

FINGERPRINTS

“Revenues for the quarter up 20%”

Fourth quarter, 2016

- Revenues totaled SEK 1,618.7 M (1,351.5), up 20 percent compared with the fourth quarter of 2015.
- The gross margin was 44% (46)
- Operating profit amounted to SEK 547.6 M (517.6) and the operating margin to 34 percent (38)
- Earnings per share increased to SEK 1.35 (1.28)
- Cash flow from operating activities was SEK 186.0 M (542.5)

“Revenues for the year was up 129% and an operating margin of 39% was reached”

January-December 2016

- Revenues totaled SEK 6,638.3 M (2,900.5), up 129 percent year-on-year
- The gross margin was 48% (43)
- Operating profit amounted to SEK 2,613.1 M (910.3) and the operating margin to 39 percent (31)
- Earnings per share increased to SEK 6.50 (2.52)
- Cash flow from operating activities was SEK 1,130.3 M (910.4)

Outlook

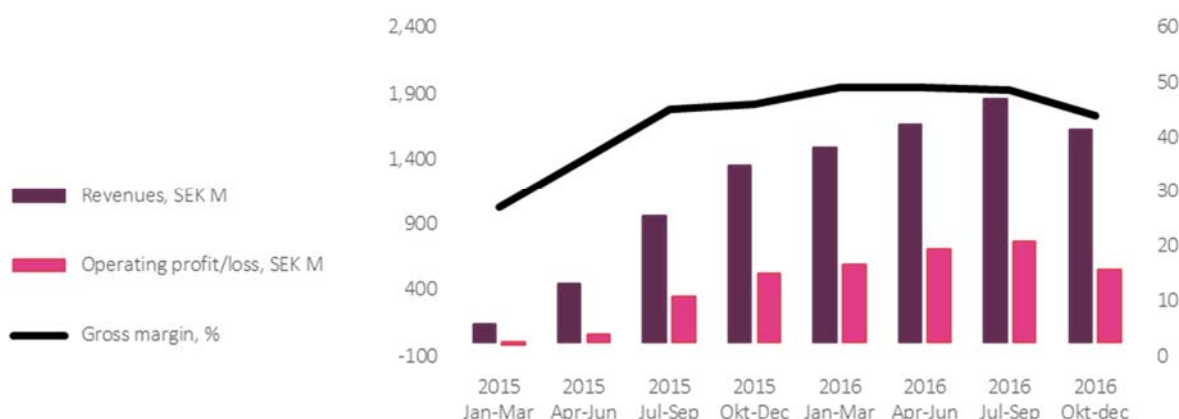
- Revenues for 2017 are estimated to amount to SEK 7,500-9,500 M.
- The operating margin for 2017 is expected to exceed 35%

Board of Directors’ proposal to AGM

“Proposed dividend of SEK 2 per share”

- The Board proposes a dividend of SEK 2.00 per share for the 2016 fiscal year and also proposes that the Annual General Meeting resolve to authorize the buy back and transfer of the company’s own Class B shares. In addition, the Board proposes the cancelation of the treasury shares.

REVENUES, OPERATING PROFIT/LOSS AND GROSS MARGIN, QUARTERS





CEO's comments

Revenues more than doubled in 2016

Following an eventful 2016, we have also got off to an eventful start to 2017. I am delighted that I was able earlier in the week to communicate our strategic acquisition of Delta ID – an acquisition that I view as a key step in our business development. Delta ID's world-leading technology for iris recognition complements our current biometric technology platform for fingerprint sensors and strengthens our offering. Building up credibility is important for us and during 2016, and in early 2017, events beyond our control have impaired confidence in the company. Naturally, we take a very serious view of these events and we will continue to cooperate fully with the relevant authorities and hope for a rapid outcome of these processes. However, my primary task is to maintain my focus on the business, on our skilled employees and on our customers, because it is by developing the business and strengthening the brand that we build our credibility among all of our stakeholders.

“Delta ID is a strategic acquisition and broadens our portfolio and customer base”

Fourth quarter

In the fourth quarter, revenues rose to SEK 1,619 M, equal to year-on-year growth of 20 percent. Operating profit during the quarter was SEK 548 M, corresponding to an operating margin of 34 percent. Our gross margin remains healthy at 44 percent which demonstrates that we are faring well in a growing market subject to intense competition. Cash flow from operating activities was SEK 186 M.

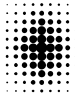
During the quarter, our OEM customers launched 32 mobile devices equipped with integrated sensors from Fingerprint Cards AB (“Fingerprints”). One of these represented the unveiling of our new sensor for use under glass, the FPC1268. Moreover, Samsung launched its new Notebook 9 series featuring one of our sensors and, at the Money 2020 trade fair, a number of our partners demonstrated prototypes of smartcards fitted with our new ultra-thin sensors from the FPC1300 series. On the whole, this was a quarter hallmarked by several positive events, such as growth, healthy profitability and several signs that our innovative products are gaining ground in both existing and new areas. While we are naturally feeling the sharpening competition, we are well equipped to cope with it. Due to earlier inventory build-up in the supply chain, a component shortage affecting a number of our customers and the intensifying competition, we were forced late in the quarter to adjust the full-year revenue guidance. As previously announced, these factors will also impact us in the first quarter of 2017, when revenues are expected to be materially weaker than in the first quarter of 2016. The revenue guidance for full-year 2017 remains as previously communicated: revenues of between SEK 7,500 M and SEK 9,500 M, and an operating margin exceeding 35 percent.

Full-year 2016

Revenues for 2016 totaled SEK 6,638 M, up a full 129 percent. All financial key figures improved; the operating margin rose to 39 percent, the gross margin to 48 percent and cash flow from operating activities to SEK 1,130 M. We have grown to more than 400 employees and now have offices in the hi-tech industry's most innovative areas. During the year, our OEM-customers have launched almost 140 mobile devices containing our sensors. Our product portfolio has been broadened



“Healthy profitability and significant full-year growth”



and differentiated and we offer products for smartphones and smartcards, as well as for PCs and embedded systems. The increasing competition is a spur to us and we are now upping the pace to ensure our continued leadership in a growing but tough market.

Strategy

When I now look to the future, I can state that we are world leading in fingerprint sensors for mobile units, such as smartphones and tablets, with a market share for 2016 that we currently estimate at between 55 and 60 percent. This market segment represents a continued growth opportunity and, in addition, approximately 10 billion other products are produced each year – such as smartcards and door locks – which could all be made more secure and easier to use if fitted with a biometric solution. There is large potential for us in these new market segments and I am convinced that we are currently only at the very infancy of the biometric era, in which we are now and intend to continue to be the driving force and the leading biometric company.

Our strategy has been shaped to be able to leverage these new opportunities, and it includes a combination of market and technological development. Our new organization reflects our determination to grow in the new market segments. At the same time, we have a leading and concentrated R&D organization to facilitate the further development of our existing capacitive technology, and to develop and integrate complementary technology in order to create new innovative solutions. Thanks to our systems know-how, our innovativeness and our strong financial position, we have the potential to achieve this independently and through complementary investments in technology or company acquisitions.

This is an exciting time for biometrics and I am highly enthusiastic ahead of 2017 and our opportunities to further develop our leadership to include new market segments and new technologies.

Christian Fredrikson, President and CEO

“We are world leading in fingerprint sensors for smartphones”

“Our strategy leverages the new opportunities”

“Revenues for 2017 are estimated at SEK 7,500-9,500 M.”



