

FINGERPRINT CARDS

Q2 2020

AUGUST 13, 2020



FINGERPRINTS

Q2 2020 Summary

Revenues	Margins & profitability	Highlights
<ul style="list-style-type: none">Revenues: SEK 282 M (382), a 26 % decrease year-over-year	<ul style="list-style-type: none">Gross profit: SEK 61 M (84)Gross Margin: 21% (22)EBITDA: SEK 7 M (44)EBITDA margin: 2 % (12)Operating profit: SEK -17 M (6)Operating margin: -6% (2)Operating Cash Flow: SEK 81 M (180)Net Profit: SEK -22 M (3)Net cash: SEK 409* M (453)	<ul style="list-style-type: none">Continued healthy demand for our sensorsRevenue negatively impacted by insufficient access to production capacityExpanded our product portfolio for access controlFingerprints' iris recognition technology implemented at South Korean hospital



BUSINESS UPDATE

Market launches and business development in Q2 2020

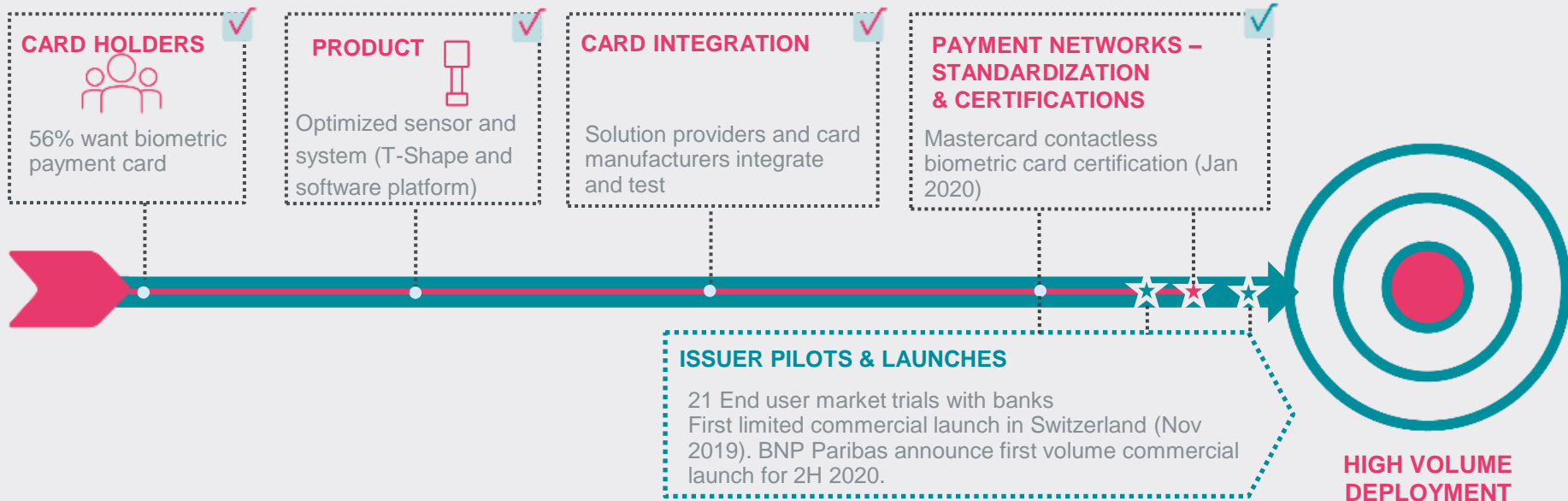
- ⦿ Several smartphones launched with latest generation sensors, e.g. LG K41S and LG K61 with FPC1520, and Xiaomi Redmi Note 9 Pro and Xiaomi Redmi Note 9 Pro Max with FPC1540
- ⦿ FPC1025 launched, a sensor version which is optimized for access devices where every millimeter counts
- ⦿ Fingerprints' iris recognition technology used in an access control system that CMITech implemented at a South Korean hospital
- ⦿ Partnership with STMicroelectronics to develop Biometric System-on-Card (announced beginning of July)



