

## FPC has secured all announced design wins for smartphones and tablets and has now established itself as the global market leader

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

- Sales totaled SEK 9.1 M (5.2).
- Gross profit was SEK 0.1 M (loss: 0.3).
- The loss after financial items amounted to SEK 12.0 M (loss: 9.0).
- The gross margin was 1% (neg.)
- The loss per share totaled SEK 0.23 (loss: 0.21).
- Cash and cash equivalents at the end of the period amounted to SEK 148.5 M (28.5).
- The order backlog at year-end was SEK 42.4 M (46.3).
- FPC opened an office in Japan and appointed a Senior Technical Manager.
- FPC opened an office in Seoul, Korea, and appointed a Senior Sales Executive.
- FPC was granted an operating line of credit from Nordea and EKN.
- FPC secured its first mass-production order of 100,000 sensors from CrucialTec for use in mobile phones.
- FPC secured its first design win (DW)\* for the FPC 1080A for tablets from a prominent Chinese house of design.
- FPC strengthened its Supply Chain Management, recruiting Magnus Hansson as Senior Sourcing Director.
- FPC's technology chosen by a globally leading supplier of financial information for its authentication solutions.
- FPC secured DW in China, for mobile-phone and tablet accessories and received initial order for 800,000 FPC 1080A sensors.
- FPC appointed Jonas Andersson as Director Business Development in secure mobile transactions.
- FPC held an Extraordinary General Meeting and resolved on an incentive program.
- FPC redeemed 430,892 warrants in exchange for new series B shares and raised SEK 6.8 M.
- FPC entered into an investment agreement with Carnegie regarding the new issue of Class B shares.
- FPC secures Chinese order for area sensors valued at SEK 20 M.
- FPC implemented private placement of Class B shares for SEK 95 M.
- FPC published prospectus due to entry of new shares into trade.
- FPC's FPC 1080A selected by Chinese mobile-phone manufacturer behind a well-known European brand.
- FPC secured its first DW for mobile phones in a strategically important third market in Asia.

### Notable events at the close of the reporting period:

- FPC received DWs for four new mobile phones and a tablet device from an existing, well known customer in Asia.
- FPC won smartphone DW from one of China's three largest manufacturers.
- Fingerprint Cards becomes new sponsorship member in FIDO alliance.
- FPC won DW for flagship model from a global top-ten manufacturer.
- FPC opened regional Asian office in Shanghai and recruited three new employees.
- FPC won smartphone DW from one of China's top ten manufacturers.
- FPC joined GlobalPlatform.
- Forecast for 2013 reiterated: sales of SEK 130-190 M, EBITDA 20-35%.

\*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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Fingerprint Cards AB (publ) 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 April 25, 2013, at 8:00 a.m.

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## CEO's comments

### It is happening NOW!

It is NOW that all of the major mobile manufacturers are testing, evaluating and deciding whether to have sensors in the mobile phones that they will launch ahead of the key Christmas sales season and thereafter during 2014. Many of the DWs that are secured until late May will probably be launched in 2013. We are in intense discussions with all Tier 1 manufacturers (except Apple) and we believe that at least six – and probably as many as nine – of the largest manufacturers will have either launched a mobile with sensors or have a project under way by year-end. In the level below, Tier 2, we believe that the majority will have launched a mobile with sensors by the summer of 2014. For the sake of clarity, a DW does not always lead to an order, but in most cases it does, and no manufacturer commences a mobile project without intending to launch the mobile within six to 12 months. During the past two quarters, FPC has received 16 DWs in mobile phones, tablet devices and accessories, thus securing 100% of all globally announced DWs. Several independent market analysts believe that Apple will launch an iPhone with a built-in sensor during the summer or no later than autumn of 2013, which will accelerate the integration decisions of other companies. Globally, PC sales declined sharply in 2012 and will probably continue to decrease moving forward, while the number of tablet devices sold will increase substantially. For this reason, FPC has focused to date on smartphones and tablet devices, which has significantly contributed to our technological leadership. The technology required to integrate a fingerprint sensor in a mobile phone compared with a laptop is more demanding, which makes us better equipped to satisfy future requirements. A mobile phone is small and has no network connection, which means that the sensor must be smaller in relation to all dimensions (height, breadth and depth) and must be energy efficient. The sensor must also be easy to integrate, primarily on the front of a smartphone. Accordingly, FPC has begun developing the smallest and most energy-efficient sensor in the world, with power consumption of about 1 mA during fingerprint scanning, while our competitors offer consumption of 13-35 mA for the same usage, which we have had confirmed through the DWs we have secured. We also offer by far the best image quality of all sensors, which enables us to deliver a complete 3D model of the fingerprint for increased security.

