



# FIRST HALF YEAR REPORT 2022



# Table of Contents

Operational highlights	03
Message from the CEO	04 - 05
Operational development	06 - 11
Market development	13 - 15
Financial review	16 - 18
Goals and priorities going forward	19 - 20
Assurance by the Board of Directors	21 - 22
Financial statements	23 - 28
Notes	29 - 34

# Operational highlights H1 2022

- Visa certifies Zwipe Pay Biometric Payment Card (“BPC”) Platform and issues Letter of Approval (“LoA”) to Zwipe.
- Beautiful Card Corporation (“BCC”), TAG Systems and Inkript obtain Visa LoAs for their own cards built on the Zwipe Pay platform.
- Fraport AG, providing operational services to 31 airports globally, selected Zwipe Access as one of two solutions to test in a pilot of next generation access control solutions at Frankfurt Airport.
- Zwipe Access platform was successfully integrated with LEGIC and HID solutions to provide seamless end-to-end biometric card-based access control security to enterprises and facilities.
- Seven new issuers across Germany, India, and the Middle East & Africa signed up with Zwipe to launch pilots.
- Placard, the largest payment smart card supplier in Australia and New Zealand selected the Zwipe Pay platform for delivering biometric payment cards to banks in the region.
- Significant organizational development with Robert Puskaric joining as the new CEO in June, Danielle Glenn as the new CFO in May and Patrice Meilland as the new Chief Strategy and Product Officer in April.

## Key figures

<i>Figures in kNOK</i>	<b>H1 2022</b>	<b>H1 2021</b>	<b>FY 2021</b>
Revenue	815	1,393	2,541
<b>Net Income</b>	<b>(47,691)</b>	<b>(26,935)</b>	<b>(83,471)</b>
Average # shares outstanding in period*	37,315,752	32,929,583	34,000,382
Earnings per share	(1.28)	(0.82)	(2.45)
Net cash flow from operating activities	(47,592)	(30,145)	(76,693)
Net cash flow from financing activities	5,045	800	105,245
Total net cash flow	(42,627)	(30,395)	27,090
<b>Cash and cash equivalents end of period</b>	<b>109,719</b>	<b>94,860</b>	<b>152,346</b>
Total assets end of period	122,645	109,329	163,414
Equity ratio	89%	90%	91%

\* Actual numbers, not kNOK

# Message from the CEO



After two months at Zwipe meeting customers and partners, I have been very pleased to note their strong commitment in bringing biometric payment and access control cards to consumers and enterprises globally. The continued interest and high engagement of our customers and partners is key to everything we do. We are happy to see card manufacturers, payment processors, banks and enterprises – more than ever before in Zwipe’s history – engaging with us to launch their next generation card programs. The Zwipe team continues working hard to deliver world-class security and convenience in next generation cards.

## Healthy commercial momentum

We signed seven new issuers for Zwipe Pay, from Germany to India and across the Middle East. All of them are planning pilots with our card manufacturing partners, although we have learned that pilot preparation is taking longer than previously expected. In the Asia Pacific (“APAC”) region, we strengthened our market position significantly through partnerships with Placard, the largest card manufacturer in Australia and New Zealand, Modularsoft, Malaysia’s largest payment card personalization bureau and Wisecard, one of APAC’s largest EMV (Europay, Mastercard, Visa) software providers. All these leading brands selected the Zwipe Pay platform to launch biometric payment cards.

For Zwipe Access, we now have a healthy and growing list of opportunities within the data center and airport verticals as well as other security sensitive customer segments. Increasing demand in the EU and beyond related to data privacy and confidentiality has also helped to build interest and demand for this offering. Zwipe was recognized by Fraport, operating 31 international airports globally, as a potential provider for next generation security solutions at their airports. Fraport’s initial trials have now been completed and they are evaluating possible next steps.

Market takeoff has undeniably been later than many in the market envisioned, but the addressable market for Zwipe remains enormous in the medium term.

On the technology side, our Zwipe Pay platform received the LoA from Visa, which was followed by confirmations of Visa certification from three of our lead Smart Card Manufacturer (“SCM”) customers. This list will only grow from here.

#### Challenging global environment and slower market takeoff

The global chip shortage continues and is expected to last through 2023, affecting many major global industries.

When it comes specifically to Biometric Payment Cards (“BPCs”), ABI Research released an update<sup>1</sup> in April 2022 showing a base case in which volumes of biometric payment card deployments are estimated at approximately 1.9 million units in 2023 before growing exponentially thereafter. Interestingly, in ABI’s more ambitious forecast, volumes are seen at 11.7 million units in 2023 before growing to several hundred million units in 2026. In both scenarios, market takeoff has undeniably been later than many in the market envisioned, but both scenarios also highlight just how large the market potential remains.

Zwipe is not immune to the delayed market takeoff, but our customers and partners remain committed to launching pilots and commercial propositions even if somewhat later than originally planned. Our position in the market remains strong, due to the competitiveness of Zwipe Pay.

#### Going forward

After reviewing our operations and incorporating account feedback given by customers and partners, our top priorities in the second half of 2022 are:

- *To streamline and speed up the execution of customer pilots and launches for issuers on Zwipe Pay.*
- *To support our SCM customers in scaling up manufacturing of biometric payment cards with high quality.*
- *To accelerate the commercialization of our biometric access card solutions.*

As before, Zwipe will continue to strengthen the organization with best-in-class resources. In H1 2022, we added a significant competency with Patrice Meilland joining Zwipe from Idemia in the newly created position of Chief Strategy and Product Officer. In addition, Danielle Glenn joined Zwipe as CFO & Head of IR in May. We also welcomed many expert resources in our engineering, delivery and commercial organization to ensure we continue to move full speed ahead.

For their immense trust and confidence in Zwipe, I thank our customers, partners and shareholders. And to all Zwipers who work tirelessly across many time zones to bring the next generation payment and access cards globally – thank you all!



Sincerely,  
Robert Puskaric

<sup>1</sup> “Biometric Payment Card Developments, Projects and Market Opportunities”, ABI Research, P. Sealy and S. Gazeley, 29 April 2022.



1.

