



 **zwipe**
first half
report
2023

Contents

Significant events during H1 2023	3
Key figures	3
Message from the CEO	4
Operational development	6
Market development	8
Restructuring and organizational development	9
Financial review	10
Goals and priorities going forward	12
Assurance by the Board of Directors	13
Condensed Interim Financial Statements	14
Income Statement	15
Balance Sheet	16
Cash Flow Statement	18
Statement of Changes in Equity	19
Notes	20

Significant events during H1 2023

- Zwipe successfully completes rights issue raising gross proceeds of approximately 100.1 million NOK in new capital.
- Zwipe and Kuwait International Bank (“KIB”) announce the first commercial launch of biometric payment cards to KIB’s Visa Infinite clients.
- Middle East Payment Services (“MEPS”) announces the commercial launch of biometric payment cards from Zwipe in partnership with Mastercard.
- Beautiful Card Corporation (“BCC”) granted approval from Mastercard to deploy biometric payment cards using Zwipe Pay.
- Zwipe signs new partnerships with Antworks Money, Wahyukartu, TBHP, and Unicard to deliver biometric payment cards (“BPCs”) in India, Indonesia, Vietnam, and the MEA region respectively.
- Civix and Zwipe Initiate Proof-of-Concept with Safe Skies at Richmond International Airport.
- Zwipe signs new partnerships with CardLogix, OLOID, and a large German partner to deliver biometric access cards.

Key figures

Figures in kNOK	H1 2023	H1 2022	FY 2022
Revenue	1 732	815	3 929
Gross margin %	30%	10%	45%
Net income	-55 724	-47 619	-104 152
EBITDA	-54 711	-47 135	-102 276
Adjusted EBITDA	-54 456	-41 224	-96 365
Average # shares outstanding in period *	49 192 938	37 315 752	37 405 138
Earnings per share *	-1.14	-1.28	-2.79
Net cash flow from operating activities	-57 680	-47 592	-108 079
Net cash flow from Investing activities	-1 745	-968	-1 099
Net cash flow from financing activities	84 090	5 046	5 095
Total net cash flow	25 493	-42 627	-101 879
Cash and cash equivalents end of period	75 960	109 719	50 466
Total assets end of period	98 442	122 645	67 643
Equity ratio	87%	89%	81%

* Actual numbers, not kNOK

Message from the CEO

The overall adoption of biometric payment cards during first half of 2023 has been slower than anticipated, impacting not only Zwipe but also Zwipe's partners and competitors. As a consequence of delays in market adoption, we announced a restructuring of the company in June – bringing down costs substantially to reflect the current realities, but not affecting our ability to serve our customers and partners. Zwipe remains committed to a best-in-class customer experience and providing value-added services and expertise across the payment card and access control value chains.

Even given slower-than-desired market adoption, we have achieved several important milestones during the first half including:

- Announcing our first two commercial launches with issuers – one on Visa and one on MasterCard.
- Signing partnership agreements with eight SCM and personalization bureaus, primarily in APAC.
- Releasing the market's first mobile enrolment solution with associated SDK for issuers.
- Signing several new go-to-market partnership agreements for Zwipe Access.
- Starting multiple biometric access control proofs of concept in target verticals, primarily in the USA and Nordics.

While broader market adoption of biometric payment cards has been slower than we and others in the industry anticipated, Zwipe continues to believe that the market is close to an inflection point. On the back of recently announced commercial launches in the Middle East, we anticipate an accelerated market take-up in the region. We also see interest among issuers in Europe and APAC.

We have strong and growing momentum in Zwipe Access with several proofs of concept recently having been launched in North America and the Nordics, and substantially more in the pipeline for airports and other security-sensitive verticals.

First Zwipe Pay commercial launches and significant traction in Zwipe Access

In May, Kuwait International Bank (KIB) took the lead worldwide with the first commercial launch of biometric payment cards based on Zwipe Pay technology, with cards produced by Inkript, one of Zwipe's card manufacturing partners in the region. Zwipe's biometric payment cards are now offered to all KIB clients with the Visa Infinite Black product, and we are hopeful that success with this customer segment will see the offering extended to a wider customer base. Following KIB, Middle East Payment Services (MEPS) also announced a commercial launch of biometric payment cards based on the Zwipe Pay solution. MEPS is a leading regional player in card issuance, payment processing, and merchant acquiring services in the Middle East and North Africa, making it possible for multiple issuers to rapidly launch

biometric payment cards when desired. As the initial launches were made with relatively small numbers of units, they have not yet translated into additional revenue for Zwipe, but this is expected to start emerging later in 2023.

On the Zwipe Access side, we have signed multiple go-to-market partners – OEMs, System Integrators (“SIs”), and Value Added Resellers (“VARs”) including industry leaders Cardlogix and OLOID. Several proofs of concept for Zwipe Access have also been started in the USA and Nordics. Civix, one of our key partners, initiated a PoC together with National Safe Skies Alliance at Richmond Airport in the US. This particular PoC is important as Safe Skies is performing testing as part of its Airport Security System Integrated Support Testing (ASSIST) program, and findings and conclusions will be shared with other alliance members. The Richmond PoC is still ongoing, and once this and other PoCs underway have been completed, we expect our partners to leverage these successes to rapidly conduct subsequent PoCs on their own. Successful proofs of concept are expected to lead to commercial orders during the second half of this year.

Fundraising and restructuring

During the first quarter, Zwipe successfully completed a rights issue in which we secured approximately 100.1 mNOK in new capital. The funds are being used to accelerate our go-to-market strategy, with a focus on executing more Zwipe Pay pilots and commercial launches, signing more SCMs and perso bureaus



for Zwipe Pay, getting our SCMs mass production ready, signing more distribution partners for Zwipe Access, and executing access control proofs of concept and pilots.

