

Interim Report January - June 2025

"I am pleased to see our transformation strategy translating into results, with strong core revenue growth in the quarter and for the first half, with strong margins along with a successful monetization of our PC assets."

Adam Philpott, CEO

Highlights

- Robust sales performance, with revenue increasing by 40 percent compared to last year (56 percent in constant currency).
- Gross margin remained strong at 48.1%, significantly higher than the levels in our exited Mobile and PC businesses.
- On August 7, 2025, PC assets were licensed to Egis Technology in a SEK 24 M deal, with additional royalty upside.

Second quarter of 2025

- Revenues amounted to SEK 15.7 M (11.2)
- The gross margin was 48.1 percent (53.5)
- EBITDA amounted to negative SEK 20.3 M (neg: 57.6)
- Adjusted EBITDA amounted to negative SEK 20.3 M (neg: 57.6)
- The operating result was negative SEK 30.5 M (neg: 69.2)
- Earnings per share before and after dilution amounted to SEK 0.00 (neg: 0.01) **
- Cash flow from operating activities was negative SEK 18.3 M* (neg: 20.9), including SEK 0.2 M attributable to discontinued operations

January - June 2025

- Revenues amounted to SEK 33.9 M (20.4)
- The gross margin was 53.0 percent (59.0)
- EBITDA amounted to negative SEK 9.7 M (neg: 113.3)
- Adjusted EBITDA amounted to negative SEK 9.7 M (neg: 113.3)
- The operating result was negative SEK 30.8 M (neg: 136.5)
- Earnings per share before and after dilution amounted to SEK 0.00 (neg: 0.03) **
- Cash flow from operating activities was negative SEK 54.7 M* (neg: 81.0), including a negative SEK 22.0 M attributable to discontinued operations

SEK M	Apr-jun 2025	Apr-jun 2024	Change, %	Jan-jun 2025	Jan-jun 2024	Change, %	Jan-dec 2024
Revenue	15.7	11.2	40	33.9	20.4	66	60.2
Gross profit	7.6	6.0	26	17.9	12.0	49	36.6
Gross margin, %	48.1	53.5	-5 pp	53.0	59.0	-6 pp	60.9
Operating profit/loss	-30.5	-69.2		-30.8	-136.5		-421.1
Operating margin, %	-194.0	-615.6		-91.0	-670.0		-699.6
EBITDA	-20.3	-57.6		-9.7	-113.3		-181.7
Adjusted EBITDA	-20.3	-57.6		-9.7	-113.3		-181.7
Profit/loss remaining operations	-30.8	-80.5		-36.5	-154.1		-465.9
Profit/loss for discontinued operations	8.1	-103.2		-3.0	-115.5		-222.4
Profit/loss per share before and after dilution, SEK*	-0.00	-0.01		-0.00	-0.03		-0.05
Cash and cash equivalents*	32.7	189.5	-83	32.7	189.5	-83	12.1
Cash flow from operating activities*	-18.3	-20.9		-54.7	-81.0		-207.6
Equity/assets ratio, %*	89.7	64.5		89.7	64.5		65.1
Average number of employees*	36	133	-73	40	137	-71	107

* Including discontinued operations. ** As the subscription price in the 2024 rights issue was below the market price, a fund element has been identified, which means that the comparison figures have been recalculated.

CEO's comments



Strong progress in executing our transformation

I am pleased to see our strategy translating into results. Strong core revenue growth and successful IP monetization reflect the value of our focused transformation and confirm that we are on the right track. Revenue rose by 40 percent in the second quarter of 2025 (56 percent in constant currency terms), to SEK 15.7 million, contributing to a 66 percent increase for the first half of the year compared to the same period in 2024. This reflects strong demand across our portfolio of biometric authentication solutions and underscoring the growing traction of our strategy to focus on high-value markets - significantly outpacing overall market growth and highlighting our momentum in secure digital identity.

We continued to maintain a strong gross margin - 48.1% in the second quarter and 53.0% in the January-June period - significantly higher than the levels seen in the Mobile and PC businesses we have exited. While the margin was lower than in the same period last year – excluding

contributions from the discontinued Mobile and PC businesses – this was due to period-specific changes in the product and customer mix.

As part of the first phase of our transformation, we have significantly reduced our cost base and simplified the organization. Compared to Q2 2024, our continuing operations headcount is down by 59 percent, which has directly driven lower operating expenses and increased our operational flexibility. This has created room to invest in future growth while maintaining financial discipline.

With this leaner cost structure in place, we remain focused on reaching cash flow positivity, while at the same time making targeted investments to drive long-term growth. We also continued streamlining our operations to reduce OPEX and strengthen our financial flexibility. Striking the right balance between near-term financial discipline and long-term value creation is central to our transformation strategy. With continued progress in commercial execution, scaling partnerships, and disciplined cost management, we remain on a clear path toward positive EBITDA.

During the quarter, we took important steps to deepen our market presence and broaden our ecosystem. Let me especially highlight our strategic partnership with Anonybit, which continues to evolve with growing interest in our joint cloud-based platform for privacy-first biometric authentication. A key milestone at the beginning of the second quarter was the integration into Ping Identity's PingOne DaVinci™ platform – making it easier for enterprises to adopt strong, user-friendly authentication across complex IT environments. This integration is already helping us reach new customers and expand our presence in the enterprise identity market.

"I am pleased to see our transformation strategy translating into results, with strong core revenue growth in the quarter and for the first half, with strong margins along with a successful monetization of our PC assets."

In addition, we continued to broaden our market reach through new commercial launches, strategic partnerships, and expanded licensing agreements – highlighting the scalability of our multi-modal platform and our ability to support global customers in implementing secure, privacy-first identity solutions.

