

Q1



PRECISE BIOMETRICS INTERIM REPORT JAN - MAR 2021

Increased client activity and promising growth in Digital Identity

INTERIM REPORT FOR THE PERIOD JANUARY TO MARCH 2021

FIRST QUARTER

- Net sales totaled SEK 20.3 (23.1) million.
- EBITDA totaled SEK 0.0 (3.1) million.
- The operating profit/loss totaled SEK -3.8 (0.1) million.
- Earnings for the period totaled SEK -3.5 (0.3) million.
- Earnings per share totaled SEK -0.01 (0.00).
- Cash flow from operations totaled SEK -0.7 million (6.9).

SIGNIFICANT EVENTS DURING THE QUARTER

- Collaboration with Sensative on the integration of YOUNiQ with Sensative's Yggio platform
- Commercial agreement with Clarkson University on the installation of YOUNiQ in the business incubator North Country Incubator. This installation is the first one in the USA.
- Installation of YOUNiQ at Science Village in Lund, a city district in northeastern Lund, which includes MAX IV and the European Spallation Source (ESS).
- Integration of Precise's fingerprint technology in the next generation of ultrasound-based fingerprint sensors from Qualcomm – successful implementation in the Meizu 18 smartphone

SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD

- MasterCard Vendor Letter of Approval for smart payment card from KONA I with Precise's fingerprint technology
- First installation of YOUNiQ in Norway together with RCO, a leading company within access control systems

FINANCIAL DATA AND KEY INDICATORS

Amounts in SEK thousands unless otherwise stated

KEY INDICATORS

	2021	2020	2020	Rolling
	Q1	Q1	Full-Year	12 mth
Net sales	20 312	23 065	92 349	89 596
Net sales growth, %	-11,9%	89,9%	0,5%	-12,9%
EBITDA	22	3 060	6 862	3 825
Gross margin, %	77,4%	87,7%	84,2%	81,8%
Operating profit/loss	-3 812	148	-5 792	-9 752
Operating margin, %	-18,8%	0,6%	-6,3%	-10,9%
Cash flow from the operating activities	-660	6 935	21 792	14 197
Cash and cash equivalents	70 408	78 399	76 258	70 408

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 (CEST), May 12.

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

<https://financialhearings.com/event/13403>

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 by phone.

SE: +46856642705

UK: +443333009267

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

We saw increased volatility in our market for mobiles in the first quarter of 2021. The component shortage affected our customers' volumes, which has decreased our royalty. We have continued to win projects together with our customers, which resulted in revenues of SEK 20.3 million and a positive result at EBITDA level. Through continued investments in the field of Digital Identity, we are broadening our offering in order to be able to reduce our dependency on revenues from the mobile side in the future, putting us in an even more stable position.

Our focus has always been on innovation and pushing the boundaries for biometric identification. We are constantly developing our technology so that we are always one step ahead of our competitors. During the quarter, our fingerprint technology was integrated into the next generation of sensors from Qualcomm, which was in turn implemented in the Meizu 18 mobile – a combination that has resulted in the world's fastest fingerprint matcher. This is confirmation that our efforts are producing results and that our technology is leading the way when it comes to technical performance.

We have continued to take important steps in the commercialization of YOUNiQ in the access application area. Growth continued during the first quarter, albeit from low levels, which indicates the success of our scalable SaaS model. The customer base has been extended with new customers, including the Science Village in Lund, a city district including MAX IV and European Spallation Source (ESS) and we have also completed our first installations in the US and Norway.

More and more of our existing and potential customers in the field of access are demanding solutions that save energy and reduce CO2 emissions. Furthermore, an increasing amount of regulation of standards are being introduced for energy-efficient buildings and access solutions. These are important driving forces that promote demand for YOUNiQ, which has, through its digital nature, the opportunity to create significant climate benefits compared with traditional access solutions. Not only does YOUNiQ eliminate the needs for plastic cards, keys and tags – saving unnecessary emissions in connection with production, transport and administration – it is also possible to link the system to manage more than access control; heating and lighting systems can also be automated and digitalized via YOUNiQ. During the quarter we therefore initiated a pilot project together with one of our customers, with the aim of reducing unnecessary electricity consumption and high costs – for a more sustainable society.

