



# FINGERPRINTS

## Q4 Earnings Presentation

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Adam Philpott, CEO

Fredrik Hedlund, CFO

February 2025

# Agenda



- Executive & Financial summary
- Strategy: Applying our Biometrics where You are the key
- Traction:
  - Anonybit + FPC partnership
  - Smart Eye + FPC partnership
  - FPC AllKey product launch + jNET collaboration
- Q4 2024 Financials
- Q&A

# Executive summary – Q4 2024



## Financial and transformation performance:

- Gross margin adjusted for R&D depreciation improved to 49.8% vs. 17.9% YoY. Continued improvement opportunity
- Positive revenue trend in core business +12% YoY and +53% QoQ
- Lower total revenue reflects wind-down of Mobile/PC
- Continued headcount OPEX reduction: 71 vs. 185 YoY. Additional efficiency opportunities
- Rights Issue raised SEK 115 million in February 2025 before transaction costs. Debt-free.

## Strategy execution:

- Anonybit + FPC delivering cloud identity solutions
- Smart Eye + FPC partnership expanding modalities
- FPC AllKey Biometric System + jNET collaboration

## Key figures

SEKm	Q4 2024	Q4 2023	Change	Q3 2024
Revenue	41.6	200.3	-79%	102.8
Gross margin %	15.3	9.5	+6 pp	18.3
GM% ex. R&D Dep.	49.8	17.9	+32 pp	38.7
Adjusted EBITDA <sup>1</sup>	-29.0	-46.3	37%	-22.8
Free cash flow <sup>2</sup>	-46.8	-64.8	28%	-27.4
Headcount <sup>3</sup>	71	185	-62%	107

Notes: 1) EBITDA adjusted for costs related to restructuring measures, amounting to SEK 11.3 million, with the majority attributable to personnel expenses in China. 2) FCF = Operating Cash Flow + Investing Cash Flow. 3) End of Period, Including consultants.

# Strategy: Applying our Biometrics where **You** are the **key**

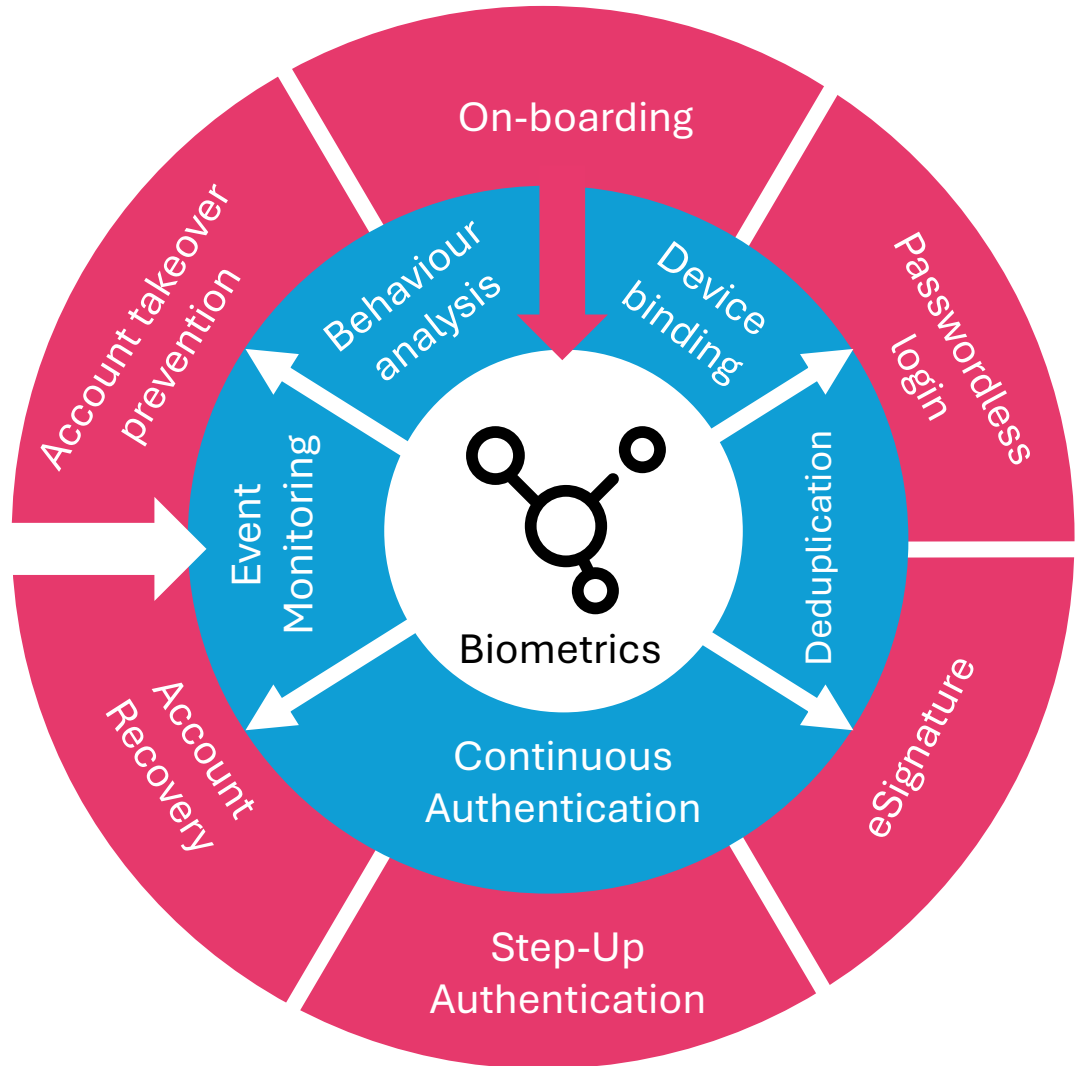
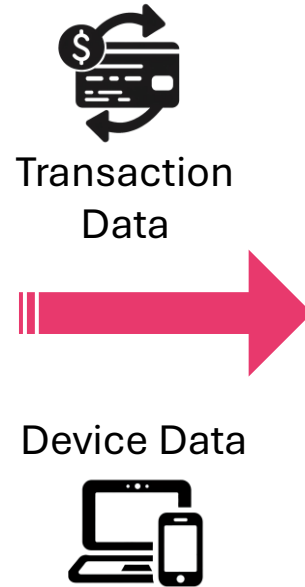


