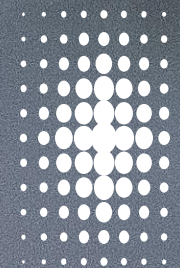


YOU ARE THE KEY TO EVERYTHING

| Q1 2024

Webcast, 7 May 2024

Adam Philpott, CEO
Fredrik Hedlund, CFO



FINGERPRINTS

AGENDA

EXECUTIVE SUMMARY

STRATEGIC INITIATIVES

- Transformation to drive profitable growth
- Why are we winding down Mobile?
- We have a great Core business
- Refresh of Biometric solutions

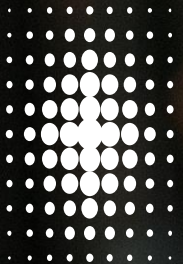
Q1 2024 FINANCIALS

- Revenue and clients
- Key figures

FINANCIAL & OPERATIONAL CHANGES

- Cost optimization
- Improving capital structure

Q&A



Executive summary – Q1 2024

Q1 2024

- ⌵ Revenue increase of 25%, driven by 80% growth in higher margin PC product group
- ⌵ Margin pressure in Mobile caused the total Group gross margin to decline by six percentage points (but up one point vs. 4Q23)
- ⌵ Continued execution of massive cost takeout program

Post-Q1 2024

- ⌵ Winding down Mobile to focus on Core business profitable growth
- ⌵ Announced a partially guaranteed rights issue of up to SEK 310 million to strengthen balance sheet by reducing debt and increasing equity, facilitated by the early repayment of outstanding convertible bonds
- ⌵ Our strategy is focused on the large and expanding market for Biometric Authentication and Identification, moving towards multimodal solutions that integrate various Biometric modalities, including both hardware and software

Key figures

SEKm	Q1 2024	Q1 2023	Change
Revenue	146.4	117.0	25%
Gross margin %	11.1	17.3	-6 pp
Adjusted EBITDA ¹	-50.5	-60.2	-16%
Free cash flow ²	-65.5	-64.8	1%
Headcount ³	172	251	-31%



STRATEGIC INITIATIVES

Transformation to drive profitable growth

Strategic transformation



Three phase plan



Why are we winding down Mobile?

Mature market / Geopolitics

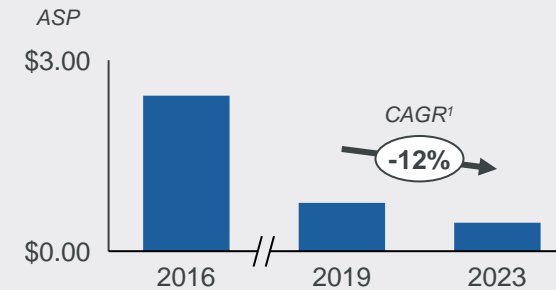
Highly commoditized / price sensitive /
high-volume business

