

You are the key to everything

Fingerprint Cards AB

Q4 2023 Earnings Call, February 8, 2024

Key highlights

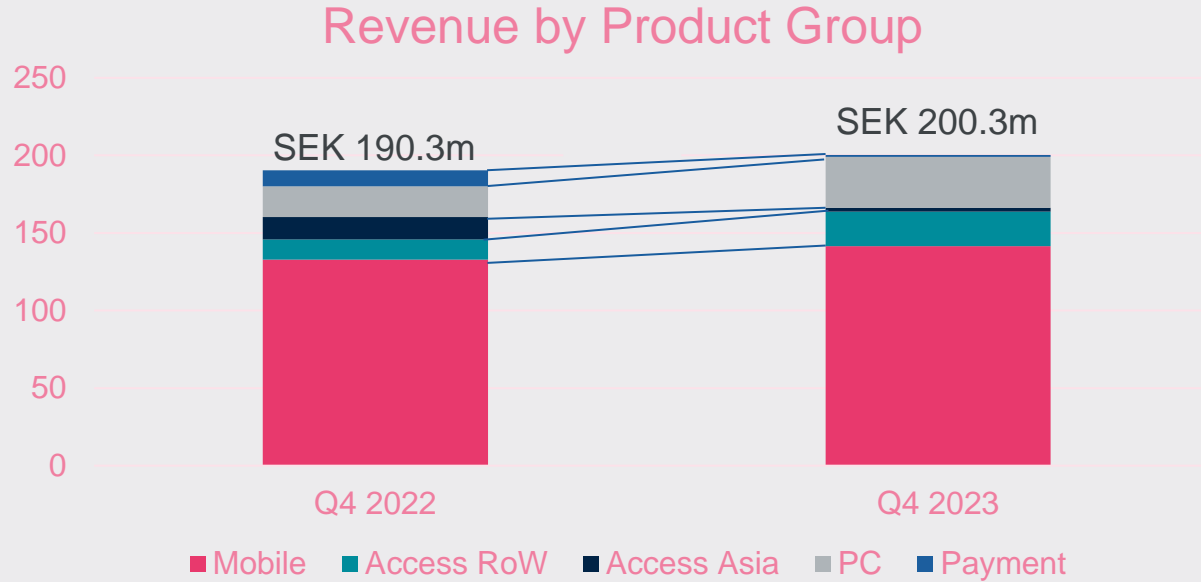
Continued focus on diversifying revenues to higher-profitability lines of business, reflecting the premium value of our offers

- ① Transformation plan execution commenced in Q4
- ① 10-percent constant currency revenue increase and continued diversification
 - ① Sales to PC customers up by two-thirds
 - ① Mobile and Access sales outside of Asia also developed positively
- ① Focusing capital and investments on higher-margin areas outside of Mobile sensor hardware
- ① We will selectively expand the scope of our solutions to capture a bigger portion of the value in the industry
 - ① Our newly developed complete biometric PC system illustrates this approach: we are no longer just selling biometric sensors to our PC customers, but a complete system solution which also integrates Fingerprints' in-house microcontroller unit (MCU)



