

Interim Report January - March 2025

- Robust sales performance, with revenue increasing by 100 percent compared to last year.
- Strong gross margin of 56.6 percent, significantly higher than in the segments we are exiting.
- Monetized our iris recognition technology through a licensing agreement with Smart Eye.
- As part of our strategic exit from Mobile and PC, the associated results are classified as discontinued operations, to provide a more transparent view of our ongoing business performance. All performance figures and KPIs presented are consistently for continuing operations only (unless otherwise stated).
- As of January 1, 2025, depreciation of previously capitalized development costs is recognized within the development cost function in the income statement (and not in COGS). This has been deemed to give a more accurate view of the company's gross margins and increases comparability with other companies in the industry.
- Rights issue successfully completed in February.

First quarter of 2025

- Revenues amounted to SEK 18.2 M (9.1)
- The gross margin was 56.6 percent (65.8)
- EBITDA amounted to SEK 10.7 M (neg: 55.7)
- Adjusted EBITDA amounted to SEK 10.7 M (neg: 55.7)
- The operating result was negative SEK 0.3 M (neg: 67.3)
- Earnings per share before and after dilution amounted to SEK 0.00 (neg: 0.05) **
- Cash flow from operating activities was negative SEK 36.4 M (neg: 60.1), including a negative SEK 22.0 M attributable to discontinued operations

	Jan-Mar	Jan-Mar	Change,	Jan-dec
SEK M	2025	2024	%	2024
Revenue	18.2	9.1	100	60.2
Gross profit	10.3	6.0	71	36.6
Gross margin, %	56.6	65.8		60.9
Operating profit/loss	-0.3	-67.3		-421.1
Operating margin, %	-1.6	-737.4		-699.6
EBITDA	10.7	-55.7		-181.7
Adjusted EBITDA	10.7	-55.7		-181.7
Profit/loss remaining operations	-5.7	-73.4		-465.9
Profit/loss for discontinued operations	-11.1	-12.5		-222.4
Profit/loss per share before and after dilution, SEK*	-0.00	-0.05		-0.24
Cash and cash equivalents*	52.6	45.6	15	12.1
Cash flow from operating activities*	-36.4	-60.1		-207.6
Equity/assets ratio, %*	85.8	64.8		65.1
Average number of employees*	43	141	-69	107

* Including discontinued operations

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

CEO's comments



Solid growth in our core business

I am pleased to report that we doubled our revenue in Q1 2025, compared to the corresponding quarter last year. This was driven by robust growth in demand for our biometric authentication solutions across our portfolio. In addition to this revenue increase, we also reported SEK 29.5 M in other operating income attributable to the licensing of our iris recognition technology to the Swedish company Smart Eye, which we announced in January. SEK 12 M of this amount is non-cash for Q1 2025, as we are recognizing the guaranteed portion of the total remaining consideration under the agreement with Smart Eye as revenue in Q1 2025.

“Our healthy 57% gross margin highlights the quality of the core business we're now focused on.”

Discontinued operations

As we complete our exit from low-margin product segments to focus on driving growth in high-value biometric and identity markets, we are introducing an important change to our financial reporting this quarter in order to enhance transparency: as part of our strategic exit from Mobile and PC, the associated results are now classified as discontinued operations in our financial statements, also for comparative periods last year.

The reason we are making this change is to provide a more accurate and transparent view of our ongoing business performance by isolating the operations we are exiting. So, when you look at the income statement in this report, it reflects our core business performance.

Strong margins

Our strong gross margin of 57 percent is significantly higher than in the segments we are exiting. The fact that we are reporting a lower gross margin compared to last year reflects the fact that revenue in 2024 included a higher proportion of software sales, mainly for iris recognition. Because sales of iris recognition software – at 100 percent gross margin – are often project-based and therefore uneven, this can lead to fluctuations in our gross margin from quarter to quarter. Excluding the impact of software in the revenue mix, we improved our gross margin compared to Q1 2024 by a couple of percentage points.

We also continued streamlining our operations to reduce OPEX and strengthen our financial flexibility. As at the end of March 2025, our headcount stood at 52 core roles, representing a decrease of 27% since year-end 2024 and 70% year-on-year.

Executing to accelerate growth

As we enter the second phase of our transformation, our focus is on accelerating revenue growth while maintaining high gross margins. In Q1 and into the beginning of Q2, we made tangible progress on this front through strategic partnerships, product innovation, and IP monetization. Key highlights include:

- First major partnership milestone with Anonybit achieved through a new integration with Ping Identity's PingOne DaVinci™, advancing privacy-first biometric authentication for the enterprise.
- Monetized our iris recognition technology through a licensing agreement with Smart Eye, opening new opportunities in automotive. The deal also grants FPC access to Smart Eye's facial recognition and eye-tracking technology, broadening our biometric modality portfolio.
- Accelerated IP monetization strategy through a strategic partnership with a leading IP advisory firm to capitalize on FPC's strong patent portfolio, enabling us to pursue multiple IP commercialization opportunities in parallel.
- Progressed our biometric system offerings with jNet through the development of a turnkey biometric System-in-Package (SiP) module. This all-in-one solution supports enterprise authentication, secure ID, and crypto wallets, with mass production expected to begin in Q4 2025.
- Strengthened our position in biometric payments as Infineon's SECORA™ Pay Bio solution, using FPC's biometric technology, received full Visa certification.
- Strengthened presence in India by signing a new distribution agreement with SMET, a well-established biometric and semiconductor distributor. This partnership expands our channel reach for both fingerprint and iris technologies across key verticals such as finance, healthcare, and government.
- Advanced our wearables strategy through integration of our biometric technology in the NyMi Band 4. This rugged, water-resistant authentication band is designed for secure, passwordless access in compliance-heavy industries like pharmaceuticals, manufacturing, and healthcare.

