

CONTINUED EFFORTS ON NEW SENSOR TECHNOLOGIES

Interim report January-March 2018

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DRIVING FACTORS IN KEY FOCUS AREAS

	AREA	DRIVING FACTOR
MOBILE	HIGH-END	New smartphone designs with edge-to-edge screens with optical or ultrasound sensors
	LOW-END	Increased price pressure on capacitive sensors opens up low-end segment
	SMART CARDS	Demand for biometric payment cards to increase convenience of contactless payments and reduce fraud
	NEW APPLICATIONS	Demand for convenience, security and personalization

FIRST WIN IN EVOLVING SENSOR MARKET

- ▶ New smartphone designs are driving demand for ultrasound and optical sensors
- ▶ Sensor market is evolving - ultrasound and optical sensors vendors are challenging current market leaders
- ▶ We have ten customers working with these solutions
- ▶ Precise BioMatch™ Mobile has been deployed in Huawei Honor 10, integrated with an under-glass sensor from Qualcomm

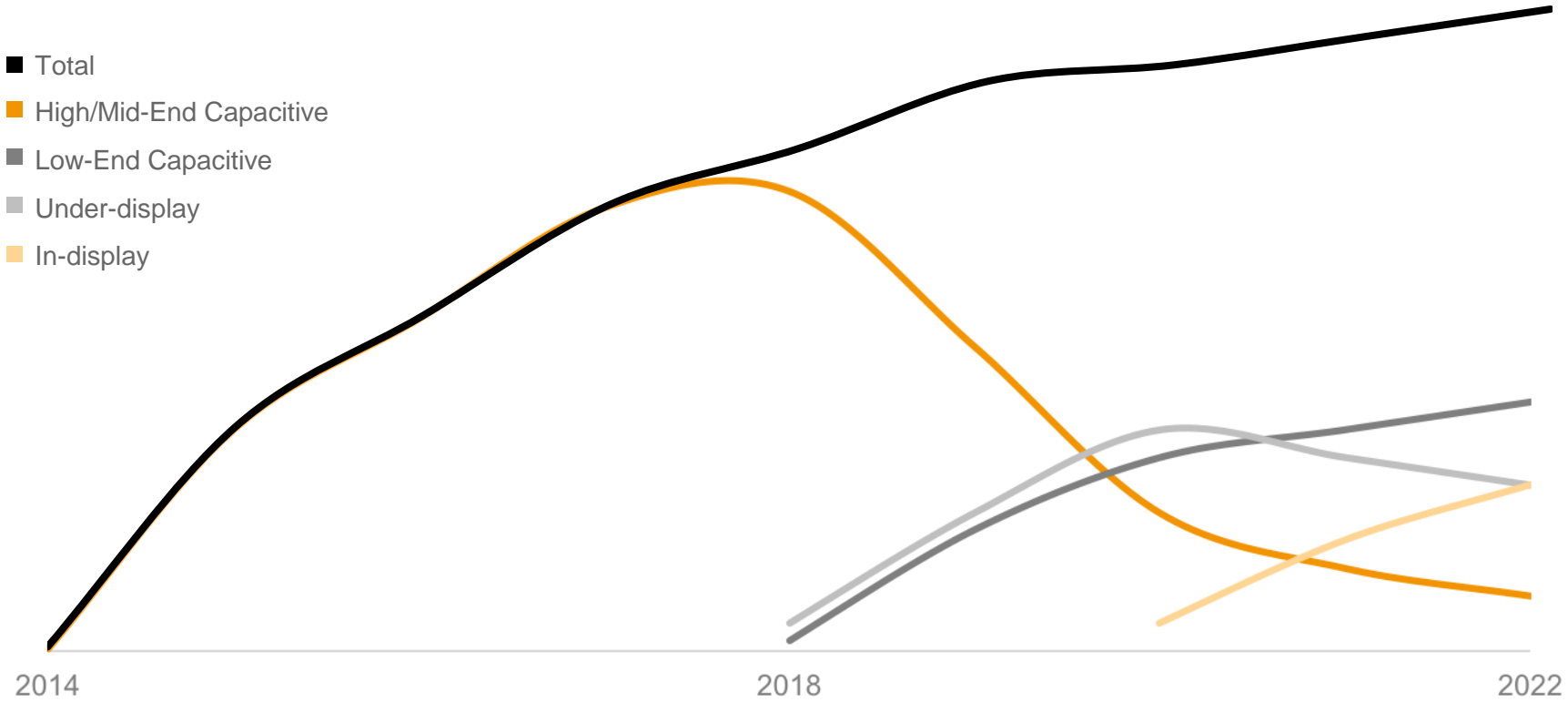


STRENGTHENED COOPERATIONS FOR LOW-END MARKET

- ▶ Continued price pressure on capacitive sensors opens up low-end market
- ▶ Low-end mobile devices to drive sensor shipment growth in 2018
- ▶ Precise Biometrics has strengthened cooperation with several customers targeting low-end market
- ▶ Integrated in Sony Xperia L2 through collaboration with Elan Microelectronics