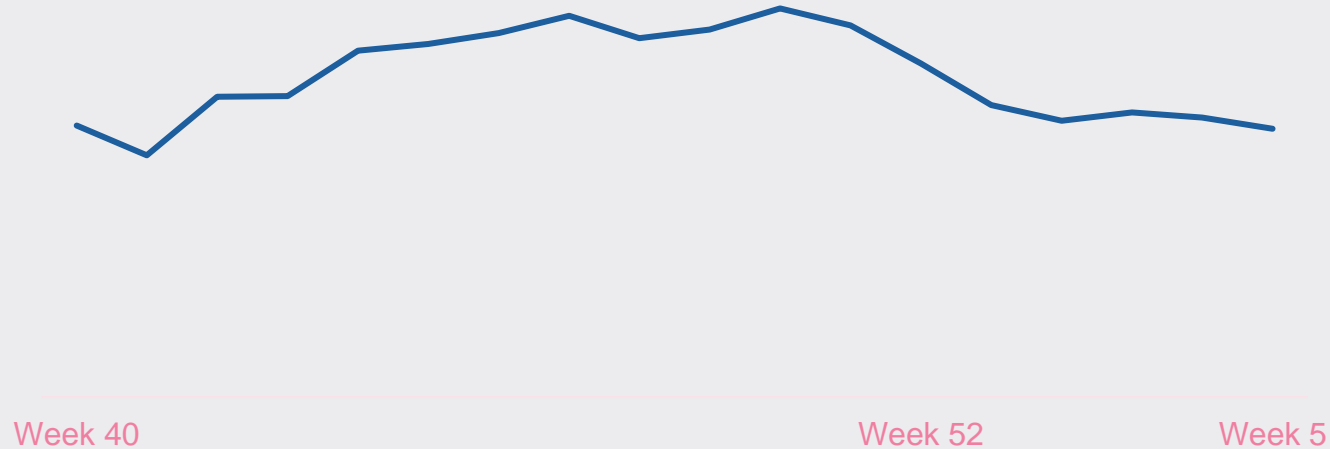
BUSINESS UPDATE

YoY Revenue Growth

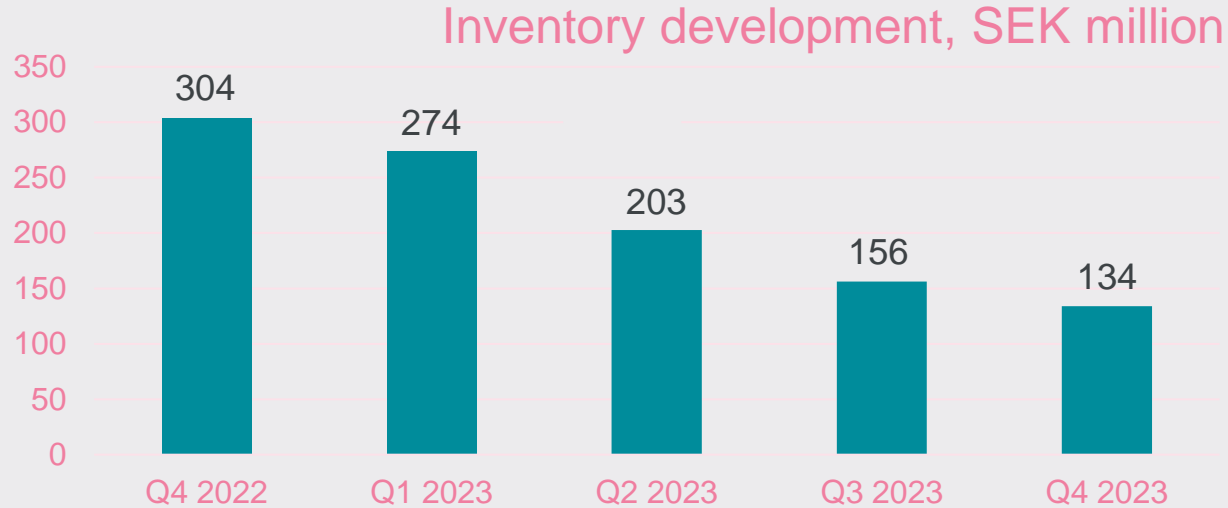


Our order book is healthy and in line with seasonal trends

Order development, week 40 2023 – week 5, 2024

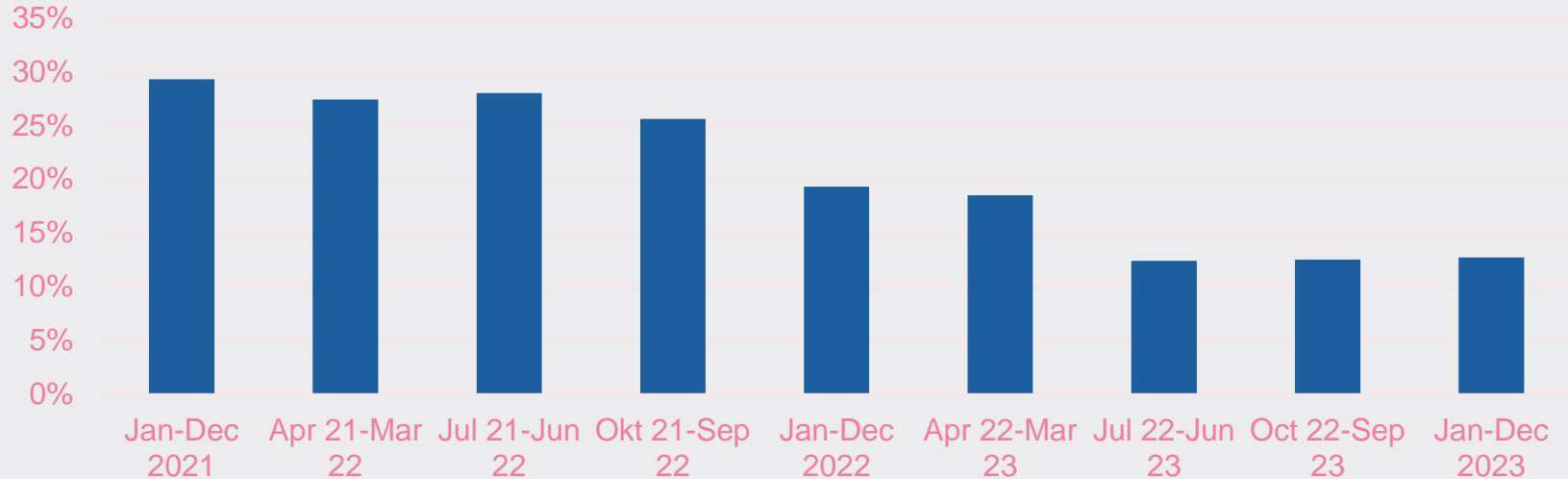


We continued to decrease inventory and have reached an acceptable level as we are entering 2024



Modest gross margin improvement – we fully expect improved profitability as we focus investments outside of Mobile sensor hardware, in higher-margin areas

Gross margin, rolling 12 months



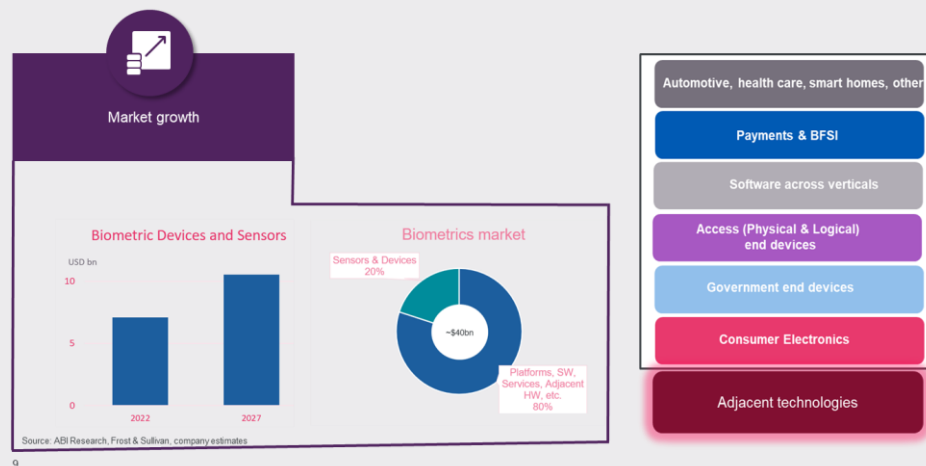
PC is showing a reliable growth and profitability profile

- ⌚ Sales in the PC product group increased by two thirds, from SEK 20m in Q4 2022 to SEK 33m in Q4 2023.
- ⌚ Considerably higher gross margin than Mobile
- ⌚ Continued market growth anticipated since the share of computers with fingerprint sensors is expected to continue rising
- ⌚ In October 2023, we launched our complete biometric system for PC makers, which includes Fingerprints' in-house MCU
- ⌚ Customer feedback has been very favourable, especially in terms of the enhanced speed that our system offers
- ⌚ 4 out of the world's top 5 Windows PC OEMs now use Fingerprints' technology in their products



We will focus our investments in higher-profitability lines of business

- ① The outlook for the largely China-centric biometric sensor market for smartphones shows no signs of improving, coupled with significant geopolitical uncertainty
- ② Focusing investments outside of Mobile on our higher-margin existing lines of business along with new diversification areas
- ③ We're operating in a large and growing market

