

Highlights of the quarter

- Net cash increased to SEK 536.7 M from SEK 486.3 M in the preceding quarter
- The first volume order of T-Shape for use outside the payments area.
- The use of FPC1511 in a smartphone model from Samsung confirmed in September
- FPC1520, a new capacitive sensor generation that is based on the successful FPC1511 product, was launched during the quarter

Third quarter of 2019

- Revenues amounted to SEK 352.5 M (431.2)
- The gross margin was 23 percent (27)
- EBITDA totaled SEK 35.6 M (36.7)
- Operating profit was negative SEK 3.4 M (pos: 7.0)
- Earnings per share before dilution amounted to SEK 0.02 (0.01)
- Cash flow from operating activities amounted to SEK 59.5 M (202.5)

January – September 2019

- Revenues amounted to SEK 1,077.2 M (1,110.8)
- The gross margin was 23 percent (neg: 8)
- EBITDA totaled SEK 115.4 M (neg: 514.0)
- Operating profit was SEK 0.9 M (neg: 746.1)
- Earnings per share before dilution amounted to SEK 0.02 (neg: 1.95)
- Cash flow from operating activities amounted to SEK 78.0 M (300.7)

SEK M	Jul-Sep 2019	Jul-Sep 2018	Change	Jan-Sep 2019	Jan-Sep 2018	Change	Jan-Dec 2018
Revenue	352.5	431.2	-18%	1,077.2	1,110.8	-3%	1,535.1
Gross profit	80.1	115.1	-30%	243.0	-85.8	-	2.4
Gross margin %	23	27		23	-8		0
Operating profit	-3.4	7.0	-149%	0.9	-746.1	-	-771.6
Operating margin %	-1	2		0	-67		-50
EBITDA	35.6	36.7	-3%	115.4	-514.0	-	-505.2
Profit/loss before tax	13.6	3.1	339%	15.1	-773.1	-	-796.7
Profit/loss for the period	5.8	2.9	100%	5.0	-613.2	-	-630.7
Earnings per share before dilution, SEK	0.02	0.01	100%	0.02	-1.95	-	-2.01
Cash and cash equivalents	536.7	742.0	-28%	536.7	742.0	-28%	540.5
Cash flow from operating activities	59.5	202.5	-71%	78.0	300.7	-74%	274.6
Equity/assets ratio, %	81	71		81	71		77
Average number of employees	214	273	-22%	210	340	-38%	314



CEO's comments

Sales in Business Line Mobile were satisfactory, and we continued to strengthen our market position in capacitive sensors. Demand from Chinese smartphone manufacturers remained healthy. At the same time, orders attributable to our new OEM customer, Samsung, performed well. Considerable shifts in market shares among OEM customers took place during the quarter. At the same time, the revenue trend was impacted by weaker sales in Business Line Smartcards and Automotive & Embedded after a few strong quarters. The market for biometrics outside the mobile industry is growing, but it is fragmented, and – so far – significantly smaller than the smartphone market. There may therefore be considerable variations in demand from one quarter to the next in this area.

The gross margin was comparable to the result for the first and second quarter this year, but was four percentage points lower compared to the year-earlier period. The relatively lower share of revenues outside of Business Line Mobile had a negative impact. In addition, the average selling price (ASP) for capacitive sensors has continued to fall. At the same time, the share of new, more cost-effective sensors in Fingerprints' product mix has increased, and our efforts to ensure a competitive production cost continue as strong as ever. That is why we launched the FPC1520 in the third quarter – a new sensor generation that builds further on our already successful product, FPC1511. We have already received orders for it, and we expect that the first smartphones to use this new sensor will be launched as early as this year. Moreover, the FPC1520 has the potential to further increase our addressable market by making the inclusion of fingerprint sensors possible in even the simplest smartphone models.

We continue to consolidate our leading position in capacitive sensors by ensuring that we have a comprehensive, competitive product portfolio for all segments. At the same time, we are continuing our work to capture a position in the growing market for in-display sensors. So far, we have not secured any design wins, but our ambition of capturing a significant share of the in-display market remains.

We continued to strengthen our position as the leading provider of biometric solutions for smart cards. In September, we could announce that we are supporting our partner, MeReal Biometrics, in conjunction with an order of biometric cards for delivery in early 2020. It was also gratifying to announce in August that we had received the first volume order of our T-Shape sensor for use outside the payment area. The sensor will be integrated into a card used for secure online access and secure data storage offline. Already in our previous interim report, we stated that our partner NXP's module for biometric payment cards – which incorporates T-Shape – had been certified by MasterCard. This is an important step towards an initial comprehensive card certification. Such a certification would finally make large-scale commercial launches of biometric payment cards possible. Fingerprints is uniquely positioned in the industry, perhaps best illustrated by the fact that our technology is being used in all published market tests to date of contactless biometric payment and credit cards around the world.

