

A woman with long dark hair and a white textured blazer is looking directly at the camera. A white wireframe grid is overlaid on her face, representing facial recognition technology. The background is a blurred indoor setting with large windows.

# Annual General Meeting 2023

**PRECISE**  
BIOMETRICS

A blurred office scene with people working at tables under modern lighting. The background shows several people in business attire sitting at tables, possibly in a meeting or collaborative workspace. The lighting is warm and modern, featuring large, round pendant lights and smaller, cone-shaped lights. The overall atmosphere is professional and contemporary.

# The Managing Director's report

# Highlights 2022

## Digital Identity

**1** The first installation of YOUNiQ to control electricity and heating is undertaken for **Algeco** in Kiruna.

**2** Precise implements installations of YOUNiQ in the **USA**.

**3** **ARR** grew by 25% to SEK 16.2 million.

## Algo

**4** Agreement with **Infineon Technologies** to provide fingerprint technology to the automotive industry.

**5** Precise enters into a partnership with **CanvasBio** to develop sensors for laptops.

**6** Precise enters into a licensing agreement with **Isorg** to provide new technology for fingerprint sensors for the mobile industry.

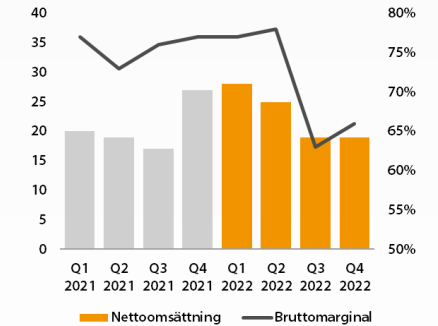
## General

**7** **Patrick Höjjer** becomes new CEO of Precise.

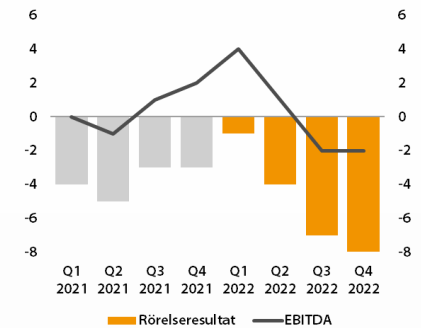
**8** Precise carries out directed new share issue to **Egis Technology** and a preferential share issue that contributes SEK 41 million after issue expenses.

## FINANCIAL SUMMARY

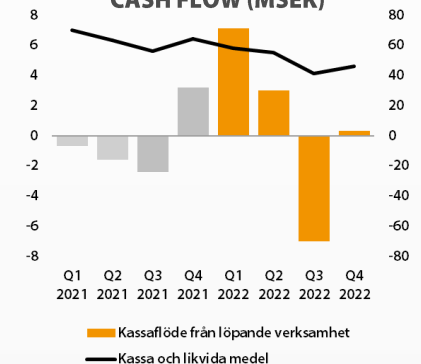
NET SALES & GROSS MARGIN (MSEK)



OPERATING PROFIT/LOSS & EBITDA (MSEK)



CASH FLOW (MSEK)



# Precise at a glance

1997

Company founded

50 (57)

Employees & Consultants

**Asia**

Shanghai  
Taipei  
Seoul

**Europe**

Lund – HQ  
Stockholm

**USA**

Potsdam, NY

2

Product Areas

**Algo**

**FINGERPRINT AUTHENTICATION**

BioMatch and BioLive

**Share of revenue 2022**

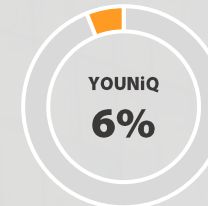


**Digital Identity**

**ACCESS WITH FACIAL RECOGNITION AND VISITOR MANAGEMENT**

YOUNIQ and EastCoast Solutions

**Share of revenue 2022**



**Share of revenue 2022**







# Algo business unit

## Algo business unit

Precise has a world-leading software (algorithms based on advanced image analysis) to verify a person's fingerprint.



Precise has global customers and generate revenue from fixed annual license and from volume dependent royalty fees.

