

FINGERPRINT CARDS

Q4 2021

JANUARY 28, 2022



FINGERPRINTS

Q4 2021 Summary

Revenues	Margins & profitability	Highlights
<ul style="list-style-type: none"> ⌚ Revenues in Q4 2021: SEK 357 M (369), a 3% decrease year-over-year (4% decrease in constant currency terms) ⌚ Revenues in FY 2021: SEK 1,356 M (1,256), an 8% increase year-over-year (16% increase in constant currency terms) 	<ul style="list-style-type: none"> ⌚ Gross profit: SEK 113 M (87) ⌚ Gross Margin: 32% (24) ⌚ EBITDA: SEK 27 M (32) ⌚ EBITDA margin: 7% (9) ⌚ Operating profit: SEK 4 M (-327); ⌚ Operating margin: 1% (-) ⌚ Operating Cash Flow: SEK -17 M (47) ⌚ Net Profit: SEK 5 M (-313) ⌚ Cash position*: SEK 374 M (377) 	<ul style="list-style-type: none"> ⌚ Gross margin improved by 8 percentage points year-over-year and by 3 percentage points vs Q3 2021 ⌚ Order for T-Shape gen 2 (T2) from top-three card manufacturer ⌚ Second-generation T-Shape (T2) achieved compliance with Mastercard's new Fingerprint Sensor Evaluation Process ⌚ Increased momentum in biometric access cards



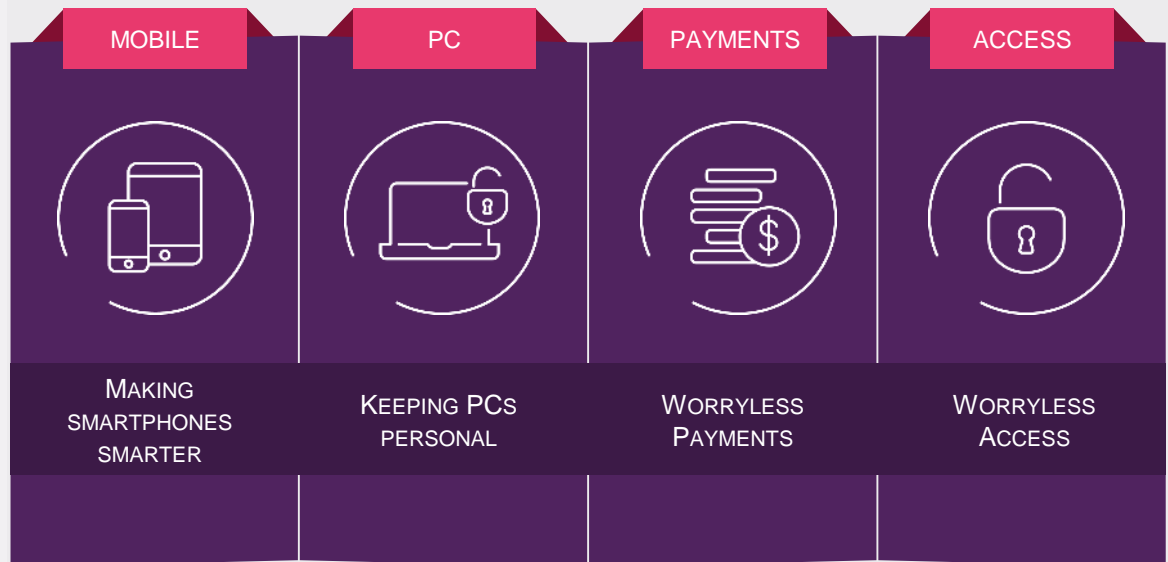
BUSINESS UPDATE

Growth across all our four pillars

Fingerprints offers a strong product portfolio of biometric system solutions that help create easier and more secure everyday lives for the users

The product portfolio offers effective solutions for different applications across four segments

- Continued healthy demand in the Mobile area. Our latest ultrathin, curved sensors have set a new highest standard.
- We expect continued strong growth in the PC segment. 3 out of the top 5 PC makers are using our biometric solutions.
- Sales of access cards are taking off.
- Yet another commercial launch of biometric payment cards in Q4.



