

## FINGERPRINTS

“The revenue guidance for 2016 has been updated to SEK 7,200-8,300 M”

### Second quarter of 2016

- Revenues amounted to SEK 1,666.1 M (445.2), up 274% compared with the second quarter of 2015
- The gross margin was 49% (36)
- Operating profit amounted to SEK 709.7 M (65.5) and the operating margin to 43% (15)
- Earnings per share increased to SEK 1.72 (0.22).
- Cash flow from operating activities was SEK 530.4 M (54.6)

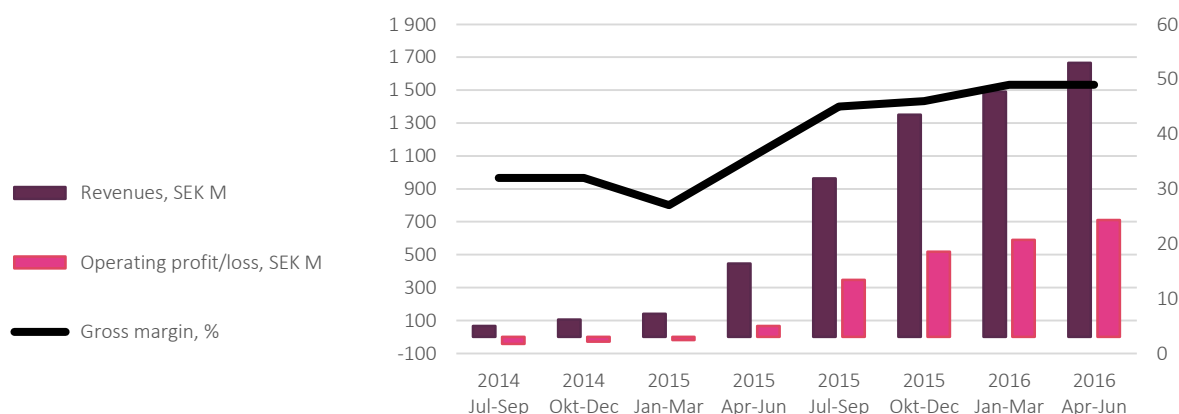
### First six months of 2016

- Revenues amounted to SEK 3,157.3 M (585.0), up 440% compared with the year-earlier period
- The gross margin was 49% (34)
- Operating profit amounted to SEK 1,298.7 M (46.6) and the operating margin to 41% (8)
- Earnings per share increased to SEK 3.16 (0.16)
- Cash flow from operating activities was SEK 809.8 M (70.0)

### Outlook

- The revenue guidance for 2016 has been updated to SEK 7,200-8,300 M from the previously communicated SEK 7,000-8,500 M. Revenues in the second half of the year are expected to grow sequentially in view of the strong growth in the number of launched smartphones integrating our sensors and in particular in view of the fourth quarter’s relative share of the smartphone market on an annual basis.
- As previously communicated, the operating margin for 2016 is expected to exceed that achieved in the second half of 2015, which was 37%.

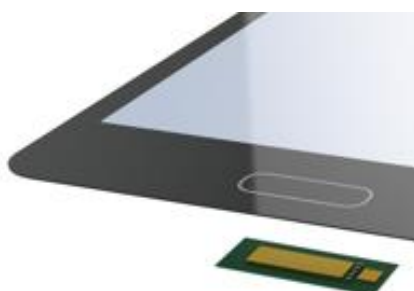
#### REVENUES, OPERATING PROFIT/LOSS AND GROSS MARGIN, QUARTERS





“We are increasing our market share in line with our previous estimates.”

“During the second quarter, 42 smartphones were launched that featured our sensors.”



## CEO's comments

### Record number of smartphone launches generates strong growth and profitability

I am very pleased that my final report as CEO of Fingerprint Cards is also the company's strongest report to date. Revenues amounted to SEK 1,666 M, an increase of 274 percent compared with the second quarter of 2015 and representing sequential growth of 12%. The operating margin improved compared with the preceding quarter to 43%, largely thanks to maintaining a strong gross margin.

We are increasing our market share in line with our previous estimates. Ahead of 2016, we estimated that we would grow our share of the market for fingerprint sensors from 45% in 2015 to 50-70% in 2016. Our current estimate is that the outcome will end up in the upper part of this interval.

Our growth is benefiting from our major Chinese customers continuing to capture market share. Huawei, Oppo and Vivo in particular are continuing to show very strong growth. In addition, Xiaomi has become a large customer for us and has to date launched eight smartphones with our sensors since November 2015.

#### Growing number of customer projects provides good visibility

A clear measurement of our successes is the large number of smartphone launches featuring our sensors that occurred during the quarter. In the second quarter, 42 smartphone launches included our sensors, compared with nine during the second quarter of 2015 and 55 during the whole of 2015. To date, 71 mobile devices featuring our sensors have been launched during 2016. The large number of smartphone launches with our sensors constitutes the base for the strong revenue growth that is reflected in our plans.

We continue to be the technology leader in fingerprint sensors, which is a major reason for smartphones manufacturers to use our sensors rather than those of our competitors. As a result of this, approximately 100 customer projects are in progress in which manufacturers of mobile devices plan to use our sensors during the coming three quarters in models that are yet to be launched. This means that we have good visibility well into 2017 in respect of our position in the market.

In smartphones, our technology development has to a major extent been related to our new touch fingerprint sensor FPC1268, which can be mounted under glass. The first smartphone launches in which FPC1268 will be included are scheduled for the second half of 2016 and additional models are planned to follow in early 2017. The work that remains entails completing the mass production of these new sensors in cooperation with our suppliers, and assisting the smartphone manufacturers in integrating the new sensors into their smartphones. We can already state that these sensors will offer excellent biometric performance, which is now being combined with even more advanced solutions for integrating the sensors into the mobile device.

“As the market leader, we have a unique position in all segments of the smartphone market.”

“FPC is investing large amounts in new market areas – biometrics will change our lives.”

The penetration rate for fingerprint sensors in smartphones continues to increase sharply in accordance with our previous estimates. This is resulting in a more pronounced segmentation of the market for fingerprint sensors, in which the high tier segment for smartphones integrates the most advanced and most expensive sensors, such as sensors under glass. At the same time, the market is being opened for cost-effective fingerprint sensors in the entry level segment for smartphones. Our latest touch fingerprint sensor FPC1028 was launched during the quarter, with the objective of also establishing a leading position in this segment.

As a result of the increasing market for fingerprint sensors, additional companies have ambitions to capture a share of the market. However, our assessment is that as the market leader, we are very well positioned to be active in all segments of our market, offering dedicated sensors optimized in terms of performance and manufacturing costs for the respective segment. We have the best technology and the strongest patent portfolio in the market, and we continue to leverage our financial strength to invest aggressively in our organization and increase our supply capacity. Our intention is to be the leading supplier in all segments of the fingerprint sensor market as the market is broadened additionally.

#### **New markets are emerging**

Efforts continue as planned to adapt our sensors for new market segments, such as smartcards, the automotive industry and the Internet of Things. Together with our business partners and customers, we are continuing our development work with a view to an initial commercial launch of smartcards during 2016. During the quarter, we increased our investments in product development, partnerships and business development to create conditions to capture a leading position in these segments as they start to gain momentum.

This is exemplified by our launch in the second quarter of a complete biometric module, FPC-BM, which makes it possible to quickly and easily integrate a touch fingerprint sensor into various types of devices for example related to the Internet of Things.

