

Highlights of the quarter

- Favorable volume trend for FPC1511, the fourth generation of capacitive sensors
- New areas outside capacitive sensors for mobile phones accounted for approximately 10 percent of sales, both in the fourth quarter and for full-year 2018
- Net cash assets amounted to SEK 540.5 M at the end of the quarter, compared with SEK 454.9 M at the end of 2017. Fingerprints is now debt-free.
- The consolidated equity/assets ratio amounted to 77 percent at the end of the period, compared with 66 percent at the end of 2017
- Cost reduction programs executed according to plan. OPEX reduced by two-thirds from highest 2017 level.

Fourth quarter of 2018

- Revenues totaled SEK 424.3 M (615.3)
- The gross margin was 21 percent (21)
- The operating result was negative SEK 25.5 M (neg: 40.6)
- Earnings per share before dilution amounted to a negative SEK 0.06 (neg: 0.05)
- Cash flow from operating activities was a negative SEK 26.1 M (neg: 1.7)

January – December 2018

- Revenues totaled SEK 1,535.1 M (2,966.0)
- The gross margin was 0 percent (33)
- The operating result was negative SEK 771.6 M (pos: 154.6)
- Earnings per share before dilution amounted to a negative SEK 2.01 (pos: 0.38)
- Cash flow from operating activities amounted to SEK 274.6 M (376.9)
- The Board proposes to the Annual General Meeting that no dividend be paid for the 2018 fiscal year

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change	Jan-Dec 2018	Jan-Dec 2017	Change
Revenue	424.3	615.3	-31%	1,535.1	2,966.0	-48%
Gross profit	88.2	130.1	-32%	2.4	988.9	-100%
<i>Gross margin %</i>	21	21		0	33	
Operating profit	-25.5	-40.6	-37%	-771.6	154.6	-599%
<i>Operating margin %</i>	-6	-7		-50	5	
Profit/loss before tax	-23.6	-40.7	-42%	-796.7	141.8	-662%
Profit/loss for the period	-17.5	-16.5	6%	-630.7	120.3	-624%
Earnings per share before dilution, SEK	-0.06	-0.05	6%	-2.01	0.38	-624%
Cash and cash equivalents	540.5	920.2	-41%	540.5	920.2	-41%
Cash flow from operating activities	-26.1	-1.7	1435%	274.6	376.9	-27%
Equity/assets ratio, %	77	66		77	66	
Average number of employees	237	416	-43%	314	-388	19%



CEO's comments

Fingerprints' fourth-quarter sales were marginally below the figure reported for the third quarter. Since the beginning of 2018, Fingerprints has largely succeeded in defending its market share and we remain the leading supplier in the mobile market.

The implementation of the cost reduction program that we launched in June 2018 has been executed according to plan. Given the margin pressure that prevails in our industry, Fingerprints will continue to place major focus on cost efficiency and cash flow.

Fingerprints' financial position is solid, with cash assets that amounted to SEK 540 M at the end of the year. Net cash assets grew from SEK 455 M to SEK 540 M in 2018. In the fourth quarter, we repaid the remaining portion of the acquisition loan for the purchase of Delta ID. As a result of this, Fingerprints is now debt-free.

I expect the situation in the global mobile market to remain challenging, which will have an impact on Fingerprints' sales performance in the first quarter of 2019. Q1 is also generally a seasonally weak quarter. Several global mobile phone manufacturers have recently issued warnings of poorer financial results due to the market situation. One of the key factors behind the negative trend is that consumers are replacing their devices less frequently than before.

But if we look at the wider perspective, it is evident that biometric solutions for smartphones will remain an attractive and growing market. Today, four years after biometrics had its commercial breakthrough in the mobile segment, about 60 percent of all smartphones sold in the world have some form of biometric sensor. I am convinced that the penetration rate will continue to increase. At the same time, the market is becoming increasingly fragmented, with several competing biometric technologies. Fingerprints is active to the highest degree in the development of the next generation of sensors. Our starting point is strong, with a market-leading position in the mobile segment in which Fingerprints is recognized for its high quality, functionality and security. As previously communicated, Fingerprints intends to launch an in-display product based on our optical sensor technology in 2019. The project is proceeding according to plan, and we conducted prototype demonstrations for customers at the beginning of 2019.

Fingerprints is also well positioned to capture a significant share of new, emerging global markets for biometric solutions, in particular, biometric smart cards. Seventeen market tests of contactless biometric smart cards have been published in the world to date, of which sixteen during 2018. The most recent test was initiated in Italy in November 2018 by Mastercard and Intesa Sanpaolo, together with Gemalto and Zwipe. Fingerprints' biometric sensors are used in all seventeen tests of contactless payment cards that have been published to date, which is testimony to the strength of our offering.

