

Fingerprint Cards AB (Publ.)

Year-end report 2015

Fourth quarter 2015:

- Revenues amounted to SEK 1,351.5 M (105.0), up 1,187% compared with fourth quarter of 2014.
- Gross margin was 46% (32).
- Operating profit amounted to SEK 517.6 M (loss: 30.0).
- Earnings per share increased to SEK 6.39 (loss: 0.49).
- Cash flow from operating activities was SEK 537.4 M (neg: 74.7).

January to December 2015

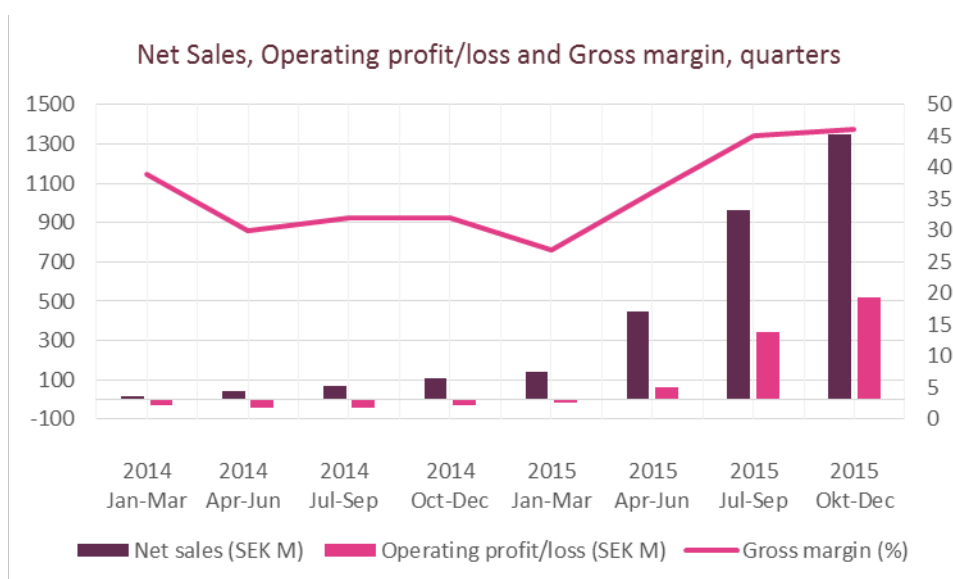
- Revenues amounted to SEK 2,900.5 M (233.6), up 1,142% compared with 2014.
- Gross margin was 43% (31).
- Operating profit amounted to SEK 910.3 M (loss: 145.2).
- Earnings per share increased to SEK 12.62 (loss: 2.47).
- Cash flow from operating activities was SEK 908.1 M (neg: 174.3).

Outlook

- The 2016 revenue guidance is updated to SEK 7,000-8,500 M, compared with the previous guidance of SEK 6,500-8,500 M.
- As previously announced, it is estimated that the operating margin for 2016 will exceed the operating margin for the second half of 2015. The operating margin for the second half of 2015 was 37%.

The Board's proposal to the Annual General Meeting 2016

- The Board proposes that no dividend be paid for fiscal year 2015
- The Board proposes a stock split of 5:1
- The Board proposes a mandate to buy back and transfer FING B shares





CEO's comments

Strong closing of a record year

I am very proud to report that Fingerprint Cards (FPC) closed 2015 in line with the strong performance achieved in the first three quarters of the year. Our fourth-quarter revenues of SEK 1,352 M represented sequential growth of 40% compared with the third quarter. This confirms that FPC has established a leading position in a rapidly expanding market. Together with an increasing gross margin, this resulted in an operating profit of SEK 518 M for the fourth quarter. Revenues for 2015 amounted to SEK 2,901 M, corresponding to growth of 1,142% compared with 2014.

We continue to capture market share in touch fingerprint sensors for smartphones. During the fourth quarter, 18 smartphones featuring our touch fingerprint sensors were launched by smartphone manufacturers including Huawei, Xiaomi, Lenovo, LG and ZTE, which all belong to the seven largest smartphone manufacturers in the world. During 2015, no less than 55 smartphones featuring FPC's touch fingerprint sensors were launched by 23 manufacturers, compared with one smartphone each by two smartphone manufacturers in 2014.

The gross margin improved slightly in the fourth quarter and amounted to 46% compared with 45% in the third quarter. The operating margin for the fourth quarter was 38%, while the full-year 2015 figure was 31%. The strong earnings trend is also reflected in our cash flow from operating activities, which is evidence of the company's efficient and scalable business model.

We had major success in China in 2015, where we established a market-leading position at an early stage. During 2015, our Chinese customers launched 40 smartphones integrating our touch fingerprint sensors, of which 33 were launched during the second half of the year. Our major Chinese customers are planning for continued strong growth in 2016, partly on the back of increased presence outside China. Fingerprint sensors are also rapidly becoming a mandatory component in Chinese smartphones, driven by demand for secure mobile payments. Our successes outside China in the second half of the year are also worth noting, including Google's two Nexus smartphones, which contain our FPC1025 touch fingerprint sensor. In all, this is generating excellent conditions for continued growth in 2016.

During the fourth quarter, we continued work to adapt our sensors for applications in market segments other than smartphones, for example, smart cards. This work is progressing as planned and the first commercial product launches are scheduled to take place in 2016. At the start of 2016, we also announced progress in providing our touch fingerprint sensors to the automotive industry, where we have already won the first evaluations from a globally leading car manufacturer concerning future integration in cars. We also made progress related to the Internet of Things, whereby different types of objects are connected to the Internet, where fingerprint sensors are beginning to gain a significant role. The reason why we secure the first engagements in these new segments is the same as in smartphones – we offer the market's leading technology and products, thus enabling our customers to provide the best possible user experience to the consumers, irrespective of whether the end product is a smartphone, a smart card, a vehicle or a connected object.

