

PRECiSE
BIOMETRICS



Q2

PRECISE BIOMETRICS

INTERIM REPORT JANUARY - JUNE 2024

**Precise technology
is used**

100K

**times/second
all year round**



Precise Biometrics (Precise) is a global pioneer in the field of biometric IT security solutions. The offering includes algorithm products for fingerprint, facial and hand recognition, as well as end-customer products for biometric access (YOUNIQ Access) and visitor management (YOUNIQ Visit). Our focus areas are biometric authentication for mobile phones, laptops, security keys and smart locks, vehicle applications for in-car payment, driver authentication and personal settings/access – as well as specialized systems for visitor management and physical biometric access control. Precise operates through two main business areas, Digital Identity and Biometric Technologies, and operates from its offices in Lund (HQ) and Stockholm, Sweden, Potsdam NY, USA, Seoul, South Korea, Taipei, Taiwan and Shanghai, China. The Precise share is listed on the Nasdaq Stockholm (PREC). Find out more at www.precisebiometrics.com.

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FIRST HALF OF THE YEAR IN BRIEF:

POSITIVE MOMENTUM FOR LONG-TERM GROWTH

SECOND QUARTER

- Net sales totaled SEK 20.6 (17.9) million
- EBITDA totaled SEK 0.1 (-0.6) million
- The operating profit/loss for the quarter totaled SEK -5.7 (-6.9) million
- Earnings for the period totaled SEK -5.6 (-6.8) million
- Earnings per share totaled SEK -0.07 (-0.09)
- Cash flow from operations totaled SEK 3.9 (5.4) million
- ARR (Annual Recurring Revenue) at the end of the period was SEK 18.6 (17.8) million.

INTERIM PERIOD

- Net sales totaled SEK 42.3 (37.0) million
- EBITDA totaled SEK 3.2 (-1.2) million
- The operating profit/loss totaled SEK -8.5 (-13.8) million
- Earnings for the period totaled SEK -8.5 (-13.7) million
- Earnings per share totaled SEK -0.11 (-0.18)
- Cash flow from operations totaled SEK 1.0 (-0.4) million
- ARR (Annual Recurring Revenue) at the end of the period was SEK 18.6 (17.8) million.

SIGNIFICANT EVENTS DURING THE QUARTER

- Demonstrated biometric recognition solutions at ISC West and Embedded World
- Extended partnership with Flowscape Technology and new customer agreement
- Upgraded AI-driven anti-tampering and liveness solution
- CEO Joakim Nydemark presented at Redeye Growth Day 2024
- Maria Wester recruited as new Chief Financial Officer (CFO) and member of the management team.
- Stronger commitment to ultrasonic fingerprint solutions

SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD

- No significant events after the end of the quarter.

FINANCIAL DATA AND KEY INDICATORS

Amounts in SEK thousands unless otherwise stated	2024	2023	2024	2023	2023	Rolling
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year	12 mth
Net sales	20 582	17 887	42 266	37 037	75 069	80 298
Net sales growth, %	15,1%	-27,3%	14,1%	-30,0%	-17,5%	6,9%
EBITDA	89	-568	3 158	-1 193	-1 691	2 659
Gross margin, %	71,4%	60,3%	71,8%	62,6%	63,7%	68,5%
Operating profit/loss	-5 664	-6 895	-8 490	-13 757	-26 458	-21 192
Operating margin, %	-27,5%	-38,5%	-20,1%	-37,1%	-35,2%	-26,4%
Cash flow from the operating activities	3 855	5 420	1 024	-390	-10 760	-9 346
Cash and cash equivalents	41 746	75 584	41 746	75 584	47 534	41 746
Annual Recurring Revenue	18 645	17 828	18 645	17 828	18 307	18 645

See the Financial Glossary for definitions.

PRESENTATION AND Q&A

Precise Biometrics has published a video in connection with this interim report, which includes an interview with CEO Joakim Nydemark. The video is available on the Investor Relations page: <https://precisebiometrics.com/investors/>.

The material in the video is designed to complement the report and provide additional depth and better understanding of the stock market for the company's business operations.

The company also invites you to a live Q&A that starts at 13:00 AM (CET) on August 16, 2024. A link to the Q&A session can be found on the Investor Relations page: <https://precisebiometrics.com/sv/investerare/>

Questions can be asked directly in the chat function or submitted in advance to investor@precisebiometrics.com

CEO COMMENTS:

POSITIVE MOMENTUM FOR LONG-TERM GROWTH

The second quarter has seen further steps forward on our commercialization journey. Several new and exciting customer projects involving our algorithm products have been launched, with production and revenue expected in the second half of the year and beyond. The investment in the Netherlands is starting to generate revenue and our updated offerings for increased security with BioLive and multi-factor authentication have been well received by both new and existing customers.

We continue to show an operating profit before depreciation (EBITDA) for the third quarter in a row; SEK 3.2 (-1.2) million for the first half of 2024. Net sales were also up year-on-year in the first half of 2024 to SEK 42.3 (37.0) million. Sales costs increased in the second quarter compared to the first, an effect brought about by investments in marketing and sales that impacts EBITDA. We are confident that these well-balanced initiatives will have a positive effect on net sales going forward.

MARKET

It is good to see that the positive momentum Precise Biometrics had in Q1 continued in Q2, in spite of the geopolitical situation. We received clear signals during the quarter that the mobile market has started to grow again, and that interest in biometric IT security solutions is increasing. We see the reasons for this increase as being the global security situation, the rapid development of AI and the fact that biometrics combines user-friendliness and high security in a unique way. It is also positive for us that IT security is a high priority among both companies and government agencies globally, and Precise Biometrics is well positioned and in a much better situation financially now than it has been for a long time. We will continue to execute our strategic plan with the goal of delivering profitable growth.

I am also pleased to see the increased interest in our company on the stock market and that the progress and work done by the team is being recognized.

I am also pleased to see the increased interest in our company on the stock market and that the work done is being recognized.

OUR BUSINESS

Demand for our algorithm products has been good throughout the first half of the year. Especially for more complex sensors and software solutions that meet the increased security requirements of our customers. Our positioning with algorithms for the latest generation of fingerprint sensors based on ultrasound is important in this respect and continues to create good conditions for growth. We have also launched a product for palm recognition, which is a new modality providing an excellent complement to fingerprint and facial recognition. This product is available both as algorithm technology for sensor manufacturers and as an end-customer product integrated into our YOUNiQ system. Examples of applications are payment and door access.

