

ZWIPE AS: Q3 Operational Update

OSLO, NORWAY – 20 October 2020

Q3 2020 highlights and recent developments

During the third quarter, Zwipe has continued to strengthen its foundation for mass-volume roll out of biometric payment cards.

- Zwipe and Publicenter, the largest Italian SCM, launched a collaboration aimed at bringing the next generation contactless experience, powered by Zwipe Pay ONE, to financial institutions and consumers across Europe
- Zwipe and Liveo Research, a major supplier of PVC materials to some of the world's largest card manufacturers, partnered to enhance the biometric payment card offering, optimizing the route to efficient and scalable manufacturing of biometric payment cards
- Zwipe and Smart Technology Services, one of the world's first equipment manufacturers to develop a biometric payment card milling and embedding enabled system, partnered to industrialize Zwipe Pay ONE
- Zwipe and Wisecard, a leading supplier of EMV personalization and payment solutions based in Shenzhen, China, joined forces to drive the mass market adoption of biometric payments cards
- Zwipe and CardMatix, a leading player in the development of industrial manufacturing and testing equipment specifically for mass production of payment cards, announced collaboration on the design, development and commercialization of equipment and modular solutions to support milling and embedding of fingerprint sensors for biometric payment card manufacturing at mass volumes
- Zwipe successfully completed a private placement of 6,381,315 shares, raising approximately NOK 96 million in gross proceeds

Subsequent Events

- Zwipe and TietoEVRY joined forces with a landmark agreement to deliver biometric payment solutions on Zwipe Pay ONE to banks in the Nordic and Baltic regions. The agreement significantly increases Zwipe's sales presence and impact in the home market of Zwipe, as TietoEVRY is the leading provider of payment cards in this region
- Zwipe, and areeba, one of the Middle East's leading financial technology companies and payment service providers, are partnering to bring Zwipe Pay ONE enabled biometric payment solutions to banks across the Middle East and North African markets. As part of this collaboration, areeba has agreed to work exclusively with Zwipe in delivering biometric payment solutions
- Zwipe and Inkript, a digital security provider in the Middle East and Africa region, launched a joint project to deliver Zwipe Pay ONE solution to banks across the Middle East. Inkript placed an order with Zwipe to commence small-scale production
- Zwipe, following significant market traction, placed an order for 300,000 units of IDEX's next generation fingerprint sensors to support the rollout of Zwipe Pay ONE to a growing list of smart card manufacturers and issuers in Europe, the Middle East, the Americas and Asia

Status update from CEO

André Løvestam, CEO of Zwipe said:

"During the third quarter Zwipe has continued to take significant strides in cementing our position in the global payment ecosystem and towards commercialization.

We have maintained momentum in expanding our network of smart card manufacturing customers while also growing our capacity to support larger-scale deployment of our commercial offering in 2021. In addition to the new customers that have been announced, the strategic technical partnerships we have formed this quarter will be instrumental in preparing the biometric payment card industry for efficient scaling.

By implementing numerous cross-industry commercial collaborations we are creating an offering that sets us apart. Zwipe's objective is to deliver a solution that offers both technology and cost leadership to our smart card manufacturing customers. In addition, we also advise card issuers on how to simplify the value proposition of biometric payment solutions by supporting the entire process of launching a new biometric payment



product. This approach further raises the attractiveness of our offering and elevates our position as a trusted advisor and enabler.

This market position has also generated strong support from international institutional investors, translating into a successful private placement carried out during the period. We raised gross MNOK 96, funding the company through commercial launches in 2021 and beyond. The chairman of the Board participated in the private placement with MNOK 5, and since his purchase was subject to approval by the extraordinary general meeting, this was registered in October. The general meeting also enabled us to initiate the process for the repair issue of up to 1,000,000 new shares to be held in October, as announced today, October 20th.

After the period we entered a commercial partnership with TietoEVERY, which marks a significant milestone for Zwipe. Thanks to TietoEVERY's deep relations with virtually all banks in the Nordics and Baltics, we see strong potential in supporting the launch of biometric payment cards powered by Zwipe Pay ONE in this region and beyond, meaningfully increasing our sales capacity and impact. The fact that TietoEVERY is now actively going after the biometric payment card market with Zwipe is a further validation of our belief in the market to come and that Zwipe will have a major role and position in that market.

With these exciting developments pushing Zwipe forward we are further strengthening our team to be ready to serve a mass-volume market. Consequently, we have completed several key recruitments within quality management, project management, certification, sales, and product management. In addition, as we are seeing that our pull strategy and professional service offerings receive strong interest from our customers and partners, we are bringing in additional resources that will anchor this emerging business vertical for Zwipe. With a passionate, ever stronger team moving together towards our goal, and with institutional investors backing our vision, I am confident that we will keep this momentum while we continue to enhance our ability to create value for our customers, our shareholders, and for society at large."

Financial Update

- Revenues in Q3 2020 were MNOK 0.1 (1.0). Accumulated revenues for the year to date amount to MNOK 1.0 (1.3).
- The cost program announced in November 2019 is running ahead of target, with average monthly operational cash outflow during Q3 2020 of MNOK 4.4 vs MNOK 7.6 in Q3 2019.
- The closing cash balance at end of Q3 2020 was MNOK 117.3, which is an increase of MNOK 74.1 from Q2 2020. The development in cash balance since Q2 2020 is a result of the private placement with net cash effect of MNOK 85.7 for the first tranche, the third of four stages of our joint technology investments with Idemia of MNOK -10.2, the grant from EU's Horizon 2020 program of MNOK 9.8, operational cash outflow of MNOK -13.3 for the quarter and other minor items of total MNOK 2.1.

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Zwipe AS is obliged to make this information public pursuant to the Continuing obligations of companies admitted to trading on Merkur Market, Nasdaq First North Growth Market and the EU Market Abuse Regulation. Certified Adviser on Nasdaq First North is FNCA Sweden AB, info@fnca.se, +46 (0) 8 528 00 399. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 20 October 2020.

About Zwipe

Zwipe is pioneering the next generation contactless payments experience, providing biometric payment cards and wearables that enable consumers to authorize transactions with their fingerprints without compromising their privacy. Together with an ecosystem of partners including global brands within digital security and financial services, Zwipe is "Making Convenience Safe & Secure" for banks, merchants and consumers. Zwipe's solutions address the hygiene and data theft pitfalls inherent in traditional authentication methods. Headquartered in Oslo, Norway, with a global presence, Zwipe is leading the next great shift in payments from contactless to contact free. To learn more, visit www.zwipe.com

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