# We are a leading global biometrics company

**Fingerprint Cards (FPC) is a global leader in biometric authentication, developing 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. FPC's execution is centred on three priorities: monetizing our assets and capabilities, driving growth by moving up the product value chain, and improving productivity through AI augmentation.**

| SEK M | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Revenue | 78.2 | 60.2 | 705.4 | 861.8 | 1,355.8 |
| Gross profit | 47.5 | 36.6 | 89.6 | 166.4 | 396.9 |
| Gross margin, % | 60.7 | 60.9 | 12.7 | 19.3 | 29.3 |
| Operating profit/loss | -59.2 | -421.1 | -320.4 | -631.0 | -7.6 |
| Operating margin, % | -75.7 | -699.7 | -45.4 | -73.2 | -0.6 |
| EBITDA | -19.1 | -181.8 | -242.2 | -116.0 | 85.6 |
| Profit/loss before tax | -63.3 | -465.9 | -375.5 | -652.2 | -1.0 |
| Net profit/loss for the year | -58.6 | -688.3 | -339.8 | -586.0 | 0.1 |
| Earnings per share from continuing operations, SEK | -9.42 | -188.31 | -0.31 | -1.92 | 0.00 |
| Equity/assets ratio, % | 90.6 | 65.1 | 63.1 | 59.9 | 57.0 |
| Average number of employees | 38 | 107 | 200 | 239 | 310 |

See "Ten-year summary and definitions" for KPI definitions

* Figures for 2023 and earlier years include operations that are classified as discontinued operations in 2024 and 2025.

# A year of accelerating execution

## Move up the value chain with AllKey

AllKey gained momentum as customers progressed from sensors to integrated biometric systems, supporting higher ASPs and a more scalable go-to-market. We expanded the AllKey family with AllKey Ultra, adding a Secure Element variant for higher-assurance use cases.

**61%**

Gross margin (61%)

## Scaling growth with strong margins

Core revenue grew strongly through 2025, supported by structurally higher gross margins in our focused portfolio. Full-year revenue increased 40% in constant currency with a gross margin of 60.7%.

**50**

Headcount (71)

## Asset & IP monetization

We executed multiple monetization transactions to unlock value from our technology assets, including licensing agreements with Smart Eye, Egis and PixArt.

**78**

Revenue, SEK M (60)

## AI-enabled efficiency

We increased efficiency by augmenting our ways of working with AI-based analysis and automation in selected processes. This supported shorter lead times, a higher pace of execution, and a sharper focus on value-creating activities.

**-19**

EBITDA. SEK M (-182)

# A year of transformation – and the foundation for what comes next

> *"Having rebuilt FPC into a focused, operationally lean systems company approaching run-rate profitability, the combination with Precise Biometrics is the natural next step. On 23 March 2026, we jointly announced a proposed merger to create a global leader in biometrics and identity. Together, we can offer physical-to-digital biometric security from a single provider, spanning fingerprint, iris, face, and palm modalities across enterprise, government, and consumer segments."*

In 2025 FPC delivered 30 percent revenue growth, a SEK 163 million improvement in EBITDA, and a fundamental redesign of the operating model, simplifying processes and augmenting our workforce with pragmatic AI tools and agents – while accelerating the shift from sensors to systems. By the fourth quarter, the company reached positive operating cash flow for the first time since the transformation began. These results reflect the rigorous execution of our bold transformation plan.

Revenue increased to SEK 78.2 million (60.2), up 40 percent in constant currency. Gross margin held steady at 60.7 percent on the full year and reached 65.8 percent in the fourth quarter. Full-year EBITDA improved to negative SEK 19.1 million from negative SEK 181.8 million, and Q4 EBITDA was positive at SEK 0.4 million. We ended the year with SEK 27.1 million in cash.

We rebuilt the organisation around fewer, higher-impact roles. Headcount decreased 30 percent year on year, from 71 to 50 at the end of 2025, while revenue grew 30 percent – a step change in productivity that reflects how we have redesigned the company, not simply reduced it. This leaner structure is the platform from which we intend to scale.

## Funding the transition

A core element of our strategy has been unlocking value from legacy assets and engineering capabilities to fund our product transition. During the year, we executed three IP monetisation and licensing transactions in the space of eleven months, generating ongoing partnerships and royalty streams alongside upfront consideration. These are deliberate, value-accretive transactions that keep the business capital-light while funding our move up the value chain.

