

## TACTIVO™ FOR ANDROID IS LAUNCHED AND RIGHTS ISSUE WAS OVERSUBSCRIBED

PRECISE BIOMETRICS AB (PUBL), CORPORATE IDENTITY NO. 556545-6596  
INTERIM REPORT FOR THE PERIOD JANUARY – JUNE 2013

- The group's net sales for the period was SEK 26.0 million (11.4).
- The group's operating result for the period was SEK -12.4 million (-21.5).
- The group's net result for the period was -13.9 (-22.8).
- Earnings per share for the period was SEK -0.05 (-0.12).
- Available cash at the end of the quarter amounted to SEK 47.3 million (3.4).

### IMPORTANT EVENTS DURING THE QUARTER

- Precise Biometrics has signed a frame agreement with Volkswagen, with an expected duration of several years, for further supply of Tactivos. Volkswagen uses Tactivo as part of their security infrastructure, extending already existing investments for encryption and authentication made for desktop and laptop users to smartphones and tablets.
- Tactivo is the first and so far only mobile smart card reader which has been FIPS 201-certified (Federal Information Processing Standards) for the US Government Service Administration Approved Products List.
- Tactivo for iPad 4th Generation has been MFi (Made For iPad) approved by Apple and launched globally.
- Precise Biometrics launches Tactivo mini for Android. By the launch the company broadens its product offering and will thereby be able to cover most smartphones and tablets that are used by customers in both the private and public sectors.
- Precise Biometrics' rights issue, with preferential rights for Precise Biometrics' shareholders, was oversubscribed. The company was supplied with SEK 48.7 million after issue costs. The rights issue was subscribed to 169.4%. The share issue will finance new orders resulting in increased working capital, develop Tactivo through increased resources for production, product development and sales and marketing efforts.
- Precise Biometrics received follow-up orders for fingerprint readers of SEK 9.9 million from a government customer in the Middle East. SEK 6.5 million of the orders have been delivered and invoiced in the second quarter. The remainder will be delivered and invoiced in the third quarter.

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### 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.

For more information, please visit [www.precisebiometrics.com](http://www.precisebiometrics.com) and [www.idApps.com](http://www.idApps.com).

## TACTIVO<sup>TM</sup> FOR ANDROID IS LAUNCHED AND RIGHTS ISSUE WAS OVERSUBSCRIBED

INTERVIEW WITH THOMAS MARSCHALL,  
CEO AND PRESIDENT, PRECISE BIOMETRICS

### How would you summarize the second quarter?

We began the year with one of the best quarters ever. Even if the second quarter did not quite reach the same levels of turnover and profit, we have a very positive outlook on the opportunities for growth in the time ahead. There is a lot of potential in the mobile market for our Tactivo product series and primarily in the large US government agency market. Our market position has been further strengthened after Tactivo, as the first and only mobile smart card reader, was FIPS 201-certified (Federal Information Processing Standards) for the US Government Service Administration Approved Products List.



We signed a frame agreement spanning several years for further deliveries of Tactivos to Volkswagen, one of the world's largest car manufacturers. The agreement enables a long term delivery of Tactivo to their business.

Within our business unit IAM we received follow-up orders for fingerprint readers, totalling SEK 9.9 million, from an existing customer in the Middle East. The majority of the orders SEK 6.5 million, were delivered and invoiced during the second quarter.

### What is happening in the market?

The market for enhanced mobile security continues to grow and we are seeing widespread use of fingerprint technology to access sensitive information via smartphones and tablets. There are clear signals that new requirements for personal identity checks for the remote connection of mobile units among government employees and suppliers to government agencies can be introduced in the US, and maybe as soon as during the second half of 2013. So far Tactivo is the only mobile smart card reader certified for use by US government agencies.

Tactivo for Android was launched towards the end of the quarter. This means that we have further strengthened our product offering and has now solutions for more than 90 per cent of all the smartphones and tablets in our segment of choice.

The federal ID card project in Nigeria has unfortunately been delayed. The local authorities have not followed through with the timetable they previously set, which means that the project has not generated any earnings yet. We have therefore reduced our expectations we had of the project, even if we hope that it will soon get going.

