Press release
Gothenburg, October 17, 2013

Record sales and pole position in a multi-billion market, which is just opening

Fingerprint Cards AB (publ), Corp. Reg. No. 556154-2381, (FPC), Third quarter 2013:

- Sales totaled SEK 31.6 M (2.6).
- Gross profit amounted to SEK 15.5 M (loss: 0.9).
- Profit after financial items amounted to a loss of SEK 1.3 M (loss: 9.7).
- Gross margin was 49% (neg: 34).
- The loss per share was SEK 0.03 (loss: 0.22).
- Cash and cash equivalents at the end of the period amounted to SEK 142.3 M (25.9).
- The order backlog at the end of the period was SEK 38.9 M (0.0).
- FPC published a new forecast for 2013 on September 23 as well as forecasts for 2014 and 2015.

- Fujitsu, in cooperation with DoCoMo, launched the first mobile phone incorporating FPC's fingerprint technology.
- Konka launched its first smartphone with the FPC1080A fingerprint sensor in China.
- WWTT launched FingerQ products with FPC's 1080A sensor.
- Pantech in South Korea launched a new mobile phone incorporating FPC's fingerprint technology.
- FPC secured a new DW* from a major Tier 2 OEM in China.
- FPC, in partnership with a leading US operator, won a smartphone DW* from an existing OEM customer in Asia.
- FPC secured a new major DW* for three new smartphones from a prominent existing customer in Asia.
- FPC won new DWs* for smartphones and tablet devices from existing Tier 2 customers in Asia.

- FPC secured a Chinese order for area sensors valued at SEK 24 M.
- FPC won an order for slightly more than 3 million swipe sensors for Asian smartphones.
- FPC announced that Mats Svensson was moving on to new assignments.
- FPC recruited a Customer Support Director for Asia, a Country Manager for Japan and Jan Johannesson as Vice President Strategic Planning and Portfolio Management.
- FPC chose Precise Biometrics' fingerprint algorithm as one of a number of algorithms in our portfolio.
- FPC acquired some 100 patents from a world-leading patent holder.

Interim period January – September 2013:

- Sales totaled SEK 61.3 M (8.4).
- Gross profit was SEK 24.2 M (loss: 4.2).
- After financial items, a loss of SEK 18.2 M (loss: 28.5) was reported.
- Gross margin was 40% (neg: 50).
- The loss per share was SEK 0.35 (loss: 0.65).
- Cash and cash equivalents at the end of the period totaled SEK 142.3 M (25.9).
- The order backlog at the end of the period was SEK 38.9 M (0.0).

Notable events after the close of the reporting period:

- FPC recruited Jonas Spannel as Vice President Sourcing and Supply.
- FPC received an order for approximately 1 million sensors for Asian smartphones.
- UINT & Mereal Biometrics launched a biometric smartcard with embedded fingerprint sensors and processors from FPC.
- Official denial: Fingerprint Cards has NOT been acquired. Swedish Financial Supervisory Authority and Swedish Economic Crime Authority are investigating.

**FPC's definition of a Design Win (DW): The decision by a manufacturer to start developing one or more commercial products that will contain FPC's technology as an integrated element of the manufacturer's product(s).*

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CEO's comments – Apple opens a very large market in Android and Windows for FPC

A new, very large market is about to be born, in which hundreds of millions of sensors will be integrated into consumer electronics in 2014 and billions of sensors in 2015. As a result of Apple's market launch of the iPhone 5S incorporating a Touch ID fingerprint sensor on September 10, the market for embedded fingerprint sensors in smartphones and tablet devices was blown wide open. According to information published in the Wall Street Journal, Apple sold nine million new iPhones in the first three days of the launch, of which 88% comprised the new fingerprint sensor equipped iPhone 5S. The fingerprint sensor, or Touch ID as Apple has elected to call it, was given as the main reason for customers choosing to buy the iPhone 5S.
During the quarter, we significantly bolstered our intellectual property (IP) situation through the acquisition of a patent portfolio comprising some 100 patents in markets including the US, Europe and Asia, of which several are considered essential for wireless communication. This acquisition provides us with an extremely strong IP position, which can be used both defensively and aggressively moving forward.
Normally, we would never speak about our competitors, since we prefer to focus on items that we can affect; namely, the development of our own technology and organization to become the world's best in our field. However, we are making an exception since Synaptics' recently announced acquisition of Validity makes a few interesting points about the future very clear:

Synaptics' acquisition of Validity sends a clear message that a supplier such as Synaptics, which is active in smartphones and tablet devices, has an acute need to include fingerprint technology in its offering. Accordingly, it is likely that touchscreen technology and fingerprint recognition will comprise a key combination in the future for these high-volume segments. FPC is focusing on ensuring that FPC's fingerprint sensors remain consistently at the forefront of development, an area where we are currently a leader with three smartphone models launched in Asia. The discussions we have had with leading manufacturers of smartphones and tablet devices pertaining to requirements, needs and adaptation of products and technology provide us with a pole position today and for the future.

The market for fingerprint sensors is growing fast and will become very large by 2015. Furthermore, FPC already held a leading market position prior to Synaptics' acquisition. The decisive factors for market share will be technology, patents, pricing, production capacity and local customer support primarily in Asia. It is FPC's assessment that competition will be limited over the coming year, which will be beneficial to FPC's ability to rapidly build a strong market-leading position.

Sales in the third quarter totaled SEK 31.6 M, which is the highest figure to date. Earnings amounted to a loss of SEK 1.3 M, which exceeded the budget. We are currently implementing a recruitment plan aimed at building a world-leading company in a market segment that will shortly become enormous.

The third quarter can be summed up as the best quarter in the company's history with the highest sales to date. In addition, Apple has left the door wide open to a new market in Android and Windows for FPC. Active capacitive touch is a technology that FPC was part of inventing and, which the company has more or less dominated over the last five-ten years.

This technology can be considered the most tried and tested, as confirmed by the launch of the iPhone 5S with capacitive sensors, thereby substantially boosting market interest in FPC's mobile touch offering. Even if the really major income streams will start in the second half of 2014, income will now start to rise and FPC's leading market position gain in strength. Accordingly, we are looking forward to the next few quarters and years with abundant confidence.

Sales, earnings and order backlog

The Group's net sales for the third quarter amounted to SEK 31.6 M (2.6) and net sales for the full interim period totaled SEK 61.3 M (8.4). Gross profit for the third quarter amounted to SEK 15.5 M (loss: 0.9) and gross profit for the full interim period totaled SEK 24.2 M (loss: 4.2). The gross margin was 49% (neg: 34) for the third quarter and 40% (neg: 50) for the full interim period. The loss after financial items for the third quarter

amounted to SEK 1.3 M (loss: 9.7) and a loss of SEK 18.2 M (loss: 28.5) was reported for the full interim period. The order backlog at the end of the period amounted to SEK 38.9 M (0.0).
The Parent Company's net sales for the third quarter amounted to SEK 31.6 M (2.6) and net sales for the full interim period totaled SEK 61.3 M (8.4). The company posted a loss after financial items of SEK 18.2 M (loss: 28.5) for the full interim period.