As we move forward, FPC is well positioned for long-term profitable growth. Our strategic realignment, strengthened financial position, and focused portfolio create a strong foundation for capturing new opportunities in biometric authentication and Digital Identity. We will continue to drive core revenue growth by deepening customer relationships and expanding market share in key segments. At the same time, we're actively pursuing asset monetization opportunities to generate incremental returns. We're also investing in new revenue streams, not least by continuing to expand our digital identity solutions, reinforcing our leadership in secure authentication. Our investment plans include partnerships and technological advancements that strengthen our identity solutions, with a particular focus on sectors requiring advanced authentication, such as enterprise security, both in edge modalities and in the cloud. Finally, business modernization underpins our execution, driving the strategic transformation of our operations, technology, and processes to enhance agility, boost efficiency, and elevate customer engagement. Together, these priorities form a cohesive strategy to accelerate sustainable, long-term growth.

With a debt-free balance sheet, a lean cost structure, and a clear vision for the future, we are committed to delivering value to our shareholders while continuing to lead in secure digital authentication. Our vision, "You are the key to everything", underpins our long-term strategy to replace passwords with biometric-based authentication, improving security and user experience while reducing fraud risks.

Adam Philpott

President and CEO

Development during the period

Revenues and operating result, first quarter 2025

Revenues

Group revenues for the first quarter of 2025 amounted to SEK 18.2 M (9.1), corresponding to an increase of 100 percent compared with the first quarter of 2024 (increase of 94 percent in constant currency terms). The revenue increase reflects an increased demand for biometric authentication across our portfolio.

We also reported SEK 29.5 M in other operating income attributable to the licensing of our iris recognition technology to the Swedish company Smart Eye. SEK 12 M of this amount is non-cash for Q1 2025, as we are recognizing the guaranteed portion of the total remaining consideration under the agreement with Smart Eye as revenue in Q1 2025.

Trend in operating profit

Gross profit for the first quarter was SEK 10.3 M (6.0) and the gross margin was 56.6 percent (65.8).

Development costs amounted to SEK 14.0 M (30.2). We have changed the accounting principle regarding the reporting of development costs. Depreciation of capitalized development expenses has previously been recognized in cost of goods sold, thereby affecting gross margin. As of January 1, 2025, depreciation of previously capitalized development costs is instead recognized within the development costs function in the income statement. The comparative figures for previous periods have been recalculated. Reporting all R&D-related costs, including depreciation of previously capitalized costs within the R&D function on one and the same line in the income statement, has been deemed to lead to financial statements that give a more accurate view of the company's gross margins and also increase comparability with other companies in the industry.

The operating result for the first quarter was a negative SEK 0.3 M (neg: 67.3). Operating expenses amounted to SEK 41.5 M (74.3), including depreciation of capitalized development expenses amounting to SEK 9.1 M (9.5). Other operating income amounted to a positive SEK 30.9 M (pos: 1.0), attributable to the licensing of our iris recognition technology to the Swedish company Smart Eye, which was announced in January 2025.

Revenue breakdown

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

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

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

Mobile

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

PC

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

Financial income and expenses

Financial income amounted to SEK 0.0 M (0.9). This item pertains to interest income on bank balances. Financial expenses amounted to SEK 5.4 M (7.0). Expenses for the quarter pertained primarily to interest and other finance expenses on the bridge loan, previous year coming from interest on Bond loan.

Earnings and earnings per share for the reporting period

The result for the first quarter of 2025 was a negative SEK 16.8 M (neg: 85.9). Earnings per share for the first quarter were a negative SEK 0.00 (neg: 0.05). As the subscription price in the rights issue, completed in Q3 2024, was below the market price, a fund element has been identified, which means that the comparison figures have been recalculated.

Cash flow and balance sheet, first quarter of 2025

Cash flow

Cash flow from operating activities for the first quarter was negative SEK 36.4 M (neg: 60.1), including a negative SEK 22 M attributable to discontinued operations. Adjustments for non-cash items, amounting to SEK 24.0 M, mainly pertain to depreciation. Cash flow from operating activities also includes SEK 17.5 million from the initial fixed license fee received from Smart Eye as part of the licensing agreement entered into in January 2025. This fee was payable in Smart Eye shares, and FPC realized SEK 17.5 M from the sale of those shares, which was completed during the first quarter 2025.

Cash flow from investing activities for the first quarter amounted to SEK 0.0 M (neg: 5.4). There were no capitalized development expenses in the quarter (see "Trend in operating profit" above).