### What could you tell us about the new issue of shares implemented in the spring?

The new issue of shares which was subscribed up to 169% injected SEK 48.7 million, after issue costs, to the company. The reason for the share issue was to maintain a high development and marketing tempo, and to reinforce our working capital so that we can implement our ambitious plan for growth in the years to come. The company now has good financial platform from which we can continue to expand.

**How do you see the rest of 2013 developing?**

We continue to have high expectations for our further expansion and the development in the market contributes to that we remain positive about our opportunities. Precise Biometrics has a very exciting product program that continues to grow, and which is very well adapted to a large and well-defined market. The prospects in the market are good, not least in the US, where there are very good opportunities in the government agency market.

We expect that sales of Tactivo will expand, and primarily in the US government market. We also see an expanding market for our algorithms and the ID card segment within the framework of the business area IAM. Our assessment remains that both of our two business areas, IAM and Mobile, have strong market potential for future growth.

## **SALES AND RESULT**

### **Interim period January to June 2013**

Sales for the interim period were SEK 26.0 million (11.4). The improvement in sales is impacted by the order from the US based provider of financial information services in Q1, the order from one of the largest mobile operators in US also in Q1 as well as the hardware follow-up orders from the government customer in the Middle East. The gross margin amounted to 66% (61%).

Operating costs amounted to SEK 29.5 million (28.4).

The Group's net loss for the period is SEK -13.9 million (-22.8). The change is due to higher sales compared to last year

Earnings per share (average number of shares) for the interim period was SEK -0.05 (-0.12).

### **Second Quarter April to June 2013**

Sales for the second quarter amounted to SEK 9.2 million (6.7). The improvement in sales is mainly impacted by the hardware follow-up orders from the government customer in the Middle East. The gross margin was 43% (52%). The lower margin is due to higher proportion of hardware sales.

Operating costs for the second quarter were SEK 15.3 million (15.1). The group's net loss amounted to SEK -12.6 Million (-13.0).

Losses per share (average number of shares) for the second quarter amounted to SEK -0.04 (-0.07).

## **FINANCING AND LIQUIDITY**

As of June 30, 2013 equity amounted to SEK 82.9 million (24.1) and equity/share to SEK 0.26 (0.13)

Cash flow from current operations amounted to SEK -4.3 million (-11.7). Available cash as of June 30, 2013 amounted to SEK 47.3 million (3.4). The company has been provided with SEK 48.7 million after expenses through a share issue with preferential rights for existing shareholders.

## **MARKET AND SALES – Q2 2013**

The majority of Precise Biometrics' sales in the second quarter of 2013 has consisted of both license and hardware sales within the business area IAM. The hardware sales have primarily been to a government customer in Middle East. License sales have in large consisted of ongoing sales to one of Scandinavia's largest gym chains as well as license sales to ongoing national id card projects.

In the business area Mobile sales in the second quarter have been more limited. Most of the company Tactivo sales are expected to go to the US market and especially to government customers.

During the second quarter Tactivo, as the first and only smart card reader for mobile devices, has become FIPS 201 certified for US Government Service Administration (GSA) Approved Products List. Certification and approval of the GSA allows US authorities to follow the mandate that requires all government employees to use their PIV cards for access to government information.

With the clear market potential in the US market Precise Biometrics has continued to focus on the US sales organization. Jeff Scott, with a background in government sales in the US, has been appointed Head of Sales North America. More sales resources are anticipated to be employed in

the US during the second half of the year as part of the company's efforts to further support and strengthen the North American sales organization

Outside the US market, Precise Biometrics has signed a framework agreement for continued deliveries of Tactivo to Volkswagen. The company has worked closely with Volkswagen to ensure that Tactivo fulfill their enhanced security needs.

In the second quarter the company launched Tactivo for iPad 4 and Tactivo mini for Android. With the launch of Tactivo mini Precise Biometrics broaden their range and now offer Tactivo for other products than the iOS-based. Thus, Precise Biometrics will be able to cover most smartphones and tablets that are used by customers in both the private and public sectors.

#### **PARENT COMPANY**

Parent company sales for the year amounted to SEK 18.7 million (9.5). Operating loss before tax for the interim period amounted to SEK -13.3 million (-23.6).

