

Q4 2021 Report



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## Highlights Q4 2021

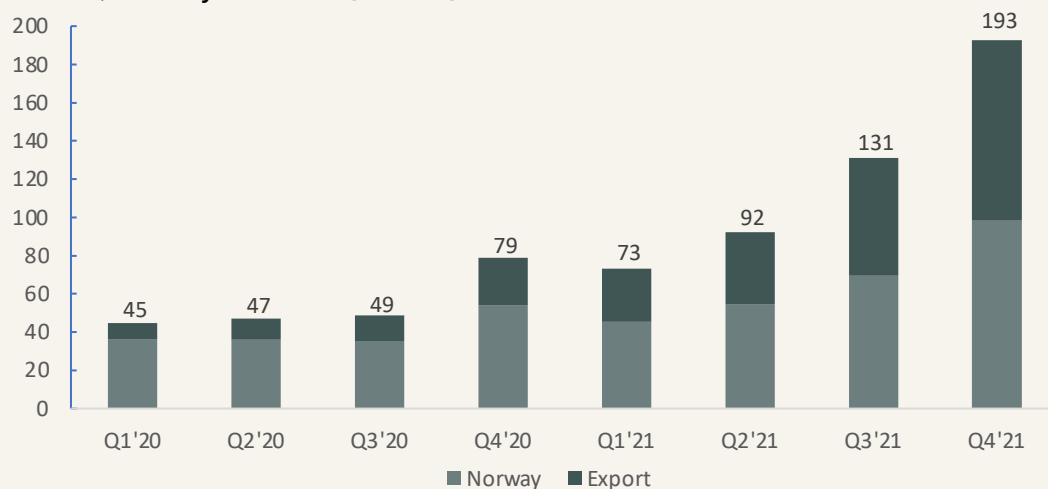
- High revenue growth of 144%
- Strong gross margin of 51%
- Adjusted EBITDA of 46.8 MNOK
- European Electric Vehicles markets continue to grow
- Backlog from Q3 delivered
- Significant retail agreements for Zaptec Go
- Export share continue to increase

## Key numbers

MNOK/%	Q4-21	Q4-20	YTD 2021	YTD 2020
Revenues	192,8	79,0	489,0	219,8
Export Share	49,0%	31,4%	45%	26,2%
Gross margin	51,4%	38,6%	44,0%	37,6%
Operating expenses	52,4 <sup>1</sup>	19,4	128,2	52,7
EBITDA adj.	46,8 <sup>1</sup>	11,1	86,9	29,9
EBITDA Margin (%)	24,3%	14,0%	17,8%	13,5%
Available liquidity	309 <sup>2</sup>	273,2	309 <sup>2</sup>	273,2

1. Adjusted for salary benefit and social cost on share option program of MNOK 9.4
2. Including funds and available overdraft facility of 50 MNOK.

## Quarterly revenue (MNOK)



## Financial Summary

### Revenues

2021 revenues increased 123% to 489.0 MNOK (219.8 MNOK). Revenues for Q4 increased 144% to 192.8 MNOK (79 MNOK).

Registered purchase orders for the fourth quarter ended at 149.8 MNOK, which is an increase of 90% compared to fourth quarter of 2020.

The export share was 49.1% in the fourth quarter, compared to 31.4% in the same period last year.

### Gross margin

Gross margin in the quarter was 51.4%, compared to 38.6% same period last year.

The achieved gross margin level is related to increased production and the following reduction of backlog of Pro units, in addition to increasing sales in Switzerland.

### Adjusted EBITDA<sup>1</sup>

2021 Adjusted EBITDA was 86.9 MNOK, which is 17.8% of revenue, compared to 13.5% for 2020.

Adjusted EBITDA in the fourth quarter was 46.8 MNOK, which is 24.3% of revenue, compared to 11.1 MNOK in the fourth quarter 2020 (14.0%).

