Statement of comprehensive income

SEK M	Note	2025	2024
Revenue	2	78.2	60.2
Cost of goods sold	4,7	-30.7	-23.6
Gross profit		**47.5**	**36.6**
Selling expenses	7	-16.8	-30.1
Administrative expenses	7,8	-67.1	-113.7
Development costs; other	7,10	-21.4	-77.8
Development costs; depreciation	14	-33.8	-37.1
Write downs	14	-	-194.8
Other operating income	5	48.6	6.1
Other operating expenses	6	-16.2	-10.3
Operating profit/loss	9,14,15	**-59.2**	**-421.1**
Financial income	11	0.1	2.0
Financial expenses	11	-4.2	-46.8
Profit/loss before tax		**-63.3**	**-465.9**
Tax	12	-3.1	0.0
Profit/loss for the period after tax from continued operations		**-66.4**	**-465.9**
Profit/loss for the period after tax from discontinued operations	3	7.8	-222.4
Profit for the year		**-58.6**	**-688.3**
Earnings per share	13		
from continued operations (SEK)		-9.42	-188.31
from Profit/loss for the period (SEK)		-8.31	-278.18
Other comprehensive income			
Net profit/loss for the year		**-58.6**	**-688.3**
Translation differences for the year on translation of foreign operations		-39.2	44.5
Other comprehensive income		**-39.2**	**44.5**
Comprehensive income for the year		**-97.8**	**-643.8**
Attributable to:			
Equity holders of the Parent Company		**-97.8**	**-643.8**

Statement of financial position

SEK M	Note	2025-12-31	31-Dec-24
Assets			
Intangible assets	14	163.0	229.8
Property, plant and equipment	15	0.6	1.6
Right-of-use assets	25	3.9	8.4
Deferred tax asset	12	54.9	56.0
Total non-current assets		**222.4**	**295.8**
Current assets			
Inventories	16	21.4	48.0
Accounts receivable	17, 23,24	8.4	56.0
Other receivables		3.2	7.8
Prepaid expenses and deferred income	18	16.3	5.3
Cash and cash equivalents	17,19,26	27.1	12.1
Total current assets		**76.4**	**129.2**
Total assets		**298.8**	**425.0**
Shareholders' equity	13		
Share capital		162.0	159.7
Other paid-up capital		1,039.1	949.4
Translation reserve		151.1	190.3
Retained earnings including net profit for the year		-1,081.4	-1,022.8
Shareholders' equity		**270.8**	**276.6**
Non-current liabilities			
Deferred tax liabilities	12	-	0.7
Long-term leasing liabilities	20	-	2.7
Total non-current liabilities		**-**	**3.4**
Current liabilities			
Short-term leasing liabilities	20,25	2.9	4.1
Short-term portion of loans		0.0	13.6
Accounts payable	20	10.1	39.9
Current tax liabilities		3.8	0.6
Other current liabilities	21	6.1	11.2
Accrued expenses and deferred income	22	5.1	75.6
Total current liabilities		**28.0**	**145.0**
Total Equity and Liabilities		**298.8**	**425.0**

Statement of changes in equity

SEK M	Share capital	Other paid-up capital	Translation reserve	Retained earnings incl. net profit for the year	Total shareholders' equity
Opening shareholders' equity, 1 Jan 2024	**26.0**	**854.3**	**145.8**	**–334.5**	**691.6**
Net profit/loss for the year	0.0	0.0	0.0	–688.3	–688.3
Other comprehensive income for the year	0.0	0.0	44.5	0.0	44.5
Issue conversion	0.7	12.3	0.0	0.0	13.0
Issue net of transaction costs	133.0	82.8	0.0	0.0	215.8
Closing shareholders' equity, 31 Dec 2024	**159.7**	**949.4**	**190.3**	**-1,022.8**	**276.6**
Opening shareholders' equity, 1 Jan 2025	**159.7**	**949.4**	**190.3**	**-1,022.8**	**276.6**
Net profit/loss for the year	0.0	0.0	0.0	–58.6	–58.6
Other comprehensive income for the year	0.0	0.0	-39.2	0.0	-39.2
Option program	0.0	0.7	0.0	0.0	0.7
Issue net of transaction costs	2.3	89.0	0.0	0.0	91.3
Closing equity, 31 December 2025	**162.0**	**1,039.1**	**151.1**	**-1,081.4**	**270.8**

Statement of cash flows

SEK M	Note	2025	2024
Operating activities			
Profit/loss before tax		-57.9	-566.8
Adjustment for non-cash items	26	48.2	410.2
Income tax paid		3.8	-16.2
Cash flow from operating activities before changes in working capital		**-5.9**	**-172.8**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventory		5.8	34.7
Increase (-)/Decrease (+) in operating receivables		35.3	84.1
Increase (+)/Decrease (–) in operating liabilities		-91.1	-153.6
Cash flow from operating activities		**-55.9**	**-207.6**
Investing activities			
Purchase and internal development of intangible assets	14	-1.0	-11.8
Purchase of property, plant and equipment	15	-0.2	-
Sale of fixed assets	15	0.2	0.2
Cash flow from investing activities		**-1.0**	**-11.6**
Financing activities			
Proceeds from the share issue, net of transaction costs		91.3	215.8
Loans		26.4	74.0
Amortization of loans		-40.0	-165.6
Amortization leasing liabilities		-3.6	-6.1
Cash flow from financing activities		**74.1**	**118.1**
Cash flow for the year		17.2	-101.1
Cash and cash equivalents at beginning of year		12.1	109.9
Effect of translation differences on cash and cash equivalents		-2.2	3.3
Cash and cash equivalents at end of year	17	**27.1**	**12.1**

Note 1 Critical accounting policies

All amounts in millions of Swedish kronor (SEK M) unless otherwise stated.

Basis of presentation

The consolidated accounts comprise Fingerprint Cards AB (Publ) (the Parent Company) and its subsidiaries (the Group). The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS®/IAS) issued by the International Accounting Standards Board (IASB) as endorsed by the EU. The Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Groups) has also been applied.

The consolidated statement of comprehensive income and statement of financial position and the Parent Company income statement and balance sheet will be subject to adoption by the Annual General Meeting (AGM) on June 3, 2026.

The accounting policies are stated in the introduction to each note. The focus is on reviewing the accounting decisions the Group has made within the auspices of the applicable IFRS principle and avoiding repeating body text, unless considered of particular importance to understanding note content. Those accounting policies without a specific note are stated in Note 1.

Consolidation principles

Subsidiaries

The consolidated accounts comprise Fingerprint Cards AB (publ) (the Parent Company) and its subsidiaries (the Group). Subsidiaries are companies that are under the controlling influence of the Parent Company. A controlling influence is secured when the Parent Company has control over the investment, is exposed or entitled to a variable return from its holding in the company and can exercise control over the investment to influence the return. All subsidiaries are wholly owned through direct or indirect ownership, and accordingly, are considered to lie under the Group's control.

Translation to Swedish kronor on consolidation of companies in with different functional currencies

Subsidiaries prepare their financial statements in each entity's functional currency. Each Group company's functional currency is determined on the basis of the primary economic environment where the company conducts operations. The Parent Company's functional currency is Swedish kronor, which is also the presentation currency of the Parent Company and Group. This means that the financial statements are presented in Swedish kronor. All amounts are in millions of Swedish kronor unless otherwise stated.

Receivables and liabilities in foreign currency

Exchange rate differences are recognized in net profit for the year. Exchange rate differences on operating receivables and operating liabilities are recognized in operating profit and exchange rate differences on financial receivables and financial liabilities are recognized in net financial income/expense.

Segment reporting

Each operating segment is defined as business activities that may generate income or expenses and whose operating results are regularly monitored by the Group's highest executive decision-makers and for which independent financial information is available.

Revenue is reported on the four product groups Mobile, PC, Payment and Access. Fingerprints has implemented a new function-based organization and governance model that supports the company's biometric platform strategy. The two main pillars of this organization are Products and Sales, supported by Finance, HR, and other operational functions. The change means that the company no longer conducts operations in separate operating segments and that we no longer report results for our previous operating segments Asia, Rest of World and New Business. During the year, the company discontinued the Mobile and PC businesses and this is now reported as discontinued operations in the income statement and is specified in Note 3.

Critical estimates and judgments

With its Audit Committee, management has discussed the progress, selection and disclosure of the Group's critical accounting policies and estimates, as well as the application of these principles and estimates. Pursuant to IAS 1, the company should disclose the assumptions and other important sources of uncertainty in estimates, which if actual outcomes differ, can have a material impact on the financial statements. In cases where this occurs, estimates and judgments have been moved to the relevant note. A summary of the areas that management considers to contain material estimates and judgments follow:

- Deferred tax (Note 12)
- Capitalization of development costs (Note 14)
- Impairment testing of goodwill and other intangible assets (Note 14)
- Inventory valuation (Note 16)

New accounting policies

New accounting policies for 2025

Those amendments applying for the financial year beginning 1 January 2025 did not have any material effect on the financial statements.

New accounting policies 2026 and later

Certain new standards, interpretations and amendments have been published but had not yet entered into force on 31 December 2025.

With the exception of IFRS 18, the Group assesses that these amendments will not have a material effect on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. IFRS 18 establishes new requirements for the presentation of financial statements, with a particular focus on:

- Income statement: Requirements for certain mandatory subtotals are introduced as operating profit. Revenues and expenses will be classified in the income statement into five categories: operating, financing, investing, income tax and discontinued operations
- Aggregation and disaggregation of information, including the introduction of overarching principles for how information should be aggregated and disaggregated in the financial statements.
- Disclosure of key performance indicators (MPMs) shall be provided in a single note, with reconciliations to the nearest IFRS-compliant subtotal.

IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early adoption permitted. Companies will need to restate comparative periods. With regard to IFRS 18, the Group has not yet assessed its impact on the Group's financial reporting. IFRS 18 will not have any impact on the recognition and measurement of the Group's transactions, but will only affect the Group's presentation and presentation of the financial statements, including the financial statements and notes. IFRS 18 may also affect the key figures presented and how they are calculated.

Classification and presentation formats

Earnings for the Group are recognized in the statement of comprehensive income, and for the Parent Company, in the income statement. In addition, the Parent Company uses the terms balance sheet and cash flow statement for the statements the Group refers to as the statement of financial position and statement of cash flows respectively. The Parent Company balance sheet has been presented according to the format stipulated in the Swedish Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements, and IAS 7 Statement of Cash Flows.

The Group has changed its principle regarding the reporting of R&D costs. Depreciation of capitalized development expenses has previously been recognized in cost of goods sold, thereby affecting gross margin. As of January 1, 2025, depreciation of previously capitalized development costs is instead recognized within the development costs function in the income statement. The comparative figures for previous periods have been recalculated. Reporting all R&D-related costs, including depreciation of previously capitalized costs within the R&D function on one and the same line in the income statement, has been deemed to lead to financial statements that give a more accurate view of the company's gross margins and also increase comparability with other companies in the industry.

Note 2 Revenues

Accounting policy

The Group generates revenue primarily from (i) sales of biometric hardware products (wafers, sensors and sensor modules) and (ii) technology licensing arrangements, including royalties. Revenue is recognized in accordance with IFRS 15 when (or as) control of the promised goods or services is transferred to the customer.

Product revenue is recognized at a point in time when control transfers in accordance with the delivery terms (Incoterms). Embedded software/firmware is integral to the hardware and does not constitute a separate performance obligation. License revenue is recognized at a point in time (right to use) or over time (right to access) depending on the nature of the license and the Group's ongoing activities affecting the IP. Sales- or usage-based royalties are recognized when the underlying sales/usage occur. Multiple-element arrangements are separated into distinct performance obligations and the transaction price is allocated based on relative stand-alone selling prices.

The transaction price may include variable consideration (e.g., discounts), which is estimated and included only to the extent that it is highly probable that a significant reversal will not occur. Average payment terms are 30 days net.

Presentation

Net sales comprise IFRS 15 revenues from contracts with customers (product sales and licensing/royalty income from ordinary activities). Income outside IFRS 15 or outside ordinary activities is presented as other operating income, such as gains from sale/monetization of assets and grants.

IFRS 15 disclosures

Revenue is disaggregated by product group and geography. Significant judgments relate mainly to (i) identifying performance obligations in combined hardware and licensing arrangements, (ii) assessing license classification (right to use/right to access) and (iii) estimating variable consideration.

Group revenue by type of product, SEK M

	2025	2024
IP licensing	9.5	0.0
Sensor systems	68.7	60.2
Sales	**78.2**	**60.2**

Group sales by country, SEK M

	2025	2024	Change, %
Sweden	0.3	16.2	-98.1
Australia	9.2	5.1	81.5
France	6.9	6.7	3.5
Hong Kong	2.1	0.0	
India	2.0	1.2	58.6
China	3.1	0.0	
Taiwan	18.3	0.8	2,206.9
Germany	10.4	6.7	55.4
USA	13.6	17.0	-19.8
Others	12.3	6.5	86.4
Group	**78.2**	**60.2**	**29.9**

Note 3 Discontinued operations

Accounting policy

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of such a line of business or geographical area, in accordance with IFRS 5. The results of discontinued operations are presented as a single amount in the statement of comprehensive income, comprising the post-tax profit or loss of the discontinued operations and the post-tax gain or loss recognized on the measurement to fair value less costs to sell or on disposal. Comparative information is restated accordingly.

Description of discontinued operations and basis for classification
As part of the Group's transformation and strategic exit from commoditized, low-margin operations, the Group has classified the Mobile and PC operations, as well as Access China operations, as discontinued operations in accordance with IFRS 5. These operations represent components that have been discontinued and are clearly distinguishable from the Group's continuing operations.
The classification is intended to provide a more transparent view of the performance of the Group's continuing operations.

