



Zaptec

Powers

Adventure ↓

Q4 2022 Financial Results

15 February 2023



Agenda



- Summary of Q4 2022
- Operational update and 2023 strategy
- Financial performance and outlook



Financial highlights Q4 2022

Revenue

249

+29% vs. Q4 2021

Order intake

276

+85% vs. Q4 2021

International share of sales

68%

vs. 57% for Q4 2021

Gross margin

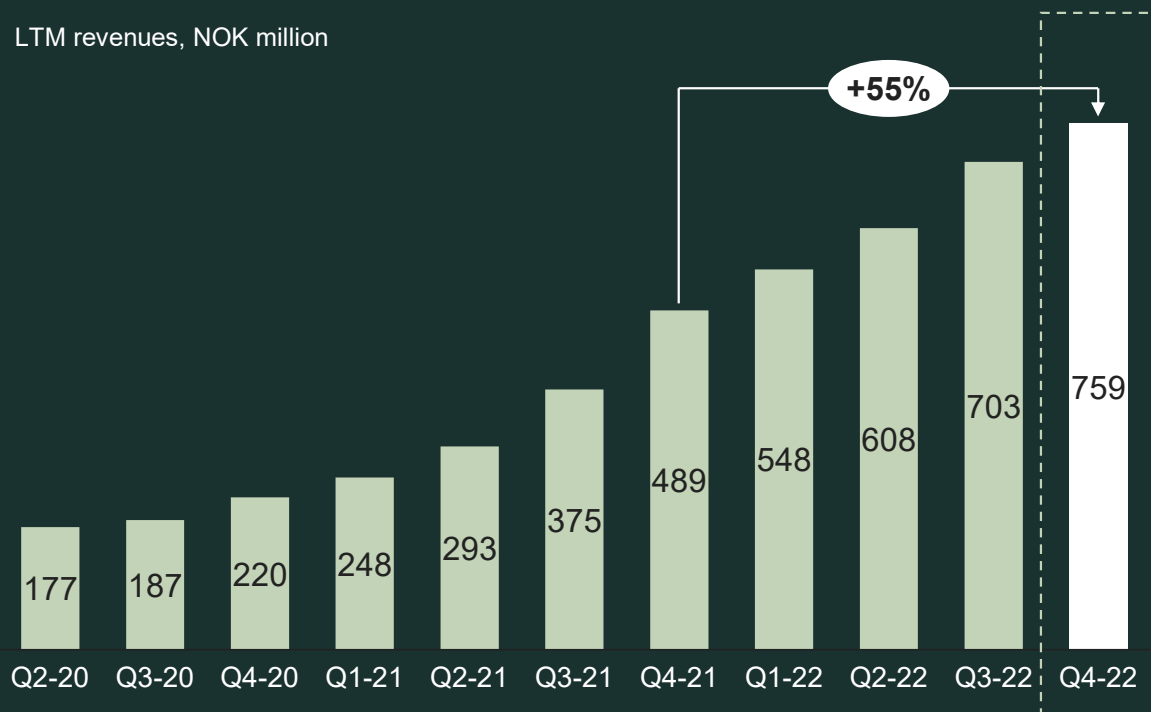
38%

vs. 51% for Q4 2021

Figures in NOK million unless otherwise specified

The Zaptec growth story continued in 2022

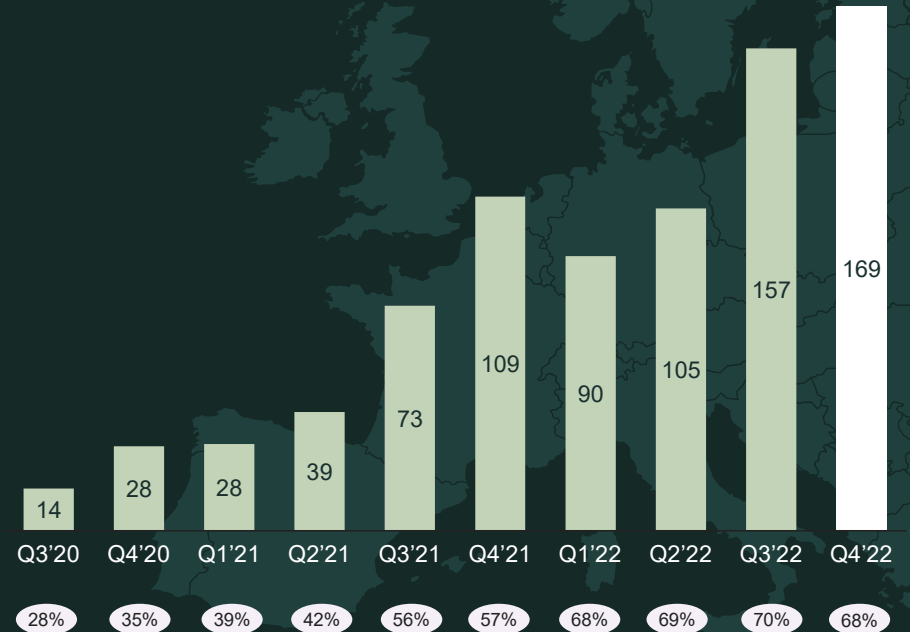
LTM revenues, NOK million



Fast-paced international growth

- ✓ Subsidiaries established where EV adoption is increasing; Sweden, Denmark, UK, Germany, Switzerland, France and Benelux
- ✓ Distributors in place across Western Europe; new subsidiaries to follow in additional countries – currently working towards Spanish and Italian markets
- ✓ In early-stage discussions with potential strategic partners in the US – actively monitored

Sales outside Norway, NOK million



Other highlights Q4 2022



Patent for dynamic phase balancing technology in Europe

- Patent for dynamic phase balancing technology to be granted in all European countries*
- The technology enables significant cost savings and higher charging speeds
- Patent for same technology already granted in China and Japan



Strong momentum with UK homebuilders

- Started production of UK version of Zaptec Go at Westcontrol
- Signed agreements with 6 of the largest UK homebuilders**, covering 25,000 units p.a.
- Advanced discussions with several other homebuilders ongoing



Oslo Stock Exchange listing

- Uplisting to main list at Oslo Stock Exchange completed
- Proving Zaptec with access to broader potential investor base

Key takeaway:
Achievement Zaptec has put major efforts towards; key competitive advantage in target markets

Summary

- Continued growth story - 55% revenue growth from 2021 to 2022
