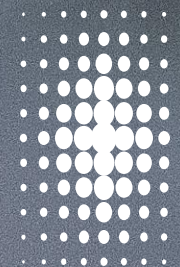


YOU ARE THE KEY TO EVERYTHING

| Q2 2024

Webcast, 15 August 2024

Adam Philpott, CEO
Fredrik Hedlund, CFO



FINGERPRINTS



AGENDA

EXECUTIVE SUMMARY

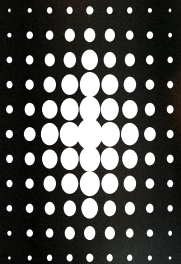
STRATEGIC INITIATIVES

- Transformation to drive profitable growth
- Cost optimization
- Strengthen balance sheet
- Strategy

Q2 2024 FINANCIALS

- Revenue and clients
- Key figures

Q&A



Executive summary – Q2 2024

Q2 2024

- ⤵ Achieved +10.5% growth in core revenue amidst transformation and cost reduction efforts (incl. Mobile revenue decreased 45%)
- ⤵ Successfully executed on our Transformation Plan
 - ⤵ Mobile phase-out on schedule
 - ⤵ Strong cost reduction momentum
- ⤵ Significantly reduced cash burn vs. Q1'24, demonstrating tighter financial control and increased operational efficiency (B/S cash SEK 189.5m in Q2'24)
- ⤵ Gross margin significantly impacted by depreciation of capitalized R&D, adjusting for this non-cash item, gross margin increased by 5.7 percentage points to 25.4% from 19.7% in Q2'23
- ⤵ Anticipating continued volatility in financial results as we further implement our Transformation Plan

Key figures

SEKm	Q2 2024	Q2 2023	Change	Q1 2024
Revenue	112.4	203.3	-45%	146.4
Gross margin %	3.7	13.1	-9 pp	11.1
Adjusted EBITDA ¹	-47.6	-57.7	-18%	-50.5
Free cash flow ²	-23.5	40.5*	-64%	-65.5
Headcount ³	119	241	-51%	172

* FCF Q2'23: SEK 85.6 favorable change in inventory

Notes: 1) EBITDA adjusted for costs related to restructuring measures, amounting to SEK 17.3 M in Q2 2024, and for other operating income amounting to SEK 62.5 M. 2) Cash flow from Operational Activities less Cash Flow to Investing Activities. 3) End of Period, Including consultants

