



 **zwipe**  
second  
half year  
report  
2023

# Contents

Significant events in second half 2023	3
Key Figures	3
Message from the CEO	4
Operational Development	6
Fundraising and Restructuring	11
Financial Review	12
Goals and Priorities going forward	14
Assurance by the Board of Directors	15
Condensed Interim Financial Statements	16
Income Statement	17
Balance Sheet	19
Cash Flow Statement	21
Statement of Changes in Equity	23
Notes	24

## Significant events in second half 2023

- Zwipe successfully completes rights issue in December raising NOK 35 million in gross capital, with a possible exercise of warrants in December 2024 representing the potential for up to NOK 39 million in additional funds.
- Zwipe announces partnership with Schneider Electric to provide biometric access card solutions globally.
- Zwipe announces partnerships with OLOID, AWT and Sintei to provide biometric cards for physical and logical access control in Europe.
- Overall in Zwipe Access, more than 35 go-to-market (“GTM”) partnerships are signed or in progress and more than 65 proof of concepts (“PoCs”) are underway.
- TADERA unveils airport secure credential biometric access cards powered by Zwipe’s BSoC technology.
- Beautiful Card Corporation (“BCC”) receives LoA from Mastercard to deploy Zwipe Pay biometric payment cards, making it the second Zwipe smart card manufacturer (“SCM”) to receive certification from both major payment schemes.
- Zwipe signs partnership agreement with a major Japanese SCM, a first for Zwipe in this important market in terms of both payment transaction volume and value.

## Significant events after the period

- Zwipe announces new strategic direction focusing on Zwipe Access alongside a company restructuring to create a near-term path to profitability.
- Tadera and Zwipe announce that the Zwipe Access Biometric Smart Card System has successfully completed operational test and evaluation by National Safe Skies Alliance, Inc. (Safe Skies) at Richmond International Airport (RIC)

## Key Figures

Figures in kNOK	H2 2023	H2 2022	FY 2023	FY 2022
Revenue	1 229	3 114	2 961	3 929
Gross margin %	40%	54%	34%	45%
Operational expenses	44 592	59 659	102 047	108 093
Net income	-43 891	-57 089	-100 038	-104 780
EBITDA	-41 809	-55 153	-96 520	-102 288
Adjusted EBITDA	-39 315	-55 153	-93 772	-96 377
Average # shares outstanding in period *	58 413 732	37 548 316	53 841 229	37 405 138
Earnings per share *	-0.75	-1.52	-1.86	-2.80
Net cash flow from operating activities	-59 018	-60 538	-116 697	-108 130
Net cash flow from Investing activities	-398	-483	-2 143	-1 451
Net cash flow from financing activities	27 081	50	111 171	5 095
Total net cash flow	-33 757	-59 252	-8 263	-101 879
Cash and cash equivalents end of period **	42 203	50 466	42 203	50 466
Total assets end of period	95 241	67 643	95 241	67 643
Equity ratio	64%	81%	64%	81%

\* Actual numbers, not kNOK

\*\* Despite the rights issue being completed in 2023, it wasn't registered until 2 January 2024 and all funds not received until January 2024. The effective “turn of year” cash position was NOK 66.6 million.

# Message from the CEO

2023 was not the year we were hoping for in Zwipe Pay. The second half and fourth quarter, in particular, demonstrated that market adoption of biometric payment cards (“BPCs”) is not happening in the manner we or anyone else in our industry anticipated, with the consequence that revenues were significantly lower than anticipated. The first half of the year saw six commercial launches of biometric payment cards industry-wide, and Zwipe accounted for two of the six with Kuwait International Bank and Middle East Payment Services. The second half, however, did not see any commercial launches or meaningful pilots of which we are aware. Dialogues with our SCM customers and conversations with analysts now lead us to believe that the inflection point for BPC market take-off is further into the future and that the biometric payment card market may ultimately be smaller than previously expected.

This conclusion led to our January 2024 announcement of a new strategic direction for Zwipe, which will see us focus our human and financial resources almost exclusively on commercialization of Zwipe Access where near-term opportunities are clearer. This new strategy is a natural result of events in 2023 where, despite a difficult environment in the payment market, Zwipe saw substantial interest in biometric access control cards and made considerable progress in our go-to-market objectives. In Zwipe Access, more than 35 GTM partnerships are either signed or in progress with distributors and system integrators across Europe and the Americas.

Even more importantly, our partners now have more than 65 proofs of concept (“PoCs”) underway with end-user organizations, including a Top 3 global cloud service provider, a well-known Swedish consumer technology company, Berkshire Hathaway Energy Group, Fortune 100 companies, and entities including government agencies, airports, critical infrastructure operators, data

centers, and healthcare facilities. These PoCs have the potential to translate into meaningful revenue in the short term with an additional catalyst in 2024 deriving from the EU NIS2 Directive on cybersecurity requirements in critical infrastructure sectors, with organizations required to comply with the rules by October 2024. Biometric cards with automatic two-factor authentication offer a simple way to comply with the NIS2 rules with which many enterprises are struggling.

While the decision to transition away from Zwipe Pay was a difficult one, the effort made in developing and certifying the Zwipe Pay platform, including the development of solutions for enrolment, will be equally valuable and a competitive differentiator in Zwipe Access. The Zwipe Pay technology forms the foundation of Zwipe Access technology, and partners and end customers inform us they gain confidence using technology subjected to the rigorous testing required for certification by Mastercard and Visa in the payments market. In addition, since



Zwipe Access fully utilizes the hardware platform of Zwipe Pay, Zwipe Access cards have a low manufacturing cost and are very price competitive. Zwipe will continue to fulfill purchase orders from already certified Zwipe Pay SCM customers and will revisit the payment market should there be a steep pickup in market demand.

Just prior to the January 2024 announcement, Zwipe completed a rights issue in December 2023 raising NOK 35 million in gross capital, with additional capital possible from an exercise of warrants in December 2024. Funds raised will now be directed to accelerating Zwipe Access commercialization and supporting ongoing operations, with substantially less required to support additional technology development or supply chain purchases. When combined with the June 2023 restructuring, the January 2024 announcement and the related company reorganization should see Zwipe's operational costs more than NOK 40 million lower than in 2023. As Zwipe Access is a higher-margin busi-

ness with lower operational and supply chain costs, cash flow in the coming two years is also expected to be more than NOK 40 million lower than if we had tried to actively maintain both business lines. We believe these decisive actions put Zwipe on a sustainable path towards cashflow breakeven, which we hope to reach in 2025.

Our top priorities for 2024 given the leaner organization include:

- Close deals and announce major Access pilots and commercial deployments during H1 2024, demonstrating commercial traction.
- Triple-digit growth in Access volumes and revenues in the second half compared to the first half 2024.
- Launch new products for technologies beyond HID Seos and Legic Advant.
- Extend Zwipe's runway to get to cash flow breakeven in 2025.

I would like to conclude by thanking our customers, partners and shareholders for their continued confidence in Zwipe. And to all 'Zwipers' who are taking on added responsibilities and have now experienced two restructurings in the past year, thank you for your extraordinary efforts. Let's make Zwipe Access a huge success!