Outlook

Revenues for 2017 are estimated to amount to SEK 7,500-9,500 M, corresponding to year-on-year growth of 13-43 percent. The background to and the assumptions underlying this guidance were presented at the company’s Capital Markets Day on December 8. The acquisition of Delta ID does not affect the revenue guidance interval. The guidance is based on an SEK/USD exchange rate of 8.85 for 2017.

The operating margin for 2017 is expected to exceed 35%, as also already communicated. This does not include possible currency effects that could result from future changes in exchange rates.

The first quarter is the seasonally weakest period for sales of smartphones. As a result of the high penetration of fingerprint sensors, the seasonal pattern for the company is becoming more like the pattern for the smartphone market. As previously communicated, revenues in the first quarter of 2017 will be impacted by the inventory build-up that the company has seen throughout the supply chain. Although underlying demand for the company’s fingerprint sensors remains favorable, it will be affected in the short term in part by the inventories accumulated in the supply chain and in part naturally also by the successes achieved by the company’s various OEM customers in the smartphone market. Fingerprints’ assessment is that a number of these factors will adversely impact revenues in the first quarter of 2017, which will therefore be materially weaker than in the first quarter of 2016.

Long-term financial objectives

As previously communicated, the company is updating its long-term financial objectives in connection with year-end report. The objectives encompass three areas of focus: growth, profitability and capital structure. The objectives are being communicated to ensure that shareholders, analysts and other external stakeholders receive information about the ambitions of the Board of Directors and company management beyond the current fiscal year.

Since the market for biometric solutions is growing rapidly, the factors of uncertainty are considerable. The company has therefore decided to continue to formulate the objectives as ambitions over three-year rolling periods. Accordingly, the financial objectives pertain to the years 2017 to 2019.

It is important to emphasize that the financial objectives do not constitute guidance but a level of ambition that the Board and company management regard as corresponding to reasonable expectations for the company. When establishing the objectives, assumptions have been made concerning such factors as market growth, competition and average sales prices.

Growth: Fingerprint Cards’ objective is that its revenues will show an average annual growth rate of approximately 20 percent from 2017 to 2019.

Profitability: Fingerprint Cards’ objective is to achieve an operating margin of between 30 and 35 percent in average during the period from 2017 to 2019.

“Ambition of an average annual growth of about 20% and an operating margin of 30–35%”

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

Dividend policy

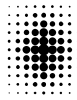
The Board of Directors' foremost priority is to ensure that Fingerprints has a financial position that is sufficient to support both organic growth and selective acquisitions. Fingerprints also wants to maintain a strong balance sheet, typically with net cash assets.

The payment of capital to the shareholders should be aligned with the earnings trend and cash flow, while taking into account the company's growth opportunities and financial position.

The Board is of the opinion that the dividend over time should at least equal 30 percent of the company's net profit for the preceding year. The dividend will primarily take the form of a cash payment from net cash assets. Should the Board determine that the company's capital structure requires further adjustment after payment of the cash dividend, an additional dividend can be paid in the form of the buyback of own shares.

Significant events in the fourth quarter of 2016

- 32 mobile units equipped with Fingerprint Cards touch sensors launched by 14 OEM customers
- Google's new Pixel phones equipped with FPC1025 touch sensor are launched
- Johan Carlström resigns from his employment at Fingerprint Cards
- New customer SK Telecom's Luna S smartphone launched with FPC1145 touch sensor
- Nomination Committee appointed ahead of the 2017 Annual General Meeting
- First product with Fingerprints' sensors under glass – the FPC1268 – is launched in a smartphone from Huawei
- The company launches FPC1300, ultra-thin fingerprint sensors for smartcards
- Nasdaq Stockholm's Disciplinary Committee orders the company to pay a fine corresponding to two annual fees related to information disclosure practices
- The company's view of the market and strategy were presented at the Capital Markets Day
- Revenue guidance for 2017 is presented
- Revenue guidance for 2016 is adjusted downwards
- Samsung's new Notebook 9 line is launched with FPC1025 touch sensor



“Samsung has launched a PC with the company’s sensors.”



“Great potential for biometrics in new market segments”

Sales, market and strategy

During the fourth quarter, 32 mobile units equipped with the company’s touch sensors were launched by 14 OEM customers. Accordingly, nearly 140 units were launched during the year and almost 200 units have been launched in total. Customers during the quarter include large recurring customers, such as Huawei, Xiaomi and Oppo, as well as the new customer SK Telecom from Korea.

During the quarter results of the company’s initiatives in other segments also became visible in the market. In the PC segment, Samsung launched its PC Notebook 9 series, equipped with the FPC1025 sensor. Interest in fingerprint sensors is generally considerable among PC manufacturers, largely driven by demands for security and simplicity from the corporate segment, and the company expects additional PC-related launches in the first half of 2017. With respect to smartcards, a number of the company’s business partners demonstrated prototypes of fingerprint-sensor equipped cards at the Money 2020 trade fair in Las Vegas and several commercial projects are expected to be launched during the quarters ahead. At the Capital Markets Day, the company also announced its partnership with the world-leading card manufacturer, Oberthur Technologies. To date, however, total volumes in these new segments are limited.

Market

The company and independent industry analysts estimate that sales of mobile phones will total approximately 2 billion annually in the years immediately ahead, and that an increasing share of these will be smartphones. During 2016, the number of smartphones sold is expected to total about 1.5 billion, of which more than 50 percent will be fitted with an integrated fingerprint sensor.

Longer term, biometric identification and authentication solutions will be used widely to increase simplicity and security in the interface between people and machines. In addition to the opportunities in the smartphone segment, new market segments such as smartcards, PCs and the Internet of Things, represent tremendous growth potential. As well as smartphones, the company estimates that about 10 billion products are delivered annually in which biometric sensors could meaningfully improve the user experience and security. The company estimates that a handful of millions of such products will be equipped with sensors during 2017.

As the penetration of fingerprint sensors in the smartphone segment has increased, the market has also matured. This has resulted in increased competition and in a market that displays the same patterns and seasonal fluctuations as other parts of the smartphone market.

During the autumn, this specifically resulted in the production of mobile phones and fingerprint sensors exceeding the numbers sold to end customers, which has resulted in an inventory build-up in the supply chain. In the fourth quarter, deliveries from these inventories increased, whereby production volumes declined. As a result, the upswing in sales that the industry normally displays during the final quarter of the year did not materialize.

The competition has intensified and is largely driven by OEM customers wanting to have more suppliers of sensors to choose from, a process known as dual sourcing,

which has resulted in a lower market share with certain customers. The company retains its market-leading position and its estimated market share for full-year 2016 is between 55 and 60 percent. To be able to continue to grow in the smartphone segment, the company is continuing to focus on innovative products and has increased its focus on new customers and distribution partners.

Strategy

At Fingerprints' Capital Markets Day in Stockholm on December 8, the company presented its views of the biometrics market, its strategy and how it will be implemented.

In recent years, the company has seen rapid growth in the market for fingerprint sensors in smartphones, while the biometrics market remains in its infancy. The smartphone segment continues to offer healthy growth opportunities, but the long-term opportunities are significantly larger in other segments. It is this trend and the opportunities it is creating that the company is focusing on in its strategy.