## Significant achievements

- Agreement with **Infineon Technologies** to provide fingerprint technology to the automotive industry.
- Partnership with **CanvasBio** to develop sensors for laptops.
- Licensing agreement with **Isorg** to provide new technology for fingerprint sensors for the mobile industry.

# Precise Product Offering

## Image Signal Processor – fingerprint image quality enhancement

- Noise reduction and image enhancement functionality

## Matcher – Authentication & Identification of Fingerprints

- Fingerprint authentication for a broad range of platforms and use cases
- Supports all fingerprint sensor technologies

## Liveness – Protection against fraud attacks on system

- Protection against non-fingerprint attacks, such as spoofs, latent prints and static patterns

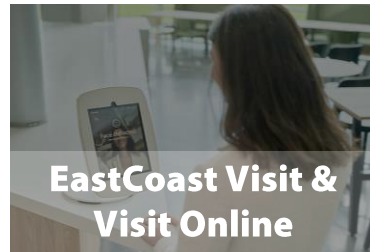




# Digital Identity business unit

## Digital Identity business unit

Precise delivers an access solution based on facial recognition and a visitor management solution available with facial recognition.



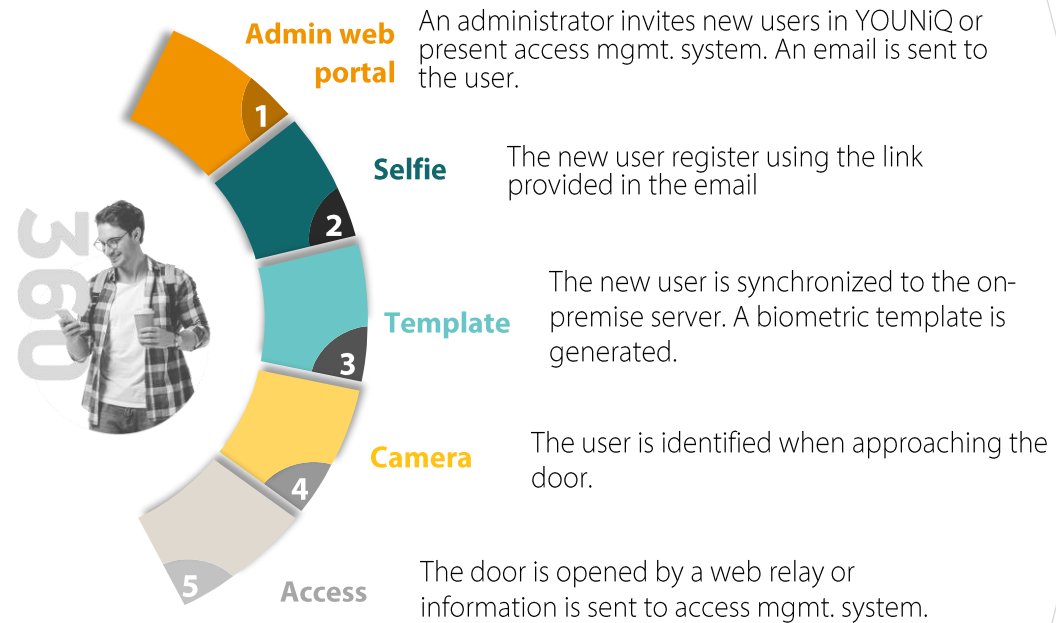
Precise has customers mainly in Sweden and USA and generate revenue primarily from selling SaaS (Software as a Service - recurring revenue).

