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YOU are the key

Annual Report
2025

PRECiSE
BIOMETRICS

Precise, a pioneer in biometrics and cybersecurity, whose technology is used

100,000

times/second, all year round

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

The solutions offer secure and seamless access to data, mobile devices, premises, and trusted identities. Focus areas include biometric authentication for mobile phones, laptops and vehicles, biometric government initiatives, as well as systems for visitor management and biometric physical access control.

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

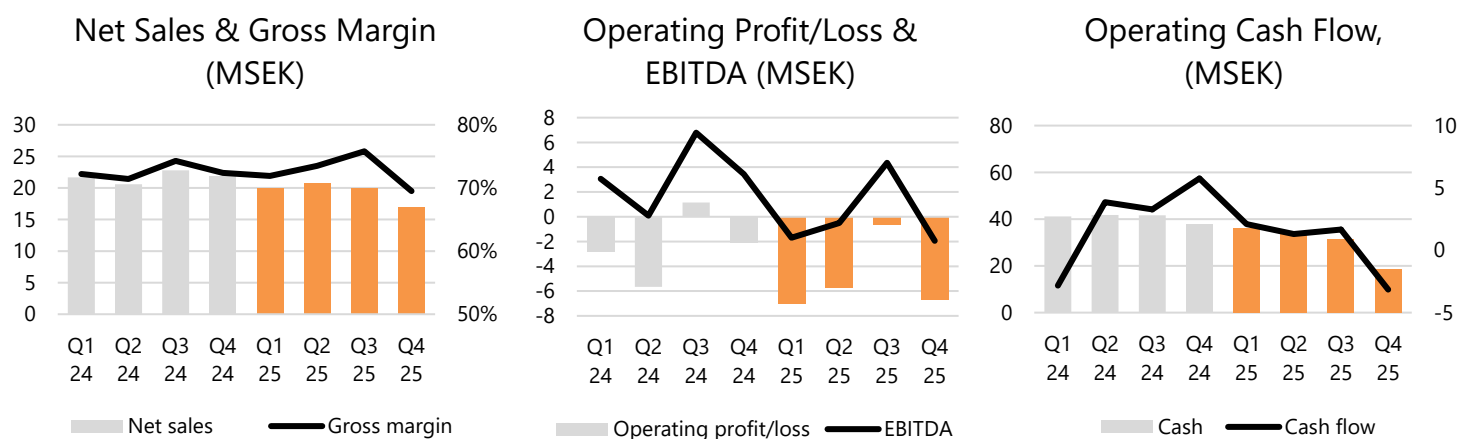
Find out more at www.precisebiometrics.com.

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The year in brief

- Positive EBITDA and operating cash flow for the full year.
- Strong position and macro trends in our favor, but geopolitics creating uncertainty, impacting exchange rates and delaying business.
- Biometrics are more important than ever in areas such as mobile phones, national ID programs, and physical access, while visitor management systems are growing and becoming an increasingly important element of physical security.
- Focus on commercial execution.



Net sales	77.8 (86.9)
Gross margin	72.8% (72.6)
EBITDA	0.2 (13.4)
Cash and cash equivalents	18.4 (37.7)
Average equity	137.5 (152.7)
Equity/assets ratio	75.2% (74.4)
Cash flow from current operations	1.9 (10.1)
Annual recurring revenue (ARR)	18.9 (19.0)
	(MSEK)



CEO comments

Good position and positive EBITDA in a challenging environment

We achieved some amazing things in 2025, both technically and commercially. At the same time, the year was challenging from a geopolitical perspective. We are delivering positive EBITDA and operating cash flow for the full year, which demonstrates a healthy core business and creates a stable foundation for 2026 and beyond.

The year was characterized by many positive business dialogs, geopolitical uncertainty, negative currency effects, and caution in customers' investment decisions. In addition to this, deferred production at a major mobile customer had a significant impact on revenue in the fourth quarter. But these are not lost projects, rather production volumes that have been postponed until the first half of 2026.

Even though the year did not prove to be the growth year for which we had planned, there is stability in our core business with a competitive and relevant offering, good cost control, and focused execution.

Under the prevailing geopolitical conditions, delivering a positive EBITDA for the full year, although with small margins, confirms both the competitiveness of our offering and the strength of our business model. Net sales and earnings are not yet at the levels they should be, but at the same time I can confirm that we have implemented important strategic and operational changes, and achieved an incredible amount during the year. We are well-equipped for 2026.

During the year, we continued to win new projects and strengthen our position in several strategically important areas such as mobile phones, national ID programs, visitor management, and physical access. At the same time, uncertainty in the world at large affected the timing of business transactions.

In addition to uncertainty in the world, currency movements had a negative impact on the figures. The US dollar weakened sharply during the year, affecting both revenue and profitability.

The market

The market was characterized by caution, influenced by geopolitics, threats of tariffs, and a weak investment climate in multiple sectors. At the same time, demand for secure, user-friendly, and AI-powered biometric solutions, as well as access and visitor management systems, has continued to increase. Precise is in a strong position in premium segments such as ultrasound-based biometrics for mobile phones and anti-spoof-

ing solutions for national ID, where competition is more rational and price pressure lower.

Business and offering

The mobile market is the single most important market for Precise, and two important milestones during the year were the launch of the fifth-generation biometric matcher, BioMatch Vizo, and the launch of a new-generation anti-spoofing and liveness solution. With clear improvements in performance from what was already a market-leading level, we are further distancing ourselves from our competitors. The new architecture enables higher security, better user experience, and better support for the new, smaller ultrasonic sensors in mobile phones in the mid-range segment. The products are important growth engines going forward.

We have also seen a healthy trend in national ID programs, where the need for anti-spoofing and liveness solutions has increased in line with both stricter security requirements and increased use of the solutions to also include payment, for example. Collaborations with scanner vendors such as SecuGen, with MOSIP, and solutions certified for Aadhaar create good conditions for future revenue.

Interest in biometrics in the field of physical access has continued to increase – both as a primary authentication method and as a part of multi-factor solutions. During the year we reached the concept phase for a new architecture that combines multi-factor authentication (MFA) and palm recognition with access logic and mobile identities. The solution has been presented to a selection of potential partners, with very positive feedback.

In the field of visitor management systems, the transition to cloud-based solutions has really taken off. The proportion of cloud customers for Precise Visit increased by more than 50% during the year. Although migration to the cloud has had a short-term impact on ARR through some customer losses, it strengthens long-term value creation through longer customer relationships, lower operating costs, higher customer satisfaction, and better scalability. Interest in both Precise Visit and Precise Access is strong, and we see a clear trend towards contactless and identity-based access solutions, as well as access and visitor management systems being interconnected to a greater extent.

At the same time, it is clear that certain markets, not least the automotive industry, are still faced with a challenging situation.

Proposed merger with FPC

On March 23, we announced a proposed merger between Precise Biometrics and Fingerprint Cards (FPC), with the ambition of creating a stronger and more scalable company with a complete offering in biometrics and digital identity. This would open the door to an exciting growth journey as an even stronger company in both physical and digital security – with a larger customer base, a stronger and integrated offering, expanded commercial reach, and improved profitability.

The strategic rationale is based on the following:

- **Strong market trends.** The market for biometrics and digital identity continues to develop positively, while remaining highly fragmented. By creating a larger company, we can benefit from scale and realize clear synergies.
- **Complementary offering.** Combining the companies' software, hardware, and expertise creates a stronger complete offering while enabling clear steps up the value chain.
- **Expanded reach.** By combining our sales organizations and go-to-market capabilities, we will strengthen our global commercial presence. This creates opportunities for both upsell and cross-sell to existing customers, while also enabling us to reach new segments.
- **Synergies and cost efficiencies.** The combination is expected to generate significant organizational and operational synergies as well as cost savings.
- **Foundation for further consolidation.** The merger represents a first step in a broader strategic M&A journey, with potential for further industry consolidation and opportunities in relevant areas.

Both companies' boards of directors support the transaction, and we have also received positive feedback from employees, customers, and shareholders. The final decision will be made at an Extraordinary General Meeting. Further information is available at our website.

The future

Precise is well-positioned with a relevant product portfolio, long-term partnerships and a stable foundation for its business, which creates good conditions for the years ahead.

The mobile segment continues to be a driver for our business, where we see strong demand for our advanced biometric solutions as security requirements become stricter. Our new generation of fingerprint recognition and anti-spoofing technology plays an important role as new models of ultrasonic sensors reach the market to meet the demands of the mid-end segment, opening up for growth in volume.

Beyond the mobile segment, we see significant growth opportunities in both physical access and national ID programs. In physical access, palm recognition represents a key growth area, complemented by our existing offerings, Precise Access and Precise Visit, as well as new solutions in concept phase. Within national ID programs, we expect anti-spoofing and data collection to play a central role as foundational building blocks.

In parallel with the further development of our existing offering, we are also evaluating complementary solutions, both through our own development and through selective acquisitions.

I'm looking forward with confidence to 2026, a year in which we will continue to focus on growth and positive cash flow.

I would like to conclude by extending my heartfelt thanks to our customers and partners for excellent collaboration during a challenging year – and to our incredibly competent employees for their enormous engagement and professionalism. Together we are making the world simpler and safer.

Joakim Nydemark,
CEO

My top 3

- Positive EBITDA for the full year despite challenging market conditions
- Good position and stable core business
- New customers and projects create good prospects for 2026



About Precise

Precise in brief

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

The company's software algorithms are currently used for biometric authentication and identification in premium products such as mobile phones, laptops, security keys, smart locks, and vehicles, as well as in government agency initiatives such as national ID programs, and in visitor management and physical biometric access control systems.

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 precisebiometrs.com for more information.

Vision and values

The vision and values describe who Precise is and guide employees in their daily work.

Vision

We make people's everyday lives safe and seamless in a world where you are the key.

Definition of Precise's 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 PINs. A life where you are the key.

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 ground 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 recognition to sensor manufacturers around the world, who in turn market and sell palm and fingerprint modules with Precise's algorithms to manufacturers of products such as mobile phones and vehicles. 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 finger- or palm print.

BioLive is an anti-spoofing and liveness product for preventing fraud and manipulation through fake palm or fingerprints.

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

There are also products adapted for different modalities, verticals, and tech, such as mobile and embedded systems.

Biometric services is the company's service offering in the area of biometric expertise, data collection, spoof creation, and synthetic data generation.

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 (Precise Visit by EastCoast) and a growing position in physical biometric access (Precise Access) solutions. For Precise Access, the company has partnerships with a number of system integrators, who offer the solution as an integrated part of their Access Management systems. Precise Visit by EastCoast is also offered through partners, but is sold directly to end customers as well.

The Digital Identity product portfolio consists of:

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

Precise 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 management systems to create a seamless flow.

Business and revenue model

The revenues are distributed between the following 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 the market.

An important part of Precise's development work is close collaboration with various institutes of higher education, primarily Lund University's Faculty of Engineering (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, 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 in the areas of both physical and digital security.

Biometric Technologies

Within Biometric Technologies, the biometrics market is expected to continue to grow. The strategy is based on 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 national ID programs, physical access, etc.