Defending and leveraging our leading position in Mobile



MOBILE DEVICES

- ✓ Our curved, ultra-thin sensors have set a new highest standard on the market
- ✓ Volume shipments of our next-generation curved sensor have started
- ✓ Market leader in capacitive sensors for smartphones, with 570+ models launched so far



Positioned for growth in PCs



- ✓ HONOR MagicBook V14 launched with Fingerprints' new biometric solution for PC
- ✓ Fingerprints already has three of the world's five largest PC manufacturers as customers
- ✓ We expect further product launches in the near future
- ✓ New solution, optimized for PC, is now being tested with top OEM



1. Power Button
2. On the side
3. Keyboard – in dedicated key or dual use key
4. Touch Pad – under the mylar or glass coating
5. Palm Rest

Increased demand for physical and logical access solutions



ACCESS

- ✓ Multi-year contract for touchless (iris) solution with Mantra Softech
- ✓ Freevolt Technologies launched S-Key, a battery-less biometric access card integrating the T-Shape sensor module from Fingerprints
- ✓ Bird Home Automation launched door intercom with Biometrics by Fingerprints

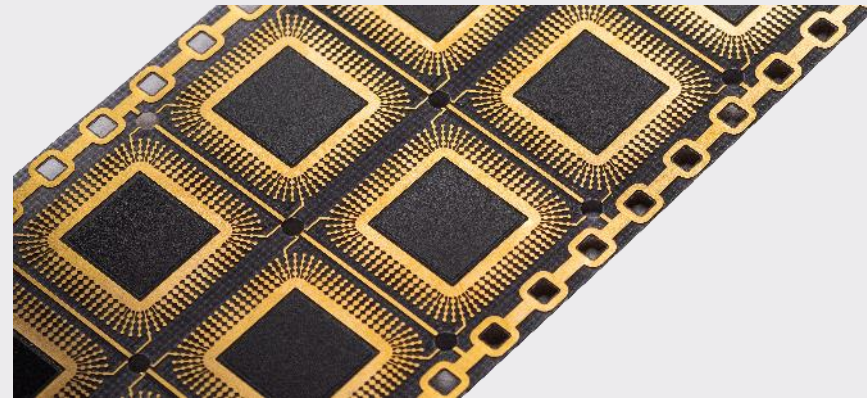


Commercial roll-outs of biometric payment cards continue



PAYMENTS

- ✓ Initial order for the latest T-Shape biometric sensor module generation (T2) from top-three card manufacturer
- ✓ STPayBio, STMicroelectronics' new biometric system-on-card platform, developed in partnership with Fingerprint Cards and Linxens, won a CES 2022 Innovation Award
- ✓ Second-generation T-Shape (T2) achieved compliance with Mastercard's new Fingerprint Sensor Evaluation Process



Key focus areas going forward

DRIVE INNOVATION AND CONTINUE TO DIVERSIFY THE REVENUE STREAMS



- ① Continue to strengthen the core offering in Mobile whilst growing the offering in the other business areas/markets
- ② Capitalise on near-term projects within Mobile, PC and Access while continuing to drive the emerging Payments market

MAINTAIN A STABLE GROSS MARGIN AND GROW PROFITABLY



- ① Scale on the well-invested R&D portfolio and organisation to drive profitability
- ② Strive to maintain a sustainable gross margin around 30%
- ③ Focus on sales growth to enable the substantial financial and operational leverage inherent in the business model to generate significant long-term profitability through economies of scale

GENERATE HEALTHY CASH FLOWS



- ① Focus on substantial cash flow generation to support a positive sales growth short-term whilst maintaining a high R&D activity to capture the growing market for biometrics

