

Highlights of the quarter

- The demand for Fingerprints' sensors remained healthy, but sales were negatively impacted by continued insufficient access to production capacity among the major semiconductor manufacturers.
- Fingerprints expanded its product portfolio in physical and logical access control.
- Fingerprints' iris recognition technology was implemented at a South Korean hospital.

Second quarter of 2020

- Revenues amounted to SEK 282.3 M (381.8)
- The gross margin was 21 percent (22)
- EBITDA totaled SEK 6.7 M (44.0)
- The operating result was negative SEK 16.7 M (pos: 6.2)
- Earnings per share before dilution were negative SEK 0.07 (pos: 0.01)
- Cash flow from operating activities amounted to SEK 81.3 M (179.6)

January – June 2020

- Revenues amounted to SEK 592.3 M (724.7)
- The gross margin was 23 percent (22)
- EBITDA totaled SEK 18.3 M (79.8)
- The operating result was negative SEK 34.4 M (pos: 4.3)
- Earnings per share before dilution were negative SEK 0.08 (0.00)
- Cash flow from operating activities amounted to SEK 43.5 M (18.5)

SEK M	Apr-Jun 2020	Apr-Jun 2019	Change	Jan-Jun 2020	Jan-Jun 2019	Change	Jan-Dec 2019
Revenue	282.3	381.8	-26%	592.3	724.7	-18%	1,458.6
Gross profit	60.7	84.2	-28%	134.6	162.9	-17%	331.1
<i>Gross margin %</i>	21	22		23	22		23
Operating profit	-16.7	6.2		-34.4	4.3		-14.4
<i>Operating margin %</i>	-6	2		-6	1		-1
EBITDA	6.7	44.0	-85%	18.3	79.8	-77%	128.7
Profit/loss before tax	-38.3	2.3		-31.8	1.5		-17.4
Profit/loss for the period	-22.3	2.7		-25.8	-0.8		-13.6
Earnings per share before dilution, SEK	-0.07	0.01		-0.08	0.00		-0.04
Cash and cash equivalents	429.0	486.3	-12%	429.0	486.3	-12%	563.9
Cash flow from operating activities	81.3	179.6	-55%	43.5	18.5	135%	160.4
Equity/assets ratio, %	83	80		83	80		80
Average number of employees	235	208	13%	233	209	11%	209



CEO's comments

As expected and communicated earlier, sales in the second quarter were negatively impacted by continued insufficient access to production capacity among the major semiconductor manufacturers. The geopolitical situation has led to increased domestic demand for silicon chips from Chinese smartphone manufacturers, which means that there is a production capacity deficit. At the same time, demand for our sensors remained healthy, despite declining deliveries of smartphones in China during May and June. The proportion of mobile phones with fingerprint sensors has continued to increase. In the mid-price segment, nearly all models sold have a fingerprint sensor and the penetration rate in the low-price segment continues to develop positively.

The gross margin was a percentage point lower than in the corresponding period in 2019, primarily due to higher purchase prices, and the earnings level is not satisfactory. At the same time, it is gratifying that cash flow from operating activities was strong during the quarter. We have continuously improved our inventory management and generally improved working capital.

We expect that the outbreak of the coronavirus will dampen the demand for smartphones for the remainder of the year. Consumers are waiting ever longer to replace their devices and, accordingly, the replacement cycle for mobile phones is expected to be of record-breaking length this year. This means that the global smartphone market could shrink by 10–20 percent in 2020.

At the same time, there has been a clear upswing in contactless payments in the wake of the pandemic because consumers want to avoid touching surfaces in public environments as far as possible. This could lead to an acceleration in the roll-out of biometric payment cards, since the increased security offered by fingerprint authentication makes it possible to eliminate payment caps that currently apply to contactless card payments. Accordingly, the banks can offer their customers a secure and easy way of paying, regardless of the amount. Already prior to the outbreak of the pandemic, we saw increased activity in the market and in June, the French bank BNP Paribas announced its plans to launch a biometric payment card in the autumn of 2020, using technology from Fingerprints. Several other banks are preparing commercial launches. This means that biometrics is now seriously on its way to making its debut in another global mass market and Fingerprints' complete hard and software solution for biometric authentication in the payment area gives us a very strong starting point. This is illustrated by our technology being used in all 21 of the market tests announced to date of contactless biometric payment cards and in the world's first commercial launch. We have well-established cooperation with the leading players along the value chain, with card manufacturers and their subcontractors, manufacturers of secure chips, payment systems and card issuers. We are continuing to strengthen our position and develop our strategic partnerships, for example, through the recently announced partnership with STMicroelectronics to develop an advanced system solution for biometric payment cards.