Market and sales

Sales in the third quarter of 2013 totaled SEK 31.6 M. For the first time, sales of mobile applications exceeded sales in the traditional bank market. The swipe sensors utilized in mobile applications have been primarily embedded in smartphones in Japan, Korea and China. Sales in the third quarter were up 53% on the second quarter 2013 and up by a multiple of 12 year-on-year.

In the third quarter, FPC further intensified its activities in Asia and North America with regard to the mobile phone and tablet markets, and FPC is currently engaged in a dialog with all leading manufacturers worldwide (except Apple). The considerable and growing interest in integrating fingerprint sensors into mobile phones during the period resulted in several DWs in Asia, by both new and existing customers. Several OEMs in Asia and North America ported FPC's software and hardware in their products during the period and we anticipate a number of additional DWs in 2013. The collaboration with CrucialTec is proceeding as planned and we expect the launch of at least ten new Android-based phones and tablet devices in the fourth quarter of 2013.

The world-leading financial player based in the US that we mentioned in the first quarter of 2013 will be continuing its production and customer launch according to plan. We also delivered a further 200,000 swipe sensors to WWTT in the third quarter and have thus delivered 500,000 of the order for 800,000 sensor units designated for smartphone and tablet-device accessories that we secured in the first quarter. Deliveries of the FPC1011F area sensor among our Chinese distributors, and in Japan, slightly outperformed our earlier assessments.

The announced collaboration with Microsoft has intensified the general interest in fingerprint biometrics and, in particular, has opened up an entirely new market for FPC for Windows-based products. Our porting to Windows 8.1 is complete and we have adapted our products for direct integration with relevant processor manufacturers. We are expecting a significant level of sales to these new addressable markets from 2014 onward and regard it as probable that the first DW for a Windows-based tablet device will be secured as early as the fourth quarter of 2013.

We have also started to see real progress in the biometric smartcards business segment, which took four years to commercialize. In early October, we announced our first product launch together with UINT and Mereal, and a second customer is starting to order units for prototypes now in October. FPC's power efficiency is of pivotal significance for the customers' choice of FPC as the best supplier in this segment. In time, biometric smartcards will comprise a market with substantial potential, which will pick up additional speed when the use of fingerprint sensors accelerates in other segments; however, the growth rate will be lower than for mobile applications.

At September 30, 2013, the order backlog was SEK 38.9 M (0.0).

Technological development, customer projects and production

Development projects for forthcoming area sensors are continuing according to plan and we are now approaching the phase where we can engage in tighter commitments with the first customers. We have initiated a substantial expansion of our development organization with the objective of utilizing current business opportunities for existing products and completing forthcoming products as well as accelerating the development of future products. Recruitment of new personnel is proceeding in line with the plan that was decided this summer.

During the quarter, Jan Johannesson was employed as VP Strategic Planning and Portfolio Management.

As previously announced, the phase that we have now entered entails delivering increasing volumes of swipe sensors to customers, both our proprietarily developed FPC1080A and deliveries of our swipe-sensor technology to CrucialTec, while we also need to strengthen our procurement and delivery organization.

Accordingly, we announced on October 1 that Jonas Spannel has joined us as Vice President of Sourcing and Supply, thus making us well prepared for the next phase with the roll-out of our swipe sensor and the forthcoming area sensors in extremely large volumes.

The support organization continued to grow in the third quarter of 2013 to be able to support a large number of customer projects, primarily in Asia and North America. During the quarter, several external local offices together with the customer-support operations in Sweden were expanded by a total of seven new employees. Continued expansion in the number of engineers and customer project leaders is predicted during the final quarter of the year.
With certain customers, FPC continues to work closely together with partners including CrucialTec in Korea for sensor packaging and now with Precise Biometrics, for algorithms.

New share issues

During the first quarter of 2013, two private placements were completed totaling 3 million Class B shares. The new share issues targeted a few institutional investors in Sweden and internationally. In the first issue on March 11, 1,400,000 Class B shares were subscribed for at a price of SEK 28.81 per share. Share capital increased by SEK 280,000. In the second issue on March 14, 1,600,000 Class B shares were subscribed for at an average price of SEK 34 per share. Share capital increased by SEK 320,000. The two new share issues raised a total of SEK 94.7 M before deductions for issue expenses. Share capital increased by SEK 600,000.

In addition to the private placements, in the first quarter of 2013, warrants under the TO2 program were redeemed on two occasions.
During the first and second quarters of 2013, warrants under the TO2 program were redeemed. In total, employees subscribed for 938,000 warrants, of which 853,000 were exercisable at the start of the exercise period. Each warrant entitled the holder to subscribe for one Class B share for SEK 15.74 kronor during the period February 9, 2013 – May 11, 2013. In total, 853,000 shares were subscribed for on four occasions in 2013, of which two occasions were during the first quarter and the other two in the second quarter. The exercise of warrants resulted in Fingerprint Cards' share capital rising by SEK 170,600.

Following completion of the above private placements and exercise of warrants, the number of Class B shares totaled 50,461,135 and the number of Class A shares remained unchanged at 1,200,000, bringing the total number of shares to 51,661,135. The total number of shares thus corresponds to 62,461,135 voting rights. The TO2 program and other incentive programs are described in further detail under the header **Incentive programs**.

Share capital trend

Year	Event	Quotient value, SEK	Change in number of shares	Total number of shares	Increase in share capital	Total share capital
1997	Split 500:1	0.2	249,500	250,000	0	50,000
1997	Rights issue	0.2	250,000	500,000	50,000	100,000
1997	New share issue	0.2	2,000,000	2,500,000	400,000	500,000
1997	New issue, redemption of warrants	0.2	370,000	2,870,000	74,000	574,000
1998	New share issue	0.2	2,000,000	4,870,000	400,000	974,000
2000	New share issue	0.2	540,000	5,410,000	108,000	1,082,000
2000	New share issue	0.2	938,258	6,348,258	187,651	1,269,651
2012	New share issue	0.2	3,000,000	9,348,258	600,000	1,869,651
2006	New share issue	0.2	2,804,475	12,152,733	560,895	2,430,546
2009	New share issue	0.2	7,682,060	19,834,793	1,536,412	3,966,958
2009	New share issue	0.2	19,834,793	39,669,586	3,966,959	7,933,916
2011	New share issue	0.2	3,940,000	43,609,586	788,000	8,721,917
2012	New share issue	0.2	4,198,549	47,808,135	839,710	9,561,927
2013	New issue, redemption of warrants – Q1	0.2	95,485	47,903,620	19,097	9,581,024
2013	New share issue – Q1	0.2	1,400,000	49,303,620	280,000	9,861,024
2013	New share issue – Q1	0.2	1,600,000	50,903,620	320,000	10,180,724
2013	New issue, redemption of warrants – Q1	0.2	335,407	51,239,027	67,081	10,247,805
2013	New issue, redemption of warrants – Q2	0.2	263,500	51,502,527	52,700	10,300,505
2013	New issue, redemption of warrants – Q2	0.2	158,608	51,661,135	31,722	10,332,227

Future prospects - This is when it starts!

