

LUND, NOVEMBER 10, 2015

Strong growth in sales and earnings in the third quarter

PRECISE BIOMETRICS AB (PUBL), CORPORATE IDENTITY NO. 556545-6596

INTERIM REPORT FOR THE PERIOD FROM JANUARY TO SEPTEMBER 2015

Q3

- Consolidated net sales increased to SEK 18.3 (7.3) million.
- Operating profit increased to SEK 2.8 (-14.1) million.
- EBITDA increased to SEK 5.4 (-10.3) million.
- Profit after tax increased to SEK 3.0 (-14.0) million.
- Earnings per share for the period increased to SEK 0.01 (-0.04).

FIRST NINE MONTHS

- Consolidated net sales increased to SEK 32.9 (21.5) million.
- Operating profit improved to SEK -13.8 (-34.9) million.
- EBITDA improved to SEK -6.2 (-25.4) million.
- Loss after tax improved to SEK -13.8 (-34.4) million.
- Earnings per share for the period amounted to SEK -0.04 (-0.10).
- Cash and cash equivalents were SEK 45.2 (68.5) million at the end of the quarter.

SIGNIFICANT EVENTS IN Q3

- Precise BioMatch Mobile was integrated into 26 cell phones under the group's partnership with Fingerprint Cards.
- Licensing agreements were signed with Taiwanese sensor manufacturers Elan Microelectronics and JP Sensor.
- Tactivo order from the US Navy that is implementing a mobility solution that provides secure e-mail and browsing capabilities on iOS devices.
- Follow-on order for Tactivo from the Defense Logistics Agency (DLA), an agency of the U.S. Department of Defense.
- Follow-on order for Tactivo from a leading NHS trust in the UK.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

- A licensing agreement was signed with American sensor manufacturer Cypress.
- Precise BioMatch Mobile was integrated into six more cell phones under the group's partnership with Fingerprint Cards.

CONFERENCE CALL

On the occasion of today's interim report, we are pleased to invite investors and journalists to a conference call today at 10.00. To participate, dial +46 (0)8 566 427 01. More information can be found at the last page of the report.

Interview with Håkan Persson
President and CEO, Precise Biometrics

How would you summarize the third quarter of 2015?

The strong growth in sales, primarily in our division Fingerprint Technology, has led to that the company is showing an operating profit for a single quarter for the first time since 2009. Net sales were up by 82 per cent from the previous quarter, totaling SEK 18.3 million, and royalty revenues were almost doubled. Operating expenses are down and are well under control, and at the same time we have invested in the development of our products. It is very pleasing to note that not only have we reached our target of an operating profit at EBITDA level three months earlier than estimated, but that we also have an operating profit of SEK 3 million. Given the sales trend, we expect continued positive growth.

The market for fingerprint technology in mobile devices is continuing to grow rapidly. This quarter saw the launch of a further 26 cell phones with Precise BioMatch Mobile via our partnership with Fingerprint Cards, representing an increase of more than 300 per cent on the previous quarter. The positive trend in the Fingerprint Technology division is consolidating the importance of the division to the company's revenue development. We also concluded licensing agreements with Elan Microelectronics and JP Sensor, both Taiwanese sensor manufacturers, which confirms and further reinforces our position as a market-leading supplier of fingerprint recognition software.

The third quarter was one of the best to date for the Mobile Smart Card Solutions division, which saw positive development on all three key markets. On the American government agency market, we received major orders from the DLA and the US Navy, as well as seeing an increase in the number of smaller orders from various units at the US Department of Defense. In the United Kingdom, we received follow-up orders from a leading healthcare administration (NHS Trust) and enquiries from other healthcare administrations. In Sweden, a number of pilot projects involving the national healthcare system Pascal has begun, while other vital care systems are being integrated for mobile access with Tactivo.

How is the market for fingerprint technology in mobile devices developing?