Executing to accelerate growth

Following our Annual General Meeting in June, we welcomed two highly experienced new board members, John Lord and Carl Johan Grandinson. Their backgrounds in identity, SaaS, and operational scaling bring valuable expertise as we enter the next phase of our transformation. With their support, we are intensifying efforts to accelerate our strategic execution along four key dimensions: (1) monetizing our technology assets, (2) driving core revenue growth, (3) building new revenue streams, and (4) modernizing our operations for scale.

Our asset monetization efforts are progressing through high-value patent partnerships and licensing models designed to accelerate time-to-cash. Last week, on August 7, we announced that we have entered into an agreement whereby certain PC-related assets will be licensed to Egis Technology (Egis) for a consideration amounting to approximately SEK 24 million (USD 2.5 million), with the majority of the payment anticipated in the third quarter of 2025. The agreement also includes royalty payments that are contingent on Egis's shipment volumes to PC OEMs. This deal with Egis aligns well with our strategy to monetize and unlock value from existing IP assets, and the cash infusion will further strengthen FPC's balance sheet and enhance our financial flexibility. This will enable us to accelerate investments in new revenue streams, reinforcing our leadership in secure authentication. We'll continue to explore monetization of existing assets, realizing value and supporting investments in high-growth areas.

To support both core revenue growth and the development of new revenue streams, we are expanding our sales capacity and strengthening our marketing engine to drive higher engagement and lead generation. This includes a greater focus on digital lead generation, including the build-out of a new website designed to enhance visibility, engagement, and support future growth. We are also building a more structured prospecting engine to support the development of recurring revenue, including the addition of new business development capacity. At the same time, we are advancing strategic initiatives that build on our core strengths, most notably our partnership with Anonybit. Furthermore, we are seeing increased demand for embedded solutions at the edge, and we are pursuing growth in this area both organically and through partnerships. These combined efforts are opening up new opportunities in high-growth segments where secure, identity-first solutions are essential.

Underpinning all of this is a commitment to modernizing how we operate. We are simplifying core processes and adopting AI-based productivity tools across teams to support efficient, scalable execution. Together, these measures are strengthening our ability to deliver sustainable, profitable growth from a leaner, more agile platform.

Adam Philpott, CEO

Development during the period

Revenues and operating result, second quarter 2025

Revenues

Group revenues for the second quarter of 2025 amounted to SEK 15.7 M (11.2), corresponding to an increase of 40 percent compared with the second quarter of 2024 (increase of 56 percent in constant currency terms). The revenue increase reflects an increased demand for biometric authentication across our portfolio.

In addition, we reported SEK 8.3 million in revenue from discontinued operations, related to final last-time-buy deliveries to PC and Mobile customers (approximately SEK 4.2 million), along with a SEK 4.1 million non-cash effect from the reversal of previously accrued marketing incentives, which reduced liabilities and increased reported revenue in discontinued operations.

Trend in operating profit

Gross profit for the second quarter was SEK 7.6 M (6.0) and the gross margin was 48.1 percent (53.5).

Development costs amounted to SEK 15.9 M (34.3). As of Q1 2025, we have adopted a new accounting principle for the reporting of development costs. Before Q1 2025, depreciation of capitalized development expenses was 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.

The operating result for the second quarter was a negative SEK 30.5 M (neg: 69.2). Operating expenses amounted to SEK 39.0 M (75.7), including depreciation of capitalized development expenses amounting to SEK 8.4 M (9.8). Other operating income amounted to a positive SEK 0.9 M (pos: 0.5), pertaining to exchange-rate fluctuations attributable to operating working capital.

Revenue breakdown

Revenue is reported by geography: EMEA, Americas and APAC.

Effects of the wind-down of the Mobile and PC product groups

FPC has completed the wind-down of its loss-making operations in the Mobile and PC product groups in order to safeguard the company's financial health and future viability. During the January 2024 - June 2025 period, the wind-down process had the following financial effects:

Mobile

- Inventory write-downs amounting to SEK 61.3 M and a SEK 7.1 M impairment of capitalized R&D.
- As a result of the exclusive partnership agreement with Egis Technology in the Mobile area, FPC has thus far recognized SEK 40 M in revenue.
- SEK 28.6 M in costs related to restructuring measures.
- Revenue positively impacted by a reversal of accrued marketing incentives to customers in the Mobile area, amounting to SEK 24.7 M.

PC

- A SEK 32.3 M write-down of capitalized R&D projects in the PC area.
- An inventory write-down amounting to SEK 10.2 M.

- Revenue positively impacted by a reversal of accrued marketing incentives to customers in the PC area, amounting to SEK 4.1 M.

Financial income and expenses

Financial income amounted to SEK 0.0 M (0.3). This item pertains to interest income on bank balances. Financial expenses amounted to SEK 0.3 M (11.6).

Earnings and earnings per share for the reporting period

The result for the second quarter of 2025 was a negative SEK 22.7 M (neg: 183.7). Earnings per share for the second quarter were a negative SEK 0.00 (neg: 0.01). As the subscription price in the rights issue, completed in Q3 2024, was below the market price, a fund element has been identified, which means that the comparison figures have been recalculated.

Cash flow and balance sheet, second quarter of 2025

Cash flow

Cash flow from operating activities for the second quarter was negative SEK 18.3 M (neg: 20.9), including a positive SEK 0.2 M attributable to discontinued operations. Adjustments for non-cash items, amounting to SEK 9.4 M, mainly pertain to depreciation.

Cash flow from investing activities for the second quarter amounted to negative SEK 0.1 M (neg: 2.6), pertaining to capitalized development expenses in the quarter.

Cash flow from financing activities was negative SEK 0.9 M (pos: 167.4), pertaining to leasing fees on leased premises (rights issue also included in last year's figure).

Exchange-rate fluctuations had SEK negative 0.6 M (neg: 0.1) impact on cash and cash equivalents during the quarter.

Inventory amounted to SEK 22.0 M at the end of the second quarter, compared to SEK 70.6 M at the end of the second quarter 2024 and SEK 22.9 M at the end of the first quarter 2025.

