

FINGERPRINT CARDS

Q1 2020

MAY 4, 2020



FINGERPRINTS

Q1 2020 Summary

Revenues	Margins & profitability	Highlights
<ul style="list-style-type: none">Revenues: SEK 310 M (343), a 10% decrease year-over-year	<ul style="list-style-type: none">Gross profit: SEK 74 M (79)Gross Margin: 24% (23)EBITDA: SEK 12 M (36)EBITDA margin: 4% (10)Operating profit: SEK -18 M (-2)Operating margin: -6% (-1)Operating Cash Flow: SEK -38 M (-161)Net Profit: SEK -4 M (-4)Net cash: SEK 460* M (299)	<ul style="list-style-type: none">Revenue impacted by supply chain disruptions in AsiaWe have adapted work routines and business operations have continued in a good wayIncreased market share in capacitive sensors for smartphonesExpanded our biometric software platform for access controlSigned global software license agreement and sensor volume agreement with FEITIAN



BUSINESS UPDATE

Coronavirus outbreak impact and response

- ① We have been facing capacity constraints with suppliers and restrictions on goods transports
- ① Continued insufficient access to production capacity expected, although the situation has improved as restrictions have been lifted in Asia
- ① Global economic slowdown expected to affect sales
- ① Work routines adapted to protect the health and well-being of our employees, customers and partners, and to contribute to decreasing the spread of the virus
- ① R&D has been able to maintain full focus on development projects, and we have continued to strengthen our market position

Market launches and business development in Q1 2020

- ⊗ Several smartphones launched with latest generation sensors, e.g. Realme X50 with FPC1540 and Moto G Power with FPC1520
- ⊗ FPC1145 sensor in Samsung's Galaxy Chromebook and in Asus Flip C436
- ⊗ Expansion of our Biometric Software Platform (FPC-BEP) for access control solutions
- ⊗ Global software license agreement and sensor volume agreement with FEITIAN



Increasing interest in biometrics for access control applications

“FINGERPRINT CARDS EXPANDS BIOMETRIC SOFTWARE FOR ACCESS CONTROL”

“BIOMETRICS BY FINGERPRINTS IN BIOMETRIC DOOR LOCKS BY FUEB LABS”

“BIOMETRICS BY FINGERPRINTS IN FIRST GALAXY CHROMEBOOK BY SAMSUNG”

“BIOMETRICS BY FINGERPRINTS IN SMART PADLOCK BY ARAN TECNOVATION”

“FINGERPRINTS EXPANDS ACCESS CONTROL PORTFOLIO WITH TWO CAPACITIVE TOUCH SENSORS”

“FINGERPRINTS AND FEITIAN ENTER GLOBAL SOFTWARE LICENSE AND SENSORS VOLUME AGREEMENT FOR BIOMETRIC CARDS AND ACCESS DEVICES”

“BIOMETRICS BY FINGERPRINTS IN NEW CHROMEBOOK BY ASUS”



Progress against strategic priorities

Strategic priority	Progress in Q1 2020
Defending and leveraging our strong position in the mobile market	<ul style="list-style-type: none">✓ Increased market share in capacitive sensors for smartphones✓ Our latest-generation sensors included in several smartphones <p>Continuing our work to capture a position in the growing market for under-display sensors</p>
Positioning the company for growth in new markets	<ul style="list-style-type: none">✓ Global license agreement signed with FEITIAN for Fingerprints software platforms for payments and access, FPC-BEP, together with a sensor volume agreement✓ Samsung's premium Galaxy Chromebook features Fingerprints' FPC1145 sensor✓ Several biometric locks launched with our sensors✓ Expanded our Biometric Software Platform (FPC-BEP) for access control solutions