The pandemic has also led to a strong increase in remote working, which can often involve increased IT security risks. By combining security, flexibility and convenience, biometric solutions can facilitate secure access to devices and data, regardless of where an employee is located. The growth opportunities are positive throughout the Access area and we continued to expand our portfolio for biometric access control during the quarter.

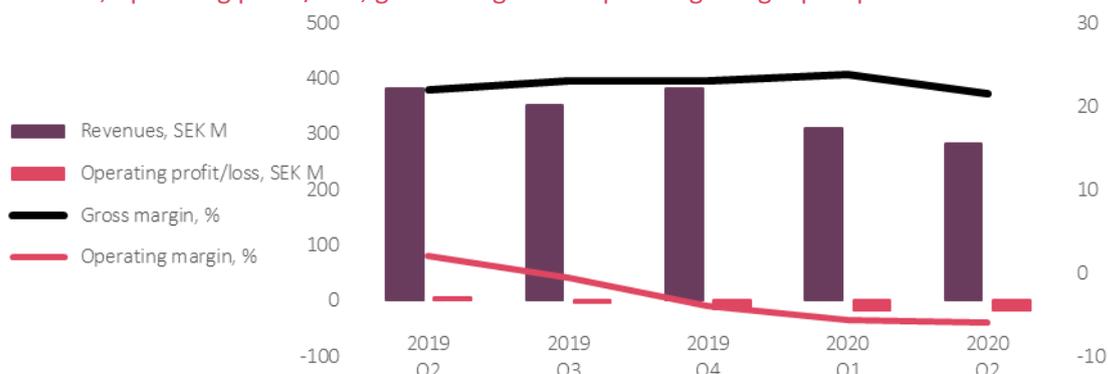
Christian Fredrikson, President and CEO



“There has been a clear upswing in contactless payments in the wake of the pandemic, which could lead to an acceleration of the roll-out of biometric payment cards”



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



Revenues and operating profit

Revenues

Consolidated revenues for the second quarter amounted to SEK 282.3 M (381.8), down 26 percent year-on-year. Revenues were negatively impacted by continued insufficient access to production capacity among the major semiconductor manufacturers.

Revenues and gross margin, rolling 12 months



Trend in operating profit

Gross profit for the second quarter was SEK 60.7 M (84.2) and the gross margin was 21 percent (22). Operating margin was negative 6 percent (positive: 2).

Operating expenses amounted to SEK 77.4 M (78.0). Development costs of SEK 26.4 M (26.3) were capitalized during the quarter, which corresponds to 48 percent of total development costs, compared with 51 percent for the corresponding period of 2019.

EBITDA for the quarter totaled SEK 6.7 M (44.0).



Financial income and expenses

Net financial items amounted to an expense of SEK 21.6 M (expense: 3.9). The item pertains primarily to the effect of unrealized changes in exchange rates on currency accounts.

Earnings and earnings per share for the reporting period

Net loss for the second quarter of 2020 amounted to SEK 22.3 M (profit: 2.7). Earnings per share for the second quarter were negative SEK 0.07 (pos: 0.01).

Cash flow and balance sheet

Cash flow

Cash flow from operating activities amounted to SEK 81.3 M (179.6).

Cash flow from investing activities for the second quarter amounted to a negative SEK 27.4 M (neg: 27.4), of which capitalized development expenditure accounted for a negative SEK 26.4 M (neg: 26.3).

Cash flow from financing activities amounted to a negative SEK 88.8 M (-), mainly attributable to the buyback of shares amounting to SEK 83.6 M during the second quarter. The remaining amount of negative SEK 5.2 M (-) pertained to the amortization of lease liabilities in accordance with IFRS 16 recognition of leased premises.

Exchange-rate fluctuations had a negative impact of SEK 21.4 M (neg: 3.5) on cash and cash equivalents during the quarter. Most of the company's cash holdings are consist of USD and the exchange-rate fluctuations are largely a result of a weakening of USD in relation to SEK during the quarter.

Liquidity and shareholders' equity

At June 30, 2020, the Group's disposable cash and cash equivalents totaled SEK 429.0 M (486.3). Consolidated net cash holdings at the end of the second quarter amounted to SEK 408.9 M (452.6). Interest-bearing liabilities consist of lease liabilities for office premises amounting to SEK 20.1 M (33.7), reported according to IFRS 16 starting in 2019.