We are seeing powerful growth in the market, with a majority of manufacturers gradually adopting the technology. Our fingerprint software is now included in mobile devices from 20 different manufacturers. We, like industry analysts, are expecting to see rapid market growth as fingerprint technology spreads to phones in the low and midprice segments, other types of mobile devices and products with embedded systems.

In September, Google launched two new Nexus phones, the first to use the Android 6.0 Marshmallow operating system. These include a standardized framework for implementation of fingerprint technology. Nexus phones are traditionally influential as reference phones on the market and are proof positive that Google views fingerprint technology as an integral part of Android for the future. These prestigious phones are manufactured by LG and Huawei, and both come with Precise BioMatch Mobile integrated. This launch further reinforces our position as the leading supplier of fingerprint software for mobile devices and places us in an excellent position for future launches of smartphones using the Android operating system.

Other leading manufacturers such as HTC and Sony have also launched new products using our fingerprint software. Precise BioMatch Mobile is now integrated into mobile devices from almost all the big manufacturers; and we have established a strong foothold on the important Chinese mobile market, which represents around one third of global smartphone sales.

As the competition in the market intensifies and an increasing number of products with fingerprint technology are being launched, we continue to strengthen our growth potential by increasing the number of partnerships with sensor manufacturers. We are now a supplier to six sensor manufacturers, of which some are industry leaders.

Smartphone and sensor manufacturers choose Precise BioMatch Mobile for its outstanding user experience and security. We have established a technology lead based on long experience of developing algorithms for fingerprint recognition and our patent portfolio well covers the technology used in Precise BioMatch Mobile.

Fingerprint Cards market growth is reflected in our sales for the quarter and we expect to see increased royalty revenues from our partners going forward. Silead reported our first royalty revenues in the third quarter, and we are confidently looking forward to their continued growth. Our partnerships with Synaptics and Elan are expected to generate royalty revenues in the fourth quarter of this year. We have begun integration of our software with sensors from JP Sensor and Cypress, for both mobile devices and embedded systems. The new partnerships with JP Sensor and Cypress are expected to generate royalty revenues first half of 2016.

Smart mobile devices are driving the current market development of fingerprint biometrics. There is also major potential for fingerprint technology in embedded systems such as debit cards, door locks, access control systems, cars and the "Internet of Things". Precise BioMatch Embedded, our fingerprint software for embedded systems, has already been integrated in some products and applications. We are involved in a number of interesting projects for embedded systems involving different stakeholders that can support our growth over the next few years. According to industry analysts, this field is facing rapid growth.

How is the market for Tactivo developing?

In September, Landskrona municipality became the first Swedish municipality to implement a pilot project involving mobile access to the Pascal national prescription system. The aim of the project is to demonstrate the benefits a mobile method of working can bring to the everyday routines of caregivers as well as the resultant time savings, patient safety and efficiency. The feedback from both operations managers and nurses has been very positive, and we are expecting this to make a positive contribution towards the development of mobile services using Tactivo in the Swedish care system, a market in strong growth. A number of pilot projects involving Pascal have begun over the quarter. Other important care systems for mobile access with Tactivo are also undergoing technical integration. We are constantly working with leading IT suppliers in the Swedish care system to guarantee both technical integration and commercial packaging solutions for mobile access to care systems.

The interest shown in Tactivo by the British health and medical care sector continues to develop positively. The solution using Tactivo which was implemented by the Imperial College Healthcare NHS Trust for streamlining maternity care is highly appreciated by staff and patients alike. In September, the solution was nominated for a prestigious national mobile e-health award. This successful project has received national acclaim and resulted in new enquiries from a number of health care administrations. We are expecting good growth to continue in the British market, with orders from both new and existing customers.

Sales on the American government agency market are also demonstrating good growth. In this quarter, we were awarded major orders from the DLA and the US Navy, as well as seeing an increase in the number of smaller orders from a number of sections at the US Department of Defense. The growing interest in the implementation of solutions using Tactivo is due partly to greater safety awareness in the defense services, and partly to improvement in the accessibility of mobile applications for secure email and Internet services.