The number of market tests is set to increase significantly in 2019, since a number of card brands are on the verge of establishing specifications and standards for biometric debit cards. The next step in this process is a certification of established standards.



“Since the beginning of 2018, Fingerprints has largely succeeded in defending its market share and we remain the leading supplier in the mobile market.”



One of our goals for 2018 was to generate 10 percent of our sales outside capacitive sensors for smartphones, which we achieved. The interest in biometric solutions is extensive and increasing within several areas where secure and user-friendly authentication are important. For example, I expect to see continued rapid growth in locks and access systems, as well as in fintech, i.e. financial services based on new technological innovations.

Fingerprints' strategy for the coming years is based on continuing to diversify and broaden the business into new areas outside the mobile segment, at the same time as defending and building on our strong position in the smartphone segment.

Christian Fredrikson, President and CEO

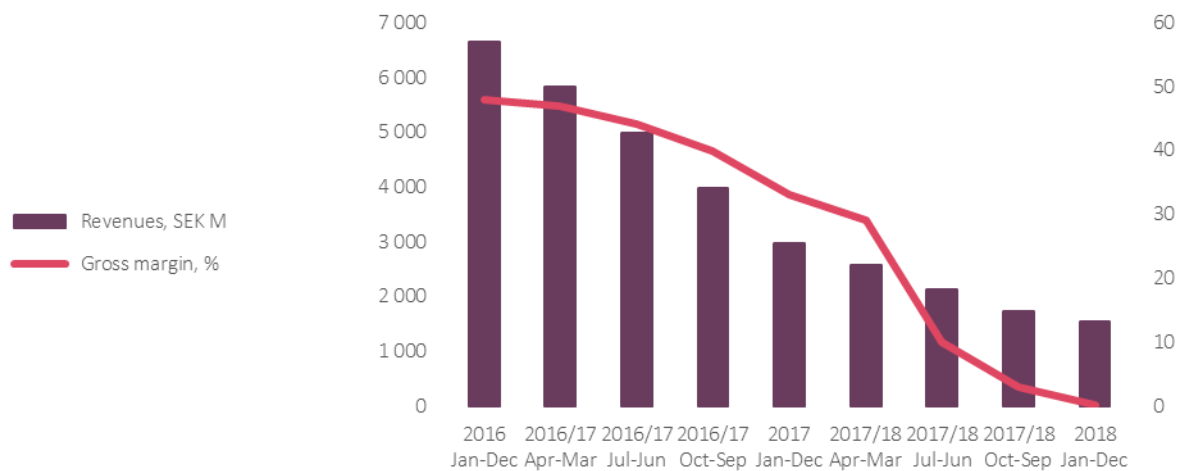


Revenues and operating profit

Revenues

Consolidated revenues for the fourth quarter amounted to SEK 424.3 M (615.3), corresponding to a decrease of 31 percent compared with the fourth quarter of 2017. The shift toward smaller and cheaper fingerprint sensors during the year had a significant impact on revenues.

Revenues and gross margin, rolling 12 months



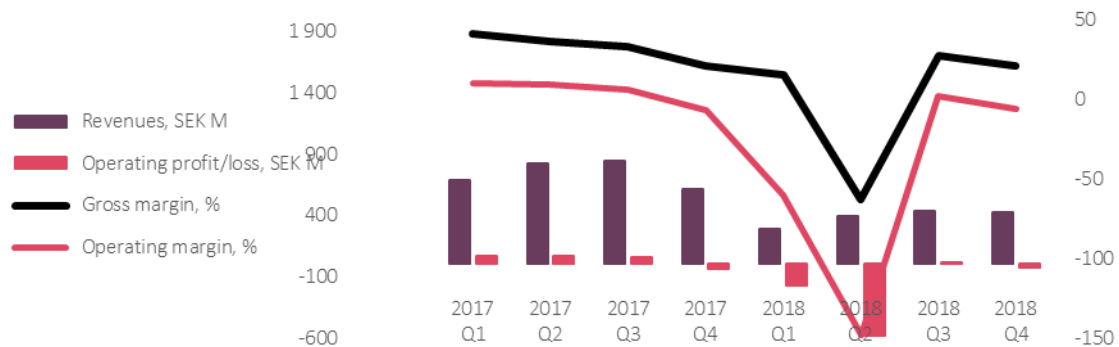
Trend in operating profit

Gross profit for the fourth quarter was SEK 88.2 M (130.1) and the gross margin was 21 percent (21). The introduction of the latest fingerprint sensor generation at our OEM customers is in progress. This sensor has a lower production cost relative to the earlier generation of sensors, yet its biometric performance remains high. Fingerprints expects that the positive impact on profitability of this sensor generation shift will be fully realized during the first half of 2019.

