets driftsinntekter for regnskapsåret 2020 var 152 millioner kroner sammenlignet med 194 millioner kroner i 2019, som representerer en reduksjon på 21.5%, hovedsakelig drevet av lavere volum enn forventet i Skandinavia og miks effekt ved større andel installerte anlegg utenfor Skandinavia hvor det gjennomsnittlig anlegget er mindre.

Sum driftskostnader for regnskapsåret 2020 var 255 millioner kroner sammenlignet med 260 millioner kroner for regnskapsåret 2019. Hvorav 121 millioner kroner i varekostnader (2019: 166 millioner kroner), 53 millioner kroner i lønnskostnader (2019: 43 millioner kroner), 21 millioner kroner i avskrivninger og nedskrivninger (2019: 13 millioner kroner) og 60 millioner kroner i andre driftskostnader (2019: 39 millioner kroner). Reduserte varekostnader forklares primært av plattformens evne til å drive ned prosjektkostnadene gjennom konkurranse blant selskapets installatører og redusert pris på materiell i tillegg til en reduksjon i antall installerte anlegg kombinert med at anleggene som er installert har vært mindre. Økning i lønnskostnader skyldes ekspansjon til nye markeder samt kostnader knyttet til aksjebaserte betalingsordninger. Også andre driftskostnader har økt som følge av ekspansjon. Økte avskrivningskostnader følger av at goodwill på oppkjøp i Frankrike i 2019 er avskrevet for et helt år i 2020, samt at investering og tilhørende avskrivninger for Otovo Cloud har økt.

Netto finansinntekt på 0,5 millioner kroner, mot en netto finanskostnad på 1,7 millioner i 2019 forklares primært av reduksjon i earn-out forpliktelsen relatert til oppkjøpet av InSunWeTrust i 2019. Størstedelen av konsernets likviditet er holdt i NOK.

Konsernet hadde eiendeler på 260 millioner kroner per 31. desember 2020. Anleggsmidler var 164 millioner kroner, hvorav goodwill og immaterielle eiendeler utgjorde 132 millioner kroner. Omløpsmidler var 96 millioner kroner, hvorav kontanter representerte 74 millioner kroner. Langsiktig gjeld var 20 millioner kroner, og konsernet har totalt avsatt for 30 millioner kroner som er earn-out knyttet til oppkjøpet av InSunWeTrust i 2019. Kortsiktig andel av earn-out var 26 millioner kroner, inkludert i annen kortsiktig gjeld.

Egenkapitalandelen for konsernet 31. desember 2020 var 67.1%. Likviditeten for konsernet er tilfredsstillende med bankinnskudd på 74 millioner kroner per 31. desember 2020. Kontantstrømmen fra drift var -76 millioner for regnskapsåret 2020.Kontantstrømmen fra investeringsaktiviteter var -46 millioner drevet av investeringen i EDEA samt utvikling av Otovo Cloud mens kontantstrømmen fra finansieringsaktiviteter var 1 millioner kroner.

Otovo AS

Otovo AS er morselskapet i Otovo-konsernet. Otovo AS hadde 84 millioner kroner i driftsinntekter i 2020, en nedgang på 28 millioner kroner fra året før. Reduksjonen i driftsinntekter var drevet av lavere etterspørsel som både er en effekt av koronapandemien samt historisk lave strømpriser i Norge. Varekostnader er redusert i takt med omsetningen samt gjennom konkurranse blant selskapets installatører og redusert pris på materiell, mens øvrige driftskostnader og lønnskostnader har økt som følge av kostnader pådratt til ekspansjon til nye markeder og produkter.

Årets resultat endte tilslutt på minus 41 millioner kroner mot minus 9 millioner kroner i 2019.

Ved utgangen av året hadde Otovo AS eiendeler for 352 millioner kroner og bankinnskudd på 67 millioner kroner. Otovo AS hadde ved utgangen av året sum egenkapital på 285 millioner kroner.

Markedsforhold

Koronakrisen har påvirket konsernets rammebetingelser og finansielle utvikling gjennom året. Verdikjeden ble påvirket da kinesiske fabrikker stengte og forsyningen av solcellepaneler ble begrenset i begynnelsen av året. Etterspørselssiden ble påvirket av økonomisk usikkerhet, nedstenging og periodevist portforbud i store deler av Europa.

Euroen styrket seg mot norske og svenske kroner, hvilket ga høyere pris på materiell i Norge og Sverige. I kombinasjon med rekordlave strømpriser i Norden, medførte dette redusert etterspørsel i Skandinavia gjennom året.

Otovos lønnsomhet avhenger av at selskapet har en bruttomargin for de solgte prosjektene som er tilstrekkelig til å dekke de direkte variable kostnadene. På sikt må salgsvolumet generere en nettomargin som dekker de faste kostnadene i det enkelte land og totalt for virksomheten. Selskapets evne til å ta ut en tilstrekkelig bruttomargin er i stor grad drevet av markedsposisjon (kjennskap) og plattformens evne til å drive ned prosjektkostnadene gjennom konkurranse blant selskapets installatører og redusert pris på materiell som følge av voksende volum.

Otovo har styrket sine bruttomarginer som konsern og i de fleste markeder, hvilket er drevet av underliggende prisfall på materiell samt økt konkurranse og effektivitet i installatørleddet. På bakgrunn av investeringer gjort i 2020 og forventninger til ytterligere kostnadsreduksjon på materiell og installatørtjenester er Otovo godt posisjonert til å møte økt etterspørsel etter fornybar og rimelig energi i Europa fremover.

Etterspørselen etter solcelleanlegg fra private husholdninger påvirkes i stor grad av regulatoriske forhold og subsidieordninger. I Norge og Frankrike får Otovos kunder kontantstøtte ved kjøp av solcelleanlegg, og i Sverige, Italia, Polen og til dels Spania mottar kundene skattefradrag. I kombinasjon med en forventning om fortsatt høye strømpriser, ligger forholdene til rette for etterspørselsvekst. Det er likevel usikkerhet knyttet til selskapets vurderinger av fremtidige markedsforhold, spesielt knyttet til regulatoriske forhold og de langsiktige konsekvensene av den pågående koronakrisen og fremtidige energipriser.

For å gjennomføre en vellykket oppskalering av virksomheten, er selskapet avhengig av å tiltrekke seg installatørpartnere i de markeder selskapet er etablert, samt å tilpasse forretningsmodell og verdiforslag til kunden til lokale forhold. I tillegg er selskapets markeder i en tidlig utviklingsfase og Otovo er sårbar for volatilitet i etterspørsel, økt konkurranse fra etablerte energiselskap og regulatoriske endringer som kan påvirke markedene generelt eller selskapets forretningsmodell spesielt. Videre er selskapets eksponert for risiko som følger av den daglige driften, dette omfatter blant annet kredittrisiko, behandling av kundedata, og HMS-risiko tilknyttet den praktiske installasjonsvirksomheten som gjennomføres av selskapets installatørpartnere.

Styret mener at det fremlagte årsregnskapet gir et rettvisende bilde av resultatet av virksomheten og den finansielle stillingen.

Forskning og utvikling

Selskapet har gjennom året styrket satsingen på den unike teknologiplattformen. Fokus på skalering har gjort det mulig å etablere seg i Brasil, Polen og Italia, samt å få det franske datterselskapet over på Otovo sin teknologi. Plattformen har også forbedret kjøpsopplevelsen for sluttkundene ytterligere, og klargjort selskapet for en økning av installasjonskapasiteten fremover. Otovo forventer at utviklingsaktivitetene vil øke i omfang i løpet av 2021.

Finansiell risiko

Konsernet er eksponert for finansiell risiko knyttet til rente, valuta og likviditetsrisiko.

Økonomifunksjonen i sentral enhet i konsernet håndterer den løpende oppfølging av likviditetssituasjonen og finansiell risiko. Renterisikoen knytter seg i all hovedsak til eksterne lån i Norge og Frankrike. Konsernets operative virksomhet vurderes ikke være eksponert for renterisiko per i dag.

Historiske tap på kundefordringer har vært lave, men eksponering mot sluttkunder kan øke risikoen i perioder med økonomiske nedgangstider. Kunder med ubetalte forfalte fakturaer blir løpende fulgt opp og nye kunder blir kredittvurdert.

Kontantbeholdning ved utgangen av året var 74 millioner kroner. Styret vurderer likviditeten i konsernet som tilfredsstillende.

Hendelser etter balansedagen

21. januar 2021 ble det annonsert at selskapets styre har besluttet å initiere en prosess for å hente inn kapital for å akselerere fremtidig vekst og legge til rette for skala og lønnsomhet. Styret har også gitt ledelsen mandat til å notere selskapets aksjer på Euronext Growth Oslo. 9 februar ble det annonsert at selskapet planlegger er rettet emisjon på anslagsvis 358 millioner kroner i nye og eksisterende aksjer, med påfølgende notering av selskapets aksjer. Forutsatt at den rettede emisjonen fullføres forventes første handelsdag å være på eller rundt 19. februar 2021.

En eventuell notering innebærer en endring i kontroll under selskapets aksjeprogram og vil resultere i at deltakerne får utdelt 111 620 aksjer under programmet. Med bakgrunn i kurs på 200 kroner per aksje vil dette medføre en kostnad på rundt 5,4 millioner kroner.

Det har ikke inntrådt forhold etter årsskiftet som har betydning for bedømming av regnskapet.

Forutsetning om fortsatt drift

Otovo konsern oppnådde salgsinntekter for 2020 på 148 millioner kroner med et tilhørende negativt årsresultat etter skatt på 102 millioner kroner.

Ved utgangen av året hadde Otovo konsern eiendeler for 260 millioner kroner, hvorav en kontantbeholdning 74 millioner kroner. Konsernet hadde ved utgangen av året en bokført egenkapital på 174 millioner kroner.

Konsernets ekspansjonsstrategi medfører at Otovo stadig er i en oppstartsfase i et nytt marked, og at den finansielle risikoen er større enn den ville være for et konsern med en etablert posisjon i samtlige markeder. Otovo har styrket konsernfunksjoner for å sikre fortsatt god drift ved ekspansjon til nye markeder og tilhørende mer kompleks virksomhet.

De langsiktige konsekvensene av den pågående koronakrisen er usikre, og kan påvirke både etterspørselssiden i form av redusert markedsvekst og gjennomføringsevnen til selskapets leverandører. Otovo vil gjøre nødvendige tilpasninger i fremtidig kostnads- og investeringsnivå for å styre risikonivået i konsernet opp mot den gjeldende makroøkonomiske situasjonen.

Styret bekrefter at forutsetningen for fortsatt drift er til stede og årsregnskapet for 2020 er utarbeidet under denne forutsetningen.

Arbeidsmiljø

Konsernet har et godt arbeidsmiljø, hvor ledelsen fokuserer på HMS, kompetanseutvikling og generell trivsel. Det arbeides systematisk med å identifisere og avdekke HMS-hendelser hos konsernets installatørpartnere og eventuelle HMS hendelser måles og følges opp, og forebyggende tiltak og erfaringer deles mellom selskapets installatørpartnere.

Det er samlet registrert 2 HMS hendelser internt i Otovo, begge relatert til smittesporing i forbindelse med Covid-19. I tillegg har 33 hendelser blitt indentifisert hos Otovo eller underleverandører i forbindelse med installasjon av solcelleanlegg i løpet av året. Det har ikke forekommet hendelser med personskader i 2020. Konsernet har sammen med partnere og bransjeorganisasjoner gjennomført opplæring av leverandører, montører og elektroinstallatører for å utvikle den faglige forståelsen av solceller, forbedre HMS, øke forståelsen av tekniske krav til prosjektering og montering, og forbedre kundeoppfølgingen. Konsernet hadde et samlet sykefravær på under 2 % for 2020.

Likestilling og tiltak mot diskriminering

Konsernet hadde ved utgangen av året 116 ansatte fordelt på 47 kvinner og 69 menn, og det var det totalt 14 nasjonaliteter i selskapet. Otovo jobber aktivt for å være en mangfoldig arbeidsplass, og har iverksatt flere tiltak for å drive selskapet i riktig retning, herunder foreldrepermisjonsvilkår på norsk nivå i alle land konsernet har aktivitet, engelsk som selskapsspråk og kontinuerlig arbeidsmiljømåling. Otovo har som mål at det til enhver tid råder full likestilling og alle ansatte har samme rettigheter og muligheter uavhengig av kjønn, etnisk bakgrunn, seksuell legning eller religion. Styret består av seks menn og en kvinne.

Ytre miljø

Otovo har i løpet av siste kvartal i 2020 jobbet systematisk med å kartlegge selskapets påvirkning på ytre miljø, og har etablert en modell for å beregne karbonavtrykket til selskapets aktiviteter. Otovo estimerer at solcellene selskapet installerte i 2020 vil fjerne 109.000 tonn CO_2-utslipp fra europeisk kraftproduksjon i løpet av levetiden.

Otovos interne aktiviteter representerer like fullt en belastning på miljøet, og konsernet måler karbonavtrykket til både ansatte isolert, og konsernets verdikjede samlet sett. Otovo har gjennom bruk av teknologi redusert miljøbelastningen fra installasjon av solceller, blant annet gjennom å muliggjøre online befaringer som erstatter fysiske befaringer. Otovo vil redusere den gjenværende belastningen på miljøet gjennom å etablere en så effektiv verdikjede og logistikk som mulig, og ved fokus på bærekraft på tvers av selskapets interne aktiviteter og forbruk.

Konsernet har i sin code of conduct etablert egne mål tilknyttet FNs bærekraftsmål og vil aktivt benytte sin posisjon i det europeiske solcellemarkedet til å fremme oppnåelsen av disse målene samt å fremme arbeidstageres rettigheter i alle ledd av verdikjeden.

Redegjørelse om foretaksstyring

God eierstyring og selskapsledelse er et prioritert område for styret i Otovo. Selskapet ønsker å sikre operasjonell og økonomisk oppfølging og effektiv beslutningstaking basert på åpenhet, tydelig kommunikasjon og forståelse av roller og ansvar på tvers av Otovo. De ansatte, ledelsen og styremedlemmene følger krav til god forretningspraksis så vel som personlig oppførsel og retningslinjer for varsling.

Redegjørelse om samfunnsansvar

Selskapet har i sin code of conduct etablert egne mål tilknyttet FNs bærekraftsmål og vil aktivt benytte selskapets posisjon i det europeiske solcellemarkedet til å fremme oppnåelsen av disse målene samt å fremme arbeidstageres rettigheter i alle ledd av selskapets verdikjede.

Fremtidsutsikter

Styret forventer en forbedring av lønnsomheten i konsernets skandinaviske virksomhet i 2021, men etableringskostnader i Polen og Italia samt videreutvikling av felles konsernfunksjoner vil gi fortsatt negativt resultat for både Otovo AS og konsernet som helhet. I tillegg vil den pågående koronakrisen kunne påvirke selskapets lønnsomhet på både kort og lang sikt.

Årsresultat og disponering

Årsresultatet i Otovo AS ble negativt med 41 millioner kroner. Styret foreslår at dette disponeres mot annen egenkapital. Styret foreslår at det ikke utbetales utbytte for regnskapsåret 2020.