Liquidity and shareholders' equity

As at June 30, 2025, the Group's disposable cash and cash equivalents totaled SEK 32.7 M compared with SEK 52.6 M at March 31, 2025, and the Group's net cash amounted to SEK 28.3 M on June 30, 2025, compared with net cash amounting to SEK 47.2 M as at March 31, 2025. Lease liabilities pertaining to office premises amounted to SEK 4.5 M on June 30, 2025, compared with SEK 5.4 M as at March 31, 2025, recognized in accordance with IFRS 16.

At period-end, consolidated shareholders' equity amounted to SEK 295.2 M, compared to SEK 330.5 M as at March 31, 2025 and the equity/assets ratio for the Group to 89.7 percent (85.8 as at March 31, 2025).

Total comprehensive income in the second quarter amounted to a negative SEK 35.3 M (neg: 190.2) and included the remeasurement of shareholders' equity in foreign currencies.

Investments, fixed assets and depreciation/amortization

Investments in intangible fixed assets during the quarter amounted to an expense of SEK 0.1 M (expense: 2.6). Investments in tangible fixed assets for the quarter amounted to an expense of SEK 0.0 M (expense: 0.0). Depreciation/amortization according to plan for the quarter totaled SEK 10.2 M (11.6).

Financial fixed assets pertain to deferred tax of SEK 54.8 M, compared to 54.8 as at March 31, 2025.

Comments on the period January - June 2025

The Group's revenue for the period January–June 2025 totaled SEK 33.9 M (20.4), corresponding to an increase of 66 percent compared with the corresponding period 2024. This reflects strong demand across our portfolio of biometric authentication solutions and underscoring the growing traction of our strategy to

focus on high-value markets.

Gross profit for the period January-June 2025 was SEK 17.9 M (12.0) and the gross margin was 53.0 percent (59.0).

Cash flow from operating activities for the period was negative SEK 54.7 M (neg: 81.0), including a negative SEK 22.0 M attributable to discontinued operations.

Cash flow from financing activities amounted to SEK 77.0 M (165.9). Cash payments related to transaction costs for the rights issue completed in the first quarter 2025, amounting to SEK 21.9 M, affected cash flow from financing activities negatively, while the receipt of a partial tranche and subsequent repayment of the bridge loan had a SEK 14 M negative effect. Leasing fees on leased premises amounted to a negative SEK 2.2 M (neg: 3.1).

Significant events during the second quarter of 2025

On June 24, FPC published the bulletin from the Annual General Meeting. The AGM resolved on, among other things, to approve proposals to carry out a reverse share split, and implement an employee stock option program for FPC employees as well as for the Board of Directors of FPC. Two new Board members were elected: John Lord and Carl Johan Grandinson.

Other events during the second quarter of 2025

Business Development

On June 24, 2025, FPC announced that its partner, Fuse Identities, has launched its latest product, a cutting-edge biometric physical access card, equipped with the advanced FPC 1323 T-Shape sensor. This breakthrough solution delivers a new standard of secure, contactless identity verification for modern access control systems.

On June 2, 2025, FPC announced its membership with LEGIC Identsystems AG (LEGIC), a renowned provider of secure access and credentialing solutions. This strategic partnership aims to integrate FPC's advanced biometric technology into LEGIC's ecosystem, enhancing security and convenience across various sectors.

On April 28, 2025, announced that Mantra Softech India Private Limited, India's leading biometrics and RFID technology company, has extended its licence for FPC's iris recognition software platform. This strategic move aims to further strengthen Mantra's position in the Indian market, but also support their expansion into emerging markets, integrating advanced iris recognition technology into their security solutions.

On April 24, 2025, FPC announced the first major partnership milestone with Anonybit, achieved through a new integration with Ping Identity's PingOne DaVinci™, advancing privacy-first biometric authentication for the enterprise.

Significant events after the end of the period

On August 7, 2025, FPC announced that it has entered into an agreement whereby certain PC-related assets will be licensed to Egis Technology (Egis) for a consideration amounting to approximately SEK 24 million (USD 2.5 million), with the majority of the payment anticipated in the third quarter of 2025. The agreement also includes royalty payments that are contingent on Egis's shipment volumes to PC OEMs.

On July 16, 2025, FPC issued an update on the upcoming reverse share split, which was approved by the AGM held on June 24, 2025, but could not be carried out due to unforeseen technical issues beyond Fingerprint Cards AB's (publ) ("FPC" or the "Company") control. On July 8, 2025, the Company withdrew the resolution for the record date planned to be held on July 11, 2025 (as communicated on July 3, 2025). The issues were related to an inaccurate provided estimate of shares required to round up each shareholder's holdings. The actual number of shares needed proved to be significantly higher, which if the reverse share split had been conducted, would have resulted in considerable cost to the Company in providing the rounding shares. To mitigate this and facilitate a reverse share split, the Board of Directors have decided to propose the Extraordinary General Meeting a revised intended technique for the reverse share split and instead use a so-called "rounding down-method", meaning that for those shareholders who

on the record date for the aggregation do not hold a number of Class B shares corresponding to a whole number of new ordinary shares (after the aggregation has been completed), excess Class B shares will be transferred to the Company's ownership on the record date for the aggregation. Excess Class B shares will then be sold by the Company or a securities institution appointed by the Company, whereby eligible shareholders will receive their share of the sale proceeds. Under the revised reverse split process, shareholders who do not hold an exact multiple of 2,000 shares will receive cash compensation for any excess shares. This ensures no economic loss to Class B shareholders. The reverse share split would mean that the Company's Class A and Class B shares will be subject to a reverse split at a ratio of 1:2,000, resulting in one (1) share for every two thousand (2,000) existing shares of the same class, with all class-specific rights and characteristics remaining unchanged. After the reverse share split has been completed, the number of shares and votes in the Company, based on the current number of outstanding shares, will decrease 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. The reverse share split is proposed by the Board of FPC considering the Company's operational and financial progress in recent years, which enables continued growth initiatives, and to achieve an appropriate number of shares for the Company. The Company intends to carry out the reverse share split during the third quarter of 2025. A notice of the Extraordinary General Meeting was published in a separate press release on July 16, 2025.