# Operational development

- 
- 1.1 Zwipe Pay
  - 1.2 Zwipe Access
  - 1.3 Organizational development
  - 1.4 Timeline of events during the period
- 





## 1.1

# Zwipe Pay

### An “execution first” approach

Having signed five new smart card manufacturers in 2021 in key growth markets (India, Mexico, Saudi Arabia, APAC), Zwipe has spent H1 2022 supporting their certification and delivery readiness, with encouraging results. Between March and June 2022, BCC, TAG Systems and Inkript obtained LoAs from Visa on the Zwipe Pay platform. As these customers serve hundreds of banks in different markets, ensuring their delivery and certification readiness is crucial for Zwipe’s commercial success. Getting all our card manufacturers “delivery ready” is a top priority under the leadership of our new CEO.

### Updates on previous announcements

We continue to focus on executing our signed issuers pilots. In total, seven issuer pilots are progressing with good pace and according to issuer plans. Additional pilot launches are expected in the coming quarters, with launch dates entirely dependent on issuer decisions.

In the first major announced pilot, user feedback has been obtained from field tests and is being evaluated by the bank and partners to determine next steps during the second half of 2022. The global Tier-1 bank and its payment partners – including SCM, payment processor and card personalization bureau – have delivered on the majority of key milestones and are now preparing to launch an internal pilot and testing. Finally, the MEPS pilot, aiming to deliver pilot cards to top bankers at twenty financial institutions in selected Middle Eastern markets, has made good progress. The pilot is expected to commence soon.

"Zwipe continues expanding our customer and issuer pipeline – critical to Zwipe's medium term success."

On the remaining announced pilots, we have experienced project delays owing to the complex value chain we operate in, involving many stakeholders. Despite these delays, there is no change in the commitment of these customers and partners in bringing BPCs to market with Zwipe.

#### **Strengthening pilot execution**

To strengthen our “execution first” approach in the issuer segment, Zwipe has begun establishing a dedicated customer project management function and building a standardized blueprint to improve pilot execution at the end of H1 2022. Our end-to-end project plans aim to bring focus, consistency, structure, and transparency across all our pilot projects and to all involved stakeholders – issuers, smart card manufacturers, card personalization bureaus, payment processors and EMV software vendors. Based on learnings from ongoing projects, we will further improve alignment with card schemes. All pilot projects are ultimately owned and steered by issuers and Zwipe offers expertise, support and services to all players in the value chain.

#### **Strong momentum in new business**

While pilot deployment with issuers and helping card manufacturers to become delivery ready remain our top priorities, Zwipe continues expanding our customer and issuer pipeline – critical to Zwipe's medium term success.

In H1 2022, we expanded our global delivery capabilities and market reach by signing one major SCM and onboarding two leading personalization solution providers as go-to-market (“GTM”) partners.

*Placard, delivering more than 100 million smart cards annually and the largest payment card manufacturer in Australia and New Zealand, selected Zwipe Pay as the platform for its next generation contactless cards.*

*Modularsoft, Malaysia's largest card personalization bureau joined forces with Zwipe and started joint engagements with banks.*

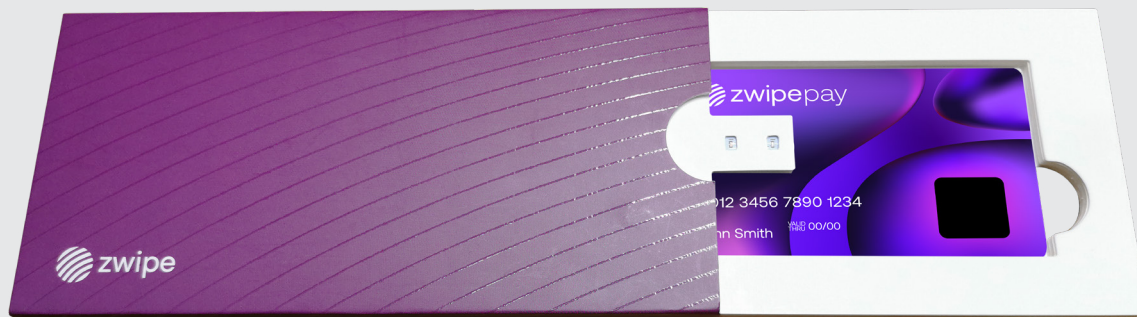
*Wisecard, a leading provider of EMV software serving card personalization bureaus and banks across 60 countries selected the Zwipe Pay platform to bring its next generation payment card services to issuers and card bureaus across the APAC region and beyond.*

Seven new issuers in Europe, the Middle East, Africa and India signed with Zwipe to pilot and potentially launch their biometric payment cards. As described above, some of these projects have already kicked off and others are in the early planning stage.

#### **Certification and preparation for mass volume rollout**

As a component and technology provider, Zwipe does not seek payment scheme certifications for the finished card product. It is our customers – the SCMs – who seek card certification, called Type Approval. To simplify the process for our customers, Zwipe has secured and is in the process of securing component level certification from payment schemes that our customers can reference, which simplifies their application process significantly.





Because Zwipe has already performed the majority of the required testing, the customer can leverage the test results from Zwipe. Customers' scope for testing is thus greatly reduced.

