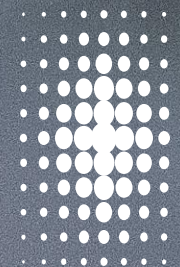


YOU ARE THE KEY TO EVERYTHING

| Q3 2024

Webcast, 31 October 2024

Adam Philpott, CEO
Fredrik Hedlund, CFO



FINGERPRINTS



AGENDA

EXECUTIVE SUMMARY

STRATEGIC INITIATIVES

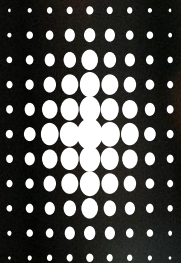
- Transformation to drive profitable growth
- Cost optimization
- Debt-free
- Strategy

Q3 2024 FINANCIALS

- Revenue and clients
- Key figures

Q&A

APPENDIX



Executive summary – Q3 2024

Q3 2024

- ⤵ Financial and Transformation performance:
 - ⤵ Gross margin adjusted for R&D depreciation 38.7% vs. 21.2% in Q3'23
 - ⤵ Targeting additional gross margin improvement by focusing on high-margin product groups
 - ⤵ Strong cost reduction momentum
 - ⤵ Debt-free
 - ⤵ Mobile phase-out progressing as scheduled
 - ⤵ Expecting continued financial volatility as Transformation Plan advances
- ⤵ PC headwinds driving accelerated transformation:
 - ⤵ Exit PC and China
 - ⤵ Further OPEX reductions targeted from PC exit
- ⤵ Exploring Access, Payment and PC investment partnerships
- ⤵ Increased focus on Access product group with Payment product group upside
- ⤵ Strategic M&A expansion into Identity market

Key figures

SEKm	Q3 2024	Q3 2023	Change	Q2 2024
Revenue	102.8	184.8	-44%	112.4
Gross margin %	18.3	12.8	5 pp	3.7
Adjusted EBITDA ¹	-22.8	-40.4	44%	-47.6
Free cash flow ²	-27.4	-50.4	46%	-79.5 ⁴
Headcount ³	107	228	-53%	119

Notes: 1) EBITDA adjusted for Other Operating Income/Expenses SEK 27.2m. 2) FCF = Operating Cash Flow + Investing Cash Flow. 3) End of Period, Including consultants. 4) FCF Q2'24: See Interim Report for reclassifications

