

# SALES INCREASE IN FOURTH QUARTER

PRECISE BIOMETRICS AB (PUBL), CORPORATE IDENTITY NO. 556545-6596 YEAR END REPORT 2014

- The group's net sales for the financial year 2014 was SEK 31.4 million (34.9), respectively SEK 9.9 million (2.9) for the fourth quarter.
- The group's operating result for the year was SEK -44.5 million (-42.2), respectively SEK -9.7 million (-19.7) for the fourth quarter. Impairment losses of inventory and intangible assets have impacted the annual result with SEK -7.4 million and the fourth quarter with SEK -4.4 million.
- The group's net result for the year was SEK -44.0 million (-43.3), respectively SEK -9.6 million (-19.0) for the fourth quarter.
- Earnings per share for the period were SEK -0.13 (-0.14), respectively -0.03 (-0.06) for the fourth quarter.
- Available cash at the end of the period amounted to SEK 59.7 million (101.2).

## MAIN EVENTS IN FOURTH QUARTER

- Precise BioMatch™ Mobile was integrated in yet another smartphone, Oppo N3.
- Precise Biometrics entered into an agreement with Synaptics for licensing of Precise BioMatch Mobile. The license agreement enables Synaptics to use Precise Biometrics fingerprint algorithm into their touch fingerprint sensors and solutions.
- Precise Biometrics delivered Tactivo<sup>™</sup> readers to a value of SEK 1.0 million to the Defense Logistics Agency (DLA) within the US Department of Defense. DLA is implementing a mobility solution that enables secure e-mail and browsing capabilities from iOS devices (iPhone and iPad).
- Precise Biometrics delivered Tactivo readers to a value of SEK 1.1 million to a South American insurance company. The order consists of two delivery's that will impact fourth quarter revenues 2014 with 0.7 million and first quarter revenues 2015 with 0.4 million.
- Precise Biometrics launched three new smart card readers, Tactivo for iPhone 6, iPad mini 3 and iPad Air 2.

#### **MAIN EVENTS IN 2014**

- Precise BioMatch Mobile was integrated in the world's first Android based smartphone with a touch fingerprint sensor.
- Precise Biometrics focused operations in order to reach profitability in 2015 through increased market presence in the business area fingerprint technology, efficient use of the company's partner network for sales of Tactivo and reduction of operating expenses.

#### FOR FURTHER INFORMATION, PLEASE CONTACT

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Precise Biometrics is a market-leading provider of solutions for fingerprint recognition to prove people's identities. With top-of-the-line expertise in fingerprint verification, Precise Biometrics offers fast, accurate and secure authentication of a person.

The technology adds value to ID, enterprise and bank cards as well as access to mobile solutions (smart phones and tablets), computers and networks. Precise Biometrics serves business and government organizations throughout the world and its technology is licensed to close to 160 million users.



# INTERVIEW WITH HÅKAN PERSSON CEO, PRECISE BIOMETRICS

# How would you describe the fourth quarter?

As a result of increased efforts in the business area Fingerprint Technology and more efficient use of our partner network in the business area Mobile Smart Card Solutions, we succeeded in achieving the best sales figures for the year in the last quarter of 2014. We are also seeing a clear trend that current costs are decreasing as a result of our restructuring activities during the third quarter, which has led to a decrease of loss during the fourth quarter. This means that we have a good platform to build on for the continuation of our operations in 2015.

Yet another smartphone with our fingerprint algorithm was launched during the quarter. In addition to this, our technology has received top rankings for the functionality and user experience of fingerprint recognition in recent smartphone reviews. License revenues from fingerprint technology continue to increase, while at the same time we have reinforced our position in the market.

In December, Precise Biometrics reached an agreement for licensing of the fingerprint algorithm Precise BioMatch™ Mobile to Synaptics, one of the leading sensor manufacturers. This agreement means that they can use our fingerprint algorithm for their fingerprint sensors and solutions with touch functionality. This strengthens our position as an independent supplier of fingerprint algorithms for mobile units. We already have a similar agreement with another leading sensor manufacturer, Fingerprint Cards.