In 2015, we established FPC as the globally leading manufacturer of complete and integrated systems for fingerprint sensors. Our objective in 2016 is to consolidate our position as the market's leading supplier by growing further together with our existing customers, and by breaking new ground in smartphones and other market segments. I am very enthusiastic about FPC's future. Our aim is to continue to gain market share and prepare for a market which, according to our estimates, will amount to more than one billion units per year as of 2017. By capitalizing on our economies of scale in technology and business and using our financial strength to increase our investments, we plan to remain the leading supplier of fingerprint sensors in the coming years and thus continue our profitable growth.

Jörgen Lantto, CEO

Outlook

Revenues for 2016 are estimated to total SEK 7,000-8,500 M, corresponding to growth of 140-190% compared with 2015. This is an update compared to the earlier communicated revenue guidance for 2016 of SEK 6,500-8,500 M. The reason for this is strengthened visibility in respect of expected smartphone launches in 2016 and continued strong competitiveness.

As previously announced, it is estimated that the operating margin for 2016 will exceed the operating margin for the second half of 2015. The operating margin for the second half of 2015 was 37%.

Significant events in the fourth quarter of 2015

- 18 smartphone models featuring FPC's touch fingerprint sensor were announced by the following manufacturers: Coolpad, Gionee, HTC, Huawei, ivvi, Lenovo, LG, Meizu, Vivo, Xiaomi, ZTE
- Fingerprint Cards provides revenue guidance for 2016 of SEK 6,500-8,500 M.
- The exercise of warrants in October 2015 increased the number of Class B shares by 1,265,000.

Market, sales and customer projects

FPC's primary market, touch fingerprint sensors for smartphones, continued to show very strong growth. During the fourth quarter, new customers such as Xiaomi, Lenovo, LG and Vivo launched smartphones featuring FPC's touch fingerprint sensors. In 2015, nine of the ten largest Chinese smartphone manufacturers launched smartphones equipped with touch fingerprint sensors from FPC. A total of 18 smartphone models were launched during the fourth quarter and, during the full-year 2015, a total of 55 models with FPC's touch fingerprint sensors were launched from 23 different smartphone manufacturers. FPC's touch fingerprint sensor has now also been launched in a Windows-based tablet solution.

Revenues in the fourth quarter of 2015 totaled SEK 1,351.5 M. Compared with the year-earlier period, revenues increased 1,187% and compared with the third quarter of 2015 they increased 40%.

As announced earlier, smartphone manufacturers are now more rapidly integrating touch fingerprint sensors in broader product segments than we had previously expected, largely driven by the introduction of secure payment services where the fingerprint sensor is a critical component. We also see that many manufacturers are deciding to introduce fingerprint sensors not only in a specific model, but also across their portfolios, entailing increased volumes and revenues for FPC.

We have also increased our involvement in other market segments such as smart cards, automotive and Internet of Things, where we are active in the initial phase of several commercial projects with planned launches in 2016 and ahead. Our ability to provide small and very thin sensors for smart cards with leading biometric performance and very low power consumption also puts us in a strong position in this potentially extremely large market.

During the fourth quarter, the number of customer projects continued to grow. A clear trend is that smartphones with touch fingerprint sensors are being launched in the mid-tier segment, resulting in a significant increase in the number of projects. The company's field application engineers conduct integration work at the smartphone manufacturers' laboratories on a daily basis, which is a major reason for the growing involvement with customers. The head start in the adaptation to Android 6.0 that resulted from the launch of Google Nexus 5X and Google Nexus 6P was utilized by the company to support the launch of smartphones equipped with Android 6.0 by other manufacturers, where Android Pay has also been included. Work is also in progress to update previously launched smartphones to Android 6.0. We are now able to provide a combined solution comprising Android 6.0 and FIDO that has been prepared in collaboration with leading smartphone manufacturers. During the quarter, the first smartphones integrating FPC1035 were launched, and a first Android tablet featuring FPC1155 was launched in early 2016. Integration work on touch fingerprint sensors outside the smartphones segment was intensified during the quarter through the addition of several projects in the automotive industry, smart cards and the Internet of Things.

Technological development, sourcing and production

The product development of new sensors during the latter part of the year focused on the completion of touch fingerprint sensors with retained biometric performance that can be mounted under a sheet of glass or ceramics, the FPC OneTouch® FPC1200 series, and on further strengthening of the product portfolio. The first touch fingerprint sensors from the FPC1200 series are now in mass production and smartphones that integrate FPC1200 sensors are scheduled for launch in the near future. The product portfolio for this segment is now being expanded to facilitate more advanced solutions, which will be launched in 2016.

In addition to the touch fingerprint sensors that can be mounted under a sheet of glass, product development was also carried out to further broaden the product portfolio. One example of this is the preparation of a highly cost-efficient touch fingerprint sensor, which will facilitate the introduction of touch fingerprint sensors in the segment for entry level smartphones, where the penetration rate for fingerprint sensors remains low today. The market potential for such

sensors in the years ahead is estimated to be very high. Another example is the preparation of sensors that are specifically intended for integration into smart cards. Here, FPC uses a combination of existing technology and new solutions to optimize time-to-market.

The development organization has also devoted a significant time and energy to facilitate production of our sensors in additional manufacturing plants to further increase production capacity, and to assisting our customers in the integration of the software for our touch fingerprint sensors into their products. FPC's advanced software solutions make it possible for smartphone manufacturers to, for example, use the touch fingerprint sensor to operate the camera in the phone, thus further improving our competitiveness and intensifying our relationship with smartphone manufacturers.

By developing our own proprietary sensor technology, packaging, algorithms and software, we continue to bring forward competitive products. The components included all contribute to leading performance that combined result in the best technology in the market. Our integrated system offering is now being developed further to retain and increase this leadership.

