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This is Zaptec

At Zaptec we're on a journey to enable better personal mobility for the many. Born on the rugged west coast of Norway, where horizons stretch far, it's clear to us that travelling and exploring are a natural part of what makes us human. We're passionate about finding and enabling better ways to travel.

We combine the latest technology with human-centred design to offer highly intuitive and efficient EV chargers that ensure easier access to personal electric transport.

By offering leading edge, green-tech charging solutions, we enable the electrification of the transport sector while giving people the freedom and potential to travel into a more sustainable future. So whether you're planning a quick trip to the shops or aiming further into the distance, we're passionate about being the power behind your journey.

Within just a few years, we've built our domestic market leading position by supplying superior charging installations for housing co-ops and private homes alike. And as a Norwegian EV pioneer, our goals are aimed on bringing the best charging technology from the coast of Norway to the rest of the world.





Our values

Respectful
Agile
Dedicated
Innovative
Opportunity-driven

Our vision

We will change the world for the better by creating a more **sustainable and electric future**

Our mission

...we do this by offering **user-friendly and innovative charging solutions** that are critical for electrification of the transport sector



Ziptec by the numbers

50,000

charging stations in daily use

+400

dealers in more than ten
countries

43

employees in Norway and
Sweden

40%

revenue growth in 2020

~50%

market share in multi-user
systems (Norway)

~150,000

Parking spaces with
infrastructure for further
Ziptec Pro chargers

The Zaptec journey

- 2012** — Zaptec AS established as a supplier of a broad set of technological devices
- 2013** — Share issue to finance transformer technology for cleaning/drilling oil & gas wells
- 2014** — Established partnership with Renault to develop portable charger for Renault Zoe
- 2016** — Zaptec is refocused to a pure-play EV charging solutions player with the launch of 'ZapCharger Pro' Agreement with Westcontrol, a specialist in production and assembly of electronics
- 2017** — Developed partnership with 300 installers and dealers in Norway, Iceland, Sweden & Switzerland
- 2019** — Established a subsidiary in Sweden
The 'Zaptec Home' launched, targeting the Norwegian market for detachable home systems
Acquisition of Charge365, a digital services company offering automatic payment
- 2020** — Launch of Zaptec Pro 4G with MID certified metering, ISO 15118 compliance and 4G (LTE-M)
Launch of Zaptec Home with 4G
Zaptec gets listed on Euronext Growth on Oslo Stock Exchange



Letter from CEO: Leading in Europe on home charging

2020 was an eventful year in which we consolidated our leading market position on charging electric cars in car parks, multi-unit homes and companies. The pandemic that closed society in March 2020 had a short-term negative effect on sales to Zaptec in the second quarter. In total, sales in 2020 ended at MNOK 220 and adjusted EBITDA MNOK 30, which was better than expected when the pandemic started.



Electric cars had a breakthrough year in continental Europe in the second half of 2020

Anders Thingbø, CEO

The electric car market in Europe is growing

Electric cars had a breakthrough year in continental Europe in the second half of 2020, although total sales of new vehicles fell due to the pandemic. National authorities and the EU have decided that reducing CO2 emissions can easily be achieved in passenger transport and follow up with measures. In Norway, the electric car share of new car sales increased to over 50%, which is unique globally, and total car sales remained much better than in other countries. The emergence of electric cars in Europe is the leading value driver for Zaptec's business in the coming years.

Competitive technology development in the professional market

Our proprietary charging systems and services for the professional market, Zaptec Pro, have a competitive advantage.

They utilize all installed power capacity in larger buildings and give the electric driver a hassle-free user experience. The system can be used in all countries in Europe and is the market leader.

In 2020, we strengthened Zaptec Pro's competitiveness by integrating LTE-M (4G), MID-certified energy metering, and support for ISO 15118 communication protocols. 4G communication in collaboration with Telenor gives the end-user lower investment costs, stable and straightforward communication. MID certification satisfies the world's strictest requirements for accuracy in measuring electricity passing through the charger. ISO 15118 prepares the charger for communication with the car's IT. Also, production costs were reduced, which ensures the competitiveness of the company.

Increased export revenues to countries with an increased share of electric cars

Our internationalization goals are to expand into new countries in Europe where the share of electric cars is increasing. In 2020, the company succeeded in this in Switzerland, Sweden, Iceland, and Denmark, and the export share increased from 9% in 2019 to 28% in 2020. A new subsidiary was established in Sweden in 2019, and in the autumn of 2020, we achieved success with good sales development in the multi-unit home market. In 2021, Zaptec will expand with four new subsidiaries in major European markets, where the electric car share will increase rapidly. This is the UK, Germany, France, and Denmark.