## Significant achievements

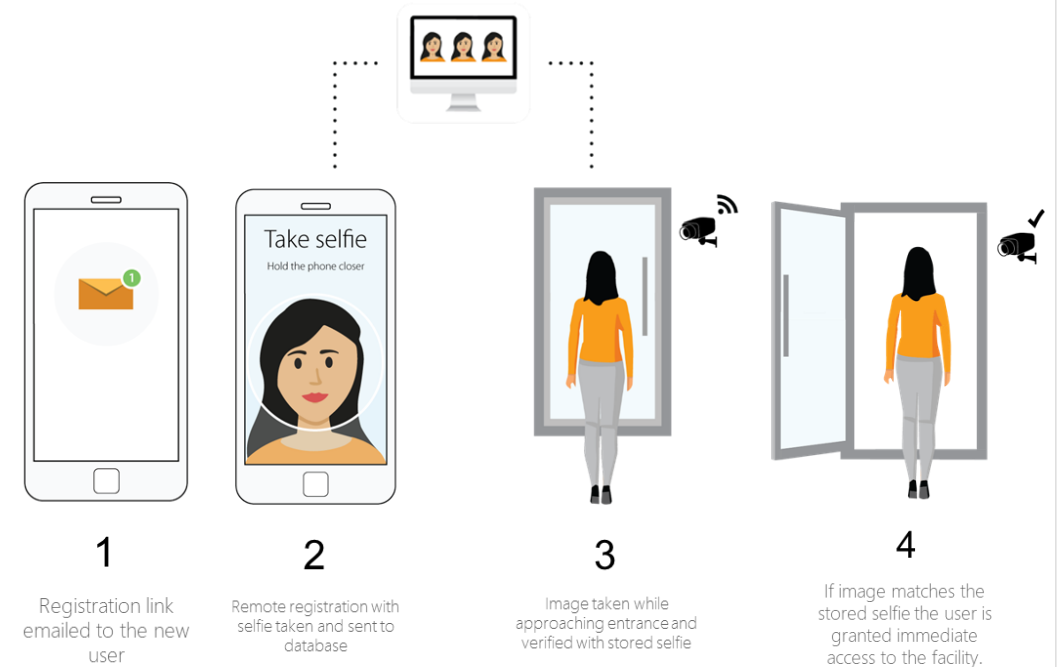
- First installation of YOUNiQ to control electricity & heating for **Algeco** in Kiruna.
- Precise implements installations of YOUNiQ in the US – **St. Lawrence Health**.
- Precise joins the **Genetec Technology** Partner Program.
- Precise enters into a sales agreement with **Flowscape Technology** in the US.

# YOUNiQ – access management solution based on facial recognition

## Full system solution - part of access system or standalone



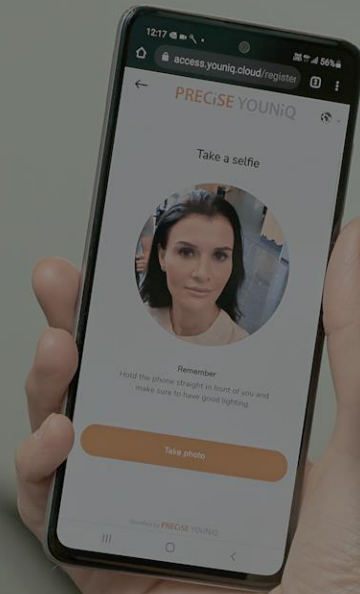
## Easy onboarding and seamless access for user



YOUNiQ integrates with access control providers such as:





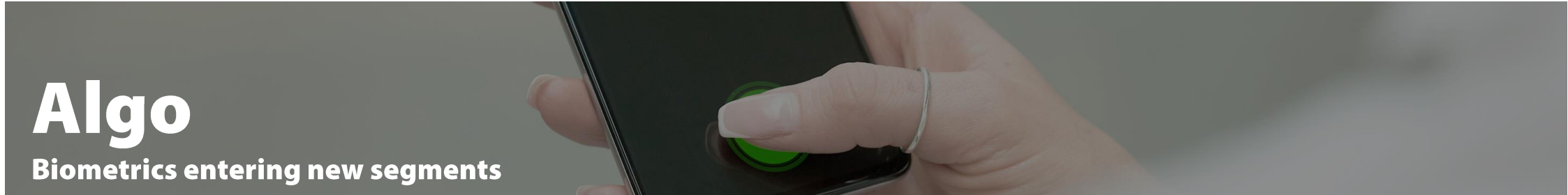


# Global trends, growth strategy & focus forward



# Global trends supporting our business

- Increased focus on authentication and biometrics in several new verticals



## Mobile

- Under-display sensors (optical and ultrasound) are forecasted to grow and partially erode capacitive sales.
- Mobile devices moving back to fingerprint (predominantly under-display) from face, or using multiple sensors, e.g., under-display fingerprint and face.