Liveness and fraud detection, where the Precise product BioLive has a unique position on the market, are also more relevant than ever. By detecting fake biometric prints and images and verifying that a biometric print belongs to a living individual, the highest security requirements in the world can be met.

Alongside this, there was full activity within YOUNiQ and the Digital Identity business area during the period, and we feel that the current security situation strengthens our position in both access and visitor systems. We have a strong focus on ensuring higher growth of our Annual Recurring Revenue (ARR) and I can see that the activities we are engaging in now that involve more sales efforts and more retail partners will make a big difference going forward.

WHAT DOES THE FUTURE HOLD

There is no doubt that biometrics represents the way ahead for personal identification and authentication in a number of different areas. Several of the exciting new customer projects initiated during the first half of the year are expected to go live in the second half of the year, which should benefit our business and hopefully continue to build on the positive momentum gained in the first two quarters. The fact that

our management team will be strengthened by our new CFO Maria Wester, who will be in post from the end of August, and will contribute new perspectives and highly relevant skills at this stage of the company's development, is also positive.

That being said, demand in the electronics market is cyclical and trend-sensitive. However, as a pure software company, we have the opportunity to quickly adapt to market requirements, and thus further strengthen our position in this situation, as many of our competitors who also build hardware do not have the facility to make the switch as quickly.

Safety and security are important values, especially in this day and age. Precise delivers solutions that help create a safer world hundreds of thousands of times every second,

24 hours a day, all year round, when our world-leading biometric technology makes the individual the key to unlock doors, mobile phones, computers, and cars, or to create secure authentication when making a payment.

I am very proud of the work the whole Precise team is doing to take the company to new heights, and I look forward to the future with confidence in 2024. We are fully focused on creating a profitable growth journey through increased market presence, high-quality products and a more efficient sales and delivery process.

Joakim Nydemark
CEO



MY TOP THREE:

- The journey to commercialization continues with positive EBITDA.
- The market for biometric IT security is growing.
- Extended partnerships and new customer projects contribute to long-term growth.

UPDATE FROM THE BUSINESS AREAS

BIOMETRIC TECHNOLOGIES

Precise is experiencing a positive market situation and continued increased interest in biometric solutions. The company's offerings are well positioned and adapted to the needs of the market, where the main drivers are increased security and a good user experience. Collaboration with important partners continues to be deepened, driving business in the right direction.

Precise generally has a strong position in the market and excels in the more complex premium segments such as

- fingerprint algorithms for ultrasonic sensors.
- anti-spoofing and liveness to minimize the risk of fraud.
- authentication solutions for the automotive industry
- multi-factor authentication.
- palm recognition.

Some of the highlights during the quarter:

- The mobile phone market is growing and demand is increasing for our algorithm products for ultrasonic sensors, anti-tampering and liveness.
- A new version of BioLive, our anti-tampering and liveness solution, was released. The first generation of the product is live in several products on the market, and the latest generation is now being evaluated by several potential customers.
- Our offering creates great interest in product verticals such as smart door locks, vehicles, and laptops. New products, including our algorithm products, in both laptops and smart locks, were launched in the second quarter. There is a great deal of activity in the automotive segment and partnerships are progressing according to plan.

STRONGER COMMITMENT TO ULTRASONIC FINGERPRINT SOLUTIONS

Precise expects increased demand for ultrasonic fingerprint algorithms for mobile phones in the coming years. The company is therefore launching a next generation ultrasonic fingerprint solution and placing an elevated technical and commercial focus on the ultrasonic fingerprint sensor

segment. This focus aims to further advance Precise Biometrics' strong position in the area and will be funded by redirecting and optimizing existing resources and expertise.

Read the full press release [here](#).



UPGRADED AND AI-DRIVEN SOLUTION TO PREVENT TAMPERING AND FRAUD

Precise has released the next generation of its AI-driven anti-tampering solution, BioLive. The upgraded product offers up to 50X improved performance and security.

BioLive is a solution for high-security companies and organizations that require special tools for real-time anti-spoofing detection and liveness verification. BioLive effectively reduces the risk of identity theft and unauthorized access, protects sensitive information and helps prevent financial losses.

Read the full press release [here](#).



DIGITAL IDENTITY

The desire to use modern technology to improve security, efficiency and customer service, as well as the current security situation, strengthen Precise's position in the fields of both access and visitor systems. After a rather sluggish start to the year, which is normal and according to plan, sales increased during the quarter. We are seeing great interest in our solutions in Sweden, the US and the Netherlands.

Our work on developing stronger partner relationships continued during the quarter and produced results in the form of business secured in all markets. There has also been a major update of our YOUNiQ Visit visitor system.

Some of the highlights during the quarter:

- New release of YOUNiQ Visit with functions for parcel delivery, new integrations to access system, simplified check-in with "Scan and check-in", etc.
- Success in international markets with business secured in the Netherlands, with Flowscape and for YOUNiQ Access in the US.
- New regulations simplify sales of cloud-based solutions to the public sector.

NEW CUSTOMERS

Precise signed many exciting Digital Identity customers during the quarter. Some examples of companies that have signed a new agreement or updated an existing agreement are Altiden, AP Moller Maersk, Cancerfonden (Swedish Cancer Society), Familjebostäder, IT-Total, Kraftstaden, Linköping Municipality, NWT Group, PwC, Samhall, SLF, Speed Group, Teknikföretagen (Association of Swedish Engineering Industries), Foreign Policy Institute, Familjebostäder, Öresundskraft and The Commonwealth Texas.

NEW RELEASES AND ROADMAP

New releases of both YOUNiQ products were launched during the quarter, and there is a clear roadmap going forward, which includes both new functionality and further improved security and compatibility with different security standards.



CUSTOMER OFFERING

In a society where security is becoming increasingly central, Precise Biometrics helps to create increased peace of mind. This is done by developing innovative technological solutions in the field of biometric recognition, where simplicity and a first-class user experience are combined with a very high level of security because "YOU are the key". Instead of using a PIN code, password, key, card, etc. to authenticate yourself, you use your finger, face, or palm.

There are areas of application in both digital and physical access, and the applications can be found in, for example, mobile phones, laptops, smart locks, security keys and vehicles, and in visitor and access systems.

The offering consists of algorithm products, basic technology, which component manufacturers use in their products, and also end-customer products for access and visitor management. The focus of all solutions is to combine high security with a first-class user experience through outstanding technology, based on AI and Deep Learning.

– YOU ARE THE KEY



WHY PRECISE?