Summary

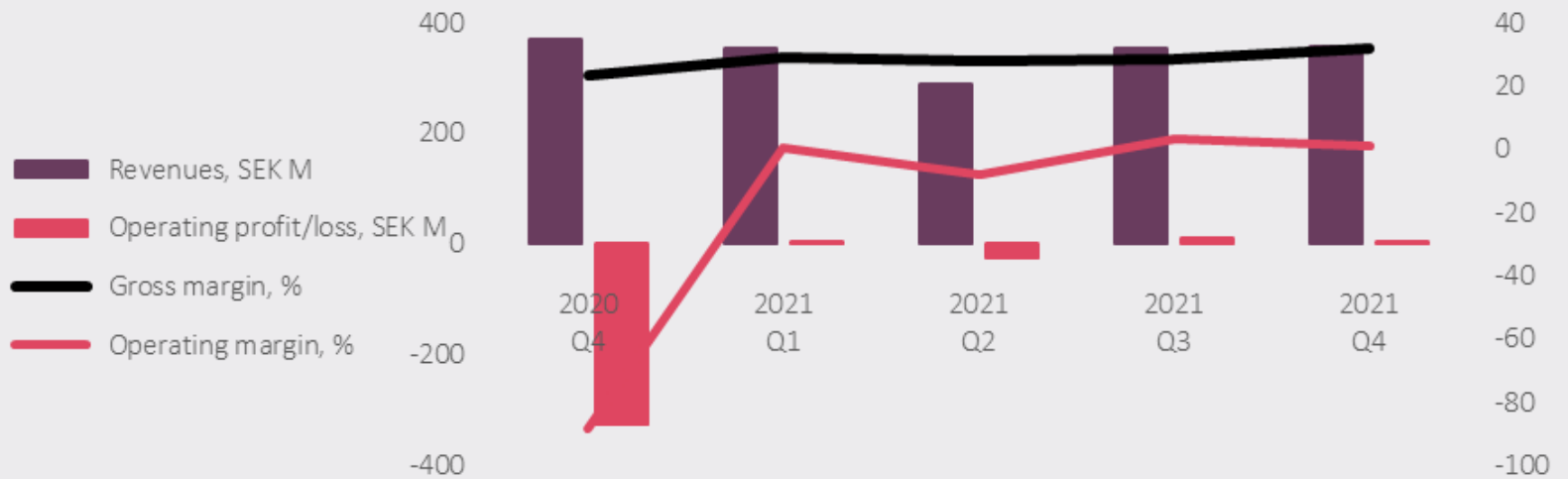
- ① 16 percent constant currency growth in 2021
- ① Gross margin improved by 7 percentage points in 2021
- ① Positive revenue trend expected to continue in 2022, with revenue streams diversifying to new areas
- ① Progress in broadening our supplier base, which is key to supporting growth
- ① Bond issue in December to accelerate growth
- ① Group revenues for the full year 2022 expected to be in the range of SEK 1,600-2,000 million, based on the exchange rate SEK/USD 8.70
- ① The EBITDA margin is expected to be in the range of 14-18 percent for the fourth quarter of 2022