Some examples of important areas:

- **Ultrasound technology** – further strengthen the position in this fast-growing segment, for example through the partnership with Qualcomm.
- **Anti-spoof and liveness** - continue to strengthen the position and offering in solutions to prevent biometric manipulation.
- **National ID programs** - grow the position in the area of secure and scalable government identity programs.
- **Physical access** - continue to expand the offering in the field of biometric physical access with a focus on combining high security with a good user experience.

The company's largest segment continues to be mobile phones, and the ecosystem around mobile phone manufacturers has seen continued growth here, albeit lower than in 2024. IDC reports growth of 1–2%, and that 1.25 billion smartphones were manufactured in 2025. Volumes have been affected by an uncertain macroeconomic climate and concerns over tariffs, and some production has been postponed – especially during the fourth quarter, with production being postponed until the first half of 2026. Precise has also been affected by currency fluctuations.

The 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 ahead of 2026 as positive, not least in the premium segments, where Precise is one of a small number of suppliers.

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 see strong growth 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 local marketing work. Furthermore, the strategy is based on supplementing current solutions through integrations with related solutions, such as workplace management.

SaaS

Through Precise Access and Precise 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 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 in 2023 to take the company to a position of profitable growth. This resulted in a clearly defined growth journey and positive EBITDA in 2024. In 2025, the company was affected by geopolitical uncertainty and reported negative growth, but with continued positive EBITDA, which is clear evidence of a solid core business. The aim is to continue its strategy 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, evaluating potential acquisitions, and an efficient sales and delivery process.

Our business areas

Digital Identity

Interview with Sarandis Kalogeropoulos, CCO Digital Identity

2025 was an intensive and important year for Digital Identity, with a high level of market activity and many business dialogs. We signed a large number of new customer agreements with everything from large industrial conglomerates and municipalities to small businesses, while we continue to be affected by external environmental factors that are delaying customers' investment decisions. Nevertheless, my vision is clear: our offering is highly relevant – and during the year we enhanced the conditions for new recurring revenue streams, both through new partnerships and through a broader and clearer product packaging solution.

There are two things that gave me the most satisfaction during the year. Firstly, our cloud journey for Precise Visit. The migration of customers from on-premise to our cloud-based solution went amazingly well during the year. We have pursued a strategic shift towards a more scalable and profitable business model, although in the short term it has impacted ARR through some older on-premise customers terminating agreements and by migrations not initially bringing in new revenue. This churn is a natural part of the transition, where older installations are phased out, and we can see that the proportion of cloud customers for Precise Visit increased by over 50% in 2025. While a cloud customer doesn't always deliver higher ARR immediately, long-term customer value is higher through lower operating costs, higher customer satisfaction, longer customer life cycles, and better opportunities for upsales. Secondly, I'm proud that we continued to strengthen the business with the rebrand-

ing to Precise Visit by EastCoast and Precise Access, through new framework agreements that create good conditions for future roll-outs, and through a clearly defined pace of product development. During the year, we launched several new features and improvements in Precise Visit, such as Event Visit, improved enterprise configuration for iPad, Scan & Check-in for multi-tenant, extended language support, improvements in guest networks, and general improvements in performance and usability. We also strengthened integration support, by such means as extended integration with ARX and interconnections between Visit and Access to enable a more comprehensive offering.

Looking ahead to 2026 and beyond, I'm particularly looking forward to scaling our cloud business and increasing revenue per customer through upsales, more roll-outs within framework agreements, and continued clear packaging. I also see a growing interest in biometric physical access, driven by increased security requirements, the need for better user experiences, and a clear trend towards contactless and identity-based access management solutions. We're also continuing work to strengthen our position in high-security environments, such as critical infrastructure, defense- and security-related operations, and environments with strict demands on the protection of individuals, information, and assets. The partnership with Avigilon (Motorola Solutions) is one concrete example in which we're moving into 2026 with a joint plan for marketing and business activities. All in all, we start 2026 with a clearer platform, a more scalable business model, and an offering that meets a market in which digital and physical security are increasingly seen as a whole.

“Cloud journey, partnerships, and scalable growth”

Sarandis Kalogeropoulos, CCO Digital Identity



Biometric Technologies

Interview with Henrik Winberg, CCO Biometric Technologies

2025 was a year of great contrasts for Biometric Technologies. Interest in biometric solutions is strong, driven by a changing global security situation and the rapid growth of AI, while the market is characterized by geopolitical uncertainty, a cautious business climate, and delays in customer decisions, not least in the mobile phone segment. During the fourth quarter, one of our largest customers in the mobile segment postponed production until the first half of 2026, which had a negative impact on our royalty revenues in the short term. It is, however, our view that these volumes have merely been postponed, not lost, and that our position in the premium segments remains strong.

We have taken clear steps forward in our technology and product portfolio, in line with the market's increased demands for both security and user experience. In the fourth quarter, we launched and delivered the fifth-generation biometric matcher, BioMatch Vizo, with clear performance improvements from what was already a market-leading level. The new architecture enhances both security and user-friendliness, enabling support for smaller ultrasonic sensors in the volume-driving mid-range, while also enhancing the performance of our anti-spoof solution. I'm also proud of our progress in the area of anti-spoofing and liveness, where BioLive is increasingly playing a key role as deepfakes, presentation attacks, and other kinds of manipulation and fraud become increasingly sophisticated.

In parallel, we have continued to boost our data capacity primarily through synthetic data generation, an area where demand for high-quality, robust training and test data is accelerating.

Finally, we've made significant advances in palm/hand recognition and physical access, including a new architecture that enables multi-factor authentication (MFA) through palm recognition in combination with mobile identities.

Looking ahead, I'd like to highlight three strategic areas that strengthen our position and make me optimistic.

- National ID programs, where demand for protection against spoof attacks is increasing, and where we see both concrete business dialogs and signed agreements, while collaborations with scanner and sensor partners continue to develop
- The mobile market's continued shift towards ultrasound, both in the premium segment and down in the mid-range segment, where our technical position is strong and where volumes are expected to increase as production normalizes at customers.
- Our expansion in new modalities and areas of application, where, among others, palm and biometric MFA for physical access will be an important commercial offering in 2026 and beyond.

All in all, I still see great market potential and high relevance in our offering, and I'm looking forward to taking the next step to translate our technical strength into accelerating business.

"National ID programs require uncompromising reliability, and that's exactly what our joint solution delivers. Together, we enable government agencies and citizens to benefit from secure, user-friendly identity verification that is built to last over time."

- Won Lee, CEO of SecuGen

"Mobile phones, national ID, and physical access"

Henrik Winberg, CCO Biometric Technologies



Customer offering

In a world where the focus is on security, user-friendliness, and AI, Precise offers biometric security and access management solutions that enable secure and convenient access to data, mobile devices, physical locations, and trusted identities.

The company's solutions combine simplicity and a high-quality user experience with high levels of performance and security. Instead of using a PIN, password, key, or card, users can authenticate or identify themselves using their finger, face, or palm – quickly, securely, and conveniently.

The offering includes software for physical access, visitor management, and biometric recognition, and contributes making everyday life more secure and efficient.

Areas of application cover both digital and physical access, from mobile phones, laptops, and logical access to payment, vehicles, visitor and access management systems, as well as government agency initiatives such as national ID programs.

Why Precise?

- Unique market position and over 25 years of experience in the field of biometric technology.
- 100,000 biometric verifications per second, all year round.
- Global presence and trust from over 800 customers – from mid-sized companies and public sector organizations to global tech companies and national ID programs.
- 100% software and SaaS, enabling scalability and quick adaptations.

- Hardware-independent solutions that support multiple sensor types and platforms.
- Support for multiple biometric modalities such as finger, palm, and face.
- Listed on Nasdaq Stockholm.

Our products

Access and visitor management

- **Precise Access:** Biometric physical access to commercial buildings via palm or facial recognition.
- **Precise Visit by EastCoast:** Cloud-based visitor management system that offers a premium visitor experience while improving security, administration, and compliance.

Biometric software suite for palm and finger recognition

- **BioMatch:** Biometric palm and fingerprint matching for identification and authentication.
- **BioLive:** AI-driven anti-spoofing and liveness detection that ensures biometric print authenticity and protects against manipulation, fraud and forgery.
- **BioEnhance:** Image enhancement of biometric prints before matching for increased security and performance.
- **Biometric Services:** Offering for biometric expertise, data collection, spoof creation, and synthetic data generation.



Our customers and partners

Precise has customers and partners all over the world. Our customers range from major technology giants, such as Infineon, Qualcomm, and Egis Technology, who use our algorithms together with their sensors, to a large number of mid-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 2025 are Age Back Co, Aqua d'Or Mineral Water, ASSA Abloy HQ Stockholm, Bonesupport, BSH Home Appliances, Copenhagen Malmö Port, Dustin, Everaxis, Gästrike Vatten, GPV International, City of Gothenburg, IF Skadeförsäkringar, Medicon Village, Oriola, Scandic Hotels, Sweco, City of Sundbyberg, Tobii, UFAB, Unaro Nordic, and Wordline.



“Our members expect an experience that feels seamless and exclusive, from the moment they step into the club. Precise Access delivers precisely that premium feel, while also giving us the security and operational control required to run the business efficiently.”

AGE BACK Co.

Estelle Nordenfalk, CEO of Age Back Co Stockholm

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 or cameras, which 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.

Anti-spoof and liveness

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.



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 & business 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 uphold 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 own 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 climate 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 and shareholders

History

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

As of December 31, 2025, 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 2025 there was a total turnover of 86,096,671 PREC shares, representing an average turnover of 345,769 shares per day of

trading. The closing price on December 30, 2025 was SEK 2.30. The share price fluctuated during the year between SEK 2.11 and SEK 5.77.

Ownership

The number of shareholders at year-end was 19,485 (22,672). Foreign shareholders accounted for 13.3% (15.4). See table for shareholder statistics as of December 30, 2025. 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

Questions can be addressed directly to the company via email to investor@precisebiometrics.com



Share price development 2025



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	3,920,704		5.0%	5.06%
Avanza Pension	3,655,945		4.66%	4.72%
Nordnet Pensionsförsäkring	2,524,410		3.22%	3.26%
RM International AB	1,357,700		1.73%	1.75%
Precise Biometrics AB	-	1,085,000	1.38%	0.14%
Timo Hiltunen	1,003,485		1.28%	1.3%
Lars Ingvarsson	825,229		1.05%	1.06%
Douglas Storckenfeldt	700,000		0.89%	0.9%
Engin Davtov	666,000		0.85%	0.86%
Per Johansson	660,000		0.84%	0.85%
Others	62,065,854		79.1%	80.1%
Total	77,379,327	1,085,000	100.0%	100.0%

Allocation of shareholders

	NUMBER OF SHARES	% OF CAPITAL
Foreign owners	10,442,166	13.31%
Swedish owners	68,022,161	86.69%
- of which institutions	2,747,202	3.5%
- of which private individuals	54,146,737	69.01%
- of which other/unknown type of owner	21,570,388	27.49%



Allocation of shares

	% OF CAPITAL
10 largest shareholders	20.9%
20 largest shareholders	27.43%
30 largest shareholders	31.39%

Shareholder statistics (number of shares owned)

	NO. OF SHAREHOLDERS	NO. IN %	NUMBER OF SHARES	% OF VOTES
1 - 2,000	16,479	84.57%	5,885,410	7.6%
2,001 - 10,000	2,059	10.57%	9,443,289	12.19%
10,001 - 1,000,000	941	4.83%	45,989,821	59.35%
1,000,001 -	6	0.03%	13,547,244	16.22%
Unknown ownership	0	0.0%	3,599,277	4.64%
Total	19,485	100.0%	78,464,327	100.0%

Geographic distribution of shareholdings in %

	% OF CAPITAL
Sweden	86.69%
Taiwan	5.0%
Finland	1.63%
Denmark	1.62%
Norway	0.28%
Other countries	0.19%
Anonymous ownership	4.59%
Total	100.0%

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 2025.

