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Fingerprints announces partially guaranteed rights issue of up to approximately SEK 310 million, agreement on early redemption of its convertible bonds, bridge loan of SEK 60 million and preliminary financial information for Q1 2024

The Board of Directors of Fingerprint Cards AB ("Fingerprints" or the "Company") has resolved on a partially guaranteed issue of new shares of series B ("B-shares") of up to approximately SEK 310 million with preferential rights for its existing shareholders, subject to subsequent approval from the annual general meeting in the Company to be held on 28 May 2024 (the "Rights Issue"). The Rights Issue is subject to subscription undertakings and guarantee commitments in a total amount of up to SEK 275 million. The Board of Directors of Fingerprints has also entered into an agreement with an entity managed by Heights Capital Management, Inc. ("HCM") regarding early redemption of the Company's outstanding convertible bonds (the "Convertible Bonds") at a price equal to 100 percent of the current outstanding nominal amount of the Convertible Bonds, corresponding to approximately SEK 105 million, together with accrued but unpaid interest, which will be financed with part of the net proceeds from the Rights Issue. In order to cover the Company's working capital needs during the period up until the completion of the Rights Issue, a consortium of external investors has provided the Company with a short term loan of SEK 60 million (the "Bridge Loan"). Through this press release, the Company also announce certain preliminary financial information for the first quarter of 2024. Furthermore, a large cost optimization programme was launched in the second half of 2023 to ensure that Fingerprints' growth brings strong future profitability with it. The cost optimization programme is expected to yield cost savings, and has an annualized gross OPEX target of approximately SEK 180 million in the second half of 2024 and approximately SEK 150 million towards the end of 2024, compared with gross OPEX of SEK 451m in 2023.

The annual general meeting is planned for 28 May 2024 and will be proposed to approve the Board of Directors' resolution on the Rights Issue as well as to resolve to amend the Company's articles of association to increase the limits for the Company's share capital, number of shares and number of shares of each class to enable the Rights Issue. Notice to the annual general meeting will be announced through a separate press release.

Summary

- The Board of Directors of Fingerprints has today resolved on the Rights Issue of up to approximately SEK 310 million, of which the initial SEK 275 million is covered by subscription undertakings and guarantee commitments. The resolution is subject to subsequent approval by the annual general meeting on 28 May 2024.
- The Board of Directors of Fingerprints has also entered into an agreement with HCM regarding the early redemption of the Convertible Bonds at a price equal to the current outstanding nominal amount of the Convertible Bonds, corresponding to approximately SEK 105 million, together with accrued but unpaid interest, which will be financed with part of the net proceeds from the Rights Issue.
- In connection with the Rights Issue, a consortium of external investors have provided the Company with the Bridge Loan in an amount of SEK 60 million in order to cover the Company's working capital needs

during the period up until the completion of the Rights Issue. The repayment of the Bridge Loan will be financed with part of the net proceeds from the Rights Issue.

- If the Rights Issue is fully subscribed, the Company will receive approximately SEK 310 million before deduction of transaction costs. The net proceeds from the Rights Issue is intended to be used for the following purposes: (i) repay the Bridge Loan and redeem the Convertible Bonds and (ii) general corporate purposes, including funding the group's ongoing operations during the implementation of phase one of the Company's transformation plan.
- Provided that the annual general meeting resolves to approve the Rights Issue and to amend the Company's articles of association, the record date for the Rights Issue is expected to be 30 May 2024 and the subscription period is expected to take place during the period from and including 3 June 2024 until and including 17 June 2024. Notice to the annual general meeting will be published through a separate press release.
- The final terms of the Rights Issue, including subscription rights, the subscription price and the maximum number of B-shares to be issued, will be determined by the Board of Directors no later than on 23 May 2024 and will be announced by way of press release. The subscription price in the Rights Issue will be determined by the Board of Directors at a customary discount (however never lower than the quota value of the Company's shares, rounded upwards to SEK 0.05 for technical reasons).