Organization and Personnel

The number of employees as at June 30, 2025 was 39 (95). In addition to employees, consultants were also engaged during the first quarter, corresponding to 13 people (24), mainly in technology development and sales. Accordingly, including employees and consultants, the company employed a total of 52 (119) people on June 30, 2025.

Share capital trend

As at 30 June 2025, the total number of shares in the Company amounted to 15,175,375,766 (of which 7,875,000 A-shares and 15,167,500,766 B-shares). The total number of votes in the Company amounted to 15,246,250,766 (of which 78,750,000 pertained to the A-shares and 15,167,500,766 pertained to the B-shares).

The company had 3,800,000 B shares in treasury at the end of the period. The share capital amounted to SEK 162,023,052.

No of shares ('000)	Apr-jun 2025	Apr-jun 2024	Jan-jun 2025	Jan-jun 2024	Jan-dec 2024
No of shares at the end of the period	15,175,376	3,169,845	15,175,376	3,169,845	3,668,187
Of which class A-shares	7,875	7,875	7,875	7,875	7,875
Of which class B-shares	15,167,501	3,169,970	15,167,501	3,161,970	3,660,312
Number of buyback shares at end of period	-3,800	-3,800	-3,800	-3,800	-3,800
NO OF SHARES AT THE END OF THE PERIOD	15,171,576	3,166,045	15,171,576	3,166,045	3,664,387
Outstanding shares through warrants	1,917,865	-	1,917,865	-	-
Number of shares outstanding at period end after dilution	17,089,441	3,166,045	17,089,441	3,166,045	3,664,387
AVERAGE NUMBER OF SHARES DURING THE PERIOD					
AVERAGE NUMBER OF SHARES OUTSTANDING BEFORE DILUTION*	15,171,576	15,171,576	12,294,779	10,110,036	12,931,929

* As the subscription price in the 2024 rights issue was below the market price, a fund element has been identified, which means that the comparison figures have been recalculated.

Accounting policies

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The interim report for the Parent Company was prepared in accordance with the Annual Accounts Act, Chapter 9, Interim reports. The application of these accounting policies complies with what is presented in the Annual Report for the fiscal year ending December 31, 2024, except as stated below, and must be read together with the Annual Report. In addition to the financial statements and the associated notes, disclosures according to IAS 34.16A are also presented in other parts of the interim report.

As of 1 January 2025, the Group reports discontinued operations in accordance with IFRS 5. The discontinued operations consist of the Mobile, PC and Access China operations that were discontinued as of March 31, 2025. This means that the profit from the discontinued operations has been broken out of the income statement and is reported separately as profit after tax from discontinued operations. The comparative figures in the income statement with associated key figures and notes have also been restated.

The Group has also 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.

Revenue is reported by geography: EMEA, Americas and APAC.

No new or revised IFRSs that have become effective in 2025 have had any significant impact on the Group. The Group's reporting currency is SEK and the report is prepared in SEK M.

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
- Capitalization of development costs
- Impairment testing of goodwill and other intangible assets
- Inventory valuation

Related-party transactions

There were no material transactions between the company and related parties in the Group or the Parent Company during the reporting period.

Parent Company

The Parent Company's revenues for the second quarter of 2025 amounted to SEK 0.9 M (pos: 0.1). After financial items, a loss of SEK 50.0 M (pos: 22.8) was reported for the period. The net result for the period was a loss of SEK 49.7 M (loss: 51.9). The Parent Company's disposable cash and cash equivalents at period-end totaled SEK 8.6 M (157.1).

Significant risks and uncertainties – Group and Parent Company

To anticipate risks and minimize their impact, FPC has processes for continuously identifying and managing risks that could impact the operations. This includes probability and consequence assessments of operational risks, market risks, financial risks and legal and other risks.

The described risks and uncertainties are not ranked in any order of significance; nor are they claimed to be the only risks or uncertainties to which the company is exposed. Additional risks and uncertainties that the company is currently unaware of or that are currently not adjudged to be material could develop into factors that might in the future have a material impact on the company's operations, earnings, financial position or future outlook. The following description does not claim to be complete or exact, since risks and their degree of impact vary over time.

Operational risks

- Risks associated with the implementation of the company's transformation plan.
- Delivery capacity of contracted suppliers.
- Risks related to outsourcing.
- Reduced technological leadership.

- Risks related to the general perception of biometric sensors.
- The company is dependent on its key employees.
- Leaks and infringements regarding business secrets.
- IT and cybersecurity risks, as well as risks related to system failures, downtime and other interruptions
- Internal scalability.

Market risks

- Geopolitical instability.
- Supplier costs.
- Economic fluctuations.
- Currency risk.
- Loss of customers and price pressure due to increased competition.

Finance risks

- Credit risk.
- Financing.

Legal risks

- Competitor IP.
- Value of Patent IP.
- Products defects and product liability.
- Risks related to the processing of personal data.
- FPC's operations are subject to a number of regulatory compliance risks.
- Risks related to judicial and administrative proceedings.

FPC's current assessment is that the company is not materially impacted directly by the war between Russia and Ukraine, nor by any other ongoing armed conflicts. We closely monitor developments related to increased trade tensions and maintain readiness to take appropriate action to mitigate potential negative effects. At this stage, the company does not view this as a material risk to its operations.

Further information

This is the type of information that Fingerprint Cards AB is obligated to disclose pursuant to the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the contact specified below, at 7:00 a.m. CEST on August 14, 2025.