While the fundraising should enable Zwipe's transition toward commercialization, we are cognizant that market adoption is happening more slowly than expected and that the funds must be thoughtfully deployed. Consequently, we decided in the first quarter to freeze new hiring and start reducing other expenditures. We then made a deeper internal review into how the company could ensure long-term growth by optimizing global operations and identifying cost-saving initiatives including reductions of staff and R&D-related activities, restructuring of offices and subsidiaries, and reductions in external marketing activities and other operating expenditures.

As a result of the internal review, Zwipe in June announced an organizational streamlining designed to accelerate our path toward profitability in the medium term. Excluding one-off fundraising costs incurred in 2023, these initiatives are expected to reduce the group's operating costs in 2023 by approximately NOK 14 million compared to 2022 and lower the cost base by approximately NOK 35 million on an annual basis. Once executed, the improvements are expected to have full impact from the fourth quarter of 2023.

The main message from the restructuring announcement is that the development of both the Zwipe Pay and Zwipe Access products has largely been completed. Zwipe Pay has been fully certified by both Visa and Mastercard, mobile enrolment solutions have been finalized, and Zwipe Pay is fully ready for commercial

deployment. Similarly, Zwipe Access has now been validated for integration into the HID and LEGIC access control systems and the product is ready for commercial deployment. In the context of R&D having been largely completed, the focus of the fundraising and the restructuring has been to accelerate Zwipe's path towards commercialization.

I would like to conclude by thanking our customers, partners and shareholders for their trust and continued confidence in Zwipe. And to all 'Zwipers' who are taking on added responsibilities and working even more tirelessly across many time zones, let's view this as an opportunity to grow our business together.

Sincerely,
Robert Puskaric

Operational development

Zwipe Pay

First commercial launches

In May, our issuer partner Kuwait International Bank (KIB) announced the first commercial launch of biometric payment cards based on Zwipe Pay technology to their VISA Infinite customers in Kuwait. VISA Infinite customers constitute the most valuable customers for any VISA bank, and KIB choosing this portfolio segment for the commercial launch is testimony to KIB's commitment to and trust in the Zwipe Pay product. On the back of this launch, KIB is now considering making the biometric card more widely available to cardholders across their customer base in the coming months.

This major announcement of Zwipe's first commercial deployment of BPCs was made at Seamless Dubai in May - one of the world's largest events for payments and fintech innovation - and had considerable impact and echo throughout the Middle East, with extensive media coverage. In the aftermath of the announcement, multiple smart card manufacturers ("SCMs"), payment processors, and personalization bureaus have reached out to Zwipe to either initiate or accelerate the launch of biometric payment card programs.

Later in May, MEPS, in partnership with Mastercard, announced the second commercial launch of BPCs from Zwipe at the Fintech Summit Middle East in Amman, Jordan. MEPS is a leading regional player in card issuance, payment processing, and merchant acquiring services in the Middle East and North Africa (MENA) and is a principal member of major international issuing and acquiring schemes. The MEPS announcement is significant as it will enable a wide range of regional banks to launch BPCs more rapidly.

While revenue did not materialize from these commercial launches in the first half of 2023 since cards were shipped from existing

SCM inventory, we are hopeful that revenue will start materializing from wider customer deployment by KIB, banks associated with MEPS and other commercial launches in the second half of this year.

Update on pilot project execution

Four of seven previously announced pilots continue to progress in Europe, Latin America and the Middle East, including with the major Nordic bank and global Tier-1 bank. Zwipe continues to make further improvements in Zwipe Pay biometric performance that started during the second half of 2022, ensuring a more robust product and user payment experience similar to that of standard contactless cards.

While this product improvement is positive in the long run, it has unfortunately led to delays in our ongoing pilot projects and meant that other announced pilot projects have been slower to start than expected. We continue to expect that the improved user experience and product performance will lead to faster pilot project execution, faster street pilot launch, and faster commercial launches. We also have evidence that some issuers will skip the pilot phase and move straight to soft commercial launch. We remain in active dialog with our SCM customers and issuers regarding all project start dates.

Two previously announced pilots concluded successfully with a commercial launch as described above, and one is now on hold due to discussions with the national central bank. Zwipe continues to provide technical expertise and project support for ecosystem partners, collaborating closely with our SCM customers, personalization bureaus, and banks/issuers.

New business and partnerships

During the first half, Zwipe publicly announced three new partnerships with SCMs and perso

bureaus: Wahyukartu, a leading SCM and perso bureau in Indonesia; Unicard, an SCM and perso bureau in Saudi Arabia; and TBHP, one of the largest perso bureaus in Vietnam. We also announced a partnership agreement with Antworks Money, a neobank in India. While unable to publicly disclose names due to partner disclosure constraints, Zwipe also signed three additional new partnerships with SCM and perso bureaus partners in Thailand, India and Indonesia.

Early in the third quarter, Zwipe also signed a partnership agreement with a major Japanese SCM, a first for Zwipe in this very important market in terms of both payment transaction volume and value, and a second agreement with a partner in Taiwan.

These new agreements and partnerships represent expanded geographic scope for Zwipe and the potential to bring biometric payment cards to large and dynamic new markets. They also exemplify an important trend emerging in terms of demand for BPCs specifically in the Asia-Pacific ("APAC") region, and Zwipe is in discussions with several issuers in the region for pilots and soft launches.

Technical progress and supply chain readiness

During the first half, Zwipe released our mobile enrolment solution, including a Software Development Kit ("SDK") with reference apps for iOS and Android available in the respective Apple and Google official app stores. Mobile enrolment relies on the smartphone of the cardholder providing wireless power to the biometric card and controlling the enrolment process using the NFC channel. Patented accessories are available from Zwipe to enhance the user experience for mobile enrolment. Zwipe's mobile enrolment solution is the only solution in the market available for both iOS and Android, and remains much in demand from issuers.