Income statement – discontinued operations

	2025	2024
Revenue	37.4	343.0
Cost of goods sold	-21.9	-252.6
Gross profit	**15.5**	**90.4**
Selling expenses	-1.1	-46.4
Administrative expenses	-1.6	-13.4
Development expenses; Other expenses	-7.7	-31.1
Development costs; depreciation	0.0	-44.7
Write downs	0.0	-92.8
Other operating income	2.6	65.2
Other operating expenses	-2.3	-28.0
Operating profit/loss	**5.4**	**-100.6**
Financial income	0.0	0.0
Financial expenses	0.0	-0.3
Profit/loss before tax	**5.4**	**-100.9**
Tax	2.4	-121.5
Profit/loss for the period after tax from discontinued operations	**7.8**	**-222.4**

Cash flow statement - discontinued operations

	2025	2024
Cash flow from discontinued operations		
Cash flow from operations	-17.5	-47.5
Cash flow from investing activities	0.0	-6.8
Cash flow from financing activities	0.0	0.0
Cash flow from discontinued operations	**-17.5**	**-54.3**

Note 4 Cost of goods sold

Constituent items in cost of goods sold, Group, SEK M

	2025	2024
Materials	-26.1	-22.8
Procurement and production overheads	-4.6	-0.8
Cost of goods sold	**-30.7**	**-23.6**

Note 5 Other operating income

Other operating income, Group, SEK M

	2025	2024
Exchange rate gains of an operating character	5.0	5.9
IP- and licensing transactions	43.6	0.0
Sales assets	-	0.2
	48.6	**6.1**

Income from IP and licensing transactions mainly derive from transactions completed during the year with Smart Eye and Pixart.

Note 6 Other operating expenses

Other operating expenses, Group, SEK M

	2025	2024
Exchange rate losses of an operating character	-6.4	-4.6
Costs for IP- and licensing transactions	-2.1	-
Transaction advisory services	-6.3	-
Other operating costs	-1.4	-5.7
Other operating costs	**-16.2**	**-10.3**

Note 7 Employees, personnel costs and remuneration of senior executives

Accounting policy

Pension benefits to employees

The Group has defined-contribution pension plans. Defined-contribution pension plans are classified as plans whereby the company's obligation is limited to the contributions it has undertaken to pay. In such cases, the amount of the employee's pension depends on the contribution the company pays to the plan, or to an insurance company and the return on capital generated by the contributions. Consequently, the employee bears the actuarial risk and the investment risk. The company's obligation regarding contributions to defined-contribution plans is recognized as an expense in profit or loss for the year in line with contributions being vested by the employee rendering services for the company over a period of time.

Severance pay

An expense for severance pay when employees leave the company is recognized only if the company is demonstrably obligated, without a realistic possibility of withdrawing, by a formal detailed plan to terminate employment before the normal point in time.

Short-term remuneration

Short-term remuneration to employees is computed without discounting and is recognized as an expense when the related services are received. A provision is recognized for the expected cost of the profit-sharing and bonus payments when the Group becomes subject to a legal or constructive obligation to make such payments as a result of the services rendered by employees and the obligation can be measured reliably.

The division between basic salary and variable compensation should be in proportion to the executive's duties and authorization. For the Chief Executive Officer and other senior executives, variable compensation is a maximum of 100 percent of basic annual salary, apart from sign-on bonus. Pension terms should be defined contribution pension solutions. The notice period from the company's side should not exceed six months. During the notice period of a maximum of six months, full salary and employment benefits are due. Upon termination by the company, severance pay may be payable up to an amount corresponding to a maximum of 12 months' salary. The notice period for the Chief Executive Officer is six months on termination by the employee and termination from the company is 12 months´salary. Decisions on share and share price-related incentive programs are taken by the general meeting of shareholders. The Board shall be entitled to depart from these guidelines if there are special reasons for this in an individual case.

Related-party transactions

Transactions with board members are priced on an arm's length basis. Transactions with board members are limited to individual, clearly delineated, small-scale consulting assignments, which require specific competence. There were no material transactions between the company and related parties in the Group or the Parent Company during the reporting period.

During the year, the company entered into related party transactions in connection with the implementation of the Employee Stock Option Program 2025/2028 and Employee Stock Option Program 2025/2029. Allotment agreements were entered into between the company and key employees under the Employee Stock Option Program 2025/2028. Similarly, allotment agreements were also entered into between the company and members of the Board of Directors under the Employee Stock Option Program 2025/2029. These agreements were entered into on market terms and in accordance with the resolutions adopted by the Annual General Meeting held on June 24, 2025. Under the Employee Stock Option Program 2025/2028, a total of 265,569 options were allotted. Under the Employee Stock Option Program 2025/2029, a total of 113,813 options were allotted. For main terms and further information, see note 55.

Expenses for employee benefits, Group, SEK M

	2025	2024
Salaries and benefits, etc.	46.8	146.1
Pension costs, defined contribution plans	6.5	15.7
Other social security contributions	10.8	21.8
Benefits	0.8	2.5
Other employee benefits	0.7	3.3
	65.6	**189.4**

Average number of employees, Group

	2025			2024		
	Men	Women	Total	Men	Women	Total
Sweden	20	4	24	30	9	39
Denmark	0	0	0	9	1	10
France	1	1	2	1	1	2
Japan	0	0	0	0	0	0
China	3	2	5	27	16	43
Switzerland	1	0	1	1	0	1
Great Britain	3	1	4	1	1	2
South Korea	0	0	0	0	0	0
Taiwan	0	0	0	5	3	8
USA	1	1	2	2	0	2
Total	**29**	**9**	**38**	**76**	**31**	**107**

The number of employees as of December 31, 2025 was 39 (53), of which 30 (39) men and 9 (14) women.

Salaries and other benefits allocated between senior executives and other employees, Group, SEK M

	2025			2024		
	Senior executives	Other employees	Total	Senior executives	Other employees	Total
Salaries and other benefits*	15.8	30.9	46.8	20.3	125.8	146.0
of which CEO	6.2	-	6.2	6.6	-	6.6
of which, Sweden	0.0	22.7	22.7	4.6	33.3	37.9
of which foreign countries	15.8	8.2	24.1	15.7	92.5	108.1
of which bonus, etc.	4.2	1.1	5.3	4.1	0.3	4.4
Pension benefits	0.8	5.7	6.5	2.0	13.7	15.8
of which pension benefits, CEO	0.1	0.0	0.1	0.2	0.0	0.2
of which pension benefits, others	0.7	5.7	6.4	1.8	13.7	15.6

Salaries and other benefits to senior executives, 2025, Group, SEK M

	Basic salary, Directors' fee	Bonus, variable compensation	Benefits	Pension	Total
Chairman of the Board					
Christian Lagerling	0.7				0.7
Directors of the Board					
Alexander Kotsinas, until 2025-06	0.2				0.2
Carl Johan Grandinsson, from 2025-06	0.2				0.2
Dimitrij Titov, until 2025-06	0.1				0.1
John Lord, from 2025-06	0.2				0.2
Juan Vallejo, until 2025-06	0.2				0.2
Mario Shiliahki, until 2024-06	-				-
					0.0
Chief Executive Officer					0.0
Adam Philpott	4.0	2.1	0.0	0.1	6.2
Other senior executives	6.1	2.0	0.1	0.7	8.9
Total from Group and Parent Company	**11.7**	**4.1**	**0.1**	**0.8**	**16.7**

Salaries and other benefits to senior executives, 2024, Group, SEK M

	Basic salary, Directors' fee	Bonus, variable compensation	Benefits	Pension	Total
Chairman of the Board					
Christian Lagerling	0.8				0.8
Directors of the Board					
Alexander Kotsinas, until 2025-06	0.4				0.4
Carl Johan Grandinsson, from 2025-06	0.0				0.0
Dimitrij Titov, until 2025-06	0.4				0.4
John Lord, from 2025-06	0.0				0.0
Juan Vallejo, until 2025-06	0.4				0.4
Mario Shiliahki, until 2024-06	0.1				0.1
Chief Executive Officer					
Adam Philpott	4.4	2.2	0.0	0.2	6.8
Other senior executives	9.7	1.9	0.6	1.8	14.0
Total from Group and Parent Company	**16.2**	**4.1**	**0.6**	**2.0**	**22.9**

Cost relating to the employee stock option program for the board and employees amounted to 0.8 MSEK.

Note 8 Fees and reimbursement of auditors

Fees and reimbursement of auditors, Group, SEK M

	2025	2024
Audit fee, BDO	4.3	4.3
Audit fee, other	0.0	0.1
Other services	0.5	0.7
Total fees	**4.8**	**5.1**

Note 9 Operating expenses by cost class

Operating expenses by cost class, Group, SEK M

	2025	2024
Cost of materials	**-26.1**	**-23.6**
Personnel costs	-56.1	-172.2
Depreciation	-36.6	-40.3
Write downs	–	-194.8
Other operating expenses	-67.2	-56.6
Operating expenses	**-186.0**	**-487.5**

Note 10 Development expenditure

The Group's expenses for technology development and patents in 2025 amounted to SEK 22.4 M (89.6) of which SEK 1.0 M (11.8) or 4 percent (13%) was capitalized in the consolidated statement of financial position and the remaining SEK 21.4 M (77.8) was expensed. Following the wind-down of Mobile and PC operations, the Group's development organization is materially smaller, with R&D resources concentrated on targeted, shorter-cycle projects aligned with available investment funding. As a result, a larger proportion of development expenditure falls below the SEK 1 million capitalization threshold and is expensed as incurred.

Note 11 Financial income/expense

Financial income/expense, SEK M

	2025	2024
Exchange rate gains, financial receivables, and liabilities	0.0	0.2
Other interest income	0.1	1.8
Financial income	**0.1**	**2.0**
Exchange rate losses, financial receivables, and liabilities	-0.7	0.0
Interest expenses	-2.9	-29.2
Other financial expenses	-0.6	-17.9
Financial expenses	**-4.2**	**-47.1**

Note 12 Taxes

Accounting policy

The Group's tax for the period consists of current tax and deferred tax. Current tax assets and liabilities for the current and preceding periods are measured at the amount expected to be paid to or from the tax authorities based on the tax rates and tax laws adopted or adopted on the balance sheet date. Current tax is tax pertaining to taxable profit for the period. Deferred tax is reported on all temporary differences that arise between the tax and accounting values of assets and liabilities, as well as on tax loss carryforwards.

Deferred tax assets are reported in the balance sheet to the extent that it is likely that these can be utilized against future taxable profits. In calculating the Group's deferred tax assets and liabilities, the prevailing tax rate in each country is used.

Estimates and judgments

Management particularly assesses the likelihood that deferred tax assets can be offset against profits in a future taxation based on the long-term forecasts the company has prepared. As the basis for these, market analyses, information regarding upcoming regulatory requirements and discussions with customers are used. Such an analysis has resulted in the revaluation of deferred taxes to match future profits. The revaluation of deferred tax refers to the difference between theoretical tax and actual deferred tax.

SEK M	2025	2024
Current tax	-2.7	0.0
Deferred tax assets	-0.4	0.0
Total income tax (continuing operations)	**-3.1**	**0.0**
Tax attributable to discontinued operations	2.4	-121.5
Total reported tax in the Group	**-0.7**	**-121.5**

Reconciliation of effective tax, SEK M

	2025	%	2024	%
Profit/loss before tax	-63.3		-465.9	
Theoretical tax at applicable tax rate for Parent company	13.0	*-20.6*	96.0	*-20.6*
Differences in tax rates for foreign subsidiaries	2.0	*-3.2*	15.1	*-3.2*
Non-deductible expenses	-18.9	*29.8*	-4.6	*1.0*
Non-taxable revenues	1.2	*-1.9*	0.1	*-0.0*
Tax losses for which no deferred tax asset has been recognized	-5.2	*8.2*	-101.5	*21.8*
Tax attributable to previous year	4.8	*-7.6*	-5.1	*1.1*
Reported effective tax	**-3.1**	**4.9**	**0.0**	**-**

Unreported deferred tax assets. SEK M
Tax loss carry-forwards for which deferred tax assets have not been recognised in the statement of financial position:

	2025	2024
Deductible deficits	**257.6**	**198.8**

Deferred tax assets and tax liabilities are divided as follows:

Deferred tax assets, SEK M

	2025	2024
Deferred tax assets to be settled after more than 12 months	54.9	56.0
Total deferred tax assets	**54.9**	**56.0**

Deferred tax liabilities, SEK M

	2025	2024
Deferred tax liabilities to be settled after more 12 months	0.0	0.0
Total deferred tax liabilities	**0.0**	**0.0**

Changes in deferred tax assets and tax liabilities are stated below:

Tax loss carryforwards, Group, SEK M

As of 1 January 2024	171.2
Recognized in the income statement, continuing operations	0.0
Recognized in the income statement, discontinued operations	-121.5
Revaluation deferred tax	6.4
As of 31 December 2024	**56.1**
Recognized in the income statement, continuing operations	0.0
Recognized in the income statement, discontinued operations	-1.2
Revaluation deferred tax	0.0
As of 31 December 2025	**54.9**

Temporary tax difference intangible assets, SEK M

As of 1 January 2024	6.6
Revaluation deferred tax	0.3
Recognized in the income statement, continuing operations	-6.2
As of 31 December 2024	**0.7**
Revaluation deferred tax	-0.1
Recognized in the income statement, continuing operations	-0.6
As of 31 December 2025	**0.0**

Note 13 Shareholders' equity and number of shares

Accounting policy

Earnings per share before and after dilution is calculated as the year's net profit attributable to equity holders of the Parent Company divided by the average number of outstanding shares. Repurchased shares held in treasury are not included in outstanding shares. Weighted average number of repurchased shares as from when the repurchase was carried out.

In February 2025, Fingerprints carried out a partially guaranteed issue of units consisting of new B-shares and warrants entitling for subscription of B-shares with preferential rights for existing shareholders (the "Rights Issue"). The subscription price was set to SEK 0.48 per Unit and shareholders in Fingerprints received one (1) unit right per each existing share (irrespective of class) held on the record date, of which eleven (11) such unit rights entitled to subscribe for one (1) Unit in the Rights Issue. Each Unit consists of forty-eight (48) B-shares and eight (8) Warrants, each of which entitles to subscription of one (1) new B-share in the Company. 199,824,120 Units, corresponding to approximately 60.0 percent of the Units offered in the Rights Issue, were subscribed for with support of unit rights. In addition, applications to subscribe for 39,908,976 Units without the support of unit rights were received, corresponding to approximately 12.0 percent of the Units offered in the Rights Issue. A total of 239,733,096 Units were thus subscribed for in the Rights Issue, which corresponds to approximately 72.0 percent of the Units offered in the Rights Issue and total issue proceeds of approximately SEK 115.1 million before deduction for transaction costs, entailing that no guarantee commitments will be utilized. In total 239,733,096 Units were issued in the Rights Issue. This entails that 11,507,188,608 new B-shares and 1,917,864,768 Warrants entitling to subscribe for a corresponding number of B-shares were issued.

