

A large, faint, circular fingerprint graphic is centered in the background of the slide.

# FINGERPRINT CARDS

## Q1 2019

MAY 15, 2019



FINGERPRINTS

# Q1 2019 Summary

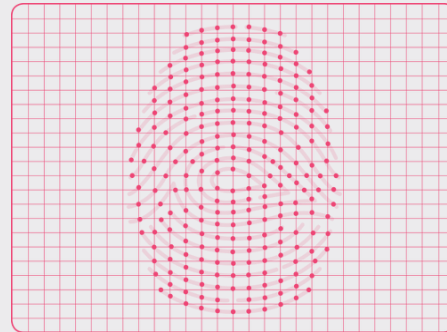
Revenues	Margins & profitability	Highlights
<ul style="list-style-type: none"> <li>➤ <b>Revenues:</b> SEK 343 (290) M, a 18% increase year-over-year</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Gross profit:</b> SEK 79 M (45) M</li> <li>➤ <b>Gross Margin:</b> 23% (15)</li> <li>➤ <b>EBITDA:</b> SEK 36 M (-149)</li> <li>➤ <b>EBITDA margin:</b> 10% (-51)</li> <li>➤ <b>Operating profit:</b> SEK -2 (-175) M</li> <li>➤ <b>Operating margin:</b> -1% (-60)</li> <li>➤ <b>Operating Cash Flow:</b> SEK -161 (-204) M</li> <li>➤ <b>Net cash:</b> SEK 338 M (185)</li> <li>➤ <b>Net cash</b> as at May 10: SEK 446 M</li> </ul>	<ul style="list-style-type: none"> <li>➤ Launched our first in-display sensor, FPC1610</li> <li>➤ Good growth for FPC1511, our fourth-generation capacitive sensor</li> <li>➤ Strong sales from new areas</li> <li>➤ Signed agreement with Gemalto and secured world's first volume order for biometric smart cards</li> <li>➤ Reached OPEX target run rate of &lt; SEK 400 M</li> </ul>

A large, stylized fingerprint graphic composed of concentric, wavy lines, centered on the page. The lines are a slightly darker shade of purple than the background.

# BUSINESS UPDATE

# Market launches and business development in Q1 2019

- ⤵ 11 mobile devices launched by 5 OEM customers
- ⤵ Global smartphone market declined compared to Q1 last year, but Fingerprints' key OEM customers together grew their shipments
- ⤵ FPC1610 launched, Fingerprints' first in-display fingerprint sensor
- ⤵ World's first volume order received for sensors and software for biometric payment cards
- ⤵ Biometric software platform for payments launched
- ⤵ Two additional market tests in the smart card area, RBS and Natwest, using Fingerprints' technology, including our software platform



# Progress against strategic priorities

Strategic priority	Progress in Q1 2019
<b>Defending and leveraging our strong position in the mobile market</b>	<ul style="list-style-type: none"><li>✓ Optical in-display sensor launched (FPC1610)</li><li>✓ Good volume development for our 4<sup>th</sup> generation capacitive sensor</li><li>✓ Product cost out programs continue as planned – plan to launch next sensor generation based on FPC1511 this year</li></ul>
<b>Positioning the company for growth in new markets</b>	<ul style="list-style-type: none"><li>✓ Agreement signed with Gemalto, securing the world's first volume order for sensors and software for biometric smart cards</li><li>✓ Two additional market tests announced in the biometric smart card area</li><li>✓ Revenue from new areas continues to increase</li></ul>

1 billion sensors reached in May 2019

# 1 BILLION SENSORS

# Summary

- ③ Launched our first in-display sensor, FPC1610
- ③ Good growth for FPC1511, our fourth-generation capacitive sensor
- ③ Planning to launch new capacitive sensor generation later this year
- ③ Good growth from new areas
- ③ Fingerprints signed agreement with Gemalto and secured the world's first volume order for biometric sensors for dual-interface payment cards
- ③ Two additional biometric card market tests announced during the quarter, both using Fingerprints technology