During the quarter, FPC's sourcing and supply organization, together with suppliers and partners, continued expanding production capacity for our touch fingerprint sensors and associated components. This production capacity is now being increased through the contribution of additional capacity in cooperation with a new key partner.

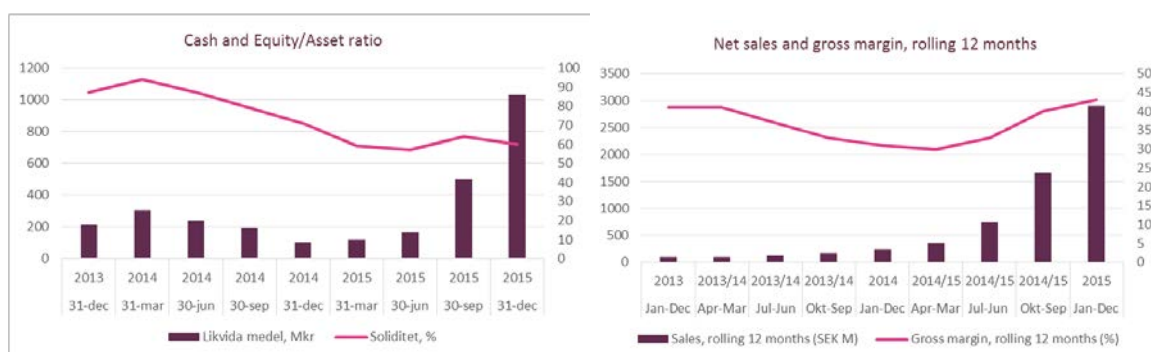
Revenues and earnings

Consolidated revenues increased to SEK 1,351.5 M (105.0) for the fourth quarter and to SEK 2,900.5 M (233.6) for the full-year 2015. Growth was driven by FPC continuing to capture market shares in a market that is expanding due to a higher penetration rate for touch fingerprint sensors in smartphones. Gross profit for the fourth quarter increased to SEK 628.2 M (33.7) and the gross margin was 46% (32). For the full-year 2015, gross profit amounted to SEK 1,255.3 M (71.7) and the gross margin was 43% (31). The reason for the improvement in the gross margin is the company's ability to develop and deliver several models of high-quality competitive sensors to customers.

Operating expenses for the quarter rose to SEK 110.6 M (63.6). The increased operating expenses for the quarter were primarily due to the expansion of the business and to new employees compared with the year-earlier period. Operating expenses in the fourth quarter were considerably higher than in the third quarter of 2015. This was primarily due to the effects of the increase in the number of employees, higher variable compensation in line with the company's earnings trend and a rise in negative exchange-rate effects.

Profit after financial items amounted to SEK 517.6 M (loss: 29.2) for the fourth quarter and to SEK 910.0 M (loss: 143.5) for the entire fiscal year. Earnings per share were SEK 6.39 (loss: 0.49).

The Parent Company's revenue amounted to SEK 1,351.5 M (105.0) for the fourth quarter of 2015, and profit after financial items for the same period was SEK 516.1 M (loss: 30.0). The corresponding values for the entire fiscal year were SEK 2,900.2 M (231.9) and SEK 904.5 M (loss: 146.7), respectively.



Financial position

At December 31, 2015, the Group's disposable cash and cash equivalents totaled SEK 1,031.3 M (101.9).

Consolidated working capital at the same date amounted to SEK 1,075.6 M (212.6).

At period-end, consolidated shareholders' equity had risen to SEK 1,146.8 M (301.1) and the equity/assets ratio for the Group was 60% (71). The Parent Company's disposable cash and cash equivalents at year-end totaled SEK 1,018.0 M (93.0).

Cash flow

Cash flow from operations, including changes in working capital, was SEK 537.4 M (neg: 74.7) in the fourth quarter and SEK 908.1 M (neg: 174.3) in the full fiscal year. The increased revenues, a healthy gross margin trend and efficient management of working capital generated positive effects on cash flow and growth in disposable cash and cash equivalents. Cash flow to investments was a negative SEK 15.9 M (neg: 39.0) in the fourth quarter and a negative SEK 26.0 M (neg: 90.6) in the full fiscal year. Cash flow from financing activities amounted to SEK 11.1 M (23.6) for the fourth quarter and to SEK 47.3 M (155.1) for the full year.

Combined, the net change in cash and cash equivalents amounted to SEK 532.6 M (neg. 90.2) for the fourth quarter, and SEK 929.4 M (neg: 109.8) for the full-year 2015.

Investments, fixed assets and depreciation/amortization

Investments in intangible fixed assets amounted to an expense of SEK 12.6 M (expense: 28.7) for the fourth quarter and an expense of SEK 17.2 M (expense: 73.6) for the entire reporting period in 2015. Investments in tangible fixed assets amounted to an expense of SEK 2.3 M (expense: 10.3) during the fourth quarter and an expense of SEK 7.8 (expense: 17.0) for the entire fiscal year. Depreciation/amortization according to plan, including impairment, amounted to an expense of SEK 12.1 M (expense: 13.5) for the fourth quarter and an expense of SEK 43.3 M (expense: 61.6) for the entire fiscal year. The lower level of capitalization of development expenditure due to shorter development cycles resulted in most of the development expenditure being expensed directly in profit and loss.

Accumulated tax loss carryforwards, which amounted to SEK 399.7 M in the Parent Company at the beginning of the year, were capitalized in the balance sheet during the third quarter. These loss carryforwards were offset during the second half year against a current tax expense on the accumulated profit from January to December 2015.