- Significant investments in new subsidiaries and technical development – including recruiting competent staff in competitive markets and adapting product offerings to new countries
- European patent for dynamic phase balancing technology to be granted – significant milestone reached
- Major steps taken in large European markets – positive momentum in the UK with several housebuilder contracts signed, and MID compliance to unlock key market segments in major European markets
- Positive outlook for gross margin, driven by increased product pricing, additional premium pricing for MID certified charging stations and reduced key component input costs
- Above effects also expected to drive EBITDA margin, which will furthermore be supported by strong cost focus

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Zaptec's strategic foundation is Safety and High quality

Safety without compromise

- ✓ Zaptec Pro and Zaptec Go compliant with all relevant IEC* standards
- ✓ Zaptec Go 2022 NAF** test winner due to best safety features
- ✓ Swedish Safety Agency successfully completed technical review and testing of Zaptec Go

High-quality offerings

- ✓ Unique and patented dynamic phase balancing technology
- ✓ TÜV SÜD tested products – quality-stamp from prestigious certification agency
- ✓ 5-year guarantee with extension options (vs. 3-year industry standard)

Our 2023 focus – wide-scale international expansion...



2017 – 2020

- ✓ Developing and scaling the solution
- ✓ Gaining market shares in domestic markets
- ✓ Going public



2021 – 2022

- ✓ Strong market presence with “Pro”
- ✓ Launching “Go” win market share in the home market
- ✓ Selective international expansion focusing on markets far along in EV adoption

2023

- Further accelerating international share of sales
- Gaining market access in the massive European markets – like Germany, UK, Benelux and France
- Growing our recurring revenue-generating offering

... vastly expanding our total addressable market...