New revenue stream with Zaptec Go in a large detached house market

In 2020, we developed the world's fastest, smallest, and most cost-effective charger for the detached house market - Zaptec Go. This was launched on the market in March 2021. End customers can choose a load balancing service to reduce the simultaneous load on the power grid in their house, which is essential for European households where the power capacity is lower than in the Nordic countries.

The detached house market is larger than the multi-unit home market in most countries, measured in the number of homes. By capitalizing on our technological and market experience from the professional market, we have set ourselves the goal of becoming a leader in Europe also in charging in the detached house market.

An effective value chain with skilled partners

Zaptec's value chain with Zaptec Pro up to end customers is a partnership with several skilled players. We have chosen early on to cut as many links in the value chain as possible and choose the most qualified partners who create efficient work processes until the end customer.

Zaptec's main activities are proprietary technology and brand building for end-users. The rest of the value chain from production to end-customer is carried out in close collaboration with our partners. Our chargers are therefore produced at Westcontrol at Tau, outside Stavanger in Norway. Installation companies and value-added dealers are trained and both sell and install our charging systems to end-users.



Subscriptions to automatic payment services are growing

Charge365 automatically offers payment services directly to end customers where Zaptec Pro charging systems are installed. Approximately 15% of the Zaptec facilities use this paid service, and in 2020 the service was only available in Norway. The growth in the number of users of automatic payment services is high. Our strategy is to internationalize the payment service and launch more valuable services to those who have installed Zaptec Pro charging systems to contribute to low electricity bills and good utilization of electricity capacity.

A competent organization with growth ambitions

In 2020, the company used the time to establish a well-functioning management and growth model simultaneously as new technology has occupied most of our time. The number of employees has therefore not increased significantly in 2020. For the period 2021-2023, the number of employees will increase considerably outside Norway to achieve the goal of being a leader in home charging in Europe. A significant task and challenge for the organization are to take care of daily operational tasks simultaneously as new technology and new geographical markets are developed without the organization taking on inefficiencies. Therefore, we have chosen as a management philosophy high individual freedom of action and responsibility on the part of the personal manager and employee. We experience that our strong brand and technology and such a management reading philosophy are attractive among the best candidates in the labor market. Therefore, we are pleased that our advertised positions attract talent and a large number of candidates to choose from.

Changed ownership situation and access to capital

On 6 October 2020, the company was listed on Euronext Growth in Oslo. The listing price was NOK 11.25. In connection with the listing, a share issue of NOK 236 million was carried out to strengthen the company's capital base to grow in Europe. The number of shareholders has increased formidably, and the interest in owning shares is from both private consumers and institutional investors, and mutual funds. The company has the ambition to carry out acquisitions of companies that either increase the internationalization of the company and/or add technology that improves competitiveness as we see the market develop.



BOARD OF DIRECTORS' REPORT 2020 FOR ZAPTEC AS

Operation and locations

Zaptec develops and sells charging systems for electric cars.

The Group includes, in addition to Zaptec AS, the following subsidiaries:

Zaptec IP AS
Charge365 AS
Zaptec Charger AS
Zaptec Power AS
ZAPEV Charging Solutions AB

Production of charging units and equipment is outsourced to Westcontrol, and takes place in Tau, Norway.

The main office is in the municipality of Stavanger, but Zaptec also have sales departments in Oslo and in Stockholm.

The company's business idea and goal is to be Europe's leading company within development and sale of chargers, charging systems and services for electric car charging at homes and destinations.

Comments related to the financial statements

The company had a turnover increase of 40% in 2020. EBITDA adjusted for non-recurring cost related to the IPO in 2020 ended at MNOK 29.8, which is an increase of 27% compared to the previous year. The company has an equity ratio of 84%, and liquidity is very good. The development in turnover, profit margin and equity ratio are as expected. The reduction in the profit margin compared to the previous year is mainly due to large non-recurring costs in connection with the stock exchange listing in 2020, redemption of share options for employees as well as bonuses.

The board have high expectations for the new charger Zaptec Go where deliveries will start in Q2-2021, and a contract for delivery of significant volumes have already been signed. Furthermore, significant growth in deliveries internationally is expected for all products in 2021. The profit margin is expected to increase compared with the previous year as a result of cost cuts on current products, as well as a stronger margin on Zaptec Go compared with outgoing product Zaptec Home. The board expects that there may be acquisitions of complementary businesses this year. The company has strong liquidity but raising new capital can be considered if such acquisitions dictates it.

The board believes that the annual accounts give a true and fair view of the company's assets and liabilities, financial position and results.

Future challenges

The company's growth is largely dependent on growth in sale of electric cars in Norway and Europe. Framework conditions for electric cars in addition to subsidies for electric cars and charging infrastructure are thereby key uncertainty factors.