### Liquidity Reserve

Net cash increase of 27.9 MNOK in the fourth quarter. In addition, the available overdraft facility was increased with 20 MNOK to a total of 50 MNOK.

Strong cash balance with total cash, available overdraft facility and other funds per end of December 2021 of MNOK 309 MNOK.

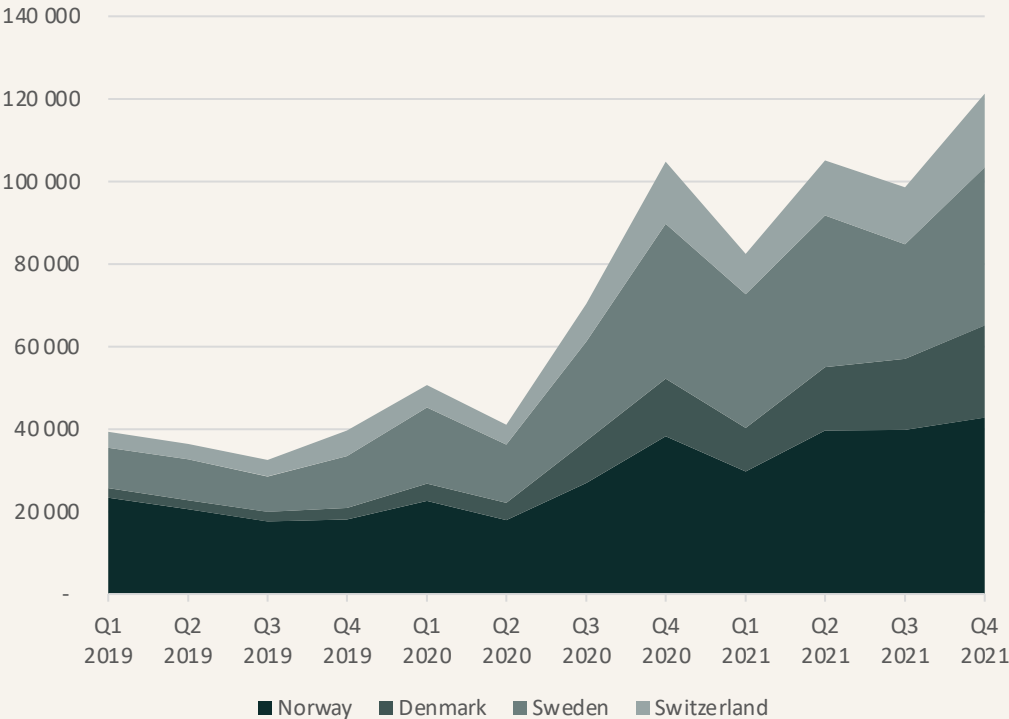
1. Adjusted for salary benefit and social cost on share option program of MNOK 9.4 for Q4-21 and MNOK 48.1 for 2021

# Operational Summary

**Electric vehicle markets** The electric vehicle (EV) markets continued to grow in Q4-21 in all of Zaptec’s main markets, with a total of 121,259 plug-ins sold in Norway, Denmark, Sweden and Switzerland, an increase of 16% compared to Q4-2020.

A total of 407.367 plug-ins were sold in these markets in 2021, compared to 266.663 in 2020 – an increase of 53% year on year.

