

A large, faint, circular fingerprint graphic is centered in the background of the slide.

FINGERPRINT CARDS AB

November 2022



FINGERPRINTS

Introduction to Fingerprint Cards



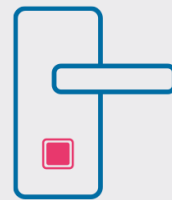
1.5 BILLION SENSORS 



Shipped *more* biometric sensors *than any company in the world*



TOUCHLESS SOLUTION used for **REARVIEW MIRRORS** IN AUTOMOTIVE



LARGEST fingerprint sensor **SUPPLIER TO DOOR LOCK** makers globally

9/10

Top smartphone consumer

30 + MOBILE DEVICE BRANDS INCLUDING Samsung, LG, Google, Motorola, Sharp, Fujitsu, Kyocera, Oppo, Xiaomi, Vivo, Lenovo



Smartphone, Tablet & PC models with Fingerprints' solutions



TAKEN A CLEAR LEAD in the emerging biometric card market with **24 CONTACTLESS PILOTS** and **8 COMMERCIAL BANK LAUNCHES**

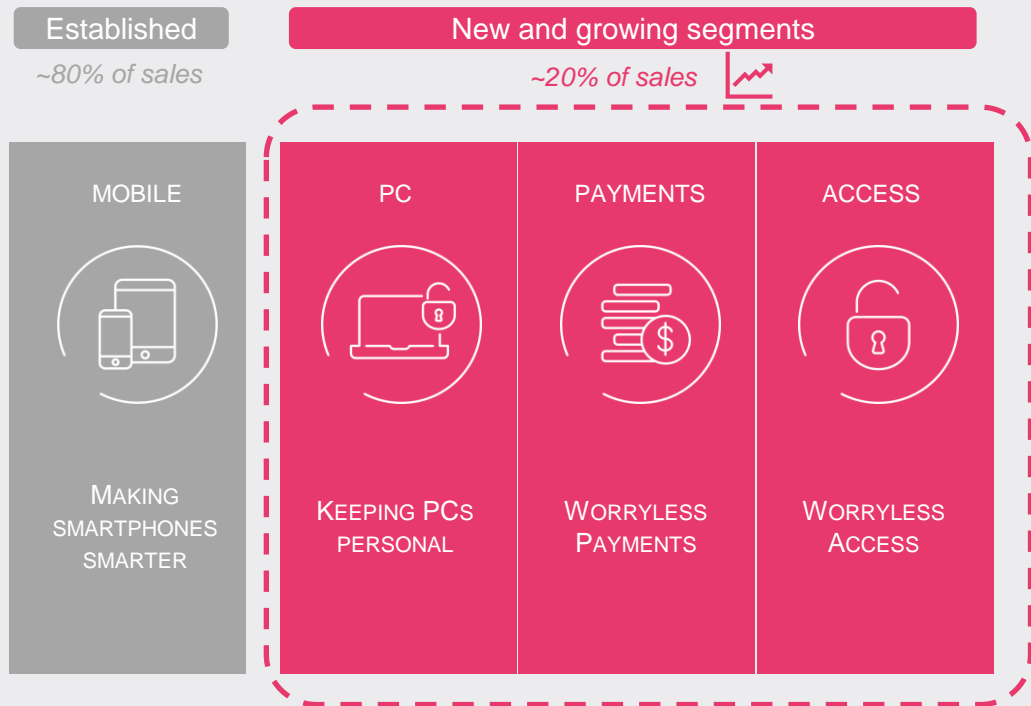

250

2/3 Engineers

Offices in Sweden (2), Denmark, France, Switzerland, South Korea, China (3), Japan, Taiwan (2), India and the USA

