

Q2 2021 Report



Zaptec

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Highlights Q2

- Strong revenue growth up 95% from Q2-20, despite challenging component market
- Total purchase orders up 150% from Q2-20
- Order back log of MNOK 26 due to a 3 week stop in Pro production, with an estimated EBITDA effect of 10 MNOK sliding into Q3
- Improved gross margin of 35.8% as planned, up 2.5% from first quarter
- Adjusted EBITDA MNOK 11.7 and positive net profit of MNOK 3.8
- Favorable macro conditions with high growth in new EV sales in all our markets
- Total export share continues to increase according to plan
- Increased competitiveness with the new version of Zaptec Pro
- Ramp up of Zaptec Go production on track

Key Numbers

MNOK/%	Q2-21	Q2-20	YTD 2021	YTD 2020
Revenues	92.1	47.2	165.2	92.0
Export Share	41%	24%	40%	22%
Gross margin	35.8%	37.5%	34.7%	38.3%
EBITDA adj.	11.7 ¹	9.2	17.3	13.6
EBITDA Margin (%)	12.8%	19.4%	10.4%	14.8%
Available liquidity	286.2 ²	26.6	286.2	26.6

¹Adjusted for salary benefit and social cost on share option program of MNOK 4.9

²Including interest funds of MNOK 183, available within one working day.

Financial Summary

Revenues

Second quarter revenue of 92.1 MNOK, which is an increase of 95.1% compared to the second quarter 2020.

Registered purchase orders ended at 118 MNOK, which is an increase of 150% compared to second quarter of 2020.

The order back-log of 26 MNOK was accumulated during the quarter due to significant increase in new orders compared to current production volumes. Production volume was affected by the challenging market for power supply components which resulted in a 3 week production stop in June.

The export share was 41%, which is a considerable increase compared to 24% in the same period last year.

Zaptec Pro represented 53% of revenues while 47% was revenues from products for the single family home market. This is a significant increase for the single home market following the launch of Zaptec Go.

Gross margin

Gross margin in the quarter was 35.8%, 2 percentage points below second quarter of 2020 and 2,5% up from the first quarter in 2021.

The achieved gross margin level for second quarter was in line with our plan for production ramp up of both Zaptec Go and the new version Zaptec PRO.

Adjusted EBITDA¹

Adjusted EBITDA in the quarter of 11.7 MNOK, or 12.8% of revenue, compared to 9.2 MNOK in the second quarter 2020 (19.4%).

Liquidity Reserve

Net cash increase of 53.6 MNOK in the second quarter, including release of interest funds of 40 MNOK. Strong cash balance with total cash, available overdraft facility, and other funds per end of June 2021 of 286 MNOK.

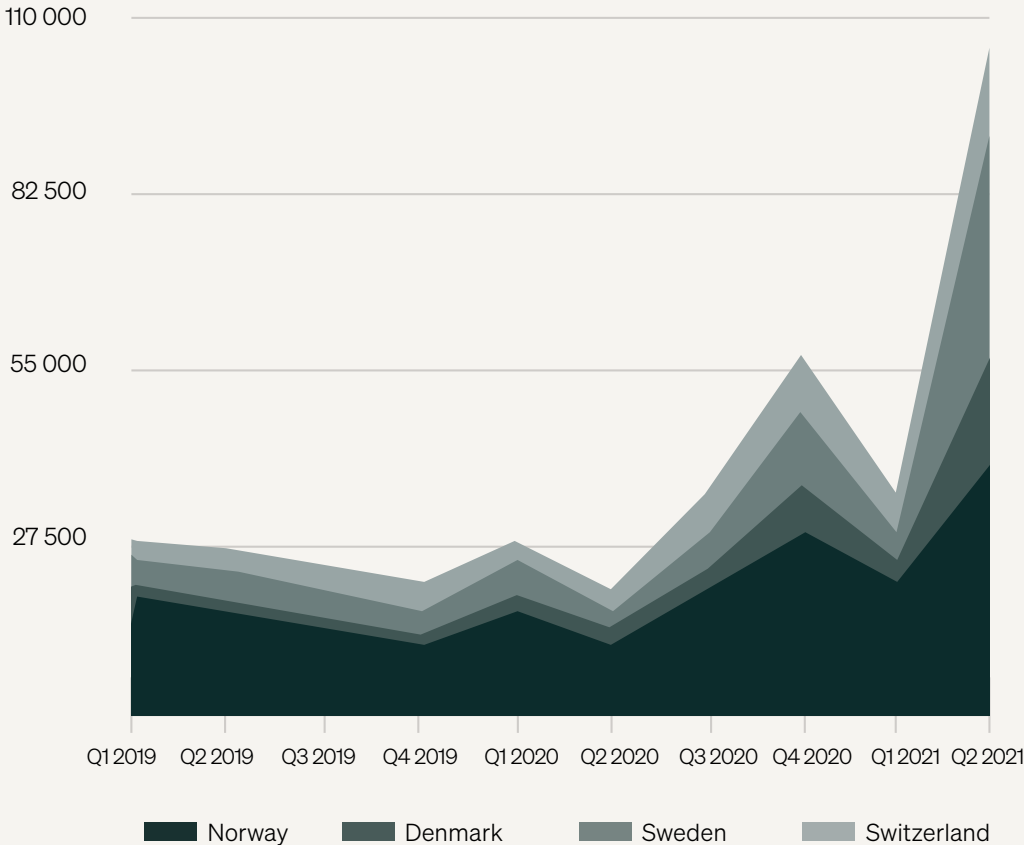
¹Adjusted for salary benefit and social cost on share option program of MNOK 4.9