MARKET AND SALES – Q3 2015

The company has three business areas: Fingerprint Technology, Mobile Smart Card Solutions and Desktop & Physical Access Solutions.

The **Fingerprint Technology** business area features products based on Precise Biometrics' core technology, algorithms for fingerprint biometrics. Its product portfolio consists of three products:

- Precise BioMatch™ Mobile, software which is developed and optimized for integration of fingerprint biometrics in smartphones and tablets.
- Precise BioMatch™ Embedded, software for integration of fingerprint recognition directly in the fingerprint sensor.
- Precise Match-on-Card™, software for integration of fingerprint biometrics in cards, such as bank and ID cards.

Sales for this business area came in at SEK 13.4 (1.8) million for Q3. The group's partnership with Fingerprint Cards generated royalty revenue for integration of Precise BioMatch Mobile from 20 different manufacturers. Royalty revenues are attributable to integrations with both large and small manufacturers of smartphones, particularly from China, but also Taiwan, USA and Germany. In addition to this, the company received the first royalty revenues from Silead. The national ID card project in Portugal continues to generate royalty revenue.

The **Mobile Smart Card Solutions** business area features the company's Tactivo products, a product portfolio of smart card and fingerprint readers for smartphones and tablets. Tactivo enables secure and simple mobile login to systems and applications in organizations that use smart cards as a security solution.

Sales for this business area totaled SEK 3.2 (1.0) million in Q3. The revenues mainly stem from orders from the U.S. Department of Defense and the health and medical care sector in the UK.

The **Desktop & Physical Access Solutions** business area features the company's traditional range of products, such as fingerprint readers for desktop workplaces and physical access to premises. This includes products such as combined fingerprint and smart card readers for secure login to systems, networks and physical access control.

Sales for this business area reached SEK 1.7 (4.5) million in Q3. The revenues came from sales to clients using the Precise Biometrics 200MC fingerprint reader for secure login. We expect lower sales as products become obsolete and existing stock runs out. At this time, new products in this business area are only developed in the case of specific client requests and orders.

SALES AND EARNINGS

Q3 2015

Sales for Q3 increased to SEK 18.3 (7.3) million. The majority of Q3 sales came from the **Fingerprint Technology** business area, which accounted for SEK 13.4 (1.8) million. The increase in sales was mainly generated by the contract with Fingerprint Cards. Revenue from the **Mobile Smart Card Solutions** business area increased to SEK 3.2 (1.0) million. In the **Desktop & Physical Access Solutions** business area, revenue fell to SEK 1.7 (4.5) million. The changed sales mix is a result of the company's choice of strategy and direction initiated in August 2014.

The gross margin was 84% (61%) due to a larger share of software sales in Fingerprint Technology in comparison to the previous year, putting the operating profit at SEK 15.4 (4.4) million.

Total operating expenses for Q3 amounted to SEK 13.7 (18.6) million. Sales expenses, personnel expenses and administrative expenses decreased year-on-year to SEK 5.6 (10.5) million. The operating profit improved to SEK 2.8 (-14.1) million. The operating profit on the corresponding EBITDA level improved to SEK 5.4 (-10.3) million, which due to foreign exchange effects is slightly higher than in the previously communicated press release.

Net financial items in the interim period totaled SEK 0.2 (0.1) million, mainly comprising foreign exchange effects against the USD. The group's net profit for the period improved to SEK 3.0 (-14.0) million. Earnings per share (average number of shares) for Q3 amounted to SEK 0.01 (-0.04). The groups cash flow from operations amounted to SEK -1.9 (-7.7) million. Customers payments of royalty revenues are realized with one quarter delay.

JANUARY-SEPTEMBER 2015 INTERIM PERIOD

Sales in the interim period climbed to SEK 32.9 (21.5) million. The largest share of sales came from the Fingerprint Technology business area, which accounted for SEK 23.8 (4.5) million. Revenues consisted of deliveries of the company's fingerprint technology to Fingerprint Cards and royalties from the ongoing NID project in Portugal. Sales in the Mobile Smart Card Solutions business area (Tactivo) increased during the period to SEK 6.4 (3.2) million. Sales in the Desktop & Physical Access Solutions business area fell to SEK 2.7 (13.8) million, which reflects the Company's strategy to change its sales mix.