"I am very pleased that we can announce our rights issue, a pivotal step in the continued execution of our transformation plan. Beyond the strengthening of our balance sheet, we are driving aggressive further cost reductions, including the winding down of our long time loss-making mobile sensor hardware business. This provides important focus and investments in higher-margin business areas in existing attractive and growing market segments with strong underlying financials, customers and partners, but also new exciting areas of the fast-growing biometrics market. The early redemption of our outstanding convertible bonds enhances our financial flexibility by eliminating the debt overhang, lowering our interest expenses and ultimately reducing dilution for existing shareholders", commented Adam Philpott, President & CEO of Fingerprints.

Background and rationale

The developments on the market for fingerprint sensors in the smartphone industry, coupled with geopolitical uncertainty and challenges in China as well as the Company's future estimates with regard to fingerprints sensors in smartphones, entails that the outlook for the largely China-centric biometric sensor market for smartphones is not predicted to improve. For the Company, this also means that the path to profitability within the Mobile product group is no longer realistic. In light of the above and in particular the development within Mobile, the Company is currently implementing a transformation plan to achieve initial stability and stronger prospects for the future for the Fingerprints group.

As announced by Fingerprints in October 2023, the Company has set in motion a transformation plan to facilitate the necessary turnaround in the group's performance. The transformation plan includes a significant cost optimization programme to ensure profitability, organizational effectiveness and strategy evolution to further accelerate diversification to higher-margin lines of business. The transformation plan can be decomposed into different focus areas, summarised as follows:

- *New strategy:* The Company intends to leverage already existing strengths within sensor technology, its innovation talent engine and its strong customer base, whilst diversifying into new markets to orchestrate a broad range of modalities and data with a software-centric platform, Fingerprints Biometric Platform.
- *Portfolio refresh:* In line with the new strategy, Fingerprints aims to effectively wind down the Mobile business by refocusing capital and investments towards high-growth areas and higher-margin existing lines of business already in-play along with new diversification areas with stronger prospects for the future.

- *Cost optimization:* A large cost optimization programme was launched in the second half of 2023 to ensure that Fingerprints' growth brings strong future profitability with it. The cost optimization programme is expected to yield cost savings, and has an annualized gross OPEX target of approximately SEK 180 million in the second half of 2024 and approximately SEK 150 million towards the end of 2024.
- *Talent, organization and governance:* Efficient talent deployment and alignment with strategic projects are vital for market success. To achieve this and to create an empowered, efficient organization in which the Company's governance model is more clearly linked to the new platform strategy, Fingerprints implemented important organizational changes at the end of 2023, by executive reduction of personnel and appointment of new members to the executive management such as the current CFO and CRO. At the same time, Fingerprints transitioned to a standard, accountable and functional organizational model.

Further, the transformation plan can be divided into three phases where the focus in phase one, which commenced during the second half of 2023, is to achieve stability within the group by moving Fingerprints to improved profitability and sustained cash flow. One part of this is to improve Fingerprints' balance sheet by switching focus from debt to equity by, inter alia, early redemption of the outstanding Convertible Bonds. Such early redemption will result in several positive effects for the Company and its shareholders, such as reduced interest costs, enhanced financial flexibility, reduced dilution for existing shareholders and a reduced debt overhang. Another part is the portfolio refresh described above, which the Company estimates will take the remainder of 2024 to complete. As the stability phase plays out, the Company aims to gear up for the second phase, in which the Company will concentrate its efforts on strategic investments to enable profitable growth, whereas the Company, in phase three, will strive to maintain financial discipline and a strong balance sheet to sustain the transformation. While significant performance enhancements will not occur overnight, the Company has already made certain progress, and is now aiming to progress on all fronts in line with the new strategy.

If the Rights Issue is fully subscribed, the Company will receive approximately SEK 310 million before deduction of transaction costs. The net proceeds from the Rights Issue is intended to be used for the following purposes: (i) repay the Bridge Loan and redeem the Convertible Bonds and (ii) general corporate purposes, including funding the group's ongoing operations during the implementation of phase one of the Company's transformation plan.

Assuming that the Company achieves its expected sales volumes and continues to successfully implement its previously outlined transformation plan, the anticipated net proceeds from the Rights Issue is expected to fund the Company for twelve months subsequent to the execution of the Rights Issue. However, it may be necessary for the Company to seek additional funding in the next twelve months, for example, if the Company falls short of its expected sales volumes or encounters difficulties in executing its transformation plan as communicated earlier.