As previously announced, this is my last report as CEO of the company. I would like to take this opportunity to thank my colleagues for their fantastic achievements. I am very proud of the growth we have generated during my time as CEO, which has broken all records, and that our sensors have been integrated into hundreds of millions of smartphones. I am handing over leadership of a company that has exceptionally favorable potential for continued sharp growth and I am convinced that the strong organization and world-leading technology we have brought forward in the recent years will ensure that FPC will remain the leading supplier of fingerprint sensors.

Jörgen Lantto, CEO

“Revenue growth for 2016 is estimated to correspond to about 150 – 185%”

## Outlook

Revenues for 2016 are expected to amount to SEK 7,200-8,300 M, corresponding to growth of approximately 150-185% compared with 2015. This is an update of the previous guidance of SEK 7,000-8,500 M. Revenues in the second half of the year are expected to grow sequentially in view of the strong growth in the number of launched smartphones integrating our sensors and in particular in view of the fourth quarter’s relative share of the smartphone market on an annual basis. The revenue guidance is based on an SEK/USD exchange rate of 8.40 (8.30); the figure in parentheses pertains to SEK/USD forecast presented in connection with the interim report for the first quarter of 2016.

As previously communicated, the operating margin for 2016 is expected to exceed that achieved in the second half of 2015, which was 37%.



## Significant events in the second quarter of 2016

- 42 smartphone models with FPC's touch fingerprint sensor were announced by the following manufacturers: 360/QiKu, Coolpad, Gionee, HTC, Huawei, ivvi, Lenovo, LG, Meitu, Nubia, OnePlus, Oppo, Sharp, Sony, Vivo, Xiaomi, ZUK, ZTE
- FPC introduces an improved algorithm for smartphones.
- FPC holds Annual General Meeting and makes changes to the Board of Directors.
- FPC presents long-term financial targets.
- FPC implements share split and announces decision to buy back shares.
- FPC launches complete biometric module.
- FPC launches touch sensor for the entry level segment.
- FPC appoints Christian Fredrikson as new CEO.



## Market, sales and customer projects

During the second quarter, 42 mobile devices featuring touch fingerprint sensors from FPC were launched by 360, Coolpad, Gionee, HTC, Honor, Huawei, Ivvi, Lenovo, LG, Meitu, Nubia, OnePlus, Oppo, Sharp, Vivo, Xiaomi, ZTE and ZUK. This can be compared with nine in the second quarter of 2015 and 26 in the first quarter of 2016. 71 mobile devices have been launched with FPC's touch fingerprint sensors to date in 2016, and we see a steadily increasing launch rate with existing and new customers.

“The fingerprint sensor is a critical component for secure payments using a smartphone”

We note that most of our customers are now integrating touch fingerprint sensors into a large share of their respective product portfolio, with certain customers integrating touch fingerprint sensors into all of their new smartphones. A key driver is the introduction of secure payment services. Alipay and WeChatPay are excellent examples of services in which the fingerprint sensor constitutes a critical component, and the objective of the smartphone OEMs is that as large a share as possible of the consumers will have access to these services.

Our best-selling sensors, FPC1025, FPC1035 and FPC1145, continue to gain ground with new and existing customers. We are also having major successes with FPC1245 and FPC1235, where the sensors are mounted under a ceramic plate. The first projects to integrate FPC1268 under glass are continuing, with the goal of launching smartphones in the second half of 2016. We have also launched our low-cost sensor FPC 1028, and estimate that the first phones featuring this sensor will be launched in late 2016 or early 2017.

“The number of customer projects continues to grow materially.”

The number of customer projects related to future smartphone launches integrating our sensors continued to grow in the second quarter. This supports our assessment that the penetration of fingerprint sensors is growing sharply, and that our market position has remained firm. Our engineers are working every day in the laboratories of smartphone manufacturers with the integration of our sensors. During the quarter, the customer project organization was also involved with several smartphone manufacturers in the integration of our completely in-house developed algorithm. This close collaboration helps to maintain loyalty among our customers, and to initiate new customer projects. To support our growing integration work with our customers, the organization has continued to grow and we have established a presence in more locations, particularly in China.

We have increased our smartcard activities and announced during the quarter the respective product launches by the Korean company Kona-I, as well as MeReal', both of which are equipped with FPC touch fingerprint sensors. We also continued to increase our involvement in other market segments, such as the automotive industry and the Internet of Things.



## Technological development, sourcing and production

We are increasing our investments in the development organization in order to support our high product ambitions. Large investments are particularly being made in technology development for smartphones with the aim of completing our first sensors for mounting under glass and for the further development of these sensors, to enable us to offer even more advanced solutions in 2017. This is occurring at the same time as we complete our latest touch fingerprint sensor FPC1028, which is our smallest and most cost-effective touch fingerprint sensor to date. FPC1028 is expected to drive the integration of touch fingerprint sensors in the entry level segment for smartphones in 2017.

We have also made major advances in the development of the next generation of touch fingerprint sensor technology, our third generation since our first smartphone-oriented touch fingerprint sensor FPC1020 was launched in 2014. The first fundamental patents for this next generation sensor have been granted. This sensor technology will offer additionally improved performance at a lower manufacturing cost and it makes us confident that we have excellent prospects of continuing to be the technology leader far into the future.

During the second quarter, we communicated that we had made our algorithm available completely without third-party contributions. This version of the algorithm provides additionally improved biometric performance with a focus on improved security. A number of smartphones have now been launched with the algorithm and the percentage of new launches of smartphones in which this version is used will increase going forward.

Work on adapting our sensors for market segments other than smartphones is continuing as planned. In the third quarter, there are plans for a number of versions of our touch fingerprint sensors for smartcards to be ready for mass production. We have also made considerable progress with the new sensors that are intended to drive this market during 2017 and thereafter.

In view of the growing market and increasing demand from our customers, we are planning for strong growth in the supply of sensors. FPC has now established a supplier base with excellent delivery capacity and high flexibility. As a result, we have the ability to satisfy demand from a sharply growing market. Today, we are running mass production of our sensors with the world's largest foundry, TSMC, in addition to SMIC, the foundry with which we have cooperated for many years.

“Patent granted for third-generation sensors.”

“We are increasing our investments in the development organization.”





## Financial performance Group

### Revenues

In the second quarter, consolidated revenues increased to SEK 1,666.1 M (445.2). Also compared with the first quarter of 2016, revenues rose 12%. Our customers' successes with their already launched devices, combined with the continued large number of launches in the quarter featuring FPC's products, were the major drivers underlying this sharp growth in revenue. The revenues are based on a slightly lower average exchange rate for the USD than we had forecast in connection with the first quarter, namely SEK 8.30. Over the past four quarters, revenues on a rolling 12-month basis have totaled SEK 5,472.8 M (756.3).

