

FINGERPRINT CARDS

Q3 2020

NOVEMBER 12, 2020



FINGERPRINTS

Q3 2020 Summary

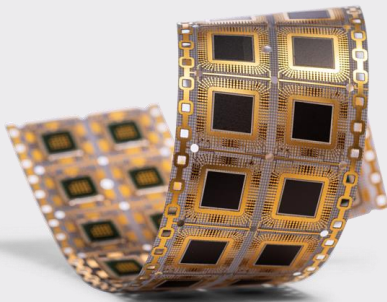
Revenues	Margins & profitability	Highlights
<ul style="list-style-type: none">Revenues: SEK 294 M (352), a 17% decrease year-over-year	<ul style="list-style-type: none">Gross profit: SEK 53 M (80)Gross Margin: 18% (23)EBITDA: SEK 9 M (36)EBITDA margin: 3 % (10)Operating profit: SEK -5 M (-3)Operating margin: -2% (-1)Operating Cash Flow: SEK 68 M (60)Net Profit: SEK -2 M (6)Net cash: SEK 437* M (505)	<ul style="list-style-type: none">Continued healthy demand for our sensorsRevenue and gross margin negatively impacted by insufficient access to production capacityDemand developing well in the PC segmentVisa certified a biometric card from Thales with Fingerprints' technologyPartnerships announced with both Infineon and STMicroelectronics



BUSINESS UPDATE

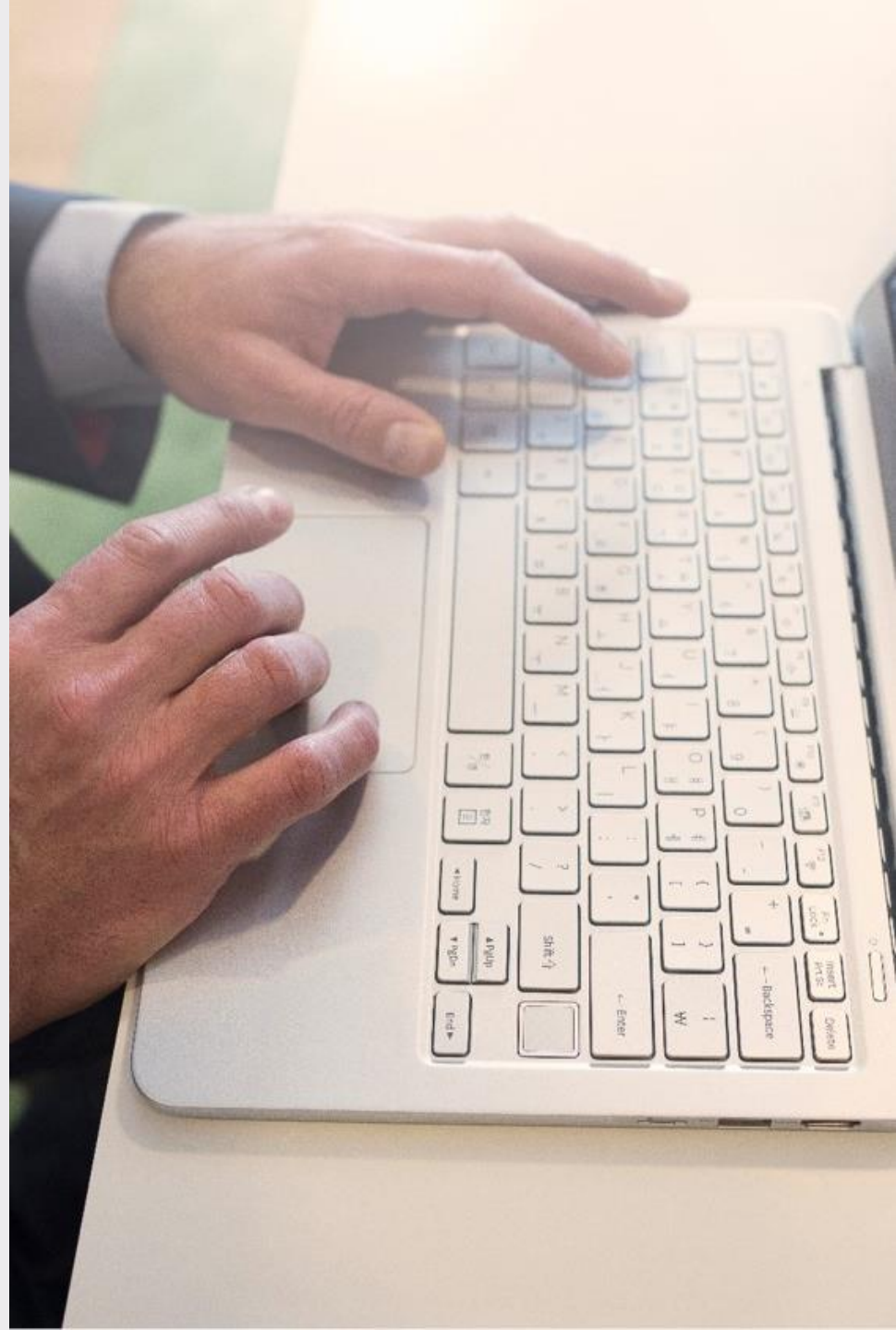
Market launches and business development in Q3 2020