Available cash at the end of the quarter amounted to SEK 46.5 million (2.9). The company has been provided by SEK 48.7 million after expenses through a share issue with preferential rights for existing shareholders.

#### **ORGANIZATION AND EMPLOYEES**

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

As of June 30, 2013 the group had 34 (37) employees, 29 in Sweden and 5 in the US.

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

During the interim period the group has invested SEK 1.8 million (0.4) in tangible fixed assets.

During the second quarter the group has invested SEK 1.8 million (0.2) in tangible fixed assets.

#### **CAPITALIZATION AND DEPRECIATION OF DEVELOPMENT WORK**

Development work costs of SEK 6.2 million (3.9) were capitalized during the interim period with impact from new investments within the business area Mobile. Depreciation of capitalized costs for development work amounted to SEK 1.6 million (0.9) during the interim period.

During the second quarter development work costs of SEK 3.0 million (1.7) were capitalized. Depreciation of capitalized development costs amounted to SEK 0.8 million (0.4) during the quarter.

#### **ANNUAL GENERAL MEETING 2013**

Precise Biometrics' Annual General Meeting was held on April 23 2013 at the company's headquarters in Lund.

Torbjörn Clementz, Eva Maria Matell and Lisa Thorsted and Lena Widin Klasén were re-elected as members of the board, whilst Lena Widin Klasén and Erwin Leichtle declined re-election. Anders Harrysson, Matts Lilja and Torgny Hellström were elected as new members of the board. Lisa Thorsted was elected as chairman of the board.

The Annual General Meeting resolved on a new share issue with preferential right for the company's shareholders.

In accordance with the proposal of the board, the Annual General Meeting resolved to adopt guidelines for management principally entailing that remuneration and terms of employment shall be competitive and in accordance with market conditions.

In accordance with the recommendations of the board of directors, the General Meeting resolved to authorize a new issue to a maximum of 26.5 million shares. Full exercise of the authorization, at full conversion, is equivalent to a dilution of approximately 10 % of the present share capital and votes. The purpose of the authorization and the reason for the deviation from the shareholders' preferential right is to enable the Company to effect payment of company acquisitions by the Company's own shares and/or convertibles and to obtain capital contributions from new owners that are considered strategically important in an operational, financial, structural or other perspective.

In accordance with the proposal of the board, the Annual General Meeting resolved that the company's share capital shall be reduced by SEK 31,742,780.16 to cover loss. The reduction shall be effected without retirement of shares and without repayment to the shareholders. After the reduction, the company's share capital will amount to SEK 74,066,487.04, allocated between a total number of 264,523,168 shares. The reduction entails a reduction of the quota value of the shares with SEK 0.12 from SEK 0.40 to SEK 0.28.

For more details regarding the above resolutions taken at the General Meeting see Precise Biometrics website under Annual General Meeting.

#### **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 2012, which was submitted April 2, 2013. No further essential risks or uncertainties have arisen after the submission of the Annual Report.

#### **FUTURE REPORT DATES**

Interim report Q3	October 23, 2013
Year-end report	February 7, 2014

**ACCOUNTING PRINCIPLES**

This Interim report has been prepared in accordance with IAS 34, interim reporting and the Swedish Company Accounts Act.

New IFRS, additions to IAS and IFRIC interpretations taking effect January 1, 2013, did not have a material effect on the financial statements.

For information on the applied accounting principles please refer to the Annual Report for 2012. This quarterly report has not been subjected to review by the Company's auditors.

*Lund, July 17, 2013*

The Board of Directors and the President certify that the interim report gives a true and fair overview of the parent company's and group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the parent company and other companies in the group.

**The board of directors**

Lisa Thorsted, Chairman

Torbjörn Clementz    Eva Maria Matell    Anders Harrysson    Matts Lilja    Torgny Hellström

Thomas Marschall, President and CEO, Precise Biometrics AB (publ).

