

Highlights

Q1 2024

- Positive momentum in PC continued, with an 80-percent year-on-year growth
- Slight increase in gross margin compared to the previous quarter, as profitability in non-Mobile areas continues to be strong
- Continued execution of cost optimization program, with a nine-percent reduction in the number of employees since the end of 2023

Post-Q1 2024

- By winding down the loss-making operations in Mobile, we will have a focused and profitable growth business
- Announced partially guaranteed rights issue of up to approximately SEK 310 million, strengthening balance sheet by reducing debt and increasing equity through an early repayment of outstanding convertible bonds

First quarter of 2024

- Revenues amounted to SEK 146.4 M (117.0)
- The gross margin was 11.1 percent (17.3)
- EBITDA amounted to negative SEK 50.5 M (neg: 60.2)
- Adjusted EBITDA amounted to negative SEK 50.5 M (neg: 60.2)
- The operating result was negative SEK 74.9 M (neg: 75.7)
- Earnings per share before and after dilution amounted to a negative SEK 0.14 (neg: 0.17)
- Cash flow from operating activities was negative SEK 60.1 M (neg: 42.3)

SEK M	Jan-Mar 2024	Jan-Mar 2023	Change	Jan-Dec 2023
Revenue	146.4	117.0	25%	705.4
Gross profit	16.2	20.3	-20%	89.6
<i>Gross margin %</i>	<i>11.1</i>	<i>17.3</i>	<i>-6%</i>	<i>12.7</i>
Operating profit	-74.9	-75.7		-320.4
<i>Operating margin %</i>	<i>-51.1</i>	<i>-64.7</i>		<i>-45.4</i>
EBITDA	-50.5	-60.2		-242.2
Adjusted EBITDA	-50.5	-60.2		-204.7
Profit/loss before tax	-81.0	-85.0		-375.5
Profit/loss for the period	-85.9	-70.1		-339.8
Earnings per share before and after dilution, SEK	-0.14	-0.17		-0.74
Cash and cash equivalents	45.6	210.9	-78%	109.9
Cash flow from operating activities	-60.1	-42.3		-88.3
<i>Equity/assets ratio, %</i>	<i>64.8</i>	<i>59.6</i>		<i>63.8</i>
Average number of employees	141	215	-34%	208

For definitions of key figures, see page 24



CEO's comments

Continued positive revenue momentum

Our PC Product Group, along with mobile, has driven a 25% increase in overall revenue compared to last year, a significant performance that underscores our positive revenue momentum. A highlight of this is an 80% surge in the higher-margin PC Product Group, in a quarter in which we announced the launch of the Asus Expertbook B5 laptop featuring our Match-on-Chip biometric solution. With our technology now adopted by four of the top five Windows PC manufacturers globally, we expect sustained growth in PC adoption with fingerprint sensors, reinforcing our strategic direction. Additionally, despite challenges in the Chinese residential real estate market affecting biometric door lock sales, the rising demand for FIDO-related logical access solutions in North America and Europe signals our successful pivot towards higher-margin markets and system-level expansions.

Gross Margin Performance

This quarter, we observed a slight improvement in our gross margin from the previous quarter, primarily due to robust profitability in our non-Mobile Product Groups. However, year-on-year comparison reveals a six-percentage point decline in our gross margin. This reduction is mainly due to challenging market conditions within our Mobile Product Group, which remains our most significant revenue contributor. Despite inventories stabilizing at more typical levels, substantial price pressures in the Mobile sector continue to challenge us, and we expect these pressures to persist in the upcoming quarters.

Completing the Transformation Plan

We launched our Transformation Plan in October 2023, targeting significant financial improvement by the second half of 2024 through a phased implementation. This comprehensive plan has six key elements:

1. Devising a new strategy,
2. Strengthening the balance sheet,
3. Refreshing our portfolio,
4. Optimizing costs,
5. Enhancing talent and organization, and
6. Improving governance and incentives.

We are currently progressing through the Stability phase of this plan, effectively halting losses and strategically repositioning the company towards sustained profitability and enhanced cash flow in our core business areas.

Portfolio Refresh: Winding down the loss-making Mobile business

In our year-end report for 2023, we announced our decision to redirect capital and investments away from mobile sensor hardware toward more profitable business areas. We



“By winding down operations in Mobile, we have a focused and profitable growth business.”



are accelerating this pivot by phasing out the loss-making Mobile business to safeguard our company's financial health and future viability. As a result, revenue from Mobile will decrease as we concentrate on more profitable sectors. We expect significant improvements in profitability as our focus shifts toward non-Mobile areas.

Continued Cost Optimization

In October 2023, we set a target for our operational expenses (OPEX) to reach approximately SEK 180 million annually, taking full effect in the second half of 2024. We are currently implementing restructuring measures aimed at achieving these savings. Through a dedicated focus, we have identified an additional SEK 30 million in savings, lowering our targeted annual OPEX to SEK 150 million by the end of this year— a significant reduction that is now fully underway.

Strengthening our balance sheet

On April 26, 2024, Fingerprints announced significant measures to address its financial position. These steps include reducing debt and increasing equity. The company will repay its outstanding convertible bonds early to provide greater financial flexibility and level the investor playing field. Fingerprints has agreed with Heights Capital Management to redeem these bonds early at their total nominal value of approximately SEK 105 million, including accrued but unpaid interest. Additionally, to ensure liquidity until the completion of the upcoming rights issue, which aims to raise up to SEK 310 million, a consortium of investors has extended a bridge loan of SEK 60 million to the company. This rights issue, offering preferential rights to existing shareholders, is pending approval at the annual general meeting scheduled for May 28, 2024.

Strategic Focus on Biometrics and Identity

Biometrics and Identity, where we hold a pioneering role, represent exciting, significant, and growing markets at the forefront of human-digital interactions.

Our strategic position is unique and robust across several key market areas. In the PC sector, we have transitioned from supplying mere components to delivering comprehensive fingerprint recognition systems, including our in-house microcontroller units (MCUs). Beyond PCs, we envision a future of multimodal solutions that seamlessly integrate fingerprint, iris and other modalities. This innovative approach not only enhances security and usability but also enables applications like continuous authentication and deep-fake mitigation. Our technology's versatility extends to driver monitoring systems (DMS) and augmented/virtual reality (AR/VR) devices. Recently, we successfully integrated our iris recognition technology into DMS for authentication, a solution we are now promoting to automotive OEMs in partnership with a tier-1 supplier.

