



 **zwipe**  
annual  
report  
2023

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# Key figures 2023

(Amounts in 1 000 NOK)	2023	2022
Revenue	2 961	3 929
Gross margin %	34%	45%
Operational expenses	102 047	108 093
<b>Net income</b>	<b>(100 038)</b>	<b>(104 780)</b>
<b>EBITDA</b>	<b>(96 520)</b>	<b>(102 288)</b>
<b>Adjusted EBITDA</b>	<b>(93 772)</b>	<b>(96 377)</b>
Average # shares outstanding in period *	54 274 044	37 405 138
Earnings per share *	(1.84)	(2.80)
Net cash flow from operating activities	(92 296)	(108 130)
Net cash flow from Investing activities	(2 143)	(1 451)
Net cash flow from financing activities	86 770	5 095
Total net cash flow	(8 263)	(101 879)
<b>Cash and cash equivalents end of period **</b>	<b>42 203</b>	<b>50 466</b>
Total assets end of period	95 241	67 643
Equity ratio	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.

# Significant events 2023

In March, Zwipe successfully completes rights issue raising approximately 100.1 million NOK in new capital.

Civix and Zwipe Initiate Proof-of-Concept with Safe Skies at Richmond International Airport.

Zwipe signs new partnerships with Card-Logix, OLOID, and a large German partner to deliver biometric access cards.

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.

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.

## Significant events after the period

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)

Zwipe announces new strategic direction focusing on Zwipe Access alongside a company restructuring to create a near-term path to profitability.

## Message from the CEO



2023 was not the year we were hoping for. We started the year with positive expectations on the development of the market for biometric payment cards, and although the first half of the year saw two commercial launches, it was obvious that market adoption was going to be significantly slower than expected. As a result, a restructuring program was launched during the summer in order to bring down costs substantially and extend the company's financial runway.

The second half of 2023, with hardly any commercial launches, demonstrated that market adoption of biometric payment cards ("BPCs") did not happen in the manner we or anyone else in our industry had anticipated. 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 we believe 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, the ongoing pilots and Proof of Concepts (PoC) have the potential to translate into meaningful revenue in the relative short term.

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 restructures in the past year, thank you for your extraordinary efforts. Let's make Zwipe Access a huge success!

*Sincerely,*  
**Robert Puskaric**

# Introduction to Zwipe

Zwipe is a biometric authentication technology company. The Group had initially two unique businesses – Zwipe Pay and Zwipe Access – built upon the same core technology platform, enabling payments and access control with world-class security and convenience. Early 2024, Zwipe decided to completely focus on the access market as the Pay market didn't take off in the way many expected during 2023. Also Zwipe believes that the sole focus on the access market is the most feasible way to the earliest profitability.

### Zwipe Access

Zwipe Access utilizes exactly the same core technology as Zwipe Pay to offer a cost-effective, highly secure, reliable, and GDPR-compliant access control card with a wide range of uses in security-sensitive segments, and is fully validated and compatible with market-leading access control HIDS EOS and Legic Advant. As there is no need to update existing card reader infrastructure to systems already using one of the two technologies mentioned, when introducing Zwipe Access, the value proposition for enterprises is clear with low cost and time to deployment. Perhaps most importantly, customers derive confidence in the robustness of our solution from the fact that the tech-

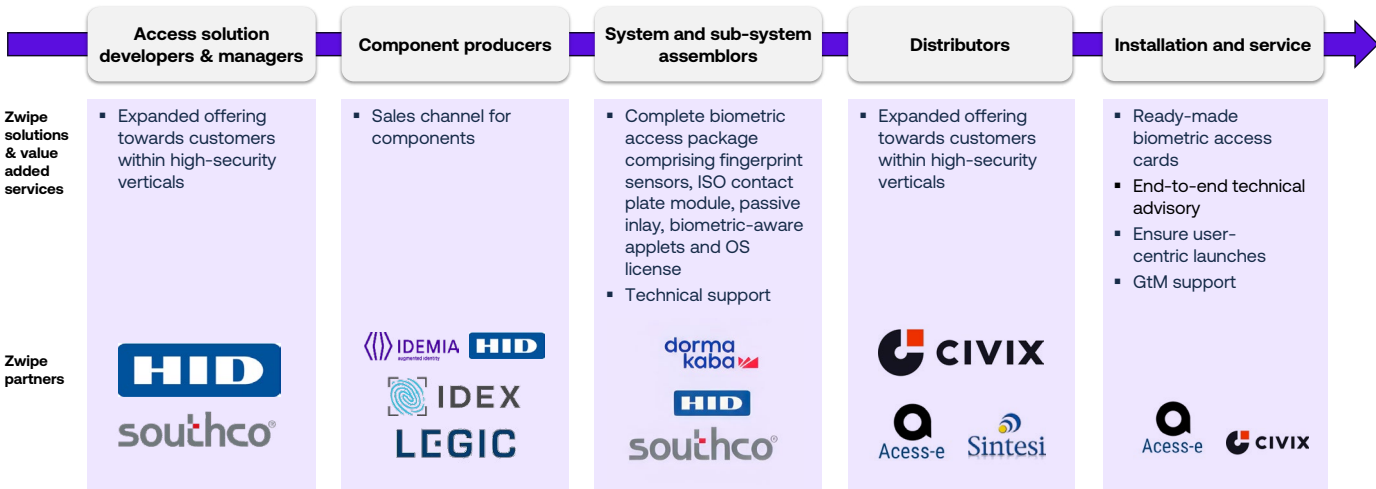
nology has already withstood the rigorous testing demanded by payment schemes to gain certification in the highly regulated payment card market.

As with payments, Zwipe delivers value for all stakeholders in the access control system value chain, see figure below.

The go-to-market strategy for Zwipe Access leverage a fast-growing network of system integrators, SCMs, solution providers, and distributors to bring our solution to enterprises in select high-security verticals, particularly where there is a large number of people (i.e. 10,000+) physically present

at one site. System integrator and distributor partners are able to add a high-value new solution to their existing portfolios of products for customers while there is also interest from SCMs in adding access control solutions alongside their existing payment card offerings for banks.

