

FINGERPRINT CARDS

Q2 2019

AUGUST 15, 2019



FINGERPRINTS

Q2 2019 Summary

Revenues	Margins & profitability	Highlights
<ul style="list-style-type: none">Revenues: SEK 382 (390) M, a 2% decrease year-over-year (-12% in constant currency terms)	<ul style="list-style-type: none">Gross profit: SEK 84 M (-246)Gross Margin: 22% (-63)EBITDA: SEK 44 M (-402)EBITDA margin: 12% (-103)Operating profit: SEK 6 M (-578)Operating margin: 2% (-148)Operating Cash Flow: SEK 180 M (302)Net Profit: SEK 2.7 M (-467.9)Net cash: SEK 486 M (440)	<ul style="list-style-type: none">Strengthened market position in capacitive sensorsOne additional market test of biometric payment cards, by Crédit Agricole in FranceFingerprints' technology is used in all 20 market trials of contactless biometric payment cards announced to date



BUSINESS UPDATE

Market launches and business development in Q2 2019

- ⊙ 14 mobile devices launched by 9 OEM customers
- ⊙ Fingerprints' FPC1145 sensor is used in two Chromebooks that were launched during the quarter, targeted to the enterprise market
- ⊙ One additional market test in the smart card area, by Crédit Agricole in France, using Fingerprints' technology
- ⊙ Fingerprints' T-Shape sensor is integrated in BeamU, a product that enables secure access to online services and secure offline data storage



Samsung: a potential new smartphone OEM customer

- ① Fingerprints' technology will likely be included in a Samsung smartphone model, the Galaxy A10s.
- ① However, there is also a possibility that technology from alternative suppliers will be used.
- ① Fingerprints has received orders and delivered sensors within the context of this project.
- ① Fingerprints is also working on an additional production project that could potentially lead to Fingerprints' technology being included in another future smartphone model from Samsung.

Progress against strategic priorities

Strategic priority	Progress in Q2 2019
Defending and leveraging our strong position in the mobile market	<ul style="list-style-type: none">✓ Strengthened market position in capacitive sensors for smartphones✓ Product cost out programs continue as planned – plan to launch next sensor generation in the near future, based on FPC1511✓ Qualification process progressing for our optical in-display sensor (FPC1610)
Positioning the company for growth in new markets	<ul style="list-style-type: none">✓ Fingerprints is partnering with Giesecke + Devrient Mobile Security to launch biometric payment cards that use our T-Shape sensor✓ One additional market test announced in the biometric smart card area, by Crédit Agricole in France✓ In July, our partner NXP announced that the company's module for biometric payment cards – incorporating Fingerprints' T-Shape sensor – has been certified by Mastercard.

All 20 contactless biometric payment card market trials announced to date use Fingerprints' technology

