

PROSPECTUS

ZWIPE AS



Incorporated as a private limited liability company in Norway, business register number 994 553 607

Subsequent Offering of up to 1,000,000 Offer Shares at a subscription price of NOK 15.00 per Offer Share

This prospectus (the "**Prospectus**") relates to, and has been prepared in connection with, the subsequent repair offering (the "**Subsequent Offering**") of up to 1,000,000 shares (the "**Offer Shares**") in Zwipe AS ("**Zwipe**" or the "**Company**"), and together with its subsidiary on a consolidated basis, the "**Group**"), a private limited liability company incorporated and existing under the laws of Norway and with its Shares listed at Merkur Market and Nasdaq First North Growth Market, respectively. The Subsequent Offering is made in connection with a private placement in the Company with gross proceeds of NOK 95,719,725 completed on 7 September 2020 towards selected Nordic and international institutional investors and some existing Shareholders (the "**Private Placement**") and is expected to raise gross proceeds of up to NOK 15 million.

The application period for the Subsequent Offering (the "**Application Period**") will commence at 09:00 hours (CEST) on 20 October 2020 and close at 16:30 hours (CET) on 27 October 2020. Shareholders in the Company ("**Shareholders**") as per 7 September 2020 who are registered in the Company's Shareholder Register in the VPS or Euroclear Sweden AB ("**Euroclear**") on 9 September 2020 (the "**Record Date**") shall be offered 0.04366 Subscription Rights for each Share registered at the time and each Subscription Right gives the right to subscribe for and be allocated one new share in the Company. The Subscription Rights will not be tradable or listed on Merkur Market or Nasdaq First North Growth Market, as the case may be.

The Offer Shares will be registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form and be listed and traded at Merkur Market or Nasdaq First North Growth Market (as the case may be). All Offer Shares will rank in parity with the existing Shares in the Company and each carry one vote.

The due date for the payment of the Offer Shares is expected to be on or about 30 October 2020. Delivery of the Offer Shares is expected to take place on or about 6 November 2020, through the facilities of the VPS. Trading in the Shares on Merkur Market or Nasdaq First North Growth Market (as the case may be) is expected to commence on or about 6 November 2020. If closing of the Subsequent Offering does not take place on 28 October 2020, the Subsequent Offering may be withdrawn, resulting in all applications for Offer Shares being disregarded, any allocations made being deemed not to have been made and any payments made being returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

The Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares may lawfully be made and, for jurisdictions other than Norway and Sweden, would not require any filing, registration or similar action. The Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to "accredited investors" as defined in the U.S. Securities Act Rule 501(a), acquiring the Offer Shares for investment purposes for its own account, or pursuant to another exemption from the registration requirements of the U.S. Securities Act; (ii) if resold, to qualified institutional buyers" (a "**QIB**") as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act; and (iii) outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act ("**Regulation S**"). The distribution of this Prospectus may in certain jurisdictions be restricted by law.

Manager and bookrunner:



The date of this Prospectus is 19 October 2020

Important information

This Prospectus has been prepared in order to provide information about Zwipe, its business and the shares offered for subscription in connection with the subsequent repair offering of up to 1,000,000 shares in Zwipe. The Company's shares, as issued from time to time, are hereinafter referred to as the "**Shares**". The Subsequent Offering is made in connection with the Private Placement with gross proceeds of NOK 95,719,725 completed on 7 September 2020 towards selected Nordic and international institutional investors and some existing Shareholders and is offered to Shareholders who were not allocated new Shares in the Private Placement as compensation for not being able to participate therein. The Subsequent Offering comprises up to 1,000,000 Offer Shares at the same subscription price per share as in the Private Placement and is expected to provide gross proceeds of up to NOK 15,000,000.

For the definitions of terms used throughout this Prospectus, see Section 19 "Definitions and glossary".

The Company has furnished the information in this Prospectus. The Company has engaged Arctic Securities AS as manager and bookrunner for the Subsequent Offering ("**Arctic Securities**" or the "**Manager**"). The Manager makes no representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, nor shall be relied upon as, a promise or representation by the Manager.

All inquiries relating to this Prospectus should be directed to the Company or the Manager. No other person has been authorized to give any information about, or make any representation on behalf of, the Company in connection with the Subsequent Offering, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Company or the Manager.

The information contained herein is current as of the date hereof and subject to change, completion or amendment without notice. In accordance with Article 23 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"), significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus which may affect the assessment of the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Financial Supervisory Authority of Norway (Norwegian: "*Finanstilsynet*") (the "**Norwegian FSA**") and the completion of the Subsequent Offering, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the completion of the Subsequent Offering, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

Investing in the Company and the securities covered by this Prospectus (including, but not limited to, the Offer Shares) involves material risks and uncertainties. See Section 2 "Risk factors" and Section 4.3 "Cautionary note regarding Forward-Looking Statements".

The contents of this Prospectus shall not be construed as legal, business or tax advice. Each reader of this Prospectus should consult its own legal, business or tax advisor as to legal, business or tax advice. If in any doubt about the contents of this Prospectus, readers should consult their stockbroker, bank manager, lawyer, accountant or other professional adviser.

The distribution of this Prospectus and the Subsequent Offering may be restricted by law in certain jurisdictions. This Prospectus does not constitute an offer of any of the Offer Shares in any jurisdiction in which such offer would be unlawful. Neither this Prospectus nor any advertisement or any other offering

material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 5.22 "Selling and transfer restrictions".

The Offer Shares are being offered to the market in Norway. In addition, the Company intends to address the Subsequent Offering to the market in Sweden, and has, thus, requested the Norwegian FSA to send notification to the Swedish regulator, Finansinspektionen, in this respect. The Prospectus shall be deemed to be approved by Finansinspektionen as from the date on which notification is received from the Norwegian FSA, expected to be on or about 19 October 2020.

No one has taken any action that would permit a public offering of Shares to occur outside of Norway and Sweden. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Offer Shares have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, as amended and in compliance with any applicable securities law of any state or other jurisdiction of the United States.

Any reproduction of this Prospectus, in whole or in part, is prohibited.

This Prospectus and the terms and conditions of the Subsequent Offering, as set out herein, shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have the exclusive jurisdiction to settle any dispute which may arise out or in connection with the Subsequent Offering or this Prospectus.

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1 Summary

A Swedish translation of the summary has been included in Section 17 "Summary - Swedish translation (Sammanfattning) Summary - Swedish translation".

1.1 Chapter A - Introduction and warnings

A.1 Introduction	
A.1.1	<i>The name and international securities identification number (ISIN) of the securities</i>
The Offer Shares issued in the Subsequent Offering will be ordinary shares in the Company, listed on Merkur Market under ticker code "Zwipe-ME" or Nasdaq First North Growth Market under ticker code "ZWIPE" (as the case may be) under ISIN NO0010721277. Existing Shareholders will be granted free non-tradable Subscription Rights that, subject to applicable law, provide preferential right to subscribe for, and be allocated, Offer Shares at the Subscription Price in the Subsequent Offering. The Subscription Rights will not be listed on Merkur Market or Nasdaq First North Growth Market.	
A.1.2	<i>The identity and contact details of the issuer, including its legal entity identifier (LEI)</i>
The legal and commercial name of the Company is Zwipe AS. The Companys registered office is at Rådhusgata 24, NO-0151 Oslo, Norway, and telephone: +47 991 661 35. The Companys website can be found at www.zwipe.com . The Company's LEI number is 5493006AMNMWEM49PY42.	
A.1.3	<i>The identity and contact details of the competent authority approving the Prospectus</i>
The Prospectus has been approved by the Norwegian Financial Supervisory Authority (the "FSA") as competent authority, with its head office at Revierstredet 3, P.O. Box 1187 Sentrum, NO-0107 Oslo, Norway, telephone number: +47 22 93 98 00, email: post@finanstilsynet.no , in accordance with Regulation (EU) 2017/1129.	
A.1.4	<i>The date of approval of the Prospectus</i>
The Prospectus was approved on 19 October 2020.	

A.2 Warnings	
This summary does not contain all of the information that may be important to potential investors, and it should be read as an introduction to this Prospectus. The summary of the information and financial and other data appearing elsewhere in this Prospectus is qualified in its entirety by such more detailed information set forth elsewhere herein and in the documents incorporated hereto by reference. Potential investors should consider the Prospectus as a whole, including the risk factors and the more detailed financial and other data included herein or incorporated hereto by reference, before making an investment decision (financial data is available on www.zwipe.com). The investor could lose all or part of the invested capital. However, the investor's liability is limited to the amount of the investment. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff may, under the national legislation of the member state where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability will attach only to the persons who have tabled this summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Company.	

1.2 Chapter B - Key information on the issuer

B.1 Who is the issuer of the securities?	
B.1.1	<i>A brief description of the issuer of the securities</i>
The Company is a Norwegian biometric technology company and the parent company in the Group. It focuses on the development and commercialization of safe, secure, fast and easy-to-use biometric authentication solutions, primarily in the payment industry.	

B.1.2	<i>The issuers domicile and legal form, its LEI, the law under which it operates and its country of incorporation</i>																																																																				
The Company was incorporated on 8 September 2009 as a Norwegian private limited liability company (Norwegian: "aksjeselskap") under Norwegian law, and it was registered with the Norwegian Register of Business Enterprises (Norwegian: "Foretaksregisteret") on 8 October 2009 under business register number 994 553 607. The Company's LEI number is 5493006AMNMWEM49PY42.																																																																					
B.1.3	<i>The issuers principal activities</i>																																																																				
At the heart of Zwipe's product line is the promise of making convenience safe and secure. Zwipe's offering is an authentication solution based on fingerprint, and the integration of this solution into payment applications. The authentication solution is based on proprietary hardware and software, and is primarily aimed for integration into payment cards, where the hardware and software are embedded on a thin circuit card that is laminated into the payment card. This circuit card, the "Zwipe biometric inlay", is Zwipe's main product, piloted in pre-commercial applications. The same solution is also suitable for integration into other space-constrained ultra-low-power payment solutions like wearables (wearables are applications carried like a garment or an accessory. An example of a wearable could be a payment application built into a watch band.). A customer-specific solution for a payment wearable is currently under development.																																																																					
B.1.4	<i>The issuers major Shareholders, including whether it is directly or indirectly owned or controlled and by whom</i>																																																																				
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*** Jörgen Lantto purchased 333,333 shares in the Private Placement. However, as the purchase was subject to approval from the EGM held 29 September 2020, the shares were not registered when this list was compiled.																																																																					
B.1.5	<i>The identity of the issuers key managing directors</i>																																																																				
<table><tr><th>Name</th><th>Position</th><th>Employed since</th></tr><tr><td>André Løvestam</td><td>CEO</td><td>2018</td></tr><tr><td>Eric Mercer</td><td>CEO Zwipe America, Inc.</td><td>2018</td></tr><tr><td>Dr. Robert Mueller</td><td>CTO</td><td>2019</td></tr></table>				Name	Position	Employed since	André Løvestam	CEO	2018	Eric Mercer	CEO Zwipe America, Inc.	2018	Dr. Robert Mueller	CTO	2019																																																						
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Dr. Robert Mueller	CTO	2019																																																																			

Lars Kristian Solheim	CFO	2020
Bishwajit Choudhary	EVP Strategy & Channels	2020
B.1.6 <i>The identity of the issuers statutory auditors</i>		
BDO AS, Munkedamsveien 45A, 0250 Oslo Norway.		

B.2 What is the key financial information regarding the issuer?**Table 1: Income statement (Amounts in 1,000 NOK)**

	2019	2018	2017	H1 2020	H1 2019
Total revenue	1,517	2,276	1,224	880	348
Operating profit/loss	-95,255	-68,289	-50,469	-31,510	-36,222
Net profit/loss	-94,154	-72,700	-53,745	-31,590	-36,329
Earnings per share	-5.96	-7.71	-7.24	-1.23	-2.28

Table 2: Balance sheet (Amounts in 1,000 NOK)

	2019	2018	2017	H1 2020	H1 2019
Total assets	110,840	29,470	71,265	67,099	94,409
Total equity	80,426	-8,100	38,597	49,803	80,053
Net financial debt (long term debt plus short term debt minus cash)	7,179	26,772	-16,595	-25,873	-59,372

Table 3: Cash flow statement (Amounts in 1,000 NOK)

	2019	2018	2017	H1 2020	H1 2019
Net cash flows from operating activities and cash flows from investing activities	-84,997	-56,725	-54,348	-42,016	-33,971
Net cash from financing activities	97,426	18,516	83,776	61,546	96,938

B.3 What are the key risks that are specific to the issuer?

- i. The Group is developing biometric payment cards. A commercial volume-market for such cards does not yet exist, and the materialization of such market is dependent upon several external factors. A failure or delay of the market to materialize could jeopardize the Group's existence, hampering the Groups ability to achieve cash break-even and cause the Company to require additional financing for its start-up phase.
- ii. The Group expects to continue to experience substantial competition from established current and potential competitors. The Group's strategy and business plan is based on the assumption that it will maintain a leading position within its field and secure a significant market share in the long term. A failure to achieve and/or sustain such a position would lead to shortfall or disappearance of sales volumes, and the potential inability to achieve positive cash flow.
- iii. Alternative approaches to secure payment or the introduction of more efficient technologies could cause the Group's existing products to become less attractive to the customers or technologically obsolete. The Group may not be able to successfully anticipate or adapt to changing technologies or customer requirements on a timely basis. This may result in the Group being unable to sell its products at pricing generating a sustainable margin, or that the Groups product may become altogether unsellable.
- iv. The Group develops biometric authentication technology which will be integrated in the payment card manufacturers' offerings. The complete cards produced by the card manufacturers are subject to certification by the payment schemes prior to acceptance for commercial application. The technology is developing rapidly, and such certification specifications are also evolving. Inability to meet the customers' technology expectation or the requirements for certification may jeopardize the Group's existence. Delays over an extended period of time will cause corresponding delays in the Group's ability to establish sales and generate cash, giving rise to need for additional financing of the Group's operations.
- v. If new industry standards and practices emerge, the Groups existing technology may become uncompetitive or obsolete. If the Group faces material delays in introducing new technologies and enhancements, the Group may fail to attract new customers and existing users may forego the use of the Groups products and

	use those of the Groups competitors. This may lead to a short-term loss of revenue for the Group, and long-term jeopardize the Group's existence.
vi.	The Groups products are technically complex and require manufacturing in high volumes to achieve the desired profitability for the Group. Continued operational production challenges may lead to loss of revenue, higher than anticipated operating expenses or additional capital expenditures. Any situation leading to termination or renegotiation of contract manufacturing could cause considerable cost increase and production delay.
vii.	The Group may be unable to assert its right to intellectual property where the infringer is located in jurisdictions not respecting such rights, or in cases where it is prohibitively costly to take steps to enforce its IP. The failure or inability to appropriately protect and enforce intellectual property could cause the Group to incur substantial costs in order to regain control of its technology. Permanent infringement could in a worst-case scenario cause the Group to lose all sales volumes to certain geographies or customers.
viii.	The Groups market has not yet materialized, and the Group does not have established positive cash flows. The Group may need to raise additional funds through debt or additional equity financing to execute the Groups growth strategy. Adequate sources of capital funding may not be available when needed or may not be available on favorable terms.

1.3 Chapter C - Key information on the securities

C.1 What are the main features of the securities?	
C.1.1	<i>A brief description of the securities being offered to the public</i>
The Offer Shares issued in the Subsequent Offering will be ordinary shares in the Company, listed on Merkur Market under ticker code "ZWIPE-ME" or Nasdaq First North Growth Market under ticker code "ZWIPE" (as the case may be), and registered with the Norwegian Central Securities Depository (VPS). Existing Shareholders will be allocated non-tradable Subscription Rights that, subject to applicable law, provide preferential right to subscribe for, and be allocated, Offer Shares at the Subscription Price in the Subsequent Offering.	
C.1.2	<i>The securities type, class and ISIN</i>
The Offer Shares is equity securities type ordinary Shares. The Company has this one class of Shares in issue. The ISIN of the Offer Shares is NO0010721277.	
C.1.3	<i>The securities currency, denomination, par value, the number of securities issued and the term of the securities</i>
As at the date of this Prospectus, the Companys registered share capital is NOK 3,190,657.60, divided into 31,906,576 Shares, each with a nominal value of NOK 0.10.	
C.1.4	<i>The rights attached to the securities</i>
<p>The Company has one class of Shares in issue and all Shares provide equal rights in the Company, including the right to one vote per Share and equal right to any dividends.</p> <ul style="list-style-type: none"> • Dividends can only be distributed to the extent that the Companys equity and liquidity following the distribution are considered sound. • Issuance of new Shares requires approval of at least 2/3 of the aggregate number of votes cast and at least 2/3 of the share capital represented at a General Meeting. The Shareholders have a preferential right to subscribe for new Shares, unless set aside by a resolution passed by the same vote. A derogation of the preferential rights in respect of bonus issues requires 100% approval. • The General Meeting may authorise the Board of Directors to issue new Shares up to 50% of the registered nominal share capital, and to set aside the preferential rights of Shareholders in connection with such issuances, for a maximum of two years. 	

<ul style="list-style-type: none"> Any of the Shareholders may petition Norwegian courts to have a decision of the Board of Directors or the General Meeting declared invalid, on the grounds that it unreasonably favours certain Shareholders or third parties to the detriment of other Shareholders or the Company itself. Shareholders holding 10% or more of the Companys share capital have a right to demand in writing that the Board of Directors convene a General Meeting to discuss or resolve specific matters. In addition, any of the Shareholders may in writing demand that the Company places an item on the agenda for any General Meeting. To merge or demerge the Company requires a resolution passed by two-thirds of the aggregate votes cast at a General Meeting. A merger plan or demerger plan signed by the Board of Directors would have to be sent to all Shareholders at least two weeks prior to the General Meeting. Documents relating to matters to be dealt with by the General Meeting do not need to be sent to the Shareholders if such documents have been made available on the Companys website. 	
C.1.5	<i>The relative seniority of the securities in the issuer's capital structure in the event of insolvency</i>
<p>The Company may be liquidated by a resolution in a General Meeting passed by a two-thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at that General Meeting. The Shares rank pari passu in the event of a return of capital by the Company upon a liquidation or otherwise. In the event a resolution to liquidate the Company has been made, the Companys assets shall be transformed to cash in order to cover the Companys contractual obligations and for distribution to the Shareholders.</p>	
C.1.6	<i>Any restrictions on the free transferability of the securities</i>
<p>Shares are freely transferrable, and share transfers are not subject to approval by the Board of Directors.</p>	
C.1.7	<i>Where applicable, the dividend or payout policy</i>
<p>The Company does not anticipate paying any dividends in the short term.</p>	

C.2 The identity of all the markets where the securities are or are to be traded
<p>The Shares are listed on Merkur Market under ticker code "ZWIPE-ME" or Nasdaq First North Growth Market under ticker code "ZWIPE" (as the case may be). Merkur Market is a multilateral trading facility, operated by Oslo Børs in Norway. Nasdaq First North Growth Market is a registered SME Growth Market in Sweden, operated by an exchange within the Nasdaq group. The Subscription Rights will be non-tradable.</p>

C.3 What are the key risks that are specific to the securities?
<ol style="list-style-type: none"> The Shares are listed on Merkur Market in Norway or on Nasdaq First North Growth Market in Sweden (as the case may be). These markets do not have the same legal status as a regulated market. Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. Hence the risk is higher, relating both to the supervision of the marketplace, and to the volatility of the trading on the marketplace. Exchange rate fluctuations may negatively affect Share price. If the Share price falls below the Subscription Price these may be of no value. Shareholders with Shares listed at Nasdaq First North Growth Market may not be able to exercise their voting rights for such Shares. Swedish nominees, banks, central or international securities depositories are unlikely to offer the beneficial owners assistance to ensure their participation at General Meetings. Further, it may prove challenging for the beneficial owner to open a VPS Account in time before the General Meeting. There is a risk that the Company may seek to de-list its Shares from Merkur Market, leaving the Shares for trading only at Nasdaq First North Growth Market. However, Zwipe has evaluated the benefits of being dual listed versus being listed only on Nasdaq First North Growth Market in Stockholm. Taking all aspects into consideration, Zwipe will for the time being remain listed on both markets. There are a total of 1,675,000 share options issued to Board members and employees of Zwipe. If these share options are exercised/converted, this will imply dilution for current Shareholders in relation to their present voting rights and share of capital in Zwipe and the value of their shareholding.

1.4 Chapter D - Key information on the offer of securities to the public

D.1 Under which conditions and timetable can I invest in this security?																	
D.1.1	<i>The general terms, conditions and expected timetable of the offer</i>																
<p>Offer Shares: Up to 1,000,000 ordinary Shares (nominal value of NOK 0.10 each)</p> <p>Subscription Price: NOK 15 per Offer Share</p> <p>Gross proceeds: Up to NOK 15 million</p> <p>Existing Shareholders will be granted non-tradable Subscription Rights that provide preferential right to subscribe for, and be allocated, Offer Shares at the Subscription Price. Over-subscription and subscription without Subscription Rights is permitted.</p> <p>Applicants who have a Norwegian bank account must, and will by signing the Application Form or by the online subscription registration for subscriptions through the VPS online subscription system, provide Arctic Securities with a one-time irrevocable authorization to debit a specified Norwegian bank account for the amount payable for the Offer Shares which are allocated to the Applicant.</p> <p>Applicants who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment, the Applicant must contact Arctic Securities on telephone number +47 21013040 for further details and instructions.</p>																	
<table> <tr> <td>Record Date</td><td>9 September 2020</td></tr> <tr> <td>Application Period commences</td><td>20 October 2020</td></tr> <tr> <td>Application Period ends</td><td>27 October 2020 at 16:30 hours (CET)</td></tr> <tr> <td>Allocation of the Offer Shares</td><td>Expected on or about 28 October 2020</td></tr> <tr> <td>Distribution of allocation letters</td><td>Expected on or about 28 October 2020</td></tr> <tr> <td>Payment Date</td><td>Expected on or about 30 October 2020</td></tr> <tr> <td>Delivery of the Offer Shares</td><td>Expected on or about 6 November 2020</td></tr> <tr> <td>First day of trading on Merkur Market or Nasdaq First North Growth Market (as the case may be)</td><td>Expected on or about 6 November 2020</td></tr> </table>		Record Date	9 September 2020	Application Period commences	20 October 2020	Application Period ends	27 October 2020 at 16:30 hours (CET)	Allocation of the Offer Shares	Expected on or about 28 October 2020	Distribution of allocation letters	Expected on or about 28 October 2020	Payment Date	Expected on or about 30 October 2020	Delivery of the Offer Shares	Expected on or about 6 November 2020	First day of trading on Merkur Market or Nasdaq First North Growth Market (as the case may be)	Expected on or about 6 November 2020
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D.1.2	<i>The plan for distribution</i>																
<p>The Offer Shares will be distributed in Norway and Sweden by the Manager to Existing Shareholders who were not allocated Shares in the Private Placement. The Prospectus will be made public on the Companys website (www.zwipe.com), Arctic Securities website (www.arctic.com/secno/en/offerings) and the website of Erik Pensner Bank AB (publ).</p>																	
D.1.3	<i>The amount and percentage of immediate dilution resulting from the offer</i>																
<p>Provided that the Subsequent Offering is fully subscribed and allocated, it will result in an immediate dilution of approximately 3.07% for Existing Shareholders who do not participate in the offering. The dilution for Existing Shareholders due to the Private Placement and a fully subscribed and allocated Subsequent Offering provided that they do not participate, is approximately 23.13% and, if they take up their entitlement in the Subsequent Offering, approximately 19.06%.</p>																	
D.1.4	<i>An estimate of the total expenses of the issue, including estimated expenses charged to the investor by the issuer</i>																
<p>Transaction costs and all other directly attributable costs in connection with the Subsequent Offering that will be borne by the Company are estimated to approximately NOK 0.8 million. The Company will not charge any expenses to the investor.</p>																	

D.2 Why is this Prospectus being produced?	
D.2.1	<i>A brief description of the reasons for the offer</i>
<p>The Company is making the Private Placement and the Subsequent Offering in order to secure funding for its planned operations going forward.</p>	

D.2.2	<i>The use and estimated net amount of the proceeds</i>
<p>The net proceeds from the Subsequent Offering will, along with the net proceeds from the Private Placement and the Group's cash reserves (NOK 43.2 million as per 30 June 2020) and expected grants from the EU and from Norwegian tax authorities (combined NOK 15 million), be used to finance the Group's operational costs through commercial launches, and strategic investments. In addition, the Group has undertaken co-investment commitments under its partnership agreement with Idemia totalling approximately NOK 40 million of which approximately NOK 10.4 million remains to be paid the coming 12-month period, and the net proceeds, cash and grants will be used to finance the portion of these commitments.</p>	
D.2.3	<i>An indication of whether the offer is subject to an underwriting agreement on a firm commitment basis, stating any portion not covered</i>
<p>The Subsequent Offering is not subject to an underwriting agreement on a firm commitments basis.</p>	
D.2.4	<i>An indication of the most material conflicts of interest pertaining to the offer</i>
<p>The Manager and Simonsen Vogt Wiig receive customary fees for their assistance in connection with the Subsequent Offering. The Manager and its affiliates may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may receive customary fees and commissions. The Manager, their employees and any affiliate may currently own Shares in the Company. Beyond the abovementioned, the Company is not aware of any interest of any natural or legal persons, nor conflicts of interest involved in the Subsequent Offering.</p>	

2 Risk factors

2.1 Introduction

The primary purpose of this Section is to ensure that investors can assess the relevant risks related to their investment and make an informed investment decision in full knowledge of the facts.

The risk factors featured in this Section are presented in a concise form, are limited to risks which are specific to the Group or to the Shares, and which are material for taking an informed investment decision.

If any of these risks were to materialize, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or the Shares.

Within each risk category below, the risk perceived as most material to the Group or to the Shares are mentioned first. The order of subsequent risks within each risk category does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact.

An investment in the Company also involves a number of other risk factors not described in this Section, primarily because these risk factors either are not clearly linked to the Group or the Shares, or because the materiality of these risk factors is not apparent.

By subscribing for an interest in the Company, investors will be deemed to have acknowledged that an investment in the Shares will carry risks, and that such investment is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

2.2 Risks related to the Group's industry

The Group is pursuing a market which has not yet materialized

The Group is developing solutions for biometric authentication of transactions made by contactless payment cards and wearables. These solutions will be sold to manufacturers of payment cards and wearables, who integrate them into their offerings which subsequently are sold to issuers (banks). The total payment solutions – i.e. payment cards and wearables incorporating biometric authentication – require certification by the payment schemes (VISA, MasterCard et al) prior to use in commercial high-volume deployments.

Several technology providers (including the Group), card manufacturers and issuers are desiring to create a market for biometric payment cards, and the Group targets a significant share of this market. However, a commercial volume-market for such cards does not yet exist and is dependent on these players' success. Biometric payment cards will be a sub-segment of the market for dual interface payment cards (i.e. offering both contact-based and contactless transaction). The market for dual interface payment cards is well established and growing rapidly.

The Group has observed a pent-up demand for improved security and safety of contactless payment, further accentuated by the COVID-19 pandemic, and players in the ecosystem are aligning to be able to fulfill such demand. Initial solutions have been piloted by the Group and by its competitors. The Group has therefore based its business plan on the expectation that the market for biometric payment cards will emerge over the next few years and thereafter grow to a significant share of the dual interface payment card market.

There is a risk that the biometric payment card market will not materialize, or that it will materialize at lower volumes or at a slower rate than expected by the Group.

A failure of the market to materialize could jeopardize the Group's existence. A delay in the market's ramp-up would cause corresponding delays in the Group's ability to achieve cash break-even and cause the Company to require additional financing for its start-up phase. Failure to achieve a significant share of biometric cards as percentage of the total dual-interface card market would impair the Group's volumes and attractiveness of the investment.

The market is highly competitive, and targeted by established players

The emerging market of biometric authentication for contactless payment cards is targeted by several players aiming to establish an early position in the market. The Group expects to continue to experience competition from established current and potential competitors. Competition is expected to be substantial, both from larger players with established income streams (e.g. NXP, ST Microelectronics, and Infineon) and card manufacturers pursuing in-house solutions based on own technology.

The Group has been developing and piloting solutions for biometric transaction authentication since 2009, and has employed its technology in 12 of 20 announced pre-commercial pilots on a global basis. A number of competing players are required to enable the market to materialize, and it is to be expected that competing offerings will progress in uneven steps. The Group's strategy and business plan is based on the assumption that it will maintain a leading position within its field and secure a healthy market share in the long term. The Group has a solid track record of developing innovative solutions, with relevant IP. The Group plans for this to continue, keeping the Group's product and offering relevant.

There is a risk that the Group will not be able to achieve and/or sustain such a position in the face of competition. Minor changes in the competitive landscape are not foreseen to impact the Group's business plan materially. However, there is a risk that the Group would be unable to keep up with the rate of innovation and cost competitiveness of its products, and consequently become a marginalized player in the industry.

The consequence of a substantially impaired competitive position would be a shortfall or disappearance of sales volumes, and the potential inability to achieve positive cash flow.

Alternative technology could gain market adoption and displace the Group's products

The current technology approach to the market is based on providing biometric authentication capability to widely available payment vehicles (e.g. contactless payment cards) and existing, unmodified infrastructure (Point-of-Sale terminals and firmware). There is a risk that alternative approaches to secure payment or the introduction of more efficient technologies could cause the Group's existing products to become less attractive to the customers or technologically obsolete. The Group may not be able to successfully anticipate or adapt to changing technologies or customer requirements on a timely basis.

If the Group encounters material trend or technology changes which render its technology unattractive, or if it fails to keep up with technological change and expectations in the market, there is a risk that the Group will be unable to sell its products at pricing generating a sustainable margin, or that the Group's product may become altogether unsellable.

2.3 Risks related to the Group's business activities

Commercialization of the Group's products is dependent on timely and successful product acceptance and certification

The Group develops biometric authentication technology which will be integrated in the payment card manufacturers' offerings. The complete cards produced by the card manufacturers are subsequently subject

to certification by the payment schemes (VISA, MasterCard et al) prior to acceptance for commercial application in high-volume payment applications.

The technology for biometric authentication is developing rapidly, as are the standards and expectations to such technology. In consequence, certification specifications are also evolving, and it is at this point in time still not completely concluded how various payment schemes' certification requirements for the card manufacturers will be specified. MasterCard is taking the lead with a stable Biometric System on Card specification and already certified biometric payment cards from major SCMs; Thales and Idemia Identity & Security France SAS ("**Idemia**"). While the Visa Biometric Sensor-on-Card Specification (VBSS) 1.0 has been released recently, accredited laboratories that can perform certification of submitted products are yet to be announced. Other schemes except China UnionPay will come later.

The rapidly developing technology situation suggests three risks for the Group. Firstly, there is the risk that the Group's product offering will not be able to meet, or will need further development to meet, the customers' expectations in terms of timely availability of a competitive offering considering aspects like product performance and commercial terms, for example due to delays of completing important development projects, such delays being caused within Zwipe's own development or within Zwipe's partners. Secondly, there is the risk that the Group's technology in combination with the card manufacturers' dual interface payment cards will not be in compliance with, or will need further development to comply with, certification requirements. Thirdly, there is the risk that the rapid pace of technological development will delay or impact the definition and establishment of firm certification criteria.

Continued inability to meet the customers' technology expectation or the requirements for certification may jeopardize the Group's existence. Delays over an extended period of time will cause corresponding delays in the Group's ability to establish sales and generate cash, subsequently giving rise to need for additional financing of the Group's operations.

The markets in which the Group competes undergo rapid technological change, and the Group's future success will depend on its ability to meet the changing needs of its clients

Subsequent to successfully gaining access to the market through functioning technology and product certification, the Group must be able to keep up with an expected high rate of innovation in the still immature market of biometric payment authentication. The Group must continue to enhance and improve the functionality of its technology to address clients' changing needs.

If new industry standards and practices emerge, the Group's existing technology may become uncompetitive or obsolete. The Group's future success depends on its ability to stay ahead of the curve in its product development and achieve an enduring competitive manufacturing cost of biometric payment cards. Developing the Group's technologies entails technical and business risks as well as the risk of incurring substantial cost.

There is a risk that the Group may not be able to conform to new standards and expectations in a timely fashion or maintain a competitive position in the market. If the Group faces material delays in introducing new technologies and enhancements, the Group may fail to attract new customers and existing users may forego the use of the Group's products and use those of the Group's competitors. This may lead to a short-term loss of revenue for the Group, and long-term jeopardize the Group's existence.

The Group may experience operational problems that reduce revenue and increase costs

The Group's products are technically complex and require manufacturing in high volumes to achieve the desired profitability for the Group. Consequently, manufacturing is set up with experienced high-volume manufacturing partners that are specialized in smart card module packaging, the single-chip BioSE and production of passive inlays, respectively. The manufacturing arrangements are currently set up through

third-party contract manufacturing agreements. Contract manufacturing partly takes place in Asia, geographically far removed from the Group's physical locations. The Group just engaged a new quality manager based in Singapore to overlook supplier qualification and supervise production for the Group at its suppliers.

If the Group fails to manage the relationship with its contract manufacturers or if the contract manufacturers experience delays, disruptions, capacity constraints or quality problems in their operations, the timeliness of shipping products to the Group's customers may be impacted. Continued operational production challenges may lead to loss of revenue, higher than anticipated operating expenses or additional capital expenditures. Any situation leading to termination or renegotiation of contract manufacturing could cause considerable cost increase and production delay.

The Group may be unable to appropriately protect its technology and intellectual property

The Group depends on its proprietary technology and intellectual property to differentiate its products and achieve commercial success. Protection of intellectual property is especially important to the Group, as it targets market entry based on its own and recently developed technology.

Despite the Group's efforts to protect its proprietary technology and trade secrets, unauthorized parties may attempt to misappropriate, reverse engineer or otherwise obtain and use them. The Group may be unable to determine the extent of any unauthorized use or infringement of their products, technologies or intellectual property rights. Furthermore, third parties' access to the Group's proprietary technology could arise as a consequence of the Group's failure to appropriately protect its trade secrets.

There is a risk that the Group may be unable to assert its right to intellectual property in cases where the infringer is located in jurisdictions not respecting such rights, or in cases where it is prohibitively costly to take steps to enforce the Group's IP.

The failure or inability to appropriately protect and enforce the Group's intellectual property could cause the Group to incur substantial costs in order to regain control of its technology. Furthermore, permanent infringement could in a worst-case scenario cause the Group to lose all sales volumes to certain geographies or customers.

2.4 Risks related to the Group's financial situation

The Group has not yet established stable and substantial income, and the amount of required additional capital is uncertain. Additional capital sources may not be available

The Group is dependent on market acceptance of its biometric authentication products to generate positive business results. The market has not yet materialized, and consequently, the Group does not have established positive cash flows beyond sporadic pre-commercial sales. The Group is dependent on the previously described risks not to occur in any material degree in order to come into a position where its operations generate predictable positive cash flows. There is consequently a risk that the Group will be unable to generate such positive cash flows.

The Group may need to raise additional funds through debt or additional equity financing to execute the Group's growth strategy. If funding should be insufficient at any time in the future, the Group may be unable to fund operations, take advantage of business opportunities or respond to competitive pressures.

Adequate sources of capital funding may not be available when needed or may not be available on favorable terms. The Group's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms. If the Group raises additional funds by

issuing additional shares or other equity or equity-linked securities, it may result in a dilution of the holdings of existing Shareholders.

2.5 Risks relating to the Subsequent Offering

Marketplace

Zwipe's Shares are listed on Merkur Market in Norway and on Nasdaq First North Growth Market in Sweden. Merkur Market is a multilateral trading facility, run by Oslo Børs. Nasdaq First North Growth Market is a registered SME Growth Market, operated by an exchange within the Nasdaq group of companies. These markets do not have the same legal status as regulated markets. Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. Generally, an investment in a company traded on these markets is riskier than an investment in a company traded on a regulated market. This risk relates both to the supervision of the marketplace, and to the volatility of the trading on the marketplace.

Exchange rate fluctuations may negatively affect Zwipe's Share price. In the event that the Share price would no longer exceed the Subscription Price in the Subsequent Offering, there is a risk that the subscription rate may be adversely affected, and the Subscription Rights will be of no value.

Shareholders with Shares listed at Nasdaq First North Growth Market may not be able to exercise their voting rights for such Shares

For any Shareholder having its Shares listed at Nasdaq First North Growth Market, participation and voting at the General Meetings may only be permitted under Norwegian law provided that the Shareholder has its Shares registered in the VPS in time to be registered as Shareholder at the General Meeting. In order to have the Shares registered in VPS, the Shareholder must hold a securities account in its own name in the VPS ("**VPS Account**") at which the Shares are registered.

First, The Norwegian FSA has recently imposed a requirement for foreign persons to hold a so-called D number (a Norwegian personal identification number) for opening a VPS Account, and obtaining a D number normally takes approximately three weeks making it challenging to open a VPS Account between the time of receipt of the notice to a General Meeting and the meeting itself. In addition, Norwegian investment firms have lately signalled to be more reluctant in assisting foreign clients with opening VPS Accounts, in particular for clients who intend to hold the VPS Account only for a few days for the purpose of voting at a general meeting.

The Company assumes that a possible way for foreign Shareholders to ensure participation at future General Meetings is to seek assistance without delay from a Norwegian bank or investment firm to open a VPS Account well in time before the Company convenes a General Meeting. When the notice to the meeting is received, the beneficial Shareholder must move the Shares from the relevant foreign nominee account to the VPS Account within the deadline set forth in the notice to the General Meeting (and to return the Shares after the meeting). There should be assumed to be a cost payable to the nominee for such transfer.