Preliminary financial information for Q1 2024

In connection with the Rights Issue, Fingerprints communicates certain preliminary financial information for the first quarter of 2024. This preliminary financial information has not been audited or reviewed by the Company's auditor and will be disclosed in its final form in the Company's interim report for the first quarter of 2024 which is expected to be published by the Company on 7 May 2024.

- Net sales in Q1 2024 amounted preliminarily to approximately SEK 146.4 (117.0) million.
- Gross profit amounted preliminarily to approximately SEK 16.2 (20.3) million.
- EBIT amounted preliminarily to approximately SEK -74.9 (-75.7) million.
- At the end of March 2024, cash and cash equivalents amounted preliminarily to approximately SEK 45.6 (210.9) million.
- OPEX in Q1 2024 amounted to SEK 91.0 (96.0) million.
- CAPEX in Q1 2024 amounted to SEK 5.4 (17.4) million.

The Rights Issue

Shareholders who are entered in the Company's share register on the record date, expected to be 30 May 2024, will have the right to subscribe for new B-shares with preferential rights in the Rights Issue. Subscription of new B-shares may also take place without preferential rights.

Final terms for the Rights Issue, including subscription rights, the maximum amount by which the Company's share capital may increase, the maximum number of new B-shares to be issued and the subscription price for each B-share are expected to be announced no later than 23 May 2024.

The subscription period is expected to run from 3 June 2024 up to and including 17 June 2024. Trading in subscription rights that entitles to subscription of new B-shares is expected to take place on Nasdaq Stockholm from 3 June 2024 up to and including 12 June 2024, and trading in paid subscribed B-shares (*Sw. betald tecknad aktie*, "BTA") is expected to take place from 3 June 2024 up to and including 27 June 2024. Both subscription rights regarding B-shares and BTA's will be subject to time-limited trading on Nasdaq Stockholm. The new B-shares are expected to be admitted to trading on Nasdaq Stockholm, upon application, in connection with the conversion of BTA to B shares.

Subscription undertakings and guarantee commitments

Some of the Company's shareholders (including members of the Board of Directors and executive management) have undertaken to subscribe for new B-shares for a total amount of approximately SEK 1.5 million in the Rights Issue. Furthermore, in a display of continued support of the Company, HCM have entered into a guarantee commitment consisting of a so-called top guarantee in an amount of up to SEK 50 million and, subordinated to HCM's top guarantee, a so-called bottom guarantee in an amount of up to SEK 100 million. In addition, certain other external investors have, subordinated to HCM's top guarantee, entered into bottom guarantee commitments which together with HCM's bottom guarantee amounts to up to approximately SEK 225 million. If the Rights Issue is subscribed and paid for in an amount between SEK 225 million and SEK 275 million, the top guarantee covers the subscription and payment of B-shares in the Rights Issue up to SEK 275 million and if the Rights Issue is subscribed and paid for in an amount under SEK 225 million, the bottom guarantee covers the subscription of and payment for B-shares in the Rights Issue up to SEK 225 million. No guarantee commitment covers the subscription of and payment for B-shares in the Rights Issue in excess of SEK 275 million. Accordingly, the Rights Issue is covered by subscription undertakings and guarantee commitments in an aggregate amount of up to SEK 275 million.

No fee will be paid in respect of the subscription undertakings. A cash guarantee fee, determined based on current market conditions, of 12 percent of the maximum guaranteed amount will be paid to the guarantors under the guarantee commitments. Neither the subscription undertakings nor the guarantee commitments are secured through bank guarantees, restricted funds, pledged assets or similar arrangements. Additional information about the parties that have entered into the subscription undertakings and guarantee commitments will be included in the prospectus to be published prior to the record date for the Rights Issue.