Welcome to FPC's presentation of the interim report for the second quarter of 2025 on August 14, 2025, at 09:00 a.m. CEST. The presentation will be webcast, and participants can register via the link below: <https://edge.media-server.com/mmc/p/mvvvj2ob>

For media and analysts: Register for the teleconference via this link: <https://register-conf.media-server.com/register/Bld69a300668974f5d9ba1008e86c69f49>

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Fingerprint Cards AB in any jurisdiction.

Certification

The Board of Directors and the CEO certify that this report provides a fair and accurate review of the operations, financial position and earnings of the Parent Company and the Group and that it describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, August 13, 2025

Christian Lagerling
Chairman

Carl Johan Grandinson
Member

John Lord
Member

Adam Philpott
Member, CEO

Review Report

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

Condensed consolidated statement of comprehensive income

SEK M	Apr- jun 2025	Apr-jun 2024	Jan- jun 2025	Jan-jun 2024	Jan- dec 2024
Revenue	15.7	11.2	33.9	20.4	60.2
Cost of goods sold	-8.1	-5.2	-16.0	-8.4	-23.6
GROSS PROFIT	7.6	6.0	17.9	12.0	36.6
<i>GROSS MARGIN, %</i>	48.1	53.5	53.0	59.0	60.9
Selling expenses	-3.1	-9.0	-6.7	-16.3	-30.1
Administrative expenses	-18.1	-31.1	-38.7	-63.4	-113.7
Development costs	-15.9	-34.3	-29.9	-64.5	-114.9
Write downs	0.0	0.0	0.0	0.0	-194.8
Other operating income	0.9	0.5	31.8	1.5	6.1
Other operating expenses	-1.9	-1.3	-5.2	-5.8	-10.3
OPERATING PROFIT/LOSS	-30.5	-69.2	-30.8	-136.5	-421.1
<i>OPERATING MARGIN, %</i>	-112.2	-615.6	-91.0	-670.0	-699.5
Financial income	-0.0	0.3	-0.0	1.2	2.0
Financial expenses	-0.3	-11.6	-5.7	-18.8	-46.9
PROFIT/LOSS BEFORE TAX	-30.8	-80.5	-36.5	-154.1	-465.9
Tax	0.0	0.0	0.0	0.0	0.0
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	-30.8	-80.5	-36.5	-154.1	-465.9
Profit/loss for the period for discontinued operations Note 1	8.1	-103.2	-3.0	-115.5	-222.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-22.7	-183.7	-39.5	-269.6	-688.3
Other comprehensive income from continuing operations	-35.3	-8.0	-91.6	54.3	82.7
Other comprehensive income from discontinued operations	22.7	1.5	56.4	-23.7	-38.2
COMPREHENSIVE INCOME FOR THE PERIOD	-35.3	-190.2	-74.7	-239.0	-643.8
Profit/loss for the period attributable to:					
Share holders of the Parent Company	-35.3	-190.2	-74.7	-239.0	-643.8
COMPREHENSIVE INCOME FOR THE PERIOD	-35.3	-190.2	-74.7	-239.0	-643.8
Profit/loss per share before and after dilution, SEK*	-0.00	-0.01	-0.00	-0.03	-0.05

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

Condensed consolidated statement of financial position

SEK M	30 June 2025	30 June 2024	31 Dec 2024
ASSETS			
Intangible assets	183.6	480.8	229.8
Property, plant and equipment	0.6	2.4	1.6
Right-of-use assets	5.6	11.3	8.4
Deferred tax receivable	54.8	92.3	56.0
TOTAL NON-CURRENT ASSETS	244.6	586.8	295.8
Inventories	22.0	70.6	48.0
Accounts receivable	8.6	62.6	56.0
Other receivables	4.2	74.8	7.8
Prepaid expenses and deferred income	17.1	4.9	5.3
Cash and cash equivalents	32.7	189.5	12.1
TOTAL CURRENT ASSETS	84.6	402.4	129.2
TOTAL ASSETS	329.2	989.2	425.0
EQUITY AND DEBT			
Shareholders' equity	295.2	637.6	276.6
Deferred tax liability	0.0	3.8	0.7
Convertible loan	0.0	60.7	-
Non-current leasing liabilities	0.9	4.4	2.7
Non-current liabilities	0.9	65.1	2.7
Short-term leasing liabilities	3.6	5.3	4.1
<i>Short-term liability</i>	0.0	27.4	13.6
Accounts payable	10.3	100.0	39.9
Current tax liability	1.3	5.1	0.6
Other current liabilities	5.1	63.9	11.2
Accrued expenses and deferred income	12.8	81.0	75.6
TOTAL CURRENT LIABILITIES	33.1	282.7	145.0
TOTAL EQUITY AND LIABILITIES	329.2	989.2	425.0

Condensed consolidated statement of changes in equity

	Apr- jun 2025	Apr- jun 2024	Jan- jun 2025	Jan- jun 2024	Jan- dec 2024
SEK M					
Opening shareholders' equity	330.5	658.8	276.6	691.6	691.6
Comprehensive income for the period	-35.3	-190.2	-74.7	-239.0	-643.8
Set-off issue and rights issue	0.0	169.0	93.3	185.1	228.8
CLOSING SHAREHOLDERS' EQUITY	295.2	637.6	295.2	637.6	276.6

Condensed consolidated cash-flow statement

	Apr- jun 2025	Apr- jun 2024	Jan- jun 2025	Jan- jun 2024	Jan- dec 2024
SEK M					
Profit/loss before tax	-27.2	-102.1	-42.4	-183.2	-566.8
Adjustment for non-cash items	9.4	85.3	33.4	120.1	410.2
Income tax paid	7.0	-8.2	4.2	-14.4	-16.2
Change in inventory	-2.8	15.8	5.2	14.7	34.7
Change in current receivables	6.5	-12.3	28.4	13.3	84.1
Change in current liabilities	-11.2	0.6	-83.5	-31.7	-153.6
CASH FLOW FROM OPERATING ACTIVITIES	-18.3	-20.9	-54.7	-81.0	-207.6
Cash flow from investing activities	-0.1	-2.6	-0.1	-8.0	-11.6
Cash flow from financing activities	-0.9	167.4	77.0	165.9	118.1
CASH FLOW FOR THE PERIOD	-19.3	143.9	22.2	76.9	-101.1
Cash and cash equivalents at beginning of period	52.6	45.7	12.1	109.9	109.9
Effect of translation differences on cash and cash equivalents	-0.6	-0.1	-1.6	2.7	3.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	32.7	189.5	32.7	189.5	12.1

