Annual Report 2023

March 19th 2024

Zaptec

Update from the CEO

Dear shareholders,

In 2023, Zaptec achieved remarkable milestones that underscored our commitment to be on the forefront of electric vehicle charging technology.

Throughout the year we gained significant market shares in our core markets, in the Nordics. In addition, we continued expanding our presence into new key markets, which together with our partner-centric sales commercial model and affordable quality product offerings led to almost doubling our revenue compared to 2022.

Further, our pan-European patent for phase balancing technology and the launch of Zaptec Academy highlighted our dedication to innovation and industry standards. We also demonstrated our commitment to sustainability by joining the Responsible Business Alliance, a testament to our ethical business practices and are proud to release Zaptec's first Sustainability Report for 2023.

Throughout the year, we experienced unprecedented growth, necessitating the expansion of production facilities with our partners Westcontrol in Norway and Sanmina Germany.

The divestment of non-core assets like Charge365 allowed us to focus on our core business while fostering strategic partnerships for future growth opportunities.

Our relocation to a new headquarters in the heart of Norway's technology hub signifies our readiness to embrace future challenges and opportunities. With the production of our 500,000th charging station, we celebrate not just a numerical milestone, but a significant impact on the energy landscape, reaffirming our commitment to sustainability and innovation.

Looking ahead, we are excited to soon release several new product releases targeting the European mass-market. The strong growth in addressable market due to improved product market fit and forecasted EV sales acceleration combined with Zaptec's relentless focus on delivering safe, high-quality EV charging solutions makes me optimistic for the future.

Thank you for your support.

Kurt Østrem
CEO

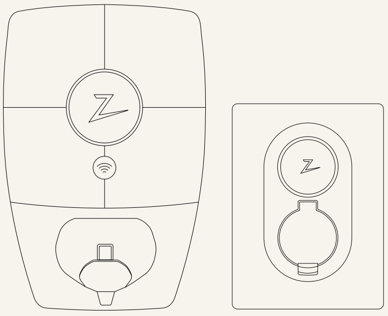
This is Zaptec

Zaptec began its journey in 2012 and had a breakthrough in 2017 when the first electric vehicle charger was produced for a market in a country with mature electric vehicle development. Since then, there have been years of milestones for the company, most recently in 2023, with half a million chargers produced and charging technology patented.

Provider of **safe, high-quality** EV charging solutions.

Sold over **200 000** charging stations during 2023.

Surpassed **1.4 billion NOK** revenue in 2023, up **94%** since 2022.



Main products include Zaptec Pro for multi-user installations and Zaptec Go for detached homes.

Between 2020 and 2023, we've successfully **refurbished 2466 charging stations** and responsibly recycled 1586 units.

191 employees at the end of 2023, of which 96% said that taking everything into account, Zaptec is a **Great Place to Work**.

Focus on contribute to a **sustainable future** with charging technology leading to electrification of the transportation sector.

Our role as a tech company, and how the Zaptec EV charger does more than charging your EV

Reducing the need for grid expansion: electric energy in a building is a lacking resource. When using Zaptec load balancing algorithms, this energy can be shared by many EVs simultaneously, unlike charging one EV at a time. When many EVs can charge simultaneously, more EVs can "hit the road" at the same time – less need for other non-EV transportation. In addition, housing associations can expect lower installation- and maintenance costs compared to non-load balancing charging systems. The main reason is that an intelligent load-balancing charging solution is designed to share a large part of the electrical infrastructure.

International Energy Agency (IEA) predicted in 2023 that to reach national emission reduction goals worldwide, a total of over 80 million kilometres of grid would need to be added by 2040. By facilitating the better use of the available energy, Zaptec wants to contribute to reducing the need for such expansion, thus reducing natural impact and resource use.

Optimized energy distribution preventing grid peaks: the world depends on using electric energy. But at the same time, the infrastructure to distribute this energy must support this increased utilisation. By using smart scheduled charging, the charging station can automatically charge the EVs in green hours (e.g. when there is surplus capacity in the electric distribution grid). In addition, by using randomised starts to prevent massive energy peaks at fixed times, the grid can be utilised even more efficiently.

The electric vehicle fleet's battery bank provides society with power: with increased battery capacity in EVs, the world is turning into a gigantic battery bank. Millions of cars are basically carrying electric energy worldwide. The new Vehicle 2 Grid (V2G) will enable both the start of new technology to bring the energy back to the electrical grid and new business models to allow for charging when there is surplus green energy production capacity and bringing the energy back to the grid when the green energy production is low. This is an area we will continue to explore into 2024.

Our vision →

We change our world with cutting-edge charging solutions.

Our values →

Curious
Passionate
Responsible

94%
revenue growth in 2023

>200 000
charging stations sold 2023

8
countries with Zaptec offices

191
employees

500 000
charging stations produced in total

Financial summary

Revenue
Revenue increased 94% in 2023 from 737 MNOK in 2022 to 1 427 MNOK in 2023.

The increase in revenue is largely driven by higher activity and market shares in Switzerland and Sweden, in addition to increased export to other markets. The export share increased from 69% in 2022 to 72% in 2023.

Total registered purchase orders during 2023 of 1.7 BNOK, where the backlog of orders of 451 MNOK by end of December has scheduled deliveries throughout 2024.

Gross margin
Achieved gross margin in 2023 of 38% compared to 39% in 2022, explained by a change in product mix as sales of Zaptec Go versus Zaptec Pro increased, increased price pressure on transport in addition to price adjustments in some markets.

Opex
Total operating expenses in 2023 of 492 MNOK compared to 311 MNOK in 2022.

Total employee benefit expenses of 248 MNOK versus 157 MNOK in 2022, an increase directly related to increase in personnel. At the end of December 2023 Zaptec had 190 employees, compared to 150 employees at end of December 2022.

Other operating expenses in 2023 of 244 MNOK compared to 154 MNOK in 2022.

The increase is largely related to strategic use of marketing expenses in a difficult market and increased provision for potential credit loss.

EBITDA
EBITDA in 2023 of 43 MNOK compared to -25 MNOK in 2022.

Available Liquidity
The cash balance with total cash, available overdraft facility, deposits and other funds per end of December 2023 was 441 MNOK

2023 milestones

The path to ground-breaking charging technology for electric cars does not happen overnight. Here we present some of the developments in Zaptec in 2023.

January
Opening of Benelux office
We started the year by opening the Benelux office in Amsterdam, as the market was more than ready for significant growth with the need for Zaptec solutions. Since then, delivery and installation of charging points have gained traction, as our efforts in the market contributed to our overall growth in 2023.

January
Launch of Zaptec Go to the UK
In January, Zaptec unveiled a new product tailored to the UK market. We launched Zaptec Go 7kW, as the UK has its regulations and standards for developing electric car chargers. By January 2023, the Zaptec Go 7Kw was completed and made available for purchase, meeting the specific requirements mandated.

January
Car partnership with Renault
We experienced a joint collaboration with a car manufacturer for the first time ever. The company became an official supplier of Zaptec, which meant that all Renault dealers recommended Zaptec as the first choice for charging from home.

January
Zaptec Switzerland
Switzerland has been a subsidiary since 2021, but in 2023, the name alignment followed as NovaVolt was rebranded to Zaptec.

January

One of the biggest installs in Norway is being built

Oslo Gardermoen Airport chose Zaptec when preparing for 750 EV chargers. 244 Zaptec units were installed by the end of 2023, and the fleet continues to expand, aligned with the demand for EV chargers.

March

New product launch: Zaptec Pro with MID energy meter

We were informed in late March that the Zaptec Pro MID-type approval was completed. Consequently, the certificate and volume production were prepared for a new, updated Zaptec Pro product. Measuring Instruments Directive (MID) and compliance with this are governed by European notified bodies.

The approval was solid evidence that Zaptec Pro complies with the energy measurement accuracy and documentation requirements in major European markets and became a significant milestone in opening new markets in Europe.

April

Production starts in Germany for adding deliveries

The order intake in the first two quarters of 2023 was record-breaking for Zaptec. To meet the increased demand, the production of Zaptec Go was accelerated as much as possible at the Norwegian factory Westcontrol. The Zaptec Go production levels were set to increase considerably in the second half of 2023. In addition, preparations for the start of Zaptec Go production at Sanmina in Germany continued. In sum, the ramp-up at Westcontrol and initiation of production at Sanmina boosted the Zaptec Go deliveries throughout the year.

May

Volume production of Zaptec Pro with MID-type approval

Following MID-type approval of Zaptec Pro in the first quarter of 2023, the volume production of Zaptec Pro with MID-type approval commenced at Westcontrol in the second quarter. The MID-version of Zaptec Pro is equipped with a built-in measuring instrument following the EU Measuring Instruments Directive (MID). With the certification, tax authorities in the Benelux countries, France, and Germany will also accept tax deductions for electricity used for company cars. Company cars account for 70 per cent of all new car sales in Germany, and within electric car sales, company cars represent an even larger share. Therefore, the certification opened up great potential for Zaptec in Europe.

May
Unique patent granted for EV charging technology
Zaptec was granted its patent application for phase balancing and has protected its charging technology by this. The patent makes the Norwegian technology for smart power utilization unique and impossible to copy.

The technology, now under patent protection, enables more cost-effective infrastructure installation at large facilities that charge multiple electric vehicles simultaneously, with better use of power and faster charging speeds. The European Patent Office issued the patent, which is active in all European countries. The patent is also approved in China and Japan.

June
Great Place To Work Certified
Zaptec became a company certified by Great Place To Work in June. The certification Indicates that the company meets specific criteria for creating a positive and inclusive workplace culture. It is based on employee feedback and company policies and practices assessment.

August
First distributor in Spain
In August, Zaptec had the first Spanish distributor of products to the Spanish market. With promising goals, such as having 5.5 million electric cars by 2030, the Spanish EV market needs charging solutions.

September
Distributor agreement in Hungary
Hungary is one of the newest countries on Bloomberg Green's report of countries to reach the critical turning point of 5% EV share in new car sales. During September, we landed our first distributor in the country.

October

Proud member of the Responsible Business Alliance (RBA)

In October, Zaptec became a member of the world's largest industry coalition dedicated to responsible business conduct in global supply chains. The Responsible Business Alliance (RBA) is the electronics industry's collective effort towards sustainable supply chains, where members, stakeholders, and suppliers collaborate to improve the environment, working conditions, and corporate governance. Membership in the RBA is highly regarded in the electronics industry.

November

Increased credit facility provides financial flexibility

Zaptec signed a new agreement with the Norwegian bank DNB, which increased the liquidity reserve with MNOK 230 by expanding the overdraft facility from 70 MNOK to 300 MNOK. The facility is backed by Export Finance Norway, which guarantees 50% of the credit limit.

November

Divestment of non-core asset Charge365

As part of Zaptec's strategy to focus on core business, Charge365 AS was divested to Wattif EV in November. Considered a non-core asset, Charge365 represented less than 1% of Zaptec's total revenues. The transaction was based on a cash consideration of approximately NOK 21,2 million. As part of the transaction, Wattif and Zaptec have entered into a comprehensive frame agreement to deploy Zaptec charging stations to housing cooperatives and multi-family homes across all of Wattif's markets.

November

Launching Zaptec Pro for the French market

In November, Zaptec launched a new product tailored to the French market. France has distinct regulations and standards governing the development of electric car chargers. In 2023, the product was finalized and made ready for sale, adhering to the specific requirements set by the French authorities.

December

Relocation of Zaptec's headquarters

Zaptec moved its head office in December. The new office is located where oil and gas technology thrives in the Stavanger area in Norway and where other EV charging manufacturers are situated. Locating in this epi-centre of technology and engineering sets the company's standard when we have sufficient space for Zaptec to grow in a pulsing area of competition and new technology.

December

The launch of a new learning platform sets new industry standards

In December, Zaptec launched Zaptec Academy, the industry's first dedicated digital learning platform for training electricians in safely and efficiently installing electric vehicle chargers. In just 17 days, the number of certified Zaptec electricians in our test market in Norway surpassed the total for the last six months.

December

Production of 500,000 Zaptec charging stations

This monumental milestone signifies not just a number but a substantial impact on the energy landscape. These charging stations have collectively delivered a staggering total energy of 600 million kWh. To grasp the scale of this accomplishment, it is equivalent to circumnavigating the Earth approximately 74,798 times, or roughly 20 orbits around the Sun.

Market development

The transition to more sustainable vehicles continued in 2023

As more drives rely on battery electric vehicles, the need for charging infrastructure increases, which translates into a larger addressable market for Zaptec's award-winning electric vehicle charging systems. Overall, electric vehicles are becoming more popular due to a range of factors:

Environmental Concerns:
The urgent need to combat climate change has boosted interest in cleaner transportation like EVs, which emit fewer greenhouse gases. This attracts eco-conscious consumers.

Battery Advancements:
Improvements in battery tech have boosted EV performance and range, making them more practical for everyday use as costs decline and energy density rises.

Government Support:
Many countries offer incentives like tax credits and rebates to encourage EV adoption, with Norway and China leading the way in policy support.

Infrastructure Growth:
Investments in charging stations by governments and private firms facilitate convenient charging for EV owners, crucial for wider adoption.

Cost Efficiency:
EVs become more cost-effective over time due to lower operating and maintenance costs compared to traditional vehicles.

Consumer Awareness:
Educational campaigns help dispel myths and boost interest in EVs as consumers learn about their benefits.

Corporate Shift:
Companies transitioning fleets to EVs contribute to market growth and sustainability goals.

Technological Progress:
Innovations in EV design and charging solutions continue to drive adoption, offering features like regenerative braking and smart grid integration.

Urban Air Quality:
In densely populated cities, EVs help improve air quality by reducing local emissions, aligning with the growing demand for cleaner transportation.

Positive Experiences:
Word-of-mouth recommendations from satisfied EV owners contribute to increased adoption as more people enjoy the benefits.

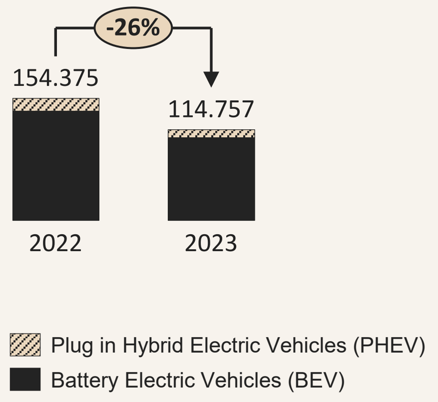
Sources: World Resources Institute (WRI), International Energy Agency (IEA), European Automobile Manufacturers' Association (ACEA)

Mixed electric vehicle sales development in 2023

Norway

In 2023, the sale of plug-in vehicles in Norway declined 26% compared to 2022. The decline can be explained by a combination of high inflation and increased interest rates leading to more cautious consumer spending. It is worth noting that the number of plug-in vehicles was higher than normal in 2022, as certain incentives were phased out at year-end 2022, leading to many new registrations before January 2023.