Christian Fredrikson, President and CEO



“During the quarter we continued to strengthen our position as the leading provider of biometric solutions for smart cards.”

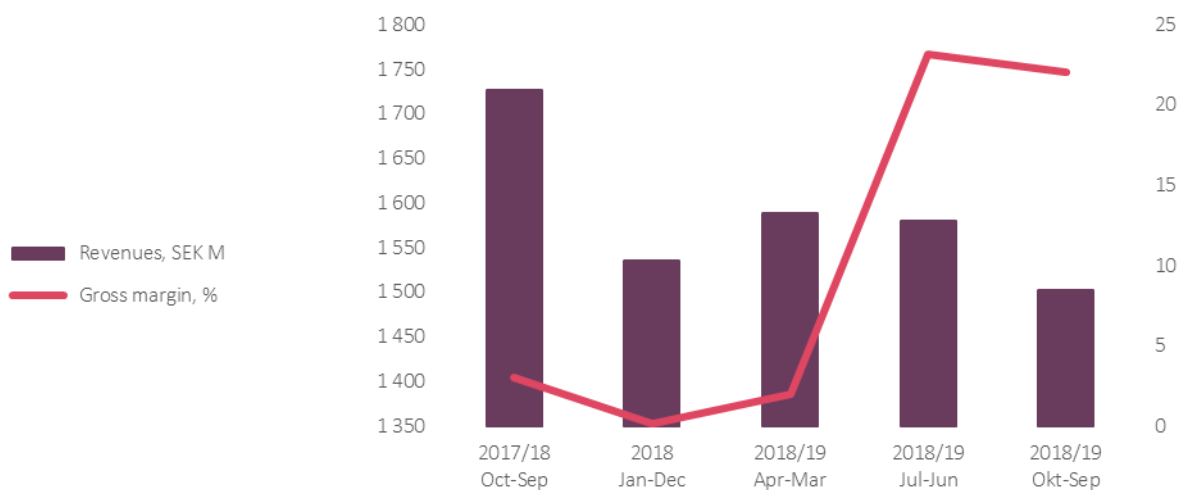


Revenues and operating profit

Revenues

Consolidated revenues for the third quarter amounted to SEK 352.5 M (431.2), down 18 percent year-on-year, due in part to weaker sales in Business Line Smartcards, Automotive & Embedded and in part to a continued decline in the average selling price (ASP). The decline in the ASP can be explained in part by shifts in the customer and product mix.

Revenues and gross margin, rolling 12 months



Trend in operating profit

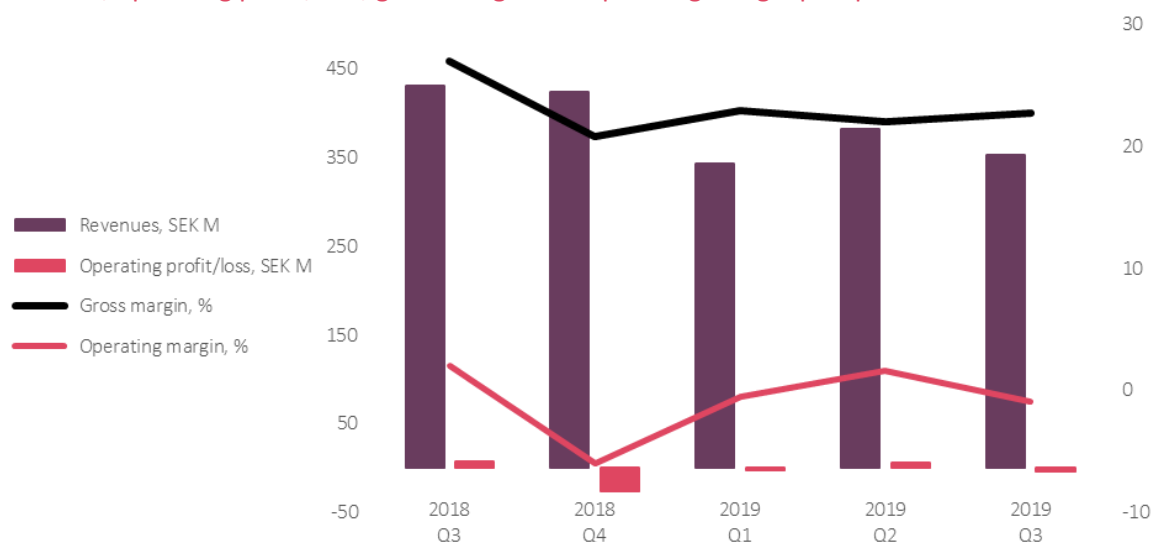
Gross profit for the third quarter was SEK 80.1 M (115.1) and the gross margin was 23 percent (27).