Fingerprints' four product segments

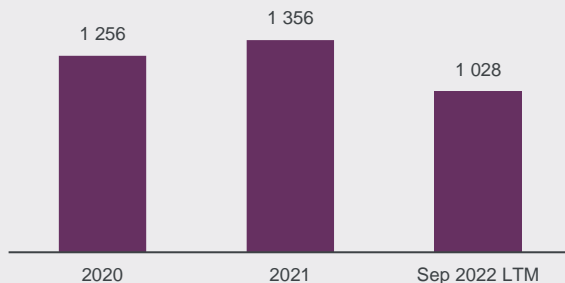
- ② Market leading developer and designer of biometric systems comprising sensors, algorithms, software and design/integration technologies
- ② Solutions used across multiple product segments:
 - ② Mobile (smartphones)
 - ② PC (laptops, Chromebooks, peripherals, etc.)
 - ② Payments (smartcards)
 - ② Access (door locks, vehicles and the IoT, etc.)
- ② Extensive patent portfolio



Stabilized revenue and margin trend reversed in 2022 due to Covid-19 lockdowns in China

Revenue

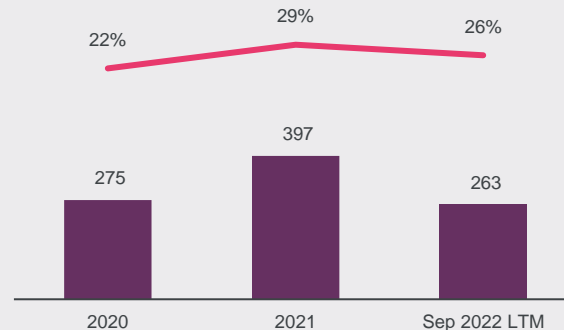
SEKm



- ① We have rapidly gone from a situation where we were limited by the global component shortage to a position where we instead must handle a very sharp decline in demand, due to Covid-19 restrictions in China

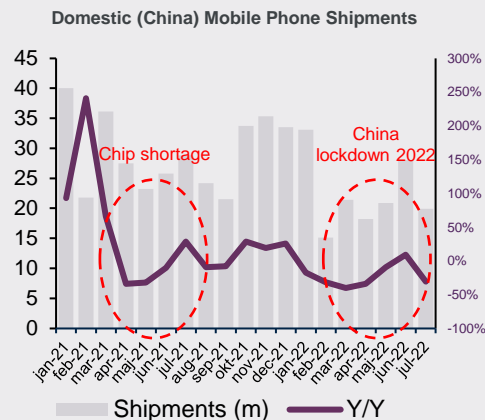
Gross profit and margin

SEKm



- ① The decline in sales volume, increased price competition in the Mobile product segment and the build-up of inventory in the Mobile, Payments, PC and Access product segments had a negative impact on profitability and working capital in 2022