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Q4 2021 FINANCIAL RESULTS

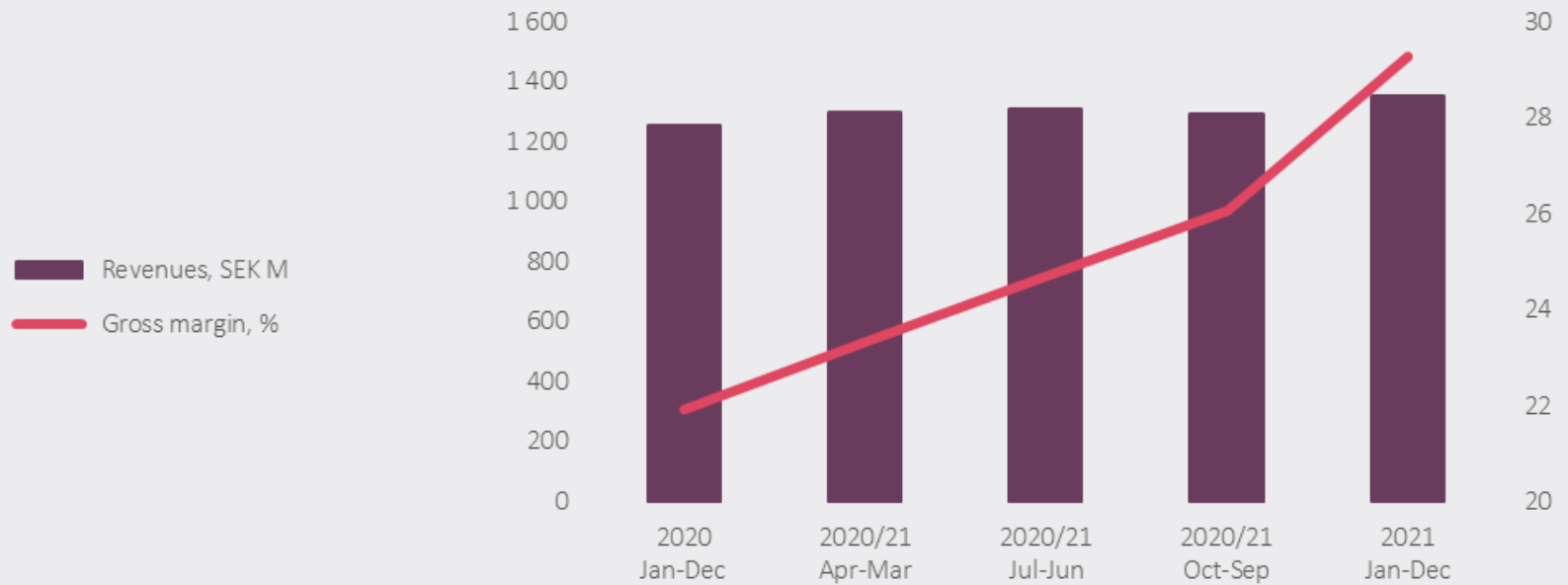
Q4 2021 financial performance*

