

REPORT ON SALARY AND OTHER REMUNERATION TO LEADING PERSONNEL IN LISTED COMPANIES

Introduction

On 1 January 2021, the rules for determining salaries and other remuneration to leading persons in companies with shares admitted to trading on a regulated market were changed. The amendment is included in the Norwegian Public Limited Liability Companies Act ("Companies Act") cf. Section 6-16 b and is supplemented by the Regulation on guidelines and the report on remuneration for leading personnel (the "Regulation").

The background for the changes is Directive (EU) 2017/828 amending Directive 2007/36/EC (the "Amendment Directive") which amends the Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies (the "Shareholder Rights Directive").

Remuneration to members of the company's management is a key instrument for harmonizing the company's interests with the management's interests. The main purpose of the regulation is to give shareholders the opportunity to influence the framework for salaries and other remuneration, so that a salary culture is created that promotes the company's long-term interests and ensures shareholders' influence. Previously the Companies Act set out a requirement that the board of the company prepare a statement on the determination of salaries and other remuneration to the general manager and other senior employees. The declaration was to contain the guidelines and main principles according to which the company was to formulate its executive pay policy. This statement was indicative, but not legally binding. There was also no requirement to report on remuneration paid after the financial year. The requirement for the board to draw up a declaration has now been replaced by a requirement for the board to draw up guidelines on the determination of salaries and other remuneration. In addition, a provision has been included that requires the board of the company to prepare a report on such salaries and remuneration. Further in the presentation, it will be explained which requirements the Companies Act and the Regulation set out for the report.

Report on paid and outstanding remuneration

The Companies Act cf. Section 6-16 b states that the board shall ensure for each financial year that a report is prepared that provides a comprehensive overview of paid and outstanding salaries and remuneration that is covered by the guidelines in the Companies Act cf. Section 6-16 a. The auditor shall review the report before the general meeting shall hold an advisory vote on the report. The auditor's control shall ensure that the board's information in the report corresponds with the annual accounts and any annual auditor's reports. The board must ensure that the auditor has approved the report before the report is sent to the shareholders no later than one week before the general meeting. Board members may, depending on the circumstances, incur liability for damages or criminal liability if the report is incomplete. The report should be prepared in line with the European Commission's template for remuneration reports.

Exempted from the duty to provide information

The report shall not contain personal data as referred to in the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and on Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data Article 9 no. 1. The board should ensure that the report does not contain information that refers to the leading person's family situation. Information that is subject to a statutory duty of confidentiality is not covered by the reporting obligation and shall not be published. Information that cannot be provided without disproportionate damage to the Company may also be exempt from publication, if necessary. Below is a template with comments that can be used as a starting point for advising and drafting a report based on the European Commission's template. The draft will meet all the requirements set out in the Companies Act and the Regulation and contain comments and footnotes with references and explanations.

REPORT ON SALARIES AND OTHER REMUNERATION TO LEADING PERSONNEL IN ZAPTEC ASA 2024

Introduction

At the Company's general meeting 12 June 2024, the Company formalized the **Guidelines**. The report is based on the requirements set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "Companies Act") section 6-16 a and 6-16 b, as well as Regulation on guidelines and report on remuneration for leading personnel of 11 December 2021 No. 2730 (the "**Regulation**").

The report is formulated in line with the European Commission's template for remuneration reports. Information required by the Norwegian Act relating to Annual Accounts of 17 July 1998 no. 56 ("**Accounting Act**") section 7-31 b is included in the Company's annual report for 2024 in Note 7 and is included as appendix 1. Any remuneration to board members is determined by the general meeting in accordance with the Companies Act section § 6-10 and is available in Note 10 and 11 in the annual report for 2024 and in appendix 2. Key figures for the financial year 2024.

Key figures for the financial year 2024

The Company in 2024

The Group's turnover declined 11% in 2024, however, its gross profit margin increased from 38% in 2023 to 39% in 2024. The Group has an equity ratio of 56% and a sufficient liquidity position. As of 31 December 2024, the Group had 318 MNOK in available liquidity, include a 300 MNOK overdraft facility. The development in turnover, profit margin, and equity ratio is as expected.

