



2024

# ANNUAL REPORT 2024

YOU are the key

**PRECiSE**  
BIOMETRICS



# We make people's everyday lives safe and seamless in a world where "YOU are the key"!

## - YOU are the key



Precise Biometrics (Precise) is a global pioneer in the field of cybersecurity and biometric solutions. The offering includes algorithm products for fingerprint, facial and hand recognition, as well as packaged end-customer products for biometric access (YOUNiQ Access) and visitor management (YOUNiQ Visit by EastCoast).

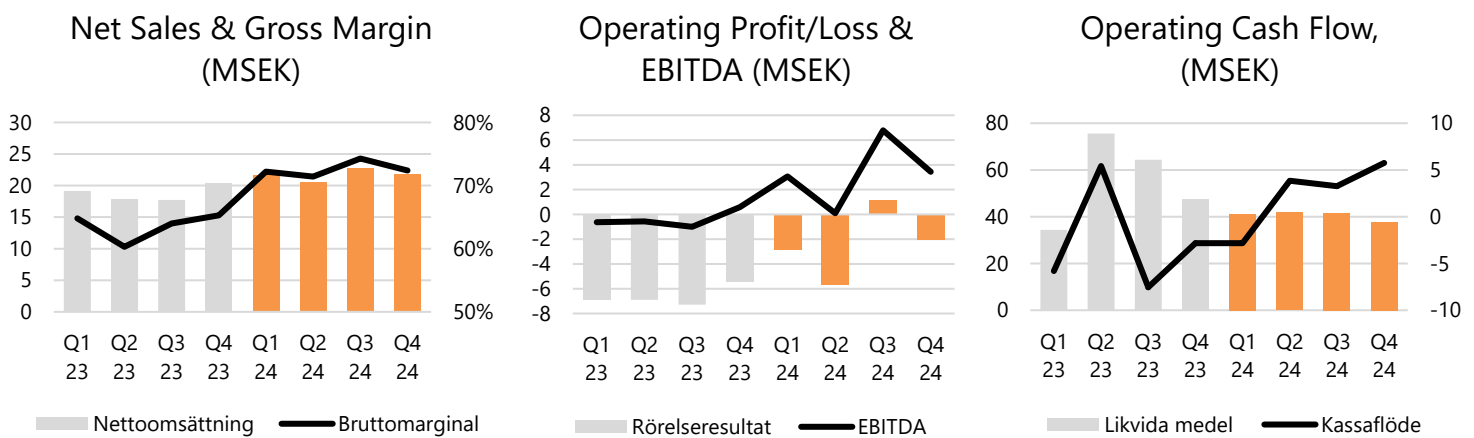
Our focus areas are biometric authentication for mobile phones, laptops, security keys and smart locks, vehicle applications for in-car payment, driver authentication and personal settings/access – as well as specialized systems for visitor management and physical biometric access control. Precise operates through two main business areas, Digital Identity and Biometric Technologies, and operates from its offices in Lund (HQ) and Stockholm, Sweden, Potsdam NY, USA, Seoul, South Korea, Taipei, Taiwan and Shanghai, China. The Precise share is listed on the Nasdaq Stockholm (PREC). Find out more at [www.precisebiometrics.com](http://www.precisebiometrics.com).

# CONTENTS

THE YEAR IN BRIEF .....	4
CEO COMMENTS: GROWTH AND POSITIVE EBITDA .....	5
ABOUT PRECISE .....	7
OUR CHIEF COMMERCIAL OFFICERS .....	11
CUSTOMER OFFERING .....	13
OUR CUSTOMERS AND PARTNERS .....	14
WHAT IS BIOMETRICS? .....	15
The future of Ultrasonic .....	16
SUSTAINABILITY .....	18
THE SHARE & SHAREHOLDERS .....	20
ADMINISTRATION REPORT .....	24
CORPORATE GOVERNANCE REPORT 2024 .....	32
CONSOLIDATED FINANCIAL STATEMENTS .....	40
NOTES (GROUP) .....	47
FINANCIAL STATEMENTS OF THE PARENT COMPANY .....	69
NOTES (PARENT COMPANY) .....	73
ASSURANCE .....	85
AUDITOR'S REPORT .....	86
FINANCIAL GLOSSARY .....	92
ANNUAL GENERAL MEETING .....	95
FINANCIAL CALENDAR .....	96

# THE YEAR IN BRIEF

- Strong growth with positive EBITDA and improved cash flow.
- With strong demand for cybersecurity and biometric security solutions, the company is well positioned in the mobile vertical, new verticals and visitor and access systems.
- Strong momentum and clear focus on commercial execution.



Net sales	86.9 (75.1)
Gross margin	72.6% (63.7)
EBITDA	13.4 (-1.7)
Cash and cash equivalents	37.7 (47.5)
Average equity	152.7 (158.8)
Equity/assets ratio	74.4% (74.9)
Cash flow from current operations	10.1 (-10.8)
Annual recurring revenue (ARR)	19.0 (18.3)
(MSEK)	



## CEO COMMENTS:

# GROWTH AND POSITIVE EBITDA

**We are now putting 2024 behind us and rounding off the year with another quarter of growth and a positive EBITDA result. Sales increased by 15.7% for the full year 2024, and we reversed a loss for the full year 2023 to generate an EBITDA for 2024 of SEK 13.4 million and a significant improvement in cash flow. Moreover, we are delivering this in a tough market climate, which makes us proud.**

**However, the company's new commercialization phase and growth journey has only just begun, and we see a continued increase in demand both in the mobile phone market and in our other market verticals. We are strategically well positioned to continue to deliver market-leading visitor systems, security solutions and biometric products with a clear growth strategy focused on expansive verticals and new geographical markets.**

We have successfully executed the strategies set out by the company and achieved important internal goals, by such means as increased market presence, the launch of new, high-quality products, and more efficient sales and delivery processes, which has resulted in a significantly improved result. I had high hopes for strong development in 2024, and I think we delivered.

## STRONG YEAR FOR BIOMETRIC TECHNOLOGIES

Our business in the field of biometric algorithms is driven by demand for digital devices. The strongest momentum we experienced during the year was in the mobile phone market, where we won several new projects and saw new products with our software reach end consumers in both Asia and the USA.

One of the reasons why demand has been so strong for Precise compared with industry peers is our world-leading offering for ultrasonic sensors, which can be found in many of today's more advanced mobile phones. Margins in the sensor industry are under pressure, but in those areas where Precise is strongest, ultrasonic and anti-tampering (solutions to prevent fraud and tampering), margins are better.

Another vertical that has begun to deliver royalty volumes, and where we see potential going forward, is the automotive industry. Although sales of vehicles, especially electric

vehicles, were under pressure in 2024, the trend is increasingly moving towards the Software Defined Vehicle (SDV) concept, and we continue to position ourselves together with Infineon as a world leader in the field of biometrics for the automotive industry. During the year, we carried out a number of marketing activities, including exhibitions and conferences, as well as roadshows together with Infineon in Asia. This will continue in 2025, when we have joint sales and marketing activities planned with Infineon, such as visits to suppliers and manufacturers in the automotive industry.

I would also like to highlight our progress in the area of hand recognition. During the year, we initiated sales activities around the world and signed an agreement with Crunchfish on the use of their proprietary technology for hand detection and hand interaction. This creates further competitive advantages and opportunities for new products. Areas of application in the field of authentication include payment, access and government initiatives such as national ID systems. Object detection and being able to follow the object in three dimensions also opens up business opportunities in a number of other areas, such as augmented reality, interaction in vehicles and industrial applications.

## INCREASED ARR FOR DIGITAL IDENTITY

The growth of our offerings in the Digital Identity business area is still not at the level we want to be, even though both revenues and ARR (Annual Recurring Revenue) indicated growth during the year. During the autumn, we worked a lot on functionality, the packaging of our offerings and sales structure, so I feel that the conditions are in place for a significantly better outcome in 2025.

2024 has still been very positive, with a strong increase in the number of customers migrating from on-premise to the new cloud solution, which means lower initial hardware fees, but higher monthly license fees – which, is both good and important on the whole, as it strengthens the business over time. Growth is also taking place through new customers and additional sales to existing customers, including through expansion to more customer offices.

The rapid migration to the cloud is one of the highlights of the period, with customers who migrated including Alfa Laval,



Familjebostäder, Tobii Technology and Öresundskraft. Demand continues to benefit from several external factors, such as the uncertain global situation, new regulatory requirements and the fact that modern companies want to be more customer-centric.

Sales of YOUNiQ Access in Sweden are encountering some resistance due to interpretations of GDPR, but discussions are ongoing at government agency level to ease progress in the area of biometrics. It is also positive that we see an increased interest in biometric access among our YOUNiQ Visit customers, as well as a high level of interest internationally. We have taken action to accelerate the commercial agenda and launched new features in YOUNiQ Access to further enhance the offering. Through new partnerships and enhanced product offerings, we are hopeful about developments in 2025.

## FUTURE PROSPECTS

Looking ahead, there is much to suggest continued strong growth for Precise in 2025. In a society where security and user-friendliness are becoming increasingly vital, our solutions help to create greater reassurance – an offering that is simply becoming more and more relevant.

As one of the very few suppliers of algorithms for the ultrasonic growth vertical in particular, the conditions exist for a continued increase in royalty revenues in the mobile phone area. At the same time, we continue to make significant progress in many other areas, such as cybersecurity, the automotive industry, and visitor and access systems. In the latter part of 2024, we also noted an increasing number of project initiatives from various government agencies that require biometrics, which is promising for the years ahead.

Precise is now a well-positioned company with a relevant product portfolio, long-standing relationships with partners, and a strong financial position, which creates good conditions for the years ahead. I am really looking forward to the rest of 2025, when we will continue to focus on growth and positive cash flow.

I would also like to take this opportunity to thank everyone, especially our highly competent team, for doing an amazing job during the year, but also all our customers, partners and shareholders for your continued trust. Together we are making the world simpler and safer.

**Joakim Nydemark,**  
CEO



# ABOUT PRECISE

## PRECISE IN BRIEF

Precise is a global pioneer in biometrics and cybersecurity. The company sells algorithm products for fingerprint, facial and hand recognition, as well as end-customer products for biometric access (YOUNiQ Access) and visitor management (YOUNiQ Visit by EastCoast).

The company's algorithms are currently used in premium products, such as mobile phones, laptops, security keys and smart locks, vehicle applications for in-car payment, driver authentication and personal settings/access – as well as specialized systems for visitor management and physical biometric access control.

Precise operates through two main business areas, Digital Identity and Biometric Technologies, and operates from its offices in Lund (HQ) and Stockholm, Sweden, Potsdam NY, USA, Seoul, South Korea, Taipei, Taiwan and Shanghai, China. The Precise share is listed on the Nasdaq Stockholm (PREC).

Feel free to visit [precisebiometrics.com](https://precisebiometrics.com) for more information.

## VISION FRAMEWORK

Our vision framework, vision and values describe who we are and guide us in our daily work.

### VISION

**WE MAKE PEOPLE'S EVERYDAY LIVES SAFE  
AND SEAMLESS IN A WORLD WHERE YOU ARE  
THE KEY.**

#### DEFINITION OF OUR VISION:

We pioneer the evolution of biometric security. Our expertise and technology boost products that revolutionize our industry – and the world. Together with our customers, we

constantly change the game to make identification and authentication safer, easier, and more convenient.

Our goal is to allow every individual in the world to experience a safe and seamless everyday life. A life where people and things interact without the need for passwords, keys, or access devices. A life where you are the key.

### OUR VALUES

Our values serve as our guiding principles in both our daily work and our strategic decision-making.

#### WE ARE...

##### PASSIONATELY COMMITTED

We are passionate about our business and committed to customer success. With our positive, can-do attitude we constantly explore new opportunities to support our customers' needs – today and in the future. To succeed, we build strong relationships with customers and partners, always founded in trust, engagement and dedication to our ambitious goals.

##### SMARTER TOGETHER

Teamwork is the cornerstone of our success. We support, help and care for each other to reach a higher ground together. We are open to new ideas, curious to explore the unknown and generous to share our expertise. We always collaborate with colleagues, customers, and partners to get smarter together.

##### EVERYDAY PIONEERS

Innovation is in our DNA. Each day, we advance the evolution of biometric security. With every product release and every customer issue we solve, the world gets a little bit safer. Our curiosity, customer focus and grit help us break new grounds and lead the way in our industry.



## THE BUSINESS

### BUSINESS AREAS

Precise focuses its operations in two business areas: Digital Identity, with solutions for physical access and visitor management, and Biometric Technologies, with biometric recognition (identification and authentication) software for areas of application such as mobile phones, laptops and cars. The aim of having two business areas is to diversify the business and take advantage of the underlying specific customer needs and growth trends in the market in the best possible way. They also create clarity in customer targeting, as the business areas are aimed at different customer segments.

#### BIOMETRIC TECHNOLOGIES

In the Biometric Technologies business area, the company licenses, among other things, its leading algorithm products for fingerprints and palm prints to sensor manufacturers around the world, who in turn market and sell palm and fingerprint modules with Precise's software algorithms to manufacturers of products such as mobile phones and cars. Precise's customers include many of the leading sensor manufacturers globally, and areas of application include user identification in mobile phones, vehicles, smart door locks and laptops.

The product portfolio in Biometric Technologies consists of:

**BioMatch** is our software (AI algorithms based on advanced image analysis) to match and verify a person's fingerprint, palm print, etc.

**BioLive** is our anti-tampering and liveness product for preventing fraud and tampering through the use of fake palm or fingerprints.

**BioEnhance** is our product for image enhancement, e.g., regarding fingerprints before matching.

There are also products adapted for different biometric modalities, verticals and technology environments, such as mobile phones and embedded systems.

#### DIGITAL IDENTITY

In the Digital Identity business area, Precise offers system solutions for visitor management and physical biometric access.

Precise currently holds a leading position in the Nordic region in the area of visitor management systems (YOUNiQ Visit by EastCoast) and a growing position in physical biometric access (YOUNiQ Access) solutions. For YOUNiQ Access, the company has partnerships with a number of system integrators, who

offer the solution as an integrated part of their Access Management systems. YOUNiQ Visit by EastCoast is also offered through partners, but is also sold by Precise directly to end customer companies.

The Digital Identity product portfolio consists of:

**YOUNiQ Access** – a physical access management system based on biometrics such as facial recognition.

**YOUNiQ Visit by EastCoast** – system for secure and efficient visitor management in companies.

Precise works on an ongoing basis to develop integrated solutions between the company's various product areas to streamline customer flows of visits and access. One example is integration between access and visitor systems to create an elegant flow based on facial recognition.

### BUSINESS AND REVENUE MODEL

Precise's revenues are distributed between the following main revenue streams:

- In the Biometric Technologies business area, revenues primarily consist of annual license and support fees as well as royalties per unit sold, which arise when software algorithms are licensed to customers.
- In the Digital Identity business area, revenues consist of monthly license and support fees per installation and, for our SaaS (Software as a Service) business, recurring subscription revenues (Annual Recurring Revenue, ARR). There are also some one-time revenues for hardware.

### PRODUCT DEVELOPMENT

Product development is, and has always been, an important part of the company's business, as competitiveness over time is based on being able to deliver high-quality products at the absolute forefront of technology. Since its foundation, the company has successfully launched innovative products that have always met the highest demands from customers and the market.

An important part of Precise's development work is close collaboration with various institutes of higher education, primarily Lund University of Technology (LTH). The company has a number of degree projects each year, which contribute to new approaches and innovations, and which also constitute a good recruitment base.

Precise works actively and strategically with patents, pattern protection and trademarks in order to guarantee the rights to its own technology, to create commercial value and to increase the company's competitive strength. The company's



current products and solutions are protected by a comprehensive portfolio of patents, trademarks and registered patterns.

The company's leading position is largely based on the competitive advantage that comes from the company's long-standing operational excellence in the area of biometric solutions for secure and efficient authentication and identification. Biometric recognition is very complex and requires close collaboration between people and systems in order to work. In its more than 25 years, Precise has built up a wealth of experience that is unique among actors in the industry, and the company is recognized for high quality, functionality and security.



## GROWTH STRATEGY

The market for cybersecurity and biometric solutions is developing constantly, and Precise is continuously conducting research into new opportunities to grow and create innovative solutions for efficient and secure recognition.

### BIOMETRIC TECHNOLOGIES

Within Biometric Technologies, the biometrics market is expected to continue to grow. The strategy is based on both strengthening our already leading position in the mobile segment by working with strategic partners to win new projects and by increasing volumes in new verticals, such as automotive, wearables and logical access.

Some examples of important areas within the business area are:

- **Ultrasound technology** – further strengthen our position in this fast-growing segment, for example through our partnership with Qualcomm.
- **Anti-tampering** – continue to strengthen our position and offering in solutions to combat biometric tampering.
- **Automotive** – grow our position in this area, which is in the early stages of becoming something bigger.

The company's largest segment continues to be mobile phones, and the ecosystem around mobile phone manufacturers has experienced a recovery in the form of stronger demand in 2024 compared to 2023 – and continued growth is expected going forward. Nearly 1.2 billion smartphones were produced in 2024, according to Research and Markets. Our business is generally under price pressure, but has slightly better margins in the more complex premium segments in which Precise is strongest. Examples of these segments are ultrasound and anti-tampering.

Based on independent market forecasts and customer dialogs, the company assesses the business outlook for 2025 as positive, not least in the premium segments, where Precise is one of a small number of suppliers. For example, the company is currently the sole biometrics supplier for Qualcomm's ultrasonic sensors in China, the EU and the USA.

Furthermore, the company has entered into a number of interesting collaborations with sensor manufacturers in new verticals, such as laptops, smart door locks and vehicles, which are considered to be able to accelerate the company's growth.

Precise also intends to benefit from its expertise in advanced image analysis in order to explore areas of application outside biometrics.

### DIGITAL IDENTITY

Precise sees major market potential in Digital Identity, which the company intends to exploit. The company has expanded its international efforts, focusing on new markets such as the USA and parts of Europe. The company sees great long-term potential for its access and visitor management solutions. The market for this type of solution is expected to grow significantly globally in the coming years, and Precise's ambition is to take market share primarily through an expanded network of distributors and installation partners, as well as through some local marketing work. Furthermore, the strategy is based on supplementing current solutions through integrations with related solutions that can add value for the customer.

### SAAS

Through YOUNiQ Access and YOUNiQ Visit by EastCoast, Precise has created the opportunity for growing, recurring revenues by applying the software distribution model SaaS (Software-as-a-Service). An increasing proportion of net sales in the future will be in the form of subscription revenues (Annual Recurring Revenue – ARR).

## ACQUISITIONS

Precise believes that the demand for solutions in biometric security, cybersecurity, visitor management, physical access and related product verticals is increasing. The company intends to evaluate companies that complement the company's business and products in various ways in order to accelerate growth. Precise assesses that such acquisitions can be financed with the available liquid funds at any time and through newly issued shares.

## POSITIONING

To ensure the right positioning and offering in different markets, the company works continuously to monitor and analyze market developments and macro trends. The fact that Precise is a software company without its own hardware increases our ability to be fast and flexible, while business risk and complexity are significantly lower than in manufacturing companies.

## COMMERCIALIZATION

Precise has gone from being a technology-driven company (originally research-oriented with roots in Lund University) almost exclusively focused on the mobile phone market to a sales and knowledge-driven SaaS and software company – still with extremely high technical competence – that delivers world-leading biometrics and cybersecurity solutions in a number of areas.

To achieve a more sales- and results-oriented corporate culture, the company adopted a commercialization strategy during the second half of 2023 to take the company to profitable growth. As a result, the company has shown clear growth and positive EBITDA in the last 5 quarters. The aim is to continue on the path of smart growth, which in simple terms means growing with positive cash flow.

Precise's strategy going forward is based on continuing to increase market presence in certain key markets, high-quality software products linked to clear customer needs and market trends, and an efficient sales and delivery process.





# OUR CHIEF COMMERCIAL OFFICERS

## DIGITAL IDENTITY

*Interview with Sarandis Kalogeropoulos, CCO Digital Identity*

Demand for modern visitor and access solutions is growing rapidly, and Precise continued to strengthen its position in the market in 2024. The company has expanded its sales, launched new features and seen increased demand both nationally and internationally.

### HOW WOULD YOU SUM UP 2024?

"It has been an eventful year. We have seen a sharp increase in both interest and sales for our visitor system YOUNiQ Visit by EastCoast as well as a great deal of interest in our access solution YOUNiQ Access, although sales have been a little slower there. Interest in our solutions has grown as companies and organizations demand greater security and better user experiences. We have also expanded internationally and strengthened our partnerships."

### YOUR TOP FIVE FOR THE YEAR?

#### 1. INCREASED SALES AND CLOUD MIGRATION

"Our YOUNiQ Visit by EastCoast visitor system has had its best year yet. We have seen increased sales both in Sweden and internationally, while at the same time we have helped many customers migrate to our cloud solution. Among the companies that have made the transition are Alfa Laval, Familjebostäder and Tobii Technology. Cloud migration gives our customers increased flexibility and security, while creating new business opportunities for us."

#### 2. INTERNATIONALIZATION & NEW CUSTOMERS

"We have made significant progress in the international market. Our team in the Netherlands has succeeded in closing deals with new customers, and we see a growing interest from countries such as Norway and the UK. At the same time, we have gained new customers such as Billerud, Folksam and Sandvikens Energi, which shows broad demand."

#### 3. NEW FEATURES AND INTEGRATIONS

"We have launched several key features to improve our products, including mobile self-check-in, parcel delivery management and integrations with other security systems. Multi-factor authentication (MFA) and single sign-on (SSO) have also become central parts of our offering. These updates enhance both security and user experience."

#### 4. SUCCESSES IN HAND RECOGNITION

"Our biometric access solution YOUNiQ Access with hand recognition has generated great interest in the international market, especially in the USA, and several customers are interested in pilot projects. We have also further developed our hand recognition technology, which opens up new possibilities. At GSX in Florida, our solution was presented at the Genetec booth and received very positive feedback. Our US partner Hand.ID is now planning a commercial launch of its handheld scanner in the first half of 2025, which we are looking forward to."

#### 5. SECURITY REQUIREMENTS & REGULATIONS

"Security and compliance are important focus areas for us. While new regulations make it easier to sell cloud-based solutions to the public sector, we see a growing demand for our products in high-security environments where cloud solutions are not allowed. We have therefore made it possible to run YOUNiQ Access entirely on-premise without cloud connection, for the customers who require this. We actively participate in industry dialogs to ensure that solutions are future-proof and compliant with security standards."

### WHAT ARE YOU EXCITED FOR 2025?

"We have a clear roadmap for 2025, with a focus on continued growth and innovation. We see strong demand for our cloud-based solutions and will continue to expand internationally. The introduction of hand recognition in the USA is an important milestone, and we also expect more companies and organizations to set higher security requirements. It will be an exciting year in which we continue to drive developments in visitor management and biometric access."

### SUMMARY:

In 2024, Precise's Digital Identity business area saw good growth, primarily in visitor management systems. Expansion into new markets, new features and integrations, and the increased focus on security and compliance have strengthened the position. With continued innovation and strong market dynamics, the future looks bright.

*"INCREASED SALES AND GREAT INTEREST"*

SARANDIS KALOGEROPOULOS, CCO DIGITAL IDENTITY





## BIOMETRIC TECHNOLOGIES

*Interview with Henrik Winberg, CCO Biometric Technologies*

Biometric solutions are an important part of technological development, and the demand for authentication technology has continued to grow in 2024. Precise has strengthened its position and is seeing success in several business areas.

### HOW WOULD YOU SUM UP 2024?

"2024 has been a good year. The biometric security market remains positive, and we are experiencing good momentum, both through new projects and through technological advances. We have seen increased demand in several areas and strengthened our collaborations with key partners. We see clear successes in the mobile market, the automotive industry and new verticals in particular. Biometrics is becoming an increasingly important part of security and digital ecosystems, and we're well positioned to meet growing demand."

### YOUR TOP FIVE FOR THE YEAR?

#### 1. STRONG POSITIONS IN THE MOBILE SEGMENT

"The mobile market remains our largest segment. During the year, we have consolidated our leading position in the increasingly in-demand area of ultrasound-based fingerprint sensors and advanced anti-tampering protection. Together with our partner Qualcomm, we have taken market shares, and our solutions are available in several of the phones launched on the market in 2024."

#### 2. BIOLIVE –NEXT LEVEL ANTI-SPOOF SOLUTION

"Anti-tampering security requirements are constantly increasing, and our AI-based anti-tampering technology, BioLive, has been further developed during the year to provide even better protection against fraud attempts and tampering. In the spring, we launched a version with significantly improved performance, which has attracted even more interest from companies operating in markets in which protection against this type of attack is a high priority. We have also succeeded in executing the technology in constrained hardware environments, opening up opportunities in new verticals."

#### 3. BREAKTHROUGH IN AUTOMOTIVE

"The need for secure authentication in the automotive industry is becoming increasingly essential, not least in light of the fact that the cars of tomorrow are becoming networked and built according to the Software Defined Vehicles (SDV) principle. We see biometrics as the natural choice for authentication. During the year, we strengthened our partnership with Infineon and launched a jointly packaged product for the automotive industry. In addition, two of our customers have

gone into mass production, which means that our solution is available in cars in serial production."

#### 4. THE LAUNCH OF HAND RECOGNITION

"We have introduced a new biometric modality – hand recognition – which has been well received. We see great interest in the modality, not least in what are known as physical access solutions. During the year, we also signed an agreement with Crunchfish to further improve the solution."

#### 5. EXPANSION IN NEW VERTICALS

"We have seen continued demand for our solutions in areas such as logical access and smart locks. One example is Xiaomi's launch of Mijia Smart Safe, a safe with our fingerprint algorithm. One vertical in which we see an increased demand for our anti-tampering solution is national ID systems. Most national ID systems are comprehensive initiatives aimed at providing all people in a country with legal and verifiable identities, often using biometrics-based systems. These programs work towards target 16.9 of the UN's Sustainable Development Goals."

### WHAT ARE YOU EXCITED FOR 2025?

"We see continued good growth in the biometrics market and new opportunities in both existing and new segments. The mobile market continues to evolve, and we expect ultrasound technology to gain a wider foothold. In the automotive industry, we are in the early stages of a major transformation in which biometric authentication is becoming a natural part of the user experience. At the same time, we are seeing increased security requirements driving demand for anti-tampering and multi-factor authentication. It will be an exciting year with many opportunities to build on the strong position we have established."

### SUMMARY:

In 2024, Precise strengthened its position in the market through strategic collaborations, technical innovations and expansion in new verticals. The mobile market has continued to play a central role, while biometric solutions in the automotive industry and hand recognition have had a strong impact. With increasing demand for security and multi-factor authentication, the future looks bright for Precise and Biometric Technologies



*"AT THE FOREFRONT OF BIOMETRIC SECURITY"*

HENRIK WINBERG, CCO BIOMETRICS TECHNOLOGY

# CUSTOMER OFFERING

In a society where security is becoming increasingly central, Precise helps to increase both seamless efficiency and security. This is done by developing innovative technological solutions in the areas of cybersecurity and biometric recognition, where simplicity and a first-class user experience are combined with a very high level of security, because “YOU are the key”. Instead of using a PIN code, password, key, card, etc. to authenticate or identify yourself, you use your finger, face, or palm.

