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Fingerprints strengthens its financial position and ability to invest in growth areas through an issue of convertible bonds of at least MSEK 160 and a guaranteed rights issue of MSEK 180 and decides on an early redemption of its bond loan

The board of Fingerprint Cards AB (publ) ("Fingerprints" or the "Company") has decided on an early redemption of the Company's outstanding bond loan of MSEK 300 through a new financing amounting to at least MSEK 340 with an option to increase up to MSEK 430. As a result of the challenging market in which the Company has operated since Covid-19, the outstanding bond loan has limited the Company's financial flexibility and opportunity to invest fully in the growth segments. As the Company now proactively chooses to carry out an early redemption of the outstanding bond loan, the bond loan's restrictive covenants no longer apply. This will enable an increased investment in the growth segments, an improved gross margin and thus also profitability.

"We are very happy to announce that Fingerprints, in a challenging financing market, has secured new financing through convertible loans and a fully guaranteed rights issue. The funding and repayment of our outstanding bond loan significantly improves the company's balance sheet and financial position that importantly improves our ability to execute on the Company's growth plans, both organically and potentially by select smaller acquisitions. With this transaction and a recovering market in Q2, the board and management feels even more confident about the Company's future as one of the global leading biometric company in existing and new markets", says Christian Lagerling, chairman of the board.

The Company has entered into a binding agreement (the "Subscription Agreement") with an entity managed by Heights Capital Management, Inc. ("HCM") regarding an undertaking to subscribe for convertible bonds (the "Convertible Bonds") for a total nominal amount of MSEK 160 ("Tranche 1") with an option of additional Convertible Bonds with a total nominal amount of MSEK 90 that can be exercised under certain conditions and if the Company so wishes ("Tranche 2"). The Company has further resolved on a fully guaranteed rights issue of B-shares of approximately MSEK 180 (the "Fully Guaranteed Rights Issue") and a rights issue of A-shares of approximately MSEK 3.4 (together with the Fully Guaranteed Rights Issue, the "Rights Issue" and together with Tranche 1, the "Transaction"). The proceeds from the Transaction shall be used for the redemption of the Company's outstanding bond loan of MSEK 300 maturing in December 2024 as well as for general corporate purposes, including increased investments within the Company's growth segment. The Company and the board have chosen to carry out the Transaction to create increased financial and operational flexibility through an early redemption of the outstanding bond loan, which enables an increased focus on growth and profitability. Through this press release, the Company also publishes certain financial information as of 30 June 2023.

Summary

- The board of the Company has today resolved (i) to enter into the Subscription Agreement with HCM, (ii) on the Rights Issue and (iii) to propose to the General Meeting (as defined below) to authorise the board to issue the Convertible Bonds in Tranche 1 and Tranche 2. The extraordinary general meeting is planned to be held on 18 August 2023 (the "General Meeting") and will resolve on the subsequent approval of the Rights Issue and resolve on the authorisation to the board to issue the Convertible Bonds. The notice to the General Meeting will be published separately on or around 18 July 2023. The

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Company's largest shareholder has made an irrevocable undertaking to vote in favour of the proposals at the General Meeting.

- The purpose of the Transaction is to strengthen the Company's financial position and gain increased financial flexibility by early redemption of the outstanding senior secured bond loan 2021/2024 (ISIN: SE0017071855) of MSEK 300 maturing in December 2024 (the "Bonds"). Provided that the Transaction is approved by the General Meeting, the Company will receive proceeds of approximately MSEK 340 in total before transaction costs.
- Pursuant to the Subscription Agreement the Convertible Bonds shall be issued in two tranches and at 92 percent of the nominal amount. Tranche 1 has a total nominal amount of MSEK 160 and the Company also has an option to issue Tranche 2 with a total nominal amount of MSEK 90 provided that certain conditions are met. The final maturity date for the Convertible Bonds shall be three (3) years and six (6) months from the Closing Date (as defined below). The Convertible Bonds shall have a fixed interest rate of six (6) percent per annum on the outstanding nominal amount with amortisation payments every two months.
- The Fully Guaranteed Rights Issue is fully covered by subscription commitments and guarantee commitments.
- The final terms of the Rights Issue will be determined by the board no later than 16 August 2023. Provided that the Rights Issue is approved by the General Meeting, the record date for the Rights Issue is expected to be 24 August 2023 and the subscription period is expected to run between 28 August 2023 and 11 September 2023.
- In connection with the announcement of the Transaction, the Company also publishes certain financial information as of 30 June 2023 through this press release and resolves to extend the subscription period regarding the Company's outstanding warrants of series 2022:1 and 2022:2.