CLOUD

Identity Management Platform

EDGE

Biometric Modalities



# Strategic impact: Recent announcements

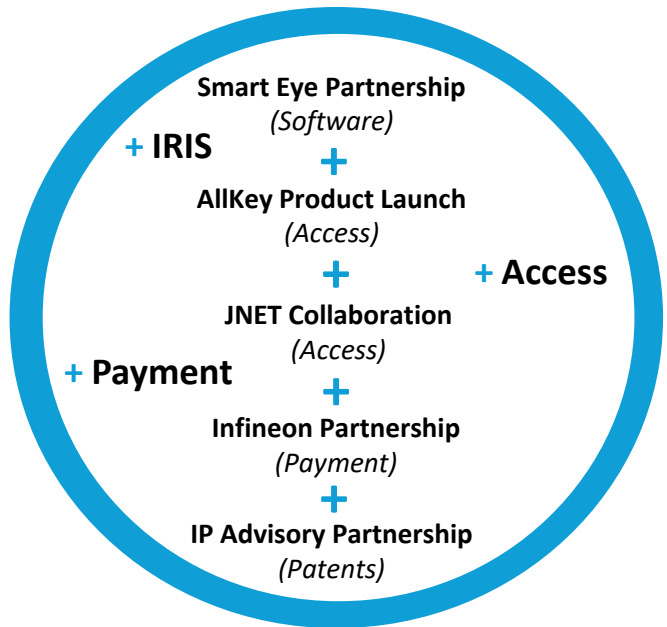


CLOUD

Identity Management Platform

EDGE

Biometric Modalities



Transaction  
Data



Device Data



Anonybit Partnership  
*(Software Platform)*

# Anonybit + FPC partnership



## About Anonybit Company

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- Eliminates vulnerabilities in centralized data storage with a patented decentralized privacy preserving biometrics store.
- Distributes anonymized biometric data across multiple cloud environments for superior privacy and security.
- Achieves over 99% authentication accuracy, reduces authentication time by 85%, and minimizes fraud risks.