Progress against strategic priorities

Strategic priority	Progress in Q2 2020
Defending and leveraging our strong position in the mobile market	<ul style="list-style-type: none">✓ Market leader in capacitive sensors for smartphones✓ Our latest-generation sensors included in several smartphones launched in Q2 <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">✓ Expanded product portfolio in physical and logical access control (FPC1025)✓ Developed new biometric solution for the PC market (launched August 2020)✓ Fingerprints' iris recognition technology implemented at a South Korean hospital

Biometric payment cards: Current status



Payments value chain and examples of Fingerprints partners



FINGERPRINTS

- > Direct engagement with Tier 1 card manufacturers with full capabilities and scale.
- > Tier 2 addressed through leading Secure Element and/or Inlay/Prelam providers with high market shares to aggregate volumes
- > Engaging with most top players, who are performing/planning pilots and commercial launches with top banks
- > Also involved with new and innovative FinTech payment companies

SOLUTION PROVIDERS

Secure Elements

> HED, Infineon, NXP, STMicroelectronics

Inlays

> AdvanIde, CardLab, InterActive Cards, Jinco, Linxens, Silone, TOPPAN, Xcore, YMJ / CET

CARD MANUFACTURERS

> ABCorp, AustriaCard, BioSmart, CompuSecure, CPI, DNP, Feitian, Futurecard, G+D, GoldPac, Hengbao, Idemia, ISRA, Kona-I, MCT, M-Tech, SELP, Thales, Tianyu Toshiba, Valid

CARD ISSUERS / BANKS

> Airplus, Areeba, Bank of Cyprus, BNP Paribas, Cornér bank, Crédit Agricole, Intesa Sanpaolo, JCB, Mountain America Credit Union, Natwest, Royal Bank of Scotland, Société Générale, 10 banks in Middle East

PAYMENT NETWORKS

> American Express, Carte Bancaires, China Unionpay, JCB, Mastercard, Visa

STANDARDIZATION BODIES

> Member of Eurosmart, EMVco subscribers, BCTC



CARD HOLDERS

End users like you and me

Summary

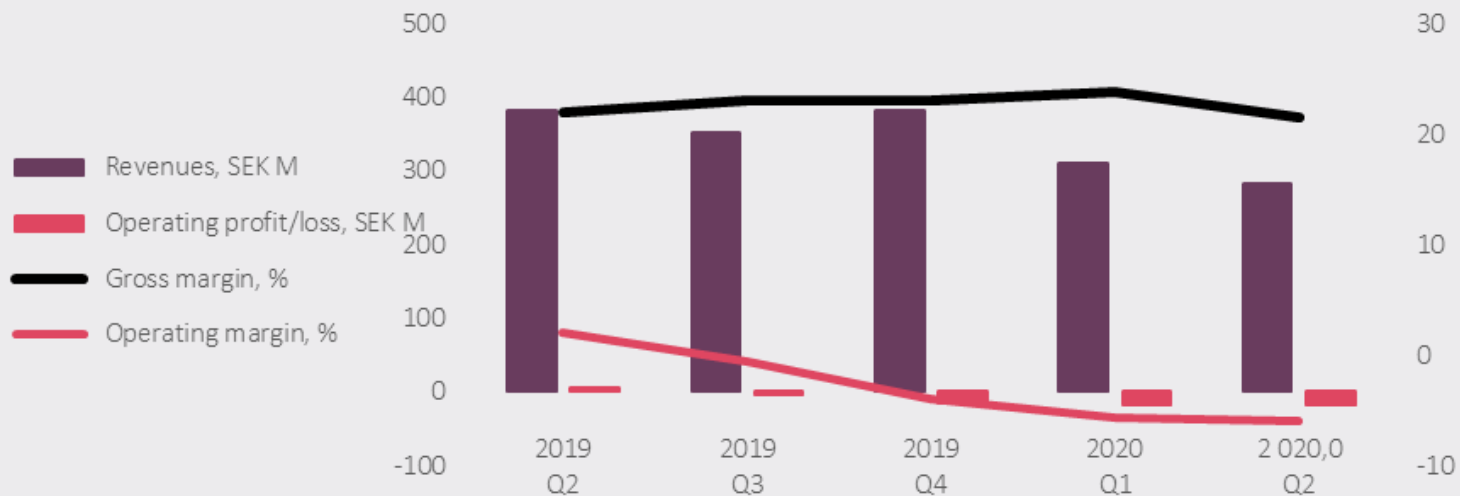
- ① Continued healthy demand for our sensors in the quarter, but revenue and margins were negatively impacted by insufficient access to production capacity
- ① Expanded product portfolio for access control (FPC1025)
- ① Developed new biometric solution for the PC market (launched August 2020)
- ① Focusing on scaling up with the right partners in the biometric payment card value chain
- ① Fingerprints' iris recognition technology implemented at a South Korean hospital