By combining mobile and smart cards in the Algo product area, we are preparing the company for our next growth phase. This combination will result in more efficient resource utilization in our development activities and sales organization.

In summary, it has been an eventful first quarter, one in which we continued to win projects in the mobile business, despite increased volatility in the market, and there was important progress in YOUNiQ. Uncertainty as a consequence of Covid-19 and its impact on supplies of components remains, and predictability is still limited as we look ahead. Our response to the current market situation is that we will continue working to increase the gap to our competitors and secure our position as the preferred supplier of identification software in which you are the key.

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:

Digital Identity	Algo
Precise YOUNIQ® - Secures digital identity in a simple, secure way	<p>Precise BioMatch® Mobile - Verifies fingerprints in mobile devices</p> <p>Precise BioMatch®Card - Verifies fingerprints in smart cards</p>

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.

Algo

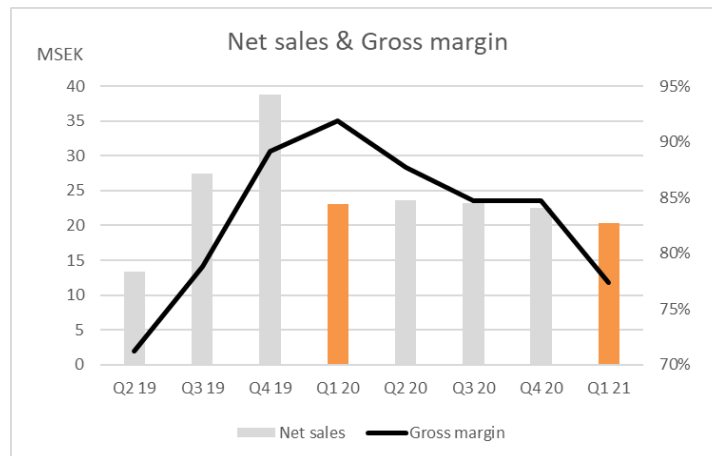
Continued demand for user-friendly telephones and tablets with full screens is driving the trend for mobile devices. The next development step is sensors that cover the full screen and can read a fingerprint wherever it is placed on the display. According to an analysis from IHS Market, optical and ultrasonic sensors for phones in the higher price segment will continue to 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.

Biometrics for identity verification has become an increasingly important tool in the battle against fraud in virtually all payment channels. Payments have become the main driving force for the development of biometrics at the consumer level. Card manufacturers are focusing increasingly on the certification and cost-optimization of contactless biometric payment cards, which is a precondition for card issuers to be able to achieve a broad launch on the market.

NET SALES AND OPERATING PROFIT/LOSS IN THE QUARTER

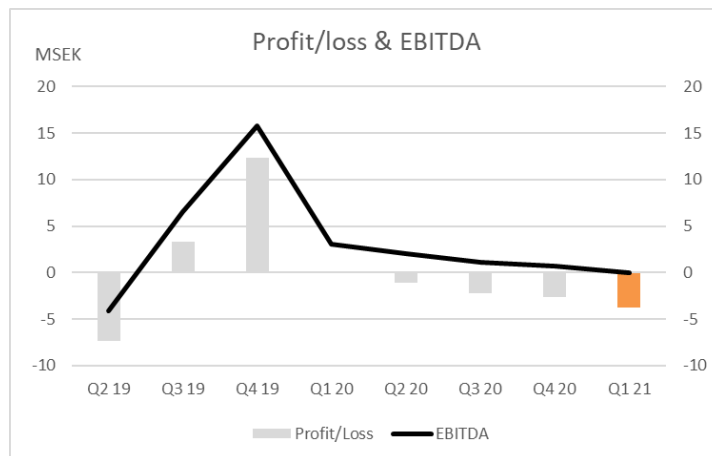
Net sales during the quarter totaled SEK 20.3 (23.1) million. Net sales were split between royalty revenues of SEK 10.9 (13.0) million, license fees (including support and maintenance) of SEK 8.8 (8.5) million and Other of SEK 0.7 (1.6) million. The fall in royalty revenues is driven primarily by the component shortage among our customers, which resulted in lower production volumes. The increases in license fees is a result of a previously communicated strategy in which Precise is focusing on deeper collaboration with fewer customers. The fall in general is attributable to reduced sales of development licenses. Net sales for Digital Identity totaled SEK 0.5 (0) million and are reported under Other.

