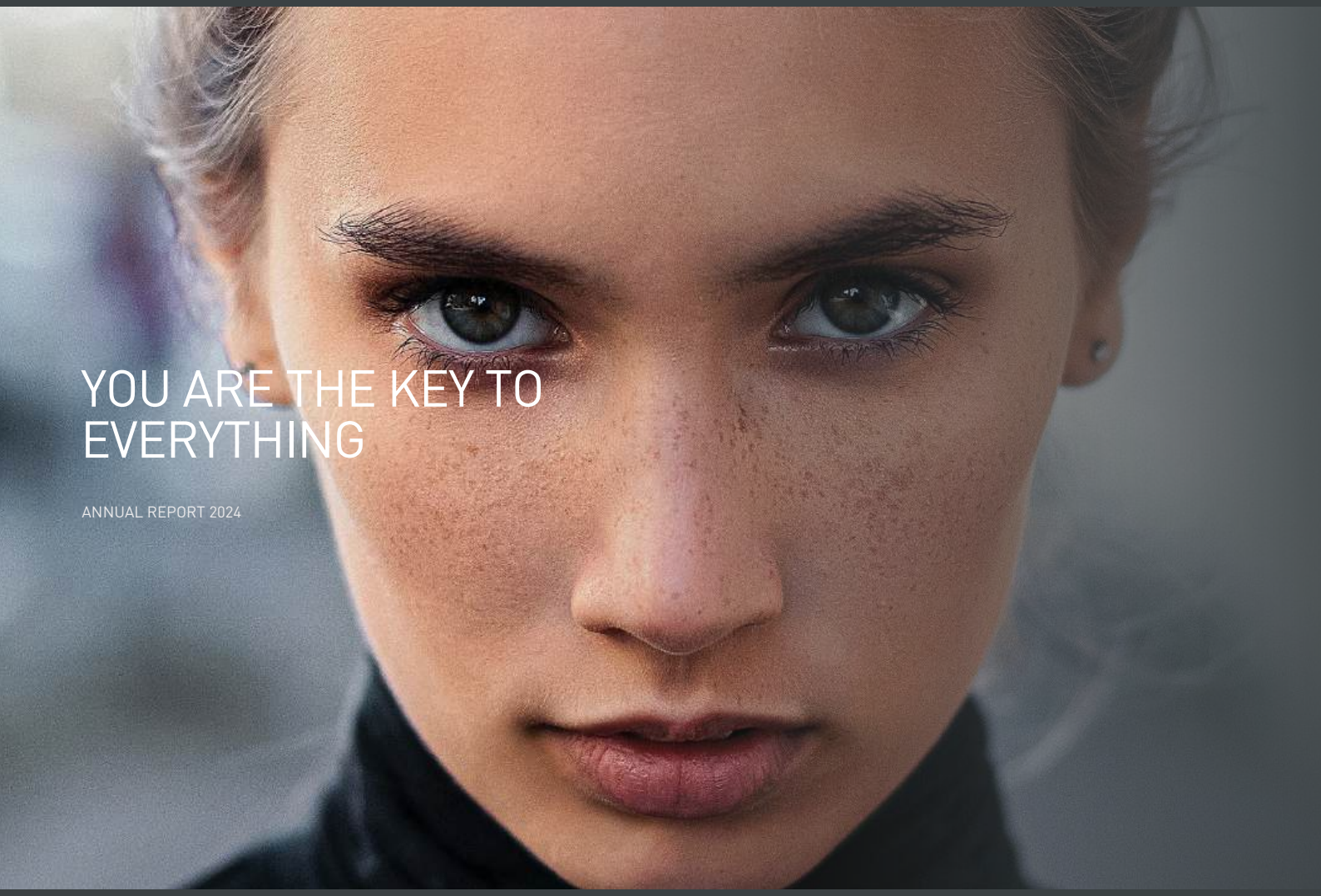


YOU ARE THE KEY TO EVERYTHING

ANNUAL REPORT 2024

FINGERPRINTS

TABLE OF CONTENTS

Overview 2
- Introduction 2
- 2024 in summary 3
- Message from the CEO 4
- Markets and strategy 6

Administration & Governance 9
- Administration report 9
- The Share 19
- Risks and risk management 22
- Corporate Governance Report 25
- Auditor’s statement on the corporate governance report 34
- Board of Directors 35
- Group management 38

Sustainability 40
- Sustainability at Fingerprints 40
- Focus areas and targets 44
- Auditor’s opinion regarding the statutory sustainability report 51

Financial Information 52
- Group Accounts 52
- Group Notes 56
- Parent company Accounts 86
- Parent Company Notes 91
- Assurance by the board 107
- Auditor's report 108
- Ten-year summary and definitions 115

Other 118
- Shareholder information 119

FINGERPRINT CARDS

We are a leading global biometrics company

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.

SEK M	2024	2023	2022	2021	2020
Revenue	403.2	705.4	861.8	1,355.8	1,255.7
Gross profit	45.6	89.6	166.4	396.9	275.2
Gross margin, %	11.3	12.7	19.3	29.3	21.9
Operating profit/loss	-521.7	-320.4	-631.0	-7.6	-365.8
Operating margin, %	-129.4	-45.4	-73.2	-0.6	-29.1
EBITDA	-143.2	-242.2	-116.0	85.6	59.4
Profit/loss before tax	-566.8	-375.5	-652.2	-1.0	-381.2
Net profit/loss for the year	-688.3	-339.8	-586.0	0.1	-340.8
Earnings per share, SEK	-0.24	-0.31	-1.92	0.00	-1.10
Equity/assets ratio, %	65.1	63.1	59.9	57.0	75.0
Average number of employees	107	200	239	310	276

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

VISION
You are the key to everything.

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

2024 IN SUMMARY

A year of significant transformation

STRATEGIC FOCUS ON DIGITAL IDENTITY

A number of strategic partnerships and product innovations accelerated the shift from commoditized, low-margin markets to high-value biometric and identity solutions.

WIND-DOWN OF MOBILE AND PC

Structurally improved revenue mix, driving a significant increase in gross margin.

COST OPTIMIZATION

Streamlined operations to enhance financial resilience and flexibility. Headcount decreased by 62%.

STRENGHTHENED FINANCIAL POSITION

Rights issue and early repayment of convertible bonds completed, leaving Fingerprints debt-free.

31%

GROSS MARGIN*
(21%)

71

HEADCOUNT
(185)

403

REVENUE, SEKm
(SEK 705M)

-143

EBITDA, SEKm
(SEK -242M)

**) Excl. R&D depreciation*

MESSAGE FROM THE CEO

Strategic realignment delivering strong results

In 2024, Fingerprints took a significant step forward in its transformation, focusing on enhancing profitability, improving financial stability, and prioritizing high-growth markets.

Positive Results from Transformation Plan

2024 was a year of significant transformation for Fingerprints. We executed our ambitious plan to drive long-term profitability, strengthen our financial position, and refocus on high-growth markets. Our Transformation Plan, initiated in late 2023, was built on six key pillars: Strategy, Strengthening the Balance Sheet, Refreshing Our Portfolio, Optimizing Costs, Enhancing Talent and Organization, and Improving Governance and Incentives. By staying committed to these objectives, we are reshaping our business and positioning Fingerprints for future success.

> **"A structurally improved revenue mix, driving a significant increase in gross margin."**

While we are still executing our Transformation Plan, the positive momentum shows encouraging progress. Our financial performance in 2024 reflects the necessary strategic shift in our business. The realignment has resulted in a structurally improved revenue mix, driving a significant increase in our gross margin. Excluding planned non-cash depreciation of previous R&D investments, the margin rose to 31.5%, up from 20.8% in 2023. By the fourth quarter of 2024, it had reached 49.8%.

Revenue decreased to SEK 403 million from SEK 705 million, which was an expected and strategic consequence of our exit from commoditized, low-margin product lines. This realignment has already strengthened gross margins and simplified operations, positioning us for higher-quality, recurring revenue growth.

These developments are clear indicators that our transformation is delivering results, positioning us for future profitability as we focus on high-growth markets where we have a strong competitive edge.

Achieving financial resilience

Our focus on strengthening the balance sheet and optimizing costs has enhanced our financial resilience, ensuring a solid foundation for sustained growth and operational efficiency.

We took decisive actions during the year to strengthen our balance sheet, including a successful rights issue and the early repayment of convertible bonds, leaving Fingerprints debt-free.

Cost optimization has been a major focus throughout the year, with significant reductions in operational

expenses and headcount. Headcount decreased from 185 at the start of the year to 71 core roles by year-end, and we are continuing to streamline operations to enhance financial flexibility and resilience. But our cost optimization efforts are not just about cutting expenses—they are about strategic investments that position us for sustainable growth.

Strategy: Leading in Secure Digital Identity

Throughout the year, we refined our strategic focus, shifting from commoditized, low-margin markets to high-value biometric and identity solutions. The rapid advancement of AI and increasing cybersecurity threats have heightened the need for strong authentication solutions. As a result, we have placed significant emphasis on developing biometric authentication technologies that align with the Zero Trust security framework, while replacing outdated password-based security models. Our vision, "You are the key to everything," underscores our commitment to seamless, secure digital authentication.

A critical enabler of our transformation has been building a high-performing team aligned with our strategic direction, not least by strengthening our leadership with the appointment of a new Chief Strategy & Technology Officer to drive innovation in Digital Identity and enterprise security.

Recent milestones demonstrating progress in executing our strategy include new strategic partnerships and product innovations that reinforce our expansion into secure digital identity and authentication:

- Anonybit Partnership: We are advancing enterprise authentication by integrating Fingerprints' biometric technology with Anonybit's decentralized identity platform. This partnership enables passwordless authentication, prevents account takeovers, and strengthens Zero Trust security frameworks.
- Smart Eye Collaboration: Our licensing agreement with Smart Eye expands our biometric portfolio to include facial recognition, eye tracking, and AI.
- Infineon Partnership: Infineon's SECORA™ Pay Bio, featuring Fingerprints' biometric technology, achieved full Visa certification, and Infineon has placed a volume order for our sensors.
- Future Electronics Agreement: Expanding our global reach and accelerating the adoption of FPC AllKey, our next-generation authentication solution designed to eliminate outdated PINs and passwords.

Looking Ahead: A Strong Foundation for Growth

As we move into 2025, Fingerprints 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.

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. While the transformation is ongoing, our achievements in 2024 demonstrate that we are on the right path to sustained profitability and growth.

I would like to extend my gratitude to our employees, customers, partners, and shareholders for their support throughout this journey. Together, we are building a stronger, more innovative, and more resilient Fingerprints.

Adam Philpott

President and CEO

MARKET AND STRATEGY

Reinforcing our leadership in secure authentication

The biometric solutions industry is poised for strong growth, driven by increasing demand for secure and seamless authentication. With a robust portfolio of biometric solutions, Fingerprints is positioned for long-term profitable growth and market leadership.

Technological advances and growing cyberthreats boost biometric relevance

The global biometrics market is valued at over USD 40 billion and is poised for strong, sustained growth, driven by a set of transformative technology trends that are increasing its relevance across various sectors. The rise of AI is improving biometric accuracy and speed, enabling systems to identify individuals more precisely than ever before. However, AI also poses new security threats, such as deepfakes and synthetic identities, which biometric systems are increasingly designed to detect and counteract. The convergence of physical and digital spaces—through IoT, smart cities, and connected devices—positions biometrics as essential for secure, streamlined access across environments.

In response to the rise in cyberthreats, Zero Trust security has become a foundational approach to authentication, operating under the assumption that all users, devices, and applications could be compromised. This model requires continuous, per-user and per-device verification, strengthening security across networks and pushing for more resilient identity management solutions.

At the same time, user and device authentication remain overly dependent on passwords, despite their long-standing reputation as one of the weakest links in IT security. Biometrics can play an important role in the solution, either independently or as an integrated part of multi-factor authentication, providing a robust layer of protection against unauthorized access.

You are the key to everything

The phrase “You are the key to everything” perfectly captures the essence of biometrics and has inspired Fingerprints’ biometric solutions since the company’s inception. In recent years, the bulk of the company’s revenue has come from sales of fingerprint sensor modules and related algorithms and software, primarily to mobile phone and PC manufacturers, as well as to providers of access control solutions.

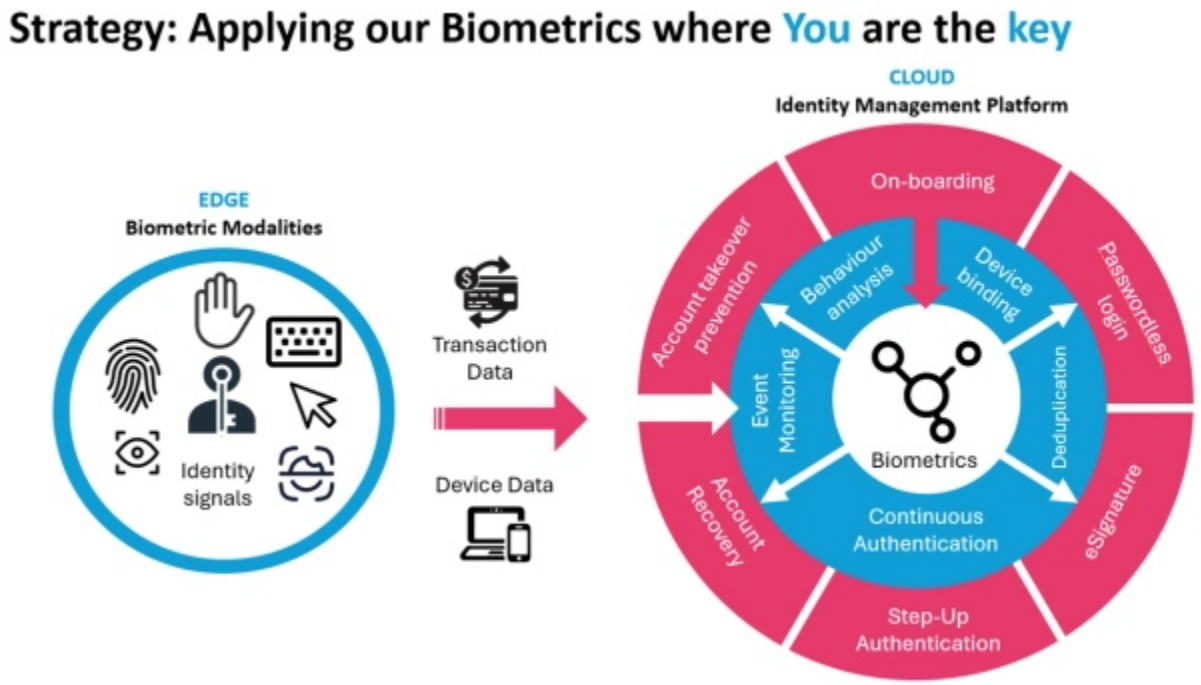
Over the past several years, the fingerprint sensor market for mobile phones has become increasingly commoditized, resulting in heightened price pressure and narrowing margins. In 2024, we saw the same trend emerge in PCs, where growing price pressures began to impact profitability. In response to these shifts, Fingerprints has decided to exit both segments to focus on areas with stronger growth potential, greater differentiation and higher margins.

Around 80 percent of the revenue in biometric devices and sensors is currently generated outside consumer electronics, in the government & security, enterprise & industrial, healthcare, and financial sectors, as well as in the biometric lock industry. Furthermore, it is in these markets that we expect to see most of the market growth in the coming years. Fingerprint recognition stands as the dominant biometric modality in terms of revenue, and we expect it to increase further in importance. At the same time, we foresee continued growth in both iris- and face recognition as contactless biometrics are seeing widespread adoption due to heightened hygiene concerns and the demand for convenience.

Our fingerprint and iris recognition technology are world-class, and we will continue to develop solutions based on these biometric modalities. A recent example is our fourth-generation iris recognition software, launched towards the end of 2024. This "just glance" technology offers secure, touchless authentication with exceptional versatility, performing reliably even with accessories like glasses and masks. It supports privacy-sensitive sectors, including automotive and access control, and is well-suited for Zero Trust security frameworks, where it mitigates deepfake risks and enhances system-level security.

Strategic focus on high-growth markets: Digital Identity and Cybersecurity

Our transformation enables us to focus on markets with stronger growth dynamics and higher margins — including secure enterprise access and digital identity platforms. We are reallocating resources to these segments to deliver long-term shareholder value and scalable growth. 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.



Strategic partnerships

Anonybit partnership

A recent example of our implementation of this strategy is our partnership with Anonybit to deliver the next generation of enterprise authentication solutions. The strategic partnership, entered into in December 2024, aims at introducing a first-of-its-kind end-to-end multimodal biometric identity offering to the enterprise market. The joint solution, to be introduced in 2025, will be designed to ensure that only authorized individuals can access sensitive corporate data, shared systems or networks, enhancing security and compliance while improving the user experience.

Smart Eye agreement

At the beginning of 2025, we entered into an agreement to license our iris recognition technology to the Swedish company Smart Eye for a total consideration of up to SEK 50 million. Smart Eye is the automotive market leader in camera-based sensing for in-vehicle applications, with more design wins and OEM customers than any other supplier. Starting in 2026, every new car in Europe must be equipped with a Driver Monitoring System (DMS) to detect driver distraction, accelerating the technology globally. Biometric authentication is an important emerging capability in automotive, with camera-based methods the most secure and intuitive solution. We see an increasing interest from the automotive industry to include authentication for in-car payment system transactions and enabling other advanced features, such as driver personalization.

As part of the agreement, Smart Eye will license back to Fingerprints a multimodal asset including Facial Recognition and Eye Tracking, significantly expanding our portfolio of biometric modalities. This will enable Fingerprints to sell into new and existing customer opportunities, enabling enterprise clients to

improve security and user experience by replacing passwords with highly secure, user-friendly biometrics. The combined expertise of Fingerprints and Smart Eye is expected to result in a solution that leverages the inherent security of biometrics to provide strong protection against deepfake attacks.

Other partnerships

Recent partnerships with Infineon and Future Electronics also demonstrate progress in executing our strategy:

- Infineon Partnership: Infineon's SECORA™ Pay Bio, featuring Fingerprints' biometric technology, achieved full Visa certification, and Infineon has placed a volume order for our sensors.
- Future Electronics Agreement: Expanding our global reach and accelerating the adoption of FPC AllKey, our next-generation authentication solution designed to eliminate outdated PINs and passwords.

We may consider acquiring capabilities in additional modalities, such as voice and behavioral biometrics. Looking ahead, we are committed to building a robust digital identity platform to help our customers address the myriad cyber-risks and poor user experience arising from passwords. As we complete the phase-out of our Mobile and PC segments, we are strategically reallocating capital toward high-margin, high-growth segments in digital identity.

Administration Report

The Board of Directors and the Chief Executive Officer (CEO) of Fingerprint Cards AB hereby present the Annual Accounts for the 2024 fiscal year.

Fingerprints' operations

Fingerprints' solutions are integrated into close to two billion devices and applications and are used billions of times every day. Fingerprints develops biometric systems comprising sensors, microcontroller (MCU), algorithms, software and packaging technologies, and the company's product development has resulted in high security products and seamless user experience. The use of biometrics is increasing in several application areas, and Fingerprints' solutions can be found in e.g., FIDO keys, crypto wallets, and payment cards.

Group and Parent Company

The annual accounts cover the fiscal year January 1–December 31, 2024. Fingerprint Cards AB (Publ) (Corp. Reg. No. 556154-2381) is the Parent Company of a Group including 16 subsidiaries.

The Parent Company has its registered office in the Municipality of Gothenburg in the county of Västra Götaland. The company's shares are listed on Nasdaq Stockholm since 2000.

SIGNIFICANT EVENTS DURING THE YEAR

- Fingerprints took decisive steps to reinforce its leadership team, ensuring the company is well-positioned to drive innovation and execute its transformation strategy. As part of this effort, we welcomed key leaders who bring extensive industry expertise and strategic vision:
  - Fredrik Hedlund was appointed Chief Financial Officer. Fredrik's experience spans more than 25 years in finance and operational leadership roles at major global corporations like Nielsen and General Electric, as well as in startups.
  - David Eastaugh was appointed Chief Strategy and Technology Officer. David is a technology visionary in the fields of identity, data, and combating financial crime and fraud, with a diverse background that includes experience in startups, scale-ups, consulting, and corporations.
  - Fredrik Ramberg was named Chief Product Officer (CPO). Since first joining Fingerprints in 2014, Fredrik Ramberg has held several senior leadership roles, including as Head of R&D for Payment and Access.
- In April, Fingerprints announced a partially guaranteed rights issue of up to approximately SEK 310 million, an agreement on early redemption of its convertible bonds, and a bridge loan of SEK 60 million.
- In December, in order to confidently enable the completion of the transformation plan and in turn achieve stability and stronger prospects for the future of the Group, Fingerprints announced a partially guaranteed rights issue of up to approximately SEK 160 million and a bridge loan of SEK 40 million.

Earnings trend

The Group's revenue for the period January–December 2024 totaled SEK 403.2 M (705.4), corresponding to a decrease of 43 percent compared with 2023. The period was characterized by intense price competition in the Mobile product group. We focused on implementing a phase-out of our loss-making operations in the Mobile product group to safeguard our company's financial health and future viability. The on-going wind-down of the PC product group also impacted negatively on revenue.

Gross profit for the period January-December 2024 was SEK 45.6 M (89.6) and the gross margin was 11.3 percent (12.7). Gross profit in the period January-December 2024 was negatively impacted by SEK 81.4 M in planned non-cash depreciation of previously capitalized R&D expenses. Gross margin excluding this effect was 31.5% (20.8% in the corresponding period 2023). The reduced sales volumes, combined with increased price competition within the Mobile product segment, had a negative impact on profitability in 2024.

The operating result for the year was SEK -522 M (-320). Exchange-rate effects are recognized in operating profit under the item Other external income, alternatively under Other external expenses. The result before tax for the year was SEK -567 M (-376), while income tax of SEK -121 M (pos: 36) were recognized. In total, the Group's full-year result amounted to SEK -644 M (-340). The Group's earnings per share for 2024 were SEK -0.24 (-0.31).

Current factors of uncertainty

Fingerprints, like most other companies, is affected by the general economic development in the world, for example through higher loan interest rates and weaker demand for consumer electronics. Fingerprints' 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. Political developments, including increased trade tensions, tariffs, or trade restrictions, may impact our operations and supply chains. We closely monitor developments related to increased trade tensions and maintain readiness to take appropriate action to mitigate potential negative effects.

Financial position

Shareholders' equity amounted to SEK 277 M (692) and the equity/assets ratio to 65 percent (64).

Fixed assets decreased to SEK 296 M (694). The share of fixed assets in relation to total assets increased to 70 percent (64). Inventories decreased to SEK 48 M (133) and outstanding accounts receivable declined to SEK 56 M (121).

Accounts payable at year-end amounted to SEK 40 M (103) and other current liabilities amounted to SEK 87 M (168).

Long-term liabilities amounted to SEK 3 M (79). Cash and cash equivalents amounted to SEK 12 M (110) at year-end.

Investments, depreciation/amortization and impairment losses

During 2024, net investments totaled SEK 12 M (46). Of this, SEK 12 M (47) was invested in capitalized development and intangible fixed assets, SEK 0 M (0) was invested in property, plant and equipment and SEK 0 M (1) was received in financial fixed assets. Total depreciation/amortization according to plan and write-downs amounted to SEK -378 M (-78) in 2024. Of this, amortization of intangible fixed assets accounted for SEK -83 M (-61), write-downs for SEK -288 M (-5) and depreciation of property, plant and equipment for SEK -1 M (-1). Right-of-use assets were depreciated by SEK -6 M (-11).