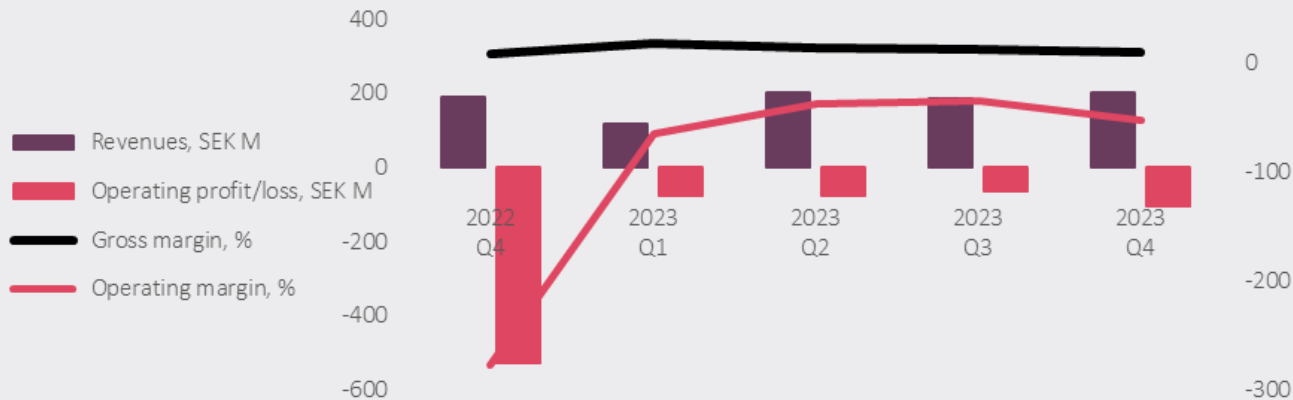


A large, faint fingerprint graphic is centered in the background of the slide. The lines of the fingerprint are a slightly darker shade of teal than the background, creating a subtle watermark effect.

Q4 2023 FINANCIAL RESULTS

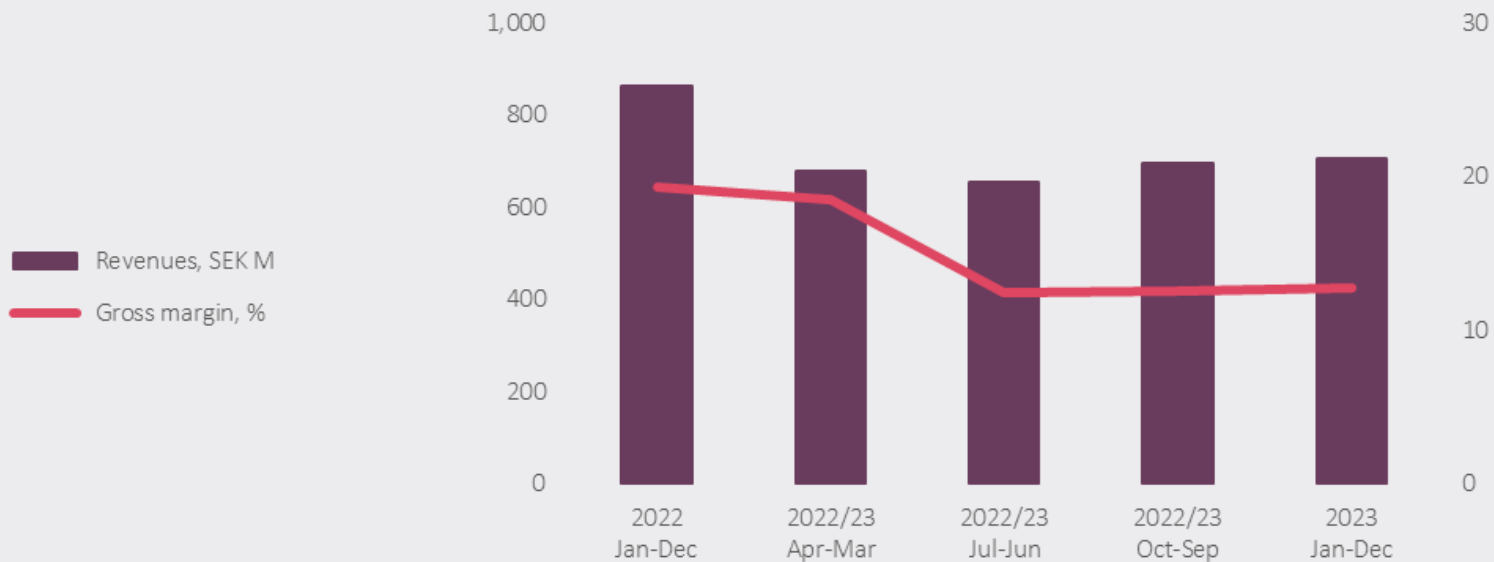
Q4 2023 financial performance

Revenues, Operating profit/loss*, Gross margin and Operating margin, quarters.