Operating margin was negative 1 percent (pos: 2). Operating expenses amounted to SEK 83.5 M (108.1), and include a negative currency translation effect of SEK 5.5 M pertaining to accounts receivable and accounts payable. Development costs of SEK 24.5 M (14.0) were capitalized during the quarter, which corresponds to 51 percent of total development costs, compared with 25 percent for the corresponding period of 2018.

EBITDA for the quarter totaled SEK 35.6 M (36.7).



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



Financial income and expenses

Net financial items amounted to SEK 17.0 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

Profit for the third quarter of 2019 amounted to SEK 5.8 M (2.9). Earnings per share for the third quarter totaled SEK 0.02 (0.01).

Cash flow and balance sheet

Cash flow

Cash flow from operating activities amounted to SEK 59.5 M (202.5).

Cash flow from investing activities for the third quarter amounted to a negative SEK 25.6 M (neg: 33.7), of which capitalized development expenditure accounted for a negative SEK 24.5 M (neg: 14.0).

Cash flow from financing activities amounted to SEK 0.0 M (neg: 162.3).

Exchange-rate fluctuations had a positive impact of SEK 16.5 M (neg: 2.0) on cash and cash equivalents during the quarter.

Liquidity and shareholders' equity

At September 30, 2019, the Group's disposable cash and cash equivalents totaled SEK 536.7 M (742.0). Consolidated net cash holdings at the end of the third quarter amounted to SEK 536.7 M (596.4).

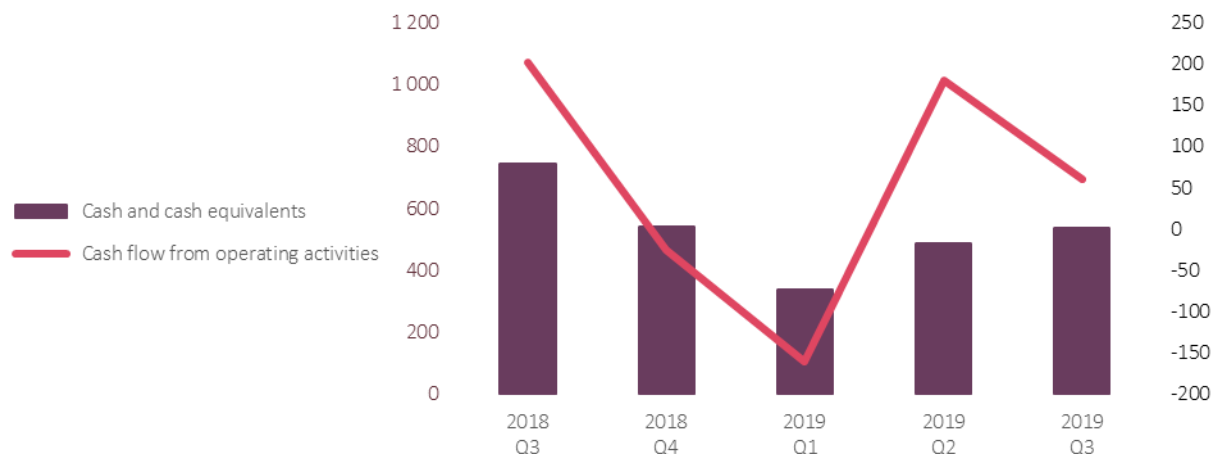
At period-end, consolidated shareholders' equity amounted to SEK 1,868.5 M (1,781.5) and the equity/assets ratio for the Group to 81 percent (71).



Investments, fixed assets and depreciation/amortization

Investments in intangible fixed assets during the quarter amounted to an expense of SEK 25.6 M (expense: 14.0). Investments in tangible fixed assets for the quarter amounted to SEK 0.0 M (0.0). Depreciation/amortization according to plan for the quarter totaled SEK 39.0 M (29.7).

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



Other events during the third quarter of 2019

Business Development

During the third quarter of 2019, 11 mobile devices fitted with Fingerprints' sensors were launched by seven OEM customers.

On September 9, Fingerprints confirmed that the company's FPC1511 sensor is included in Samsung Galaxy A10s. At the end of the quarter, Fingerprints had already received orders for more than ten million sensors concerning this project. In October, it was communicated that FPC1511 is also included in Samsung Galaxy A20s.

During the quarter, it was announced that Fingerprints is partnering with Giesecke + Devrient Mobile Security to launch biometric payment cards that use T-Shape. The card, which was developed under the framework of this partnership, is being used in a market test conducted by Crédit Agricole in France.

In July 2019, Fingerprints' partner NXP announced that the company's module for biometric payment cards – incorporating T-Shape – had been certified by Mastercard. This is a significant milestone and an important step on the way to enabling secure and convenient payments for consumers around the world.

During the quarter, Fingerprints announced that the company was supporting its partner, MeReal Biometrics, in conjunction with an order of biometric cards for delivery in early 2020.



The number of smartphone models that contain Fingerprints technology surpassed 400 in November 2019. In September, the use of FPC1511 in a smartphone model from Samsung was confirmed.



