

A decorative white line with dots at its four endpoints is positioned on the left side of the cover. It starts with a dot at the top left, extends horizontally to the right, then turns 90 degrees downward, ending with a dot at the bottom left. Another dot is located at the top right end of the horizontal segment.

Annual Report 2021



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2021 in Brief

Financials

- Revenues increased to MNOK 2.5 (MNOK 1.8).
- Operating expenditures increased to MNOK 85.5 (MNOK 63.7).
- EBITDA decreased to MNOK -74.6 (MNOK -59.9).
- Earnings per share of NOK -2.26 NOK (-1.89).
- Net cash used in operating activities was MNOK -76.7 (MNOK -59.8).
- Cash and short-term investments as at the end of the period amounted to MNOK 152 (MNOK 125).

Significant Events

- Zwipe announced engagements with nine new smart card manufacturers and card personalization bureaus, representing an annual volume of more than 250 million payment cards.
- Zwipe received commercial orders for complete Zwipe Pay deliveries worth more than MNOK 20, to be delivered primarily in 2022.
- Zwipe announced commitments for pilots with eleven new issuers, including a global Tier-1 bank that will pilot Zwipe Pay in three European markets.
- Zwipe entered go-to-market and implementation partnerships with leading payment processors.
- Zwipe launched "Zwipe Access" to deliver next-generation access control based on biometrics.
- Zwipe raised MNOK 104 in a private placement directed towards one of the Nordic's most respected investors.

Significant Events after the period

- Danielle Glenn has been appointed as the new CFO and Head of IR effective from 1 May 2022.
- Zwipe announced a partnership with Modularsoft, a leading full-service smart card company in Malaysia, to deploy biometric payment cards.
- sKarn RoboticS selects Zwipe to strengthen its WeCript Ecosystem for India and global markets with Biometric Cards.
- A share capital increase of 384,000 new shares in Zwipe AS was registered 22nd of February 2022. The new share capital is NOK 3,736,668.50 and the new number of shares and votes is 37,366,685.

Message from the CEO

A great milestone for Zwipe in 2021 was commercial orders from card manufacturing customer for complete Zwipe Pay deliveries worth more than NOK 20m.



2021 was a transformative year for Zwipe, preparing the ground for commercial success in 2022.

Our technology platform was upgraded to a cutting-edge, third-generation single silicon platform that provides best-in-class biometric performance at highly competitive cost levels. We prepared for submission of reference cards based on Zwipe Pay components to accredited laboratories for certification by both Visa and Mastercard. The submission has been made and, together with our biometric card manufacturing partners, the certification tests are proceeding according to plan. Based on this, and the core components in our Zwipe Pay platform being validated through Idemia's certifications obtained in November 2021, we are confident we are closing in on certification as planned.

During 2021 we have also continued to build commercial momentum. We announced engagements with nine new smart card manufacturers and card personalization bureaus during the year, representing an annual volume above 250m payment cards. We also extended and expanded our partnership with TAG Systems, which delivers an additional 100+ million payment cards per annum. Each new partner and customer in our ecosystem contributes to increasing the value creation potential and reducing the risk for Zwipe and its stakeholders.

A great milestone for Zwipe in 2021 was the receipt of commercial orders from BCC, Inkript, and yet another card manufacturing customer for complete Zwipe Pay deliveries worth more than NOK 20m, to be delivered primarily in 2022.

As a complement to our "push" approach, targeting smart card manufacturers as our direct customers, we continued to broaden our go-to-market strategy with the "pull" approach. That means we are marketing the benefits of biometric cards to partners and indirect clients, such as financial institutions – our customers' customers. This move has allowed us to accelerate awareness, create strong demand for our biometric payment option, take more control of our destiny, and significantly strengthen our strategic position and brand equity.

The results of these efforts started coming to fruition in 2021, when Zwipe announced commitments for 14 pilots with 11 new issuers, including a global Tier-1 bank that will pilot Zwipe Pay in three European markets. We also entered go-to-market and implementation partnerships with many payment processors and, most recently, a major US company that is one of the world's largest payment services providers. Such partners enable us to leverage their long-term, trust-based relationships with hundreds of banks worldwide to further accelerate the deployment of biometric payment

Our end-to-end offering, ranging from leading technology to professional sales enablement, makes Zwipe stand out from the crowd, adding considerable value to customers.

cards built on our platform. We often refer to this as “the Megaphone Effect”, which is fundamental to our pull strategy.

We have upgraded our sales-enabling services and tools to support these processes and our customers. For example, this has resulted in the launch of new services such as “Zwipe Experience” (pilot and launch program services) and Zwipe Insights (consumer research to gauge demand for biometric payments), to name a few. The ROI calculator for issuers, created together with industry experts, is another example. It demonstrated that, even without an additional card fee from consumers, Zwipe Pay could deliver a \$22.4m annual net benefit for an average US issuer converting a portfolio of 1 million credit cards, 1 million debit cards, and 100,000 commercial cards to biometric cards.

As part of our end-to-end offering, ranging from leading technology to professional sales enablement, these kinds of services and initiatives make Zwipe stand out from the crowd, adding considerable value to customers.

In addition, Zwipe announced its first entry into adjacent sectors, starting with the launch of “Zwipe Access”, building on years of investments into our advanced biometric authentication technology platform designed to fulfil the highest criteria for security, scalability, and mass-volume implementation. At the same time, we announced collaborations with several leading companies in the security industry; notably HID Global, LeGrand, and Southco. This coalition will bring a highly advanced, cost-effective biometric authentication solution to market, fully capable of working with existing access control infrastructure.

We also raised NOK 104 million in a private placement directed towards one of the Nordic’s most respected investors, Erik Selin. This means that our shareholder base and finances have been significantly strengthened in 2021.

Adding to our confidence in our future outlook is the consistent evidence from numerous consumer surveys covering more than 2,500 cardholders from diverse markets around the world that cardholders want the touch-less and PIN-free experience with world-class security that is made possible by biometric payment cards. 56% said they were willing to pay to get a biometric card and 57% said they were willing to switch banks to get a biometric card. These findings, which are consistent with survey findings of industry peers and other analyst reports, suggest that launches of biometric cards will offer valuable differentiation to first-moving banks and trigger competitive reactions from others.

Like most other companies engaged in multinational development projects, Zwipe has, as mentioned before, been impacted by COVID-19 through added complexity and extended lead times. However, I have been impressed by the grit and determination of my team and technology partners, systematically overcoming hurdles and setbacks along the way.

I want to express my deep gratitude to the exceptional team of Zwipers for their unfailing efforts through this challenging pandemic which has taken its toll on everyone.

My sincere thanks also go out to all our customers, partners, and shareholders for supporting our journey and sharing our mission - *Making Convenience Safe and Secure*.

I am looking forward to 2022 with a lot of excitement due to the prospects ahead.

André Løvestam, CEO

1. Technology status

- 1.1 Technical readiness
- 1.2 Piloting
- 1.3 Preparing our operation for mass-production

Besides the mandatory presuppositions for obtaining scheme certification, Zwipe has taken steps to ensure seamless customer engagement and mass scalability. For example, we have worked with a leading industry player to be able to apply existing card production processes when delivering the fingerprint sensor (on 35mm tape). In parallel, Zwipe has engaged with leading manufacturers of equipment for implanting modules into card bodies to make their machines ready for biometric cards based on Zwipe Pay. As a result, several of our smart card manufacturing partners have already placed orders for, and some have already taken delivery of, such machines.

Enrollment is a critical step for a biometric smart card just like any biometric product solution. Zwipe is designing and developing a comprehensive range of enrollment solutions to satisfy stakeholder needs and generate a superior customer experience.

Zwipe will offer a cost-efficient enrollment sleeve, value-added packaging that doubles as an enrollment envelope, and a mobile enrollment library that can be integrated into an issuer’s existing banking app. We can also provide solutions for in-branch enrollment.

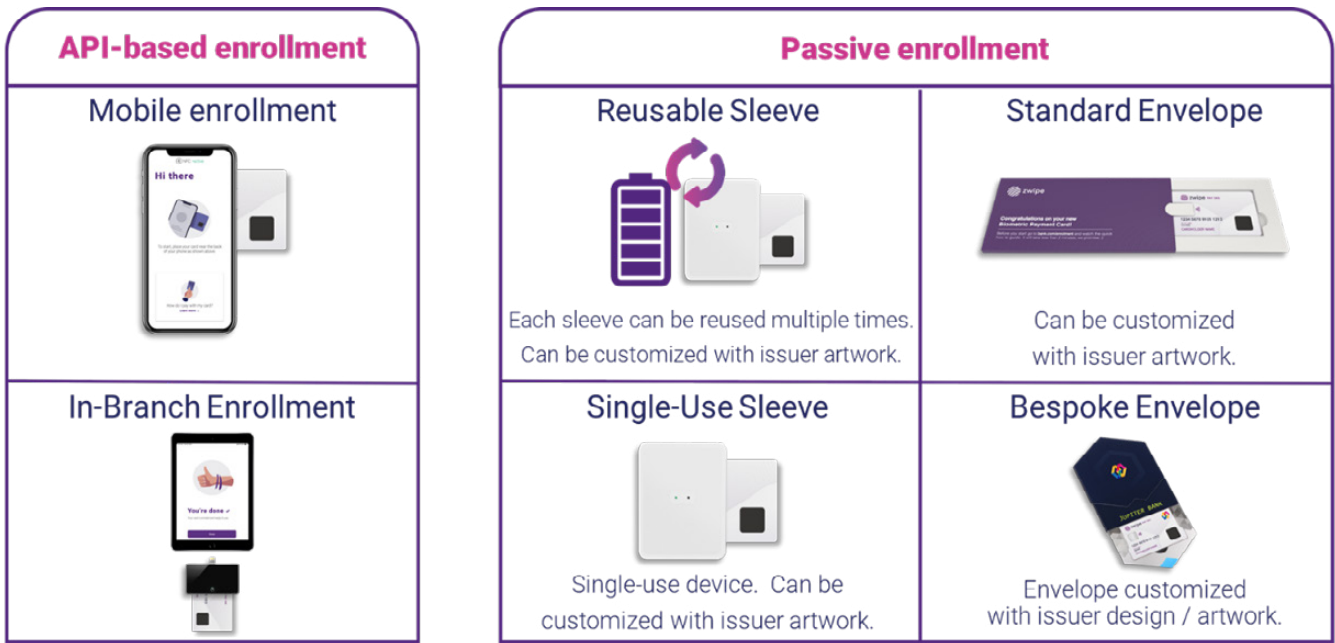


Figure 01: Wide ranging enrollment solutions offered by Zwipe



1.2

Piloting

With issuer commitments to launch pilots in place, we have put a lot of effort into helping them with biometric card demonstration and training kits, internal tests and experience gathering, as well as preparing the issuing backend to process biometric payments and launch street pilots. The feedback from issuers' internal pilots and testing so far has been excellent.

1.3

Preparing our operation for mass-production

The core architecture and design of our Zwipe Pay platform allows our customers to reduce the complexity of manufacturing a biometric payment card substantially compared to previous generations.