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:

Precise Access – a physical access management system based on biometrics through hand and facial recognition.

Precise 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-spoof and liveness product for preventing fraud, forgery and manipulation through the use of fake palm prints or fingerprints.

BioEnhance is our product for image enhancement (ISP), e.g., regarding fingerprints before matching.

Biometric services in data collection, spoof creation, synthetic data generation, and biometric expertise.

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

The important events listed below are a selection of the press releases we published during the year. For more details and a complete list of press releases, please visit our [website under the heading Media and news](#).

12/16/2025: Precise Biometrics launches next-generation biometric matching algorithm.

11/20/2025: Precise and SecuGen strengthen trust in national ID programs with joint anti-spoofing solution.

10/07/2025: Precise Visit by EastCoast with new access control capabilities.

09/30/2025: Precise brings synthetic biometric data generation to products and customers.

09/29/2025: Precise Biometrics partners with Avigilon to enhance biometric physical access control.

05/21/2025: Precise continues to expand its visitor management system business.

04/25/2025: Precise launches rebranding initiative to unify and strengthen its offering.

03/25/2025: Precise Biometrics' anti-spoof solution BioLive approved for National ID program.

03/18/2025: Precise enters the Norwegian visitor management system market.

03/14/2025: Precise expands its biometric physical access offering for high-security sectors.

01/09/2025: Xiaomi introduces new smart safe powered by Precise Biometrics.

Significant events since the end of the fiscal year

04/09/2026: Merger document regarding the FPC merger

03/30/2026: Notice of Extraordinary General Meeting in Precise

03/25/2026: Precise launches Palm Access Pro for next-generation biometric physical access control

03/23/2026: Proposed merger between Precise and FPC

02/16/2026: Cloud transformation and wins for Precise Visit.

01/14/2026: Precise speaks at MOSIP Connect 2026.

01/07/2026: Age Back Co Stockholm selects Precise Access to deliver secure and seamless biometric entry for its members.

Net sales and earnings

Net sales totaled SEK 77.8 (86.9) million. Net sales were divided between royalty revenues of SEK 33.0 (41.1) million, license fees (including support and maintenance) of SEK 39.1 (40.6) million and Other of SEK 5.7 (5.2) million. Royalty revenues decreased mainly as a consequence of one of the largest customers in the mobile market choosing to move planned Q4 volumes to 2026, due to market uncertainty in 2025. Variations in the production of mobile devices during the year are usual, but this shift was unusually large. A weaker USD also had a negative impact on revenue. License fees were down primarily due to changes in the composition of customers and the reduced support needs of some customers.

The gross margin totaled 72.8% (72.6%). The improved gross margin is due to reduced depreciation/amortization, which in turn is an effect of lower capitalization of development expenses in previous periods. Total amortization of capitalized development expenses was SEK 14.2 (16.5) million. Amortization of acquired intangible assets totaled SEK 2.4 (2.4) million.

Operating expenses increased to SEK 76.7 (72.5) million, mainly as a result of currency effects attributable to the restatement of operating items in the balance sheet. Adjusted for these effects, the cost level was in line with the previous year.

The profit/loss at EBITDA level fell to SEK 0.2 (13.4) million. The decrease is explained by lower net sales due to variations in customers' production cycles and a weaker USD, as well as higher operating expenses attributable to exchange rate differences.

The operating profit/loss was SEK -20.1 (-9.4) million and earnings totaled SEK -19.9 (-8.4) million. Total depreciation/amortization was SEK 20.2 (22.8) million. Earnings per share (average number of shares) totaled SEK -0.26 (-0.11).

Biometric Technologies

Net sales for Biometric Technologies totaled SEK 56.4 (65.4) million and are reported under royalties at SEK 33.0 (41.1) million, licenses at SEK 20.6 (22.0) million, and Other at SEK 2.8 (2.4) million. Royalty revenues were lower than the previous year, mainly as a consequence of one of the largest customers moving planned Q4 production to Q1 2026. A weaker USD also had a negative impact. License fees were down 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 was 82.4% (83.7).

Digital Identity

Net sales for Digital Identity totaled SEK 21.4 (21.4) million and are reported under licenses at SEK 18.5 (18.6) million, and Other at SEK 2.9 (2.8) million. ARR totaled SEK 18.9 (19.0) million. One consequence of the company's strategy to increase the proportion of recurring revenue (ARR) and gradually migrate older products is that there has been some churn. The impact

of a customer agreement that was terminated during the first half of the year is still affecting comparison. The ARR level is largely unchanged compared with the previous year, while new sales developed positively and the share of cloud customers increased significantly during the year. The gross margin was 47.7% (38.7).

Investments in tangible assets

The group invested SEK 1.3 (0.4) million in tangible assets during the year. Depreciation of tangible assets during the year totaled SEK 0.8 (1.3) million. Depreciation of right of use assets during the year totaled SEK 2.4 (2.5) million.

Investments in intangible assets

Development expenses of SEK 11.7 (11.0) million were capitalized during the year. Amortization of capitalized development expenses totaled SEK 14.2 (16.5) 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 2.8 (2.5) million.

Net financial items and tax

Net financial items for the year totaled SEK -0.2 (0.6) million and the tax expense totaled SEK 0.3 (0.4) 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 from operating activities totaled SEK 1.9 (10.1) million, of which SEK 2.1 (-4.1) million is attributable to changes in working capital. The group invested SEK 1.3 million (0.4) in tangible assets. Total cash flow was SEK -18.9 (-10.0) million.

Cash and cash equivalents totaled SEK 18.4 (37.7) million. Total equity was SEK 131.0 (151.2) million, and equity per share was SEK 1.67 (1.93).

Five-year summary

The Five-Year Summary, which is part of the administration report, appears on pages 37-39 in order to better illustrate the financial trend.

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 and 1,085,000 class C shares that are held by the company itself. The shares are 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 2025 there was a total turnover of 86,096,671 PREC shares, representing an average turnover of 345,769 shares per day of trading. The closing price on December 30, 2025 was SEK 2.30. The share price fluctuated during the year between SEK 2.11 and SEK 5.77.

Ownership

The number of shareholders at year-end was 19,485 (22,672). Foreign shareholders accounted for 13.3% (15.4). See table for shareholder statistics as of December 31, 2025 (found in "The share and shareholders" section on pages 19–20).

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

The Annual General Meeting 2025 resolved, in accordance with the Board's proposal, to establish a new long-term incentive plan (LTIP 2025/2028) for senior executives and other current and future employees within the Group by issuing a maximum of 1,200,000 stock options, which means that the company's share capital may increase by a maximum of SEK 360,000. All stock options have been issued free of charge to the wholly-owned subsidiary, Precise Biometrics Services AB, for onward transfer at market value to current employees who have been offered the opportunity to participate and to future employees within the Group.

As of December 31, 2025, approximately 450,000 stock options had been transferred to participants. The stock options have a term of three years and can be exercised for the subscription of shares during the period from August 1, 2028 to September 30, 2028. The conditions for continued holding and the right to exercise the options are regulated in separate transfer agreements, and may be affected by, for example, the termination of employment. Each stock option entitles the holder to subscribe to one new share in the company at a redemption price of SEK 5.63 per share. As the options have been acquired at market value, there is no accounting cost for the company in accordance with IFRS 2.

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, 2025, 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 2025 includes 17 (17) registered patents in selected markets and 7 (9) patent applications within 9 (9) 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 patent families.

Trademarks

The Precise™ trademark is registered in the EU and the UK.

Precise BioMatch® Mobile – The trademark 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 a word mark in several countries.

BioLive™ is registered as a trademark in the EU, the UK and the USA.

YOU are the key™ is registered as a trademark in the EU and the UK.

Research & development (R&D)

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 mo-

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 44 (45) people, including on-site consultants. The number of employees was 36 (35), of which 30 (27) 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 leading executives

A decision was made at the Annual General Meeting in May 2024 on the adoption of guidelines for remuneration to senior executives as described below. These guidelines were also applied in 2025.

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 recruit 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.

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 incen-

tive 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.

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 position 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

The 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 circumstances 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 Com-

mittee. 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 & 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 & 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 operates in the field of biometric authentication and identification solutions and cybersecurity, which are used in several areas of application, including mobile phones, vehicles, physical and logical access, visitor management, and government agency initiatives for digital identity. Competition in these markets is fierce and varies by segment and geographical market. The company faces competition from both niche actors and major international technology and platform companies. In some cases, they have significantly greater financial and technical resources, but the company has always demonstrated a high level of knowledge globally within its areas. It is, however, not possible to exclude the possibility that competition may result in diminished market shares and/or a reduction in Precise's profitability.

Sales

The biometric access and security 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 access and security 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 ex-

pansion of the market for biometrics. A delay in the penetration of more applications and markets will affect sales and profits. A significant part of the group's net sales is generated from a limited number of major customers. Changes in these customers' production volumes or strategic decisions, such as volume shifts between periods, can affect the company's net sales and profits. The company works continuously to broaden its customer base and increase the proportion of recurring revenues in order to reduce dependence on individual customers.

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.

Geopolitical risks and trade barriers

The company has no customers or suppliers directly affected by the conflicts in Ukraine and Russia or in the Middle East, but may feel the effects indirectly through a change in the economic situation and increased costs that affect both Precise and the company's customers and suppliers. The company is also exposed to changes in international trading conditions, such as the introduction of tariffs, sanctions, or other trade barriers. Such measures may affect the company's ability to operate in certain markets or result in increased costs. The company monitors developments on an ongoing basis in order to be able to adapt its operations if necessary.

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 60.8 (70.0) million. The operating profit/loss totaled SEK –20.3 (–11.2) million and was affected by amortization of goodwill totaling SEK 2.5 (2.5) million.

Cash and cash equivalents at year-end SEK 9.7 (25.5) million, and equity SEK 118.8 (139.0) 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	– 68,561,315
Net loss for the year, SEK	– 20,157,434
Total non-restricted equity, SEK	79,597,252

The Board proposes that SEK 79,597,252 be carried forward in a new account. The Board proposes that the AGM should not issue a dividend for the fiscal year 2025.



Corporate Governance Report 2025

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 Swedish Annual Accounts Act can be found in the Administration Report on pages 21-27 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), 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 2025. There are no deviations from the Code to report for the fiscal year 2025.

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's AGM was held in Lund on Wednesday, May 22, 2025. The AGM adopted the accounts for 2024 and granted the Board of Directors and the CEO discharge from liability for the fiscal year 2024. In addition to mandatory matters, as set out in the articles of association, the following decisions were made:

- Torgny Hellström, Åsa Schwarz, Peter Gullander, Maria Rydén, and Howard Ro were re-elected as Board members, and Victor Kuzman 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 2024.
- The size of the Board and committee fees was determined.

