

“Changed market conditions for capacitive sensors for smartphones”

“Action program initiated to adapt the company’s cost base”

## Cost alignment and refocusing

- Changed market conditions for capacitive fingerprint sensors for smartphones
- Action program initiated to improve profitability
- R&D resources redirected even more to new, emerging biometric markets
- Cash position of SEK 920 M
- Operating result for the fourth quarter, excluding non-recurring items, was a loss of SEK 9.9 M
- Provisions of SEK 121.9 M to the obsolescence reserve in 2017 had a negative impact of 4 percentage points on the gross margin

## Fourth quarter of 2017

- Revenues totaled SEK 615.3 M (1,618.7), down 62 percent compared with the fourth quarter of 2016
- The gross margin was 21 percent (44)
- Operating result of a loss of SEK 40.6 M (profit: 520.0) and an operating margin of minus 7 percent (plus 32)
- Earnings per share before dilution was a negative SEK 0.05 (profit: 1.35)
- Cash flow from operating activities was a negative SEK 1.7 M (positive: 186.0)

## January – December 2017

- Revenues totaled SEK 2,966.0 M (6,638.3), down 55 percent compared with 2016
- The gross margin was 33 percent (48)
- Operating profit was SEK 154.6 M (2,578.5) and the operating margin declined to 5 percent (39)
- Earnings per share before dilution amounted to SEK 0.38 (6.40)
- Cash flow from operating activities amounted to SEK 376.9 M (1,130.3)
- The Board proposes to the Annual General Meeting that no dividend be paid for the 2017 fiscal year

SEK M	Oct-Dec 2017	Oct-Dec 2016	Change	Jan-Dec 2017	Jan-Dec 2016	Change
Revenue	615.3	1,618.7	-62%	2,966.0	6,638.3	-55%
Gross profit	130.1	714.9	-82%	988.9	3,165.3	-69%
Gross margin %	21	44		33	48	
Operating profit	-40.6	520.0	-108%	154.6	2,578.5	-94%
Operating margin %	-7	32		5	39	
Profit/loss before tax	-40.7	547.4	-107%	141.8	2,613.5	-95%
Profit/loss for the period	-16.5	423.3	-104%	120.3	2,034.7	-94%
Earnings per share before dilution, SEK	-0.05	1.35	-104%	0.38	6.40	-94%
Cash and cash equivalents, December 31	920.2	1,162.2	-21%	920.2	1,162.2	-21%
Cash flow from operating activities	-1.7	186.0	-101%	376.9	1,130.3	-67%
Equity/assets ratio, %, December 31	66	64	3%	66	64	3%
Average number of employees	416	293	42%	388	237	64%

## CEO comments

### Cost alignment and refocusing



“Capacitive sensors for smartphones: A mature mass market”



“2018 will be a year of readjustment”

#### Changed market conditions

2017 was a challenging year of reduced demand and earnings. However, I am satisfied with our equity/assets ratio, which amounted to 66 percent at the end of 2017, and our cash position of SEK 920 M. Our result for the fourth quarter was impacted by an accelerating change in market conditions for capacitive fingerprint sensors for smartphones. We operate in a tough market subject to intense competition, but I am disappointed with the profit trend for the full-year and for the fourth quarter. Although the operating loss of SEK 41 M for the fourth quarter includes non-recurring items, the underlying operating loss of SEK 10 M is absolutely not satisfactory. To achieve a long-term improvement in profitability, we have launched a number of activities that will generate effects early in the second quarter of 2018.

This market for capacitive sensors for smartphones constitutes the core of our business. Approximately 40 percent of the fingerprint sensor-equipped smartphones shipped during 2017, excluding Apple, had a fingerprint sensor from Fingerprints. This market has very quickly developed into a mature mass market with increasing competition and decreasing prices. A tangible shift in our product mix in the second half of the year was also an important contributing factor to the decline in average selling price. Smartphones in the premium segment are now also being equipped increasingly with smaller and cheaper sensors. Overall, the average selling price of our products declined about 30 percent in 2017.

According to a number of independent observers, deliveries of smartphones in the Chinese market decreased somewhat compared with 2016. In our assessment, conditions in the Chinese smartphone market slackened additionally in the fourth quarter and we expect our sales to continue to weaken in the first quarter of 2018. This development has led to an ongoing consolidation process throughout the value chain.

In terms of value, we expect the market for fingerprint sensors for smartphones to decline in 2018. I would like to emphasize that our ambition is to keep a leading position in smartphones, while moving the focal point in our investments towards new emerging biometric markets.

#### 2018 – year of readjustment for Fingerprints

As previously communicated, we initiated a comprehensive action program at the beginning of 2018 to adapt the company’s cost base to the prevailing market conditions, with the aim of safeguarding the company’s long-term development and success. As a feature of this program, we are downsizing the workforce by approximately 185 positions, while also reducing our external costs. The measures are estimated to result in cost savings of about SEK 360 M in 2018, starting in the second quarter. At the same time, we will be redirecting resources to ensure that we have a sufficient focus on new growth areas and that the organization is adapted for successfully competing in an expanding global biometrics market.

Our business involving capacitive fingerprint sensors for smartphones accounted for about 95 percent of our total sales in 2017. We are continuing to move the focal

“Adapting the organization to enable us to compete successfully in an expanding global biometrics market in new verticals”

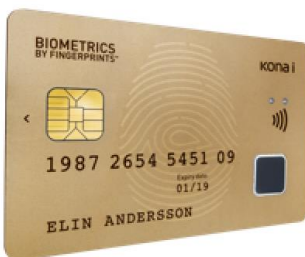
point of our investments towards new biometric markets, with the aim that new areas will account for about 10 percent of sales during 2018.

At the same time as we see considerable potential for our sensors in new areas of use, which will generate future growth, it will take time for us to achieve significant commercial volumes outside our core business of smartphones.

**R&D investments with a focus on new, emerging biometrics markets**

About 50 percent of our R&D investments is already connected to initiatives aimed at developing new biometric technologies and expanding in new promising application areas in various industries. Our development initiatives include both new applications for our existing technology and developing solutions based on new biometric modalities. I believe that the area offering the greatest potential in the years immediately ahead is the segment for biometric smart cards. Due to the size of the global market, combined with the benefits of implementing biometric authentication in the payment area, smart cards have all the prerequisites for developing into the next biometric mass market. Fingerprints is well positioned, and we continued during the quarter to establish new partnerships in various parts of the value chain. Fingerprints well-established partnerships with several of the largest card manufacturers, e.g. Idemia and Gemalto (via Zwiipe). We also entered into cooperation with NXP Semiconductors during the quarter in connection with the breakthrough for this company’s new contactless technology for fingerprints on cards.