### Gross profit

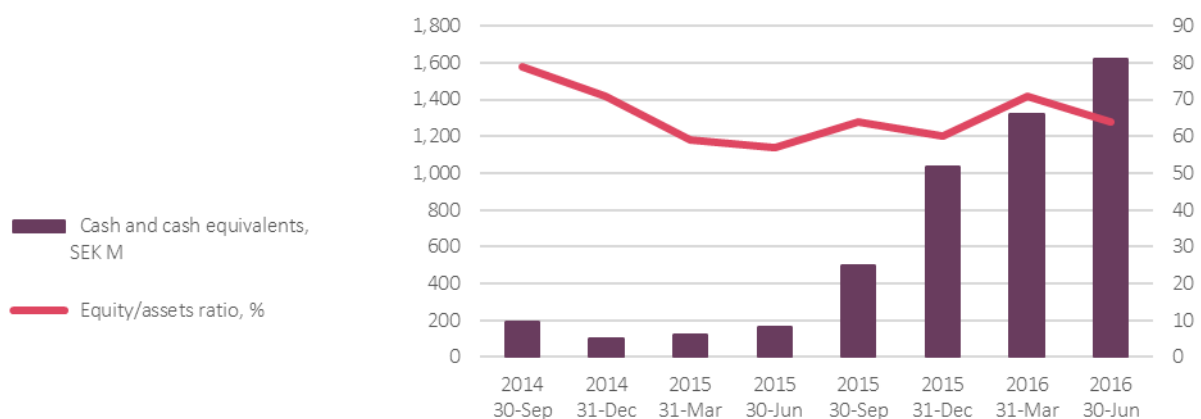
For the second quarter, gross profit rose to SEK 813.7 M (159.0), with the gross margin amounting to 49% (36). The favorable gross margin for the quarter derived mainly from the changed product mix, compared with the year-earlier quarter. During the second quarter, we continued to note increasing demand for our competitive smaller sensors, which have a lower production cost and enable a lower average price for our customers.

### Operating expenses

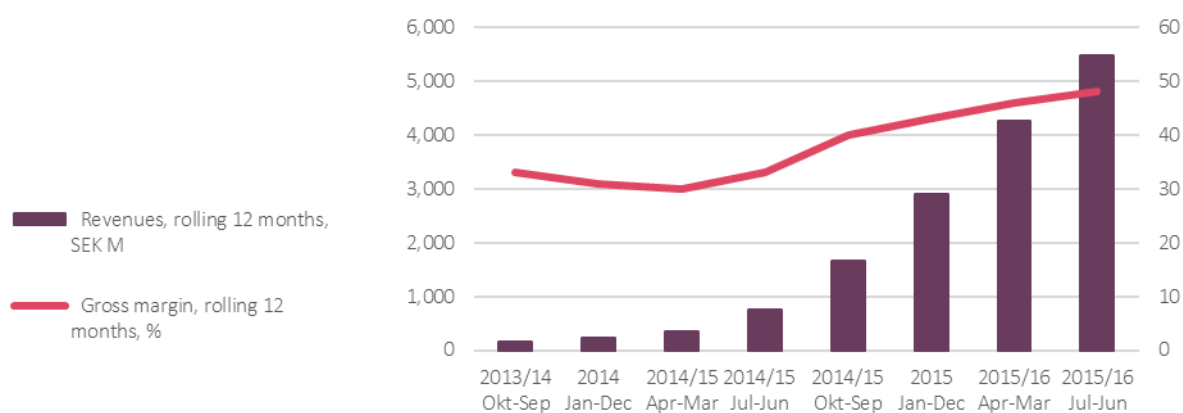
Operating expenses during the quarter, excluding currency-related expenses, increased to SEK 140.3 M (expense: 84.7). The increased operating expenses for the quarter were primarily due to the expansion of the business and the addition of new employees since the year-earlier period. Growth in operating expenses during the second quarter, excluding currency-related revenues, largely matched the increased number of employees, apart for the fact that there were considerable costs of a non-recurring nature. Capitalization of research and development costs was higher in this quarter compared with the year-earlier quarter. In the second quarter, changed exchange rates resulted in exchange-rate effects of SEK 36.3 M (neg: 8.8), which had a positive impact on operating profit.

“Continued strong gross profit contributed to healthy profitability in the second quarter.”

### CASH AND EQUITY/ASSET RATIO



## REVENUES AND GROSS MARGIN, ROLLING 12 MONTHS



### Profit for the period and earnings per share

Profit for the second quarter was SEK 554.4 M (65.5). Earnings per share for the period amounted to SEK 1.72 (0.22).

### Liquidity and shareholders' equity

At June 30, 2016, the Group's disposable cash and cash equivalents totaled SEK 1,618.3 M (166.0) and the surplus liquidity was invested at a market return within the framework of the permissible investment risk. The company has started to buy back its own shares, as shown in the table in the Statement of cash flows. Consolidated working capital on the same date amounted to SEK 1,878.9 M (274.1). At period-end, consolidated shareholders' equity had risen to SEK 1,990.1 M (347.6) and the equity/assets ratio for the Group had increased to 64% (57).

### Cash flow

Cash flow from operations, including changes in working capital, was SEK 530.4 M (54.6) in the second quarter. As in previous quarters, the increased revenues and a healthy trend in gross profit made a positive contribution, while changes in working capital in the second quarter reduced cash flow from operations. Inventories were SEK 49.8 M (8.3) higher than in the preceding quarter and other working capital was impacted primarily by growth in both revenues and materials purchasing.

Cash flow to investments in the second quarter was a negative SEK 30.1 M (neg: 4.3). Cash flow from financing activities was a negative SEK 237.8 M (neg: 0.1) in the second quarter, of which buybacks of own shares accounted for a negative SEK 237.7 M (see also under "Buyback of own shares" below). Combined, the net change in cash and cash equivalents in the second quarter was SEK 297.1 M (45.1).

### Investments, fixed assets and depreciation/amortization

Investments in intangible fixed assets during the second quarter amounted to an expense of SEK 30.0 M (expense: 1.7). Investments in tangible fixed assets during the second quarter of 2016 amounted to an expense of SEK 6.8 M (expense: 2.7). Divestment of tangible fixed assets resulted in proceeds of SEK 6.6 M (0); the carrying amount at the divestment was SEK 6.0 M. Depreciation/amortization according to plan, including impairment losses, amounted to an expense of SEK 10.3 M (expense: 9.5) in the second quarter.

“Favorable margins, scalability in the business model and effective management of working capital are the foundation of FPC’s healthy cash flow.”



The reason for the higher level of capitalization of development expenditure was the increase in R&D resources, while a different mix of projects also leads to longer development cycles.



## Organization and Personnel

The number of employees at June 30, 2016 was 245 (115), of whom 190 (91) were men and 55 (24) women. In addition to full-time employees, consultants were also used during the second quarter primarily in technical development, customer projects and sales and marketing, corresponding to the equivalent of 100 (81) full-time positions. Accordingly, including employees and consultants, FPC had 345 (196) employees at June 30, 2016.

## Financial trend in the Parent Company

The Parent Company had revenues of SEK 1,666.1 M (445.2) in the second quarter of 2016 and profit for the same period was SEK 552.0 M (63.4). The Parent Company's disposable cash and cash equivalents at period-end totaled SEK 1,603.1 M (150.3).

## Share capital

The exercise of 1,300,000 warrants from the TO5 incentive program occurred in February and March 2016 in return for a corresponding number of Class B shares, whereupon FPC's registered share capital increased by SEK 260,000 and amounted to SEK 12,907,827 at the end of March 2016. The number of Class B shares after the above exercises of warrants but before the share split and buybacks described below amounted to 63,339,135, and the number of Class A shares remained unchanged at 1,200,000, bringing the total number of shares to 64,539,135 corresponding to 75,339,135 votes. The exercise of warrants contributed SEK 68 M before expenses.

During the second quarter, FPC shares underwent a five-for-one share split, meaning that every share was divided in five shares. Accordingly, the number of shares at the end of the second quarter was 6,000,000 Class A shares and 316,695,675 Class B shares, making a total of 322,695,675 shares of which 2,689,000 are held as treasury shares. The number of votes amounted to 374,006,675. The first day of trading after the split was May 27, 2016 and the record date for dividing the shares was May 30, 2016.

