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# Fingerprint Cards AB (publ) rights issue of units 2022

## Questions and answers

*Please note that the following questions and answers provide general answers to frequently asked questions. Investing in shares and share related instruments is associated with risk. When making an investment decision, you must rely on your own analysis of Fingerprint Cards AB (publ) ("**Fingerprints**" or the "**Company**") and the rights issue in accordance with the prospectus prepared in connection with the rights issue, including applicable facts and risks. The prospectus is available as of 7 November 2022 on Fingerprints website, [www.fingerprints.com](http://www.fingerprints.com), Carnegie's website, [www.carnegie.se](http://www.carnegie.se), and on the Swedish Financial Supervisory Authority's website, [www.fi.se](http://www.fi.se).*

*Shareholders whose holdings are nominee-registered, is referred to their respective nominees for specific information and instructions.*

## GENERAL QUESTIONS RELATED TO THE RIGHTS ISSUE

### 1. Question: What is a rights issue?

**Answer:** A rights issue is an issue of new shares and/or share related securities in a company with preferential right for current shareholders and includes an offer to current shareholders to, during a certain time period, subscribe for such shares and/or share related securities in the company at a certain subscription price. Anyone who owns shares in Fingerprints on the record date 8 November 2022, and who is not legally restricted from participating, has the right to participate in Fingerprints' rights issue of Units (defined below).

### 2. Question: What does Fingerprints rights issue of Units entail?

**Answer:** Fingerprints has resolved on a new issue of (i) not more than 375,000 A-units, whereas each A-unit consist of five (5) new A-shares and one (1) warrant entitling to subscription of one (1) new A-share, and (ii) not more than 19,838,939 B-units, whereas each B-unit consists of five (5) B-shares and one (1) warrant entitling to subscription of one (1) new B-share, with preferential rights for current shareholders. A-units and B-units are jointly referred to as "**Units**".

### 3. Question: Why has Fingerprints decided to carry out the rights issue of Units?

**Answer:** The rights issue of Units is carried out with the purpose of improving Fingerprints' working capital position and to cure the breach against the maintenance test covenant pursuant to the terms and conditions of the Company's outstanding senior bond loan 2021/2024. Fingerprints also assesses that the rights issue will create a good foundation to

increase Fingerprints' sales within the product segments Payments, PC and Access and that the Company will obtain a good buffer against continued negative effects from the current covid-19 related restrictions in China.

**4. Question: How much money does the Company raise through the rights issue and what will the money be used for?**

**Answer:** Upon full subscription in the rights issue, Fingerprints' will be provided with net proceeds of approximately MSEK 265. Fingerprints will use the net proceeds from the rights issue to finance (i) expenditure in the ordinary course of business, including various customer projects, investments in research and development regarding the Company's products as well as supplier costs and (ii) inventory ramp up within the product segments Mobile, Payments, PC and Access.

**5. Question: What is a unit right?**

**Answer:** A unit right is a form of subscription right that entitles the holder to, during a certain time period, subscribe for Units in the Company at a predetermined subscription price. Any person that is registered as a shareholder of A-shares in the Company's share register on the record date 8 November 2022 will receive one (1) unit right regarding A-units for each A-share held in Fingerprints as of the record date. Any person that is registered as a shareholder of B-shares in the Company's share register on the record date 8 November 2022 will receive one (1) unit right regarding B-units for each B-share held in Fingerprints as of the record date. The unit rights is expected to have a financial value that the holder can only benefit from if the holder either uses the unit rights to subscribe for new Units or sells the unit rights.

**6. Question: What does it mean that the rights issue of B-units is fully secured by subscription undertaking and underwriting commitments?**

**Answer:** Certain of the Company's existing shareholders (including senior executives and board members) have undertaken to subscribe for B-units corresponding to an aggregated amount of approximately MSEK 25 (the "**Subscription Undertakings**"). In addition, certain external investors (including Carnegie) have undertaken to subscribe for B-units in the rights issue not covered by the Subscription Undertakings and not subscribed for by other current shareholders or external investors, corresponding to not more than MSEK 275 in total (the "**Underwriting Commitments**"). Hence B-units of approximately MSEK 300 is fully covered by Subscription Undertakings and Underwriting Commitments. The rights issue of A-units of approximately MSEK 6 is not subject to any Subscription Undertakings or Underwriting Commitments.