The gross margin during the quarter totaled 77.4% (87.7). The change is primarily due to increased amortization of capitalized development expenses, as well as changes in the product mix. Total amortization of capitalized development expenses was SEK 3.0 (2.2) million. The increase in amortization of development expenses related primarily to Digital Identity. Amortization of acquired intangible assets totaled SEK 0.2 (0.2) million.



Operating expenses for the quarter fell by SEK 0.5 million and totaled SEK 19.5 (20.1) million. Cost reductions come primarily from reduced research and development expenses. An increased proportion of development expenses, primarily in the area of Digital Identity, is being capitalized. The reinforcement of the sales organization continued during the period, resulting in increased selling expenses.

The operating profit/loss for the quarter totaled SEK -3.8 (0.1) million. The reduction in the operating profit/loss is explained primarily by lower net sales combined with a lower gross margin. Earnings for the quarter totaled SEK -3.5 (0.3) million. Total depreciation/amortization totaled SEK 3.8 (2.9) million. The profit/loss at EBITDA level totaled SEK 0.0 (3.1) million. Earnings per share (average number of shares) for the quarter totaled SEK -0.01 (0.01).



NET FINANCIAL ITEMS AND TAX

Precise has no interest-bearing liabilities apart from lease liabilities. Net financial items are attributable to exchange rate differences in cash and cash equivalents, and also interest on the lease liability in accordance with IFRS 16. Net financial items for the quarter totaled SEK 0.4 (0.2) million and the tax expense totaled SEK -0.0 (0) million.

CASH FLOW AND INVESTMENTS

The cash flow for the quarter from current operations totaled SEK -0.7 (6.9) million, of which SEK -1.0 (4.1) million is attributable to increased capital tied up. The Group invested SEK 0.3 (0.6) million in property, plant and equipment during the quarter.

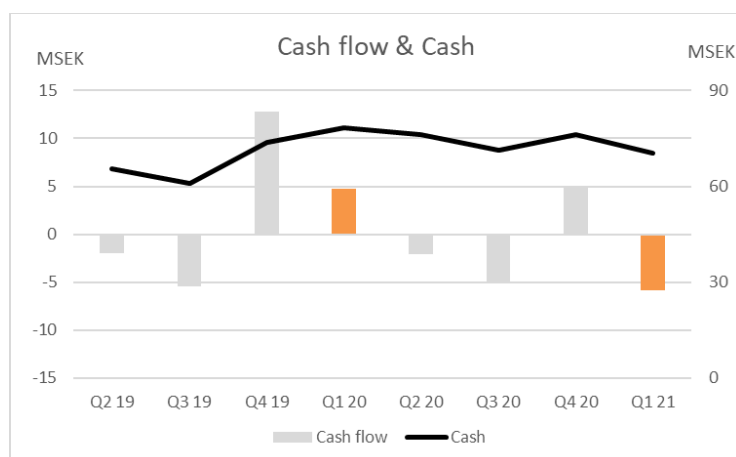
CAPITALIZATION AND AMORTIZATION OF DEVELOPMENT WORK

Development expenses of SEK 4.6 (1.7) million were capitalized during the quarter. Amortization of capitalized development expenses totaled SEK 3.0 (2.2) million during the quarter.

FINANCIAL POSITION AND LIQUIDITY

Cash and cash equivalents at the end of the period totaled SEK 70.4 (78.4) million.

Total equity at the end of the period totaled SEK 110.7 (126.9) million, and equity per share was SEK 0.31 (0.35).



THE PARENT COMPANY

The parent company's net sales for the period totaled SEK 20.1 (22.6) million. The operating profit/loss totaled SEK -4.5 (-0.9) million and was affected by amortization of goodwill totaling SEK 0.6 (0.6) million. Cash and cash equivalents at the end of the interim period totaled SEK 67.6 (75.6) million, and equity SEK 99.5 (117.5) 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 48 (47) people, including on-site consultants. The number of employees was 23 (26), of which 16 (18) 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

Q2 Interim report 2021	August 12, 2021
Q3 Interim report 2021	November 12, 2021
Year-end Report 2021	February 18, 2022

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on May 14, 2021.