Summary

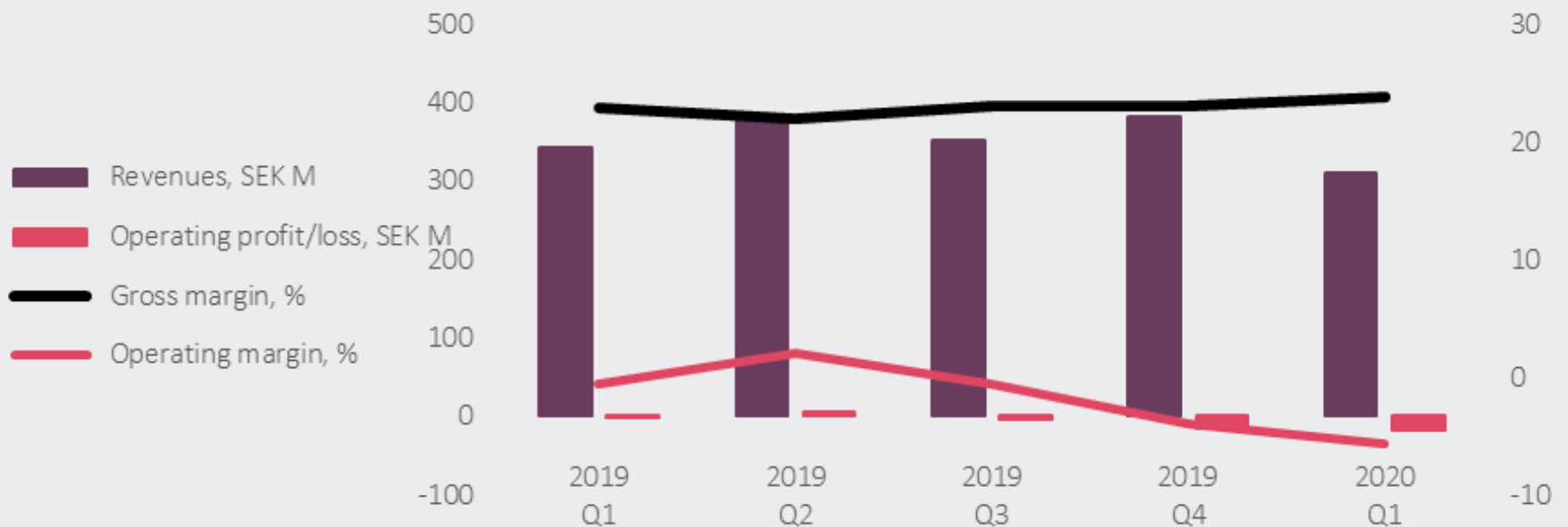
- ① Coronavirus outbreak impacted our revenue in Q1, mainly due to supply chain disruptions in Asia. We expect continued impact from this as well as from lower smartphone demand due to economic slowdown.
- ① We strengthened our market position in capacitive sensors for smartphones.
- ① Our ambition of capturing a significant share of the under-display market remains.
- ① Strengthened product portfolio and market position in Payments & Access
 - ① Expanded our biometric software platform for access control
 - ① Two touch sensors launched for Access applications
 - ① Signed global software license agreement and sensor volume agreement with FEITIAN
 - ① FPC-BEP and T-Shape passed the accuracy and security test performed by Bank Card Test Center (BCTC) in China

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.

