

# Q3 Report 2023



15 November 2023

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# Update from the CEO



Dear shareholders,

I am pleased to report excellent financial results for the third quarter. We delivered all-time-high quarterly revenue and EBITDA, on the back of continued strong revenue growth, improved product margins and continued cost control.

In the third quarter we crossed the significant milestone of surpassing 1 billion NOK in revenue in 2023. Our order backlog is substantial, with order intake exceeding production levels. We achieved a timely production ramp-up in the third quarter, including the start of Zaptec Go production at Sanmina, enhancing our future flexibility with production lines at Westcontrol and Sanmina

In response to the dynamics of the current market, temporarily impacting the order intake, we are adapting our production levels to align output with demand. I am confident that this is temporary – European governments must reduce vehicle emissions, and they will do so with incentives to make it happen. Remember, electrification of the vehicle fleet is a megatrend that is here to stay.

Going forward, we anticipate sales closely correlated with EV sales, which is forecasted to accelerate across Europe from 2025 onwards. With sustained cost control and financial flexibility, Zaptec is poised to play a pivotal role in the ongoing electrification of the transportation sector.

I deeply appreciate our employees' dedication, vital to our success in the short and long term. Thank you for your hard work and commitment.

*Kurt Østrem*  
Acting CEO and CFO

# Highlights Q3 2023

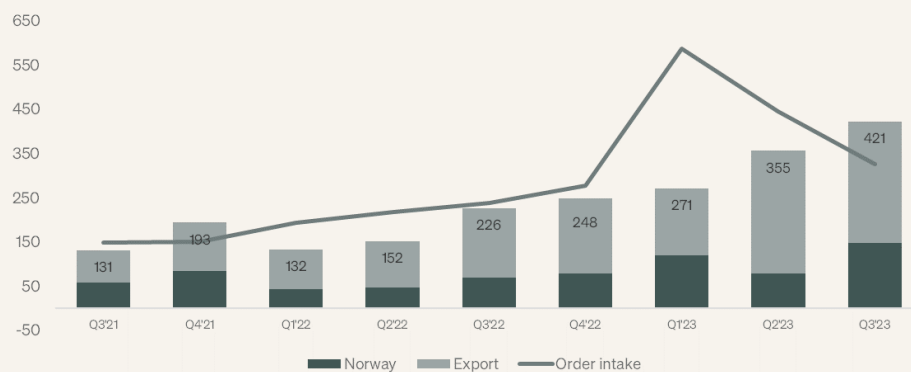
- 1 billion NOK revenue YTD milestone reached
- All time high quarterly revenue of 421 mill NOK, 86% above Q3 2022
- Continued strong order intake of 326 mill NOK, 37% above Q3 2022
- Order backlog of 483 mill NOK
- Production ramp-up delivered according to plan
- Gross margin of 41%.
- Strong EBITDA of 53 mill NOK, up 253% from Q3 2022

## Key financial figures

MNOK/%	Q3-23	Q3-22	YTD 2023	YTD 2022
Revenues	421	226	1047	510
Export Share	65%	70%	67%	69%
Gross margin	41%	39%	39%	42%
Opex	120	73	334	186
EBITDA	53	15	80	27
EBITDA Margin (%)	13%	7%	8%	5%
Available liquidity	232 <sup>1</sup>	265	232 <sup>1</sup>	265

<sup>1</sup> Including cash, deposits, funds and un-used overdraft facility of 70MNOK

## Quarterly revenue and order intake (MNOK)



# Financial summary

## Revenue

Third quarter revenue of 421 MNOK, which is an increase of 86% compared to the same period last year.

Registered purchase orders in the third quarter was 326 MNOK, an increase of 37% compared to the same period last year. The backlog of orders of 483 MNOK has scheduled deliveries from Q4 2023 throughout 2024.

The export share was 65% in the third quarter compared to 70% in the same period last year due to strong deliveries within Norway.

## Gross margin

Gross margin in the quarter was 41% compared to 39% same period last year, mainly due to reduction in COGS which came in effect from August on both main products.

## Opex

Total employee benefit expenses and other operating expenses in the third quarter was 120 MNOK compared to 73 MNOK in same period last year.

Personnel expenses in the third quarter of 69 MNOK, which is an increase of 78% compared to same period last year. At the end of September 2023 Zaptec had 177 employees, compared to 128 employees at end of September 2022. In addition, accrual for employee bonuses for 2023 of 6 MNOK was accounted for in the third quarter 2023.

Other operating expenses in the third quarter was 51 MNOK, an increase of 51% compared to same period last year. The increase is mainly related to sales, marketing, consultants and travel expenses for a larger presence in Europe.

## EBITDA

EBITDA in the third quarter was 52.7 MNOK (13%) compared to 14.9 MNOK (7%) in the third quarter last year.

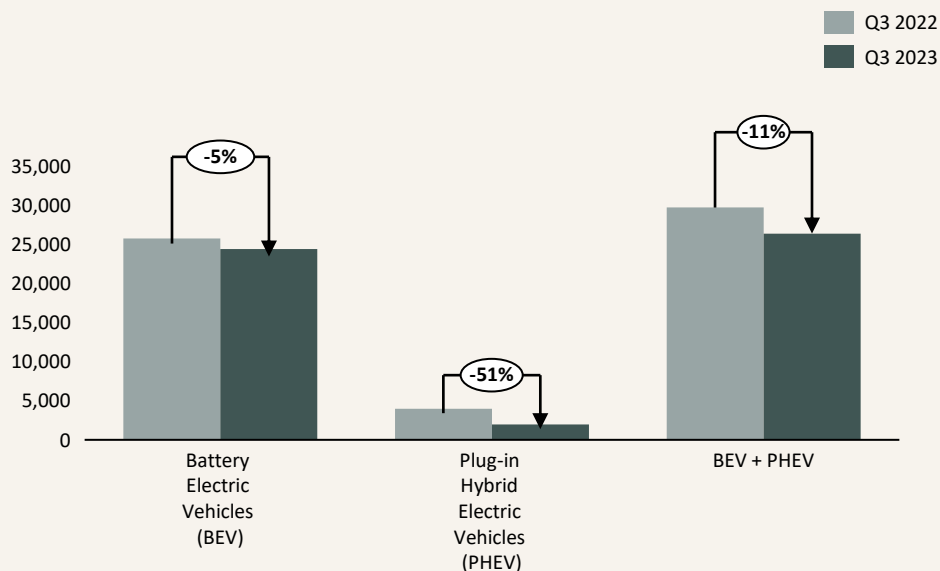
## Available Liquidity

The cash balance with total cash, available overdraft facility, deposits and other funds per end of September 2023 was 232 MNOK.

