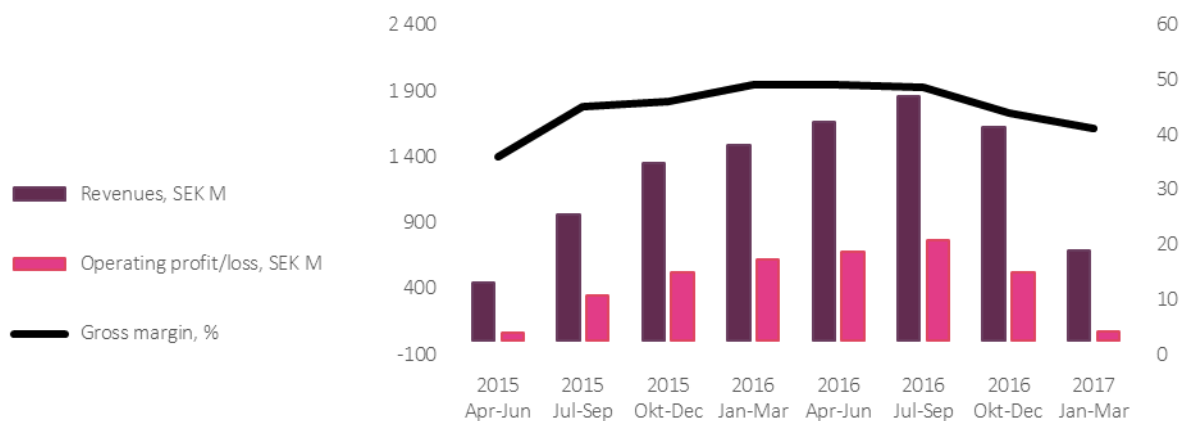


“Reduced revenues
due to inventory
build-up in the value
chain.”

First quarter of 2017

- Revenues amounted to SEK 685.9 M (1,491.2), down 54 % compared to the first quarter of 2016
- The gross margin was 41% (49)
- Operating profit amounted to SEK 70.8 M (618.7) and the operating margin to 10 % (41)
- Earnings per share before dilution declined to SEK 0.17 (1.44)
- Cash flow from operating activities was a negative SEK 324.1 M (pos: 279.5)

REVENUES, OPERATING PROFIT/LOSS AND GROSS MARGIN, QUARTERS





CEO's comments

A weak but profitable first quarter

We currently face a challenge with excess inventories in the value chain in combination with increased competition which have affected our deliveries and revenues negatively. This has resulted in a weak, but profitable first quarter. Revenues declined to SEK 686 M and operating profit was SEK 71 M, corresponding to an operating margin of 10 percent. Our gross margin of 41 percent was impacted by an obsolescence charge linked to our own inventories, and to the lower revenues, however, the underlying product margin still reflects the fact that we have a competitive offering despite operating in an increasingly competitive market. Our cash flow, primarily impacted by the lower earnings and increased inventories, was negative at SEK 324 M.

The inventory build-up in the value chain that is currently affecting our revenues is largely a consequence of our major OEM customers having set high sales targets that they have not achieved, resulting in excess production and inventory build-up.

I have recently received many questions about our visibility. I can state that our visibility is very good when it comes to the forthcoming smartphone launches that our sensors will be features of. However, we have limited knowledge of the sales volumes that these smartphones will achieve and that is what drives our revenues.

In terms of the issue of the excess inventories at our partners and customers, we view this as a short-term problem and expect these inventory levels to normalize during the second quarter. To safeguard our profitability, we are reviewing our costs and the business at large, to ensure that we invest our resources in the right areas. Recruitment of cutting-edge competencies will continue, but will be done more selectively. After a couple of years of extremely sharp growth, it makes sense to consolidate the business and take the opportunity to fine-tune processes and work methods.

If we leave the matter of inventories and instead look at what is happening in the market, I see a number of positive aspects. Despite the intense competition, our products were included in 18 launches of new mobile devices during the quarter. Huawei P10 is an important milestone as it was the first smartphone where our sensor was placed under a continuous glass plate. We have a competitive offering and, specifically, we can see that our new sensor for entry level smartphones, the FPC1028, helped us to close important deals during the quarter. The product is vital to our efforts to initiate penetration of our sensors in entry level smartphones and thus also for volume growth. It is also suitable within IoT applications since it is compact, offers good performance and is cost-effective.

We are also receiving distinct signals that our offer to acquire Delta ID was strategically correct. There is keen interest among our customers in using multiple modalities, specifically fingerprint and iris recognition, in the same device and, thanks to a licensing model with Delta ID, we can already offer this. The acquisition is currently subject to approval by the US authorities and, as previously stated, we expect to be able to close the deal during the second quarter.

“Inventory levels in the value chain expected to normalize during the second quarter”



“We have a competitive offering.”

“Positive feedback
for our battery- and
contact-less offering
for smartcards”

In 2018 and thereafter, we see, as previously stated, opportunities to grow in new segments. For our part, 2017 is therefore primarily about establishing partnerships, mobilizing the ecosystem, marketing and demonstrating our products.

Our participation in the FIDO Alliance and at the CES and MWC, for example, has served as an important platform for these efforts. At the CES, the main focus was on our PC offering but our sensors were also included in both “wearables” and cars. During the MWC, we met all our mobile customers and partners as well as the key players in the smartcard segment and received a lot of positive feedback for our battery- and contact-less offering.

Despite short-term issues concerning excess inventories and tough competition in the mobile segment, I still view the future with confidence. Biometrics create considerable value globally, for both individuals and businesses, and we are exceptionally well positioned to be the company that best leverages this potential and to become the leading company in biometrics.