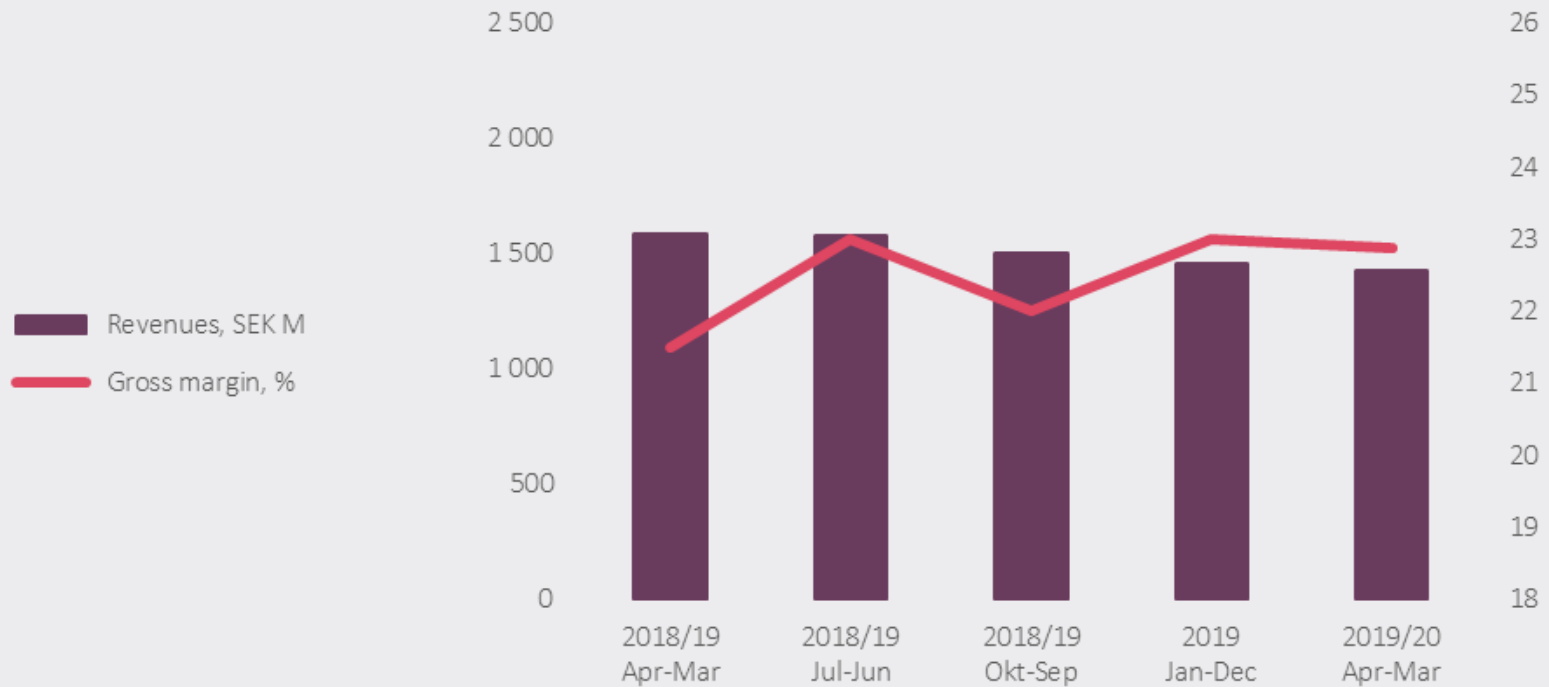
Q1 2020 FINANCIAL RESULTS

Q1 2020 Financial performance