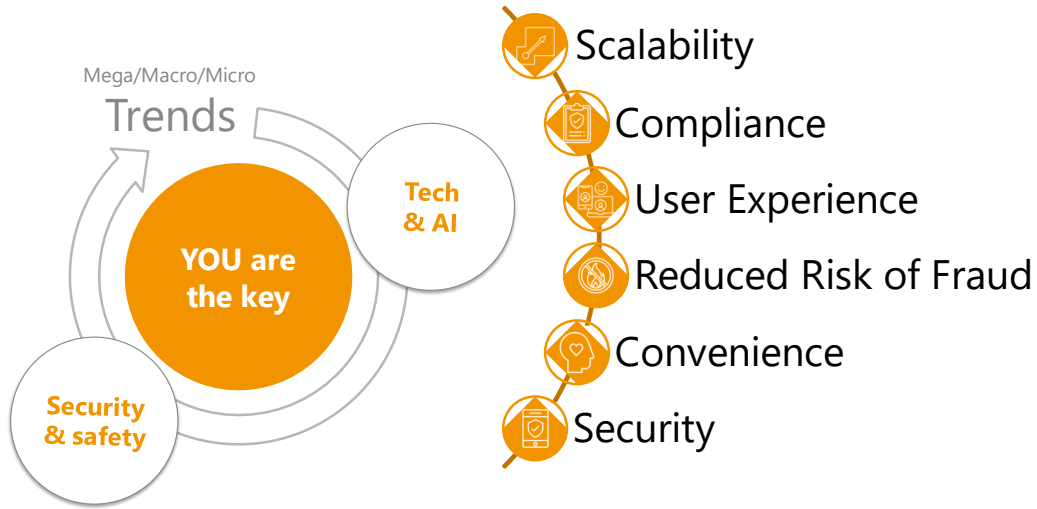
- Unique knowledge, as biometrics has been our core business for 25 years.
- Established on the global market, our technology is used more than 100,000 times per second, all year round.
- Large customer base and a global footprint in the world of biometrics.
- Hardware-independent, handling several different biometric modalities such as finger, hand, and face.
- Public company.



THE COMMERCIAL BENEFIT OF BIOMETRIC RECOGNITION

The commercial benefit of biometric recognition solutions can be divided into internal company factors and external environmental factors. The internal factors relate to areas such as security, efficiency, user-friendliness, customer

service, compliance, and scalability, while the external factors primarily concern the rapid development of technology and AI, and the uncertain security situation.



OUR PRODUCTS

END-CUSTOMER PRODUCTS FOR ACCESS AND VISITOR MANAGEMENT

- **YOUNIQ Access** is our access solution for doors based on biometrics, such as facial recognition.
- **YOUNIQ Visit** (EastCoast Visit in Sweden) is our visitor management solution.

ALGORITHM PRODUCTS FOR BIOMETRIC RECOGNITION

- **BioMatch** is our fingerprint matching product.
- **BioLive** is our product to prevent fraud using false fingerprints.
- **BioEnhance** is our product for image enhancement, e.g., regarding fingerprints before matching.



NET SALES AND OPERATING PROFIT/LOSS

NET SALES FOR THE QUARTER

Net sales during the quarter increased to SEK 20.6 (17.9) million, and net sales were divided between royalty revenues of SEK 8.1 (3.5) million, license fees (including support and maintenance) of SEK 10.4 (12.5) million and other revenues of SEK 2.1 (1.9) million. Royalty revenues were up year-on-year as a consequence of new customer projects and general volume growth in the mobile industry. License fees were down year-on-year, mainly due to changes in the composition of customers and renegotiated license agreements due to the reduced support needs of some customers.

BIOMETRIC TECHNOLOGIES

Net sales for Biometric Technologies totaled SEK 15.1 (12.2) million and are reported under royalties at SEK 8.1 (3.5) million, licenses at SEK 5.7 (7.9) million, and other revenue at SEK 1.3 (0.8) million. The increase in royalty revenues is partly due to Precise being correctly positioned in the area of new sensor technologies such as ultrasound. License fees were down year-on-year mainly due to changes in the composition of customers and renegotiated license agreements due to the reduced support needs of some customers. The gross margin during the quarter was 84.6% (78.7). The increase in gross margin is primarily due to higher sales. Royalty revenues are based on the customers' sales volumes, and increased royalty revenues therefore have a positive impact on margins as they do not entail any extra costs for Precise.

DIGITAL IDENTITY

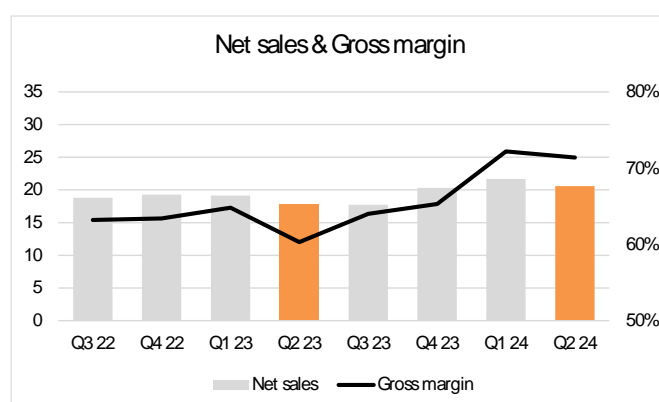
Net sales for Digital Identity totaled SEK 5.5 (5.6) million and are reported under licenses at SEK 4.7 (4.5) million, and other revenue at SEK 0.8 (1.1) million.

The proportion of recurring revenues (Annual Recurring Revenue, ARR) increased, while revenues of a non-recurring nature decreased. This is part of the company's strategy to allocate a larger proportion of revenue as recurring ARR instead of one-off licenses. The ARR at the end of the quarter was SEK 18.6 (17.8) million.

The gross margin during the quarter was 35.4% (20.5). The higher gross margin is mainly due to a lower proportion of hardware sales, where the margin is lower. Depreciation and amortization in the second quarter totaled SEK 2.9 (2.9) million.