Zwipe also refreshed our payment scheme certifications and released Zwipe Pay version 1.1, based on the updated standards from Mastercard and Visa. We have continued to enhance the manufacturing process guidelines such that SCMs can achieve the best efficiency and yield in manufacturing Zwipe Pay BPCs, and have qualified additional materials that can be used in card construction.

Further, Zwipe has qualified new machines that can be used for milling and embedding Zwipe Pay cards.

During the first half, Zwipe extended its long-term supply agreement for fingerprint sensors and is in the process of extending other long-term supply agreements with primary and secondary suppliers. Together

with our suppliers, we have also invested in machinery to boost the capacity for manufacturing Zwipe Pay components. Zwipe and its partners are mass production ready in preparation for significant market take-off, and Zwipe is well positioned, in terms of capacity and inventory, to deliver products for piloting and commercial deployments for the foreseeable future.

Zwipe Access

Solid traction with new partners and PoCs started in target verticals

During the first half, Zwipe initiated several proofs of concept in our target verticals in the USA and Europe. Of particular importance was the announcement that our partner Civix is performing a PoC at Richmond International Airport (RIC), a TSA-approved Airport Innovation Forum member in the USA. National Safe Skies Alliance, Inc (“Safe Skies”) is also involved in third-party testing of the ASC Access biometric card solution at Richmond Airport. Safe Skies is a non-profit organization working to maintain a safe and effective aviation security system. For over 25 years, they have been a trusted resource for decision-makers on airport security technology and procedures. Findings made during the Richmond Airport PoC will be shared with other Safe Skies alliance members.

We see evidence of strong market fit for biometric access control solutions and have excellent traction, particularly in the airport vertical. Airports often have been introduced

to biometric authentication and are already deploying various biometric technologies. The fact that Zwipe Access utilizes existing reader infrastructure, cabling, and back-end systems makes the Zwipe Access card a very attractive commercial offering to airports.

In total, more than ten PoCs are underway and progressing and approximately ten more PoCs are also already in the pipeline for the second half of this year, to be conducted alongside our distribution partners. The fact that Zwipe is able to so rapidly set up PoCs and the significant progress seen therein makes us confident that we will see commercial orders for Zwipe Access in H2 2023.

During the first half, we also signed multiple important go-to-market (“GTM”) partners including industry leaders Cardlogix and OLOID and roughly doubled our number of GTM partners. It is expected that partners will be able to rapidly conduct PoCs and convert them to Zwipe customers.

Technical progress and supply chain readiness

We successfully completed HID interoperability testing with Zwipe Access cards, confirming that cards are working with all compliant reader equipment. Key partnerships have been established for loading of access control applets and credentials onto our Zwipe Access card, which can support HID Seos or LEGIC Advant environments.

Market development

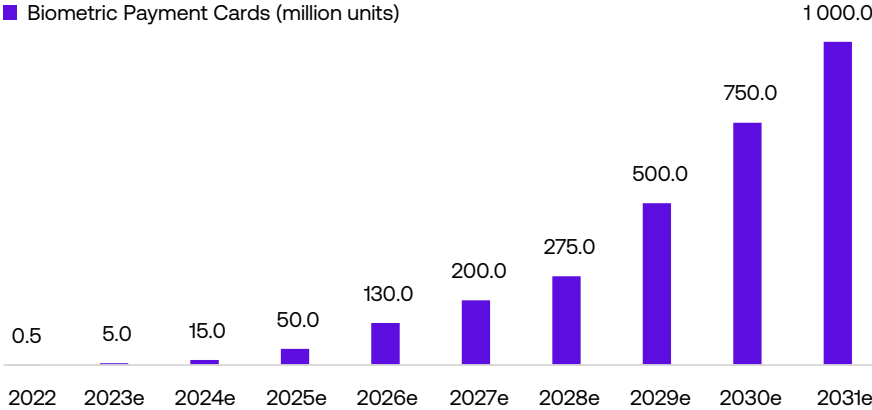
During H1 2023, several new biometric payment commercial rollouts have been announced - notably First Abu Dhabi Bank (FAB) and Banca Sella in Italy using IDEMIA biometric cards, Société Générale Morocco and Bank of Africa Morocco using Thales cards, and Zwipe's own launches with KIB and MEPS.

As previously communicated, most external research studies show a slower market takeoff than expected to date, but with the volume of BPCs still growing exponentially in the longer term, with a high likelihood that biometric payment cards will hit one billion cards shipped per year by the end of this decade.

The access control market has seen substantial growth in the past years, both in value and number of smart card access control readers shipped globally, and this growth is expected to continue in the coming years. In total, it is estimated that more than 10 million smart access control readers will ship in 2024, representing approximately 460 million smart access cards shipped per year and a tremendous market opportunity for Zwipe.

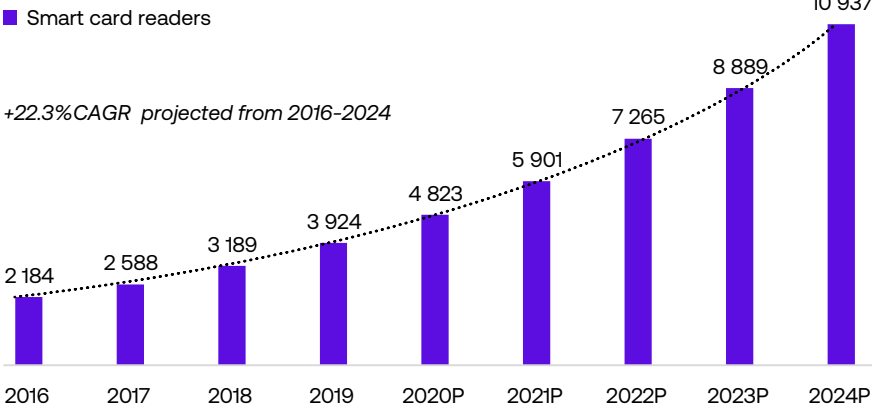
More solutions providers are viewing the access control market as a significant opportunity for deployment of biometric cards, supporting the expectation that the biometric access control market will grow quickly. As with the payments market, success by competitors is viewed as a very positive development and supportive for all industry participants.