There are areas of application in both digital and physical access, and the applications can be found in, for example, mobile phones, laptops, logical access, payment, vehicles, and in visitor and access systems.

The offering consists of algorithm products, basic technology, which component manufacturers use in their products, and also end-customer products for access and visitor management. The focus of all solutions is to combine high security with a first-class user experience through outstanding technology, based on AI and Deep Learning.

– YOU ARE THE KEY

## OUR PRODUCTS

### ACCESS AND VISITOR MANAGEMENT

**YOUNiQ Access** is our solution for physical access based on biometrics, such as hand or facial recognition.

**YOUNiQ Visit by EastCoast** is our visitor management solution, where biometrics is an add-on module.

### BIOMETRIC IDENTIFICATION ALGORITHMS

**BioMatch** is our software (AI algorithms based on advanced image analysis) to match and verify a person's fingerprint, palm print, etc.

**BioLive** is our anti-tampering and liveness product to prevent fraud and manipulation through fake palm or fingerprints.

**BioEnhance** is our product for image enhancement, e.g., regarding fingerprints before matching.

There are also products adapted for different biometric modalities, verticals and technology environments, such as mobile phones and embedded systems.

## WHY PRECISE?

- Unique knowledge, as biometrics has been our core business for over 25 years.
- Established on the global market, our technology is used more than 100,000 times per second, all year round.
- Large customer base and a global ecosystem of partners.
- Hardware-independent
- Combines several different biometric modalities such as finger, palm, and face.
- A growing SaaS and ARR business.
- Public company
- Positive development.



# OUR CUSTOMERS AND PARTNERS

Precise has customers and partners all over the world. Our customers range from large technology giants, such as Infineon, Qualcomm and Egis Technology, who use our algorithms, to a large number of medium-sized and large companies that use our access and visitor management solutions. Some of our new customers, customers with new installations and new partners in 2024 are Alfa Laval, AP Moller

Maersk, Billerud, Bonava, Båstad kommun, Cancerfonden, CapGemini, Consilium Marine & Safety, Degerfors kommun, Duni, Ependion, Familjebostäder, Folksam, Foxway Group, Helsingborg stad, Installatörsföretagen, Ledarna, Linköpings kommun, Nordnet, Nyköpings kommun, PwC, ReturPack, Samhall, Sandvikens Energi, The Commonwealth Texas, Tillväxtverket, White Arkitekter, Öresundskraft, etc.

**Lasersemicon**

**ASSA ABLOY**

**ENTRYFY**

**FLOWSCAPE**

**Telia**

**egis**  
Technology

**RCO**

**QUALCOMM**

**AXIS**  
COMMUNICATIONS

**SystemHouse Solutions**

**Infineon**

**Genetec**

*"PRECISE BIOMETRICS HAS PROVEN TO BE A REAL VALUE-ADDING SUPPLIER THAT DELIVERS UNIQUE BIOMETRIC TECHNOLOGY. WITH A RECOGNITION ACCURACY OF 99.2% AND AN UNLOCKING SPEED OF LESS THAN 0.5 SECONDS, PRECISE'S SOLUTION FULLY SUPPORTS OUR COMMITMENT TO ENABLING SECURITY AND CUSTOMER SATISFACTION."*

HANLIN YANG, PRODUCT MANAGER AT XIAOMI



Xiaomi's  
Mijia Smart Safe

*"CUSTOMER SERVICE IS IMPORTANT TO US, AND YOUNIQ VISIT REALLY HELPS US IN OUR GOAL OF OFFERING ALL VISITORS A FIRST-CLASS EXPERIENCE WHEN THEY VISIT OUR OFFICE. IT ALSO SIMPLIFIES OUR ADMINISTRATION CONSIDERABLY. IN ADDITION, IT OFFERS BOTH INCREASED SECURITY AND BETTER REGULATORY COMPLIANCE, WHICH IS ESSENTIAL IN TODAY'S SOCIETY. I ALSO LIKE THE POSSIBILITIES OFFERED BY ADDITIONAL FUNCTIONALITY SUCH AS PARCEL DELIVERY, EVACUATION APP, AND MORE. WE HAVE JUST UPGRADED TO THE CLOUD-BASED SOLUTION. OUR NEXT STEP WILL BE TO ROLL OUT THE SOLUTION TO MORE OF OUR LOCATIONS."*

OFFICE MANAGER AT A COMPANY USING YOUNIQ VISIT



# WHAT IS BIOMETRICS?

The word biometrics comes from the Greek words bi'os (life) and me'tron (measure). The Biometrics Research Group defines biometrics as measurable physical and behavioral properties that make it possible to authenticate an individual person's identity. Biometrics is used as a collective term for the technologies used to measure a person's unique characteristics and thus authenticate his or her identity.

## BIOMETRIC TECHNOLOGIES AND MODALITIES

In biometrics, either a person's personal attributes, also known as modalities, such as fingerprints, face, palm or iris, or something that the person does, such as movement patterns or speech, are measured. Biometric technologies are automatic systems set up in order to: (1) collect biometric information (e.g., fingerprints) from a person; (2) extract information from the material for a template; (3) compare information from templates saved previously; (4) determine whether the biometric information is identical.

Biometric technologies therefore consist of both hardware, such as fingerprint sensors and cameras, that can physically read biometric information, and software that works with the hardware to collect the biometric information and then extract, compare and verify the information.

## LIVENESS AND ANTI-SPOOF

In addition to verifying that certain biometric information comes from a certain person, they often also want to ensure that the biometric information comes from a living, physical person. In order to prevent fraudsters from attempting to fool the systems by such means as collecting a fingerprint from an object and then creating different impressions in clay, glue, gelatin, etc., different forms of anti-spoof protection are used. These can be placed directly in the hardware; some sensors

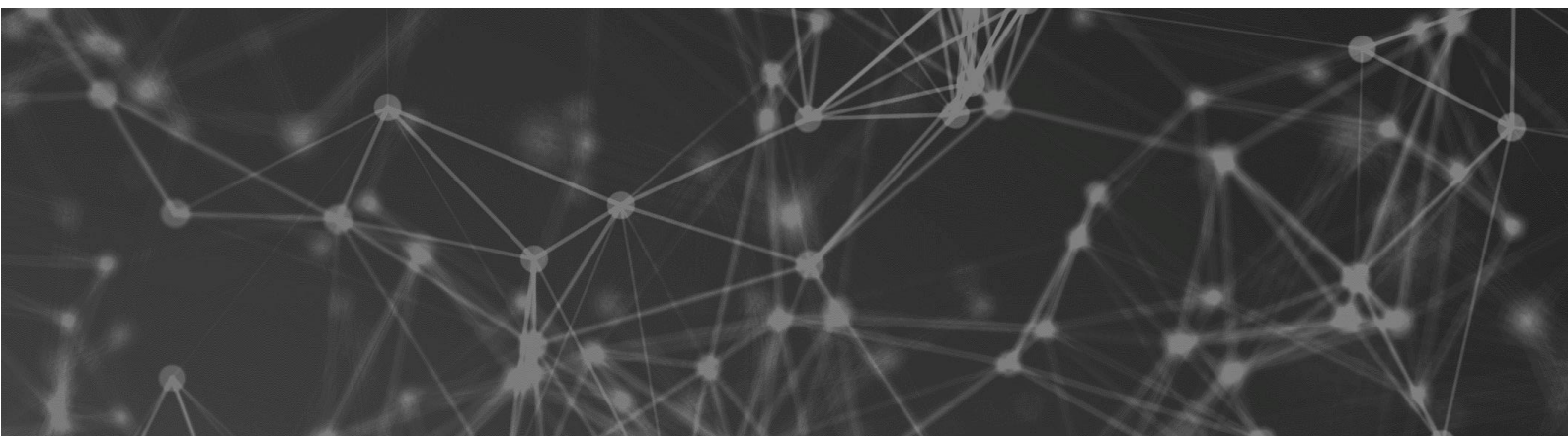
can, for example, read whether the material conducts current, like a finger, or illuminate a finger with different lights to see the inner layers of the skin. Other solutions use software optimized to recognize differences in materials. Some systems use a combination of both hardware- and software-based anti-spoof protection.

## USER EXPERIENCE

Central to the user experience of a biometric solution is that it is comfortable for the user and works with the greatest possible security. For a good user experience, the system normally also needs to be quick to process the information in order to verify the individual. For example, you don't want to have to wait for the phone to be unlocked or for you to be let into a property with your fingerprint or face. Ideally, you should be able to use a biometric solution as automatically and easily as possible, while at the same time achieving a high level of built-in security with a biometric system.

## FAR/FRR

The terms FAR (False Acceptance Rate) and FRR (False Rejection Rate) are used to describe the security of a solution. These terms have a symbiotic relationship with one another and are determined by the limits in the software. A low FAR means a more secure solution (no unauthorized persons are allowed in), but it can result in a high FRR (more authorized persons are denied). A high-quality biometric system with a good user experience provides rapid authentication and has a high level of accuracy (low FAR and FRR values). Biometrics also provides a very high level of security equivalent to at least 1/50,000, meaning that, theoretically, one person in 50,000 gains unauthorized access. Combined with the direct link to the person's identity and the risk of a PIN or password being exposed to another person, biometrics provides superior security compared to a mobile phone PIN or the like.



# THE FUTURE OF ULTRASONIC

Biometric recognition has been pivotal in making people's everyday life safe and seamless for years. While it has been around for some time, it has only recently established its position as the new premium standard. Emerging as a revolutionary solution, ultrasonic offers exceptional performance, security, and design flexibility.

## BREAKING BARRIERS WITH ULTRASONIC FINGERPRINT TECH

Precise is at the forefront of this ultrasonic innovation, offering exceptional matching capabilities as well as tampering-resistant and liveness capabilities, collaborating with hardware pioneers like Qualcomm Technologies, Inc to deliver solutions that are transforming the industry.

## THE POWER OF ULTRASONIC

Unlike optical or capacitive fingerprint sensors, ultrasonic technology leverages sound waves to capture the unique patterns of a fingerprint. This method has better performance and allows for greater flexibility in sensor placement, enabling biometric readers to function seamlessly under modern high-resolution screens or other materials. This flexibility not only simplifies the integration but also enhances user experience and reduces design and production costs.

## KEY BENEFITS:

- **Performance Excellence:** Ultrasonic sensors deliver superior performance in tough conditions, such as when fingers are wet, dirty, or in outdoor environments.
- **Design Innovation:** The ability to place sensors under screens or materials simplifies device design and contributes to the sleek aesthetic of modern devices, as well as reducing design and manufacturing costs.
- **Enhanced Security:** Ultrasonic technology has the potential to provide an additional layer of security, but achieving high security requires the right solution set and deep expertise in anti-tampering and liveness detection. The complexity of developing secure ultrasonic algorithms is one of the reasons why Precise remains among the few companies worldwide excelling in this field. The use of sound waves makes it significantly more difficult for attackers to replicate fingerprints using traditional methods, such as printed copies. However, more sophisticated spoofing techniques exist, underscoring the need for a first-class anti-tampering solution that can effectively counteract advanced threats.

## THE COMPLEXITY OF ALGORITHMS

While capacitive and optical sensors capture photos, ultrasonic sensors use sound waves. This is complex and places high demands on sensor manufacturers and software algorithm developers. The complexity increases when moving from the matching process to anti-tampering and liveness capabilities. While hardware sensors capture the raw fingerprint data, the real magic happens within the software algorithms. These algorithms must process the data to create a digital representation of the fingerprint, ensuring high accuracy, anti-tampering measures, and liveness detection.

*"Matching an ultrasonic fingerprint is nothing like comparing data from an optic or capacitive sensor, it's far more complex. It adds a layer of complexity that requires advanced algorithms,"* explains Fredrik Rosqvist, Product Owner at Precise. *"Our 25 years of experience in biometrics and deep expertise in AI enable us to tackle these challenges effectively. Today, several premium smartphones on the market rely on our ultrasonic algorithms, showcasing the trust we have earned."*

## TACKLING THE CHALLENGES

Developing algorithms for ultrasonic fingerprints is no small feat. The software must:

- Accurately process data based on sound waves, which is inherently different from optical or capacitive data.
- Implement robust tampering-resistant mechanisms to help prevent spoofing.
- Deliver reliable liveness detection, distinguishing between real fingers and artificial replicas.
- Foster tight collaboration between sensor manufacturers and software algorithm developers, which is even more critical than for other technologies. Sometimes even collaboration with end customers (the mobile phone brands) is key to success.

Precise stands out as one of the few vendors capable of addressing these challenges comprehensively.

## EXPERT INSIGHTS: Q&A

To provide a deeper understanding of ultrasonic technology, we spoke with stakeholders driving innovation in this space.

**Fredrik Rosqvist, Product Owner at Precise Biometrics**

**Q:** What excites you most about this technology? **A:** The combination of high security and fantastic user experience,

together with the potential for design innovation, is remarkable. Being able to place sensors under screens or other materials opens up endless possibilities.

**Q:** What sets Precise apart in the ultrasonic market? **A:** Our deep expertise in algorithm development and AI allows us to address the unique challenges posed by ultrasonic data. We've developed solutions that not only enhance accuracy but also integrate sophisticated anti-tampering and liveness detection measures, which are crucial for high security.

**Q:** How does ultrasonic development differ from traditional methods? **A:** The fundamental difference lies in the data type. Sound waves produce a very different dataset compared to optical or capacitive sensors. This requires entirely new approaches to data processing and pattern recognition.

**Q:** What are the challenges in developing anti-tampering and liveness detection features? **A:** The challenge is creating algorithms that can detect extremely subtle differences between real and fake fingerprints. It's a continuous arms race against increasingly sophisticated spoofing methods.

#### **Alan Goode, CEO & Chief Analyst at Goode Intelligence**

**Q:** What is the market's perception of ultrasonic technology?

**A:** There's a growing recognition of its advantages, particularly in terms of security, usability, and design flexibility. We are seeing increasing demand for ultrasonic biometric sensors and the technology's potential is undeniable. We can also see a price drop in the ultrasonic sensors which will help accelerate the expansion further.

**Q:** Where do you see the segment heading in the next few years? **A:** I anticipate widespread adoption, both in premium devices and in the mid-range segment. Companies like Precise will play a critical role in driving this shift.

**Q:** How big is the market today, and how big will it be in five years? **A:** Estimates suggest the global ultrasonic sensor market is valued at \$1.2 billion today and is expected to grow to over \$3 billion by 2030, driven by increasing adoption in both premium and mid-range devices.

#### **Gordon Thomas, Senior Director, Product Management, at Qualcomm Technologies, Inc.**

**Q:** How would you describe Qualcomm Technologies' position within the ultrasonic segment? **A:** Qualcomm Technologies has been at the forefront of innovation in ultrasonic fingerprint sensor technology, helping to revolutionize biometric security in mobile devices. By using high-frequency sound waves, our Qualcomm® 3D Sonic

sensors capture detailed images of a fingerprint, offering enhanced accuracy and security compared to traditional optical sensors. This cutting-edge technology, first commercialized in the mobile industry by Qualcomm Technologies, has set a new benchmark for security-rich and superior user authentication in smartphones and other devices.

**Q:** How has the collaboration with Precise contributed to Qualcomm Technologies' biometric solutions? **A:** Precise's algorithms are a perfect complement to our sensors, ensuring that we deliver industry-leading performance at high security. Their ability to address the unique challenges of ultrasonic data has been invaluable.

**Q:** What's next for Qualcomm Technologies in the ultrasonic biometric space? **A:** We're focused on pushing the boundaries of what's possible, aligning with the biometric industry needs, and improving user experience through innovation.

**Q:** How will the industry benefit from the Qualcomm Technologies and Precise's collaboration? **A:** This joint effort combines Qualcomm Technologies' advanced 3D Sonic Sensor with Precise's cutting-edge algorithms. This synergy ensures devices equipped with our joint solution deliver industry-leading performance, security, and flexibility, catering to the evolving demands of OEMs and end-users alike.

#### **Fredrik André, CMO at Precise Biometrics**

**Q:** Where do you see the ultrasonic segment heading, and what about Precise's position? **A:** Ultrasonic will expand beyond its current single-digit market share, expanding from premium to mid-range segments and into other design-focused products like laptops and cars. While new players may enter, Precise will further strengthen its position with more powerful solutions. The segment is also shifting from hardware-centric to software-driven, accelerated by AI, innovation, and evolving user needs.

## **LOOKING AHEAD**

Ultrasonic fingerprint technology represents a significant leap forward in biometric authentication. As the market evolves, collaboration between hardware and software innovators will be crucial to overcoming challenges and unlocking the full potential of this technology. With its pioneering algorithms, Precise is poised to remain a key player in shaping the future of secure and seamless user authentication.



# SUSTAINABILITY

Sustainability is an important cornerstone of Precise's business, and we are working actively to promote social and environmental awareness. We do this primarily by being a responsible employer, reducing our environmental impact and conducting our business responsibly. The company works actively in these areas to contribute to a more sustainable society.

The company focuses primarily on the areas where the business is considered to have the greatest impact:

- The working environment, health and safety
- Equal treatment in all relationships
- Business ethics
- Own environmental impact
- IT security and anti-corruption

Precise's operations have a limited environmental impact, due to their digital and technological nature.

The technical solutions we develop create increased digitalization and thereby contribute to both a reduced environmental impact and increased security in society. Reduced environmental impact is primarily achieved through simplified logistics and administration, as well as reduced use of plastic cards/tags, for example. Increased security is achieved by YOU being the key instead of using a code, card or tag.

## SUSTAINABILITY POLICY

Precise has implemented a sustainability policy including several points in accordance with the environmental goals as set out in Agenda 2030. It serves as a guiding star for the company's actions, both operationally and strategically. Precise evaluates and develops the company's efforts in this area on an ongoing basis in order to further integrate sustainability into the company's development.

## WORKING ENVIRONMENT, HEALTH & SAFETY

Precise is a knowledge-based company that depends on the desire and ambition of our employees to continuously push the limits of technology. The company works actively to be an attractive employer and to create a working environment that gives employees the right conditions to develop.

Based on Precise's core values and on a basic premise that all employees play an important role in the business, Precise strives to create a working environment in which people want

to work, to challenge themselves and to be involved in developing the company.

Creating openness, an understanding of the company's goals, responsibility to the individual, training and salary benefits, and the creation of a stimulating, secure working environment, are all focus areas for the company.

The core values are:

- Passionately committed
- Smarter together
- Everyday pioneers

## EQUAL TREATMENT IN ALL RELATIONSHIPS

Precise is developing to become an increasingly international company with increased diversity. Different backgrounds and experiences are important for the company's development, and Precise does not accept any form of discrimination against employees in connection with employment or duties at work on the basis of gender, religion, age, physical ability, sexual orientation, nationality, political opinion or social or ethnic origin. The company's long-term objective for equality is that there shall be no differences in the company with regard to professional roles and levels of compensation that can be related to gender affiliation or other similar factors. Furthermore, all employees should perceive that they have equal standing regardless of gender in their day-to-day work and in respect of the impact of work on their private and family life. The company also has the ambition to promote a more even gender balance, although without compromising on competence, and to achieve a situation in which the number of company employees is more evenly distributed with respect to gender within all units.

## CODE OF CONDUCT & ETHICS

The company's Code of Conduct emphasizes the fundamental ethical principles that Precise observes when conducting its business operations, and supports the company's employees and consultants in their relations with business partners and other stakeholders.

The Code of Conduct includes, among other things, guidelines, values and rules on ethical business, relationships with employees, customers and suppliers, and information to shareholders. All employees are expected to support and up-

hold the company's values and responsibilities. The company's employees, business partners and other stakeholders have the opportunity to report any possible serious or sensitive irregularities or improper conduct that could have a detrimental effect on the company's business operations or stakeholders through what is known as a whistleblowing procedure.

## OUR ENVIRONMENTAL IMPACT

Precise strives to select efficient, sustainable alternatives in order to reduce the company's impact on the environment. The company develops and sells biometric products for identification, which in itself has little impact on the environment. Precise strives to choose an environmentally friendly IT infrastructure and deliver software solutions as downloadable files, which involves minimal environmental impact in connection with delivery and distribution. Precise is growing to become an increasingly international company with operations in a number of countries in Europe, North America and Asia. As air travel accounted for a large proportion of the company's cli-

mate impact before Covid-19, the use of videoconferencing was always encouraged in order to minimize the number of trips. For example, the office in Shanghai made it possible to offer local support and service to customers, reducing the number of flights from Europe to Asia significantly. During the year, the company continued to hold a majority of booked meetings virtually, which reduced physical travel. When traveling physically, the company always strives to reduce its climate impact as much as possible.

The company operates in premises with environmental certification in accordance with Miljöbyggnad Guld, LEED Platinum and Green Building. LEED is an international certification system that assesses environmental impact from five aspects: the location of the premises, water-saving, energy consumption, internal environment, and material and resource consumption. Precise evaluates procedures and work methods on an ongoing basis in order to identify more effective methods that reduce the company's environmental impact.



# THE SHARE & SHAREHOLDERS

## HISTORY

Precise's share was introduced on the Stockholm Stock Exchange on October 3, 2000.

As of December 31, 2024, the company had 77,379,327 common shares listed on the Small Cap list of Nasdaq Stockholm. The company also holds 1,085,000 Class C shares as an effect of the long-term incentive plan that was adopted by the 2022 Annual General Meeting. These C shares are redeemable and convertible and have a voting right of 1/10. A standard trading unit is one share. The short name is PREC and the ISIN code is SE0001823303.

## SHARE PRICE DEVELOPMENT

In 2024, there was a total turnover of 387,756,036 PREC shares, representing an average turnover of 1,544,844 shares per day of trading. The closing price on December 30, 2024

was SEK 4.94. During the year the share price fluctuated between SEK 0.80 and SEK 8.80.

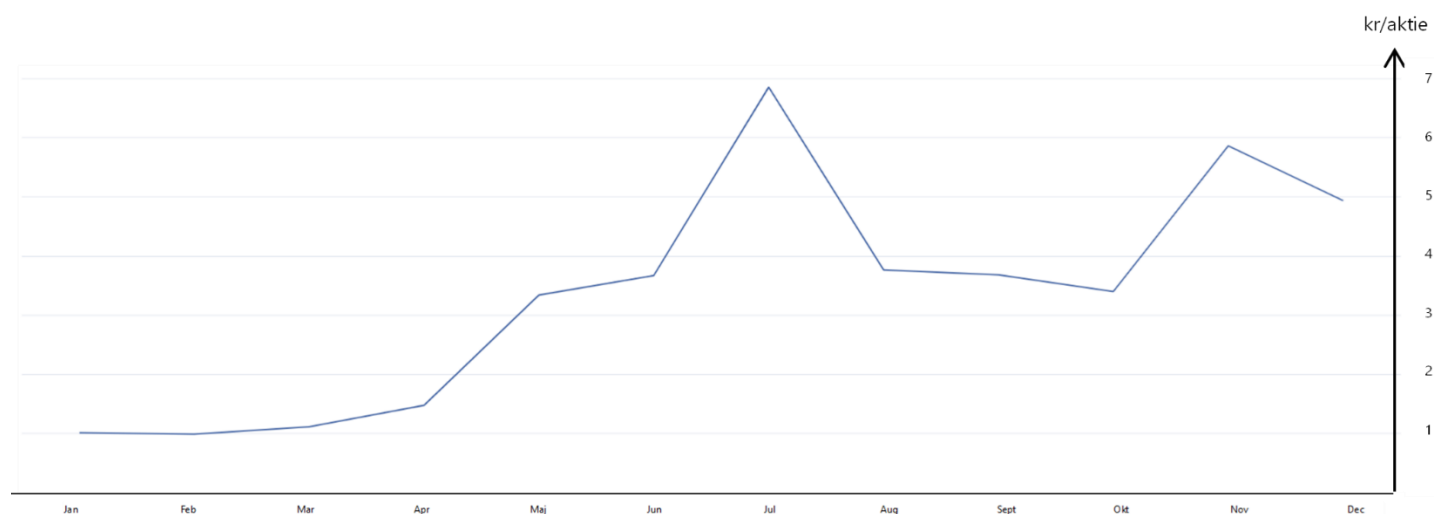
## OWNERSHIP

The number of shareholders at year-end was 22,672 (16,612). Foreign shareholders accounted for 15.40% (14.75). See table for shareholder statistics as of December 31, 2024. Precise has an option program, see Notes 6 and 11 in the notes for the group for further information.

## SHAREHOLDER INFORMATION

Previously published annual reports, interim reports and other information can be found at [www.precisebiometrics.com](http://www.precisebiometrics.com)

Questions can be addressed directly to the company via email to [investor@precisebiometrics.com](mailto:investor@precisebiometrics.com)



Share price development





## SHARE CAPITAL DEVELOPMENT OVER THE LAST TEN YEARS

	INCREASE IN NUMBER OF SHARES	TOTAL NUMBER OF SHARES	CHANGE IN SHARE CAPITAL, SEK	TOTAL SHARE CAPITAL, SEK	QUOTA VALUE, SEK
2013 – New issue 1)	58,782,926	323,306,094	16,459,219	90,525,706	0.28
2013 – New issue 2)	22,000,000	345,306,094	6,160,000	96,685,706	0.28
2015 – Reduction of share capital 3)	-	345,306,094	-86,326,523	10,359,183	0.03
2016 – New issue 4)	14,925,373	360,231,467	447,761	10,806,944	0.03
2021 – New issue 5)	6,982,473	367,213,940	209,474	11,016,418	0.03
2021 – New issue 6)	28,750,000	395,963,940	862,500	11,878,918	0.03
2022 – Consolidation (1:10) 7)	-	39,596,394	-	11,878,918	0.3
2022 – New issue 8)	2,871,564	42,467,958	861,469	12,740,387	0.3
2022 – New issue 9)	3,959,639	46,427,597	1,187,892	13,928,279	0.3
2022 – New issue of Class C shares LTI program 10)	1,085,000	47,512,597	325,500	14,253,779	0.3
2023 – New issue 11)	30,951,730	78,464,327	9,285,519	23,539,298	0.3

- 1) Issue with preferential rights to existing shareholders. The subscription price amounted to SEK 0.93 and Precise received an issue amount of SEK 54.7 million.
- 2) Directed issue of 22 million shares. The subscription price amounted to SEK 3.90 and Precise received an issue amount of SEK 85.8 million.
- 3) Reduction of share capital. The AGM decided, in accordance with the Board's proposal, that the company's share capital should be reduced from SEK 96.7 million to SEK 10.4 million. The reduction represents a decline in the quota value of the shares of SEK 0.25 from SEK 0.28 to SEK 0.03.
- 4) Directed issue of 14.9 million shares. The subscription price amounted to SEK 3.35 and Precise received an issue amount of SEK 47.2 million.
- 5) Offset issue of 6,982,473 shares. The subscription price amounted to SEK 1 and Precise received an issue amount of SEK 6.5 million.
- 6) Directed issue of 28,750,000 shares. The subscription price amounted to SEK 0.80 and Precise received an issue amount of SEK 23 million.
- 7) Consolidation of shares (1:10). Prior to the consolidation, there were 395,963,940 shares, and after the consolidation, the total number of shares was 39,596,394. The company's share capital remained unchanged at SEK 11,878,918.20 and the quota value of the share changed from SEK 0.03 to approximately SEK 0.3.
- 8) Issue with preferential rights for existing shareholders of 2,871,564 shares in total. The subscription price amounted to SEK 6.44 and Precise received an issue amount of SEK 18,492,872 million.
- 9) Directed issue of 3,959,639 million shares. The subscription price amounted to SEK 6.44 and Precise received an issue amount of SEK 25,500,075 million.
- 10) Issue and buyback of Class C shares for long-term share bonus program for employees (LTI 2022/2028). The total number of shares as of December 31, 2022 therefore amounts to 47,512,597 shares, of which 46,427,597 are common shares and 1,085,000 Class C shares.
- 11) Issue with preferential rights for existing shareholders of 30,951,730 shares in total. The subscription price amounted to SEK 1.6 and Precise received an issue amount of SEK 49,522,768.