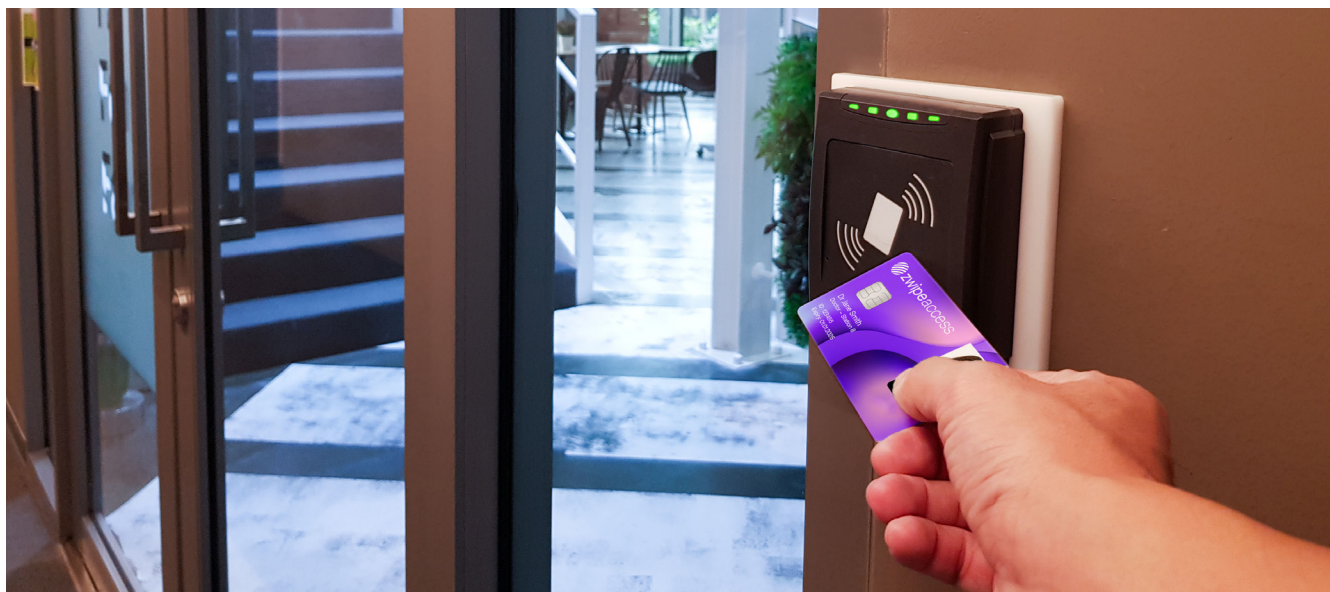
As outlined in the operational highlights, Zwipe has completed the certification process with Visa and obtained the Visa LoA in March 2022. This certification marks a major milestone towards commercialization of Zwipe Pay and was followed by Visa LoAs obtained by lead customers BCC (Taiwan), TAG Systems (part of AustriaCard group) and Inkript (Lebanon). This list is expected to grow significantly going forward. Zwipe has successfully completed additional testing with third party laboratories that should ease additional payment scheme certifications.

Zwipe is well positioned with our suppliers, in terms of capacity and inventory, to deliver product for the initial volume ramp-up, well into 2023.

#### **Product development and technical progress**

The first small volume shipments of Zwipe Pay components to our SCM customers were made in H1 2022 and we will continue to ship additional components during the second half.

Zwipe's engineering team continued to progress significantly with the Zwipe Pay technology platform for biometric payment cards through the first half of 2022. The Zwipe ISO contact plate module and passive inlay have been manufactured in larger volumes and have been used successfully in demo cards, pilot cards, and in cards that successfully passed testing with third party laboratories. Having multiple enrollment solutions is a key deliverable for Zwipe Pay. Zwipe has continued to progress its development of mobile enrollment solutions, in addition to other enrollment options such as sleeves and envelopes (pull-out cardboard enrollment solutions).



## 1.2

# Zwipe Access

### Strong market traction

Fraport AG selected Zwipe Access as one of two providers for a biometric access control pilot at Frankfurt airport (The Digital Factory Project - Biometric Security Controls). The project sought to identify an automated solution for access control of employees to security-relevant airport areas, and the technology was expected to perform at least one biometric comparison between the airport ID card and the person who wanted to enter the respective area. With this project, Zwipe Access was extensively tested by Fraport's employees under real operating conditions. In July, Fraport announced that the feasibility project was successfully completed, with Zwipe Access shortlisted as a suitable contender for next generation access control for security-relevant areas at airports. Next steps will be determined by Fraport in due course.

Zwipe's biometric system for card access control solutions is also attracting increasing interest from data centers. For this use case, a successful technical demonstration was completed in H1 2022 as part of a customer's pilot project in Latin America. Engagement is ongoing to bring this solution to a production environment.

The growing number of requests for Zwipe Access solutions is driven by increasing demand for stronger data privacy, higher security and better user experience. In the Zwipe Access card platform, users' biometric credentials are stored securely only in the card's secure element and they never leave the card. Consequently, there is no need for an external database to store personal information. In key technology partnerships, we are already ensuring that Zwipe Access cards work seamlessly with the existing access control readers reducing the time and cost of deployment.

### Product development and technical progress

During the first half of 2022, Zwipe Access integrated the Legic applet and made its biometric card ready for the Legic access control solution. After the demonstration of Zwipe Access with HID applet and solution in late 2021, the success with Legic marks a major step in Zwipe Access product development.



## 1.3

# Organizational development

There were substantial changes in the executive management team at Zwipe during the first half, with three of the six-member C-suite newly joining the company – strengthening leadership, bringing industry expertise and positioning Zwipe well for the future.

Patrice Meilland joined in the newly created position of Chief Strategy and Product Officer in April. Mr. Meilland's main focus areas will be strategy, strategic partnerships and Zwipe's product portfolio and roadmap. Meilland brings meaningful and substantial industry expertise to Zwipe, joining from his position of SVP of Advanced Cards at Idemia, where he was responsible for Idemia's biometric cards roadmap, including the BioSE project, as well as product lines such as eco-friendly cards, dynamic CVV cards, transport and urban mobility cards.

In May, Danielle Glenn joined Zwipe as CFO and Head of IR. Ms. Glenn came from Arctic Bioscience AS, a Norwegian biotech company, where she managed the company's capital markets activities including its 300 mNOK IPO on Euronext Growth in February 2021. In addition to her responsibilities as CFO, she was also responsible for Investor Relations and heavily involved in setting the company's overall strategic, commercial, operating and investment plans.

Finally and most importantly, Zwipe named Robert Puskaric as its new CEO and President in June. Mr. Puskaric has a long successful career mainly from the Ericsson Group where positions held include President, Region Northern Europe and Central Asia, President, Ericsson Mobile Platforms, Senior Vice President, Business Unit Modems, and Executive Vice President, ST-Ericsson. He has also been President and CEO of Doro AB and President of Eniro AB.