Cash flow from financing activities was SEK 77.9 M (neg: 1.5). Cash payments related to transaction costs for the rights issue, amounting to SEK 21.9 M in the first quarter, affected cash flow from financing activities negatively, while the receipt of a partial tranche and subsequent repayment of the bridge loan had a SEK 14 M negative effect. Leasing fees on leased premises amounted to a negative SEK 1.3 M (neg: 1.5).

Exchange-rate fluctuations had SEK negative 1.0 M (pos: 2.8) impact on cash and cash equivalents during the quarter.

Inventory amounted to SEK 22.9 M at the end of the first quarter, compared to SEK 141.3 M at the end of the first quarter 2024 and SEK 48.0 M at the end of the fourth quarter 2024.

Liquidity and shareholders' equity

As at March 31, 2025, the Group's disposable cash and cash equivalents totaled SEK 52.6 M compared with SEK 12.1 M at December 31, 2024, and the Group's net cash amounted to SEK 47.2 M on March 31, 2025, compared with a net debt amounting to SEK 8.3 M as at December 31, 2024. Lease liabilities pertaining to office premises amounted to SEK 5.4 M on March 31, 2025, compared with SEK 6.8 M as at December 31, 2024, recognized in accordance with IFRS 16.

At period-end, consolidated shareholders' equity amounted to SEK 330.5 M, compared to SEK 276.6 M as at December 31, 2024 and the equity/assets ratio for the Group to 85.8 percent (65.1 as at December 31, 2024).

Total comprehensive income in the first quarter amounted to a negative SEK 39.3 M (neg: 48.8) and included the remeasurement of shareholders' equity in foreign currencies.

Investments, fixed assets and depreciation/amortization

Investments in intangible fixed assets during the quarter amounted to an expense of SEK 0.0 M (expense: 5.4). Investments in tangible fixed assets for the quarter amounted to an expense of SEK 0.0 M (expense: 0.0). Depreciation/amortization according to plan for the quarter totaled SEK 10.9M (24.4).

Financial fixed assets pertain to deferred tax of SEK 54.8 M, compared to 56.0 as at December 31,

2024.

Significant events during the first quarter of 2025

As disclosed in the January-December year-end report on page 9, Caroline Krüger will leave Fingerprints as there will no longer be a separate lead for Human Resources. This change is in line with our commitment to keeping costs under control. To further enhance operational alignment, Fredrik Ramberg, our Chief Product Officer, will report to our Chief Strategy and Technology Officer, David Eastaugh.

In February 2025, Fingerprints carried out a partially guaranteed issue of units consisting of new B-shares and warrants entitling for subscription of B-shares with preferential rights for existing shareholders (the "Rights Issue"). The subscription price was set to SEK 0.48 per Unit and shareholders in Fingerprints received one (1) unit right per each existing share (irrespective of class) held on the record date, of which eleven (11) such unit rights entitled to subscribe for one (1) Unit in the Rights Issue. Each Unit consists of forty-eight (48) B-shares and eight (8) Warrants, each of which entitles to subscription of one (1) new B-share in the Company. 199,824,120 Units, corresponding to approximately 60.0 percent of the Units offered in the Rights Issue, were subscribed for with support of unit rights. In addition, applications to subscribe for 39,908,976 Units without the support of unit rights were received, corresponding to approximately 12.0 percent of the Units offered in the Rights Issue. A total of 239,733,096 Units were thus subscribed for in the Rights Issue, which corresponds to approximately 72.0 percent of the Units offered in the Rights Issue and total issue proceeds of approximately SEK 115.1 million before deduction for transaction costs, entailing that no guarantee commitments will be utilized. In total 239,733,096 Units were issued in the Rights Issue. This entails that 11,507,188,608 new B-shares and 1,917,864,768 Warrants entitling to subscribe for a corresponding number of B-shares were issued.

The Rights Issue has resulted in changes in the number of B-shares and votes in Fingerprints as follows. Prior to the Rights Issue, the total number of shares in the Company amounted to 3,668,187,158 (of which 7,875,000 A-shares and 3,660,312,158 B-shares). The total number of votes in the Company amounted to 3,739,062,158 (of which 78,750,000 pertained to the A-shares and 3,660,312,158 pertained to the B-shares). In connection with the Rights Issue, the number of B-shares in the Company increased by 11,507,188,608 and the number of votes by 11,507,188,608. Following the Rights Issue, and as of 28 February 2025, the total number of shares in the Company amounts to 15,175,375,766 (of which 7,875,000 A-shares and 15,167,500,766 B-shares). The total number of votes in the Company amounts to 15,246,250,766 (of which 78,750,000 pertain to the A-shares and 15,167,500,766 pertain to the B-shares).

On January 17, 2025, Fingerprints published the bulletin from the extraordinary general meeting held on January 17, 2025. The EGM resolved on, among other things, subsequent approval of the Board of Directors' decision on an issue of units with preferential rights for existing shareholders (the "Rights Issue") and certain technical measures to facilitate the Rights Issue.

On January 15, 2025, Fingerprints announced certain preliminary financial information as of 31 December 2024. The reason for this announcement was that the Company planned to publish a prospectus on 23 January 2025 in which Fingerprints intended to include certain preliminary figures related to the fourth quarter 2024.

