

Q2



PRECISE BIOMETRICS INTERIM REPORT JANUARY – JUNE 2020

Continued growth and investments in Digital Identity

INTERIM REPORT FOR THE PERIOD JANUARY – JUNE 2020

SECOND QUARTER

- Net sales totaled SEK 23.6 (13.4) million.
- EBITDA improved and totaled SEK 2.0 (-4.1) million.
- The operating profit/loss totaled SEK -1.1 (-7.3) million.
- Earnings for the period totaled SEK -1.5 (-7.6) million.
- Earnings per share totaled SEK 0.00 (0.02).
- Cash flow from operating activities was strengthened and totaled SEK 2.3 (-1.1) million.

INTERIM PERIOD

- Net sales totaled SEK 46.7 (25.6) million.
- EBITDA improved and totaled SEK 5.1 (-8.8) million.
- The operating profit/loss totaled SEK -1.0 (-15.1) million.
- Earnings for the period totaled SEK -1.2 (-15.5) million
- Earnings per share totaled SEK 0.00 (-0.04).
- Cash flow from operating activities was strengthened and totaled SEK 9.2 (-11.3) million.

SIGNIFICANT EVENTS DURING THE QUARTER

- Extended license agreement with leading provider of fingerprint sensors, Egis Technology. It is estimated that total revenues from Egis will be around SEK 60 million for 2020.
- A three-year agreement in respect of Precise YOUNiQ was signed with Temporary Space Nordics AB.

SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD

There have been no significant events since the end of the period.

FINANCIAL DATA AND KEY INDICATORS

Amounts in SEK thousands unless otherwise stated

KEY INDICATORS

	2020 Q2	2019 Q2	2020 Q1 - Q2	2019 Q1 - Q2	2019 Full-year	Rolling 12 mth
Net sales	23 615	13 446	46 680	25 590	91 927	113 017
Net sales growth, %	75,6%	-28,2%	82,4%	-30,6%	35,9%	100,5%
Gross margin, %	84,7%	78,8%	86,2%	75,2%	86,4%	88,9%
Operating profit/loss	-1 128	-7 274	-980	-15 143	651	14 814
Operating margin, %	-4,8%	-54,1%	-2,1%	-59,2%	0,7%	13,1%
Cash flow from the operating activities	2 266	-1 089	9 201	-11 295	-477	20 019
Cash and cash equivalents	76 259	65 416	76 259	65 416	73 676	76 259

See the Financial Glossary for definitions.

INVITATION TO PRESENTATION OF THE INTERIM REPORT

In connection with today's interim report, Precise invites investors and the media to an informational conference call.

The conference call starts at 10:00 AM (CET).

Link to all public information such as link to webcast and participant number for the telephone conference:

<https://financialhearings.com/event/13011>

To take part, click on the link above to listen to and follow the presentation online, or call one of the following numbers to follow it by phone.

SE: +46850558373

UK: +443333009035

You will be asked to state your name when you connect to the conference call and there will be an opportunity to ask questions in Swedish. The conference call will be held in English.

Participating on behalf of Precise:

Stefan K Persson, CEO

Ulrik Nilsson, CFO

CEO COMMENTS

Precise continued to see strong development during the quarter, including a profit at EBITDA level and positive cash flow from operating activities, while we continued to invest in the field of Digital Identity. The quarter was an eventful one in many respects, with continued integrations of our BioMatch Mobile product in most ranges of mobile phones and tablets, and important steps in the development and commercialization of Precise YOUNiQ, primarily in the Access application area. In the wake of Covid-19, this is an application area that has generated greater interest, as evidenced by major investments being made by security companies, real estate companies, government agencies and other actors that have realized the need for contactless, secure and convenient identification solutions for access to buildings and premises. Precise has a function to deliver here.

Net sales in the second quarter totaled SEK 23.6 million, 76% more than in the same period last year. EBITDA improved and totaled SEK 2.0 million, and there was a loss at EBIT level of SEK -1.1 million, an improvement of SEK 6.1 million on the same period last year. The operating loss is due above all to the investments being made in the area of Digital Identity in order to secure future growth. These investments are being made possible by the positive cash flow from the Mobile area. All in all the pandemic has highlighted the resilience of our business model. Even though it is difficult at present to judge the situation with regard to macroeconomic effects and demand for consumer cyclicals in future, we expect sales over the next two quarters to be in line with the second quarter of the year, enabling continued investments in future growth.

During the quarter we signed a commercial agreement with Temporary Space in respect of Precise YOUNiQ. Temporary Space offers temporary premises, known as modules, which are used at various construction sites. We are conducting a continuous dialog with Temporary Space about their future needs, in which Precise YOUNiQ forms part of their journey towards digitalization.

Alongside the commercial installations, we are also implementing a number of proof-of-concepts with selected hospitals. These are proceeding according to plan and have so far reported good results, creating good prospects of being able to sign commercial agreements with the hospitals in due course. We have also signed a collaborative agreement with NVSS Security, who will from now on be our service and support partner, as well as contributing to sales work for Precise YOUNiQ in the area of Access.