## Laptop

- Laptop sales overall expected to grow until 2025, biometrics inclusion driven by i.e., Microsoft Hello requirements.
- Currently low percentage of laptops support fingerprint.

## Automotive

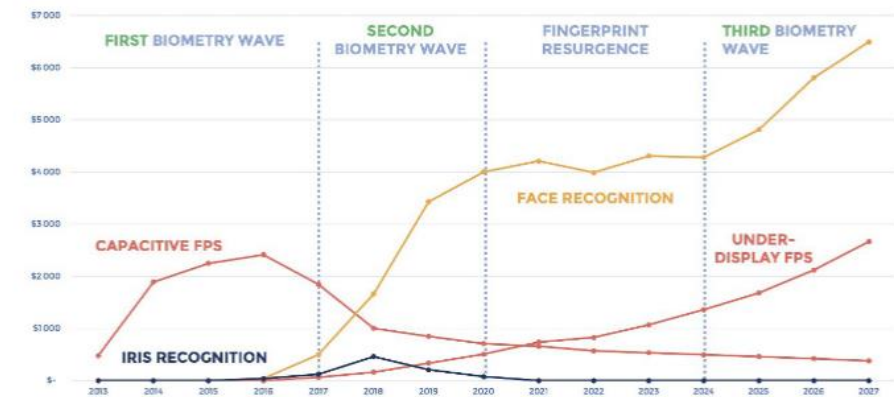
- Market for fingerprint in sensors in automobiles forecast by Goode Intelligence to double between 2023 and 2024.

## Door locks

- Smart door locks have a forecasted CAGR of 19% 2022-2030.

## SMARTPHONE BIOMETRY WAVES AND ASSOCIATED REVENUES

Source: Biometrics for Consumer report, Yole Intelligence, 2022



www.yolegroup.com | ©Yole Intelligence 2023

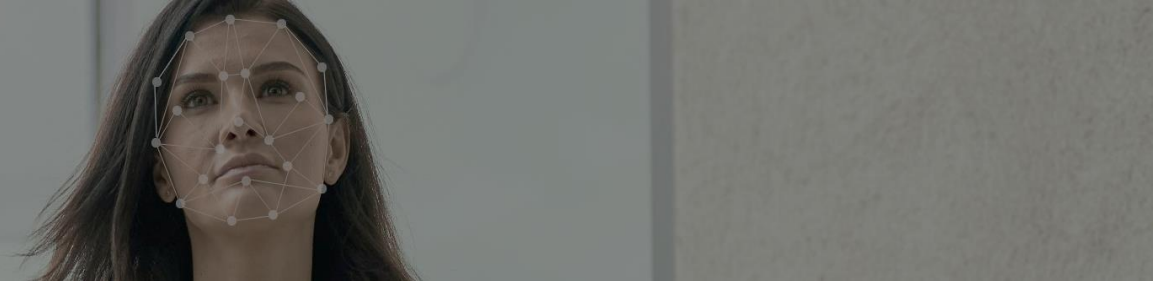


# Global trends supporting our business

## - Multi-factor authentication and growing demand in the US

### Digital Identity

Increasing security demand for access solutions



- A global trend of increased security shows the need for biometric based access (fingerprint and facial recognition) especially when using Multi-factor authentication.
- The biometric access control systems market is projected to grow by USD 3.7 billion with a CAGR of 8% until 2026. North America account for 21% of the global physical access market.
- The global Visitor Management System market size was valued at USD 1.3bn in 2022 and is expected to grow at a CAGR of 13% to 2.3bn in 2026, North America is expected to be the biggest region.