The global market for electronic components is also currently very demanding and access to components at the right time and price will therefore also be a risk factor next year, even though the current ordered volume is well within production capacity and does not provide any uncertainty.

BOARD OF DIRECTORS' REPORT 2020 FOR ZAPTEC AS CONTINUED

Financial risk

The company has a broad customer base both in Norway and abroad and thus has limited credit risk individually over these. Furthermore, the group has almost exclusively income and expenses in NOK which thereby currently eliminates currency risk for export. Following further international expansion of the group, currency risk will naturally increase and will be continuously monitored. The group has a solid liquidity reserve and can handle organic growth without further financing. In the event of a need for additional capital in connection with acquisitions, the Board of Directors considers the possibility for additional financing by raising new equity in the market to be very good following the successful listing on Euronext Growth in Oslo in October 2020.

Research and development activities

The company worked throughout 2020 with the development of the new charging product Zaptec Go. This was completed in March 2021 and launched on the market at the end of March 2021. In addition, ongoing work is being done on further development of the products Zaptec Pro and Zaptec Go, as well as completely new products to potentially be launched during 2022.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2021 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Strategy and outlook

The company's goal is to become Europe's leading company within development and sale of chargers, charging systems and services for electric car charging. To achieve this the company will offer user-friendly and innovative charging solutions and expand into new countries in Europe where the share of electric cars is increasing. A subsidiary was established in Sweden in 2020, and the expansion will continue to UK, Germany, France and Denmark in 2021.

The marked outlook is very promising, and the company sees a strong and growing demand for its products and services following the strong increase in share of electrical vehicles sold in Europe.

The working environment and the employees

The sick leave in the company was a total of 181 days in 2020, which amounted to 2.8% of total working hours. The board considers the sick leave level satisfactory but will continue the work for reduction of number of sick days.

There has not been reported any occupational accidents resulting in property damage or personal injury during 2020.

The working environment is considered good, and ongoing measures for improvements are implemented.

Equality

As per end of the year, the company has 32 employees, of which 7 are women (22%). The proportion of women in administrative positions is 21%, while the proportion of women in management positions is 25%.

The average salary for women and men in full-time positions is between NOK 655,000 and NOK 839,000. The company has no employees in part-time positions. The company's policy is that work of equal value shall provide equal pay.

The company works actively, purposefully and systematically for gender equality within the business. When recruiting, both internally and externally, personal qualifications take precedence over gender. The underrepresented gender will to a greater extent be encouraged to apply. In this way, the company will try to increase the proportion of women in the job categories where this is particularly low.

BOARD OF DIRECTORS' REPORT 2020 FOR ZAPTEC AS CONTINUED

Equal opportunities and discrimination

The company works actively to promote equality, ensure equal opportunities and rights and prevent discrimination on the grounds of ethnicity, national origin, descent, skin color, language, religion and outlook on life. To contribute to this, the company has, among other things, established routines for recruitment.

Allocation of net income

Zaptec AS had a net income for 2020 of NOK 17,734,240 with the majorities share of NOK 17,592,338 of which the Board of Directors has proposed to be attributed to:

Dividend	NOK	0
Retained earnings	NOK	17,592,338
Net income allocated	NOK	17,592,338

The proposal reflects the Board of Directors' desire to strengthen the equity position of the company for future growth.

Stavanger, April 22nd, 2021

Pål S. Valseth (sign)
Chairman of the board

Anders Thingbø (sign)
Chief Executive Officer

Christian Rangen (sign)
Board member

Stig H. Christiansen (sign)
Board member

Peter Bardenfleth-Hansen (sign)
Board member

INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

1 January – 31 December (NOK 1000)

Parent 2019	Parent 2020		Note	Group 2020	Group 2019
Operating income and operating expenses					
7 454	140	Revenues	1	219 755	156 479
7 454	140	Total revenues		219 755	156 479
1 189	134	Raw materials and consumables used		137 106	89 195
1 376	-5	Payroll expenses	2	43 977	20 232
522	0	Depreciation and amortisation expense	3	4 833	4 058
3 133	0	Impairment of tangible and intangible assets	3	0	3 133
-2 226	1 474	Other operating expense	2	21 797	23 573
3 993	1 603	Total expenses		207 713	140 191
3 460	-1 464	Operating profit		12 041	16 289
Financial income and expenses					
0	11 100	Income from other group entities		0	0
1	3	Other interest income		181	63
17	4 162	Other financial income		4 545	51
0	3 135	Decrease in market value of financial current assets		3 135	0
2 940	0	Depreciation of financial current assets		0	0
4	0	Other interest expenses		958	565
0	3	Other financial expenses		302	146
-2 927	12 126	Net financial income and expenses		332	-596
533	10 662	Profit before tax		12 373	15 692
0	-9 018	Income tax benefit	4	-5 361	-10 328
533	19 681	Profit after tax		17 734	26 020
Other comprehensive income					
<i>Items which will not be reclassified over profit and loss</i>					
533	19 681	Total comprehensive income for the year		17 734	26 020
0	0	Minority share		142	0
533	19 681	Majority share		17 592	26 020
Brought forward					
0	0	Settling loss brought forward		17 592	26 020
533	19 681	To other equity		0	0
533	19 681	Total allocated		17 592	26 020