As the subscription price was below the market price, a fund element has been identified, which means that the comparison figures have been recalculated.

On August 27, 2025, FPC announced that the Board had decided that the record date for the 1:2000 reverse split will be September 4, 2025. As a result of the reverse split, FPC's B-shares will change its ISIN code. As of September 3, 2025, the B-shares will be traded under the new ISIN code SE0026141665. From this date, the share price will reflect the effect of the reverse split. The Company's non-listed A-share will as of September 3, 2025, have the ISIN code SE0026141657. Following the reverse split, the total number of shares in the Company decreased from 15,175,375,766 shares (7,875,000 A-shares and 15,167,500,766 B-shares) and 15,246,250,766 votes to 7,587,687 shares (3,937 A-shares and 7,583,750 B-shares) and 7,623,120 votes. Each share has a quota value of SEK 21.353477 after the reverse split.

The company does not report any dilution effect as the Group's result is a loss. The Employee Stock Option Program issued during the year entails a potential dilution effect if fully exercised of 379 384 B shares, i.e., a dilution of 5 percent.

	Before dilution		After dilution	
SEK	**2025**	**2024**	**2025**	**2024**
Earnings per share from continuing operations	-9.42	-188.31	-9.42	-188.31
Earnings per share for the period	-8.31	-278.18	-8.31	-278.18

Net profit for the year attributable to ordinary shareholders of the Parent Company before dilution, SEK M

	2025	2024
Net profit for the year attributable to equity holders of the Parent Company	-58.60	-688.26

Weighted average number of outstanding shares before and after dilution

	2025	2024
Class A shares at beginning of the year	3,938	3,938
Issued Class A shares during the year	0	0
Total number of Class A shares	**3,938**	**3,938**
Class B shares at beginning of the year	1,830,156	290,570
Issued Class B shares during the year	5,753,594	1,539,586
Treasury shares	-1,900	-1,900
Total number of Class B shares	**7,581,850**	**1,828,256**
Total number of outstanding shares	**7,585,788**	**1,832,194**
Weighted average number of ordinary shares during the year before and after dilution	7,050,532	1,431,569
Quotient value, SEK per share	21.35	87.07

As at December 31, 2025, the total number of shares in the Company amounts to 7,587,687 (of which 3,937 A-shares and 7,583,750 B-shares). The total number of votes in the Company amounts to 7,623,120 (of which 39,370 pertain to the A-shares and 7,583,750 pertain to the B-shares).

The company had 1,900 B shares in treasury at the end of the period. The share capital amounted to SEK 162,023,052 . The figures for the year 2024 have all been recalculated with regard to the consolidation of shares and do not refer to the actual number or nominal value.

Note 14 Intangible assets

Accounting policy

Intangible assets are recognized at cost after deduction of accumulated amortization and potential impairment.

Research and development

Development expenditure, aimed at achieving new or improved products or processes, is recognized as an asset in the statement of financial position, if the product or process is technically and commercially viable, and the company has sufficient resources to complete the development process and subsequently use or sell the intangible asset.

The carrying amount includes directly attributable expenses, such as materials and services used and consumed in connection with processing and registering legal rights. Other development expenditure is recognized in profit or loss for the year as an expense when it arises.

As all development originates in products and market demand, there are no research expenses.

Patents

Acquired patents are capitalized as intangible assets.

Goodwill

Goodwill is recognized as an intangible asset with indefinite useful life. Over and above indication, non-amortizable assets such as goodwill are subject to annual impairment tests by measuring the asset's recoverable amount. If the estimated recoverable amount is less than the carrying amount, the asset is impaired to its recoverable amount.

Depreciation and impairment

Amortization is recognized in profit or loss for the year on a straight-line basis over the estimated useful lives of intangible assets, unless such useful lives are indefinite. Useful lives are determined on the basis of expected commercial potential, earnings and the patent's remaining term of validity and technical significance. Useful lives are reviewed at least yearly. Intangible assets with definite useful lives are amortized from the date when they are available for use. Amortizable assets are tested for impairment, if at the reporting date, there is an indication that a non-current asset is impaired. Intangible assets with an indefinite useful life or that are not ready for use are tested for impairment every year and as soon as there is an indication of impairment. The recoverable amount of goodwill is measured through a value in use measurement according to the discounted cash flow method. An impairment loss is recognized when an asset's carrying amount exceeds its recoverable amount. An impairment loss is recognized as an expense in profit or loss.

Estimated useful lives are:

Products: 1.5-4 years
Platforms: 1.5-10 years
Customer relations: 10 years
Patents: 4-5 years

Useful lives are reviewed yearly.

Management determines estimated useful lives based on three factors: the pace of market and competitive development, the rate of technological change, and the duration of expected earnings potential. These factors are assessed at least annually and adjusted when warranted.

Products (1.5–4 years): Individual product iterations have a short earnings window before being superseded by newer technology. The range reflects the speed at which competitors introduce alternative solutions.

Platforms (1.5–10 years): Platforms such as AllKey serve as foundational architecture for multiple product generations, supporting a longer lifespan. The 10-year upper bound reflects core biometric algorithms that remain technically significant and commercially viable over an extended period.

Customer relations (10 years): Reflects the integration stickiness of biometric solutions once embedded in a customer's ecosystem. Industry experience confirms that high-security technology supply relationships typically persist over this duration.

Patents (4–5 years): Although patents carry longer legal terms, amortization is based on the shorter period of technical significance. In the digital identity sector, patented technology is typically rendered obsolete by new advancements well before legal expiry.

Estimates and judgments

Capitalized development expenses

The company reports development costs in accordance with IFRS, primarily IAS 38 Intangible Assets. Research expenditures are expensed as they are incurred. Development expenditures are capitalized when the criteria under IAS 38 are met, which includes that the asset is deemed technically feasible and expected to generate future economic benefits. Capitalization applies only to general product development where an identifiable future revenue stream exists. Capitalization begins after the completion of the investigation phase, when the feasibility of the project has been established. In addition, for capitalization to occur, the total development costs for the project must exceed SEK 1 million. The capitalized development costs mainly consist of personnel costs directly attributable to the development work. To a limited extent, costs for materials and other directly attributable expenses may also be included.

Customer-specific development, platform research, new technology exploration, and customer support activities do not meet the capitalization criteria and are expensed as incurred.

Following the wind-down of Mobile and PC operations, the Group's development organization is materially smaller, with R&D resources concentrated on targeted, shorter-cycle projects aligned with available investment funding. As a result, a larger proportion of development expenditure falls below the SEK 1 million capitalization threshold and is expensed as incurred.

Impairment of goodwill and other acquired intangible fixed assets

The impairment test of goodwill and other acquired intangible fixed assets for the cash-generating unit, Delta ID Inc., has been calculated based on its value in use. The value in use is calculated as the present value of future expected cash flows according to management's forecast. The most important assumptions in the forecast are sales and operating margin as well as the discount rate.

A five-year cash flow forecast has been used. Sales have been assessed in the short term based on an existing pipeline of identified customers, in the medium term based on management's assessment of the directly addressable market for iris recognition technology, and in the long term based on assumptions of a normalized growth rate.

The 2025 valuation is supported by the commercialization of iris technology, validated by the licensing agreement with Smart Eye announced in January 2025 for a total consideration of SEK 50 million over five years. Under the capital-light IP licensing model, the partner assumes technical and commercial responsibility, resulting in minimal ongoing cost to the Group. This model underpins the forecast cash flow projections. The model is supported by the identified pipeline of further licensing opportunities.

During the forecast period, a compound annual revenue growth rate of 34 percent has been estimated. The operating margin is forecast at an average of 76 percent, reflecting the capital-light IP licensing model. After the end of the forecast period, a growth rate of 2 percent has been assumed. The discount rate has been assessed based on the business's estimated weighted average cost of capital (WACC). WACC is estimated at 17.3 percent.

The assessment concluded that the recoverable amount exceeds the carrying amount. No goodwill impairment was recognized for 2025.

Impairment of capitalized development expenditure

For capitalized development expenditures, no indication has been identified and thus no impairment testing has been performed for capitalized development expenditures.

The impairment of patent

For patents, no indication has been identified and thus no impairment testing has been performed for patents.

Sensitivity analysis

A sensitivity analysis shows that, for goodwill and other acquired intangible assets, neither a 2 percentage-point increase in WACC nor a 20-percent reduction in revenue or operating profit would give rise to any impairment.

Impairment test of goodwill and other acquired assets

	2025	2024
Recoverable amount SEKm	265.0	253.0
Carrying amount, SEK M	157.0	211.0
Interest rate, % (WACC), before tax	17.3	18.6
Interest rate, % (WACC), after tax	17.3	18.6

SEK M	Goodwill 2025-12-31	Goodwill 31-Dec-24	Capitalized development expenditure 2025-12-31	Capitalized development expenditure 31-Dec-24	Patents & other acquired intangible assets 2025-12-31	Patents & other acquired intangible assets 31-Dec-24	Intangible fixed assets 2025-12-31	Intangible fixed assets 31-Dec-24
Accumulated cost								
Opening balance	997.6	907.9	718.6	895.4	329.0	300.9	2,045.1	2,104.2
Internally developed assets	-	-	1.0	11.8	0.0	0.0	1.0	11.8
Purchases	-	-	-	-	0.0	0.0	0.0	0.0
Scrapping	-	-	-634.2	-188.6	0.0	0.0	-634.2	-188.6
Translation difference	-164.3	89.7	0.0	0.0	-51.4	28.1	-215.7	117.7
Closing balance	833.3	997.6	85.4	718.6	277.6	329.0	1,196.3	2,045.1
Accumulated depreciation								
Opening balance	-	-	-440.0	-428.1	-259.6	-215.8	-699.6	-643.9
Depreciation for the year	-	-	-14.3	-60.4	-19.9	-23.0	-34.3	-83.4
Scrapping	-	-	384.3	48.5	0.0	0.0	384.3	48.5
Translation difference	-	-	0.0	0.0	41.1	-20.8	41.1	-20.8
Closing balance	0.0	0.0	-70.0	-440.0	-238.4	-259.6	-308.4	-699.6
Accumulated impairment								
Opening balance	-855.9	-603.3	-259.8	-352.3	0.0	-0.0	-1,115.7	-955.6
Impairment for the year	-	-184.8	0.0	-47.8	0.0	0.0	0.0	-232.5
Scrapping	-	-	249.9	140.3	0.0	0.0	249.9	140.3
Translation difference	141.0	-67.8	0.0	0.0	0.0	0.0	141.0	-67.8
Closing balance	-714.9	-855.9	-10.0	-259.8	0.0	0.0	-724.9	-1,115.7
Carrying amounts								
At beginning of year	141.7	304.6	18.7	115.0	69.4	85.1	229.8	504.7
At end of year	**118.4**	**141.7**	**5.4**	**18.7**	**39.2**	**69.4**	**163.0**	**229.8**

Depreciation and write-downs are included in the following lines in the statement of comprehensive income

	2025	2024	2025	2024	2025	2024	2025	2024
Cost of goods sold	-	-	-	-	-	-	-	-
Development costs	-	-	-14.3	-36.9	-19.9	-24.3	-34.3	-61.2
Write downs	-	-	-	-47.8	-	-	-	-47.8

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Note 15 Property, plant and equipment

Accounting policy

Property, plant and equipment are recognized in the Group at cost less accumulated depreciation and any impairment. Cost includes the purchase price and any expenses that are directly attributable to the asset to put it in place and in the condition to be utilized for the purpose for which it was acquired.

Assets leased through leases are recognized as non-current assets in the statement of financial position and recognized initially at the lower of the item's fair value and the present value of minimum lease payments on entering the arrangement.

Depreciation and impairment

Depreciation is on a straight-line basis over the estimated useful life of the asset. Leased assets are depreciated over their estimated useful life, or if it is shorter, the contracted lease term. Depreciation is recognized in each function the assets belong to.

Estimated useful lives:

Machinery and other technical plant: 5 years
Equipment, tools, fixtures and fittings: 3-5 years

Accumulated cost, SEK M

	Machinery and equipment	
	2025-12-31	**31-Dec-24**
Opening balance	29.5	39.1
Sales/retirements	-4.6	-10.4
Purchasing	0.2	0.0
Translation difference	-0.7	0.8
Closing balance	**24.4**	**29.5**
Accumulated depreciation		
Opening balance	-27.9	-36.1
Reversed depreciation on sales and retirements	4.4	10.4
Depreciation for the year	-1.0	-1.4
Translation difference	0.6	-0.8
Closing balance	**-23.9**	**-27.9**
Carrying amounts		
At beginning of year	1.6	3.0
At end of year	**0.6**	**1.6**

Depreciation is included in the following lines in the statement of comprehensive income

	2025	**2024**
Cost of goods sold	**0**	**0**
Administrative expenses	-0.8	-1.2
Selling expenses	0.0	0.0
Development costs	-0.2	-0.2
Total	**-1.0**	**-1.4**

Note 16 Inventories

Accounting policy

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is measured by applying the first-in, first-out method (FIFO) and includes expenses arising in conjunction with the purchase of inventory items and transportation to their current location and condition. Net realizable value is defined as sales price less expenses for completion and selling expenses.

Estimates and judgments

To determine the net realizable value, individual assessments are required regarding the possibility of disposing of the products.

During the year, a write-down of the inventory was made with SEK16 M, posted as Cost of goods sold for discontinuing operations. The write-down was made as FPC is leaving the PC and Mobile segment and has announced "last buy" on these items. The articles have been individually used in PC and Mobile products.