Background and rationale

In December 2021, Fingerprints issued Bonds of MSEK 300 to further accelerate the Company's growth. In light of the extremely turbulent market conditions, primarily caused by the Covid-19 pandemic, Fingerprints has been significantly adversely affected, resulting in a situation in which the current funding leaves limited freedom for the Company to manage its operations and limits its ability to carry out its strategic plan: to increase growth in prioritised growth segments outside the mobile industry and thereby achieve an improved gross margin. In addition, the Company will continue to build on its strong position in the smartphone segment.

The purpose of the Transaction is to enable the Company to finance an early redemption of the Bonds and thereby gain increased financial flexibility with fewer restrictive financial commitments, and a stronger financial position. Thereby, the Company can focus on its operations and continue to implement its strategic plan with an increased focus on growth segments, improved diversification and increased gross margin as well as to selectively implement smaller acquisitions.

The Convertible Bonds

The Company has entered into the Subscription Agreement with HCM regarding a commitment to subscribe for Convertible Bonds. The agreement contains customary conditions precedent, including the board obtaining the authorisation at the General Meeting to issue the Convertible Bonds in Tranche 1 and Tranche 2 and completion of the Rights Issue and that no significant negative events have occurred regarding the Company's operations until the time for subscription of the Convertible Bonds in Tranche 1 and Tranche 2 (if the option is exercised). Provided that the General Meeting resolves on the authorisation for the board to issue the Convertible Bonds, the main terms for the issue of the Convertible Bonds will include:

- The issue price for the Convertible Bonds shall correspond to 92 percent of the nominal amount.
- Tranche 1 with a total nominal amount of MSEK 160 shall be issued and subscribed for following the publication of the outcome in the Fully Guaranteed Rights Issue. The Company also has an option to issue Tranche 2 with a total nominal amount of MSEK 90 approximately 6 weeks following the issuance of Tranche 1, provided that the board deems it beneficial for the shareholders and that certain conditions are met, including the condition that the Company's share price exceeds SEK 1.00 (adjusted for certain recalculation events, if applicable).
- The final maturity date shall be three (3) years and six (6) months from the issue of Tranche 1, which is estimated to be around 19 September 2023 (the "Closing Date").
- The Convertible Bonds shall have a fixed interest rate of six (6) percent per annum on the outstanding nominal amount with amortisation payments every two months.
- The Convertible Bonds shall be amortised in twenty-one (21) equal instalments (the "Instalments") paid every two months after the Closing Date (each an "Instalment Day"). The Company may choose to pay the Instalments in cash at 100 percent of the applicable instalment amount or in B-shares at 90 percent of the Market Price (as defined below) (the "Instalment Price") on each applicable Instalment Day, provided that the Instalment Price shall in no case exceed the current conversion price on any Instalment Day. The Market Price refers to the lowest VWAP (as defined below) of the B-share during the five (5) trading days immediately preceding the applicable date, but in no event higher than the VWAP of the B-shares as of the applicable date. Cash payments are the default payment option.
- For each period between the Instalment Days, HCM shall be entitled to receive, in whole or in part, up to one (1) additional Instalment, provided that the Company receives written notice thereof. The Company shall have the right to choose to make such Instalment in cash or in B-shares issued at the then applicable Instalment Price.
- HCM shall be able to elect to convert the Convertible Bonds at any time during the term of the Convertible Bonds at a conversion price equal to 125 percent of the reference price. The reference price is the lowest of i) the theoretical ex-rights price ("TERP") in the Rights Issue and ii) the arithmetic mean of the volume-weighted average price ("VWAP") of the B-share during the five (5) trading days falling immediately following the last day of the subscription period in the Rights Issue.

The Rights Issue

As of the date of this press release, the rights Issue of A-shares is not covered by any subscription commitments or guarantee commitments and the potential proceeds of approximately MSEK 3.4 from the issue of A-shares will be in addition to the proceeds of approximately MSEK 180 in the Fully Guaranteed Rights Issue and is carried out primarily to enable all shareholders the opportunity not to be diluted by subscribing for A-shares and B-shares pro rata to their shareholding.