Our commitment to innovation is evident in our vast patent portfolio, which boasts over 700 registered patents. These patents cover a wide range of areas, from algorithms and biometric image processing to sensors and hardware packaging. This wealth of intellectual property not only presents numerous opportunities for monetization but also underscores our dedication to staying at the forefront of the industry. On May 6, 2024, we announced that we have signed a patent license agreement with a major global company as the licensee. This represents a milestone as Fingerprints' first-ever patent license agreement, arising from the New Business team initiative which was announced in July 2023 with the aim of developing new business and driving revenue growth. While this initial agreement alone will not have a material financial



impact, as Fingerprints' first-ever patent license agreement it is an important milestone in pursuit of additional monetization opportunities. We see an increased potential in this area, and we work with leading patent law firms to capitalize on this opportunity.

Our vision for Fingerprints to expand into other segments of the identity value chain is exciting. While biometric technologies have been around for some time, their integration into all digital interactions remains unfulfilled, primarily due to their complexity. We believe in a platform that ingests our best-in-class modalities in software, combines it with identity data for a high-efficacy authentication and authorization outcome, and orchestrates identity within a client's workflow for simplified, ongoing identification. This will simplify consumption, improve the user experience, provide continuous identity security and mitigate the rise in deep-fakes. We are excited to lead this transformation.

Adam Philpott, President and CEO



Revenues and operating result, first quarter of 2024

Revenues

Group revenues for the first quarter of 2024 amounted to SEK 146.4 M (117.0), corresponding to an increase of 25 percent compared with the first quarter of 2023 (increase of 26 percent in constant currency terms). The increase is driven by higher sales in our Mobile and PC product groups. As in recent quarters, Access sales in Asia continued to be negatively impacted by softness in the Chinese construction sector. Our view of the demand trend in Access going forward remains positive, but revenue development within both the Access and Payment product groups tends to be more uneven and sensitive to economic fluctuations, since these industries are more immature when it comes to the use of biometric solutions. Inventory amounted to SEK 141.3 M at the end of the first quarter, compared with SEK 274 at the end of the first quarter 2023, and 133.5 at the end of the fourth quarter 2023.

Trend in operating profit

Gross profit for the first quarter was SEK 16.2 M (20.3) and the gross margin was 11.1 percent (17.3). Gross margin continued to be negatively impacted by strong price pressure within Mobile. The operating result for the first quarter was a negative SEK 74.9 M (neg: 75.7). Operating expenses amounted to SEK 91,0 M (96,0). Exchange rate loss on working capital had a negative effect, amounting to SEK 8.5 M.

Development costs of SEK 5.4 M (17.2) were capitalized during the quarter, corresponding to 17.7 percent of total development costs, compared with 37.8 percent for the corresponding quarter of 2023. Other operating income amounted to SEK 0.0 M (0.1) and pertain to exchange-rate fluctuations attributable to operating working capital.

Product groups

Revenue is reported by Product Group: Mobile, PC, Payment and Access (refer to the table on page 17). Fingerprints has implemented a new functional organization and governance model to support its Biometric Platform Strategy. The two primary pillars of this organization are Product and Sales, with support from Finance, HR and other operational functions. This change means that the company no longer manages the business in separate operating segments, and we no longer report results for our previous operating segments Asia, Rest of World and New Business.

Financial income and expenses

Financial income amounted to SEK 1.2 M (1.0). This item pertains to interest income on bank balances

Financial expenses amounted to negative SEK 7.3 M (neg: 10.3). Expenses for the quarter pertained primarily to interest and other finance expenses on the convertible loan, previous year coming from interest on Bond loan.

Earnings and earnings per share for the reporting period

The result for the first quarter of 2024 was a negative SEK 85.9 M (neg: 70.1). Earnings per share for the first quarter were a negative SEK 0.14 (neg: 0.17).



Cash flow and balance sheet, first quarter of 2024

Cash flow

Cash flow from operating activities for the first quarter was negative SEK 60.1 M (neg: 42.3).

Cash flow from investing activities for the same periods amounted to a negative SEK 5.4 M (neg: 17.4), of which capitalized development expenditure accounted for SEK 5.4 M (17.2).

Cash flow from financing activities was negative SEK 1.5 M (neg: 3.0) leasing fees on leased premises.

Exchange-rate fluctuations had a negative SEK 2.8 M (neg: 0.5) impact on cash and cash equivalents during the quarter.

Liquidity and shareholders' equity

At March 31, 2024, the Group's disposable cash and cash equivalents totaled SEK 45.6 M compared with 109,9 at December 31, 2023, and the Group's net debt amounted to SEK 50,2 M on the same date (net cash: 2,7). Interest-bearing liabilities comprise the convertible bond loan issued in September 2023. In the balance sheet, the convertible bond loan has been separated in a financial liability part and an equity part according to IAS 32:28. SEK 4.4 M is recorded as equity and SEK 84.5 M a liability. In addition, lease liabilities pertaining to office premises amount to SEK 11.3 M (20.7), recognized in accordance with IFRS 16.

At period-end, consolidated shareholders' equity amounted to SEK 658.8 M (792.1) and the equity/assets ratio for the Group to 64.8 percent (59.6). Total comprehensive income in the first quarter amounted to negative SEK 48,8 M (neg: 74,4) and included the remeasurement of shareholders' equity in foreign currencies.

Investments, fixed assets and depreciation/amortization

Investments in intangible fixed assets during the quarter amounted to an expense of SEK 5.4 M (expense: 17.4). Investments in tangible fixed assets for the quarter amounted to an expense of SEK 0.0 M (expense: 0.0). Depreciation/amortization according to plan for the quarter totaled SEK 24.4 M (15.5). Financial fixed assets pertain to deferred tax of SEK 171.3 M (137.4).