## Full timeline of events during the period

- 19 January 2022: Zwipe and K2 to deliver Biometric Payment Cards to Banks in the MEA Region and France
- 31 January 2022: Zwipe AS – Danielle Glenn appointed CFO and Head of IR
- 16 February 2022: Modularsoft introduces Zwipe's Biometric Payment Card Platform in Malaysia
- 21 February 2022: sKarn RoboticS selects Zwipe to strengthen its WeCrypt Ecosystem for India and global markets with Biometric Cards
- 2 March 2022: Zwipe's Biometric Card Platform selected by Placard in Australia
- 8 March 2022: Zwipe is selected by Mediterranean Bank to pilot Biometric Payment Cards in Libya
- 17 March 2022: Al Mansour Bank in Iraq to pilot Biometric Payment Cards with Zwipe and areeba
- 24 March 2022: Visa certifies Zwipe Pay Biometric Payment Card Platform and issues Letter of Approval to Zwipe
- 25 March 2022: Beautiful Card Corporation obtains Visa Letter of Approval for Biometric Payment Cards built on the Zwipe Pay Platform
- 28 March 2022: Fraport AG to partner with Zwipe on project with Zwipe Access
- 29 March 2022: TAG Systems obtains Visa Letter of Approval for Biometric Payment Cards built on the Zwipe Pay Platform
- 1 April 2022: Zwipe appoints Patrice Meilland Chief Strategy and Product Officer
- 4 April 2022: Zwipe is selected by National Bank of Iraq to pilot Biometric Payment Cards
- 4 April 2022: TSYS names Zwipe and adds insight to the previously announced partnership in North America
- 12 April 2022: Zwipe selected by CSC-Jordan to pilot the Next Generation Biometric Payment Cards
- 14 April 2022: Zwipe Access integrated with the LEGIC Security Platform to provide end-to-end biometric security
- 30 May 2022: Inkript obtains Visa Letter of Approval for its Biometric Payment Card built on the Zwipe Pay platform
- 13 June 2022: Zwipe appoints Robert Puskaric as CEO and President

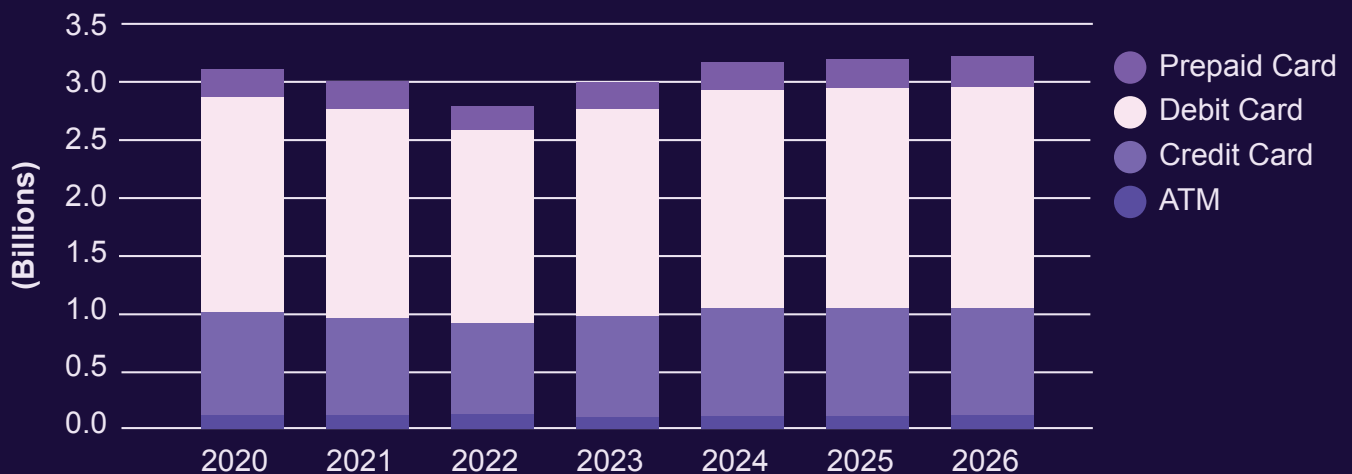
# 2.

# Market development

2.1 Recent market observations

2.2 Interest in Biometric Payment Cards





## 2.1

## Recent market observations

The global semiconductor shortage continues, affecting major global industries including payment cards. Tight supply remains a strong concern of all leading card makers, but capacity constraints are expected to ease significantly in the coming years.

While COVID, semiconductor shortages and tighter credit have lowered EMV shipments in 2020–2022, slight growth of around 1% per annum is expected to resume in 2023 in all regions of the world.

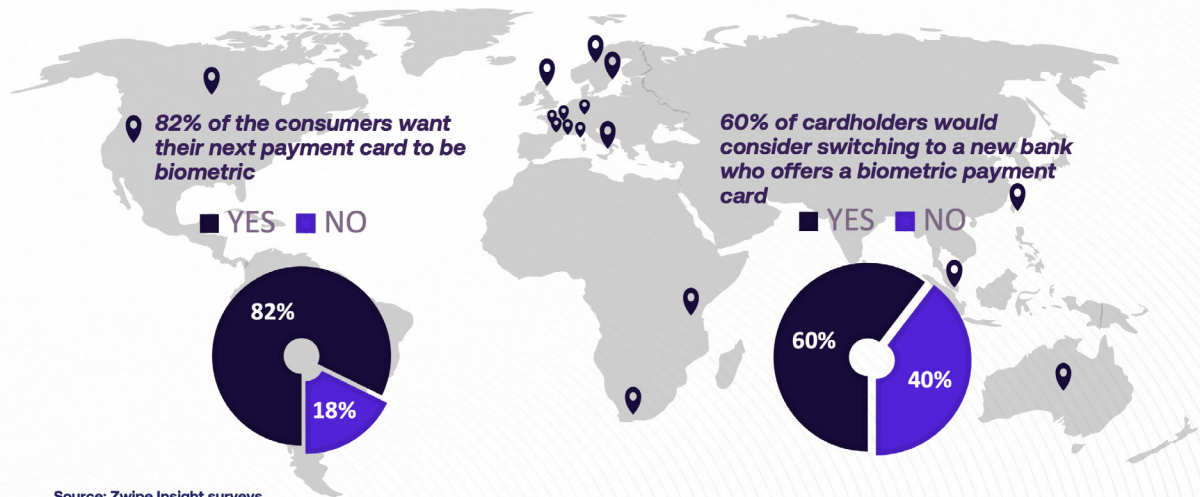
As mentioned previously, ABI Research's forecast from April 2022<sup>2</sup> shows a slower market takeoff than many expected, but with the volume of BPCs still growing exponentially from 1.9 million units in 2023.

In their more ambitious forecast in which average selling prices come down to the point at which BPCs are more competitive versus traditional contactless payment cards, ABI Research sees significantly higher BPC volumes on the order of several hundred million units by 2026.

Depending on the scenario used, ABI Research forecasts that biometric cards will account for 1.3–8% of total EMV shipments by 2026. Most other third party research points to higher figures still, with BPCs expected to account for 15–20% of total EMV units in the medium term, representing a large global addressable market for Zwipe.

<sup>2</sup> Charts and data from "Biometric Payment Card Developments, Projects and Market Opportunities", ABI Research, P. Sealy and S. Gazeley, 29 April 2022.