The strategy comprises three phases and has the distinct objective that Fingerprints will be the leading biometric company.

1. In the short term, the company is to defend its leading position in the smartphone segment through continued innovation. In parallel, the company will pursue business development together with partners in the new segments.
2. In the medium term, the company will invest in, and grow with, the new market segments. Based on new technology and new biometric modalities, new innovative offerings will be created, thanks to the company's unique systems know-how. The company aims to be the market leader in the segments in which it invests.
3. In a slightly longer term, biometric solutions will enable simplicity and security everywhere. Solutions will be cloud-based and security will be a decisive factor. Fingerprints shall be the driver and the leading company in biometrics.

As an initial step in its implementation, the company is being organized in accordance with the strategy.

In addition to the company's organic growth, focused investments in technology and company acquisitions will be conducted in order to gain access to complementary technologies and new markets.

For further information about the Capital Markets Day, visit www.fingerprints.com

Technological development, sourcing and production

“Enhancements of algorithms has improved performance”

Fingerprints’ unique strength is its systems know-how. The ability to offer a complete system solution comprising sensors, algorithms for image processing, software and packaging enables the creation of customer-unique solutions and make it possible to address multiple new application areas. An increasing number of customers and a broader product portfolio are resulting in major demands in terms of innovativeness and R&D capacity. The company is thus continuing to recruit new employees and engage new consultants at a high rate in all spheres of expertise.

In the fourth quarter, Fingerprints started volume production of the first sensor for use under glass, the FPC1268, and the product was launched commercially in a smartphone from Huawei. A number of R&D projects are being pursued where the product is being adapted for other customers. Parallel with this, the company’s software and algorithms are being enhanced, which for instance has resulted in improved performance of the offering for verification of living fingers, FPC SafeTouch™, and the forthcoming low-cost sensor, the FPC 1028.

The new ultra-thin sensor for use in smartcards, the FPC1300 series, was launched during the quarter. As a result of customer testing, the company has proven that the products satisfy the requirements for ISO certification at card level.



To be able to address the PC segment, the company’s development and test environment has been adapted for the Windows environment. Software has been adapted to new customer requirements and the Samsung Notebook 9 was launched with the FPC1025 sensor during the quarter. The company’s offering and plans for the PC segment were presented to customers at the CES fair in Las Vegas in early 2017.

At the Capital Markets Day, the company also presented its views on alternative technologies. The capacitive technology upon which the company currently bases its products remains both competitive and has development potential, since it offers high performance, and is power efficient and cost effective. However, other technologies, such as ultrasound and optics, could serve as a complement for developing new types of products. Such products could be sensors under thick glass or sensors which cover a large area, such as a complete display, in a smartphone.

“...the market’s broadest portfolio of sensors...”

During 2016, the company broadened its portfolio of sensors and now has the market’s broadest portfolio of sensors, with products for smartphones as well as smartcards, PCs and IoT. Innovation remains a high priority, as reflected in a higher level of activity concerning patents and new functions, such as SafeTouch™. The company’s R&D capacity was almost doubled in 2016 and recruitment will continue to be a high priority in 2017. The company is also considering acquisitions of complementary technologies in order to strengthen and increase the pace of development efforts. All of this with the aim of remaining at the cutting edge of development in biometrics.

Financial development

Group

“20% growth in the fourth quarter”

Revenues

In the fourth quarter, consolidated revenues increased to SEK 1,618.7 M (1,351.5), corresponding to growth of 20 percent; compared with the third quarter of 2016, however, revenues declined 13 percent. The expected sharp seasonal volume growth in the fourth quarter failed to materialize, influenced by the earlier inventory build-up throughout the supply chain. A shortage of certain other components, which had an adverse impact on smartphone volumes during the quarter, and increased competition, also had an adverse impact on Fingerprints' revenues. Revenues for full-year 2016 totaled SEK 6,638.3 M (2,900.5), equal to a growth of 129 percent.

“For full-year 2016, the gross margin rose to 48%”

Gross profit

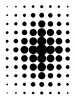
For the fourth quarter, gross profit amounted to SEK 714.9 M (628.2), with the gross margin amounting to 44% (46). The somewhat weaker gross margin for the quarter was due mainly to a change in pricing compared with the year-earlier period and also to inventory reserves, as a result of increased inventories and product exchanges. We are also seeing that the more complex sensor solutions, such as sensors under glass, entail higher packaging and optimization costs.

Consolidated full-year gross profit was SEK 3,165.3 M (1,255.3) and the gross margin rose to 48% (43). The improved gross margin was mainly attributable to changes in product mix and modes of distribution.

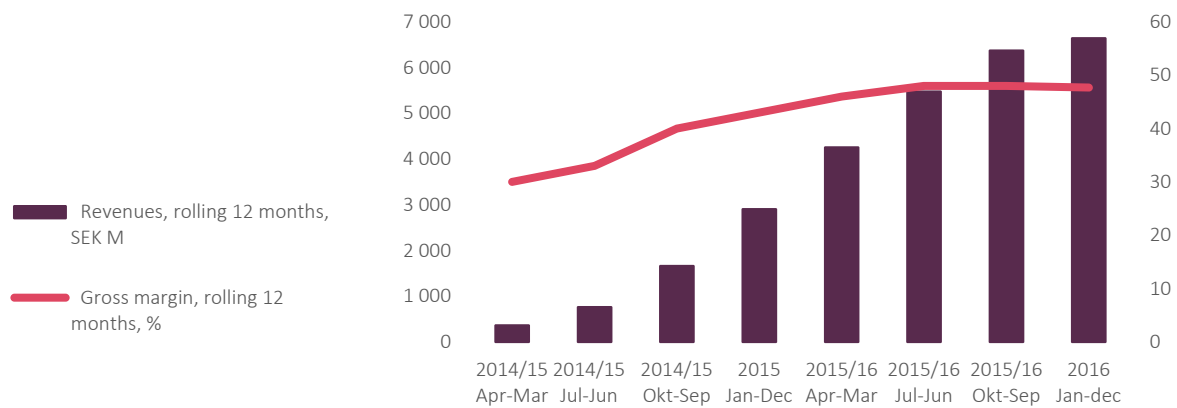
Operating expenses

Operating expenses during the quarter, excluding currency-related expenses, rose to SEK 201.0 M (expense: 110.6). The increased operating expenses for the quarter were primarily due to the expansion of the business and the larger workforce compared with the corresponding quarter of 2015. Operating expenses during the fourth quarter, excluding currency-related revenues, grew sequentially in line with the increased number of employees. The fourth quarter also included costs of about SEK 15 M for non-recurring items. In the quarter, 5 percent of research and development expenses was capitalized, compared with 23 percent in the corresponding quarter of 2015, and 11 percent in the third quarter of 2016. Changed exchange rates in the fourth quarter resulted in currency gains of SEK 33.7 M (loss: 7.3), which had a positive impact on operating profit during the period.

For full-year 2016, operating expenses, excluding currency-related expenses, increased to SEK 598.0 M (expense: 393.6). Exchange-rate effects were recognized in an amount of SEK 45.8 M (loss: 3.8). Above all, the company's investments in research and development, sales resources and business development are increasing in line with its growth ambitions and the focus on innovation.



REVENUES AND GROSS MARGIN, ROLLING 12 MONTHS

**Profit after tax for the report period and earnings per share**

Profit after tax during the fourth quarter amounted to SEK 423.3 M (404.4). Earnings per share for the report period amounted to SEK 1.35 (1.28).