Capital intensive / low investment returns

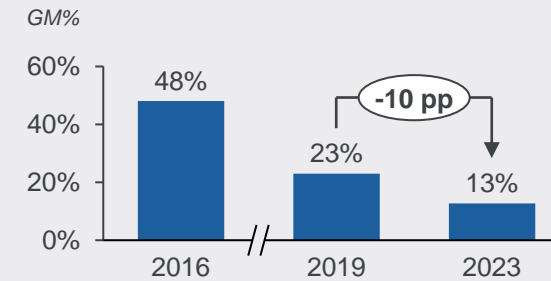
Focus on higher margin Core business

Mobile Commoditization

Illustrative Average Selling Price - Mobile Capacitive Units

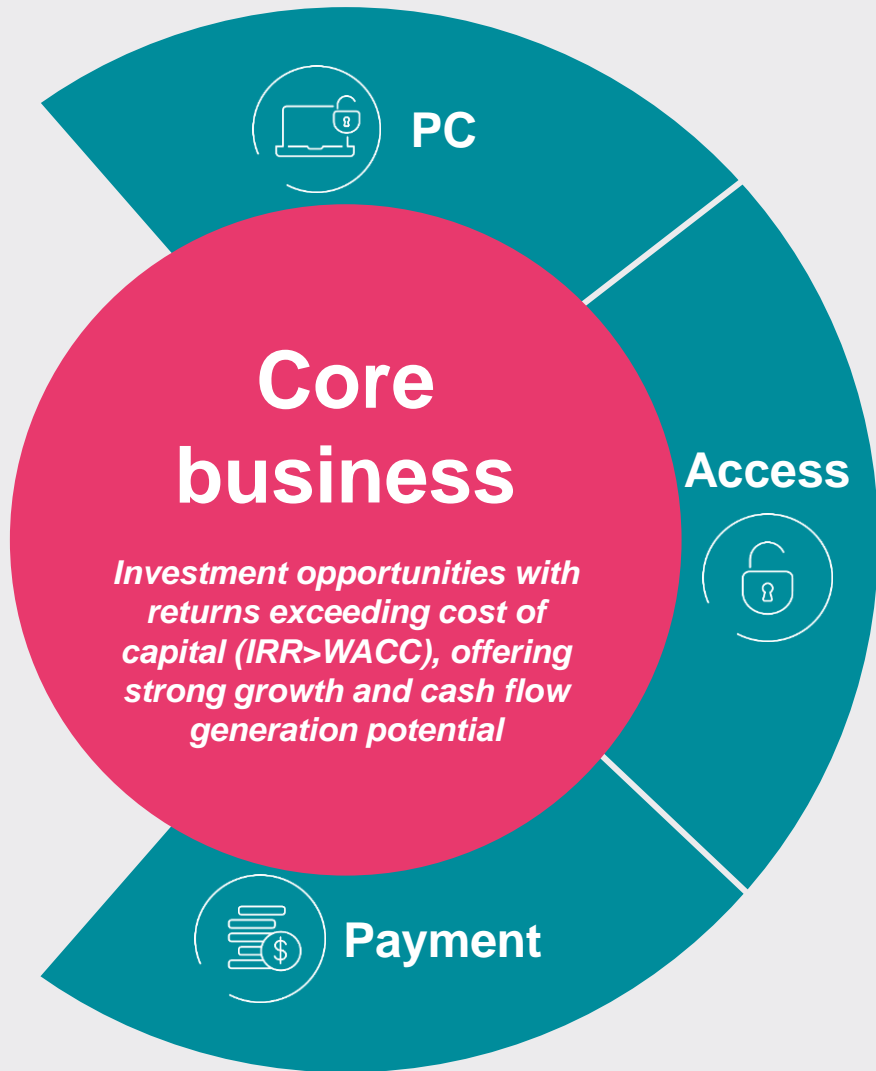


FPC Group gross margin, %



Note: 1) Compounded Annual Growth Rate

We have a great Core business



PC

- Leading innovative premium solution provider
- Large and growing market / high margins
- Large, global client base: 4 out of top 5 Windows PC OEMs
- Strong growth potential, +80% from Q1'23 to Q1'24



Access

- Leader in the eco system with top client penetration
- High margin business / solid long-term growth potential
- Accelerate growth in Logical Access (FIDO)
- Scale fragmented market through channel-ready product




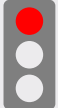












Payments

- Leading provider of cutting-edge, premium solutions
- Fully established ecosystem with adoption pipeline large and growing
- High margin business with expected surge in revenue
- Focus on accelerating banking pipeline deals



~15% Core Growth 2023 YoY

Refresh of Biometric solutions

Product portfolio	Gross margin	2022 Sales, %	Transformation strategy	2023 Sales, %	New product portfolio	Commentary
 MOBILE		81%	<ul style="list-style-type: none"> Historically unfavorable market conditions due to Chinese exposure Unsustainably low margins, prompting decision to winddown segment 	74%	DISCONTINUATION PROCESS	Non-profitable prompting wind down
 PC		7%	<ul style="list-style-type: none"> Strong growth in recent years, 63% 2022-2023 Positive outlook with increased demand for Match-on-Chip solutions 	14%	 PC	<p>~15% Growth</p> <p>YoY in Core, primarily driven by PC</p>
 PAYMENTS		2%	<ul style="list-style-type: none"> Accelerate growth in Payments Banking deployments accelerating Expected surge in revenue 	2%	 PAYMENTS	
 ACCESS		10%	<ul style="list-style-type: none"> Accelerate growth in Logical Access (FIDO) Expected surge in revenue 	11%	 ACCESS	
 NEW BUSINESS		0%	<ul style="list-style-type: none"> R&D focus on IRIS technology applicable across entire portfolio Frontrunner in DMS systems within Automotive 	0%	 NEW BUSINESS	

A large, faint fingerprint graphic is centered in the background of the slide, rendered in a lighter shade of teal than the background.