In the Mobile area, collaborations with our partners in Asia have resulted in our product for fingerprint recognition in mobile devices being integrated into devices from companies including Samsung and Huawei, the two biggest suppliers of Android devices in the world. Our focus in the Mobile area is now on extending our share of the value chain in terms of software for fingerprint sensors and assuming greater responsibility for, among other things, pre-processing fingerprints in order to even further enhance our position with our partners, as well as to identify and target new potential partners.

Demand for contactless methods of processes such as payment has increased during the year. Banks in Sweden have raised their limit for contactless payments from SEK 200 to SEK 400, in order to avoid the spread of infection that can occur through contact with the card terminal when entering the PIN code. Consequently, around 50 per cent of all card payments in Sweden are now contactless. This is also driving the development of biometric cards, where Precise has a certified product that is ready to be integrated into the cards. As reported previously, we are waiting for another link in the supply chain to be certified, before card issuers can start to mass produce the cards and thereby reduce their manufacturing costs. Even though there has been a general increase in activity, we do not yet expect any major volumes of biometric cards from any of the card issuers in 2020.

In summary, it has been an eventful first six months of the year for Precise, naturally dominated by the ongoing pandemic. We have reorganized the business and can efficiently manage sales, product development and marketing digitally. Our absolute focus for the rest of the year is on sales, and our vision of secure, convenient identification wherever you are, whoever you are and whatever you are doing is more relevant now than ever.

Stefan K Persson, CEO

MARKET AND SALES

Precise is a global supplier of identification software and offers products for the convenient, secure authentication of people's identity. The company offers the following products in each area:

Digital Identity

Precise YOUNiQ® - Secures digital identity in a simple, secure way

Mobile

Precise BioMatch® Mobile - Verifies fingerprints in mobile devices

Smart Card

Precise BioMatch®Card - Verifies fingerprints in smart cards

In addition to the areas listed above, Precise is working on selected projects in a number of different areas of application.

MARKET DEVELOPMENT

Digital Identity

We increasingly use digital services that require identification of the user. Since the registration process is often complicated and users choose passwords that are too simple, there is growing demand for easier and safer ways of verifying our digital identity. Our increasingly more interconnected world also means that we not only use our digital identity in multiple channels, but also on a number of different devices, which amplifies the need for secure and effective identification.

By combining different biometric technologies to verify our digital identity, we can create the optimum balance between convenience and security. This combined technology can be applied in several different application areas, such as access to buildings and facilities, document verification and digital services, within such sectors as finance, gaming, healthcare and transport. According to an analysis from Goode Intelligence, by the year 2024 we can expect over two billion verifications of digital identity and documents, on an annual basis.

Mobile

Continued demand for user-friendly telephones and tablets with full screens is driving the trend for mobile devices. The next development step is sensors that cover the full screen and can read a fingerprint wherever it is placed on the display. According to an analysis from IHS Market, optical and ultrasonic sensors for phones in the higher price segment will increase. As the average price of these sensors is much higher than for capacitive sensors, they will account for a significant share of the market value for fingerprint sensors. In overall terms, the value of the market for capacitive sensors is falling, as prices are dropping faster than volumes are rising.

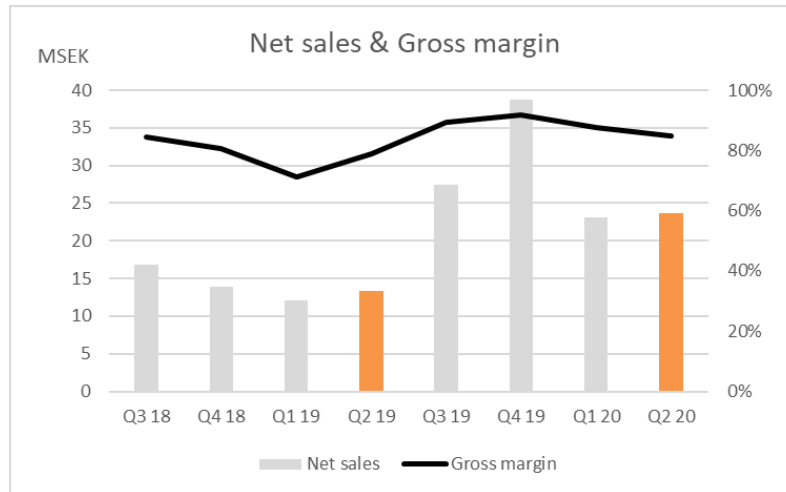
Smart Card

Biometrics for identity verification has become an increasingly important tool in the battle against fraud in virtually all payment channels. Payments have become the primary driver of the development of biometrics at the consumer level, and analysts expect biometric cards to be a rapidly growing area in the coming years. Card manufacturers are focusing increasingly on the certification of contactless biometric payment cards, which is a precondition for card issuers to be able to achieve a broad-based market introduction. Sales of contactless biometric payment cards are expected to commence in 2020. In the wake of the Covid-19 pandemic, Precise believes that the transition to biometric contactless payment cards will be accelerated as a consequence of higher demand for secure identification solutions that do not require physical contact.