Although it will take some time for us to achieve commercial volumes, there are distinct indications that the market for biometric cards is finally starting to gain momentum, such as a number of implemented and planned market tests. In early 2018, for example, we announced a collaboration with Visa in connection with the first market test of contact and contactless biometric charge cards in the US. These tests are a key feature of efforts to evaluate and qualify various systems for the next step in the process, meaning certification of the technical solution by the mega card brands. This will be a very important milestone and could mean that a completely new volume market is created for Fingerprints’ biometric solutions.



We also see a tangible increase in interest in biometric solutions in a variety of other areas where secure and user-friendly authentication is important, not least in the automotive industry where biometrics, such as in the form of iris scanning, could contribute to delivering individual-adapted functionality that increases security and comfort. Our recently announced collaboration with Gentex, a leading supplier of equipment to the automotive industry, is based on ActiveIRIS®, our iris recognition technology. This is a concrete example of our strategy to broaden our biometric technology portfolio.

As we now enter 2018, we are downsizing our organization and continuing to realign the business towards new areas. Although I am aware that this will entail difficult changes for many of our co-workers, the adaptation is necessary if we are to defend our competitiveness. I would like to thank all of our employees for your hard work and dedication during a challenging 2017.

Christian Fredrikson, CEO

## Revenues and operating profit

### Income

Consolidated revenues for the fourth quarter totaled SEK 615.3 M (1,618.7), down 62 percent compared with the fourth quarter of 2016.

The reduced ASP ("Average Selling Price") for sensors had a significant impact on revenues. The lower ASP, which amounted to some 30 percent at an annual rate for 2017, was due to a changed product mix and the immense competitive pressure.

In 2017, OEM customers adopted a much more cautious approach, resulting in reduced inventories of components in the supply chain. The fact that the more basic smartphones are not being equipped with fingerprint sensors to the extent previously expected has also had a dampening effect on market growth. Compared with the corresponding year-earlier period, the company's market share declined because the company's major Chinese OEM customers are now using two or even three suppliers of fingerprint sensors (dual/triple sourcing). In total, these factors resulted in lower delivery volumes compared with the fourth quarter of 2016.



### Trend in operating profit

Gross profit for the fourth quarter was SEK 130.1 M (714.9) and the gross margin 21 percent (44). During the quarter, a non-cash impacting provision of SEK 58.9 M (11.2) for inventory obsolescence had a negative impact of 10 percentage points on the gross margin. The weaker gross margin compared with the corresponding quarter of 2016 is attributable to a lower ASP, due to the general price pressure and the changed product mix.

The operating result of a negative SEK 40.6 M was positively affected by the non-payment of an estimated contingent purchase consideration of SEK 28.2 M pertaining to the acquisition of Delta ID, and by a positive currency effect of SEK 5.5 M (33.7) in the fourth quarter. Excluding costs of SEK 58.9 M for the inventory provision and the nonrecurring item of SEK 28.2 M, the operating result was a loss of SEK 9.9 M, corresponding to an operating margin of minus 1.6 percent.

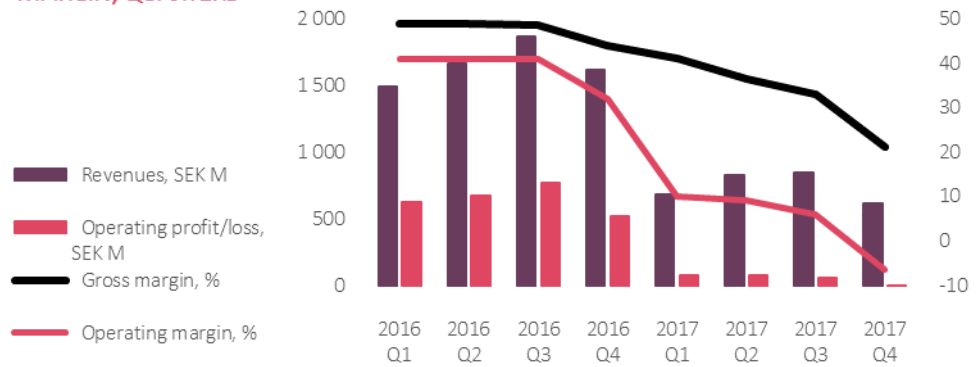
Operating expenses for the quarter totaled SEK 204.4 M (201.0). Development costs of SEK 55.3 M (5.1) were capitalized during the quarter, corresponding to 38 percent of total development costs, compared with 5 percent for the corresponding period of 2016. This increase is due to investments in new products.



### Financial income and expenses

Net financial items amounted to an expense of SEK 0.1 M (income: 27.4). In addition to interest income and interest expenses, this item also includes the effect of changes in exchange rates on currency accounts and the translation of loans in foreign currency. During the fourth quarter, this translation difference was a positive SEK 4.9 M (12.1). SEK 4.8 M (-) was charged against profit for interest expense on borrowings.

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



Earnings and earnings per share during the report period

A net loss of SEK 40.6 M (profit: 520.0) was reported during the period. The result per share during the period was a loss of SEK 0.05 (earnings: 1.35).

## Cash flow and balance sheet

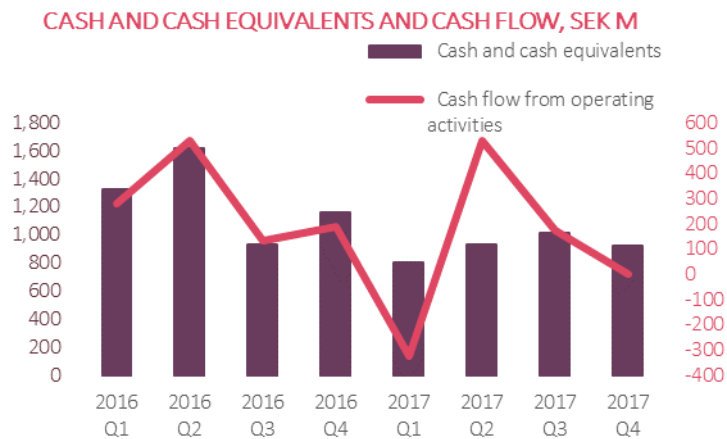
### Cash flow and cash

The operating loss and a reduction in working capital impacted cash flow from operating activities, which amounted to a negative SEK 1.7 M (positive: 186.0).