2022-2031E: Biometric Payment Cards Shipped Annually (million units)



Source: Erik Penser Bank - "Zwipe: Ready for Takeoff", 6 July 2023

2016-2024P: Number of Smart Card Access Control Readers Shipped Globally, Thousand Units



Source: "Access Control Reader Market - Global forecast to 2024", Markets and Markets, August 2019

Restructuring and organizational development

Following decisions taken at the end of Q1 to freeze new hiring and reduce planned expenditures, the company announced a comprehensive restructuring plan in June to consolidate global operations and reduce overall costs. In this effort, Zwipe laid off personnel, reduced planned R&D, closed offices and subsidiaries, lowered external marketing activities, and lowered other operating expenditures.

Excluding one-time costs associated with the rights issue in March, these cost-saving initiatives are intended to reduce the group's operating costs in 2023 by approximately NOK 14 million compared to 2022 and lower the cost base by approximately NOK 35 million on an annual basis. The initiatives were implemented immediately upon the restructuring announcement in June, and cost-saving efforts are expected to have a full impact

from the fourth quarter of 2023. 15 employees have left or will leave the company as a consequence.



Financial review

Profit and loss

Zwipe reported total revenues of 1.7 mNOK during H1 2023, up 113% from 0.8 mNOK in H1 2022.

Total operating expenses increased by 9.0 mNOK to 57.5 mNOK in H1 2023 from 48.4 mNOK in H1 2022. Personnel expenses increased from 25.9 mNOK in H1 2022 to 28.3 mNOK in H1 2023, as headcount increased with the creation of the customer success department and hiring of regional salespeople in preparation of commercial traction. Other operating expenses of 26.9 mNOK in H1 2023 compared to 21.3 mNOK in H1 2022. Depreciation, amortization and impairment amounted to 1.0 mNOK in H1 2023 versus 0.5 mNOK in H1 2022.

The above resulted in net income for H1 2023 of -55.9 mNOK, 8.5 mNOK lower than -47.4 mNOK in H1 2022. The result after tax was -56.1 mNOK for H1 2023 compared to -47.7 mNOK in H1 2022.

Adjustments of 0.3 mNOK were made in H1 2023 for one-off costs associated with restructuring, while adjustments for one-off expenses totaling 5.9 mNOK were made in H1 2022 owing to senior management departing the company. Taking into account adjustments, total operating expenses increased by 14.7 mNOK to 57.2 mNOK in H1 2023 from 42.5 mNOK in H1 2022. This resulted in adjusted EBITDA of -54.5 mNOK in H1 2023 compared to -41.2 mNOK in H1 2022. The larger negative EBITDA in H1 2023 mainly reflects higher personnel and contractor expenses. The full one-off costs of Zwipe's restructuring are expected to be reflected in Zwipe's full year results.

EBITDA

The below reconciliation table sets out how Zwipe calculated EBITDA:

(Amounts in 1 000 NOK)	H1 2023	H1 2022	FY 2022
Operating profit/loss (GAAP)	-55 724	-47 619	-104 152
(+) Depreciation, amortization & impairment (GAAP)	1 013	484	1 876
= EBITDA (APM)	-54 711	-47 135	-102 276

Adjusted operational expenses (OPEX)

The below reconciliation table sets out how Zwipe calculated adjusted operational expenses:

(Amounts in 1 000 NOK)	H1 2023	H1 2022	FY 2022
Operating expenses - COGS	1 212	734	2 170
Operating expenses - Payroll expenses	28 292	25 905	45 879
Operating expenses - Depreciation, amortization & impairment	1 013	484	1 876
Operating expenses - Other operating expenses	26 684	15 401	52 246
Payroll expenses -related to non-recurring restructuring cost	-	5 911	5 911
Other operating expenses - related to non-recurring restructuring cost	255	-	0
Operating expenses (GAAP)	57 456	48 434	108 081
(-) non-recurring items	255	5 911	5 911
= Adjusted operational expenses (APM)	57 201	42 523	102 170

Adjusted EBITDA/EBITDA excluding special items

Zwipe presents adjusted EBITDA to better mirror the recurring underlying performance in the reported period.

(Amounts in 1 000 NOK)	H1 2023	H1 2022	FY 2022
Operating profit/loss (GAAP)	-55 724	-47 619	-104 152
(+) Depreciation, amortization & impairment (GAAP)	1 013	484	1 876
= EBITDA (APM)	-54 711	-47 135	-102 276
(+) Operating expenses (GAAP)	57 456	48 434	108 081
(-) Adjusted operational expenses (APM)	57 201	42 523	102 170
= Adjusted EBITDA (APM)	-54 456	-41 224	-96 365

Cash flow

During the first half of 2023, cash flow from operations and investments, before financing and facilitation, decreased by -10.8 mNOK to -59.3 mNOK from -48.6 mNOK in H1 2022. The underlying average monthly operating cash flow in the H1 2023 was -9.9 mNOK

compared to -8.1 mNOK in the same period last year. The monthly net burn rate is expected to decrease by roughly 30% in the second half of 2023 compared to the first half as a result of the restructuring.

Total net cash flow for H1 2023, including cash flow from financing and investing activities, was 25.5 mNOK compared to -42.6 mNOK in H1 2022, as Zwipe successfully completed a rights issue raising 100.1 mNOK in gross proceeds in H1 2023.