Christian Fredrikson, President and CEO

“The predictability of our business has diminished”



Outlook

To be able to issue guidance, the stock exchange's regulations require that the underlying data has to be reliable and solid. Given the current situation of excess inventories in the value chain, the predictability of Fingerprints business has diminished. Accordingly, the criteria for being able to issue a financial guidance are no longer fulfilled.

The underlying demand for the company's fingerprint sensors remains favorable. However, revenues are being affected by the increased competition and, in the short-term perspective, also by the inventory build-up in the supply chain as well as by the respective successes of the company's OEM customers in the smartphone market. In Fingerprints' opinion, as previously communicated, the combination of these factors will adversely impact revenues during the second quarter of 2017.

Significant events during the first quarter of 2017

- 18 mobile units equipped with the company's touch sensors launched by 13 OEM customers
- All of Fingerprints' touch sensors were made available for PCs
- Fingerprints signs an agreement to acquire the US company Delta ID
- Fingerprints participates in the Consumer Electronics Show and the Mobile World Congress
- Fingerprints announces that Huawei's P10 series will feature the FPC1268 touch fingerprint sensors
- Fingerprints delivers the world's first fingerprint sensor in smartphone keypad for the BlackBerry KEYone
- FPC SenseTouch(TM) is introduced
- Fingerprints discloses that Johan Wilsby will be leaving his position as Chief Financial Officer (CFO)
- Lars Söderfjell steps down from the company's Board
- Fingerprints discloses that profit for the first and second quarter will be lower year-on-year



“Two launches with new Tier 2/3 customers”

Sales and market

In the first quarter, 18 mobile devices equipped with the company’s touch fingerprint sensors were launched by 13 OEM customers. Customers during the quarter included large recurring customers, such as Huawei, Xiaomi and Oppo, as well as new customers including BlackBerry and Micromax of India. These two new customers are examples of somewhat smaller OEM customers known as Tier 2 and Tier 3 customers, and the company now has a strategy for addressing these customers in a more focused manner.

During the quarter, the trend of using multiple modalities in the same device became more pronounced, as exemplified by Samsung’s launch of the S8, which contains systems for both fingerprint sensors and iris recognition. Interest among Fingerprints’ OEM customers has also increased and, thanks to a license agreement with Delta ID, the company can already offer its customers combination solutions.

The company has also participated in two major global fairs, the Consumer Electronic Show (CES) in Las Vegas in January and the Mobile World Congress (MWC) in Barcelona at the end of February. At the CES, Fingerprints presented, among other innovations, its new PC offering, which supports Intel-based processor families and uses the Microsoft Windows 10 operating system. At this show, www.tapdo.io and Innovation Award winner www.uconekt.com also presented their “wearables” with integrated sensors from Fingerprints. The only fingerprint sensors presented for the automotive industry also came from Fingerprints and were found in Hyundai Mobis. During the MWC, the company’s sensors were featured in the majority, or specifically nine, of the smartphones that were launched during the show. Fingerprints also had stands where its latest products and solutions were demonstrated, such as battery- and contact-less smartcards, and was the only company to be able to present such items from a number of different smartcard manufacturers.



“The company’s sensors included in cars and wearables at CES”

During the latter part of 2016, a number of the company’s major OEM customers produced more mobile phones than they sold to end-customers, which has resulted in a steady increase in inventory build-up of sensors, modules and smartphones throughout the value chain. Since the fourth quarter of 2016, these excess inventories have been used to satisfy a significant part of the market’s requirements, which has meant that Fingerprints’ deliveries and revenues have declined. The company informed the market about the situation at the end of the fourth quarter and provided a warning that this would also impact the first quarter of 2017. During the first quarter, Fingerprints was in close contact with its partners and OEM customers concerning the trend in their sales and inventory levels. When it became clear that the overall excess inventories in the value chain was greater than expected, the market was informed, which occurred on March 21.



“FPC1268 included in Huawei’s P10”

“GRI reporting and supplier audits assigned priority in the sustainability area”

Technological development, sourcing and production

During the quarter, the company announced that the FPC1268, the “under glass sensor”, is now available in Huawei’s P10. This is the first smartphone to be launched with a continuous glass plate, although containing a cavity, and the sensor’s performance was further enhanced prior to the launch. A number of projects are under way within the company’s R&D department with the aim of developing varieties of this sensor in order to reduce costs and increase flexibility.

Fingerprints also launched a new feature, FPC SenseTouch™, enabling the sensor to detect the exact pressure applied by the user which, for example, can be used to control various smartphone activities. Including this, the company has launched a total of eight different features that it has been possible to implement thanks to Fingerprints’ expertise in software, hardware, packaging and algorithms.

A variety of activities, together with about ten different partners, are under way concerning the 1300 series, the company’s sensors for smartcards. The 1300 series offers extremely low power consumption, thus enabling the sensors to function without a battery and together with a contact-free pay terminal, which is fully in line with the market trend we see. It is also ISO certified at the card level, has reliable performance and is possible to mass produce. Smartcards are a good example of how important it is to have a complete system offering for fingerprint authentication, to enable optimal performance even in the face of extreme requirements. The company’s engineers are currently working on the actual packaging of the sensor on the card, in order to minimize costs when smartcards will be mass produced.

The company is also engaged in the important standardization work in progress in the biometrics area. For example, it is participating in the work being conducted in the FIDO Alliance, the world’s largest ecosystem for standard-based authentication.