- ⊗ Several smartphones launched with latest generation sensors, including the new customers CAT Phones, Transsion and Vinsmart
- ⊗ Biometrics by Fingerprints in world's first Visa-certified contactless biometric payment card from Thales
- ⊗ Next-gen T-Shape® launched – fastest, smallest, most secure and cost-efficient biometric solution for payment cards on the market
- ⊗ Partnerships announced with both Infineon and STMicroelectronics to develop advanced solutions for biometric payment cards
- ⊗ New solution for the PC market launched



Your next PC will be biometric!

- ⊗ So far, products from Acer, Asus, Google, HP, Huawei, Microsoft and Samsung have launched with sensors from Fingerprints
- ⊗ In August 2020, Fingerprints launched a new solution aimed at the PC market
- ⊗ Design win with major global PC maker announced in October
- ⊗ Large potential market with ~260 million PCs shipped every year
- ⊗ Smartphone customers (including our largest customers) are gaining PC market share
- ⊗ Traditional smartphone module houses (our partners) are now significant players in PCs
- ⊗ Our Scandinavian heritage is a key asset



Progress against strategic priorities

Strategic priority	Progress in Q3 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 Q3, including three new customers <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">✓ Next-gen T-Shape® launched✓ Fingerprints' technology in world's first contactless biometric card certified by both Mastercard and Visa✓ Partnerships entered with Infineon and STMicroelectronics to develop solutions for biometric payment cards✓ Fingerprints and Sentry Enterprises partner to enable a first-of-its-kind converged biometric credential for physical and logical access✓ New solution launched for the PC market. Design win with top-tier PC maker announced in October.

Summary

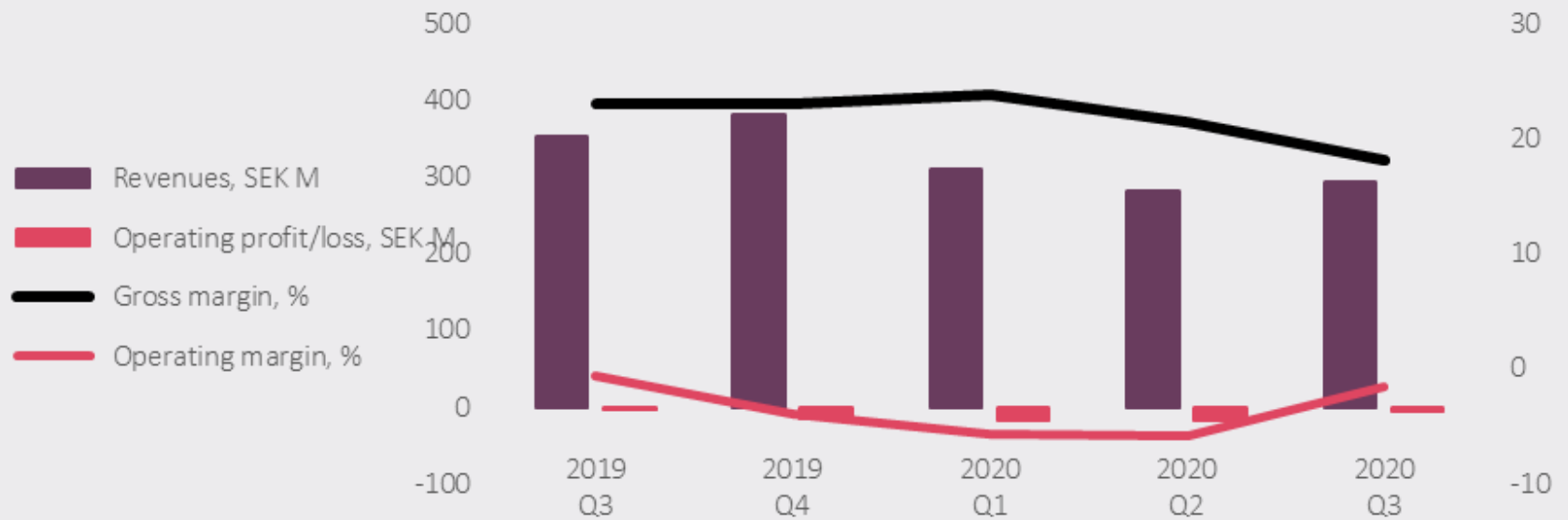
- ⊗ Continued healthy demand for our sensors, but revenue and gross margin negatively impacted by higher purchase prices and insufficient access to production capacity.
- ⊗ These supply chain constraints will likely persist in the short term.
- ⊗ We have intensified our efforts to secure more suppliers of key components, within as well as outside of mainland China.
- ⊗ We anticipate that changes in our product mix will contribute to improved profitability over time
- ⊗ Demand developing well in the PC segment
- ⊗ Visa certified a biometric card from Thales with Fingerprints' technology
- ⊗ New T-Shape® launched
- ⊗ Partnerships announced with both Infineon and STMicroelectronics