Group, SEK M

	2025-12-31	31-Dec-24
Raw material inventory	10.9	20.3
Goods in progress	0.9	8.8
Finished goods	9.6	18.9
Total	**21.4**	**48.0**

Note 17 Financial assets

Accounting policy

The Groups financial assets are included in the amortized cost category. Loan receivables and accounts receivable are non-derivative financial assets that have determined or determinable payments and that are not listed on an active marketplace. These assets are measured at amortized cost. Amortized cost is determined on the basis of the effective interest calculated at acquisition. Cash and cash equivalents and accounts receivable belong to this category. Accounts receivable are recognized at the amount expected to be received, i.e. after impairment of expected bad debt.

Conversion to SEK is at the closing rate on the reporting date. Book value less impairment is an approximate fair value of accounts receivable.

Exchange rate fluctuations on operating receivables and liabilities are recognized in operating profit, while exchange rate fluctuations on financial receivables and liabilities are recognized in net financial income/expense.

Financial assets, Group, SEK M

	2025-12-31		31-Dec-24	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial assets				
Current financial assets				
Financial assets at amortized cost				
Accounts receivable	8.4	8.4	56.0	56.0
Cash and cash equivalents	27.1	27.1	12.1	12.1
Financial assets, total	**35.6**	**35.6**	**68.0**	**68.0**

SEK M	2025-12-31	31-Dec-24
Total accounts receivable	8.4	56.0
Reserve for doubtful debt	0.0	0.0
Carrying amount	8.4	56.0

Cost of bad debt and doubtful accounts receivables amounted to SEK 0 M (0) for the Group. No provision for uncertain claims has been reported as none are deemed to exist.

Note 18 Prepaid expenses and deferred income

Prepaid expenses and deferred income, Group, SEK M

	2025-12-31	31-Dec-24
Premises	0.3	1.3
Insurance expenses	0.9	1.5
License costs	1.0	0.0
Accrued revenue	12.7	-
Other operating expenses	1.5	2.5
Total	**16.3**	**5.3**

Note 19 Cash and cash equivalents

Accounting policy

Cash and cash equivalents consist of cash funds in banks, immediately available balances in banks and corresponding institutions.

Cash and cash equivalents, Group, SEK M

	2025-12-31	31-Dec-24
Cash and bank balances	27.1	12.1
Total recognized in the statement of financial position/balance sheet	**27.1**	**12.1**

Note 20 Financial liabilities

Accounting policy

To cover the company's liquidity needs during the period up until the completion of the 2024 rights Issue, a consortium of external investors provided the company with a short-term loan of SEK 40 M (the "Bridge Loan"). In December 2024, the company received SEK 13.6 M in a partial disbursement of the Bridge Loan. During 2025, the company received the remaining bridge loan of SEK 26.4 million. In connection with the new issue, the loan was amortized in full during the first quarter of 2025.

Book value of financial liabilities by balance sheet items and category, Group, SEK M

	2025-12-31		31-Dec-24	
	Book value	**Fair value**	**Book value**	**Fair value**
Non-current financial liabilities				
Long-term leasing liabilities	0.0	0.0	2.7	2.7
Current financial liabilities				
Short-term leasing liabilities	2.9	2.9	4.1	4.1
Short-term portion of loans	0.0	0.0	13.6	13.6
Accounts payable	10.1	10.1	39.9	39.9
Financial liabilities, total	**13.0**	**13.0**	**60.3**	**60.3**
By category				
Financial liabilities at amortized cost	13.0	13.0	60.3	60.3
Financial liabilities, total	**13.0**	**13.0**	**60.3**	**60.3**

Maturity analyses, financial liabilities, Group, SEK M

	0-3 months	**3 months-1 yr**	**1-2 yrs**	**2-3 år**
Short-term portion of loans	-	-	-	-
Accounts payable	10.1	-	-	-
Leasing liabilities	0.7	2.2	-	-
Total	**10.8**	**2.2**	**-**	**-**

Note 21 Other current liabilities

Other current liabilities, SEK M

	2025-12-31	31-Dec-24
Employee withholding tax	1.5	2.4
Social security liability	2.7	3.2
Other	1.9	5.6
Total	**6.1**	**11.2**

Note 22 Accrued expenses and deferred income

Commission refers to estimated liability for discounts provided.

Accrued expenses and deferred income, Group, SEK M

	2025-12-31	31-Dec-24
Salaries	2.1	15.8
Social security contributions	0.8	1.7
Material and production expenses	0.1	4.2
Directors' fees and company expenses	0.0	1.1
Commissions	0.0	40.0
Audit	1.7	1.5
Restructuring expenses	0.0	7.0
Other overheads	0.4	4.3
Total	**5.1**	**75.6**

Note 23 Financial risks, other factors of uncertainty and risk management

Group and Parent Company

The Group's activities expose it to a variety of financial risks.

Financial risks mean fluctuations in the company's earnings and cash flow due to variations in exchange rates, interest rates and risks relating to refinancing and credit issuance. The Group's financial policy for managing financial risks has been prepared by the Board and comprises a framework of guidelines and rules in the form of risk mandates and limits for financing activities. Financial transactions and risks are managed by the Parent Company's Finance function.

The objectives are to:

- Manage and control financial risks.
- Minimize the negative earnings impact of market changes in currencies and interest rates.
- Plan and ensure adequate liquidity for operating activities.
- Optimize the use of capital and cash flows.

Financing and liquidity risk

The Company is exposed to liquidity and financing risk, which refers to the risk that available cash and cash equivalents are insufficient to meet the Company's payment obligations, or that additional financing cannot be obtained on acceptable terms and in a timely manner. The liquidity situation is affected by, among other things, developments in the Company's operating activities, changes in working capital requirements, the implementation of planned cost adjustments, and external factors such as market conditions and access to capital. Less favourable payment terms, delayed customer payments or other deviations in cash flow may further increase the need for financing. During 2025, the Group executed its IP licensing strategy, generating material cash proceeds from the licensing and sale of technology rights. IP licensing is now an established component of the Group's revenue and cash flow generation, and the Board expects continued activity in 2026.

After the reporting period, the Company secured bridge financing of SEK 20 million in order to strengthen short-term working capital until completion of the merger described below. In addition, on 23 March 2026, the Boards of Directors of Fingerprint Cards and Precise Biometrics AB (publ) adopted a joint merger plan, pursuant to which the companies are to combine through a statutory merger whereby Precise Biometrics will absorb Fingerprint Cards. The merger plan was approved by the shareholders at the extraordinary general meeting held on 30 April 2026, and completion remains subject to the receipt of the necessary regulatory approvals.

Following completion of the merger, the combined company intends to raise approximately SEK 110 million through a rights issue to accelerate growth, capture identified synergies and support continued global expansion. The rights issue is subject to guarantee commitments totaling SEK 80 million, comprising SEK 45 million in guarantee commitments from several guarantors and a SEK 35 million underwriting agreement with DNB Bank ASA, in each case on customary terms.

The Board of Directors and management continuously monitor the Company's liquidity development and evaluate various measures to strengthen its financial position, including cost adjustments, optimization of working capital and different financing alternatives.

Available liquidity in the Group at year end amounted to SEK 27.1 M (12.1). In accordance with the Finance Policy, there should always be sufficient cash and cash equivalents and confirmed credit lines to cover short-term liquidity requirements.

The company's accounts payable amounted to SEK 10.1 M (39.9) and has a short maturity structure within 1-2 months.

A maturity analysis of financial liabilities is presented in note 20.

Taking into account the completion of the merger, the bridge financing secured after the reporting period and the planned rights issue, the Board sees no issues with the Group's ability to continue as a going concern.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will vary due to changes in market prices. IFRS divides market risks into three types; currency risk, interest rate risk and other price risk. It is primarily currency risk that affects the Group, while the Group is not exposed to interest rate risk following the repayment of the convertible bonds during 2024.

The Group's aim is to manage and control market risks within specific parameters and simultaneously optimize the results of risk-taking within specific parameters. These parameters are established with the aim of ensuring that market risks have only a marginal impact on the Group's earnings and financial position in the short term (6-12 months). However, protracted changes in exchange rates will impact consolidated earnings in the longer term.

Currency risk

The risk that the fair value and cash flows of financial instruments will fluctuate when the value of foreign currencies changes. The main exposure is derived from the Group's sales and purchases in USD. These currency risks comprise the risk of fluctuations in the value of financial instruments, accounts receivables and accounts payable and the currency risk inherent in expected and contractual payment flows. Such risks constitute transaction exposure.

According to the Finance Policy, currency exchange risks should not be hedged. USD-denominated net surpluses are exchanged to SEK on a continuous basis. Net profit/loss for the year includes exchange rate differences amounting to a negative SEK 1,4 M (pos: 1,3) in operating profit/loss and a negative SEK 0.7 M (pos: 0.2) in the financial net.

Transaction exposure

As per the balance sheet date, the Group's transaction exposure with regard to sales and materials was in the following currencies.

SEK M	Net flows
2025	
USD exposure expressed in SEK and total	48.0
2024	
USD exposure expressed in SEK and total	104.0

The transaction exposure has not been hedged.

Sensitivity analysis

A 10 percent change in the value of the Swedish krona against other currencies as of 31 December 2025, would result in shareholders' equity and net profit for the period changing by SEK 5 M (11). The sensitivity analysis is based on all other factors remaining unchanged.

Credit risk

The Company does not normally use credit insurance. To limit credit risk, the Company applies established credit assessment procedures, including ongoing monitoring of customers' payment history and financial position. To reduce exposure, where deemed appropriate, risk-mitigating measures are used such as advance payments and/or other payment terms (for example shorter payment terms or instalment payments). The Group also seeks to maintain a diversified customer base and has procedures in place to monitor and manage past-due receivables.

Capital management

The company aims to maintain a strong capital base to support the continued development of the business and to ensure financial stability. Our capital management policy aims to optimize the capital structure and ensure access to financing on competitive terms. To manage the capital, the company uses the following processes:

- Capital structure monitoring: Regularly reviewing and adjusting the capital structure to ensure that it is aligned with the company's strategic objectives and market conditions.
- Risk management: Identification and management of financial risks, including liquidity risks, to minimize potential adverse effects on the company's financial position.
- Financing strategy: Maintaining a diversified funding base through a combination of equity and other sources of funding to ensure long-term financial flexibility.

Other factors of uncertainty

The global macro environment remains volatile. The ongoing war between Russia and Ukraine, and related sanctions and countermeasures, may – even without material direct exposure – indirectly impact the Group through energy prices, inflation, interest rates, currency and market volatility, and disruptions to supply chains and logistics. In addition, escalating geopolitical tensions and armed conflicts in the Middle East – including the Israel–Palestine conflict and the ongoing military escalation between the U.S./Israel and Iran – contribute to heightened uncertainty and the risk of further volatility in energy and commodity markets. A more unpredictable trade policy environment, including new or expanded tariffs, sanctions and export restrictions, may result in higher costs, delays in supply chains, and weaker demand in certain end-markets. Developments in inflation and interest rates may also impact financing conditions, customers' willingness to invest, and the Group's cost base, and are monitored on an ongoing basis.

Note 24 Customers

Age analysis, accounts receivable
Carrying amount, Group, SEK M

	2025	2024
Non-overdue accounts receivable	8	20
Overdue accounts receivable 0–30 days	1	2
Overdue accounts receivable 30–90 days	0	34
Overdue accounts receivable >90 days	0	1
Reserve for doubtful debt	0	0
Total	**8**	**56**

	2025			2024		
Sales per year	**Number of customers**	**% of total number of customers**	**% of value**	**Number of customers**	**% of total number of customers**	**% of value**
‹ 1 Mkr	37.0	80.4	5.0	40.0	72.7	2.0
SEK 1–10 M	5.0	10.9	14.0	10.0	18.2	9.0
› 10 Mkr	4.0	8.7	81.0	5.0	9.1	89.0
Total	**46.0**	**100.0**	**100.0**	**55.0**	**100.0**	**100.0**

Note 25 Leases

Fingerprints is the lessee in agreements regarding real estate. The agreements are reported as a right-of-use asset and as a corresponding liability as of the date the asset is available for use. The lease payments are divided into interest payments and amortization. The interest component is presented as interest paid in the cash flow statement. The right-of-use asset is depreciated on a straight-line basis during the useful life of that asset or the lease term. Assets and liabilities arising from leases are measured on the basis of cost. The lease liability consists of the present value of fixed fees, variable fees that depend on the index or price, amounts that are expected to be paid out according to residual value guarantees. Future charges are discounted using the implicit interest rate of the contract. If it cannot be determined, the group's marginal loan rate is used instead. Expenses for leases with a lease term of less than 12 months and leases for low-value assets are accrued on a straight-line basis and are recognised as an expense in the income statement. Low-value assets mainly refer to IT equipment, office furniture and other office equipment.

Lease arrangements where the company is the lessee, Group, SEK M

	2025-12-31	31-Dec-24
Non-cancelable lease charges amount to:		
Within one year	2.9	4.1
Between one year and two years	0.0	2.8
Between two years and three years	0.0	0.0
Between three years and four years	0.0	0.0
Between four years and five years	0.0	0.0
Total	**2.9**	**6.9**

Lease payments for leases during the year, Group, SEK M

	2025	2024
Lease payments	2.3	21.0
Total lease payments	**2.3**	**21.0**

Lease agreements, in balance sheet, Group, SEK M

	2025	2024
Right-of-use assets, January 1	8.4	14.4
Change in right-of-use assets	0.3	-
Depreciation	-4.8	-6.2
Translation difference	-	0.2
Right-of-use assets, closing balance	**3.9**	**8.4**

During the year, lease agreements have changed with reduced spaces and altered contract terms.

Lease agreements, in income statement, Group, SEK M

	2025	2024
Depreciation use-of rights assets	-4.8	-6.2
Interest costs leasing liabilities	-0.1	-0.2
Expenses for short-term leases and leases of low value	-0.1	-0.2
Lease agreements, in income statement, SEK M	**-5.0**	**-6.6**

Note 26 Statement of Cash Flows

Accounting policy

The cash flow statement has been prepared in accordance with the indirect method. Foreign Group companies' cash flows are translated at average rates of exchange.