Operating margin was negative 6 percent (neg: 7). Operating expenses amounted to SEK 113.7 M (170.7). Development costs of SEK 9.3 M (55.3) were capitalized during the quarter, which corresponds to 19 percent of total development costs, compared with 38 percent for the corresponding quarter in 2017.



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



Financial income and expenses

Net financial items amounted to SEK 1.9 M (expense: 0.1). 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 contributed to results during the fourth quarter in the amount of SEK 4.7 M (4.9). Interest expenses of SEK 1.6 M (4.8) on bank balances and borrowings were charged against profit.

Earnings and earnings per share

The result for the fourth quarter was a negative SEK 17.5 M (neg: 16.5). Earnings per share for the fourth quarter were negative SEK 0.06 (neg: 0.05).

Cash flow and balance sheet

Cash flow and cash

Cash flow from operating activities was a negative SEK 26.1 M (neg: 1.7) and was impacted by the negative operating result and expenditure related to restructuring measures.

Cash flow from investing activities for the fourth quarter was a negative SEK 31.0 M (neg: 75.5), of which capitalized development expenditure accounted for negative SEK 9.3 M (neg: 55.6) and payment of the withheld purchase consideration for Delta ID accounted for SEK 21.0 M. The remaining portion of the withheld purchase consideration amounts to SEK 21.0 M and will be paid during the first quarter of 2019.

Cash flow from financing activities was a negative SEK 151.3 M (neg: 26.0) and consisted of amortization and repayment of the remaining portion of the acquisition loan relating to Delta ID. After this payment, Fingerprints has no interest-bearing liabilities.

Exchange-rate fluctuations had an impact of SEK 6.9 M (12.2) on cash and cash equivalents during the quarter.

Liquidity and shareholders' equity

At December 31, 2018, the Group's disposable cash and cash equivalents totaled SEK 540.5 M (920.2). Consolidated net cash holdings at the end of the fourth quarter amounted to SEK 540.5 M (454.9).

At period-end, consolidated shareholders' equity amounted to SEK 1,775.5 M (2,330.8) and the equity/assets ratio for the Group to 77 percent (66).



Investments, fixed assets and depreciation/amortization

Investments in intangible fixed assets during the quarter amounted to SEK 9.3 M (55.6).
Investments in tangible fixed assets during the fourth quarter totaled SEK 1.8 M (11.0).
Depreciation/amortization according to plan was SEK 34.3 M (23.1) in the fourth quarter.

Other events during the fourth quarter

Business Development

During the fourth quarter of 2018, 18 mobile devices fitted with the company's sensors were launched by six OEM customers. A PC model equipped with a fingerprint sensor from Fingerprints was also launched in the fourth quarter.

A number of collaborations and market tests within the area of biometric smart cards were launched. In October, Société Générale announced France's first test of biometric debit cards, in cooperation with IDEMIA. The card is based on IDEMIA's F.CODE technology, which contains Fingerprints' T-Shape module. In November, Intesa Sanpaolo launched Italy's first test of biometric cards. The card was provided by Gemalto using technology from Zwipe and employing a sensor from Fingerprints' FPC1300 series. In November, Fingerprints' partner Zwipe also announced that the company is testing contactless biometric payment cards with ten banks in various locations in the Middle East. These cards also use sensors from Fingerprints' FPC1300 series.



A number of collaborations and market tests within the area of biometric smart cards were launched during the quarter.

During the quarter, Fingerprints' partner Zwipe entered a collaboration with Allcard Inc., a Mastercard and Visa-accredited payment card manufacturer in the Philippines, for the launch of contactless biometric payment cards in the region.

Fingerprints also launched a collaboration during the quarter with FEITIAN, a leading Chinese supplier of security solutions, entailing that Fingerprints' T-Shape module will be used in FEITIAN'S contactless biometric payment cards.

In December 2018, Fingerprints entered a strategic collaboration on biometric door locks with China Synodata and Jianfeng, leading suppliers to Chinese lock manufacturers.

Changes in personnel

In December 2018, Fingerprints' Executive Vice President Human Resources, Mattias Hakeröd, left the company at his own request for another position. CFO Per Sundqvist, who assumed his position on October 1, 2018, has taken over responsibility for human resources in the Executive Management team.

