

Highlights of the quarter

- Cost-cutting program executed as planned
- Operating result for the first quarter of 2018 charged with restructuring costs of SEK 40.2 M
- Performance in the Chinese smartphone market remained weak
- The shift towards smaller and cheaper fingerprint sensors negatively impacted revenues and gross margin

First quarter of 2018

- Revenues totaled SEK 289.7 M (685.9), down 58% compared with the first quarter of 2017
- The gross margin was 15% (41)
- The operating loss was SEK 174.9 M (profit: 70.8)
- Earnings per share before dilution was a negative SEK 0.47 (profit: 0.17)
- Cash flow from operating activities was a negative SEK 203.8 M (neg: 324.1)

Summary

SEK M	Jan-Mar 2018	Jan-Mar 2017	Change	Jan-Dec 2017
Revenue	289.7	685.9	-58%	2,966.0
Gross profit	44.8	282.1	-84%	988.9
<i>Gross margin %</i>	15	41		33
Operating profit	-174.9	70.8	-347%	154.6
<i>Operating margin %</i>	-60	10		5
Profit/loss before tax	-188.3	69.7	-370%	141.8
Profit/loss for the period	-148.2	53.9	-375%	120.3
Earnings per share before dilution, SEK	-0.47	0.17	-375%	0.38
Cash and cash equivalents	534.2	798.4	-33%	920.2
Cash flow from operating activities	-203.8	-324.1	-37%	376.9
Equity/assets ratio, %	67	75	-11%	66
Average number of employees	401	339	18%	388



CEO's comments

Earnings in the first quarter of 2018 were impacted by a continued weakening of sales, as we anticipated in the year-end report for 2017. Sales declined 58 percent year-on-year. Production volumes of smartphones for the Chinese market declined, both sequentially and year-on-year.

Meanwhile, the shift towards smaller and cheaper fingerprint sensors continued during the quarter. This had an adverse impact on the average selling price for our products. This product mix trend was the single most important factor underlying the decline in sales and the weaker gross margin. We expect the declining price trend to continue due to the difficult competitive situation. Overall, as previously communicated, this means that we expect the value of the market for capacitive fingerprint sensors for smartphones to continue to decline during 2018.

During the quarter, we focused intently on implementing the cost-cutting program. We have implemented the actions necessary to generate the targeted cost savings of SEK 360 M, and the full SEK 40.2 M restructuring cost related to the program was recorded in Q1. Our cost savings program will have full effect on cash flow starting from Q3.

To defend our market share and our margins, we are currently conducting a high-priority development project with the aim of launching a fingerprint sensor with a lower production cost than the present generation of sensors, but whose biometric performance remains high. We expect to introduce the new low-cost sensor to the market in the second half of the current year. In respect of capacitive fingerprint sensors for smartphones, the main focus of our R&D activities will henceforth be on ensuring a competitive production cost.

At the same time as our ambition is to strengthen our position in the smartphone segment, we have moved the focal point of our investments towards new, emerging biometric markets. These involve both new applications for our existing technology and developing solutions based on new biometric modalities, e.g. iris- and face recognition. Diversifying the operations is a major strategic priority and we are about to reach our goal that new areas, outside the segment for capacitive sensors for smartphones, will account for approximately 10 percent of sales in 2018. Our biometric solutions are already found in a series of product areas, such as door locks, laptops and tablet devices. At the same time, biometrics are being introduced in increasing numbers of areas, not least in smartcards, where Fingerprints is very well positioned.

Market conditions are challenging, but we expect some stabilization and sequential growth in Q2, a quarter which has historically been seasonally stronger than Q1. Furthermore, we expect cash flow from operating activities to sequentially improve during Q2 and be positive, due to a tax refund and an improved operating result.

Christian Fredrikson, President and CEO



“To defend our margins, we are developing sensors with a lower production cost”