Organization and Personnel

The number of employees at December 31, 2015 was 150 (104), including 117 (87) men and 33 (17) women. In addition to full-time employees, consultants were used during the fourth quarter primarily in technical development, customer projects and sales and marketing corresponding to 104 (71) full-time equivalents. Accordingly, including employees and consultants, FPC had 254 (175) employees at December 31, 2015.

Share capital trend

Warrants from the TO4 incentive program were exercised in October 2015, upon which Fingerprint Cards' registered share capital increased by SEK 253,600 to SEK 12,647,827 at October 31, 2015.

In the fourth quarter, the number of shares rose by 1,265,000 Class B shares, whereby the number of Class B shares subsequently amounted to 62,039,135 and the number of Class A shares remained unchanged at 1,200,000, bringing the total number of shares to 63,239,135. The total number of votes is 74,039,135. During the third quarter, 3,553,000 warrants were exercised in the same incentive program and the number of Class B shares thus increased correspondingly. The issues contributed SEK 47 M before issue costs during the second half of 2015.

The Board's proposals to the Annual General Meeting

The Board proposes to the Annual General Meeting (AGM) that no dividend be paid for 2015. Furthermore the Board proposes a stock split of 5:1, whereby each share, regardless of series, will be divided into five (5) shares of the corresponding series.

The Board also proposes that the AGM authorize the Board, on one or more occasions until the next AGM to decide to repurchase the Company's B shares, taking into account that the company's holding of treasury shares at no time exceed ten per cent of all shares in the company. Purchases shall be made at NASDAQ Stockholm. The Board also proposes that during the period until the next AGM, on one or several occasions, the AGM authorizes the Board to resolve on transfer of treasury shares. Transfer shall take place at NASDAQ Stockholm. The purpose of the authorization is to give the Board the opportunity to adjust the company's capital structure and thereby contribute to increased shareholder value. The Board's complete proposals for resolution regarding the share split and the authorizations will be available in connection with the AGM notice.



The Annual General Meeting will be held on May 4, 2016. The 2015 Annual report will be available from April 13 on the company's website, www.fingerprints.com.

Previously communicated changes in information disclosure

In the interim report for the third quarter of 2015, the company announced changes in information disclosure. Due to the rapid development in the market and the challenge of being able to provide precise revenue guidance, the company intends, as of the 2015 Year-end Report, to only provide full-year guidance and to no longer announce revenue guidance for the following quarters. As of the 2015 Year-end Report, the company will also no longer provide a closing order backlog at the end of the quarter. In addition, as a result of the frequent launches of smartphones incorporating FPC's touch fingerprint sensors, the company will now only announce smartphone launches of particular significance.

Related-party transactions

There were no transactions between FPC and related parties that had any material impact on the Group or Parent Company's position and earnings during the reporting period.

Seasonal variations

To date, sales have not shown any distinct seasonal variations.

Significant risks and uncertainties – Group and Parent Company

FPC is exposed to risks. Each of the risks below, other risks and the uncertainties named could, if they occur, have a material negative impact on the company's operations, earnings, financial position or future outlook, or result in a decline in the value of the company's shares, which could result in investors losing all or parts of their invested capital. 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 could in the future have a material negative 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:

<i>Corporate risks:</i>	Financing, Rights, Development, Competencies
<i>Market risks:</i>	Political risk, Taxation, Currency-exchange risk, Macroeconomic conditions
<i>Operational risks:</i>	Production, Environment, Sales
<i>Credit risks:</i>	Counterparty
<i>Share risk:</i>	Dividend, Owner, Share price

For further information concerning the risks facing the Group, see the 2014 Annual Report, which is available on our website www.fingerprints.com

Notable events after the reporting period

- Fingerprint Cards is providing fingerprint technology to the automotive industry.
- FPC's FPC1155 touch fingerprint sensor in Huawei's MediaPad M2.

Future reporting dates and Annual General Meeting

Interim Report Q1 2016 January-March:	April 28, 2016
Interim Report Q2 2016 April-June:	July 22, 2016
Interim report Q3 2016 July – September	October 27, 2016

The company's Annual General Meeting 2016 will be held on May 4, 2016 in Gothenburg.

**For further information, contact:**

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Internet: www.fingerprints.com/corporate/

Welcome to Fingerprint Cards' Q4 Financial Report Webcast on Thursday, February 4, at 3:00 p.m.

Participants can enter using this link and register:

<https://engage.vevent.com/rt/fingerprints/index.jsp?seid=54>

Fingerprint Cards AB (publ), Corp. Reg. No. 556154-2381, discloses this information pursuant to the Swedish Securities Market Act (2007:528) and the Swedish Financial Instruments Trading Act (1991:980). The information was issued for publication on February 4, 2016, at 7:00 a.m. (CET)

Important information

Issuance, publication or distribution of this year-end report in certain jurisdictions could be subject to restrictions. Recipients of this year-end report are responsible for using the year-end report and the information contained herein in accordance with applicable rules in each jurisdiction. This year-end report does not constitute an offering of, or invitation to acquire or subscribe for, new securities in Fingerprint Cards in any jurisdiction.

Certification

The Board of Directors and the CEO certify that this Year-end 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 3, 2016

Urban Fagerstedt, Chairman

Katarina Bonde

Lars Söderfjell

Carl-Johan von Plomgren

Jan Wäreby

Alexander Kotsinas

Jörgen Lantto, CEO

Auditors' review report

Introduction

We have reviewed the condensed full-year financial information in this year-end report for Fingerprint Cards AB (publ), as per December 31, 2015 and the 12-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.

Scope and focus of the review

We conducted our review in accordance with the Swedish 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, a conclusion 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.