Consumer insights have consistently shown strong demand for BPCs



## 2.2

# Interest in Biometric Payment Cards

Interest in the adoption of biometric payment cards is rising across the globe. Enhanced features like PIN-free transactions, top class safety and security, convenience and hygiene, and a seamless checkout experience are the primary drivers. Throughout H1 2022, we studied consumers' payment habits and their views on biometric payment cards. According to Zwipe Insights, 82% of consumers across APAC and Europe want their next payment card to be biometric and 60% of cardholders would even consider switching to a new bank to order these cards.

The illustration above shows the payment preferences of consumers in Germany, Austria, The Netherlands, Italy, Taiwan, Thailand, and Australia as declared to Zwipe Insights in H1 2022.

From the merchant's perspective, all previous payment card innovations – chip, chip and PIN and contactless – have required major upgrades or replacements to the expensive retailer payment terminal estate and host systems. In contrast, next generation BPCs simply build off the investments already made for contactless use. This significantly eases the switch to BPCs for the influential merchant side of the payments ecosystem.

# 3.

# Financial review

- 3.1 Profit and loss during H1 2022
- 3.2 Investments, liquidity, and financial position
- 3.3 Risks and uncertainties

# Profit and loss during H1 2022

Zwipe reported total revenues of 0.8 mNOK during H1 2022 versus 1.4 mNOK in H1 2021, mostly related to the sale of payment products and services.

Operating expenses in H1 2022 were 48.4 mNOK compared to 28.0 mNOK in H1 2021. Adjusting for governmental funding of 7.1 mNOK booked towards operating expenses in H1 2021, total operating expenses increased by 13.3 mNOK in H1 2022 versus the same period last year. Personnel expenses increased from 8.8 mNOK in H1 2021 to 25.9 mNOK in H1 2022. On a directly comparable basis after adjusting for governmental funding and the shift from contractors to full-time employees, personnel expenses increased by 9.1 mNOK in H1 2022 versus the same period last year. Of the 9.1 mNOK, 5.5 mNOK were one-off costs related to former executives leaving the company. The remaining increase in personnel expense is due to a small negative stock option cost and the hiring of new employees. Specifically, during the second half of 2021 and the first half of 2022, Zwipe increased its staff by 13 people to meet the strong demand for the company's solutions and to prepare for piloting and deployment of our card payment solutions and services. Other operating expenses increased from 17.6 mNOK in H1 2021 to 21.3 mNOK in H1 2022. On a directly comparable basis, the increase was 4.6 mNOK. This was primarily related to increased travel and sales and marketing expenses, as well as higher recruitment fees for new staff.

During the first half of 2022, cash flow from operations and investments, before financing and facilitation, decreased to -48.6 mNOK ( -31.2 mNOK). The negative operating cash flow in the first half of 2022 increased by -17.3 mNOK compared to the first half of 2021. The underlying average monthly operating cash flow in the first half of 2022 was -8.1 mNOK (-5.3 mNOK).

EBIT for the first half of 2022 was -47.5 mNOK (-26.9 mNOK). The results after tax were -47.7 mNOK ( -26.9 mNOK).

## 3.2

# Investments, liquidity, and financial position

On 30 June 2022, cash and cash equivalents were 109.7 mNOK, down 42.6 mNOK from the closing balance at the end of 2021 (152.3 mNOK), and down 20.9 mNOK from the closing balance at the end of the first quarter of 2022 (130.6 mNOK). The development in cash balance since year-end 2021 is mainly a result of the operational cash flow of -48.6 mNOK for the first half year of 2022. Production equipment, machinery, and fixtures was valued at 3.8 mNOK, comprising the majority of total long-term assets of 4.2 mNOK. Including cash of 109.7 mNOK, inventories of 4.3 mNOK, and receivables of 4.4 mNOK, current assets stood at 118.4 mNOK giving total assets of 122.6 mNOK.

Total equity as of 30 June 2022 was 108.8 mNOK resulting in an equity ratio of 89%, roughly stable versus the position at the end of H1 2021.

## 3.3

# Risks and uncertainties

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 Annual Report 2021 and prospectus dated 16 October 2021 for a more detailed description of risk factors. These are available at [www.zwipe.com](http://www.zwipe.com).



A decorative graphic consisting of a horizontal line at the top and a vertical line on the left, both with small black dots at their ends, forming an L-shape.

4.

Goals and  
priorities going  
forward



## Goals and priorities going forward

Zwipe is progressing well in many important areas even if the market for biometric payment cards is developing at a slower pace than expected for all players. Due to delayed volume ramp up, operating expenses and headcount are not expected to increase substantially in H2 vs H1 2022 nor at the pace expected at the start of the year. Zwipe will, however, continue to invest intelligently – particularly in its people and technology.

For Zwipe Pay, second half priorities will center on pilot deployment with issuers, assisting SCMs in becoming delivery ready and continuing to expand our customer and issuer pipeline. Further developing the dedicated customer project management function and standardized blueprint to improve pilot execution will be a key focus during H2 2022.

Going forward, Zwipe Access is expected to contribute a larger part of revenue than previously assumed. The pipeline for Zwipe Access is healthy and growing with prospects within the data center and airport verticals as well as other security sensitive customer segments.



5.

Assurance by  
the Board of  
Directors

# Assurance by the Board of Directors

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2022 has been prepared in accordance with the Norwegian Accounting Act and accounting standards generally accepted in Norway (NGAAP) and gives 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 financial report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements and any major related party transactions.