On the manufacturing side, many Zwipe Pay card manufacturers have performed successful trials for lamination and implanting. Once again, this has proven that the core architecture and design of our Zwipe Pay platform allows our customers to reduce the complexity of manufacturing a biometric payment card substantially compared to previous generations. Six card manufacturers already presented demo cards with Zwipe Pay components on our booth at Trustech in Paris on 1 December 2021. Other entities, such as personalization bureaus, have already personalized Zwipe Pay based cards. We look forward to a seamless scale up and enabling more partners.

Meanwhile, we have worked to ensure that our suppliers are ready to deliver their respective manufactured units to us in sufficient quantities to meet our planned demand for 2022, taking into account the shortage of semiconductors that has impacted many industries in 2021 and going into 2022. Our operations team has also prepared internal processes so that we are ready to move into delivery of Zwipe Pay as issuers move into commercial launch.

2.

Market Outlook

- 2.1 Introduction
- 2.2 Strong momentum for biometric cards
- 2.3 Consumers want it
- 2.4 In the pockets of hundreds of millions

2.1

We are confident that a biometric payment card will have a natural place in an issuer's customer offering, as it provides the potential for new revenue streams, increased transaction volume, reduced fraud, and an opportunity to attract new customers and uplift customer loyalty.

2.2

Introduction

2020 saw the first decline in payment revenue in eleven years.¹ Many payment experts believe a handful of drivers will influence the payments revenue in years to come. On the one hand, continued cash displacement and a return to global economic growth will accelerate the number of electronic transactions, while interest margins will likely remain muted. McKinsey believes these factors will create a strong incentive for payments players to pursue new fee-driven revenue sources.²

Boston Consulting Group (BCG) points out that revolving credit is common in the US and the UK, while charge cards are usual in many European markets. Despite these differences, many issuers are challenged with net interchange, struggling to get customers back to revolving credit cards. BCG's research shows that more banks are engaging or re-engaging within payments, pressure-testing different product, segment, and infrastructure strategies, and looking for alliances that combine distribution power with superior technology and capabilities.³

We believe leading fintechs like Zwipe can attract customers by solving particular yet relevant needs. A biometric card will help issuers get customers into an ecosystem, connecting them with other biometric-based services and building a dynamic and distinctive customer experience. In addition, a biometric payment card is highly secure, PIN-free and without a transaction limit like a mobile wallet, meaning an issuer can provide consumers with a consistent and first-class user experience across their range of paying means.

We are confident that a biometric payment card will have a natural place in an issuer's customer offering, as it provides the potential for new revenue streams, increased transaction volume, reduced fraud, and an opportunity to attract new customers and uplift customer loyalty.

Strong momentum for biometric cards

The vision of a biometric payment card is not new. Zwipe showed the world's first PoC (proof of concept) in 2014, followed by the Bank of Cyprus, Gemalto (now Thales), VISA, and Zwipe piloting the world's first biometric dual interface card in 2018. Around that time, EMVCo also issued the functional, security, and performance biometric specifications to facilitate the worldwide interoperability and acceptance of biometric payment cards.

According to the Smart Payment Association more than 20 biometric payment card pilots are currently active globally.⁴ Two of the largest banks in the world, BNP Paribas and Crédit Agricole, have already deployed their first commercial launch of a biometric payment card, and ABI Research predicts that millions of consumers everywhere will be using biometric payment cards in the foreseeable future.⁵

¹ The 2021 McKinsey Global Payments Report | Financial Services | McKinsey & Company

² McKinsey's Global Banking Annual Review | McKinsey

³ Global Payments 2021: All In for Growth (bcg.com)

⁴ Smartpaymentassociation.com

⁵ Up to 2.5 Million Biometric Payment Cards to be issued in 2021 as Second-Generation Architectures Hit the Market (abiresearch.com)

2.3

Consumers want it

More than eight out of ten cardholders across the continents would like their next payment card to be biometric

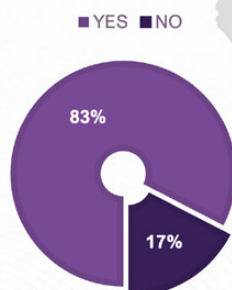
During the last one and a half years, more than 2,500 cardholders in Canada, the US, Sweden, Singapore, Norway, the UK, Romania, Kenya, and South Africa have expressed their view of the biometric payment card in Zwipe Insights, our consumer studies. Results have been extremely consistent across geographies, showing resounding interest in biometric payment cards. For example, more than eight out of ten cardholders across the continents would like their next payment card to be biometric. In addition, more than one in two are willing to pay additional card fees to banks for biometric payment cards and would even consider switching to another issuer to get a biometric payment card. Other studies reported by industry players align very well with these conclusions.

We also see in our surveys that consumers desire a more convenient shopping experience. Our Zwipe Insights show that more than seven out of ten respondents want a complete touch-free checkout experience, which corresponds with the rapid global adoption of contactless payments, where tap to pay now represents about 70 per cent of all face-to-face transactions globally.

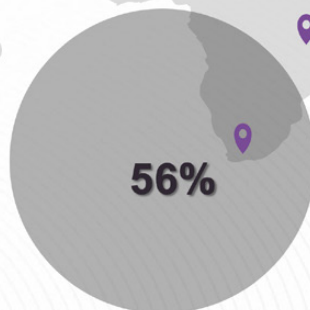
Zwipe Insights

Zwipe has surveyed over 2500 cardholders in Canada, the US, Norway, Sweden, Romania, Singapore, the UK, South Africa and Kenya measure consumers' interest in Biometric Payment Cards. Below are some interesting findings and numbers.

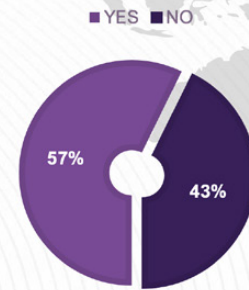
83% of the consumers want their next payment card to be biometric



56% will pay additional service fee to have a biometric payment card



57% of cardholders would consider switching to a new bank who offers a biometric payment card





2.4

According to market projections, more than 150 million biometric payment cards will be issued in 2024, growing to above 1 billion biometric payment cards issued yearly at the end of this decade.

In the pockets of hundreds of millions

On December 16, 2021, the independent Nordic Investment Bank Arctic Securities initiated research coverage of Zwipe in a report titled “A pivotal year awaits”. The report indicated a base case where the biometric payment card market will pick up from 2022 and grow to 5% penetration of a total volume of 3,220 million issued payment cards in 2024, 10% in 2025, 16% in 2026, and 22% in 2027. Following this analysis, more than 150 million biometric payment cards will be issued in 2024, growing to above 1 billion biometric payment cards issued yearly at the end of this decade.

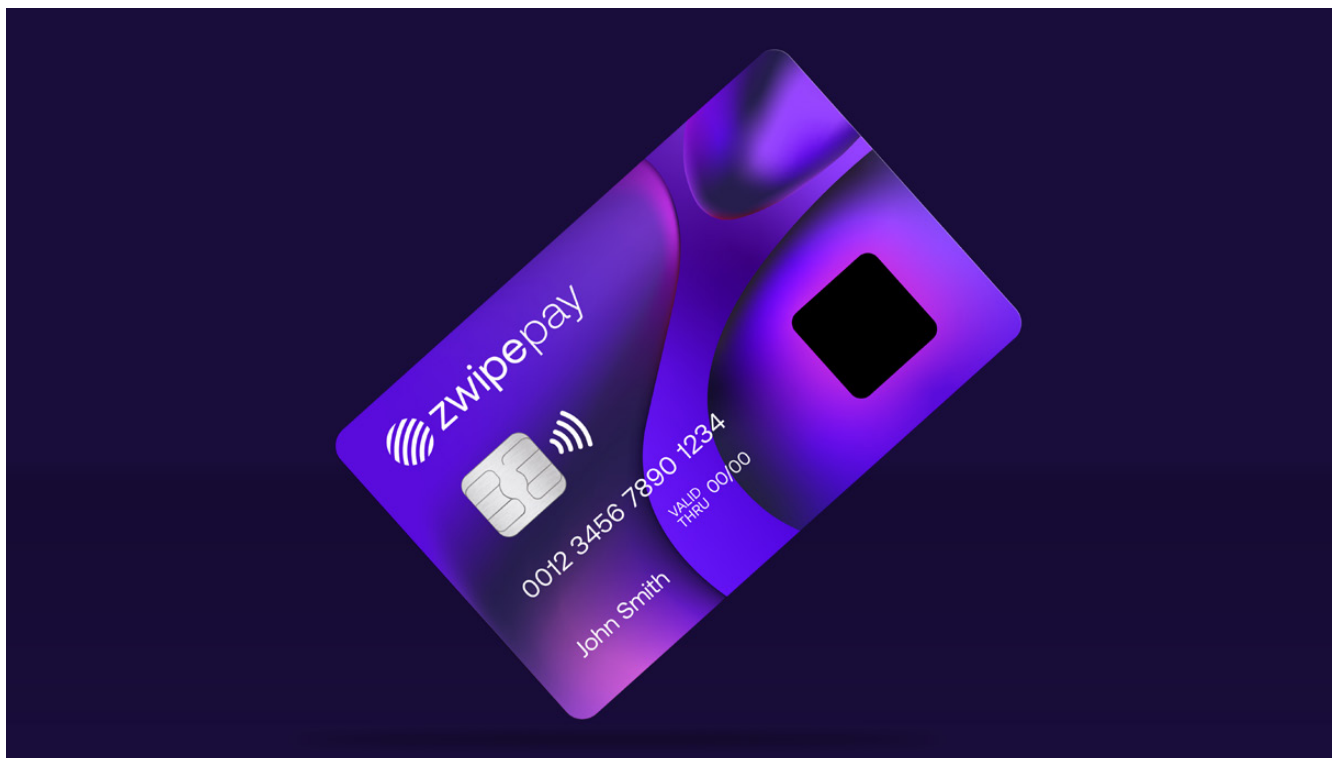
In their latest report, Mordor Intelligence has a similar growth curve for the total biometric card market. They predict a CAGR (compounded annual growth rate) from 2020 to 2026 of 155.45% in value (200.79% in volume), which would take the global biometric card market value from US\$8.75 million in 2020 to US\$1.69 billion by 2026.⁶

⁶ Global Biometric Card Market | Growth, Trends, COVID-19 Impact, and Forecasts (2022 – 27) (mordorintelligence.com)

3.

Regional progress in 2021

- 3.1 Indian subcontinent and APAC region
- 3.2 Middle East and North Africa (MENA)
- 3.3 Europe and the UK
- 3.4 The Americas
- 3.5 Access Control
- 3.6 End-to-End Commercial Strategy
- 3.7 Issuer ROI Calculator
- 3.8 The Zwipers



What Zwipe does goes far beyond technology; it is about “making the market”, developing our ecosystem and helping key stakeholders get prepared for volume take-off.