Cash flow from investing activities in the fourth quarter was a negative SEK 75.5 M (negative: 13.5), of which capitalized development costs accounted for a negative SEK 55.6 M (negative: 13.5). Furthermore an additional purchase consideration of SEK 18.7 M for Delta ID was paid during the quarter.

Cash flow from financing activities was a negative SEK 26 M (positive: 30.8). The entire amount in the fourth quarter of 2017 pertained to the repayment of bank loans. Exchange-rate fluctuations had a positive impact of SEK 12.2 M (27.2) on cash and cash equivalents during the quarter.

“Cash and cash equivalents of SEK 920.2 M”



### Liquidity and shareholders' equity

Consolidated cash and cash equivalents on December 31, 2017 amounted to SEK 920.2 M (1,162.2). Net cash at period-end amounted to SEK 348.4 M. Consolidated working capital at the end of the fourth quarter was SEK 1,751.0 M (2,261.8). At period-end, consolidated shareholders' equity had risen to SEK 2,330.8 M (2,226.1) and the equity/assets ratio for the Group had increased to 66 percent (64).

### Investments, fixed assets and depreciation/amortization

Investments in intangible fixed assets during the quarter totaled SEK 55.6 M (5.0). Investments in tangible fixed assets totaled SEK 11.0 M (7.7). Depreciation according to plan amounted to SEK 23.1 M (15.2).

### Financial objectives

Considering the cost reduction program that the company has initiated and the changed market conditions for capacitive sensors for smartphones, the company needs to – as previously communicated – review the long-term financial targets that were communicated in the 2016 year-end report. The company intends to adjust the financial targets to the changed conditions and communicate revised targets during the second quarter 2018.

## Other events during the fourth quarter

### Business development

During the fourth quarter, 31 mobile devices fitted with the company's sensors were launched by 13 OEM customers. Three of these customers were new. Also launched during the quarter were two smartphones with multimodality (ActiveIRIS® iris recognition and FPC fingerprint sensors). During the quarter, we were able to announce that Fingerprints' fingerprint sensors are now found in 300 smartphone models. A door lock and six laptops equipped with fingerprint sensors from Fingerprints were also launched during the fourth quarter.

Activity involving biometric smart cards was high during the quarter. Fingerprints entered into cooperation with NXP® Semiconductors in this company's fingerprint-on-card solution. NXP is a market leader in solutions for built-in applications and is a key supplier of Secure Elements (SEs) used in today's modern charge cards. This partnership entails an additional important milestone for Fingerprints in the execution of the company's smart card strategy.

In November 2017, Fingerprints announced a collaboration with Idemia, a global leading payment card manufacturer, aimed at developing the next generation of contactless biometric charge cards.

In January 2018, Fingerprints announced a collaboration with Visa in connection with the first market test of contact and contactless biometric charge cards in the US, together with Mountain America Credit Union. In addition, a sensor from Fingerprints is included in a market test with the Bank of Cyprus, together with Zwiipe.

In January 2018, Fingerprints was also able to announce an exclusive collaboration agreement with Gentex for the development of biometric solutions based on iris scanning for the automotive industry.



“31 mobile devices launched in the quarter”

“Two smartphones were launched with ActiveIRIS® and fingerprint sensors”

## Notable events after the close of the quarter

On January 25, 2018, Fingerprints announced that the company expected that earnings for the fourth quarter of 2017 will be lower than the market's expectations. In connection with this, the company also provided information that Fingerprints had initiated a cost-saving program. As a feature of this, the number of positions will be reduced by approximately 185.

## January – December 2017

Revenues for full-year 2017 amounted to SEK 2,966.0 M (6,638.3), down 55 percent compared with full-year 2016. Gross profit amounted to SEK 988.9 M (3,165.3) and the gross margin to 33 percent (48). Provisions of SEK 121.9 M to the obsolescence reserve in 2017 had a negative impact of 4 percentage points on the gross margin. The operating result was charged with transaction costs of SEK 18.0 M for the acquisition of Delta ID, as well as negative exchange-rate differences of SEK 70.7 M (positive: 11.2). Other revenues include a gain of SEK 28.2 M due to the non-payment of an estimated contingent purchase consideration for the acquisition of Delta ID. Cash flow from operating activities for full-year 2017 was SEK 376.9 M (1,130.3).

## Organization and Personnel

The number of employees at December 31, 2017 was 415 (306) and, in addition to permanent employees during the fourth quarter, the company also had consultants in mainly technological development and sales corresponding to 143 (132). At December 31, 2017, including employees and consultants, the company thus employed a total of 558 (438) people.

In early 2018, Fingerprints initiated a cost-saving program. As a feature of this, the number of positions will be reduced by approximately 185 positions. The company is cutting back on its external costs, mainly for consultants, as well as on costs for employed personnel. In total, the measures are estimated to result in cost savings of about SEK 360 M in 2018. Restructuring costs are currently estimated at about SEK 40 M and will predominantly be recognized in the first half of 2018.



## LTIP 2017 (Long Term Incentive Program)

The AGM resolved in accordance with the proposal to adopt a long-term incentive program (the "LTIP 2017") for up to 25 personnel in Fingerprints. The participants were given an opportunity to receive Class B shares free of charge within the framework of LTIP 2017, also known as "Performance Shares," on condition that certain terms and conditions are fulfilled. See the office notice of the AGM for more information, [www.fingerprints.com](http://www.fingerprints.com)

## Acquisitions



On June 7, Fingerprint Cards acquired all of the shares in Delta ID Inc.

The acquisition analysis for Delta ID Inc has now been completed (see table below). In relation to the preliminary acquisition analysis, reallocations between intangible fixed assets and goodwill have been made.

During the fourth quarter, a previously unpaid consideration of SEK 18.7 M was paid, while the remaining unpaid consideration totaling SEK 102.6 M will be paid over the coming four quarters.

Since the acquisition date on June 7, 2017, Delta ID has contributed revenues of SEK 10.4 M and resulted in SEK 15.4 M being charged against operating profit. If the acquisition had been completed at the beginning of the year, the contribution to revenues would have amounted to SEK 16.2 M.