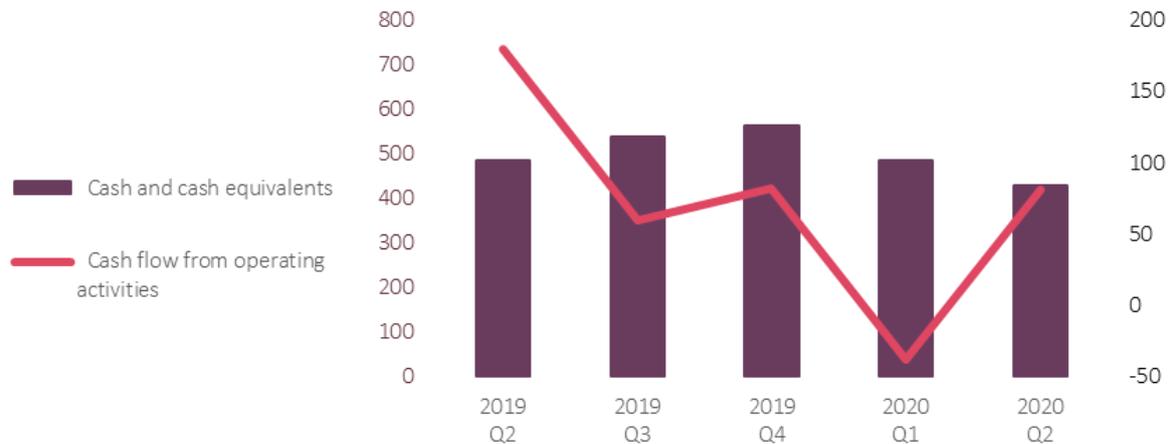
At period-end, consolidated shareholders' equity amounted to SEK 1,658.4 M (1,807.2) and the equity/assets ratio for the Group to 83 percent (80).

Investments, fixed assets and depreciation/amortization

Investments in intangible fixed assets during the quarter amounted to an expense of SEK 27.3 M (expense: 27.3). Investments in tangible fixed assets for the quarter amounted to an expense of SEK 0.1 M (expense: 0.1). Depreciation/amortization according to plan for the quarter totaled SEK 23.4 M (37.7).



Cash and cash equivalents and cash flow from operating activities, SEK M



Other events during the second quarter of 2020

Business Development

During the second quarter of 2020, several mobile devices featuring Fingerprints' sensors were launched, including the Moto G8 Power, LG K41S and LG K61 with FPC1520, and Xiaomi Redmi Note 9 Pro and Xiaomi Redmi Note 9 Pro Max with FPC1540. In addition to this, a smart door lock from Kaadas and a Chromebook from HP were launched with sensors from Fingerprints. It was also announced during the quarter that Fingerprints' iris recognition technology is being used in an access control system that CMITech has implemented at a South Korean hospital.



Fingerprints' iris recognition technology is used in an access control system that CMITech implemented at a South Korean hospital.

To meet the demand in the growing market for biometric access control, Fingerprints expanded its product portfolio intended for physical and logical access control during the quarter. To enable maximum flexibility in product design, the new FPC1025 sensor version is smaller than the other models in the series and is optimized for devices in which millimeters count.

At the beginning of July 2020, it was announced that Fingerprints and STMicroelectronics had entered a partnership to develop an advanced biometric payment card system solution, *Biometric System-on-Card (BSoC)*.

Significant events during the second quarter of 2020

On May 27, 2020, it was announced that the Board of Directors, based on the authorization by the Annual General Meeting held on May 26, 2020, had decided to acquire own shares. The reason for the repurchase of shares is, among other things, to adapt and improve the



company's capital structure by reducing the capital, thereby creating additional shareholder value. For more information, see below under "Share capital trend."

Organization and Personnel

The number of employees at June 30, 2020, was 235 (209). In addition to full-time employees, consultants were also engaged during the second quarter, corresponding to 34 people (44), mainly in technology development and sales. Accordingly, including employees and consultants, the company had a total of 269 (253) staff on June 30, 2020.

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. On May 27, 2020, it was announced that the Board of Directors, based on the authorization by the Annual General Meeting held on May 26, 2020, had decided to acquire own shares. During the second quarter of 2020, shares were bought back for SEK 83.6 M, corresponding to 4,640,553 Class B shares. The average price of the shares bought back in the second quarter was SEK 18.01 per share. In total, own shares have been bought back for SEK 118.7 M in 2020, at an average price of SEK 14.90 per share. The shares bought back constitute treasury holdings and have been assigned no value in assets or shareholders' equity. The share capital is unchanged at SEK 12,975,667.