BALANCE SHEET - ASSETS

31 December (NOK 1000)

Parent 2019	Parent 2020		Note	Group 2020	Group 2019
Non-current assets					
Intangible fixed assets					
0	0	Research and development	3	35 298	24 037
0	0	Concessions, patents, licences, trademark	3	11 216	12 590
0	9 018	Deferred tax asset	4	15 689	10 328
0	9 018	Total intangible assets		62 203	46 955
Tangible fixed assets					
0	0	Equipment and other movables	3, 12	2 246	1 672
0	0	Total tangible fixed assets		2 246	1 672
Financial fixed assets					
90 909	97 197	Investments in subsidiaries		0	0
8 577	13 462	Loans to group companies		0	0
0	0	Other receivables	2, 13	82	4 003
99 486	110 658	Total financial fixed assets		82	4 003
99 486	119 677	Total current assets		64 532	52 630
Current assets					
0	0	Inventories	6, 12	12 952	16 806
Debtors					
1 860	134	Accounts receivables	7, 11, 12	30 780	7 502
447	382	Other receivables	12	8 854	2 922
	11 100	Intercompany receivables			
2 307	11 616	Total debtors		39 634	10 424
Investments					
0	221 012	Other quoted financial instruments		221 012	0
0	221 012	Total investments		221 012	0
2 936	9 180	Cash and cash equivalents	9	23 734	15 021
5 243	241 807	Total current assets		297 332	42 252
104 729	361 484	Total assets		361 864	94 882

BALANCE SHEET - LIABILITIES

31 December (NOK 1000)

Parent 2019	Parent 2020		Note	Group 2020	Group 2019
Equity and liabilities					
318	469	Share capital	10	469	318
-5	0	Own shares		-429	-5
95 008	323 993	Share premium reserve		323 993	95 008
0	6 287	Other paid-in capital		6 287	0
95 321	330 749	Total restricted equity		330 749	95 321
Retained earnings					
-1 884	19 504	Other equity		38	0
0	0	Loss brought forward		-22 718	-42 097
-1 884	19 504	Total retained earnings		-22 679	-42 097
0	0	Minority interests		87	0
93 437	350 253	Total equity	11	308 156	53 224
Liabilities					
0	0	Other provisions		886	0
0	0	Total provisions		886	0
Other long-term liabilities					
0	0	Liabilities to financial institutions	12	7 667	11 500
0	0	Total of other long term liabilities		7 667	11 500
Current liabilities					
789	172	Accounts payable		32 639	18 972
0	0	Public duties payable		7 329	2 523
10 503	11 059	Other short term liabilities	12	5 187	8 664
11 292	11 231	Total short term liabilities		45 154	30 158
11 292	11 231	Total liabilities		53 708	41 658
104 729	361 484	Total equity and liabilities		361 864	94 882

STATEMENT OF CASH FLOWS

1 January – 31 December (NOK 1000)

Parent 2019	Parent 2020	Note	Group 2020	Group 2019
CASH FLOW FROM OPERATING ACTIVITIES				
10 662	533	Profit before tax	12 373	15 692
0	0	Taxes paid	0	0
0	0	Gain/Loss fixed assets	0	0
0	522	Depreciation of property, plant and equipment	4 833	4 058
0	3 133	Impairment of property, plant and equipment	0	3 133
0	0	Gain/Loss sale of shares	0	0
0	2 940	Impairment of shares	0	0
3 135	0	Movement shares/funds	3 135	0
-4 146	0	Earnings from funds	-4 146	0
0	0	Change in inventories	3 854	-6 905
1 726	-811	Change in accounts receivables	-23 278	837
-617	600	Change in accounts payables	13 667	8 160
-10 479	-4 257	Other items related to operating activities	4 181	-1 967
281	2 661	NET CASH FLOW USED IN OPERATING ACTIVITIES	14 618	23 008
CASH FLOW FROM INVESTING ACTIVITIES				
0	1 430	Purchase of property, plant and equipment	-16 841	-18 991
-220 000	-4 470	Net invested in stocks and shares	-220 000	0
-4 885	-5 564	Movement in other interest bearing items	3 921	-4 003
-224 885	-8 604	NET CASH FLOW FROM INVESTING ACTIVITIES	-232 920	-22 994
CASH FLOW FROM FINANCING ACTIVITIES				
0	0	New finance debt	0	9 500
0	0	Repayment of finance debt	-3 833	0
229 136	10 000	Issue of share capital	229 136	10 000
-600	-2 422	Purchase of own shares	-600	-2 422
2 312	0	Sale of own shares	2 312	0
0	0	Repayment of borrowings	0	-3 649
230 848	7 578	NET CASH FLOW FROM FINANCING ACTIVITIES	227 014	13 429
6 243	1 635	Net change in bank deposits, cash and equivalents	8 713	13 443
2 936	1 302	Cash and equivalents at beginning of year	15 021	1 579
9 180	2 936	Cash and equivalents at end of year	23 734	15 021