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



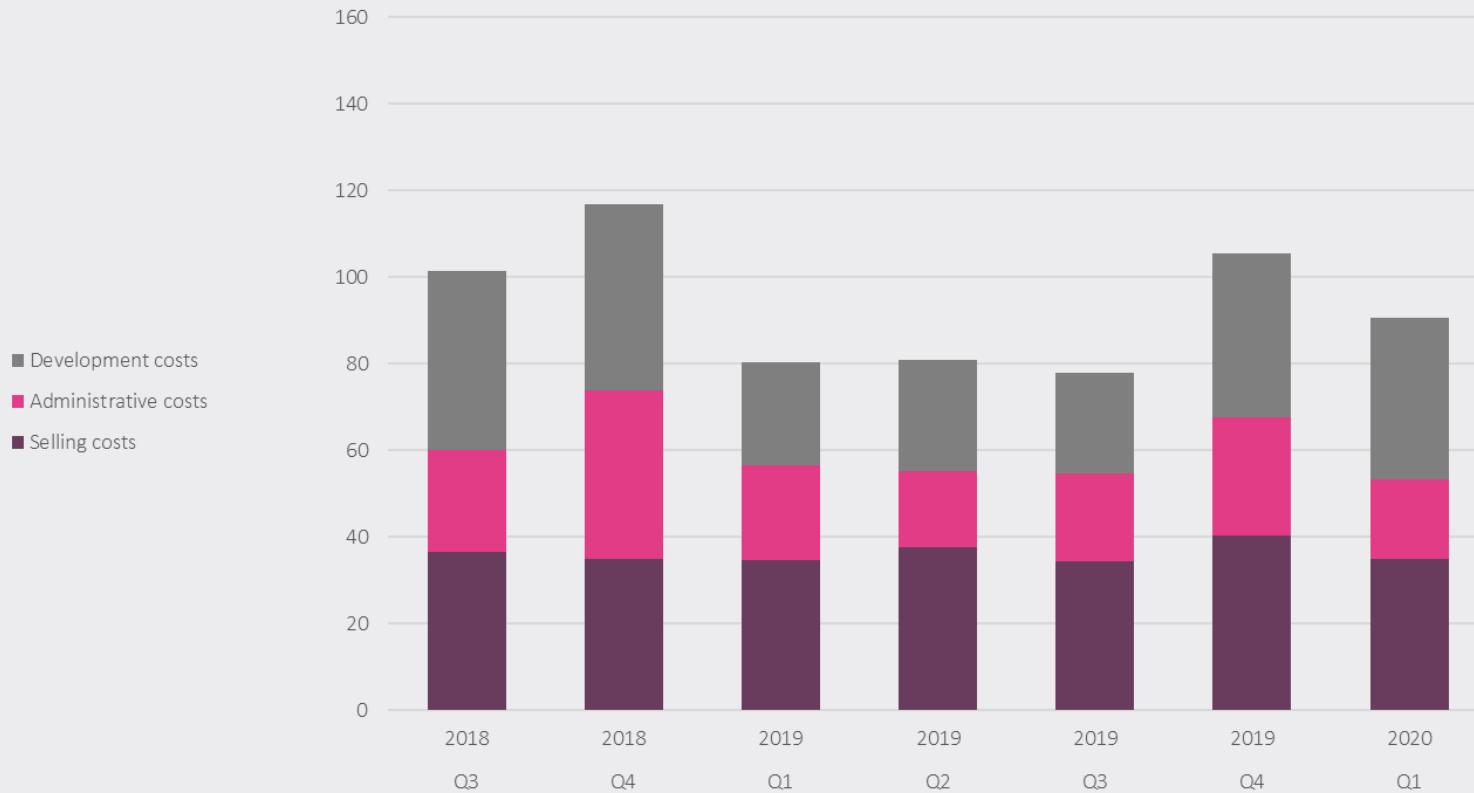
Revenue and gross margin*, rolling 12 months



