

Q2 2022 Report



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Highlights Q2 2022

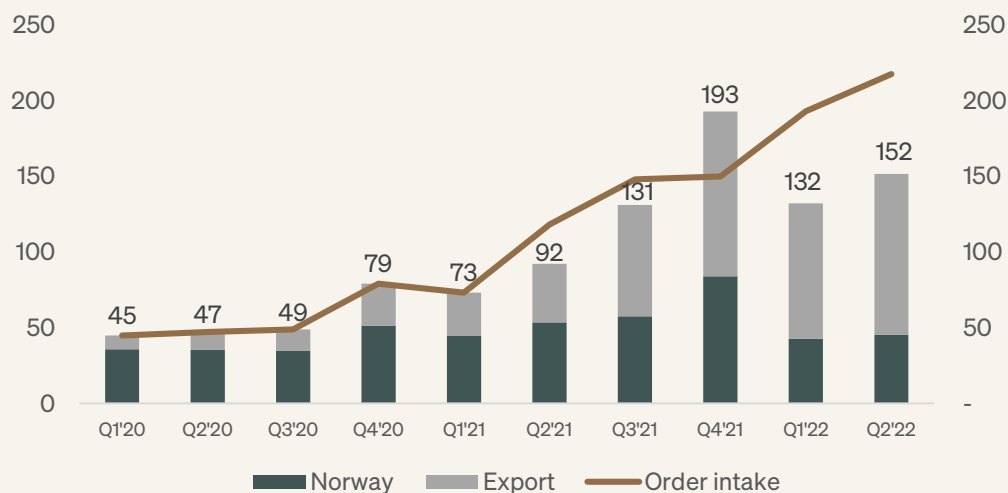
- Strong purchase orders registration of 218 MNOK, up 84%
- Revenue growth of 65% despite production stop in April
- Production going forward secured and second production partner Sanmina on track
- Export share increased to 70%
- Gross margin of 42%
- Adjusted EBITDA of 7.7 MNOK

Key numbers

MNOK/%	Q2-22	Q2-21	YTD 2022	YTD 2021
Revenues	151.5	92.1	283.7	165.2
Export Share	70%	41%	69%	40%
Gross margin	41.9%	35.8%	43.9%	34.7%
Operating expenses	55.8 ¹	21.2	107.7	40.1
EBITDA adj.	7.7 ¹	11.7	16.8	17.3
EBITDA Margin (%)	5.1%	12.8%	5.9%	10.4%
Available liquidity	245.3 ²	286.2	245.3	286.2

1. Adjusted for salary benefit and social cost on share option program and share program for employees of MNOK -2.7, YTD 6.7 MNOK
2. Including cash, deposits, funds and available overdraft facility of 50 MNOK.

Quarterly revenue and order intake (MNOK)



Financial Summary

Revenues

Second quarter revenue of 151.5 MNOK, which is an increase of 65% compared to the same period last year.

Registered purchase orders in the second quarter was 218 MNOK, an increase of 84% compared to the same period last year.

The export share was 70% in the second quarter compared to 41% in the same period last year.

Gross margin

Gross margin in the quarter was 41.9% compared to 35.8% same period last year.

Adjusted EBITDA¹

Adjusted EBITDA in the second quarter of 7.7 MNOK compared to 11.7 MNOK in second quarter 2021.

The lower EBITDA in the quarter is regarded temporary and directly linked to the production stop in April.

Liquidity Reserve

Strong cash balance with total cash, available overdraft facility, deposits and other funds per end of June 2022 of MNOK 245 MNOK.