**“The market for **biometric physical access solutions** is expected to grow by 3.7 billion USD up to and including 2026, with an annual growth rate (CAGR) of approximately 8% from 2021-2026. Of the estimated global market of 3.7 billion USD, North America is expected to account for 21%.”**

Technavio, 2022  
FACT MR, 2022

**“The global market for **visitor management systems** is expected to grow to USD 2 billion by 2026, representing an annual growth rate (CAGR) of 16%. North America is expected to be the single biggest region.”**

KBV Research, 2020

# Vision & growth strategy

Leveraging the global trend of merging electronic and physical authentication

**Great opportunity for growth in both business units**

## GROWTH STRATEGY

## VISION

**Algo**

**Capitalize on the strong position** in biometric software within Mobile



**Grow in new verticals** e.g., automotive, laptops & door locks

**New partnerships** with vendors for all sensor types



**Leverage the expertise** within advanced image analysis for use cases even outside of biometrics



**Software powerhouse** licensing algorithms for advanced image processing

**Digital Identity**

**Building up sales channels** through commercial & technical integration with strategic partners in Sweden



**Focus on the US market**, identified as a market with particularly great potential



**Continue to develop our integrated solution** based on existing products for digital and physical access management



**Leading provider** in people flow management



# The Proposed Rights Issue

## Preliminary schedule for the Rights Issue

**May 10, 2023** Last trading day including the right to receive subscription rights

**May 11, 2023** First trading day excluding the right to receive subscription rights

**May 11, 2023** Publication of prospectus

**May 12, 2023** Record date for participation in the Rights Issue

**May 15 – 29, 2023** Subscription period

**May 15 – 24, 2023** Trading in subscription rights at Nasdaq Stockholm

**May 30, 2023** Publication of the outcome of the Rights Issue

## Summary of the Proposed Rights Issue

- One (1) existing ordinary share in Precise Biometrics held on the record date of May 12, 2023 entitles to one (1) subscription right. Three (3) subscription rights entitle the holder to subscribe for two (2) newly issued ordinary shares.
- **The subscription price amounts to SEK 1.60 per share.** Payment must be made in cash.
- Through the Rights issue, Precise Biometrics can **raise a maximum of SEK 49.5 million before issue costs**, which are estimated to amount to about SEK 9,0 million.
- The **subscription period runs during the period May 15 – 29, 2023.**
- Subscription rights that are not exercised during the subscription period become invalid and lose their value. Trading in subscription rights is planned to take place on Nasdaq Stockholm during the period May 15 – 24, 2023.
- The rights issue means that the Company's share capital increases by a maximum of SEK 9,285,519, corresponding to a maximum of 30,951,730 shares and a maximum dilution of 40 percent.

# The Proposed Rights Issue

**– A vital tool for executing our growth strategy**

**Through the Proposed Issue, the company will receive net cash of approximately SEK 40 million. The net cash is meant to be used for the following areas of use, in order of priority:**

- 1** Geographical expansion to the USA.
- 2** Partnerships within new verticals for the Algo business area.
- 3** Product development aimed at new customer groups within Digital Identity.
- 4** Continued improvements to the company's algorithms to ensure our world-leading position in Algo on the mobile phone market – ISP, Matching, Anti-Spoof.
- 5** Strengthening of working capital, ongoing operations.

# The proposed rights issue

## – Key initiatives

- 1 Geographical expansion to the United States**
  - The US is a large and more **mature market** in terms of biometrics solutions than Europe.
  - Favorable **USPs for the YOUNiQ solution** vs competition – IP camera (not terminal), standardize APIs, easy installation, Genetec cooperation.
  - Focus on new & existing partnerships, such as Genetec & Flowscape, to build up strong sales channels.
  - Secure a strong US partner account manager team.
- 2 Partnerships within new verticals for the Algo business area**
  - Explore new verticals for the Algo business area.
  - Explore new type of sensors – event cameras and other type of new sensors.

# Key takeaways



- 1** Precise Biometrics is a world-leader in biometric solutions – based on fingerprint and facial recognition.
- 2** Scalable software applicable to new verticals such as the automotive industry, smart door locks, laptops, etc.
- 3** Global trends such as increased security demands and strong growth in visiting and access systems are drivers for our business.
- 4** Diversified business model, with more than 20 percent of revenues from our new business area.
- 5** Great potential in new segments and new geographical markets. Ready to execute on our growth strategy.



**Thank you!**

**PRECiSE**  
BIOMETRICS

**YOU are the key™**