

Fingerprint Cards AB

Remuneration report 2023

Introduction

This report describes how the guidelines for remuneration of senior executives of Fingerprint Cards AB, adopted at the 2020 Annual General Meeting (AGM), were implemented in 2023. The report also provides information on remuneration paid to the Chief Executive Officer (CEO). The report has been prepared in accordance with the Swedish Companies Act and the *Rules on Remuneration of the Board and Executive Management and on Incentive Plans* issued by the Swedish Corporate Governance Board.

Further information on remuneration of senior executives is available in Note 7 of the Annual Report ([Employees, personnel costs and remuneration of senior executives and Board members]). Information on the Remuneration Committee's work in 2023 is presented in the Corporate Governance Report contained in the 2023 Annual Report.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the AGM and disclosed in Note 7 of the 2023 Annual Report.

The company's development in 2023

The CEO summarizes the company's overall performance in his statement on pages 4–5 of the 2023 Annual Report.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for sustainable and successful implementation of the company's business strategy and achievement of its long-term interests is that the company is able to attract, engage, develop and retain qualified employees. The company's remuneration guidelines are designed to ensure that the company can offer executives competitive total remuneration.

According to the guidelines adopted by the 2020 AGM, Fingerprint Cards shall offer remuneration to senior executives comprising fixed salary, variable remuneration, pension and customary insurance cover. The remuneration of senior executives shall be market based, and variable remuneration shall be based on predetermined goals. Any variable remuneration paid to senior executives may be based on both corporate parameters (such as revenue, operating result and liquidity) and individual targets. The total remuneration shall, when considered overall, entail a sound balance between, on the one hand, the company's interest in motivating and rewarding executive management and, on the other hand, maintaining the company's cost effectiveness. No share-based or share-price-based incentive programs are currently under way in the company.

The guidelines are presented in the 2023 Annual Report. During 2023, the company complied with the applicable AGM-adopted remuneration guidelines. The auditor's report regarding the company's compliance with the guidelines is available on [<https://www.fingerprints.com/agm2024>]. No remuneration was reclaimed during the year.

Table I – Total remuneration of the CEO for 2023 (KSEK)

Name of executive (position) (2)		1 Fixed salary and benefits		2 Variable remuneration		3 Extraordinary items	4 Pension costs	5 Total remuneration	6 Proportion of fixed/variable remuneration (%)
		Basic salary	Other benefits	One year (1)	Multi-year				
Ted Hansson (CEO Jan 1, 2023–Aug 31, 2023)	2023	3,598	36	2,569			174	6,203	58% / 42%
Adam Philpott (CEO Sep 1, 2023–)	2023	1,429					29	1,458	100% / 0%

1) Fixed salary and benefits

Basic salary

Ted Hansson (of which CEO Jan 1, 2023–Aug 31, 2023) KSEK 3,598

Adam Philpott (CEO as of Sep 1, 2023) KSEK 1,429

Other benefits

Ted Hansson KSEK 36 relating to mileage allowance and travel expenses.

2) Variable remuneration

One year (1)

Ted Hansson's bonus of KSEK 2,569 relates to a retention and short-term incentive bonus.

3) Extraordinary items

4) Pension costs

Pertains to premium payments to an occupational defined-contribution pension scheme in 2023.

Ted Hansson KSEK 174

Adam Philpott KSEK 29

5) Total remuneration

Fixed salary, benefits and bonus 2023, Ted Hansson KSEK 3,598 + KSEK 36 + KSEK 2,569

Fixed salary 2023 Adam Philpott KSEK 1,429

Share-based remuneration

There are no ongoing long-term share-based incentive programs in the company. None of the company's employees, senior executives or Board members were awarded stock options or shares during the year.

Application of performance criteria, variable cash remuneration

The performance criteria for the CEO's variable remuneration were selected to realize the company's strategy and to promote the company's long-term interests. When choosing performance criteria, the strategic targets and short and long-term business priorities for the year were taken into account.

Comparative information concerning changes in remuneration and company performance

Table 2 – Change of remuneration and company performance over the last five reported fiscal years (RFY) (KSEK)

Since this document constitutes the fourth remuneration report prepared by Fingerprint Cards AB, the table below **only includes information concerning the 2020, 2021, 2022 and 2023 fiscal years.**

	RFY 2020	RFY 2021	RFY 2022	RFY 2023
Remuneration of the CEO	10.2	11.9	26.3	7.5
Consolidated operating result	-365.8	-7.6	-631.0	-320.4
Average remuneration based on the number of full-time employees ¹⁾ of the Parent Company	0.9	0.8	1.0	1.1

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- 1) Excluding members of the Group Management. The remuneration consists of basic salary, other benefits, variable remuneration and pension costs, which are the same components included in remuneration of the CEO (Table 1). Total remuneration has been divided by the average number of full-time employees in the Parent Company, excluding the members of Group Management, to calculate the average remuneration.
 - 2) Amounts relating to the CEO pertain to paid amounts. Amounts in the Annual Report relate to recognized amounts.