Possible de-listing on Merkur Market

There is a risk that the Company in the future may seek to de-list its Shares from Merkur Market, leaving the Shares for trading only at Nasdaq First North Growth Market. A de-listing on Merkur Market may complicate the ownership of Shares of Norwegian investors, since the marketplace will be located in Sweden instead of Norway.

If concluded to de-list the shares from Merkur Market, the Company will find a way to ensure and contribute to that the Shareholders in Norway are able to transfer their Shares from Merkur Market to Nasdaq First

North Growth Market. However, Zwipe has evaluated the benefits of being dual listed versus being listed only on Nasdaq First North Growth Market in Stockholm. Taking all aspects into consideration, Zwipe will for the time being remain listed on both markets.

Potential future dilution due to exercise of share options

There are as of 30 September 2020 a total of 1,675,000 share options issued to Board members and employees of Zwipe. If these share options are exercised/converted, this will imply dilution for current Shareholders in relation to their present voting rights and share of capital in Zwipe and the value of their shareholding. 260,000 options have a strike price of NOK 25, and the remaining options have a strike price ranging from NOK 6.54 and 16.20. Weighted average strike price was as of 30 September 2020 NOK 11.93.

3 Responsibility for the Prospectus

This Prospectus has been prepared in connection with the Subsequent Offering described herein.

The Board of Directors of Zwipe accepts responsibility for the information contained in this Prospectus. The Board of Directors hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import.

19 October 2020

The Board of Directors of Zwipe AS

(Sign.)

Jörgen Lantto
Chair

(Sign.)

Dorian Barak
Board member

(Sign.)

Johan Biehl
Board member

(Sign.)

Dennis Jones
Board member

(Sign.)

Diderik Schonheyder
Board member

(Sign.)

Pål Eivind Vegard
Board member

4 General information

4.1 Other important investor information

The Company has furnished the information in this Prospectus.

The Manager disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this Prospectus or any such statement.

Neither the Company nor the Manager, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

The Subscription Rights issued to Shareholder who is registered in the Company's Shareholder Register in the VPS as of the Record Date (9 September 2020) ("**Existing Shareholders**") in the Subsequent Offering that are not exercised before 27 October 2020 at 16:30 hours (CET) will have no value and will lapse without compensation to the holder.

Investing in the Offer Shares involves a high degree of risk, see Section 2 "Risk factors". Investors should make their own assessment as to the suitability of investing in the securities.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (Norwegian: "*verdipapirhandeloven*") (the "**Norwegian Securities Trading Act**") and related secondary legislation, which implements the EU Prospectus Regulation, in Norwegian law. The Norwegian FSA has approved (approval date: 19 October 2020) this Prospectus, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered an endorsement of the Company that is the subject of this Prospectus. This Prospectus has been published in an English version only, although including a Swedish translation of the summary in Section 17, and is valid for twelve (12) months from the date of approval.

4.2 Presentation of financial information and other information

4.2.1 *Financial information*

The Group's audited financial statement for the years ended 31 December 2019 and 31 December 2018, and the audited consolidated financial statements of the years ended 31 December 2017 and 31 December 2016, together referred to as the "**Audited Financial Statements**", have been prepared in accordance with Norwegian Generally Accepted Accounting Principles ("**NGAAP**").

The Group's unaudited interim financial statement for the six months ended 30 June 2020 and 30 June 2019, and the unaudited consolidated interim financial statements of the six months ended 30 June 2018, together referred to as the "**Interim Financial Statements**", have been prepared in accordance with NGAAP.

The Audited Financial Statements and the Interim Financial Statements are hereinafter collectively referred to as the "**Financial Statements**". Zwiipe presents the Financial Statements in NOK rounded to the nearest thousands.

Further, the Group's Q3 2020 Operational Update provides status as of 30 September 2020, referred to as "**Q3 2020 Operational Update**". This is an operational report only, with limited unaudited financial figures not reported in accordance with NGAAP, as the Company is not obliged to do so.

The Company's auditor is BDO AS, Munkedamsveien 45A, 0250 Oslo, Norway ("**BDO**"). BDO and its auditors are members of The Norwegian Institute of Public Accountants (Norwegian: "*Den Norske Revisorforening*"). BDO has been the Company's auditor since 2010.

The Audited Financial Statements have been audited by BDO, as set forth in their auditor reports included therein. Zwipe's auditor, BDO, has not refused any audit report on the Audited Financial Statements and has issued all audit opinions without qualifications, modifications of opinion, disclaimers or emphasis of matter. The 2019 elements of the Interim Financial Statements have been subjected to a limited review by the auditors, whereas the 2020, 2018 and 2017 figures have not been audited. The Q3 2020 Operational Update has not been audited. BDO has not audited, reviewed or produced any report on any other information provided in this Prospectus.

The Financial Statements and the Q3 2020 Operational Update are incorporated by reference as set out in Section 18.2 "Documents incorporated by reference".

4.2.2 *Industry and market data*

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organizations, consultants and analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Group, as well as the Group's internal data and its own experience, or on a combination of the foregoing. Unless otherwise indicated in this Prospectus, the basis for any statements regarding the Group's competitive position is based on Zwipe's own assessment and knowledge of the market in which it operates.

Zwipe confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as Zwipe is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. Zwipe does not intend, and does not assume any obligations to, update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Zwipe has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.2.3 *Currency and rounding*

In this Prospectus, all references to "NOK" are to the lawful currency of Norway.

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.3 **Cautionary note regarding Forward-Looking Statements**

This Prospectus includes forward-looking statements and forward-looking information (collectively, "**Forward-Looking Statements**"), including, without limitation, projections and expectations regarding the Group's future financial position, business strategy, plans and objectives.

These Forward-Looking Statements relate to future events or future performance. All Forward-Looking Statements contained herein that are not clearly historical in nature constitute Forward-Looking Statements, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", or the negative of these terms or other comparable terminology are generally intended to identify Forward-Looking Statements. Such statements represent the Company's internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital expenditures, anticipated future debt levels and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the Forward-Looking Statements. In addition, this Prospectus and the documents incorporated by reference herein may contain Forward-Looking Statements attributed to third party industry sources. The Company believes that the expectations reflected in these Forward-Looking Statements are reasonable; however, undue reliance should not be placed on these Forward-Looking Statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

Prospective investors in the Offer Shares are cautioned that Forward-Looking Statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Company and the Group operate, may differ materially from those made in, or suggested by, the Forward-Looking Statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its Forward-Looking Statements are based will occur.

Forward-Looking Statements in this Prospectus and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

- General economic conditions in the Nordic region, in Europe, Asia, Middle East and elsewhere, and any adverse development in the Nordic region, in the European, Asian or global economic and financial markets;
- The competitive nature of the markets in which the Group operates;
- Variations in costs and availability of funding;
- Availability of capital in the future;
- Capital adequacy requirements;
- Success of brand and ability to acquire and retain customers at a reasonable cost;
- Operational risks related to systems and processes;
- Inadequacy in internal control procedures;
- Failure to attract or retain the management or other key employees;
- Failure or inadequacy in IT systems;

- Vulnerability to cyber-attacks and security breaches;
- Insufficient insurance coverage;
- Failure to implement Zwipe's business strategy;
- Changes in legislation and regulations which may affect the Group's business;
- Significant litigation, claims and compliance risks;
- Failure in automated procedures and services from external providers;
- Further impact on society in general and the payment industry in particular resulting from the Covid-19 pandemic;
- Changes in political events, and
- Force majeure events.

Some important factors that could cause actual results to differ materially from those in the Forward-looking Statements are, in certain instances, included with such Forward-Looking Statements and in Section 2 "Risk factors" in this Prospectus.

The information contained in this Prospectus, including the information set out under Section 2 "Risk factors", identifies additional factors that could affect the Group's business, financial condition, results of operations, cash flows, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which Zwipe operates when considering an investment in Zwipe.

These Forward-Looking Statements speak only as of the date of this Prospectus. Zwipe undertakes no obligation to publicly update or revise any Forward-Looking Statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these Forward-Looking Statements.

5 The Subsequent Offering

5.1 Background – Private Placement

On 7 September 2020, the Company announced a contemplated Private Placement through issuance of up to 6,381,315 new Shares (the “**Private Placement Shares**”) in the Company. The Private Placement was directed toward selected Nordic and international institutional investors and some existing Shareholders in each case subject to an exemption from offer prospectus requirements and any other filing or registration requirements in the applicable jurisdictions and subject to other selling restrictions.

The subscription price in the Private Placement was determined on basis of a book-building which started at 17:30 (CEST) on 7 September 2020. The Manager and Erik Penser Bank AB (publ) acted as managers and bookrunners in the Private Placement. Through the book-building, the Private Placement was fully subscribed for at a price per share of NOK 15.00 through the issue of 6,381,315 new Shares.

After completion of the book-building, the Board of Directors of the Company (the “**Board**” or the “**Board of Directors**”) determined the allocation of the Private Placement Shares in consultation with the managers. In the allocation, the Board focused on criteria such as (but not limited to), timeliness of the application, price leadership, relative order size, sector knowledge, perceived investor quality, investment horizon and existing shareholding in the Company.

The result of the Private Placement including the allocation of the Private Placement Shares was announced by the Company via Newsweb and www.nasdaqomxnordic.com on 7 September 2020 at 23:50 (CEST).

The Private Placement Shares were issued pursuant to an authorization granted to the Board at the Company's annual general meeting on 14 May 2020. The share capital increase pertaining to the Private Placement was registered by the Norwegian Register of Business Enterprises (Norwegian: “*Foretaksregisteret*”) (the “**Company Register**”) on 14 September 2020.

In connection with the Private Placement, the Board of Directors of the Company resolved to set aside the preferential rights of the existing shareholders. The beneficiaries of such decision were selected Nordic and international institutional investors and some existing Shareholders and some of the primary insiders who were allocated shares in the Private Placement. It was the Board's opinion that setting aside the Shareholders' preferential right in the Private Placement was in compliance with the equal treatment requirements under the Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (the “**Companies Act**”) Section 5-21 and the Continuing obligations of companies admitted to trading on Merkur Market (the “**Merkur Continuing Obligations**”) item 2.1 in particular due to the fact that

- (a) with the existing financing and planned negative cash flow, Zwiipe expected to run out of funds during April 2021, meaning that the Company was in a relatively challenging situation financially and that new funding would soon become necessary;
- (b) a private placement allows the Company to raise capital faster, with lower risk and significantly lower transaction costs than what a rights issue would entail;
- (c) the Board has endeavoured to limit the discrimination by aiming at a limited discount, by the subscription price in the capital increase being determined in a broad book-building arranged by two recognized investment firms; the subscription price was NOK 15.00 per Share, this being significantly higher than in the rights issue in December 2019; and
- (d) the Private Placement provides the Company with the opportunity to seek to attract new investors with qualities that may contribute to strengthen the Company long-term; several Nordic and international institutional investors applied for shares in the Private Placement and the Board considers this as highly beneficial for the interest of all shareholders.

In addition, the Board intended to compensate Shareholders who were not allocated Shares in the Private Placement with an offer to subscribe for Offer Shares at the Subscription Price in the Subsequent Offering, see further description of the Subsequent Offering in Section 5.2 which is subject to approval by the Board and registration of the capital increase in the Company Register.

5.2 Overview of the Subsequent Offering

The Board intends to resolve the Subsequent Offering on basis of an authorization from the EGM held 29 September 2020 to increase the share capital. See Section 13.4.2 "Authorization to strengthen the Company's equity" for detailed information on the authorization.

The Subsequent Offering will comprise up to 1,000,000 Offer Shares, each with a nominal value of NOK 0.10 and at a subscription price of NOK 15.00 per Offer Share ("**Subscription Price**"), which equals the subscription price per Share in the Private Placement.

The Subsequent Offering will be directed toward Shareholders as per 7 September 2020, as registered in the VPS and Euroclear on 9 September 2020 (the "**Record Date**"), who were not allocated shares in the Private Placement, but only to the extent such persons are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway and Sweden, would require any prospectus, filing, registration or similar action (the "**Eligible Shareholders**").

The Eligible Shareholders will be granted non-transferable and non-listed preferential rights to subscribe for, and, upon subscription, be allocated new Shares, more specifically 0.04366 subscription rights per Share held on the Record Date (the "**Subscription Rights**"). One (1) Subscription Right entitles the holder to subscribe for one (1) Offer Share in the Subsequent Offering. Oversubscription and subscription without Subscription Rights will be allowed.

The Subsequent Offering is conditional upon the approval of the Subsequent Offering by the Board and the registration of the capital increase pertaining to the Subsequent Offering in the Company Register.

There are no selling Shareholder in the Subsequent Offering and no lock-up on any Shareholders or members of the Management or Board who are holders of Shares.

5.3 Timetable

The timetable set out below provides certain key dates for the Subsequent Offering:

Record Date for determination of Eligible Shareholders...	9 September 2020
Prospectus approved by Norwegian FSA	19 October 2020
Application Period commences	20 October 2020 at 09:00 hours (CEST)
Application Period ends	27 October 2020 at 16:30 hours (CET)
Subsequent Offering resolved by the Board	28 October 2020
Allocation of the Offer Shares	Expected on or about 28 October 2020
Distribution of allocation letters	Expected on or about 28 October 2020
Settlement / debiting of specified bank account	Expected on or about 30 October 2020
Delivery of the Offer Shares	Expected on or about 6 November 2020
First day of trading on Merkur Market or Nasdaq First North Growth Market (as the case may be).....	Expected on or about 6 November 2020

5.4 Subscription price

The Subscription Price in the Subsequent Offering has been set to NOK 15.00 per Offer Share, which is identical to the subscription price per Share in the Private Placement.

5.5 Application Period

The Application Period for the Subsequent Offering will commence at 09:00 hours (CET) on 20 October 2020 and end at 16:30 hours (CET) on 27 October 2020. The Application Period may not be shortened, but the Board of Directors may extend the Application Period if required by law due to the publication of a supplement to the Prospectus.

5.6 Subscription Rights

In accordance with a resolution made by the Board, Eligible Shareholders will be allocated non-tradable Subscription Rights in proportion to their shareholding in the Company as at the Record Date, more specifically 0.04366 Subscription Rights per Share held at such date. The number of Subscription Rights issued to each Eligible Shareholder will be rounded down to the nearest whole number of Subscription Rights.

Each Subscription Right grants the owner the right to subscribe for and be allocated one (1) Offer Share.

The Subscription Rights will be issued and registered in the VPS under ISIN NO0010896855. The Subscription Rights will be delivered free of charge. The Subscription Rights are non-transferable and will, thus, not be listed on Merkur Market or Nasdaq First North Growth Market. Shareholders registered with the VPS or Euroclear as at the Record Date who are residents in a jurisdiction where the Subsequent Offering is not permitted, except pursuant to an applicable exemption, will not be entitled to subscribe for Offer Shares.

Oversubscription and subscription without Subscription Rights will be allowed. Applicants subscribing in the Subsequent Offering ("**Applicant(s)**") on the basis of Subscription Rights who oversubscribe (i.e. subscribes for more Offer Shares than the number of Subscription Rights held by them) will have priority to the Offer Shares not subscribed for by holders of Subscription Rights (see Section 5.8 "Allocation of Offer Shares" for more details).

Subscription Rights not used to subscribe for Offer Shares before the expiry of the Allocation Period will lapse without compensation to the holder, and consequently be of no value.

5.7 Application procedures

Applications for Offer Shares in Norway must be made on an application form attached as Appendix 1 hereto. Applications for Offer Shares in Sweden must be made on a separate application form distributed with the Prospectus in Sweden. Both application forms are hereinafter referred to as "**Application Form(s)**".

Applicants who are Norwegian citizens may also subscribe for Offer Shares by following the link on <https://investor.vps.no/sc/servlet/no.vps.sc.servlets.SCLogonServlet?ISIN=NO0010896855&TSted=122200&Sig=b2d9e0fc7dba81f600a6d26c6f9602587c1ad4d49922d28cee3ba2bee2e065d8> which will redirect the Applicant to the VPS online subscription system. In order to use the online subscription system, the Applicant must have, or obtain, a VPS account number. All online Applicants must verify that they are Norwegian citizens by entering their national identity number (Norwegian: "*personnummer*").

Online subscriptions must be submitted, and accurately completed Application Forms must be received by the Arctic Securities by 16:30 (CET) on 27 October 2020. Neither the Company nor Arctic Securities may be held responsible for postal delays, internet lines or servers or other logistical or technical problems that

may result in subscriptions not being received in time or at all by Arctic Securities. Application Forms received after the end of the Application Period and/or incomplete or incorrect Application Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or Arctic Securities without notice to the Applicant. In the event that Arctic Securities needs to verify the identification of a Applicant under the Norwegian Money Laundering Act 2018, the subscriber is responsible for providing Arctic Securities with the necessary documentation. Non-compliance with these requirements may lead to the Applicant not being allocated Offer Shares in the Subsequent Offering.

Properly completed and signed Application Forms may be mailed or delivered to Arctic Securities at the address set out below:

Arctic Securities AS
Haakon VII's gt.5
P.O. Box 1833 Vika
NO-0123 Oslo, Norway
Tel: +47 21 01 30 40
Fax: +47 21 01 31 36
Email: subscription@arctic.com

Applications are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the Applicant after having been received by Arctic Securities. The Applicant is responsible for the correctness of the information filled into the Application Form. By signing and submitting an Application Form, the Applicants confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Subsequent Offering must be made. Over-subscription (i.e., subscription for more Offer Shares than the number of Subscription Rights held by the Applicant entitles the Applicant to be allocated) and subscription without Subscription Rights is allowed. All subscriptions in the Subsequent Offering will be treated in the same manner regardless of whether the subscription is made by delivery of an Application Form to a subscription office or through the VPS online subscription system.

Multiple subscriptions are allowed. In the event the Applicant submits two or more Application Forms, the Board and the Manager reserve the right to approve all or only some of the Application Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on an Application Form and through the VPS online subscription system, all subscriptions will be counted.

5.8 Allocation of Offer Shares

Allocation of the Offer Shares will be made in accordance with the following criteria:

- i. Allocation of Offer Shares to Applicants will be made in accordance with granted Subscription Rights which have been validly exercised during the Application Period. Each Subscription Right will give the right to subscribe for and be allocated one (1) Offer Share.
- ii. If not all Subscription Rights are validly exercised during the Application Period, Applicants having exercised their Subscription Rights and who have over-subscribed, will be allocated additional Offer Shares on a pro rata basis based on the number of Subscription Rights exercised by each such Applicant.
- iii. Offer Shares not allocated pursuant to (i) and (ii) above will be allocated to Applicants not holding Subscription Rights. Allocation will be sought made on a pro rata basis based on the relevant subscription amounts.

The allocation of Offer Shares will take place after the expiry of the Application Period on or about 28 October 2020 and notifications of allocation will be dispatched by post from the Manager on or about 28 October 2020. Any excess payments made to the Company will be returned to the Applicant's bank account within two weeks following allocation, without any compensation for lost interest.

The Company will disclose information with regard to the number of Shares subscribed for in the Subsequent Offering on or about 28 October 2020 through Newsweb at www.newsweb.no under the ticker "ZWIPE-ME" and through www.nasdaqomxnordic.com under the ticker "ZWIPE".

5.9 Payment for the allotted Offer Shares

The payment for the Offer Shares falls due on or about 30 October 2020 (the "**Payment Date**").

Each Applicant must provide a one-time authorization to Arctic Securities to debit a specified bank account with a Norwegian bank for the amount (in NOK) payable for the Offer Shares allotted to such Applicant by signing the Application Form when subscribing for Offer Shares. The amount will be debited on or about 30 October 2020. Applicants not having a Norwegian bank account or Applicants subscribing for Offer Shares for more than NOK 5,000,000 must ensure that payment for their Offer Shares with cleared funds is made on or before 16:30 (CET) on 30 October 2020 and should contact Arctic Securities in this respect.

If there are insufficient funds on an Applicant's bank account or if it is impossible to debit a bank account for the amount the Applicant is obligated to pay, or payment is not received by Arctic Securities according to other instructions, the allotted Offer Shares will be withheld. Interest will in such event accrue at a rate equal to the interest on late payment, currently 8.00% per annum. Arctic Securities reserves the right to make up to three attempts to debit the Applicants' accounts in the period up to and including 10 November 2020. If payment for the allotted Offer Shares is not received when due, the Offer Shares will not be delivered to the Applicant, and the Board reserves the right, at the risk and cost of the Applicant, to cancel the subscription in respect of the Offer Shares for which payment has not been made, or to sell or otherwise dispose of the Offer Shares, and hold the Applicant liable for any loss, cost or expense suffered or incurred in connection therewith. The original Applicant remains liable for payment of the entire amount due, including interest, costs, charges and expenses accrued, and the Manager may enforce payment of any such amount outstanding.

5.10 Delivery and listing of the Offer Shares

All Applicants subscribing for Offer Shares must have a valid VPS account (established or maintained by an investment bank or Norwegian bank that is entitled to operate VPS accounts) to receive Offer Shares.

Applicants situated outside of Norway must, alternatively, have made an arrangement with a nominee registered with the Norwegian FSA or a nominee with a securities account at Euroclear to ensure that any Offer Shares issued to such Applicants are registered at Euroclear based on the cooperation with SIX SIS AG and Euroclear.

Assuming that payments from all Applicants are made when due, registration of the share capital increase in the Company Register and delivery of the Offer Shares to the Applicants is expected to take place on or about 6 November 2020.

Assuming timely payment by all Applicants, the Company expects that the Shares will be listed and tradable on Merkur Market or Nasdaq First North Growth Market (as the case may be) on or about 6 November 2020. The Shares will not be sought or admitted to trading on any other market than Merkur Market or Nasdaq First North Growth Market (as the case may be), and the Shares are not currently admitted to trading on any regulated market.

The Company has not entered into any underwriting agreements, stabilization agreement, market making agreements or similar agreements for trading of its Shares on Merkur Market or Nasdaq First North Growth Market (as the case may be) in relation to the Subsequent Offering.

5.11 The rights conferred by the Offer Shares

The Offer Shares will in all respects carry full shareholder rights equal to the existing Shares of the Company from the date the share capital increase is registered in the Company Register, expected to take place on or about 6 November 2020. For a description of rights attaching to Shares in the Company, see Sections 13.2 "Shares, share capital and share capital history " and 13.8.2 "Certain aspects of Norwegian corporate law" of this Prospectus.

5.12 Publication of information in respect to the Subsequent Offering

In addition to press releases on the Company's website www.zwipe.com, the Company will use Newsweb at www.newsweb.no under the Company's ticker code "ZWIPE-ME" and www.nasdaqomxnordic.com under the ticker code "ZWIPE" to publish information in respect to the Subsequent Offering. The Company will publish information with regard to the number of Offer Shares subscribed for in the Subsequent Offering on or about 28 October 2020.

5.13 LEI number

Legal Entity Identifier ("LEI") is a mandatory number for all companies investing in the financial market from January 2018. A LEI is a 20-character identifier that identifies distinct legal entities that engage in financial transactions. The Global Legal Identifier Foundation is not directly issuing LEIs, but instead it delegates this responsibility to Local Operating Units.

Norwegian companies can apply for a LEI number through the website <https://www.dnb.no/bedrift/markets/vilkar-avtaler/mifid/leilogon.html>. The application can be submitted through an online form and signed electronically with BankID. It normally takes one to two working days to process the application.

Non-Norwegian companies can find a complete list of Local Operating Units on the website <https://www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations>.

5.14 Record Date

Eligible Shareholders registered in the Company's shareholders register in VPS and Euroclear as at 9 September 2020 will receive Subscription Rights.

5.15 Share capital following the Subsequent Offering

The maximum number of Offer Shares to be issued is 1,000,000, each with a nominal value of NOK 0.10 per Share. If fully subscribed, the Subsequent Offering would give a further increase in the Company's total number of issued Shares post the Subsequent Offering from 31,906,576 to 32,906,576, each Share with a nominal value of NOK 0.10, and the new share capital will be NOK 3,290,657.60. The Offer Shares will be issued in accordance with the resolution on capital increase contemplated to be made by the Board of Directors on basis of the authorization provided by the EGM held 29 September 2020. See Section 13.2 "Shares, share capital and share capital history " for a further description of the Company's share capital.

5.16 VPS and Euroclear registration

The Offer Shares will be registered in the VPS with the same ISIN as the existing Shares, i.e. ISIN NO0010721277. Offer Shares being offered to Shareholders and external investors outside of Norway, will through the cooperation with SIX SIS AG and Euroclear also be registered with Euroclear in order to be tradable on Nasdaq First North Growth Market.

The Company's registrar with the VPS is DNB Bank ASA, Dronning Eufemias gate 30, P.O. Box 1600 Sentrum, N-0021 Oslo, Norway, telephone number +47 23 26 80 20.

5.17 Proceeds and costs

The net proceeds from the Subsequent Offering will, along with the net proceeds from the Private Placement and the Group's cash reserves (NOK 43.2 million as per 30 June 2020) and expected grants from the EU and from Norwegian tax authorities (combined NOK 15 million), be used to finance the Group's operational costs through commercial launches, and strategic investments. In addition, the Group has undertaken co-investment commitments under its partnership agreement with Idemia totalling approximately NOK 40 million where, as of September 2020, approximately NOK 10.4 million remains to be paid the coming 12 months from the Prospectus date, and the net proceeds will together with cash and grants be used to finance these commitments.

The transaction costs of the Company related to the Subsequent Offering are estimated at approximately NOK 1.75 million, and accordingly the net proceeds of the Subsequent Offering will be approximately NOK 13.25 million, assuming the Subsequent Offering will be fully subscribed.

No expenses or taxes are charged to the Applicants in the Subsequent Offering by the Company or the Manager.

5.18 Dilution

Provided that the Subsequent Offering is fully subscribed and allocated, it will result in an immediate dilution of approximately 3.04% for Existing Shareholders who do not participate in the offering. The dilution for Existing Shareholders due to the Private Placement and a fully subscribed and allocated Subsequent Offering provided that they do not participate, is approximately 23.13% and, if they take up their entitlement in the Subsequent Offering, approximately 19.06%.

The net asset value per share as per 30 September 2020 is NOK 3.86, being approximately 26.0% of the Subscription Price in the Subsequent Offering at NOK 15.

5.19 Manager and advisors

The Subsequent Offering is being managed by Arctic Securities AS. Advokatfirmaet Simonsen Vogt Wiig AS is acting as the Company's legal counsel in connection with the Subsequent Offering with respect to Norwegian law and White & Case Advokat AB with respect to Swedish law.

5.20 Governing law and jurisdiction

This Prospectus, the Application Forms and the terms and conditions of the Subsequent Offering shall be governed by, and construed in accordance with, and the Offer Shares will be issued pursuant to, Norwegian law. Any dispute arising out of, or in connection with, the Application Forms or the Subsequent Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo District Court as legal venue.

5.21 Interest of natural and legal persons involved in the Subsequent Offering

Arctic Securities serves as Manager in connection with the Subsequent Offering, and will receive a fee of 5% of gross proceeds of the Subsequent Offering (approximately NOK 750,000 assuming all Offer Shares are issued). Manager fee, transaction costs, legal costs and all other directly attributable costs in connection with the Subsequent Offering that will be borne by the Company are preliminary estimated to be in the range of NOK 1.75 million, resulting in net proceeds of approximately NOK 13.25 million (assuming that all Offer Shares are issued). No expenses or taxes will be charged by the Company or the Manager to the Applicants in the Subsequent Offering.

Advokatfirmaet Simonsen Vogt Wiig AS serves as the Company's legal counsel in connection to the Subsequent Offering and receives customary fees for its services.

The Manager and its affiliates may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may receive customary fees and commissions. The Manager, its employees and any affiliate may currently own Shares in the Company.

Beyond the abovementioned, the Company is not aware of any interest of any natural or legal persons, nor conflicts of interest involved in the Subsequent Offering.

5.22 Selling and transfer restrictions

5.22.1 Introduction – general

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares offered hereby.

Other than in Norway and Sweden, the Company is not taking any action to permit an offering of the Offer Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information purposes only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway or Sweden, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Offer Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Offer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

5.22.2 Selling restrictions

United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to "accredited investors" as defined in the U.S. Securities Act Rule 501(a), acquiring the Offer Shares for investment purposes for its own account or pursuant to another exemption from the registration requirements of the U.S. Securities Act; (ii) if resold, to QIBs in reliance on Rule 144A or (iii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S.

Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 5.22.3 under "*United States*".

United Kingdom

The Manager has represented, warranted and agreed that:

- a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the UK Financial Services and Markets Act 2000) received by itself in

- connection with the issue or sale of any Offer Shares in circumstances in which Section 21(1) of the UK Financial Services and Markets Act 2000 does not apply to the Company; and
- b) it has complied and will comply with all applicable provisions of the UK Financial Services and Markets Act 2000 with respect to everything done by itself in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each member state of the European Economic Area ("EEA"), other than Norway and Sweden (each, a "**Relevant Member State**"), no Offer Shares have been offered or will be offered to the public in that Relevant Member State pursuant to the Subsequent Offering, except that Offer Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- a) to persons who are 'qualified investors' within the meaning of Article 2(e) the EU Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Manager for any such offer; or
- c) in any other circumstances falling under the scope of Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Offer Shares shall result in a requirement for the Company or the Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Offered Shares under, the Subsequent Offering contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Company and the Manager that it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation.

The Company, the Manager and their respective affiliates and its and their respective directors, employees, agents, advisers, subsidiaries and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Subsequent Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

5.22.3 Transfer restrictions

United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such shares.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that the Company, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Offer Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the

receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Offer Shares.
- The Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that the Company, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway and Sweden) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Manager and the Company that:

- i. it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and
- ii. in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

5.23 Applications in the Offering by major existing Shareholders and members of the Management, supervisory and administrative bodies

5.23.1 The Private Placement

The table below provides an overview of major existing Shareholders and members of Management, supervisory and administrative bodies that participated in the Private Placement:

Investor	Shares applied for	Share of Private Placement
Arcanum Eiendom AS	333,333	5.2%
Jörgen Lantto (Chair of the Board)	333,333	5.2%
André Løvestam (CEO)	20,000	0.3%
Robert Mueller (CTO)	20,000	0.3%
Lars Kristian Solheim (CFO)	20,000	0.3%
Bishwajit Choudhary (EVP Strategy & Channels)	20,000	0.3%
Eric Mercer (CEO, Zwipe America)	5,500	0.1%






5.23.2 *The Subsequent Offering*

The Company cannot rule out that Directors not having applied for Offer Shares in the Private Placement or members of the Management intend to subscribe for Offer Shares in the Subsequent Offering, but has at the time of approval of this Prospectus no knowledge of any such intention.

6 Industry and market overview

6.1 Overview of the payment card industry

Zwipe's partners in the biometric payment card value chain are both upstream suppliers and downstream customers. Upstream partners sell e.g. electronics and electrical components to Zwipe, who integrates those components alongside its proprietary Technology Platform into a biometric inlay, which it sells to downstream customers who are card manufacturers who integrate the biometric inlay into dual interface payment cards, which are then sold to issuers such as banks, who issue the cards to end users. The biometric payment card industry is an emerging marketplace rooted in the technical advancement of payment cards, transitioning over the last twenty-five years from magnetic stripe, to EMV chip and most recently to dual-interface. See the graphic below for further clarification.

Magnetic stripe <i>Introduced in the 1970s, mass adoption did not take off until mid to late 1980s</i>		<ul style="list-style-type: none"> • High fraud risk • Slow, requires signature • New and better alternatives available
EMV <i>Introduced in Europe in 1994, US began adoption in 2015</i>		<ul style="list-style-type: none"> • Safer than magnetic • CHIP + PIN is safe, but time consuming
Contactless <i>Introduced in the UK in 2007, mass adoption started only after 2015, still relatively low global penetration</i>		<ul style="list-style-type: none"> • EMV + RFID • Allows fast transactions, just tap card • Low transaction limits with no PIN/signature
Biometric Dual-Interface <i>Began piloting in 2017</i>		<ul style="list-style-type: none"> • EMV + RFID + Biometric authentication • Speed of contactless with safer authentication • High value transactions without PIN code • Prevents RFID pickpocketing & card skimming
<i>In Development</i> Biometric Dual-Interface with Dynamic CVX		<ul style="list-style-type: none"> • EMV+RFID + Biometric authentication + Dynamic card security code integration • Directly addresses card not present, enabling safer digital and online commerce

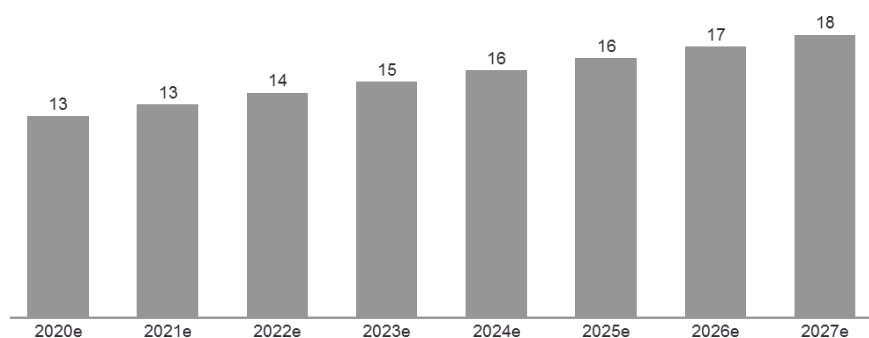
Payment card volumes are expected to grow at a healthy pace, especially in developing markets where governments and issuers are pushing for financial inclusion and the migration from cash to electronic based payments.¹ While alternative payment technologies and types of devices that serve as instruments for payments, e.g. plastic cards, wearables, key fobs etc. (form factor) at the point of sale are gaining traction, it may take a long time for them to gain critical mass, especially at those locations that require investment in infrastructure. Total number of payment cards (both non-EMV and EMV) in circulation are estimated to reach 18 billion in 2027 up from 11 billion in 2018.²

The chart below on next page depicts the total number of payment cards in circulation:

¹ Source: Edgar, Dunn and Company report "Biometric Payment Cards Market Research and Addressable Market Sizing Result, September 2018"

² Source: Edgar, Dunn and Company report "Biometric Payment Cards Market Research and Addressable Market Sizing Result, September 2018"

Total number of payment cards in circulation, billions

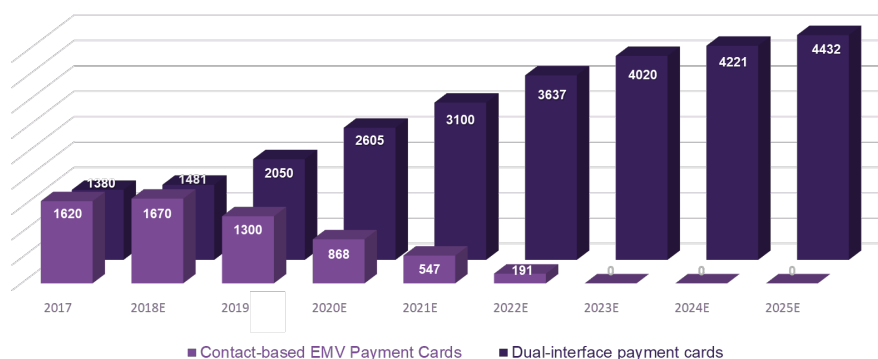


Source: Edgar, Dunn and Company report "Biometric Payment Cards Market Research and Addressable Market Sizing Result, September 2018"

Total number of EMV payment cards shipments was approximately 3.4 billion in 2019 and is estimated by the Company to reach approximately 4.4 billion cards in 2025, representing a compound annual growth rate (CAGR) in this period of 16%.³

The chart below depicts annual global shipments of EMV payment cards:

Annual global shipments of EMV payment cards, millions



Source: Historical figure from <https://www.eurosmart.com/2019-shipments-and-2020-outlook/>. Projections based on Company estimates

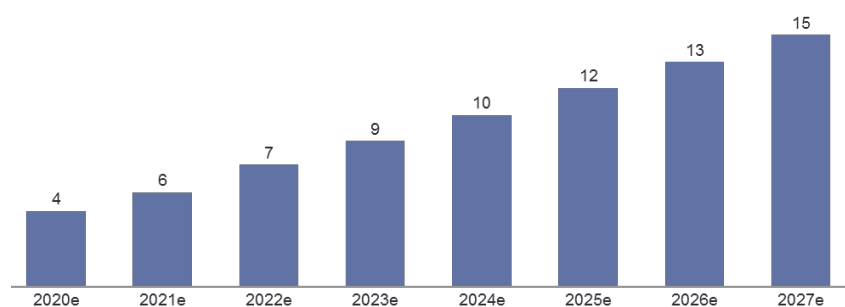
Total number of dual interface payment cards in circulation has historically been expected to reach approximately 15 billion in 2027⁴, this may even be further accelerated post COVID-19.

The chart below on next page depicts the total number of dual interface payment cards in circulation:

³ Historical figures: 2017-2019: Eurosmarts's secure element shipment forecasts confirm a global market increase in all main market sectors, Eurosmart, 10 June 2020: <https://www.eurosmart.com/2019-shipments-and-2020-outlook/>. Projections 2020-2025 based on Zwipe projections, Paymentcardsandmobile.com, Payment Service Directive (PSD 2).