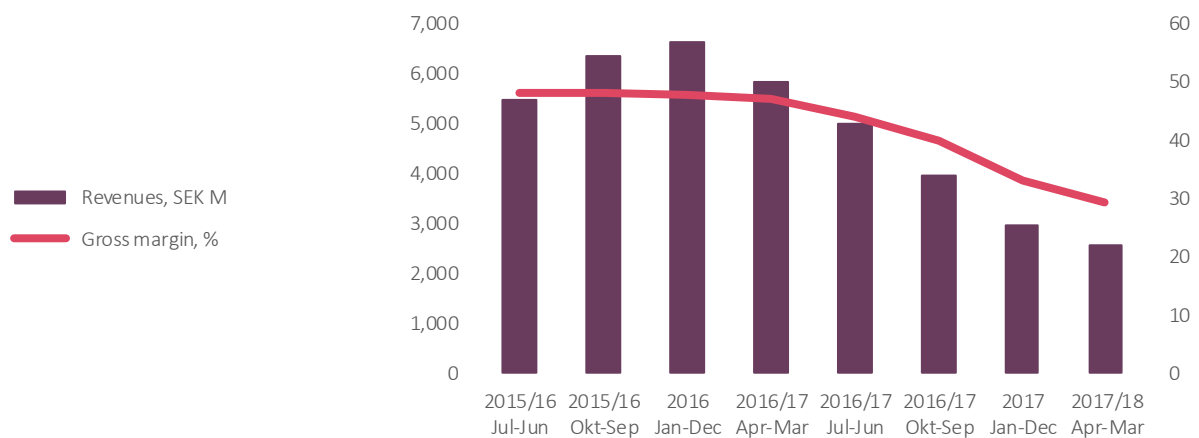


Revenues and operating profit

Revenues

Consolidated revenues for the first quarter totaled SEK 289.7 M (685.9), down 58 percent year-on-year. The continued shift during the quarter towards smaller and cheaper fingerprint sensors had a significant impact on revenues. Delivery volumes declined and performance in the Chinese smartphone market remained weak during the first quarter.

Revenues and gross margin, rolling 12 months



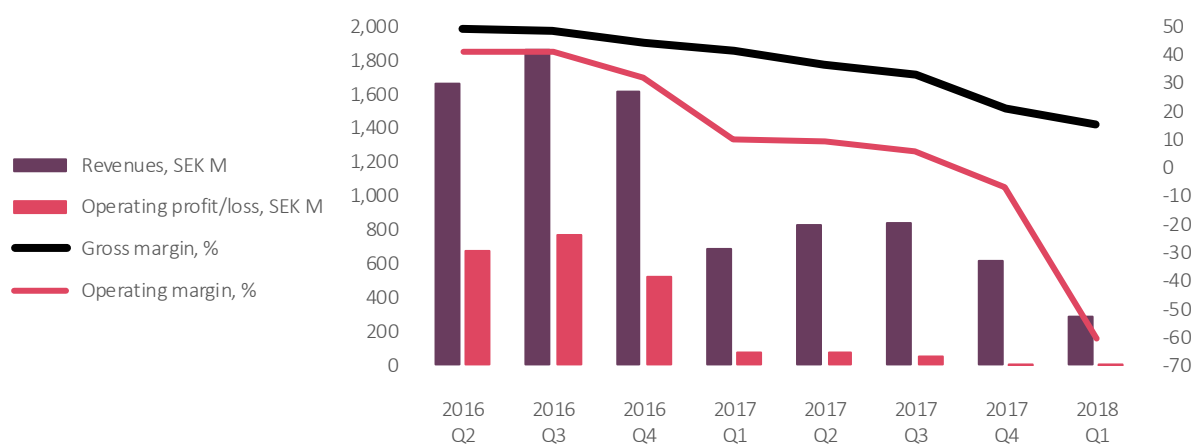
Trend in operating profit

Gross profit for the first quarter was SEK 44.8 M (282.1) and the gross margin was 15 percent (41). The weaker gross margin year-on-year was due to a lower average selling price (ASP), resulting primarily from a changed product mix.

The operating result, a loss of SEK 174.9 M (profit: 70.8), was impacted negatively by restructuring costs of SEK 40.2 M (-) in the first quarter. The restructuring cost had an adverse impact of 14 percentage points on the operating margin. Operating expenses, including restructuring costs, totaled SEK 217.9 M (198.8). Development costs of SEK 36.2 M (25.4) were capitalized during the quarter, which corresponds to 30 percent of total development costs, compared with 19 percent for the corresponding period of 2017.



Revenues, operating profit/loss, gross margin and operating margin per quarter



Financial income and expenses

Net financial items amounted to an expense of SEK 13.4 M (expense: 1.1). In addition to interest income and interest expenses, this item also includes the effect of changes in exchange rates on currency accounts and the translation of loans in foreign currency. Such items adversely impacted results during the first quarter by SEK 9.0 M (1.5). Interest expenses of SEK 4.4 M (positive: 0.4) on bank balances and borrowings were charged against profit.

Earnings and earnings per share during the report period

A net loss of SEK 148.2 M (profit: 53.9) was reported during the period. Earnings per share for the period was a negative SEK 0.47 (profit: 0.17).



Cash flow and balance sheet

Cash flow and cash

Cash flow from operating activities was a negative SEK 203.8 M (neg: 324.1). The operating loss was the foremost reason underlying the negative cash flow.

Cash flow from investing activities for the first quarter amounted to a negative SEK 56.6 M (neg: 40.8), of which capitalized development expenditure accounted for a negative SEK 36.2 M (neg: 28.3). In addition, SEK 18.8 M (-) was disbursed during the quarter pertaining to part of the remaining purchase consideration for the acquisition of Delta ID.

Cash flow from financing activities was a negative SEK 124.3 M (neg: 0.4) and consisted of repayment of the acquisition loan relating to Delta ID.

Exchange-rate fluctuations had a negative impact of SEK 1.3 M (pos: 1.5) on cash and cash equivalents during the quarter.

Liquidity and shareholders' equity

At March 31, 2018, the Group's disposable cash and cash equivalents totaled SEK 534.2 M (798.4). Consolidated net cash holdings at the end of the first quarter amounted to SEK 184.9 M (798.4). At period-end, consolidated shareholders' equity amounted to SEK 2,195.9 M (2,279.4) and the equity/assets ratio for the Group to 67 percent (75).