FPC deploys silicon-based capacitive sensors, while the competition uses flex-films-based sensors, which are difficult to industrially package and from which it is challenging to achieve an acceptable production yield. However, the decisive disadvantage with flex-film-assembled silicon is that its performance is currently too poor to enable placement under glass, which already means that such sensors require post-processing to enhance the delivered image, thus resulting in inferior power consumption. When the market and the technology are sufficiently mature for sensors that work under and through glass, which we expect to be during 2014 and thereafter, receiver performance will be required, which flex-film-assembled silicon is currently unable to manage, but which is made possible by our silicon-based pixel matrix. FPC has for some time been working with a completely new generation of sensors, thus capitalizing on our already superior image quality and reception performance. In other words, we are best positioned to be able to place the sensors under glass in a smartphone in which these qualities are pivotal – an opinion that is shared by all of the industry players with which we are currently working for our forthcoming sensors. This will create additional maneuverability for our customers to integrate our sensors into their phones with greater flexibility. Finally, we are working to develop new industrial standards that will enable new user cases for protecting the privacy of individuals, securing mobile transactions and payments and offering an attractive user experience.

Overall, this is the basis for our optimistic view of the year ahead, during which we believe that an overwhelming majority of the world's top 20 manufacturers will integrate a sensor into their smartphones. By 2015, fingerprint sensors in mobile phones will be as commonplace as a camera, large touch screens and Bluetooth are in today's phones.

## Sales, earnings and order backlog

The Group's net sales for the first quarter amounted to SEK 9.1 M (5.2). Gross profit totaled SEK 0.1 M (loss: 0.3). The gross margin for the first quarter was 1% (neg.). The loss for the first quarter after financial items amounted to SEK 12.0 M (loss: 9.0). The order backlog at the end of the period amounted to SEK 42.4 M (46.3). The Parent Company's net sales for the first quarter were SEK 9.1 M (5.2) and the loss after financial items was SEK 12.0 M (loss: 9.0).

## Market and sales

Sales in the first quarter of 2013 amounted to SEK 9.1 M. Sales in the first quarter primarily comprised area sensors and swipe sensors, as well as silicon for swipe sensors to partners in Korea.

In the first quarter, FPC further intensified its activities in Asia and the US in respect of the mobile phone and tablet market and is now engaged in a dialog with all leading manufacturers worldwide (except Apple). The considerable and growing interest in integrating fingerprint sensors into mobile phones that we witnessed in 2012 resulted in actual DW awards during the period in China and Japan and a third Asian market. We anticipate even more DWs in 2013 with Tier1 and Tier2 mobile-phone manufacturers. The partnership with CrucialTec is proceeding as planned and the launch of the first mobile phones is still scheduled for the end of the second quarter of 2013, after which we expect a significant number of mobile phones to be launched in the second half of 2013.

During the first quarter, FPC secured a groundbreaking DW from a globally leading financial company based in the US, where we expect a market launch in the third quarter of 2013. We secured an order for 800,000 FPC 1080A swipe sensors from WWTT for mobile accessories, of which 200,000 were launch as early as in the first quarter of 2013.

During the first quarter of 2013, the inventory of the FPC 1011F area sensors returned to normal levels among our Chinese distributors, which led to a new order for 200,000 units for delivery between July and December 2013. At March 31, 2013, the order backlog was SEK 42.4 M (46.3).

## Technological Development, Customer Projects and Production

The major development projects that were initiated during the fourth quarter of 2012 progressed favorably during the first quarter of the year. We retained more qualified resources during the quarter, in the form of both consultants and recruited employees. Development resources are primarily used to increase the pace of development, but also to assist the customer-project department with custom integration projects. During the quarter, we received the first prototype of a new chip design from our silicon manufacturer and the development team has verified that the product enhancements that were previously designed actually lead to a tangible improvement in product performance. These strong results will also lead to technical advantages for the products that are currently under development. In addition to an accelerated pace of development, we have also been working on increasing the production rate of our sensors, for area sensors and swipe sensors. Work on ensuring production capacity and creating improved delivery options has been assigned priority and is making progress.

The need for technical support in integrating the company's sensor technology continued to rapidly increase during the quarter from customers worldwide. A considerable number of product integrations, reference implementations and business partnership are currently under way, for which technical support from FPC is vital in achieving optimal system functionality and performance. To meet this increased need and to provide the best customer support, the company is planning to expand its US operations during the second quarter of 2013 and to establish a centralized Asian office in Shanghai. Meanwhile, the company plans to strengthen the support organization in existing offices, in Sweden and locally in Asia.

## New share issues

During the first quarter of 2013, warrants under the TO2 program were redeemed on two occasions, resulting in the issue of 95,485 and 335,407 new shares, respectively. The exercise price amounted to SEK 15.74 per share. The issues increased the number of Class B shares outstanding in the company by an equivalent number and FPC raised SEK 6.8 M, of which SEK 19,097 and SEK 67,081, respectively, comprised share capital.

The TO2 program is described in further detail under the **Incentive programs** section.

During the first quarter of 2013, two private placements were completed totaling 3,000,000 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. The number of Class B shares increased by 3,000,000. Share capital increased by SEK 600,000.

The proceeds from the new share issues enable FPC to finance an accelerated rate of growth and to intensify its involvement in the ongoing market expansion. The private placement was approved by the Board of FPC with the support of authorization by the 2012 Annual General Meeting. The authorization entitled the Board to decide on the new issue of not more than 9,000,000 Class B shares, of which 4,198,549 Class B shares were issued in December 2012, with 4,801,451 Class B shares remaining under the authorization, of which 3,000,000 were exercised in March 2013.