EARNINGS FOR THE QUARTER

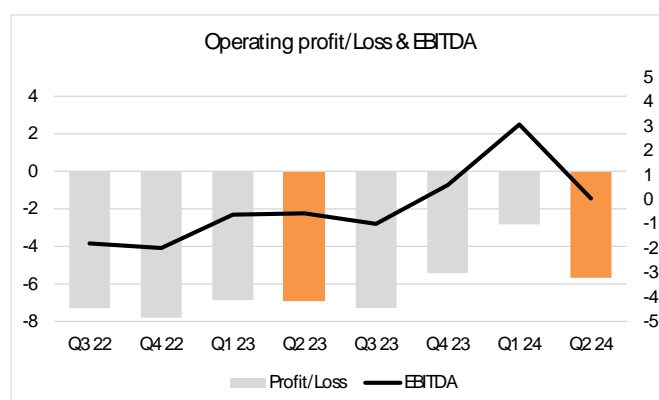
The gross margin during the quarter was 71.4% (60.3). The increase is primarily caused by increased sales and a changed product mix, as sales in Biometric Technologies increased and this product segment has higher margins. Total amortization of capitalized development expenses was SEK 4.2 (4.8) million. Amortization of acquired intangible assets totaled SEK 0.6 (0.6) million.



Operating expenses for the quarter increased to SEK 20.4 (17.7) million, primarily due to higher sales costs. The profit/loss at EBITDA level improved to SEK 0.1 (-0.6) million. The improved EBITDA result is primarily attributable to higher net sales.

The operating profit/loss for the quarter totaled SEK -5.7 (-6.9) million. Earnings for the quarter totaled SEK -5.6 (-6.8) million. Total depreciation/amortization totaled SEK 5.8 (6.3) million.

Earnings per share (average number of shares) for the quarter totaled SEK -0.07 (-0.09).



NET SALES FOR THE INTERIM PERIOD

Net sales during the interim period totaled SEK 42.3 (37.0) million. Net sales are reported under royalty revenues at SEK 18.6 (7.6) million, license fees (including support and maintenance) at SEK 20.2 (25.6) million and other revenues at SEK 3.5 (3.8) million. The increase in royalty revenues is largely due to Precise being correctly positioned within new sensor technologies such as ultrasound and the number of units sold in the mobile market in general increasing during the year compared to 2023. License fees were down year-on-year, mainly due to changes in the composition of customers and renegotiated license agreements due to the reduced support needs of some customers.

BIOMETRIC TECHNOLOGIES

Net sales for Biometric Technologies totaled SEK 31.7 (26.3) million and are reported under royalties at SEK 18.5 (7.6) million, licenses at SEK 11.0 (16.8) million, and other revenue at SEK 2.2 (1.9) million. The increase in royalty revenues is largely due to Precise being correctly positioned within new sensor technologies such as ultrasound and the number of units sold in the mobile market in general increasing during the year compared to 2023. License fees decreased compared with the same period last year, mainly due to changes in the composition of customers and renegotiated license agreements due to the reduced support needs of some customers. The gross margin during the interim period was 84.9% (80.6).

DIGITAL IDENTITY

Net sales for Digital Identity totaled SEK 10.5 (10.8) million and are reported under licenses at SEK 9.2 (8.8) million and other revenue at SEK 1.3 (1.9) million. The decrease in revenues in Digital Identity is due to the fact that the proportion of Annual Recurring Revenue (ARR) increased, while non-recurring revenues decreased. This is part of the company's strategy to allocate a larger proportion of revenue as recurring ARR instead of one-off licenses. Other revenue consists mainly of hardware in the area of Digital Identity, and this has decreased due to the fact that sales of hardware for YOUNiQ are to a greater extent managed at the retail level. The ARR at the end of the interim period was SEK 18.6 (17.8) million. The gross margin during the interim period was 32.2% (18.8).

EARNINGS FOR THE INTERIM PERIOD

The gross margin during the interim period was 71.8% (62.6). The increase is primarily caused by increased sales and a changed product mix, as sales in Biometric Technologies increased and this product segment has higher margins. Total amortization of capitalized development expenses was SEK 8.5 (9.3) million. Amortization of acquired intangible assets totaled SEK 1.2 (1.2) million.

Operating expenses for the interim period increased to SEK 38.9 (37.0) million, mainly due to higher sales costs. The profit/loss at EBITDA level totaled SEK 3.2 (-1.2) million. The improved EBITDA result is primarily attributable to higher royalty revenues in Biometric Technologies.

The operating profit/loss for the interim period totaled SEK -8.5 (-13.8) million. The improved operating profit/loss is due to higher sales. Earnings for the interim period totaled SEK -8.5 (-13.7) million. Total depreciation/amortization totaled SEK 11.6 (12.6) million. Earnings per share (average number of shares) for the interim period totaled SEK -0.11 (-0.18).

NET FINANCIAL ITEMS & TAX

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

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, as well as interest expense on the deferred fixed purchase price related to the acquisition of EastCoast.

CASH FLOW AND INVESTMENTS

The cash flow for the quarter from operating activities totaled SEK 3.9 (5.4) million, of which SEK 3.8 (5.9) million is attributable to changes in working capital. The Group invested SEK 0.0 (0.0) million in property, plant and equipment during the period. Total cash flow for the quarter was SEK 0.1 (41.1) million.

Cash flow for the interim period from operating activities totaled SEK 1.0 (-0.4) million, of which SEK -2.0 (0.7) million is attributable to changes in working capital. The Group invested SEK 0.1 (0.0) million in property, plant and equipment during the interim period. Total cash flow for the interim period was SEK -5.9 (29.2) million.

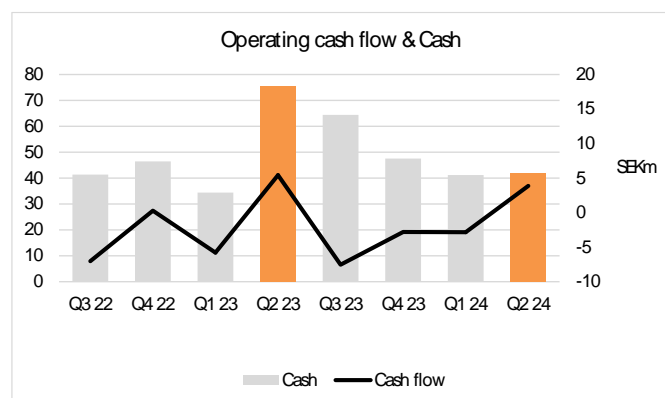
CAPITALIZATION AND AMORTIZATION OF DEVELOPMENT WORK

Development expenses of SEK 2.6 (3.6) million were capitalized during the quarter, and amortization of capitalized development expenses in respect of Digital Identity and Biometric Technologies totaled SEK 4.2 (4.8) million.

Development expenses of SEK 5.6 (8.8) million were capitalized during the interim period, and amortization of capitalized development expenses totaled SEK 8.5 (9.3) million.