### Zwipe Access: a cost-effective, highly secure, GDPR compliant solution creating value for multiple stakeholders





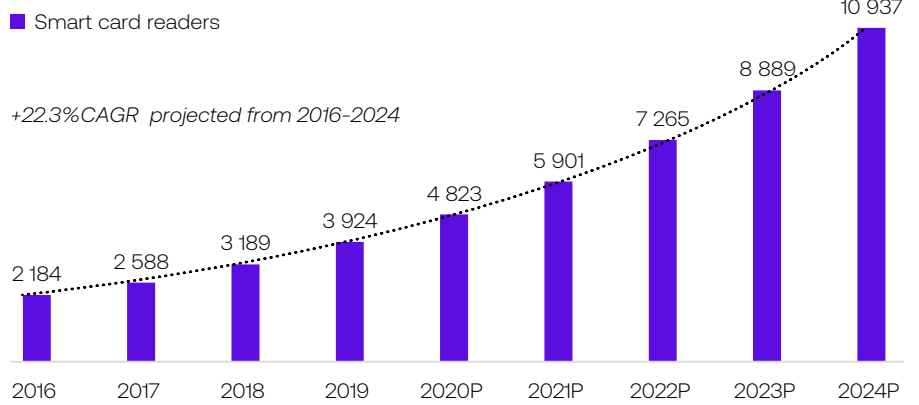
# Market Outlook

## Access control market overview and trends

In the last two decades, security awareness has increased globally, with both physical and logical access control increasingly common methods for organizations to protect their employees and the company from theft, espionage, unauthorized infringements, terrorism and other security threats. Most public and private buildings now require some sort of access control. Many access control systems are antiquated, and both governmental organizations and companies will need to upgrade their control systems if they want to retain a high-security level.

Card-based readers, building on proximity or smart card technical solutions are expected to be the dominant reader types. Indeed, there has been substantial growth since 2016 in both value and number of smart card access control readers shipped globally, and this growth is expected to continue in the 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

Using the number of smart card readers in the markets as well as the market value of the global access control reader market estimated to be around \$5 billion in 2024, it is estimated that approximately 460 million smart access cards will be shipped annually by 2024.



# Commercial progress

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

## 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.

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 conditions. The Safe Skies team's report – available across the aviation industry – provides both a positive assess-

ment 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.

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 (hyper-scalers), 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 center, critical infrastructure and higher education customers.

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 global player active 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.





# Senior management

Zwipe's senior management represent substantial experience from the biometrics and payment industries, as well as related and complementing skill sets. All holdings of shares and options are shown as of 31 December 2023.



**Robert Puskaric**  
CEO



**Hugo Petit**  
Interim CFO

Mr. Puskaric joined Zwipe as President and CEO in June 2022. Mr. Puskaric brings a renewed focus on commercializing Zwipe's current products and services and has a proven track record of transforming cutting-edge companies into growth and success.

Robert Puskaric has a long successful career mainly from the Ericsson group where positions held include President, Region Northern Europe and Central Asia, President, Ericsson Mobile Platforms, Senior Vice President, Business Unit Modems, and Executive Vice President, ST-Ericsson. He has also been President and CEO of Doro Group AB and Eniro Group AB. He holds a Bachelor's degree in Economics and Management (Civilekonom) from Lund University, Sweden.

Mr. Puskaric joined Zwipe in June 2022 and holds 0 shares and 450 000 options.

Mr. Hugo Petit joined Zwipe as CFO and Head of IR in February 2024, where he will support the company through the implementation of its strategic change and commercialization of biometric cards within access control.

Hugo has nearly 20 years of experience from various CFO roles in both listed and unlisted growth companies in a variety of industries. Previous positions include CFO at MedCap AB and Renewcell AB. Hugo has also worked for several years as management consultant at McKinsey & Company. He holds a Master in Organizational and Behavioral Science from the Netherlands Military Academy in Breda, Netherlands and an MBA in Executive Management from Uppsala University in Sweden.

Mr. Petit holds 0 shares and 0 options.



**Patrice Meilland**  
Chief Commercial Officer

Mr. Patrice Meilland joined Zwipe as Chief Strategy and Product Officer in April 2022 where his primary focus areas are strategy, strategic partnerships, and Zwipe's product portfolio and roadmap. The product management team is placed under his leadership.

Mr. Meilland's extensive business and technical experience in the semiconductor, mobile, and payment card industries include 7 years at Idemia and 26 years at ST Microelectronics and ST-Ericsson. He joined Zwipe from the position of SVP of Advanced Cards at Idemia, where he was responsible for Idemia's biometric cards roadmap, including the BioSE project and product lines such as eco-friendly cards and dynamic CVV cards, transport, and urban mobility cards.

Mr. Meilland has had P&L responsibility for sizeable businesses and has acquired deep experience in strategy, business development and management, product management and road mapping, teams integration, operations, and more.

Mr. Meilland joined Zwipe and the management team in April 2022 and holds 9,000 shares and 110,000 options.



**Dr. Robert Mueller**  
COO

Dr Mueller has a track record of over 25 years in senior technical development positions focusing on biometrics and smart card technology at leading companies such as Siemens, Giesecke+Devrient, and BMW. He created ground-breaking products and IP, and was serving as Chief Technology Officer at Next Biometrics prior to joining Zwipe.

Dr. Mueller is leading the company's technical development and engineering. He leads the R&D center and Zwipe Germany GmbH in Munich.

Dr. Mueller joined Zwipe and the management team as CTO in April 2019 and changed to COO overlooking operations and development. He holds 75,552 shares and 130,000 options.



# Board of Directors

Zwipe's Board of Directors represent substantial experience from the biometrics and payment industries, as well as related and complementing skill sets. All holdings of shares and options are shown as of 31 December 2023.



**Jörgen Lantto**  
*Chairman of the board*

Previously CEO of Fingerprint Cards AB, Mr. Lantto held the position during a period of unprecedented global growth. Prior to being appointed CEO, he was Executive Vice President, CTO and Head of Strategy and Product Development. Before his time at Fingerprint Cards he held a wide range of senior executive positions at the ICT Company Ericsson.

Well known and highly respected in the biometrics industry, he has extensive expertise in helping technology companies grow on an international scale.

Board assignments: Chairman Cambridge Mechatronics Ltd, Bromma Tech Consulting AB and Milepost AB, board member Tobii AB.

Mr. Lantto joined Zwipe's Board of Directors in 2016 and holds 4 268 831 shares and 2 920 686 TO1 options. He is an independent director in relation to the company and its main shareholders.



**Dennis Jones**  
*Board member*

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

He has extensive experience in the fintech, payments and payment processing sectors, having held Executive/Board roles in the UK as Chairman of MasterCard UK Ltd and various Executive roles with RBS and NatWest; and in the US as a Director, President and Chief Executive Officer of RBS National Bank, as a Non-Executive Director of Argus Information Services Inc, and as a Non-Executive Director of Kroger Personal Finance. Mr. Jones also worked in China as an Executive Director of the RBS/Bank of China Credit Card JV.

Board assignments: D & PM Associates Limited.

Mr. Jones joined Board of Directors in 2018 and holds 202,936 shares and 101,463 TO1 options. He is an independent director in relation to the company and its main shareholders.



**Christina Örn**  
Board member

Mrs. Örn serves as Head of Payments and Cards with Länsförsäkringar Bank AB in Sweden. Mrs Örn has extensive experience in the financial services industry, particularly in the area of payments and cards. She has held various leadership roles in companies such as Länsförsäkringar Bank, Fido Consulting AB, Tieto, Visa, SEB and Nordea.

