

# FINGERPRINT CARDS

## Q1 2021

APRIL 21, 2021



FINGERPRINTS

# Q1 2021 Summary

Revenues	Margins & profitability	Highlights
<ul style="list-style-type: none"><li>Revenues: SEK 355 M (310), a 14% increase year-over-year (32% increase in constant currency terms)</li></ul>	<ul style="list-style-type: none"><li>Gross profit: SEK 102 M (74)</li><li>Gross Margin: 29% (24)</li><li>EBITDA: SEK 17 M (12)</li><li>EBITDA margin: 5 % (4)</li><li>Operating profit: SEK 2 M (-18);</li><li>Operating margin: 0 % (-6)</li><li>Operating Cash Flow: SEK 36 M (-38)</li><li>Net Profit: SEK 8 M (-4)</li><li>Net cash: SEK 292* M (460)</li></ul>	<ul style="list-style-type: none"><li>Sales increase in constant currency terms of 32 percent year on year.</li><li>The first computer with Fingerprints' new PC solution was launched.</li><li>A more favorable product mix contributed to the improved gross margin</li><li>Continued high sales from our inventories, and continued effective cost control</li><li>The most recent generation of Fingerprints' T-Shape® sensor module and software platform achieved compliance with Mastercard's reference specifications</li></ul>



# BUSINESS UPDATE

# Continued progress against strategic priorities



## MOBILE DEVICES

### Defending and leveraging our market leading position

- ✓ FPC1542 has been very well received in the market
- ✓ Market leader in capacitive sensors for smartphones.
- ✓ Profitable business



## PC

### Positioned for growth

- ✓ The first computer with Fingerprints' new PC solution launched in Q1 2021
- ✓ Purchase order from a top-tier global Windows PC manufacturer in January 2021
- ✓ Increased remote working accelerates demand for secure authentication for PC



## ACCESS

### Potential in physical and logical access solutions

- ✓ Biometric-enabled locks for wardrobes and cabinets launched by Pinaka Innovation Private Limited. The locks integrate Fingerprints' BM-Lite module.
- ✓ Biometric FIDO2 card with our T-Shape sensor module launched



## PAYMENTS

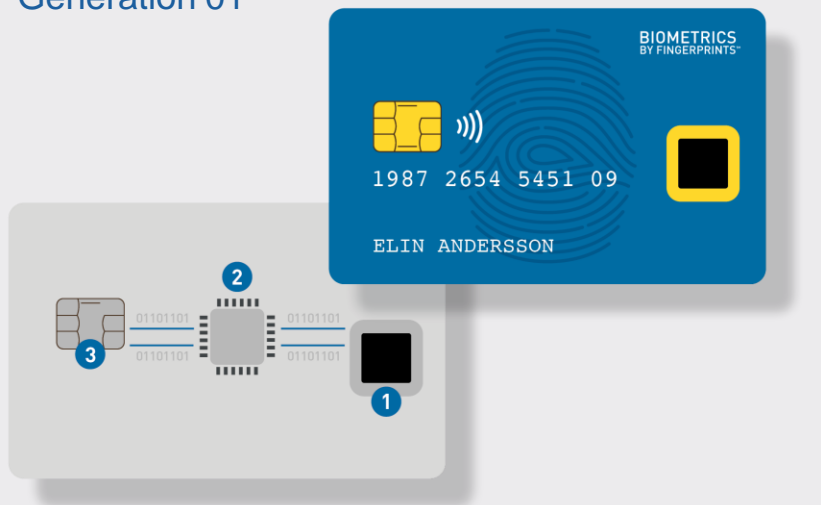
### Entering commercial roll-out phase

- ✓ T-Shape gen 2 achieved compliance with Mastercard's reference specifications
- ✓ BNP Paribas commercial roll-out of Thales/Fingerprints card during 2021
- ✓ Fingerprints in Sweden's first biometric payment card pilot by Rucker

# T-Shape Gen 2 achieved Mastercard's reference specifications

## T-Shape®

Generation 01



### 1. FINGERPRINT SENSOR

Image capture  
FPC1300-series T-shape®  
Gen 1

### 2. MICROCONTROLLER

Feature extract  
FPC-BEP software and algorithm

### 3. SECURE ELEMENT

Matching  
FPC-BEP software and  
algorithm

## T-Shape®

Generation 02  
possible configuration



### 1. FINGERPRINT SENSOR

Image capture  
FPC1300-series T-shape® Gen 2

### 3. ENCRYPTION ON/OFF

Possible to encrypt data

### 2. SECURE ELEMENT

MCU *Optional*  
Feature extract  
Matching  
FPC-BEP software and algorithm

# Biometric payment cards: entering commercial phase

- ① Three commercial launches so far, with good consumer feedback.
  - ① Cornèr Bank, BNP Paribas, Crédit Agricole
- ① The initial delivery of 15k cards in the BNP Paribas launch is a great success, as stated in the press. Enrolment is seen as fast and simple.
- ① BNP Paribas is preparing to offer all their customers a biometric card at the end of H1 2021.
- ① Crédit Agricole has successfully launched with a few thousand biometric cards so far. Planning national roll-out in H2 2021.