Whereof cashflow from discontinued operations

	Apr- jun 2025	Apr- jun 2024	Jan- jun 2025	Jan- jun 2024	Jan- dec 2024
SEK M					
Cash flow from operating activities	0.2	-8.4	-22.0	-32.3	-47.5
Cash flow from investing activities	0.0	-1.4	0.0	-6.1	-6.8
Cash flow from financing activities	0.0	0.0	0.0	0.0	0.0

Sales by geography

	Jan-jun 2025	Jan-jun 2024	Change, %	Jan-dec 2024
Revenue, SEKm				
EMEA	15.1	10.5	44	32.7
Americas	5.6	6.0	-8	17.0
APAC	12.5	3.7	242	10.5
GROUP	33.9	20.4	66	60.2

Condensed income statement, Parent Company

SEK M	Apr-jun 2025	Apr-jun 2024	Jan-jun 2025	Jan-jun 2024	Jan-dec 2024
Revenue	0.9	0.1	0.9	-0.2	2.3
Cost of goods sold	-0.9	-0.9	-1.1	-2.1	-2.2
GROSS PROFIT	0.0	-0.8	-0.2	-2.3	0.1
Selling expenses	-3.9	-4.8	-6.8	-9.8	-16.0
Administrative expenses	-21.8	-22.8	-37.6	-44.8	-87.4
Development costs	-16.6	-1.4	-24.5	-1.8	-15.0
Other operating income/expenses	30.8	72.9	31.3	73.6	100.5
Other operating expenses	-2.8	-10.4	-5.5	-15.0	-8.9
OPERATING PROFIT/LOSS	-14.4	32.6	-43.3	-0.1	-26.7
Financial income	-30.8	2.4	-32.5	14.4	26.8
Financial expenses	-4.8	-12.2	-5.1	-19.8	-51.1
PROFIT/LOSS AFTER FINANCIAL ITEMS	-50.0	22.8	-80.9	-5.5	-51.0
Group contribution	0.0	0.0	0.0	0.0	-259.9
PROFIT/LOSS BEFORE TAX	-50.0	22.8	-80.9	-5.5	-310.9
Tax	0.2	-74.7	0.0	-74.7	-111.2
PERIODENS RESULTAT*	-49.7	-51.9	-80.9	-80.2	-422.1

* Profit/loss for period is the same as Total Comprehensive Income as the parent entity has no items recognized in other comprehensive income

Condensed balance sheet, Parent Company

SEK M	30 June 2025	30 June 2024	31 Dec 2,024.0
Assets			
Intangible assets	0.1	0.1	0.1
Property, plant and equipment	0.2	1.5	0.9
Non-current receivables Group companies	166.7	394.2	120.6
Shares in subsidiaries	21.5	21.1	24.3
DEFERRED TAX RECEIVABLE	54.9	91.1	123.9
Total non-current assets	243.5	508.0	245.5
Receivables from Group companies	1.1	3.5	1.2
Accounts receivable	2.1	3.5	27.2
Other current receivables	18.2	17.5	8.8
CASH AND BANK BALANCES	8.6	157.1	3.4
TOTAL CURRENT ASSETS	30.0	181.7	40.6
TOTAL ASSETS	273.5	689.6	286.1
Equity and Debt			
Shareholders' equity	151.3	433.4	139.0
Current liabilities Intercompany long term	97.5	-	103.2
Non-current liabilities	97.5	73.9	103.2
Short-term share of long term liability	0.0	27.4	13.6
Accounts payable	5.9	90.1	19.0
Current liabilities Intercompany	13.0	3.4	3.4
Current tax liabilities	-	-	-
OTHER CURRENT LIABILITIES	5.8	61.3	7.9
TOTAL CURRENT LIABILITIES	24.7	182.2	43.9
Total Equity and Liabilities	273.5	689.6	286.1

Key consolidated data

SEK M	Apr-jun 2025	Apr-jun 2024	Jan-jun 2025	Jan-jun 2024	Jan-dec 2024
Revenue, SEKm	15.7	11.2	33.9	11.2	60.2
Revenues change, %	40.0		201.3		
Gross margin, %	48.1	53.5	53.0	59.0	60.9
Operating margin, %	-112.2	-615.6	-91.0	-670.0	-699.5
Profit margin, %	-195.7	-716.3	-107.7	-756.4	-774.2
EBITDA SEKm	-20.3	-57.6	-9.7	-113.3	-181.7
Adjusted EBITDA, SEKm	-20.3	-57.6	-9.7	-113.3	-181.7
Return on equity, %*	-7.2	-28.3	-13.8	-40.6	-142.2
Cash flow from operating activities, SEKm*	-18.3	-20.9	-54.7	-81.0	-207.6
Equity/assets ratio, %*	89.7	64.5	89.7	64.5	65.1
Investments, SEKm	-0.1	-2.6	-0.1	-8.0	-4.9
Depreciation, amortization and impairment, Mkr	10.2	11.6	21.1	23.2	239.4
Average number of employees*	36	133	40	137	107
Shareholders' equity per share, SEK *	0.02	0.00	0.02	0.20	0.08
Cash flow from operating activities per share before and after dilution, SEK*	-0.00	-0.01	-0.00	0.08	-0.06
Number of shares at period end, 000s *	15,171,576	3,166,045	15,171,576	3,166,045	3,664,387
Average number of shares before and after dilution, 000s * **	15,171,576	15,171,576	12,294,779	10,110,036	12,931,929
Share Price FPC B-aktie, SEK, at end of period	0.01	0.12	0.01	1.05	0.04