Mrs. Örn has experience in business development, sales, project management, change management, and team management. She has a Diploma in Marketing and Economics from Företagsekonomiska Institutet in Stockholm, and she has completed studies in Economics, upper secondary school at Teljegymsnasiet, Södertälje.

Mrs. Örn joined the Board of Directors in 2023, and is an independent director in relation to the company and its main shareholders.

Number of shares: 0.



**David Chew**  
Board member

Mr. David Chew has until recently served as Senior Vice President, Finance, Issuer Solutions with TSYS, a global payment services company to worldwide financial and non-financial institutions spanning the Americas, Europe, Asia, Middle East and Africa. Mr. Chew was a member of the Issuer Solutions and International Executive Leadership teams driving financial management globally.

Mr. Chew had various positions in TSYS between 2006 and 2023. In addition to TSYS, he has also had positions with Fujitsu, Cincom Systems and KPMG. David has a Law degree from De Montford University and is a qualified Chartered Accountant.

Mr. Chew joined the Board of Directors in 2023, and is an independent director in relation to the company and its main shareholders.

Number of shares: 0.



**Robert Jansson**  
Board member

Mr. Robert Jansson is the Director Sales of Northern and East Europe & South Africa with STid Security. He has been working in the field of Identity and Access Management since 1998, with a focus on international RFID reader and credential business.

Mr. Jansson has experience in printed and logical security as well. He has held various positions throughout their career, including Sales and Export Manager roles at Solid (which was part of the foundation of ASSA ABLOY) and HID Global in the Nordics. As a self-employed IAM expert, Mr. Jansson has worked at Infratek Security Norway and Nexus ID Solutions Sweden before joining STid Security France in 2018 in his current role as Director of Sales for Northern and East Europe, South Africa.

Mr. Jansson joined the Board of Directors in 2023, and is an independent director in relation to the company and its main shareholders.

Number of shares: 0.

# Statutory Board of Directors' Report

The Board of Directors' report for Zwipe in 2023 is prepared in accordance with Norwegian Generally Accepted Accounting Principles (NGAAP).

All figures are presented on a consolidated basis for the Group, unless explicitly attributed to the parent company Zwipe AS. The main impact of the consolidation of financial statements for Zwipe AS, Zwipe America Inc., Zwipe Germany GmbH, Zwipe UK Ltd., Zwipe Singapore Pte Ltd. and Zwipe Sweden AB is the reclassification of other operating expenses in Zwipe AS to payroll expense. Tax paid by subsidiaries impacts the consolidated statements, whereas Zwipe AS has not yet been subject to income taxes. Other balance sheet effects include adjustments to financial fixed assets, total cash balance, equity, accounts payable, and long- and short-term liabilities. As a result of the restructuring announced early January, it is decided to close the legal entities in Singapore as well as in the United States.

## Organization and working environment

Founded and headquartered in Oslo, Norway, our team of competent and highly dedicated experts is represented by 15 employees and several consultants from many different nationalities in multiple European countries as well as USA.

During 2023, Zwipe has decreased its staff as a result of the absence of market growth and commercial traction in Zwipe pay and the need decrease the cash burn. In January 2024, Zwipe communicated a change in strategy towards a sole focus on the access market and the need to further decrease its burn rate. As a result, the number of employees will be further reduced.

Zwipe strives to be an equal-opportunity workplace, and the working environment is considered good. Out of its 15 people, three employees were female at the end of 2023. Also, there is one woman on Zwipe's Board of Directors. Zwipe considers the gender balance to be unsatisfactory and seeks to increase the share of women in the company.

The total sick leave in the parent company was 0% in 2023. There have been no material injuries or work-related accidents in 2023.

## Revenues

Total reported revenue for Zwipe in 2023 was MNOK 3.0, down from MNOK 3.9 in 2022.

The decrease in Zwipe Pay revenues was the result of an absence growth in the sales of biometric payment solutions to the Group's SCM customers.

## Operating expenses

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

Operating expenses excluding depreciation, amortization, impairment, and COGS totaled MNOK 102.0 in 2023 compared to MNOK 108.0 in 2022, a decrease of 6%.

Depreciation, amortization, and impairment totaled MNOK 2.6 in 2023 compared to MNOK 1.9 in 2022. Cost of Goods Sold (COGS) was MNOK 1.9 in 2023.

Total expenses related to employee payroll decreased from MNOK 52.0 in 2022 to MNOK 50.3 in 2023. This small decrease is not reflective of the personnel reductions that

have been initiated early second half of 2023 and that significantly reduce personnel costs during 2024.

All Zwipe employees and other key personnel hold stock options as part of their overall compensation package. Also a Restricted Share Units (RSU) program was launched during 2023. The total costs of the share based incentive programs is somewhat volatile as it will vary over time due to grants, cancellations, and vesting periods of each grant. In 2023, the cost of these remuneration programs including accrual for social security tax was MNOK 2.4, up from MNOK 1.7 in 2022.

Other operating expenses totaled MNOK 47.2 in 2022, slightly down with 10 % from MNOK 52.1 in 2022, and comprise expenditures related to R&D, consultants, office equipment, leasing of office space, IT infrastructure, travel, marketing, and others. Expenses related to the management of Zwipe's IP are also included in operating expenses and comprise external costs of obtaining and maintaining patents.

## Results

Consolidated EBITDA for the full year 2023 was MNOK -96.5 versus MNOK -102.3 in 2022. The slight improvement of EBITDA in 2023 mainly reflects lower personnel and contractor expenses. Total financial income in 2023 was MNOK 0.1 versus MNOK 0.3 in 2022.

The total loss of the year after tax for 2023 was MNOK -100.0 compared to MNOK -104.7 in 2022.

## Research and Development

R&D spending amounted to a total of MNOK 24.1 in 2023 compared to MNOK 32.1 in 2022,



expensed over the Income Statement in both years. R&D expenses include purchased materials and components as well as external project costs for design, manufacturing (production trials and pilot production runs), testing, and other work conducted by various companies. All R&D activities were expensed on the Income Statement in 2023 as all research activities are expensed, and no development activities met the criteria for capitalization.

#### Financial position

At the end of 2023, bank deposits and cash totaled MNOK 42.2 compared to MNOK 50.5 MNOK at the end of 2022. The development in cash balance since the end of 2022 was mainly the result of a negative operational cash flow of MNOK -92.3 in combination with proceeds from financing activities amounting to MNOK 86.6 during 2023 consisting of two rights issues as well as the issuance of a convertible loan of MNOK 10.5.

Net cash use in operating activities in 2023 was on average MNOK 7.7 per month, which represents a decrease of 15 % from 2022. The main factor behind the increased average monthly burn rate where changes in working capital related to the increase of liabilities.