Otovo AS vil etter dette ha en egenkapital pr 31.12.2020 på 285 millioner kroner, tilsvarende 80.8 % egenkapitalandel, mens konsernet har en egenkapital på 174 millioner kroner og en egenkapitalandel på 67.1%

Oslo, 16/02/2021

DocuSigned by:
Ingunn Randa
442FD91BFFFF40D...
Ingunn Andersen Randa

Styremedlem

DocuSigned by:
4A93353E64D74E7...
Tor Øystein Repstad

Styremedlem

DocuSigned by:
245C8619096D4F8...
Johan Bergström

Styremedlem

DocuSigned by:
Antoine Ebel
0850A23ED67240C...
Antoine Ebel

Styremedlem

DocuSigned by:
83166BE0E73A45B...
Jean-Baptiste Curien

Styremedlem

DocuSigned by:
Olivier Aizac
442CCE2056E94A8...
Olivier Francois Aizac

Styremedlem

DocuSigned by:
Peter Mellbye
1E67A5778AA844B...
Peter Mellbye

Styrets leder

Otovo AS		RESULTAT		Konsernregnskap	
2020	2019		NOTE	2020	2019
		Driftsinntekter			
80,012,812	112,007,336	Salgsinntekter	11	147,531,962	193,662,305
3,549,027	-	Andre inntekter	7.11	4,490,322	-
83,561,839	**112,007,336**	**Sum driftsinntekter**		**152,022,284**	**193,662,305**
		Driftskostnader			
58,717,189	93,320,008	Varekostnad		121,308,977	165,827,042
28,635,707	20,352,447	Lønnskostnad	4	52,824,991	43,180,398
7,801,931	4,469,565	Ordinære avskrivninger og nedskrivninger	2, 3	10,563,691	5,568,623
-	-	Avskrivning av goodwill	3	10,198,721	7,055,061
30,704,555	18,434,803	Annen driftskostnad	4	59,918,964	38,711,067
125,859,382	**136,576,823**	**Sum driftskostnader**		**254,815,343**	**260,342,191**
-42,297,542	**-24,569,488**	**Driftsresultat**		**-102,793,059**	**-66,679,886**
		Finansinntekter og finanskostnader			
548,368	391,171	Annen renteinntekt	12	532,115	407,526
-	407,526	Renteinntekt fra foretak i samme konsern	12	-	-
2,061,065	86,265	Finansinntekter	12	2,081,101	88,783
399,217	553,172	Annen rentekostnad	12	777,328	627,530
1,254,569	1,523,104	Finanskostnader	12	1,350,933	1,609,515
955,647	**-1,191,315**	**Netto finansposter**		**484,955**	**-1,740,735**
-41,341,895	**-25,760,803**	**Ordinært resultat før skattekostnad**		**-102,308,104**	**-68,420,621**
-	-16,808,741	Skattekostnad	10	-85,770	-17,015,020
-41,341,895	**-8,952,062**	**Årsresultat**		**-102,222,334**	**-51,405,601**
		Overført fra majoritetsaksjonær til minoritetsinteresser		-741,814	-
-41,341,895	-8,952,062	**Overført til udekket tap**	6	-101,480,521	-51,405,601

Otovo AS 2020	Otovo AS 2019	EIENDELER	Note	Konsernregnskap 2020	Konsernregnskap 2019
		ANLEGGSMIDLER			
		Immaterielle eiendeler			
26,187,577	18,889,106	Konsesjoner, patenter o.l.	3	32,427,171	23,191,814
16,808,741	16,808,741	Utsatt skattefordel	10	17,020,277	17,015,020
-	-	Goodwill	3	82,135,412	86,736,038
42,996,318	**35,697,847**	**Sum immaterielle eiendeler**		**131,582,860**	**126,942,872**
		Varige driftsmidler			
3,649,198	4,261,547	Driftsløsøre, inventar o.a utstyr	2	4,204,672	4,554,669
3,649,198	**4,261,547**	**Sum varige driftsmidler**		**4,204,672**	**4,554,669**
		Finansielle anleggsmidler			
182,275,178	148,842,733	Investeringer i datterselskaper	7	-	-
27,762,272	-	Investering i tilknyttede selskap	7	27,615,060	-
71,198	67,074	Andre langsiktige fordringer		914,057	810,804
210,108,648	**148,909,807**	**Sum finansielle anleggsmidler**		**28,529,117**	**810,804**
256,754,164	**188,869,201**	**Sum anleggsmidler**		**164,316,648**	**132,308,345**
		OMLØPSMIDLER			
		Fordringer			
3,746,201	5,415,101	Kundefordringer	8	9,967,226	13,700,672
4,004,663	3,549,809	Andre fordringer	8	8,755,100	17,153,873
17,492,429	9,334,911	Fordringer på konsernselskap	9	-	-
3,318,737	-	Fordringer på tilknyttede selskap	9	3,318,737	-
28,562,030	**18,299,821**	**Sum fordringer**		**22,041,063**	**30,854,545**
67,112,320	176,000,033	Bankinnskudd og kontanter	13	73,677,349	193,035,860
95,674,350	**194,299,854**	**Sum omløpsmidler**		**95,718,412**	**223,890,405**
352,428,514	**383,169,054**	**SUM EIENDELER**		**260,035,060**	**356,198,750**

DocuSign Envelope ID: A710762F-4F75-4AFD-A218-B2BDAEF4088C

OTOVO

Otovo AS 2020	Otovo AS 2019	EGENKAPITAL OG GJELD	Note	Konsernregnskap 2020	Konsernregnskap 2019
		EGENKAPITAL			
		Innskutt egenkapital			
443,111	424,058	Aksjekapital	5, 6	443,111	424,058
355,102,206	328,107,540	Overkurs	6	355,102,206	328,107,540
2,130,468	-	Annen innskutt egenkapital	6	2,130,468	-
357,675,785	**328,531,598**	**Sum innskutt egenkapital**		**357,675,785**	**328,531,598**
		Opptjent egenkapital			
-72,744,919	-31,403,024	Udekket tap	6	-183,189,827	-88,678,088
-72,744,919	**-31,403,024**	**Sum opptjent egenkapital**		**-183,189,827**	**-88,678,088**
284,930,866	**297,128,574**	**Sum egenkapital**		**174,485,957**	**239,853,510**
		GJELD			
		Avsetning for forpliktelser			
2,801,073	-	Andre avsetninger for forpliktelser		2,818,736	-
2,801,073	**-**	**Sum avsetning for forpliktelser**		**2,818,736**	**-**
		Annen langsiktig gjeld			
-	-	Gjeld til kredittinstitusjoner	14	7,769,004	7,608,541
11,738,863	66,418,260	Annen langsiktig gjeld	14	11,828,509	66,426,923
11,738,863	**66,418,260**	**Sum annen langsiktig gjeld**		**19,597,514**	**74,035,464**
		Kortsiktig gjeld			
8,305,693	7,614,521	Leverandørgjeld		12,494,219	9,855,586
637,510	-	Leverandørgjeld til selskap i samme konsern		-	-
5,051,290	2,523,258	Skyldig offentlige avgifter		9,391,101	20,669,601
-	-	Betalbar skatt	10	-	-
2,177,822	419,633	Gjeld til selskap i samme konsern		-	-
36,785,397	9,064,808	Annen kortsiktig gjeld	14	41,247,533	11,784,588
52,957,712	**19,622,220**	**Sum kortsiktig gjeld**		**63,132,852**	**42,309,774**
67,497,648	**86,040,480**	**Sum gjeld**		**85,549,102**	**116,345,239**
352,428,514	**383,169,054**	**SUM EGENKAPITAL OG GJELD**		**260,035,060**	**356,198,750**

Oslo, 16/02/2021

DocuSigned by: Ingunn Randa 442ED91BEEEF40D...
Ingunn Andersen Randa
Styremedlem

DocuSigned by: 4A93353E64D74E7...
Tor Øystein Repstad
Styremedlem

DocuSigned by: 245C8619096D4F8...
Johan Bergström
Styremedlem

DocuSigned by: Antoine Ebel 0850A23ED67240C...
Antoine Ebel
Styremedlem

DocuSigned by: 83166BE0E73A45B...
Jean-Baptiste Curien
Styremedlem

DocuSigned by: Olivier Aizac 442CCE2056E94A8...
Olivier Francois Aizac
Styremedlem

DocuSigned by: Peter Mellbye 1E67A5778AA844B...
Peter Mellbye
Styrets leder

Kontantstrømsoppstilling

Otovo AS			Konsernet	
2020	**2019**	**Kontantstøm fra operasjonelle aktiviteter**	**2020**	**2019**
-41,341,895	-25,760,803	Resultat før skatt	-102,308,104	-68,420,621
7,801,931	4,469,565	Ordinære avskrivninger og nedskrivninger	20,762,412	12,623,685
2,130,468	-	Kostnadsført aksjebasert vederlag	2,130,468	-
-2,702,272	-	Annen inntekt fra EDEA	-4,112,419	-
-	-	Annen kostnad fra øvrige tilknyttede selskaper	308,656	-
3,052,687	2,964,886	Endring kundefordringer og leverandørgjeld	6,372,079	-2,788,216
-17,857,490	-7,583,143	Endring i andre tidsavgrensningsposter	1,040,374	12,387,685
-48,916,571	**-25,909,495**	**Netto kontantstrøm fra operasjonelle aktiviteter**	**-75,806,534**	**-46,197,467**
		Kontantstøm fra investeringsaktiviteter		
-45,080,090	-53,197,875	Investering konsernselskaper	-	-
-2,236,722	-	Kjøp av virksomhet	-2,236,722	-11,500,000
-	-	Utgang av datterselskap (EDEA)	-25,094,935	-
-14,078,889	-11,895,715	Utbetaling ved kjøp av immaterielle eiendeler	-18,311,871	-16,198,632
-443,468	-512,162	Utbetaling ved kjøp av varige driftsmidler	-851,429	-856,626
-61,839,169	**-65,605,752**	**Netto kontantstrøm fra investeringsaktiviteter**	**-46,494,957**	**-28,555,258**
		Kontantstøm fra finansieringsaktiviteter		
4,055,527	150,159,382	Kapitalforhøyelse	4,055,527	150,159,382
-	-	Opptak av rentebærende gjeld	1,286,484	-
-2,187,500	-	Nedbetaling av rentebærende gjeld	-2,399,031	-
1,868,027	**150,159,382**	**Netto likviditetsendring fra finansiering**	**2,942,979**	**150,159,382**
-108,887,713	58,644,135	Netto endring i kontanter og kontantekvivalenter	-119,358,512	75,406,657
176,000,033	117,355,898	Kontanter og bankinnskudd per 01.01	193,035,860	117,629,204
67,112,320	**176,000,033**	**Kontanter og bankinnskudd per 31.12**	**73,677,348**	**193,035,860**

Note 1 Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

Konsolideringsprinsipper

Datterselskaper blir konsolidert fra det tidspunktet kontrollen er overført til konsernet (oppkjøpstidspunktet).
Konsernregnskapet er utarbeidet som om konsernet var en økonomisk enhet og posten aksjer i datterselskaper erstattes med datterselskapets eiendeler og gjeld. Transaksjoner og mellomværende mellom selskapene i konsernet er eliminert. Konsernregnskapet er utarbeidet etter ensartede prinsipper, ved at datterselskapet følger de samme regnskapsprinsipper som morselskapet. Kjøpte datterselskaper regnskaps føres i konsernregnskapet basert på morselskapets anskaffelseskost. Anskaffelseskost tilordnes identifiserbare eiendeler og gjeld i datterselskapet, som oppføres i konsernregnskapet til virkelig verdi på oppkjøpstidspunktet. Eventuell merverdi eller mindreverdier ut over hva som kan henføres til identifiserbare eiendeler og gjeld balanseføres som goodwill. Goodwill i konsernregnskapet avskrives lineært over de oppkjøpte eiendelenes forventede levetid.

Omregning av utenlandske datterselskaper skjer ved at balansen omregnes til balansedagens kurs, og at resultatregnskapet omregnes til en gjennomsnittskurs. Eventuelle transaksjoner omregnes til transaksjonsdagens kurs.

Konsernregnskapet inkluderer konsernets andel av resultat fra tilknyttede selskaper regnskapsført etter egenkapitalmetoden fra det tidspunktet betydelig innflytelse oppnås og inntil slik innflytelse opphører. Når konsernets tapsandel overstiger investeringen i et tilknyttet selskap, reduseres konsernets balanseførte verdi til null og ytterligere tap regnskapsføres ikke med mindre konsernet har en forpliktelse til å dekke dette tapet.

Aksjer i datterselskap og tilknyttet selskap

Datterselskaper er selskaper der morselskapet har kontroll, og dermed bestemmende innflytelse på enhetens finansielle og operasjonelle strategi, normalt ved å eie mer enn halvparten av den stemmeberettigede kapitalen. Tilknyttede selskaper er enheter hvor konsernet har betydelig (men ikke bestemmende) innflytelse, over den finansielle og operasjonelle styringen.

Datterselskap og tilknyttet selskap vurderes etter kostmetoden i selskapsregnskapet. Investeringen blir vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det foretas nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

I konsernregnskapet brukes egenkapitalmetoden som prinsipp for investeringer i tilknyttede selskaper. Bruk av metoden fører til at regnskapsført verdi i balansen tilsvarer andelen av egenkapitalen i det tilknyttede selskapet, korrigert for urealiserte interngevinster Resultatandelen i resultatregnskapet baseres på andelen av resultatet etter skatt i det tilknyttede selskapet, og og urealiserte gevinster. I resultatregnskapet vises resultatandelen under annen inntekt.

Følgende selskaper inngår i konsernet 31.12:
Mor- og datterselskaper:
Otovo AS - mor
Otovo AB 100%
ISWT 100%
Otovo Iberic SL 100%
Otovo Srl 100%
Otovo Sp. Z.o.o 100%
European Distributed Energy Assets Holding AB 100%

Salgsinntekter

Inntekter ved salg av tjenester vurderes til virkelig verdi av vederlaget, netto etter fradrag for merverdiavgift og rabatter. Salg resultatføres når en enhet innenfor konsernet har levert sine tjenester til kunden og det ikke er uoppfylte forpliktelser som kan påvirke kundens aksept av leveringen. Konsernets inntekter knytter seg til salg av solcellepaneler og installasjon av disse. For prosjekter hvor det er avtalt et fast honorar avregnes inntekter og kostnader basert på beste estimat for forventet fortjeneste og faktisk fremdrift. Varekostnad sammenstilles med tilhørende driftsinntekter.

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter anskaffelsestidspunktet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.
Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på opptakstidspunktet.
Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående.

Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Kundefordringer og andre fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives over driftsmidlets forventede levetid. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Dersom gjenvinnbart beløp av driftsmiddelet er lavere enn balanseført verdi foretas nedskrivning til gjenvinnbart beløp. Gjenvinnbart beløp er det høyeste av netto salgsverdi og verdi i bruk. Verdi i bruk er nåverdien av de fremtidige kontantstrømmene som eiendelen vil generere.

Forskning og utvikling

Utviklingskostnader balanseføres i den grad det identifiseres en fremtidig økonomisk fordel knyttet til utvikling av en identifiserbar immateriell eiendel og utgiftene kan måles pålitelig. I motsatt fall kostnadsføres slike utgifter løpende.
Balanseførte utviklingskostnader avskrives lineært over økonomisk levetid. Utgifter til forskning kostnadsføres løpende.

Utenlandsk valuta

Eiendeler og gjeld i utenlandsk valuta er vurdert til kursen ved regnskapsårets slutt. Kursgevinster og kurstap føres som finansinntekter og finanskostnader. Resultatposter i utenlandsk valuta konsolideres ved bruk av snittkurs for året. Differanser på investeringer i datterselskaper i utenlandsk valuta føres som omregningsdifferanser mot egenkapitalen i konsernregnskapet.

Aksjebasert betalingsordninger

Konsernet har aksjeopsjonsprogrammer for ledelse og nøkkelpersonell. Programmene måles til virkelig verdi på tildelingsdatoen. Verdien av tildelte opsjoner periodiseres over den periode de ansatte innvinner rett til å motta opsjonene

Kostnaden ved aksjebaserte transaksjoner med ansatte innregnes som en kostnad over gjennomsnittlig innvinningsperiode. For transaksjoner som gjøres opp i selskapets egenkapitalinstrumenter (ordninger med oppgjør i aksjer) regnskapsføres verdien av de tildelte opsjonene i perioden som en lønnskostnad i resultatet og med motpost annen innskutt egenkapital.

Arbeidsgiveravgift på aksjebaserte transaksjoner innregnes i resultatet over forventet opptjeningsperiode og oppdateres løpende basert på aksjekursen på rapporteringstidspunktet.

Pensjoner

Morselskapet er pliktig til å ha tjenestepensjonsordninger etter lov om obligatorisk tjenestepensjon. Selskapenes pensjonsordninger tilfredsstiller kravene i denne loven og det er kun inngått innskuddsordninger. Her er derfor årets pensjonskostnad lik betalt innskudd.

Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt/ utsatt skattefordel er beregnet med aktuell skattesats på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttegjort.

Skattefunn føres til reduksjon av betalbar skatt, ved underskudd føres det som fordring i balansen.

Kontantstrømoppstilling

Kontantstrømoppstillingen er utarbeidet etter den indirekte metode. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

Bruk av estimater

Utarbeidelse av regnskaper i samsvar med regnskapsloven krever bruk av estimater. Videre krever anvendelse av selskapets regnskapsprinsipper at ledelsen må utøve skjønn. Områder som i stor grad inneholder slike skjønnsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

Goodwill

Goodwill oppføres i balansen i konsernregnskapet og avskrives over estimerte levetid. Goodwill beregnes som forskjell mellom total anskaffelseskost og de identifiserbare eiendelene og forpliktelsene i den oppkjøpte virksomheten. Goodwill justeres løpende for endring i valutakurs dersom posten relateres til investering i fremmed valuta og avskrives over forventet levetid.

Avsetning for usikre forpliktelser

Det avsettes for forventede fremtidige vedlikeholdskostnader på solcelleanlegg solgt til EDEA-konsernet. Dette er fremtidige forpliktelser som er pådratt, men hvor forpliktelsen har ukjent størrelse og oppgjørstidspunkt. Regnskapsføringen er basert på beste estimat for denne forpliktelsen, og er klassifisert som langsiktig. Det forventes at vedlikeholdsbehovet på solcelleanleggene vil intreffe omkring åtte år etter installasjon.

Note 2 Varige driftsmidler

Morselskapet

	Kontormaskiner og inventar	Solcelleanlegg	Sum
Anskaffelseskost 01.01.	1,667,151	4,148,918	5,816,069
Tilgang	443,468	-	443,468
Avgang	-	-43,104	-43,104
Anskaffelseskost 31.12.	2,110,619	4,105,814	6,216,433
Akk.avskrivninger 31.12.	-1,407,365	-814,006	-2,221,371
Akk.nedskrivninger 31.12.	-	-345,864	-345,864
Balanseført verdi 31.12.	**703,254**	**2,945,944**	**3,649,198**
Årets ordinære avskrivinger	471,240	204,409	675,649
Årets nedskrivninger	-	345,864	345,864
Avskrivningsplan	Lineær	Lineær	
Forventet økonomisk levetid	3 år	20 år	

Endringer i avskrivningsplan

Selskapet har i løpet av årets vurdert hvorvidt forventet økonomisk levetid på selskapets varige driftsmidler og immaterielle eiendeler korresponderer med gjenværende avskrivningstid. I noen tilfeller er forventet levetid økt. Gjenværende balanseverdier har blitt fordelt utover resterende år i ny forventet levetid. Ingen av endringene har medført vesentlige endringer i avskrivninger.