In total, the carrying amount of intangible fixed assets in 2024 was SEK 230 M (505), while property, plant and equipment amounted to SEK 2 M (3) and right-of-use assets pertaining to the leasing of premises amounted to SEK 8 M (14).

Cash flow

Cash flow from changes in working capital components was positively impacted by a reduction in capital tied-up in current receivables in the amount of SEK 84 M (25), and by a decrease in inventories in the

amount of SEK 35 M (209). Cash flow from operating activities amounted to SEK -208 M (-88).

Cash flow from investing activities was SEK -12 M (-46). Cash flow from financing activities was SEK 118 M (-26).

The overall net change in cash and cash equivalents for full-year 2024 was SEK -98 M (-164). Net debt amounted to SEK 8 M at year-end 2024, compared with net debt of SEK 5 M at the end of 2023. Interest-bearing liabilities at the end of 2024 amounted to SEK 14 M, comprising the partial disbursement of a SEK 40 M bridge loan. In addition, lease liabilities pertaining to office premises amount to SEK 6.8 M (12.8), recognized in accordance with IFRS 16.

Operating segments and product groups

Revenue is reported by Product Group: Access, Payment, Mobile and PC. Fingerprints has implemented a functional organization and governance model to support its Biometric Platform Strategy. This change means that the company from January 1, 2024 no longer manages the business in separate operating segments, and no longer reports results for the previous operating segments Asia, Rest of World and New Business.

Access

Biometric solutions for Access – biometric access control – is a fragmented but growing market that includes key applications such as Logical Access (devices such as FIDO tokens and PIV/FIDO cards), Physical Access (access cards and smart locks), Physical Crypto Wallets, Smartlocks (door locks and padlocks for secure physical entry), and IoT (storage, safes, alarms, etc.). Fingerprints offers software and biometric sensors specifically customized for Access products, comprising both modules for fingerprint recognition and touchless solutions based on iris recognition.

While revenue in the Access product group decreased by 11 percent compared to 2023, we saw positive momentum throughout 2024, with revenue growing sequentially every quarter. The positive trend in Access is mainly driven by an increased demand for biometric authentication for logical access control, especially in FIDO-certified products. To capture these opportunities, Fingerprints introduced FPC AllKey in 2024, a versatile, high-security biometric solution for various devices, from smart door locks to cryptocurrency wallets, which simplifies integration, reduces risk, and accelerates time-to-market for device manufacturers. This launch strengthens Fingerprints position in the access control market and broadens our addressable market in secure authentication.

Iris recognition is also suitable for certain applications within Access, such as touchless entry and exit control systems in public environments, something that came into sharper focus as a result of Covid-19. Companies and organisations are also showing an increased interest in access cards and security keys with fingerprint sensors, as the same card or key can be used to enable uniform, secure access to computers and systems, as well as to physical spaces.

Moreover, the automotive industry is another area where Fingerprints foresees considerable potential. For example, Driver Monitoring Systems (DMS) are becoming mandatory, requiring hardware adaptable for iris recognition to enhance safety and efficiency, hence the company is focusing on enabling its iris recognition technology in this area. At the beginning of 2025, we announced an agreement to license our

iris recognition technology to the Swedish company Smart Eye for a total consideration of up to SEK 50 million, entering a strategic partnership to enhance security and user experience in Automotive and Enterprise. Smart Eye is the automotive market leader in camera-based sensing for in-vehicle applications, with more design wins and OEM customers than any other supplier. Starting in 2026, every new car in Europe must be equipped with a Driver Monitoring System (DMS) to detect driver distraction, accelerating the technology globally. Biometric authentication is an important emerging capability in automotive, with camera-based methods the most secure and intuitive solution.

Payment

Fingerprint sensors for payment devices, including payment cards and wearables, represent a considerable potential market and is an important growth area for Fingerprints. Fingerprint authentication replaces PINs and signatures, reducing fraud risks. At the same time, biometric data remains securely stored on the card. For card manufacturers seeking secure, seamless solutions, Fingerprints offers certified biometric systems for payment cards that seamlessly integrate into existing ecosystems by delivering turnkey solutions through strategic partners that enhance security, simplify integration, and enable cost-effective production.

Although revenue in the Payment product group decreased by 37 percent compared to 2023, Fingerprints maintains a market leading position with very high performance in terms of transaction speed, power efficiency and security, as proven in several commercial launches by banks in different parts of the world. In 2024, we continued to innovate in partnership with key players in the payment ecosystem. Infineon's SECORA™ Pay Bio payment card solution, integrating Fingerprints' FPC1323 sensor, is a great example. It is now fully certified for use in Visa and Mastercard payment cards, marking a significant milestone in the companies' missions to provide secure and seamless payments.

The T-Shape sensor module, part of Fingerprints' FPC1300-series, of which we have shipped more than one million units, enables cost-effective production of biometric payment cards. The biometric sensor has been tailored to allow easy integration using standard automated manufacturing processes. This ensures reduced waste, optimizes production capacity and throughput and lowers related manufacturing costs.

Mobile

In 2024, Fingerprints focused on winding down its loss-making operations in the Mobile product group in order to safeguard the company's financial health and future viability.

As part of the Mobile product group wind-down, Fingerprints entered into an exclusive partnership agreement with Egis, a biometric sensor solution provider, covering patent and technology licensing and conditional Mobile asset acquisitions, to enable Egis to start to integrate Fingerprints' Mobile products and technology with Egis' existing mobile platform. Furthermore, the partnership with Egis enabled a faster, more efficient wind-down of Fingerprints' Mobile business and inventory depletion, as well as providing continued employment opportunities at Egis for some of Fingerprints' former Mobile-dedicated staff. As a result of the exclusive partnership agreement with Egis, Fingerprints has thus far received SEK 15 million in cash payments. While these payments are not material, the agreement with Egis entails future opportunities for Fingerprints to generate additional cash payments and royalties for development work.

Sales in Mobile amounted to SEK 254 M in 2024, a 51-percent decrease compared to 2023. In the fourth quarter, Mobile revenue had decreased to SEK 3 M, signifying that the wind-down was in its final stages by the end of 2024.

PC

As the the PC market is commoditizing like Mobile, we will wind down this product group, achieving further cost reductions and entirely exiting China.

Revenue in the PC product group decreased by 25 percent, to SEK 73 M, partly due to the lifecycle maturity of certain models incorporating our technology. This has driven customers to diversify their supplier base, further impacting Fingerprints' market share – particularly as a small-cap company following the Mobile wind down. Securing new PC projects has proven to be both capital- and time-intensive, further underscoring the unsustainability of the product group. In addition, we see that the PC market is commoditizing like Mobile. Against this backdrop, Fingerprints started the wind-down of the PC product group in 2024, in order to achieve further cost reductions and exit the Chinese market entirely.

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

During the January-December 2024 period, the wind-down process has had the following financial effects:

Mobile

- An inventory write-down amounting to SEK 54.7 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, Fingerprints has thus far recognized SEK 39.7 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.

P C

- A SEK 32.3 M write-down of capitalized R&D projects in the PC area.

Finance Policy

Fingerprints' Finance Policy regulates and clarifies responsibilities, and states guidelines in specific areas within financing, credit insurance, investment and currency management with the aim of supporting operations, managing financial risks and controlling their impact on financial position, results of operations and cash flow. The most important net currency flow is in USD, whereupon a significant portion of Fingerprints' finance activities were in formulating a strategy for selling USD and buying SEK. The increased net surplus from sales, which is denominated in USD, and the increasing operating expenses that are predominantly denominated in SEK generate a continuous need to convert USD to SEK. Materials procurement, manufacturing and sales are essentially denominated in USD only. Fluctuations in other exchange rates have an insignificant impact on earnings. According to the Finance Policy, currency hedging using derivative instruments is not permissible. See Note 23, for more information on financial risks.

Organization and coworkers

There were 53 (159) employees as of December 31, 2024 comprising 39 (111) men and 14 (48) women. Including employees and consultants, Fingerprints employed a total of 71 (185) people on December 31, 2024.

Research and development operations

Through continuous initiatives to enhance biometric technology, Fingerprints has attained leadership in fingerprint recognition. In 2024, engineers accounted for approximately 60 percent of the Group's total workforce.

Expenditure for technology development is partly recognized as a cost in the Consolidated Statement of Comprehensive Income (Parent Company Income Statement) under the development costs heading, and partly through capitalization in the Consolidated Statement of Financial Position (Parent Company Balance Sheet), and capitalized development expenditure, under intangible fixed assets.

Capitalization is effected after an assessment of factors such as each project's commercial, financial and technical potential, its future value for the Group, disposal over rights to the product/solution, the potential for completing development and the presence of a market for the product.

The rate of amortization is determined on the basis of the technical and commercial lifespan of the product/solution related to the existing market. Accordingly, the amortization term varies between products and projects.

In 2024, the Group's expenditure on technological development and patents amounted to SEK 121 M (164), of which SEK 12 M (47) was capitalized in the Consolidated statement of financial position and the remaining SEK 109 M (117) was expensed in the Consolidated statement of comprehensive income.

Sustainability Report

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Fingerprints has decided to prepare a statutory Sustainability Report as a separate document from the Annual Report.

Fingerprints' Sustainability Report, which also constitutes Fingerprints' statutory Sustainability Report, satisfies the Swedish Annual Accounts Act's requirements for sustainability reporting. The report is

presented on pages 41-51.

Ownership structure

In 2024, the number of shareholders increased slightly to 50,991 at year-end from 50,553 at the beginning of the year.

Ownership structure

	Shares and share capital, %		Votes at year-end, %	
Owner	2024	2023	2024	2023
Velociraptor LTD	0.2	1.3	2.1	11.8

	No of shares		No. of votes	
Share class	2024	2023	2024	2023
A	7,875,000	7,875,000	78,750,000	78,750,000
B	3,660,312,158	589,014,670	3,660,312,158	589,014,670
TOTAL	3,668,187,158	596,889,670	3,739,062,158	667,764,670

Expectations regarding future performance

Reduced sales volumes, combined with increased price competition within the Mobile product segment, had a negative impact on profitability in 2024. The company continued to diversify its revenue streams to higher-margin areas outside of Mobile and PC. Looking ahead, we are focused on our Smartcard (Payment) and Access solutions, including iris recognition technology, to drive sustained growth. Completing our Mobile and PC exit strategy will optimize costs and improve profitability. We will continue expanding our digital identity solutions, reinforcing our leadership in secure authentication.

Seasonal variation

Fingerprints' revenue mix has shifted towards the Access and Payment areas due to the wind-down of the Mobile and PC product groups. In the company's core Payment and Access business, the second half of the year tends to be the strongest in terms of volume.

Remuneration of the Board of Directors

The 2024 Annual General Meeting (AGM) resolved on a total fixed Directors' fee of SEK 1,855,000, of which SEK 675,000 to the Chairman of the Board and SEK 295,000 per Director to the other Directors. In addition, fees for committee work will be payable in an amount of SEK 450,000, to be distributed as follows: Audit Committee: SEK 135,000 to the Chairman and SEK 70,000 to other members. Remuneration Committee: SEK 85,000 to the Chairman and SEK 45,000 to other members.

Executive remuneration guidelines

The 2024 AGM decided in accordance with the proposal that the Remuneration Committee shall prepare guidelines for compensation and employment terms for the CEO and other senior executives and put forward proposal to the Board for decision. The guidelines are valid for four years.

Introduction

The Executive Management is defined as the Chief Executive Officer and other members of the management team. The purpose of these guidelines is to clarify the compensation as decided.

The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting. The general meeting has the right to agree on additional remunerations outside of these guidelines.

Remuneration committee

The remuneration committee evaluates and considers matters regarding remuneration and employment terms and prepares proposals for guidelines for compensation to the CEO and executive management. The Board of Directors shall evaluate a proposal for new guidelines at least every fourth year and submit it to the AGM. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee should ensure that remuneration is commensurate with prevailing market conditions for corresponding executives in other companies, and accordingly, that the company's offering to its employees is competitive. The CEO's compensation is approved by the Board of Directors. Compensation to other senior executives is decided by the CEO after consulting with the Remuneration Committee. The members of the remuneration committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Promotion of the company's business strategy, long-term interests and sustainability

Fingerprint Cards aims to attract, engage, develop and retain the right people to drive our business result in line with the company's business strategy. In order to support this, the design and implementation of our remuneration structure shall be performance based; affordable; sustainable; market driven and clear. Compensation shall reflect the scope and complexity of each role, as well as the actual performance of the individual. Fingerprint Cards does not tolerate any form of discrimination and we perform annual reviews to make sure we do not have any salary misalignments based on any discriminating factors such as gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation and age.

Variable remuneration covered by these guidelines shall aim at promoting Fingerprint Card's business strategy and long-term interests, including its sustainability.
For more information regarding the company's business strategy, please see www.fingerprints.com.

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, the overall purpose of these guidelines.

Remuneration principles

Performance-based

There shall be a strong link between performance (individual - and business result) and compensation. Base salary will depend on the employee's performance against objectives, development progress and living our company values.

Competitive and sustainable

We must create value to secure our present and future capability to pay competitive compensation and we must earn the means for our compensation. It is important to have a balance between our company earnings and our compensation levels.

Market driven

Our salaries shall reflect the scope and complexity of the work. It is our objective to compare our base salaries with relevant market data for the applicable country. Each country forms its own market.

The remuneration principles are also applicable to the rest of the employees at Fingerprint Cards.

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment terms for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board of directors' basis of decision when evaluating

whether the guidelines and the limitations set out herein are reasonable.

Total remuneration

The total remuneration to Executives consists primarily of monthly base salary, short-term incentives, pension, and insurances. If decided in the general meeting, the total remuneration may also include – irrespective of these guidelines – long term incentives.

Short Term Incentive (STI)

Short Term Incentives shall be linked to predetermined and measurable criteria. The Short-Term Incentives include company measures such as Revenue, Operating Profit and Cash Balance. For Executives, 80-90 per cent of the STI is based on company measures, and 10-20 per cent is based on individual performance, with predetermined targets on an annual basis. The criteria shall be designed so as to contribute to Fingerprint Card's business strategy and long-term interests, including its sustainability.

The satisfaction of criteria for awarding STI shall be measured over a period of one or several years. The variable cash remuneration may amount to not more than 100 per cent of the total fixed base salary during the measurement period.

For financial objectives, the evaluation shall be based on financial information made public by the company.

Pension

Pension plans are based on defined contribution models, where a premium is paid amounting to not more than 30 per cent of the Executive's fixed annual base salary.

Insurances

Executives are provided insurance coverage in accordance with local market practice. Such benefits shall be customary and be of limited amount.

Termination of employment

Upon termination of an employment, the notice period may not exceed six months. During the notice period, the executive will continue to receive full base salary and other employment benefits. Upon termination by the company, severance payment could be paid and may not exceed twelve months' base salary. When termination is made by the executive, the notice period may not exceed six months, without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration, if applicable, shall amount to a maximum of 60 per cent of the monthly base salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions.

The Board of Directors' right to deviate from the remuneration guidelines

In certain cases the Board of Directors may decide to deviate from these guidelines, in part or in total, if there are special reasons to do so in an individual case and a deviation is necessary to fulfill the company's long term interest, including in relation to sustainability, or to safeguard the company's financial position. As set out above, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Description of significant changes and how the shareholders' views have been taken into account

There have been no significant changes to the proposed new guidelines in relation to the remuneration guidelines adopted by the Annual General Meeting 2020. There have been no material comments on the remuneration guidelines from shareholders.

Description of the work of the board of directors during the year

Scheduled agenda items at Board meetings during the year are Group Management's reporting of business conditions, operations, organizational resources, results of operations, financial position and liquidity. During the autumn, and before Christmas, Board meetings consider the budget and business plan for the following year. The Board met on 29 occasions in 2024. A more detailed description of corporate governance in 2024, including regulations, general meetings, the Nomination Committee, the composition and work of the Board and internal governance processes and internal control, is presented in the separate Corporate Governance Report.

2025 Annual general meeting

The AGM will be held on Tuesday, June 24, 2025.

Proposal for appropriation of the company's profit

The following funds are at the disposal of the AGM, SEK:

Share premium reserve	777,295,305
Accumulated profit or loss	-417,268,299
Net profit/loss for the year	-422,171,027
TOTAL	**-62,144,021**

The Board of Directors proposes that net profit for the year, non-restricted reserves, as well accumulated profit or loss be appropriated as follows:

To be carried forward: SEK -62,144,021.

Regarding the company's results of operations and financial position in other respects, the reader is referred to the following financial statements, with the associated notes.

Events after the balance sheet date

See Note 27.

The Share

Fingerprints' class B shares have been listed on Nasdaq Stockholm since 2000. Initially, Fingerprints was listed on the Stockholm "Nya Marknaden" list in 1998. The share's ISIN code is SE0008374250 (Industrial Goods & Services sector). The company is traded under the ticker FING B. Fingerprint Cards is a CSD company, which means the company's share register is maintained by Euroclear Sweden AB.

In 2024, Fingerprint Cards AB issued new B-shares in a rights issue of approximately SEK 312.4 million. The company also issued new shares in connection with scheduled amortization and interest payments under its convertible bonds. The convertible bonds were repaid following the completion of the 2024 rights issue. Taken together, these issuances resulted in an increase of 3,071,297,488 in the number of B shares and votes.

As of 31 December 2024, the share capital of Fingerprint Cards AB amounted to SEK 159,722,064, divided between 7,875,000 class A shares and 3,660,312,158 class B shares, each with a quotient value of SEK 0.04. Class A shares carry ten votes and class B shares carry one vote. The total number of votes amounted to 3,739,062,158. All shares carry equal participation in capital, but different voting rights, and are freely transferable. As at December 31, 2024, the class A shares corresponded to 2.11% percent of the votes and 0.21 percent of the capital of Fingerprints.

At year-end, the ten largest shareholders had total holdings corresponding to 16.1 percent of the votes. Foreign institutional shareholders had holdings corresponding to 0.22 percent of the share capital.

Share price trend

During 2024, the adjusted closing price of the class B share decreased by 95 percent to SEK 0.02 (0.33). During the same period, the OMXSPI index increased by 6 percent. In 2024, Fingerprints' adjusted class B share price set a high of SEK 0.33 and a low of SEK 0.02. At year-end 2024, Fingerprints' market capitalization was approximately SEK 128 M (1,027).

Share turnover

Adjusted for completed rights issues, 52,929 (8,561) million class B shares were traded on Nasdaq in 2024.

Shareholders

At the end of 2024, there were 50,991 (50,553) shareholders. Institutional shareholders held 7.9 (6.9) percent of the share capital.

Allocation of holdings	Shares	Capital (%)	Votes (%)	No. of known shareholders	Share of known owners (%)
1 - 1 000	3,263,195	0.09	0.09	21,675	42.53
1 001 - 5 000	2,289,453	0.06	0.06	910	1.79
5 001 - 10 000	2,395,471	0.08	0.07	321	0.63
10 001 - 20 000	4,431,009	0.13	0.13	297	0.58
20 001 -	1,495,780,537	41.01	42.40	1,317	2.58
Unknown holding size	2,160,027,493	58.63	57.25	26,449	51.89
TOTAL	**3,668,187,158**	**100.00**	**100.00**	**50,969**	**100.00**

Source: Modular Finance AB

Option Programmes

Fingerprints had no outstanding options programs at the end of the year.

Dividend Policy

The Board of Directors' top priority is to ensure that Fingerprints maintains a financial position that is strong enough to support both organic growth and selective acquisitions. Fingerprints also wishes to maintain a strong balance sheet. Transfers of capital to shareholders should be adapted to Fingerprints' earnings trend and cash flow, while at the same time considering the company's growth potential and financial position.

Dividend

The Board of Directors' proposes that no dividend be paid for the financial year 2024.

Share repurchases

During 2024, no shares were repurchased. Fingerprints holds a total of 3,800,000 shares in own custody and they have no value as assets or as equity.

Financial analysts

In 2024, Fingerprints was covered by the following analyst: Carnegie, Markus Almerud.

Share data

Share Classes at 31 December 2024

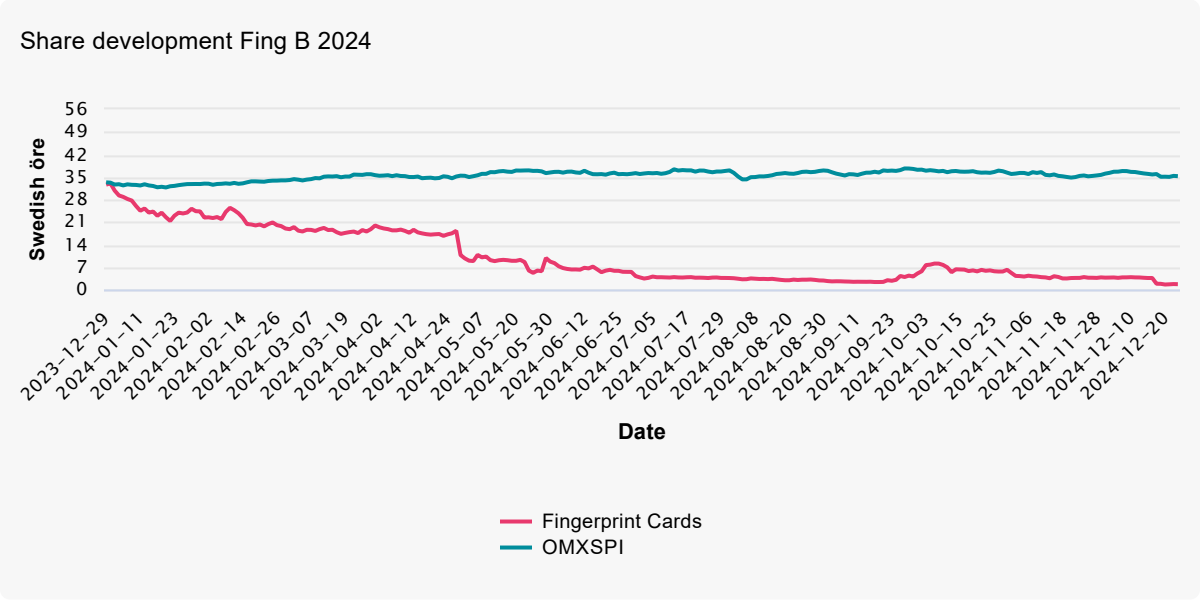
2024-12-31	Votes	No of shares	No. of votes	Capital (%)	Votes (%)
FING-A	10	7,875,000	78,750,000	0.21	2.11
FING-B	1	3,660,312,158	3,660,312,158	99.79	97.89
TOTAL		3,668,187,158	3,739,062,158	100.00	100.00

Ten largest Shareholders

#	Owner	FING-A	FING-B	Capital (%)	Votes (%)
1	Handelsbanken Fonder		147,234,144	4.01	3.94
2	Avanza Pension		141,231,281	3.85	3.78
3	Niels Henrik Balle		39,496,738	1.08	1.06
4	Peter Hoglin		31,962,737	0.87	0.86
5	Marie Almqvist		31,807,655	0.87	0.85
6	Swedbank Försäkring		29,857,686	0.81	0.80
7	Storebrand Fonder		29,691,773	0.81	0.79
8	Johan Carlström med bolag	7,875,000	14,000,000	0.69	2.86
9	Handelsbanken Liv Försäkring AB		22,967,464	0.63	0.61
10	Nebil Gül		20,565,000	0.56	0.55
	TOTAL	7,875,000	508,814,478	14.18	16.11
	Treasury shares	0	3,800,000	0.10	0.10

Source: Modular Finance AB

Share price development 2024



Risks and risk management

Like all business activities, Fingerprints' operations are associated with risk. By risks, Fingerprints refers to incorrect management and events or decisions beyond the company's control that could result in disruptions to operations, damage or losses with a material impact on the company. Fingerprints' risk management is critical to the company's success. To anticipate risks and minimize their effects, Fingerprints has processes in place to continuously identify and manage risks that can affect its operations. This includes probability and consequence assessments of operational risks, market risks, financial risks and legal risks. Sustainability risks are reported and commented on in the sustainability section.