### ACQUISITION ANALYSIS

SEK M	Delta ID Inc.
<b>Fair value of acquired assets and liabilities</b>	
Intangible assets	245.0
Tangible assets	0.0
<b>Total fixed assets</b>	<b>245.0</b>
Current assets	5.5
<b>Total current assets</b>	<b>5.5</b>
Deferred tax liability	-85.8
<b>Total deferred tax liability</b>	<b>-85.8</b>
<b>Total fair value of acquired assets and liabilities, net</b>	<b>164.7</b>
Goodwill	784.3
<b>Total purchase price</b>	<b>949.0</b>
Cash and cash equivalents in acquired company	15.7
Adjustment for accrued Earn out	-29.5
Adjustment working capital	3.2
Unpaid purchase price (Holdbacks) at December 31, 2017	-102.6
<b>Cash flow from acquisitions of companies/businesses</b>	<b>835.8</b>

## Share capital trend



On the balance sheet date of December 31, 2016, 870,000 Class B shares, corresponding to share capital of SEK 34,800, from the final exercise occasion for the TO6 warrants program were under registration. These were registered on January 3, 2017.

In accordance with a resolution passed at the 2017 AGM, shares were canceled, and a bonus issue was implemented during May 2017. The company's registered share capital has not changed but the number of shares has decreased.

The share capital was reduced by canceling a total of 10,424,000 Class B shares that the company held in treasury. Through the cancellation, the share capital was reduced by SEK 416,960 from SEK 12,975,667 to SEK 12,558,707. The share capital was increased through a bonus issue of SEK 416,960, without issuing new shares.

Following the cancellation and the bonus issue, the number of shares amounts to 313,967,675, of which 6,000,000 are Class A shares and 307,967,675 are Class B shares. The total number of votes is 367,967,675. The share capital remains unchanged following the aforementioned measures and amounts to SEK 12,975,675.

### NUMBER OF SHARES

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
<b>Number of shares, (000s)</b>				
Number of shares at period end	313,967	323,521	313,967	323,521
Of which class A-shares	6,000	6,000	6,000	6,000
Of which class B-shares	307,967	317,521	307,967	317,521
Number buyback shares at period end	-	-10,424	-	-10,424
Number of shares outstanding at period end	313,967	313,097	313,967	313,097
Number of shares outstanding, diluted at period end	313,967	313,967	313,967	313,967
<b>Average number of shares outstanding (000s)</b>				
Average number of shares	313,967	322,913	313,967	321,830
Average number of buyback shares	-	-10,424	-	-4,104
Average number of shares outstanding, basic	313,967	312,489	313,967	317,726
Average number of shares outstanding, diluted	313,967	313,434	313,967	321,408

## Accounting policies

This condensed year-end report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting, and applying the provisions of the Annual Accounts Act. The year-end 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, 2016 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 IFRSs that have become effective in 2017 have had any significant impact on the Group. The European Securities and Markets Authority's "Guidelines – Alternative Performance Measures" are applied for measures that are not defined by the IFRS.

**IFRS 9 Financial Instruments**

IFRS 9 consists of three components: classification and measurement, impairment and hedging, and replaces IAS 39 Financial Instruments: Recognition and Measurement. The new accounting standard has a limited impact on the recognition of financial instruments. No effects have been established in respect of classification and measurement. Regarding impairment losses, it is considered that the impact of the impairment loss model for expected loan losses will be insignificant. Since the effects are insignificant, the transition to the opening balance for 2018 will not be affected.

**IFRS 15 Revenues from contracts with customers**

IFRS 15 has no impact on the financial statements because the Group has no service contracts. With respect to goods delivered with variable remuneration, these contracts have been analyzed and will not have any impact on the financial statements. Accordingly, the transition to the opening balance for 2018 will not be affected.

## Related-party transactions

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

## Parent Company

The Parent Company's fourth-quarter revenues amounted to SEK 613.3 M (1,618.7) and the result for the period after financial items declined to a loss of SEK 55.4 M (profit: 544.0). The net result for the period was a loss of SEK 101.9 M (loss: 86.4). The Parent Company's disposable cash and cash equivalents at period end amounted to SEK 878.9 M (1,142.3).

## Significant risks and uncertainties – Group and Parent Company

To anticipate risks and minimize their impact, Fingerprints has processes for continuously identifying and managing risks that could impact the operations. This includes probability and consequence assessments of operational risks, market risks, financial risks and legal and other risks.

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 might in the future have a material 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, Risk of obsolescence, Economic fluctuations, Currency risk, Loss of customers and price pressure due to increased competition.
- Operational risks: Delivery capacity of suppliers, Competency provision, Loss of key competencies, Reduced technological lead, Information leaks
- Financial risks: Financing risk, Credit risk
- Legal risks: Product defects and product liability, Patent risk, Corruption.
- Other risks: Conflict minerals, Restrictions on planned business development, Biometrics and integrity, Scalability internally, Discrimination and lack of diversity.

For further information concerning the risks facing the Group, see the 2016 Annual Report, which is available on our website [www.fingerprints.com](http://www.fingerprints.com)

“Volumes in the fourth quarter tend to be lower than in the third”

## Seasonal variations

As the penetration of fingerprint sensors in the smartphone segment has grown, the company’s market has increasingly displayed the same pattern and seasonal fluctuations as the other parts of the mobile phone industry, albeit subject to a certain time lag. The fourth quarter tends to account for a large share of the annual volume of mobile phones and the second quarter is usually the weakest.

For component suppliers, such as Fingerprints, to mobile phone manufacturers, volumes tend to be the strongest during the year in the third quarter, when volumes are about 10 percent higher than in the fourth quarter.

## Financial calendar

Interim report, January – March 2018  
Annual General Meeting

May 3, 2018  
May 29, 2018

## For further information, contact:

This information is information that Fingerprint Cards AB is obliged to make public pursuant to the Securities Markets Act. The information was submitted for publication at 07:00 CET on February 9, 2018.

Welcome to Fingerprints' presentation of the year-end report for 2017 on February 9 at 09:00 a.m. CET. The presentation will be webcast, and participants can register via the link below.

<https://engage.vevent.com/index.jsp?eid=3483&seid=118>

For further information, please contact:

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## Certification

The Board of Directors and the CEO certify that this Year-end 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, February 8, 2018

Jan Wäreby  
Chairman of the Board

Alexander Kotsinas  
Board Member

Urban Fagerstedt  
Board Member

Carl-Johan von Plomgren  
Board Member

Tomas Mikaelsson  
Board Member

Ann-Sofie Nordh  
Board Member

Åsa Hedin  
Board Member

Dimitrij Titov  
Board Member

Christian Fredrikson  
CEO

### Auditors' review report

This interim report has not been examined by the company's auditors.

