

PRECiSE
BIOMETRICS

Q1

Precise Biometrics

Interim Report

Jan–Mar 2025



Precise technology is used

100K

**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 fingerprint, facial and hand recognition, as well as turn key products for biometric access (Precise Access) and visitor management (Precise Visit by EastCoast).

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

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The period in brief:

Stable demand but geopolitical events having a short-term impact on the business

First quarter

- Net sales totaled SEK 20.0 (21.7) million
 - A change in revenue allocation in a renegotiated customer agreement results in higher revenue on an annual basis, but has an impact of SEK -1.0 million on net sales in the first quarter.
- EBITDA totaled SEK -1.7 (3.1) million
 - Adjusted for negative currency effects from operating items of SEK 1.6 million and a change in revenue allocation in a customer agreement of SEK 1.0 million, EBITDA amounts to SEK 0.9 million
- Cash flow from operating activities totaled SEK 2.1 (-2.8) million
- The operating profit/loss (EBIT) totaled SEK -7.1 (-2.8) million
- Earnings for the period totaled SEK -7.2 (-3.0) million
- Earnings per share before and after dilution totaled SEK -0.1 (-0.0)
- ARR (Annual Recurring Revenue) at the end of the period was SEK 18.4 (18.3) million

Significant events during the quarter

(the bullet list below contains links to the relevant press releases)

- The anti-spoof solution BioLive approved for national ID program
- The Nomination Committee proposes Victor Kuzmin for the Board of Directors
- Entering the Norwegian visitor management system market
- Expanded biometric physical access offering for high-security sector
- Showcasing Biometric Security Solutions at ISC West in Las Vegas
- Västra Hamnen Corporate Finance initiates coverage of Precise
- Xiaomi launches new smart safe with technology from Precise

Significant events after the end of the interim period

(the bullet list below contains links to the relevant press releases)

- Rebranding initiative to clarify and strengthen Precise's offering

Financial data and key indicators

Amounts in SEK thousands unless otherwise stated	2025	2024	2024	Rolling
	Jan-Mar	Jan-Mar	Full-year	12 mth
Net sales	20 007	21 684	86 852	85 175
Net sales growth, %	-7,7%	13,2%	15,7%	9,8%
EBITDA	-1 689	3 069	13 379	8 622
Gross margin, %	71,9%	72,2%	72,6%	72,6%
Operating profit/loss	-7 051	-2 826	-9 414	-13 639
Operating margin, %	-35,2%	-13,0%	-10,8%	-16,0%
Cash flow from the operating activities	2 103	-2 832	10 055	14 990
Cash and cash equivalents	36 036	41 148	37 704	
Annual Recurring Revenue	18 376	18 317	18 980	

See the Financial Glossary for definitions.

Presentation and Q&A

Precise has published a video interview with CEO Joakim Nydemark in connection with this report. The interview is designed to complement the report and provide additional depth and a better understanding of the stock market for the company's business operations.

The video is available on the Investor Relations page: <https://precisebiometrics.com/sv/investerare/>

The company also invites you to a Q&A session. More information and a link to the Q&A session may be found on the Investor Relations page: <https://precisebiometrics.com/sv/investerare/>

Time of Q&A: May 14, 2025, at 13:00 (CET).

Questions can be asked directly during the Q&A or submitted in advance to investor@precisebiometrics.com

Q&A

May 14, 13:00



CEO comments

Stable demand but geopolitical events having a short-term impact on the business

We are continuing our journey at a high tempo, even though the figures for the first quarter are affected by quarterly fluctuations and the turbulent global market situation. Net sales for the quarter totaled SEK 20.0 (21.7) million and EBITDA was SEK -1.7 (3.1) million. Both net sales and earnings are affected by the weakening US dollar and a change in the allocation of revenue from a customer agreement. The latter affects the quarter, but not the full year. EBITDA adjusted for these two factors totals SEK 0.9 million, which is in line with our expectations given the cost of increasing our selling power and the caution we are experiencing among our customers linked to the uncertainty surrounding the effects of new tariffs. At the same time, cash flow of SEK 2.1 million (-2.8) represents an improvement compared to the corresponding quarter last year. There has also been commercial progress during the period, including in national ID programs where we have been approved by the Unique Identification Authority of India (UIDAI) for use in Aadhaar, the national ID program. We feel that demand for the company's products is increasing, even though the market situation is prolonging business discussions, and given the new customer projects initiated during the quarter, we have a positive view of the full year 2025. We are continuing to execute on the commercialization strategy and growth journey that has only just begun.

We are well-positioned to continue to deliver market-leading visitor management systems, security solutions and biometric products with a focus on expansive verticals and geographies. We are cost-conscious, and by renegotiating supplier agreements and efficiency improvements, we have been able to increase our selling power and productivity with a relatively small cost increase. This will yield results during 2025.

Biometric Technologies

The first quarter was characterized by new mobile projects and intensive work aimed at customers and partners both within the mobile vertical and for our latest offerings linked to hand recognition and anti-spoofing for national ID programs. By meeting the strict requirements of national ID programs such as Aadhaar, BioLive not only boosts the integrity of these systems, but also sets a new standard for anti-spoof-

ing and liveness detection, opening up new geographical markets such as Southeast Asia, Africa, and South America.

Sensor production, which governs our royalty volumes, can also vary greatly between different quarters, which is why it is important to view the company's growth over a number of quarters, not just individual quarters. Given the turbulent global situation, volumes have varied more than usual, as many of our customers have been more cautious in their production during the past quarter – in order to avoid high inventory levels if sales of consumer products were to be negatively affected by tariffs or the economic climate in general. We feel confident in our relationship with partners and remain optimistic about growth for 2025. With end products in several verticals and in Asia, Europe, and the USA, we have good coverage, which we believe will balance the volumes over time.