Transformation to drive profitable growth

✓ = Covered in today's presentation

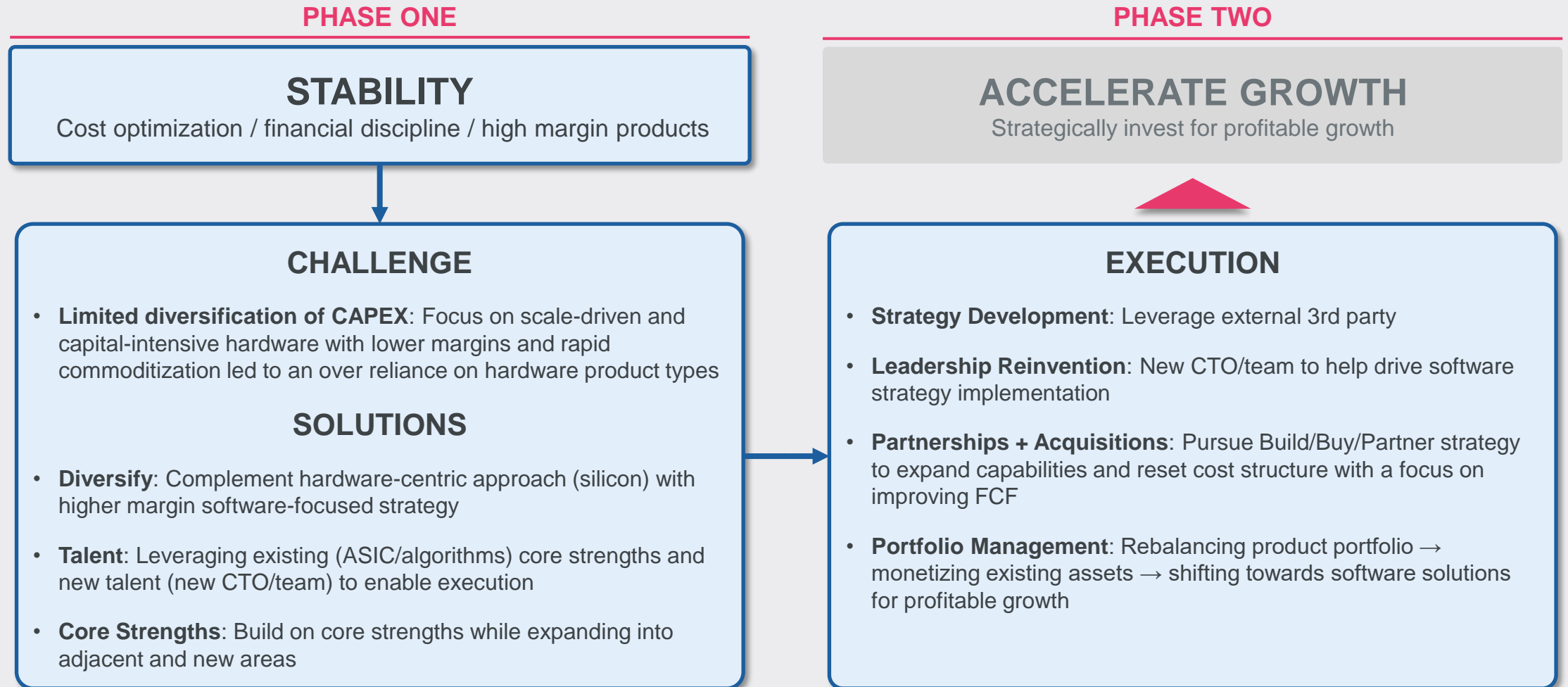
Strategic transformation



Three phase plan

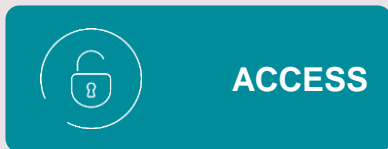


Stability and gearing towards accelerated growth



1. Portfolio Refresh

DISCONTINUATION
PROCESS **MOBILE**

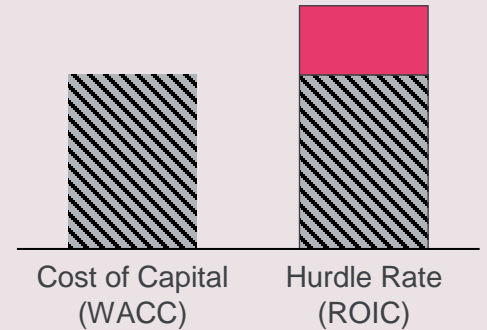


REVIEW
products that don't fulfil INVEST criteria or underperform financially

INVEST
in products that meet strategic, competency, and financial criteria (organic / inorganic)

PARTNER
for products that match strategy and use core strengths but require more resources