1. Adjusted for salary benefit and social cost on share option program and share program for employees of MNOK -2.7

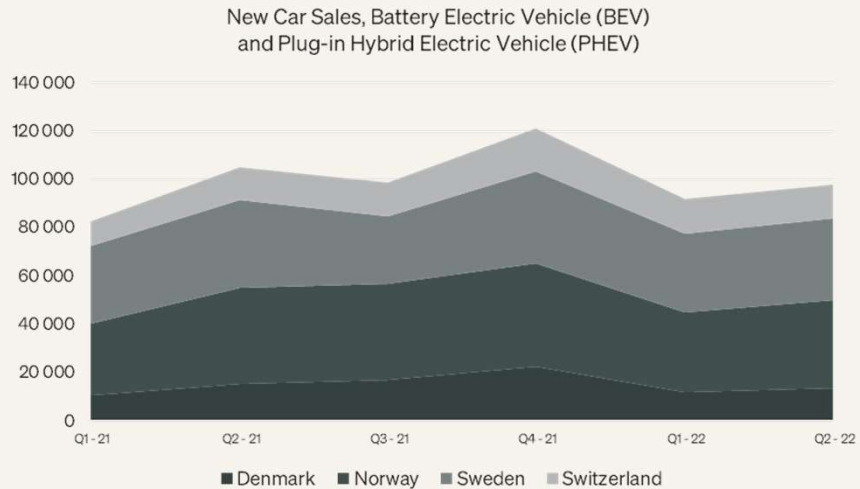
Operational Summary

Electric vehicle markets

In Zaptec's main markets Norway, Denmark, Sweden and Switzerland, new passenger plug-in car registrations increased by 6% in Q2-22 compared to Q1-22. When compared to the same quarter last year we see a decrease of 7% (from 105 063 in Q2-21 to 97 730 in Q2-22).

The development in the first half year is in line with prior year. We see an increase from first to second quarter after a decrease from fourth to first quarter.

New registrations in the first half year is almost at level with the same period last year, with only a slight increase of 2 053 (1%) new passenger plug-in car registrations in the current year.



Source: ofv.no, bilstatistik.dk, powercircle.org, Swissinfo.ch

Electric vehicle markets cont.

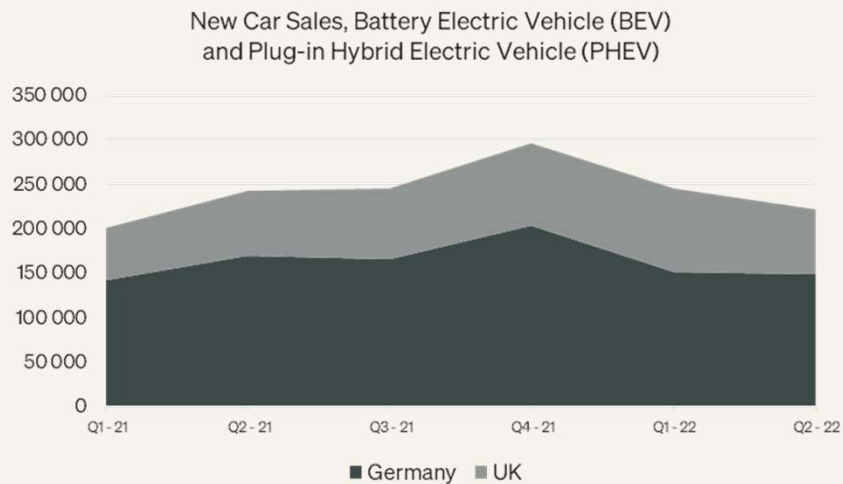
In Q2-22 a total of 221 240 new passenger plug-in cars were registered in UK and Germany. This is approximately 22 000 fewer than in the previous quarter.

UK

As shown by the graph below the main reduction comes from UK. In UK the new passenger car registrations decreased by 11,9% in the first half of the year to 802 079 registrations. However, the plug-in cars market share expanded to 21% (166 512 registrations) in the period, up from 15% compared to the same period last year. Nevertheless, the situation on the total market is challenging; contributing factors being the ongoing supply constraints and the struggling economy.

Germany

In the first half of the year new car registrations in Germany decreased by 11% to 1 237 975 registrations. Out of this 306 143 were plug-in cars (market share of 24,7%). We see a decrease of 2% in this segment when comparing to the same period last year, implying that the rate of decrease is lower than the market average. The new passenger car registrations in Germany had in June it's fourth consecutive decrease.