## Buyback of own shares

The AGM on May 4, 2016 authorized the Board to buy back of own shares. The Board decided in the second quarter to buy back 2,689,000 Class B shares, corresponding to 0.8% of the total number of shares, which were bought back for SEK 237.7 M. The average price for the shares bought back in the second quarter was SEK 88.42 per share. The bought back shares constitute treasury holdings and have been assigned no value in assets or shareholders' equity.

“The AGM resolutions concerning a share split and a program to buy back own shares were initiated in the second quarter.”



## Related-party transactions

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

## Seasonal fluctuations

To date, sales have not demonstrated any clear seasonal fluctuations, with the penetration of fingerprint sensors in smartphones continuing to increase sequentially. The company's core market for smartphones has historically shown a seasonal pattern whereby total smartphone volumes in the first quarter are weaker than in the preceding quarter and whereby the fourth quarter accounts for a very large proportion of the annual volume. While the increasing penetration of fingerprint sensors has overshadowed these seasonal variations to date, it is possible that the company's seasonal variations will increase in the future.

## 2016 Annual General Meeting

At the Annual General Meeting (AGM) on May 4, 2016, resolutions were passed to adopt the income statement and balance sheet, adopt the appropriation of profit, discharge the Board of Directors and the CEO from personal liability, and to re-elect Urban Fagerstedt, Lars Söderfjell, Carl-Johan von Plomgren, Jan Wäreby and Katarina Bonde as regular Board members, and to elect as Peter Carlsson, Michael Hallén, Åsa Hedin and Tomas Mikaelsson as new Board members. Jan Wäreby was newly elected as Chairman of the Board.



The AGM resolved on a split of all of the company's Class A and Class B shares, whereby one current share of Class B in the company was to be divided into five shares of the same class (a five-for-one share split).

The AGM also resolved to authorize the Board on one or several occasions during the period up to the next AGM to make decisions concerning the acquisition of a number of shares in the company so that when they are aggregated, the company's holding at each point in time does not exceed 10% of all of the shares in the company. In addition, the AGM resolved to authorize the Board, disapplying the preferential rights of the shareholders, to make decisions on the transfer of the company's treasury shares as a means of payment for acquisitions of companies or business operations at a price corresponding to the stock-market price on the date of transfer. The purpose of the authorizations is to provide the Board with increased latitude in its efforts to shape the company's capital structure and to create flexibility in the company's opportunities to complete acquisition of companies or business operations.

## Long-term financial targets



The targets were communicated in May 2016 and encompass three areas of focus: growth, profitability and capital structure. These objectives were communicated to enable shareholders, analysts and other external stakeholders to keep abreast of the ambitions of the Board of Directors and company management beyond the current fiscal year. Accordingly, the financial targets pertain to the years 2016 to 2018, with 2015 as the base year. It is important to emphasize that the financial targets do not constitute forecasts but a level of ambition that the Board and company management regard as corresponding to reasonable expectations for the company.

**Growth:** Fingerprint Cards' target is that its revenues will show an average annual growth rate of approximately 60% from 2016 to 2018.

**Profitability:** Fingerprint Cards' target is to achieve an operating margin of at least 35% for each year from 2016 to 2018.

**Capital structure:** Fingerprint Cards' target is to have a strong balance sheet, normally with net cash assets. Surplus capital is to be returned the shareholders through the buyback of own shares and/or dividends.

## New CEO presented



In June, the Board of Directors of Fingerprint Cards (FPC) appointed Christian Fredrikson as the new CEO effective August 1, 2016. Christian Fredrikson is currently CEO of the listed company F-Secure. Current CEO Jörgen Lantto will continue as CEO until Christian Fredrikson takes office.

Christian Fredrikson has been CEO of F-Secure since 2012. Prior to that, he was active in a number of leading positions in Nokia Networks. He is an inspirational and visionary leader with great knowledge of engineering in areas that Fingerprint Cards will need in its next phase of growth. He will bring to FPC experiences including real-time security for digital eco-systems, cloud technology and mobile solutions, as well as experience of Asian markets.

## Significant uncertainties and risks – Group and Parent Company

FPC is exposed to risks. Each of the risks below, other risks and the uncertainties named could, if they occur, have a material negative impact on the company's operations, earnings, financial position or future outlook, or result in a decline in the value of the company's shares, which could result in investors losing all or parts of their invested capital. 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 could in the future have a material negative 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, Economic fluctuations, Currency risk, Loss of customers.

*Operational risks:* Delivery capacity of suppliers, Competency provision, Loss of key competencies, Reduced technological lead, Information leaks

*Financial risks:* Financing, Credit risk.

*Legal risks:* Product liability, Patent risk, Corruption

*Other risks:* Environment and sustainability.

For further information concerning the risks facing the Group, see the 2015 Annual Report, which is available on our website [www.fingerprints.com](http://www.fingerprints.com)

## Notable events after the close of the quarter

- Three smartphone models integrating FPC's touch fingerprint sensor were announced by 360/QiKu and Huawei.

## Financial information

### Future reporting dates

Interim report Q3 2016 July – September:	October 27, 2016
Interim Report Q4 2016 October-December:	February 2, 2017

### For further information, contact:

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Internet: [www.fingerprints.com/corporate/](http://www.fingerprints.com/corporate/)

Welcome to Fingerprint Cards' Q2 2016 Financial Report Webcast on Friday, July 22, at 3 p.m. CET. Participants can register through this link:

<https://engage.vevent.com/index.jsp?eid=3483&seid=68>

*Fingerprint Cards AB (publ), Corp. Reg. No. 556154-2381, discloses this information pursuant to the Swedish Securities Market Act (2007:528) and the Swedish Financial Instruments Trading Act (1991:980). The information was issued for publication on July 22, 2016, at 7:00 a.m.*

### Important information

*Issuance, publication or distribution of this press release in certain jurisdictions could be subject to restrictions. Recipients of this press release are responsible for using this press release and the information herein in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or invitation to acquire or subscribe for new securities in Fingerprint Cards in any jurisdiction.*

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## Certification

The Board of Directors and the CEO certify that this interim 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.

Gothenburg, July 21, 2016

Jan Wäreby  
Chairman of the Board

Katarina Bonde  
Board Member

Lars Söderfjell  
Board Member

Carl-Johan von Plomgren  
Board Member

Urban Fagerstedt  
Board Member

Peter Carlsson  
Board Member

Åsa Hedin  
Board Member

Michael Hallén  
Board Member

Tomas Mikaelsson  
Board Member

Jörgen Lantto, CEO



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# Review report

## Introduction

We have reviewed the summary of the interim condensed financial information (the interim report) of Fingerprint Cards AB (publ), as per June 30, 2016 and the six-month period that ended on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

## Focus and scope of the review

We conducted our review in accordance with the Swedish Standard on Review Engagements (ISRE) 2410, Review of Interim Reports Performed by the company's elected auditors. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially smaller in scope than an audit conducted in accordance with the Standards on Auditing in Sweden (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain such assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, an opinion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

## Opinions

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared on the Group's behalf, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act and, on the Parent Company's behalf, the Swedish Annual Accounts Act.