As of January 1, 2019, Fingerprints has two new members of its Executive Management: Charles Burgeat, Senior Vice President Strategy and Portfolio Management, and Fredrik Ramberg, Senior Vice President Research and Development. At the same time, Pontus Jägemalm assumed the position of CTO, and remains a member of Executive Management. From 2009 until 2018, Pontus was Senior Vice President Research and Development.



Significant events during the fourth quarter of 2018

No significant events were reported during the fourth quarter of 2018.

Organization and personnel

The number of employees on December 31, 2018 was 220 (415). In addition to permanent employees, consultants were also used during the fourth quarter, primarily in technology development and sales, corresponding to 43 (143) employees. Accordingly, including employees and consultants, the company employed a total of 263 (558) people on December 31, 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 12,975,667.

Number of shares

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Number of shares, (000s)				
Number of shares at period end	313,967	313,967	313,967	313,967
Of which class A-shares	6,000	6,000	6,000	6,000
Of which class B-shares	307,967	307,967	307,967	307,967
Number of shares outstanding, diluted at period end	313,967	313,967	313,967	313,967
Average number of shares outstanding (000s)				
Average number of shares outstanding, basic	313,967	313,967	313,967	313,967
Average number of shares outstanding, diluted	313,967	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 in 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, 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. 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.

IFRS 16 Leases

In January 2016, the IASB published a new lease standard that will replace IAS 17 Leases and the associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities attributable to all leases, with some exceptions, are to be recognized in the balance sheet. Fingerprints will start to apply IFRS 16 Leases as of January 1, 2019, and, accordingly, will not apply the standard retroactively. Fingerprints' assessment is that the transition to IFRS 16 will not have any material impact on the Group's earnings. In its role as lessee, Fingerprints conducted a detailed review and analysis of the Group's leases, which mainly pertain to the premises where the Group's operations are conducted. The lease liability at January 1, 2019, amounted to approximately SEK 43 M and usufruct assets amounted to approximately SEK 47 M.

None of the other IFRS or IFRIC interpretations that have not yet taken effect is expected to have any material impact on the Group.



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 fourth quarter amounted to SEK 423.2 M (613.3) and the result after financial items for the period was negative SEK 6.1 M (neg: 55.4). The result for the period amounted to SEK 552.8 M (neg: 101.9).

The Parent Company's disposable cash and cash equivalents at period-end totaled SEK 496.2 M (878.9).

Financial targets

Considering the uncertainty and volatility that currently prevail in the market for the company's products, Fingerprints does not intend to communicate any long-term financial targets in the near future.

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 and Information leaks
Financial risks:	Financing risk and Credit risk.
Legal risks:	Product defects and product liability, Patent risk and 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



Financial calendar

Annual Report 2018	Week beginning April 22, 2019
Interim report January-March 2019	May 15, 2019
Annual General Meeting 2019	May 22, 2019
Interim report January-June 2019	August 15, 2019
Interim report January–September 2019	November 15, 2019

For further information, contact:

This is the type of information that Fingerprint Cards AB is obligated to disclose pursuant to the EU's Market Abuse Regulation and the Swedish Financial Instruments Trading Act. The information was submitted for publication, through the agency of the contact person set out below, at 7:00 a.m. CET on February 15, 2019.

Welcome to Fingerprints' presentation of the results for the fourth quarter of 2018 on February 15 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=141>

For further information, please contact: Stefan Pettersson, Head of Investor Relations

Tel: +46 (0) 101 720 010

Investrel@fingerprints.com

www.fingerprints.com/

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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, February 14, 2019

Johan Carlström
Chairman

Alexander Kotsinas
Board Member

Urban Fagerstedt
Board Member

Ted Elvhage
Board Member

Tomas Mikaelsson
Board Member

Juan Vallejo
Board Member

Dimitrij Titov
Board Member

Christian Fredrikson
President and CEO

Review report

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



Financial statements and key figures

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Condensed consolidated statement of comprehensive income