Investments, liquidity, and financial position

On 30 June 2023, cash and cash equivalents were 76.0 mNOK, compared to 50.5 mNOK at end 2022 and 109.7 mNOK on 30 June 2022. The development in cash balance since the end of 2022 is mainly a result of the negative operational cash flow of 59.3 mNOK plus proceeds from the rights issue in H1 2023. As of 30 June 2023, production equipment, machinery, and fixtures were valued at 4.4 mNOK, and made up all long-term assets. Including cash of 76.0 mNOK, inventories of 14.8 mNOK, and receivables

of 3.3 mNOK, current assets stood at 94.1 mNOK giving total assets of 98.4 mNOK.

Total equity as of 30 June 2023 was 85.4 mNOK. Liabilities totaled 13.1 mNOK on 30 June 2023 and were entirely comprised of short-term liabilities. This resulted in an equity ratio of 87%, roughly stable versus the period one year ago.

In March 2023, Zwipe successfully completed a rights issue raising approximately

100.1 mNOK in capital. The rights issue was fully guaranteed through a combination of subscription commitments and underwriting commitments from the three largest shareholders in Zwipe. The rights issue was carried out in order to strengthen the company's financial position and enable the transition from start-up to scale-up.

Dividend

Zwipe's dividend policy is that no dividend shall be paid until the company is in an estab-

lished cash positive position with predictable positive business results.

Upcoming dates

- Q3 2023 operational update: 26 October 2023
- H2 2023 interim report: 22 February 2024
- Annual report 2023: 26 March 2024
- Q1 2024 operational update: 25 April 2024
- Annual General Meeting: 7 May 2024

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 2022 and the prospec-

tus dated 3 March 2023 for a more detailed description of risk factors. These are available at www.zwipe.com/investors.

Goals and priorities going forward

Zwipe continues to make progress with its first Zwipe Pay commercial launches and multiple Zwipe Access POCs being executed. Due to the company's restructuring in the context of delayed volume ramp-up in biometric payment cards and the biometric access control market still being established, Zwipe's net monthly burn rate is expected to be significantly lower in H2 2023 compared to H1 2023.

Our top priorities for H2 2023 given the leaner organization, focus on commercialization, and currently slow market adoption are:

- Accelerate the execution of customer pilots and launches for issuers on Zwipe Pay.
- Accelerate the commercialization of our biometric access card solutions, building the right go-to-market partnerships for Zwipe Access.
- Generate meaningful revenue while carefully deploying our funds and maximizing our cash runway.
- Assist our SCM customers in becoming certified and delivery ready.
- Expand our customer pipeline for both Zwipe Pay and Zwipe Access.
- Continuously develop Zwipe Pay and Zwipe Access technology to efficiently and competitively meet future market demands.



Assurance by the Board of Directors

We confirm, to the best of our knowledge, that the condensed set of interim financial statements for the half year period 1 January to 30 June 2023 have 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.

Oslo, 24 August 2023

(All signatures electronically signed)

Jörgen Lantto
Chair of the Board

Dennis Jones
Board member

Tanya Juul Kjær
Board member

David L. Chew
Board member

Robert Jansson
Board member

Christina Örn
Board member

Robert Puskarić
CEO

Condensed Interim Financial Statements

The condensed interim 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. The half-year report and notes have not been reviewed by Zwipe's auditors.

Income Statement

(Amounts in 1 000 NOK)	Note	Zwipe Group			Zwipe AS		
		H1 2023	H1 2022	FY 2022	H1 2023	H1 2022	FY 2022
Operating income							
Sales revenue	1	1 557	528	3 353	1 557	528	3 353
Other operating income	1	175	287	576	0	0	0
Operating income		1 732	815	3 929	1 557	528	3 353
Operating expenses							
COGS		1 212	734	2 170	1 212	734	2 170
Payroll expenses	5	28 292	25 905	51 790	7 248	11 939	20 941
Depreciation, amortization & impairment	2, 3	1 013	484	1 876	1 013	484	1 876
Other operating expenses		26 939	21 312	52 246	50 372	36 322	86 048
Operating expenses		57 456	48 434	108 081	59 845	49 478	111 034
Operating profit/loss		-55 724	-47 619	-104 152	-58 287	-48 950	-107 681
Financial income and expenses							
Other interest income		348	76	371	286	76	370
Other financial income		980	711	2 398	986	711	2 398
Other interest expenses		3	1	2	3	1	2
Other financial expenses		1 517	603	2 504	1 517	603	2 504
Net financial income and expenses		-193	183	263	-248	183	262
Results before tax		-55 916	-47 436	-103 890	-58 535	-48 768	-107 420
Tax expense		231	255	339	0	0	0
Results for the year		-56 147	-47 691	-104 229	-58 535	-48 768	-107 420
Profit(+)/Loss(-) for the year attributable from:							
Share premium reserve		-56 147	-47 691	-104 229	-58 535	-48 768	-107 420
Uncovered loss		0	0	0	0	0	0
TOTAL		-56 147	-47 691	-104 229	-58 535	-48 768	-107 420
Number of shares end of period		58 413 732	37 516 685	37 551 685			
Average number of shares in the period before/after dilution		49 192 938	37 315 752	37 405 138			
Profit pr. share before/after dilution		-1.14	-1.28	-2.79			

