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Fingerprint Cards AB (publ) announces final terms for the fully guaranteed rights issue and resolves on set-off issue of B-shares and the board withdraws proposal for set-off issue ahead of the extraordinary general meeting 2 November 2022

On 10 October 2022, the board of directors in Fingerprint Cards AB (publ) ("Fingerprints" or the "Company") announced that the board of directors resolved to, subject to subsequent approval by the extraordinary general meeting on 2 November 2022 (the "EGM"), carry out a rights issue comprising a fully guaranteed SEK 300 million rights issue of B-units (the "B-units"), consisting of new B-shares and warrants (the "Fully Guaranteed Rights Issue") and an approximately SEK 6 million rights issue of A-units (the "A-units" and together with the B-units the "Units"), consisting of new A-shares and warrants (together with the Fully Guaranteed Rights Issue, the "Rights Issue"). In addition, the Company's board of directors has on the basis of the issue authorisation granted to the board of directors by the annual general meeting on 24 May 2022, which was registered with the Swedish Companies Registration Office on 9 June 2022, resolved on a set-off issue of 25,423,024 B-shares directed to the investors in the Company's outstanding perpetual hybrid equity instruments with an aggregate nominal amount of SEK 75 million (the "Hybrid Investors" and the "Hybrids") against payment by way of set-off of the Hybrid Investors' receivables under the Hybrids (the "Set-off Issue"). Considering that the issue authorisation is sufficient in order to repay the Hybrids in full, the board of directors has resolved to withdraw its proposal (item 8) regarding a directed set-off issue of additional B-shares. A revised notice convening the EGM is available on the Company's website, www.fingerprints.com.

Today Fingerprints' board of directors' announces the final terms of the Rights Issue and resolves on the Set-off Issue in accordance in with the below.

Summary

- Current shareholders of A-shares in Fingerprints, on the record date 8 November 2022, will be allotted one (1) unit right per one (1) existing A-share, of which 16 such unit rights entitles to subscribe for one (1) A-unit in the Rights Issue. In addition, current shareholders of B-shares in Fingerprints on the record date 8 November 2022 will be allotted one (1) unit right per one (1) existing B-share, of which 16 such unit rights entitles to subscribe for one (1) B-unit in the Rights Issue.
- In total 375 000 A-units and 19,838,939 B-units will be issued. Each A-unit consists of five (5) A-shares and one (1) warrant issued without cost entitling to subscription of one (1) A-share. Each B-unit consists of five (5) B-shares and one (1) warrant issued without cost entitling to subscribe for one (1) B-share. This entails that (i) not more than 1,875,000 new A-shares and 375,000 warrants entitling to subscribe for a corresponding number of A-shares will be issued, and (ii) not more than 99,194,695 new B-shares and 19,838,939 warrants entitling to subscribe for a corresponding number of B-shares will be issued.
- The subscription price per A-unit and B-unit, respectively, have been set to SEK 15.1, which corresponds to an implied subscription price of approximately SEK 3.02 per A-share and B-share, respectively. The Company will thus obtain at most a net proceed amounting to approximately SEK 305.2 million before deduction of transaction costs related to the Rights Issue.

- The record date for the Rights Issue is 8 November 2022 and the subscription period runs from and including 10 November 2022 up to and including 24 November 2022.
- Certain current shareholders (including senior executives and board members), as well as the Hybrid Investors have undertaken to subscribe for B-units amounting to approximately SEK 24.6 million in total, corresponding to approximately 8.2 per cent of the Fully Guaranteed Rights Issue of B-units. In addition, certain external investors (including Carnegie Investment Bank AB (publ) (“Carnegie”)) and the Hybrid Investors have entered into underwriting commitments for the B-units of approximately SEK 274.9 million in total, corresponding to approximately 91.8 per cent of the Fully Guaranteed Rights Issue of B-units. Hence, the Fully Guaranteed Rights Issue of B-units is completely covered by subscription undertakings and underwriting commitments.
- On the basis of the issue authorisation granted to the board of directors by the annual general meeting on 24 May 2022 (the “Authorisation”), which was registered with the Swedish Companies Registration Office on 9 June 2022, the board of directors has resolved on a set-off issue of 25,423,024 B-shares directed to the Hybrid Investors. The subscription price for each B-share in the Set-off Issue corresponds the implied subscription price for each B-share in the Rights Issue.
- Considering that the issue authorisation is sufficient in order to repay the Hybrids in full, the board of directors has resolved to withdraw its proposal (item 8 in the proposed agenda in the notice convening the EGM) regarding a directed set-off issue of additional B-shares. A revised notice convening the EGM is available on the Company’s website, www.fingerprints.com.
- The last day of trading in B-shares including the right to subscribe for unit rights is 4 November 2022.
- The Rights Issue is subject to the approval of the EGM to be held on 2 November 2022.