We won two important orders for the smart card reader Tactivo™ during the quarter. The order from the Defense Logistics Agency, which is part of the US Department of Defense, is valued at SEK 1.0 million. Precise Biometrics has also received an order for Tactivo from a South American insurance company to a value of SEK 1.1 million.

# How would you assess the Company's position in the mobile market for fingerprint technology?

During the autumn our product has been integrated into two smartphones. This is a confirmation that we have a competitive product offering with first-rate performance and security, and which gives customers a good user experience. The market is expanding, where Apple accounts for the largest share of sales of mobile devices with fingerprint sensors. Business analysts are agreed that most mobile phone manufactures will be implementing fingerprint technology in the near future, and they are forecasting robust growth in this market.

The focusing of our operations initiated in the third quarter, which has been fully implemented in the fourth quarter, had the objective of reinforcing the business area Fingerprint Technology. We are already seeing the results of our activities as we have become an established name among the major players and participate in an increasing number of test and evaluation projects. Our product offering and know-how in this field and our increased market presence in Asia means that we are well positioned for further expansion in 2015.



# How has the market for Tactivo developed?

During the quarter we took an important step in the American government agency market through the order from the US Defense Logistics Agency. The agency has initiated a project where they implement a mobile solution for secure email and access to information on iOS devices (iPhone and iPad). If this project is successful it can be followed by further orders and influence other agencies.

In the enterprise market we have initiated several pilot projects during the quarter and an increasing number of companies with smart card based security solutions have expressed demands for secure access to email, documents and systems via mobile units, especially in the finance and energy sectors. The implementation of Tactivo by the South American insurance company is a good example of an innovative solution for making business processes more efficient through identity verification with fingerprints on mobile devices.

The Swedish healthcare sector continues to demonstrate its interest in Tactivo, which has led to new orders for additional pilot projects during the quarter alongside the continuation of existing pilot projects. In this particular case it concerns mobile access to different types of care systems by means of the SITHS card, a service identification widely in use in Swedish healthcare for both physical and electronic identification. Similar projects are also underway in the healthcare sector in the UK.

# How do you see the Company developing in 2015?

2014 came to an end with the best sales figures for the year and I am convinced that the consolidation of our strength with focus on fingerprint technology for mobile devices and our network of partners for smart card solutions means great opportunities for the Company. The markets we operate in are still developing, but show good growth potential, which is why we are expecting a steady increase in demand during the year, and why I reiterate our ambition to achieve profitability in 2015.



### **MARKET AND SALES - FOURTH QUARTER 2014**

Precise Biometrics' operations are divided into three business areas: Fingerprint Technology (licensing of algorithms), Mobile Smart Card Solutions (Tactivo™), and Desktop & Physical Access Solutions (fingerprint readers and access solutions for premises and computers).

The business area **Fingerprint Technology** includes the software based on the Company's algorithms: Precise BioMatch™ Embedded, Precise BioMatch™ Mobile and Precise Match-on-Card™. Precise BioMatch Mobile, which was launched in 2013, is developed and optimized for integration of fingerprint recognition in smartphones and tablets. This software was initially adapted for small sensors and is suitable for use in, for example, mobile units.

Sales for this business area in the fourth quarter amounted to SEK 3.7 million. The partnership with Fingerprint Cards generated license revenues that can mainly be attributed to end customers in the mobile sector. In October, the Company announced that the mobile phone manufacturer Oppo had integrated a fingerprint sensor with Precise BioMatch Mobile in one of their smartphones. The technology is used for simple and secure unlocking of the phone, but also to control the rotating camera and protect the photo album. In December, an agreement was signed with Synaptics for licensing of Precise BioMatch™ Mobile, which resulted in initial revenues already during the quarter. Additional revenues came from the continued roll-out of the national ID card project in Portugal.

The business area **Mobile Smart Card Solutions** consists of Tactivo, a product portfolio of smart card readers for smartphones and tablets. The products enable true mobility for organizations using a smart card based security solution, providing convenient and secure access to systems and applications. Tactivo for iPhone and iPad are form-fitted and designed to perfectly fit and protect the device in order to keep the user experience. Tactivo is also available for Android devices.