## OWNERSHIP STATISTICS

### SHAREHOLDER REGISTER

	PREC	PREC C	% OF CAPITAL	% OF VOTES
Egis Technology Inc	5,503,419		7.0%	7.1%
Avanza Pension	3,859,147		4.9%	5.0%
Nordnet Pensionsförsäkring	2,053,739		2.6%	2.7%
RM International AB	1,357,700		1.7%	1.8%
Precise Biometrics AB	-	1,085,000	1.4%	0.1%
Timo Hiltunen	881,485		1.1%	1.1%
Lars Ingvarsson	861,239		1.1%	1.1%
Douglas Storckenfeldt	650,000		0.8%	0.8%
Håkan Vilhelmsson	607,500		0.8%	0.8%
SEB Investment Management	582,581		0.7%	0.8%
Others	61,022,517		77.9%	78.7%
<b>Total</b>	<b>77,379,327</b>	<b>1,085,000</b>	<b>100.0%</b>	<b>100.0%</b>

### ALLOCATION OF SHAREHOLDERS

	NUMBER OF SHARES	% OF CAPITAL
Foreign owners	12,084,094	15.4%
Swedish owners	66,380,233	84.6%
Unknown country	3,637,977	4.5%
- of which institutions	3,164,188	4.0%
- of which private individuals	55,987,386	71.4%



## ALLOCATION OF SHARES

	% OF CAPITAL
10 largest shareholders	22.2%
20 largest shareholders	28.0%
30 largest shareholders	31.8%

## SHAREHOLDER STATISTICS (NUMBER OF SHARES OWNED)

	NO. OF SHAREHOLDERS	NO. IN %	NUMBER OF SHARES	% OF VOTES
1 - 2,000	19,330	85.3%	6,918,910	8.9%
2,001 - 10,000	2,400	10.6%	10,907,357	14.1%
10,001 - 1,000,000	937	4.1%	43,141,764	55.7%
1,000,001 -	5	0.0%	13,859,005	16.6%
Unknown ownership	0	0.0%	3,637,291	4.7%
<b>Total</b>	<b>22,672</b>	<b>100.0%</b>	<b>78,464,327</b>	<b>100.0%</b>

## GEOGRAPHIC DISTRIBUTION OF SHAREHOLDINGS IN %

	% OF CAPITAL
Sweden	84.6%
Taiwan	7.0%
Finland	1.8%
Denmark	1.7%
Norway	0.1%
Other countries	0.2%
Anonymous ownership	4.6%
<b>Total</b>	<b>100.0%</b>

Source: Monitor, Modular Finance AB. Compiled and processed data from sources including Euroclear, Morningstar and the Swedish Financial Supervisory Authority.



# ADMINISTRATION REPORT

The Board of Directors and the CEO of Precise Biometrics AB (publ), CIN 556545-6596, with headquarters in Lund Municipality, Sweden, hereby submit their Annual Report and consolidated financial statements for the fiscal year 2024.

## THE BUSINESS

Precise focuses its operations in two business areas: Digital Identity, with solutions for physical access and visitor management, and Biometric Technologies, with biometric recognition (identification and authentication) software for areas of application such as mobile phones, laptops and cars. The aim of having two business areas is to diversify the business and take advantage of the underlying specific customer needs and growth trends in the market in the best possible way. They also create clarity in customer targeting, as the business areas are aimed at different customer segments.

### DIGITAL IDENTITY

The Digital Identity product portfolio consists of:

**YOUNiQ Access** – a physical access management system based on biometrics such as facial recognition.

**YOUNiQ Visit by EastCoast** – system for secure and efficient visitor management in companies.

### BIOMETRIC TECHNOLOGIES

The Biometric Technologies product portfolio consists of:

**BioMatch** is our software (AI algorithms based on advanced image analysis) to match and verify a person's fingerprint, palm print, etc.

**BioLive** is our anti-tampering and liveness product for preventing fraud and tampering through the use of fake palm or fingerprints.

**BioEnhance** is our product for image enhancement, e.g., regarding fingerprints before matching.

There are also products adapted for different biometric modalities, verticals and technology environments, such as mobile phones and embedded systems.

Precise works on an ongoing basis to develop integrated solutions between the company's various product areas to further streamline customer flows of visits and access. One example is integration between access and visitor systems to create an elegant flow based on facial recognition.

## IMPORTANT EVENTS DURING THE FISCAL YEAR

- Precise signed a commercial license agreement with LaserSemicon CO.,LT (formerly CanvasBio), a Korean manufacturer of fingerprint sensors. The signed license agreement gives the right to commercial use of the Precise BioMatch algorithm as part of LaserSemicon's fingerprint sensors, and the first project will be for laptops.
- On March 22, Precise launched a new product and biometric modality – hand recognition – that will complement the current fingerprint and facial recognition modalities.
- Precise signed an agreement for a dedicated sales team in Amsterdam to target the Dutch market, with the aim of gaining market share for its YOUNiQ Visit visitor system.
- The company expanded its partnership with Flowscape Technology and signed a new agreement for the global sale of the YOUNiQ Visit visitor management system.
- Precise launched enhanced AI-based security features to detect and prevent tampering and fraud attempts in biometric systems.
- Precise strengthened its management team by recruiting Maria Wester as new CFO.
- The company increased its focus on the development and innovation of ultrasound-based fingerprint solutions, a technology with great potential in security and identity verification.
- Precise and Infineon Technologies partnered to develop a biometric product for vehicles, focusing on secure and convenient identity verification.
- BioLive, Precise's AI-powered solution for preventing tampering and fraud, was launched in new industries to strengthen IT security.
- A new cooperation agreement with Crunchfish enables the integration of Precise software into Crunchfish's hand gesture control solutions, which opens up new areas of use for biometric technology.

## SIGNIFICANT EVENTS SINCE THE END OF THE FISCAL YEAR

- No significant events occurred after the end of the fiscal year that are deemed to have an impact on the company's financial position or future development.

## NET SALES AND EARNINGS

Net sales during the full-year period totaled SEK 86.9 (75.1) million. Net sales were split between royalty revenues of SEK 41.1 (17.7) million, license fees (including support and maintenance) of SEK 40.6 (49.8) million, and Other of SEK 5.2 (7.6) million. The increase in royalty revenues is largely due to Precise being correctly positioned within new sensor technologies such as ultrasonic and the number of units sold in the mobile market in general increasing during the year compared to 2023. License fees were down year-on-year mainly due to changes in the composition of customers and renegotiated license agreements due to the reduced support needs of some customers.

The gross margin during the full-year period totaled 72.6% (63.7%). The increase is primarily due to a change in the product mix in Digital Identity, which had a positive impact on the gross margin, as well as higher royalty revenues. Total amortization of capitalized development expenses was SEK 16.5 (18.4) million. Amortization of acquired intangible assets totaled SEK 2.4 (2.4) million.

Operating expenses for the full-year period decreased to SEK 72.5 (74.3) million, primarily due to lower R&D expenses, but also lower consultancy expenses. The profit/loss at EBITDA level increased to SEK 13.4 (-1.7) million. The improved EBITDA result is primarily attributable to higher royalty revenues in Biometric Technologies.

The operating profit/loss (EBIT) for the full-year period totaled SEK -9.4 (-26.5) million. The improved operating profit/loss is due to higher sales. Earnings for the full-year period totaled SEK -8.4 (-26.4) million. Depreciation/amortization totaled SEK 22.8 (24.8) million. Earnings per share (average number of shares) for the full-year period totaled SEK -0.11 (-0.34).

### BIOMETRIC TECHNOLOGIES

Net sales for Biometric Technologies totaled SEK 65.4 (52.8) million and are reported under royalties at SEK 41.1 (17.7) million, licenses at SEK 22.0 (31.5) million, and Other at SEK 2.4 (3.7) million. The increase in royalty revenues is largely due to Precise being correctly positioned within new sensor technologies

such as ultrasonic and the number of units sold in the mobile market in general increasing during the year compared to 2023. License fees were down year-on-year mainly due to changes in the composition of customers and renegotiated license agreements due to the reduced support needs of some customers. The gross margin during the full-year period was 83.7% (80.7%). The increase in gross margin is primarily due to higher sales.

### DIGITAL IDENTITY

Net sales for Digital Identity totaled SEK 21.4 (22.3) million and are reported under licenses at SEK 18.6 (18.3) million, and other revenue at SEK 2.8 (3.9) million. The change in revenues in Digital Identity is due to the fact that the proportion of Annual Recurring Revenue (ARR) increased, while non-recurring revenues decreased. This is part of the company's strategy to allocate a larger proportion of revenues as recurring ARR instead of one-off licenses. Other revenue consists mainly of non-recurring sales of hardware in the area of Digital Identity, and this has decreased. The ARR at the end of the interim period was SEK 19.0 (18.3) million. The gross margin during the full-year period was 38.7% (23.3). The higher gross margin is explained by a lower proportion of hardware sales and reduced depreciation.

## INVESTMENTS IN TANGIBLE ASSETS

The group invested SEK 0.5 (0.5) million in tangible assets during the year. Depreciation of tangible assets during the year totaled SEK 1.3 (1.4) million. Depreciation of right of use assets during the year totaled SEK 2.5 (2.4) million.

## INVESTMENTS IN INTANGIBLE ASSETS

Development expenses of SEK 11.0 (14.7) million were capitalized during the year. Amortization of capitalized development expenses totaled SEK 16.5 (18.4) million during the year, and this is recorded in the Cost of Goods Sold. The group invested SEK 0.0 (0.1) million in other intangible assets during the year. Amortization of other intangible assets totaled SEK 2.5 (2.5) million.

## NET FINANCIAL ITEMS & TAX

Net financial items for the full-year period totaled SEK 0.6 (-0.3) million and the tax expense totaled SEK 0.4 (0.3) million. Net financial items are attributable to exchange rate differences in cash and cash equivalents, interest income, interest

on the lease liability in accordance with IFRS 16, as well as interest expense on the deferred fixed purchase price related to the acquisition of EastCoast.

## FINANCIAL POSITION AND LIQUIDITY

Cash flow for the full-year period from operating activities totaled SEK 10.1 (-10.8) million, of which SEK -4.1 (-9.5) million is attributable to changes in working capital. The Group invested SEK 0.4 (1.2) million during the full-year period in property, plant and equipment. Total cash flow for the full-year period was SEK -10 (1.2) million. During the full-year period for 2023, a preferential share issue was carried out, in which the company received a total of SEK 39.5 million after issue costs.

Cash and cash equivalents at the end of the period totaled SEK 37.7 (47.5) million. Total equity at the end of the period was SEK 151.2 (159.3) million, and equity per share was SEK 1.93 (2.0).

Total equity at the end of the period was SEK 151.2 (159.3) million, and equity per share was SEK 1.9 (2.0).

## FIVE-YEAR SUMMARY

The Five-Year Summary, which is part of the administration report, appears on pages 40–42 in order to better illustrate financial development.

## THE SHARE & SHAREHOLDERS

At year-end, Precise's share capital was SEK 23,539,298, distributed among 78,464,327 shares, of which 77,379,327 were common shares listed on Nasdaq Stockholm's Small Cap list, Industrial Goods & Services Sector. A standard trading unit is one share. The quota value of the shares was SEK 0.30.

### SHARE PRICE DEVELOPMENT

In 2024, there was a total turnover of 387,756,036 PREC shares, representing an average turnover of 1,544,844 shares per day of trading. The closing price on December 30, 2024 was SEK 4.94. During the year the share price fluctuated between SEK 0.80 and SEK 8.80.

### OWNERSHIP

The number of shareholders at year-end was 22,672 (16,612). Foreign shareholders accounted for 15.4% (14.75). See table for shareholder statistics as of December 31, 2024 (found in "The share & shareholders" section on pages 20–23).

## TRANSFERABILITY OF SHARES

There are no limits on the transferability of the shares. Nor are there any agreements known to the company between shareholders that can involve limitations on the right to transfer shares.

## OPTION PROGRAM AND SHARE PROGRAM

At the end of 2024, there were no stock options. The Annual General Meeting 2022 resolved, in accordance with the Board's proposal, to establish a long-term share bonus program (LTI 2022/2028) for all employees at Precise Biometrics in the form of Profit Shares. In order to facilitate the implementation of LTI 2022/2028 and to ensure the delivery of Profit Shares to the participants who, in connection with the establishment of the program, purchased and registered shares on the stock exchange ("Saving Shares") and to cover the company's costs for social security contributions, the meeting also decided to amend the Articles of Association in the form of the introduction of new Class C shares, authorization for the Board of Directors to issue Class C shares, authorization for the Board of Directors to buy back Class C shares, and approval of the transfer of Profit Shares to participants in LTI 2022/2028. The implementation of Class C shares took place in Q4 2022. As of December 31, 2024, Precise held 1,085,000 Class C shares.

For additional information, please refer to Note 6 and Note 17 in the notes for the group. Employees lose the right to participate in the LTI program when notice is served.

## PATENTS

The company's overall patent strategy has the objective of securing the rights to our own technology and products in selected markets, creating value for future business, and enhancing the company's competitiveness. The patent portfolio at the end of 2024 includes 17 (11) registered patents in selected markets and 9 (19) patent applications within 9 (11) different patent families. Precise has refined the patent portfolio during the year by focusing on the geographical regions where the company sees the greatest value in its patents.

## TRADEMARKS

YOUNIQ is registered in the EU.

Precise BioMatch is registered in the EU, the USA and China. The BioMatch trademark is registered in the EU and the UK.

Precise Biometrics is registered as both an image and word mark in several countries.

BioLive is registered in the EU, the UK and the USA.

YOU are the key is registered in the EU and the UK.



## RESEARCH & DEVELOPMENT

Development at Precise is of fundamental importance for the company and is important in order to maintain competitiveness and new, continuously improved functions in an industry that is continuously developing. The company has a world-leading team in the area of research and development. With more than 20 years' experience of developing algorithm solutions for mobile phones and smart cards, the company has expertise that few can match in the industry. Precise's research and development department works with the development of existing products and patents, and to develop new solutions.

## ORGANIZATION AND STAFF

The organization consists of the head office in Lund, Sweden, and offices in Stockholm, Sweden, Potsdam, USA, and Shanghai, China. At the end of the full-year period the group had a workforce of 45 (42) people, including on-site consultants. The number of employees was 35 (31), of which 27 (24) were located in Sweden. Precise works in an agile way together with several partners, creating a fast-moving, scalable organization. The number of employees does not include partners. For additional information, please refer to Notes 5 and 6 in the notes for the group.

## GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

A decision was made at the 2024 Annual General Meeting on the adoption of guidelines for remuneration to senior executives as described below. These guidelines were applied in 2024.

### 1. HOW THE GUIDELINES PROMOTE PRECISE'S BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY

Precise simplifies everyday life for people by developing solutions for the convenient and secure identification and verification of people's identity. In addition to software for fingerprint recognition in mobile phones and payment cards, the company offers a product for the quick and secure verification of digital identity. Precise's vision is to enable convenient and secure identity authentication for everyone, everywhere. A prerequisite for the successful implementation of Precise's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company be able to re-

cruit and retain qualified personnel. The objective of Precise's guidelines for executive remuneration is therefore to offer competitive remuneration on market terms, so that competent and skillful personnel can be attracted, motivated and retained. These guidelines enable Precise Biometrics to offer senior executives a competitive total remuneration package. Further information about Precise's business strategy is available at [www.precisebiometrics.com](http://www.precisebiometrics.com).

Precise has ongoing long-term share-related incentive plans, which have been decided by the general meeting and are therefore excluded from these guidelines. These plans comprise, among others, senior executives and other employees in the company, and aim to offer employees an opportunity to take part in the company's value growth by promoting increased commitment and motivation to strive for long-term favorable financial development in the company. The share-related incentive plans further contribute to strengthening Precise's ability to recruit and retain qualified personnel and enable Precise Biometrics to offer a competitive total remuneration package. For more information regarding these incentive plans, please see Precise's website [www.precisebiometrics.com](http://www.precisebiometrics.com).

### 2. TYPES OF REMUNERATION, ETC.

Remuneration to senior executives shall be on market terms and entail both short and long-term incentives. Remuneration shall consist of fixed cash salary, pension benefits and other benefits and may also consist of variable cash remuneration. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

#### ***Fixed cash salary***

Fixed cash salary shall be on market terms and shall reflect the individual executive's responsibility, authority, competence and experience. Senior executives hired on a consulting basis shall receive remuneration based on market terms taking into account, to the extent possible, the overall purpose of these guidelines.

#### ***Variable cash remuneration***

Variable remuneration shall be based on predetermined, well-defined and measurable financial and non-financial criteria for the group. The variable remuneration for the CEO may amount to no more than 75% of the fixed cash salary, and may amount to no more than 50% of the fixed cash salary for other senior executives. The criteria for the variable cash remuneration shall primarily relate to the result, growth, financial posi-

tion and operations of the group. In addition, individual criteria may be established.

The criteria for variable cash remuneration shall be designed with the purpose of promoting Precise's business strategy and long-term interests, including its sustainability, for example, by being linked to the company's strategic focus areas and financial development. For the purpose of promoting a common endeavor of achieving the company's business strategy, long-term interests and sustainable development of the company, and in the long run increased shareholder value, all senior executives shall have substantially the same criteria for variable remuneration. The measurement period for the criteria for variable cash remuneration shall be one year.

#### ***Pension benefits***

CEO shall have defined contribution pension benefits. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for a defined contribution pension shall not exceed 25 percent of the fixed annual cash salary.

Other senior executives shall have defined contribution pension benefits, unless the executive is covered by a defined benefit pension in accordance with the mandatory collective agreement provisions. Variable cash remuneration shall not qualify for pension benefits, unless stipulated in the applicable pension policy or mandatory collective agreement provisions applicable to the executive. The pension premiums for a defined contribution pension shall be paid according to a premium plan that shall take the executive's age and pension-qualifying salary into account. The pension premiums according to such a premium plan shall amount to no more than 25 percent of the pension-qualifying salary unless other premium levels are stipulated in mandatory collective agreement provisions.

#### ***Other benefits***

Other benefits may include, for example, life insurance, health and medical insurance, occupational health service and company car. Such benefits may amount to no more than 10% of the fixed annual cash salary.

#### ***Foreign employment arrangements and expatriated executives***

To the extent that senior executives are covered by employment contracts subject to rules other than in Sweden, these may be duly adjusted to comply with mandatory rules or established local practice. Executives who are expatriated to or from Sweden may receive additional remuneration and other benefits to the extent reasonable in light of the special cir-

cumstances associated with the expatriate arrangement. Such benefits may amount to no more than 30 percent of the fixed annual cash salary. Remuneration covered by the guidelines in this part shall be determined with the overall purpose of these guidelines, to the extent possible, taken into account.

#### ***Remuneration to Board members***

If a Board member (including a Board member acting through a wholly owned company) performs work for Precise in addition to the assignment as a Board member, certain cash remuneration may be paid for such work (consulting fees) provided that such services promote the implementation of the business strategy, long-term interests and sustainability of Precise. The annual consulting fee shall be in line with market terms and be related to the benefits for Precise and for each Board member not to exceed the annual Board member remuneration. Such remuneration to Board members, and other terms and conditions, shall be decided by the Board of Directors.

### **3. THE SATISFACTION OF CRITERIA FOR AWARDING VARIABLE CASH REMUNERATION, ETC.**

The Remuneration Committee shall prepare, monitor and evaluate matters regarding variable cash remuneration on behalf of the Board of Directors. After the measurement period for awarding variable cash remuneration has ended, it shall be determined to what extent the criteria have been satisfied. Evaluations regarding fulfillment of financial criteria shall be based on established financial information for the relevant period. Remuneration to the CEO shall be decided by the Board of Directors based on the recommendations of the Remuneration Committee. Remuneration to other senior executives shall be decided by the CEO after consultation with the Remuneration Committee and the Board of Directors.

Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment. Programs and criteria for variable cash remuneration should be designed so that the Board of Directors, if exceptional economic circumstances prevail, has the possibility of limiting or refraining from payment of variable cash remuneration if such a measure is considered reasonable and compatible with the company's responsibilities towards shareholders, employees and other stakeholders. The Board of Directors shall have the possibility under applicable law or contractual provisions to reclaim, in full or in part, variable remuneration paid on incorrect grounds.

#### **4. EMPLOYMENT TERM AND TERMINATION OF EMPLOYMENT**

Senior executives shall be employed until further notice or, when applicable, be hired on a consulting basis. A mutual notice period of no more than six months shall apply between Precise and the CEO. Fixed cash salary and any severance pay for the CEO during the notice period shall in total not exceed an amount corresponding to twelve months of fixed cash salary. Severance payment shall not be paid if notice is served by the CEO.

A mutual notice period of no more than six months shall apply between Precise and other senior executives. Other senior executives are not entitled to severance pay.

Senior executives may be compensated for non-compete undertakings after the termination of the employment, however, only to the extent severance pay is not paid during the same period of time. The purpose of such remuneration shall be to compensate the senior executive for the difference between the fixed cash salary at the time of termination of the employment, and the (lower) income which is obtained, or could be obtained, by a new employment contract, assignment or own business. The remuneration may be paid during the period the non-compete undertaking is applicable, and no longer than a period of twelve months after termination of the employment.

#### **5. SALARY AND EMPLOYMENT CONDITIONS FOR EMPLOYEES**

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of Precise have been taken into account by including information on the employees' total income, the components of the remuneration, and the increase and growth rate over time, in the Remuneration Committee's and Board of Directors' basis for a decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

#### **6. THE DECISION-MAKING PROCESS TO DETERMINE, REVIEW AND IMPLEMENT THE GUIDELINES**

The Board of Directors has established a Remuneration Committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for senior executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the AGM. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate

programs for variable remuneration for executive management, the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in Precise. The members of the Remuneration Committee are independent of the company and its executive management. The Board members, the CEO and other members of executive management do not participate in the Remuneration Committee's or the Board of Directors' processing of and resolutions regarding remuneration-related matters insofar as they are affected by such matters.

#### **7. DEVIATIONS FROM THE GUIDELINES**

The Board of Directors may temporarily resolve to derogate from the guidelines, in full or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure Precise's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

## **CHANGE IN CONTROL CLAUSE**

There are no agreements between the company and its employees, with the exception of the employment contracts commented on above, under which compensation must be paid to employees if their employment is terminated as a result of a public takeover bid.

## **SUSTAINABILITY AND ENVIRONMENT**

Sustainability is an important part of Precise's business. The company focuses on the areas where our business is considered to have the greatest impact: Working Environment, Equal Treatment in All Relationships, Business Ethics and Environment.

Precise works continuously to create a workplace that prevents any unhealthy impact on the health and well-being of employees. Different backgrounds and experiences are important for the company's development, and Precise does not accept any form of discrimination against employees in connection with employment or duties at work on the basis of gender, religion, age, physical ability, sexual orientation, nationality, political opinion or social or ethnic origin.



The company's Code of Conduct emphasizes the fundamental ethical principles that Precise observes when conducting its business operations, and supports the company's employees and consultants in their relations with business partners and other stakeholders. The Code of Conduct includes, among other things, guidelines, values and rules on ethical business, relationships with employees, customers and suppliers, and information to shareholders.

Precise strives to select efficient, sustainable alternatives in order to reduce the company's impact on the environment. The company develops and sells fingerprint software, which in itself has little impact on the environment. Precise strives to choose an environmentally-friendly IT infrastructure and deliver software solutions as downloadable files, which involves minimal environmental impact in connection with delivery and distribution.

## SIGNIFICANT RISKS AND UNCERTAINTIES

The following specification of risk factors does not claim to be complete, nor are the risks ranked in their order of importance.

### ACQUISITIONS

EastCoast Solutions was acquired in December 2021 and an acquisition calculation was prepared. Risk associated with acquisitions is primarily if sales and earnings in the future do not develop as planned, in which case there may be a need to write down intangible assets.

### TECHNOLOGICAL DEVELOPMENT

The market in which the company operates is subject to rapid changes. New technology and new players are constantly emerging. The Company's technology must therefore to a large extent be accepted by the leading players in the market, both by suppliers and customers. The market must be mature enough to understand and accept the new technology supplied by the company.

### MARKET DEVELOPMENT

As the market in which the company operates grows and the number of players increases, there is a risk that alternative technologies will be developed and that the price of comparable products will thereby be reduced. This can mean that major investments in marketing and sales may be required to achieve the expected sales volumes. There is also competition in the field of biometric authentication solutions, which may affect the company's opportunities to become established in this area.

### STAFF

There are a number of key persons in Precise who are important for operations, especially in research and development, where they possess unique skills. If one or more of these key persons should leave the company it could, in the short term, have a negative impact on the business. There is also a risk that the recruitment of new staff for these positions could take time and result in additional costs for the company.

### PARTNERS

The company cooperates with several partners. They include sensor manufacturers, systems integrators and suppliers of applications. The company relies on these partnerships so it can offer end customers complete security solutions. There is a risk of closure for one or more of these partnerships, or that they fail to achieve the expected results, which would lead to a loss in expected future revenues.

### PATENTS AND INDUSTRIAL AND INTELLECTUAL PROPERTY RIGHTS

It is important for the company to protect its technology and products through patents or other industrial and intellectual property rights in order to create opportunities for future revenues. The company therefore pursues an active patent strategy, which involves applying for patents for strategically important inventions in selected countries. Nevertheless, it cannot be guaranteed that the company will obtain patents in the countries where it has made applications, or that patents will not be declared invalid. There is also a risk that the company's patents will be circumvented (known as a design around) or that the company's technology will be used in countries where the company has no patent protection. The company cannot guarantee that its products will not be considered to infringe on other granted patents or other intellectual property rights, and if such is the case the company's business, profits, opportunities to deliver products and financial position may be negatively affected.

