

A woman with long brown hair, wearing a white textured jacket, is shown in profile, looking out of a large glass window. The background outside the window is a blurred cityscape with greenery and buildings.

PRECiSE

BIOMETRICS

Precise Biometrics

September 13th, 2022

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CEO

Several favorable trends putting increased focus on authentication & biometrics

Key trends

1 Increasing number of identity and authentication fraud



- Increasing number of identity and authentication fraud is contributing to the growth of the market

2 Increasing demand for KYC and remote identification



- Increased need for secure remote authentication driven by ecommerce, KYC, governmental demands, age verification etc.
- Accelerated during the last years of pandemic – proved it can be done and will be expected by users and service providers going forward

3 Biometrics entering new segments



- New segments / user-cases where authentication is required e.g automotive, laptops (such as the recent Microsoft Hello requirement to perform biometric verification in a local, secured chip)
- Increased importance of biometric authentication as devices contain more valuable personal assets, e.g payments, id cards, driver licenses, various eID solutions etc



**“No matter who you are, where
you are and what you do –
YOU are the key™”**

Precise Biometrics at a glance



Company founded in 1997



50 employees



Two distinct business areas



250 MSEK in market cap

Europe

Lund – HQ
Stockholm
Göteborg

Asia

Shanghai
Taipei
Seoul

USA

Potsdam, NY



Digital Identity



Algo

Business segments



ALGO

Identification fingerprint applications

BioMatch Mobile, BioMatch Card,
BioMatch Car, BioLive



DIGITAL IDENTITY

Identification access and digital services

YOUNiQ, EastCoast



Digital Identity

With focus on Physical Access

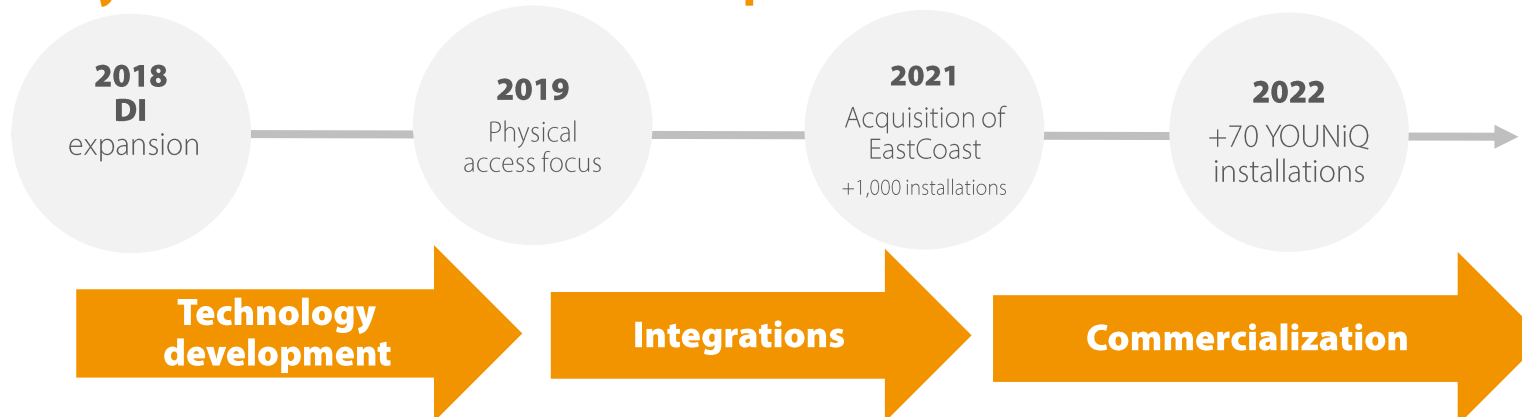
Digital Identity business segment

In brief

- Convenient and secure digital identification and verification by using biometric data
- Large number of potential application areas – focus is key
- Present focus segment is Physical Access (YOUNIQ) including visitor management (EastCoast) in the Nordic markets
- Eastcoast acquisition large customer base and recurring revenue
- SaaS model characterized by recurring revenues and high margins



Physical access - Commercialization phase



Top 3 customers:

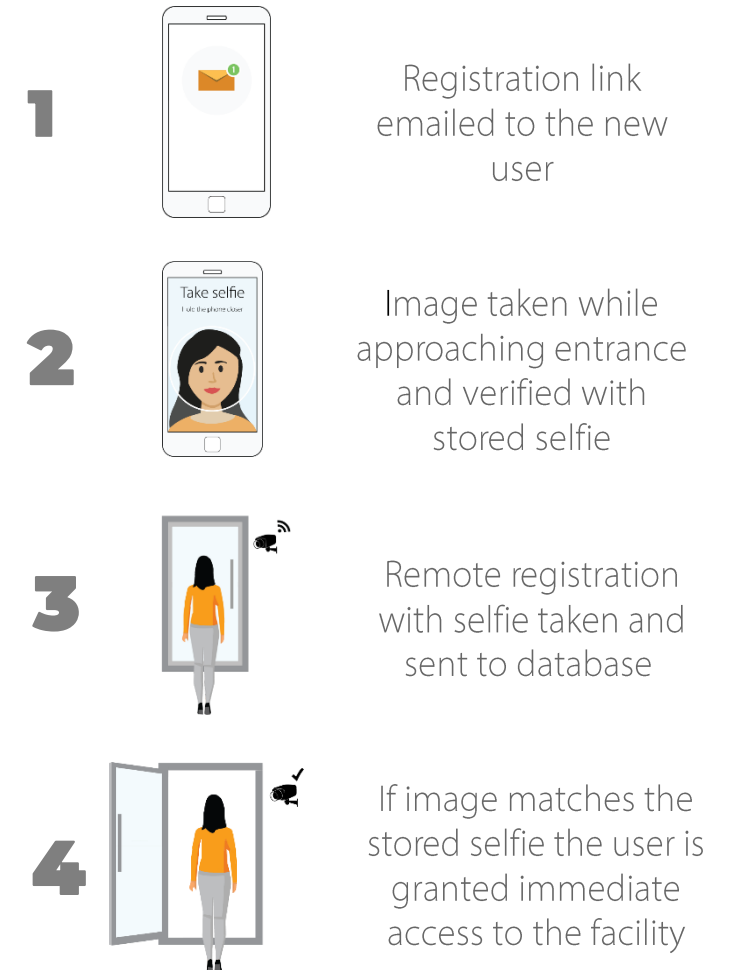
- **Algeco** (Access for modular buildings)
- **Iver** (High security access for data centers)
- **Telia & Securitas** (digital visitor management for facilities)

Facial recognition - Physical access control with focus on Simplification and Security



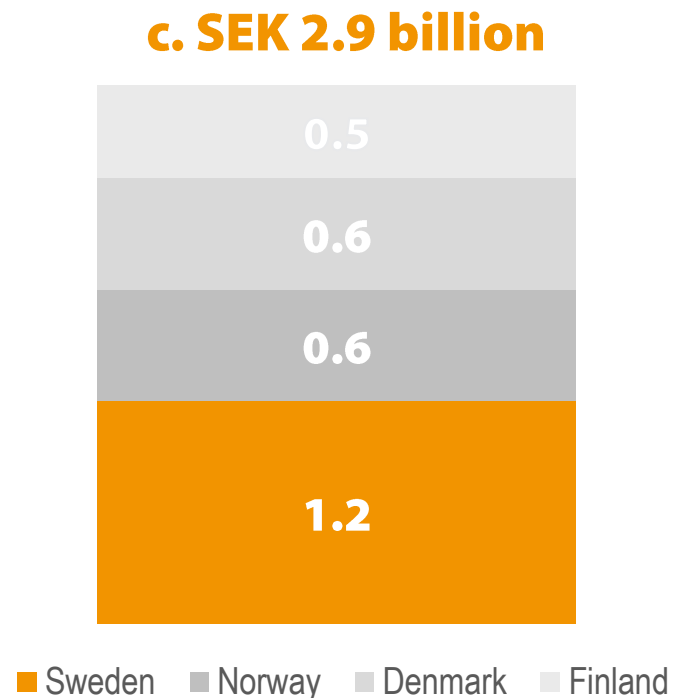
Customer needs

- Gatekeeping & Security
- Seamless entry
- Identifying
- Administration
- Lost keys
- Distribution of keys
- Temporary usage



Physical Access and Visitor Management market potential in the Nordics

Estimated addressable Nordic market potential, 2025 (SEK bn) Indicative



- The Nordics are estimated to account for c. 16% of the addressable European market potential for YOUNiQ
- Sweden is expected to be the largest market in the Nordics, driven by the larger number of buildings as well as a higher expected penetration rate compared to the other countries
- Present recurring revenue on approx. 13 MSEK.
- Eastcoast standalone shows positive cashflow