For full-year 2016, profit after tax totaled SEK 2,034.7 (798.3) and earnings per share amounted to SEK 6.50 (2.52).

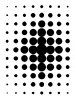
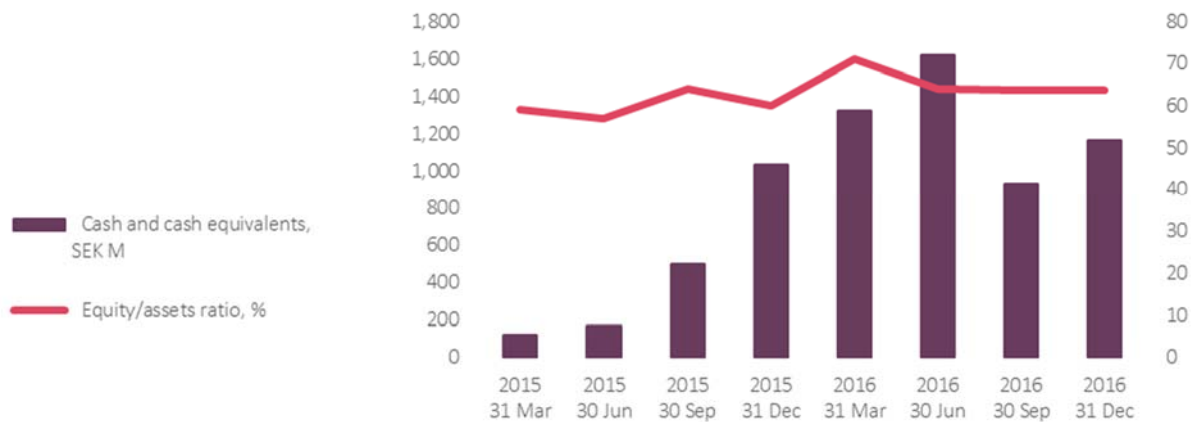
Cash flow

Cash flow from operations, including changes in working capital, was SEK 186.0 M (542.5) in the fourth quarter. As in preceding quarters, the favorable gross profit contributed positively to cash flow, although the accumulation of inventories had a negative impact of SEK 299.5 M (58.0), which was however partially offset by increases of SEK 117.4 M (241.8) in accounts payable and other current liabilities. The item other current receivables had a net impact on cash flow with negative SEK 192.9 M (neg:171,7) during fourth quarter. The item includes accounts receivables, which due to lower sales have decreased and improved cash flow with SEK 209 M, and a counteracting increased deposit to tax account of negative SEK 370 M.

Cash flow to investments in the fourth quarter was a negative SEK 13.5 M (neg: 15.9). Cash flow from financing activities during the fourth quarter was SEK 30.4 M (11.1), with the entire amount due to the redemption of warrants from the TO6 program. Exchange-rate fluctuations affected the quarter's cash and cash equivalents by SEK 27.6 M (neg: 5.1). Combined, the net change in cash and cash equivalents in the fourth quarter was SEK 202.9 M (537.7).

During full-year 2016, SEK 1,053.2 M of generated cash flow was used to buy back company shares.

“Accounts receivable declined in the quarter”

**CASH AND EQUITY/ASSET RATIO****Liquidity and shareholders' equity**

At December 31, 2016, the Group's disposable cash and cash equivalents totaled SEK 1,162.2 M (1,031.3). Consolidated working capital at the end of the fourth quarter amounted to SEK 2,261.8 M (1,075.5). At period-end, consolidated shareholders' equity had risen to SEK 2,226.1 M (1,146.8) and the equity/assets ratio for the Group had increased to 64 percent (60).

Investments, fixed assets and depreciation/amortization

Investments in intangible fixed assets during the quarter amounted to an expense of SEK 5.0 M (expense: 12.6). Investments in tangible fixed assets in the fourth quarter of 2016 amounted to an expense of SEK 7.7 M (expense: 2.3). Depreciation/amortization according to plan, including impairment losses, amounted to an expense of SEK 15.2 M (expense 12.1) in the fourth quarter.

Financial development in the Parent Company

The Parent Company's revenues in the fourth quarter of 2016 increased to SEK 1,618.7 M (1,351.5) and profit before taxes and appropriations for the same period was SEK 544.0 M (516.1). The allocation to the tax-allocation reserve was SEK 650 M (0), whereupon the result after taxes was a loss of SEK 86.4 M (profit: 403,0).

Revenues for full-year 2016 increased to SEK 6,638.3 M (2,900.2) and profit for the period before taxes and appropriations increased to SEK 2,602.0 M (904.5). The allocation to the tax-allocation reserve was SEK 650 M (0), whereupon profit for the period amounted to SEK 1,518.3 M (793,5). The Parent Company's disposable cash and cash equivalents at period-end totaled SEK 1,142.3 M (1,018.0).

“438 employees in the end of the year”



Heidi Berger



Ted Hansson

Organization and personnel

The number of employees at December 31, 2016 was 306 (150), of whom 244 (117) were men and 62 (33) women. In addition to full-time employees, consultants were also used during the fourth quarter primarily in technical development, customer projects and sales and marketing, corresponding to 132 (104) full-time positions. Accordingly, including employees and consultants, FPC had 438 (254) employees at December 31, 2016.

The changed organization applying from January 1 comprises three organizational units to safeguard the focus on the market segments “Mobile” (smartphones and tablets), “Smartcards” and “PC and Embedded” (PCs and embedded systems in the Internet of Things). The company is retaining and further developing the joint R&D organization, with a focus on supporting these three business lines by developing new innovative products and building competencies in new technology areas. Sales and product management are being coordinated along the business lines, a company-wide communications department is being created and other company-wide functions will be retained to maximize efficiency.

Heidi Berger, Senior VP Marketing and Communication, and Ted Hansson, Senior VP Business Line Mobile, are new members of the Executive Management Group.

To support its powerful expansion, the company is continuing to invest in infrastructure, personnel and skills development.

Buyback of own shares

In total, 10,424,000 Class B shares were bought back in the second and third quarter of 2016 for SEK 1,053.2 M at an average share price of SEK 101.04 per share, corresponding to 3.2 percent of the total number of shares before the start of the share buybacks. The shares bought back constitute treasury holdings and have been assigned no value in assets or shareholders’ equity.

BUYBACK OF OWN SHARES

SEK M	Okt-Dec 2016	Okt-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Number of treasury shares (000s)				
Number of buyback shares beginning	10,424	0	0	0
Buyback of shares in period	0	0	10,424	0
Number of buyback shares at end of period	10,424	0	10,424	0
Price for buyback shares				
Price for buyback shares during period	0.0		1,053.2	
Average price buyback shares	0.00	0.00	101.04	0.00

Share capital trend

In the first quarter of 2016, 1,300,000 warrants from the TO5 incentive program were exercised in return for a corresponding number of Class B shares, whereupon the company's registered share capital increased by SEK 260,000.

During the second quarter, the company implemented a five-for-one share split, meaning that every share was divided into five shares. The first day of trading after the split was May 27, 2016 and the record date for dividing the shares was May 30, 2016.

During the fourth quarter of 2016, 339,240 warrants from the TO6 incentive program were exercised in return for 826,000 Class B shares, whereupon the company's registered share capital increased by SEK 33,040 to SEK 12,940,867 at December 31, 2016. At end of the period additional 870,000 Class B shares with a share capital amount of 34,800 SEK are at registration.