### COMPETITORS

The company is active in the market for biometrics. The competition in this market is extreme. Competing companies can have substantially larger financial and industrial resources at their disposal than the company, and it cannot be ruled out that competition from players like this will lead to diminished market shares and/or a reduction in Precise's profitability.

### SALES

The biometrics market is still at an early stage. Judgments and decisions in a rapidly developing industry are made with reservation for several uncertainty factors. There is a dependency on partners and the development of

competitors, as well as the acceptance of biometrics in the market and by government agencies. Another important factor is the development rate and penetration of the services in which biometric solutions will be used, which leads to difficulties in predicting the future development of the business. The development of the company depends on the continued expansion of the market for biometrics. A delay in the penetration of more applications and markets will affect sales and profits. Risks inherent in Precise having been dependent on a small number of hardware partners for its sales have been reduced by having more customers and a platform-independent product portfolio.

### FORECASTING UNCERTAINTY

The company operates in a rapidly changing market. The market for biometric products is, in many respects, in an early stage of development, and revenues are to a large extent based on royalties based on use by customers. All products are characterized by long selling-in processes. Earlier or later submissions of orders can have a significant effect on sales and profits. These factors make forecasting very difficult.

### WAR AND CONFLICTS

The company has no customers or suppliers directly affected by the conflicts in Ukraine and Russia or in Israel and Palestine, but may feel the effects of the prevailing economic situation and increased costs that affect both Precise and the company's customers and suppliers. Furthermore, the recently imposed trade tariffs from the USA are not expected to have any direct impact on the company, but we are monitoring developments closely to identify any indirect effects.

### FINANCIAL RISKS

The company is exposed to various financial risks, which are managed in accordance with policies adopted by the Board. The company is mainly exposed to liquidity risk, capital risk, currency risk, credit risk and interest risk. There is no guarantee that new capital can be acquired if the need should arise, or that such capital can be acquired on favorable terms.

The currency risk to which the company is exposed arises primarily from the fact that the company's expenses are primarily in Swedish kronor (SEK), while a significant part of revenues are generated in foreign currency, mainly USD. The company works on the basis of a policy that aims to minimize currency exposure in the business by means of hedging USD. The company has guidelines on issuing credit to its customers. The company works continuously to minimize the period for which the company currently has capital tied up, particularly in accounts receivable. The company has an interest expense on the deferred fixed purchase price relating to the purchase of EastCoast. As a consequence of this, the company is exposed to a risk of rising interest rates.

For additional information, see Note 12 in the notes for the group.

## THE PARENT COMPANY

The parent company's net sales for the year totaled SEK 70.0 (53.8) million. The operating profit/loss totaled SEK -11.2 (-31.1) million and was affected by amortization of goodwill totaling SEK 2.5 (2.5) million.

Cash and cash equivalents at year-end totaled SEK 25.5 (35.6) million, and equity SEK 139.0 (149.3) million.

## PROPOSED DISTRIBUTION OF EARNINGS

The following assets are at the disposal of the AGM:

Share premium reserve, SEK	168,316,001
Retained earnings, SEK	-59,942,434
Net loss for the year, SEK	-10,273 509
Total non-restricted equity, SEK	98,100,058

The Board proposes that SEK 98,100,058 to be carried forward in a new account. The Board proposes that the AGM should not issue a dividend for the fiscal year 2024.



# CORPORATE GOVERNANCE REPORT

## 2024

The Corporate Governance Report provides a general description of how corporate governance within Precise works, how the company's decision-making functions, and how the company applies the Swedish Corporate Governance Code ("the Code"). Certain disclosures in accordance with Chapter 6, Section 6 of the Annual Accounts Act can be found in the Administration Report on pages 24–31 of the Annual Report.

### GOVERNANCE OF PRECISE

Corporate governance is the system through which the owners, directly or indirectly, govern and control a company. In a limited liability company like Precise, governance, control and management are allocated between the shareholders, auditors, Board of Directors and the CEO in accordance with current legislation, regulations and instructions. The governance of Precise is based on the Swedish Companies Act, the company's articles of association, the Nasdaq Stockholm rules for issuers (<https://www.nasdaq.com/solutions/rules-regulations-stockholm>), the Code ([www.bolagsstyrning.se](http://www.bolagsstyrning.se)), and internal policy documents such as the financial policy and the information policy, see website under Investors/Corporate Governance.

The Board of Directors of Precise is responsible for implementing appropriate corporate governance and reviews this annually together with senior executives. The Corporate Governance Report describes how Precise was governed in 2024. There are no deviations from the Code to report for the fiscal year 2024.

### ARTICLES OF ASSOCIATION

The company's articles of association contain no restrictions on the number of votes that each shareholder may cast at a shareholders' general meeting. The company's articles of association contain no special provisions concerning the appointment or dismissal of Board members, or concerning amendments to the articles of association.

### ANNUAL GENERAL MEETING

The AGM is Precise's highest ranking decision-making body and the forum through which shareholders can exercise their influence over the company. Shareholders have the right to

participate and to cast votes for all their shares. At the time of publication of the annual report, no shareholder in the company has a holding that represents more than one tenth of the voting rights for all shares in the company. At the AGM, shareholders exercise their right to vote by appointing Board members and external auditors, deciding on the adoption of the income statement and balance sheet, and expressing an opinion on the discharge from liability for Board members and the CEO in relation to the company. Guidelines on remuneration for senior executives are adopted at least every four years.

Precise Biometrics' AGM was held in Lund on Wednesday, May 22, 2024. The AGM adopted the accounts for 2023 and granted the Board of Directors and the CEO discharge from liability for the fiscal year 2023. In addition to mandatory matters, as set out in the articles of association, the following decisions were made:

- Torgny Hellström, Åsa Schwarz, Peter Gullander and Maria Rydén were re-elected as Board members, and Howard Ro was elected as a new Board member. Torgny Hellström was re-elected as Chairman of the Board.
- The accounting firm Ernst & Young AB was re-elected as the company's auditor for a mandate period of one year, with authorized public accountant Martin Henriksson as lead auditor.
- No dividend was paid for the fiscal year 2023.
- The size of the Board and committee fees was determined.

For further information on the decisions taken at the AGM 2024, please refer to the company's website under Investors/Corporate Governance/Annual General Meeting.

Precise's 2025 Annual General Meeting will be held on May 22, 2025. Shareholders wishing to participate in the meeting must be registered in the company's share register no later than May 14, 2025, and registration of voting rights that have been completed by the agent no later than May 16, 2025 will be included in the production of the share register. Applications to attend the meeting are to be made in the manner specified in the meeting notice.

## NOMINATION COMMITTEE

According to the principles for the organization of the nomination committee adopted at the AGM 2016, the nomination committee shall consist of representatives of two to three of the company's largest shareholders as of August 31 in the year before the year in which the AGM is held, and the Chairman of the Board. If any of these shareholders should forgo the opportunity to appoint a representative, the shareholder with the next largest holding shall be consulted.

The nomination committee prior to the AGM 2024 consisted of chair Julian Aleksov, appointed by MV Capital AB and Egis Technology, and Torgny Hellström, Chairman of the Board.

The nomination committee's motivating statement before the AGM 2024 stated that the nomination committee had, in preparing its proposal for the Board, applied rule 4.1 in the Code as a diversity policy. The aim of the policy is that the Board shall have an appropriate composition with due reference to the company's operations, stage of development and situation in general, characterized by versatility and breadth with regard to competence, experience and background, and that the aim should be to have an even gender balance. The AGM 2024 decided to appoint Board members in accordance with the nomination committee's proposal, which resulted in the current Board, consisting of five members, two of them women and three men, which the nomination committee considered to be appropriate as it corresponded to the target level that the Swedish Corporate Governance Board expressed prior to 2024. The nomination committee is of the opinion that work aimed at achieving a gender-equal Board in accordance with the Code should continue.

The nomination committee prior to the AGM 2025 consists of chair Julian Aleksov, appointed by Egis Technology, and Torgny Hellström, Chairman of the Board, appointed by RM International AB. In view of the company's ownership structure, the company has chosen to deviate from the Code's requirements on the size and composition of the nomination committee.

The nomination committee is assigned to submit proposals at the AGM to the Chairman of the Board and other Board members, including a motivating statement concerning the proposals, propose remuneration for Board members and auditors, and submit a proposal for a person to chair the AGM. In addition the nomination committee shall also express an opinion on the independence of the Board members in relation to the company and major shareholders.

## BOARD OF DIRECTORS

The Board is responsible for the company's organization and the administration of the company's affairs, and is tasked with managing the company's affairs on behalf of the owners in such a way that the owners' interest in a good, long-term return on capital invested is satisfied in the best possible way. The Board is responsible for ensuring that the company's organization is appropriate and that the business is run in accordance with the Swedish Companies Act, the articles of association, the Code, other applicable laws and regulations, and the Board's rules of procedure.

The Chairman organizes and leads the work of the Board. Issues dealt with during the year included strategy and long-term focus, organization, corporate governance, financing, and interim and year-end reports. The Board conducts ongoing evaluations of its work through reflections after the meetings. The Chairman of the Board presented the results of the Board evaluation to the nomination committee.

The Board follows written rules of procedure that are adopted every year. The rules of procedure include instructions for the Company's president, the assignments incumbent on the chairman, the agenda of Board meetings, and decision-making procedures. In accordance with the rules of procedure, eight ordinary Board meetings shall be held in addition to the statutory Board meeting. The Board meets according to an annual schedule adopted in advance. In addition to these, the Board convenes whenever necessary. In 2024, the Board held 11 Board meetings at which minutes were taken.

The Chairman organizes and leads the work of the Board. Issues dealt with during the year included strategy and long-term focus, appointment of the CEO, organization, corporate governance, financing, and interim and year-end reports. The Board conducted an evaluation of the Board in which members submitted their views on the Board and the work of the Board. The results were discussed at individual meetings between each Board member and the Chairman of the Board. The Chairman of the Board presented the results of the Board evaluation to the nomination committee.

The CEO keeps the Board of Directors up to date at all times on the development of the business. In addition to the ordinary meetings, the Chairman and other directors have been in continuous contact with senior executives in the company, primarily the CEO and the CFO. In addition to meetings where minutes were taken, the Board has received



monthly updates on the company's financial results and position.

Precise's Board of Directors shall, in accordance with the articles of association, consist of a minimum of three, and a maximum of seven members. Since the AGM 2024 the Board has consisted of five ordinary members: Torgny Hellström (ordförande), Maria Rydén, Åsa Schwarz, Howard Ro and Peter Gullander. All Board members are independent in relation to Precise and the company management, and four members are also independent in relation to major shareholders. At the time of the submission of the annual report, none of the Board members in the company have a direct or indirect holding in the company that represents at least one tenth of the voting rights for all shares in the company. The table below sets out the age, education and other assignments of Board members, together with their holding of financial instruments in the company. The table below also reports the attendance of members at Board and committee meetings, year elected, etc., as well as their independence.

## AUDIT COMMITTEE

The audit committee's undertaking is to support the Board in its work to fulfill its responsibilities in the areas of auditing, internal control and financial reporting. In addition to this, the work of the audit committee includes supporting the Board in the preparation of proposals for the choice of auditor and, when applicable, the procurement of audit services, monitoring the auditor's independence and staying informed

about the Swedish Supervisory Board of Public Accountants' quality control of the auditor. In 2024, the committee focused primarily on reporting (quarterly reports, annual financial reporting and internal reporting), business-related risks and internal control. The committee holds meetings two to three times a year and in conjunction with the compilation of each interim report. The committee held seven meetings during the year, of which four were in conjunction with the quarterly reports. The audit committee must meet the company's auditor at least twice in every calendar year. Since the AGM 2024 the company's audit committee has consisted of Board members Maria Rydén (committee chair), Torgny Hellström and Peter Gullander.

## COMPENSATION COMMITTEE

The duties of the compensation committee include issues concerning salaries, pension terms and conditions, appointment of a new CEO, incentive plans and other terms and conditions for the employment of the CEO and other senior executives. In 2024, the committee primarily focused on remuneration to senior executives and prepared the Board's proposal for guidelines for remuneration to senior executives, which can be found in the Administration Report. The committee held one meeting during the year. Since the AGM 2024, the company's compensation committee has consisted of Board members Torgny Hellström (committee chair) and Åsa Schwarz.



## BOARD OF DIRECTORS



**Torgny Hellström**  
Chairman

### YEAR OF SELECTION

2013

### YEAR OF BIRTH

1958

### EDUCATION

LL.M., IBM Executive Education

### OTHER SIGNIFICANT ASSIGNMENTS

Management consultant Ruddex International AB. Chairman of the Board at Swipp AB, Maximum Entertainment AB, Terranet AB and Drupps Group AB. Board member of Frenda AB.

### PREVIOUS ASSIGNMENTS

Chairman of the Board of DDM Holding AG, Starbreeze AB and MagComp AB. Board member of True Heading AB and Seapilot AB. CEO and executive positions Anoto Group, Ericsson and IBM.

### SHARES IN PRECISE

116,778 (through company and privately)

### ATTENDANCE/NUMBER OF BOARD MEETINGS

11/11

### COMMITTEE WORK

Audit committee & Compensation committee

### ATTENDANCE/NUMBER OF COMMITTEE MEETINGS

6/7 & 1/1

### INDEPENDENT OF THE COMPANY & ITS MANAGEMENT

Yes

### INDEPENDENT OF THE COMPANY, MANAGEMENT AND MAJOR SHAREHOLDERS

Yes



**Howard Ro**  
Board member

### YEAR OF SELECTION

2024

### YEAR OF BIRTH

1985

### EDUCATION

Bachelor of Economics, University of California

### OTHER SIGNIFICANT ASSIGNMENTS

Executive Vice President, Egis Technology

### PREVIOUS ASSIGNMENTS

Various executive positions in the financial sector in Taiwan, Hong Kong and Japan

### SHARES IN PRECISE

0

### ATTENDANCE/NUMBER OF BOARD MEETINGS

3/6

### COMMITTEE WORK

-

### ATTENDANCE/NUMBER OF COMMITTEE MEETINGS

-

### INDEPENDENT OF THE COMPANY AND ITS MANAGEMENT

Yes

### INDEPENDENT OF THE COMPANY, MANAGEMENT AND MAJOR SHAREHOLDERS

No



**Åsa Schwarz**  
Board member

### YEAR OF SELECTION

2019

### YEAR OF BIRTH

1973

### EDUCATION

Bachelor of Arts with a major in Computer and Systems Science and in Business Administration.

### OTHER SIGNIFICANT ASSIGNMENTS

Responsible for business development at Knowit Cybersecurity & Law. Board member at Enea and author in own company.

### PREVIOUS ASSIGNMENTS

20+ years of cybersecurity experience in roles as security specialist, marketing manager and founder of Cybercom, Nexus and Dagaz.

### SHARES IN PRECISE

28,444

### ATTENDANCE/NUMBER OF BOARD MEETINGS

11/11

### COMMITTEE WORK

Compensation committee

### ATTENDANCE/NUMBER OF COMMITTEE MEETINGS

1/1

### INDEPENDENT OF THE COMPANY & ITS MANAGEMENT

Yes

### INDEPENDENT OF THE COMPANY, MANAGEMENT AND MAJOR SHAREHOLDERS

Yes



## Maria Rydén

Board member

### YEAR OF SELECTION

2023

### YEAR OF BIRTH

1966

### EDUCATION

MBA

### OTHER SIGNIFICANT ASSIGNMENTS

Head of Reporting & Finance at Ramudden Global AB. Owner of Make Group AB and KeMa Invest AB. Member of the Nomination Committee at Kompis Assistans EF. Board assignments at Agtira AB.

### PREVIOUS ASSIGNMENTS

25 years of CFO experience from both listed and P/E-owned companies such as Salix Group AB, Beijer Ref AB, Ikano Fastigheter, Dole Nordics AB & SwitchCore AB. CEO of Ikano Vårdboende and auditor at Arthur Andersen. Chairman at APQ EI AB and Kompis Assistans. Misc. Board assignments

### SHARES IN PRECISE

70,000

### ATTENDANCE/NUMBER OF BOARD MEETINGS

10/11

### COMMITTEE WORK

Audit committee (chairman)

### ATTENDANCE/NUMBER OF COMMITTEE MEETINGS

7/7

### INDEPENDENT OF THE COMPANY AND ITS MANAGEMENT

Yes

### INDEPENDENT OF THE COMPANY, MANAGEMENT AND MAJOR SHAREHOLDERS

Yes



## Peter Gullander

Board member

### YEAR OF SELECTION

2022

### YEAR OF BIRTH

1968

### EDUCATION

M.Sc. in Engineering, MBA, INSEAD

### OTHER SIGNIFICANT ASSIGNMENTS

CEO & Fund Manager at Almi Invest Stockholm AB, CEO & Founder of YellowTree Advisors, Co-founder of Gapyel and Board assignments including Guldbrev.

### PREVIOUS ASSIGNMENTS

Over 20 years' experience in acquisitions and financing of tech companies from companies including Inlandsinnovation, Verdane Capital Advisors and Intel Capital.

### SHARES IN PRECISE

25,000

### ATTENDANCE/NUMBER OF BOARD MEETINGS

11/11

### COMMITTEE WORK

Audit committee

### ATTENDANCE/NUMBER OF COMMITTEE MEETINGS

7/7

### INDEPENDENT OF THE COMPANY AND ITS MANAGEMENT

Yes

### INDEPENDENT OF THE COMPANY, MANAGEMENT AND MAJOR SHAREHOLDERS

Yes

## GROUP EXECUTIVE TEAM

Precise's group executive team is based at the headquarters in Lund, Sweden. At the end of 2024, the group executive team consisted of the CEO, CFO, CCO Digital Identity, CCO Biometric Technologies and CMO. The composition of the group ensures short decision-making channels. The group held formal weekly meetings during the year and a strategy and budget meeting. The table below provides a more detailed presentation of the executive team.

## AUDITORS

At the AGM 2024, Ernst & Young AB (EY), with Martin Henriksson as lead auditor, was elected to be Precise's auditor for the period until the AGM 2025. The auditors undertake assignments for other listed companies, but not to such an extent that the time required is not allocated for Precise. The auditors have no assignments that would call into question their independence. As part of the audit assignment, the auditor participated in one Board meeting and three audit committee meetings, and has been in regular contact with the CEO, the CFO and the Chairman of the Board.

Information on remuneration to the auditors, both for the parent company and the group, can be found in Note 7 in the group's notes and in Note 6 in the parent company's notes.

## INTERNAL CONTROL AND RISK MANAGEMENT IN RESPECT OF FINANCIAL REPORTING

In accordance with both the Swedish Companies Act and the Code, the Board is responsible for ensuring that the company maintains a good level of internal control and is regularly informed of and evaluates how the company's system for internal control is working. The report has been limited to include only the internal control of financial reporting.

The company's organization and the way the business is run form an important platform for internal control. All areas of responsibility and employees have clearly defined roles. The most important policy documents are documented in the form of policies and instructions, and have been adopted by the Board and are revised annually. These documents are primarily the instructions for the CEO, the economic and financial policy, the Code of Conduct, the communication policy, and the insider policy.

### CONTROL ENVIRONMENT

Operational decisions are made by the group executive, while decisions on strategy, focus, acquisitions and general financial matters are made by the Board. Internal control is designed

to work in this organization. The basis of internal control in respect of financial reporting consists of the general control environment comprising an organization, decision-making paths, authorizations and responsibilities that have been documented and communicated.

The company's control environment also consists of collaboration between the group executive, the board and the compensation and audit committees. In order to create and maintain a functional control environment the Board has prepared several important documents for financial reporting. These documents consist of, among other things, the rules of procedure as applied by the Board and instructions for the CEO. The CEO is responsible for ensuring that the guidelines adopted by the Board are followed in daily operational work. The CEO briefs the Board on a fixed regular basis at Board meetings and through monthly reports. The company follows well-defined procedures in relation to annual and monthly financial reporting. The closing financial statements are presented to the Board according to a predetermined template.

The company's auditors report at least once every fiscal year to the Board and at least twice to the audit committee. An examination of internal control was performed within the framework of the external audit. The lead auditor also maintains regular contact with the Chairman of the Board.

### RISK ASSESSMENT

The group executive and the Board perform an assessment on an ongoing basis of the extent of the company's risk management, in particular in respect of financial reporting. The company pays special attention to risks in the financial statements, i.e., whether there are any accounting errors and the way in which assets and liabilities are valued. The management of internal transactions within the group can also be subject to risks. These risks are considered, however, to be of minor importance in that the company has a well-defined monthly financial reporting process and established follow-up procedures and policies.

### CONTROL ACTIVITIES

To guarantee that the financial reporting process at all times presents a fair and true view, a number of control activities have been integrated, and these involve various parts of the organization. The company has a limited number of people who are company signatories, and an appropriate set of attestation rules has been produced and is updated as required. Manual inspections are carried out to prevent errors in financial reporting. These inspections are also integrated into accounting and other IT systems.



## INFORMATION AND COMMUNICATION

Precise has defined how information and communication in respect of financial reporting shall take place effectively and correctly. The communication policy drawn up aims to promote the correctness of the company's communication, both externally and internally.

External information and communication take place in accordance with the EU's Market Abuse Regulation, Swedish law, the stock exchange's Rule Book for Issuers and the Code. The company issues interim financial statements for the business three times a year, as of March 31, June 30 and September 30. The company also reports on the year-end financial statements as of December 31 in its year-end report. All documents, press releases and presentations in connection with reports are available on the company's website.

The Board receives monthly reports from the CEO and the CFO about the company's financial position, development and projects in progress. The company continuously informs

staff of updates to accounting policies, policies and other changes in reporting requirements.

## FOLLOW-UP

The Board and the audit committee continually assess the information submitted by the group executive. The company's financial situation is reviewed at every board meeting and through monthly reports. Budget comparisons and forecasts, including analysis of any deviations, are described in the monthly reports. The board examines interim and year-end financial statements before they are published. The Board evaluates both its own work and that of the CEO.

## INTERNAL AUDITS

Precise has well-prepared governance and internal control systems, compliance with which is followed up regularly at various levels within the company. Precise is a relatively small company with a limited number of employees and clients. In view of this, the Board has decided that there is not currently a need to set up a special audit function. This assessment is reviewed annually by the Board.



## MANAGEMENT GROUP



**Joakim Nydemark**  
CEO

### EMPLOYED SINCE

2023

### YEAR OF BIRTH

1971

### EDUCATION

M.Sc.

### PREVIOUS ASSIGNMENTS

CEO of Crunchfish AB, TAT AB and Obigo AB. Board member at Hoodin AB, IMINT Image Intelligence AB, Ikivo AB, Blippit AB and Crunchfish Digital Cash AB.

### HOLDING

33 332 stocks



**Maria Wester**  
CFO

### EMPLOYED SINCE

2024

### YEAR OF BIRTH

1981

### EDUCATION

MBA

### PREVIOUS ASSIGNMENTS

CFO Lime Technologies, CFO Min Doktor, Managing Director Nordics and Finance Director Intertrust Group, several external board assignments via Intertrust Group.

### HOLDING

-



**Fredrik André**  
CMO

### EMPLOYED SINCE

2023

### YEAR OF BIRTH

1973

### EDUCATION

Master in Marketing & B.Sc. Building Design

### PREVIOUS ASSIGNMENTS

25 years of experience from senior and global positions in marketing and business development, primarily in tech/SaaS, at companies such as Avensia, Autodesk, A.P Moller Maersk, Medius, and Visma, etc.

### HOLDING

25 000 stocks



**Sarandis Kalogeropoulos**  
CCO Digital Identity

### EMPLOYED SINCE

2023

### YEAR OF BIRTH

1972

### EDUCATION

B.Sc. Engineering, M.Sc. Physics

### PREVIOUS ASSIGNMENTS

CCO and CPO at Anima/Kronaby. Prior to that, senior positions in technology, business development, product development and marketing at Sony Ericsson/Sony.

### HOLDING

-



**Henrik Winberg**  
CCO Biometric Technologies

### EMPLOYED SINCE

2023

### YEAR OF BIRTH

1976

### EDUCATION

M.Sc. in Technical Physics and Electrical Engineering

### PREVIOUS ASSIGNMENTS

Extensive experience from business development, product management and complex system sales at technology companies such as Dlaboratory Sweden, Crunchfish, Texas Instruments, Scalado and Saab Bofors Dynamics..