For further information on the decisions taken at the AGM 2025, please refer to the company's website under Investors/Corporate Governance/Annual General Meeting.

Precise's 2026 Annual General Meeting will be held on May 21, 2026. Shareholders wishing to participate in the meeting must be registered in the company's share register no later than May 13, 2026, and registration of voting rights that have been completed by the agent no later than May 15, 2026 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 2025 consisted of chair Julian Aleksov, appointed by Egis Technology, and Torgny Hellström, Chairman of the Board, appointed by RM International AB.

The nomination committee's motivating statement before the AGM 2025 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 2025 decided to appoint Board members in accordance with the nomination committee's proposal, which resulted in the current Board, consisting of six members, two of them women and four men, the nomination committee considered to be appropriate as it corresponded to the target level that the Swedish Corporate Governance Board expressed prior to 2025. 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 2026 consists of chair Howard Ro, appointed by Egis Technology, Richard Skalsky, appointed by RM International AB and Torgny Hellström, Chairman of the Board.

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 2025, the Board held 13 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 2025, the Board has consisted of six ordinary members: Torgny Hellström (chairman), Maria Rydén, Åsa Schwarz, Howard Ro, Peter Gullander, and Victor Kuzmin. All Board members are independent in relation to Precise and the company management, and five 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 2025, 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 six 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 2025 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 2025, 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 2025, the company's compensation committee has consisted of Board members Torgny Hellström (committee chair) and Åsa Schwarz.



Board of Directors



Torgny Hellström, Chairman

Selected
2013

Born
1958

Education
LL.M., IBM Executive Education at Thunderbird (University of Phoenix).

Other significant assignments
Founder and management consultant at Ruddex International AB, Chairman of the Board of Terranet AB and Drupps Group AB, and Board member at Frenda AB.

Previous assignments
Chairman of the Board of Maximum Entertainment, DDM holding AG, MagComp, Swipp, and Starbreeze, Board member at True heading and Seapilot, CEO and senior positions at Anoto Group, Ericsson and IBM.

Shares in Precise
116,778 (through company and privately)

Attendance at Board meetings
13/13

Committee work
Audit committee & Compensation committee

Attendance at committee meetings
6/6 & 2/2

Independent of the company and its management
Yes

Independent of the company, management and major shareholders
Yes



Howard Ro, Board member

Selected
2024

Born
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
-

Attendance at Board meetings
9/13

Committee work
-

Attendance at committee meetings
-

Independent of the company and its management
Yes

Independent of the company, management and major shareholders
No



Victor Kuzmin, Board member

Selected
2025

Born
1979

Education
Dual MSc in Electrical Engineering and Entrepreneurship from Chalmers University of Technology, and MBA from INSEAD.

Other significant assignments
Chief Strategy Officer, Recorded Future

Previous assignments
Vice President, Corporate Development (M&A) at Mastercard in London, Strategic Consulting in Private Equity at Roland Berger, and more.

Shares in Precise
-

Attendance at Board meetings
8/8

Committee work
-

Attendance at committee meetings
-

Independent of the company and its management
Yes

Independent of the company, management and major shareholders
Yes



Maria Rydén, Board member

Selected

2023

Born

1966

Education

MBA

Other significant assignments

Head of Reporting & Finance at Ramudden Global AB. Owner of Make Group AB and KeMa Invest AB. Nomination Committee at Kompis Assistans EF. Board at Arenit Industrie SE.

Previous assignments

25 years of CFO experience from 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. Auditor at Arthur Andersen. Chairman of APQ Electrical, Kompis Assistans and various Board assignments.

Shares in Precise

70,000

Attendance at Board meetings

13/13

Committee work

Audit committee (chair)

Attendance at committee meetings

6/6

Independent of the company and its management

Yes

Independent of the company, management and major shareholders

Yes



Peter Gullander, Board member

Selected

2022

Born

1968

Education

MSc in Engineering, Linköping University, and 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 25 years' experience in acquisitions and financing of tech companies from companies including Inlandsinnovation, Verdane Capital Advisors, and Intel Capital.

Shares in Precise

25,000 (through company)

Attendance at Board meetings

13/13

Committee work

Audit committee

Attendance at committee meetings

6/6

Independent of the company and its management

Yes

Independent of the company, management and major shareholders

Yes



Åsa Schwarz, Board member

Selected

2019

Born

1973

Education

Bachelor of Arts with a major in Computer and Systems Science and in Business Administration, Stockholm University & KTH

Other significant assignments

Head of Strategy at Knowit Cybersecurity & Law. Board member at Enea AB and author in own company.

Previous assignments

25 years of experience in cybersecurity, in roles as security consultant and head of business development, sales and marketing at Cybercom and Nexus. Founder of Dagaz, which was acquired by Nexus.

Shares in Precise

28,444

Attendance at Board meetings

12/13

Committee work

Compensation committee

Attendance at committee meetings

2/2

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 2025, the group executive team consisted of the CEO, CFO, CCO Digital Identity, CCO Biometric Technologies, CMO, and Director R&D. 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 2025, Ernst & Young AB (EY), with Martin Henriksson as lead auditor, was re-elected to be Precise's auditor for the period until the AGM 2026. 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 two 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 & 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 regularly in accordance with established procedures, through reporting in connection with Board meetings and through regular written 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

VD

Employed since

2023

Born

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 shares and 150,000 options



Maria Wester

CFO

Employed since

2024

Born

1981

Education

MBA

Previous assignments

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

Holding

55,555 options



Fredrik André

CMO

Employed since

2023

Born

1973

Education

Masters in Marketing and B.Sc. in Civil Engineering

Previous assignments

25 years of experience from senior 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 shares and 83,333 options



Sarandis Kalogeropoulos

CCO Digital Identity

Employed since

2023

Born

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

55,555 options



Henrik Winberg

CCO Biometric Technologies

Employed since

2023

Born

1976

Education

M.Sc. in Technical Physics and Electrical Engineering

Previous assignments

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

Holding

55,555 options



Roger Pettersson

Director R&D

Employed since

2025

Born

1976

Education

M.Sc. in Electrical Engineering

Previous assignments

25+ years of experience from R&D in the telecommunications, IT, and automotive industries. Engineering and management roles at Ericsson, Sony Mobile, Axis Communications, and Volvo Cars.

Holding

2,802 shares

Consolidated financial statements

Five-Year Overview (group)

Income statement

<i>Amounts in SEK thousands</i>	2025	2024	2023	2022	2021
Net sales	77,814	86,852	75,069	91,018	83,319
Cost of goods and services sold	-21,146	-23,786	-27,246	-25,982	-19,776
Gross profit	56,668	63,066	47,823	65,036	63,543
Selling expenses	-32,436	-32,982	-27,420	-34,796	-31,649
Administrative expenses	-14,122	-13,789	-14,150	-17,613	-18,018
R&D expenses	-27,249	-26,966	-32,105	-34,905	-28,161
Other operating income/expenses	-2,920	1,256	-606	2,262	212
Operating profit/loss	-20,059	-9,414	-26,458	-20,016	-14,073
Net financial items	-212	630	-291	-3,453	724
Profit/loss after financial items	-20,271	-8,784	-26,749	-23,470	-13,349
Tax	347	351	346	1,239	-97
Profit/loss for the year	-19,924	-8,433	-26,403	-22,230	-13,446

Balance sheet

<i>Amounts in SEK thousands</i>	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Assets					
Tangible assets	1,637	1,569	2,440	3,366	4,196
Right of use assets	10,310	9,071	4,008	5,724	7,270
Goodwill and intangible assets	119,683	124,741	132,751	138,898	135,480
Current assets	42,492	67,686	73,467	65,234	94,106
- of which cash and cash equivalents	18,411	37,704	47,534	46,405	64,102
Total assets	174,122	203,066	212,665	213,222	241,052
Equity and liabilities					
Equity	131,018	151,163	159,319	146,302	128,053
Current liabilities	30,958	35,621	35,886	41,570	72,536
Long-term liabilities	12,146	16,281	17,460	25,350	40,463
Total equity and liabilities	174,122	203,066	212,665	213,222	241,052

Cash flow statement

<i>Amounts in SEK thousands</i>	2025	2024	2023	2022	2021
Cash flow from operating activities before changes in working capital					
changes in working capital	-143	14,122	-1,238	852	1,089
Changes in working capital	2,062	-4,067	-9,522	3,079	-2,582
Cash flow from investing activities	-18,933	-17,505	-25,316	-60,008	-30,258
Cash flow from financing activities	-1,910	-2,545	37,287	38,313	19,543
Change in cash & cash equivalents	-18,923	-9,994	1,211	-17,764	-12,208

Key figures (group)

<i>Amounts in SEK thousands unless otherwise stated</i>	2025	2024	2023	2022	2021
Net sales	77,814	86,852	75,069	91,018	83,319
Net sales growth, %	-10.4%	15.7%	-17.5%	9.2%	-9.8%
Gross margin, %	72.8%	72.6%	63.7%	71.5%	76.3%
Operating profit/loss	-20,059	-9,414	-26,458	-20,016	-14,073
Working capital	16,937*	38,019*	43,683*	33,498*	54,414*
Capital employed	136,421	162,455	176,724	146,302	128,053
Liquidity ratio, %	136%	189%	204%	156%	129%
Equity/assets ratio, %	75.2%	74.4%	74.9%	68.6%	53.1%
Return on equity, %	Neg	Neg	Neg	Neg	Neg
Earnings per share before dilution, SEK	-0.26	-0.11	-0.34	-0.47	-0.34
Earnings per share after dilution, SEK	-0.26	-0.11	-0.34	-0.47	-0.34
Equity per share, SEK	1.67	1.93	2.03	3.08	3.23
No. of shares (thousands)	78,464	78,464	78,464	47,513	39,596
Weighted average number of shares, adjusted for dilution effect (thousands)	78,464	78,464	65,568	41,304	36,224
Number of employees at end of period	36	35	31	30	31
Average number of employees during the period	36	32	30	30	25
Annual Recurring Revenue**	18,919	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)