SEK M	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Revenue	424.3	615.3	1,535.1	2,966.0
Cost of goods sold	-336.1	-485.2	-1,532.7	-1,977.1
Gross profit	88.2	130.1	2.4	988.9
Gross Margin, %	21	21	0	33
Selling expenses	-35.0	-64.0	-189.2	-236.9
Administrative expenses	-39.0	-40.6	-201.8	-145.6
Development expenditure	-42.9	-99.8	-243.6	-391.3
Other operating income/expenses 1)	3.2	33.7	-139.4	-60.5
Operating profit/loss	-25.5	-40.6	-771.6	154.6
Operating Margin, %	-6	-7	-50	5
Finance income/expenses	1.9	-0.1	-25.1	-12.8
Profit/loss before tax	-23.6	-40.7	-796.7	141.8
Income tax	6.1	24.2	166.0	-21.5
Profit/loss for the period	-17.5	-16.5	-630.7	120.3
Other comprehensive income	11.5	4.9	75.4	-15.2
Total comprehensive income for the period	-6.0	-11.6	-555.3	105.1
Earnings per share for the period				
Before dilution, SEK	-0.06	-0.05	-2.01	0.38
After dilution, SEK	-0.06	-0.05	-2.01	0.38

1) Write-off capitalized R&D projects -146,6 SEK M in the second quarter.

Condensed consolidated statement of financial position

SEK M	31-Dec 2018	31-Dec 2017
Assets		
Intangible fixed assets	1,102.7	1,188.3
Tangible fixed assets	30.2	46.6
Financial assets	27.8	-
Total fixed assets	1,160.7	1,234.9
Inventories	347.5	646.1
Accounts receivable	232.7	437.5
Other receivables	19.8	284.0
Prepaid expenses and accrued income	18.0	29.1
Cash and cash equivalents	540.5	920.2
Total current assets	1,158.5	2,316.9
Total assets	2,319.2	3,551.8
Shareholders' equity and liabilities		
Shareholders' equity	1,775.5	2,330.8
Deferred tax liability	51.9	189.8
Long-term liabilities	-	221.9
Accounts payable	256.2	268.0
Current tax liabilities	1.3	1.5
Other current liabilities	27.1	349.9
Accrued expenses	207.2	189.9
Total current liabilities	491.8	809.3
Total shareholders' equity and liabilities	2,319.2	3,551.8



Condensed consolidated cash-flow statement

SEK M	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Profit/loss before tax	-23.6	-40.7	-796.7	141.8
Adjustment for non-cash items	35.2	28.9	595.0	136.1
Income tax paid	4.9	-56.4	232.0	-345.4
Change in inventory	-2.6	23.6	-4.1	26.7
Change in current receivables	-18.9	111.0	243.0	1,080.4
Change in current liabilities	-21.1	-68.1	5.4	-662.7
Cash flow from operating activities	-26.1	-1.7	274.6	376.9
Cash flow from investing activities	-31.0	-75.5	-162.6	-1,071.0
Cash flow from financing activities	-151.3	-26.0	-507.7	481.7
Change in cash and cash equivalents	-208.4	-103.2	-395.7	-212.4
Cash and cash equivalents on the opening date	742.0	1,011.2	920.2	1,162.2
Effect of exchange rate changes on cash	6.9	12.2	16.0	-29.6
Closing cash and cash equivalents	540.5	920.2	540.5	920.2

The Group's operating segments

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change, %	Jan-Dec 2018	Jan-Dec 2017	Change, %
Revenue						
Sensors	424.3	615.3	-31	1,535.1	2,966.0	-48
Other	-	-	-	-	-	-
Group	424.3	615.3	-31	1,535.1	2,966.0	-48

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change, %	Jan-Dec 2018	Jan-Dec 2017	Change, %
Operating profit/loss						
Sensors	-25.5	-40.6	-37	-771.6	154.6	-599
Other	-	-	-	-	-	-
Group	-25.5	-40.6	-37	-771.6	154.6	-599

SEK M	Oct-Dec 2018	Oct-Dec 2017	Change, %	Jan-Dec 2018	Jan-Dec 2017	Change, %
Profit/loss before tax						
Sensors	-23.6	-40.7	-42	-796.7	141.8	-662
Other	-	-	-	-	-	-
Group	-23.6	-40.7	-42	-796.7	141.8	-662