On January 6, 2025, Fingerprints announced that it has entered into an agreement to license its iris recognition technology to the Swedish company Smart Eye, listed on Nasdaq First North, for a total consideration of up to SEK 50 million, entering a strategic partnership to enhance security and user experience in Automotive and Enterprise.

Other events during the first quarter of 2025

Business Development

FPC announced a new distribution partnership with SM Electronic Technologies (SMET) in India. Building on FPC's success in India, where their fingerprint and iris technologies have been adopted by leading access and security providers, this strategic collaboration seeks to further strengthen FPC's market presence and extend its reach within the rapidly expanding Indian market.

FPC partnered with Nymi on their latest Nymi Band 4, a water-resistant biometric wristband designed for

secure, passwordless authentication in hands-on work environments like pharmaceutical manufacturing, cleanrooms, and industrial facilities. This collaboration marks a significant milestone in biometric authentication solutions by providing a user-friendly Multi-Factor Authentication option for non-office workers who are often sharing terminals or wearing PP in compliance-driven workflows.

CardLab Aps, a leading innovator in smart card technology, announced the launch of its latest biometric smart card product, called "Access", which is equipped with FPC's state-of-the-art T-Shape fingerprint sensor.

FPC announced a strategic partnership with a leading IP advisory firm to expand its IP commercialization and to defend its technology rights. This collaboration aims to capitalize on FPC's strong patent portfolio and will support multiple IP commercialization opportunities concurrently.

FPC announced a collaboration with security software provider jNet Secure to develop a turnkey biometric all-in-one System-in-Package (SiP) module. The cutting-edge solution being developed will address security vulnerabilities, such as compromised passwords or ID theft. The joint venture aims to simplify the adoption of robust digital authentication for logical access control applications in sectors such as enterprise authentication, financial services, and government ID.

Infineon Technologies AG, a global payment market leader and FPC announced that SECORA™ Pay Bio has received certification by Visa. Infineon's SECORA™ Pay Bio payment card solution, integrating the FPC1323 sensor, is now fully certified for use in Visa and Mastercard payment cards, marking a significant milestone in the companies' missions to provide secured and seamless payments.

Significant events after the end of the period

As disclosed in this interim report, Rebecca Stein, Chief Legal Officer, has decided to leave FPC. As part of the company's broader focus on cost optimization and operational efficiency across all levels of the organization, including executive management, the position will not be replaced at the Group Management level.

Organization and Personnel

The number of employees as at March 31, 2025, was 40 (145). In addition to employees, consultants were also engaged during the first quarter, corresponding to 12 people (27), mainly in technology development and sales. Accordingly, including employees and consultants, the company employed a total of 52 (172) people on March 31, 2025.

Rebecca Stein, Chief Legal Officer, has decided to leave FPC. As part of the company's broader focus on cost optimization and operational efficiency across all levels of the organization, including executive management, the position will not be replaced at the Group Management level.

Share capital trend

As at 31 March 2025, the total number of shares in the Company amounted to 15,175,375,766 (of which 7,875,000 A-shares and 15,167,500,766 B-shares). The total number of votes in the Company amounted to 15,246,250,766 (of which 78,750,000 pertained to the A-shares and 15,167,500,766 pertained to the B-shares).

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

	Jan-Mar <u>2025</u>	Jan-Mar <u>2024</u>	Jan-dec <u>2024</u>
No of shares ('000)			
No of shares at the end of the period	15,175,376	612,632	3,668,187
Of which class A-shares	7,875	7,875	7,875
Of which class B-shares	15,167,501	604,757	3,660,312
Number of buyback shares at end of period	-3,800	-3,800	-3,800
NO OF SHARES AT THE END OF THE PERIOD	15,171,576	608,832	3,664,387
Outstanding shares through warrants	1,917,865	-	-
Number of shares outstanding at period end after dilution	17,089,441	608,832	3,664,387
AVERAGE NUMBER OF SHARES DURING THE PERIOD			
Average number Share issue whereoff A-shares	-	-	-
Average number Share issue whereoff B-shares	5,753,594	-	-
AVERAGE NUMBER OF SHARES OUTSTANDING BEFORE DILUTION*	9,417,981	1,440,224	2,863,139

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

Accounting policies

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The interim report for the Parent Company was prepared in accordance with the Annual Accounts Act, Chapter 9, Interim reports. The application of these accounting policies complies with what is presented in the Annual Report for the fiscal year ending December 31, 2023, except as stated below, and must be read together with the Annual Report. In addition to the financial statements and the associated notes, disclosures according to IAS 34.16A are also presented in other parts of the interim report.

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

The Group has also changed its principle regarding the reporting of R&D costs. Depreciation of capitalized development expenses has previously been recognized in cost of goods sold, thereby affecting gross margin. As of January 1, 2025, depreciation of previously capitalized development costs is instead recognized within the development costs function in the income statement. The comparative figures for previous periods have been recalculated. Reporting all R&D-related costs, including depreciation of previously capitalized costs within the R&D function on one and the same line in the income statement, has been deemed to lead to financial statements that give a more accurate view of the company's gross margins and also increase comparability with other companies in the industry.