During the first quarter, Fingerprints recruited almost 50 individuals to the R&D department, but will from now on reduce the pace of recruitment while continuing to fine-tune processes and work methods.

The company has defined its sustainability targets for 2017 and prioritized areas include preparing for a more comprehensive sustainability report, GRI reporting and audits of selected subcontractors.

“The acquisition of Delta ID is expected to be finalized in the second quarter”

Acquisitions

On February 1, 2017, Fingerprints concluded an agreement concerning the acquisition of Delta ID Inc. When the acquisition has been completed, Fingerprints will own 100 percent of Delta ID Inc. The cash consideration, which corresponds to USD 106 M (approx. SEK 938 M) is subject to certain deferring terms and conditions, based on the future commitment of its management over the coming two years. A contingent consideration of up to USD 14 M (approx. SEK 124 M) may be paid by Fingerprints should Delta ID's revenues exceed the forecast for 2017. The acquisition will be financed with own funds, and by raising loans.

As a result of the acquisition, Fingerprints broadens its technology portfolio by adding biometric security solutions based on the human eye. The acquisition is subject to approval by relevant authorities and is expected to be completed during the second quarter of 2017. This means that regular development work has yet to be started, although the company is engaged in a discussion with customers with the aim of understanding how a combined offering can best be implemented.

The acquisition is expected to give rise to a surplus value of about USD 105 M and be recognized in its entirety in the report on the second quarter, which will be published on July 21, 2017.

Financial development Group

“Inventory build-up
had a negative
impact on revenues
during the quarter”

“The underlying
product margin
remained favorable
in the first quarter”

Income

In the first quarter, consolidated revenues decreased to SEK 685.9 M (1,491.2), corresponding to a year-on-year decline of 54 percent. The inventory build-up in the value chain that adversely affected our first-quarter revenues is largely a consequence of a number of our major OEM customers having set more ambitious sales targets than they have been able to achieve, resulting in excess production and inventory build-up. Another factor that has impacted revenues negatively is the intensifying competition in the market.

Gross profit

For the first quarter, gross profit amounted to SEK 282.1 M (732.5) and the gross margin was 41 percent (49). The weaker gross margin during the quarter was due in part to a changed product mix and thus a lower underlying product margin compared with the corresponding quarter of 2016, but in line with the product margin during the fourth quarter of 2016. Another contributing factor was an obsolescence charge due to increased inventories and product exchanges, corresponding to approximately 3 percentage points of revenues. In addition, fixed costs, such as amortization of capitalized R&D expenditure, have a relatively larger impact when revenues are lower, equivalent to almost 3 percentage points of revenues.

Operating expenses

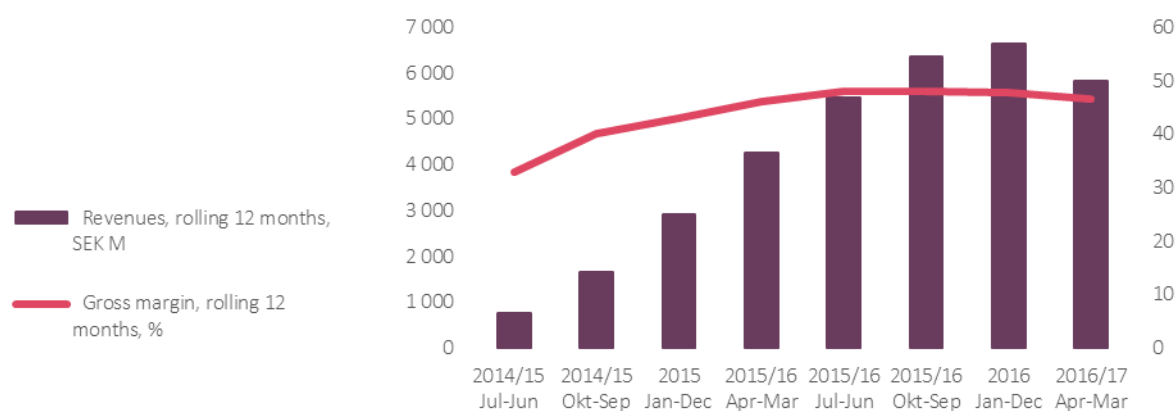
Operating expenses during the quarter, excluding currency-related expenses, rose to SEK 198.8 M (expense: 104.8). The increased operating expenses for the quarter were primarily due to the expansion of our operations and the larger workforce compared with the corresponding quarter of 2016. Key drivers behind the operating expense growth during the first quarter were the increased number of employees, lower capitalization of R&D expenditure and increased costs related to acquisitions and internal infrastructure projects. In the quarter, 20 percent of gross research and development expenses was capitalized, compared with 32 percent in the corresponding quarter of 2016, and 5 percent in the fourth quarter of 2016. Changed exchange rates in the first quarter resulted in currency losses of SEK 12.5 M (loss: 9.0), which had a negative impact on operating profit during the period.

Financial income and expenses

Financial income and expenses amounted to an expense of SEK 1.1 M (expense: 29.5). In addition to interest income and interest expenses, this item also includes the effect of changes in exchange rates on currency accounts. In previous reports, this change in exchange rates was recognized in operating profit. As of this report, such effects have been reclassified in the accounts for previous periods, in order to retain comparability.



REVENUES AND GROSS MARGIN, ROLLING 12 MONTHS



Profit for the period and earnings per share

Profit for the first quarter amounted to SEK 53.9 M (459.5). Earnings per share for the period amounted to SEK 0.17 (1.44).