Accordingly, during the first quarter of 2013, FPC raised a total of SEK 101.5 M through the issue of shares, the redemption of warrants and new share issues, before deductions for issue expenses. The total number of Class B shares outstanding increased during the period by 3,430,892 from 46,608,135 to a total of 50,039,027 Class B shares. The total number of Class A shares and Class B shares increased to a total of 51,239,027. Share capital increased SEK 686,178 during the period to SEK 10,247,805.

#### Share capital trend

Year	Event	Quotient value, SEK	Change in no. of shares	Total no. of shares	Increase in share capital	Total share capital
1997	Split 500:1	0.2	249,500	250,000	0	50,000
1997	Bonus 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 share 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
2005	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 share issue, redemption of warrants	0.2	95,485	47,903,620	19,097	9,581,024
2013	New share issue	0.2	1,400,000	49,303,620	280,000	9,861,024
2013	New share issue	0.2	1,600,000	50,903,620	320,000	10,180,724
2013	New share issue, redemption of warrants	0.2	335,407	51,239,027	67,081	10,247,805

#### Extraordinary General Meeting

The Extraordinary General Meeting on March 4, 2013 resolved on the implementation of a warrant program. The program is entitled TO5 and is described in further detail under the **Incentive programs** section.

#### Future prospects

To date, FPC has secured 13 DWs for smartphones and two for tablets. This comprises 100% of all globally announced DWs. If we exclude Apple, which our company and the market believe will launch an iPhone with a built-in sensor during the summer or autumn, we believe that FPC will win a clear majority of all projects, DWs and orders for the remainder of 2013, and thus become the global market leader by year-end.

As a result of the DWs that we have secured to date and the discussions that we are conducting with all Tier 1 manufacturers (except Apple), FPC has revised its view of the market in 2014 and 2015. In our assessment, 40% of all smartphones and tablets will contain fingerprint sensors by 2014 and 60% by 2015.

Our target is to capture at least 60% of that market by 2014 and 50% of the global market by 2015 (excl. Apple). In terms of area sensor sales in China, our assessment of similar or somewhat larger volumes compared with 2011 stands firm. However, in recent months, we have experienced increased pricing pressure on area sensors in China, which resulted in our assessment that FPC's area sensor sales for 2013 will be in the range of

SEK 50-70 M. FPC 1011F, which is the established de facto standard in the Chinese market, had previously allowed for a significant pricing premium compared with our competition, which we have now noted a decline in. However, we intend to defend FPC's dominant market share and prioritize this over the gross margin, which, nonetheless, remains strong. Our financial forecast for 2013, made in November 2012, of sales ranging from SEK 130-190 M and an EBITDA margin of 20–35% remains valid. As previously mentioned, the second half-year will account for the overwhelming share of these revenues, with sales gradually rising over the quarters and increasing sharply beginning in the third quarter. A sales trend that we currently deem probable is an approximate doubling of sales during each quarter for the remainder of 2013.

### Organization and Personnel

The number of employees at March 31, 2013 was 20 (18), including 1 (1) woman. In addition to full-time employees, we used consultants for technical development and support, sales and marketing corresponding to the equivalent of 15 full-time positions. Including employees and consultants, FPC thus employed a total of more than 35 full-time positions in the first quarter of 2013.

### Financial position

At March 31, 2013, the Group's disposable cash and cash equivalents totaled SEK 148.5 M (28.5). At the same date, the Group's working capital had risen to SEK 155.3 M (67.0). Consolidated shareholders' equity rose to SEK 189.8 M (97.2) and the equity/assets ratio for the Group was 94% (91). The Parent Company's disposable cash and cash equivalents at the end of the period totaled SEK 147.8 M (28.5).

### Fixed assets, investments and depreciation

Investments in capitalized development expenditure amounted to SEK 4.2 M (0.5) for the first quarter. Investments in machinery and equipment amounted to SEK 0.0 M (0.1) during the same period. Depreciation/amortization amounted to SEK 2.9 M (2.6) in the first quarter.

### Cash flow

Cash flow from operations, including changes in working capital, was a negative SEK 7.8 M (pos: 6.3). Cash flow to investments was a negative SEK 4.1 M (neg: 0.8). Cash flow from financing activities amounted to SEK 99.8 M (2.0) for the first quarter. Combined, the net change in cash and cash equivalents for the year amounted to SEK 87.9 M (5.5).

### 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 warrant programs that total 15.60% of the total number of shares and 13.16% 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. Of the program, 853,000 warrants are held by FPC's employees. The price per warrant was SEK 1.09 at the time of issue. The rest have been nullified. The exercise price is SEK 15.74. On full subscription with the support of all warrants in the program, 853,000 new Class B shares can be issued, corresponding to 1.48% of the total number of shares and 1.24% of the total voting rights, which will also raise the share capital by SEK 170,600. The program is designated TO2.  
There were two subscriptions in March 2013 totaling 430,892 warrants and were used to subscribe for new shares. Accordingly, there are 422,108 warrants remaining that can be used to subscribe for Class B shares in this program. Refer to the **New share issues** section.