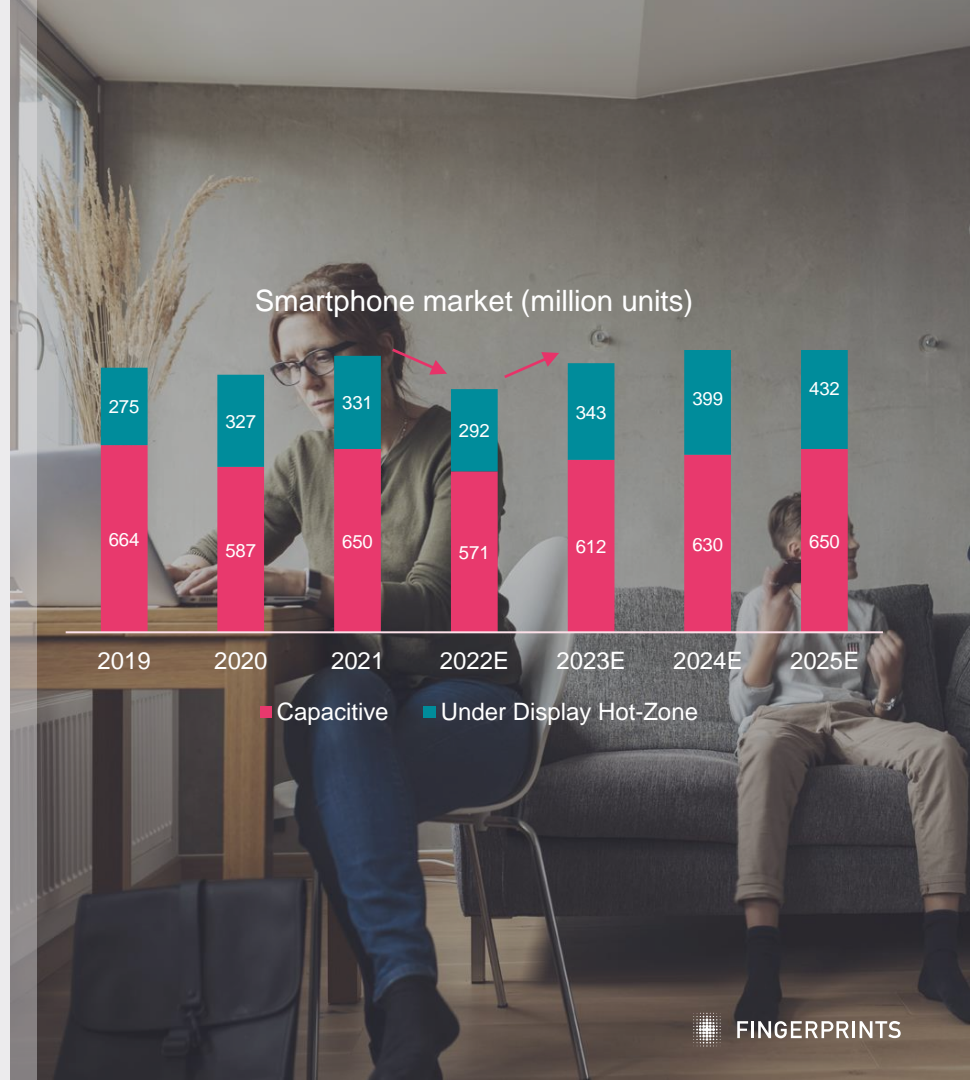
Background to current situation



Source: CAICT

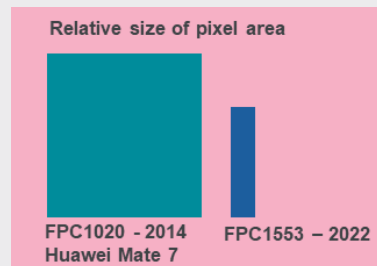
The smartphone market

- 82% of consumers that have access to Biometrics on their smartphone use it
- Fingerprint sensors are the most popular authentication method in the Mobile industry
- Two main technologies adopted for mass market
 - Capacitive fingerprint sensors: Fingerprints is a pioneer and market leader
 - Optical under-display fingerprint sensor: Fingerprints has received the first design win



First devices launched with FPC1553

- ① First devices launched with FPC1553, our third-generation slim, side-mounted capacitive touch sensor
- ① Even smaller than its predecessors, supporting easier integration
- ① Introduction of a new foundry and second source supplier