Balance Sheet

(Amounts in 1 000 NOK)	Note	Zwipe Group			Zwipe AS		
		H1 2023	H1 2022	FY 2022	H1 2023	H1 2022	FY 2022
ASSETS							
LONG-TERM ASSETS							
Fixed Assets							
Equipment, fixtures and fittings	2, 3	4 376	3 821	3 385	4 376	3 821	3 385
Total Fixed Assets		4 376	3 821	3 385	4 376	3 821	3 385
Financial Assets							
Investment in subsidiaries		0	0	0	671	648	671
Other financial receivables		0	394	0	5 493	5 088	5 087
Total Financial Assets		0	394	0	6 165	5 735	5 758
TOTAL LONG-TERM ASSETS		4 376	4 215	3 385	10 541	9 556	9 144
CURRENT ASSETS							
Inventories							
Inventories		14 778	4 314	10 153	14 778	4 314	10 153
Total Inventories		14 778	4 314	10 153	14 778	4 314	10 153
Receivables							
Accounts receivables		2 289	83	2 269	2 289	83	2 269
Other receivables		1 040	4 314	1 370	369	3 733	866
Total debtors		3 328	4 398	3 639	2 658	3 816	3 134
Cash							
Bank deposits, cash		75 960	109 719	50 466	66 748	100 688	41 516
Total cash		75 960	109 719	50 466	66 748	100 688	41 516
TOTAL CURRENT ASSETS		94 066	118 431	64 258	84 184	108 818	54 803
TOTAL ASSETS		98 442	122 645	67 643	94 725	118 374	63 947

(Amounts in 1 000 NOK)	Note	Zwipe Group			Zwipe AS		
		H1 2023	H1 2022	FY 2022	H1 2023	H1 2022	FY 2022
EQUITY AND LIABILITIES							
EQUITY							
Paid-up Equity							
Share capital	4	5 841	3 752	3 755	5 841	3 752	3 755
Share premium reserve		79 537	105 062	50 878	66 801	97 698	41 993
Total restricted equity		85 379	108 814	54 634	72 642	101 450	45 748
TOTAL EQUITY		85 379	108 814	54 634	72 642	101 450	45 748
LIABILITIES							
Short-term Liabilities							
Accounts Payables		7 797	3 251	3 333	11 314	4 415	4 915
Public duties payable		438	994	898	212	775	609
Tax payable		1 005	434	660	0	0	0
Other short term liabilities		3 824	9 152	8 119	5 704	11 734	12 675
Total short-term liabilities		13 063	13 832	13 009	17 229	16 924	18 199
TOTAL LIABILITIES		13 063	13 832	13 009	22 083	16 924	18 199
TOTAL EQUITY AND LIABILITIES		98 442	122 645	67 643	94 725	118 374	63 947

Cash Flow Statement

(Amounts in 1 000 NOK)	Note	Zwipe Group			Zwipe AS		
		H1 2023	H1 2022	FY 2022	H1 2023	H1 2022	FY 2022
Net Income / (Loss) before tax		-56 147	-47 714	-104 229	-58 535	-48 768	-107 420
Taxes paid		0	0	0	0	0	0
(+) Option cost no cash effect	5	1 339	2 080	3 673	1 339	2 080	3 673
(-/+) Gain/Loss of on sale of assets		0	0	0	0	0	0
(+) Depreciation, amortisation & impairment	2, 3	1 013	484	1 876	1 013	484	1 876
(-) Change in Inventory		-4 625	-1 867	-7 705	-4 625	-1 867	-7 705
(-) Change in Accounts Receivable		647	-12	-2 029	-20	3	-2 182
(-) Change in Other Current Assets		-26	555	1 293	90	664	3 037
(+) Change in Accounts Payables		4 665	2 391	4 166	6 398	1 854	2 354
(+) Change in Current Liabilities		-4 545	-3 510	-5 124	-7 368	-1 973	-1 348
Net Cash use in Operating Activities		-57 680	-47 592	-108 079	-61 708	-47 523	-107 714
Cash Flows from Investing Activities							
Fixed Assets and Capital Expenditures	2, 3	-1 745	-968	-1 099	-1 745	-968	-1 099
Net Cash Provided by (used in) Investing Activities		-1 745	-968	-1 099	-1 745	-968	-1 099
Operational Cash Flow		-59 330	-48 560	-109 178	-63 453	-48 491	-108 813
Cash Flows from Financing Activities							
Equity Issue		100 138	4 821	5 136	100 138	4 821	5 136
Unregistered capital increase		0	250	0	0	250	0
Transaction cost not recognized over P&L		-16 047	-26	-41	-16 047	-26	-41
Loan to subsidiary		0	0	0	4 853	-1 000	-300
Investment in subsidiary		0	0	0	0	0	-24
Net Cash Provided by Financing Activities		84 090	5 046	5 095	88 944	4 045	4 771
Effect of Foreign Currency Translation		733	888	2 204	-259	0	424
Net Increase / (Decrease) in Cash and Cash Equivalents		25 493	-42 627	-101 879	25 232	-44 446	-103 618
Cash and Cash Equivalents at Beginning of Period		50 466	152 346	152 346	41 516	145 133	145 133
Cash and Cash Equivalents at End of Period		75 960	109 719	50 466	66 748	100 688	41 516
Net cash flow		25 493	-42 627	-101 879	25 232	-44 446	-103 618

Statement of Changes in Equity

Zwipe Group

(Amounts in 1 000 NOK)	Share capital	Share premium reserve	Total equity
January 1st 2022	3 755	50 878	54 634
Proceeds from issue of shares	2 086	98 052	100 138
Unregistered capital increase/decrease	0	0	0
Transaction cost	0	-15 865	-15 865
Share based compensation	0	404	404
Net profit/loss	0	-25 897	-25 897
Currency effect	0	1 075	1 075
March 31st 2023	5 841	108 647	114 489
Proceeds from issue of shares	0	0	0
Unregistered capital increase/decrease	0	0	0
Transaction cost	0	-182	-182
Share based compensation	0	935	935
Net profit/loss	0	-30 251	-30 251
Currency effect	0	388	388
June 30th 2023	5 841	79 537	85 379

Zwipe AS

(Amounts in 1 000 NOK)	Share capital	Share premium reserve	Total equity
January 1st 2023	3 755	41 993	45 748
Proceeds from issue of shares	2 086	98 052	100 138
Unregistered capital increase/decrease	0	0	0
Transaction cost	0	-15 865	-15 865
Share based compensation	0	404	404
Net profit/loss	0	-27 150	-27 150
March 31st 2023	5 841	97 433	103 275
Proceeds from issue of shares	0	0	0
Unregistered capital increase/decrease	0	0	0
Transaction cost	0	-182	-182
Share based compensation	0	935	935
Net profit/loss	0	-31 385	-31 385
June 30th 2023	5 841	66 801	72 642

Notes

Accounting policies

Zwipe Group and Zwipe AS

The interim 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 2023.