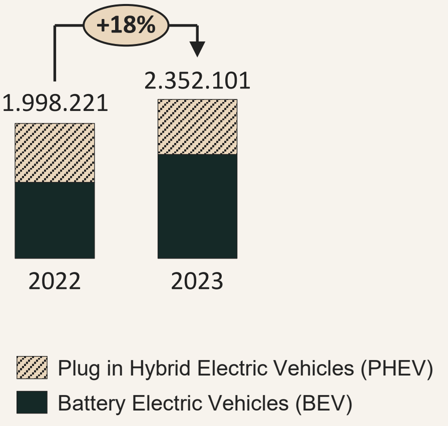
Norway continued to be a leading nation in terms of EV adoption. The plug-in share of total vehicles sold increased from 88,6% in 2022 to 90,4% in 2023. Most plug-in vehicles sold were Battery Electric Vehicles. Looking ahead, plug-in vehicles are expected to continue to dominate Norwegian sales statistics.



Europe

In 2023, the sale of plug-in vehicles in the European Union increased 18% compared to 2022 and surpassed 2.3 million. The increase in Battery Electric Vehicles increased 37% during the year, while Plug-In Hybrid Vehicles declined 7%.

The plug-in share of total vehicles sold increased from 21,6% in 2022 to 22,3% in 2023. Going forward, many major countries in Europe are expected to increase EV adoption substantially.



Sources: World Resources Institute (WRI), International Energy Agency (IEA), European Automobile Manufacturers' Association (ACEA)

Mass-market adoption of electric vehicles expected in the coming years

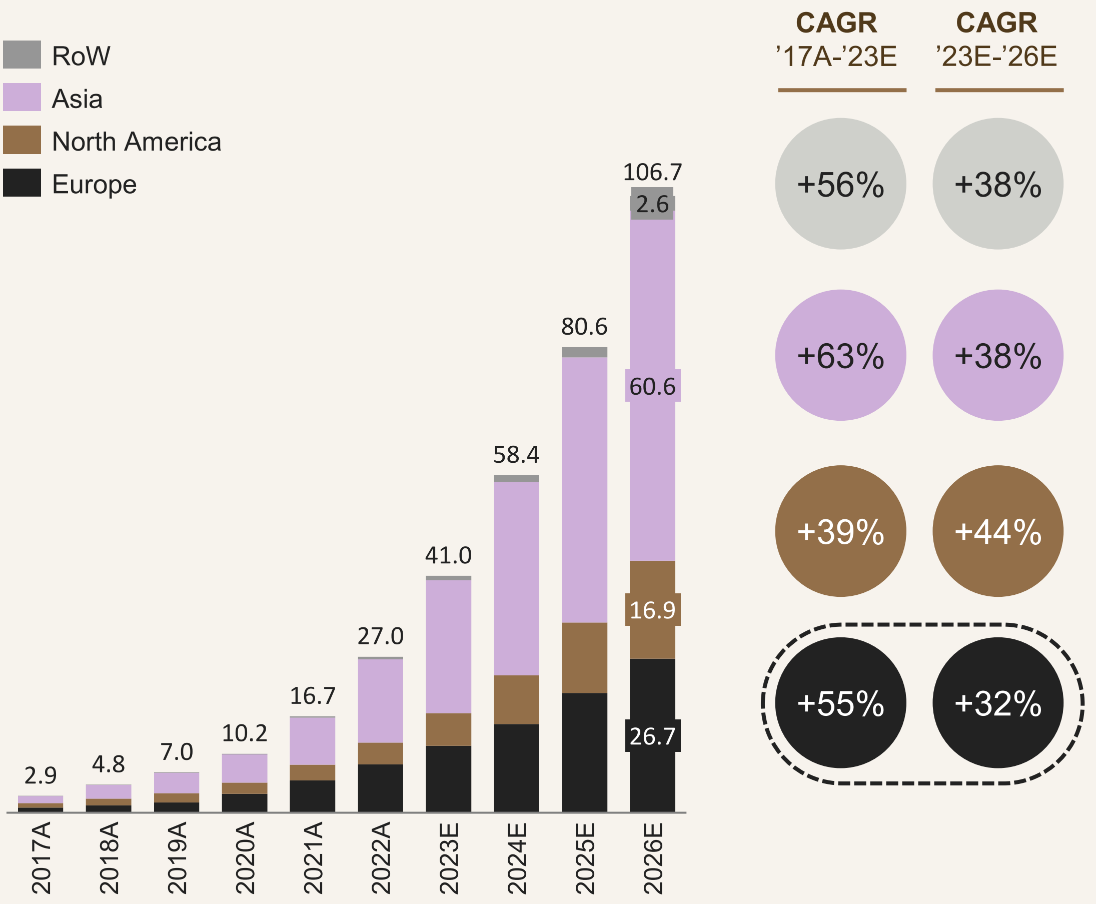
Zaptec expects the trend of increased plug-in vehicle sales in general to continue. European plug-in vehicle sales forecasted to grow 20% in 2024 and 45% in 2025, according to Bloomberg.

The uptick in EV sales following a somewhat slow 2023 is expected on the back of several cheaper models expected to be introduced in large European markets in 2024-2025 and as CO2 regulations tighten from 2025.

We have strategically positioned ourselves to tap into international markets, leveraging our products' strengths and competitive advantages. As we expand our reach beyond domestic borders, we anticipate substantial growth in revenue from exports.

EV fleet growing exponentially

Passenger EV fleet size, million[1]



Source: European Automobile Manufacturers' Association (ACEA), BloombergNEF Long-Term Electric Vehicle Outlook 2023 (8 June 2023)
1) North America includes U.S. and Canda. Asia includes China, Japan, India, South Korea, and Southeast Asia

Board of Directors Report

Operation and locations

Zaptec develops and sells charging systems for electric cars. The Group's business idea and strategy is to be Europe's leading company within development and sale of chargers, charging systems and services for electric vehicle charging.

The Group includes, in addition to Zaptec ASA, the following subsidiaries:
Zaptec Charger AS
Charge365 AS (Sold to Wattif EV in Q4 2023)
Zaptec IP AS
Zaptec Power AS
Zaptec Sverige AB
Zaptec Danmark ApS
Zaptec U.K. Ltd
Zaptec Deutschland GmBH
Zaptec Schweiz AG (formerly Novavolt A)
Zaptec Netherlands B.V.
Zaptec France SAS
Zaptec Italia S.r.l
Zaptec Charger, INC.
Zaptec Austria, GmbH

Production of charging units and equipment is outsourced to Westcontrol, and takes place in Tau, Norway and to Sanmina Corporation with production facilities in Gunzenhausen, Germany.

The main office is in Sandnes, Norway, however the Group also have sales organizations in Oslo, Sweden, Denmark, UK, France, Germany, Switzerland and the Netherlands. There are no employees in the following legal entities; Zaptec IP AS, Zaptec Power AS, Zaptec Italia S.r.l., Zaptec Charger, INC. and Zaptec Austria, GmbH

Business model

The Group develops electronic vehicle charging systems, which are sold via multiple sales channels in both the business-to-business ("B2B") and business-to-consumer ("B2C") segments. The Group's hardware products are manufactured at third party factories owned by the Group's production partners Westcontrol and Sanmina.

Management of the Group and Share Capital

The name of the Group is Zaptec ASA. The Group's parent company is a public limited liability company.

The annual General Meeting shall deal with and decide the approval of the annual accounts and the annual report, including distribution of dividend. Furthermore, the General Meeting shall deal with other matters, which according to the law or the Articles of Association fall within the responsibility of the General Meeting.

For other matters, reference is made to the provisions of the Norwegian Public Limited Liability Companies Act, as amended from time to time.

Share Capital and Own shares

The share capital is, following the 300 MNOK share capital increase in February 2023, NOK 1,312,811.85, divided into 87,520,790 freely tradable shares, each having a nominal value of NOK 0.015. Zaptec ASA holds a number of 186 425 own shares as of 31.12.2023.

Comments related to the financial statement

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

The Group had a turnover increase of 94% in 2023 with gross profit margin maintained at a high level of 38% compared to 39% in 2022. The Group has an equity ratio of 57% and a sufficient liquidity position. As of 31 December 2023, the Group had 441 MNOK in available liquidity including un-used overdraft facility of 300 MNOK. The development in turnover, profit margin and equity ratio are as expected.

The Group made an operating profit of 13,2 MNOK compared to an operating loss of 45,5 MNOK in 2022.

The Group’s growth and investments are in line with previously communicated outlook, however the ramp-up of sales in certain markets have been behind expectation due to prolonged time frames to adapt the Group’s product offerings to relevant regulatory law and regulations.

The parent company had no operating revenue in 2023 with total expenditures of KNOK 8 548. Following interest income from group companies of KNOK 22 086 and other financial income of KNOK 21 340 for the year, the net financial items amounted to KNOK 43 415. Overall, this led to KNOK 34 867 net profit before tax, and an annual result after tax of KNOK 31 854.

Outlook

There is a strong correlation between sale of electric vehicles and demand for charging infrastructure. In 2023, the transition to electric vehicles from petrol, diesel and hybrid vehicles continued. However, number of vehicles sold overall declined due to high interest rates and weaker purchasing power. In the years to come, mass-market adoption of electric vehicles is expected across Europe which is forecasted to translate into strong demand for Zaptec Go and Zaptec Pro. The Group is currently adapting both products to fit with the majority of the electric vehicle market going forward.

Zaptec has a clear strategy direction and is working decisively to be optimally positioned in this fast moving and growing EV-landscape in order to be a leading player and create value by delivering on its vision – “We change our world with cutting-edge charging solutions”.

In general, there are significant uncertainties related to the Board of Director’s evaluation of the future for the Group, as the Group’s operational and financial activities may be substantially impacted by factors outside the Group’s and the Board of Director’s control.

Risk factors

Component souring risk

The Group may experience component shortages which may impact both global EV production and the Group's production of EV charging systems. If the Group is unable to source key components to its EV production, this could decrease the Group's revenue, which could adversely affect the Group's business, financial condition, results of operations, cash flow and/or prospects.

IP risk

In the opinion of the Board of Directors, the Group's most important competitive advantage is its advanced and sophisticated technology for electric car chargers. Any failure to protect the Group's proprietary rights adequately, including but not limited to competitive actions from former employees, could result in (i) loss of key-employees, suppliers or customers of the Group and (ii) the Group's competitors offering similar products, potentially resulting in the loss of some of the Group's competitive advantage and a decrease in the Group's revenue, which would adversely affect the Group's business, financial condition, results of operations, cash flow and/or prospects.

Financial risk
The Group has to date focused on the European market, but it's current strategy is to grow and expand beyond Europe. The Group's ability to implement its strategy and achieve its business and financial objectives is subject to a variety of factors, many of which are beyond the Group's control. Further, acquisitions (if made) may involve significant risks. The Group's failure to execute its business strategy or to manage its growth effectively could adversely affect the Group's business, financial condition, results of operations, cash flow and/or prospects. In addition, there can be no guarantee that even if the Group successfully implements its strategy, it would result in the Group achieving its business and financial objectives.

Credit and liquidity risk
Depending on the balance between supply and demand, which fluctuates over time, the Group either sells its products on a continuous basis, or operates with order reserves, or products in stock. Currently the Group has order reserves due to a surplus of orders compared to its production. However, there is a risk that the Group in the future may experience a lack of order reserves combined with higher future purchase commitments towards its suppliers, as production levels are set to increase going forward. If the number of chargers ordered by the Group significantly deviates from the number of orders received from the Group's customers, the Group may incur unnecessary costs related to such purchases (in the event that the demand for the Group's products is lower than expected) or inability to meet the demand and thereby suffer loss of potential income (in the event that the demand for the Group's products is higher than expected).

Market risk
Significant changes in users' preferences away from the Group's offerings and towards competing car chargers or a decline in the market for electric cars are factors that may negatively affect the Group's business, financial condition, results of operations, cash flow and/or prospects. The Group operates in a market that is competitive, fragmented and rapidly changing. The Group expects to continue to experience competition from existing and new competitors, some of which are more established and who may have (i) greater capital and other resources, (ii) more superior brand recognition than the Group, and/or (iii) more aggressive pricing policies. There is no assurance that the Group will be able to compete successfully in such a competitive marketplace.

Personnel risk
The Group is highly dependent upon retaining and attracting qualified personnel. The loss of a key person might impede the achievement of the development and commercial objectives. Any failure to retain or attract such personnel could result in the Group not being able to successfully implement its strategy, which could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows and prospects.

Climate risk
The Group’s products offerings are in general contributing to transforming the transportation sector to reduce CO2 emissions from internal combustion engine vehicles. The Group’s business operations have negligible direct impact on the environment as it is limited to operating at offices, albeit some travelling related to selling products are negatively impacting the climate due to travel via airplane etc. The Group’s products are physically manufactured at third party factories in Norway and Germany. Further, most components used to manufacture the physical products it sourced from suppliers mainly located in Asia. The Group is currently in process of mapping the environmental impact of the key suppliers, see Transparency Act under Social Responsibility.

Social and Corporate Governance
Refer to our homepage for information on social and corporate governance policies:
https://www.zaptec.com/company/investor-relations/corporate-governance

Research and development activities

The Group’s core electric vehicle charging hardware products were launched before 2023; the Zaptec Pro was launched in 2016 and Zaptec Go in 2021. Ongoing work during 2023 was undertaken to further develop Zaptec Pro and Zaptec Go to fit certain requirements to meet targeted segments requirements in current and potential new markets. Further, there is continuous ongoing work to scale and improve the company’s software solutions.

The working environment and the employees

The sick leave in the Group was a total of 585 days in 2023, which amounted to 1.3% of total working hours. No serious occupational accidents or accidents have occurred or been reported during the year which have resulted in major property damage or personal injury. The working environment is considered good, and ongoing measures for improvements are implemented.

Cash flow

The deviation between operational cash flow and operating result can be explained by the Group’s growth strategy.