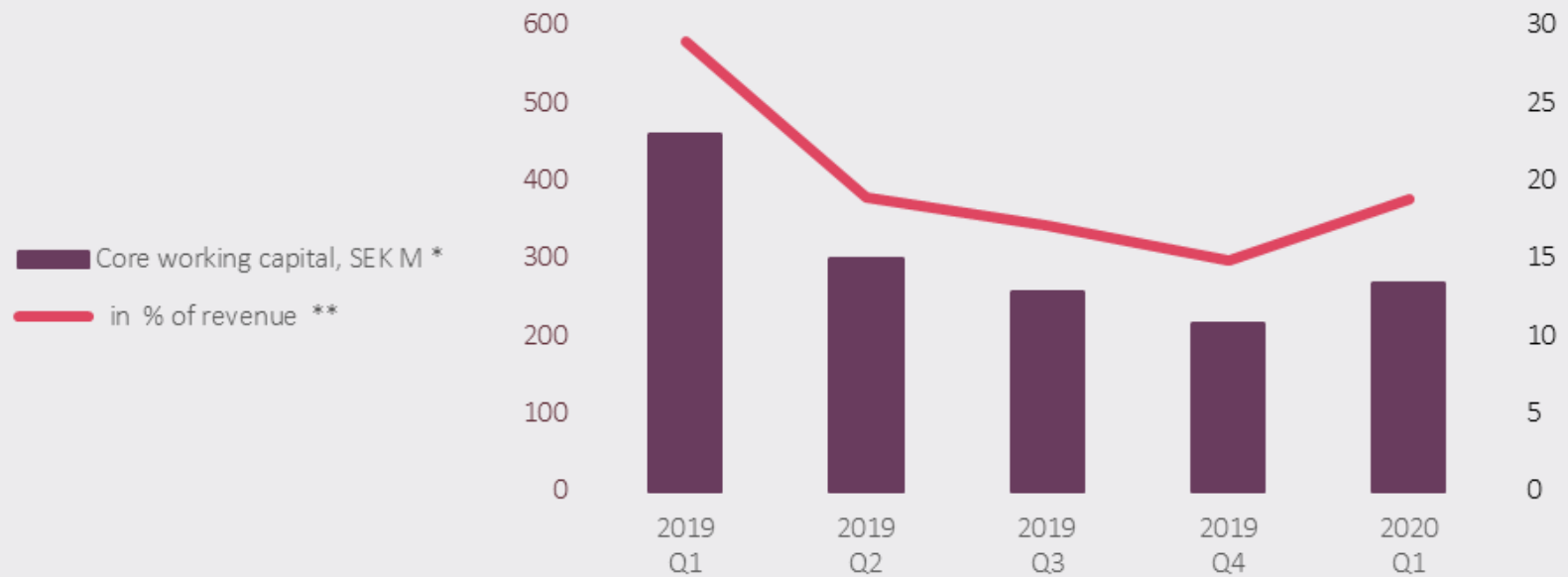
* Excluding non-recurring items in Q2 2018 (SEK 305 million inventory write-down)

Operating expense development

Operating expenses, MSEK



Core working capital development



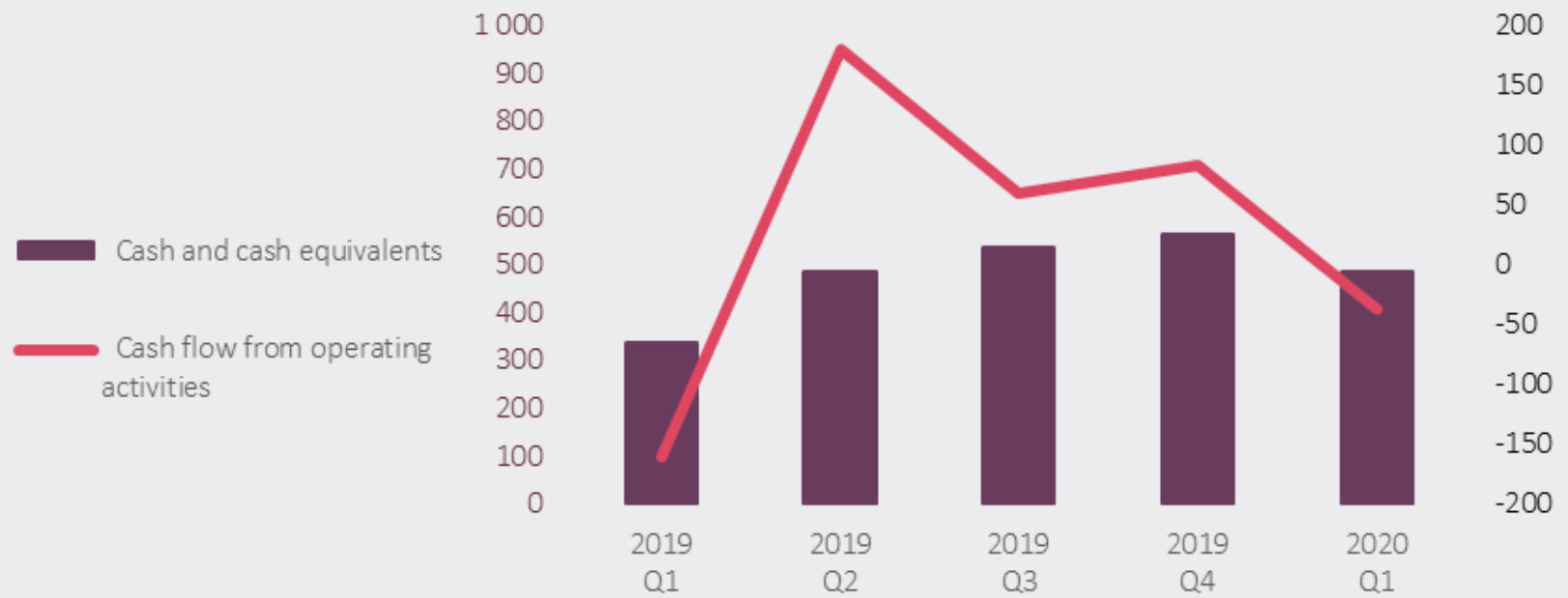
* Accounts receivable + Inventory – Accounts payable