Investments, fixed assets and depreciation/amortization

Investments in intangible fixed assets during the quarter totaled SEK 36.6 M (28.3).

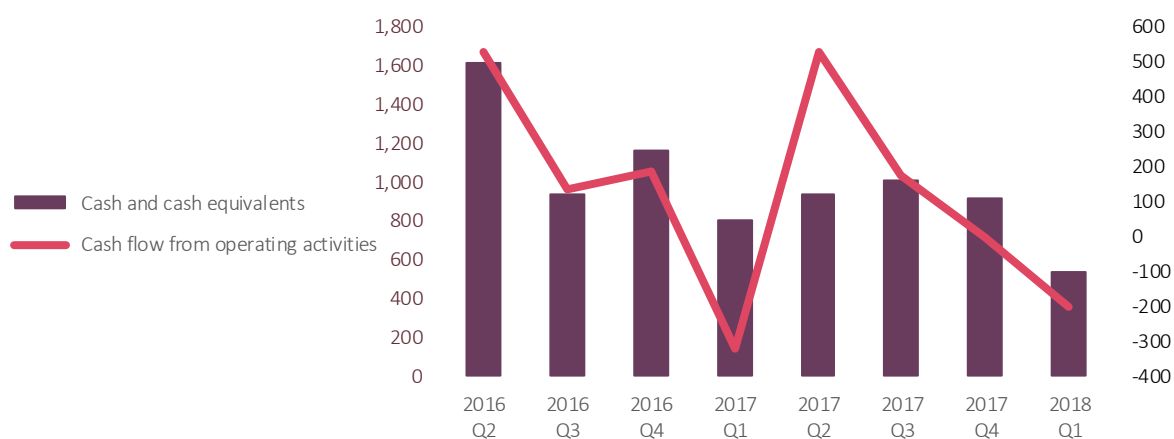
Investments in tangible fixed assets in the first quarter totaled SEK 1.2 M (11.2).

Depreciation/amortization according to plan in the first quarter totaled SEK 26.2 M (14.6).

Financial objectives

In view of the cost-cutting program initiated by the company and the changed market conditions for capacitive sensors for smartphones, the company, as previously communicated, needs to review the long-term financial objectives communicated in the year-end report for 2016. The company intends to adapt the financial objectives to the changed conditions and will return with revised objectives during the second quarter of 2018.

Cash and cash equivalents and cash flow, SEK M





Other events during the first quarter

Business development

During the first quarter of 2018, 17 mobile devices fitted with the company's sensors were launched by seven OEM customers. Two laptops equipped with fingerprint sensors from Fingerprints were also launched during the first quarter.

The FPC1291, the first fingerprint sensor from the third generation, was launched during the quarter. This sensor is a single-chip solution offering improved performance at the same time as the OEM design process and integration into smartphone applications can be simplified.

It was announced in the quarter that the company will be broadening its biometric technology portfolio by offering a facial recognition solution. The solution will initially be developed for smartphones but, since Fingerprints is expanding into new fields of application in various industries, it will also be offered to customers in other areas. Fingerprints' facial recognition feature is expected to be integrated into customer products in the second half of 2018.

Altran and Fingerprints announced during the quarter that the companies had entered into a collaboration aimed at offering biometric solutions for the automotive industry. Fingerprints' solutions involving both fingerprint and iris recognition can be used in multiple fields of application in the automotive industry.

It was announced in April 2018 that Fingerprints will be delivering fingerprint sensors for the first market test of Visa in the Middle East in respect of contact and contactless biometric charge cards. The card technology is being delivered by Zwipe, which is using a sensor from Fingerprints' FPC1300 series.

As disclosed in the 2017 year-end report, Fingerprints was able to announce in January that it had entered into collaboration with Visa in connection with the first market test of contact and contactless biometric charge cards in the US, together with Mountain America Credit Union. In addition, a sensor from Fingerprints is included in a market test with the Bank of Cyprus, together with Zwipe.

As previously communicated, Fingerprints was able to announce in January that it had entered into an exclusive collaboration agreement with Gentex for the development of biometric solutions for the automotive industry based on iris scanning.



A number of market tests of biometric smartcards are currently being implemented in various parts of the world.

Changes in personnel

As announced on March 20, 2018, Pernilla Lindén has been appointed Chief Financial Officer (CFO) effective June 7, 2018. It was announced simultaneously that Hassan Tabrizi will be stepping down from the position of acting CFO and from his position in Fingerprints' Executive Management Group, effective June 6, 2018, and that Jan Johannesson will be stepping down from the position of Senior VP Strategy and Corporate Development and from Fingerprints' Executive Management Group, effective June 30, 2018.



Notable events during the first quarter of 2018

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

Organization and Personnel

The number of employees on March 31, 2018 was 374 (358). In addition to employees, consultants were also used during the first quarter, primarily in technical development and sales, corresponding to 81 (135). Accordingly, including employees and consultants, the company had a total of 455 (493) people at March 31, 2018.