Sales for this business area in the fourth quarter amounted to SEK 2.0 million. A South American insurance company and the Defense Logistics Agency (DLA), part of the US Department of Defense, accounted for the main part of these sales. The order from DLA is the first major implementation of Tactivo among government agencies the US. The solution is based on the existing infrastructure for smart cards, Common Access Card (CAC), and improves the user-friendliness of the existing system.

In the enterprise sector the leading energy company that Precise Biometrics reported on in the second quarter continued its implementation of Tactivo. Several other pilot projects have also been initiated. The interest in Tactivo within the healthcare sector continues to grow, especially in Sweden, the UK and Benelux, with new orders for additional and expanded pilot projects. Three new models of smart card readers were launched during the quarter, Tactivo for iPhone 6, iPad mini 3 and iPad Air 2.

The business area **Desktop & Physical Access Solutions** refers to sales of the Company's traditional products, which include fingerprint readers for desktop work stations and physical access to premises.

Sales for this business area in the fourth quarter amounted to SEK 4.2 million. Revenues are attributable to existing customers in the Middle East and the US that use Precise Biometrics' fingerprint reader 200MC for secure login to networks and to Fitness24Seven, one of Scandinavia's largest gym chains, which uses Precise Biometrics' solution for member access to the gyms.



#### SALES AND RESULT – FOURTH QUARTER 2014

Sales for the fourth quarter ended at SEK 9.9 million (2.9). The increase in sales is a result of higher revenues from the business units Fingerprint Technology and Mobile Smart Card Solutions compared to previous year. The total gross margin amounted to 39 % (13 %). Previous year's low gross margin was affected negatively by a price reduction in the fourth quarter.

As a result of the launch of new iPhone and iPad versions during 2014 and lower sales of older Tactivo versions the Company has revaluated the balance sheet items related to these. During the third quarter price adjustments were initiated for the older versions of Tactivos and during the fourth quarter additional impairments have been recognized, to net realizable value. In addition to this another impairment loss of a component inventory for other older touch readers has been recognized. In total an impairment loss of SEK 4.4 was recognized in the fourth quarter. The amount reduced intangible assets (development costs) with SEK 0.8 million and inventory with SEK 3.6 million.

Operating costs were SEK 13.5 million (20.2). Even including the impairment losses the operating costs have been significantly lowered as a result of the reorganization that was performed in 2014. The operating costs of the fourth quarter 2013 were affected by a CEO transition.

The Group's net loss for the fourth quarter amounted to SEK -9.6 million (-19.0).

Losses per share (average number of shares) for the fourth quarter amounted to SEK –0.03 (-0.06).

## **SALES AND RESULT - FINANCIAL YEAR 2014**

Sales for the financial year 2014 amounted to SEK 31.4 million (34.9). The sales for the business areas Fingerprint Technology and Mobile Smart Card Solutions increased during the year. **Fingerprint Technology** sales were SEK 8.3 million (7.8) which is a growth of 6 %. Most of the sales were to the sensor manufacturer Fingerprint Cards and to partners in the national ID-projects. For **Mobile Smart Card Solutions** the sales grew to SEK 5.1 million (4.3) which is a growth of 19 %. More than 6,000 Tactivo readers were sold during the year. The two biggest customers were US DLA and a South American insurance company. The third business area Desktop & Physical access had a decrease in sales, SEK 18.0 million (22.8) but it still stands for the biggest part of the company's total sales. During 2014 the company continued to deliver access solutions to gyms of Fitness24Seven group and fingerprint readers to customers in the Middle East and the USA.

The total gross margin amounted to 55 % (54 %).

Operating expenses for the financial year amounted to SEK 61.7 million (61.1). Operating costs are at same level as previous year. The cost savings program decided upon during the fall has still not made full impact. The operating expenses are including reorganization costs of SEK 3.2 million and impairment losses of in total SEK 7.4 million. Another effect of SEK 4.4 million related to the quicker depreciation on capitalized development costs compared to previous year.