## Norwegian electric vehicle sales declined in the third quarter

Sales figures for electric vehicles declined in Norway in the third quarter, as the combination of high inflation and increased interest rates led to more cautious consumer spending. However, the plug-in vehicles continue to dominate sales statistics compared to ICE vehicles. The slowdown is assumed to be temporary linked to weak macro climate. Going forward, Zaptec expects plug-in vehicle growth to continue in Norway.

### Norwegian plug-in vehicle sales declined in Q3

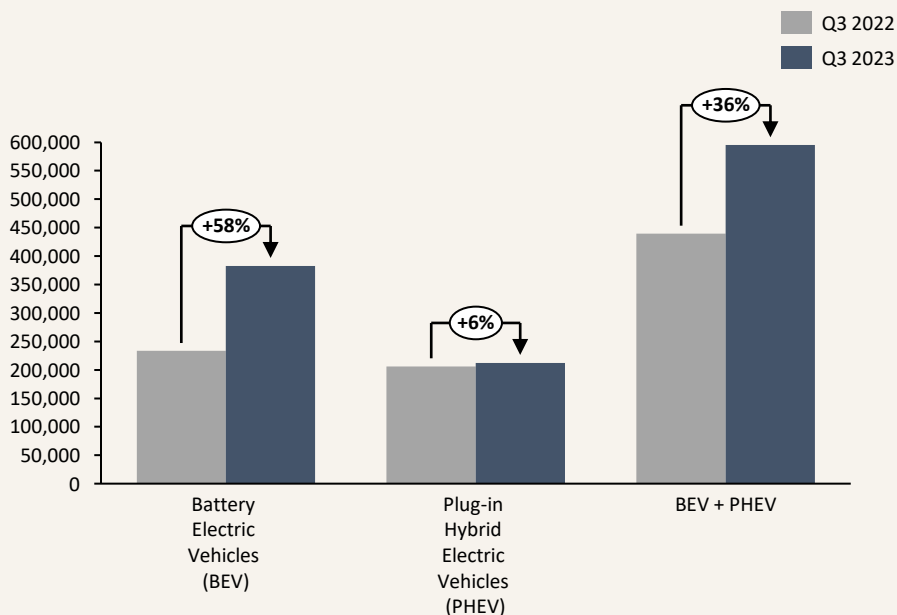


- Battery electric vehicle sales declined 5% from 25 748 in the third quarter of 2022 to 24 398 in the third quarter 2023.
- Plug-in hybrid vehicles sales declined 51% from 3 954 in the third quarter last year to 1 954 vehicles in the second quarter 2023.
- For battery electric vehicles (BEV) and plug-in hybrid vehicles (PHEV) combined, number of vehicles sold declined 11% in the third quarter compared to the same period last year.
- Going forward, Zaptec expects plug-in vehicle sales in Norway will depend on the overall activity level in the economy including the Central Bank's interest rate development.

# The EV adoption continued at full pace in Europe in the third quarter

The adoption of electric and plug-in hybrid electric vehicles in EU continued with significant increase in the third quarter despite customers facing uncertain times.

## Plug-in vehicle sales continues to grow in the European Union



- The adoption of plug-in vehicles continued in the European Union in the third quarter as sales of battery electric and plug in hybrid electric vehicles increased more than petrol and diesel vehicles sales.
- In the third quarter, the number of new vehicle registrations in EU with electric engine increased by 58% to 408 606 compared to 259 276 in the third quarter of 2022
- Plug-in hybrid vehicles sales increased 6% from 184 260 in the third quarter of 2023 to 195 672 in the third quarter of 2023
- For battery electric vehicles (BEV) and plug-in hybrid vehicles (PHEV) combined this is equivalent to an increase of 36% compared to the third quarter of 2022.
- Zaptec expects the trend of increased plug-in vehicle sales in general to continue. Within the coming quarters, the European market is expected to reach mass-adoption of electric vehicles, which will increase Zaptec's addressable market exponentially.

## Zaptec Go production start Sanmina

### New production line of Zaptec Go at Sanmina's facility adds flexibility

In the third quarter, the production of Zaptec Go at Sanmina's facility in Germany commenced according to plan. This is a significant milestone for Zaptec, which means lower risk and added flexibility in terms of production lines. Following commencement of volume production of Zaptec Pro at Sanmina earlier in the year, Zaptec now has operative production lines for both Zaptec Go and Zaptec Pro charging stations with both production partners Sanmina and Westcontrol.

Although current market outlook with a slowdown in electrical vehicle sales growth means acceleration of production is not on critical path, the added capacity of production lines mean Zaptec has increased the flexibility and is well positioned to move around quickly and adapt to a future potential increased demand.

In addition, the added Zaptec Go production line is expected to contribute to positive gross margin as the unit production cost is somewhat lower at Sanmina compared to Westcontrol.





# Navigating the current market, preparing for mass-market EV adoption

As the global economy increasingly prioritizes sustainability, the role of electric vehicles becomes pivotal in curbing emissions, bolstered by widespread governmental incentives and global investments.

In the short term, we are adjusting to current market conditions, temporarily affecting order intake. This involves a strategic reduction in production commitments while preserving the flexibility to swiftly scale up in response to heightened demand.