Buyback of own shares

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Number of treasury shares (000s)					
Number of buyback shares beginning	3,327	-	-	-	-
Buyback of shares in period	4,641	-	7,968	-	-
Number of buyback shares at end of period	7,968	-	7,968	-	-
Price for buyback shares					
Price for buyback shares during period	83.6	-	118.7	-	-
Average price buyback shares	18.01	-	14.90	-	-

Number of shares

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Number of shares, (000s)					
Number of shares at period end	313,968	313,968	313,968	313,968	313,968
Of which class A-shares	6,000	6,000	6,000	6,000	6,000
Of which class B-shares	307,968	307,968	307,968	307,968	307,968
Number of buyback shares at end of period	-7,968	-	-7,968	-	-
Number of shares outstanding at period end	306,000	313,968	306,000	313,968	307,968
Number of shares outstanding, diluted at period end	306,000	313,968	306,000	313,968	313,968
Average number of shares outstanding (000s)					
Average number of buyback shares	-3,623	-	-1,978	-	-
Average number of shares outstanding, basic	310,345	313,968	311,990	313,968	313,968
Average number of shares outstanding, diluted	310,345	313,968	311,990	313,968	313,968



Accounting policies

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). 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, 2019 and must be read together with 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 2020 have had any significant impact on the Group. The Group's reporting currency is SEK and the report is prepared in SEK M.

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 second quarter of 2020 amounted to SEK 281.7 M (381.5) and the result after financial items for the period amounted to negative SEK 64.9 M (profit: 7.3). A net loss of SEK 50.7 M (profit: 5.5) was reported for the period. The Parent Company's disposable cash and cash equivalents at period-end totaled SEK 387.1 M (436.8).

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 and Information leaks
- Financial risks:** Financing risk and Credit risk.
- Legal risks:** Product defects and product liability, Patent risk and Corruption.
- Other risks:** Epidemics/pandemics, 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 2019 Annual Report, which is available on our website, www.fingerprints.com.



Financial calendar

Interim report January – September 2020 November 12, 2020

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 submitted for publication, through the agency of the contact person set out below on August 13, 2020, at 07.00 a.m. CEST.

Welcome to Fingerprints' presentation of the interim report on the second quarter of 2020 on August 13 at 9:00 a.m. CEST. The presentation will be webcast, and participants can register via the link below.

<https://engage.vevent.com/rt/fingerprints/index.jsp?seid=166>

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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, August 12, 2020

Johan Carlström
Chairman

Sofia Bertling
Member

Ted Elvhage
Member

Tomas Mikaelsson
Member

Alexander Kotsinas
Member

Dimitrij Titov
Member

Juan Vallejo
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	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Revenue	282.3	381.8	592.3	724.7	1,458.6
Cost of goods sold	-221.6	-297.6	-457.7	-561.8	-1,127.5
Gross profit	60.7	84.2	134.6	162.9	331.1
Gross Margin, %	21	22	23	22	23
Selling expenses	-30.6	-37.6	-65.6	-72.2	-147.0
Administrative expenses	-21.0	-17.7	-39.4	-39.6	-87.0
Development expenditure	-28.6	-25.5	-66.0	-49.5	-110.7
Other operating income/expenses	2.8	2.8	2.0	2.7	-0.8
Operating profit/loss	-16.7	6.2	-34.4	4.3	-14.4
Operating Margin, %	-6	2	-6	1	-1
Finance income/expenses	-21.6	-3.9	2.6	-2.8	-3.0
Profit/loss before tax	-38.3	2.3	-31.8	1.5	-17.4
Income tax	16.0	0.4	6.0	-2.3	3.8
Profit/loss for the period	-22.3	2.7	-25.8	-0.8	-13.6
Other comprehensive income	-75.3	-2.8	4.0	32.5	37.0
Total comprehensive income for the period	-97.6	-0.1	-21.8	31.7	23.4
Earnings per share for the period					
Before dilution, SEK	-0.07	0.01	-0.08	0.00	-0.04
After dilution, SEK	-0.07	0.01	-0.08	0.00	-0.04