**New Car Sales, Battery Electric Vehicle (BEV) and Plug-in Hybrid Electric Vehicle (PHEV)**



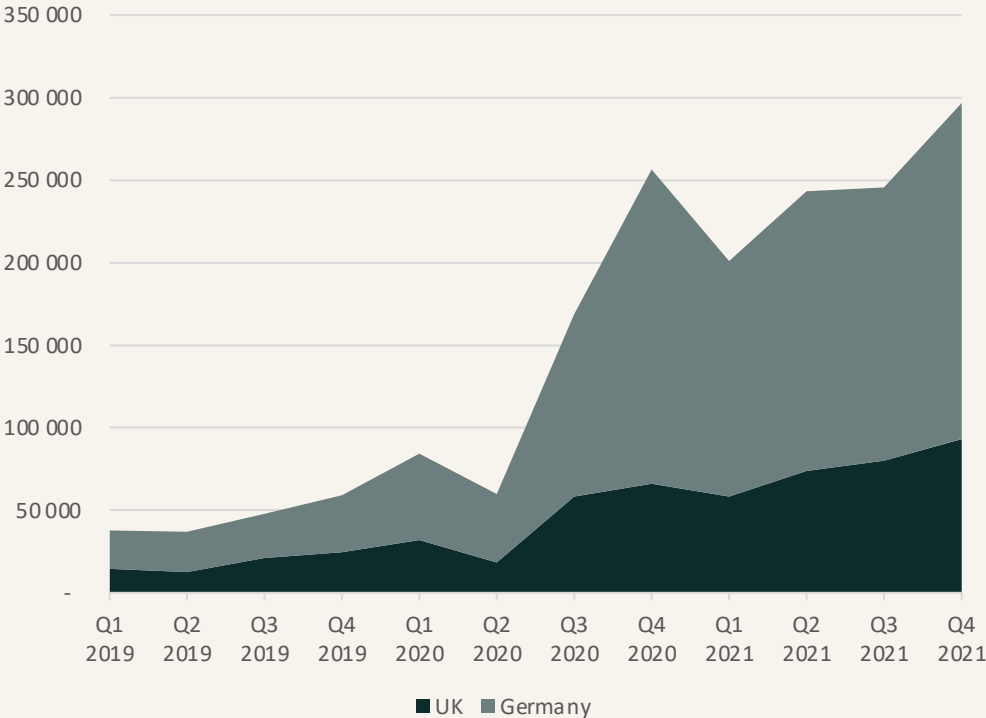
Source: Energi og Klima. Swissinfo.ch

**Electric vehicle markets cont.**

The electric vehicle markets in UK and Germany were strong in Q4-21, with almost 300.000 plug-ins sold, an increase of 16% compared to Q4-20.

A total of 986.663 plug-ins were sold in these markets in 2021, compared to 569.716 in 2020 – an increase of 73% year on year.

**New Car Sales, Battery Electric Vehicle (BEV) and Plug-in Hybrid Electric Vehicle (PHEV)**



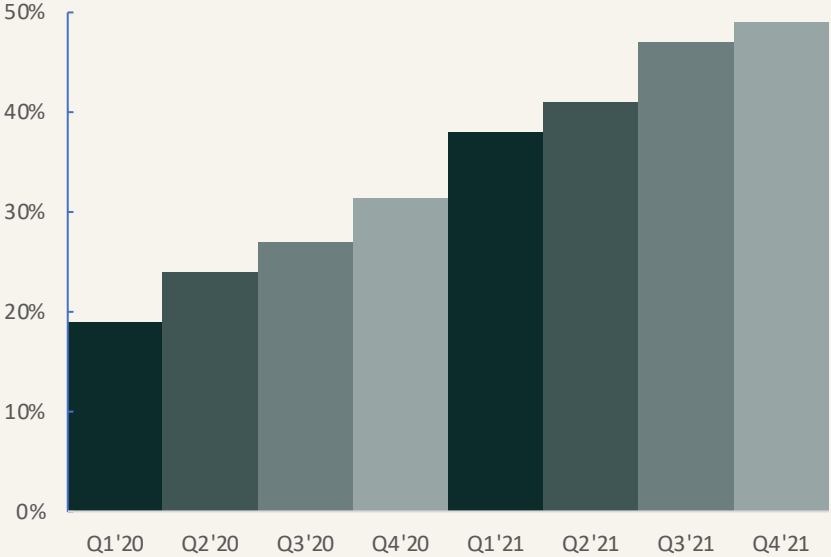
Source: InsideEVs

Internationalisation

The export share increased from 31% in Q4 20 to 49% in Q4 21.

Our largest export markets were Sweden, Denmark, Switzerland and Island. In addition, Zaptec is in the early phase of penetrating other markets.