*Sincerely,*  
**Robert Puskaric**

# Operational Development

## Zwipe Access

Zwipe has seen considerable interest in biometric access control technology in 2023, particularly in the second half. Across the Americas and Europe, more than 35 go-to-market (“GTM”) partnerships have been signed or in progress. These partnerships not only help establish our market presence and credibility within the industry, but directly represent commercial growth potential. Our partners are carrying out more than 65 proofs of concept and testing rounds with meaningful end-user enterprises including healthcare facilities, airports, data centers, government agencies, and critical infrastructure operators.

Zwipe’s value proposition is clear, with both partners and end-user enterprises recognizing the benefits of biometric access control technology in terms of security, convenience, and GDPR compliance. Increasingly, compliance with the EU NIS2 Directive on cybersecurity requirements in critical infrastructure sectors ranging from digital infrastructure to healthcare – rules that enterprises need to implement by October 2024 – has emerged as an important catalyst for end customers. Many organizations are struggling with these obligations, and biometric cards with automatic two-factor authentication offer a simple way to comply with the new NIS2 rules.

In the USA, Zwipe completed a critical operational test and evaluation by National Safe Skies Alliance, Inc. (Safe Skies) at Richmond International Airport (RIC) early in 2024. The evaluation involved testing under the most extreme security and environmental conditions. The Safe Skies team’s report – available across the aviation industry – provides both a positive assessment and validates the use of Zwipe technology in the airport vertical and is expected to motivate airports across the Americas to evaluate Zwipe Access technology. The positive evaluation of Zwipe

Access’s performance and the benefits of using biometric technology is also expected to permeate other critical infrastructure verticals.

Across North America, Zwipe is making substantial, positive progress with our key GTM partners. During Q3, Schneider Electric Co. completed testing and validation of Zwipe Access and built on that during Q4 when they incorporated Zwipe Access technology in the lab at their global headquarters in order to carry out customer demonstrations. Schneider has identified key airport and enterprise customers for technology PoCs using Zwipe technology, and we are negotiating an OEM agreement to include Zwipe Access cards in Schneider’s product offering, which they intend to market globally through their extensive network of companies and partners. Similarly, our partner Matrix Systems successfully completed technology testing and validation at their corporate lab and is now proposing Zwipe’s biometric access control solutions to their top customers in the healthcare, critical infrastructure, and transportation verticals.

MC Dean continues to conduct in-depth testing and validation of Zwipe Access cards on behalf of the top three global cloud services and data center providers (hyperscalers), as well as other Fortune 100 global customers, government agencies, airport and data center customers. Farpointe Data, a large manufacturer of card readers, is actively engaged in validating reader compatibility with Zwipe Access cards, intending to promote Zwipe biometric technology to their extensive network of partners and resellers in the Americas. NCS continues to promote Zwipe Access, focusing on their core markets of data centers, critical infrastructure and higher education customers.

Berkshire Hathaway Energy Group (BHE), one of the largest energy companies in the USA and an existing user of Zwipe Access cards, continues to test Zwipe’s biometric access control cards for compatibility, and intends to replace their legacy install base and extend the use of Zwipe biometric cards to new sites.

In Latin America, Prosegur Grupo in Brazil has conducted extensive testing of Zwipe Access, and has confirmed their intent to use Zwipe biometric access control cards at their control and monitoring center in São Paulo to showcase the cards to their customer base.

In Sweden, AWT, a major player in the Nordics and globally, received an initial small order from a global Top 100 consumer technology company for an initial soft launch at their headquarters. This is expected to be the foundation for further scaling up, with gradual expansion to over 10,000 cards expected during 2024 and 2025. Assa Abloy, another major player in the Nordics, finalized testing and validation of Zwipe Access technology for their proprietary access control system, a necessary step for Assa Abloy to provide pilot cards to their end customers for trials in Sweden. Certego, a major system integrator of access security and monitoring solutions, continues discussions to provide Zwipe’s biometric access control cards to over 100 government agencies in Sweden.

In continental Europe, four agreements have been signed with access control card distributors, each of which is a leader in their territory. These agreements are critical, not only for logistics, encoding, and printing of cards, but also for substantially augmenting our sales power in four leading markets. Customer interest at security-related trade shows such as Trustech, APS and Millipol, has been strong.

**Technical progress**

Zwipe Access benefits from all the effort that went into developing, certifying and improving the Zwipe Pay platform in recent years. Indeed, an important competitive differentiator for Zwipe Access compared to other access card offerings is the fact that the technology has been subjected to the rigorous testing required for certification in the payments market. This gives partners and end-users confidence using the product in various high security environments. In addition, the fact that Zwipe Access reuses the Zwipe Pay technology platform, which was aimed at larger volume markets, has established a lower manufacturing cost than competitors – making Zwipe Access a compelling choice for enterprises from a cost perspective.

In access control, corporations and system integrators are often faced with an inhomogeneous infrastructure. Certain card readers were installed decades ago, while others do not comply with ISO specifications regarding NFC field strength. It is therefore important to test finished cards with a wide range of readers. Zwipe has worked to expand its test coverage, adding more reader models and vendors. Card configurations have also been slightly adapted to improve reliability with certain reader behavior and model types.

During the second half of 2023, Zwipe successfully installed physical access control at its facilities in Munich using our Zwipe Access cards, personalized on-site for every employee. Fingerprint registration of the cardholders was performed using the Zwipe mobile enrolment solution designed for the Zwipe Pay platform. Mobile enrolment may provide a great opportunity for rapidly rolling out biometric access control to end user enterprises.

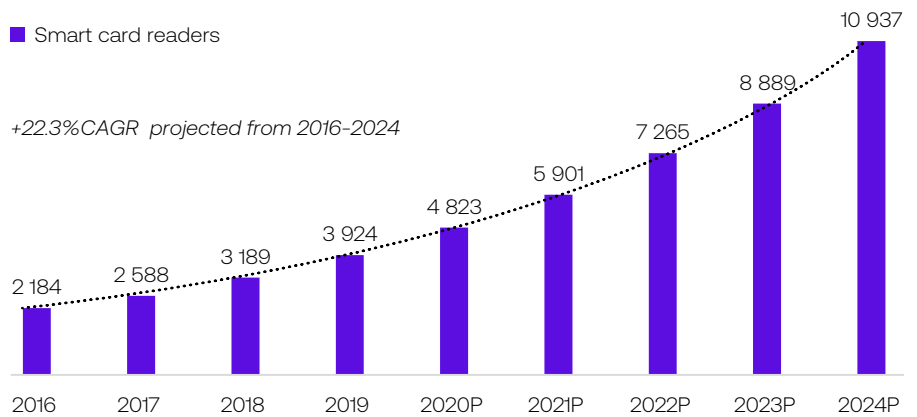
**Biometric access control market development**

The number of Zwipe Access PoCs has increased substantially in 2023, indicating broad interest in biometric access control. Other solution providers are also looking to the access control market as a significant opportunity for the deployment of biometric cards, further supporting the prospect that the biometric access control market will grow quickly. Interest and success by competitors are viewed as a positive development supportive for all industry participants.

The access control smart card market has seen significant growth in past years, as evidenced by the number of smart card access control readers shipped globally. This growth is expected to continue in the coming years with more than 10 million smart access control readers forecasted to be shipped in 2024. While the market is in its early stages, Zwipe believes biometric cards can represent a significant portion of the approximately 500 million smart access cards expected to be shipped annually in coming years.