## **SUBSCRIPTION RELATED QUESTIONS**

**7. Question: How many Units am I entitled to subscribe for in the rights issue?**

**Answer:** Any person registered as a shareholder of A-shares in the share register maintained by Euroclear Sweden on the record date 8 November 2022, receive one (1) unit right regarding A-units for each A-share held in Fingerprints. Sixteen (16) unit rights regarding A-units entitles the holder to subscribe for one (1) A-unit. The person registered as a shareholder of B-shares in the share register maintained by Euroclear Sweden on the record date 8 November 2022, receive one (1) unit right regarding B-units for each B-share held in Fingerprints. Sixteen (16)

unit rights regarding B-units entitles the holder to subscribe for one (1) B-unit. Only whole Units can be subscribed for (i.e., no fractions).

For example, a shareholder holding 100 B-shares on the record date 8 November 2022 will be allocated 100 unit rights regarding B-shares, entitling to subscribe for 6 B-units (corresponding to 30 B-shares and 6 warrants entitling to subscription of B-shares). Since 100 is not evenly divisible by 16, the shareholder in this example will have 4 excess unit rights which do not entitle to subscription of one B-unit – to realise the value of these excess unit rights, the shareholder in question can sell the excess unit rights.

Application for subscription of Units may also be made without unit rights. Such application must be made on a specific application form (see the answer to question 10 below).

#### **8. Question: What do I do if I want to buy or sell unit rights?**

**Answer:** Trading in unit rights regarding B-units takes place on Nasdaq Stockholm during the period from and including 10 November 2022 to and including 21 November 2022. Carnegie and other securities institutions with the required permits are at service of arranging the purchase and sale of unit rights. After the end of the subscription period, unit rights that have not been exercised will be invalid and thus have no value and will, without notification from Euroclear Sweden, be cancelled from the holder's securities account.

#### **9. Question: How do I subscribe for Units by exercising unit rights?**

**Answer:** Subscription for Units by exercising unit rights is made through a cash payment, by using either the pre-printed bank giro slip or by the applicable application form with simultaneous payment according to one of the following alternatives:

- bank giro slip is used if all unit rights according to the issue statement from Euroclear Sweden is to be used; or
- the application form for subscription by exercising unit rights is used if unit rights have been purchased, sold or transferred from another securities account (Sw. *VP-kontonummer*) or if for any other reasons a different number of unit rights than those stated in the pre-printed issue statement are to be used for subscription. Payment for subscribed Units must be made at the same time as the submission of the application form for subscription by exercising unit rights. The payment shall be made in the same way as for other bank giro payments, for example through internet banking, account transfer or at a bank office. Upon payment, the security account number where the unit rights are held must be provided.

The abovementioned application form may be obtained from Carnegie during office hours by calling + 46 (0)8 5886 8510 or be downloaded from Carnegie's website, [www.carnegie.se](http://www.carnegie.se), or Fingerprints website, [www.fingerprints.com](http://www.fingerprints.com). The application form and payment must be received by Carnegie no later than 15.00 CET on 24 November 2022.

Shareholders whose holdings are nominee-registered and who wish to subscribe for Units by exercising unit rights shall register for subscription in accordance with instructions from their respective nominee.

**10. Question: How do I subscribe for Units without exercising unit rights?**

**Answer:** Application for subscription for Units without exercising unit rights must be made on a specific application form for subscription without exercising unit rights. Incomplete or incorrectly completed application form may be disregarded. An application form can be obtained from any of Carnegie's offices or be downloaded on Carnegie's website, [www.carnegie.com](http://www.carnegie.com), or at Fingerprints website, [www.fingerprints.com](http://www.fingerprints.com).

Shareholders whose holdings are nominee-registered and who wish to subscribe for Units without exercising unit rights may register for subscription in accordance with instruction from respective nominee.

**11. Question: What is paid subscribed B-units ("BTU")?**

**Answer:** Following subscription and payment of B-units by exercising unit rights, paid subscribed B-units ("BTU") will be registered on the subscriber's account. B-units subscribed for by exercising unit rights will be registered as BTU on the account until the complete registration of the Rights Issue has been made with the Swedish Companies Registration Office. After registration, BTU will be converted into B-shares and warrants entitling to subscription of B-shares, which are expected to be registered on the subscriber's account on or around 8 December 2022. Trading with BTU will take place on Nasdaq Stockholm from and including 10 November 2022 to and including 2 December 2022.