Cash flow

Cash flow from operating activities, including changes in working capital, was a negative SEK 324.1 M (pos: 279.5). As in preceding quarters, gross profit contributed positively to cash flow, although the accumulation of inventories had a negative impact on cash flow of SEK 374.8 M (neg: 40.9). This increase is an effect of our customers' plans not having been fully realized, as well as product exchanges in our offering. Other changes in current receivables made a positive contribution of SEK 508.7 M (neg: 103.6), largely comprising a decrease in accounts receivable since the preceding period (despite relatively larger overdues than normal), which positively contributed to cash flow. Other current liabilities contributed negatively by SEK 470.6 M (neg: 89.0), largely resulting from a decrease in accounts payable.

Cash flow to investments in the first quarter was a negative SEK 40.8 M (neg: 26.8).

Exchange-rate fluctuations affected the quarter's cash and cash equivalents by SEK 1.5 M (neg: 29.6). Combined, the net change in cash and cash equivalents during the first quarter amounted to a negative SEK 365.3 M (pos: 319.5).

Liquidity and shareholders' equity

At March 31, 2017, the Group's disposable cash and cash equivalents totaled SEK 798.4 M (1,321.2). Consolidated working capital at the end of the first quarter amounted to SEK 2,228.1 M (1,581.9). At period-end, consolidated shareholders' equity had risen to SEK 2,279.4 M (1,673.1) and the equity/assets ratio for the Group was 75 percent (71).

“Working capital was impacted by the increase in inventories”

Investments, fixed assets and depreciation/amortization

Investments in intangible fixed assets during the quarter amounted to an expense of SEK 28.3 M (expense: 21.5). Investments in tangible fixed assets during the first quarter of 2017 amounted to an expense of SEK 11.2 M (expense: 5.3) and financial receivables to an expense of SEK 1.4 M (-). Depreciation/amortization according to plan, including impairment losses, amounted to an expense of SEK 14.6 M (expense: 6.9) in the first quarter.

Financial development in the Parent Company

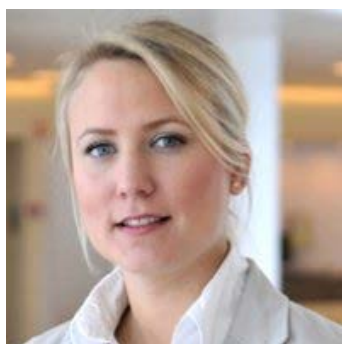
The Parent Company's revenues for the first quarter of 2017 were the same as for the Group because all sales are effected through the Parent Company and they declined to SEK 685.9 M (1,491.2), and profit after financial items declined to SEK 65.2 M (586.9). Profit for the period was SEK 50.7 M (457.4). The Parent Company's disposable cash and cash equivalents at period-end totaled SEK 774.8 M (1,307.3).



Hassan Tabrizi



Peter Bergson



Angelica Berg

Organization and Personnel

The number of employees on March 31 was 358 (187) and, in addition to full-time employees, consultants were also used during the first quarter, primarily in technical development and sales, corresponding to 135 (116) full-time positions. Accordingly, including employees and consultants, the company had a total of 493 (303) full-time equivalents at March 31, 2017.

The company's new organization became effective on January 1, 2017. During the quarter, Heidi Berger, with responsibility for the Marketing and Communication function, and Ted Hansson, with responsibility for Business Line Mobile, became members of the company's Executive Management Group.

During the second quarter, to be precise on May 29, Hassan Tabrizi will take office as Acting CFO, when, as previously communicated, Johan Wilsby leaves the company. Hassan has extensive experience as CFO of both listed and venture capital owned international companies.

In addition, Peter Bergson has been recruited as the company's new Legal Counsel. Peter will also take up his new position in the second quarter and join Fingerprints' Executive Management Group. He joins us from Bisnode AB, where he has been Legal Counsel since 2014. Prior to that, he held an equivalent position at Orc Group until 2012.

As communicated after the end of the quarter, the current Head of R&D, Pontus Jägemalm, has been appointed new CTO of the company. Management of day-to-day R&D activities will be divided among the business units and existing R&D managers.

Also during the first quarter, Angelica Berg took office as Sustainability Manager. Angelica has multiyear international experience of sustainability issues from such companies as Tetra Pak and Deloitte. This role will report to the SVP Operations.

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.

After that day in the first quarter of 2017, there have been no changes in the number of shares.

Accordingly, the number of shares registered at the end of the first quarter of 2017 was 6,000,000 Class A shares and 319,391,675 Class B shares, making a total of 324,391,675 shares, including 10,424,000 shares held in treasury. The number of voting rights outstanding was 368,967,675.

NUMBER OF SHARES

	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Number of shares, (000s) ^{a)}			
Number of shares at period end	324,391	322,695	323,521
Of which class A-shares	6,000	6,000	6,000
Of which class B-shares	318,391	316,695	317,521
Number buyback shares at period end	-10,424	-	-10,424
Number of shares outstanding at period end	313,967	322,695	313,097
Number of shares outstanding, diluted at period end	313,967	322,695	313,967
Average number of shares outstanding (000s)			
Average number of shares	324,391	319,585	321,830
Average number of buyback shares	-10,424	-	-4,104
Average number of shares outstanding, basic	313,967	319,585	317,726
Average number of shares outstanding, diluted	313,967	325,725	321,408

^{a)} Adjusted for share split per 2016-05-27.