# FPC1542 is our latest innovation in the Mobile area

- ⦿ FPC1542 is our new curved side-mounted capacitive sensor, a key addition to our product portfolio
- ⦿ As with earlier sensors in this product family (FPC1540/1541), the FPC1542 is intended for side mounting
- ⦿ Design is key – foldable, full screen and 5G handsets – new sensor shapes support OEM:s in their differentiation
- ⦿ Very well received in the market. Several smartphones have already launched with FPC1542.
- ⦿ New sensor models contributed to favorable product mix and improved margins



# Adaptation of legal structure to support growth

- ① Two regional offices created: one in Shanghai, China (Mobile) and the other in Zug, Switzerland (Payments & Access).
- ① Close collaboration and proximity to key customers, suppliers and partners is key to success.
- ① Distribution hub in Singapore in order to streamline inventory management and realize economies of scale in our distribution operations to multiple markets.
- ① The parent company, listed on Nasdaq Stockholm, will remain in Sweden together with other main functions already present in Sweden.





# Summary

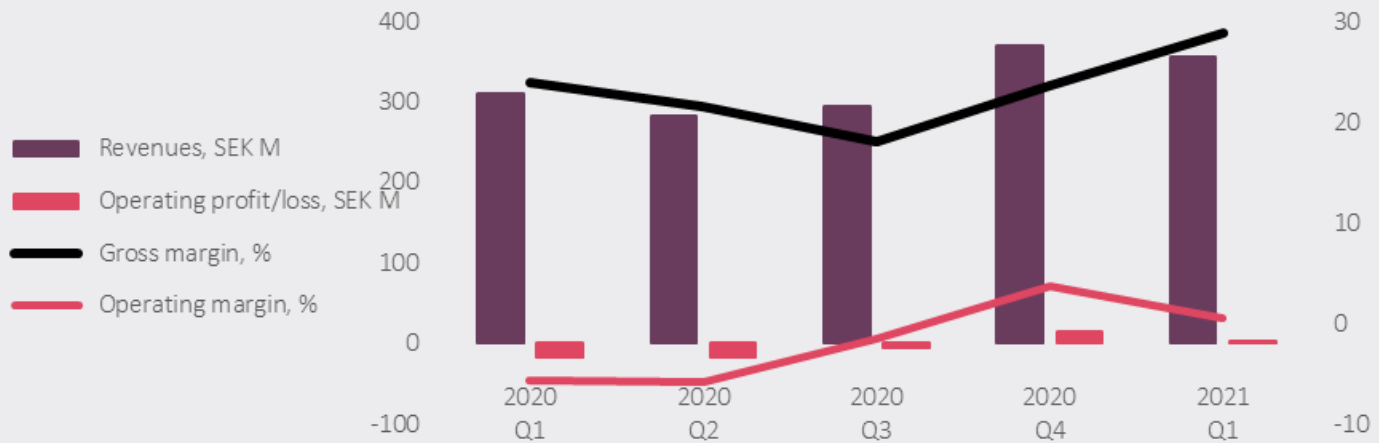
- ① 32-percent constant currency sales increase year-on-year.
- ① Continued healthy demand for our sensors – market leadership in capacitive sensors for smartphone and demand for product differentiation provides foundation for a continued stable mobile business
- ① The first computer with Fingerprints' new PC solution was launched – we expect increasing demand in this area
- ① Improved gross margin: improving product mix with an increasingly positive impact on our gross margin. Continued high sales from inventory and continued effective cost control also contributed.
- ① The most recent generation of Fingerprints' T-Shape® sensor module and software platform achieved compliance with Mastercard's reference specifications
- ① We remain committed to our strategic priorities

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.