Opinion

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, February 3, 2016

KPMG AB

Johan Kratz

Authorized Public
Accountant



Condensed consolidated statement of comprehensive income

(SEK M)	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2013
Revenue	1351.5	105.0	2900.5	233.6	95.4
Cost of goods sold	-723.3	-71.3	-1645.2	-161.9	-56.3
Gross profit	628.2	33.7	1255.3	71.7	39.1
Selling costs	-35.9	-15.7	-107.8	-54.4	-29.3
Administrative costs	-19.2	-8.6	-56.8	-28.9	-17.7
Development costs	-48.2	-42.6	-176.6	-140.2	-25.9
Other operating income/expenses	-7.3	3.3	-3.8	6.6	-0.3
Operating profit/loss	517.6	-29.9	910.3	-145.2	-34.0
Net financial items	0.0	0.7	-0.3	1.7	1.1
Income Tax	-113.2	-0.5	-111.7	-0.5	-
Profit/loss for the period	404.4	-29.7	798.3	-144.0	-32.9
Other comprehensive income	0.0	-	0.0	0.0	0.0
Total comprehensive income/loss for the period	404.4	-29.7	798.3	-144.0	-32.9
Profit/loss for the period attributable to:					
Parent Company shareholders	404.4	-29.7	798.3	-144.0	-32.9
Profit/loss for the period	404.4	-29.7	798.3	-144.0	-32.9
Total comprehensive income/loss for the period attributable to:					
Parent Company shareholders	404.4	-29.7	798.3	-144.0	-32.9
Total comprehensive income/loss for the period	404.4	-29.7	798.3	-144.0	-32.9
Earnings/loss per share for the period					
Before dilution, SEK	6.39	-0.49	12.62	-2.47	-0.60
After dilution, SEK	6.24	-0.49	12.42	-2.47	-0.60

Condensed consolidated statement of financial position

(SEK M)	31-Dec 2015	31-Dec 2014	31-Dec 2013
Assets			
Intangible fixed assets	49.7	69.8	54.3
Tangible fixed assets	20.6	18.8	5.4
Financial fixed assets	1.0	-	-
<i>Total fixed assets</i>	<i>71.3</i>	<i>88.6</i>	<i>59.7</i>
Inventories	153.0	98.8	19.9
Accounts receivable	617.9	115.8	31.1
Other receivables	28.6	15.9	7.7
Prepaid expenses and accrued income	8.0	3.7	2.4
Cash and cash equivalents	1031.3	101.9	211.7
<i>Total current assets</i>	<i>1838.8</i>	<i>336.1</i>	<i>272.8</i>
Total assets	1910.1	424.6	332.5
Shareholders' equity and liabilities			
Shareholders' equity	1146.8	301.1	289.7
Non-current liabilities	-	0.2	0.4
Accounts payable	548.5	66.1	25.7
Actual tax liability	109.6	-	-
Other liabilities	4.0	35.7	1.5
Prepaid expenses and accrued income	101.2	21.5	15.2
Total shareholders' equity and liabilities	1910.1	424.6	332.5
Pledged assets	15	15	15
Contingent liabilities	None	None	None



Condensed consolidated statement of changes in shareholders' equity

(SEK M)	Jan-dec 2015	Jan-Dec 2014	Jan-Dec 2013
Opening shareholders' equity	301,1	289,7	101,9
Total comprehensive income/loss for the period	798,3	-144,0	-32,9
Exercise of warrants	47,6	23,6	4,6
Currency conversion	-0,2	0,0	0,0
New share issue	-	131,7	216,2
Closing shareholders' equity	1146,8	301,1	289,7

Condensed consolidated cash-flow statement

(SEK M)	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2013
Profit/loss before tax for the period	517,4	-29,7	910,0	-144,0	-32,9
Adjustment for non-cash items	12,1	13,6	43,3	61,7	12,6
Paid income tax	-4,2	0,0	-2,1	0,0	0,0
Change in inventory	-58,0	-40,7	-54,2	-78,9	-8,5
Change in current receivables	-171,7	-57,7	-519,2	-94,1	-31,9
Change in current liabilities	241,8	39,8	530,3	81,0	29,6
Cash flow from operating activities	537,4	-74,7	908,1	-174,3	-31,1
Cash flow from investing activities	-15,9	-39,0	-26,0	-90,6	-38,3
Cash flow from financing activities	11,1	23,6	47,3	155,1	220,5
Change in cash and cash equivalents	532,6	-90,2	929,4	-109,8	151,1
Cash and cash equivalents on the opening date	498,7	192,1	101,9	211,7	60,6
Closing cash and cash equivalents	1031,3	101,9	1031,3	101,9	211,7

Key consolidated data

(SEK M)	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2013
Revenue (SEK M)	1351,5	105,0	2900,5	233,6	95,4
Revenue increase (%)	1187	208	1142	145	926
Gross margin (%)	46	32	43	31	41
Operating margin (%)	38	-28	31	-62	-36
Profit margin (%)	30	-28	28	-62	-35
EBITDA (SEK M)	529,7	-16,0	953,7	-83,6	-21,4
Return on equity (%)	44	-10	110	-49	-8
Cash flow from operating activities incl. changes in working capital (SEK M)	537,4	-74,8	908,1	-174,3	-31,1
Equity/assets ratio (%)	60	71	60	71	87
Investments (SEK M)	15,9	39,0	26	90,6	-38,3
Average number of employees	140	99	120	71	32
Shareholders' equity per share (SEK)	18,13	5,15	18,13	5,15	5,19
Shareholders' equity per share after dilution, SEK (1)	17,84	4,86	17,84	4,86	5,20
Cash flow from operating activities/share (SEK)	8,50	-1,28	14,36	-2,97	0,52
Cash flow from operating activities/share after dilution (SEK) (1)	8,30	-1,21	14,13	-2,81	0,52
Number of shares at period end (000s)	63 239	58 421	63 239	58 421	54 161
Average number of shares (000s)	63 236	57 754	63 070	57 514	50 893
Average number of shares after dilution (000s) (1)	64 744	62 941	64 274	62 061	55 288
Share price at period end	591,00	34,80	591,00	34,80	54,25

1) At the end of the period, FPC had two warrant programs:

TO5: The program is from 2013 and extends until March 5, 2016. The exercise price is SEK 52.35. The program was considered in calculating the number of shares after conversion. On full subscription, the program would result in a maximum of 1,300,000 new Class B shares.