Total equity was MNOK 61,0 corresponding to an equity ratio of 64%, compared to MNOK 54.6 and 81%, respectively in 2022. Total liabilities were MNOK 34.1 on 31 December 2023 and were comprised entirely of short-term liabilities. This compares to MNOK 13.0 at the end of 2022. The increase in liabilities is to a large extent explained by the convertible loan amounting to MNOK 10.5, increases in accounts payables with MNOK 4.8.

#### Parent company

Total reported revenue in the parent company, Zwipe AS, was MNOK 2,1 in 2023 compared with MNOK 3.4 in 2022. Total operating expenses were MNOK 103.9 compared to MNOK 111.2 in 2022, and the net result for Zwipe AS was a loss of MNOK 101.5 compared to a loss of MNOK 107,4 in 2022.

Total assets in 2023 stood at MNOK 91.2 at 31 December 2023 compared to MNOK 63.9 at 31 December 2022, and cash and cash equivalents totaled MNOK 32.4 at year-end 2023 versus MNOK 41.5 at year-end 2022. Zwipe AS has granted loans to subsidiaries Zwipe Germany GmbH, Zwipe UK Ltd., Zwipe Singapore Pte Ltd., and Zwipe Sweden AB. Total intercompany loans including interest was MNOK 5.5 at the end of 2023 recorded as long-term receivables, compared to MNOK 5.1 at the end of 2022. Zwipe AS had an interest-bearing convertible loan amounting to MNOK 10.5 at the end of 2023.

#### Share capital and shares

During 2023, the share capital was increased on two separate occasions in March and December as a result of rights issues.

The number of outstanding shares at the end of 2023 was 58,413,732, and the share capital of Zwipe was NOK 5,841,373.

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

Share price development was very poor in 2023, falling by 87 percent to NOK 0.65 on the

last trading day of 2023. This was very much related to a combination of the absence of commercial take-off for Zwipe Pay and a poor, broader sentiment in the financial markets.

#### Dividend

Zwipe's dividend policy is that no dividend shall be paid until the company is in an established cash-positive position with predictable positive business results. Consequently, the Board of Directors proposes that no dividend be paid for 2023.

#### Subsequent events

On January 16 2024, Zwipe announced a company restructuring and new strategic direction, increasing its focus on Zwipe Access and accelerating the commercialization of its biometric authentication technology in the access control market. As a result of the change in strategic focus, the company has initiated a restructuring process that is expected to reduce operational costs, particularly related to Zwipe Pay. On a directly comparable basis excluding one-off costs, the Group expects to reduce operating costs in 2024 by approximately NOK 40 million compared to 2023, combining the effects of Zwipe's new strategy and the streamlining plan previously announced on 21 June 2023.

#### Risks and Uncertainty Factors

Zwipe is exposed to various types of market, operational and financial risks. Zwipe continuously monitors risk factors at a corporate and subsidiary level and takes appropriate action when needed to eliminate or mitigate any potential negative impact on operational and financial performance. Please refer to the prospectus dated November 2023 for a comprehensive discussion of risk factors. The prospectus is available at [www.zwipe.com](http://www.zwipe.com).

# Statutory Board of Directors' Report

## Market risk

A primary risk for Zwipe is that it is pursuing nascent markets where meaningful commercialization has not yet materialized. Card issuers, partners, and Zwipe are all working to create a large market for biometric access control cards. Zwipe believes that this market will be enormous and targets a significant share of this potential market. However, until commercial volume materializes, it is difficult to predict business outcomes and operational performance. Related to this, Zwipe has not yet established stable and substantial income, and the amount of any additional capital needed is still uncertain.

The Access market is expected to be very competitive and there is the risk that Zwipe will not be able to achieve market-leading competitive positions or that alternative technologies could gain meaningful market traction.

## Operational risk

On the operational side, Zwipe is subject to supply chain risks that could impact our ability to operate or ship products on time or in a cost-efficient manner. The risk is particularly high when Zwipe is dependent on few suppliers. Related to this, Zwipe is subject to risks related to suppliers charging higher prices for its products and services and uncertainties surrounding the prices for which it can charge for Zwipe's solutions.

The company is also subject to risks related to technology and IP rights and risks related to global economic conditions and exposed to foreign exchange fluctuations.

Any of these risks materializing could have a material adverse effect on Zwipe's prospects and ability to achieve cashflow breakeven in a timely manner.

## Financial risk

Zwipe is working on a global market which implies that Zwipe, in different ways is exposed to several foreign currencies. Changes in exchange rates against Zwipe's reporting currency can have a negative impact on the company's sales as well as costs.

## Going Concern

The Board of Directors confirms that Zwipe will continue to operate under the assumption of going concern and that the financial statements for 2023 are prepared under this assumption. While costs are expected to continue to exceed revenue for several more quarters, the board considers that the company has sufficient access to capital while preparing for cash-generating commercial business.

## External Environment

Zwipe's operations have limited impact on the environment. The company operates in

compliance with all applicable environmental legislation, without any requirement for waivers or exemptions.

## Other

The Board of Directors is not aware of any matters of importance for the assessment of the company's position and performance, which is not reflected by the financial statement and balance sheet with notes. Subsequent to 31 December 2023, there has not, in the Board of Directors' view, occurred any matter which will affect the annual accounts.

## Directors and officers liability insurance

An insurance policy is drawn for the Board of Directors and Management for claims made during the insurance period.

## Outlook

Zwipe's 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.

Oslo, 26 March 2024

(All signatures electronically signed)

Jörgen Lantto  
Chair of the Board

Dennis Jones  
Board member

Christina Örn  
Board member

David Chew  
Board member

Robert Janssen  
Board member

Robert Puskaric  
CEO

# Assurance by the Board of Directors

We confirm, to the best of our knowledge, that the annual report and financial statements for the period of 1 January to 31 December 2023 have been prepared in accordance with the Norwegian Accounting Act and accounting standards generally accepted in Norway (NGAAP) and give a true

and fair view of the Zwipe Group's assets, liabilities, financial position and results for the period.

We also confirm, to the best of our knowledge, that the Board of Directors' report includes a fair review of important events

that have occurred during the financial year and their impact on the financial statements, any major related parties' transactions, and a description of the principal risks and uncertainties for the operations.