Operational Summary

Electric vehicle markets

The demand in electric vehicle (EV) markets continued to grow in Q2-21 in Norway, Denmark, Sweden and Switzerland, with 105,000 EVs sold. Sales volumes are highest in Norway and Sweden while Denmark and Switzerland show very high percentage growth in Q2-21 compared to previous years.

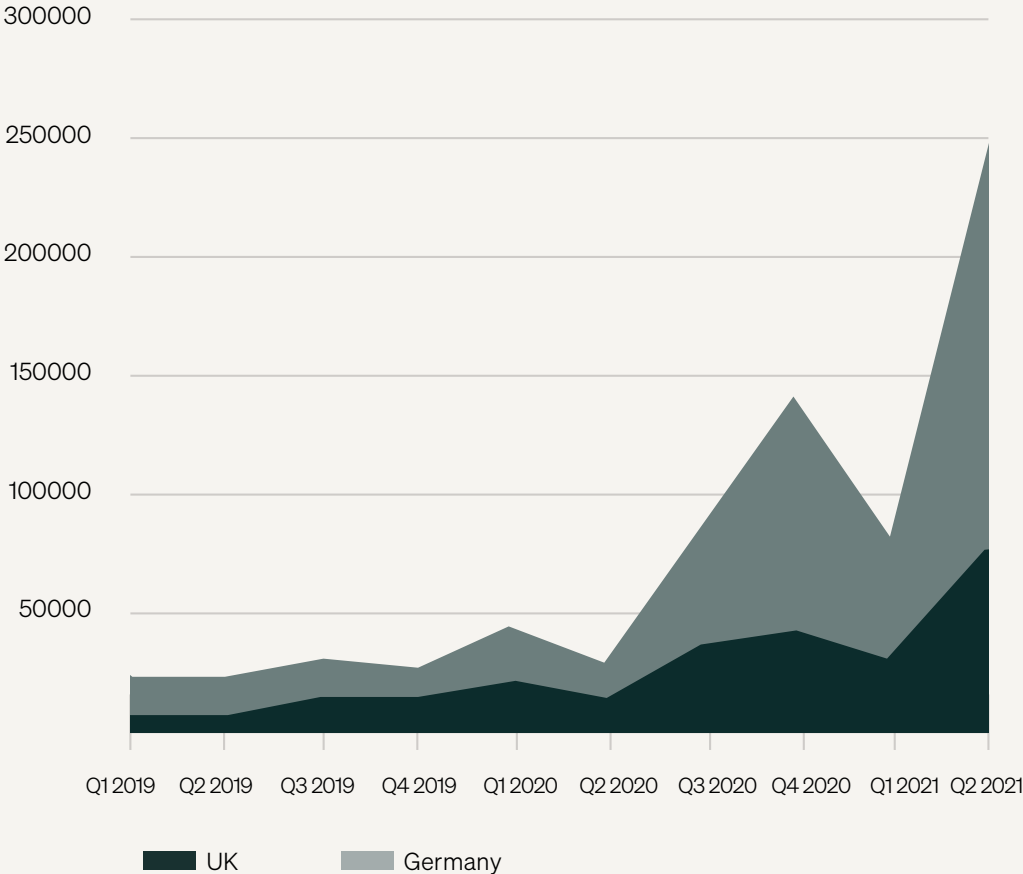
New Car Sales, Battery Electric Vehicle (BEV) and Plug-in Hybrid Electric Vehicle (PHEV)



Electric vehicle markets cont.