Gothenburg, July 21, 2016

Johan Kratz

Authorized Public Accountant

## Financial statements

Condensed consolidated statement of comprehensive income  
Condensed consolidated statement of financial position  
Condensed consolidated statement of changes in shareholders' equity  
Condensed consolidated cash-flow statement  
The Group's operating segments  
Consolidated statement of income and other comprehensive income for the past nine quarters  
Consolidated statement of financial position for the past nine quarters  
Consolidated cash-flow statement for the past nine quarters  
Fair value and carrying amount of financial liabilities and assets  
Condensed income statement, Parent Company  
Condensed balance sheet, Parent Company

## Key figures

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



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Revenue	1,666.1	445.2	3,157.3	585.0	2,900.5
Cost of goods sold	-852.4	-286.2	-1,611.1	-388.7	-1,645.2
<b>Gross profit</b>	<b>813.7</b>	<b>159.0</b>	<b>1,546.2</b>	<b>196.3</b>	<b>1,255.3</b>
Selling costs	-45.8	-25.5	-82.7	-44.7	-107.8
Administrative costs	-34.5	-15.9	-52.1	-24.4	-56.8
Development costs	-60.0	-43.3	-110.4	-85.2	-176.6
Other operating income/expenses	36.3	-8.8	-2.3	4.6	-3.8
<b>Operating profit/loss</b>	<b>709.7</b>	<b>65.5</b>	<b>1,298.7</b>	<b>46.6</b>	<b>910.3</b>
Financial income and -expenses	0.1	0.0	0.3	-0.1	-0.3
<b>Operating profit/loss before tax</b>	<b>709.8</b>	<b>65.5</b>	<b>1,299.0</b>	<b>46.6</b>	<b>910.0</b>
Taxes for period	-155.4	-	-285.1	-	-111.7
<b>Profit/loss for the period</b>	<b>554.4</b>	<b>65.5</b>	<b>1,013.9</b>	<b>46.6</b>	<b>798.3</b>
Other comprehensive income	0.3	-	0.3	-	-0.2
<b>Total comprehensive income/loss for the period</b>	<b>554.7</b>	<b>65.5</b>	<b>1,014.2</b>	<b>46.6</b>	<b>798.1</b>
<b>Profit/loss for the period attributable to:</b>					
Parent Company shareholders	554.7	65.5	1,014.2	46.6	798.1
<b>Profit/loss for the period</b>	<b>554.7</b>	<b>65.5</b>	<b>1,014.2</b>	<b>46.6</b>	<b>798.1</b>
<b>Total comprehensive income/loss for the period attributable to:</b>					
Parent Company shareholders	554.7	65.5	1,014.2	46.6	798.1
<b>Total comprehensive income/loss for the period</b>	<b>554.7</b>	<b>65.5</b>	<b>1,014.2</b>	<b>46.6</b>	<b>798.1</b>
<b>Earnings/loss per share for the period</b>					
Before dilution, SEK	1.72	0.22	3.16	0.16	2.52
After dilution, SEK	1.71	0.21	3.12	0.15	2.48

<sup>2)</sup> At the end of the period, FPC had one warrant program: TO6: The program is from 2013 and extends until December 27, 2016. The exercise price is SEK 18.03, (SEK 90:16 before split). The program has been taken into account when calculating the number of shares after dilution. On full subscription, the program would result in a maximum of 2 500,000 new Class B shares. Average number of shares after dilution: The average number of shares during the period and the maximum number of shares that could arise from exercise of warrants. If the average share price is lower than the exercise price, there is no discounted share price and thus no dilution, since the discount is what constitutes dilution.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	30 Jun 2016	30 Jun 2015	31 Dec 2015
<b>Assets</b>			
Intangible fixed assets	87.1	54.0	49.7
Tangible fixed assets	23.1	19.6	20.6
Financial fixed assets	1.0	-	1.0
<i>Total fixed assets</i>	<i>111.2</i>	<i>73.6</i>	<i>71.3</i>
Inventories	243.7	103.5	153.0
Accounts receivable	1,086.7	245.5	617.9
Other receivables	24.5	18.5	28.6
Prepaid expenses and accrued income	8.3	6.0	8.0
Cash and cash equivalents	1,618.3	166.0	1,031.3
<i>Total current assets</i>	<i>2,981.5</i>	<i>539.5</i>	<i>1,838.8</i>
<b>Total assets</b>	<b>3,092.7</b>	<b>613.1</b>	<b>1,910.1</b>
<b>Shareholders' equity and liabilities</b>			
<i>Shareholders' equity</i>	<i>1,990.1</i>	<i>347.6</i>	<i>1,146.8</i>
<i>Non-current liabilities</i>	<i>-</i>	<i>0.1</i>	<i>-</i>
Accounts payable	617.7	227.7	548.5
Current tax liability	273.9	-	109.6
Other current liabilities	5.4	5.6	4.0
Prepaid expenses and accrued income	205.6	32.1	101.2
<i>Total current liabilities</i>	<i>1,102.6</i>	<i>265.4</i>	<i>763.3</i>
<b>Total shareholders' equity and liabilities</b>	<b>3,092.7</b>	<b>613.1</b>	<b>1,910.1</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK M	Jan-jun 2016	Jan-Jun 2015	Jan-Dec 2015
Opening shareholders' equity	1,146.8	301.1	301.1
Total comprehensive income for the period	1,014.2	46.6	798.1
Exercise of warrants	66.8	-	47.6
Repurchases of own shares	-237.7	-	-
<b>Closing shareholders' equity</b>	<b>1,990.1</b>	<b>347.6</b>	<b>1,146.8</b>

## CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

SEK M	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Profit before tax	709.8	65.5	1,299.0	46.6	910.0
Adjustment for non-cash items	-24.3	14.5	12.1	20.7	45.6
Income tax paid	-8.1	-	-120.8	-	-2.1
Change in inventory	-49.8	-8.3	-90.7	-4.7	-54.2
Change in current receivables	-361.3	-84.1	-464.9	-134.5	-519.2
Change in current liabilities	264.1	67.0	175.1	142.0	530.3
<b>Cash flow from operating activities <sup>3)</sup></b>	<b>530.4</b>	<b>54.6</b>	<b>809.8</b>	<b>70.0</b>	<b>910.4</b>
Cash flow from investing activities	-30.1	-4.3	-56.9	-6.4	-26.0
Cash flow from financing activities <sup>4)</sup>	-237.8	-0.1	-171.0	-0.1	47.4
<b>Change in cash and cash equivalents</b>	<b>262.5</b>	<b>50.2</b>	<b>581.9</b>	<b>63.4</b>	<b>931.8</b>
Cash and cash equivalents on the opening date	1,321.2	120.9	1,031.3	101.9	101.9
Effect of exchange rate changes on cash	34.6	-5.1	5.1	0.7	-2.4
<b>Closing cash and cash equivalents</b>	<b>1,618.3</b>	<b>166.0</b>	<b>1,618.3</b>	<b>166.0</b>	<b>1,031.3</b>

<sup>3)</sup> In previous reports, effect of exchange rate changes on cash has been incl. in change in cash and cash equivalents. From this report this has been reported separately.