<i>Amounts in SEK thousands unless otherwise stated</i>	2025	2024	2023	2022	2021
Net sales	77,814	86,852	75,069	91,018	83,319
Net sales growth	-10.4%	15.7%	-17.5%	9.2%	-9.8%
Gross profit	56,668	63,066	47,823	65,036	63,543
Net sales	77,814	86,852	75,069	91,018	83,319
Gross margin, %	72.8%	72.6%	63.7%	71.5%	76.3%
Operating profit/loss	-20,059	-9,414	-26,458	-20,016	-14,073
Net sales	77,814	86,852	75,069	91,018	83,319
Operating margin, %	-25.8%	-10.8%	-35.2%	-22.0%	-16.9%
EBITDA	174	13,379	-1,691	1,147	1,872
Depreciation & amortization	-20,234	-22,794	-24,767	-21,163	-15,945
Write-downs	-	-	-	-	-
Operating profit/loss	-20,059	-9,414	-26,458	-20,016	-14,073
Current assets	42,492	67,686	73,467	65,234	94,106
Current liabilities excl. current liabilities RM International AB	25,555	29,667	29,784	31,736	39,691
Working capital	16,937	38,019	43,683	33,498	54,414
Selling expenses	-32,436	-32,982	-27,420	-34,796	-31,649
Administrative expenses	-14,122	-13,789	-14,150	-17,613	-18,018
R&D expenses	-27,249	-26,966	-32,105	-34,905	-28,161
Other operating income/expenses	-2,920	1,256	-606	2,262	212
Total operating expenses	-76,727	-72,480	-74,281	-85,052	-77,616
Balance sheet total	174,122	203,066	212,665	213,222	241,052
Non interest-bearing liabilities plus lease liabilities	37,701	40,611	35,941	66,930	112,999
Capital employed	136,421	162,455	176,724	146,302	128,053
Closing equity	131,018	151,163	159,319	146,302	128,053
Average equity	137,528	152,700	158,780	137,909	111,919
Current assets less inventories	42,215	67,445	73,109	64,923	93,558
Current liabilities	30,958	35,621	35,886	41,570	72,536
Liquidity ratio	136%	189%	204%	156%	129%
Equity	131,018	151,163	159,319	146,302	128,053
Balance sheet total	174,122	203,066	212,665	213,222	241,052
Equity/assets ratio	75.2%	74.4%	74.9%	68.6%	53.1%
Profit after taxes	-19,924	-8,433	-26,403	-22,230	-13,446
Average equity	137,528	152,700	158,780	137,909	111,919
Return on equity	Neg	Neg	Neg	Neg	Neg

Consolidated income statement

<i>Amounts in SEK thousands</i>	Note	2025	2024
Net sales	2	77,814	86,852
Cost of goods and services sold	3	-21,146	-23,786
Gross profit		56,668	63,066
Selling expenses		-32,436	-32,982
Administrative expenses		-14,122	-13,789
R&D expenses		-27,249	-26,966
Other operating income/expenses		-2,920	1,256
	3, 4, 5, 6, 7, 8	-76,727	-72,480
Operating profit/loss		-20,059	-9,414
Interest income and similar income statement items	9	784	1,191
Interest expenses and similar income statement items	9	-997	-561
		-212	630
Profit/loss before tax		-20,271	-8,784
Tax	10	347	351
Profit/loss for the year, operation		-19,924	-8,433
Profit/loss attributable to parent company's shareholders		-19,924	-8,433
Earnings per share, total operation, SEK			
- before dilution, SEK	11	-0.26	-0.11
- after dilution, SEK	11	-0.26	-0.11

Consolidated statement of comprehensive income

<i>Amounts in SEK thousands</i>	2025	2024
Profit/loss for the year	-19,924	-8,433
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Translation differences, foreign operations	-631	274
Other comprehensive income for the year	-631	274
Total comprehensive income	-20,555	-8,159
Comprehensive income for the year attributable to parent company's shareholders	-20,555	-8,159

Consolidated Balance Sheet

Amounts in SEK thousands

ASSETS	Note	12/31/2025	12/31/2024
Fixed assets			
Tangible assets	13	1,637	1,569
Right of use assets	8	10,310	9,071
Goodwill and intangible assets	14	119,683	124,741
Total fixed assets		131,630	135,380
Current assets			
Inventories		277	242
Accounts receivable	15, 20	18,753	23,813
Other receivables	20	2,356	3,123
Prepaid expenses	16	2,695	2,804
Cash and cash equivalents	20	18,411	37,704
Total current assets		42,492	67,686
TOTAL ASSETS		174,122	203,066
EQUITY & LIABILITIES			
Equity			
Share capital	17	23,539	23,539
Additional paid-in capital		917,823	917,823
Reserves		4,464	4,685
Retained loss including profit/loss for the year		-814,809	-794,884
Total Equity attributable to the parent company's shareholders		131,018	151,163
Long-term liabilities			
Interest-bearing long-term liabilities	8, 18	8,871	12,644
Deferred tax liability	10	3,276	3,638
Total long-term liabilities		12,146	16,281
Current liabilities			
Accounts payable	20	2,416	2,301
Interest-bearing current liabilities	8, 18	7,426	8,239
Other current liabilities	18, 20	2,254	2,192
Accrued expenses and deferred income	19, 20	18,861	22,890
Total current liabilities		30,958	35,621
TOTAL EQUITY AND LIABILITIES		174,122	203,066

Consolidated cash flow statement

Amounts in SEK thousands

	Note	2025	2024
Cash flow from operating activities			
Operating profit/loss		-20,059	-9,414
Adjustments for items not included in cash flow			
- Depreciation & amortization		20,156	22,794
- Other		-32	134
Interest payments, net	9	-212	630
Tax paid		5	-22
Cash flow from operating activities before changes in working capital		-143	14,122
Cash flow from changes in working capital			
Change in inventories		-35	117
Change in current receivables		5,873	-4,113
Change in current liabilities		-3,776	-71
		2,062	-4,067
Cash flow from operating activities		1,919	10,055
Business combinations	22	-6,022	-6,168
Investment in tangible assets	13	-1,261	-370
Investment in intangible assets	14	-11,650	-10,967
Cash flow from investing activities		-18,933	-17,505
Buyback of own shares	17	-	-3
Options	17	407	-
Payment of lease liability	8	-2,317	-2,542
Cash flow from financing activities		-1,910	-2,545
Cash flow for the year		-18,923	-9,994
Cash & cash equivalents at beginning of year		37,704	47,534
Exchange rate differences in cash & cash equivalents		-372	164
Closing liquid assets		18,411	37,704

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
Opening balance as of January 1, 2024	23,539	917,823	4,408	-786,452	159,319
Comprehensive income					
Profit/loss for the year	-	-	-	-8,433	-8,433
Other comprehensive income					
Exchange rate differences	-	-	274	-	274
Total other comprehensive income	-	-	274	-	274
Total comprehensive income	-	-	274	-8,433	-8,159
Transactions with shareholders					
LTI Program	-	-	2	-	2
Total transactions with shareholders	-	-	2	-	2
Closing balance as of December 31, 2024	23,539	917,823	4,684	-794,884	151,163
Opening balance as of January 1, 2025	23,539	917,823	4,684	-794,884	151,163
Comprehensive income					
Profit/loss for the year	-	-	-	-19,924	-19,924
Other comprehensive income					
Exchange rate differences	-	-	-631	-	-631
Total other comprehensive income	-	-	-631	-	-631
Total comprehensive income	-	-	-631	-19,924	-20,555
Transactions with shareholders					
LTI Program	-	-	410	-	410
Total transactions with shareholders	-	-	410	-	410
Closing balance as of December 31, 2025	23,539	917,823	4,464	-814,809	131,018

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 (1995:1554), 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 2024 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 15, 2026 and will submit them to the Annual General Meeting for approval on May 21, 2026.

New or amended accounting standards implemented in 2025

No new or revised IFRS that came into force in 2025 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 was adopted by the EU on February 16, 2026. Precise has started work to evaluate the effects of the introduction of IFRS 18, and this will affect the presentation of and disclosures in the company's financial statements in future.

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 policies

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.

Trademark

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 policies

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.

Tangible 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 incentive program (LTIP 2025/2028) for senior executives and other current and future employees within the group. LTIP 2025/2028 consists of stock options that give the right to acquire shares in Precise Biometrics during the term of the program. The program comprises a maximum of 1,200,000 stock options, which have been issued free of charge to the wholly-owned subsidiary Precise Biometrics Services AB for transfer to participants at market value. When fully utilized, the share capital may increase by a maximum of SEK 360,000.

Precise also 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 & 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 material 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. Revenue from these customers within Biometric Technologies amounts to 54% (57) of net sales.

	2025	2024
SEGMENT		
<i>Biometric Technologies</i>		
Royalties	32,953	41,089
Licenses, including support and maintenance	20,607	21,976
Other	2,847	2,358
<i>Digital Identity</i>		
Licenses, including support and maintenance	18,533	18,588
Other	2,874	2,841
Total	77,814	86,852
Time*		
Revenue recognition at a given point in time*	38,635	47,777
Revenue recognition over time**	39,179	39,075
Total	77,814	86,852
Region/Country		
Europe	25,423	27,598
- of which Sweden	20,133	20,356
Asia	27,039	29,443
- of which China	1,039	1,372
- of which Taiwan	22,256	24,963
US	25,352	29,811
Total	77,814	86,852

* Sales 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.

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

NOTE 3 – Segment reporting

	2025			2024		
	Biometric Technologies	Digital Identity	Total segment	Biometric Technologies	Digital Identity	Total segment
Net sales	56,407	21,408	77,814	65,424	21,428	86,852
Cost of goods sold excl. depreciation	-935	-4,230	-5,165	-1,259	-4,297	-5,556
Depreciation included in cost of goods sold	-9,012	-6,969	-15,981	-9,402	-8,828	-18,230
Gross profit	46,459	10,208	56,668	54,764	8,303	63,066

Other disclosures

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.

	2025	2024
Reconciliation of profit/loss		
Segment profit/loss	56,668	63,066
Selling expenses	-32,436	-32,982
Administrative expenses	-14,122	-13,789
R&D expenses	-27,249	-26,966
Other operating income/expenses	-2,920	1,256
Financial expenses	-212	630
Profit/loss after financial items	-20,271	-8,784

NOTE 4 – Costs allocated per type

	2025	2024
Employee benefit expenses	52,993	47,959
Cost of purchasing and handling commercial goods	9,175	9,803
Depreciation and write-downs	20,233	22,794
Consulting costs	11,646	13,279
Exchange rate gains	-1,370	-2,724
Exchange rate losses	4,290	1,470
Other external expenses	12,557	14,654
Capitalized development expenses	-11,650	-10,967
Total	97,873	96,267

NOTE 5 – Employees and personnel expenses

Gender balance in group	2025		2024	
	Men	Women	Men	Women
Precise Biometrics AB, Sweden	15	7	13	6
Precise Biometrics, Inc., USA	3	0	3	0
Precise Biometrics, China	3	1	3	1
EastCoast Solutions AB, Sweden	6	1	6	0
Total	27	9	25	7

Gender balance in corporate management	2025	2024
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Proportion of women

Board of Directors	33%	40%
CEO and other senior executives	20%	20%

Salaries and other remuneration	2025	2024
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Board and CEO, Sweden

Salaries and other remuneration	4,683	4,931
Pension expenses	709	677
Payroll overhead, including payroll tax	1,511	1,715
Total	6,903	7,324

Others, Sweden

Salaries and other remuneration	23,891	19,710
Pension expenses	3,827	3,142
Payroll overhead, including payroll tax	8,017	6,786
Total	35,735	29,639

TOTAL, SWEDEN	42,638	36,962
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Others, USA

Salaries and other remuneration	5,849	6,075
Social security expenses	1,169	803
Total	7,019	6,878

Others, China

Salaries and other remuneration	3,844	4,227
Social security expenses	598	604
Total	4,442	4,831

TOTAL	54,099	48,671
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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 2025

	BASIC SALARY/BOARD REMUN.	COMMITTEE FEE	VARIABLE REMUNERATION	OTHER BENEFITS	PENSION EXPENSES	TOTAL
Torgny Hellström, Chairman of the Board	557	73	-	-	-	630
Åsa Schwarz, Board member	196	25	-	-	-	221
Peter Gullander, Board member	196	48	-	-	-	244
Maria Rydén, Board member	196	96	-	-	-	292
Howard Ro, Board member	196	-	-	-	-	196
Viktor Kuzmin, Board member May–December 2025	122	-	-	-	-	122
Joakim Nydemark, CEO	2977	-	-	3	709	3688
Other senior executives, 4 persons	5641	-	-	29	1208	6878
Total	10,082	242	-	31	1,917	12,272

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
Total	8,961	240	649	10	1,653	11,514

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 2025, variable remuneration to senior executives totaled 0% (7.5%).