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

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

Critical estimates and judgments

With its Audit Committee, management has discussed the progress, selection and disclosure of the Group's critical accounting policies and estimates, as well as the application of these principles and estimates. Pursuant to IAS 1, the company should disclose the assumptions and other important sources of uncertainty in estimates, which if actual outcomes differ, can have a material impact on the financial statements. In cases where this occurs, estimates and judgments have been moved to the relevant note. A summary of the areas that management considers to contain material estimates and judgments follow:

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

Related-party transactions

In connection with the rights issue carried out during the period, certain members of the Board of Directors and executive management subscribed for Units on the same terms as other shareholders. Each Unit consisted of 48 new class B shares and 8 warrants, where each Warrant entitles to subscription of one (1) new B-share in the Company. A total of 5,749,072 Units were subscribed for by members of the Board of Directors and management, corresponding to 275,955,456 Class B shares and 45,992,576 Warrants. The transaction was carried out on market terms and has therefore not impacted on the company's result. As the Board and management are considered related parties under the applicable accounting standards, this disclosure is provided in accordance with relevant regulations.

Parent Company

The Parent Company's revenues for first quarter of 2025 amounted to SEK 0.9 M (neg: 0.3). After financial items, a loss of SEK 50.2 M (neg: 28.3) was reported for the period.

The net result for the period was a loss of SEK 50.2 M (loss: 28.3). The Parent Company's disposable cash and cash equivalents at period-end totaled SEK 41.1 M (11.0).

Significant risks and uncertainties – Group and Parent Company

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

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

Operational risks

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

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

Market risks

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

Finance risks

- Credit risk.
- Financing.

Legal risks

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

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

Further information

This is the type of information that Fingerprint Cards AB is obligated to disclose pursuant to the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the contact specified below, at 7:00 a.m. CEST on April 29, 2025.

Welcome to FPC's presentation of the interim report for the first quarter of 2025 on April 29, 2025, at 09:00 a.m. CEST. The presentation will be webcast, and participants can register via the link below: <https://edge.media-server.com/mmc/p/66vf6eqz>

For media and analysts: Register for the teleconference via this link: <https://register-conf.media-server.com/register/Bl6b86c9c318be476fa7b92fcfb7f0ee>

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Certification

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

Stockholm, April 28, 2025

Christian Lagerling
Chairman

Alexander Kotsinas
Member

Adam Philpott
Member, President & CEO

Juan Vallejo
Member

Dimitrij Titov
Member

Review Report

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

Condensed consolidated statement of comprehensive income

SEK M	Jan-Mar 2025	Jan-Mar 2024	Jan-dec 2024
Revenue	18.2	9.1	60.2
Cost of goods sold	-7.9	-3.1	-23.6
GROSS PROFIT	10.3	6.0	36.6
<i>GROSS MARGIN, %</i>	56.6	65.8	60.9
Selling expenses	-3.6	-7.3	-30.1
Administrative expenses	-20.6	-32.3	-113.7
Development costs	-14.0	-30.2	-114.9
Write downs	0.0	0.0	-194.8
Other operating income	30.9	1.0	6.1
Other operating expenses	-3.3	-4.5	-10.3
OPERATING PROFIT/LOSS	-0.3	-67.3	-421.1
<i>OPERATING MARGIN, %</i>	-1.6	-739.6	-699.5
Financial income	0.0	0.9	2.0
Financial expenses	-5.4	-7.0	-46.9
PROFIT/LOSS BEFORE TAX	-5.7	-73.4	-465.9
Tax	0.0	0.0	0.0
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	-5.7	-73.4	-465.9
Profit/loss for the period for discontinued operations Note 1	-11.1	-12.5	-222.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-16.8	-85.9	-688.3
Other comprehensive income from continuing operations	-56.3	62.3	82.7
Other comprehensive income from discontinued operations	33.7	-25.2	-38.2
COMPREHENSIVE INCOME FOR THE PERIOD	-39.4	-48.8	-643.8
Profit/loss for the period attributable to:			
Share holders of the Parent Company	-39.4	-48.8	-643.8
Comprehensive income for the period	-39.4	-48.8	-643.8
Profit/loss per share before and after dilution, SEK*	-0.00	-0.05	-0.24

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

Condensed consolidated statement of financial position

SEK M	31-Mar 2025	31-Mar 2024	31-Dec 2024
ASSETS			
Intangible assets	201.7	512.9	229.8
Property, plant and equipment	1.5	2.7	1.6
Right-of-use assets	6.9	12.9	8.4
Deferred tax receivable	54.8	171.6	56.0
TOTAL NON-CURRENT ASSETS	264.9	700.1	295.8
Inventories	22.9	141.3	48.0
Accounts receivable	20.6	110.6	56.0
Other receivables	7.5	12.1	7.8
Prepaid expenses and deferred income	16.6	7.4	5.3
Cash and cash equivalents	52.6	45.6	12.1
TOTAL CURRENT ASSETS	120.2	317.0	129.2
TOTAL ASSETS	385.1	1,017.1	425.0
EQUITY AND DEBT			
Shareholders' equity	330.5	658.8	276.6
Deferred tax liability	0.0	5.4	0.7
Convertible loan	-	61.5	-
Non-current leasing liabilities	1.8	5.3	2.7
Non-current liabilities	1.8	66.8	2.7
Short-term leasing liabilities	3.6	6.0	4.1
<i>Short-term liability</i>	<i>0.0</i>	<i>23.0</i>	<i>13.6</i>
Accounts payable	13.1	126.0	39.9
Current tax liability	1.2	8.3	0.6
Other current liabilities	6.8	12.4	11.2
Accrued expenses and deferred income	28.1	110.4	75.6
TOTAL CURRENT LIABILITIES	52.8	286.1	145.0
TOTAL EQUITY AND LIABILITIES	385.1	1,017.1	425.0