FPC stands by its assessment that sales in the fourth quarter of 2013 will be in the interval of SEK 30-50 M and that sales in 2014 will exceed SEK 500 M, and that the EBITDA margin will end up at +20% for the full-year 2014. We estimate that sales will increase quarter by quarter and that most of the sales will arise in the second half of the year. It is FPC's assessment that all smartphone Tier 1 OEMs will integrate some form of fingerprint sensor into their flagship models in 2014. Our assessment is that the addressable market for embedded sensors in consumer electronics products will amount to not less than 500 million units in 2014 and 3 billion units in 2015. FPC aims is to capture a 60% market share of the market segment for embedded touch sensors in smartphones in 2014-15. It is FPC's assessment that competition will be limited over the forthcoming year. FPC and one competitor are essentially the sole players in a rapidly growing market and these two companies will win most of the addressable projects for smartphones and tablet devices over the next year.

Review of communication policy

FPC has carried out a review of the company's policy for communication with the company's stakeholders. Over the past year, the company was at a stage of development whereby it was deemed highly important to inform market players of all the design wins and secured orders. As a consequence of the large volume of design wins and orders, each individual order has less impact on the quarterly and full-year results and, accordingly, moving forward, the Board has decided to limit the publication of normal business transactions to the following:

- Design wins and orders pertaining to new customers, new markets and/or new applications.
- Orders deemed of such a size as to have a material impact on FPC's earnings, both in the long and short term.
- Other business transactions that are deemed price-sensitive information.

In the future, FPC will continue to comply with the disclosure obligations imposed on the company through the agreement with NASDAQ OMX as well as other applicable laws and regulations. The Board expects the new communication policy to facilitate external assessments of the company.

As part of the new communication policy, from the publication of the results for the fourth quarter of 2013, FPC will provide a telephone conference in connection with interim reports. The company intends to have a capital markets day in 2014 to provide players in the capital markets with the opportunity to deepen their knowledge of the company and its markets.

Organization and personnel

The number of employees at September 30, 2013, was 24 (18), including 1 (1) woman.

In addition to full-time employees, consultants in technical development and support, sales and marketing were used corresponding to 29 full-time positions during the third quarter.

Including employees and consultants, FPC thus employed a total of more than 50 full-time positions in the third quarter of 2013.

Financial position

At September 30, 2013, the Group's disposable cash and cash equivalents totaled SEK 142.3 M (25.9).

At the same date, the Group's working capital had risen to SEK 138.7 M (47.9).

Consolidated shareholders' equity rose to SEK 189.7 M (78.5) and the equity/assets ratio for the Group was 84% (88).

The Parent Company's disposable cash and cash equivalents at the end of the period was SEK 141.6 M (25.2).

Fixed assets, investments and depreciation

For the third quarter, investment in intangible fixed assets amounted to SEK 14.7 M (4.1) and investment in tangible fixed assets to SEK 0.3 M (0.1). Depreciation/amortization amounted to SEK 3.0 M (2.5) in the third quarter. Investment over the full interim period in intangible fixed assets amounted to SEK 25.8 M (5.5) and investment in tangible fixed assets to SEK 0.6 M (1.6). Depreciation/amortization amounted to SEK 8.9 M (7.7) for the full interim period.

Cash flow

Cash flow from operations, including changes in working capital, was SEK 9.1 M (6.7) in the third quarter and SEK 2.3 M (8.5) in the full interim period. Cash flow to investments was a negative SEK 15.0 M (neg: 4.2) in the third quarter and a negative SEK 26.4 M (neg: 7.6) in the full interim period. Cash flow from financing activities amounted to a negative SEK 0.1 M (pos: 0.7) for the third quarter and to SEK 105.8 M (2.0) for the full interim period.

Combined, the net change in cash and cash equivalents thus amounted to a negative SEK 6.0 M (neg: 10.2) for the third quarter and SEK 81.7 M (2.9) for the full interim period.

Seasonal variations

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

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.

Incentive programs

Fingerprint Cards has three outstanding warrant programs that total 13.58% of the total number of shares and 11.35% of the total number of votes in the company.

TO2 An Extraordinary General Meeting on November 9, 2010 approved the issue of 958,000 warrants with a term extending to May 11, 2013, whereupon the redemption period expired during the second quarter of 2013. In 2013, all 853,000 of the program's remaining warrants were redeemed. The price per warrant was SEK 1.09 at the time of issue. The exercise price was SEK 15.74. For further information, see above, under the header **New share issues**.

TO3 An Extraordinary General Meeting on November 17, 2011 approved the issue of 2,000,000 warrants with a term extending to December 18, 2014, of which 1,760,000 warrants are held by FPC employees. The price per warrant was SEK 0.41 at the time of issue. The rest have been nullified. The exercise price for a Class B share is SEK 13.64. On full subscription based on the exercise of all warrants in the program, 1,760,000 new Class B shares can be issued, corresponding to 3.72% of the total number of shares and 3.10% of the total number of voting rights, which will also raise the share capital by SEK 352,000. The program is designated TO3.

TO4 An Extraordinary General Meeting on September 5, 2012 approved the issue of 4,818,000 warrants with a term extending to October 6, 2015. The price per warrant was SEK 0.15 at the time of issue. All of the warrants under the program are held by FPC's employees. The exercise price for a Class B share is SEK 9.72. On full subscription based on the exercise of all warrants in the program, 4,818,000 new Class B shares can be issued, corresponding to 8.53% of the total number of shares and 7.16% of the total number of voting rights, which will also raise the share capital by SEK 963,600. The program is designated TO4.

T05 An Extraordinary General Meeting on March 4, 2013 approved the issue of 1,300,000 warrants with a term extending to March 5, 2016. The price per warrant was SEK 1.79 at the time of issue. All of the warrants under the program are held by FPC's employees. The exercise price for a Class B share is SEK 52.35. On full subscription based on the exercise of all warrants in the program, 1,300,000 new Class B shares can be issued, corresponding to 2.45% of the total number of shares and 2.04% of the total number of voting rights, which will also raise the share capital by SEK 260,000. The program is designated TO5.