The group's net loss for financial year amounted to SEK -44.0 million (-43.3).

Losses per share (average number of shares) for the financial year amounted to SEK –0.13 (-0.14).



### **INVESTMENTS IN TANGIBLE FIXED ASSETS**

During the fourth quarter the group has invested SEK 0.0 million (0.2) in tangible fixed assets. During the financial year 2014 the group has invested SEK 1.2 million (2.4) in tangible fixed assets. Tools for manufacturing older versions of Tactivo has been written off with SEK 0.8 Million.

### CAPITALIZATION AND DEPRECIATION OF DEVELOPMENT WORK

Development work costs of SEK 6.6 million (9.4) were capitalized during the year, 50 % is new investments in the products in business area Fingerprint Technology and the remaining part is investments in new Tactivo versions. A new development project Tactivo for iPhone 6 was performed during the year and production is being initiated. Since new versions of iPhone and iPad were introduced by Apple during 2014 the possibility for the company to sell older versions of the Tactivo has decreased, which has led to impairment losses of in total SEK 2.3 million affected earlier capitalized development costs. Depreciation of capitalized costs for development work amounted to SEK 8.5 million (4.1) during the year. During the fourth quarter 2013, the company made a revised assessment in relation to the depreciation according to plan of the development projects related to Tactivo. The Company has determined that the products in the product family Tactivo has a shorter life cycle than the company's more traditional products and should be depreciated over a shorter period.

During the fourth quarter development work costs were capitalized with SEK 1.5 million (1.5). Depreciation of capitalized costs for development work amounted to SEK 2.1 million (1.6) during the quarter.

### FINANCING AND LIQUIDITY

As of December 31, 2014 total equity amounted to SEK 92.0 million (134.5) and equity/share to SEK 0.27 (0.39).

Cash flow from current operations amounted to SEK -7.3 million (-9.0) in the fourth quarter. Cash flow for the full year 2014 amounted to SEK -33.9 million (-34.2).

Available cash as of December 31, 2014 amounted to SEK 59.7 million (101.2).

# **PARENT COMPANY**

Parent company sales for the year amounted to SEK 26.4 million (28.5). Operating loss before tax for the full year amounted to SEK –36.8 million (-43.1).

Available cash at the end of the year amounted to SEK 57.0 million (97.0).



## **ORGANIZATION AND EMPLOYEES**

The organization consists of Precise Biometrics AB with the head quarters in Lund, Sweden and one office in Karlstad, Sweden. The organization also consists of the subsidiary Precise Biometrics Inc. with an office in Virginia, USA.

As of December 31, 2014 the group had 22 (29) employees, 21 (26) in Sweden and 1 (3) in the US.

#### **RISK FACTORS**

Precise Biometrics is exposed to both commercial and financial risks, which to a large extent lie outside the reach and influence of the company. There is no guarantee that the current capital will be sufficient until the Company achieves a positive cash flow. Neither is there any guarantee that new capital can be acquired if the need should arise, or that such capital can be acquired on preferential terms. For a full account of identified risks, please refer to the Annual Report for 2013, which was submitted March 31, 2014. No further essential risks or uncertainties have arisen after the submission of the Annual Report.

## **FUTURE REPORT DATES**

Interim report Q1 2015 May 12, 2015 (New date compared to earlier statement)

Interim report Q2 2015 August 18, 2015
Interim report Q3 2015 November 10, 2015
Year-end report 2015 February 16, 2016

# **ANNUAL GENERAL MEETING**

The annual general meeting for Precise Biometrics AB (publ) will be held on April 27, 2015 at 4 p.m. at Precise Biometrics headquarters in Lund, Scheelevägen 30.

The annual report for 2014 will be published by the latest three weeks before the annual general meeting.



### **ACCOUNTING PRINCIPLES**

This Interim report has been prepared in accordance with IAS 34, interim reporting and the Swedish Company Accounts Act. The report for the parent company has been prepared in accordance with the Annual Accounts Act, Chapter 9; Interim report.