TO6: The program is from 2013 and extends until December 27, 2016. The exercise price is SEK 90.16. The program has been taken into account when calculating the number of shares after conversion. On full subscription, the program would result in a maximum of 500,000 new Class B shares.

Average number of shares after dilution: The average number of shares during the period and the maximum number of shares that could arise from exercise of warrants. If the average share price is lower than the exercise price, there is no discounted share price and thus no dilution, since the discount is what constitutes dilution.



The Group's operating segments

(SEK M)	Sensors		Other		group	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2015	2014	2015	2014	2015	2014
Revenue	2900.5	233.6	-	-	2900.5	233.6
Segment earnings	910.3	-145.2	-	-	910.3	-145.2
Net financial items	-0.3	1.7	-	-	-0.3	1.7
Profit/loss for the period after tax	798.3	-144.0	-	-	798.3	-144.0

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

(SEK M)	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec
	2015	2015	2015	2015	2014	2014	2014	2014	2013
	Revenue	1351,5	964,0	445,2	139,9	105,0	66,2	44,0	18,4
Cost of goods sold	-723,3	-533,3	-286,2	-102,5	-71,3	-45	-30,9	-14,8	-19,1
Gross profit	628,2	430,7	159,0	37,4	33,7	21,2	13,1	3,6	15
Selling costs	-35,9	-27	-25,5	-19,2	-15,7	-14,5	-12,8	-11,5	-11,6
Administrative costs	-19,2	-13,3	-15,9	-8,5	-8,6	-7,6	-6,8	-5,8	-5,1
Development costs	-48,2	-43,1	-43,3	-41,8	-42,6	-45,1	-40	-12,5	-13,1
Other operating income/expenses	-7,3	-1,2	-8,8	13,4	3,2	2,0	1,5	-0,2	-0,1
Operating profit/loss	517,6	346,1	65,5	-18,7	-30,0	-44	-45	-26,4	-14,9
Net financial items	0,0	-0,2	0,0	0,0	0,7	0,5	-0,1	0,6	0,4
Income Tax	-113,2	1,5	-	-	-0,5	0	-	-	-
Profit/loss for the period	404,4	347,4	65,5	-18,7	-29,8	-43,5	-45,1	-25,8	-14,5
Other comprehensive income	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total comprehensive income/loss for the period	404,4	347,4	65,5	-18,7	-29,8	-43,5	-45,1	-25,8	-14,5

Consolidated statement of financial position for the past nine quarters

SEK/USD exchange rate, balance sheet date	31-dec	30-sep	30-jun	31-mar	31-dec	30-sep	30-jun	31-mar	31-dec
	2015	2015	2015	2015	2014	2014	2014	2014	2013
		8,35	8,39	8,23	8,62	7,81	7,24	6,74	6,51
Assets									
Intangible fixed assets	49,7	47,4	54	60,3	69,8	54,1	72,8	62,4	54,3
Tangible fixed assets	20,6	20,1	19,6	18,4	18,8	9,0	8,3	7,4	5,4
	1,0	-	-	-	-	-	-	-	-
Total fixed assets	71,3	67,5	73,6	78,7	88,6	63,1	81,1	69,8	59,7
Inventories	153,0	95,0	103,5	95,2	98,8	58	26,5	16,1	19,9
Accounts receivable	617,9	448,7	245,5	169,2	115,8	61,3	41,8	20,3	31,1
Other receivables	28,6	28,3	18,5	11,6	15,9	13,3	12,0	8,4	7,6
Prepaid expenses and accrued income Int.	8,0	5,8	6,0	4,9	3,7	2,9	2,5	1,2	2,4
Cash and cash equivalents	1031,3	498,6	166	120,9	101,8	192,1	237,6	306,5	211,7
Total current assets	1838,8	1076,4	539,5	401,8	336	327,6	320,4	352,5	272,7
Total assets	1910,1	1143,9	613,1	480,5	424,6	390,7	401,5	422,3	332,4
Shareholders' equity and liabilities									
Shareholders' equity	1146,8	731,5	347,6	282,2	301,1	307,1	350,4	395,6	289,7
Non-current liabilities	-	0,0	0,1	0,1	0,2	0,2	0,3	0,4	0,4
Accounts payable	548,5	351,7	227,7	53,9	66,1	58	25,6	6,9	25,7
Actual tax liability	109,6	0,6	-	-	-	-	-	-	-
Other liabilities	4,0	4,4	5,6	113	35,7	3,6	3,8	1,6	1,5
Accrued exp. and def. income Int.	101,2	55,7	32,1	31,3	21,5	21,8	21,4	17,8	15,1
Total shareholders' equity and liabilities	1910,1	1143,9	613,1	480,5	424,6	390,7	401,5	422,3	332,4