The electric vehicle markets in UK and Germany were strong in Q2-21, with 242,000 EVs sold. The German market is positively influenced by the many new electric car models launched by domestic car manufacturers.

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

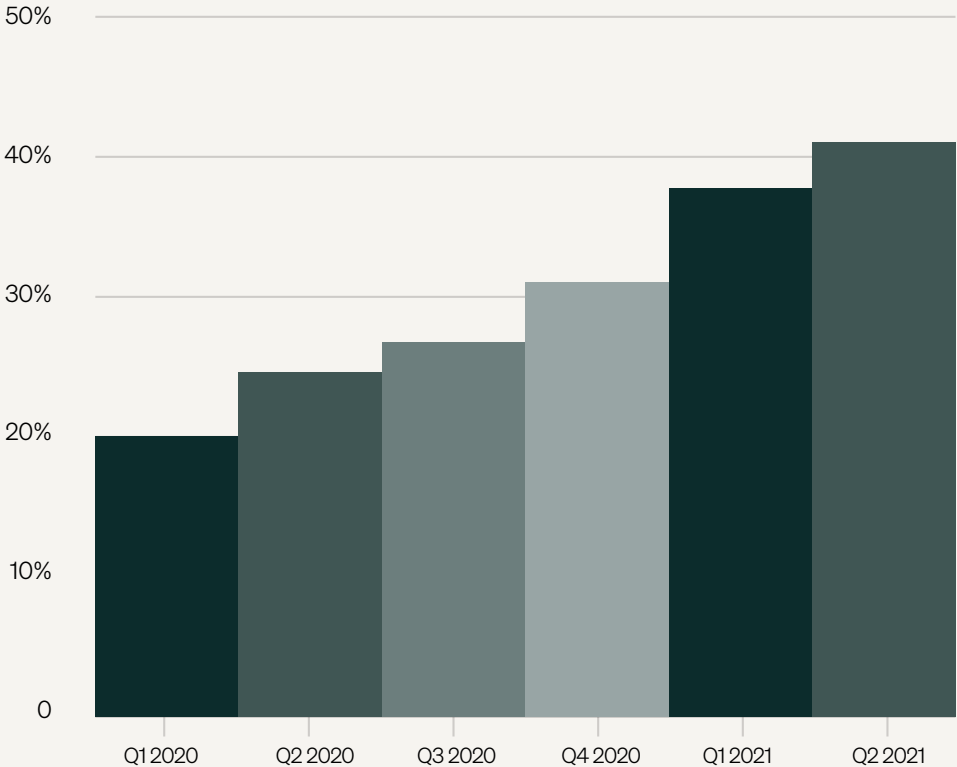


Internationalisation The export share increased from 24% in Q2 20 to 41% in Q2 21. Our largest export markets was Switzerland, Sweden, Denmark and Iceland.

In late June we acquired Novavolt in Switzerland. Novavolt has a market leading position in a high growth EV charging market in Switzerland. By combining forces we can increase our growth in Central Europe both with new and existing customers. Novavolt customers include major insurance companies, banks and pension funds, property owners, energy companies, car dealers and housing cooperatives

In the second quarter we established new subsidiaries with highly qualified management and staff in Germany, UK, Denmark and France. EV adoption is high in these markets and the Zaptec brand has awareness as a value adding charging player.

Export share



Organisation and partners

Zaptec has 65 employees by the end of Q221 located at the head office in Stavanger and Oslo, and in our 6 subsidiaries in Sweden, Switzerland, UK, Germany, France and Denmark.

During Q2 we have recruited top industry professionals in our subsidiaries in Germany, Sweden and the UK. The acquisition of Novavolt in Switzerland enlightened our company with 9 dedicated colleagues.

In Q221 we have implemented Bamboo HR to support the efficiency for our employees in their workplace at home and office.

Our HR policy is to offer the world's best careers in technology, brand building and internationalization for talented people with a strong dedication to electrifying the transportation sector.

Zaptec work close with premier partners in the whole EV charging value chain to generate best value for the end users. We trust our partners and our goal is to be professional and make the employees and management in the partner company proud of the business relationship with Zaptec.



1080 new Zaptec Pro systems

During Q221 we saw 1080 new Zaptec Pro installations which is a 119% growth from Q120 (493 Zaptec Pro installations).

A typical Zaptec Pro installation is a multi-family home or an office building with a large number of parking bays where all parking bays are equipped with Zaptec infrastructure.