- 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's employees. The price per warrant was SEK 0.41 at the time of issue. The rest have been nullified. The exercise price 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 3.00% of the total number of shares and 2.53% 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 7.81% of the total number of shares and 6.65% of the total number of voting rights, which will also raise the share capital by SEK 963,600. The program is designated TO4.
- TO5 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 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 2.23% of the total number of shares and 1.88% of the total number of voting rights, which will also raise the share capital by SEK 260,000. The program is designated TO5.

### **Significant uncertainties and risks**

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 description below does not claim to be complete or exact, since risks and their degree of importance 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. 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 may be 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 cooperation 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 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 risk**

- 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 or terrorism, 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 thus resulting in taxation and thus becoming subject to the payment of tax.
Exchange rates	Purchasing, manufacturing and sales are largely denominated in USD. Net exposure in USD is hedged to 90% using forward contracts to offset exchange-rate fluctuations. Fluctuations in other exchange rates have a limited impact on earnings. A 1% change in the exchange rate between the SEK and USD 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 affect 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 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 conducts business activities in a relatively young market, rendering it difficult to predict 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. There is a risk that FPC is dependent on a limited number of distributors for its sales. This risk is mitigated by having more resellers, a broader product portfolio and customized solutions instead of standard products. Another measure is to continuously review 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 the companies that act as resellers or distributors of the Company's products. This risk is mitigated by credit checks limited lines of credit.
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### 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	An 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. Trade 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 an active trade in the shares or how trade in the shares will trend in the future. If active and liquid trade 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

Annual Report 2012	May 9, 2013
Annual General Meeting 2013	May 30, 2013
Interim report April-June 2013	August 22, 2013
Interim report July-September 2013	October 24, 2013

### 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, April 24, 2013*

Mats Svensson  
Chairman

Christer Bergman  
Board member

Urban Fagerstedt  
Board member

Anders Hultqvist  
Board member

Sigrun Hjelmquist  
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 throughout 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 thus 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 number of shares that could be issued as a result of current remuneration and personnel programs.
Cost of goods sold	Costs for materials, production overhead and depreciation according to plan of capitalized development expenditures.
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 the average number of shares that could be issued as a result of current remuneration and personnel programs.
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. As of 2012, the recognition of the cost of goods sold has been changed due to the reclassification of costs. The change primarily entails that the depreciation according to plan of capitalized development expenditure is now classified as the cost of goods sold, which results in gross profit/loss and gross margin indicating figures that are lower than the previous classification of costs.
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 the end of the period.
Shareholders' equity per share after dilution	See "Shareholders' equity per share" plus an increase in the number of shares by the average number of shares that could be issued as a result of 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 easy to live through secure identification.
Business concept	FPC develops and sells leading biometric products and solutions to companies that develop security and comfort systems.
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).
<i>Strategies</i>	
Products	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.
Patents	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	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 sub-supplier. All manufacturing is to be conducted in accordance with forecasts based on information received from customers and distributors.
Market	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 Internet tablets, USB keys and smart cards. 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 income statement and statement of comprehensive income

(SEK M)

	Jan-Mar 2013	Jan-Mar 2012	Jan-Dec 2012
Net sales	9.1	5.2	10.3
Cost of goods sold	-9.0	-5.5	-16.0
<b>Gross profit/loss</b>	<b>0.1</b>	<b>-0.3</b>	<b>-5.7</b>
Sales expenses	-5.5	-2.7	-10.1
Administrative expenses	-3.8	-2.8	-12.5
Development expenses	-2.7	-2.4	-8.9
Other operating income/expenses	-0.1	-0.9	-1.5
<b>Operating loss</b>	<b>-12.1</b>	<b>-9.1</b>	<b>-38.7</b>
Net financial items	0.0	0.1	0.6
Tax	-	-	-
<b>Loss for the period</b>	<b>-12.0</b>	<b>-9.0</b>	<b>-38.1</b>
Other comprehensive income	-	-	-
<b>Total comprehensive income/loss for the period</b>	<b>-12.0</b>	<b>-9.0</b>	<b>-38.1</b>
<b>Loss for the period attributable to:</b>			
Parent Company shareholders	-12.0	-9.0	-38.1
<b>Loss for the period</b>	<b>-12.0</b>	<b>-9.0</b>	<b>-38.1</b>
<b>Total comprehensive loss for the period attributable to:</b>			
Parent Company shareholders	-12.0	-9.0	-38.1
<b>Total comprehensive loss for the period</b>	<b>-12.0</b>	<b>-9.0</b>	<b>-38.1</b>
<b>Earnings/loss per share for the period</b>			
Before dilution, SEK	0.22	-0.21	-0.89
After dilution, SEK	-0.23	-0.21	-0.89