The board has proposed that no dividend be distributed for the fiscal year 2020.

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 2020. 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 component shortage in the mobile industry may have a continued impact on net sales. The company has not experienced any discernible effect from 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 year was 18,310 (19,797). 86,731,614 shares were traded during the quarter. The closing price on March 31 was SEK 1.34, and during the quarter the share price fluctuated between SEK 1.04 and SEK 1.38.

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, May 12, 2021

Torgny Hellström,

Chairman of the Board

Torbjörn Clementz,

Board member

Mats Lindoff,

Board member

Synnöve Trygg,

Board member

Åsa Schwarz,

Board member

Stefan K. Persson,

CEO

For further information, please contact:

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This information is information that Precise Biometrics AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication on May 12, 2021 at 08:00 AM.

CONSOLIDATED INCOME STATEMENT – IN SUMMARY

Amounts in SEK thousand	Note	2021 Q1	2020 Q1	2020 Full-Year	Rolling 12 mth
Net sales	2	20 312	23 065	92 349	89 596
Cost of goods sold		-4 592	-2 840	-14 581	-16 333
Gross profit		15 720	20 225	77 768	73 263
Marketing and sales expenses		-8 729	-6 673	-30 737	-32 793
Administrative expenses		-3 892	-3 695	-15 181	-15 378
R&D expenses		-7 291	-11 024	-35 941	-32 208
Other operating income/expenses		380	1 315	-1 701	-2 636
		-19 532	-20 077	-83 560	-83 015
Operating profit/loss		-3 812	148	-5 792	-9 752
Financial income/expenses		355	178	-618	-441
Profit/Loss before tax		-3 457	326	-6 410	-10 193
Tax		-1	0	-5 754	-5 755
Profit/Loss for the period		-3 458	326	-12 164	-15 948
Profit/Loss after tax from discontinued operations		0	0	-75	-75
Profit/loss for the period attributable to parent company shareholders		-3 458	326	-12 239	-16 023
Earnings per share, remaining operations, SEK					
- before dilution		-0,01	0,00	-0,03	-0,04
- after dilution		-0,01	0,00	-0,03	-0,04
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
Profit/Loss for the period		-3 458	326	-12 239	-16 023
Other comprehensive income:					
<i>Items that may be reclassified to profit or loss</i>					
Changes in accumulated exchange rate differences		90	132	-184	-226
Other comprehensive income for the period		90	132	-184	-226
Profit/Loss total		-3 368	458	-12 423	-16 249

CONSOLIDATED BALANCE SHEET – IN SUMMARY

Amounts in SEK thousands

ASSETS	Note	2021-03-31	2020-03-31	2020-12-31
FIXED ASSETS				
Material assets		8 656	2 057	8 922
Goodwill and immaterial assets		49 034	41 747	47 664
Deferred tax assets		0	5 750	0
TOTAL FIXED ASSETS		57 690	49 554	56 586
CURRENT ASSETS				
Inventories		678		1 052
Accounts receivable	3	17 460	20 551	12 933
Other current receivables	3	1 456	3 714	2 443
Accruals and deferred income		3 734	1 889	3 681
Cash and cash equivalents	3	70 408	78 399	76 258
TOTAL CURRENT ASSETS		93 736	104 553	96 367
TOTAL ASSETS		151 426	154 107	152 953
EQUITY AND LIABILITIES				
EQUITY				
Equity		110 676	126 925	114 044
TOTAL EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		110 676	126 925	114 044
LONG-TERM DEBT				
Long term debt		5 342	44	5 668
TOTAL LONG-TERM DEBT		5 342	44	5 668
SHORT-TERM LIABILITIES				
Short-term liabilities	3	35 408	27 138	33 241
Total Short-term liabilities		35 408	27 138	33 241
TOTAL EQUITY AND LIABILITIES		151 426	154 107	152 953