## AllKey: from sensors to systems

Our strategic move up the value chain accelerated in 2025. AllKey, our integrated biometric system-in-package, commands an approximate 3x uplift in average selling price compared with standalone sensors, while reducing integration complexity for customers. We are targeting a sustained 50–60 percent gross margin as these products move toward mass production in the second half of 2026 and scale through 2027 and 2028.

The pipeline signals are encouraging. Over half of our existing customers are on an upgrade path from sensors to AllKey systems, securing our volume business while moving value toward higher-margin systems. At the same time, approximately half of the AllKey pipeline comprises new customers – validating the systems value proposition in high-assurance segments beyond our historical base. We expect the pipeline mix to shift materially toward systems, growing from around 30 percent in 2026 to approximately 80 percent by 2028. Pipeline is not the same as revenue, but it is a directional indicator of where demand is building and where we are investing.

During the year, we expanded the platform with AllKey Ultra, a Secure Element variant for higher-security use cases, and AllKey Ultra FIDO – a turnkey platform for biometric FIDO tokens. Commercial traction continued to build: Mettlesemi selected AllKey Pro for its next-generation FIDO2 authenticators; Fuse Identities launched a new biometric physical access card featuring the FPC 1323 T-Shape sensor; and M-Tech Innovations became the first company in India to receive VISA certification for a locally manufactured biometric payment card using FPC technology.

## A market that demands scale

The biometrics and identity market is seeing rising demand as increasingly sophisticated cyber threats drive the need for secure, seamless authentication. The market is shifting from point products to integrated solutions – customers want one provider for hardware, software, and identity management. AllKey is our answer to this shift.

But in this market, scale is ultimately about the ability to invest. As a smaller company with profitability still below target, our standalone capacity to invest at the pace the market requires is constrained. And the market is moving fast: if you cannot invest, you do not stand still — you fall behind. Subscale independence is therefore an existential risk. The proposed merger with Precise Biometrics is designed to address this by creating a broader platform and stronger commercial reach, enabling the combined company to invest more consistently in product development, go-to-market, and long-term competitiveness.

## The merger with Precise Biometrics

Having rebuilt FPC into a focused, operationally lean systems company approaching run-rate profitability, the combination with Precise Biometrics is the natural next step. On 23 March 2026, we jointly announced a proposed merger to create a global leader in biometrics and identity.

There are clear synergies. FPC brings sensors and hardware embedded in nearly two billion devices worldwide. Precise brings algorithms, software, and enterprise solutions – including access control and visitor management platforms processing over 100,000 biometric verifications every second. Together, we can offer physical-to-digital biometric security from a single provider, spanning fingerprint, iris, face, and palm modalities across enterprise, government, and consumer segments.

The combination is expected to generate annual cost synergies of at least SEK 45 million – nearly a third of combined pro forma revenue – with a payback period of under seven months. Today, we pay for two Nasdaq listings, two sets of auditors, two IT systems. After the merger, we pay for one. Beyond cost, the commercial upside is immediate: FPC's hardware customers do not buy software today; Precise's software customers do not buy sensors. That changes on day one. Customer reactions have been positive – the logic is intuitive.

Under the merger plan, FPC shareholders will receive nine new ordinary shares in Precise Biometrics for each FPC share, representing approximately 47 percent of the combined company. Both boards unanimously recommend approval, supported by an independent fairness opinion. Following completion, the combined company intends to raise approximately SEK 110 million through a rights issue to fund growth, synergy capture, and continued global expansion. The merger is also the first step in a broader consolidation journey in a market that remains highly fragmented.

## Looking ahead

Two years ago, FPC was a sensor company dependent on commoditised consumer electronics. Today, we are a leaner, more focused business with a systems platform gaining commercial traction, a diversified revenue model, and a clear path to sustainable profitability. The merger with Precise Biometrics is the culmination of this transformation – and the beginning of the next chapter.

Our near-term priorities are clear: convert the AllKey pipeline into production revenue, realise the identified synergies, and execute the integration. We know the market expects delivery, not projections. Our focus is measurable progress, quarter by quarter.

