

With More And More People Seeing The Value Of Using Their Fingerprint Instead Of Trying To Remember A PIN, Precise Biometrics Is In The Right Place At The Right Time With Their Match-on-Card For Smart Cards

**Technology
 Biometrics
 (OMX-NASDAQ, PREC-Stockholm)**



**Thomas Marschall
 President and CEO**

BIO:
Thomas Marschall (born 1967) is the President and CEO of Precise Biometrics since November 2006. Mr. Marschall has during his years with Precise Biometrics established a company vision to make Precise Biometrics the preferred, independent provider of interoperable, value-adding fingerprint recognition technology to small secure platforms, such as the smart card. The in-house developed and patented Precise Match-on-Card™ technology is today contracted to close to 100 million users and deployed in large-scale national ID card schemes, enterprise and government programs. Under Mr. Marschall's management, Precise Biometrics has transitioned to a market-oriented business with drastic turnover and margin improvements.

Mr. Marschall's turnaround experience is evidenced in all positions he has held. Prior to joining Precise Biometrics, Mr. Marschall was the CEO of Synkron A/S, an international software company, which was grown and turned around to profitability over a three-year period. Mr. Marschall also has a long carrier within the Maersk Group, a Danish "Global Fortune Top 500" company where he was General Manager for Maersk Environmental Division, which he started and developed into market leadership.

Company Profile:

Precise Biometrics is a market-leading provider of products and solutions for fingerprint recognition. The technology proves people's identities in a fast and secure way, while it reduces costs related to password management, identity theft and fraud.

Precise Biometrics serves business and government organizations throughout the world and its technology is licensed to close to 100 million users. Precise Biometrics is listed on NASDAQ OMX Stockholm small cap list (PREC).

**Interview conducted by:
 Lynn Fosse, Senior Editor**

CEOCFO: Mr. Marschall, what is the vision of Precise Biometrics today?

Mr. Marschall: Basically we envision ourselves as being the world's leader of biometrics on small secure platforms. Small secure platforms could be defined as smartcards or a token or something similar where biometrics add value or benefit to a product.

CEOCFO: What is it that you are actually producing, making and providing?

Mr. Marschall: what we do is develop algorithms that capture, or extract a fingerprint and match a fingerprint. We are able to make it so precise and small that it can fit into a smart card, as an ID card, bankcard or something similar. We develop the algorithms that are in the biometrics and then we provide hardware to read these cards.

CEOCFO: Who is using your services today?

Mr. Marschall: We have customers in a range of different segments. We have won 5 national ID card projects around the world, among them Thailand and Portugal. All of these countries are issuing national ID cards to their citizens including biometrics and we are the biometrics on these cards. Furthermore, in the US we have some prominent customers; amongst them are Homeland Security, Nasa, NYPD, US Department of State.

CEOCFO: Are these customized solutions?

Mr. Marschall: The product is generic. We have a very interoperable product that can fit into any smart card. So that is one of our strong points that we are not just tied into any one thing; we can fit into any card in the world. For each specific project they can be a little bit different, but generally modifications are very minimal.

CEOCFO: Tell me a little bit about the industry in general.

Mr. Marschall: The smart card industry of which we are a part is a growth sector and we see that chip cards are replacing magstripe cards. Even in the US because of fraud, it is growing significantly. This is also the driver behind our growth, with

more chip cards having been issued and more and more people seeing the value of replacing their pin code or password with a fingerprint instead. It is not just for security reasons, which is a major thing, but just for convenience. Human beings at least most of them aren't able to remember all the pin codes and passwords that they have, so they start writing them down, which is a security breach. Therefore, it is easier just to use your finger.

CEO CFO: How do you reach your potential customers?

Mr. Marschall: Well again, it depends on which sectors we are trying to approach. We have defined six sectors where national ID in government is one, Employee cards is another, bank cards third, SIM cards fourth, and then we have embedded solutions and Aviation as the fifth and sixth. So depending on the segment, we approach these customers very differently, however mostly through partners.

CEO CFO: What are the barriers to entry in your industry and how protected is your technology?

Mr. Marschall: From a Precise Biometrics standpoint we have a family of patents that started out in the early 2000s, that is protecting our technology. For the industry as such, we are in a niche called Match-on-Card, which is our core technology; this is a growth area within biometrics. Generally, biometrics has grown everywhere. The growth has mainly been caused by database systems as the one you

need when you enter US and have to register with your finger in the database. Precise Biometrics represents the second wave of biometrics whereby you actually put your fingerprint on your own smart-card and keep it in your wallet so nobody else is handed your fingerprint. You carry it around yourself, which is an huge benefit when you address the many concerns around privacy issues surrounding biometrics.

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CEO CFO: What is the financial picture like for you today?

Mr. Marschall: We have been benefiting from a growth last year in revenue of 85%, and we see a minimum of the same growth this year. We expect to be profitable for the first time this year or at least very close to it, And going forward we have just closed a new share issue so that we have the strength and capacity to launch a significant further growth.

CEO CFO: What is the revenue model?

Mr. Marschall: It depends very much on products because we are flexible there. In general, you could say that our model is tied into a payment per card and a payment per reader and a payment for PC ware or software that is put on also. So we have different licensing income and then we have some hardware income.

CEO CFO: In closing, why should potential investors pay attention to Precise Biometrics?

Mr. Marschall: Basically, investors should look at us as a future growth company, well-positioned to take advantage of the fact that more and more people in the coming years will meet biometrics in their everyday lives. This is not just another futuristic technology that you do not even see in your own life. Most people will need biometrics even for their garage-opener or their remote-control for their TV, or their door, accessing their office, or accessing computers. Where most people have met biometrics today is when laptops a few years ago started to use biometrics, so you could use your finger and swipe it to enter your laptop. This tendency will continue. Again back to investors, we are very strongly positioned to take a significant market position within this trend and this is what will drive our growth in the coming years, and our profitability.

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