### HOLDING

-

# CONSOLIDATED FINANCIAL STATEMENTS

## FIVE-YEAR OVERVIEW (GROUP)

### INCOME STATEMENT

<i>Amounts in SEK thousands</i>	2024	2023	2022	2021	2020
Net sales	86,852	75,069	91,018	83,319	92,349
Cost of goods and services sold	-23,786	-27,246	-25,982	-19,776	-14,581
<b>Gross profit</b>	<b>63,066</b>	<b>47,823</b>	<b>65,036</b>	<b>63,543</b>	<b>77,768</b>
Selling expenses	-32,982	-27,420	-34,796	-31,649	-30,737
Administrative expenses	-13,789	-14,150	-17,613	-18,018	-15,181
R&D expenses	-26,966	-32,105	-34,905	-28,161	-35,941
Other operating income/expenses	1,256	-606	2,262	212	-1,701
<b>Operating profit/loss</b>	<b>-9,414</b>	<b>-26,458</b>	<b>-20,016</b>	<b>-14,073</b>	<b>-5,792</b>
Net financial items	630	-291	-3,453	724	-618
<b>Profit/loss after financial items</b>	<b>-8,784</b>	<b>-26,749</b>	<b>-23,470</b>	<b>-13,349</b>	<b>-6,410</b>
Tax	351	346	1,239	-97	-5,754
<b>Profit/loss for the year</b>	<b>-8,433</b>	<b>-26,403</b>	<b>-22,230</b>	<b>-13,446</b>	<b>-12,164</b>

### BALANCE SHEET

<i>Amounts in SEK thousands</i>	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
<b>Assets</b>					
Tangible assets	1,569	2,440	3,366	4,196	2,217
Right of use assets	9,071	4,008	5,724	7,270	6,705
Goodwill and intangible assets	124,741	132,751	138,898	135,480	47,664
Deferred tax assets	-	-	-	-	-
Current assets	67,686	73,467	65,234	94,106	96,367
- of which cash and cash equivalents	37,704	47,534	46,405	64,102	76,258
<b>Total assets</b>	<b>203,066</b>	<b>212,665</b>	<b>213,222</b>	<b>241,052</b>	<b>152,953</b>
<b>Equity and liabilities</b>					
Equity	151,163	159,319	146,302	128,053	114,044
Current liabilities	35,621	35,886	41,570	72,536	33,241
Long-term liabilities	16,281	17,460	25,350	40,463	5,668
<b>Total equity and liabilities</b>	<b>203,066</b>	<b>212,665</b>	<b>213,222</b>	<b>241,052</b>	<b>152,953</b>

## CASH FLOW STATEMENT

<i>Amounts in SEK thousands</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Cash flow from operating activities before changes in working capital					
changes in working capital	14,122	-1,238	852	1,089	6,083
Changes in working capital	-4,067	-9,522	3,079	-2,582	15,813
Cash flow from investing activities	-17,505	-25,316	-60,008	-30,258	-17,897
Cash flow from financing activities	-2,545	37,287	38,313	19,543	-1,378
<b>Change in cash &amp; cash equivalents</b>	<b>-9,994</b>	<b>1,211</b>	<b>-17,764</b>	<b>-12,208</b>	<b>2,621</b>

## KEY FIGURES (GROUP)

<i>Amounts in SEK thousands unless otherwise stated</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Net sales	86,852	75,069	91,018	83,319	92,349
Net sales growth, %	15.7%	-17.5%	9.2%	-9.8%	0.5%
Gross margin, %	72.6%	63.7%	71.5%	76.3%	84.2%
Operating profit/loss	-9,414	-26,458	-20,016	-14,073	-5,792
Operating profit/loss, total operation	-9,414	-26,458	-20,016	-14,073	-5,867
Working capital, total operation	38,019*	43,683*	33,498*	54,414*	63,126
Capital employed, total operation	162,455	176,724	146,302	128,053	119,712
Liquidity ratio, total operation,%	189%	204%	156%	129%	287%
Equity/assets ratio, total operation,%	74.4%	74.9%	68.6%	53.1%	74.6%
Return on equity, total operation, %	Neg	Neg	neg	neg	neg
Earnings per share before dilution, SEK	-0.11	-0.34	-0.47	-0.34	-0.34
Earnings per share before dilution, total operation, SEK	-0.11	-0.34	-0.47	-0.34	-0.34
Earnings per share after dilution, SEK	-0.11	-0.34	-0.47	-0.34	-0.34
Earnings per share after dilution, total operation, SEK	-0.11	-0.34	-0.47	-0.34	-0.34
Equity per share, total operation, SEK	1.93	2.03	3.08	3.23	3.17
No. of shares (thousands)	78,464	78,464	47,513	39,596	36,023
Weighted average number of shares, adjusted for dilution effect (thousands)	78,464	65,568	41,304	36,224	36,023
Number of employees at end of period	35	31	30	31	23
Average number of employees during the period	32	30	30	25	24
Annual Recurring Revenue**	18,980	18,307	16,190	-	-

\* The key indicator is calculated excluding current liabilities to RM International AB.

\*\* Annual Recurring Revenue has no comparative figures from previous periods.

See the Financial Glossary for definitions and purpose of key figures.



## RECONCILIATION OF ALTERNATIVE KEY INDICATORS (GROUP)

Amounts in SEK thousands unless otherwise stated

	2024	2023	2022	2021	2020
Gross profit	63,066	47,823	65,036	63,543	77,768
Net sales	86,852	75,069	91,018	83,319	92,349
<b>Gross margin, %</b>	<b>72.6%</b>	<b>63.7%</b>	<b>71.5%</b>	<b>76.3%</b>	<b>84.2%</b>
Operating profit/loss	-9,414	-26,458	-20,016	-14,073	-5,792
Net sales	86,852	75,069	91,018	83,319	92,349
<b>Operating margin, %</b>	<b>-10.8%</b>	<b>-35.2%</b>	<b>-22.0%</b>	<b>-16.9%</b>	<b>-6.3%</b>
EBITDA	13,379	-1,691	1,147	1,872	6,862
Depreciation & amortization	-22,794	-24,767	-21,163	-15,945	-12,654
Write-downs	-	-	-	-	-
<b>Operating profit/loss</b>	<b>-9,414</b>	<b>-26,458</b>	<b>-20,016</b>	<b>-14,073</b>	<b>-5,792</b>
EBITDA, total operation	13,379	-1,691	1,147	1,872	6,787
Depreciation & amortization, total operation	-22,794	-24,767	-21,163	-15,945	-12,654
Write-downs, total operation	-	-	-	-	-
<b>Operating profit/loss, total operation</b>	<b>-9,414</b>	<b>-26,458</b>	<b>-20,016</b>	<b>-14,073</b>	<b>-5,867</b>
Current assets	67,686	73,467	65,234	94,106	96,367
Current liabilities excl. current liabilities RM International AB	29,667	29,784	31,736	39,691	33,241
<b>Working capital, total operation</b>	<b>38,019</b>	<b>43,683</b>	<b>33,498</b>	<b>54,414</b>	<b>63,126</b>
Operating profit/loss, remaining operation	-9,414	-26,458	-20,016	-14,073	-5,792
Operating profit/loss, discontinued operation	-	-	-	-	-75
<b>Operating profit/loss, total operation</b>	<b>-9,414</b>	<b>-26,458</b>	<b>-20,016</b>	<b>-14,073</b>	<b>-5,867</b>
Selling expenses	-32,982	-27,420	-34,796	-31,649	-30,737
Administrative expenses	-13,789	-14,150	-17,613	-18,018	-15,181
R&D expenses	-26,966	-32,105	-34,905	-28,161	-35,941
Other operating income/expenses	1,256	-606	2,262	212	-1,701
<b>Total operating expenses</b>	<b>-72,480</b>	<b>-74,281</b>	<b>-85,052</b>	<b>-77,616</b>	<b>-83,560</b>
Balance sheet total, total operation	203,066	212,665	213,222	241,052	152,953
Non interest-bearing liabilities, total operation, plus lease liabilities	40,611	35,941	66,930	112,999	33,241
<b>Capital employed, total operation</b>	<b>162,455</b>	<b>176,724</b>	<b>146,302</b>	<b>128,053</b>	<b>119,712</b>
Closing equity, total operation	151,163	159,319	146,302	128,053	114,044
<b>Average equity, total operation</b>	<b>152,700</b>	<b>158,780</b>	<b>137,909</b>	<b>111,919</b>	<b>122,248</b>
Current assets less inventories	67,445	73,109	64,923	93,558	95,315
Current liabilities	35,621	35,886	41,570	72,536	33,241
<b>Liquidity ratio, total operation</b>	<b>189%</b>	<b>204%</b>	<b>156%</b>	<b>129%</b>	<b>287%</b>
Equity	151,163	159,319	146,302	128,053	114,044
Balance sheet total, total operation	203,066	212,665	213,222	241,052	152,953
<b>Equity/assets ratio, total operation</b>	<b>74.4%</b>	<b>74.9%</b>	<b>68.6%</b>	<b>53.1%</b>	<b>74.6%</b>
Profit after taxes	-8,433	-26,403	-22,230	-13,446	-12,239
Average equity	152,700	158,780	137,909	111,919	122,248
<b>Return on equity, total operation</b>	<b>Neg</b>	<b>Neg</b>	<b>Neg</b>	<b>Neg</b>	<b>Neg</b>

## CONSOLIDATED INCOME STATEMENT

<i>Amounts in SEK thousands</i>	<b>Note</b>	<b>2024</b>	<b>2023</b>
Net sales	2	86,852	75,069
Cost of goods and services sold	3	-23,786	-27,246
<b>Gross profit</b>		<b>63,066</b>	<b>47,823</b>
Selling expenses		-32,982	-27,420
Administrative expenses		-13,789	-14,150
R&D expenses		-26,966	-32,105
Other operating income/expenses		1,256	-606
	3, 4, 5, 6, 7	<b>-72,480</b>	<b>-74,281</b>
<b>Operating profit/loss</b>		<b>-9,414</b>	<b>-26,458</b>
Interest income and similar income statement items	9	1,191	825
Interest expenses and similar income statement items	9	-561	-1,116
		<b>630</b>	<b>-291</b>
<b>Profit/loss before tax</b>		<b>-8,784</b>	<b>-26,749</b>
Tax	10	351	346
<b>Profit/loss for the year, operation</b>		<b>-8,433</b>	<b>-26,403</b>
<b>Profit/loss attributable to parent company's shareholders</b>		<b>-8,433</b>	<b>-26,403</b>
Earnings per share, total operation, SEK			
- before dilution, SEK	11	-0.11	-0.34
- after dilution, SEK	11	-0.11	-0.34

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in SEK thousands</i>	<b>2024</b>	<b>2023</b>
<b>Profit/loss for the year</b>	<b>-8,433</b>	<b>-26,403</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit or loss</i>		
Translation differences, foreign operations	274	-127
<b>Other comprehensive income for the year</b>	<b>274</b>	<b>-127</b>
<b>Total comprehensive income</b>	<b>-8,159</b>	<b>-26,530</b>
<b>Comprehensive income for the year attributable to parent company's shareholders</b>	<b>-8,159</b>	<b>-26,530</b>

## CONSOLIDATED BALANCE SHEET

Amounts in SEK thousands

ASSETS	Note	12/31/2024	12/31/2023
<b>Fixed assets</b>			
Tangible assets	13	1,569	2,440
Right of use assets	8	9,071	4,008
Goodwill and intangible assets	14	124,741	132,751
<b>Total fixed assets</b>		<b>135,380</b>	<b>139,198</b>
<b>Current assets</b>			
Inventories		242	359
Accounts receivable	15, 20	23,813	19,173
Other receivables	20	3,123	3,499
Prepaid expenses	16	2,804	2,903
Cash and cash equivalents	20	37,704	47,534
<b>Total current assets</b>		<b>67,686</b>	<b>73,467</b>
<b>TOTAL ASSETS</b>		<b>203,066</b>	<b>212,665</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Share capital		23,539	23,539
Additional paid-in capital		917,823	917,823
Reserves		4,685	4,408
Retained loss including profit/loss for the year		-794,884	-786,452
<b>Total Equity attributable to the parent company's shareholders</b>		<b>151,163</b>	<b>159,319</b>
<b>Long-term liabilities</b>			
Interest-bearing long-term liabilities	8, 18	12,644	13,460
Deferred tax liability	10	3,638	4,001
<b>Total long-term liabilities</b>		<b>16,281</b>	<b>17,460</b>
<b>Current liabilities</b>			
Accounts payable	20	2,301	2,722
Interest-bearing current liabilities	8, 18	8,239	8,466
Other current liabilities	18, 20	2,192	2,307
Accrued expenses and deferred income	19, 20	22,890	22,391
<b>Total current liabilities</b>		<b>35,621</b>	<b>35,886</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>203,066</b>	<b>212,665</b>

# CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK thousands

	Note	2024	2023
<b>Cash flow from operating activities</b>			
Operating profit/loss		-9,414	-26,458
Adjustments for items not included in cash flow			
- Depreciation & amortization		22,794	24,769
- Other		134	75
Interest payments, net	9	630	386
Tax paid		-22	-9
<b>Cash flow from operating activities before changes in working capital</b>		<b>14,122</b>	<b>-1,238</b>
<b>Cash flow from changes in working capital</b>			
Change in inventories		117	-48
Change in current receivables		-4,113	-7,083
Change in current liabilities		-71	-2,392
		<b>-4,067</b>	<b>-9,522</b>
<b>Cash flow from operating activities</b>		<b>10,055</b>	<b>-10,760</b>
Business combinations	22	-6,168	-10,000
Investment in tangible assets	13	-370	-1,215
Investment in intangible assets	14	-10,967	-14,101
<b>Cash flow from investing activities</b>		<b>-17,505</b>	<b>-25,316</b>
New share issue	17	-	49,523
Issue expenses	17	-	-9,979
Buyback of own shares	17	-3	-
Payment for sale/buyback of options	17	-	-
Payment of lease liability	8	-2,542	-2,258
<b>Cash flow from financing activities</b>		<b>-2,545</b>	<b>37,287</b>
<b>Cash flow for the year</b>		<b>-9,994</b>	<b>1,211</b>
Cash & cash equivalents at beginning of year		47,534	46,405
Exchange rate differences in cash & cash equivalents		164	-83
<b>Closing liquid assets</b>		<b>37,704</b>	<b>47,534</b>



## CHANGE IN EQUITY (GROUP)

Amounts in SEK thousands

	ATTRIBUTABLE TO PARENT COMPANY'S OWNERS				
	Share capital	Additional paid-in capital	Reserves and translation differences	Retained loss including profit/loss for the year	Total equity
<b>Opening balance as of January 1, 2023</b>	<b>14,253</b>	<b>887,564</b>	<b>4,535</b>	<b>-760,049</b>	<b>146,302</b>
<b>Comprehensive income</b>					
Profit/loss for the year	-	-	-	-26,403	-26,403
<b>Other comprehensive income</b>					
Exchange rate differences	-	-	-127	-	-127
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-127</b>	<b>-</b>	<b>-127</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-127</b>	<b>-26,403</b>	<b>-26,530</b>
<b>Transactions with shareholders</b>					
New share issue	9,286	40,237	-	-	49,523
New share issue expenses	-	-9,979	-	-	-9,979
LTI Program	-	-	3	-	3
<b>Total transactions with shareholders</b>	<b>9,286</b>	<b>30,259</b>	<b>3</b>	<b>-</b>	<b>39,547</b>
<b>Closing balance as of December 31, 2023</b>	<b>23,539</b>	<b>917,823</b>	<b>4,408</b>	<b>-786,452</b>	<b>159,319</b>
<b>Opening balance as of January 1, 2024</b>	<b>23,539</b>	<b>917,823</b>	<b>4,408</b>	<b>-786,452</b>	<b>159,319</b>
<b>Comprehensive income</b>					
Profit/loss for the year	-	-	-	-8,433	-8,433
<b>Other comprehensive income</b>					
Exchange rate differences	-	-	274	-	274
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>274</b>	<b>-</b>	<b>274</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>274</b>	<b>-8,433</b>	<b>-8,159</b>
<b>Transactions with shareholders</b>					
LTI Program	-	-	2	-	2
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>Closing balance as of December 31, 2024</b>	<b>23,539</b>	<b>917,823</b>	<b>4,684</b>	<b>-794,885</b>	<b>151,163</b>

# NOTES (GROUP)

NOTE 1 – GENERAL INFORMATION, ACCOUNTING POLICIES

NOTE 2 – REVENUE ALLOCATION

NOTE 3 – SEGMENT REPORTING

NOTE 4 – COSTS ALLOCATED PER TYPE

NOTE 5 – EMPLOYEES AND PERSONNEL EXPENSES

NOTE 6 – REMUNERATION TO SENIOR EXECUTIVES

NOTE 7– AUDITORS' REMUNERATION

NOTE 8 – OPERATING LEASES

NOTE 9 – FINANCIAL INCOME AND EXPENSES

NOTE 10 – INCOME TAX AND DEFERRED TAX

NOTE 11 – EARNINGS PER SHARE

NOTE 12 – RISK FACTORS

NOTE 13 – TANGIBLE ASSETS

NOTE 14 – INTANGIBLE ASSETS

NOTE 15 – ACCOUNTS RECEIVABLE

NOTE 16 – PREPAID EXPENSES AND ACCRUED INCOME

NOTE 17 – EQUITY

NOTE 18 – OTHER LIABILITIES

NOTE 19 – ACCRUED EXPENSES AND PREPAID INCOME

NOTE 20 – FINANCIAL INSTRUMENTS

NOTE 21 – RELATED PARTY TRANSACTIONS

NOTE 22 – BUSINESS COMBINATIONS

NOTE 23 – SIGNIFICANT EVENTS AFTER YEAR-END

## NOTE 1 – GENERAL INFORMATION, ACCOUNTING POLICIES

### GENERAL

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Regulations for Groups and International Financial Reporting Standards (IFRS) as adopted by the EU.

The recognition and measurement policies applied in the Annual Report for 2023 have also been used in this annual report, with the exception of the application of new accounting standards as described below. Unless otherwise stated, all amounts are given in SEK thousands, and unless otherwise stated amounts in parentheses refer to the previous fiscal year.

The Board of Directors approved the consolidated financial statements on April 8, 2025 and will submit them to the Annual General Meeting for approval on May 22, 2025.

#### NEW OR AMENDED ACCOUNTING STANDARDS IMPLEMENTED IN 2024

No new or revised IFRS that came into force in 2024 have had any material impact on the group's financial statements.

#### NEW AND AMENDED IFRS THAT HAVE NOT YET COME INTO FORCE

IFRS 18 Presentation and Disclosure in Financial Statements enters into force on January 1, 2027. The new standard will replace IAS 1 Preparation of Financial Statements. The purpose of IFRS 18 is to improve how companies present their financial statements, with a focus on the income statement and cash flow statement.

The new standard also contains disclosure requirements for company-specific information about the nature of income and expenses, etc. IFRS 18 has not yet been adopted by the EU.

Other new or amended standards or interpretations published by IASB are not expected to have any impact on the group's or the parent company's financial statements, with the exception of IFRS 18, which will be effective from January 1, 2027.

**The accounting and valuation principles applied are described below.**

### SIGNIFICANT INFORMATION ABOUT ACCOUNTING PRINCIPLES

#### REVENUE RECOGNITION

Agreements with customers arise through a combination of a number of written agreements that between them regulate the contract period, pricing, terms of payment, etc. The agreements are combined when they are concluded at the same time with the same customer, are dependent on the terms and conditions between the agreements and as the products and services promised in the agreements often constitute a performance obligation. When part of the customer agreement is amended because of a supplementary agreement or renegotiation, an assessment is performed of whether this results in an amendment to the agreement or whether a new agreement is created.

Revenues are generated in two product segments, Biometric Technologies and Digital Identity.

#### BIOMETRIC TECHNOLOGIES

The agreements give the customer a license for software that identifies fingerprints.

In the mobile phone industry, product cycles are short and new phone models are continuously being developed. As this software is being developed and updated on an ongoing basis, the license has been classified as a right to gain access and the revenues are recognized on a straight-line basis over the term of the agreement. The term of the agreement is normally considered to be 12 months, even though framework agreements are normally signed for several years.

In the automotive industry, product cycles are long, and control of the software is transferred and delivered to the customer at a specific time. The license is classified as a right of use and revenue is therefore recognized point-in-time at the beginning of the term of the agreement, when control is transferred to the customer.

Support and maintenance agreements are recognized on a straight-line basis over the term of the agreement. Agreements with customers generate two payment flows: licensing fees and usage-based royalties. Licensing fees are fixed and are invoiced at a one-time amount when the agreement period commences. In cases where the licensing fee is recognized over the term of the agreement, this results in a contract liability, which is recognized as prepaid income. For additional information, see Note 19 in the notes for the group.

**Usage-based royalties:** Royalties are recognized as revenues in the period when the use of the license takes place. Customers report the number of products manufactured using the license on a quarterly basis, and are invoiced in arrears. See Note 15 in the notes for the group regarding non-invoiced accounts receivable. Royalties are variable by their nature, as they depend on the customer's production. There are also volume-based discounts. The group applies the expected value method when defining the transaction price and produces estimates on an ongoing basis if revenues need to be limited in order to avoid a significant reversal of recognized revenues when uncertainty associated with discounts ends.

## **DIGITAL IDENTITY**

Digital Identity consists of software for facial recognition and software, as well as service and support for visitor management and hardware.

**Facial recognition:** The agreements give the customer access to cloud-based solution for facial recognition software, which is used for an access solution. Revenue is recognized on a straight-line basis over the term of the agreement. The agreement period is normally considered to be 12 months, even though framework agreements are normally signed for several years.

Agreements with customers give rise to a payment flow and are invoiced at a fixed amount on an ongoing basis over time based on the agreement. This results in a contract liability, which is recognized as prepaid income. For additional information, see Note 19 in the notes for the group.

**Visitor management:** The agreements give the customer a license for a software solution for registering and managing visitors, either via a cloud-based SaaS solution, or via a local installation at the customer's premises. Revenue for the cloud-based SaaS solution is recognized on a straight-line basis over the term of the agreement. The term of the agreement is normally deemed to be 12 months. In the case of local installation at the customer's premises, the license revenue is recognized at the time of installation, when the license has been classified as being entitled for use, when the control of the license and goods have been transferred to the customer. Support and maintenance agreements are recognized on a straight-line basis over the term of the agreement.

Agreements with customers can thus give rise to three types of payment flows: the cloud-based solution is invoiced with a one-time amount at the beginning of the period. This results in a contract liability that is recognized as prepaid income, see Note 19 in the notes for the group. The second payment flow relates to local installation at the customer's premises, where

invoicing takes place upon delivery. The third payment flow for support and maintenance is invoiced on an ongoing basis over the term of the agreement.

## **COMMISSION EXPENSES**

Commission expenses arise in connection with a sale when an agent is involved in the sale. Commission is recognized as a selling expense during the term of the agreement.

## **INTANGIBLE ASSETS**

### **RESEARCH AND DEVELOPMENT**

Research expenses are recognized as expenses as they arise. Development expenses consist of expenses for the further development of equipment and software for biometric fingerprint identification. These are reported as intangible assets when it is likely that the project will be successful in terms of its commercial and technical potential, and if the costs can be reliably measured. Other development expenses are recognized as expenses as they arise. Previously reported development expenses are not carried forward to the subsequent period. Development expenses have a limited useful life and are amortized on a straight-line basis from the date when the commercial production of the product can begin. The estimated useful life is three years, based on the rapid pace of development.

### **SOFTWARE**

Expenses for the maintenance of software are recognized as expenses as they arise. Expenses for the acquisition and development of software are capitalized on the basis of the expenses incurred when the actual software was acquired and deployed. These expenses are written off during the estimated useful life, which extends to five years. Software received in connection with the acquisition of NexID Biometrics Inc. and EastCoast Solutions AB is written off over the estimated useful life, which was set at ten years in the acquisition calculation and is reviewed on an ongoing basis. The deviation in the amortization period is because of the nature of the software.

### **PATENTS**

Patents have a limited useful life and are therefore recognized at the acquisition value less accumulated amortization. Patents obtained in connection with the acquisition of NexID Biometrics Inc. are written off over the estimated useful life, which is fifteen years.

### **CUSTOMER RELATIONS**

The database obtained in connection with the acquisition of NexID Biometrics Inc. and EastCoast Solutions AB is written off over the estimated useful life, which is between five and ten years.



## DATABASE

The database obtained in connection with the acquisition of NexID Biometrics Inc. is written off over the estimated useful life, which is ten years.

## TRADEMARKS

The value of the trademark arising from the acquisition of EastCoast Solutions AB is not amortized, but is reviewed annually to determine whether it needs to be written down.

## GOODWILL

The value of the goodwill arising from the acquisition of NexID Biometrics Inc. and EastCoast Solutions AB is not written off, but is reviewed annually to determine whether it needs to be written down.

## WRITE-DOWNS

Tangible and intangible assets that are depreciated are assessed in relation to the reduction in value whenever events or changed conditions indicate that the carrying amount is not recoverable. Write-downs are recorded for the amount by which the asset's carrying amount exceeds its recovery value, which is the higher of the net sales value and the utility value. For an asset, the recovery value is calculated for the cash-generating unit that the asset belongs to, i.e., the lowest levels where there are identifiable cash flows. A write-down affects the net profit/loss and therefore the group's financial position.

## WITHHOLDING TAX

In certain countries, the company's customers are obliged to make a deduction for a local tax (withholding tax) when making payment to the company for goods and services received, and to pay this amount to a local government agency on behalf of the company. The company has made the assessment that revenue from sales shall be recognized at the invoiced amount and that withholding tax shall be recognized as a selling expense. This assessment is based on a number of circumstances:

- As the tax is not based on a taxable profit, it does not satisfy the definition of an income tax in IAS 12.
- It is not an amount that the company receives on behalf of the tax authority; the amount reduces the remuneration that the company expects to have a right to in exchange for the goods and services delivered.
- For the calculation of Swedish income tax, the invoiced amount is treated as taxable income. The amounts paid for foreign withholding tax may indeed be offset against Swedish income tax, but as the company is not/has not been in a tax-paying position, the company has instead chosen to treat the foreign withholding tax paid as a

deductible expense when calculating Swedish income tax.

## DEFERRED TAX

The group has tax liabilities in three countries. In view of the historical development of the group's earnings, an assessment has been made that the group's tax expense is limited, at least in the short term. The group makes regular assessments concerning the opportunity to utilize loss deductions in the future.

## OTHER INFORMATION ABOUT ACCOUNTING PRINCIPLES

### CONSOLIDATED ACCOUNTS

The consolidated statements are prepared using the acquisition method.

### FUNCTIONAL CURRENCY

Items included in the financial statements for the different units in the group are valued in the currency used in the financial environment where the respective companies are primarily active, the functional currency. Swedish kronor (SEK) is used in the consolidated financial statements, which is the parent company's functional currency and reporting currency.

### TRANSACTIONS AND BALANCE SHEET ITEMS

Transactions in foreign currency are translated into the functional currency according to the exchange rates applicable on the transaction date. Exchange rate gains and losses incurred upon payment of such transactions and during translation of monetary assets or liabilities in foreign currencies at the closing rate are recognized in the income statement as other operating income/expenses and as financial income/expenses.

### GROUP COMPANIES

The earnings and financial position for all group companies which have a functional currency other than the group's reporting currency are translated as follows:

Assets and liabilities are translated at the closing rate. Income and expenses are translated at the average exchange rate. Average exchange rate is considered to constitute a good approximation of the exchange rate on the transaction date. All exchange rate differences that arise are recognized in other comprehensive income and as a separate part of equity.

### FIXED ASSETS

Tangible assets are valued at the acquisition value less accumulated depreciation. The acquisition value includes charges that can be directly attributed to the acquisition of the asset.

Additional expenditures are added to the asset's carrying amount or are recognized as a separate asset, depending on which is appropriate, only when it is likely that the future financial benefits associated with the asset will benefit the group and the asset's acquisition value can be reliably measured. All other forms of repairs and maintenance are recognized as expenses in the income statement in the period when they arise.

In order to reduce their acquisition value to the estimated residual value, fixed assets are depreciated on a straight-line basis according to plan over the estimated period of use, which is three years for computers and five years for other equipment.

Depreciation of fixed assets is included in Selling expenses, Administration expenses and R&D expenses in the income statement. The residual values and life of assets are assessed on the balance sheet date, and adjusted when necessary. In the event that the carrying amount of an asset is considered to exceed its estimated recovery value, the asset is immediately written down to its recovery value. Gains and losses on disposals are determined through a comparison between the proceeds of sale and the carrying amount, and are recognized in the income statement.

## INVENTORIES

Inventories are valued at the lower of the acquisition value and the net realizable value on the balance sheet date. The acquisition value is defined using the FIFO (first in, first out) method. The net realizable value consists of the sales price less variable selling expenses.

Inventories consist of components included in installations within Digital Identity at the customer's premises, in cases where Precise supplies both hardware and software.

## FINANCIAL INSTRUMENTS

Financial instruments consist of financial assets and liabilities. Below are comments on the balance sheet items considered most relevant for the reader.

### ACCOUNTS RECEIVABLE

Accounts receivable represent the group's unconditional right to compensation from customers. Accounts receivable are recognized initially at transaction price and thereafter at the accrued acquisition value less any provision for impairment. The group applies the simplified method to calculate expected credit losses. This method means that expected losses during the entire term of the receivable are used as a basis for accounts receivable. The model for providing for future bad debts is based on historical performance combined with predictive analysis.