**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

**Conclusions and Zwipe Access going forward**

Substantial second-half activity points to real demand in the market for biometric access control solutions, and a strong desire from our partners to bring Zwipe Access to their customers. Zwipe’s decision to focus on partners and end customers in high-security verticals has been validated as it is in these areas that the need for increased security and data privacy compliance is most clear.

While Zwipe has historically focused primarily on the development and application of its biometric authentication technology in the payments market, the company announced a new strategic direction early in 2024 in which Zwipe will re-focus its financial and human resources almost exclusively on Zwipe Access. This announcement was a natural outcome of the progress seen in Zwipe Access in 2023, in contrast to Zwipe Pay where market adoption has been limited. Zwipe’s new strategic direction means laser focus on the singular objective to rapidly achieve commercial success with Zwipe Access, while operating leanly to maximize financial flexibility.

# Operational Development

## Zwipe Pay

During the second half of 2023, Zwipe continued in its attempt to sign new SCMs, get existing SCMs production ready, and line up all players in the biometric payment card (“BPC”) value chain such that BPC commercial launches could happen quickly once financial institutions decided to move forward with biometric payment cards. Over the last several years, Zwipe has established 20+ go-to-market partnerships globally and these partners have initiated dialogues with more than 50 potential BPC issuers. Despite this, the overall adoption of biometric payment cards (“BPCs”) in 2023 was simply not nearly as large as we and the rest of the industry expected, particularly at the end of the year. Issuers continue to be slow moving and, consequently, meaningful commercial orders from our SCM customers have not materialized.

In Europe, our primary SCM customer – certified by both Visa and Mastercard and mass-market ready from a production standpoint – continues to aggressively market BPCs both directly to fintechs and indirectly through payment market associations. While fintechs may ultimately be the first movers to adopt BPCs, progress has, against expectations, been limited to date. There also appears to be interest in biometric metal cards as a niche product for the high-end end-user market, particularly in the Americas where we have started the industrialization process with an SCM focussed on metal cards. However, many of our potential SCM partners in both Europe and the Americas have put projects on hold owing to an unwillingness to make substantial investments in a market where there is, as yet, poor demand for BPCs.

In the Asia-Pacific region (“APAC”), Zwipe signed GTM partnerships with SCMs and personalization bureaus in the first three quarters of 2023 which significantly expanded our geographic representation to ten countries. In addition to more emerging markets, one agreement that we entered into during the third quarter was with a Japanese SCM. Zwipe received small orders in the second half for demo kits and development packages from partners in Indonesia, Taiwan, India, Thailand and Japan. Given what we have seen in other markets, however, Zwipe now believes it will be some time before issuers move forward to offer BPCs more widely and these small orders translate into larger commercial orders indicative of substantially wider BPC market traction.

As with other regions, Zwipe and our partners have been actively promoting BPCs in the Middle East and Africa (“MEA”) region. Zwipe and its main SCM customer in the region have carried out a road show, and there was interest from Issuers in Kuwait and Jordan in particular. However, despite substantial excitement generated by Zwipe’s first commercial launches by Kuwait International Bank (“KIB”) and Middle East Payment Services (“MEPS”), further commercial progress and meaningful market adoption has been limited thus far.

### **Update on pilot projects and status of previous commercial launches**

Phase 7 of the pilot project with the large Nordic bank has commenced, and the pilot with the global Tier-1 bank in select markets is still ongoing. Despite improving results in both projects and much-improved enrolment processes now geared towards mobile enrolment, no decisions have been made on next steps in either project. The pilot project with a Middle Eastern bank began with phase 2

focused solely on the use of mobile enrollment. Finally, Zwipe successfully launched an internal pilot, issuing Zwipe Pay cards to all employees and participants at several close partners. The pilot relies solely on the Zwipe mobile enrollment solution, and biometric performance is constantly monitored. Transaction failure rates have proven superior to previous pilots using sleeve devices for fingerprint registration, and are in line with the typical transaction failure rates using standard non-biometric cards.

In May, KIB in Kuwait was responsible for the first commercial launch of biometric payment cards based on Zwipe Pay technology, with cards manufactured by our SCM customer Inkript. The launch was focused on KIB’s Visa Infinite Black product, users of which are mainly high net wealth individuals. Following KIB, MEPS subsequently announced a second commercial launch of BPCs based on Zwipe Pay. KIB confirmed an expansion plan starting with Youth, but progress has been slow.

### **Technical progress**

Zwipe Pay technical development during the second half focused on enhancements of the platform for previously certified customers. Improvements included the addition of a second source supplier for inlays, with the supplier passing all tests and the Zwipe CQM process. We also expanded the range of equipment that can be used for milling and implanting a Zwipe biometric payment card, adding two machines and one piece of desktop equipment to the list of potential manufacturing equipment. Furthermore, tests were completed with a revised inlay and sensor position to enable the on-site upgrade of expensive card manufacturing equipment for the biometric card manufacturing process. Production parameters have



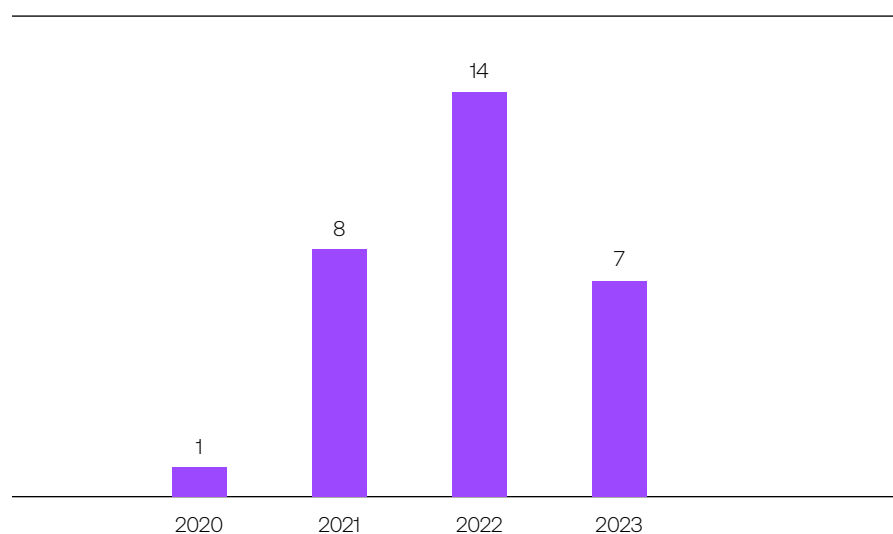
been continuously improved with Zwipe reaching more than 99% yield and increased hourly throughput on our own machine used to manufacture reference cards. In response to customer requests for more eco-friendly materials, we added cards using recycled PVC to our product portfolio. Finally, improvements were made to the entire portfolio of enrolment solutions during the second half of 2023.

#### Biometric payment card market development

2023 started on a promising note with more commercial launches or large pilots announced than in any other previous first halves of a year. This was especially true for Zwipe, which accounted for two of the six global commercial deployments in H1. Unfortunately, despite continued strong efforts with our partners and concerted efforts with issuers, this commercial momentum did not carry forward into the second half of the year. Zwipe is not aware of any commercial launches or significant pilot announcements in the second half - either for Zwipe or for other players in the market.