2017 Annual General Meeting (AGM)

At the AGM on April 20, 2017, a resolution was passed to adopt the income statement and balance sheet for the year 2016, adopt the appropriation of profit, discharge the Board of Directors and CEO from personal liability for the year 2016, re-elect as Board members Jan Wäreby, Urban Fagerstedt, Michael Hallén, Åsa Hedin, Tomas Mikaelsson and Carl-Johan von Plomgren, and elect as new Board members Alexander Kotsinas, Ann-Sofie Nordh and Dimitrij Titov. Jan Wäreby was re-elected Chairman of the Board. The AGM resolved that director fees would remain unchanged and re-elected KPMG as the audit company, with Joakim Thilstedt as the new auditor-in-charge.

The AGM resolved to change the composition of the Nomination Committee to four members, and also changed the way that the owners are to appoint the representatives. The AGM resolved on guidelines for the remuneration of senior executives and to introduce a long-term incentive program in the form of a share-savings program for 25 executives. The AGM resolved to reduce the share capital by canceling 10,424,000 Class B shares that were held after being bought back following the preceding AGM and to authorize the Board on one or several occasions up to the next AGM to make decisions concerning the acquisition of a number of shares in the company so that when aggregated, the company's holding at each point in time does not exceed 10 percent of all of the shares in the company.

The AGM authorized the Board of Directors on one or more occasions until the next AGM to make decisions on the issue of a total of not more than 25,000,000 shares, subject to the limits stipulated by the Articles of Association, on one or several occasions, with preferential rights for shareholders.

For further information about the AGM's resolutions, reference is made to the company's website. The AGM was held on April 20, 2017 and the 2016 Annual Report has been available on the company's www.fingerprints.com website since 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

In common with all business operations, Fingerprints' business is exposed to risks. Such risks involve incorrect management by Fingerprints, and events and decisions that are beyond the company's control and can lead to disruptions to the operations, damage or loss with a material impact on the company. Fingerprints' risk management is decisive to the company's success. 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, 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, 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



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

- Fingerprints' touch fingerprint sensors are integrated for the first time by an Indian OEM, Micromax
- Fingerprints' touch fingerprint sensor are included in Qiku's new 360 F5 smartphone
- The Annual General Meeting was held in Gothenburg on April 20, 2016
- Pontus Jägemalm has been appointed new CTO of the company

Financial information

Future reporting dates

Interim Report Q2 2017 April-June:	July 21, 2017
Interim report Q3 2017 July – September:	October 26, 2017

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 Fingerprint Cards' presentation of the interim report for the first quarter of 2017 on May 4, 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=96>

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 through the agency of the contact person set out above on May 4, 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. The recipient of this press release is responsible for using this press release and the constituent information in accordance with the rules and regulations prevailing in the particular 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.

Review report

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

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, May 3, 2017

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
Member

Michael Hallén
Board Member

Dimitrij Titov
Board

Christian Fredrikson
CEO

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	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Revenue	685.9	1,491.2	6,638.3
Cost of goods sold	-403.8	-758.7	-3,473.0
Gross profit	282.1	732.5	3,165.3
Selling expenses	-58.5	-36.9	-176.6
Administrative expenses	-34.8	-17.6	-117.2
Development expenditure	-105.5	-50.3	-304.2
Other operating income/expenses ¹⁾	-12.5	-9.0	11.2
Operating profit	70.8	618.7	2,578.5
Finance income/expenses ¹⁾	-1.1	-29.5	35.0
Profit before tax	69.7	589.2	2,613.5
Income tax	-15.8	-129.7	-578.8
Profit for the period	53.9	459.5	2,034.7
Other comprehensive income	-0.2	-	0.3
Total comprehensive income for the period	53.7	459.5	2,035.0
Profit for the period attributable to:			
Parent Company shareholders	53.7	459.5	2,035.0
Profit for the period	53.7	459.5	2,035.0
Total comprehensive income for the period attributable to:			
Parent Company shareholders	53.7	459.5	2,035.0
Total comprehensive income for the period	53.7	459.5	2,035.0
Earnings per share for the period			
Before dilution, SEK	0.17	1.44	6.40
After dilution, SEK ²⁾	0.17	1.41	6.33

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

²⁾ Fingerprints has at end of the period no outstanding programs with potential dilution effect.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	31-Mar 2017	31-Mar 2016	31-Dec 2016
Assets			
Intangible fixed assets	87.7	65.8	71.4
Tangible fixed assets	37.8	24.4	29.2
Financial fixed assets	1.3	1.0	0.0
Total fixed assets	126.8	91.2	100.6
Inventories	1,047.5	193.9	672.7
Accounts receivable	641.6	725.2	1,132.1
Other receivables	388.4	23.6	413.7
Prepaid expenses and accrued income	28.8	9.3	21.7
Cash and cash equivalents	798.4	1,321.2	1,162.2
Total current assets	2,904.7	2,273.2	3,402.4
Total assets	3,031.5	2,364.4	3,503.0
Shareholders' equity and liabilities			
Shareholders' equity	2,279.4	1,673.1	2,226.1
Deferred tax liability	135.5	-	136.3
Accounts payable	405.5	465.7	821.6
Current tax liability	0.8	126.6	54.1
Other current liabilities	6.1	3.3	6.7
Prepaid expenses and accrued income	204.2	95.7	258.2
Total current liabilities	616.6	691.3	1,140.6
Total shareholders' equity and liabilities	3,031.5	2,364.4	3,503.0

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK M	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Opening shareholders' equity	2,226.1	1,146.8	1,146.8
Comprehensive income for the period	53.7	459.5	2,035.0
Exercise of warrants	-0.4	66.8	97.5
Buyback of own shares	-	-	-1,053.2
Closing shareholders' equity	2,279.4	1,673.1	2,226.1