* Group

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

Key consolidated figures for the past five quarters

SEK M	Apr-jun 2025	Jan-Mar 2025	Okt-dec 2024	Jul-sep 2024	Apr-jun 2024
Revenue, SEKm	15.7	18.2	24.7	15.2	11.2
Revenue change, %	40.0	62.2	63.1	0.0	35.0
Gross margin, %	48.1	56.4	65.0	56.3	53.5
Operating margin, %	-112.2	-1.4	-153.9	-1,625.1	-615.6
Profit margin, %	-195.7	-31.0	-165.0	-1,787.0	-716.3
EBITDA SEKm	-20.3	10.7	-28.1	-40.8	-57.6
Return on equity, %*	-7.2	-5.5	-22.6	-73.8	-28.3
Cash flow from operating activities, SEKm*	-18.3	-36.4	-45.6	-25.0	-20.9
Equity/assets ratio, %*	89.7	85.8	65.1	66.0	64.5
Investments, SEKm	-0.1	0.0	-1.3	-2.4	-2.6
Depreciation, amortization and impairment, Mkr	10.2	10.9	10.0	205.8	11.6
Average number of employees*	36	43	69	83	133
Shareholders' equity per share, SEK *	0.02	0.02	0.08	0.09	0.00
Cash flow from operating activities per share before and after dilution, SEK*	-0.00	-0.00	-0.01	-0.01	-0.01
Number of shares at period end, 000s *					
**	15,171,576	15,171,576	3,664,387	3,664,387	3,166,045
Average number of shares before and after dilution, 000s* **	15,171,576	9,417,981	15,171,576	15,171,576	15,171,576
Share Price FPC B-aktie, SEK, at end of period*	0.01	0.01	0.04	0.09	0.12

* Group

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

Consolidated statement of financial position for the past five quarters

SEK M	30 jun 2025	31 mar 2025	30 dec 2024	30 sep 2024	30 jun 2024
SEK/USD exchange rate, balance date	9.59	10.03	10.69	10.09	10.61
ASSETS					
Intangible assets	183.6	201.7	229.8	231.1	480.8
Property, plant and equipment	0.6	1.5	1.6	2.1	2.4
Right-of-use assets	5.6	6.9	8.4	9.8	11.3
Financial fixed assets	54.8	54.8	56.0	56.4	92.3
TOTAL NON-CURRENT ASSETS	244.6	264.9	295.8	299.4	586.8
Inventories	22.0	22.9	48.0	48.2	70.6
Accounts receivable	8.6	20.6	56.0	31.5	62.6
Other receivables	4.2	7.5	7.8	21.8	74.8
Prepaid expenses and accrued income	17.1	16.6	5.3	28.8	4.9
Cash and cash equivalents	32.7	52.6	12.1	49.0	189.5
TOTAL CURRENT ASSETS	84.6	120.2	129.2	179.3	402.4
TOTAL ASSETS	329.2	385.1	425.0	478.7	989.2
Equity and Debt					
Shareholders' equity	295.2	330.5	276.6	315.9	637.6
Deferred tax liability	0.0	0.0	0.7	2.2	3.8
Non-current liabilities	0.9	1.8	2.7	3.5	65.1
Short-term debt of long-term liabilities	3.6	3.6	17.7	4.6	32.7
Accounts payable	10.3	13.1	39.9	45.7	100.0
Current tax liabilities	1.3	1.2	0.6	5.9	5.1
Other current liabilities	5.1	6.8	11.2	20.6	63.9
Accrued expenses and prepaid income	12.8	28.1	75.6	80.3	81.0
TOTAL CURRENT LIABILITIES	33.1	52.8	145.0	157.1	282.7
TOTAL EQUITY AND LIABILITIES	329.2	385.1	425.0	478.7	989.2

Consolidated cash-flow statement for the past five quarters

SEK M	Apr-jun 2025	Jan-Mar 2025	Okt-dec 2024	Jul-sep 2024	Apr-jun 2024
Profit/loss before tax	-27.2	-15.2	-67.9	-315.7	-102.1
Adjustment for non-cash items	13.6	24.0	33.8	256.5	85.3
Income tax paid	7.0	-2.8	-0.1	-1.7	-8.2
Change in inventory	-2.8	8.0	-0.1	19.8	15.8
Change in current receivables	6.5	21.9	11.7	59.1	-12.3
Change in current liabilities	-15.4	-72.3	-23.0	-43.0	-55.4
CASH FLOW FR. OPERATING ACTIVITIES	-18.3	-36.4	-45.6	-25.0	-76.9
Cash flow from investing activities	-0.1	0.0	-1.2	-2.4	-2.6
Cash flow from financing activities	-0.9	77.9	8.1	-111.9	223.4
CASH FLOW FOR THE PERIOD	-19.3	41.5	-38.7	-139.3	143.9
Cash and cash equivalents at beginning of period	52.6	12.1	49.0	189.5	45.7
Effect of exchange rate changes on cash	-0.7	-1.0	1.8	-1.2	-0.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	32.6	52.6	12.1	49.0	189.5

Consolidated statement of income and other comprehensive income for the past five quarters