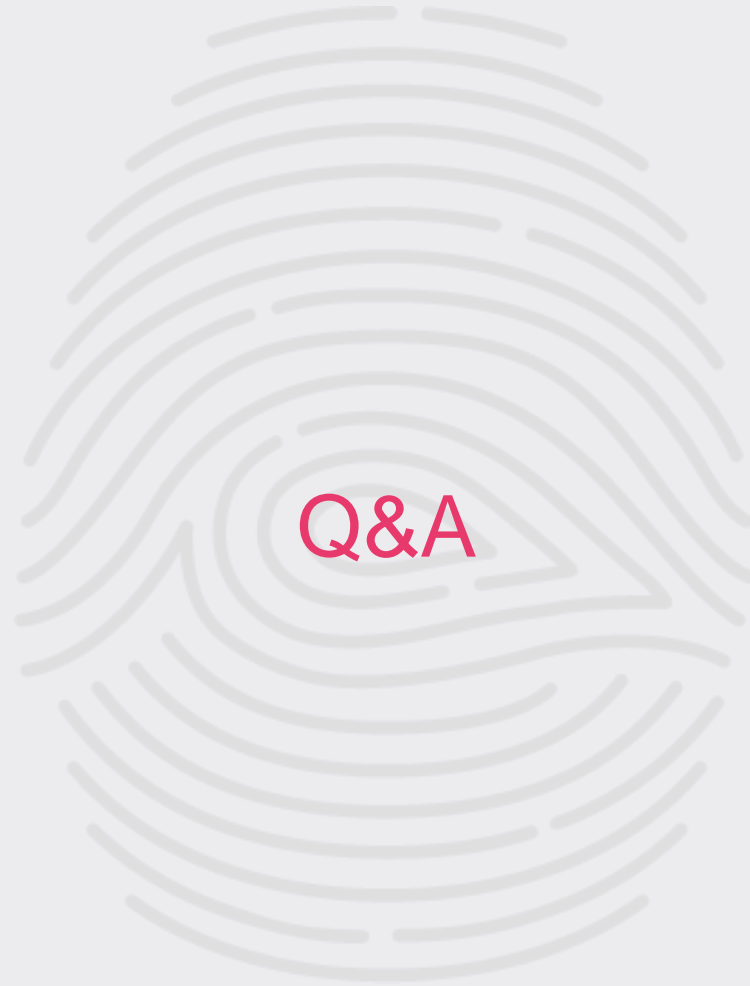
** Rolling 12-month revenue

Cash flow and net cash trend

- During the first quarter of 2020, shares were bought back for SEK 35,1 M

Cash and cash equivalents and cash flow, MSEK





Links to additional information

- ① Financial reports and presentations: <https://www.fingerprints.com/investors/reports-presentations/>
- ① Press releases: <https://www.fingerprints.com/newsroom/press-releases/>
- ① News items: <https://www.fingerprints.com/newsroom/news-stories/>
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THANK YOU!



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