The gross margin in the interim period was 82% (62%), propelling the operating profit to SEK 26.8 (13.3) million. Operating expenses for the interim period amounted to SEK 42.1 (48.9) million. Sales expenses, personnel expenses and administrative expenses decreased year-on-year to SEK 18.8 (27.7) million. The operating loss improved to SEK -13.8 (-34.9) million. The operating loss on the corresponding EBITDA level was cut to SEK -6.2 (-25.4) million.

Net financial items for the interim period were SEK 0.0 (0.4) million.

The group's net loss for the interim period totaled SEK -13.8 (-34.4) million. The change is attributable to increased sales, higher gross profit and lower operating expenses in comparison to the past year.

Earnings per share (average number of shares) for the interim period amounted to SEK -0.04 (-0.10). The groups cash flow from operations improved to SEK -14.5 (-32.7) million.

INVESTMENTS IN PROPERTY, PLANT & EQUIPMENT

In Q3, the group invested SEK 0.0 (0.0) million in property, plant & equipment.

The amount the group invested in property, plant & equipment over the interim period was SEK 0.5 (1.2) million.

CAPITALIZATION AND AMORTIZATION OF RESEARCH AND DEVELOPMENT

Research and development costs were capitalized in the amount of SEK 0.0 (1.0) million in Q3. Amortization of capitalized research and development costs amounted to SEK 2.3 (2.3) million in Q3.

Research and development costs during the interim period were capitalized in the amount of SEK 0.7 (5.2) million. Amortization of capitalized research and development costs totaled SEK 6.6 (6.4) million in the interim period.

FINANCING AND CASH FLOW

As of September 30, 2015, equity totaled SEK 77.5 (100.7) million, with equity per share at SEK 0.22 (0.29).

The net cash used in operating activities for Q3 was SEK 4.1 (-8.9) million. Cash and cash equivalents amounted to SEK 45.2 (68.5) million at the end of the quarter.

PARENT COMPANY

Parent company sales for the interim period came in at SEK 28.3 (19.0) million. The loss before tax for the period amounted to SEK -48.4 (-30.0) million, primarily due to an impairment of a SEK 36.5 million receivable from the subsidiary Precise Biometrics Inc.

Cash and cash equivalents at the end of the quarter totaled SEK 40.6 (64.9) million.

In July, the Swedish Companies Registration Office approved a decrease in share capital pursuant to a resolution at the annual general meeting.

ORGANIZATION AND STAFF

The organization consists of Precise Biometrics AB, with its head office in Lund and an office in Karlstad, Sweden, and Precise Biometrics Inc. with offices in Reston, Virginia, USA. Sales consultants are hired in the U.S., Taiwan/China and South Korea to secure a local presence on key markets.

As of September 30, 2015, the Group had 21 (30) employees, 21 (29) of which are based in Sweden and 0(1) in the U.S.

RISK FACTORS

Precise Biometrics is exposed to business risks and financial risks outside of the reach and control of the company. There is no guarantee that the company's current capital will be sufficient until the company reaches a positive cash flow figure. Nor is there any guarantee that new capital can be raised if the need should arise, or that such capital can be raised on favorable terms. For a full report on the risks identified, please see the Annual Report for 2014

submitted on March 23, 2015. No new significant risks or uncertainties have arisen since the annual report was submitted.

UPCOMING REPORTING DATES

2015 Year-End Report	February 16, 2016
Q1 2016 Interim Report	May 16, 2016
2016 Annual General Meeting	May 17, 2016

CHANGED INFORMATION DISCLOSURE

As a result of the fast growth of cell phones with Precise Biometrics software for fingerprint recognition, the company will only announce cell phone launches of particular significance going forward.