Condensed consolidated statement of changes in equity

	Jan-Mar	Jan-Mar	Jan-dec
SEK M	2025	2024	2024
Opening shareholders' equity	276.6	691.6	691.6
Comprehensive income for the period	-39.4	-48.8	-643.8
Set-off issue and rights issue	93.3	16.0	228.8
CLOSING SHAREHOLDERS' EQUITY	330.5	658.8	276.6

Condensed consolidated cash-flow statement

	Jan-Mar	Jan-Mar	Jan-dec
SEK M	2025	2024	2024
Profit/loss before tax	-15.2	-81.0	-566.8
Adjustment for non-cash items	24.0	34.8	410.2
Income tax paid	-2.8	-6.1	-16.2
Change	8.0	-1.0	34.7
Change in current receivables	21.9	25.5	84.1
Change in current liabilities	-72.3	-32.3	-153.6
CASH FLOW FROM OPERATING ACTIVITIES	-36.4	-60.1	-207.6
Cash flow from investing activities	-0.0	-5.4	-11.6
Cash flow from financing activities	77.9	-1.5	118.1
CASH FLOW FOR THE PERIOD	41.5	-67.0	-101.1
Cash and cash equivalents at beginning of period	12.1	109.9	109.9
Effect of translation differences on cash and cash equivalents	-1.0	2.8	3.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	52.6	45.7	12.1

Whereof cashflow from discontinued operations

	Jan-Mar	Jan-Mar	Jan-dec
SEK M	2025	2024	2024
Cash flow from operating activities	-22.0	-24.2	-47.5
Cash flow from investing activities	0.0	-4.7	-6.8
Cash flow from financing activities	0.0	0.0	0.0

Sales by geography

	Jan-Mar	Jan-Mar		Jan-dec
Revenue, SEKm	2025	2024	Change, %	2024
EMEA	11.1	3.6	208	32.7
Americas	1.8	3.1	-42	17.0
APAC	5.3	2.4	121	10.5
GROUP	18.2	9.1	100	60.2

Condensed income statement, Parent Company

SEK M	Jan-Mar 2025	Jan-Mar 2024	Jan-dec 2024
Revenue	0.9	-0.3	2.3
Cost of goods sold	-0.9	-1.2	-2.2
GROSS PROFIT	0.0	-1.6	0.1
Selling expenses	-3.9	-4.9	-16.0
Administrative expenses	-22.0	-21.9	-87.4
Development costs	-16.6	-0.4	-15.0
Other operating income/expenses	30.7	0.7	100.5
Other operating expenses	-2.8	-4.6	-8.9
OPERATING PROFIT/LOSS	-14.6	-32.7	-26.7
Financial income	-30.8	12.0	26.8
Financial expenses	-4.8	-7.6	-51.1
PROFIT/LOSS AFTER FINANCIAL ITEMS	-50.2	-28.3	-51.0
Group contribution	0.0	0.0	-259.9
PROFIT/LOSS BEFORE TAX	-50.2	-28.3	-310.9
Tax	-0.0	0.0	-111.2
PERIODENS RESULTAT*	-50.2	-28.3	-422.1

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

Condensed balance sheet, Parent Company

SEK M	2025-03-31	2024-03-31	31-Dec-24
ASSETS			
Intangible assets	0.1	0.2	0.1
Property, plant and equipment	0.9	1.6	0.9
Non-current receivables Group companies	175.5	326.3	120.6
Shares in subsidiaries	21.6	21.1	24.3
Deferred tax receivable	54.9	165.8	123.9
TOTAL NON-CURRENT ASSETS	253.0	515.0	245.5
Receivables from Group companies	0.0	0.0	1.2
Accounts receivable	4.4	0.0	27.2
Other current receivables	18.4	11.0	8.8
Cash and bank balances	41.1	11.0	3.4
TOTAL CURRENT ASSETS	63.9	22.0	40.6
TOTAL ASSETS	316.9	537.0	286.1
EQUITY AND DEBT			
Shareholders' equity	181.8	316.9	139.0
Current liabilities Intercompany long term	114.3	-	103.2
Non-current liabilities	114.3	61.5	103.2
Short-term share of long term liability	0.0	23.0	13.6
Accounts payable	6.1	34.3	19.0
Current liabilities Intercompany	4.8	0.0	3.4
Current tax liabilities	-	0.0	-
Other current liabilities	9.9	101.3	7.9
TOTAL CURRENT LIABILITIES	20.8	158.6	43.9
TOTAL EQUITY AND LIABILITIES	316.9	537.0	286.1