New IFRS, additions to IAS and IFRIC interpretations taking effect January 1, 2014, did not have a material effect on the financial statements.

For information on the applied accounting principles please refer to the Annual Report 2013.

This year-end closing report has not been subject to review by the Company's auditors.

Lund, January 27, 2015

#### The Board of Directors

Torgny Hellström, Chairman

Torbjörn Clementz Eva Maria Matell Anders Harrysson Matts Lilja Mats Lindoff

## **President and CEO**

Håkan Persson

Precise Biometrics AB (publ) may be required to disclose the information provided herein pursuant to the Securities Markets Act. The information was submitted for publication at 08.00 on January 27, 2015.



# **Income statement, Group**

(Figures in thousands SEK)	Q4	Q4	Full year	Full year
	2014	2013	2014	2013
Net sales	9 852	2 887	31 387	34 944
Cost of goods sold	-5 981	-2 011	-14 208	-15 976
Gross profit/loss	3 871	876	17 179	18 968
Selling expenses	-4 154	-7 269	-19 907	-24 777
Administrative expenses	-2 385	-4 550	-14 343	-14 706
R&D costs	-7 780	-8 569	-28 984	-21 307
Other operating income and changes in value	789	202	1 508	-358
	-13 530	-20 186	-61 726	-61 148
Operating result	-9 659	-19 310	-44 547	-42 180
Financial income/expenses	41	285	502	-1 092
Result after financial items	-9 618	-19 025	-44 045	-43 272
_				
Tax	-	-	-	-
Desult for the worked	0.610	10.025	-44 045	42 272
Result for the period	-9 618	-19 025	-44 045	-43 272
Result attributable to:				
Owners of the parent	-9 618	-19 025	-44 045	-43 272
•	-9 010	-19 023	-44 043	-43 2/2
Result per share (before dilution), SEK	-0,03	-0,06	-0,13	-0,14
. , , , , , , , , , , , , , , , , , , ,	-0,03	-0,00	-0,13	-0,14
Result per share (after dilution), SEK	-0,03	-0,06	-0,13	-0,14
Result per Share (after unution), SER	-0,03	-0,00	-0,13	-0,14



# Groups statement of profit or loss and other comprehensive income

(Figures in thousands SEK)	Q4	Q4	Full year	Full year
	2014	2013	2014	2013
Profit/loss for the period	-9 618	-19 025	-44 045	-43 272
Other comprehensive income:				
Items that can be reclassified into profit or loss				
Change in accumulated exchange rate differences	852	21	1220	43
	852	21	1220	43
Comprehensive income for the period, net of tax	852	21	1 220	43
Total comprehensive income for the period	-8 766	-19 004	-42 825	-43 229
Attributable to:				
Owners of the parent	-8 766	-19 004	-42 825	-43 229
Total comprehensive income for the period	-8 766	-19 004	-42 825	-43 229

# **Balance Sheet, Group**

(Figures in thousands SEK)	12/31/2014	12/31/2013
Assets		
Intangible fixed assets	17 360	21 574
Tangible fixed assets	2 784	3 475
Inventories	11 860	14 228
Accounts receivable - trade	6 759	3 997
Other current receivables <sup>1)</sup>	7 778	8 453
Cash and bank balances	59 659	101 197
Total assets	106 200	152 924
Equity and liabilities		
Equity	91 983	134 547
Current liabilities	14 217	18 377
Total equity and liabilities	106 200	152 924
Pledged assets	NONE	24 000
Contingent liabilities	NONE	NONE



# **Cash Flow Statement, Group**

(Figures in thousands SEK)	<b>Q4</b>	Q4	Full year	Full year
<u>-</u>	2014	2013	2014	2013
Cash flow from operating activities				
before changes in working capital	-5 653	-15 335	-30 664	-36 942
Cash flow from changes in working capital	-1 650	6 334	-3 264	2 723
Cash flow from operating activities	-7 303	-9 001	-33 928	-34 219
Cash flow from investing activities	-1 506	-1 706	-7 871	-11 749
Cash flow from financing activities	-	-149	261	109 580
Cash flow for the period	-8 809	-10 856	-41 538	63 612
Liquid funds at the beginning of the period	68 468	112 053	101 197	37 584
Liquid funds at the end of the period	59 659	101 197	59 659	101 197