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



Share capital trend

The number of shares amounts to 313,967,675, of which 6,000,000 are Class A shares and 307,967,675 are Class B shares. The total number of votes is 367,967,675. The share capital is unchanged at SEK 12,975,675.

Number of shares

	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Number of shares, (000s)			
Number of shares at period end	313,967	324,391	313,967
Of which class A-shares	6,000	6,000	6,000
Of which class B-shares	307,967	318,391	307,967
Number buyback shares at period end	-	-10,424	-
Number of shares outstanding at period end	313,967	313,967	313,967
Number of shares outstanding, diluted at period end	313,967	313,967	313,967
Average number of shares outstanding (000s)			
Average number of shares	313,967	324,391	313,967
Average number of buyback shares	-	-10,424	-
Average number of shares outstanding, basic	313,967	313,967	313,967
Average number of shares outstanding, diluted	313,967	313,967	313,967



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 has been prepared in accordance with the Annual Accounts Act, Chapter 9, Interim reports. The application of these accounting policies, with the exception of IFRS 9 and IFRS 15, as described below, complies with what is presented in the Annual Report for the fiscal year ending December 31, 2017 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 2018 have had any significant impact on the Group. The European Securities and Markets Authority's "Guidelines – Alternative Performance Measures" are applied for measures that are not defined by the IFRS.

IFRS 9 Financial Instruments

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

IFRS 15 Revenues from Contracts with Customers

Fingerprints primarily sells sensor hardware to distributors. The sensors consist of hardware in which software is included as an integrated feature. Since separate sales of the software are implemented to an extremely limited extent, the sale of goods represents the main revenue stream (nearly 100 percent). Our assessment is that these sales should be recognized as revenue when control is transferred to the buyer and that this point in time is unchanged compared with the past; i.e. that it complies with IAS 18.

Related-party transactions

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

Parent Company

The Parent Company's revenues for the first quarter of 2017 amounted to SEK 285.9 M (685.9) and the result after financial items for the period declined to a loss of SEK 171.2 M (profit: 65.2). A net loss of SEK 132.9 M (profit: 50.7) was reported for the period. The Parent Company's disposable cash and cash equivalents at period-end totaled SEK 497.0 M (774.8).



Significant risks and uncertainties – Group and Parent Company

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

The described risks and uncertainties are not ranked in any order of significance; nor are they claimed to be the only risks or uncertainties to which the company is exposed. Additional risks and uncertainties that the company is currently unaware of or that are currently not adjudged to be material could develop into factors that might in the future have a material impact on the company's operations, earnings, financial position or future outlook. The following description does not claim to be complete or exact, since risks and their degree of impact vary over time:

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

For further information concerning the risks facing the Group, see the 2017 Annual Report, which is available on our website www.fingerprints.com



Seasonal variations

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

For Fingerprints and other component suppliers to mobile phone manufacturers, volumes tend to be the strongest during the year in the third quarter, when volumes are about 10 percent higher than in the fourth quarter. The second and the fourth quarters are seasonally comparable and tend to be seasonally stronger than the first quarter.

Financial calendar

2018 AGM	May 29, 2018
Interim report, January – June	July 19, 2018

For further information

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 below on May 3, 2018, at 7:00 a.m. CET.

Welcome to Fingerprints' presentation of the interim report for the first quarter of 2018 on May 3, 2018 at 9:00 a.m. CET. The presentation will be webcast, and participants can register via the link below.

<https://engage.vevent.com/rt/fingerprints/index.jsp?seid=127>

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Certification

The Board of Directors and the CEO certify that this interim report provides a fair and accurate review of the operations, financial position and earnings of the Parent Company and the Group and that it describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Gothenburg, May 2, 2018

Jan Wäreby
Chairman of the Board

Alexander Kotsinas
Board Member

Urban Fagerstedt
Board Member

Carl-Johan von Plomgren
Board Member

Tomas Mikaelsson
Board Member

Ann-Sofie Nordh
Board Member

Åsa Hedin
Board Member

Dimitrij Titov
Board Member

Christian Fredrikson
CEO

Auditors' review report

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



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Condensed consolidated statement of comprehensive income

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Revenue	289.7	685.9	2,966.0
Cost of goods sold	-244.9	-403.8	-1,977.1
Gross profit	44.8	282.1	988.9
Gross Margin, %	15	41	33
Selling expenses	-69.0	-58.5	-236.9
Administrative expenses	-66.3	-34.8	-145.6
Development expenditure	-82.6	-105.5	-391.3
Other operating income/expenses	-1.8	-12.5	-60.5
Operating profit/loss	-174.9	70.8	154.6
Operating Margin, %	-60	10	5
Finance income/expenses	-13.4	-1.1	-12.8
Profit/loss before tax	-188.3	69.7	141.8
Income tax	40.1	-15.8	-21.5
Profit/loss for the period	-148.2	53.9	120.3
Other comprehensive income	13.3	-0.2	-15.2
Total comprehensive income for the period	-134.9	53.7	105.1
Earnings per share for the period			
Before dilution, SEK	-0.47	0.17	0.38
After dilution, SEK	-0.47	0.17	0.38