*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 July 18, 2013.*



**Income statement, Group**

(Figures in thousands SEK)

	<b>Q2 2013</b>	<b>Q2 2013</b>	<b>Q1-Q2 2013</b>	<b>Q1-Q2 2012</b>	<b>Full year 2012</b>
Net sales	9 171	6 689	25 967	11 405	28 281
Cost of goods sold	-5 247	-3 216	-8 870	-4 496	-12 495
<b>Gross profit/loss</b>	<b>3 924</b>	<b>3 473</b>	<b>17 097</b>	<b>6 909</b>	<b>15 786</b>
Selling expenses	-7 305	-6 559	-14 067	-12 235	-25 812
Administrative expenses	-3 562	-3 492	-6 716	-7 285	-13 909
R&D costs	-4 815	-5 514	-8 791	-8 925	-18 239
Other operating income and changes in value	373	469	95	79	-729
	-15 309	-15 096	-29 479	-28 366	-58 689
<b>Operating result</b>	<b>-11 385</b>	<b>-11 623</b>	<b>-12 382</b>	<b>-21 457</b>	<b>-42 903</b>
Financial costs	-1 191	-1 368	-1 507	-1 383	-4 049
<b>Result after financial items</b>	<b>-12 576</b>	<b>-12 991</b>	<b>-13 889</b>	<b>-22 840</b>	<b>-46 952</b>
Tax	-	-	-	-	-
<b>Result for the period</b>	<b>-12 576</b>	<b>-12 991</b>	<b>-13 889</b>	<b>-22 840</b>	<b>-46 952</b>
<b>Result attributable to:</b>					
Owners of the parent	-12 576	-12 991	-13 889	-22 840	-46 952
<i>Result per share (before dilution), SEK</i>	<i>-0,04</i>	<i>-0,07</i>	<i>-0,05</i>	<i>-0,12</i>	<i>-0,23</i>
<i>Result per share (after dilution), SEK</i>	<i>-0,04</i>	<i>-0,07</i>	<i>-0,05</i>	<i>-0,12</i>	<i>-0,23</i>



**Groups statement of profit or loss and other comprehensive income**

<b>(Figures in thousands SEK)</b>	<b>Q2 2013</b>	<b>Q2 2012</b>	<b>Q1-Q2 2013</b>	<b>Q1-Q2 2012</b>	<b>Full year 2012</b>
<b>Profit/loss for the period</b>	<b>-12 576</b>	<b>-12 991</b>	<b>-13 889</b>	<b>-22 840</b>	<b>-46 952</b>
<b>Other comprehensive income:</b>					
<b>Items that can be reclassified into profit or loss</b>					
Change in accumulated exchange rate differences	-38	154	-46	-15	143
	-38	154	-46	-15	143
<b>Comprehensive income for the period, net of tax</b>	<b>-38</b>	<b>154</b>	<b>-46</b>	<b>-15</b>	<b>143</b>
<b>Total comprehensive income for the period</b>	<b>-12 614</b>	<b>-12 837</b>	<b>-13 935</b>	<b>-22 855</b>	<b>-46 809</b>
<b>Attributable to:</b>					
Owners of the parent	-12 614	-12 837	-13 935	-22 855	-46 809
Total comprehensive income for the period	-12 614	-12 837	-13 935	-22 855	-46 809

**Balance Sheet, Group**

(Figures in thousands SEK)

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>12/31/2012</u>
<b>Assets</b>			
Intangible fixed assets	22 877	15 795	18 358
Tangible fixed assets	3 329	1 235	1 829
Inventories	9 253	15 510	10 985
Accounts receivable - trade <sup>1)</sup>	9 751	8 762	10 803
Other current receivables	7 064	5 482	6 092
Cash and bank balances	47 337	3 387	37 584
<b>Total assets</b>	<b>99 611</b>	<b>50 171</b>	<b>85 651</b>
<b>Equity and liabilities</b>			
Equity	82 923	24 133	48 195
Current liabilities	16 688	26 038	37 456
<b>Total equity and liabilities</b>	<b>99 611</b>	<b>50 171</b>	<b>85 651</b>
<b>Pledged assets</b>	<b>24 000</b>	<b>26 400</b>	<b>24 000</b>
<b>Contingent liabilities</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

<sup>1)</sup> Include a receivable concerning contract manufacturer totalling SEK 1.3 million (2.2) for 2013