FINANCIAL POSITION AND LIQUIDITY

Cash and cash equivalents at the end of the period totaled SEK 41.7 (75.6) million. Total equity at the end of the period was SEK 150.9 (172.3) million, and equity per share was SEK 1.92 (2.20).



THE PARENT COMPANY

The parent company's net sales for the quarter totaled SEK 15.5 (13.1) million. The operating profit/loss for the quarter totaled SEK -5.3 (-8.0) million. Net sales for the interim period totaled SEK 33.2 (27.3) million. The operating profit/loss totaled SEK -8.3 (-15.7) 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 29.2 (64.1) million, and equity SEK 140.9 (161.3) million.

ORGANIZATION AND STAFF

The organization consists of the head office in Lund, Sweden, and offices in Stockholm, Sweden, Potsdam, USA, and Shanghai, China. At the end of the interim period, the Group had a workforce of 44 (48) people, including on-site consultants. The number of employees was 33 (32), of which 24 (25) were located 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.

FINANCIAL CALENDAR

Q3 Interim Report 2024 – November 15, 2024

Q4 Interim Report 2024 – February 13, 2025

Q1 Interim Report 2025 – May 14, 2025

AGM 2025 – May 22, 2025

RISK FACTORS

The Group and 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 2023, which was issued in April 2024. There have been no incidents of significant importance since then that would affect or change these descriptions of the Group or parent company's risks and how they are managed.

OWNERSHIP STRUCTURE

Precise Biometrics AB (publ), corporate ID number 556545-6596, is the parent company of 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 quarter was 18,893 (16,993). 194,684,836 (10,004,524) PREC shares were traded during the quarter. The closing price on June 30 was SEK 3.67 (1.25), and during the quarter the share price fluctuated between SEK 1.14 (1.10) and SEK 4.95 (3.34).

AUDIT

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

The undersigned certify 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 16, 2024

Torgny Hellström

Chairman of the Board

Howard Ro

Board member

Peter Gullander

Board member

Maria Rydén

Board member

Åsa Schwarz

Board member

Joakim Nydemark

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 August 16, 2024 at 08:00 AM.

CONSOLIDATED INCOME STATEMENT, IN SUMMARY

Amounts in SEK thousand	Note	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	2023 Full-year	Rolling 12 mth
Net sales	2,3	20 582	17 887	42 266	37 037	75 069	80 298
Cost of goods sold		-5 881	-7 096	-11 908	-13 837	-27 246	-25 317
Gross profit		14 701	10 791	30 358	23 200	47 823	54 981
Marketing and sales expenses		-9 399	-6 831	-17 883	-13 637	-27 420	-31 666
Administrative expenses		-3 744	-3 604	-7 594	-7 120	-14 150	-14 624
R&D expenses		-7 086	-7 358	-13 894	-16 269	-32 105	-29 730
Other operating income/expenses		-135	108	523	69	-606	-152
		-20 365	-17 686	-38 848	-36 957	-74 281	-76 172
Operating profit/loss		-5 664	-6 895	-8 490	-13 757	-26 458	-21 192
Financial income/expenses	4	10	8	-219	-158	-291	-352
Profit/Loss before tax		-5 654	-6 887	-8 709	-13 915	-26 749	-21 543
Tax		88	83	174	170	346	350
Profit/loss for the period attributable to parent company shareholders		-5 565	-6 804	-8 534	-13 745	-26 403	-21 192
Earnings per share, remaining operations, SEK*							
- before dilution		-0,07	-0,09	-0,11	-0,18	-0,34	-0,27
- after dilution		-0,07	-0,09	-0,11	-0,18	-0,34	-0,27
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME							
Profit/Loss for the period		-5 565	-6 804	-8 534	-13 745	-26 403	-21 192
Other comprehensive income:							
<i>Items that may be reclassified to profit or loss</i>							
Changes in accumulated exchange rate differences		-17	87	141	74	-127	-60
Other comprehensive income for the period		-17	87	141	74	-127	-60
Profit/Loss total attributable to holders of participations in the parent company		-5 582	-6 717	-8 393	-13 671	-26 530	-21 252

*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.

CONSOLIDATED BALANCE SHEET, IN SUMMARY

Amounts in SEK thousand

ASSETS	Note	2024 June	2023 June	2023 December
FIXED ASSETS				
Material assets		10 413	8 014	6 447
Goodwill and immaterial assets		128 620	137 156	132 751
TOTAL FIXED ASSETS		139 033	145 170	139 198
CURRENT ASSETS				
Inventories		291	468	359
Accounts receivable		19 897	9 613	19 173
Other current receivables		3 579	3 882	3 499
Accruals and deferred income		3 091	3 107	2 903
Cash and cash equivalents	4,6	41 746	75 584	47 534
TOTAL CURRENT ASSETS		68 603	92 654	73 467
TOTAL ASSETS		207 636	237 824	212 665
EQUITY AND LIABILITIES				
EQUITY				
Equity		150 927	172 299	159 319
TOTAL EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		150 927	172 299	159 319
LONG-TERM DEBT				
Long term debt	6	21 904	24 584	17 460
TOTAL LONG-TERM DEBT		21 904	24 584	17 460
SHORT-TERM LIABILITIES				
Short-term liabilities	4,6	34 805	40 941	35 886
Total Short-term liabilities		34 805	40 941	35 886
TOTAL EQUITY AND LIABILITIES		207 636	237 824	212 665