<sup>4)</sup> Cash flow from financing activities are mainly from Repurchases of own shares and



THE GROUP'S OPERATING SEGMENTS

SEK M	Apr-Jun 2016	Apr-Jun 2015	Change, %	Jan-June 2016	Jan-June 2015	Change, %
<b>Revenue</b>						
Sensors	1,666.1	445.2	274	3,157.3	585.0	440
Other	-	-	-	-	-	-
<b>Group</b>	<b>1,666.1</b>	<b>445.2</b>	<b>274</b>	<b>3,157.3</b>	<b>585.0</b>	<b>440</b>

SEK M	Apr-jun 2016	Apr-jun 2015	Förändring, %	Jan-juni 2016	Jan-juni 2015	Förändring, %
<b>Operating profit/loss</b>						
Sensors	709.7	65.5	984	1,298.7	46.6	2,687
Other	-	-	-	-	-	-
<b>Group</b>	<b>709.7</b>	<b>65.5</b>	<b>984</b>	<b>1,298.7</b>	<b>46.6</b>	<b>2,687</b>

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME FOR THE PAST NINE QUARTERS

SEK M	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015	Apr-Sep 2015	Apr-Jun 2015	Jan-Mar 2015	Oct-Dec 2014	Jul-Sep 2014	Apr-Jun 2014
Revenue	1,666.1	1,491.2	1,351.5	964.0	445.2	139.9	105.0	66.2	44.0
Cost of goods sold	-852.4	-758.7	-723.3	-533.3	-286.2	-102.5	-71.3	-45.0	-30.9
<b>Gross profit</b>	<b>813.7</b>	<b>732.5</b>	<b>628.2</b>	<b>430.7</b>	<b>159.0</b>	<b>37.4</b>	<b>33.7</b>	<b>21.2</b>	<b>13.1</b>
Selling costs	-45.8	-36.9	-35.9	-27.0	-25.5	-19.2	-15.7	-14.5	-12.8
Administrative costs	-34.5	-17.6	-19.2	-13.3	-15.9	-8.5	-8.6	-7.6	-6.8
Development costs	-60.0	-50.3	-48.2	-43.1	-43.3	-41.9	-42.6	-45.1	-40.0
Other operating income/expenses	36.3	-38.6	-7.3	-1.2	-8.8	13.4	3.2	2.0	1.5
<b>Operating profit/loss</b>	<b>709.7</b>	<b>589.1</b>	<b>517.6</b>	<b>346.1</b>	<b>65.5</b>	<b>-18.8</b>	<b>-30.0</b>	<b>-44.0</b>	<b>-45.0</b>
Financial income and -expenses	0.1	0.1	0.0	-0.2	0.0	-0.1	0.7	0.5	-0.1
<b>Profit/loss before tax</b>	<b>709.8</b>	<b>589.2</b>	<b>517.6</b>	<b>345.9</b>	<b>65.5</b>	<b>-18.9</b>	<b>-29.3</b>	<b>-43.5</b>	<b>-45.1</b>
Taxes for period	-155.4	-129.7	-113.2	1.5	-	-	-0.5	-	-
<b>Profit/loss for the period</b>	<b>554.4</b>	<b>459.5</b>	<b>404.4</b>	<b>347.4</b>	<b>65.5</b>	<b>-18.9</b>	<b>-29.8</b>	<b>-43.5</b>	<b>-45.1</b>
Other comprehensive income	0.3	-	-	-	-	-	-	-	-
<b>Total comprehensive income/loss for the period</b>	<b>554.7</b>	<b>459.5</b>	<b>404.4</b>	<b>347.4</b>	<b>65.5</b>	<b>-18.9</b>	<b>-29.8</b>	<b>-43.5</b>	<b>-45.1</b>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PAST NINE QUARTERS**

	30 Mar 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Sep 2014	30 Jun 2014
<i>SEK/USD exchange rate, balance date</i>	8.48	8.15	8.35	8.39	8.23	8.62	7.81	7.24	6.74
<b>Assets</b>									
Intangible fixed assets	87.1	65.8	49.7	47.4	54.0	60.4	69.8	54.1	72.8
Tangible fixed assets	23.1	24.4	20.6	20.1	19.6	18.4	18.8	9.0	8.3
Financial fixed assets	1.0	1.0	1.0	-	-	-	-	-	-
<b>Total fixed assets</b>	<b>111.2</b>	<b>91.2</b>	<b>71.3</b>	<b>67.5</b>	<b>73.6</b>	<b>78.8</b>	<b>88.6</b>	<b>63.1</b>	<b>81.1</b>
Inventories	243.7	193.9	153.0	95.0	103.5	95.2	98.8	58.0	26.5
Accounts receivable	1,086.7	725.2	617.9	448.7	245.5	169.2	115.8	61.3	41.8
Other receivables	24.5	23.6	28.6	28.3	18.5	11.7	15.9	13.3	12.0
Prepaid expenses and accrued income Int.	8.3	9.3	8.0	5.8	6.0	4.9	3.7	2.9	2.5
Cash and cash equivalents	1,618.3	1,321.2	1,031.3	498.6	166.0	120.9	101.8	192.1	237.6
<b>Total current assets</b>	<b>2,981.5</b>	<b>2,273.2</b>	<b>1,838.8</b>	<b>1,076.4</b>	<b>539.5</b>	<b>401.9</b>	<b>336.0</b>	<b>327.6</b>	<b>320.4</b>
<b>Total assets</b>	<b>3,092.7</b>	<b>2,364.4</b>	<b>1,910.1</b>	<b>1,143.9</b>	<b>613.1</b>	<b>480.7</b>	<b>424.6</b>	<b>390.7</b>	<b>401.5</b>
<b>Shareholders' equity and liabilities</b>									
<i>Shareholders' equity</i>	<i>1,990.1</i>	<i>1,673.1</i>	<i>1,146.8</i>	<i>731.5</i>	<i>347.6</i>	<i>282.2</i>	<i>301.1</i>	<i>307.1</i>	<i>350.4</i>
<i>Non-current liabilities</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.2</i>	<i>0.2</i>	<i>0.3</i>
Accounts payable	617.7	465.7	548.5	351.7	227.7	53.9	66.1	58.0	25.6
Current tax liability	273.9	126.6	109.6	0.6	-	-	-	-	-
Other liabilities	5.4	3.3	4.0	4.4	5.6	113.0	35.7	3.6	3.8
Accrued exp. and def. income Int.	205.6	95.7	101.2	55.7	32.1	31.5	21.5	21.8	21.4
<b>Current liabilities</b>	<b>1,102.6</b>	<b>691.3</b>	<b>763.3</b>	<b>412.4</b>	<b>265.4</b>	<b>198.4</b>	<b>123.3</b>	<b>83.4</b>	<b>50.8</b>
<b>Total shareholders' equity and liabilities</b>	<b>3,092.7</b>	<b>2,364.4</b>	<b>1,910.1</b>	<b>1,143.9</b>	<b>613.1</b>	<b>480.7</b>	<b>424.6</b>	<b>390.7</b>	<b>401.5</b>