## 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 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	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Revenue	615.3	1,618.7	2,966.0	6,638.3
Cost of goods sold	-485.2	-903.8	-1,977.1	-3,473.0
<b>Gross profit</b>	<b>130.1</b>	<b>714.9</b>	<b>988.9</b>	<b>3,165.3</b>
<b>Gross Margin, %</b>	<b>21</b>	<b>44</b>	<b>33</b>	<b>48</b>
Selling expenses	-64.0	-50.8	-236.9	-176.6
Administrative expenses	-40.6	-37.7	-145.6	-117.2
Development expenditure	-99.8	-112.5	-391.3	-304.2
Other operating income/expenses <sup>1)2)</sup>	33.7	6.1	-60.5	11.2
<b>Operating profit/loss</b>	<b>-40.6</b>	<b>520.0</b>	<b>154.6</b>	<b>2,578.5</b>
<b>Operating Margin, %</b>	<b>-7</b>	<b>32</b>	<b>5</b>	<b>39</b>
Finance income/expenses <sup>1)</sup>	-0.1	27.4	-12.8	35.0
<b>Profit/loss before tax</b>	<b>-40.7</b>	<b>547.4</b>	<b>141.8</b>	<b>2,613.5</b>
Income tax	24.2	-124.1	-21.5	-578.8
<b>Profit/loss for the period</b>	<b>-16.5</b>	<b>423.3</b>	<b>120.3</b>	<b>2,034.7</b>
Other comprehensive income	4.9	0.0	-15.2	0.3
<b>Total comprehensive income for the period</b>	<b>-11.6</b>	<b>423.3</b>	<b>105.1</b>	<b>2,035.0</b>
<b>Earnings per share for the period</b>				
Before dilution, SEK	-0.05	1.35	0.38	6.40
After dilution, SEK	-0.05	1.35	0.38	6.33

<sup>1)</sup> Exchange rate effects on bank balances are reported under financial income and expenses as from 2017.

<sup>2)</sup> Adjustment for accrued Eam out Delta SEK 28.2 M.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	31-Dec 2017	31-Dec 2016
<b>Assets</b>		
Intangible fixed assets	1,188.3	71.4
Tangible fixed assets	46.6	29.2
Financial fixed assets	0.0	0.0
<i>Total fixed assets</i>	<i>1,234.9</i>	<i>100.6</i>
Inventories	646.1	672.7
Accounts receivable	437.5	1,132.1
Other receivables	284.0	413.7
Prepaid expenses and accrued income	29.1	21.7
Cash and cash equivalents	920.2	1,162.2
<i>Total current assets</i>	<i>2,316.9</i>	<i>3,402.4</i>
<b>Total assets</b>	<b>3,551.8</b>	<b>3,503.0</b>
<b>Shareholders' equity and liabilities</b>		
<i>Shareholders' equity</i>	<i>2,330.8</i>	<i>2,226.1</i>
<i>Deferred tax liabilities</i>	<i>189.8</i>	<i>136.3</i>
<i>Long-term liabilities</i>	<i>221.9</i>	<i>-</i>
Accounts payable	268.0	821.6
Current tax liabilities	1.5	54.1
Other current liabilities	349.9	6.7
Accrued expenses	189.9	258.2
<i>Total current liabilities</i>	<i>809.3</i>	<i>1,140.6</i>
<b>Total shareholders' equity and liabilities</b>	<b>3,551.8</b>	<b>3,503.0</b>



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Opening shareholders' equity	2,342.4	1,772.2	2,226.1	1,146.8
Comprehensive income for the period	-11.6	423.3	105.1	2,035.0
Exercise of warrants	-	30.6	-0.4	97.5
Buyback of own shares	-	-	-	-1,053.2
<b>Closing shareholders' equity</b>	<b>2,330.8</b>	<b>2,226.1</b>	<b>2,330.8</b>	<b>2,226.1</b>

**CONDENSED CONSOLIDATED STATEMENT CASH-FLOWS**

SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Profit/loss before tax	-40.7	547.4	141.8	2,613.5
Adjustment for non-cash items	28.9	-10.6	136.1	14.6
Income tax paid	-56.4	24.2	-345.4	-498.0
Change in inventory	23.6	-299.5	26.7	-519.7
Change in current receivables	111.0	-192.9	1,080.4	-913.0
Change in current liabilities	-68.1	117.4	-662.7	432.9
<b>Cash flow from operating activities <sup>3)</sup></b>	<b>-1.7</b>	<b>186.0</b>	<b>376.9</b>	<b>1,130.3</b>
Cash flow from investing activities	-75.5	-13.5	-1,071.0	-78.3
Cash flow from financing activities <sup>4)</sup>	-26.0	30.8	481.7	-955.7
<b>Change in cash and cash equivalents</b>	<b>-103.2</b>	<b>203.3</b>	<b>-212.4</b>	<b>96.3</b>
Cash and cash equivalents on the opening date	1,011.2	931.7	1,162.2	1,031.3
Effect of exchange rate changes on cash	12.2	27.2	-29.6	34.6
<b>Closing cash and cash equivalents</b>	<b>920.2</b>	<b>1,162.2</b>	<b>920.2</b>	<b>1,162.2</b>

**THE GROUP'S OPERATING SEGMENTS**

SEK M	Oct-Dec 2017	Oct-Dec 2016	Change, %	Jan-Dec 2017	Jan-Dec 2016	Changes %
<b>Revenue</b>						
Sensors	615.3	1,618.7	-62	2,966.0	6,638.3	-55
Other	-	-	-	-	-	-
<b>Group</b>	<b>615.3</b>	<b>1,618.7</b>	<b>-62</b>	<b>2,966.0</b>	<b>6,638.3</b>	<b>-55</b>

SEK M	Oct-Dec 2017	Oct-Dec 2016	Change, %	Jan-Dec 2017	Jan-Dec 2016	Changes %
<b>Operating profit/loss</b>						
Sensors	-40.6	520.0	-108	154.6	2,578.5	-94
Other	-	-	-	-	-	-
<b>Group</b>	<b>-40.6</b>	<b>520.0</b>	<b>-108</b>	<b>154.6</b>	<b>2,578.5</b>	<b>-94</b>

SEK M	Oct-Dec 2017	Oct-Dec 2016	Change, %	Jan-Dec 2017	Jan-Dec 2016	Changes %
<b>Profit/loss before tax</b>						
Sensors	-40.7	547.4	-107	141.8	2,613.5	-95
Other	-	-	-	-	-	-
<b>Group</b>	<b>-40.7</b>	<b>547.4</b>	<b>-107</b>	<b>141.8</b>	<b>2,613.5</b>	<b>-95</b>