TECHNOLOGY DEVELOPMENT ON SENSOR MARKET*



*Based on Precise Biometrics' and analysts' assessment of the market development

SMART CARDS

CONTINUED MOMENTUM IN BIOMETRIC SMART CARDS

- ▶ More vendors are actively working with biometric smart cards – prerequisite for broad implementation
- ▶ Several new pilots of biometric payment cards
- ▶ First pilot by Visa of dual-interface biometric payment cards in the USA – using Precise BioMatch Embedded
- ▶ Deepened cooperation with Kona-i
- ▶ Precise Biometrics is working with several customers on biometric card projects



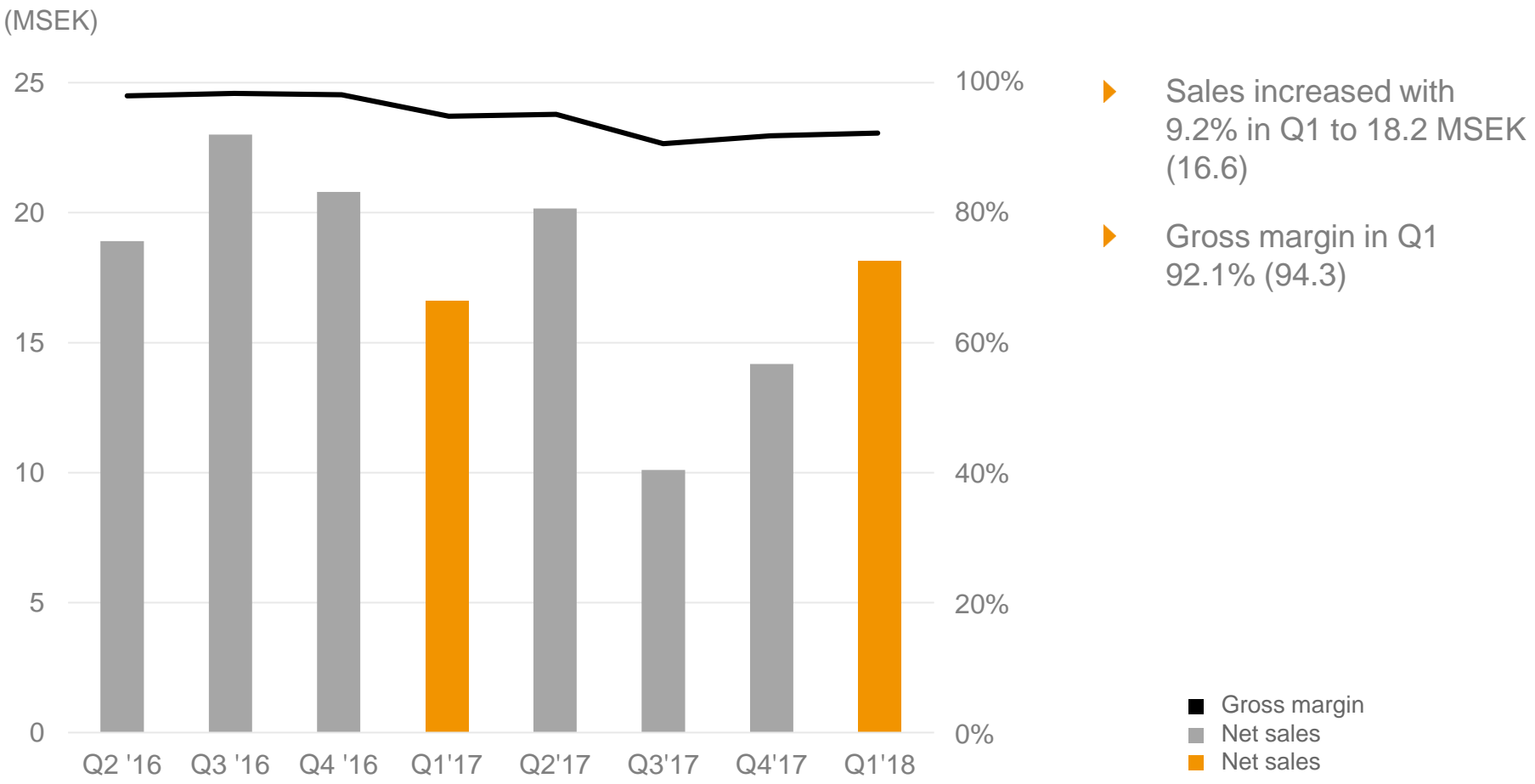
NEW APPLICATIONS

BIOMETRICS IN NEW APPLICATION AREAS

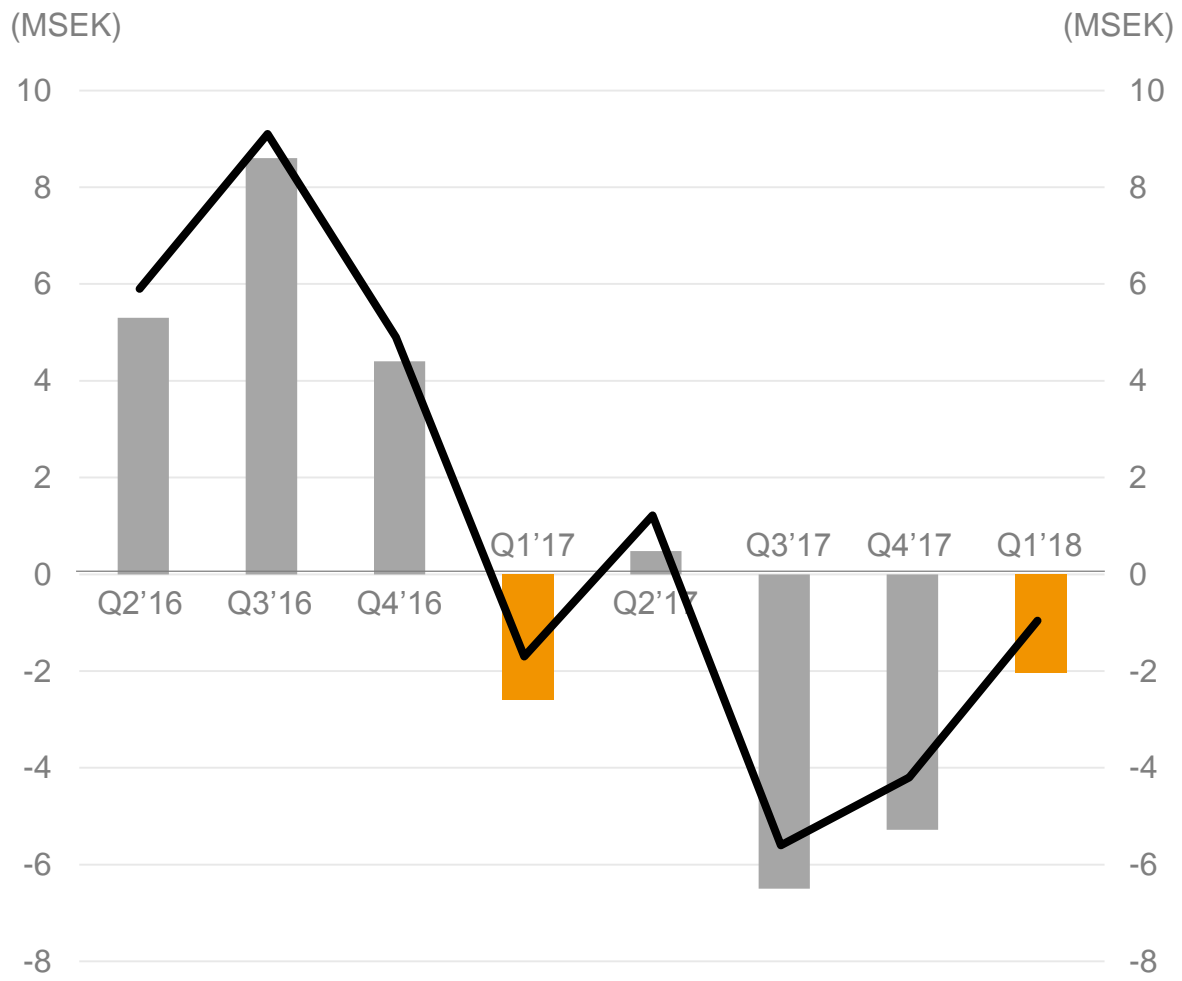
- ▶ Biometrics will to a greater extent replace passwords and other means of authentication in new areas of use
- ▶ Interest to use fingerprint technology in:
 - ▶ Cars
 - ▶ Wearables, such as watches and rings
 - ▶ Gaming controls
- ▶ Precise Biometrics is involved in several projects within this area