Transformation to drive profitable growth

✓ = Covered in today's presentation

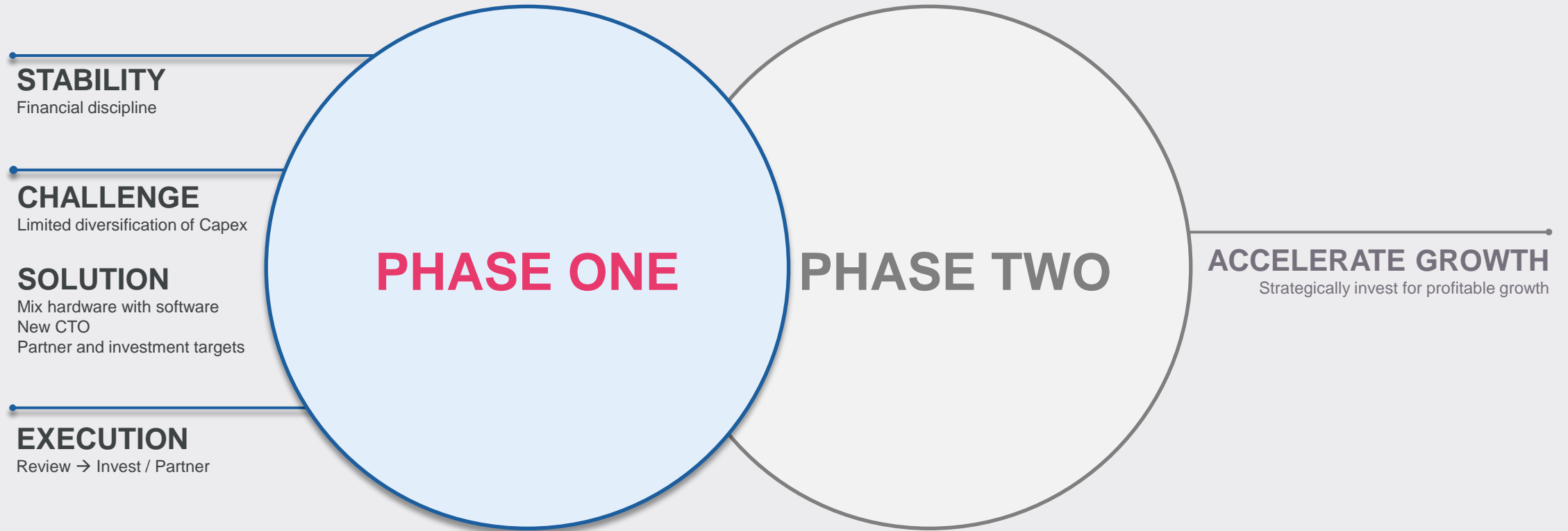
Strategic transformation



Three phase plan



Stability and gearing towards accelerated growth



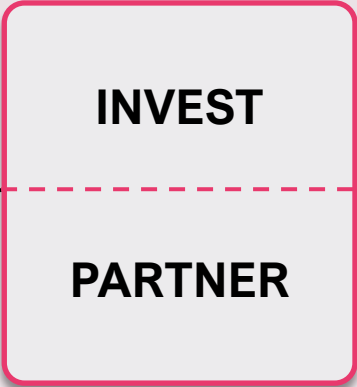
1. Portfolio Refresh

**NEW
BUSINESS**

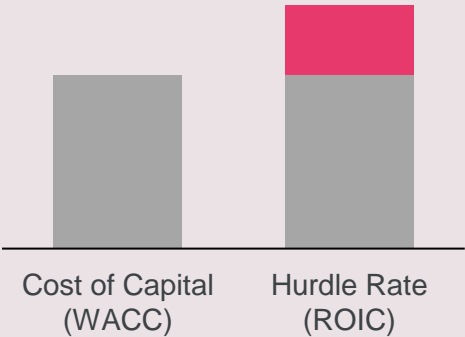


See page “4. Strategy”