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

SEK M	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015
Revenue	615.3	841.4	823.4	685.9	1,618.7	1,862.3	1,666.1	1,491.2	1,351.5
Cost of goods sold	-485.2	-564.6	-523.5	-403.8	-903.8	-958.1	-852.4	-758.7	-723.3
<b>Gross profit</b>	<b>130.1</b>	<b>276.8</b>	<b>299.9</b>	<b>282.1</b>	<b>714.9</b>	<b>904.2</b>	<b>813.7</b>	<b>732.5</b>	<b>628.2</b>
<b>Gross margin, %</b>	<b>21</b>	<b>33</b>	<b>36</b>	<b>41</b>	<b>44</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>46</b>
Selling costs	-64.0	-58.6	-55.8	-58.5	-50.8	-43.1	-45.8	-36.9	-35.9
Administrative costs	-40.6	-33.0	-37.2	-34.8	-37.7	-27.4	-34.5	-17.6	-19.2
Development costs	-99.8	-84.7	-101.3	-105.5	-112.5	-81.3	-60.0	-50.3	-48.2
Other operating income/expenses 1)2)	33.7	-48.1	-33.6	-12.5	6.1	12.1	1.7	-9.0	-2.2
<b>Operating profit/loss</b>	<b>-40.6</b>	<b>52.4</b>	<b>72.0</b>	<b>70.8</b>	<b>520.0</b>	<b>764.5</b>	<b>675.1</b>	<b>618.7</b>	<b>522.7</b>
<b>Operating margin, %</b>	<b>-7</b>	<b>6</b>	<b>9</b>	<b>10</b>	<b>32</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>39</b>
Finance income/expenses	-0.1	13.1	-24.7	-1.1	27.4	2.6	34.7	-29.5	-5.1
<b>Profit/loss before tax</b>	<b>-40.7</b>	<b>65.5</b>	<b>47.3</b>	<b>69.7</b>	<b>547.4</b>	<b>767.1</b>	<b>709.8</b>	<b>589.2</b>	<b>517.6</b>
Income tax	24.2	-15.4	-14.5	-15.8	-124.1	-169.6	-155.4	-129.7	-113.2
<b>Profit/loss for the period</b>	<b>-16.5</b>	<b>50.1</b>	<b>32.8</b>	<b>53.9</b>	<b>423.3</b>	<b>597.5</b>	<b>554.4</b>	<b>459.5</b>	<b>404.4</b>
Other comprehensive income	4.9	-12.6	-7.3	-0.2	0.0	0.1	0.3	-	-
<b>Total comprehensive income for the period</b>	<b>-11.6</b>	<b>37.5</b>	<b>25.5</b>	<b>53.7</b>	<b>423.3</b>	<b>597.6</b>	<b>554.7</b>	<b>459.5</b>	<b>404.4</b>

1) Exchange rate effects on bank balances are reported under financial income and expenses as from 2017.

2) Adjustment for accrued Eam out Delta SEK 28.2 M.

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

	31-dec 2017	30-sep 2017	30-jun 2017	31-mar 2017	31-dec 2016	30-sep 2016	30-jun 2016	31-mar 2016	31-dec 2015
<i>SEK/USD exchange rate, balance date</i>	<i>8.23</i>	<i>8.11</i>	<i>8.47</i>	<i>8.93</i>	<i>9.10</i>	<i>8.62</i>	<i>8.48</i>	<i>8.15</i>	<i>8.35</i>
<b>Assets</b>									
Intangible fixed assets	1,188.3	1,134.7	1,148.4	87.7	71.4	80.2	87.1	65.8	49.7
Tangible fixed assets	46.6	40.0	40.5	37.8	29.2	23.6	23.1	24.4	20.6
Financial fixed assets	0.0	0.1	1.4	1.3	0.0	0.1	1.0	1.0	1.0
<b>Total fixed assets</b>	<b>1,234.9</b>	<b>1,174.8</b>	<b>1,190.3</b>	<b>126.8</b>	<b>100.6</b>	<b>103.9</b>	<b>111.2</b>	<b>91.2</b>	<b>71.3</b>
Inventories	646.1	669.6	818.4	1,047.5	672.7	373.0	243.7	193.9	153.0
Accounts receivable	437.5	592.9	451.0	641.6	1,132.1	1,341.5	1,086.7	725.2	617.9
Other receivables	284.0	210.9	157.8	388.4	413.7	23.7	24.5	23.6	28.6
Prepaid expenses and accrued income	29.1	23.7	26.3	28.8	21.7	9.5	8.3	9.3	8.0
Cash and cash equivalents	920.2	1,011.2	933.7	798.4	1,162.2	931.7	1,618.3	1,321.2	1,031.3
<b>Total current assets</b>	<b>2,316.9</b>	<b>2,508.3</b>	<b>2,387.2</b>	<b>2,904.7</b>	<b>3,402.4</b>	<b>2,679.4</b>	<b>2,981.5</b>	<b>2,273.2</b>	<b>1,838.8</b>
<b>Total assets</b>	<b>3,551.8</b>	<b>3,683.1</b>	<b>3,577.5</b>	<b>3,031.5</b>	<b>3,503.0</b>	<b>2,783.3</b>	<b>3,092.7</b>	<b>2,364.4</b>	<b>1,910.1</b>
Shareholders' equity and liabilities									
Shareholders' equity	2,330.8	2,342.4	2,304.9	2,279.4	2,226.1	1,772.2	1,990.1	1,673.1	1,146.8
Deferred tax liabilities	189.8	200.0	207.0	135.5	136.3	-	-	-	-
Long-term liabilities	221.9	243.3	254.1	-	-	-	-	-	-
Accounts payable	268.0	362.9	234.9	405.5	821.6	697.6	617.7	465.7	548.5
Current tax liabilities	1.5	0.8	0.4	0.8	54.1	42.8	273.9	126.6	109.6
Other current liabilities	349.9	359.1	392.6	6.1	6.7	4.9	5.4	3.3	4.0
Accrued expenses	189.9	174.6	183.6	204.2	258.2	265.8	205.6	95.7	101.2
<b>Total current liabilities</b>	<b>809.3</b>	<b>897.4</b>	<b>811.5</b>	<b>616.6</b>	<b>1,140.6</b>	<b>1,011.1</b>	<b>1,102.6</b>	<b>691.3</b>	<b>763.3</b>
<b>Total shareholders' equity and liabilities</b>	<b>3,551.8</b>	<b>3,683.1</b>	<b>3,577.5</b>	<b>3,031.5</b>	<b>3,503.0</b>	<b>2,783.3</b>	<b>3,092.7</b>	<b>2,364.4</b>	<b>1,910.1</b>