The Zaptec PRO installations represent a future revenue for the company as our technology platform is scalable and utilizes all of the installed electricity capacity in the building.



Production and technology

During Q2-21 our development focus has been on implementation and production ramp up of Zaptec Go for the single home market at Westcontrol. We have established an efficient production line and volumes per week have been in-line with our targets.

During the quarter we have also started production of a new version of the Zaptec Pro, our charging system for large parking facilities. Production ramp-up of the new Pro version was slightly delayed mainly due to challenging sourcing of power supply units, resulting in a production stop for 3 weeks. Zaptec has solved this challenge by placing long-term orders with our supplier Westcontrol and production started again late June.

On software technology we have continued our development and implemented various software updates and improvements. The focus has been on the Zaptec Portal, our cloud solution with 70.000 EV chargers, our backend and frontend systems as well as customer facing APPs. A prioritized focus is to improve the user experience on customer facing APPs and user interfaces.



Subscription for Charge365 payment services

New automatic payment contracts increased with 85 new contracts in the second quarter. Charge365 has in total 963 contracts, which represent 18% of all Zaptec Pro installations. The number of active users is 19,905.

Total installed Zaptec chargers are currently above 70.000 chargers and represent an interesting commercial market we will increase or business development for value added services going forward.

By providing efficient charging services like automatic payment, 4G communication, advanced load balancing and software updates we will increase user satisfaction and build recurring revenues for the company.



Outlook

The electric vehicle market is growing strongly in all our key markets. Zaptec expects this growth to continue due to government push for lower emissions, new electric car models and falling battery pack prices.

The AC charging market is very strong as people prefer to charge at home due to convenience and lowest energy prices compared to DC charging.

Zaptec has an European strategy and we aim for strong profitable growth with a double digit market share in all the countries where we currently invest.



Financial Statements

Income Statement (All figures in NOK 1000)

	30.6.2021	30.6.2020	Q2-2021	Q2-2020
Operating income and operating expenses				
Revenue	165 197	91 965	92 116	47 207
<i>Operating income</i>	165 197	91 965	92 116	47 207
Raw materials and consumables used	107 880	56 744	59 117	29 486
Payroll expenses	32 155	13 086	12 771	4 947
Depreciation and amortisation expense	2 497	2 416	1 235	1 208
Other operating expenses	23 504	8 555	13 382	3 617
<i>Operating expenses</i>	166 036	80 802	86 506	39 258
<i>Operating profit</i>	-839	11 164	5 610	7 949
Financial income and expenses				
Other interest income	2	5	1	1
Other financial income	98	250	90	218
Increase in market value of financial current assets	2 224	-	1 244	-
Other interest expenses	339	506	178	275
Other financial expenses	383	206	289	169
<i>Net financial income and expenses</i>	1 601	-457	868	-226
<i>Operating result before tax</i>	762	10 706	6 477	7 723
Tax on ordinary result	3 320	-	2 650	-
<i>Operating result after tax</i>	-2 558	10 706	3 827	7 723
Extraordinary income and expense				
<i>Annual net profit</i>	-2 558	10 706	3 827	7 723
Minority share	-127	-111	-81	-111
<i>Majority share</i>	-2 430	10 818	3 909	7 834
Brought forward				
To other equity	-	10 818	-	-
Loss brought forward	-	-	-	-
From other equity	2 430	-	-	-
<i>Total allocated</i>	-2 430	10 818	3 909	7 834

Balance Sheet - Assets (All figures in NOK 1000)

	30.6.2021	30.6.2020
Fixed assets		
<i>Intangible fixed assets</i>		
Research and development	45 730	27 227
Concessions, patents, licences, trademark	11 594	11 923
Deferred tax asset	12 369	10 328
Total intangible assets	69 693	49 478
<i>Tangible fixed assets</i>		
Equipment and other movables	3 482	1 716
Total tangible fixed assets	3 482	1 716
Financial fixed assets	-	-
Investments in subsidiaries	-	-
Loans to group companies	-	-
Other receivables	35	7 503
Total financial fixed assets	35	7 503
Total fixed assets	73 210	58 697
Current assets		
Inventories	17 758	16 379
<i>Debtors</i>		
Accounts receivables	26 428	24 777
Other receivables	9 554	8 280
Total debtors	35 981	33 057
<i>Investments</i>		
Other quoted financial instruments	183 006	-
Total investments	183 006	-
Cash and bank deposits	73 201	7 013
Total current assets	309 946	56 449
Total assets	383 156	115 146

Balance Sheet - Equity and liabilities (All figures in NOK 1000)