Export share

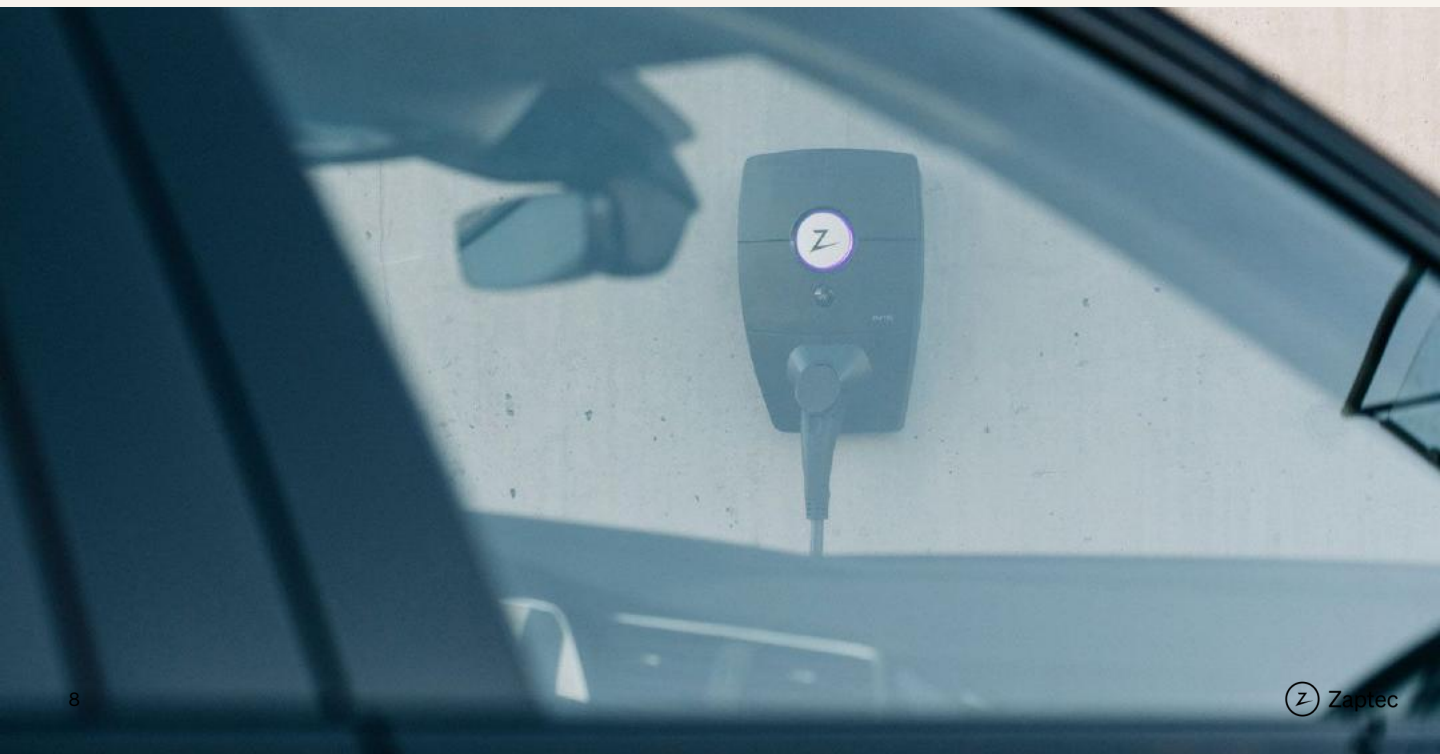


## 1485 new Pro installations

During the quarter we installed 1485 new Pro installations, up from 878 Pro installations in the same quarter last year.

In each Pro installation there are numerous parking bays where typically 15% is equipped with a Zaptec Pro charger. Hence there is a large future revenue stream for the company in these installations when more chargers are sold as the transition from cars with internal combustion engines to electric vehicles continues.