Growth strategy Digital Identity business segment

Organic growth



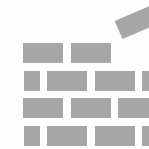
- Further **commercial integration** together with access management providers and security companies to expand prospect base
- Integration of EastCoast Solutions - Focus on **technology integration**. Significant upside from **cross-selling activities**

Strategic partnerships



- Expand offering to other countries to grow pipeline through **local presence and partnerships**
- Enter **new verticals** and geographies opportunistically as opportunities for profitable growth arise

Buy-and-Build



- Opportunistic SaaS-M&As - **Buy-and-Build expands addressable market** by adding proven technology and domain expertise in new verticals
- Successful acquisition of EastCoast Solution. First integrated product offering within 3 months.

Algo

Fingerprint algorithm



Algo business segment

In brief

- The software platform provides end-to-end fingerprint recognition in various use-cases
- Precise provides an advanced software platform with multiple algorithms incl matcher, image processing and anti-spoof
- Strong position in the Mobile segment
 - Close collaborations with partners such as Egis Technology and Qualcomm
- Solid position to capitalize on market for other verticals e.g. automotive
- Profitable product area with revenues based on license fees, royalties and support & maintenance



Convenience and security with fingerprint recognition



Mobile



Smart cards



Door lock



Laptop



Automotive

Segment entry in December 2021

■ Top 3 customers 2021:

- Egis Technology Inc
- Qualcomm Inc.
- 2 automotive ODMs

Growth strategy Algo business segment

Strategic partnerships



- **Focus on strategic partnerships** within Mobile to win new projects
- Expand our Algo position for all sensor types – optical, ultra-sound and capacitive sensors as well as new use-cases such as large-area sensors
- Further strengthen our offering by closer product development cooperation with our strategic sensor partners

Win in new verticals



- Further strengthen relationships with partners in newly entered verticals, for example system integrators in the automotive vertical
- Build on the strengths of our highly flexible algorithm offering **and adapt to additional use cases and verticals**



Focus forward

Egis Technology to invest in Precise

- provides strengthened ability to deliver on our strategy

Facts



- Founded in 2007
- Headquarter in Taiwan
- Strong product range incl. capacitive & Optical Sensing Tech, Artificial Intelligence and Biometric Recognition

Customers

SAMSUNG

SONY

lenovo

vivo

oppo

HYUNDAI

1

Industrial and long-term owner

A long-term industrial player with sector experience

- ✓ Current commercial partner to Precise, working together since 2019
- ✓ A strong partner in the Asian market
- ✓ Egis has undertaken not to sell shares for 24 months

2

Strengthened cash position

Proceeds of up to SEK 83m provides strengthened financial position

- ✓ Strengthening our ability to deliver on our strategic growth agenda

3

Joint commercial capabilities

Joint commercial capabilities to provide stronger solutions

- ✓ Closer product development to improve joint product offering in present and new verticals
- ✓ Egis' hardware competence beneficial for both Algo and Digital Identity

Ongoing rights issue

Proceeds

Directed issue to Egis
SEK 25.5m

Rights issue
Up to SEK 42.5m
(excl over-allotment option of up to SEK 15.1m)

Total proceeds
Up to SEK 83m

The Board uses its mandate from the shareholders (AGM 2022) to do a directed issue of shares to Egis to grant a 10% stake in Precise

The existing shareholders to participate in a rights issue, on the same terms as the directed share issue to Egis.
This rights issue is guaranteed to approximately 25% by Egis.

In total Egis will own approximately 12% in Precise after the direct issue and the rights issues

A person with blonde hair, seen from behind, wearing a white lab coat. They are standing in a laboratory or industrial setting, looking towards a large piece of equipment with a glass door and a circular window. The background is slightly blurred, showing various lab fixtures and equipment.

Takeaways

Precise Biometrics - key takeaways



- 1** Strong commercial potential for Digital Identity with significant market potential, and scalable SaaS revenues with attractive margins
- 2** Continued expansion of Algo business area into new verticals and technologies
- 3** Strong joint commercial capabilities from strengthened Egis partnership
- 4** Focus on strategic partnerships enabling access to attractive customer segments
- 5** Buy-and-Build M&A to expand addressable market by adding proven technology and domain expertise in new verticals

Thank you!

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BIOMETRICS

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