Name of risk	How Fingerprints is impacted	Risk control and risk management
OPERATIONAL RISKS		
Risks associated with the implementation of the company's transformation plan.	The financial result may not improve to the extent that Fingerprints expects.	Clear governance, regular risk analyses and flexible adaptation of the strategy.
Delivery capacity of contracted suppliers.	Financial damage as a result of delivery disruption.	Maintaining a diversified supplier base of hardware and input materials.
Risks related to outsourcing	Delivery capacity can be negatively affected.	Thorough supplier validation, clear agreements and ongoing quality follow-up.
Reduced technological leadership.	Loss of competence.	Continuous product development and understanding of customer demands, increased R&D collaboration with customers.
Risks related to the general perception of biometric sensors.	Reduced demand.	Transparent communication about security and privacy, as well as communication activities to increase understanding of the benefits of technology.
The company is dependent on its key employees.	The loss of key employees or difficulties in attracting new qualified personnel may adversely affect the Group's operations.	Competitive terms, clear career paths and a strong corporate culture.
Leaks and infringements regarding business secrets.	Financial consequences and loss of reputation in connection with leaks of development information.	Implement IT Policy through training and integration in management system. Develop procedures for platforms, systems and cloud when managing high risk data.
IT and cybersecurity risks, as well as risks related to	Supply disruptions, leakage of confidential information,	Robust security systems, regular updates and monitoring.

Name of risk	How Fingerprints is impacted	Risk control and risk management
system failures, downtime and other interruptions	and other negative impact on business.	
Internal scalability.	Growing pains when the company's infrastructure and work methods are not involved to the same extent as the financial development.	Investments made in Management system, processes development is ongoing. Investment in HR system, implementation is ongoing.
MARKET RISKS		
Geopolitical instability.	Loss of business opportunities for local/regional political reasons. Political developments, including increased trade tensions, tariffs, or trade restrictions, may impact our operations and supply chains. Fingerprints' 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.	Differentiate Fingerprints biometric solutions vis-à-vis low cost products with low biometric integrity. We closely monitor developments related to increased trade tensions and maintain readiness to take appropriate action to mitigate potential negative effects.
Supplier costs.	Reduced margins due to increase in supplier costs.	Ensure market-aligned pricing by using several suppliers. Continuous reviews of suppliers' pricing and market analysis.
Economic fluctuations.	Reduced demand that impacts the company's profits, inventories and the valuation of intangible assets.	Reduce cyclicality through diversifying to new markets and continuously analyze the whole value chain to foresee demand fluctuations. Broaden the product portfolio and customer base.
Currency risk.	Negative financial impacts from currency fluctuations.	Fingerprints has elected not to hedge its net exposure in USD, since hedging may itself be viewed as currency speculation.
Loss of customers and price pressure due to increased competition.	Sales revenues and market shares decline due to price pressure and customer requirements for a number of suppliers.	Aim to be a full solution provider. Increased focus on customer satisfaction, service, quality and quick response time. Maintain direct customer contacts. Cultivate new customers in new markets. Develop strategic partnerships.

Name of risk	How Fingerprints is impacted	Risk control and risk management
FINANCE RISKS		
Credit risk.	The counterparty does not fulfil his/her payment obligations.	Compliance with credit policy and established process for credit assessment and setting limits. Use of credit insurance.
Financing.	Financing of capital requirements is made more difficult or more expensive.	Communicate proactively with the capital market and create conditions for implementing the necessary capital acquisition measures if required.
LEGAL RISKS		
Competitor IP.	Patents held by others impede the applications of Fingerprints' technology.	Patent strategy and active patent monitoring. Close cooperation between patent manager and development department.
Value of Patent IP.	Loss of revenue and earnings due to patent infringements.	Maintain well-protected patents and work actively to leverage proprietary IP.
Products defects and product liability.	Financial consequences and impact on customer satisfaction.	Ensure the right product design and that all of Fingerprints' hardware products are tested prior to delivery. Work actively on resolving faults and product returns within the quality organization. Fingerprints has product liability insurance.
Risks related to the processing of personal data.	Fines and/or other legal sanctions.	Compliance with data protection laws, clear policies, and security systems.
Fingerprints' operations are subject to a number of regulatory compliance risks.	Negative impact on Fingerprints' business and reputation.	Continuous regulatory monitoring, internal controls and employee training.
Risks related to judicial and administrative proceedings.	Economic, reputational and legal consequences.	Proactive legal monitoring, clear agreements and compliance with legal requirements.

Corporate Governance Report

Fingerprint Cards AB (publ) (Fingerprints) is a Swedish public limited company listed on Nasdaq Stockholm and with registered office in Gothenburg in the County of Västra Götaland.

The corporate governance of Fingerprints is based on legislation and other regulations: the Swedish Companies Act, the Articles of Association, Nasdaq Stockholm's Rulebook for Issuers, the Swedish Code of Corporate Governance, (the "Code"), other applicable laws and ordinances, and internal regulations.

Fingerprints strives to create long-term value for shareholders and other stakeholders. This involves ensuring an effective organizational structure, systems for internal control and risk management, as well as transparent internal and external reporting.

This Corporate Governance Report has been prepared in accordance with the Swedish Annual Accounts Act and the Code. Its primary purpose is to describe corporate governance within Fingerprints. For this purpose, the Report will only be used to a lesser extent to report information that ensues from applicable regulation. Fingerprint Cards' auditors have read this report and an auditor's statement has been appended to it.

Segregation of duties

The shareholders exercise their influence at the General Meeting, which is the company's chief decision-making body. Responsibility for the company's organization and administration of the company's affairs rests with the Board of Directors and the CEO in accordance with applicable laws and regulations, and the Board of Directors' internal control instruments.

Shareholders

Fingerprints is a securities depository-registered company, and the company's share register is maintained by Euroclear Sweden AB.

At year-end 2024, the company had 50,991 (50,553) known shareholders. The registered share capital was SEK 159,722,064, divided between 7,875,000 class A shares and 3,660,312,158 class B shares. Class A shares each carry ten votes and class B shares each carry one vote. Class A and B shares carry the same participating interest in the company and equal entitlements to dividends. Repurchased shares are in own custody and has no value in assets or in equity.

At year-end 2024, the ten largest shareholders held 16.1 percent of the votes in the Company.

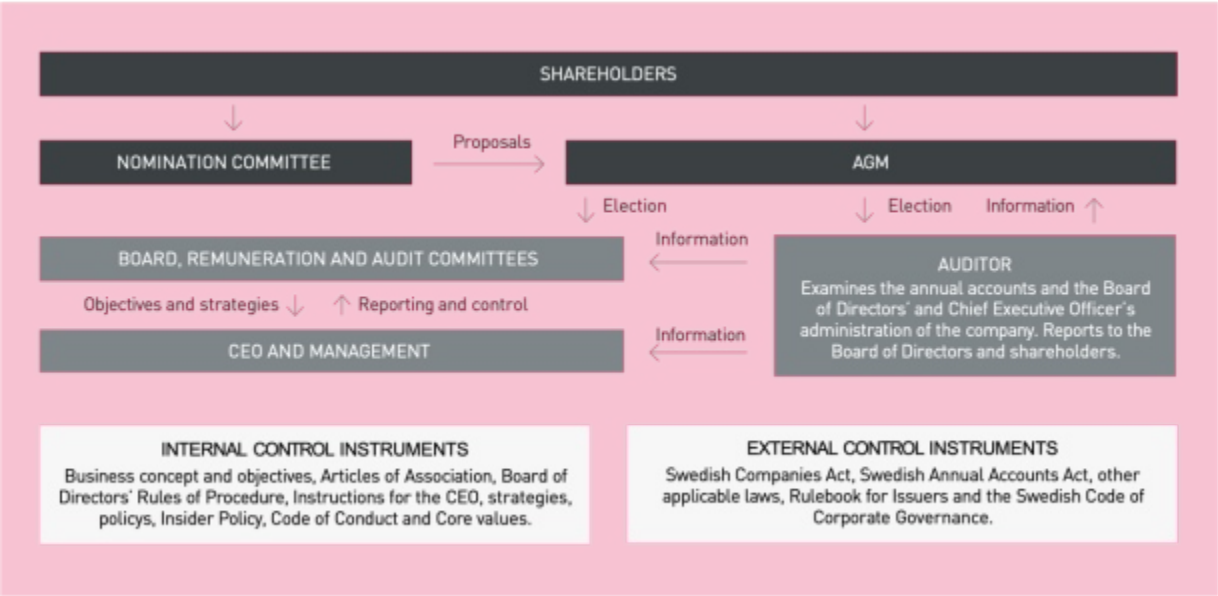
Annual General Meeting

The Annual General Meeting (AGM) approves the Income Statement and Balance Sheet for the previous financial year for the Parent Company and the Group. The AGM also resolves on dividend and discharging the Directors and CEO from liability, elects the Board of Directors and the Chairman of the Board, and approves their fees, elects the auditor, and resolves on audit fees, and also deals with other statutory matters. Resolutions are taken on the Nomination Committee and guidelines for remunerating senior executives, and other proposals from the Board of Directors and shareholders.

Notice of shareholders' meetings shall be made through an announcement in the Swedish Official Gazette and on the company's website. Notification that the invitation has been issued is announced in the daily newspaper Svenska Dagbladet. Notice of AGMs are issued at the earliest six and the latest four weeks prior to the AGM. Meeting invitations are to contain information on the procedure for the notification of attendance and the closing date for notification, entitlement to participate in and vote, a numbered agenda with business for consideration, information on appropriation of profits and an outline of other proposals. Notice of an Extraordinary General Meeting (EGM), where an amendment to the Articles of Association is to be considered, are to be issued at the earliest six, and at the latest four, weeks prior to the EGM. Notifications of other EGMs are to be issued at the earliest six, and the latest three, weeks prior to the Meeting.

All shareholders recorded in the share register on the record date, and who have notified attendance on time, are entitled to participate in shareholders' meetings, and vote in accordance with the shares registered. Shareholders can attend via a proxy that has been issued with power of attorney. However, the shares must still be registered with information regarding the proxy, and presentation of the power of attorney. In order to exercise voting rights at shareholders' meetings, shareholders with nominee-registered holdings must temporarily re-register their shares in their own name, pursuant to the stipulations of the invitation to the Meeting.

Shareholders who wish to have a matter considered at the AGM shall provide a written proposal to investrel@fingerprints.com or to Bolagssekreteraren, Fingerprint Cards AB, Box 2412, SE-403 16 Gothenburg, no later than seven weeks before the AGM, to guarantee that the matter can be included in the invitation to the AGM.
Most resolutions at shareholders' meeting are passed by a simple majority. In certain cases, the Swedish Companies Act stipulates resolutions require a qualified majority, for example resolutions on amending the Articles of Association, which require shareholders with at least two-thirds of both the votes cast and the votes represented at the Meeting to support the resolution. Resolutions regarding incentive programs require an even greater majority, with in certain cases, qualified majorities of up to 90 percent of the shares and votes represented at the Meeting.



Annual General Meeting 2024

The AGM for the 2023 fiscal year was held in Stockholm on 28 May 2024. The notice to the AGM was published on 30 April 2024. 70 shareholders, accounting for 17.2 percent of the votes and 7.6 percent of the shares, were represented at the AGM.

THE AGM PASSED RESOLUTIONS ON:

- Adopting the accounts for the 2023 fiscal year.
- Approving the appropriation of profits with the earnings carried forward.
- Discharging the Board of Directors and CEO from liability for the 2023 fiscal year.
- Approval of the remuneration report.
- That the number of Directors shall be five, with no deputies.
- Election of Directors, Chairman of the Board and auditor.
- Approval of Directors' fees and fees to auditors.
- Guiding principles for remuneration of senior executives.
- Authorization of the Board of Directors to repurchase and transfer treasury shares.
- Establishment of long-term incentive program.
- Amend the articles of association.
- Subsequent approval of the Board of Directors' decision on an issue of shares with preferential rights for existing shareholders.

Additionally, the AGM resolved to authorize the Board of Directors to, up until the next AGM, on one or more occasions, with or without deviation from the shareholders' preferential rights, on new issues of Class B shares, warrants and/or convertibles entitling to subscription of Class B shares, corresponding to no more than twenty (20) per cent of the total number of outstanding shares in the Company.

More information on the 2024 AGM is available on Fingerprint Cards' website: www.fingerprints.com.

Annual General Meeting 2025

The AGM will be held on 24 June 2025 in Celsiussalen, Citykonferensen Ingenjörshuset, Malmskillnadsgatan 46, 111 84 Stockholm, Sweden.

Nomination Committee

The Company is to have a Nomination Committee comprising four (4) members. During the year, the Chairman of the Board is to convene a meeting of the three (3) largest shareholders of the Company in terms of voting power and ask them to each appoint one representative who, in addition to the Chairman of the Board, will constitute members of the Nomination Committee. Should one of the three largest shareholders choose to waive their right to appoint a representative of the Nomination Committee, the shareholder who is next in line in terms of size is to be given an opportunity to appoint a member of the Nomination Committee.

The Nomination Committee may also decide, if this is regarded as appropriate, to appoint an additional representative of a group of major shareholders as a co-opted member of the Nomination Committee.

The Chairman of the Board is to convene the first meeting of the Nomination Committee. The member representing the largest shareholder in terms of voting power is to be appointed Chairman of the Nomination Committee, unless the members agree otherwise. The term of office of those appointed to the Nomination Committee extends until such time as a new Nomination Committee is appointed. The composition of the Nomination Committee is to be disclosed no later than six months before the AGM.

The Nomination Committee is to be constituted based on the largest shareholders in terms of voting power registered for the holder or known in some other manner as per the last banking day in August. If one or several of the shareholders who have appointed members of the Nomination Committee no longer belong to the three largest shareholders, their representative/s is/are to step down, whereupon the/those shareholder/s who has/have been added to three largest shareholders will be entitled to appoint a new representative. However, marginal changes that have occurred in the number of voting rights need not be taken into account, assuming that no special circumstances prevail.

If a member steps down from the Nomination Committee before its work has been completed, the Nomination Committee is to urge the shareholder who appointed such a member to appoint a new representative to the Nomination Committee without undue delay. Should this shareholder refrain from appointing a new representative, the right to appoint a new member of the Nomination Committee will accrue to the next largest shareholder in terms of voting power who is not represented on the Nomination Committee. Any changes to the composition of the Nomination Committee must be disclosed as soon as they occur.

The Nomination Committee is to draft proposals on the following issues for resolution by the 2025 AGM:

- Proposal concerning the Chairman of the Meeting
- Proposal concerning members of the Board
- Proposal concerning Chairman of the Board
- Proposal concerning auditor
- Proposal concerning the remuneration of Board members
- Proposal concerning the remuneration of the auditor
- Possible proposal to change the guidelines for appointing the Nomination Committee

Fingerprints' Nomination Committee had the following members for the 2025 AGM:

- Sara Viktorsson (representing the shareholder Johan Carlström with company), chairman of the

nomination committee
- Niels Henrik Balle (shareholder), member of the nomination committee
- Marie Almqvist (shareholder), member of the nomination committee
- Christian Lagerling, (Chairman of the Board of Fingerprint Cards AB), member of the nomination committee

Shareholders may submit proposals to the Nomination Committee. Proposals are to be sent by email to: investrel@fingerprints.com

Board of Directors and CEO

Pursuant to the Articles of Association, Fingerprints' Board of Directors is to consist of four to ten Directors with a maximum of five deputies elected by the AGM for the period until the end of the following AGM. The Board of Directors and the Chairman of the Board are appointed at each AGM for the period until the following AGM, and accordingly, their term of office is one year.

Apart from the AGM, changes to the Board of Directors can be executed through an EGM resolution or by a Director choosing to resign his or her appointment in advance.

The 2024 AGM, held on May 28, 2024, resolved to re-elect Christian Lagerling, Alexander Kotsinas, Dimitrij Titov, Juan Vallejo and Adam Philpott as Board Members. Christian Lagerling was re-elected as Chairman of the Board of Directors.

Ahead of the AGM, the Nomination Committee considered three Directors of the Board to be independent of the Company and management, and that all five Directors were independent of major shareholders.

The Nomination Committee has applied item 4.1 of the Swedish Corporate Governance Code as diversity policy and continuously strives to meet the requirements of the Code on versatility, breadth and gender balance of the Board. With reference to the changes in the Board's composition made at the previous Annual General Meeting, the Nomination Committee deemed that there should not be any changes to the Board composition this time and that the current composition is required for the Company's ongoing transition process. The Nomination Committee deems that a more even gender distribution must be prioritized going forward.

The Board of Directors is responsible for Fingerprints' organization and administration, in the interests of both the company and its shareholders. The Board must regularly evaluate Fingerprints' financial situation and ensure that Fingerprints is organized so that its accounting, management of funds and the company's other accounting circumstances are controlled satisfactorily. The Board appoints the CEO and decides on issues regarding strategic direction of operations and the company's overall organization.

Each year, the Board adopts written Rules of Procedure that formalize the work of the Board and its internal segregation of duties, decision-making within the Board, the Board's meeting schedule and the duties of the Chairman. In addition, the Board has issued documents including written instructions regarding the segregation of duties between the Board and the CEO.

The Board also approves policies and instructions for operating activities. Operating activities are managed by the CEO. The CEO regularly provides the Board with information on events that are significant to the company's progress, results, financial position, liquidity or other information of such significance that the Board should be informed of.

Work of the Board of Directors in 2024

Pursuant to the current Articles of Association, the Board of Directors must meet on at least four scheduled occasions and one statutory meeting per year. Additional meetings can be held as required.

In 2024, there were 29 Board meetings. Scheduled agenda items at Board meetings during the year are Group Management's reporting of business conditions, operations, organizational resources, results of operations, financial position and liquidity. Special Board meetings with a focus on strategy are held in the spring and autumn. During the autumn, and before Christmas, Board meetings consider the budget and business plan for the following year.

Board meetings are held quarterly to reach decisions on publications of interim, half-year and annual

financial statements. Meetings to decide on convening notice, annual accounts, corporate governance documentation and other matters for business are held prior to AGMs. Senior executives of Fingerprints participate in Board meetings as required.

BOARD OF DIRECTORS' WORK

Recurring matters at Board meetings include Group Management reporting of business conditions, operations, organization, results, financial position and liquidity.

Q1
Year-end report. One meeting focusing on strategy and achievements.
Q2
Interim report first quarter. Annual General Meeting and following constituent meeting.
Q3
Interim report second quarter. Strategy day.
Q4
Interim report third quarter. Adoption of budget.

Remuneration Committee

The Remuneration Committee evaluates and consults on matters regarding remuneration and employment terms, and makes proposals and guidelines for remuneration of the CEO and senior executives for approval by the AGM. The Remuneration Committee must ensure that remuneration is commensurate with prevailing market conditions for corresponding executives in other companies, and accordingly, that the company's offering to its employees is competitive. The CEO's remuneration is approved by the Board.

Remuneration of other senior executives is decided by the CEO after consulting with the Remuneration Committee. In 2024, the Remuneration Committee's members were the Directors Juan Vallejo (Chairman), Adam Philpott and Christian Lagerling.

During the fiscal year 2024, the Remuneration Committee met on two occasions.

Audit Committee

The Audit Committee's duty is to support the Board on ensuring high quality and efficiency within internal controls, financial reporting and external audits. This includes reviewing interim reports and annual financial statements prior to publication, and considering all critical accounting issues and judgments regarding assessments of risk. The Audit Committee meets the external auditor at least once per year and reviews and monitors the auditors' impartiality and independence, and identifies particularly whether the auditor is supporting the company on other services than auditing, and also provides support on proposals for AGM resolution and election of auditors.

In 2024, the Audit Committee's members were Alexander Kotsinas (Chairman), Christian Lagerling and Dimitrij Titov. During 2024, the Audit Committee met on four occasions.

Auditor

The Articles of Association stipulate that Fingerprints must have one or two auditors with or without deputies, or one or two registered public accounting firms. The 2024 AGM elected BDO Mälardalen AB as auditor until the 2025 AGM. BDO Mälardalen AB appointed Johan Pharmanson as Auditor in Charge. Carl-Johan Kjellman, BDO Mälardalen AB, was also elected auditor until the 2025 AGM.

The duty of the auditor is to examine the company's annual accounts and accounting records, and the Board of Directors' and CEO's administration on behalf of the shareholders. The auditor also conducts a summary review of one quarterly financial statement and issues opinions regarding the Board of Directors' reporting in connection with such events as new share issues and decisions on warrant programs.

Each year, the Board of Directors meets the auditor for a report on whether the company's organizational resources are structured so that bookkeeping, the management of funds and other circumstances can be controlled satisfactorily. The auditor has continuous contact with the Audit Committee and participates in at least one of the Audit Committee's meetings during the financial year. The auditor attended the 2024 AGM on May 28.

Internal controls and risk management

The Swedish Annual Accounts Act stipulates that the Board of Directors shall submit a review of the material elements of the company's systems for internal control and risk management over financial reporting yearly. The Board of Directors is responsible for the company's internal controls, whose overall purpose is to ensure protection of the company's assets, and thus its owners' investments. The Board of Directors has adopted attestation instructions, a finance policy and other policy documents comprising instructions and procedures for operations that must be monitored regularly and reported. The attestation instructions include instructions regarding company signatories as well as roles and authorizations regarding decision making and the approval of agreements, investments, expenses and other expenditure. The Finance Policy sets mandates for investments, management of liquidity, currency hedging and credit issuance on sales. Sales are subject to credit insurance as far as possible, when this is viable and where credit insurance is granted only if there are good grounds to expect the borrower to fulfill its commitments.

Control environment

The fundamental control environment for financial reporting consists of guidelines and policy documents, including the Board of Directors' Rules of Procedure and instructions for the CEO, and the segregation of duties and authorization regarding the organization of operations. Primarily, it is the CEO's responsibility to establish in daily operations the control environment instructed by the Board of Directors. The CEO reports regularly to the Board according to established procedures. The auditor also submits reports from audits conducted.

Risk assessment

Risk assessment is an ongoing process encompassing the identification and management of risks that can impact operations and financial reporting. The primary risk within the auspices of financial reporting consists of material misstatement in accounting. Risk management is a part of operational processes and various methodologies are applied to ensure that risks are managed pursuant to regulation, instructions and procedures with the aim of making accurate disclosures.

Control activities

Control activities are designed to manage the risks that the Board and company management consider material to internal controls of financial reporting. Control activities designed to prevent, discover and rectify misstatement and deviations are evaluated. The segregation of duties and organization constitutes the structure for controls.

Follow-ups are conducted within each area of responsibility, and across all operations. Approvals and the segregation of authorization constitute the structure of control activities, as do clear rules for decisions

regarding investments, sales, procurement and contracts. Control activities also proceed from the business concept, strategies and objectives, and mission-critical activities. A high level of IT security is a prerequisite for good internal controls over financial reporting. Fingerprints' IT strategy emphasizes security and functionality, with security being more important because without security, functionality is compromised.