2021 saw great progress for Zwipe in key markets:

3.1

Indian subcontinent and APAC region

This region represents one of the world's largest and most rapidly growing payment card markets. Five out of the nine new Smart Card Manufacturers (SCMs) we announced in 2021 are based in this region. Among them are KL HI Tech in India, Beautiful Card Corporation in Taiwan, Silkways Card and Printing Ltd in Bangladesh (and two whose names will be announced later). Together, the five manufacturers in APAC deliver around 200 million payment cards annually. These developments received a boost when Asia's largest card payment processor, Financial Software and Systems (managing over 800 million cards), joined forces with Zwipe and agreed to bring biometric payments to its issuers. In addition, in December 2021, Easy Pay, one of India's fastest growing payment brands (used by over 2 million retail stores and millions of consumers), agreed to launch biometric payment card pilots with Zwipe.

3.2

Middle East and North Africa (MENA)

Supported and driven by our GM for the MENA region, who joined Zwipe from 1 April 2021, Zwipe has seen tremendous traction in the MENA Region:

- GEPCOM, one of the most respected SCMs in the Arab world, selected the Zwipe Pay platform to bring next-generation payment experience in Saudi Arabia and selected international markets.
- Masria Digital Payments (MDP), the largest SCM in Egypt, confirmed a pilot launch in H1 2022 with a medium-sized Egyptian bank using Zwipe Pay.
- areeba, a leading payment processor and personalization bureau in the MENA region with its own issuing portfolio, announced pilots in Lebanon and Iraq using Zwipe Pay.
- Middle East Payment Services (MEPS) confirmed that it will issue Zwipe Pay enabled biometric payment cards to executives and key decision-makers at 20 banks and issuers in the Levant region.
- Credit Libanais, one of the largest banks in Lebanon, confirmed its pilot decision with Zwipe Pay.
- Network International (NI), one of the region's largest payment processors, confirmed that it will jointly commercialize biometric payment cards with Zwipe.
- The agreement with Morocco-based NetPS (part of dzcard Group) gives us access to banks across 15 countries in Africa and the Middle East. It complements the partnership we signed earlier in 2021 with ICPS to target Southern African countries.
- NymCard and QPS, next-generation payment processors targeting fintech issuers, finalized a go-to-market partnership with Zwipe, and our commercial teams are working together to engage issuers.

3.3

Europe and the UK

This year we have seen growing interest from card manufacturers and issuer engagements through our customers and partners in Europe, especially in the UK and Nordics. TAG Systems (part of Austria Card Group) stepped up its collaboration with Zwipe. Austria Card Group has grown rapidly and delivers well in excess of 100 million payment cards annually. Swedish fintech VOPY (through Reltime) and France-based payment service provider, be ys Pay, signed up to launch pilots with Zwipe. A global tier-1 bank with several millions of payment cards also selected Zwipe Pay and is preparing to launch pilots in three European countries.

3.4

The Americas

One of the largest and most respected international payment service providers signed up to evaluate and work with Zwipe and bring Zwipe Pay enabled biometric payment cards to issuers in North America and beyond. This agreement provides the opportunity to get in front of US issuers to accelerate the adoption of next-generation biometric payment cards in some of the largest credit card markets in the world, with over 1.4 billion cards. In Latin America, we partnered with IC Payment in Chile and Forzacard in Mexico.

3.5

Access Control

The leading access control solutions can be supported using our Zwipe Pay hardware platform, without modification, thereby “unlocking” significant new business potential within this market.

The Access Control market provides a significant new opportunity for Zwipe and we were able to leverage our Zwipe Pay technology to provide a class leading solution for access control and identification. We achieved a major breakthrough in 2021 when proving that the leading access control solutions can be supported using our Zwipe Pay hardware platform, without modification, thereby “unlocking” significant new business potential within this market.

The success of our technical evaluation was quickly followed by the launch of our new solution at the Trustech event in December 2021 and the announcement of a partnership with HID, LeGrand and Southco, three leading players within this industry. We are now doing the final technical validation processes together with our partners. Meanwhile, we will continue to build our sales pipeline and extend our offering to support further access control solutions.

3.6

End-to-End Commercial Strategy

Zwipe is pursuing a commercial strategy to deliver end-to-end services across the full payments value. This ensures that every stakeholder is professionally supported with technology, Zwipe’s biometric expertise, and operational and commercial insights. These stakeholders include smart card manufacturers, third-party card personalization bureaus, payment processors, and issuers. As a pioneer in biometric payment card technology, we are committed to help make the market and to our partners at every step in the value chain to succeed with biometric cards.

The addition of our “pull” strategy has been transformative for Zwipe. The number of issuers who confirmed their decision to pilot with Zwipe Pay based biometric payment cards jumped from 1 in 2020 to 11 in 2021. This was made possible by the fact that we partnered with leading players across the full payments value chain and trained them to support the issuers, often using Zwipe’s issuer-centric services.

Figure 02: End-to-End Services from Zwipe for all stakeholders in the value chain



Figure 03: Zwipe's End-to-End Biometric Payment Service Ecosystem (not exhaustive)



*) Three issuers do not wish to be named (Global Tier 1 Bank and two other issuers). All issuers shown are in different stages of preparing and planning for pilots.

Why?

Can be tailored for each client's portfolio size, product mix, behaviours and beliefs



Show the depth of impact

E.g., spending, retention, fraud and dispute costs



Enable our clients



What?

Models the P&L impact in real time

Comprehensive, detailed, flexible, with immediate feedback.



Includes all revenues, costs and savings

Includes all costs from initial set up to buying and replacing cards, as well as revenue effects from spending and savings from reduced fraud and disputes.



To fee or not to fee



Figure 04: How issuers benefit from the ROI Calculator

3.7

Issuer ROI Calculator

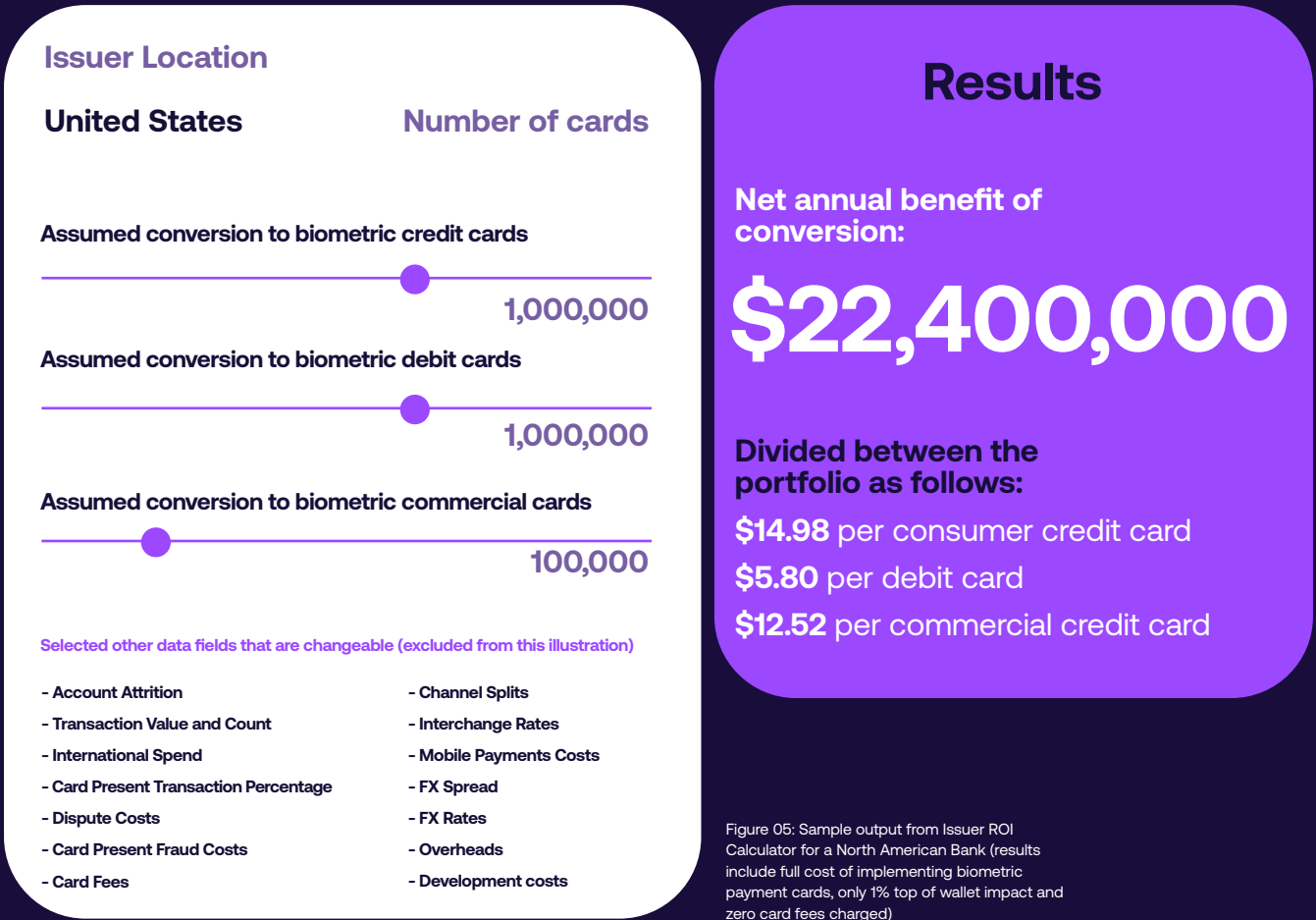
A sample issuer in the United States with a mixed debit, credit, and commercial card portfolio of 2.1m cards can reap a \$22.4 million annual benefit by converting their cards to biometric cards based on the Zwipe Pay platform

Zwipe has released an ROI calculator for banks and fintech issuers to demonstrate the attractive business case for biometric payment cards powered by Zwipe's unique platform. Using this calculator, issuers have complete transparency on the actual financial value from next-generation payment cards. The model is developed with support from independent industry consultants and is based on credible industry data from sources such as UK Finance.

There are many data points involved in understanding a typical Issuer's P&L, and this tool shows us which are impacted by the introduction of Zwipe Pay enabled biometric payment cards. Using credible market and industry data, the ROI calculator demonstrates exactly what the benefits are and how much of a contribution the product can make.

A sample issuer in the United States with a mixed debit, credit, and commercial card portfolio of 2.1m cards can reap a \$22.4 million annual benefit by converting their cards to biometric cards based on the Zwipe Pay platform. Of course, the size of the card portfolio and the issuing country will change some of the results. Based on standard industry data, however, we are confident that biometric payment cards will have a significant positive impact on every issuer even if they do not charge for them.