⁴ Source: Edgar, Dunn and Company report "Biometric payment cards Market Research and Addressable Market Sizing Result, September 2018"

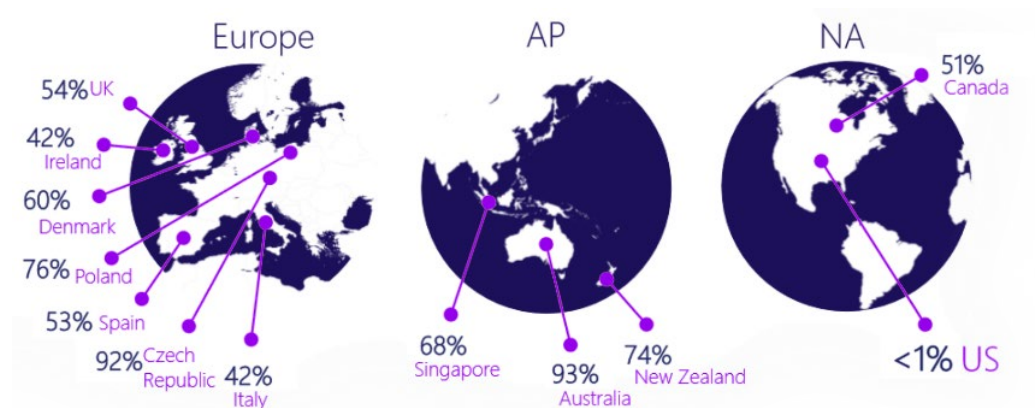
Total number of dual interface payment cards in circulation, billions



Source: Edgar, Dunn and Company report "Biometric Payment Cards Market Research and Addressable Market Sizing Result, September 2018"

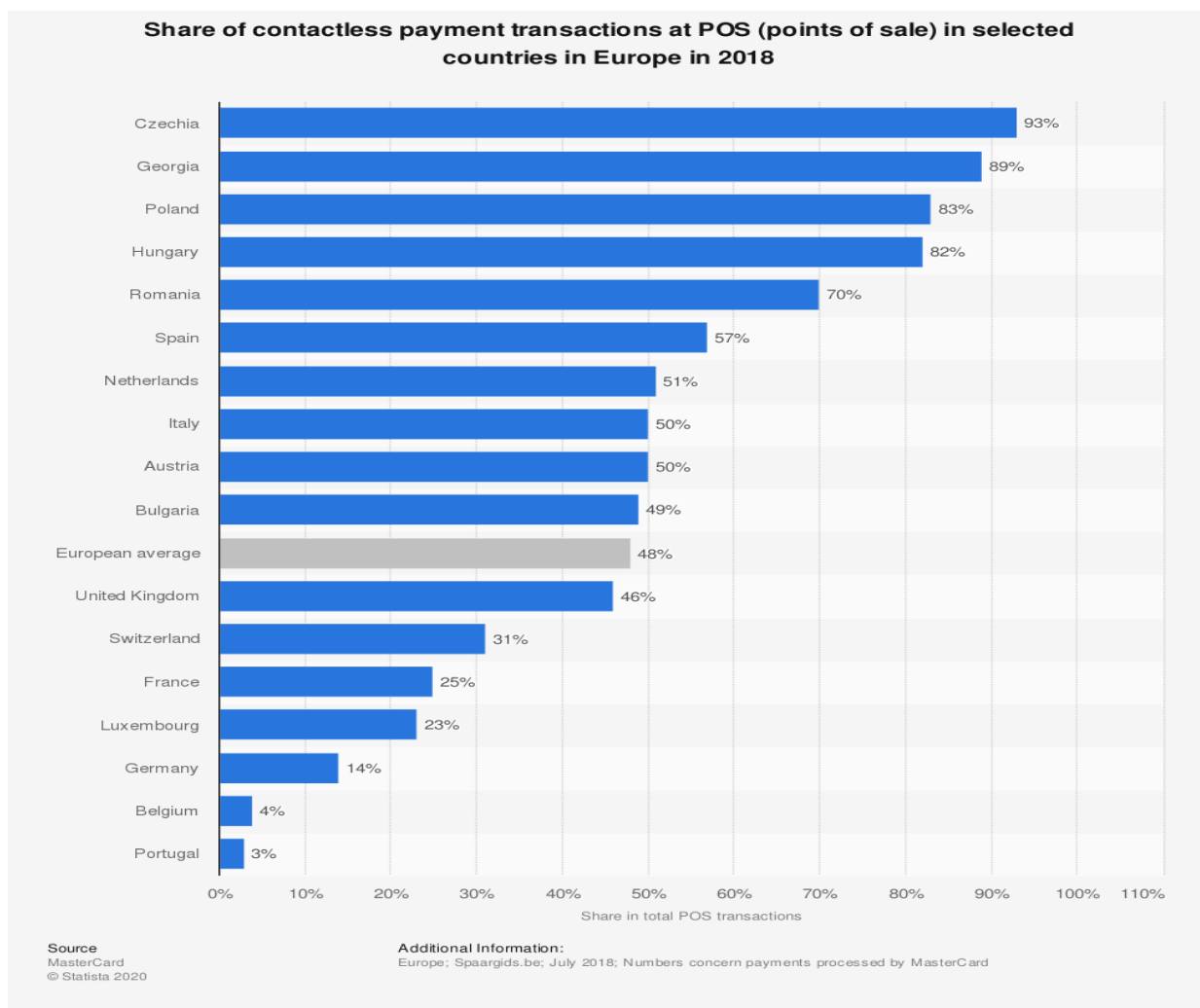
The chart below depicts contactless as a per cent of face-to face card transactions as per January 2018:

Contactless share of face-to face transactions, per cent



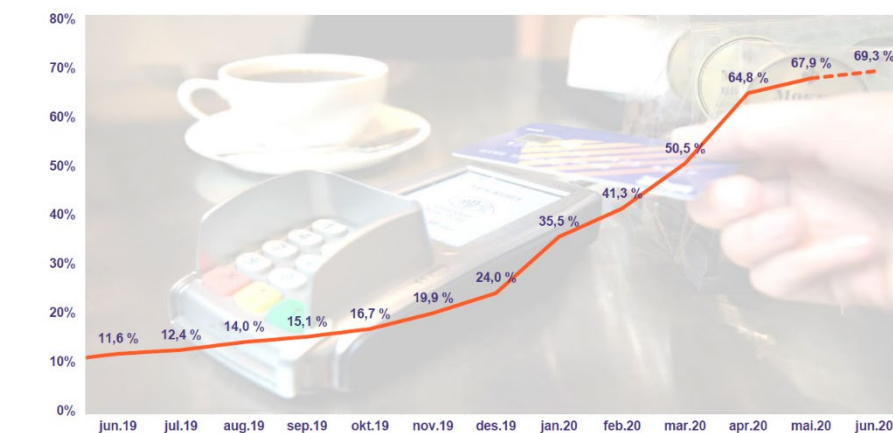
Source: EMV, Contactless, and Digital Payments Security (3DS 2.0 and Visa ID Intelligence) <https://www.visa.com.bs/visa-everywhere/innovation/contactless-payments-around-the-globe.html>

The chart below on next page depicts the share of contactless payment transactions at points of sale in selected countries in Europe in 2018:



The chart below depicts share of contactless transactions in Norway as a per cent of face-to-face card transactions from June 2019 to June 2020:

Contactless share of face-to face transactions in Norway, per cent



bankID **axcept**

Source: BankAxept AS

Contactless payment adoption experienced strong and stable growth worldwide until 2019 already before the Covid-19 situation. In the UK, seen by many in the payments industry as an indicator market due to its innovative nature, 50% of all debit card transactions were contactless for the first time in 2019.⁵ In Europe, more than two thirds of face-to-face VISA transactions occur with a tap, while in Canada and CEMA (Central Europe, Middle East, Africa) nearly 60% of face to face transactions occur with a tap. In Asia Pacific, it is more than one-third of face of face to transactions.⁶

In 2020, an elevated focus on safety following the COVID-19 pandemic has dramatically increased the growth of contactless transactions, and transaction caps have been raised all over the world. Hygiene may become an accelerator and game-changer for biometric payments.

A biometric card effectively eliminates the need to ever touch the payment terminal keypad. Regular cards require PIN above the transaction limit (now e.g. SEK400 or NOK 500), after a set number of transactions (~ 5), and when the cumulative value of transactions has reached its limit (e.g. NOK 1,500 is max in Norway before PIN is required). The consequence of the Covid-19 situation is a substantial acceleration in the global proliferation of contactless payments, due to the advantages related to hygiene and reduction of risk of contagion. Schemes have increased the limits for contactless payments without cardholder verification in 2020 in more than 50 countries, in order to reduce PIN entry via the keypad of point-of-sale terminals.

In the latest MasterCard global study from March 2020⁷, 79% of consumers confirmed they are now using contactless payments. Worldwide, contactless transactions grew two times more than contact-based transactions in grocery and drug stores (February-March 2020). In the US, the growth was three times higher. 46% of consumers have moved contactless cards to top-of-wallet, and 82% of consumers view contactless as the cleaner way to pay.

In 1995, the so-called EMV (Europay, MasterCard, VISA) smartcards were launched. These were contact only cards, needed new infrastructure, meaning new payment terminals, and took 18 years to reach an annual volume of 1 billion cards. Then came the so-called dual interface cards, most often called contactless cards, late 2007, again needing huge investments in new payment terminals, and at a price that was 5 times higher than the old chip & pin cards. These cards offered superior convenience, quickly became a market success, and took only 8 years to reach a volume of 1bn cards per annum. They overtook the old chip & pin cards last year and they are still on track to completely take over the market within a few years even though the card price is still about twice that of its predecessor.

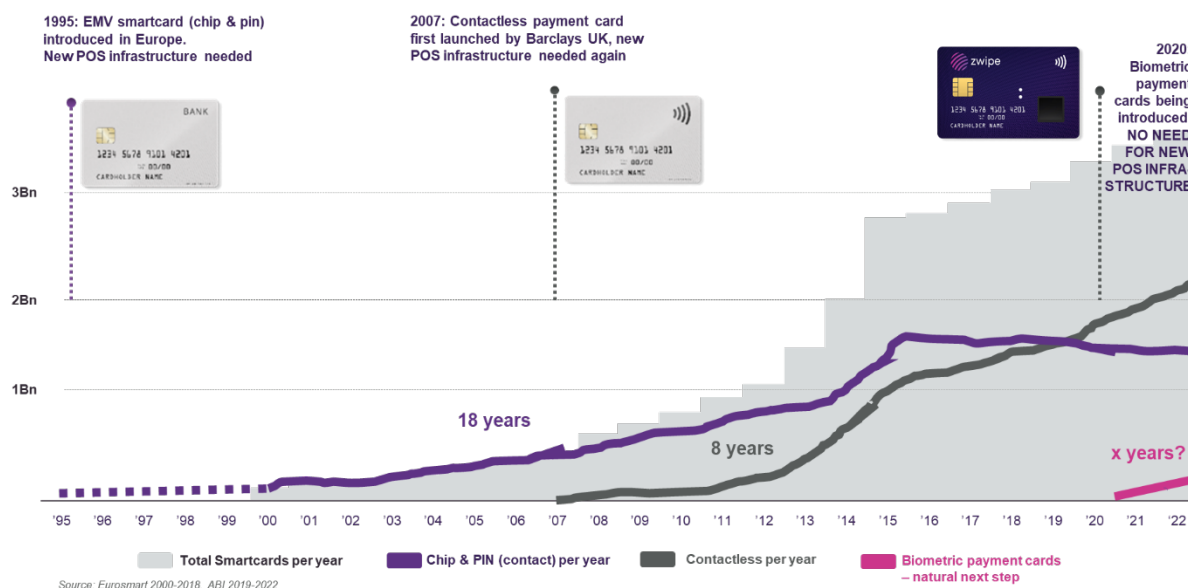
The chart below on next page shows adoption of new smart payment card technology:

⁵ BBC News, 11 October 2019: <https://www.bbc.com/news/business-50015312>

⁶ Bluefin Blog "Will 2019 be the Year for Contactless Payments", 30 May 2019: <https://www.bluefin.com/bluefin-news/2019-contactless-payments/>

⁷ <https://newsroom.mastercard.com/asia-pacific/press-releases/mastercard-study-shows-consumers-moving-to-contactless-payments-for-everyday-purchases-as-they-seek-cleaner-touch-free-options/>

Accelerating smart payment card technology adoption



6.2 Key market drivers and trends

6.2.1 Contactless card payment

The historic growth of contactless payments around the globe indicates that consumers today demand new payment solutions that focus on improving their experience. Contactless payments, regardless of form factor, be it contactless cards, mobile wallets or wearables, allow cardholders to pay more quickly and seamlessly. COVID-19 adds an additional, significant dimension to this demand – hygiene, health and safety.

Adoption of contactless payments was a gradual process, but over the last few years it has grown significantly across many markets due to the increased number of near field communication payment terminals. For example, already in 2017, 92% of Australia's face-to-face card transactions were contactless, 73% in Poland, 63% in Singapore, 49% in the UK, 47% in Canada.⁸ The deployment of contactless payments for fast-moving retail environments and public transportation, as in the UK, has raised awareness of consumer demand for quick and easy payments. Contactless payments generally have increased caps on transaction limits post COVID-19, typically reaching levels around €50. Meanwhile, security measures in place are typically limited, such as request for entering a PIN after the contactless limit has been surpassed after a number of transactions or the device has been used multiple times under the limit in a short period of time. Raising the cap has further increased cashless spending and may continue to do so, pending consumer comfort levels, in particular if security concerns are addressed. Otherwise, it may be a possible deterrent in contactless payment growth.

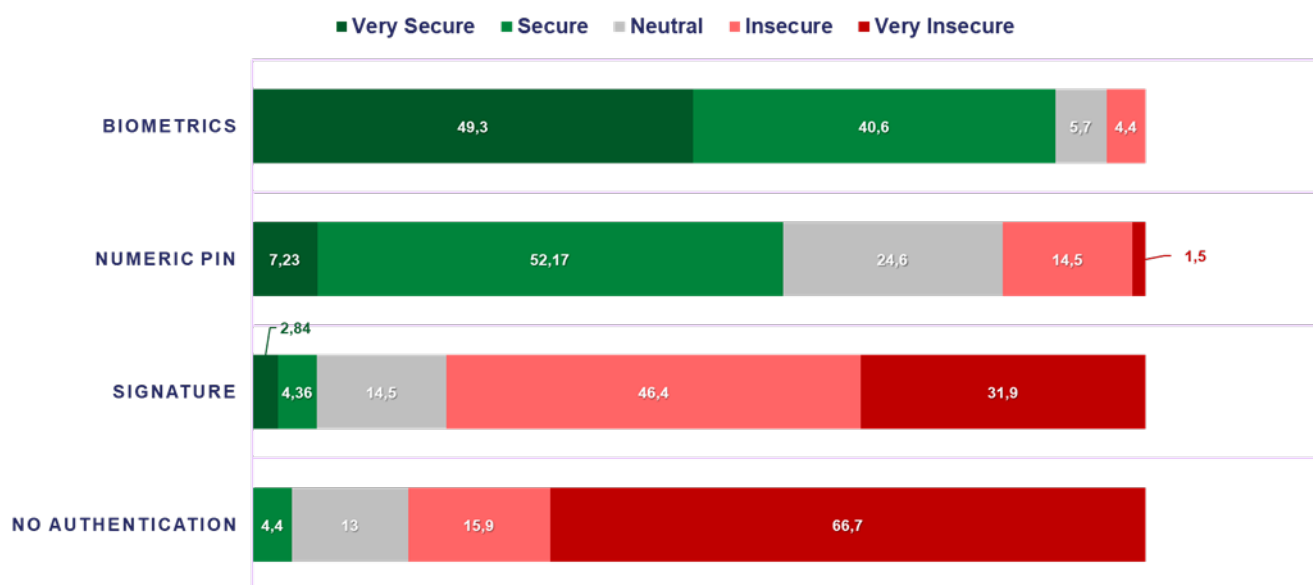
There are several indications that consumers have strong interest in new biometric technologies that make their lives easier. An average person has a significant number of accounts/passwords to manage, including those that they barely log into and it is difficult for them to memorize unique passwords for each account. According to a Visa Study conducted by AYT Market Research, about one out of two consumers abandoned an online purchase because they could not remember their passwords. Over 60% of the consumers are familiar with biometric authentication and believe that biometrics are faster and easier than

⁸ The Rise of Contactless Payments around the world, Visa Infographic, 2017: <https://bm.visa.com/visa-everywhere/innovation/contactless-payments-around-the-globe.html>

passwords. Two out of three consumers are interested in making future payments with fingerprint recognition. That same study also identified that the top two benefits that consumers indicate for biometric authentication are the elimination of passwords/PINs (50%) and the perception that it is more secure than passwords/PINs (46%).

The chart below depicts the perception of level of security on authentication solutions in a Visa Study conducted by AYTM Market Research:

Perception of level of security within authentication solutions



Source: VISA Ready for Biometrics Report, AYTM Market Research, April 2018, among pilot participants

A recent study from Dentsu Aegis Network published in June 2020 confirmed 82% of global consumers are ready to replace their PIN code with a fingerprint to authenticate a card payment⁹. Completing small value contactless transactions without any cardholder authentication is convenient, but it also leaves a taste of questionable security for the entire system.

A new trend we have noted both from the issuers and consumers (most recently at the Group Futurista's webinar¹⁰) is that biometric payment cards are not seen only as another payment card which drives cost but a "value added/ premium product" from banks that will drive revenues, and which can be priced and monetized.

The infographic below on next page depicts the perception of consumers regarding contactless payments:

⁹ [Global study independently led by "Data 2 decisions" \(Dentsu Aegis Network\), encompassing 2,800 people in 11 countries](#)

¹⁰ Online voting at Group Futurista webinar on Contactless Payments (June 2020) with a global audience of ~120 payments professionals

Perception of level of security within authentication solutions



Source: Online voting at Group Futurista webinar on Contactless Payments (June 2020) with a global audience of ~120 payments professionals

This focus on design and innovation is all about attracting millennial consumers. Acquiring millennial customers is difficult especially for traditional issuers. FinTech companies are using innovative techniques to entice younger customers and then aim to retain them through relationship management and better offers ranging from car loans to mortgages to investment advice. Biometric payment cards, like using the fingerprint sensor for mobile devices, represent an essential item in the toolkit for banks to attract younger customers who are much more likely to notice innovative elements in a product or service.

These retention tools can also enable issuers to generate additional returns with declining interchange revenues. A recent trend in the banking business is the steady decline of interchange fees, which are being pushed lower by regulators in Europe and elsewhere. Issuers are seeking to justify incremental fees on cards and annual fees on banking services in general which is difficult especially in markets where consumers are used to no-fee cards. Biometric payment cards can provide issuers a strong basis for annual fee application explaining to the cardholders that they will be better protected using their product.

Another important trend is the migration from cash to digital payments. Cash is still one of the most popular consumer payment methods, primarily for low-value transactions, despite the rise of electronic payments. In many developed markets however, cash is losing ground to cards and other payment methods. New payment alternatives are increasingly offering the same convenience as cash and adding more secure means of completing transactions.

6.2.2 Biometric authentication

The increased use of biometrics in everyday life has normalized the technology for the mass market. Thanks to smart phones and other devices using biometrics, consumers are familiar and comfortable with biometric authentication.¹¹ For payment Cards, including biometric authentication in contactless cards allow consumers to make payments with the best possible consumer experience combining speed of transactions

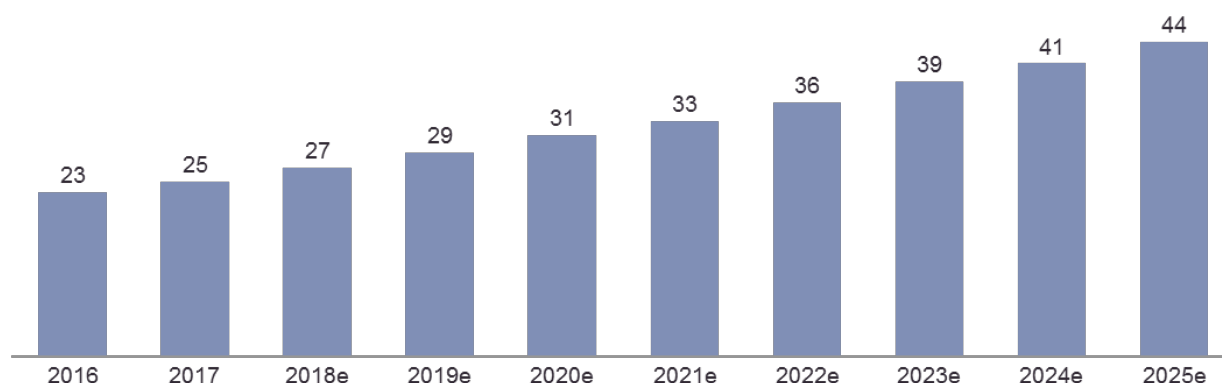
¹¹ Research and Markets, "Global Fingerprint Sensor Market 2018-2023: Proliferation of Fingerprint Sensors in Smartphones and other consumer electronics, 31 May 2018: <https://www.prnewswire.com/news-releases/global-fingerprint-sensor-market-2018-2023-proliferation-of-fingerprint-sensors-in-smartphones-and-other-consumer-electronics-300656687.html>

with enhanced payment security. For these reasons, major payment schemes like Visa and MasterCard are promoting the use of biometrics as the next generation of payment security technology. Governments and regulators are also promoting biometric solutions to minimize fraud and identity issues.

Total global fraud loss estimated to be USD 29 billion in 2019, and expected to continue growing every year, up to USD 44 billion by 2025.¹²

The chart below depicts annual card fraud worldwide:

Annual card fraud worldwide, USD billions



Source: The Nilson Report, October 2017 https://nilsonreport.com/publication_newsletter_archive_issue.php?issue=1118

The outlook for biometric authentication in both developed and developing markets is positive. In developed markets, the payment card market is generally more mature and highly competitive. With increased competition from new entrants and established incumbents, card issuers are looking for ways to differentiate their products while meeting high consumer expectations. Early adopters of biometric payment cards will be able to create a competitive advantage by offering innovative and at the same time more secure payment cards. Above all, biometrics makes the convenience of contactless payment cards secure, by authenticating the consumer using the fingerprint sensor embedded in the card.

In developing parts of the world, biometric technologies have become widespread as governments are leveraging them to deliver public services more efficiently, combat fraud within beneficiary programs, and promote financial inclusion. The number of payment cards is expected to grow significantly over the next years,¹³ and the potential for innovative technology (such as biometric authentication) would be high for the newly issued cards, particularly for debit or prepaid cards used by governments to disburse payments of welfare programs.

In payments, password and personal identification number ("PIN") have been used so that consumers can verify transactions. They lead to declined transactions when consumers cannot recall them. They slow down the process of checkout and payment and can result in fraudulent payments when the information is compromised. With the elimination of PIN for enhanced security, biometric payment cards can help meet consumer demand for a fast and convenient way to authorize payments without sacrificing security. With biometric payment cards, the limit for contactless payments (the value above which PIN is required), could potentially be raised or eliminated. For contactless card payments below the limit (and, therefore not requiring a PIN), biometric payment cards provide security and a comfort factor that encourages segments of the population who do not use payment cards to prefer cards over cash payments.

¹² The Nilson Report, Issue 1119 October 2017, paid content available with subscription https://nilsonreport.com/publication_newsletter_archive_issue.php?issue=1119

¹³ Edgar, Dunn & Company Advanced Payments Model 2018

Issuers can benefit both financially and non-financially from issuing biometric payment cards. Financially speaking, they can generate more revenue with increased transaction volumes (top-of-wallet effects) and reduce fraud losses. Non-financial advantages include improving customer experience and peace of mind, creating competitive advantage over other issuers, and enhancing the Company's brand/image to be more cool or innovative.¹⁴

There is demand from different stakeholders in the payment ecosystem to facilitate adoption of biometric payment cards.

- **Regulators:** Requiring strong customer authentication (as under Directive (EU) 2015/2366 - Payment Services Directive (PSD 2) in the EU)
- **Governments:** Focusing on biometric solutions to minimize fraud and identity issues (e.g. healthcare and social benefits), minimize infections and increase peace of mind. It will be more efficient by helping companies and governments in the transformation to a cashless society and more intuitive payment processes
- **Payment schemes:** Visa and MasterCard want to strengthen the growth of contactless payments by improving convenience, security and safety, as well as introducing industry mandates to ensure infrastructure readiness. Both schemes have released biometric payment specifications.
- **Issuer:** In addition to differentiation and providing their customers with peace of mind and the latest technology, issuers are seeking to reduce fraud and skimming
- **Consumers:** Want a faster and more convenient way to authorize payments without sacrificing security, hygiene, safety or privacy. A biometric payment card will never allow any unauthorised payment unlike standard dual-interface cards where a lost/ stolen card can be misused “up to the PIN limit”.
- **Retailers:** Post Covid-19 there is a big push on ensuring greater in-store hygiene for consumers and the “100% point of sale contact-free” promise of biometric payments becomes extremely attractive. In addition, a retailer benefits from the speed of the transaction of a BPC compared to a customer entering a PIN code at the terminal, making processing the line of customers faster.

Across developing markets in Africa, South America and the Indian sub-continent, multi-application smart cards are bringing identity and payment together, authenticating users to allow effective and accurate distribution of government-based welfare payments.

Adding biometric functionality to government distributed payment cards for welfare benefits will help reduce fraud. Especially in markets where official credentials or identity documents by government are readily available, biometric payment cards offer an easy and secure solution to verify the benefit recipient's identity. Furthermore, leveraging biometrics to push government payments through digital channels can help drive financial inclusion and facilitate access to financial services, particularly for individuals who are unfamiliar with PINs or passwords. Beneficiary programs have to deal with illiterate persons in developing countries. Biometric cards can be operated easily by these beneficiaries in contrast to PIN-secured cards.

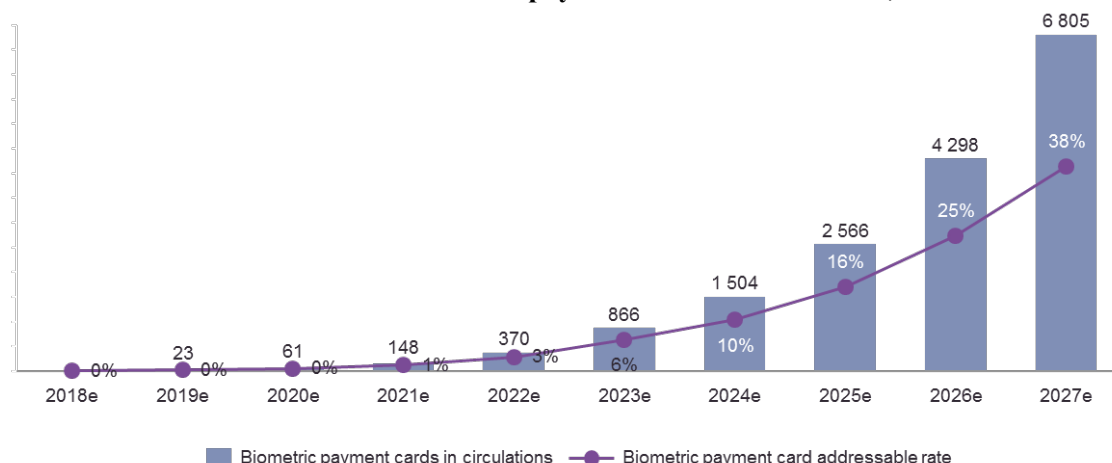
According to Edgar, Dunn and Company's report from 2018, the number of biometric dual interface payment cards, representing Zwipe's addressable market, was estimated to reach approximately 7 billion cards in 2027, representing approximately 38% of all payment cards in circulation.¹⁵ However, since market take-off appears to happen later than anticipated in this report from 2018, the estimates may be at least 2 years deferred. Zwipe's current product road map and its partnership with Idemia indicate radically reduced unit cost levels that are expected to trigger an accelerated pace toward mass volumes.

The chart below on next page depicts the estimated total number of biometric dual interface payment cards in circulation:

¹⁴ Biometric Payment Cards - Market Research & Addressable Market Sizing Results by Edgar Dunn, commissioned by Zwipe AS in August 2018

¹⁵ Source: Edgar, Dunn and Company report “Biometric Payment Cards Market Research and Addressable Market Sizing Result, September 2018”

Total number of biometric dual interface payment cards in circulation, millions



Source: Edgar, Dunn and Company report “Biometric Payment Cards Market Research and Addressable Market Sizing Result, September 2018”

6.2.3 Mobile payment

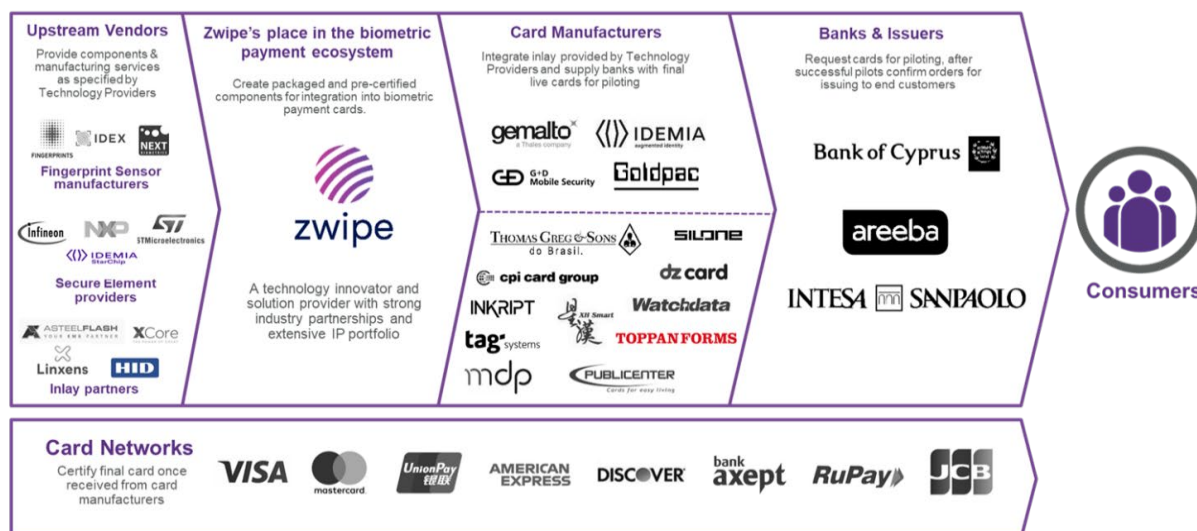
Mobile payments are payments made through a mobile device and/or smart phone instead of paying with cash, checks or physical credit cards. Use of mobile wallets and mobile payment applications is expected to grow. The major phone brands, Apple and Samsung for example, both have offerings in the marketplace that allow consumers to import their payment card details into their smart phone and utilize their phone to complete transactions where contactless functionality is available at the point of sale. Most applications enable consumers to use biometrics, either fingerprint or facial recognition to complete the transaction authentication process when completing a payment with their smart phone.

Adoption of these solutions has been slow in most geographies except for China. Apple Pay, for example, has seen slow adoption for a number of reasons. Most consumers are still not exposed to mobile payments and even though the number of first-time users is slowly growing, initial feedback has not been particularly positive. Many factors have led to a slower than expected adoption of mobile payment applications like; i) a legacy infrastructure that is not supporting mobile payment applications at the point of sale, meaning limited point of sale terminals that support such payment applications and ii) user’s reluctance to switch from existing payment methods, which they find to be more or as convenient as mobile payments. Additionally, mobile payment applications have had difficulty in penetrating the existing payments ecosystem. While some older forecasts stated that mobile payments will replace most credit cards, this prediction has not materialized and most experts today agree that the vast majority of payments (outside of China) will remain being carried out by contactless cards. Even Apple, Stripe, Square, PayPal, Google, eBay and Uber, among others, have started or announced launching a physical credit card. The latest study done at the Group Futurista webinar ref. infographics shared in Section 6.2.1 above concluded that 97% of people still find card the most convenient way to pay.

6.3 Market structure and competitive landscape for payment cards

The segmentation of competition is linked to the overall structure of how the biometric payment card is developed. The biometric payment card value chain comprises vendors at various stages in the value chain, segmented by size and scope of operation, please see the figure below on next page for an illustration of the biometric value chain.

Illustration of Zwipe's position in its value chain:



The main competition is represented in various constellations of groups working together to develop Biometric payment cards. These constellations comprise a card manufacturer, a technology and/or inlay provider, a biometric algorithm provider and fingerprint sensor provider. Working in these constellations, the different players are developing similar competing payment card technology solutions. Fingerprint sensor manufacturers include i.a. IDEX, Fingerprint Cards and NEXT Biometrics. The secure element market is dominated by Infineon in the payment segment competing with NXP, Idemia-Starchip, Samsung, ST Microelectronics (STM) and others. The same semiconductor companies also offer more powerful micro controller units ("MCU") as used in today's two-chip biometric system-in-package solutions – joining competition with more vendors such as Cypress Semiconductor, EnergyMicro, Texas Instruments and Ambiq Micro. Planarization of a flexible circuit for card lamination is handled by expert companies like Linxens, HID and XCore Technologies. Typical biometric algorithm vendors include Precise Biometrics AB, Neurotechnology, Innovatrics and id3 Technologies.

In reference to the above value chain, Zwipe's main competition today comes from NXP, which sells secure elements and MCU's and has put together a comprehensive offering in collaboration with Fingerprint Cards and Linxens. In addition, STM is developing a secure element with energy-harvesting and power-out for a fingerprint sensor, which is expected to become an alternative to NXP and Zwipe Pay ONE.

Zwipe started as an early system-designer and technology provider dedicated to biometric cards. Other companies playing in this field are Tactilis, Jinco, Kona-I Co., Ltd. and Smartmetric. In contrast to these, Zwipe did not remain a solution design house, but has evolved into a systems integrator that combines its component and technology supplier role with its end-to-end, value-adding trusted advisor role to offer a one stop shop proposition to customers. Zwipe's business model can scale to a very high volume.

Certain card manufacturers with significant R&D resources and capabilities also create their own designs including inlays.

It is not unusual in the smart card industry that a specific company is acting simultaneously as a consortium partner, supplier, customer and competitor to another company. The emerging biometric payment card market is no exception in this regard. Every single player is trying to claim its space and develop the best strategy and partnerships.

To complete the picture, China has to be regarded as an entirely separate market from the rest of the world. Leading Chinese smart card makers such as GoldPac, Hengbao, Feitian and WatchData are creating

solutions with consortium partners mentioned above. They also work with Chinese partners for secure element, algorithm, MCU and other parts of the value chain.

As technology advances, cost and complexity of biometric cards decreases to enable mass market adoption.

6.4 Other Applications and Verticals Overview

In addition to biometric payment cards and solutions, Zwipe's technology platform is also well suited for applications in access control and identification, and the Company is currently developing solutions with partners for wearables and internet of things devices.

In the access control market, the Company has historically sold a battery-powered access control credential (the "**Zwipe Access Card**") to security integrators around the world. The access card was deployed in the thousands in various high security installations on four different continents. Due to the high sensitivity of end users, the Company is not at liberty to disclose applications, customer names and/or the locations of their deployment. The Zwipe Access Card was used as a credential in an access control system to authenticate a person's identity, determining the appropriate level of access, and providing access to the physical resource. It also enables users to access logical applications such as computers and server terminals. These additional features are driving the demand for smart cards and proximity cards in the access control market.¹⁶ The demand for stronger security on such applications is a core driver. Compliance with regulations is also driving adoption of solutions that enhance security while maintaining the privacy of the user and the user's data. According to the EU General Data Protection Regulation 2016/679 (GDPR), which came into effect in 2018, organizations must comply with a range of requirements in the handling of personal data. Biometrics is seen as a solution that could significantly increase secure authentication methods while simultaneously protecting user data and information, as applications such as the Zwipe Technology operate independently of centralized databases ensuring compliance with new regulatory standards. Zwipe aims to enable manufacturers of access cards to utilize Zwipe Technology to offer biometric solutions.

When looking at wearable and internet of things applications, and specifically biometrics-enabled wearable payments applications, there is growing interest from the issuer side as well as from smart device and wearables manufacturers looking to develop products for the next wave of innovation. The worldwide wearables market continued its upward trajectory. Shipments of wrist-worn wearables, inclusive of smartwatches, basic watches, and wrist bands, reached 34.2 million units, up 28.2% year over year during the second quarter of 2019.¹⁷ Manufacturers are looking to leverage recent technical advancements to offer similar functionality to analogue watches in addition to smart devices and in turn creating an opportunity to offer wearable payment functionality to a much larger product range.

¹⁶ Markets and Markets, "Access Control Market worth 12.1 billion USD by 2024", 25 February 2018
<https://www.marketsandmarkets.com/PressReleases/access-control.asp>

¹⁷ IDC, "Wrist-worn wearables maintain a strong growth trajectory in Q2 2019 according to IDC", 12 September 2019
<https://www.idc.com/getdoc.jsp?containerId=prUS45521319>

7 Presentation of the Group

7.1 Introduction

The legal and commercial name of the Company is Zwipe AS.

The Company was incorporated on 8 September 2009 as a Norwegian private limited liability company (Norwegian: "*aksjeselskap*"), and it was registered with the Company Register on 8 October 2009 under business register number 994 553 607. The Company's LEI number is 5493006AMNMWEM49PY42.

The Company operates under the Companies Act and is subject to certain provisions in Section 3 of the Norwegian Securities Trading Act, in particular the restrictions thereunder related to the definition of *inside information*. The Company is also subject to the rules of the Merkur Continuing Obligations, as well as the Rulebook of Nasdaq First North Growth Market as approved on 1 September 2019.

As at the date of this Prospectus, the Company's registered share capital is NOK 3,190,657.60, divided into 31,906,576 shares, each with a nominal value of NOK 0.10.

The Company has one class of shares in issue, and each Share carries one vote at General Meetings.

The Company's registered office is at Rådhusgata 24, NO-0151 Oslo, Norway, telephone: +47 977 75 160. The Company's website can be found at www.zwipe.com.

Investors should note that the information on the website above does not form part of this Prospectus unless that information is incorporated by reference into the Prospectus, cf. Section 18.2 "Documents incorporated by reference".

