

**INTERIM REPORT JANUARY-MARCH 2007**

- Revenue MSEK 1.2 (MSEK 0.8)
- Gross profit MSEK 0.4 (MSEK 0.4)
- Gross result MSEK -7.7 (MSEK -6.3)
- Result before taxes MSEK - 7.8 (MSEK -6.3)
- Earnings per share SEK - 0.02 (MSEK -0.03), fully diluted basis
- Equity ratio 81 percent (63 percent)
- Liquid funds MSEK 15.8 (MSEK 5.7)
- The average number of employees during the period was 18 (18)

<b>INCOME STATEMENT, SUMMARY</b> (Amounts in SEK thousand)	<b>Jan-Mar</b>		<b>Full year</b>
	<b>2007</b>	<b>2006</b>	<b>2006</b>
Net revenues	1 165	827	10 364
Cost of Goods sold	-753	-368	-5 093
<b>Gross result</b>	<b>412</b>	<b>459</b>	<b>5 271</b>
Other operating expenses/income	-8 129	-6 781	-31 901
Finance net	-78	25	153
<b>NET RESULT FOR THE YEAR</b>	<b>-7 795</b>	<b>-6 297</b>	<b>-26 477</b>

<b>Key Ratio</b>			
Result per share, aft dilution	-0,02	-0,03	-0,07
Gross margin	35%	56%	51%
Operating margin	-662%	-765%	-257%
Net revenue per employee	65	46	518

<b>BALANCE SHEET, SUMMARY</b> (Amounts in SEK thousand)	<b>31-mar</b>	<b>31-mar</b>	<b>31-dec</b>
	<b>2 007</b>	<b>2 006</b>	<b>2 006</b>
Fixed assets	33 945	35 868	34 495
Inventories	4 439	4 111	4 460
Current assets	3 050	2 694	3 015
Cash	15 779	5 676	23 045
<b>Total assets</b>	<b>57 213</b>	<b>48 349</b>	<b>65 015</b>
Equity	46 234	30 543	53 166
Liabilities	10 979	17 806	11 849
<b>Total equity and liabilities</b>	<b>57 213</b>	<b>48 349</b>	<b>65 015</b>

<b>Key Ratio</b>			
No of shares issued* (000's)	355 747	227 029	353 281
No of shares** (000's)	355 747	229 495	355 747
Solidity %	81%	63%	82%

\* As of the date of reporting

\*\* After conversion/redemption of option programme

**SIGNIFICANT EVENTS**

- Sales during the period were below budget. Among the reasons for this are significantly longer testing and procurement procedures than anticipated.
- Several new tests have been initiated in countries such as Sweden, Poland, Germany and the United States. Together with previously started tests, this means that more tests are in progress than originally planned.
- Biosensor continues to add distributors. Biosensor's equipment is now sold in 13 countries.
- Biosensor has concluded an agreement to sell two systems, one of which was delivered during the period of review, to Swedish companies active in detection of drug intake at workplaces in Sweden. The equipment will be used in critically exposed industries to replace today's control methods. Sweden is the second country after Australia that has elected to introduce Biosensor's technology for workplace control.
- The Swedish National Prison and Probation Administration has ordered systems for testing of narcotics detection by non intrusive skin wiping and began the trial in January 2007. The criminal justice system in Poland has also concluded an agreement to test Biosensor's system at a correctional facility in Warsaw. A state prison in the United States has decided to test Biosensor's narcotics detection via perspiration in three of its 47 prisons.

- An independent clinical study in Nottingham, England, was finalised in January 2007. The results show very strong correlation between the alleged drug intake of the tested persons and a positive detection result with Biosensor's equipment.
- An option programme for the Company's employees was exercised after the turn of the year and the number of shares outstanding increased by 2,465,850 class A shares. The proceeds to the company was approximately KSEK 860.
- During the quarter the Company has conducted extensive tests of a complementary detection technology, which is expected to be integrated into the Company's present products. These tests have been successful. The technology in question will improve the BIOSENS® system's ability to analyse an increased number of substances simultaneously.

**GENERAL**

**Biosensor Applications®** is a Swedish company located in Solna, a suburb of Stockholm. The Company is listed on AktieTorget. The Company has developed a unique technology for detection of trace substances based on biotechnological sensors. This technology simultaneously detects both explosives and narcotics at a molecular level. The technology is distinguished by its very high probability of detection, with low false alarm rates outside laboratory environments. Biosensor's customers are found among police forces, security companies, border control, the armed forces, the criminal justice system and rehabilitation clinics on a world-wide basis.

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Reporting schedule: Q 2, 27 August 2007, Q 3 in October 2007, year-end report for 2007 in February 2008.

This quarterly report was prepared in accordance with IFRS, but has not reviewed by the Company's auditor.