The vehicle vertical has now started to deliver royalty volumes, and despite the market situation, this segment came in slightly higher than expected in the first quarter. The trend is increasing continuing towards the Software Defined Vehicle (SDV) concept, where we are positioning ourselves together with Infineon as a world leader in the field of biometrics for the automotive industry.

Digital Identity

Growth in our offerings in the Digital Identity business area is still not at the level we want to be, but it is now moving forward and we can see that our framework agreements with larger companies will contribute to positive development going forward. During the quarter, we made investments and launched new products, such as a locally installed (on-premise) version of Precise Access, our physical access solution, as a complement to the company's existing hybrid cloud solution. By offering full on-premise implementation, we are meeting the increasingly demanding security requirements of high-security organizations including government agencies, critical infrastructure facilities, and defense organizations.

During the quarter, we further strengthened the sales organization by hiring sales resources in Norway. These will be working closely with the Swedish organization to ensure rapid upscaling and cost efficiency. The goal is to both accelerate business with customers and build a local partner network.

We see a growing demand for our visitor management system, both in Sweden and internationally, which, combined with the fact that many existing customers are expanding the solution to more offices, creates the conditions for growth in 2025.

The continued migration to the cloud is one of the highlights of the period, with customers who migrated including Alfa Laval, Familjebostäder, Tobii Technology and Öresundskraft. Demand continues to benefit from several external factors, such as the security situation, new regulatory requirements and the fact that modern companies want to be more customer-centric.

Our offering

To further enhance and clarify our offering, and to simplify internal processes, we are bringing all products together under the Precise brand. The name YOUNiQ is disappearing and EastCoast will become part of the Precise Visit name. Our physical access system will be called **Precise Access** and our visitor management system **Precise Visit by EastCoast**. Company names are not affected, nor the product functionality.



Future prospects

There is an incredible level of activity in the areas that are the cornerstones of our business – biometrics, cybersecurity, seamless access and AI. In parallel with our commercialization strategy, we are continuing to open up new offerings, including national ID programs, hand recognition and on-premise access systems.

I feel that we have an extremely positive and exciting future ahead of us, and if I look ahead to the coming year, there is a lot to suggest healthy growth. In a society where security and user-friendliness are becoming increasingly central, our solutions help create greater peace of mind. As one of the actors in the field of ultrasound algorithms, I see potential for increased revenue, while we make progress in cybersecurity, the automotive industry and biometric solutions for government agency projects. With a strong product portfolio, stable finances and long-term partnerships, we are well positioned.

Many thanks to our highly competent team, customers and partners. Together we are creating a simpler and safer world. Onwards and upwards!

Joakim Nydemark
CEO

My top three:

- The fundamental macro drivers of our offering are stronger than ever
- Many opportunities in national ID programs
- Our knowledge and our strong offering



Security expert Åsa Schwarz on digital threats and cybersecurity

In a world where digital threats are becoming increasingly sophisticated, cybersecurity is more important than ever. Åsa Schwarz, expert on the subject and Board member at Precise, shares her thoughts on today's biggest risks, how companies and individuals can protect themselves – and how she combines cybersecurity with her work as an author.

How did your interest in cybersecurity start, and what is cybersecurity actually?

I started programming as a child, but came into contact with cybersecurity during a summer course while studying at university. Then I was hooked.

Cybersecurity nowadays is a broad concept meaning that you work systematically to ensure that information in systems and networks is available, correct, and can only be accessed by the right people. The big difference today is that all businesses are completely dependent on IT, which makes security and secure systems even more important now than ever before.

Is cybersecurity completely detached from physical security, or how does it all link together?

In the past it was detached, but now the two are very much interlinked. Our locks and alarms are digitalized, and it's every bit as important that the bolt in a lock is as robust as the IT system behind it. If you have biometric solutions such as those from Precise, it's even more integrated.

What are the biggest risks today, and what are your best tips for staying safe?

Hackers try to gain access to either money or information, and we see that in some countries criminal hacker groups collaborate with state actors. It makes a big difference whether you're a private individual or a company. Private individuals are often targeted by fraud and phishing. Companies often have a much broader risk profile, facing everything from ransomware, where a criminal encrypts your information and hard drives, DDoS attacks, where systems become unavailable, to problems with suppliers who have security problems themselves. And we mustn't forget that many incidents are due to user error or poor systems.

As a private individual, you can keep in mind some basic measures such as always having backup, multi-factor authentication and long passwords.

But above all, you must be alert when things are not as they usually are. Companies need to work systematically with cybersecurity throughout the organization.

What is the most common misconception related to cybersecurity work in organizations?

One of the biggest preconceptions is that it's the IT department's problem. Many breaches and errors are caused by users making mistakes. Management and, in some cases, the Board of Directors must also be involved in determining the risk appetite and focus of security work.

How do you see the role of Precise's offering in cybersecurity?

Precise has several different solutions that increase security while making life a little easier for users. One typical example is fingerprints to open a mobile phone, computer or car. Support for visitor management is also an important part of a company's systematic security work.

How do you think digital developments and cyber threats/risks will change going forward?

Right now, the world around us is extremely turbulent, which means that companies must find ways to continuously manage new risks. Criminal activity online has also increased significantly, which increases the need for security.

Will those who develop cybersecurity solutions or the "cyber villains" win at the end of the day?

That's the classic question. I think we'll continue as before, with the villains constantly challenging and finding new ways, while those of us working with security are constantly learning and improving. The big trend is that those that are good at managing incidents are also the ones that perform the best.

You're not just a cybersecurity expert, but also an author – how do you weave that into your books?

Although all my books are thrillers, some also deal with cybersecurity. For example, Master of Dolls has elements of artificial intelligence and security, and The Seven Keys is a hacker thriller.