SEK M	Apr-jun 2025	Jan- Mar 2025	Okt- dec 2024	Jul-sep 2024	Apr-jun 2024
Revenue	15.7	18.2	24.7	15.2	11.2
Cost of goods sold	-8.1	-7.9	-8.6	-6.7	-5.2
GROSS PROFIT	7.6	10.3	16.1	8.5	6.0
GROSS MARGIN, %	48.1	56.6	65.0	56.3	53.5
Selling expenses	-3.1	-3.6	-5.3	-8.4	-9.0
Administrative expenses	-18.1	-20.6	-23.0	-27.4	-31.1
Development costs	-15.9	-14.0	-23.6	-26.8	-34.3
Write downs	0.0	0.0	-1.2	-193.6	0.0
Other operating income	0.9	30.9	3.0	1.6	0.5
Other operating expenses	-1.9	-3.3	-4.0	-0.5	-1.3
OPERATING PROFIT/LOSS	-30.5	-0.3	-38.1	-246.6	-69.2
OPERATING MARGIN, %	-112.2	-1.6	-153.9	-1,625.1	-615.6
Financial income	-0.0	0.0	0.9	-0.1	0.3
Financial expenses	-0.3	-5.4	-3.7	-24.5	-11.6
PROFIT/LOSS BEFORE TAX	-30.8	-5.7	-40.8	-271.1	-80.5
Income tax	0.0	0.0	0.0	0.0	0.0
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	-30.8	-5.7	-40.8	-271.1	-80.5
Profit/loss for the period from discontinuing operations	8.1	-11.1	-26.1	-80.7	-103.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-22.7	-16.8	-66.9	-351.8	-183.7
Other comprehensive income from continuing operations	-35.3	-56.3	67.3	-38.9	-8.0
Other comprehensive income from discontinued operations	22.7	33.7	-38.0	23.5	1.5
COMPREHENSIVE INCOME FOR THE PERIOD	-35.3	-39.4	-37.6	-367.2	-190.2

Note 1 - Profit/loss for the period from discontinued operations

SEK M	Apr-jun 2025	Apr-jun 2024	Jan-jun 2025	Jan-jun 2024	Jan-dec 2024
Revenue	8.3	101.2	20.5	238.5	343.0
Cost of goods sold	-2.4	-78.8	-21.9	-183.8	-252.6
GROSS PROFIT	5.9	22.4	-1.4	54.5	90.4
GROSS MARGIN, %	71.4	22.2	-6.9	22.9	26.4
Selling expenses	-0.1	-17.4	-0.4	-31.6	-46.4
Administrative expenses	-0.5	-1.0	-1.2	-4.6	-13.4
Development costs	-2.0	-27.0	-2.7	-43.9	-75.7
Write downs	0.0	-61.9	0.0	-61.9	-92.8
Other operating income	0.3	79.8	2.1	81.4	65.2
Other operating expenses	0.0	-16.5	-2.3	-23.1	-28.0
OPERATING PROFIT/LOSS	3.6	-21.6	-5.9	-29.1	-100.6
OPERATING MARGIN, %	0.0	-21.3	-29.0	-12.2	-29.3
Financial income	0.0	0.0	0.0	0.0	0.0
Financial expenses	0.0	0.0	0.0	0.0	-0.1
PROFIT/LOSS BEFORE TAX	3.6	-21.6	-5.9	-29.1	-100.9
Income tax	4.5	-81.6	2.9	-86.4	-121.5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8.1	-103.2	-3.0	-115.5	-222.4

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 the 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.

Number of shares outstanding at period end	Number of shares in the Parent Company less bought back shares held in treasury.
Return on equity	Profit for the period in relation to average equity during the period. Average equity is defined as shareholders' equity at the start of the period plus shareholders' equity at the end of the period divided by two.
Gross margin	Gross profit as a percentage of revenues.
Gross margin excluding R&D depreciation	Gross margin excluding the portion of non-cash depreciation of previously capitalized R&D expenses that is included in cost of goods sold.
Gross profit	Revenues less cost of goods sold.
EBITDA	Earnings before interest, taxes, depreciation and amortization. Operating profit before interest rates, taxes, depreciation/amortization and impairment losses.
Adjusted EBITDA	<i>EBITDA</i> adjusted for non-recurring items, e.g. restructuring costs.
Shareholders' equity per share	Shareholders' equity attributable to the Parent Company's shareholders divided by the number of shares outstanding before dilution at period-end.
Shareholders' equity per share after dilution	Shareholders' equity per share adjusted for the number of shares and the paid exercise price resulting from the ongoing remuneration and personnel programs.
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.
Average number of shares outstanding	The Parent Company's average weighted number of shares outstanding at the end of the period.
Revenue increase	This shows the increase in revenues compared with the corresponding year-earlier period shown as a percentage.
Cash flow from	Cash flow from operating activities after changes in working

operating activities/share	capital/average number of shares before and after dilution.
Cost of goods sold	Cost of materials, production expenses and amortization according to plan of capitalized development expenditure.
Net cash/Net debt	Cash and cash equivalents less interest-bearing debt, including lease liabilities.
Profit for the period	Profit after financial income/expenses and tax.
Earnings per share	Profit for the period/number of shares outstanding at period end.
Earnings per share after dilution	Earnings per share adjusted for the number of shares and the paid strike price pursuant to ongoing compensation and personnel programs. Earnings per share after dilution can never be better than earnings per share before dilution.
Operating margin	Operating profit as a percentage of revenues.
Operating result	Operating result before financial income/expenses and tax.
Equity/assets ratio	Shareholders' equity divided by total assets.
Profit margin	Profit for the period as a percentage of revenues.

About FPC

Fingerprint Cards is a global leader in biometric authentication, powering nearly two billion devices worldwide. In 2024, we took decisive steps to transform the company - shifting from legacy consumer electronics toward high-value segments like payments, secure enterprise access, and digital identity.

Fingerprints develops high-security biometric systems that can be found in e.g. FIDO keys, crypto wallets, and payment cards. The company's solutions are integrated into close to two billion devices and applications and are used billions of times every day. Looking ahead, we are strategically allocating capital toward high-margin, high-growth segments in digital identity. Our investment plans include partnerships and technological advancements that strengthen our identity solutions, with a particular focus on sectors requiring advanced authentication, such as enterprise security, both in edge modalities and in the cloud.

Vision

You are the key to everything.

Strategy

Improve connected security and user experience through a biometric edge-to-cloud platform.

Refer to the company's website: www.fpc.com