ACCOUNTING POLICIES

The consolidated financial statements in this interim report have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The parent company financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. This interim report has been prepared in compliance with IAS 34 Interim Reporting. The recognition and measurement policies as well as the bases of estimates and judgements applied in the Annual Report for 2014 have been used in this interim report as well. No new or revised IFRS standards that came into force in 2015 have had any material impact on the group.

For more information on the accounting policies applied, please see the Annual Report for 2014.

Lund, November 10, 2015

Board of Directors

Torgny Hellström
Board Chairman

Torbjörn Clementz
Board member

Eva Maria Matell
Board member

Anders Harrysson
Board member

Matts Lilja
Board member

Mats Lindoff
Board member

Håkan Persson
President and CEO

The information in this report is of such a nature that Precise Biometrics AB (publ) has an obligation to publish it under the Securities Market Act. The information was submitted for publication on November 10, 2015, at 8:00 AM CET.

THE AUDITORS REVIEW REPORT

Precise Biometrics AB (publ), corporate identity number 556545-6596

To the board of Precise Biometrics AB (publ)

INTRODUCTION

We have reviewed the condensed interim report for Precise Biometrics AB (publ) as at September 30, 2015 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Other matters

The review of the condensed interim report for September 30, 2014 was performed by another auditor who submitted a review report dated 21 October, 2014 with unmodified conclusion.

Malmö, November 10, 2015

Ernst & Young AB

Johan Thuresson
Authorized Public Accountant

Consolidated income statement

(Amounts in SEK thousand)	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Full year 2014
Net sales	18 333	7 323	32 883	21 535	31 387
Cost of goods sold	-2 947	-2 858	-6 079	-8 227	-14 208
Gross profit	15 386	4 465	26 804	13 308	17 179
Selling expenses	-2 307	-6 413	-8 589	-15 753	-19 907
Administrative expenses	-3 289	-4 039	-10 163	-11 958	-14 343
R&D expenses	-8 060	-8 186	-23 304	-21 204	-28 984
Other revenues/costs	1 045	77	1 460	719	1 508
	-12 610	-18 561	-40 595	-48 196	-61 726
Operating profit/loss	2 776	-14 096	-13 791	-34 888	-44 547
Financial income/cost	184	83	10	461	502
Profit/loss before tax	2 960	-14 013	-13 781	-34 427	-44 045
Tax	-	-	-	-	-
Profit/loss for the period	2 960	-14 013	-13 781	-34 427	-44 045
Profit/loss for the period attributable to:					
Parent company shareholders	2 960	-14 013	-13 781	-34 427	-44 045
<i>Basic earnings per share, SEK</i>	<i>0.01</i>	<i>-0.04</i>	<i>-0.04</i>	<i>-0.10</i>	<i>-0.13</i>
<i>Diluted earnings per share, SEK</i>	<i>0.01</i>	<i>-0.04</i>	<i>-0.04</i>	<i>-0.10</i>	<i>-0.13</i>

Consolidated statement of profit or loss and other comprehensive income

(Amounts in SEK thousand)	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Full year 2014
Profit /loss for the period	2 960	-14 013	-13 781	-34 427	-44 045
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Changes in accumulated translation difference	-922	483	-684	368	1 220
Other comprehensive income for the period net of tax	-922	483	-684	368	1 220
Total comprehensive income for the period	2 038	-13 530	-14 465	-34 059	-42 825
Attributable to:					
Parent company shareholders	2 038	-13 530	-14 465	-34 059	-42 825
Total comprehensive income for the period	2 038	-13 530	-14 465	-34 059	-42 825

Consolidated balance sheet

(Amounts in SEK thousand)	2015-09-30	2014-09-30	2014-12-31
Assets			
Intangible assets	11 371	18 970	17 360
Property, plant & equipment	2 347	2 935	2 784
Total tangible and intangible assets	13 718	21 905	20 144
Inventories	9 125	15 708	11 860
Trade receivables	8 712	3 108	6 759
Other current receivables	12 178	6 425	7 778
Cash and bank balances	45 187	68 468	59 659
Total current assets	75 202	93 709	86 056
Total assets	88 919	115 614	106 200
Equity and liabilities			
Equity	77 517	100 749	91 983
Total equity	77 517	100 749	91 983
Current liabilities	11 403	14 865	14 217
Total current liabilities	11 403	14 865	14 217
Total equity and liabilities	88 919	115 614	106 200
Pledged assets	None	None	None
Contingent liabilities	None	None	None