CONSOLIDATED CASH FLOW STATEMENT IN SUMMARY

Amounts in SEK thousand	Note	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	2023 Full-year	Rolling 12 mth
Cash flow from operating activities							
Operating profit/loss		-5 664	-6 895	-8 490	-13 757	-26 458	-21 192
Adjustments for items not included in cash flow		5 737	6 327	11 748	12 568	24 843	24 023
Interest payments, net		10	131	-219	87	386	80
Tax paid		-4	-6	-11	-10	-9	-10
Cash flow from operating activities before changes in working capital		79	-443	3 028	-1 112	-1 238	2 902
Cash flow from changes in working capital							
Change in inventories		2	-157	68	-157	-48	177
Change in current receivables		6 365	5 824	-941	1 956	-7 083	-9 980
Change in current liabilities		-2 591	195	-1 132	-1 078	-2 392	-2 445
		3 776	5 862	-2 005	721	-9 522	-12 248
Cash flow from operating activities		3 855	5 420	1 024	-390	-10 760	-9 346
Acquisition of subsidiaries	6	0	0	0	0	-10 000	-10 000
Investment in fixed assets		76	-27	107	-44	-1 215	-1 064
Investment in intangible assets		-2 674	-3 823	-5 729	-9 014	-14 101	-10 816
Cash flow from investing activities		-2 598	-3 850	-5 622	-9 058	-25 316	-21 880
New share issue		0	49 523	0	49 523	49 523	0
Commission expenses		0	-9 433	0	-9 856	-9 979	-123
Repurchase of own shares		-1	0	-2	0	0	-2
Payment for sale/buy-back of options		0	0	0	0	0	0
Payment of lease liability		-639	-532	-1 261	-1 061	-2 258	-2 458
Cash flow from financing activities		-640	39 558	-1 263	38 606	37 287	-2 582
Total Cash flow		616	41 127	-5 862	29 158	1 211	-33 808
Cash & cash equivalents at beginning of year		41 148	34 434	47 534	46 405	46 405	75 584
Exchange rate differences in cash & cash equivalents		-18	24	73	22	-83	-32
Cash & cash equivalents at end of period 1)		41 746	75 584	41 746	75 584	47 534	41 746

1) The balance sheet item Cash & Cash Equivalents only includes bank balances at both the beginning and end of the period.

CHANGE IN EQUITY (GROUP), IN SUMMARY

Amounts in SEK thousand		2024	2023	2023	Rolling
	Note	Jan-Jun	Jan-Jun	Full year	12 months
Equity at start of period		159 319	146 302	146 302	172 299
Comprehensive income					
Profit/loss for the period		-8 534	-13 745	-26 403	-21 192
Other comprehensive income					
Exchange differences		141	74	-127	-60
Total other comprehensive income		141	74	-127	-60
Total comprehensive income		-8 393	-13 671	-26 530	-21 252
Transactions with shareholders					
Stockoptions	5	0	0	0	0
LTI programme	5	2	0	3	5
Repurchase of own shares	5	0	0	0	0
New share issue		0	49 523	49 523	0
New issue cost		0	-9 856	-9 979	-123
Total transactions with shareholders		2	39 667	39 547	-119
Equity end of period		150 927	172 299	159 319	150 927

ANALYSIS OF RESULTS, IN SUMMARY

Amounts in SEK thousand		2024	2023	2024	2023	2023	Rolling
	Note	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year	12 mth
Net sales	2,3	20 582	17 887	42 266	37 037	75 069	80 298
Cost of goods and services sold excluding depreciation		-1 280	-1 880	-2 564	-3 586	-7 003	-5 981
Operating costs excluding depreciation		-19 213	-16 576	-36 544	-34 645	-69 758	-71 657
EBITDA		89	-568	3 158	-1 193	-1 691	2 659
Total depreciation		-5 752	-6 327	-11 648	-12 564	-24 767	-23 851
Operating profit/loss		-5 663	-6 895	-8 489	-13 757	-26 458	-21 192

NOTES

NOTE 1 – ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial 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 and bases of estimates applied in the Annual Report for 2023 report have also been used in this interim report.

NOTE 2 – REVENUE ALLOCATION

Amounts in SEK thousand	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	2023 Full-year	Rolling 12 mth
Segment						
<i>Biometric Technologies (fd Algo)</i>						
Royalty	8 096	3 489	18 584	7 574	17 654	28 664
Licenses, incl. support & maintenance	5 714	7 948	10 995	16 786	31 500	25 709
Other	1 259	803	2 170	1 905	3 658	3 922
<i>Digital Identity</i>						
Licenses, incl. support & maintenance	4 682	4 517	9 197	8 847	18 308	18 658
Other	831	1 130	1 320	1 925	3 949	3 345
Total	20 582	17 887	42 266	37 037	75 069	80 298
Timing of revenue recognition						
At point in time*	1 782	2 082	3 178	4 047	7 740	6 871
Over time**	18 800	15 805	39 088	32 990	67 329	73 427
Total	20 582	17 887	42 266	37 037	75 069	80 298
Region/Country						
Europe	7 118	7 465	12 941	14 702	29 054	27 293
- w hereof Sweden	5 496	5 508	10 315	10 902	20 982	20 395
Asia	7 795	7 123	15 920	15 529	31 205	31 596
- w hereof China	337	1 127	698	2 447	3 152	1 403
- w hereof Taiwan	6 720	5 728	13 591	11 794	25 224	27 020
USA	5 671	3 287	13 405	6 807	14 811	21 409
Total	20 582	17 887	42 266	37 037	75 069	80 298

* Sale at a certain time means that revenue is recognized point-in-time at the start of the agreement period, when control has been transferred to the customer.

**Sale over time means that revenue is accrued on a straight-line basis over the term of the agreement.

NOTE 3 – SEGMENT REPORTING

Amounts in SEK thousand	2024			2023		
	Biometric Technologies	Digital Identity	Total Segment	Biometric Technologies	Digital Identity	Total Segment
			2024 Apr-Jun			2023 Apr-Jun
Net sales	15 069	5 514	20 582	12 239	5 648	17 887
Cost of goods sold	-2 321	-3 560	-5 881	-2 606	-4 490	-7 097
Gross profit	12 748	1 954	14 701	9 633	1 158	10 791

	2024			2023		
	Biometric Technologies	Digital Identity	Total Segment	Biometric Technologies	Digital Identity	Total Segment
			2024 Jan-Jun			2023 Jan-Jun
Net sales	31 749	10 518	42 266	26 265	10 772	37 037
Cost of goods sold	-4 780	-7 129	-11 908	-5 090	-8 747	-13 837
Gross profit	26 969	3 389	30 358	21 175	2 025	23 200

	2023			Rolling		
	Biometric Technologies	Digital Identity	Total Segment	Biometric Technologies	Digital Identity	Total Segment
			2023 Full-year			Rolling 12 mth
Net sales	52 812	22 258	75 069	58 295	22 003	80 299
Cost of goods sold	-10 171	-17 075	-27 246	-9 860	-15 457	-25 317
Gross profit	42 641	5 182	47 823	48 435	6 547	54 982

Other information

Only net sales and product costs are allocated to each segment. Other costs are not allocated at segment level as these items relate to group operations

	2024	2023	2024	2023	2023	Rolling
Reconciliation profit/Loss	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year	12 mth
Segment profit/Loss	14 701	10 791	30 358	23 200	47 823	54 982
Marketing and sales expenses	-9 399	-6 831	-17 883	-13 637	-27 420	-31 666
Administrative expenses	-3 744	-3 604	-7 594	-7 120	-14 150	-14 624
R&D expenses	-7 086	-7 358	-13 894	-16 269	-32 105	-29 730
Other operating income/expenses	-135	108	523	69	-606	-152
Financial income/expenses	10	8	-219	-158	-291	-352
Profit/Loss before tax	-5 653	-6 887	-8 709	-13 915	-26 749	-21 543

NOTE 4 – 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.