Oslo, 26 March 2024  
(All signatures electronically signed)

Jürgen Lantto  
*Chair of the Board*

Dennis Jones  
*Board member*

Christina Örn  
*Board member*

David Chew  
*Board member*

Robert Janssen  
*Board member*

Robert Puskarić  
*CEO*



# Income Statement

1 Jan. 2023 - 31 Dec. 2023

(Amounts in 1 000 NOK)	Note	Zwipe Group		Zwipe AS	
		2023	2022	2023	2022
<b>Operating Income</b>					
Sales revenue	1	2 097	3 353	2 097	3 353
Other operating income	1	863	576	0	0
<b>Operating income</b>		<b>2 961</b>	<b>3 929</b>	<b>2 097</b>	<b>3 353</b>
<b>Operating expenses</b>					
COGS		1 949	2 170	1 929	2 170
Payroll expenses	2,3,4	50 351	51 997	12 964	21 069
Depreciation, amortization & impairment	5	2 567	1 876	2 567	1 876
Other operating expenses	4.6	47 181	52 051	86 470	86 069
<b>Operating expenses</b>		<b>102 047</b>	<b>108 093</b>	<b>103 930</b>	<b>111 184</b>
<b>Operating profit/loss</b>		<b>-99 086</b>	<b>-104 164</b>	<b>-101 832</b>	<b>-107 831</b>
<b>Financial income and expenses</b>					
Other interest income		123	577	491	576
Other financial income		2 271	2 334	2 265	2 534
Other interest expenses		7	2	7	2
Other financial expenses		2 327	2 640	2 392	2 640
<b>Net financial income and expenses</b>	<b>7</b>	<b>60</b>	<b>269</b>	<b>356</b>	<b>468</b>
<b>Results before tax</b>		<b>-99 027</b>	<b>-103 895</b>	<b>-101 476</b>	<b>-107 363</b>
Tax expense	8	1 012	885	0	0
<b>Results for the year</b>		<b>-100 038</b>	<b>-104 780</b>	<b>-101 476</b>	<b>-107 363</b>
<b>Profit(+)/Loss(-) for the year attributable from:</b>					
Share premium reserve		-100 038	-104 780	-101 476	-107 363
Uncovered loss					
<b>TOTAL</b>		<b>-100 038</b>	<b>-104 780</b>	<b>-101 476</b>	<b>-107 363</b>
Number of shares end of period		58 413 732	37 551 685		
Average number of shares in the period before dilution		53 841 229	37 405 138		
Average number of shares in the period after dilution		54 274 044	37 405 138		
Profit per share before dilution		-1.86	-2.80		
Profit per share after dilution		-1.84	-2.80		

# Balance Sheet

as of 31 December 2022

(Amounts in 1 000 NOK)	Note	Zwipe Group		Zwipe AS	
		2023	2022	2023	2022
<b>ASSETS</b>					
<b>LONG-TERM ASSETS</b>					
<b>Fixed Assets</b>					
Equipment, fixtures and fittings	5	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	9	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>9 144</b>
<b>CURRENT ASSETS</b>					
<b>Inventories</b>					
Inventories	10	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	11	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	12	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>



(Amounts in 1 000 NOK)	Note	Zwipe Group		Zwipe AS	
		2023	2022	2023	2022
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
<b>Paid-up Equity</b>					
Share capital	3.13	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>54 634</b>	<b>54 657</b>	<b>45 748</b>
<b>TOTAL EQUITY</b>		<b>61 093</b>	<b>54 634</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	14.15	13 614	8 119	14 676	12 675
<b>Total short-term liabilities</b>		<b>34 148</b>	<b>13 009</b>	<b>36 572</b>	<b>18 199</b>
<b>TOTAL LIABILITIES</b>		<b>34 148</b>	<b>13 009</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>

Oslo, 26 March 2024

(All signatures electronically signed)

Jürgen Lantto  
Chair of the Board

Dennis Jones  
Board member

Christina Örn  
Board member

David Chew  
Board member

Robert Janssen  
Board member

Robert Puskaric  
CEO

# Cash Flow Statement

1 Jan. 2022 - 31 Dec. 2022

(Amounts in 1 000 NOK)	Note	Zwipe Group		Zwipe AS	
		2023	2022	2023	2022
Net Income / (Loss) after tax		-100 038	-104 780	-101 476	-107 363
Taxes paid		0	0	0	0
(+) Option cost no cash effect	16	4 954	3 673	9 729	3 673
(-/+ ) Gain/Loss of on sale of assets		0	0	0	0
(+) Depreciation, amortisation & impairment	5	2 567	1 876	2 567	1 876
(-) Change in Inventory		-13 705	-7 705	-13 705	-7 705
(-) Change in Accounts Receivable		2 735	-2 027	2 202	-2 182
(-) Change in Other Current Assets		223	2 788	79	2 831
(+) Change in Accounts Payables		4 789	2 467	6 333	2 354
(+) Change in Current Liabilities		6 179	-4 422	1 525	-1 198
<b>Net Cash use in Operating Activities</b>		<b>-92 296</b>	<b>-108 130</b>	<b>-92 747</b>	<b>-107 714</b>
<b>Cash Flows from Investing Activities</b>					
Fixed Assets and Capital Expenditures	5	-2 143	-1 451	-2 143	-1 451
<b>Net Cash Provided by (used in) Investing Activities</b>		<b>-2 143</b>	<b>-1 451</b>	<b>-2 143</b>	<b>-1 451</b>
<b>Operational Cash Flow</b>		<b>-94 440</b>	<b>-109 581</b>	<b>-94 890</b>	<b>-109 165</b>
<b>Cash Flows from Financing Activities</b>					
Equity Issue		100 137	5 136	100 137	5 136
Unregistered capital increase		0	0	0	0
Transaction cost not recognized over P&L		-23 882	-41	-23 882	-41
Loan to subsidiary		0	0	0	-300
Investment in subsidiary		0	0	0	-24
Convertible loan		10 514	0	10 514	0
<b>Net Cash Provided by Financing Activities</b>		<b>86 770</b>	<b>5 095</b>	<b>86 770</b>	<b>4 771</b>
Effect of Foreign Currency Translation		-594	2 607	-933	777
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>-8 263</b>	<b>-101 879</b>	<b>-9 053</b>	<b>-103 618</b>
Cash and Cash Equivalents at Beginning of Period		50 466	152 346	41 516	145 133
Cash and Cash Equivalents at End of Period		42 203	50 466	32 463	41 516
<b>Net cash flow</b>		<b>-8 264</b>	<b>-101 879</b>	<b>-9 054</b>	<b>-103 617</b>

# Statement of Changes in Equity

<b>Zwipe Group</b>			
(Amounts in 1 000 NOK)	Share capital	Share	Total equity
<b>January 1st 2022</b>	<b>3 698</b>	<b>144 849</b>	<b>148 547</b>
Proceeds from issue of shares	57	5 080	5 136
Unregistered capital increase/decrease		0	0
Transaction cost		-41	-41
Share based compensation		4 923	4 923
Other changes in equity		41	41
Net profit/loss		-104 780	-104 780
Currency effect		808	808
<b>December 31st 2022</b>	<b>3 755</b>	<b>50 879</b>	<b>54 634</b>
Proceeds from issue of shares	2 086	98 052	100 138
Unregistered capital increase/decrease	0	24 401	24 401
Transaction cost	0	-23 882	-23 882
Share based compensation	0	2 414	2 414
Other changes in equity	0	2 708	2 708
Net profit/loss	0	-100 038	-100 038
Currency effect	0	719	719
<b>December 31st 2023</b>	<b>5 841</b>	<b>55 252</b>	<b>61 093</b>