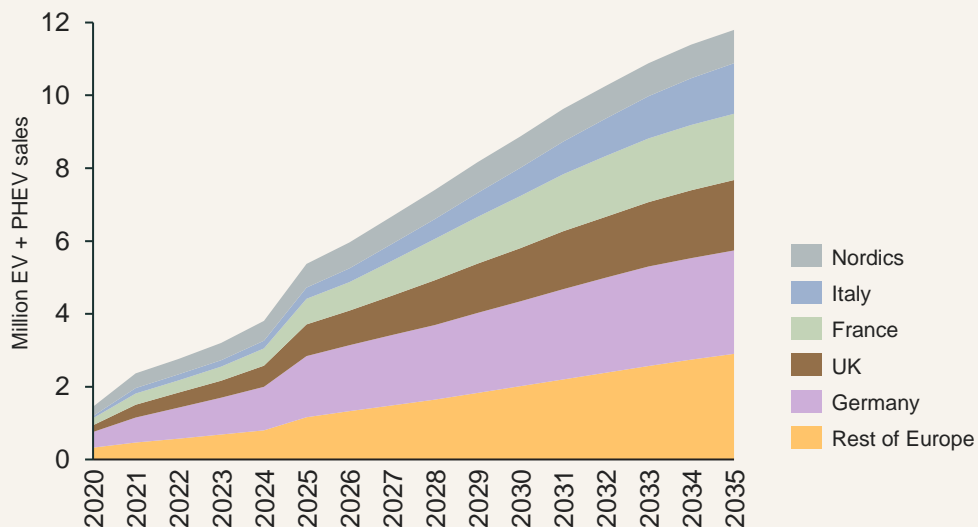
Concurrently, our focus is on stringent cost management. We are also pleased to note the recent enhancement in our gross product margin, and we anticipate this positive trend will persist at a robust level.

Looking ahead, Zaptec foresees sales growth closely aligning with the trajectory of electric vehicle sales in both existing core markets and emerging growth markets. Recognizing the potential fluctuations in EV sales figures from quarter to quarter, predicting these variations remains challenging.

Over the upcoming years, the adoption of electric vehicles across Europe is projected to experience a significant acceleration, particularly from 2025 onwards. This surge is expected to result in exponential growth in Zaptec's addressable market.

**With controlled costs, adaptable production lines, and the availability of additional financing if needed, Zaptec is strategically positioned to seize opportunities arising from the anticipated mass-market adoption of electric vehicles in the foreseeable future.**

EV sales acceleration forecasted in Europe



Source: Bloomberg

# Financial Statements

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

In NOK 1000	Note	Third Quarter		01.01-30.09	
		2023	2022	2023	2022
<b>Operating income</b>					
Revenues from contracts with customers	4,5	421 153	226 133	1 047 443	509 860
<b>Total operating income</b>		<b>421 153</b>	<b>226 133</b>	<b>1 047 443</b>	<b>509 860</b>
<b>Operating expenses</b>					
Cost of inventories	4	248 289	138 401	633 737	297 593
Employee benefit expenses	3	68 757	38 672	176 394	97 225
Depreciation and amortisation expense	4,8	7 086	5 887	19 170	14 788
Other operating expenses	4	51 361	34 118	157 405	88 473
<b>Total operating expenses</b>		<b>375 493</b>	<b>217 078</b>	<b>986 706</b>	<b>498 078</b>
<b>Operating profit/loss</b>		<b>45 660</b>	<b>9 055</b>	<b>60 737</b>	<b>11 782</b>
<b>Financial income and expenses</b>					
Finance income	6	3 817	5 697	25 634	7 299
Finance expense	6	12 429	6 094	23 107	14 034
<b>Net financial income (+) and expenses (-)</b>		<b>-8 612</b>	<b>-397</b>	<b>2 527</b>	<b>-6 735</b>
<b>Profit (+)/loss (-) before tax</b>		<b>37 049</b>	<b>8 658</b>	<b>63 264</b>	<b>5 047</b>
Tax expense (+)/benefit (-)	7	10 967	5 155	22 547	7 621
<b>Profit (+)/loss (-) after tax</b>		<b>26 082</b>	<b>3 503</b>	<b>40 717</b>	<b>-2 574</b>
<b>Total profit/loss attributable to:</b>					
Owners of the parent		26 082	3 503	40 717	-2 574
Non-controlling interest		0	0	0	0
Basic earnings per shares		0,298	0,053	0,478	-0,030
Diluted earnings per shares		0,295	0,053	0,473	-0,030

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In NOK 1000	Note	Third Quarter		01.01-30.09	
		2023	2022	2023	2022
Profit (+)/loss (-) for the period		26 082	3 503	40 717	-2 574
<b>Items that will or may be reclassified to profit or loss:</b>					
Exchange gains arising on translation of foreign operations		-4 742	14 880	8 617	20 858
<b>Total comprehensive income</b>		<b>21 340</b>	<b>18 383</b>	<b>49 334</b>	<b>18 283</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		21 340	18 383	49 334	18 283
Non-controlling interest		0	0	0	0

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In NOK 1000	Note	30.09.2023	30.09.2022
<b>ASSETS</b>			
<b>Goodwill and intangible assets</b>			
Goodwill	8	75 909	72 198
Other intangible assets	8	86 149	84 254
<b>Deferred tax asset</b>			
Deferred tax asset	7	18 156	11 106
<b>Tangible assets</b>			
Property, plant and equipment	8	13 150	9 126
Right-of-use assets	8	10 578	16 347
Other non-current assets	12	5 225	4 637
<b>Total non-current assets</b>		<b>209 166</b>	<b>197 668</b>
<b>Inventories</b>			
Inventories	9	299 606	58 919
<b>Receivables</b>			
Trade receivables	10	307 501	126 623
<b>Other current assets</b>			
Financial investments	6	0	87 480
Other current assets	11	79 981	103 017
<b>Cash and cash equivalents</b>			
Cash and cash equivalents		161 978	137 605
<b>Total current assets</b>		<b>849 065</b>	<b>513 643</b>
<b>TOTAL ASSETS</b>		<b>1 058 232</b>	<b>711 311</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In NOK 1000	Note	30.09.2023	30.09.2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		1 313	475
Treasury shares		0	-1
Share premium		646 945	359 185
Not registered capital increase		0	0
Other paid in equity		17 131	3 271
Foreign exchange reserve		18 536	24 880
Other reserves		20 462	8 435
<b>Total equity</b>		<b>704 387</b>	<b>396 247</b>
<b>Non-current liabilities</b>			
Deferred tax	7	25 921	6 267
Long-term lease liabilities	8	5 076	11 331
Long-term provisions	13	15 565	5 918
<b>Total non-current liabilities</b>		<b>46 563</b>	<b>23 516</b>
<b>Current liabilities</b>			
Trade payables		249 191	159 297
Short-term loans and borrowings	14	0	31 361
Short-term lease liabilities	8	5 974	5 236
Contingent consideration		0	40 000
Tax payable	7	22 609	23 042
Other current liabilities		29 509	32 613
<b>Total current liabilities</b>		<b>307 283</b>	<b>291 549</b>
<b>Total liabilities</b>		<b>353 845</b>	<b>315 064</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 058 232</b>	<b>711 311</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