INTEREST-BEARING LIABILITIES

As of November 30, 2021, the Group acquired 100% of the shares in EastCoast Solutions AB and Besökssystem Sverige AB.

The purchase price totaled SEK 86,203,000, of which SEK 24,466,000 was paid as at December 31, 2021, partly via a cash payment of SEK 18,000,000 and partly via the issuing of new shares totaling SEK 6,466,000. An additional SEK 8,268 thousand was paid in cash in January 2022.

On November 30, 2022, a supplementary agreement was signed that changed the terms and conditions for the remaining liability of SEK 55,000 thousand for the acquisition of EastCoast Solutions AB. On December 1, 2022, SEK 30,000 thousand was paid and on November 30, 2023, SEK 10,000 thousand was paid.

SEK 5,000 thousand will be paid on November 30, 2024, SEK 5,000 thousand on November 30, 2025, and SEK 5,000 thousand on November 30, 2026. Interest will be added to the amounts of SEK 5,000 thousand due on November 30, 2025 and SEK 5,000 thousand due on November 30, 2026. The interest, of 3 months STIBOR + 8%, will be added from November 30, 2023 until the amounts have been paid. The liability is recognized as an interest-bearing liability as of March 31, 2024.

The liability has been calculated at current value at the original effective interest rate of 1.8% and is recognized as other current liabilities (SEK 6,128 thousand) and other non-current liabilities (SEK 11,351 thousand). The effect on earnings of the translation of the liability was estimated at SEK 2,112 thousand and was reported under financial items as other financial expenses during 2023. Precise has the option to pay off the entire remaining purchase price early without incurring any interest expenses.

IMPACT ON CASH AND CASH EQUIVALENTS IN 2024 (REPORTED IN INVESTING ACTIVITIES):

There is no impact on the Group's cash and cash equivalents during Q2 2024.

NOTE 5 – LTI PROGRAM

The Annual General Meeting 2022 resolved, in accordance with the Board's proposal, to establish a long-term share bonus program (LTI 2022/2028) for all employees at Precise Biometrics. In order to facilitate the implementation of LTI 2022/2028 and to ensure the delivery of shares to the participants, and to cover the company's costs for social security contributions, the meeting also decided to amend the Articles of Association in the form of the introduction of new Class C shares, authorization for the Board of Directors to issue Class C shares, authorization for the Board of Directors to buy back Class C shares, and approval of the transfer of shares to participants in LTI 2022/2028. The implementation of Class C shares took place in Q4 2022. As of March 31, 2024, Precise Biometrics held 1,085,000 Class C shares.

PARENT COMPANY INCOME STATEMENT, IN SUMMARY

Amounts in SEK thousand	Note	2024 Apr-Jul	2023 Apr-Jul	2024 Jan-Jun	2023 Jan-Jun	2023 Full year	Rolling 12 mth
Net sales	1	15 498	13 107	33 208	27 284	53 787	59 711
Cost of goods sold		-7 113	-8 796	-15 326	-17 246	-32 709	-30 789
Gross profit		8 385	4 311	17 882	10 038	21 078	28 922
Marketing and sales expenses		-5 625	-4 597	-11 309	-9 488	-18 552	-20 373
Administrative expenses		-3 558	-3 411	-7 285	-6 680	-13 203	-13 808
R&D expenses		-4 491	-4 366	-8 294	-9 637	-19 813	-18 470
Other operating income/expenses		12	103	667	18	-626	23
		-13 662	-12 271	-26 221	-25 787	-52 194	-52 628
Operating profit/loss		-5 277	-7 960	-8 339	-15 749	-31 116	-23 707
Financial income/expenses		95	64	-45	-39	-109	-115
Group contributions received		0	0	0	0	3 487	3 487
Profit/loss before tax		-5 182	-7 896	-8 384	-15 788	-27 738	-20 334
Tax		0	0	0	0	0	0
Profit/loss for the period		-5 182	-7 896	-8 384	-15 788	-27 738	-20 334

PARENT COMPANY BALANCE SHEET, IN SUMMARY

ASSETS	Note	2023 June	2022 June	2023 December
Fixed assets				
Fixed assets		1 487	2 368	2 056
Immaterial assets		26 910	36 781	31 630
Deferred tax assets		90 558	90 558	90 558
TOTAL FIXED ASSETS		118 955	129 707	124 244
CURRENT ASSETS				
Inventories		0	311	64
Accounts receivable		16 607	6 969	13 704
Accounts receivable Group		1 392	967	1 076
Other receivables		11 571	8 808	12 162
Accruals and deferred income		2 663	2 701	2 488
Cash and cash equivalents		29 176	64 065	35 618
TOTAL CURRENT ASSETS		61 409	83 821	65 112
TOTAL ASSETS		180 364	213 528	189 356
EQUITY AND LIABILITIES				
Restricted Equity				
Share capital		23 539	23 539	23 539
Paid-in unregistered share capital		0	0	0
Statutory reserve		1 445	1 445	1 445
Reserve for development expenses		20 002	25 120	21 556
Total restricted equity		44 986	50 104	46 540
Unrestricted Equity				
Share premium reserve		168 316	168 439	168 316
Retained earnings		-64 033	-41 413	-37 849
Profit/loss for the year		-8 384	-15 788	-27 738
Total non-restricted equity		95 899	111 238	102 729
Total Equity		140 885	161 342	149 269
LONG-TERM DEBT				
Long term debt		11 357	16 943	11 302
TOTAL LONG-TERM DEBT		11 357	16 943	11 302
SHORT-TERM LIABILITIES				
Short-term liabilities		28 122	35 243	28 785
Total Short-term liabilities		28 122	35 243	28 785
TOTAL EQUITY AND LIABILITIES		180 364	213 528	189 356