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.

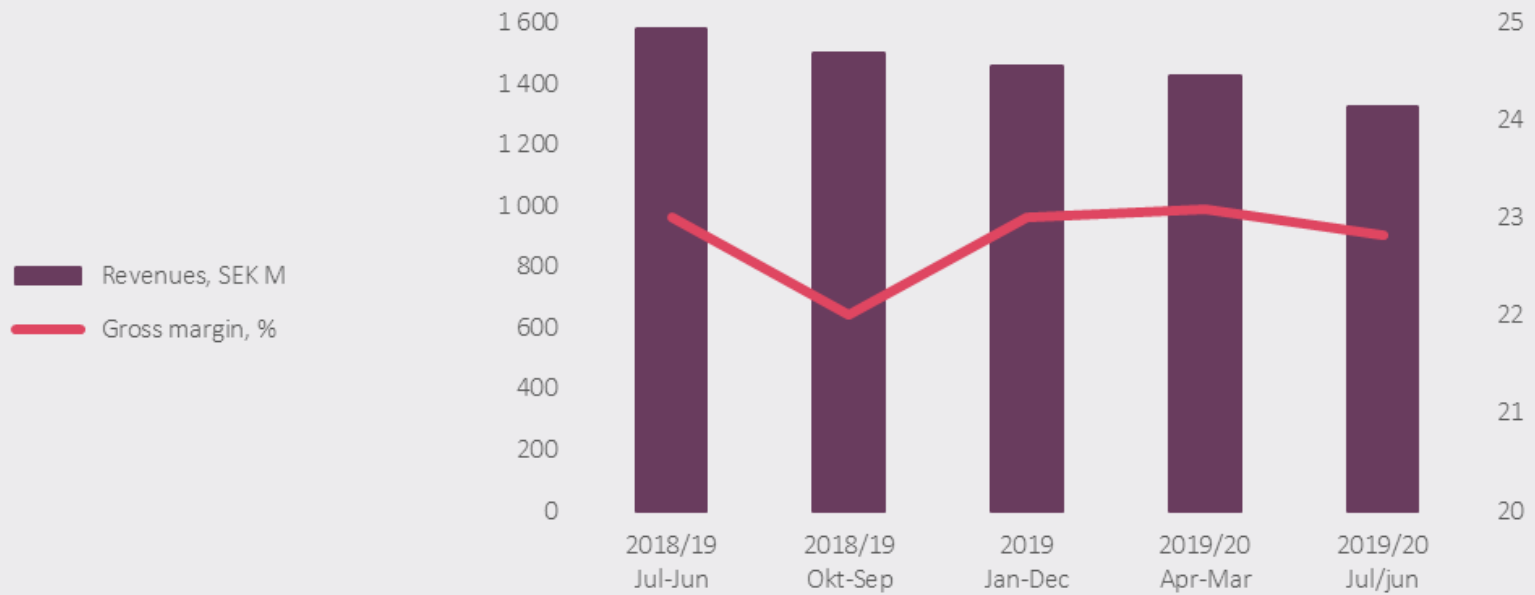
Q2 2020 FINANCIAL RESULTS

Q2 2020 Financial performance