7.2 Legal structure of the Group

The Company is the parent company in the Group and has one wholly owned subsidiary, Zwipe America, a corporation incorporated under the laws of the State of Delaware in the United States. The Company has no other ownership positions.

7.3 Brief history and development

Year	Date	Event
2009-2016		<p>The Company was incorporated in September 2009 under the company name OrigoID AS by Joakim Solberg and Kim Humborstad. The fundamental idea was to combine the security of biometric authentication with the speed and convenience of contactless payment.</p> <p>The Company spent its first four years developing Zwipe Core Technology and IP and received several awards for its business concept and innovative approach to solve massive issues related to fraud.</p> <p>In the period 2014-2016, several proofs of concept within both the payment cards and within the security and access control market were conducted with renowned partners.</p> <p>Zwipe doubled the size of its operations team during the first half of 2016, primarily by increasing the research and development ("R&D") capacity to complete commercialization of biometric payments cards. The development was in close collaboration with industry leading players in the payment ecosystem. The Company also worked hard to protect its IP</p>

Year	Date	Event
		through patents, copyrights, etc. of Zwipe Core Technology in order to ensure long term competitive advantage.
		At the Money2020 conference in 2016, CPI Card Group Inc. and Zwipe demonstrated the first ever biometric card that was dual interface, meaning both able to conduct contactless and contact-based transactions, which is seen as a prerequisite for commercial deployment.
2017		During 2017, Zwipe developed and delivered the world's first biometric inlay for dual interface payment cards. The inlays met the ISO standard requirement and were used in smaller pilots. In addition, the Company continued developing its biometric engine that performs wireless fingerprint verification without the need for batteries or a fixed power supply.
		Commercial agreements with several multi-national companies in the government ID and access control sector such as Nexus Group, Identiv, Chatsworth Products, G4S, IRIS Corporation and Identification Systems Group (ISG) were announced.
2018		In early 2018, the Company announced partnerships with Visa and Gemalto N.V., the largest card manufacturer worldwide. The three parties collaborated on the world's first pilot of a biometric dual interface payment card, with the Bank of Cyprus.
2018	1 March	The Company appointed André Løvestam as its new chief executive officer. Kim Humborstad, the founder and former chief executive officer, moved to the position as chief growth officer ("CGO") and was subsequently appointed as deputy chair of the Board of Directors.
2018		Following Zwipe's early mover position in the biometric dual interface payment card market, the Company has been involved in business partnerships with the major stakeholders in the biometric payment card value chain; from the global payment schemes to the end users, through the issuers and financial institutions distributing the payment cards as well as the card manufacturers. Zwipe established the mission of "Making Convenience Secure".
2018	28 August	Announced partnership with Silone CardTech, a card manufacturer based in Shenzhen, China, to launch battery-less dual-interface biometric payment cards with banks and loyalty programs in China.
2018	22 October	Announced partnership with wearables technology company Tappy Technologies to jointly develop and launch biometric enabled wearable payment, access and digital authentication devices.
2018	5 November	Zwipe announced innovative fingerprint enrolment solutions developed by the Company for the planned mass-market deployment of biometric payment cards.
2018	6 November	Announced an achievement of 70% reduction in power consumption while simultaneously reducing cost. Zwipe has collaborated with Cypress

Year	Date	Event
		Semiconductor Corp., an embedded solutions provider, to support the launch of Zwipe's next generation inlay solution by developing a MCU based on Cypress' PSoC® 6 MCU family that is specifically designed for Zwipe's use in ultra-low power biometric applications in ultra-thin solutions.
2018	7 November	Launch of pilot with Banca Intesa Sanpaolo (Italy), MasterCard and Gemalto N.V. with over 150 bank employees testing the technology over a period of 16 weeks.
2018	15 November	Zwipe and Allcard Inc, the leading payment card manufacturer in the Philippines, announced battery-less biometric payment card partnership.
2018	28 November	Zwipe announced a pilot program with its partners Gemalto N.V., Areeba and Visa, piloting biometric payment cards with 10 different banks across the Middle East.
2018	13 December	Zwipe was awarded a EUR 2.3 million grant from Horizon 2020, the largest European Union Research and Innovation program, promoting European innovation and competitiveness on a global scale.
2019	28 January	Zwipe marks first day of trading on Merkur Market.
2019	27 February	Zwipe selects T-Shape sensor for volume roll-out offering, highlighting the company's extensive IP portfolio.
2019	02 April	TAG Systems and Zwipe partner to launch biometric payment card offering that will include a secure at-home enrolment solution.
2019	09 April	Thomas Greg & Sons do Brazil partners with Zwipe to launch biometric payment cards in Latin America.
2019	16 April	Zwipe announces proprietary JavaCard biometric payment platform compatible with multiple global payment network applets.
2019	09 May	Inkript partners with Zwipe to launch biometric payment cards in the Middle East and Africa.
2019	03 June	Zwipe partners with Goldpac to launch biometric payment cards in APAC region.
2019	18 June	Zwipe and Infineon extend partnership through long-term agreement outlining both technical and commercial collaboration.
2019	25 June	Zwipe and XH Smart Technology partner to launch biometric payment cards, focused on commercializing end-to-end biometric payment offerings in China and beyond.
2019	11 September	Zwipe selected by dz card to launch biometric payment solutions in Southeast Asia and beyond.

Year	Date	Event
2019	17 September	Zwipe selected by Giesecke + Devrient (G+D) Mobile Security to develop biometric wearable payment device with view to pilot this technology with leading banks.
2019	19 September	Idemia partners with Zwipe to offer a disruptive biometric payment card platform, with Zwipe securing exclusive distribution rights of the technology platform when it becomes available.
2019	27 September	Zwipe delivers first order of its second-generation biometric inlay to one of its card manufacturing customers, generating approximately half a million NOK of revenue in Q3 2019.
2019	14 October	Zwipe launches industry-first power management chip for biometric payment the "Z5" application specific integrated circuit ("ASIC").
2019	18 November	Zwipe launches streamlining program, enabled by the strategic collaboration agreement with Idemia, focusing the Company's activities, reducing staff and operational expenses.
2020	28 January	Zwipe marks first day of trading on Nasdaq First North Growth Market.
2020	25 March	Masria Digital Payments, one of the largest smart card manufacturers and digital payments providers in the Middle East and Africa, selects Zwipe for biometric payments.
2020	8 April	Zwipe, Idemia (the global leader in Augmented Identity) and IDEX Biometrics (a leading provider of advanced fingerprint identification and authentication solutions) achieve key milestone towards next generation biometric card platform.
2020	20 April	Zwipe and IDEX Biometrics (a leading provider of advanced fingerprint identification and authentication solutions) collaborate on Zwipe Pay ONE platform to enable a complete system solution for biometric payment cards.
2020	22 April	Zwipe partners with Toppan Forms Card Technologies Ltd (the strongest local card manufacturer in the Hong Kong and Macau Region) to collaborate on the product positioning, development and commercialization of biometric payment cards.
2020	28 April	Zwipe partners with Asia Credit Card Ltd. (a specialist smart card manufacturer based in Hong Kong) to offer and roll out a range of biometric payment card specific products and services including cards, wearables, enrolment and customer onboarding solutions.
2020	8 June	Zwipe steps up collaboration with Toppan Forms Card Technologies Limited (a leading smart card manufacturer based in Hong Kong), as TFCT places an order to begin small scale manufacturing of biometric payment cards.

Year	Date	Event
2020	18 June	Zwipe and Watchdata Technologies (a pioneer in digital authentication and transaction security) partner to develop and launch next generation contactless payment cards and wearables and bring these innovations to banks in multiple regions.
2020	29 June	Zwipe and Thomas Greg and Sons do Brazil renew and extend exclusive partnership and Thomas Greg & Sons do Brazil is commencing small scale manufacturing of biometric payment cards based on Zwipe's platform, embracing the road to Zwipe Pay.
2020	1 July	Zwipe and Publicenter launched a collaboration aimed at bringing the next generation contactless experience, powered by biometric payment cards and wearables to financial institutions and consumers across Europe.
2020	28 July	Zwipe and Liveo Research are partnering to enhance biometric payment card offering, aiming to offer a highly optimized route to efficient and scalable manufacturing of biometric payment cards.
2020	18 August	Zwipe and Smart Technology Services, one of the world's first equipment manufacturers to develop a biometric payment card milling and embedding enabled system, ramped up collaboration to industrialize Zwipe Pay ONE.
2020	20 August	Zwipe and Wisecard joined forces to drive the mass market adoption of biometric payments cards. Wisecard Technology is a leading supplier of EMV personalization and payment solutions and have partnered with Zwipe to support the industrialization of biometric payments solutions.
2020	7 September	Zwipe successfully completed a private placement raising approximately NOK 96 million in gross proceeds.
2020	14 September	Zwipe and CardMatrix to collaborate on the design, development and commercialization of equipment and modular solutions to support milling and embedding of fingerprint sensors for biometric payment card manufacturing at mass volumes.
2020	8 October	Zwipe and TietoEvry to collaborate to deliver biometric payments to banks in the Nordic and Baltic regions. Zwipe will provide TietoEVRY with technical support towards biometric payment card integration, enrollment solutions, and a complete end-to-end advisory offering aimed at helping banks successfully deploy biometric payment solutions. TietoEVRY will source their Zwipe Pay ONE-based cards through their network of card manufacturers.
2020	14 October	Zwipe, and areeba, one of the Middle East's leading financial technology companies and payment service provider, are partnering to bring Zwipe Pay ONE enabled biometric payment solutions to banks across the Middle East and North African markets. As part of this collaboration areeba has agreed to work exclusively with Zwipe in delivering biometric payment solutions.

Year	Date	Event
2020	15 October	Zwipe and Inkript, a digital security provider in the Middle East and Africa region, launched a joint project to deliver Zwipe Pay ONE solution to banks across the Middle East. Inkript placed an order with Zwipe to commence small-scale production.

7.4 Strategic framework

7.4.1 Mission

Following the Covid-19 pandemic in 2020, Zwipe's mission statement has been expanded to "*Making Convenience Safe and Secure*". At the heart of our value proposition is a solution to the unnecessary trade-off between security and safety on the one hand, and convenience on the other.

PINs and account passwords have proven to be resistant to disruption as the digital age has gathered pace. Convenient, safe and secure authentication is the final step to unlocking the true potential of the ever-evolving payment value chain – as essential to high street retailers as it is to online merchants. The speed and ease of use that biometrics enable provide for an enhanced checkout experience both digitally and physically.

Contactless technology is proving to be the fastest, safest and most convenient means of completing transactions at the point of sale. The challenge with traditional contactless payment cards, however, is the real and perceived lack of security inherent in the solution. As a result, banks introduce transaction caps. Zwipe eliminates security concerns and bypasses transaction limits by integrating biometrics into contactless transactions without compromising the user's right to privacy, as the biometric authentication is performed on the card without the need for databases. The solution is compatible with existing legacy infrastructure at the point of sale.

While banks and conventional financial service providers are looking into biometrics, e-commerce platforms and financial apps are also using them to authenticate and approve payment transactions.

It is Zwipe's opinion that consumers are embracing the use of biometrics for safe, secure and convenient user verification. In 2013, Apple launched iPhone 5s integrating a fingerprint sensor, which prompted Apple's smartphone competitors to quickly embrace fingerprint sensors. The fingerprint sensor penetration in the global smartphones market reached 45% in 2016 and 71% in 2018 according to Counterpoint Technology Market Research.¹⁸ According to Statista, the estimated penetration in 2020 will reach 86%¹⁹. Industry sources estimate that more than 10 billion biometric verifications are carried out in smartphones every day. Zwipe's interpretation of the market trends is that consumers prefer to use biometrics to verify themselves instead of using PIN codes or passwords.

As of today, fingerprint verification (i.e. biometric security) is not integrated in commercial mass deployments of contactless payment Cards. The objective of Zwipe is to be an early mover and contribute in establishing this market. The market for such cards is potentially very large and represents a major opportunity for application of Zwipe's biometric technology. At the same time, addressing a market which is not yet commercialized poses a challenge and requires an effective strategy, competitive technology and alignment across a number of players along the value chain serving this market.

¹⁸ Source: "Fingerprint Sensor is Becoming Standard Feature in Smartphones", Counterpoint research, 30 September 2017, <https://www.counterpointresearch.com/fingerprint-sensor-is-becoming-standard-feature-in-smartphones/>

¹⁹ <https://www.statista.com/statistics/272696/mobile-phone-shipments-worldwide-by-quarter/> and <https://findbiometrics.com/1-6-million-mobile-fingerprint-sensor-shipments-in-2020-ihs-301253/>

A well thought out strategy for implementing biometrics needs to consider the concerns of industry bodies, regulators and consumer-interest groups. Biometrics raise regulatory questions from governments over data security and privacy. Meanwhile, financial institutions worry about handing over security to technology firms or being ‘locked’ into device-specific solutions. Zwipe collaborates with the different stakeholders to understand, qualify and address their needs, including regulatory questions such as privacy and protection, with the objective to help all stakeholders find appropriate solutions to expedite the prevalence of biometrics in financial services while offering best-of-breed technology solutions.

Zwipe believes that the financial services industry is ripe for innovation across the entire biometric spectrum. The race to integrate biometrics in financial services is heating up across many different segments. The winners will be those who can – at an acceptable cost – provide the best in class mix of convenience, safety and security to ultimately optimize end user experience.

Zwipe builds its competitive position on combining cost and performance leadership with its value-adding trusted advisor, systems integrator role, leveraging knowhow accumulated from being an early developer of biometric payment card solutions. This combination is the cornerstone in Zwipe’s ambitions toward mass market deployments of biometric payment cards and wearables.

One aspect that makes the payment industry very exciting is the pace in which new changes are introduced with the aim to improve the customer payment experience. Jumping seamlessly between in-store, web and mobile, today’s channel agnostic consumers have high expectations for interactions to be safe, secure, convenient, contextual, consistent and, most importantly, relevant to them.

7.4.2 *Vision*

Zwipe’s vision is to be a global leader in biometric authentication solutions for cards and wearables.

7.4.3 *Indicative aspirations*

The adoption rate of biometric sensors on dual-interface payment cards depends on various factors, such as i) the availability of efficient and secure technology, ii) certification mechanisms for the card manufacturers' offerings by the payment schemes (MasterCard, VISA, et al), iii) the availability of efficient systems for enrolling the consumers' biometric data on the cards, iv) the successful execution of pilot programs and the consumer acceptance and adoption rate of the new technology, v) a plurality of vendors being able to satisfy requirements for multi-sourcing at every step in the value chain (from technology solution providers to issuers), and, most importantly, vi) technology and manufacturing cost development for biometric payment cards.

On this background, depending on the timing and speed of market take-off, Zwipe in 2018 defined a set of financial and non-financial aspirations for the medium term. What Zwipe refers to as the “medium term” is the phase following initial piloting, acceptance and adoption, but before high-volume exponential market growth. However, when Zwipe will enter the medium term or meet these aspirations are uncertain. The financial aspirations mentioned should not be viewed as guidance from Zwipe.

We believe Zwipe will reach the second phase of successful market adoption when the following indicative aspirations are met:

- Annualized revenue of NOK 1 billion
- Average sales price in the range of USD 3-4 per unit, with healthy margins
- Cash flow break-even at 6 million units per year
- 30% market share market for dual interface biometric payment cards
- Being a leader in user experience with the best user and customer satisfaction in the industry

7.4.4 Six strategic pillars

1. Initial focus on biometric payment cards to secure no. 1 position

- ✓ Continue to develop Zwipe's strategic global customer network and enter into multiple partnerships with prominent card manufacturers and payment schemes.
- ✓ Continued development of the Zwipe Technology Platform and value-add through building unique solutions and proprietary IP and establishing complementing strategic ecosystem partnerships.
- ✓ Offer multiple Enrollment Solutions, whereby cardholders can enroll their biometric data onto the card in the comfort of their own homes or in the bank branch, offering flexibility and freedom of choice to Zwipe's customers.
- ✓ Continued building of Zwipe's organization, investing in R&D and supply chain, as well as product management, quality management and commercial resources aimed at creating awareness, interest and demand for biometric dual interface payment cards in general and Zwipe's products and services offering in particular throughout the value chain, particularly card manufacturers and issuers.
- ✓ Pursue a product and manufacturing cost leadership position through the collaboration with Idemia, reducing barriers for adoption and providing an accelerated path to mass volumes.

2. Build on first mover position in biometric payment for retail banking to become a trusted digital authentication partner for financial services

- ✓ Zwipe has broadened its offering to also include products and professional services necessary for the banks to be able to offer biometric solutions including smart cards, wearables and potential other means so that consumers can verify themselves in a convenient and secure way when using the services offered by the banks.
- ✓ Offer value added services to card manufacturers and issuers to share the Zwipe knowhow and competence within biometric authentication solutions, consumer insights and corresponding volume roll out processes.
- ✓ Zwipe will enable the wearables market with the missing link of biometric authentication for financial services, as evidenced by the announcements with Giesecke + Devrient (G+D) Mobile Security²⁰. Banks find it compelling to offer consumers new smart devices supporting similar use as with smart cards. This will increase Zwipe's addressable market and broaden the scope to multiple biometric products supporting several of the banks' challenges of today and tomorrow.
- ✓ Thus, Zwipe is evolving to a *technology and solutions provider* to various customer groups, primarily card manufacturers, wearables manufacturers and issuers.

3. Evolving to integrated circuits and systems

- ✓ During the last two years, Zwipe has been pursuing a strategy to transition from selling biometric inlays to selling integrated circuits and systems – either as separate components or as part of Zwipe's embedded system and total platform delivery. This has been aligned with expected market development with the ambition to secure price competitiveness and reduce capital requirements.
- ✓ In line with the above, Zwipe has pursued two important component developments:

²⁰ <https://newsweb.oslobors.no/message/485382>

- ✓ Energy harvesting and power management ASIC, announced in October 2019. This proprietary “Z5” chip is a significant milestone in component consolidation, cost reduction and efficiency improvement for Zwipe. Beyond internal use, Zwipe plans to sell this technology to solution providers, both as a separate component and as part of the embedded system in a biometric inlay.
 - ✓ Single chip solution, announced in September 2019 with Idemia, the global leader in Augmented Identity and one of the world’s largest biometric payment card manufacturers. An exclusive partnership sees the two companies co-investing in the development of a disruptive biometric payment card platform that goes even further than the "Z5" ASIC by integrating into a single chip the functions that previously required a secure element, a microcontroller, and more than thirty external components, all mounted on a flexible, active printed circuit board. This breakthrough technology, which is the basis for Zwipe Pay ONE, is expected to enable mass volume market take-off and long-term growth for biometric payment cards by bringing to market a technology platform that will significantly reduce the complexity and cost of the design and production process for biometric payment cards. Cards incorporating Zwipe Pay ONE are planned to be available for high volume deployment in 2021.
4. Building commercial bandwidth and competence
- ✓ In addition to Zwipe’s technology efforts, commercial bandwidth and competence is needed to ensure global reach, local support and market success.
 - ✓ Zwipe will continuously focus on i) building on its already strong sales and business development team to identify and acquire new customers, ii) developing a customer integration team supporting customers in their onboarding and preparation efforts, and iii) building deep insights and a host of services to support both its direct customers (the card manufacturers) and their direct customers (the issuers), to deliver the best possible user experience to the ultimate users (the cardholders).
 - ✓ As announced in June 2020, Zwipe has complemented its growing engagements with its direct customers by embarking on a "pull strategy". This means that Zwipe is stepping up its engagements with banks and neo-banks, as well as new players in card issuance, such as retailers and tech companies. A separate team is being built to pursue and develop our pull activities.
 - ✓ In line with the above, Zwipe offers its customers the “Zwipe Experience” – a comprehensive program of products and services, enabling the card manufacturers and issuers to prepare for all aspects of launching biometric payment cards and associated solutions.
5. Licensing of Intellectual Property (IP)
- ✓ As an early mover in its field, Zwipe has a strong IP portfolio of granted and filed patents addressing factors that are essential in the mass deployment of its technology, focusing on manufacturing and production processes, biometric contactless payments, biometric algorithms, biometric enrollment applications and security. Zwipe has at the time of this Prospectus 80 active patent applications across 19 patent families, with 29 granted patents across 6 of those patent families. The IP portfolio has been streamlined in 2020 to match the technology and product roadmap.
 - ✓ With its IP portfolio tailored for small handheld devices, Zwipe plans to license Zwipe Core Technology that is essential for certain aspects of biometric authentication across multiple verticals, platforms and form factors.
6. Taking advantage of Zwipe's investment and exploring opportunities within the access control and government ID marketplace
- ✓ Following the launch of biometric payment cards, Zwipe is preparing to commercialize components for ISO smart cards and wearable devices for access control and government ID with significant

manufacturing cost reductions and know-how gained from the payment market. This can be achieved by selling the same technology platform as in the payment market to manufacturers of cards and other devices for access control and government ID.

7.5 Principal activities and products offering

7.5.1 Introduction

At the heart of Zwipe's product line is the promise of making convenience safe and secure. Zwipe's offering is an authentication solution based on fingerprint, and the integration of this solution into payment applications. The authentication solution is based on proprietary hardware and software, primarily aimed for integration into payment cards. The platform is based on a biometric secure element delivered in an ISO-contact plate module and a passive inlay. This biometric payment card solution is the first of its kind in a new technology generation gearing for mass deployment and replaces Zwipe's former product, which has been piloted in pre-commercial applications (ref. Section 7.9).

The Zwipe Technology Platform and product offering combines the convenience of contactless payment with the security of authentication, using fingerprint biometrics (i.e. using a person's unique and personal fingerprint as identifier) instead of PIN or passwords. On payment cards, the user simply places his or her finger on the sensor on the card and taps the card on the reader. Within a second, the user is authenticated, and the transaction is approved and executed.

The same solution is also suitable for integration into other space-constrained ultra-low-power payment solutions like wearables (wearables are applications carried like a garment or an accessory. An example of a wearable could be a payment application built into a wristband). A customer-specific solution for a payment wearable is currently under development, ref. Section 7.5.3.

Beyond payment cards and wearables, elements and individual components of Zwipe's technology platform (ref. Section 7.5.3) are suitable to be embedded in other applications like access control cards with biometric identity authentication and various miniaturized internet of things components (for example key fobs, control enablers, communication identifying devices etc.) requiring secure user identification. These are not among Zwipe's current focus areas. Zwipe has previously developed biometric cards for access control and is currently focusing its efforts on payment solutions.

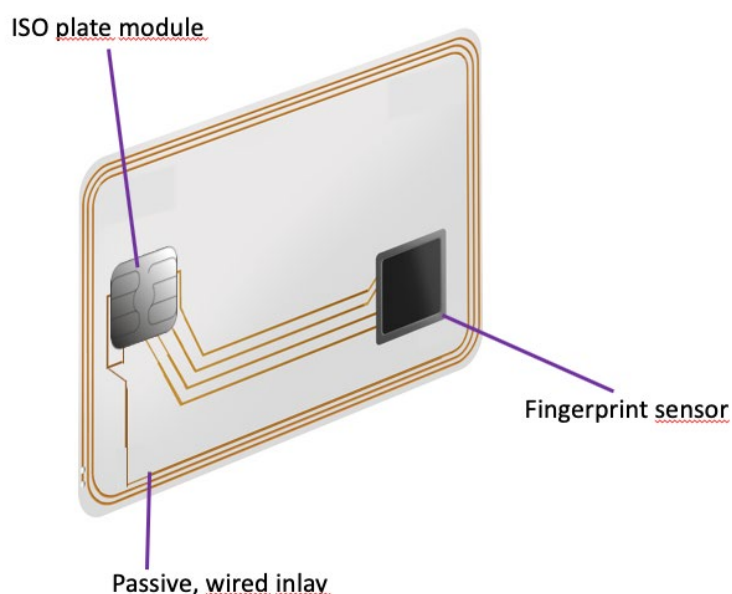
7.5.2 Payment card industry

The full card cost of biometric payment cards is at present still above USD 20 per card, this is seen as a major obstacle to high volume market take-off. In September 2019, Zwipe entered a strategic collaboration with Idemia, the global leader in Augmented Identity and one of the world's largest payment card manufacturers, on a disruptive technology platform that Zwipe together with its partner Idemia believe is a game changer and a catalyst for growth in the industry.²¹ The engagement with Idemia was a major step forward, allowing Zwipe to fully exploit the strong reputation and customer relations built over the years of early technology development for biometric cards. The new technology platform will integrate and simplify component design, drastically reducing costs of the product itself and the manufacturing process. Zwipe's product offering resulting from the collaboration with IDEMIA is called Zwipe Pay ONE. As a result, Zwipe is confident that complete biometric payment card prices to issuers of below USD 10 at high volume when based on Zwipe Pay ONE is becoming realistic, providing an accelerated path to mass volumes while giving Zwipe a cost and technology leadership position. Zwipe is not aware of any other initiative which will enable a similarly attractive product with respect to product performance and cost level at the time of launch of Zwipe Pay ONE. Examples of competition include multi-die solutions within an ISO plate package, which implies higher complexity and production costs. Zwipe Pay ONE represents a comprehensive

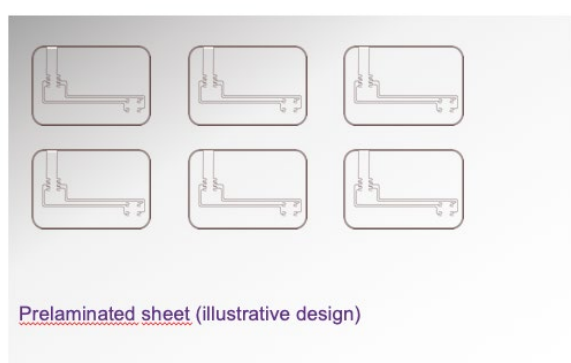
²¹ Zwipe news release 19 September 2019: "Idemia and Zwipe partner to offer a disruptive biometric card platform" <https://zwipecom/news>

solution of pre-certified components to manufacture a biometric payment card. The core package consists of an ISO contact plate module with reference designs for inlay and card. The module includes a secure element with biometric JavaCard OS plus Visa and MasterCard biometric-aware payment applets. Optionally, Zwipe offers prelaminated sheets made to customer specifications and enrolment solutions for convenient home enrolment of cardholders as well as system integration support. The fingerprint sensor can be sourced directly from the manufacturer Idex or through Zwipe. The company gives customers the flexibility to choose only the core ISO contact plate module (encapsulating the biometric secure element) or to receive a complete turnkey solution.

The illustration below shows a conceptual design of a passive, wired inlay with ISO contact plate and fingerprint sensor connected:



A prelaminated sheet of passive inlays is shown in the picture below:



Zwipe's direct customers are payment scheme certified smart card manufacturers. They typically buy the components from Zwipe and laminate cards (typically using hot lamination) with the design of an issuer on a printed foil on top and bottom of the Zwipe prelaminated sheet. Both the Zwipe Pay ONE module and the fingerprint sensor are then mounted post-lamination. This is a standard process for dual-interface cards, which Zwipe has pioneered in biometric cards, obtaining patents and working closely with equipment manufacturers to ensure a seamless integration for its customers.

In addition to the core components, Zwipe offers convenient home enrolment solutions that can easily be deployed by issuers to cardholders. Zwipe also developed an energy-harvesting "Z5" ASIC, that can be used with other secure elements to handle energy harvesting and simplify the design and manufacturing of biometric payment cards. An active inlay from the previous product generation "V3" is available from Zwipe in the format of prelaminated sheets for early stage piloting. Integration support and IP licensing complement Zwipe's offering in this segment.

7.5.3 *Access control, wearables, Identification, Internet of Things and OEM Industries*

For the access control, wearables/internet of things and government ID industries, the Company intends to supply components containing Zwipe Core Technology differentiators like the "Z5"²² ASIC and the ultra-low power biometric algorithm included in a highly power-optimized MCU component, as well as Zwipe IP and payment system integrations. The only one of these areas that is actively pursued today, is wearable payments where Zwipe has been selected by Giesecke + Devrient (G+D) Mobile Security, one of the world's largest mobile and digital security providers, to develop a biometric wearable payment device with a view to pilot this technology with leading banks. Zwipe provides a finished wearable device solution based on its own core components, with the digital security provider integrating the payment platform and personalising the product for use in a payment application. The joint development is progressing well at the date of this Prospectus, and the two parties are getting prepared to pilot the solution with a leading European bank.

Typical customers for the wearables/internet of things and government ID industries are 3rd party companies, often OEMs (original equipment manufacturers) in need of biometric and/or payment systems for integration in their product offerings. Zwipe plans to sell core components, payment integrations, IP and system integration services to such 3rd party companies integrating the Zwipe Core Technology and potentially charge license and/or per unit fees for commercial deployments.

7.6 **Pre-deployment payment scheme certification**

Before the Group, together with the card manufacturer, can launch the full-scale commercialization of its core components in a biometric payment card, the components and the finished card must achieve certification according to specifications set by the payment schemes – such as Visa and MasterCard. Certification is a requirement prior to employing the biometric payment card in high-volume commercial applications. The card manufacturer is responsible for such certification as further described in Section 11 "EMV regulatory framework", but Zwipe is responsible towards the card manufacturer for its components of the biometric payment card. Upon completed biometric payment card certification, the card manufacturer will receive a Letter of Approval from the payment schemes which enables full scale commercial deployment.

Notwithstanding the foregoing, the Group and the card manufacturer may, prior to full certification, carry out limited-scale deployment of biometric payment cards with banks if the relevant payment scheme consents to such deployment by waiver.

7.7 **Technology and R&D**

Zwipe's design and development approach has been that of a system integrator (i.e. a company that incorporates its own technology along with other leading technologies). Zwipe has taken advantage of this system integrator approach by developing differentiating technologies specifically for space-constrained, ultra-low power environments. Due to Zwipe being a first mover in biometric payment systems, as well as close collaboration with other players along the value chain in the payment and access control ecosystem, the Group has accumulated valuable knowhow, expertise and partnerships with key players along the entire value chain.

²² Zwipe news release, 14 October 2019: <http://zwipecom/news/zwipe-launches-industry-first-power-management-chip-for-biometric-payment>

The entire industry is moving towards a higher level of system integration and technology consolidation with significant product development investments from multiple leading companies preparing for a broad commercial launch. Zwipe's strategy is to take a strong leadership position together with its technology partner Idemia by offering a comprehensive solution with superior energy efficiency, excellent biometric performance and attractive price of components and card manufacturing. As mentioned in Section 7.5.2 "Payment card industry", Idemia and Zwipe believe that the disruptive technology we are co-investing in has the potential to be an important catalyst for and enabler of mass volume market take-off for biometric payment cards. This has opened up a more direct route for Zwipe to a competitive mass deployment technology and enabled Zwipe to streamline its product roadmap. Consequently, pilots will largely focus on the new technology, preparing for subsequent certification and volume deployment in 2021. In parallel, Zwipe will pursue the wearables opportunity.

The following main points describe the Zwipe technology platform:

Zwipe core technology:

- Dedicated packaging solutions
 - *The core components of Zwipe Pay ONE described in Section 7.5.2 have been designed to enable cost efficient manufacturing of a biometric payment card using standard equipment. This is only possible due to Zwipe's experience at component and system level.*
 - *Post-lamination mounting into a card body of both a biometric secure element (in an ISO plate package) and a fingerprint sensor are essential to enable high reliability, low yield loss and reasonable cost. Zwipe is helping its customers to take most out of its components with integration support.*
- Energy harvesting and power management systems
 - *Effective energy harvesting and power management have always been key differentiators for Zwipe. Zwipe's technology, expertise and IP in these areas has allowed Zwipe to be a first mover and technology leader in biometric card-based solutions, enabling Zwipe's customers to provide contactless biometric smart cards without requiring a battery, which can operate with existing point-of-sales infrastructure.*
 - *Zwipe announced its successful prototype completion and power-on of its in-house developed "Z5" energy harvesting and power management integrated circuit (ASIC) in October 2019. This important development addresses factors important to Zwipe's differentiation and protection of core IP. These factors include;*
 - *Power reduction – This purpose-built ASIC allows for further efficiencies and power budget reductions that are important for ultra-low-power solutions*
 - *Configurability – Zwipe's knowhow in energy harvesting is built into this ASIC while allowing for configurability for use in many environments*
 - *Cost reduction – The Z5 ASIC can replace many discrete components in an active card or wearable inlay or multi-die solution and reduce overall cost while increasing performance*
 - *Flexibility – The Z5 ASIC is designed to work with multiple fingerprint sensors and MCU platforms*

Zwipe expertise:

- Biometric inlay design and layout for payment cards
 - *Through close collaboration with payment schemes, card manufacturers, and technology partners, Zwipe has developed a knowhow of the design and layout needs for both payment and access control technologies. These biometric inlays integrate traditional payment card*

components with the ability to securely validate the card user's ID through fingerprint biometrics. This is performed on existing payment infrastructure deployed today.

- *With Zwipe Pay ONE and potential other highly integrated solutions, the inlay is becoming passive, meaning without any discrete components mounted. While this simplifies the production process, the number of connections, positioning tolerance and other technical characteristics are still different from a standard dual-interface card. Zwipe is designing inlays meeting customer requirements for the next generation biometric payment cards.*
- Electronic circuit board design and layout for biometric access control and ID applications
 - *These inlays and full card solutions are designed to work with the current access control infrastructure but add the critical component of positively identifying the card holder.*
- Full payment and access card construction and manufacturing knowhow
 - *As a first mover, the Company had to define manufacturing processes for every part of the value chain related to biometric payment cards. This effort has created valuable expertise that can be offered to value chain partners. This can potentially provide opportunities for alternative revenue sources for Zwipe.*
- Firmware design specific to ultra-low power/high performance embedded applications
 - *As the Group developed the entire firmware layer for its V3 pilot solution in-house, the Group can tailor or modify and enhance components when needed or when a new solution needs to be developed and integrated into its product offering.*
- In-house integration and testing expertise to accommodate security and identity management use cases
 - *Zwipe has invested heavily in test equipment, tools and training to efficiently tune its technology to fit the ecosystem needs.*
- Payment and biometric system integrations
 - *Zwipe has together with 3rd party vendors of payment secure element operating systems and payment applications realized seamless and secure integrations between Zwipe's Biometric Engine and the payment applications for several payment schemes. These integrations are at the core of Zwipe's value proposition enabling transactions on standard EMV infrastructure, with no transaction limit on contactless transactions required. These integrations will also be applicable for Zwipe's wearables, internet of things and OEM solutions.*
- Biometric enrolment solutions design
 - *Payment and access control ecosystems have their own business needs when it comes to fingerprint enrolment and the related security requirements. Zwipe has multiple subject matter experts that are involved in the design and development of systems that can accommodate all of the anticipated enrolment scenarios. Many of these systems have already been developed.*
 - *A remote home enrolment solution for bank clients that can easily be shipped by issuers is under development to complement the Zwipe Pay ONE offering.*
 - *Managed enrolment from a host device such as a tablet or computer will also be available from Zwipe.*

7.8 Intellectual property

7.8.1 General

Zwipe's assets include a wide range of intellectual property rights (IPR). The Company has developed a comprehensive IP strategy and IP policy, which jointly relates to the development, ownership, protection and commercial exploitation of IP created by employees in the course of their duties or activities for the Company.

The IP policy aims to:

- 1) Set out the Company's procedures on the identification, ownership, protection and commercialization of IP;
- 2) Ensure the timely and efficient protection and management of IP;
- 3) Facilitate the recording, monitoring and maintenance of the Company's patent portfolio;
- 4) Build IP risk awareness into due diligence of supply chain members and potential business partners, and continue monitoring IP protection among suppliers and partners;
- 5) Establish a repository of default documents such as statements of work, terms and conditions, NDAs, licensing agreements (among others), and identify triggers for timing of when such documents must be presented and negotiated;
- 6) Identify the relevant employees who will translate commercialization opportunities into specific deal terms and the appropriate valuation method and calculation; and finally,
- 7) Address strategy towards assertions of infringement or invalidation of IP rights.

To ensure effectiveness and demonstrate commitment to IP protection, the Company monitors and improves these IP management systems on a continuous basis. The Company's IP Review Committee assesses whether the IP portfolio is relevant and competitive.

All IP rights are owned by the parent company Zwipe AS. Zwipe has established an employee program to organize training, incubation of ideas for disclosures, transfer of rights to the Company and compensation of inventors.

Zwipe have several patents related to power harvesting, the Zwipe Biometric Engine and other areas of the Zwipe Core Technology, such as manufacturing methods, applications and enrolment. An important strategy for Zwipe is to protect its IP and continue developing patents as well as filing new patents for new inventions discovered during the course of a development phase.

Zwipe Core Technology, as further outlined in Section 7.7 "Technology and R&D", is developed and based on different IP rights owned by Zwipe. Zwipe has at the time of this Prospectus 80 pending patent applications within 19 patent families, with 29 patents granted across six of those patent families. The portfolio has been streamlined in 2020 to reflect the product and technology roadmap. Some of the patents, granted or applied for, are fundamental to Zwipe's Technology Platform and some are relating to inventions relevant to the production process of components for biometric cards, of certain functionalities of a payment card, the embedding of components to a payment card, etc. Some of these inventions are relevant to the biometric inlay as it is designed today, others to the technology roadmap, and/or valuable in a broader context for Zwipe through potential licensing.

With regard to Zwipe Technology Platform, this is built partially based on patented technology and partially on trade secrets. This combination has a strategic value since the combination will never be in the public domain.