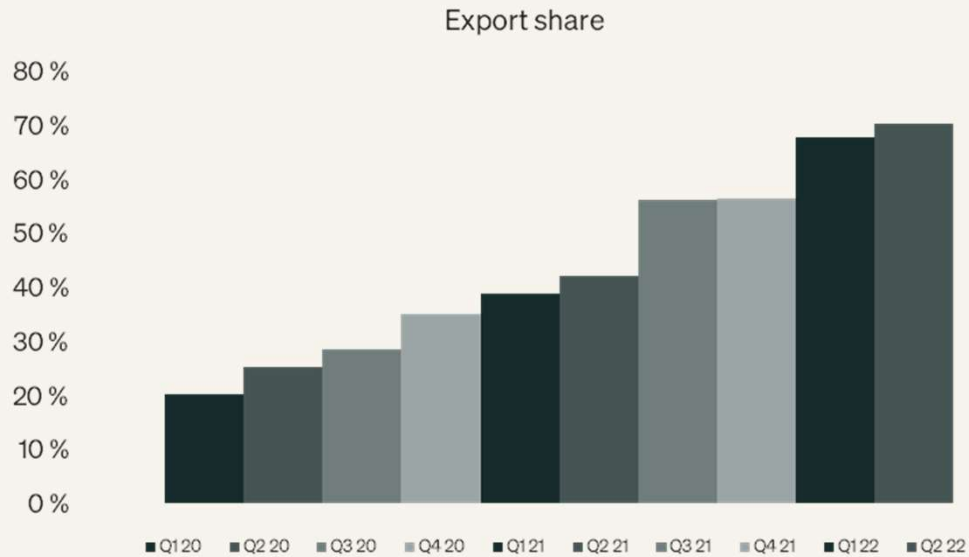


Source: InsideEVs

Internationalisation

The export share increased from 41% in Q2-21 to 70% in Q2-22.

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



1527 car parks ready to go with Zaptec Pro

We managed to prepare a total of 1527 car parks with Zaptec Pro chargers during the quarter. That is up from 1470 car park installations last quarter.

Providing chargers to car parks and making public parking spaces ready for the EV domination, is essential for us. Not only do we have the technology we need to provide faster charging points for such public parking, but this is also a sizeable future revenue stream for the company.

There are several parking possibilities in each car park, where typically 20% is equipped with a Zaptec charger.

As the EV demand increase, the car park owner can add multiple Zaptec Pro chargers to the same car park several months- or years later which may add to demand.

Zaptec Pro has been chosen as the large-scale EV charging system in Europe for over 14.000 large buildings and parking facilities.



Subscription for payment services

Charge365

The deployment of subscription contracts for value added services for Pro end-customers continue in Norway. During the quarter we signed 82 new contracts for automatic payment (1Q 165) – having approximately 1500 installations and more than 13 000 chargers connected with Charge365 in Norway. Charge365 has now more than 13 000 active unique users.

The recurring revenues from Charge365 is steadily increasing, with a revenue of more than 1,3 MNOK this quarter.

Approximately 20% of Zaptec installations in Norway chooses Charge365 as the service partner to take care of the automatic payment in the installation.

Zaptec Park

To be able to provide a payment solution in other markets quickly, Zaptec entered into an agreement with Monta to provide our customers with one of the best and most flexible payment solution in the market.

Zaptec Park consists of Zaptec Park portal – where the site manager can administer the installation with users, prices, and access. In addition, Zaptec Park app provides the end-user with necessary overview of charging history, payment methods, charge keys and roaming. Zaptec Park gives the user a safe, easy, and simple charging experience.

The agreement was entered into in May 2022 – and the solution was launched in the Swedish market June 2022. Zaptec Park will be launched in other European countries in the autumn 2022.



Market development during second quarter

Zaptec continues to grow strongly in the international markets by increasing sales in our existing markets and expanding our presence in additional markets.