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 part 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:

Company risk

Financing	It cannot be ruled out that in the future further capital may be needed to finance FPC's operations, development and expansion. This need could arise in an unfavorable market situation and on terms that are less favorable than the Board considers them to be today. External financing in a more difficult credit and investment climate could negatively affect FPC's operations, while borrowing, if at all possible, could entail restrictions that would limit the company's latitude. There is no guarantee that capital can be raised when needed, or raised on acceptable terms. By gradually achieving success in the market, and securing a satisfactory margin, a positive cash flow can be created, which will contribute to reducing the need for capital contributions.
Rights	The operations are heavily dependent on FPC protecting its technology through patents and intellectual property rights. The strategy is to protect the most important areas but it is not possible to guarantee that all patent applications will be granted. FPC does not believe that its technology infringes upon any other company's intellectual property rights. In spite of this, no guarantees can be given that the company cannot be considered to violate the patents or intellectual property rights of another party. In the event that FPC cannot protect its technology with patents or other intellectual property rights, or may be considered to violate those of another party, the company's operations, earnings and financial position maybe negatively impacted.
Development	FPC's success depends largely on its ability to drive and adapt to technological developments. FPC conducts development projects in the areas of biometrics, sensor technology and their applications. The projects are conducted in collaboration with consultants and subcontractors. Since the projects are extensive and complex, delays in the time schedule cannot be ruled out. Serious delays, disruptions or unforeseen events in development processes could have a negative impact on FPC's future operations.
Competence	Biometrics is still a relatively new area, showing high growth and requiring advanced technical knowledge from employees. FPC has a number of key persons important to the successful development of its operations. The departure of such key persons from the company could result in operational disruptions and increased costs for recruitment of replacements.

Market risks

Political risks	FPC has operations in many markets with vastly differing conditions. Changes to laws and regulations regarding such areas as foreign ownership, taxes, government involvement, royalties and customs, for example, coupled with other political and economic risks, such as acts of war, terrorism, etc., could negatively affect the company's earnings and financial position.
Tax	FPC is currently only a tax subject in Sweden. In the future, however, through the possible establishment in other countries or through operations in other countries, FPC may become a tax subject and thus subject to the payment of tax.
Exchange rates	As a result of new share issues in 2013, the company's has a healthy supply of SEK and no new forward contracts will be signed. Purchasing, manufacturing and sales are essentially conducted in USD. Otherwise, the policy is to hedge up to 90% of net exposure in USD using forward contracts to offset exchange-rate fluctuations. Fluctuations in other exchange rates have a limited impact on earnings. A 1% change in the SEK-USD exchange rate would have an impact of +/- SEK 0.8 M on earnings if unhedged. Accordingly, it cannot be ruled out that changes in exchange rates could negatively impact the company's earnings and financial position.
Raw material prices	The raw material cost of products could be impacted by price fluctuations mainly for silicon and gold. The percentage of gold in the products is marginal and price fluctuations will only have a limited effect on the price of the end product. Silicon is the largest component in the products. Historically, the price of silicon has not fluctuated to any significant degree and supply is favorable. Should the supply of silicon decrease on the world market, there is a risk of price increases. The price per unit of the company's purchases from external suppliers could thereby increase. There is no guarantee that FPC can in turn pass on the higher costs to its customers. The inability to pass on higher costs to the company's customers could have a negative impact on the Company's operations, earnings and financial position.
Economic cycle	The global economic trend affects the general investment inclination of FPC's current and potential customers. A weak economic trend in the whole or parts of the world could entail lower-than-expected market growth for the biometrics market. Accordingly, there is a risk that FPC's expected sales could be negatively affected by a weak economic trend, which could have a negative effect on the company's operations, earnings and financial position. Customers are currently predominantly based in Asia. The economic turbulence in Europe and Northern America has not influenced the operation to any major degree. However, there is no guarantee that this will not occur in the future or that the turbulence in Europe and North America will not spread to the Asian market.

Operational risks

Production	FPC does not conduct any proprietary production. Manufacturing, sales and delivery of FPC's technology and products depend on fulfillment of contractual requirements with respect to, for example, volume, quality and delivery time. Production and delivery problems among suppliers could have a negative impact on the company through delays or quality problems affecting deliveries to customers. Although production is planned up to six months in advance, binding orders from customers are normally not received that far in advance. Uncertainty in

sales forecasts could lead to excessive stock accumulation and have an adverse effect on liquidity. The concentration of production to a few suppliers and the associated possibility of ensuring low costs must be weighed against the risk represented by concentration.

Environment
FPC does not engage in any proprietary manufacturing. Components are sourced from selected suppliers that satisfy requirements in terms of function, quality, stability and environmental aspects. FPC's products have been tested and satisfy the RoHS (Restriction of Hazardous Substances) directive in terms of limiting hazardous substances in electronic products. If the products were not to fulfill requirements on function, quality, stability and environment or if the company's products were not to fulfill the RoHS directive regarding limits on hazardous substances in electronic products, this could negatively impact the company's earnings and financial position.

Sales
FPC is active in a relatively young market. Assessments of a rapidly developing young industry and its level of competition are subject to reservation for several uncertainties. The trend is dependent on the development of FPC and its competitors as well as the market's acceptance of biometrics. A not inconsequential factor comprises the pace of development and penetration for those services in which biometric solutions will be used. This entails difficulty in predicting future trends for the operation. FPC's performance depends on the continued expansion of the biometrics market. Delayed penetration into more applications and markets will affect sales and earnings. FPC's dependence on a handful of distributors for its sales constitutes a risk. FPC offsets this risk by using additional resellers through a broader product portfolio and by prioritizing customized solutions over standard products. An additional measure is to continuously assess the potential for establishing proprietary companies and sales.

FPC is dependent on the Chinese market, where it has an established reseller with a strong position for FPC's technology. A loss of the company's distributor in the Chinese market or another significant distributor or reseller could have a negative impact on the Company's operations, earnings and financial position.

Credit risk

Counterparty risk
Credit risk, defined as the risk that the counterparty does not fulfill its obligations, is attributable in its entirety to credit risk in accounts receivable. The company's customers mainly comprise companies that act as resellers or distributors of the company's products. FPC offsets credit risk through the use of credit ratings and credit limits.

Share risk

Dividend
To date, no dividend has been paid by the company. FPC is expected to be in an expansive investment phase in the upcoming years, which is why FPC's potential distributable profits will probably be reinvested in the business. As a result, the Board of FPC deems that cash dividends to the shareholders will not be paid in the next two years. Over the short term, this means that the return on an investment in the company's share is primarily dependent on the share price.

Shareholders
One individual shareholder owns a substantial share of the voting rights for all of the company's shares outstanding. Consequently, this shareholder has the possibility to exercise a material influence on all matters that demand approval by the shareholders, including the appointment and removal of Board members and any proposals on mergers, consolidation or sale of all or virtually all of FPC's assets, as well as other corporate transactions.

Share price
Investing in shares is by nature associated with the risk that the value of the investment can decrease. There is no guarantee concerning the price performance of the shares offered for trading in connection with the new share issue. The company's share price may decrease due to the increased number of shares in the company, as well as a consequence of the market's reactions to factors entirely beyond FPC's control. FPC's share price has been volatile since the company's share was listed on NASDAQ OMX Stockholm. Trading in the company's shares has generally had a low level of activity. It is not possible to foresee the extent to which investor interest in FPC will lead to active trading in the shares or how trading in the shares will trend in the future. If active and liquid trading does not develop, or is not lasting, this could entail difficulties for shareholders to sell their shares without negatively affecting the market price or difficulties in general. The company's solution is to maintain a solid level of information. Current and potential investors in FPC should note that an investment in FPC is associated with risk and that there are no guarantees that the share price will perform positively. As presented in the account in this section, the price performance of the shares depends on a number of factors in addition to the company's operations, which the company is unable to influence. Even if FPC's business develops positively, there is therefore a risk that the price performance of the company's share may be negative.