<b>Zwipe AS</b>			
(Amounts in 1 000 NOK)	Share capital	Share	Total equity
<b>January 1st 2022</b>	<b>3 698</b>	<b>139 394</b>	<b>143 092</b>
Proceeds from issue of shares	57	5 080	5 136
Unregistered capital increase/decrease		0	0
Transaction cost		-41	-41
Share based compensation		4 923	4 923
Other changes in equity		0	0
Net profit/loss		-107 363	-107 363
Currency effect		0	0
<b>December 31st 2022</b>	<b>3 755</b>	<b>41 993</b>	<b>45 748</b>
Proceeds from issue of shares	2 086	98 052	100 138
Unregistered capital increase/decrease	0	24 401	24 401
Transaction cost	0	-23 882	-23 882
Other changes in equity	0	2 414	2 414
Share based compensation	0	7 315	7 315
Net profit/loss	0	-101 476	-101 476
<b>December 31st 2023</b>	<b>5 841</b>	<b>48 816</b>	<b>54 657</b>

# Accounting policies

## Zwipe Group and Zwipe AS

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

## Consolidation

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

## Foreign currency translation

### Functional currency

Each entity in the group determines its functional currency based on the economic environment in which it operates. Items included in the financial statements of each entity are measured using that functional currency. When preparing the financial statements of each individual group entity, transactions in currencies other than the

entity's functional currency are recognized in the functional currency, using the transaction date's currency rate.

Reporting currency is NOK.

### Transactions and balances

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, as well as from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are recognized in the income statement. Foreign exchange gains and losses related to borrowings and cash equivalents are presented in the income statement within finance income or costs.

### Use of estimates

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

### Revenue

Income from sale of goods and services are recognised at fair value, net after deduction of VAT, returns, discounts and reductions. Income from sale of goods is recognised in the income statement when both risk and control

have passed on to the buyer, the risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Revenue is generally recognised on delivery of the goods. Historical data are applied to estimate and make provisions for quantity discount and returns at the date of sales.

## Classification and assessment of balance sheet items

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

## Fixed assets

Tangible fixed assets are capitalised and depreciated linearly down to the residual value over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Maintenance of operating equipment is expensed on an ongoing basis. Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade

/ improvement is assessed based on the condition of the asset when purchased. Plots and land are not depreciated.

#### Impairment of assets

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

#### Investments in subsidiaries

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

#### Inventory

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

#### Receivables

Accounts receivable and other receivables are recorded in the balance sheet at nom-

inal value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables.

#### Pensions

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

#### Tax

The tax charge in the income statement consists of tax payable and changes in deferred tax. Deferred tax is calculated at 22% on the basis of the temporary differences that exist

between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences which are reversed, or may be reversed in the same period, have been offset and netted.

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

#### Cash flow statement

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

# Notes

All amounts are presented in 1000 NOK

Note 1	Revenues			
	Zwipe AS		Zwipe Group	
Activity distribution	2023	2022	2023	2022
Revenues from sale of goods and services	2 097	3 353	2 097	3 353
Other operating income	0	0	863	523
Gain on sales of fixed assets	0	0	0	54
<b>Total</b>	<b>2 097</b>	<b>3 353</b>	<b>2 961</b>	<b>3 929</b>
	Zwipe AS		Zwipe Group	
Revenues from sale of goods and services	2023	2022	2023	2022
Payment	1 951	3 146	1 951	3 146
Access control	146	207	146	207
<b>Total</b>	<b>2 097</b>	<b>3 353</b>	<b>2 097</b>	<b>3 353</b>
	Zwipe AS		Zwipe Group	
Geographical distribution	2023	2022	2023	2022
Norway	0	0	0	0
Other countries	2 097	3 353	2 961	3 929
<b>Total</b>	<b>2 097</b>	<b>3 353</b>	<b>2 961</b>	<b>3 929</b>



**Note 2** Personnel expenses, number of employees, remuneration

Personnel expenses	Zwipe AS		Zwipe Group	
	2023	2022	2023	2022
Salaries/wages	7 704	14 441	39 855	43 280
Social security fees	1 343	3 209	3 946	4 796
Pension expenses	156	348	2 634	641
Other remuneration	1 348	1 328	1 502	1 538
Share based remuneration (salary part)	2 392	4 925	2 392	4 925
Share based remuneration (social security tax)	22	-3 182	22	-3 182
<b>Total personel expenses</b>	<b>12 964</b>	<b>21 069</b>	<b>50 351</b>	<b>51 997</b>
Average number of full-time equivalent	4	7	23	28

**OTP (Statutory occupational pension)**

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

Expensed audit fee	Zwipe AS & Group	
	2023	2022
Statutory Audit	289	250
Other audit assistance	498	159
Other services	24	31
<b>Total audit fees</b>	<b>810</b>	<b>440</b>

# Notes

All amounts are presented in 1000 NOK

## Note 3 Management and Board remuneration

Remuneration	CEO		Board	
	2023	2022	2023	2022
Salary	3 383	1 601	0	0
Bonus/short term incentives	137	628	0	0
Pension expenses	1 684	0	0	0
Other remuneration	78	6	1 343	1 223
Share based remuneration		0	0	0
<b>Total remuneration</b>	<b>5 281</b>	<b>2 235</b>	<b>1 343</b>	<b>1 223</b>

Management and Board remuneration in 2023 and 2022 presented above gives information about remuneration accounted for in the period. Management compensation in 2022 reflecting compensation for the CEO who was employed in the period of 13 June to 31 December 2022.

The CEO is subject to a termination clause of 6 months, along with a corresponding severance package of equal duration.