The Group’s cash flow from operational activities is in general reinvested to continue the Group’s future growth efforts. The Group’s investments are related to development of the Group’s electric vehicle charging systems, and operational expenses mainly due to the building of organization in new markets. During 2023, Zaptec ASA divested Charge365 AS to Wattif EV, which led to 24 MNOK in operating income in the fourth quarter.

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 2024 and the Group’s long-term strategic forecasts. The Group’s economic and financial position is sound.

The Group’s debt level is mainly related to trade payables, which amounted to KNOK 244 604 at the end of 2023. Total liabilities amounted to 494 730 KNOK. Total equity at the end of 2023 was KNOK 664 823.

If required, the Group could raise additional equity financing by issuing new shares to existing and/or new shareholders. Since the Group is listed at Oslo Stock Exchange, the process to increase equity capital in the Group could be completed within a relatively short time frame, provided capital market sentiment and company outlook allow for such capital increase.

The Group‘s liquidity position was strengthened in Q1 2023 following a share capital increase process where 300 MNOK in gross proceeds were raised by issuance of new shares to support the Group’s growth ambitions in 2023. In Q4 2023 the Group’s financial flexibility was improved by increasing it’s credit facility from 70 to 300 MNOK. At the end of 2023, the credit facility remained undrawn.

Liability insurance

The Group has a Directors & Officers liability insurance that covers Directors and executive management. The total limit of the coverage is 25 MNOK.

Change in Revenue Recognition according to IFRS 15

During 2023, the Group changed principle for revenue recognition according to IFRS 15. The change in principle is related to how revenue from connectivity included in sold chargers are accrued and spread over time, instead of taken at time of sale. Note that the IFRS 15 adjustment has no cash flow effect.

In prior years financial statement deferred revenue in accordance with IFRS 15 has not been recognized. The element of deferred revenue is related to separation of sales of chargers and included subscription service for connectivity, which is regarded as a commitment for five years after time of sales. The total effect for 2023 is 38,8 MNOK in decreased revenue compared to not deferring revenue.

Social responsibility

Transparency Act

The Group has joined the Responsible Business Alliance which allows the Group more insights and ability to strategically work with human rights in the supply chain. The Group has set up routines to work regularly with human rights due diligence and disclosure, with the 2023 report available on the website. The 2024 report will be released no later than 30 June 2025.

Equality

The Group aims at treating every employee and business partner equally. This is becoming important with expansions abroad where differences are more significant than where we come from. In 2023 the Group has implemented UN Human Rights Policy to protect and defend human rights and in addition, joined the Responsible Business Alliance to join efforts with the rest of the electronics industry.

As per end of the year 2023, the Group had 190 permanent employees, of which 54, 28.4%, were female. The proportion of women in all management positions was 21%, in C-level were represented with 28.5% women and 60% women in Board of Directors.

The average salary for women and men in full-time positions amounted to NOK 790.833 and NOK 922.958.

The Group has 8 employees in part-time positions. The Group's policy is that work of equal value shall provide equal pay. The Group 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 Group will try to increase the proportion of women in the job categories where this is particularly low.

Equal opportunities and discrimination

The Group 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.

Human rights

The Group has a Human Rights policy aligned with the United Nations Guiding Principles on Business and Human Rights. Our policy is also reflected in our suppliers' code of conduct. We aim to protect workers and reassure them that they work according to reasonable and considerate standards, free from exploitation and unfair business practices. The Group seeks to follow a combination of national rules with those provided by being a member of the Confederation of Norwegian Enterprise.

The Confederation of Norwegian Enterprise is also a member of the UN Global Compact, building on the ten principles. In 2023 Zaptec joined the Responsible Business Alliance. More details on Zaptec's human rights work can be found in our 2023 Sustainability Report.

Anti-corruption
The Group works to comply with high standards of anti-corruption work. We aim to work to cease the cases of corruption, extortion, bribery and grey zone cases. We aim to have our subcontractors participate in implementing the Anti-Corruption Principles by working closely with them. The Group is also scaling up the operations by onboarding more support in the supply chain and operations.

The Group has Ethical Rules as a part of its Employee Handbook regulating gifts and other economic advantages. In case of uncertainty, the CFO is accessible to reply to questions for review. The company is also operating with red periods with regards to purchasing and sale of stocks.

Working environment
To comply with the principles of working with sub-contractors to verify their actions, the Group is collecting reports from our Norwegian factory assembling the products assessing their subcontractors delivering the material and the parts for the production process. The Group is documenting the reports we receive through our documentation system.

In addition to this, we have brought HR in-house. This reassures closer control of adhering to HR. The Group has strict protections for the employees in place, and we provide a collaborative working environment. This is outlined in our Employee Handbook where protections for whistleblowers, both working on permanent and temporary contracts, are outlined.

Climate Change
The Group has mapped its scope 1,2 and 3 emissions for 2022 and 2023, and established systems to do so annually. The results of 2023 GHG emissions is published in the Zaptec Sustainability Report for 2023.

Covid-19

The Group did not experience any material direct effects related to its business operations during 2023.

Events after period

On 22nd February 2024, Kurt Østrem was appointed CEO of Zaptec ASA. Prior to becoming Zaptec's CEO, Kurt Østrem held the position as Interim CEO and CFO since former CEO Peter Bardenfleth-Hansen left Zaptec 2nd October 2023. On 1st of March 2024, Eirik Fjellså Hærem was appointed as CFO and deputy CEO of Zaptec ASA.

Allocation of net income

The Group had a net profit of 22 228 KNOK which the Board of Directors has proposed to be attributed to:

Dividend	KNOK	0
Retained earnings	KNOK	22 228
Net income allocated	KNOK	22 228

Zaptec ASA had a net profit for 2023 of 31 854 KNOK which the Board of Directors has proposes to be attributed to:

Dividend	KNOK	0
Retained Earnings	KNOK	31 854
Net income allocated	KNOK	31 854

Zaptec ASA received interest income from group companies of KNOK 22 086 and other financial income of KNOK 21 340 for 2023.

Stig H. Christiansen (sign)
Chairman of the board

Kurt Østrem (sign)
Chief Executive Officer

Christian Rangen (sign)
Board member

Ingelin Drøpping (sign)
Board member

Jennifer Jacobs Dungs (sign)
Board member

An Joanna De Pauw (sign)
Board member

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

In NOK 1000	Note	2023	Restated* 2022
Operating income			
Revenues from contracts with customers	5,6	1 402 408	736 942
Other operating income	5	24 182	0
Total operating income		**1 426 590**	**736 942**
Operating expenses			
Cost of inventories	5	891 290	450 638
Employee benefit expenses	5,7	247 962	157 090
Depreciation and amortisation expense	5,12,13	29 918	20 573
Other operating expenses	5,7, 18	244 213	154 190
Total operating expenses		**1 413 383**	**782 492**
Operating profit/loss		**13 207**	**-45 550**
Financial income and expenses			
Finance income	8	13 897	6 084
Finance expense	8	3 115	13 527
Net financial income (+) and expenses (-)		**10 782**	**-7 443**
Profit (+)/loss (-) before tax		**23 990**	**-52 992**
Tax expense (+)/benefit (-)	9	1 761	-101
Profit (+)/loss (-) after tax		**22 228**	**-52 891**
Total profit/loss attributable to:			
Owners of the parent		22 228	-52 891
Non-controlling interest		0	0
Basic earnings per shares	10	0,26	-0,69
Diluted earnings per shares	10	0,26	-0,69

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In NOK 1000	Note	2023	Restated* 2022
Profit (+)/loss (-) for the period		22 228	-52 891
Items that will or may be reclassified to profit or loss:			
Exchange gains arising on translation of foreign operations		19 147	6 457
Total comprehensive income		**41 375**	**-46 434**
Total comprehensive income attributable to:			
Owners of the parent		41 375	-46 434
Non-controlling interest		0	0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

			Restated*	Restated*
In NOK 1000	**Note**	**31.12.2023**	**31.12.2022**	**01.01.2022**
ASSETS				
Goodwill and intangible assets				
Goodwill	3,11	79 171	69 638	0
Other intangible assets	11	80 320	85 462	141 125
Deferred tax asset				
Deferred tax asset	9	29 898	12 417	8 660
Tangible assets				
Property, plant and equipment	12,19	15 118	9 015	5 061
Right-of-use assets	13	52 741	15 710	15 210
Other non-current assets	4	5 189	5 310	109
Total non-current assets		**262 437**	**197 551**	**170 165**
Inventories				
Inventories	14,19	447 348	90 788	26 173
Receivables				
Trade receivables	15,19	186 045	116 337	80 916
Other current assets				
Financial investments		0	0	183 500
Other current assets	22	122 081	113 299	28 605
Cash and cash equivalents				
Cash and cash equivalents	16	141 643	102 862	76 258
Total current assets		**897 117**	**423 286**	**395 452**
TOTAL ASSETS		**1 159 554**	**620 838**	**565 617**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In NOK 1000	Note	31.12.2023	Restated* 31.12.2022	Restated* 01.01.2022
EQUITY AND LIABILITIES				
Equity				
Share capital	17	1 313	1 146	475
Treasury shares		-3	0	0
Share premium		646 945	359 185	355 362
Not registered capital increase		0	0	3 825
Other paid in equity		14 982	6 855	11 328
Foreign exchange reserve		28 960	10 480	4 024
Other reserves		-27 373	-52 849	8 184
Total equity		**664 823**	**324 816**	**383 198**
Non-current liabilities				
Deferred tax	9	7 127	5 901	5 360
Long-term lease liabilities	13	43 762	10 528	11 619
Long-term deferred income	26	53 908	25 730	10 602
Long-term provisions	7,18	21 234	5 115	6 905
Total non-current liabilities		**126 031**	**47 274**	**34 487**
Current liabilities				
Trade payables		244 604	146 057	66 142
Short-term loans and borrowings	19	0	29 229	3 833
Short-term lease liabilities	13	9 064	5 414	3 813
Short-term deferred income	26	19 818	9 234	3 905
Contingent consideration		0	0	38 963
Tax payable	9	20 984	11 107	9 248
Other current liabilities	20	74 228	47 706	22 026
Total current liabilities		**368 698**	**248 747**	**147 931**
Total liabilities		**494 730**	**296 021**	**182 418**
TOTAL EQUITY AND LIABILITIES		**1 159 554**	**620 838**	**565 617**

* The comparative information is restated on account of correction on errors. See note 26.

Stavanger, 19.03.2024

Christian Rangen	Stig Harry Christiansen	Kurt Østrem
Member of the board	Chaiman of the board	General manager
Jennifer Jacobs Dungs	An Joanna De Pauw	Ingelin Drøpping
Member of the board	Member of the board	Member of the board

CONSOLIDATED STATEMENT OF CASH FLOWS

In NOK 1000	Note	2023	Restated* 2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (+)/loss (-) before tax		23 990	-52 992
Taxes paid		-11 107	-9 248
Depreciation and amortisation expense	12,13	29 918	20 573
Shared based payment expense	7	8 127	11 511
Finance income	8	13 897	5 990
Finance expense	8	-3 818	13 527
Interest received	8	0	94
Increase in trade receivables	15	-69 708	-35 421
Increase in inventories	14	-356 560	-64 615
Increase in trade payables		98 547	79 915
Change in other accrual items		47 053	-18 150
NET CASH FLOW FROM OPERATING ACTIVITIES		**-219 661**	**-48 815**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Acquisition of subsidiary, net of cash acquired		0	0
Purchases of property, plant and equipment	11,12	-78 377	-24 838
Proceeds from sale of PP&E		7 570	0
Proceeds from sale of investments (funds)	4	0	177 691
Advances/loans to suppliers		35 849	-67 397
Investments in other entities		0	-4 872
Cash flows from other investements		0	67
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-34 958**	**80 652**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loans and borrowings	20	-29 229	-3 833
Draw down on credit facility		0	29 229
Lease liabilities	13	37 587	-4 546
Interest on lease liabilities	13	-703	-511
Interest on debts and borrowings		0	-2 119
Purchase of treasury shares	10	-2 180	-9 157
Settlement of option agreement	7	0	-15 984
Sale of treasury shares	7	0	1 689
Proceeds from equity		287 927	0
NET CASH FLOW FROM FINANCING ACTIVITIES		**293 402**	**-5 233**
Net change in cash and cash equivalents		**38 782**	**26 604**
Cash and cash equivalents at start of period		102 862	76 258
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**141 643**	**102 862**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In NOK 1000	Share Capital	Tresury 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
1 January 2022	475	0	355 362	3 825	11 328	4 024	19 500	394 514	0	394 514
Correction of error	0	0	0	0	0	0	-11 316	-11 316	0	-11 316
Adjusted equity 1 January 2022	**475**	**0**	**355 362**	**3 825**	**11 328**	**4 024**	**8 184**	**383 198**	**0**	**383 198**
Profit (+)/loss (-) after tax	0	0	0	0	0	0	-52 891	-52 891	0	-52 891
Other comprehensive Income	0	0	0	0	0	6 457	0	6 457	0	6 457
Purchase of non controlling interest	0	-2	0	0	0	0	-9 155	-9 158	0	-9 158
Sale of treasury shares	0	2	0	0	0	0	1 687	1 689	0	1 689
Capital increase	672	0	3 823	-3 825	0	0	-675	-6	0	-6
Settlement of share based payment*	0	0	0	0	-15 984	0	0	-15 984	0	-15 984
Share based payments	0	0	0	0	11 511	0	0	11 511	0	11 511
31 December 2022	**1 146**	**0**	**359 185**	**0**	**6 855**	**10 480**	**-52 849**	**324 816**	**0**	**324 816**
1 January 2023	**1 146**	**0**	**359 185**	**0**	**6 855**	**10 480**	**-52 849**	**324 816**	**0**	**324 816**
Profit (+)/loss (-) after tax	0	0	0	0	0	0	22 228	22 228	0	22 228
Other comprehensive Income	0	0	0	0	0	18 479	668	19 147	0	19 147
Purchase of treasury shares	0	-3	0	0	0	0	-2 180	-2 183	0	-2 183
Capital increase	166	0	287 761	0	0	0	0	287 927	0	287 927
Share based payments	0	0	0	0	8 127	0	0	8 127	0	8 127
Differences from earlier periods**	0	0	0	0	0	0	4 760	4 760	0	4 760
31 December 2023	**1 313**	**-3**	**646 945**	**0**	**14 982**	**28 960**	**-27 373**	**664 823**	**0**	**664 823**

* Settlement of option agreement (purchase of own equity instruments). Refer to Note 7 for additional information

** Relates to shared services booked in Zaptec Charger AS and not in Zaptec Deutchland GmbH at 31 December 2022. of ingoing balance.