Consolidated cash-flow statement for the past nine quarters

	Okt-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Okt-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Okt-Dec
(SEK M)	2015	2015	2015	2015	2014	2014	2014	2014	2013
Profit/loss before tax for the period	517.4	345.9	65.4	-18.9	-29.7	-43.3	-44.9	-26.0	-14.7
Adjustments for non-cash items	12.1	9.8	9.5	12.0	13.6	22.7	21.2	4.2	3.7
Paid income tax	-4.2	2.1	-	-	-	-	-	-	-
Change in inventory	-58.0	8.5	-8.3	3.5	-40.7	-31.6	-10.4	3.8	-10.1
Change in current receivables	-171.7	-212.9	-84.1	-50.4	-57.7	-21.3	-26.3	11.2	-16.3
Change in current liabilities	241.8	146.4	67.0	75.0	39.8	32.9	24.3	-15.9	6.4
Cash flow from operating activities	537.4	299.8	49.5	21.2	-74.7	-40.6	-36.1	-22.7	-31.0
Cash flow from investing activities	-15.9	-3.6	-4.3	-2.1	-39.0	-4.8	-32.5	-14.3	-11.9
Cash flow from financing activities	11.1	36.4	-0.1	-0.1	23.6	-0.1	-0.3	131.8	112.4
Change in cash and cash equivalents	532.6	332.6	45.1	19.0	-90.1	-45.5	-68.9	94.8	69.5
Cash and cash equivalents on the opening date	498.7	166.0	120.9	101.9	192.1	237.6	306.5	211.7	142.3
Closing cash and cash equivalents	1031.3	498.6	166.0	120.9	102.0	192.1	237.6	306.5	211.8

Key consolidated figures for the past nine quarters

	Okt-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Okt-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Okt-Dec
(SEK M)	2015	2015	2015	2015	2014	2014	2014	2014	2013
Revenue (SEK M)	1351.5	964.0	445.2	139.9	105.0	66.1	44.0	18.4	34.1
Revenue increase (%)	1,187	1,358	912	660	208	52	114	102	1,795
Gross margin (%)	46	45	36	27	32	32	30	39	44
Operating margin (%)	38	36	15	-13	-28	-66	-102	-145	-44
Profit margin (%)	30	36	15	-13	-28	-65	-102	-142	-43
EBITDA (SEK M)	529.7	355.9	74.9	-6.8	-16	-21.1	-24.1	-22.4	-11.3
Return on equity (%)	44	64	21	-6	-10	-13	-12	-6	-3
Cash flow from operating activities (SEK M)	537.4	299.8	49.5	19.0	-74.8	-40.6	-36.0	-22.7	-31.1
Equity/assets ratio (%)	60	64	57	59	71	79	87	94	87
Investments (SEK M)	-15.9	-3.6	-4.0	-2.1	-39.0	-4.8	-33.0	-14.3	-11.9
Average number of employees	140	121	110	104	99	91	70	55	26
Shareholders' equity per share (SEK)	18.13	11.80	5.95	4.83	5.15	5.42	6.18	6.98	5.19
Shareholders' equity per share after dilution (SEK) (1)	17.84	11.42	5.53	4.57	4.86	5.02	5.69	6.41	5.20
Cash flow from operating activities per share (SEK)	8.50	4.84	0.85	0.33	-1.28	-0.72	-0.64	-0.40	-0.08
Cash flow from operating activities per share, after dilution (SEK)	8.30	4.71	0.79	0.32	-1.21	-0.66	-0.59	-0.37	-0.08
Number of shares at period end (000s)	63,239	61,974	58,421	58,421	58,421	56,661	56,661	56,661	54,161
Average number of shares (000s)	63,236	61,773	58,421	58,421	57,754	56,661	56,661	55,102	52,066
Average number of shares after dilution (000s) (1)	64,744	64,132	62,829	61,719	62,941	61,139	61,624	59,788	56,659
Market price of FPC Class B share (SEK)	591.00	309.00	178.50	53.50	34.80	36.50	49.50	54.00	54.25

1) At the end of the period, FPC had två warrant programs:

TO5: The program is from 2013 and extends until March 5, 2016. The exercise price is SEK 52.35. The program was considered in calculating the number of shares after conversion. On full subscription, the program would result in a maximum of 1,300,000 new Class B shares.

TO6: The program is from 2013 and extends until December 27, 2016. The exercise price is SEK 90.16. The program has been taken into account when calculating the number of shares after conversion. On full subscription, the program would result in a maximum of 500,000 new Class B shares.

Average number of shares after dilution: The average number of shares during the period and the maximum number of shares that could arise from exercise of warrants. If the average share price is lower than the exercise price, there is no discounted share price and thus no dilution, since the discount is what constitutes dilution.

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

	Jan-Dec	Okt-Sep	Jul-Jun	Apr-Mar	Jan-Dec	Okt-Sep	Jul-Jun	Apr-Mar	Jan-Dec
	2015	2014/15	2014/15	2014/15	2014	2013/14	2013/14	2013/14	2013
Revenues, rolling 12 months (SEK M)	2,900.5	1,654.1	756.2	355.1	233.6	162.7	128.2	104.6	95.4
Gross profit, rolling 12 months (SEK M)	1,255.3	660.7	251.3	105.5	71.7	53.0	47.1	42.6	39.1
Gross margin, rolling 12 months (%)	43	40	33	30	31	33	37	41	41
Operating result, rolling 12 months (SEK M)	910.3	362.9	-27.1	-137.5	-145.2	-130.5	-88.2	-48.6	-34.0
Operating margin, rolling 12 mths (%)	31	22	-4	-39	-62	-80	-69	-46	-36
EBITDA, rolling 12 months (SEK M)	953.7	407.7	30.6	-68.0	-83.6	-78.6	-56.1	-35.2	-21.4



Disclosures on the consolidated fair value of financial instruments

Mkr	December 31, 2015				December 31, 2014			
	Level			Total	Level			Total
	1	2	3		1	2	3	
Current financial receivables:								
Financial assets at fair value via profit or loss	-	-	-	-	-	-	-	-
Cash and cash equivalents								
Financial assets at fair value via profit or loss	469.8	-	-	469.8	22.2	-	-	22.2
Total financial assets	469.8	-	-	469.8	22.2	-	-	22.2
Current financial liabilities:								
Financial liabilities at fair value via profit or loss	-	-	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-	-	-