Konsernet

	Kontormaskiner og inventar	Solcelleanlegg	Sum
Anskaffelseskost 01.01.	2,064,490	4,148,918	6,213,408
Tilgang	851,429	-	851,429
Avgang	-	-43,104	-
Anskaffelseskost 31.12.	2,915,919	4,105,814	7,064,837
Akk.avskrivninger 31.12.	-1,657,191	-814,006	-2,471,197
Akk.nedskrivninger 31.12.	-	-345,864	-345,864
Balanseført verdi 31.12.	**1,258,728**	**2,945,944**	**4,204,672**
Årets ordinære avskrivinger	611,124	204,409	815,533
Årets nedskrivninger	-	345,864	345,864
Avskrivningsplan	Lineær	Lineær	
Forventet økonomisk levetid	3-10 år	20 år	

Note 3 Immaterielle eiendeler

Morselskapet

	Otovo Cloud	Otovo Hub	Andre immaterielle eiendeler	Sum
Anskaffelseskost 01.01.	23,062,009	1,538,588		24,600,597
Tilgang	13,886,636	-	192,253	14,078,889
Anskaffelseskost 31.12.	36,948,645	1,538,588	192,253	38,679,486
Akk.avskrivninger 31.12.	-10,939,883	-910,924	-13,439	-11,864,246
Akk.nedskrivninger 31.12.	-	-627,663	-	-627,663
Balanseført verdi 31.12.	**26,008,762**	**0**	**178,814**	**26,187,577**
Årets ordinære avskrivinger	5,857,242	282,074	13,439	6,152,755
Årets nedskrivninger	-	627,663	-	627,663
Avskrivningsplan	Lineær	Lineær	Lineær	
Forventet økonomisk levetid	5 år	5 år	5 år	

Konsernet

	Otovo Cloud	Otovo Hub	Andre immaterielle eiendeler	Goodwill	Sum
Anskaffelseskost 01.01.	27,364,629	1,538,588	-	93,791,099	122,694,316
Tilgang	18,119,618	-	192,253	-	18,311,871
Valutajusteringer	-	-	-	5,593,428	5,593,428
Anskaffelseskost 31.12.	45,484,247	1,538,588	192,253	99,384,527	146,599,615
Akk.avskrivninger 31.12.	-13,235,881	-910,924	-13,439	-17,249,115	-31,409,359
Akk.nedskrivninger 31.12.	-	-627,663	-	-	-627,663
Balanseført verdi 31.12.	**32,248,356**	**0**	**178,814**	**82,135,412**	**114,562,583**
Årets ordinære avskrivinger	8,479,117	282,074	13,439	10,198,721	18,973,351
Årets nedskrivninger	-	627,663	-	-	627,663
Avskrivningsplan	Lineær	Lineær	Lineær	Lineær	
Forventet økonomisk levetid	5 år	5 år	5 år	10 år	

Goodwill

Goodwill stammer fra oppkjøp av ISWT som er gjennomført i 2019. Goodwill er antatt å ha en levetid på 10 år. Levetiden representerer selskapets beste estimat for faktisk økonomisk levetid og goodwill avskrives over denne perioden. Bokført verdi av goodwill er vurdert opp mot estimert virkelig verdi og bokført etter laveste verdis prinsipp.

Prinsipp for aktivering av utviklingskostnader

Otovo utvikler selv en software som brukes i grensesnittet mot kunder og installatører. Softwaren gjør det blant annet mulig for installatørene å prise, samt for Otovo å beregne pris, for ulike alternativer av solcellepaneler direkte på selskapets hjemmeside. Videre får man beregnet et produksjonspotensiale og årlig estimert strømbesparelse. Softwaren trenger kontinuerlig utvikling og en andel timer og kostnader relatert til dette aktiveres i balansen som immateriell eiendel.

Note 4 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte mm.

	Morselskapet		Konsernet	
Lønnskostnader	**2020**	**2019**	**2020**	**2019**
Lønninger	16,370,459	13,322,579	35,016,837	26,474,287
Arbeidsgiveravgift	4,729,708	3,988,387	8,531,393	5,436,740
Pensjonskostnader	1,777,726	1,275,047	2,552,366	2,082,583
Aksjebaserte ytelser	4,985,918	-	4,985,918	-
Andre ytelser	771,896	1,766,434	1,738,477	9,186,789
Sum	**28,635,707**	**20,352,447**	**52,824,990**	**43,180,399**
Gjennomsnittlig antall årsverk	42	35	102	67

Konsernets pensjonsordning tilfredsstiller kravene i lov om obligatorisk tjenestepensjon.

Aksjebasert betalingsordninger

Selskapet har utstedt aksjeopsjoner til ledelse og nøkkelpersonell i årene 2017-2020. Det er utøvd 105 890 opsjoner i løpet av 2020 til en vektet gjennomsnittlig kurs på 37.75 kroner per aksje. Per 31.12.2020 er det 321 918 utestående opsjoner med en gjennomsnittlig utøvelseskurs på 45 kroner per aksje og gjenværende levetid på ca 2 år. I desember 2020 introduserte selskapet et nytt aksjeprogram som innebærer at deltakerne har rett på et gitt antall aksjer vederlagsfritt henholdsvis 2, 3 og 4 år etter transaksjonsdatoen, på gitte betingelser.
111 620 aksjer vestes etter 2 år, 55 810 aksjer vestes etter 3 år og 55 810 aksjer vestes etter 4 år.

Virkelig verdi er beregnet ved bruk av Black-Scholes opsjonsprisingsmodell og Monte Carlo-simuleringer. Den risikofrie renten på transaksjonsdatoen er innhentet fra Norges Bank og forventet varighet er satt til datoen rettigheten er opptjent. Volatilitet er satt basert på observert volatilitet for sammenlignbare selskaper. Det er i beregningen ikke tatt høyde for ansatte som slutter i konsernet i opptjeningsperioden og tidligere perioders kostnadsføring vil følgelig reverseres i den regnskapsperioden en ansatt eventuelt slutter.

Kostnad for 2020 inngår i lønnskostnader med motpost i annen innskutt egenkapital og annen kortsiktig gjeld. Kostnad for 2020 var 4 985 918 kroner, hvorav 3 275 689 er kostnad for 2019 bokført i 2020.

Ytelser til ledende personer	**Daglig leder**	**Styret**
Lønn/styrehonorar	1,153,462	215,250
Pensjonskostnad	77,860	-
Annen godtgjørelse	310,466	-
Sum	**1,541,788**	**215,250**

Daglig leder har en maksimal årlig bonusramme på 25% av grunnlønn.
Det er ikke gitt lån eller ytt sikkerhetsstillelser e.l til ledende personer mv.

Opsjoner

Daglig leder Andreas Egge Thorsheim har i 2020 innløst 5 867 av sine opsjoner. Styrets leder Peter Mellbye har innløst 2 667 opsjoner. Hver opsjon gav ved utøvelse en aksje i selskapet.

Følgende styremedlemmer har opsjoner:

Navn	**Antall opsjoner**
Olivier Aizac	2,000
Peter Mellbye	1,333

I tillegg har daglig leder, Andreas Egge Thorsheim, 5 433 opsjoner samt mulighet til å opptjene rett til inntil 2 860 aksjer gjennom aksjeprogrammet

Revisor

	Morselskapet		Konsernet	
	2020	**2019**	**2020**	**2019**
Revisjonstjenester	422,500	295,458	677,900	295,458
Annen skatte- og avgiftsrelatert bistand	380,683	126,027	414,483	126,027
Sum	**803,183**	**421,485**	**1,092,383**	**421,485**

Alle beløp er eksklusiv mva.

Note 5 Aksjekapital og aksjonærinformasjon

Morselskapet

Aksjekapitalen består av:

	Antall	Pålydende	Balanseført
Ordinære A-aksjer	7,283,267	0.05	364,163
Preferanse B-aksjer	1,578,947	0.05	78,947
Sum	8,862,214	0.05	443,111

Eierstruktur

De største aksjonærer i Otovo AS pr. 31.12. var:

	A-aksjer	B-aksjer	Sum	Eierandel	Stem.andel
Svenska Handelsbanken AB	568,421	1,294,737	1,863,158	21.02%	21.02%
Agder Energi Venture	881,826	-	881,826	9.95%	9.95%
Akershus Energi og Infrastruktur AS	852,811	-	852,811	9.62%	9.62%
Andmar Operations AS	840,168	-	840,168	9.48%	9.48%
Nysnø Klimainvesteringer AS	675,205	140,982	816,187	9.21%	9.21%
Verdipapirfondet KLP Aksjenorge	358,209	63,000	421,209	4.75%	4.75%
Obos BBL	361,115	-	361,115	4.07%	4.07%
Kommunal Landspensjonskasse	238,806	42,000	280,806	3.17%	3.17%
Simvest AS	273,268	-	273,268	3.08%	3.08%
Beacon Group AS	235,617	-	235,617	2.66%	2.66%
David Callegari	218,003	-	218,003	2.46%	2.46%
Nicolas Bordereau	218,003	-	218,003	2.46%	2.46%
Cak AS	192,447	-	192,447	2.17%	2.17%
Altitude Capital AS	178,492	4,907	183,399	2.07%	2.07%
Norron Sicav - Target	120,000	-	120,000	1.35%	1.35%
Erøy AS	92,238	19,260	111,498	1.26%	1.26%
Burgeon	109,348	-	109,348	1.23%	1.23%
Øvrige	869,290	14,061	883,351	9.97%	9.97%
Sum eksterne aksjonærer	7,283,267	1,578,947	8,862,214	100%	100%

Note 6 Egenkapital

Morselskapet

	Aksjekapital	Overkurs	Annen innskutt egenkapital	Annen egenkapital	Sum EK
Egenkapital 01.01	424,058	328,107,540	-	-31,403,024	297,128,574
Årets resultat	-	-	-	-41,341,895	-41,341,895
Kapitalforhøyelse	19,053	25,925,900	-	-	25,944,953
Ikke registrert kapitalforhøyelse	-	1,068,766	-	-	1,068,766
Aksjebasert betaling	-	-	2,130,468	-	2,130,468
Egenkapital pr 31.12	443,111	355,102,206	2,130,468	-72,744,919	284,930,866

Otovo AS har i 2020 vedtatt følgende kapitalforhøyelser:
10. juni 2020: Kapitalforhøyelse ved utstedelse av aksjer til ansatte i selskapet i henhold til opsjonsprogrammet
17. juni 2020: Kapitalforhøyelse ved konvertering av selgerkreditt utstedt av grunnleggerne av ISWT 2.0
24. juni 2020: Kapitalforhøyelse ved konvertering av gjeld - oppfyllelse av earn out forpliktelse i forbindelse med oppkjøpet av ISWT 2.0
29. november 2020: Kapitalforhøyelse ved utstedelse av aksjer til ansatte i selskapet i henhold til opsjonsprogrammet

Konsernet

	Aksjekapital	Overkurs	Annen innskutt egenkapital	Annen egenkapital	Sum egenkapital
Egenkapital pr. 01.01.	424,058	328,107,540		-88,678,088	239,853,510
Årets resultat	-	-		-102,222,335	-102,222,335
Kapitalendring	19,052	25,925,900		-	25,944,953
Ikke registrert kapitalforhøyelse	-	1,068,766		-	1,068,766
Aksjebasert betaling	-	-	2,130,468	-	2,130,468
Transaksjoner med minoritet	-	-		741,814	741,814
Valutaeffekter egenkapital	-	-		6,968,783	6,968,783
Egenkapital pr 31.12	443,110	355,102,206	2,130,468	-183,189,826	174,485,957

Av årets resultat på -102 222 335 tilhører -741 814 minoritet i EDEA. Minoritets andel av egenkapitalen utgikk i forbindelse med reduksjon av Otovos eierandel i EDEA til 18,75%

Note 7 Datterselskap og tilknyttet selskap

Morselskapet

Investeringen i datterselskap vurderes etter kostmetoden i selskapsregnskapet.

Datterselskap	Forretningskontor	Eierandel	Stemmeandel	Egenkapital 31.12.20	Balanseført verdi
Otovo AB	Stockholm, Sverige	100%	100%	-10,309,043	49,607,209
ISWT	Paris, Frankrike	100%	100%	-721,571	113,720,373
Otovo Iberic SL	Madrid, Spania	100%	100%	5,533,592	17,878,929
Otovo Srl	Milano, Italia	100%	100%	-197,951	106,933
Otovo Sp. Z.o.o	Warzava, Polen	100%	100%	63,240	935,496
European Distributed Energy Assets Holding AB	Stockholm, Sverige	100%	100%	26,088	26,238
Sum				-5,605,646	182,275,177

Tilknyttet selskap	Forretningskontor			Egenkapital 31.12.20	Balanseført verdi
European Distributed Energy Assets Holding AS	Oslo, Norge	18.75%	18.75%	147,144,545	27,762,272

Konsernet

Tilknyttet selskap	Forretningskontor			Egenkapital 31.12.20	Balanseført verdi
European Distributed Energy Assets Holding AS	Oslo, Norge	18.75%	18.75%	147,144,545	27,330,416
Holu Technologia SA	São Paulo, Brasil	34.00%	34.00%	837,187	284,644
Sum				147,144,545	27,615,060

European Distributed Energy Assets Holding AS (EDEA) ble etablert i 2020. I løpet av 2020 har Otovo sin eierinteresse blitt utvannet fra 100% til 18,75%.
Per 1. september gikk Otovo sin eierandel i EDEA fra 100% til 50% da det ble innhentet kapital. Ved samme tidspunkt skjøt Otovo inn 25 millioner kroner.
23. oktober ble det hentet ytterligere kapital og Otovo sin eierandel ble redusert til 18.75%. Ledelsens vurdering er at Otovo har betydelig innflytelse i EDEA og innregner selskapet i henhold til egenkapitalmetoden i konsernregnskapet. Resultater fra EDEA frem til 23. oktober er konsolidert inn som et datterselskap. Det er beregnet gevinst på transaksjonene og mor og konsern har regnskapsført en gevinst basert på sin andel av egenkapitalen i EDEA per 23 oktober 2020. Mor sin gevinst var 2,7 millioner kroner.

I konsernet inngår Otovo sin andel med følgende verdier:

	EDEA	Otovo sin andel
Bokført verdi av egenkapitalen i EDEA per 23. oktober 2020	148,065,452	27,762,272
Resultat i EDEA fra 23. oktober til 31. desember 2020	-625,275	-117,239
Omregningsdifferanser i EDEA	-295,632	-55,431
Otovo sin andel av internfortjeneste ved salg til EDEA		-260,270
Avskrivning av Otovo sin andel av internfortjeneste ved salg til EDEA		1,084
Sum	147,144,545	27,330,416

Resultatført som del av annen inntekt:	
Gevinst ved avgang datterselskap	4,488,844
Otovo sin andel av resultat fra EDEA	-376,425
Sum	4,112,419

Note 8 Fordringer og gjeld

	Morselskapet		Konsernet	
	2020	2019	2020	2019
Kundefordringer til pålydende	3,846,888	5,602,101	10,777,400	13,887,672
Avsetning til tap på kundefordringer	-100,687	-187,000	-810,174	-187,000
Sum	3,746,201	5,415,101	9,967,226	13,700,672

Note 9 Mellomværende med selskap i samme konsern

Morselskapet	**Kundefordringer**		**Andre fordringer**	
	2020	**2019**	**2020**	**2019**
Otovo AB	10,736,588	5,987,801	-	3,000,000
ISWT	1,037,017	279,820	-	-
Otovo Iberic SL	5,307,321	67,290	-	-
Otovo Srl	188,566	-	-	-
Otovo Sp. Z.o.o	196,701	-	-	-
European Distributed Energy Assets Holding AB	-	-	26,235	-
Sum	**17,466,194**	**6,334,911**	**26,235**	**3,000,000**

Morselskapet	**Leverandørgjeld**		**Annen kortsiktig gjeld**	
	2020	**2019**	**2020**	**2019**
Otovo AB	637,510	-	-	-
Otovo Iberic	-	-	2,177,822	
Sum	**637,510**	**-**	**2,177,822**	**-**

Selskapene i konsernet er også nærstående parter. Transaksjoner og mellomværende med datterselskaper er eliminert i konsernregnskapet. Salg til og kjøp fra datterselskaper og tilknyttet selskap er til markedspris og transaksjonene har tilsvarende betingelser som transaksjoner med uavhengige parter.

Mellomværende på balansedagen er usikret og rentefritt.