What the ROI results mean for an Issuer (example)



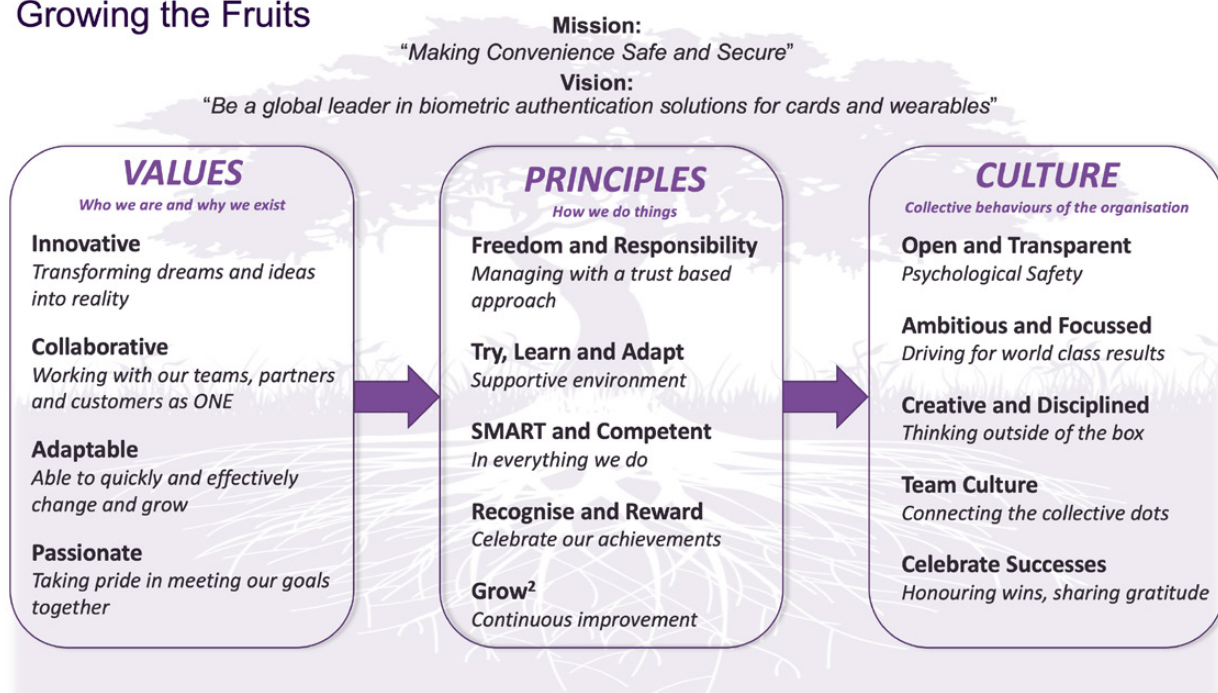
3.8

The Zwipers

At Zwipe, we are committed to inclusion and diversity and are constantly striving to raise the bar. We are a global team and focus on fostering an inclusive workplace to encourage diversity of gender, ethnicity, and background. The purpose of our efforts is to “Give everyone the power of access by being themselves” no matter where they are or who they are.

Our core values include being innovative, collaborative, adaptable, and passionate. Here are the results of Zwipe’s culture journey in 2021:

Growing the Fruits



"With just over 30 Zwipers, we are successfully able to cater to the global market in a spectacular way. This is motivating because the level of the learning shared among team members eventually contributes and adds value to our clients. Every day, you learn something new at Zwipe, thanks to such a vibrant team. We have a collaborative and agile work atmosphere where learning is never limited."

The growth of Zwipe in the MENA region has been significant, especially when considering the behavior of the payments market. The payment landscape in the region is agile, diversified, and dynamic to absorb innovative technologies, and countries such as the United Arab Emirates, Saudi Arabia, Lebanon, Jordan, and Iraq are among Zwipe's key targets.

In addition, Zwipe's relation with the MENA region is critical because we are reaching out to regulators and schemes. This is critical to assist the entire ecosystem in raising industry awareness. Our collaboration with the Iraqi Central Bank is critical in this regard."



Ramzi, General Manager MENA region, Zwipe

"Having a collaborative, enthusiastic, and innovative culture with a solid ambition and focus is the core of Zwipe. All Zwipers have gone through a cultural journey of review, refresh, and discovery, both individually and within teams and companywide. The outcome of "growing the fruits" enables us to keep the collective culture fresh in our minds and sets a high bar for new joiners and during onboarding. Therefore, working at Zwipe is a pleasant experience.

On the business side, our "Push & Pull approach" is an excellent strategy to drive customers and market demand. While one team works with SCMs to promote our product, another team works directly with banks and issuers to generate interest. This is central to our USP.

This fall, I had the pleasure to attend ICT Cairo. Only by supporting this event were we able to meet face to face both with our customer, Masria Digital Payments, but also crucially with potential clients for Zwipe Pay. We achieved more in those few days – building understanding, setting expectations, and driving awareness and interest – than we could in months of online meetings and presentations."



Andrew Saines, VP: Key Accounts, Zwipe

"We've started to place a greater emphasis on culture within Zwipe. It's wonderful to see that each employee at Zwipe is equally contributing to the cultural development within the organization. This is a company-wide approach, and people have become more aware about growing and working towards a common objective. This has been a result of the strong culture-building initiative at Zwipe.

It's also fascinating to observe how employees within the company educate each other. This also allows everyone to collaborate on projects and build things together. We have a strong cultural base that promotes transparency and openness. Having a high awareness quotient and being available to help each other is remarkable in Zwipe.

In 2021, we added nine new positions, three of which were filled by women. We're also anticipating a significant expansion this year. This instills positivity and motivation in the team. Communication is also an important milestone in the culture-building process, and we are completely united in this. Communication is very transparent and also cross-functional communication has become very agile."



Mari Kolstad, Group Finance Manager, Zwipe

"Even before joining Zwipe, I was familiar with the product. I was amazed by the professionalism in the team, where everyone was focused on one technology platform. Therefore, the decision to join Zwipe was easy to take. Working in a small company where one can make a significant difference and learn so much from others is fantastic. Zwipe has a transparent and open culture, and it's amazing to see how we prioritize people throughout the company. In 2021, I also had the chance to participate in a workshop, where we openly discussed our culture and roots."



Rémi Lavarenne, Senior Field Application Engineer, Zwipe



4.

Management and Board of Directors

Management



Zwipe's senior management represent substantial experience from biometrics and payment industries, as well as related and complementing skill sets.



André Løvestam,
CEO

Leading Zwipe on its mission to 'Make Convenience Safe and Secure', Mr. Løvestam joined Zwipe as CEO in March 2018 and has led the company through a milestone period, including MUSD 36 fund raising and public listings on the Oslo Stock Exchange Merkur Market (January 2019) and Nasdaq First North Growth Market in Stockholm (January 2020).

Prior to Zwipe his career features several Chief Executive Officer positions at prominent Nordic ICT and FMCG companies, such as Orkla (Sætre AS), Tomra Europe AS, TeleComputing ASA (now Visolite AS) and Kjedehuset AS. He was also Executive Vice President at Atea ASA.

Board assignments: Chairman of Share Your Business Sweden AB and Energetic AS

Mr Løvestam joined Zwipe in March 2018 and holds 1 300 000 shares and 306 000 options.



Eric Mercer,
COO/CEO Zwipe America, Inc.

Mr Mercer is heading up operations, quality, program management and supply chain management at Zwipe. He is a senior business executive with a focused background in supply chain management and advanced product development. Joining Zwipe in April 2018, Mr Mercer brought a wealth of experience across both technical and administrative disciplines to support Zwipe's supply chain readiness and scaling initiatives.

Prior to Zwipe he has held multiple management positions, notably at Intel Corporation and Cobham Semiconductor Solutions (formerly Aeroflex).

Mr Mercer joined the management team in February 2019, became COO in May 2021, and holds 5 500 shares and 150 000 options.

Management



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 and Financial Manager to CFO (2009-15) and head of strategic projects (2015-16). 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. Mr Solheim holds degrees as Master of Business and Economics (Siv. øk.) and Master of Accounting (HRE).

Mr Solheim joined Zwipe and the management team in March 2020, and holds 90 000 shares and 150 000 options.



Dr Robert Mueller,
CTO

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. Prior to Zwipe he was serving as Chief Technology Officer at Next Biometrics.

Dr Mueller is leading the company's technical development and engineering. He leads the European Tech Hub in Munich, Germany and is overseeing the US based Research and Development Center.

Dr Mueller joined Zwipe and the management team in April 2019 and holds 48 572 shares and 150 000 options.



Bishwajit Choudhary,
EVP Financial Institutions
and Alliances

Based in Oslo, Mr Choudhary leads Zwipe's efforts towards issuers, schemes, processors, perso bureaus and other go-to-market partners in the ecosystem. He is also responsible for MarCom.

He has two decades of experience from Nets where he led many new business initiatives within Payments, Digital-ID, electronic signatures and mobile authentication for international clients. As the Group SVP (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.

Mr Choudhary joined Zwipe and the management team in June 2020 and holds 25 500 shares and 150 000 options.



John Goodale,
CCO

Mr Goodale joined Zwipe in January 2021 and brought over 25 years of experience in sales within the payments industry. After spending nearly two decades at TSYS and, prior to that, at KPMG and DMR Consulting, Mr Goodale is recognized for thought leadership across many payment concepts in multiple European markets and a strong understanding of the global financial market. His business acumen and sales leadership have enabled him to develop compelling sales propositions that have won new business across a broad portfolio of financial products across the globe.

Mr Goodale leads Zwipe's engagement and conversion efforts with smart card manufacturers globally, while also supporting engagement with issuers and selected go-to-market partners to strengthen Zwipe's position.

Mr Goodale joined the management team in January 2021 and holds 110 000 options.

Board of Directors



Jörgen Lantto,
Chairman of the board

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.

Board assignments: Board member Cambridge Mechatronics Ltd, Bromma tech Consulting AB, Dirac research AB, Wirepas Oy, Tobii AB

Mr Lantto joined Zwipe's Board of Directors in 2016 and holds 866 666 shares and 90 000 options. He is an independent director in relation to the company and its main shareholders.



Dennis Jones

Mr Jones is the retired Chief Operating Officer of TSYS Issuer Solutions, a US-based global payment processing company and, until December 2017, was the Chairman of Paysafe PLC, a UK-based FTSE 250 global payments company.

He has extensive experience in the fintech, payments and payment processing sectors, having held Executive/Board roles in the UK as Chairman of MasterCard UK Ltd and various Executive roles with RBS and NatWest; and in the US 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 also worked in China as an Executive Director of the RBS/Bank of China Credit Card JV.

Board assignments: D & PM Associates Limited

Mr Jones joined Board of Directors in 2018 and holds 65 228 shares and 40 000 options. He is an independent director in relation to the company and its main shareholders.



Tanya Juul Kjær

Ms Juul Kjær is VP of Product at Jus Mundi. Previously she was leading the head of Payments at Tink. She has worked in the fintech industry for most of her career, including various product and leadership roles at H&M Group, Klarna, iZettle (now part of Paypal).

Ms Juul Kjær has a Master degree of International Law (LL.M.) at the University of New South Wales, Sydney, and a Bachelor of Laws degree at the University of Copenhagen.

Board assignments: Board member of Yabie in Sweden

Ms Juul Kjær joined the Board of Directors in 2021. She is an independent director in relation to the company and its main shareholders.



Stina Granberg

Mrs Granberg has worked many years in the Fintech industry at companies like Klarna, Bambora and Worldline. Her previous assignment was Chief Operating Officer at Bambora, now part of the Worldline group, and Head of Customer Services Regional Businesses at Worldline. Currently she holds the position as Chief Operating Officer at a consumer tech scale up; Fishbrain. Further she has a background from the Fast-Moving Consumer Goods and Retail Industry.

Mrs Granberg holds a degree in Master of Science in Engineering.

Mrs Granberg joined the Board of Directors in 2021, and is an independent director in relation to the company and its main shareholders.