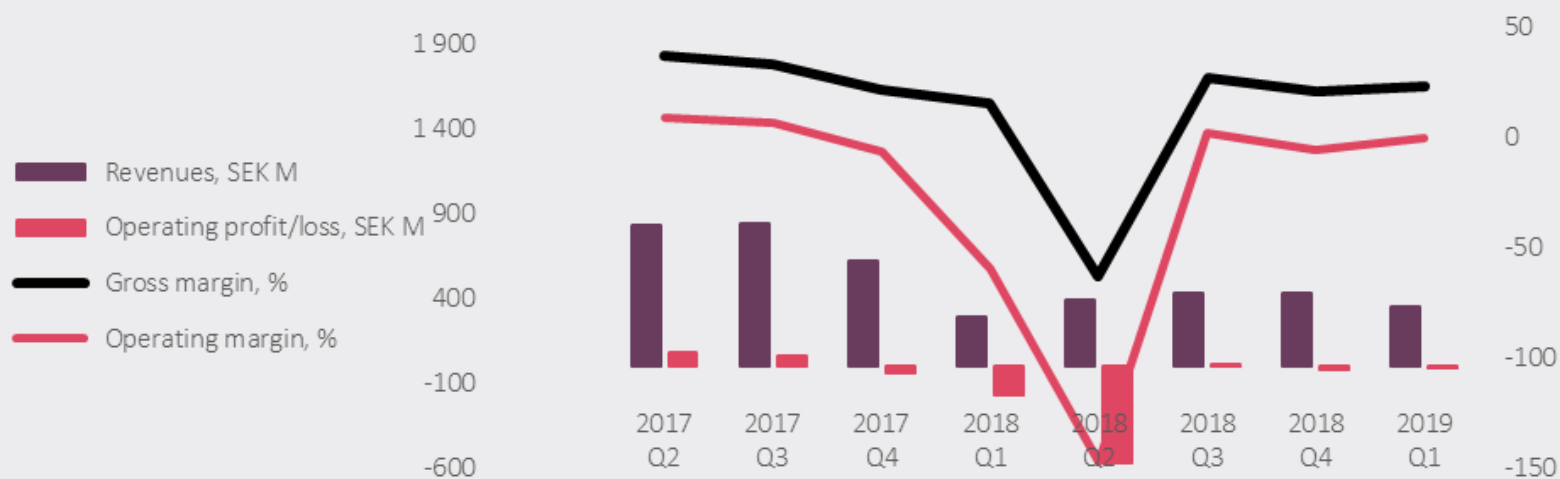
A large, stylized fingerprint graphic in a darker teal color, centered on the page. The lines of the fingerprint are concentric and wavy, creating a circular shape.