Note 10 Skatt

	Morselskapet		**Konsernet**	
Betalbar skatt i årets skattekostnad:				
	2020	**2019**	**2020**	**2019**
Betalbar skatt	-	-	-	-
Endring i utsatt skatt	-	16,808,741	85,770	17,015,020
Årets totale skattekostnad	**-**	**16,808,741**	**85,770**	**17,015,020**

	Morselskapet		**Konsernet**	
Grunnlag for skattekostnad, endring i utsatt skatt og betalbar skatt:				
	2020	**2019**	**2020**	**2019**
Ordinært resultat før skattekostnad	-41,341,895	-25,760,803	-102,308,104	-66,208,449
Permanente forskjeller	-6,268,730	-2,029,353	5,990,312	-2,013,483
Grunnlag for skattekostnaden på årets resultat	-47,610,625	-27,790,156	-96,317,792	-68,221,932
Endring i midlertidige forskjeller	3,507,401	67,461	245,781	-
Årets skattegrunnlag	**-44,103,223**	**-27,722,695**	**-96,072,011**	**-68,221,932**
Mottatt/avgitt konsernbidrag		-		-
Grunnlag betalbar skatt	**-44,103,223**	**-27,722,696**	**-96,072,011**	**-68,221,932**
Betalbar skatt	**-**	**-**	**-**	**-**
Skattesatser	**22%**	**22%**		

Spesifikasjon av utsatt skatt	**Morselskapet**		**Konsernet**	
Forskjeller som utlignes:	**2020**	**2019**	**2020**	**2019**
Anleggsmidler	-1,586,182	-778,487	-1,586,182	-778,487
Utestående fordringer	-88,021	-139,318	423,324	-139,318
Avsetninger mv	-2,801,073	-	-	-
Gevinst- og tapskonto	-200,283	-250,353	-200,283	-250,353
Netto midlertidige forskjeller	**-4,675,559**	**-1,168,158**	**-1,363,141**	**-1,168,158**
Underskudd til fremføring	-119,338,432	-75,235,209	-226,981,296	-130,227,647
Inngår ikke i beregningen av utsatt skatt	2,784,096	-	-	-
Grunnlag for utsatt skatt/ utsatt skattefordel	**-121,229,895**	**-76,403,367**	**-228,344,437**	**-131,395,805**
Netto utsatt skatt/ utsatt skattefordel	-26,670,577	-16,808,741	-52,230,202	-28,810,814
Herav ikke balanseført utsatt skattefordel	9,861,836	-	35,209,926	11,795,795
Utsatt skatt i balansen	**-16,808,741**	**-16,808,741**	**-17,020,277**	**-17,015,020**

Utsatt skatt er beregnet med 22 % i Norge. I Spania er skattesatsen 15 % for nyetablerte selskaper.

Forklaring til hvorfor årets skattekostnad ikke utgjør 22% av årets resultat	**Morselskapet**		**Konsernet**	
Resultat før skatt	**-41,341,895**	**-25,760,803**	**-102,308,104**	**-66,208,449**
22 % av resultat før skatt	-9,095,217	-5,667,377	-22,507,783	-14,565,859
22 % av permanente forskjeller	-1,379,121	-446,458	1,324,891	-446,458
Skatteeffekt av beløp som ikke inngår i beregning av utsatt skatt	612,501	-	612,501	-
Andre forskjeller (valuta og forskjeller i skattesats)	-	-	-1,098,069	96,263
Ikke balanseført utsatt skattefordel	9,861,836	-	21,582,692	12,861,463
Ikke balanseført utsatt skattefordel tidligere år	-	-10,694,906	-	-14,960,427
Sum	**-0**	**-16,808,741**	**-85,770**	**-17,015,020**

Note 11 Driftsinntekter

	Morselskapet		Konsernet	
	2020	**2019**	**2020**	**2019**
Salgsinntekter	80,012,812	112,007,336	147,531,962	193,662,305
Annen driftsinntekt	3,549,027	-	4,490,322	-
Sum	**83,561,839**	**112,007,336**	**152,022,284**	**193,662,305**

Fordeling på virksomhetsområde:

	2020	**2019**	**2020**	**2019**
Salg av solcelleanlegg	67,902,089	99,759,392	127,208,737	181,996,048
Andre inntekter	15,659,750	12,247,944	24,813,547	11,666,257
Sum	**83,561,839**	**112,007,336**	**152,022,284**	**193,662,305**

Fordeling på geografisk område:

	2020	**2019**
Norge	73,778,299	106,903,995
Sverige	59,114,882	82,254,347
Frankrike	5,927,539	4,503,963
Spania	12,876,268	-
Polen	325,296	-
Sum	**152,022,284**	**193,662,305**

Note 12 Spesifikasjon av finansinntekter og finanskostnader

	Morselskapet		Konsernet	
Annen finansinntekt	**2020**	**2019**	**2020**	**2019**
Valutagevinst (agio)	934,146	75,978	937,929	75,978
Renteinntekt fra foretak i samme konsern	-	407,526	-	-
Endring av verdi på variabelt vederlag ved kjøp av virksomhet	1,126,919	-	1,126,919	-
Annen finansinntekt	-	10,287	16,253	12,805
Annen renteinntekt	548,368	391,171	532,115	407,526
Sum	**2,609,433**	**884,962**	**2,613,216**	**496,309**

	Morselskapet		Konsernet	
Annen finanskostnad	**2020**	**2019**	**2020**	**2019**
Valutatap (disagio)	1,253,869	1,523,104	1,349,094	1,523,104
Annen finanskostnad	700	-	1,839	86,410
Annen rentekostnad	399,217	553,172	777,328	627,530
Sum	**1,653,786**	**2,076,276**	**2,128,261**	**2,237,044**
Netto finans inntekter og kostnader	**955,647**	**-1,191,314**	**484,955**	**-1,740,735**

Note 13 Bundne midler

	2020	**2019**
Herav bundne bankinnskudd	1,498,676	1,562,008

Note 14 Annen langsiktig gjeld og variabelt vederlag ved kjøp av virksomhet

Gjeld som forfaller mer enn fem år etter regnskapårets slutt:

Morselskapet

	2020	2019
Gjeld til Innovasjon Norge	7,812,500	10,000,000
Gjeld til selger ISWT	30,102,113	56,418,260

Gjeld til Innovasjon Norge
Lån fra Innovasjon Norge har per 31.12.2020 en nominell rente på 3,95 % - 3,70 % p.a og løper over seks år, hvorav de første to år er avdragsfrie.
Siste forfall er I 2024. Rentekostnad i 2020 var 399 217 mens rentekostnader i 2019 var 553 172.

Gjeld til selger ISWT
Otovo har i forbindelse med kjøp av datterselskapet ISWT i 2019 forpliktet seg gjennom en såkalt «earnout-avtale». Dette innebærer at Otovo i tillegg til vederlag på oppkjøpstidspunktet skal betale et fremtidig vederlag basert på ulike parametere, parameterne ble justert og ny avtale signert i løpet av 2020 som følge av endring i forretningsmodell. Estimert forpliktelse er oppdatert i henhold til ny avtale. Vederlaget betales til tidligere aksjonærer.
Dette oppgjøret gjøres basert på avtaleperioder med oppgjør i henholdsvis 2021 og 2022.

Idet det fremtidige vederlaget inneholder usikkerhet i form av disse parameterne, er det estimert en forpliktelse for konsernet der forventet utbetaling er avsatt i balansen. 26 175 750 kroner av gjelden er kortsiktig og inngår i regnskapslinjen "annen kortsiktig gjeld". 3 926 363 kroner er langsiktig og inngår i posten "annen langsiktig gjeld".

Konsernet

	2020	2019	Forfall	Rente
Gjeld til BPIFrance Financement - 100 000 EUR	942,327	986,380	2024	5.27%
Gjeld til BPIFrance Financement - 160 000 EUR	1,591,486	1,571,895	2025	1.25%
Gjeld til BPIFrance Financement - 500 000 EUR	5,235,192	4,931,900	2026	2.81%
Gjeld til Airbus Developpment - 18 000 EUR	-	118,366	2021	2%

Note 15 Hendelser etter balansedagen

21. januar 2021 ble det annonsert at selskapets styre har besluttet å initiere en prosess for å hente inn kapital for å akselerere fremtidig vekst og legge til rette for skala og lønnsomhet. Styret har også gitt ledelsen mandat til å notere selskapets aksjer på Euronext Growth Oslo. 9 februar ble det annonsert at selskapet planlegger er rettet emisjon på anslagsvis NOK 358 millioner i nye og eksisterende aksjer, med påfølgende notering av selskapets aksjer. Forutsatt at den rettede emisjonen fullføres forventes første handelsdag å være på eller rundt 19. februar 2021.

En eventuell notering innebærer en endring i kontroll under selskapets aksjeprogram og vil resultere i at deltakerne får utdelt 111 620 aksjer under programmet. Med bakgrunn i kurs på NOK 200 per aksje vil dette medføre en kostnad på rundt NOK 5,4 millioner.

BDO AS
Munkedamsveien 45
Postboks 1704 Vika
0121 Oslo

Uavhengig revisors beretning

Til generalforsamlingen i Otovo AS

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert årsregnskapet til Otovo AS.

Årsregnskapet består av:	Etter vår mening:
• Selskapsregnskapet, som består av balanse per 31. desember 2020, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper, og • Konsernregnskapet, som består av balanse per 31. desember 2020, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper.	• Er årsregnskapet avgitt i samsvar med lov og forskrifter • Gir selskapsregnskapet et rettvisende bilde av den finansielle stillingen til Otovo AS per 31. desember 2020 og av selskapets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge • Gir konsernregnskapet et rettvisende bilde av den finansielle stillingen til konsernet Otovo AS per 31. desember 2020 og av konsernets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Annen informasjon

Ledelsen er ansvarlig for annen informasjon. Annen informasjon består av årsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke annen informasjon, og vi attesterer ikke den andre informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese annen informasjon identifisert ovenfor med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom annen informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi, på bakgrunn av arbeidet vi har utført, konkluderer med at disse andre opplysningene inneholder vesentlig feilinformasjon, er vi pålagt å uttale oss om dette. Vi har ingenting å rapportere i så henseende.

Styret og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet er ledelsen ansvarlig for å ta standpunkt til selskapets og konsernets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til: https://revisorforeningen.no/revisjonsberetninger

Uttalelse om andre lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til dekning av tap er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets og konsernets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

BDO AS

Roger Telle-Hansen
statsautorisert revisor
(elektronisk signert)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Roger Rostadmo Telle-Hansen
Partner
Serienummer: 9578-5992-4-2934763
IP: 188.95.xxx.xxx
2021-02-16 12:49:28Z

bankID

APPENDIX D

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Årsrapport for 2019

Årsregnskap

- Årsberetning

- Resultatregnskap

- Balanse

- Kontantstrømoppstilling

- Noter

Revisjonsberetning

Årsberetning 2019 for Otovo konsern og Otovo AS

Virksomhetens art

Otovo er en markedsplass på nett for salg av løsninger og tjenester tilknyttet distribuert fornybar energi. Konsernet leverer i dag primært solenergiløsninger til privatkunder, og har som målsetning å ta en ledende posisjon innen dette markedet i Europa. Selskapets hovedkontor er i Oslo kommune, og Otovo har også kontor i Stockholm, Paris og Madrid.

Økonomisk utvikling og stilling

Otovo har i løpet av 2019 lykkes med å forsterke selskapets posisjon på tvers av selskapets geografiske markeder, og etablert seg som en av de ledende aktørene i Europa innen salg av solenergi til privatkunder.

Kjernen for Otovos virksomhet er selskapets proprietære programvare og teknologiplattform. Selskapet har gjennom 2019 økt omfanget av investeringene i denne teknologiplattformen for å både forbedre og forenkle kundereisen, og videreutvikle selskapets plattform og tjenester til europeiske solcelleinstallatører. Otovo forventer at omfanget av utviklingsaktivitetene vil øke gjennom 2020 for å støtte både videre geografisk ekspansjon og forbedre kjerneproduktet. I løpet av 2019 har Otovo etablert seg i Frankrike gjennom oppkjøpet av den franske solenergiplattformen InSunWeTrust, og mot slutten av året startet også etableringen i det spanske markedet med rekruttering av nøkkelansatte og lokale installatører.

På bakgrunn av reduserte priser på materiell, bedrede regulatoriske forhold, og økt etterspørsel etter fornybar og rimelig energi vurderer Otovo den forventede utviklingen for det Europeiske markedet som attraktiv. Til tross for positive utviklingstrekk i flere europeiske land er det allikevel betydelig usikkerhet knyttet til selskapets vurderinger av fremtidige markedsforhold, spesielt knyttet til regulatoriske forhold som subsidier og andre energiregulatoriske forhold, de langsiktige konsekvensene av den pågående koronakrisen og fremtidige energipriser.

Gjennom 2019 har Otovo økt selskapets bruttomarginer fra salg av solcelleinstallasjoner drevet av reduserte priser på materiell, økt effektivitet i installatørleddet og en mer effektiv verdikjede. Selskapet har også videreutviklet materiell og logistikktilbudet til Otovos installatørpartnere gjennom etablering av samarbeidsavtaler med nasjonale grosiser og globale utstyrsprodusenter.

Styret forventer en forbedring av lønnsomheten i selskapets norske og skandinaviske virksomhet i 2020, men etableringskostnader i Frankrike og Spania, videreutvikling av felles konsernfunksjoner og videre geografisk ekspansjon, vil gi fortsatt negativ lønnsomhet for både Otovo AS og konsernet som helhet. I tillegg vil den pågående koronakrisen som kunne påvirke selskapets lønnsomhet på både kort og lang sikt. Perioder med økonomisk nedgang og økt arbeidsledighet, vil medføre økt kredittrisiko hos eksisterende kunder og svekket kjøpekraft hos potensielle, nye kunder.

For å gjennomføre en vellykket oppskalering, er selskapet avhengig av å tiltrekke seg installatørpartnere i de markeder selskapet har virksomhet, samt å tilpasse forretningsmodell og verdiforslag til kunden til lokale forhold. I tillegg er selskapets markeder i en tidlig utviklingsfase og Otovo er sårbar for volatilitet i etterspørsel, økt konkurranse fra etablerte energiselskap og regulatoriske endringer som kan påvirke markedene generelt eller selskapets forretningsmodell spesielt. Videre er selskapets eksponert for risiko som følger av den daglige driften, dette omfatter blant annet kredittrisiko, behandling av kundedata, og HMS-risiko tilknyttet den praktiske installasjonsvirksomheten som gjennomføres av selskapets installatørpartnere.

Styret mener at det fremlagte årsregnskapet gir et rettvisende bilde av resultatet av virksomheten og den finansielle stillingen. Det har heller ikke inntrådt forhold etter årsskiftet som har betydning for bedømming av regnskapet.

Fortsatt drift

Omsetningen for 2019 utgjorde NOK 193 millioner med et tilhørende negativt årsresultat etter skatt på NOK 51,4 millioner for Otovo konsern, med NOK 112 millioner i omsetning og 9,0 millioner i negativt årsresultat etter skatt for Otovo AS. Ved utgangen av året hadde Otovo konsern eiendeler for NOK 356,2 millioner, hvorav en kontantbeholdning NOK 193 millioner, Otovo AS hadde eiendeler for NOK 383,1 millioner og en kontantbeholdning på 176 millioner.

Selskapet er fortsatt i en oppstartsfase og den samlede risikoen er derfor betydelig sammenlignet med mer etablerte virksomheter. For å styre likviditetsrisikoen og finansiere fremtidige ekspansjons-og utviklingsaktiviteter, har selskapet i løpet av 2019 hentet inn totalt NOK 174,3 millioner i egenkapital, og har ved utgangen av året en bokført egenkapital på NOK 239,9 millioner for Otovo konsern og 297,1 millioner i Otovo AS. De langsiktige konsekvensene av den pågående koronakrisen er usikre, og kan påvirke både etterspørselssiden i form av redusert markedsvekst og gjennomføringsevnen til selskapets leverandører. Otovo vil gjøre nødvendige tilpasninger i fremtidig kostnads- og investeringsnivå for å styre risikonivået i konsernet opp mot den gjeldende makroøkonomiske situasjonen.

Basert på dette er det styrets oppfatning at forutsetningen for fortsatt drift er til stede og årsregnskapet for 2019 er utarbeidet under denne forutsetningen.

Arbeidsmiljø

Selskapet har et godt arbeidsmiljø, hvor ledelsen fokuserer på HMS, kompetanseutvikling og generell trivsel. HMS hendelser måles og følges opp, og forebyggende tiltak og erfaringer deles mellom selskapets installatørpartnere. Det er samlet registrert 37 HMS hendelser hos

Otovo eller underleverandører i forbindelse med installasjon av solcelleanlegg i løpet av året, 1 av disse var personskader. Selskapet har sammen med partnere og bransjeorganisasjoner gjennomført opplæring av leverandører, montører og elektroinstallatører for å utvikle den faglige forståelsen av solceller, forbedre HMS, øke forståelsen av tekniske krav til prosjektering og montering, og forbedre kundeoppfølgingen. Selskapet hadde et samlet sykefravær på under 0,5% for 2019.

Likestilling og diskriminering

Otovo konsernet har i gjennomsnitt hatt 67 ansatte fordelt på 27 kvinner og 40 menn, i Otovo AS har dert vært ansatt i gjennomsnitt 35 ansatte fordelt på 15 kvinner og 20 menn. I desember var det ansatte med 15 nasjonaliteter i selskapet. Otovo jobber aktivt for å være en mangfoldig arbeidsplass, og har iverksatt flere tiltak for å drive selskapet i riktig retning, herunder foreldrepermisjonsvilkår på norsk nivå i alle land vi har aktivitet, engelsk som selskapsspråk og kontinuerlig arbeidsmiljømåling. Selskapet har som mål at det til enhver tid råder full likestilling og alle ansatte har samme rettigheter og muligheter uavhengig av kjønn, etnisk bakgrunn, seksuell legning eller religion. Styret består av 5 menn og 2 kvinner.