The current patent portfolio is organized in five categories:

- **Applications**
 - Using external devices to aid functionality of Zwipe Technology
 - Example: Using a mobile app to guide the enrollment process
- **Biometrics**
 - Pertains to enrollment and/or authentication
 - Example: An algorithm processes the biometrics; a card works after authentication
- **Energy Harvesting**
 - Variety of energy sourcing, optimization, and management methods
 - Example: Harvest energy from the radio frequency emitted by a contactless reader

- **Production**
 - Methods associated with design and manufacturing of access control and payment cards
 - Example: New methods for mounting an EMV module on a payment card
- **Security**
 - Processes or attributes to protect the end user or the card issuer
 - Example: Encrypting communication between the EMV module and the MCU

Different IP assets can be commercialized in different ways, and the Company is looking into how to maximize capitalization of these assets.

Zwipe has since 2012 been working closely with Dehns Patent & Trademark Attorneys in London on all patent applications.

The Zwipe patent portfolio, both pending and granted, are as a main rule applied for as Patent Cooperation Treaty ("**PCT**") applications. The PCT is an international treaty with more than 150 contracting states. The PCT makes it possible to seek patent protection for an invention simultaneously in many countries by filing a single "international" patent application instead of filing several separate national or regional patent applications. The granting of patents remains under the control of the national or regional patent offices in what is called the "national phase".

The Zwipe IP rights are developed partially in-house and partially by various outside companies and consultants, in particular in the form of inventions for which patent applications have been filed. For all of Zwipe's currently pending and granted patent rights there are assignments in place for the purpose of transferring rights from inventors to Zwipe and/or confirming the chain of title and ownership by Zwipe where rights may already be transferred to Zwipe under national law or via other agreements (e.g. under employment contracts). This includes assignments to Zwipe from consultants and/or third parties as appropriate, including transfer of rights to Zwipe from the inventors and, if necessary, from consultant companies or other companies that were the employers of the inventors.

To the best of Zwipe's and Dehns Patent & Trademark Attorneys' knowledge (as per a separate statement from Dehns Patent & Trademark Attorneys) the patent rights are all currently in good standing with the respective patent offices and at the present time there are no overdue fees or the like. In addition, Zwipe is not aware of any disputes relating to the granted or the applied for patent rights, aside from the opposition at the European Patent Office ("**EPO**") in respect to Zwipe's patent for the method of manufacturing an electronic card ("**P01**").

The opposition against Zwipe's EPO patent for the method of manufacturing an electronic card (P01) was considered by EPO's Examining Division in November 2018, and the Examining Division did not rule in favour of Zwipe in this first instance. However, the Company has appealed the decision of the Examining Division to EPO's Boards of Appeal, and until the appeal has been considered by the EPO's Boards of Appeal, Zwipe's EPO patent will remain in force. Any cancellation of this EPO patent is therefore subject to the consideration and decision of said appellate court. This patent has been granted in certain other jurisdictions, and such patents in the U.S., China, Australia and South Korea, and will survive and remain in effect even if the EPO patent were to be cancelled. Zwipe's own product is not dependent on this patent, as it relates to the surrounding payment card manufacturing process and not Zwipe's core technology. Please also refer to Section 7.8.2.

7.8.2 Patents

The Company has, *inter alia*, been granted the patents, which in the Company's opinion are important to its current business, for the following elements of its product:

- Fingerprint matching algorithm

- Fingerprint enrolment algorithm
- Power harvesting
- Power load management
- Biometric enrolment authorization
- Contactless biometric identification device allowing multiple configurations
- Security protected Radio Frequency Identification ("**RFID**") device

These patents have already been granted in one or more jurisdiction (*e.g.*, U.S., China and the United Kingdom) with applications for further patent grants for each of them in several other jurisdictions.

These patents have, in general, a 20-year lifespan from the date of the PCT filing, and they expire in the period 2033 to 2035 depending on the PCT filing date.

Zwipe's patents with industry-wide applications, including production methods and communication and power harvesting, might provide opportunities for future licensing revenues.

There are two patents that carry particular potential:

"P01" – Optimizing integration of Fingerprint sensors in biometric payment cards by utilizing existing industry processes:

- This patent covers a method of manufacturing a biometric payment card with an on-board biometric sensor, where first a card body is formed having a circuit embedded within it, and then a cavity is formed in the card body to expose contacts on the circuit to connect to the biometric sensor. In the card manufacturing industry, this production method is commonly referred to as post-placement, enabling industrialized and scalable manufacturing techniques such as hot lamination of plastic cards without damaging the sensor.
- Filing date April 2012. Granted in EPO countries Belgium, France, Germany, United, Kingdom, Spain, Norway, Sweden, as well as USA, China, South Korea and Australia.
- As mentioned in Section 7.8.1, the patent was in 2018 challenged in the EPO by multiple industrial groups. As a result, the patent for the abovementioned European countries is currently in an appeal process which is expected to take a minimum of an additional three to four years to complete. During this period the rights granted under the EPO patent are upheld for the patent holder until a final decision is rendered. The patent is not challenged in USA, China, South Korea and Australia.

"P05" – Facilitating the energy harvesting by biometric payment cards from payment terminals:

- This patent addresses the challenge that RFID readers compliant with ISO/IEC 14443, such as contactless payment terminals, pulse their excitation field (energy emission) on and off, rather than emitting steadily, making the power insufficient to run a biometric authentication on a biometric payment card.
- In accordance with international standard ISO/IEC 14443, this patent allows the pulsating radio frequency field to stabilize for as long as the commands from the card requests it being necessary for a biometric authentication to take place. Zwipe is not aware of any way to power a passive biometric payment card from standard ISO/IEC 14443 readers without utilizing the invention described in the P05 patents.
- Filing date October 2014. Patents have been granted in Singapore, the UK, the USA, and an EPO patent has been granted with national patents being validated in Belgium, France, Germany, Netherlands, Norway, Poland, Spain, Sweden and Turkey. Registration/grant in Hong Kong is automatic based on the UK grant, to be completed soon. Patents are also applied in China, Japan and South Korea.

In addition to the granted, publicized patents listed above, the Company has applied for more than 80 other patents. The details of the patent applications that, as of the date of this Prospectus, have neither been granted nor made public, constitute trade secrets and said details are, therefore, not disclosed in this Prospectus.

7.9 Customers

The direct customers of Zwipe are smart card manufacturers. They purchase the ISO contact plate modules and biometric inlays to integrate them into their card manufacturing processes to produce finished biometric payment cards. The payment card industry differentiates between the major, globally leading card manufacturers (tier 1) and the more regional card manufacturers (tier 2).

Pending certification and market take-off, the Company has so far sold such components in insignificant volumes. Over the course of 2019 and 2020 Zwipe has secured several new partnerships in Europe, Asia and Latin America, expanding the reach of its offering with an end-to-end solution made up of both products and services.

The indirect customers of Zwipe are all the issuers and financial institutions distributing the payment cards to their clients, the cardholders. Since the card manufacturers produce biometric payment cards at the request of an issuer, the issuers represent the ultimate decision makers in the biometric payment card value chain. Zwipe's solutions for biometric enrollment can be sold to card manufacturers or directly to the issuers. The Company is involved in business partnerships with all the major stakeholders in the biometric payment card value chain, and Zwipe has recently increasingly engaged in dialogue with the issuers in order to prepare and mobilize the ultimate decision makers in the value chain for the biometric payment market to uplift.

For the global payment schemes, Zwipe supports the growth and promotion of contactless transactions as the primary payment method, by improving both convenience, safety and security. Several surveys conducted by the two largest payment schemes, as well as by Zwipe, have demonstrated that cardholders are ready for biometrics and they are asking for biometric payment cards to be issued by their bank at the earliest.

For the issuers and financial institutions distributing the payment cards, Zwipe ensures brand visibility, enhances the "top-of-the-wallet" effect and reduces real and perceived fraud. The majority of cardholders have multiple banking cards but use one card for more than 90% of their transactions. It is the card that is most convenient or provides preferred benefits. This card is called "top-of-the-wallet". A biometric payment card is more convenient and hygienic than a PIN-authorized card. Issuers and schemes have a high interest getting their card to this status, since they profit on all transaction volume. Zwipe serves as a trusted advisor, also offering professional services to the issuers and financial institutions.

For the card manufacturers, Zwipe brings a Technology Platform such as Zwipe Pay ONE, enabling card manufacturers to integrate Zwipe's Biometric Inlay to offer payment cards with high benefit and competitive advantage to their own customer base.

Biometric payment cards are going through various phases allowing the major stakeholders to progressively experience and validate this new technology. Zwipe is now engaged from a commercial standpoint with both card manufacturers and global financial institutions. Several more pilot programs of biometric payment cards and wearables are planned based on Zwipe Core Technology.

The global adoption rate of biometric dual interface payment cards and wearables will be dependent on various factors including, amongst others, i) the timing and completion of the product certification process, ii) the availability of efficient and convenient enrolment solutions, iii) the success of pilot programs, iv) the adoption rate by the consumers, v) inlay production capacity and vi) cost development.

7.10 Zwipe's partnerships and alliances and their importance

Zwipe is setting up an ecosystem of strategic alliances with partners at all stages of the value chain. The Group's business depends on these relationships, covering semiconductor and fingerprint sensor solutions, inlay and component manufacturers and card lamination and production equipment providers. Zwipe has partnered with multiple large global and regional card manufacturers and technology suppliers for the payments market and aims to continue its end-to-end ecosystem strategy to broaden its customer base over time.

Zwipe has during 2020 experienced increasing interests from card manufacturers and issuers in general. Zwipe is now in dialogue or conducting projects with over 40 of the world's top 50 smart card manufacturers (SCMs), out of which eight are among world's top 10. Also, Zwipe has so far in 2020 announced five new agreements with SCMs of collaboration aimed at bringing the next generation contactless experience powered by biometric payment cards and wearables to financial institutions and consumers, in addition to having renewed and strengthened one of its existing SCM agreements. I.a. Toppan Forms HK and Thomas Greg Sons do Brazil have placed their first orders for Zwipe Biometric Payment solutions as a first step for commercial volume roll out.

Below is an overview of the most relevant and material agreements at the time of this Prospectus. Zwipe's agreements may be categorized into the following types of agreements, of which several types may be combined in a single agreement: (i) R&D collaborations, (ii) supply and manufacturing agreements, (iii) marketing agreements (to jointly market specific products to a specific market or territory), (iv) service and support agreements, and (v) license and distribution agreements.

Party(ies)	Type of agreement(s) / document(s)	Description
<ul style="list-style-type: none"> • Inkript • Thomas Greg & Sons • Goldpac • XH Smart Technology • dz card • TAG Systems • CPI Card • Silone • MF Technology • Toppan Forms HG • Masria Cards • Publicenter • Asia Credit Card • Watchdata 	Partner agreements to market, pilot and commercialize biometric payments cards in various regions, covering a large part of the world	Fourteen MOU's (memorandums of understanding) agreements with card manufacturers in specific regions of the world to launch a marketing campaign of biometric payment cards to be followed by pilot(s) with Zwipe technology to the customers of Zwipe's partners. Following a successful certification, the parties may launch a commercial product in the specified region. Some of the agreements are exclusive.
CardMatrix	Collaboration and co-development	Zwipe and CardMatrix to collaborate on the design, development and commercialization of equipment and modular solutions to support milling and embedding of fingerprint sensors for biometric payment card manufacturing at mass volumes.
Giesecke + Devrient (G+D) Mobile Security	A R&D project for a wearables solution, and subsequent collaboration	Cooperation agreement entered into September 2019 on development of a wearables solution (contactless payment by a wrist band) that may support the eventual commercialization of biometric enabled

Party(ies)	Type of agreement(s) / document(s)	Description
		wearable devices. The product will be developed by Zwipe using a combination of Zwipe technology and technology sourced from other third parties.
Idemia	License, co-investment and distribution agreement	<p>The partnership with Idemia is a jointly financed development of the next generation biometric payment card platform. The agreement has the potential to establish Zwipe as a long-term cost leader within the business.</p> <p>Zwipe expects this technology to represent one of the leading solutions, and it is expected to enable lower overall product- and manufacturing costs of a biometric system-on-chip, best-in-class energy efficiency and fast transaction times.</p> <p>Zwipe has obtained exclusive global distribution rights for the technology to all payment card and wearable manufacturers and their suppliers for a minimum of six years. Idemia's sale to financial institutions is excluded from the agreement.</p> <p>Following a successful development, Zwipe will make co-investments at certain milestones for the right to distribute and sell the product worldwide. Zwipe's total investment is approximately NOK 40 million, of which the final remaining payment of approximately NOK 10 million is expected to fall due over the coming 12-month period. If the development is unsuccessful, Zwipe will have the right to partial or full refund of the licensing fee.</p> <p>The product is expected to be piloted in the market late 2020 or early 2021, and ready for mass volume during 2021.</p>
Infineon	(i) A software and hardware licensing agreement with Zwipe as customer (ii) and a MOU for R&D collaboration and marketing	The licensing agreement provides Zwipe non-exclusive access to Secure Element software and hardware. The MOU is a non-binding and non-exclusive agreement to together define and develop systems for biometric smart devices, including payment cards and wearables.
Idex	Channel Partner agreement, supply and marketing collaboration	Idex will supply Zwipe with certain sensors. In addition, the parties will collaborate on certain marketing and business

Party(ies)	Type of agreement(s) / document(s)	Description
		opportunities. IDEX commits to offer competitive price and payment terms for all relevant fingerprint sensors to ZWipe and ZWipe's customers.
Liveo Research	Collaboration on optimizing card material	Liveo and ZWipe will seek the optimized route to efficient and scalable manufacturing of biometric payment cards. This is key in supporting the ongoing industrialization of the ZWipe Pay family of products.
Smart Technology Services	Collaboration on optimizing the embedding process	ZWipe and Smart Technology Services, ramped up collaboration to industrialize ZWipe Pay ONE within the embedding processes.
Wisecard	Co-development of personalization offerings	ZWipe and Wisecard will co-develop the personalization offerings for the ZWipe Pay family of products and solutions.
TietoEvry	Collaboration to deliver biometric payments to banks in the Nordic and Baltic regions	ZWipe will provide TietoEVRY with technical support towards biometric payment card integration, enrollment solutions, and a complete end-to-end advisory offering aimed at helping banks successfully deploy biometric payment solutions. TietoEVRY will source their ZWipe Pay ONE-based cards through their network of card manufacturers.
areeba	Collaboration to deliver biometric payments to banks in the Middle East and North Africa	Exclusive agreement with ZWipe in delivering biometric payment solutions including the ZWipe Experience services to help its banking customers through all stages, from early trial stage to mass market rollout.

7.11 Competitive position

Despite ZWipe being a small company in an ecosystem consisting of major, strong players, ZWipe, as a focused expert in the field, has a strong position in the biometric payment card value chain. As described in Section 6.3 "Market structure and competitive landscape", the market is typically split into biometric payment card constellations, where various contributors along the value chain provide different technologies and solutions to bring a biometric payment card to market. The market is characterized by "co-opetition"; it is not unusual that the same companies are customers, consortium partners, suppliers and competitors to each other at the same time. ZWipe provides several functions and offerings to the card manufacturers and faces different sorts of competition in the various categories. In addition to these, some of the functions in ZWipe's offering are also developed in-house by certain leading card manufacturers with sufficient R&D capability, for parts or all of its portfolio.

Being a first mover, ZWipe has developed knowhow and offerings to bring forward a complete offering including the different areas mentioned above. The Company is also working on further improving these,

through its development program for the “Z5” ASIC chip and the collaboration with Idemia, as well as other industry leading partners.

In addition to its product offerings, Zwipe’s competitive strengths lie in its IP portfolio which is probably one of the most extensive intellectual property portfolios in the biometric payment cards space.²³

7.12 Insurance

The Company has obtained insurance policies covering office and office movables in Norway and the United States, employer's liability (Norwegian: "*personalforsikring*") (relating to occupational injury etc.) and travel. The insurance coverage is designed according to Norwegian legislations for entities within the same sector and with similar scale of operations.

In addition, the Company has obtained a directors' and officers' insurance policy covering the members of the Board of Directors and Management in their capacity as such.

The insurance policies include different deductibles and coverage limits according to the type of coverage.

The Group considers itself to be adequately covered with regard to the nature of its business activities and the related risks in the context of available insurance offerings and premiums. The senior management regularly reviews the adequacy of the insurance coverage. However, no assurance can be given that the Group will not incur any damages that are not covered by its insurance policies or that exceed the coverage limits of such insurance policies.

²³ Embedded Security News, July 2018: “Research: The rise of biometric cards”, <https://embeddedsecuritynews.com/2018/07/research-the-rise-of-biometric-cards-edition-july-2018/>

8 Financial information

8.1 Sources of financial information

The tables set out in the summary of this Prospectus present selected financial information derived from the Financial Statements. The selected financial information presented in this Prospectus should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements. The Financial Statements have been prepared in accordance with NGAAP, and are incorporated by reference to this Prospectus, see Section 18.2 “Documents incorporated by reference”. In addition, the Financial Statements are available at the Company's website (www.zwipe.com/investors).

8.2 Summary of significant accounting policies

8.2.1 General

The financial accounts for 2018 and 2019 are the official and approved annual accounts of the Group prepared according to NGAAP.

The 2017 official Financial Statements were originally prepared according to the Norwegian Generally Accepted Accounting Principles for Small Enterprises (NRS 8) for Zwipe AS (i.e. not consolidated). The Group restated its Financial Statements for 2017 on a consolidated basis and according to NGAAP for the purpose of listing at Merkur Market. The restated Financial Statements for 2017 are audited by the Group's auditors, but not approved by its General Meeting.

For information regarding accounting principles and the use of estimates and judgements, please refer to the notes of the Financial Statements for the years ended 31 December 2019, 2018 and 2017 incorporated by reference in this Prospectus.

In 2018, a potential for a new revenue stream was discovered, whereby Zwipe would license its patents instead of offering the patent protection as part of the final technology product offering. This initiated a change in the Company's accounting methodology. All patent costs are from 1 January 2018 expensed directly, as it would be difficult to measure reliably the timing of when the income from the license of patents will occur, as required when capitalizing intangible assets. Please see Section 8.2.2 "Effects of consolidating the accounts" for a description of the effect the accounting methodology change had on the capitalized assets.

8.2.2 Effects of consolidating the accounts

The Zwipe Group has a simple structure, with a parent company (Zwipe AS) and one fully owned affiliate (Zwipe America Inc.). Consolidation of the accounts mainly entail the reclassification of other operating expenses (invoiced from Zwipe America Inc. to Zwipe AS) to payroll and depreciation of tangible and intangible fixed assets in the Financial Statements. In addition, tax is paid in Zwipe America Inc. and impacts the consolidated statements. Balance sheet effects include adjustments to financial fixed assets, total cash balance, equity and accounts payables.

9 Operating and financial review

The selected historical financial data discussed in this Section is retrieved from the Group's Financial Statements.

There has been no significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of this prospectus.

9.1 Management's discussions and analysis of results of operations

9.1.1 General

Revenue

Zwipe has historically had limited revenues. The Company has sold cards within the access control vertical, to system integrators and distributors, and biometric inlays and demo cards in conjunction with pilots and trials within the payment vertical.

Prior to 2017, only Zwipe Access Cards were sold. The access control vertical was pared down as of 2019. For 2018 to H1 2020, the table below outlines the share of revenue split on Zwipe's two verticals: access control and payment.

Revenues by product group (amount NOK thousands)	H1 2020		H1 2019		2019		2018	
Payment cards (inlays and Demo cards)	862	100%	169	49%	1,338	88%	772	34%
Access and ID	0	0%	179	51%	179	12%	1,505	66%
Total Revenue	862		348		1,517		2,276	

Zwipe's revenue growth going forward is depending on the market development of biometric payment cards. The main determinants of the timing and speed of adoption of biometric payment card are i) manufacturing cost development for biometric payment cards; ii) timing of banks to launch biometric payment cards commercially to customers; iii) the successful execution of pilot programs and consumer acceptance and adoption of the new technology; iv) the competitive intensity at every step in the value chain (from technology solution providers to issuers); and v) timing and completion of certification processes and systems for enrolment.

The Company sees additional revenue potential from the wearables segment, digital authentication and licensing of IP.

Operating expenses

COGS (cost of goods sold) comprises component cost, manufacturing fee and shipping expenditures. COGS reflect the production costs from manufacturing at low volumes, as opposed to mass volume manufacturing. The gross margin to date is, therefore, not representative for the expected and planned gross margin for the business in full operational mode.

Payroll expenses

The payroll expenses include expenses for all employees whether in technical, R&D, sales and marketing, products, IP or administrative functions. The payroll expenses largely reflect the number of employees in each period, but the stock option compensation is volatile and somewhat reduces the correlation. The cost of the stock option program varies over time due to grants, cancellations and vesting periods of each grant. The calculated employer's tax debt varies with the share price development.

Depreciation and amortization

Depreciation of tangible and intangible assets are comparable to investments in laboratory equipment, IT, offices and manufacturing lines at subcontractors.

Other operating expenses

Other operating expenses comprise expenditures related to i.a. R&D, office equipment, office rent, IT infrastructure, consultants, travel, R&D tools/equipment and marketing. IP expenses are also part of other operating expenses and relates to external costs of obtaining and maintaining patents as well as incurred licence fees.

R&D expenses comprised 36.9% of total operating expenses in 2019 and 35.5% of operating expenses in 2018. R&D expenses include purchased materials and components as well as external project costs for design, manufacturing (production trials and pilot production runs), testing and other work conducted by various companies and institutions. In the period covered by this Prospectus, the major part of the R&D expenses has been related to the development of the biometric inlay and continued optimization of Zwipe's Technology Platform including Zwipe Pay ONE.

Expenses related to Development activities have been capitalized when the criteria for capitalization has been satisfied. Research costs are always expensed.

R&D expenses are net of the Skattefunn grants from the Norwegian government and EU support through the Horizon 2020 program.

Net financial income and expenses

The net financial items mainly relate to interest expenses and gain/losses on foreign exchange transactions.

9.1.2 Operating result for the six months ended 30 June 2020

The Group's revenues predominantly represent sales of biometric payment Inlays for piloting and trials purposes. Total sales revenues during the first half year (H1) 2020 were NOK 0.9 million, compared to NOK 0.3 million in H1 2019.

Gross margins reflect the cost of low-volume pre mass-production series and are not representative for the Group's expectation to contribution from commercial sales of biometric payment Inlays. The COGS will reflect the market situation and low volume cost structures in the biometric payment card manufacturing industry, as well as Zwipe's and its partners' negotiating position. The Group has established a product roadmap for its biometric payment card inlays, targeting cost leadership within its industry.

Total operating expenses H1 2020 were NOK 32.4 million, down from NOK 36.6 million in H1 2019. Excluding one-off costs related to the third of four joint technology stages with Idemia, and despite a negative currency effect of 8% compared to 2019 currency rates, the operating expenses are NOK 21.8 million. The decrease reflects the streamlining program implemented in November 2019, and Zwipe is in line with ambitious set in the program of decrease the underlying operating expenses by 40%.

Operating result for the period was NOK -31.5, compared to NOK -36.2 million, for the same period prior year.

9.1.3 Operating results for the year ended 31 December 2019

For 2019, the Group reported total revenues of NOK 1.5 million, down from NOK 2.3 million in 2018. The revenues were generated predominantly from sales of biometric payment card inlays to partnering card manufacturers. The COGS increased from NOK 5.1 million in 2018 to NOK 5.8 million in 2019, reflecting the cost of low-volume manufacturing prior to scaling up commercial-size volumes.

Total operating expenses were NOK 96.8 million in 2019, up from NOK 70.6 million in 2018. The increase reflects expenses related to the jointly funded development collaboration with Idemia. Payroll and people-

related cost was at the same level in 2019 as in 2018, with NOK 26.6 million in 2019 and NOK 26.7 million in 2018.

R&D expenses were a total of NOK 38.8 million in 2019, whereof net NOK 3.1 million was capitalized. In 2018, R&D spending amounted to a total NOK 25.9 million. The major part of the R&D expenses in 2019 was related to development of the biometric inlay and continue optimization of Zwipe's technology platform. R&D efforts were also spent on developing alternative solutions for fingerprint enrolment.

A development project was initiated early 2017 and was carried out through 2019, to develop, optimize and reduce the inlay cost by developing Zwipe's ASIC Zwipe Z5. The total cost for the Z5 development in 2019 was NOK 7.9 million. Costs related to this program were part of the R&D expenses described above. The costs related to the ASIC development have been capitalized. The project has been granted by the EU Horizon 2020 program.

The operating result for 2019 was a loss of NOK 95.2 million, versus a loss of NOK 68.3 million in 2018. The increased negative result was primarily driven by operational expansion.

9.1.4 *Operating results for the year ended 31 December 2018*

Zwipe reported total revenue of NOK 2.3 million in 2018, representing an increase from 2017 of NOK 1.1 million. The revenue was generated from the sale of access control cards and biometric inlays for payment cards for battery-less dual-interface biometric payment card pilots. COGS increased by NOK 2.6 million compared to 2017, mainly driven by inventory write-down of access control cards and obsolete biometric inlays.

In 2018, total operating expenses were NOK 70.6 million, up NOK 18.9 million from 2017. The increase represents a larger organization in 2018 compared to 2017. Personnel expenditures increased by NOK 9.0 million following new hires in 2018. Other operating expenses increased by NOK 3.4 million in 2018 compared to 2017, mainly driven by increased use of external advisors and consultants.

R&D expenses not capitalized in 2018 were NOK 25.1 million, equal to 36% of total operating expenses. These expenses were mainly related to the development of the biometric inlay and continued optimization of Zwipe's technology platform.

The operating result for 2018 was a loss of NOK 68.3 million, compared to a loss of NOK 50.5 million in 2017.

9.2 **Management's discussions of financial position**

The financial position is discussed with basis in the Group's Interim Financial Statements as of 30 June 2020. There has with one exception been no significant change in the financial position of the Group since the Interim Financial Statements were published. The one exception is a steady cash spend at a predictable average monthly rate, gradually reducing the Group's reserve of liquid funds as illustrated in Sections 10.1.1 "Capitalization" and 10.1.2 "Net financial indebtedness".

9.2.1 *General*

Assets

Intangible assets comprise capitalized R&D. Total intangible assets were booked at NOK 7.3 million at the end of H1 2020, which was an increase of NOK 0.2 million since the beginning of the year. The Group has a comprehensive patent portfolio to protect the Group's methods, technology and products. Additional information related to Zwipe's patent portfolio can be found in Section 7.8.2.

The Group has a strong portfolio of patents and intellectual property related to in-house biometric technology development. The Group has decided not to capitalize patent related expenses. The decision to

not capitalize patent related cost was implemented with a change in accounting methodology during H1 2018, whereby all patent costs were expensed. Following the change in accounting methodology, total intangible fixed assets decreased by NOK 4.7 million.

Production equipment, machinery and fixtures were valued at NOK 2.5 million, a decrease of NOK 0.2 million from the beginning of the year. The fixed assets comprise R&D equipment and Non-Recurring Engineering ("NRE") expenses. These expenditures have been capitalized as these costs are related to investments in improving Zwipe's manufacturing processes and optimization of the biometric inlay. Financial fixed assets comprise a deposit for office lease. Inventory comprise raw material/components for payment cards, together with semi-finished goods and complete inlays.

Other receivables comprise receivables from the governmental grant Skattefunn and Horizon 2020, various payments and VAT receivables.

The Group had negative operational cash flow because revenue were still insufficient to cover the operating expenses. Shareholders have been supportive over the years and Zwipe has received new equity and liquidity from both existing Shareholders, new investors and grants from Government institutions. The Company has completed several equity capital raisings since 2013, both in the form of private placements and rights issues.

Liabilities

The Group does not have any bank overdraft facility or credit lines. The Loan towards innovation Norway was fully repaid in H1 2020. A bank loan of NOK 2.4 million was granted by the US government to Zwipe America Inc through the Paycheck Protection Program (PPP). Zwipe is eligible for loan forgiveness given fulfilment of a set of requirements. Other liabilities are supplier credits. The Company has no loans from Shareholders.

9.2.2 Financial position at 30 June 2020

On 30 June 2020, the Group had available cash of NOK 43.2 million, up NOK 19.9 million from 31 December 2019. Total equity was NOK 49.8 million.

A rights issue of approximately NOK 67 million was successfully completed in January 2020, attracting interest from the existing Shareholder base in Sweden and Norway.

9.3 Management's discussion and analysis of cash flow

9.3.1 General

The Group's main cash outflow in the past has been related to the cash outflow from the operating loss. Limited revenue has been earned from initial sale of access cards and biometric inlays and demo cards. Government support from Skattefunn has contributed to cash inflow, as has the EU Horizon 2020 program.

When Zwipe reaches the commercial phase, the main cash inflows are expected to come from gross profits on sale of integrated circuits and systems and biometric inlays. Zwipe also plans to earn license fees and royalties on its IP from partners which integrate Zwipe Core technology.

The main future cash outflows will be related to operating costs and COGS. The Group has no obligations to make any significant investment in tangible or intangible assets. Some investments in the inlay production line is expected. As part of the agreement with Idemia, disclosed in the third quarter of 2019, Zwipe will be contributing financially toward the development of a new technology platform. One installment of approximately NOK 10.4 million is remaining to be paid to Idemia in 2021.

No cash resources are restricted besides employees' withheld taxes and a collateral for bank guarantee placed on a restricted bank account.

There are no restrictions on transfer of funds either way between the parent company and its subsidiary, other than the conventional restrictions under relevant company law and accounting regulations in Norway and the U.S. There is no reason to expect that there will be any negative effect on the Group's or the parent company's business or financial situation in this respect. The Group does not foresee any hindrances to cross-border cash flows in its expected business.

9.3.2 *Cash flow for the six months ended 30 June 2020*

During the first half of 2020, the cash flow from operations and investments, before financing and facilitation, was negative NOK 42.0 million.

The cash flow from operations is driven mainly by the operating loss incurred through the period. The Group is still in a pre-commercial phase, and sales were negligible at NOK 0.9 million. COGS of NOK 0.2 million, work force cost of NOK 6.9 million and other operating expenses of NOK 24.5 million are main contributors to a loss excluding depreciation and amortization of NOK 30.7 million. Other operating expenses are driven mainly by external costs to suppliers and contractors contributing to Zwipe's technology development programs and includes the second of four stages in our joint technology investments with Idemia (NOK 9.7 million).

As mentioned in section 9.1.2, after successfully executing on our streamlining program communicated in November 2019, we have, despite a negative currency effect of 8 % compared to 2019 currency rates, managed to decrease our underlying operating expenses by 40%. Consequently, average monthly operational cash outflow was NOK 4.9 million in second quarter 2020 versus NOK 7.6 million in second quarter 2019. During the first half of 2020, cash flow from operations and investments, before financing and facilitation, was NOK -42.0 million. Adjusting for one-off costs related to the joint technology investment with Idemia (NOK 9.7 million) and the restructuring program (NOK 2.3 million), the operating cash flow was NOK -30.0 million.

The Group capitalized NOK 0.9 million during the first half of 2020, mainly in the ASIC project and test equipment for its R&D laboratory in Colorado Springs, USA. Short-term capital elements (inventory, receivables, supplier debts etc.) decreased by NOK 11.1 million.

The Group received gross proceeds of approximately NOK 67 million through a new equity issue, and net NOK 58.6 million less direct transaction costs of NOK 8.4 million. Furthermore, Zwipe was granted a bank loan of NOK 2.4 million through the US government Paycheck Protection Program (PPP). Loans given to previous employees of NOK 0.6 million were repaid to Zwipe during H1 2020.

Total cash from financing activities in the first half of 2020 amounted to NOK 61.5 million, and currency effects is NOK 0.4 million.

Net cash flow for the first half of 2020 was positive NOK 19.9 million.

9.3.3 *Cash flow for the twelve months ended 31 December 2019*

The operational cash flow was negative with NOK 85.0 million during 2019. Sales were insignificant at NOK 1.5 million. COGS of NOK 5.9 million, work force cost of NOK 26.6 million, other operating expenses of NOK 61 million, financial revenue of NOK 0.3 million and tax expenses of NOK 0.2 million were key elements to a result excluding depreciation and amortization of negative NOK 91.9 million.

The Company made investments of NOK 4.6 million in R&D development (ASIC) and a limited number of tools at its manufacturing line. Short-term capital items (inventories, receivables, supplier debts and similar) contributed positively by NOK 7.5 million.

Key financing elements in 2019 included an equity issue of NOK 120 million which impacted cash flow positively, with net NOK 103 million after commissions and fees. Repayment of shareholder loan consumed NOK 15 million and payment of a convertible loan of NOK 9.4 million.

The net cash flow for 2019 was positive NOK 12.4 million.

9.4 Investments

Investments by category (in TNOK)	Six months ended 30.06		Year ended 31.12		
	2020 (unaudited)	2019 (limited review)	2019 (audited)	2018 (audited)	2017 (audited)
Property, plant and equipment*	706	1,537	1,912	1,012	2,586
Intangible assets**	617	3,182	7,852	6,126	3,434
Total investments	1,323	4,719	9,764	7,138	6,020

* Property, plant and equipment comprise building fixtures, office machines/equipment and NREs. Further description is provided in Section 9.4.1 below in the paragraph "Property plant and equipment".

** Intangible assets comprise investments in the development projects. Further description is provided in Section 9.4.1 below in the paragraph "Intangible assets".

9.4.1 Historic investments

Property, plant and equipment

R&D activities related to development of the production line are viewed as investments and capitalized only when satisfying certain criteria. These investments are shown under property, plant and equipment and are typically NREs.

In 2017, the Group increased its investments in property, plant and equipment. The investments were mainly related to preparing and improving its production lines for the biometric inlay, payment demo cards and ID cards. The investments of NOK 2.6 million included tooling, machines and NRE charges necessary to set up the production line for professional manufacturing of Zwipe's products, whereof the NRE charges accounted for NOK 2.3 of the total investments. The majority of these investments were made in H1 2017. Zwipe also invested NOK 0.3 million in a new R&D lab in Colorado Springs in H1 2017.

In 2018, the Group invested NOK 0.9 million in testing and prototyping equipment for use in its development and production facilities for biometric inlays in Colorado Springs, USA. The remaining NOK 0.1 million represented minor building upgrades. The focus on strengthening development and production facilities was carried over into 2019.

In 2019, the Group invested NOK 1.9 in fixed assets. NOK 1.2 million was invested in tools, NRE and operating equipment for use in its production line for biometric inlays. The Group invested NOK 0.7 million in a post placement machine placed in Colorado Spring, USA.

Intangible assets

In 2017, investment in intangible assets comprised of investments in the Groups' patent portfolio.

In 2018, the Group invested NOK 1.7 million in the PSoC6 project and NOK 4.4 million in the ASIC project.

In 2019, the Group invested NOK 7.85 million in the ASIC project. The project is expected to be finalized in 2020.

9.4.2 *Investments in progress*

The Group expects to complete the development of Zwipe Z5 in H2 2020 and will have invested approximately NOK 13.5 million in third party development cost related to this project upon completion. At the date of this Prospectus, the estimated remaining investments related to the project is approximately NOK 0.3 million. The investments will be funded by existing liquidity and by the proceeds from the Horizon 2020 grant.

The Group will continue to invest in its IP portfolio, further extending patents coverage. Costs related to patent registration and management are expensed, and currently represent a cost of approximately NOK 2.9 million p.a. These ongoing expenses will be funded by the proceeds from the Private Placement and the Subsequent Offering.

The Group will continue its investment in Zwipe Pay ONE, based on the Idemia collaboration. The estimated remaining expenses after 30 June 2020 related to the project Zwipe Pay ONE is approximately NOK 19 million, including final payments to Idemia of approximately NOK 10.4. The majority of this amount will be expensed, rather than capitalized. The ongoing investments will be funded by the proceeds from the Private Placement and the Subsequent Offering.

The Group will continue investments in the wearable project. Remaining investments in the wearable project are estimated at NOK 1.5 million. The investments will be funded by pilots and from proceeds from the Horizon 2020 grant. The Group expects to complete the developments of the wearable in H2 2020.

9.4.3 *Future estimated investments*

Except as described in Section 9.4.2 "Investments in progress", the Company does not have any specific capital expenditures committed or resolved. However, the Company will continue to channel investments as well as operating expenses toward R&D, technology development, commercialization processes, market presence and partnerships.

The development project of Zwipe Z5 is planned to be completed in H2 2020. The Company has not yet planned any continued development of the ASIC after completion. Depending on market acceptance and adoption, further development of the ASIC may be required in order to stay ahead of the technological curve.

The Group's current set-up is otherwise, as regards infrastructure, production lines, suppliers, etc., largely sufficient to carry out and complete the full-scale deployment of the biometric payment cards in accordance with the current plan, and no other significant ramp-up is required if the roll-out takes place in line with said plan.

Over the next six months, the Company will incur limited investments to be capitalized.

10 Liquidity and capital resources

10.1 Capitalization and indebtedness

10.1.1 Capitalization

The Group is funded by equity, a minor governmental loan, governmental grants and supplier credits. It does not have any debt to banks, except for bank loan granted through the Paycheck Protection Program in the US, which is eligible for loan forgiveness. The group does not have any debt to financial institutions and have not issued any bonds. Funding through equity, while pursuing potentials for grants, reflects the Group's funding policy, ref Section 10.2 "Treasury and funding policy".

The information supplied in this Section stems from the Interim Financial Statements and the Q3 2020 Operational Update.

The following events after 30 June 2020 and until the date of this Prospectus are considered material:

- The cost program announced in November 2019 is on track, with average monthly operational cash outflow during Q3 2020 of NOK 4.4 million vs. NOK 7.6 million in Q3 2019. The average monthly cash outflow is in line with expectations for the period.
- The closing cash balance at end of Q3 2020 was NOK 117.3 million, which is an increase of NOK 74.1 million from Q2 2020. The development in cash balance since Q2 2020 is mainly a result of the private placement with net cash effect of NOK 85.7 million for the Private Placement, the third of four stages of our joint technology investments with Idemia of NOK -10.2 million, grant from EU's Horizon 2020 program of NOK 9.8 million and operational cash outflow of NOK -13.3 million for the quarter.