External financial reporting with the ensuing controls is conducted on a quarterly basis, and internal financial reporting on a monthly basis. The Board of Directors follows up on internal control in connection with the financial reports, primarily in the Audit Committee. The Audit Committee regularly reviews the company's control environment, including financial processes, regulatory compliance and reporting procedures. This is primarily done through a review of audits and follow-up of identified areas for improvement. The Committee has an ongoing dialogue with the company's CFO and the external auditor to ensure that internal controls are appropriate and well-functioning. In addition to this, the management, if necessary, keeps the board informed about the situation and activities in special Board memos. Financial controls are based on business plans that are broken down to yearly budgets. Budgets are reviewed and constitute forecasts and supporting data for monitoring against results achieved. Reporting involves analyses and comments on progress in relation to established objectives. Development projects are managed through ongoing project monitoring with reporting of subprojects. Efforts made and expenditures incurred are related to plans and budgets, and expected remaining project expenditure until project completion are also reported.

Operational control is supplemented by monitoring of the quality and performance of suppliers, customers and internal processes. Monitoring of liquidity and cash flow is conducted on an ongoing basis with updates of forecasts and the resulting liquidity planning. The continuous analysis of financial reports at various levels are central for ensuring that financial reporting does not contain material misstatement. Control activities and the division of various functions are embedded throughout the financial reporting process.

The company has no dedicated internal audit function, as the board has made the assessment that internal functions and processes within finance, law and quality meet the needs for review and control.

Remuneration to the Board of Directors

The 2024 AGM resolved on a total fixed Directors' fee of SEK 1,855,000, of which SEK 675,000 to the Chairman and SEK 295,000 to each member. Fees for committee work of SEK 450,000 was allocated as follows: Audit Committee: SEK 135,000 to the Chairman and SEK 70,000 to the other members. Remuneration Committee: SEK 85,000 to the Chairman and SEK 45,000 to the other members. The remuneration to the Board of Directors per member is unchanged compared to the previous term of office. Directors receiving a salary from Fingerprints are not eligible for Directors' fees. Directors that join the Board in the year receive fees in relation to the remaining period until the following AGM.

Name	Function	From	To	Committee	Independent in relation to: Company	Independent in relation to: Larger shareholders	Närvaro möten 2024	Styrelse-arvode 2023/24 (Tkr)	Utskotts arvode 2022/23 (Tkr)
Christian Lagerling	Styrelse-ordförande	9/20/22	–	Audit Committee	Nej	Ja	29/29	675	115
Alexander Kotsinas	Member	4/20/17	–	Audit Committee	Ja	Ja	27/29	295	135
Dimitrij Titov	Member	4/20/17	–	Audit Committee	Ja	Ja	28/29	295	70
Juan Vallejo	Member	5/29/18	–	Remuneration Committee	Ja	Ja	28/29	295	85
Adam Philpott	Member	5/24/23	–	Remuneration Committee	Nej	Ja	29/29	81	12
Mario Shiliashki	Member	5/24/23	5/28/24	Remuneration Committee	Ja	Ja	4/10	295	45

Remuneration guidelines of senior executives

The 2024 AGM approved the Board of Directors' proposal regarding guiding principles for remuneration of senior executives. The guidelines are presented in the Administration report.

Articles of Association

The Articles of Association stipulate the company's operations, the number of Directors and auditors, procedure for convening shareholders' meetings, matters for consideration at the AGM and where meetings are held, as well as share classes and preferential rights. The Articles of Association are available at the website: www.fingerprints.com.

Information and communication

Fingerprints' policies and guidelines are especially important for accurate accounting, reporting and corporate communication. Information shall increase knowledge of Fingerprints, increase confidence in Fingerprints, its management and employees, and promote business activities. A Corporate Communication Policy is in place for communication with internal and external parties, containing guidelines for the company's corporate communication. The purpose is to ensure compliance with the communication obligation in an accurate and comprehensive manner.

Monitoring

Compliance with the Rules of Procedure, instructions, policies and procedures are monitored by the Board of Directors and Group Management. Board meetings consider business conditions and the financial position. The Board of Directors reviews financial statements and decides on publication of financial reports. The Board of Directors appraises its own work, and the CEO's work, yearly. A Board evaluation has been carried out by having members of the Board answer a number of questions about the Board's work. The answers were then compiled and reported by the Chairman of the Board and discussed by the Board. The Nomination Committee has thereafter in order to make correct assessments of the Board's composition, among other things, taken part of and, together with the Chairman of the Board, gone through the board evaluation and the Board's work as well as the Chairman of the Board's statement of the Company's operations, objectives and strategies. The CEO's work is evaluated on an ongoing basis by the Board. In addition, a formal CEO evaluation is normally carried out at least annually, in parallel with the board evaluation.

At least one interim or half-year report, and all annual financial reports are audited. The CEO provides monthly reports to the Board of Directors, involving all parts of operational functions.

Management meets frequently and monitors business development, financial performance and position, and significant events.

The Board of Directors meets the auditor during the year to review the audit of internal controls and other assignments. Forecasting and budgeting work is conducted continuously with a rolling, forward-looking forecast based on updated information on sales, procurement, operating expenses and product development and technology development.

Board of Directors

Gothenburg, on the date stated in the electronic signatures.

Auditor’s statement on the corporate governance report

To the General Meeting of shareholders in Fingerprint Cards AB (publ), corporate identity number 556154-2381

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2024 on pages 26-34, and that it has been prepared following the Annual Accounts Act.

The scope of the audit

Our examination follows FAR’s auditing standard RevR16. The auditor’s examination of the corporate governance report. This means that our examination of the corporate governance statement differs substantially less in scope than an audit conducted following International Standards on Auditing and generally accepted auditing standards in Sweden. We believe the examination has provided us with sufficient basis for our opinions.

Opinion

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

Stockholm, on the date stated in our electronic signature

BDO Mälardalen AB

Johan Pharmanson Authorized Public Accountant
Carl-Johan Kjellman Authorized Public Accountant

Board of Directors

CHRISTIAN LAGERLING
Chairman of the Board since 2022,
Board member since 2022

Born: 1973
Employment and other board assignments: CEO and owner of Beluca Ventures, LLC. Financial advisor to global technology companies and private investment activities in private and public technology companies. Chairman of the Board of Audiodo AB (publ), Board member of MEIQ Systems AB and GoodTrust, Inc.
Education: Master of Science in Business and Economics at Stockholm University and London School of Economics.
Background: Financial analyst for Barclays Capital (London, UK) 1998-1999; Co-founder of GP Bullhound Ltd. (London, UK & San Francisco, USA) 1999-2013; Founder of Beluca Ventures, LLC (San Francisco, USA) 2013-; Chairman of the Board of Terranet AB (publ), 2016-2018; Chairman of the Board and co-founder of Dicopay AB, 2017-2022; Chairman of the Supervisory Board of asknet Solutions AG (Frankfurt Exchange), 2021-2022; Chairman of the Board of Raymond Solar AB (2021-2024); Board member of Einride AB (2018-2021)
Holdings in Fingerprint Cards: 35,429,741 B-shares and 4,804,032 warrants*.
As financial advisor to the Company, Christian Lagerling is dependent in relation to the Company and the Company management and independent in relation to the Company's major shareholders.

ALEXANDER KOTSINAS
Board member since 2017

Born: 1967
Employment and other Board assignments: Executive Vice President and CFO at, BioGaia AB.
Education: Master of Science Engineering Physics, KTH Royal Institute of Technology, Stockholm. Bachelor of Science Economics, Stockholm School of Economics.
Background: Finance Director at Lowell Sverige AB 2017-2019, Partner Nexttobe AB 2011-2017, Vice president and CFO Q-Med AB 2008-2011, CFO Life Europe AB 2007, CFO mobile operator Tre (Hi3G Access AB) 2003-2006, vice president Investor AB (publ) 2000-2003 and different positions at Ericsson 1994-2000.
Holdings in Fingerprint Cards: 543,865 B-shares and 73,744 warrants*.
Independent in relation to major shareholders and the company and executive management.

*31 March 2025

DIMITRIJ TITOV
Board member since 2017

Born: 1962
Employment and other Board assignments: Lawyer and Managing Partner, Advokatfirman Titov & Partners. Chairman of the Board of Real Fastigheter AB (publ), the Italian Chamber of Commerce in Sweden, Italienska Handelskammarens Service AB, Din Studio Sverige AB, Phantome de Genolier AB and Webess Sverige AB. Member of the Board of Järnlodet Fastigheter AB.
Education: Master of Laws (LL.M.), Stockholm University.
Background: More than 35 years of experience as a business lawyer. Lawyer and Partner at Advokatfirman Fylgia 1995-2018, with main focus on M&A, corporate law and international agreements in the industry.
Holdings in Fingerprint Cards: 800,279 B-shares and 108,512 warrants*.
Independent in relation to major shareholders and the company and executive management.

*31 March 2025

JUAN VALLEJO
Board member since 2018

Born: 1957
Employment and other Board assignments: Chairman of the Board of Indoor Energy Group Nordic AB. Member of the Board of Mercuri International Group AB, TagMaster AB and Elajo Invest Aktiebolag (publ).
Education: Master of Science (MSc) in Engineering, Royal Institute of Technology
Background: 2011-2014: CEO, Imtech Nordic
2006-2010: CEO, Niscayah Group
1992-2006: Securitas Group Management
Holdings in Fingerprint Cards: 40,318,542 B-shares and 5,466,920 warrants*.
Independent in relation to the Company and the Company's major shareholders.

ADAM PHILPOTT

Board member since 2023

Born: 1974
Employment and other board assignments: President & CEO of Fingerprint Cards AB since 2023.
Education: Bachelor of Science degree in Marketing (Hons) from University of Derby.
Background: Chief Revenue Officer at Trellix, October 2022-2023, Chief Revenue Officer at McAfee (London, UK), 2021-2022, Senior Vice President EMEA at McAfee (London, UK), 2019-2021, Vice President EMEA at McAfee (London, UK), 2017-2019, Senior Director EMEAR Cyber Security at Cisco (UK), 2012-2017, Director Borderless Network Sales at Cisco (Singapore), 2010-2012, Regional Manager at Cisco (Australia) 2008-2010, Account Manager at Cisco (Australia) 2002-2008, Sales Manager at Ingram Micro (Australia) 1998-2002.
Holdings in Fingerprint Cards: 109,833,226 B-shares and 17,999,984 warrants*.
Dependent in relation to the Company and the executive management and independent in relation to the Company's major shareholders.

**31 March 2025*

Executive Management

ADAM PHILPOTT
Board member since 2023;
President & CEO since 2023

Born: 1975
Education: Bachelor of Science degree in Marketing (Hons) from University of Derby
Background: Chief Revenue Officer at Trellix, 2022-2023, Chief Revenue Officer at McAfee (London, UK), 2021-2022, Senior Vice President EMEA at McAfee (London, UK), 2019-2021, Vice President EMEA at McAfee (London, UK), 2017-2019, Senior Director EMEAR Cyber Security at Cisco (UK), 2012-2017, Director Borderless Network Sales at Cisco (Singapore), 2010-2012, Regional Manager at Cisco (Australia) 2008-2010, Account Manager at Cisco (Australia) 2002-2008 and Sales Manager at Ingram Micro (Australia) 1998-2002.
Holdings Fingerprint Cards: 109,833,226 Class B-shares and 17,999,984 warrants*.

FREDRIK HEDLUND
CFO since 2024

Born: 1971
Education: Bachelor of Science degree in Economics, London School of Economics
Background: Chief Growth Officer & Managing Director at Daphne Technology, 2020-2023; Senior Vice President/Business Unit CFO at Nielsen, 2009-2020; Global FP&A Leader at SABIC, 2007-2009; Various senior leadership positions at General Electric, including Divisional CFO and Corporate Development Director, 1996-2007
Holdings Fingerprint Cards: 106,436,304 Class B shares and 17 539 384 warrants*.

**31 March 2025*

DAVID EASTAUGH
Chief Strategy & Technology Officer since 2024.

Born: 1976
Education: Master of Science, Industrial Mathematical Modelling, Loughborough University. Postgraduate Diploma, Renewable Energy Systems Technology, Loughborough University. Bachelor of Engineering, Electronic and Electrical Engineering, Loughborough University.
Background: Senior Director Software Engineering at LexisNexis Risk Solutions, 2023-2024; CTO at TruNarrative, 2017-2023; Lead Developer Data Authentication at GB Group, 2010-2017
Holdings Fingerprint Cards: 19,433 Class B shares*.

**31 March 2025*

Sustainability at Fingerprints

We are working to strengthen and illuminate the benefits that our products create from a sustainability perspective and to reduce the negative impact of our operations, products and supply chain.

BUSINESS-INTEGRATED

SUSTAINABILITY FRAMEWORK

Sustainability work in Fingerprints is carried out within the company's framework, which comprises a vision, core values and policies, including the Code of Conduct and sustainability targets. Fingerprints wholeheartedly supports the UN's 17 Sustainable Development Goals (SDGs). Connected to our specific operations and material focus areas, we have decided to focus on seven of these goals.

We have defined a set of core sustainability targets, connected to our focus areas. The continuous implementation of the targets represents the core of the company's sustainability work and is part of our company-wide balanced scorecard, which contributes to giving sustainability aspects the same status as the company's other objectives. The targets have been broken down to each business area and function to determine exactly how they can contribute to target fulfilment. In our opinion, this enhances both commitment and participation.

The visibility and integration of the sustainability targets also makes it easier for managers to follow up the work. To integrate sustainability into our internal processes, we have been inspired by the Global Reporting Initiative (GRI). Our environmental and quality management systems are certified in accordance with ISO 14001 and ISO 9001. A working method has been rolled out to manage our overall policies and Code of Conduct, with the aim of managing all policy areas equally. One area of major importance is our work on responsible sourcing, and all direct suppliers must thus sign our Code of Conduct for Suppliers.

INITIATIVES AND PARTNERSHIPS

We believe that companies working collectively on sustainability challenges is the best way to achieve long-term results. In order to ensure the security and functionality of both mobile payments and card payments, we have collaborated with key payment system players, e.g. Eurosmart, a sector organization for businesses active in smart security, such as digital identities, data security, cyber security, Internet of Things (IoT), payment solutions and border control. Another example is EMVCo, a global technological body that facilitates worldwide interoperability and acceptance of secure payments by handling and developing what are known as EMV® specifications and related test processes.

New European standards for sustainability reporting (ESRS)

In June 2022, the European Commission adopted the Corporate Sustainability Reporting Directive (CSRD) which will replace and build further upon the Non-Financial Reporting Directive (NFRD) by introducing more detailed reporting requirements and expanding the number of companies that are encompassed.

On July 31, 2023, the European Commission published the first set of the European sustainability reporting standards (ESRS). This constitutes the first major step towards the implementation of the CSRD, which came into force in January 2023. However, on February 26, 2025, the European Commission presented an Omnibus package proposing to scale back the scope of the CSRD. The proposed changes to the scope would limit coverage to companies with more than 1,000 employees. Fingerprints is closely monitoring developments but will hold off on major actions until there is greater clarity on how the package will be adopted and implemented in Swedish law.

STAKEHOLDER DIALOGUE AND MATERIALITY ANALYSIS

Fingerprints' materiality analysis forms the foundation for our sustainability targets. Our targets are aligned with the UN SDGs. The Global Reporting Initiative (GRI) and stipulations of the Swedish Annual Accounts Act on non-financial information (Ch. 6 Sect. 10) have served as the starting point for producing our materiality analysis, which is integrated into the company's overall risk-management process.

All business lines and functions were involved in the work to produce the materiality analysis.

Fingerprints has identified the following stakeholder groups:

- End users
- Module houses and distributors
- Coworkers
- Investors
- Financial analysts
- Suppliers
- Business partners
- Non-Governmental Organizations (NGOs)
- Media
- Consumers
- Political decision-makers

As a result of the stakeholder dialogue and materiality analysis, the following sustainability issues have been judged to be the most material areas for Fingerprints. These have been categorized under the key focus areas established in Fingerprints' sustainability framework.

Key stakeholders' issues

Social aspects
- Secure access to the right competence and attract, develop and retain talented individuals
- Diversity
- Occupational health & safety
- Conflict minerals
- Accessing citizens' rights and social insurance systems through official identities
- Biometric integrity

Environmental aspects
- Carbon emissions
- Environmental impact of suppliers
- Recycling
- Utilization of materials

Finance/governance
- Corruption
- Reduced risk of fraud
- Product quality
- Entry barriers for biometrics.

Fingerprints' four key focus areas

1. Ethical and transparent business methods
2. Environmental protection and efficient use of resources
3. Smarter and safer solutions
4. Respect and reward our people

FOCUS AREA 1

ETHICAL AND TRANSPARENT BUSINESS METHODS

Fingerprints' success is based on the operations being conducted ethically, transparently and legally since we otherwise risk losing the faith of our stakeholders.

Our Code of Conduct summarizes the areas that are of particular importance to building the confidence of customers and other stakeholders:

- Correct reporting and documentation
- Protect the company's assets
- Responsible communication
- Protection of sensitive information
- Comply with competition laws
- Secure responsible trade
- Zero tolerance of bribes and corruption

All coworkers must confirm that they have read and understood the Code of Conduct. New employees undergo a review of the Code during their introductory training and refresher courses are implemented for all coworkers every year to ensure continuous awareness and acknowledgment of our guiding principles. In 2023, a new whistleblowing platform was implemented, which allows users to report suspected wrongdoing easily and anonymously. A new whistleblowing policy was also adopted.

Responsible purchases of minerals

Through the global association of industry associations, the World Semiconductor Council (WSC), the global semiconductor industry has undertaken to use procured minerals responsibly in its semiconductor products. WSC recommends that its local members use the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.1 The semiconductor industry has been involved in the development of compliance tools in this area, such as the OECD's roadmap, and they have subsequently also been adopted by other major industrial sectors.

Risks and risk management

Suspicions of purchases of conflict minerals in the supply chain can lead to a negative impact resulting from rumors and financial consequences for Fingerprints. Accordingly, Fingerprints evaluates its suppliers through the Responsible Minerals Initiative. Fingerprints works actively on implementing its Code of Conduct, which encompasses anti-corruption. Regular refresher courses are an important part of this work, with the focus on the content of the Code. The company's anti-corruption policy is evaluated and updated whenever required.

Targets and target fulfillment

Targets and target fulfillment

HOW FINGERPRINTS CONTRIBUTES TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Fingerprints' solutions reduce risks of fraud and enable secure authentications and payments.

TARGET AREA	LONG-TERM DESCRIPTION OF GOALS 2025	OUTCOME 2024
Acceptance and compliance with the Code of Conduct	The Code of Conduct confirmed in writing by all employees.	All employees have confirmed the Code of Conduct. The Code of Conduct is part of the on-boarding process for employees and consultants.
●	In addition to the introductory training for new employees, Refresher courses are to be arranged for all employees at least every other year.	Mandatory refresher training on Code of Conduct completed in 2024.

● Target achieved ● Target proceeding as planned/Target partly achieved ● Target not achieved

FOCUS AREA 2

ENVIRONMENTAL PROTECTION AND EFFICIENT USE OF RESOURCES

The efficient use of resources and protecting the environment are an important feature of Fingerprints' sustainability framework for minimizing our climate impact. We are determined to steadily improve our performance and our reporting in this area.

Since Fingerprints does not have any proprietary production capacity, it thus has no direct emissions (scope 1) to report. Our climate-related sustainability targets and reporting in the sustainability reports have historically focused on aspects of the operations that we can directly influence, such as consumption of energy in our offices (scope 2) and business travel (scope 3). However, since 2021 we quantify climate impact along our supply chain (scope 3), in order to enable our stakeholders to better understand the company's total climate impact and our initiatives to reduce our impact.

Environmental impact in Fingerprints' supply chain

Fingerprints' most important suppliers, in terms of purchasing value, are producers of semiconductors. Although the semiconductor industry accounts for a relatively small part of the world's overall CO_2 emissions, it has been working determinedly for a long time to reduce climate impact. A key part of this work has been voluntary reductions in PFC gas emissions. As early as 1999, each regional member organization in the World Semiconductor Council (WSC) – an international forum that brings together industry leaders to address issues of global concern to the semiconductor industry – undertook to reduce their PFC gas emissions by 10 percent by the end of 2010. This goal was comfortably surpassed, with the reduction over this ten-year period amounting to 32 percent, according to WSC. In 2011, a new target was adopted for the coming ten-year period, through 2020, expressed in terms of NER, Normalized Emission Rate, of carbon equivalents per square centimeter of manufactured wafer. The target was set at 0.22 kilos CO_2e/cm^2, corresponding to a 30-percent reduction compared with the base year of 2010. The WSC also published guidelines (best practices) for new semiconductor plants (updated in 2017). According to WSC, a reduction of 22.9 percent was achieved in 2020, in relation to the base year 2010. In 2023, the WSC announced a new PFC emissions reduction goal for 2030, committing to achieving a reduction of PFC emissions by an additional four percentage points by 2030, compared to the base year 2021. The WSC has also agreed to work on collecting scope 2 emissions, and to continue work toward developing a GHG goal comprising Scope 1 and Scope 2 emissions to be considered by the WSC in the future. The WSC started working on the data collection in 2024.

Semiconductor-enabled digital technologies also contribute to reducing emissions in various other industries, not least by increasing efficiency. For example, World Economic Forum (WEF) estimates show that digital technologies could cut emissions by up to 20 percent by 2050 in the three highest-emitting sectors: energy, materials, and mobility.

The size of the sensors developed and sold by Fingerprints has decreased over the years. The fact is that today we can fit four times as many sensors per silicon wafer than we could five years ago. As a result of this increased efficiency, combined with emissions reductions in the production process, we estimate that CO_2 emissions per sold sensor in 2024 were less than one-fourth of the corresponding figure in 2015.

Risks and risk management

A negative environmental impact from Fingerprints or our suppliers risk adversely affecting our brand reputation among customers and markets. The company has assessed its exposure to climate-related risks and does not deem that such risks would have a material impact on its financial position or performance. The company continues to monitor relevant environmental factors as part of its overall risk management process. At the same time, we work actively to achieve our environmental objective for CO_2 emissions with the focus on our indirect emissions (scope 3) and the environmental performance of suppliers.

Scope 3

Since 2021, Fingerprints quantifies the company's indirect CO_2 emissions in all relevant Scope 3

categories along the supply chain. Fingerprints' largest impact on the climate is in the supply chain, particularly connected to semiconductor manufacturing. In 2024, approximately 87 percent of Fingerprints' carbon footprint was accounted for by the manufacturing of silicon wafers and the integration and packaging of various components into modules that are ready for assembly. Measurement of our indirect emissions is an important step toward better understanding of our total climate impact, and for being able to engage in a dialogue with suppliers and trade organizations about the potential to reduce emissions over time.

As a result of Fingerprints' decision to wind down the Mobile and PC product groups, the number of sensors delivered decreased significantly in 2024, compared to 2023. This is the key driver behind the reduction in Scope 3 emissions reported for 2024. Our strategy going forward includes a key objective to increase the share of software in our revenue mix. This shift is expected to contribute to a further reduction in greenhouse gas emissions, as software solutions typically have a lower environmental impact compared to hardware production and distribution.

Targets and target fulfillment

Targets and target fulfillment

HOW FINGERPRINTS CONTRIBUTES TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

All employees and suppliers of Fingerprints must sign the company's Code of Conduct. Our quality and environmental management systems are certified according to ISO 9001 and ISO 14001.

Fingerprints has implemented a system for measuring scope 3 emissions along our supply chain.