All amounts are presented in 1000 NOK

Note 1	Revenues					
	Zwipe Group			Zwipe AS		
Activity distribution	H1 2023	H1 2022	FY 2022	H1 2023	H1 2022	FY 2022
Revenues from sale of goods and services	1 557	528	3 353	1 557	528	3 353
Other revenues	175	287	0	0	0	0
Total	1 732	815	3 353	1 557	528	3 353
	Zwipe Group & AS					
Revenues from sale of goods and services	H1 2023	H1 2022	FY 2022			
Zwipe Pay	1 503	498	3 224			
Zwipe Access	54	30	129			
Total	1 557	528	3 353			
	Zwipe Group & AS					
Geographical distribution	H1 2023	H1 2022	FY 2022			
Norway	-	-	-			
Other countries	1 557	528	3 353			
Total	1 557	528	3 353			

Note 2 **Fixed assets**

Zwipe Group & AS

	Office machinery	Tools	Machinery and plant in progress	Total
Acquisition cost 01.01.2023	995	9 313	0	10 308
Additions	13	1 732	0	1 745
Transfers	0	0	0	0
Skattefunn/Horizon 2023	0	0	0	0
Disposals	0	0	0	0
Acquisition cost 30.06.2023	1 008	11 046	0	12 053
Accumulated depreciation/ impairment 30.06.2023	707	6 970	0	7 677
Book value 30.06.2023	300	4 076	0	4 376
Depreciation in the year	103	651	0	754
Impairment in the year	0	0	0	0
Total Depreciation/impairment in the year	103	651	0	754
Depreciation plan	Linear	Linear		
Economic useful life	3 year	5 year		

Notes

All amounts are presented in 1000 NOK

Note 3 Intangible assets

Zwipe Group & AS			
	Research and development	Concessions, patents etc.	Total
Acquisition cost 01.01.2023	21 687	4 108	25 794
Additions	0	0	0
Transfer	0	0	0
Skattefunn/Horizon 2023	0	0	0
Disposals	0	0	0
Acquisition cost 30.06.2023	21 687	4 108	25 794
Accumulated amortization/ impairment 30.06.2023	21 687	4 108	25 794
Adjustment acc. Depreciation/impairment 30.06.2023	0	0	0
Book value 30.06.2023	0	0	0
Amortization in the year	0	0	0
Impairment in the year	0	0	0
Total Depreciation and amortization in the year	0	0	0
Depreciation plan	Linear	Linear	
Economic useful life	5 year	5 year	

Note 4 Share capital and shareholder information

Share capital	Zwipe Group & AS		
	Holding	Nominal value	Book value
Ordinary Shares	58 413 732	0.1	5 841 373

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 30.06.2023

Shareholders	Account	Holding	Stake
VASASTADEN / NICLAS ERIKSSON AND RELATED PARTIES *		14 594 321	24.98%
Erik Selin Fastigheter AB		9 249 372	15.83%
LARS WINDFELDT AND RELATED PARTIES **		3 487 709	5.97%
AVANZA PENSION		1 366 926	2.34%
LANTTO, JÖRGEN ***		1 348 145	2.31%
ENERGETIC AS		1 320 000	2.26%
Skandinaviska Enskilda Banken AB	Nominee	888 616	1.52%
Concito As		888 040	1.52%
COELI WEALTH MANAGEMENT AB	Nominee	849 215	1.45%
NORDNET PENSIONSFORESÄKRING AB		752 554	1.29%
Nordnet Bank AB	Nominee	473 968	0.81%
Vatterleden AB		452 204	0.77%
BANQUE PICTET & CIE (EUROPE) SA, W8IMY	Nominee	404 893	0.69%
CEPS FIRM ASSETS		384 181	0.66%
PRINVEST AS		373 907	0.64%
PATRI INVEST & TRADING AS		373 905	0.64%
LIM AS		329 666	0.56%
Skyddad, Personuppgift		311 110	0.53%
SUNDSTRÖM, PER FREDRIK		291 403	0.50%
Avanza Bank AB	Nominee	272 324	0.47%
Other		20 001 273	34.24%

* 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.

*** Zwiipe chairman of the board.

Management and board holdings	Holding	Stake
Danielle Glenn (CFO)*	12 000	0.02%
Eric Mercer (COO)	25 500	0.04%
Dr. Robert Mueller (CTO)	75 556	0.13%
Patrice Meilland (CSO & CPO)	13 995	0.02%
Jens Hansen (VP, Head of Customer Success)	15 555	0.03%
Jörgen Lantto (Chairman of Board)	1 348 145	2.31%
Dennis Jones (board member)	101 458	0.17%
Sum	1 592 209	2.73%

* Danielle Glenn's shares are held through her 100% owned company KAD group AS.

Notes

All amounts are presented in 1000 NOK

Note 5 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 30.06.2023, 35 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 -1.3 million have been expensed in H1 2023.