# Q1 2019 FINANCIAL RESULTS

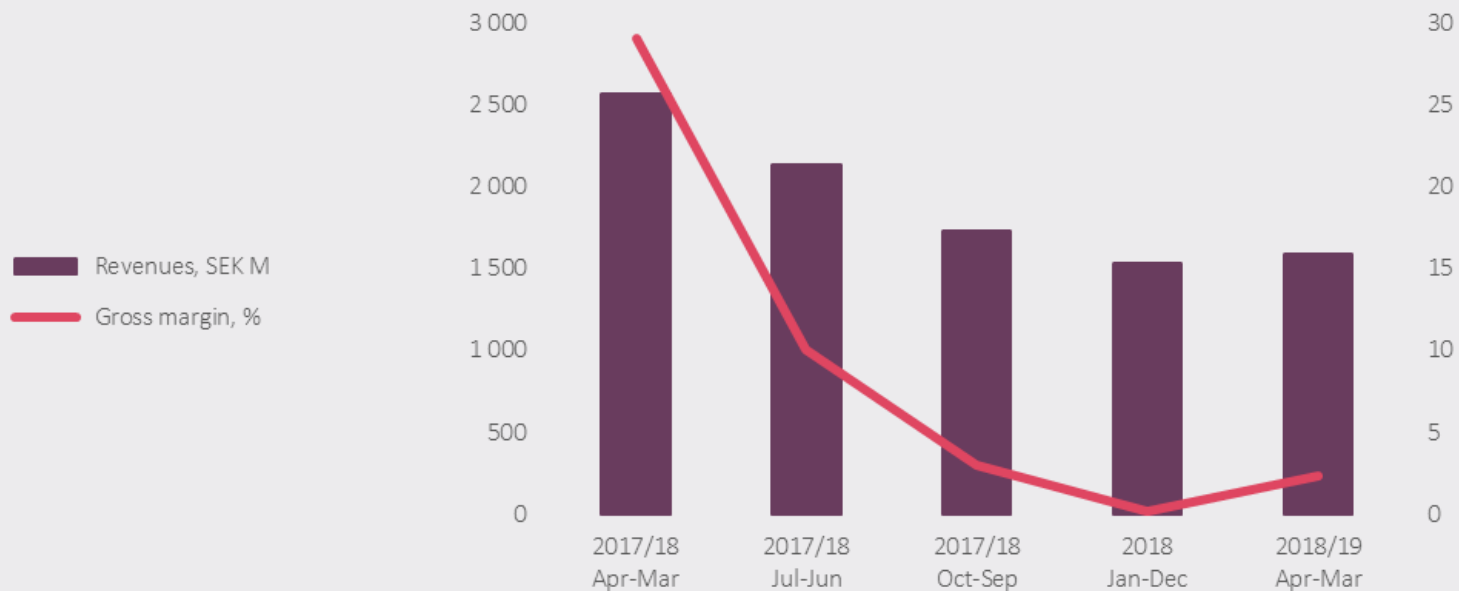


# Q1 2019 Financial performance