CONDENSED CONSOLIDATED STATEMENT CASH-FLOWS

SEK M	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Profit before tax	69.7	589.2	2,613.5
Adjustment for non-cash items	13.0	36.5	14.6
Income tax paid	-70.1	-112.7	-498.0
Change in inventory	-374.8	-40.9	-519.7
Change in current receivables	508.7	-103.6	-913.0
Change in current liabilities	-470.6	-89.0	432.9
Cash flow from operating activities ³⁾	-324.1	279.5	1,130.3
Cash flow from investing activities	-40.8	-26.8	-78.3
Cash flow from financing activities ⁴⁾	-0.4	66.8	-955.7
Change in cash and cash equivalents	-365.3	319.5	96.3
Cash and cash equivalents on the opening date	1,162.2	1,031.3	1,031.3
Effect of exchange rate changes on cash	1.5	-29.6	34.6
Closing cash and cash equivalents	798.4	1,321.2	1,162.2

THE GROUP'S OPERATING SEGMENTS

SEK M	Jan-Mar 2017	Jan- Mar 2016	Change, %	Jan-Dec 2016
Revenue				
Sensors	685.9	1,491.2	-54	6,638.3
Other	-	-	-	-
Group	685.9	1,491.2	-54	6,638.3

SEK M	Jan-Mar 2017	Jan- Mar 2016	Change, %	Jan-Dec 2016
Operating profit				
Sensors	70.8	618.7	-89	2,578.5
Other	-	-	-	-
Group	70.8	618.7	-89	2,578.5

SEK M	Jan-Mar 2017	Jan- Mar 2016	Change, %	Jan-Dec 2016
	69.7	589.2	-88	2,613.5
-	-	-	-	-
Group	69.7	589.2	-88	2,613.5

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

SEK M	Jan-Mar 2017	Okt-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Okt-Dec 2015	Jul-Sep 2015	Apr-Jun 2015	Jan-Mar 2015
Revenue	685.9	1,618.7	1,862.3	1,666.1	1,491.2	1,351.5	964.0	445.2	139.9
Cost of goods sold	-403.8	-903.8	-958.1	-852.4	-758.7	-723.3	-533.3	-286.2	-102.5
Gross profit	282.1	714.9	904.2	813.7	732.5	628.2	430.7	159.0	37.4
Selling costs	-58.5	-50.8	-43.1	-45.8	-36.9	-35.9	-27.1	-25.5	-19.2
Administrative costs	-34.8	-37.7	-27.4	-34.5	-17.6	-19.2	-13.3	-15.9	-8.5
Development costs	-105.5	-112.5	-81.3	-60.0	-50.3	-48.2	-43.1	-43.3	-41.9
Other operating income/expenses	-12.5	6.1	12.1	1.7	-9.0	-2.2	-2.8	-3.7	7.6
Operating profit/loss	70.8	520.0	764.5	675.1	618.7	522.7	344.4	70.6	-24.6
Finance income/expenses ¹⁾	-1.1	27.4	2.6	34.7	-29.5	-5.1	1.5	-5.1	5.7
Profit/loss before tax	69.7	547.4	767.1	709.8	589.2	517.6	345.9	65.5	-18.9
Income tax	-15.8	-124.1	-169.6	-155.4	-129.7	-113.2	1.5	-	-
Profit/loss for the period	53.9	423.3	597.5	554.4	459.5	404.4	347.4	65.5	-18.9
Other comprehensive income	-0.2	0.0	0.1	0.3	-	-	-	-	-
Total comprehensive income/loss for the period	53.7	423.3	597.6	554.7	459.5	404.4	347.4	65.5	-18.9

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PAST NINE QUARTERS

	31-Mar 2017	31-Dec 2016	30-Sep 2016	30-Jun 2016	31-Mar 2016	31-Dec 2015	30-Sep 2015	30-Jun 2015	31-Mar 2015
<i>SEK/USD exchange rate, balance date</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>	<i>8.39</i>	<i>8.23</i>	<i>8.62</i>
Assets									
Intangible fixed assets	87.7	71.4	80.2	87.1	65.8	49.7	47.3	54.0	60.4
Tangible fixed assets	37.8	29.2	23.6	23.1	24.4	20.6	20.1	19.6	18.4
Financial fixed assets	1.3	0.0	0.1	1.0	1.0	1.0	0.0	-	-
Total fixed assets	126.8	100.6	103.9	111.2	91.2	71.3	67.4	73.6	78.8
Inventories	1,047.5	672.7	373.0	243.7	193.9	153.0	95.0	103.5	95.2
Accounts receivable	641.6	1,132.1	1,341.5	1,086.7	725.2	617.9	448.7	245.5	169.2
Other receivables	388.4	413.7	23.7	24.5	23.6	28.6	28.3	18.5	11.7
Prepaid expenses and accrued income	28.8	21.7	9.5	8.3	9.3	8.0	5.8	6.0	4.9
Cash and cash equivalents	798.4	1,162.2	931.7	1,618.3	1,321.2	1,031.3	498.7	166.0	120.9
Total current assets	2,904.7	3,402.4	2,679.4	2,981.5	2,273.2	1,838.8	1,076.5	539.5	401.9
Total assets	3,031.5	3,503.0	2,783.3	3,092.7	2,364.4	1,910.1	1,143.9	613.1	480.7
Shareholders' equity and liabilities									
Shareholders' equity	2,279.4	2,226.1	1,772.2	1,990.1	1,673.1	1,146.8	731.5	347.6	282.2
Deferred tax liability	135.5	136.3	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Accounts payable	405.5	821.6	697.6	617.7	465.7	548.5	351.7	227.7	53.9
Current tax liability	0.8	54.1	42.8	273.9	126.6	109.6	0.0	-	-
Other current liabilities	6.1	6.7	4.9	5.4	3.3	4.0	5.0	5.6	113.0
Prepaid expenses and accrued income	204.2	258.2	265.8	205.6	95.7	101.2	55.7	32.1	31.5
Total current liabilities	616.6	1,140.6	1,011.1	1,102.6	691.3	763.3	412.4	265.4	198.4
Total shareholders' equity and liabilities	3,031.5	3,503.0	2,783.3	3,092.7	2,364.4	1,910.1	1,143.9	613.1	480.7