Condensed consolidated statement of financial position

SEK M	30-Jun 2020	30-Jun 2019	31-Dec 2019
Assets			
Intangible fixed assets	1,147.7	1,124.8	1,127.8
Tangible fixed assets	10.5	23.0	15.8
Right-of-use assets	23.1	33.7	32.9
Financial assets	18.1	20.2	18.3
<i>Total fixed assets</i>	<i>1,199.4</i>	<i>1,201.7</i>	<i>1,194.8</i>
Inventories	196.9	304.7	253.4
Accounts receivable	159.2	226.9	197.3
Other receivables	15.8	23.6	15.4
Prepaid expenses and accrued income	9.9	11.4	12.3
Cash and cash equivalents	429.0	486.3	563.9
<i>Total current assets</i>	<i>810.8</i>	<i>1,052.9</i>	<i>1,042.3</i>
Total assets	2,010.2	2,254.6	2,237.1
Shareholders' equity and liabilities			
<i>Shareholders' equity</i>	<i>1,658.4</i>	<i>1,807.2</i>	<i>1,798.9</i>
<i>Deferred tax liability</i>	<i>31.1</i>	<i>46.8</i>	<i>38.6</i>
<i>Long-term lease liabilities</i>	<i>6.7</i>	<i>15.6</i>	<i>11.8</i>
Short-term debt of long term lease liabilities	13.4	18.1	17.9
Accounts payable	148.6	233.0	235.2
Current tax liabilities	0.6	1.1	0.8
Other current liabilities	15.2	19.7	9.8
Accrued expenses and prepaid income	136.2	113.1	124.1
<i>Total current liabilities</i>	<i>314.0</i>	<i>385.0</i>	<i>387.8</i>
Total shareholders' equity and liabilities	2,010.2	2,254.6	2,237.1



Condensed consolidated cash-flow statement

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Profit/loss before tax	-38.3	2.3	-31.8	1.5	-17.4
Adjustment for non-cash items	45.3	38.6	49.8	71.4	147.9
Income tax paid	-1.4	-1.8	-2.3	-3.4	3.3
Change in inventory	33.2	18.6	56.5	42.8	88.4
Change in current receivables	69.5	64.6	40.4	12.4	38.9
Change in current liabilities	-27.0	57.3	-69.1	-106.2	-100.7
Cash flow from operating activities	81.3	179.6	43.5	18.5	160.4
Cash flow from investing activities	-27.4	-27.4	-53.4	-70.7	-115.4
Cash flow from financing activities	-88.8	0.0	-128.5	0.0	-19.7
Change in cash and cash equivalents	-34.9	152.2	-138.4	-52.2	25.3
Cash and cash equivalents on the opening date	485.3	337.6	563.9	540.5	540.5
Effect of exchange rate changes on cash	-21.4	-3.5	3.5	-2.0	-1.9
Closing cash and cash equivalents	429.0	486.3	429.0	486.3	563.9

The Group's operating segments

SEK M	Apr-Jun 2020	Apr-Jun 2019	Change, %	Jan-Jun 2020	Jan-Jun 2019	Change, %	Jan-Dec 2019
Revenue							
Sensors	282.3	381.8	-26	592.3	724.7	-18	1,458.6
Other	-	-	-	-	-	-	-
Group	282.3	381.8	-26	592.3	724.7	-18	1,458.6

SEK M	Apr-Jun 2020	Apr-Jun 2019	Change, %	Jan-Jun 2020	Jan-Jun 2019	Change, %	Jan-Dec 2019
Operating profit/loss							
Sensors	-16.7	6.2	369	-34.4	4.3	906	-14.4
Other	-	-	-	-	-	-	-
Group	-16.7	6.2	369	-34.4	4.3	906	-14.4

SEK M	Apr-Jun 2020	Apr-Jun 2019	Change, %	Jan-Jun 2020	Jan-Jun 2019	Change, %	Jan-Dec 2019
Profit/loss before tax							
Sensors	-38.3	2.3	1,765	-31.8	1.5	2,251	-17.4
Other	-	-	-	-	-	-	-
Group	-38.3	2.3	1,765	-31.8	1.5	2,251	-17.4