Vivo Y77



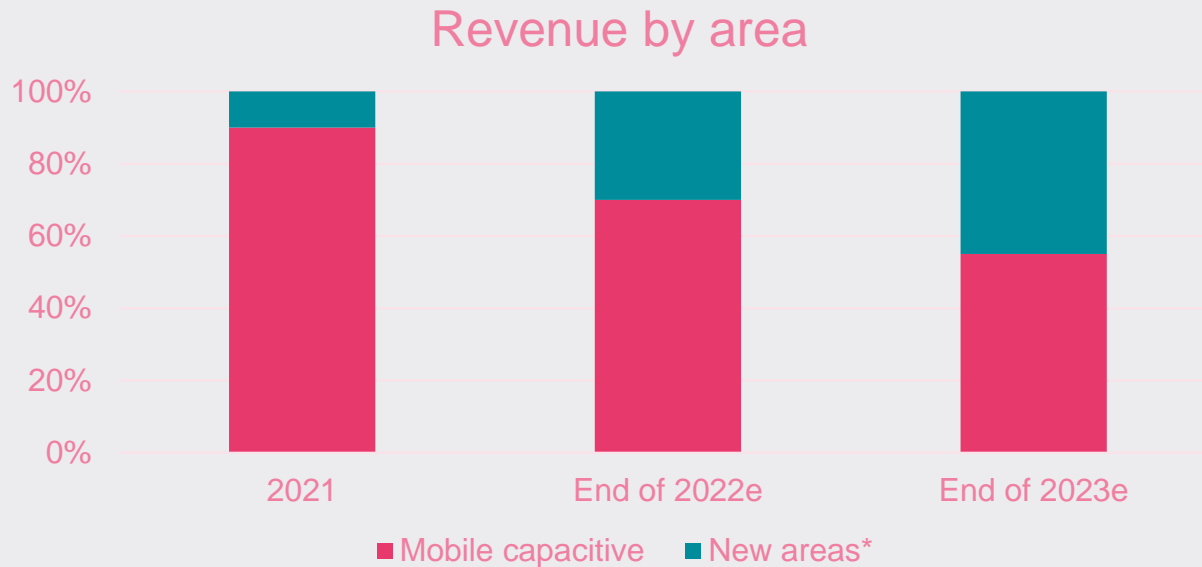
Moto g32



Honor X40i

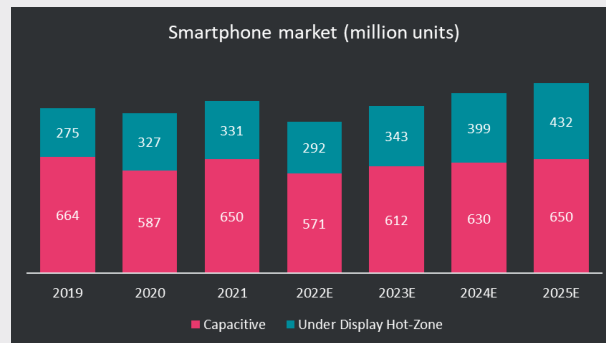


Revenue streams are diversifying to new areas



Entry into under-display market expands our addressable market

- ① First design win for FPC 1632 received from major Asian OEM, following successful qualification tests earlier this year
- ① Camera-based solution to capture fingerprint images through the OLED display
- ① Allowing users to unlock the phone, open an app, or authenticate a mobile payment by placing their finger directly on the display
- ① Expect first volume shipments in Q4 2022



The PC market

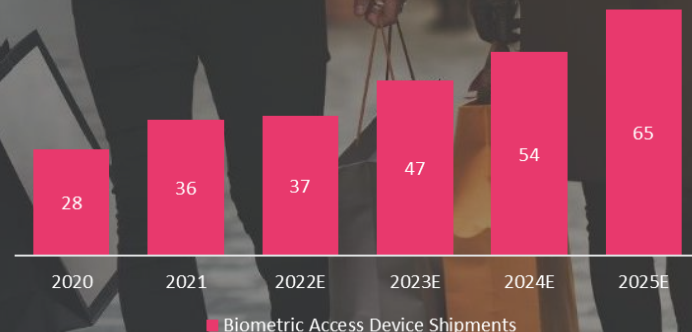
- ② The Dynabook Satellite C30-K laptop is the first commercial product that integrates Fingerprints' Match-on-Chip solution, which was added to Microsoft's approved vendor list (AVL) for Windows Hello Enhanced Sign-in Security earlier this year
- ② Four out of the world's six largest PC OEMs are already using our technology in their products
- ② We expect penetration of fingerprint sensors in computers to continue increasing



The Existing Biometrics Access & IoT Market

- ② Increased requirements on security and efficiency increases the penetration of biometric solutions for Access & IoT
- ② Fingerprints is the global #1 fingerprint sensor supplier for the consumer IoT segment
- ② Fingerprints' technology in 100+ different access applications and devices
- ② Increased interest in biometric access cards and security keys, now that the same key can be used to facilitate uniform, secure access to PCs and systems, as well as to physical spaces

Access market (million units)



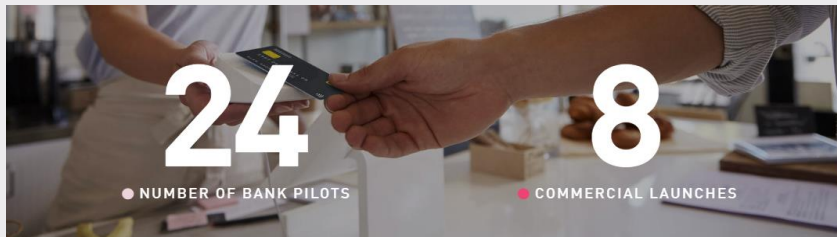
Biometric card deployments

Bank of Cyprus
1st contactless biometric payment card in the world with
VISA

areeba
1st contactless biometric payment card in the Middle-East with
VISA

RBS **NatWest**
1st contactless biometric payment card in the UK with
VISA **Mastercard**