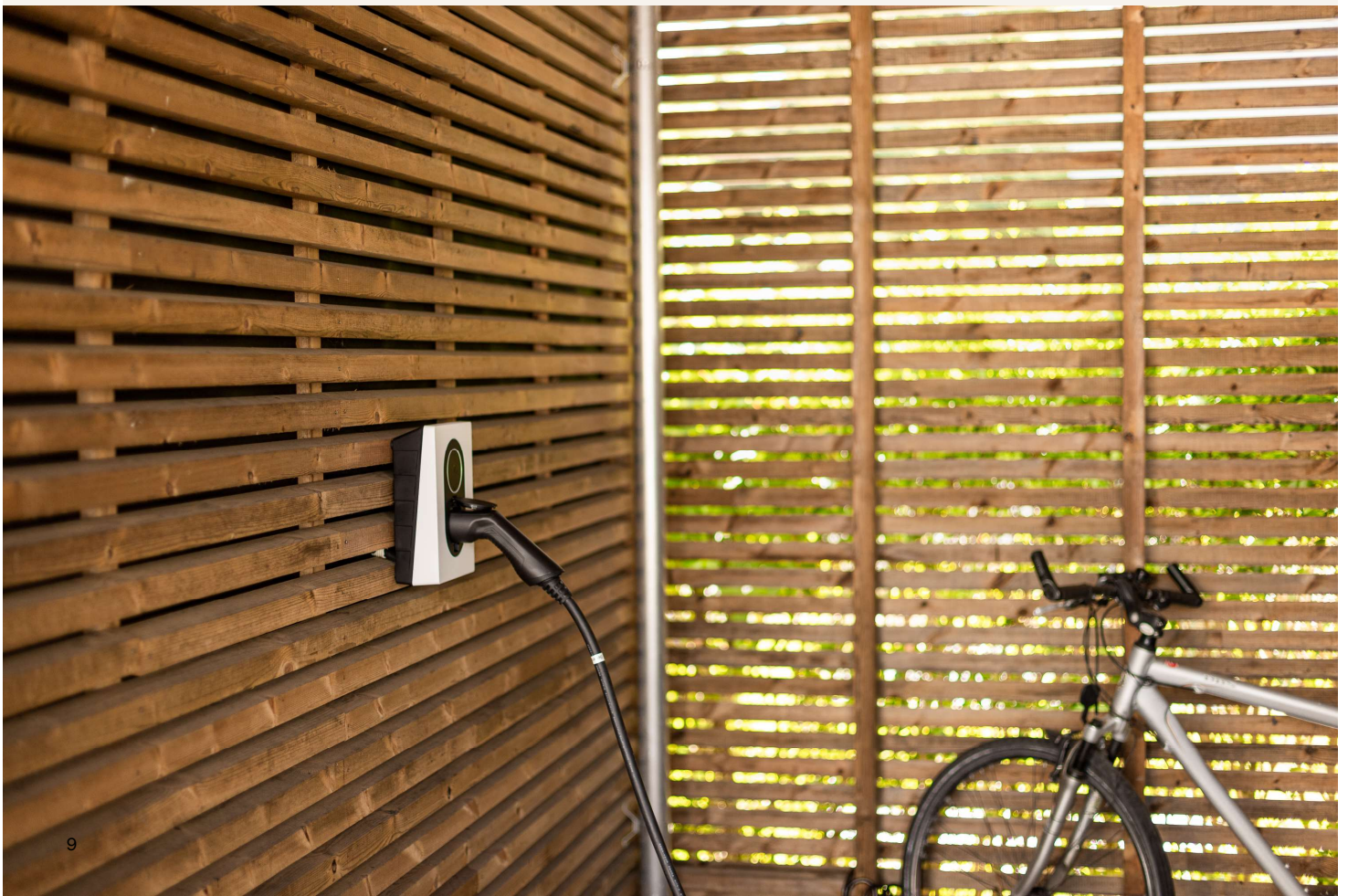
During Q2, we signed a Country Manager for the Benelux area to start up our new subsidiary in the area. We already have sales in Belgium and the Netherlands via distributors, and we see that Benelux will be an increasingly important market.

Zaptec Germany signed an agreement with ChargeGuru, providing a Germany-wide platform of certified installers. The partnership has the potential for further international collaboration.

“We are very happy to have signed this partnership with Zaptec, one of the leading brands in the field of EV charging equipment. Together, we believe we can advance eMobility in Germany and help shape the future of transportation.”- Says Florian Chan, Managing Director of ChargeGuru.

Zaptec Denmark signed a reseller agreement with NRGI, a Danish utility with 220 000 customers.

Our Danish subsidiary also signed a reseller agreement with KW Bruun – A car importer with seven brands, including Stellantis. KW Bruun has already placed an order of 1 000 Zaptec Go.



Production

As previously announced, Zaptec had a production stop in April which resulted in a greater backlog on both Zaptec Pro and Zaptec Go at the end of the second quarter.