Ytre miljø

I de områdene Otovo installerer produserer et solcellepanel i løpet av 1,2-2,1 år like mye energi som det gikk med i fabrikasjon og installasjon av panelet. Hver kilowattime produsert erstatter om lag et halvt kilo CO_2 fra den europeiske kraftmiksen. Otovo estimerer at solcellene selskapet installerte i 2019 vil fjerne 10.000 tonn CO_2 fra europeisk kraftproduksjon.

Selskapets interne aktiviteter representerer likefullt en belastning på miljøet, og selskapet måler karbonavtrykket til både selskapets ansatte isolert, og selskapets verdikjede samlet sett. Otovo har gjennom bruk av teknologi redusert miljøbelastningen fra installasjon av solceller blant annet gjennom å muliggjøre online befaringer som erstatter fysiske befaringer. Selskapet vil redusere den gjenværende belastningen på miljøet gjennom å etablere en så effektiv verdikjede og logistikk som mulig, og ved fokus på bærekraft på tvers av selskapets interne aktiviteter og forbruk.

Selskapet har i sin code of conduct etablert egne mål tilknyttet FNs bærekraftmål og vil aktivt benytte selskapets posisjon i det europeiske solcellemarkedet til å fremme oppnåelsen av disse målene samt å fremme arbeidstageres rettigheter i alle ledd av selskapets verdikjede.

Finansiell risiko

Konsernet er eksponert for finansiell risiko knyttet til rente, valuta og likviditetsrisiko. Økonomifunksjonen i sentral enhet i konsernet håndterer den løpende oppfølging av likviditetssituasjonen og finansiell risiko. Renterisikoen knytter seg i all hovedsak til eksterne lån i Norge og Frankrike. Konsernets operative virksomhet vurderes ikke være eksponert for renterisiko per i dag.

Historiske tap på kundefordringer har vært lave, men eksponering mot sluttkunder kan øke risikoen i perioder med økonomiske nedgangstider. Kunder med ubetalte forfalte fakturaer blir løpende fulgt opp og nye kunder blir kredittvurdert.

Styret vurderer likviditeten i konsernet som tilfredsstillende.

Årsresultat og disponering

Årsresultatet i Otovo konsern ble negativt med NOK 51,4 millioner. Styret foreslår at dette disponeres mot annen egenkapital. Det betales derfor ikke ut utbytte i 2019. Selskapet vil etter dette ha en egenkapital pr 31.12.2019 på NOK 239,6 millioner i konsernet, tilsvarende 67,3 %.

Oslo, 20. mars 2020
Styret for Otovo AS

Peter Mellbye
Styrets leder

Tor Øystein Repstad
Styremedlem

Ingunn Andersen Randa
Styremedlem

Jean-Baptiste Curien
Styremedlem

Olivier Aizac

Olivier Aizac
Styremedlem

Stina Andersson
Styremedlem

Antoine Ebel

Antoine Ebel
Styremedlem

Andreas Thorsheim
Daglig leder

Otovo AS		RESULTATREGNSKAP		Konsernregnskap	
2019	2018		NOTE	2019	2018
		Driftsinntekter			
112 007 336	76 146 557	Salgsinntekter	11	193 662 305	94 040 410
-	1 040 604	Andre inntekter	11	-	1 264 704
112 007 336	**77 187 161**	**Sum driftsinntekter**		**193 662 305**	**95 305 115**
		Driftskostnader			
93 320 008	73 680 647	Varekostnad		165 827 042	90 578 477
20 352 447	12 909 281	Lønnskostnad	4	43 180 398	21 626 243
4 469 565	2 014 290	Ordinære avskrivninger og nedskrivninger	2, 3	5 568 623	2 022 795
-	-	Avskrivning av goodwill	3	7 055 061	-
18 434 803	11 296 533	Annen driftskostnad	4	38 711 067	20 960 001
136 576 823	**99 900 750**	**Sum driftskostnader**		**260 342 191**	**135 187 516**
-24 569 488	**-22 713 589**	**Driftsresultat**		**-66 679 886**	**-39 882 401**
		Finansinntekter og finanskostnader			
391 171	165 592	Annen renteinntekt	12	407 526	165 592
407 526	21 788	Renteinntekt fra foretak i samme konsern	12	-	-
86 265	307 471	Finansinntekter	12	88 783	314 693
553 172	440 457	Annen rentekostnad	12	627 530	445 719
1 523 104	240 639	Finanskostnader	12	1 609 515	267 925
-1 191 315	**-186 245**	**Netto finansposter**		**-1 740 735**	**-233 358**
-25 760 803	**-22 899 834**	**Ordinært resultat før skattekostnad**		**-68 420 621**	**-40 115 760**
-16 808 741	-	Skattekostnad	10	-17 015 020	-
-8 952 062	**-22 899 834**	**Årsresultat**		**-51 405 601**	**-40 115 760**
		Avsatt utbytte			
					-
-8 952 062	-22 899 834	**Overført til udekket tap**	6	-51 405 601	-40 115 760

Otovo AS 2019	Otovo AS 2018	EIENDELER	Note	Konsernregnskap 2019	Konsernregnskap 2018
		ANLEGGSMIDLER			
		Immaterielle eiendeler			
18 889 106	10 528 755	Konsesjoner, patenter o.l.	3	23 191 814	10 528 755
16 808 741	-	Utsatt skattefordel	10	17 015 020	-
-	-	Goodwill	3	86 736 038	-
35 697 847	**10 528 755**	**Sum immaterielle eiendeler**		**126 942 872**	**10 528 755**
		Varige driftsmidler			
4 261 547	4 683 586	Driftsløsøre, inventar o.a utstyr	2	4 554 669	4 727 648
4 261 547	**4 683 586**	**Sum varige driftsmidler**		**4 554 669**	**4 727 648**
		Finansielle anleggsmidler			
148 842 733	15 965 739	Investeringer i datterselskaper	7	-	-
67 074	-	Andre langsiktige fordringer		810 804	-
148 909 807	**15 965 739**	**Sum finansielle anleggsmidler**		**810 804**	**-**
188 869 201	**31 178 080**	**Sum anleggsmidler**		**132 308 345**	**15 256 403**
		OMLØPSMIDLER			
		Fordringer			
5 415 101	9 440 312	Kundefordringer	8	13 700 672	13 734 414
3 549 809	1 778 555	Andre fordringer	8	17 153 873	2 013 590
9 334 911	578 753	Fordringer på konsernselskap	9	-	-
18 299 821	**11 797 620**	**Sum fordringer**		**30 854 545**	**15 748 004**
176 000 033	117 355 898	Bankinnskudd og kontanter	13	193 035 860	117 629 204
194 299 854	**129 153 518**	**Sum omløpsmidler**		**223 890 405**	**133 377 208**
383 169 054	**160 331 598**	**SUM EIENDELER**		**356 198 750**	**148 633 611**

Otovo AS 2019	Otovo AS 2018	EGENKAPITAL OG GJELD	Note	Konsernregnskap 2019	Konsernregnskap 2018
		EGENKAPITAL			
		Innskutt egenkapital			
424 058	326 817	Aksjekapital	5, 6	424 058	326 817
328 107 540	131 479 849	Overkurs	6	328 556 412	131 479 849
328 531 598	**131 806 666**	**Sum innskutt egenkapital**		**328 980 470**	**131 806 666**
		Opptjent egenkapital			
-31 403 024	-	Annen egenkapital	6	-89 126 960	-17 228 784
-31 403 024	**-**	**Sum opptjent egenkapital**		**-89 126 960**	**-17 228 784**
297 128 574	**131 806 666**	**Sum egenkapital**		**239 853 511**	**114 577 882**
		GJELD			
		Annen langsiktig gjeld			
10 000 000	10 000 000	Gjeld til kredittinstitusjoner	14	10 000 000	10 000 000
56 418 260		Annen langsiktig gjeld	14	64 035 464	-
66 418 260	**10 000 000**	**Sum annen langsiktig gjeld**		**74 035 464**	**10 000 000**
		Kortsiktig gjeld			
7 614 521	8 674 846	Leverandørgjeld		9 855 586	12 677 544
2 523 258	1 153 265	Skyldig offentlige avgifter		20 669 601	417 744
-	-	Betalbar skatt	10	-	-
419 633	-	Gjeld til selskap i samme konsern		-	-
-	-	Avsatt utbytte		-	-
9 064 808	8 696 821	Annen kortsiktig gjeld		11 784 588	10 960 442
19 622 220	**18 524 932**	**Sum kortsiktig gjeld**		**42 309 775**	**24 055 729**
86 040 480	**28 524 932**	**Sum gjeld**		**116 345 240**	**34 055 729**
383 169 054	**160 331 598**	**SUM EGENKAPITAL OG GJELD**		**356 198 750**	**148 633 611**

Oslo, 20/03/2020

DocuSigned by:
Ingunn Andersen Randa
442FD91BFFFF40D...
Styremedlem

DocuSigned by:
Tor Øystein Repstad
4A9383E64D74E7...
Styremedlem

DocuSigned by:
Stina Andersson
8EFF10F8ABD543F...
Styremedlem

DocuSigned by:
Antoine Ebel
D7750AEEC7CF4AA...
Styremedlem

DocuSigned by:
Jean-Baptiste Curien
83166BE0E73A45B...
Styremedlem

DocuSigned by:
Olivier Francois Aizac
4420CCE2056E94A8...
Styremedlem

DocuSigned by:
Peter Mellbye
1E67A5778AA844B...
Styrets leder

Kontantstrømsoppstilling 2019

Otovo AS			Konsernet	
2019	2018	**Kontantstøm fra operasjonelle aktiviteter**	2019	2018
-25 760 803	-22 899 834	Resultat før skatt	-68 420 621	-40 115 760
		Periodens betalte skatt		
4 469 565	2 014 290	Ordinære avskrivninger og nedskrivninger	12 623 685	2 022 795
2 964 886	1 980 449	Endring kundefordringer og leverandørgjeld	-2 788 216	1 689 045
-7 583 143	4 423 176	Endring i andre tidsavgrensningsposter	12 387 685	6 176 693
-25 909 495	**-14 481 919**	**Netto kontantstrøm fra operasjonelle aktiviteter**	**-46 197 467**	**-30 227 227**
		Kontantstøm fra investeringsaktiviteter		
-53 197 875	-15 965 739	Investering datterselskap	-11 500 000	-
-11 895 715	-7 083 185	Utbetaling ved kjøp av immaterielle eiendeler	-16 198 632	-7 083 185
-512 162	-1 275 159	Utbetaling ved kjøp av varige driftsmidler	-856 626	-1 222 285
-	236 019	Innbetalinger ved salg av driftsmidler	-	236 019
-65 605 752	**-24 088 065**	**Netto kontantstrøm fra investeringsaktiviteter**	**-28 555 258**	**-8 069 451**
		Kontantstøm fra finansieringsaktiviteter		
150 159 382	96 394 746	Kapitalforhøyelse	150 159 382	96 394 746
150 159 382	**96 394 746**	**Netto likviditetsendring fra finansiering**	**150 159 382**	**96 394 746**
58 644 135	57 824 762	Netto endring i kontanter og kontantekvivalenter	75 406 657	58 098 068
117 355 898	59 531 136	Kontanter og bankinnskudd per 01.01	117 629 204	59 531 136
176 000 033	**117 355 898**	**Kontanter og bankinnskudd per 31.12**	**193 035 860**	**117 629 204**

Note 1 Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

Konsolideringsprinsipper

Datterselskaper blir konsolidert fra det tidspunktet kontrollen er overført til konsernet (oppkjøpstidspunktet).
Konsernregnskapet er utarbeidet som om konsernet var en økonomisk enhet og posten aksjer i datterselskaper erstattes med datterselskapets eiendeler og gjeld. Transaksjoner og mellomværende mellom selskapene i konsernet er eliminert. Konsernregnskapet er utarbeidet etter ensartede prinsipper, ved at datterselskapet følger de samme regnskapsprinsipper som morselskapet. Kjøpte datterselskaper regnskaps føres i konsernregnskapet basert på morselskapets anskaffelseskost. Anskaffelseskost tilordnes identifiserbare eiendeler og gjeld i datterselskapet, som oppføres i konsernregnskapet til virkelig verdi på oppkjøpstidspunktet. Eventuell merverdi eller mindreverdier ut over hva som kan henføres til identifiserbare eiendeler og gjeld balanseføres som goodwill. Goodwill i konsernregnskapet avskrives lineært over de oppkjøpte eiendelenes forventede levetid.

Omregning av utenlandske datterselskaper skjer ved at balansen omregnes til balansedagens kurs, og at resultatregnskapet omregnes til en gjennomsnittskurs. Eventuelle transaksjoner omregnes til transaksjonsdagens kurs.

Aksjer i datterselskap

Datterselskaper er selskaper der morselskapet har kontroll, og dermed bestemmende innflytelse på enhetens finansielle og operasjonelle strategi, normalt ved å eie mer enn halvparten av den stemmeberettigede kapitalen.

Datterselskapet vurderes etter kostmetoden i selskapsregnskapet. Investeringen blir vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det foretas nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte og andre utdelinger er inntektsført hvis aktuelt samme år som det er avsatt i datterselskapet. Overstiger utbytte andel av tilbakeholdt resultat etter kjøpet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen.

Følgende selskaper inngår i konsernet 31.12:
Mor- og datterselskaper:
Otovo AS - mor
Otovo AB 100%
ISWT 100%

Salgsinntekter

Inntekter ved salg av tjenester vurderes til virkelig verdi av vederlaget, netto etter fradrag for merverdiavgift og rabatter. Salg resultatføres når en enhet innenfor konsernet har levert sine tjenester til kunden og det ikke er uoppfylte forpliktelser som kan påvirke kundens aksept av leveringen. Konsernets inntekter knytter seg til salg av solcellepaneler og installasjon av disse. For prosjekter hvor det er avtalt et fast honorar avregnes inntekter og kostnader basert på beste estimat for forventet fortjeneste og faktisk fremdrift. Varekostnad sammenstilles med tilhørende driftsinntekter.

Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter anskaffelsestidspunktet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.
Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på opptakstidspunktet.
Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående.

Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Kundefordringer og andre fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives over driftsmidlets forventede levetid. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives i takt med driftsmidlet. Dersom gjenvinnbart beløp av driftsmiddelet er lavere enn balanseført verdi foretas nedskrivning til gjenvinnbart beløp. Gjenvinnbart beløp er det høyeste av netto salgsverdi og verdi i bruk. Verdi i bruk er nåverdien av de fremtidige kontantstrømmene som eiendelen vil generere.

Forskning og utvikling

Utviklingskostnader balanseføres i den grad det identifiseres en fremtidig økonomisk fordel knyttet til utvikling av en identifiserbar immateriell eiendel og utgiftene kan måles pålitelig. I motsatt fall kostnadsføres slike utgifter løpende.
Balanseførte utviklingskostnader avskrives lineært over økonomisk levetid. Utgifter til forskning kostnadsføres løpende.

Utenlandsk valuta

Eiendeler og gjeld i utenlandsk valuta er vurdert til kursen ved regnskapsårets slutt. Kursgevinster og kurstap føres som finansinntekter og finanskostnader. Resultatposter i utenlandsk valuta konsolideres ved bruk av snittkurs for året. Differanser på investeringer i datterselskaper i utenlandsk valuta føres som omregningsdifferanser mot egenkapitalen i konsernregnskapet.

Pensjoner

Morselskapet er pliktig til å ha tjenestepensjonsordninger etter lov om obligatorisk tjenestepensjon. Selskapenes pensjonsordninger tilfredsstiller kravene i denne loven og det er kun inngått innskuddsordninger. Her er derfor årets pensjonskostnad lik betalt innskudd.

Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt/ utsatt skattefordel er beregnet med aktuell skattesats på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt skattemessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttegjort.

Skattefunn føres til reduksjon av betalbar skatt, ved underskudd føres det som fordring i balansen.

Kontantstrømoppstilling

Kontantstrømoppstillingen er utarbeidet etter den indirekte metode. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

Bruk av estimater

Utarbeidelse av regnskaper i samsvar med regnskapsloven krever bruk av estimater. Videre krever anvendelse av selskapets regnskapsprinsipper at ledelsen må utøve skjønn. Områder som i stor grad inneholder slike skjønnsmessige vurderinger, høy grad av kompleksitet, eller områder hvor forutsetninger og estimater er vesentlige for årsregnskapet, er beskrevet i notene.

Goodwill

Goodwill oppføres i balansen i konsernregnskapet og avskrives over estimerte levetid. Goodwill beregnes som forskjell mellom total anskaffelseskost og de identifiserbare eiendelene og forpliktelsene i den oppkjøpte virksomheten. Goodwill justeres løpende for endring i valutakurs dersom posten relateres til investering i fremmed valuta og avskrives over forventet levetid.

Omorganisering

Alle fisjoner og fusjoner er gjennomført med regnskapsmessig og skattemessig kontinuitet.