NET SALES & GROSS MARGIN



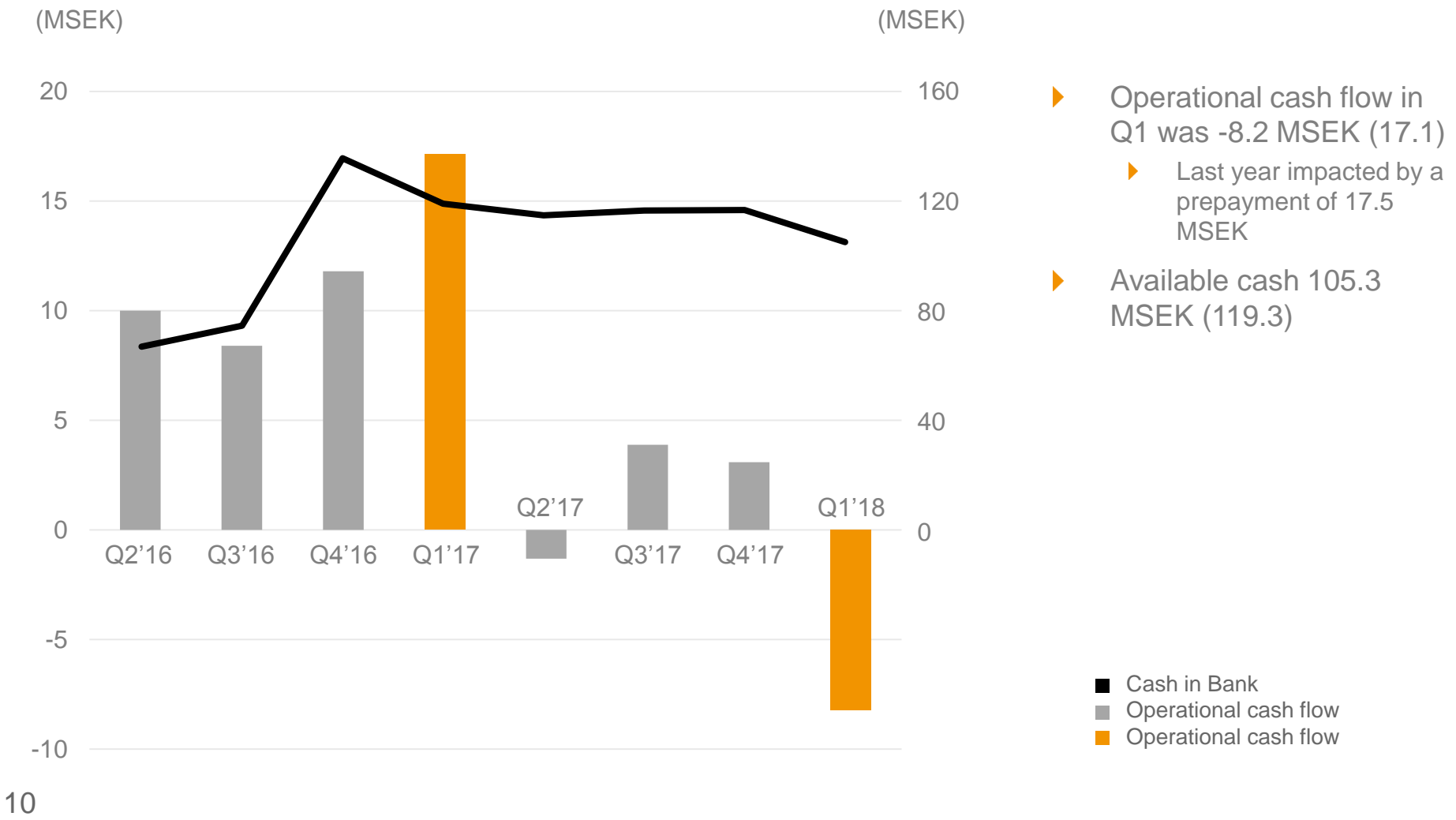
OPERATING PROFIT



- ▶ Operational costs 18.8 MSEK (18.3)
- ▶ Operating result in Q1 amounted to -2.0 MSEK (-2.7)
- ▶ Workforce of 47 (42), employees&consultants

EBITDA
 Operating profit
 Operating profit

OPERATIONAL CASH FLOW



SUMMARY & OUTLOOK

- ▶ Continue to execute our strategy for the four identified focus areas
- ▶ Good progress in mobile sensor market with wins in the emerging under display market as well as capacitive for low-end devices
- ▶ Strengthened our position in the biometric payment cards market
- ▶ Participating and driving projects in new areas of use
- ▶ Strong finances that enable continued investments in key growth areas
- ▶ Positive view on company outlook



THANK YOU!

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