Other events during the first quarter of 2024

Business Development

Indian-based cybersecurity company Ensurity has integrated selected biometric technologies from Fingerprint Cards AB (Fingerprints™) for its new FIDO2 biometric security key. The solution offers users a secure and convenient passwordless authentication experience for the latest version of Windows 10 operating system and numerous FIDO2 enabled web applications. ThinC AUTH FIDO2 and AUTH BioPro (PIV) are hardware-bound passkeys, based on FIDO Alliance and W3C standards, and incorporates Fingerprints' latest sensor, software and algorithms for access control. Today, 80% of computer hacks and cyber-crimes can be traced back to compromised passwords. Passkey technology offering multi-factor authentication



(MFA) with biometrics is a key tool in the fight against phishing, man-in-the-middle and stolen credential attacks.

Fingerprints announced the first biometric payment card roll out in Türkiye, supporting Thales, a worldwide leader in digital security, and Garanti BBVA and its customers. The launch marks Fingerprints' and Thales' eleventh commercial roll out globally for biometric payment cards. Fingerprints' proven biometric technology, which features its T-Shape sensor (T2) and biometric payment software platform alongside Thales' extensive capability to innovate and bring enhanced payment experiences, will now form part of Garanti BBVA's customer offering. Garanti BBVA is one of the largest private banks in Türkiye. In adding a biometric payment card to its portfolio, it enables its customers to be at the forefront of secure contactless biometric payments.

Fingerprints announced a distribution agreement with Ansal Component, a global provider of component supply services based in Türkiye. The partnership supports and simplifies the region's development of secure devices that integrate advanced fingerprint sensor and software technologies.

Fingerprints announced that the company's biometric Match-on-Chip PC solution is integrated in the Asus Expertbook B5 laptop. This is the first Asus Windows PC product that integrates Fingerprints' Match-on-Chip solution, which is on Microsoft's approved vendor list (AVL) for Windows Hello Enhanced Sign-in Security. With the launch of the Asus Expertbook B5, Fingerprints' biometric technology is being used by yet another top Windows laptop brand. Products from four out of the world's top five Windows PC OEMs now integrate Fingerprints' technology.

Fingerprints, in collaboration with BenjiLock and its new licensee TKL Products Corp, announced the debut of cutting-edge biometric security for instrument cases. The new biometric instrument cases seamlessly integrate BenjiLock's innovative fingerprint hybrid technology, utilizing Fingerprints' BM-Lite FPC SafeTouch® as a comprehensive biometric fingerprint solution. Incorporating Fingerprints' biometrics is ideal for the next generation of BenjiLock's embedded innovation, specifically integrated into the latch design of TKL guitar cases.

Fingerprints announced the launch of FPC Smart'Nroll, a simple and reusable enrollment device for biometric payment cards. Smart'Nroll enables end-users to easily and securely register their fingerprints on their payment card, in under a minute and at their own convenience, anywhere in the world. The FPC Smart'Nroll device enables both 'at-home' and 'in-branch' enrollment. The new commercial enrollment solution is ready for shipment and will support large-scale launches of biometric payment cards. The device is also compliant with all biometric cards supporting STPay-Topaz-Bio – a solution previously announced by Fingerprints and STMicroelectronics. For new biometric payment card users, FPC Smart'Nroll powers the payment card during the registration phase. The device also guides the user through the enrollment process, with a self-explanatory display, prompts and progress bar that are accessible to speakers of any language. This was essential given the global spread of existing commercial launches. The device is compatible with a unique re-use bank program, a replaceable battery and is compliant with multiple card configurations. Much like the cards themselves, FPC Smart'Nroll is highly secure, ensuring that no personal fingerprint data is



stored within the device, ensuring privacy in line with the General Data Protection Regulation (GDPR).

Building upon the partnership with BenjiLock, Fingerprints integrates biometric solutions for TechLok's next-gen laptop security devices. The biometric laptop security lock from TechLok Solutions premiered for the first time at CES 2024 press event "unveiled". This integration with BenjiLock's innovative fingerprint hybrid technology leverages Fingerprints' BM-Lite, FPC SafeTouch® as a complete biometric fingerprint solution, ready to be used out of the box at delivery. The Fingerprints biometric solution is easy to integrate, minimizing time to market with excellent biometric performance, for increased security and enhanced user convenience. The LapLok security device is designed to provide an extra layer of security for laptops and tablets, offering users the freedom to work from anywhere, including shared workspaces, airports, coffee shops, and other public areas with peace of mind.

Significant events during the first quarter of 2024

On March 28, 2024, Fingerprints announced that the company issued new shares in connection with a scheduled amortization and interest payment under its outstanding convertible bonds (the "Issue"). The Issue has resulted in changes in the number of B-shares and votes in Fingerprints as follows. Prior to the Issue, the total number of shares in the Company amounted to 603,725,351 (of which 7,875,000 A-shares and 595,850,351 B-shares). The total number of votes in the Company amounted to 674,600,351 (of which 78,750,000 pertain to the A-shares and 595,850,351 pertain to the B-shares). In connection with the Issue, the number of B-shares in the Company increased by 8,906,252 and the number of votes by 8,906,252. Following the Issue, and as of 28 March 2024, the total number of shares in the Company amounts to 612,631,603 (of which 7,875,000 A-shares and 604,756,603 B-shares). The total number of votes in the Company amounts to 683,506,603 (of which 78,750,000 pertain to the A-shares and 604,756,603 pertain to the B-shares).

On March 20, 2024, Fingerprints announced the price and number of new shares in connection with the third scheduled amortization and interest payment under its outstanding convertible bonds. Following calculations under the terms and conditions of the Convertible Bonds, 8,906,252 new B-shares were issued at a price of SEK 0.8202 per B-share.

On March 15 2024, Fingerprints announced that the company would issue new shares as payment in connection to the third amortization and interest payment under its outstanding convertible bonds.

On March 11, 2024, Fingerprints announced the appointment of Fredrik Hedlund as its new Chief Financial Officer, effective March 18, 2024.