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

SEK M	Apr-Jun 2020	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018
Revenue	282.3	310.0	381.4	352.5	381.8	342.9	424.3	431.2	389.9
Cost of goods sold	-221.6	-236.1	-293.3	-272.4	-297.6	-264.2	-336.1	-316.1	-635.6
Gross profit	60.7	73.9	88.1	80.1	84.2	78.7	88.2	115.1	-245.7
Gross margin, %	21	24	23	23	22	23	21	27	-63
Selling costs	-30.6	-35.0	-40.3	-34.5	-37.6	-34.6	-35.0	-36.5	-48.7
Administrative costs	-21.0	-18.4	-27.3	-20.1	-17.7	-21.9	-39.0	-23.6	-72.9
Development costs	-28.6	-37.4	-37.8	-23.4	-25.5	-24.0	-42.9	-41.4	-76.7
Other operating income/expenses	2.8	-0.8	2.0	-5.5	2.8	-0.1	3.2	-6.6	-134.2
Operating profit/loss	-16.7	-17.7	-15.3	-3.4	6.2	-1.9	-25.5	7.0	-578.2
Operating margin, %	-6	-6	-4	-1	2	-1	-6	2	-148
Finance income/expenses	-21.6	24.2	-17.2	17.0	-3.9	1.1	1.9	-3.9	-9.7
Profit/loss before tax	-38.3	6.5	-32.5	13.6	2.3	-0.8	-23.6	3.1	-587.9
Income tax	16.0	-10.0	13.9	-7.8	0.4	-2.7	6.1	-0.2	120.0
Profit/loss for the period	-22.3	-3.5	-18.6	5.8	2.7	-3.5	-17.5	2.9	-467.9
Other comprehensive income	-75.3	79.3	-51.0	55.5	-2.8	35.3	11.5	-10.6	61.2
Total comprehensive income for the period	-97.6	75.8	-69.6	61.3	-0.1	31.8	-6.0	-7.7	-406.7

Consolidated statement of financial position for the past nine quarters

	30 Jun 2020	31 Mar 2020	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018
<i>SEK/USD exchange rate, balance date</i>	<i>9.35</i>	<i>10.08</i>	<i>9.32</i>	<i>9.80</i>	<i>9.27</i>	<i>9.28</i>	<i>8.97</i>	<i>8.86</i>	<i>8.96</i>
Assets									
Intangible fixed assets	1,147.7	1,213.9	1,127.8	1,182.7	1,124.8	1,129.5	1,102.7	1,112.4	1,135.8
Tangible fixed assets	10.5	13.2	15.8	19.8	23.0	26.9	30.2	34.7	40.4
Right-of-use assets	23.1	28.4	32.9	35.0	33.7	38.2	-	-	-
Financial fixed assets	18.1	4.0	18.3	7.7	20.2	21.9	27.8	-	-
Total fixed assets	1,199.4	1,259.5	1,194.8	1,245.2	1,201.7	1,216.5	1,160.7	1,147.1	1,176.2
Inventories	196.9	230.1	253.4	300.3	304.7	323.3	347.5	344.9	351.6
Accounts receivable	159.2	225.9	197.3	187.5	226.9	279.5	232.7	220.1	370.1
Other receivables	15.8	17.9	15.4	23.5	23.6	22.3	19.8	19.6	40.8
Prepaid expenses and accrued income	9.9	11.0	12.3	7.9	11.4	21.5	18.0	19.1	24.7
Cash and cash equivalents	429.0	485.3	563.9	536.7	486.3	337.6	540.5	742.0	737.5
Total current assets	810.8	970.2	1,042.3	1,055.9	1,052.9	984.2	1,158.5	1,345.7	1,524.7
Total assets	2,010.2	2,229.7	2,237.1	2,301.1	2,254.6	2,200.7	2,319.2	2,492.8	2,700.9
Shareholders' equity and liabilities									
Shareholders' equity	1,658.4	1,839.6	1,798.9	1,868.5	1,807.2	1,807.3	1,775.5	1,781.5	1,789.2
Deferred tax liability	31.1	36.8	38.6	44.5	46.8	47.5	51.9	32.1	33.5
Long-term liabilities	6.7	9.3	11.8	14.1	15.6	20.1	-	-	-
Short-term debt of long-term liabilities	13.4	16.0	17.9	17.8	18.1	18.1	-	-	-
Accounts payable	148.6	188.9	235.2	231.1	233.0	144.4	256.2	189.5	168.0
Current tax liabilities	0.6	0.7	0.8	1.1	1.1	1.4	1.3	0.9	1.2
Other current liabilities	15.2	12.9	9.8	15.2	19.7	4.6	27.1	191.5	366.1
Accrued expenses and prepaid income	136.2	125.5	124.1	108.8	113.1	157.3	207.2	297.3	342.9
Total current liabilities	314.0	344.0	387.8	374.0	385.0	325.8	491.8	679.2	878.2
Total shareholders' equity and liabilities	2,010.2	2,229.7	2,237.1	2,301.1	2,254.6	2,200.7	2,319.2	2,492.8	2,700.9