## CASH AND CASH EQUIVALENTS

The company's cash and cash equivalents consist solely of funds deposited in bank accounts.

### OTHER FINANCIAL LIABILITIES

A financial asset is recognized in the balance sheet when the company becomes a party to the contractual terms of the instrument. A liability is recognized when the counterparty has delivered and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recognized when an invoice has been received. A financial liability is removed from the balance sheet when the obligation specified in the contract is honored or settled in any other way. Other financial liabilities consist primarily of accounts payable that are recognized at accrued acquisition value and discounted deferred interest-bearing purchase price related to the acquisition of EastCoast; see Note 20 in the notes for the group.

## EQUITY

Common shares and Class C shares are classified as equity. Transaction costs directly attributable to the issuing of new common stock or options are recognized in equity as a deduction from issue liquidity.

## REMUNERATION TO EMPLOYEES

### PENSIONS

The group only has defined contribution pension plans. For defined contribution pension plans, the group pays contributions to privately managed pension insurance plans on a contractual basis. The group has no additional payment obligations after the contributions have been paid.

### SEVERANCE PAY

Compensation upon termination of employment is paid when an employee is given notice prior to the normal retirement date, or when an employee accepts voluntary retirement from employment in exchange for such compensation. The group reports severance pay when it is clearly obligated either to terminate an employee in accordance with a detailed, formal plan without any possibility of recall, or to pay compensation when serving notice as a result of an offer having been made to encourage voluntary layoff. Benefits that fall due more than 12 months after the balance sheet date are discounted to the current value.

### SHARE-BASED COMPENSATION

Precise has a long-term share bonus program (LTI 2022/2028) for personnel employed in Sweden (see Note 6 in the notes for the group). LTI 2022/2028 is a share-based bonus program that provides entitlement to so-called Profit Share rights during a six-year period when the company achieves certain

annual net sales targets, provided that it has an operating profit and its own investment in so-called Saving Shares.

## LEASES

Leases in which Precise is the lessee relate primarily to buildings. Leases are normally drawn up for fixed terms of five years for buildings. The terms are negotiated separately for each lease and contain a large number of different contract terms.

Leases are recognized as rights of use and a corresponding liability on the date when the leased asset is available for use by Precise. The right of use and the lease liability are recognized on the lines Right of use assets, Long-term interest-bearing liabilities and Current interest-bearing liabilities in the balance sheet.

Liabilities arising from leases are initially recognized at the current value of the following lease payments:

- Fixed charges (including charges that are fixed in substance) minus incentive receivables.
- Variable lease charges that are based on an index or a price, initially valued using the index or price on the starting date.

Lease payments are discounted at the marginal borrowing rate.

Rights of use are initially valued at:

- The amount at which the lease liability was initially valued
- Lease charges that have been paid on or before the starting date, minus any benefits received in connection with signing the lease
- Initial direct expenses.

Precise has chosen to apply exceptions in IFRS 16, which means that payments for short-term contracts and leases of minor value are recognized as expenses on a straight-line

basis in the income statement. Short-term contracts are agreements with a lease term of 12 months or less. Options to extend or terminate agreements are included in two of the group's leases in respect of buildings. These terms are used to maximize flexibility in managing agreements. Options that provide an opportunity to extend or terminate agreements can either be exercised solely by the group (and not by the lessors) or by either lessee or lessor. An assessment in respect of exercising options to extend or terminate agreements is reviewed in the event of a significant event or change in circumstances that affects this assessment and the change is within the lessee's control. For additional information, please refer to Note 8 in the notes for the group.

## IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

In order to prepare the financial statements in accordance with generally accepted accounting principles, it is necessary to make estimates and assumptions that affect the income statement, balance sheet and other disclosures. Actual outcomes may differ from the estimates made.

### IMPAIRMENT TESTING OF GOODWILL

Every year the group investigates whether there is a need to write down goodwill, in accordance with the accounting policy described in this note. The recovery value of cash-generating units has been defined by calculating the utility value. Certain estimates must be made for these calculations.

For additional information, please refer to Note 14 in the notes for the group.

At present, there are no estimates or assumptions that entail a significant risk of significant adjustments in the carrying amounts of assets and liabilities during the next fiscal year.

## NOTE 2 – REVENUE ALLOCATION

The group has two (two) major customers that account for more than 10% of net sales. Revenues from these customers amount to 57% (43%) of net sales.

	2024	2023
<b>SEGMENT</b>		
<b><i>Biometric Technologies</i></b>		
Royalties	41,089	17,654
Licenses, including support and maintenance	21,976	31,500
Other	2,358	3,658
<b><i>Digital Identity</i></b>		
Licenses, including support and maintenance	18,588	18,308
Other	2,841	3,949
<b>Total</b>	<b>86,852</b>	<b>75,069</b>
<b>Time*</b>		
Revenue recognition at a given point in time*	47,777	25,394
Revenue recognition over time**	39,075	49,675
<b>Total</b>	<b>86,852</b>	<b>75,069</b>
<b>Region/Country</b>		
Europe	27,598	29,054
- of which Sweden	20,356	20,982
Asia	29,443	31,205
- of which China	1,372	3,152
- of which Taiwan	24,963	25,224
US	29,811	14,811
<b>Total</b>	<b>86,852</b>	<b>75,069</b>

\* Sale at a certain time means that revenue is reported point-in-time at the start of the agreement period, when control has been transferred to the customer. Royalties have been moved to sales at a certain point in time in order to provide a more accurate picture.

\*\* Sales over time means that revenue is accrued on a straight-line basis over the term of the agreement.



## NOTE 3 – SEGMENT REPORTING

	2024			2023		
	Biometric Technologies	Digital Identity	Total segment	Biometric Technologies	Digital Identity	Total segment
Net sales	65,424	21,428	86,852	52,812	22,258	75,069
Cost of goods sold excl. depreciation	-1,259	-4,297	-5,556	-1,171	-5,832	-7,003
Depreciation included in cost of goods sold	-9,402	-8,828	-18,230	-9,000	-11,243	-20,243
<b>Gross profit</b>	<b>54,764</b>	<b>8,303</b>	<b>63,066</b>	<b>42,641</b>	<b>5,182</b>	<b>47,823</b>

### OTHER INFORMATION

Only net sales and cost of goods sold are allocated to each segment. Other expenses are not allocated at segment level, as these items relate to group operations.

	2024	2023
<b>Reconciliation of profit/loss</b>		
Segment profit/loss	<b>63,066</b>	<b>47,823</b>
Selling expenses	-32,982	-27,420
Administrative expenses	-13,789	-14,150
R&D expenses	-26,966	-32,105
Other operating income/expenses	1,256	-606
Financial expenses	630	-291
<b>Profit/loss after financial items</b>	<b>-8,784</b>	<b>-26,749</b>

## NOTE 4 – COSTS ALLOCATED PER TYPE

	2024	2023
Employee benefit expenses	47,959	43,168
Cost of purchasing and handling commercial goods	9,803	11,574
Depreciation and write-downs	22,794	24,764
Consulting costs	13,279	21,729
Exchange rate gains	-2,724	2,268
Exchange rate losses	1,470	-2,874
Other external expenses	14,654	15,631
Capitalized development expenses	-10,967	-14,732
<b>Total</b>	<b>96,267</b>	<b>101,528</b>

## NOTE 5 – EMPLOYEES AND PERSONNEL EXPENSES

GENDER BALANCE IN GROUP	2024		2023	
	Men	Women	Men	Women
Precise Biometrics AB, Sweden	13	6	12	6
Precise Biometrics, Inc., USA	3	0	3	0
Precise Biometrics, China	3	1	3	1
EastCoast Solutions AB, Sweden	6	0	6	0
<b>Total</b>	<b>25</b>	<b>7</b>	<b>24</b>	<b>7</b>

GENDER BALANCE IN CORPORATE MANAGEMENT	2024	2023
<i>Proportion of women</i>		
Board of Directors	40%	33%
CEO and other senior executives	20%	33%

SALARIES AND OTHER REMUNERATION	2024	2023
<i>Board and CEO, Sweden</i>		
Salaries and other remuneration	4,931	5,993
Pension expenses	677	1,045
Payroll overhead, including payroll tax	1,715	1,926
<b>Total</b>	<b>7,324</b>	<b>8,964</b>
<i>Others, Sweden</i>		
Salaries and other remuneration	19,710	17,524
Pension expenses	3,142	2,372
Payroll overhead, including payroll tax	6,786	5,988
<b>Total</b>	<b>29,639</b>	<b>25,884</b>
<b>TOTAL, SWEDEN</b>	<b>36,962</b>	<b>34,848</b>
<i>Others, USA</i>		
Salaries and other remuneration	6,075	4,127
Social security expenses	803	740
<b>Total</b>	<b>6,878</b>	<b>4,867</b>
<i>Others, China</i>		
Salaries and other remuneration	4,227	3,716
Social security expenses	604	695
<b>Total</b>	<b>4,831</b>	<b>4,411</b>
<b>TOTAL</b>	<b>48,671</b>	<b>44,126</b>

## NOTE 6 – REMUNERATION TO SENIOR EXECUTIVES

### PRINCIPLES

Remuneration is paid to the Chairman of the Board and Board members in accordance with the decision of the AGM.

Remuneration to the CEO and other senior executives consists of their basic salary, variable remuneration, pension benefits and other benefits. In addition to the six-month period of notice, severance pay for six months is also paid if notice is served by the company.

Other senior executives are those persons who together with the CEO constitute corporate management. There was an average of 4 (4) senior executives during the year. For the composition of corporate management, see the section entitled 'Management' in the annual report.

The distribution between basic salary and variable remuneration shall be in proportion to the executive's level of responsibility and authority. For the CEO, variable remuneration is set at a maximum of 75% of basic salary. For other senior executives, variable remuneration is a maximum of 50% of basic salary.

### REMUNERATION AND OTHER BENEFITS IN 2024

	BASIC SALARY/BOARD REMUN.	COMMITTEE FEE	VARIABLE REMUNERATION	OTHER BENEFITS	PENSION EXPENSES	TOTAL
Torgny Hellström, Chairman of the Board	545	70	-	-	-	615
Mats Lindoff, Board member Jan–May 2024	75	10	-	-	-	85
Åsa Schwarz, Board member	190	25	-	-	-	215
Peter Gullander, Board member	190	45	-	-	-	235
Maria Rydén, Board member	190	90	-	-	-	280
Jimmy Hsu, Board member Jan–May 2024	75	-	-	-	-	75
Howard Ro, Board member May–Dec 2024	116	-	-	-	-	116
Joakim Nydemark, CEO	3,006	-	304	3	677	3,990
Other senior executives, 4 persons	4,573	-	345	8	976	5,902
<b>Total</b>	<b>8,961</b>	<b>240</b>	<b>649</b>	<b>10</b>	<b>1,653</b>	<b>11,514</b>

### REMUNERATION AND OTHER BENEFITS IN 2023

	BASIC SALARY/BOARD REMUN.	COMMITTEE FEE	VARIABLE REMUNERATION	OTHER BENEFITS	PENSION EXPENSES	TOTAL
Torgny Hellström, Chairman of the Board	545	70	-	-	-	615
Mats Lindoff, Board member	190	25	-	-	-	215
Torbjörn Clementz, Board member	69	32	-	-	-	101
Synnöve Trygg, Board member Jan–May 23	69	16	-	-	-	85
Åsa Schwarz, Board member	190	25	-	-	-	215
Peter Gullander, Board member	190	29	-	-	-	219
Maria Rydén, Board member May–Dec 2023	122	58	-	-	-	180
Jimmy Hsu, Board member May–Dec 2023	122	-	-	-	-	122
Patrick Höjjer, CEO Jan–Aug 2023*	3,205	-	-	87	813	4,105
Joakim Nydemark, CEO Sep–Dec 2023	1,035	-	-	1	232	1,268
Other senior executives, 4 persons	3,612	-	-	7	764	4,383
<b>Total</b>	<b>9,349</b>	<b>255</b>	<b>0</b>	<b>95</b>	<b>1,809</b>	<b>11,508</b>

\* Includes Patrick Höjjer's final salary of SEK 1,731,000.

**Notes on the table:** The amounts in the table are exclusive of payroll overhead. Payments take place via salaries and remuneration. Remuneration paid has been recognized as an expense. The above remuneration refers to expenses that have affected net profit/loss for the year.

## VARIABLE REMUNERATION

Variable remuneration for the CEO and senior executives is based on group earnings and individual targets. These targets are set by the Board for the CEO, and by the Board and the CEO for senior executives. The maximum amount for variable remuneration that may be paid to the CEO is 75% of basic salary. For other senior executives the variable remuneration can amount to a maximum of 50% of basic salary. In 2024, flexible remuneration to senior executives totaled 7.5% (0%).

## OTHER BENEFITS

Other benefits consist of insurance benefits and a car for the CEO who departed during the year.

## SHARE-BASED COMPENSATION

The 2022 shareholders' general meeting made a decision to offer an incentive plan for the company's CEO to the effect that a maximum of 100,000 (after consolidation) stock options could be issued, with each stock option providing entitlement to subscribe to one (1) share in the company. During Q4 2023, 100,000 stock options were repurchased for SEK 8.10 and canceled from the former CEO, corresponding to 100% of the total remaining stock options.

The Annual General Meeting resolved, in accordance with the Board's proposal, to establish a long-term share bonus program (LTI 2022/2028) for all employees in Precise. In order to facilitate the implementation of LTI 2022/2028 and to ensure the delivery of shares to the participants, and to cover the company's costs for social security contributions, the meeting also decided to amend the Articles of Association in the form of the introduction of new Class C shares, authorization for the Board of Directors to issue Class C shares, authorization for the Board of Directors to buy back Class C shares, and approval of the transfer of shares to participants in LTI 2022/2028. The implementation of Class C shares took place in Q4 2022. As of December 31, 2024, Precise held 1,085,000 Class C shares. Employees lose the right to participate in the LTI program when notice is served.

## PENSIONS

The retirement age for the CEO is 65. Pension premiums shall amount to a maximum of 25% of the fixed salary from the

parent company. For other senior executives the retirement age is also 65. According to the pension agreement, the pension premium is calculated in accordance with a scale based on age and salary. For the highest current age interval, the premium totals 6 % of the pension-based salary up to 7.5 base amounts, 39% of the pension-based salary between 7.5 and 20 base amounts and 21% of the pension-based salary for salaries over 20 base amounts.

## SEVERANCE PAY

There is a mutual period of 6 months' notice for the company and the CEO. Severance pay of 6 monthly salaries will also be paid if the CEO is given notice by the company. A period of notice of 3–6 months is applicable between the company and other senior executives. No severance pay is paid for other senior executives.

## CHANGE IN CONTROL

There are no agreements between the company and its employees, with the exception of the employment contracts commented on above, under which compensation must be paid to employees if their employment is terminated as a result of a public takeover bid.

## PREPARATION AND DECISION-MAKING PROCESS

The compensation committee is assigned to consider issues related to salaries, pension conditions, incentive plans and other terms and conditions of employment for the executive. In 2023, the committee focused primarily on remuneration to the CEO and senior executives, including incentive plans. The Board makes decisions on remuneration to the CEO, based on the recommendations of the compensation committee within the framework of guidelines decided at the AGM. Remuneration to other senior executives has been decided by the CEO following consultation with the compensation committee and the Board. At the AGM in 2024, guidelines were adopted for the determination of salaries and other remuneration to the CEO and other senior executives.

## NOTE 7 – AUDITORS' REMUNERATION

	2024	2023
<b>Ernst &amp; Young</b>		
Audit assignment	720	798
Auditing activities in addition to the audit assignment	100	159
Other assignments	-	299
<b>Total</b>	<b>820</b>	<b>1,256</b>



## NOTE 8 – LEASES

The group primarily leases premises.

No leases contain covenants or other limitations in addition to the security in the leased asset.

<b>Right of use assets, 01/01/2023</b>	<b>5,724</b>
New rental agreements	676
Depreciation during the year	-2,393
<b>Closing book value, 12/31/2023</b>	<b>4,008</b>
<b>Right of use assets, 01/01/2024</b>	<b>4,008</b>
New rental agreements	7,613
Depreciation during the year	-2,550
<b>Closing book value, 12/31/2024</b>	<b>9,071</b>

No new rental agreements were added in 2023, but the increase in rent has resulted in an increase in lease liabilities of SEK 676 thousand. No new lease agreements were added in 2024, but rent increases and a possible extension of Precise Biometrics and EastCoast Solutions' lease agreements by 3 years have resulted in an increase in lease liabilities of SEK 7,613,000.

After the balance sheet date, the company signed an extension agreement with Wihlborgs regarding rental premises in Lund. The new agreement extends the existing lease term by a further 5 years and will enter into force on November 1, 2025. This extension entails future lease obligations that are not yet reflected in the balance sheet. The expected future discounted cash flows linked to this agreement amount to SEK 3,404 thousand over the new agreement period.

<b>Lease liabilities</b>	<b>12/31/2024</b>	<b>12/31/2023</b>
Short-term	2,284	2,364
Long-term	7,307	2,157
<b>Lease liabilities included in the balance sheet</b>	<b>9,591</b>	<b>4,521</b>

Long-term lease liabilities mature between 1 year and 5 years.

	<b>2024</b>	<b>2023</b>
<b>Opening interest-bearing liabilities</b>	<b>4,521</b>	<b>6,103</b>
New rental agreement	7,613	676
Cash flow	-2,542	-2,258
<b>Closing interest-bearing liabilities</b>	<b>9,591</b>	<b>4,521</b>

<b>Amounts recognized in the consolidated income statement - IFRS 16</b>	<b>2024</b>	<b>2023</b>
Depreciation of right of use assets	-2,550	-2,393
Interest on lease liabilities	-331	-218
Costs of low-value leases	-31	-41
<b>Total</b>	<b>-2,912</b>	<b>-2,652</b>

<b>Amounts recognized in the consolidated cash flow statement - IFRS 16</b>	<b>2024</b>	<b>2023</b>
Total cash outflows attributable to leases	2,904	2,517

The above cash flow includes both amounts for leases that are recognized as lease liabilities, as well as amounts paid for variable lease charges and low-value leases. The group did not have any short-term leases during the year.

## NOTE 9 – FINANCIAL INCOME AND EXPENSES

	2024	2023
Interest income	892	538
Exchange rate gains	299	286
<b>Total</b>	<b>1,191</b>	<b>825</b>
Interest on lease liabilities	331	218
Interest expense liability, acquisition of EastCoast 1)	55	782
Other financial expenses, acquisition of EastCoast 1)	-	-
Exchange rate losses	176	115
<b>Total</b>	<b>562</b>	<b>1,115</b>

1) For more information on interest expenses and other financial expenses in respect of the liability for EastCoast, see Note 20 in the notes for the group.

## NOTE 10 – INCOME TAX AND DEFERRED TAX

<b>Tax expense for the year</b>	<b>2024</b>	<b>2023</b>
Current tax on profit/loss for the year	-13	-17
Change in deferred tax	364	363
<b>Tax expense</b>	<b>351</b>	<b>346</b>
<b>Reconciliation of effective tax</b>	<b>2024</b>	<b>2023</b>
Profit/loss before tax	-8,784	-26,748
Tax calculated according to current tax rate for the parent company, 20.6%	1,809	5,510
Tax effect on taxable income	22	91
Tax effect of non-deductible expenses	-65	-77
Tax effect of items recognized directly in equity	-	2,056
Tax effect of foreign tax rates	-14	-11
Tax effect of changes in tax rate	-	-
Tax effect of change in loss carryforwards for which no deferred tax is recognized	-1,401	-7,222
<b>Tax expense</b>	<b>351</b>	<b>346</b>

Tax on group profit before tax differs from the theoretical amount that would have resulted from a weighted average tax rate in the consolidated companies as above.

<b>Deferred tax liability</b>	<b>2024</b>	<b>2023</b>
Deferred tax liability	-3,637	-4,001
<b>Carrying amount</b>	<b>-3,637</b>	<b>-4,001</b>
<b>Specification of change in deferred tax asset/deferred tax liability:</b>	<b>2024</b>	<b>2023</b>
Opening carrying amount	-4,001	-4,364
Acquisition – deferred tax liability in respect of surplus values in intangible assets	-	-
Acquisitions – deferred tax liability in respect of untaxed reserves	-	-
Deferred tax recognized in profit or loss	364	363
<b>Closing carrying amount of deferred tax asset/deferred tax liability:</b>	<b>-3,637</b>	<b>-4,001</b>

The company's historically reported losses represent significant amounts, as the most recent fiscal years have resulted in a tax loss. Digital Identity is in an early phase, and there is quite naturally uncertainty in the forecasts, so the company's assessment is cautious on the basis that there are compelling factors that suggest future taxable surpluses in the near future.

Changes in 2024 are linked to the dissolution of deferred tax liabilities as a consequence of the amortization of identified surplus values from acquisitions.

There are tax loss carryforwards for which no deferred tax assets have been recognized in the balance sheet totaling SEK 776,770 (767,096) thousand. A total of SEK 27,338 (27,775) thousand is time-limited to be used within 20 years. These time-limited loss carryforwards have also been included in 2023 for a more accurate picture. There is no time limitation for the utilization of other loss carryforwards. In connection with the acquisition of EastCoast Solutions AB in November 2021, SEK 662,643 thousand of the deficit in the group was blocked for group contributions until December 31, 2026.

## NOTE 11 - EARNINGS PER SHARE

Earnings per share before dilution is calculated by dividing earnings attributable to parent company shareholders by a weighted average number of outstanding common shares during the period, excluding repurchased shares of the parent company.

	2024	2023
Profit/loss attributable to parent company shareholders (SEK thousands)	-8,433	-26,403
Weighted average number of outstanding common shares (thousands)	78,464	65,568
Earnings per share before dilution (SEK per share), remaining operation	-0.11	-0.34
Earnings per share before dilution (SEK per share), total operation	-0.11	-0.34

### EARNINGS PER SHARE AFTER DILUTION

To calculate profit/loss per share after dilution, the weighted average number of outstanding common shares is adjusted for the dilution effect of all potential common shares. The parent company only has one category of potential common shares with a dilution effect, i.e., share options.

If outstanding stock option programs were redeemed in their entirety, the maximum dilution would amount to 1,300,000 shares. Dilution effects have not been considered, as the average price during the year is below the price in the option program adopted in 2019.

	2024	2023
Profit/loss attributable to parent company shareholders (SEK thousands)	-8,433	-26,403
Weighted average number of outstanding common shares (thousands)	78,464	65,568
Weighted average number of common shares for calculation of profit/loss per share after dilution (thousands)	78,464	65,568
Earnings per share after dilution (SEK per share), remaining operation	-0.11	-0.34
Earnings per share after dilution (SEK per share), total operation	-0.11	-0.34

## NOTE 12 – RISK FACTORS

Precise is exposed to a number of risks that arise primarily in connection with the company's buying and selling foreign currency, as changes in exchange rates affect the company's earnings and cash flows. The company is also exposed to capital risk, credit risk, liquidity risk and interest risk. The Board adopts policies for risk management, which are set out in the company's Economic and Finance Policy.

### CURRENCY EXPOSURE RISK

Precise's currency exposure includes both transaction and translation exposure. Transaction exposure arises because sales and purchases take place in different currencies. The company is exposed to currency risks through its business, as a significant proportion of revenues are generated in foreign currencies, primarily USD, while the majority of the company's expenses are in Swedish kronor. This means that changes in exchange rates affect the company's earnings and cash flows. In order to reduce exposure, a policy has been adopted that allows hedging in accordance with a predetermined model which enables a hedging of the forecast net flow. The total forecast net flow over the next 12-month period can be hedged at approx. 40%. Translation exposure is not hedged. In 2024, no hedging activities were carried out via forward contracts. Forward contracts are valued at fair value via the income statement.

### CAPITAL RISK

The company has a capital risk if the company does not generate a profit and an underlying cash flow, but is dependent on new capital from shareholders or taking out loans. This risk is monitored continuously through the company's internal controls and reporting, as well as the limits defined by the Board. Nor is there any guarantee that new capital can be acquired if the need should arise, or that such capital can be acquired on favorable terms.

### CREDIT RISK

The risk that the company's customers fail to pay accounts receivable is a customer credit risk. In order to limit this, the company applies a credit policy and outstanding accounts receivable are monitored very closely on an ongoing basis. In the event of uncertainties regarding credit ratings, payment in

advance shall be required and no new orders shall be delivered if a customer has significant overdue accounts receivable.

### LIQUIDITY RISK

The Board and the executive monitor the liquidity situation closely in order to make sure that adequate liquidity is available to meet the needs of operating activities. Some of the company's revenues consist of royalties, which are settled on a quarterly basis and thus have some impact on the company's cash flow.

### INTEREST RISKS

The company has an interest expense on the deferred fixed purchase price relating to the purchase of EastCoast. As a consequence of this, the company is exposed to a risk of rising interest rates.

### FORECASTING UNCERTAINTY

The company operates in a rapidly changing market. The market for its products is in an early stage of development and revenues are to a large extent based on royalties from use by customers. The company has long sales processes and the advanced issue or postponement of an order can have a significant impact on net sales and earnings, which makes forecasting very difficult.

### CASH FLOW

The company strives to minimize the time capital is tied up, primarily in accounts receivable. To minimize the possible impact of capital being tied up, the company works actively to follow up on outstanding accounts receivable.

### SENSITIVITY ANALYSIS

If SEK had weakened/strengthened by 10% in relation to USD and all other variables had remained constant, earnings for the year for 2024 would have been approximately SEK 3,700 (2,500) thousand higher/lower. The corresponding effect on equity calculated as 10% of Precise Biometrics Inc.'s equity corresponds to SEK 280 (200) thousand. If the interest rate for Stibor 3 months had weakened/strengthened by 2%, earnings for the year would have been approximately SEK 200 thousand higher/lower.



## NOTE 13 – TANGIBLE ASSETS

<b>EQUIPMENT AND TOOLS</b>	<b>12/31/2024</b>	<b>12/31/2023</b>
<b>Opening acquisition value</b>	<b>7,243</b>	<b>7,122</b>
Acquisitions during the year	473	461
Assets sold/retired	-	-340
<b>Closing acquisition value</b>	<b>7,716</b>	<b>7,243</b>
<b>Opening accumulated amortization</b>	<b>-4,803</b>	<b>-3,756</b>
Depreciation for the year	-1,345	-1,387
Assets sold/retired	-	340
<b>Closing accumulated amortization</b>	<b>-6,147</b>	<b>-4,803</b>
<b>Book value</b>	<b>1,569</b>	<b>2,440</b>

**Comments on the note:** Depreciation is included in the items Selling, Administration and R&D expenses in the income statement.