**CORE
BUSINESS**

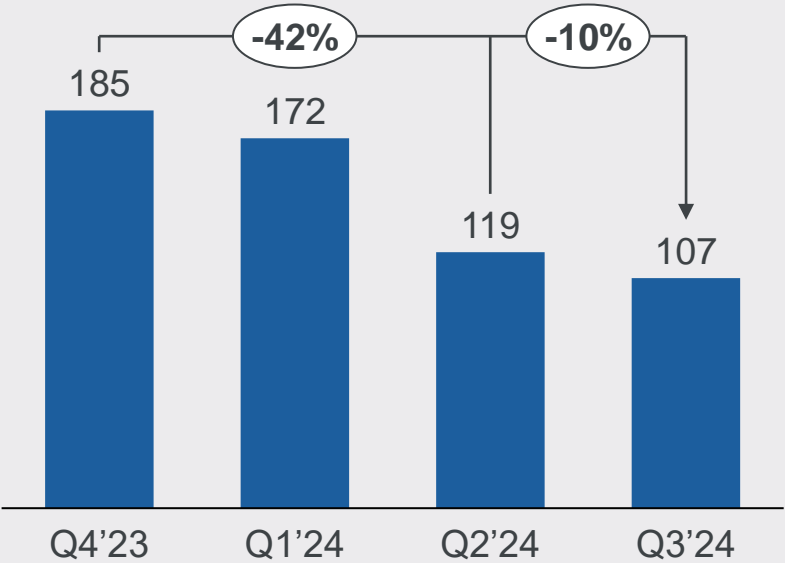


**Invest where
ROIC > WACC**



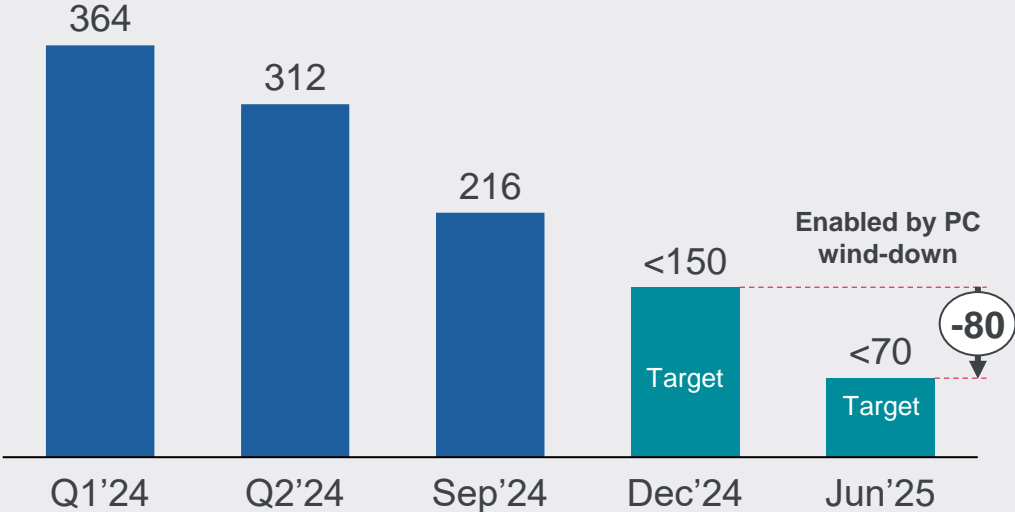
2. Cost Optimization

Headcount¹ (#)



Mobile headcount reduction on track

OPEX Annualized² (SEKm)



Targeting annualized OPEX of less than SEK 70m by June 2025

3. Debt-free

Rights issue and convertible bond

- **Cash injection:** Completed **SEK 275m** rights issue
- **Simplified capital structure:** The outstanding convertible bonds has now been repaid in full

Key positive post redemption effects



Creating a level playing field for all shareholders and removing overhang on the share price