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

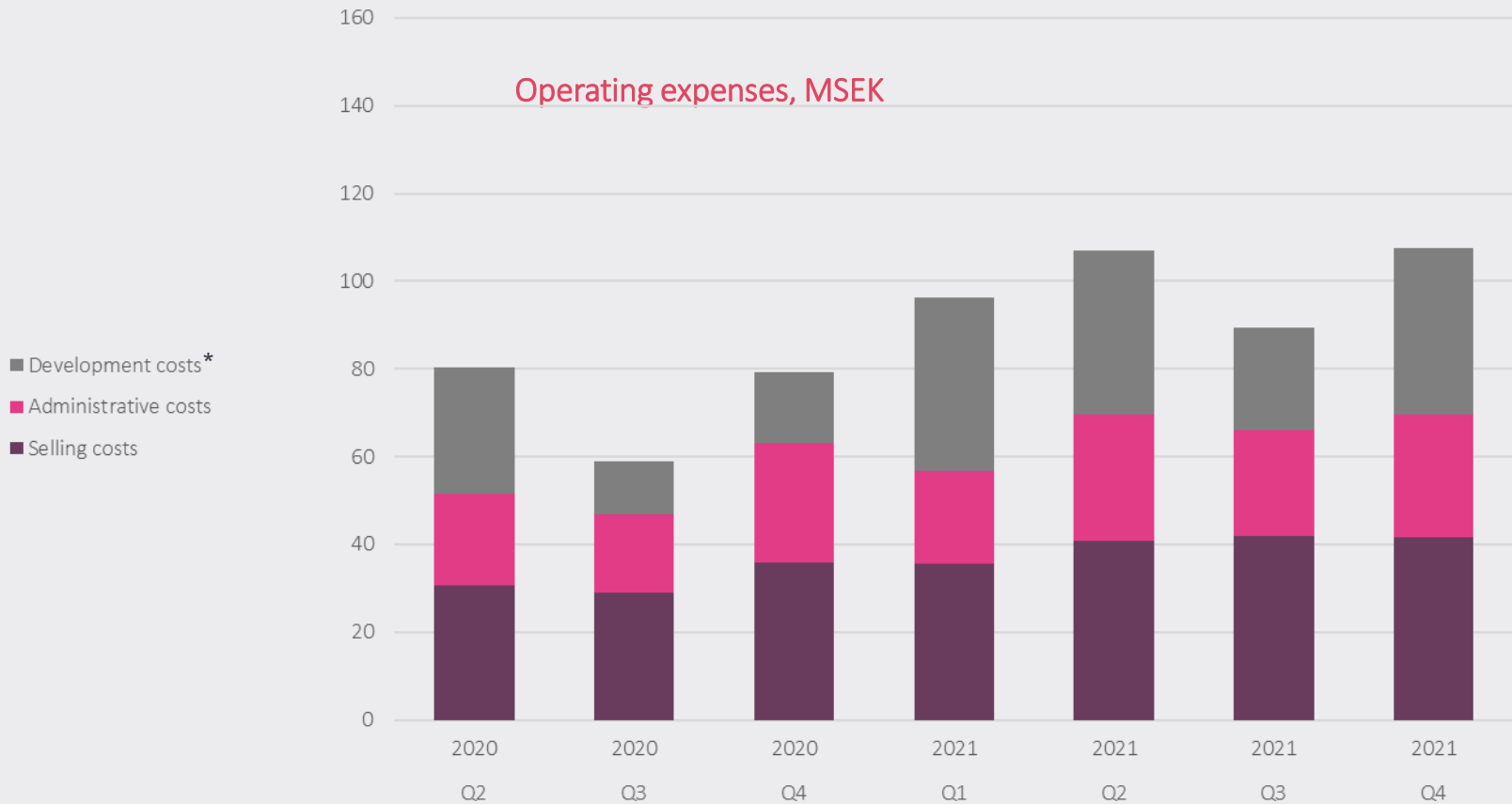


* Underlying operating profit, excluding SEK 340.6 M in non-cash write-downs in Q4 2020