INTESA **SANPAOLO**
1st contactless biometric payment card with
Mastercard



BMCI
GROUPE BNP PARIBAS
Commercial launch in Morocco, with
VISA

البنك الزراعي
CREDIT AGRICOLE
Commercial launch in Morocco, with
Mastercard

Bank Pocztowy
1st launch in Poland, with
Mastercard

corner
1st commercial launch in Europe, with
VISA

BNP PARIBAS
1st larger commercial launch in France
VISA

AXA
2nd commercial launch in France, and 1st with
Mastercard

BBVA
1st commercial launch in Mexico, with
VISA

البنك الكويتي
JORDAN KUWAIT BANK
1st commercial launch in MEA

Additional biometric card launches expected in Q4 2022

- ② Two more European banks are preparing commercial launches with Fingerprints' technology, as well as two more banks in the MENA region (Morocco)
- ② Total number of launches with Fingerprints' technology expected to reach 12 during Q4
- ② Very good consumer feedback from recent launches
- ② Focus on simplifying the enrolment process, accelerating deployment
- ② Banks in Morocco will start to issue biometric cards to their premium customers automatically, at no extra cost



What lies ahead?

Near term predictions (6-12 months)

Reduced
downstream
destocking measures



Inventory release
– likely positive cash flow
effect



Potential gradual
increase in demand
(some lag effect)



Leverage from OpEx
cuts



Long term predictions (12 months-)

Expected rebound in
mobile demand



Predicted growth in PC, Access &
Payments



Stronger visibility
due to longer order cycles in new
areas



- 🕒 The Covid-19 restrictions in China will eventually come to an end
- 🕒 We foresee a return to historical demand for mobile phones and continued growth in the PC, Access and Payment segments
- 🕒 Better visibility in the production cycle over the long term
- 🕒 Cost savings program to reduce 20% of operating costs will have full effect from Q4 2022

The Board has resolved on a fully guaranteed SEK 300 million rights issue of B-shares

- ④ Fully guaranteed SEK 300m rights issue of B-shares
- ④ Set-off issue of B-shares to repay SEK 75m in outstanding hybrid equity instruments
- ④ The purpose is to improve Fingerprints' working capital position and to cure a forecasted breach against the maintenance test covenant pursuant to the terms and conditions of the outstanding bond

Rights Issue terms

Transaction terms	<ul style="list-style-type: none">• Each existing B-share entitles the holder to one (1) B-unit right• Sixteen (16) B-unit rights entitle the holder to subscribe for one (1) B-unit, consisting of five (5) new B-shares and one (1) warrant• The subscription price per B-unit is SEK 15.1• The warrants are issued free of charge and one (1) warrant entitles the holder to subscribe for one (1) B-share• The subscription price for subscription of new B-shares by exercising 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
Syndicate	<ul style="list-style-type: none">• Carnegie Investment Bank AB (publ) acts as Sole Global Coordinator and Bookrunner

Timeline

- ⤵ 4 Nov 2022: Last day of trading in shares including rights to receive unit rights
- ⤵ 7 Nov 2022: First day of trading in shares excluding right to receive unit rights
- ⤵ 7 Nov 2022: Publication of prospectus
- ⤵ 8 Nov 2022: Record date for the Rights Issue
- ⤵ 10 Nov 2022 – 21 Nov 2022: Trading in B-unit rights
- ⤵ 10 Nov 2022 – 24 Nov 2022: Subscription period
- ⤵ 10 Nov 2022 – 2 Dec 2022: Trading in paid subscribed units (BTU)
- ⤵ 25 Nov 2022: Expected announcement of the outcome in the Rights Issue
- ⤵ 8 Dec 2022: Expected first day of trading in B-shares and warrants entitling to subscribe for B-shares