Fingerprints received the first volume order of T-Shape during the quarter, for use outside the payment area. The sensor will be integrated into a card used for secure online access and secure data storage offline.

Organization and personnel

The number of employees on September 30, 2019 was 214 (251). In addition to full-time employees, consultants were also used during the third quarter, primarily in technology development and sales, corresponding to 41 (50). Accordingly, including employees and consultants, the company employed a total of 255 (301) people on September 30, 2019.

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

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Number of shares, (000s)					
Number of shares at period end	313,967	313,967	313,967	313,967	313,967
Of which class A-shares	6,000	6,000	6,000	6,000	6,000
Of which class B-shares	307,967	307,967	307,967	307,967	307,967
Number of shares outstanding, diluted at period end	313,967	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	313,967
Average number of shares outstanding, diluted	313,967	313,967	313,967	313,967	313,967



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, with the exception of IFRS 16, as described below, complies with what is presented in the Annual Report for the fiscal year ending December 31, 2018 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 2019 have had any significant impact on the Group. The Group's reporting currency is SEK and the report is prepared in SEK M.

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 has applied IFRS 16 Leases from January 1, 2019, and applies exemption rules that entail that no lease liability is recognized for leases with a term shorter than 12 months, both during transition and for future leases, as well as for leases for which the underlying asset is of low value. Fingerprints has chosen to apply the modified retrospective approach, which entails that the comparative year is not restated. The effect of transition to IFRS 16 as of January 1, 2019, is set out below.

Commitments for operating leases according to IAS 17 at	
December 31, 2018	SEK 69.0 M
- Discount effect	SEK -1.7 M
- The lease was charged as a restructuring cost in 2018	SEK -20.9 M
- <u>Short-term leases and low-value leases</u>	<u>SEK -3.7 M</u>
Lease liability according to IFRS 16 on January 1, 2019	SEK 42.7 M
- Prepaid lease payment at January 1, 2019	SEK 4.8 M
Right-of-use assets in accordance with IFRS 16 at January 1, 2019	SEK 47.5 M

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. Leases that pertained to rights-of-use of low value or shorter term have not been identified as right-of-use assets. Prior to implementation of IFRS 16, all leases were classified as operational leases. The financial expense is distributed over the lease term so that each accounting period is charged with an amount corresponding to a fixed interest rate for the liability recognized in each period. The Group's weighted average incremental borrowing rate used to calculate the discount effect is 0.65 percent.

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 third quarter amounted to SEK 351.8 M (429.1) and profit after financial items for the period amounted to SEK 58.4 M (8.0). Profit for the period amounted to SEK 46.0 M (5.3). The Parent Company's disposable cash and cash equivalents at period-end totaled SEK 485.4 M (701.0).

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 2018 Annual Report, which is available on our website, www.fingerprints.com.



Financial calendar

Year-End Report 2019	February 13, 2020
Annual Report 2019	Week beginning April 27, 2020
Interim report January – March 2020	May 14, 2020
Annual General Meeting 2020	May 26, 2020
Interim report January – June 2020	August 13, 2020
Interim report January – September 2020	November 12, 2020

2020 Annual General Meeting

The Annual General Meeting will be held in Gothenburg on May 26, 2020. Shareholders wishing to have matters considered at the Annual General Meeting should submit their proposals in writing to investrel@fingerprints.com or to the Company Secretary, Fingerprint Cards AB, Birger Jarlsgatan 14 (5th Floor), SE-114 34 Stockholm, Sweden, not later than seven weeks prior to the Annual General Meeting, in order for the proposal to be included in the notification of the Annual General Meeting. Further details on how and when to register will be published in advance of the meeting.

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, at 7:00 a.m. CET on November 15, 2019.

Welcome to Fingerprints' presentation of the interim report on the third quarter of 2019 on November 15 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=153>

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

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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, November 14, 2019

Johan Carlström
Chairman

Sofia Bertling
Member

Ted Elvhage
Member

Urban Fagerstedt
Member

Tomas Mikaelsson
Member

Alexander Kotsinas
Member

Dimitrij Titov
Member

Juan Vallejo
Member

Christian Fredrikson
President and CEO



Review report

Fingerprint Cards AB (publ)

Corp. Reg. No. 556154-2381

Introduction

We have reviewed the summary of the interim financial information (interim report) of Fingerprint Cards AB (publ), as per September 30, 2019 and the nine-month period that ended on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, Review of Interim Reports Performed by the company's elected auditors. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially smaller in scope than an audit conducted in accordance with the Standards on Auditing in Sweden (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain such assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, an opinion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Opinions

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared on the Group's behalf, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act and, on the Parent Company's behalf, the Swedish Annual Accounts Act.