**CONSOLIDATED CASH-FLOW STATEMENT FOR THE PAST NINE QUARTERS**

SEK M	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015	Apr-Sep 2015	Apr-Jun 2015	Jan-Mar 2015	Oct-Dec 2014	Jul-Sep 2014	Apr-Jun 2014
Profit/loss before tax	709.8	589.2	517.6	345.9	65.5	-18.9	-29.3	-43.5	-45.1
Adjustments for non-cash items	-24.3	36.5	17.2	7.8	14.5	6.2	11.2	21.3	20.7
Paid income tax	-8.1	-112.7	-4.2	2.1	-	-	-	-	-
Change in inventory	-49.8	-40.9	-58.0	8.5	-8.3	3.5	-40.7	-31.6	-10.4
Change in current receivables	-361.3	-103.6	-171.7	-212.9	-84.1	-50.4	-57.7	-21.3	-26.3
Change in current liabilities	264.1	-89.0	241.8	146.4	67.0	75.0	39.8	32.9	24.3
<b>Cash flow fr. operating activities <sup>3)</sup></b>	<b>530.4</b>	<b>279.5</b>	<b>542.7</b>	<b>297.8</b>	<b>54.6</b>	<b>15.4</b>	<b>-76.7</b>	<b>-42.2</b>	<b>-36.8</b>
Cash flow from investing activities	-30.1	-26.8	-15.9	-3.6	-4.3	-2.1	-39.0	-4.8	-32.5
Cash flow from financing activities	-237.8	66.8	11.1	36.4	-0.1	-0.1	23.6	-0.1	-0.3
<b>Change in cash and cash equiv.</b>	<b>262.5</b>	<b>319.5</b>	<b>537.9</b>	<b>330.6</b>	<b>50.2</b>	<b>13.2</b>	<b>-92.1</b>	<b>-47.1</b>	<b>-69.6</b>
Cash and cash equiv. on the opening date	1,321.2	1,031.3	498.7	166.0	120.9	101.9	192.1	237.6	306.5
Effect of exchange rate changes on cash <sup>3)</sup>	34.6	-29.6	-5.1	2.0	-5.1	5.8	1.8	1.6	0.7
<b>Closing cash and cash equivalents</b>	<b>1,618.3</b>	<b>1,321.2</b>	<b>1,031.5</b>	<b>498.6</b>	<b>166.0</b>	<b>120.9</b>	<b>101.8</b>	<b>192.1</b>	<b>237.6</b>

<sup>3)</sup> In previous reports, effect of exchange rate changes on cash has been incl. in change in cash and cash equivalents. From this report this has been reported separately.

<sup>4)</sup> Cash flow from financing activities are mainly from Repurchases of own shares and



## FAIR VALUE AND CARRYING AMOUNT OF FINANCIAL LIABILITIES AND ASSETS

SEK M	June 30, 2016		June 30, 2015	
	Carrying amount	Fair amount	Carrying amount	Fair amount
<b>Financial assets</b>				
<b>Loan receivables and accounts receivable</b>				
Accounts receivable	1,086.7	1,086.7	245.5	245.5
Cash and cash equivalents	1,618.3	1,618.3	166.0	166.0
<b>Total financial assets</b>	<b>2,705.0</b>	<b>2,705.0</b>	<b>411.5</b>	<b>411.5</b>
<b>Financial liabilities</b>				
<b>Current financial liabilities:</b>				
Accounts payable	617.7	617.7	227.7	227.7
<b>Total financial liabilities</b>	<b>617.7</b>	<b>617.7</b>	<b>227.7</b>	<b>227.7</b>
<b>By category:</b>				
Loan receivables and accounts receivable	2,705.0	2,705.0	411.5	411.5
<b>Total financial assets</b>	<b>2,705.0</b>	<b>2,705.0</b>	<b>411.5</b>	<b>411.5</b>
Financial liabilities at amortized cost	617.7	617.7	227.7	227.7
<b>Total financial liabilities</b>	<b>617.7</b>	<b>617.7</b>	<b>227.7</b>	<b>227.7</b>

## CONDENSED INCOME STATEMENT, PARENT COMPANY

SEK M	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Revenues	1,666.1	445.2	3,157.3	584.7	2,900.2
Cost of goods sold	-852.4	-288.8	-1,611.1	-388.6	-1,645.2
<b>Gross profit</b>	<b>813.7</b>	<b>156.4</b>	<b>1,546.2</b>	<b>196.1</b>	<b>1,255.0</b>
Selling costs	-46.0	-26.0	-82.7	-45.0	-108.6
Administrative costs	-40.2	-15.9	-57.7	-24.5	-56.8
Development costs	-59.8	-42.3	-109.6	-87.3	-181.4
Other operating income/expenses	39.6	-8.8	-2.2	4.6	-3.4
<b>Operating profit</b>	<b>707.3</b>	<b>63.4</b>	<b>1,294.0</b>	<b>43.9</b>	<b>904.8</b>
Financial income and -expenses	0.0	0.0	0.0	0.0	-0.3
<b>Profit before tax</b>	<b>707.3</b>	<b>63.4</b>	<b>1,294.0</b>	<b>43.9</b>	<b>904.5</b>
Taxes for period	-155.3	-	-284.7	-	-111.0
<b>Profit for the period</b>	<b>552.0</b>	<b>63.4</b>	<b>1,009.3</b>	<b>43.9</b>	<b>793.5</b>

## CONDENSED BALANCE SHEET, PARENT COMPANY

SEK M	30 Jun 2016	30 Jun 2015	31 Dec 2015
<b>Assets</b>			
Intangible fixed assets	85.1	50.3	47.0
Tangible fixed assets	20.8	17.3	18.6
Financial fixed assets	6.0	1.8	3.5
<i>Total fixed assets</i>	<i>111.9</i>	<i>69.5</i>	<i>69.1</i>
Inventories	243.7	103.5	153.0
Accounts receivable	1,086.7	245.2	617.9
Current receivables	157.6	37.3	39.4
Cash and bank deposits	1,603.1	150.3	1,018.0
<i>Total current assets</i>	<i>3,091.1</i>	<i>536.3</i>	<i>1,828.3</i>
<b>Total assets</b>	<b>3,203.0</b>	<b>605.8</b>	<b>1,897.4</b>
Shareholders' equity and liabilities			
<i>Shareholders's equity</i>	<i>1,975.1</i>	<i>341.5</i>	<i>1,136.5</i>
Accounts payable	617.3	227.2	548.2
Current tax liability	182.6	0.0	109.9
Other current liabilities	428.0	37.1	102.8
<i>Total current liabilities</i>	<i>1,227.9</i>	<i>264.3</i>	<i>760.9</i>
<b>Total shareholders' equity and liabilities</b>	<b>3,203.0</b>	<b>605.8</b>	<b>1,897.4</b>

## KEY CONSOLIDATED DATA

	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
Revenue, SEK M	1,666.1	445.2	3,157.3	585.0	2,900.5
Revenue increase, %	274	912	440	838	1,142
Gross margin, %	49	36	49	34	43
Operating margin, %	43	15	41	8	31
Profit margin, %	33	15	32	8	28
EBITDA, SEK M	720.3	74.9	1,316.3	68.1	953.7
Return on equity, %	35	21	65	15	110
Cash flow from operating activities, SEK M	530.4	54.6	809.8	70.0	910.4
Equity/assets ratio, %	64	57	64	57	60
Investments, SEK M	-30.1	-4.3	-56.9	-6.4	26.0
Average number of employees	224	110	204	111	120
Shareholders' equity per share, SEK					
- before dilution	6.22	1.19	6.22	1.19	3.63
- after dilution	6.13	1.11	6.12	1.11	3.57
Cash flow from operating activities/share, SEK					
- before dilution	1.65	0.19	2.52	0.24	2.89
- after dilution <sup>(2)</sup>	1.63	0.17	2.49	0.22	2.83
Number of shares at period end, 000s	320,007	292,105	320,007	292,105	316,195
Average number of shares, 000s					
- before dilution	322,023	292,105	321,016	292,105	315,350
- after dilution <sup>(2)</sup>	324,408	314,145	324,942	311,800	321,370
Share price at period end <sup>(1)</sup>	81.30	35.70	81.30	35.70	118.20

<sup>(1)</sup> Adjusted for share split per 2016-05-27.