CONSOLIDATED CASH FLOW STATEMENT – IN SUMMARY

Amounts in SEK, thousands	Note	2021 Q1	2020 Q1	2020 Full-Year	Rolling 12 mth
Cash flow from operating activities before changes in working capital		377	2 761	5 979	3 595
Cash flow from changes in working capital		-1 038	4 174	15 813	10 601
Cash flow from operating activities		-660	6 935	21 792	14 197
Cash flow from investment activities		-4 900	-2 266	-17 793	-20 427
Cash flow from financing activities		-316	0	-1 378	-1 694
Cash flow for the period		-5 876	4 669	2 621	-7 924
Cash and cash equivalents at the start of the period		76 258	73 676	73 676	78 399
Translation difference in cash and cash equivalents		26	54	-39	-67
Cash and cash equivalents at the end of the period *		70 408	78 399	76 258	70 408

*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	2021 Q1	2020 Q1	2020 Full-Year	Rolling 12 mth
Equity at start of period		114 044	126 467	126 467	126 925
Comprehensive income					
Profit/loss for the period		-3 458	326	-12 239	-16 023
Other comprehensive income					
Exchange differences		90	132	-184	-226
Total other comprehensive income		90	132	-184	-226
Total comprehensive income		-3 368	458	-12 423	-16 249
Transactions with shareholders					
Stockoptions	4				0
Total transactions with shareholders					0
Equity end of period		110 676	126 925	114 044	110 676

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 2020 have been used in this interim report as well. No new or revised IFRS standards that came into force in 2021 have had any material impact on the Group's financial statements.

NOTE 2 - REVENUE ALLOCATION

Amounts in SEK thousands

	2021	2020	2020	Rolling
	Q1	Q1	Full-Year	12 mth
Revenue type				
Royalty	10 881	13 013	47 108	44 976
Licenses, incl. support & maintenance	8 751	8 452	39 667	39 966
Other	680	1 600	5 574	4 654
Total	20 312	23 065	92 349	89 596
Region/Country				
Europe	721	767	4 583	4 537
- whereof Sweden	480	3	2 197	2 674
Asia	17 290	18 786	74 164	72 668
- whereof China	3 209	2 150	9 319	10 378
- whereof Taiwan	13 104	15 781	58 198	55 521
USA	2 301	3 512	13 602	12 391
Total	20 312	23 065	92 349	89 596
Product area				
Algo	19 825	23 065	90 571	87 331
Digital Identity	487	0	1 778	2 265
Total	20 312	23 065	92 349	89 596

NOTE 3 - FINANCIAL INSTRUMENTS

The fair value in respect of 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	2021 Q1	2020 Q1	2020 Full-Year	Rolling 12 mth
Net sales	1	20 070	22 557	90 857	88 370
Cost of goods sold		-7 054	-4 109	-21 553	-24 498
Gross profit		13 016	18 448	69 304	63 872
Marketing and sales expenses		-8 318	-6 322	-28 928	-30 924
Administrative expenses		-3 890	-3 685	-15 137	-15 342
R&D expenses		-5 675	-10 620	-31 824	-26 879
Other operating income/expenses		379	1 315	-1 777	-2 713
		-17 504	-19 312	-77 666	-75 858
Operating profit/loss		-4 488	-864	-8 362	-11 986
Financial income/expenses		413	179	-526	-292
Profit/loss before tax		-4 075	-685	-8 888	-12 278
Tax		0	0	-5 750	-5 750
Profit/loss for the period		-4 075	-685	-14 638	-18 028

*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	2021-03-31	2020-03-31	2020-12-31
Fixed assets				
Fixed assets		1 822	928	1 696
Immaterial assets		39 899	35 062	39 141
Deferred tax assets		1 778	7 528	1 778
TOTAL FIXED ASSETS		43 499	43 518	42 615
CURRENT ASSETS				
Inventories		678	-	1 052
Accounts receivable		17 060	20 011	12 142
Other receivables		1 794	3 714	2 923
Accruals and deferred income		3 543	1 706	3 539
Cash and cash equivalents		67 554	75 578	73 434
TOTAL CURRENT ASSETS		90 629	101 009	93 090
TOTAL ASSETS		134 128	144 527	135 705
EQUITY AND LIABILITIES				
EQUITY				
Equity		99 519	117 546	103 593
Total Equity		99 519	117 546	103 593
LONG-TERM DEBT				
Long term debt		0	0	0
TOTAL LONG-TERM DEBT		0	0	0
SHORT-TERM LIABILITIES				
Short-term liabilities		34 609	26 981	32 112
Total Short-term liabilities		34 609	26 981	32 112
TOTAL EQUITY AND LIABILITIES		134 128	144 527	135 705