TARGET AREA	LONG-TERM DESCRIPTION OF GOALS 2025	OUTCOME 2024
Reduce carbon emissions	Reduce scope 2 CO_2 emissions for all offices according to the market-based method with 2021 as base year (target updated). Previously, scope 2 was only reported for Scandinavian offices. 50 percent reduction achieved in 2025 through guarantees of origin.	293 tCO_2e
	Work continuously to reduce CO_2 emissions from business travel (scope 3). Reduction by 20 percent compared to the base year 2019 (323.5 tCO_2e).	163 tCO_2e*
	Continuous work to reduce CO_2 emissions from freight transport by air (scope 3).	111 tCO_2e
	Implement system for reporting CO_2 emissions at the supplier level (wafer and sensor production) and, in dialogue with suppliers, identify opportunities to reduce emissions over time.	3,943 tCO_2e
Utilization of resources in production	Continuous work to improve material utilization. At least 98 percent of sensors produced must be usable (utilization rate).	Average utilization of resources in production (%) 98.2%**

Target achieved · Target proceeding as planned/Target partly achieved · Target not achieved

* Data from Egencia for personnel outside Asia
** Based on data from fewer vendors than in previous years

FOCUS AREA 3

SMARTER AND SAFER SOLUTIONS

Fingerprints aims to supply its customers with products that fulfill or exceed their expectations to ensure that the company is not outmaneuvered by our competitors. To succeed, we have to ensure that our solutions are modern, innovative and secure.

We are determined to deliver high-quality products and services that are safe, reliable and satisfy statutory requirements. We always have the experiences, comfort and integrity of the end users in mind when we develop biometric solutions, and we work to avoid potential negative environmental or health effects during the use of our products.

We annually arrange a comprehensive customer satisfaction survey, and continuously develop our methods for collecting data on the needs of customers and end users.

Risks and risk management

Fraud in the payment area risks having a negative impact on consumers. Fingerprints' biometric solutions can reduce the risk of payment fraud and we work continuously to develop new security solutions. Public confidence in biometric solutions also influences confidence in our operations. We are transparent in our communication about the secure usage of our solutions, about risks and about Fingerprints' risk-mitigating activities.

Biometrics is now also beginning to be adopted in payment cards, where security requirements are extremely high. Our latest generation T-Shape sensor module (T2) for payment cards meets Mastercard's updated security requirements for fingerprint sensors. Our technology is integrated in the world's first biometric payment card, delivered by Thales, which has been certified by both Mastercard and Visa. Also, our technology is integrated in Infineon's SECORA™ Pay Bio, an all-in-one biometric payment card solution, fully certified for use in Visa and Mastercard payment cards, as well as in STPayBio by StMicroelectronics, an advanced platform for biometric payment cards.

Targets and target fulfillment

Targets and target fulfillment

HOW FINGERPRINTS CONTRIBUTES TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)		
Fingerprints' Aadhaar-certified products contribute to supporting people's right to an official identity.	Index-based surveys regarding customer satisfaction are conducted annually to better understand the end users' needs.	Collaboration with Eurosmart, a sector organization for businesses active in smart security, such as digital identities, data security, cyber security, Internet of Things (IoT), payment solutions and border controls.

TARGET AREA	LONG-TERM DESCRIPTION OF GOALS 2025	OUTCOME 2024		
Customer satisfaction	Drive active improvement work in key corporate functions with the objective of increasing the CSI (Customer Satisfaction Index). CSI should be above the benchmark for comparable companies and industry.	Customer Satisfaction Index		
		2022	2023	2024
		4.27	4.16	4.46
		(Benchmark: 4.07)	(Benchmark: 4.01)	(Benchmark: 4.01*)

Target achieved · Target proceeding as planned/Target partly achieved · Target not achieved · * 2023 benchmark

FOCUS AREA 4

RESPECT AND REWARD OUR PEOPLE

The people who work at Fingerprints are from different parts of the world and have varying backgrounds and competencies. With a passion for innovative technical solutions, we create products for secure and smooth identification and authentication.

As coworkers of Fingerprints, we are expected to respect each other, make sure that everyone is given the opportunity to perform optimally and ensure that everyone is acknowledged and rewarded for their efforts and performance. This is significant for our success in retaining and attracting talented employees.

All our coworkers are to have the same opportunities based on competencies, experience and performance regardless of gender, religion, age, functional impairment, sexual preference, nationality, political opinion, social background or ethnic origin. We offer our coworkers a safe, secure and inclusive workplace, where health and safety are prioritized in all respects, at our offices and during our business trips. We shall ensure that we do not violate human rights and that we respect international labor rights. Coworkers are expected to show the same respect and protect the rights of the people who work for suppliers, customers and others with whom we do business or collaborate.

Targets and target fulfillment

Targets and target fulfillment

HOW FINGERPRINTS CONTRIBUTES TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)	
We remain committed to working actively with our recruitment processes and Employer Brand to attract, retain and develop a diverse workforce.	Fingerprints wants to promote decent labor standards so that our employees have a high sense of wellbeing and are encouraged to show commitment.

TARGET AREA	LONG-TERM DESCRIPTION OF GOALS 2025	OUTCOME 2024
Promote equal opportunities	While we will not reach our long-term target of 35 percent women in our organization (employees) in 2025, we remain committed to working actively with our recruitment processes and Employer Brand to attract, retain and develop a diverse workforce with equal opportunities for all.	Share of women among Fingerprints' employees 2023 31% 2024 26%
Health and safety	No serious work-related accidents.	No serious accidents occurred.
	Not more than 1 percent of employees affected by work-related long-term sickness absence.	Less than 1 percent of coworkers affected by work-related long-term sickness absence.

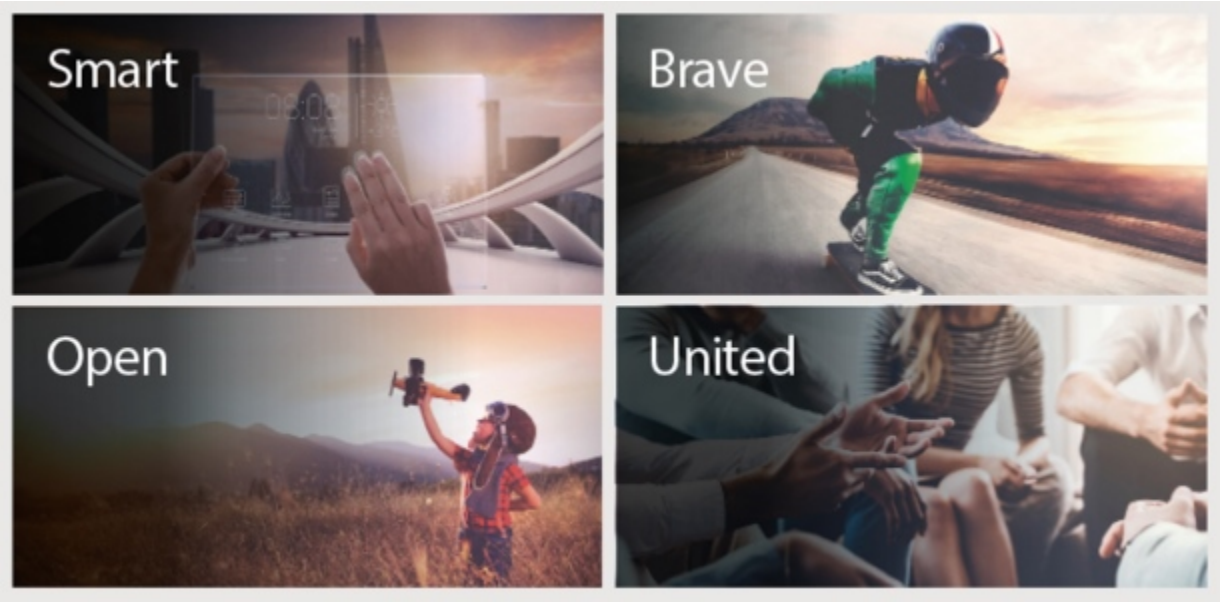
Target achieved · Target proceeding as planned/Target partly achieved · Target not achieved

Risks and risk management

If we do not succeed in attracting, recruiting and retaining the right skills, we risk not delivering on our goals. If we do not succeed in creating an inclusive work environment characterized by diversity, we risk losing innovative power, productivity, creativity and customer satisfaction. We also risk not being seen as an attractive employer for current and future employees. We work to attract employees with different experiences and backgrounds, which gives us greater competitiveness, increased knowledge and a broader perspective. Working for an inclusive and sustainable work environment is a feature of the company's strategy.

Our core values

Fingerprints' culture is characterized by entrepreneurship and innovation, motivated and solution-oriented coworkers and an open and non-hierarchical climate. The company's core values – Smart, Brave, Open, United – define who we are as a company and guide us in our decisions and in how we act internally and externally.



Adaptation of the organization

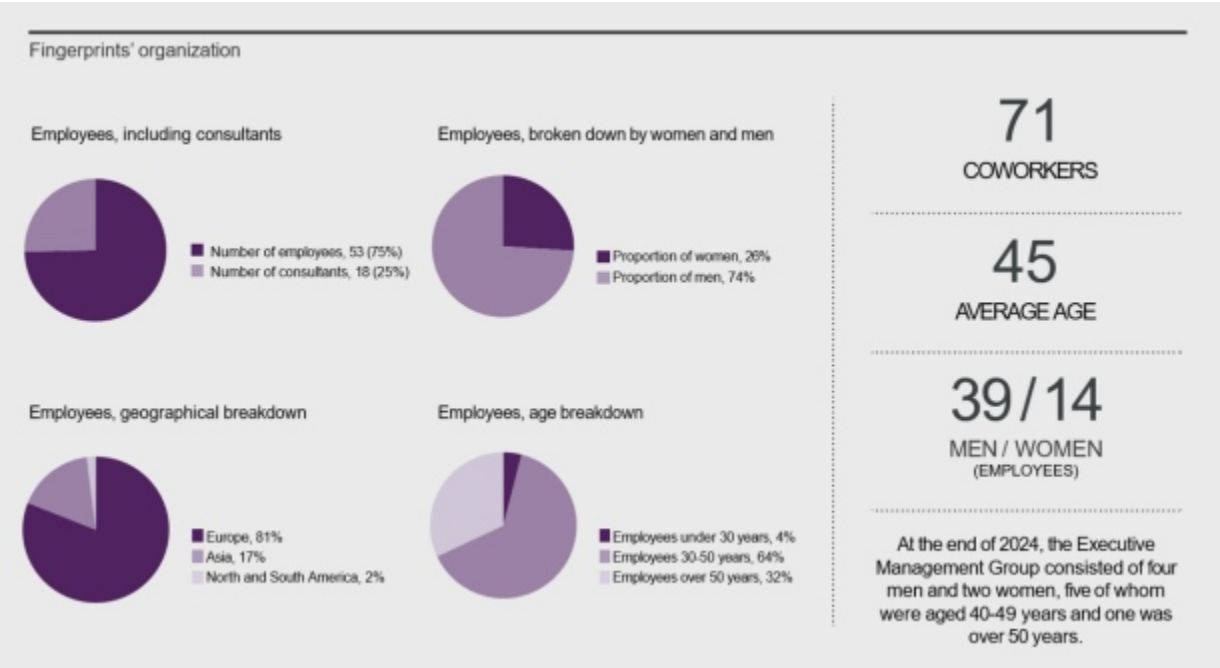
2024 was characterized by the implementation of our Transformation Plan, initiated at the end of 2023. Cost Optimization and Portfolio Refresh form key parts of the plan, with the objective of reducing operating expenses while exiting commoditized, low-margin markets to focus on profitable growth segments. By the end of 2024, we were in the final phases of the wind-down of our Mobile product group. We also initiated a wind-down of the PC product group in response to unfavorable market dynamics. This has translated into further headcount reductions and entails that we are exiting the Chinese market. The organizational adjustments implemented in 2024 were substantial and brought challenges, both for individuals and the company as a whole. However, our functional organizational model, introduced in 2023, played a critical role in enabling us to implement these necessary changes efficiently. By leveraging this structure, we were able to respond quickly to evolving needs while minimizing disruptions to our operations and maintaining business continuity.

We will continue to focus on building an empowered, efficient organization, capable of deploying our talent efficiently, aligning our people with strategic projects quickly as market opportunities evolve.

A sustainable organization

At Fingerprints, we attach considerable importance to monitoring the wellbeing of our coworkers and we work actively to create the best possible conditions for wellbeing and involvement. For a number of years, Fingerprints has arranged weekly pulse measurements involving the entire workforce, with a focus on how our employees feel and how they perceive their work situation. However, a large cost optimization program was implemented in 2024, including extensive organizational changes that led to a significant number of employees leaving Fingerprints.

In light of these changes, the company has decided to stop the pulse measurements. However, we are actively maintaining open dialogue with our employees. Our HR organization is working closely with our managers during this challenging period, encouraging all employees to provide feedback and contact their manager or HR to receive information about the changes. Our regular online staff meetings continued during the year, and a significant part of these were used to communicate about the organizational changes and to answer employees' questions. A digital tool for anonymously asking questions to management was also made available, and answers were published on Fingerprints' intranet.



In September 2024, Allbright's annual review of gender equality within Sweden's listed companies was published. Since Fingerprints had achieved an even gender distribution in the management team (40/60), the company was placed on Allbright's green list. While the significant headcount reductions during 2024 also led to a decrease in the share of women among our employees, we remain committed to having a diverse workforce with equal opportunities for all. We support an environment and a culture in which our employees learn from each other and contact their colleagues for advice, support and to share knowledge. With our core values as the point of departure, we encourage our coworkers to learn at work by daring to test new things, accepting new challenges, reserving time for reflection and sharing their experiences of successes and setbacks.

With a passion for innovative technical solutions, we create products for safe and flexible identification and authentication.

Board of Directors

Gothenburg, on the date stated in the electronic signatures.

Auditor’s opinion regarding the Statutory Sustainability Report

To the general meeting of shareholders of Fingerprint Cards AB (publ), Corp. Reg. No. 556154-2381.

Engagement and responsibility

It is the Board of Directors that is responsible for the sustainability report for the fiscal year 2024 on pages 41-51 and that it is prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

The scope of the examination

Our examination has been conducted in accordance with FAR’s auditing standard RevR 12 The auditor’s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, on the date stated in our electronic signature
BDO Mälardalen AB

Johan Pharmanson
Authorized Public Accountant

Carl-Johan Kjellman
Authorized Public Accountant

Statement of comprehensive income

SEK M	Note	2024	2023
Revenue	2,3	403.2	705.4
Cost of goods sold	4,7	-357.6	-615.8
GROSS PROFIT		45.6	89.6
Selling expenses	7	-76.5	-171.1
Administrative expenses	7,8	-127.2	-127.6
Development costs	7,10	-109.0	-117.3
Write downs	14	-287.6	-4.7
Other operating income	5	71.3	16.6
Other operating expenses	6	-38.3	-5.9
OPERATING PROFIT/LOSS	9,14,15	**-521.7**	**-320.4**
Financial income	11	2.0	4.6
Financial expenses	11	-47.1	-59.7
PROFIT/LOSS BEFORE TAX		**-566.8**	**-375.5**
Tax	12	-121.5	35.7
NET PROFIT/LOSS FOR THE YEAR		**-688.3**	**-339.8**
EARNINGS PER SHARE	13		
Before dilution (SEK)		-0.24	-0.31
after dilution (SEK)		-0.24	-0.31
Other comprehensive income			
NET PROFIT/LOSS FOR THE YEAR		**-688.3**	**-339.8**
Translation differences for the year on translation of foreign operations		44.5	-20.5
OTHER COMPREHENSIVE INCOME		44.5	**-20.5**
COMPREHENSIVE INCOME FOR THE YEAR		**-643.8**	**-360.3**
Attributable to:			
EQUITY HOLDERS OF THE PARENT COMPANY		**-643.8**	**-360.3**

Statement of financial position

SEK M	Note	31-Dec-24	31-Dec-23
ASSETS			
Intangible assets	14	229.8	504.8
Property, plant and equipment	15	1.6	3.0
Right-of-use assets	25	8.4	14.4
Uppskjuten skattefordran	12	56.0	171.6
TOTAL NON-CURRENT ASSETS		295.8	693.8
CURRENT ASSETS			
Inventories	16	48.0	133.5
Accounts receivable	17, 23	56.0	120.6
Other receivables		7.8	17.9
Prepaid expenses and deferred income	18	5.3	7.9
Cash and cash equivalents	17	12.1	109.9
TOTAL CURRENT ASSETS		129.2	389.8
TOTAL ASSETS		425.0	1,083.6
SHAREHOLDERS' EQUITY	13		
Share capital		159.7	26.0
Other paid-up capital		854.3	854.3
Translation reserve		190.3	145.8
Retained earnings including net profit for the year		-927.7	-334.5
SHAREHOLDERS' EQUITY		276.6	691.6
NON-CURRENT LIABILITIES			
Deferred tax liabilities	12	0.7	6.6
Long-term leasing liabilities	20, 25	2.7	6.5
Convertible loan	20	0.0	72.9
TOTAL NON-CURRENT LIABILITIES		3.4	86.0
CURRENT LIABILITIES			
Short-term leasing liabilities	20,25	4.1	6.2
Short-term portion of loans		13.6	21.9
Accounts payable	20	39.9	103.5
Current tax liabilities		0.6	6.3
Other current liabilities	21	11.2	25.4
Accrued expenses and deferred income	22	75.6	142.7
TOTAL CURRENT LIABILITIES		145.0	306.0
TOTAL EQUITY AND LIABILITIES		425.0	1,083.6

Statement of changes in equity

SEK M	Share capital	Other paid-up capital	Translation reserve	Retained earnings incl. net profit for the year	Total shareholders' equity
OPENING SHAREHOLDERS' EQUITY, 1 JAN 2023	18.5	854.3	166.3	**-172.6**	866.5
Net profit/loss for the year	0.0	0.0	0.0	-339.8	-339.8
Other comprehensive income for the year	0.0	0.0	-20.5	0.0	-20.5
Set-off issue and rights issue	7.5	0.0	0.0	177.9	185.4
CLOSING SHAREHOLDERS' EQUITY, 31 DEC 2023	26.0	854.3	145.8	**-334.5**	691.6
OPENING SHAREHOLDERS' EQUITY, 1 JAN 2024	26.0	854.3	145.8	**-334.5**	691.6
Net profit/loss for the year	0.0	0.0	0.0	-688.3	-688.3
Other comprehensive income for the year	0.0	0.0	44.5	0.0	44.5
Issue conversion	0.7	0.0	0.0	12.3	13.0
Issue net of transaction costs	133.0	0.0	0.0	82.8	215.8
CLOSING SHAREHOLDERS' EQUITY, 31 DEC 2024	159.7	854.3	190.3	**-927.7**	276.6

Statement of cash flows

SEK M	Note	2024	2023
OPERATING ACTIVITIES			
Profit/loss before tax		-566.8	-375.5
Adjustment for non-cash items	26	410.2	65.2
Income tax paid		-16.2	-22.1
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**-172.8**	**-332.4**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-)/Decrease (+) in inventory		34.7	175.4
Increase (-)/Decrease (+) in operating receivables		84.1	25.4
Increase (+)/Decrease (–) in operating liabilities		-153.6	43.3
CASH FLOW FROM OPERATING ACTIVITIES		**-207.6**	**-88.3**
INVESTING ACTIVITIES			
Purchase and internal development of intangible assets	14	-11.8	-47.1
Purchase of property, plant and equipment	15	0.0	-0.2
Sale of fixed assets	15	0.2	0.2
Change in financial assets		0.0	1.0
CASH FLOW TO INVESTING ACTIVITIES		**-11.6**	**-46.1**
FINANCING ACTIVITIES			
Set-off issue and rights issue		215.8	154.9
Loans		74.0	-
Convertible loan		-	145.7
Amortization of loans		-165.6	-315.2
Amortization leasing liabilities		-6.1	-11.1
CASH FLOW FROM FINANCING ACTIVITIES		118.1	**-25.7**
Cash flow for the year		-101.1	-160.1
Cash and cash equivalents at beginning of year		109.9	274.1
Effect of translation differences on cash and cash equivalents		3.3	-4.1
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	12.1	109.9

Note 1 Critical accounting policies

All amounts in millions of Swedish kronor (SEK M) unless otherwise stated.

Basis of presentation

The consolidated accounts comprise Fingerprint Cards AB (Publ) (the Parent Company) and its subsidiaries (the Group). The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS®/IAS) issued by the International Accounting Standards Board (IASB) as endorsed by the EU. The Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Groups) has also been applied.

The consolidated statement of comprehensive income and statement of financial position and the Parent Company income statement and balance sheet will be subject to adoption by the Annual General Meeting (AGM) on 28 May 2025.

The accounting policies are stated in the introduction to each note. The focus is on reviewing the accounting decisions the Group has made within the auspices of the applicable IFRS principle and avoiding repeating body text, unless considered of particular importance to understanding note content. Those accounting policies without a specific note are stated in Note 1.

Consolidation principles

Subsidiaries

The consolidated accounts comprise Fingerprint Cards AB (publ) (the Parent Company) and its subsidiaries (the Group). Subsidiaries are companies that are under the controlling influence of the Parent Company. A controlling influence is secured when the Parent Company has control over the investment, is exposed or entitled to a variable return from its holding in the company and can exercise control over the investment to influence the return. All subsidiaries are wholly owned through direct or indirect ownership, and accordingly, are considered to lie under the Group's control.

Translation to Swedish kronor on consolidation of companies in with different functional currencies

Subsidiaries prepare their financial statements in each entity's functional currency. Each Group company's functional currency is determined on the basis of the primary economic environment where the company conducts operations. The Parent Company's functional currency is Swedish kronor, which is also the presentation currency of the Parent Company and Group. This means that the financial statements are presented in Swedish kronor. All amounts are in millions of Swedish kronor unless otherwise stated.

Receivables and liabilities in foreign currency

Exchange rate differences are recognized in net profit for the year. Exchange rate differences on operating receivables and operating liabilities are recognized in operating profit and exchange rate differences on financial receivables and financial liabilities are recognized in net financial income/expense.

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 (Note 12)

- Capitalization of development costs (Note 14)
- Impairment testing of goodwill and other intangible assets (Note 14)
- Inventory valuation (Note 16)

New accounting policies

New accounting policies for 2024

Those amendments applying for the financial year beginning 1 January 2024 did not have any material effect on the financial statements.

New accounting policies 2025 and later

Certain new standards, interpretations and amendments have been published but had not yet entered into force on 31 December 2024 and in some cases have not been adopted by the EU.

With the exception of IFRS 18, the Group assesses that these amendments will not have a material effect on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. IFRS 18 establishes new requirements for the presentation of financial statements, with a particular focus on:

- Income statement: Requirements for certain mandatory subtotals are introduced as operating profit. Revenues and expenses will be classified in the income statement into five categories: operating, financing, investing, income tax and discontinued operations
- Aggregation and disaggregation of information, including the introduction of overarching principles for how information should be aggregated and disaggregated in the financial statements.
- Disclosure of key performance indicators (MPMs) shall be provided in a single note, with reconciliations to the nearest IFRS-compliant subtotal.

IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early adoption permitted. Companies will need to restate comparative periods. With regard to IFRS 18, the Group has not yet assessed its impact on the Group's financial reporting. IFRS 18 will not have any impact on the recognition and measurement of the Group's transactions, but will only affect the Group's presentation and presentation of the financial statements, including the financial statements and notes. IFRS 18 may also affect the key figures presented and how they are calculated.