In NOK 1000	Note	Third Quarter		01.01-30.09	
		2023	2022	2023	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Profit (+)/loss (-) before tax		37 049	8 658	63 264	5 047
Taxes paid		0	-1 894	-11 107	0
Depreciation and amortisation expense	8	7 086	5 887	19 170	14 788
Shared based payment expense	3	3 160	2 715	10 277	7 881
Finance income	6	-3 817	-3 889	-25 634	-2 287
Finance expense	6	12 281	2 386	22 658	9 621
Increase in trade receivables	10	-62 638	-13 468	-191 164	-45 707
Increase in inventories	9	-57 247	-35 642	-208 818	-31 553
Increase in trade payables		45 838	66 914	103 134	93 154
Change in other accrual items		-30 462	-8 114	2 391	-2 442
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>-48 750</b>	<b>23 553</b>	<b>-215 829</b>	<b>48 502</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>					
Purchases of property, plant and equipment	8	-9 326	-6 988	-24 001	-18 458
Proceeds from sale of property, plant and equ	8	0	0	7 301	
Proceeds from sale of investments (funds)		0	0	0	91 006
Advances/loans to suppliers	11	40 524	-13 191	37 838	-53 191
Investments in other entities		0	-4 872	0	-4 872
Cash flow from other investments		0	67	0	67
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		<b>31 198</b>	<b>-20 179</b>	<b>21 138</b>	<b>14 552</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Repayment of loans and borrowings	14	0	-958	-29 229	-2 875
Draw down on credit facility	14	0	5 893	0	30 402
Lease liabilities	8	1 330	-2 034	-4 443	-3 258
Interest on lease liabilities	8	-148	-128	-449	-376
Interest on debts and borrowings		0	-664	0	-1 121
Settlement of option agreement	3	0	0	0	-15 984
Purchase of treasury shares		0	0	0	-9 057
Sale of treasury shares		0	0	0	563
Issue of share capital		0	0	0	0
Proceeds from equity		0	0	287 927	0
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>1 182</b>	<b>2 109</b>	<b>253 806</b>	<b>-1 706</b>
<b>Net change in cash and cash equivalents</b>		<b>-16 371</b>	<b>5 483</b>	<b>59 115</b>	<b>61 348</b>
Cash and cash equivalents at start of period		178 348	132 123	102 862	76 258
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>161 978</b>	<b>137 605</b>	<b>161 978</b>	<b>137 605</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In NOK 1000	Share Capital	Own shares	Share premium	Not registered capital	Other paid in capital	Foreign exchange reserve	Other equity	Total equity holders of the parent	Non-controlling interest	Total equity
<b>1 January 2022</b>	<b>475</b>	<b>0</b>	<b>355 362</b>	<b>3 825</b>	<b>11 328</b>	<b>4 024</b>	<b>19 500</b>	<b>394 514</b>	<b>0</b>	<b>394 514</b>
Profit (+)/loss (-) after tax							-2 574	-2 574		-2 574
Other comprehensive Income						20 858		20 858		20 858
Purchase of treasury shares	-2	-2					-9 055	-9 059		-9 059
Sale of treasury shares		0					565	565		565
Capital increase	3		3 823	-3 825				0		0
Settlement of share based payment*					-15 937					
Share based payments					7 881			7 881		7 881
<b>30 September 2022</b>	<b>475</b>	<b>-1</b>	<b>359 185</b>	<b>0</b>	<b>3 271</b>	<b>24 880</b>	<b>8 435</b>	<b>396 247</b>	<b>0</b>	<b>396 247</b>
<b>1 January 2023</b>	<b>1 146</b>	<b>0</b>	<b>359 185</b>	<b>0</b>	<b>6 855</b>	<b>10 480</b>	<b>-25 577</b>	<b>352 088</b>	<b>0</b>	<b>352 088</b>
Profit (+)/loss (-) after tax							40 717	40 717		40 717
Other comprehensive Income						8 056	561	8 617		8 617
Purchase of treasury shares								0		0
Sale of treasury shares								0		0
Capital increase	166		287 761					287 927		287 927
Share based payments					10 277			10 277		10 277
Differences from earlier periods**							4 760	4 760		4 760
<b>30 September 2023</b>	<b>1 313</b>	<b>0</b>	<b>646 945</b>	<b>0</b>	<b>17 131</b>	<b>18 536</b>	<b>20 462</b>	<b>704 387</b>	<b>0</b>	<b>704 387</b>

\* Settlement of option agreement (purchase of own equity instruments). Refer to Note 3 for additional information

\*\* Relates to shared services booked in Zaptec Charger AS and not in Zaptec Deutschland GmbH at 31 December 2022.

## NOTES

### Note 1 - Basis of preparation

These interim consensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They were authorised for issue by the board of directors on 15 November 2023. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2022 IFRS financial statement issued by the company on the 26 of April 2023.

### Note 2 - Significant accounting policies

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2022 annual financial statements.

### Note 3 - Significant events and transactions

#### ***Shared based payments***

#### ***New programs in 2022***

#### ***Share-based incentive program for all employees***

As of 01.01.2022 The Group implemented a share-based incentive program. Under the program all employees are entitled to a bonus equal to 20% of the employees' annual salary at 01.01.2022. The shares are allocated immediately and are vested over the vesting period, but can not be sold before 01.01.2025. Under the program the number of shares received is fixed at 01.01.2022. The number of shares equals 20% of the annual salary less withholding tax divided by the share price of Zaptec ASA based on average stock price last 15 days of 2021. Allocated shares for 2022 is 69 220.

The share portion is accounted for as an equity settled share-based payment program with immediate allocating to the employee that is the fair value of the equity instruments at grant date will be expensed over the vesting period (01.01.2025). Fair value is measured by using the actual average stock price of the last 15 days of 2021.

As of 01.01.2023 The Group implementet a new share-based incentive program for new employees in 2022. Under the program all employees are entitled to a bonus equal 20% of the annual salary at 31.12.2022. The shares will be allocated to the employees after the three year vesting period, i.e. shortly after 01.01.2026. Under the program the number of shares received is fixed at 01.01.2023. The number of shares equals 20% of the annual salary divided by the share price of Zaptec ASA based on average stock price last 15 days of 2022.