Accordingly, the number of shares at the end of the fourth quarter was 6,000,000 Class A shares and 318,521,675 Class B shares, making a total of 323,521,675 shares, of which 10,424,000 shares were held in treasury. The number of voting rights outstanding was 367,097,675.

NUMBER OF SHARES

	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Number of shares, (000s)				
Number of shares at period end	323,521	316,195	323,521	316,195
Of which class A-shares	6,000	6,000	6,000	6,000
Of which class B-shares	317,521	310,195	317,521	310,195
Number buyback shares at period end	-10,424	0	-10,424	0
Number of shares outstanding at period end	313,097	316,195	313,097	316,195
Number of shares outstanding, diluted at period end	313,967	324,695	313,967	324,695
Average number of shares outstanding (000s)				
Average number of shares	322,913	316,180	321,830	315,350
Average number of buyback shares	-10,424	0	-4,104	0
Average number of shares outstanding, basic	312,489	316,180	317,726	315,350
Average number of shares outstanding, diluted	313,434	323,720	321,408	321,370

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

Board of Directors' proposals to 2017 Annual General Meeting

The Board of Directors proposes that a dividend of SEK 2 per share be paid for the 2016 fiscal year. In addition, the Board proposes that the AGM resolve to reduce the share capital through the cancelation of the bought back shares and a bonus issue.

The Board will also propose to the AGM that the Board be empowered on one or several occasions during the period up to the following AGM to make decisions on the buyback of the company's shares, although subject to limit that the number of new shares will not exceed 10% of all of the shares in the company. The shares are to be acquired on Nasdaq Stockholm. In

addition, the Board will propose that during the period up to the following AGM it be empowered on one or several occasions to make decisions on the transfer of the company's Class B treasury shares. The shares are to be transferred via Nasdaq Stockholm. The purpose of the authorizations is to enable the Board to adapt the company's capital structure and thus be able to contribute to increased shareholder value. The Board of Directors' complete motions concerning the dividend, the share cancellations and the authorizations will be available at the time that the official notice of the AGM is distributed.

The 2017 AGM will be held on April 20, 2017. The 2016 Annual Report will be available on the company's www.fingerprints.com website as of March 30, 2017.

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.

Significant uncertainties and risks – Group and Parent Company

Fingerprint Cards 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 lead to 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 might 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

Seasonal variations



As the penetration of fingerprint sensors in the smartphone segment has increased, 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 first quarter is usually the weakest.

Notable events after the close of the quarter

- Lars Söderfjäll, Member of the Board of Fingerprints, is arrested
- Lars Söderfjäll steps down from the company's Board
- Fingerprints acquires Delta ID.

The acquisition of Delta ID is expected to be accretive to EPS in 2017 and is financed through a mix of existing cash facilities and debt. Following closing the acquisition is expected to have a marginal effect on the operating margin. The cash consideration, representing an enterprise value of USD 106 million (approximately 938 MSEK), is subject to certain deferred payments based on the management's future commitment over the coming two years. An additional earn out consideration of up to USD 14 million (approximately 124 MSEK) may become payable by Fingerprints if Delta ID exceeds its revenue forecast for 2017. The transaction is subject to regulatory approvals and expected to close during spring 2017. Complementary information regarding IFRS3-implication will be accounted for at a later stage.

Financial information

Future reporting dates

Interim Report Q1 2017 January-March:	May 4, 2017
Interim Report Q2 2017 April-June:	July 21, 2017
Interim report Q3 2017 July – September:	October 26, 2017

The company also announces that the 2017 Annual General Meeting will be held on April 20, 2017 at Gothia Towers in Gothenburg. The Annual Report will be published on the website on March 30.

For further information, contact:

Christian Fredrikson, President and CEO, Fingerprint Cards AB (publ),
+46 31 60 78 20, investrel@fingerprints.com

www.fingerprints.com/corporate/

Welcome to Fingerprints' presentation of the Year-end Report for 2016 on February 2, 2017 at 3:00 p.m. CET. The presentation will be webcast, and participants can register via the link below.

<https://engage.vevent.com/index.jsp?eid=3483&seid=84>

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).

This is the type of information that Fingerprint Cards AB is obligated to disclose pursuant to the EU's Market Abuse Regulation. The information was issued for publication on February 2, 2017, at 7:00 a.m. (CET)

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 AB in any jurisdiction.

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, February 1, 2017

Jan Wäreby
Chairman of the Board

Katarina Bonde
Board Member

Urban Fagerstedt
Board Member

Carl-Johan von Plomgren
Board Member

Tomas Mikaelsson
Board Member

Peter Carlsson
Board Member

Åsa Hedin
Board Member

Michael Hallén
Board Member

Christian Fredrikson, President and CEO

Review report

Introduction

We have reviewed the condensed full-year financial information (year-end report) for Fingerprint Cards AB (publ), as per December 31, 2016 and the 12-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.