The CEO and Board of Directors of Zwipe AS

Oslo 23 august 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

---

ROBERT PUSKARIC (sign.)  
CEO



# 6. Financial Statements



**Income Statement**  
(Amounts in 1000 NOK)

Zwipe Group					Zwipe AS		
H1 2022	H1 2021	FY 2021	Note		H1 2022	H1 2021	FY 2021
				<b>Operating Income</b>			
528	1 001	1 850	1	Sales revenue	528	1 001	1 850
287	392	691	1	Other operating income	0	93	93
<b>815</b>	<b>1 393</b>	<b>2 541</b>		<b>Operating income</b>	<b>528</b>	<b>1 094</b>	<b>1 943</b>
				<b>Operating expenses</b>			
734	427	855		COGS	734	427	855
25 905	8 804	27 747	6	Payroll expenses	11 939	7 532	20 258
484	1 198	8 393	2,3	Depreciation, amortization & impairment	484	1 107	8 225
21 312	17 579	48 542		Other operating expenses	36 322	18 808	56 536
<b>48 434</b>	<b>28 008</b>	<b>85 537</b>		<b>Operating expenses</b>	<b>49 478</b>	<b>27 874</b>	<b>85 873</b>
<b>-47 619</b>	<b>-26 615</b>	<b>-82 997</b>		<b>Operating profit/loss</b>	<b>-48 950</b>	<b>-26 780</b>	<b>-83 931</b>
				<b>Financial income and expenses</b>			
76	0	15		Other interest income	76	0	15
711	128	186		Other financial income	711	128	221
1	1	28		Other interest expenses	1	1	28
603	417	532		Other financial expenses	603	417	532
<b>183</b>	<b>-290</b>	<b>-359</b>		<b>Net financial income and expenses</b>	<b>183</b>	<b>-290</b>	<b>-324</b>
<b>-47 436</b>	<b>-26 905</b>	<b>-83 355</b>		<b>Results before tax</b>	<b>-48 768</b>	<b>-27 070</b>	<b>-84 254</b>
255	30	115		Tax expense	0	0	0
<b>-47 691</b>	<b>-26 935</b>	<b>-83 471</b>		<b>Results for the year</b>	<b>-48 768</b>	<b>-27 070</b>	<b>-84 254</b>
				<b>Profit(+)/Loss(-) for the year attributable from:</b>			
-47 691	-26 935	-83 471		Share premium reserve	-48 768	-27 070	-84 254
0	0	0		Uncovered loss	0	0	0
<b>-47 691</b>	<b>-26 935</b>	<b>-83 471</b>		<b>TOTAL</b>	<b>-48 768</b>	<b>-27 070</b>	<b>-84 254</b>
37 516 685	32 982 685	36 982 685		Number of shares end of period			
37 315 752	32 929 583	34 000 382		Average number of shares in the period before/after dilution			
<b>-1.28</b>	<b>-0.82</b>	<b>-2.45</b>		<b>Profit pr. share before/after dilution</b>			

**Balance Sheet**  
(Amounts in 1000 NOK)

Zwipe Group					Zwipe AS		
H1 2022	H1 2021	FY 2021	Note		H1 2022	H1 2021	FY 2021
				<b>Assets</b>			
				<b>Long-term Assets</b>			
				<b>Intangible Assets</b>			
				Research and Development			
<u>0</u>	<u>6 716</u>	<u>0</u>	3	<b>Total Intangible Assets</b>	<u>0</u>	<u>6 716</u>	<u>0</u>
<u>0</u>	<u>6 716</u>	<u>0</u>					
				<b>Fixed Assets</b>			
				Equipment, fixtures and fittings			
<u>3 821</u>	<u>3 192</u>	<u>3 336</u>	2	<b>Total Fixed Assets</b>	<u>3 821</u>	<u>3 117</u>	<u>3 336</u>
<u>3 821</u>	<u>3 192</u>	<u>3 336</u>			<u>3 821</u>	<u>3 117</u>	<u>3 336</u>
				<b>Financial Assets</b>			
				Investment in subsidiaries			
<u>0</u>	<u>0</u>	<u>0</u>		Other financial receivables	<u>648</u>	<u>386</u>	<u>648</u>
<u>394</u>	<u>437</u>	<u>451</u>		<b>Total Financial Assets</b>	<u>5 088</u>	<u>437</u>	<u>4 032</u>
<u>394</u>	<u>437</u>	<u>451</u>			<u>5 735</u>	<u>823</u>	<u>4 679</u>
<u>4 215</u>	<u>10 345</u>	<u>3 787</u>		<b>Total Long-term Assets</b>	<u>9 556</u>	<u>10 655</u>	<u>8 015</u>
				<b>Current Assets</b>			
				<b>Inventories</b>			
				Inventories			
<u>4 314</u>	<u>493</u>	<u>2 448</u>		<b>Total Inventories</b>	<u>4 314</u>	<u>493</u>	<u>2 448</u>
<u>4 314</u>	<u>493</u>	<u>2 448</u>			<u>4 314</u>	<u>493</u>	<u>2 448</u>
				<b>Receivables</b>			
				Accounts receivables			
<u>83</u>	<u>701</u>	<u>87</u>		Other receivables	<u>83</u>	<u>701</u>	<u>87</u>
<u>4 314</u>	<u>2 931</u>	<u>4 748</u>		<b>Total debtors</b>	<u>3 733</u>	<u>4 051</u>	<u>4 452</u>
<u>4 398</u>	<u>3 632</u>	<u>4 834</u>			<u>3 816</u>	<u>4 752</u>	<u>4 539</u>
				<b>Cash</b>			
				Bank deposits, cash			
<u>109 719</u>	<u>94 860</u>	<u>152 346</u>		<b>Total cash</b>	<u>100 688</u>	<u>86 956</u>	<u>145 133</u>
<u>109 719</u>	<u>94 860</u>	<u>152 346</u>			<u>100 688</u>	<u>86 956</u>	<u>145 133</u>
<u>118 431</u>	<u>98 984</u>	<u>159 627</u>		<b>Total Current Assets</b>	<u>108 818</u>	<u>92 201</u>	<u>152 120</u>
<u>122 645</u>	<u>109 329</u>	<u>163 414</u>		<b>Total Assets</b>	<u>118 374</u>	<u>102 856</u>	<u>160 135</u>

# Balance Sheet

(Amounts in 1000 NOK)

Zwipe Group				(Amounts in 1000 NOK)	Zwipe AS		
H1 2022	H1 2021	FY 2021	Note		H1 2022	H1 2021	FY 2021
				Equity and liabilities			
				Equity			
				Paid-up Equity			
3 752	3 298	3 698	5	Share capital	3 752	3 298	3 698
105 062	94 877	144 849		Share premium reserve	97 698	90 129	139 394
108 814	98 175	148 547		Total restricted equity	101 450	93 428	143 092
108 814	98 175	148 547		Total equity	101 450	93 428	143 092
				Liabilities			
				Long-term liabilities			
0	2 125	0	4	Other long term liabilities	0	0	0
0	2 125	0		Total of other long term liabilities	0	0	0
				Short-term Liabilities			
3 251	1 375	853		Accounts Payables	4 415	2 151	2 561
994	2 700	4 455		Public duties payable	775	2 700	4 266
434	30	142		Tax payable	0	0	0
9 152	4 923	9 417		Other short term liabilities	11 734	4 577	10 216
13 832	9 029	14 867		Total short-term liabilities	16 924	9 428	17 043
13 832	11 154	14 867		Total liabilities	16 924	9 428	17 043
122 645	109 329	163 414		Total equity and liabilities	118 374	102 856	160 135