Fair value and carrying amount of financial liabilities and assets

SEK M	December 31, 2015		December 31, 2014	
	Carrying amount	Fair amount	Carrying amount	Fair amount
Financial assets				
Current financial assets:				
Financial assets at fair value via profit or loss	-	-	-	-
Loan receivables and accounts receivable				
Accounts receivable	617.9	617.9	115.8	115.8
Cash and cash equivalents	1,031.3	1,031.3	101.9	101.9
Total financial assets	1,649.2	1,649.2	217.7	217.7
Financial liabilities				
Current financial liabilities:				
Accounts payable	548.5	548.5	66.1	66.1
Total financial liabilities	548.5	548.5	66.1	66.1
By category				
Financial assets at fair value via profit or loss	-	-	-	-
Loan receivables and accounts receivable	1,649.2	1,649.2	217.7	217.7
Total financial assets	1,649.2	1,649.2	217.7	217.7
Financial liabilities at amortized cost	548.5	548.5	66.1	66.1
Total financial liabilities	548.5	548.5	66.1	66.1



Condensed income statement, Parent Company

(SEK M)	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2013
Revenues	1,351.5	105.0	2,900.2	231.9	95.4
Cost of goods sold	-723.3	-71.3	-1,645.2	-162.0	-56.3
Gross profit	628.2	33.7	1,255.0	69.9	39.1
Selling costs	-36.2	-15.7	-108.6	-54.4	-29.3
Administrative costs	-19.1	-7.7	-56.8	-28.0	-17.7
Development costs	-49.9	-43.8	-181.4	-127.1	-26.1
Other operating income/expenses	-6.9	3.3	-3.4	6.6	-0.3
Operating profit/loss	516.1	-30.2	904.8	-133.0	-34.3
Earnings shares in subsidiaries	-	-	-	-15.5	-
Net financial items	0.0	0.2	-0.3	1.8	1.2
Income Tax	-113.1	-	-111.0	-	-
Profit/loss for the period	403.0	-30.0	793.5	-146.7	-33.1

Condensed balance sheet, Parent Company

(SEK M)	31-Dec 2015	31-Dec 2014	31-Dec 2013
Assets			
Intangible fixed assets	47	65.1	54.3
Tangible fixed assets	18.6	16.4	4.6
Financial fixed assets	3.5	1.8	8.3
Total fixed assets	69.1	83.3	67.2
Inventories	153.0	98.8	19.9
Accounts receivable	617.9	115.5	31.1
Current receivables	33.8	24.8	7.9
Prepaid expenses and accrued income	6.7	3.2	2.3
Cash and bank deposits	1018.0	93	209.6
Total current assets	1829.4	335.3	270.8
Total assets	1898.5	418.6	338.0
Shareholders' equity and liabilities			
Restricted shareholders' equity	54.1	53.1	52.3
Unrestricted shareholders' equity	1082.4	244.6	236.9
Total shareholders' equity	1136.5	297.7	289.2
Current liabilities	762.0	120.9	48.8
Total shareholders' equity and liabilities	1898.5	418.6	338.0
Pledged assets	15	15	15
Contingent liabilities	Inga	Inga	Inga

Accounting policies

This condensed year-end report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting, and applying the provisions in the Annual Accounts Act. The year-end 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 those presented in the Annual Report for the fiscal year ending December 31, 2014 and must be read together with Annual Report.

No new or revised IFRS that have become effective in 2015 have had any significant impact on the Group.



About Fingerprint Cards

Fingerprint Cards AB (FPC) develops, produces and markets biometric components that through the analysis and matching of an individual's unique fingerprint verify the person's identity.

The technology consists of biometric sensors, processors, algorithms and modules that can be used separately or in combination with each other. The competitive advantages offered by FPC's technology include unique image quality, extreme robustness, low power consumption and complete biometric systems. With these advantages and the ability to achieve extremely low manufacturing costs, the technology can be implemented in volume products, such as smart cards and mobile phones, where extremely rigorous demands are placed on these characteristics. FPC's technology can also be used in IT and Internet products for security and access control, etc.

Vision

FPC aims to be the leading supplier of components and systems for fingerprint verification. "Beyond keys and pin codes – FPC makes life easier through secure identification."

Business concept

FPC develops and sells leading biometric products and solutions to companies that develop security and comfort systems.

Business models

FPC works with three business models – component sales, project sales and licensing. Sales are conducted via distributors and direct selling to product developers/systems integrators and OEMs (Original Equipment Manufacturers).

Glossary available at <http://www.fingerprints.com/corporate/en/about-fpc/glossary/>

Definitions

Average number of shares The Parent Company's average weighted number of shares for the fiscal year.

Average number of shares after dilution See "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.

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

Earnings per share after dilution See "Earnings per share" plus adjustment for the number of shares and the paid exercise price resulting from current remuneration and personnel programs. Earnings per share after dilution can never be better than earnings per share before dilution.

EBIT Earnings Before Interest and Taxes. Operating profit/loss before interest and taxes.

EBITDA Earnings Before Interest Taxes Depreciation and Amortization. Operating profit before interest rates, taxes, depreciation/amortization and impairment losses.

Equity/assets ratio Shareholders' equity divided by total assets.

Gross margin Gross profit as a percentage of net sales.

Gross profit Income less cost of goods sold.

Inventory turnover rate Cost of goods sold divided by average inventories.

Net margin Profit/loss for the period as a percentage of revenues.

Operating margin Operating profit/loss as a percentage of revenues.

Shareholders' equity per share Shareholders' equity attributable to the Parent Company's shareholders divided by the number of shares outstanding, before dilution, at period-end.

Shareholders' equity per share after dilution See "Shareholders' equity per share" plus adjustment for the number of shares and the paid exercise price resulting from current remuneration and personnel programs.

Working capital Current assets less current non-interest-bearing provisions and liabilities.