NET SALES AND OPERATING PROFIT/LOSS IN THE SECOND QUARTER

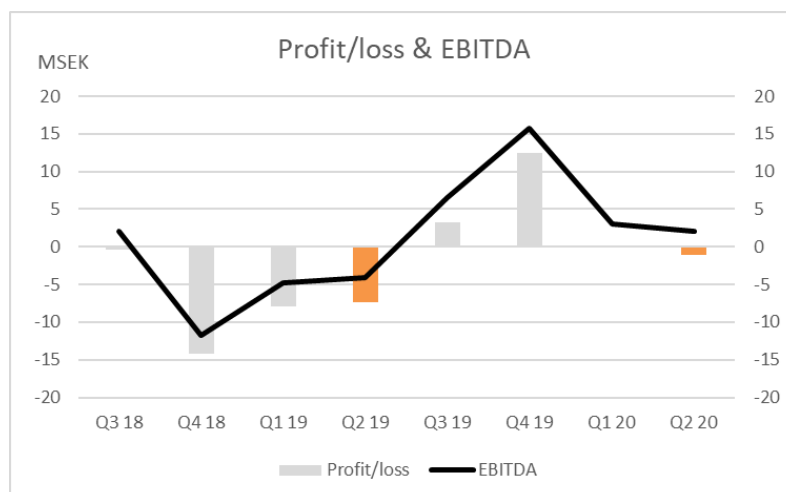
Net sales in the quarter increased by 75.6% and totaled SEK 23.6 (13.4) million. Net sales were split between royalty revenues of SEK 11.9 (0.9) million, license fees of SEK 8.8 (7.4) million, support & maintenance of SEK 1.5 (2.4) million and Other of SEK 1.5 (2.7) million. The increase in royalty revenues was primarily attributable to Egis Technology.

The gross margin during the quarter totaled 84.7% (78.8). This increase is linked primarily to higher net sales. Total amortization and write-downs of capitalized development expenses was SEK 2.3 (2.5) million. Amortization of acquired intangible assets totaled SEK 0.2 (0.2) million.



Operating expenses for the second quarter increased by SEK 3.3 million and totaled SEK 21.1 (17.9) million. Continued investments, primarily in the area of *Digital Identity*, accounted for the biggest cost increase. Higher net sales also resulted in higher costs of commission and foreign withholding tax.

The operating profit/loss for the quarter totaled SEK -1.1 (-7.3) million. The improvement in the operating profit/loss is explained primarily by higher net sales combined with an increased gross profit of SEK 9.4 million, partly offset by increased operating expenses of SEK 3.3 million. Earnings for the period totaled SEK -1.5 (-7.6) million. Total depreciation/amortization totaled SEK 3.1 (3.2) million. The profit/loss at EBITDA level improved and totaled SEK 2.0 (-4.1) million. Earnings per share (average number of shares) for the quarter totaled SEK 0.00 (-0.02).



NET SALES AND OPERATING PROFIT/LOSS FOR THE INTERIM PERIOD

Net sales during the interim period increased by 82.4% and totaled SEK 46.7 (25.6) million. Net sales were split between royalty revenues of SEK 24.9 (3.0) million, license fees of SEK 15.8 (13.9) million, support & maintenance of SEK 3.0 (5.0) million and Other of SEK 3.1 (3.6) million. The increase in royalty revenues was primarily attributable to Egis Technology.

The gross margin during the interim period totaled 86.2% (75.2). This increase is linked primarily to higher net sales. Total amortization and write-downs or capitalized development expenses was SEK 4.5 (4.8) million. Amortization of acquired intangible assets totaled SEK 0.4 (0.4) million.

Operating expenses for the interim period increased by SEK 6.8 million and totaled SEK 41.2 (34.4) million. This increase is primarily attributable to cost increases in R&D relating to investments in the areas of *Digital Identity* and *Mobile*. Higher net sales also resulted in higher costs of commission and foreign withholding tax.

The operating profit/loss for the interim period totaled SEK -1.0 (-15.1) million. The improvement in the operating profit/loss is explained primarily by higher net sales combined with an increased gross profit of SEK 21.0 million, partly offset by increased operating expenses of SEK 6.8 million. Earnings for the period totaled SEK -1.2 (-15.5) million. Total depreciation/amortization totaled SEK 6.0 (6.3) million. The profit/loss at EBITDA level improved and totaled SEK 5.1 (-8.8) million. Earnings per share (average number of shares) for the first quarter totaled SEK 0.00 (-0.04).

NET FINANCIAL ITEMS AND TAX

Precise has no interest-bearing liabilities apart from lease liabilities. Net financial items are attributable to the restatement of cash and cash equivalents, and also interest on lease liability in accordance with IFRS 16. Net financial items during the first quarter totaled SEK -0.4 (-0.2) million and the tax expense totaled SEK 0.0 (-0.1) million.

