Annual General Meeting 2022
Highlights 2021
An eventful year

1. Continued commercialization of YOUNiQ with several commercial agreements in place, including the first installations of YOUNiQ in the US and Germany

2. Expanded the partner network significantly for product integrations and market access

3. Accelerating the Digital Identity product segment through the acquisition of EastCoast Solutions

4. Integration of Precise fingerprint technology in the next generation of ultrasound-based fingerprint sensors from Qualcomm and Egis Technology

5. Vertical expansion in December 2021 – entering a large market with long life cycles
Business units

DIGITAL IDENTITY
Identification access and digital services

YOUNiQ, EastCoast

ALGO
Identification fingerprint applications

BioMatch Mobile, BioMatchCard, BioMatch Car, BioLive
Digital Identity
Growing the SaaS model

- Investments in Digital Identity paid off through new installations
- Several successful integrations with partners
- Segment revenues grew to SEK 6.6m (1.8) in 2021 and to SEK 6.0m (0.5) in Q1 2022
- Acquisition of EastCoast Solutions in December 2021
- First version of an integrated YOUNiQ and Eastcoast product released in March 2022
EastCoast Solutions
– Significantly strengthening physical access offering

Added value

1. Accelerates SaaS business area Digital Identity
2. Significantly increased recurring revenue streams
3. Strengthened technology know-how and position within physical access and SaaS
4. Opportunity to unlock significant commercial synergies and value creation through cross-selling activities
5. Increased scale and greater geographical coverage – access to a broad and extensive client base

Powerful combined offering

EastCoast + YOUNiQ – a digital end 2 end solution combining world class biometric access management & visitor management

- Visitor management systems for enterprises
  Technology and Product
  People and Culture
  Market
Take a selfie
Partners
– Foundation for growth
Customer Case Algeco

- Temporary living in 880 rooms, all enabling access through YOUNiQ

A large battery factory built by about 3,000 employees. During construction, most construction workers stay in rooms in temporary modules supplied by Algeco.

In total, there are 880 rooms with hotel standard, says Mikael Lindmark (Algeco). The plan is for the temporary modules to be used in Skellefteå for the next three to five years. Thereafter, Algeco will reuse them for new projects, which is one of the benefits of modular construction. The temporary modules also have exciting special functions. Among other things, face recognition on all doors, which makes the temporary modules keyless.

“It was Algeco that offered that opportunity, which is an advantage in these times. With the help of that solution, we reduce the physical contact at the same time as it is very simple and smooth”, says Mikael.

A robust business model with solid growth opportunities

- Continued strong position within the mobile segment
- Component shortage negatively impacted our customers and subsequently the royalty revenues within Algo
- Revenues amounted to SEK 77m (91) in 2021
- Precise signed commercial licensing agreements with two original design manufacturers (ODMs) to provide fingerprint technology, Precise BioMatch, to the automotive industry
Clear gains from ongoing expansion to new verticals within Algo

**Mobile**
- Annual production:
  - ✓ 1.2 billion Android Phones
  - ✓ 300 million PCs & Laptops
  - ✓ 115 million Tablets
- Mature market
- Low unit price
- Product life cycle 12-18 months
- PB products integrated into modules by sensor manufacturer

**Smart Cards**
- Annual card production:
  - ✓ +2 billion contactless cards
  - ✓ Payment
  - ✓ Secure access
- Market in development
- Unit price estimated to be lower than in Mobile
- Product life cycle 2-3 years
- PB products integrated into modules approved by MasterCard

**Automotive**
- Annual vehicle production:
  - ✓ 80 million
- Emerging market
- Unit price estimated to be higher than in Mobile
- Product life cycle 7-10 years
- PB products integrated into larger modules by ODM's
Growth strategy & focus forward
Addressing Key Market Drivers

Clear strategic agenda in place to accelerate expansion of Digital Identity SaaS offering

Growing digitalization requiring increased security
- Biometrics is one of the top trends for both physical access and digital identification, where recently the national payment system in Norway announced replacement of BankID in Norway with biometrics app for improved security\(^1\)
- According to Aite Group, 47% of US citizens experienced financial identity theft in 2021. The estimated total cost of damages as a result of identity theft and fraud increased by 42% between 2019 and 2020, rising from US$502.5 billion to US$712.4 billion.
- Digital identity enables identifications through biometrics (e.g., fingerprint, facial recognition) which increases security, since cards and keys can be dropped, stolen, skimmed etc.

Digital Identity (YOUINIQ) started 2019, +70 installations globally across several industries implying significant upside potential and SaaS revenue-model, simplifying onboarding and integration for costumers
- Successful acquisition of EastCoast Solution in 2021, +600 customers in Sweden, strengthens the position in existing markets, increasing the SaaS-revenues and validating the Buy-and-Build strategy
- Growth strategy to accelerate expansion including; Product development, Strategic partnerships and increased operational investments and a Buy-and-Build strategy

Algo Software system started 1997, frontrunner with algorithms for fingerprint recognition, and implemented +300 different smartphone models, providing +100,000 verifications every second using the algorithm
- Also active through smart cards, and in the vehicle industry with two newly formed license agreements

Source: 1) nrk.no
# Growth strategy

<table>
<thead>
<tr>
<th>Organic growth</th>
<th>Strategic partnerships</th>
<th>Buy-and-Build</th>
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<tbody>
<tr>
<td>▪ Continued integration activities together with platform providers and security companies to expand prospect base</td>
<td>▪ Expand offering to other countries to grow pipeline through local presence and partnerships</td>
<td>▪ Opportunistic SaaS-M&amp;As - Buy-and-Build expands addressable market by adding proven technology and domain expertise in new verticals</td>
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<tr>
<td>▪ Integration of EastCoast Solutions - Focus on technology integration. Significant upside from cross-selling activities</td>
<td>▪ Enter new verticals and geographies opportunistically as opportunities for profitable growth arise</td>
<td>▪ Successful acquisition of EastCoast Solution. Integrated product offerings in less than 3 months</td>
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Committed to our strategic growth agenda

1. Significant commercial and market potential for physical access and visitor management

2. Scalable SaaS business model secures recurring revenues with high margins

3. Continued expansion of Algo business area into new segments
Thank you!

PRECiSE
BIOMETRICS

YOU are the key™