Year	Country	Bank / Issuer	Commercial / Pilot	Supplier
2023	Kuwait	KIB	Commercial (limited)	Zwipe
2023	Jordan	MEPS	Commercial (limited)	Zwipe
2023	Italy	Sella Personal Credit	Commercial	Idemia
2023	Morocco	Societe Generale	Commercial	Thales
2023	UAE	First Abu Dhabi Bank	Commercial	Idemia
2023	Morocco	Bank of Africa	Commercial	Thales
2023	UK	Accomplish	Pilot	
2022	South Korea	Samsung Card	Pilot	
2022	Poland	Pocztowy Bank	Commercial	Thales
2022	Morocco	Credit Agricole	Pilot	
2022	India	Transcorp	Pilot	
2022	Kuwait	Boubyan Bank	Pilot	Zwipe
2022	Sweden	Rocker	Commercial	Idemia
2022	France	Manager. one	Pilot	Idemia
2022	Europe	Global Tier-1 bank	Pilot	Zwipe
2022	Morocco	BMCE Bank	Commercial	Thales
2022	Jordan	Jordan Kuwait Bank	Commercial	Thales
2022	Finland	OP Bank	Pilot	Zwipe

#### 2020-2023: BPC commercial launches



# Operational Development

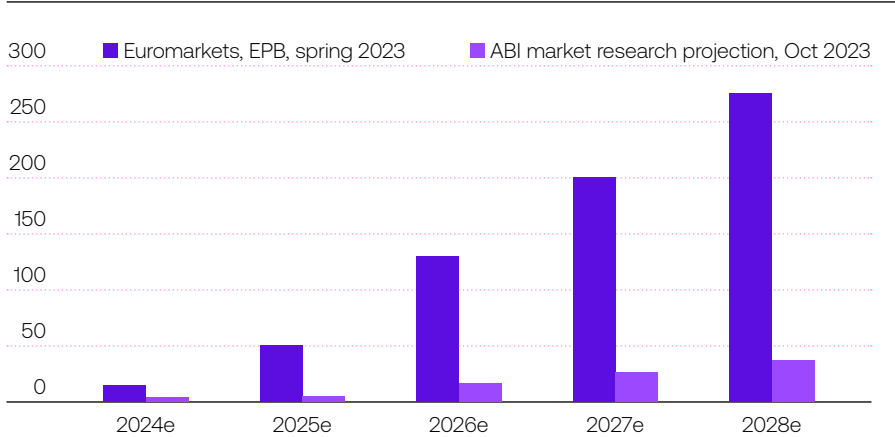
For the past few years, many analysts have predicted that biometric payment card shipments could reach 1 billion cards annually, eventually coming to represent up to 30% of total EMV card shipments within a decade. As the market has not taken off as expected, these forecasts have been pushed further into the future. In the context of commercial launch and pilot announcements slowing in the second half of 2023 and with competition having emerged in the form of digital wallets,

for example, more analysts are now predicting that the overall size of the biometric payment card market may be smaller. Zwipe continues to believe that there is a real, unmet need for biometric payment cards and that the market will eventually emerge, but recent developments indicate that adoption will be more gradual and the ultimate size smaller than what has previously been discussed – more along the lines of the ABI market research projections shown below:

### Conclusions and Zwipe Pay going forward

It now appears that the inflection point for BPC adoption is not likely to occur in the near future and that the biometric payment card market may ultimately be smaller than we had expected. This new view developed as a result of evolving opinions of third-party analysts, the lack of commercial launches in the second half of 2023, and, most importantly, our customers' dialogues with issuers. As a company focused solely on revenue from the sale of biometric cards to support our operations, Zwipe made the difficult decision in early 2024 to move away from Zwipe Pay and focus our financial and human resources on Zwipe Access, where commercial opportunities are more tangible in the immediate future.

**2024E-2028E: BPCs shipped annually (million units)**



Zwipe will maintain our Visa and Mastercard certifications and continue to serve and fulfill purchase orders from Zwipe Pay customers that have already been certified. Ongoing pilots will be handled on a case-by-case basis in conjunction with Zwipe partners. However, we will no longer spend resources assisting other SCM customers in becoming certified or production-ready, provide technical support, or actively further develop the Zwipe Pay technology platform specifically. Further development on Zwipe Access will, of course, remain relevant for Zwipe Pay and should there be a sudden sign of takeoff in the biometric payment card market, the company will re-assess our areas of focus in the context of our overall strategy and financial situation.

# Fundraising and Restructuring

During the fourth quarter of 2023, Zwiipe completed a rights issue raising NOK 35 million. Subsequently, Zwiipe announced our new strategic direction focused on the commercialization of Zwiipe Access and a related company restructuring in January 2024. On a directly comparable basis, the Group expects to reduce operating costs in 2024 by more than NOK 40 million compared to 2023, combining the effects of Zwiipe's January announcement and the streamlining plan previously announced on 21 June 2023.

Cost reduction initiatives have already commenced, and the full impact will be seen from mid-Q2 2024. Headcount reductions will primarily be related to Zwiipe Pay, while the

Zwiipe Access sales team will increase slightly as the company ramps up commercialization efforts here. On a net basis, headcount has been reduced by approximately 50% since June 2023.

Total cash flow over the coming two years is anticipated to be more than NOK 40 million better than if Zwiipe had continued to focus on Zwiipe Pay in addition to Zwiipe Access, giving Zwiipe significantly longer runway and greater financial flexibility. Zwiipe Access is a higher-margin business with visible commercial inroads, and our goal is for Zwiipe to approach breakeven in H2 2025 as a result of higher margins, lower operational costs, and lower supply chain costs. The recently

completed rights issue, which includes the possibility of an exercise of warrants in December 2024 yielding up to NOK 39 million in additional funds, should enable this path to profitability.



# Financial Review

## Profit and loss

Zwipe reported total revenues of NOK 1.2 million during H2 2023, lower than the NOK 3.1 million reported in H2 2022 and the NOK 1.7 million reported in H1 2023. The lack of revenue growth in 2023 owes largely to the unexpected, slower-than-expected market adoption of biometric payment cards.

Total operating expenses totaled NOK 44.6 million in H2 2023, down NOK 15.1 million compared to H2 2022 and down NOK 12.9 million compared to the first half of 2023. Personnel expenses were down to NOK 21.2 million compared to NOK 28.3 million in H1 2023 and NOK 26.1 million in H2 2022 as headcount decreased in line with the restructuring plan presented in June 2023. Other operating expenses of NOK 20.2 million in H2 2023 were also lower when compared to NOK 30.7 million in H2 2022 and NOK 27.2 million in H1 2023, driven mainly by lower development, certification, marketing and travel costs. Depreciation, amortization and impairment amounted to NOK 1.6 million in H2 2023 versus NOK 1.4 million in H2 2022.

The above resulted in net income for H2 2023 of NOK -43.9 million, substantially better than NOK -57.1 million reported in H2 2022 and NOK -56.1 million in H1 2023. The result after tax was NOK -43.9 million for H2 2023.

Adjustments of NOK 2.5 million were made in H2 2023 for one-off costs associated with the restructuring. Taking into account adjustments, total operating expenses were NOK 42.1 million in H2 2023. This resulted in adjusted EBITDA of NOK -39.3 million in H2 2023 compared to NOK -55.2 million in H2 2022. The full one-off costs of Zwipe's restructuring are expected to be reflected in Zwipe's full year 2023 results.