## Condensed consolidated statement of financial position

### Assets

	31-Mar 2013	31-Mar 2012	31-Dec 2012
Intangible fixed assets	30.2	26.4	29.1
Tangible fixed assets	4.4	4.1	4.8
Financial fixed assets	-	1.1	-
<b>Total fixed assets</b>	<b>35.2</b>	<b>31.6</b>	<b>33.9</b>
Inventories	12.3	5.4	11.8
Accounts receivable	2.3	38.4	6.2
Other receivables	3.5	1.5	1.9
Prepaid expenses and accrued income	0.8	1.0	0.8
Cash and cash equivalents	148.5	28.5	60.6
<b>Total current assets</b>	<b>167.4</b>	<b>74.8</b>	<b>74.8</b>
<b>Total assets</b>	<b>202.6</b>	<b>106.5</b>	<b>115.3</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	189.8	97.2	101.9
Provisions for pensions	-	1.4	-
Non-current liabilities	0.6	-	0.7
Accounts payable	5.1	2.3	4.6
Other liabilities	0.8	0.3	0.6
Accrued expenses and deferred income	6.3	5.2	7.5
<b>Total shareholders' equity and liabilities</b>	<b>202.6</b>	<b>106.5</b>	<b>115.3</b>
<b>Pledged assets</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Contingent liabilities</b>	<b>None</b>	<b>None</b>	<b>None</b>

## Condensed consolidated statement of changes in shareholders' equity

(SEK M)

Shareholders' equity on the opening date	101,9	106,3	106,3
Comprehensive loss for the period	-12,0	-9,0	-38,1
Premium paid for warrants	2,3	-	0,7
New share issue	97,6	-	33,1
<b>Shareholders' equity on the closing date</b>	<b>189,8</b>	<b>97,2</b>	<b>101,9</b>

Jan-Mar 2013	Jan-Mar 2012	Jan-Dec 2012
101,9	106,3	106,3
-12,0	-9,0	-38,1
2,3	-	0,7
97,6	-	33,1
<b>189,8</b>	<b>97,2</b>	<b>101,9</b>

## Condensed consolidated cash flow statement

(SEK M)

Loss before tax for the period	-12,0	-9,0	-38,1
Adjustments for non-cash items	2,9	2,7	10,7
Change in inventory	-0,8	-1,1	-7,1
Change in current receivables	2,7	15,2	46,8
Change in current liabilities	-0,5	-1,5	3,3
Cash flow from operating activities	-7,8	6,3	15,6
Cash flow from investing activities	-4,2	-0,8	-10,9
Cash flow from financing activities	99,8	-	32,8
<i>Of which, new share issue</i>	99,8	-	33,1
<i>Of which, other</i>	-	-	-0,3
<b>Change in cash and cash equivalents</b>	<b>87,9</b>	<b>5,5</b>	<b>37,6</b>
Cash and cash equivalents on the opening date	60,6	23,0	23,0
Cash and cash equivalents on the closing date	148,5	28,5	60,6

Jan-Mar 2013	Jan-Mar 2012	Jan-Dec 2012
-12,0	-9,0	-38,1
2,9	2,7	10,7
-0,8	-1,1	-7,1
2,7	15,2	46,8
-0,5	-1,5	3,3
-7,8	6,3	15,6
-4,2	-0,8	-10,9
99,8	-	32,8
99,8	-	33,1
-	-	-0,3
<b>87,9</b>	<b>5,5</b>	<b>37,6</b>
60,6	23,0	23,0
148,5	28,5	60,6

## Key consolidated data

(SEK M)

Net sales (SEK M)	9,1	5,2	10,3
Net sales growth (%)	75	Neg.	Neg.
Gross margin (%)	1	Neg.	Neg.
Operating margin (%)	Neg.	Neg.	Neg.
Operating margin (%)	Neg.	Neg.	Neg.
Profit margin (%)	-9,2	-6,4	-27,4
EBITDA (SEK M)	Neg.	Neg.	neg
Return on equity (%)	-7,8	6,3	15,6
Cash flow from operating activities. incl. changes in working capital (SEK M)	42,3	46,3	19,7
Order backlog (SEK M)	94	91	88
Equity/assets ratio (%)	-4,2	-0,8	-10,8
Investments (SEK M)	20	19	19
Average number of employees	3,70	2,23	2,11
Shareholders' equity per share (SEK)	3,47	2,23	2,11
Shareholders' equity per share after dilution (SEK) (1)	-0,15	0,14	0,71
Cash flow from operating activities/share (SEK)	-0,14	0,14	0,71
Cash flow from operating activities/share after dilution (SEK) (1)	51 239	43 609	47 808
Number of shares at period end (000s)	51 233	43 609	43 761
Average number of shares (000s)	54 689	43 609	43 761
Average number of shares after dilution (000s)(1)	34,60	7,30	12,35

Jan-Mar 2013	Jan-Mar 2012	Jan-Dec 2012
9,1	5,2	10,3
75	Neg.	Neg.
1	Neg.	Neg.
Neg.	Neg.	Neg.
Neg.	Neg.	Neg.
-9,2	-6,4	-27,4
Neg.	Neg.	neg
-7,8	6,3	15,6
42,3	46,3	19,7
94	91	88
-4,2	-0,8	-10,8
20	19	19
3,70	2,23	2,11
3,47	2,23	2,11
-0,15	0,14	0,71
-0,14	0,14	0,71
51 239	43 609	47 808
51 233	43 609	43 761
54 689	43 609	43 761
34,60	7,30	12,35

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

TO2: The program is from 2010 and extends until May 11, 2013. The exercise price is SEK 15.74. 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 958,000 new Class B shares.