Net financial items for the interim period totaled SEK -0.2 (-0.1) million and the tax expense totaled SEK 0.0 (-0.3) million.

CASH FLOW AND INVESTMENTS

Cash flow for the quarter from operating activities was strengthened and totaled SEK 2.3 (-1.1) million, SEK 1.0 million of which is attributable to reduced capital tied up. The Group invested SEK 0.2 (0.0) million in property, plant and equipment during the quarter.

Cash flow for the period from operating activities was strengthened and totaled SEK 9.2 (-11.3) million, SEK 5.1 million of which is attributable to reduced capital tied up. The Group invested SEK 0.8 (0.1) million in property plant and equipment during the interim period.

CAPITALIZATION AND AMORTIZATION OF DEVELOPMENT WORK

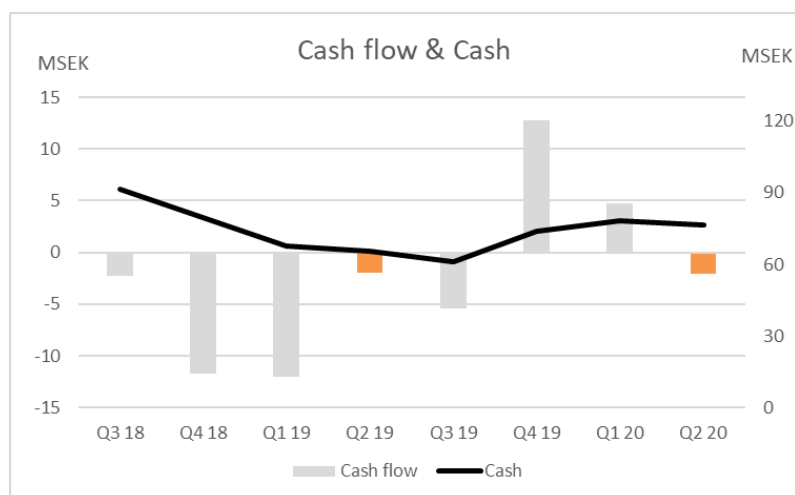
Development expenses of SEK 4.1 (1.3) million were capitalized during the quarter. Depreciation of capitalized development expenses totaled SEK 2.3 (2.5) million during the quarter.

Development expenses of SEK 5.8 (3.1) million were capitalized during the interim period. Amortization of capitalized development expenses totaled SEK 5.9 (4.8) million during the interim period.

FINANCIAL POSITION AND LIQUIDITY

Cash and cash equivalents at the end of the period totaled SEK 76.3 (65.4) million.

Total equity at the end of the period totaled SEK 125.3 (110.4) million, and equity per share was SEK 0.35 (0.31).



THE PARENT COMPANY

The parent company's net sales for the interim period totaled SEK 46.1 (24.8) million. The operating profit/loss totaled SEK -2.2 (-15.9) million and was affected by amortization of goodwill totaling SEK 1.2 (1.2) million.

Cash and cash equivalents at the end of the interim period totaled SEK 73.1 (62.5) million, and equity SEK 115.8 (105.4) million.

ORGANIZATION AND STAFF

The organization consists of the head office in Lund, Sweden, and offices in Potsdam, USA, and Shanghai, China. At the end of the interim period the group had a workforce of 47 (39) people, including on-site consultants. The number of employees was 25 (22), of which 17 (15) were in Sweden. Precise works in an agile way together with several partners, creating a fast-moving, scalable organization. The number of employees does not include partners.

REPORTING DATES

Q3 Interim report 2020	November 13, 2020
Year-end report 2020	February 16, 2021
Q1 Interim report 2021	February 21, 2021

RISK FACTORS

The Group's and the parent company's business risks and risk management as well as the management of financial risks are described in detail in the Annual Report for 2019. There have been no incidents of significant importance during the year that would affect or change these descriptions of the Group's or the parent company's risks and how they are managed. The company has not experienced any discernible effect of the Covid-19 pandemic so far, but the possibility cannot be discounted that a future impact may arise.

OWNERSHIP STRUCTURE

Precise Biometrics AB (publ), corporate ID number 556545-6596, is the parent company in the Precise Biometrics Group. Precise Biometrics AB's shares are listed on the Small Cap list of the Nasdaq OMX Nordic. The number of shareholders at the end of the period was 19,434 (21,343). 65,972,246 shares were traded during the second quarter. The closing price on June 30 was SEK 1.358, and during the second quarter the share price fluctuated between SEK 1.06 and SEK 1.75.

AUDIT

This interim report has not been audited by the company's auditors.

The undersigned certifies that the interim report provides a true and fair view of the parent company's and the Group's operations, financial position and financial results, and describes the significant risks and uncertainty factors faced by the parent company and the companies that belong to the Group.

Lund August 14, 2020

Torgny Hellström

Chairman of the Board

Torbjörn Clementz,	Mats Lindoff,	Synnöve Trygg,	Åsa Schwarz,
Board member	Board member	Board member	Board member

Stefan K Persson

CEO

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This information is information that Precise Biometrics AB is obliged to disclose pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act (2007:528). The information was submitted for publication on August 14, 2020 at 08:00 AM.