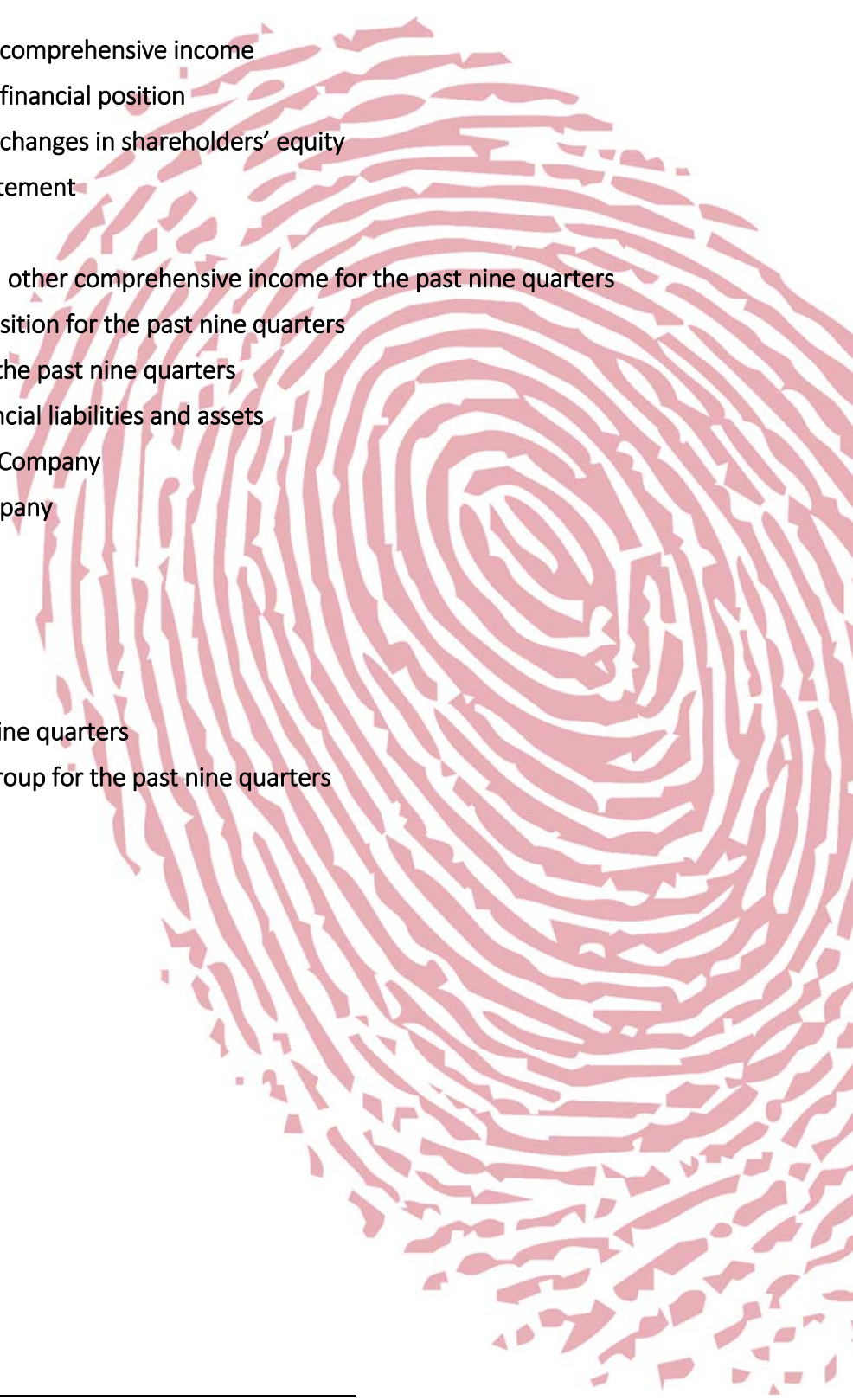
Gothenburg, February 1, 2017

KPMG AB

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	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Revenue	1,618.7	1,351.5	6,638.3	2,900.5
Cost of goods sold	-903.8	-723.3	-3,473.0	-1,645.2
Gross profit	714.9	628.2	3,165.3	1,255.3
Selling expenses	-50.8	-35.9	-176.6	-107.8
Administrative expenses	-37.7	-19.2	-117.2	-56.8
Development expenditure	-112.5	-48.2	-304.2	-176.6
Other operating income/expenses	33.7	-7.3	45.8	-3.8
Operating profit	547.6	517.6	2,613.1	910.3
Finance costs	-0.2	0.0	0.4	-0.3
Profit before tax	547.4	517.6	2,613.5	910.0
Income tax	-124.1	-113.2	-578.8	-111.7
Profit for the period	423.3	404.4	2,034.7	798.3
Other comprehensive income	0.0	-	0.3	-
Total comprehensive income for the period	423.3	404.4	2,035.0	798.3
Profit for the period attributable to:				
Parent Company shareholders	423.3	404.4	2,035.0	798.3
Profit for the period	423.3	404.4	2,035.0	798.3
Total comprehensive income for the period attributable to:				
Parent Company shareholders	423.3	404.4	2,035.0	798.3
Total comprehensive income for the period	423.3	404.4	2,035.0	798.3
Earnings per share for the period				
Before dilution, SEK	1.35	1.28	6.50	2.52
After dilution, SEK	1.35	1.25	6.33	2.48

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, (SEK 90.16 before split). In the program closing day December 31st 2016 the last subscription of 173 000 warrants subscribing 865 000 shares was under registration.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	31-Dec 2016	31-Dec 2015
Assets		
Intangible assets	71.4	49.7
Tangible assets	29.2	20.6
Financial assets	0.0	1.0
<i>Total non-current assets</i>	<i>100.6</i>	<i>71.3</i>
Inventories	672.7	153.0
Accounts receivable	1,132.1	617.9
Other receivables	413.7	28.6
Prepaid expenses and accrued income	21.7	8.0
Cash and cash equivalents	1,162.2	1,031.3
<i>Total current assets</i>	<i>3,402.4</i>	<i>1,838.8</i>
Total assets	3,503.0	1,910.1
Shareholders' equity and liabilities		
<i>Shareholders' equity</i>	<i>2,226.1</i>	<i>1,146.8</i>
<i>Provisions</i>	<i>136.3</i>	<i>0.0</i>
Accounts payable	821.6	548.5
Current tax liability	54.1	109.6
Other current liabilities	6.7	4.0
Prepaid expenses and accrued income	258.2	101.2
<i>Total current liabilities</i>	<i>1,140.6</i>	<i>763.3</i>
Total shareholders' equity and liabilities	3,503.0	1,910.1



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK M	Jan-Dec 2016	Jan-Dec 2015
Opening shareholders' equity	1,146.8	301.1
Total comprehensive income for the period	2,035.0	798.1
Exercise of warrants	97.5	47.6
Buyback own shares	-1,053.2	0.0
Closing shareholders' equity	2,226.1	1,146.8

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT

SEK M	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Profit before tax	547.4	517.6	2,613.5	910.0
Adjustment for non-cash items	-10.6	17.0	14.6	45.6
Income tax paid	24.2	-4.2	-498.0	-2.1
Change in inventory	-299.5	-58.0	-519.7	-54.2
Change in current receivables	-192.9	-171.7	-913.0	-519.2
Change in current liabilities	117.4	241.8	432.9	530.3
Cash flow from operating activities ³⁾	186.0	542.5	1,130.3	910.4
Cash flow from investing activities	-13.5	-15.9	-78.3	-26.0
Cash flow from financing activities ⁴⁾	30.4	11.1	-956.1	47.4
Change in cash and cash equivalents	202.9	537.7	95.9	931.8
Cash and cash equivalents on the opening date	931.7	498.7	1,031.3	101.9
Effect of exchange rate changes on cash	27.6	-5.1	35.0	-2.4
Closing cash and cash equivalents	1,162.2	1,031.3	1,162.2	1,031.3

³⁾ 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.

⁴⁾ Cash flow from financing activities are mainly from buyback of own shares and

THE GROUP'S OPERATING SEGMENTS

SEK M	Oct-Dec 2016	Oct-Dec 2015	Change, %	Jan-Dec 2016	Jan-Dec 2015	Change, %
Revenue						
Sensors	1,618.7	1,351.5	20	6,638.3	2,900.5	129
Other	-	-	-	-	-	-
Group	1,618.7	1,351.5	20	6,638.3	2,900.5	129

SEK M	Oct-dec 2016	Oct-dec 2015	Förändring, %	Jan-dec 2016	Jan-dec 2015	Förändring, %
Operating profit						
Sensors	547.6	517.6	6	2,613.1	910.3	187
Other	-	-	-	-	-	-
Group	547.6	517.6	6	2,613.1	910.3	187

SEK M	Oct-dec 2016	Oct-dec 2015	Förändring, %	Jan-dec 2016	Jan-dec 2015	Förändring, %
	547.4	517.6	6	2,613.5	910.0	187
	-	-	-	-	-	-
Group	547.4	517.6	6	2,613.5	910.0	187