CONSOLIDATED CASH-FLOW STATEMENT FOR THE PAST NINE QUARTERS

SEK M	Jan-Mar 2017	Okt-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Okt-Dec 2015	Jul-Sep 2015	Apr-Jun 2015	Jan-Mar 2015
Profit/loss before tax	69.7	547.4	767.1	709.8	589.2	517.6	345.9	65.5	-18.9
Adjustment for non-cash items	13.0	-10.6	13.1	-24.3	36.5	17.0	9.7	14.5	6.2
Income tax paid	-70.1	24.2	-401.4	-8.1	-112.7	-4.2	0.0	-	-
Change in inventory	-374.8	-299.5	-129.5	-49.8	-40.9	-58.0	8.5	-8.3	3.5
Change in current receivables	508.7	-192.9	-255.2	-361.3	-103.6	-171.7	-213.0	-84.1	-50.4
Change in current liabilities	-470.6	117.4	140.4	264.1	-89.0	241.8	147.0	67.0	75.0
Cash flow fr. operating activities ¹⁾	-324.1	186.0	134.5	530.4	279.5	542.5	298.1	54.6	15.4
Cash flow from investing activities	-40.8	-13.5	-7.9	-30.1	-26.8	-15.9	-3.6	-4.3	-2.1
Cash flow from financing activities	-0.4	30.4	-815.5	-237.8	66.8	11.1	36.4	-0.1	-0.1
Change in cash and cash equiv.	-365.3	202.9	-688.9	262.5	319.5	537.7	330.9	50.2	13.2
Cash and cash equiv. on the opening date	1,162.2	931.7	1,618.3	1,321.2	1,031.3	498.7	166.0	120.9	101.9
Effect of exchange rate changes on cash	1.5	27.6	2.3	34.6	-29.6	-5.1	1.8	-5.1	5.8
Closing cash and cash equivalents	798.4	1,162.2	931.7	1,618.3	1,321.2	1,031.3	498.7	166.0	120.9

¹⁾ 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	March 31, 2017		March 31, 2016	
	Carrying amount	Fair amount	Carrying amount	Fair amount
Financial assets				
Loan receivables and accounts receivable				
Accounts receivable	641.6	641.6	725.2	725.2
Cash and cash equivalents	798.4	798.4	1,321.2	1,321.2
Total financial assets	1,440.0	1,440.0	2,046.4	2,046.4
Financial liabilities				
Current financial liabilities:				
Accounts payable	405.5	405.5	465.7	465.7
Total financial liabilities	405.5	405.5	465.7	465.7
By category:				
Loan receivables and accounts receivable	1,440.0	1,440.0	2,046.4	2,046.4
Total financial assets	1,440.0	1,440.0	2,046.4	2,046.4
Financial liabilities at amortized cost	405.5	405.5	465.7	465.7
Total financial liabilities	405.5	405.5	465.7	465.7

CONDENSED INCOME STATEMENT, PARENT COMPANY

SEK M	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Revenues	685.9	1,491.2	6,638.3
Cost of goods sold	-403.8	-758.7	-3,473.0
Gross profit	282.1	732.5	3,165.3
Selling expenses	-58.5	-36.7	-176.6
Administrative expenses	-39.3	-17.4	-129.0
Development expenditure	-105.5	-49.8	-304.2
Other operating revenues/expenses	-12.5	-12.2	11.3
Operating profit	66.3	616.4	2,566.8
Finance revenues/expenses	-1.1	-29.5	35.2
Profit after financial items	65.2	586.9	2,602.0
Appropriations	0.0	0.0	-650.0
Profit before tax	65.2	586.9	1,952.0
Tax	-14.5	-129.5	-433.7
Profit for the period	50.7	457.4	1,518.3

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK M	31-Mar 2017	31-Mar 2016	31-Dec 2016
Assets			
Intangible fixed assets	86.3	63.5	69.8
Tangible fixed assets	33.9	22.4	25.9
Financial fixed assets	16.0	3.5	11.8
<i>Total fixed assets</i>	<i>136.2</i>	<i>89.4</i>	<i>107.5</i>
Inventories	1,047.5	193.9	672.7
Accounts receivable	641.6	725.2	1,132.1
Current receivables	412.0	38.7	434.4
Cash and cash equivalents	774.8	1,307.3	1,142.3
<i>Total current assets</i>	<i>2,875.9</i>	<i>2,265.1</i>	<i>3,381.5</i>
Total assets	3,012.1	2,354.5	3,489.0
Shareholders' equity and liabilities			
<i>Shareholders' equity</i>	<i>1,749.1</i>	<i>1,660.7</i>	<i>1,699.0</i>
<i>Tax allocation fund</i>	<i>650.0</i>	<i>-</i>	<i>650.0</i>
Accounts payable	403.8	472.7	820.7
Tax liability	0.0	127.6	53.9
Other current liabilities	209.2	93.5	265.4
<i>Total current liabilities</i>	<i>613.0</i>	<i>693.8</i>	<i>1,140.0</i>
Total shareholders' equity and liabilities	3,012.1	2,354.5	3,489.0