Zwipe Group				Cash Flow Statement (Amounts in 1000 NOK)	Zwipe AS		
H1 2022	H1 2021	FY 2021	Note		H1 2022	H1 2021	FY 2021
-47 714	-26 935	-83 470		Net Income / (Loss) before tax	-48 768	-27 070	-84 254
0	0	0		Taxes paid	0	0	0
2 080	1 669	4 005	6	(+) Option cost no cash effect	2 080	1 669	4 005
0	-93	-93		(-/+ ) Gain/Loss of on sale of assets	0	-93	-93
484	1 198	8 393	2,3	(+) Depreciation, amortisation & impairment	484	1 107	8 225
-1 867	-180	-2 135		(-) Change in Inventory	-1 867	-180	-2 135
-12	-651	3		(-) Change in Accounts Receivable	3	-629	-14
555	-1 567	-3 537		(-) Change in Other Current Assets	664	-2 864	-3 279
2 391	-1 736	-2 267		(+) Change in Accounts Payables	1 854	-1 550	-1 140
-3 510	-1 849	2 407		(+) Change in Current Liabilities	-1 973	-2 297	4 913
<b>-47 592</b>	<b>-30 145</b>	<b>-76 693</b>		<b>Net Cash use in Operating Activities</b>	<b>-47 523</b>	<b>-31 906</b>	<b>-73 772</b>
				<b>Cash Flows from Investing Activities</b>			
-968	-1 089	-1 712	2,3	Intangible Assets and Capital Expenditures	-968	-1 004	-1 625
<b>-968</b>	<b>-1 089</b>	<b>-1 712</b>		<b>Net Cash Provided by (used in) Investing Activities</b>	<b>-968</b>	<b>-1 004</b>	<b>-1 625</b>
<b>-48 560</b>	<b>-31 234</b>	<b>-78 405</b>		<b>Operational Cash Flow</b>	<b>-48 491</b>	<b>-32 910</b>	<b>-75 397</b>
				<b>Cash Flows from Financing Activities</b>			
4 821	852	105 191		Equity Issue	4 821	852	105 252
250	0	0		Unregistered capital increase	250	0	0
-26	-52	54		Transaction cost not recognized over P&L	-26	-52	54
0	0	0		Loan to subsidiary	-1 000	0	-3 581
0	0	0		Investment in subsidiary	0	0	-262
<b>5 045</b>	<b>800</b>	<b>105 245</b>		<b>Net Cash Provided by Financing Activities</b>	<b>4 045</b>	<b>800</b>	<b>101 463</b>
888	39	249		Effect of Foreign Currency Translation			
<b>-42 627</b>	<b>-30 396</b>	<b>27 090</b>		<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>-44 446</b>	<b>-32 111</b>	<b>26 066</b>
152 346	125 255	125 255		Cash and Cash Equivalents at Beginning of Period	145 133	119 067	119 067
109 719	94 860	152 346		Cash and Cash Equivalents at End of Period	100 688	86 956	145 133
<b>-42 627</b>	<b>-30 395</b>	<b>27 090</b>		<b>Net cash flow</b>	<b>-44 446</b>	<b>-32 111</b>	<b>26 066</b>

## Statement of changes in equity

(Amounts in 1000 NOK)

### Zwipe Group

	Share capital	Share	Total equity
<b>January 1st 2021</b>	<b>3 291</b>	<b>119 309</b>	<b>122 599</b>
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
<b>December 31st 2021</b>	<b>3 698</b>	<b>144 849</b>	<b>148 547</b>
Proceeds from issue of shares	53	4 768	4 821
Unregistered capital increase/decrease		250	250
Transaction cost		-26	-26
Share based compensation		2 080	2 080
Other changes in equity		13	13
Net profit/loss		-47 704	-47 704
Currency effect		833	833
<b>June 30th 2022</b>	<b>3 752</b>	<b>105 062</b>	<b>108 814</b>

### Zwipe AS

	Share capital	Share	Total equity
<b>January 1st 2021</b>	<b>3 291</b>	<b>114 691</b>	<b>117 981</b>
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
<b>December 31st 2021</b>	<b>3 698</b>	<b>139 394</b>	<b>143 092</b>
Proceeds from issue of shares	53	4 768	4 821
Unregistered capital increase/decrease		250	250
Transaction cost		-26	-26
Share based compensation		2 080	2 080
Net profit/loss		-48 768	-48 768
<b>June 30th 2020</b>	<b>3 752</b>	<b>97 698</b>	<b>101 450</b>





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 (NRS 11). All notes of importance for substantiation of the accounts are included.

### Changes in accounting policies

There has not been any accounting policy change in H1 2022.

## NOTES

All amounts are presented in 1000 NOK

### Note 1 Revenues

Activity distribution	Zwipe AS			Group		
	H1 2022	H1 2021	2021	H1 2022	H1 2021	2021
Revenues from sale of goods and services	528	1 001	1 850	528	1 001	1 850
Revenues from sub lease of offices	0	0	0	287	299	595
Gain on sales of fixed assets	0	93	93	0	93	96
<b>Total</b>	<b>528</b>	<b>1 094</b>	<b>1 943</b>	<b>815</b>	<b>1 393</b>	<b>2 541</b>

Zwipe AS & Group			
Revenues from sale of goods and services	H1 2022	H1 2021	2021
Zwipe Pay	462	1 001	1 832
Zwipe Access	66	-	18
<b>Total</b>	<b>528</b>	<b>1 001</b>	<b>1 850</b>

Zwipe AS & Group			
Geographical distribution	H1 2022	H1 2021	2021
Norway	-	246	363
Other countries	528	756	1 487
<b>Total</b>	<b>528</b>	<b>1 001</b>	<b>1 850</b>