Strike price	Outstanding Instruments			Vested Instruments	
	Options	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested options 30.06.2023	Weighted Average Strike Price
5.47	10 000	3.51	5.47	1 666	5.47
6.54	40 000	1.00	6.54	40 000	6.54
7.09	5 000	3.00	7.09	1 666	7.09
7.85	189 999	0.50	7.85	189 999	7.85
9.80	10 000	3.09	9.80	3 332	9.80
10.44	110 000	3.00	10.44	36 666	10.44
14.44	30 000	3.17	14.44	9 998	14.44
16.20	130 000	0.00	16.20	130 000	16.20
17.96	590 000	3.00	17.96	294 998	17.96
19.75	29 999	1.51	19.75	26 665	19.75
22.23	39 166	1.51	22.23	39 166	22.23
23.60	10 000	2.51	23.60	4 998	23.60
25.19	250 000	2.51	25.19	124 998	25.19
26.60	17 500	2.00	26.60	11 665	26.60
29.33	55 000	1.51	29.33	45 832	29.33
30.13	110 582	1.86	30.13	76 913	30.13
30.29	21 666	2.51	30.29	11 665	30.29
	1 648 912			1 050 227	

Overview of outstanding options	Options	Weighted Average Strike Price
Outstanding opening balance (01.01.2023)	1 953 246	18.41
Granted	15 000	5.47
Exercised	0	0.00
Forfeited	243 334	24.72
Expired	76 000	25
Outstanding closing balance (31.06.2023)	1 648 912	18.37
Vested closing balance	1 050 227	17.83

The calculations are based on the following assumptions:

There is no change in assumptions as used per Annual Report 2022.

Note 6 **Reporting**

Upcoming reporting days

H2 Half-year Report 2023, 22 February 2024.

Annual Report 2023, 26 March 2024.

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

Note 7 **Alternative Performance Measures (APMs)**

In this H2 2023 report, the Group presents and refers to certain non-NGAAP financial measures or APMs:

- EBITDA represents earnings before interest, tax, depreciation and amortization and is used for providing consistent information on Zwipe's operating performance. EBITDA as a measure is frequently used by securities analysts, investors and other stakeholders. EBITDA, as defined by Zwipe, corresponds to operating profit/(loss) plus depreciation, amortisation, and impairment. Zwipe's definition of EBITDA may differ from that of other companies.
- Adjusted operational expenses (OPEX) represents operational expenses adjusted for non-recurring items such as severance packages, listing and private placement related costs, and restructuring costs recorded as other operational expenses.
- Adjusted EBITDA or EBITDA excluding special items represents EBITDA adjusted for non-recurring items such as severance packages, listing and private placement related costs, and restructuring costs recorded as other operational expenses.

Alternative performance measures are used by Zwipe to provide supplemental information by excluding items that in the Group's view, do not give indications of the periodic operating results. Financial APMs are used to enhance comparability of the results from one period to the next, and the Group uses these measures internally when driving performance in terms of long- and short-term forecasts.

The APMs presented herein are not measurements of performance under NGAAP or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with NGAAP or other generally accepted accounting principles) as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results nor are such measures meant to be predictive of the Group's future results. Since the measures are not defined under NGAAP or IFRS they may not be directly comparable to other companies' APMs.

The non-NGAAP financial measures/APMs are not part of the Group's Audited Financial Statements and are thereby not audited. The Group can give no assurance as to the correctness of such APMs and investors are cautioned that such information involve known and unknown risks, uncertainties and other factors and are based on numerous assumptions. Given the aforementioned uncertainties prospective investors are cautioned not to place undue reliance on any of these APMs.

Continued on the next page

Notes

All amounts are presented in 1000 NOK

Note 7 Alternative Performance Measures (APMs) (continued)

Below Zwipe defines the APMs and reconcile them with NGAAP measures. The definitions and calculations of the APMs are unchanged for the financial periods presented below.

EBITDA

The below reconciliation table sets out how Zwipe calculated EBITDA:

(Amounts in 1000 NOK)	H1 2023	H1 2022	FY 2022
Operating profit/loss (GAAP)	-55 724	-47 619	-104 152
(+) Depreciation, amortization & impairment (GAAP)	1 013	484	1 876
= EBITDA (APM)	-54 711	-47 135	-102 276

Adjusted operational expenses (OPEX)

The below reconciliation table sets out how Zwipe calculated adjusted operational expenses:

(Amounts in 1000 NOK)	H1 2023	H1 2022	FY 2022
Operating expenses - COGS	1 212	734	2 170
Operating expenses - Payroll expenses	28 292	25 905	45 879
Operating expenses - Depreciation, amortization & impairment	1 013	484	1 876
Operating expenses - Other operating expenses	26 684	15 401	52 246
Payroll expenses -related to non-recurring restructuring cost	-	5 911	5 911
Other operating expenses - related to non-recurring restructuring cost	255	-	0
Operating expenses (GAAP)	57 456	48 434	108 081
(-) non-recurring items	255	5 911	5 911
= Adjusted operational expenses (APM)	57 201	42 523	102 170

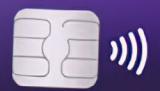
Adjusted EBITDA/EBITDA excluding special items

Zwipe presents adjusted EBITDA to better mirror the recurring underlying performance in the reported period:

(Amounts in 1000 NOK)	H1 2023	H1 2022	FY 2022
Operating profit/loss (GAAP)	-55 724	-47 619	-104 152
(+) Depreciation, amortization & impairment (GAAP)	1 013	484	1 876
= EBITDA (APM)	-54 711	-47 135	-102 276
(+) Operating expenses (GAAP)	57 456	48 434	108 081
(-) Adjusted operational expenses (APM)	57 201	42 523	102 170
= Adjusted EBITDA (APM)	-54 456	-41 224	-96 365



 zwipepay



0012 3456 7777 7890

VALID THRU 00/00

Sophia Abdou



Global Headquarters

Rådhusgata 24
0151 Oslo,
Norway

Zwipe Germany GmbH

Otto-Hahn-Str. 28-30
85521 Riemerling,
Germany

Zwipe Singapore

1 Harbourfront Ave,
#13-03 Keppel Bay Tower,
098632 Singapore