NOTES

Note 1 - Basis of preparation

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in the following section. The policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in NOK, which is also the functional currency of the parent. Amounts are rounded to the nearest thousand, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS®) as adopted by the EU and are prepared under the basis of going concern.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in Note 3.

The annual report were approved by the Board of Directors and the Chief Executive Officer on the 19th of March 2024 and will be presented for approval at the Annual General Meeting on 12th of June 2024.

Note 2 - Accounting policies

Basis of measurement
The consolidated financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):

- Financial investments – fair value through profit or loss (Note 4)

Revenue
<u>Performance obligations and timing of revenue recognition</u>
The majority of the group’s revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer, as our general delivery term is Incoterms DAP.
Once a charging station is sold to the end user, the charger is included a subscription service for connectivity. This element is considered to be a performance obligation and are recognised as deferred income and will be accrued over 5 years.

There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Some goods sold by the group include warranties which require the group to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with IFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them.

<u>Determining the transaction price</u>
The group’s revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Transaction price on the element of connectivity, which is recognised as deferred income and will be accrued over 5 years, is based on estimation of cost price for connectivity during the period of delivery obligation, in addition to a margin for handling the service on behalf of the customer.

Allocating amounts to performance obligations
For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).
For charging stations sold, transaction price will be split between the charging station itself, which is recognised as revenue at point of time goods has transferred to the customer, and connectivity included which is considered a performance obligation and accrued over 5 years.

Basis of consolidation
Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of profit and loss from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Goodwill
Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Impairment of non-financial assets (excluding inventories and deferred tax assets)
Impairment tests on goodwill are performed annually. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash inflows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss. An impairment loss recognised for goodwill is not reversed.

Foreign currency
Transactions in foreign currency are converted at the exchange rate at the time of the transaction. Monetary items in foreign currency are converted into the component`s functional currency using the statement of financial position date's exchange rate. Non-monetary items measured at historical exchange rates expressed in foreign currency are converted into functional currency using the exchange rate at the time of the transaction. Gains and losses from exchange rate changes are recognized in the income statement on an ongoing basis during the accounting period.

Assets and liabilities in foreign operations are converted from functional currency to presentation currency (NOK) using the statement of financial position date's currency rate. Revenues and expenses in foreign operations converted into NOK using quarterly average currency rates. The translation difference because of the conversion of foreign operations is recognised in other comprehensive income. Accumulated translation differences in equity are recycled into profit and loss upon divestment of foreign operations.

Financial assets
The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Group`s accounting policy for each category is as follows:

Investments in shares in Swich EV Ltd is measured at fair value at level 2 in the valuation hierachy. They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line.

Amortised cost
These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. Apart from trade receivables the assets are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company's financial assets measured at amortised cost comprise trade receivables, other current receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Financial liabilities
The Group classifies its financial liabilities into one of two categories, the Group's accounting policy for each category is as follows:

<u>Other financial liabilities</u>
Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Share capital
Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments.

Share-based programs
Where equity settled share options and shares are awarded to employees, the fair value of the options and shares at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options and shares that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options or shares granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options and shares are modified before they vest, the increase in the fair value of the options and shares, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

Employer contribution payable is accrued over the vesting period based on the intrinsic value of the options and shares.

Leases
All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.
The lease term includes the non-cancellable period of the lease plus periods covered by an option to extend, if it is resasonably certain that this extension is to be exercised.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the group if it is reasonable certain toassess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease; and
- Initial direct costs incurred

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

Externally acquired intangible assets
Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/ legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

Internally generated intangible assets (development costs)
Expenditure on internally developed products is capitalised if it can be demonstrated that:
- It is technically feasible to develop the product for it to be sold
- Adequate resources are available to complete the development
- There is an intention to complete and sell the product
- The Group is able to sell the product
- Sale of the product will generate future economic benefits, and
- Expenditure on the project can be measured reliably

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within the " Depreciation and amortization expense" in the consolidated statement of profit and loss.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of profit and loss as incurred.

Dividends
Dividends are recognised when they become legally payable.

Taxes
The tax expense in the Consolidated statement of profit and loss includes both current tax payable and changes in deferred tax/ deferred tax assets.

Current tax constitutes the expected tax payable on the year's taxable result at the applicable tax rates on the balance sheet date and any corrections of tax payable for previous years.

Tax payable and deferred tax/ deferred tax assets are calculated at the tax rate applicable in different jurisdictions.

Deferred tax/ deferred tax assets are calculated on the basis of the temporary differences that exist between accounting and tax bases of assets and liabilities, as well as tax losses carried forward at year end. Net deferred tax assets are recognized to the extent that there is convincing evidence that there will be taxable income available to utilize the deferred tax asset.

Property, plant and equipment
Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives.

Treasury shares
Consideration paid/ received for the purchase/ sale of treasury shares is recognised directly in equity. Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

Inventories
Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Government grants
Government grants received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for expenditure are netted against the cost incurred by the Group. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the consolidated statement of comprehensive income or netted against the asset purchased.

Provisions
The group has recognised provisions for liabilities of uncertain timing or amount including those for warranty claims and provision for employer's tax related to share based incentive program. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

Refer to Note 7 and 18 for provisions for additional information.

Note 3 - Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Significant estimates:
- Deferred revenue recognition - correction of error (note 26).
- Impairment of trade receivables (note 15)
- Impairment of inventory (note 14)
- Provision for warranty claims (note 18)
- Calculation of transaction price on performance obligation related to 4G (note 26)

Note 4 - Risk Management

The Group is exposed through its operations to the following financial risks:
- Credit risk
- Interest rate risk
- Foreign exchange risk
- Other market price risk, and
- Liquidity risk
- Operational risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(i) Principal financial instruments
The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:
- Trade receivables
- Other receivables
- Cash and cash equivalents
- Trade and other payables
- Bank overdrafts
- Floating-rate bank loans

(ii) Financial instruments by category

2023					
In NOK 1000	**Financial assets**		**Financial liabilities**		**Total**
	fair value	**amortized cost**	**fair value**	**amortized cost**	
Assets					
Other non-current assets	4 872	317	0	0	5 189
Trade receivables	0	186 045	0	0	186 045
Other current assets	0	122 081	0	0	122 081
Cash and cash equivalents	0	141 643	0	0	141 643
Total	**4 872**	**450 085**	**0**	**0**	**454 957**
Liabilities					
Short-term loans and borrowings	0	0	0	0	0
Trade payables	0	0	0	244 604	244 604
Other current liabilities	0	0	0	74 228	74 228
Total	**0**	**0**	**0**	**318 832**	**318 832**
Net financial assets and liabilities at 31 December	**4 872**	**450 085**	**0**	**-318 832**	**136 125**

2022					
In NOK 1000	**Financial assets**		**Financial liabilities**		**Total**
	fair value	**amortized cost**	**fair value**	**amortized cost**	
Assets					
Other non-current assets	4 872	438	0	0	5 310
Trade receivables	0	116 337	0	0	116 337
Other current assets	0	113 299	0	0	113 299
Cash and cash equivalents	0	102 862	0	0	102 862
Total	**4 872**	**332 936**	**0**	**0**	**337 808**
Liabilities					
Short-term loans and borrowings	0	0	0	29 229	29 229
Trade payables	0	0	0	146 057	146 057
Other current liabilities	0	0	0	47 706	47 706
Total	**0**	**0**	**0**	**222 991**	**222 991**
Net financial assets and liabilities at 31 December	**4 872**	**332 936**	**0**	**-222 991**	**114 817**

(iii) Financial instruments not measured at fair value
Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates their fair value.

(iv) Financial instruments measured at fair value
Investments in 2023 are measured based on observable inputs at level 2 in the fair value hierarchy, as these are investments in shares in EV Switch and a observable market value is not available.

General objectives, policies and processes
The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

Further disclosures regarding trade and other receivables are provided in Note 15.

Market risk
Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Interest rate risk
The Group’s interest rate risk arises in both the short and medium-term perspective as The Group’s borrowings is held at floating interest rates. Changes in the interest rate level will have a direct impact on future cash flows and can also affect future investment opportunities.

Borrowings have been at a low level. Therefore, no measures implemented towards reducing the exposure towards interest rate risk.

Foreign exchange risk
Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency.

The Group is receiving proceeds in NOK, EUR, CHF, SEK and GBP. Most of the sale is in NOK. Sale from Norway to other foreign group entities is in NOK, but when foreign group entities sells to customers in theirs country the sale is in their functional currency.

The main currency risk relates to the long term borrowings in USD to Sanmina Corp. from Zaptec Charger AS and the purchase obligation related to purchases from Sanmina. These are the only items which has been included in the below sensitivity tables.

USD 1 000	**31.12.2023**	**31.12.2022**
Non-interest bearing loan	3 315	3 578
Purchase obligation	46 041	19 051
Effect in profit before tax with change in foreign exchange rate USD/NOK:		
10% increase	4 936	358
10% decrease	4 604	-358

GBP 1000	**31.12.2023**	**31.12.2022**
Convertable loan to Zaptec U.K Ltd	2 259	1 753
Effect in profit before tax with change in foreign exchange rate USD/NOK:		
10% increase	226	175
10% decrease	-226	-175

As of 31 December the group holds following investments in shares:

	2023	**2022**
Switch Ev Ltd	4 872	4 872
Total	**4 872**	**4 872**

Zaptec ASA invested in 31 619 (1.9%) shares in Switch EV Ltd in 2022 for GBP 400 000. During 2023 a new third party invested in a significant portion of Switch EV Ltd. At the share price observed in that transaction, Zaptec ASAs value would have been GBP 440 882. The value of Switch EV Ltd in the financial statement per 31.12.2023 is therefore at fair value.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Groups approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups reputation.

At year end the company had available 300 MNOK in undrawn overdraft facility and 141.6 MNOK in cash and cash equivalents.

Short-term forecasts are prepared on a regular basis to plan the Groups liquidity requirements. These plans are updated regulary for various scenarios and form part of the decision basis for the Groups management and Board of Directors.

The Group comitted to a purchase obligation of 1059 MNOK of inventories from Westcontrol and Sanmina. Refer to Note 14 regading current purchase obligations of EV chargers from Westcontrol and Sanmina.

The table below shows the maturity structure of the Group's financial liabilities:

2023						
In NOK 1000		**Cash flows including interest**				
	Carrying amount	**Less than 3 Months**	**3-12 Months**	**1-2 Years**	**2-5 Years**	**After 5 years**
Loans and borrowings with interest	0	0	0	0	0	0
Trade payables	244 604	244 604	0	0	0	0
Lease liabilities including interest	65 178	2 861	8 193	9 389	22 945	21 791
Other current liabilities	74 228	61 553	12 672	0	0	0
Total	**384 011**	**309 018**	**20 865**	**9 389**	**22 945**	**21 791**

2022						
In NOK 1000		**Cash flows including interest**				
	Carrying amount	**Less than 3 Months**	**3-12 Months**	**1-2 Years**	**2-5 Years**	**After 5 years**
Short-term loans and borrowings	29 514	285	29 229	0	0	0
Trade payables	146 057	146 057	0	0	0	0
Lease liabilities including interest	16 311	1 444	4 339	5 529	4 999	0
Other current liabilities	47 706	47 535	7 672	0	0	0
Total	**239 588**	**195 321**	**41 240**	**5 529**	**4 999**	**0**

Operational risk

Operational risk is the risk of loss resulting from many normal aspects of business. This includes the risk of loss caused by failed processes, unskilled employees, inadequate systems, or external events. In many ways, operational risk can't be avoided as it is part of the daily business activity of a company.

In 2023 the Group had two main suppliers, Westcontrol and Sanmina.

Capital Disclosures

The Group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Note 5 - 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.

Zaptec Danmark ApS
This segment is involved in the sale and distribution of Zaptec products in Denmark.
In 2023 Denmark has increased their sales significantly, and is therefore included as a segment from 2023.

Other
Consist of all other legal entities in the group.

01.01 - 31.12.2023							
In NOK 1000	**Zaptec Charger AS**	**Zaptec Sverige AB**	**Zaptec Schweiz AG**	**Zaptec Danmark ApS**	**Other**	**Adjustments and eliminations**	**Total**
Operating income							
Revenues from contracts with customers	499 772	398 972	278 868	138 913	87 260	-1 377	1 402 408
Revenues from internal sales	590 483	0	0	0	1 750	-592 233	0
Revenues from Marketing	2 853	0	0	0	0	-2 853	0
Revenues from shared services	2 647	7 512	1 070	1 796	22 556	-35 580	0
Revenue from TP adjustment	79 116	0	0	0	0	-79 116	0
Other operating income	0	0	0	0	24 182	0	24 182
Total operating income	**1 174 871**	**406 484**	**279 937**	**140 709**	**135 748**	**-711 159**	**1 426 590**
Operating expenses							
Cost of inventories	882 282	298 111	133 995	100 276	54 740	-578 113	891 290
Employee benefit expenses	146 897	17 179	30 180	9 964	38 048	5 695	247 962
Depreciation and amortisation expense	13 102	39	0	0	1 779	14 999	29 918
Other operating expenses	146 885	60 709	94 023	23 466	28 837	-109 707	244 213
Total operating expenses	**1 189 166**	**376 038**	**258 198**	**133 706**	**123 404**	**-667 126**	**1 413 383**
Operating result	**-14 296**	**30 446**	**21 739**	**7 003**	**12 344**	**-44 033**	**13 207**

01.01 - 31.12.2022							
In NOK 1000	**Zaptec Charger AS**	**Zaptec Sverige AB**	**Zaptec Schweiz AG**	**Zaptec Danmark ApS**	**Other**	**Adjustments and eliminations**	**Total**
Operating income							
Revenues from contracts with customers	341 162	155 714	210 152	14 814	15 100	0	736 942
Revenues from internal sales	291 060	3 392	0	0	1 000	-295 451	0
Other operating income	0	0	0	0	0	0	0
Total operating income	**632 222**	**159 106**	**210 152**	**14 814**	**16 100**	**-295 451**	**736 942**
Operating expenses							
Cost of inventories	431 961	110 075	106 308	14 657	8 326	-220 688	450 638
Employee benefit expenses	80 449	8 703	22 382	5 262	23 512	16 782	157 090
Depreciation and amortisation expense	9 215	0	36		1 558	9 764	20 573
Other operating expenses	102 806	30 552	74 796	9 941	39 992	-103 896	154 190
Total operating expenses	**624 431**	**149 330**	**203 522**	**29 860**	**73 387**	**-298 038**	**782 492**
Operating result	**7 791**	**9 776**	**6 630**	**-15 046**	**-57 287**	**2 587**	**-45 550**