Capitalization (in TNOK)	30 June 2020 H1 statement (unaudited)
Total current debt and liabilities:	
Guaranteed	
Secured	
Unguaranteed/Unsecured	14,876
Total non-current debt and liabilities:	
Guaranteed	
Secured	
Unguaranteed/Unsecured	2,419
Total indebtedness	17,296
Shareholders' equity	
Shareholders' equity	47,251
Share capital	2,553
Total Shareholder's equity	49,803
Total capitalization	67,009

The Company's debt to equity ratio is as of 30 June 2020 34.7%, down from 37.8% as of 31 December 2019. The unsecured current debt, which comprises financial liabilities as reported in the balance sheet, consists of accounts payable, accrued expenses and similar working capital items.

There are no ongoing intercompany financial loan agreements in the Group at the date of this Prospectus.

Other non-current liabilities comprise a bank loan granted to Zwipe America Inc. through the Paycheck Protection Program. The loan is at 1% interest rate, payable in two years. Zwipe may be eligible for partial or full loan forgiveness given fulfilment of a set of requirements.

Shareholders' equity decreased by NOK 30.6 million during the first six months of 2020, with major drivers being the accumulated loss before tax of NOK 31.5 million at the end of H2 2020.

10.1.2 *Net financial indebtedness*

Net financial indebtedness (in TNOK)		30 June 2020 H1 statement (unaudited)
(A)	Cash	43,168
(B)	Cash equivalents	
(C)	Trading securities	
(D)	Liquidity (A)+(B)+(C)	43,168
(E)	Current financial receivables	9,617
(F)	Current bank debt	
(G)	Current portion of non-current debt	
(H)	Other current financial debt	-
	Current financial debt	
(I)	(F)+(G)+(H)	-
(J)	Net current financial debt (I)-(E)-(D)	-52 785
(K)	Non-current bank loans	2 419
(L)	Debt securities issued and subord. loan	
(M)	Other non-current loans	
	Non-current fin. debt	
(N)	(K)+(L)+(M)	
(O)	Net financial indebtedness (J)+(N)	-50 366

The cash position was increased by NOK 19.9 million in the first six months of 2020, as the Company was operating at a cash loss and reduced its short-term liabilities by NOK 15.5 million, while the private placement and share issue completed in January 2020 contributed positively to the cash flow by net NOK 58.6 million. The Private Placement in September 2020 contributed positively to the cash flow by NOK 90.8 million (net after fees and commissions), and the Subsequent Offering in Q4 2020 is estimated to

contribute positively to the cash flow by up to NOK 15 million, gross before commissions. Please refer to section 10.1.1 for the most material financial events after 30 June 2020.

At the time of the Prospectus, the Group does not have any debt to banks or financial institutions, except for bank loan of NOK 2.4 million granted through the Paycheck Protection Program in the US, which is eligible for loan forgiveness. The Group's liabilities comprise accounts payables, accrued expenses and similar working capital items. Current ratio (short-term assets to short-term liabilities) is as of 30 June 2020 3.8, up from 3.3 as of 31 December 2019.

10.2 Treasury and funding policy

The Group does not buy or issue financial instruments other than shares, warrants and subscription rights as resolved or authorized by the General Meeting. The Group is funded by equity, loans, grants and supplier credits.

The American subsidiary has been funded by equity and through advances by the parent company covering the working capital needs and investments. The operating cost base is mainly in NOK, USD or EUR. The revenue and COGS are in USD. Until the Group has achieved a business with recurring, predictable revenue streams, currency hedging will not be considered as the current currency risk is deemed fairly moderate.

The Group's cash is largely held in NOK based deposit accounts with DNB Bank ASA. The American subsidiary's cash is held in a reputable local bank.

Zwipe has no restrictions on application of its capital resources, besides employees' withheld taxes and a collateral for bank guarantee placed on a restricted bank account.

As the Group is currently not operating with a positive cash flow, no dividends will be disbursed from the Company. The Board of Directors will consider recommendation of a dividend policy at the time the Group has achieved predictable income streams and positive cash flows from its operations.

10.3 Working capital statement

The Company is of the opinion that the working capital available is sufficient for the Group's present requirement.

11 EMV regulatory framework

Zwipe's products are subject to very strict requirements related to certification of payment products for use under various payment scheme brands like Visa, MasterCard, China Union Pay, American Express or others (hereinafter a "**payment scheme**").

The card manufacturer must be a payment scheme certified payment card vendor or manufacturer and the products themselves must attain certification approval by such payment schemes prior to large scale commercial deployment. Prior to receiving such certification, small scale commercial installations can be made, but in such cases under specific agreements/waivers with payment schemes with a defined volume, user population and duration of the pilot. Only issuers can apply for a waiver by a payment scheme. Once certification is achieved for the target products by the payment card manufacturers, and the payment card manufacturer receives a Letter of Approval, the payment card manufacturer can deploy the products without limitations for a period of 1 to 3 years before an extension is required.

In order to make the Zwipe products certification compliant, Zwipe is responsible for obtaining the necessary certification references from partnering suppliers and achieving component certification with accredited laboratory tests of said components.

This includes the following entities:

- secure element
- card operating system and payment applet
- system design and security architecture
- algorithm and its biometric performance with the sensor used
- sensor component certification
- card inlay and its energy harvesting performance under standardized ISO conditions
- finished reference card passing durability test like torsion and bending

Zwipe is working with 3rd party certification test laboratories, recognized in the industry and relied upon by the payment schemes, to provide objective auditing of Zwipe Core Technology in reference to the specific requirements raised by the payment scheme (and in some cases the payment card vendor or manufacturer itself) to prove certification requirement compliance.

Such 3rd party auditing, embodied in reports on compliance results in component certifications like CCS in the case of MasterCard. Only an accredited payment card manufacturer can apply with a payment scheme for certification of a finished card, ultimately leading to the issuance of a Letter of Approval for a specific payment card product, effectively allowing the manufacturer to commercially deploy the payment card product in scale. The certification process requires significant cost and duration. Offering pre-certified components therefore simplifies processes and represents a huge relief for smart card manufacturers. Ideally, the final certification of a finished biometric payment card can be purely paper-based, meaning without any additional testing or validation.

Zwipe gained quite some experience in the certification with its so-called "V3" platform dedicated for piloting. It passed both the biometric performance validation, the interoperability tests with different card terminals and also scored a top security rating of its inlay solution including firmware, MCU and system-level.

Going forward, Zwipe has engaged with a certification expert and leading schemes to ensure all necessary component certifications for the high volume offering Zwipe Pay ONE will be available on time. This will turn certification of customers' biometric payment cards into a seamless process.

12 Board, management, employees and corporate governance

12.1 Introduction

The Company's highest authority is the General Meeting of Shareholders. All Shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested in the Board of Directors and the Management. In accordance with the Companies Act, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Company's operations in accordance with the Companies Act and instructions set out by the Board of Directors. Among other responsibilities, the Company's CEO is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must according to the Companies Act brief the Board of Directors about the Company's activities, financial position and operating results at least every four months.

12.2 The Board of Directors

12.2.1 Overview

The Company's articles of association (the "**Articles of Association**") provide that the Board of Directors shall consist of a minimum of two and a maximum of nine Directors. The Board of Directors is elected by the Company's Shareholders at the General Meeting. In accordance with the Articles of Association, the General Meeting has elected a Nomination Committee, inter alia responsible for issuing a recommendation to the annual general meeting (and other General Meetings) on who should be elected as members and deputy members of the Board of Directors.

The current Board of Directors consists of six Directors, all of whom have been elected by the General Meeting.

The composition of the Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance, dated 17 October 2018 (the "**Norwegian Corporate Governance Code**"), meaning that (i) the majority of the shareholder-elected Board members are independent of the Company's executive management and material business contacts, and (ii) at least two of the shareholder-elected Board members are independent of the Company's main Shareholders (Shareholders holding more than 10% of the Shares in the Company).

The composition of the Board of Directors is also in compliance with the independence requirements of the Swedish Corporate Governance Code, revised on 1 January 2020 (the "**Swedish Corporate Governance Code**"), meaning that (i) the majority of the shareholder-elected Board members are independent of the Company and its executive management, (ii) no more than one Board member is a member of the executive management of the Company or a subsidiary, and (iii) at least two of the Board members who are independent of the Company and its executive management are also independent in relation to the Company's major Shareholders (Shareholders holding more than 10% of the Shares in the Company).

The Company's registered business address at Rådhusgata 24, N-0151 Oslo, Norway, serves as the business address for the Directors in relation to their directorship of the Company.

The following table sets forth, as at the date of this Prospectus, the Directors of Zwipe.

Name	Position	Served since	Term expires
Jörgen Lantto	Chair	2016*	2022
Dorian Barak	Director (Board member)	2019	2022
Johan Biehl	Director (Board member)	2018	2022
Dennis Jones	Director (Board member)	2018	2022
Diderik Schonheyder	Director (Board member)	2020	2022
Pål Eivind Vegard	Director (Board member)	2020	2022

* Mr. Lantto was elected as a Director in November 2016 and as Chair at the Company's AGM in May 2018.

12.2.2 *Brief biographies of the current members of the Board*

Set out below are brief biographies of the current members of the Board, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Director is or has been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Jörgen Lantto, Chair

Previously CEO of Fingerprint Cards AB, Mr. Lantto held the position during a period of unprecedented global growth. Prior to being appointed CEO, he was Executive Vice President, CTO and Head of Strategy and Product Development. Before his time at Fingerprint Cards he held a wide range of senior executive positions at the ICT Company Ericsson. Well known and highly respected in the biometrics industry, he has extensive expertise in helping technology companies grow on an international scale.

Current directorships and management positions:	Board member of Bromma Tech Consulting AB; board member of Dirac Research AB; board member of Wirepas Oy; board member Cambridge Mechatronics Ltd; advisory board member Intrinsic ID (2017-ongoing); board member of Tobii AB
Previous directorships and management positions last five years:	Chief executive officer of Fingerprint Cards AB (2014-2016); board member Actiwave AB (2013-2015); board member of Anacatum Design AB (2014-2016); board member of Opalum AB (2013-2015); board member of myFC Holding AB (2017-2019)

Dorian Barak, Director

Mr. Barak is a veteran private equity investor and fund manager, and serves on the boards of directors of companies active in the technology and natural resources sectors in Europe, Asia, Africa and Israel. He is currently chief investment officer of an investment fund focused on technology resources and, formerly, held a variety of leadership roles within the fund management and investment banking sectors. Educated at Yale Law School, Oxford University, and UCLA, Mr. Barak began his career as a management consultant with BCG and a corporate attorney at Skadden, Arps.

Current directorships and management positions:	CEO of Indigo Global; Founder and Chief Investment Officer, Frontier Strategic Resources Fund; Board member of Eyesight Technologies Ltd.; Board member of Alufer Mining Limited; Board member of Agent Video Intelligence Ltd.
Previous directorships and management positions last five years:	Managing Director, Kuang-Chi GCI Fund; Board Member of KuangChi Science Limited (HK:0439); Board Member of

Reorient Group Limited (HK:0376); Board Member of
Nowforce Ltd.

Johan Biehl, Director

Mr. Biehl is a private investor, who has devoted the past eight years to managing his personal investments. He is a board member and investment manager at Feat Invest AB since 2016. Mr. Biehl is focused on small and micro caps and has some ten investments in listed and unlisted companies in a variety of industries with a predominance in tech companies. Before going into the financial industry, he held various positions in business-to-business (B2B) sales and sales management. He has studied economics and business, and he holds a degree in finance from Stockholm University.

Current directorships and management positions:	Board member and investment manager in Feat Invest AB; board member in Biehl Invest AB; board chair in Nitro Games Oyj
Previous directorships and management positions last five years:	Board member in Bostadsrättsföreningen Lövsångaren i Gävle (2013-2015); board member in Skilled Monkey AB (2018)

Dennis Jones, Director

In 2018, Mr. Jones retired as the COO of TSYS Issuer Solutions, a U.S. based global payment processing company, and as chair of Paysafe PLC, a U.K. based Financial Times Stock Exchange 250 Index global payments company (a position he held until December 2017). Mr. Jones has extensive experience in the FinTech, payments and payment processing sectors, having held executive and board roles a) in the United Kingdom as chair of MasterCard UK Ltd and various executive roles with Royal Bank of Scotland (RBS) and National Westminster Bank (NatWest); and b) in the U.S. as a director, president and chief executive officer of RBS National Bank, as a non-executive director of Argus Information Services Inc., and as a non-executive director of Kroger Personal Finance. Mr. Jones has also worked in China as an executive director of the RBS / Bank of China credit card joint venture. He has a Bachelor of Science honours degree in Electrical and Electronic Engineering from the University of Northumbria in the United Kingdom in 1980.

Current directorships and management positions:	Director, D & PM Associates Limited
Previous directorships and management positions last five years:	Chair of Paysafe PLC (2014-2017); Chair of TMS Ltd

Diderik Schonheyder, Director

Mr. Diderik Schonheyder is a recognized authority on payment products, services and systems development with more than 35 years' experience as an executive, advisor and investor in the information technology and telecommunications industry. He previously served in global roles at Visa International and MasterCard, where he was instrumental in the development of a multi-currency clearing and settlement system, the creation of a seven-year international debit card product roadmap and an EMV purse application. After graduating from San Francisco State University, Mr. Schonheyder a Norwegian citizen, worked in the Bay Area for six years, then in London, Brussels and Lisbon, where he is presently based. He currently operates as a consultancy company focused on payment ecosystems.

Current directorships and management positions:	Schonheyder & Associates SPRL, The Clydach London Company Ltd.
Previous directorships and management positions last five years:	N/A

Pål Eivind Vegard, Director

Mr. Pål Eivind Vegard is a seasoned entrepreneur, investor, and board member who has been active for over three decades in the telecommunications and software industries in Europe. He established Tele1 Europe in Norway in 1998 before going on to fund several companies. Through his investment company, Concito, he was one of the early backers of Zwipe and he served on Zwipe's board from 2011 to 2016. He was also an early investor and chair of the board in Onecall, today a successful mobile brand owned by Telia.

Current directorships and management positions:	Chair of the board Concito AS and Jensen Software AS
Previous directorships and management positions last five years:	2017 and ongoing: Product Director Telecom Scoopr Mobile (former Hudya) 2014 – 2017 CEO Banzai 4G AS 2013 – 2014 CEO NextNet AS (Banzai was a spin off from NextNet)

12.2.3 Shares and options to acquire Shares held by Directors

As at the date of this Prospectus, the Directors have the following shareholdings in the Company:

Name	Position	No. Of Shares	No. of options granted per the date of this Prospectus	No. of options related to directorship 2019-2020	Anticipated no. of options related to directorship 2020-2021
Jörgen Lantto	Chair	866,666	90,000	40,000	0
Dorian Barak	Director	0	20,000	20,000	0
Johan Biehl	Director	200,714 ¹⁾	40,000	20,000	0
Dennis Jones	Director	62,500	40,000	20,000	0
Diderik Schonheyder	Director	5,000	0	0	0
Pål Eivind Vegard	Director	535,610 ²⁾	0	0	0

¹⁾ Mr. Biehl is a member of the board of Feat Invest AB which holds 301,500 Shares in the Company.

²⁾ Mr. Vegard is the owner of Concito AS, and the 535,610 Shares in the Company is held by Concito AS.

12.3 Management

12.3.1 Overview

The Management consists of six (6) individuals. The names of the members of the Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Position	Employed since
André Løvestam	CEO	2018
Eric Mercer	CEO Zwipe America, Inc.	2018
Dr. Robert Mueller	CTO	2019
Lars Kristian Solheim	CFO	2020
Bishwajit Choudhary	EVP Strategy & Channels	2020

12.3.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner

the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

André Løvestam, CEO

Prior to joining Zwipe, Mr. Løvestam's career comprises several chief executive officer and other executive positions at publicly listed Nordic information and communication technology (ICT) and fast-moving consumer goods (FMCG) companies. From 1989 to 2000, he worked in the Orkla Group, where he spent the years from 1989 to 1994 in various marketing positions and from 1994 to 1997 as sales director at Orkla ASA's subsidiary Lilleborg, before proceeding to chief executive officer of Orkla ASA's subsidiary Sætre AS from 1997 to 2000. Mr. Løvestam was then recruited to the TOMRA Group in 2000 and was the chief executive officer of Tomra Europe AS from 2002 through 2005. From 2006 to 2018, he held chief executive officer and senior executive positions in ICT companies such as Telecomputing ASA, Atea ASA, Umoe IKT AS and Kjedehuset AS. Mr. Løvestam holds a First Class Bachelor of Science (B.Sc.) (Hons) from the University of Manchester Institute of Science and Technology.

Current directorships and management positions:	CEO, Zwipe AS; Chair Share Your Business Sweden AB; Chair Energetic AS
Previous directorships and management positions last five years:	Head of APAC, The Future Group AS (mngt. for hire); CEO Kjedehuset AS (2014-2015); Chair Kjedehuset Eiendom AS (2014-2015); Chair m-Care AS (now Conmodo AS, 2014-2015); Chair Telefast AS (2014-2015); Chair TeleNordic AS (2014-2015); Chair My Beat AB; Chair Our Beat Ventures AB

Lars Kristian Solheim, CFO

Mr. Solheim has a solid track record of CFO and top management positions within the auditing, telecom and financial sectors. After serving with the audit firm EY, he joined the main Norwegian mobile telecom challenger company NetCom/TeliaSonera and quickly graduated through positions as Controller, Financial Manager, CFO and head of strategic projects. Mr Solheim has extensive experience in the areas of M&A, financial governance and business planning. Prior to joining Zwipe, he served as Director with responsibility for the business support functions for IT and operations at the major Scandinavian bank DNB.

Current directorships and management positions:	N/A
Previous directorships and management positions last five years:	Director Business Support Systems DNB ASA (2016-2019); Head of M&A and Corporate Development Telia Norway (2015-2016); CFO Telia Norway (2009-2015)

Eric Mercer, CEO Zwipe America, Inc.

Leading Zwipe's Research and Development Center in Colorado Springs, CO, USA Mr. Mercer is a senior business executive with a focused background in supply chain management and advanced product development. Bringing a wealth of experience across both technical and administrative disciplines, Mr. Mercer joined Zwipe in April 2018 to support supply chain readiness and scaling initiatives. Prior to joining Zwipe he has held multiple management positions, notably at Cobham Semiconductor Solutions (formerly Aeroflex) and Intel Corporation.

Current directorships and management positions:	N/A
Previous directorships and management positions last five years:	Director of Supply Chain and Planning at Diamond Materials Technologies, Inc. (2014-2015); Director of Finance at Cobham

Semiconductor Solutions (2015-2018); Vice President of Supply Chain and Program Management at Zwipe (2018-2019)

Dr. Robert Mueller, CTO (chief technology officer)

Dr. Mueller has a track record of over 20 years in senior technical development positions focusing on biometrics and smart card technology at leading companies such as Siemens, Giesecke+Devrient and BMW. His most recent role was serving as Chief Technology Officer at NEXT Biometrics. Joining Zwipe in April 2019, he is leading the Company's technical development overseeing the US based Research and Development Center and the European Tech Hub based in Munich, Germany. For many years, Mr. Mueller has been a contributor to inter-industry standardization, and he currently serves as the editor for the biometric system-on-card ISO standard.

Current directorships and management positions: N/A

Previous directorships and management positions last five years: Product Director at NEXT Biometrics; Vice President of Biometric Solutions at NEXT; CTO at NEXT Biometrics

Bishwajit Choudhary, EVP Strategy & Channels

Based in Oslo, Mr. Choudhary brings two decades of experience from Nets where he led many new business initiatives within Digital-ID, electronic signatures and mobile authentication for international clients. As the Group Senior Vice President (Strategy) he led Nets' market intelligence and strategy execution and played a key role in many commercial initiatives, notably open-banking data analytics, customer advisory, strategic alliances and FinTech partnerships. Prior to joining Zwipe, he was Chief Commercial Officer at UserTribe, a global leader in delivering deep customer insights in 100+ countries based on live experience data.

Current directorships and management positions: N/A

Previous directorships and management positions last five years: Chief Commercial Officer, UserTribe, Senior Vice President (Group Strategy), Nets, 2012-2019

12.3.3 Shares held by the members of Management

As of the date of this Prospectus, the members of Management have the following shareholdings in the Company:

Name	Position	No. of Shares	No. of options
André Løvestam	CEO	500,000*	640,000
Lars Kristian Solheim	CFO	90,000	150,000
Eric Mercer	CEO Zwipe America, Inc.	5,500	100,000
Dr. Robert Mueller	CTO	48,572	120,000
Bishwajit Choudhary	EVP Strategy & Channels	25,500	90,000

* Mr. Løvestam's shares are held through the company Energetic AS where he and his wife each own 50% of the shares.

12.4 Board sub-committees

The Board has appointed a compensation committee (the "**Compensation Committee**") consisting of three members elected by and among the Board. This committee is appointed by the Board under respective terms of reference that specify its authorities, duties, reporting responsibilities and reporting procedures.

The Compensation Committee currently consists of Jörgen Lantto, Dorian Barak and Johan Biehl.

The Compensation Committee's duties are (i) to propose remuneration of the CEO and approve remuneration of Management, and (ii) to develop the Company's share-based incentive program, which was revised in November 2018, ref. Section 13.4.3 "Share-based incentive programs".

The Company does not have a formal audit committee overseeing financial reporting and disclosure, but will establish such a committee when deemed necessary.

12.5 Nomination Committee

In an EGM held 11 April 2019, the General Meeting resolved to establish a nomination committee, including guidelines for the nomination committee's work. The nomination committee (the "**Nomination Committee**") is elected by the General Meeting and shall have four members, including the Chair of the Board of Directors. The General Meeting appoints the chair of the committee and determines the compensation to the members of the committee. The members are elected for a two-year period unless otherwise decided by the General Meeting.

The duties of the Nomination Committee are to issue a recommendation to the annual general meeting (and other General Meetings) on who should be elected as members and deputy members of the Board of Directors and the Nomination Committee, and on the remuneration to these members.

The first members of the Nomination Committee were elected in the AGM held 14 May 2019. The appointed members of the Nomination Committee are Jörgen Lantto (chair), Magnus Berner (committee member) and Paal Raaholt (committee member).

As approved in the AGM held 14 May 2020, each member of the committee shall receive a total of NOK 40,000 for each year in the term they are elected (two years). Jörgen Lantto is covered by the board member remuneration and will hence not receive remuneration for his seat on the Nomination Committee.

12.6 Remuneration and benefits

12.6.1 *Remuneration of the Directors*

The table below sets out the total remuneration paid to the Directors in 2019:

Name	Position (in 2019)	Cash compensation	Options to acquire Shares
Jörgen Lantto	Chair	150,000	40,000
Kim Kristian Humborstad*	Deputy chair	0	0
Lars Windfeldt	Director	75,000	20,000
Espen Tøndel	Director	75,000	20,000
Francis Van den Bosch	Director	75,000	0
Weizi Huang	Director	75,000	20,000
Johan Biehl	Director	75,000	20,000
Dennis Jones	Director	75,000	20,000
Dorian Barak	Director	75,000	20,000

* Mr. Humborstad was covered by the employee incentive program, and did hence not receive any remuneration in connection to his position as a Board member.

The table below sets out the total remuneration for the period from the AGM in 2020 until the AGM in 2021, as resolved in the AGM in 2020:

Name	Position (in 2019)	Cash compensation	Options to acquire Shares
Jörgen Lantto	Chair	260,000	0
Dorian Barak	Director	130,000	0

Johan Biehl	Director	130,000	0
Dennis Jones	Director	130,000	0
Diderik Schonheyder	Director	130,000	0
Pål Eivind Vegard	Director	130,000	0

12.6.2 Remuneration of the Management

The table below sets out the total remuneration paid to the current Management in 2019:

Name*	Position (in 2019)	Salary **	Other benefits ***	Pension expenses	Share-based remuneration	Total compensation
André Løvestam	CEO	2,601,827	8,816	22,761	0	2,633,405
Eric Mercer	CEO (Zwipe America, Inc)	1,546,546	79,976	26,424	174,680	1,827,627
Dr. Robert Mueller	CTO	1,535,489	0	0	393,034	1,928,523
Total		5,683,862	88,792	49,185	567,714	6,389,555

* Lars Kristian Solheim and Bishwajit Choudhary were not employed at the Company in 2019

** For Norwegian employees, salary includes salary, bonus and holiday allowance.

*** Other benefits include telephone, internet etc.

The table below sets out the details of the share-based remuneration granted to the current Management in 2019:

Name	Position (in 2019)	Granted	Exercise price	Exercise period	Expiry date
Eric Mercer	CEO (Zwipe America, Inc.)	40,000	16.20	31.12.19-30.06.22	1 July 2023
Dr. Robert Mueller	CTO	90,000	16.20	31.12.19-30.06.22	1 July 2023

12.6.3 Remuneration of the Nomination Committee

The table below sets out the total remuneration for the period from the AGM in 2020 until the AGM in 2021, as resolved in the AGM in 2020:

Name	Position	Cash compensation	Options to acquire Shares
Jörgen Lantto*	Committee member	0	0
Magnus Berner	Committee member	40,000	0
Paal Raaholt	Committee member	40,000	0

* Mr. Lantto is covered by the Board member remuneration and will hence not receive options for his seat on the nomination committee.

12.7 Benefits upon termination

No members of the Board or employees including members of the Management are entitled to benefits (e.g. severance pay) upon termination of employment in the Company.

12.8 Pensions and retirement benefits

Zwipe AS provides a fully insured defined contribution scheme (Norwegian: "*obligatorisk tjenestepensjon*") for all its employees. The scheme meets the minimum level mandatory service pension in Norway. The contribution is 2% of the employee's annual salary between 1G and 12G. G is the basic amount in the Norwegian social security system, amounting to NOK 101,351 in 2020.

Employees of Zwipe America Inc. are offered coverage in an insured health plan comprising health coverage, dental coverage and vision coverage. Zwipe covers 100% of the monthly premium. Zwipe

America Inc. introduced a program for introducing life insurance and short- and long-term disability insurance, as well as a 401k retirement plan with employer match, in 2019 and 2020.

12.9 Loans and guarantees to the members of the Management

Zwipe has currently issued no loans to any members of the Management team or other employees.

12.10 Conflict of interests and independence of the Board

To the Company's knowledge, there are currently no actual or potential conflicts of interest between the Group and the private interests or other duties of any of the Directors or members of the Management.

No Director has been appointed by and among the Company's employees.

12.11 Convictions for fraudulent offences, bankruptcy etc.

None of the Directors or members of the Management have during the last five years preceding the date of this Prospectus:

- Been accused or charged with convictions related to indictable offences or fraudulent offences;
- Received any official public incrimination and/or sanction by any statutory or regulatory authority (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- Been declared bankrupt or been associated with any bankruptcy, receivership, liquidation or companies put into administration in his or her capacity as a founder, director or senior manager of a company.

12.12 Employees

As of the date of this Prospectus, the Group has a total of 25 employees including contractors. The table below sets forth the respective disciplinary groups that these employees belong to:

Disciplinary group	Number of employees	Number of employees	Number of employees	Number of employees
	End June 2020	End 2019	End of 2018	End of 2017
Administration and finance	3	3	5	4
Technology, research and development	10	10	14	14
Sales and marketing	5	6	7	5
Supply chain	2	4	3	4
Products	0	0	1	1
IP	0	0	1	1
Total	20	23	31	29

Five of the 20 employees are based at the Company's head office located in Oslo, Norway, whilst 7 employees are based in Colorado Springs, USA. Two consultants are based in Germany and one in each of England, France, Israel, Italy, Lithuania and Taiwan.

13 Share capital and Shareholder matters

The following is a summary of certain corporate information and material information related to the Shares and Zwipe's share capital and certain other Shareholder matters, including summaries of certain provisions of the Articles of Association and Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Articles of Association and Norwegian law.

13.1 Corporate information

The Company's registered name is Zwipe AS, and its trading name is Zwipe.

The Company is a private limited liability company organized and existing under the laws of Norway pursuant to the Companies Act.

The Company's registered office is at Rådhusgata 24, NO-0151 Oslo (in the municipality of Oslo), Norway.

The Company was incorporated on 8 September 2009 as a private limited liability company.

The Company's business register number is 994 553 607.

13.2 Shares, share capital and share capital history

As at the date of this Prospectus, the Company's share capital is NOK 3,190,657.60, divided into 31,906,576 Shares with each Share having a nominal value of NOK 0.10. The Shares have been created, and the Offer Shares will be created, under the Companies Act and are validly issued and fully paid.

The Shares in the Company are registered, and the Offer Shares will be registered, in book-entry form with the VPS under International Securities Identification Number (ISIN) NO0010721277, and the register of Shareholders in the VPS is administrated by DNB Verdipapirservice. Offer Shares being offered to Shareholders and external investors outside of Norway, will through the cooperation with SIX SIS AG and Euroclear also be registered with Euroclear in order to be tradable on Nasdaq First North Growth Market.

The Company has one class of shares, each Share carrying equal shareholder rights, including one voting right at the General Meeting.

Neither Zwipe nor Zwipe America Inc. directly or indirectly owns Shares.

The table below shows the development in the Company's share capital for the period from 1 January 2017 to the date hereof:

Date of resolution	Type of change	Change in share capital (NOK)	Subscription price (NOK)	Number of new Shares	New share capital (NOK)
	Number of shares and share capital prior to 1 January 2017:			5,195,557	519,555.70
07.12.2017	Capital increase (private placement)	223,010.50	20.00	2,230,105	742,566.20
22.05.2018	Capital increase (rights issue)	200,000.00	10.00	2,000,000	942,566.20
18.01.2019	Capital increase (debt conversion)	52,054.30	18.00	520,543	994,620.50
18.01.2019	Capital increase (private placement and retail tranche)	600,000.00	20.00	6,000,000	1,594,620.50
14.05.2019	Capital increase (exercise by employees of options to acquire shares)	708.30	10.00	7,083	1,595,328.80
02.12.2019	Capital increase (rights issue)	957,197.30	7.00	9,571,973	2,552,526.10
14.09.2020	Capital increase (private placement)	604,798.20	15.00	6,047,982	3,157,324.30
09.10.2020	Capital increase (private placement)	33,333.30	15.00	333,333	3,190,657.60

Date of resolution	Type of change	Change in share capital (NOK)	Subscription price (NOK)	Number of new Shares	New share capital (NOK)
	Total number of Shares and share capital at the date of this Prospectus:			31,906,576	3,190,657.60

13.3 Major Shareholders

The table below shows the twenty (20) largest Shareholders of the Company as per 30 September 2020:

Top 20 Shareholders	Number of Shares	% of shares
Vasastaden / Niclas Eriksson and related parties*	3 683 658	11.67%
Lars Windfeldt and related parties**	1 712 528	5.42%
Coeli Wealth Management AB	1 530 139	4.85%
Försäkringsaktiebolaget, Avanza Pension	1 150 800	3.64%
JPMorgan Prime Nominees Ltd, NQI	864 820	2.74%
Nordnet Bank AB	650 096	2.06%
Nordnet Pensionsförsäkring AB	604 112	1.91%
Skandinaviska Enskilda Banken AB	585 014	1.85%
Concito AS	535 610	1.70%
Jörgen Lantto***	533 333	1.69%
Avanza Bank AB	510 217	1.62%
Skandinaviska Enskilda Banken AB	506 907	1.61%
Energetic AS	500 000	1.58%
Deutsche Bank AG, London branch, W-8ben	457 160	1.45%
Telecom AS	340 000	1.08%
Futur Pension Försäkringsaktiebolag	325 000	1.03%
Feat Invest AB	301 500	0.95%
Union Bancaire Orivee, UBP SA	255 346	0.81%
Prog Seed AS	241 338	0.76%
Svenska Handelsbanken AB	229 122	0.73%
Total top 20 Shareholders	15 516 700	49.15%

* Vasastaden / Niclas Eriksson owns shares through various companies and is also represented by family members.

** Lars Windfeldt owns shares through various companies and is also represented by family members.

*** Jörgen Lantto purchased 333,333 shares in the Private Placement. However, as the purchase was subject to approval from the EGM held 29 September 2020, the shares were not registered when this list was compiled.

The list has been prepared by the Company using due care based on information extracted from the VPS, but the Company takes no responsibility for the correctness of the information in the list.

13.4 Share-based incentive programs and authorization to issue new Shares

13.4.1 Authorization to fulfil the Company's incentive program

At the AGM held 14 May 2020, the Board of Directors was granted an authorization to increase the share capital to fulfil the Company's incentive program.

According to the terms of the authorization, the Board of Directors may set aside the preferential rights of the Shareholders to subscribe to new Shares pursuant to Section 10-4 of the Companies Act (see item 4 of the resolutions).

The authorization is valid until the AGM in 2021, however not beyond 30 June 2021.

The authorization allows for increases of the share capital of up to NOK 216,946.70 (see item 1 of the resolution), corresponding to 8.5% of Zwipe's share capital at the time of the AGM. The authorization may be used to issue shares to (i) employees, (ii) members of the Board of the Company or other corporate bodies as decided at the Shareholders Meeting and (iii) other key personnel of the Company in accordance with incentive schemes, provided that such schemes are approved by the Board. The authorization to increase the share capital reads as follows:

1. *"The board of directors (the Board) is hereby granted authorization to increase the share capital of Zwipe AS (the Company), on one or several occasions, with up to NOK 216 946.70 (2,169,647 new shares), equivalent to 8.5% of the registered share capital at the time of this resolution. authorization may be used to issue shares to (i) employees, (ii) members of the Board of Zwipe AS or other corporate bodies as decided at the Shareholders Meeting and (iii) other key personnel of the Company in accordance with incentive schemes, provided that such schemes are approved by the Board.*
2. *The authorization shall remain in force until the annual general meeting in 2021, however not beyond 30 June 2021.*
3. *pre-emptive right of the shareholders to subscribe to shares may be set aside.*
4. *The authorization does not cover merger decisions according to Section 13-5 of the Private Limited Liability Companies Act.*
5. *This authorization replaces all former authorizations to increase the share capital. Subject to the general meeting's approval, this authorization applies in parallel with the Board authorization that may be used to issue shares to strengthen the Company's equity."*

The authorization has not been used at the date of this Prospectus.

13.4.2 *Authorization to strengthen the Company's equity*

At the EGM held 29 September 2020, the Board of Directors was granted an authorization to increase the share capital to strengthen the Company's e.

According to the terms of the authorization, the Board of Directors may set aside the preferential rights of the Shareholders to subscribe to new Shares pursuant to Section 10-4 of the Companies Act (see item 4 of the resolutions).

The authorization is valid until the AGM in 2021, however not beyond 30 June 2021.

The second authorization may be used to strengthen the Company's equity and allows for increases of the share capital with up to NOK 319,065.80 (see item 1 of the resolution), corresponding to 10% of the Company's share capital after both the capital increases under the Private Placement. The authorization may be used to issue shares to strengthen the Company's equity to the extent the Board considers this to be in the Company's best interest at the given time. The authorization to increase the share capital reads as follows:

1. *"The board of directors is hereby granted authorization to increase the company's share capital, on one or several occasions, with up to NOK 319,065.80 (3,190,658 new shares), equivalent to 10% of the share capital after both the capital increases under the Private Placement have been completed.*

2. *The authorization may be used to issue shares to strengthen the company's equity to the extent the board of directors considers this to be in the company's best interest at the given time.*
3. *The authorization shall remain in force until the annual general meeting in 2021, however not beyond 30 June 2021.*
4. *The pre-emptive right of the shareholders to subscribe to shares may be set aside.*
5. *The authorization covers capital increases in exchange for non-cash payment or a right to charge the company with special obligations pursuant to Section 10-2 of the Private Limited Liability Companies Act.*
6. *The authorization does not cover merger decisions according to Section 13-5 of the Private Limited Liability Companies Act.*
7. *This authorization replaces the authorization to increase the share capital to strengthen the company's equity dated 14 May 2020. Subject to the general meeting's approval, this authorization shall apply in parallel with the Board authorization dated 14 May 2020 to issue shares to fulfil the company's incentive programs."*

The authorization has not been used at the date of this Prospectus. However, the authorization will be used to issue new Shares in accordance with the Subsequent Offering. Assuming all Offer Shares are issued, the authorization allows for increases of the share capital with up to NOK 219,065.80 after the Subsequent Offering is completed.

13.4.3 *Share-based incentive programs*

In November 2018, the Board, following the recommendation of the current Compensation Committee, resolved to introduce a new program for the Group's employees (the "**New SIP**") as replacement of the former share-based incentive program.

The New SIP is based on the authorization that was granted to the Board by the Company's Shareholders at the AGM held 22 May 2018. This authorization has later been replaced by the authorizations granted to the Board on the EGM held 11 April 2019 and on the AGM held 14 May 2020 (see Section 13.4.1 "Authorization to fulfil the Company's incentive program"). The New SIP applies to both the members of the Board of Directors and the Group's employees etc. The size and key terms of the New SIP are described below in Section 13.4.3.2 "Share-based incentive program for the Group's employees etc."

The New SIP was implemented on 30 November 2018 with a total of 1,149,500 options to acquire Shares. As of 30 September 2020, outgoing balance of the total granted options to employees or Board members are 1,675,000. Further, as of 30 September 2020, 260 000 options have a strike price of NOK 25, and the remaining options has a strike price ranging from NOK 6.54 and 16.20. Weighted average strike price was as of 30 September 2020 NOK 11.93.