<sup>(2)</sup> At the end of the period, FPC had one warrant program: TO6: The program is from 2013 and extends until December 27, 2016. The exercise price is SEK 18.03, (SEK 90/16 before split). The program has been taken into account when calculating the number of shares after dilution. On full subscription, the program would result in a maximum of 2 500,000 new Class B shares. Average number of shares after dilution: The average number of shares during the period and the maximum number of shares that could arise from exercise of warrants. If the average share price is lower than the exercise price, there is no discounted share price and thus no dilution, since the discount is what constitutes dilution.



KEY CONSOLIDATED FIGURES FOR THE PAST NINE QUARTERS

SEK M	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015	Apr-Sep 2015	Apr-Jun 2015	Jan-Mar 2015	Oct-Dec 2014	Jul-Sep 2014	Apr-Jun 2014
Revenue, SEK M	1,666.1	1,491.2	1,351.5	964.0	445.2	139.9	105.0	66.1	44.0
Revenue increase, %	274	966	1,187	1,358	912	660	208	52	114
Gross margin, %	49	49	46	45	36	27	32	32	30
Operating margin, %	43	40	38	36	15	-13	-28	-66	-102
Profit margin, %	33	31	30	36	15	-13	-28	-65	-102
EBITDA, SEK M	720.3	596.0	529.7	355.9	74.9	-6.8	-16.0	-21.1	-24.1
Return on equity, %	35	33	44	64	21	-6	-10	-13	-12
Cash flow from operating activities, SEK M	530.4	279.5	542.7	297.8	54.6	15.4	-76.7	-42.2	-36.8
Equity/assets ratio, %	64	71	60	64	57	59	71	79	87
Investments, SEK M	-30.1	-26.8	-15.9	-3.6	-4.3	-2.1	-39.0	-4.8	-33.0
Average number of employees	224	179	140	121	110	104	99	91	70
Shareholders' equity per share, SEK									
- before dilution	6.22	5.18	3.63	2.36	1.19	0.97	1.03	1.08	1.24
- after dilution	6.13	5.14	3.54	2.28	1.11	0.91	0.96	1.00	1.14
Cash flow from operating activities, SEK									
- before dilution	1.65	0.87	1.72	0.96	0.19	0.05	-0.27	-0.15	-0.13
- after dilution (2)	1.63	0.86	1.68	0.93	0.17	0.05	-0.24	-0.14	-0.12
Number of shares at period end, 000s	320,007	322,696	316,195	309,870	292,105	292,105	292,105	283,305	283,305
Average number of shares, 000s									
- before dilution	322,023	319,585	316,180	308,865	292,105	292,105	288,770	283,305	283,305
- after dilution (2)	324,408	325,725	323,720	320,660	314,145	308,595	314,705	305,695	308,120
Share price at period end (1)	81.30	94.40	118.20	61.80	35.70	10.70	6.96	7.30	9.90

1) Adjusted for share split per 2016-05-27.

2) At the end of the period, FPC had one warrant program: TO6: The program is from 2013 and extends until December 27, 2016. The exercise price is SEK 18.03 (90.16 before the share split). The program has been taken into account when calculating the number of shares after dilution. On full subscription, the program would result in a maximum of 2 500,000 new Class B shares. Average number of shares after dilution: The average number of shares during the period and the maximum number of shares that could arise from exercise of warrants. If the average share price is lower than the exercise price, there is no discounted share price and thus no dilution, since the discount is what constitutes dilution.

ROLLING 12-MONTH KEY FIGURES FOR THE GROUP FOR THE PAST NINE QUARTERS

	Jul-jun 2015/16	Apr-mar 2015/16	Jan-dec 2015	Okt-sep 2014/15	Jul-jun 2014/15	Apr-mar 2014/15	Jan-dec 2014	Okt-sep 2013/14	Jul-jun 2013/14
Revenues, SEK M	5,472.8	4,251.8	2,900.6	1,654.1	756.3	355.1	233.6	162.7	128.2
Gross profit, SEK M	2,605.1	1,950.4	1,255.3	660.8	251.3	105.4	71.7	53.0	47.1
Gross margin, %	48	46	43	40	33	30	31	33	37
Operating result, SEK M	2,162.5	1,518.2	910.3	362.9	-27.1	-137.5	-145.2	-130.5	-88.2
Operating margin, %	40	36	31	22	-4	-39	-62	-80	-69
EBITDA, SEK M	2,201.8	1,556.4	953.7	407.7	30.6	-68.0	-83.6	-78.6	-56.1

## Accounting policies

This condensed interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting, and applying the provisions of the Annual Accounts Act. 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, 2015 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 IFRS that have become effective in 2016 have had any significant impact on the Group. As of on July 3, 2016, the European Securities and Markets Authority's "Guidelines – Alternative Performance Measures" are applied. In accordance with these guidelines, disclosures have been expanded in cases where financial ratios are not defined in IFRS.

## About Fingerprint Cards

*Fingerprint Cards AB (FPC) develops, produces and markets biometric components that through the analysis and matching of an individual's unique fingerprint verify the person's identity.*

The technology consists of biometric sensors, processors, algorithms and modules that can be used separately or combined. The competitive advantages offered by FPC's technology include unique image quality, extreme robustness, low power consumption and complete biometric systems. With these advantages and the ability to achieve extremely low manufacturing costs, the technology can be implemented in volume products, such as smart cards and mobile phones, where extremely rigorous demands are placed on these characteristics. FPC's technology can also be used in IT and Internet products for security and access control, etc.

## Vision

People are identified on any device by a simple touch.

## Business concept

Fingerprint Cards, FPC, develops and sells biometric solutions to companies globally that develop products involving human interaction.

## Business model

FPC works with three business models – component sales, project sales and licensing. Sales are conducted via distributors and direct selling to product developers/systems integrators and OEMs (Original Equipment Manufacturers).

Glossary available at <http://www.fingerprints.com/corporate/en/about-fpc/glossary/>

## Definitions

Most of these key figures are Alternative Performance Measures according to ESMA's definition. How these key figures are used and how they are calculated is described below. Alternative key figures will describe development on operating business such as gross margin, gross profit, operating margin, EBITDA and revenue increase. Other alternative key figures have focus on owner's perspective such as return on shareholders' equity and some financial positions or cash flow statements in relation to number of shares. Equity/asset ratio to describe financial position in the long term.

**Average number of shares** The Parent Company's average weighted number of shares at the end of the period.

**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.

**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 for materials, production expenses and amortization according to plan of capitalized development expenditure.

**Earnings per share after dilution** Earnings per share plus adjustment for the number of shares and the paid exercise price resulting from current remuneration and personnel programs. Earnings per share after dilution can never be better than earnings per share before dilution.

**EBITDA** Earnings Before Interest Taxes Depreciation and Amortization. Operating profit before financial income/expense, taxes, depreciation/amortization and impairment losses.

**Equity/assets ratio** Shareholders' equity divided by total assets.

**Gross margin** Gross profit as a percentage of net sales.

**Gross profit** Income less cost of goods sold.

**Net margin** Profit/loss for the period as a percentage of revenues.

**Number of shares outstanding at period end** Number of shares less bought back shares held in treasury.

**Operating margin** Operating profit as a percentage of revenues.

**Operating profit** Operating profit before financial income/expenses and tax.

**Profit for the period** Operating profit after financial income/expenses and tax

**Revenue increase** Revenues increase compared to same period previous year as a percentage.

**Return on equity** Profit for the period in relation to average equity.

**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** See "Shareholders' equity per share" plus adjustment for the number of shares and the paid exercise price resulting from current remuneration and personnel programs.

**Working capital** Current assets less current non-interest-bearing provisions and liabilities.