Zaptec Pro has been chosen as the large scale EV charging system in over 11.000 large buildings and parking facilities in Europe, largely due to its unique dynamic load- and phase balancing technology that will provide up to 300% more charging points and faster charging than the competition.





## Subscription for Charge365 payment services

The deployment of subscription contracts for value added services for Pro end-customers continue in Norway. During the quarter we signed 98 new contracts for automatic payment. During first half of 2022 we will launch automatic payment internationally.

Even though the recurring revenues from Charge365 is low in this early phase with 0,5 MNOK - 1 MNOK per quarter (the price model is a percentage of the energy price), we will build a large and strong portfolio of service contracts in the residential and office building markets in Europe going forward.



## Production

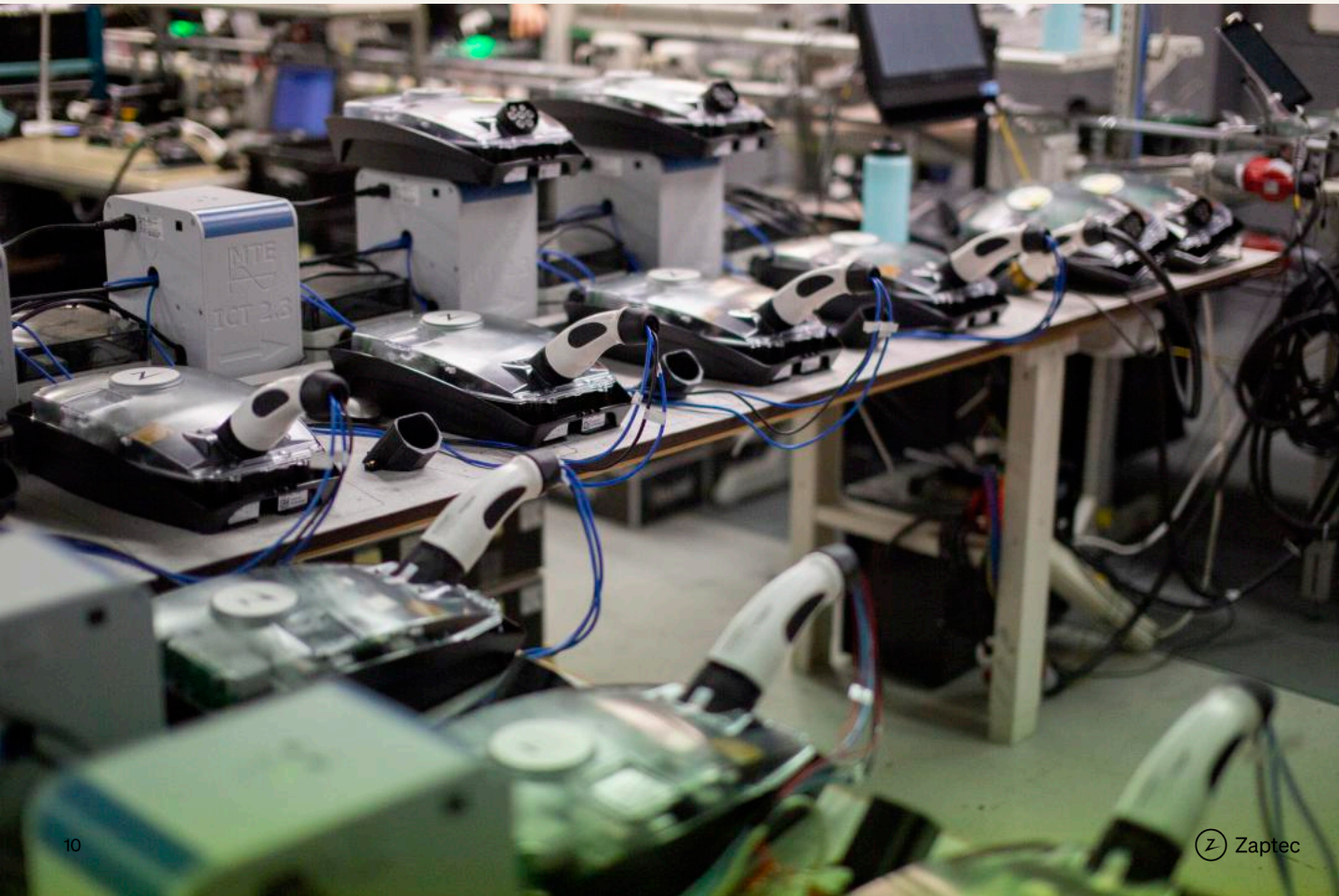
Production levels increased during the quarter, and the backlog from third quarter was delivered.