# Q1 2021 FINANCIAL RESULTS

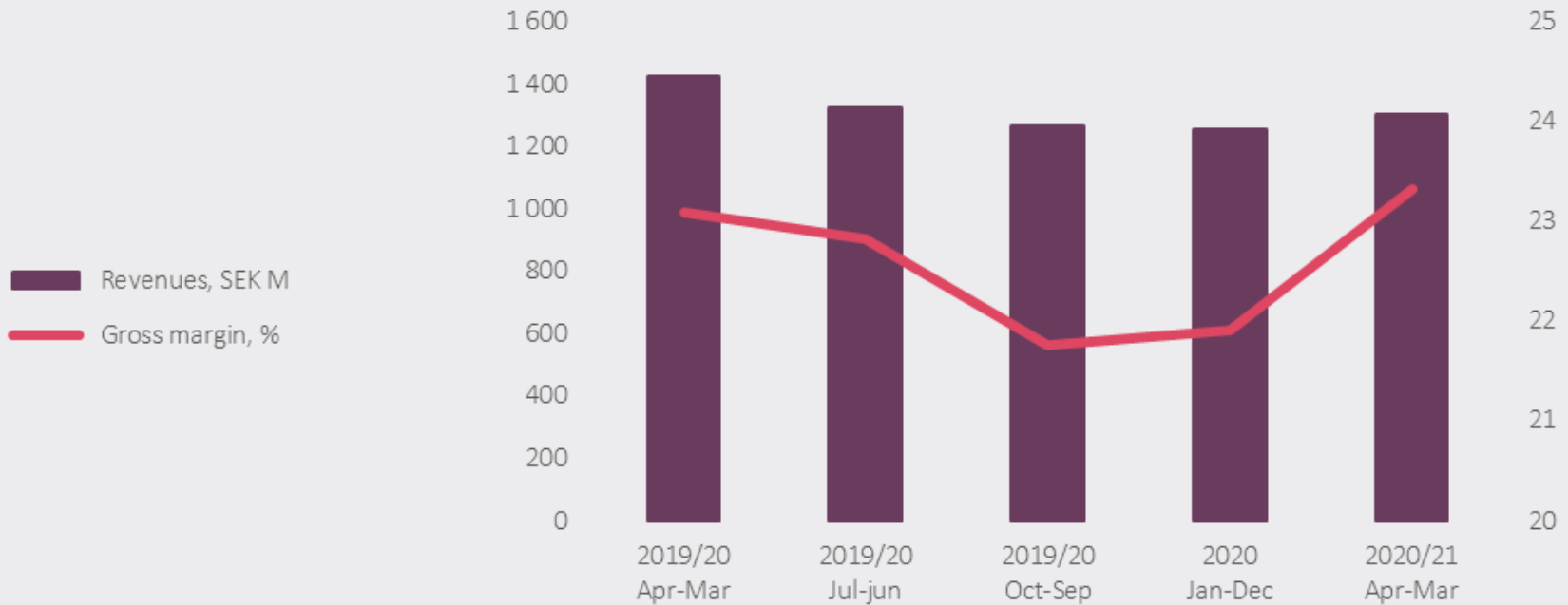
# Q1 2021 financial performance\*

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

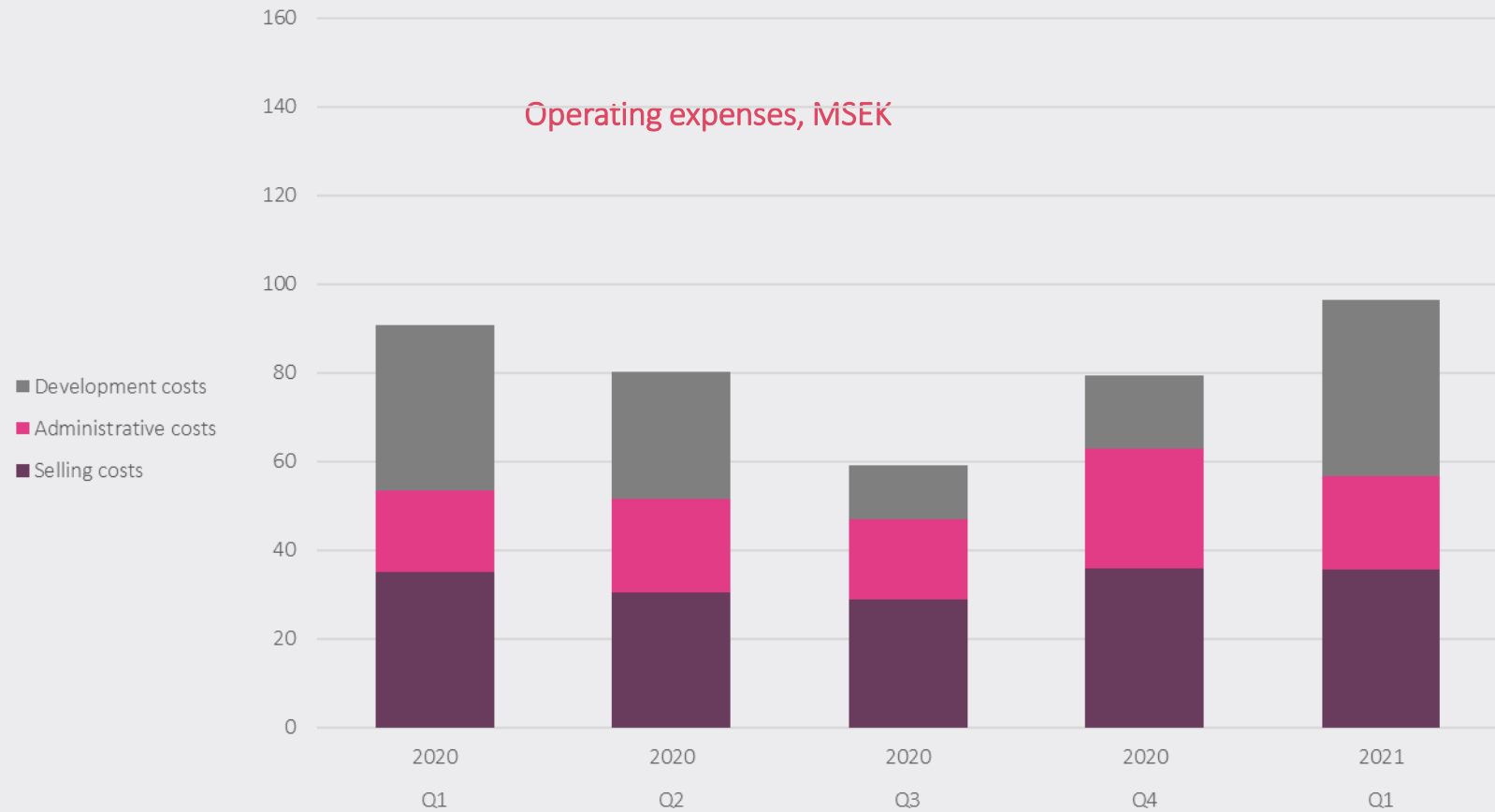