Interest received SEK 0.0 million

Interest paid SEK 2.9 million

The following components are included: Cash and bank balances, Group, SEK M:

	2025-12-31	31-Dec-24
Total in statement of financial position	27.1	12.1
Total in statement of cash flows	**27.1**	**12.1**

Adjustment for non-cash items, Group, SEK M

	2025	2024
Depreciation according to plan and impairment	40.1	378.5
Inventory write-down	15.5	4.7
Change in equity	-0.9	12.7
Transaction revaluations	0.4	14.3
Other non-cash items	-6.9	-
Total	**48.2**	**410.2**

Change in liabilities recognised in financing activities, Group, SEK M

	2025	2024
Opening balance	20.4	79.4
Changes affecting cash flow:		
Bridge loan	26.4	74.0
Amortization	-40.0	-165.6
Amortization leasing	-3.6	-6.1
Non-cash flow-affecting adjustments		
Amortization bond loan	-	-14.6
Accrual set-up fees	-0.3	25.2
Reclassifications of long-term/current liabilities	-	28.1
Total	**2.9**	**20.4**

Note 27 Post balance sheet date events

On February 11, 2026, Fingerprint Cards announced that Board member John Lord has informed the Company of his decision to step down from the Board of Directors due to other professional commitments. The Nomination Committee has been informed and continues its work to review, identify and propose new potential board members for election at a general meeting.

On March 23, 2026, Precise Biometrics AB (publ) ("Precise Biometrics") and Fingerprint Cards AB (publ) ("Fingerprint Cards") jointly announced that the board of directors of Precise Biometrics and the board of directors of Fingerprint Cards have adopted a joint merger plan (the "Merger Plan") for merging the companies through a statutory merger in accordance with the Swedish Companies Act (the "Merger"). The Merger will be implemented by Precise Biometrics absorbing Fingerprint Cards, whereby the shareholders in Fingerprint Cards will receive nine (9) new ordinary shares in Precise Biometrics for each share in Fingerprint Cards, irrespective of share class. The Merger, constituting a merger of equals, will create a combined business with a stronger offering, a strengthened commercial reach, realize meaningful synergies, and establish a profitable foundation with necessary scale for future organic growth and consolidation. The Merger is expected to generate cost synergies with an estimated full annual run-rate effect of at least SEK 45 million (corresponding to approximately 29 percent of the Combined Company's 2025 pro forma revenue). In addition, the combination is expected to unlock meaningful commercial synergies through upselling and cross-selling across the combined customer base and increased share of customer wallet. Following completion of the Merger, the Combined Company intends to raise approximately SEK 110 million through a rights issue of shares, with proceeds to be used to accelerate growth, capture identified synergies and support continued expansion of the Combined Company globally. The completion of the Merger is conditional upon, inter alia, approval by the shareholders of each of Precise Biometrics and Fingerprint Cards at their respective general meetings. The board of directors of Fingerprint Cards unanimously recommends the shareholders of Fingerprint Cards to vote in favor of the completion of the merger.

The Board of Directors believes the Merger to be significantly value-adding for shareholders and other stakeholders, as it will create a combined business with a stronger offering, strengthened commercial reach, realize meaningful synergies and a profitable foundation with necessary scale for future organic growth and consolidation.

In the first quarter of 2026, the boards of Fingerprint Cards AB and Precise Biometrics AB signed a merger plan for the combination of the two companies. As the merger results in the Company's tax loss carryforwards no longer being available for utilisation, the Company derecognised the related deferred tax assets as of 31 March 2026. In light thereof, the Board took appropriate measures to remedy the equity shortfall by a reduction of the share capital. On 30 April 2026, the Extraordinary General Meeting resolved to approve the merger plan, to amend the Company's articles of association, and to reduce the Company's share capital to cover loss. The share capital reduction remedied the equity shortfall resulting from the derecognition of the deferred tax assets.

Income statement

SEK M	Note	2025	2024
Revenue	29	59.7	2.3
Cost of goods sold	30	-12.6	-2.2
Gross profit		**47.1**	**0.1**
Selling expenses		-23.7	-16.0
Administrative expenses		-80.3	-87.4
Development costs		-38.9	-15.0
Other operating income	31	47.3	100.5
Other operating expenses	32	-11.1	-8.9
Operating profit/loss	33,34,35	**-59.6**	**-26.7**
Financial income	36	6.3	26.8
Interest expenses etc	36	-77.7	-51.1
Profit/loss after financial items		**-131.0**	**-51.0**
Appropriations	37	0.4	-259.9
Profit/loss before tax		**-130.6**	**-310.9**
Tax	38	-	-111.2
Net profit/loss for the year		**-130.6**	**-422.1**
Total result for the period		**-130.6**	**-422.1**

Balance sheet

SEK M	Note	2025-12-31	31-Dec-24
Assets			
Non-current assets			
Intangible assets	40	1.0	0.1
Property, plant and equipment	41	0.4	0.9
Shares and participations in subsidiaries	51	19.5	24.3
Non-current receivables from Group companies	43,50	99.4	165.3
Deferred tax assets	38	54.9	54.9
Total non-current assets		**175.2**	**245.5**
Current assets			
Inventories	42	21.1	0.0
Receivables from Group companies	43,50	0.1	1.2
Accounts receivable	43	8.4	27.2
Tax receivables		0.2	0.7
Other receivables		1.4	2.6
Prepaid expenses and deferred income	44	16.8	5.5
Cash and bank balances	43,45,52	10.4	3.4
Total current assets		**58.4**	**40.6**
Total assets		**233.6**	**286.1**
Shareholders' equity	39		
Restricted shareholders' equity			
Share capital		162.0	159.7
Statutory reserve		41.4	41.4
Non-restricted shareholders' equity			
Share premium reserve		867.0	777.4
Accumulated profit or loss		-839.4	-417.3
Net profit/loss for the year		-130.6	-422.1
Total shareholders' equity		**100.4**	**139.1**
Non-current liabilities			
Liabilities to Group companies	50	111.4	103.2
Total non-current liabilities		**111.4**	**103.2**
Short-term portion of loans	46,49	0.0	13.6
Accounts payable	50	9.9	19.0
Liabilities to Group companies	38	4.7	3.4
Other current liabilities	47	3.3	1.2
Accrued expenses and deferred income	48	3.8	6.6
Total current liabilities		**21.7**	**43.8**
Total Equity and Liabilities		**233.5**	**286.1**

Statement of changes in equity

	Restricted shareholders' equity			Non-restricted shareholders' equity			
SEK M	**Share capital**	**Statutory reserve**	**Fund for development expenditure**	**Share premium reserve**	**Accumulated profit or loss**	**Net profit/loss for the year**	**Total shareholders' equity**
Opening shareholders' equity, 1 Jan 2024	**26.0**	**41.4**	**0.0**	**681.5**	**–135.1**	**–282.2**	**331.6**
Net profit/loss for the year	0.0	0.0	0.0	0.0	0.0	–422.1	–422.1
Issue conversion	0.7	0.0	0.0	13.1	0.0	0.0	13.8
Proceeds from the share issue, net of transaction costs	133.0	0.0	0.0	82.8	0.0	0.0	215.8
Appropriation of profit/loss	0.0	0.0	0.0	0.0	–282.2	282.2	0.0
Closing shareholders' equity, 31 Dec 2024	**159.7**	**41.4**	**0.0**	**777.4**	**–417.3**	**–422.1**	**139.1**
Opening shareholders' equity, 1 Jan 2025	**159.7**	**41.4**	**0.0**	**777.4**	**–417.3**	**–422.1**	**139.1**
Net profit/loss for the year	0.0	0.0	0.0	0.0	0.0	–130.6	–130.6
Option program	0.0	0.0	0.0	0.6	0.0	0.0	0.6
Issue net of transaction costs	2.3	0.0	0.0	89.0	0.0	0.0	91.3
Appropriation of profit/loss	0.0	0.0	0.0	0.0	–422.1	422.1	0.0
Closing equity, 31 December 2025	**162.0**	**41.4**	**0.0**	**867.0**	**–839.4**	**–130.6**	**100.4**

Cash flow statement

SEK M	Note	2025	2024
Operating activities			
Profit/loss before tax		-130.6	-310.9
Adjustment for non-cash items	52	66.9	281.1
Cash flow from operating activities before changes in working capital		**-63.7**	**-29.8**
Income tax paid		-0.5	-0.9
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventory		-21.0	0.0
Increase (-)/Decrease (+) in operating receivables		10.8	-24.1
Increase (+)/Decrease (-) in operating liabilities		-71.6	-37.3
Cash flow from operating activities		**-146.0**	**-92.2**
Purchases of tangible fixed assets		-0.2	-
Sale of fixed assets	41	0.0	0.1
Purchase and internal development of intangible assets		-1.0	0.0
Cash flow from investing activities		**-1.2**	**0.1**
Set-off issue and rights issue		91.3	215.8
Amortization loan	46	-40.0	-165.6
Loans		26.4	74.0
Change intercompany loan		77.1	-54.5
Cash flow from financing activities		**154.8**	**69.7**
Cash flow for the year		7.7	-22.4
Cash and cash equivalents at beginning of year		3.4	25.8
Effect of translation differences on cash and cash equivalents		-0.6	0.0
Cash and cash equivalents at end of year	44	**10.4**	**3.4**

Note 28 Parent company accounting policies

All amounts in millions of Swedish kronor (SEK M) unless otherwise stated.

Parent Company accounting policies

The Parent Company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. According to RFR 2, the Parent Company should apply all IFRSs and statements endorsed by the EU in its annual accounts as far as possible within the auspices of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and with respect to the relationship between accounting and taxation. The recommendation stipulates the exemptions from, and supplements to, IFRS that are to be applied. The company applies the exemptions permitted under RFR 2 in respect of IFRS 9 Financial Instruments.

Differences between the Group's and Parent Company's accounting policies

The main differences between the Group's and Parent Company's accounting policies are stated below. The accounting policies stated below for the Parent Company have been applied consistently to all periods presented in the Parent Company's financial statements.

Subsidiaries

Shares and participations in subsidiaries are reported at cost in the Parent Company after deducting for impairment. On business combinations, the Parent Company includes expenditure relating to the acquisition in costs pursuant to RFR 2.

Leased assets

The standards on accounting for leasing agreements in accordance with IFRS 16 are not applied in the Parent Company. This means that leasing fees are reported as an expense on a straight-line basis over the leasing period and that right-of-use assets and leasing liabilities are not included in the Parent Company's balance sheet.

Classification and presentation formats

Earnings for the Group are recognized in the statement of comprehensive income, and for the Parent Company, in the income statement. In addition, the Parent Company uses the terms balance sheet and cash flow statement for the statements the Group refers to as the statement of financial position and statement of cash flows respectively. The Parent Company balance sheet has been presented according to the format stipulated in the Swedish Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements, and IAS 7 Statement of Cash Flows.

The Group has changed its principle regarding the reporting of R&D costs. Depreciation of capitalized development expenses has previously been recognized in cost of goods sold, thereby affecting gross margin. As of January 1, 2025, depreciation of previously capitalized development costs is instead recognized within the development costs function in the income statement. The comparative figures for previous periods have been recalculated. Reporting all R&D-related costs, including depreciation of previously capitalized costs within the R&D function on one and the same line in the income statement, has been deemed to lead to financial statements that give a more accurate view of the company's gross margins and also increase comparability with other companies in the industry.

Note 29 Revenues

Accounting policy

See description under Group revenue, Note 2. Inter-company sales in the Parent Company relate primarily to license fee.

The Parent Company's financial performance in 2025 should be viewed in the context of the operational restructuring in which the operations of the Singapore entity were transferred to the Swedish Parent company, assumed ownership of inventories and began invoicing customers. As a result of the revised operating model, in addition to IP licensing transactions completed during the year, the Parent Company's revenue increased to SEK 59.7 M for the full year 2025 (2.3).

Revenue by type of product, Parent company, SEK M

	2025	2024
IP licensing	23.9	0.0
Sensor systems	16.9	2.3
Intercompany license fee	18.9	0.0
Sales	**59.7**	**2.3**

Note 30 Cost of goods sold

Constituent items in cost of goods sold, Parent company, SEK M

	2025	2024
Procurement and production overheads	-12.6	-2.2
Cost of goods sold	**-12.6**	**-2.2**

Note 31 Other operating income

Other operating income, Parent company, SEK M

	2025	2024
Exchange rate gains, operating receivables and liabilities	3.7	0.0
Reversal of provisions from prior years	-	53.0
Patent licens	-	6.8
IP- and licensing transactions	43.6	40.5
Other income	-	0.2
Total	**47.3**	**100.5**

Income from IP and licensing transactions mainly derive from transactions completed during the year with Smart Eye and Pixart.

Note 32 Other operating expenses

Other operating expenses, Parent company, SEK M

	2025	2024
Exchange rate losses, operating receivables and liabilities	-4.8	-5.6
Transaction advisory services	-6.3	-
Other operating expenses	0.0	-3.3
Total	**-11.1**	**-8.9**

Note 33 Employees, personnel costs and remuneration of senior executives

Accounting policy

See reference to Note 7, Group. From 2025, all employees in Sweden are employed by the parent company.