The share portion is accounted for as an equity settled share-based payment program, that is the fair value of the equity instruments at grant date will be expensed over the vesting period (01.01.2026). Fair value is measured by using the actual average stock price of the last 15 days of 2022.

#### ***The company operates two equity-settled share-based remuneration schemes for key management:***

#### ***Share-based incentive program for management***

As of 01.01.2022 the group implemented a share-based incentive program. Under the program key management are granted a right to receive a defined number of shares after a vesting period. The vesting period is running until 01.01.2025. Per 30.09.2023 a total of 552 384 rights to receive shares has been granted.

The program is accounted for as an equity settled share-based payment program with a 3 year vesting period, that is the fair value of the equity instruments at grant date will be expensed over the vesting period. Fair value is measured by using the actual average stock price of the last 15 days of 2021.



### **Share-based payment program for key management and board of directors (Stock option program)**

As of 30.09.2023 The Group had employee stock options agreements with 4 employees, CEO Peter Bardenfleth-Hansen, CFO Kurt Østrem, CTO Knut Braut and former employee Kurt Aadnøy in Zaptec Charger. The agreements have vesting periods ranging from 12-24 months from October 2020, they grant the employees purchase rights of 1.100.000 shares at a share price ranging from NOK 11,25 to NOK 15,25. As of 30.09.2023 remaining stock options is 550 000 shares. All of these stock options can be exercised as of 30.09.2023.

One board member, Stig H. Christiansen (Chairman) holds stock options as of 30.09.2023. The agreement have vesting periods ranging for 6,4 - 18,4 months from 18.06.2021, which grant the board member purchase rights of 50 000 shares at a share pricing of NOK 11,25.

Share based payment expense is charged to the income statement with the following amounts per Q3 2023 and Q3 2022.

	<b>01.01.-30.09</b>	
In NOK 1000	<b>2023</b>	<b>2022</b>
Option program	0	2 920
Share-based incentive program for all employees	2 505	1 085
Cash portion Share-based incentive program for all employees	0	2 717
Share-based incentive program for management	7 771	3 875
Provision for social security contribution*	1 030	-4 504
<b>Total operating income</b>	<b>11 307</b>	<b>6 094</b>

\* The expense for social security contribution is accrued based on the intrinsic value of the equity instruments vested. As a result of the significant reduction of the Zaptec share the provision has been reduced during 2022. Provision for not vested instruments is also recognised, and are expensed over the vesting period.

All sale or purchase of treasury shares are related to options and/or the share-based incentive programs. The settlement of option agreement in 2022 (-15,9 MNOK) relates to reimbursement for terminating option agreement.

### **Note 4 - Segment information**

The Group consists of several legal entities where most of the entities are established to handle sales in a specific country. For management purposes, financial information is reported to the group management based on a legal entity basis. The group management is identified as the chief operating decision maker. Based on the internal reporting the following reportable segments are identified.

#### **Zaptec Charger AS**

This segment is involved in the sale of Zaptec products in Norway, and to customers in other countries where the Group has not established an entity or sales organization. Zaptec Charger AS also handles procurement of goods and internal sales.

#### **Zaptec Sverige AB**

This segment is involved in the sale and distribution of Zaptec products in Sweden.

#### **Zaptec Schweiz AG**

This segment is involved in the sale and distribution of Zaptec products in Switzerland.

#### **Other**

Consist of all other legal entities in the group.

Year-to-date		30.09.2023						
In NOK 1000		Zaptec Charger AS	Zaptec Sverige AB	Zaptec Schweiz AG	Zaptec Danmark ApS	Other	Adjustments and eliminations	Total
<b>Operating income</b>								
Revenues from contracts with customers		381 111	307 129	198 008	101 654	59 528	13	1 047 443
Revenues from internal sales		415 762	0	0	0	1 125	-416 887	0
Revenues from shared services		29 225	4 959	867	1 394	591	-37 035	0
Other operating income		0	0	0	0	0	0	0
<b>Total operating income</b>		<b>826 098</b>	<b>312 088</b>	<b>198 875</b>	<b>103 048</b>	<b>61 244</b>	<b>-453 909</b>	<b>1 047 443</b>
<b>Operating expenses</b>								
Cost of inventories		633 665	226 289	88 064	58 194	42 658	-415 133	633 737
Employee benefit expenses		96 587	12 031	22 171	7 284	27 885	10 435	176 394
Depreciation and amortisation expense		8 078	25	0	0	1 290	9 777	19 170
Other operating expenses		90 231	21 512	18 105	10 585	43 645	-26 673	157 405
<b>Total operating expenses</b>		<b>828 561</b>	<b>259 857</b>	<b>128 339</b>	<b>76 063</b>	<b>115 479</b>	<b>-421 594</b>	<b>986 706</b>
<b>Operating result</b>		<b>-2 465</b>	<b>52 232</b>	<b>70 536</b>	<b>26 985</b>	<b>-54 236</b>	<b>-32 316</b>	<b>60 737</b>
Year-to-date		30.09.2022						
In NOK 1000		Zaptec Charger AS	Zaptec Sverige AB	Zaptec Schweiz AG	Zaptec Danmark ApS	Other	Adjustments and eliminations	Total
<b>Operating income</b>								
Revenues from contracts with customers		241 656	92 570	160 817	4 133	10 685	0	509 860
Revenues from internal sales		152 700	2 297	0	0	750	-155 747	0
Other operating income		0	0	0	0	0	0	0
<b>Total operating income</b>		<b>394 356</b>	<b>94 866</b>	<b>160 817</b>	<b>4 133</b>	<b>11 435</b>	<b>-155 747</b>	<b>509 860</b>
<b>Operating expenses</b>								
Cost of inventories		290 787	66 364	89 126	3 712	5 547	-157 942	297 593
Employee benefit expenses		50 444	4 600	14 390	3 334	15 344	9 112	97 225
Depreciation and amortisation expense		6 410	0	22	0	1 237	7 119	14 788
Other operating expenses		48 969	11 167	7 887	5 322	29 958	-14 830	88 473
<b>Total operating expenses</b>		<b>396 610</b>	<b>82 131</b>	<b>111 425</b>	<b>12 368</b>	<b>52 086</b>	<b>-156 541</b>	<b>498 078</b>
<b>Operating result</b>		<b>-2 254</b>	<b>12 736</b>	<b>49 392</b>	<b>-8 235</b>	<b>-40 651</b>	<b>794</b>	<b>11 782</b>