12/31/2014 12/31/2013

# **Key Figures, Group**

	12/31/2014	12/31/2013
Working capital (thousands SEK)	71 839	109 498
Liquid ratio	522%	618%
Equity/assets ratio	87%	88%
Return on average equity	neg	neg
Capital employed (thousands SEK)	91 983	134 547
Return on capital employed	neg	neg
Profit/loss per share (SEK)	-0,13	-0,14
EBITDA (thousands SEK)	-31 772	-35 293
Equity per share (SEK)	0,27	0,39
Number of shares	345 306 094	345 306 094
Number of employees at the end of the period	22	29
Average number of employees during the period	27	34

#### Definitions - Key Figures

Working capital: Current assets less current liabilities

Liquid ratio: Current assets less inventories divided by current liabilities

Equity/assets ratio: Equity as of the balance sheet date divided by total assets as of the balance sheet date

Return on equity: Profit/loss for the period divided by average equity

Capital employed: Balance sheet total minus non-interest-bearing liabilities and provisions

Return on capital employed: Profit/loss after financial items plus financial expenses divided by the average capital employed.

 $Profit floss \, per \, share: \, Profit floss \, after \, tax \, divided \, by \, the \, average \, number \, of \, shares. \, The \, options \, are \, not \, included \, in \, the \, calculation \, divided \, by \, the \, average \, number \, of \, shares. \, The \, options \, are \, not \, included \, in \, the \, calculation \, divided \, by \, the \, average \, number \, of \, shares. \, The \, options \, are \, not \, included \, in \, the \, calculation \, divided \, by \, the \, average \, number \, of \, shares. \, The \, options \, are \, not \, included \, in \, the \, calculation \, divided \, by \, the \, average \, number \, of \, shares. \, The \, options \, are \, not \, included \, in \, the \, calculation \, divided \, by \, the \, average \, number \, of \, shares. \, The \, options \, are \, not \, included \, in \, the \, calculation \, divided \, by \, the \, average \, number \, of \, shares. \, The \, options \, are \, not \, included \, in \, the \, calculation \, divided \, by \, the \, average \, number \, of \, shares. \, The \, options \, are \, not \, included \, in \, the \, calculation \, divided \, by \, the \, average \, number \, of \, shares. \, The \, options \, are \, not \, included \, in \, the \, calculation \, divided \, by \, the \, average \, number \, of \, shares \, av$ 

 $due to calculation of potential shares would result in \\ an improvement in loss per share which is not permitted according to IAS 33 \\$ 

EBITDA: Profit/loss before net financial items, depreciations, write-downs and tax

Equity per share: Equity at the end of the period divided by the number of shares at the end of the period. Quarterly earnings ratios are not disclosed Operating costs (as described in Sales and result): Operating costs excluding costs for products sold, participations in

associated companies and goodwill write-down, but including depreciation and write-downs and after capitalization of costs for development work



# Changes in equity in summary, Group

(Figures in thousands SEK)

	2014 Full year	2013 Full year
Opening balance	134 547	48 195
Comprehensive income for the period	-44 045	-43 272
Exchangerate differences	1 220	43
New share issue	-	48 663
Directed new share issue	-	80 918
Options	261	-
Closing balance	91 983	134 547