KEY CONSOLIDATED DATA

	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Revenue, SEK M	685.9	1,491.2	6,638.3
Revenue change, %	-54.0	966	129.0
Gross margin, %	41	49	48
Operating margin, %	10	41	39
Profit margin, %	8	31	31
EBITDA, SEK M	85.4	625.6	2,627.1
Return on equity, %	2	33	121
Cash flow from operating activities, SEK M	-324.1	279.5	1,130.3
Equity/assets ratio, %	75	71	64
Investments, SEK M	-40.8	-26.8	-78.3
Average number of employees	339	179	237
Shareholders' equity per share, SEK ³⁾			
- before dilution	7.26	5.18	7.11
- after dilution ²⁾	7.26	5.14	7.09
Cash flow from operating activities/share, SEK			
- before dilution	-1.03	0.87	3.56
- after dilution ³⁾	-1.03	0.86	3.52
Number of shares at period end, 000s ⁽¹⁾	313,967	322,696	313,097
Share price at period end ⁽¹⁾	36.14	94.40	62.85

²⁾ Fingerprints has at the end of period no outstanding programs with potential dilution effect

¹⁾ Adjusted for share split 5:1 2016-05-27.

KEY CONSOLIDATED FIGURES FOR THE PAST NINE QUARTERS

SEK M	Jan-Mar 2017	Okt-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Okt-Dec 2015	Jul-Sep 2015	Apr-Jun 2015	Jan-Mar 2015
Revenue, SEK M	685.9	1,618.7	1,862.3	1,666.1	1,491.2	1,351.5	964.0	445.2	139.9
Revenue increase, %	-54	20	93	274	966	1,187	1,358	912	660
Gross margin, %	41	44	49	49	49	46	45	36	27
Operating margin, %	10	32	41	41	41	38	36	15	-13
Profit margin, %	8	26	32	33	31	30	36	15	-13
EBITDA, SEK M	85.4	535.8	779.7	685.7	625.6	534.8	354.1	80.0	-5.1
Return on equity, %	2	25	41	35	33	44	64	21	-6
Cash flow from operating activities, SEK M	-324.1	186.0	134.5	530.4	279.5	542.5	298.1	54.6	15.4
Equity/assets ratio, %	75	64	64	64	71	60	64	57	59
Investments, SEK M	-40.8	-13.5	-7.9	-30.1	-26.8	-15.9	-3.6	-4.3	-2.1
Average number of employees	339	293	259	224	179	140	121	110	104
Shareholders' equity per share, SEK ¹⁾									
- before dilution	7.26	7.11	5.68	6.22	5.18	3.63	2.36	1.19	0.97
- after dilution ²⁾	7.26	7.09	5.60	6.13	5.14	3.54	2.28	1.11	0.91
Cash flow from operating activities, SEK ¹⁾									
- before dilution	-1.03	0.60	0.42	1.65	0.87	1.72	0.96	0.19	0.05
- after dilution ²⁾	-1.03	0.59	0.42	1.63	0.86	1.68	0.93	0.17	0.05
Number of shares at period end, 000s ¹⁾	313,967	313,097	312,272	320,007	322,696	316,195	309,870	292,105	292,105
Share price at period end	36.14	62.85	100.50	81.30	94.40	118.20	61.80	35.70	10.70

²⁾ Fingerprints did not have any outstanding warrant programs at the end of the period.

³⁾ Adjusted for share split 5:1 2016-05-27.

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

	Apr-Mar 2016/17	Jan-Dec 2016	Okt-Sep 2015/16	Jul-Juni 2015/16	Apr-Mar 2015/16	Jan-Dec 2015	Okt-Sep 2014/15	Jul-Jun 2014/15	Apr-Mar 2014/15
Revenues, SEK M	5,833.0	6,638.3	6,371.1	5,472.8	4,251.8	2,900.6	1,654.1	756.3	355.1
Gross profit, SEK M	2,714.9	3,165.3	3,078.6	2,605.1	1,950.4	1,255.3	627.1	251.3	105.4
Gross margin, %	47	48	48	48	46	43	40	33	30
Operating result, SEK M	2,030.6	2,578.5	2,581.0	2,160.9	1,556.4	913.1	390.4	-27.1	-137.5
Operating margin, %	35	39	41	39	37	31	22	-4	-39
EBITDA, SEK M	2,086.9	2,627.1	2,625.8	2,200.2	1,594.6	963.8	429.0	30.6	-68.0

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, 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.



About Fingerprint Cards

Fingerprint Cards AB, Fingerprints, with its Swedish roots, is the leading global biometrics 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 by users 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. The 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 smart cards, PCs, automotive and online devices (IoT).

The Fingerprints share is listed on Nasdaq Stockholm (FING B). The company has shown strong growth and sales totaled SEK 6,638 M in 2016, with an operating margin of 39 percent. Most of the more than 400 employees work in Sweden, but the company has offices worldwide, from Shanghai to Silicon Valley.

Vision

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

Mission

To provide safe 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 at the company's website: www.corporate.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.

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

Average number of shares after dilution Average number of shares plus an increase by the average number of shares that could be issued as a result of current remuneration and personnel programs.

Cash flow from operating activities/share Cash flow from operating activities after changes in working capital/average number of shares before and after dilution.

Cost of goods sold Cost for materials, production expenses and amortization according to plan of capitalized development expenditure.

Earnings per share 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.