Future reporting dates

Year-end report	February 6, 2014
Interim report	April 24, 2014
Annual General Meeting	June 4, 2014

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, October 16, 2013

Mats Svensson Chairman	Christer Bergman Board member	Urban Fagerstedt Board member
Tord Wingren Board member	Johan Carlström CEO	

Review

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

Glossary

Algorithm	A systematic procedure for how to conduct a calculation or solve a problem in a given number of steps. In FPC's specific case, the method refers to the comparison of two fingerprints with each other.
Area sensor	A sensor with the size of a fingertip that can scan an entire fingerprint simultaneously. The fingertip is simply drawn against the sensor surface; refer to swipe sensor.
ASIC	*Application Specific Integrated Circuit.* An integrated circuit in the form of a silicon chip that is designed to conduct specific functions – in our case the measurement of a fingerprint.
Authentication	Control process for a particular entity; in conjunction with logging on, for example. The word is synonymous with verification.
Biometric system	A pattern recognition system that identifies or verifies a person by studying a physiological character of the person, in our case a fingerprint pattern.
Chip	A piece of silicon in which the integrated circuit is embedded, such as a sensor chip. Normally, a silicon wafer is cut into a number of chips, with each chip being essentially identical.
Dpi	Dots per inch – resolution per spacial unit (in this case inches). The higher the value, the better the resolution and degree of detail.
Design Win	The decision by a manufacturer to start developing one or more commercial products that will contain FPC's technology as an integrated element of the manufacturer's product(s).
Enrolment	Compilation of biometric data used to create a template. The process by which information is compiled from an individual and processed and stored as a reference image.
Identification	Comparison of compiled biometric data with all stored templates for the purpose of identifying one of these templates (and thus an individual) from a multitude.
Matching	The process of comparing an image of a fingerprint with a pre-processed template, and assessing whether or not they are similar.
Packaging	The work and components, apart from the silicon chip, required for building a sensor.
Sensor platform	The silicon technology that FPC has created for the development of future sensors.
Swipe sensor	A sensor with a width equal to a fingertip but much narrower than the length of the finger. The fingertip is drawn across the sensor surface and part of the fingertip is scanned step-wise; compare with area sensors. The fingerprint is scanned in this manner.
Template	An arrangement of unique data that represents a certain fingerprint.
Verification	The comparison of compiled biometric data between an individual and a given template for the purpose of verifying a match.
Wafer	A thin circular slice of silicon containing a number of integrated circuits, such as sensor chips.
Yield	The percentage of a number of approved units divided by the number of initial units. The term is used primarily in production.

Definitions

Average credit period	Average value of accounts receivable over the period in relation to net sales, multiplied by 360 days.
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	Earnings for the period attributable to the Parent Company's shareholders divided by the Parent Company's average number of shares for the fiscal year.
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.
EBITDA	Earnings Before Interest Taxes Depreciation and Amortization (and impairment).
Equity/assets ratio	Shareholders' equity divided by total assets.
Gross margin	Gross margin as a percentage of net sales.
Gross profit/loss	Income minus 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 net sales.
Operating margin	Operating profit/loss as a percentage of net sales.
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.

About Fingerprint Cards

Fingerprint Cards AB (Fingerprint Cards) develops, produces and markets biometric components that through analysis and matching of an individual's unique fingerprint verify a person's identity.
The technology consists of biometric sensors, processors, algorithms and modules that can be used separately or combined. The competitive advantages offered by Fingerprint Cards' 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. Fingerprint Cards' 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 systems for security and convenience.
Business model	FPC works with three business models – component sales, project sales and licensing. Sales are conducted via distributors, primarily to product developers/systems integrators and OEMs. (Original Equipment Manufacturers).
Product strategy	To be a supplier of components and systems for fingerprint verification, as well as developing and marketing components in two product categories – area sensors and swipe sensors.
Patent strategy	To pursue an active patent strategy based on careful monitoring of the market in an effort to evaluate new opportunities for filing patents and identifying possible infringement of FPC's patents.
Production strategy	Produce through close cooperation with selected sub-suppliers. Production-critical elements of manufacturing are to be conducted using tools owned by FPC but operated by the subsupplier. All manufacturing is to be conducted in accordance with forecasts based on information received from customers and distributors.
Market strategy	When marketing products, FPC intends to focus on product developers/system integrators either via distributors or directly. Sales at the producer level will occur in close cooperation with distributors. FPC will also actively pursue sales efforts. Sales of area sensors are to be broadened above and beyond the volume segment of IT applications for banks to encompass other IT segments. Geographically, the area sensor, in terms of bank applications, will be marketed primarily in India, South Korea, Japan and Brazil, and also in Europe and the US. Swipe sensors are to be marketed to product developers/system integrators of mobile phones and other portable applications, such as tablet devices, USB keys, smart cards, etc. As a feature of the launch of swipe sensors, the company will participate actively in development projects together with mobile-phone manufacturers. Geographically, marketing will occur in China, Korea, Taiwan, Japan, Europe and the US.
Value-driving factors	The potential to use mobile phones for payment applications – with the accompanying security requirements – is a major driving force, as is the possibility of using fingerprint sensors for the next generation of charge cards. Identity theft, impersonation and stricter authentication imposed by public authorities and organizations are also driving the demand for more secure solutions. Increased requirements in terms of comfort and security in connection with authentication are creating demand for alternatives to cards, pin codes and passwords. In addition to these factors, there are also cost savings, benefits of scale and the potential to facilitate greater use in, for example, emerging countries and elsewhere.

Condensed consolidated statement of comprehensive income

(SEK M)	Jul–Sep 2013	Jul–Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Jan–Dec 2012
Net sales	31.6	2.6	61.3	8.4	10.3
Cost of goods sold	-16.1	-3.5	-37.1	-12.6	-16.0
Gross profit/loss	**15.5**	**-0.9**	**24.2**	**-4.2**	**-5.7**
Sales expenses	-6.4	-1.8	-17.7	-6.6	-10.1
Administrative expenses	-4.0	-3.6	-12.6	-9.7	-12.5
Development expenses	-6.3	-1.9	-12.1	-6.7	-8.9
Other operating income/expenses	-0.1	-1.6	-0.1	-1.7	-1.5
Operating profit/loss	**-1.7**	**-9.9**	**-19.0**	**-28.9**	**-38.7**
Net financial items	0.4	0.2	0.7	-0.4	0.6
Tax	-	-	-	-	-
Profit/loss for the period	**-1.3**	**-9.7**	**-18.2**	**-28.5**	**-38.1**
Other comprehensive income	-	-	-	-	
Total comprehensive income/loss for the period	**-1.3**	**-9.7**	**-18.2**	**-28.5**	**-38.1**
Loss for the period attributable to:					
Parent Company shareholders	-1.3	-9.7	-18.2	-28.5	-38.1
Profit/loss for the period	**-1.3**	**-9.7**	**-18.2**	**-28.5**	**-38.1**
Total comprehensive income/loss attributable to:					
Parent Company shareholders	-1.3	-9.7	-18.2	-28.5	-38.1
Total comprehensive income/loss for the period	**-1.3**	**-9.7**	**-18.2**	**-28.5**	**-38.1**
Earnings/loss per share for the period					
Before dilution, SEK	-0.03	-0.22	-0.35	-0.65	-0.89
After dilution, SEK	-0.02	-0.22	-0.33	-0.65	-0.89