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

SEK M	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016
Revenue	424.3	431.2	389.9	289.7	615.3	841.4	823.4	685.9	1,618.7
Cost of goods sold	-336.1	-316.1	-635.6	-244.9	-485.2	-564.6	-523.5	-403.8	-903.8
Gross profit	88.2	115.1	-245.7	44.8	130.1	276.8	299.9	282.1	714.9
Gross margin, %	21	27	-63	15	21	33	36	41	44
Selling costs	-35.0	-36.5	-48.7	-69.0	-64.0	-58.6	-55.8	-58.5	-50.8
Administrative costs	-39.0	-23.6	-72.9	-66.3	-40.6	-33.0	-37.2	-34.8	-37.7
Development costs	-42.9	-41.4	-76.7	-82.6	-99.8	-84.7	-101.3	-105.5	-112.5
Other operating income/expenses 1)	3.2	-6.6	-134.2	-1.8	33.7	-48.1	-33.6	-12.5	6.1
Operating profit/loss	-25.5	7.0	-578.2	-174.9	-40.6	52.4	72.0	70.8	520.0
Operating margin, %	-6	2	-148	-60	-7	6	9	10	32
Finance income/expenses	1.9	-3.9	-9.7	-13.4	-0.1	13.1	-24.7	-1.1	27.4
Profit/loss before tax	-23.6	3.1	-587.9	-188.3	-40.7	65.5	47.3	69.7	547.4
Income tax	6.1	-0.2	120.0	40.1	24.2	-15.4	-14.5	-15.8	-124.1
Profit/loss for the period	-17.5	2.9	-467.9	-148.2	-16.5	50.1	32.8	53.9	423.3
Other comprehensive income	11.5	-10.6	61.2	13.3	4.9	-12.6	-7.3	-0.2	0.0
Total comprehensive income for the period	-6.0	-7.7	-406.7	-134.9	-11.6	37.5	25.5	53.7	423.3

1) Wriet-off capitalized R&D project -146,6 SEK M in te second quarter.

Consolidated statement of financial position for the past nine quarters

	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016
<i>SEK/USD exchange rate, balance date</i>	8.97	8.86	8.96	8.23	8.23	8.11	8.47	8.93	9.10
Assets									
Intangible fixed assets	1,102.7	1,112.4	1,135.8	1,220.1	1,188.3	1,134.7	1,148.4	87.7	71.4
Tangible fixed assets	30.2	34.7	40.4	43.5	46.6	40.0	40.5	37.8	29.2
Financial fixed assets	27.8	-	-	-	-	0.1	1.4	1.3	-
Total fixed assets	1,160.7	1,147.1	1,176.2	1,263.6	1,234.9	1,174.8	1,190.3	126.8	100.6
Inventories	347.5	344.9	351.6	720.8	646.1	669.6	818.4	1,047.5	672.7
Accounts receivable	232.7	220.1	370.1	385.2	437.5	592.9	451.0	641.6	1,132.1
Other receivables	19.8	19.6	40.8	347.0	284.0	210.9	157.8	388.4	413.7
Prepaid expenses and accrued income	18.0	19.1	24.7	29.5	29.1	23.7	26.3	28.8	21.7
Cash and cash equivalents	540.5	742.0	737.5	534.2	920.2	1,011.2	933.7	798.4	1,162.2
Total current assets	1,158.5	1,345.7	1,524.7	2,016.7	2,316.9	2,508.3	2,387.2	2,904.7	3,402.4
Total assets	2,319.2	2,492.8	2,700.9	3,280.3	3,551.8	3,683.1	3,577.5	3,031.5	3,503.0
Shareholders' equity and liabilities									
Shareholders' equity	1,775.5	1,781.5	1,789.2	2,195.9	2,330.8	2,342.4	2,304.9	2,279.4	2,226.1
Deferred tax liability	51.9	32.1	33.5	188.2	189.8	200.0	207.0	135.5	136.3
Long-term liabilities	-	-	-	50.9	221.9	243.3	254.1	-	-
Accounts payable	256.2	189.5	168.0	210.8	268.0	362.9	234.9	405.5	821.6
Current tax liabilities	1.3	0.9	1.2	1.1	1.5	0.8	0.4	0.8	54.1
Other current liabilities	27.1	191.5	366.1	385.8	349.9	359.1	392.6	6.1	6.7
Accrued expenses and prepaid income	207.2	297.3	342.9	247.6	189.9	174.6	183.6	204.2	258.2
Total current liabilities	491.8	679.2	878.2	845.3	809.3	897.4	811.5	616.6	1,140.6
Total shareholders' equity and liabilities	2,319.2	2,492.8	2,700.9	3,229.4	3,329.9	3,439.8	3,323.4	3,031.5	3,366.7