The guidelines for remuneration that the Company is to adopt in 2024

The Guidelines govern the determination of salary and other remuneration to leading personnel as of 1 January 2023, which includes the persons defined as the C-level executives in the Company, including the Chief Executive Officer and the executive management team, members of the board of directors elected by the shareholders and other employees that are member of the board of directors. The total remuneration package to the executive management team comprises fixed elements such as base salary, pension arrangements and benefits in kind, and may also compromise variable elements such as annual bonus payment(s), share and option scheme(s). The Board Members will receive a fixed remuneration for their positions on an annual basis. Remuneration for positions in the audit committee and the remuneration committee is fixed annual amount decided by the general meeting. The guidelines were approved unanimously at the Company's annual general meeting on 14 June 2023.

The Company's performance

Revenue

Revenue declined 11% from 1 427 MNOK in 2023 to 1 267 MNOK. The decrease in revenue can be explained by the weak EV market and a temporary imbalance in the distributor channels with excess inventory leading to less demand than before. For 2024 in total, Zaptec recorded 1.3 BNOK in purchase orders. As we enter 2025, 495 MNOK in firm orders are scheduled for delivery in the first half of the year

Gross margin

Achieved gross margin in 2024 of 39% compared to 38% in 2023. Increasing the gross margin remains a key strategic priority for Zaptec.

Opex

Total operating expenses in 2024 were reduced by 11% to 436 MNOK compared to 492 MNOK in 2023.

Total employee benefit expenses of 242 MNOK versus 248 MNOK in 2023. At the end of December 2024 Zaptec had 197 employees, compared to 190 employees at end of December 2023. Other operating expenses in 2024 were reduced to 194 MNOK compared to 244 MNOK in 2023

EBITDA

EBITDA in 2024 of 55 MNOK represents a 28% increase from 43 MNOK in 2023.

Available Liquidity

The cash balance with total cash, available overdraft facility, deposits and other funds at the end of December 2024 was 318 MNOK.

Remuneration to leading personnel

Table 1 below shows the total remuneration the Company's leading persons have been paid or have benefited from being paid by the Company in 2024 and 2023.

Remuneration of senior executives in 2024 and 2023											
NOK 1000											
Name and positions	Start date during period	End date during period	Remuner- ation period	Fixed remuneration			Variable remuneration		Pension expense	Total remuneration	Proportion of fixed and variable remuneration
				Salary	Payments in kind	Other	Bonus	Extraordin- ary items			
Peter Bardenfleth-Hansen*	12.04.2022	01.10.2023	2024	-	-	-	-	-	-	-	0%
Chief Executive Officer			2023	3,630	-	674	-	9,000	184	13,488	32%
Kurt Østrem**			2024	3,557	-	221	-	2,526	136	6,440	60%
Chief Executive Officer			2023	2,641	-	231	-	1,484	129	4,485	66%
Anna-Karin Andersen***	01.02.2022	09.08.2024	2024	1,477	-	4	-	1,174	403	3,058	56%
Prior Chief Commercial Officer			2023	1,632	-	-	-	-	381	2,013	100%
Trude Rekkedal Schulberg	01.05.2023		2024	1,265	-	14	-	464	110	1,853	73%
Chief People & Culture Officer			2023	671	-	-	-	-	65	736	100%
Pål Tumyr	01.09.2022	30.11.2023	2024	-	-	-	-	-	-	-	0%
Prior Chief Product Officer			2023	1,308	-	-	-	-	108	1,416	100%
Joris Laponder****	01.08.2024		2024	2,732	-	111	459	-	221	3,523	86%
Chief Commercial Officer			2023	-	-	-	-	-	-	-	0%
Martin Prytz Malmanger *****			2024	-	-	-	-	-	-	-	0%
Prior Chief Operations Officer			2023	1,159	-	31	-	-	93	1,283	100%
Lasse Hult			2024	1,605	-	14	-	1,317	135	3,071	55%
Chief Marketing Officer			2023	1,396	-	175	-	-	127	1,698	100%
Knut Braut			2024	1,998	-	114	-	1,976	137	4,225	52%
Chief Technical Officer			2023	1,551	-	100	-	141	129	1,921	92%
Eirik Fjellså Hærem	13.06.2022		2024	2,141	-	14	200	939	136	3,430	65%
Chief Financial Officer, Deputy CEO			2023	1,505	-	-	-	-	129	1,634	100%
Kristian Sæther			2024	1,080	-	14	471	1,317	84	2,966	38%
Finance Director & IR			2023	1,397	-	-	-	-	119	1,516	100%
Total			2024	15,855	-	506	1,130	9,713	1,362	28,566	60%
			2023	16,890	-	1,211	-	10,625	1,464	30,190	63%

* Peter Bardenfleth-Hansen left the company 01.10.2023

** CFO and acting CEO in the period 01.01.2024 - 22.02.2024. Appointed CEO 22.02.2024.

*** Left company 09.08.2024

**** Part of management from 01.08.2024, salary presented is for the entire year

***** Changed role internally 01.12.2023

Option-based remuneration to leading personnel in the Company

Table 2 below shows the number of options, warrants and other forms of remuneration related to shares or developments in the Company or other companies within the same group of companies that have been accrued, as well as the most important conditions for exercising the options, including subscription price, subscription deadline and any changes of these.