Gothenburg, November 14, 2019

Moore KLN AB

Ulf Lindesson
Authorized Public Accountant



Financial statements and key figures

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Condensed consolidated statement of comprehensive income

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Revenue	352.5	431.2	1,077.2	1,110.8	1,535.1
Cost of goods sold	-272.4	-316.1	-834.2	-1,196.6	-1,532.7
Gross profit	80.1	115.1	243.0	-85.8	2.4
Gross Margin, %	23	27	23	-8	0
Selling expenses	-34.5	-36.5	-106.7	-154.2	-189.2
Administrative expenses	-20.1	-23.6	-59.7	-162.8	-201.8
Development expenditure	-23.4	-41.4	-72.9	-200.7	-243.6
Other operating income/expenses	-5.5	-6.6	-2.8	-142.6	-139.4
Operating profit/loss	-3.4	7.0	0.9	-746.1	-771.6
Operating Margin, %	-1	2	0	-67	-50
Finance income/expenses	17.0	-3.9	14.2	-27.0	-25.1
Profit/loss before tax	13.6	3.1	15.1	-773.1	-796.7
Income tax	-7.8	-0.2	-10.1	159.9	166.0
Profit/loss for the period	5.8	2.9	5.0	-613.2	-630.7
Other comprehensive income	55.5	-10.6	88.0	63.9	75.4
Total comprehensive income for the period	61.3	-7.7	93.0	-549.3	-555.3
Earnings per share for the period					
Before dilution, SEK	0.02	0.01	0.02	-1.95	-2.01
After dilution, SEK	0.02	0.01	0.02	-1.95	-2.01

Condensed consolidated statement of financial position

SEK M	30-Sep 2019	30-Sep 2018	31-Dec 2018
Assets			
Intangible fixed assets	1,182.7	1,112.4	1,102.7
Tangible fixed assets	54.8	34.7	30.2
Financial assets	7.7	-	27.8
<i>Total fixed assets</i>	<i>1,245.2</i>	<i>1,147.1</i>	<i>1,160.7</i>
Inventories	300.3	344.9	347.5
Accounts receivable	187.5	220.1	232.7
Other receivables	23.5	19.6	19.8
Prepaid expenses and accrued income	7.9	19.1	18.0
Cash and cash equivalents	536.7	742.0	540.5
<i>Total current assets</i>	<i>1,055.9</i>	<i>1,345.7</i>	<i>1,158.5</i>
Total assets	2,301.1	2,492.8	2,319.2
Shareholders' equity and liabilities			
Shareholders' equity	1,868.5	1,781.5	1,775.5
Deferred tax liability	44.5	32.1	51.9
Long-term liabilities	14.1	-	-
Accounts payable	231.1	189.5	256.2
Current tax liabilities	1.1	0.9	1.3
Other current liabilities	33.0	191.5	27.1
Accrued expenses and prepaid income	108.8	297.3	207.2
<i>Total current liabilities</i>	<i>374.0</i>	<i>679.2</i>	<i>491.8</i>
Total shareholders' equity and liabilities	2,301.1	2,492.8	2,319.2



Condensed consolidated cash-flow statement

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Profit/loss before tax	13.6	3.1	15.1	-773.1	-796.7
Adjustment for non-cash items	9.7	43.4	81.1	559.8	595.0
Income tax paid	-1.5	7.7	-4.9	227.1	232.0
Change in inventory	4.4	6.8	47.2	-1.5	-4.1
Change in current receivables	41.8	167.9	54.2	261.9	243.0
Change in current liabilities	-8.5	-26.4	-114.7	26.5	5.4
Cash flow from operating activities	59.5	202.5	78.0	300.7	274.6
Cash flow from investing activities	-25.6	-33.7	-96.3	-131.6	-162.6
Cash flow from financing activities	0.0	-162.3	0.0	-356.4	-507.7
Change in cash and cash equivalents	33.9	6.5	-18.3	-187.3	-395.7
Cash and cash equivalents on the opening date	486.3	737.5	540.5	920.2	920.2
Effect of exchange rate changes on cash	16.5	-2.0	14.5	9.1	16.0
Closing cash and cash equivalents	536.7	742.0	536.7	742.0	540.5

The Group's operating segments

SEK M	Jul-Sep 2019	Jul-Sep 2018	Change, %	Jan-Sep 2019	Jan-Sep 2018	Change, %	Jan-Dec 2018
Revenue							
Sensors	352.5	431.2	-18	1,077.2	1,110.8	-3	1,535.1
Other	-	-	-	-	-	-	-
Group	352.5	431.2	-18	1,077.2	1,110.8	-3	1,535.1
Operating profit/loss							
Sensors	-3.4	7.0	-	0.9	-746.1	-	-771.6
Other	-	-	-	-	-	-	-
Group	-3.4	7.0	0	0.9	-746.1	0	-771.6
Profit/loss before tax							
Sensors	13.6	3.1	-	15.1	-773.1	-	-796.7
Other	-	-	-	-	-	-	-
Group	13.6	3.1	0	15.1	-773.1	0	-796.7