Consolidated cash-flow statement for the past nine quarters

SEK M	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016
Profit/loss before tax	-23.6	3.1	-587.9	-188.3	-40.7	65.5	47.3	69.7	547.4
Adjustment for non-cash items	35.2	43.4	484.0	32.4	28.9	17.9	76.3	13.0	-10.6
Income tax paid	4.9	7.7	253.4	-34.0	-56.4	-62.7	-156.2	-70.1	24.2
Change in inventory	-2.6	6.8	66.4	-74.7	23.6	148.8	229.1	-374.8	-299.5
Change in current receivables	-18.9	167.9	33.8	60.2	111.0	-99.4	560.1	508.7	-192.9
Change in current liabilities	-21.1	-26.4	52.3	0.6	-68.1	104.6	-228.6	-470.6	117.4
Cash flow fr. operating activities	-26.1	202.5	302.0	-203.8	-1.7	174.7	528.0	-324.1	186.0
Cash flow from investing activities	-31	-33.7	-41.3	-56.6	-75.5	-79.9	-874.8	-40.8	-13.5
Cash flow from financing activities	-151.3	-162.3	-69.8	-124.3	-26.0	-	508.1	-0.4	30.8
Change in cash and cash equiv.	-208.4	6.5	190.9	-384.7	-103.2	94.8	161.3	-365.3	203.3
Cash and cash equiv. on the opening date	742.0	737.5	534.2	920.2	1,011.2	933.7	798.4	1,162.2	931.7
Effect of exchange rate changes on cash	6.9	-2.0	12.4	-1.3	12.2	-17.3	-26.0	1.5	27.2
Closing cash and cash equivalents	540.5	742.0	737.5	534.2	920.2	1,011.2	933.7	798.4	1,162.2

Fair value and carrying amount of financial liabilities and assets

SEK M	12/31/2018		12/31/2017	
	Carrying amount	Fair amount	Carrying amount	Fair amount
Financial assets				
Current financial assets:				
Loan receivables and accounts receivable				
Accounts receivable	232.7	232.7	437.5	437.5
Cash and cash equivalents	540.5	540.5	920.2	920.2
Total financial assets	773.2	773.2	1,357.7	1,357.7
Financial liabilities			465.3	465.3
Current financial liabilities:				
Accounts payable	256.2	256.2	268.0	268.0
Total financial liabilities	256.2	256.2	733.3	733.3
By category:				
Loan receivables and accounts receivable	773.2	773.2	1,357.7	1,357.7
Total financial assets	773.2	773.2	1,357.7	1,357.7
Financial liabilities at amortized cost	256.2	256.2	733.3	733.3
Total financial liabilities	256.2	256.2	733.3	733.3



Condensed income statement, Parent Company

SEK M	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Revenues	423.2	613.3	1,527.4	2,955.5
Cost of goods sold	-326.9	-476.3	-1,496.6	-1,957.6
Gross profit	96.3	137.0	30.8	997.9
Selling expenses	-34.8	-60.9	-188.0	-231.8
Administrative expenses	-41.6	-46.9	-214.1	-162.8
Development expenditure	-44.2	-95.9	-243.0	-382.3
Other operating revenues/expenses	2.0	5.4	-140.7	-70.7
Operating profit/loss	-22.3	-61.3	-755.0	150.3
Finance revenues/expenses	16.2	5.9	43.8	0.1
Profit/loss after financial items	-6.1	-55.4	-711.2	150.4
Appropriations	716.0	-74.0	716.0	-74.0
Profit/loss before tax	709.9	-129.4	4.8	76.4
Tax	-157.1	27.5	-3.2	-18.4
Profit/loss for the period	552.8	-101.9	1.6	58.0

Condensed balance sheet, Parent Company

SEK M	31-Dec 2018	31-Dec 2017	31-Dec 2017
Assets			
Intangible fixed assets	96.9	230.1	230.1
Tangible fixed assets	23.4	39.2	39.2
Financial fixed assets	985.5	864.8	864.8
<i>Total fixed assets</i>	<i>1,105.8</i>	<i>1,134.1</i>	<i>1,134.1</i>
Inventories	347.5	646.1	646.1
Accounts receivable	232.3	437.3	437.3
Current receivables	54.9	306.7	306.7
Cash and cash equivalents	496.2	878.9	878.9
<i>Total current assets</i>	<i>1,130.9</i>	<i>2,269.0</i>	<i>2,269.0</i>
Total assets	2,236.7	3,403.1	3,403.1
Shareholders' equity and liabilities			
<i>Shareholders' equity</i>	<i>1,758.1</i>	<i>1,756.5</i>	<i>1,756.5</i>
<i>Untaxed reserves</i>	<i>8.0</i>	<i>724.0</i>	<i>724.0</i>
<i>Long-term liabilities</i>	<i>-</i>	<i>221.9</i>	<i>221.9</i>
Accounts payable	254.7	266.9	266.9
Tax liabilities	-	-	-
Other current liabilities	215.9	433.8	433.8
<i>Total current liabilities</i>	<i>470.6</i>	<i>700.7</i>	<i>700.7</i>
Total shareholders' equity and liabilities	2,236.7	3,403.1	3,403.1