Condensed consolidated statement of financial position

Assets	Sep 30, 2013	Sep 30, 2012	Dec 31, 2012
Intangible fixed assets	47.3	26.6	29.1
Tangible fixed assets	4.2	5.1	4.8
Financial fixed assets	-	1.3	-
Total fixed assets	*51.5*	*33.0*	*33.9*
Inventories	9.7	11.7	11.8
Accounts receivable	14.8	14.8	6.2
Other receivables	5.9	3.0	1.9
Prepaid expenses and accrued income	1.9	0.9	0.8
Cash and cash equivalents	142.3	25.9	60.6
Total current assets	*174.6*	*56.2*	*74.8*
Total assets	**226.1**	**89.3**	**115.3**
Shareholders’ equity and liabilities			
Shareholders’ equity	189.7	78.5	101.9
Pension provisions	-	1.7	-
Non-current liabilities	0.5	0.8	0.7
Accounts payable	25.8	2.2	4.6
Other liabilities	0.9	0.6	0.6
Accrued expenses and deferred income	9.3	5.5	7.5
Total shareholders’ equity and liabilities	**226.1**	**89.3**	**115.3**
Pledged assets	**None**	**None**	**None**
Contingent liabilities	**None**	**None**	**None**

Condensed consolidated statement of changes in shareholders' equi

(SEK M)	Jan-Sep 2013	Jan-Sep 2012	Jan–Dec 2012
Opening shareholders' equity	101.9	106.3	106.3
Total comprehensive loss for the period	-18.2	-28.5	-38.1
Paid-in warrant premiums	-	0.7	0.7
New share issue	106.0	-	33.1
Closing shareholders' equity	**189.7**	**78.5**	**101.9**

Condensed consolidated cash-flow statement

(SEK M)	Jul–Sep 2013	Jul–Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Jan–Dec 2012
Profit/loss before tax for the period	-1.3	-9.8	-18.2	-28.5	-38.1
Adjustments for non-cash items	3.0	2.6	8.9	8.1	10.7
Change in inventory	-3.0	-2.1	1.7	-7.3	-7.1
Change in current receivables	-11.4	5.6	-13.3	37.4	46.8
Change in current liabilities	21.8	-3.0	23.3	-1.0	3.3
Cash flow from operating activities	-9.1	-6.7	2.3	8.5	15.6
Cash flow from investing activities	-15.0	-4.2	-26.4	-7.6	-10.9
Cash flow from financing activities	-0.1	0.7	105.8	2.0	32.8
Change in cash and cash equivalents	**-6.0**	**-10.2**	**81.7**	**2.9**	**37.6**
Opening cash and cash equivalents	148.2	36.1	60.6	23.0	23.0
Closing cash and cash equivalents	142.3	25.9	142.3	25.9	60.6

Key consolidated data

(SEK M)	Jul–Sep 2013	Jul–Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Jan–Dec 2012
Net sales (SEK M)	31.6	2.6	61.3	8.4	10.3
Net sales growth (%)	554	-83	629	-83	-85
Gross margin (%)	49	-34	40	-50	-55
Operating margin (%)	-5	-382	-31	-346	-184
Profit margin (%)	-4	-376	-30	-340	-183
EBITDA (SEK M)	2.9	-7.0	-8.9	-21.1	-27.4
Return on equity (%)	1	-10	-14	-28	-36
Cash flow from operating activities incl. changes in working capital (SEK M)	11.5	-6.7	2.3	2.9	15.6
Order backlog (SEK M)	38.9	0.0	38.9	0.0	19.7
Equity/assets ratio (%)	84	88	84	88	88
Investments (SEK M)	-15.0	-4.2	-26.4	-7.4	-10.8
Average number of employees	24	17	24	18	19
Shareholders' equity per share (SEK)	3.67	1.80	3.67	1.80	2.11
Shareholders'' equity per share after dilution, SEK(1)	3.46	1.80	3.46	1.80	2.11
Cash flow from operating activities/share (SEK)	0.22	-0.15	0.04	0.19	0.35
Cash flow from operating activities/share after dilution (SEK) (1)	0.21	-0.15	0.04	0.19	0.35
Number of shares at period end (000s)	51,661	43,609	51,661	43,609	47,808
Average number of shares (000s)	51,661	43,609	50,517	43,609	43,761
Average number of shares after dilution (000s)(1)	56,587	43,609	54,794	43,609	43,761
Market price of FPC Class B share (SEK) at end of period	52.50	6.15	52.50	6.15	12.35

1) At the end of the period, FPC had three warrant programs:
TO3: The program is from 2011 and extends until December 18, 2014. The exercise price is SEK 13.64. The program was considered in calculating the number of shares after conversion. On full subscription, the program would result in a maximum of 2,000,000 new Class B shares.
TO4: The program is from 2012 and extends until October 6, 2015. The exercise price is SEK 9.72. The program was considered in calculating the number of shares after conversion. On full subscription, the program would result in a maximum of 4,818,000 new Class B shares.
TO5: The program is from 2013 and extends until March 5, 2016. The exercise price is SEK 52.35. The program was only taken into consideration for the calculation pertaining to the July-September 2013 period. On full subscription, the program would result in a maximum of 1,300,000 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

	Sensors		Other		Group	
(SEK M)	Jan-Sep 2013	Jan-Sep 2012	Jan-Sep 2013	Jan-Sep 2012	Jan-Sep 2013	Jan-Sep 2012
Net sales	61.3	6.5	-	-	61.3	42.7
Segment earnings	-19.0	-30.8	-	-	-19.0	0.7
Net financial items	-	-	0.7	0.3	0.7	0.3
Profit/loss for the period	-19.0	-30.8	0.7	0.3	-18.3	1.0