Classification and presentation formats

Earnings for the Group are recognized in the statement of comprehensive income, and for the Parent Company, in the income statement. In addition, the Parent Company uses the terms balance sheet and cash flow statement for the statements the Group refers to as the statement of financial position and statement of cash flows respectively. The Parent Company balance sheet has been presented according to the format stipulated in the Swedish Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements, and IAS 7 Statement of Cash Flows.

Note 2 Revenues

Accounting policy

Fingerprints' performance obligation consists of the sale of wafers and sensor modules to distributors. This generates the total net sales of the company. On this basis, the revenue-generating operation is straight forward; distributors order wafers, Fingerprints receives the order and delivers the goods. Sensors consists of hardware, with software included as an integrated component. The transaction price is calculated at the sales price adjusted for discounts that are reported to the most likely amount. The revenue is reported when the purchaser gains control over the product and is determined by the terms of delivery. Average payment conditions is 30 days net. Sales by country refers to country where the end-customer is domiciled.

Revenue by type of product	Group	
SEK M	2024	2023
Mobile	253.7	519.1
PC	7.4	11.7
Payment	73.1	96.9
Access	69.0	77.7
SALES	403.2	705.4

Sales by country , MSEK	2024	2023	Change, %
Sweden	16.2	13.5	20
France	6.7	8.0	-17
Hong Kong	44.7	89.7	-50
China	215.4	426.2	-49
USA	51.1	97.9	-48
Others	69.1	70.1	-1
GROUP	403.2	705.4	**-43**

Note 3 Operating segments

Accounting policy

Each operating segment is defined as a business activity that can give rise to revenue or expenses and its operating profit is regularly monitored by the Group´s chief operating decision maker, and for which independent financial information is available.

Revenue is reported by Product Group: Mobile, PC, Payment and Access. Fingerprints has implemented a new functional organization and governance model to support its Biometric Platform Strategy. The two primary pillars of this organization are Product and Sales, with support from Finance, HR and other operational functions. This change means that the company no longer manages the business in separate operating segments, and we no longer report results for our previous operating segments Asia, Rest of World and New Business. Hence, the entire Group is reported as a single segment.

Total	Total	
SEK M	2024	2023
	403.2	705.4
Mobile	253.7	519.1
Payment	7.4	11.7
PC	73.1	96.9
Access	69.0	77.7
OPERATING PROFIT/LOSS	**-521.7**	**-320.4**
PROFIT/LOSS BEFORE TAX	**-566.8**	**-375.5**

Non-current assets, SEK M	2024	2023
Sweden	27.2	131.0
China	1.9	3.5
USA	210.7	387.5
Others	0.0	0.2
TOTAL	239.8	522.2

Note 4 Financial risk and risk management

Constituent items in cost of goods sold	Group	
SEK M	2024	2023
Materials	-270.5	-541.0
Amortization of capitalized development	-60.4	-35.7
Amortization of other intangible assets	-21.1	-21.2
Procurement and production overheads	-5.6	-17.9
COST OF GOODS SOLD	**-357.6**	**-615.8**

Note 5 Other operating income

	Group	
SEK M	2024	2023
Exchange rate gains of an operating character	18.1	5.9
Sales assets	50.0	0.0
Grants received	3.2	10.6
Leased offices	0.0	0.1
	71.3	16.6

State aid is reported in accordance with IAS20. Recognition of the claim and income is made when it is assessed that it is reasonably certain that the conditions associated with the support will be met and it is reasonably certain that the support will be received. The state aid received has mainly been for training initiatives for staff.

Note 6 Other operating expenses

	Group	
SEK M	2024	2023
Loss on retirement of property, plant and equipment	0.0	-0.1
Exchange rate losses of an operating character	-32.6	-5.8
Other operating costs	-5.7	0.0
	-38.3	**-5.9**

Note 7 Employees, personnel costs and remuneration of senior executives

Accounting policy

Pension benefits to employees

The Group has defined-contribution pension plans. Defined-contribution pension plans are classified as plans whereby the company's obligation is limited to the contributions it has undertaken to pay. In such cases, the amount of the employee's pension depends on the contribution the company pays to the plan, or to an insurance company and the return on capital generated by the contributions. Consequently, the employee bears the actuarial risk and the investment risk. The company's obligation regarding contributions to defined-contribution plans is recognized as an expense in profit or loss for the year in line with contributions being vested by the employee rendering services for the company over a period of time.

Severance pay

An expense for severance pay when employees leave the company is recognized only if the company is demonstrably obligated, without a realistic possibility of withdrawing, by a formal detailed plan to terminate employment before the normal point in time.

Short-term remuneration

Short-term remuneration to employees is computed without discounting and is recognized as an expense when the related services are received. A provision is recognized for the expected cost of the profit-sharing and bonus payments when the Group becomes subject to a legal or constructive obligation to make such payments as a result of the services rendered by employees and the obligation can be measured reliably.

The division between basic salary and variable compensation should be in proportion to the executive's duties and authorization. For the Chief Executive Officer and other senior executives, variable compensation is a maximum of 100 percent of basic annual salary, apart from sign-on bonus. Pension terms should be defined contribution pension solutions. The notice period from the company's side should not exceed six months. During the notice period of a maximum of six months, full salary and employment benefits are due. Upon termination by the company, severance pay may be payable up to an amount corresponding to a maximum of 12 months' salary. The notice period for the Chief Executive Officer is six months on termination by the employee and termination from the company is 12 months´salary. Decisions on share and share price-related incentive programs are taken by the general meeting of shareholders. The Board shall be entitled to depart from these guidelines if there are special reasons for this in an individual case.

Expenses for employee benefits	Group 2024	Group 2023
Salaries and benefits, etc.	146.1	219.5
Pension costs, defined contribution plans	15.7	28.4
Other social security contributions	21.8	31.8
Benefits	2.5	7.1
Other employee benefits	3.3	6.0
	189.4	292.8

Average number of employees	2024 Men	2024 Women	2024 Total	2023 Men	2023 Women	2023 Total
Sweden	30	9	39	50	16	66
Denmark	9	1	10	20	4	24
France	1	1	2	1	1	2
Japan	0	0	0	1	0	1
China	27	16	43	52	34	86
Switzerland	1	0	1	2	0	2
Great Britain	1	1	2	0	0	0
South Korea	0	0	0	3	0	3
Taiwan	5	3	8	11	4	15
USA	2	0	2	1	0	1
TOTAL	76	31	107	141	59	200

As of December 31, 2024, the number of employees totaled 53 (159), of which 39 (111) were men and 14 (48) were women.

SALARIES AND OTHER BENEFITS ALLOCATED BETWEEN SENIOR EXECUTIVES AND OTHER EMPLOYEES

Group, SEK M	2024 Senior executives	2024 Other employees	2024 Total	2023 Senior executives	2023 Other employees	2023 Total
SALARIES AND OTHER BENEFITS*	20.3	125.8	146.1	22.3	197.2	219.5
of which						
CEO	6.6	-	6.6	7.3	-	7.3
of which,						

Sweden	4.6	33.3	37.9	12.5	58.0	70.5
of which foreign countries	15.7	92.5	108.1	9.8	139.2	149.0
of which bonus, etc.	4.1	0.3	4.4	2.8	20.2	23.0
PENSION BENEFITS	2.0	13.7	15.7	3.3	25.1	28.4
of which pension benefits, CEO	0.2	0.0	0.2	0.2	0.0	0.2
of which pension benefits, others	1.8	13.7	15.5	3.1	25.1	28.2

SALARIES AND OTHER BENEFITS TO SENIOR EXECUTIVES

	2024				
Group, SEK M	Basic salary, Directors' fee	Bonus, variable compensation	Benefits	Pension	Total
CHAIRMAN OF THE BOARD					
Christian Lagerling	0.8				0.8
DIRECTORS OF THE BOARD					
Alexander Kotsinas	0.4				0.4
Adam Philpott, from 2023-05 to 2023-09	-				-
Dimitrij Titov	0.4				0.4
Juan Vallejo	0.4				0.4
Mario Shiliahki, from 2024-06	0.1				0.1
Ted Elvhage, to 2024-06	-				-
CHIEF EXECUTIVE OFFICER					
Adam Philpott, från 2023-09 *	4.4	2.2	0.0	0.2	6.8
Ted Hansson, to 2023-09					
Other senior executives (6 people) *	9.7	1.9	0.6	1.8	14.0

TOTAL FROM GROUP AND PARENT COMPANY	16.2	4.1	0.6	2.0	22.9

	2023				
Group, SEK M	Basic salary, Directors' fee	Bonus, variable compensation	Benefits	Pension	Total
CHAIRMAN OF THE BOARD					
Christian Lagerling	0.8				0.8
DIRECTORS OF THE BOARD					
Alexander Kotsinas	0.4				0.4
Adam Philpott, from 2023-05 to 2023-09	0.1				0.1
Dimitrij Titov	0.4				0.4
Juan Vallejo	0.4				0.4
Mario Shiliahki, from 2024-06	0.2				0.2
Ted Elvhage, to 2024-06	0.1				0.1
CHIEF EXECUTIVE OFFICER					
Adam Philpott, as of September 2023	1.4	0.5	0.0	0.0	1.9
Ted Hansson, to 2023-09	3.6	1.8	0.0	0.2	5.6
Other senior executives	12.0	0.5	4.8	3.1	20.4
TOTAL FROM GROUP AND PARENT COMPANY	19.4	2.8	4.8	3.3	30.3

* Bonuses to the CEO and senior executives are not paid, only refers to reserved amounts.

Note 8 Fees and reimbursement of auditors

	Group	
SEK M	2024	2023
Audit fee, BDO	4.3	5.3
Audit fee, other	0.1	0.1
Other services	0.7	0.0
TOTAL FEES	5.1	5.4

Note 9 Operating expenses by cost class

	Group	
SEK M	2024	2023
Cost of materials	-270.5	-541.0
Personnel costs	-189.4	-292.8
Depreciation, amortization and impairment	-378.5	-78.2
Other operating expenses	-157.8	-130.4
OPERATING EXPENSES	**-996.2**	**-1,042.4**

Note 10 Development expenditure

The Group's expenses for technology development and patents in 2024 amounted to SEK 120.8 M (164.1) of which SEK 11.8 M (46.8) or 10 percent (29%) was capitalized in the consolidated statement of financial position and the remaining SEK 109.0 M (117.3) was expensed.

Note 11 Financial income/expense

SEK M	2024	2023
Exchange rate gains, financial receivables, and liabilities	0.2	1.1
Other interest income	1.8	3.5
FINANCIAL INCOME	2.0	4.6
Exchange rate losses, financial receivables, and liabilities	0.0	-1.2
Interest expenses	-29.2	-32.9
Other financial expenses	-17.9	-25.6
FINANCIAL EXPENSES	**-47.1**	**-59.7**

Note 12 Taxes

Accounting policy

The Group's tax for the period consists of current tax and deferred tax. Current tax assets and liabilities for the current and preceding periods are measured at the amount expected to be paid to or from the tax authorities based on the tax rates and tax laws adopted or adopted on the balance sheet date. Current tax is tax pertaining to taxable profit for the period.

Deferred tax is recognized on all temporary differences that arise between the taxable value and carrying amount of assets and carrying amount of assets and liabilities and on deductible loss carry-forwards. Deferred tax assets are recognized in the balance sheet to the extent it is likely that they can be utilized to offset future taxable surpluses. When calculating the Group's deferred tax asset and tax liability, the prevailing tax rate in each respective country is used.

Estimates and judgments

In particular, management assesses the likelihood that deferred tax assets can be offset against surpluses in future taxation in accordance with the company's longterm forecasts. As a basis for these, they use market analyses, information regarding upcoming regulatory requirements and discussions with customers. Revaluation of deferred tax refers to the difference between theoretical tax and actual deferred tax. The parent company has a deficit that is deemed not to be usable in the foreseeable future and therefore a tax expense of SEK 111 million has been reported.

SEK M	2024	2023
Current tax expense	-12.5	-21.1
Deferred tax assets	-109.0	56.8
TOTAL REPORTED TAX EXPENSE	**-121.5**	35.7

RECONCILIATION OF EFFECTIVE TAX

SEK M	2024	%	2023	%
Profit/loss before tax	-566.8		-375.5	
Theoretical tax at applicable tax rate for Parent company	116.8	*-20.6*	77.4	*-20.6*
Differences in tax rates for foreign subsidiaries	15.1	*-2.7*	0.0	*0.0*
Non-deductible expenses	-4.6	*0.8*	-0.6	*0.2*
Non-taxable revenues	0.1	*-0.0*	4.7	*-1.2*
Revaluation deferred tax*	-243.8	*43.0*	-36.7	*10.0*
Tax attributable to previous year	-5.1	*0.9*	-9.1	*2.4*
REPORTED EFFECTIVE TAX	**-121.5**	***21.4***	35.7	***-9.3***

* Refers to a tax loss for which deferred tax has not been recognized.

UNREPORTED DEFERRED TAX ASSETS

Tax loss carry-forwards for which deferred tax assets have not been recognised in the statement of financial position:

SEK M	2024	2023
Deductible deficits	198.8	21.6

Deferred tax assets and tax liabilities are divided as follows:

Deferred tax assets

SEK M	2024	2023
Deferred tax assets to be settled after more than 12 months	56.0	171.2
TOTAL DEFERRED TAX ASSETS	56.0	171.2

Deferred tax liabilities

SEK M	2024	2023
Deferred tax liabilities to be settled after more 12 months	0.0	6.6
TOTAL DEFERRED TAX LIABILITIES	0.0	6.6

Changes in deferred tax assets and tax liabilities are stated below:

Group

Tax losses forward, SEK M	
As of 1 January 2023	120.5

Reported in income statement	56.8
Revaluation deferred tax	-6.1
AS OF 31 DECEMBER 2023	171.2
Reported in income statement	-115.1
Revaluation deferred tax	-
AS OF 31 DECEMBER 2024	56.1

Group

Temporary tax difference intangible assets, SEK M	
As of 1 January 2023	13.0
Revaluation deferred tax	-0.1
Reported in income statement	-6.3
AS OF 31 DECEMBER 2023	6.6
Revaluation deferred tax	0.3
Reported in income statement	-6.2
AS OF 31 DECEMBER 2024	0.7

Note 13 Shareholders' equity and number of shares

Accounting policy

In 2024, Fingerprint Cards AB issued new B-shares in connection with a rights issue of up to approximately SEK 312.4 million. The company also issued new shares in connection with scheduled amortization and interest payments under its convertible bonds. The issue yielded a gross of SEK 275 million, after costs of SEK 59.2 million, SEK 215.8 million was raised. The convertible bonds were repaid following the completion of the 2024 rights issue. The issues have resulted in changes in the number of B-shares and votes in Fingerprints as follows.

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

The company does not report any dilution effect as the Group's result is a loss.

	Before dilution		After dilution	
SEK	2024	2023	2024	2023
Earnings per share	-0.24	-0.31	-0.24	-0.31

Net profit for the year attributable to ordinary shareholders of the Parent Company before dilution

SEK M	2024	2023
Net profit for the year attributable to equity holders of the Parent Company	-688.3	-339.8

Weighted average number of outstanding shares before and after dilution

No of shares	2024	2023
Class A shares at beginning of the year	7,875,000	7,875,000
Issued Class A shares during the year	0	0
TOTAL NUMBER OF CLASS A SHARES	7,875,000	7,875,000
Class B shares at beginning of the year	585,214,670	412,817,719
Issued Class B shares during the year	3,079,172,488	172,396,951
Number of repurchased shares during the year	0	0
TOTAL NUMBER OF CLASS B SHARES	3,664,387,158	585,214,670
TOTAL NUMBER OF OUTSTANDING SHARES	3,672,262,158	593,089,670
Weighted average number of ordinary shares during the year before and after dilution	2,863,138,510	1,105,209,601
QUOTIENT VALUE, SEK PER SHARE	0.04	0.04

As of 31 December 2024, the registered share capital amounted to 3,668,187,158 ordinary shares (596,889,670), of which 3,800,000 (3,800,000) shares were held in treasury. Holders of common shares are entitled to receive dividends, and the holding entitles the holder to vote at general meetings of shareholders, with one vote per share.

Note 14 Intangible assets

Accounting policy

Intangible assets are recognized at cost after deduction of accumulated amortization and potential impairment.

Research and development

Development expenditure, aimed at achieving new or improved products or processes, is recognized as an asset in the statement of financial position, if the product or process is technically and commercially viable, and the company has sufficient resources to complete the development process and subsequently use or sell the intangible asset.

The carrying amount includes directly attributable expenses, such as materials and services used and consumed in connection with processing and registering legal rights. Other development expenditure is recognized in profit or loss for the year as an expense when it arises.

As all development originates in products and market demand, there are no research expenses.

Patents

Acquired patents are capitalized as intangible assets.

Goodwill

Goodwill is recognized as an intangible asset with indefinite useful life. Over and above indication, non-amortizable assets such as goodwill are subject to annual impairment tests by measuring the asset's recoverable amount. If the estimated recoverable amount is less than the carrying amount, the asset is impaired to its recoverable amount.

Depreciation and impairment

Amortization is recognized in profit or loss for the year on a straight-line basis over the estimated useful lives of intangible assets, unless such useful lives are indefinite. Useful lives are determined on the basis of expected commercial potential, earnings and the patent's remaining term of validity and technical significance. Useful lives are reviewed at least yearly. Intangible assets with definite useful lives are amortized from the date when they are available for use. Amortizable assets are tested for impairment, if at the reporting date, there is an indication that a non-current asset is impaired. Intangible assets with an indefinite useful life or that are not ready for use are tested for impairment every year and as soon as there is an indication of impairment. The recoverable amount of goodwill is measured through a value in use measurement according to the discounted cash flow method. An impairment loss is recognized when an asset's carrying amount exceeds its recoverable amount. An impairment loss is recognized as an expense in profit or loss.

Estimated useful lives are:

Products	1.5-4 years
Platforms	1.5-10 years
Customer relations	10 years
Patents	4-5 years

Useful lives are reviewed yearly.

Estimates and judgments

Capitalized development expenditure

Significant estimates by management are necessary to determine whether expenses during the development phase should be capitalized as intangible assets, and which useful life these assets should have. These estimates focus on determining how long earnings potential exists for the products, and in turn, these estimates are based on the progress of markets, competitors and technology.

Impairment of goodwill and other acquired intangible fixed assets

The impairment test of goodwill and other acquired intangible fixed assets, the recovery value for the cash-generating unit, Delta ID Inc., has been calculated based on its value in use. The value in use is calculated as the present value of future expected cash flows according to management's forecast. The most important assumptions in the forecast are sales and operating margin as well as the discount rate. A five-year cash flow forecast has been used. Sales have been assessed in the short term based on estimated customer demand, in the medium term based on third-party studies on the global market development for Iris Recognition and in the long term based on assumptions of a normalized growth rate. During the forecast period, an average growth rate of 48 percent has been estimated. The operating margin has been initially assessed based on prevailing margins and subsequently based on industry experience. The operating margin is forecast at an average of 24 percent during the forecast period. After the end of the forecast period, a growth rate of 2 per cent has been assumed. The discount rate has been assessed based on the business's estimated weighted average cost of capital (WACC). WACC is estimated at 18.6 percent. During the year, goodwill has been written down by SEK 185 million, has been presented on the line Write downs. This write-down reflects a more focused strategy in the iris recognition area. This decision aligns with the recent launch of our 4th generation iris recognition software platform, which leverages advanced machine learning (AI) to provide an effortless, prompt, and secure user experience. The company's positive view of the long-term potential in iris recognition remains unchanged and, by addressing the rise in deepfake and privacy concerns regarding iris, our new iris recognition software platform reinforces Fingerprints' commitment to cutting-edge, touchless security solutions. The discount rate has been assessed based on the business's calculated weighted average cost of capital (WACC). The WACC is calculated at 18.6 percent.

Impairment of capitalized development expenditure

In order to identify whether at the time of closing the accounts there is an indication that a fixed asset with a determinable useful period has decreased in value, the management assesses the commercial potential of each asset. In the impairment test of balanced development expenses, the recovery value for each product family has been calculated based on its value in use. The value in use is calculated as the present value of future expected cash flows according to management's forecast. The most important assumptions in the forecast are sales and operating margin as well as the discount rate. A five-year cash flow forecast has been used. Sales have been assessed in the short term based on estimated customer demand, in the medium term based on third-party studies on global market development and in the long term based on assumptions about a normalized growth rate. The operating margin has initially been assessed based on prevailing margins and then based on industry experience. After the end of the forecast period, a growth rate of 2 percent has been assumed. During the year, retained capitalized development expenditure were written down by SEK 47.8 million, has been presented on the line Write downs. The write-down of capitalized R&D projects is a consequence of the phasing out of older projects that do not meet the required return on invested capital (ROIC). By reallocating resources to more promising initiatives, Fingerprints is refining its R&D portfolio to focus on innovations that are in line with long-term profitable growth. The discount rate has been assessed based on the business's calculated weighted average cost of capital (WACC). The WACC is calculated at 17.6 percent.

The impairment of patent

For patents, no indication has been identified and thus no impairment testing has been performed for patents.

Sensitivity analysis

A sensitivity analysis shows that an indication of impairment for capitalized development costs does not arise until a volume decrease of more than 20 percent or a
3 percent increase in WACC. For goodwill and other acquired intangible assets, neither a 2 percent increase in WACC nor a 10 percent decrease in volume would give rise to any impairment.

Impairment test of goodwill and other acquired assets	2024	2023
Recoverable amount SEKm	253	486
Carrying amount, SEK M	211	387
Interest rate, % (WACC), before tax	18.6	17.6
Interest rate, % (WACC), after tax	18.6	17.6

	Goodwill		Capitalized development expenditure		Patents & other acquired intangible assets		Intangible fixed assets	
SEK M	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
ACCUMULATED COST								
Opening balance	907.9	942.6	895.4	854.2	300.9	311.6	2,104.2	2,108.4
Internally developed assets	-	-	11.8	46.8	0.0	-	11.8	46.8
Purchases	-	-	-	-	0.0	0.3	0.0	0.3
Scrapping	-	-	-188.6	-5.8	0.0	-	-188.6	-5.8
Translation difference	89.7	-34.7	0.0	0.2	28.1	-11.0	117.7	-45.5
CLOSING BALANCE	997.6	907.9	718.6	895.4	329.0	300.9	2,045.1	2,104.3
Accumulated depreciation								
Opening balance	-	-	-428.1	-396.9	-215.8	-199.6	-643.9	-596.5
Depreciation for the year	-	-	-60.4	-36.9	-23.0	-24.3	-83.4	-61.2
Scrapping	-	-	48.5	5.8	0.0	0.0	48.5	5.8
Translation difference	-	-	0.0	-0.1	-20.8	8.1	-20.8	8.0
Closing balance	0.0	0.0	-440.0	-428.1	-259.6	-215.8	-699.6	-643.9
ACCUMULATED IMPAIRMENT								
Opening balance	-603.3	-626.3	-352.3	-347.6	-0.0	-0.0	-955.6	-973.9
Impairment for the year	-184.8	0.0	-47.8	-4.7	0.0	0.0	-232.5	-4.7
Scrapping	-	-	140.3	0.0	0.0	0.0	140.3	-
Translation difference	-67.8	23.0	0.0	-	0.0	0.0	-67.8	23.0
Closing balance	-855.9	-603.3	-259.8	-352.3	0.0	-0.0	-1,115.7	-955.6
CARRYING AMOUNTS								
At beginning of year	304.6	316.3	115.0	109.7	85.1	112.0	504.7	538.0
AT END OF YEAR	141.7	304.6	18.7	115.0	69.4	85.1	229.8	504.8

Depreciation and write-downs are included in the following lines in the statement of comprehensive income

	2024	2023	2024	2023	2024	2023	2024	2023
Cost of goods sold	-	-	-60.4	-36.9	-21.1	-21.2	-81.5	-58.1
Development costs	-	-	-	-	-1.9	-3.1	-1.9	-3.1
Write downs	-184.8	-	-47.8	-4.7	0.0	0.0	-232.6	-4.7

Note 15 Property, plant and equipment

Accounting policy

Property, plant and equipment are recognized in the Group at cost less accumulated depreciation and any impairment. Cost includes the purchase price and any expenses that are directly attributable to the asset to put it in place and in the condition to be utilized for the purpose for which it was acquired.