Q1 2024 FINANCIALS

Revenue and clients (Q1 results)

Revenue by product group

SEKm	Q1 2024	Q1 2023	Change	FY 2023
PC	28.5	15.9	80%	96.9
Access	9.2	18.6	-50%	77.7
Payment	1.8	4.0	-55%	11.7
Total Core	39.5	38.5	3%	186.3
Mobile	106.9	78.5	36%	519.1
Group	146.4	117.0	25%	705.4

Selected customers



Q1 Dynamics

- ⊙ **PC:** Continued strong revenue and margin performance
 - ⊙ Exceptional demand from top clients
 - ⊙ Won Lenovo Best Supplier Award, ASUS MoC PC launch
 - ⊙ Complete MCU system ready for mass production
- ⊙ **Access:** Small, early-stage market
 - ⊙ FIDO demand increasing from top market partners
 - ⊙ Channel product completed – ready to market
 - ⊙ China construction remains depressed, affecting Asia
- ⊙ **Payment:** Pre-chasm market; product and ecosystem in-place
 - ⊙ Garanti Bank – eleventh Biometric cards launch with Thales
 - ⊙ Building and converting significant banking pipeline
 - ⊙ Focus shifted to demand-side in the nascent market
- ⊙ **Mobile:** Maintained strong volume growth / price erosion

Key figures (Q1 results)

Key figures

SEKm	Q1 2024	Q1 2023	Change	FY 2023
Revenue	146.4	117.0	25%	705.4
Gross profit	16.2	20.3	-20%	89.6
Gross margin %	11.1	17.3	-6 pp	12.7
Adjusted EBITDA ¹	-50.5	-60.2	-16%	-204.7
Free cash flow ²	-65.5	-64.8	1%	-134.4
Cash and cash equivalents	45.6	210.9	-78%	109.9
Headcount ³	172	251	-31%	185

Q1 Dynamics

- ⓘ **Revenue growth:** 25% increase in revenue primarily driven by 80% growth in higher-margin PC, reflecting strong market demand and product innovation
- ⓘ **Margin pressure in Mobile:** Persistent margin pressures in Mobile directly led to a six-percentage points decline in the total Group's gross margin, underscoring ongoing challenges in this area
- ⓘ **Strategic wind down and cost optimization:** Winding down of Mobile, combined with disciplined cost optimization measures, are key to shift Adjusted EBITDA and Free Cash Flow into positive territory
- ⓘ **Headcount reduction:** Continued execution of cost optimization program
- ⓘ **Strategic shift:** Setting the stage for future growth and stability by focusing on high-margin business segments and innovative Biometric solutions