Invest where
ROIC > WACC



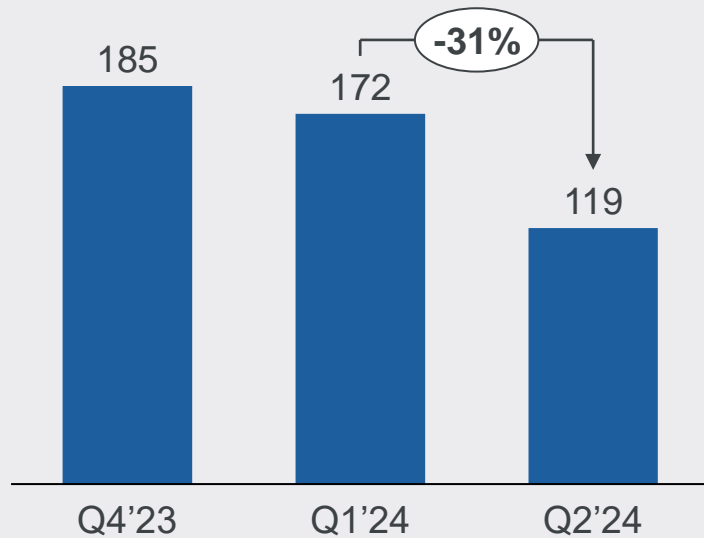
**CORE
BUSINESS**

**NEW
Business**



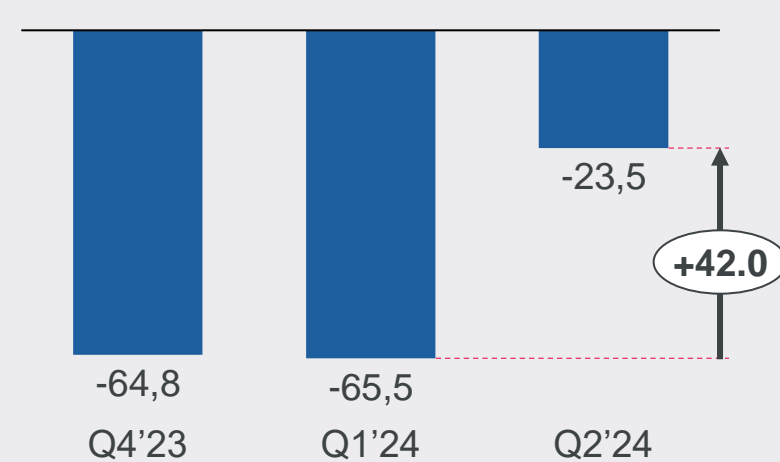
2. Cost Optimization

Headcount¹ (#)



Cost optimization on right trajectory to reach and exceed target

Free Cash Flow³ (SEKm)



Cash burn reduced by 2/3rds

3. Strengthened Balance Sheet

Rights issue and convertible bond

- **Cash injection:** Completed majority of **SEK 275m** rights issue
- **Simplified capital structure:** Early redemption of the outstanding convertible bonds, enhancing financial flexibility and ultimately reducing dilution for existing shareholders
- **Late settlement:** Currently, a remainder of ~SEK 45m of the rights issue is to be settled due to FDI regulations before repayment of the convertible bonds is possible¹

Key positive post redemption effects



Enhanced Financial Flexibility

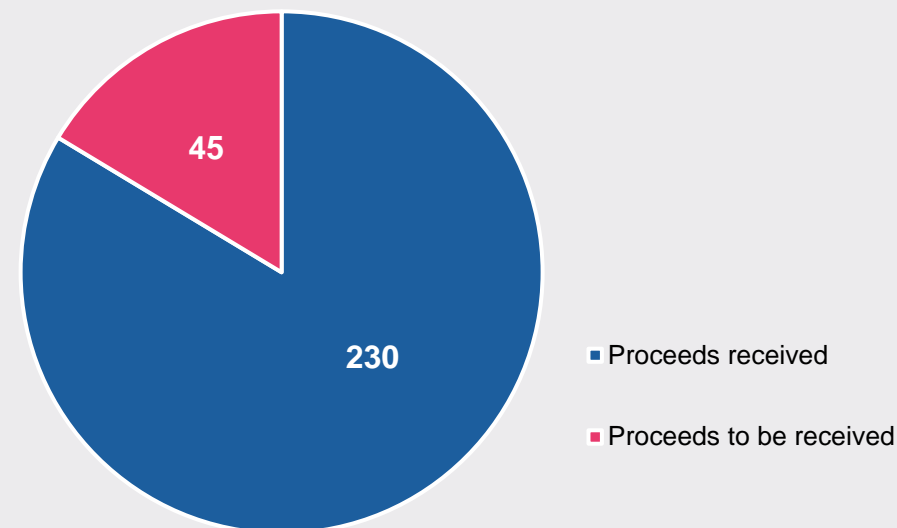


All shareholders on the same playing field



Reduced Debt Overhang

Rights issue outcome, SEKm



4. Strategy – Market Opportunity

Zero Trust: ~\$30B¹ market growing at ~17%¹

General Overview:

"What are the Benefits of Zero Trust? While no security strategy is perfect, zero trust is among today's most effective strategies as it: **Reduces the attack surface and risk of a data breach.** Provides granular access control over cloud and container environments." – *Zscaler (ZS)*

Operational Definition and Requirements:

"Zero Trust is a security framework requiring all users, whether in or outside the organization's network, to be **authenticated, authorized, and continuously validated** for security configuration and posture before being granted or keeping access to applications and data." – *CrowdStrike (CRWD)*

Security Implications:

"Zero Trust security means that **no one is trusted by default from inside or outside the network**, and verification is required from everyone trying to gain access to resources on the network. This added layer of security has been shown to prevent data breaches." – *Duo Security (CSCO)*

Application to Identity Management:

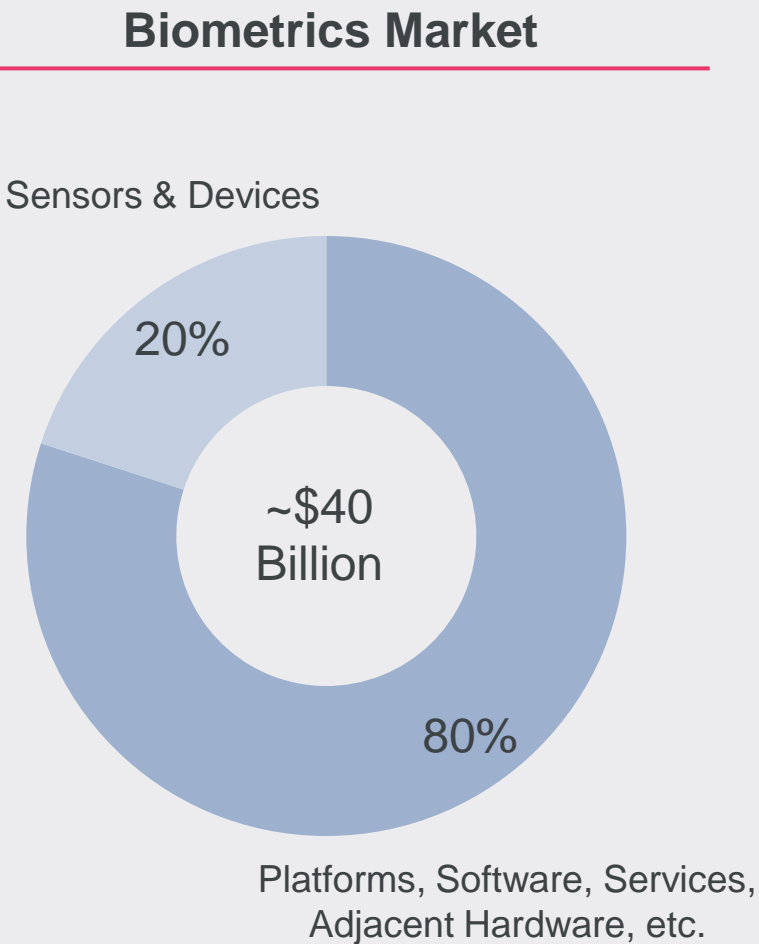
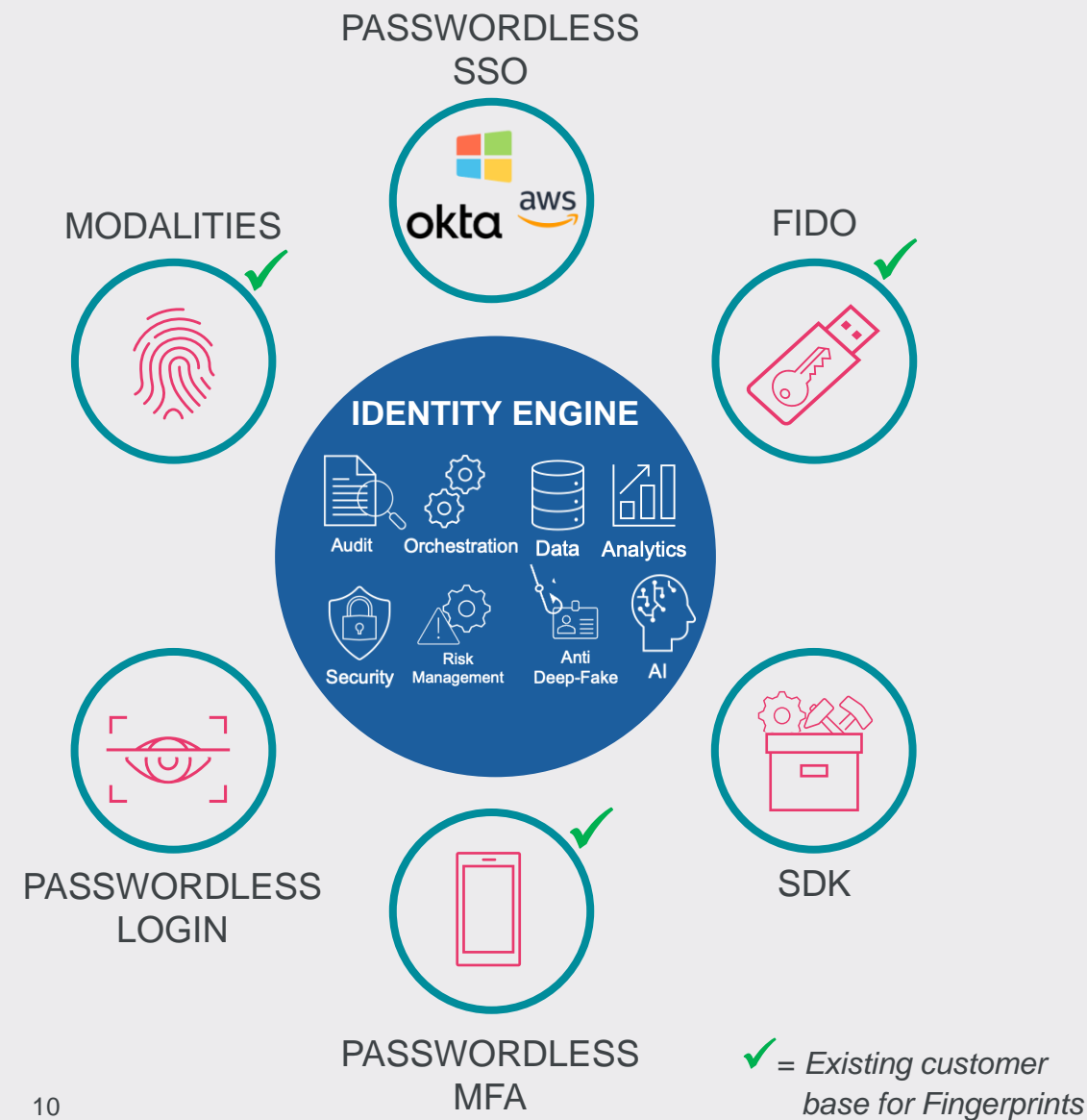
"Regardless of where the request originates or what resource it accesses, Zero Trust teaches us to **'never trust, always verify.'** Every access request is fully authenticated, authorized, and encrypted before granting access." – *Microsoft (MSFT)*