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.

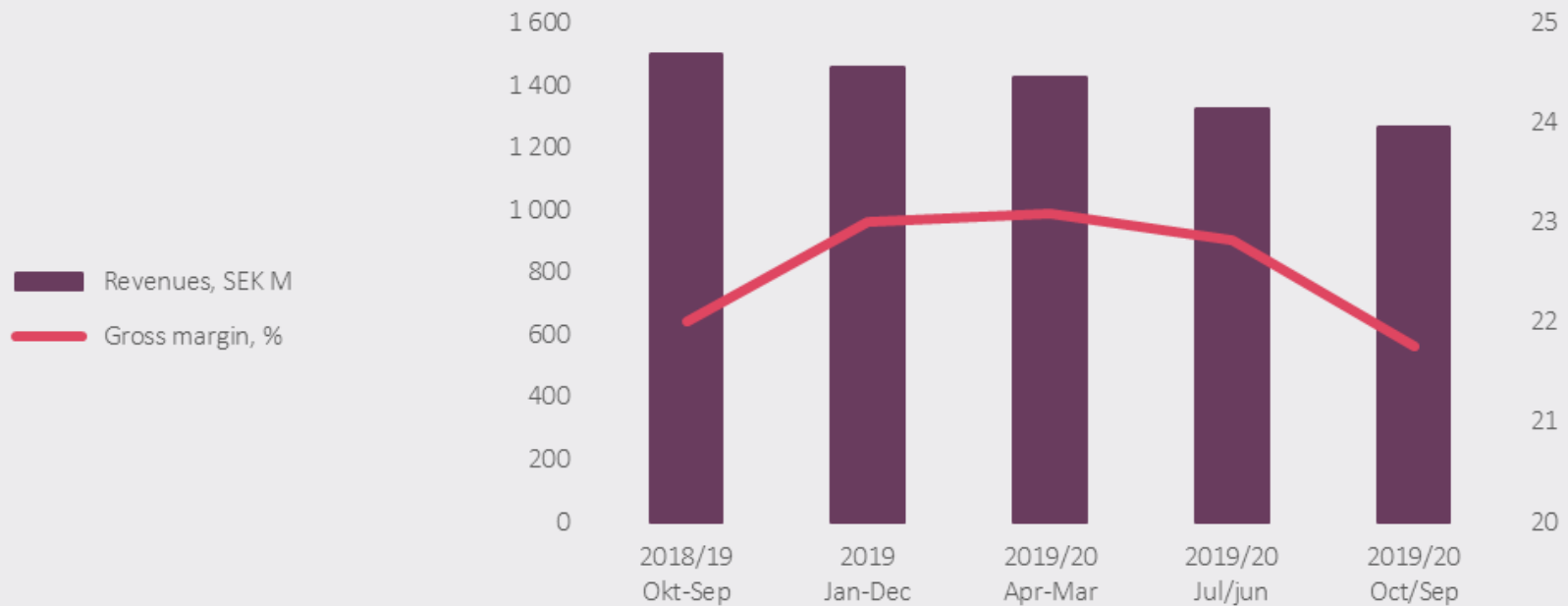
Q3 2020 FINANCIAL RESULTS