On January 31, 2024, Fingerprints announced that the company issued new shares in connection with a scheduled amortization and interest payment under its outstanding convertible bonds (the "Issue"). The Issue resulted in changes in the number of B-shares and votes in Fingerprints as follows. Prior to the Issue, the total number of shares in the Company amounted to 596,889,670 (of which 7,875,000 A-shares and 589,014,670 B-shares). The total number of votes in the Company amounted to 667,764,670 (of which 78,750,000 pertain to the A-shares and 589,014,670 pertain to the B-shares). In connection with the Issue, the number of B-shares in the Company increased by 6,835,681 and the number of votes by 6,835,681. Following the Issue, and as of 31 January 2024, the total number of shares in the Company amounted to 603,725,351 (of which 7,875,000 A-shares and 595,850,351 B-shares). The total number of votes in the Company amounted to 674,600,351 (of which 78,750,000 pertain to the A-shares and 595,850,351 pertain to the B-shares).



On January 22, 2024, Fingerprints announced the price and number of new shares in connection with the second scheduled amortization and interest payment under its outstanding convertible bonds. Following calculations under the terms and conditions of the Convertible Bonds, 6,835,681 new B-shares were issued at a price of SEK 1.0777 per B-share. On January 16, Fingerprints announced that the company would issue new shares as payment in connection to the second amortization and interest payment under its outstanding convertible bonds.

Significant events after the end of the period

On April 26, 2024, Fingerprints announced a partially guaranteed rights issue of up to approximately SEK 310 million, an agreement on early redemption of its convertible bonds, a bridge loan of SEK 60 million and preliminary financial information for Q1 2024.

On April 29, 2024, Fingerprints announced the appointment of Fredrik Ramberg the company's new Chief Product Officer (CPO), effective immediately.

Organization and Personnel

The number of employees as at March 31, 2024, was 145 (221). In addition to employees, consultants were also engaged during the first quarter, corresponding to 27 HCs (30), mainly in technology development and sales. Accordingly, including employees and consultants, the company employed a total of 172 (251) people on March 31, 2024.

Share capital trend

During January and March 2024, Fingerprints issued new shares in connection with the second and third scheduled amortization and interest payments under its outstanding convertible bonds (the "Issues"). The Issues resulted in changes in the number of B-shares and votes in Fingerprints as follows.

Prior to the Issues, the total number of shares in the Company amounted to 596,889,670 (of which 7,875,000 A-shares and 589,014,670 B-shares). The total number of votes in the Company amounted to 667,764,670 (of which 78,750,000 pertain to the A-shares and 589,014,670 pertain to the B-shares). The Issues in January and March resulted in an increase in the number of B-shares in the Company by 15,741,933 and the number of votes by 15,741,933.

Following the Issues, and as of 31 March 2024, the total number of shares in the Company amounts to 612,631,603 (of which 7,875,000 A-shares and 604,756,603 B-shares). The total number of votes in the Company amounts to 683,506,603 (of which 78,750,000 pertain to the A-shares and 604,756,603 pertain to the B-shares).

The company had 3,800,000 B shares in treasury at the end of the period. The share capital amounted to SEK 26,675,516.



Number of shares

	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Number of shares, (000s)			
Number of shares at period end	612,632	424,493	596,890
Of which class A-shares	7,875	7,875	7,875
Of which class B-shares	604,757	416,618	589,015
Number of buyback shares at end of period	-3,800	-3,800	-3,800
Number of shares outstanding at period end	608,832	420,693	593,090

Accounting policies

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The interim report for the Parent Company was prepared in accordance with the Annual Accounts Act, Chapter 9, Interim reports. The application of these accounting policies complies with what is presented in the Annual Report for the fiscal year ending December 31, 2023 and must be read together with the Annual Report. In addition to the financial statements and the associated notes, disclosures according to IAS 34.16A are also presented in other parts of the interim report. No new or revised IFRSs that have become effective in 2024 have had any significant impact on the Group. The Group's reporting currency is SEK and the report is prepared in SEK M.

Revenue is reported by Product Group: Mobile, PC, Payment and Access (refer to the table on page 17). Fingerprints has implemented a new functional organization and governance model to support its Biometric Platform Strategy. The two primary pillars of this organization are Product and Sales, with support from Finance, HR and other operational functions. This change means that the company no longer manages the business in separate operating segments, and we no longer report results for our previous operating segments Asia, Rest of World and New Business. Hence, the entire Group is reported as a single segment. Information on revenue per product area is provided, as detailed above.

Related-party transactions

There were no material transactions between the company and related parties in the Group or the Parent Company during the reporting period.

Parent Company

The Parent Company's revenues for the first quarter of 2024 amounted to negative SEK 0.3 M (11.9), of which the quarter's sales pertain to intra-Group sales to subsidiaries of SEK 0.0 M (11.9) relating to service fees. After financial items, a loss of SEK 28.3 M (loss: 43.9) was reported for the period.

The net result for the period was a loss of SEK 28.3 M (loss: 34.9). The Parent Company's disposable cash and cash equivalents at period-end totaled SEK 11.0 M (80.4).



Significant risks and uncertainties – Group and Parent Company

To anticipate risks and minimize their impact, Fingerprints has processes for continuously identifying and managing risks that could impact the operations. This includes probability and consequence assessments of operational risks, market risks, financial risks and legal and other risks.

The described risks and uncertainties are not ranked in any order of significance; nor are they claimed to be the only risks or uncertainties to which the company is exposed. Additional risks and uncertainties that the company is currently unaware of or that are currently not adjudged to be material could develop into factors that might in the future have a material impact on the company's operations, earnings, financial position or future outlook. The following description does not claim to be complete or exact, since risks and their degree of impact vary over time:

Market risks:	Geopolitical instability, Supplier costs, Risk of obsolescence, Economic fluctuations, Currency risk, Loss of customers and price pressure due to increased competition.
Operational risks:	Delivery capacity of suppliers, Competency provision, Loss of key competencies, Reduced technological lead and Information leaks.
Financial risks:	Financing risk and Credit risk.
Legal risks:	Product defects and product liability, Patent risk and Corruption.
Other risks:	Epidemics/pandemics, Conflict minerals, Restrictions on planned business development, Biometrics and integrity, Scalability internally, Discrimination and lack of diversity.

Fingerprints' current assessment is that the company is not materially impacted directly by the war between Russia and Ukraine.