Sourcing electronic components is a continued challenge to all due to the high demand.

To support Zaptec's high growth rate and reduce risks related to component sourcing, Zaptec has signed an additional production contract with Sanmina corporation.

Sanmina is one of the largest global electronic manufacturers with production facilities strategically located to support Zaptec's expansion both in continental Europe and the US.

Sanmina is expected to be producing chargers for Zaptec by Q3-22.



## Development of a B2C strategy for the consumer segment for Zaptec Go

In 2021 Zaptec launched its new EV charging system Zaptec Go for single-family homes (B2C market). Zaptec Go is the smallest, fastest, and most cost-efficient 22 KW charger in the world and has the following features, among others:

- Cutting-edge technology with low energy loss and 100 km/h charging speed
- Small size and attractive minimalist design, delivered in 6 different colors
- Excellent safety features unique to Norwegian charging systems
- Highly attractive price point
- Value-adding software enabling low energy bills and low grid tariffs
- Easy to install and user-friendly App for the installer and end-user

Unlike the Zaptec Pro charging system, which targets the professional market (multi-family homes, businesses, public parking, etc.), Zaptec Go is a mass-market product adapted to single-family homes. The charger is like the Zaptec Pro a computer in itself with load management, energy metering, 4G and lots of other useful features. The phase balancing technology is not necessary for single family home charging hence saves on size and production cost.

The B2B and B2C markets differ from each other especially on pricing, buyer behavior and marketing. Consequently, this means that additional distribution channels are needed for the Zaptec Go. We are currently developing further our organisation, marketing strategy and mass distribution for Zaptec Go in 2021/2022 in all our European markets.

One of the new distribution channels for Zaptec Go is the fast-growing and all-digital power company Tibber. The company offers smart services using the Tibber app to reduce customers' electricity consumption, and has over 200,000 customers in Norway, Sweden, Germany and the Netherlands.

The contract with Tibber applies for the next two years, with an option to extend beyond this period.

Zaptec has also entered into a distribution agreement to sell Zaptec Go with the wholesaler Elektroskandia Norge AS.

In addition, we have expanded our distribution to retail segments such as Elkjøp and Power. These are the Nordic region's largest consumer electronics retailers, with over 600 stores and 14,000 employees.



## Outlook 2022

The EV market will continue to grow strongly with double digits.

We expect an improved access to components. Temporary value chain bottlenecks may postpone deliveries of EV 's and chargers.

We have contracted significant production volumes for 2022 exceeding 1 billion NOK in revenues.