Board of Directors



Diderik Schonheyder

Mr 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.

Board assignments: Schonheyder & Associates SPRL, The Clydach London Company Ltd.

Mr Schonheyder joined the Board of Directors in 2020 and holds 25,302 shares. He is an independent director in relation to the company and its main shareholders.



Johan Biehl

Mr Biehl is a private investor and trader, the last ten years he has devoted 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 today 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, Mr Biehl held several positions in B2B sales and sales management. He has studied economics and business and holds a degree in finance from Stockholm University.

Board assignments: Board member Feat Invest AB, Biehl Invest AB, Nitro Games Oy

Mr Biehl joined the Board of Directors in 2018 and holds 120 000 shares and 40 000 options, and Feat Invest AB, where he is a board member, owns 262,479 shares. Mr Biehl is an independent director in relation to the company and its main shareholders.

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4.

Statutory Board of Directors' Report

The Board of Directors' report for Zwipe in 2021 is based on Zwipe's consolidated financial accounts for 2021 and 2020, prepared in accordance with Norwegian Generally Accepted Accounting Principles (NGAAP).

All figures are presented on a consolidated basis for the Group, unless explicitly attributed to the parent company Zwipe AS. The main impact of the consolidation of financial statements for Zwipe AS, Zwipe America Inc., Zwipe Germany GmbH, Zwipe UK Ltd., and Zwipe Singapore Pte. Ltd. is the reclassification of other operating expenses in Zwipe AS to payroll expense. Tax paid by subsidiaries impacts the consolidated statements, as Zwipe AS has not yet paid taxes. Other balance sheet effects include adjustments to financial fixed assets, total cash balance, equity, accounts payable, and long- and short-term liabilities.

Revenues

Total reported revenues for Zwipe in 2021 was MNOK 2.5. This is up from MNOK 1.8 in the previous year and reflects an underlying increase in payment-related revenues. The revenues relate to sale of biometric card components in limited volumes and NREs (non-recurring engineering revenues). Sales revenues are marginal at this time, as commercial deployment of Zwipe's products is not yet initiated.

Operating expenses

Zwipe's operating expenses mainly consist of people cost (employees and contractors) and professional services from third parties contributing to Zwipe's development projects and supply chain preparations.

Operating expenses excluding depreciation, amortization, impairment, and COGS were MNOK 76.3 in 2021 compared to MNOK 56.9 in 2020, an increase of MNOK 19.4 or 34%. MNOK 16.9 of the increase in operating expenses is related to higher personnel and contractor expenses.

Total expenses related to employee payroll increased by 32% from 2020 to 2021, at MNOK 27.8 (MNOK 19.0). The investment in staff (employees and contractors) has been made to meet and further develop the strong demand for the company's solutions and to prepare for piloting and deployment of our card payment solutions and services.

All Zwipe team members hold stock options as part of their overall compensation package. The cost of the stock options compensation is somewhat volatile as it will vary over time due to grants, cancellations, and vesting periods of each grant. In 2021, the cost of this remuneration program including accrual for social security tax, was MNOK 5.8, up from MNOK 3.2 in 2020.

Depreciation, amortization, and impairment were MNOK 8.4 in 2021, compared to MNOK 2.0 in 2020, as a result of an impairment of intangible assets of MNOK 6.2 related to a production generation developed prior to Zwipe Pay.

Cost of Goods Sold (COGS) were MNOK 0.9 (MNOK 4.8), resulting in a gross margin of 54%.

Other Operating Expenses were MNOK 48.5 (MNOK 37.9), and comprise expenditures related to R&D, consultants, office equipment, leasing of office space, IT infrastructure, travel, marketing and others. Expenses related to the management of Zwipe's IP are also included in operating expenses and comprise external costs of obtaining and maintaining patents. A major

cost component in operating expenses in 2021 is MNOK 9.7 (MNOK 10.4) in Q4 2021 related to the jointly funded development collaboration with Idemia. This represents the fourth and final installment of the committed co-investment with Idemia.

Results

Consolidated EBITDA for 2021 was MNOK -74.6 (MNOK -59.9). The decrease in EBITDA largely reflects the higher personnel and contractor expenses. Zwipe does not have any loan commitments at the end of 2021. Total financial costs in 2021 were MNOK 0.3. Total result for the year was MNOK -83.5 (MNOK -62.1)

Research and Development

R&D spending amounted to a total of MNOK 24.8 in 2021 (MNOK 21.4) expensed over the Income Statement. 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. MNOK 9.7 of the R&D cost in 2021 relate to the final instalment according to the co-investment agreement with Idemia for the development of the single-chip platform used in Zwipe Pay and Zwipe Access.

Financial position

In 2021, Zwipe America Inc. was granted full forgiveness of the two \$248,000 (MNOK 2.1) loans received through the Paycheck Protection Program (PPP). The first of these two loans was granted in 2020 and the second loan was granted earlier in 2021. The forgiveness means that there is no requirement for repayment of the loans and interest. In total, therefore, PPP loans of \$496,000 plus interest were forgiven.

During 2021, Zwipe raised net MNOK 104 through a private placement to the Swedish investor Erik Selin in September, further strengthening the balance sheet. At the end of 2021, bank deposits and cash were MNOK 152.3 (MNOK 125.3).

Net cash use in operating activities in 2021 was on average MNOK 6.4 per month, which represents an increase of 28% from 2020.

Total equity was MNOK 148.5 (122.6), corresponding to an equity ratio of 91% (89%). Total liabilities were MNOK 14.9.

Parent company

Total reported revenue in the parent company, Zwipe AS, was MNOK 1.9 in 2021, compared with MNOK 1.6 in 2020. Operating expenses were MNOK 85.9 (MNOK 64.1), and the net result for Zwipe AS was a loss of MNOK 84.3 compared to a loss of MNOK 62.4 in 2020.

Total assets were MNOK 160.1, and cash and cash equivalents were MNOK 145.1. Zwipe AS has granted loans to subsidiaries Zwipe Germany GmbH, Zwipe UK Ltd., and Zwipe Singapore Pte. Total intercompany loan including interest were MNOK 3.6 at the end of 2021, recorded as a long-term receivable. Zwipe AS had no interest-bearing debt at the end of 2021.

Share capital and shares

During 2021, the share capital was increased on four separate occasions. In February, May and June the share capital was increased as a result of employee's option exercise.

On 30 August Zwipe conducted a private placement of gross MNOK 104.

The subscription price in the private placement was NOK 26.10 per share. The total shares issued in the private placement was 4,000,000 shares, at a subscription price of NOK 26.10.

The number of outstanding shares at the end of 2021 was 36,982,685, and the share capital of Zwipe was NOK 3,698,268.5.

Zwipe's shares were listed on Nasdaq First North Growth Market in Stockholm on 28 January 2020. Zwipe has since then been dual-listed, as the shares have also been listed on Euronext Growth Market in Oslo since 28 January 2019.

The share price development was strong in 2021, rising by 52 percent to NOK 29.00 at the last trading day of 2021. Due to new shares issued in 2021, the market capitalization of Zwipe increased to MNOK 1 072 at year-end 2021 (MNOK 628).

Dividend

Zwipe's dividend policy is that no dividend shall be paid until the company is in an established cash positive position with predictable positive business results. Consequently, the Board of Directors proposes that no dividend be paid for 2021.

Subsequent events

Danielle Glenn is appointed new CFO and Head of IR effective from 1 May 2022.

A share capital increase of 384,000 new shares in Zwipe AS was registered 22nd of February 2022. The new share capital is NOK 3,736,668.50 and the new number of shares and votes is 37,366,685.

Risks and Uncertainty Factors

Zwipe is exposed to various types of market, operational and financial risks. Zwipe continuously monitors risk factors at a corporate and subsidiary level and takes appropriate action when needed to eliminate or mitigate any potential negative impact on operational and financial performance. Please refer to the prospectus dated 19 October 2020 for a comprehensive discussion of risk factors. The prospectus is available at www.zwipe.com.

Zwipe is operating within the unpredictable and rapidly evolving contactless payment and biometric authentication market and value chain together with market leading manufacturers and payment networks. Consequently, it is difficult to predict important market trends, including how large this market will be or when and which products will be adopted, as well as timing of significant market events such as commercial launch of biometric payment cards to consumers. Zwipe's operational and financial performance will depend on the timely and successful commercialisation of existing and new technologies and enhancements to such technologies. Certification, customer roll-out and/or market adoption might take longer, or the market penetration may not be as strong as Zwipe plans for. The continued spread of COVID-19 or the global shortage in the supply of semiconductors may lead to additional or prolonged challenges to execute our and our customers' and partners' projects as well as the manufacturing of smart cards.

The markets in which the company operates are highly competitive, fragmented, and rapidly changing, and the Group expects to continue to experience competition from new and incumbent market players. The introduction of new technologies could cause existing products to be less attractive and Zwipe must therefore be able to successfully anticipate or adapt to changing technologies or customer requirements on a timely basis.

Going Concern

The Board of Directors confirms that Zwipe will continue to operate under the assumption of going concern, and that the financial statements for 2021 are prepared under this assumption. While costs are expected to continue to exceed revenue for several more quarters, the board considers that the company has sufficient access to capital while preparing for cash-generating commercial business.

External Environment

Zwipe's operations has limited impact on the environment. The company operates in compliance with all applicable environmental legislation, without any requirement for waivers or exemptions.

Organization and working environment

Founded and headquartered in Oslo, Norway, our growing team of competent and highly dedicated experts is represented by 14 different nationalities in 11 countries across five time zones - from Colorado Springs in the west to Singapore in the east.

During 2021, Zwipe has increased its staff in preparation for the increased demand for our payment solutions and services. At the end of 2021, the number of employees and contractors was 32.

Zwipe strives to be an equal opportunity workplace, and the working environment is considered good. Out of its 32 people, five employees were female at the end of 2021. There are two women in Zwipe's Board of Directors. Although improving, Zwipe considers the gender balance to be still unsatisfactory and seeks to increase the share of women in the company.

Excluding consultants, the number of employees in the Norwegian parent company was eight at the end of 2021. The total sick leave in the parent company was 0% in 2021. There have been no material injuries or work-related accidents in 2021.

Other

The Board of Directors is not aware of any matters of importance for the assessment of the company's position and performance, which is not reflected by the financial statement and balance sheet with notes. Subsequent to 31 December 2021, there has not, in the Board of Directors' view, occurred any matter which will affect the annual accounts. An insurance is drawn for the Board of Directors and Management for claims made during the insurance period.

Outlook

Zwipe observes that card issuers and consumers are getting ready to embrace the global shift towards more secure and convenient contactless payments, and the key players and surrounding ecosystem are committing time and money to prepare for the introduction of biometric authentication as one of the next developments of payment cards.

Zwipe's ambition is to play an important role in the commercial market deployment and to secure a strong market position both in the medium and long term.

Thanks to recent streamlining, followed by targeted recruitment and funding activities, Zwipe has the capability to continue developing its offering and preparing for commercial high-volume market deployment of biometric authentication solutions for payment, access control, and beyond.

