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HCM is allotted additional B-shares in Fingerprints' partially guaranteed rights issue

On 17 June 2024, a total of 2,557,212,981 shares of series B ("B-shares") were, as previously communicated, allotted in Fingerprint Cards AB's (publ) ("Fingerprints" or the "Company") partially guaranteed issue of B-shares of up to approximately SEK 312.4 million with preferential rights for its existing shareholders (the "Rights Issue").

As previously communicated, the guarantee commitments which are entered into by an entity managed by Heights Capital Management, Inc. ("HCM") are, to the extent they would entail that HCM's shareholding corresponds to 10 percent or more of the total number of votes in the Company, conditional upon a prior positive decision from the Inspectorate of Strategic Products (Sw. *Inspektionen för strategiska produkter*) (the "ISP") pursuant to the Screening of Foreign Direct Investment Act (Sw. *lag (2023:560) om granskning av utländska direktinvesteringar*). Since HCM as of 18 June 2024 had not obtained such FDI Decision from the ISP, HCM was allotted 323,747,886 B-shares (corresponding to 9.99 percent of the total number of votes in the Company) of their total guarantee commitment of 822,090,460 B-shares. HCM has informed the Company that they have divested the B-shares that were allotted to them on 18 June 2024 and that HCM, as a result thereof, have subscribed for an additional 359,679,909 B-shares in the Company (the "Subscription"). The Subscription entails that HCM's holding in Fingerprints corresponds to approximately 9.99 percent of the total number of votes in the Company and is thus not conditional upon a prior positive decision from the ISP. Through the Subscription, Fingerprints will receive additional proceeds of approximately SEK 32.4 million. The subscription of the 138,662,665 B-shares, which remain of HCM's guarantee commitments after the completion of the Subscription, is still conditional upon a prior positive decision from the ISP if such subscription would entail that HCM's shareholding corresponds to 10 percent or more of the total number of votes in the Company.

The B-shares in the Subscription will, following registration with the Swedish Companies Registration Office, entail an increase of the Company's share capital by approximately SEK 15,661,364.85 to approximately SEK 153,684,343.92, an increase in the number of shares with 359,679,909 to 3,529,524,493 and an increase in the number of votes with 359,679,909 to 3,600,399,493. The Subscription will thus entail a total dilution effect corresponding to approximately 10.19 percent of the number of shares and approximately 9.99 percent of the number of votes in the Company following the completion of the Subscription. The new B-shares in the Subscription are expected to be delivered to HCM on or around 30 August 2024.

As HCM's subscription period in the Rights Issue ends on 31 August 2024, the Company and HCM have agreed to extend HCM's subscription period in the Rights Issue up to and including 30 September 2024 as well as to extend the latest day for redemption of the Company's outstanding convertible bonds to 31 October 2024.

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.

For information, please contact:

Adam Philpott, CEO

Investor Relations:

+46(0)10-172 00 10

investrel@fingerprints.com

Press:

+46(0)10-172 00 20

press@fingerprints.com

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 persons set out above, on 28 August 2024 at 3:20 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, BTA, 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, subscription rights, BTA, convertibles or other securities have been registered, and no shares, subscription rights, BTA, 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, subscription rights, BTA, 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 charge if a mandatory filing investment is carried out before the ISP either i) decided to leave the notification without action or ii) authorised 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).