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 are as follows:

01.01 - 31.12.2023					
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)	-630 995	-584 086	0	0	-1 750
Elimination of employee benefits allocated (2)	-85 580	0	-11 494	0	-108 535
IFRS 16 adjustments (3)	0	0	0	9 165	-9 770
GAAP-adjustment to inventory (4)	0	-5 825	0	0	0
Amortization of excess values (5)	0	0	0	5 834	0
Gains on internal transactions (6)	0	13 176	0	0	0
Share-based incentive program (7)	0	0	9 480	0	0
Other (8)	5 416	-1 378	7 709	0	10 348
Total	**-711 159**	**-578 113**	**5 695**	**14 999**	**-109 707**

01.01 - 31.12.2022					
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)	-295 451	-220 516	0	0	-73 946
Elimination of employee benefits allocated (2)	0	0	16 782	0	-24 892
IFRS 16 adjustments (3)	0	0	0	4 904	-5 057
GAAP-adjustment to inventory (4)	0	-3 401	0	0	0
Amortization of excess values (5)	0	0	0	4 860	0
Gains on internal transactions (6)	0	3 228	0	0	0
Total	**-295 451**	**-220 688**	**16 782**	**9 764**	**-103 896**

(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) As part of the increased activity outside of Norway in 2022, Zaptec Charger AS has provided significant services to other subsidiaries. The amount charged for these services is presented as reduction of cost in the financial statement of Zaptec Charger. 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 reductions are 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 7

(8) Other

Note 6 - 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 5

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

01.01 - 31.12.2023						
Segments						
In NOK 1000	**Zaptec Charger AS**	**Zaptec Sverige AB**	**Zaptec Schweiz AG**	**Zaptec Danmark ApS**	**Other**	**Total**
Product sales	499 772	398 972	278 868	138 913	85 883	1 402 408
Other	0	0	0	0	24 182	24 182
Total operating income	**499 772**	**398 972**	**278 868**	**138 913**	**110 065**	**1 426 590**
By business area - Geographical distribution						
Norway	433 038	0	0	0	29 773	462 811
Sweden	23 593	398 972	0	0	0	422 566
Switzerland	0	0	278 868	0	0	278 868
Denmark	2 809	0	0	138 913	0	141 722
Iceland	9 331	0	0	0	0	9 331
Finland	17 343	0	0	0	0	17 343
Belgium	975	0	0	0	0	975
Poland	1 174	0	0	0	0	1 174
Netherlands	2 007	0	0	0	50 572	52 579
Ireland	2 396	0	0	0	0	2 396
Deutschland	0	0	0	0	5 253	5 253
UK	6	0	0	0	24 390	24 395
Portugal	6 406	0	0	0	0	6 406
Rest of Europe	383	0	0	0	77	459
Other	310	0	0	0	0	310
Total operating income	**499 772**	**398 972**	**278 868**	**138 913**	**110 065**	**1 426 590**

Timing of revenue recognition						
Goods transferred at a point in time	461 010	398 972	278 868	138 913	110 065	1 387 828
Goods and services transferred over time*	38 762	0	0	0	0	38 762
Total operating income	**499 772**	**398 972**	**278 868**	**138 913**	**110 065**	**1 426 590**

*Consist of deferred revenue related to IFRS 15

01.01 - 31.12.2022						
Segments						
In NOK 1000	**Zaptec Charger AS**	**Zaptec Sverige AB**	**Zaptec Schweiz AG**	**Zaptec Danmark ApS**	**Other**	**Total**
Product sales	341 162	155 714	210 152	14 814	15 100	736 942
Other	0	0	0	0	0	0
Total operating income	**341 162**	**155 714**	**210 152**	**14 814**	**15 100**	**736 942**

By business area - Geographical distribution						
Norway	202 064	0	0		12 413	214 477
Sweden	10 163	155 714	0		0	165 877
Switzerland	0	0	210 152		0	210 152
Denmark	70 608	0	0	14 814	0	85 422
Iceland	13 093	0	0		0	13 093
Rest of Europe	42 311	0	0		2 687	44 999
Other	2 922	0	0		0	2 922
Total operating income	**341 162**	**155 714**	**210 152**	**14 814**	**15 100**	**736 942**

Timing of revenue recognition						
Goods transferred at a point in time	320 706	155 714	210 152	14 814	15 100	716 486
Goods and services transferred over time*	20 456	0	0	0	0	20 456
Total operating income	**341 162**	**155 714**	**210 152**	**14 814**	**15 100**	**736 942**

*Consist of deferred revenue related to IFRS 15

The table below shows the movement in deferred income during 2023.

Deferred income

31.12.2023	
In NOK 1000	
Opening balance	**34 964**
Movement	38 762
Closing balance	**73 726**

Note 7 - Employee benefit expenses

Payroll costs

In NOK 1000	**2023**	**2022**
Salaries	175 666	130 798
Share based payment expense excluded payroll tax	8 127	11 511
Payroll tax	22 046	13 619
Other benefits	42 123	1 162
Total	**247 962**	**157 090**
Average full-time	183	111

Management remuneration

2023					
					Board of directors
In NOK 1000	**Salaries**	**Bonus**	**Share based payment**	**Other benefits**	**Total**
Stig H. Christiansen	500	0	0	0	500
Ingelin Drøpping	350	0	0	0	350
Christian Rangen	250	0	0	0	250
Jennifer Jacobs Dungs	250	0	0	0	250
An Joanna De Pauw	250	0	0	0	250
Total	**1 600**	**0**	**0**	**0**	**1 600**

					Chief executive officer and CFO
Peter Bardenfleth-Hansen*	3 630	0	0	9 674	13 304
Kurt Østrem (CFO and interim CEO)**	2 641	0	1 484	231	4 356
Total	**6 271**	**0**	**1 484**	**9 905**	**17 660**

*Peter Bardenfleth-Hansen left the company 01.10.2023.
Settlement of MNOK 9.5 is included in other benefits. The settlement has been accounted for as payroll.
**Acting CEO and CFO up until 22.02.2024.

					Others in management
Kristian Sæther	1 397	0	989	48	2 434
Eirik Fjellså Hærem	1 505	200	685	22	2 412
Knut Braut	1 551	0	1 868	126	3 545
Lasse Hult	1 396	0	989	175	2 560
Anna-Karin Andersen	1 632	0	899	5	2 536
Trude Rekkedal Schulberg*	671	0	397	12	1 080
Pål Tumyr**	1 308	0	0	31	1 340
Total	**9 460**	**200**	**5 827**	**419**	**15 906**

*Enrolled 01.05.2023
** Left the company 30.11.2023

2022					
					Board of directors
In NOK 1000	**Salaries**	**Bonus**	**Share**	**Other**	**Total**
Stig H. Christiansen	300	0	958	0	1 258
Christian Rangen	150	0	0	0	150
Pål Selboe Valseth*	150	0	0	0	150
Peter Bardenfleth-Hansen	150	0	1 917	0	2 067
Total	**750**	**0**	**2 875**	**0**	**3 625**

					Chief executive officer
Anders Thingbø	2 198	0	0	16 075	18 273
Peter Bardenfleth-Hansen	2 485	2 500	2 359	126	7 470
Total	**4 683**	**2 500**	**2 359**	**16 201**	**25 743**

					Chief financial officer
Kurt Østrem	2 145	1 000	1 150	213	4 508
Total	**2 145**	**1 000**	**1 150**	**213**	**4 508**

Others in management					
Kristian Sæther	1 309	106	767	73	2 254
Eirik Fjellså Hærem	744	0	282	6	1 033
Knut Braut	1 507	0	767	114	2 388
Lasse Hult	1 305	0	767	163	2 235
Pål Tumyr	513	41	243	6	803
Siren Ertzeid	660	0	0	7	667
Martin Malmanger	1 043	0	767	14	1 824
Anna-Karin Andersen	1 360	0	642	0	2 002
Total	**8 441**	**147**	**4 235**	**383**	**13 206**

* Member of the Board up until 07.11.2022

Anders Thingbø left the company 28.02.2022. Settlement of share based payment of MNOK 15 984 is included in other benefits. The settlement has been accounted for as an acceleration of vesting, and the amount that otherwise would have been recognised for services received over the vesting period (to 01.10.2022) has been expensed in the first quarter of 2022.The reimbursement payment made to the former CEO on the settlement of the grant is accounted for as repurchase of an equity interest, i.e. as a deduction from equity, as there is no payment in excess of the fair value of the equity instruments granted, measured at the repurchase date.

Pension

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 10.9 MNOK is recognised in the consolidated statement of profit and loss and included in Other benefits.

Remuneration to auditors

In NOK 1000	**2023**	**2022**
Statutory audit	2 225	1 648
Other non-auditing services	888	1 303
Total	**3 113**	**2 952**

All amounts exclude VAT.

Loans and guarantees to management and leading employees

The group does not have any loans or guarantees to management and leading employees.

Share-based compensation

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.

As part of the scheme the employee will receive a cash bonus equal to hers/his income tax payable triggered by the program. If the employee leaves before 01.01.2025 the shares received should be returned to the company without consideration. The cash portion would not be returned. The cash settlement and the employees tax payable has both been expensed in 2022.

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. The provision for the cash portion is based on the estimated income tax trigged by the actual transfer of the share at each reporting date.

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 for management. Under the program key management are granted a right to receive a defined number of shares after a vesting period. The vesting period running until 01.01.2025. A total of 392 028 rights to receive shares has been granted under this program as of 31.12.2023.

The program is accounted for as a 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 or when the person in management started its position in the management.

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

	2023		2022	
In NOK 1000	**Weighted average exercise price**	**Number**	**Weighted average exercise price**	**Number**
Outstanding at 1 January	13.25	600 000	13.47	1 350 000
Granted during the year	0.00	0	0.00	0
Forfeited during the year	0.00	0	14.25	600 000
Exercised during the year	11.25	100 000	11.25	150 000
Lapsed during the year	0.00	0	0.00	0
Outstanding at 31 December	13.58	500 000	13.25	600 000
Vested at 31 December		500 000		600 000

The following information is relevant in the determination of the fair value of options granted during the year under :

	2023	2022
Option pricing model used	Black-Scholes	Black-Scholes
Share price at date of grant	*	*
Strike	*	*
Contractual life (in days)	*	*
Expected life (in days)	*	*
Expected volatility	*	*
Risk-free interest rate	*	*
Fair value at grant date (average)	*	*

* No new options granted

As of 31.12.2023 The Group had employee stock options agreements with 3 employees, CFO Kurt Østrem, CTO Knut Braut and 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 31.12.2023 remaining stock options is 450 000 shares. All of these stock options can be excercised as of 31.12.2023.

One board member, Stig H. Christiansen (Chairman) holds stock options as of 31.12.2023. 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.

2023					
Name	**Role**	**Share options**	**Strike (NOK)**	**Vesting period end**	**Expiration date**
Kurt Østrem*	CFO and interim CEO	100 000	11.25	06.10.2020	31.12.2024
Kurt Østrem*	CFO and interim CEO	100 000	13.25	06.10.2021	31.12.2024
Kurt Østrem*	CFO and interim CEO	100 000	15.25	06.10.2022	31.12.2024
Knut Braut	CTO	100 000	15.25	06.10.2022	31.12.2024
Kurt Aadnøy	Former employee	50 000	15.25	06.10.2022	31.12.2024
Stig H. Christiansen	Chairman	50 000	11.25	31.12.2022	28.02.2024

2022					
Name	**Role**	**Share options**	**Strike (NOK)**	**Vesting period end**	**Expiration date**
Peter Bardenfleth-Hansen	CEO	100 000	11.25	31.12.2022	31.12.2023
Kurt Østrem	CFO	100 000	11.25	06.10.2020	31.12.2024
Kurt Østrem	CFO	100 000	13.25	06.10.2021	31.12.2024
Kurt Østrem	CFO	100 000	15.25	06.10.2022	31.12.2024
Knut Braut	CTO	100 000	15.25	06.10.2022	31.12.2024
Kurt Aadnøy	Former employee	50 000	15.25	06.10.2022	31.12.2024
Stig H. Christiansen	Chairman	50 000	11.25	31.12.2022	28.02.2024

* CFO and acting CEO in the period 02.10.2023-31.12.2023

During the year 100 000 options was exercised.

The employees have not paid any premium when acquiring the options. A provision is made for future obligations related to employer contribution from the option program. The provision is based on the intrinsic value of the options as of year-end and proportional to the vesting of the option granted. As of 31.12.2023 the provision for employer contribution is 0 MNOK (3 MNOK for 2022).

All sale or purchase of treasury shares are related to options and/or the share-based incentive programs.

Total share-based payment expense is charged to the consolidated statement of profit and loss with the following amount:

	2023	**2022**
Option program	0	3 653
Share-based incentive program for all employees	4 711	1 402
Share-based incentive program for management	3 415	6 457
Total share based payment expense excluded social security costs	**8 126**	**11 511**
Cash portion Share-based incentive program for all employees	0	686
Payroll tax expense	1 353	-5 791
Total share based payment expense	**9 479**	**6 406**

Note 8 - Financial income and expense

In NOK 1000	**2023**	**2022**
Finance income		
Interest income	0	94
Other finance income	7 569	5 990
Foreign currency gain	6 328	0
Total finance income	**13 897**	**6 084**
Finance expense		
Interest on debts and borrowings	0	2 119
Interest from leases	759	511
Loss on investments at fair value	0	5 015
Unwinding of discount on contingent consideration	0	1 037
Other finance expense	2 356	4 046
Foreign currency loss	0	801
Total finance expense	**3 115**	**13 528**

Note 9 - Income tax

In NOK 1000		2023	2022
Income tax expense			
Current income tax		19 306	3 115
Changes in deferred tax		-17 545	-3 216
Total income tax expense (+)/benefit (-)		**1 761**	**-101**
Temporary differences and tax positions			
Intangible assets		-16 994	-20 147
Property plant and equipment		6 827	6 255
Right of use assets		52 741	15 710
Inventories		2 333	172
Receivables		11 767	1 467
Lease liabilities		-53 600	-15 942
Provisions		20 922	4 229
Other differences		86 056	37 119
Total temporary differences and tax positions		***110 052***	***28 863***
Tax losses carried forward		11 526	62 424
Temporary differences and tax positions not included in the basis for deferred tax		-15 091	-61 670
Basis for deferred tax		***106 487***	***29 617***
Net deferred tax asset	**22 %**	**22 771**	**6 516**

The deferred tax assets is mainly due to tax losses carried forward in Norwegian entities. The carried forward loss is expected to be utilized going forward as the Group is expected to have a taxable income going forward.