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

SEK M	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015
Profit/loss before tax	-40.7	65.5	47.3	69.7	547.4	767.1	709.8	589.2	517.6
Adjustment for non-cash items	28.9	17.9	76.3	13.0	-10.6	13.1	-24.3	36.5	17.0
Income tax paid	-56.4	-62.7	-156.2	-70.1	24.2	-401.4	-8.1	-112.7	-4.2
Change in inventory	23.6	148.8	229.1	-374.8	-299.5	-129.5	-49.8	-40.9	-58.0
Change in current receivables	111.0	-99.4	560.1	508.7	-192.9	-255.2	-361.3	-103.6	-171.7
Change in current liabilities	-68.1	104.6	-228.6	-470.6	117.4	140.4	264.1	-89.0	241.8
<b>Cash flow fr. operating activities 1)</b>	<b>-1.7</b>	<b>174.7</b>	<b>528.0</b>	<b>-324.1</b>	<b>186.0</b>	<b>134.5</b>	<b>530.4</b>	<b>279.5</b>	<b>542.5</b>
Cash flow from investing activities	-75.5	-79.9	-874.8	-40.8	-13.5	-7.9	-30.1	-26.8	-15.9
Cash flow from financing activities	-26.0	0.0	508.1	-0.4	30.8	-815.5	-237.8	66.8	11.1
<b>Change in cash and cash equiv.</b>	<b>-103.2</b>	<b>94.8</b>	<b>161.3</b>	<b>-365.3</b>	<b>203.3</b>	<b>-688.9</b>	<b>262.5</b>	<b>319.5</b>	<b>537.7</b>
Cash and cash equiv. on the opening date	1,011.2	933.7	798.4	1,162.2	931.7	1,618.3	1,321.2	1,031.3	498.7
Effect of exchange rate changes on cash <sup>1)</sup>	12.2	-17.3	-26.0	1.5	27.2	2.3	34.6	-29.6	-5.1
<b>Closing cash and cash equivalents</b>	<b>920.2</b>	<b>1,011.2</b>	<b>933.7</b>	<b>798.4</b>	<b>1,162.2</b>	<b>931.7</b>	<b>1,618.3</b>	<b>1,321.2</b>	<b>1,031.3</b>

<sup>1)</sup>Change rate effects on bank balances are reported under financial income and expenses as from 2017.

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

SEK M	12/31/2017		12/31/2016	
	Carrying amount	Fair amount	Carrying amount	Fair amount
<b>Financial assets</b>				
<b>Loan receivables and accounts receivable</b>				
Accounts receivable	437.5	437.5	1,132.1	1,132.1
Cash and cash equivalents	920.2	920.2	1,162.2	1,162.2
<b>Total financial assets</b>	<b>1,357.7</b>	<b>1,357.7</b>	<b>2,294.3</b>	<b>2,294.3</b>
<b>Financial liabilities</b>				
<b>Current financial liabilities:</b>				
Accounts payable	268.0	268.0	821.6	821.6
<b>Total financial liabilities</b>	<b>733.3</b>	<b>733.3</b>	<b>821.6</b>	<b>821.6</b>
<b>By category:</b>				
Loan receivables and accounts receivable	1,357.7	1,357.7	2,294.3	2,294.3
<b>Total financial assets</b>	<b>1,357.7</b>	<b>1,357.7</b>	<b>2,294.3</b>	<b>2,294.3</b>
Financial liabilities at amortized cost	733.3	733.3	821.6	821.6
<b>Total financial liabilities</b>	<b>733.3</b>	<b>733.3</b>	<b>821.6</b>	<b>821.6</b>



CONDENSED INCOME STATEMENT, PARENT COMPANY

SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Revenues	613.3	1,618.7	2,955.5	6,638.3
Cost of goods sold	-476.3	-903.8	-1,957.6	-3,473.0
<b>Gross profit</b>	<b>137.0</b>	<b>714.9</b>	<b>997.9</b>	<b>3,165.3</b>
Selling expenses	-60.9	-51.5	-231.8	-176.6
Administrative expenses	-46.9	-41.4	-162.8	-129.0
Development expenditure	-95.9	-111.8	-382.3	-304.2
Other operating revenues/expenses	5.4	-0.9	-70.7	11.3
<b>Operating profit/loss</b>	<b>-61.3</b>	<b>509.3</b>	<b>150.3</b>	<b>2,566.8</b>
Finance revenues/expenses	5.9	34.7	0.1	35.2
<b>Profit/loss after financial items</b>	<b>-55.4</b>	<b>544.0</b>	<b>150.4</b>	<b>2,602.0</b>
Appropriations	-74.0	-650.0	-74.0	-650.0
<b>Profit/loss before tax</b>	<b>-129.4</b>	<b>-106.0</b>	<b>76.4</b>	<b>1,952.0</b>
Tax	27.5	19.6	-18.4	-433.7
<b>Profit/loss for the period</b>	<b>-101.9</b>	<b>-86.4</b>	<b>58.0</b>	<b>1,518.3</b>

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK M	31-Dec 2017	31-Dec 2016
<b>Assets</b>		
Intangible fixed assets	230.1	69.8
Tangible fixed assets	39.2	25.9
Financial fixed assets	864.8	11.8
<i>Total fixed assets</i>	<i>1,134.1</i>	<i>107.5</i>
Inventories	646.1	672.7
Accounts receivable	437.3	1,132.1
Current receivables	306.7	434.4
Cash and cash equivalents	878.9	1,142.3
<i>Total current assets</i>	<i>2,269.0</i>	<i>3,381.5</i>
<b>Total assets</b>	<b>3,403.1</b>	<b>3,489.0</b>
Shareholders' equity and liabilities		
<i>Shareholders' equity</i>	<i>1,756.5</i>	<i>1,699.0</i>
<i>Untaxed reserves</i>	<i>724.0</i>	<i>650.0</i>
<i>Long-term liabilities</i>	<i>221.9</i>	<i>-</i>
Accounts payable	266.9	820.7
Tax liabilities	0.0	53.9
Other current liabilities	433.8	265.4
<i>Total current liabilities</i>	<i>700.7</i>	<i>1,140.0</i>
<b>Total shareholders' equity and liabilities</b>	<b>3,403.1</b>	<b>3,489.0</b>