For further information concerning the risks facing the Group, see the 2023 Annual Report, which is available on our website, www.fingerprints.com.

Further information

Welcome to Fingerprints' presentation of the interim report for the first quarter of 2024 on May 7, 2024, at 09:00 a.m. CEST. The presentation will be webcast, and participants can register via the link below: <https://edge.media-server.com/mmc/p/p3xotybyb>

For media and analysts: Register for the teleconference via this link:
<https://register.vevent.com/register/Blcea941f6b5fb498aadb3d6e18ba349d6>

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Certification

The Board of Directors and the CEO certify that this report provides a fair and accurate review of the operations, financial position and earnings of the Parent Company and the Group and that it describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, May 6, 2024

Christian Lagerling
Chairman

Alexander Kotsinas
Member

Adam Philpott
Member, President & CEO

Mario Shiliashki
Member

Juan Vallejo
Member

Dimitrij Titov
Member

Review Report

This interim report has not been examined by the company's auditors.



Financial statements and key figures

Condensed consolidated statement of comprehensive income	15
Condensed consolidated statement of financial position	16
Condensed consolidated statement of changes in equity.....	16
Condensed consolidated cash-flow statement	17
Sales by product group.....	17
Consolidated statement of income and other comprehensive income for the past nine quarters ...	18
Consolidated statement of financial position for the past nine quarters.....	19
Consolidated cash-flow statement for the past nine quarters.....	19
Condensed income statement, Parent Company.....	20
Condensed balance sheet, Parent Company.....	20
Key consolidated data	21
Key consolidated figures for the past nine quarters.....	21
Rolling 12-month key figures for the Group for the past nine quarters.....	22



Condensed consolidated statement of comprehensive income

SEK M	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Revenue	146.4	117.0	705.4
Cost of goods sold	-130.2	-96.7	-615.8
Gross profit	16.2	20.3	89.6
Gross Margin, %	11.1	17.3	12.7
Selling expenses	-21.5	-33.8	-171.1
Administrative expenses	-35.9	-34.0	-127.6
Development expenditure	-25.1	-28.3	-117.3
Write downs	0.0	0.0	-4.7
Other operating income/expenses	-8.5	0.1	10.7
Operating profit/loss	-74.9	-75.7	-320.4
Operating Margin, %	-51.1	-64.7	-45.4
Finance income	1.2	1.0	4.6
Finance expenses	-7.3	-10.3	-59.7
Profit/loss before tax	-81.0	-85.0	-375.5
Income tax	-4.9	14.9	35.7
Profit/loss for the period	-85.9	-70.1	-339.8
Other comprehensive income	37.1	-4.3	-20.5
Total comprehensive income for the period	-48.8	-74.4	-360.3
Profit/loss for the period attributable to:			
Parent Company shareholders	-48.8	-74.4	-360.3
Profit/loss for the period	-48.8	-74.4	-360.3
Earnings per share for the period before and after dilutions, SEK	-0.14	-0.17	-0.74



Condensed consolidated statement of financial position

SEK M	31-Mar 2024	31-Mar 2023	31-Dec 2023
Assets			
Intangible fixed assets	512.9	541.5	504.8
Tangible fixed assets	2.7	3.6	3.0
Right-of-use assets	12.9	22.2	14.4
Financial assets	171.6	138.7	171.6
<i>Total fixed assets</i>	<i>700.1</i>	<i>706.0</i>	<i>693.8</i>
Inventories	141.3	274.0	133.5
Accounts receivable	110.6	97.1	120.6
Other receivables	12.1	32.7	17.9
Prepaid expenses and accrued income	7.4	8.7	7.9
Cash and cash equivalents	45.6	210.9	109.9
<i>Total current assets</i>	<i>317.0</i>	<i>623.4</i>	<i>389.8</i>
Total assets	1,017.1	1,329.4	1,083.6
Shareholders' equity and liabilities			
<i>Shareholders' equity</i>	<i>658.8</i>	<i>792.1</i>	<i>691.6</i>
<i>Deferred tax liability</i>	<i>5.4</i>	<i>11.4</i>	<i>6.6</i>
Bond loans	-	294.4	-
Convertible loan	61.5	-	72.9
Long-term lease liabilities	5.3	11.0	6.5
<i>Long-term liabilities</i>	<i>66.8</i>	<i>305.4</i>	<i>79.4</i>
Short-term debt lease liabilities	6.0	9.7	6.2
Short-term debt convertible loan	23.0	-	21.6
Accounts payable	126.0	51.3	103.5
Current tax liabilities	8.3	6.4	6.3
Other current liabilities	12.4	14.3	25.4
Accrued expenses and prepaid income	110.4	138.8	142.7
<i>Total current liabilities</i>	<i>286.1</i>	<i>220.5</i>	<i>305.7</i>
Total shareholders' equity and liabilities	1,017.1	1,329.4	1,083.3

Condensed consolidated statement of changes in equity

SEK M	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Opening shareholders' equity	691.6	866.5	866.5
Comprehensive income for the period	-48.8	-74.4	-360.3
Share issue	16.0	-	185.4
Closing shareholders' equity	658.8	792.1	691.6



Condensed consolidated cash-flow statement

SEK M	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Profit/loss before tax	-81.0	-85.0	-375.5
Adjustment for non-cash items	34.8	16.1	31.9
Income tax paid	-6.1	-7.4	-22.1
Change in inventory	-1.0	26.6	208.7
Change in current receivables	25.5	42.5	25.4
Change in current liabilities	-32.3	-35.1	43.3
Cash flow from operating activities	-60.1	-42.3	-88.3
Cash flow from investing activities	-5.4	-17.4	-46.1
Cash flow from financing activities	-1.5	-3.0	-25.7
Change in cash and cash equivalents	-67.0	-62.7	-160.1
Cash and cash equivalents on the opening date	109.9	274.1	274.1
Effect of exchange rate changes on cash	2.8	-0.5	-4.1
Closing cash and cash equivalents	45.7	210.9	109.9