The production lines has been running as planned since May, but due to high sales we do not expect the backlog of Zaptec Pro to be eliminated until Q1 2023. However, we expect the backlog of Zaptec GO to be eliminated in Q3 2022 due to increased production volumes on this product.

Sourcing of electronic components will likely be a challenge for an indefinite period, although there are some indications of shorter lead-times and improving availability. Zaptec have acted both technically and within the supply chain to prevent any further delay in production and will continue to do so.

Production start at Sanmina is confirmed, where the first prototyping is scheduled in September. Mass production is estimated to start in Q1-2023.



Outlook

The conditions for component sourcing and logistics is a challenge both for Zaptec and its competitors. Despite this situation, global commitments towards sustainable energy and the shift towards e-mobility remains resolute and unchanged, resulting in a large order book at the end of second quarter.

For Zaptec the situation is stabilized. Components are in stock, and production is increasing at Westcontrol.

In addition to this, future production capacity aimed at following Zaptec's targeted revenue growth rate of minimum 70% is secured and on track with the additional production partner Sanmina Corp.

Long term target EBITDA margin remains in the range of 15-20%.



INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

In NOK 1000
(Unaudited)

	Q2 2022	Q2 2021	30.06.2022	30.06.2021
Operating income and operating expenses				
Revenue	151 550	92 116	283 727	165 197
Operating income	151 550	92 116	283 727	165 197
Raw materials and consumables used	88 084	59 117	159 193	107 880
Payroll expenses	20 590	12 771	51 066	32 155
Depreciation and amortisation expense	6 828	1 235	13 509	2 497
Other operating expenses	32 475	13 382	63 293	23 504
Operating expenses	147 978	86 506	287 061	166 036
Operating profit	3 572	5 610	-3 333	-839
Financial income and expenses				
Other interest income	0	1	0	2
Other financial income	789	90	832	98
Increase in market value of financial current assets	307	1 244	770	2 224
Decrease in market value of financial current assets	2 710	0	5 312	0
Other interest expenses	261	178	456	339
Other financial expenses	806	289	886	383
Net financial income (+) and expenses (-)	-2 681	868	-5 053	1 601
Profit before tax	891	6 477	-8 387	762
Income tax expense(+)/benefit (-)	2 721	2 650	446	3 320
Profit after tax	-1 830	3 827	-8 832	-2 558
Other comprehensive income				
Total comprehensive income for the year	-1 830	3 827	-8 832	-2 558
Minority share	0	-81	0	-127
Majority share	-1 830	3 909	-8 832	-2 430
Brought forward				
Loss brought forward	0	0	0	0
From other equity	1 830	-3 909	8 832	2 430
Total allocated	1 830	-3 909	8 832	2 430

BALANCE SHEET - ASSETS

In NOK 1000
(Unaudited)

	30.06.2022	30.06.2021
Non-current assets		
Intangible fixed assets		
Research and development	48 641	45 730
Concessions, patents, licences, trademark	9 759	11 594
Deferred tax asset	12 156	12 369
Goodwill	73 626	0
Total intangible assets	144 181	69 693
Tangible fixed assets		
Equipment and other movables	7 599	3 482
Total tangible fixed assets	7 599	3 482
Financial fixed assets		
Other receivables	0	35
Total financial fixed assets	0	35
Total current assets	151 780	73 210
Current assets		
Inventories	22 083	17 758
Debtors		
Accounts receivables	113 155	26 428
Other receivables	68 079	9 554
Total debtors	181 234	35 981
Investments		
Other quoted financial instruments	87 736	183 006
Total investments	87 736	183 006
Cash and cash equivalents	132 122	73 201
Total current assets	423 176	309 946
Total assets	574 956	383 156

BALANCE SHEET - LIABILITIES

In NOK 1000
(Unaudited)

	30.06.2022	30.06.2021
Equity and liabilities		
Share capital	478	471
Own shares	-1	0
Share premium reserve	359 185	327 366
Other paid-in capital	26 255	19 142
Total restricted equity	385 916	346 978
Retained earnings		
Loss brought forward	-25 053	-25 126
Total retained earnings	-25 053	-25 126
Minority interests	0	-42
Total equity	360 863	321 810
Liabilities		
Other provisions	2 404	2 699
Total provisions	2 404	2 699
Other long-term liabilities		
Liabilities to financial institutions	1 917	5 750
Total of other long term liabilities	1 917	5 750
Current liabilities		
Liabilities to financial institutions	24 509	0
Accounts payable	92 383	48 225
Tax payable	15 455	0
Public duties payable	10 548	1 093
Other short term liabilities	66 877	3 579
Total short term liabilities	209 773	52 897
Total liabilities	214 093	61 346
Total equity and liabilities	574 956	383 156