1. GERMANY
AirPlus
Sep 2017

2. CYPRUS
Bank of Cyprus
Jan 2018

3. USA
MACU
Jan 2018

4. LEBANON
Areeba
April 2018

5. JAPAN
JCB
Apr 2018



6. FRANCE
Société Générale
Oct 2018
Crédit Agricole
Jun 2019

7. ITALY
Intesa Sanpaolo
Nov 2018

8. MIDDLE EAST REGION
10 different banks
Nov 2018

9. UK
RBS
Natwest
March 2019

Summary

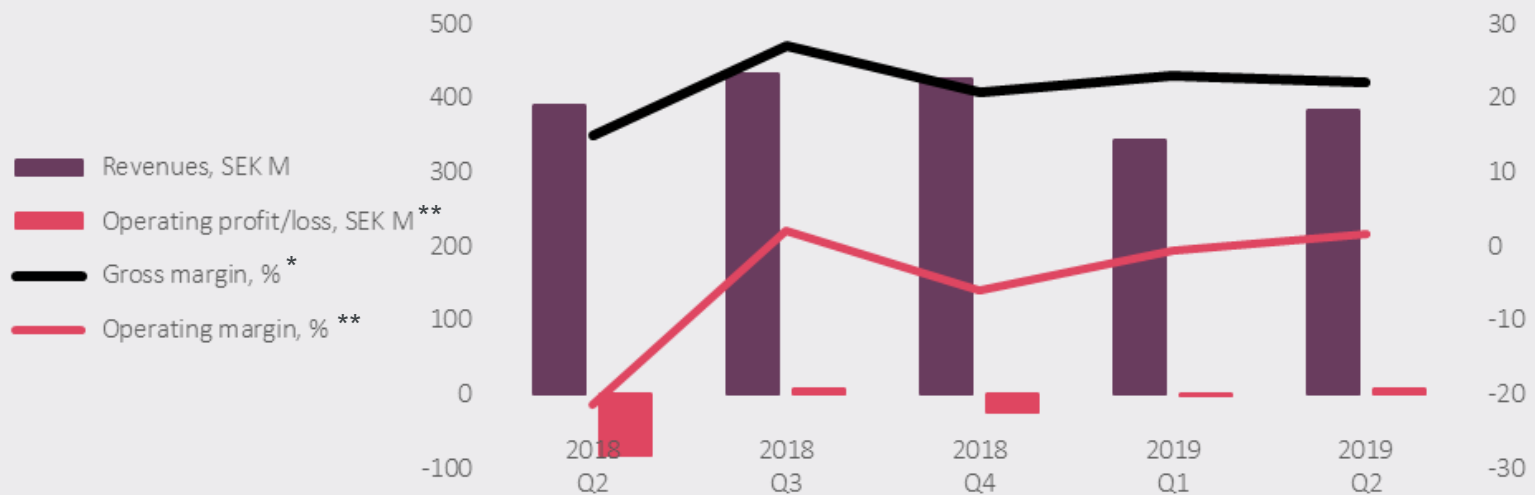
- ① Stronger market position in capacitive sensors.
- ① Positive net earnings and continued positive EBITDA trend.
- ① Preparing for launch of next-generation capacitive sensor, based on FPC1511.
- ① Qualification process of FPC1610, our optical in-display sensor, is progressing
- ① One additional biometric card market trial announced during the quarter, using Fingerprints technology.
- ① Fingerprints is partnering with Giesecke + Devrient Mobile Security to launch biometric payment cards that use our T-Shape sensor. The card which was developed under the framework of this partnership is being used in the above-mentioned market test, conducted by Crédit Agricole.
- ① In July 2019, our partner NXP announced that the company's module for biometric payment cards – incorporating Fingerprints' T-Shape sensor – has been certified by Mastercard.

A large, faint fingerprint graphic is centered in the background of the slide. The lines of the fingerprint are a slightly darker shade of teal than the background, creating a subtle watermark effect.

Q2 2019 FINANCIAL RESULTS

Q2 2019 Financial performance

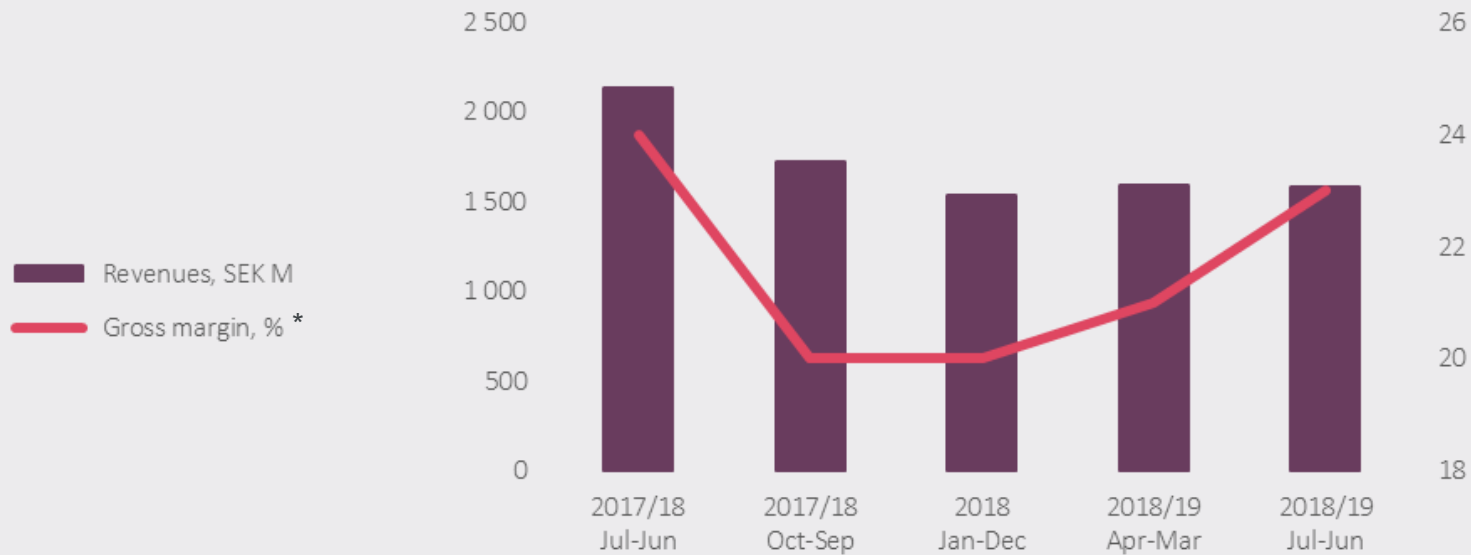
Revenues, Operating profit/loss, Gross margin and Operating margin, quarters.