Sales by product group

SEK M	Jan-Mar 2024	Jan-Mar 2023	Change, %	Jan-Dec 2023
Revenue				
Mobile	106.9	78.5	36	519.1
Payment	1.8	4.0	-55	11.7
PC	28.5	15.9	80	96.9
Access	9.2	18.6	-50	77.7
Group	146.4	117.0	25	705.4



Consolidated statement of income and other comprehensive income for the past nine quarters

SEK M	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022
Revenue	146.4	200.3	184.8	203.3	117.0	190.3	143.2	228.1	300.2
Cost of goods sold	-130.2	-181.3	-161.2	-176.7	-96.7	-173.5	-125.7	-157.2	-239.0
Gross profit	16.2	19.1	23.6	26.6	20.3	16.8	17.5	70.9	61.2
Gross margin, %	11.1	9.5	12.8	13.1	17.3	8.8	12.2	31.1	20.4
Selling costs	-21.5	-54.5	-40.3	-42.5	-33.8	-34.0	-35.4	-35.5	-37.8
Administrative costs	-35.9	-39.0	-21.7	-32.9	-34.0	-44.7	-32.0	-36.0	-30.9
Development costs	-25.1	-37.1	-26.0	-25.9	-28.3	-31.9	-25.7	-33.3	-27.2
Write downs	0.0	-1.2	-3.5	0.0	0.0	-433.4	-	-	-
Other operating income/expenses	-8.5	7.5	4.1	-1.0	0.1	-0.1	15.8	21.7	3.0
Operating profit/loss	-74.9	-105.2	-63.8	-75.7	-75.7	-527.3	-59.8	-12.2	-31.7
Operating margin, %	-51.1	-52.5	-34.5	-37.3	-64.7	-277.1	-41.8	-5.4	-10.6
Finance income/expenses	-6.1	-14.2	-30.1	-9.0	-9.2	-14.4	-6.9	2.4	-2.3
Profit/loss before tax	-81.0	-119.4	-93.9	-84.6	-85.0	-541.7	-66.7	-9.8	-34.0
Income tax	-4.9	-7.7	20.1	8.4	14.9	42.3	15.7	0.3	7.9
Profit/loss for the period	-85.9	-127.1	-73.8	-76.2	-70.1	-499.4	-51.0	-9.5	-26.1
Other comprehensive income	37.1	-48.0	1.1	30.7	-4.3	-81.6	74.3	70.1	21.2
Total comprehensive income for the period	-48.8	-175.1	-72.7	-45.5	-74.4	-581.0	23.3	60.6	-4.9



Consolidated statement of financial position for the past nine quarters

	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023	31-Dec 2022	30-Sep 2022	30-Jun 2022	31-Mar 2022
<i>SEK/USD exchange rate, balance date</i>	10.69	10.04	10.89	10.85	10.37	10.42	11.20	10.21	9.31
Assets									
Intangible fixed assets	512.9	504.8	553.1	558.8	541.5	538.0	1,021.6	938.7	868.2
Tangible fixed assets	2.7	3.0	2.7	3.1	3.6	4.3	5.0	5.6	5.9
Right-of-use assets	12.9	14.4	16.2	19.3	22.2	25.3	15.2	18.6	21.4
Financial fixed assets	171.6	171.6	173.5	152.7	138.7	121.8	81.0	65.7	61.2
<i>Total fixed assets</i>	<i>700.1</i>	<i>693.8</i>	<i>745.5</i>	<i>733.9</i>	<i>706.0</i>	<i>689.4</i>	<i>1,122.8</i>	<i>1,028.6</i>	<i>956.7</i>
Inventories	141.3	133.5	156.2	202.7	274.0	304.1	412.4	281.3	175.6
Accounts receivable	110.6	120.6	80.1	100.6	97.1	128.3	133.2	128.4	261.5
Other receivables	12.1	17.9	20.4	19.0	32.7	40.0	37.2	64.6	72.5
Prepaid expenses and accrued income	7.4	7.9	6.6	7.7	8.7	9.6	11.3	12.3	14.2
Cash and cash equivalents	45.6	109.9	197.9	252.4	210.9	274.1	71.4	212.8	255.1
<i>Total current assets</i>	<i>317.0</i>	<i>389.8</i>	<i>461.2</i>	<i>582.4</i>	<i>623.4</i>	<i>756.1</i>	<i>665.5</i>	<i>699.4</i>	<i>778.9</i>
Total assets	1,017.1	1,083.6	1,206.7	1,316.3	1,329.4	1,445.5	1,788.3	1,728.0	1,735.6
Shareholders' equity and liabilities									
<i>Shareholders' equity</i>	<i>658.8</i>	<i>683.5</i>	<i>828.8</i>	<i>746.6</i>	<i>792.1</i>	<i>866.5</i>	<i>1,106.2</i>	<i>1,082.9</i>	<i>1,022.3</i>
<i>Deferred tax liability</i>	<i>5.4</i>	<i>6.6</i>	<i>8.8</i>	<i>10.3</i>	<i>11.4</i>	<i>13.0</i>	<i>15.6</i>	<i>15.8</i>	<i>16.4</i>
<i>Long-term liabilities</i>	<i>66.8</i>	<i>71.9</i>	<i>146.3</i>	<i>304.7</i>	<i>305.4</i>	<i>306.1</i>	<i>298.6</i>	<i>300.0</i>	<i>302.9</i>
Short-term debt of long-term liabilities	6.0	6.2	6.6	8.1	9.7	11.2	9.6	9.3	10.3
Accounts payable	126.0	104.2	83.1	77.0	51.3	74.3	190.4	158.8	158.4
Current tax liabilities	8.3	6.3	6.6	6.5	6.4	6.6	8.0	12.7	6.2
Other current liabilities	12.4	62.2	14.3	12.7	14.3	20.7	18.5	12.7	45.5
Accrued expenses and prepaid income	110.4	142.7	112.2	150.4	138.8	147.1	141.4	135.8	173.6
<i>Total current liabilities</i>	<i>286.1</i>	<i>321.6</i>	<i>222.8</i>	<i>254.7</i>	<i>220.5</i>	<i>259.9</i>	<i>367.9</i>	<i>329.3</i>	<i>394.0</i>
Total shareholders' equity and liabilities	1,017.1	1,083.6	1,206.7	1,316.3	1,329.4	1,445.5	1,788.3	1,728.0	1,735.6