Condensed consolidated statement of financial position

SEK M	31-Mar 2018	31-Mar 2017	31-Dec 2017
Assets			
Intangible fixed assets	1,220.1	87.7	1,188.3
Tangible fixed assets	43.5	37.8	46.6
Financial fixed assets	-	1.3	-
<i>Total fixed assets</i>	<i>1,263.6</i>	<i>126.8</i>	<i>1,234.9</i>
Inventories	720.8	1,047.5	646.1
Accounts receivable	385.2	641.6	437.5
Other receivables	347.0	388.4	284.0
Prepaid expenses and accrued income	29.5	28.8	29.1
Cash and cash equivalents	534.2	798.4	920.2
<i>Total current assets</i>	<i>2,016.7</i>	<i>2,904.7</i>	<i>2,316.9</i>
Total assets	3,280.3	3,031.5	3,551.8
Shareholders' equity and liabilities			
<i>Shareholders' equity</i>	<i>2,195.9</i>	<i>2,279.4</i>	<i>2,330.8</i>
<i>Deferred tax liabilities</i>	<i>188.2</i>	<i>135.5</i>	<i>189.8</i>
<i>Long-term liabilities</i>	<i>50.9</i>	<i>-</i>	<i>221.9</i>
Accounts payable	210.8	405.5	268.0
Current tax liabilities	1.1	0.8	1.5
Other current liabilities	385.8	6.1	349.9
Accrued expenses	247.6	204.2	189.9
<i>Total current liabilities</i>	<i>845.3</i>	<i>616.6</i>	<i>809.3</i>
Total shareholders' equity and liabilities	3,280.3	3,031.5	3,551.8



Condensed consolidated statement of changes in shareholders' equity

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Opening shareholders' equity	2,330.8	2,226.1	2,226.1
Comprehensive income for the period	-134.9	53.7	105.1
Exercise of warrants	-	-0.4	-0.4
Closing shareholders' equity	2,195.9	2,279.4	2,330.8

Condensed consolidated statement cash-flows

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Profit/loss before tax	-188.3	69.7	141.8
Adjustment for non-cash items	32.4	13.0	136.1
Income tax paid	-34.0	-70.1	-345.4
Change in inventory	-74.7	-374.8	26.7
Change in current receivables	60.2	508.7	1,080.4
Change in current liabilities	0.6	-470.6	-662.7
Cash flow from operating activities	-203.8	-324.1	376.9
Cash flow from investing activities	-56.6	-40.8	-1,071.0
Cash flow from financing activities	-124.3	-0.4	481.7
Change in cash and cash equivalents	-384.7	-365.3	-212.4
Cash and cash equivalents on the opening date	920.2	1,162.2	1,162.2
Effect of exchange rate changes on cash	-1.3	1.5	-29.6
Closing cash and cash equivalents	534.2	798.4	920.2

The Group's operating segments

SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %	Jan-Dec 2017
Revenue				
Sensors	289.7	685.9	-57.8	2,966.0
Other	-	-	-	-
Group	289.7	685.9	-57.8	2,966.0

SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %	Jan-Dec 2017
Operating profit/loss				
Sensors	-174.9	70.8	-347.0	154.6
Other	-	-	-	-
Group	-174.9	70.8	-347.0	154.6

SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %	Jan-Dec 2017
Profit/loss before tax				
Sensors	-188.3	69.7	-370.2	141.8
Other	-	-	-	-
Group	-188.3	69.7	-370.2	141.8



Consolidated statement of income and comprehensive income for the past nine quarters

SEK M	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016
Revenue	289.7	615.3	841.4	823.4	685.9	1,618.7	1,862.3	1,666.1	1,491.2
Cost of goods sold	-244.9	-485.2	-564.6	-523.5	-403.8	-903.8	-958.1	-852.4	-758.7
Gross profit	44.8	130.1	276.8	299.9	282.1	714.9	904.2	813.7	732.5
Gross margin, %	15	21	33	36	41	44	49	49	49
Selling costs	-69.0	-64.0	-58.6	-55.8	-58.5	-50.8	-43.1	-45.8	-36.9
Administrative costs	-66.3	-40.6	-33.0	-37.2	-34.8	-37.7	-27.4	-34.5	-17.6
Development costs	-82.6	-99.8	-84.7	-101.3	-105.5	-112.5	-81.3	-60.0	-50.3
Other operating income/expenses	-1.8	33.7	-48.1	-33.6	-12.5	6.1	12.1	1.7	-9.0
Operating profit/loss	-174.9	-40.6	52.4	72.0	70.8	520.0	764.5	675.1	618.7
Operating margin, %	-60	-7	6	9	10	32	41	41	41
Finance income/expenses	-13.4	-0.1	13.1	-24.7	-1.1	27.4	2.6	34.7	-29.5
Profit/loss before tax	-188.3	-40.7	65.5	47.3	69.7	547.4	767.1	709.8	589.2
Income tax	40.1	24.2	-15.4	-14.5	-15.8	-124.1	-169.6	-155.4	-129.7
Profit/loss for the period	-148.2	-16.5	50.1	32.8	53.9	423.3	597.5	554.4	459.5
Other comprehensive income	13.3	4.9	-12.6	-7.3	-0.2	-	0.1	0.3	-
Total comprehensive income for the period	-134.9	-11.6	37.5	25.5	53.7	423.3	597.6	554.7	459.5