Key consolidated data

SEK M	Jan-Mar 2025	Jan-Mar 2024	Jan-dec 2024
Revenue, SEKm	18.2	9.1	60.2
Revenues change, %	99.8	-30.7	-11.6
Gross margin, %	56.6	65.8	60.9
Operating margin, %	-1.6	-739.6	-699.5
Profit margin, %	-31.1	-804.2	-774.2
EBITDA SEKm	10.7	-55.7	-181.7
Adjusted EBITDA, SEKm	10.7	-55.7	-181.7
Return on equity, %*	-5.5	-12.7	-142.2
Cash flow from operating activities, SEKm*	-36.4	-60.1	-207.6
Equity/assets ratio, %*	85.8	64.8	65.1
Investments, SEKm	-0.0	-0.7	-4.9
Depreciation, amortization and impairment, Mkr	10.9	11.6	239.4
Average number of employees*	43	141	107
Shareholders' equity per share, SEK *	0.02	1.08	0.08
Cash flow from operating activities per share before and after dilution, SEK*	-0.00	-0.10	-0.06
Number of shares at period end, 000s *	15,171,576	608,832	3,664,387
Average number of shares before and after dilution, 000s * **	9,417,981	1,440,224	2,863,139
Share Price FPC B-aktie, SEK, at end of period	0.01	1.05	0.04

* Group

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

Key consolidated figures for the past five quarters

	Jan-Mar	Okt-dec	Jul-sep	Apr-jun	Jan-Mar
SEK M	2025	2024	2024	2024	2024
Revenue, SEKm	18.2	24.7	15.2	11.2	9.1
Revenue change, %	99.8	63.1	35.0	23.2	-18.8
Gross margin, %	56.6	65.0	56.3	53.4	65.8
Operating margin, %	-1.6	-153.9	-1,625.1	-615.3	-737.6
Profit margin, %	-31.1	-165.0	-1,787.0	-716.1	-804.5
EBITDA SEKm	10.7	-28.1	-40.8	-57.1	-55.7
Return on equity, %*	-5.5	-22.6	-73.8	-28.3	-12.7
Cash flow from operating activities, SEKm*	-36.4	-45.6	-25.0	-76.9	-60.1
Equity/assets ratio, %*	85.8	65.1	66.0	64.5	64.8
Investments, SEKm	0.0	-1.3	-2.4	-2.6	-5.4
Depreciation, amortization and impairment, Mkr	10.9	10.0	205.8	12.0	11.6
Average number of employees*	43	69	83	133	141
Shareholders' equity per share, SEK *	0.02	0.08	0.09	0.20	1.08
Cash flow from operating activities per share before and after dilution, SEK*	-0.00	-0.01	-0.01	-0.02	-0.10
Number of shares at period end, 000s *					
**	15,171,576	3,664,387	3,664,387	3,166,045	608,832
Average number of shares before and after dilution, 000s* **	9,417,981	3,664,387	3,556,200	1,519,255	1,546,449
Share Price FPC B-aktie, SEK, at end of period*	0.01	0.04	0.09	0.12	1.05

* Group

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

Consolidated statement of financial position for the past five quarters

SEK M	Jan-Mar 2025	Okt-dec 2024	Jul-sep 2024	Apr-jun 2024	Jan-Mar 2024
SEK/USD exchange rate, balance date	10.03	10.69	10.09	10.61	10.69
ASSETS					
Intangible assets	201.7	229.8	231.1	480.8	512.9
Property, plant and equipment	1.5	1.6	2.1	2.4	2.7
Right-of-use assets	6.9	8.4	9.8	11.3	12.9
Financial fixed assets	54.8	56.0	56.4	92.3	171.6
TOTAL NON-CURRENT ASSETS					
	264.9	295.8	299.4	586.8	700.1
Inventories	22.9	48.0	48.2	70.6	141.3
Accounts receivable	20.6	56.0	31.5	62.6	110.6
Other receivables	7.5	7.8	21.8	74.8	12.1
Prepaid expenses and accrued income	16.6	5.3	28.8	4.9	7.4
Cash and cash equivalents	52.6	12.1	49.0	189.5	45.6
TOTAL CURRENT ASSETS					
	120.2	129.2	179.3	402.4	317.0
TOTAL ASSETS					
	385.1	425.0	478.7	989.2	1,017.1
Equity and Debt					
Shareholders' equity	330.5	276.6	315.9	637.6	658.8
Deferred tax liability	0.0	0.7	2.2	3.8	5.4
Non-current liabilities	1.8	2.7	3.5	65.1	66.8
Short-term debt of long-term liabilities	3.6	17.7	4.6	32.7	29.0
Accounts payable	13.1	39.9	45.7	100.0	126.0
Current tax liabilities	1.2	0.6	5.9	5.1	8.3
Other current liabilities	6.8	11.2	20.6	63.9	12.4
Accrued expenses and prepaid income	28.1	75.6	80.3	81.0	110.4
TOTAL CURRENT LIABILITIES					
	52.8	145.0	157.1	282.7	286.1
TOTAL EQUITY AND LIABILITIES					
	385.1	425.0	478.7	989.2	1,017.1