# Segment information<sup>1)</sup> (Figures in thousands SEK)

Sales per segment	2014	2013	2014	2013
	Q4	Q4	Full year	Full year
Mobile Smart Card Solutions	1 966	-1 754	5 147	4 325
Fingerprint Technology	3 724	-1 626	8 289	7 822
Desktop & Physical Access Solutions	4 162	6 267	17 951	22 797
Group	9 852	2 887	31 387	34 944
Costs per segment <sup>2)</sup>	2014	2013	2014	2013
	Q4	Q4	Full year	Full year
Mobile Smart Card Solutions	-9 415	-10 494	-38 959	-42 249
Fingerprint Technology	-4 646	-5 539	-17 728	-17 980
Desktop & Physical Access Solutions	-4 225	-4 051	-14 371	-18 974
Other <sup>3)</sup>	-1 225	-2 113	-4 876	2 079
Group	-19 511	-22 197	-75 934	-77 124
Operating result per segment	2014	2013	2014	2013
	Q4	Q4	Full year	Full year
Mobile Smart Card Solutions	-7 449	-12 248	-33 812	-37 924
Fingerprint Technology	-922	-7 165	-9 439	-10 158
Desktop & Physical Access Solutions	-63	2 216	3 580	3 823
Other <sup>3)</sup>	-1 225	-2 113	-4 876	2 079
Group	-9 659	-19 310	-44 547	-42 180

<sup>1)</sup> New segments apply from January 1, 2014 and the 2013 figures are restated accordingly.

<sup>2)</sup> The above expenses in the segments include Cost of goods sold as well as direct and share of indirect operation

expenses.

3) "Other" includes capitalization and depreciation of development work, depreciation of tangible fixed assets and other operating income and changes in value. Costs have been taken into account in the period they have incurred.



# **Income statement, Parent company**

(Figures in thousands SEK)	Full year 2014	Full year 2013
Net sales	26 394	28 517
Cost of goods sold	-13 933	-18 875
Gross profit/loss	12 461	9 642
Selling expenses	-15 373	-15 859
Administrative expenses	-14 342	-14 704
R&D costs	-28 984	-21 307
Other operating income and changes in value	8 291	-356
	-50 408	-52 226
Operating result	-37 947	-42 584
Financial income/expenses	1 122	-508
Result after financial items	-36 825	-43 092
Tax		
Result for the period	-36 825	-43 092



# **Balance Sheet, Parent company**

(Figures in thousands SEK)	12/31/2014	12/31/2013
Assets		
	17.260	24 574
Intangible fixed assets	17 360	21 574
Tangible fixed assets	2 784	3 475
Participations in group companies	1 058	1 058
Inventories	7 437	10 913
Accounts receivable - trade	4 435	1 777
Other current receivables <sup>1)</sup>	47 179	43 702
Cash and bank balances	56 979	96 976
Total assets	137 232	179 475
Equity and liabilities		
Equity	125 175	161 999
Other provisions	212	100
Current liabilities	11 845	17 376
Total equity and liabilities	137 232	179 475
Pledged assets	NONE	24 000
Contingent liabilities	NONE	NONE

<sup>&</sup>lt;sup>1</sup>) Incl. intercompany receivables totaling SEK 40 million (35).



#### **TELEPHONE CONFERENCE**

On the occasion of today's Year-End report we have the pleasure to invite investors and journalists to the following informative meeting during the day.

- The conference starts at 10.00 (CET)
- To participate, please call + 46 (0)8-566 426 62

An operator will note your name and connect you to the conference. She/he will also provide you with information about what to do if you have any questions.

The presentation will be held in English but afterwards there will be an opportunity to ask questions in Swedish.

Participating on behalf of Precise Biometrics

- Håkan Persson, CEO
- Bo-Göran Jaxelius, CFO

A recording from the conference will be available for three days after the telephone meeting. To listen to the conference afterwards, dial the toll free number +44 2033 645 943 or +1 8662 866 997. When asked to state a reference number please dial 357863 and finish with (#).

Please visit <a href="http://precisebiometrics.com/investor/financial-reports/">http://precisebiometrics.com/investor/financial-reports/</a> where a presentation can be downloaded.

## FOR FURTHER INFORMATION, PLEASE CONTACT

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Precise Biometrics is a market-leading provider of solutions for fingerprint recognition to prove people's identities. With topof-the-line expertise in fingerprint verification, Precise Biometrics offers fast, accurate and secure authentication of a person.

The technology adds value to ID, enterprise and bank cards as well as access to mobile solutions (smart phones and tablets), computers and networks.

Precise Biometrics serves business and government organizations throughout the world and its technology is licensed to close to 160 million users.

For more information, please visit www.precisebiometrics.com