CONSOLIDATED KEY INDICATORS

Amounts in SEK thousands unless otherwise stated	2024	2023	2024	2023	2023	Rolling
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year	12 mth
Net sales	20 582	17 887	42 266	37 037	75 069	80 298
Net sales growth, %	15,1%	-27,3%	14,1%	-30,0%	-17,5%	6,9%
Gross margin, %	71,4%	60,3%	71,8%	62,6%	63,7%	68,5%
EBITDA	89	-568	3 158	-1 193	-1 691	2 659
Operating profit/loss	-5 664	-6 895	-8 490	-13 757	-26 458	-21 192
Working capital *	39 923	61 637	39 923	61 637	43 683	39 923
Capital employed	168 409	172 299	168 409	172 299	176 724	168 409
Liquidity ratio, %	196,3%	225%	196,3%	225%	203,7%	196%
Equity/assets ratio, %	72,7%	72,4%	72,7%	72,4%	74,9%	72,7%
Earnings per share before dilution, SEK	-0,07	-0,09	-0,11	-0,18	-0,34	-0,27
Earnings per share after dilution, SEK	-0,07	-0,09	-0,11	-0,18	-0,34	-0,27
Equity per share, SEK	1,92	2,20	1,92	2,20	2,03	1,92
Number of shares (thousands)	78 464	78 464	78 464	78 464	78 464	78 464
Weighted avg. number of shares, adjusted for dilution effect (thousands)	78 464	78 464	78 464	78 464	65 568	78 464
Number of employees at the end of the period	32	32	32	32	31	32
Average number of employees during the period	33	32	32	32	30	31
Annual Recurring Revenue	18 645	17 828	18 645	17 828	18 307	18 645

* The key indicator is calculated excluding current liabilities to EastCoast International AB

ALTERNATIVE CONSOLIDATED KEY INDICATORS

Amounts in SEK thousands unless otherwise stated	2024 Apr-Jun	2023 Apr-Jun	2024 Jan-Jun	2023 Jan-Jun	2023 Full-year	Rolling 12 mth
Net sales	20 582	17 887	42 266	37 037	75 069	80 298
Net sales growth, %	15,1%	-27,3%	14,1%	-30,0%	-17,5%	6,9%
Gross profit	14 701	10 791	30 358	23 200	47 823	54 981
Net sales	20 582	17 887	42 266	37 037	75 069	80 298
Gross margin, %	71,4%	60,3%	71,8%	62,6%	63,7%	68,5%
Operating profit/loss	-5 664	-6 895	-8 490	-13 757	-26 458	-21 192
Net sales	20 582	17 887	42 266	37 037	75 069	80 298
Operating margin, %	-27,5%	-38,5%	-20,1%	-37,1%	-35,2%	-26,4%
EBITDA	89	-568	3 158	-1 193	-1 691	2 659
Depreciation and amortization	-5 752	-6 327	-11 648	-12 564	-24 767	-23 851
Operating profit/loss	-5 664	-6 895	-8 490	-13 757	-26 458	-21 192
Current assets	68 603	92 654	68 603	92 654	73 467	49 416
Current liabilities excl. current liabilities EastCoast International*	28 681	31 017	28 681	31 017	29 784	27 447
Working capital	39 923	61 637	39 923	61 637	43 683	21 969
Sales expenses	-9 399	-6 831	-17 883	-13 637	-27 420	-31 666
Administrative expenses	-3 744	-3 604	-7 594	-7 120	-14 150	-14 624
R&D expenses	-7 086	-7 358	-13 894	-16 269	-32 105	-29 730
Other operating income/expenses	-135	108	523	69	-606	-152
Total operating expenses	-20 364	-17 686	-38 847	-36 957	-74 281	-76 171
Cost of goods and services sold	-5 881	-7 096	-11 908	-13 837	-27 246	-25 317
Depreciation Cost of goods sold	4 600	5 216	9 344	10 251	20 244	19 336
Cost of goods and services sold excluding depreciation	-1 281	-1 880	-2 564	-3 586	-7 002	-5 981
Operating expenses	-20 364	-17 686	-38 847	-36 957	-74 281	-76 171
Depreciation Operating expenses	1 152	1 110	2 304	2 312	4 523	4 515
Operating costs excluding depreciation	-19 212	-16 576	-36 543	-34 645	-69 758	-80 823
Balance sheet total	207 636	237 824	207 636	237 824	212 665	207 636
Non-interest-bearing liabilities	39 228	65 525	39 228	65 525	35 941	39 228
Capital employed	168 409	172 299	168 409	172 299	176 724	168 409
Closing equity	150 927	172 299	150 927	172 299	159 319	150 927
Average equity	157 833	153 343	157 833	153 343	158 780	157 833
Current assets minus inventories	68 312	92 186	68 312	92 186	73 109	68 312
Current liabilities	34 805	40 941	34 805	40 941	35 886	34 805
Liquidity ratio, %	196%	225%	196%	225%	204%	196%
Equity	150 927	172 299	150 927	172 299	159 319	150 927
Total assets	207 636	237 824	207 636	237 824	212 665	207 636
Equity/assets ratio, %	72,7%	72,4%	72,7%	72,4%	74,9%	72,7%

Interim Report January-June 2024

Precise Biometrics AB (publ), corp. ID no. 556545-6596

FINANCIAL GLOSSARY

NET SALES GROWTH

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

GROSS MARGIN

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

OPERATING PROFIT/LOSS

Profit/loss before net financial items and tax. A measure of a company's profit before interest and taxes, i.e., the difference between operating income and operating expenses.

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 include, for example, wages and other personnel expenses, as well as rental of premises.

EBITDA

Profit/loss before financial items and depreciation. This key indicator 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

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

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

CAPITAL EMPLOYED

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

EQUITY

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.

AVERAGE EQUITY

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

LIQUIDITY RATIO

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

EQUITY/ASSETS RATIO

Equity divided by assets on the balance sheet date. This key indicator 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.

RETURN ON EQUITY

Profit/loss after tax divided by average equity. This key indicator shows the business's return on shareholders' capital invested and is thus a measure of how profitable the Group is. Investors can compare this measure with the current bank interest rate or return from alternative investments. The measure can also be used to compare profitability between companies in the same industry.

EARNINGS PER SHARE BEFORE DILUTION

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

EARNINGS PER SHARE AFTER DILUTION

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

EQUITY PER SHARE

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

ANNUAL RECURRING REVENUE (ARR)

ARR is defined as repeat revenues at the end of the quarter for Digital Identity, converted to a 12-month period. Consequently, there is no direct link between the ARR figure and future software revenues for Digital Identity. The ARR metric is used for contractual recurring revenues for the Digital Identity segment, as Digital Identity has a large customer base based on SaaS revenues. There are a small number of large customers in Algo, and therefore license fees are not followed up using the definition of ARR in this segment.