Consolidated cash-flow statement for the past nine quarters

SEK M	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022
Profit/loss before tax	-81.0	-119.4	-93.9	-84.6	-85.0	-541.7	-66.7	-9.8	-34.0
Adjustment for non-cash items	34.8	5.2	1.9	16.1	16.1	475.8	2.6	6.5	11.4
Income tax paid	-6.1	-1.0	-4.4	-9.3	-7.4	5.4	9.4	-17.2	-10.9
Change in inventory	-1.0	28.8	67.7	85.6	26.6	27.6	-94.1	-90.7	-3.4
Change in current receivables	25.5	-56.9	21.8	18.0	42.5	-28.9	23.8	175.6	8.8
Change in current liabilities	-32.3	82.9	-31.1	26.6	-35.1	-42.1	13.4	-92.7	-62.2
Cash flow fr. operating activities	-60.1	-60.4	-38.0	52.4	-42.3	-103.9	-111.6	-28.3	-90.3
Cash flow from investing activities	-5.4	-4.4	-12.4	-11.9	-17.4	-28.3	-28.1	-20.1	-28.1
Cash flow from financing activities	-1.5	-17.1	-2.4	-3.2	-3.0	337.8	-2.3	-3.7	-3.3
Change in cash and cash equiv.	-67.0	-81.9	-52.8	37.3	-62.7	205.6	-142.0	-52.1	-121.7
Cash and cash equiv. on the opening date	109.9	197.9	252.4	210.9	274.1	71.4	212.8	255.1	374.3
Effect of exchange rate changes on cash	2.8	-6.1	-1.7	4.2	-0.5	-2.9	0.6	9.8	2.5
Closing cash and cash equivalents	45.7	109.9	197.9	252.4	210.9	274.1	71.4	212.8	255.1



Condensed income statement, Parent Company

SEK M	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Revenues	-0.3	11.9	28.9
Cost of goods sold	-1.2	-2.3	-9.3
Gross profit	-1.6	9.6	19.6
Selling expenses	-4.9	-6.2	-27.4
Administrative expenses	-21.9	-34.2	-113.9
Development expenditure	-0.4	-10.5	-22.2
Other operating revenues/expenses	-3.9	1.1	3.9
Operating profit/loss	-32.7	-40.2	-140.0
Finance revenues	12.0	9.6	82.0
Finance expenses	-7.6	-13.3	-62.0
Profit/loss after financial items	-28.3	-43.9	-120.0
Group contribution	0.0	0.0	-213.1
Profit/loss before tax	-28.3	-43.9	-333.1
Tax	0.0	9.0	50.9
Profit/loss for the period *	-28.3	-34.9	-282.2

* Profit/loss for the period is the same as Total Profit/loss

Condensed balance sheet, Parent Company

SEK M	31-Mar 2024	31-Mar 2023	31-Dec 2021
Assets			
Intangible fixed assets	0,2	1,1	0,2
Tangible fixed assets	1,6	2,0	1,8
Financial fixed assets	513,2	637,1	531,9
<i>Total fixed assets</i>	<i>515,0</i>	<i>640,2</i>	<i>533,9</i>
Inventories	0,0	3,0	0,0
Accounts receivable	0,0	19,8	4,4
Current receivables	11,0	78,0	10,7
Cash and cash equivalents	11,0	80,4	25,8
<i>Total current assets</i>	<i>22,0</i>	<i>181,2</i>	<i>40,9</i>
Total assets	537,0	821,4	574,8
Shareholders' equity and liabilities			
Shareholders' equity	316,9	392,4	331,6
Long-term liabilities	61,5	294,4	72,9
Short-term debt liabilities	23,0	0,0	21,9
Accounts payable	34,3	14,5	66,5
Tax liabilities	-	-	2,6
Other current liabilities	101,3	120,1	79,3
<i>Total current liabilities</i>	<i>158,6</i>	<i>134,6</i>	<i>170,3</i>
Total shareholders' equity and liabilities	537,0	821,4	574,7



Key consolidated data

	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Revenue, SEK M	146.4	117.0	705.4
Revenue change, %	25.1	-61.0	-18.1
Gross margin, %	11.1	17.3	12.7
Operating margin, %	-51.1	-64.7	-45.4
Profit margin, %	-58.7	-59.9	-49.2
EBITDA, SEK M	-50.5	-60.2	-242.2
Ajusted EBITDA, SEK M	-50.5	-60.2	-204.7
Return on equity, %	-12.7	-8.5	-43.6
Cash flow from operating activities, SEK M	-60.1	-42.3	-88.3
Equity/assets ratio, %	64.8	59.6	63.8
Investments, SEK M	-5.4	-17.4	-46.1
Depreciations and write downs, SEK M	24.4	15.5	78.2
Average number of employees	141	215	208
Shareholders' equity per share before and after dilution, SEK	1.08	1.88	1.15
Cash flow from operating activities/share before and after dilution, SEK	-0.10	-0.10	-0.15
Number of shares at period end, 000s	608,832	420,693	593,090
Share price at period end	1.05	3.29	1.72

For definitions of key figures see page 23.