Some of the Company's shareholders (including senior executives and board members) have undertaken to subscribe for new B-shares for a total amount of approximately MSEK 1.4, corresponding to approximately 0.8 percent of the Fully Guaranteed Rights Issue. In addition, certain external investors and an existing shareholder have entered into guarantee commitments of approximately MSEK 180 in total, corresponding to 100 percent of the Fully Guaranteed Rights Issue. The Fully Guaranteed Rights Issue is thus fully covered by subscription and guarantee commitments.

A cash guarantee commitment compensation, determined based on prevailing market conditions, of 9 percent of the guaranteed amount will be paid to the guarantors. Neither the subscription commitments nor the guarantee commitments have been secured through bank guarantee, restricted funds, pledging or similar

arrangements. Additional information about the parties that have entered into guarantee commitments will be presented in the prospectus to be published prior to the commencement of the subscription period.

Shareholders who are entered in the Company's share register on the record date, expected to be 24 August 2023, have the right to subscribe for new shares with preferential rights in the Rights Issue. Subscription of new shares may also take place without preferential rights.

Final conditions for the Rights Issue, including the amount by which the Company's share capital may increase, the number of new shares expected to be issued and the subscription price of the shares are expected to be announced on 16 August 2023.

The subscription period is expected to run between 28 August 2023 and 11 September 2023. Trading in subscription rights that entitles to subscription of new B-shares is expected to take place on Nasdaq Stockholm between 28 August 2023 and 6 September 2023, and trading in paid subscribed B-shares (*Sw. betald tecknad aktie, "BTA"*) is expected to take place between 28 August 2023 and 14 September 2023. BTA's entitling to subscription of B-shares are intended to be admitted to trading on Nasdaq Stockholm. Subscription rights for A-shares and paid subscribed A-shares entitling to subscription of A-shares will not be admitted to trading on Nasdaq Stockholm or any other trading platform.

Disclosure of Certain Financial Information

Due to the Transaction, the Company publishes certain financial information as of 30 June 2023. The financial information for 2023 is preliminary and has not been reviewed by the Company's auditor. The financial information for 2022 has been previously published and is included for reference and to facilitate comparability. The interim report for January – June 2023 will be published on 20 July 2023.

	30 June 2023 (MSEK)	30 June 2022 (MSEK)
Cash & cash equivalents	252.4	212.8
Long-term liabilities	304.0	300.0

Extended subscription period for warrants of series 2022:1 and 2022:2 (ISIN: SE0018768269 and ISIN: SE0018768277)

The subscription period for new subscriptions of A-shares and B-shares by exercising warrants of series 2022:1 and 2022:2 has previously been set to be between 18 August 2023 and 8 September 2023. In order to give the holders of the warrants of series 2022:1 and 2022:2 more time to exercise their warrants and considering that the subscription period for the Rights Issue partly runs during the application period for the warrants of series 2022:1 and 2022:2, the board has resolved, pursuant to the terms and conditions of the warrants of series 2022:1 and 2022:2, to extend the subscription period so that the last day of the subscription period falls after the Rights Issue has been completed. The last day for new subscription of A-shares and B-shares will then be 14 September instead of 8 September 2023. The resolution is subject to the General Meeting approving the Rights Issue.

Early redemption of the Bonds

Subject to the completion of the Transaction, Fingerprints will exercise its right to early redemption of the Bonds in accordance with the terms and conditions of the Bonds. The Bonds will, in such early redemption, be repurchased at a price corresponding to 104.50 percent of the nominal amount plus accrued and unpaid interest from, but excluding, the previous interest payment date to, and including, the settlement date of the early redemption which is expected to be 28 September 2023. The redemption amount will be paid to each person who, at the end of business on 21 September 2023, is registered as a holder of the Bonds in the debt register maintained by Euroclear Sweden. In connection with the early redemption, the Bonds will be delisted from Nasdaq Stockholm. The Company will within short issue a notice of such early redemption, conditional on the

completion of the Transaction. The conditional notice of early redemption will be made available on the Company's website and be sent to directly registered holders of the Bonds in accordance with the debt register.