Consolidated cash flow statement

(Amounts in SEK thousand)	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Full year 2014
Net cash provided by/used in operation activities before changes in working capital	4 117	-8 894	-7 339	-25 011	-30 664
Cash flow from changes in working capital	-5 988	2 213	-5 933	-1 614	-3 264
Net cash provided by/used in operating activities	-1 871	-6 681	-13 792	-26 625	-33 928
Net cash provided by/used in investing activities	-2	-1 061	-1 200	-6 365	-7 871
Net cash provided by/used in financial activities	-	-	-	261	261
Net cash flow for the period	-1 873	-7 742	-14 472	-32 729	-41 538
Cash and cash equivalents at start of period	47 061	76 210	59 659	101 197	101 197
Cash and cash equivalents at end of period	45 187	68 468	45 187	68 468	59 659

Consolidated financial ratios	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Full year 2014
Working capital (SEK thousand)	63 799	78 844	63 799	78 844	71 839
Quick ratio	579%	525%	579%	525%	522%
Equity-asset ratio	87%	87%	87%	87%	87%
Return on equity	4%	neg	neg	neg	neg
Capital employed (SEK thousand)	77 517	100 749	77 517	100 749	91 983
Earnings per share before tax (SEK)	0.01	-0.04*	-0.04*	-0.10*	-0.13*
EBITDA (SEK thousand)	5 400	-10 361	-6 211	-25 380	-31 722
Equity per share (SEK)	0.22	0.29	0.22	0.29	0.27
Number of shares	345 306 094	345 306 094	345 306 094	345 306 094	345 306 094
Number of employees at end of period	21	30	21	30	22
Average number of employees during the period	21	29	21	29	27

Definitions of financial ratios

Working capital: Current assets minus current liabilities

Quick ratio: Current assets less inventories divided by current liabilities

Equity-asset ratio: Equity on the balance sheet date divided by total assets on the balance sheet date

Return on equity: Profit/loss after tax as a percentage of average equity

Capital employment: Total assets less non-interest bearing liabilities and provisions

Earnings per share: Profit/loss after tax divided by average number shares. Current warrant programs are not included, given that potential ordinary shares would result in a lower loss per share upon calculation, which is not allowed under IAS 33*

EBITDA: Earnings before interest (financial items), taxes, depreciation and amortization (including impairment losses)

Equity per share: Equity on the balance sheet date divided by the number of shares on the balance sheet date

Consolidated statement of changes in equity – in summary

(Amounts in SEK thousand)

	2015	2014	2014
	Q1-Q3	Q1-Q3	Full year
Equity at start of period	91 983	134 547	134 547
Comprehensive income for the period	-13 781	-34 427	-44 045
Exchange rate differences	-684	368	1 220
Warrant programs	-	261	261
Equity at the end of period	77 517	100 749	91 983

Business area reporting

(Amounts in SEK thousand)