STATEMENT OF CASH FLOWS

In NOK 1000
(Unaudited)

	Q2 2022	Q2 2021	30.06.2022	30.06.2021
Cash flow from operating activities				
Profit before tax	891	6 477	-8 387	762
Taxes paid	-774	0	-1 894	0
Depreciation of property, plant and equipment	6 828	1 235	13 509	2 497
Write down of tangible and intangible assets	0	0	0	0
Impairment of shares	0	229	0	229
Gain/Loss sale of shares/funds	0	0	0	0
Movement shares/funds	2 403	-1 244	4 542	-2 224
Change in inventories	-6 929	1 149	4 089	-4 806
Change in accounts receivables	-41 426	5 666	-32 239	4 352
Change in accounts payables	33 755	6 124	26 240	15 586
Other items related to operating activities	-42 875	4 346	-43 823	6 106
Net cash flow used in operating activities	-48 128	23 983	-37 962	22 504
Cash flow from investing activities				
Purchase of property, plant and equipment activities	-6 724	-8 267	-11 470	-14 542
Cash from acquisitions	0	0	0	0
Net invested in stocks and shares	91 006	40 000	91 006	40 000
Movement in other interest-bearing items	275	11	192	47
Net cash flow from investing activities	84 557	31 744	79 728	25 504
Cash flow from financing activities				
Repayment of finance debt	-958	-958	-1 917	-1 917
Purchase of own shares	-9 057	0	-9 057	0
Sale of own shares	563	0	563	0
Issue of share capital	-563	0	0	3 375
Net change in overdraft facility	9 528	-1 127	24 509	0
Net cash flow from financing activities	-487	-2 085	14 098	1 458
Net change in bank deposits, cash and equivalents	35 942	53 642	55 864	49 467
Cash and equivalents at beginning of period	96 179	19 559	76 258	23 734
Cash and equivalents at end of period	132 122	73 201	132 122	73 201

STATEMENT OF CHANGES IN EQUITY

In NOK 1000
(Unaudited)

Zaptec AS

	Issued capital	Paid-in capital	Treasury shares	Share premium fund	Non- registered capital	Other equity	Total
Equity 01.01	475 060	47 540 272	-130	355 362 037	3 825 000	29 939 568	437 141 808
Share capital increase	2 500			3 822 500	-3 825 000		0
Treasury shares sales			313			562 187	562 500
Treasury shares bought			-1 563			-9 055 460	-9 057 022
Net profit						-6 318 046	-6 318 046
Employee stock options		-21 285 202					-21 285 202
Equity 30.06	477 561	26 255 070	-1 380	359 184 537	0	15 128 251	401 044 039

Consolidated group

	Issued capital	Paid-in capital	Treasury shares	Share premium fund	Non- registered capital	Loss brought forward	Total
Equity 01.01	475 060	47 540 272	-130	355 362 037	3 825 000	-11 783 328	395 418 911
Share capital increase	2 500			3 822 500	-3 825 000		0
Treasury shares sales			313			562 187	562 500
Treasury shares bought			-1 563			-9 055 460	-9 057 022
Net profit						-8 832 134	-8 832 134
Employee stock options		-21 285 202					-21 285 202
Translation						4 055 943	4 055 943
Equity 30.06	477 561	26 255 070	-1 380	359 184 537	0	-25 052 792	360 862 994

NOTES

Note 1 - General information and basis for preparation

The interim condensed consolidated financial statements consists of the Group. The interim condensed consolidated financial statements (interim report) for the second quarter and first half year ended 30 June 2022 have been prepared in accordance with The Norwegian Accounting Act and generally accepted accounting practice in Norway.

The interim condensed consolidated financial statements do 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 accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31. december 2021. The Interim financial information for the quarters ended 30. june 2022 and 30. june 2021 are unaudited. The 2021 audited financial statements were approved by the Board of Directors on 07. april 2022.