There is no time limit of the tax losses carried forward. Tax losses not included in the basis for deferred tax relates to subsidiaries where there a still uncertainty about the availability of future tax income that can utilise these losses.

Specification in the statement of financial position		
Deferred tax asset	29 898	12 417
Deferred tax	7 127	5 901
Net deferred tax	**22 771**	**6 516**
Tax payable in the statement of financial position		
Current income tax payable	19 303	9 844
Prepaid tax	1 680	1 264
Net tax payable	**20 984**	**11 108**

In NOK 1000		2023	2022
Reconciliation of effective tax rate			
Result before tax		23 990	-52 992
Income tax based on applicable tax rate (22%)	22 %	5 278	-7 158
Effect from foreign currency and different tax rates		681	172
Changes in not recognized tax loss carried forward		-125	9 067
Not deductible expenses employee share options		0	-2 713
Note deductible expenses		582	81
Tax loss in foreign subsidiaries		0	0
Goodwill		0	0
Not taxable income*		-4 654	450
Total income tax expense (+)/benefit (-)		**1 761**	**-101**
Effective tax rate		7,3 %	0,2 %

*Not taxable income consist of the sales price of the shares in Charge 365 AS.

Note 10 - Earnings per share

Basic earnings per share is based on the earnings attributable to shareholders of the company and the weighted average number of ordinary shares outstanding for the year, less ordinary shares purchased by the company and held as treasury shares.

In NOK 1000	2023	2022
Net profit or loss for the year attributable to owners of the parent company	22 228	-52 891
Adjustments for basic earnings	0	0
Earnings used in basic EPS	22 228	-52 891
Adjustments for diluted earnings	0	0
Earnings used in diluted EPS	22 228	-52 891
No. of shares outstanding as at 1 January	76 409 678	76 009 678
Share issue during the year	11 111 112	400 000
No. of shares outstanding as at 31 December	87 520 790	76 409 678
Weighted average number of shares outstanding through the year used in basic EPS	85 724 747	76 327 120
Potential shares relating to employee share options	1 014 846	674 819
Weighted average number of shares used in diluted EPS	86 739 593	77 001 939
Basic earnings per shares	0,26	-0,69
Diluted earnings per shares	0,26	-0,69

28th of February 2023 Zaptec ASA increased the share capital to MNOK 1 313, divided into 87 520 790 shares with a face value of NOK 0.015.

Note 11 - Intangible assets and goodwill

2023					
In NOK 1000	**Developement cost / Patents**	**Goodwill**	**Customer relations**	**Webshop**	**Total**
Acquisition cost 1 January	**122 012**	**69 638**	**29 275**	**749**	**221 674**
Additions	13 601	0	0	0	13 601
Foreign currency effects	0	9 533	2 681	0	12 214
Acquisition cost 31 December	**135 613**	**79 171**	**31 956**	**749**	**247 489**
Acc. amortisation and impairments 1 January	**58 227**	**0**	**8 347**	**0**	**53 017**
Amortisation charge	8 893	0	6 614	0	15 507
Disposals	5 917	0	0	0	5 917
Foreign currency effects	0	0	0	0	0
Acc. amortisation and impairments 31 December	**73 037**	**0**	**14 961**	**0**	**87 998**
Carrying amount 31 December	**62 578**	**79 171**	**16 994**	**749**	**159 491**

2022					
In NOK 1000	**Developement cost / Patents**	**Goodwill**	**Customer relations**	**Webshop**	**Total**
Acquisition cost 1 January	**103 260**	**63 061**	**27 073**	**749**	**194 143**
Additions	18 752	0	0	0	18 752
Additions business combinations	0	0	0	0	0
Foreign currency effects	0	6 577	2 202	0	8 779
Acquisition cost 31 December	**122 012**	**69 638**	**29 275**	**749**	**221 674**

Acc. amortisation and impairments 1 January	**50 310**	**0**	**2 707**	**0**	**53 017**
Amortisation charge	7 721	0	5 640	0	13 361
Disposals	196	0	0	0	196
Foreign currency effects	0	0	0	0	0
Acc. amortisation and impairments 31 December	**58 227**	**0**	**8 347**	**0**	**66 574**
Carrying amount 31 December	**63 785**	**69 638**	**20 928**	**749**	**155 099**
Expected economic life	2-10 years	Indefinite	5 years	Indefinite	
Amortization plan	Linear	None*	Linear	None	

* Goodwill are tested for impairment annualy. For 2023 no impairment triggeres are identified and no impairment besides the annual test of goodwill has been performed. See below for more information regarding the impairment test.

Intangible assets relate to capitalized development and the purchase of customer relationships. The amortization period is based on the best estimate for useful life for the assets.

Development costs is internally generated development of products consisting of both costs of material and services and cost of employee benefits. In the financial year ended 2023 the Group invested 13,6 MNOK in development/patents primarily related to the development of Zaptec Pro MID, Zaptec Go UK and Zaptec Go +. The development cost of Zaptec Pro and Zaptec Go relates to country specific adaptions.

The goodwill and customer relationships are allocated to the Zaptec Schweiz AG CGU for the impairment test.

Goodwill assets by segment or CGU

In NOK 1000	**Goodwill**	**Total**
Zaptec Schweiz	79 171	79 171

Impairment test of goodwill and intangible assets
Goodwill is allocated to the Group's cash flow generating units as shown above. The recoverable amount of the cash-generating units is calculated based on the value of the asset for the business (value of use).

The impairment tests are based on budgets for next year with a projection based on long-term strategic plans. Management has set budgeted figures for 2024 based on previous performance and expectations for market developments. Growth rates for the period 2025 - 2028 are in accordance with management's long-term plan and are used as projections of budgeted figures for 2023. After 2028, 1,5% perpetual growth is based on cash flows in the year 2027. The discount rate used is after tax and reflects specific risks to the relevant operating segment/CGU.

Impairment test of Zaptec Schweiz AG CGU
The Zaptec Schweiz AG CGU consist of all operations in the Zaptec Schweiz AG and is identical to the swiss segment. The impairment test shows that the calculated value in use estimated usage value is higher than the carrying amount. The calculation, is based on a model with budgeted/ projected cash flows for a period of five years with residual value after year five. The cash flows estimate includes estimated annual growth in revenues based on business plan with 15%, which is reduced to a 1,5% perpetual growth from year 6 (which is the long-term inflation estimate for Switzerland). Gross margin is based on actual gross margin for 2023, and then reducing the gross margin with 5% each year as it is expected that gross margin will be reduced in the future. A WACC of 24,69% is used for the value in use calculation for 2023. In 2022 the WACC used was 26,51%. The input data for the WACC is gathered from representative sources, peer groups etc., and this is used to determine best estimate. All parameters were set to reflect the long-term period of the assets and time horizon of the forecast period of the cash flows.

Key inputs for the WACC for the CGU:
-Risk free rate: Average risk free rate in Switzerland in 2023
-Beta (equity): Assuming no external debt in the company (therefore unlevered beta from peer group is used.
-Market risk premium: The market risk premium is based on empirical data for risk premium.
-Company specific premium: The company specific premium is based on the size of the Groups specific premium minus risk free rate
-Capital structure: Equity ratio of 100%.

Sensitivity
The management do not believe that any reasonable change in a key assumption would cause the CGU's recoverable amount to fall below the carrying amount.

Impairment testing showed that headroom for the CGU is >273%. An additional sensitivity analysis was performed. The sensitivity analysis showed that with a terminal growth rate of 0% or an increase in the WACC of 1% the VIU was still above the carrying amount for the CGU.

Impairment - test results and conclusion
The VIU exceeds carrying amount for the CGU. The impairment test did not indicate a requirement for write-down.

Note 12 - Property, plant and equipment

In NOK 1000	**2023**	**2022**
Acquisition cost 1 January	15 061	8 415
Additions	11 392	6 699
Additions business combinations	0	0
Disposals	-131	0
Foreign currency effects	18	-53
Acquisition cost 31 December	**26 340**	**15 061**
Accumulated depreciation and impairments 1 January	**6 047**	**3 355**
Depreciation	5 176	2 692
Impairments	0	0
Accumulated depreciation and impairments 31 December	**11 223**	**6 047**
Carrying amount 31 December	**15 118**	**9 015**
Economic life	3 - 10 year	3 - 10 year
Depreciation method	Linear	Linear

Note 13 - Right of use assets and lease liabilities

2023			
In NOK 1000	**Vehicles**	**Land and buildings**	**Total**
1 January	**3 214**	**12 496**	**15 709**
Additions	2 335	51 049	53 384
Disposals	0	-7 570	-7 570
Additions through business combinations	0	0	0
Amortisation	-2 566	-6 599	-9 165
Foreign currency effects	374	9	383
31 December	**3 357**	**49 384**	**52 741**

2022			
In NOK 1000	**Vehicles**	**Land and buildings**	**Total**
1 January	**1 052**	**14 159**	**15 211**
Additions	3 030	2 052	5 082
Disposals	0	0	0
Additions through business combinations	0	0	0
Amortisation	-1 055	-3 849	-4 904
Foreign currency effects	187	135	322
31 December	**3 214**	**12 497**	**15 710**

Economic life/lease term	5 - 15 year	3 - 7 year
Amortisation method	Straight line	Straight line

Lease liabilities

Undiscounted lease payments and year of payment

In NOK 1000	2023	2022
Less than 1 year	10 592	5 878
1-3 years	16 168	10 051
3-5 years	10 911	885
more than 5 years	24 918	0
Total	**62 588**	**16 814**

Changes in lease liabilities

In NOK 1000	2023	2022
1 January	**15 942**	**15 432**
Additions	53 191	4 749
Disposals	-7 570	0
Interest expenses	703	511
Lease payments	-9 770	-5 057
Foreign currency effects	330	307
31 December	**52 826**	**15 942**

In NOK 1000	2023	2022
Current lease liabilities	9 064	5 414
Non-current lease liabilities	43 762	10 528
Total	**52 826**	**15 942**

The lease contracts do not include any restrictions with regards to the Group's dividend policy or financing opportunities.

Lease payment expensed

In NOK 1000	2023	2022
Expensed lease payment for short-term leases and low value leases	9 207	2 110
Variable lease payments	0	0
Total	**9 207**	**2 110**

Note 14 - Inventories

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

In NOK 1000	2023	2022
Finished goods	441 060	69 261
Goods in transit to end user	6 288	21 527
Inventory obsolescence provision	0	0
Total	**447 348**	**90 788**

Total current purchase obligations of EV chargers from Westcontrol and Sanmina amounts to 1 059 MNOK from January 2024 till end of 2024. A significant portion of the committed production may be postponed to 2025 based on quarterly updated forecasts.

The Group has a balance at the end of 2023 of 447 MNOK versus 91 MNOK in the end of 2022. 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 15 - Trade receivables

In NOK 1000	2023	2022
Accounts receivables at face value as of 31.12	218 929	148 727
Invoiced, not earned	-19 163	-31 994
Less: Provision for impairment of accounts receivables	-13 721	-396
Total	**186 045**	**116 337**

Receivables written off during the year	0	0
Collected on receivables written of in prior periods	0	0
Changes in provision during the year	-13 325	117
Impairment loss during the year	**-13 325**	**117**

Method for assessing credit losses
For trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjustet for forward-looking factors specific to the debtors and the economic environment.

Overdue trade receivables:

In NOK 1000	0 - 30 Days	31 - 60	61 - 90	Over 90	Total
Trade receivables	49 411	23 172	4 965	11 415	88 963

Trade receivables are non-interest bearing and are generally on terms of 30-45 days.

Note 16 - Cash and cash equivalents

The Group's cash and cash equivalents consists of bank balances and withholding tax.

In NOK 1000	2023	2022
Cash and cash equivalents	**141 643**	**102 862**
Including restricted funds of:		
Restricted funds for employee withholding tax	4 930	5 467

Note 17 - Shareholders and shareholders information

Share capital at 31 December:

	Number of shares	Face value	Book value
Ordinary shares	87 520 790	0.015	1 312 812
Total	**87 520 790**		**1 312 812**

Main shareholders at 31 December:

	Number of shares	Ownership interest	Voting rights
VALINOR AS	10 400 000	11,88 %	11,88 %
Nordnet Bank AB	7 819 973	8,93 %	8,93 %
Skandinaviska Enskilda Banken AB	6 351 497	7,26 %	7,26 %
Avanza Bank AB	6 148 039	7,02 %	7,02 %
Danske Bank A/S	3 993 020	4,56 %	4,56 %
VPF DNB NORGE SELEKTIV	3 628 034	4,15 %	4,15 %
VERDIPAPIRFONDET DNB SMB	3 439 486	3,93 %	3,93 %
CLEARSTREAM BANKING S.A.	3 250 784	3,71 %	3,71 %
Morgan Stanley & Co. Int. Plc.	2 498 584	2,85 %	2,85 %
Saxo Bank A/S	2 338 432	2,67 %	2,67 %
Citibank, N.A.	2 108 117	2,41 %	2,41 %
KONTRARI AS	2 000 000	2,29 %	2,29 %
MUST INVEST AS	1 554 726	1,78 %	1,78 %
State Street Bank and Trust Comp	1 522 984	1,74 %	1,74 %
Euroclear Bank S.A./N.V.	1 225 735	1,40 %	1,40 %
Nordea Bank Abp	1 143 330	1,31 %	1,31 %
LABOREMUS INDUSTRIER AS	1 050 000	1,20 %	1,20 %
The Bank of New York Mellon SA/NV	1 042 383	1,19 %	1,19 %
UBS Switzerland AG	1 030 284	1,18 %	1,18 %
ØSTREM INVEST AS	1 010 000	1,15 %	1,15 %
BNP Paribas	981 073	1,12 %	1,12 %
Société Générale	896 474	1,02 %	1,02 %
Zaptec ASA - Treasury shares*	186 425	0,21 %	0,21 %
Others (less than 1% ownership)	21 901 410	25,02 %	25,02 %
Total	**87 520 790**	**100,00 %**	**100,00 %**

*The treasury shares are purchased/sold for use in the company's share-based program.