Revenue and gross margin, rolling 12 months

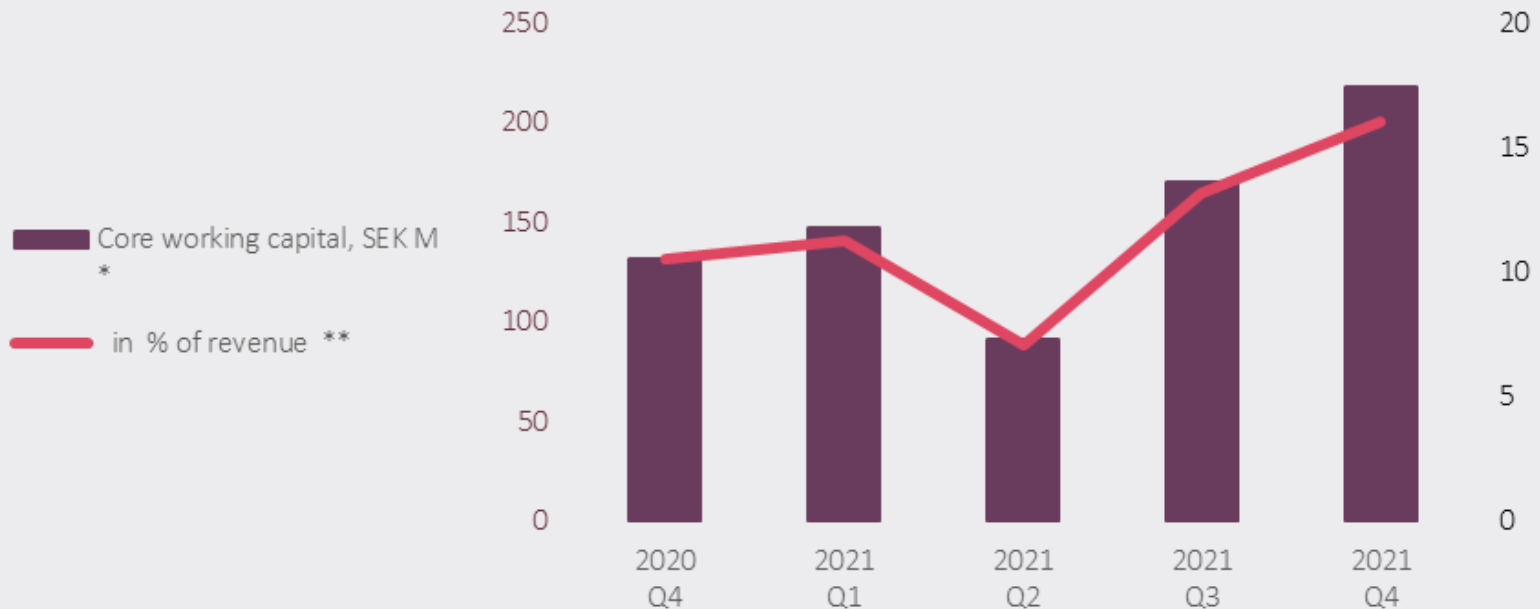


Operating expense development



* 34 percent of total development costs were capitalized in Q4 2021, compared to 66 percent in the corresponding quarter of 2020.

Core working capital development



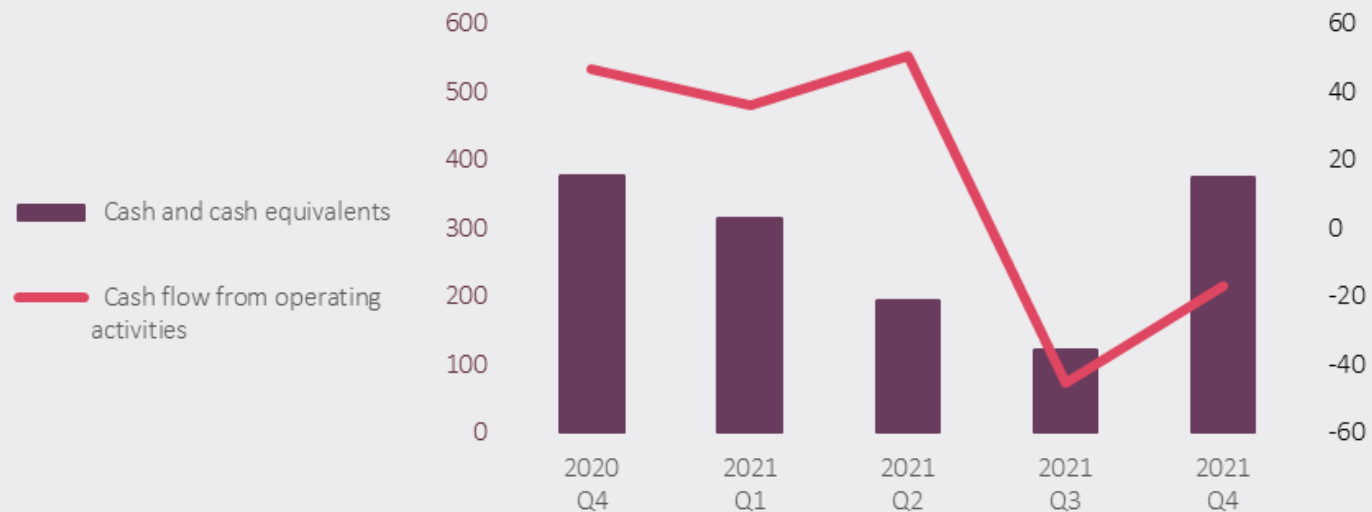
The increase in working capital is a result of our growth initiatives, with higher receivables and inventory build-up to meet the demand increase as well as to mitigate any supply chain disruptions

* Accounts receivable + Inventory – Accounts payable

** Rolling 12-month revenue

Cash flow and net cash trend

Cash and cash equivalents and cash flow, MSEK



- During 2021, shares were bought back for SEK 225.4 million
- In December 2021, we issued SEK 300 million in senior secured bonds



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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