Zwipe's revenue growth going forward is dependent on the market development of biometric payment and access control cards, as well as Zwipe's ability to capture sufficient market shares. Zwipe believes that the timing and speed of market adoption will be closely linked to the availability of technology that enables significant cost reductions of biometric payment cards relative to current levels. There is widespread consensus that the long-term market potential for biometric payment is substantial.

In addition to revenues from payment applications, Zwipe sees additional long-term upside potential from product offerings within access control and ID.

Assurance by the Board of Directors

We confirm, to the best of our knowledge, that the annual report and financial statements for the period of 1 January to 31 December 2021 have been prepared in accordance with the Norwegian Accounting Act and accounting standards generally accepted in Norway (NGAAP) and give a true and fair view of the Zwipe Group's assets, liabilities, financial position and results for the period.

We also confirm, to the best of our knowledge, that the Board of Directors' report includes a fair review of important events that have occurred during the financial year and their impact on the financial statements, any major related parties' transactions, and a description of the principal risks and uncertainties for the operations.

The Board of Directors of Zwipe AS

Oslo 22 February 2022

JÖRGEN LANTTO (sign.)
CHAIRMAN OF THE BOARD

STINA GRANBERG (sign.)
BOARD MEMBER

DIDERIK SCHONHEYDER (sign.)
BOARD MEMBER

DENNIS JONES (sign.)
BOARD MEMBER

JOHAN BIEHL (sign.)
BOARD MEMBER

TANYA JUUL KJÆR (sign.)
BOARD MEMBER

ANDRÉ LØVESTAM (sign.)
CEO

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5.

Statements of Financial Position

Income Statement

(Amounts in 1000 NOK)

Zwipe Group			Zwipe AS	
2021	2020	Note	2021	2020
			Operating Income	
1 850	1 655	1	1 850	1 655
691	182	1	93	0
2 541	1 837		1 943	1 655
			Operating income	
			Operating expenses	
855	4 808	7	855	4 808
27 747	18 973	2,3,15	20 258	11 894
8 393	2 008	4,5	8 225	1 990
48 542	37 947	2,17	56 536	45 368
85 537	63 736		85 873	64 061
			Operating profit/loss	
-82 997	-61 899		-83 931	-62 405
			Financial income and expenses	
15	148		15	148
186	441	19	221	441
28	3		28	3
532	569	19	532	569
-359	17		-324	17
			Net financial income and expenses	
-83 355	-61 882		-84 254	-62 388
			Results before tax	
115	191	10	0	0
-83 471	-62 073		-84 254	-62 388
			Results for the year	
			Profit(+)/Loss(-) for the year attributable from:	
-83 471	-62 073		-84 254	-62 388
0	0		0	0
-83 471	-62 073		-84 254	-62 388
			TOTAL	
36 982 685	32 906 576			
34 000 382	27 367 556			
-2.45	-	2.27		
			Profit pr. share before/after dilution	

Balance Sheet
(Amounts in 1000 NOK)

Zwipe Group			Zwipe AS	
2021	2020	Note	2021	2020
			Assets	
			Long-term Assets	
			Intangible Assets	
			Research and Development	
<u>0</u>	<u>7 359</u>	5	<u>0</u>	<u>7 359</u>
<u>0</u>	<u>7 359</u>		<u>0</u>	<u>7 359</u>
			Fixed Assets	
			Equipment, fixtures and fittings	
<u>3 336</u>	<u>2 568</u>	4	<u>3 336</u>	<u>2 487</u>
<u>3 336</u>	<u>2 568</u>		<u>3 336</u>	<u>2 487</u>
			Financial Assets	
			Investment in subsidiaries	
<u>0</u>	<u>0</u>	6	<u>648</u>	<u>386</u>
<u>451</u>	<u>436</u>		<u>4 032</u>	<u>436</u>
<u>451</u>	<u>436</u>		<u>4 679</u>	<u>822</u>
<u>3 787</u>	<u>10 362</u>		<u>8 015</u>	<u>10 668</u>
			Total Long-term Assets	
			<u>8 015</u>	<u>10 668</u>
			Current Assets	
			Inventories	
			Inventories	
<u>2 448</u>	<u>313</u>	7,11	<u>2 448</u>	<u>313</u>
<u>2 448</u>	<u>313</u>		<u>2 448</u>	<u>313</u>
			Receivables	
			Accounts receivables	
<u>87</u>	<u>72</u>	11	<u>87</u>	<u>72</u>
<u>4 748</u>	<u>1 361</u>	8,16	<u>4 452</u>	<u>1 189</u>
<u>4 834</u>	<u>1 433</u>		<u>4 539</u>	<u>1 261</u>
			Total debtors	
			<u>4 539</u>	<u>1 261</u>
			Cash	
			Bank deposits, cash	
<u>152 346</u>	<u>125 255</u>	9	<u>145 133</u>	<u>119 067</u>
<u>152 346</u>	<u>125 255</u>		<u>145 133</u>	<u>119 067</u>
<u>159 627</u>	<u>127 001</u>		<u>152 120</u>	<u>120 640</u>
<u>163 414</u>	<u>137 363</u>		<u>160 135</u>	<u>131 308</u>
			Total Current Assets	
			<u>152 120</u>	<u>120 640</u>
			Total Assets	
			<u>160 135</u>	<u>131 308</u>

Balance Sheet

(Amounts in 1000 NOK)

Zwipe Group			Zwipe AS	
2021	2020	Note	2021	2020
			Equity and liabilities	
			Equity	
			Paid-up Equity	
3 698	3 291	13	3 698	3 291
144 849	119 309		139 394	114 691
148 547	122 599		143 092	117 981
148 547	122 599		143 092	117 981
			Total equity	
			143 092	117 981
			Liabilities	
			Long-term liabilities	
0	942	12	0	0
0	942		0	0
			Short-term Liabilities	
853	3 119		2 561	3 701
4 455	2 464	15	4 266	2 464
142	0	10	0	0
9 417	8 239	11,14,18,12	10 216	7 161
14 867	13 822		17 043	13 326
14 867	14 764		17 043	13 326
163 414	137 363		160 135	131 308
			Total equity and liabilities	
			160 135	131 308

Oslo, 22.02.2022

Jörgen Lantto (sign.)
Chairman of the Board

Diderik Schonheyder (sign.)
Board Member

Dennis Jones (sign.)
Board Member

Stina Granberg (sign.)
Board Member

Johan Biehl (sign.)
Board Member

Tanya Juul Kjær (sign.)
Board Member

André Løvestam (sign.)
CEO

(Amounts in 1000 NOK)

Zwipe AS

Statement of changes in equity

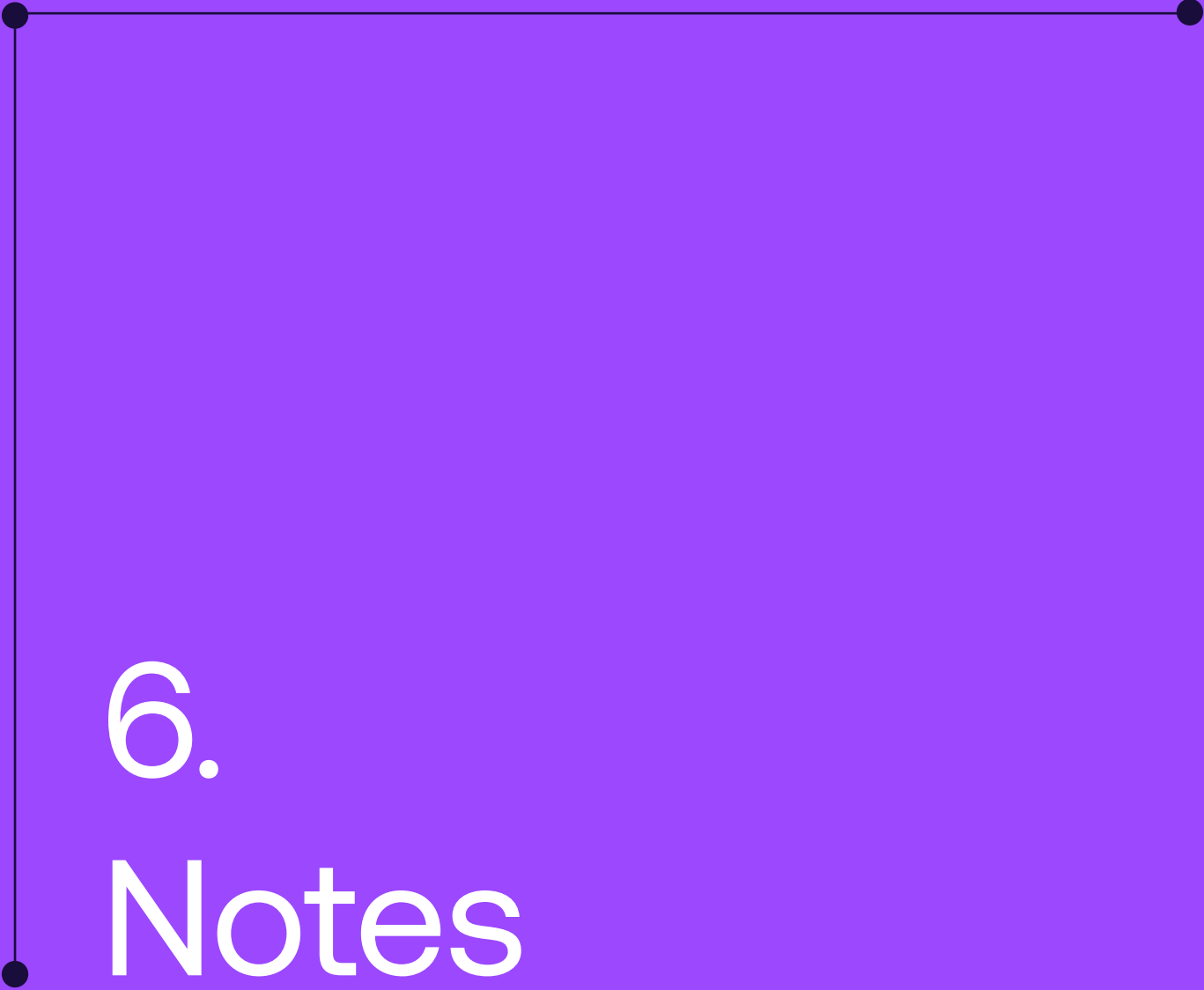
(Amounts in 1000 NOK)

Zwipe Group

	Share capital	Share premium reserve	Total equity
January 1st 2020	1 595	78 830	80 426
Proceeds from issue of shares	1 695	109 024	110 720
Issue costs		-8 199	-8 199
Annual net profit/loss		-62 073	-62 073
Share based compensation		1 888	1 888
Currency effect		-163	-163
January 1st 2021	3 291	119 309	122 599
Proceeds from issue of shares	412	104 844	105 256
Issue costs		108	108
Annual net profit/loss		-83 471	-83 471
Share based compensation		4 005	4 005
Other changes in equity		-62	-62
Currency effect	-4	116	112
December 31st 2021	3 698	144 849	148 547

Zwipe AS

	Share capital	Share premium reserve	Total equity
January 1st 2020	1 595	74 366	75 961
Proceeds from issue of shares	1 695	109 024	110 720
Unregistered capital increase/decrease		0	0
Issuance cost		-8 199	-8 199
Uncovered loss		0	0
Annual net profit/loss		-62 389	-62 389
Share based compensation		1 888	1 888
January 1st 2021	3 291	114 691	117 981
Proceeds from issue of shares	408	104 844	105 252
Issuance cost		108	108
Annual net profit/loss		-84 254	-84 254
Share based compensation		4 005	4 005
December 31st 2021	3 698	139 394	143 092



6.