Q3 2020 Financial performance

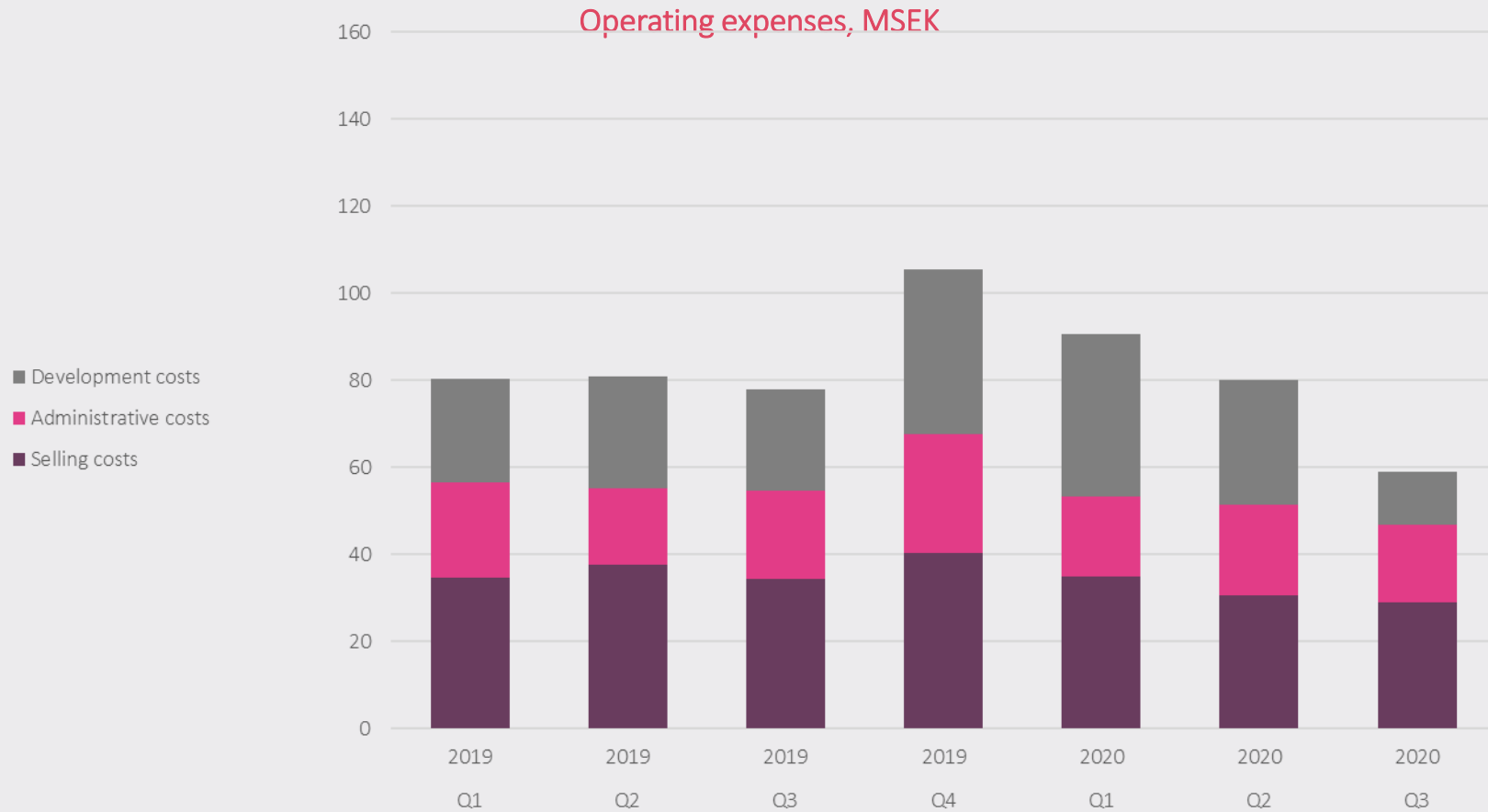
Revenues, Operating profit/loss, Gross margin and Operating margin, quarters.