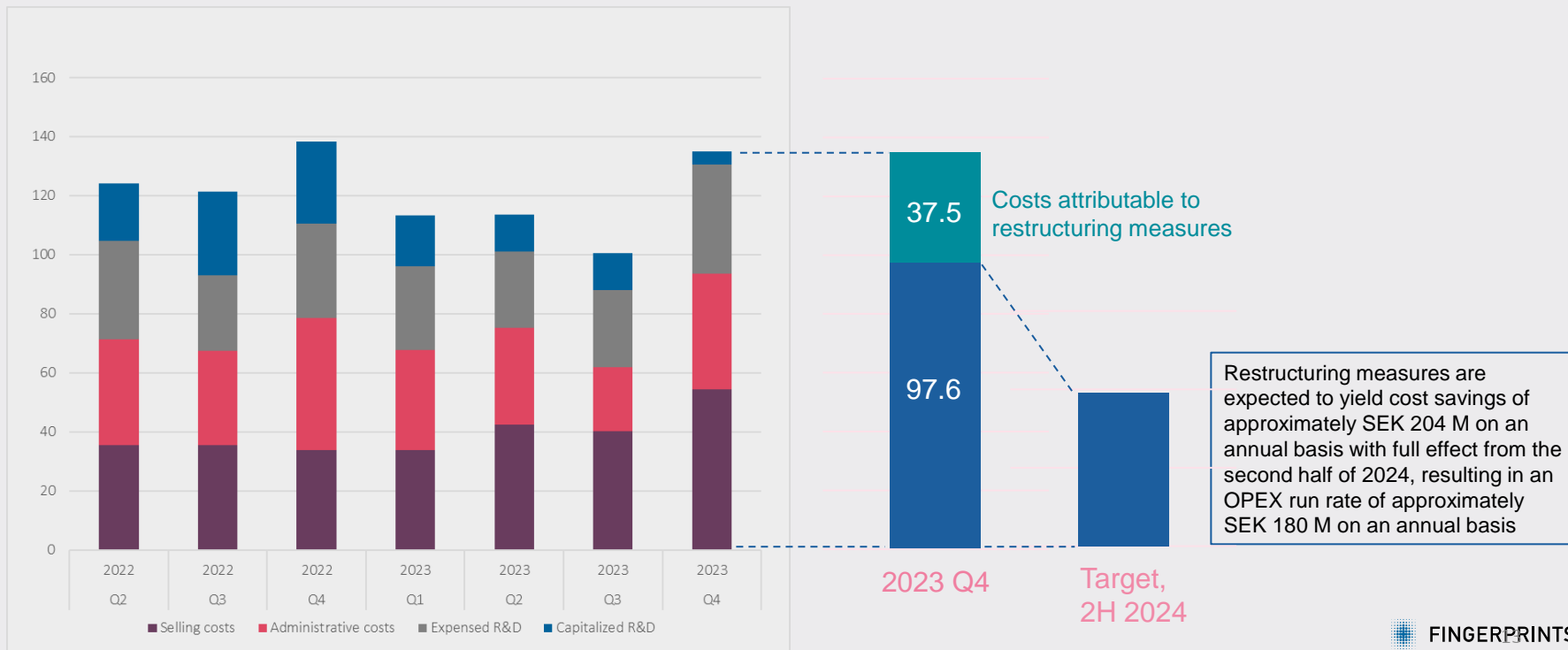
* Operating profit in Q4 2022 was impacted by three non-cash items: a SEK 22 M inventory write-down, a SEK 116 M write-down of capitalized R&D projects and a SEK 317 M goodwill write-down related to the acquisition of Delta ID that was finalized in 2017.