Assets leased through leases are recognized as non-current assets in the statement of financial position and recognized initially at the lower of the item's fair value and the present value of minimum lease payments on entering the arrangement.

Depreciation and impairment

Depreciation is on a straight-line basis over the estimated useful life of the asset. Leased assets are depreciated over their estimated useful life, or if it is shorter, the contracted lease term. Depreciation is recognized in each function the assets belong to.

Estimated useful lives:

Machinery and other technical plant	5 years
Equipment, tools, fixtures and fittings	3-5 years

	Machinery and equipment	
Accumulated cost, SEK M	31-Dec-24	31-Dec-23
Opening balance	39.1	43.4
Sales/retirements	-10.4	-3.9
Purchasing	0.0	0.2
Translation difference	0.8	-0.6
Closing balance	29.5	39.1
ACCUMULATED DEPRECIATION		
Opening balance	-36.1	-39.1
Reversed depreciation on sales and retirements	10.4	3.8
Depreciation for the year	-1.4	-1.2
Translation difference	-0.8	0.4
Closing balance	-27.9	-36.1
CARRYING AMOUNTS		
At beginning of year	3.0	4.3
AT END OF YEAR	1.6	3.0

Depreciation is included in the following lines in the statement of comprehensive income

	2024	2023
Cost of goods sold	0.0	-0.0
Administrative expenses	-1.2	-1.0
Selling expenses	0.0	0.0
Development costs	-0.2	-0.2
TOTAL	**-1.4**	**-1.2**

Note 16 Inventories

Accounting policy

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is measured by applying the first-in, first-out method (FIFO) and includes expenses arising in conjunction with the purchase of inventory items and transportation to their current location and condition. Net realizable value is defined as sales price less expenses for completion and selling expenses.

Estimates and judgments

Individual judgments regarding the potential to sell products are necessary to determine the net sales value. An impairment loss has been applied with reference to the net realizable value.

	Group	
SEK M	31-Dec-24	31-Dec-23
Raw material inventory	20.3	88.3
Goods in progress	8.8	8.6
Finished goods	18.9	36.6
TOTAL	48.0	133.5

As a result of the phasing out of the Mobile business, an impairment of inventories of SEK 54.9 million was reported during the year (0.0). The impairment has been reported in the income statement as Write downs.

Note 17 Financial assets

Accounting policy

The Groups financial assets are included in the amortized cost category. Loan receivables and accounts receivable are non-derivative financial assets that have determined or determinable payments and that are not listed on an active marketplace. These assets are measured at amortized cost. Amortized cost is determined on the basis of the effective interest calculated at acquisition. Cash and cash equivalents and accounts receivable belong to this category. Accounts receivable are recognized at the amount expected to be received, i.e. after impairment of expected bad debt. Conversion to SEK is at the closing rate on the reporting date. Book value less impairment is an approximate fair value of accounts receivable.

Impaired accounts receivable are recognized at the present value of expected future cash flows. However, receivables with short maturities are not discounted. Impairment of saleable financial assets is recognized in profit or loss for the year in net financial income/expense.

Exchange rate fluctuations on operating receivables and liabilities are recognized in operating profit, while exchange rate fluctuations on financial receivables and SEK M 31 Dec 2023 31 Dec 2022 liabilities are recognized in net financial income/expense.

	31-Dec-24		31-Dec-23	
SEK M	Book value	Fair value	Book value	Fair value
FINANCIAL ASSETS				
Current financial assets				
Financial assets at amortized cost				
Accounts receivable	56.0	56.0	120.6	120.6
Cash and cash equivalents	12.1	12.1	109.9	109.9
FINANCIAL ASSETS, TOTAL	68.1	68.1	230.5	230.5

	Group	
SEK M	31-Dec-24	31-Dec-23
Total accounts receivable	56.0	120.6
Reserve for doubtful debt	0.0	0.0
Carrying amount	56.0	120.6

Cost of bad debt and doubtful accounts receivables amounted to SEK 0 M (0) for the Group. No reserve for doubtful debts has been reported as this has not historically occurred.

Note 18 Prepaid expenses and deferred income

	Group	
SEK M	31-Dec-24	31-Dec-23
Premises	1.3	0.8
Insurance expenses	1.5	0.9
License costs	0.0	0.5
Other operating expenses	2.5	5.7
TOTAL	5.3	7.9

Note 19 Cash and cash equivalents

Accounting policy

Cash and cash equivalents consist of cash funds in banks, immediately available balances in banks and corresponding institutions.

	Group	
SEK M	31-Dec-24	31-Dec-23
Cash and bank balances	12.1	109.9
TOTAL RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION/BALANCE SHEET	12.1	109.9

Note 20 Financial liabilities

Accounting policy

In September 2023, the Board of Directors made a decision concerning the issuance of convertibles in a total nominal amount of SEK 160 M to an entity managed by Heights Capital Management, Inc. The issue price for the convertibles corresponded to 92 percent of the nominal amount, fixed interest of 6 percent. Amortization every two months and term until 31/03/2027. The company could choose to make the installments in cash at 100 percent of the current installment amount or in B shares at 90 percent of market prices for the share.

Convertible debentures are reported as a compound financial instrument divided into a debt component and an equity component. As any repayment in shares took place with a variable number of shares, the debt part of the instrument must be reported as a financial liability. At the time of issue, the debt component was valued at the fair value of a similar debt that does not have a conversion right. The value of the equity component is calculated as the difference between the issue proceeds when the convertible bond was issued and the fair value of the debt component at the time of issue.

The equity component was reported as other contributed capital and was valued at SEK 4.4 M. After the issue date, the debt component was reported at amortized cost through application of the effective interest method.

Direct expenses in connection with the issue of a compound financial instrument are distributed between the debt component and the equity component proportionally to how the issue proceeds are distributed, direct expenses were reported at SEK 21.7 M.

An interest rate of 8.19 per cent was used to measure the debt at fair value, which is considered to be a market interest rate for a similar loan without conversion rights.

The original valuation of the debt was determined at SEK 133.9 M.

Following the completion of the rights issue in September 2024, the company fully repaid SEK 108 million in convertible bonds, including accrued interest. The costs of the loan of SEK 21.7 million were then expensed in full.

To cover the company's liquidity needs during the period up until the completion of the 2024 rights Issue, a consortium of external investors provided the company with a short-term loan of SEK 40 M (the "Bridge Loan"). In December 2024, the company received SEK 13.6 M in a partial disbursement of the Bridge Loan.

Book value of financial liabilities by balance sheet items and category

	Group			
	31-Dec-24		31-Dec-23	
SEK M	Book value	Fair value	Book value	Fair value
NON-CURRENT FINANCIAL LIABILITIES				
Non-current bond loan	-	-	-	-
Convertible loan	-	-	72.9	72.9
Long-term leasing liabilities	2.7	2.7	6.5	6.5
CURRENT FINANCIAL LIABILITIES				
Short-term leasing liabilities	4.1	4.1	6.2	6.2
Short-term portion of loans	13.6	13.6	21.9	21.9
Accounts payable	39.9	39.9	103.4	103.4
FINANCIAL LIABILITIES, TOTAL	60.3	60.3	210.9	210.9
BY CATEGORY				
Financial liabilities at amortized cost	60.3	60.3	210.9	210.9
FINANCIAL LIABILITIES, TOTAL	60.3	60.3	210.9	210.9

	Group			
Maturity analyses, financial liabilities, SEK M	0-3 months	3 months-1 yr	1-2 yrs	2-3 år
Short-term portion of loans	13.6	-	-	-
Accounts payable	39.9	0.0	0.0	0.0
Leasing liabilities	1.0	3.1	2.7	-
TOTAL	54.5	3.1	2.7	0.0

Note 21 Other current liabilities

SEK M	31-Dec-24	31-Dec-23
Employee withholding tax	2.4	3.5
Other	8.8	21.9
TOTAL	11.2	25.4

Note 22 Accrued expenses and deferred income

Commission refers to estimated liability for discounts provided.

	Group	
SEK M	31-Dec-24	31-Dec-23
Salaries	15.8	20.4
Social security contributions	1.7	3.8
Material and production expenses	4.2	2.7
Directors' fees and company expenses	1.1	0.0
Commissions	40.0	103.1
Audit	1.5	1.0
Restructuring expenses	7.0	9.5
Other overheads	4.3	2.2
TOTAL	75.6	142.7

Note 23 Financial risks and risk management

Group and Parent Company

The Group's activities expose it to a variety of financial risks.

Financial risks mean fluctuations in the company's earnings and cash flow due to variations in exchange rates, interest rates and risks relating to refinancing and credit issuance. The Group's financial policy for managing financial risks has been prepared by the Board and comprises a framework of guidelines and rules in the form of risk mandates and limits for financing activities. Financial transactions and risks are managed by the Parent Company's Finance function.

The objectives are to:

- Manage and control financial risks.
- Minimize the negative earnings impact of market changes in currencies and interest rates.
- Plan and ensure adequate liquidity for operating activities.
- Optimize the use of capital and cash flows.

Financing risk

Financing risk is the risk of access to financing capital, and the price of financing capital varying, with the risk of unfavorable terms.

Liquidity risk

Liquidity risk is the risk that the Group encounters problems meeting its obligations associated with financial liabilities. The Group has rolling liquidity planning, which is updated monthly. The Group's forecasts cover a minimum of six months of rolling liquidity planning over the medium term. Liquidity planning is used to manage liquidity risk and the cost of financing the Group.

The aim is that the Group should be able to meet its financial commitments and have the necessary contingency well in advance. It should be possible to offset upturns and downturns without incurring significant unforeseen costs. Available liquidity in the Group at year end amounted to SEK 12,1 M (109,9). In accordance with the Finance Policy, there should always be sufficient cash and cash equivalents and confirmed credit lines to cover short-term liquidity requirements.

The company's accounts payable amounted to SEK 39,9 M (103,5).

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will vary due to changes in market prices. IFRS divides market risks into three types; currency risk, interest rate risk and other price risk. It is primarily currency risk that affects the Group, while the Group is not exposed to interest rate risk following the repayment of the convertible bonds during 2024.

The Group's aim is to manage and control market risks within specific parameters and simultaneously optimize the results of risk-taking within specific parameters. These parameters are established with the aim of ensuring that market risks have only a marginal impact on the Group's earnings and financial position in the short term (6-12 months). However, protracted changes in exchange rates will impact consolidated earnings in the longer term.

Currency risk

The risk that the fair value and cash flows of financial instruments will fluctuate when the value of foreign currencies changes. The main exposure is derived from the Group's sales and purchases in USD. These currency risks comprise the risk of fluctuations in the value of financial instruments, accounts receivables and accounts payable and the currency risk inherent in expected and contractual payment flows. Such risks constitute transaction exposure.

According to the Finance Policy, currency exchange risks should not be hedged. USD-denominated net surpluses are exchanged to SEK on a continuous basis. Net profit/loss for the year includes exchange rate differences amounting to a positive SEK 35.4 M (pos: 5.9) in operating profit/loss and a positive SEK 0.2 M (0.0) in the financial net.

Transaction exposure

As per the balance sheet date, the Group's transaction exposure with regard to sales and materials was in the following currencies.

SEK M	Net flows
2024	
USD exposure expressed in SEK and total	104.0
2023	
USD exposure expressed in SEK and total	124.2

The transaction exposure has not been hedged.

Sensitivity analysis

A 10 percent change in the value of the Swedish krona against other currencies as of 31 December 2024, would result in shareholders' equity and net profit for the period changing by SEK 11 M (51). The sensitivity analysis is based on all other factors remaining unchanged.

Credit risk

The company insures most of its accounts receivable through a third party.

Capital management

The company aims to maintain a strong capital base to support the continued development of the business and to ensure financial stability. Our capital management policy aims to optimize the capital structure and ensure access to financing on competitive terms. To manage the capital, the company uses the following processes:

- Capital structure monitoring: Regularly reviewing and adjusting the capital structure to ensure that it is aligned with the company's strategic objectives and market conditions.
- Risk management: Identification and management of financial risks, including liquidity risks, to minimize potential adverse effects on the company's financial position.
- Financing strategy: Maintaining a diversified funding base through a combination of equity and other sources of funding to ensure long-term financial flexibility.

Note 24 Customers

Age analysis, accounts receivable	Group	
Carrying amount, SEK M	2024	2023
Non-overdue accounts receivable	19.7	86.3
Overdue accounts receivable 0-30 days	1.6	29.7
Overdue accounts receivable 30-90 days	33.9	2.4
Overdue accounts receivable >90 days	0.8	2.2
Reserve for doubtful debt	0.0	0.0
TOTAL	56.0	120.6

	2024			2023		
Sales per year	Number of customers	% of total number of customers	% of value	Number of customers	% of total number of customers	% of value
‹ 1 Mkr	40	73	2.0	27	79	4.4
SEK 1-10 M	10	18	9.0	5	15	13.3
› 10 Mkr	5	9	89.0	2	6	82.3
TOTAL	55	100	100.0	34	100	100.0

Note 25 Leases

Fingerprints is the lessee in agreements regarding real estate. The agreements are reported as a right-of-use asset and as a corresponding liability as of the date the asset is available for use. The lease payments are divided into interest payments and amortization. The interest component is presented as interest paid in the cash flow statement. The right-of-use asset is depreciated on a straight-line basis during the useful life of that asset or the lease term. Assets and liabilities arising from leases are measured on the basis of cost. The lease liability consists of the present value of fixed fees, variable fees that depend on the index or price, amounts that are expected to be paid out according to residual value guarantees. Future charges are discounted using the implicit interest rate of the contract. If it cannot be determined, the group's marginal loan rate is used instead. Expenses for leases with a lease term of less than 12 months and leases for low-value assets are accrued on a straight-line basis and are recognised as an expense in the income statement. Low-value assets mainly refer to IT equipment, office furniture and other office equipment.

	Group	
Lease arrangements where the company is the lessee, SEK M	31-Dec-24	31-Dec-23
Non-cancelable lease charges amount to:		
Within one year	4.1	6.3
Between one year and two years	2.8	4.1
Between two years and three years	0.0	2.8
Between three years and four years	0.0	0.0
Between four years and five years	0.0	0.0
TOTAL	6.9	13.2

	Group	
Lease payments for leases during the year, SEK M	2024	2023
Lease payments	21.0	23.3
TOTAL LEASE PAYMENTS	21.0	23.3

	Group	
Lease agreements, in balance sheet, SEK M	2024	2023
Right-of-use assets, January 1	14.4	25.3
Added right-of-use assets	0.0	0.0
Depreciation	-6.2	-11.1
Translation difference	0.1	0.2
RIGHT-OF-USE ASSETS, CLOSING BALANCE	8.3	14.4

	Group	
Lease agreements, in income statement, SEK M	2024	2023
Depreciation use-of rights assets	-6.2	-11.1
Interest costs leasing liabilities	-0.2	-0.3
Expenses for short-term leases and leases of low value	-0.2	-0.2
LEASE AGREEMENTS, IN INCOME STATEMENT, SEK M	**-6.6**	**-11.6**

Note 26 Statement of Cash Flows

Accounting policy

The cash flow statement has been prepared in accordance with the indirect method. Foreign Group companies' cash flows are translated at average rates of exchange.

Intereset received SEK 1.7 million

Interest paid SEK 29.2 million

	Group	
SEK M	31-Dec-24	31-Dec-23
The following components are included: Cash and bank balances:		
Total in statement of financial position	12.1	109.9
TOTAL IN STATEMENT OF CASH FLOWS	12.1	109.9

ADJUSTMENT FOR NON-CASH ITEMS

	Group	
SEK M	2024	2023
Revaluation of inventory	4.7	-6.5
Depreciation according to plan and impairment	378.5	78.2
Change in equity	12.7	0.0
Change in accrued interest	0.0	-0.8
Transaction revaluations	14.3	-5.7
TOTAL	410.2	65.2

CHANGE IN LIABILITIES RECOGNISED IN FINANCING ACTIVITIES

	Group	
SEK M	2024	2023
Opening balance	79.4	306.1
Changes affecting cash flow:		
Convertible loan	0.0	145.7
Bridge loan	74.0	0.0
Amortization	-165.6	-315.2
Amortization leasing	-6.1	-11.1
Non-cash flow-affecting adjustments		
Amortization bond loan	-14.7	-27.1
New leasing contracts	0.0	1.3
Interest	0.0	-3.6
Accrual set-up fees	25.2	0.0
Reclassifications of long-term/current liabilities	28.1	-16.9
TOTAL	20.4	79.4

Note 27 Post balance sheet date events

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.

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 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.

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).

As disclosed in the 2024 year-end report, 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. As disclosed in the January-March 2025 interim report, Rebecca Stein, Chief Legal Officer, has decided to leave Fingerprints. 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.

PARENT COMPANY FINANCIAL STATEMENTS

Income statement

SEK M	Note	2024	2023
Revenue	29	2.3	28.9
Cost of goods sold	30	-2.2	-9.3
GROSS PROFIT		0.1	19.6
Selling expenses		-16.0	-27.4
Administrative expenses		-87.4	-113.9
Development costs		-15.0	-22.2
Other operating income	31	100.5	3.9
Other operating expenses	32	-8.9	0.0
OPERATING PROFIT/LOSS	33,34,35	**-26.7**	**-140.0**
Financial income	36	26.8	82.0
Interest expenses etc	36	-51.1	-62.0
PROFIT/LOSS AFTER FINANCIAL ITEMS		**-51.0**	**-120.0**
Appropriations	37	-259.9	-213.1
PROFIT/LOSS BEFORE TAX		**-310.9**	**-333.1**
Tax	38	-111.2	50.9
NET PROFIT/LOSS FOR THE YEAR		**-422.1**	**-282.2**
TOTAL RESULT FOR THE PERIOD		**-422.1**	**-282.2**

PARENT COMPANY FINANCIAL STATEMENTS

Balance sheet

SEK M	Note	31-Dec-24	31-Dec-23
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	40	0.1	0.2
Property, plant and equipment	41	0.9	1.8
Shares and participations in subsidiaries	51	24.3	21.1
Non-current receivables from Group companies	50	165.3	345.0
Deferred tax assets	38	54.9	165.8
TOTAL NON-CURRENT ASSETS		245.5	533.9
CURRENT ASSETS			
Inventories	42	0.0	0.0
Receivables from Group companies	50	1.2	4.0
Accounts receivable	43	27.2	0.4
Tax receivables		0.7	2.7
Other receivables		2.6	1.8
Prepaid expenses and deferred income	44	5.5	6.2
Cash and bank balances	43,45	3.4	25.8
TOTAL CURRENT ASSETS		40.6	40.9
TOTAL ASSETS		286.1	574.8
SHAREHOLDERS' EQUITY	39		
RESTRICTED SHAREHOLDERS' EQUITY			
Share capital		159.7	26.0
Statutory reserve		41.4	41.4
NON-RESTRICTED SHAREHOLDERS' EQUITY			
Share premium reserve		777.4	681.5
Accumulated profit or loss		-417.3	-135.1
Net profit/loss for the year		-422.1	-282.2
TOTAL SHAREHOLDERS' EQUITY		139.1	331.6
NON-CURRENT LIABILITIES			
Liabilities to Group companies	50	103.2	
Convertible loan	46		72.9
TOTAL NON-CURRENT LIABILITIES		103.2	72.9
Short-term portion of loans	46	13.6	21.9
Accounts payable	50	19.0	17.0
Liabilities to Group companies	38	3.4	49.5
Current tax liabilities		-	2.6
Other current liabilities	47	1.2	21.4

ACCRUED EXPENSES AND DEFERRED INCOME	48	6.6	57.9
TOTAL CURRENT LIABILITIES		43.8	170.3
Total Equity and Liabilities		286.1	574.8

PARENT COMPANY FINANCIAL STATEMENTS

Statement of changes in equity

	Restricted shareholders' equity			Non-restricted shareholders' equity			
SEK M	Share capital	Statutory reserve	Fund for development expenditure	Share premium reserve	Accumulated profit or loss	Net profit/loss for the year	Total shareholders' equity
OPENING SHAREHOLDERS' EQUITY, 1 JAN 2023	18.5	41.4	87.6	414.9	119.9	**-255.0**	427.3
Net profit/loss for the year	0.0	0.0	0.0	0.0	0.0	-282.2	-282.2
Change fund for activated own development work	0.0	0.0	-87.6	87.6	0.0	0.0	0.0
Set-off issue and rights issue	7.5	0.0	0.0	179.0	0.0	0.0	186.5
Appropriation of profit/loss	0.0	0.0	0.0	0.0	-255.0	255.0	0.0
CLOSING SHAREHOLDERS' EQUITY, 31 DEC 2023	26.0	41.4	0.0	681.5	**-135.1**	**-282.2**	331.6
OPENING SHAREHOLDERS' EQUITY, 1 JAN 2024	26.0	41.4	0.0	681.5	**-135.1**	**-282.2**	331.6
Net profit/loss for the year	0.0	0.0	0.0	0.0	0.0	-422.1	-422.1
Change fund for activated own development work	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Issue conversion	0.7	0.0	0.0	13.1	0.0	0.0	13.8
Emissionslikvid netto efter emissionskostnader	133.0	0.0	0.0	82.8	0.0	0.0	215.8
Appropriation of profit/loss	0.0	0.0	0.0	0.0	-282.2	282.2	0.0
CLOSING SHAREHOLDERS' EQUITY, 31 DEC 2024	159.7	41.4	0.0	777.4	**-417.3**	**-422.1**	139.1

PARENT COMPANY FINANCIAL STATEMENTS

Cash flow statement

SEK M	Note	2024	2023
OPERATING ACTIVITIES			
Profit/loss before tax		-310.9	-333.1
Adjustment for non-cash items	52	281.1	213.6
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**-29.8**	**-119.5**
Income tax paid		-0.9	-4.1
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Increase (-)/Decrease (+) in inventory		0.0	2.6
Increase (-)/Decrease (+) in operating receivables		-24.1	34.6
Increase (+)/Decrease (–) in operating liabilities		-37.3	-11.6
CASH FLOW FROM OPERATING ACTIVITIES		**-92.2**	**-98.0**
Sale of fixed assets	41	0.1	0.1
Increase financial assets		-0.0	0.0
CASH FLOW FROM INVESTING ACTIVITIES		0.1	0.1
Set-off issue and rights issue		215.8	154.9
Amortization loan	46	-165.6	-315.2
Loans		74.0	145.7
Change intercompany loan		-54.5	-51.9
CASH FLOW FROM FINANCING ACTIVITIES		69.7	**-66.5**
CASH FLOW FOR THE YEAR		-22.4	-164.4
Cash and cash equivalents at beginning of year		25.8	191.3
Effect of translation differences on cash and cash equivalents		0.0	-1.1
CASH AND CASH EQUIVALENTS AT END OF YEAR	44	3.4	25.8

Note 28 Parent company accounting policies

All amounts in millions of Swedish kronor (SEK M) unless otherwise stated.