NOTES TO THE FINANCIAL STATEMENTS

Summary of significant accounting policies

Basis of preparation

The Consolidated financial statements of Zaptec AS and its subsidiaries have been prepared in accordance with the Norwegian Accounting Act and associated regulations, as well as Generally Accepted Accounting Principles (GAAP) in Norway.

The Group's consolidated financial statements comprise Zaptec AS and companies in which Zaptec AS has a controlling interest. Transactions between group companies have been eliminated in the consolidated financial statement. The consolidated financial statement has been prepared in accordance with the same accounting principles for both parent and subsidiary. Investments in associated companies are accounted for by using the equity method.

Subsidiaries and investment in associates

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

Revenue recognition

Revenues from the sale of goods are recognized in the income statement once delivery has taken place and most of the risk and return has been transferred.

Revenues from the sale of services are recognized in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. Classification and valuation of balance sheet items

Non-current assets are assets intended for long-term ownership or use. All other assets are current assets. Receivables that fall due for payment within one year shall not be classified as non-current assets. Similar criteria applies to liabilities.

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

Non-current assets are written down to fair value upon any impairment that is expected not to be temporary. Long-term debt are recognized at nominal value at transaction date.

Receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Inventories

Inventories are carried in the financial statement at the lower of cost and net realizable value. The cost of inventories is determined by using the FIFO method, and includes all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Foreign currencies

Transactions in foreign currencies are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the closing rate at the balance sheet date.

Investments

Current investments (shares classified as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Market-based financial assets are measured at fair value. Dividends and other distributions are recognized in other financial income. Other non-current investments are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized in other financial income when received. Dividends that exceed the share of earnings for the period are recognized as a reduction of the acquisition cost.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Fixed assets

Tangible fixed assets are recognized in the balance sheet at cost and are depreciated over the asset's expected useful life on a straight-line basis. Repair and maintenance are expensed as incurred. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset are reduced to its recoverable amount. The reduction is recognized as an impairment loss.

Intangible assets

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established, and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs is amortized linearly over its useful life. Research costs are expensed as incurred.

Taxes

The income tax expense is comprised of both tax payable for the period, and changes in deferred tax. Deferred tax is determined on the basis of existing temporary differences between accounting net income and tax net income, including year-end loss carry-forwards, calculated at 22%. Temporary differences, both positive and negative, which will or are likely to reverse in the same period, are recorded as a net amount. A deferred tax asset are recognized for the carryforward of unused tax losses and unused tax credits to the extent that it is more likely than not that the tax asset can be utilized. Taxes payable and deferred tax are recognized directly in equity to the extent that they relate to equity transactions.

Warranties and guarantees

A general provision is estimated and accounted for under other short-term liabilities based on historical cost of warranty cases. The guarantee provision is based on historic numbers and experience.

NOTE 1 - SEGMENTS AND REVENUE

	Zaptec AS		Consolidated Group	
	2020	2019	2020	2019
By business area				
Revenue from charging equipment and services	0	0	219 754 694	156 479 497
Administration and other intercompany transactions	139 516	3 813 282	0	0
Total	139 516	3 813 252	219 754 694	156 479 497
Geographical distribution				
Norway	139 516	3 813 282	157 560 167	141 975 163
Europe	0	0	62 194 527	14 504 334
Total	139 516	3 813 282	219 754 694	156 479 497

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 2 – PAYROLL, RELATED EXPENSES AND AUDITOR'S FEE

Payroll costs	Zaptec AS		Consolidated Group	
	2020	2019	2020	2019
Salaries	0	1 167 253	31 906 228	15 232 823
Payroll tax	- 4 951	167 171	7 499 448	3 018 419
Other benefits	0	41 683	4 571 595	1 980 955
Total	-4 951	1 376 107	43 977 271	20 232 197
Average full-time employees	0	0	34	24
Management remuneration	Chief executive officer	Board of directors	Chief executive officer	Board of directors
Salaries	0	0	2 495 310	0
Bonus	0	0	1 500 000	0
Other benefits	0	0	19 049	0

Pension

The parent company does not have employees and is not required to provide an occupational pension scheme. The group is required to provide an occupational pension scheme pursuant to the Act relating to Mandatory Occupational Pensions. The group's pension schemes comply with the requirements under that law. This year's pension cost of NOK 1 712 156 is recognized in the income statement and included in Other benefits.