Expenses for employee benefits, Parent company, SEK M

	2025	2024
Salaries and benefits, etc.	23.1	11.7
Pension costs, defined contribution plans	3.8	2.2
Other social security contributions	7.6	4.3
Benefits	0.7	0.0
Other employee benefits	0.4	1.9
	35.6	**20.2**

Average number of employees, Parent company

	2025			2024		
	Men	Women	Total	Men	Women	Total
Sweden	20	4	24	8	7	15
France	1	1	2	0	0	0

Note 34 Fees and reimbursement of auditors

Fees and reimbursement of auditors, Parent company, SEK M

	2025	2024
Audit fee, BDO	3.8	3.7
Audit fee, other	0.0	0.0
Other services	0.4	0.5
Total fees	**4.2**	**4.2**

Note 35 Operating expenses by cost class

Operating expenses by cost class, Parent company, SEK M

	2025	2024
Cost of materials	-10.7	-2.2
Personnel costs	-34.6	-20.1
Service fee to Group companies	-54.9	-37.3
Depreciation, amortization and impairment	-0.8	-1.0
Other operating expenses	-65.6	-68.9
Operating expenses	**-166.6**	**-129.5**

Not 36 Financial income/expense

Financial income/expense, Parent compnany, SEK M

	2025	2024
Intercompany Dividend	0.2	0.7
Gain/loss on sale of subsidiary	0.0	0.0
Exchange rate gains, financial receivables, and liabilities	0.0	17.4
Interest income attributable to Group companies	6.1	8.1
Other interest income	0.0	0.7
Financial income	**6.3**	**26.8**
Loss from write-down of receivables from Group companies	-21.9	-2.0
Loss on impairment of shares in subsidiaries	-41.9	-
Exchange rate losses, financial receivables, and liabilities	-10.7	0.0
Interest expenses	-2.6	-28.7
Interest expenses intercompany	0.0	-2.6
Other financial expenses	-0.6	-17.8
Financial expenses	**-77.7**	**-51.1**

During the year, contributions to shareholders have been made to Fingerprint Cards IP Ab, amounting to SEK 39.4 M. Shares in subsidiaries have then been written down for Fingerprint Cards IP Ab with SEK 41.6 M and upon liquidation of Fingerprint Cards Japan with SEK 0.3 M.

Note 37 Appropriations

Appropriations, Parent company, SEK M

	2025	2024
Appropriations		
Group contributions received/paid	0.4	-259.9
Appropriations	**0.4**	**-259.9**

The Parent Company has received group contributions from Fingerprint Cards Sweden AB, amounting to SEK 0.4 M.

Note 38 Taxes

Estimates and judgments

The parent company's deferred tax assets mainly relate to tax losses. The accounting for this asset is based on an assessment of the likelihood that they can be utilized against future taxable profits, in accordance with IAS 12.

The parent company is expected to generate sufficient taxable profits to utilize the recognized deferred tax assets within a foreseeable future.

The assessment is based on the parent company's business plans and forecasts, which cover a period of 5 years and include assumptions about revenue development, cost structure, margins, and financing costs. The forecasts are based on plans established by the board of directors, as well as historical outcomes and known changes in the business.

Uncertainty in the assessment is mainly related to assumptions about future profitability and market development. If these assumptions are not realized, it may affect the value of the deferred tax assets.

Tax expense, Parent company, SEK M

	2025	2024
Current tax expense	0.0	-0.3
Deferred tax expense	0.0	-110.9
Total reported tax expense	**0.0**	**-111.2**

Reconciliation of effective tax, Parent company, SEK M

	2025	%	2024	%
Profit/loss before tax	-130.6	0.0	-310.9	0.0
Theoretical tax at applicable tax rate for Parent company	26.9	20.6	64.1	-20.6
Differences in tax rates for foreign subsidiaries	0.0	-	0.0	-
Non-deductible expenses	-13.6	10.4	-4.2	1.3
Non-taxable revenues	0.0	-0.0	0.5	-0.2
Loss carryforwards for which no deferred tax asset has been recognized	-13.3	10.2	-171.6	55.2
Tax attributable to previous year	0.0	0.0	0.0	0.0
Reported effective tax	**0.0**	**0.0**	**-111.2**	**35.8**

Deferred tax assets and tax liabilities are divided as follows:
Deferred tax assets, SEK M

	2025	2024
Deferred tax assets to be settled after more than 12 months	54.9	54.9
Total deferred tax assets	**54.9**	**54.9**

Changes in deferred tax assets and tax liabilities are stated below:
Tax losses forward, SEK M

As of 1 January 2024	165.8
Reported in income statement	-110.9
As of 31 December 2024	**54.9**
Reported in income statement	0.0
As of 31 December 2025	**54.9**

Note 39 Shareholders' equity and number of shares

Weighted average number of outstanding shares before and after dilution

	2025	2024
Class A shares at beginning of the year	3,938	3,938
Issued Class A shares during the year	–	–
Total number of Class A shares	**3,938**	**3,938**
Class B shares at beginning of the year	1,830,156	290,570
Issued Class B shares during the year	5,753,594	1,539,586
Treasury shares	–1,900	–1,900
Total number of outstanding Class B shares	**7,581,850**	**1,828,256**
Total number of outstanding shares	**7,585,788**	**1,832,194**
Weighted average number of ordinary shares during the year before and after dilution	7,050,532	1,431,569
Quotient value, SEK per share	**21.35**	**87.07**

Note 40 Intangible assets

Accounting policy

Intangible assets are recognized at cost after deduction of accumulated amortization and potential impairment.

Intangible assets, Parent company, SEK M

Parent Company	Capitalized development costs		Patents & other acquired intangible assets		Intangible fixed assets	
SEK M	**2025-12-31**	**31-Dec-24**	**2025-12-31**	**31-Dec-24**	**2025-12-31**	**31-Dec-24**
Accumulated cost						
Opening balance	0.0	0.0	10.9	10.9	10.9	10.9
Internally developed assets	1.0	0.0	-	-	1.0	0.0
Purchases	-	-	0.0	0.0	0.0	0.0
Divestments	0.0	0.0	0.0	0.0	0.0	0.0
Translation difference	-	-	-	-	-	-
Closing balance	1.0	0.0	10.9	10.9	11.9	10.9
Accumulated depreciation						
Opening balance	-0.0	-0.0	-10.8	-10.7	-10.8	-10.7
Depreciation for the year	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Divestments	0.0	0.0	0.0	0.0	0.0	0.0
Translation difference	-	-	-	-	-	-
Closing balance	-0.0	-0.0	-10.9	-10.8	-10.9	-10.8
Accumulated impairment						
Opening balance	0.0	0.0	-0.0	0.0	-0.0	-0.0
Impairment for the year	0.0	0.0	0.0	0.0	-0.0	-0.0
Divestments	0.0	0.0	0.0	0.0	0.0	0.0
Translation difference	-	-	-	-	-	-
Closing balance	0.0	0.0	-0.0	-0.0	-0.0	-0.0
Carrying amounts						
At beginning of year	-0.0	-0.0	0.1	0.2	0.1	0.2
At end of year	**1.0**	**-0.0**	**0.0**	**0.1**	**1.0**	**0.1**

Depreciation is included in the following lines in the statement of comprehensive income

	2025	2024	2025	2024	2025	2024
Cost of goods sold	-	-	-	-	-	-
Development costs	-	-	-0.1	-	-0.1	-

Note 41 Property, plant and equipment

Estimates and judgments

Impairment of property, plant and equipment

Estimated future cash flows, which are based on internal business plans and forecasts, are used to determine value in use. Even if management considers an estimated future cash flows are reasonable, other assumptions regarding cash flows can have a material impact on measurements. No indication that property, plant and equipment is impaired has been identified, and accordingly, no impairment tests have been conducted.

Property, plant and equipment, Parent company, SEK M

	Machinery and equipment	
Accumulated cost, SEK M	**2025**	**2024**
Opening balance	24.1	24.3
Sales/retirements	0.0	-0.2
Purchasing	0.2	0.0
Closing balance	24.3	24.1
Accumulated depreciation		
Opening balance	-23.2	-22.5
Reversed depreciation on sales and retirements	0.0	0.2
Depreciation for the year	-0.7	-0.9
Closing balance	-23.9	-23.2
Carrying amounts		
At beginning of year	0.9	1.8
At end of year	**0.4**	**0.9**

Depreciation is included in the following lines in the statement of comprehensive income

	2025	**2024**
Cost of goods sold	0.0	0.0
Administrative expenses	-0.1	-0.8
Selling expenses	-0.6	-0.1
Development costs	0.0	0.0
Total	**-0.7**	**-0.9**

Note 42 Inventories

Accounting policy

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is measured by applying the first-in, first-out method (FIFO) and includes expenses arising in conjunction with the purchase of inventory items and transportation to their current location and condition. Net realizable value is defined as sales price less expenses for completion and selling expenses.

Estimates and judgments

To determine the net realizable value, individual assessments are required regarding the possibility of disposing of the products

During 2025, the parent company has taken over the inventory value from FPC Singapore. From the fourth quarter of 2025, it has also taken over customer agreements and sales to customers are made from the parent company.

Inventory, Parent company, SEK M

	2025-12-31	**31-Dec-24**
Raw material inventory	10.9	-
Goods in progress	0.9	-
Finished goods	9.6	-
Total	**21.4**	**-**

Note 43 Financial assets

Fair value and carrying amount of financial assets by balance sheet item and category, SEK M

	2025-12-31		31-Dec-24	
	Book value	Fair value	Book value	Fair value
Financial assets				
Non-current receivables from Group companies	99.4	99.4	165.3	165.3
Current receivables from group companies	0.1	0.1	1.2	1.2
Accounts receivable	8.4	8.4	27.2	27.2
Cash and cash equivalents	10.4	10.4	3.4	3.4
Financial assets, total	**118.4**	**118.4**	**197.0**	**197.0**

Accounts receivable, Parent company, SEK M

	2025-12-31	31-Dec-24
Total accounts receivable	8.4	27.2
Reserve for doubtful debt	0.0	0.0
Carrying amount	8.4	27.2

Method for assessing credit risk and impairment

The Company does not normally use credit insurance for external customers. To limit credit risk, the Company applies established credit assessment procedures, including ongoing monitoring of customers' payment history and financial position. To reduce exposure, where deemed appropriate, risk-mitigating measures are used such as advance payments and/or other payment terms (for example shorter payment terms or instalment payments). The Company also seeks to maintain a diversified customer base and has procedures in place to monitor and manage past-due receivables.

Cost for customer losses and uncertain customer receivables amounted to 0 MSEK (0) for the parent company.

The parent company continuously monitors the financial development of subsidiaries through reporting and forecast follow-up. Credit risk is assessed individually for significant exposures. The most important parameters in the assessment are:

- The subsidiary's profitability and cash flows
- Capital structure and liquidity
- Forecasted repayment ability
- Any need for capital contributions from the parent company

At balance sheet date, the parent company assesses that the credit risk in receivables from group companies is low after reported write-downs amounting to SEK 21 M for the year, our assessment is that there is no risk for further write-downs during the year.

Lending to subsidiaries
The parent company's lending to subsidiaries is primarily for financing operations. Loans are reported at accrued acquisition value. Internal long-term receivables are charged market interest rates. During the year, impairments of claims on group companies were made with SEK 21.9 million in the parent company, as the assessment is that future cash flows cannot generate this cash flow.

Note 44 Prepaid expenses and deferred income

Prepaid expenses and deferred income, Parent company, SEK M

	2025-12-31	31-Dec-24
Premises	1.0	1.0
Insurance expenses	0.9	1.5
License costs	1.0	0.0
Accrued revenue	12.7	0.0
Other operating expenses	1.2	2.9
Total	**16.8**	**5.5**

Note 45 Cash and cash equivalents

Accounting policy

Cash and cash equivalents consist of cash funds in banks, immediately available balances in banks and corresponding institutions, as well as short-term liquid placements exposed to only an insignificant risk of value fluctuation.

Cash and cash equivalents, Parent company, SEK M

	2025-12-31	31-Dec-24
Cash and bank balances	10.4	3.4
Total recognized in the statement of financial position/balance sheet	**10.4**	**3.4**

Not 46 Financial liabilities

Accounting policy

See Note 20, Group.

Book value of financial liabilities by balance sheet item and category, Parent company, SEK M

	2025-12-31		31-Dec-24	
	Book value	Fair value	Book value	Fair value
Non-current financial liabilities	0.0	0.0	0.0	0.0
Current financial liabilities				
Short-term portion of loans	0.0	0.0	13.6	13.6
Accounts payable	9.9	9.9	19.0	19.0
Financial liabilities, total	**9.9**	**9.9**	**32.7**	**32.7**
By category				
Financial liabilities at amortized cost	9.9	9.9	32.7	32.7
Financial liabilities, total	**9.9**	**9.9**	**32.7**	**32.7**

Maturity analyses, financial liabilities, Parent company, SEK M

	0-3 months	3 months-1 yr	1-2 yrs	2-4 yrs
Short-term portion of loans	0.0	0.0	0.0	0.0
Accounts payable	9.9	0.0	0.0	0.0
Total	**9.9**	**0.0**	**0.0**	**0.0**

Note 47 Other current liabilities

Other current liabilities, Parent company, SEK M

	2025-12-31	31-Dec-24
Employee withholding tax	1.4	0.3
Social security liability	1.8	0.8
Other	0.1	0.1
Total	**3.3**	**1.2**

Note 48 Accrued expenses and deferred income

Accrued expenses and deferred income, Parent company, SEK M

	2025-12-31	31-Dec-24
Salaries	1.7	1.8
Social security contributions	0.6	0.6
Material and production expenses	0.1	0.0
Audit	1.4	1.0
Other overheads	-0.0	3.2
Total	**3.8**	**6.6**

Note 49 Financial risks and risk management

Parent Company

The company's financial liabilities, totaling SEK - M (13.6) at year-end. See Note 23 Group.

Credit risk

The Company does not normally use credit insurance for external customers. To limit credit risk, the Company applies established credit assessment procedures, including ongoing monitoring of customers' payment history and financial position. To reduce exposure, where deemed appropriate, risk-mitigating measures are used such as advance payments and/or other payment terms (for example shorter payment terms or instalment payments). The Company also seeks to maintain a diversified customer base and has procedures in place to monitor and manage past-due receivables.

Note 50 Transaction with related parties

Sales/Purchases of goods and services, Parent company, SEK M

	2025	2024
Sales of goods to Group companies	1.7	0.0
License fee income from Group companies	17.2	0.0
Purchases of goods from Group companies	-24.4	0.0
Purchases of shared Group services from Group companies	-54.9	-37.3
Total	**-60.4**	**-37.3**

Receivables and liabilities at the end of the period, Parent company, SEK M

	2025-12-31	31-Dec-24
Non-current loan to Group companies	99.4	165.3
Non-current liabilities to Group companies	0.1	1.2
Non-current liabilities to Group companies	-111.4	-103.2
Liabilities to Group companies	-4.7	-3.4

Transactions with boardmembers are priced on an arm's length basis. Transactions with boardmembers are limited to individual, clearly delineated, small-scale consulting assignments, which require specific competence.There were no material transactions between the company and related parties in the Group or the Parent Company during the reporting period.