Åsa Schwarz

Board member at Precise Biometrics and Enea, and Head of Business Development at Knowit Cybersecurity & Law. She also writes thrillers.



Update from the business areas

Biometric Technologies

The market for the company's biometric platform suite continues to grow, and Precise continues to hold a very strong position, primarily in the ultrasonic and anti-spoof segment. The market for our customers' sensor hardware is competitive and under price pressure, but the algorithm software for ultrasonic and anti-spoof has better margins.

A few highlights:

- The security situation and technological developments are generating opportunities, and there are generally high levels of interest and many ongoing business discussions.
- One area of particular interest is National ID Programs. New, stricter security requirements are being established to reduce the risk of fraud, manipulation, and various forms of attack. Precise's anti-spoof solution BioLive fits in well here, and it is already integrated in biometric readers that are certified for the updated Aadhaar requirements. There are some very interesting things happening in this area, but this also involves large government agency projects with long processes.
- Successful marketing of Palm, including activities at ISC West in Las Vegas and IFSEC Korea in Seoul. The company is seeing a high level of interest in both palm as a modality and the various solutions presented during meetings with stakeholders, including multi-factor authentication (MFA) for physical access.

Precise is constantly taking new steps in terms of functionality and performance in its biometric platform suite. One specific example is the new packaging of the BioLive anti-spoof solution, where both AI technology and services in the form of data collection are important components.

Digital Identity

Precise has a strong offering in the field of visitor management systems and physical access. The company grows its customer base through both new customers and additional sales to existing customers.

The offering for the Precise Visit by EastCoast visitor management system (formerly EastCoast Visit in Sweden and YOUNiQ Visit internationally) is growing and expanding internationally, while also being enhanced with new functionality.

The first month of the year was weak, which is normal, but towards the end of the period there was strong growth, and

during the quarter new and updated agreements were signed with, among others, Atlas Copco, Certego Norge, the City of Helsingborg, Norstedts, SJ Stockholms Tåg and Tradera. The company has also seen its solutions implemented in new geographical markets such as Germany and Latvia.

The visitor management system initiative is being affected in the short term by higher churn, as a result of the change in strategy that involved an investment in a scalable cloud and SaaS solution. Some customers with legacy on-premise solutions are choosing not to renew their agreements. The main reason is that they no longer see any need for a visitor management system. A small number of customers also requesting special functionality that is not available in the cloud solution. Even if this means a temporary cut in the ARR stock, Precise and its management are convinced that building a more uniform and scalable cloud business is the right decision in the medium to long term. Management also believes that this negative impact will be short-term. Evidence of this is provided by strong new sales of our cloud solution, the fact that no cloud customers left during the quarter and the positive trend that can be seen in connection with framework agreements with large corporate groups.

Sales of Precise Access did not meet expectations during the quarter, mainly due to economic uncertainty in the world at large and uncertainty about GDPR and similar regulations. But interest in the solution remains greater than ever, given the situation in the world and the opportunities offered by the product. There has been a particularly high level of interest in hand modality, which was evident at the ISC West security trade event in Las Vegas. The product was on display at the Genetec booth during the event.

A few highlights:

- Precise Visit by EastCoast is growing internationally, with new customers in Asia, the USA and Europe. At the same time, Precise has launched an initiative in Norway.
- More public sector players are using Precise solutions.
- An on-premise version of Precise Access was launched in order to better meet the increased security requirements from users, including high-security companies.

Product roadmap

Several new functions have been launched, including Agreement Signature, where links can be created between the visitor management system and confidentiality agreements.

Customer offering

In a society where security and user-friendliness are becoming increasingly central, Precise helps create increased peace of mind by developing innovative technical solutions in the areas of cybersecurity and biometric recognition. Simplicity and a first-class user experience are combined with performance and a high level of security. Instead of using a PIN, password, key, card, etc. you use your finger, face or hand for authentication or identification.

There are areas of application in both digital and physical access, and the applications are found in, for example, mobile phones, laptops, logical access, payment, vehicles, and in visitor management and access systems, and various forms of government initiatives such as national ID systems and Automated Biometric Identification Systems (ABIS).

The offering consists of biometric algorithm products, basic technology, which component manufacturers use in their products, and also end-customer products for access and visitor management.

The focus is on creating a safe and seamless everyday environment for people by combining user-friendliness with a high level of security in our cybersecurity and biometric security solutions.

Why Precise?

- Unique knowledge, as biometrics and cybersecurity has been the company's core business for 25 years.

- Established on the global market, the technology is used more than 100,000 times per second, all year round.
- Large customer base and a global ecosystem of partners.
- Software company, which creates flexibility and the facility to make quick changes.
- Hardware-independent.
- Combines several different biometric modalities such as finger, palm, and face.