Consolidated statement of comprehensive income for the past nine quarters

(SEK M)	Jul–Sep 2013	Apr-Jun 2013	Jan–Mar 2013	Oct–Dec 2012	Jul–Sep 2012	Apr-Jun 2012	Jan–Mar 2012	Oct–Dec 2011	Jul–Sep 2011
Net sales	31.6	20.6	9.1	1.9	2.6	0.6	5.2	18.6	20.2
Cost of goods sold	-16.1	12.0	-9.0	-3.4	-3.5	-3.6	-5.5	-10.8	-11.1
Gross profit/loss	**15.5**	**8.6**	**0.1**	**-1.5**	**-0.9**	**-3.1**	**-0.3**	**7.8**	**10.1**
Sales expenses	-6.3	-5.8	-5.5	-3.5	-1.8	-2.1	-2.7	-4.1	-2.8
Administrative expenses	-4.0	-4.8	-3.8	-2.8	-3.6	-3.3	-2.8	-3.2	-2.3
Development expenses	-6.4	-3.8	-2.7	-2.2	-1.9	-2.4	-2.4	-0.4	-0.7
Other operating income/expenses	-0.1	0.4	-0.1	0.2	-1.6	0.8	0.9	0.3	-0.1
Operating profit/loss	**-1.7**	**-5.3**	**-12.1**	**-9.8**	**-9.9**	**-10.0**	**-9.1**	**0.3**	**4.2**
Net financial items	0.4	0.4	0.0	0.1	0.2	0.2	0.1	0.4	0.2
Tax	-	-	-	-	-	-	-	-	-
Profit/loss for the period	**-1.3**	**-4.9**	**-12.0**	**-9.7**	**-9.7**	**-9.8**	**-9.0**	**0.7**	**4.3**
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income/loss for the period	**-1.3**	**-4.9**	**-12.0**	**-9.7**	**-9.7**	**-9.8**	**-9.0**	**0.7**	**4.3**

Consolidated statement of financial position for the past nine quarters

Assets	Sep 30, 2013	Jun 30, 2013	Mar 31, 2013	Dec 31 2012	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011
SEK/USD exchange rate, balance sheet date	*6.43*	*6.71*	*6.53*	*6.52*	*6.58*	*7.06*	*6.62*	*6.92*	*6.86*
Intangible fixed assets	47.3	35.1	30.2	29.1	26.6	24.8	26.4	28.2	27.1
Tangible fixed assets	4.2	4.4	4.4	4.8	5.1	5.2	4.1	4.2	4.4
Financial fixed assets	-	-	-	-	1.3	1.2	1.1	0.9	-
Total fixed assets	51.5	39.5	35.2	33.9	33.0	31.2	31.6	33.3	31.6
Inventories	9.7	6.7	12.3	11.4	11.7	9.5	5.4	4.3	5.3
Advance payment to suppliers	-	-	-	0.4	-	-	-	-	-
Accounts receivable	14.8	6.4	2.3	6.2	14.8	21.4	38.4	53.0	46.0
Other receivables	5.9	3.5	3.5	1.9	3.0	1.8	1.5	2.3	2.1
Prepaid expenses and accrued inc.	1.9	1.4	0.8	0.8	0.9	1.1	1.0	0.8	0.5
Cash and cash equivalents	142.3	148.2	148.5	60.6	25.9	36.1	28.5	23.0	27.4
Total current assets	174.6	166.2	167.4	81.3	56.2	69.9	74.8	83.4	81.3
Total assets	**226.1**	**205.8**	**202.6**	**115.3**	**89.3**	**101.1**	**106.5**	**116.8**	**112.8**
Shareholders' equity and liabilities									
Shareholders' equity	189.7	191.0	189.8	101.9	78.5	87.5	97.2	106.3	104.8
Provisions for pensions	-	-	-	-	1.7	1.5	1.4	1.2	-
Non-current liabilities	0.5	0.5	0.6	0.7	0.8	0.8	-	-	-
Accounts payable	25.8	5.9	5.1	4.6	2.2	3.1	2.3	3.3	2.4
Other liabilities	0.9	1.0	0.8	0.6	0.6	0.7	0.3	0.3	0.3
Accrued exp. and def. income Int.	9.3	7.3	6.3	7.5	5.5	7.5	5.2	5.7	5.3
Total shareholders' equity and liabilities	**226.1**	**205.8**	**202.6**	**115.3**	**89.3**	**101.1**	**106.5**	**116.8**	**112.8**

Consolidated cash flow statement for the past nine quarters

(SEK M)	Jul–Sep 2013	Apr-Jun 2013	Jan–Mar 2013	Oct–Dec 2012	Jul–Sep 2012	Apr-Jun 2012	Jan–Mar 2012	Oct–Dec 2011	Jul–Sep 2011
Profit/loss before tax for the period	-1.3	-4.4	12.0	-9.7	-9.8	-9.8	-9.0	0.7	4.3
Adjustments for non-cash items	3.0	3.0	2.9	2.7	2.6	2.9	2.7	1.3	1.2
Change in inventory	-3.0	5.5	-0.8	0.2	-2.1	-4.1	-1.1	1.0	2.7
Change in current receivables	-11.4	-4.6	2.7	9.4	5.6	16.7	15.2	-7.5	-16.8
Change in current liabilities	21.8	2.1	-0.5	4.4	-3.0	3.4	-1.5	1.3	0.7
Cash flow from operating activities	9.1	1.5	-7.8	7.0	-6.7	9.0	6.3	-3.2	-7.8
Cash flow from investing activities	-15.0	-7.3	-4.2	-3.3	-4.2	-2.3	-0.8	-3.1	-2.3
Cash flow from financing activities	-0.1	6.0	99.8	30.9	0.7	0.8	-	2.0	-
Change in cash and cash equivalents	**-6.0**	**-0.3**	**87.9**	**34.7**	**-10.2**	**7.6**	**5.5**	**-4.3**	**-10.1**
Opening cash and cash equivalents	148.2	147.5	60.6	25.9	36.1	35.7	23.0	27.4	37.5
Closing cash and cash equivalents	142.3	148.2	148.5	60.6	25.9	36.1	28.5	23.0	27.4