### EBITDA

The below reconciliation table sets out how Zwipe calculated EBITDA:

(Amounts in 1000 NOK)	H2 2023	H2 2022	FY 2023	FY 2022
Operating profit/loss (GAAP)	-43 363	-56 545	-99 086	-104 164
(+) Depreciation, amortization & impairment (GAAP)	1 554	1 392	2 567	1 876
<b>= EBITDA (APM)</b>	<b>-41 809</b>	<b>-55 153</b>	<b>-96 520</b>	<b>-102 288</b>

### Adjusted operational expenses (OPEX)

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

(Amounts in 1000 NOK)	H2 2023	H2 2022	FY 2023	FY 2022
Operating expenses - COGS	-53	1 436	1 949	2 170
Operating expenses - Payroll expenses	21 236	26 092	49 528	46 086
Operating expenses - Depreciation, amortization & impairment	1 554	1 392	2 567	1 876
Operating expenses - Other operating expenses	19 362	30 739	46 046	52 051
Payroll expenses -related to non-recurring restructuring cost	823	0	823	5 911
Other operating expenses - related to non-recurring restructuring cost	881	0	1 135	0
COGS - related to non-recurring restructuring cost	789	0	789	0
<b>Operating expenses (GAAP)</b>	<b>44 592</b>	<b>59 659</b>	<b>102 837</b>	<b>108 093</b>
(-) non-recurring items	2 493	0	2 748	5 911
<b>= Adjusted operational expenses (APM)</b>	<b>42 098</b>	<b>59 659</b>	<b>100 088</b>	<b>102 182</b>

### 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)	H2 2023	H2 2022	FY 2023	FY 2022
Operating profit/loss (GAAP)	-43 363	-56 545	-99 086	-104 164
(+) Depreciation, amortization & impairment (GAAP)	1 554	1 392	2 567	1 876
<b>= EBITDA (APM)</b>	<b>-41 809</b>	<b>-55 153</b>	<b>-96 520</b>	<b>-102 288</b>
(+) Operating expenses (GAAP)	44 592	59 659	102 837	108 093
(-) Adjusted operational expenses (APM)	42 098	59 659	100 088	102 182
<b>= Adjusted EBITDA (APM)</b>	<b>-39 315</b>	<b>-55 153</b>	<b>-93 772</b>	<b>-96 377</b>

## Cash flow

During the second half of 2023, cash flow from operations and investments, before financing and facilitation, was NOK -59.0 million from NOK -61.0 million in H2 2022. The underlying average monthly operating cash flow in H2 2023 was NOK -9.8 million compared to NOK -10.1 million in the same period last year.

The increase of NOK 24.1 million in other current assets during the second half of 2023 primarily represents the remaining cash outstanding from the fundraising in Q4 2023. The counterpart is recorded as an unregistered capital increase in cash from financing activities.

Total net cash flow for H2 2023, including cash flow from financing and investing activities, was NOK -33.7 million compared to NOK -59.3 million in H2 2022.

## Investments, liquidity, and financial position

On 31 December 2023, cash and cash equivalents were NOK 42.2 million, compared to NOK 50.5 million on 31 December 2022 and NOK 76.0 million on 30 June 2023. In December 2023, Zwiipe successfully completed a rights issue raising approximately NOK 35 million in capital. The rights issue was carried out to strengthen the company's financial position, and the funds will be used primarily to accelerate the commercialization of Zwiipe Access as well as to support ongoing operational expenses and any limited further technology development. At year-end 2023, the capital increase is recorded as an

unregistered capital increase, with remaining outstanding funds received in early 2024 totaling NOK 24.4 million. The development in cash balance since June 2023 is mainly a result of the negative operational cash flow of NOK 59.0 million plus the portion of proceeds from the most recent rights issue that was received in December 2023.

As of 31 December 2023, production equipment, machinery, and fixtures were valued at NOK 3.9 million, and made up all long-term assets. Including cash of NOK 42.2 million, inventories of NOK 23.9 million, and

receivables of NOK 25.3 million, current assets stood at NOK 91.3 million giving total assets of NOK 95.2 million.

Total equity as of 31 December 2023 amounted to NOK 61.1 million. Liabilities totaled NOK 34.1 million, comprising solely short-term liabilities. Consequently, the equity ratio stood at 64%. If the convertible loan from the rights issue had been booked as equity instead of as a short-term loan the equity ratio would have stood at 75%. Adjusted for inventory accrual the equity ratio would have stood at 81%.

## Dividend

Zwiipe'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

- Annual report 2023: 26 March 2024
- Q1 2024 operational update: 25 April 2024
- Annual General Meeting: 7 May 2024
- H1 2024 financial report: 22 August 2024
- Q3 2024 operational update: 24 October 2024

## Risks and uncertainties

Zwiipe is exposed to various types of market, operational and financial risks. Zwiipe 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, the prospectus dated

3 March 2023, and the prospectus dated 24 November 2023 for a more detailed description of risk factors. These are available at [www.zwiipe.com/investors](http://www.zwiipe.com/investors).

# Goals and Priorities going forward

Our top priorities for 2024 all surround accelerating Zwipe Access commercialization and maximizing Zwipe's financial flexibility:

- 1) close deals and announce major Access pilots and commercial deployments during H1 2024, demonstrating commercial traction;
- 2) achieve substantial growth in Zwipe Access in volumes and revenues in H2 2024 compared to H1 2024;
- 3) launch new Zwipe Access products for a wider range of technology protocols; and
- 4) extend Zwipe's runway to get to cash flow breakeven in 2025.



# 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 July to 31 December 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 last six months of the financial year and their impact on the financial statements and any major related party transactions.

Oslo, 22 February 2024

(All signatures electronically signed)

Jörgen Lantto  
*Chair of the Board*

Dennis Jones  
*Board member*

David L. Chew  
*Board member*

Robert Jansson  
*Board member*

Christina Örn  
*Board member*

Robert Puskaric  
*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) (Unaudited)	Note	Zwipe Group			
		H2 2023	H2 2022	FY 2023	FY 2022*
<b>Operating Income</b>					
Sales revenue	1	540	2 825	2 097	3 353
Other operating income	1	689	290	863	576
<b>Operating income</b>		<b>1 229</b>	<b>3 114</b>	<b>2 961</b>	<b>3 929</b>
<b>Operating expenses</b>					
COGS		736	1 436	1 949	2 170
Payroll expenses		22 059	26 092	50 351	51 997
Depreciation, amortization & impairment	2	1 554	1 392	2 567	1 876
Other operating expenses		20 243	30 739	47 181	52 051
<b>Operating expenses</b>		<b>44 592</b>	<b>59 659</b>	<b>102 047</b>	<b>108 093</b>
<b>Operating profit/loss</b>		<b>-43 363</b>	<b>-56 545</b>	<b>-99 086</b>	<b>-104 164</b>
<b>Financial income and expenses</b>					
Other interest income		-224	501	123	577
Other financial income		1 291	1 824	2 271	2 534
Other interest expenses		4	1	7	2
Other financial expenses		810	2 237	2 327	2 840
<b>Net financial income and expenses</b>		<b>252</b>	<b>86</b>	<b>60</b>	<b>269</b>
<b>Results before tax</b>		<b>-43 110</b>	<b>-56 459</b>	<b>-99 027</b>	<b>-103 895</b>
Tax expense		781	631	1 012	885
<b>Results for the year</b>		<b>-43 891</b>	<b>-57 089</b>	<b>-100 038</b>	<b>-104 780</b>
<b>Profit(+)/Loss(-) for the year attributable from:</b>					
Share premium reserve		-43 891	-57 089	-100 038	-104 780
Uncovered loss		0	0	0	0
<b>TOTAL</b>		<b>-43 891</b>	<b>-57 089</b>	<b>-100 038</b>	<b>-104 780</b>
Number of shares end of period		58 413 732	37 551 685	58 413 732	37 551 685
Average number of shares in the period before/after dilution		58 413 732	37 548 316	53 841 229	37 405 138
Profit pr. share before/after dilution		-0.75	-1.52	-1.86	-2.80