Quarter	30.09.2023						
In NOK 1000	Zaptec Charger AS	Zaptec Sverige AB	Zaptec Schweiz AG	Zaptec Danmark ApS	Other	Adjustments and eliminations	Total
<b>Operating income</b>							
Revenues from contracts with customers	160 001	126 384	67 239	42 719	25 251	-441	421 153
Revenues from internal sales	156 654	0	0	0	375	-157 029	0
Revenues from shared services	11 576	1 725	295	408	194	-14 198	0
Other operating income	0	0	0	0	0	0	0
<b>Total operating income</b>	<b>328 231</b>	<b>128 109</b>	<b>67 534</b>	<b>43 128</b>	<b>25 820</b>	<b>-171 668</b>	<b>421 153</b>
<b>Operating expenses</b>							
Cost of inventories	245 501	98 706	26 146	17 813	19 145	-159 022	248 289
Employee benefit expenses	38 994	3 791	7 649	2 020	9 436	6 868	68 757
Depreciation and amortisation expense	2 787	13	0	0	496	3 791	7 086
Other operating expenses	31 323	6 702	6 663	3 473	17 278	-14 078	51 361
<b>Total operating expenses</b>	<b>318 605</b>	<b>109 212</b>	<b>40 459</b>	<b>23 305</b>	<b>46 354</b>	<b>-162 442</b>	<b>375 493</b>
<b>Operating result</b>	<b>9 625</b>	<b>18 897</b>	<b>27 076</b>	<b>19 822</b>	<b>-20 534</b>	<b>-9 227</b>	<b>45 660</b>

Quarter	30.09.2022						
In NOK 1000	Zaptec Charger AS	Zaptec Sverige AB	Zaptec Schweiz AG	Zaptec Danmark ApS	Other	Adjustments and eliminations	Total
<b>Operating income</b>							
Revenues from contracts with customers	100 320	45 249	74 209	3 320	3 035	0	226 133
Revenues from internal sales	87 754	832	0	0	250	-88 836	0
Other operating income	0	0	0	0	0	0	0
<b>Total operating income</b>	<b>188 074</b>	<b>46 080</b>	<b>74 209</b>	<b>3 320</b>	<b>3 285</b>	<b>-88 836</b>	<b>226 133</b>
<b>Operating expenses</b>							
Cost of inventories	142 223	33 746	48 847	2 891	2 156	-91 462	138 400
Employee benefit expenses	21 791	1 172	5 391	1 576	6 235	2 507	38 672
Depreciation and amortisation expense	2 443	0	4	0	477	2 963	5 887
Other operating expenses	23 669	2 950	3 148	1 631	6 647	-3 927	34 118
<b>Total operating expenses</b>	<b>190 126</b>	<b>37 868</b>	<b>57 390</b>	<b>6 097</b>	<b>15 516</b>	<b>-89 919</b>	<b>217 078</b>
<b>Operating result</b>	<b>-2 052</b>	<b>8 213</b>	<b>16 819</b>	<b>-2 778</b>	<b>-12 231</b>	<b>1 083</b>	<b>9 055</b>

### Adjustments and eliminations

The Group evaluates segmental performance on the basis of profit or loss from operations calculated based on local financial statements. Adjustments for IFRS 16 and eliminations are included in the column adjustments and eliminations. Depreciation and amortisation excess values from business combinations are not allocated to individual segments as the underlying assets are managed on a group basis.

Adjustments and eliminations is as follows:

<b>Year-to-date</b>	<b>30.09.2023</b>				
In NOK 1000	<b>Revenues from internal sales</b>	<b>Cost of inventories</b>	<b>Employee benefit expenses</b>	<b>Depreciation and amortisation expense</b>	<b>Other operating expenses</b>
Elimination of internal sales (1)	-416 887	-416 204	0	0	-1 125
Elimination of shared services (2)	-37 035	0	-6 890	0	-29 947
IFRS 16 adjustments (3)	0	0	0	5 509	-5 460
GAAP-adjustment to inventory (4)	0	-11 504	0	0	0
Amortization of excess values (5)	0	0	0	4 853	0
Gains on internal transactions (6)	0	12 818	0	0	0
Share-based incentive program (7)	0	0	11 307	0	0
Provision for warranty claims (8)	0	0	0	0	9 788
Other (9)	13	-243	6 018	-585	72
<b>Total</b>	<b>-453 909</b>	<b>-415 133</b>	<b>10 435</b>	<b>9 777</b>	<b>-26 673</b>

<b>Year-to-date</b>	<b>30.09.2022</b>				
In NOK 1000	<b>Revenues from internal sales</b>	<b>Cost of inventories</b>	<b>Employee benefit expenses</b>	<b>Depreciation and amortisation expense</b>	<b>Other operating expenses</b>
Elimination of internal sales (1)	-155 747	-152 700	0	0	-3 047
Elimination of employee benefits allocated (2)	0	0	9 112	0	-9 112
IFRS 16 adjustments (3)	0	0	0	3 549	-3 634
GAAP-adjustment to inventory (4)	0	-5 242	0	0	0
Amortization of excess values (5)	0	0	0	3 570	0
Gains on internal transactions (6)	0	0	0	0	0
Other (9)	0	0	0	0	963
<b>Total</b>	<b>-155 747</b>	<b>-157 942</b>	<b>9 112</b>	<b>7 119</b>	<b>-14 830</b>

Quarter	30.09.2023				
In NOK 1000	Revenues from internal sales	Cost of inventories	Employee benefit expenses	Depreciation and amortisation expense	Other operating expenses
Elimination of internal sales(1)	-157 029	-156 654	0	0	-375
Elimination of shared services (2)	-14 198	0	-2 248	0	-11 708
IFRS 16 adjustments (3)	0	0	0	2 356	-2 429
GAAP-adjustment to inventory (4)	0	4 275	0	0	0
Amortization of excess values (5)	0	0	0	1 629	0
Gains on internal transactions (6)	0	-6 399	0	0	0
Share-based incentive program (7)	0	0	3 098	0	0
Provision for warranty claims (8)	0	0	0	0	508
Other (9)	-441	-243	6 018	-195	-76
<b>Total</b>	<b>-171 668</b>	<b>-159 022</b>	<b>6 868</b>	<b>3 791</b>	<b>-14 078</b>

