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Fingerprint Cards AB (publ) resolves on an issue of convertible bonds and announces that the condition for early redemption of its bond loan 2021/2024 has been fulfilled

The board of Fingerprint Cards AB (publ) ("Fingerprints" or the "Company") has, based on an authorisation from the extraordinary general meeting held on 18 August 2023, resolved to issue convertible bonds with a nominal amount of MSEK 160 ("Tranche 1") to an entity managed by Heights Capital Management, Inc. ("HCM").

As previously announced in the press release on 16 July 2023, the Company has entered into an agreement (the "Agreement") with HCM regarding an undertaking to subscribe for convertible bonds convertible into B-shares in the Company (the "Convertible Bonds") in Tranche 1 with an option for the Company to issue additional Convertible Bonds up to a total nominal amount of MSEK 90 to HCM, that can be exercised under certain conditions and if the Company so wishes ("Tranche 2"). The net proceeds from Tranche 1 and the Company's MSEK 181.8 rights issue of B-shares (the "Rights Issue") will be used to finance the early redemption of the Company's outstanding bond loan 2021/2024 (ISIN: SE0017071855) of MSEK 300 maturing in December 2024 (the "Existing Bonds") as well as to finance general corporate purposes, including increased investments within the Company's growth segment.

In connection to entering into the Agreement and resolving on the issue of the Convertible Bonds in accordance with the authorisation from the extraordinary general meeting held on 18 August 2023, the board of directors of the Company made the following considerations. A condition for being able to carry out the early redemption of the Existing Bonds within a desired timetable, was that the Company obtained sufficient funds to secure financing of the redemption proceeds within an acceptable time period. The Company carefully considered the option to raise the necessary funds to redeem the Existing Bonds through the issue of the Convertible Bonds to existing shareholders. However, the Company made the assessment that there would not be sufficient interest among such existing shareholders given the complexity of the Convertible Bonds. The issue of the Convertible Bonds also contributes to the improvement of the Company's capital structure and risk level by providing for a more flexible financing solution. The issue of the Convertible Bonds also results in an investment by a strong and long-term investor which the Company believes will be a benefit to it in the long-term. With regard to the above, it is the board of directors' overall assessment that the reasons clearly and with sufficient strength outweigh the reasons motivating the general principle that issues shall be carried out with preferential rights for existing shareholders, and that an issue of Convertible Bonds with deviation from the shareholders' preferential rights is in the interest of the Company and all shareholders.

Each Convertible Bond has a nominal amount of SEK 500,000 and the Convertible Bonds are issued at a subscription price per Convertible Bond of 92 percent of the nominal amount, corresponding to SEK 460,000 per Convertible Bond. Since the subscription price was determined on an arm's length basis in the negotiation of the Agreement with HCM, the board deems that the subscription price accurately reflects current market conditions and demand. The Convertible Bonds' final maturity date is 3.5 years from 19 September 2023, to the extent that conversion has not taken place prior to that date and the Convertible Bonds bear interest at a rate of six (6) per cent per annum. For further information on the Convertible Bonds, please refer to the press release from 16 July 2023.

The early redemption of the Existing Bonds was conditional upon the successful settlement of Tranche 1 and the Rights Issue. This condition has now been fulfilled and the early redemption is therefore no longer conditional. The early redemption will occur on 28 September 2023 and the redemption amount will be paid to each person who is registered as owner of Existing Bonds in the debt register maintained by Euroclear Sweden at the end of business on 21 September 2023.

Advisers

Carnegie Investment Bank AB (publ) acts as financial adviser. Gernandt & Danielsson Advokatbyrå KB is legal adviser to the Company.

About Fingerprints

Fingerprint Cards AB (Fingerprints) – the world’s leading biometrics company, with its roots in Sweden. We believe in a secure and seamless universe, where you are the key to everything. Our solutions are found in hundreds of millions of devices and applications, and are used billions of times every day, providing safe and convenient identification and authentication with a human touch. For more information visit our website, read our blog, and follow us on Twitter. Fingerprints is listed on Nasdaq Stockholm (FING B).

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