KEY CONSOLIDATED DATA

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Revenue, SEK M	615.3	1,618.7	2,966.0	6,638.3
Revenue change, %	-62	20	-55	129
Gross margin, %	21	44	33	48
Operating margin, %	-7	32	5	39
Profit margin, %	-3	26	4	31
EBITDA, SEK M	-17.5	536.0	234.0	2,627.1
Return on equity, %	0	21	5	121
Cash flow from operating activities, SEK M	-1.7	186.0	376.9	1,130.3
Equity/assets ratio, %	66	64	66	64
Investments, SEK M	-75.5	-13.5	-1,071.0	-78.3
Average number of employees	416	293	388	237
Shareholders' equity per share, SEK				
- before dilution	7.42	7.11	7.42	7.11
- after dilution	7.42	7.09	7.42	7.09
Cash flow from operating activities/share, SEK				
- before dilution	-0.01	0.60	1.20	3.56
- after dilution	-0.01	0.59	1.20	3.52
Number of shares at period end, 000s <sup>(1)</sup>	313,967	313,097	313,967	313,097
Average number of shares, 000s				
- before dilution	313,967	312,489	313,967	317,726
- after dilution	313,967	313,434	313,967	321,408
Share price at period end	15.81	62.85	15.81	62.85

KEY CONSOLIDATED FIGURES FOR THE PAST NINE QUARTERS

SEK M	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015
Revenue, SEK M	615.3	841.4	823.4	685.9	1,618.7	1,862.3	1,666.1	1,491.2	1,351.5
Revenue change, %	-62	-55	-51	-54	20	93	274	966	1,187
Gross margin, %	21	33	36	41	44	49	49	49	46
Operating margin, %	-7	6	9	10	32	41	41	41	38
Profit margin, %	-3	6	4	8	26	32	33	31	30
EBITDA, SEK M	-17.5	77.2	88.9	85.4	535.8	779.7	685.8	625.6	534.8
Return on equity, %	0	2	1	2	25	41	35	33	44
Cash flow from operating activities, SEK M	-1.7	174.7	528.0	-324.1	186.0	134.5	530.4	279.5	542.5
Equity/assets ratio, %	66	64	64	75	64	64	64	71	60
Investments, SEK M	-75.5	-79.9	-874.8	-40.8	-13.5	-7.9	-30.1	-26.8	-15.9
Average number of employees	416	406	374	339	293	259	224	179	140
Shareholders' equity per share, SEK									
- before dilution	7.42	7.46	7.34	7.26	7.11	5.68	6.22	5.18	3.63
- after dilution	7.42	7.46	7.34	7.26	7.09	5.60	6.13	5.14	3.54
Cash flow from operating activities, SEK									
- before dilution	-0.01	0.56	1.68	-1.03	0.60	0.42	1.65	0.87	1.72
- after dilution	-0.01	0.56	1.68	-1.03	0.59	0.42	1.63	0.86	1.68
Number of shares at period end, 000s	313,967	313,967	313,967	313,967	313,097	312,272	320,007	322,696	316,195
Share price at period end	15.81	22.81	30.77	36.14	62.85	100.50	81.30	94.40	118.20



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

SEK M	Jan-Dec 2017	Oct-Sep 2016/17	Jul-Jun 2016/17	Apr-Mar 2016/17	Jan-Dec 2016	Oct-Sep 2015/16	Jul-Jun 2015/16	Apr-Mar 2015/16	Jan-Dec 2015
Revenues, SEK M	2,966.0	3,969.4	4,990.3	5,833.0	6,638.3	6,371.1	5,472.8	4,251.8	2,900.6
Gross profit, SEK M	988.9	1,573.7	2,201.1	2,714.9	3,165.3	3,078.6	2,605.1	1,950.4	1,255.3
Gross margin, %	33	40	44	47	48	48	48	46	43
Operating profit/loss, SEK M	154.6	715.4	1,427.5	2,030.6	2,578.5	2,581.0	2,160.9	1,556.4	913.1
Operating margin, %	5	18	29	35	39	41	39	37	31
EBITDA, SEK M	234.0	787.5	1,490.0	2,086.9	2,627.1	2,625.8	2,200.2	1,594.6	963.8



## About Fingerprint Cards

Fingerprint Cards AB, Fingerprints, with its Swedish roots, is the leading global biometric company, whose mission is to spearhead the development of biometric interaction that facilitates the convenience and integrity of the individual. Its value is proven daily in millions of devices, through billions of touches, who are their own key – quite simply, with a human touch.

Fingerprints develops biometric systems comprising sensors, algorithms, software and packaging technologies. Its success is based on product development at the cutting edge of technology, which results in world-leading products in terms of security, convenience and performance. The current product range consists largely of fingerprint sensors and customers are primarily manufacturers of smartphones and tablets, where the company is market leading. As the use of biometric solutions increases, Fingerprints is working to broaden its offering by using different biometric techniques, or modalities, and to identify other market segments where the solutions can be used, such as smartcards, PCs, automotive and online devices (IoT).

## Vision

A secure and seamless universe, where you are the key to everything.

## Mission

To provide secure and convenient identification and authentication with a *human touch*.

## Business concept

Fingerprints develops and sells biometric solutions to companies globally that develop products and services interfacing with people.

**Glossary** available on the company's website [www.fingerprints.com](http://www.fingerprints.com)

## Definitions

Most of these key figures are Alternative Performance Measures according to ESMA's definition. How these key figures are used is described below, as is how they are calculated. The alternative performance measures are used to provide a more comprehensive description of how the operational activities are developing, such as gross margin, gross profit, operating margin, EBITDA and revenue increase, while other alternative performance measures focus on the owner perspective, such as return on equity, and cases where certain balance-sheet items or cash flow items are placed in relation to the number of shares. In addition, the equity/assets ratio is provided to describe the financial position and long-term financial sustainability.





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

**Return on equity** Profit for the period in relation to average equity during the period. Average equity is defined as shareholders' equity at the start of the period plus shareholders' equity at the end of the period divided by two.

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

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

**EBITDA** Earnings before interest, taxes, depreciation and amortization. Operating profit before financial income/expense, taxes, depreciation/amortization and impairment losses.

**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** Shareholders' equity per share adjusted for the number of shares and the paid exercise price resulting from ongoing remuneration and personnel programs.

**Average number of shares outstanding** 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.

**Revenue increase** This shows the increase in revenues compared with the corresponding year-earlier period shown as a percentage.

**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.

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

**Result per share** Result for the period/average number of shares outstanding at period end.

**Result per share after dilution** Result per share adjusted for the number of shares and the paid strike price pursuant to ongoing compensation and personnel programs. Earnings per share after dilution can never be better than earnings per share before dilution.

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

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

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

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

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