Debt free company

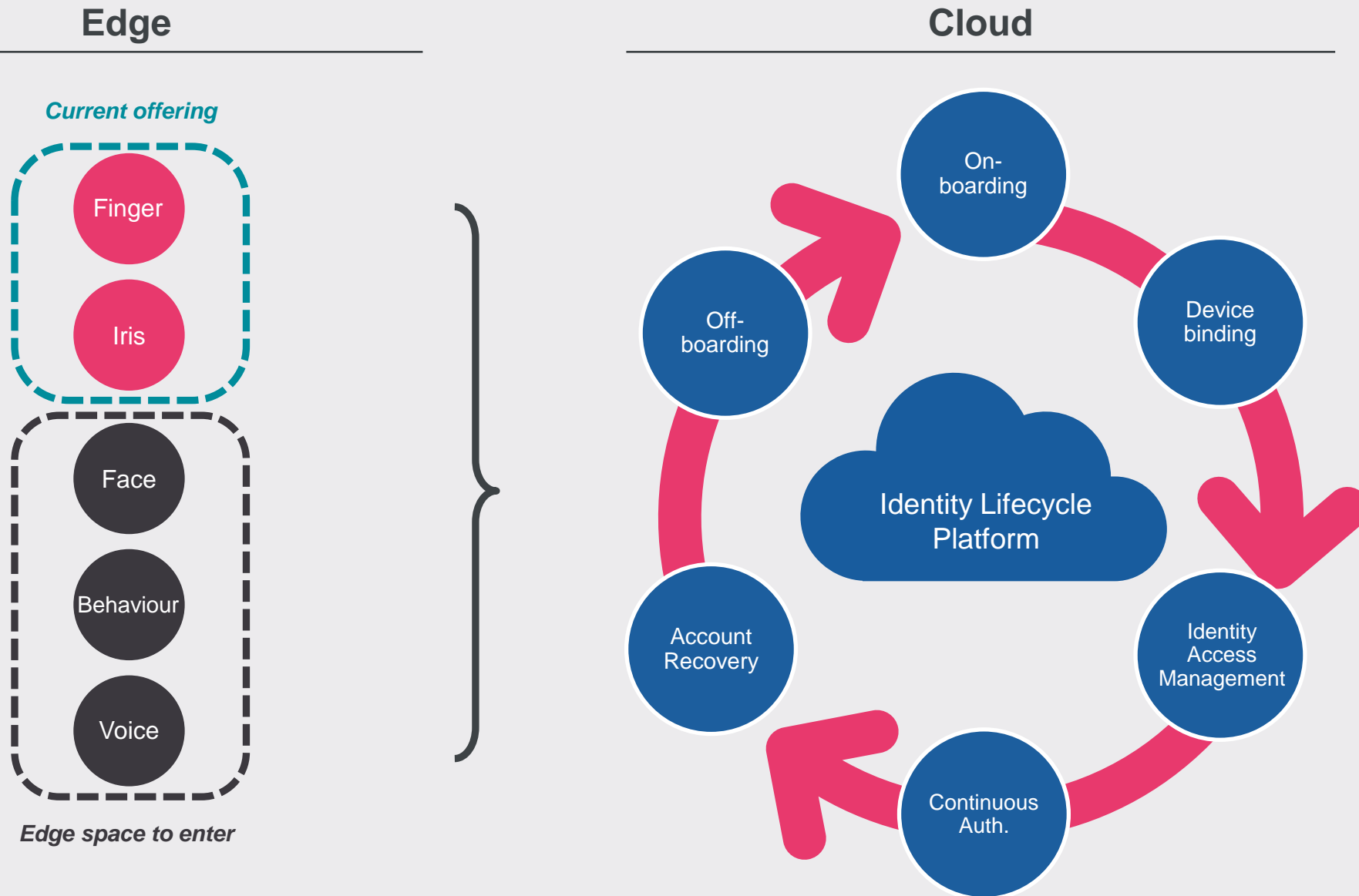


Enhanced Financial Flexibility

Strategic transformation



4. Strategy - You are the key to everything



A large, stylized fingerprint graphic in a darker teal color, centered on the slide. The lines of the fingerprint are concentric and wavy, creating a circular pattern.

Q3 2024 FINANCIALS

Revenue and clients – Q3 results

Revenue by product group

SEKm	Q3 2024	Q3 2023	Change	Q2 2024
Access	18.2	25.2	-27%	16.1
Payment	0.7	2.9	-75%	0.1
Total Core	18.9	28.1	-33%	16.2
PC	7.8	22.3	-65%	27.1
Mobile	76.1	134.5	-43%	69.1
Group	102.8	184.8	-44%	112.4

Q3 Dynamics

Access:

- Strong, fundamental business with robust QoQ growth driven by logical access demand, despite company transformation
- Launched next-gen "AllKey," establishing a market-leading position
- Introduced IRIS 4.0, expanding market reach and boosting performance

Payment:

- Significant pipeline but slow deal progression for partner inventory
- Announced Infineon SECORA Pay Bio product
- Multifunction card and wearable opportunity

PC:

- Significant headwinds in fingerprint sensors, coupled with reduced customer volumes due to Fingerprints market-cap risk profile
- Exploring monetization opportunities

Mobile:

- Successfully spun-out and completed inventory clearance

Key figures – Q3 results

Key figures

SEKm	Q3 2024	Q3 2023	Change	Q2 2024
Revenue	102.8	184.8	-44%	112.4
Gross profit	18.8	23.6	-20%	4.2
Gross margin %	18.3	12.8	5 pp	3.7
Adjusted EBITDA ¹	-22.8	-40.4	44%	-47.6
Free cash flow ²	-27.4	-50.4	46%	-79.5 ⁴
Cash and cash equivalents	49.0	197.9	-75%	189.5
Headcount ³	107	228	-53%	119

Q3 Dynamics

- ⓘ **Revenue:** Mobile revenues declined as the segment winds down. PC sales were impacted by lifecycle stages and customer shifts, reinforcing exit decision. Access product line saw solid sequential growth, driven by demand for FIDO-certified biometric solutions
- ⓘ **Gross margin:** Adjusted for Depreciation of Capitalized R&D (SEK 21.0m), gross margin rose to 38.7%, up from 21.2% in Q2'23 (and 25.4% in Q2'24). With the full phase-out of Mobile and PC operations, targeting further margin gains by focusing on high-margin product groups
- ⓘ **Adjusted EBITDA:** SEK 27.2m EBITDA adjustment (add-back) due to Other Operating Income/Expenses
- ⓘ **FCF:** Operating Cash Flow SEK -25.0m, Investing Cash Flow SEK -2.0m
- ⓘ **Cash & Equivalents:** Decreased by SEK 140.5m to 49.0m in Q3'24, impacted by a SEK -105.2m convertible loan repayment, SEK 44.9m from the rights issue, SEK -50.1m in rights issue transaction costs, SEK -1.5m for leased facilities, and SEK -27.0m in FCF
- ⓘ **Headcount:** Cost optimization program is progressing as planned, with 10% fewer headcount vs. Q2'24 and 53% fewer vs. Q3'23

Notes: 1) EBITDA adjusted for Other Operating Income/Expenses SEK 27.2m. 2) FCF = Operating Cash Flow + Investing Cash Flow. 3) End of Period, Including consultants. 4) FCF Q2'24: See Interim Report for reclassifications

Q3 Summary

Portfolio Refresh

Launched new products in core product groups: AllKey and 4th-gen iris recognition software Access; SECORA Bio Pay in Payments