CONSOLIDATED INCOME STATEMENT – IN SUMMARY

Amounts in SEK thousand	Note	2020 Q2	2019 Q2	2020 Q1 - Q2	2019 Q1 - Q2	2019 Full-year	Rolling 12 mth
Net sales	2	23 615	13 446	46 680	25 590	91 927	113 017
Cost of goods sold		-3 610	-2 857	-6 450	-6 349	-12 470	-12 571
Gross profit		20 005	10 589	40 230	19 241	79 457	100 446
Marketing and sales expenses		-6 938	-5 276	-13 611	-10 876	-28 220	-30 955
Administrative expenses		-4 106	-4 282	-7 801	-8 307	-14 811	-14 305
R&D expenses		-8 881	-8 067	-19 905	-15 477	-35 794	-40 222
Other operating income/expenses		-1 208	-238	107	276	19	-150
		-21 133	-17 863	-41 210	-34 384	-78 806	-85 632
Operating profit/loss		-1 128	-7 274	-980	-15 143	651	14 814
Finacial income/expenses		-366	-198	-188	-136	-556	-608
Profit/Loss before tax		-1 494	-7 472	-1 168	-15 279	95	14 206
Tax		0	-126	0	-252	926	1 178
Profit/Loss for the period		-1 494	-7 598	-1 168	-15 531	1 021	15 384
Profit/Loss after tax from discontinued operations		0	0	0	0	-427	-427
Profit/loss for the period attributable to parent company shareholders		-1 494	-7 598	-1 168	-15 531	594	14 957
Earnings per share, remaining operations, SEK							
- before dilution		0,00	-0,02	0,00	-0,04	0,00	0,04
- before dilution		0,00	-0,02	0,00	-0,04	0,00	0,04
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME							
Profit/Loss for the period		-1 494	-7 598	-1 168	-15 531	594	14 957
Other comprehensive income:							
<i>Items that may be reclassified to profit or loss</i>							
Changes in accumulated exchange rate differences		-127	-36	5	1	-4	0
Other comprehensive income for the period		-127	-36	5	1	-4	0
Profit/Loss total		-1 621	-7 634	-1 163	-15 530	590	14 957

CONSOLIDATED BALANCE SHEET – IN SUMMARY

Amounts in SEK thousands

ASSETS	Note	2020-06-30	2019-06-30	2019-12-31
ASSETS				
Material assets		1 587	9 273	1 884
Immaterial assets		43 305	45 878	42 415
Deferred tax assets		5 750	4 960	5 750
TOTAL FIXED ASSETS		50 642	60 111	50 049
CURRENT ASSETS				
Inventories		597		
Accounts receivable	3	20 723	17 477	29 279
Other current receivables	3	3 526	3 875	3 594
Accruals and deferred income	3	4 123	1 283	1 875
Cash and cash equivalents		76 259	65 416	73 676
TOTAL CURRENT ASSETS		105 228	88 051	108 424
TOTAL ASSETS		155 870	148 162	158 473
EQUITY AND LIABILITIES				
EQUITY				
Equity		125 304	110 356	126 467
Total Equity		125 304	110 356	126 467
TOTAL EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		125 304	110 356	126 467
LONG-TERM DEBT				
Long term debt		39	7 183	126
TOTAL LONG-TERM DEBT		39	7 183	126
SHORT-TERM LIABILITIES				
Short-term liabilities	3	30 527	30 623	31 880
Total Short-term liabilities		30 527	30 623	31 880
TOTAL EQUITY AND LIABILITIES		155 870	148 162	158 473

CONSOLIDATED CASH FLOW STATEMENT – IN SUMMARY

Amounts in SEK, thousands	Note	2020 Q2	2019 Q2	2020 Q1 - Q2	2019 Q1 - Q2	2019 Full-year	Rolling 12 mth
Cash flow from operating activities before changes in working capital		1 309	-4 637	4 070	-9 787	11 488	25 345
Cash flow from changes in working capital		957	3 548	5 131	-1 508	-11 965	-5 326
Cash flow from operating activities		2 266	-1 089	9 201	-11 295	-477	20 019
Cash flow from investment activities		-4 365	-1 378	-6 631	-3 278	-5 843	-9 196
Cash flow from financing activities			402		402	396	-6
Cash flow for the period		-2 099	-2 067	2 570	-14 171	-5 924	10 817
Cash and cash equivalents at the start of the period		78 399	67 474	73 676	79 543	79 543	65 416
Translation difference in cash and cash equivalents		-41	7	13	44	57	26
Cash and cash equivalents at the end of the period *		76 259	65 416	76 259	65 416	73 676	76 259

*The balance sheet item Cash & cash equivalents only includes bank balances at both the beginning and end of the period.