Net sales per business area	2015	2014	2015	2014	2014
	Q3	Q3	Q1-Q3	Q1-Q3	Full year
Mobile Smart Card Solutions	3 174	1 072	6 426	3 181	5 147
Fingerprint Technology	13 459	1 767	23 791	4 565	8 289
Desktop & Physical Access Solutions	1 700	4 484	2 666	13 789	17 951
Group	18 333	7 323	32 883	21 535	31 387
Cost per business area ¹⁾	2015	2014	2015	2014	2014
	Q3	Q3	Q1-Q3	Q1-Q3	Full year
Mobile Smart Card Solutions	-5 328	-10 367	-15 123	-29 544	-38 959
Fingerprint Technology	-6 758	-4 356	-21 565	-13 082	-17 728
Desktop & Physical Access Solutions	-1 846	-2 962	-4 579	-10 146	-14 371
Undistributed ²⁾	-1 626	-3 734	-5 408	-3 651	-4 876
Group	-15 558	-21 419	-46 675	-56 423	-75 934
Operating profit/loss per business area	2015	2014	2015	2014	2014
	Q3	Q3	Q1-Q3	Q1-Q3	Full year
Mobile Smart Card Solutions	-2 154	-9 295	-8 697	-26 363	-33 812
Fingerprint Technology	6 701	-2 589	2 226	-8 517	-9 439
Desktop & Physical Access Solutions	-146	1 522	-1 913	3 643	3 580
Undistributed ²⁾	-1 626	-3 734	-5 408	-3 651	-4 876
Group	2 775	-14 096	-13 792	-34 888	-44 547

¹⁾ Cost for the business areas include costs of goods sold as well as direct and the share of indirect costs.

²⁾ Undistributed consists of capitalization of research and development costs, depreciation of property, plant & equipment, amortization of intangible assets, and other revenue and fair value changes.

Parent company income statement

(Amounts in SEK thousand)	Q1-Q3 2015	Q1-Q3 2014	Full year 2014
Net sales	28 302	18 955	26 394
Cost of goods sold	-3 821	-9 527	-13 933
Gross profit/loss	24 481	9 428	12 461
Selling expenses	-7 244	-11 995	-15 373
Administrative expenses	-10 161	-11 957	-14 342
R&D expenses	-23 304	-21 204	-28 984
Other revenues/costs	3 701	4 823	8 291
	-37 009	-40 333	-50 408
Operating profit/loss	-12 528	-30 905	-37 947
Financial income/costs ¹⁾	-35 907	874	1 122
Profit/loss before tax	-48 435	-30 031	-36 825
Tax	-	-	-
Profit/loss for the period	-48 435	-30 031	-36 825

¹⁾ Group receivables were written off by SEK 36.5 (0) million in 2015.

Parent company balance sheet

(Amounts in SEK thousand)	2015-09-30	2014-09-30	2014-12-31
Assets			
Intangible assets	11 371	18 970	17 360
Property, plant & equipment	2 347	2 935	2 784
Financial assets	1 058	1 058	1 058
Total tangible and intangible assets	14 776	22 963	21 202
Inventories	5 148	10 704	7 437
Trade receivables	6 179	1 535	4 435
Other current receivables ¹⁾	20 823	45 502	47 179
Cash and bank balances	40 571	64 899	56 979
Total current assets	72 721	122 640	116 030
Total assets	87 497	145 603	137 232
Equity and liabilities			
Equity	76 739	131 969	125 175
Total equity	76 739	131 969	125 175
Provisions	205	210	212
Total provisions	205	210	212
Current liabilities	10 552	13 424	11 845
Total liabilities	10 552	13 424	11 845
Total equity and liabilities	87 497	145 603	137 232
Pledged assets	None	None	None
Contingent liabilities	None	None	None

¹⁾ This item includes an intra-group receivable in the amount of SEK 8.8 (39) million after a write off by SEK 36.5 (0) million.

CONFERENCE CALL

On the occasion of today's interim report, we are pleased to invite investors and journalists to an informational conference call today.

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

To participate in the call, please call +46 (0)8-566 427 01

An operator will note your name and connect you to the conference call. She/he will also provide you with information about what to do if you have any questions.

The conference call will be in English. Participants will be given the opportunity to ask questions in Swedish.

Participating on behalf of Precise Biometrics:

Håkan Persson, VD

Tommy Nilsson, CFO

A recording of the conference call will be available for three days after the call. To listen to the conference call after the session, please call +46 (0)8-505 564 44. When you are asked to enter a reference number, then enter 374229 and press the pound key (#).

You are also welcome to go to <http://precisebiometrics.com/investor/> where you will find a presentation to download.