The Company considers that it carries out protection-worthy activities under the Foreign Direct Investment Screening Act (the "Swedish FDI Act") (*Sw. lagen (2023:560) om granskning av utländska direktinvesteringar*). Consequently, an investment in B-shares in the Rights Issue (other than by exercising preferential rights) which result in an investor acquiring a shareholding corresponding to or exceeding a threshold of ten (10) percent or more of the total number of votes in the Company following the completion of the Rights Issue, must prior to the investment be filed with the Inspectorate of Strategic Products and, if applicable, any other equivalent body pursuant to legislation in any other jurisdiction, and cannot be carried out before the Inspectorate of Strategic Products and, if applicable, another equivalent body in another jurisdiction has decided to take no action or authorise the investment ("FDI Decision"). As a result, the guarantee commitments are, in respect of any B-shares that would require a prior FDI Decision ("FDI Shares"), conditional upon that the relevant guarantor obtaining such prior FDI Decision. In the event that any guarantee commitment will require the subscription and

payment of FDI Shares, there will be a separate and longer subscription and payment period in respect of such FDI Shares which may last up until 31 August 2024. If any required FDI Decision has not been obtained at the end of such separate subscription period for FDI Shares, the relevant guarantor's guarantee commitment will lapse and the relevant FDI Shares will in such case not be covered by any guarantee commitment.

Furthermore, the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) has granted HCM an exemption from the mandatory bid obligations under the Swedish Act on Public Takeovers on the Stock Market (Sw. *lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*) that would apply to HCM if HCM's guarantee commitments would entail that HCM gains control over 30 percent of the total number of votes in the Company. The exemption is conditional upon that (i) the Company's shareholders prior to the annual general meeting on 28 May 2024, are informed about the total holding of shares and votes that HCM may receive as a result of its guarantee commitment (if fully utilised) and (ii) the Rights Issue is approved by the annual general meeting with at least two thirds of both the votes cast and shares represented at the meeting, excluding any shares held and represented by HCM. HCM's guarantee commitment is conditional upon that the conditions for the exemption granted by the Swedish Securities Council are fulfilled before the end of the subscription period for the Rights Issue. In connection with the announcement of the final terms for the Rights Issue no later than 23 May 2024, the Company will announce the total holding of shares and votes that HCM may receive if its guarantee commitments are fully utilised.

Early redemption of the Convertible Bonds

In order to finance the early redemption of the Company's previous bonds 2021/2024, Fingerprints issued the Convertible Bonds of SEK 160 million in September 2023. In accordance with the terms and conditions for the Convertible Bonds, the Convertible Bonds shall be amortized every second month in equal instalments together with accrued but unpaid interest (the "Instalments") and HCM has in the period between each ordinary Instalment a right to request up to one additional Instalment, which has impeded the Company's liquidity planning. Instalments can be made either in cash or by payment with new B-shares. The Company has paid the last two Instalments with new B-shares, resulting in dilution for existing shareholders.

In order to provide greater financial flexibility for the Company and to avoid further dilution for existing shareholders, Fingerprints has, in line with its new strategy on improved balance sheet, entered into an agreement with HCM regarding the early redemption of the Convertible Bonds at a price of 100 percent of the current outstanding nominal amount of the Convertible Bonds, corresponding to approximately SEK 105 million, together with accrued but unpaid interest. The Convertible Bonds are intended to be repaid with net proceeds from the Rights Issue. The agreement with HCM also include certain waivers from the terms of the Convertible Bonds, including that HCM will refrain from exercising its conversion right and amortization rights in respect of the Convertible Bonds up until the redemption for the Convertible Bonds which is expected to be carried out following the Company's receipt of the net proceeds from the Rights Issue. HCM's obligations under the agreement, including the early redemption of the Convertible Bonds, are subject to certain conditions being fulfilled, including that the Rights Issue is, and continues to be, subject to subscription and/or guarantee commitments in a total amount of at least SEK 275 million up until the completion of the Rights Issue and that the redemption takes place no later than on 30 September 2024. Fingerprints' obligation to carry out the redemption of the Convertible Bonds are also subject to certain conditions, including that at least SEK 275 million of the Rights Issue is subscribed and paid for.

The Bridge Loan

In order to provide the Company with sufficient working capital up until the completion of the Rights Issue, a consortium of external investors have provided the Company with the Bridge Loan of SEK 60 million. The Bridge Loan is subject to a fixed interest rate of two (2) percent per month which shall be capitalised and added to the principal amount of Bridge Loan. The Bridge Loan will fall due in connection with the Company's receipt of the proceeds from the Rights Issue, however not later than 31 July 2024. The Bridge Loan is subject to certain event

of default grounds, including that the annual general meeting in the Company does not approve the Board of Directors' resolution on the Rights Issue, as well as other customary event of default grounds.