Key consolidated data for the past nine quarters

	Jul–Sep 2013	Apr-Jun 2013	Jan–Mar 2013	Oct–Dec 2012	Jul–Sep 2012	Apr-Jun 2012	Jan–Mar 2012	Oct–Dec 2011	Jul–Sep 2011
Net sales (SEK M)	31.6	20.6	9.1	1.9	2.6	0.6	5.2	18.6	20.2
Net sales growth (%)	554	3,433	75	-90	-83	-96	-59	3	15
Gross margin (%)	49	42	1	-77	-34	-500	-5	42	50
Operating margin (%)	-5	-26	-132	-512	-382	-1,804	-174	2	21
Profit margin (%)	-4	-10	-100	-505	-376	-1,768	- 172	4	22
EBITDA (SEK M)	2.9	-2.3	-9.2	-7.0	-7.0	-7.7	-6.4	2.0	5.4
Return on equity (%)	1	-3	-9	-11	-12	-11	-8	1	16
Cash flow from oper. Act. (SEK M)	11.5	1.0	-7.8	7.0	-6.7	9.0	6.3	-3.2	-7.8
Order backlog (SEK M)	38.9	27.9	42.3	19.7	0.0	46.3	46.3	6.1	24.4
Equity/assets ratio (%)	84	93	94	88	88	86	91	91	93
Investments (SEK M)	-15.0	-7.3	-4.2	-3.3	-4.2	-2.3	-0.8	-3.1	-2.3
Average number of employees	24	21	20	19	17	16	19	18	19
Shareholders' equity per share (SEK)	3.67	3.70	3.70	2.11	1.80	2.00	2.23	2.44	2.40
Shareholders' equity per share after dilution (SEK) (1)	3.46	3.40	3.47	2.11	1.80	2.00	2.23	2.44	2.40
Cash flow from operating activities per share (SEK)	0.22	0.02	-0.15	0.16	0.20	0.21	0.14	-0.05	-0.19
Cash flow from operating activities per share, after dilution (SEK)	0.21	0.02	-0.14	0.16	0.20	0.21	0.14	-0.05	-0.19
Number of shares at period end (000s)	51,661	51,661	51,239	47,808	43,609	43,609	43,609	43,609	43,609
Average number of shares (000s)	51,661	51,467	51,233	44,216	43,609	43,609	43,609	43,609	43,609
Average number of shares after dilution (000s)(1)	56,587	56,195	51,855	44,216	43,609	43,609	43,659	43,609	43,609
Market price of FPC Class B share (SEK)	52.50	57.25	34.60	12.35	6.15	5.30	7.30	9.30	6.15

1) FPC has three warrants programs:

TO3: The program is from 2011 and extends until December 18, 2014. The exercise price is SEK 13.64. The program was considered in calculating the number of shares after conversion. On full subscription, the program would result in a maximum of 2,000,000 new Class B shares.

TO4: The program is from 2012 and extends until October 6, 2015. The exercise price is SEK 9.72. The program was considered in calculating the number of shares after conversion. On full subscription, the program would result in a maximum of 4,818,000 new Class B shares.

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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.

FINGERPRINTS

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

	Oct–Sep 2012/13	Jul-Jun 2012/13	Apr–Mar 2012/13	Jan–Dec 2012	Oct–Sep 2011/12	Jul-Jun 2011/12	Apr–Mar 2011/12	Jan–Dec 2011	Oct–Sep 2010/11
Sales, rolling 12 months (SEK M)	63.2	34.2	14.2	10.3	27.0	61.5	61.0	68.6	68.2
Gross profit, rolling 12 months (SEK M)	22.8	6.3	-5.3	-5.7	3.6	24.0	26.1	31.6	31.2
Gross margin, rolling 12 months (%) (1)	36	19	Neg.	Neg.	13	39	43	46	44
Operating profit/loss, rolling 12 months (SEK M)	-28.7	-36.9	-36.7	-38.7	-28.6	-9.2	-4.6	2.7	2.5
Operating margin, rolling 12 months (%)	-45	-109	-257	-378	-106	-15	-8	4	5
EBITDA, rolling 12 months (SEK M)	-20.6	-36.3	-30.7	-28.0	-18.9	-6.7	1.7	8.2	8.9

Disclosures on the consolidated fair value of financial instruments

SEK M	June 30, 2013				September 30, 2012			
	Level				Level			
	1	2	3	Total	1	2	3	Total
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	23.3	-	-	23.3	6.5	-	-	6.5
Total financial assets	**23.3**	-	-	**23.3**	**6.5**	-	-	**6.5**
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	June 30, 2013		Sept 30, 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Current financial assets				
Financial assets at fair value via profit or loss	-	-	-	-
Loan receivables and accounts receivable				
Accounts receivable	14.8	14.8	14.8	14.8
Cash and cash equivalents	142.3	142.3	25.9	25.9
Total financial assets	**157.1**	**157.1**	**40.7**	**40.7**
Financial liabilities				
Accounts payable				
Financial liabilities at amortized cost	25.8	25.8	2.2	2.2
Total financial liabilities	**25.8**	**25.8**	**2.2**	**2.2**
By category				
Financial assets at fair value via profit or loss	-	-	-	-
Loan receivables and accounts receivable	157.1	157.1	40.7	40.7
Total financial assets	**157.1**	**157.1**	**40.7**	**40.7**
Financial liabilities at fair value via profit or loss	25.8	25.8	2.2	2.2
Total financial liabilities	**25.8**	**25.8**	**2.2**	**2.2**

Qualitative fair value data for financial instruments

Financial instruments exist solely as measured in category 1; there have been no transfers between categories. The company does not apply a portfolio approach.

Condensed income statement, Parent Company	Jul–Sep	Jul–Sep	Jan-Sep	Jan-Sep	Jan–Dec
(SEK M)	2013	2012	2013	2012	2012
Net sales	31.6	2.6	61.3	8.4	10.3
Cost of goods sold	-16.1	-3.5	-37.1	-12.6	-16.0
Gross profit/loss	**15.5**	**-0.9**	**24.2**	**-4.2**	**-5.7**
Sales expenses	-6.4	-1.8	-17.7	-6.6	-10.1
Administrative expenses	-4.0	-3.6	-12.6	-9.7	-12.5
Development expenses	-6.3	-1.9	-12.1	-6.7	-8.9
Other operating income/expenses	-0.1	-1.6	-0.1	-1.7	-1.5
Operating profit/loss	**-1.7**	**-9.9**	**-19.0**	**-28.9**	**-38.7**
Net financial items	0.4	0.2	0.8	0.4	0.6
Tax	-	-	-	-	-
Profit/loss for the period	**-1.3**	**-9.7**	**-18.2**	**-28.5**	**-38.1**

Condensed balance sheet, Parent Company	Sep 30,	Sep 30,	Dec 31,
(SEK M)	2013	2012	2012
Assets			
Intangible fixed assets	47.3	26.6	29.2
Tangible fixed assets	4.3	4.0	3.7
Financial fixed assets	5.9	4.9	3.6
Total fixed assets	56.6	35.5	36.5
Inventories	9.7	11.7	11.4
Accounts receivable	14.8	14.8	6.2
Current receivables	5.9	3.0	1.8
Prepaid expenses accrued income	1.9	0.9	1.2
Cash and bank	141.6	25.2	59.9
Total current assets	173.9	55.5	80.5
Total assets	**230.5**	**91.0**	**117.1**
Shareholders’ equity and liabilities			
Restricted shareholders’ equity	51.7	50.2	51.0
Unrestricted shareholders’ equity	137.6	27.8	50.5
Total shareholders’ equity	189.3	78.0	101.5
Pension provisions	-	1.6	-
Current liabilities	41.2	11.3	15.6
Total shareholders’ equity and liabilities	**230.5**	**91.0**	**117.1**
Pledged assets	**None**	**None**	**None**
Contingent liabilities	**None**	**None**	**None**

Accounting policies

This condensed interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting, applying the provisions in the Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with the Annual Accounts Act, Chapter 9, Interim reports. The application of these accounting policies complies with those presented in the Annual Report for the fiscal year ending December 31, 2012 and must be read together with Annual Report. No new or revised IFRS that have become effective in 2013 have had any significant impact on the Group.