During the year, the company entered into related party transactions in connection with the implementation of the Employee Stock Option Program 2025/2028 and Employee Stock Option Program 2025/2029. Allotment agreements were entered into between the company and key employees under the Employee Stock Option Program 2025/2028. Similarly, allotment agreements were also entered into between the company and members of the Board of Directors under the Employee Stock Option Program 2025/2029. These agreements were entered into on market terms and in accordance with the resolutions adopted by the Annual General Meeting held on June 24, 2025. Under the Employee Stock Option Program 2025/2028, a total of 265,569 options were allotted. Under the Employee Stock Option Program 2025/2029, a total of 113,813 options were allotted. For main terms and further information, see note 55.

Note 51 Shares and participations in subsidiaries

The parent company has provided shareholder contributions to Fingerprint Cards IP AB amounting to SEK 39 million to compensate for losses. The contribution has resulted in a need to write down the value of shares in subsidiaries at the parent company by SEK 42 million.

	2025-12-31	31-Dec-24
Accumulated cost		
Opening balance	969.4	964.2
Investments *	39.4	5.2
Divestments	-2.3	-
Closing balance, book value	1,006.5	969.4
Accumulated impairment		
Opening balance	-945.1	-943.1
Impairment for the year	-41.9	-2.0
Closing balance	-987.0	-945.1
Carrying amounts		
At beginning of year	24.3	21.1
At end of year	19.5	24.3

* This year's investment refers to shareholder contributions

The Parent company's holdings in Group companies

	Subsidiary, reg. Office	Shareholders' equity	Net profit/loss	Participating interest 2025, %	Participating interest 2024, %
Fingerprint Cards Anacatum IP AB *	Sweden	5.9	2.6	100.0	100.0
Fingerprint Cards Sweden AB *	Sweden	0.0	-0.1	100.0	100.0
Fingerprint Cards IP AB	Sweden	0.0	-15.5	100.0	100.0
Fingerprint Cards ApS*	Denmark	43.7	2.4	100.0	100.0
Fingerprint Cards Cayman Ltd	Cayman Islands			0.0	100.0
Fingerpint Cards France*	France		0.2	0.0	100.0
Fingerprint Cards Japan K.K.	Japan		-0.0	0.0	100.0
Fingerprint Cards (Shanghai) Co., Ltd*	China	7.5	2.7	100.0	100.0
Fingerprint Cards Asia	China	68.9	17.7	100.0	100.0
Fingerprint Card Korea Co, Ltd *	South Korea		-0.1	0.0	100.0
Fingerprint Cards Switzerland	Switzerland	-7.9	3.3	100.0	100.0
Fingerprint Cards Singapore PTE Ltd*	Singapore	-34.0	-3.4	100.0	100.0
Fingerprint Cards UK Ltd	Great Britain	-0.2	4.5	100.0	100.0
Fingerprint Cards Taiwan Ltd	Taiwan	0.0	0.6	100.0	100.0
Fingerprint Cards Inc*	USA	11.5	0.5	100.0	100.0
India Aquisition Holding Inc	USA	-0.1	0.0	100.0	100.0
Delta ID Inc*	USA	-25.4	-13.0	100.0	100.0

* Indirect holding through subsidiary

Specification of Parent Company's direct holdings of participations in subsidiaries

Subsidiary	Shares, number	Share, %	2025-12-31	31-Dec-24
Fingerprint Cards IP AB	1,000	100.0	0.0	2.2
Fingerprint Cards Cayman Ltd		-	-	0.5
Fingerprint Cards Asia	-	100.0	19.5	19.5
Fingerprint Cards Switzerland		100.0	0.0	0.0
Fingerprint Cards UK Ltd		100.0	0.0	0.0
Fingerprint Cards Japan K.K.		-	-	2.0
Fingerprint Cards Taiwan Ltd	-	100.0	-	0.1
India Aquisition Holding Inc	1,000	100.0	0.0	0.0
Carrying amount as of 31 December 2025			**19.5**	**24.3**

Note 52 Statement of Cash Flows

Accounting policy

The cash flow statement has been prepared in accordance with the indirect method. Foreign Group companies' cash flows are translated at average rates of exchange.

Parent company, SEK M

	2025-12-31	31-Dec-24
The following components are included: Cash and bank balances:		
Total in statement of financial position	10.4	3.4
Total in statement of cash flows	**10.4**	**3.4**

Adjustment for non-cash items, Parent company, SEK M

	2025	2024
Depreciation according to plan and impairment	0.8	1.0
Change in equity that does not affect cash flow	0.6	14.6
Write-down of shares in subsidiaries	42.0	2.0
Write-down of receivables from Group companies	21.9	-
Group contribution	-0.4	259.9
Transaction revaluations	2.1	3.6
Total	**66.9**	**281.1**

Note 53 Parent company information

Fingerprint Cards AB (publ) (Parent Company) Corp. Reg. No. 556154-2381, is a limited liability company, with its registered office in Gothenburg, Västra Götaland, Sweden. The Parent Company's shares are listed on Nasdaq Stockholm. The postal address of the head office is: Box 2412, SE-403 16 Gothenburg, Sweden and the visiting address is Kungsgatan 20, Gothenburg, Sweden. The consolidated accounts for 2025 comprise the Parent Company and its subsidiaries, jointly designated "the Group".

Note 54 Pledged assets

Pledged assets, Parent company, SEK M

	2025-12-31	31-Dec-24
Assets pledged for operating credit	-	-

Note 55 Personnel options

During the year, the company entered into related party transactions in connection with the implementation of the Employee Stock Option Program 2025/2028 and Employee Stock Option Program 2025/2029. Allotment agreements were entered into between the company and key employees under the Employee Stock Option Program 2025/2028. Similarly, allotment agreements were also entered into between the company and members of the Board of Directors under the Employee Stock Option Program 2025/2029. These agreements were entered into on market terms and in accordance with the resolutions adopted by the Annual General Meeting held on June 24, 2025. Under the Employee Stock Option Program 2025/2028, a total of 265,569 options were allotted without consideration. Under the Employee Stock Option Program 2025/2029, a total of 113,813 options were allotted without consideration.

Calculations of the fair value for long-term incentive programs are based on the Black and Scholes method. The fair value of the allocated option is reported as a cost for compensation to employees with a corresponding increase in equity. Cost relating to the employee stock option program for the board and employees amounted to 0.8 MSEK. Main terms of the programs are summarized below:

Main terms of the Employee Stock Option Program 2025/2028

- Allotted ESOPs are subject to vesting, whereby one third of the allotted ESOPs will vest on each of 1 September 2026, 2027, and 2028.
- If a participant's employment with FPC is terminated during the vesting period, the ESOPs will, as a main rule, lapse. However, there are certain exceptions ("Good Leaver situations") where only the non-vested part of the ESOPs will lapse. Examples of Good Leaver situations are termination due to the participants retirement, severe illness, death, and termination due to redundancy.
- Vested ESOPs can be exercised between 1 September 2028 and 1 November 2028, if the strike price is met.
- The strike price will be equal to 150 percent of the share price following the record date of the consolidation. This means that participants will receive no benefit from the plan, unless the share price increases by at least 50 percent.

Main terms of the Employee Stock Option Program 2025/2029

- Allotted ESOPs are subject to vesting, whereby one fourth of the allotted ESOPs will vest on each of 1 September 2026, 2027, 2028, and 2029.
- If a participant's directorship with Fingerprints ends during the vesting period, the ESOPs will, as a main rule, lapse. However, there are certain exceptions ("Good Leaver situations") where only the non-vested part of the ESOPs will lapse. Examples of Good Leaver situations are the participants retirement, severe illness, or death.
- Vested ESOPs can be exercised between 1 September 2029 and 1 November 2029, if the strike price is met.
- The strike price will be equal to 175 percent of the share price following the record date of the consolidation. This means that participants will receive no benefit from the plan, unless the share price increases by at least 75 percent.

Employee program

	Weighted average exercise price	Number
Outstanding at 1 January 2025	-	-
Granted during the year	34.26	265,596
Forfeited during the year	-	-
Lapsed during the year	-	-
	-	-
Outstanding at 31 December 2025	**34.26**	**265,596**

Board program

	Weighted average exercise price	Number
Outstanding at 1 January 2025	-	-
Granted during the year	39.97	113,815
Forfeited during the year	-	-
Lapsed during the year	-	-
	-	-
Outstanding at 31 December 2025	**39.97**	**113,815**

Note 56 Proposal for appropriation of the company's profits

The following funds are at the disposal of the AGM:

	2025-12-31
Share premium reserve	866,975,191
Accumulated profit or loss	-839,439,326
Net profit/loss for the year	-130,593,665
Total	**-103,057,800**
The board of directors proposes that net profit for the year, non-restricted reserves and net profit/loss are appropiatetd as follows:	
Carried forward	-103,057,800

Note 57 Post balance sheet date events

On February 11, 2026, Fingerprint Cards announced that Board member John Lord has informed the Company of his decision to step down from the Board of Directors due to other professional commitments. The Nomination Committee has been informed and continues its work to review, identify and propose new potential board members for election at a general meeting.

On March 23, 2026, Precise Biometrics AB (publ) ("Precise Biometrics") and Fingerprint Cards AB (publ) ("Fingerprint Cards") jointly announced that the board of directors of Precise Biometrics and the board of directors of Fingerprint Cards have adopted a joint merger plan (the "Merger Plan") for merging the companies through a statutory merger in accordance with the Swedish Companies Act (the "Merger"). The Merger will be implemented by Precise Biometrics absorbing Fingerprint Cards, whereby the shareholders in Fingerprint Cards will receive nine (9) new ordinary shares in Precise Biometrics for each share in Fingerprint Cards, irrespective of share class. The Merger, constituting a merger of equals, will create a combined business with a stronger offering, a strengthened commercial reach, realize meaningful synergies, and establish a profitable foundation with necessary scale for future organic growth and consolidation. The Merger is expected to generate cost synergies with an estimated full annual run-rate effect of at least SEK 45 million (corresponding to approximately 29 percent of the Combined Company's 2025 pro forma revenue). In addition, the combination is expected to unlock meaningful commercial synergies through upselling and cross-selling across the combined customer base and increased share of customer wallet. Following completion of the Merger, the Combined Company intends to raise approximately SEK 110 million through a rights issue of shares, with proceeds to be used to accelerate growth, capture identified synergies and support continued expansion of the Combined Company globally. The completion of the Merger is conditional upon, inter alia, approval by the shareholders of each of Precise Biometrics and Fingerprint Cards at their respective general meetings. The board of directors of Fingerprint Cards unanimously recommends the shareholders of Fingerprint Cards to vote in favor of the completion of the merger. The Board of Directors believes the Merger to be significantly value-adding for shareholders and other stakeholders, as it will create a combined business with a stronger offering, strengthened commercial reach, realize meaningful synergies and a profitable foundation with necessary scale for future organic growth and consolidation.

In the first quarter of 2026, the boards of Fingerprint Cards AB and Precise Biometrics AB signed a merger plan for the combination of the two companies. As the merger results in the Company's tax loss carryforwards no longer being available for utilisation, the Company derecognised the related deferred tax assets as of 31 March 2026. In light thereof, the Board took appropriate measures to remedy the equity shortfall by a reduction of the share capital. On 30 April 2026, the Extraordinary General Meeting resolved to approve the merger plan, to amend the Company's articles of association, and to reduce the Company's share capital to cover loss. The share capital reduction remedied the equity shortfall resulting from the derecognition of the deferred tax assets.

Assurance by the board

The Board of Directors and Chief Executive Officer hereby give their assurance that the annual accounts have been prepared in accordance with generally accepted accounting policies in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July, 2002, on the application of international accounting standards. The annual accounts and consolidated accounts give a true and fair view of the Parent Company's and the Group's financial position and results of operations. The Administration Reports of the Parent Company and the Group give a true and fair view of the progress of the Parent Company's and the Group's operations, financial position and results of operations, and state the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

The annual accounts and consolidated accounts were approved for issuance by the Board of Directors and the CEO on April 30, 2026. The Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position and the Parent Company Income Statement and Parent Company Balance Sheet will be subject to adoption by the Annual General Meeting on June 3, 2026.

Gothenburg, on the date stated in the electronic signatures

Christian Lagerling *Chairman of the Board*	Carl Johan Grandinson Board member	Adam Philpott *Board member, President and CEO*

Stockholm, on the date stated in our electronic signature

BDO Mälardalen AB

Johan Pharmanson *Authorized Public Accountant*	

Auditor's Report

To the general meeting of the shareholders of Fingerprint Cards AB (publ), corporate identity number 556154-2381

Report on the annual accounts and Consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Fingerprint Cards AB (publ) for the financial year 2025. The annual accounts and consolidated accounts of the company are included on pages 8-18 and 36-87 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Emphasis of Matter

Without modifying our opinion, we want to draw your attention to the disclosures in the Director's report, Note 27 and Note 57 regarding events after the reporting period. On March 23, 2026, the boards of directors of Fingerprint Cards AB (publ) and Precise Biometrics AB (publ) signed a merger plan pursuant to which Precise Biometrics AB (publ) will absorb Fingerprint Cards AB (publ).

As a consequence, the Board of Directors assessed that Fingerprint Cards AB (publ)'s tax loss carryforwards are no longer expected to be utilized and, therefore reversed the related deferred tax asset of SEK 54,9 million as of March 31, 2026. The reversal resulted in the company's equity falling below one half of the registered share capital. To remedy the capital deficiency, the Board of Directors proposed a reduction of the share capital to cover the loss. On April 30, 2026, the Extraordinary General Meeting resolved to approve the merger plan, amend the Articles of Association, and reduce the share capital. The reduction of share capital remedies the capital deficiency that arose as a result of the reversal of the deferred tax asset.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of intangible fixed assets including goodwill

Goodwill and intangible assets constitute a significant amount of the balance sheet. Goodwill and other intangible assets such as acquired technology, patents and customer relationships as well as capitalized development costs amount to SEK 163 million of the Group's total assets. In note 14, Intangible fixed assets Fingerprint Cards AB describes their valuation of these assets and goodwill. Since these assets are not amortized on an ongoing basis, an impairment test must be performed, at least annually. The company performed an impairment test during Q4 2025. An impairment test contains a number of assumptions, including future market development, the possibility of achieving growth, profitability development and the discount factor. It is thus complex assumptions and estimates that the company management and the board must make. As intangible fixed assets, including goodwill, constitute a significant amount and the required assumptions include assessments and estimates, each of which can be of decisive importance for the valuation, this has been a particularly key audit matter in the audit.