Lock-up undertakings

In connection with the Rights Issue, the members of the Board of Directors and executive management of the Company have undertaken towards Pareto Securities AB not to, without the prior written consent from Pareto Securities AB, and with customary exceptions, sell their respective holdings of shares (or other financial instruments) in the Company, or otherwise enter into transactions with similar effect, for a period of 180 days following the announcement of the final outcome of the Rights Issue.

Furthermore, the Company has undertaken towards Pareto Securities AB, subject to customary exceptions, not to issue additional shares or other share-related instruments for a period of 12 months after the end of the subscription period.

Annual general meeting and voting undertaking

The annual general meeting will be held on 28 May 2024 and will resolve on subsequent approval of the Board of Directors' resolution on the Rights Issue as well as to amend the articles of association of the Company in order to increase the maximum limits for Company's share capital, number of shares and number of shares of each class. Notice of the annual general meeting will be published today through a separate press release. The Company's largest shareholder has made an irrevocable undertaking to vote in favour of the proposals at the annual general meeting.

Preliminary timetable

Expected date for communication of complete terms in the Rights Issue	23 May 2024
Annual general meeting	28 May 2024
Last day of trading in shares including right to receive subscription rights	28 May 2024
Planned publishing date of the prospectus	29 May 2024
First day of trading in shares excluding right to receive subscription rights	29 May 2024
Record date for the Rights Issue	30 May 2024
Trading in subscription rights	3 June – 12 June 2024
Subscription period	3 June – 17 June 2024
Trading in paid subscribed B-shares (BTA)	3 June – 27 June 2024
Expected announcement of the outcome in the Rights Issue	18 June 2024

Prospectus

A prospectus regarding the Rights Issue will be published prior to the record date for the Rights Issue on Fingerprints' website, www.fingerprints.com and on Pareto Securities AB's website, www.paretosec.com.

Advisers

Pareto Securities acts as Sole Manager and Bookrunner in connection with the Rights Issue. Gernandt & Danielsson Advokatbyrå KB acts as legal advisor to the Company in connection with the Rights Issue.

Telephone conference

In light of the above announcements, Fingerprints' CEO Adam Philpott will give a short presentation in a combined webcast and telephone conference. The presentation will be held in English.

Time: Monday, 29 April 2024 at 15.00 CEST.

Location: combined webcast and telephone conference.

The webcast and presentation material will be accessible via: <https://edge.media-server.com/mmc/p/bxsi3rhy>

Link to telephone conference: <https://register.vevent.com/register/BI54031150cc7d4f819818b669bf58e2f7>

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This is the type of information that Fingerprint Cards AB (publ) is obligated to disclose pursuant to the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 26 April 2024 at 10:00 pm CEST.

Important information

This press release does not contain and does not constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights, BTAs, convertibles or other securities in Fingerprints. The offer to relevant persons regarding the subscription of shares in Fingerprints will only be made through the prospectus that Fingerprints will publish on its website after approval and registration with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*).

The information in this press release may not be disclosed, published or distributed, directly or indirectly, in or into the United States (including its territories and possessions), Australia, Japan, Canada, Hong Kong, New Zealand, Singapore or South Africa or any other jurisdiction where distribution or publication would be illegal or require registration or other measures than those that follow from Swedish law. Actions that violate these restrictions may constitute a violation of applicable securities laws.

No shares, warrants, BTAs, convertibles or other securities have been registered, and no shares, warrants, BTAs, convertibles or other securities will be registered under the United States Securities Act of 1933 as currently amended ("Securities Act") or the securities legislation of any state or other jurisdiction of the United States and no shares, warrants, BTAs, convertibles or other securities may be offered, sold, or otherwise transferred, directly or indirectly, within or into the United States, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States.

In all EEA Member States ("EEA"), other than Sweden, Denmark, Finland and Norway, this press release is intended for and is directed only to qualified investors in the relevant Member State as defined in the Regulation (EU) 2017/1129 (together with associated delegated regulations and implementing regulations, the "Prospectus

Regulation”), i.e. only to those investors who can receive the offer without an approved prospectus in such EEA Member State.