Remuneration to auditors	Zaptec AS	Consolidated Group
	2020	2020
Statutory audit	74 000	169 500
Other non-auditing services	231 530	302 030
Total	305 530	471 530

All amounts exclude VAT.

Loans and guarantees to management and leading employees

The group has provided a loan of NOK 46 137 to KOG Invest AS, a company owned by the CEO, outstanding amounts are linked to interest charged on previously settled loans.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 2 – PAYROLL, RELATED EXPENSES AND AUDITOR’S FEE CONTINUED

Share-based compensation

At the end of 2020, the company established a new employee stock options agreements with 4 employees, CEO Anders Thingbø, CFO Kurt Østrem, CTO Knut Braut og Kurt Aadnøy. The agreements have vesting periods ranging from 12-24 months from October 2020 for purchase rights of 1.100.000 shares at a share price ranging from NOK 13,25 to NOK 15,25. In addition, 4 employees have existing share option agreements for a total of 650 000 shares.

The table below is an overview of the new share option agreements:

Number of shares granted:	Exercise price per share:	Option vesting date:
550 000	NOK 11,25	Oct 20
550 000	NOK 13,25	Oct 21
550 000	NOK 15,25	Oct 22

There are also 100 000 options vested from previous share options agreements with exercise price per share of NOK 1,5.

The employees did not pay any premium for acquiring the options. An assessment has been made based on the best estimate regarding coverage of possible future obligations related to employer’s contribution from the option program.

NOTE 3 – FIXED ASSETS

Consolidated group	R&D / Patents	Web page	Other	Total fixed assets
Acquisition costs at 01.01	77 095 425	370 776	2 633 119	80 099 320
Additions	14 038 044	0	1 260 319	15 298 363
Disposal	0	0	0	0
Acquisition cost at 31.12	91 133 469	370 776	3 893 438	95 397 683
Accumulated depreciation 31.12	41 281 769	0	1 646 960	42 928 729
Accumulated impairment loss 31.12	3 708 548	0	0	3 708 548
Net carrying value 31.12	46 143 152	370 776	2 246 478	48 760 406
Deprecation for the year	4 151 470	0	681 087	4 832 557
Impairment loss for the year	0	0	0	0
Expected economic life	0-10 years		0-10 years	
Amortization plan	Linear		Linear	

The group develops technology. Research and development (R&D) is capitalized net of cost of development and grants received from external contributors. Capitalized development costs is amortized linearly over 10 years from the year the product is available for sales. The technology behind the products is amortized linearly over 10 years.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 4 – INCOME TAXES

	Zaptec AS		Consolidated Group	
	2020	2019	2020	2019
Tax base calculation:				
Profit before income tax	10 662 449	532 975	21 862 087	11 648 126
Permanent differences	-7 964 875	2 946 537	-2 767 895	59 486
Temporary differences	20 377	-5 371 058	-7 584 850	-10 666 340
Change in deferred tax assets	-2 717 951	0	-18 052 401	-8 130 310
Basis for calculating tax	0	-1 891 546	-6 543 059	-7 089 038
Tax payable, 22%	0	0	0	0
Income tax expense:				
Tax payable	0	0	0	0
Changes in deferred tax	-9 018 399	0	-5 361 400	-10 327 985
Total income tax expense	-9 018 399	0	-5 361 400	-10 327 985
Temporary differences:				
	2020	2019	2020	2019
Noncurrent assets	124 244	144 621	-3 196 896	-1 841 112
Inventories	0	0	-603 000	-2 571 250
Receivables	-188 727	-188 727	-406 378	-588 727
Provisions	0	0	-1 141 293	-255 977
Deferred tax liability (asset)	-40 928 239	-43 646 190	-77 002 806	-99 745 668
Excluded from deferred tax calculation	0	43 690 296	11 034 989	124 096 926
Base calculation for tax liability	-40 992 721	0	-71 315 383	19 094 192
Total temporary differences	-40 992 721	0	-71 315 383	19 094 192
Deferred tax liability (asset)	-9 018 399	0	-15 689 385	10 327 985
Deferred tax assets not recorded in the balance sheet	0	9 611 865	0	12 772 617