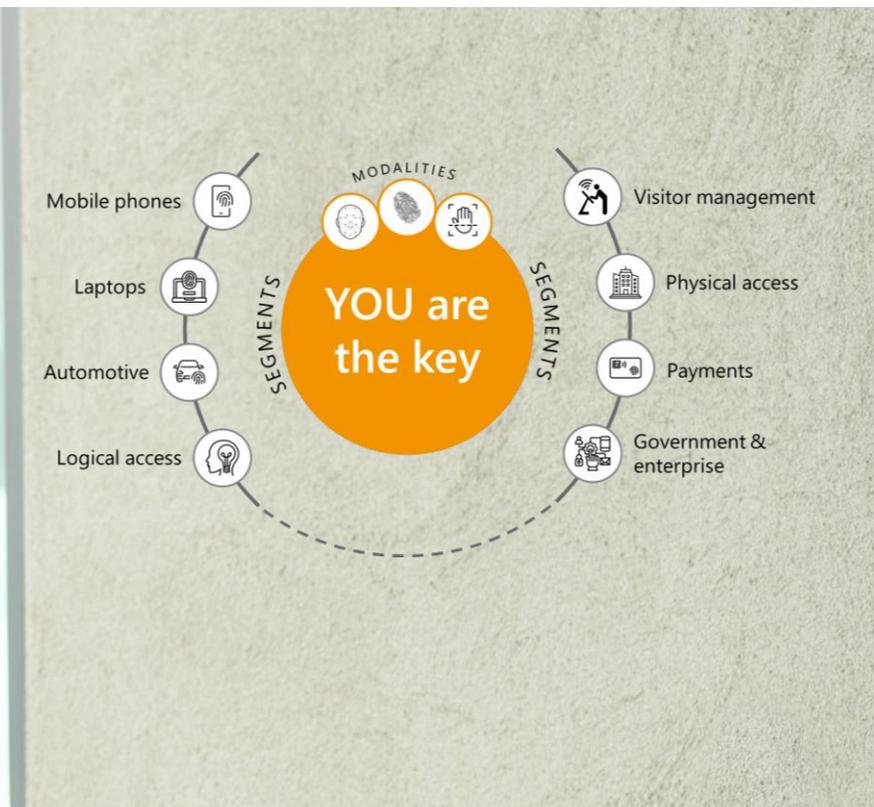
Our products

Systems for physical access and visitor management

- Precise Access:** Biometric access for physical security.
- Precise Visit by EastCoast:** Visitor management system.

Biometric suite for biometric recognition

- BioMatch:** Fingerprint and palm matching product.
- BioLive:** Prevent manipulation, fraud and forgery by ensuring the authenticity of biometric prints.
- BioEnhance:** Image enhancement, e.g., regarding biometric prints before matching.



Net sales and operating profit/loss

Net sales for the quarter

Net sales during the quarter totaled SEK 20.0 (21.7) million, divided between royalty revenues of SEK 8.7 (10.5) million, license fees (including support and maintenance) of SEK 9.8 (9.8) million and other revenues of SEK 1.5 (1.4) million. Royalty revenues during the first quarter are slightly lower than in the previous year, which is partly explained by a renegotiated customer agreement. The agreement entails increased revenue on an annual basis, but lower royalty revenue in Q1 by approximately SEK 1 million. The agreement will have a positive effect in the second half of the year, as revenues will be distributed more evenly between the quarters ahead. A weaker USD also had a negative impact on royalty revenues.

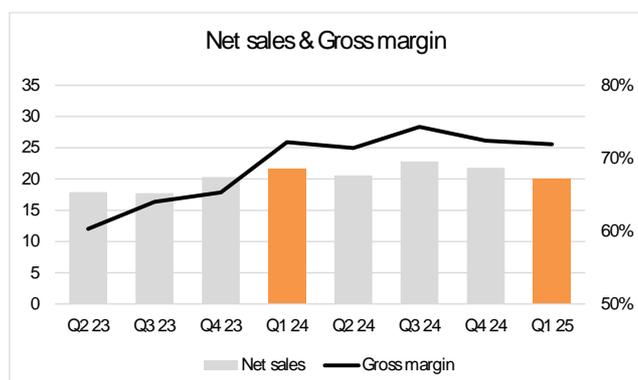
Biometric Technologies

Net sales for Biometric Technologies totaled SEK 14.9 (16.7) million and are reported under royalties at SEK 8.7 (10.5) million, licenses at SEK 5.1 (5.3) million, and other revenue at SEK 1.1 (0.9) million. Royalty revenues in the first quarter were slightly lower than in the previous year, as a consequence of a renegotiated customer agreement and a weaker USD. The renegotiation of the agreement is positive and entails an increase in revenue on an annual basis, but the change affects how revenue is distributed over the year. The gross margin during the quarter totaled 82.9% (85.3). The decrease is mainly due to lower net sales. Royalty revenues are based on customers' sales volumes, and a reduction in royalty revenues therefore has a negative impact on margins as they do not entail lower costs.

Digital Identity

Net sales for Digital Identity totaled SEK 5.1 (5.0) million and are reported under licenses at SEK 4.7 (4.5) million, and other revenue at SEK 0.4 (0.5) million.

The proportion of annual recurring revenue (ARR) was SEK 18.4 (18.3) million at the end of the quarter.



As part of the company's strategy to increase the proportion of annual recurring revenue (ARR) at the expense of one-off licenses and to gradually migrate older products, some churn occurred during the period. At the same time, the quarter saw positive new sales. The gross margin during the quarter totaled 39.8% (28.7). The higher gross margin is explained by a higher proportion of software, where the margin is higher compared with hardware sales.

Earnings for the quarter

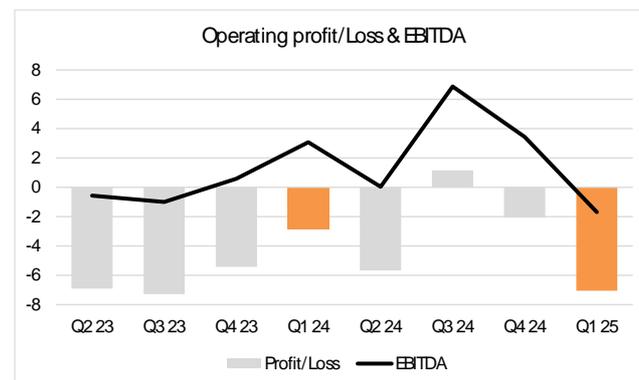
The gross margin during the quarter totaled 71.9% (72.2). The decrease is primarily due to lower royalty revenues. Amortization of capitalized development expenses totaled SEK 3.9 (4.3) million. Amortization of acquired intangible assets totaled SEK 0.6 (0.6) million.