Note 2 - Share based payments

Zaptec has granted share options to board members, management and key personnel. As of 30.06.2022 there are 700 000 outstanding options with a weighted average strike price of NOK 11,36.

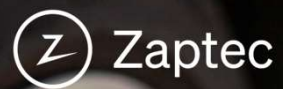
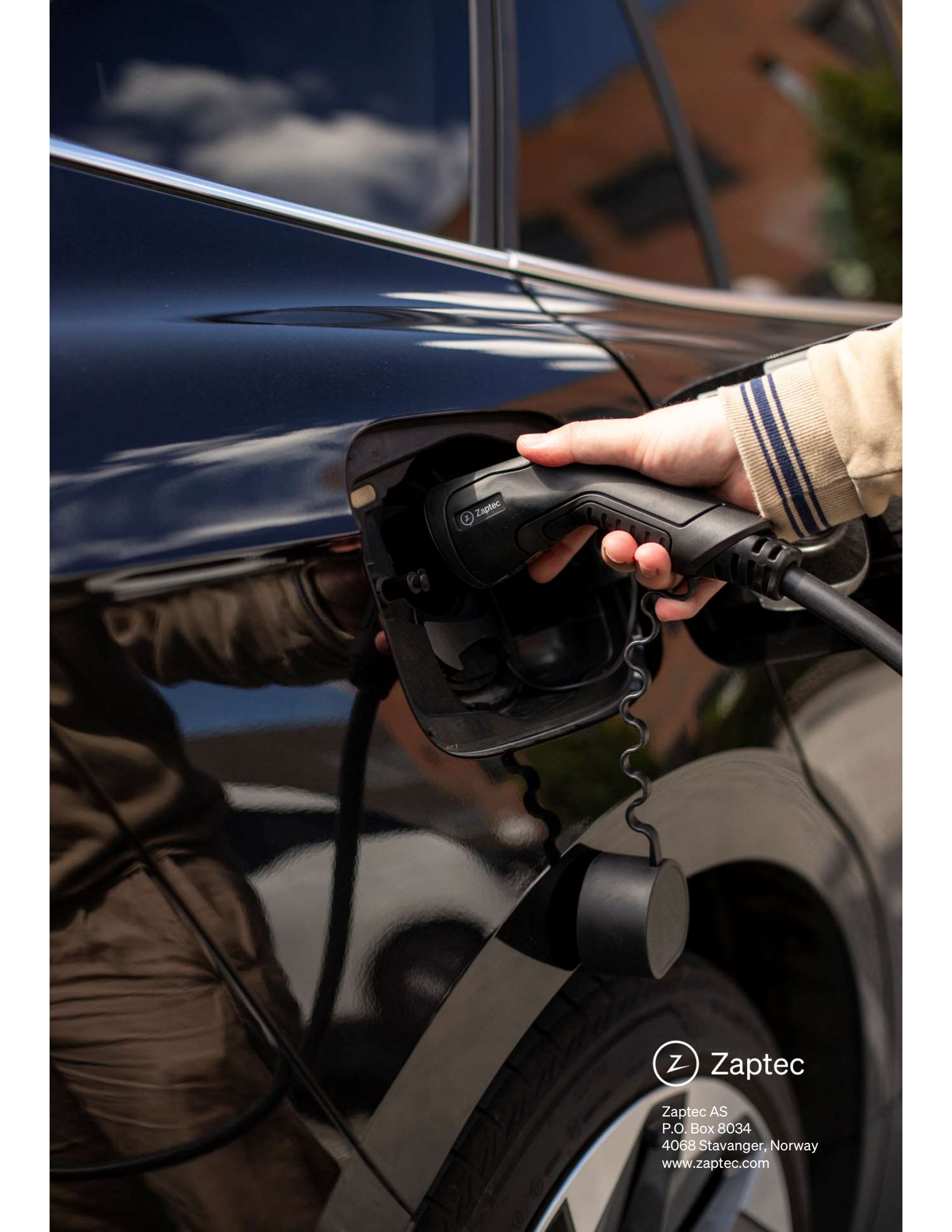
Expense in Q2 2021 was NOK -2,52M, and YTD2022 NOK -12,96 M.

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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