	Number of shares	Portion of equity
Treasury shares 01.01.2023	71 599	0,094 %
Purchase of treasury shares	130 000	0,149 %
Allocated to management and employees	-15 174	-0,017 %
Treasury shares 31.12.2023	**186 425**	**0,213 %**

Stocks and options owned by members of the board and management:

Name	Position	Numbers of shares	Options
Peter Bardenfleth-Hansen *	CEO	0	100 000
Kurt Østrem **	CFO	1 010 000	300 000
Stig H. Christiansen	Chairman of the board	50 000	50 000
Knut Braut	CTO	210 000	100 000
Lasse Hult	CMO	50 000	0
Anna-Karin Andersen	CCO	47 884	0
Christian Rangen	Board member	20 001	0

* CEO up until 02.10.2023
** Acting CEO from 02.10.2023

Note 18 - Provisions

The company have a provision for warranty claims of 17.6 MNOK at period end, i.e. a change of 15.5 MNOK compared to period end 2022. There has not been any used or reversed provision in the period. However, during 2023 12.8 MNOK (4,7 MNOK in 2022) has been expensed over profit and loss statement in other operating expenses related to warranty claims.

The warranty expense accrual is based on historical returns of products and projected towards the end of warranty period.

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

Note 19 - Loans and borrowings

In NOK 1000	**2023**	**2022**
Short-term loans and borrowings	0	29 229
Guaranties pledges as security	2 500	2 500
Secured in the following assets, book value:		
Property, plant and equipment	14 199	9 015
Inventories	393 848	73 622
Trade receivables	64 409	209 846
Total	**472 456**	**292 483**

The Group has an overdraft facility of 300 MNOK which is undrawn at period end.

The Group have increased it's overdraft facility from 70 MNOK to 300 MNOK in 2023. The interest rate is 8,15 % 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:
- NIBD/EBITDA < 4.0. As of first quarter of 2025 NIBD/EBITDA < 2,5. Will be measured on a quarterly basis based on the last 12 months of the Group numbers.
- Overdraft shall not exceed 60% of external trade receivables (not older than 90 days), and booked values of projects in progress, inventory. Quarterly reporting based on group numbers. Overdraft above this limit will be deemed a breach of covenant.
- The lender shall approve any new owners with controlling influence and/or if the company is taken off the stock exchange.
- IP-rights shall not be transferred or sold between the borrower and/or subsidiaries without approval from the bank.
- The Group`s patents and other IP-rights shall not be pledged or in any other way be put as security in advantage for other creditors of the group.
- Dividend from Zaptec ASA to be approved by the bank and Eksfin
- the borrower shall not produce coal or sell/produce coal.
- The borrower shall ensure that not any subsidiary are pledging shares or other activa without written approval from the lender.

The Group has complied with all covenants as at, and for the twelve months ended 31 December 2023.

Security:
- First priority pledge in inventory, accounts receivables and machinery/equipment in Zaptec ASA. Face value of 350 MNOK of each pledged item.
- Pledge in inventory, trade receivables and machinery/equipment in Zaptec Charger AS. Face value of 350 MNOK of each pledged item.

Note 20 - Other current liabilities

In NOK 1000	2023	2022
Public duties payable	39 651	21 816
Other short term liabilities	34 578	25 890
Total	**74 228**	**47 706**

Note 21 - Notes supporting the cash flows

01.01 - 31.12.2023					
In NOK 1000	**Non-current**		**Current**		
	Loans and borrowings	**Lease liabilities**	**Loans and borrowings**	**Lease liabilities**	**Total**
At 1 January	**0**	**10 528**	**29 229**	**5 414**	**45 171**
Cash flows					
Down payment of loans	0	0	-29 229	0	-29 229
New loans	0	0	0	0	0
Net change in overdraft facility	0	0	0	0	0
Net lease payments	0	0	0	-9 270	-9 270
Non-cash flows					
Changes from business combinations	0	0	0	0	0
Termination of lease agreement	0	0	0	0	0
New lease agreement	0	45 824	0	0	45 824
Reclassification short/long term	0	-12 590	0	12 590	0
Foreign exchange effect	0	0	0	330	330
At 31 December	**0**	**43 762**	**0**	**9 064**	**52 826**

01.01 - 31.12.2022					
In NOK 1000	**Non-current**		**Current**		
	Loans and borrowings	**Lease liabilities**	**Loans and borrowings**	**Lease liabilities**	**Total**
At 1 January	**0**	**11 606**	**3 833**	**3 800**	**19 239**
Cash flows					
Down payment of loans	0	0	-3 833	0	-3 833
New loans	0	0	0	0	0
Net change in overdraft facility	0	0	29 229	0	29 229
Net lease payments	0	0	0	-4 853	-4 853
Non-cash flows					
Changes from business combinations	0	0	0	0	0
Termination of lease agreement	0	0	0	0	0
New lease agreement	0	5 082	0	0	5 082
Reclassification short/long term	0	-6 160	0	6 160	0
Foreign exchange effect	0	0	0	307	307
At 31 December	**0**	**10 528**	**29 229**	**5 414**	**45 171**

Note 22 - Other current assets

Breakdown of other current assets:

In NOK 1000	31.12.2023	31.12.2022
Loan to finance inventory*	35 849	75 273
VAT refund	52 842	17 720
Other	33 390	20 307
Total	**122 081**	**113 300**

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

Note 23 - Consolidated companies

The following companies are included in the consolidated financial statements:

Legal company	Association	Head office	Currency	Ownership
Zaptec ASA	Parent	Stavanger	NOK	
Zaptec Charger AS	Subsidiary	Stavanger	NOK	100 %
Zaptec IP AS	Subsidiary	Stavanger	NOK	100 %
Zaptec Power AS	Subsidiary	Stavanger	NOK	100 %
Charge365 AS*	Subsidiary	Stavanger	NOK	100 %
Zaptec Sverige AB	Subsidiary	Stockholm	SEK	100 %
Zaptec Denmark ApS	Subsidiary	Copenhagen	DKK	100 %
Zaptec Deutchland GmbH	Subsidiary	München	EUR	100 %
Zaptec U.K. Ltd	Subsidiary	Broseley	GBP	100 %
Zaptec Schweiz AG	Subsidiary	Zürich	CHF	100 %
Zaptec France	Subsidiary	Paris	EUR	100 %
Zaptec Netherlands B.V.	Subsidiary	Amsterdam	EUR	100 %

Zaptec Charger AS is funding group entitites in the startup phase with loans.
* Sold to Wattif in Q4 2023

Note 24 - Government grants

Government grants have been received in relation to R&D project through SkatteFunn. The amount reduces the costs related to the projects.

Note 25 - Related party transactions

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

Note 26 - Correction of error

Starting from 2020 the Group has offered free 4G connectivity together with new chargers. Up to the end of 2023, the connectivity has incorrectly not been accounted for as a seperate performance obligation. The group has now made a correction for this, and restated amounts previously reported for 2022. To estimate a stand-alone selling price for the free connectivity, the group has used an expected cost plus a margin approach. It has been estimated how many customers will actually use the data (instead of its own wifi-connection) and expected development in the cost for the data. The group has used the warranty period of five years in this calculation, and will also recognise the deferred revenue over the same period.

In accordance with IFRS 15.62(a) the group has evaluated that there is no element of financing. The customer pays in total for the product immediately as the customer receives the charger.

The total effect for 2023 is 38.8 MNOK in decreased revenue (20.4 MNOK for 2022) and deferred income is per 31.12.2023 73.7 MNOK. Deferred tax assets is increased with 4.8 MNOK for 2022 and 8.5 MNOK for 2023. Other equity is reduced with 27.3 MNOK per 31.12.2022 and 30.2 MNOK per 31.12.2023.

The table below shows which financial statement captions that have been effected by the correction per 31.12.2023:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	01.01.2022			31.12.2022		
In NOK 1000	**As previously stated**	**Adjustment**	**As restated**	**As previously stated**	**Adjustment**	**As restated**
Deferred tax asset	5 468	3 192	8 660	4 725	7 692	12 417
Total assets	**562 425**	**3 192**	**565 617**	**613 146**	**7 692**	**620 838**
Long-term deferred income	**0**	10 602	10 602	0	25 730	25 730
Short-term deferred income	0	3 905	3 905	0	9 234	9 234
Total liabilities	**167 909**	**14 508**	**158 533**	**261 057**	**34 964**	**296 021**
Other reserves	19 500	-11 316	8 184	-25 577	-27 272	-52 849
Total equity	**394 583**	**-11 316**	**383 267**	**352 089**	**-27 272**	**324 817**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OCI

01.01 - 31.12.2022			
In NOK 1000	**As previously stated**	**Adjustment**	**As restated**
Revenue from contracts with customers	757 398	-20 456	736 942
Income tax expense	4 399	-4 500	-101
Profit (+)/loss (-) after tax	**-36 935**	**-15 956**	**-52 891**
Total comprehensive income	**-30 478**	**-15 956**	**-46 434**
Basic earnings per shares	-0,26	-0,43	-0,69
Diluted earnings per shares	-0,26	-0,43	-0,69

Note 27 - Events after the reporting date

The board appointed Kurt Østrem as permanent CEO the 22nd of February 2024.
As ot the 1st of March 2024, Eirik Fjellså Hærem was appointed as CFO and deputy CEO.

Financial Statements – Zaptec ASA

INCOME STATEMENT

In NOK 1000	Note	2023	2022
Operating expenses			
Employee benefit expenses	2	1 859	2 970
Other operating expenses	2,3	6 689	11 738
Total operating expenses		**8 548**	**14 707**
Loss		**-8 548**	**-14 707**
Financial income and expenses			
Interest income from group companies	4	22 086	2 791
Group contribution	4	0	27 411
Other financial income	5	21 340	78
Decrease in fair value of financial current assets		0	5 092
Other financial expenses		11	801
Net financial income (+) and expenses (-)		**43 415**	**24 388**
Profit (+)/loss (-) before tax		**34 867**	**9 680**
Tax expense (+)/benefit (-)	6	3 013	2 766
Profit (+)/loss (-) after tax		**31 854**	**6 915**
Allocated to			
Other equity	7	31 854	6 915
Total		**31 854**	**6 915**

BALANCE SHEET

In NOK 1000	Note	2023	2022
ASSETS			
Deferred tax asset			
Deferred tax asset	6	71	898
Non-current financial assets			
Investments in subsidiaries	5	185 962	187 492
Convertible loans to group companies	4	533 675	184 891
Investments in shares	5	4 872	4 872
Total non-current assets		**724 580**	**378 153**
Debtors			
Other short-term receivables	4	3 301	2 014
Short term receivables from group companies	4	6 281	34 653
Cash and cash equivalents			
Cash and cash equivalents	8	10 917	8 013
Total current assets		**20 499**	**44 680**
TOTAL ASSETS		**745 079**	**422 834**

BALANCE SHEET

In NOK 1000	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Share capital	7, 9	1 313	1 146
Treasury shares	7, 9	-3	0
Share premium	7	646 945	359 185
Not registered capital increase	7	0	0
Other paid in equity	7	30 188	22 061
Other equity	7	62 515	32 838
Total equity		**740 957**	**415 230**
Liabilities			
Other provision	2	218	218
Provisions		**218**	**218**
Current liabilities			
Trade payables		594	6 261
Tax payable	6	2 186	
Short-term public dues		0	282
Group contribution	4	0	0
Other current liabilities	4	1 125	842
Total current liabilities		**3 904**	**7 385**
Total liabilities		**4 123**	**7 604**
TOTAL EQUITY AND LIABILITIES		**745 079**	**422 834**

Stavanger, 19.03.2024

Christian Rangen	Stig Harry Christiansen	Kurt Østrem
Member of the board	Chaiman of the board	General manager
Jennifer Jacobs Dungs	An Joanna De Pauw	Ingelin Drøpping
Member of the board	Member of the board	Member of the board

STATEMENT OF CASH FLOWS

In NOK 1000	Note	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (+)/loss (-) before tax		34 867	9 680
Write-down of intercompany loan		0	177
Group contribution not paid	4	0	-27 411
Earnings from funds		0	5 014
Change in accounts receivables		0	0
Change in accounts payables		-5 667	6 177
Share based payment expense	2	0	2 875
Movement shares/funds		0	0
Change in other accrual items		8 369	7 070
NET CASH FLOW FROM OPERATING ACTIVITIES		**37 570**	**3 582**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Proceeds from sale of shares		0	0
Change in convertible intercompany loans	4	348 785	185 068
Payments to buy other investments	5	0	4 872
Proceeds from sale of other investments		0	177 691
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-348 785**	**-12 249**
CASH FLOW FROM FINANCING ACTIVITIES			
Change in intercompany payables		28 372	6 273
Issue of share capital		0	0
Purchase of treasury shares	7	-2 180	-9 057
Sale of treasury shares	7	0	1 688
Proceeds from equity		287 927	0
NET CASH FLOW FROM FINANCING ACTIVITIES		**314 119**	**-1 096**
Net change in cash and cash equivalents		**2 904**	**-9 763**
Cash and cash equivalents at start of period		8 013	17 776
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**10 917**	**8 013**

NOTES

Note 1 - Accounting principles

Basis of preparation
The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

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 recognised 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 lather period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. Which under NGAAP normally is in the financial year it relates to, even if it is approved by the general meeting after the financial year. 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.

Investments in associates and shares are valued at cost in the company accounts. The investment is valued as cost of the shares in the associate, less any impairment losses. An impairment loss is recognised 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 lather period.

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 recognised at nominal value at transaction date.

Group receivable and other receivables
Group receivable and other current receivables are recorded in the balance sheet at face 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.

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

Share-based option agreement
Where equity settled share options are awarded to the management, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted or failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to financial statement over the remaining vesting period.

Taxes

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized.

Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash and bank deposits.