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

SEK M	Okt-dec 2016	Jul-sep 2016	Apr-jun 2016	Jan-mar 2016	Okt-dec 2015	Jul-sep 2015	Apr-jun 2015	Jan-mar 2015	Okt-dec 2014
Revenue	1,618.7	1,862.3	1,666.1	1,491.2	1,351.5	964.0	445.2	139.9	105.0
Cost of goods sold	-903.8	-958.1	-852.4	-758.7	-723.3	-533.3	-286.2	-102.5	-71.3
Gross profit	714.9	904.2	813.7	732.5	628.2	430.7	159.0	37.4	33.7
Selling costs	-50.8	-43.1	-45.8	-36.9	-35.9	-27.1	-25.5	-19.2	-15.7
Administrative costs	-37.7	-27.4	-34.5	-17.6	-19.2	-13.3	-15.9	-8.5	-8.6
Development costs	-112.5	-81.3	-60.0	-50.3	-48.2	-43.1	-43.3	-41.9	-42.6
Other operating income/expenses	33.7	14.4	36.3	-38.6	-7.3	-1.0	-8.8	13.4	3.2
Operating profit/loss	547.6	766.8	709.7	589.1	517.6	346.2	65.5	-18.8	-30.0
Finance costs	-0.2	0.3	0.1	0.1	0.0	-0.3	0.0	-0.1	0.7
Profit/loss before tax	547.4	767.1	709.8	589.2	517.6	345.9	65.5	-18.9	-29.3
Income tax	-124.1	-169.6	-155.4	-129.7	-113.2	1.5	-	-	-0.5
Profit/loss for the period	423.3	597.5	554.4	459.5	404.4	347.4	65.5	-18.9	-29.8
Other comprehensive income	0.0	0.1	0.3	-	-	-	-	-	-
Total comprehensive income/loss for the period	423.3	597.6	554.7	459.5	404.4	347.4	65.5	-18.9	-29.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PAST NINE QUARTERS

	31-Dec 2016	30-Sep 2016	30-Jun 2016	31-Mar 2016	31-Dec 2015	30-Sep 2015	30-Jun 2015	31-Mar 2015	31-Dec 2014
<i>SEK/USD exchange rate, balance date</i>	9.10	8.62	8.48	8.15	8.35	8.39	8.23	8.62	7.81
Assets									
Intangible assets	71.4	80.2	87.1	65.8	49.7	47.3	54.0	60.4	69.8
Tangible assets	29.2	23.6	23.1	24.4	20.6	20.1	19.6	18.4	18.8
Financial assets	0.0	0.1	1.0	1.0	1.0	0.0	-	-	-
<i>Total non-current assets</i>	<i>100.6</i>	<i>103.9</i>	<i>111.2</i>	<i>91.2</i>	<i>71.3</i>	<i>67.4</i>	<i>73.6</i>	<i>78.8</i>	<i>88.6</i>
Inventories	672.7	373.0	243.7	193.9	153.0	95.0	103.5	95.2	98.8
Accounts receivable	1,132.1	1,341.5	1,086.7	725.2	617.9	448.7	245.5	169.2	115.8
Other receivables	413.7	23.7	24.5	23.6	28.6	28.3	18.5	11.7	15.9
Prepaid expenses and accrued income Int.	21.7	9.5	8.3	9.3	8.0	5.8	6.0	4.9	3.7
Cash and cash equivalents	1,162.2	931.7	1,618.3	1,321.2	1,031.3	498.7	166.0	120.9	101.8
<i>Total current assets</i>	<i>3,402.4</i>	<i>2,679.4</i>	<i>2,981.5</i>	<i>2,273.2</i>	<i>1,838.8</i>	<i>1,076.5</i>	<i>539.5</i>	<i>401.9</i>	<i>336.0</i>
Total assets	3,503.0	2,783.3	3,092.7	2,364.4	1,910.1	1,143.9	613.1	480.7	424.6
Shareholders' equity and liabilities									
<i>Shareholders' equity</i>	<i>2,226.1</i>	<i>1,772.2</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>Provisions</i>	<i>136.3</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.1</i>	<i>0.2</i>
Accounts payable	821.6	697.6	617.7	465.7	548.5	351.7	227.7	53.9	66.1
Current tax liability	54.1	42.8	273.9	126.6	109.6	0.0	-	-	-
Other liabilities	6.7	4.9	5.4	3.3	4.0	5.0	5.6	113.0	35.7
Accrued exp. and def. income Int.	258.2	265.8	205.6	95.7	101.2	55.7	32.1	31.5	21.5
<i>Current liabilities</i>	<i>1,140.6</i>	<i>1,011.1</i>	<i>1,102.6</i>	<i>691.3</i>	<i>763.3</i>	<i>412.4</i>	<i>265.4</i>	<i>198.4</i>	<i>123.3</i>
Total shareholders' equity and liabilities	3,503.0	2,783.3	3,092.7	2,364.4	1,910.1	1,143.9	613.1	480.7	424.6



CONSOLIDATED CASH-FLOW STATEMENT FOR THE PAST NINE QUARTERS

SEK M	Oct-dec 2016	Jul-sep 2016	Apr-jun 2016	Jan-mar 2016	Okt-dec 2015	Jul-sep 2015	Apr-jun 2015	Jan-mar 2015	Okt-dec 2014
Profit/loss before tax	547.4	767.1	709.8	589.2	517.6	345.9	65.5	-18.9	-29.3
Adjustments for non-cash items	-10.6	13.1	-24.3	36.5	17.0	9.7	14.5	6.2	11.2
Paid income tax	24.2	-401.4	-8.1	-112.7	-4.2	0.0	-	-	-
Change in inventory	-299.5	-129.5	-49.8	-40.9	-58.0	8.5	-8.3	3.5	-40.7
Change in current receivables	-192.9	-255.2	-361.3	-103.6	-171.7	-213.0	-84.1	-50.4	-57.7
Change in current liabilities	117.4	140.4	264.1	-89.0	241.8	147.0	67.0	75.0	39.8
Cash flow fr. operating activities ³⁾	186.0	134.5	530.4	279.5	542.5	298.1	54.6	15.4	-76.7
Cash flow from investing activities	-13.5	-7.9	-30.1	-26.8	-15.9	-3.6	-4.3	-2.1	-39.0
Cash flow from financing activities	30.4	-815.5	-237.8	66.8	11.1	36.4	-0.1	-0.1	23.6
Change in cash and cash equiv.	202.9	-688.9	262.5	319.5	537.7	330.9	50.2	13.2	-92.1
Cash and cash equiv. on the opening date	931.7	1,618.3	1,321.2	1,031.3	498.7	166.0	120.9	101.9	192.1
Effect of exchange rate changes on cash ³⁾	27.6	2.3	34.6	-29.6	-5.1	1.8	-5.1	5.8	1.8
Closing cash and cash equivalents	1,162.2	931.7	1,618.3	1,321.2	1,031.3	498.7	166.0	120.9	101.8

³⁾ 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.