	30.6.2021	30.6.2020
Equity		
Share capital	471	334
Own shares	-0	-6
Share premium reserve	327 366	99 320
Other paid-in equity	19 142	-
Total restricted equity	346 978	99 648
Retained earnings	-	-
Other equity	-	-
Loss brought forward	-25 126	-31 327
Total retained earnings	-25 126	-31 327
Minority interests	-42	-180
Total equity	321 810	68 141
Liabilities		
Provisions	-	-
Other provisions	2 699	-
Total provisions	2 699	-
Other long-term liabilities	-	-
Liabilities to financial institutions	5 750	9 583
Total of other long term liabilities	5 750	9 583
Current liabilities	-	-
Liabilities to financial institutions	-	9 343
Trade creditors	48 225	21 119
Public duties payable	1 093	3 590
Other short term liabilities	3 579	3 370
Total short term liabilities	52 897	37 421
Total liabilities	61 346	47 005
Total equity and liabilities	383 156	115 146

Statement of cash flows (All figures in NOK 1000)

	30.6.2021	Q2-2021	2020
Cash flow from operating activities			
Profit before tax	762	6 477	12 373
Taxes paid	-	-	-
Gain/Loss fixed assets	-	-	-
Depreciation of property, plant and equipment	2 497	1 235	4 833
Gain/Loss sale of shares	-	-	-
Impairment of shares	229	229	-
Movement shares/funds	-2 224	-1 244	3 135
Earnings from funds	-	-	-4 147
Change in inventories	-4 806	1 149	3 854
Change in accounts receivables	4 352	5 666	-23 278
Change in accounts payables	15 586	6 124	13 667
Other items related to operating activities	6 106	4 346	4 181
Net cash flow used in operating activities	22 504	23 983	14 618
Cash flow from investing activities			
Purchase of property, plant and equipment activities	-14 542	-8 267	-16 841
Net invested in stocks and shares	40 000	40 000	-220 000
Movement in other interest-bearing items	47	11	3 921
Net cash flow from investing activities	25 504	31 744	-232 920
Cash flow from financing activities			
New finance debt	-	-	-
Repayment of finance debt	-1 917	-958	-3 833
Purchase of own shares	-	-	-600
Sale of own shares	-	-	2 312
Issue of share capital	3 375	-	229 136
Net change in overdraft facility	-	-1 127	-
Net cash flow from financing activities	1 458	-2 085	227 014
Net change in bank deposits, cash and equivalents	49 467	53 642	8 713
Cash and equivalents at beginning of period	23 734	19 559	15 021
Cash and equivalents and end of period	73 201	73 201	23 734

Note 1 - General information and basis for preparation

The interim condensed consolidated financial statements consists of the Group. The interim condensed consolidated financial statements (interim report) for the second quarter and first half year ended 30 June 2021 have been prepared in accordance with The Norwegian Accounting Act and generally accepted accounting practice in Norway. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statement for 2020.

The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31. december 2020. The Interim financial information for the quarters ended 30. june 2021 and 30. june 2020 are unaudited. The 2020 audited financial statements were approved by the Board of Directors on 22. april 2021.

Note 2 - Share based payments

Zaptec has granted share options to board members, management and key personnel. As of 30.06.2021 there are 1 750 000 outstanding options with a weighted average strike price of NOK 14,51.

Expense in Q2 2021 was NOK 4.9M, and YTD2021 NOK 14,7M.

Consolidated statement of changes in equity (All figures in NOK 1000)

	Share Capital	Treasury Shares	Premium reserve	Other paid-in equity	Other equity	Minority	Total equity
Group							
Equity as of 01.01.21	469	-0	323 993	6 287	-22 679	87	308 156
Share capital increase	2	-	3 373	-	-	-	3 375
Result for the quarter	-	-	-	-	-2 430	-127	-2 558
Share based payments	-	-	-	12 854	-	-	12 854
Translation differences	-	-	-	-	-16	-2	-18
Equity as of 30.06.21	471	-0	327 366	19 142	-25 126	-42	321 810
Zaptec AS							
Equity as of 01.01.21	469	-0	323 993	6 287	19 504	-	350 253
Share capital increase	2	-	3 373	-	-	-	3 375
Result for the quarter	-	-	-	-	-399	-	-399
Share based payments	-	-	-	12 854	-	-	12 854
Translation differences	-	-	-	-	-	-	-
Equity as of 30.06.21	471	-0	327 366	19 142	19 105	-	366 083

Disclaimer – forward looking statements

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

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