

# VIEW OF THE BIOMETRICS MARKET AND FINGERPRINTS' POSITION

2026 AND BEYOND

24 SEPTEMBER 2020



FINGERPRINTS

# Forward-looking statements

This presentation contains forward-looking statements, including terms such as “anticipates”, “aspires”, “believes”, “estimates”, and “expects”, about the estimated market size and aspirations for the company’s market share, as well as for estimated production costs and prices for biometric smartcards. The forward-looking statements are based on information previously made public by the company, other public sources, and the company’s current assumptions and assessments, which may be subject to change. The forward-looking statements shall not be viewed or understood as projections, forecasts or similar. The forward-looking statements involve a number of unknown risks, uncertainties and other factors that could cause actual outcomes to differ materially. Unknown risks, uncertainties and other factors are discussed in the “Risks and risk management” section of [Fingerprint Cards’ 2019 annual report](#). The forward-looking statements are made only as of the date hereof, and the company undertakes no responsibility to revise or update the forward-looking statements.

# Agenda

- › Market Potential & Fingerprints' position within:
  - › Mobile Devices & PC
  - › Payments
  - › Access





# MOBILE DEVICES AND PC

# Biometric Smartphones

## Market potential 2026 and beyond

### Capacitive

- ⦿ We see the addressable market potential increasing to **~800 million** units/year
  - ⦿ Increased penetration in mid/low tier
  - ⦿ Capacitive sensor popularity increasing
- ⦿ Fingerprints is currently the global leader in this segment
- ⦿ We aspire to, over time, increase our market share to **around 40%** due to our continuous innovation as well as consolidation of the sensor supplier market

### Under-display

- ⦿ We estimate the addressable market to continue to grow and flatten out at **~600 million** units/year
- ⦿ We aspire to become a significant player in this segment with a market share **up to 20%**





# Biometric PCs/Chromebooks

## Market potential 2026 and beyond

- ⊙ We estimate:
  - ⊙ the number of PCs to stay at some **260 million** units shipped per year
  - ⊙ that some **2/3** of these PCs to have a fingerprint sensor (i.e. 170 million units/year)
- ⊙ Fingerprints aspires to become **#1** with up to **~40%** market share
  - ⊙ So far, we launched with Acer, Asus, Google, HP, Huawei, Microsoft and Samsung
  - ⊙ Smartphone customers (including our largest customers) are gaining PC market share
  - ⊙ Traditional smartphone module houses (our partners) are now significant players in PCs
  - ⊙ In August 2020, Fingerprints launched a new solution aimed at the PC market. We expect the first PCs integrating this new offering to be launched during 2020.
  - ⊙ Our Scandinavian heritage is a key asset



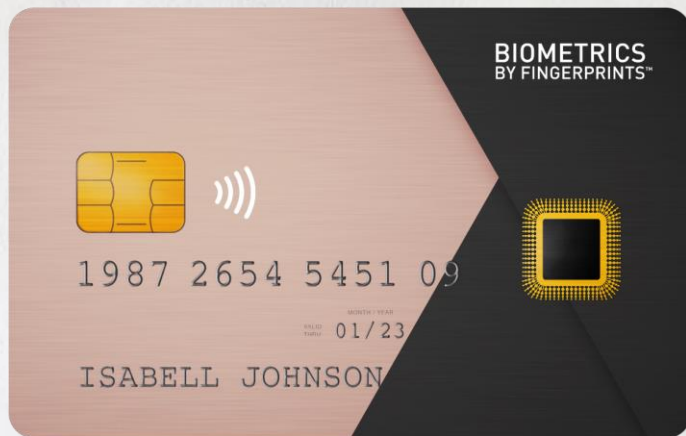
A photograph of two women walking away from the camera on a cobblestone street. They are carrying several shopping bags. The woman on the left is wearing a dark coat and black pants, carrying two black bags. The woman on the right is wearing a dark coat and black pants, carrying three bags: one grey, one orange, and one white. The background is a blurred city street with other pedestrians. The word "PAYMENTS" is overlaid in white text in the center of the image.

# PAYMENTS

# Biometric Payments

## Market potential 2026 and beyond

- ⦿ We believe that:
  - ⦿ some **6 billion payment** devices will be shipped per year (smartcards + wearables + USB tokens)
  - ⦿ close to **100%** of smartcards (and all wearables) will be **contactless**
  - ⦿ there is a potential TAM for biometric sensor modules and software amounting to **~3 billion** units per year
- ⦿ Fingerprints aspires to lead this market with around **50%** market share
- ⦿ The new T-Shape® Gen2, launched on September 4, 2020, will reach a price **below USD 3** in volume production
- ⦿ Competitiveness of T-Shape® Gen2 is already world-leading in terms of performance and total biometric card cost
- ⦿ Our aim is that our technology will make it possible to reach a total biometric card cost below USD 3 by 2026, at high volumes