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 5 – INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Ultimate parent company investments:	Location:	Share ownership:	Equity:	Net profit 2020:	Book value:
Zaptec Charger AS	Stavanger	100%	57 624 711	7 838 157	92 817 188
Charge365 AS	Stavanger	100%	-1 245 348	-1 105 022	1 530 000
Zaptec IP AS	Stavanger	100%	1 120 825	289 786	2 849 452
Zaptec Power AS	Stavanger	100%	-125 929	-30 199	1
Total					97 196 641

The following entities (owned by subsidiaries) are included in the consolidation:

	Location	Share ownership	Equity (SEK)	Net profit (SEK)
ZapEV Charging Solutions AB	Stockholm	90 %	5 800 502	1 360 171

NOTE 6 – INVENTORIES

	Zaptec AS		Consolidated Group	
	2020	2019	2020	2019
Cost of inventories	0	0	13 555 061	19 938 351
- Inventory obsolescence provision	0	0	-603 000	-3 132 250
Total	0	0	12 952 061	16 806 101

NOTE 7 – ACCOUNTS RECEIVABLES

	Zaptec AS		Consolidated Group	
	2020	2019	2020	2019
Accounts receivables	134 116	1 860 125	31 039 644	7 902 077
- Bad debt provision	0	0	-259 468	-400 000
Total	134 116	1 860 125	30 780 176	7 502 077

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 8 – FINANCIAL INSTRUMENTS

	Acquisition cost	Market value	Book value
Other financial instruments	224 146 707	221 011 583	221 011 583

NOTE 9 – BANK DEPOSITS

	Zaptec AS	Consolidated group
Restricted funds for employee withholding tax	0	1 419 722
Employees tax liability	0	1 398 122

NOTE 10 – SHAREHOLDERS AND SHAREHOLDER INFORMATION

Share capital Zaptec AS 31.12.2020	Number of shares	Face value	Book value
Ordinary shares	75 009 678	0,00625	468 810,49
Sum	75 009 678		468 810

Main shareholders 31.12.2020:	Number of shares	Ownership interest	Voting rights
Valinor AS	17 424 432	23,23 %	23,23 %
State Street Bank and Trust Comp	4 200 000	5,60 %	5,60 %
Verdipapirfondet Norge Selektiv	3 927 405	5,24 %	5,24 %
Nordnet Bank AB	3 917 593	5,22 %	5,22 %
Clearstream Banking S.A.	2 950 367	3,93 %	3,93 %
Avanza Bank AS	2 682 486	3,58 %	3,58 %
Kog Invest AS	2 125 000	2,83 %	2,83 %
Verdipapirfondet DNB SMB	1 658 550	2,21 %	2,21 %
MUST Invest AS	1 554 726	2,07 %	2,07 %
J.P. Morgan Bank Luxemburg S.A.	1 409 544	1,88 %	1,88 %
Østrem Invest AS	1 300 000	1,73 %	1,73 %
Danske Bank A/S	1 200 000	1,60 %	1,60 %
Velde Holding AS	1 141 403	1,52 %	1,52 %

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 10 – SHAREHOLDERS AND SHAREHOLDER INFORMATION CONTINUED

Main shareholders 31.12.2020:	Number of shares	Ownership interest	Voting rights
J.P. Morgan Bank Luxemburg S.A	1 135 144	1,51 %	1,51 %
Whiterock AS	1 050 000	1,40 %	1,40 %
Verdipapirfondet Pareto Investment	1 047 000	1,40 %	1,40 %
Skandinaviska Enskilda Banken AB	959 000	1,28 %	1,28 %
Saamand AS	946 597	1,26 %	1,26 %
Verdipapirfondet DNB Norge Pensjon	891 501	1,19 %	1,19 %
Equinor Pensjon	802 000	1,07 %	1,07 %
Velde Eiendom Invest AS	785 714	1,05 %	1,05 %
HSBC Trinkaus & Burkhardt AG	764 898	1,02 %	1,02 %
Zaptec AS – Treasury stock	68 709	0,09 %	0,09 %
Other (less than 1% ownership)	21 067 609	28,09 %	28,09 %
Total shares	75 009 678	100 %	100 %

Stocks and options owned by management:

Name	Position	Numbers of shares	Options
Anders Thingbø	CEO	2 125 000	900 000
Kurt Østrem	CFO	1 300 000	300 000

Stocks and options owned by members of the board:

Name	Position	Numbers of shares	Options
Pål Selboe Valseth	Chairman of the board	520 000	0
Christian Rangen	Board member	564 562	0
Lars Helge Helvig	Deputy board member	17 424 432	0