Operating expenses for the quarter increased to SEK 21.4 (18.5) million. During the quarter, the company was negatively affected by the USD exchange rate, which in its entirety resulted in other operating expenses of SEK -1.6 million. The corresponding period in the previous year saw operating income of SEK 0.7 million, which means a currency-related change of SEK 2.3 million between the periods. Personnel expenses increased slightly during the quarter due to more employees, but the company also reduced consultancy expenses.

The profit/loss at EBITDA level decreased to SEK -1.7 (3.1) million, which is explained by the exchange rate impact, a renegotiated customer agreement which in accounting terms entails approximately SEK 1 million lower income in the quarter – but higher income on an annual basis – and increased personnel expenses for the sales and product organization.

The operating profit/loss (EBIT) for the quarter totaled SEK -7.1 (-2.8) million. Earnings for the quarter totaled SEK -7.2 (-3.0) million. Total depreciation/amortization of SEK 5.4 (5.9) million.

Earnings per share (average number of shares) for the quarter totaled SEK -0.09 (-0.04).



Net financial items and tax

Net financial items for the quarter totaled SEK -0.2 (-0.2) million and the tax expense totaled SEK 0.1 (0.1) 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.

Cash flow & investments

The cash flow from operating activities during the quarter totaled SEK 2.1 (-2.8) million, of which SEK 4.1 (-5.8) million is attributable to changes in working capital. The Group invested SEK 0.0 (0.0) million in property, plant and equipment during the period. Total cash flow for the period was SEK -1.5 (-6.5) million.

Capitalization & amortization of development work

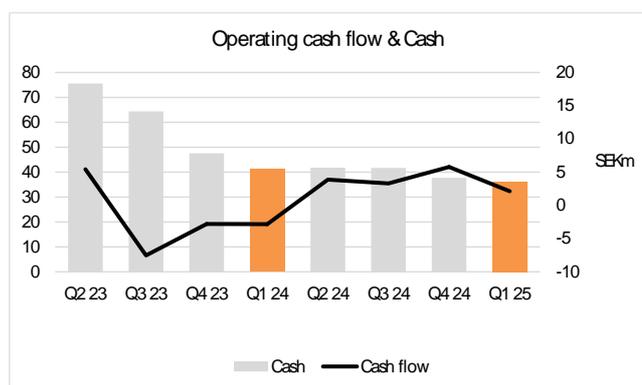
Development expenses of SEK 3.0 (3.0) million were capitalized during the quarter, and amortization of capitalized development expenses in respect of Digital Identity and Biometric Technologies totaled SEK 3.9 (4.3) million.

Right of use assets

No new rental agreements were added during the quarter, but an extension of rental agreements in Lund and indexation of rent in Lund and Stockholm resulted in an increase in lease liabilities of SEK 3.4 (5.8) million.

Financial position & liquidity

Cash and cash equivalents at the end of the period totaled SEK 36.0 (41.1) million. Total equity at the end of the period was SEK 143.6 (156.5) million, and equity per share was SEK 1.83 (1.99).



The parent company

The parent company's net sales for the quarter totaled SEK 16.1 (17.7) million and operating profit/loss for the quarter totaled SEK -6.8 (-3.1) million and was charged with amortization of goodwill totaling SEK 0.6 (0.6) million. Cash and cash equivalents at the end of the interim period totaled SEK 23.6 (26.7) million, and equity SEK 132.1 (146.1) million.

Organization & 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 interim period, the Group had a workforce of 45 (43) people, including on-site consultants. The number of employees was 36 (32), of which 29 (24) were located in Sweden. Precise works in an agile way together with several partners, creating a fast-moving, scalable organization. The number of employees does not include partners.

Financial Calendar

- AGM 2025 – May 22, 2025
- Q2 Interim report 2025 – August 15, 2025
- Q3 Interim Report 2025 – November 14, 2025
- Year-End Report 2025 – February 12, 2026

Risk factors

The Group and parent company's business risks and risk management as well as the management of financial risks are described in detail in the Annual Report for 2024, which was issued in April 2025. There have been no incidents of significant importance since then that would affect or change these descriptions of the Group or parent company's risks and how they are managed.

Ownership structure

Precise Biometrics AB (publ), corporate ID number 556545-6596, is the parent company in the Precise Biometrics Group. Precise Biometrics AB's shares are listed on the Small Cap list of the Nasdaq OMX Nordic. The number of shareholders at the end of the quarter was 22,299 (16,270). 50,037,551 (13,305,644) PREC shares were traded during the quarter. The closing price on March 31 was SEK 4.01 (1.11), and during the quarter the share price fluctuated between SEK 2.98 (0.80) and SEK 5.77 (1.17).

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

The undersigned certifies that the interim report provides a true and fair view of the parent company's and the Group's operations, financial position and financial results, and describes the significant risks and uncertainty factors faced by the parent company and the companies that belong to the Group.

Lund, May 14, 2025

Torgny Hellström

Chairman of the Board

Howard Ro

Board member

Peter Gullander

Board member

Maria Rydén

Board member

Åsa Schwarz

Board member

Joakim Nydemark

CEO

For further information, please contact:

Joakim Nydemark, CEO

Email: joakim.nydemark@precisebiometrics.com

This information is information that Precise Biometrics AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication on May 14 at 08:00 (CET).