1,798,000

New EV passenger vehicle registrations, 2022

↑ ~4.4x

413,000

New EV passenger vehicle registrations, 2022

↑ ~1.4x

287,000

New EV passenger vehicle registrations, 2022



... with elevated market growth as new markets are earlier in adoption phase

7,165,000

New passenger vehicle registrations (all drivetrains), 2022

↑ ~7.8x

914,000

New passenger vehicle registrations (all drivetrains), 2022

↑ ~1.9x

477,000

New passenger vehicle registrations (all drivetrains), 2022

2023 target markets

Norway, Sweden, Switzerland, Denmark, Iceland, Germany, UK, France and the Netherlands

Current main markets

Norway, Sweden, Switzerland, Denmark and Iceland

'Home' markets

Norway and Sweden

Some observations regarding major European markets

1
Step-wise
growth in adoption
rates

- In only a few years, Norway went from practically no adoption, to 3-4%, to around 20%, to the vast majority
- Now observing similar pattern in major EU markets, going from ~3-4% to around 20%

2
New,
high-quality
models

- Automakers' massive investments in EVs leading to high quality, long-range models at competitive prices
- Growing charging infrastructure, this development should drive adoption rate acceleration
- Recent price reductions also supportive (e.g. Tesla)

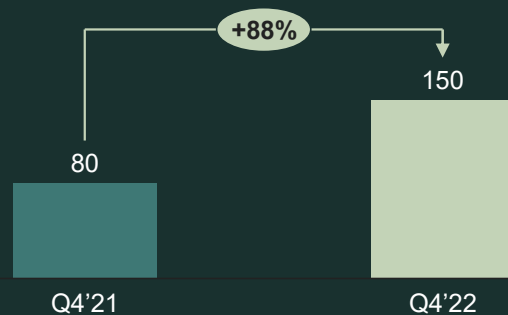
3
Lumpy but
"mean reverting"
new car sales
over time

- 2021 car sales boosted by elevated savings rates during COVID and low interest rates
- Macro developments have caused a slow-down in new car sales
- Over time, new car sales expected to normalise as share of fleet size

OPEX increase reflects strategic investments in new markets

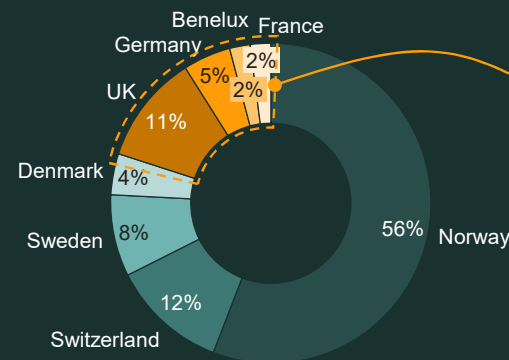
Headcount almost doubled in 2022

(# staff in end of each quarter)



20% of staff in early-stage target markets

Share of total FTEs per Q4 2022



20% of headcount in markets with very limited revenue currently, illustrating the strategic growth investment being made

- ✓ Significant investment in new subsidiaries and technical development
- ✓ Strategically important costs to secure the long-term success of the company
- ✓ Successful recruitment of competent staff in new target markets during 2022
- ✓ New Benelux subsidiary, increased teams focusing on markets in UK, Germany and France

Unlocking massive European markets

United Kingdom

- ✓ Strong UK organization established with 16 FTEs in place, majority recruited during 2022 and Zaptec Pro sales initiated
- ✓ Compliance with UK EV smart charging regulatory requirements reached in Q4 2022
- ✓ UK version of Zaptec Go production started and deliveries ongoing
- ✓ Launched UK payment solution
- ✓ Signed contracts with 6 UK homebuilders for deliveries of significant Zaptec Go volumes over the next 2-3 years
- Considering strategic partnership opportunities – active discussions ongoing



✓ Completed ○ Upcoming



Unlocking massive European markets

Germany

- ✓ Strong organization in place, with 7 FTEs – aiming to also leverage Swiss organization in sales efforts
- ✓ Sales of Pro and Go initiated
- ✓ Production start of Zaptec Pro 'Made in Germany' through partnership with Samina in Gunzenhausen, Bavaria
- Compliance with MID will separate Zaptec from many of its competitors and is expected to be a key sales enabler
- Launching distribution through one of Germany's biggest electric wholesalers with nationwide coverage of installers
- Start of partnership with a pioneer in the advancement of energy transition, to bring Zaptec to B2C and B2B customers in a Germany/Switzerland agreement