Revenue and gross margin, rolling 12 months

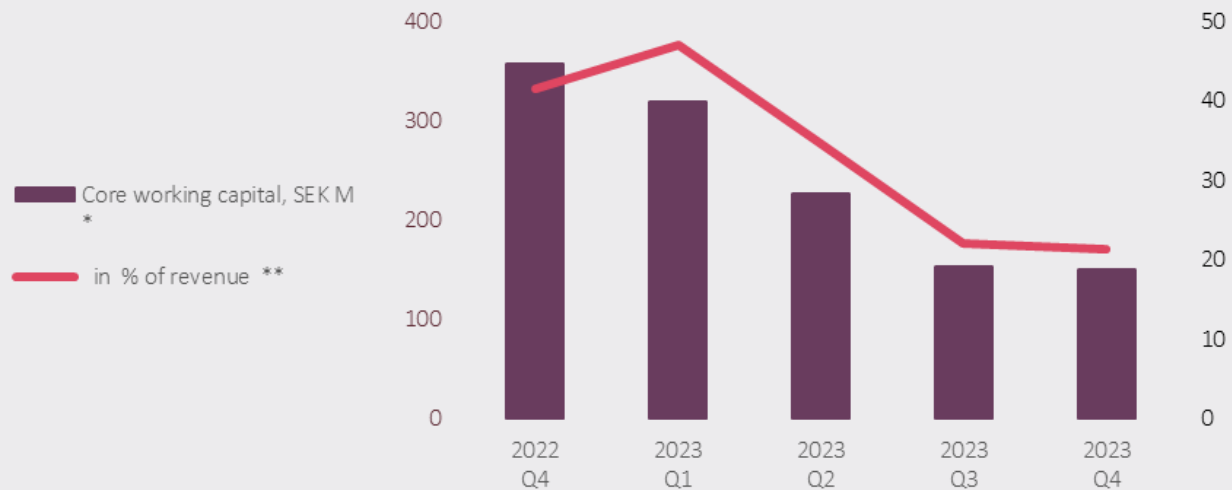


Operating expense development (including capitalized R&D expenses)

Operating expenses including capitalized R&D expenses, MSEK



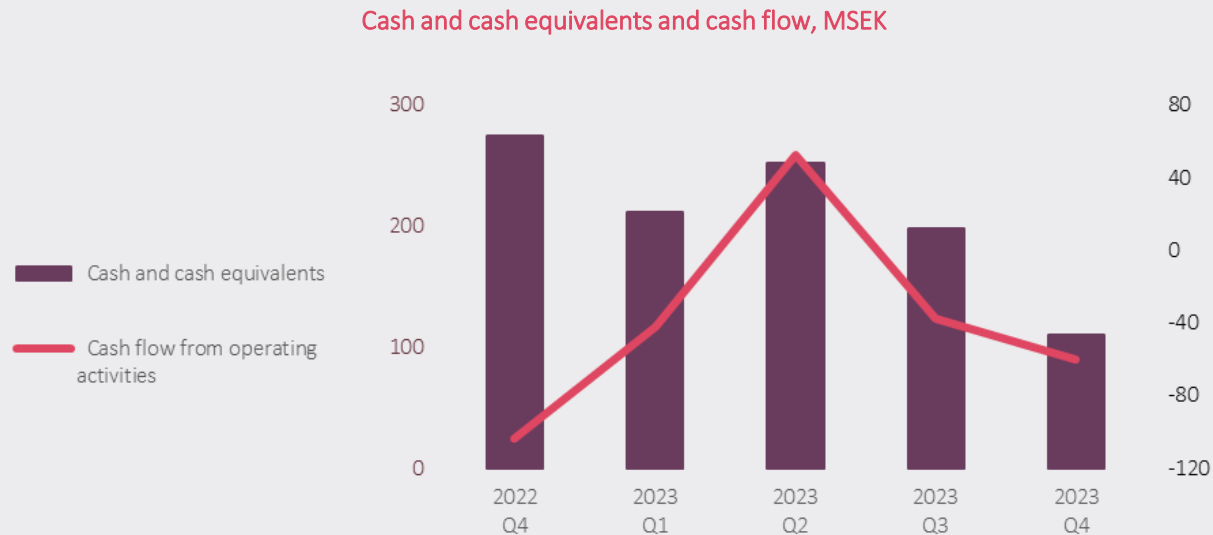
Core working capital development



* Accounts receivable + Inventory – Accounts payable

** Rolling 12-month revenue

Cash flow and net cash trend



- In November and December 2022, set-off issue and rights issue: SEK 341 million after transaction expenses
- In September 2023 refinancing the company



Q&A

Links to additional information

- ① Financial reports and presentations: <https://www.fingerprints.com/investors/reports-presentations/>
- ① Press releases: <https://www.fingerprints.com/newsroom/press-releases/>
- ① News items: <https://www.fingerprints.com/newsroom/news-stories/>
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