Terms for the Rights Issue

Shareholders of A-shares and B-shares in Fingerprints, which on the record date 8 November 2022 are registered in the share register maintained by Euroclear Sweden AB, have preferential rights to subscribe for A-units and B-units, respectively, in relation to the number of A-shares and B-shares, respectively, held on the record date. Shareholders of A-shares will receive one (1) unit right for each A-share held on the record date, of which 16 such unit rights entitles the holder to subscribe for one (1) A-unit. Shareholders of B-shares will receive one (1) unit right for each B-share held on the record date, of which 16 such unit rights entitles the holder to subscribe for one (1) B-unit. Not more than 375,000 A-units and not more than 19,838,939 B-units will be issued in total. Each A-unit consists of five (5) A-shares and one (1) warrant issued without cost. Each B-unit consists of five (5) B-shares and one (1) warrant issued without cost. The share capital will increase by not more than approximately SEK 4,400,828 by an issue of not more than 1,875,000 A-shares and not more than 99,194,695 B-shares.

One warrant for A-shares entitles the holder to subscribe for one (1) A-share in the Company and one warrant for B-shares entitles the holder to subscribe for one (1) B-share in the Company. The subscription period runs from 18 August up to and including 8 September 2023. The subscription price for subscription of new A-shares and B-shares, respectively, by exercising the warrants corresponds to 70 per cent of the volume-weighted average price of the Company’s B-share on Nasdaq Stockholm the 10 trading days that occurs prior to (but not including) 18 August 2023. The average price and the calculated subscription price shall be rounded to the nearest SEK 0.10, where SEK 0.05 shall be rounded down. Upon full exercise of all warrants issued in the Rights Issue, the Company’s share capital will increase by not more than SEK 880,166.

The subscriptions price in the Rights Issue has been set to SEK 15.1 per A-unit and B-unit, respectively, and the net proceeds is expected to amount to at most approximately SEK 305.2 million before deduction of transaction costs related to the Rights Issue.

In the event that not all Units are subscribed for by exercising unit rights, the Company's board of directors shall, within the maximum amount of the Rights Issue, decide on the allotment of Units subscribed for without unit rights. In such cases, allotment of new Units shall be carried out in accordance with the following: Firstly, allotment of Units shall be granted to those who have subscribed for Units by exercising unit rights, regardless if they were registered as shareholders' on the record date on 8 November 2022 or not, in relation to the number of unit rights exercised for subscription of Units by that individual, and, to the extent this is not possible, by drawing lots. Secondly, allotment of Units shall be granted to others who have subscribed for Units without exercising unit rights and, in the event of over-subscription, in relation to the number of Units such individual have applied to subscribe for, and, to the extent this is not possible, by drawing lots. Thirdly and as the case may be, Units shall be allotted to any underwriters who have entered into underwriting commitments with the Company, in accordance with the terms and conditions of such commitment.

The record date for determining which shareholders are entitled to subscribe for Units is 8 November 2022. The B-shares are traded including right to participate in the Rights Issue up until 4 November 2022. The subscription period is expected to run between 10 November 2022 and 24 November 2022. Trading in B-unit rights is expected to take place on Nasdaq Stockholm between 10 November and 21 November 2022, and trading in paid subscribed B-units (Sw. *betald tecknad unit* "BTU") is expected to occur between 10 November 2022 and 2 December 2022. The BTU's is expected to be converted to B-shares and warrants entitling to subscribe for B-shares and is expected to be delivered to the subscribers on 8 December 2022. The A-shares and warrants entitling to subscription of A-shares are also expected to be delivered to the subscribers on 8 December 2022.