Consolidated cash-flow statement for the past five quarters

SEK M	Jan-Mar 2025	Okt-dec 2024	Jul-sep 2024	Apr-jun 2024	Jan-Mar 2024
Profit/loss before tax	-15.2	-67.9	-315.7	-102.1	-81.0
Adjustment for non-cash items	24.0	33.8	256.5	85.3	34.8
Income tax paid	-2.8	-0.1	-1.7	-8.2	-6.1
Change	8.0	-0.1	19.8	15.8	-1.0
Change in current receivables	21.9	11.7	59.1	-12.3	25.5
Förändring av rörelseskulder	-72.3	-23.0	-43.0	-55.4	-32.3
CASH FLOW FR. OPERATING ACTIVITIES	-36.4	-45.6	-25.0	-76.9	-60.1
Cash flow from investing activities	0.0	-1.2	-2.4	-2.6	-5.4
Kassaflöde från finansieringsverksamhet	77.9	8.1	-111.9	223.4	-1.5
CASH FLOW FOR THE PERIOD	41.5	-38.7	-139.3	143.9	-67.0
Cash and cash equivalents at beginning of period	12.1	49.0	189.5	45.7	109.9
Effect of exchange rate changes on cash	-1.0	1.8	-1.2	-0.1	2.8
CASH AND CASH EQUIVALENTS AT END OF PERIOD	52.6	12.1	49.0	189.5	45.6

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

	Jan- Mar 2025	Okt- dec 2024	Jul-sep 2024	Apr-jun 2024	Jan- Mar 2024
SEK M					
Revenue	18.2	24.7	15.2	11.2	9.1
Cost of goods sold	-7.9	-8.6	-6.7	-5.2	-3.1
GROSS PROFIT	10.3	16.1	8.5	6.0	6.0
GROSS MARGIN, %	56.6	65.0	56.3	53.4	65.8
Selling expenses	-3.6	-5.3	-8.4	-9.0	-7.3
Administrative expenses	-20.6	-23.0	-27.4	-31.1	-32.3
Development costs	-14.0	-23.6	-26.8	-34.3	-30.2
Write downs	0.0	-1.2	-193.6	0.0	0.0
Other operating income	30.9	3.0	1.6	0.5	1.0
Other operating expenses	-3.3	-4.0	-0.5	-1.3	-4.5
OPERATING PROFIT/LOSS	-0.3	-38.1	-246.6	-69.2	-67.3
OPERATING MARGIN, %	-1.6	-153.9	-1,625.1	-615.3	-739.6
Financial income	0.0	0.9	-0.1	0.3	0.9
Financial expenses	-5.4	-3.7	-24.5	-11.6	-7.0
PROFIT/LOSS BEFORE TAX	-5.7	-40.8	-271.1	-80.5	-73.4
Income tax	0.0	0.0	0.0	0.0	0.0
PROFIT/LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	-5.7	-40.8	-271.1	-80.5	-73.4
Profit/loss for the period from discontinuing operations	-11.1	-26.1	-80.7	-103.2	-12.5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-16.8	-66.9	-351.8	-183.7	-85.9
Other comprehensive income from continuing operations	-56.3	67.3	-38.9	-8.0	62.3
Other comprehensive income from discontinued operations	33.7	-38.0	23.5	1.5	-25.2
COMPREHENSIVE INCOME FOR THE PERIOD	-39.4	-37.6	-367.2	-190.2	-48.8

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

SEK M	Jan-Mar 2025	Jan-Mar 2024	Jan-dec 2024
Revenue	12.2	137.3	343.0
Cost of goods sold	-19.5	-105.2	-252.6
GROSS PROFIT	-7.3	32.1	90.4
GROSS MARGIN, %	-60.0	23.4	26.4
Selling expenses	-0.3	-14.1	-46.4
Administrative expenses	-0.7	-3.7	-13.4
Development costs	-0.7	-16.7	-75.7
Write downs	0.0	0.0	-92.8
Other operating income	1.8	1.7	65.2
Other operating expenses	-2.3	-6.9	-28.0
OPERATING PROFIT/LOSS	-9.5	-7.6	-100.6
OPERATING MARGIN, %	-78.1	-5.5	-29.3
Financial income	0.0	0.3	0.0
Financial expenses	0.0	-0.3	-0.1
PROFIT/LOSS BEFORE TAX	-9.5	-7.6	-100.9
Income tax	-1.6	-4.9	-121.5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-11.1	-12.5	-222.4

Definitions

Most of these key figures are Alternative Performance Measures according to ESMA's definition. How these key figures are used is described below, as is how they are calculated. The alternative performance measures are used to provide a more comprehensive description of how the operational activities are developing, such as gross margin, gross profit, operating margin, EBITDA and revenue increase, while other alternative performance measures focus on the owner perspective, such as return on equity, and cases where certain balance-sheet items or cash flow items are placed in relation to the number of shares. In addition, the equity/assets ratio is provided to describe the financial position and long-term financial sustainability.

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

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

About FPC

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

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

Vision

You are the key to everything.

Strategy

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

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