Table 2 - Options granted or owed to executive officers for the reported financial year													
Name and position	The main conditions of share option plans							Information regarding the reported financial year					
	1 Specification of	2 Performance	3 Award date	4 Vesting date	5 End of retention	6 Exercise period	7 Exercise price of	Opening balance		During the year		Closing balance	
								8 Share options held	9 Share options	10 Share options	11 Share options	12 Share options	13 Share options
Kurt Østrem, CEO	Plan 1	2020	06.10.2020	06.10.2020	31.12.2025	31.12.2025	11.25	100,000	-	-	-	-	100,000
	Plan 2	2020-2021	06.10.2020	06.10.2021	31.12.2025	31.12.2025	13.25	100,000	-	-	-	-	100,000
	Plan 3	2020-2022	06.10.2020	06.10.2022	31.12.2025	31.12.2025	15.25	100,000	-	-	-	-	100,000
Knut Braut, CTO	Plan 1	2020-2022	06.10.2020	06.10.2022	31.12.2025	31.12.2025	15.25	100,000	-	-	-	-	100,000
	TOTAL							400,000	-	-	-	-	400,000

There are no restrictions on exercising the stock options in table 2 except the exercise period.

Share-based remuneration to leading personnel in the Company

The tables below show the number of shares in the Company, or other companies within the same group, that have been allotted or offered.

Table 3 - Shares awarded or owed to executives for the reported financial year										
Name and position	The main conditions of award plans					Information regarding the reported financial year				
	1	2	3	4	5	Opening balance	During the year		Closing balance	
	Specification of plan	Performance period	Award date	Vesting date	End of retention period	Shares held at the beginning of the year	7	8	9	10
							Shares awarded	Shares vested	Shares subject to a performance condition	Shares awarded and unvested at year end
										Shares subject to a retention period
Kurt Østrem Chief Executive Officer	Plan 1 Base	2022-2024	01.01.2022	01.01.2025	-	-	17,181	-	17,181	17,181
	Plan 2 High	2022-2024	01.01.2022	01.01.2025	-	-	43,923	-	43,923	43,923
	Plan 3 Stretch	2022-2024	01.01.2022	01.01.2025	-	-	68,724	-	68,724	68,724
Knut Braut Chief Technical Officer	Plan 1 Base	2022-2024	01.01.2022	01.01.2025	-	-	17,181	-	17,181	17,181
	Plan 2 High	2022-2024	01.01.2022	01.01.2025	-	-	34,362	-	34,362	34,362
	Plan 3 Stretch	2022-2024	01.01.2022	01.01.2025	-	-	68,724	-	68,724	68,724
Anna-Karin Andersen Prior Chief Commercial Officer	Plan 1 Base	2022-2024	01.01.2022	01.01.2025	-	-	11,454	-	11,454	11,454
	Plan 2 High	2022-2024	01.01.2022	01.01.2025	-	-	22,908	-	22,908	22,908
	Plan 3 Stretch	2022-2024	01.01.2022	01.01.2025	-	-	45,816	-	45,816	45,816
Lasse Hult Chief Marketing Officer	Plan 1 Base	2022-2024	01.01.2022	01.01.2025	-	-	11,454	-	11,454	11,454
	Plan 2 High	2022-2024	01.01.2022	01.01.2025	-	-	22,908	-	22,908	22,908
	Plan 3 Stretch	2022-2024	01.01.2022	01.01.2025	-	-	45,816	-	45,816	45,816
Eirik Fjellås Hærem Chief Financial Officer & Deputy CEO	Plan 1 Base	2022-2024	01.01.2022	01.01.2025	-	-	11,454	-	11,454	11,454
	Plan 2 High	2022-2024	01.01.2022	01.01.2025	-	-	26,669	-	26,669	26,669
	Plan 3 Stretch	2022-2024	01.01.2022	01.01.2025	-	-	45,816	-	45,816	45,816
Kristian Sæther Finance Director & Investor Relations	Plan 1 Base	2022-2024	01.01.2022	01.01.2025	-	-	11,454	-	11,454	11,454
	Plan 2 High	2022-2024	01.01.2022	01.01.2025	-	-	22,908	-	22,908	22,908
	Plan 3 Stretch	2022-2024	01.01.2022	01.01.2025	-	-	45,816	-	45,816	45,816
Martin Prytz Malmanger Prior Chief Operations Officer	Plan 2 High	2022-2024	01.01.2022	01.01.2025	-	-	22,908	-	22,908	22,908
Trude Rekkedal Schulberg Chief People & Culture Officer	Plan 1 Base	2022-2024	01.01.2022	01.01.2025	-	-	6,380	-	6,380	6,380
	Plan 2 High	2022-2024	01.01.2022	01.01.2025	-	-	12,760	-	12,760	12,760
	Plan 3 Stretch	2022-2024	01.01.2022	01.01.2025	-	-	25,500	-	25,500	25,500
TOTAL PLAN 1 Base							86,558	-	86,558	86,558
TOTAL PLAN 2 High							209,346	-	209,346	209,346
TOTAL PLAN 3 Stretch							346,212	-	346,212	346,212