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

SEK M	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017
Revenue	352.5	381.8	342.9	424.3	431.2	389.9	289.7	615.3	841.4
Cost of goods sold	-272.4	-297.6	-264.2	-336.1	-316.1	-635.6	-244.9	-485.2	-564.6
Gross profit	80.1	84.2	78.7	88.2	115.1	-245.7	44.8	130.1	276.8
Gross margin, %	23	22	23	21	27	-63	15	21	33
Selling costs	-34.5	-37.6	-34.6	-35.0	-36.5	-48.7	-69.0	-64.0	-58.6
Administrative costs	-20.1	-17.7	-21.9	-39.0	-23.6	-72.9	-66.3	-40.6	-33.0
Development costs	-23.4	-25.5	-24.0	-42.9	-41.4	-76.7	-82.6	-99.8	-84.7
Other operating income/expenses	-5.5	2.8	-0.1	3.2	-6.6	-134.2	-1.8	33.7	-48.1
Operating profit/loss	-3.4	6.2	-1.9	-25.5	7.0	-578.2	-174.9	-40.6	52.4
Operating margin, %	-1	2	-1	-6	2	-148	-60	-7	6
Finance income/expenses	17.0	-3.9	1.1	1.9	-3.9	-9.7	-13.4	-0.1	13.1
Profit/loss before tax	13.6	2.3	-0.8	-23.6	3.1	-587.9	-188.3	-40.7	65.5
Income tax	-7.8	0.4	-2.7	6.1	-0.2	120.0	40.1	24.2	-15.4
Profit/loss for the period	5.8	2.7	-3.5	-17.5	2.9	-467.9	-148.2	-16.5	50.1
Other comprehensive income	55.5	-2.8	35.3	11.5	-10.6	61.2	13.3	4.9	-12.6
Total comprehensive income for the period	61.3	-0.1	31.8	-6.0	-7.7	-406.7	-134.9	-11.6	37.5

Consolidated statement of financial position for the past nine quarters

	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017
<i>SEK/USD exchange rate, balance date</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>	<i>8.36</i>	<i>8.23</i>	<i>8.11</i>
Assets									
Intangible fixed assets	1,182.7	1,124.8	1,129.5	1,102.7	1,112.4	1,135.8	1,220.1	1,188.3	1,134.7
Tangible fixed assets	54.8	56.7	65.1	30.2	34.7	40.4	43.5	46.6	40.0
Financial fixed assets	7.7	20.2	21.9	27.8	-	-	-	-	0.1
Total fixed assets	1,245.2	1,201.7	1,216.5	1,160.7	1,147.1	1,176.2	1,263.6	1,234.9	1,174.8
Inventories	300.3	304.7	323.3	347.5	344.9	351.6	720.8	646.1	669.6
Accounts receivable	187.5	226.9	279.5	232.7	220.1	370.1	385.2	437.5	592.9
Other receivables	23.5	23.6	22.3	19.8	19.6	40.8	347.0	284.0	210.9
Prepaid expenses and accrued income	7.9	11.4	21.5	18.0	19.1	24.7	29.5	29.1	23.7
Cash and cash equivalents	536.7	486.3	337.6	540.5	742.0	737.5	534.2	920.2	1,011.2
Total current assets	1,055.9	1,052.9	984.2	1,158.5	1,345.7	1,524.7	2,016.7	2,316.9	2,508.3
Total assets	2,301.1	2,254.6	2,200.7	2,319.2	2,492.8	2,700.9	3,280.3	3,551.8	3,683.1
Shareholders' equity and liabilities									
Shareholders' equity	1,868.5	1,807.2	1,807.3	1,775.5	1,781.5	1,789.2	2,195.9	2,330.8	2,342.4
Deferred tax liability	44.5	46.8	47.5	51.9	32.1	33.5	188.2	189.8	200.0
Long-term liabilities	14.1	15.6	20.1	-	-	-	50.9	221.9	243.3
Accounts payable	231.1	233.0	144.4	256.2	189.5	168.0	210.8	268.0	362.9
Current tax liabilities	1.1	1.1	1.4	1.3	0.9	1.2	1.1	1.5	0.8
Other current liabilities	33.0	37.8	22.7	27.1	191.5	366.1	385.8	349.9	359.1
Accrued expenses and prepaid income	108.8	113.1	157.3	207.2	297.3	342.9	247.6	189.9	174.6
Total current liabilities	374.0	385.0	325.8	491.8	679.2	878.2	845.3	809.3	897.4
Total shareholders' equity and liabilities	2,301.1	2,254.6	2,200.7	2,319.2	2,492.8	2,700.9	3,280.3	3,551.8	3,683.1