CONSOLIDATED CHANGE IN EQUITY – IN SUMMARY

Amounts in SEK thousands

	Note	2020 Q1 - Q2	2019 Q1 - Q2	2019 Full-year	Rolling 12 mth
Equity at start of period		126 467	125 481	125 481	110 356
Comprehensive income					
Profit/loss for the period		-1 168	-15 531	594	14 957
Other comprehensive income					
Exchange differences		5	4	-4	-3
Total other comprehensive income		5	4	-4	-3
Total comprehensive income		-1 163	-15 527	590	14 954
Transactions with shareholders					
Stockoptions	4		402	396	-6
Total transactions with shareholders			402	396	-6
Equity end of period		125 304	110 356	126 467	125 304

NOTE 1 - ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Reporting. The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Annual Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The recognition and measurement policies as well as the bases of estimates applied in the Annual Report for 2019 have been used in this interim report as well. No new or revised IFRS standards that came into force in 2020 have had any material impact on the Group's financial statements.

NOTE 2 - REVENUE ALLOCATION

Amounts in SEK thousands

	2020 Q2	2019 Q2	2020 Q1 - Q2	2019 Q1 - Q2	2019 Full-year	Rolling 12 mth
Revenue type						
Royalty	11 882	918	24 895	2 978	31 234	53 151
Licenses	8 819	7 428	15 770	13 930	45 515	47 355
Support & Maintenance	1 455	2 444	2 956	5 061	9 119	7 014
Other	1 459	2 656	3 059	3 621	6 059	5 497
Total	23 615	13 446	46 680	25 590	91 927	113 017
Region/Country						
Europe	971	3 384	1 486	5 825	11 083	6 744
- whereof Sweden	217	1 166	220	2 376	4 984	2 828
Asia	18 651	6 041	37 152	11 941	65 586	90 797
- whereof China	2 326	1 909	3 332	4 251	7 641	6 722
- whereof Taiwan	15 381	2 999	31 162	5 619	53 612	79 155
USA	3 058	4 021	6 570	7 824	15 258	14 004
Total	23 615	13 446	46 680	25 590	91 927	113 017
Timing of revenue recognition						
Services transferred over time	10 274	9 872	18 726	18 991	54 634	54 369
Services transferred at a certain time	13 341	3 574	27 954	6 599	37 293	58 648
Total	23 615	13 446	46 680	25 590	91 927	113 017

NOTE 3 - FINANCIAL INSTRUMENTS

Amounts in SEK thousands

	<u>2020-06-30</u>	<u>2019-06-30</u>
	Book value	Book value
Financial assets*		
Accrued income	20 723	17 477
Other receivable	3 526	3 875
Cash and cash equivalents	76 259	65 416
Total	100 508	86 768
Financial liabilities**		
Accounts payable	5 888	3 949
Other liabilities	-580	2 548
Other accrued expenses	7 547	6 969
Total	12 855	13 466

*Financial assets valued at the accrued cost of acquisition

**Financial liabilities at fair value via the income statement

The fair value with respect to other financial assets and liabilities corresponds in all material respects with the carrying amount in the balance sheet.

NOTE 4 OPTION PROGRAM

The 2019 shareholders' general meeting made a decision to offer an incentive plan for the company's CEO and CFO to the effect that a maximum of 1,300,000 stock options can be issued, with each stock option providing entitlement to subscribe to one (1) share in the company. Subscription to the stock options was to take place no later than June 30, 2019, with the Board having the right to extend the subscription period. Subscription through the exercising of stock options may take place during the period June 1, 2022 until June 30, 2022. The subscription price for the options has been set at SEK 0.32 and the subscription price for the shares at SEK 1.65. At the end of the interim period, 1,300,000 options had been subscribed, corresponding to 100% of total stock options. Assuming that all stock options are exercised to subscribe to new shares, the number of shares in the company will increase by 1,300,000 shares.

Dilution effects are only considered in the event that the earnings per share become worse. Dilution effects have not been considered, as the average price is below the price in current option programs.

PARENT COMPANY INCOME STATEMENT – IN SUMMARY

Amounts in SEK thousands

Note	2020 Q2	2019 Q2	2020 Q1 - Q2	2019 Q1 - Q2	2019 Full-year	Rolling 12 mth
Net sales	23 581	12 985	46 138	24 837	90 363	111 664
Cost of goods sold	-5 383	-3 495	-9 492	-7 581	-19 944	-21 855
Gross profit	18 198	9 490	36 646	17 256	70 419	89 809
Marketing and sales expenses	-6 320	-4 722	-12 642	-10 098	-25 889	-28 433
Administrative expenses	-4 097	-4 277	-7 782	-8 414	-14 784	-14 152
R&D expenses	-7 918	-7 352	-18 538	-14 959	-32 732	-36 311
Other operating income/expenses	-1 208	-238	107	277	-407	-577
	-19 543	-16 589	-38 855	-33 194	-73 812	-79 473
Operating profit/loss	-1 345	-7 099	-2 209	-15 938	-3 393	10 336
Financial income/expenses	-360	-152	-181	14	-255	-450
Profit/loss before tax	-1 705	-7 251	-2 390	-15 924	-3 648	9 886
Tax	0	0	0	0	-430	-430
Profit/loss for the period*	-1 705	-7 251	-2 390	-15 924	-4 078	9 456

*The profit/loss for the period corresponds to comprehensive income for the period.