Other benefits

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

Share-based compensation

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 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, 2025, Precise held 1,085,000 Class C shares. Employees lose the right to participate in the LTI program when notice is served.

The Annual General Meeting 2025 resolved, in accordance with the Board's proposal, to establish a new long-term incentive plan (LTIP 2025/2028) for senior executives and other current and future employees within the Group by issuing a maximum of 1,200,000 stock options, which means that the company's share capital may increase by a maximum of SEK 360,000. All stock options have been issued free of charge to the wholly-owned subsidiary, Precise Biometrics Services AB, for onward transfer at market value to current employees who have been offered the opportunity to participate and to future employees within the Group.

As of December 31, 2025, approximately 450,000 stock options had been transferred to participants. The stock options have a term of three years and can be exercised for the subscription of shares during the period from August 1, 2028 to September 30, 2028. The conditions for continued holding and the right to exercise the options are regulated in separate transfer agreements, and may be affected by, for example, the termination of employment. Each stock option entitles the holder to subscribe to one new share in the company at a redemption price of SEK 5.63 per share. As the options have

been acquired at market value, there is no accounting cost for the company in accordance with IFRS 2.

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 2025, 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

	2025	2024
Ernst & Young		
Audit assignment	710	720
Auditing activities in addition to the audit assignment	75	100
Other assignments	-	-
Total	785	820

NOTE 8 – Leases

The group primarily leases premises.

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

Right of use assets, 01/01/2024	4,008
New rental agreements	7,613
Depreciation during the year	-2,550
Closing book value, 12/31/2024	9,071

Right of use assets, 01/01/2025	9,071
New rental agreements	3,619
Depreciation during the year	-2,380
Closing book value, 12/31/2025	10,310

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

During 2025, the company signed an extension agreement with Wihlborgs regarding rental premises in Lund. The new agreement extends the term of the existing lease by a further 5 years and entailed an increase in lease liabilities of SEK 3,619 thousand.

Lease liabilities	12/31/2025	12/31/2024
Short-term	2,023	2,284
Long-term	8,871	7,307
Lease liabilities included in the balance sheet	10,894	9,591

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

	2025	2024
Opening interest-bearing liabilities	9,591	4,521
New rental agreement	3,619	7,613
Cash flow	-2,317	-2,542
Closing interest-bearing liabilities	10,894	9,591

Amounts recognized in the consolidated income statement - IFRS 16	2025	2024
Depreciation of right of use assets	-2,380	-2,550
Interest on lease liabilities	-479	-331
Costs of low-value leases	-40	-31
Total	-2,899	-2,912

Amounts recognized in the consolidated cash flow statement - IFRS 16	2025	2024
Total cash outflows attributable to leases	2,890	2,904

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

	2025	2024
Interest income	784	892
Exchange rate gains	-	299
Total	784	1,191
Interest on lease liabilities	479	331
Interest expense liability, acquisition of EastCoast 1)	134	55
Exchange rate losses	384	176
Total	997	562

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

	2025	2024
Tax expense for the year		
Current tax on profit/loss for the year	-14	-13
Change in deferred tax	361	364
Tax expense	347	351
Reconciliation of effective tax		
Profit/loss before tax	-20,272	-8,784
Tax calculated according to current tax rate for the parent company, 20.6%	4,176	1,809
Tax effect on taxable income	29	10
Tax effect of non-deductible expenses	-65	-64
Tax effect of items recognized directly in equity	-	-
Tax effect of foreign tax rates	37	39
Tax effect of changes in tax rate	-	-
Tax effect of change in loss carryforwards for which no deferred tax is recognized	-3,829	-1,444
Tax expense	347	351

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.

	2025	2024
Deferred tax liability		
Deferred tax liability	-3,276	-3,637
Carrying amount	-3,276	-3,637
Specification of change in deferred tax asset/deferred tax liability:		
Opening carrying amount	-3,637	-4,001
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	361	364
Closing carrying amount of deferred tax asset/deferred tax liability:	-3,276	-3,637

The company's historically reported losses represent significant amounts, as the most recent fiscal years have resulted in a tax loss. As there are uncertainties in forecasts, the company's assessment is cautious, and based on this there are no compelling factors that suggest future taxable surpluses in the near future.

Changes in 2025 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 785,820 (776,700) thousand. A total of SEK 15,736 (27,338) thousand is time-limited to be used within 20 years. These time-limited loss carryforwards have also been included in 2025 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.

	2025	2024
Profit/loss attributable to parent company shareholders (SEK thousands)	-19,924	-8,433
Weighted average number of outstanding common shares (thousands)	77,379	77,379
Earnings per share before dilution (SEK per share)	-0.26	-0.11
Earnings per share after dilution (SEK per share)	-0.26	-0.11

Dilution effects are only considered in the event that the earnings per share become worse. Dilution effects have not been considered, as the average price is below the subscription price in current option programs.

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 2025, 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 2025 would have been approximately SEK 3,100 (3,700) thousand higher/lower. The corresponding effect on equity calculated as 10% of Precise Biometrics Inc.'s equity corresponds to SEK 258 (280) thousand. If the interest rate for Stibor 3 months had weakened/strengthened by 2%, earnings for the year would have been approximately SEK 100 thousand higher/lower.

NOTE 13 - Tangible assets

EQUIPMENT AND TOOLS	12/31/2025	12/31/2024
Opening acquisition value	7,716	7,243
Acquisitions during the year	1,218	473
Assets sold/retired	-450	-
Exchange rate differences	-215	-
Closing acquisition value	8,270	7,716

Opening accumulated amortization	-6,147	-4,803
Depreciation for the year	-1,073	-1,345
Assets sold/retired	428	-
Exchange rate differences	159	-
Closing accumulated amortization	-6,633	-6,147
Book value	1,637	1,569

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	12/31/2025	12/31/2024
Opening acquisition value	46,486	52,079
Acquisitions during the year	11,650	10,967
Retirements/sales	-17,691	-16,561
Closing acquisition value	40,444	46,486
Opening accumulated amortization	-26,102	-26,198
Depreciation for the year	-14,232	-16,464
Sales/disposals	17,691	16,561
Closing accumulated amortization	-22,643	-26,102
Opening accumulated write-downs	-	-
Sales/disposals	-	-
Closing accumulated write-downs	-	-
Book value	17,801	20,384

PATENTS	12/31/2025	12/31/2024
Opening acquisition value	1,138	1,138
Closing acquisition value	1,138	1,138
Opening accumulated amortization	-601	-525
Depreciation for the year	-76	-76
Closing accumulated amortization	-676	-601
Book value	462	537

CAPITALIZED DATA EXPENSES	12/31/2025	12/31/2024
Opening acquisition value	803	803
Acquisitions during the year	-	-
Closing acquisition value	803	803
Opening accumulated amortization	-681	-600
Depreciation for the year	-77	-81
Closing accumulated amortization	-759	-681
Book value	44	122

TECHNOLOGY	12/31/2025	12/31/2024
Opening acquisition value	8,077	8,077
Acquisitions during the year	-	-
Closing acquisition value	8,077	8,077
Opening accumulated amortization	-2,514	-1,704
Depreciation for the year	-783	-809
Closing accumulated amortization	-3,297	-2,514
Book value	4,780	5,563
GOODWILL	12/31/2025	12/31/2024
Opening acquisition value	84,836	84,836
Closing acquisition value	84,836	84,836
Book value	84,836	84,836
TRADEMARKS	12/31/2025	12/31/2024
Opening acquisition value	5,473	5,473
Closing acquisition value	5,473	5,473
Book value	5,473	5,473
OTHER INTANGIBLE ASSETS (DATABASE AND CUSTOMER RELATIONS)	12/31/2025	12/31/2024
Opening acquisition value	16,180	16,180
Closing acquisition value	16,180	16,180
Opening accumulated amortization	-8,354	-6,808
Depreciation for the year	-1,540	-1,546
Closing accumulated amortization	-9,894	-8,354
Book value	6,287	7,826
TOTAL BOOK VALUE	119,683	124,741

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 (23,425) thousand and EastCoast SEK 61,411 (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. The recoverable value is based on historical experience and external information sources.

EastCoast was acquired in November 2021. The impairment test is based on a strategic five-year plan (in 2024, the calculation was based on a strategic five-year plan followed by an extrapolation over one year), which is assessed to constitute the period during which management has a reasonable opportunity to assess future cash flows with sufficient reliability. A long-term growth rate of 2% (2%) is assumed after the forecast period.

For EastCoast, the discount rate has been determined on the basis of a calculated "Weighted Average Cost of Capital" (WACC) of 16.7% (17.6%) before tax and 14.0% (14.9%) 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% (29%) 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 16.0% 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 12%. If EBITA is assumed to be 15% lower than the company's expectations, the recoverable value would fall by 23%. None of these hypothetical assumptions would result in a need to write down.

NOTE 15 - Accounts receivable

	12/31/2025	12/31/2024
Accounts receivable - invoiced	15,640	14,045
Accounts receivable - not invoiced	4,466	11,204
Reserve for credit risk	-1,352	-1,436
Total	18,753	23,813

As of December 31, 2025 accounts receivable totaling SEK 8,048 (5,816) thousand were due. Accounts receivable totaling SEK 1,352 (1,436) thousand are written down. Beyond this, no need for write-down is considered to exist for accounts receivable that are due. The company does not consider there to be a need for a reserve for credit risk for non-invoiced accounts receivable.

The aging analysis of all accounts receivable is shown below:

	12/31/2025	12/31/2024
Not due	12,058	19,394
Less than 3 months	6,241	4,206
Of which written down	-	-
3 to 6 months	342	41
Of which written down	-	-
More than 6 months	1,465	1,608
Of which written down	-1,352	-1,436
Total	18,753	23,813

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.

	12/31/2025	12/31/2024
Reserve for credit risk at beginning of year	-1,436	-
Bad debt confirmed	6	-
Reversal of reserve for credit risk	-	-
Reserve for credit risk	-	-1,436
Currency effect	78	-
Total	-1,352	-1,436

Customer loss noted during the year SEK 6 (0) thousand.

The recognized amounts for each currency for the group's accounts receivable are as follows:

	12/31/2025	12/31/2024
SEK	2,410	2,888
USD	1,643	1,667
EUR	89	214
DKK	151	67
NOK	43	27

NOTE 16 – Prepaid expenses

	12/31/2025	12/31/2024
Prepaid rent for premises	779	811
Other items	1,915	1,993
Total	2,694	2,804

NOTE 17 - Equity

	2025	2024
Number of common shares		
Issued as of January 1	77,379,327	77,379,327
New share issue	-	-
Common shares issued as of December 31	77,379,327	77,379,327
Number of Class C shares		
Issued as of January 1	1,085,000	1,085,000
Buyback of own shares	-	-
Class C shares issued as of December 31	1,085,000	1,085,000
Total number of shares issued as of December 31	78,464,327	78,464,327

As of December 31, 2025, 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 12/31/2025. The quota value of the shares was SEK 0.30.