\* Audited

# Income Statement

(Amounts in 1 000 NOK) (Unaudited)	Note	Zwipe AS			
		H2 2023	H2 2022	FY 2023	FY 2022*
<b>Operating Income</b>					
Sales revenue	1	540	2 825	2 097	3 353
Other operating income	1	0	0	0	0
<b>Operating income</b>		<b>540</b>	<b>2 825</b>	<b>2 097</b>	<b>3 353</b>
<b>Operating expenses</b>					
COGS		716	1 436	1 929	2 170
Payroll expenses		5 717	9 130	12 964	21 069
Depreciation, amortization & impairment	2	1 554	1 392	2 567	1 876
Other operating expenses		36 098	49 747	86 470	86 069
<b>Operating expenses</b>		<b>44 085</b>	<b>61 705</b>	<b>103 930</b>	<b>111 184</b>
<b>Operating profit/loss</b>		<b>-43 545</b>	<b>-58 881</b>	<b>-101 832</b>	<b>-107 831</b>
<b>Financial income and expenses</b>					
Other interest income		205	500	491	576
Other financial income		1 278	1 824	2 265	2 534
Other interest expenses		4	1	7	2
Other financial expenses		875	2 038	2 392	2 640
<b>Net financial income and expenses</b>		<b>603</b>	<b>285</b>	<b>356</b>	<b>468</b>
<b>Results before tax</b>		<b>-42 941</b>	<b>-58 595</b>	<b>-101 476</b>	<b>-107 363</b>
Tax expense		0	0	0	0
<b>Results for the year</b>		<b>-42 941</b>	<b>-58 595</b>	<b>-101 476</b>	<b>-107 363</b>
<b>Profit(+)/Loss(-) for the year attributable from:</b>					
Share premium reserve		-42 941	-58 595	-101 476	-107 363
Uncovered loss		0	0	0	0
<b>TOTAL</b>		<b>-42 941</b>	<b>-58 595</b>	<b>-101 476</b>	<b>-107 363</b>

\* Audited

# Balance Sheet

(Amounts in 1 000 NOK) (Unaudited)	Note	Zwipe Group		Zwipe AS	
		FY 2023	FY 2022*	FY 2023	FY 2022*
<b>ASSETS</b>					
<b>LONG-TERM ASSETS</b>					
<b>Fixed Assets</b>					
Equipment, fixtures and fittings	2	3 895	3 385	3 895	3 385
<b>Total Fixed Assets</b>		<b>3 895</b>	<b>3 385</b>	<b>3 895</b>	<b>3 385</b>
<b>Financial Assets</b>					
Investment in subsidiaries		0	0	671	671
Other financial receivables		0	0	5 454	5 087
<b>Total Financial Assets</b>		<b>0</b>	<b>0</b>	<b>6 126</b>	<b>5 758</b>
<b>TOTAL LONG-TERM ASSETS</b>		<b>3 895</b>	<b>3 385</b>	<b>10 021</b>	<b>9 143</b>
<b>CURRENT ASSETS</b>					
<b>Inventories</b>					
Inventories		23 858	10 153	23 858	10 153
<b>Total Inventories</b>		<b>23 858</b>	<b>10 153</b>	<b>23 858</b>	<b>10 153</b>
<b>Receivables</b>					
Accounts receivables		66	2 269	66	2 269
Other receivables		25 218	1 370	24 821	866
<b>Total debtors</b>		<b>25 284</b>	<b>3 639</b>	<b>24 887</b>	<b>3 134</b>
<b>Cash</b>					
Bank deposits, cash		42 203	50 466	32 463	41 516
<b>Total cash</b>		<b>42 203</b>	<b>50 466</b>	<b>32 463</b>	<b>41 516</b>
<b>TOTAL CURRENT ASSETS</b>		<b>91 346</b>	<b>64 258</b>	<b>81 208</b>	<b>54 803</b>
<b>TOTAL ASSETS</b>		<b>95 241</b>	<b>67 643</b>	<b>91 229</b>	<b>63 947</b>

\* Audited

# Balance Sheet

(Amounts in 1 000 NOK)	Note	Zwipe Group		Zwipe AS	
		FY 2023	FY 2022*	FY 2023	FY 2022*
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
<b>Paid-up Equity</b>					
Share capital	4	5 841	3 755	5 841	3 755
Share premium reserve		55 251	50 878	48 816	41 993
<b>Total restricted equity</b>		<b>61 093</b>	<b>54 633</b>	<b>54 657</b>	<b>45 748</b>
<b>TOTAL EQUITY</b>		<b>61 093</b>	<b>54 633</b>	<b>54 657</b>	<b>45 748</b>
<b>LIABILITIES</b>					
<b>Short-term Liabilities</b>					
Convertible loan		10 514	0	10 514	0
Accounts Payables		8 146	3 333	11 249	4 915
Public duties payable		812	898	133	609
Tax payable		1 061	660	0	0
Other short term liabilities		13 614	8 119	14 676	12 675
<b>Total short-term liabilities</b>		<b>34 148</b>	<b>13 010</b>	<b>36 572</b>	<b>18 199</b>
<b>TOTAL LIABILITIES</b>		<b>34 148</b>	<b>13 010</b>	<b>36 572</b>	<b>18 199</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>95 241</b>	<b>67 643</b>	<b>91 229</b>	<b>63 947</b>

# Cash Flow Statement

(Amounts in 1 000 NOK) (Unaudited)	Note	Zwipe Group			
		H2 2023	H2 2022	FY 2023	FY 2022*
Net Income / (Loss) after tax		-43 891	-57 066	-100 038	-104 780
Taxes paid		0	0	0	0
(+) Other non cash items		3 615	1 593	4 954	3 673
(-/+ Gain/Loss of on sale of assets		0	0	0	0
(+) Depreciation, amortisation & impairment	2	1 554	1 392	2 567	1 876
(-) Change in Inventory		-9 081	-5 838	-13 705	-7 705
(-) Change in Accounts Receivable		2 087	-2 015	2 735	-2 027
(-) Change in Other Current Assets		-24 151	2 233	-24 178	2 788
(+) Change in Accounts Payables		124	76	4 789	2 467
(+) Change in Current Liabilities		10 724	-912	6 179	-4 422
<b>Net Cash use in Operating Activities</b>		<b>-59 018</b>	<b>-60 538</b>	<b>-116 697</b>	<b>-108 130</b>
<b>Cash Flows from Investing Activities</b>					
Fixed Assets and Capital Expenditures	2	-398	-483	-2 143	-1 451
<b>Net Cash Provided by (used in) Investing Activities</b>		<b>-398</b>	<b>-483</b>	<b>-2 143</b>	<b>-1 451</b>
<b>Operational Cash Flow</b>		<b>-59 416</b>	<b>-61 021</b>	<b>-118 841</b>	<b>-109 581</b>
<b>Cash Flows from Financing Activities</b>					
Equity Issue		0	315	100 138	5 136
Unregistered capital increase		24 401	-250	24 401	0
Transaction cost not recognized over P&L		-7 835	-15	-23 882	-41
Loan to subsidiary		0	0	0	0
Investment in subsidiary		0	0	0	0
Convertible loan		10 514	0	10 514	0
<b>Net Cash Provided by Financing Activities</b>		<b>27 081</b>	<b>50</b>	<b>111 171</b>	<b>5 095</b>
Effect of Foreign Currency Translation		-1 422	1 719	-594	2 607
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>-33 757</b>	<b>-59 253</b>	<b>-8 263</b>	<b>-101 880</b>
Cash and Cash Equivalents at Beginning of Period		75 960	109 719	50 466	152 346
Cash and Cash Equivalents at End of Period		42 203	50 466	42 203	50 466
<b>Net cash flow</b>		<b>-33 757</b>	<b>-59 252</b>	<b>-8 263</b>	<b>-101 879</b>