⁴⁾ Cash flow from financing activities are mainly from buyback of own shares and

FAIR VALUE AND CARRYING AMOUNT OF FINANCIAL LIABILITIES AND ASSETS

SEK M	December 31, 2016		December 31, 2015	
	Carrying amount	Fair amount	Carrying amount	Fair amount
Financial assets				
Loan receivables and accounts receivable				
Accounts receivable	1,132.1	1,132.1	617.9	617.9
Cash and cash equivalents	1,162.2	1,162.2	1,031.3	1,031.3
Total financial assets	2,294.3	2,294.3	1,649.2	1,649.2
Financial liabilities				
Current financial liabilities:				
Accounts payable	821.6	821.6	548.5	548.5
Total financial liabilities	821.6	821.6	548.5	548.5
By category:				
Loan receivables and accounts receivable	2,294.3	2,294.3	1,649.2	1,649.2
Total financial assets	2,294.3	2,294.3	1,649.2	1,649.2
Financial liabilities at amortized cost	821.6	821.6	548.5	548.5
Total financial liabilities	821.6	821.6	548.5	548.5



CONDENSED INCOME STATEMENT, PARENT COMPANY

SEK M	Okt-dec 2016	Okt-dec 2015	Jan-dec 2016	Jan-dec 2015
Revenues	1,618.7	1,351.5	6,638.3	2,900.2
Cost of goods sold	-903.8	-723.3	-3,473.0	-1,645.2
Gross profit	714.9	628.2	3,165.3	1,255.0
Selling expenses	-51.5	-36.2	-176.6	-108.6
Administrative expenses	-41.4	-19.0	-129.0	-56.8
Development expenditure	-111.8	-50.0	-304.2	-181.4
Other operating income/expenses	33.7	-6.9	45.9	-3.4
Operating profit	543.9	516.1	2,601.4	904.8
Finance costs	0.1	0.0	0.6	-0.3
Profit before tax	544.0	516.1	2,602.0	904.5
Untaxed reserve	-650.0	0.0	-650.0	0.0
Income tax	19.6	-113.1	-433.7	-111.0
Profit for the period	-86.4	403.0	1,518.3	793.5

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK M	31-Dec 2016	31-Dec 2015
Assets		
Intangible assets	69.8	47.0
Tangible assets	25.9	18.6
Financial assets	11.8	3.5
<i>Total non-current assets</i>	<i>107.5</i>	<i>69.1</i>
Inventories	672.7	153.0
Accounts receivable	1,132.1	617.9
Current receivables	434.4	39.4
Cash and cash equivalents	1,142.3	1,018.0
<i>Total current assets</i>	<i>3,381.5</i>	<i>1,828.3</i>
Total assets	3,489.0	1,897.4
Shareholders' equity and liabilities		
<i>Shareholders' equity</i>	<i>1,698.9</i>	<i>1,136.5</i>
<i>Untaxed reserve</i>	<i>650.0</i>	<i>0.0</i>
Accounts payable	820.7	548.2
Current tax liability	53.9	109.9
Other current liabilities	265.5	102.8
<i>Total current liabilities</i>	<i>1,140.1</i>	<i>760.9</i>
Total shareholders' equity and liabilities	3,489.0	1,897.4



KEY CONSOLIDATED DATA

	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Revenue, SEK M	1,618.7	1,351.5	6,638.3	2,900.5
Revenue increase, %	20	1,187	129	1,142
Gross margin, %	44	46	48	43
Operating margin, %	34	38	39	31
Profit margin, %	26	30	31	28
EBITDA, SEK M	563.4	529.7	2,661.7	953.7
Return on equity, %	25	44	121	110
Cash flow from operating activities, SEK M	186.0	542.5	1,130.3	910.4
Equity/assets ratio, %	64	60	64	60
Investments, SEK M	-13.5	-15.9	-78.3	26.0
Average number of employees	293	140	237	120
Shareholders' equity per share, SEK				
- before dilution	7.11	3.63	7.11	3.63
- after dilution	7.09	3.57	7.09	3.57
Cash flow from operating activities/share, SEK				
- before dilution	0.60	1.72	3.56	2.87
- after dilution ⁽²⁾	0.59	1.66	3.52	2.83
Number of shares at period end, 000s	313,097	316,195	313,097	316,195
Share price at period end ⁽¹⁾	62.85	118.20	62.85	118.20

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, (SEK 90:16 before split). In the program on closing day December 31st 2016 the last subscription of 173 000 warrants subscribing 865 000 shares was under registration.

KEY CONSOLIDATED FIGURES FOR THE PAST NINE QUARTERS

SEK M	Okt-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Okt-Dec 2015	Jul-Sep 2015	Apr-Jun 2015	Jan-Mar 2015	Okt-Dec 2014
Revenue, SEK M	1,618.7	1,862.3	1,666.1	1,491.2	1,351.5	964.0	445.2	139.9	105.0
Revenue increase, %	20	93	274	966	1,187	1,358	912	660	208
Gross margin, %	44	49	49	49	46	45	36	27	32
Operating margin, %	34	41	43	40	38	36	15	-13	-28
Profit margin, %	26	32	33	31	30	36	15	-13	-28
EBITDA, SEK M	563.4	782.0	720.3	596.0	529.7	355.9	74.9	-6.8	-16.0
Return on equity, %	25	41	35	33	44	64	21	-6	-10
Cash flow from operating activities, SEK M	186.0	134.5	530.4	279.5	542.5	298.1	54.6	15.4	-76.7
Equity/assets ratio, %	64	64	64	71	60	64	57	59	71
Investments, SEK M	-13.5	-7.9	-30.1	-26.8	-15.9	-3.6	-4.3	-2.1	-39.0
Average number of employees	293	259	224	179	140	121	110	104	99
Shareholders' equity per share, SEK									
- before dilution	7.11	5.68	6.22	5.18	3.63	2.36	1.19	0.97	1.03
- after dilution	7.09	5.60	6.13	5.14	3.54	2.28	1.11	0.91	0.96
Cash flow from operating activities, SEK									
- before dilution	0.60	0.42	1.65	0.87	1.72	0.96	0.19	0.05	-0.27
- after dilution ⁽²⁾	0.59	0.42	1.63	0.86	1.68	0.93	0.17	0.05	-0.24
Number of shares at period end, 000s	313,097	312,272	320,007	322,696	316,195	309,870	292,105	292,105	292,105
Share price at period end ⁽¹⁾	62.85	100.50	81.30	94.40	118.20	61.80	35.70	10.70	6.96

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

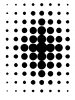
²⁾ At the end of the period, FPC had one warrant program: TO6: The program is from 2013 and extends until December 27, 2016. The exercise price is SEK 18.03, (SEK 90:16 before split). In the program on closing day December 31st 2016 the last subscription of 173 000 warrants subscribing 865 000 shares was under registration.

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

	Jan-Dec 2016	Okt-Sep 2015/16	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
Revenues, SEK M	6,638.3	6,371.1	5,472.8	4,251.8	2,900.6	1,654.1	756.3	355.1	233.6
Gross profit, SEK M	3,165.3	3,078.7	2,605.1	1,950.4	1,255.3	660.8	251.3	105.4	71.7
Gross margin, %	48	48	48	46	43	40	33	30	31
Operating result, SEK M	2,613.1	2,583.0	2,162.5	1,518.2	910.3	362.9	-27.1	-137.5	-145.2
Operating margin, %	39	41	40	36	31	22	-4	-39	-62
EBITDA, SEK M	2,661.7	2,628.0	2,201.8	1,556.4	953.7	407.7	30.6	-68.0	-83.6

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 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 IFRSs.



About Fingerprint Cards

Fingerprint Cards AB (Fingerprints) 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 Fingerprints' 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 smartcards and mobile phones, where extremely rigorous demands are placed on these characteristics. Fingerprints' 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

Fingerprints develops and sells biometric solutions to companies globally that develop products involving human interaction.

Business model

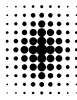
Fingerprints works with three business models – component sales, project sales and licensing. Sales are conducted via distributors and direct selling to product developers/systems integrators and OEMs (Original Equipment Manufacturers).

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 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.

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 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 for the period: Profit/loss for the period/number of shares outstanding at period end.

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 exceed 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 Revenues less cost of goods sold.

Net margin Profit 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 Profit after financial income/expenses and tax.

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

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

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.