## Why does this partnership matter?

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- **Passwords Are the Weak Link:** The leading cause of cyber breaches and poor user experiences.
- **Strategic Fit:** Supports FPC's expansion into cloud identity platform, accelerating growth.
- **Market Demand:** Enterprises need underpin their zero-trust deployments and manage the end-to-end identity cycle.

## How do we achieve this?

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- **Seamless Integration:** FPC's biometric technology merges with Anonybit's decentralized cloud platform.
- **Combined Strengths:** FPC's biometric edge expertise meets Anonybit's privacy-first cloud approach.
- **Decentralization Advantage:** Eliminates data risks while ensuring top performance at scale.

## What do we deliver?

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- **Together we deliver modern identity solutions:**

- ✓ **Remote Onboarding**
- ✓ **Call Center Verification**
- ✓ **Self-Service Recovery**
- ✓ **Desktop Authentication**
- ✓ **Continuous Authentication**
- ✓ **Shared Device Authentication**

# Smart Eye + FPC partnership



## About Smart Eye Company

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- Industry leader in camera-based in-vehicle sensing.
- Largest market share with more design wins and OEM customers than any competitor.
- By 2026, all new cars in Europe must have a Driver Monitoring System (DMS), accelerating global adoption.

## Why does this partnership matter?

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- **Strategic Growth:** Expands FPC's biometric portfolio beyond fingerprint and iris recognition.
- **Emerging Market:** Biometric authentication is gaining traction in automotive security.
- **Market Validation:** Smart Eye's leadership confirms the value of FPC's iris recognition technology.

## How do we achieve this?

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- **Technology Licensing:** FPC licenses its iris recognition technology to Smart Eye (non-exclusive).
- **Revenue Generation:** FPC earns a minimum of SEK 35 million over five years, with potential earnings up to SEK 50 million.
- **Multi-Modal Capabilities:** Smart Eye licenses back facial recognition and eye tracking to FPC at no upfront cost.

## What do we deliver?

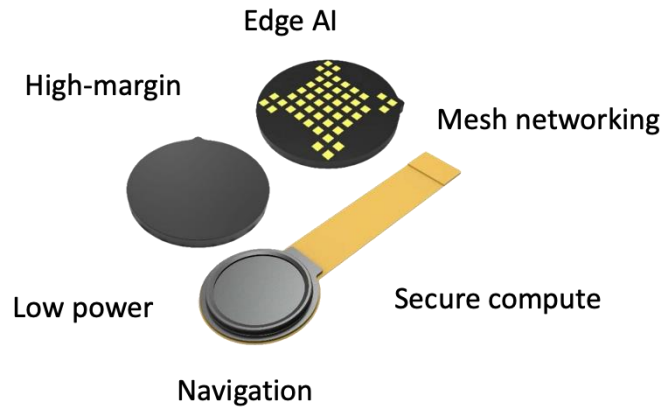
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- **Enhanced Biometric Solutions:** Adds facial recognition, eye tracking and AI to FPC's offerings.
- **Stronger Security:** Enables safer in-car payments and personalized driver experiences.
- **New Market Expansion:** Opens doors to new enterprise and access opportunities with enhanced user experience and security.

# FPC AllKey Biometric System + jNET collaboration



## FPC AllKey Edge Biometric System



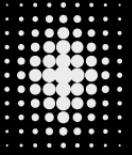
- **FPC AllKey:** Secure, Seamless Authentication.
- **Why?** PINs and passwords are outdated. FPC's vision: "You are the key." Device makers need secure biometrics but lack expertise.
- **How?** A complete, All-in-one solution (MCU + Sensor), that accelerates time-to-market for OEM customers, low-power, cost-effective MCUs for edge applications.
- **What?** Delivers enhanced security and seamless user experience, expanding FPC from a component supplier to a full biometric system provider.

## FPC & jNET: Secure Digital Identity



- **About jNet:** A leading security software provider, complementing FPC's biometric hardware.
- **Why?** Businesses need a trusted, compliant authentication solution for secure digital access.
- **How?** FPC and jNet integrate biometric expertise to deliver a turnkey System-in-Package (SiP) solution, compliant with FIDO and W3C standards.
- **What?** Strengthens security, simplifies integration, and expands opportunities in enterprise authentication, biometric passkeys, payments, and government ID solutions.