The company's use of access to recover variable remuneration

The Company does not have access to recover variable remuneration from a leading person in 2024.

Total remuneration paid compared to the Guidelines

A prerequisite for the successful implementation of the Company's business strategy and securing the Company's long-term interests, including sustainability, is that the Company is able to recruit and retain qualified personnel. To achieve this, it is necessary for the Company to offer competitive remuneration, of which the Guidelines shall contribute to promoting such interests. As described in the Guidelines, the total remuneration package comprises fixed elements such as base salary, pension arrangements and benefits in kind and may also comprise variable elements such as annual bonus payment(s), share and option scheme(s).

The main principle for the Company's remuneration policy is that leading personnel are offered a remuneration level which is competitive and on market terms, compared to the level offered by its peers, and which seeks to satisfy the Company's need to recruit and retain highly qualified personnel. Base salary shall constitute the main component of the total remuneration to leading personnel. The base salary must be determined taking into account the leading personnel's position level, local competition, market salary for the corresponding position level and performance level.

The base salary can be adjusted annually. In addition to this, senior employees are offered benefits in kind in the form of share-based remuneration. Furthermore, leading personnel participate in the

Company's insurance schemes and defined contribution pension schemes in accordance with mandatory legislation.

Please refer to "Key Figures for the financial year 2024" above for the Company's results. On this basis, total remuneration to leading personnel during 2024 has complied with the Company's Guidelines for remuneration.

There are no lock-ups applicable but in the long-term incentive program for Leading Personnel, allocations of the performance grants are made prior to vesting, meaning that if the employee leaves the Group before completion of the vesting, the employee will not receive the shares.

Performance-based remuneration

The company's leading personnel are not included in a performance-based remuneration program. There were no performance-based remuneration allocations in the financial year 2024.

Information on changes in remuneration and the Company's performance

Table 4 below shows the change in remuneration paid to leading personnel over the past five financial years.

Table 4 - Comparable table of remuneration and company performance over the last five reported financial years (FY)*											
Annual remuneration and change 1000NOK	2019	2020	2021	2022	2023	2024	Change 2019/2020	Change 2020/2021	Change 2021/2022	Change 2022/2023	Change 2023/2024
Peter Bardenfleth-Hansen, Prior Chief Executive Officer				7,025	13,304	-			100%	100%	
Anders Thingbø, Prior Chief Executive Officer	2,206	3,780	4,095	2,713			71%	8%	-34%	-100%	
Kurt Østrem, Chief Executive Officer	1,168	2,092	2,065	3,499	4,356	6,304	79%	-1%	69%	24%	45%
Joris Laponder, Chief Commercial Officer						3,302					
Anna-Karin Andersen, Prior Chief Commercial Officer				1,442	1,637	2,655			100%	14%	62%
Agnethe Veidal, Prior Chief Commercial Officer	78	864	1,106				1012%	28%			
Pål Tumyr, Prior Chief Product Officer	**	**		1,124	1,339				100%	19%	-100%
Siren Ertzeid, Prior Chief Product Officer	**	**	505	667				100%	32%	-100%	
Martin Prytz Malmanger, Prior Chief Operations Officer	**	**	645	1,056	1,283	**		100%	64%	21%	
Lasse Hult, Chief Marketing Officer	456	1,331	1,216	1,467	1,571	2,936	192%	-9%	21%	7%	87%
Knut Braut, Chief Technical Officer	1,016	1,175	2,070	1,764	1,677	4,088	16%	76%	-15%	-5%	144%
Trude R. Schulberg, Chief People & Culture Officer	**	**	**	**	736	1,743					137%
Eirik Fjellså Hærem, Chief Financial Officer & Deputy CEO	**	**	**	750	1,727	3,294			100%	130%	91%
Kristian Sæther, Finance Director & IR	**	**	755	1,486	1,445	2,882		100%	97%	-3%	99%