Fingerprints

“Today’s paramount cyber security architecture, **Zero Trust**, depends upon **identity**. Currently identity is ascertained through passwords, the most flawed means of delivering security and user experience. As a long-time biometrics identity company, **Fingerprints** have an opportunity to underpin Zero Trust with **user-friendly, highly secure biometrics and identity data**”

Adam Philpott, CEO Fingerprint Cards

4. Strategy – Fingerprints Opportunity



A large, stylized fingerprint graphic in a darker teal color, centered on the slide. The ridges of the fingerprint are concentric and circular, with the text 'Q2 2024 FINANCIALS' overlaid in the center.

Q2 2024 FINANCIALS

Revenue and clients – Q2 results

Revenue by product group

SEKm	Q2 2024	Q2 2023	Change	Q1 2024
PC	27.1	25.9	5%	28.5
Access	16.1	9.8	64%	9.2
Payment	0.1	3.5	-97%	1.8
Total Core	43.3	39.2	10.5%	39.5
Mobile	69.1	164.1	-58%	106.9
Group	112.4	203.3	-45%	146.4

Q2 Dynamics

- ⌚ **PC:** Continued to see growth in existing PC models
 - ⌚ Progressing on new models at multiple clients
 - ⌚ Investing in global supply chain for international clients
 - ⌚ Holding penetration rate, with pressure from face modality
- ⌚ **Access:** Strong growth with Logical Access a highlight
 - ⌚ Broad range of demand across sectors such as EV's
 - ⌚ Deal profile of many, smaller deals
 - ⌚ Channel scale strategy coming to fruition
 - ⌚ Iris-capable hardware cost reducing, opening new markets
- ⌚ **Payment:** Banking interest continues to grow, but scale yet to be realized
 - ⌚ Particularly high demand in LATAM and MEA
 - ⌚ PoS enrollment maturing across suppliers
 - ⌚ Consolidate focus and attention on key partners and end-customers after period of change
- ⌚ **Mobile:** Graceful wind down slightly ahead of expected demand
 - ⌚ Egis partnership progressing well



Key figures – Q2 results

Key figures

SEKm	Q2 2024	Q2 2023	Change	Q1 2024
Revenue	112.4	203.3	-45%	146.4
Gross profit	4.2	26.6	-84%	16.2
Gross margin %	3.7	13.1	-9 pp	11.1
Adjusted EBITDA ¹	-47.6	-57.7	-18%	-50.5
Free cash flow ²	-23.5	40.5	<i>nm</i>	-65.5
Cash and cash equivalents	189.5	252.4	-25%	45.6
Headcount ³	119	241	-51%	172

* FCF Q2'23: SEK 85.6 favorable change in inventory

Q2 Dynamics

- ⌚ **Revenue:** Core product groups grew by 10.5%, mainly driven by strong sales in our Access product group (incl. Mobile revenue decreased 45%)
- ⌚ **Gross margin:** Significantly impacted by depreciation of capitalized R&D (SEK 24.3m), adjusting for this non-cash item, gross margin increased by 5.7 percentage points to 25.4% from 19.7% in Q2'23
- ⌚ **Adjusted EBITDA:** SEK -2.4m EBITDA adjusted for restructuring expense SEK 17.3m and operating income of SEK 62.5m
- ⌚ **FCF:** Improved by SEK 42m vs. Q1'24 (lower cash burn). Unfavorable vs Q1'23 due to prior year SEK 85.6m inventory reduction
- ⌚ **Cash and cash equivalents:** After repaying a SEK 60M bridge loan, proceeds from the rights issue in Q2 amounted to SEK 169 M
- ⌚ **Headcount:** Cost optimization program is progressing as planned, with 31% fewer headcount vs. Q1'24 and 51% fewer vs. Q1'23

Notes: 1) EBITDA adjusted for costs related to restructuring measures, amounting to SEK 17.3 M in Q2 2024, and for other operating income amounting to SEK 62.5 M. 2) Cash flow from Operational Activities less Cash Flow to Investing Activities. 3) End of Period, Including consultants

Q2 Summary

Core Revenue Growth

Core products saw a revenue increase of 10.5%. As we continue to phase out low-margin Mobile revenue, we anticipate substantial improvements in gross margin, aligning with our strategic goals

Cost Optimization

Cost optimization is on track, achieving a 31% reduction in headcount vs. Q1'24 whilst enhancing efficiency. FCF has improved by SEK 42m, effectively reducing cash burn

