# Q4 2019 Summary

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Margins &amp; profitability</th>
<th>Highlights</th>
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<tbody>
<tr>
<td><strong>Revenues:</strong> SEK 381 M (424), a 10% decrease year-over-year</td>
<td><strong>Gross profit:</strong> SEK 88 M (88)</td>
<td><strong>8 percent sequential revenue increase</strong></td>
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<td><strong>Gross Margin:</strong> 23% (21)</td>
<td><strong>Product portfolio expanded</strong></td>
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<td><strong>EBITDA:</strong> SEK 13 M (9)</td>
<td><strong>Fingerprints’ technology was used in the world’s first commercial launch of biometric credit cards</strong></td>
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<td><strong>EBITDA margin:</strong> 3% (2)</td>
<td><strong>We expect a dampening effect on our operations from the Corona virus outbreak, but the extent is still unclear</strong></td>
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<td><strong>Operating profit:</strong> SEK -15 M (-26)</td>
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<td><strong>Operating margin:</strong> -4% (-6)</td>
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<td><strong>Operating Cash Flow:</strong> SEK 82 M (-26)</td>
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<td><strong>Net Profit:</strong> SEK -19 M (-18)</td>
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<td><strong>Net cash:</strong> SEK 534* M (540)</td>
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* Interest-bearing liabilities consist of leasing liabilities for office premises amounting to SEK 29.7 million, reported according to IFRS 16 starting in 2019.
BUSINESS UPDATE
Market launches and business development in Q4 2019

- 12 mobile devices with our sensors launched by 7 OEM customers.
- Other products launched with our sensors included two Chromebooks, a smart suitcase and a door lock.
- FPC1540, a thin side-mounted sensor was launched.
- Touchless 2.0 launched, combining iris- and face recognition.
- Fingerprints part of the world’s first commercial launch of biometric payment cards, by Cornèrcard in Switzerland.
- Fingerprints’ technology used in biometric payment card by Thales, certified by Mastercard (January 2020).
21 of 21
CONTACTLESS
BIOMETRIC
PAYMENT CARD
PILOTS
+
1 out of 1
COMMERCIAL
LAUNCHES
High consumer preference for biometric payment cards

Consumers in China want biometric cards! Despite 56% using mobile payments

Source: Fingerprints in collaboration with Kantar, Dec 2019. Base: 1,200 online population in UK, France, China
Positive feedback from market trials

- High customer engagement and interest
- High user satisfaction: Easy to use, fast, secure, look & feel, “wow”
- Willingness to pay

- Home enrollment preferred - various ways to enroll exist, e.g. Thales sleeve)
- Limited number of POS terminals have old software releases, requiring upgrade that will be fixed by schemes.
- Payment cap can be removed
# Progress against strategic priorities

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<tr>
<th>Strategic priority</th>
<th>Progress in Q4 2019</th>
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<tbody>
<tr>
<td>Defending and leveraging our strong position in the</td>
<td>✓ Launch of FPC1540, a slim side-mounted capacitive sensor for mobile devices</td>
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<td>mobile market</td>
<td>✓ Launched Touchless 2.0 platform, combining the convenience of face recognition with the security of iris</td>
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<td>✓ Continuing our work to capture a position in the growing market for under-display sensors</td>
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<td>Positioning the company for growth in new markets</td>
<td>✓ Fingerprints technology used in world’s first limited commercial launch of biometric credit cards</td>
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<td>✓ Biometrics by Fingerprints in UK’s first biometric credit card pilot</td>
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<td>✓ FPC BM-Lite was launched, a unique fingerprint authentication module designed for physical and logical access devices</td>
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Summary

- Good sales development, especially in capacitive sensors for smartphones
- Focus on improving gross margin, not least by expanding product portfolio
- Expanded product portfolio: FPC1540 and Touchless 2.0
- Our ambition of capturing a significant share of the under-display market remains.
- One additional biometric card market trial announced during the quarter, using Fingerprints’ technology
- Fingerprints’ technology was used in the world’s first commercial launch of biometric credit cards
Q4 2019 FINANCIAL RESULTS
Q4 2019 Financial performance

Revenues, Operating profit/loss, Gross margin and Operating margin, quarters.
Revenue and gross margin*, rolling 12 months

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

Operating expenses*, MSEK

- Development costs
- Administrative costs
- Selling costs

* Excluding restructuring costs
Core working capital development

Core working Capital, SEK M *
in % of revenue **

* Accounts receivable + Inventory – Accounts payable
** Rolling 12-month revenue
Cash flow and net cash trend

Cash and cash equivalents and cash flow, MSEK

- Cash and cash equivalents
- Cash flow from operating activities

2018 Q4 2019 Q1 2019 Q2 2019 Q3 2019 Q4
Links to additional information

- Financial reports and presentations: https://www.fingerprints.com/investors/reports-presentations/
- Blog: https://www.fingerprints.com/blog/
- Download center (eBooks, whitepapers, product information, etc.): https://www.fingerprints.com/downloads-resources/
THANK YOU!