TO3: The program is from 2011 and extends until December 18, 2014. The exercise price is SEK 13.64. 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 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 has been taken into account when 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 has not been taken into account when 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.

*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-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
	2013	2012	2013	2012	2013	2012
Net sales	9.1	5.2	-	-	9.1	5.2
Segment earnings	-12.0	-9.1	-	-	-12.0	-9.1
Net financial items	0.0	0.1	-	-	0.0	0.1
Loss for the period	-12.0	-9.0	-	-	-12.0	-9.0

## Consolidated income statement and statement of comprehensive income for the past eight quarters

(SEK M)	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
	2013	2012	2012	2012	2012	2011	2011	2011
Net sales	9.1	1.9	2.6	0.6	5.2	18.6	20.2	16.9
Cost of goods sold	-9.0	-3.4	-3.5	-3.6	-5.5	-10.8	-11.1	-8.4
<b>Gross profit/loss</b>	<b>0.1</b>	<b>-1.5</b>	<b>-0.9</b>	<b>-3.1</b>	<b>-0.3</b>	<b>7.8</b>	<b>10.1</b>	<b>8.5</b>
Sales expenses	-5.5	-3.5	-1.8	-2.1	-2.7	-4.1	-2.8	-3.8
Administrative expenses	-3.8	-2.8	-3.6	-3.3	-2.8	-3.2	-2.3	-3.1
Development expenses	-2.7	-2.2	-1.9	-2.4	-2.4	-0.4	-0.7	-0.4
Other operating income/expenses	-0.1	0.2	-1.6	0.8	0.9	0.3	-0.1	-1.3
<b>Operating profit/loss</b>	<b>-12.1</b>	<b>-9.8</b>	<b>-9.9</b>	<b>-10.0</b>	<b>-9.1</b>	<b>0.3</b>	<b>4.2</b>	<b>0.0</b>
Net financial items	0.0	0.1	0.2	0.2	0.1	0.4	0.2	0.0
Tax	-	-	-	-	-	-	-	-
<b>Profit/loss for the period</b>	<b>-12.0</b>	<b>-9.7</b>	<b>-9.7</b>	<b>-9.8</b>	<b>-9.0</b>	<b>0.7</b>	<b>4.3</b>	<b>0.1</b>
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income/loss for the period</b>	<b>-12.0</b>	<b>-9.7</b>	<b>-9.7</b>	<b>-9.8</b>	<b>-9.0</b>	<b>0.7</b>	<b>4.3</b>	<b>0.1</b>

## Consolidated statement of financial position over the past eight quarters

	Mar 31,	Dec 31,	Sep 30,	Jun 30,	Mar 31,	Dec 31,	Sep 30,	June 30,
	2013	2012	2012	2012	2011	2011	2011	2011
<b>Assets</b>								
<i>SEK/USD, balance sheet date</i>	6.53	6.52	6.58	7.06	6.62	6.92	6.86	6.31
Intangible fixed assets	30.2	29.1	26.6	24.8	26.4	28.2	27.1	26.0
Tangible fixed assets	4.4	4.8	5.1	5.2	4.1	4.2	4.4	4.4
Financial fixed assets	-	-	1.3	1.2	1.1	0.9	-	-
Total fixed assets	35.2	33.9	33.0	31.2	31.6	33.3	31.6	30.4
Inventory	12.3	11.4	11.7	9.5	5.4	4.3	5.3	8.0
Advance payment to suppliers	-	0.4	-	-	-	-	-	-
Accounts receivable	2.3	6.2	14.8	21.4	38.4	53.0	46.0	27.7
Other receivables	3.5	1.9	3.0	1.8	1.5	2.3	2.1	2.1
Prepaid exp. and accr. income	0.8	0.8	0.9	1.1	1.0	0.8	0.5	2.0
Cash and cash equivalents	148.5	60.6	25.9	36.1	28.5	23.0	27.4	37.5
Total current assets	167.4	81.3	56.2	69.9	74.8	83.9	81.3	77.3
<b>Total assets</b>	<b>202.6</b>	<b>115.3</b>	<b>89.3</b>	<b>101.1</b>	<b>106.5</b>	<b>116.8</b>	<b>112.8</b>	<b>107.7</b>
<b>Shareholders' equity and liabilities</b>								
Shareholders' equity	189.8	101.9	78.5	87.5	97.2	106.3	104.8	100.5
Provisions for pensions	-	-	1.7	1.5	1.4	1.2	-	-
Non-current liabilities	0.6	0.7	0.8	0.8	-	-	-	-
Accounts payable	5.1	4.6	2.2	3.1	2.3	3.3	2.4	2.7
Other liabilities	0.8	0.6	0.6	0.7	0.3	0.3	0.3	0.4
Accrued exp. and def. income	6.3	7.5	5.5	7.5	5.2	5.7	5.3	4.1
<b>Total shareholders' equity and liabilities</b>	<b>202.6</b>	<b>115.3</b>	<b>89.3</b>	<b>101.1</b>	<b>106.5</b>	<b>116.8</b>	<b>112.8</b>	<b>107.7</b>