Consolidated statement of financial position for the past nine quarters

	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016
<i>SEK/USD exchange rate, balance date</i>	<i>8.36</i>	<i>8.23</i>	<i>8.11</i>	<i>8.47</i>	<i>8.93</i>	<i>9.10</i>	<i>8.62</i>	<i>8.48</i>	<i>8.15</i>
Assets									
Intangible fixed assets	1,220.1	1,188.3	1,134.7	1,148.4	87.7	71.4	80.2	87.1	65.8
Tangible fixed assets	43.5	46.6	40.0	40.5	37.8	29.2	23.6	23.1	24.4
Financial fixed assets	-	-	0.1	1.4	1.3	-	0.1	1.0	1.0
Total fixed assets	1,263.6	1,234.9	1,174.8	1,190.3	126.8	100.6	103.9	111.2	91.2
Inventories	720.8	646.1	669.6	818.4	1,047.5	672.7	373.0	243.7	193.9
Accounts receivable	385.2	437.5	592.9	451.0	641.6	1,132.1	1,341.5	1,086.7	725.2
Other receivables	347.0	284.0	210.9	157.8	388.4	413.7	23.7	24.5	23.6
Prepaid expenses and accrued income	29.5	29.1	23.7	26.3	28.8	21.7	9.5	8.3	9.3
Cash and cash equivalents	534.2	920.2	1,011.2	933.7	798.4	1,162.2	931.7	1,618.3	1,321.2
Total current assets	2,016.7	2,316.9	2,508.3	2,387.2	2,904.7	3,402.4	2,679.4	2,981.5	2,273.2
Total assets	3,280.3	3,551.8	3,683.1	3,577.5	3,031.5	3,503.0	2,783.3	3,092.7	2,364.4
Shareholders' equity and liabilities									
<i>Shareholders' equity</i>	<i>2,195.9</i>	<i>2,330.8</i>	<i>2,342.4</i>	<i>2,304.9</i>	<i>2,279.4</i>	<i>2,226.1</i>	<i>1,772.2</i>	<i>1,990.1</i>	<i>1,673.1</i>
<i>Deferred tax liabilities</i>	<i>188.2</i>	<i>189.8</i>	<i>200.0</i>	<i>207.0</i>	<i>135.5</i>	<i>136.3</i>	-	-	-
<i>Long-term liabilities</i>	<i>50.9</i>	<i>221.9</i>	<i>243.3</i>	<i>254.1</i>	-	-	-	-	-
Accounts payable	210.8	268.0	362.9	234.9	405.5	821.6	697.6	617.7	465.7
Current tax liabilities	1.1	1.5	0.8	0.4	0.8	54.1	42.8	273.9	126.6
Other current liabilities	385.8	349.9	359.1	392.6	6.1	6.7	4.9	5.4	3.3
Accrued expenses and prepaid income	247.6	189.9	174.6	183.6	204.2	258.2	265.8	205.6	95.7
Total current liabilities	845.3	809.3	897.4	811.5	616.6	1,140.6	1,011.1	1,102.6	691.3
Total shareholders' equity and liabilities	3,280.3	3,551.8	3,683.1	3,577.5	3,031.5	3,503.0	2,783.3	3,092.7	2,364.4



Consolidated cash-flow statement for the past nine quarters

SEK M	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016
Profit/loss before tax	-188.3	-40.7	65.5	47.3	69.7	547.4	767.1	709.8	589.2
Adjustment for non-cash items	32.4	28.9	17.9	76.3	13.0	-10.6	13.1	-24.3	36.5
Income tax paid	-34.0	-56.4	-62.7	-156.2	-70.1	24.2	-401.4	-8.1	-112.7
Change in inventory	-74.7	23.6	148.8	229.1	-374.8	-299.5	-129.5	-49.8	-40.9
Change in current receivables	60.2	111.0	-99.4	560.1	508.7	-192.9	-255.2	-361.3	-103.6
Change in current liabilities	0.6	-68.1	104.6	-228.6	-470.6	117.4	140.4	264.1	-89.0
Cash flow fr. operating activities	-203.8	-1.7	174.7	528.0	-324.1	186.0	134.5	530.4	279.5
Cash flow from investing activities	-56.6	-75.5	-79.9	-874.8	-40.8	-13.5	-7.9	-30.1	-26.8
Cash flow from financing activities	-124.3	-26.0	-	508.1	-0.4	30.8	-815.5	-237.8	66.8
Change in cash and cash equiv.	-384.7	-103.2	94.8	161.3	-365.3	203.3	-688.9	262.5	319.5
Cash and cash equiv. on the opening date	920.2	1,011.2	933.7	798.4	1,162.2	931.7	1,618.3	1,321.2	1,031.3
Effect of exchange rate changes on cash	-1.3	12.2	-17.3	-26.0	1.5	27.2	2.3	34.6	-29.6
Closing cash and cash equivalents	534.2	920.2	1,011.2	933.7	798.4	1,162.2	931.7	1,618.3	1,321.2