### Guidelines for determining the remuneration of senior executives

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

### Share based remuneration

#### Option program

Management/employees	Granted	Vested	Unvested	Value of granted options at grant date
Total value of options granted to other employees	10 000	1 666	8 334	14 203
<b>Total share based remuneration</b>	<b>10 000</b>	<b>1 666</b>	<b>8 334</b>	<b>14 203</b>

#### Restricted Share Unit (RSU) program

Management/employees	Granted	Vested	Unvested	Value of granted options at grant date
Robert Puskaric	293 518	0	293 518	756 240
Robert Müller	97 839	0	97 839	252 079
Patrice Meilland	97 839	0	97 839	252 079
Total value of options granted to other employees	521 808	0	521 808	1 092 342
<b>Total share based remuneration</b>	<b>1 011 004</b>	<b>0</b>	<b>1 011 004</b>	<b>2 352 740</b>

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**Note 4**   **Alternative Performance Measures (APMs)**

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In this 2023 Annual 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, amortization, 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 4 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)	2023	2022
Operating profit/loss (GAAP)	-99 086	-104 164
(+) Depreciation, amortization & impairment (GAAP)	2 567	1 876
=EBITDA (APM)	-96 520	-102 288

### Adjusted operational expenses (OPEX)

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

(Amounts in 1000 NOK)	2023	2022
Operating expenses - COGS	1 949	2 170
Operating expenses - Payroll expenses	49 528	46 086
Operating expenses - Depreciation, amortization & impairment	2 567	1 876
Operating expenses - Other operating expenses	46 046	52 051
Payroll expenses -related to non-recurring restructuring cost	823	5 911
Other operating expenses - related to non-recurring restructuring cost	1 135	0
COGS - related to non-recurring restructuring cost	789	0
Operating expenses (GAAP)	102 837	108 093
(-) non-recurring items	2 748	5 911
= Adjusted operational expenses (APM)	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)	2023	2022
Operating profit/loss (GAAP)	-99 086	-104 164
(+) Depreciation, amortization & impairment (GAAP)	2 567	1 876
= EBITDA (APM)	-96 520	-102 288
(+) Operating expenses (GAAP)	102 837	108 093
(-) Adjusted operational expenses (APM)	100 088	102 182
= Adjusted EBITDA (APM)	-93 772	-96 377

**Note 5 Fixed assets**
**Zwipe Group**

	Office machinery	Tools	Machinery and plant in progress	Total
Acquisition cost 01.01.2023	996	9 847	62	10 904
Prior year adjustments	-1	-534	-62	-596
Acquisition cost 01.01.2023 adjusted	995	9 313	0	10 308
Additions	29	2 115	0	2 143
Transfer	0	0	0	0
Disposals	-16	-353	0	-369
<b>Acquisition cost 31.12.2023</b>	<b>1 008</b>	<b>11 075</b>	<b>0</b>	<b>12 083</b>
Acc. depreciation/ impairment 31.12.2023	826	7 361	0	8 188
<b>Book value 31.12.2023</b>	<b>181</b>	<b>3 714</b>	<b>0</b>	<b>3 895</b>
Depreciation in 2023	201	1 366	0	1 567
Impairment in the year	0	0	0	0
<b>Total Depreciation/impairment in the year</b>	<b>201</b>	<b>1 366</b>	<b>0</b>	<b>1 567</b>
Depreciation plan	Linear	Linear		
Economic useful life	3 year	5 year		

**Zwipe AS**

	Office machinery	Tools	Machinery and plant in progress	Total
Acquisition cost 01.01.2023	996	9 847	62	10 904
Prior year adjustments	-1	-534	-62	-596
Acquisition cost 01.01.2023 adjusted	995	9 313	0	10 308
Additions	29	2 115	0	2 143
Transfer	0	0	0	0
Disposals	-16	-353	0	-369
<b>Acquisition cost 31.12.2023</b>	<b>1 008</b>	<b>11 075</b>	<b>0</b>	<b>12 083</b>
Acc. depreciation/ impairment 31.12.2023	826	7 361	0	8 188
<b>Book value 31.12.2023</b>	<b>181</b>	<b>3 714</b>	<b>0</b>	<b>3 895</b>
Depreciation in 2023	201	1 366	0	1 567
Impairment in the year	0	0	0	0
<b>Total Depreciation/impairment in the year</b>	<b>201</b>	<b>1 366</b>	<b>0</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 6 R&D Expenses

In 2023, R&D spendings amounted to a total of NOK 241 million. R&D expenses include purchased materials and components as well as external project costs for design, manufacturing (production trials and pilot production runs), testing and other work conducted by various companies and institutions. The majority of R&D expenses in 2023 is related to maturing and scheme certification of Zwipe technology platform.

## Note 7 Financial income and expenses

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

	Zwipe AS & Group	
	2023	2022
Other financial income and expense		
Realized agio	547	886
Realized disagio	916	852

## Note 8 Tax

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

	Zwipe AS		Zwipe Group	
	2023	2022	2023	2022
This year's tax expense				
Entered tax on ordinary profit/loss:				
Income tax	0	0	1 012	885
Changes in deferred tax advantage	0	0	0	0
Tax expense on ordinary profit/loss	0	0	1 012	885
Taxable income:				
Ordinary profit/loss before tax	-101 476	-107 363	-99 027	-103 895
Permanent differences	22	42	22	42
Changes temporary differences	484	74	484	74
Taxable income	-100 970	-107 247	-98 521	-103 778
Total payable tax in the balance	0	0	1 061	660



**Note 8 Tax (continued)**

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

	Zwipe AS		
	2023	2022	Temporary differences
<b>Temporary differences</b>			
Tangible fixed assets	-3 209	-3 435	226
Inventories	-789	-129	-661
Other receivables	-50	0	-50
<b>Total</b>	<b>-4 048</b>	<b>-3 564</b>	<b>-484</b>
Accumulated loss to be brought forward	-694 545	-593 574	-100 970
Not included in the deferred tax calculation	698 593	597 138	101 455
<b>Basis for calculation of deferred tax</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deferred tax (22 % )	0	0	0

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

	Zwipe AS	Zwipe AS	Group
		2023	2023
<b>This year's tax expense</b>			
Ordinary profit/loss before tax		-101 476	-99 027
Income tax expense based on local income tax rates		-22 325	-21 265
Tax on temporary differences		111	111
Other differences		0	-49
Change in deferred tax asset not recognised		22 214	22 214
<b>Total tax</b>		<b>0</b>	<b>1 012</b>
Effective tax rate		0.0 %	1.0 %

# Notes

All amounts are presented in 1000 NOK

## Note 9 Investment in subsidiaries

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

Zwipe AS	Location	Investment in subsidiary	Ownership / voting rights	Result for the year	Equity
Zwipe America Inc.	Colorado Springs, USA	386 101	100%	-2 500 625	190 895
Zwipe Germany GmbH	Munich	260 575	100%	2 941 787	5 062 892
Zwipe UK Ltd.	London	1 157	100%	157 843	488 641
Zwipe Singapore Pte Ltd.	Singapore	13	100%	497 191	698 215
Zwipe Sweden AB	Stockholm	23 575	100%	341 753	373 176
<b>Total investment in subsidiary</b>		<b>671 421</b>		<b>1 437 949</b>	<b>6 813 819</b>

## Note 10 Inventories

Inventories	Zwipe AS & Group	
	2023	2022
Raw materials	5 202	520
Finished goods	19 446	9 761
Write-off	-789	-129
<b>Total inventory</b>	<b>23 858</b>	<b>10 153</b>

Following the change in Zwipe's strategy, communicated in January 2024, inventory specifically related to Zwipe Pay were written off as per 31 December 2023. Included in total inventory is goods valued at NOK 7,1 million, where there is a legal dispute not yet resolved. The related liability is booked as accounts payable.