Consolidated cash-flow statement for the past nine quarters

SEK M	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017
Profit/loss before tax	13.6	2.3	-0.8	-23.6	3.1	-587.9	-188.3	-40.7	65.5
Adjustment for non-cash items	9.7	38.6	32.8	35.2	43.4	484.0	32.4	28.9	17.9
Income tax paid	-1.5	-1.8	-1.6	4.9	7.7	253.4	-34.0	-56.4	-62.7
Change in inventory	4.4	18.6	24.2	-2.6	6.8	66.4	-74.7	23.6	148.8
Change in current receivables	41.8	64.6	-52.2	-18.9	167.9	33.8	60.2	111.0	-99.4
Change in current liabilities	-8.5	57.3	-163.5	-21.1	-26.4	52.3	0.6	-68.1	104.6
Cash flow fr. operating activities	59.5	179.6	-161.1	-26.1	202.5	302.0	-203.8	-1.7	174.7
Cash flow from investing activities	-25.6	-27.4	-43.3	-31.0	-33.7	-41.3	-56.6	-75.5	-79.9
Cash flow from financing activities	-	-	-	-151.3	-162.3	-69.8	-124.3	-26.0	-
Change in cash and cash equiv.	33.9	152.2	-204.4	-208.4	6.5	190.9	-384.7	-103.2	94.8
Cash and cash equiv. on the opening date	486.3	337.6	540.5	742.0	737.5	534.2	920.2	1,011.2	933.7
Effect of exchange rate changes on cash	16.5	-3.5	1.5	6.9	-2.0	12.4	-1.3	12.2	-17.3
Closing cash and cash equivalents	536.7	486.3	337.6	540.5	742.0	737.5	534.2	920.2	1,011.2

Fair value and carrying amount of financial liabilities and assets

SEK M	9/30/2019		9/30/2018	
	Carrying amount	Fair amount	Carrying amount	Fair amount
Financial assets				
Current financial assets:				
Financial assets at amortized cost:				
Accounts receivable	187.5	187.5	-	-
Cash and cash equivalents	536.7	536.7	-	-
Loan receivables and accounts receivable:				
Accounts receivable	-	-	220.1	220.1
Cash and cash equivalents	-	-	742.0	742.0
Total financial assets	724.2	724.2	962.1	962.1
Financial liabilities				
Long-term financial liabilities:				
Long-term liabilities	-	-	-	-
Long-term lease liabilities	14.1	14.1	-	-
Current financial liabilities:				
Short-term liabilities of long-term loan	-	-	145.6	145.6
Short-term lease liabilities	17.8	17.8	-	-
Remaining portion of purchase consideration for acquisition of subsidiary	-	-	40.9	40.9
Accounts payable	231.1	231.1	189.5	189.5
Total financial liabilities	263.0	263.0	376.0	376.0
By category:				
Total financial assets	724.2	724.2	962.1	962.1
Total financial liabilities	263.0	263.0	376.0	376.0
Net	461.2	461.2	586.1	586.1



Condensed income statement, Parent Company

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Revenues	351.8	429.1	1,073.3	1,104.2	1,527.4
Cost of goods sold	-262.2	-306.7	-804.6	-1,169.7	-1,496.6
Gross profit	89.6	122.4	268.7	-65.5	30.8
Selling expenses	-34.4	-36.3	-106.7	-153.2	-188.0
Administrative expenses	-23.0	-26.8	-67.3	-172.5	-214.1
Development expenditure	-23.7	-41.1	-79.5	-198.8	-243.0
Other operating revenues/expenses	-5.4	-6.5	-4.2	-142.7	-140.7
Operating profit/loss	3.1	11.7	11.0	-732.7	-755.0
Finance revenues/expenses	55.3	-3.7	83.7	27.6	43.8
Profit/loss after financial items	58.4	8.0	94.7	-705.1	-711.2
Appropriations	-	-	-	-	716.0
Profit/loss before tax	58.4	8.0	94.7	-705.1	4.8
Tax	-12.4	-2.7	-20.5	153.9	-3.2
Profit/loss for the period	46.0	5.3	74.2	-551.2	1.6

Condensed balance sheet, Parent Company

SEK M	30-Sep 2019	30-Sep 2018	31-Dec 2018
Assets			
Intangible fixed assets	114.2	109.9	96.9
Tangible fixed assets	14.2	27.1	23.4
Financial fixed assets	1,035.8	1,114.9	985.5
<i>Total fixed assets</i>	<i>1,164.2</i>	<i>1,251.9</i>	<i>1,105.8</i>
Inventories	300.3	344.9	347.5
Accounts receivable	187.1	218.7	232.3
Current receivables	60.3	48.2	54.9
Cash and cash equivalents	485.4	701.0	496.2
<i>Total current assets</i>	<i>1,033.1</i>	<i>1,312.8</i>	<i>1,130.9</i>
Total assets	2,197.3	2,564.7	2,236.7
Shareholders' equity and liabilities			
<i>Shareholders' equity</i>	<i>1,832.3</i>	<i>1,205.3</i>	<i>1,758.1</i>
<i>Untaxed reserves</i>	<i>8.0</i>	<i>724.0</i>	<i>8.0</i>
<i>Long-term liabilities</i>	<i>-</i>	<i>-</i>	<i>-</i>
Accounts payable	244.1	187.2	254.7
Tax liabilities	-	-	-
Other current liabilities	112.9	448.2	215.9
<i>Total current liabilities</i>	<i>357.0</i>	<i>635.4</i>	<i>470.6</i>
Total shareholders' equity and liabilities	2,197.3	2,564.7	2,236.7