Target EBITDA margin in the range of 15-20%



## Financial Statements

### Income Statement (all figures in NOK 1000) (Unaudited)

	2021	2020	Q4 2021	Q4 2020
<b>Operating income and operating costs</b>				
Revenue	488 972	219 755	192 814	79 002
<b>Operating income</b>	<b>488 972</b>	<b>219 755</b>	<b>192 814</b>	<b>79 002</b>
Raw materials and consumables used	273 843	137 106	93 648	48 485
Payroll expenses	113 698	43 977	37 601	21 390
Depreciation and amortisation expense	15 728	4 833	8 721	1 333
Write down of tangible and intangible assets	211	0	211	0
Other operating expense	62 559	21 797	24 117	9 535
<b>Operating expenses</b>	<b>466 039</b>	<b>207 713</b>	<b>164 298</b>	<b>80 742</b>
<b>Operating profit</b>	<b>22 934</b>	<b>12 041</b>	<b>28 516</b>	<b>-1 740</b>
<b>Financial income and expenses</b>				
Other interest income	33	181	30	120
Other financial income	5 082	4 545	4 946	4 259
Increase in market value of financial current assets	-	-	-3 076	-
Decrease in market value of financial current assets	1 930	3 135	1 524	3 135
Other interest expenses	792	958	179	193
Other financial expenses	788	302	299	30
<b>Net financial income and expenses</b>	<b>1 605</b>	<b>332</b>	<b>-102</b>	<b>1 021</b>
<b>Operating result before tax</b>	<b>24 539</b>	<b>12 373</b>	<b>28 414</b>	<b>-719</b>
Taxes on ordinary result	6 624	-5361	-3 966	-9176
<b>Operating result after tax</b>	<b>17 915</b>	<b>17 734</b>	<b>32 379</b>	<b>8 456</b>
Extraordinary income and expenses				
<b>Annual net profit</b>	<b>17 915</b>	<b>17 734</b>	<b>32 379</b>	<b>8 456</b>
Minority share	-	142	-421	142
Majority share	17 915	17 592	32 801	8 314
<b>Brought forward</b>				
Settling loss brought forward	17 915	17 734	32 379	8 456
<b>Total allocated</b>	<b>17 915</b>	<b>17 734</b>	<b>32 379</b>	<b>8 456</b>

**Balance Sheet – Assets** (all figures in NOK 1000)  
(Unauditet)

	<b>2021</b>	<b>2020</b>
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>		
Research and development	43 954	35 298
Concessions, patents, licences, trademark	10 259	11 216
Deferred tax asset	6 817	15 689
Goodwill	82 948	-
<b>Total intangible assets</b>	<b>143 978</b>	<b>62 203</b>
<b>Tangible fixed assets</b>		
Equipment and other movables	5 060	2 246
<b>Total tangible fixed assets</b>	<b>5 060</b>	<b>2 246</b>
<b>Financial fixed assets</b>		
Investments in subsidiaries	-	-
Loans to group companies	-	-
Other receivables	192	82
<b>Total financial fixed assets</b>	<b>192</b>	<b>82</b>
<b>Total fixed assets</b>	<b>149 230</b>	<b>64 532</b>
<b>Current assets</b>		
<b>Inventories</b>	<b>26 055</b>	<b>12 952</b>
<b>Debtors</b>		
Accounts receivables	80 333	30 780
Other receivables	26 698	8 854
<b>Total debtors</b>	<b>107 031</b>	<b>39 634</b>
Investments		
Other quoted financial instruments	183 500	221 012
<b>Total investments</b>	<b>183 500</b>	<b>221 012</b>
<b>Cash and bank deposits</b>	<b>75 479</b>	<b>23 734</b>
<b>Total current assets</b>	<b>392 064</b>	<b>297 332</b>
<b>Total assets</b>	<b>541 294</b>	<b>361 864</b>