## Note 11 Receivables

Geographical distribution	Zwipe AS		Zwipe Group	
	2023	2022	2023	2022
Other current receivables	24 821	866	25 218	1 370
<b>Total other current receivables</b>	<b>24 821</b>	<b>866</b>	<b>25 218</b>	<b>1 370</b>

Other current receivables in Zwipe AS contains proceeds of NOK 24,4 million from the unregistered capital increase in December 2023. No loans/sureties have been granted to the CEO, Chairman of the Board or other related parties.

## Note 12 Restricted bank deposits

Restricted funds	Zwipe AS & Group	
	2023	2022
Restricted funds deposited for tax withholdings	367	1 202

**Note 13 Share capital and shareholder information**

Share capital	Zwipe AS & Group		
	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. Note that the share issue from December was registered on January 2nd and therefore has not been included in the table below.

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>

# Notes

All amounts are presented in 1000 NOK

## Note 14 Intercompany

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

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

Intercompany	Zwipe AS	
	2023	2022
Short-term liabilities	5 353	6 779
Short-term receivables	-	-
Loan to subsidiaries (incl. interest)	5 454	5 087
Interest on long-term loan to subsidiaries	367	206
Services purchased from subsidiaries	45 222	43 772

## Note 15 Other short term liabilities

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

## Note 16 Share based payments

The company has a share-based option programme covering all employees, and certain members of the board. Each option gives the holder the right to acquire one share from the company at a strike price defined in the individual share option agreement. All options are conditional that the grantee remains employed. All vested options may be exercised in any period prior to the expiry date. The options vest every 6 months from grant date and may be exercised at vesting. As of 31.12.2023, 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 1,8 million have been expensed in 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>	

Overview of outstanding options	Options	Weighted Average Strike Price
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>

# Notes

All amounts are presented in 1000 NOK

## Note 16 Share based payments (continued)

### Granted instruments 2023

Parameters connected to instruments granted in 2023	Option	RSUs
Quantity 31.12.2023 (instruments)	10 000	1 011 004
Quantity 31.12.2023 (shares)	10 000	1 011 004
Contractual life*	3.75	4.00
Strike price*	5.47	-
Share price*	5.06	-
Expected lifetime*	2.50	2.00
Volatility*	89.06%	0.00%
Interest rate*	3.40%	0.00%
Dividend*	-	-
FV per instrument*	2.57	2.58
Vesting conditions	Tranches vest semi annually	

\* Weighted average parameters at measurement date of instrument value

The calculations are based on the following assumptions:

#### Share price on the grant date

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

#### The strike price per option

For options granted before 2019:

The strike price is set to NOK 25, NOK 16.2, NOK 10 and NOK 6.54 depending on the contract.

For options granted from 2019:

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

#### Volatility

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

#### The term of the option

For options granted before 2019:

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

For options granted from 2019:

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

#### Risk-free interest rate

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

## Note 16 Share based payments (continued)

### Restricted Share Units (RSU) program

The company issued a RSU program 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 0,7 million have been expensed in 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				-	-

### The calculations are based on the following assumptions:

The RSU plan are conditioned on achievement of market performance criteria, the Monte Carlo Valuation Model is used to estimate the fair value.

#### Exercise price

The exercise price of the RSU is the nominal value per share at grant date, NOK 0,10.

#### Expected lifetime

The RSUs vest in three equal installments on each anniversary date from the grant date. The expected lifetime is based on the performance period aligns with the vesting period and is estimated to 1,2 and 3 years.

#### Current price of the underlying shares

The share price is the last available closing price of the share at grant date. The share price for the RSUs is NOK 3:1585.

#### Volatility

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

#### Risk-free interest rate

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

#### Performance condition

RSUs are subject to a Performance Condition regarding the company's average annual Total Shareholder Return (TSR) during Vesting Period.

# Notes

All amounts are presented in 1000 NOK

## Note 17 Upcoming Annual General Meeting

The Annual General Meeting will be held 7 May 2024.

## Note 18 Guarantees

	Zwipe AS & Group	
	2023	2022
Guarantees		
Bank guarantee, Euroclear Sweden	202	202
<b>Total Grants</b>	<b>202</b>	<b>202</b>

The guarantee is covered through restricted cash deposit.

## Note 19 Subsequent Events

### 2 January 2024

A contemplated Rights Issue in Zwipe AS was announced 8 November 2023, raising gross proceeds of approximately NOK 35 million. The Company received subscriptions for a total of 24,194,533 Units, corresponding to approximately 41.4% of the Units, during the subscription period for the Rights Issue. The board of directors allocated a total of 40,889,612 Offer Shares and 40,889,612 Warrants in the Rights Issue, of which 24,194,533 Offer Shares and 24,194,533 Warrants were allocated based on subscriptions received in the subscription period and the remaining 16,695,079 Offer Shares and 16,695,079 Warrants were allocated to the so-called bottom guarantors for the Rights Issue.

Furthermore Zwipe received a so-called top guarantee commitment of NOK 10,514,472, which was paid to the Company by the top guarantor subscribing for a convertible loan to Zwipe AS.

The Rights Issue was registered with the Norwegian Register of Business Enterprises 2 January 2024. The Rights Issue is recognised as unregistered capital increase at year-end 2023.

### 5 January 2024

Zwipe has appointed Hugo Petit as interim CFO with Zwipe's current CFO and Head of IR, Danielle Glenn, deciding to leave the company.

### 16 January 2024

Zwipe AS today announces a company restructuring and new strategic direction, increasing its focus on Zwipe Access and accelerating the commercialization of its biometric authentication technology in the access control market.

### 25 January 2024

Tadera and Zwipe announce that the Zwipe Access Biometric Smart Card System has completed operational test and evaluation by National Safe Skies Alliance, Inc. (Safe Skies) at Richmond International Airport (RIC)





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## Independent Auditor's Report

### To the General meeting of Zwipe AS

#### Opinion

We have audited the financial statements of Zwipe AS.

#### The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2023, the income statement, the statements of changes in equity and cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2023, the income statement, the statements of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant account policies.

#### In our opinion:

- The financial statements comply with applicable statutory requirements, and
- The financial statements give a true and fair view of the financial position of the Company as at 31. December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group Zwipe AS as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standard and practices generally accepted in Norway.

#### Basis for Opinion

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

#### Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



#### **Opinion on the Board of Directors' report**

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:  
<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Håvard Mamelund  
State Authorised Public Accountant  
(This document is signed electronically)





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