NOTE 18 – Other liabilities

	12/31/2025	12/31/2024
Long-term liabilities		
Lease liability	8,871	7,307
Long-term liability, acquisition of EastCoast	-	5,337
Total long-term liabilities	8,871	12,644
Current liabilities		
Lease liability	2,023	2,284
Current liabilities, acquisition of EastCoast	5,403	5,954
Other current liabilities	2,254	2,192
Total current liabilities	9,680	10,431

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

	12/31/2025	12/31/2024
Prepaid income*	10,150	13,235
Accrued vacation pay	3,980	2,937
Accrued wages and remuneration	617	1,820
Accrued payroll overhead and pensions	2,416	2,234
Other accrued expenses	1,699	2,664
Total	18,861	22,891

* Amount as of year-end 2024 was recognized in full as revenue during 2025.

NOTE 20 - Financial instruments

	12/31/2025	12/31/2024
	Book value	Book value
Financial assets		
<i>Financial assets valued at the accrued cost of acquisition</i>		
Accounts receivable	18,753	23,813
Other receivables	458	1,239
Cash and cash equivalents	18,411	37,704
Total	37,622	62,756
Financial liabilities		
<i>Financial liabilities valued at the accrued cost of acquisition</i>		
Accounts payable	2,416	2,301
Lease liability	10,894	9,591
Long-term liabilities	-	5,337
Current liabilities	7,033	7,345
Accrued expenses	1,700	2,664
Total	22,043	27,239

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, SEK 5,000 thousand on November 30, 2024, and SEK 5,000 thousand on November 30, 2025. SEK 5,000 thousand will be paid on November 30, 2026. Interest will be added to the amount of SEK 5,000 thousand that falls due on November 30, 2026. Interest for the period December 1, 2023 to November 30, 2024 was paid on November 30, 2024 and interest for the period December 1, 2024 to November 30, 2025 was paid on November 30, 2025. 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, 2025.

The liability has been calculated at current value at the original effective interest rate of 1.8% and is recognized as other current liability (SEK 5,403 thousand).

NOTE 21 – Related party transactions

There were no related party transactions in either 2025 or 2024.

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 2025 (reported in investing activities):

Repayment of debt on November 30, 2025: SEK 6,022 thousand. See Note 20 Interest-bearing liabilities.

NOTE 23 – Significant events after year-end

On March 23, 2026, Precise Biometrics AB (publ) and Fingerprint Cards AB (publ) announced that the boards of directors of the respective companies have adopted a joint merger plan for a statutory merger, whereby Precise Biometrics intends to absorb Fingerprint Cards.

Pursuant to the merger plan, the shareholders of Fingerprint Cards will receive nine (9) new ordinary shares in Precise Biometrics for each share in Fingerprint Cards. Upon completion of the Merger, the shareholders of Fingerprint Cards are expected to hold approximately 47 percent of the shares and votes in the combined company.

The Merger is subject to, among other things, approval at extraordinary general meetings of the respective companies as well as required regulatory approvals. Registration of the Merger is expected to take place at the beginning of the third quarter of 2026.

The Merger is expected to generate significant cost synergies of at least SEK 45 million per year and is expected to result in restructuring costs of approximately SEK 25 million, mainly in 2026.

Upon completion of the Merger, the combined company intends to carry out a rights issue of approximately SEK 110 million to support continued growth and integration.

On March 30, 2026, the company called an Extraordinary General Meeting to take place on April 30, 2026. At the Extraordinary General Meeting, decisions must be made on the merge with Fingerprint Cards, approval of the merger plan with Fingerprint Cards, amendment of the articles of association and issuance of merger consideration.

On April 9, 2026, the merger document regarding the merger between Precise Biometrics and Fingerprint Cards was published.

Financial statements of the parent company

Parent company's income statement

Amounts in SEK thousands

	Note	2025	2024
Net sales	2	60,807	69,959
Cost of goods and services sold	3	-28,453	-32,412
Gross profit		32,354	37,547
Selling expenses		-19,883	-20,783
Administrative expenses		-13,583	-13,227
R&D expenses		-16,261	-16,031
Other operating income/expenses		-2,900	1,261
	3,4,5,6,7,9	-52,627	-48,780
Operating profit/loss		-20,273	-11,233
Interest income and similar income statement items	10	633	1,039
Interest expense	10	-518	-230
		115	809
Group contributions received	20	-	151
Profit/loss before tax		-20,158	-10,274
Tax	8	-	-
Profit/loss for the year		-20,158	-10,274

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

Parent company's balance sheet

Amounts in SEK thousands

ASSETS	Note	12/31/2025	12/31/2024
Fixed assets			
Tangible assets	11	1,203	1,196
Goodwill and intangible assets	12	18,010	22,812
Financial assets	13	90,558	90,558
Total fixed assets		109,771	114,566
Current assets			
Accounts receivable	14,18	15,442	20,859
Receivables from group companies	9	4,612	8,145
Other receivables	18	1,306	1,841
Prepaid expenses	15	2,304	2,449
Cash and cash equivalents	18	9,737	25,452
Total current assets		33,401	58,746
TOTAL ASSETS		143,172	173,312
EQUITY & LIABILITIES			
Restricted equity			
Share capital		23,539	23,539
Statutory reserve		1,445	1,445
Reserve for development expenses		14,257	15,911
Total restricted equity		39,240	40,895
Non-restricted equity			
Share premium reserve		168,316	168,316
Retained earnings		-68,561	-59,942
Profit/loss for the year		-20,158	-10,274
Total non-restricted equity		79,596	98,100
Total equity	16	118,837	138,995
Long-term liabilities			
Long-term liabilities	18	-	5,337
Total long-term liabilities		-	5,337
Current liabilities			
Accounts payable	18	1,759	1,913
Current liabilities with group companies	18	1,351	1,723
Other current liabilities	18	6,692	7,029
Accrued expenses and deferred income	17	14,534	18,315
Total current liabilities		24,335	28,979
TOTAL EQUITY AND LIABILITIES		143,172	173,312

Parent company's cash flow statement

Amounts in SEK thousands

	Note	2025	2024
Cash flow from operating activities			
Operating profit/loss		-20,157	-11,233
Adjustments for items not included in cash flow		15,390	18,309
Interest paid/received	10	115	809
Cash flow from operating activities before changes in working capital		-4,652	7,885
Cash flow from changes in working capital			
Change in inventories		-	64
Change in current receivables		9,630	-3,712
Change in current liabilities		-4,095	343
Changes in working capital		5,535	-3,305
Cash flow from operating activities		884	4,580
Cash flow from investing activities			
Acquisition of subsidiaries	19	-6,022	-6,168
Investment in tangible assets	11	-934	-261
Investment in intangible assets	12	-9,643	-8,315
Cash flow from investing activities		-16,599	-14,744
Cash flow from financing activities			
		-	-
Cash flow for the year		-15,715	-10,164
Cash & cash equivalents at beginning of year		25,452	35,619
Closing liquid assets		9,737	25,452

Change in equity in the parent company

Amounts in SEK thousands

	RESTRICTED EQUITY			NON-RESTRICTED EQUITY		Total equity
	Share capital	Statutory reserve	Reserve for development expenses	Share premium reserve	Retained earnings	
Opening balance as of January 1, 2024	23,539	1,445	21,556	168,317	-65,588	149,269
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	-
Closing balance as of December 31, 2024	23,539	1,445	15,912	168,317	-70,218	138,995
Opening balance as of January 1, 2025	23,539	1,445	15,912	168,317	-70,218	138,995
Profit/loss for the year	-	-	-	-	-20,157	-20,157
Capitalized development expenses	-	-	9,643	-	-9,643	-
Release due to amortization of development expenses for the year	-	-	-11,297	-	11,297	-
Closing balance as of December 31, 2025	23,539	1,445	14,257	168,317	-88,720	118,837

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

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NOTE 9 - Purchases and sales between companies in the group

NOTE 10 - Financial income and expenses

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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 International Financial Reporting Standards (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 2024 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 76% (71%) of net sales. The parent company's sales to other group companies totaled SEK 5.3 (4.9) million. This revenue is not included in the tables below.

	2025	2024
Segment		
<i>Biometric Technologies</i>		
Royalties	32,953	41,089
Licenses, including support and maintenance	20,608	21,976
Other	1,034	434
<i>Digital Identity</i>		
Licenses, including support and maintenance	917	1,589
Other	45	4
Total	55,557	65,092
Time*		
Revenue recognition at a given point in time*	35,091	43,227
Revenue recognition over time**	20,466	21,865
Total	55,557	65,092
Region/Country		
Europe	5,062	7,834
- of which Sweden	1,695	2,385
Asia	27,038	29,443
- of which China	1,039	1,372
- of which Taiwan	22,255	24,963
US	23,457	27,814
Total	55,557	65,092

* Sales 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.

** 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

	2025	2024
Employee benefit expenses	33,642	29,463
Cost of purchasing and handling commercial goods	17,771	19,294
Depreciation and write-downs	15,420	18,254
Consulting costs	9,474	10,456
Exchange rate gains	-1,355	-2,696
Exchange rate losses	4,254	1,435
Other external expenses	11,516	13,301
Capitalized development expenses	-9,643	-8,316
Total	81,079	81,192

NOTE 4 - Employees and personnel expenses

Gender balance	2025		2024	
	Men	Women	Men	Women
Precise Biometrics AB, Sweden	15	7	13	6
	15	7	13	6
Gender balance in corporate management			2025	2024
<i>Proportion of women</i>				
Board of Directors			33%	40%
CEO and other senior executives			20%	20%
Salaries and remuneration are allocated as follows:			2025	2024
<i>Board and CEO, Sweden</i>				
Salaries and other remuneration			4,683	4,931
Pension expenses			709	677
Payroll overhead, including payroll tax			1,511	1,715
Total			6,903	7,324
<i>Others, Sweden</i>				
Salaries and other remuneration			18,332	15,032
Pension expenses			3,390	2,806
Payroll overhead, including payroll tax			6,240	5,144
Total			27,962	22,982
TOTAL			34,865	30,306

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

	2025	2024
Ernst & Young		
Audit assignment	610	620
Auditing activities in addition to the audit assignment	75	100
Tax consulting	-	-
Other assignments	-	-
Total	685	720

NOTE 7 - Operating leases

	2025	2024
Leasing costs during the year	2,994	3,022
Total	2,994	3,022
Nominal value of agreed future leasing charges:		
Due for payment within 1 year	2,738	2,454
Due for payment after 1 year, but within 5 years	9,978	5,605
Due for payment after 5 years	-	-
Total	12,716	8,059

NOTE 8 - Income tax and deferred tax

Tax expense for the year	2025	2024
Change in deferred tax	-	-
Tax expense	-	-
Reconciliation of effective tax	2025	2024
Profit/loss before tax	-20,157	-10,274
Tax calculated according to current tax rate, 20.6%	4,152	2,116
Tax effect of non-deductible expenses/non-taxable revenues	-135	-220
Changed assessment of deferred tax asset	-	-
Tax loss carryforwards for which deferred tax asset not recognized	-4,017	-1,897
Tax expense	-	-

The company's historically reported losses represent significant amounts, as the most recent fiscal years have resulted in a tax loss. As there are uncertainties in forecasts, the company's assessment is cautious, and based on this there are no 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 2025 and 2024. 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 768,601 (748,579) 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 5.3 (4.9) million. Purchases from group companies totaled to SEK 12.6 million (13.9). 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 2025.