# Our close collaboration with the leading card eco-system suppliers is a key success factor

- ⤵ All top 3 global secure element providers (85% combined market share) have chosen Fingerprints' solution for their reference designs
- ⤵ Enables optimization of key components in relation to each other



*“We selected Fingerprints as they are the leading biometric silicon and technology provider with market proven performance [...] we will develop a system solution that is easy to integrate and gives our customers a head start in an emerging growth market.”*

Bjoern Scharfen, Head of the Payment and Transport Ticketing product line at Infineon



*“Fingerprint Cards brings valuable and market-proven expertise in solutions for battery-less and space-constrained devices. Their products [...] are ideal companions to our STPay solutions for payment cards.”*

Laurent Degauque, Marketing Director, Secure Microcontrollers, STMicroelectronics

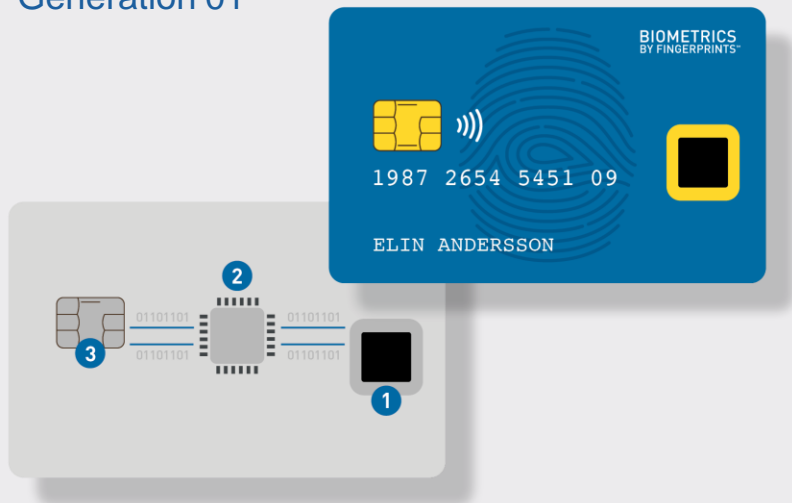


*“We chose Fingerprints' sensor technology as they are a leader in fingerprint sensors with market-proven leading-edge performance in power consumption that enables our solution to be battery- and contactless“*

Philippe Dubois, General Manager of Payment at NXP Semiconductors

# T-Shape®

Generation 01



## 1. FINGERPRINT SENSOR

Image capture  
*FPC1300-series T-shape® Gen 1*

## 2. MICROCONTROLLER

Feature extract  
*FPC-BEP software and algorithm*

## 3. SECURE ELEMENT

Matching  
*FPC-BEP software and algorithm*

# T-Shape®

Generation 02  
possible configuration



## 1. FINGERPRINT SENSOR

Image capture  
*FPC1300-series T-shape® Gen 2*

## 2. SECURE ELEMENT

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

## 3. ENCRYPTION ON/OFF

Possible to encrypt data



ACCESS

# Biometric Access

## Market potential 2026 and beyond

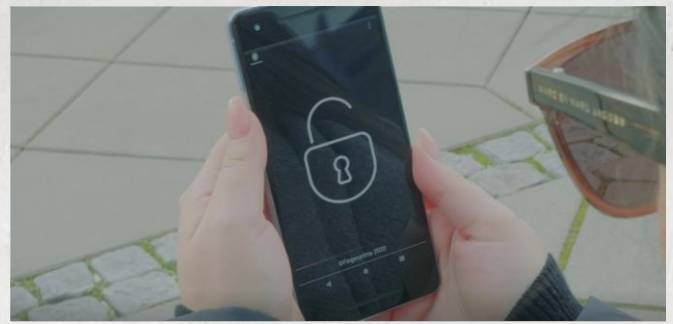
- ① We estimate the addressable market to continue to grow significantly
- ① Targeting several different areas such as door/tap locks, access cards/dongles, remote/game controls, logical access devices, vehicles, alarm panels, estimating a total market of over **100 million** biometric units/year beyond 2026
- ① Today, Fingerprints is the **#1** global fingerprint sensor player in this segment, and we aspire to stay **#1** in this growing market



# Touchless Biometrics

## Market potential 2026 and beyond

- ⦿ Increased interest in iris-based recognition in the mobile phone and PC areas due to the popularity of face masks preventing face algorithms to work properly
- ⦿ AR/VR headset interest in adding iris biometrics
- ⦿ Indian authorities sending tenders with Aadhaar iris biometrics for government employee phones
- ⦿ Fingerprints' exclusive automotive deal with Gentex





# Summary: Biometrics addressable market potential

~4.8 billion units/year by 2026 and beyond

MOBILE DEVICES & PC



~1.7 billion units/year

PAYMENTS



~3 billion units/year

ACCESS



above 100 million units/year

THANK YOU!



FINGERPRINTS