Cost Optimization

Targeting annual OPEX under SEK 70 million by end of Q2'25, with a reduced geographical footprint and lower costs, primarily in Asia – adopting a leaner operating model

Debt-Free

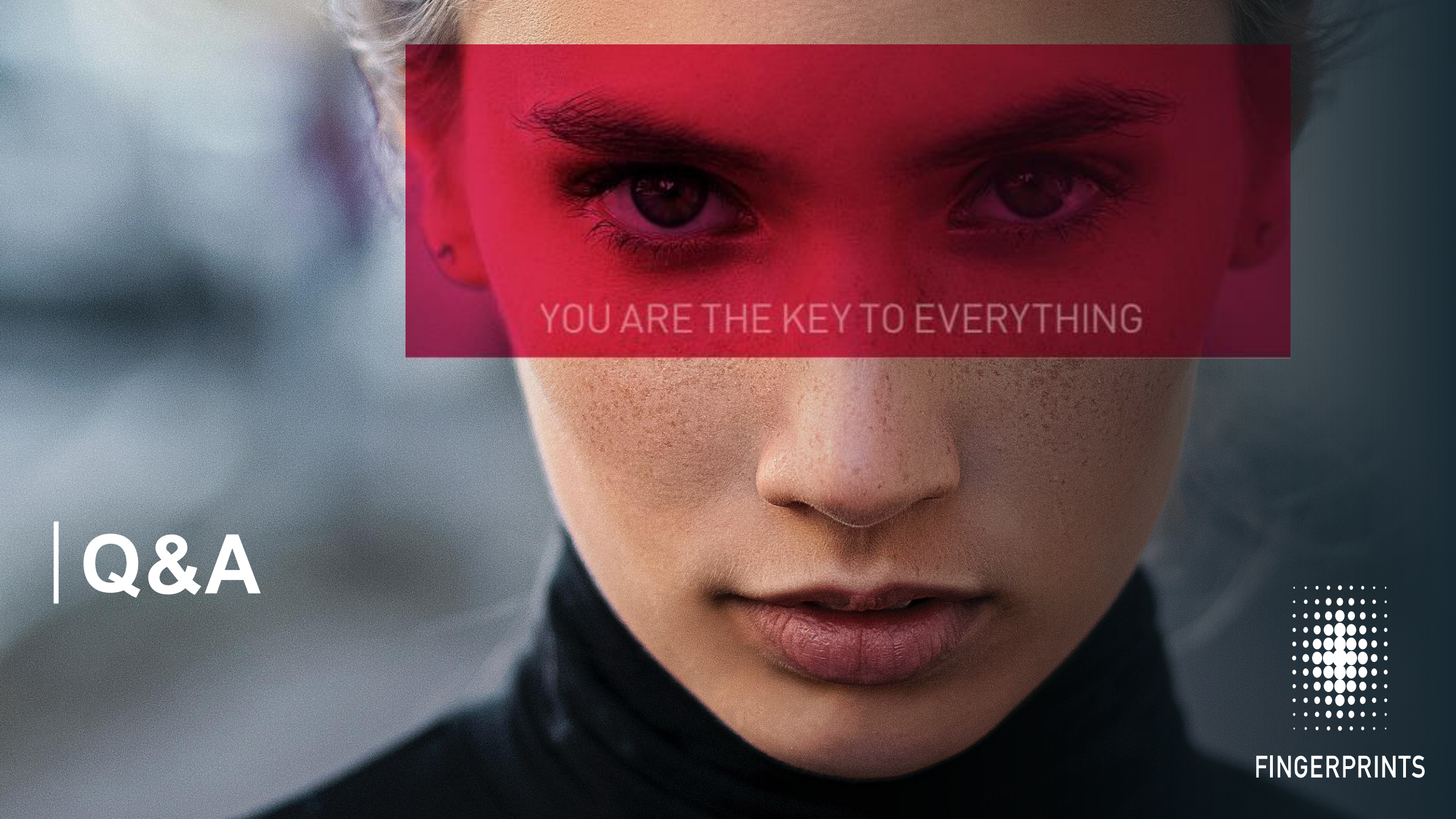
Fully repaid convertible bonds, making Fingerprints debt-free and ensuring a level playing field for all shareholders

PC Product Line

PC exit to prioritize high-ROIC investments and minimize exposure to commoditizing markets and China

Strategy

Identified M&A investment and partnership targets for expansion into Identity Lifecycle cloud platform and Edge modalities



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| Q&A



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