### Note 2 Fixed assets

Zwipe AS & Group				
	Office machinery	Tools	Machinery and plant in progress	Total
Acquisition cost 01.01.2022	714	8 678	264	9 655
Additions	0	0	0	0
Transfers	111	47	811	968
Skattefunn/Horizon 2022	0	0	0	0
Disposals	0	0	0	0
<b>Acquisition cost 30.06.2022</b>	<b>824</b>	<b>8 725</b>	<b>1 075</b>	<b>10 624</b>
Accumulated depreciation/ impairment 30.06.2022	513	6 290	0	6 803
<b>Book value 30.06.2022</b>	<b>311</b>	<b>2 435</b>	<b>1 075</b>	<b>3 821</b>
Depreciation in the year	73	409	0	482
Impairment in the year	0	1	0	1
<b>Total Depreciation/impairment in the year</b>	<b>73</b>	<b>410</b>	<b>0</b>	<b>483</b>

Depreciation plan	Linear	Linear
Economic useful life	3 year	5 year

### Note 3 Intangible assets

Zwipe AS & Group			
	Research and development	Concessions, patents etc.	Total
Acquisition cost 01.01.2022	21 687	4 108	25 794
Additions	0	0	0
Transfer	0	0	0
Skattefunn/Horizon 2022	0	0	0
Disposals	0	0	0
<b>Acquisition cost 30.06.2022</b>	21 687	4 108	25 794
Accumulated amortization/ impairment 30.06.2022	21 648	4 108	25 755
Adjustment acc. Depreciation/impairment 30.06.2022	39	0	39
<b>Book value 30.06.2022</b>	0	0	0
Amortization in the year	0	0	0
Impairment in the year	0	0	0
<b>Total Depreciation and amortization in the year</b>	0	0	0
Depreciation plan	Linear	Linear	
Economic useful life	5 year	5 year	

### Note 4 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 5 Share capital and shareholder information

### Zwipe AS & Group

Share capital	Holding	Nominal value	Book value
Ordinary Shares	37 516 685	0.1	3 751 669

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 30.06.2022

Shareholders	Holding	Stake
Vasastaden/Niclas Eriksson and related parties*	6 137 007	16.36 %
Erik Selin Fastigheter AB	4 000 000	10.66 %
Lars Windfeldt and related parties**	1 936 816	5.16 %
Energetic AS	1 300 000	3.47 %
Avanza Pension	1 141 750	3.04 %
Coeli Wealth Management AB	1 104 458	2.94 % Nominee account
Jörgen Lantto***	866 666	2.31 %
Skandinaviska Enskilda Banken AB	572 671	1.53 % Nominee account
Concito AS	568 260	1.51 %
Skandinaviska Enskilda Banken AB	562 843	1.50 % Nominee account
Nordnet Pensionsförsäkring AB	560 650	1.49 %
Nordnet Bank AB	415 141	1.11 % Nominee account
Banque Pictet & Cie (Europe) SA, W8IMY	334 596	0.89 % Nominee account
Avanza Bank AB	309 928	0.83 % Nominee account
Vätterleden AB	290 704	0.77 %
Feat Invest AB****	262 479	0.70 %
Telecom AS	255 000	0.68 %
Abn Amro Global Custody Services NV, W8IMY	251 131	0.67 % Nominee account
Prog Seed AS	241 338	0.64 %
Priinvest AS	240 307	0.64 %
Other shares	16 164 940	43.09 %

\* 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

\*\*\* 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
Dr. Robert Müller, CTO	48 572	0.13 %
Bishwajit Choudhary, Chief Revenue Officer	25 500	0.07 %
Eric Mercer, CEO of Zwipe America, Inc.	5 500	0.01 %
Patrice Meilland, Chief Strategy and Product Officer	8 000	0.02 %
Jörgen Lantto (Chair)	866 666	2.31 %
Johan Biehl	120 000	0.32 %
Dennis Jones	65 228	0.17 %
Diderik Schonheyder	25 302	0.07 %
<b>Sum</b>	<b>1 164 768</b>	<b>3.10 %</b>

## Note 6 Share based payments

The company has a share-based option programme covering certain employees in senior positions, members of the board and nomination committee members. 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 30.06.2022, 33 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 -0.9 million have been expensed per H1 2022.

Strike price	Options	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested options 30.06.2022	Weighted Average Strike Price
<i>Outstanding Instruments</i>				<i>Vested Instruments</i>	
6.54	55 000	2.00	6.54	45 830	6.54
7.85	299 999	1.65	7.85	233 331	7.85
10.00	76 000	0.51	10.00	76 000	10.00
16.20	135 000	1.00	16.20	135 000	16.20
17.96	660 000	4.00	17.96	109 998	17.96
19.75	60 000	2.51	19.75	29 997	19.75
22.23	40 000	2.51	22.23	26 660	22.23
23.60	25 000	3.51	23.60	4 166	23.60
25.00	170 000	0.00	25.00	170 000	25.00
25.19	250 000	3.51	25.19	41 666	25.19
26.60	17 500	3.00	26.60	5 830	26.60
29.33	55 000	2.51	29.33	27 498	29.33
30.13	174 333	2.90	30.13	63 659	30.13
30.29	60 000	3.51	30.29	9 999	30.29
<b>2 077 832</b>				<b>979 634</b>	

Overview of outstanding options	Options	Weighted Average Strike Price
Outstanding opening balance (01.01.2022)	1 981 000	15.81
Granted	935 000	20.04
Exercised	-559 000	9.07
Forfeited	-279 168	18.29
Expired	0	0
<b>Outstanding closing balance (30.06.2022)</b>	<b>2 077 832</b>	<b>19.19</b>
<b>Vested closing balance</b>	<b>979 634</b>	<b>17.17</b>

The calculations are based on the following assumptions:

There is no change in assumptions as used per Annual Report 2021.

## **Note 7 Related party transactions**

On 20 January 2022, former CEO André Lovestam exercised 384,000 stock options at a strike price of NOK 10.00.

On 28 March 2022, former CFO Lars Kristian Solheim exercised 150,000 stock options at a strike price of NOK 6.54.

On 16 June 2022, the Board of Directors granted in total 660,000 options to member of the management team at a strike price of 17.96. CEO Robert Puskaric was granted 450,000 options, while CRO Bishwajit Choudhary, COO Eric Mercer and CTO Robert Mueller were each granted 70,000 options.

On 27 June 2022, COO Eric Mercer exercised 20,000 options at a strike price of NOK 10.00.

## **Note 8 Subsequent events**

There are no subsequent events to disclose.

## **Note 9 Reporting**

### **Upcoming reporting days**

H2 Half-year Report 2022 February 21, 2023.

Annual Report 2022 March 30, 2023.

This report has not been reviewed by Zwipe's auditors.