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

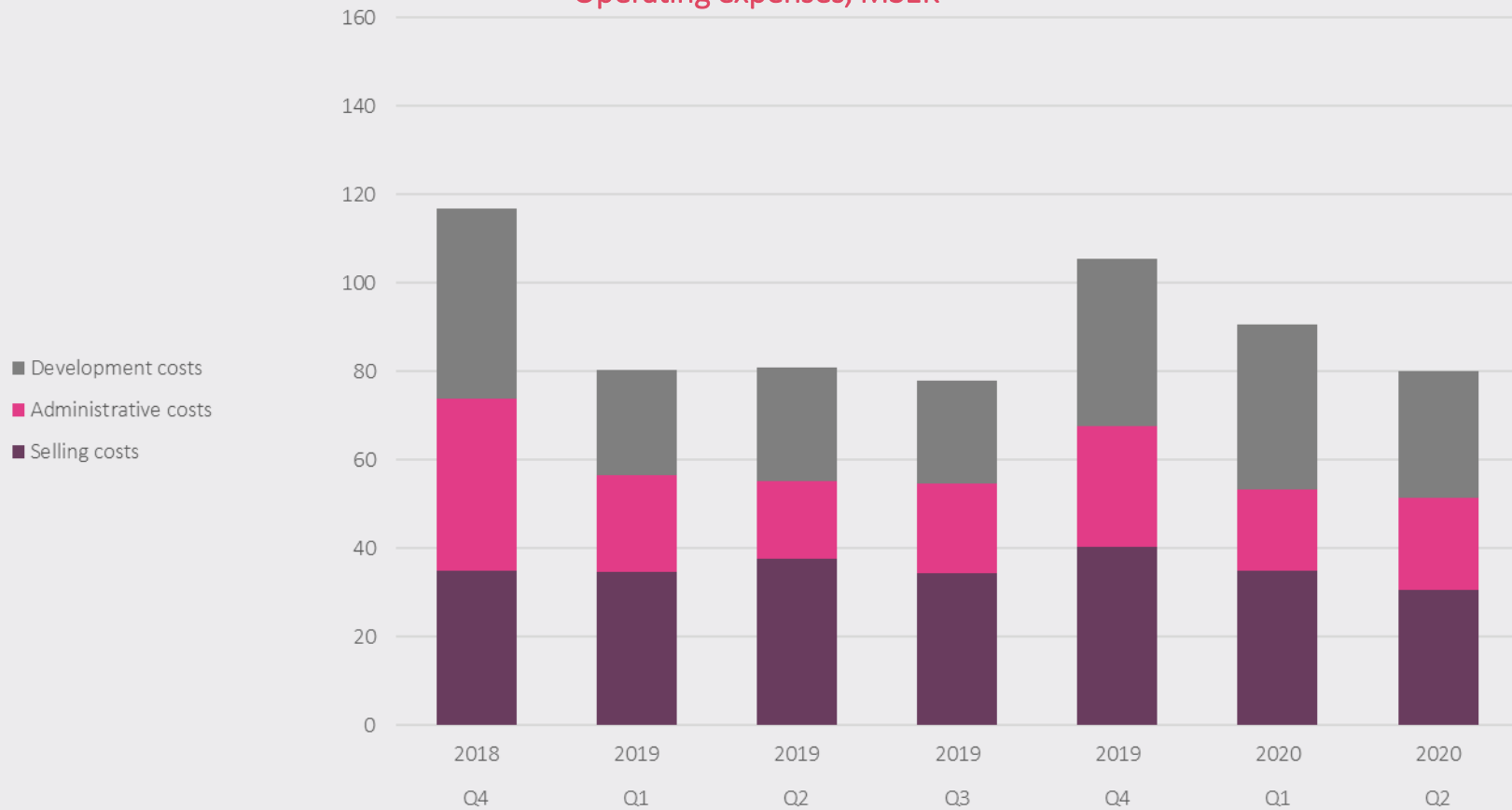


Revenue and gross margin, rolling 12 months

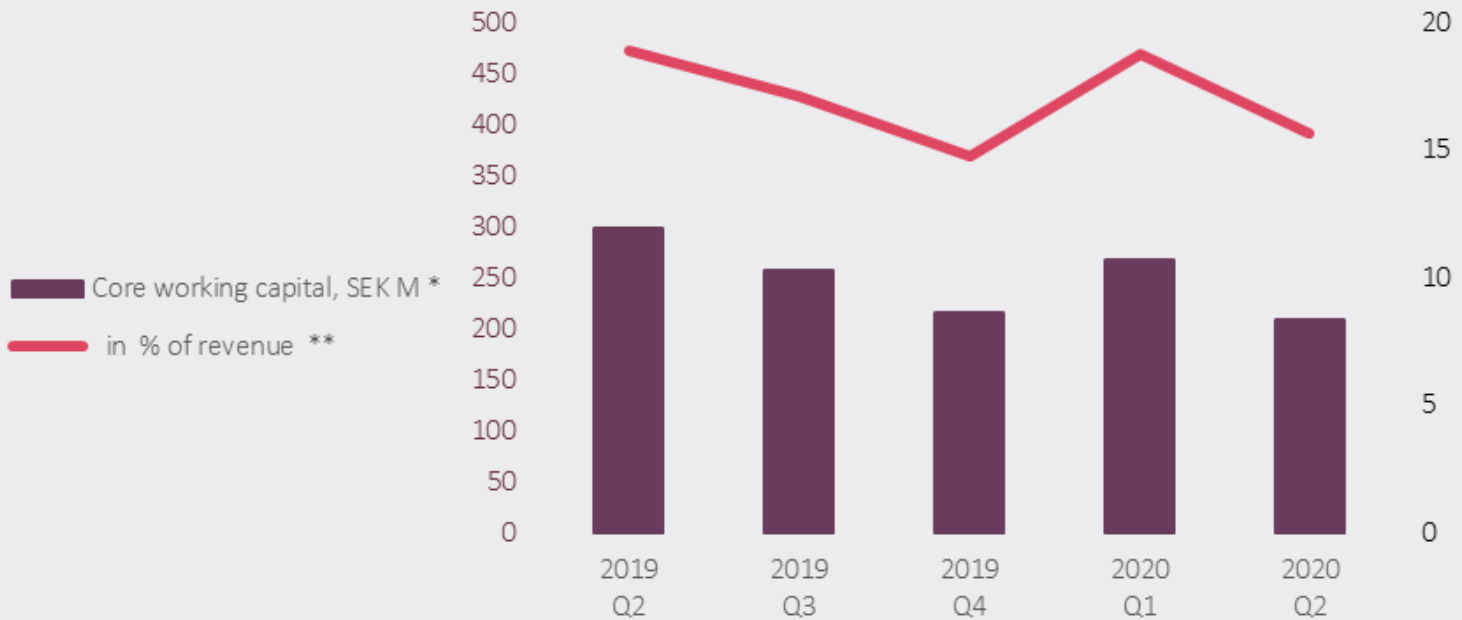