NOTE 10 - Financial income and expenses

	2025	2024
Interest income	524	740
Exchange rate gains	109	299
Total	633	1,039
Interest expense liability, acquisition of EastCoast	134	55
Exchange rate losses	384	175
Total	518	230

NOTE 11 - Tangible assets

Equipment and tools	12/31/2025	12/31/2024
Opening acquisition value	6,881	6,621
Acquisitions during the year	934	261
Sales/disposals	-124	-
Closing acquisition value	7,691	6,881
Opening accumulated amortization	-5,686	-4,565
Depreciation for the year	-914	-1,121
Sales/disposals	111	-
Closing accumulated amortization	-6,488	-5,686
Book value	1,203	1,196

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

NOTE 12 - Intangible assets

CAPITALIZED DEVELOPMENT EXPENSES	12/31/2025	12/31/2024
Opening acquisition value	37,604	45,849
Acquisitions during the year	9,643	8,316
Sales/disposals	-17,691	-16,561
Closing acquisition value	29,556	37,604
Opening accumulated amortization	-21,694	-24,295
Depreciation for the year	-11,297	-13,960
Sales/disposals	17,691	16,561
Closing accumulated amortization	-15,301	-21,694
Opening accumulated write-downs	-	-
Sales/disposals	-	-
Closing accumulated write-downs	-	-
Book value	14,255	15,910
PATENTS	12/31/2025	12/31/2024
Opening acquisition value	1,138	1,138
Closing acquisition value	1,138	1,138
Opening accumulated amortization	-601	-525
Depreciation for the year	-76	-76
Closing accumulated amortization	-677	-601
Book value	461	537
CAPITALIZED DATA EXPENSES	12/31/2025	12/31/2024
Opening acquisition value	687	687
Closing acquisition value	687	687
Opening accumulated amortization	-654	-596
Depreciation for the year	-33	-58
Closing accumulated amortization	-687	-654
Book value	-	33
GOODWILL	12/31/2025	12/31/2024
Opening acquisition value	24,496	24,496
Closing acquisition value	24,496	24,496
Opening accumulated amortization	-19,391	-16,942
Depreciation for the year	-2,450	-2,450
Closing accumulated amortization	-21,841	-19,391
Book value	2,655	5,105

OTHER INTANGIBLE ASSETS (DATABASE AND CUSTOMER RELATIONS)	12/31/2025	12/31/2024
Opening acquisition value	6,637	6,637
Closing acquisition value	6,637	6,637
Opening accumulated amortization	-5,409	-4,820
Depreciation for the year	-589	-589
Closing accumulated amortization	-5,999	-5,409
Book value	638	1,228
TOTAL BOOK VALUE	18 010	22,812

“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

PARTICIPATIONS IN SUBSIDIARIES	12/31/2025	12/31/2024
Precise Biometrics Services AB		
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	2,897	2,440
Profit/loss for the year	457	-
Opening book value	820	820
Closing book value	820	820
Precise Biometrics Inc.		
Potsdam, New York, USA		
Number of shares	10	10
Share of equity	100%	100%
Equity on balance sheet date	2,581	2,835
Profit/loss for the year	229	603
Opening book value	958	958
Closing book value	958	958
Precise Biometrics Shanghai		
Shanghai, China		
Number of shares	-	-
Share of equity	100%	100%
Equity on balance sheet date	1,141	1,062
Profit/loss for the year	227	253
Opening book value	-	-
Closing book value	-	-

	12/31/2025	12/31/2024
EastCoast Solutions AB		
Stockholm		
Number of shares	-	-
Share of equity	100%	100%
Equity on balance sheet date	1,810	3,072
Profit/loss for the year	-1,263	-50
Opening book value	88,689	88,689
Closing book value	88,689	88,689
Besökssystem Sverige AB		
Stockholm		
Number of shares	-	-
Share of equity	100%	100%
Equity on balance sheet date	85	88
Profit/loss for the year	-3	-1
Opening book value	91	91
Closing book value	91	91
Total	90,558	90,558
Total financial assets	90,558	90,558

NOTE 14 - Accounts receivable

	12/31/2025	12/31/2024
Accounts receivable - invoiced	12,522	11,090
Accounts receivable - not invoiced	4,273	11,204
Reserve for credit risk	-1,352	-1,436
Total	15,442	20,858

As of December 31, 2025 accounts receivable totaling SEK 6,233 (3,887) thousand were due. Accounts receivable totaling SEK 1,352 (1,436) thousand are written down. Beyond this, no need for write-down is considered to exist for accounts receivable that are due. The company does not consider there to be a need for a reserve for credit risk for non-invoiced accounts receivable.

The aging analysis of all accounts receivable is shown below:	12/31/2025	12/31/2024
Not due	10,561	18,407
Less than 3 months	4,605	2,445
Of which written down	-	-
3 to 6 months	276	6
Of which written down	-	-
More than 6 months	1,352	1,436
Of which written down	-1,352	-1,436
Total	15,442	20,858

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.

	12/31/2025	12/31/2024
Reserve for credit risk at beginning of year	-1,436	-
Bad debt confirmed	-	-
Reversal of reserve for credit risk	-	-
Reserve for credit risk	-	-1,436
Currency effect	84	-
Total	-1,352	-1,436

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:	12/31/2025	12/31/2024
SEK	45	325
USD	1,176	1,650
EUR	153	208

NOTE 15 - Prepaid expenses

	12/31/2025	12/31/2024
Prepaid rent for premises	615	619
Other items	1,689	1,830
Total	2,304	2,449

NOTE 16 - Equity

	Number of shares
As of December 31, 2024	78,464,327
New share issue	-
As of December 31, 2025	78,464,327

Option program and LTI program

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 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, 2025, Precise held 1,085,000 Class C shares.

The Annual General Meeting 2025 resolved, in accordance with the Board's proposal, to establish a new long-term incentive plan (LTIP 2025/2028) for senior executives and other current and future employees within the Group by issuing a maximum of 1,200,000 stock options, which means that the company's share capital may increase by a maximum of SEK 360,000. All stock options have been issued free of charge to the wholly-owned subsidiary, Precise Biometrics Services AB, for onward transfer at market value to current employees who have been offered the opportunity to participate and to future employees within the Group.

As of December 31, 2025, approximately 450,000 stock options had been transferred to participants. The stock options have a term of three years and can be exercised for the subscription of shares during the period from August 1, 2028 to September 30, 2028. The conditions for continued holding and the right to exercise the options are regulated in separate transfer agreements, and may be affected by, for example, the termination of employment. Each stock option entitles the holder to subscribe to one new share in the company at a redemption price of SEK 5.63 per share. As the options have been acquired at market value, there is no accounting cost for the company in accordance with IFRS 2.

NOTE 17 – Accrued expenses and prepaid income

	12/31/2025	12/31/2024
Prepaid income	7,620	10,335
Accrued vacation pay	3,269	2,363
Accrued wages and remuneration	-	1,182
Accrued payroll overhead and pensions	2,023	1,919
Other accrued expenses	1,621	2,515
Total	14,534	18,315

NOTE 18 – Financial instruments

	12/31/2025 Book value	12/31/2024 Book value
Financial assets		
<i>Loans receivable and accounts receivable</i>		
Accounts receivable	15,442	20,858
Receivables from group companies	4,612	8,145
Other receivables	1,306	1,816
Cash and cash equivalents	9,737	25,452
Total financial assets	31,097	56,271
Financial liabilities		
<i>Financial liabilities valued at the accrued cost of acquisition</i>		
Accounts payable	1,759	1,913
Current liabilities with group companies	1,351	1,723
Long-term liabilities	-	5,337
Current liabilities	6,692	7,029
Accrued expenses	1,621	2,515
Total financial liabilities	11,423	18,517

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

	12/31/2025	12/31/2024
Group contributions received	-	151
Total	-	151

NOTE 21 - Proposed distribution of earnings

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

	12/31/2025	12/31/2024
Share premium reserve, SEK thousands	168,316	168,316
Retained earnings, SEK thousands	-68,561	-59,942
Profit/loss for the year, SEK thousands	-20,157	-10,274
Total non-restricted equity	79,597	98,100
The Board proposes that the AGM should not issue a dividend for the fiscal year 2025.		
Carried forward to in a new account, SEK thousands	79,597	98,100
Total non-restricted equity	79,597	98,100

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 21, 2026.

The content of this annual report was determined on April 15, 2026

April 15, 2026

Torgny Hellström

Chairman of the Board

April 15, 2026

Maria Rydén

Board member

April 15, 2026

Howard Ro

Board member

April 15, 2026

Åsa Schwarz

Board member

April 15, 2026

Peter Gullander

Board member

April 15, 2026

Victor Kuzmin

Board member

April 15, 2026

Joakim Nydemark

CEO

Our auditor's report was submitted on April 15, 2026

Ernst & Young AB

Martin Henriksson

Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Precise Biometrics AB (publ), corporate identity number 556545-6596

Report on the annual accounts and 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 28-34 for the year 2025. The annual accounts and consolidated accounts of the company are included on pages 21-78 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 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 28-34. 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 pro-

hibited 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.

Goodwill

Description

The carrying value of goodwill amounts to SEK 84.8 million in the group's balance sheet and SEK 2.7 million in the parent company's balance sheet as of December 31, 2025. 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 ex-

ists. 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 and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-20 and 84-88. **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, for-

gery, 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 2025 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 2025.

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

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

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of 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 28-34 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 2025 and has been the company's auditor since the 27th April 2015.

Malmö 15th April, 2026

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 net financial items 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

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, tax, depreciation, and amortization (EBITDA)

Profit/loss before financial items, taxes, 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

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

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

Capital employed

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

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

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

Liquidity ratio

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

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

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 before dilution

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

Earnings per share after dilution

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

Earnings per share before dilution

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

Earnings per share after dilution

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

Equity per share

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 revenue 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 revenue 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 21, 2026. The Annual Report for 2025 will be available on Precise's website on April 16, 2026 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 13, 2026 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 13, 2026. 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 15, 2026 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 15, 2026. Registration may take place by mail or email:

bolagsstamma@precisebiometrics.com

Mail: Precise Biometrics AB, Attn: Årsstämma 2026, Scheelevägen 27, SE-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 May 20, 2026.

Shareholder contact

Joakim Nydemark, CEO

Phone: +46-706-35 16 09

Email: investor@precisebiometrics.com

Financial Calendar

Interim report, first quarter 2026

May 13, 2026 (8:00 am)

Annual General Meeting 2026

May 21, 2026 (2:00 pm)

Interim report, second quarter 2026

August 14, 2026 (8:00 am)

Interim report, third quarter 2026

November 13, 2026 (8:00 am)

Year-End Report 2026

February 11, 2027 (8:00 am)

Financial reports are published in Swedish and English at www.precisebiometrics.com

Contact

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223 63 Lund Sweden

+ 46 46 31 11 00

Shareholder contact

Joakim Nydemark, CEO

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Email investor@precisebiometrics.com

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