**12. Question: What is the value of a unit right regarding B-units?**

**Answer:** The value of a unit right regarding B-units is determined by the price of Fingerprints' B-share and may fluctuate during the subscription period. Theoretically, the value is calculated in relation to the so called TERP (theoretical ex-rights price). TERP is the theoretical price per B-share after the completion of the rights issue, assuming full subscription. When the final terms of the rights issue was announced on 31 October 2022, the TERP amounted to approximately SEK [4.61]. The difference between the TERP and the subscription price in relation to the number of unit rights required to subscribe for one new B-share in Fingerprints determines the value of the unit rights. Based on the above, the value per unit right regarding B-units amounted to approximately SEK 0.50 as per the time for when the final terms of the rights issue was announced on 31 October 2022.

**13. Question: What is the subscription price in the rights issue?**

**Answer:** The subscription price is SEK 15.1 per A-unit and B-unit, respectively, corresponding to an underlying subscription price of SEK 3.02 per A-share and B-share, respectively (the warrants entitling to subscription of an A-share and the warrants entitling to subscription of a B-share are issued free of charge).

**14. Question: When is the subscription period?**

**Answer:** Subscription of Units may take place during the period from and including 10 November 2022 to and including 24 November 2022.

**15. Question: As a shareholder, do I need to do anything to obtain subscription rights in Fingerprints' rights issue?**

**Answer:** No, the objective is that everyone registered as a shareholder in Fingerprints on the record date 8 November 2022 automatically receives unit rights (except for holders who are legally restricted from participating in the rights issue).

**16. Question: What happens if I, as an existing shareholder, do not participate in the rights issue?**

**Answer:** If you choose not to participate in the Rights Issue you will, upon full subscription in the rights issue by other investors, have your shareholding diluted by approximately 24 per cent and your voting share diluted by approximately 24 per cent. Provided that all warrants issued in the rights issue are exercised for subscription of A-shares and B-shares respectively, your shareholding will be diluted by approximately 27 per cent, and your voting share diluted by approximately 27 per cent. However, you have the possibility to be financially compensated for the dilutive effect by selling your unit rights. Upon transfer of unit rights, the preferential rights are transferred to the new holder of the unit rights.

**17. Question: Can I subscribe for more Units than I have a preferential rights to?**

**Answer:** Yes, it can be done in the following ways:

- You may buy unit rights and use these to subscribe for Units. You then take over the preferential rights to subscribe for Units and subscribe in accordance with the instructions under question 9.
- You may also apply to subscribe for Units without exercising unit rights in accordance with the instructions under question 10.

Trading in unit rights regarding B-Units will take place on Nasdaq Stockholm during the period from and including 10 November 2022 to and including 21 November 2022. Unit rights regarding A-units will not be traded on Nasdaq Stockholm, other regulated market or a multilateral trading facility.

**18. Question: How do I know if I will be allotted Units subscribed for without exercising unit rights?**

**Answer:** As confirmation of the allotment of Units subscribed for without exercising unit rights, a settlement note will be sent to subscribers on or around 28 November 2022. No notice will be sent to subscribers who have not received allotment.

**19. Question: What can I do as an existing shareholder if I cannot afford to participate in the rights issue?**

**Answer:** If you who receive unit rights cannot afford to subscribe for Units in the rights issue, you have the possibility to realise the value of the unit rights that you receive by selling them. In this way, you are financially compensated for the dilutive effect of the rights issue.

**20. Question: Can the unit rights be traded on Avanza or Nordnet?**

**Answer:** The unit rights regarding B-units are traded on Nasdaq Stockholm from and including 10 November 2022 to and including 21 November 2022. It is the Company's intention that the unit rights will be tradable through online brokers such as Avanza and Nordnet. Unit rights regarding A-units will not be traded on Nasdaq Stockholm, other regulated market or a multilateral trading facility.

**21. Question: Why are some jurisdictions ineligible and which are these?**

**Answer:** Allocation of unit rights and Units upon exercising unit rights to persons residing in countries other than Sweden and the countries to which the prospectus will be passported (i.e. Denmark, Finland and Norway) may be affected by securities legislation in such countries. Consequently, shareholders who have their shares directly registered in securities accounts with registered addresses in Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States or any other jurisdiction where participation in the rights issue would require an additional prospectus, registrations or other regulatory approvals or measures, will not receive any unit rights in their securities accounts. Although nominees with directly registered holdings (unless they have registered addresses in any ineligible jurisdiction) are expected to have unit rights credited to their securities accounts, shareholders resident in ineligible jurisdictions who hold through such nominees will, subject to certain exceptions, not be permitted to participate in the rights issue.