**Balance Sheet – Equity & Liabilities** (all figures in NOK 1000)  
(Unaudited)

	<b>2021</b>	<b>2020</b>
<b>Equity</b>		
Share capital	475	469
Own shares	-	-
Share premium reserve	355 362	323 993
Other paid-in equity	47 540	6 287
<b>Total restricted equity</b>	<b>403 377</b>	<b>330 749</b>
<b>Retained earnings</b>		
Other equity		
Loss brought forward	-3 033	-22 679
Unregistered capital increase	3 825	-
<b>Total retained earnings</b>	<b>792</b>	<b>-22 679</b>
Minority interests	-	87
<b>Total equity</b>	<b>404 169</b>	<b>308 156</b>
<b>Liabilities</b>		
Other provisions	5 851	886
<b>Total provisions</b>	<b>5 851</b>	<b>886</b>
Other long-term liabilities	-	-
Liabilities to financial institutions	3 833	7 667
<b>Total of other long term liabilities</b>	<b>3 833</b>	<b>7 667</b>
<b>Current liabilities</b>		
Trade creditors	65 897	32 639
Tax payable	-	-
Public duties payable	9 278	7 329
Other short term liabilities	52 266	5 187
<b>Total short term liabilities</b>	<b>127 441</b>	<b>45 154</b>
<b>Total liabilities</b>	<b>137 125</b>	<b>53 708</b>
<b>Total equity and liabilities</b>	<b>541 294</b>	<b>361 864</b>

**Statement of cash flows** (all figures in NOK 1000)  
(Unauditet)

	2021	Q4-21	2020
<b>Cash flow from operating activities</b>			
Profit before tax	24 539	28 414	12 373
Taxes paid	-	-	-
Gain/Loss fixed assets	-	-	-
Depreciation of property, plant and equipment	15 728	8 721	4 833
Write down of tangible and intangible assets	211	211	-
Gain/Loss sale of shares/funds	-4 679	-4 908	-
Impairment of shares	-	-	-
Movement shares/funds	1 930	4 600	3 135
Earnings from funds	-	-	-4 147
Change in inventories	-10 446	-3 296	3 854
Change in accounts receivables	-38 471	2 138	-23 278
Change in accounts payables	28 438	-3 383	13 667
Other items related to operating activities	34 333	8 263	4 181
<b>Net cash flow used in operating activities</b>	<b>51 582</b>	<b>40 760</b>	<b>14 618</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment activities	-17 799	-57	-16 841
Purchase of shares	-39 495	-6 139	-
Cash from acquisitions	11 202	-	-
Net invested in stocks and shares	40 000	-	-220 000
Movement in other interest-bearing items	-110	-192	3 921
<b>Net cash flow from investing activities</b>	<b>-6 202</b>	<b>-6 388</b>	<b>-232 920</b>
<b>Cash flow from financing activities</b>			
New finance debt			
Repayment of finance debt	- 3 833	-958	-3 833
Purchase of own shares	-	-	-600
Sale of own shares	2 998	2 998	2 312
Issue of share capital	7 200	3 825	229 136
Net change in overdraft facility	-	-12 366	-
<b>Net cash flow from financing activities</b>	<b>6 365</b>	<b>-6 501</b>	<b>227 014</b>
<b>Net change in bank deposits, cash and equivalents</b>	<b>51 745</b>	<b>27 871</b>	<b>8 713</b>
<b>Cash and equivalents at beginning of period</b>	<b>23 734</b>	<b>47 607</b>	<b>15 021</b>
<b>Cash and equivalents at end of period</b>	<b>75 479</b>	<b>75 479</b>	<b>23 734</b>



## **Disclaimer – forward looking statements**

### Cautionary Statement Regarding Forward-Looking Statements

In addition to historical information, this presentation contains statements relating to our future business and/or results. These statements include certain projections and business trends that are “forward-looking.” All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including statements preceded by, followed by or that include the words “estimate,” pro forma numbers, “plan,” project,” “forecast,” “intend,” “expect,” “predict,” “anticipate,” “believe,” “think,” “view,” “seek,” “target,” “goal”, “outlook” or similar expressions; any projections of earnings, revenues, expenses, synergies, margins or other financial items; any statements of the plans, strategies and objectives of management for future operations, including integration and any potential restructuring plans; any statements concerning proposed new products, services, developments or industry rankings; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements do not guarantee future performance and involve risks and uncertainties. Actual results may differ materially from projected results/pro forma results as a result of certain risks and uncertainties. Further information about these risks and uncertainties are set forth in our most recent annual report for the Year ending December 31, 2020. These forward-looking statements are made only as of the date of this press release. We do not undertake any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in our records and other data available from Fourth parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies, which are impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.



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