

Board of Directors of Fingerprint Cards AB (publ) reports pursuant to Chapter 20, Section 13 of the Swedish Companies Act

With reference to the Board of Directors motion for a resolution on a reduction of the share capital at the AGM on 20 April 2017, the Board of Directors in Fingerprint Cards AB (publ), reg. no. 556154-2381, hereby render the following reports pursuant to Chapter 20, Section 13 of the Swedish Companies Act (2005:551).

The Board of Directors proposes a resolution on a reduction of the company's share capital by SEK 416,960 from SEK 12,975,667 to SEK 12,558,707. The reduction shall be effected with cancellation of 10,424,000 B-shares repurchased by the company since the previous AGM. The reduction amount shall be allocated as non-restricted equity to be used as resolved by the AGM as stated below.

In order to achieve a timely and efficient redemption procedure without obtaining an authorization from the Swedish Companies Registration Office, the Board of Directors proposes the AGM resolve to restore the company's share capital to its original amount by increasing the company's share capital by an amount corresponding to SEK 416,960 through a bonus issue without the issuance of new shares by transferring the issue amount from the company's non-restricted equity to the company's share capital.

Following the implementation of the reduction of the company's share capital and the bonus issue, the company's restricted equity and share capital will remain unchanged.

Gothenburg, March 2017
The Board of Directors