13.4.3.1 *Share-based incentive programs for the members of the Board of Directors*

Under the New SIP, the Directors can receive the following options to acquire Shares in Zwiipe:

- a) The Chair: 40,000 options per one-year term, entitling the Chair to acquire one (1) new share in Zwiipe for each (1) option.
- b) Each Director: 20,000 options per one-year term, entitling the relevant Director to acquire one (1) new share in Zwiipe for each (1) option.

The options were granted in respect of the performance of the Directors until the annual General Meeting in 2020, and the price payable per share is NOK 25 upon exercise of an option. The options granted per one-year term vest in two portions, with one portion per six months (i.e. 1 January and 1 July each year).

In sum, the Directors hold in total 190 000 options to acquire Shares at a strike price of NOK 25 per Share under the New SIP. For further information on the Shares and options to acquire new shares of the Directors, please refer to Section 12.2.3 "Shares and options to acquire Shares held by Directors".

13.4.3.2 Share-based incentive program for the Group's employees etc.

At the implementation of the New SIP on 30 November 2018, the Board, following the recommendation of the current Compensation Committee, resolved to replace the former share-based incentive program with a program for the Group's employees etc.

For practical purposes, the New SIP was implemented with effect from 30 November 2018, and such implementation involved:

- All the options that had not vested as at 30 November 2018 under the former share-based incentive program, was terminated from such date by replacement of new options under the New SIP (including the options that would otherwise have vested upon the completion of the listing in January 2019).

Under the New SIP, the Group's employees etc. hold options to acquire Shares in Zwipe on the following conditions:

- New employees can be granted options, as well each year the Compensation Committee could resolve to grant options to existing employees for incentives purposes
- The options not already vested are subject to a vesting period of three years with one-sixth of the options vesting every six months from the date the options are granted. Vesting requires that the relevant member of the management is and remains employed by the Company during the relevant six months period.
- Each option that has vested in accordance with the above, entitles the holder to acquire one (1) new share in the Company at a defined strike price based on market conditions at the time the options are granted to the employees.
- The options granted under the New SIP may become subject to an accelerated vesting if a trigger event occurs. Such trigger events include: (i) the sale or other disposition of all or substantially all of the Company's assets, property or business, (ii) a transfer of more than 50% of the shares in the Company to one or more third parties acting in concert (in one or several related transactions), or (iii) a merger or other combination of the Company with another company resulting in the stockholders of the Company immediately after the merger or combination, holding less than 50% of the stock of the surviving entity.
- The options are personal, and the holder may not sell or otherwise transfer the options.

13.5 Convertible loans

The Company has not issued any loan convertible into Shares in the Company.

13.6 Other financial instruments related to Shares

Other than set out in Sections 12.2.3 "Shares and options to acquire Shares held by Directors", 12.6 "Remuneration and benefits" and 13.4.3 "Share-based incentive programs", Zwiipe has not issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for or acquire any Shares.

13.7 Shareholder rights

The Company has one class of Shares in issue and, in accordance with the Companies Act, all Shares provide equal rights in the Company, including the right to one vote per Share and equal right to any dividends.

The rights attaching to the Shares are described in Section 13.8 "The Articles of Association and certain aspect of Norwegian law".

13.8 The Articles of Association and certain aspect of Norwegian law

13.8.1 *The Articles of Association*

The Articles of Association are incorporated by reference to this Prospectus. Below is a summary of the provisions of the Articles of Association.

Object of the Company

The object of the Company is to develop solutions that provide secure, fast and simple identification of persons by means of biometric (fingerprint) technology. The solutions may be used on various hardware platforms, such as cards, phones, computers or any other equipment where the solutions may be implemented. The Company may develop new solutions and will take part in investment, consulting and development activities as well as other activities within relevant markets.

Registered office

The Company's registered office is in the municipality of Oslo, Norway.

Share capital and nominal value

The Company's share capital is NOK 3,190,657.60, divided into 31,906,576 Shares, each Share with a nominal value of NOK 0.10. The Shares are registered with the Norwegian Central Securities Depository (VPS).

Board of Directors

The Board of Directors shall consist of a minimum of two and a maximum of nine Directors.

Authorization to sign on the Company's behalf and procurement

The Chair and the CEO are severally (and not jointly) authorized to sign on the Company's behalf.

The Board of Directors may grant powers of procurement; however, no such power of procurement has been granted by the Board of Directors at the date of this Prospectus.

The General Meetings

In accordance with the Articles of Association, the AGM is required to be held each year by the end of June.

Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, and stipulate that Shares are freely transferrable. Share transfers are not subject to the approval by the Board of Directors.

Electronic communication with the Shareholders

Documents relating to matters to be dealt with by the General Meeting, including documents which by law shall be included in or attached to the notice of the General Meeting, do not need to be sent to the Shareholders if such documents have been made available on the Company's website. A Shareholder may nevertheless request that documents which relate to matters to be dealt with at the General Meeting are sent to him/her.

13.8.2 Certain aspects of Norwegian corporate law

Additional issuances and preferential rights

If the Company issues new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association, i.e. the approval of at least two thirds of the aggregate number of votes cast as well as at least two thirds of the share capital represented at a General Meeting. In addition, under Norwegian law, the Shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be set aside by resolution in a General Meeting passed by the same vote required to amend the Articles of Association. A derogation of the Shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The General Meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to set aside the preferential rights of Shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered with the Company Register.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's Shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the Shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing Shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to Shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. Shareholders may not be able to exercise their preferential rights. If a U.S. Shareholder is ineligible to participate in a rights offering, such Shareholder would not receive the rights at all and the rights would be sold on the Shareholder's behalf by the Company.

Minority rights

Norwegian law sets forth a number of protections for minority Shareholders of the Company, including but not limited to those described in this paragraph. Any of the Shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favours certain Shareholders or third parties to the detriment of other Shareholders or the Company itself. The Shareholders may also petition the courts to dissolve the Company

as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority Shareholders holding 10% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an EGM to discuss or resolve specific matters. In addition, any of the Shareholders may in writing demand that the Company places an item on the agenda for any General Meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the General Meeting has not expired.

Shareholder vote on certain reorganizations

A decision to merge with another company or to demerge requires a resolution of the Shareholders passed by two-thirds of the aggregate votes cast at a General Meeting. A merger plan or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all Shareholders at least one month prior to the General Meeting.

Legal constraints on the distribution of dividends

Dividends may be paid in cash or in some instances in kind. The Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Companies Act provides that the Company may distribute dividend to the extent that its net assets following the distribution covers (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealized gains. The total nominal value of own shares which the Company has acquired for ownership or as security prior to the balance sheet date, as well as credit and security which, pursuant to Section 8-7 to Section 8-10 of the Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorize the Board of Directors to declare dividend on the basis of the Company's annual accounts. Dividend may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution are considered sound.

The Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident Shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 15.3 "Foreign Shareholders – Norwegian taxation".

Procedure for dividend payments

Any potential future payments of dividends on the Shares will be denominated in NOK and will be paid to the Shareholders through the VPS. Payment to investors registered in the VPS whose address is outside Norway will be conducted by the Company's registrar (DNB Verdipapirservice) based on information

received from the VPS. Investors with an address outside Norway who have registered a valid bank account with the VPS will receive the dividend payment to the registered bank account while investors who have not registered a bank account with the VPS will receive the dividend payment as a check mailed to the address that the investor has registered in the VPS. Investors outside of Norway who hold their Shares at a nominee account registered with Euroclear and through the arrangement with SIX SIS AG, will receive the dividend payment based on their agreement with the nominee, assumed to be paid by VPS via SIX SIS AG to Euroclear and further to the relevant nominee.

Related party transactions

Please refer to Section 16.3 "Related party transactions" for a description of the Group's agreements with related parties.

Liability of Directors

Directors owe a fiduciary duty to the Company and the Shareholders. Such fiduciary duty requires that each Director acts in the best interests of the Company when exercising his or her functions and exercises a general duty of loyalty and care towards the Company. The Directors' principal task is to safeguard the interests of the Company.

Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the General Meeting to exempt any such person from liability, but the exemption is not binding if substantially correct and complete information was not provided at the General Meeting when the decision was taken. If a resolution to grant such exemption from liability or not to pursue claims against such a person has been passed by a General Meeting with a smaller majority than that required to amend the Articles of Association, Shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders (which is the case in respect of the Company), more than 10% of the Shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds it receives as a result of the action. If the decision to grant an exemption from liability or not to pursue claims is made by such a majority as is necessary to amend the Articles of Association, the minority Shareholders cannot pursue the claim in the Company's name.

Indemnification of Directors and officers

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company of the Board of Directors. However, as of the date of this Prospectus, the Company has a directors and officers liability insurance program.

Liquidation and dissolution, as well as public administration and winding up

According to the Companies Act, the Company may be liquidated by a resolution in a General Meeting passed by a two-thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at that General Meeting.

The Shares rank *pari passu* in the event of a return of capital by the Company upon a liquidation or otherwise.

In the event a resolution to liquidate the Company has been made, the Company's assets shall be transformed to cash in order to cover the Company's contractual obligations and for distribution to the Shareholders as long as the Shareholders have not accepted to receive the dividends in kind.

13.9 Dividend policy

Zwipe has not paid any dividends since its incorporation, and the Company does not anticipate paying any dividends in the short term.

The dividend policy will, however, be regularly assessed by the Board of Directors, and will depend, among other things, on the Group's financial condition, leverage, liquidity and capital resources, and the expected market conditions.

13.10 Shareholders' agreement

The Company are not aware of any shareholders' agreement between the shareholders of the Company.

13.11 Corporate governance

The Board of Directors' is, among other things, responsible for ensuring that the Company has good corporate governance.

The Norwegian Corporate Governance Code is not mandatory for companies listed on Merkur Market. However, the Company is in compliance with the Norwegian Corporate Governance Code.

The Swedish Corporate Governance Code is not applicable to issuers on Nasdaq First North Growth Market. However, the Company has decided that it in general shall strive to adhere to the Swedish Corporate Governance Code.

Neither the Board of Directors nor the General Meeting have adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime.

14 Securities trading – Merkur Market and Nasdaq First North Growth Market

14.1 Introduction and overview

The Shares are dual listed on Merkur Market in Oslo, Norway ("**Merkur Market**"), and on Nasdaq First North Growth Market in Stockholm, Sweden ("**Nasdaq First North Growth Market**"). However and generally, Shares held by Shareholders in Norway (and certain foreign Shareholders) are listed and traded on Merkur Market and Shares held by Shareholders in Sweden (and certain other foreign countries) are listed on Nasdaq First North Growth Market. Securities trading issues related to Merkur Market are discussed in Section 14.2 and securities trading issues related to Nasdaq First North Growth Market are discussed in Section 14.3. Certain issues connected to transfer of Shares from one market to the other (Merkur Market to Nasdaq First North Growth Market or the opposite) are discussed in Section 14.4.

14.2 Merkur Market

14.2.1 *Introduction, trading and settlement*

Merkur Market is a multilateral trading facility operated by Oslo Børs.

Trading of equities on Merkur Market is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by Oslo Børs, the London Stock Exchange as well as by the Borsa Italiana and the Johannesburg Stock Exchange. In November 2020, the trading system is expected to change to Euronext's electronic trading system, Euronext Optiq®System.

Official trading on Merkur Market takes place between 09:00 CET and 16:20 CET each business day (Monday - Friday), with a pre-trade period between 08:15 CET and 09:00 CET, a closing auction call period between 16:20 CET and 16:25 CET and a post-close period from 16:25 CET to 17:30 CET.

The settlement period for trading on Merkur Market is two trading days (T+2). This means that securities will be settled on the investor's VPS Account two days after the transaction, and that the seller will receive payment after two days. There is no clearing on Merkur Market, only bilateral settlement through VPS.

Merkur Market is expected to change name to Euronext Growth in November 2020.

14.2.2 *Information, control and surveillance*

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under the Merkur Continuing Obligations, a company whose shares are listed on Merkur Market must promptly release any inside information directly concerning the company (*i.e.* precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public.

14.2.3 *The VPS and transfer of Shares*

The Company's Shareholder register (the "**Shareholder Register**") is operated through the VPS, the Norwegian paperless centralized securities register. It is a computerized bookkeeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent..., which can be the Central Bank of Norway (Norwegian: "*Norges Bank*") and central banks that are headquartered in other EEA-states, Norwegian or other EEA-state securities registers, central counterparties, investment firms, savings banks and commercial banks, credit institutions that issue bonds, management companies for securities funds, other types of entities equivalent to these entities that are headquartered in non-EEA-states, and other entities approved by the Norwegian FSA.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, by the relevant company's general meeting, or otherwise.

14.2.4 *Shareholder register*

Under Norwegian law, shares are registered in the name of the owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, shares may be registered with VPS in the name of a depository (bank or other nominee) approved by the Norwegian FSA, to act as nominee for non-Norwegian shareholders. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In the case of registration by nominees, registration with VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote at general meetings on behalf of the beneficial owners. Beneficial owners must register with VPS or provide other sufficient proof of their ownership to the shares to vote at general meetings. The risks connected to the opportunity for Shareholders with their Shares listed at Nasdaq First North Growth Market to participate and vote at the General Meetings are described above in Section 2.5.

14.2.5 *Foreign investment shares listed in Norway*

Non-Norwegian investors may trade shares listed on Merkur Market through any broker that is a member of Merkur Market, whether Norwegian or non-Norwegian.

14.2.6 *Insider trading, duty of confidentiality and due care in handling obligations*

According to Norwegian law, subscription for, purchase, sale or exchange of shares which are listed on Merkur Market must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act and item 3.1.1 of the Merkur Continuing Obligations. The same applies to entry into, purchase, sale or exchange of option or futures/forward contracts or equivalent rights connected with such shares or incitement to such disposition. Violation of these provisions is a criminal act which may be punished by fine or by imprisonment not exceeding six years.

Further, a person possessing inside information must not disclose such information to unauthorised persons and shall handle such information with due care so that the inside information does not come into the

possession of unauthorised persons or is misused. Violation of these provisions is a criminal act which may be punished by a fine or imprisonment not exceeding 1 year.

The Regulation (EU) No 596/2014 (the Market Abuse Regulation or "**MAR**") has not yet entered into force in Norway, but the applicable restrictions are generally corresponding to the restrictions under MAR.

14.2.7 *Squeeze out*

Pursuant to the Companies Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian private limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such squeeze out acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. Should any minority shareholder not accept the offered price, such a minority shareholder may, within a specified deadline not to be of less than two months duration, request that the price be set by the Norwegian courts. Absent such request or other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the two-month deadline.

14.2.8 *No mandatory offer requirement or disclosure obligation for owners*

There is no mandatory offer requirement or disclosure obligation relating to ownership in respect of companies whose shares are listed on Merkur Market, except for the duty to notify transactions by primary insiders, cf. Section 6.2 of the Merkur Continuing Obligations.

14.2.9 *Foreign exchange controls*

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. However, transferring banks is obligated to comply with the anti-money laundering and terrorist financing regulations, which may influence payments from Norway to foreign countries. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

14.3 **Nasdaq First North Growth Market**

14.3.1 *Introduction*

Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65), operated by Nasdaq Stockholm.

As from 28 January 2020, the Shares have been listed on Nasdaq First North Growth Market

All issuers with shares admitted to trading on Nasdaq First North Growth Market have a certified adviser who monitors that the rules are followed. FNCA Sweden AB acts as certified advisor for the Company, in accordance with the rules of the market place. FNCA Sweden AB does not hold any Shares or other financial

instruments issued by the Company. The address of FNCA Sweden AB is Humlegårdsgatan 5, P.O. Box 5807, 102 48 Stockholm.

Certain risks connected to the opportunity for Shareholders with their Shares listed at Nasdaq First North Growth Market to participate and vote at the General Meetings and a possible delisting at Merkur Market, have been described above in Section 2.5.

14.3.2 *Trading and settlement*

Trading in securities on Nasdaq First North Growth Market takes place in Swedish kronor. All price information is produced and published only in Swedish kronor. The round lot for all shares traded on Nasdaq First North Growth Market is one share.

Trading of equities on Nasdaq First North Growth Market is carried out in the electronic trading system INET. In INET, bids and offers are entered in the relevant order book and automatically matched to trades when price, volume and other order conditions are met. Official trading on Nasdaq First North Growth Market takes place between 09:00 CET and 18:00 each business day (Monday - Friday), with pre-trade period between 08:00 CET and 08:45 CET. Opening calls begins at 08:45 CET and ends at 09:00 CET. The closing call ends at approximately 17:30 CET when the closing prices are determined. Post-trading, during which contract transactions for shares can be registered as dealings after trading hours mainly within the price limits based on the trading day, takes place from 17:30 CET to 18:00 CET.

Settlement of trades take place through an electronic account based security system administered by Euroclear. The settlement period for trading on Nasdaq First North Growth Market is two trading days (T+2). This means that the securities will be settled on the investor's account two days after the transaction, and that the seller will receive payment after two days.

14.3.3 *Information, control and surveillance*

Under Swedish law, Nasdaq Stockholm is required to perform a number of surveillance and control functions. Nasdaq Stockholm maintains a market supervision unit ("Trading Surveillance") that monitors trading on a "real time" basis, as described below.

Trading Surveillance monitors trading data for indications of unusual market activity and trading behavior and continuously examines information disseminated by listed companies, such as earnings reports, acquisition and other investment plans and changes in ownership structure on a daily basis. When Trading Surveillance becomes aware of non-public price sensitive information, it monitors trading in the shares concerned to identify unusual trading activity indicating that persons may be trading on that information.

Issuers listed on Nasdaq First North Growth Market must comply with the Nasdaq First North Growth Market Rulebook. Pursuant to Section 4.1 of the Rulebook, the issuer shall disclose inside information in accordance with Article 17 of MAR, which means that the issuer must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). The issuer may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public.

14.3.4 *Euroclear and transfer of Shares*

The Swedish book-entry securities system is centralized at Euroclear, a central securities depository and clearing organization under the Swedish Financial Instruments Account Act. (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*) and the Swedish Securities Market Act. Euroclear maintains the register of shareholders in Swedish companies listed on Nasdaq First North Growth Market. Shares administered by Euroclear are registered in book-entry form on Securities account (VP accounts) and no

share certificates are issued. Title to shares is ensured exclusively through registration with Euroclear. All transactions and other changes to accounts are entered in the system of Euroclear through banks or other securities institutions that have been approved as account operators by Euroclear. The register maintained by Euroclear also contains information on other interests in respect of shares, such as those of a pledgee.

14.3.5 *Shareholder register*

Euroclear will hold the shares in the company on behalf of the beneficial owners, as rightfully registered in VPS, in Euroclear's account with SIX SIS AG, acting as Euroclear's custodian. SIX SIS AG, in turn, has an operational link with VPS.

14.3.6 *Foreign investment shares listed in Sweden*

Non-Swedish investors may trade shares listed on Nasdaq First North Growth Market through any broker that is affiliated to Euroclear.

14.3.7 *Insider trading, duty of confidentiality and due care in handling obligations*

The Swedish Market Abuse Penal Act (*Sw. lag (2016:1307) om straff för marknadsmissbruk på värdepappersmarknaden*), implementing in part MAR, criminalizes and provides sanctions for insider trading and unlawful disclosure of inside information. The Swedish Market Abuse Penal Act also contains provisions prohibiting market manipulation, making illegal any action (in connection with trading on the securities market or otherwise) intended to unduly affect the market price or other conditions of trade in financial instruments, or otherwise mislead buyers or sellers of such instruments (such as through spreading false or misleading information). Market manipulation may also constitute fraud under Swedish law. The Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) enforce compliance with the Swedish Market Abuse Penal Act and other insider trading rules. Criminal offenses charges are brought and tried in court by the Swedish National Economic Crimes Bureau (*Sw. Ekobrottsmyndigheten*).

14.3.8 *Squeeze out*

The Swedish rules on mandatory redemption of minority shares set out in the Swedish Companies Act (*Sw. aktiebolagslag (2005:551)*) do not apply to non-Swedish companies.

14.3.9 *Mandatory offer requirement and disclosure obligation for owners*

The rules regarding mandatory offers (*Sw. budplikt*) do not apply with respect to non-Swedish issuers. The rules regarding disclosure obligations relating to ownership changes (*Sw. flaggning*) do not apply with respect to companies whose shares are listed on Nasdaq First North Growth Market.

Pursuant to MAR, persons discharging managerial responsibility (and persons closely affiliated to them) must notify the issuer and the Swedish Financial Supervisory Authority of certain transactions in the shares of issuers listed on Nasdaq First North Growth Market. Such notifications shall be made promptly and no later than three business days after the date of the transaction.

14.3.10 *Foreign exchange controls*

There are currently no foreign exchange control restrictions in Sweden, other than in certain national crisis situations, that would restrict the payment of dividends to a shareholder outside Sweden, and there are currently no restrictions that would affect the right of shareholders who are not residents of Sweden to dispose of their Shares and receive the proceeds from a disposal of the shares outside of Sweden. There is no maximum transferable amount either to or from Sweden, although transferring banks are required to report to the Swedish tax authorities any transfers to or from Sweden exceeding SEK 150,000. Such information may also be forwarded to authorities in the countries in which the holder of the shares are resident.

15 Taxation

15.1 General

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on Norwegian laws, rules, and regulations in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. The summary does not address foreign tax laws.

The following summary is of a general nature and does not purport to be a comprehensive description of all Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers, as the tax legislation of the investor's jurisdiction and Norway may have an impact on the income received from the Shares. Shareholders resident in jurisdictions other than Norway and Shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian Shareholder refers to the tax residency rather than the nationality of the Shareholder.

15.2 Norwegian Shareholders

15.2.1 *Taxation of dividends*

15.2.1.1 Norwegian Individual Shareholders

Dividends received by Shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Individual Shareholders**") are taxable as ordinary income for such Shareholders at a flat rate of 31.68% (the nominal rate is 22% but the taxable income is multiplied with a factor of 1.44) to the extent the dividend exceeds a tax-free allowance.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate after tax of interest on treasury bills (Norwegian: "*statskasserveksler*") with three months maturity. The allowance is calculated for each calendar year, and it is allocated solely to Norwegian Individual Shareholders holding shares at the expiration of the relevant income year.

Norwegian Individual Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**Excess Allowance**") may be carried forward and set off against future dividends received on, or gains upon realization of, the same share. Any Excess Allowance will also be included in the basis for calculating the allowance on the same share in the following years.

15.2.1.2 Norwegian Corporate Shareholders

Dividends received by Shareholders that are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**") are effectively taxed at a rate of 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and subject to tax at a flat rate of currently 22%). For Norwegian Corporate Shareholders that are considered to be financial institutions (e.g. banks etc.) the applicable effective tax rate is 0.75% (3% of dividend income is subject to tax at the flat tax rate for financial institutions of currently 25%).

15.2.2 *Taxation of capital gains on realization of shares*

15.2.2.1 Norwegian Individual Shareholders

Sale, non-proportionate redemption, or other disposals of shares is considered as realization for Norwegian tax purposes. A capital gain or loss derived by a Norwegian Individual Shareholder through realization of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Shareholder's ordinary income in the year of disposal and taxable at an effective rate of 31.68% (the nominal rate is 22% but the taxable income or deductible loss is multiplied with a factor of 1.44).

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share, as the difference between the consideration for the share and the Norwegian Individual Shareholder's cost price of the share, including any costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Individual Shareholders are entitled to deduct any Excess Allowance, cf. Section 15.2.1.1 above. Any Excess Allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, *i.e.*, any Excess Allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Individual Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

15.2.2.2 Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purpose.

15.2.3 *Net wealth tax*

The value of Shares held by Norwegian Individual Shareholders as at 1 January in the year of assessment (*i.e.* the year following the relevant fiscal year) is included in the basis for the computation of net wealth tax imposed on such Shareholders. Currently, the marginal wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for shares not listed at a regulated market is equal to 75% of the shares' proportional share of the company's net book value for tax purposes (tax value of all assets less tax value of all debt) as of 1 January in the relevant income year. It should be noted that for 2020 the government has proposed to increase the discount from 25% to 35%, meaning that for this one year the value for assessment purposes would equal 65% of the shares' proportional share. For income years in which the company's share capital is increased or decreased due to injection of new share capital by the shareholders or of repayment of share capital to the shareholders, the value for assessment purposes of such shares not listed at a regulated market is determined based on the same principle but as per 1 January in the year following the relevant income year. The value of debt allocated to the shares not listed at a regulated market is reduced accordingly (*e.g.* to 75%) for assessment purposes.

Norwegian Corporate Shareholders are not subject to net wealth tax.

15.3 Foreign Shareholders – Norwegian taxation

15.3.1 *Taxation of dividends*

15.3.1.1 Non-Norwegian Individual Shareholders

Dividends distributed to Shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Individual Shareholders**") are, as a general rule, subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the Shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation. In order to benefit from a reduced withholding tax rate all Non-Norwegian Individual Shareholders must meet certain documentation requirements, which include providing a Certificate of Tax Residency. As the further details of the documentation requirements may vary depending on individual circumstances, potential investors in the Company should consult with their own tax advisers in this respect.

Non-Norwegian Individual Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance in respect of each individual share (please see "Norwegian Individual Shareholders" under Section 15.2.2.1 above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% calculated on the gross dividend less the tax-free allowance.

If a Non-Norwegian Individual Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the Shareholder will be subject to the same taxation of dividends as a Norwegian Individual Shareholder, as described above.

Non-Norwegian Individual Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply individually to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

15.3.1.2 Non-Norwegian Corporate Shareholders

Dividends distributed to Shareholders that are limited liability companies not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**") are, as a general rule, subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the Shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian tax provided that the Shareholder is the beneficial owner of the shares and that the Shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

Documentation requirements apply to Non-Norwegian Shareholders who claim entitlement to a reduced withholding tax rate or a withholding tax exemption. These documentation requirements vary depending on whether the Shareholders claims a reduced withholding tax rate in accordance with an applicable tax treaty or whether the Shareholder claims a tax exemption based on being a tax resident in another EEA country and depending on whether the Non-Norwegian Corporate Shareholder has previously qualified for a reduced rate for, or an exemption from, the withholding tax. Thus, Non-Norwegian Corporate Shareholders should consult with their own tax advisers in order to determine the documentation required. The documentation requirements apply equally to nominee registered shares.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax

withheld. The same applies to Non-Norwegian Corporate Shareholders within the EEA that are exempt from Norwegian tax on dividends pursuant to participation exemption.

If the Non-Norwegian Corporate Shareholder holds the shares in connection with business activities in Norway, the Shareholder will be subject to the same taxation as a Norwegian Corporate Shareholders, as described above.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

15.3.2 *Taxation of capital gains on realization of shares*

15.3.2.1 Non-Norwegian Individual Shareholders

Gains from sale or other disposals of shares in the Company by a Non-Norwegian Individual Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Individual Shareholder holds the shares in connection with business activities carried out in or managed from Norway.

15.3.2.2 Non-Norwegian Corporate Shareholders

Capital gains derived from sale or other type of realization of shares in the Company by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the Non-Norwegian Corporate Shareholder holds the shares in connection with business activities carried out or managed from Norway.

15.3.3 *Net wealth tax*

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax.

Non-Norwegian Individual Shareholders may however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

15.3.4 *Inheritance tax*

Effective 1 January 2014, there is no inheritance tax in Norway.

15.4 **VAT and transfer taxes**

No value added tax ("VAT"), stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

16 Legal matters

16.1 Litigation – legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering the previous twelve (12) months which may have, or have had in the recent past, significant effects on the Company's and/or Group's financial position or profitability, other than the opposition against one of Zwipe's granted patents. For further info on the opposition, please refer to Section 7.8.1 "General". This granted patent is not part of the biometric inlay.

For a description of the risk faced by Zwipe related to potential claims related to IP infringement, please see Section 2.2 "Risks related to the Group's industry."

16.2 The Company's dependence of certain material contracts

Please refer to Section 7.10 "Zwipe's partnerships and alliances and their importance" for a description of the Company's dependence on certain material contracts.

16.3 Related party transactions

Jörgen Lantto, currently Chair of the Board, was engaged as a consultant to the Company from November 2016 to November 2017, assisting the Company on operational matters related to biometric business operations. The fees amounted to NOK 126,088 in the period.

17 Summary - Swedish translation (Sammanfattning)

Denna sammanfattning är en svensk översättning av den engelska texten i avsnitt 1 "Summary" av detta prospekt.

17.1 Avsnitt A – Introduktion och varningar

A.1 Introduktion	
A.1.1	<i>Namn och internationellt standardnummer för värdepapperen (ISIN)</i>
<p>Aktierna emitterade i den efterföljande nyemissionen är stamaktier i bolaget, vilka är noterade på Merkur Market under kortnamn "Zwipe-ME" eller (i förekommande fall) Nasdaq First North Growth Market under kortnamn "ZWIPE" under ISIN NO0010721277. Befintliga aktieägare kommer att tilldelas icke-överlåtbara teckningsrätter som, i enlighet med relevant lagstiftning, ger en företrädesrätt att teckna, och bli tilldelad, aktier till den åsatta teckningskursen i den efterföljande nyemissionen. Teckningsrätterna kommer inte att noteras på Merkur Market eller Nasdaq First North Growth market.</p>	
A.1.2	<i>Namn på och kontaktuppgifter för emittenten, inbegripet identifieringskod för juridiska personer (LEI)</i>
<p>Bolagets legala och kommersiella företagsnamn är Zwipe AS. Bolagets registrerade adress är Rådhusgata 24, NO-0151 Oslo, Norge, och telefon: +47 991 661 35. Bolagets webbplats är www.zwipe.com. Bolagets LEI-kod är 5493006AMNMWEM49PY42.</p>	
A.1.3	<i>Namn på och kontaktuppgifter för den behöriga myndighet som godkänt prospektet</i>
<p>Prospektet har godkänts av Finanstilsynet i egenskap av behörig myndighet, med huvudkontor på Revierstredet 3, Box 1187 Sentrum, NO-0107 Oslo, Norge, telefon: +47 22 93 98 00, e-post: post@finanstilsynet.no, i enlighet med förordning (EU) 2017/1129.</p>	
A.1.4	<i>Datum för godkännande av prospektet</i>
<p>Prospektet godkändes 19 oktober 2020.</p>	

A.2 Varningar	
<p>Denna sammanfattning innehåller inte all information som kan vara av betydelse för potentiella investerare, och den ska läsas som en introduktion till prospektet. Sammanfattningen av detaljerad information samt av finansiella och andra data, vilka går att finna på andra ställen i prospektet, är i alla delar gjord med förbehåll för sådan mer detaljerad information och data som finns angiven på andra ställen i prospektet och i handlingarna införlivade däri genom hänvisning. Potentiella investerare ska beakta prospektet i sin helhet, inklusive riskfaktorerna och de mer detaljerade finansiella och andra data i prospektet eller i handlingar införlivade genom hänvisning före ett beslut om investering (finansiella data finns tillgängliga på www.zwipe.com). Investeraren kan förlora hela eller delar av det investerade kapitalet. Emellertid, investerarens förlust är begränsad till det investerade beloppet. När ett krav på grund av information i detta prospekt framställs i domstol, kan den klagande parten, i enlighet med den nationella lagstiftningen i den medlemsstat där kravet framförs, åläggas att bära kostnaderna för översättning av detta prospekt före domstolsförhandlingarna inleds. Ansvar kan endast utkrävas av de personer som har berett denna sammanfattning, inklusive någon översättning därav, men endast i de fall sammanfattningen är vilseledande, felaktig eller motsägelsefull, när läst tillsammans med prospektets övriga delar, eller när det saknar, när läst tillsammans med prospektets övriga delar, nödvändig information för att hjälpa investerare som överväger att investera i bolaget.</p>	

17.2 Avsnitt B - Nyckelinformation om emittenten

B.1 Namn på emittenten av värdepapperet	
B.1.1	<i>En kort beskrivning av emittenten av värdepapperen</i>
<p>Bolaget är från Norge, verksamt inom biometriteknik och moderbolag i koncernen. Det fokuserar på utveckling och kommersialisering av säkra och snabba biomteriska autentiseringslösningar som är enkla att använda, framför allt inom betaltjänstbranschen.</p>	
B.1.2	<i>Emittentens hemvist och associationsform, dess LEI-kod, det lands lag under vilket det är verksamt och det land i vilket det bildades</i>

Bolaget bildades den 8 september 2009 som ett norskt privat aktiebolag (norska: "aksjeselskap") under norsk rätt, och det registrerades hos det norska bolagsverket (norska: "Foretaksregisteret") den 8 oktober 2009 under registreringsnummer 994 553 607. Bolagets LEI-kod är 5493006AMNMWEM49PY42.

B.1.3 *Emittentens huvudverksamhet*

Kärnan i Zwipes produktlinje är löftet att göra det bekväma tryggt och säkert. Zwipe erbjuder en autentiseringslösning baserad på fingeravtryck, och en integrering av denna lösning i betaltjänster. Autentiseringslösningen baseras på egen hårdvara och mjukvara, och är primärt avsedd för integrering i betalkort, och hårdvaran och mjukvaran är inbäddade i ett tunt kretskort som är laminerat i betalkortet. Detta kretskort, "Zwipe biometrisk inlägg", är Zwipes huvudprodukt, och har testats i förkommersiella applikationer. Samma lösning är också lämpad för integrering i andra mycket små produkter med ultra-låg effektförbrukning såsom bärbara produkter (bärbara produkter kan vara applikationer som bärs som klädesplagg eller tillbehör. Ett exempel på en bärbar produkt skulle kunna vara ett klockarmband med en inbyggd betalningsapplikation.). En kundspecifik lösning för en sådan bärbar produkt är för närvarande under utveckling.

B.1.4 *Emittentens huvudaktieägare, samt om emittenten är direkt eller indirekt ägd eller kontrollerad och i så fall av vem*

Topp 20 aktieägare den 30 september 2020	# aktier	% aktier
Vasastaden / Niclas Eriksson och närstående parter *	3 683 658	11.67%
Lars Windfeldt och närstående parter **	1 712 528	5.42%
Coeli Wealth Management AB	1 530 139	4.85%
Försäkringsaktiebolaget, Avanza Pension	1 150 800	3.64%
JPMorgan Prime Nominees Ltd, NQI	864 820	2.74%
Nordnet Bank AB	650 096	2.06%
Nordnet Pensionsförsäkring AB	604 112	1.91%
Skandinaviska Enskilda Banken AB	585 014	1.85%
Concito AS	535 610	1.70%
Jörgen Lantto***	533 333	1.69%
Avanza Bank AB	510 217	1.62%
Skandinaviska Enskilda Banken AB	506 907	1.61%
Energetic AS	500 000	1.58%
Deutsche Bank AG, London branch, W-8ben	457 160	1.45%
Telecom AS	340 000	1.08%
Futur Pension Försäkringsaktiebolag	325 000	1.03%
Feat Invest AB	301 500	0.95%
Union Bancaire Orivee, UBP SA	255 346	0.81%
Prog Seed AS	241 338	0.76%
Svenska Handelsbanken AB	229 122	0.73%
Total topp 20 aktieägare	15 516 700	49.15%

* Vasastaden / Niclas Eriksson äger aktier genom olika företag och representeras också av familjemedlemmar.

** Lars Windfeldt äger aktier genom olika företag och representeras också av familjemedlemmar.

*** Jörgen Lantto köpte 333 333 aktier i den riktade nyemissionen. Eftersom köpet var föremål för godkännande från stämman den 29 september 2020 registrerades emellertid inte aktierna när denna lista sammanställdes.