Key consolidated data

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Revenue, SEK M	424.3	615.3	1,535.1	2,966.0
Revenue change, %	-31	-62	-48	-55
Gross margin, %	21	21	0	33
Operating margin, %	-6	-7	-50	5
Profit margin, %	-4	-3	-41	4
EBITDA, SEK M	8.8	-17.5	-505.2	234.0
Return on equity, %	0	0	-27	5
Cash flow from operating activities, SEK M	-26.1	-1.7	274.6	376.9
Equity/assets ratio, %	77	66	77	66
Investments, SEK M	-31.0	-75.5	-162.6	-1,071.0
Average number of employees	237	416	314	388
Shareholders' equity per share, SEK				
- before dilution	5.66	7.42	5.66	7.42
- after dilution	5.66	7.42	5.66	7.42
Cash flow from operating activities/share, SEK				
- before dilution	-0.08	-0.01	0.87	1.20
- after dilution	-0.08	-0.01	0.87	1.20
Number of shares at period end, 000s ⁽¹⁾	313,967	313,967	313,967	313,967
Average number of shares, 000s				
- before dilution	313,967	313,967	313,967	313,967
- after dilution	313,967	313,967	313,967	313,967
Share price at period end	10.13	15.81	10.13	15.81

Key consolidated figures for the past nine quarters

SEK M	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016
Revenue, SEK M	424.3	431.2	389.9	289.7	615.3	841.4	823.4	685.9	1,618.7
Revenue change, %	-31	-49	-53	-58	-62	-55	-51	-54	20
Gross margin, %	21	27	-63	15	21	33	36	41	44
Operating margin, %	-6	2	-148	-60	-7	6	9	10	32
Profit margin, %	-4	1	-120	-51	-3	6	4	8	26
EBITDA, SEK M	8.8	36.7	-402.0	-148.7	-17.5	77.2	88.9	85.4	535.8
Return on equity, %	0	0	-20	-6	0	2	1	2	25
Cash flow from operating activities, SEK M	-26.1	202.5	302.0	-203.8	-1.7	174.7	528.0	-324.1	186.0
Equity/assets ratio, %	77	71	66	67	66	64	64	75	64
Investments, SEK M	-31.0	-33.7	-41.3	-56.6	-75.5	-79.9	-874.8	-40.8	-13.5
Average number of employees	237	273	347	401	416	406	374	339	293
Shareholders' equity per share, SEK									
- before dilution	5.66	5.67	5.70	6.99	7.42	7.46	7.34	7.26	7.11
- after dilution	5.66	5.67	5.70	6.99	7.42	7.46	7.34	7.26	7.09
Cash flow from operating activities, SEK									
- before dilution	-0.08	0.64	0.96	-0.65	-0.01	0.56	1.68	-1.03	0.60
- after dilution	-0.08	0.64	0.96	-0.65	-0.01	0.56	1.68	-1.03	0.59
Number of shares at period end, 000s	313,967	313,967	313,967	313,967	313,967	313,967	313,967	313,967	313,097
Share price at period end, SEK	10.13	9.79	6.85	8.05	15.81	22.81	30.77	36.14	62.85



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

	Jan-Dec 2018	Oct-Sep 2017/18	Jul-Jun 2017/18	Apr-Mar 2017/18	Jan-Dec 2017	Okt-Sep 2016/17	Jul-Jun 2016/17	Apr-Mar 2016/17	Jan-Dec 2016
Revenues, SEK M	1,535.1	1,726.1	2,136.3	2,569.8	2,966.0	3,969.4	4,990.3	5,833.0	6,638.3
Gross profit, SEK M	2.4	44.3	206.0	751.6	988.9	1,573.7	2,201.1	2,714.9	3,165.3
Gross margin, %	0	3	10	29	33	40	44	47	48
Operating profit/loss, SEK M	-771.6	-786.7	-741.3	-91.1	154.6	715.4	1,427.5	2,030.6	2,578.5
Operating margin, %	-50	-46	-35	-4	5	18	29	35	39
EBITDA, SEK M	-505.2	-531.5	-491.0	-0.1	234.0	787.5	1,490.0	2,086.9	2,627.1



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

Refer to 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	<i>Earnings before interest, taxes, depreciation and amortization.</i> Operating profit before interest rates, 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 the ongoing remuneration and personnel programs.
Average number of shares outstanding	The Parent Company's average weighted number of shares outstanding 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 of 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.
Earnings per share	Profit for the period/number of shares outstanding at period end.
Earnings per share after dilution	Earnings 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.