**22. Question: If I reside in an ineligible jurisdiction, what can I do?**

**Answer:** If you reside in an ineligible jurisdiction such as Australia, Hong Kong, Japan, Canada, New Zealand, Singapore, South Africa, the United States or any other jurisdiction where participation in the rights issue would require an additional prospectus, registrations or other regulatory approvals or measures, you will not receive any unit rights or be allowed to subscribe for Units. The unit rights that would otherwise have been delivered to you will instead be sold and the proceeds be paid out to you (with deduction of costs). Amounts from such sale that are less than SEK 100 will not be paid out.

**23. Question: When do I need to pay for subscribed Units?**

**Answer:** The application form and payment for Units subscribed for by exercising unit rights must be received by Carnegie no later than 15.00 CET on 24 November 2022. Please note that payment for subscription of Units by exercising unit rights not received by Carnegie 15.00 CET on 24 November 2022, will not be taken into account, hence payment must be made in due time prior to this date. Payment for Units subscribed for without unit rights shall be made in cash in accordance with the instructions on the distributed settlement note.

For shareholders whose holdings are nominee-registered at a bank or other nominee, subscription and payment for Units should be made in accordance with instructions from the respective nominee.

**24. Question: Where can I find more information regarding the rights issue?**

**Answer:** For more information, see the prospectus that will be available on Fingerprints' website, [www.fingerprints.com](http://www.fingerprints.com) as of 7 November 2022. The prospectus will also be available on Carnegie's website, [www.carnegie.se](http://www.carnegie.se) and on the Swedish Financial Supervisory Authority's website, [www.fi.se](http://www.fi.se).

**QUESTIONS AND ANSWERS REGARDING THE WARRANTS****25. Question: What does the warrants entail?**

**Answer:** A warrant regarding A-share issued in the rights issue entitles, but does not oblige, the holder to, but not an obligation, subscribe for an A-share during a certain period at a certain subscription price (see further information below). A warrant regarding B-share issued in the



rights issue entitles, but does not oblige, the holder to subscribe for a B-share during a certain period at a certain subscription price (see further information below).

The rights of the warrant holders against the Company are regulated through the terms and conditions for warrants of series 2022:1 regarding A-shares and through the terms and conditions for warrants of series 2022:2 regarding B-shares, respectively, both of which are available on Fingerprints' website, [www.fingerprints.com](http://www.fingerprints.com).

**26. Question: How many shares are the warrant holder entitled to subscribe for by exercising a warrant?**

**Answer:** One warrant entitles the holder to subscribe for one new share of the class to which the warrant relates. Accordingly, one (1) warrant entitling to subscription of an A-share entitles the holder to subscribe for one (1) A-share, and one (1) warrant entitling to subscription of a B-share entitles the holder to subscribe for one (1) B-share, during the period between 18 August 2023 and 8 September 2023.

**27. Question: What is the subscription price for exercising the warrants?**

**Answer:** The subscription price when exercising the warrant for subscription of an A-share or a B-share, respectively, corresponds to 70 per cent of the volume-weighted average price of the Company's B-share on Nasdaq Stockholm during the 10 trading days that falls 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.

**28. Question: Is it possible to trade in the warrants?**

**Answer:** The Company's board of directors will apply for admission to trading on Nasdaq Stockholm of the warrants entitling to subscription of B-shares that are issued in connection with the rights issue. The warrants are expected to be admitted to trading on 8 December 2022.

The warrants entitling to subscription of A-shares are not admitted to trading on a regulated market or a multilateral trading facility and will not be admitted to trading on any such market.

**29. Question: How many warrants will there be?**

**Answer:** Upon full subscription in the rights issue, 375,000 warrants entitling to subscription of A-share and 19,838,939 warrants entitling to subscription B-shares will be issued.

**30. Question: What is the last day to sell warrants so that they do not expire worthless?**

**Answer:** The last day of trading in the warrants regarding B-shares on Nasdaq Stockholm is expected to be on 6 September 2023.

**31. Question: When is the deadline for subscribing for shares by exercising the warrants?**

**Answer:** 8 September 2023 at 15.00 CEST.

**32. Question: Where can I find more information regarding the warrants?**

**Answer:** For more information, see the prospectus which will be available on Fingerprints' website, [www.fingerprints.com](http://www.fingerprints.com) as of 7 November 2022 as well as the terms and conditions for the warrants that are available on the Company's website, [www.fingerprints.com](http://www.fingerprints.com). The

prospectus will also be available on Carnegie's website, [www.carnegie.se](http://www.carnegie.se) and on the Swedish Financial Supervisory Authority's website, [www.fi.se](http://www.fi.se).

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and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although Fingerprint believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors, which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.