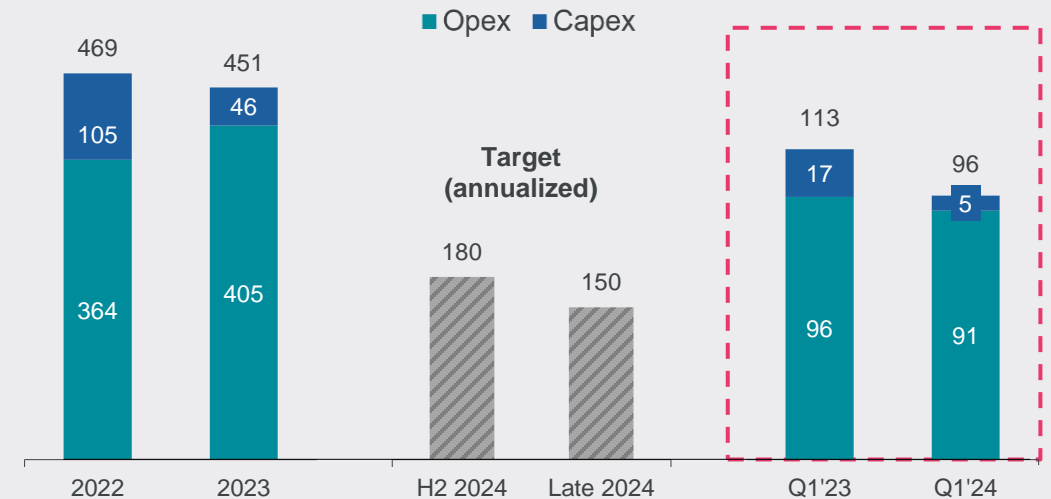
FINANCIAL & OPERATIONAL CHANGES

Cost optimization

Strategic cost efficiency programme

- ⌚ **General:** The strategic transformation plan features two key areas related to cost optimization:
 - ⌚ Slim down the organization, going from a large company structure to a small and agile one, and
 - ⌚ Progressively wind down the Mobile segment and its implicit operations in China
- ⌚ **Operational efficiency:** Headcount account for **~2/3** of the operating expenses which in the current strategic transformation plan is being progressively trimmed down to reach an agile and slim organization
 - ⌚ Headcount² Q1'22 310
 - ⌚ Headcount² Q1'23 251
 - ⌚ Headcount² Q1'24 172
- ⌚ **Financial discipline:**
 - ⌚ Align investments with business strategy
 - ⌚ Optimize resource utilization to maximize value
 - ⌚ Implement cost guardrails through governance
- ⌚ **Continuous improvement:**
 - ⌚ Enable mindset of continuous improvement and cost consciousness throughout company

Gross Opex¹ (SEKm)



Improving capital structure

Convertible bonds



Positive post redemption effects



Reduced Interest Costs: Early redemption will save the company money in the long run by alleviating ongoing bond interest expenses



Enhanced Financial Flexibility: Clearing the bond would improve the company's financial flexibility, enabling more efficient resource allocation and pursuit of growth opportunities



All shareholders on the same playing field: Interest and amortization were managed through issuing shares at 90% of the prevailing share price, leading to prolonged selling pressure, disincentivizing investors to acquire shares



Significantly reducing cost of capital: Redeeming the outstanding convertible loan with new equity issuance significantly reduces cost of capital