### Cash Flow Statement, Group

(Figures in thousands SEK)	Q2 2013	Q2 2012	Q1-Q2 2013	Q1-Q2 2012	Full year 2012
Cash flow from operating activities before changes in working capital	-11 753	-12 729	-12 276	-22 116	-44 620
Cash flow from changes in working capital	7 440	1 005	1 344	-9 191	-4 252
Cash flow from operating activities	-4 313	-11 724	-10 932	-31 307	-48 872
Cash flow from investing activities	-4 701	-1 891	-7 978	-4 236	-9 143
Cash flow from financing activities	48 663	10 000	28 663	10 000	66 669
<b>Cash flow for the period</b>	<b>39 649</b>	<b>-3 615</b>	<b>9 753</b>	<b>-25 543</b>	<b>8 654</b>
Liquid funds at the beginning of the period	7 688	7 002	37 584	28 930	28 930
Liquid funds at the end of the period	47 337	3 387	47 337	3 387	37 584

### Key Figures, Group

	6/30/2013	6/30/2012	12/31/2012
Working capital (thousands SEK)	56 717	7 103	28 008
Liquid ratio	384%	68%	145%
Equity/assets ratio	83%	48%	56%
Return on average equity	-	-	neg
Capital employed (thousands SEK)	82 923	35 480	68 195
Return on capital employed	-	-	neg
Profit/loss per share (SEK)	-0,05	-0,12	-0,23
EBITDA (thousands SEK)	-10 423	-20 404	-40 100
Equity per share (SEK)	0,26	0,13	0,18
Number of shares	323 306 094	188 945 120	264 523 168
Number of employees at the end of the period	34	37	37
Average number of employees during the period	36	36	37

#### 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/loss per share: Profit/loss after tax divided by the average number of shares. The options are not included in the calculation 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, Group**  
(Figures in thousands SEK)

	Capital stock	Other paid in capital	Reserves	Balanced profit/ year's profit	Total equity
<b>Ingående balans per 1 januari 2012</b>	<b>75 578</b>	<b>564 635</b>	<b>584</b>	<b>-593 809</b>	<b>46 988</b>
<b>Totalresultat</b>					
Totalresultat för perioden	-	-	-	-22 840	-22 840
<b>Övrigt totalresultat</b>					
Valutakursdifferenser	-	-	-15	-	-15
Summa övrigt totalresultat	0	0	-15	0	-15
<b>Summa totalresultat</b>	<b>0</b>	<b>0</b>	<b>-15</b>	<b>-22 840</b>	<b>-22 855</b>
<b>Utgående balans per 30 juni 2012</b>	<b>75 578</b>	<b>564 635</b>	<b>569</b>	<b>-616 649</b>	<b>24 133</b>
<b>Opening balance as at January 1, 2013</b>	<b>105 809</b>	<b>582 420</b>	<b>727</b>	<b>-640 761</b>	<b>48 195</b>
<b>Comprehensive income</b>					
Comprehensive income for the period	-	-	-	-13 889	-13 889
<b>Other comprehensive income</b>					
Exchangerate differences	-	-	-46	-	-46
Total comprehensive income	0	0	-46	0	-46
Total other comprehensive income	0	0	-46	-13 889	-13 935
<b>Transactions with the shareholders</b>					
Reduction of the quota value of the shares <sup>1)</sup>	-31 743	-	-94	31 837	0
New share issue <sup>2)</sup>	16 459	32 204	-	-	48 663
Total transactions with the shareholders	-15 284	32 204	-94	31 837	48 663
<b>Closing balance as at June 30, 2013</b>	<b>90 525</b>	<b>614 624</b>	<b>587</b>	<b>-622 813</b>	<b>82 923</b>

1) The capital stock is reduced by SEK 31 743 thousand to cover loss. The reduction entails a reduction of the quota value of the shares with SEK 0.12, from SEK 0.40 to SEK 0.28.

2) New share issue totalling 58,782,926 new shares at a rate of SEK 0.93 with deductions for issue costs SEK 6,005 thousand.