CONSOLIDATED KEY INDICATORS

Amounts in SEK thousands unless otherwise stated

	2021	2020	2020	Rolling
	Q1	Q1	Full-Year	12 mth
Net sales	20 312	23 065	92 349	89 596
Net sales growth, %	-11,9%	89,9%	0,5%	-12,9%
Gross margin, %	77,4%	87,7%	84,2%	81,8%
Operating profit/loss	-3 812	148	-5 792	-9 752
Operating profit/loss, total operations	-3 812	148	-5 867	-9 827
Working capital, total operations	58 328	77 415	63 126	58 328
Capital employed, total operations	116 018	126 925	119 712	116 018
Liquidity ratio, total operations, %	263%	385%	287%	263%
Equity/assets ratio, total operations, %	73,1%	82,4%	74,6%	73,1%
Earnings per share before dilution, SEK	-0,01	0,00	-0,03	-0,04
Earnings per share before dilution, total operations, SEK	-0,01	0,00	-0,03	-0,04
Earnings per share after dilution, SEK	-0,01	0,00	-0,03	-0,04
Earnings per share after dilution, total operations, SEK	-0,01	0,00	-0,03	-0,04
Equity per share, total operations, SEK	0,31	0,35	0,32	0,31
Number of shares (thousands)	360 231	360 231	360 231	360 231
Weighted avg. number of shares, adjusted for dilution effect (thousands)	360 231	361 231	360 231	360 231
Number of employees at the end of the period	23	26	23	23
Average number of employees during the period	23	26	24	23

RECONCILIATION OF CONSOLIDATED ALTERNATIVE KEY FIGURES

Amounts in SEK thousands unless otherwise stated

	2021 Q1	2020 Q1	2020 Full-Year	Rolling 12 mth
Net sales	20 312	23 065	92 349	89 596
Net sales growth, %	-11,9%	89,9%	0,5%	-12,9%
Gross profit	15 720	20 225	77 768	73 263
Net sales	20 312	23 065	92 349	89 596
Gross margin, %	77,4%	87,7%	84,2%	81,8%
Operating profit/loss	-3 812	148	-5 792	-9 752
Net sales	20 312	23 065	92 349	89 596
Operating margin, %	-18,8%	0,6%	-6,3%	-10,9%
Operating profit/loss remaining operations	-3 812	148	-5 792	-9 752
Operating profit/loss discontinued operations	0	0	-75	-75
Rörelseresultat total verksamhet	-3 812	148	-5 867	-9 827
EBITDA	22	3 060	6 862	3 825
Depreciation and amortization	-3 834	-2 912	-12 654	-13 577
Operating profit/loss remaining operations	-3 812	148	-5 792	-9 752
EBITDA, total operations	22	3 060	6 787	3 750
Depreciation and amortization, total operations	-3 834	-2 912	-12 654	-13 577
Operating profit/loss total operations	-3 812	148	-5 867	-9 827
Sales expenses	-8 729	-6 673	-30 737	-32 793
Administrative expenses	-3 892	-3 695	-15 181	-15 378
R&D expenses	-7 291	-11 024	-35 941	-32 208
Other operating income/expenses	380	1 315	-1 701	-2 636
Total operating expenses	-19 532	-20 077	-83 560	-83 015
Balance sheet total, total operations	151 426	154 107	152 953	151 426
Non-interest-bearing liabilities, total operations	35 408	27 182	33 241	35 408
Capital employed, total operations	116 018	126 925	119 712	116 018
Closing equity, total operations	110 676	126 925	114 044	110 676
Average equity, total operations	122 248	132 438	122 248	122 248
Current assets minus inventories	93 058	104 553	95 315	93 058
Current liabilities	35 408	27 138	33 241	35 408
Liquidity ratio, total operations	263%	385%	287%	263%
Equity	110 676	126 925	114 044	110 676
Total assets	151 426	154 107	152 953	151 426
Equity/assets ratio, total operations	73,1%	82,4%	74,6%	73,1%

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.