Indicative timeline

Publication of the final terms of the Rights Issue	16 August 2023
Extraordinary General Meeting	18 August 2023
Last day of trading in shares including the right to receive subscription rights in the Rights Issue	22 August 2023
First day of trading in shares excluding the right to receive subscription rights in the Rights Issue	23 August 2023
Publication of prospectus	23 August 2023
Record date for the Rights Issue	24 August 2023
Trading in subscription rights entitling to subscription of new B-shares in the Rights Issue	28 August 2023 – 6 September 2023
Subscription period in the Rights Issue	28 August 2023 – 11 September 2023
Trading with BTA in the Rights Issue (refers only to B-shares)	28 August 2023 – 14 September 2023
Expected publication of the outcome in the Rights Issue	13 September 2023
Subscription period for warrants of series 2022:1 and 2022:2	18 August 2023 – 14 September 2023
Record date in the bond redemption	21 September 2023
Redemption of the Company's Bonds	28 September 2023

Prospectus

A prospectus regarding the Rights Issue will be published prior to the commencement of the subscription period on Fingerprints' website, www.fingerprints.com and on Carnegie's website, www.carnegie.se.

Advisors

Carnegie Investment Bank AB (publ) acts as Sole Global Coordinator and Bookrunner. Gernandt & Danielsson Advokatbyrå KB acts as legal advisor to the Company. Conv-Ex Advisors Limited has been appointed to act as Calculation Agent in respect of the Convertible Bonds.

About Fingerprints

Fingerprint Cards AB (Fingerprints) – the leading global biometric company with Swedish roots. We believe in a safe and connected world, where you are the key to everything. Our solutions are found in hundreds of millions of devices and are used billions of times every day. We offer secure and user-friendly 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 16 July 2023 at 11:30 pm CEST.

Important information

This press release does not contain and does not constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights, BTAs, convertibles or other securities in Fingerprints. The offer to affected persons regarding the subscription of shares in Fingerprints will only be made through the prospectus that Fingerprints will publish on its website after approval and registration with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*).

The information in this press release may not be disclosed, published or distributed, directly or indirectly, in or into the United States (including its territories and possessions), Australia, Japan, Canada, Hong Kong, New Zealand, Singapore or South Africa or any other jurisdiction where distribution or publication would be illegal or require registration or other measures than those that follow from Swedish law. Actions that violate these restrictions may constitute a violation of applicable securities laws.

No shares, warrants, BTAs, convertibles or other securities have been registered, and no shares, warrants, BTAs, convertibles or other securities will be registered under the United States Securities Act of 1933 as currently amended ("Securities Act") or the securities legislation of any state or other jurisdiction of the United States and no shares, warrants, BTAs, convertibles or other securities may be offered, sold, or otherwise transferred, directly or indirectly, within or into the United States, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States.

In all EEA Member States ("EEA"), other than Sweden, Denmark, Finland and Norway, this press release is intended for and is directed only to qualified investors in the relevant Member State as defined in the Regulation (EU) 2017/1129 (together with associated delegated regulations and implementing regulations, the "Prospectus Regulation"), i.e. only to those investors who can receive the offer without an approved prospectus in such EEA Member State.

In the United Kingdom, this press release is directed and communicated only to persons who are qualified investors as defined in Article 2(e) of the Prospectus Regulation (as incorporated into domestic law in the United Kingdom) who are (i) persons who fall within the definition of "professional investors" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) ("the Regulation"), or (ii) persons covered by Article 49(2)(a) - (d) in the Regulation, or (iii) persons to whom the information may otherwise lawfully be communicated (all such persons referred to in (i), (ii) and (iii) above are collectively referred to as "Relevant Persons"). Securities in the Company are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will only be processed in respect of Relevant Persons. Persons who are not Relevant Persons should not act based on or rely on the information contained in this press release.

Matters discussed in this press release may contain forward-looking statements. Such statements are all statements that are not historical facts and contain expressions such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "continues", "should" and other similar expressions. The forward-looking statements in this press release are based on various assumptions, which in several cases are based on additional assumptions. Although Fingerprints believes these assumptions were reasonable when made, such forward-looking statements are subject to known and unknown risks, uncertainties, contingencies and other material factors that are difficult or impossible to predict and beyond its control. Such risks, uncertainties,

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contingencies and material factors could cause actual results to differ materially from those expressed or implied in this communication through the forward-looking statements. The information, perceptions and forward-looking statements contained in press release speak only as at its date, and are subject to change without notice.