Fair value and carrying amount of financial liabilities and assets

SEK M	3/31/2018		3/31/2017	
	Carrying amount	Fair amount	Carrying amount	Fair amount
Financial assets				
Current financial assets:				
Loan receivables and accounts receivable				
Accounts receivable	385.2	385.2	641.6	641.6
Cash and cash equivalents	534.2	534.2	798.4	798.4
Total financial assets	919.4	919.4	1,440.0	1,440.0
Financial liabilities				
Long-term financial liabilities:				
Long-term liabilities	50.9	50.9	-	-
Current financial liabilities:				
Short-term liabilities of long-term loan	298.4	298.4	-	-
Remaining portion of purchase consideration for acquisition of subsidiary	77.1	77.1	-	-
Accounts payable	210.8	210.8	405.5	405.5
Total financial liabilities	637.2	637.2	405.5	405.5
By category:				
Loan receivables and accounts receivable	919.4	919.4	1,440.0	1,440.0
Total financial assets	919.4	919.4	1,440.0	1,440.0
Financial liabilities at amortized cost	637.2	637.2	405.5	405.5
Total financial liabilities	637.2	637.2	405.5	405.5



Condensed income statement, parent company

SEK M	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Revenues	285.9	685.9	2,955.5
Cost of goods sold	-236.5	-403.8	-1,957.6
Gross profit	49.4	282.1	997.9
Selling expenses	-68.5	-58.5	-231.8
Administrative expenses	-69.7	-39.3	-162.8
Development expenditure	-79.8	-105.5	-382.3
Other operating revenues/expenses	-1.9	-12.5	-70.7
Operating profit/loss	-170.5	66.3	150.3
Finance revenues/expenses	-0.7	-1.1	0.1
Profit/loss after financial items	-171.2	65.2	150.4
Appropriations	-	-	-74.0
Profit/loss before tax	-171.2	65.2	76.4
Tax	38.3	-14.5	-18.4
Profit/loss for the period	-132.9	50.7	58.0

Condensed balance sheet, parent company

SEK M	31-Mar 2018	31-Mar 2017	31-Dec 2017
Assets			
Intangible fixed assets	256.0	86.3	230.1
Tangible fixed assets	35.8	33.9	39.2
Financial fixed assets	891.2	16.0	864.8
<i>Total fixed assets</i>	<i>1,183.0</i>	<i>136.2</i>	<i>1,134.1</i>
Inventories	720.8	1,047.5	646.1
Accounts receivable	384.5	641.6	437.3
Current receivables	384.9	412.0	306.7
Cash and cash equivalents	497.0	774.8	878.9
<i>Total current assets</i>	<i>1,987.2</i>	<i>2,875.9</i>	<i>2,269.0</i>
Total assets	3,170.2	3,012.1	3,403.1
Shareholders' equity and liabilities			
<i>Shareholders' equity</i>	<i>1,623.6</i>	<i>1,749.1</i>	<i>1,756.5</i>
<i>Untaxed reserves</i>	<i>724.0</i>	<i>650.0</i>	<i>724.0</i>
<i>Long-term liabilities</i>	<i>50.9</i>	<i>-</i>	<i>221.9</i>
Accounts payable	209.4	403.8	266.9
Tax liabilities	-	-	-
Other current liabilities	562.3	209.2	433.8
<i>Total current liabilities</i>	<i>771.7</i>	<i>613.0</i>	<i>700.7</i>
Total shareholders' equity and liabilities	3,170.2	3,012.1	3,403.1



Key consolidated data

	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Revenue, SEK M	289.7	685.9	2,966.0
Revenue change, %	-58	-54	-55
Gross margin, %	15	41	33
Operating margin, %	-60	10	5
Profit margin, %	-51	8	4
EBITDA, SEK M	-148.7	85.4	234.0
Return on equity, %	-6	2	5
Cash flow from operating activities, SEK M	-203.8	-324.1	376.9
Equity/assets ratio, %	67	75	66
Investments, SEK M	-56.6	-40.8	-1,071.0
Average number of employees	401	339	388
Shareholders' equity per share, SEK			
- before dilution	6.99	7.26	7.42
- after dilution	6.99	7.26	7.42
Cash flow from operating activities/share, SEK			
- before dilution	-0.65	-1.03	1.20
- after dilution	-0.65	-1.03	1.20
Number of shares at period end, 000s ⁽¹⁾	313,967	313,967	313,967
Average number of shares, 000s			
- before dilution	313,967	313,967	313,967
- after dilution	313,967	313,967	313,967
Share price at period end	8.05	36.14	15.81