Note 2 Varige driftsmidler

Morselskapet

	Kontormaskiner og inventar	Solcelleanlegg	Sum
Anskaffelseskost 01.01.	1 154 989	4 581 793	5 736 782
Tilgang kjøpte driftsmidler	512 162	-	512 162
Retur solgte driftsmidler	-	-	-
Avgang solgte driftsmidler	-	-	
Nedskrivning av driftsmidler	-	-432 875	-432 875
Anskaffelseskost 31.12.	1 667 151	4 148 918	5 816 069
Akk.avskrivninger 31.12.	-936 125	-618 398	-1 554 522
Akk.nedskrivninger 31.12.	-		
Balanseført verdi 31.12.	**731 026**	**3 530 520**	**4 261 547**
Årets ordinære avskrivinger	489 810	498 925	988 735
Avskrivningsplan	33 %	5 %	
Forventet økonomisk levetid	3 år	20 år	

Konsernet

	Kontormaskiner og inventar	Solcelleanlegg	Sum
Anskaffelseskost 01.01.	1 207 863	4 581 793	5 789 656
Tilgang kjøpte driftsmidler	856 626		856 626
Retur solgte driftsmidler			-
Avgang solgte driftsmidler		-432 875	-432 875
Anskaffelseskost 31.12.	2 064 490	4 148 918	6 213 408
Akk.avskrivninger 31.12.	-1 040 342	-618 398	-1 658 739
Akk.nedskrivninger 31.12.	-		
Balanseført verdi 31.12.	**1 024 148**	**3 530 520**	**4 554 668**
Årets ordinære avskrivinger	510 144	498 925	1 009 069
Avskrivningsplan	33 %	5 %	
Forventet økonomisk levetid	3 år	20 år	

Note 3 Immaterielle eiendeler

Morselskapet

	Otovo Cloud	Otovo Hub	Sum
Anskaffelseskost 01.01.	11 166 294	1 538 588	12 704 882
Tilgang kjøpte driftsmidler	11 895 715	-	11 895 715
Anskaffelseskost 31.12.	23 062 009	1 538 588	24 600 597
Akk.avskrivninger 31.12.	-5 082 641	-628 850	-5 711 491
Akk.nedskrivninger 31.12.	-		
Balanseført verdi 31.12.	**17 979 368**	**909 738**	**18 889 106**
Årets ordinære avskrivinger	3 227 647	307 718	3 535 364
Avskrivningsplan	20 %	20 %	
Forventet økonomisk levetid	5 år	5 år	

Konsernet

	Otovo Cloud	Otovo Hub	Goodwill	Sum
Anskaffelseskost 01.01.	11 166 294	1 538 588		12 704 882
Tilgang kjøpte driftsmidler	16 198 632		91 578 927	107 777 559
Valutajusteringer			2 212 172	2 212 172
Anskaffelseskost 31.12.	27 364 926	1 538 588	93 791 099	122 694 613
Akk.avskrivninger 31.12.	-5 082 850	-628 850	-7 055 061	-12 766 761
Akk.nedskrivninger 31.12.	-			
Balanseført verdi 31.12.	**22 282 076**	**909 738**	**86 736 038**	**109 927 852**
Årets ordinære avskrivinger	4 306 371	307 718	7 055 061	11 669 149
Avskrivningsplan	20 %	20 %		
Forventet økonomisk levetid	5 år	5 år	10 år	

Goodwill

Goodwill stammer fra oppkjøp av ISWT som er gjennomført i 2019. Goodwill er oppført med en levetid på 10 år. Levetiden representerer selskapets beste estimat for faktisk økonomisk levetid.

Prinsipp for aktivering av utviklingskostnader

Otovo utvikler selv en software som brukes i grensesnittet mot kunder og installatører. Softwaren gjør det blant annet mulig for installatørene å prise, samt for Otovo å beregne pris, for ulike alternativer av solcellepaneler direkte på selskapets hjemmeside. Videre får man beregnet et produksjonspotensialet og årlig estimert strømbesparelse. Softwaren trenger kontinuerlig utvikling og en andel timer og kostnader relatert til dette aktiveres i balansen som immateriell eiendel.

Note 4 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte mm.

	Morselskapet		Konsernet	
Lønnskostnader	**2019**	**2018**	**2019**	**2018**
Lønninger	13 322 579	7 645 611	26 474 287	13 519 278
Arbeidsgiveravgift	3 988 387	2 679 935	5 436 740	4 042 020
Pensjonskostnader	1 275 047	1 027 633	2 082 583	1 417 380
Andre ytelser	1 766 434	1 556 102	9 186 789	2 647 565
Sum	**20 352 447**	**12 909 281**	**43 180 398**	**21 626 243**
Gjennomsnittlig antall årsverk	35	23	67	30

Flere av selskapets ansatte har i 2019 innløst oppsjoner for aksjekjøp. Samlet er det innløst 64 160 opsjoner av ansatte og ledelse i 2019.

Konsernets pensjonsordning tilfredsstiller kravene i lov om obligatorisk tjenestepensjon.

Det er ikke gitt lån eller ytt sikkerhetsstillelser e.l til ledende personer mv.

Ytelser til ledende personer	Daglig leder	Styret
Lønn/styrehonorar	930 789	-
Annen godtgjørelse	242 714	-
Sum	**1 173 503**	**-**

Styrehonorar
Det er ikke utbetalt styrehonorar for 2019.

Opsjoner

Daglig leder Andreas Egge Thorsheim har i 2019 innløst 4 300 av sine opsjoner. Hver opsjon gav ved utøvelse en aksje i selskapet.

Følgende styremedlemmer har opsjoner:

Navn	Antall opsjoner
Olivier Aizac	2 000
Peter Mellbye	6 000

I tillegg har daglig leder, Andreas Egge Thorsheim, 17 600 opsjoner.
Daglig leder har en maksimal bonusramme på 200 000 kroner i året.

Revisor

	Morselskapet		Konsernet	
	2019	**2018**	**2019**	**2018**
Revisjonstjenester	295 458	128 081	295 458	128 081
Annen skatte- og avgiftsrelatert bistand	126 027		126 027	-
Sum	**421 485**	**128 081**	**421 485**	**128 081**

Alle beløp er eksklusiv mva.

Note 5 Aksjekapital og aksjonærinformasjon

Morselskapet

Aksjekapitalen består av:

	Antall	Pålydende	Balanseført
Ordinære A-aksjer	6 172 220	0,05	308 611
Preferanse B-aksjer	2 308 947	0,05	115 447
Sum	**8 481 167**	**0,05**	**424 058**

Eierstruktur
De største aksjonærer i Otovo AS pr. 31.12. var:

	A-aksjer	B-aksjer	Sum	Eierandel	Stem.andel
AxSol AB	568 421	1 294 737	1 863 158	21,97 %	21,97 %
Agder Energi Venture	859 426	22 400	881 826	10,40 %	10,40 %
Akershus Energi AS	852 811	-	852 811	10,06 %	10,06 %
Andmar Operations AS	562 501	267 500	830 001	9,79 %	9,79 %
Nysnø Klimainvesteringer AS	675 205	140 982	816 187	9,62 %	9,62 %
Obos BBL	361 115	-	361 115	4,26 %	4,26 %
The Northern Trust Comp	358 209	-	358 209	4,22 %	4,22 %
Kommunal Landspensjonskasse	238 806	63 000	301 806	3,56 %	3,56 %
Simvest AS	87 601	175 500	263 101	3,10 %	3,10 %
Beacon Group AS	51 850	173 600	225 450	2,66 %	2,66 %
Cak AS	185 347	17 100	202 447	2,39 %	2,39 %
Selvaag Bolig ASA	186 571	-	186 571	2,20 %	2,20 %
Callegari	135 499	-	135 499	1,60 %	1,60 %
Øvrige	1 048 858	154 128	1 202 986	14,18 %	14,18 %
Sum eksterne aksjonærer	**6 172 220**	**2 308 947**	**8 481 167**	**100,00 %**	**100,00 %**

Note 6 Egenkapital

Morselskapet

	Aksjekapital	Overkurs	Annen egenkapital	Sum EK
Egenkapital 01.01	326 816	131 479 851	-	131 806 666
Årets resultat			-8 952 062	-8 952 062
Reklassifisering 2018		22 899 834	-22 899 834	-
Kapitalendring	97 242	174 176 728		174 273 970
Egenkapital pr 31.12	**424 058**	**328 556 413**	**-31 851 896**	**297 128 574**

Konsernet

	Aksjekapital	Overkurs	Annen egenkapital	Sum EK
Egenkapital pr. 01.01.	326 816	131 479 851	-17 228 785	114 577 882
Årets resultat			-51 405 601	-51 405 601
Kapitalendring	97 242	174 176 728		174 273 970
Valutajustering goodwill			2 212 172	2 212 172
Reklassifisering 2018		22 899 834	-22 899 834	-
Valutaeffekter egenkapital		-	195 089	195 089
Egenkapital pr 31.12	**424 058**	**328 556 412**	**-89 126 960**	**239 853 510**

Note 7 Datterselskap

Morselskapet

Investeringen i datterselskap vurderes etter kostmetoden i selskapsregnskapet.

Datterselskap	Forretningskontor	Eierandel	Stemmeandel	Egenkapital 31.12.19	Balanseført verdi
Otovo AB	Stockholm, Sverige	100 %	100 %	559 227	35 346 439
ISWT	Paris, Frankrike	100 %	100 %	10 393 295	110 422 097
Otovo Iberic SL	Madrid, Spania	100 %	100 %	1 819 819	3 074 197
Sum				**12 772 341**	**148 842 733**

Otovo Holding AB er i 2019 fusjonert med Otovo AB.

Note 8 Fordringer og gjeld

	Morselskapet		Konsernet	
	2019	2018	2019	2018
Kundefordringer til pålydende	5 602 101	9 581 557	13 887 672	13 875 659
Avsetning til tap på kundefordringer	-187 000	-141 245	-187 000	-141 245
Sum	**5 415 101**	**9 440 312**	**13 700 672**	**13 734 414**

Note 9 Mellomværende med selskap i samme konsern

Morselskapet	Kundefordringer		Andre fordringer	
	2019	2018	2019	2018
Otovo AB	5 987 801	-	3 000 000	578 753
ISWT	279 820	-	-	-
Otovo Iberic SL	67 290	-	-	-
Sum	**6 334 911**	**-**	**3 000 000**	**578 753**

Note 10 Skatt

	Morselskapet		Konsernet	
Betalbar skatt i årets skattekostnad:				
	2019	2018	2019	2018
Betalbar skatt	-	-	-	-
Endring i utsatt skatt	16 808 741	-	17 015 020	-
Skatteeffekt av tidligere års feil	-	-		-
Årets totale skattekostnad	**16 808 741**	**-**	**17 015 020**	**-**

	Morselskapet		Konsernet	
Grunnlag for skattekostnad, endring i utsatt skatt og betalbar skatt:				
	2019	2018	2019	2018
Ordinært resultat før skattekostnad	-25 760 803	-22 899 834	-66 208 449	-39 557 222
Permanente forskjeller	-2 029 353	-903 286	-2 013 483	-903 286
Grunnlag for skattekostnaden på årets resultat	-27 790 156	-23 803 120	-68 221 932	-40 460 508
Anvendelse av fremførbart underskudd	-	-	-	-
Endring i midlertidige forskjeller	67 461	-1 109 331	-	-
Årets skattegrunnlag	**-27 722 696**	**-24 912 451**	**-68 221 932**	**-40 460 508**
Mottatt/avgitt konsernbidrag		-		-
Grunnlag betalbar skatt	**-27 722 696**	**-24 912 452**	**-68 221 932**	**-40 460 508**
Betalbar skatt	**-**	**-**	**-**	**-**
Skattesatser	**22 %**	**23 %**		

Spesifikasjon av utsatt skatt	Morselskapet		Konsernet	
Forskjeller som utlignes:	2019	2018	2019	2018
Anleggsmidler	-778 487	-694 711	-778 487	-694 711
Utestående fordringer	-139 318	-93 044	-139 318	-93 044
Gevinst- og tapskonto	-250 353	-312 941	-250 353	-312 941
Netto midlertidige forskjeller	**-1 168 158**	**-1 100 696**	**-1 168 158**	**-1 100 696**
Underskudd til fremføring	-75 235 209	-47 512 514	-130 227 647	-64 169 902
Grunnlag for utsatt skatt/ utsatt skattefordel	**-76 403 367**	**-48 613 210**	**-131 395 805**	**-65 270 598**
Netto utsatt skatt/ utsatt skattefordel	-16 808 741	-10 694 906	-28 810 814	-14 359 532
Herav ikke balanseført utsatt skattefordel	-	10 694 906	11 795 795	14 359 531
Utsatt skatt i balansen	**-16 808 741**	**-**	**-17 015 020**	**-**

Utsatt skatt er beregnet med 22 % i Norge. I Spania er skattesatsen 15 % for nyetablerte selskaper.

Forklaring til hvorfor årets skattekostnad ikke utgjør 22% av årets resultat	Morselskapet		Konsernet	
22 % av resultat før skatt	-5 667 377	-	-14 565 859	-
22 % av permanente forskjeller	-446 458	-	-446 458	-
Skattesats Spania for nyetablerte selskap (15 %)			96 263	
Ikke balanseført utsatt skattefordel	-		12 861 463	
Ikke balanseført utsatt skattefordel tidligere år	-10 694 906	-	-14 960 427	-
Sum	**-16 808 741**	**-**	**-17 015 020**	**-**

Note 11 Driftsinntekter

	Morselskapet		Konsernet	
	2019	**2018**	**2019**	**2018**
Salgsinntekter	112 007 336	76 146 557	193 662 305	94 040 410
Annen driftsinntekt	-	1 040 604	-	1 264 704
Sum	**112 007 336**	**77 187 161**	**193 662 305**	**95 305 115**

Fordeling på virksomhetsområde:

	2019	**2018**	**2019**	**2018**
Salg av solcelleanlegg	99 759 392	66 661 244	181 996 048	84 605 846
Andre inntekter	12 247 944	10 525 917	11 666 257	10 699 269
Sum	**112 007 336**	**77 187 161**	**193 662 305**	**95 305 115**

Fordeling på geografisk område:

	2019	**2018**
Norge	106 903 995	76 146 557
Sverige	82 254 347	17 893 853
Frankrike	4 503 963	-
Spania	-	-
Sum	**193 662 305**	**94 040 410**

Note 12 Spesifikasjon av finansinntekter og finanskostnader

	Morselskapet		Konsernet	
Annen finansinntekt	**2019**	**2018**	**2019**	**2018**
Valutagevinst (agio)	75 978	290 690	75 978	296 097
Renteinntekt fra foretak i samme konsern	407 526	21 788	-	-
Annen finansinntekt	10 287	21 875	12 805	18 719
Annen renteinntekt	391 171	160 498	407 526	165 592
Sum	**884 962**	**494 851**	**496 309**	**480 408**

	Morselskapet		Konsernet	
Annen finanskostnad	**2019**	**2018**	**2019**	**2018**
Valutatap (disagio)	1 523 104	29 502	1 523 104	29 502
Annen finanskostnad	-	-	86 410	
Annen rentekostnad	553 172	269 063	627 530	269 063
Sum	**2 076 276**	**298 564**	**2 237 044**	**298 564**

Note 13 Bundne midler

	2019	**2018**
Herav bundne bankinnskudd	1 562 008	582 844

Note 14 Annen langsiktig gjeld

Gjeld som forfaller mer enn fem år etter regnskapårets slutt:

Morselskapet

	2019	**2018**
Gjeld til Innovasjon Norge	10 000 000	10 000 000
Gjeld til selger ISWT	56 418 260	-

Gjeld til Innovasjon Norge
Lånet til Innovasjon Norge har en nominell rente på 4,5 % - 4,7 % p.a og løper over seks år, hvorav de første to år er avdragsfrie.
Fradragberettigede renter i 2019 var 553 172.

Gjeld til selger ISWT
Otovo har i forbindelse med kjøp av datterselskapet ISWT i 2019 forpliktet seg gjennom en såkalt «earnout-avtale». Dette innebærer at Otovo i tillegg til vederlag på oppkjøpstidspunktet skal betale et fremtidig vederlag basert på ulike parametere rundt lønnsomhet (EBITDA) og antall installasjoner av solcellepaneler. Vederlaget betales til tidligere aksjonærer. Dette oppgjøret gjøres basert på avtaleperioder med oppgjør i henholdsvis 2020 og 2021.

Idet det fremtidige vederlaget inneholder usikkerhet i form av disse parameterne, er det estimert en forpliktelse for konsernet der forventet utbetaling er avsatt i balansen.

Konsernet

	2019	**2018**	**Nedbetalingstid**	**Rente**
Gjeld til BPIFrance Financement - 100 000 EUR	986 380	-	8 år	5,27 %
Gjeld til BPIFrance Financement - 160 000 EUR	1 571 895	-	6,33 år	1,36 %
Gjeld til BPIFrance Financement - 500 000 EUR	4 931 900	-	7 år	2,81 %
Gjeld til Airbus Developpment - 18 000 EUR	118 366	-	2 år	2 %

Note 15 Hendelser etter balansedagen

Coronaviruset påvirker sterkt økonomien 2020 og de langvarige økonomiske effektene er foreløpig svært usikre. Otovo har virksomhet i markeder som alle har blitt hardt rammet pr mars 2020. Dette kan ramme også kjøpekraften blant våre potensielle kunder, både på kort og lang sikt. Omtalt forpliktelse i form av estimert earnout-avtale medfører særlig usikkerhet, da forpliktelsen er knyttet opp mot antall installasjoner og EBITDA i ISWT for 2020 og 2021. Se også note 14 for mer omtale av denne forpliktelsen.

Munkedamsveien 45
Postboks 1704 Vika
0121 Oslo
www.bdo.no

Uavhengig revisors beretning

Til generalforsamlingen i Otovo AS

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Vi har revidert Otovo AS sitt årsregnskap.