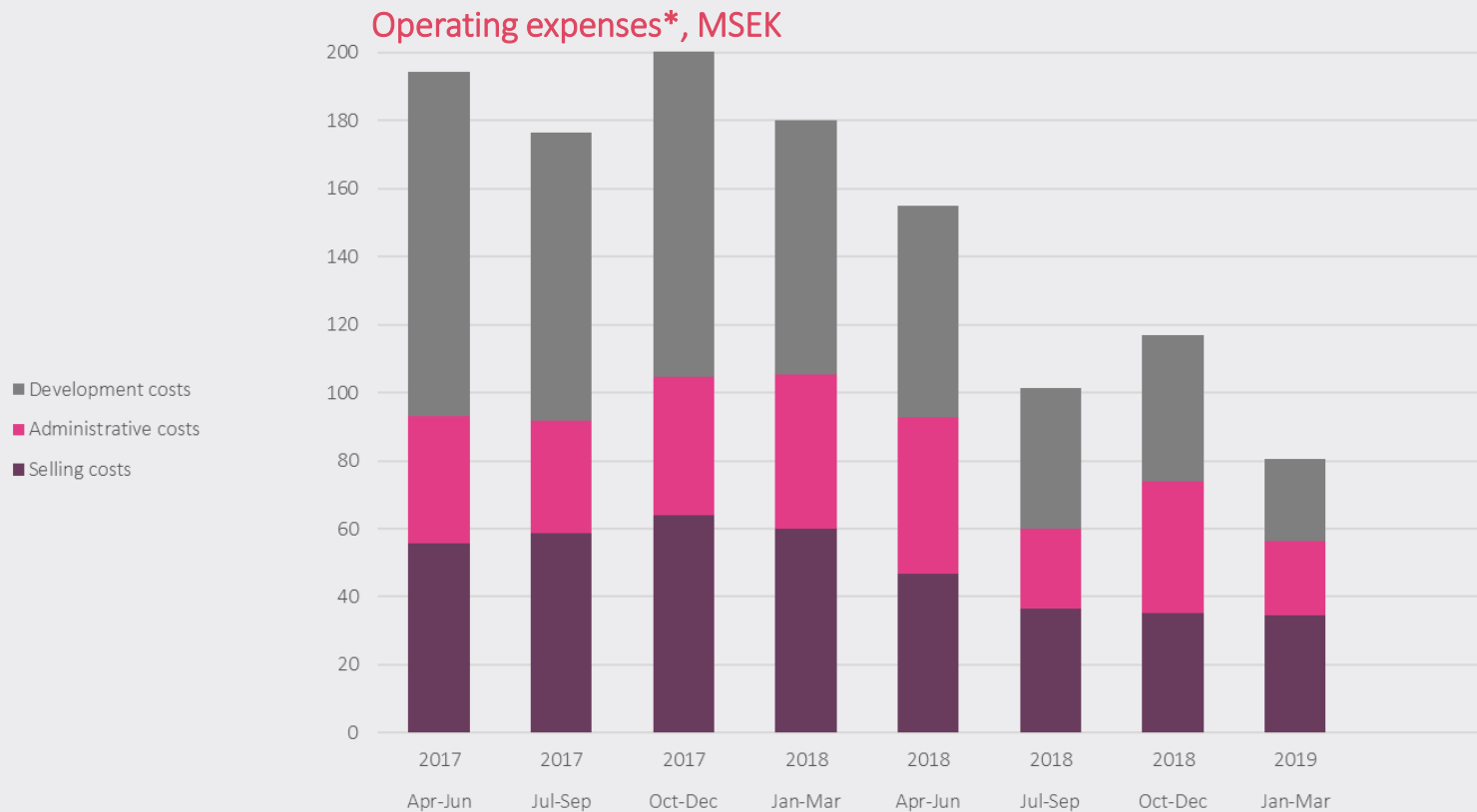
Revenues, Operating profit/loss and Gross margin, quarters