## NOTE 14 – INTANGIBLE ASSETS

CAPITALIZED DEVELOPMENT EXPENSES	12/31/2024	12/31/2023
<b>Opening acquisition value</b>	<b>52,079</b>	<b>52,956</b>
Acquisitions during the year	10,967	14,732
Retirements/sales	-16,561	-15,609
<b>Closing acquisition value</b>	<b>46,486</b>	<b>52,079</b>
<b>Opening accumulated amortization</b>	<b>-26,198</b>	<b>-23,436</b>
Depreciation for the year	-16,464	-18,371
Sales/disposals	16,561	15,609
<b>Closing accumulated amortization</b>	<b>-26,102</b>	<b>-26,198</b>
<b>Opening accumulated write-downs</b>	<b>-</b>	<b>-</b>
Sales/disposals	-	-
<b>Closing accumulated write-downs</b>	<b>-</b>	<b>-</b>
<b>Book value</b>	<b>20,384</b>	<b>25,881</b>

PATENTS	12/31/2024	12/31/2023
<b>Opening acquisition value</b>	<b>1,138</b>	<b>1,138</b>
<b>Closing acquisition value</b>	<b>1,138</b>	<b>1,138</b>
<b>Opening accumulated amortization</b>	<b>-525</b>	<b>-449</b>
Depreciation for the year	-76	-76
<b>Closing accumulated amortization</b>	<b>-601</b>	<b>-525</b>
<b>Book value</b>	<b>537</b>	<b>613</b>

CAPITALIZED DATA EXPENSES	12/31/2024	12/31/2023
<b>Opening acquisition value</b>	<b>803</b>	<b>803</b>
Acquisitions during the year	-	-
<b>Closing acquisition value</b>	<b>803</b>	<b>803</b>
<b>Opening accumulated amortization</b>	<b>-600</b>	<b>-519</b>
Depreciation for the year	-81	-81
<b>Closing accumulated amortization</b>	<b>-681</b>	<b>-600</b>
<b>Book value</b>	<b>122</b>	<b>203</b>

TECHNOLOGY	12/31/2024	12/31/2023
<b>Opening acquisition value</b>	<b>8,077</b>	<b>8,077</b>
Acquisitions during the year	-	-
<b>Closing acquisition value</b>	<b>8,077</b>	<b>8,077</b>
<b>Opening accumulated amortization</b>	<b>-1,704</b>	<b>-897</b>
Depreciation for the year	-809	-807
<b>Closing accumulated amortization</b>	<b>-2,514</b>	<b>-1,704</b>
<b>Book value</b>	<b>5,563</b>	<b>6,373</b>

<b>GOODWILL</b>	<b>12/31/2024</b>	<b>12/31/2023</b>
Opening acquisition value	84,836	84,836
Closing acquisition value	84,836	84,836
Book value	84,836	84,836
<b>TRADEMARKS</b>	<b>12/31/2024</b>	<b>12/31/2023</b>
Opening acquisition value	5,473	5,473
Closing acquisition value	5,473	5,473
Book value	5,473	5,473
<b>OTHER INTANGIBLE ASSETS (DATABASE AND CUSTOMER RELATIONS)</b>	<b>12/31/2024</b>	<b>12/31/2023</b>
Opening acquisition value	16,180	16,180
Closing acquisition value	16,180	16,180
Opening accumulated amortization	-6,808	-5,265
Depreciation for the year	-1,546	-1,543
Closing accumulated amortization	-8,354	-6,808
Book value	7,826	9,372
<b>TOTAL BOOK VALUE</b>	<b>124,741</b>	<b>132,751</b>

#### Comments on the note:

Amortization of capitalized development expenses and acquired intangible assets is included in the item Cost of goods sold.

#### IMPAIRMENT TEST OF GOODWILL

Every year the group investigates whether there is a need to write down goodwill. Goodwill has been allocated to two cash-generating units (CGUs), Precise (SEK 23,425 thousand) and EastCoast (SEK 61,411 thousand). The recoverable value for the CGU has been determined by calculating the utility value, which requires certain assumptions to be made with regard to, among other things, sales and gross margin.

EastCoast was acquired by Precise in November 2021. The acquisition of EastCoast is in a startup phase and has not reached a mature business phase, a so-called "steady state" within five years. The calculation is therefore based on a strategic five-year plan followed by an extrapolation for one year. In the 2024 impairment test, the calculation was based on a strategic five-year plan followed by an extrapolation for one year (2 years in 2023). Over time, the calculation will go down to a forecast period of 5 years without extrapolation. A growth rate of 2% (2%) is used for subsequent years.

EastCoast is a company that has historically enjoyed stable growth. For EastCoast, the discount rate has been determined on the basis of a calculated "Weighted Average Cost of Capital" (WACC) of 17.6% (17.3%) before tax and 14.9% (14.3%) after tax.

The impairment test for the cash-generating unit Precise is based on financial forecasts estimated by management for the next five years. A growth rate of 2% (2%) is used for subsequent years. For Precise, the discount rate has been determined based on a calculated "Weighted Average Cost of Capital" (WACC) of 29% (27%) before tax and 25% (25%) after tax..

#### SENSITIVITY ANALYSIS

A sensitivity analysis was conducted for EastCoast, the result of which is that if WACC is 16.9% after tax instead, the recoverable amount will fall by 16% and if EBITDA margin is assumed to be 3% lower than the company's expectations, the recoverable amount would fall by 8%. None of these hypothetical assumptions would result in a need to write down.

A sensitivity analysis was conducted for Precise, the result of which is that if the WACC is 27% after tax instead, the recoverable value will fall by 11%. If EBITA is assumed to be 10% lower than the company's expectations, the recoverable value would fall by 15%. None of these hypothetical assumptions would result in a need to write down.

## NOTE 15 - ACCOUNTS RECEIVABLE

	12/31/2024	12/31/2023
Accounts receivable - invoiced	14,045	13,580
Accounts receivable - not invoiced	11,204	5,593
Reserve for credit risk	-1,436	-
<b>Total</b>	<b>23,813</b>	<b>19,173</b>

As of December 31, 2024, accounts receivable totaling SEK 5,816 (4,676) thousand were due. Accounts receivable amounting to SEK 1,436 (0) thousand are written down. Beyond this, no need for write-down is considered to exist for accounts receivable that are due. These relate to a number of independent customers who have not previously had any payment difficulties. The company does not consider there to be a need for a reserve for credit risk for non-invoiced accounts receivable.

<b>The aging analysis of all accounts receivable is shown below:</b>	<b>12/31/2024</b>	<b>12/31/2023</b>
Not due	19,394	14,501
Less than 3 months	4,206	4,236
Of which written down	-	-
3 to 6 months	41	333
Of which written down	-	-
More than 6 months	1,608	103
Of which written down	-1,436	-
<b>Total</b>	<b>23,813</b>	<b>19,173</b>

The maximum exposure for credit risk on the balance sheet date is the actual value for every category of receivables. The group has no collateral as security.

	12/31/2024	12/31/2023
Reserve for credit risk at beginning of year	-	-
Bad debt confirmed	-	-
Reversal of reserve for credit risk	-	-
Reserve for credit risk	-1,436	-
Currency effect	-	-
<b>Total</b>	<b>-1,436</b>	<b>-</b>

Customer loss noted during the year SEK 0 (17) thousand.

<b>The recognized amounts for each currency for the group's accounts receivable are as follows:</b>	<b>12/31/2024</b>	<b>12/31/2023</b>
SEK	2,888	4,859
USD	1,667	1,377
EUR	214	9
DKK	67	173
NOK	27	132
GBP	-	-

## NOTE 16 – PREPAID EXPENSES

	12/31/2024	12/31/2023
Prepaid rent for premises	811	797
Other items	1,993	2,106
<b>Total</b>	<b>2,804</b>	<b>2,903</b>

## NOTE 17 - EQUITY

	2024	2023
Number of common shares		
Issued as of January 1	77,379,327	46,427,597
New share issue	-	30,951,730
<b>Common shares issued as of December 31</b>	<b>77,379,327</b>	<b>77,379,327</b>
Number of Class C shares		
Issued as of January 1	1,085,000	1,085,000
Buyback of own shares	-	-
<b>Class C shares issued as of December 31</b>	<b>1,085,000</b>	<b>1,085,000</b>
<b>Total number of shares issued as of December 31</b>	<b>78,464,327</b>	<b>78,464,327</b>

As of December 31, 2024, the registered share capital comprised 77,379,327 common shares. Holders of common shares are entitled to dividends that are confirmed retrospectively and the shareholding entitles the holder to voting rights at the Annual General Meeting with one vote per share. The 1,085,000 Class C shares that were bought back in 2022 were held by Precise Biometrics AB as of 12/31/2024.

## NOTE 18 – OTHER LIABILITIES

	12/31/2024	12/31/2023
<b>Long-term liabilities</b>		
Lease liability	7,307	2,157
Long-term liability, acquisition of EastCoast	5,337	11,302
<b>Total long-term liabilities</b>	<b>12,644</b>	<b>13,460</b>
<b>Current liabilities</b>		
Lease liability	2,284	2,364
Current liabilities, acquisition of EastCoast	5,954	6,102
Other current liabilities	2,192	2,307
<b>Total current liabilities</b>	<b>10,431</b>	<b>10,772</b>

For more information about the liability that arose in connection with the acquisition of EastCoast Solutions AB, see Note 20 in the notes for the group.



## NOTE 19 – ACCRUED EXPENSES AND PREPAID INCOME

	12/31/2024	12/31/2023
Prepaid income	13,235	13,945
Accrued vacation pay	2,937	2,203
Accrued wages and remuneration	1,820	1,624
Accrued payroll overhead and pensions	2,234	1,782
Other accrued expenses	2,664	2,838
<b>Total</b>	<b>22,891</b>	<b>22,391</b>

## NOTE 20 - FINANCIAL INSTRUMENTS

	12/31/2024 Book value	12/31/2023 Book value
<b>Financial assets</b>		
<i>Financial assets valued at the accrued cost of acquisition</i>		
Accounts receivable	23,813	19,173
Other receivables	1,239	438
Cash and cash equivalents	37,704	47,534
<b>Total</b>	<b>62,756</b>	<b>67,145</b>
<b>Financial liabilities</b>		
<i>Financial liabilities valued at the accrued cost of acquisition</i>		
Accounts payable	2,301	2,722
Lease liability	9,591	4,521
Long-term liabilities	5,337	11,302
Current liabilities	7,345	7,569
Accrued expenses	2,664	2,838
<b>Total</b>	<b>27,239</b>	<b>28,953</b>

The fair value in respect of financial assets and liabilities corresponds in all material respects with the carrying amount in the balance sheet.

### INTEREST-BEARING LIABILITIES

On November 30, 2022, a supplementary agreement was signed that changed the terms and conditions for the remaining liability of SEK 55,000 thousand for the acquisition of EastCoast Solutions AB (see Note 6). SEK 30,000 thousand was paid on December 1, 2022, SEK 10,000 thousand on November 30, 2023 and SEK 5,000 thousand on November 30, 2024. SEK 5,000 thousand will be paid on November 30, 2025 and SEK 5,000 thousand on November 30, 2026. Interest will be added to the amounts of SEK 5,000 thousand due on November 30, 2025 and SEK 5,000 thousand due on November 30, 2026. Interest for the period from December 1, 2023 to November 30, 2024 in the amount of SEK 1,168 thousand was paid on November 30, 2024. The interest, of 3 months STIBOR + 8%, will be added from November 30, 2023 until the amounts have been paid. The liability is recognized as an interest-bearing liability as of December 31, 2024.

The liability has been calculated at current value at the original effective interest rate of 1.8% and is recognized as other current liabilities (SEK 5,954 thousand) and other non-current liabilities (SEK 5,337 thousand).

## NOTE 21 – RELATED PARTY TRANSACTIONS

There were no related party transactions in 2024. In 2023, the parent company had transactions as described below with the company RM International AB. RM International is the former owner of EastCoast Solutions AB, of which Richard Skalsky is a co-owner. Richard Skalsky was part of the group executive team during the period January 1 – May 31, 2023. Rickard left the company on May 31, 2023. Information on remuneration and benefits provided to senior executives associated with this company can be found in Note 6 in the notes for the group. For more information regarding the liability that arose in connection with the acquisition of EastCoast Solutions, see Note 20 in the notes for the group. Apart from transactions below, there have only been business transactions with subsidiaries and salary-related remuneration to senior executives and Board members.

Information on remuneration and benefits provided to senior executives associated with this company can be found in Note 6 in the notes for the group.

<b>The group's transactions with RM International AB</b>	<b>2024</b>	<b>2023</b>
Interest expenses*	-	204
Liability to related parties*	-	26,826

\* In 2023, only interest expenses for January 1 – May 31, 2023 were recognized, when Rickard was part of the group executive team. Liabilities recognized in 2023 are as of May 31, 2023.

## NOTE 22 – BUSINESS COMBINATIONS

As of November 30, 2021, the Group acquired 100% of the shares in EastCoast Solutions AB and Besökssystem Sverige AB.

The purchase price totaled SEK 86,203,000, of which SEK 24,466,000 was paid as at 31 December 2021, partly via a cash payment of SEK 18,000,000 and partly via the issuing of new shares totaling SEK 6,466,000. An additional SEK 8,268 thousand was paid in cash in January 2022.

On November 30, 2022, a supplementary agreement was signed that changed the terms and conditions for the remaining liability of SEK 55,000 thousand for the acquisition. See Note 20 for details of the new terms and conditions.

### IMPACT ON CASH AND CASH EQUIVALENTS IN 2024 (REPORTED IN INVESTING ACTIVITIES)

Repayment of debt on November 30, 2024: SEK 6,168 thousand See Note 20 Interest-bearing liabilities.

## NOTE 23 – SIGNIFICANT EVENTS AFTER YEAR-END

No significant events occurred after the end of the fiscal year that are deemed to have an impact on the company's financial position or future development.

# FINANCIAL STATEMENTS OF THE PARENT COMPANY

## PARENT COMPANY'S INCOME STATEMENT

Other comprehensive income for the parent company corresponds to the profit for the year.

Amounts in SEK thousands

	Note	2024	2023
Net sales	2	69,959	53,787
Cost of goods and services sold	3	-32,412	-32,709
<b>Gross profit</b>		<b>37,547</b>	<b>21,078</b>
Selling expenses		-20,783	-18,552
Administrative expenses		-13,227	-13,203
R&D expenses		-16,031	-19,813
Other operating income/expenses		1,261	-626
	3,4,5,6,7,9	<b>- 48,780</b>	<b>-52,194</b>
<b>Operating profit/loss</b>		<b>-11,233</b>	<b>-31,116</b>
Interest income and similar income statement items	10	1,039	787
Interest expense	10	-230	-896
		<b>809</b>	<b>-109</b>
Group contributions received	20	151	3,487
<b>Profit/loss before tax</b>		<b>-10,274</b>	<b>-27,739</b>
Tax	8	-	-
<b>Profit/loss for the year</b>		<b>-10,274</b>	<b>-27,739</b>

## PARENT COMPANY'S BALANCE SHEET

Amounts in SEK thousands

ASSETS	Note	12/31/2024	12/31/2023
<b>Fixed assets</b>			
Tangible assets	11	1,196	2,056
Goodwill and intangible assets	12	22,812	31,630
Financial assets	13	90,558	90,558
<b>Total fixed assets</b>		<b>114,566</b>	<b>124,244</b>
<b>Current assets</b>			
Inventories		-	64
Accounts receivable	14,18	20,859	13,704
Receivables from group companies	9	8,145	10,988
Other receivables	18	1,841	2,250
Prepaid expenses	15	2,449	2,488
Cash and cash equivalents	18	25,452	35,618
<b>Total current assets</b>		<b>58,746</b>	<b>65,112</b>
<b>TOTAL ASSETS</b>		<b>173,312</b>	<b>189,356</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Restricted equity</b>			
Share capital		23,539	23,539
Statutory reserve		1,445	1,445
Reserve for development expenses		15,911	21,556
<b>Total restricted equity</b>		<b>40,895</b>	<b>46,540</b>
<b>Non-restricted equity</b>			
Share premium reserve		168,316	168,316
Retained earnings		-59,942	-37,849
Profit/loss for the year		-10,274	-27,738
<b>Total non-restricted equity</b>		<b>98,100</b>	<b>102,729</b>
<b>Total equity</b>	16	<b>138,995</b>	<b>149,269</b>
<b>Long-term liabilities</b>			
Long-term liabilities		5,337	11,302
<b>Total long-term liabilities</b>		<b>5,337</b>	<b>11,302</b>
<b>Current liabilities</b>			
Accounts payable	18	1,913	2,199
Current liabilities with group companies	18	1,723	942
Other current liabilities	18	7,029	7,289
Accrued expenses and deferred income	17	18,315	18,355
<b>Total current liabilities</b>		<b>28,979</b>	<b>28,785</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>173,312</b>	<b>189,356</b>

## PARENT COMPANY'S CASH FLOW STATEMENT

Amounts in SEK thousands

	Note	2024	2023
<b>Cash flow from operating activities</b>			
Operating profit/loss		-11,233	-31,116
Adjustments for items not included in cash flow		18,309	22,077
Interest paid/received	10	809	-109
<b>Cash flow from operating activities before changes in working capital</b>		<b>7,885</b>	<b>-9,148</b>
<b>Cash flow from changes in working capital</b>			
Change in inventories		64	247
Change in current receivables		-3,712	-5,292
Change in long-term liabilities		-	-
Change in current liabilities		343	-770
<b>Changes in working capital</b>		<b>-3,305</b>	<b>-5,815</b>
<b>Cash flow from operating activities</b>		<b>4,580</b>	<b>-14,963</b>
<b>Cash flow from investing activities</b>			
Acquisition of subsidiaries	19	-6,168	-10,000
Investment in tangible assets	11	-261	-505
Investment in intangible assets	12	-8,315	-11,598
Investment in financial assets		-	-
<b>Cash flow from investing activities</b>		<b>-14,744</b>	<b>-22,103</b>
<b>Cash flow from financing activities</b>			
New share issue	16	-	49,523
Issue expenses	16	-	-9,979
<b>Cash flow from financing activities</b>		<b>-</b>	<b>39,544</b>
<b>Cash flow for the year</b>		<b>-10,164</b>	<b>2,478</b>
Cash & cash equivalents at beginning of year		35,619	33,140
<b>Closing liquid assets</b>		<b>25,452</b>	<b>35,618</b>



## CHANGE IN EQUITY IN THE PARENT COMPANY

Amounts in SEK thousands

	RESTRICTED EQUITY			NON-RESTRICTED EQUITY		
	Share capital	Statutory reserve	Reserve for development expenses	Share premium reserve	Retained earnings	Total equity
<b>Opening balance as of January 1, 2023</b>	<b>14,253</b>	<b>1,445</b>	<b>26,762</b>	<b>138,059</b>	<b>-43,056</b>	<b>137,463</b>
Profit/loss for the year	-	-	-	-	-27,739	-27,739
New share issue	9,286	-	-	40,237	-	49,523
Issue expenses	-	-	-	-9,979	-	-9,979
Capitalized development expenses	-	-	11,598	-	-11,598	-
Release due to amortization of development expenses for the year	-	-	-16,803	-	16,803	-
<b>Closing balance as of December 31, 2023</b>	<b>23,539</b>	<b>1,445</b>	<b>21,556</b>	<b>168,317</b>	<b>-65,588</b>	<b>149,269</b>
<b>Opening balance as of January 1, 2024</b>	<b>23,539</b>	<b>1,445</b>	<b>21,556</b>	<b>168,317</b>	<b>-65,588</b>	<b>149,269</b>
Profit/loss for the year	-	-	-	-	-10,274	-10,274
Capitalized development expenses	-	-	14,271	-	-14,271	-
Release due to amortization of development expenses for the year	-	-	-19,916	-	19,916	-
<b>Closing balance as of December 31, 2024</b>	<b>23,539</b>	<b>1,445</b>	<b>15,912</b>	<b>168,317</b>	<b>-70,218</b>	<b>138,995</b>

# NOTES (PARENT COMPANY)

NOTE 1 – GENERAL INFORMATION, ACCOUNTING PRINCIPLES

NOTE 2 – REVENUE ALLOCATION

NOTE 3 – COSTS ALLOCATED PER TYPE

NOTE 4 – EMPLOYEES AND PERSONNEL EXPENSES

NOTE 5 – REMUNERATION TO SENIOR EXECUTIVES

NOTE 6– AUDITORS' REMUNERATION

NOTE 7 – OPERATING LEASES

NOTE 8 – INCOME TAX AND DEFERRED TAX

NOTE 9 – PURCHASES AND SALES BETWEEN COMPANIES IN THE GROUP

NOTE 10 – FINANCIAL INCOME AND EXPENSES

NOTE 11 – TANGIBLE ASSETS

NOTE 12 – INTANGIBLE ASSETS

NOTE 13 – FINANCIAL ASSETS

NOTE 14 – ACCOUNTS RECEIVABLE

NOTE 15 – PREPAID EXPENSES AND ACCRUED INCOME

NOTE 16 - EQUITY

NOTE 17 – ACCRUED EXPENSES AND PREPAID INCOME

NOTE 18 – FINANCIAL INSTRUMENTS

NOTE 19 – ACQUISITION OF SUBSIDIARIES

NOTE 20 – APPROPRIATIONS

NOTE 21 – PROPOSED DISTRIBUTION OF EARNINGS

## NOTE 1 – GENERAL INFORMATION, ACCOUNTING POLICIES

### GENERAL

The parent company applies the same accounting policies as the group except in the cases specified in the section entitled 'The parent company's accounting policies'.

### THE PARENT COMPANY'S ACCOUNTING POLICIES

The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Reporting Board's recommendation RFR 2, Accounting for Legal Entities. This means that the parent company, in its financial statements, applies all of the EU-approved IFRS and statements as far as is possible within the framework of the Swedish Annual Accounts Act and with due regard to the relationship between accounting and taxation.

The recognition and measurement policies applied in the Annual Report for 2023 have also been used in this annual report, with the exception of the application of new accounting standards, as described under the general accounting policies for the group. Unless otherwise stated, all amounts are given in SEK thousands, and unless otherwise stated amounts in parentheses refer to the previous fiscal year.

#### LEASES

IFRS 16 is not applied by the parent company. The exception in RFR2 relating to leases is applied instead.

#### FINANCIAL INSTRUMENTS

IFRS 9 is not applied in the parent company. The parent company applies the items described in RFR 2 instead (IFRS 9 Financial Instruments).

#### INTANGIBLE ASSETS

The value of the goodwill arising in connection with the acquisition of NexID Biometrics Inc. (acquisition of assets and liabilities) is written off over the estimated useful life, which is ten years.

#### FINANCIAL ASSETS

Shares and participations in subsidiaries are recognized at the acquisition value, after deductions for depreciation. The acquisition value is included in acquisition-related costs. Dividends received are recognized as financial revenues. Dividends that exceed the subsidiary's comprehensive income for the period, or that result in the book value of the holding's net assets in the consolidated financial statements being less than the book value of the participations, are an indication that there is a write-down requirement.

When there is an indication that shares and participations in a subsidiary have diminished in value, an estimate is made of the recovery value. A write-down is recognized if this is lower than the carrying amount. Write-downs are recognized in the item Profit/loss from participations in group companies.

## NOTE 2 – REVENUE ALLOCATION

The parent company has two (two) major customers that account for more than 10% of net sales. Revenues from these customers total just over 71% (63%) of net sales. The parent company's sales to other group companies totaled SEK 4.9 (1.9) million. This revenue is not included in the table below.

	2024	2023
<b>Segment</b>		
<b><i>Biometric Technologies</i></b>		
Royalties	41,089	17,654
Licenses, including support and maintenance	21,976	31,500
Other	434	988
<b><i>Digital Identity</i></b>		
Licenses, including support and maintenance	1,589	1,708
Other	4	-7
<b>Total</b>	<b>65,092</b>	<b>51,844</b>
<b>Time*</b>		
Revenue recognition at a given point in time*	43,227	18,636
Revenue recognition over time**	21,865	33,208
<b>Total</b>	<b>65,092</b>	<b>51,844</b>
<b>Region/Country</b>		
Europe	7,834	8,607
- of which Sweden	2,385	2,243
Asia	29,443	31,205
- of which China	1,372	3,152
- of which Taiwan	24,963	25,224
US	27,814	12,033
<b>Total</b>	<b>65,092</b>	<b>51,844</b>

\* Sale at a certain time means that revenue is reported point-in-time at the start of the agreement period, when control has been transferred to the customer. Royalties have been moved to sales at a certain point in time in order to provide a more accurate picture.

\*\* Sales over time means that revenue is accrued on a straight-line basis over the term of the agreement.

## NOTE 3 - COSTS ALLOCATED PER TYPE

	2024	2023
Employee benefit expenses	29,463	27,973
Cost of purchasing and handling commercial goods	19,294	16,692
Depreciation and write-downs	18,254	21,294
Consulting costs	10,456	17,075
Exchange rate gains	-2,696	2,227
Exchange rate losses	1,435	-2,854
Other external expenses	13,301	13,822
Capitalized development expenses	-8,316	-11,598
<b>Total</b>	<b>81,192</b>	<b>84,632</b>

## NOTE 4 - EMPLOYEES AND PERSONNEL EXPENSES

Gender balance	2024		2023	
	Men	Women	Men	Women
Precise Biometrics AB, Sweden	13	6	12	6
	13	6	12	6

Gender balance in corporate management	2024	2023
<i>Proportion of women</i>		
Board of Directors	40%	33%
CEO and other senior executives	20%	33%

Salaries and remuneration are allocated as follows:	2024	2023
<i>Board and CEO, Sweden</i>		
Salaries and other remuneration	4,931	5,993
Pension expenses	677	1,045
Payroll overhead, including payroll tax	1,715	1,926
<b>Total</b>	<b>7,324</b>	<b>8,964</b>
<i>Others, Sweden</i>		
Salaries and other remuneration	15,032	13,406
Pension expenses	2,806	2,165
Payroll overhead, including payroll tax	5,144	4,521
<b>Total</b>	<b>22,982</b>	<b>20,092</b>
<b>TOTAL</b>	<b>30,306</b>	<b>29,056</b>

## NOTE 5 - REMUNERATION TO SENIOR EXECUTIVES

### PRINCIPLES

Remuneration is paid to the Chairman of the Board and Board members in accordance with the decision of the AGM.

Remuneration to the CEO and other senior executives consists of their basic salary, variable remuneration, pension benefits and other benefits. In addition to the six-month period of notice, severance pay for six months is also paid if notice is served by the company.

Other senior executives are those persons who together with the CEO constitute corporate management. There was an average of 4 (4) senior executives during the year. For the composition of corporate management, see the section entitled 'Management' in the annual report.

The distribution between basic salary and variable remuneration shall be in proportion to the executive's level of responsibility and authority. For the CEO, variable remuneration is set at a maximum of 75% of basic salary. For other senior executives, variable remuneration is a maximum of 50% of basic salary.

For additional information, see Note 6 in the notes for the group.