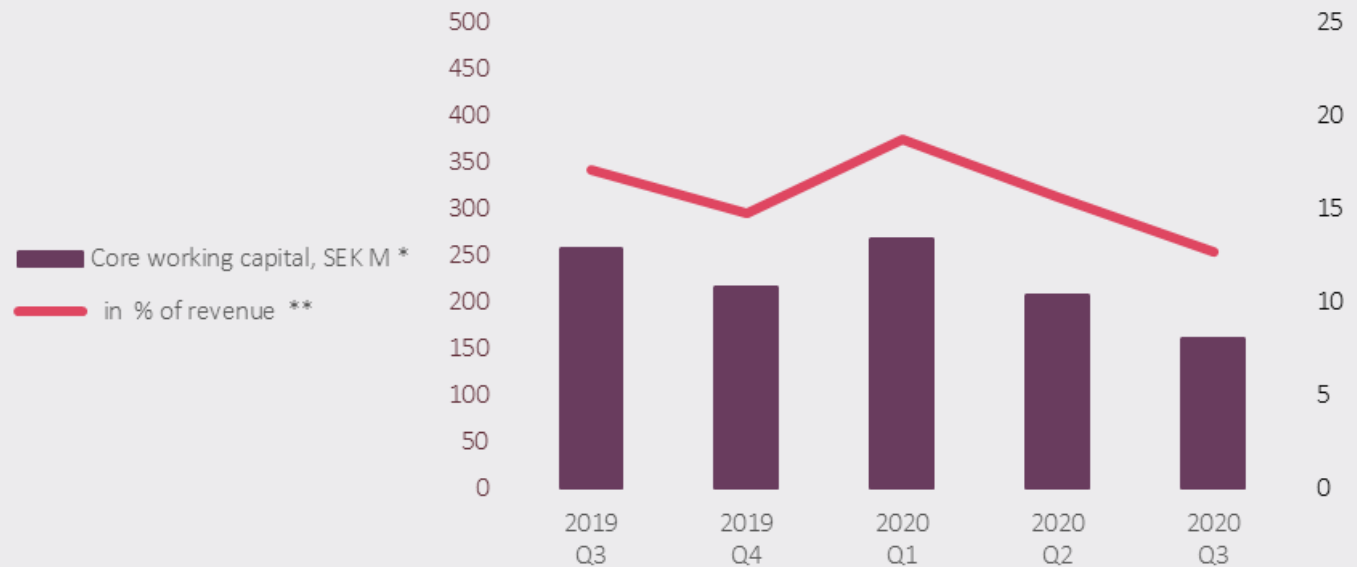
Revenue and gross margin, rolling 12 months



Operating expense development



Core working capital development



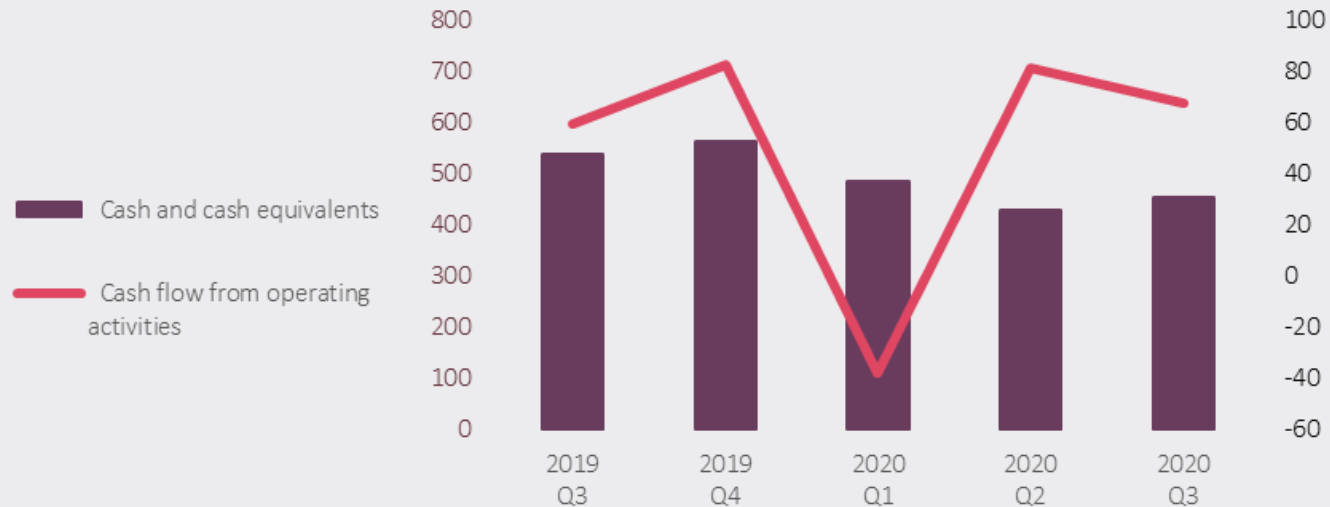
* Accounts receivable + Inventory – Accounts payable

** 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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