Consolidated income statement – in summary

Amounts in SEK thousand	Note	2025	2024	2024	Rolling
		Jan-Mar	Jan-Mar	Full-year	12 mth
Net sales	2,3	20 007	21 684	86 852	85 175
Cost of goods sold		-5 615	-6 027	-23 786	-23 374
Gross profit		14 392	15 657	63 066	61 801
Marketing and sales expenses		-8 804	-8 484	-32 982	-33 302
Administrative expenses		-3 944	-3 850	-13 789	-13 883
R&D expenses		-7 097	-6 808	-26 966	-27 255
Other operating income/expenses		-1 597	658	1 256	-999
		-21 441	-18 483	-72 480	-75 438
Operating profit/loss		-7 051	-2 826	-9 414	-13 639
Financial income/expenses	4	-228	-229	630	631
Profit/Loss before tax		-7 278	-3 055	-8 784	-13 007
Tax		86	86	351	351
Profit/loss for the period attributable to parent company shareholders		-7 193	-2 969	-8 433	-12 657
Earnings per share, remaining operations, SEK*					
- before dilution		-0,09	-0,04	-0,11	-0,16
- after dilution		-0,09	-0,04	-0,11	-0,16
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
Profit/Loss for the period		-7 193	-2 969	-8 433	-12 657
Other comprehensive income:					
<i>Items that may be reclassified to profit or loss</i>					
Changes in accumulated exchange rate differences		-342	158	274	-226
Other comprehensive income for the period		-342	158	274	-226
Profit/Loss total attributable to holders of participations in the parent company		-7 535	-2 811	-8 159	-12 883

*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.

Consolidated balance sheet – in summary

Amounts in SEK thousand

ASSETS	Note	2025-03-31	2024-03-31	2024-12-31
FIXED ASSETS				
Material assets		13 174	11 312	10 639
Goodwill and immaterial assets		123 230	130 804	124 741
TOTAL FIXED ASSETS		136 404	142 116	135 380
CURRENT ASSETS				
Inventories		222	292	242
Accounts receivable		22 748	26 845	23 813
Other current receivables		2 922	3 016	3 123
Accruals and deferred income		3 184	3 056	2 804
Cash and cash equivalents	4,6	36 036	41 148	37 704
TOTAL CURRENT ASSETS		65 113	74 357	67 686
TOTAL ASSETS		201 517	216 473	203 066
EQUITY AND LIABILITIES				
EQUITY				
Equity		143 629	156 509	151 163
TOTAL EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDER		143 629	156 509	151 163
LONG-TERM DEBT				
Long term debt	6	19 233	22 614	16 281
TOTAL LONG-TERM DEBT		19 233	22 614	16 281
SHORT-TERM LIABILITIES				
Short-term liabilities	4,6	38 656	37 350	35 621
Total Short-term liabilities		38 656	37 350	35 621
TOTAL EQUITY AND LIABILITIES		201 517	216 473	203 066

Consolidated cash flow statement – in summary

Amounts in SEK thousand	Note	2025 Jan-Mar	2024 Jan-Mar	2024 Full-year	Rolling 12 mth
Cash flow from operating activities					
Operating profit/loss		-7 051	-2 826	-9 414	-13 639
Adjustments for items not included in cash flow		5 252	6 011	22 928	22 169
Interest payments, net		-228	-229	630	631
Tax paid		3	-7	-22	-12
Cash flow from operating activities before changes in working capital		-2 024	2 949	14 122	9 149
Cash flow from changes in working capital					
Change in inventories		20	66	117	71
Change in current receivables		824	-7 306	-4 113	4 017
Change in current liabilities		3 283	1 459	-71	1 753
		4 127	-5 781	-4 067	5 841
Cash flow from operating activities		2 103	-2 832	10 055	14 990
Cash flow from investing activities					
Acquisition of subsidiaries	6	0	0	-6 168	-6 168
Investment in fixed assets		-40	31	-370	-441
Investment in intangible assets		-2 961	-3 055	-10 967	-10 873
Cash flow from investing activities		-3 001	-3 024	-17 505	-17 482
Cash flow from financing activities					
New share issue		0	0	0	0
Commission expenses		0	0	0	0
Repurchase of own shares		-1	-1	-3	-3
Payment of lease liability		-600	-622	-2 542	-2 520
Cash flow from financing activities		-601	-623	-2 545	-2 523
Total Cash flow		-1 498	-6 478	-9 994	-5 014
Cash & cash equivalents at beginning of year		37 704	47 534	47 534	41 148
Exchange rate differences in cash & cash equivalents		-171	91	164	-98
Cash & cash equivalents at end of period 1)		36 036	41 148	37 704	36 036

1) The balance sheet item Cash & Cash Equivalents only includes bank balances at both the beginning and end of the period.

Consolidated change in equity – in summary

Amounts in SEK thousand					
	Note	2025 Jan - Mar	2024 Jan-Mar	2024 Full-year	Rolling 12 mth
Equity at start of period		151 163	159 319	159 319	156 509
Comprehensive income					
Profit/loss for the period		-7 193	-2 969	-8 433	-12 657
Other comprehensive income					
Exchange differences		-342	158	274	-226
Total other comprehensive income		-342	158	274	-226
Total comprehensive income		-7 535	-2 811	-8 159	-12 883
Transactions with shareholders					
LTI programme	5	1	1	2	2
New share issue		0	0	0	0
New issue cost		0	0	0	0
Total transactions with shareholders		1	1	2	2
Equity end of period		143 629	156 509	151 163	143 629

Notes

Note 1 – Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Annual Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The recognition and measurement policies and bases of estimates applied in the Annual Report for 2024 report have also been used in this interim report.