Quarter	30.09.2022				
In NOK 1000	Revenues from internal sales	Cost of inventories	Employee benefit expenses	Depreciation and amortisation expense	Other operating expenses
Elimination of internal sales (1)	-88 836	-88 135	0	0	-1 082
Elimination of employee benefits allocated (2)	0	0	2 507	0	-2 507
IFRS 16 adjustments (3)	0	0	0	1 321	-1 301
GAAP-adjustment to inventory (4)	0	-3 327	0	0	0
Amortization of excess values (5)	0	0	0	1 642	0
Gains on internal transactions (6)	0	0	0	0	0
Other (9)	0	0	0	0	963
<b>Total</b>	<b>-88 836</b>	<b>-91 462</b>	<b>2 507</b>	<b>2 963</b>	<b>-3 926</b>

(1) Elimination of internal sales relates to sale of inventory from Zaptec Charger AS eliminated against cost of inventory, and purchased made by Zaptec Charger from other group companies eliminated against other operating expenses.

(2) The group have global functions in several of the group companies that provides significant services to companies within the group. The amount charged for these services is presented as income in the company providing the service. The amount is eliminated on consolidation.

(3) Lease payment are expense on a linear basis under local gaap. In the IFRS financial statement the leases are accounted for in accordance with IFRS 16, by recognition of are right of use asset and a lease liability. The expenses are included as amortization of the right-of-use asset and interest on the lease liability.

(4) Zaptec Schweiz AG includes a additional reduction of the carrying amount of inventory in line with local gaap. In the consolidated IFRS statement these reduction is reversed.

(5) Excess value from the acquisition of Zaptec Schweiz AG is included on group level.

(6) Gains on internal transaction of inventory.

(7) Share-based incentive program, ref. Note 3

(8) Provision for warranty claims, ref. Note 13

(9) Other

## Note 5 - Revenues from contracts with customers

### Disaggregation of Revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:

- Depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date; and
- Enable users to understand the relationship with revenue segment information provided in Note 4

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Year-to-date	30.09.2023					
Segments						
In NOK 1000	Zaptec Charger AS	Zaptec Sverige AB	Zaptec Schweiz AG	Zaptec Danmark ApS	Other	Total
Product sales	381 111	307 129	198 008	101 654	59 541	1 047 443
Other	0	0	0	0	0	0
<b>Total operating income</b>	<b>381 111</b>	<b>307 129</b>	<b>198 008</b>	<b>101 654</b>	<b>59 541</b>	<b>1 047 443</b>

### By business area - Geographical distribution

Norway	341 716	0	0	0	5 663	347 379
Sweden	15 627	307 129	0	0	0	322 756
Switzerland	0	0	198 008	0	0	198 008
Denmark	2 112	0	0	101 654	0	103 767
Iceland	3 833	0	0	0	0	3 833
Finland	9 715	0	0	0	0	9 715
Belgium	975	0	0	0	0	975
Poland	606	0	0	0	0	606
Netherlands	2 023	0	0	0	34 041	36 064
Ireland	4 352	0	0	0	0	4 352
Deutschland	0	0	0	0	3 123	3 123
UK	0	0	0	0	16 642	16 642
Rest of Europe	152	0	0	0	72	224
Other	0	0	0	0	0	0
<b>Total operating income</b>	<b>381 111</b>	<b>307 129</b>	<b>198 008</b>	<b>101 654</b>	<b>59 541</b>	<b>1 047 443</b>

### Timing of revenue recognition

Goods transferred at a point in time	381 111	307 129	198 008	101 654	59 541	1 047 443
Goods and services transferred over time	0	0	0	0	0	0
<b>Total operating income</b>	<b>381 111</b>	<b>307 129</b>	<b>198 008</b>	<b>101 654</b>	<b>59 541</b>	<b>1 047 443</b>

Year-to-date 30.09.2022

Segments						
In NOK 1000	Zaptec Charger AS	Zaptec Sverige AB	Zaptec Schweiz AG	Zaptec Danmark ApS	Other	Total
Product sales	241 656	92 570	160 817	4 133	10 685	509 860
Other	0	0	0	0	0	0
<b>Total operating income</b>	<b>241 656</b>	<b>92 570</b>	<b>160 817</b>	<b>4 133</b>	<b>10 685</b>	<b>509 860</b>

### By business area - Geographical distribution

Norway	153 681	0	0	0	4 115	157 797
Sweden	1 679	92 570	0	0	0	94 249
Switzerland	0	0	160 817	0	0	160 817
Denmark	45 284	0	0	4 133	0	49 417
Iceland	9 749	0	0	0	0	9 749
Rest of Europe	31 020	0	0	0	6 610	37 630
Other	203	0	0	0	0	203
<b>Total operating income</b>	<b>241 616</b>	<b>92 570</b>	<b>160 817</b>	<b>4 133</b>	<b>10 725</b>	<b>509 860</b>

### Timing of revenue recognition

Goods transferred at a point in time	241 656	92 570	160 817	4 133	10 685	509 860
Goods and services transferred over time	0	0	0	0	0	0
<b>Total operating income</b>	<b>241 656</b>	<b>92 570</b>	<b>160 817</b>	<b>4 133</b>	<b>10 685</b>	<b>509 860</b>

## Note 6 - Financial income and expense

In NOK 1000	01.01-30.09	
	2023	2022
<b>Finance income</b>		
Interest income	0	6
Gain on investments at fair value	0	2 072
Other finance income	259	5 220
Foreign currency gain	25 375	0
<b>Total finance income</b>	<b>25 634</b>	<b>7 299</b>
<b>Finance expense</b>		
Interest on debts and borrowings	0	1 121
Interest from leases	449	376
Loss on investments at fair value	0	7 087
Unwinding of discount on contingent considerations	0	1 037
Other finance expense	958	0
Foreign currency loss	21 700	4 413
<b>Total finance expense</b>	<b>23 107</b>	<b>14 034</b>
<b>Investment in fund</b>		
In NOK 1000	<b>30.09.2023</b>	<b>30.09.2022</b>
<b>Opening balance</b>	0	183 500
Sold during the period	0	-91 006
Change in fair value	0	-5 014
<b>Closing balance</b>	<b>0</b>	<b>87 480</b>

The remaining funds were sold in October 2022.