Looking ahead, we expect continued consolidation in the biometrics and digital identity space, where scale, software capabilities and integrated offerings will be key to long-term competitiveness. Following our transformation, FPC is well positioned to play an active role in this development.

I would like to thank our shareholders, employees, customers, and partners for their continued support through this transformation.

**Adam Philpott**

President and CEO

# Reinforcing our leadership in secure authentication

## Markets

Demand for secure and frictionless authentication continues to expand, driven by rising fraud levels, tighter security requirements and increasingly sophisticated cyber and identity threats, alongside a steady shift toward digital-first customer journeys. Several external sources estimate that the biometric authentication market is growing at around 20 percent per year over the coming years.

Within cybersecurity, identity is increasingly the top priority: attackers rarely 'break in' through systems - they compromise identities and simply log in. This is accelerating the shift away from passwords toward passkeys and FIDO-based authentication, where biometrics is a critical enabler to deliver both strong security and a low-friction user experience.

At the same time, customers are increasingly prioritizing solutions that are faster to integrate, easier to certify and simpler to scale – favouring platform-based offerings over individual components. Biometric technologies are increasingly adopted as they combine high levels of security with convenient user experiences across both physical and digital environments. This market backdrop supports FPC's move up the value chain from sensors to complete biometric systems.

The biometrics and identity management market also remains highly fragmented, with many sub-scale players and limited commercial reach. As competitive advantages of scale increase, this creates a compelling opportunity for consolidation and for providers with broader product portfolios and stronger go-to-market capabilities to win share.

## Strategy

FPC's execution is centred on three priorities: monetizing our assets and capabilities, driving growth by moving up the product value chain, and improving productivity through AI augmentation.

In March 2026, Precise Biometrics and Fingerprint Cards jointly announced a proposed merger of equals. The combination is intended to create a more complete biometrics and identity company, bringing together complementary hardware, software and identity solutions, strengthening commercial reach and positioning the combined group to pursue growth opportunities as the identity and security market continues to evolve.

AllKey Ultra Passkey

AllKey is central to our strategy. By delivering complete biometric systems rather than individual components, AllKey reduces customer integration effort and system complexity while enabling FPC to capture higher ASPs and greater wallet share. As the platform scales, it reinforces our shift toward higher-value, higher-margin solutions through:

- **Existing Customer Migration**: We already have over 50% of our customers on an upgrade path from sensors to AllKey systems. This shift secures our volume business while moving our value business toward more complex, higher-value system integrations that increase "stickiness" and long-term contract value.
- **New Customer Validation**: Beyond our existing base, the launch of AllKey and AllKey Ultra has catalyzed significant new customer momentum. This validates our system value proposition in high-assurance segments. New customers now represent approximately 50% of total pipeline, indicating a future expansion of our customer base.
- **Transformed Unit Economics**: AllKey systems deliver a 3x ASP uplift compared to standalone sensors. We are capturing a larger wallet share at a sustained 50-60% gross margin target as these products move into mass production in the second half of 2026 and scale throughout 2027 and 2028.

During the year, we broadened the platform with AllKey Ultra, addressing higher-security use cases through inclusion of a secure element, and launched AllKey Ultra FIDO with jNet Secure – a turnkey platform designed to shorten time-to-market for biometric FIDO tokens. We also continued to build momentum in India, including payment and access-related validations, and progressed our iris business through the partnership with Smart Eye, enabling more robust multimodal authentication and opening additional enterprise use cases. In March 2026, we launched the FPC AllKey Software Platform, a fully integrated biometric platform that enables customers to develop and run their own applications directly on AllKey devices, secured by FPC's fingerprint authentication. This is an important step in our expansion beyond standalone biometric components into higher-value platform solutions, increasing the potential revenue per design win through deeper customer integration and longer product lifecycles.

Alongside product execution, we continued to create value through asset monetization, including IP licensing and commercialization of engineering capabilities. Looking ahead, we will further concentrate the organization around AllKey, simplify customer adoption, expand the platform offering and convert momentum into sustainable, profitable growth—while maintaining strict cost and cash discipline to fund the transition from sensors to systems. We will also remain proactive in asset monetization and evaluate selective, complementary non-organic growth opportunities in 2026 where these can strengthen our core offering and accelerate time-to-market.