Note 2 – Revenue allocation

Amounts in SEK thousand	2025	2024	2024	Rolling
	Jan-Mar	Jan-Mar	Full-year	12 mth
Segment				
<i>Biometric Technologies</i>				
Royalty	8 663	10 488	41 089	39 264
Licenses, incl. support & maintenance	5 121	5 281	21 976	21 816
Other	1 146	911	2 358	2 593
<i>Digital Identity</i>				
Licenses, incl. support & maintenance	4 640	4 515	18 588	18 713
Other	437	489	2 841	2 789
Total	20 007	21 684	86 852	85 175
Timing of revenue recognition				
At point in time*	10 258	11 884	47 777	46 152
Over time**	9 749	9 800	39 075	39 023
Total	20 007	21 684	86 852	85 175
Region/Country				
Europe	6 474	5 824	27 598	28 248
- w hereof Sweden	5 264	4 819	20 356	20 801
Asia	6 395	8 125	29 443	27 713
- w hereof China	275	361	1 372	1 286
- w hereof Taiwan	5 327	6 871	24 963	23 420
USA	7 138	7 735	29 811	29 214
Total	20 007	21 684	86 852	85 175

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

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

Note 3 – Segment reporting

Amounts in SEK thousand	2025			2024		
	Biometric Technologies	Digital Identity	Total Segment	Biometric Technologies	Digital Identity	Total Segment
			Jan - Mar			Jan - Mar
Net sales	14 930	5 077	20 007	16 680	5 004	21 684
Cost of goods sold exkl. depreciation	-272	-1 057	-1 328	-220	-1 063	-1 284
Depreciation included in cost of sold goods	-2 289	-1 998	-4 287	-2 238	-2 505	-4 744
Gross profit	12 370	2 022	14 392	14 221	1 435	15 657
			2024			Rolling
			Full-year			12 mth
			Total Segment			Total Segment
Net sales	65 424	21 428	86 852	63 675	21 501	85 175
Cost of goods sold exkl. depreciation	-1 259	-4 297	-5 556	-1 310	-4 290	-5 600
Depreciation included in cost of sold goods	-9 402	-8 828	-18 230	-9 452	-8 321	-17 773
Gross profit	54 764	8 303	63 066	52 913	8 890	61 801

Other information

Only net sales and product costs are allocated to each segment. Other costs are not allocated at segment level as these items relate to group operations

	2025	2024	2024	Rolling
Reconciliation profit/Loss	jan-mar	jan-mar	Full-year	12 mth
Gross profit	14 392	15 657	63 066	61 801
Marketing and sales expenses	-8 804	-8 484	-32 982	-33 302
Administrative expenses	-3 944	-3 850	-13 789	-13 883
R&D expenses	-7 097	-6 808	-26 966	-27 255
Other operating income/expenses	-1 597	658	1 256	-999
Financial income/expenses	-228	-229	630	631
Profit/Loss before tax	-7 278	-3 055	-8 784	-13 007

Note 4 – Financial instruments

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

Interest-bearing liabilities

On November 30, 2022, a supplementary agreement was signed that changed the terms and conditions for the remaining liability of SEK 55,000 thousand for the acquisition of EastCoast Solutions AB (see Note 6). SEK 30,000 thousand was paid on December 1, 2022, SEK 10,000 thousand on November 30, 2023 and SEK 5,000 thousand on November 30, 2024. SEK 5,000 thousand will be paid on November 30, 2025 and SEK 5,000 thousand on November 30, 2026. Interest will be added to the amounts of SEK 5,000 thousand due on November 30, 2025 and SEK 5,000 thousand due on November 30, 2026. Interest for the period from December 1, 2023 to November 30, 2024 was paid on November 30, 2024. The interest, of 3 months STIBOR + 8%, will be added from November 30, 2023 until the amounts have been paid. The liability is recognized as an interest-bearing liability as of March 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 liabilities (SEK 5,961 thousand) and other non-current liabilities (SEK 5,351 thousand).

Note 5 – 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 at Precise Biometrics. 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 March 31, 2025, Precise Biometrics held 1,085,000 Class C shares.

Note 6 – 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 thousand, of which SEK 24,466 thousand was paid as at December 31, 2021, partly via a cash payment of SEK 18,000 thousand and partly via the issuing of new shares totaling SEK 6,466 thousand. 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 4 for details of the new terms and conditions.

Impact on cash and cash equivalents in 2025 (reported in investing activities):

There is no impact on the Group's cash and cash equivalents during Q1 2025.

See Note 4 regarding repayment of liability.

Parent company income statement – in summary

Amounts in SEK thousand	Note	2025 jan-mar	2024 jan-mar	2024 Helår	Rullande 12 mån
Net sales	1	16 065	17 710	69 959	68 314
Cost of goods sold		-7 624	-8 214	-32 412	-31 823
Gross profit		8 441	9 496	37 547	36 491
Marketing and sales expenses		-6 414	-5 684	-20 783	-21 513
Administrative expenses		-3 815	-3 727	-13 227	-13 315
R&D expenses		-3 381	-3 803	-16 031	-15 609
Other operating income/expenses		-1 587	655	1 261	-981
		-15 197	-12 559	-48 780	-51 418
Operating profit/loss		-6 756	-3 063	-11 233	-14 927
Financial income/expenses		-100	-140	809	849
Group contributions received		0	0	151	150
Profit/loss before tax		-6 856	-3 202	-10 274	-13 928
Tax		0	0	0	0
Profit/loss for the period		-6 856	-3 202	-10 274	-13 928

Parent company balance sheet – in summary

Amounts in SEK thousand

ASSETS	Note	2025-03-31	2024-03-31	2024-12-31
Fixed assets				
Fixed assets		975	1 776	1 196
Immaterial assets		21 379	29 282	22 812
Deferred tax assets		90 558	90 558	90 558
TOTAL FIXED ASSETS		112 912	121 616	114 566
CURRENT ASSETS				
Inventories		0	64	0
Accounts receivable		20 791	24 467	20 859
Receivable Group		8 259	2 074	8 145
Other receivables		1 633	11 656	1 841
Accruals and deferred income		2 616	2 635	2 449
Cash and cash equivalents		23 640	26 655	25 452
TOTAL CURRENT ASSETS		56 939	67 551	58 746
TOTAL ASSETS		169 851	189 167	173 312
EQUITY AND LIABILITIES				
Restricted Equity				
Share capital		23 539	23 539	23 539
Statutory reserve		1 445	1 445	1 445
Reserve for development expenses		15 272	20 002	15 911
Total restricted equity		40 255	44 986	40 895
Unrestricted Equity				
Share premium reserve		168 316	168 316	168 316
Retained earnings		-69 576	-64 033	-59 942
Profit/loss for the year		-6 857	-3 203	-10 274
Total non-restricted equity		91 883	101 081	98 100
Total Equity		132 139	146 066	138 995
LONG-TERM DEBT				
Long term debt		5 350	11 351	5 337
TOTAL LONG-TERM DEBT		5 350	11 351	5 337
SHORT-TERM LIABILITIES				
Short-term liabilities		32 362	31 750	28 979
Total Short-term liabilities		32 362	31 750	28 979
TOTAL EQUITY AND LIABILITIES		169 851	189 167	173 312