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 11 – EQUITY

Zaptec AS	Issued capital	Paid-in capital	Treasury shares	Share premium fund	Other equity	Total
Equity 01.01.2020	318 186		-5 046	95 007 852	-1 883 906	93 437 086
Share repurchases-	0		-1 250		-598 750	-600 000
Treasury shares						
Treasury shares sales			5 866		2 305 884	2 311 750
New shares issued	150 625			228 985 435		229 136 060
Net profit					19 680 848	19 680 848
Employee stock options		6 287 188				6 287 188
Equity 31.12.2020	468 811	6 287 188	-429	323 993 287	19 504 076	350 252 933

Consolidated group	Issued capital	Paid-in capital	Treasury shares	Share premium fund	Other equity	Minority	Total
Equity 01.01.2020	318 186		-5 046	95 007 852	-42 097 040		53 223 953
Share repurchases-			-1 250		-598 750		-600 000
Treasury shares							
Treasury shares sales			5 866		2 305 884		2 311 750
New shares issued	150 625			228 985 435			229 136 060
Net profit					17 592 338	141 902	17 592 338
Employee stock options		6 287 188					6 287 188
Other changes					118 160	-55 296	62 864
Equity 31.12.2020	468 811	6 287 188	-429	323 993 287	-22 679 408	86 606	308 156 055

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 12 – INTERCOMPANY BALANCES WITH GROUP COMPANIES AND ASSOCIATES

	Zaptec AS	
	2020	2019
Accounts receivables	134 116	1 860 125
Other receivables	24 561 763	3 448 391
Other short term payables	11 045 920	10 240 606

These balance sheet items are eliminated in the consolidated financial statement.

NOTE 13 – SECURED DEBT

	Zaptec AS		Consolidated Group	
	2020	2019	2020	2019
Secured debt	0	0	7 666 664	11 500 000
Guaranties pledges as security	0	0	2 500 000	2 500 000
Secured in the following assets, book value:				
Fixed assets	0	0	2 246 478	1 672 246
Inventory	0	0	12 952 061	16 806 101
Accounts receivables	0	0	30 780 176	7 502 077
Total	0	0	45 978 715	25 980 424

NOTE 14 – RECEIVABLES, LIABILITIES AND GUARANTEE OBLIGATIONS

Zaptec AS:	2020	2019
Debt payable later than five years	0	0
Other long-term receivables	0	0
Off-balance sheet guarantees	0	0
Consolidated group:	2020	2019
Debt payable later than five years	0	0
Other long-term receivables	46 137	4 002 740
Off-balance sheet guarantees	2 500 000	2 500 000

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

NOTE 15 – PUBLIC GRANTS

In 2020 the group received NOK 1 274 093 in tax incentives for research and development through the government program SkatteFUNN. The incentive is a tax credit and comes in the form of a deduction from a company's payable corporate tax. The amount is recorded in the balance sheet as capitalised R&D, reducing the capitalised cost. Zaptec Charger AS received NOK 188 050 in 2020, through The Business Compensation Scheme, a government introduced measure to handle the economic consequences of the coronavirus outbreak in 2020.

NOTE 16 – TRANSACTIONS WITH RELATED PARTIES

The Group has various transactions with associated companies. All the transactions have been carried out as part of the ordinary operations and at arms -length prices. Zaptec AS's revenue from intercompany transactions in 2020 amount to NOK 159 217.

NOTE 17 – RENTAL AGREEMENTS AND LEASING

The Group has entered into lease agreements for offices in Stavanger, Oslo and Stockholm, with yearly cost of NOK 4 024 800. The rental agreements have terms varying between 1 month and 5 years. The majority of these agreements includes a warrant for renewal at the end of the agreement period.

NOTE 18 – SPECIFICATION OF OPERATING EXPENSES BY NATURE

	Zaptec AS		Consolidated Group	
	2020	2019	2020	2019
Office lease agreements etc.	0	0	2 024 020	1 573 818
Other operating expenses	1 472 322	-2 226 934	19 773 469	21 999 079
Development costs	0	0	0	0
Total	1 474 322	-2 226 934	21 797 489	23 572 897



RSM Norge AS

To the General Meeting of Zaptec AS

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Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zaptec AS showing a profit of NOK 19 680 848 in the financial statements of the parent company and profit of NOK 17 734 240 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company Zaptec AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Zaptec AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, 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.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Norge AS er medlem av /is a member of Den norske Revisorforening.

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 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.

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

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

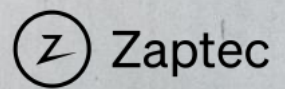
Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Sandnes, 22 April 2021
RSM Norge AS

Gunnar Golin Strøm
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.



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