PARENT COMPANY BALANCE SHEET – IN SUMMARY

Amounts in SEK thousands

ASSETS	Note	2020-06-30	2019-06-30	2019-12-31
Fixed assets				
Fixed assets		1 018	526	525
Immaterial assets		36 007	41 030	36 342
Deferred tax assets		7 528	7 958	7 528
TOTAL FIXED ASSETS		44 553	49 514	44 395
CURRENT ASSETS				
Inventories		597	-	-
Accounts receivable		20 655	16 757	28 811
Other receivables		3 525	5 336	3 595
Accruals and deferred income		3 956	1 163	1 557
Cash and cash equivalents		73 128	62 506	70 216
TOTAL CURRENT ASSETS		101 861	85 762	104 179
TOTAL ASSETS		146 414	135 276	148 574
EQUITY AND LIABILITIES				
EQUITY				
Equity		115 840	105 400	118 231
Total Equity		115 840	105 400	118 231
TOTAL EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		115 840	105 400	118 231
LONG-TERM DEBT				
Long term debt		0	0	52
TOTAL LONG-TERM DEBT		0	0	52
SHORT-TERM LIABILITIES				
Short-term liabilities		30 574	29 876	30 291
Total Short-term liabilities		30 574	29 876	30 291
TOTAL EQUITY AND LIABILITIES		146 414	135 276	148 574

CONSOLIDATED KEY INDICATORS

Amounts in SEK thousands unless otherwise stated

	2020 Q2	2019 Q2	2020 Q1 - Q2	2019 Q1 - Q2	2019 Full-year	Rolling 12 mth
Net sales	23 615	13 446	46 680	25 590	91 927	113 017
Net sales growth, %	75,6%	-28,2%	82,4%	-30,6%	35,9%	100,5%
Gross margin, %	84,7%	78,8%	86,2%	75,2%	86,4%	88,9%
Operating profit/loss	-1 128	-7 274	-980	-15 143	651	14 814
Operating profit/loss, total operations	-1 128	-7 274	-980	-15 143	224	14 387
Working capital, total operations	74 701	57 428	74 701	57 428	76 544	74 701
Capital employed, total operations	125 304	110 356	125 304	110 356	126 467	125 304
Liquidity ratio, total operations, %	345%	288%	345%	288%	340%	345%
Equity/assets ratio, total operations, %	80,4%	74,5%	80,4%	74,5%	79,8%	80,4%
Earnings per share before dilution, SEK	0,00	-0,02	0,00	-0,04	0,00	0,04
Earnings per share before dilution, total operations, SEK	0,00	-0,02	0,00	-0,04	0,00	0,04
Earnings per share after dilution, SEK	0,00	-0,02	0,00	-0,04	0,00	0,04
Earnings per share after dilution, total operations, SEK	0,00	-0,02	0,00	-0,04	0,00	0,04
Equity per share, total operations, SEK	0,35	0,31	0,35	0,31	0,35	0,35
Number of shares (thousands)	360 231	360 231	360 231	360 231	360 231	360 231
Weighted avg. number of shares, adjusted for dilution effect (thousands)	360 231	360 231	360 231	360 231	360 231	360 881
Number of employees at the end of the period	25	27	26	27	22	25
Average number of employees during the period	25	28	26	28	22	24