Consolidated cash-flow statement for the past nine quarters

SEK M	Apr-Jun 2020	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018
Profit/loss before tax	-38.3	6.6	-32.5	13.6	2.3	-0.8	-23.6	3.1	-587.9
Adjustment for non-cash items	45.3	4.5	66.8	9.7	38.6	32.8	35.2	43.4	484.0
Income tax paid	-1.4	-0.9	8.2	-1.5	-1.8	-1.6	4.9	7.7	253.4
Change in inventory	33.2	23.3	41.2	4.4	18.6	24.2	-2.6	6.8	66.4
Change in current receivables	69.5	-29.1	-15.3	41.8	64.6	-52.2	-18.9	167.9	33.8
Change in current liabilities	-27.0	-42.1	14.0	-8.5	57.3	-163.5	-21.1	-26.4	52.3
Cash flow fr. operating activities	81.3	-37.8	82.4	59.5	179.6	-161.1	-26.1	202.5	302.0
Cash flow from investing activities	-27.4	-26.0	-19.1	-25.6	-27.4	-43.3	-31.0	-33.7	-41.3
Cash flow from financing activities	-88.8	-39.7	-19.7	-	-	-	-151.3	-162.3	-69.8
Change in cash and cash equiv.	-34.9	-103.5	43.6	33.9	152.2	-204.4	-208.4	6.5	190.9
Cash and cash equiv. on the opening date	485.3	563.9	536.7	486.3	337.6	540.5	742.0	737.5	534.2
Effect of exchange rate changes on cash	-21.4	24.9	-16.4	16.5	-3.5	1.5	6.9	-2.0	12.4
Closing cash and cash equivalents	429.0	485.3	563.9	536.7	486.3	337.6	540.5	742.0	737.5

Fair value and carrying amount of financial liabilities and assets

SEK M	6/30/2020		6/30/2019	
	Carrying amount	Fair amount	Carrying amount	Fair amount
Financial assets				
Current financial assets:				
Financial assets at amortized cost:				
Accounts receivable	159.2	159.2	226.9	226.9
Cash and cash equivalents	429.0	429.0	486.3	486.3
Total financial assets	588.2	588.2	713.2	713.2
Financial liabilities				
Long-term financial liabilities:				
Long-term lease liabilities	6.7	6.7	15.6	15.6
Current financial liabilities:				
Short-term lease liabilities	13.4	13.4	18.1	18.1
Accounts payable	148.6	148.6	233.0	233.0
Total financial liabilities	168.7	168.7	266.6	266.6
By category:				
Total financial assets	588.2	588.2	713.2	713.2
Financial liabilities at amortized cost	168.7	168.7	266.6	266.6
Net	419.5	419.5	446.5	446.5



Condensed income statement, Parent Company

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Revenues	281.7	381.5	589.5	721.5	1,454.3
Cost of goods sold	-202.3	-287.7	-420.5	-542.4	-1,087.9
Gross profit	79.4	93.8	169.0	179.1	366.4
Selling expenses	-10.1	-37.7	-22.9	-72.3	-147.0
Administrative expenses	-68.6	-20.1	-142.8	-44.3	-97.0
Development expenditure	-10.6	-33.5	-20.6	-55.8	-121.0
Other operating revenues/expenses	2.9	2.6	2.0	1.2	-2.2
Operating profit/loss	-7.0	5.1	-15.3	7.9	-0.8
Finance revenues/expenses	-57.9	2.2	18.5	28.4	44.0
Profit/loss after financial items	-64.9	7.3	3.2	36.3	43.2
Appropriations	0.0	0.0	0.0	0.0	8.0
Profit/loss before tax	-64.9	7.3	3.2	36.3	51.2
Tax	14.2	-1.8	-0.2	-8.1	-11.7
Profit/loss for the period	-50.7	5.5	3.0	28.2	39.5

Condensed balance sheet, Parent Company

SEK M	30-Jun 2020	30-Jun 2019	31-Dec 2017
Assets			
Intangible fixed assets	158.0	104.8	122.0
Tangible fixed assets	6.9	17.0	11.2
Financial fixed assets	1,017.0	1,016.2	1,015.3
<i>Total fixed assets</i>	<i>1,181.9</i>	<i>1,138.0</i>	<i>1,148.5</i>
Inventories	196.9	304.7	253.4
Accounts receivable	155.3	226.6	196.9
Current receivables	74.1	65.0	62.8
Cash and cash equivalents	387.1	436.8	518.1
<i>Total current assets</i>	<i>813.4</i>	<i>1,033.1</i>	<i>1,031.2</i>
Total assets	1,995.3	2,171.1	2,179.7
Shareholders' equity and liabilities			
<i>Shareholders' equity</i>	<i>1,681.9</i>	<i>1,786.4</i>	<i>1,797.6</i>
<i>Untaxed reserves</i>	<i>-</i>	<i>8.0</i>	<i>-</i>
Accounts payable	147.4	232.0	234.1
Other current liabilities	166.0	144.7	148.0
<i>Total current liabilities</i>	<i>313.4</i>	<i>376.7</i>	<i>382.1</i>
Total shareholders' equity and liabilities	1,995.3	2,171.1	2,179.7