The Company's board of directors will apply for admission to trading of the new B-shares and warrants entitling to subscription of B-shares on Nasdaq Stockholm. First day of trading is expected to be 8 December 2022. The B-shares and warrants entitling to subscription of B-shares are intended to be admitted to trading on Nasdaq Stockholm. Neither the A-shares, the warrants entitling to subscribe for A-shares, the A-unit rights or paid subscribed A-units will be admitted to trading on Nasdaq Stockholm, other regulated market or an MTF.

Shareholders not participating in the Rights Issue will be subject to a dilutive effect corresponding to approximately 23.8 per cent upon full subscription in the Rights Issue (based on the number of shares issued following the Set-off Issue). If the warrants are exercised in full, an additional dilutive effect corresponding to approximately 5.9 per cent (based on the number of shares issued following the Set-off Issue). The total dilution effect upon full subscription in the Rights Issue as well as full exercise of all warrants amounts to a maximum of approximately 27.3 per cent. However, the shareholders have the possibility to partly be financially compensated for this dilution by selling their unit rights.

Terms for the Set-off Issue

On the basis of the issue authorisation granted to the board of directors by the annual general meeting on 24 May 2022, which was registered with the Swedish Companies Registration Office on 9 June 2022, the board of directors has resolved on a set-off issue of 25,432,024 B-shares directed to the holders of the Hybrids. The subscription price for each B-share in the Set-off Issue corresponds to the implied subscription price for each B-share in the Rights-Issue. Upon full subscription, the Company's share capital will increase by not more than approximately SEK 1,106,982.

Extraordinary general meeting

The Rights Issue is subject to the approval by the EGM which will be held on 2 November 2022. Considering that the issue authorisation is sufficient in order to repay the Hybrids in full, the board of directors has resolved to withdraw its proposal (item 8 in the proposed agenda in the notice convening the EGM) regarding a set-off issue of additional B-shares. The proposed chair by the nomination committee is also unable to be chair of the EGM (item 2 in the proposed agenda in the notice convening the EGM) and the board has therefore proposed that the lawyer Christopher Escalante will be appointed chair of the EGM. A revised notice convening the EGM is available on the Company's website, www.fingerprints.com.

Timetable for the Rights Issue

Extraordinary general meeting	2 November 2022
Last day of trading in shares including right to receive unit rights	4 November 2022
First day of trading in shares excluding right to receive unit rights	7 November 2022
Publication of prospectus	7 November 2022
Record date for the Rights Issue	8 November 2022
Trading in B-unit rights	10 November 2022 – 21 November 2022
Subscription period	10 November 2022 – 24 November 2022
Trading in BTUs	10 November 2022 – 2 December 2022
Expected announcement of the outcome in the Rights Issue	25 November 2022
Expected first day of trading in B-shares and warrants entitling to subscribe for B-shares	8 December 2022

Prospectus

A prospectus relating to the Rights Issue is intended to be made available on 7 November 2022 on Fingerprints' website, www.fingerprints.com/rightsissue and on Carnegie's website, www.carnegie.se.

Advisers

Carnegie Investment Bank AB (publ) acts as Sole Global Coordinator and Bookrunner. Gernandt & Danielsson Advokatbyrå KB is legal adviser to the Company.

About Fingerprints

Fingerprint Cards AB (Fingerprints) – the world's leading biometrics company, with its roots in Sweden. We believe in a secure and seamless universe, where you are the key to everything. Our solutions are found in hundreds of millions of devices and applications, and are used billions of times every day, providing safe and convenient identification and authentication with a human touch. For more information visit our website, read our blog, and follow us on Twitter. Fingerprints is listed on Nasdaq Stockholm (FING B).

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This is the type of information that Fingerprint Cards AB is obligated to disclose pursuant to the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 31 October 2022 at 07:20 am CET.

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, units, unit rights, warrants, hybrid equity instruments or other securities in Fingerprint. Any invitation to the persons concerned to subscribe for units in Fingerprint will only be made through a prospectus that Fingerprint will publish on its website after approval and registration with the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*).

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In any Member State of the European Economic Area (the "EEA"), other than Sweden, this press release is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

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