## NOTE 6 - AUDITORS' REMUNERATION

	2024	2023
<b>Ernst &amp; Young</b>		
Audit assignment	620	728
Auditing activities in addition to the audit assignment	100	130
Tax consulting	-	-
Other assignments	-	299
<b>Total</b>	<b>720</b>	<b>1,157</b>

## NOTE 7 – OPERATING LEASES

	2024	2023
Leasing costs during the year	3,022	2,850
<b>Total</b>	<b>3,022</b>	<b>2,850</b>
Nominal value of agreed future leasing charges:		
Due for payment within 1 year	2,454	2,102
Due for payment after 1 year, but within 5 years	5,605	1,361
Due for payment after 5 years	-	-
<b>Total</b>	<b>8,059</b>	<b>3,463</b>

## NOTE 8 – INCOME TAX AND DEFERRED TAX

	2024	2023
<b>Tax expense for the year</b>		
Change in deferred tax	-	-
<b>Tax expense</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of effective tax</b>	<b>2024</b>	<b>2023</b>
Profit/loss before tax	-10,274	-27,739
Tax calculated according to current tax rate, 20.6%	2,116	5,714
Tax effect of non-deductible expenses/non-taxable revenues	-220	-76
Changed assessment of deferred tax asset	-	-
Tax loss carryforwards for which deferred tax asset not recognized	-1,897	-5,638
<b>Tax expense</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets</b>	<b>2024</b>	<b>2023</b>
Tax loss carryforwards	-	-
<b>Carrying amount</b>	<b>-</b>	<b>-</b>
<b>Specification of change in deferred tax asset:</b>	<b>2024</b>	<b>2023</b>
Opening carrying amount	-	-
Change in deferred tax asset	-	-
<b>Closing carrying amount of deferred tax asset</b>	<b>-</b>	<b>-</b>

The company's historically reported losses represent significant amounts, as the most recent fiscal years have resulted in a tax loss. Digital Identity is in an early phase, and there is quite naturally uncertainty in the forecasts, so the company's assessment is cautious on the basis that there are compelling factors that suggest future taxable surpluses in the near future.

No deferred tax asset is recognized in respect of future utilization of tax deficits 0 (0) in 2024 and 2023. There are tax loss carryforwards in the parent company for which deferred tax assets have not been recognized in the balance sheet amounting to SEK 749,146 (739,092) thousand. There is no time limitation for the utilization of tax loss carryforwards. In connection with the acquisition of EastCoast Solutions AB in November 2021, SEK 662,643 thousand of the deficit in the parent company was blocked for group contributions until December 31, 2026.

## NOTE 9 - PURCHASES AND SALES BETWEEN COMPANIES IN THE GROUP

Parent company sales to other group companies totaled SEK 4.9 (1.9) million. Purchases from group companies amounted to SEK 13.9 million (10.5). Internal pricing between the parent company and foreign subsidiaries takes place on the basis of the Transactional Net Margin Method and the profit level is determined in accordance with the Return on Sales, which was approximately 2–5% (2–5%) for 2024.

## NOTE 10 - FINANCIAL INCOME AND EXPENSES

	2024	2023
Interest income	740	501
Exchange rate gains	299	286
<b>Total</b>	<b>1,039</b>	<b>787</b>
Interest expense liability, acquisition of EastCoast	55	782
Exchange rate losses	175	114
<b>Total</b>	<b>230</b>	<b>896</b>

## NOTE 11 – TANGIBLE ASSETS

Equipment and tools	12/31/2024	12/31/2023
<b>Opening acquisition value</b>	6,621	6,456
Acquisitions during the year	261	505
Sales/disposals	-	-340
<b>Closing acquisition value</b>	<b>6,881</b>	<b>6,621</b>
<b>Opening accumulated amortization</b>	<b>-4,565</b>	<b>-3,587</b>
Depreciation for the year	-1,121	-1,318
Sales/disposals	-	340
<b>Closing accumulated amortization</b>	<b>-5,686</b>	<b>-4,565</b>
<b>Book value</b>	<b>1,196</b>	<b>2,056</b>

Depreciation is included in the items Selling expenses, Administration expenses and R&D expenses in the income statement.

## NOTE 12 – INTANGIBLE ASSETS

<b>CAPITALIZED DEVELOPMENT EXPENSES</b>	<b>12/31/2024</b>	<b>12/31/2023</b>
<b>Opening acquisition value</b>	<b>45,849</b>	<b>49,861</b>
Acquisitions during the year	8,316	11,598
Sales/disposals	-16,561	-15,609
<b>Closing acquisition value</b>	<b>37,604</b>	<b>45,849</b>
 <b>Opening accumulated amortization</b>	 <b>-24,295</b>	 <b>-23,101</b>
Depreciation for the year	-13,960	-16,803
Sales/disposals	16,561	15,609
<b>Closing accumulated amortization</b>	<b>-21,694</b>	<b>-24,295</b>
 <b>Opening accumulated write-downs</b>	 -	 -
Sales/disposals	-	-
<b>Closing accumulated write-downs</b>	<b>-</b>	<b>-</b>
<b>Book value</b>	<b>15,910</b>	<b>21,555</b>
 <b>PATENTS</b>	 <b>12/31/2024</b>	 <b>12/31/2023</b>
<b>Opening acquisition value</b>	<b>1,138</b>	<b>1,138</b>
<b>Closing acquisition value</b>	<b>1,138</b>	<b>1,138</b>
 <b>Opening accumulated amortization</b>	 <b>-525</b>	 <b>-449</b>
Depreciation for the year	-76	-76
<b>Closing accumulated amortization</b>	<b>-601</b>	<b>-525</b>
<b>Book value</b>	<b>537</b>	<b>613</b>
 <b>CAPITALIZED DATA EXPENSES</b>	 <b>12/31/2024</b>	 <b>12/31/2023</b>
<b>Opening acquisition value</b>	<b>687</b>	<b>687</b>
Acquisitions during the year	-	-
<b>Closing acquisition value</b>	<b>687</b>	<b>687</b>
 <b>Opening accumulated amortization</b>	 <b>-596</b>	 <b>-538</b>
Depreciation for the year	-58	-58
<b>Closing accumulated amortization</b>	<b>-654</b>	<b>-596</b>
<b>Book value</b>	<b>33</b>	<b>91</b>
 <b>GOODWILL</b>	 <b>12/31/2024</b>	 <b>12/31/2023</b>
<b>Opening acquisition value</b>	<b>24,496</b>	<b>24,496</b>
<b>Closing acquisition value</b>	<b>24,496</b>	<b>24,496</b>
 <b>Opening accumulated amortization</b>	 <b>-16,942</b>	 <b>-14,493</b>
Depreciation for the year	-2,450	-2,450
<b>Closing accumulated amortization</b>	<b>-19,391</b>	<b>-16,942</b>
<b>Book value</b>	<b>5,105</b>	<b>7,554</b>

<b>OTHER INTANGIBLE ASSETS (DATABASE AND CUSTOMER RELATIONS)</b>	<b>12/31/2024</b>	<b>12/31/2023</b>
<b>Opening acquisition value</b>	<b>6,637</b>	<b>6,637</b>
<b>Closing acquisition value</b>	<b>6,637</b>	<b>6,637</b>
<b>Opening accumulated amortization</b>	<b>-4,820</b>	<b>-4,230</b>
Depreciation for the year	-589	-589
<b>Closing accumulated amortization</b>	<b>-5,409</b>	<b>-4,820</b>
<b>Book value</b>	<b>1,228</b>	<b>1,817</b>
<b>TOTAL BOOK VALUE</b>	<b>22,812</b>	<b>31,630</b>

"Amortization of capitalized development expenses and acquired intangible assets is included in the item Cost of goods sold. For the impairment test of goodwill, see Note 14 in the notes for the group."

## NOTE 13 – FINANCIAL ASSETS

<b>PARTICIPATIONS IN SUBSIDIARIES</b>	<b>12/31/2024</b>	<b>12/31/2023</b>
<b>Precise Biometrics Services AB</b>		
Corp. ID no. 556582-9347, reg. office: Lund municipality, County of Skåne.		
Number of shares	1,000	1,000
Share of equity	100%	100%
Equity on balance sheet date	2,440	2,440
Profit/loss for the year	-	-2
Opening book value	820	820
<b>Closing book value</b>	<b>820</b>	<b>820</b>
<b>Precise Biometrics Inc.</b>		
Potsdam, New York, USA		
Number of shares	10	10
Share of equity	100%	100%
Equity on balance sheet date	2,835	2,015
Profit/loss for the year	603	185
Opening book value	958	958
<b>Closing book value</b>	<b>958</b>	<b>958</b>
<b>Precise Biometrics Shanghai</b>		
Shanghai, China		
Number of shares	-	-
Share of equity	100%	100%
Equity on balance sheet date	1,062	753
Profit/loss for the year	253	228
Opening book value	-	-
<b>Closing book value</b>	<b>-</b>	<b>-</b>

**EastCoast Solutions AB**

Stockholm

Number of shares

Share of equity

Equity on balance sheet date

Profit/loss for the year

Opening book value

**Closing book value**

-	-
100%	100%

3,072	3,122
-50	11

88,689	88,689
<b>88,689</b>	<b>88,689</b>

**Besökssystem Sverige AB**

Stockholm

Number of shares

Share of equity

Equity on balance sheet date

Profit/loss for the year

Opening book value

**Closing book value**

12/31/2024	12/31/2023
------------	------------

-	-
100%	100%

88	89
-1	-

91	91
<b>91</b>	<b>91</b>

**Total****Total financial assets**

<b>90,558</b>	<b>90,558</b>
<b>90,558</b>	<b>90,558</b>

**NOTE 14 - ACCOUNTS RECEIVABLE**

	12/31/2024	12/31/2023
Accounts receivable - invoiced	11,090	8,110
Accounts receivable - not invoiced	11,204	5,593
Reserve for credit risk	-1,436	-
<b>Total</b>	<b>20,858</b>	<b>13,703</b>

As of December 31, 2024 accounts receivable totaling SEK 3,887 (2,801) thousand were due. Accounts receivable amounting to SEK 1,436 thousand (0) are written down. After close dialog with customers, the assessment has been made that there is no need for write-downs.

**The aging analysis of all accounts receivable is shown below:**

	12/31/2024	12/31/2023
Not due	18,407	11,257
Less than 3 months	2,445	2,120
Of which written down	-	-
3 to 6 months	6	326
Of which written down	-	-
More than 6 months	1,436	-
Of which written down	-1,436	-
<b>Total</b>	<b>20,858</b>	<b>13,703</b>

The maximum exposure for credit risk on the balance sheet date is the actual value for every category of receivables. The parent company has no collateral as security.



	12/31/2024	12/31/2023
Reserve for credit risk at beginning of year	-	-
Bad debt confirmed	-	-
Reversal of reserve for credit risk	-	-
Reserve for credit risk	-1,436	-
Currency effect	-	-
<b>Total</b>	<b>-1,436</b>	<b>-</b>

Customer loss noted during the year SEK 0 (0) thousand.

**The recognized amounts for each currency for the parent company's accounts receivable are as follows:**

	12/31/2024	12/31/2023
SEK	325	450
USD	1,650	1,319
EUR	208	-

## NOTE 15 – PREPAID EXPENSES

	12/31/2024	12/31/2023
Prepaid rent for premises	619	608
Other items	1,830	1,881
<b>Total</b>	<b>2,449</b>	<b>2,488</b>

## NOTE 16 – EQUITY

	Number of shares
<b>As of December 31, 2023</b>	78,464,327
New share issue	-
<b>As of December 31, 2024</b>	<b>78,464,327</b>

### OPTION PROGRAM AND LTI PROGRAM

The 2022 shareholders' general meeting made a decision to offer an incentive plan for the company's CEO to the effect that a maximum of 100,000 (after consolidation) stock options could be issued, with each stock option providing entitlement to subscribe to one (1) share in the company. During Q4 2023, 100,000 stock options were repurchased for SEK 8.10 and canceled from the former CEO, corresponding to 100% of the total remaining stock options.

The Annual General Meeting resolved, in accordance with the Board's proposal, to establish a long-term share bonus program (LTI 2022/2028) for all employees in Precise. In order to facilitate the implementation of LTI 2022/2028 and to ensure the delivery of shares to the participants, and to cover the company's costs for social security contributions, the meeting also decided to amend the Articles of Association in the form of the introduction of new Class C shares, authorization for the Board of Directors to issue Class C shares, authorization for the Board of Directors to buy back Class C shares, and approval of the transfer of shares to participants in LTI 2022/2028. The implementation of Class C shares took place in Q4 2022. As of December 31, 2024, Precise held 1,085,000 Class C shares.

## NOTE 17 – ACCRUED EXPENSES AND PREPAID INCOME

	12/31/2024	12/31/2023
Prepaid income	10,335	10,514
Accrued vacation pay	2,363	1,995
Accrued wages and remuneration	1,182	1,435
Accrued payroll overhead and pensions	1,919	1,660
Other accrued expenses	2,515	2,751
<b>Total</b>	<b>18,315</b>	<b>18,355</b>

## NOTE 18 – FINANCIAL INSTRUMENTS

	12/31/2024	12/31/2023
	Book value	Book value
<b>Financial assets</b>		
<i>Loans receivable and accounts receivable</i>		
Accounts receivable	20,858	13,703
Receivables from group companies	8,145	10,988
Other receivables	1,816	1,969
Cash and cash equivalents	25,452	35,618
<b>Total financial assets</b>	<b>56,271</b>	<b>62,278</b>
<b>Financial liabilities</b>		
<i>Financial liabilities valued at the accrued cost of acquisition</i>		
Accounts payable	1,913	2,199
Current liabilities with group companies	1,723	942
Long-term liabilities	5,337	11,302
Current liabilities	7,029	7,289
Accrued expenses	2,515	2,751
<b>Total financial liabilities</b>	<b>18,517</b>	<b>24,484</b>

## NOTE 19 – ACQUISITION OF SUBSIDIARIES

As of November 30, 2021, the shares in EastCoast Solution AB and Visitor System Sverige AB were acquired.

For further information about the acquisition, see Note 22 in the notes for the group.

## NOTE 20 – APPROPRIATIONS

	12/31/2024	12/31/2023
Group contributions received	151	3,487
<b>Total</b>	<b>151</b>	<b>3,487</b>

## NOTE 21 – PROPOSED DISTRIBUTION OF EARNINGS

The following non-restricted funds in the parent company are at the disposal of the AGM:

	12/31/2024	12/31/2023
Share premium reserve, SEK thousands	168,316	168,316
Retained earnings, SEK thousands	-59,942	-37,849
Profit/loss for the year, SEK thousands	-10,274	-27,738
<b>Total non-restricted equity</b>	<b>98,100</b>	<b>102,729</b>
The Board proposes that the AGM should not issue a dividend for the fiscal year 2023.		
Carried forward to in a new account, SEK thousands	98,100	102,729
<b>Total non-restricted equity</b>	<b>98,100</b>	<b>102,729</b>

# ASSURANCE

The Board of Directors and the CEO give their assurance that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and give a fair view of the group's financial position and results.

The Annual Report has been prepared in accordance with generally accepted accounting principles and gives a fair view of the parent company's financial position and results.

The Administration Report for the group and the parent company gives a fair view of the group's and the parent company's activities, financial position and results, and describes the essential risks and uncertainty factors faced by the parent company and the companies in the group.

The income statements and balance sheets, including the consolidated financial statements, will be presented for the approval of the Annual General Meeting on May 22, 2025.

Lund, April 8 2025

**Torgny Hellström**

Chairman of the Board

**Maria Rydén**

Board member

**Howard Ro**

Board member

**Åsa Schwarz**

Board member

**Peter Gullander**

Board member

**Joakim Nydemark**

CEO

Our auditor's report has been submitted

**Ernst & Young AB**

**Martin Henriksson**

Authorized Public Accountant

# AUDITOR'S REPORT

To the general meeting of shareholders of Precise Biometrics AB (publ), corporate identity number 56545-6596

## REPORT ON THE ANNUAL ACCOUNTS & CONSOLIDATED ACCOUNTS

### OPINIONS

We have audited the annual accounts and consolidated accounts of Precise Biometrics AB (publ) except for the corporate governance statement on pages 32-39 for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 24-85 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 the parent company as of 31 December 2024 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 2024 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. Our opinions do not cover the corporate governance statement on pages 32-39. 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 annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) 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) 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.

### 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### REVENUE RECOGNITION

#### DESCRIPTION

Net sales for the year 2024 amount to SEK 86.9 million in the income statement for the group and SEK 70.0 million in the income statement for the parent company. Revenue mainly consists of license revenue. License revenue falls into two categories – license fees and usage-based royalty payments. Revenue recognition related to

license fees requires that management make assessments regarding the period in which the revenue should be recognized. This means that the company's revenue recognition involves significant elements of assessment, and for this reason revenue recognition is considered to be a key audit matter in the audit.

A description of the accounting principles is included in note 1 "General information, accounting policies" section "Revenue recognition". In note 2 "Revenue allocation" there is a breakdown of the company's revenue into different categories.

#### **HOW OUR AUDIT ADDRESSED THIS KEY AUDIT MATTER**

In our audit, we evaluated and examined the process for revenue recognition and assessments made. Among other things, we have performed analytical review, data analysis of revenue, examined agreements and carried out checks on payments received, and also examined accruals against supporting documentation. Our examination also included review of disclosures provided in the annual report.

## **GOODWILL**

### **DESCRIPTION**

The carrying value of goodwill amounts to SEK 84.8 million in the group's balance sheet and SEK 7.6 million in the parent company's balance sheet as of December 31, 2023. The company tests annually and in the event of an indication of impairment that the carrying value does not exceed the estimated recoverable amount. The recoverable amount is determined per identified cash-generating unit by calculating the present value of future cash flows. Future cash flows are based on management's business plans and forecasts and include a number of assumptions about earnings development, growth, investment needs and discount rate (WACC).

Changes in assumptions have a major impact on the calculation of the recoverable amount, and the assumptions applied by the company are therefore of great importance for the assessment of whether an impairment requirement exists. We have therefore assessed that the accounting of goodwill is a key audit matter in the audit.

A description of accounting principles as well as important estimates and judgments for accounting purposes is included in note 1 "General information, accounting policies". A description of the impairment test can be found in note 14 "Intangible assets" for the group and note 12 "Intangible assets" for the parent company.

#### **HOW OUR AUDIT ADDRESSED THIS KEY AUDIT MATTER**

In our audit, we evaluated and tested the company's process for setting up impairment tests, including by evaluating previous accuracy in forecasts and assumptions. We also evaluated the reasonableness of future cash flows and growth assumptions and, with the help of our valuation specialists, tested the chosen discount rate and assumptions about long-term growth. We have also reviewed the company's model and method for carrying out impairment tests and evaluated the company's sensitivity analyses. We have reviewed the disclosures provided in the annual report.

## **OTHER INFORMATION THAN THE ANNUAL ACCOUNTS & CONSOLIDATED ACCOUNTS**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-23 and 92-97. The other information also includes [the remuneration report and were obtained before the date of this auditor's report. 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 Director's 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 skepticism 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, actions taken to eliminate threats or related safeguards applied.

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

### REPORT ON THE AUDIT OF THE ADMINISTRATION 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 Precise Biometrics AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) 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 skepticism 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 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 Precise Biometrics AB (publ) for the financial year 2024.

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 Precise Biometrics 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 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 requires 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 ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable 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 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 XHTML 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 have been marked with iXBRL in accordance with what follows from the Esef regulation.

## **THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT**

The Board of Directors is responsible for that the corporate governance statement on pages 32-39 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in

accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Box 4279, 203 14 Malmö, was appointed auditor of Precise Biometrics AB (publ) by the general meeting of the shareholders on the 22nd May 2024 and has been the company's auditor since the 27th April 2015.

Malmö 8th April, 2025

Ernst & Young AB

Martin Henriksson

Authorized Public Accountant

# FINANCIAL GLOSSARY

## NET SALES GROWTH

Percentage change compared with the corresponding period in the previous year. A measure of whether a company's net sales are increasing.

## GROSS MARGIN

Gross profit/loss divided by net sales. Indicates the proportion of sales that is left over to cover wages, other operating expenses, interest and profit.

## OPERATING PROFIT/LOSS

Profit/loss before financial net and tax. A measure of a company's profit before interest and taxes, i.e., the difference between operating income and operating expenses. This figure does not include the discontinued operation.

## OPERATING PROFIT/LOSS, TOTAL OPERATION

Operating profit/loss plus profit/loss after tax from discontinued operation. A measure of the company's profit before interest and taxes, i.e., the difference between operating income and operating expenses. The total operation also includes the discontinued operation.

## OPERATING EXPENSES

Operating expenses excluding cost of goods sold. Operating expenses are expenses that do not belong directly to a particular product or product group. Common operating expenses include, for example, wages and other personnel expenses, as well as rental of premises.

## EARNINGS BEFORE INTEREST, DEPRECIATION AND AMORTIZATION (EBITDA)

Profit/loss before financial items and depreciation. This key indicator shows the Group's profit/loss before depreciation/amortization of capitalized assets. This measure makes it possible to make comparisons with other companies, regardless of whether the operation is based on acquisitions or through organic growth.

## OPERATING MARGIN

Operating profit/loss divided by net sales. Defines what proportion of each Swedish krona of sales is left over to cover interest, taxes and any possible profit.

## CASH FLOW, TOTAL OPERATION

Cash flow from operating activities after changes in working capital. This indicates whether a company can generate a sufficiently positive cash flow to maintain and expand its operation, or whether it needs external financing.

## **WORKING CAPITAL, TOTAL OPERATION**

Current assets less current liabilities. This measure shows the capital a company needs to finance operating activities.

## **CAPITAL EMPLOYED, TOTAL OPERATION**

Total assets less non-interest-bearing liabilities and provisions. This measure shows how much capital is used in operations and is thus one component of measuring the return from operations.

## **EQUITY, TOTAL OPERATION**

Equity at the end of the period. Equity is the difference between the Group's assets and liabilities, which corresponds to the Group's equity that has been contributed by shareholders and the Group's accumulated profit.

## **AVERAGE EQUITY, TOTAL OPERATION**

The average equity was calculated as equity for the last four quarters divided by four.

## **LIQUIDITY RATIO, TOTAL OPERATION**

Current assets excluding inventories divided by current liabilities. This key figure shows the group's ability to pay in the short term.

## **EQUITY/ASSETS RATIO, TOTAL OPERATION**

Equity divided by total assets on the balance sheet date. This key figure shows what proportion of assets is funded by equity. This measure can be of interest when assessing the Group's ability to pay in the long term.

## **RETURN ON EQUITY, TOTAL OPERATION**

Profit/loss after tax divided by average equity. This key indicator shows the business's return on shareholders' capital invested and is thus a measure of how profitable the Group is. Investors can compare this measure with the current bank interest rate or return from alternative investments. The measure can also be used to compare profitability between companies in the same industry.

## **EARNINGS PER SHARE, REMAINING OPERATION, BEFORE DILUTION**

Profit/loss for the period from the remaining operation divided by average number of shares.

## **EARNINGS PER SHARE, REMAINING OPERATION, AFTER DILUTION**

Profit/loss for the period from remaining operation divided by weighted average number of shares.

## **EARNINGS PER SHARE, TOTAL OPERATION, BEFORE DILUTION**

Profit/loss for the period from total operations divided by average number of shares.



**EARNINGS PER SHARE, TOTAL OPERATION, AFTER DILUTION**

Profit/loss for the period from total operations divided by weighted average number of shares.

**EQUITY PER SHARE, TOTAL OPERATION**

Equity on the balance sheet date divided by the number of shares on the balance sheet date. A measure of the value of equity per share, which is used when valuing the share in relation to the share price.

**ANNUAL RECURRING REVENUE (ARR)**

ARR is defined as repeat revenues at the end of the quarter for Digital Identity, converted to a 12-month period. Consequently, there is no direct link between the ARR figure and future software revenues for Digital Identity. The ARR metric is used for contractual recurring revenues for the Digital Identity segment, as Digital Identity has a large customer base based on SaaS revenues. There are a small number of large customers in Algo, and therefore license fees are not followed up using the definition of ARR in this segment.

# ANNUAL GENERAL MEETING

## ANNUAL GENERAL MEETING

The Annual General Meeting will be held on May 22, 2025. The Annual Report for 2024 will be available on Precise's website on April 9, 2025 at the latest. Shareholders who wish to participate in the Annual General Meeting must be included in the share register kept by Euroclear Sweden AB as of May 14, 2025 and register their participation as indicated in the notice of the meeting. Shareholders who have had their shares registered through an agent must, in order to be entitled to participate in the meeting, register their shares in their own name so that the shareholder is included in the production of the share register as of May 14, 2025. Such registration may be temporary ("registration of voting rights") and is requested from the agent in accordance with the agent's procedures with a period of advance notice as determined by the agent. Registrations of voting rights that have been completed by the agent no later than May 16, 2025 will be included in the production of the share register. Further instructions will be provided in the notice of the Annual General Meeting.

## REGISTERING TO ATTEND THE AGM

Registration for participation by physical attendance or postal voting at the Annual General Meeting must take place no later than May 16, 2025. Registration may take place by mail or email:

[bolagsstamma@precisebiometrics.com](mailto:bolagsstamma@precisebiometrics.com)

Mail: Precise Biometrics AB, Attn: "Årsstämma 2025", Scheelevägen 27, 223 63 Lund

### Applications must include:

Name

Social security number/Corp ID number

Address

Phone number

Attendees, if appropriate

## REPRESENTATIVES

Shareholders who are represented by an agent must issue a power of attorney to the agent. If powers of attorney are issued by legal entities, a copy of the registration certificate (or if such a document does not exist, a similar document) for the legal entity must be enclosed. The document must not be more than one year old.

These documents must be in the possession of Precise no later than Friday, May 21, 2025.

## SHAREHOLDER CONTACT

Joakim Nydemark, CEO

Phone: +46-706-35 16 09

Email: [investor@precisebiometrics.com](mailto:investor@precisebiometrics.com)

# FINANCIAL CALENDAR

## INTERIM REPORT, FIRST QUARTER 2025

May 14, 2025 (8:00 am)

## ANNUAL GENERAL MEETING 2025

May 22, 2025 (2:00 pm)

## INTERIM REPORT, SECOND QUARTER 2025

August 15, 2025 (8:00 am)

## INTERIM REPORT, THIRD QUARTER 2025

November 14, 2025 (8:00 am)

## YEAR-END REPORT 2025

February 12, 2026 (8:00 am)

Financial reports are published in Swedish and English at <http://www.precisebiometrics.com>.

## CONTACT

Precise Biometrics AB

Scheelevägen 27

223 63 Lund Sweden

+ 46 46 31 11 00

## SHAREHOLDER CONTACT

Joakim Nydemark, CEO

Phone: +46-706-35 16 09

Email [investor@precisebiometrics.com](mailto:investor@precisebiometrics.com)

**PRECiSE**  
BIOMETRICS

[precisebiometrics.com](https://precisebiometrics.com)