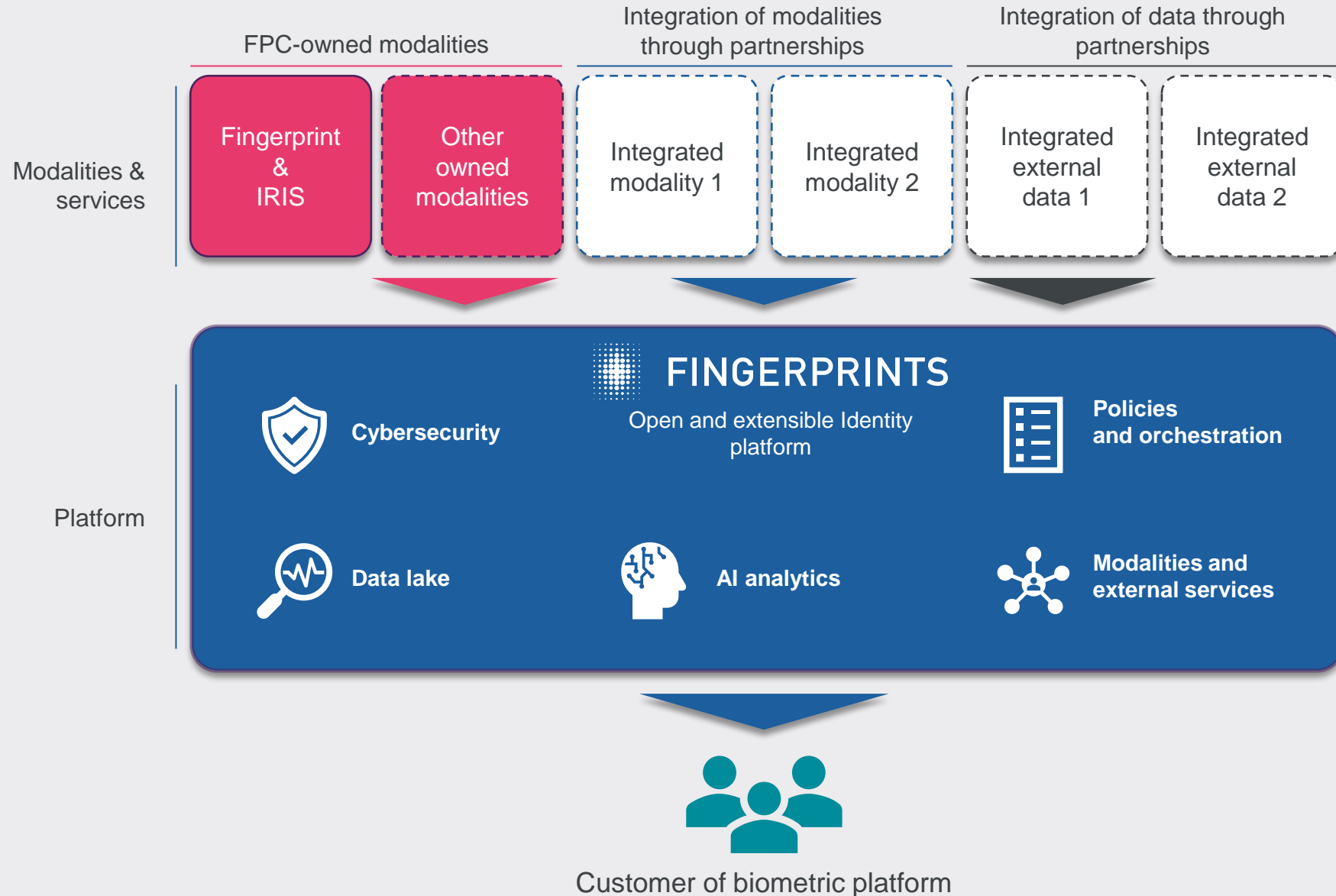


Enhanced Credit Profile: Early redemption reflects prudent financial management, facilitating potential future capital raising efforts when Fingerprints shifts focus towards profitable growth



Reduced Debt Overhang: Redeeming the bond early will eliminate a substantial burden on the Company's balance sheet, mitigating risks related to future repayment

Focused Biometric Authentication and Identification solutions provider



Talent, organization and incentives



Experienced senior management: A dynamic team of seasoned executives, carefully selected to lead the Fingerprints' transformation journey



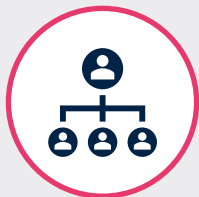
Chairman of the Board: Guiding the transformation process with wisdom and expertise, ensuring alignment with shareholder interests and long-term success



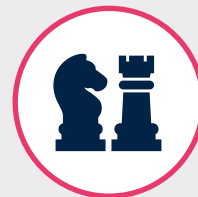
Aligned Incentives: Incentive structures, including warrants¹, designed to reward successful execution of the restructuring plan and value creation for stakeholders



Proven Track Record: Each member brings a wealth of experience and a successful track record in navigating complex restructuring initiatives



Organizational Agility: Fostering a culture of adaptability and agility to swiftly respond to market dynamics and capitalize on emerging opportunities



Strategic Vision: Committed to implementing innovative strategies to revitalize the company's operations and drive sustainable growth

Newly appointed senior management spearheading strategic transformation

Adam Philpott
CEO since
Q3' 2023



Christian Lagerling
Chairman since 2022



Fredrik Hedlund
CFO since 2024



Hila Meller
CRO since 2024



Summary

Winding down Mobile

Significant decline in Mobile's gross margin due to falling ASPs and slower COGS reductions

Cost optimization

Implemented immediate cost-saving measures to become a smaller, more agile, and profitable company