B.1.5 *Namn på emittentens viktigaste personer i ledande ställning*

Namn	Befattning	Anställd sedan
André Løvestam	VD	2018
Eric Mercer	VD Zwipe America, Inc.	2018
Dr. Robert Mueller	CTO	2019
Lars Kristian Solheim	CFO	2020
Bishwajit Choudhary	EVP Strategy & Channels	2020

B.1.6	<i>Namnet på emittentens revisorer</i>
BDO AS, Munkedamsveien 45A, 0250 Oslo Norge	

B.2 Finansiell nyckelinformation om emittenten					
Tabell 1: Resultaträkning (belopp i 1 000 NOK)					
	2019	2018	2017	H1 2020	H1 2019
Totala intäkter	1 517	2 276	1 224	880	348
Rörelseresultat	-95 255	-68 289	-50 469	-31 510	-36 222
Resultat	-94 154	-72 700	-53 745	-31 590	-36 329
Resultat per aktie	-5,96	-7,71	-7,24	-1,23	-2,28
Tabell 2: Balansräkning (belopp i 1 000 NOK)					
	2019	2018	2017	H1 2020	H1 2019
Totala intäkter	110 840	29 470	71 265	67 099	94 409
Totalt eget kapital	80 426	-8 100	38 597	49 803	80 053
Nettoskuld (långfristiga skulder plus kortfristiga skulder minus cash)	7 179	26 772	-16 595	-25 873	-59 372
Tabell 3: Kassaflödesanalys (belopp i 1 000 NOK)					
	2019	2018	2017	H1 2020	H1 2019
Nettokassaflöden från den löpande verksamheten och kassaflöden från investeringsverksamheten	-84 997	-56 725	-54 348	-42 016	-33 971
Nettokassaflöde från finansieringsverksamheten	97 426	18 516	83 776	61 546	96 938

B.3 Huvudsakliga risker som är specifika för emittenten
<p>i. Koncernen utvecklar biometrisk betalning. Ingen kommersiell volym-marknad finns ännu för sådana betalning, och realisering av en sådan marknad är beroende av flera externa faktorer. Om en sådan marknad inte realiserar eller om den försenas kan det äventyra koncernens existens, hindra koncernens möjlighet att nå break-even och fördröja att bolaget upptar ytterligare finansiering för sin uppstartsfas.</p> <p>ii. Koncernen förväntar sig fortsatt betydande konkurrens från etablerade befintliga och potentiella konkurrenter. Koncernens strategi och affärsplan baseras på antagandet att den kommer att behålla sin ledande position inom sitt område och säkerställa en signifikant marknadsandel på lång sikt. Ett misslyckande att nå och/eller behålla en sådan position skulle leda till minskade eller tappade försäljningsvolym och en potentiell oförmåga att nå ett positivt kassaflöde.</p> <p>iii. Alternativa metoder att säkra betalningar eller introduktionen av mer effektiva tekniker kan orsaka att koncernens befintliga produkter blir mindre attraktiva för kunderna eller tekniskt obsoleta. Koncernen kanske inte framgångsrikt förutser eller anpassar sig till förändrade tekniker eller kundernas krav i tid. Detta kan resultera i att koncernen inte kan sälja sina produkter till ett pris som genererar en hållbar marginal, eller att koncernens produkter blir helt osäljbara.</p> <p>iv. Koncernen utvecklar teknik för biometrisk autentisering, vilken kommer att integreras i betalningstillverkarnas produktutbud. Slutprodukten från betalningstillverkarna ska certifieras av kortnätverken före de kan accepteras för kommersiell användning. Tekniken utvecklas snabbt, och specifikationer för sådan certifiering utvecklas också. Oförmåga att möta kundernas förväntningar på tekniken, eller kraven för certifiering, kan äventyra koncernens existens. Förseningar under en längre tidsperiod kommer att orsaka motsvarande förseningar för koncernen att etablera försäljning och generera kassaflöde, vilket ger upphov till behov av ytterligare finansiering av koncernens verksamhet.</p> <p>v. Om nya industristandarder och metoder utvecklas kan koncernens befintliga teknik tappa i konkurrenskraft eller bli obsolet. Om koncernen erfar väsentliga förseningar avseende introduktionen av nya tekniker och förbättringar, kan koncernen misslyckas med att attrahera nya kunder och befintliga användare kan avstå</p>

	från att använda koncernens produkter och istället använda koncernens konkurrenters produkter. Detta kan på kort sikt leda till intäktsbortfall för koncernen, och på lång sikt äventyra koncernens existens.
vi.	Koncernens produkter är tekniskt komplexa och kräver tillverkning i stora volymer för att uppnå koncernens önskvärda lönsamhet. Fortsatta utmaningar i den operationella produktionen kan leda till intäktsbortfall, högre rörelsekostnader än förväntat eller ytterligare investeringar. Varje situation som leder till uppsägning eller omförhandling av kontraktstillverkning kan orsaka betydande kostnadsökningar och produktionsförseningar.
vii.	Koncernen kan misslyckas med att hävda sin rätt till immateriella rättigheter i de fall där den som stått för intrång i rättigheterna befinner sig i jurisdiktioner som inte respekterar sådana rättigheter, eller i de fall där kostnaderna är omotiverat höga för att vidta nödvändiga mått och steg för att hävda koncernens immateriella rättigheter. Ett misslyckande eller oförmåga att på lämpligt sätt skydda och upprätthålla immateriella rättigheter kan leda till betydande kostnader för koncernen att återfå kontroll över sin teknik. Permanent intrång kan i ett sämsta scenario leda till att koncernen tappar hela försäljningen i vissa geografiska områden eller till vissa kunder.
viii.	Koncernens marknad har än så länge inte realiserats och koncernen har inte etablerat ett positivt kassaflöde. Koncernen kan tvingas anskaffa ytterligare kapital genom ökad skuldsättning eller ytterligare aktiekapital för att genomföra koncernens tillväxtstrategi. Tillräckliga finansieringskällor kanske inte finns tillgängliga när behov uppstår eller kanske inte är tillgängliga på gynnsamma villkor.

17.3 Avsnitt C - Nyckelinformation om värdepapperen

C.1 Värdepapperens huvuddrag	
C.1.1	<i>En kort beskrivning av värdepapperen som erbjuds allmänheten</i>
Aktierna i den efterföljande nyemissionen är stamaktier i bolaget, vilka är noterade på Merkur Market under kortnamn "Zwipe-ME" eller (i förekommande fall) Nasdaq First North Growth Market under kortnamn "Zwipe", och registrerade hos norska värdepapperscentralen Verdipapirsentralen (VPS). Befintliga aktieägare kommer att tilldelas icke-överlåtbara teckningsrätter som, i enlighet med relevant lagstiftning, ger en företrädesrätt att teckna, och bli tilldelad, aktier till den åsatta teckningskursen i den efterföljande nyemissionen.	
C.1.2	<i>Värdepapperens typ, slag och ISIN</i>
Aktierna utgör stamaktier. Bolaget har endast emitterat aktier av detta slag. Aktiernas ISIN är NO0010721277.	
C.1.3	<i>Värdepapperens valuta och nominella värde, antalet emitterade värdepapper och deras löptid</i>
På dagen för detta prospekt är bolagets registrerade aktiekapital 3 190 657,60 NOK, fördelat på 31 906 576 aktier, med ett nominellt värde per aktie om 0,10 NOK.	
C.1.4	<i>Rättigheter som är förenade med värdepapperen</i>
Bolaget har ett aktieslag och alla aktier ger lika rättigheter i förhållande till bolaget, inklusive rätten att en aktie ger en röst och lika rätt till aktieutdelning.	
<ul style="list-style-type: none"> • Utdelningar kan endast ges i den mån bolagets aktiekapital och likviditet efter utdelning anses sunda. • Nyemission av aktier kräver godkännande av såväl minst 2/3 av de avgivna rösterna som minst 2/3 av de aktier som är företrädade vid bolagsstämman. Befintliga aktieägare har företrädesrätt till att teckna nyemitterade aktier såvida inte företrädesrätten åsidosätts genom beslut med samma röstmajoriteter. En avvikelse från företrädesrätten vid en fondemission kräver bifall av 100 %. • Bolagsstämman kan bemyndiga styrelsen att besluta om emission av nya aktier upp till 50 % av det registrerade nominella aktiekapitalet, med åsidosättande av aktieägarnas företrädesrätt i samband med sådan nyemission, under en tid om maximalt två år. 	

- En aktieägare kan vid norska domstolar klandra ett beslut fattat av styrelsen eller bolagsstämman och yrka på ett ogiltigförklarande av beslutet på grunden att det otillbörligt gynnar vissa aktieägare eller tredje man till nackdel för någon annan aktieägare eller bolaget.
- Aktieägare med 10 % eller mer av bolagets aktier har rätt att skriftligen kräva att styrelsen kallar till bolagsstämma för att diskutera eller besluta om särskilda ärenden. I tillägg kan en aktieägare skriftligen kräva att ett ärende ska behandlas på en bolagsstämma.
- Ett beslut om fusion eller delning av Bolaget kräver beslut av 2/3 av de vid bolagsstämman avgivna rösterna. En fusionsplan eller delningsplan undertecknad av styrelsen ska delges aktieägarna senast två veckor före bolagsstämman.
- Handlingar avseende ärenden som ska behandlas på bolagsstämma behöver inte skickas ut till aktieägarna om sådana handlingar tillhandahålls på bolagets webbplats.

C.1.5 *Värdepapperens relativa senioritet i emittentens kapitalstruktur i händelse av insolvens*

Bolaget kan försättas i likvidation genom beslut vid bolagsstämman av minst 2/3 av de avgivna rösterna och minst 2/3 av de aktier som är företrädade vid bolagsstämman. Aktierna rankas *pari passu* i händelse av utdelning av bolagets tillgångar vid en likvidation eller annorledes. I händelse av att beslut om att likvidera bolaget har fattats, ska bolagets tillgångar omvandlas till pengar för att betala bolagets skulder och för skifteslikvid till aktieägarna.

C.1.6 *Begränsningar av den fria överlåtelseätten avseende värdepapperen*

Aktierna är fritt överlåtbara och aktieöverlåtelser är inte föremål för styrelsens godkännande.

C.1.7 *I tillämpliga fall, utdelnings- eller utbetalningspolicy*

Bolaget förutser inte någon aktieutdelning på kort sikt.

C.2 Plats för handel med värdepapperen

Aktierna är noterade på Merkur Market (under kortnamn "Zwipe-ME") eller (i förekommande fall) Nasdaq First North Growth Market under kortnamn "Zwipe". Merkur Market är en multilateral handelsplattform (engelska: "*multilateral trading facility*"), tillhandahållen av Oslo Børs i Norge. Nasdaq First North Growth Market är en registrerad tillväxtmarknad för små och medelstora företag i Sverige, tillhandahållen av en enhet inom Nasdaqkoncernen. Teckningsrätterna kommer inte vara överlåtbara.

C.3 Huvudsakliga risker som är specifika för värdepapperen

- Aktierna är noterade på Merkur Market i Norge eller (i förekommande fall) Nasdaq First North Growth Market i Sverige. Dessa marknader har inte samma legala status som en reglerad marknad. Istället är de föremål för en mindre omfattande uppsättning regler och förordningar anpassade för små tillväxtbolag. Därför är risken högre, både vad gäller övervakning av marknadsplatsen och vad gäller volatiliteten för handeln på marknadsplatsen. Växelkursförändringar kan påverka priset på aktien negativt. Om priset på aktien faller under teckningskursen kan teckningsrätterna bli utan värde.
- Aktieägare vars aktier är noterade på Nasdaq First North Growth Market kanske inte kan utnyttja sin rösträtt för sådana aktier. Det är osannolikt att svenska förvaltare, banker eller värdepapperscentraler erbjuder ägare till förvaltarregistrerade aktier assistans i att tillförsäkra deras deltagande på bolagsstämmor. Vidare kan det visa sig vara utmanande för sådana aktieägare att öppna ett VPS-konto i tid före bolagsstämman.
- Det finns en risk att Bolaget kan komma att avnotera sina aktier från Merkur Market vilket lämnar aktierna noterade enbart på Nasdaq First North Growth Market. Zwipe har utvärderat fördelen med att vara noterade på två marknader kontra noterade enbart på Nasdaq First North Growth Market i Stockholm. Zwipe har övervägt alla dessa aspekter och kommer tillsvidare förbli noterade på båda marknaderna.

- iv. Det finns totalt 1 675 000 teckningsoptioner i utställda till styrelseledamöter and anställda hos Zwipe. Om dessa teckningsoptioner nyttjas/konverteras kommer det för nuvarande aktieägare innebära en utspädning av sin röstandel och kapitalandel i Zwipe och av värdet på deras aktieinnehav.

17.4 Avsnitt D - Nyckelinformation om erbjudandet av värdepapper till allmänheten

D.1 Villkor och tidsplan för att investera i värdepapperet	
D.1.1	<i>Allmänna villkor och den förväntade tidsplanen för erbjudandet</i>
<p>Erbjudande om att teckna aktier: Upp till 1 000 000 stamaktier (nominellt värde om 0,10 NOK per aktie)</p> <p>Teckningskurs: 15 NOK per aktie</p> <p>Bruttobelopp av tillförda medel: upp till 15 miljoner NOK.</p> <p>Befintliga aktieägare kommer att tilldelas icke-överlåtbara teckningsrätter vilka innehåller en företrädesrätt att teckna, och bli tilldelad, aktier till teckningskursen. Överteckning och teckning utan teckningsrätt är tillåten.</p> <p>Tecknare av aktier som har ett norskt bankkonto måste, och kommer genom att underteckna teckningssedeln eller genom online-teckning via VPS teckningssystem, förse Arctic Securities med ett oåterkalleligt bemyndigande att vid ett tillfälle debitera angivet norskt bankkonto med det belopp som ska erläggas för de aktier som tilldelats tecknaren.</p> <p>Tecknare av aktier som inte har ett norskt bankkonto måste tillse att betalning för de aktier som tilldelats denne erläggs senast på den angivna betalningsdagen. Före sådan betalning görs måste tecknaren kontakta Arctic Securities på telefonnummer +47 210 130 40 för ytterligare information och instruktioner.</p>	
Avstämningsdag	9 september 2020
Teckningsperioden börjar	20 oktober 2020
Teckningsperioden upphör	27 oktober 2020 kl 16:30 (CET)
Tilldelning av aktier	Förväntas omkring 28 oktober 2020
Distribution av beslut om tilldelning	Förväntas omkring 28 oktober 2020
Betalningsdag	Förväntas omkring 30 oktober 2020
Leverans av nyemitterade aktier	Förväntas omkring 6 november 2020
Första dag för handel på Merkur Market eller (i förekommande fall) Nasdaq First North Growth Market	Förväntas omkring 6 november 2020
D.1.2	<i>Plan för fördelning</i>
<p>Aktierna kommer att distribueras i Norge och Sverige av Managers till befintliga aktieägare som inte tilldelades aktier i den riktade nyemissionen. Prospektet kommer att publiceras på bolagets webbplats (www.zwipe.com), Arctic Securities webbplats (www.arctic.com/secno/en/offerings) och Erik Penser Bank AB (publ) webbplats.</p>	
D.1.3	<i>Storleken på och procentandelen för den omedelbara utspädning som följer av erbjudandet</i>
<p>Förutsatt att den efterföljande nyemissionen är fullt tecknat och allokerat kommer det att resultera i en omedelbar utspädning på cirka 3,07 % för befintliga aktieägare som inte deltar i den efterföljande nyemissionen. Utspädningen för befintliga aktieägare på grund av den privata placeringen och ett fulltecknat och tilldelat efterföljande nyemission förutsatt att de inte deltar är cirka 23,13 % och, om de tar upp sin rätt till den efterföljande nyemissionen, cirka 19,06 %.</p>	
D.1.4	<i>Uppskattning av de totala kostnaderna för emissionen, inbegripet de uppskattade kostnader som investeraren kommer att debiteras av emittenten</i>
<p>Transaktionskostnader och samtliga andra direkt hänförliga kostnader i förbindelse med den efterföljande nyemissionen som kommer att bäras av bolaget är uppskattade till cirka 0,8 miljoner NOK. Bolaget kommer inte att debitera någon kostnad till investeraren.</p>	

D.2 Motiv för prospektet	
D.2.1	<i>En kort beskrivning av motiven för erbjudandet</i>

Bolaget gör den riktade emissionen och den efterföljande nyemissionen för att säkerställa finansiering för sin planerade verksamhet framöver.	
D.2.2	<i>Användning och uppskattat nettobelopp av tillförda medel</i>
<p>Nettobeloppet av tillförda medel från den efterföljande nyemissionen kommer, tillsammans med nettobeloppet av tillförda medel från den riktade emissionen och koncernens kassamedel (43,2 miljoner NOK per den juni 2020) och förväntade bidrag från EU och norska skattemyndigheter (tillsammans 15 miljoner NOK), användas till att finansiera koncernens driftskostnader genom kommersiella lanseringar och strategiska investeringar. Dessutom har koncernen finansieringsåtaganden under sitt samarbetsavtal med Idemia, vilka totalt uppgår till cirka 40 miljoner NOK varav cirka 10,4 miljoner NOK återstår att betalas under den kommande 12 månaders perioden, och nettobeloppet av tillförda medel från nyemissionen, kassamedel och bidrag kommer att finansiera den del av finansieringsåtagandena.</p>	
D.2.3	<i>I de fall erbjudandet omfattas av ett garantiavtal på grundval av ett fast åtagande, den del som inte täcks</i>
Den efterföljande nyemissionen är inte föremål för/part till ett placeringsavtal med fast åtagande.	
D.2.4	<i>Beskrivning av alla väsentliga intressekonflikter rörande erbjudandet</i>
<p>Managers och Simonsen Vogt Wiig erhåller sedvanlig avgift för deras assistans i samband med den efterföljande nyemissionen. Managers och dess koncernbolag kan i framtiden tillhandahålla, investment banking och andra banktjänster till bolaget och dess koncernbolag för den löpande verksamheten, för vilka de kan erhålla sedvanliga avgifter och kommissioner. Manager, dess anställda och dess koncernbolag kan för närvarande äga aktier i bolaget. Utöver det ovannämnda känner bolaget inte till något intresse hos några fysiska eller juridiska personer, eller intressekonflikter som är involverade i den efterföljande nyemissionen.</p>	

18 Additional information

18.1 Appendix

The following document is attached to this Prospectus as Appendix 1:

- Application Form for applications for Offer Shares in the Subsequent Offering in Norway

18.2 Documents incorporated by reference

For the life of this Prospectus the following documents (or copies thereof), where applicable, is incorporated by reference, and may be found at the website of the Company:

Sections in Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page in reference document
13.8	Articles of Association	Articles of Association: www.zwipe.com/investors	All
Sections 4.2.1 and 8.1	Audited historical financial information, including audit report	2019 audited financial statements: www.zwipe.com/investors 2018 audited financial statements: www.zwipe.com/investors 2017 and 2016 consolidated audited financial statements; www.zwipe.com/investors	19-43 20-42 2-19
Sections 4.2.1 and 8.1	Unaudited interim financial information	Interim report 30 June 2020: www.zwipe.com/investors Interim report 30 June 2019: www.zwipe.com/investors Consolidated interim report 30 June 2018 and 2017: www.zwipe.com/investors	13-22 13-16 2-5
Sections 4.2.1 and 10.1.1	Unaudited interim financial information	Q3 2020 Operational Update: www.zwipe.com/investors	1-2
N/A	Prospectus	Prospectus www.zwipe.com/investors	N/A

19 Definitions and glossary

AGM	An annual general meeting of Shareholders in the Company
Applicant	An applicant in the Subsequent Offering
Application Form	Application form for application for Offer Shares in the Subsequent Offering
Application Period	The application period for the Subsequent Offering from 20 October 2020 at 09:00 hours (CEST) to 27 October 2020 at 16:30 hours (CET)
Arctic Securities	Arctic Securities AS (business reg. no. 991 125 175)
Articles of Association	Zwipe's articles of association
ASIC	Application Specific Integrated Circuit
Audited Financial Statements	The Group's audited financial statement for the year ended 31 December 2019 and 31 December 2018, and the audited consolidated financial statements of the years ended 31 December 2017 and 31 December 2016
BDO	BDO AS (business reg.nr. 993 606 650)
Biometric algorithm	Extraction and matching algorithms that when combined enable a biometric system to recognize an individual by his or her anatomical/behavioral traits
Biometric inlay	The electronic flexible circuit board inside the payment card, notably containing the Zwipe Biometric Engine, power harvesting and power management functionality
Biometric payment card	payment card with a fully embedded fingerprint sensor and on-card extraction & matching system enabling fingerprint authentication as an alternative to PIN or signature
Biometric payment card value chain	Zwipe sources components such as fingerprint sensors and electronic components from upstream partners. Zwipe integrates these components alongside its' proprietary technology platform into a biometric inlay, which it sells to downstream partners who are the card manufacturers. The card manufacturers integrate the biometric inlay into dual interface payment cards, and personalize these cards with payment applications and cardholder details before selling the payment cards to the issuers who issue the cards to consumers
Board of Directors or Board	The Company's board of directors, as elected from time to time
Card manufacturer	Manufacturer of smart cards like payment cards. The card manufacturer integrates and laminates the biometric inlay into a payment card, personalizes, and inserts prints on the card prior to selling it to the issuer
CCO	Chief commercial officer
CEO	Chief executive officer
CEST	Central European Summer Time

CET	Central European Time
CFO	Chief financial officer
CGO	Chief growth officer
COGS	Cost of goods sold
Companies Act	Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44
Company	Zwipe AS (business reg. no. 994 553 607)
Company Register	The Norwegian Register of Business Enterprises
Compensation Committee	The compensation committee appointed by the Board
Contactless card	A contactless smart card with embedded integrated circuits enabling storing data and communication with point of sale terminal via near field communication payment terminals
Contactless payment	Transaction that use https://en.wikipedia.org/wiki/Radio-frequency_identification (RFID) or near field communication payment terminals to make secure payments. The embedded chip and antenna onto the payment card enable consumers to wave their card over the point of sale to perform a transaction
COO	Chief operation officer
CTO	Chief technological officer
Director	Director of the Board of Directors
Dual interface payment cards	Payment card with an embedded chip and antenna enabling both contact transactions (inserted or swiped at payment terminals) and contactless transactions (waved at payment terminals).
EEA	The European Economic Area
EGM	An extraordinary general meeting of Shareholders in the Company
Eligible Shareholder(s)	Shall have the meaning ascribed to such term in Section 5.2 "Overview of the Subsequent Offering"
EMV	A payment method based upon a technical standard for smart payment cards and for payment terminals and automated teller machines that can accept them.
EMV Module	The EMV payment chip embedded into a module with contact plates
Enrolment solution	Solution allowing the initial fingerprint data to be registered on the payment card
EPO	European Patent Office
EU	The European Union
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are

	offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act
EUR	Euro, the official currency for the European Union (EU)
Euroclear	Euroclear Sweden AB
Excess Allowance	Any part of the calculated allowance one year exceeding the dividend distributed on the share
Existing Shareholder	Shareholder who is registered in the Company's Shareholder Register in the VPS as of the Record Date (9 September 2020)
Financial Statements	The Audited Financial Statements and the Interim Financial Statements
Finansinspektionen	The Swedish Financial Supervisory Authority (Swedish: " <i>Finansinspektionen</i> ")
FinTech	New technology and innovation that aims to compete with traditional financial methods in the delivery of financial services
Form factor	Type of device that serves as a delivery channel for payments, e.g. plastic cards, key fobs etc.
Forward-Looking Statements	Projections and expectations regarding the Group's future financial position, business strategy, plans and objectives
General Meeting(s)	"General Meetings" mean the AGM's and EGM's in the Company; and "General Meeting" means any one of them
Group	Zwipe AS and its subsidiary Zwipe America Inc.
H1	First half year
H2	Second half year
Idemia	Idemia Identity & Security France SAS
Inlay	Electronic flexible circuit boards composed of Integrated Circuits
Inlay provider	Manufacturer and distributor of inlays
Interim Financial Statement	The Group's unaudited interim financial statement for the six months ended 30 June 2020 and 30 June 2019 (the latter subjected to a limited review by BDO), and the unaudited consolidated interim financial statements of the six months ended 30 June 2018 and 30 June 2017
Internet of things	Devices connected over the Internet, with varying degree of interactivity and interconnection
IP	Intellectual property
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
Issuer	A bank or credit union who offers payment cards

LEI	Legal Entity Identifier
Management	The executive management of the Group
Manager	Arctic Securities AS (business reg. no. 991 125 175)
MAR	Regulation (EU) No 596/2014, the Market Abuse Regulation
MCU	Micro controller unit
Merkur Continuing Obligations	Certain duties to inform the market under the rules on the continuing obligations of companies admitted to trading on Merkur Market as approved on 23 September 2015 and amended on 6 December 2016, 1 March 2017 and 1 January 2019
Merkur Market	The multilateral trading facility Merkur Market in Oslo, Norway, operated by Oslo Børs
Nasdaq First North Growth Market	The registered SME growth market in Stockholm, Sweden, operated by Nasdaq Stockholm
New SIP	The share-based incentive program resolved in November 2018, replacing the former incentive program
NGAAP	The Norwegian Generally Accepted Accounting Principals
NOK	Norwegian Kroner, the lawful currency of Norway
Nomination Committee	The nomination committee appointed by the General Meeting
Non-Norwegian Corporate Shareholders	Shareholders that are limited liability companies not resident in Norway for tax purposes
Non-Norwegian Individual Shareholders	Shareholders who are individuals not resident in Norway for tax purposes
Norwegian Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, dated 17 October 2018
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian FSA	The Financial Supervisory Authority of Norway (Norwegian: " <i>Finanstilsynet</i> ")
Norwegian Individual Shareholders	Shareholders who are individuals resident in Norway for tax purposes
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (Norwegian: " <i>verdipapirhandelloven</i> ")
NRE	Non Recurring Engineering expense
Offer Share(s)	The Shares offered for subscription in the Subsequent Offering
Payment card	Plastic cards enabled to execute payments on behalf of the cardholder. The cards are issued by issuers to customers, enabling the cardholder to access the funds in the cardholder's designated account and authorize payments.

Payment card industry	Refers to the industries related to automated teller machines (ATMs), point of sale terminals, credit, debit, prepaid and electronic money cards, and other associated industries.
Payment card manufacturer	payment scheme certified card manufacturer
Payment Date	The day the payment for Offer Shares allocated to an Applicant falls due, 30 October 2020
Payment ecosystem	A system enabling payment transactions, comprising payment schemes, component suppliers, Card Manufacturers, issuers, merchants, payment transaction acquirers, Regulators and Governments and consumers
Payment scheme	A body that sets the rules and technical standards for the execution of payment transactions using the underlying payment systems.
PCT	Patent Cooperation Treaty of 19 June 1970
PIN	Personal identification number
Power harvesting	Cordless collection of power from the point of sale terminal to the payment card
Private Placement	A private placement in the Company with gross proceeds of NOK 95,719,725 completed on 7 September 2020 towards selected Nordic and international institutional investors and some existing Shareholders
Private Placement Shares	The 6,381,315 new Shares issued through the Private Placement
Prospectus	This Prospectus dated 19 October 2020
Q3 2020 Operational Update	The Group's unaudited Q3 2020 Operational Update providing status as of 30 September 2020
QIB	A qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act
R&D	Research and development
Record Date	9 September 2020
Regulation S	Regulation S under the U. S. Securities Act
Relevant Member State	Each member state of the EEA other than Norway and Sweden
RFID	Radio-Frequency Identification uses electromagnetic fields to automatically identify and track tags attached to objects
Subsequent Offering	The subsequent offering of up to 1,000,000 shares in the Company
Rule 144A	Rule 144A under the U.S. Securities Act
SEK	Swedish Kroner, the lawful currency of Sweden
Share(s)	"Shares" mean the existing and new shares in the Company; and "Share" means any one of them
Shareholder	A shareholder in the Company

Shareholder Register	The Company's Shareholder register operated through the VPS
Simonsen Vogt Wiig	Advokatfirmaet Simonsen Vogt Wiig AS (business reg. no. 898 783 812)
Subscription Price	NOK 15.00 per Offer Share
Subscription Right	Provides a preferential right to subscribe for, and be allocated, Offer Shares at the Subscription Price in the Subsequent Offering
Swedish Corporate Governance Code	The Swedish Corporate Governance Code, revised on 1 January 2020
U.S.	United States of America
U.S. Securities Act	The United States Securities Act of 1933 as amended
UK	United Kingdom
USD	U.S. dollars, the lawful currency of the U.S.
VAT	Value added tax
VPS Account	A securities account with the VPS for registration of ownership, pledge or other rights to securities
VPS	Verdipapirsentralen (Norwegian Central Securities Depository), which organizes a paperless securities registration system
Zwipe	Zwipe AS (business reg. no. 994 553 607)
Zwipe Access Card	A clamshell plastic card used as a credential in access control systems to authenticate a person's identity, determine the appropriate level of access, and provide access to the physical resource
Zwipe America	Zwipe America Inc., a wholly-owned subsidiary of Zwipe AS, incorporated under the laws of the State of Delaware in the United States
Zwipe Biometric Engine	The combination of Zwipe's biometric algorithms, card firmware and biometric processor
Zwipe Core Technology	Differentiating technologies specifically fit for constrained environments like ultra-thin and ultra-low power environments. Zwipe core technology comprise i) energy harvesting and power management systems, ii) firmware, iii) biometric algorithms, all designed for ultra-thin and ultra-low power high performance embedded applications and iv) biometric and payment system integrations
Zwipe Expertise	Integration, design and manufacturing expertise for both for access control and payment applications, combined with an understanding of customers enrolment needs
Zwipe Technology	Means biometric authentication and identification engines, which primary purpose is to exchange results of biometric verification, cryptograms, algorithms, status of biometric authentication engine, enrolment data with third-party components and managing peripherals. The Zwipe Technology consists of the biometric inlay and various other patents, hereunder energy harvesting patents, both issued and applied for as well as other intellectual

Zwipe Technology
Platform

property rights (IPR) and associated technologies and manufacturing methods.

A technology and solutions platform combining Zwipe's Expertise and know-how with Zwipe Core Technology and IP

APPLICATION FORM – SUBSEQUENT OFFERING

Securities number for the shares: ISIN NO0010721277

The Subsequent Offering: This application form (the "Application Form") is for application for new shares in Zwipe AS (the "Company") in a subsequent repair offering (the "Subsequent Offering") in the Company. The Subsequent Offering is made in connection with a private placement in the Company with gross proceeds of NOK 95,719,725 completed on 7 September 2020 towards selected Nordic and international institutional investors and some existing Shareholders (the "Private Placement") and comprises up to 1,000,000 offer shares (the "Offer Shares"), corresponding to approximately 3.13% of the current number of outstanding shares in the Company, at the same subscription price as in the Private Placement, NOK 15.00 per Offer Share (the "Subscription Price"), thereby raising gross proceeds of up to NOK 15 million.

Information on the Subsequent Offering is provided in the Prospectus dated 19 October 2020 (the "Prospectus") and may also be requested from the Company. The completion of the Subsequent Offering is conditional upon (i) the board of directors of the Company (the "Board of Directors") resolving to consummate the Subsequent Offering and allocate the Offer Shares; and (ii) registration of the share capital increase in the Company pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises.

Subscription Rights: Existing shareholders in the Company as per 7 September 2020, as registered in the VPS or Euroclear Sweden AB on 9 September 2020 (the "Record Date"), who were not allocated shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful or, for jurisdictions other than Norway and Sweden, would require any prospectus, filing, registration or similar action (the "Eligible Shareholder(s)") will be granted non-tradable subscription rights (the "Subscription Right(s)") that, subject to applicable law, provide preferential right to subscribe for, and be allocated, Offer Shares at the Subscription Price in the Subsequent Offering. Eligible Shareholders will be granted 0.04366 Subscription Rights per share in the Company held by such shareholder on the Record Date. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for, and be allocated, one (1) Offer Share in the Subsequent Offering. The Subscription Rights have ISIN NO0010896855 and will not be issued in respect of any existing shares held in treasury by the Company.

Shares that were acquired from and including 8 September 2020 will not give the right to receive Subscription Rights.

The Subscription Rights will be credited to and registered on each Eligible Shareholder's VPS account on or about 20 October 2020. The Subscription Rights will be distributed free of charge to Eligible Shareholders. Over-subscription and application without Subscription Rights is permitted. **Subscription Rights that are not exercised before 27 October 2020 at 16:30 hours (CET) will have no value and will lapse without compensation to the holder.**

Application Period: The application period will commence at 09:00 hours (CEST) on 20 October 2020 and end at 16:30 hours (CET) on 27 October 2020 (the "Application Period"). The Application Period may not be shortened, but the Board of Directors may extend the Application Period if required by law due to the publication of a supplement to the Prospectus.

Application: Applicants who are Norwegian residents with a Norwegian personal identity number (Nw.: personnummer) are encouraged to subscribe for Offer Shares through the VPS online subscription system (VPS Investor Services or by following the link on www.zwipe.com) Alternatively, persons holding Subscription Rights may apply for Offer Shares through correctly completing this Application Form – Subsequent Offering and thereafter returning it to Arctic Securities AS, Haakon VII's gt. 5, P.O. Box 1833 Vik, NO-0123 Oslo, Norway, subscription@arctic.com ("Arctic Securities") by ordinary post, e-mail or hand-delivery, so that it is received before the end of the Application Period. By delivering the Application Form – Subsequent Offering to Arctic Securities for registration, the application for Offer Shares is irrevocable and may not be withdrawn, cancelled or modified. By applying in the Subsequent Offering, the applicant (the "Applicant") grants Arctic Securities an authorization to subscribe for the shares applied for in this Application Form – Subsequent Offering. The applicant represents and warrants that it has read the Prospectus, and that it accepts the terms and conditions set out in this Application Form – Subsequent Offering and in the Prospectus as applicable to its application of Offer Shares. In case of discrepancy between the Prospectus and the Application Form – Subsequent Offering, the Prospectus shall prevail. No other documentation related to the Subsequent Offering shall be considered binding for the Company related to the Subsequent Offering.

Relevant documentation: The Company's articles of association, as well as the annual accounts and the annual report for the two last years, are available at the Company's office.

Allocation: Notifications of allocations of Offer Shares will be notified by the Company on or about 28 October 2020.

Payment: The payment for Offer Shares allocated to an Applicant falls due on or about 30 October 2020 (the "Payment Date"). By signing this Application Form, applicants with a Norwegian bank account irrevocably authorise Arctic Securities to debit the bank account specified below for the subscription amount payable for the Offer Shares allocated to the Applicant. Arctic Securities is only authorised to debit such account once, but reserves the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date. The Applicant furthermore authorises Arctic Securities to obtain confirmation from the Applicant's bank that the Applicant has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in an Applicant's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the Applicant, the Applicant's obligation to pay for the Offer Shares will be deemed overdue. Applicants who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the Applicant must contact Arctic Securities at subscription@arctic.com or on telephone number +47 21 01 30 40 for further details and instructions.

Delivery of Offer Shares: It is expected that the share capital increase pertaining to the Subsequent Offering will be registered in the Norwegian Register of Business Enterprises on or about 6 November 2020, and that delivery of allocated and paid Offer Shares will take place on or about 6 November 2020.

No. of Subscription Rights	Number of shares subscribed for (incl. over-subscription)	Total amount to be paid in NOK
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Place and date of application. Telephone (at day time)/e-mail. Must be dated in the Application Period.

Binding signature. The Applicant must have legal capacity. When signed by proxy, documentation in the form of company certificate or power of attorney must be enclosed.

INFORMATION ON THE APPLICANT (ALL FIELDS MUST BE COMPLETED):

First name	PLEASE NOTIFY ARCTIC SECURITIES OF ANY CHANGES
Surname/company	
VPS account number	
Norwegian bank account number (11 digits)	
Street address	
Post code/district/country	
Personal ID number/organisation number	
Legal Entity Identifier ("LEI")/National Client Identifier ("NCI")*	
Nationality	
E-mail address	
Daytime telephone number	

*A LEI number is a global identification code for legal entities and a NID number is a global identification code for natural persons. As a result of MiFID II/MIFIR, all legal entities and natural persons need a LEI/NCI number in order to participate in financial transactions. For Norwegian citizens, the NCI code is the same as the national identity number (Nw.: "personnummer"), with "NO" as a prefix.

Regulatory Issues: In accordance with the Markets in Financial Instruments Directive ("MiFID") of the European Union, Norwegian law imposes requirements in relation to business investments. **The Applicant represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

Selling and Transfer Restrictions: The attention of persons who wish to subscribe for Offer Shares is drawn to the restrictions in section 5.22 of the Prospectus ("Selling and transfer restrictions"). The Company does not accept liability in the event of non-compliance with these restrictions. No one has taken any action that would permit a public offering of Shares to occur outside of Norway or Sweden, and there will be no public offer of the Offer Shares outside of Norway and Sweden. The Subscription Rights and the Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer of the Subscription Rights or offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. The Subscription Rights and the Offer Shares have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or with any regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and otherwise in compliance with the securities laws of any state or other jurisdiction of the United States. All offers and sales of the Subscription Rights and the Offer Shares in the Subsequent Offering will be made outside the United States in reliance on Regulation S under the U.S. Securities Act.

The Company has not authorised any offer to the public of its securities in any member state of the European Economic Area other than Norway and Sweden. With respect to each member state of the European Economic Area, other than Norway and Sweden, and which has implemented the EU Prospectus Regulation (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of the Subscription Rights or the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any acceptance of any application from outside Norway will only be made in circumstances where there is no obligation to produce a prospectus.

Execution Only: Arctic Securities will treat this Application Form as an execution-only instruction. Arctic Securities is not required to determine whether an investment in the Offer Shares is appropriate or not for the Applicant. Hence, the Applicant will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The Applicant acknowledges that, under the Norwegian Securities Trading Act, the Norwegian Securities Trading Regulation and foreign legislation applicable to Arctic Securities, there is a duty of secrecy between the different units of Arctic Securities. This may entail that other employees of Arctic Securities or Arctic Securities' respective groups may have information that may be relevant to the Applicant, but which Arctic Securities will not have access to in its capacity as manager for the Subsequent Offering.

Mandatory Anti-Money Laundering Procedures: The Subsequent Offering is subject to Norwegian anti-money laundering regulations, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively the "Anti-Money Laundering Legislation"). Applicants who are not registered as existing customers must verify their identity in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Application Form – Subsequent Offering are exempted, unless verification of identity is requested by Arctic Securities. The verification of identity must be completed prior to the end of the Application Period. Applicants that have not completed the required verification of identity may not be allocated Offer Shares. Further, in participating in the Subsequent Offering, each Applicant must have a VPS account. The VPS account number must be stated on the Application Form – Subsequent Offering. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Non-Norwegian investors may, however, use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Financial Supervisory Authority of Norway. Establishment of a VPS account requires verification of identity before the VPS registrar in accordance with the Anti-Money Laundering Legislation.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

- a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank.
- b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.
- c) The authorization for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
- d) In case of withdrawal of the authorization for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
- e) The payer cannot authorize payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
- f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorization for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorization has expired as indicated above. Payment will normally be credited to the beneficiary's account between one and three working days after the indicated date of payment/delivery.
- g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

National Client Identifier and Legal Entity Identifier: In order to participate in the Subsequent Offering, Applicants will need a global identification code. Physical persons will need a so-called National Client Identifier ("NCI") and legal entities will need a so-called Legal Entity Identifier ("LEI").

NCI code for physical persons: As of 3 January 2018, physical persons will need a NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID ("fødselsnummer"), with "NO" as a prefix. If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Applicants are encouraged to contact their bank for further information.

LEI code for legal entities: As of 3 January 2018, legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorized LEI issuer, and obtaining the code can take some time. Applicants should obtain a LEI code in time for the application. For more information visit www.gleif.org. Further information is also included in section 5.13 ("LEI number") of the Prospectus.