Key consolidated figures for the past nine quarters

SEK M	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016
Revenue, SEK M	289.7	615.3	841.4	823.4	685.9	1,618.7	1,862.3	1,666.1	1,491.2
Revenue change, %	-58	-62	-55	-51	-54	20	93	274	966
Gross margin, %	15	21	33	36	41	44	49	49	49
Operating margin, %	-60	-7	6	9	10	32	41	41	41
Profit margin, %	-51	-3	6	4	8	26	32	33	31
EBITDA, SEK M	-148.7	-17.5	77.2	88.9	85.4	535.8	779.7	685.8	625.6
Return on equity, %	-6	0	2	1	2	25	41	35	33
Cash flow from operating activities, SEK M	-203.8	-1.7	174.7	528.0	-324.1	186.0	134.5	530.4	279.5
Equity/assets ratio, %	67	66	64	64	75	64	64	64	71
Investments, SEK M	-56.6	-75.5	-79.9	-874.8	-40.8	-13.5	-7.9	-30.1	-26.8
Average number of employees	401	416	406	374	339	293	259	224	179
Shareholders' equity per share, SEK									
- before dilution	6.99	7.42	7.46	7.34	7.26	7.11	5.68	6.22	5.18
- after dilution	6.99	7.42	7.46	7.34	7.26	7.09	5.60	6.13	5.14
Cash flow from operating activities, SEK									
- before dilution	-0.65	-0.01	0.56	1.68	-1.03	0.60	0.42	1.65	0.87
- after dilution	-0.65	-0.01	0.56	1.68	-1.03	0.59	0.42	1.63	0.86
Number of shares at period end, 000s	313,967	313,967	313,967	313,967	313,967	313,097	312,272	320,007	322,696
Share price at period end, SEK	8.05	15.81	22.81	30.77	36.14	62.85	100.50	81.30	94.40



Rolling 12-month key figures for the group for the past nine quarters

	Apr-Mar 2017/18	Jan-Dec 2017	Okt-Sep 2016/17	Jul-Jun 2016/17	Apr-Mar 2016/17	Jan-Dec 2016	Okt-Sep 2015/16	Jul-Jun 2015/16	Apr-Mar 2015/16
Revenues, SEK M	2,569.8	2,966.0	3,969.4	4,990.3	5,833.0	6,638.3	6,371.1	5,472.8	4,251.8
Gross profit, SEK M	751.6	988.9	1,573.7	2,201.1	2,714.9	3,165.3	3,078.6	2,605.1	1,950.4
Gross margin, %	29	33	40	44	47	48	48	48	46
Operating profit/loss, SEK M	-91.1	154.6	715.4	1,427.5	2,030.6	2,578.5	2,581.0	2,160.9	1,556.4
Operating margin, %	-4	5	18	29	35	39	41	39	37
EBITDA, SEK M	-0.1	234.0	787.5	1,490.0	2,086.9	2,627.1	2,625.8	2,200.2	1,594.6



About Fingerprint Cards

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

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

Vision

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

Mission

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

Business concept

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

Glossary

Available on the company's website www.fingerprints.com



Definitions

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

Number of shares outstanding at period-end	Number of shares less bought back shares held in treasury.
Return on equity	Profit for the period in relation to average equity during the period. Average equity is defined as shareholders' equity at the start of the period plus shareholders' equity at the end of the period divided by two.
Gross margin	Gross profit as a percentage of revenues.
Gross profit	Revenues less cost of goods sold.
EBITDA	Earnings before interest, taxes, depreciation and amortization. Operating profit before financial income/expense, taxes, depreciation/amortization and impairment losses.
Shareholders' equity per share	Shareholders' equity attributable to the Parent Company's shareholders divided by the number of shares outstanding, before dilution, at period-end.
Shareholders' equity per share after dilution	Shareholders' equity per share adjusted for the number of shares and the paid exercise price resulting from ongoing remuneration and personnel programs.
Average number of shares outstanding	The Parent Company's average weighted number of shares at the end of the period.
Average number of shares after dilution	Average number of shares plus an increase by the average number of shares that could be issued as a result of current remuneration and personnel programs.
Revenue increase	This shows the increase in revenues compared with the corresponding year-earlier period shown as a percentage.
Cash flow from operating activities/share	Cash flow from operating activities after changes in working capital/average number of shares before and after dilution.
Cost of goods sold	Cost for materials, production expenses and amortization according to plan of capitalized development expenditure.
Net Cash	Cash and cash equivalents less interest-bearing debt
Profit for the period	Profit after financial income/expenses and tax.
Result per share	Result for the period/average number of shares outstanding at period end.
Result per share after dilution	Result per share adjusted for the number of shares and the paid strike price pursuant to ongoing compensation and personnel programs. Earnings per share after dilution can never be better than earnings per share before dilution.
Operating margin	Operating profit as a percentage of revenues.
Operating profit	Operating profit before financial income/expenses and tax.
Equity/assets ratio	Shareholders' equity divided by total assets.
Profit margin	Profit for the period as a percentage of revenues.