**Turnover and profitability by segments Q1 2013**

(Figures in thousands SEK)

	IAM		MOBILE		TOTAL SEGMENTS	
	2013	2012	2013	2012	2013	2012
Net sales	8 555	6 660	616	29	9 171	6 689
Expenses <sup>1)</sup>	-14 397	-10 339	-8 425	-9 521	-22 822	-19 860
Result <sup>2)</sup>	-5 842	-3 679	-7 809	-9 492	-13 651	-13 171

**Turnover and profitability by segments Q1-Q2 2013**

(Figures in thousands SEK)

	IAM		MOBILE		TOTAL SEGMENTS	
	2013	2012	2013	2012	2013	2012
Net sales	19 274	11 376	6 693	29	25 967	11 405
Expenses <sup>1)</sup>	-22 805	-17 511	-19 815	-18 216	-42 620	-35 727
Result <sup>2)</sup>	-3 531	-6 135	-13 122	-18 187	-16 653	-24 322

1) The above expenses in the segments include Cost of goods sold as well as direct and share of indirect operation expenses.

2) Group Result (see Income statement) also includes capitalization and depreciation of development work, depreciation of tangible fixed assets and other operating income and changes in value. This amount totals for Q2 SEK 2,266 thousand (1,548) and for Q1-Q2 4,271 thousand (2,865).

**Income statement, Parent company**

(Figures in thousands SEK)

	<b>Q1-Q2 2013</b>	<b>Q1-Q2 2012</b>	<b>Full year 2012</b>
Net sales	18 737	9 494	24 512
Cost of goods sold	-8 578	-10 404	-23 421
<b>Gross profit/loss</b>	<b>10 159</b>	<b>-910</b>	<b>1 091</b>
Selling expenses	-7 538	-6 508	-12 628
Administrative expenses	-6 716	-7 170	-13 908
R&D costs	-8 791	-8 043	-18 239
Other operating income and changes in value	854	128	-2 432
	-22 191	-21 593	-47 207
<b>Operating result</b>	<b>-12 032</b>	<b>-22 503</b>	<b>-46 116</b>
Financial costs	-1 296	-1 112	-3 630
<b>Result after financial items</b>	<b>-13 328</b>	<b>-23 615</b>	<b>-49 746</b>
Tax	-	-	-
<b>Result for the period</b>	<b>-13 328</b>	<b>-23 615</b>	<b>-49 746</b>

**Balance Sheet, Parent company**

(Figures in thousands SEK)

	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>12/31/2012</u>
<b>Assets</b>			
Intangible fixed assets	22 877	15 725	18 358
Tangible fixed assets	3 329	1 154	1 829
Participations in group companies	1 058	1 058	1 058
Inventories	7 694	14 981	9 810
Accounts receivable - trade <sup>1)</sup>	2 218	5 033	5 954
Other current receivables <sup>2)</sup>	41 194	35 330	38 715
Cash and bank balances	46 470	2 876	35 197
<b>Total assets</b>	<b>124 840</b>	<b>76 157</b>	<b>110 921</b>
<b>Equity and liabilities</b>			
Equity	110 846	53 501	75 511
Other provisions	134	77	117
Current liabilities	13 860	22 579	35 293
<b>Total equity and liabilities</b>	<b>124 840</b>	<b>76 157</b>	<b>110 921</b>
<b>Pledged assets</b>	<b>24 000</b>	<b>24 000</b>	<b>24 000</b>
<b>Contingent liabilities</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

<sup>1)</sup> Include a receivable concerning contract manufacturer totalling SEK 1.3 million (2.2) for 2013.

<sup>2)</sup> Include inter-company receivables totalling SEK 35.3 million (30.1) for 2013.

#### TELEPHONE CONFERENCE

On the occasion of today's Interim Report we have the pleasure to invite investors and journalists to the following informative meeting during the day

- The conference starts at 11.00 (CET)
- To participate, please call + 46 (0)8 505 564 81

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

- Thomas Marschall, President and CEO
- Patrik Norberg, CFO

A recording from the conference will be available for three days after the telephone meeting. To listen to the conference afterwards dial +46 (0)8 505 564 73. When asked to state a reference number please dial 347858 and finish with (#).

Please visit [www.precisebiometrics.com/financial-reports](http://www.precisebiometrics.com/financial-reports) where a presentation can be downloaded.

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#### FOR FURTHER INFORMATION

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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, 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](http://www.precisebiometrics.com).