Key consolidated data

	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	Jan-Dec 2019
Revenue, SEK M	282.3	381.8	592.3	724.7	1,458.6
Revenue change, %	-26	-2	-18	7	-5
Gross margin, %	21	22	23	22	23
Operating margin, %	-6	2	-6	1	-1
Profit margin, %	-8	1	-4	0	-1
EBITDA, SEK M	6.7	44.0	18.3	79.8	128.7
Return on equity, %	-6	0	-1	2	1
Cash flow from operating activities, SEK M	81.3	179.6	43.5	18.5	160.4
Equity/assets ratio, %	83	80	83	80	80
Investments, SEK M	-27.4	-27.4	-53.4	-70.7	-115.4
Average number of employees	235	208	233	209	209
Shareholders' equity per share, SEK					
- before dilution	5.42	5.76	5.88	5.76	5.73
- after dilution	5.42	5.76	5.88	5.76	5.73
Cash flow from operating activities/share, SEK					
- before dilution	0.26	0.57	0.14	0.06	0.51
- after dilution	0.26	0.57	0.14	0.06	0.51
Number of shares at period end, 000s ¹⁾	306,000	313,967	306,000	313,967	313,967
Average number of shares, 000s					
- before dilution	310,345	313,967	311,990	313,967	313,967
- after dilution	310,345	313,967	311,990	313,967	313,967
Share price at period end	16.91	16.45	16.91	16.45	18.88

Key consolidated figures for the past nine quarters

SEK M	Apr-Jun 2020	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018
Revenue, SEK M	282.3	310.0	381.4	352.5	381.8	342.9	424.3	431.2	389.9
Revenue change, %	-26	-10	-10	-18	-2	18	-31	-49	-53
Gross margin, %	21	24	23	23	22	23	21	27	-63
Operating margin, %	-6	-6	-4	-1	2	-1	-6	2	-148
Profit margin, %	-8	-1	-5	2	1	-1	-4	1	-120
EBITDA, SEK M	6.7	11.6	13.3	35.6	44.0	35.8	8.8	36.7	-402.0
Return on equity, %	-6	4	-4	3	0	2	0	0	-20
Cash flow from operating activities, SEK M	81.3	-37.8	82.4	59.5	179.6	-161.1	-26.1	202.5	302.0
Equity/assets ratio, %	83	83	80	81	80	82	77	71	66
Investments, SEK M	-27.4	-26.0	-19.1	-25.6	-27.4	-43.3	-31.0	-33.7	-41.3
Average number of employees	235	231	220	214	208	209	237	273	347
Shareholders' equity per share, SEK									
- before dilution	5.42	5.92	5.73	5.95	5.76	5.76	5.66	5.67	5.70
- after dilution	5.42	5.92	5.73	5.95	5.76	5.76	5.66	5.67	5.70
Cash flow from operating activities, SEK									
- before dilution	0.26	-0.12	0.26	0.19	0.57	-0.51	-0.08	0.64	0.96
- after dilution	0.26	-0.12	0.26	0.19	0.57	-0.51	-0.08	0.64	0.96
Number of shares at period end, 000s	306,000	310,640	313,967	313,967	313,967	313,967	313,967	313,967	313,967
Share price at period end, SEK	16.91	13.16	18.88	19.96	16.45	13.26	10.13	9.79	6.85



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

	Jun-Jul 2019/20	Apr-Mar 2019/20	Jan-Dec 2019	Oct-Sep 2018/19	Jul-Jun 2018/19	Apr-Mar 2018/19	Jan-Dec 2018	Okt-Sep 2017/18	Jul-Jun 2017/18
Revenues, SEK M	1,326.2	1,425.7	1,458.6	1,501.5	1,580.2	1,588.3	1,535.1	1,726.1	2,136.3
Gross profit, SEK M	302.8	326.3	331.1	331.2	366.2	36.3	2.4	44.3	206.0
Gross margin, %	23	23	23	22	23	2	0	3	10
Operating profit/loss, SEK M	-53.1	-30.2	-14.4	-24.6	-14.2	-598.6	-771.6	-786.7	-741.3
Operating margin, %	-4	-2	-1	-2	-1	-38	-50	-46	-35
EBITDA, SEK M	67.2	104.6	128.7	124.2	125.3	-320.7	-505.2	-531.5	-491.0



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. Since the start, Fingerprints has supplied more than a billion sensors.

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.