✓ Completed ○ Upcoming



Unlocking massive European markets

Benelux

- ✓ Recruited strong organization with significant experience from the EV charging industry end Q3 / during Q4
- ✓ Initial focus on establishing the business and gaining momentum in Belgium and the Netherlands – 4 FTEs in place
- ✓ Sales of both Pro and Go initiated
- ✓ Digital marketing and brand awareness activities initiated in Q1
- ✓ Positive initial market feedback; Zaptec products considered best-in-class alternative compared to current dominant competition
- Strong ramp-up of Pro and Go sales expected when MID certification and P1 connection is in place



Unlocking massive European markets

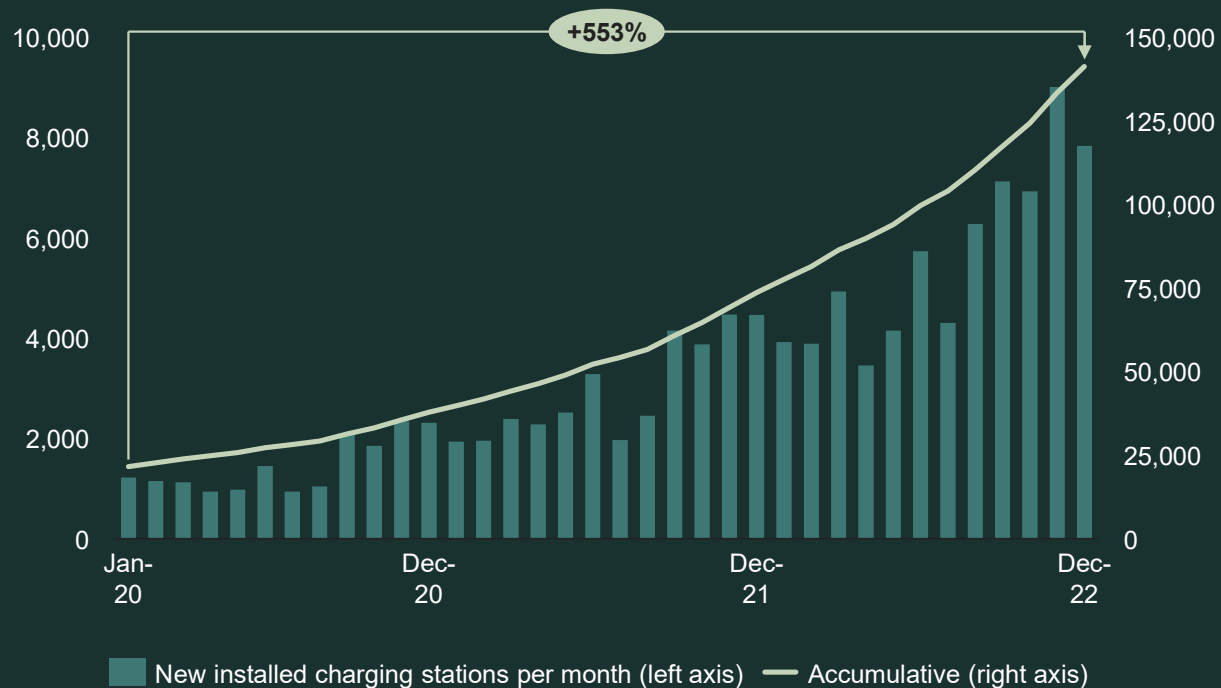
France

- ✓ Organization in place, with 3 FTEs – further ramp-up planned
- ✓ Prototypes for French version of both Pro and Go completed
- Finalising Pro and Go technical development and approvals; expected during 2023
- Start of production
- Ramp-up marketing and sales efforts



Installed base of Zaptec chargers is growing rapidly, paving the way for new business models

120,000 new charging stations installed last 3 years



- ✓ 120,000 charging stations added to user base in 2020-2022 period – a +500% growth
- ✓ Recurring revenue from payment solutions Charge365 in Norway and Zaptec Park in UK, Sweden and Denmark – other countries to follow
- ✓ Future business models to offer end customers value added services – e.g.:
 - Solar integration
 - Plug&Charge
 - Vehicle to Grid