# Revenue and gross margin, rolling 12 months

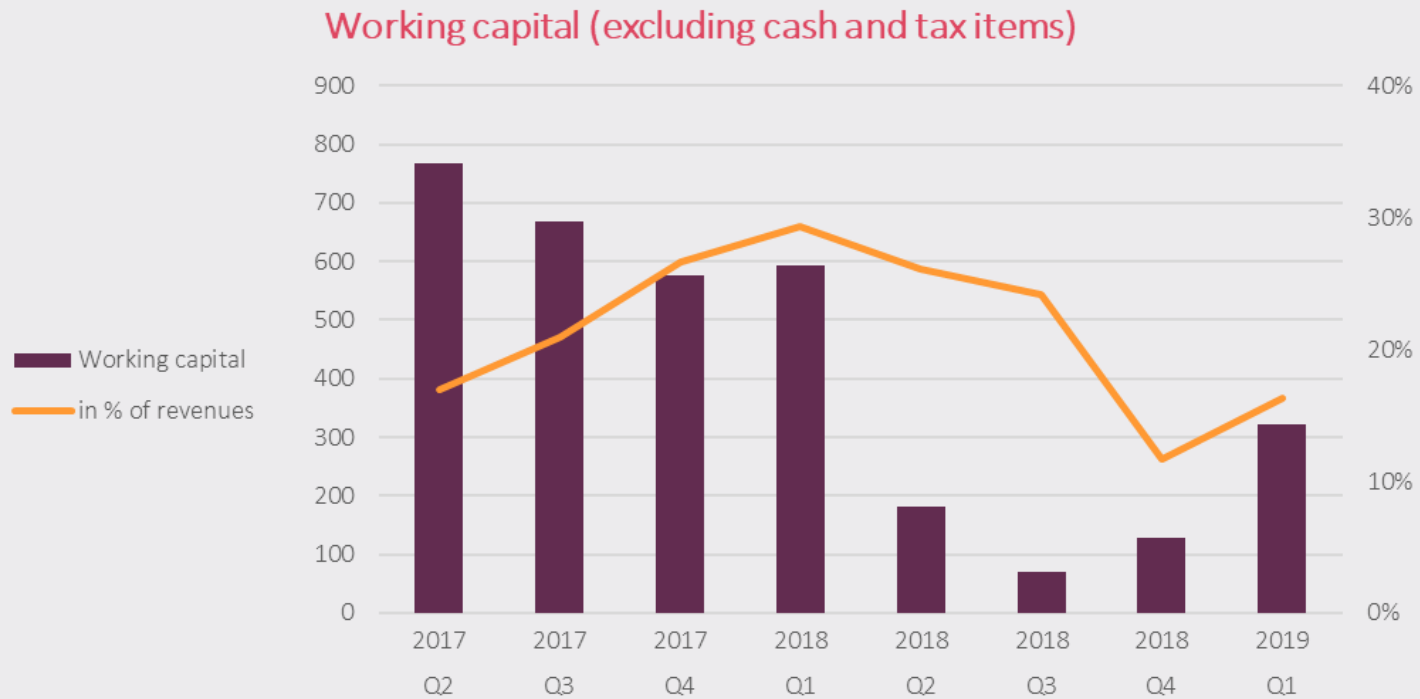


# Operating expenses development



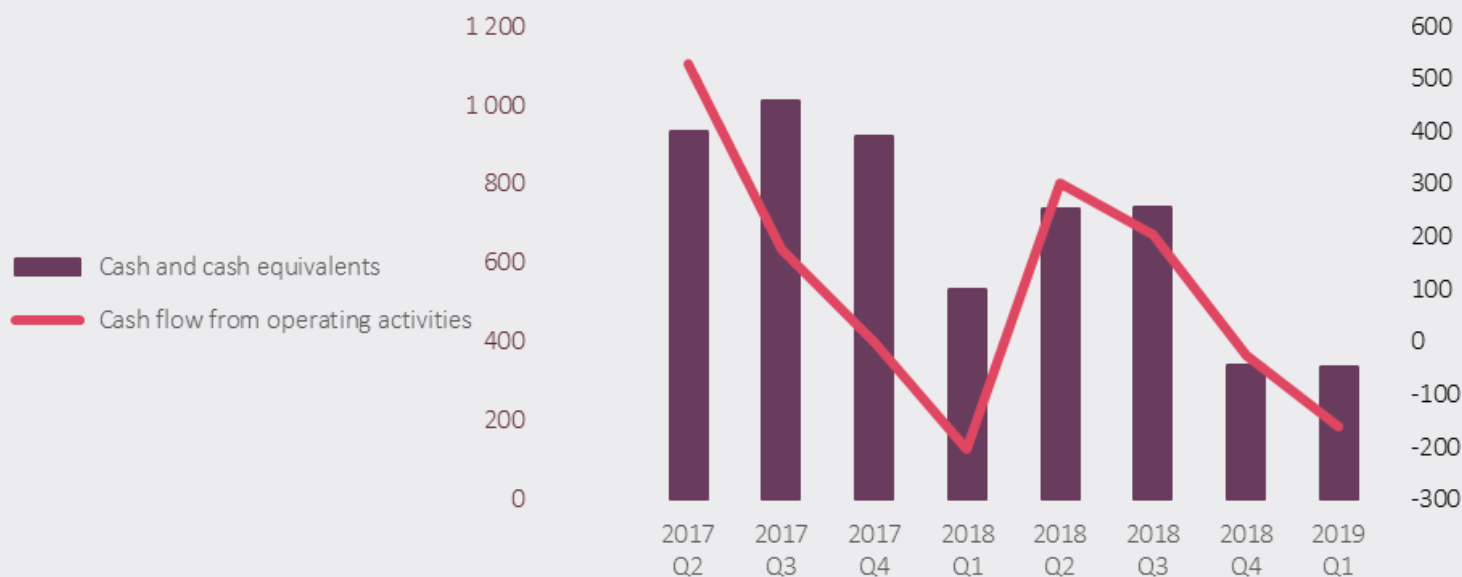
\* Excluding restructuring costs

# Working capital development



# Q1 2019 Cash flow and net cash trend

Cash and cash equivalents and cash flow, MSEK



# Seasonal effect and delayed receivables

- ⦿ Cash flow in Q1 2019 impacted by a seasonal effect concerning accounts payable, as well as some delayed receivables, which were settled during the week following the end of the quarter.
- ⦿ As at May 10, our cash position had increased by SEK 108 million since March 31, and amounted to SEK 446 million.
- ⦿ Order inflow continued to trend favorably at the beginning of Q2.
- ⦿ The shift to our fourth-generation capacitive sensors continues in Q2 and we expect a positive impact on gross margin.
- ⦿ We have reached our targeted annual OPEX run rate of less than 400 million.
- ⦿ EBITDA continued to improve in Q1.



# THANK YOU!



FINGERPRINTS