\* Underlying operating profit, excluding SEK 340.6 M in non-cash write-downs in Q4 2020

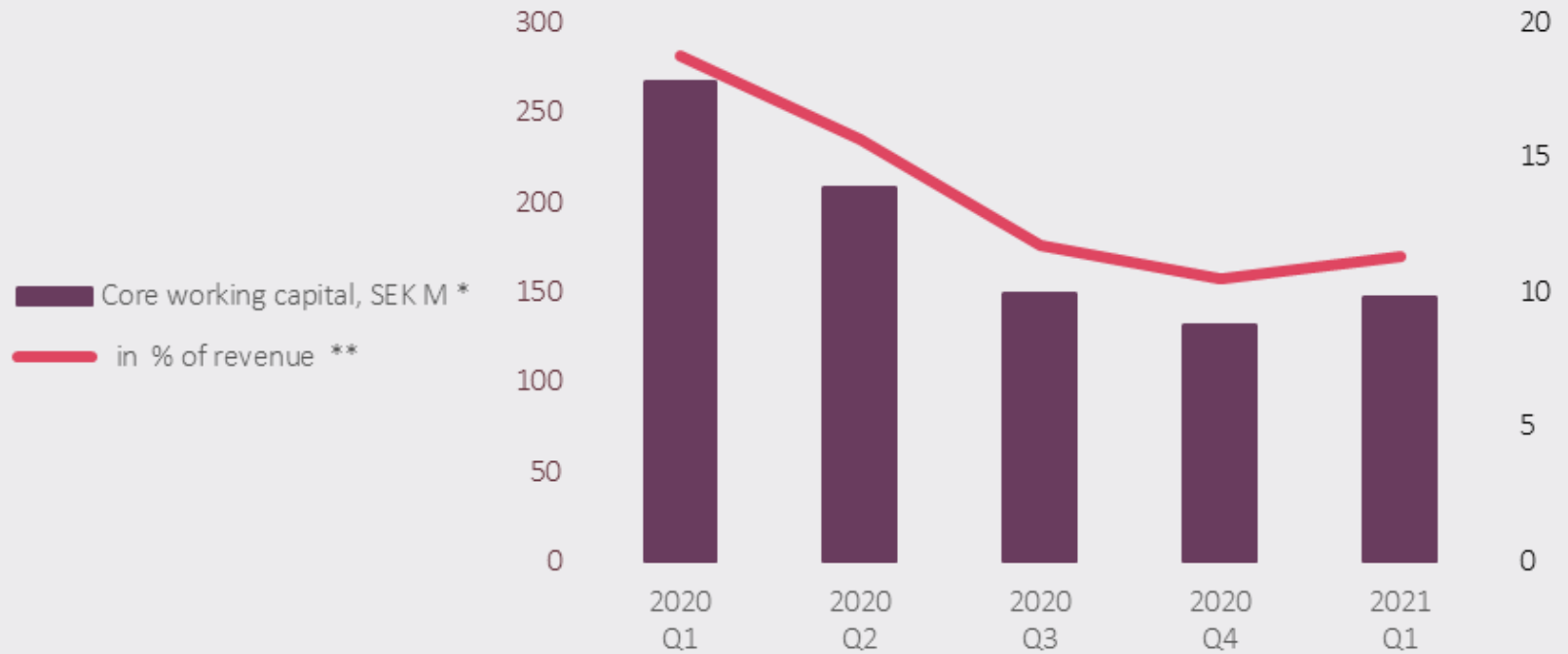
# Revenue and gross margin, rolling 12 months