* Excluding pension

** Non existing position at listed time

Net results, 1000NOK	2019*	2020**	2021**	2022**	2023**	2024**
Profit (+)/Loss (-) after tax	26,020	18,725	45,501	- 52,891	22,228	- 3,236

*According to Generally Accepted Accounting Principles in Norway ** According to IFRS.

Average remuneration divided by average full-time employees	2019	2020	2021	2022	2023	2024
Average employees	19	29	51	100	176	186
Total remuneration	14,614	33,080	63,759	130,857	215,626	211,032
Average remuneration including employers tax and other personnel expenses	769	1,141	1,250	1,309	1,225	1,135

The table show average remuneration divided by average full-time employees excluding management for the period 2019-2024

Consideration at general meeting

On 11 June 2025, the general meeting held an advisory vote on the Report, where [all / [•] %] of the shareholders present voted in favor of the Report.

Appendix 1: Remuneration to Executive Management

Note 7 - Employee benefit expenses

Payroll costs		
In NOK 1000	2024	2023
Salaries	165 413	175 666
Share based payment expense excluded payroll tax	5 869	8 127
Payroll tax	23 111	22 046
Other benefits	47 679	42 123
Total	242 072	247 962
Average full-time employees	193	183

2024

Board of directors

In NOK 1000	Board fee	Bonus	Share based payment	Other benefits	Total
Ingelin Drøpping	395	0	0	0	395
Stig H. Christiansen	630	0	0	0	630
Jennifer Jacobs Dungs	295	0	0	0	295
Gunnar Hviding*	0	0	0	0	0
Karoline Nystrom*	0	0	0	0	0
Christian Rangen**	300	0	0	0	300
An Joanna De Pauw**	350	0	0	0	350
Total	1970	0	0	0	1970

Chief executive officer and CFO	Salary	Bonus	Share based payment	Other benefits	Total
Kurt Østrem***	3 557	0	2 526	221	6 304
Eirik Fjellså Hærem****	2 141	0	939	14	3 094
Total	5 698	0	3 464	235	9 397

* Member of the board from 12.07.2024

** Member of the Board up until 12.07.2024

*** CFO and acting CEO in the period 01.01.2024-22.02.2024. Appointed as CEO 22.02.2024.

**** Appointed as CFO and Deputy CEO 29.02.2024

Others in management	Salary	Bonus	Share based payment	Other benefits	Total
Kristian Sæther	1 451	0	1 317	14	2 783
Joris Laponder*	2 384	459	0	119	2 962
Knut Braut	1 977	0	1 976	114	4 067
Lasse Hult	1 530	0	1 317	9	2 857
Anna-Karin Andersen**	1 727	0	1 174	4	2 905
Trude Rekkedal Schulberg	1 265	0	464	14	1 743
Total	10 334	459	6 248	273	17 315

*Part of management from 01.08.2024

**Left company 09.08.2024

2023

Board of directors

In NOK 1000	Board fee	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	Salary	Bonus	Share based payment	Other benefits	Total
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	Salary	Bonus	Share based payment	Other benefits	Total
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

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 12.4 MNOK is recognized in the consolidated statement of profit and loss and included in Other benefits.

Appendix 2: Remuneration to Board of Directors

2024

Board of directors

In NOK 1000	Board fee	Bonus	Share based payment	Other benefits	Total
Ingelin Drøpping	395	0	0	0	395
Stig H. Christiansen	630	0	0	0	630
Jennifer Jacobs Dungs	295	0	0	0	295
Gunnar Hviding*	0	0	0	0	0
Karoline Nystrøm*	0	0	0	0	0
Christian Rangen**	300	0	0	0	300
An Joanna De Pauw**	350	0	0	0	350
Total	1970	0	0	0	1970

* Member of the board from 12.07.2024

** Member of the Board up until 12.07.2024