Notes

Accounting policies

Zwipe Group and Zwipe AS

The financial statements have been prepared in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Consolidation

The Group's accounts include the parent company Zwipe AS and its 100% owned subsidiaries Zwipe America Inc., Zwipe Germany GmbH, Zwipe UK Ltd. and Zwipe Singapore Pte. Ltd. (hereafter referred to as the Group). The parent company has controlling influence as it owns more than 50% of the shares in the subsidiaries and the Group is in a position to exercise actual control over the companies. Transactions and receivables between companies in the group have been eliminated. The Group accounts have been prepared applying uniform principles, in that the subsidiaries follows the same accounting principles as the parent company.

The consolidated financial statements are presented in NOK. Zwipe AS is reporting in NOK, Zwipe America Inc is reporting in USD, Zwipe Germany GmbH is reporting in EUR, Zwipe UK Ltd. is reporting in GBP and Zwipe Singapore Pte. Ltd. is reporting in SGD. The balance sheet has been translated from reporting currency at the exchange rate at the end of the reporting period. The profit and loss statement has been translated at the average exchange rate for 2021. Translation differences are presented as part of the equity.

Use of estimates

The preparation of financial statements in compliance with the Norwegian Accounting Act requires the use of estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

Revenue

Income from sale of goods and services are recognised at fair value, net after deduction of VAT, returns, discounts and reductions. Income from sale of goods is recognised in the income statement when both risk and control have passed on to the buyer, the risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Historical data are applied to estimate and make provisions for quantity discount and returns at the date of sales.

Classification and assessment of balance sheet items

Assets intended for long-term (3 years or more) ownership or use have been classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year of the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are classified as short term liabilities and current assets.

Intangible assets

An intangible asset is capitalized only when the Group can reliably measure the expenditure and a future financial benefit relating to the asset can be identified. Otherwise, such expenditure is expensed as and when incurred. Capitalised costs are amortised linearly over the asset's expected useful life.

Fixed assets

Tangible fixed assets are capitalised and depreciated linearly down to the residual value over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Maintenance of operating equipment is expensed on an ongoing basis. Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased. Plots and land are not depreciated.

Impairment of fixed assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent incoming cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Investments in other companies

The cost method is applied to investments in Zwiipe America Inc., Zwiipe Germany GmbH, Zwiipe UK Ltd. and Zwiipe Singapore Pte. Ltd. Investments are written down to fair value if the fair value is lower than the carrying amount.

Inventory

The inventory of purchased goods is valued at the lower of cost according to the FIFO principle and net realisable value. Finished goods of own production and work in progress inventories are valued at variable cost of production.

Receivables

Accounts receivable and other receivables are recorded in the balance sheet at nominal value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables.

Pensions

For the Norwegian parent company a defined contribution plan is implemented where the company pays contributions to an insurance company. The contribution is recognised as payroll expenses in the period to which the contribution relates. In Zwiipe America, Inc. a 401(k) plan is implemented. A 401(k) plan is a tax-advantaged, defined-contribution retirement account offered by employers to their employees. Workers can make contributions to their 401(k) accounts through automatic payroll withholding and their employers can match some or all of those contributions. Zwiipe America, Inc. provides a contribution to the employees' accounts. In Zwiipe UK Ltd. the pension scheme is a defined contributions plan. In Zwiipe Singapore Pte. Ltd. a social security savings scheme is set up, Central Provident Fund, funded by contributions from the employers and employees.

Tax

The tax charge in the income statement consists of tax payable and changes in deferred tax. Deferred tax is calculated at 22% on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences which are reversed, or may be reversed in the same period, have been offset and netted.

The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised. As a precaution, net deferred tax is not booked in the balance sheet.

Cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short-term, liquid investments.

Changes in accounting policies

There has not been any accounting policy change in 2021.

NOTES

All amounts are presented in 1000 NOK

Note 1 Revenues

	Zwipe AS		Group	
Activity distribution	2021	2020	2021	2020
Revenues from sale of goods and services	1 850	1 655	1 850	1 655
Revenues from sub lease of offices	0	0	595	141
Gain on sales of fixed assets	93	0	96	40
Total	1 943	1 655	2 541	1 837

	Zwipe AS & Group	
Revenues from sale of goods and services	2 021	2 020
Payment	1832	1655
Access control	18	0
Total	1850	1655

	Zwipe AS & Group	
Geographical distribution	2021	2020
Norway	363	81
Other countries	1 487	1 574
Total	1 850	1 655

Note 2 Personnel expenses, number of employees, remuneration

	Zwipe AS		Group	
Personel expenses	2021	2020	2021	2020
Salaries/wages	11 433	6 461	18 291	13 283
Social security fees	1 894	1 152	2 254	1 152
Pension expenses	287	127	488	342
Other remuneration	786	998	857	1 040
Share based remuneration (salary part)	3 935	1 888	3 935	1 888
Share based remuneration (social security tax)	1 922	1 267	1 922	1 267
Total personel expenses	20 258	11 894	27 747	18 973

Average number of employees	7	5	16	12
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OTP (Statutory occupational pension)

The company is required to have a pension scheme in accordance with the Norwegian law on mandatory occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme satisfies the minimum requirement of this law with a contribution of 4% of salary.

	Zwipe AS & Group	
Expensed audit fee	2021	2020
Statutory Audit	246	317
Other audit assistance	36	89
Other services	65	58
Total audit fees	347	465

Note 3 Management and Board remuneration

Remuneration	CEO		Board	
	2021	2020	2021	2020
Salary	2 552	2 279	0	0
Bonus/short term incentives	2 302	368	0	0
Pension expenses	54	22	0	0
Other remuneration	9	5	649	753
Share based remuneration	652	1 076	0	0
Total remuneration	5 569	3 750	649	753

Management and Board remuneration in 2021 and 2020 presented above gives information about remuneration accounted for in the period.

Guidelines for determining the remuneration of senior executives

The Remuneration Committee, appointed by the Board of Directors, proposes remuneration for the CEO to the Board of Directors. The CEO proposes and discusses senior executive remuneration with the Remuneration Committee. The Remuneration Committee develops the share-based incentive program in collaboration with the CEO and CFO. From 2020, Zwipe implemented a new policy for rewarding board members with a fixed board fee instead of shared-based remuneration.

Share based remuneration

Management/employees	Granted	Vested	Unvested	Value of
				granted options at grant date
André Løvestam	690 000	548 332	141 668	5 696
Lars Kristian Solheim	150 000	100 000	50 000	246
Robert Müller	150 000	95 000	55 000	946
Eric Mercer	150 000	81 669	68 331	1 263
Bishwajit Choudhary	150 000	55 000	95 000	1 267
John Goodale	110 000	31 666	78 334	1 147
Total value of options granted to other employees	411 000	160 978	250 022	5 975
Total share based remuneration	1 811 000	1 072 645	738 355	16 539
Members of the Board				
Jörgen Lantto	90 000	90 000	0	103
Johan Biehl	40 000	40 000	0	51
Dennis Jones	40 000	40 000	0	51
Tanya Juul Kjær	0	0	0	0
Stina Granberg	0	0	0	0
Diderik Schonheyder	0	0	0	0
Total share based remuneration	170 000	170 000	0	204
Total share based remuneration	1 981 000	1 242 645	738 355	16 743

Note 4 Fixed assets

Zwipe AS				
	Office machinery	Tools	Machinery and plant in progress	Total
Acquisition cost 01.01.2021	444	7 148	457	8 049
Additions	270	1 592	71	1 932
Transfer	0	264	-264	0
Skattefunn/Horizon 2021	0	-326	0	-326
Disposals	0	0	0	0
Acquisition cost 31.12.2021	714	8 678	264	9 655
Accumulated depreciation/ impairment 31.12.2021	440	5 880	0	6 320
Book value 31.12.2021	273	2 798	264	3 336
Depreciation in the year	75	683	0	758
Impairment in the year	0	0	0	0
Total Depreciation/impairment in the year	75	683	0	758
Depreciation plan	Linear	Linear		
Economic useful life	3 year	5 year		

Zwipe Group				
	Office machinery	Tools	Machinery and plant in progress	Total
Acquisition cost 01.01.2021	543	7 148	457	8 148
Additions	359	1 592	71	2 021
Transfer	0	264	-264	0
Skattefunn/Horizon 2021	0	-326	0	-326
Disposals	0	0	0	0
Currency effect	-20	0	0	-20
Acquisition cost 31.12.2021	882	8 678	264	9 824
Accumulated depreciation/ impairment 31.12.2021	608	5 880	0	6 488
Book value 31.12.2021	273	2 798	264	3 336
Depreciation in the year	243	683	0	926
Impairment in the year	0	0	0	0
Total Depreciation/impairment in the year	243	683	0	926
Depreciation plan	Linear	Linear		
Economic useful life	3 year	5 year		

Note 5 Intangible assets

	Zwipe AS & Group			Total
	Research and development	Concessions, patents etc.	Research and development in progress	
Acquisition cost 01.01.2021	14 180	4 108	7 398	25 686
Adjustment acquisition cost	-3	0	0	-3
Additions	0	0	0	0
Transfer	7 398	0	-7 398	0
Skattefunn/Horizon 2021	112	0	0	112
Disposals	0	0	0	0
Acquisition cost 31.12.2021	21 687	4 108	0	25 794
Accumulated amortization/ impairment 31.12.2021	21 648	4 108	39	25 794
Adjustment acc. Depreciation/impairment 31.12.2021	39	0	-39	0
Book value 31.12.2021	0	0	0	0
Amortization in the year	1 271	0	0	1 271
Impairment in the year	6 197	0	0	6 197
Total Depreciation and amortization in the year	7 467	0	0	7 467
Amortization plan	Linear	Linear		
Economic useful life	5 year	5 year		

An impairment of MNOK 6.2 was applied to intangible assets for a by-passed production generation.

Note 6 Investment in subsidiaries and associates and joint ventures

The subsidiaries provide various services to the parent company, mainly within engineering, development, sales operations and supply chain activities.

Zwipe AS	Location	Investment	Ownership/ voting rights
Zwipe America Inc.	Colorado	368 101	100 %
Zwipe Germany GmbH	Munich	260 575	100 %
Zwipe UK Ltd.	London	1 157	100 %
Zwipe Singapore Pte Ltd.	Singapore	13	100 %

Note 7 Inventories

	Zwipe AS & Group	
	2021	2020
Raw materials	509	358
Goods in production	0	21
Finished goods	2 068	2 801
Write-off	-129	-2 867
Total inventory	2 448	313

Following the streamlining of Zwipe's technology roadmap, with focus on the Zwipe Pay platform, inventory related to bypassed versions of technology were written off.