Årsregnskapet består av:	Etter vår mening:
• Selskapsregnskapet, som består av balanse per 31. desember 2019, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper, og • Konsernregnskapet, som består av balanse per 31. desember 2019, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter, herunder et sammendrag av viktige regnskapsprinsipper.	• Er årsregnskapet avgitt i samsvar med lov og forskrifter • Gir selskapsregnskapet et rettvisende bilde av den finansielle stillingen til Otovo AS per 31. desember 2019 og av selskapets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge • Gir konsernregnskapet et rettvisende bilde av den finansielle stillingen til konsernet Otovo AS per 31. desember 2019 og av konsernets resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Annen informasjon

Ledelsen er ansvarlig for annen informasjon. Annen informasjon består av årsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke annen informasjon, og vi attesterer ikke den andre informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese annen informasjon identifisert ovenfor med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom annen informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi, på bakgrunn av arbeidet vi har utført, konkluderer med at disse andre opplysningene inneholder vesentlig feilinformasjon, er vi pålagt å uttale oss om dette. Vi har ingenting å rapportere i så henseende.

Styret og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets og konsernets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til: https://revisorforeningen.no/revisjonsberetninger

Uttalelse om andre lovmessige krav

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til dekning av tap er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets og konsernets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

BDO AS

Roger Telle-Hansen
statsautorisert revisor
(elektronisk signert)

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Roger Rostadmo Telle-Hansen
Partner
På vegne av: BDO AS
Serienummer: 9578-5992-4-2934763
IP: 188.95.xxx.xxx
2020-04-24 08:41:22Z

APPENDIX E

INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

Otovo | Q3 2022 report

Otovo installation in Italy, Q3 2022

CEO Message
A breakthrough for subscription

Dear Shareholder,

This quarter the subscription business really broke through.

In the few months since Otovo acquired the majority in EDEA we have moved the subscription product's share of sales from 17 percent to 35 percent. Even more satisfying; that is 35 percent of a much larger business, so absolute numbers are significantly up. As a matter of fact, in Q3 we sold subscription projects worth NOK 150 million in accumulated contracted subscription revenue, representing an increase in scale that will impact our ability to finance and extract value from the subscription portfolio.

Despite difficulties in the supply chain, we set records in sales, installations, revenue generation and gross profit once again. Q3 was Otovo's strongest in sales ever, coming in at 2,740 projects sold. We installed 1,970 projects. That means we are running at a yearly rhythm of 11,000 sales and 8,000 installations per year.

We sell what we believe we can install. The sales numbers reflect our belief in what we can install a few months from now. This is indicative of our increasing confidence in being able to deliver.

We are also proud that entry in new markets is according to plan. We have sold projects in the UK, Austria and Portugal, and the first installations are taking place. In addition we have announced and started the move into the Netherlands, Belgium and Switzerland, with web sites coming up and installer recruiting ongoing. This means Otovo now has the footprint necessary to be the continental leader of residential solar in the 2020s.

While the macro environment is challenging, Otovo's model is robust, old subscription contracts are inflation adjusted, ensuring these retain their profitability. New subscription contracts are sold at higher yields. While direct purchase sales are done at higher percentage markups on top of higher installation costs, improving unit economics.

Consequently we are reiterating the guiding for the second half of 2022, and also allow ourselves to go confidently into 2023: we are able to grow at above 100 percent year-on-year!

Andreas E. Thorsheim,
Founder and CEO

Summary |Third quarter 2022 highlights

Quarterly highlights

- ANOTHER QUARTER OF RECORDS in sales, installations, revenue and margin:
    - 2,740 sales versus 1,470 same quarter last year, up 1.9x
    - 1,970 installations versus 1,086 same quarter last year, up 1.8x
    - NOKm 175 in revenues, versus NOKm 86 from Q3 2021, up 2x
    - Increase even stronger when accounting for contribution from subscriptions with NOKm 235 in revenues generated
    - NOKm 53 gross profit generated versus NOKm 14 same quarter last year, up 3.9x
- BREAKTHROUGH QUARTER FOR SUBSCRIPTIONS, with portfolio reaching NOKm 227, and selling more than NOKm 150 worth of subscription projects
- PAN-EUROPEAN POSITION ESTABLISHED: Otovo successfully launched in Portugal, UK and Austria, having now sold projects in 10 European countries. Netherlands, Belgium and Switzerland announced as next three markets to be added in 2022
- INFLATION: Hardware and labor costs are increasing, but Otovo is able to increase markup and margins in all countries
- EASING FRICTIONS in supply chain to have effect in Q4 and increasingly in 2023
- STRONG OUTLOOK, reiterating guiding of NOKm 500 revenue generated in second half of 2022

+103% Revenues
175 NOKm
Q3 21: 86

+154% Gross Profit
34 NOKm
IFRS *Q3 21: 14*

Key metrics

+170% Revenues Generated
235 NOKm
Q3 21: 86

+290% Gross Profit Generated
53 NOKm
Q3 21: 14

+230% Accumulated Contracted Subscription Revenue
227 NOKm
Q3 21: 69

Third quarter 2022 | Key metrics and Financial summary

Financial summary

(NOKm)	Q3 2022	Q3 2021	Change	YTD 2022	YTD 2021	Change	FY 2021
Revenue	174.5	86.0	103%	436.7	187.7	133%	285.3
Gross profit	34.2	13.5	154%	80.8	29.5	174%	44.9
Operating profit/(loss)	-82.6	-35.5		-224.5	-112.9		-175.3
Profit/(loss) after tax	-79.0	-36.9		-215.3	-116.4		-153.8

Financial summary - Comments

- Revenues were up 103% (157% pre elimination of sales to Subscription SPV) compared with Q3 2021. The increase is explained by increasing demand for the Group's products, raised mark-ups, inclusion of batteries in the Otovo product offering and increasing contribution from markets which were still new in Q3 2021
- Gross profit up NOK 20.7m YoY or 154% (NOK 28.8m pre elimination of gross profit on sales to Subscription SPV) due to increasing volumes and raised margins in the Group's established markets
- Operating loss increased from NOK 35.5m to NOK 82.6m YoY, mainly due to expansion in current markets and entry into new markets, combined with the effects of consolidating EDEA (Subscription SPV) leading to reduction in reported gross profit and increase in depreciation and amortization
- Compared with Q2 2022 the revenues and gross profits increased with 14% and 18.5% accordingly, despite Q3 being the summer vacation quarter, taking out some productive weeks for installers; while the operating loss expanded from NOK 72.4m in Q2 2022 to NOK 82.6m in Q3 22, primarily due to increases in expenses related to share based payments and fair value adjustments of tax credit receivables in Italy, partly netted by the increased gross profit

Key metrics

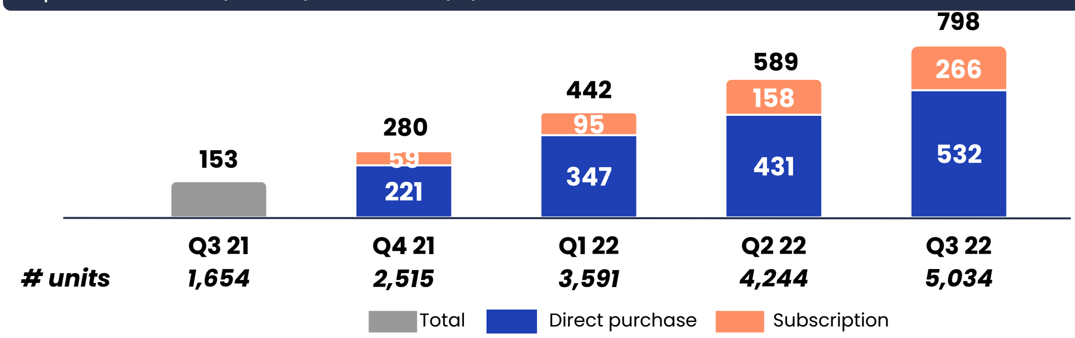
(NOKm)	Q3 2022	Q3 2021	Change	YTD 2022	YTD 2021	Change
Revenue Generated	235.3	86.0	174%	564.4	187.7	201%
Gross Profit Generated	52.6	13.5	290%	120.9	29.5	310%
Gross Margin Generated %	22%	16%	+7%p	21%	16%	+6%p
EBITDA Generated	-51.1	-31.0		-145.0	-100.2	

Key performance figures

(Units)	Q3 2022	Q3 2021	Change	YTD 2022	YTD 2021	Change	FY 2021
Unit sales	2,740	1,470	86%	7,679	3,468	121%	5,534
Completed projects/installations	1,970	1,086	81%	5,174	2,613	98%	3,822
Project pipeline	5,034	1,654	204%	5,034	1,654	204%	2,515

Third quarter 2022 | Key metrics and Financial summary

Pipeline - Value (NOKm) and Units (#)



Key metrics

Reported financials do not reflect underlying value creation in the Subscription portfolio, this has led to the introduction of Key metrics, which are defined and calculated as follows:

	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 Y 10 & 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%

Detailed Key metrics

(NOKm)	Note	Q3 2022	Q3 2021	Change
Revenue according to the Income Statement	2	174.5	86.0	103%
Contracted subscription revenue (calculated)		60.7	-	-
Revenue Generated		**235.3**	**86.0**	**174%**
Cost of goods sold according to the Income Statement	2	140.4	72.5	94%
Investment in subscription assets	2	37.9		
Subscription O&M cost (calculated)		4.4	-	-
Gross Profit Generated		**52.6**	**13.5**	**290%**
Gross Margin Generated %		*22.4%*	*15.7%*	*+6.7%p*
Operating profit/(loss)	2	-82.6	-35.5	133%
Add back depreciation and amortisation	2	16.3	4.5	261%
Add contracted subscription profit (calculated)		18.4	-	-
Subtract subscription revenue in the quarter	2	-3.2	-	-
EBITDA Generated		**-51.1**	**-31.0**	**-20.1**

*) *Actuals for Q3 2021, pre EDEA consolidation and implementation of new Group metrics.*

Financial review | Continued growth amid challenging macro environment

Otovo continues the growth journey in the third quarter of the year: Sales, installations, ticket sizes, subscription shares and margins are all increasing, with underlying increases in more or less all of the Groups markets, also compared with Q2 22, despite Q3 being impacted by summer vacation, additional to the supply constraints that continues to impact the operations of the Group.

Subscription shares are increasing, both in terms of sold and installed projects, with the latter being the only yet reflected in the income statement of the Group. This is a result of the acquisition of EDEA in December 2021, and increased focus on the more profitable subscription product. The cash flows from these projects are received and recognised in the income statement over 20 years, and are in total more profitable for the Group than projects sold on the direct purchase model. For this purpose Otovo has developed separe reporting metrics to reflect the value that is generated at completion of projects on the subscription model.

The result after tax was a loss of NOK79m in Q3 22 compared with a loss of NOK 36.9m in Q3 21 and NOK 56.6m in Q2 22. The increase in loss compared with Q3 21 is primarily explained by expansion of the business, changes in timing of revenue recognition for transactions relating to subscription customers after the EDEA acquisition, as well as an increase in deprecations stemming from the excess values from the EDEA acquisition. Change from Q2 22 is explained by reduction in foreign exchange gain and increases in payroll and other operating expenses, primarily due to expenses on share based payments programs, and fair value adjustment of Italian tax credit receivables, partly netted by improved gross profit.

This continued growth is despite a challenging macroeconomic environment with increased interest rates, continued high inflation, high energy costs and reduced geopolitical stability. We see that residential solar in general and especially our subscription segment is resistant to the current turmoil.

Income statement

Revenues were up 103% (157% pre elimination of sales to Subscription SPV) compared with Q3 2021, from NOK 86m to NOK 174.5m (NOK 220.6m pre elimination of sales to Subscription SPV), reflecting a significant growth across all of Otovo's markets. The growth is explained by including batteries in the Otovo product offering, increasing mark-ups and in general increasing demand for the Group's products, combined with successful launches in new markets. Compared with Q2 22 revenues grew from NOK 153m to NOK 174.5m (14%), despite Q3 containing summer vacation of installers and customers.

Gross profit expanded with NOK 20.7m YoY (NOK 28.8m pre elimination of gross profit on sales to Subscription SPV that are eliminated), while it is up NOK 5.3m compared with Q2 22. The gross margin is up from 15.7% in Q3 21 to 19.6% in Q3 22.

Payroll and related costs increased from NOK 26.8m in Q3 21 to NOK 59.7m in Q3 22. The increase in payroll and related costs is explained by new hires, increases in sales commissions due to stronger sales and scaling the organisation for growth, both in corporate functions and new markets. Compared with Q2 22 the expenses are up NOK 12.4m, from NOK 47.3m, whereof NOK 6.7m is explained by increases in expenses relating to share based payments. The remaining increase is primarily explained by general increase in sales and staffing to meet the demand and expand the business, as well as expenses for a company event for all employees held in July.

Expenses for share based payments were NOK 8.7m in the quarter, compared with NOK 5.5m for Q3 21, and NOK 2m in Q2 22.

Other operating expenses are up from NOK 19.5m in Q3 21 to NOK 45.5m in Q3 22, mainly due to higher activity and entry into new markets. Compared with Q2 22 the operating expenses are up NOK 4.0m from NOK 41.5m.

The increase is primarily due to a fair value adjustment of the Italian tax credit receivable, partly netted by lower expenses for consultancy and other external services.

Net financial items improved from a loss of NOK 1.4m in Q3 21 to a gain of NOK 1.7m in Q3 22, mainly due to currency gains/losses, partly netted by an increase in loss from the investment Otovo holds in associated companies. The main item impacting currency gains/losses is EUR loans to subsidiaries.

Financial review | Continued growth amid challenging macro environment

Balance sheet

Total non-current assets as of Q3 22 have increased to NOK 439m, from NOK 365m at year-end 2021. The increase is mainly driven by additions of assets with capitalization of PV systems in the subscription business and investments in Otovo Cloud, netted by amortizations, primarily relating to intangible assets from the acquisition of EDEA.

Total current assets have increased from NOK 297m at year end 2021 to NOK 514m at the end of Q3 22. The increase in cash and cash equivalents was driven by a capital increase of NOK 300m in Q1 22, partially netted by the negative cash flows from operations, and inflow due to new non-current liabilities of NOK 72.4m, used to finance the subscription assets. Trade receivables and other receivables and prepayments, the latter primarily related to projects completed not yet invoiced, has increased due to increased activity and significantly more installations completed in the end of September compared with the end of December last year. The current assets have also increased as a result of measures taken to reduce the supply chain risk and cost, and due to the tax credit receivable in Italy growing as projects are completed. The tax credit receivable is pending to be sold to financial institutions in Italy.

Non-current liabilities have increased from NOK 30m at year end 2021 to NOK 98m at the end of Q3 22. The increase is primarily explained by draws on the credit facility with Nordea of NOK 24.2m in 1H and additional draws of NOK 48.2m in Q3

Current liabilities are up from NOK 110.8m to NOK 234.9m. This is generally explained by increasing activity and timing of completions during the quarter, and is consistent with the movement in trade receivables and other receivables and prepayments.

The increase in current assets is however higher than the increase in current liabilities, primarily due to the above mentioned tax credit receivable and increase in cash.

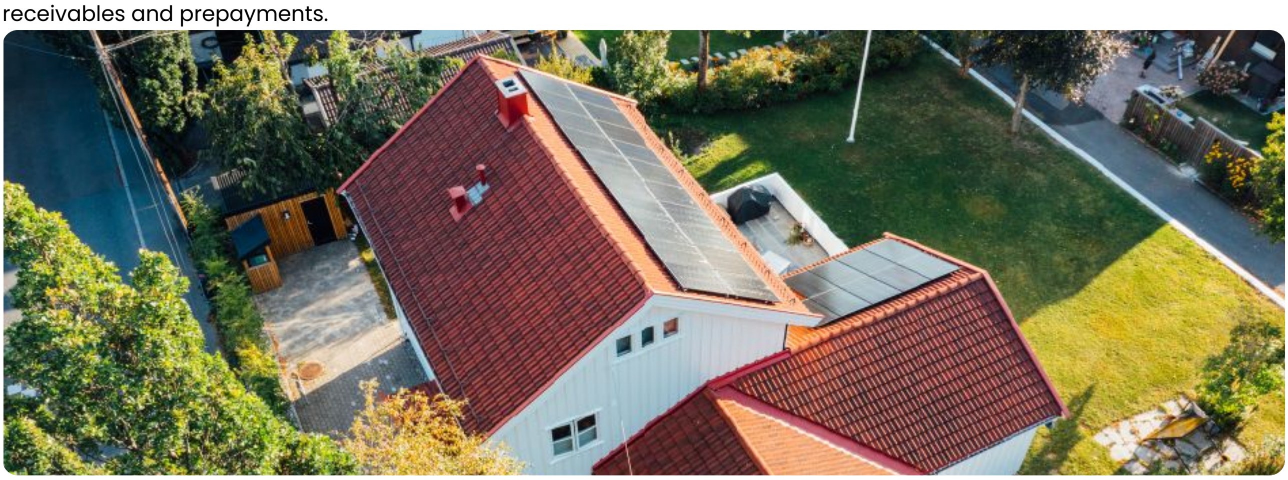
Cash flow

Net cash flow from operating activities was -NOK 33.2m in Q3 22. The main driver is negative operating profits due to start-up expenses in new markets, scaling the organisation for growth combined with an increase in the tax credit receivable in Italy, in addition to measures taken to improve working capital. Cash flow from investing activities was - NOK 50.3m driven by investments in assets used in the subscription business, in Otovo Cloud and in the associated company Holu. Cash flow from financing activities was NOK 48.2m, the cash inflow is primarily proceeds from draws on the credit facility with Nordea issuance of ordinary shares in relation with the share purchase program, netted by payment of lease liabilities and downpayment of non-current liabilities.