* Excluding non-recurring items in Q2 2018 (SEK 305 million inventory write-down)

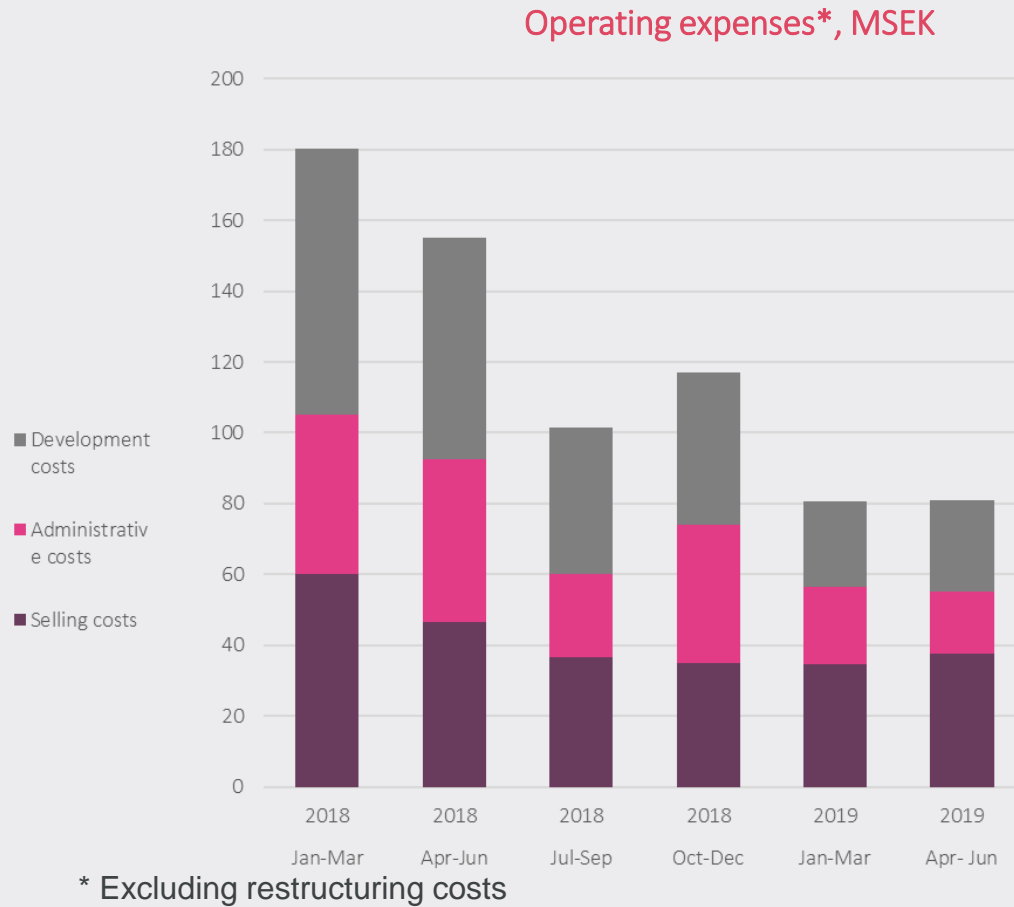
** Excluding non-recurring items in Q2 2018 (a SEK 305 million inventory write-down, a SEK 43.2 million restructuring cost and a SEK 146.6 million write-down of capitalized R&D projects)