Note 8 Receivables

	Zwipe AS & Group	
	2021	2020
Other current receivables	4 748	1 361
Total other current receivables	4 748	1 361

No loans/sureties have been granted to the CEO, Chairman of the Board or other related parties.

Note 9 Restricted bank deposits

	Zwipe AS & Group	
	2021	2020
Restricted funds deposited for tax withholdings	836	897

In January 2021, SEK 200 000 was placed on a restricted bank account as collateral for a bank guarantee issued to Euroclear Sweden AB.

Note 10 Tax

The tax charge in the income statement consists of tax payable and changes in deferred tax. Deferred tax is calculated at 22% on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted.

	Zwipe AS		Group	
	2021	2020	2021	2020
This year's tax expense				
Entered tax on ordinary profit/loss:				
Income tax	0	0	115	191
Payable tax	0	0	0	0
Changes in deferred tax advantage	0	0	0	0
Tax expense on ordinary profit/loss	0	0	115	191
 Taxable income:				
Ordinary profit/loss before tax	-84 254	-62 388	-83 471	-62 073
Permanent differences	138	-8 162	138	-8 162
Changes temporary differences	-4 330	-985	-4 330	-985
Taxable income	-88 447	-71 536	-87 663	-71 220
 Total payable tax in the balance	0	0	142	0

The tax effect of temporary differences and losses carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	Zwipe AS		Temporary Difference
	2021	2020	
Tangible fixed assets	-3 361	-4 955	-1 595
Inventories	-129	-2 867	-2 738
Accounts receivable	0	2	2
Total	-3 489	-7 820	-4 330
Accumulated loss to be brought forward	-486 328	-397 881	88 447
Not included in the deferred tax calculation	0	1 811	1 810
Basis for calculation of deferred tax	-489 817	-403 889	85 927
Deferred tax (22 %)	-107 760	-88 856	18 904

As a precaution, deferred tax is not booked to the balance sheet.

Note 11 Debtors, liabilities, pledged assets and guarantees etc.

Zwipe Group does not have any liabilities secured by mortgage or balance sheet value of assets placed as security in 2021 and 2020.

Note 12 Long Term Debt

Zwipe America, Inc. was granted a bank loan of \$248 000 in Q2 2021 through the Paycheck Protection Program (PPP). The loan was at 1% interest rate, payable in two years. The short-term part of the loan was classified as "other short-term liabilities". The loan was fully forgiven August 2021, including accrued interest.

Note 13 Share capital and shareholder information

Zwipe AS & Group

Share capital	Holding	Nominal value	Book value
Ordinary Shares	36 982 685	0.1	3 698 269

The company has one class of shares and all shares come with full voting rights.

The share capital is owned by the following shareholders as per 31.12.2021

Shareholders	Holding	Stake
Vasastaden/Niclas Eriksson and related parties*	6 137 007	16.59 %
Erik Selin Fastigheter AB	4 000 000	10.82 %
Lars Windfeldt and related parties**	1 936 816	5.24 %
Försäkringsaktiebolaget Avanza Pension	1 194 093	3.23 %
Coeli Wealth Management AB	1 160 331	3.14 % Nominee account
Energetic AS***	916 000	2.48 %
Jörgen Lantto****	866 666	2.34 %
Nordnet Pensionsförsäkring AB	648 377	1.75 %
Skandinaviska Enskilda Banken AB	572 671	1.55 % Nominee account
Concito AS	568 260	1.54 %
Skandinaviska Enskilda Banken AB	562 843	1.52 % Nominee account
BNY MELLON SA/NV (Former BNY), W81MY	459 174	1.24 % Nominee account
Nordnet Bank AB	419 483	1.13 % Nominee account
Banque Pictet & Cie (Europe) SA, W81MY	384 151	1.04 % Nominee account
Avanza Bank AB	330 971	0.89 % Nominee account
Vätterleden AB	300 000	0.81 %
Feat Invest AB*****	262 479	0.71 %
Telecom AS	255 000	0.69 %
DNB BANK ASA, Sec Lending	250 216	0.68 % Nominee account
Prog Seed AS	241 338	0.65 %
Other shares	15 516 809	41.96 %

*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

*** Energetic AS is owned by André Løvestam, CEO of Zwipe

**** Zwipe chairman of the board

***** Johan Biehl is a Zwipe board member and a board member of Feat Invest

Management and board holdings	Holding	Stake
André Løvestam, CEO (through Energetic AS)	916 000	2.48 %
Lars Kristian Solheim, CFO	90 000	0.24 %
Dr. Robert Müller, CTO	48 572	0.13 %
Bishwajit Choudhary, EVP Strategy and Channels	25 500	0.07 %
Eric Mercer, CEO of Zwipe America, Inc.	5 500	0.01 %
Jörgen Lantto	866 666	2.34 %
Johan Biehl	120 000	0.32 %
Dennis Jones	65 228	0.18 %
Diderik Schonheyder	25 302	0.07 %

Note 14 Intercompany

There is a Service Agreement between Zwipe AS and Zwipe America, Inc., Zwipe Germany GmbH, Zwipe UK Ltd. and Zwipe Singapore Pte. Ltd. Under this agreement, Zwipe AS retains the subsidiaries to provide development services and supply chain services to Zwipe AS. In return for receiving the services, Zwipe AS pays the subsidiaries an amount equal to the subsidiaries' total operating costs connected to such services plus a mark-up.

Loans are provided from Zwipe AS to the subsidiaries Zwipe Germany GmbH, Zwipe UK Ltd. and Zwipe Singapore Pte.

	Zwipe AS	
Intercompany	2 021	2 020
Short-term liabilities	2 980	1 184
Short-term receivables	123	-
Loan to subsidiaries (incl. interest)	3 581	-

Note 15 Share based payments

The company has a share-based option programme covering all employees, and certain members of the board. Each option gives the holder the right to acquire one share from the company at a strike price defined in the individual share option agreement. All options are conditional that the grantee remains employed. All vested options may be exercised in any period prior to the expiry date. The options vest every 6 months from grant date and may be exercised at vesting. As of 31.12.2021, 32 persons were included in the option programme.

The fair value of the options is set on the grant date and expensed over the vesting period. The fair value of options awarded is estimated using the Black-Scholes option pricing model. NOK 4.01 million have been expensed in 2021.

Strike price	Options	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested options 31.12.2021	Weighted Average Strike Price
<i>Outstanding Instruments</i>				<i>Vested Instruments</i>	
6.54	205 000	2.50	6.54	136 664	6.54
7.85	400 000	2.50	7.85	199 998	7.85
10.00	485 000	0.50	10.00	485 000	10.00
16.20	135 000	1.50	16.20	112 500	16.20
19.75	160 000	3.00	19.75	53 330	19.75
22.23	45 000	3.00	22.23	22 494	22.23
25.00	170 000	0.50	25.00	170 000	25.00
26.60	17 500	3.50	26.60	2 915	26.60
29.33	55 000	3.00	29.33	18 332	29.33
30.13	248 500	3.50	30.13	41 412	30.13
30.29	60 000	4.00	30.29	-	0.00
	1 981 000			1 242 645	

Overview of outstanding options	Options	Weighted
Outstanding opening balance (01.01.2021)	1 800 943	13.12
Granted	389 500	29.57
Exercised	-78 610	11.35
Terminated	-130 833	22.52
Expired	0	-
Outstanding closing balance (31.12.2021)	1 981 000	15.81
Vested closing balance	1 242 645	13.52

Granted instruments 2021

Parameters connected to instruments granted in 2021	
Quantity 31.12.2021	389 500
Contractual life*	3.95
Strike price*	29.57
Share price*	27.27
Expected lifetime*	2.71
Volatility*	82.31 %
Interest rate*	0.81 %
Dividend*	-
FV per instrument*	13.12
Vesting conditions	Tranches vest semi annually

*Weighted average parameters at measurement date of instrument value

The calculations are based on the following assumptions:

Share price on the grant date

The share price used in the model is the last available closing price of Zwiipe at grant date.

The strike price per option

For options granted before 2019:

The strike price is set to NOK 25 or NOK 10 depending on the contract.

For options granted from 2019:

The Exercise Price of the share options is equal to the average volume-weighted market price of the shares over the ten last trading days prior to the date of grant, plus 10% for grants made to employees. For grants to board members the strike was fixed at 25 NOK.

Volatility

The annualised standard deviation of the continuously compounded rates of return on the historic share price equal to the expected lifetime of the options is used to find the expected volatility.

The term of the option

For options granted before 2019:

It was assumed that 50 % of the employees will exercise the options once they are exercisable for options granted before 2019.

For options granted from 2019:

The term of the option is calculated using the shortest period of either 1 year after vesting, or expiry, as estimated lifetime of the options granted from 2019.

Risk-free interest rate

The risk-free interest rate is set equal to the interest rate on government bonds.

Note 16 Grants

	Zwipe AS & Group	
	2021	2020
Grants		
PPP Loan forgiveness (recognized as cost reduction)	5 267	0
Horizon 2020 (recognized as cost reduction)	4 941	10 263
Horizon 2020 (capitalized as reduction of acquisition cost)	214	782
Total Grants	10 422	11 045

Late 2018, Zwipe was awarded a EUR 2.3 million grant from Horizon 2020, the European Union Research and Innovation program. NOK 10.1 million of the grant was paid out in April 2019 and NOK 9.8 million was paid out in 2020.

Zwipe America, Inc. was granted forgiveness in 2021 for the two bank loans received through the Paycheck Protection Program (PPP). The forgiveness is recognized as a cost reduction.

Note 17 R&D Expenses

In 2021, R&D spendings net of Horizon funding amount to a total of NOK 24.8 million. 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. The major part of the R&D expenses in 2021 is related to development of the biometric system on card and continued optimization of Zwipe's technology platform.

Note 18 Other short term liabilities

Other short term liabilities are accruals for bonuses, earned holiday pay and accruals for goods and services received not yet invoiced.

Note 19 Financial income and expenses

Other financial income and expense are realised and non-realised currency gains.

	Zwipe AS & Group	
	2021	2020
Realised agio	186	441
Realised disagio	497	353

Note 20 Going Concern

The Board of Directors confirms that Zwipe will continue to operate under the assumption of going concern, and that the financial statements for 2021 are prepared under this assumption. While costs are expected to continue to exceed revenue for several more quarters, the board considers that the company has sufficient access to capital while preparing for cash-generating commercial business.

Note 21 Upcoming reporting days

Upcoming reporting days

Annual General Meeting May 23, 2022

Interim Report January-June 2022, August 25, 2022

Note 22 Subsequent Events

Danielle Glenn is appointed new CFO and Head of IR effective from 1st of May 2022.

A share capital increase of 384,000 new shares in Zwipe AS was registered 22nd of February 2022. The new share capital is NOK 3,736,668.50 and the new number of shares and votes is 37,366,685.



7.

Audit report

Independent Auditor's Report

To the General Meeting in Zwipe AS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zwipe AS.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2021, the income statement, the statements of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2021, the income statement, the statements of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of Zwipe AS as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group Zwipe AS as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.



Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 22 February 2022
BDO AS

Kjetil Ardem
State Authorised Public Accountant
(Electronically signed)