## Consolidated cash flow statement for the past eight quarters

	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
(SEK M)	2013	2012	2012	2012	2012	2011	2011	2011
Profit/loss before tax for the period	-12.0	-9.7	-9.8	-9.8	-9.0	0.7	4.3	0.1
Adjustments for non-cash items	2.9	2.7	2.6	2.9	2.7	1.3	1.2	1.2
Change in inventory	-0.8	0.2	-2.1	-4.1	-1.1	1.0	2.7	5.1
Change in current receivables	2.7	9.4	5.6	16.7	15.2	-7.5	-16.8	-2.7
Change in current liabilities	-0.5	4.4	-3.0	3.4	-1.5	1.3	0.7	-2.5
Cash flow from operating activities	-7.8	7.0	-6.7	9.0	6.3	-3.2	-7.8	1.2
Cash flow from investing activities	-4.2	-3.3	-4.2	-2.3	-0.8	-3.1	-2.3	-2.6
Cash flow from financing activities	99.8	30.9	0.7	0.8	-	2.0	-	24.1
<b>Change in cash and cash equivalents</b>	<b>87.9</b>	<b>34.7</b>	<b>-10.2</b>	<b>7.6</b>	<b>5.5</b>	<b>-4.3</b>	<b>-10.1</b>	<b>22.6</b>
Cash and cash equivalents on the opening date	60.6	25.9	36.1	35.7	23.0	27.4	37.5	14.9
Cash and cash equivalents on the closing date	148.5	60.6	25.9	36.1	28.5	23.0	27.4	37.5

## Key consolidated data for the past eight quarters

	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
	2013	2012	2012	2012	2012	2011	2011	2011
Net sales (SEK M)	9.1	1.9	2.6	0.6	5.2	18.6	20.2	16.9
Net sales growth (%)	75	Neg.	Neg.	Neg.	Neg.	3	15	74
Gross margin (%)	1	Neg.	Neg.	Neg.	Neg.	42	50	50
Operating margin (%)	Neg.	Neg.	Neg.	Neg.	Neg.	2	21	0
Operating margin (%)	Neg.	Neg.	Neg.	Neg.	Neg.	4	22	0
Profit margin (%)	-9.2	-7.0	-7.0	-7.7	-6.4	2.0	5.4	1.3
EBITDA (SEK M)	Neg.	Neg.	Neg.	Neg.	Neg.	1	16	0
Return on equity (%)	-7.8	7.0	-6.7	9.0	6.3	-3.2	-7.8	1.2
Cash flow from operating activities (SEK M)	42.3	19.7	0.0	46.3	46.3	6.1	24.4	14.9
Order backlog (SEK M)	94	88	88	86	91	91	93	93
Equity/assets ratio (%)	-4.2	-3.3	-4.2	-2.3	-0.8	-3.1	-2.3	-2.6
Investments (SEK M)	20	19	17	16	19	18	19	19
Average number of employees	3.70	2.11	1.80	2.00	2.23	2.44	2.40	2.30
Shareholders' equity per share (SEK)	3.47	2.11	1.80	2.00	2.23	2.44	2.40	2.30
Shareholders' equity per share after dilution (SEK) (1)	-0.15	0.16	0.20	0.21	0.14	-0.05	-0.19	0.03
Cash flow from operating activities per share (SEK)	-0.14	0.16	0.20	0.21	0.14	-0.05	-0.19	0.03
Cash flow from operating activities per share, after dilution (SEK)	51,239	47,808	43,609	43,609	43,609	43,609	43,609	43,609
Number of shares, period end (000s)	51,233	44,216	43,609	43,609	43,609	43,609	43,609	42,515
Average number of shares (000s)	54,689	44,216	43,609	43,609	43,659	43,609	43,609	42,515
Average number of shares after dilution (000s) (1)	34.60	12.35	6.15	5.30	7.30	9.30	6.15	6.00

FPC has four warrant programs:

TO2: The program is from 2010 and extends until May 11, 2013. The exercise price is SEK 15.74. 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 958,000 new Class B shares.

TO3: The program is from 2011 and extends until December 18, 2014. The exercise price is SEK 13.64. 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 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 has been taken into account when 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 has not been taken into account when 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.