Note 2 - Remuneration to the board and auditor

Payroll costs through profit and loss

In NOK 1000	**2023**	**2022**
Remuneration to the board	1 600	750
Payroll tax	98	-806
Remuneration to nomination committee	161	120
Share-based payment expense	0	2 875
Total	**1 859**	**2 940**

Remuneration to the board

2023

In NOK 1000	Salaries	Bonus	Share based payment	Other benefits	Total
Stig H. Christiansen	500	0	0	0	500
Ingelin Drøpping	350	0	0	0	350
Christian Rangen	250	0	0	0	250
Jennifer Jacob Dungs	250	0	0	0	250
An Joanna De Pauw	250	0	0	0	250
Total	**1 600**	**0**	**0**	**0**	**1 600**

2022

In NOK 1000	Salaries	Bonus	Share based payment	Other benefits	Total
Stig H. Christiansen	300	0	958	0	1 258
Christian Rangen	150	0	0	0	150
Pål Selboe Valseth*	150	0	0	0	150
Peter Bardenfleth-Hansen	150	0	1 917	0	2 067
Total	**750**	**0**	**2 875**	**0**	**3 625**

* Member of the Board up until 07.11.2022

In 2023 the company employed 0 man-years.

Peter Bardenfleth-Hansen was the general manager up until 02.10.2023. From 02.10.23-31.12.23 Kurt Østrem was the acting general manager in Zaptec ASA. They are both compensated through Zaptec Charger AS. Their salary is specified in the table below:

In NOK 1000					Chief executive officer
Peter Bardenfleth-Hansen*	3 630	0	0	9 674	13 304
Kurt Østrem **	2 641	0	1 484	231	4 356
Total	**6 271**	**0**	**1 484**	**9 905**	**17 660**

* CEO up until 02.10.2023

** CFO and acting CEO in the period 02.10.2023-31.12.2023

Pension liabilities

The company has no employees and is not liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act.

Remuneration to auditors for 2023

In NOK 1000	
Statutory audit	979
Other non-auditing services	585
Total	**1 564**

All amounts exclude VAT.

Share-based compensation

Share-based payment program for board of directors (Stock option program)

The company operates a equity-settled share-based remuneration schemes for board of directors.

	2023		2022	
	Weighted average exercise price	Number	Weighted average exercise price	Number
Outstanding at 1 January	11.25	150 000	11.25	300 000
Granted during the year	0	0	0	0
Forfeited during the year	0	0	0	0
Exercised during the year	11.25	100 000	11.25	150 000
Lapsed during the year	0	0	0	0
Outstanding at 31 December	11.25	50 000	11.25	150 000
Vested at 31 December	11.25	50 000	11.25	150 000

During the year 100 000 options were exercised.

The following information is relevant in the determination of the fair value of options granted during the year under :

	2023	2022
Option pricing model used	Black-Scholes	Black-Scholes
Share price at date of grant	*	*
Strike	*	*
Contractual life (in days)	*	*
Expected life (in days)	*	*
Expected volatility	*	*
Risk-free interest rate	*	*
Fair value at grant date (average)	*	*

* No new options granted

Stig H. Christiansen (Chairman) holds stock options as of 31.12.2023. 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 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.

As part of the scheme the employee will receive a cash bonus equal to hers/his income tax payable triggered by the program. If the employee leaves before 01.01.2025 the shares received should be returned to the company without consideration. The cash portion would not be returned. The cash settlement and the employees tax payable has both been expensed in 2022 in Zaptec ASA's subsidiaries.

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. The provision for the cash portion is based on the estimated income tax trigged by the actual transfer of the share at each reporting date.

The share portion is accounted in Zaptec ASA as an increase in investment i subsidiaries and equity. Recharge transaction is accounted for as a receivable to subsidiaries and decrease in subsidaries. Employer contribution payable is based on the intrinsic value of the shares at the reporting date. The employees in the subsidiaries receives shares from Zaptec ASA. The share portion is recorded in the subsidiaries as increase in payroll costs, and increase in liabilities to parent company.

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.

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 running until 01.01.2025. A total of 392 028 rights to receive shares has been granted under this program as of 31.12.2023.

The program is accounted for as a 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 expense is charged to the income statements the following amount, where the option program is charged in Zaptec ASA and share-based incentive program is charged in subsidiaries of Zaptec ASA:

In NOK 1000	2023	2022
Option program	0	2 875
Share-based incentive program for all employees	4 711	1 402
Share-based incentive program for management	3 415	6 457
Total share based payment expense	**8 126**	**10 734**

Note 3 - Specification of other operating costs

In NOK 1000	2023	2022
Rental cost	398	216
Other operating costs	1 935	4 186
Consultants	4 356	7 335
Total other operating expense	**6 689**	**11 738**

Note 4 - Inter-company items between companies in the same group

Receivables		
In NOK 1000	2023	2022
Convertible loans to companies in the same group	533 675	184 891
Other short-term receivables within the group	850	7 242
Group contribution	0	27 411
Total	**534 526**	**219 544**

Liabilities		
In NOK 1000	2023	2022
Other short-term liabilities within the group	1 125	842
Total	**1 125**	**842**

All the subsidiaries are listed in Note 5.

Note 5 - Subsidiaries and investments in shares

Subsidiary	Head office	Currency	Ownership	Carrying amount	Equity	Result
Zaptec Charger AS	Stavanger	NOK	100 %	183 112	121 995	14 514
Zaptec IP AS	Stavanger	NOK	100 %	2 849	3 760	206
Zaptec Power AS	Stavanger	NOK	100 %	1	5 250	135
Total				**185 962**	**131 005**	**14 855**

The shares in Zaptec Power AS has been written down to 1 NOK in accordance with "NRS Nedskrivning av anleggsmidler". There is no activity in this company per 31.12.2023.

Subsidiation	Head office	Ownership	Carrying amount (NOK)	Equity (GBP)	Result (GBP)
Switch EV Ltd.	London	1,9 %	4 872	341	-2 002

Charge 365 AS was sold the 17th of November 2023 with a net gain of 21.2 MNOK .

Note 6 - Income tax

In NOK 1000		2023	2022
Income tax expense			
Current income tax		2 182	0
Too much/little allocated previous years		3	0
Changes in deferred tax		827	2 766
Total income tax expense (+)/benefit (-)		**3 013**	**2 766**
Temporary differences and tax positions			
Tangible assets		74	88
Accounts receivables		-177	-177
Provisions		-218	-218
Total temporary differences and tax positions		***-321***	***-306***
Tax losses carried forward		0	-3 777
Basis for deferred tax		***-321***	***-4 083***
Net deferred tax asset	**22 %**	**-71**	**-898**

In NOK 1000	2023	2022
Taxable income		
Result before tax	34 867	9 680
Permament differences	-21 156	2 875
Change in temporary differences	15	1 146
Application of loss to be brought forward	-3 792	-11 409
Taxable income	**9 935**	**2 286**
Tax payable in the statement of financial position		
Current income tax payable	2 186	-6 030
Prepaid tax	0	6 030
Net tax payable	**2 186**	**0**

In NOK 1000		2023	2022
Reconciliation of effective tax rate			
Result before tax		34 867	9 680
Income tax based on applicable tax rate (22%)	22 %	7 671	2 130
Tax effect on permanent differences		-4 654	633
Too much/to little allocated previous year		-3	3
Total income tax expense (+)/benefit (-)		**3 013**	**2 766**
Effective tax rate		8,6 %	28,6 %

In NOK 1000		2023	2022
Specification of permanent differences			
Share-based payment expense		0	2 875
Loss on realization of fund	22 %	0	0
Other permanent differences		-21 156	0
Change in fair value of financial instruments		0	0
Total income tax expense (+)/benefit (-)		**-21 156**	**2 875**

Note 7 - Equity

In NOK 1000	Share Capital	Share premium	Not registered capital	Other paid in capital	Other equity	Total equity
Equity 1 January 2022	**474**	**355 362**	**3 825**	**11 327**	**33 962**	**404 951**
Profit (+)/loss (-) after tax					6 915	**6 915**
Purchase of treasury shares	-2				-9 056	**-9 058**
Sale of treasury shares	2				1 687	**1 689**
Capital increase	672	3 823	-3 825		-669	**0**
Share based payments				10 734		**10 734**
Adjusted equity 31 December	**1 146**	**359 185**	**0**	**22 061**	**32 839**	**415 231**
Profit (+)/loss (-) after tax					31 854	31 854
Purchase of treasury shares					-2 180	-2 180
Sale of treasury shares						0
Capital increase	167	287 760				287 927
Share based payments				8 126		8 126
31 December 2023	**1 313**	**646 945**	**0**	**30 187**	**62 513**	**740 957**

Note 8 - Cash and cash equivalents

Funds standing on the tax deduction account (restricted funds) are NOK 0.

Note 9 - Shareholders and shareholders information

Share capital at 31 December:

	Number of shares	Face value	Book value
Ordinary shares	87 520 790	0.015	1 312 812
Total	**87 520 790**		**1 312 812**

Main shareholders at 31 December:

	Number of shares	Ownership interest	Voting rights
VALINOR AS	10 400 000	11,88 %	11,88 %
Nordnet Bank AB	7 819 973	8,93 %	8,93 %
Skandinaviska Enskilda Banken AB	6 351 497	7,26 %	7,26 %
Avanza Bank AB	6 148 039	7,02 %	7,02 %
Danske Bank A/S	3 993 020	4,56 %	4,56 %
VPF DNB NORGE SELEKTIV	3 628 034	4,15 %	4,15 %
VERDIPAPIRFONDET DNB SMB	3 439 486	3,93 %	3,93 %
CLEARSTREAM BANKING S.A.	3 250 784	3,71 %	3,71 %
Morgan Stanley & Co. Int. Plc.	2 498 584	2,85 %	2,85 %
Saxo Bank A/S	2 338 432	2,67 %	2,67 %
Citibank, N.A.	2 108 117	2,41 %	2,41 %
KONTRARI AS	2 000 000	2,29 %	2,29 %
MUST INVEST AS	1 554 726	1,78 %	1,78 %
State Street Bank and Trust Comp	1 522 984	1,74 %	1,74 %
Euroclear Bank S.A./N.V.	1 225 735	1,40 %	1,40 %
Nordea Bank Abp	1 143 330	1,31 %	1,31 %
LABOREMUS INDUSTRIER AS	1 050 000	1,20 %	1,20 %
The Bank of New York Mellon SA/NV	1 042 383	1,19 %	1,19 %
UBS Switzerland AG	1 030 284	1,18 %	1,18 %
ØSTREM INVEST AS	1 010 000	1,15 %	1,15 %
BNP Paribas	981 073	1,12 %	1,12 %
Société Générale	896 474	1,02 %	1,02 %
Zaptec ASA - Treasury shares*	186 425	0,21 %	0,21 %
Others (less than 1% ownership)	21 901 410	25,02 %	25,02 %
Total	**87 520 790**	**100 %**	**100,00 %**

Stocks and options owned by members of the board and management in Zaptec Charger AS:

Name	Position	Numbers of shares	Options
Peter Bardenfleth-Hansen*	CEO	0	100 000
Kurt Østrem **	CFO	1 010 000	300 000
Stig H. Christiansen	Chairman of the board	50 000	50 000
Knut Braut	CTO	210 000	100 000
Lasse Hult	CMO	50 000	0
Anna-Karin Andersen	CCO	47 884	0
Christian Rangen	Board member	20 001	0

* CEO up until 02.10.2023
** Acting CEO from 02.10.2023

Note 10 - Events after the reporting date

The board appointed Kurt Østrem as permanent CEO the 22nd of February 2024.
As ot the 1st of March 2024, Eirik Fjellså Hærem was appointed as CFO and deputy CEO.

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To the General Meeting of Zaptec ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zaptec ASA, which comprise:

- the financial statements of the parent company Zaptec ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and statement of cash flows 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 ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, 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, and

- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including

International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 2 years from the election by the general meeting of the shareholders on 21 October 2022 for the accounting year 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Cut-off of revenue

Refer to note 2 Accounting polices and note 5 Revenues from contracts with customers.

The Key Audit Matter	*How the matter was addressed in our audit*
The Group's revenue, which comprise revenue from sale of chargers and service of connectivity, totaled NOK 1 402 million for the year ended 31 December 2023. The Group sells their chargers to various countries in Europe. Due to distances between the end customer and the Group's inventory locations, there is a transportation element where the goods are shipped from the Group's inventory to the end customer's agreed delivery address. The goods will be transported from the corporation's inventory to the agreed address of the end customer. There is a risk of revenue not being recognized in the correct period. Hence, cut-off of revenue is considered to be a key audit matter.	Our audit procedures in this area included: • Inspecting contracts to identify the key terms and conditions of delivery to customers; • Assessing the design and implementation of relevant internal controls related to cut-off of revenue recognition; and • Testing a sample of revenue transactions before and after the balance sheet date to assess if the revenue is recognized in the correct accounting period.

Recoverability of trade receivables

Refer to note 15 Trade receivables.

The Key Audit Matter	*How the matter was addressed in our audit*
At 31 December 2023, the group hold trade receivables of NOK 186 million (2022: NOK 116 million). Management is required to assess the recoverability of this balance and record a provision against future expected credit losses. At 31 December 2023 this provision was NOK 13.7 million (2022: NOK 0.1 million). Management estimates the expected loss provision by assessing specific client information of its customers based on unpaid trade receivables one month after the end of the accounting period. Assessing expected credit	Our audit procedures in this area included: • We obtained management's assessment of the expected credit loss. We considered the reasonableness of the provision after discussions with management to understand their rationale for the provision, reviewing customer correspondence and payment history. We challenged if management's estimates were appropriate in light of observable external data of certain customers;

losses on trade receivables are based on information about past events, current condition and forecasts on future economic conditions which require significant judgement. Given the impact of the increase in trade receivables, estimation uncertainty and expansion into new geographical markets with new customers with limited payment history, we have considered the recoverability of the Group's trade receivables as a key audit matter.	• For certain significant balances, as of 31 December, that were settled in 2024, we traced cash payments to bank statements; • Assessing whether the provision of expected credit losses performed by management is in line with the requirements of IFRS 9; and • Assessing the adequacy and appropriateness of the disclosures in the financial statements related to recoverability of trade receivables.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance Report and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Zaptec ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 549300Y5EDWTJNTS8P96-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Stavanger, 19 March 2024

KPMG AS

Mads Hermansen
State Authorised Public Accountant
(This document is signed electronically)

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Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Mads Aleksander Hermansen
Partner
På vegne av: KPMG AS
Serienummer: 9578-5997-4-280077
IP: 80.232.xxx.xxx
2024-03-19 16:34:22 UTC

bank ID

Mads Aleksander Hermansen
Statsautorisert revisor
På vegne av: KPMG AS
Serienummer: 9578-5997-4-280077
IP: 80.232.xxx.xxx
2024-03-19 16:34:22 UTC

bank ID

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, 2023. 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.

Zaptec

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