How our audit addressed the Key Audit Matter

Our audit procedures included but were not limited to:
Initially, together with BDO's valuation specialists, we assessed whether the impairment testing prepared per cash-generating unit, corresponding to each group entity, had been performed in accordance with generally accepted principles and methodologies. In our audit, we evaluated the key assumptions applied by management and the Board of Directors in the impairment testing, including assumptions regarding growth, profitability and the discount rate. We assessed the assumptions relating to growth and profitability by reviewing and challenging

management's five-year cash flow forecast and by reviewing the licensing model underlying the projected cash flows. The applied discount rate was assessed against observable market data. We reviewed the simulations and sensitivity analyses performed by management and the Board of Directors.
These procedures also formed the basis for our audit of the disclosures presented in note 14 and 40 to the annual report.

Valuation of deferred tax recoverable attributable to unutilised tax losses

As disclosed in Notes 12 and 38 Income Taxes, the Group recognizes deferred tax assets amounting to a material amount. The deferred tax assets mainly relate to tax loss carryforwards in Sweden. In order to assess the recoverability of the deferred tax assets, management and the Board of Directors are required to make assumptions regarding the level of future taxable profits, which are affected by market conditions, the Group's own performance in each jurisdiction and applicable tax legislation. The complexity is increased as the Group's operations have historically generated losses over a number of years. Due to significance of the deferred tax assets and the extent of management judgement involved in their valuation, this matter was of most significance in our audit.

How our audit addressed the Key Audit Matter

Our audit procedure included but were not limited to:
We initially obtained management's calculations supporting the assessment of the ability to utilize the tax loss carryforwards in future periods. We verified that the forecasts used were those approved by the Board of Directors. As part of our audit, we assessed whether there were any enacted or substantively enacted changes in Swedish tax legislation that could affect the ability to utilize the tax loss carryforwards or their amount, and whether such changes, where applicable, had been appropriately considered in accordance with applicable financial reporting standards. We also evaluated the disclosures provided by Fingerprint Cards AB (publ) in Notes 12 and 38. As disclosed in Note 12, the full amount of the tax loss carryforwards in Sweden has not been recognized as a deferred tax assets.

Revenue recognition

Revenue from contracts with customers, net sales, amounts to SEK 78,2 million for the year 2025 in the consolidated statement of comprehensive income and to SEK 59,7 million in the parent company's income statement. A description of the key assumptions underlying the Group's revenue recognition is provided in Notes 2 and 29. These notes describe how Fingerprint Cards AB (publ) recognizes revenue within the Group. Revenue recognition from contract with customers requires that the Group entities have appropriates processes in place to identify performance obligations and to ensure that revenue is recognized as performance obligations are satisfied. Revenue recognition relating to contracts comprising multiple performance obligations requires, in certain cases, that management exercises judgement in allocating the transaction price between the different performance obligations. Revenue from contracts with customers constituted a significant area in our audit due to the significance of the amounts recognized and the degree of judgement involved.

How our audit addressed the Key Audit Matter

Our audit procedure included but were not limited to the following:
We initially reviewed the accounting policies and sales process routines related to revenue recognition in the respective Group entities. We evaluated the company's and the Group entities' revenue recognition processes and performed sample testing of customer contracts entered by the Group entities. Our audit procedures included assessing the identification of performance obligations and the allocation of the transaction price to those obligations. We evaluated the reasonableness of the assumptions underlying the allocation of the transaction price. We also assessed whether the identified performance obligations have bene satisfied. Furthermore, we reviewed the disclosures provided in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-7, pages 27-34, and 93-97. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

The auditor's audit of the administration of the Board of Directors and the Managing Director and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Fingerprint Cards AB (publ) for the financial year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the loss be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Fingerprint Cards AB (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Fingerprint Cards AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 require us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standards on Quality Management 1, which requires the firm to design, implement and operate a system of quality management, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards, and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XTHML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

BDO Mälardalen AB was appointed auditor of Fingerprint Cards AB (publ) by the general meeting of the shareholders on 24 June 2025 and has been the company's auditor since 2021.

Stockholm, date as per electronic signature

BDO Mälardalen AB

Johan Pharmanson Authorized Public Accountant	

Ten-year summary and definitions

Income statement	2025	2024	2023 *	2022 *	2021 *	2020 *	2019 *	2018 *	2017 *	2016 *
Revenues, SEK M	78.2	60.2	705.4	861.8	1,355.8	1,255.7	1,458.6	1,535.1	2,966.0	6,638.3
Gross profit, SEK M	47.5	36.6	89.6	166.4	396.9	275.2	331.1	2.4	988.9	3,165.3
Gross margin, %	60.7	60.9	12.7	19.3	29.3	21.9	22.7	0.2	33.3	47.7
Operating profit, SEK M	-59.2	-421.1	-320.4	-631.0	-7.6	-365.8	-14.4	-771.6	154.6	2,578.5
Operating margin, %	-75.7	-699.7	-45.4	-73.2	-0.6	-29.1	-1.0	-50.3	5.2	38.8
Profit for the year, SEK M	-66.4	-465.9	-339.8	-586.0	0.1	-340.8	-13.6	-630.7	120.3	2,034.7
Profit margin, %	-84.9	-773.9	-49.2	-68.0	0.0	-27.1	-0.9	-41.1	4.1	30.7
Depreciation and amortization, SEK M	-40.1	-44.6	-62.3	-81.6	-93.2	-84.6	-141.3	-117.8	-79.4	-48.6
Impairment, SEK M	-	-194.8	-4.7	-433.4	-	-340.6	0.0	-148.6	–	–
EBITDA, SEK M	-19.1	-181.8	-242.2	-116.0	85.6	59.4	128.7	-505.2	234.0	2,627.1

Financial position - Balance sheet	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Intangible assets, SEK M	163.0	229.8	504.8	538.0	838.5	759.3	1,127.8	1,102.7	1,188.3	71.4
Property, plant and equipment, SEK M	0.6	1.6	3.0	4.3	6.5	7.0	15.8	30.2	46.6	29.2
Financial assets, SEK M	54.9	56.0	171.6	121.8	53.6	46.9	18.3	27.8	–	–
Inventories, SEK M	21.4	48.0	133.5	304.1	159.3	136.3	253.4	347.5	646.1	672.7
Accounts receivable, SEK M	8.4	56.0	120.6	128.3	280.0	196.2	197.3	232.7	437.5	1,132.1
Other receivables + prepaid expenses, SEK M	19.5	13.1	25.7	49.6	62.6	27.5	27.7	37.8	313.1	435.4
Cash and cash equivalents + investments in securities, etc., SEK M	27.1	12.1	109.9	274.1	374.3	377.0	563.9	540.5	920.2	1,162.2
Shareholders' equity, SEK M	270.8	276.6	684.2	866.5	1,027.2	1,182.9	1,798.9	1,775.5	2,330.8	2,226.1
Deferred tax, SEK M	-	0.7	6.6	13.0	16.6	20.6	38.6	51.9	189.8	136.3
Non-current liabilities, SEK M	-	2.7	71.9	306.1	304.2	9.7	11.8	–	221.9	–
Current liabilities, SEK M	28.0	145.0	320.9	259.9	451.0	361.9	387.8	491.8	809.3	1,140.6
Working capital, SEK M	48.4	-15.8	68.9	496.3	425.2	375.2	654.5	666.7	1,507.6	2,261.8
Total assets, SEK M	298.8	425.0	1,083.6	1,445.5	1,799.0	1,575.1	2,237.1	2,319.2	3,551.8	3,503.0
Inventory turnover rate, days	412.6	1,403.5	127.9	120.0	55.5	71.5	95.9	116.7	120.0	43.0
Average credit period, days	150.3	535.4	63.5	85.3	63.2	56.4	53.1	78.6	95.0	47.0
Return on capital employed, %	-21.6	-141.1	-41.8	-52.5	-0.1	-30.7	-0.8	-43.5	6.0	117.0
Return on equity, %	-23.1	-97.0	-2.5	-1.8	-1.6	-1.2	-1.0	-38.8	5.0	121.0
Return on total capital, %	-19.8	-99.1	-29.1	-42.6	0.0	-23.2	-0.6	-33.3	4.0	75.0
Equity/assets ratio, %	90.6	65.1	63.1	59.9	57.1	75.1	80.4	76.6	66.0	63.5

Cash flow	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Cash flow from operating activities, SEK M	-55.9	-207.6	-88.3	-334.1	24.3	158.1	160.4	274.6	376.9	1,130.3
Cash flow from investing activities, SEK M	-1.0	-11.6	-46.1	-104.6	-91.0	-119.1	-115.4	-162.6	-1,071.0	-78.3
Cash flow from financing activities, SEK M	74.1	118.1	-25.7	328.4	58.4	-209.2	-19.7	-507.7	481.7	-955.7
Cash flow for the year, SEK M	17.2	-101.1	-160.1	-110.3	-8.3	-170.2	25.3	-395.7	-212.4	96.3

The Share	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Earnings per share, SEK	-8.31	-278.18	-0.31	-1.92	0.00	-1.10	-0.04	-2.01	0.38	6.40

Income statement	2025	2024	2023 *	2022 *	2021 *	2020 *	2019 *	2018 *	2017 *	2016 *
Earnings per share after full dilution, SEK	-8.31	-278.18	-0.31	-1.92	0.00	-1.10	-0.04	-2.01	0.38	6.33
Cash and cash equivalents + investment at year-end/share, SEK	3.57	6.60	0.19	0.65	1.27	1.25	1.80	1.72	2.93	3.70
Equity per share, SEK	35.70	150.97	1.15	2.06	3.49	3.92	5.73	5.66	7.42	7.11
Equity per share, after full conversion, SEK	35.70	150.97	1.15	2.06	3.49	3.92	5.73	5.66	7.42	7.09
Cash flow from operating activities per average number of shares, SEK	-7.93	-83.91	-0.19	-1.10	0.08	0.51	0.51	0.87	1.20	3.56
Shares at end of period, 000	7,586	1,832	593,090	420,693	294,200	301,544	313,967	313,967	313,967	313,967
Average number of shares during the year, 000	7,051	2,474	1,105,210	304,741	295,351	308,829	313,967	313,967	313,967	317,726
Number of shares after dilution, average, 000	7,051	1,432	1,105,210	306,394	295,351	308,829	313,967	313,967	313,967	321,408
Dividend per share, SEK	–	–	–	–	–	–	–	–	–	–
Share price at end of period, SEK	18.25	32.76	1.72	2.93	20.68	17.41	18.88	10.13	15.81	62.85
Market capitalization at end of period, SEK M	138.4	128.0	1,020.1	1,290.8	6,084.1	5,249.9	5,927.7	3,180.5	4,963.8	19,732.8
Employees at the end of the period	39	53	159	223	261	240	225	220	415	306

* Figures for 2023 and earlier years include operations that are classified as discontinued operations in 2024 and 2025. The years are also not recalculated to take into account the merger of the shares.

Definitions

Most of these key figures are Alternative Performance Measures according to ESMA's definition. How these key figures are used is described below, as is how they are calculated. The alternative performance measures are used to provide a more comprehensive description of how operational activities are developing, such as gross margin, gross profit, operating margin, EBITDA and revenue increase, while other alternative performance measures focus on the owner perspective, such as return on equity, and cases where certain balance sheet items or cash flow items are placed in relation to the number of shares. In addition, the equity/assets ratio is provided to describe the financial position and long-term financial sustainability.

Average credit period
Average value of accounts receivable over the period in relation to net sales, multiplied by 360 days.

Average number of shares
Average number of shares in the period.

Average number of shares after dilution
Average number of shares plus an increase by the average number of shares that could be issued as a result of current remuneration and personnel programs.

Capital employed
Equity plus interest bearing liabilities.

Cash flow from operating activities/share
Cash flow from operating activities after changes in working capital/average number of shares before and after dilution.

Cost of goods sold
Cost of materials and production expenses.

Earnings per share after dilution
Earnings per share plus adjustment for the number of shares and the paid exercise price resulting from current remuneration and personnel programs. Earnings per share after dilution can never exceed earnings per share before dilution.

Earnings per share for the period
Profit for the period/number of shares outstanding at period end.

EBITDA
Earnings before interest, taxes, depreciation and amortization. Operating profit before financial income/expense, taxes, depreciation/amortization and impairment losses.

Equity/assets ratio
Shareholders' equity divided by total assets.

Gross margin
Gross profit as a percentage of net sales.

Gross profit
Revenues less cost of goods sold.

Inventory turnover rate, days
Average value of inventory over the period in relation to cost of goods sold, multiplied by 360 days.

Net cash
Cash and cash equivalents less interest-bearing debt.

Net margin
Profit for the period as a percentage of revenues.

Number of shares outstanding at period end
Number of shares less bought back shares held in treasury.

Operating margin
Operating profit as a percentage of revenues.

Operating profit
Operating profit before financial income/expenses and tax.

Profit for the year
Profit after financial income/expenses and tax.

Return on capital employed
Operating profit + financial income as a percentage of capital employed.

Return on equity
Profit for the period in relation to average shareholders' equity for the period. Average shareholders' equity is defined as shareholders' equity at the start of the period plus shareholders' equity at the end of the period divided by two.

Revenue increase
The increase in revenues compared to the corresponding period one year previously, and expressed as a percentage.

Return on total capital
Operating profit + financial income as a percentage of total capital.

Shareholders' equity per share
Shareholders' equity attributable to equity holders of the Parent Company divided by the number of shares outstanding, before dilution, at the end of the period.

Shareholders' equity per share after dilution
See "Shareholders' equity per share" plus adjustment for the number of shares and the paid exercise price in current remuneration and personnel programs.

Working capital
Current assets less current non-interestbearing provisions and liabilities.