*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 eight quarters

	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	Jul-Jun 2010/11
Sales, rolling 12 months (SEK M)	14.2	10.3	27.0	61.5	61.0	68.6	68.2	65.6
Gross profit, rolling 12 months (SEK M)	-5.3	-5.7	3.6	24.0	26.1	31.6	31.2	26.6
Gross margin, rolling 12 months (%)	Neg.	Neg.	13	39	43	46	44	41
Operating profit/loss, rolling 12 months (SEK M)	-36.7	-38.7	-28.6	-9.2	-4.6	2.7	2.5	2.9
Operating margin, rolling 12 months (%)	Neg.	Neg.	Neg.	Neg.	Neg.	4	5	4
EBITDA, rolling 12 months (SEK M)	-30.7	-28.0	-18.9	-6.7	1.7	8.2	8.9	8.9

### Disclosures on the fair value of financial instruments, Group

SEK M	March 31, 2013				March 31, 2012			
	Level				Level			
	1	2	3	Total	1	2	3	Total
<b>Current financial receivables</b>								
Financial assets at fair value via profit or loss	0.0	-	-	0.0	0.4	-	-	0.4
<b>Cash and cash equivalents</b>								
Financial assets at fair value via profit or loss	10.2	-	-	10.2	6.8	-	-	6.8
<b>Total financial assets</b>	<b>10.2</b>	<b>-</b>	<b>-</b>	<b>10.2</b>	<b>7.2</b>	<b>-</b>	<b>-</b>	<b>7.2</b>
<b>Current financial liabilities</b>								
Financial liabilities at fair value via profit or loss	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Fair value and carrying amount of financial liabilities and assets

SEK M	March 31, 2013		March 31, 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
<b>Current financial assets</b>				
Financial assets at fair value via profit or loss	0,0	0,0	0,4	0,4
<b>Loan receivables and accounts receivable</b>				
<b>Accounts receivable</b>	2,3	2,3	38,4	38,4
Cash and cash equivalents	148,5	148,5	28,5	28,5
<b>Total financial assets</b>	<b>150,8</b>	<b>150,8</b>	<b>65,3</b>	<b>65,3</b>
<b>Financial liabilities</b>				
<b>Current financial liabilities</b>				
Financial liabilities at fair value via profit or loss	-	-	-	-
<b>Accounts payable</b>				
Financial liabilities at amortized cost	5,1	5,1	2,3	2,3
<b>Total financial liabilities</b>	<b>5,1</b>	<b>5,1</b>	<b>2,3</b>	<b>2,3</b>
<b>By category</b>				
Financial assets at fair value via profit or loss	0,0	0,0	0,4	0,4
<b>Loan receivables and accounts receivable</b>	150,8	150,8	66,9	66,9
<b>Total</b>	<b>150,8</b>	<b>150,8</b>	<b>67,3</b>	<b>67,3</b>
Financial liabilities at fair value via profit or loss	-	-	-	-
Financial liabilities at amortized cost	5,1	5,1	2,3	2,3
<b>Total financial liabilities</b>	<b>5,1</b>	<b>5,1</b>	<b>2,3</b>	<b>2,3</b>

### Qualitative disclosures concerning the fair value of financial instruments

Since the company only has financial instruments measured in category 1, there were no transfers among the categories. The company does not apply a portfolio approach.

### Condensed income statement, Parent Company

(SEK M)

	Jan-Mar 2013	Jan-Mar 2012	Jan-Dec 2012
Net sales	9.1	5.2	10.3
Cost of goods sold	-9.0	-5.5	-16.0
<b>Gross profit/loss</b>	<b>0.1</b>	<b>-0.3</b>	<b>-5.7</b>
Sales expenses	-5.5	-2.7	-10.1
Administrative expenses	-3.8	-2.8	-12.5
Development expenses	-2.7	-2.4	-8.9
Other operating expenses	-0.1	-0.9	-1.5
<b>Operating loss</b>	<b>-12.1</b>	<b>-9.1</b>	<b>-38.7</b>
Net financial items	0.0	0.1	0.6
Tax	-	-	-
<b>Loss for the period</b>	<b>-12.0</b>	<b>-9.0</b>	<b>-38.1</b>

### Condensed balance sheet, Parent Company

(SEK M)

	Mar 31, 2013	Mar 31, 2012	Dec 31, 2010
<b>Assets</b>			
Intangible fixed assets	30.2	26.4	29.2
Tangible fixed assets	4.4	4.1	3.7
Financial fixed assets	5.9	3.9	3.6
Total fixed assets	40.2	34.5	36.5
Inventory	12.3	5,4	7,9
Accounts receivable	2.3	38.4	6,2
Current receivables	3.5	1.4	1,8
Prepaid expenses accrued income	0,8	1.0	2.7
Cash and bank	147.8	28.5	59,9
Total current assets	166.7	74.7	80.5
<b>Total assets</b>	<b>206.9</b>	<b>109.2</b>	<b>117,1</b>
<b>Shareholders' equity and liabilities</b>			
Restricted shareholders' equity	51.7	49.4	51,0
Unrestricted shareholders' equity	137.8	47.4	50,5
Total shareholders' equity	189.5	96.8	101,5
Pension provisions	-	1.4	-
Current liabilities	17.4	11.1	15,6
<b>Total shareholders' equity and liabilities</b>	<b>206.9</b>	<b>109.2</b>	<b>117.1</b>
<b>Pledged assets</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Contingent liabilities</b>	<b>None</b>	<b>None</b>	<b>None</b>

#### Accounting policies

This condensed interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting, and applied 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, 2011 and must be read together with the Annual Report with the exception of the classification of the amortization of capitalized development expenditures, which have been classified as the cost of goods sold since 2012. No new or revised IFRS that became effective in 2012 had any significant impact on the Group.