Operating expense development

Operating expenses, MSEK



Core working capital development



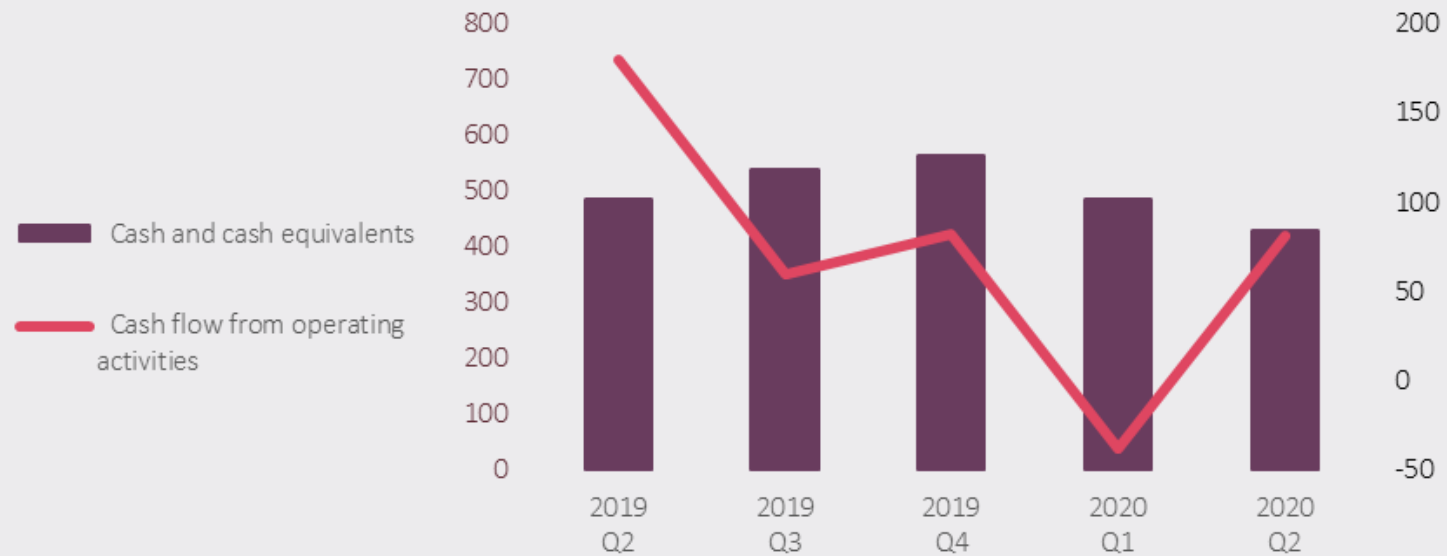
* Accounts receivable + Inventory – Accounts payable