\* Audited

# Cash Flow Statement

(Amounts in 1 000 NOK) (Unaudited)	Note	Zwipe AS			
		H2 2023	H2 2022	FY 2023	FY 2022*
Net Income / (Loss) after tax		-42 941	-58 595	-101 476	-107 363
Taxes paid		0	0	0	0
(+) Other non cash items		8 390	1 593	9 729	3 673
(-/+ Gain/Loss of on sale of assets		0	0	0	0
(+) Depreciation, amortisation & impairment	2	1 554	1 392	2 567	1 876
(-) Change in Inventory		-9 081	-5 838	-13 705	-7 705
(-) Change in Accounts Receivable		2 223	-2 185	2 202	-2 182
(-) Change in Other Current Assets		-24 413	2 167	-24 322	2 831
(+) Change in Accounts Payables		-65	500	6 333	2 354
(+) Change in Current Liabilities		8 893	775	1 525	-1 198
<b>Net Cash use in Operating Activities</b>		<b>-55 440</b>	<b>-60 192</b>	<b>-117 148</b>	<b>-107 714</b>
<b>Cash Flows from Investing Activities</b>					
Fixed Assets and Capital Expenditures	2	-398	-483	-2 143	-1 451
<b>Net Cash Provided by (used in) Investing Activities</b>		<b>-398</b>	<b>-483</b>	<b>-2 143</b>	<b>-1 451</b>
<b>Operational Cash Flow</b>		<b>-55 838</b>	<b>-60 675</b>	<b>-119 291</b>	<b>-109 165</b>
<b>Cash Flows from Financing Activities</b>					
Equity Issue		0	315	100 138	5 136
Unregistered capital increase		24 401	-250	24 401	0
Transaction cost not recognized over P&L		-7 835	-16	-23 882	-41
Loan to subsidiary		-4 853	700	0	-300
Investment in subsidiary		0	-24	0	-24
Convertible loan		10 514	0	10 514	0
<b>Net Cash Provided by Financing Activities</b>		<b>22 227</b>	<b>726</b>	<b>111 171</b>	<b>4 771</b>
Effect of Foreign Currency Translation		-674	777	-933	777
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>-34 286</b>	<b>-59 172</b>	<b>-9 053</b>	<b>-103 618</b>
Cash and Cash Equivalents at Beginning of Period		66 748	100 688	41 516	145 133
Cash and Cash Equivalents at End of Period		32 463	41 516	32 463	41 516
<b>Net cash flow</b>		<b>-34 285</b>	<b>-59 172</b>	<b>-9 053</b>	<b>-103 617</b>

\* Audited

# Statement of Changes in Equity

(Amounts in 1 000 NOK)	Zwipe Group		
	Share capital	Share	Total equity
<b>June 30th 2023</b>	<b>5 841</b>	<b>79 537</b>	<b>85 379</b>
Proceeds from issue of shares	0	0	0
Unregistered capital increase/decrease	0	0	0
Transaction cost	0	-61	-61
Share based compensation	0	325	325
Net profit/loss	0	-20 409	-20 409
Currency effect	0	-114	-114
<b>September 30th 2023</b>	<b>5 841</b>	<b>59 279</b>	<b>65 120</b>
Proceeds from issue of shares	0	0	0
Unregistered capital increase/decrease	4 089	20 312	24 401
Transaction cost	0	-7 774	-7 774
Share based compensation	0	750	750
Other change in equity	0	2 708	2 708
Net profit/loss	0	-23 482	-23 482
Currency effect	0	-631	-631
<b>December 31st 2023</b>	<b>9 930</b>	<b>51 162</b>	<b>61 093</b>

(Amounts in 1 000 NOK)	Zwipe AS		
	Share capital	Share	Total equity
<b>June 30th 2023</b>	<b>5 841</b>	<b>66 801</b>	<b>72 642</b>
Proceeds from issue of shares	0	0	0
Unregistered capital increase/decrease	0	0	0
Transaction cost	0	-61	-61
Share based compensation	0	325	325
Net profit/loss	0	-21 709	-21 709
<b>September 30th 2023</b>	<b>5 841</b>	<b>45 355</b>	<b>51 197</b>
Proceeds from issue of shares	0	0	0
Unregistered capital increase/decrease	4 089	20 312	24 400
Transaction cost	0	-7 774	-7 774
Share based compensation	0	750	750
Other change in equity	0	7 315	7 315
Net profit/loss	0	-21 232	-21 232
<b>December 31st 2023</b>	<b>9 930</b>	<b>44 727</b>	<b>54 657</b>

# 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. The condensed consolidated interim financial information should be read in conjunction with Zwipe's Financial Statements - 2022 that are part of Zwipe's Annual Report- 2022. The half-year report and notes has not been reviewed by Zwipe's auditors.

### 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			
Activity distribution		H2 2023	H2 2022	2023	2022
Revenues from sale of goods and services		540	2 825	2 097	3 353
Other revenues		689	290	863	576
<b>Total</b>		<b>1 229</b>	<b>3 114</b>	<b>2 961</b>	<b>3 929</b>
		Zwipe AS			
Activity distribution		H2 2023	H2 2022	2023	2022
Revenues from sale of goods and services		540	2 825	2 097	3 353
Other operating income		0	0	0	0
<b>Total</b>		<b>540</b>	<b>2 825</b>	<b>2 097</b>	<b>3 353</b>
		Zwipe Group & AS			
Revenues from sale of goods and services		H2 2023	H2 2022	2023	2022
Zwipe Pay		448	2 684	1 951	3 146
Zwipe Access		92	141	146	207
<b>Total</b>		<b>540</b>	<b>2 825</b>	<b>2 097</b>	<b>3 353</b>
		Zwipe Group & AS			
Geographical distribution		H2 2023	H2 2022	2023	2022
Norway		-	-	-	-
Other countries		1 229	3 114	2 961	3 929
<b>Total</b>		<b>1 229</b>	<b>3 114</b>	<b>2 961</b>	<b>3 929</b>