Agenda



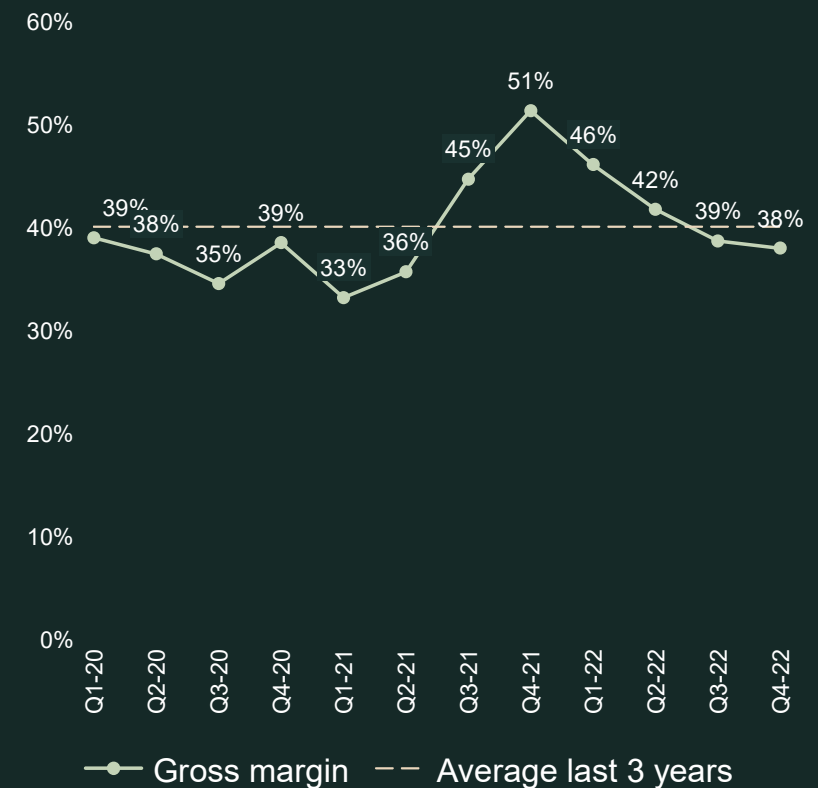
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Gross margin around historical average, but with room for improvement

- Gross margin of 38% in Q4, average of around 40% last 3 years
- Positive gross margin outlook:
 - 5-8% product price increase from 1st February 2023
 - Higher price point for MID certified charging stations
 - Proactive supply chain efforts to reduce key input component costs – environment turning more favorable

Gross margin development



EBITDA reflects strategic growth investments

- EBITDA margin negatively impacted by strategic growth investments
 - Significant portion of 2022 OPEX attributable to new markets where large sales volumes were yet to materialize
 - Estimated 44 MNOK spent on building organization and start marketing in Benelux, France, Germany and U.K
- 14 MNOK in one-off expenses related to uplisting to Oslo Stock Exchange main list in Q4

- Strong believe in future EBITDA margin development, driven by
 - Gross margin (ref. previous slide)
 - Market penetration in new markets with current OPEX, but limited revenue
 - Strong cost focus

Concluding remarks



- Zaptec's growth story continues, backed by EV transition megatrend
- Historical investments in subsidiaries and technical development enabling large-scale growth across Europe
- European patent for dynamic phase balancing technology is a significant milestone reached
- Positive momentum with UK housebuilders - MID compliance to unlock key market segments in major European markets
- Positive outlook for gross margin from increased product pricing and reduced component costs
- EBITDA set to increase going forward driven by gross margin and cost focus





Q&A

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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.

Supplementary materials



Zaptec Pro: Highest safety standards and unique technology



Highest safety standards – with integrated physical fuse and protection



Quality made in Norway – Temperature resistant and 5-year guarantee



Scalable – Installation of any number of charging stations



Dynamic phase balancing – 3x vehicles can charge per circuit



Modular Installation – backplate and flexible installation setup



User friendly – Access, reporting and user management via Zaptec Portal

Zaptec Go: Award-winning safety and design

✓ **Expandable** – up to 3 charging stations per circuit

✓ **Compatible** – Works with every electric vehicle and all households

✓ **Charge up to 22kW** - adjusts its maximum charge to your car's capacity



✓ **Future-proof** and up to date

✓ **Award-winning** safety and design

✓ **Made in Norway** – 5-year warranty

✓ **Simple installation** and minimum maintenance