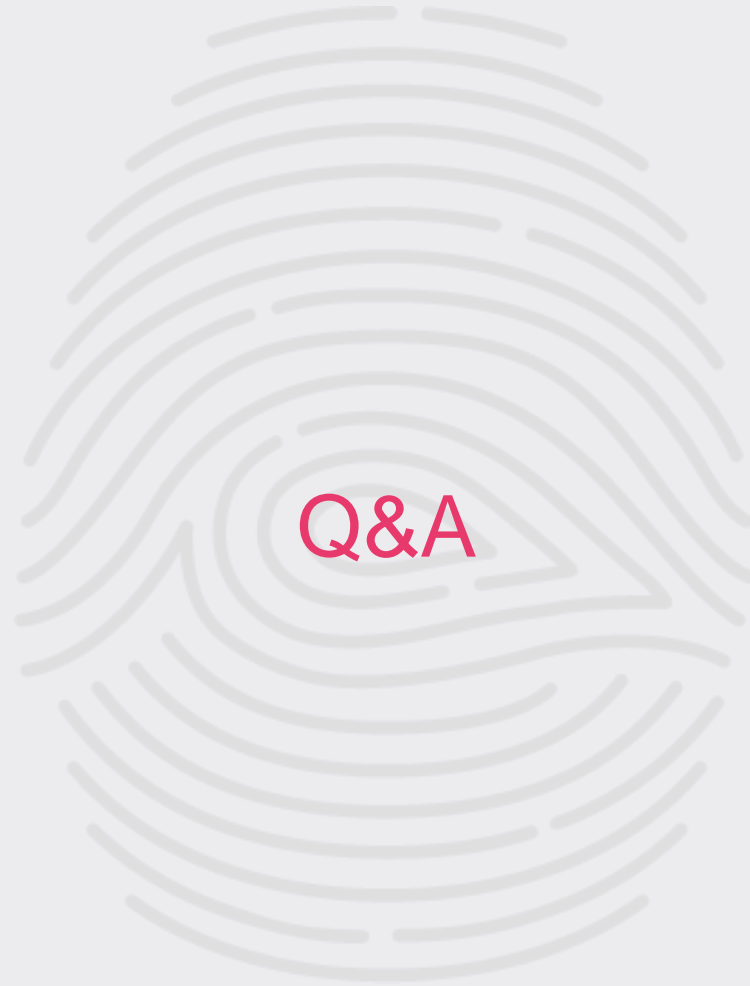
** Rolling 12-month revenue

Cash flow and net cash trend

- During the first half of 2020, shares were bought back for SEK 118,7 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/>
- ① Blog: <https://www.fingerprints.com/blog/>
- ① Download center (eBooks, whitepapers, product information, etc.): <https://www.fingerprints.com/downloads-resources/>

THANK YOU!



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