## Note 7 - Income tax

The tax expense is calculated as 22% of the profit (+)/loss (-) before tax adjusted for items that will impact the effective tax rate. The calculation for the 9-month period ended 30.09.2023 follows:

In NOK 1000	01.01-30.09	
	2023	2022
Profit (+)/loss (-) before tax	63 264	5 047
Adjustment for losses not recognised as deferred tax asset	45 685	40 984
Difference in tax rates	-333	-3 986
Non deductible share based payment arrangement	-10 277	-8 103
Calculated interest on contingent consideration	0	1 037
Other differences	4 145	-338
<b>Estimated basis for tax expense</b>	<b>102 484</b>	<b>34 641</b>
<b>Tax expense</b>	<b>22 %</b>	<b>22 547</b>
		<b>7 621</b>

Deferred tax asset is not recognized for losses generated in jurisdiction where the group has not yet identified convincing evidence of future taxable income. As of 30.09.2023 this applies to Germany, UK, France and Netherlands.

## Note 8 - Intangible assets and goodwill

<b>30.09.2023</b>					
In NOK 1000	<b>Goodwill</b>	<b>Intangible asset</b>	<b>Property, plant and equipment</b>	<b>Right of use assets</b>	<b>Total</b>
<b>Opening balance</b>	<b>69 638</b>	<b>86 074</b>	<b>9 015</b>	<b>15 710</b>	<b>180 437</b>
- Amortisation and depreciation	0	-10 806	-2 905	-5 459	-19 170
+ Purchases and new leases	0	9 644	6 966	7 391	24 001
- Disposals	0	-613	0	-7 301	-7 915
+/- Foreign currency effects	6271	1 850	73	238	8 432
<b>Closing balance</b>	<b>75 909</b>	<b>86 149</b>	<b>13 150</b>	<b>10 578</b>	<b>185 786</b>

## Note 9 - Inventories

The inventory consists solely of finished goods (acquired goods produced for the group for resale).

Total current purchase obligations of EV chargers from Westcontrol and Sanmina amounts to 1 185 MNOK from September 2023 till June 2024. A significant portion of the committed production may be postponed based on quarterly updated forecasts.

The Group has a balance at the end of the third quarter of 300 MNOK versus 59 MNOK in the same period previous year. Measures are taken to adapt production to a normalized level of inventory in the long term. The stock consists only of current goods and inventory write-downs recognized as an expense amount to 0 MNOK.

## Note 10 - Trade receivables

Provision for credit losses are 0,7 MNOK at 30 September 2022 and 4,7 MNOK at 30 September 2023.

The increase in outstanding trade receivables are due to higher sales current year compared to the same period last year.

## Note 11 - Other current assets

Breakdown of other current assets:

In NOK 1000	<b>30.09.2023</b>	<b>30.09.2022</b>
Loan to finance inventory*	37 435	63 191
VAT refund	26 159	27 753
Other	16 387	12 073
<b>Total</b>	<b>79 981</b>	<b>103 017</b>

\* The Group has not identified any impairment indicators related to the loans to Sanmina.

## Note 12 - Other non-current assets

Breakdown of other non-current assets

In NOK 1000	<b>30.09.2023</b>	<b>30.09.2022</b>
Investment in Switch EV Ltd.	4 872	4 872
Other	353	-236
<b>Total</b>	<b>5 225</b>	<b>4 637</b>



## Note 13 - Provisions

The Group has a provision for warranty claims of 11,8 MNOK at period end.

The remaining long term provisions is related to the long-term incentive program for employees.

## Note 14 - Loans and borrowings

In NOK 1000		30.09.2023	30.09.2022
<b>Start of period:</b>			
Non-current		0	0
Current		29 229	3 833
<b>Total</b>		<b>29 229</b>	<b>3 833</b>
Draw down on credit facility	New loans	0	30 402
Loans	Repayments	-29 229	-2 875
Other changes	Other	0	0
<b>Net changes</b>		<b>-29 229</b>	<b>27 527</b>
<b>End of period:</b>			
Non-current		0	0
Current		0	31 361
<b>Total</b>		<b>0</b>	<b>31 361</b>

The Group has an overdraft facility of 70 MNOK which is undrawn at period end.

The Group have increased it's overdraft facility from 50 MNOK to 70 MNOK in 2022. The interest rate is 6,15 % of overdraft.

The terms are as follows:

- Short term overdraft facility.
- Annual maturity, will be renewed automatically when a credit rating is performed.

The financial covenants are as follows:

- Total overdraft shall not exceed 70% of total book value of projects in progress, inventory and trade receivable (not older than 90 days).
- Positive adjusted EBITDA on a consolidated level on a year to date basis.
- Dividend from Zaptec ASA to be approved.
- No sale or transfer of IP-rights from or between any of the group companies without prior approval.

The company have complied with all covenants as at, and for the nine months ended 30 September 2023.

Apart from transaction with key management and board members included in Note 7 there are no transactions with related parties.

## Note 15 - Events after the reporting date

Peter Bardenfleth-Hansen stepped down as CEO as of October 2nd and CFO Kurt Østrem took over as Acting CEO until further. The Board will spend the necessary time to find the next CEO for the company.

## **Alternative Performance Measures**

Zaptec may disclose alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. Zaptec believes that the alternative performance measures provide useful supplemental information to management, investors, security analysts and other stakeholders and are meant to provide an enhanced insight into the financial development of Zaptec's business operations and to improve comparability between periods.

### ***Available Liquidity***

Cash, cash equivalents, other funds (financial investments) and available overdraft facility. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the overall picture of the Group's financial position.

### ***Gross Margin***

Gross profit as a percentage of revenues. Gross profit is defined as revenues from contracts with customers less cost of goods sold. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand the profit generation in the Group's operating activities.

### ***EBITDA***

The profit/(loss) for the period before tax expense, finance expense, finance income and depreciation and amortisation expense. The Group has presented this APM because it considers it to be an important supplemental measure for investors to evaluate the operating performance of the Group.

### ***EBITDA Margin***

EBITDA as a percentage of revenues. The Group has presented this APM because it considers it to be an important supplemental measure for investors to understand to evaluate the operating performance of the Group.

### ***OPEX***

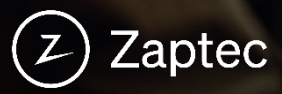
Employee benefit expenses plus other operating expenses.

## **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, 2022. 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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