Consolidated key indicators

Amounts in SEK thousands unless otherwise stated	2025	2024	2024	Rolling
	Jan-Mar	Jan-Mar	Full-year	12 mth
Net sales	20 007	21 684	86 852	85 175
Net sales growth, %	-7,7%	13,2%	15,7%	9,8%
Gross margin, %	71,9%	72,2%	72,6%	72,6%
EBITDA	-1 689	3 069	13 379	8 622
Operating profit/loss	-7 051	-2 826	-9 414	-13 639
Working capital *	32 417	43 135	38 019	32 417
Capital employed	154 939	173 988	162 455	154 939
Liquidity ratio, %	167,9%	198,3%	189,3%	167,9%
Equity/assets ratio, %	71,3%	72,3%	74,4%	71,3%
Earnings per share before dilution, SEK	-0,09	-0,04	-0,11	-0,16
Earnings per share after dilution, SEK	-0,09	-0,04	-0,11	-0,16
Equity per share, SEK	1,83	1,99	1,93	1,83
Number of shares (thousands)	78 464	78 464	78 464	78 464
Weighted avg. number of shares, adjusted for dilution effect (thousands)	78 464	78 464	78 464	78 464
Number of employees at the end of the period	36	32	35	36
Average number of employees during the period	36	31	32	34
Annual Recurring Revenue	18 376	18 317	18 980	

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

Alternative consolidated key indicators

Amounts in SEK thousands unless otherwise stated	2025 Jan-Mar	2024 Jan-Mar	2024 Full-year	Rolling 12 mth
Net sales	20 007	21 684	86 852	85 175
Net sales growth, %	-7,7%	13,2%	15,7%	9,8%
Gross profit	14 392	15 657	63 066	61 801
Net sales	20 007	21 684	86 852	85 175
Gross margin, %	71,9%	72,2%	72,6%	72,6%
Operating profit/loss	-7 051	-2 826	-9 414	-13 639
Net sales	20 007	21 684	86 852	85 175
Operating margin, %	-35,2%	-13,0%	-10,8%	-16,0%
EBITDA	-1 689	3 069	13 379	8 622
Depreciation and amortization	-5 362	-5 895	-22 794	-22 260
Operating profit/loss	-7 051	-2 826	-9 414	-13 638
Current assets	65 113	74 357	67 686	65 113
Current liabilities excl. current liabilities EastCoast International*	32 696	31 222	29 667	32 696
Working capital	32 417	43 135	38 019	32 417
Sales expenses	-8 804	-8 484	-32 982	-33 302
Administrative expenses	-3 944	-3 850	-13 789	-13 883
R&D expenses	-7 097	-6 808	-26 966	-27 255
Other operating income/expenses	-1 597	658	1 256	-999
Total operating expenses	-21 441	-18 483	-72 480	-75 438
Cost of goods and services sold	-5 615	-6 027	-23 786	-23 374
Depreciation Cost of goods sold	4 287	4 744	18 230	17 773
Cost of goods and services sold excluding depreciation	-1 328	-1 283	-5 556	-5 601
Operating expenses	-21 441	-18 483	-72 480	-75 438
Depreciation Operating expenses	1 075	1 152	4 564	4 487
Operating costs excluding depreciation	-20 366	-17 331	-67 916	-70 951
Balance sheet total	201 517	216 473	203 066	201 517
Non-interest-bearing liabilities	46 577	42 485	40 611	46 577
Capital employed	154 939	173 988	162 455	154 939
Closing equity	143 629	156 509	151 163	143 629
Average equity	149 480	163 176	152 700	149 480
Current assets minus inventories	64 891	74 065	67 445	64 891
Current liabilities	38 656	37 350	35 621	38 656
Liquidity ratio, %	168%	198%	189%	168%
Equity	143 629	156 509	151 163	143 629
Total assets	201 517	216 473	203 066	201 517
Equity/assets ratio, %	71,3%	72,3%	74,4%	71,3%

Analysis of results, in summary

Amounts in SEK thousand	Note	2025 Jan-Mar	2024 Jan-Mar	2024 Full-year	Rolling 12 mth
Net sales	2,3	20 007	21 684	86 852	85 175
Cost of goods and services sold excluding depreciation		-1 328	-1 284	-5 556	-5 600
Operating costs excluding depreciation		-23 329	-20 305	-78 883	-81 907
Capitalized development expenses		2 961	2 974	10 967	10 955
EBITDA		-1 689	3 069	13 379	8 621
Total depreciation excluding acquired immaterial assets		-4 761	-5 290	-20 362	-19 833
Total depreciation acquired immaterial assets		-601	-605	-2 431	-2 426
Operating profit/loss		-7 051	-2 826	-9 414	-13 639

Financial glossary

Annual Recurring Revenue (ARR)

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

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.

Earnings before interest, depreciation and amortization (EBITDA)

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

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.

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.

Average equity

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

Cash flow

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

Liquidity ratio

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

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.

Earnings per share after dilution

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

Earnings per share before dilution

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

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.

Working capital

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

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.

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.

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.

Equity/assets ratio

Equity divided by assets on the balance sheet date. This key indicator 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.

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.