In the United Kingdom, this press release is directed and communicated only to persons who are qualified investors as defined in Article 2(e) of the Prospectus Regulation (as incorporated into domestic law in the United Kingdom) who are (i) persons who fall within the definition of “professional investors” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (“the Regulation”), or (ii) persons covered by Article 49(2)(a) - (d) in the Regulation, or (iii) persons to whom the information may otherwise lawfully be communicated (all such persons referred to in (i), (ii) and (iii) above are collectively referred to as “Relevant Persons”). Securities in the Company are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will only be processed in respect of Relevant Persons. Persons who are not Relevant Persons should not act based on or rely on the information contained in this press release.

The Company considers that it carries out protection-worthy activities under the Foreign Direct Investment Screening Act (the “Swedish FDI Act”) (Sw. *lag (2023:560) om granskning av utländska direktinvesteringar*). According to the Swedish FDI Act, the Company must inform presumptive investors that the Company’s activities may fall under the regulation and that the investment may be subject to mandatory filing. If an investment is subject to mandatory filing, it must prior to its completion, be filed with the Inspectorate of Strategic Products (the “ISP”). An investment may be subject to mandatory filing if i) the investor, a member of the investor’s ownership structure or a person on whose behalf the investor is acting would, after the completion of the investment, hold votes in the Company equal to, or exceeding any of the thresholds of 10, 20, 30, 50, 65 or 90 percent of the total number of votes in the Company, ii) the investor would, as a result of the investment, acquire the Company, and the investor, a member of the investor’s ownership structure or a person on whose behalf the investor is acting, would, directly or indirectly, hold 10 percent or more of the total number of votes in the Company, or iii) the investor, a member of the investor’s ownership structure or a person on whose behalf the investor is acting, would acquire, as a result of the investment, direct or indirect influence on the management of the Company. The investor may be imposed an administrative sanction if an investment that is subject to mandatory filing is carried out before the ISP has either i) decided to take no action, or ii) authorised the investment. The investor may be imposed an administrative sanction charge if a mandatory filing investment is carried out before the ISP either i) decided to leave the notification without action or ii) approved the investment. Each shareholder should consult an independent legal adviser on the possible application of the Swedish FDI Act in relation to the Rights Issue for the individual shareholder.

This announcement does not constitute an investment recommendation. The price and value of securities and any income from them can go down as well as up and you could lose your entire investment. Past performance is not a guide to future performance. Information in this announcement cannot be relied upon as a guide to future performance.

Forward-looking statements

Matters discussed in this press release may contain forward-looking statements. Such statements are all statements that are not historical facts and contain expressions such as “believes”, “expects”, “anticipates”, “intends”, “estimates”, “will”, “may”, “continues”, “should” and other similar expressions. The forward-looking statements in this press release are based on various assumptions, which in several cases are based on additional assumptions. Although Fingerprints believes these assumptions were reasonable when made, such forward-looking statements are subject to known and unknown risks, uncertainties, contingencies and other material factors that are difficult or impossible to predict and beyond its control. Such risks, uncertainties, contingencies and material factors could cause actual results to differ materially from those expressed or implied in this communication through the forward-looking statements. The information, perceptions and forward-looking statements contained in press release speak only as at its date, and are subject to change without notice. Fingerprints undertakes no obligation to update or revise any forward-looking statements, whether as a result of

new information, future events or other circumstances, except for when it is required by law or other regulations. Accordingly, investors are cautioned not to place undue reliance on any of these forward-looking statements.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Fingerprints have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Fingerprints may decline and investors could lose all or part of their investment; the shares in Fingerprints offer no guaranteed income and no capital protection; and an investment in the shares in Fingerprints is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Fingerprints.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Fingerprints and determining appropriate distribution channels.

About Fingerprints

Fingerprint Cards AB (Fingerprints) – the world’s leading biometrics company, with its roots in Sweden. We believe in a secure and seamless universe, where you are the key to everything. Our solutions are found in hundreds of millions of devices and applications, and are used billions of times every day, providing safe and convenient identification and authentication with a human touch. For more information visit our [website](#), read our [blog](#), and follow us on [Twitter](#). Fingerprints is listed on Nasdaq Stockholm (FING B).