Focus on higher margin segments

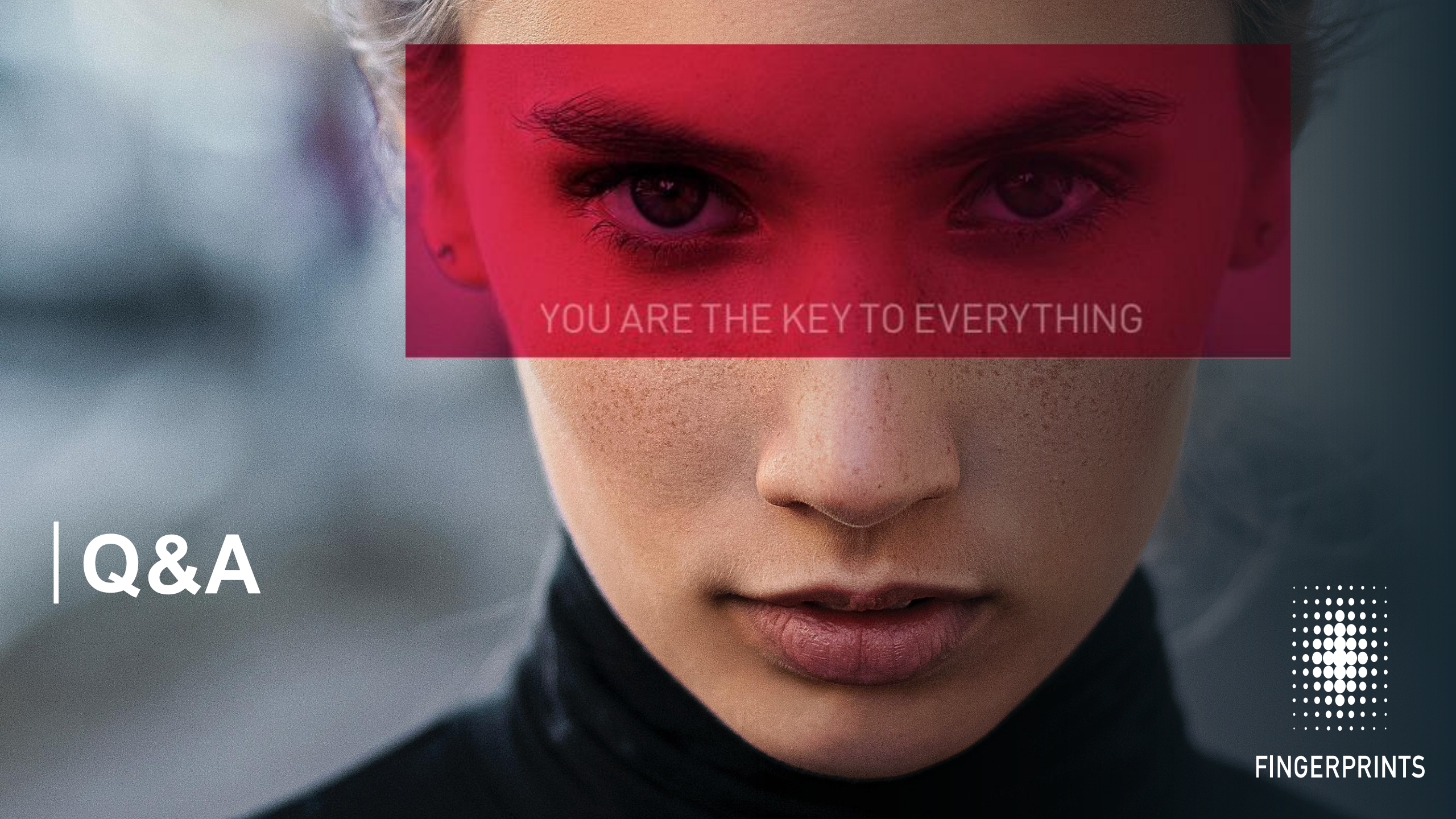
Concentrating on Core business segments with robust margins and high growth potential

Large, growing market

Expanding into attractive and growing segments of the Biometric Authentication and Identification market

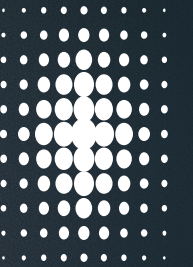
Strategy execution

Advancing up the value chain with software modalities, identity data integration, and orchestration platforms



YOU ARE THE KEY TO EVERYTHING

| Q&A



FINGERPRINTS