Strengthening Balance Sheet

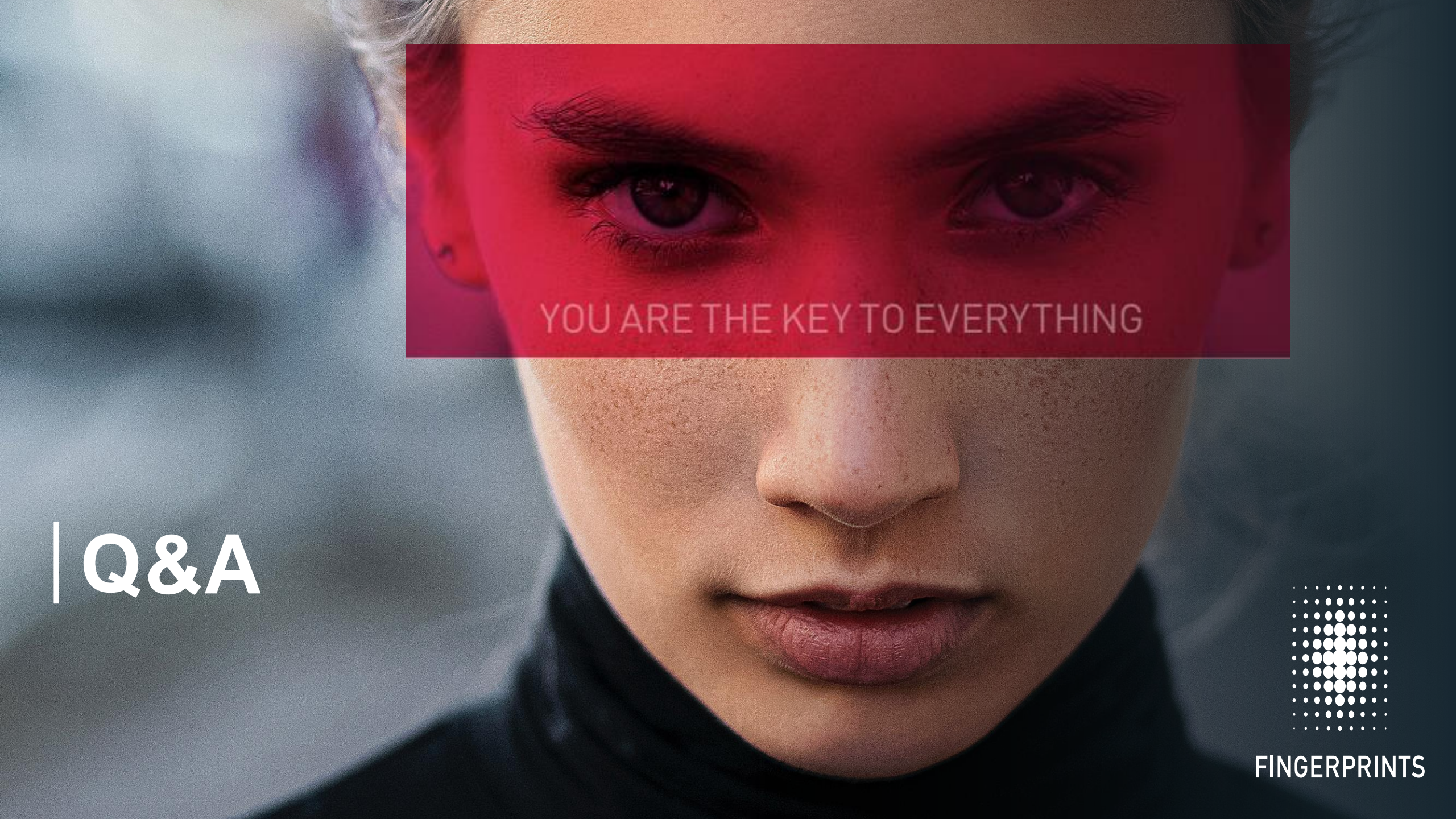
Completed majority of SEK 275 million rights issue in Q2 2024, which will enable early redemption of convertible bonds, enhanced financial flexibility and reduced shareholder dilution

Portfolio Refresh

Continuous review of investment ROIC vs. WACC to invest in products that align with our strategic goals and partner for products that leverage our core strengths but require additional resources

Strategy Execution

Onboarding new CTO to lead software strategy execution adopting a Review/Invest/Partner approach to boost capabilities and financial performance. Focusing on software expansion, leveraging core business

A close-up portrait of a person's face, focusing on the eyes and nose. A semi-transparent red rectangular overlay covers the eye area. The person has light skin and freckles. The background is blurred, showing another person's face in profile.

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| Q&A



FINGERPRINTS