Key consolidated figures for the past nine quarters

	Jan-Mar 2024	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023	Oct-Dec 2022	Jul-Sep 2022	Apr-Jun 2022	Jan-Mar 2022	Oct-Dec 2021
Revenue, SEK M	146.4	200.3	184.8	203.3	117.0	190.3	143.2	228.1	300.2
Revenue change, %	25.1	5.2	29.1	-10.9	-61.0	-46.6	-59.6	-21.4	-15.4
Gross margin, %	11.1	9.5	12.8	13.1	17.3	8.8	12.2	31.1	20.4
Operating margin, %	-51.1	-52.5	-34.5	-37.3	-64.7	-277.1	-41.8	-5.4	-10.6
Profit margin, %	-58.7	-63.5	-39.9	-37.5	-59.9	-262.4	-35.6	-4.2	-8.7
EBITDA, SEK M	-50.5	-83.8	-40.4	-57.7	-60.2	-74.3	-38.1	6.5	-10.1
Return on equity, %	-12.7	-16.8	-9.4	-9.9	-8.5	-50.6	-4.7	-0.9	-2.5
Cash flow from operating activities, SEK M	-60.1	-60.4	-38.0	52.4	-42.3	-103.9	-111.6	-28.3	-90.3
Equity/assets ratio, %	64.8	63.1	68.7	56.7	59.6	59.9	61.9	62.7	58.9
Investments, SEK M	-5.4	-4.4	-12.4	-12.0	-17.4	-27.9	-28.1	-20.1	-28.1
Depreciations, SEK M	24.4	21.4	23.4	18.0	15.5	453.0	21.7	18.7	21.6
Average number of employees	141	201	201	208	215	218	233	250	255
Shareholders' equity per share, SEK	1.08	1.15	1.44	1.77	1.88	2.06	3.76	3.68	3.47
Cash flow from operating activities, SEK	-0.10	-0.10	-0.07	0.12	-0.10	-0.25	-0.38	-0.10	-0.31
Number of shares at period end, 000s	608,832	593,090	574,978	420,693	420,693	420,693	294,200	294,200	294,200
Share price at period end, SEK	1.05	1.72	0.95	1.84	3.29	2.93	5.63	8.94	14.87



Rolling 12-month key figures for the Group for the past nine quarters

	Jan-Dec 2023	Oct-Sep 2022-23	Jul-Jun 2022-23	Apr-Mar 2022-23	Jan-Dec 2022	Okt-Sep 2021-22	Jul-Jun 2021-22	Apr-Mar 2021-22	Jan-Dec 2021
Revenues, SEK M	734.8	705.4	695.4	653.7	678.6	861.8	1,028.0	1,239.2	1,301.3
Gross profit, SEK M	85.6	89.6	87.3	81.1	125.4	166.4	262.7	346.5	355.9
Gross margin, %	11.6	12.7	12.5	12.4	18.5	19.3	25.6	28.0	27.4
Operating profit/loss, SEK M	-319.6	-320.4	-742.5	-738.5	-675.1	-631.0	-99.8	-29.2	-41.0
Operating margin, %	-43.5	-45.4	-106.8	-113.0	-99.5	-73.2	-9.7	-2.4	-3.2
EBITDA, SEK M	-232.5	-242.2	-232.7	-230.4	-166.2	-116.0	-14.9	55.3	58.4



About Fingerprint Cards

Fingerprint Cards AB, Fingerprints, with its Swedish roots, is the leading global biometric company, whose mission is to spearhead the development of biometric interaction that facilitates the convenience and integrity of the individual. Its value is proven daily in millions of devices, through billions of touches, which are their own key — quite simply, with a human touch. Since the start, Fingerprints has supplied more than a billion sensors.

Fingerprints develops biometric systems comprising sensors, algorithms, software and packaging technologies. Its success is based on product development at the cutting edge of technology, which results in world-leading products in terms of security, convenience and performance. The current product range consists largely of fingerprint sensors and customers are primarily manufacturers of smartphones and tablets, where the company is market leading. As the use of biometric solutions increases, Fingerprints is working to broaden its offering by using different biometric techniques, or modalities, and to identify other market segments where the solutions can be used, such as smartcards, PCs, automotive and online devices (IoT).

Vision

A secure and seamless universe, where you are the key to everything.

Mission

To provide secure and convenient identification and authentication with a human touch.

Business concept

Fingerprints develops and sells biometric solutions to companies globally that develop products and services interfacing with people.

Glossary

Refer to the company's website: www.fingerprints.com



Definitions

Most of these key figures are Alternative Performance Measures according to ESMA's definition. How these key figures are used is described below, as is how they are calculated. The alternative performance measures are used to provide a more comprehensive description of how the operational activities are developing, such as gross margin, gross profit, operating margin, EBITDA and revenue increase, while other alternative performance measures focus on the owner perspective, such as return on equity, and cases where certain balance-sheet items or cash flow items are placed in relation to the number of shares. In addition, the equity/assets ratio is provided to describe the financial position and long-term financial sustainability.

Number of shares outstanding at period end	Number of shares in the Parent Company less bought back shares held in treasury.
Return on equity	Profit for the period in relation to average equity during the period. Average equity is defined as shareholders' equity at the start of the period plus shareholders' equity at the end of the period divided by two.
Gross margin	Gross profit as a percentage of revenues.
Gross profit	Revenues less cost of goods sold.
EBITDA	<i>Earnings before interest, taxes, depreciation and amortization.</i> Operating profit before interest rates, taxes, depreciation/amortization and impairment losses.
Adjusted EBITDA	<i>EBITDA</i> adjusted for non-recurring costs, e.g. restructuring costs.
Shareholders' equity per share	Shareholders' equity attributable to the Parent Company's shareholders divided by the number of shares outstanding before dilution at period-end.
Shareholders' equity per share after dilution	Shareholders' equity per share adjusted for the number of shares and the paid exercise price resulting from the ongoing remuneration and personnel programs.
Average number of shares after dilution	Average number of shares plus an increase by the average number of shares that could be issued as a result of current remuneration and personnel programs.
Average number of shares outstanding	The Parent Company's average weighted number of shares outstanding at the end of the period.
Revenue increase	This shows the increase in revenues compared with the corresponding year-earlier period shown as a percentage.
Cash flow from operating activities/share	Cash flow from operating activities after changes in working capital/average number of shares before and after dilution.
Cost of goods sold	Cost of materials, production expenses and amortization according to plan of capitalized development expenditure.
Net cash/Net debt	Cash and cash equivalents less interest-bearing debt, including lease liabilities.
Profit for the period	Profit after financial income/expenses and tax.
Earnings per share	Profit for the period/number of shares outstanding at period end.
Earnings per share after dilution	Earnings per share adjusted for the number of shares and the paid strike price pursuant to ongoing compensation and personnel programs. Earnings per share after dilution can never be better than earnings per share before dilution.



Operating margin	Operating profit as a percentage of revenues.
Operating result	Operating result before financial income/expenses and tax.
Equity/assets ratio	Shareholders' equity divided by total assets.
Profit margin	Profit for the period as a percentage of revenues.