# FINGERPRINTS

## Q4 Financials

# Revenue and clients – Q4 results



## Revenue by product group

SEKm	Q4 2024	Q4 2023	Change	Q3 2024
<i>Access</i>	24.2	24.6	-1%	18.2
<i>Payment</i>	4.7	1.3	+262%	0.7
<b>Core</b>	<b>28.9</b>	<b>25.9</b>	<b>+12%</b>	<b>18.9</b>
<i>PC</i>	9.7	32.8	-70%	7.8
<i>Mobile</i>	3.0	141.6	-98%	76.1
<b>Group</b>	<b>41.6</b>	<b>200.3</b>	<b>-79%</b>	<b>102.8</b>

## Q4 Dynamics

### Core:

- Grew +12% YoY and +53% QoQ

### Access:

- Positive exit momentum
- Smart Eye + FPC partnership
- FPC AllKey Biometric System + jNET collaboration

### Payment:

- Strong YoY performance
- Infineon SECORA™ Pay Bio now fully certified for use in Visa and Mastercard payment cards
- Multifunction card and wearable future

# Key figures – Q4 results



SEKm	Q4 2024	Q4 2023	Change	Q3 2024
Revenue	41.6	200.3	-79%	102.8
Gross profit	6.4	19.1	-66%	18.8
Gross margin %	15.3	9.5	+6 pp	18.3
GM% ex. R&D Dep.	49.8	17.9	+32 pp	38.7
Adjusted EBITDA <sup>1</sup>	-29.0	-46.3	37%	-22.8
Free cash flow <sup>2</sup>	-46.8	-64.8	28%	-27.4
Cash and cash equivalents	12.1	109.9	-89%	49.0
Headcount <sup>3</sup>	71	185	-62%	107

## Q4 Dynamics

- **Revenue:** Core grew +12% YoY and +53% QoQ, while lower overall revenue reflects wind-down of Mobile/PC
- **Gross margin:** Adjusted for Depreciation of Capitalized R&D (SEK 14.3m), gross margin rose to 49.8% vs. 17.9% YoY (and 38.7% QoQ). Targeting further margin gains
- **Adjusted EBITDA:** SEK 11.3m EBITDA adjustment (add-back) due to costs related to restructuring measures
- **FCF:** Operating Cash Flow SEK -45.6m, Investing Cash Flow SEK -1.2m, for a FCF of SEK -46.8m
- **Cash & Equivalents:** Decreased by SEK 36.9m to 12.1m in Q4'24, impacted by SEK -46.8m in FCF, Cash flow from financing activities was SEK +8.1m, and FX changes SEK +1.8m
- **Rights Issue:** Raised SEK 115 million in February 2025 before transaction costs, without using any guarantee commitments
- **Headcount:** Cost optimization program is progressing as planned. Headcount reduction of 34% vs. prior quarter

Notes: 1) EBITDA adjusted for SEK 11.3m in costs related to restructuring measures, with the majority attributable to personnel expenses in China. 2) FCF = Operating Cash Flow + Investing Cash Flow. 3) End of Period, Including consultants.

# Q4 Summary

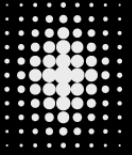


## Strong financial momentum

- **Gross margins:** Adjusted for R&D depreciation, gross margin increased to 49.8% vs. 17.9% YoY. Targeting further improvements by focusing on high-margin product groups
- **Core business growth:** Core business grew +12% YoY and +53% QoQ
- **On-going cost reduction:** Headcount decreased to 71 vs. 185 YoY
- **Debt-free:** The company has achieved a debt-free status.

## Strategic execution: **You are the key to everything**

- **Strategic partnerships:** Successfully formed key strategic partnerships with Anonybit and Smart Eye to deliver modern identity solutions and expand biometric capabilities
- **Innovation:** Launch of FPC AllKey and collaboration with jNET. Secure, user-friendly, and standards-compliant solution, broadening FPC's role as a comprehensive biometric system provider and creating new avenues in authentication and payments



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## Q&A

[www.fingerprints.com](http://www.fingerprints.com)