**Note 2 Fixed assets**

	Zwipe Group & AS		
	Office machinery	Tools	Total
Acquisition cost 01.01.2023	995	9 313	10 308
Additions	13	2 115	2 127
Transfers	0	0	0
Disposals	0	-353	-353
<b>Acquisition cost 31.12.2023</b>	<b>1 008</b>	<b>11 075</b>	<b>12 083</b>
Accumulated depreciation/ impairment 31.12.2023	826	7 361	8 188
<b>Book value 31.12.2023</b>	<b>181</b>	<b>3 714</b>	<b>3 895</b>
Depreciation in the year	201	1 366	1 567
Impairment in the year	0	0	0
<b>Total Depreciation/impairment in the year</b>	<b>201</b>	<b>1 366</b>	<b>1 567</b>
Depreciation plan	Linear	Linear	
Economic useful life	3 year	5 year	

# Notes

All amounts are presented in 1000 NOK

## Note 3 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 31.12.2023.

Shareholders	Account	Holding	Stake
Erik Selin Fastigheter AB		7 950 533	13.61%
VASASTADEN / NICLAS ERIKSSON AND RELATED PARTIES *		6 925 424	11.86%
VP Bank		4 043 870	6.92%
LARS WINDFELDT AND RELATED PARTIES **		3 497 581	5.99%
Family Jonasson		2 018 027	3.45%
AVANZA PENSION		1 354 122	2.32%
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		687 382	1.18%
Nordnet Bank AB	Nominee	659 112	1.13%
NORDNET LIVSFORSIKRING AS		627 696	1.07%
NORDNET PENSIONSFORESAKRING AB	Nominee	496 181	0.85%
PRINVEST AS		373 907	0.64%
PATRI INVEST & TRADING AS		373 905	0.64%
SUNDSTROM, PER FREDRIK		363 316	0.62%
LJM AS		329 666	0.56%
Skyddad, Personuppgift		311 110	0.53%
Vatterleden AB		277 247	0.47%
Other shares		23 679 852	40.54%
<b>Total shares</b>		<b>58 413 732</b>	<b>100%</b>

\* 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.

Management and board holdings	Holding	Stake
Dr. Robert Mueller (CTO)	75 556	0.13%
Patrice Meilland (CSO & CPO)	13 995	0.02%
Jörgen Lantto (Chairman of Board)	1 348 145	2.31%
Dennis Jones (board member)	101 458	0.17%
<b>Total</b>	<b>1 539 154</b>	<b>2.63%</b>

## Note 4 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 31.12.2023, 31 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 0.4 million have been expensed in H2 2023.

Strike price	Outstanding Instruments			Vested Instruments	
	Options	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested options 31.12.2023	Weighted Average Strike Price
5.47	5 000	3.00	5.47	1 666	5.47
6.54	40 000	0.50	6.54	40 000	6.54
7.09	5 000	2.50	7.09	2 499	7.09
7.85	149 999	0.53	7.85	149 999	7.85
9.80	6 666	2.63	9.80	4 165	9.80
10.44	36 666	2.50	10.44	36 666	10.44
14.44	8 332	2.70	14.44	8 332	14.44
16.20	90 000	0.50	16.20	90 000	16.20
17.96	520 000	2.50	17.96	346 666	17.96
19.75	26 665	1.00	19.75	26 665	19.75
22.23	29 166	1.00	22.23	29 166	22.23
23.60	10 000	2.00	23.60	6 664	23.60
25.19	250 000	2.00	25.19	166 664	25.19
26.60	6 666	1.50	26.60	5 832	26.60
29.33	55 000	1.00	29.33	55 000	29.33
30.13	59 582	1.37	30.13	51 246	30.13
30.29	19 165	2.00	30.29	14 165	30.29
	<b>1 317 907</b>			<b>1 035 395</b>	
<b>Overview of outstanding options</b>				<b>Options</b>	<b>Weighted Average Strike Price</b>
Outstanding OB (01.01.2023)				1 958 246	18.05
Granted				10 000	5.47
Exercised				0	0.00
Terminated				-574 339	17.22
Expired				-76 000	10
<b>Outstanding CB (31.12.2023)</b>				<b>1 317 907</b>	<b>18.77</b>
<b>Vested CB</b>				<b>1 035 395</b>	<b>18.32</b>

Continued on the next page

# Notes

All amounts are presented in 1000 NOK

## Note 4 Share based payments (continued)

The company issued a Restricted Share Units program (RSUs) 11 July 2023. Each RSU comprises a conditional right to receive one Share after the Vesting Period. Shares received subject to the RSU Plan shall be issued at nominal value. The right to receive Shares comprised in the RSU program is conditional upon the Performance Condition stated in the RSU plan, the Participants retained employment and subject to these terms and conditions.

The fair value of RSUs is set on the grant date and expensed over the vesting period. The fair value of RSU awarded is estimated using the Monte Carlo pricing model. NOK 0.6 million have been expensed in H2 2023.

Strike price	Outstanding Instruments			Vested Instruments	
	Options	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested options 31.12.2023	Weighted Average Strike Price
-	913 165	3.53	0.00	0	0.00
	913 165			0	
<b>Overview of outstanding options</b>				<b>Options</b>	<b>Weighted Average Strike Price</b>
Outstanding OB (01.01.2023)				0	0.00
Granted				1 011 004	0.00
Exercised				0	0.00
Terminated				-97 839	0.00
Expired				0	0
Outstanding CB (31.12.2023)				913 165	-
Vested CB				-	-

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**Note 5**   **Reporting**

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**Upcoming reporting days**

Annual Report 2023 March 26, 2024.

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**Note 6**   **Alternative Performance Measures (APMs)**

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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 6 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)	H2 2023	H2 2022	FY 2023	FY 2022
Operating profit/loss (GAAP)	-43 363	-56 545	-99 086	-104 164
(+) Depreciation, amortization & impairment (GAAP)	1 554	1 392	2 567	1 876
= EBITDA (APM)	-41 809	-55 153	-96 520	-102 288

### Adjusted operational expenses (OPEX)

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

(Amounts in 1000 NOK)	H2 2023	H2 2022	FY 2023	FY 2022
Operating expenses - COGS	-53	1 436	1 949	2 170
Operating expenses - Payroll expenses	21 236	26 092	49 528	46 086
Operating expenses - Depreciation, amortization & impairment	1 554	1 392	2 567	1 876
Operating expenses - Other operating expenses	19 362	30 739	46 046	52 051
Payroll expenses -related to non-recurring restructuring cost	823	0	823	5 911
Other operating expenses - related to non-recurring restructuring cost	881	0	1 135	0
COGS - related to non-recurring restructuring cost	789	0	789	0
Operating expenses (GAAP)	44 592	59 659	102 837	108 093
(-) non-recurring items	2 493	0	2 748	5 911
= Adjusted operational expenses (APM)	42 098	59 659	100 088	102 182

### 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)	H2 2023	H2 2022	FY 2023	FY 2022
Operating profit/loss (GAAP)	-43 363	-56 545	-99 086	-104 164
(+) Depreciation, amortization & impairment (GAAP)	1 554	1 392	2 567	1 876
= EBITDA (APM)	-41 809	-55 153	-96 520	-102 288
(+) Operating expenses (GAAP)	44 592	59 659	102 837	108 093
(-) Adjusted operational expenses (APM)	42 098	59 659	100 088	102 182
= Adjusted EBITDA (APM)	-39 315	-55 153	-93 772	-96 377





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