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 AS , 17 October 2022



Consolidated income statement

Consolidated income statement

(NOK 000')	Unaudited **Q3 2022**	Unaudited **Q3 2021**	Unaudited **YTD 2022**	Unaudited **YTD 2021**	Audited **Full year 2021**
Revenue	174,548	85,963	436,743	187,745	285,265
Other operating revenue	4,583	1,782	10,570	2,346	4,137
Total operating revenue	**179,131**	**87,746**	**447,313**	**190,091**	**289,402**
Cost of goods sold	140,356	72,476	355,919	158,237	240,362
Payroll and related costs	59,665	26,769	148,416	76,499	113,548
Depreciation, amortisation and impairment	16,266	4,502	46,497	12,348	21,649
Other operating expenses	45,485	19,470	120,988	55,896	89,137
Operating profit/(loss)	**-82,641**	**-35,471**	**-224,507**	**-112,889**	**-175,294**
Financial Income	328	92	1,384	243	3,194
Financial Expense	116	242	692	754	1,000
Net exchange gain/(loss)	4,210	-493	10,188	-1,185	-2,452
Gains/(losses) on disposal/acquisition of subsidiary	-	-	-	-	24,647
Share of profit/(loss) of equity accounted investees, net of tax	-2,763	-779	-7,473	-1,827	-3,312
Net financial items	**1,659**	**-1,423**	**3,407**	**-3,522**	**21,077**
Profit/(loss) before tax	**-80,982**	**-36,894**	**-221,100**	**-116,411**	**-154,217**
Income tax expense/(income)	-2,003	-	-5,836	-	-457
Profit/(loss) after tax	**-78,979**	**-36,894**	**-215,264**	**-116,411**	**-153,760**
Profit is attributable to:					
- Owners of Otovo AS	-78,979	-36,894	-213,496	-116,411	-153,612
- Non-controlling interests	-	-	-1,768	-	-148
Basic earnings per share (NOK)	-0.58	-0.35	-1.72	-1.30	-1.64
Diluted earnings per share (NOK)	-0.58	-0.35	-1.72	-1.30	-1.64

Consolidated statement of comprehensive income

(NOK 000')	Unaudited **Q3 2022**	Unaudited **Q3 2021**	Unaudited **YTD 2022**	Unaudited **YTD 2021**	Audited **Full year 2021**
Profit/(loss) after tax for the period	-78,979	-36,894	-215,264	-116,411	-153,760
Other comprehensive income which may be reclassified to profit and loss					
Foreign currency translation differences	-4,576	1,849	-3,377	-2,331	-3,509
Total comprehensive income for the period	**-83,555**	**-35,044**	**-218,641**	**-118,742**	**-157,269**
Total comprehensive income is attributable to:					
- Non-controlling interests	-	-	-1,795	-	-151
- Owners of Otovo AS	-83,555	-35,044	-216,846	-118,742	-157,118

Consolidated balance sheet

Consolidated statement of financial position

(NOK 000')	Unaudited 2022 30 Sep	Unaudited 2021 30 Sep	Audited 2021 31 Dec
ASSETS			
Intangible assets	107,689	42,717	124,409
Goodwill	158,314	89,406	153,637
Investments in associated companies	8,090	27,778	3,360
Property, plant and equipment	149,234	4,531	73,099
Right of use asset	12,382	9,551	8,524
Other assets	2,943	2,297	2,236
Total non-current assets	**438,652**	**176,280**	**365,265**
Trade receivables	61,186	29,670	22,170
Other receivables and prepayments	145,712	17,185	50,643
Inventory	16,358	-	-
Cash and cash equivalents	291,055	206,752	224,187
Total current assets	**514,311**	**253,607**	**297,000**
Total assets	**952,964**	**429,886**	**662,267**

(NOK 000')	2022 30 Sep	2021 30 Sep	2021 31 Dec
EQUITY			
Share capital	1,362	533	571
Share premium reserve	1,156,329	633,862	824,236
Other paid-in equity	30,056	10,032	12,380
Foreign currency translation reserve	29	4,584	3,406
Retained earnings	-567,790	-313,647	-350,848
Non-controlling interests	-	-	31,303
Total equity	**619,986**	**335,363**	**521,049**
LIABILITIES			
Deferred tax liability	11,552	-	17,388
Non-current interest bearing liabilities	79,305	5,862	6,809
Lease liabilities non-current	7,078	6,658	6,165
Other non-current liabilities	107	4,261	29
Total non-current liabilities	**98,043**	**16,781**	**30,391**
Lease liabilities current	5,750	3,090	2,674
Trade payable	71,713	16,391	29,889
Other current liabilities	157,471	58,260	78,264
Total current liabilities	**234,935**	**77,742**	**110,827**
Total equity and liabilities	**952,964**	**429,886**	**662,267**

Consolidated statement of changes in equity

Consolidated statement of changes in equity

(NOK 000')	Share capital	Share premium reserve	Other paid-in equity	Foreign currency translation reserve	Retained earnings	Total	Non controlling interest	Total equity
	Attributable to the owners of Otovo ASA							
Equity at 1 January 2022	571	824,236	12,380	3,406	-350,848	489,745	31,303	521,049
Net profit for the period	-	-	-		-213,496	-213,496	-1,768	-215,264
Other comprehensive income for the period, net of tax	-	-	-	-3,377	-	-3,377	-	-3,377
Total comprehensive income in the period	-	-	-	-3,377	-213,496	-216,873	-1,768	-218,641
Issuance of shares	94	300,103	-	-	-	300,197	-	300,197
Change in nominal value	673	-673	-	-	-	-	-	-
Transaction costs on equity issues	-	-10,000	-	-	-	-10,000	-	-10,000
Purchase of non-controlling interest	13	32,968	-	-	-3,446	29,535	-29,535	-
Share-based payments, exercised	11	9,694		-	-	9,705	-	9,705
Share-based payments accrual	-	-	17,673	-	-	17,673	-	17,673
Equity as of 30.09.2022	**1,362**	**1,156,329**	**30,056**	**29**	**-567,790**	**619,986**	**-**	**619,986**

(NOK 000')	Share capital	Share premium reserve	Other paid-in equity	Foreign currency translation reserve	Retained earnings	Total	Non controlling interest	Total equity
	Attributable to the owners of Otovo ASA							
Equity at 1 January 2021	443	355,102	2,130	6,915	-197,236	167,354	-	167,354
Net profit for the period	-	-	-	-	-116,411	-116,411	-	-116,411
Other comprehensive income for the period, net of tax	-	-	-	-2,331	-	-2,331	-	-2,331
Total comprehensive income in the period	-	-	-	-2,331	-116,411	-118,742	-	-118,742
Issuance of shares	69	274,147	-	-	-	274,216	-	274,216
Transaction costs on equity issues	-	-13,434	-	-	-	-13,434	-	-13,434
Share-based payments, exercised	21	18,046	-	-	-	18,067	-	18,067
Share-based payments accrual	-	-	7,901	-	-	7,901	-	7,901
Equity as of 30.09.2021	**533**	**633,861**	**10,032**	**4,584**	**-313,647**	**335,363**	**-**	**335,363**

Consolidated statement of cash flows

Consolidated statement of cash flows

	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(NOK 000')	**Q3 2022**	**Q3 2021**	**YTD 2022**	**YTD 2021**	**FY2021**
Cash flow from operating activities					
Profit/(loss) before tax	-80,982	-36,894	-221,100	-116,411	-154,217
Depreciation, amortisation and impairment	16,266	4,502	46,497	12,348	21,649
Expensed share-based payments	7,689	2,404	17,673	7,902	10,248
Net interest income and interest expenses	-191	150	177	511	692
Share of profit/(loss) of equity accounted investees	2,763	779	7,473	1,827	-21,335
Currency (gains)/losses not related to operating activities	-1,142	-	-6,099	-	-
Changes in trade receivables	-9,527	-8,791	-37,255	-19,703	-13,483
Changes in trade payables	19,201	-2,871	37,738	3,897	10,995
Change in other assets and other liabilities	12,552	1,158	-33,818	16,925	10,167
Cash generated from operating activities	**-33,370**	**-39,562**	**-188,714**	**-92,705**	**-135,284**
Received interest	304	92	610	243	305
Paid interest	-115	-242	-789	-754	-1,039
Net cash flow from operating activities	**-33,181**	**-39,712**	**-188,893**	**-93,216**	**-136,018**
Cash flow from investing activities					
Investment in other companies	-4,542	-	-11,259	-1,720	-5,478
Cash balance from EDEA acquisition	-	-	-	-	78,602
Investments in intangible assets	-7,250	-5,783	-21,389	-19,337	-28,774
Investments in tangible assets	-38,505	-103	-79,718	-1,104	-4,713
Net cash flow from investing activities	**-50,298**	**-5,886**	**-112,366**	**-22,160**	**39,637**
Cash flow from financing activities					
Proceeds from issuance of ordinary shares	1,625	1	299,902	254,634	255,634
Payment of lease liabilities	-1,223	-822	-3,333	-2,201	-3,451
Inflow due to new non-current liabilities	48,224	-	72,376	-	-
Outflow due to downpayment of non-current liabilities	-399	-2,312	-2,512	-3,875	-4,622
Net cash flow from financing activities	**48,227**	**-3,134**	**366,433**	**248,558**	**247,561**
Net cash flow during the period	**-35,252**	**-48,732**	**65,174**	**133,183**	**151,180**
Cash and cash equivalents at the beginning of the period	330,734	255,723	224,187	73,677	73,677
Exchange rate difference on cash and cash equivalents	-4,427	-239	1,694	-108	-671
Cash and cash equivalents at the end of the period	**291,055**	**206,752**	**291,055**	**206,752**	**224,187**

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. Otovo ASA is a public limited liability company, incorporated and domiciled in Norway. The Company's registered office is at Torggata 7, 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 (interim report) for the third quarter ended 30 September 2022 have been prepared in accordance with the International Financial Reporting Standards and in accordance with interpretations determined by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) (IFRS). 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 2021. The annual consolidated financial statements for 2021 are available at the company's website (https://investor.otovo.com/). The 2021 audited financial statements were approved by the Board of Directors on 22 March 2022.

The interim financial information for the quarters ended 30 September 2022 and 30 September 2021 are unaudited.

Otovo transitioned to reporting according to IFRS during Q4 2021. Q3 2021 and year to date 30 September 2021 numbers have been restated to IFRS, hence the Q3 2021 and year to date 2021 numbers in this report are different from those reported in the Q3 2021 quarterly report. Refer to the financial statements for 2021 for details on the transition effects.

On 26 of April The general meeting approved the conversion of the Company to a public limited liability company (ASA). Furthermore, the general meeting approved the merger plan for the merger of Otovo (as the acquiring company) and European Distributed Energy Assets Holding AS (as the transferring company), and the corresponding share capital increase in connection with the merger. Completion of the merger was registered with the Norwegian Register of Business Enterprises 16 June 2022. After the merger Otovo ASA holds 100% of the shares in European Distributed Energy Assets Holding AS.

Notes to the interim consolidated financial statements

Note 2 - Segment reporting

For Management purposes the Group is organized into two business lines. "Direct purchase" and "Subscription". Starting from the EDEA acquisition 8 December 2021 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 segment reporting is presented in the same manner as presented to the Executive Management.

Since the change was relevant for the first time in Q4 2021 comparables are not reported.

Segment Reporting - Q3 2022

(NOK 000')	**Direct purchase**	**Subscription**	**Elimination**	**Otovo Group**
Revenue	220,601	-	-46,053	174,548
Other operating revenue	2,119	3,150	-686	4,583
Total operating revenue	**222,720**	**3,150**	**-46,739**	**179,131**
Cost of goods sold	178,282	-	-37,926	140,356
Payroll and related costs	59,665	-	-	59,665
Depreciation, amortisation and impairment	5,783	1,641	8,842	16,266
Other operating expenses	44,376	1,805	-696	45,485
Operating profit/(loss)	**-65,386**	**-296**	**-16,959**	**-82,641**

Segment Reporting - YTD 2022

(NOK 000')	**Direct purchase**	**Subscription**	**Elimination**	**Otovo Group**
Revenue	532,530	-	-95,787	436,743
Other operating revenue	5,227	7,110	-1,767	10,570
Total operating revenue	**537,757**	**7,110**	**-97,554**	**447,313**
Cost of goods sold	434,268	-	-78,349	355,919
Payroll and related costs	147,851	565	-	148,416
Depreciation, amortisation and impairment	16,216	3,755	26,526	46,497
Other operating expenses	117,077	5,646	-1,735	120,988
Operating profit/(loss)	**-177,655**	**-2,856**	**-43,996**	**-224,507**

Notes to the interim consolidated financial statements

Note 3 - Subscription SPV bank facility

Subscription SPV has an existing bank facility with Nordea to finance the subscription assets. The entity has drawn a euro amount equivalent to NOK 75m, out of a committed facility of NOK 150m The first tranche of EUR ~2.5m was drawn in Q1 2022 and the second and third tranche of EUR ~2.5m each, was drawn in Q3 2022.

The facility is priced based on a floating interest rate, with EURIBOR as the reference rate and a margin of 250 bps. The Subscription SPV was in compliance with financial covenants at 30 September 2022.

Note 4 – 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 367m 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.

Contracted Customer Payments

(NOKm)	**NPV**	**2022**	**2023-2025**	**2026-2030**	**2031-2042**
Non-discounted contracted customer payments*		4.050	50.111	90.426	222.433
NPV @5%	226.876				

*) Assuming 2% annual inflation

Note 5 - Share based payments

Otovo has granted share options to management and key personnel. As of 30.09.2022 there are 5,119,173 outstanding options with a weighted average strike price of 23.26 kroner per share. Further, Otovo has two employee share purchase programmes. There are 379.730 performance shares and 1.258.350 retention shares outstanding under these programmes.

Expense in Q3 2022 for both share programmes was NOK8.7m. Expense in Q3 2021 was NOK 5.5m.

Other definitions (1/2)

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

Cost per Wp
Otovo reports on the industry standard on cost per Watt-peak (Wp). The figure is calculated as the in hardware; non-hardware; or the sum of all project cost, divided by the size of the system measured in Watt-peak, for example a 10 panel system with 375Wp panels would have 3750Wp in the denominator of a cost per Watt-peak calculation.

Sold projects
Sold projects is the number of projects sold during the period less projects abandoned during the period

Installed project
A installed project is a project that has been physically completed and is capable of producing electricity

Otovo business model
Otovo business model means that Otovo bills the final customer (private homeowner or asset-owner) and gets invoiced by the installer company with the winning bid. The difference between the two invoices is Otovo's gross profit. Until Q4 2020 the French business unit was using a different model, where they only billed the installer a commission (typically 10% of the project value), and the installer billed the final customer. During Q1 2021 the French business unit has gradually transitioned to the Otovo direct sales model

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

Contracted Subscription Revenue (CSR)
Net present value of contracted cash flows created in the period from subscription customers over contract lifetime adjusted with expected CPI increases

Subscription O&M (S O&M)
Net present value of operation and maintenance cost relating to the fulfillment of subscription contracts over their lifetime (currently estimated at approx. 1% of COGS annually), including replacement of equipment.

Gross Subscription Profit (GSP)
Contracted subscription revenue less COGS and S O&M

Revenue generated
Revenue + Contracted Subscription revenue

Gross Profit generated
Gross profit + Gross Subscription Profit

EBITDA generated
Gross Profit Generated - total SG&A (Payroll & Related costs, Other Operating Expenses)

Other definitions (2/2)

Accumulated Contracted Subscription Revenue (ACSR)
The accumulated CSR in the portfolio

Subscription
Customer relationships with recurring revenue, such as leases, service agreements etc relating to distributed energy systems

Direct sale
Distributed energy systems paid for directly by the customer, including sales financed by the homeowner's loans

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

Customers
Number of customers per segment

Project / Unit
A PV system and/or a battery

Churn
# of subscription customers who exercised their purchase option in the period

Discount Rate
Rate used to discount future cash flows in order to calculate net present value. Currently 5%.

Munkedamsveien 45
PO Box 1704 Vika
0121 Oslo
Norway
www.bdo.no

Otovo ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying balance sheet of Otovo ASA as of 30 September 2022 and the related statements of income, changes in equity and cash flows for the nine-month period 1 January to 30 September 2022, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards as adopted by the EU (IFRS). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 30 September 2022 and of its financial performance and its cash flows for the nine-month period 1 January to 30 September 2022, in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

Oslo, 7 November 2022
BDO AS

Roger Telle-Hansen
state authorized public accountant

(electronically signed)

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Roger Rostadmo Telle-Hansen
Partner
Serienummer: 9578-5992-4-2934763
IP: 188.95.xxx.xxx
2022-11-07 09:49:13 UTC

bank ID

Registered office and advisors

Otovo ASA
Torggata 7
0181 Oslo
Norway

**Norwegian Legal Adviser
to the Company**

Advokatfirmaet Thommessen AS
Ruseløkkveien 38
0251 Oslo
Norway

Phone: +47 23 11 11 11
www.thommessen.no