Key consolidated data

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018
Revenue, SEK M	352.5	431.2	1,077.2	1,110.8	1,535.1
Revenue change, %	-18	-49	-3	-53	-48
Gross margin, %	23	27	23	-8	0
Operating margin, %	-1	2	0	-67	-50
Profit margin, %	2	1	0	-55	-41
EBITDA, SEK M	35.6	36.7	115.4	-514.0	-505.2
Return on equity, %	3	0	5	-27	-27
Cash flow from operating activities, SEK M	59.5	202.5	78.0	300.7	274.6
Equity/assets ratio, %	81	71	81	71	77
Investments, SEK M	-25.6	-33.7	-96.3	-131.6	-162.6
Average number of employees	214	273	210	340	314
Shareholders' equity per share, SEK					
- before dilution	5.95	5.67	5.95	5.67	5.66
- after dilution	5.95	5.67	5.95	5.67	5.66
Cash flow from operating activities/share, SEK					
- before dilution	0.19	0.64	0.25	0.96	0.87
- after dilution	0.19	0.64	0.25	0.96	0.87
Number of shares at period end, 000s ⁽¹⁾	313,967	313,967	313,967	313,967	313,967
Average number of shares, 000s					
- before dilution	313,967	313,967	313,967	313,967	313,967
- after dilution	313,967	313,967	313,967	313,967	313,967
Share price at period end	19.96	9.79	19.96	9.79	10.13

Key consolidated figures for the past nine quarters

SEK M	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017
Revenue, SEK M	352.5	381.8	342.9	424.3	431.2	389.9	289.7	615.3	841.4
Revenue change, %	-18	-2	18	-31	-49	-53	-58	-62	-55
Gross margin, %	23	22	23	21	27	-63	15	21	33
Operating margin, %	-1	2	-1	-6	2	-148	-60	-7	6
Profit margin, %	2	1	-1	-4	1	-120	-51	-3	6
EBITDA, SEK M	35.6	44.0	35.8	8.8	36.7	-402.0	-148.7	-17.5	77.2
Return on equity, %	3	0	2	0	0	-20	-6	0	2
Cash flow from operating activities, SEK M	59.5	179.6	-161.1	-26.1	202.5	302.0	-203.8	-1.7	174.7
Equity/assets ratio, %	81	80	82	77	71	66	67	66	64
Investments, SEK M	-25.6	-27.4	-43.3	-31.0	-33.7	-41.3	-56.6	-75.5	-79.9
Average number of employees	214	208	209	237	273	347	401	416	406
Shareholders' equity per share, SEK									
- before dilution	5.95	5.76	5.76	5.66	5.67	5.70	6.99	7.42	7.46
- after dilution	5.95	5.76	5.76	5.66	5.67	5.70	6.99	7.42	7.46
Cash flow from operating activities, SEK									
- before dilution	0.19	0.57	-0.51	-0.08	0.64	0.96	-0.65	-0.01	0.56
- after dilution	0.19	0.57	-0.51	-0.08	0.64	0.96	-0.65	-0.01	0.56
Number of shares at period end, 000s	313,967	313,967	313,967	313,967	313,967	313,967	313,967	313,967	313,967
Share price at period end, SEK	19.96	16.45	13.26	10.13	9.79	6.85	8.05	15.81	22.81



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

	Okt-Sep 2018/19	Jul-Jun 2018/19	Apr-Mar 2018/19	Jan-Dec 2018	Okt-Sep 2017/18	Jul-Jun 2017/18	Apr-Mar 2017/18	Jan-Dec 2017	Okt-Sep 2016/17
Revenues, SEK M	1,501.5	1,580.2	1,588.3	1,535.1	1,726.1	2,136.3	2,569.8	2,966.0	3,969.4
Gross profit, SEK M	331.2	366.2	36.3	2.4	44.3	206.0	751.6	988.9	1,573.7
Gross margin, %	22	23	2	0	3	10	29	33	40
Operating profit/loss, SEK M	-24.6	-14.2	-598.6	-771.6	-786.7	-741.3	-91.1	154.6	715.4
Operating margin, %	-2	-1	-38	-50	-46	-35	-4	5	18
EBITDA, SEK M	124.2	125.3	-320.7	-505.2	-531.5	-491.0	-0.1	234.0	787.5



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	Parent Company's number of shares outstanding at period end.
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.