# Operating expense development



# Core working capital development



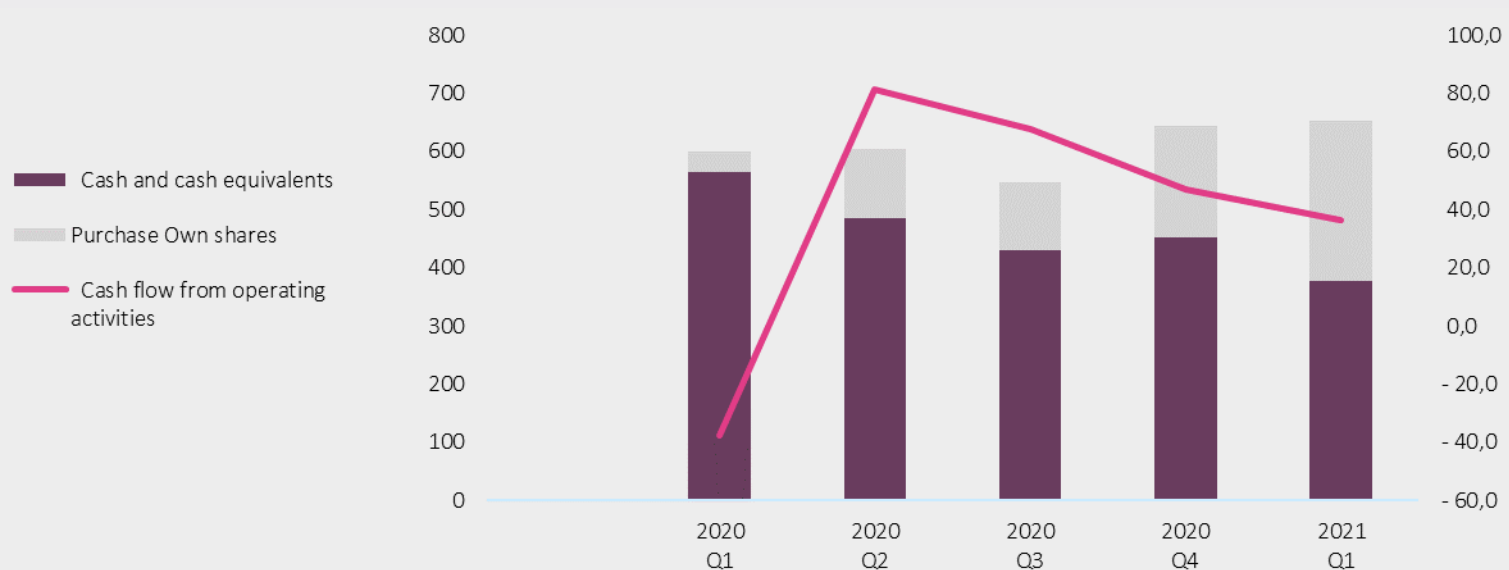
\* Accounts receivable + Inventory – Accounts payable

\*\* Rolling 12-month revenue

# Cash flow and net cash trend

- During the first half of 2020, shares were bought back for SEK 118,7 M
- During second half of 2020, shares were bought back for SEK 71,7 M
- During first quarter of 2021, shares were bought back for SEK 85,4 M

Cash and cash equivalents and cash flow, MSEK







# 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/>
- ① Blog: <https://www.fingerprints.com/blog/>
- ① Download center (eBooks, whitepapers, product information, etc.): <https://www.fingerprints.com/downloads-resources/>

THANK YOU!



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