ALTERNATIVE CONSOLIDATED KEY INDICATORS

Amounts in SEK thousands unless otherwise stated

	2020 Q2	2019 Q2	2020 Q1 - Q2	2019 Q1 - Q2	2019 Full-year	Rolling 12 mth
Net sales	23 615	13 446	46 680	25 590	91 927	113 017
Net sales growth, %	75,6%	-28,2%	82,4%	-30,6%	35,9%	100,5%
Gross profit	20 005	10 589	40 230	19 241	79 457	100 446
Net sales	23 615	13 446	46 680	25 590	91 927	113 017
Gross margin, %	84,7%	78,8%	86,2%	75,2%	86,4%	88,9%
Operating profit/loss	-1 128	-7 274	-980	-15 143	651	14 814
Net sales	23 615	13 446	46 680	25 590	91 927	113 017
Operating margin, %	-4,8%	-54,1%	-2,1%	-59,2%	0,7%	13,1%
Operating profit/loss remaining operations	-1 128	-7 274	-980	-15 143	651	14 814
Operating profit/loss discontinued operations	0	0	0	0	-427	-427
Rörelseresultat total verksamhet	-1 128	-7 274	-980	-15 143	224	14 387
EBITDA	1 998	-4 084	5 058	-8 794	13 791	27 643
Depreciation and amortization	-3 126	-3 190	-6 039	-6 349	-13 140	-12 829
Operating profit/loss remaining operations	-1 128	-7 274	-980	-15 143	651	14 814
EBITDA, total operations	1 998	-4 084	5 058	-8 794	13 364	27 216
Depreciation and amortization, total operations	-3 126	-3 190	-6 039	-6 349	-13 140	-12 829
Operating profit/loss total operations	-1 128	-7 274	-980	-15 143	224	14 387
Sales expenses	-6 938	-5 276	-13 611	-10 876	-28 220	-30 955
Administrative expenses	-4 106	-4 282	-7 801	-8 307	-14 811	-14 305
R&D expenses	-8 881	-8 067	-19 905	-15 477	-35 794	-40 222
Other operating income/expenses	-1 208	-238	107	276	19	-150
Total operating expenses	-21 133	-17 863	-41 210	-34 384	-78 806	-85 632
Balance sheet total, total operations	155 870	148 162	155 870	148 162	158 473	155 870
Non-interest-bearing liabilities, total operations	30 527	30 623	30 527	30 623	31 880	30 527
Capital employed, total operations	125 343	117 539	125 343	117 539	126 593	125 343
Closing equity, total operations	125 343	117 539	125 304	117 539	126 467	125 304
Average equity, total operations	123 012	130 667	123 012	130 667	116 941	123 012
Current assets minus inventories	105 228	88 051	105 228	88 051	108 424	105 228
Current liabilities	30 527	30 623	30 527	30 623	31 880	30 527
Liquidity ratio, total operations	345%	288%	345%	288%	340%	345%
Equity	125 343	117 539	125 304	117 539	126 467	125 304
Total assets	155 870	148 162	155 870	148 162	158 473	155 870
Equity/assets ratio, total operations	80,4%	79,3%	80,4%	79,3%	79,8%	80,4%

FINANCIAL GLOSSARY

NET SALES GROWTH

Percentage change compared with the corresponding period in the previous year. A measure of whether the group's net sales are increasing.

GROSS MARGIN

Gross profit/loss divided by net sales. Shows what proportion of sales is left over to cover wages, other operating expenses, interest and profit.

OPERATING PROFIT/LOSS

Profit/loss before financial net and tax. A measure of the company's profit before interest and taxes, i.e., the difference between operating income and operating expenses. This figure does not include the discontinued operation.

OPERATING PROFIT/LOSS, TOTAL OPERATION

Operating profit/loss plus profit/loss after tax from discontinued operation. A measure of the company's profit before interest and taxes, i.e., the difference between operating income and operating expenses. The total operation also includes the discontinued operation.

OPERATING EXPENSES

Operating expenses excluding cost of goods sold. Operating expenses are expenses that do not belong directly to a particular product or product group. Common operating expenses are, for example, wages and other personnel expenses, as well as rent of premises.

EBITDA

Profit/loss before financial items and depreciation. This key figure shows the group's profit/loss before depreciation/amortization of capitalized assets. This measure makes it possible to make comparisons with other companies, regardless of whether the operation is based on acquisitions or through organic growth.

OPERATING MARGIN

Operating profit/loss divided by net sales. Defines what proportion of each Swedish krona of sales is left over to cover interest, taxes and any possible profit.

CASH FLOW, TOTAL OPERATION

Cash flow from operating activities after changes in working capital. The operating cash flow indicates whether a company can generate a sufficiently positive cash flow to maintain and expand its operation, or whether it needs external financing.

WORKING CAPITAL, TOTAL OPERATION

Current assets less current liabilities. This measure shows the capital a company needs to finance operating activities.

CAPITAL EMPLOYED, TOTAL OPERATION

Total assets less non-interest-bearing liabilities and provisions. This measure shows how much capital is used in the operation and is thus one component of measuring the return from the operation.

EQUITY, TOTAL OPERATION

Equity at the end of the period. Equity is the difference between the group's assets and liabilities, which corresponds to the Group's equity that has been contributed by shareholders and the Group's accumulated profit for the year

AVERAGE EQUITY, TOTAL OPERATION

The average equity was calculated as equity for the last four quarters divided by four.

LIQUIDITY RATIO, TOTAL OPERATION

Current assets excluding inventories divided by current liabilities. This key figure shows the group's ability to pay in the short term.

EQUITY/ASSETS RATIO, TOTAL OPERATION

Equity divided by total assets on the balance sheet date. This key figure shows what proportion of assets is funded by equity. This measure can be of interest when assessing the group's ability to pay in the long term.

EARNINGS PER SHARE, REMAINING OPERATION, BEFORE DILUTION

Profit/loss for the period from remaining operation divided by average number of shares.

EARNINGS PER SHARE, REMAINING OPERATION, AFTER DILUTION

Profit/loss for the period from remaining operation divided by weighted average number of shares.

EARNINGS PER SHARE, TOTAL OPERATION, BEFORE DILUTION

Profit/loss for the period from total operation divided by average number of shares.

EARNINGS PER SHARE, TOTAL OPERATION, AFTER DILUTION

Profit/loss for the period from total operation divided by weighted average number of shares.

EQUITY PER SHARE, TOTAL OPERATION

Equity on the balance sheet date divided by the number of shares on the balance sheet date. A measure of how much equity there is per share, which is used when valuing the share in relation to the share price.