Revenue and gross margin*, rolling 12 months



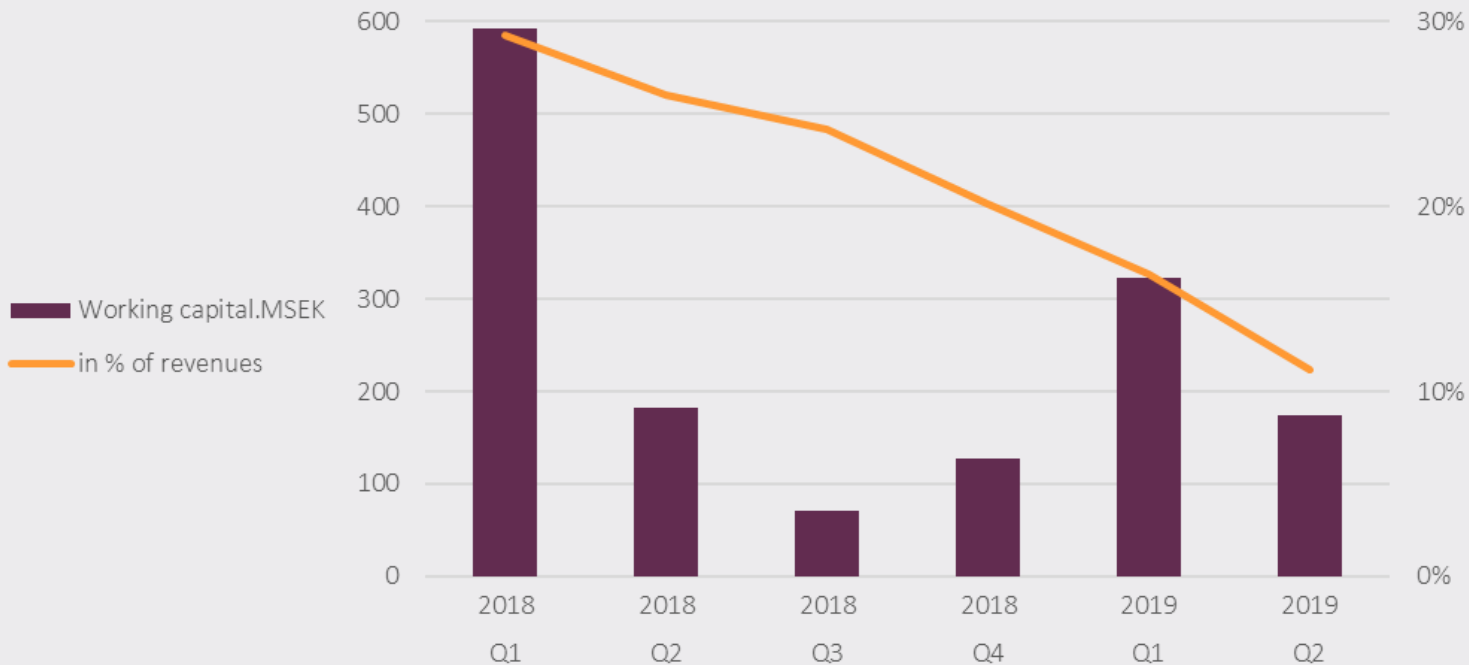
* Excluding non-recurring items in Q2 2018 (SEK 305 million inventory write-down)

Operating expenses development



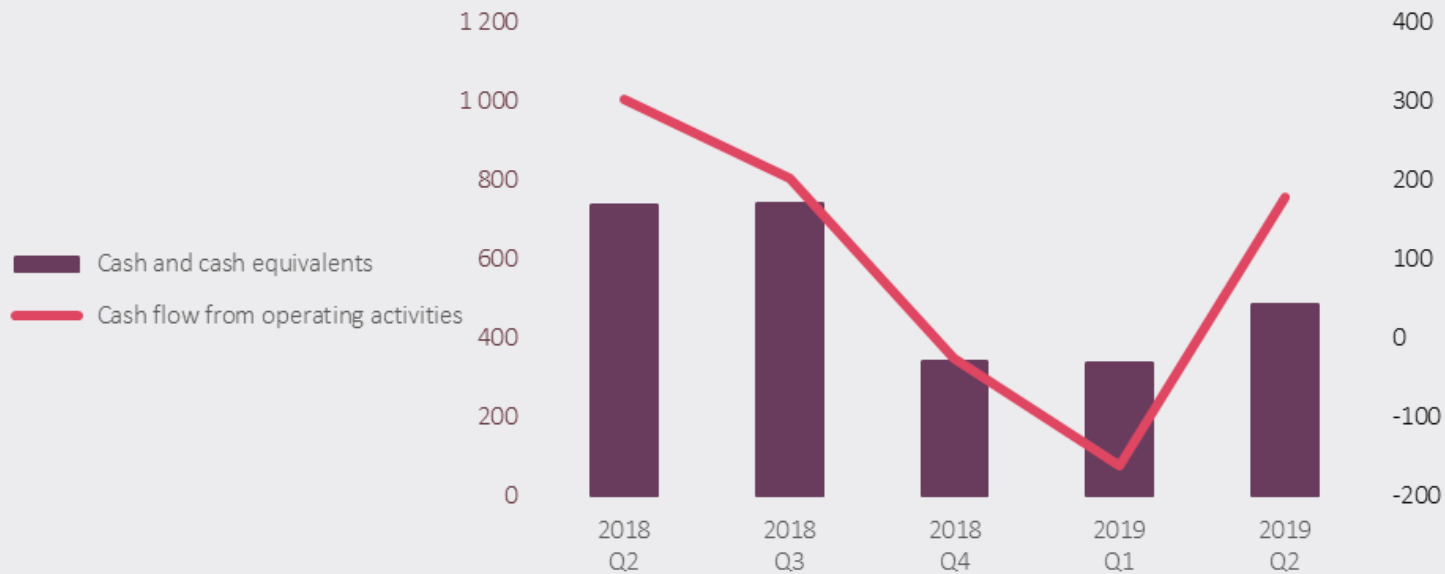
Working capital development

Working capital (excluding cash and tax items)



Q2 2019 Cash flow and net cash trend

Cash and cash equivalents and cash flow, MSEK





THANK YOU!



FINGERPRINTS