Parent Company accounting policies

The Parent Company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. According to RFR 2, the Parent Company should apply all IFRSs and statements endorsed by the EU in its annual accounts as far as possible within the auspices of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and with respect to the relationship between accounting and taxation. The recommendation stipulates the exemptions from, and supplements to, IFRS that are to be applied.

Differences between the Group's and Parent Company's accounting policies

The main differences between the Group's and Parent Company's accounting policies are stated below. The accounting policies stated below for the Parent Company have been applied consistently to all periods presented in the Parent Company's financial statements.

Subsidiaries

Shares and participations in subsidiaries are reported at cost in the Parent Company after deducting for impairment. On business combinations, the Parent Company includes expenditure relating to the acquisition in costs pursuant to RFR 2.

Leased assets

The standards on accounting for leasing agreements in accordance with IFRS 16 are not applied in the Parent Company. This means that leasing fees are reported as an expense on a straight-line basis over the leasing period and that right-of-use assets and leasing liabilities are not included in the Parent Company's balance sheet.

Untaxed reserves

The Parent Company recognizes the difference between depreciation and amortization according to plan and depreciation and amortization conducted for tax purposes as accumulated excess depreciation and amortization, which is included in untaxed reserves.

Classification and presentation formats

Earnings for the Group are recognized in the statement of comprehensive income, and for the Parent Company, in the income statement. In addition, the Parent Company uses the terms balance sheet and cash flow statement for the statements the Group refers to as the statement of financial position and statement of cash flows respectively. The Parent Company balance sheet has been presented according to the format stipulated in the Swedish Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements, and IAS 7 Statement of Cash Flows.

Note 29 Revenues

Accounting policy

See description under Group revenue, Note 2. Inter-company sales in the Parent Company relate primarily to service fees.

Revenue by type of product	Parent Company	
SEK M	2024	2023
Mobile	0.0	2.6
PC	0.0	-0.0
Payment	2.3	0.7
Access	0.0	-0.0
Intercompany sales	0.0	25.7
SALES	2.3	28.9

Note 30 Cost of goods sold

Constituent items in cost of goods sold	Parent Company	
SEK M	2024	2023
Procurement and production overheads	-2.2	-9.3
COST OF GOODS SOLD	**-2.2**	**-9.3**

Note 31 Other operating income

	Parent Company	
SEK M	2024	2023
Exchange rate gains, operating receivables and liabilities	0.0	3.8
Reversal of provisions from prior years	53.0	0.0
Patent licens	6.8	0.0
Ongoing winding down of operations in Asia	40.5	0.0
Other income	0.2	0.1
TOTAL	100.5	3.9

Note 32 Other operating expenses

	Parent Company	
SEK M	2024	2023
Exchange rate losses, operating receivables and liabilities	-5.6	0.0
Other operating expenses	-3.3	0.0
TOTAL	**-8.9**	0.0

Note 33 Employees, personnel costs and remuneration of senior executives

Accounting policy

See reference to Note 7, Group.

	Parent Company	
Expenses for employee benefits	2024	2023
Salaries and benefits, etc.	11.7	23.9
Pension costs, defined contribution plans	2.2	3.4
Other social security contributions	4.3	6.6
Benefits	0.0	0.1
Other employee benefits	1.9	3.3
	20.1	37.3

Parent Company	2024			2023		
Average number of employees	Men	Women	Total	Men	Women	Total
Sweden	8	7	15	11	7	18

Note 34 Fees and reimbursement of auditors

	Parent Company	
SEK M	2024	2023
Audit fee, BDO	3.7	3.7
Audit fee, other	0.0	0.0
Other services	0.5	0.0
TOTAL FEES	4.2	3.7

Note 35 Operating expenses by cost class

	Parent Company	
SEK M	2024	2023
Cost of materials	-2.2	-8.7
Personnel costs	-20.1	-37.3
Depreciation, amortization and impairment	-1.0	-1.9
Other operating expenses	-106.2	-124.9
OPERATING EXPENSES	**-129.5**	**-172.8**

Not 36 Financial income/expense

SEK M	2024	2023
Intercompany Dividend	0.7	51.6
Gain/loss on sale of subsidiary	0.0	1.5
Exchange rate gains, financial receivables, and liabilities	17.4	-0.5
Interest income attributable to Group companies	8.1	27.1
Other interest income	0.7	2.3
FINANCIAL INCOME	26.8	82.0
Loss on impairment of shares in subsidiaries	-2.0	-
Exchange rate losses, financial receivables, and liabilities	0.0	-1.2
Interest expenses	-28.7	-32.5
Interest expenses intercompany	-2.6	-2.7
Other financial expenses	-17.9	-25.6
FINANCIAL EXPENSES	**-51.1**	**-62.0**

Note 37 Appropriations

	Parent Company	
SEK M	2024	2023
Appropriations		
Group contribution	-259.9	-213.1
APPROPRIATIONS	**-259.9**	**-213.1**

The Parent Company granted Group contributions to Fingerprint Cards Anacatum IP AB and Fingerprint Cards IP AB.

Note 38 Taxes

Estimates and judgments

Management especially considers the likelihood of whether deferred tax assets can be offset against surpluses in future taxation.

Intercompany Dividend	Parent Company	
SEK M	2024	2023
Current tax expense	-0.3	-5.6
Deferred tax expense	-110.9	56.5
TOTAL REPORTED TAX EXPENSE	**-111.2**	50.9

Reconciliation of effective tax	Parent Company			
SEK M	2024	%	2023	%
Profit/loss before tax	-310.9		-333.1	
Theoretical tax at applicable tax rate for Parent company	64.1	-20.6	68.6	-20.6
Differences in tax rates for foreign subsidiaries	0.0	0.0	0.0	0.0
Non-deductible expenses	-4.2	1.3	-0.1	0.0
Non-taxable revenues	0.5	-0.2	10.7	-3.1
Losses for which no tax has been reported	-171.6	55.2	-22.8	6.8
Tax attributable to previous year	0.0	0.0	-5.6	1.7
REPORTED EFFECTIVE TAX	**-111.2**	35.8	50.9	**-14.9**

Deferred tax assets and tax liabilities are divided as follows:

Deferred tax assets, SEK M	2024	2023
Deferred tax assets to be settled after more than 12 months	54.9	165.8
TOTAL DEFERRED TAX ASSETS	54.9	165.8

Changes in deferred tax assets and tax liabilities are stated below:

Tax losses forward, SEK M	
As of 1 January 2023	109.3
Reported in income statement	56.5
AS OF 31 DECEMBER 2023	165.8
Reported in income statement	-110.9
AS OF 31 DECEMBER 2024	54.9

Note 39 Shareholders' equity and number of shares

Accounting policy

Earnings per share before and after dilution is calculated as the year's net profit attributable to equity holders of the Parent Company divided by the average number of outstanding shares. Repurchased shares held in treasury are not included in outstanding shares. Weighted average number of repurchased shares as from when the repurchase was carried out.

Weighted average number of outstanding shares before and after dilution		
No of shares	2024	2023
Class A shares at beginning of the year	7,875,000	7,875,000
Issued Class A shares during the year	0	0
TOTAL NUMBER OF CLASS A SHARES	7,875,000	7,875,000
Class B shares at beginning of the year	585,214,670	412,817,719
Issued Class B shares during the year	3,071,297,488	172,396,951
TOTAL NUMBER OF OUTSTANDING CLASS B SHARES	3,656,512,158	585,214,670
TOTAL NUMBER OF OUTSTANDING SHARES	3,664,387,158	593,089,670
Weighted average number of ordinary shares during the year before and after dilution	2,863,138,510	1,105,209,601
QUOTIENT VALUE, SEK PER SHARE	0.04	0.04

As of 31 December 2024, registered share capital amounted to 3,668,187,158 ordinary shares (596,889,670), of which 3,800,000 (3,800,000) shares were held in treasury. Holders of common shares are entitled to receive dividends, and the holding entitles the holder to vote at general meetings of shareholders, with one vote per share.

Note 40 Intangible assets

Accounting policy

Intangible assets are recognized at cost after deduction of accumulated amortization and potential impairment.

Parent Company	Patents & other acquired intangible assets		Intangible fixed assets	
SEK M	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
ACCUMULATED COST				
Opening balance	10.9	10.9	10.9	10.9
Internally developed assets	-	-	0.0	0.0
Purchases	0.0	0.0	0.0	0.0
Divestments	0.0	0.0	0.0	0.0
Translation difference	-	-	-	-
Closing balance	10.9	10.9	10.9	10.9
ACCUMULATED DEPRECIATION				
Opening balance	-10.7	-9.5	-10.7	-9.5
Depreciation for the year	-0.1	-1.2	-0.1	-1.2
Divestments	0.0	0.0	0.0	0.0
Translation difference	-	-	-	-
Closing balance	-10.8	-10.7	-10.8	-10.7
ACCUMULATED IMPAIRMENT				
Opening balance	-0.0	0.0	-0.0	-0.0
Impairment for the year	0.0	0.0	-0.0	-0.0
Divestments	0.0	0.0	0.0	0.0
Translation difference	-	-	-	-
Closing balance	-0.0	-0.0	-0.0	-0.0
CARRYING AMOUNTS				
At beginning of year	0.2	1.4	0.2	1.4
AT END OF YEAR	0.1	0.2	0.1	0.2

Depreciation is included in the following lines in the statement of comprehensive income

	2024	2023	2024	2023
Cost of goods sold	-	-	-	-
Development costs	-0.1	-	-0.1	-

Note 41 Property, plant and equipment

Estimates and judgments

Impairment of property, plant and equipment

Estimated future cash flows, which are based on internal business plans and forecasts, are used to determine value in use. Even if management considers an estimated future cash flows are reasonable, other assumptions regarding cash flows can have a material impact on measurements. No indication that property, plant and equipment is impaired has been identified, and accordingly, no impairment tests have been conducted.

	Machinery and equipment	
Accumulated cost, SEK M	2024	2023
Opening balance	24.3	27.5
Sales/retirements	-0.2	-3.2
Purchasing	0.0	0.0
Closing balance	24.1	24.3
ACCUMULATED DEPRECIATION		
Opening balance	-22.5	-25.1
Reversed depreciation on sales and retirements	0.2	3.2
Depreciation for the year	-0.9	-0.6
Closing balance	-23.2	-22.5
CARRYING AMOUNTS		
At beginning of year	1.8	2.4
AT END OF YEAR	0.9	1.8

Depreciation is included in the following lines in the statement of comprehensive income	2024	2023
Cost of goods sold	0.0	0.0
Administrative expenses	-0.8	-0.5
Selling expenses	-0.1	-0.1
Development costs	0.0	0.0
TOTAL	**-0.9**	**-0.6**

Note 42 Inventories

Accounting policy

No inventories are recorded in the parent company´s accounts, as the inventory is owned by the Singapore subsidiary.

Note 43 Financial assets

FAIR VALUE AND CARRYING AMOUNT OF FINANCIAL ASSETS BY BALANCE SHEET ITEM AND CATEGORY

	31-Dec-24		31-Dec-23	
SEK M	Book value	Fair value	Book value	Fair value
FINANCIAL ASSETS				
NON-CURRENT RECEIVABLES FROM GROUP COMPANIES	165.3	165.3	345.0	345.0
Current receivables from group companies	1.2	1.2	4.0	4.0
Accounts receivable	27.2	27.2	0.4	0.4
Cash and cash equivalents	3.4	3.4	25.8	25.8
FINANCIAL ASSETS, TOTAL	197.1	197.1	375.2	375.2

	Parent Company	
SEK M	31-Dec-24	31-Dec-23
Total accounts receivable	27.2	0.4
Reserve for doubtful debt	0.0	0.0
Carrying amount	27.2	0.4

Internal long-term receivable are charged at market interest rates. No provision has been made for credit losses as no such risk is deemed to exist.

Cost of bad debt and doubtful accounts receivables amounted to SEK 0 M (0) for the Parent company.

Note 44 Prepaid expenses and deferred income

	Parent Company	
SEK M	31-Dec-24	31-Dec-23
Premises	1.0	1.5
Insurance expenses	1.5	0.3
License costs	0.0	0.0
Other operating expenses	2.9	4.4
TOTAL	5.5	6.2

Note 45 Cash and cash equivalents

Accounting policy

Cash and cash equivalents consist of cash funds in banks, immediately available balances in banks and corresponding institutions, as well as short-term liquid placements exposed to only an insignificant risk of value fluctuation.

	Parent Company	
SEK M	31-Dec-24	31-Dec-23
Cash and bank balances	3.4	25.8
TOTAL RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION/BALANCE SHEET	3.4	25.8

Note 46 Financial liabilities

Accounting policy

See Note 20, Group.

BOOK VALUE OF FINANCIAL LIABILITIES BY BALANCE SHEET ITEMS AND CATEGORY	Parent Company			
	31-Dec-24		31-Dec-23	
SEK M	Book value	Fair value	Book value	Fair value
NON-CURRENT FINANCIAL LIABILITIES				
Non-current bond loan	-	-	-	-
Convertible loan	0.0	0.0	72.9	72.9
CURRENT FINANCIAL LIABILITIES				
Short-term portion of loans	13.6	13.6	21.9	21.9
Accounts payable	19.0	19.0	17.0	17.0
FINANCIAL LIABILITIES, TOTAL	32.6	32.6	111.8	111.8
BY CATEGORY				
Financial liabilities at amortized cost	32.6	32.6	111.8	111.8
FINANCIAL LIABILITIES, TOTAL	32.6	32.6	111.8	111.8

	Parent Company			
Maturity analyses, financial liabilities, SEK M	0-3 months	3 months-1 yr	1-2 yrs	2-4 yrs
Short-term portion of loans	13.6	0.0	0.0	0.0
Accounts payable	19.0	0.0	0.0	0.0
TOTAL	32.6	0.0	0.0	0.0

Note 47 Other current liabilities

	Parent Company	
SEK M	31-Dec-24	31-Dec-23
Employee withholding tax	0.3	0.6
Other	0.9	20.8
TOTAL	1.2	21.4

Note 48 Accrued expenses and deferred income

	Parent Company	
SEK M	31-Dec-24	31-Dec-23
Salaries	1.8	4.7
Social security contributions	0.6	1.5
Commissions	0.0	50.5
Audit	1.0	0.5
Restructuring expenses	0.0	0.7
Other overheads	3.2	0.0
TOTAL	6.6	57.9

Note 49 Financial risks and risk management

Parent Company

The company's financial liabilities, totaling SEK 13.6 M (111.8) at year-end. See Note 23 Group.

Credit risk

The company has credit insurance for all receivables and therefore does not make any provisions for bad debts.

Note 50 Transaction with related parties

	Parent Company	
Sales/Purchases of goods and services, SEK M	2024	2023
Sales of goods to subsidiaries	0.0	6.2
License revenue / R&D service	0.0	19.5
Purchases of goods from subsidiaries	0.0	-0.1
Purchases of Group-wide services from subsidiaries	-37.3	-46.2
TOTAL	**-37.3**	**-20.7**

	Parent Company	
Receivables and liabilities at the end of the period, SEK M	31-Dec-24	31-Dec-23
Long-term loans to subsidiaries	165.3	345.0
Receivables from subsidiaries	1.2	4.0
Long-term liabilities to subsidiaries	-103.2	0.0
Liabilities to subsidiaries	-3.4	-49.5

Transactions with related parties are priced on an arm's length basis. Transactions with key individuals in management positions are limited to individual, clearly delineated, small-scale consulting assignments, which require specific competence.There were no material transactions between the company and related parties in the Group or the Parent Company during the reporting period.

Note 51 Shares and participations in subsidiaries

SEK M	31-Dec-24	31-Dec-23
ACCUMULATED COST		
Opening balance	964.2	964.2
Investments *	5.2	0.0
Divestments		
Closing balance, book value	969.4	964.2
ACCUMULATED IMPAIRMENT		
Opening balance	-943.1	-943.1
Impairment for the year	-2.0	0.0
Closing balance	-945.1	-943.1
CARRYING AMOUNTS		
At beginning of year	21.1	21.1
At end of year	24.3	21.1

* This year's investment refers to the acquisition of FPC IP AB and FPC Japan.

The Parent Company's holdings in Group companies	Subsidiary, reg. Office	Shareholders' equity	Net profit/loss	Participating interest 2024, %	Participating interest 2023, %
Fingerprint Cards Anacatum IP AB *	Sweden	3.3	1.1	100	100
Fingerprint Cards Sweden AB *	Sweden	-1.7	-1.8	100	100
Fingerprint Cards IP AB	Sweden	4.1	1.8	100	100
Fingerprint Cards Cayman Ltd	Cayman Islands	0.5	-0.0	100	100
Fingerprint Cards ApS*	Denmark	43.9	3.7	100	100
Fingerpint Cards France*	France	0.6	0.2	100	100
Fingerprint Cards Japan K.K.	Japan	2.0	-0.2	100	100
Fingerprint Cards (Shanghai) Co., Ltd*	China	8.7	2.4	100	100
Fingerprint Cards Asia	China	59.5	16.4	100	100
Fingerprint Card Korea Co, Ltd *	South Korea	8.1	-0.1	100	100
Fingerprint Cards					

Switzerland	Switzerland	-11.8	-0.1	100	100
Fingerprint Cards Singapore PTE Ltd*	Singapore	-36.9	-38.9	100	100
Fingerprint Cards UK Ltd	Great Britain	-5.0	-5.0	100	100
Fingerprint Cards Taiwan Ltd	Taiwan	-0.3	-1.3	100	100
Fingerprint Cards Inc*	USA	13.2	0.6	100	100
India Aquisition Holding Inc	USA	-0.1	-0.0	100	100
Delta ID Inc*	USA	-15.7	-13.1	100	100

* Indirect holding through subsidiary

SPECIFICATION OF PARENT COMPANY'S DIRECT HOLDINGS OF PARTICIPATIONS IN SUBSIDIARIES

Subsidiary	Shares, number	Share, %	31-Dec-24	31-Dec-23
Fingerprint Cards IP AB	1,000	100	2.2	-
Fingerprint Cards Cayman Ltd		100	0.5	0.5
Fingerprint Cards Asia	-	100	19.5	19.5
Fingerprint Cards Switzerland		100	0.0	0.9
Fingerprint Cards UK Ltd		100	0.0	0.0
Fingerprint Cards Japan K.K.		100	2.0	-
Fingerprint Cards Taiwan Ltd	-	100	0.2	0.2
India Aquisition Holding Inc	1,000	100	0.0	0.0
CARRYING AMOUNT, 31 DECEMBER 2024			24.3	21.1

Losses in the company have demonstrated a need to write down the values of shares in FPC Switzerland and FPC Japan. The companies have been written down to a value corresponding to equity.

Note 52 Statement of Cash Flows

Accounting policy

The cash flow statement has been prepared in accordance with the indirect method. Foreign Group companies' cash flows are translated at average rates of exchange.

	Parent Company	
SEK M	31-Dec-24	31-Dec-23
The following components are included: Cash and bank balances:	3.4	25.8
Total in statement of financial position	3.4	25.8
TOTAL IN STATEMENT OF CASH FLOWS	3.4	25.8

ADJUSTMENT FOR NON-CASH ITEMS

	Parent Company	
SEK M	2024	2023
Depreciation according to plan and impairment	1.0	1.9
Change in equity that does not affect cash flow	14.6	0.0
Write-down of shares in subsidiaries	2.0	0.0
Group contribution	259.9	213.1
Change in accrued interest	0.0	-0.8
Transaction revaluations	3.6	-0.6
TOTAL	281.1	213.6

Note 53 Parent company information

Fingerprint Cards AB (publ) (Parent Company) Corp. Reg. No. 556154-2381, is a limited liability company, with its registered office in Gothenburg, Västra Götaland, Sweden. The Parent Company's shares are listed on Nasdaq Stockholm. The postal address of the head office is: Box 2412, SE-403 16 Gothenburg, Sweden and the visiting address is Kungsgatan 20, Gothenburg, Sweden. The consolidated accounts for 2024 comprise the Parent Company and its subsidiaries, jointly designated "the Group".

Note 54 Pledged assets

	Parent Company	
SEK M	31-Dec-24	31-Dec-23
Assets pledged for operating credit	-	0.0

Note 55 Proposal for appropriation of the company's profits

PROPOSAL FOR APPROPRIATIONS OF THE COMPANY'S PROFITS:

The following funds are at the disposal of the AGM, SEK:	31-Dec-24
Share premium reserve	777,295,305
Accumulated profit or loss	-417,268,299
Net profit/loss for the year	-422,171,027
TOTAL	**-62,144,021**

The board of directors proposes that net profit for the year, non-restricted reserves and net profit/loss are appropiatetd as follows:

Carried forward	-62,144,021

Assurance by the board

The Board of Directors and Chief Executive Officer hereby give their assurance that the annual accounts have been prepared in accordance with generally accepted accounting policies in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July, 2002, on the application of international accounting standards. The annual accounts and consolidated accounts give a true and fair view of the Parent Company's and the Group's financial position and results of operations. The Administration Reports of the Parent Company and the Group give a true and fair view of the progress of the Parent Company's and the Group's operations, financial position and results of operations, and state the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

The annual accounts and consolidated accounts were approved for issuance by the Board of Directors and the CEO on the dates stated in the electronic signatures. The Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position and the Parent Company Income Statement and Parent Company Balance Sheet will be subject to adoption by the Annual General Meeting on June 24, 2025.

Gothenburg, on the date stated in the electronic signatures

Christian Lagerling
Chairman of the Board

Alexander Kotsinas
Board member

Dimitrij Titov
Board member

Juan Vallejo
Board member

Adam Philpott
Board member, President and CEO

Stockholm, on the date stated in our electronic signature

BDO Mälardalen AB

Johan Pharmanson
Authorized Public Accountant

Carl-Johan Kjellman
Authorized Public Accountant

Auditor's Report

To the general meeting of the shareholders of Fingerprint Cards AB (publ),
corporate identity number 556154-2381

Report on the annual accounts and Consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Fingerprint Cards AB (publ) for the financial year 2024. The annual accounts and consolidated accounts of the company are included on pages 9-18 and 53-107 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of intangible fixed assets including goodwill

Goodwill and intangible assets constitute a significant amount of the balance sheet. Goodwill and other intangible assets such as acquired technology, patents and customer relationships as well as capitalized development costs amount to SEK 230 million of the Group's total assets. In note 14, Intangible fixed

assets Fingerprint Cards AB describes their valuation of these assets and goodwill. Since these assets are not amortized on an ongoing basis, an impairment test must be performed, at least annually. The company performed an impairment test during Q4 2024 and in early 2025. An impairment test contains a number of assumptions, including future market development, the possibility of achieving growth, profitability development and the discount factor. It is thus complex assumptions and estimates that the company management and the board must make. As intangible fixed assets, including goodwill, constitute a significant amount and the required assumptions include assessments and estimates, each of which can be of decisive importance for the valuation, this has been a particularly key audit matter in the audit.

How our audit addressed the Key Audit Matter

Our audit procedures included but were not limited to:
Initially we and BDO's valuation specialists reviewed, whether the established impairment tests per cash generating unit, including group companies, had been carried out in accordance with accepted principles and methods. In our review, we checked the most important assumptions for impairment testing applied by company management and the board such as growth, profitability and discount rates. We assessed these assumptions by comparing them against each company's budget. We carried out an independent assessment based on market economy conditions for the various cash generating units included in the Group companies. We reviewed the discount rates applied per Group company against observable market data. In addition we examined that the starting point for determining the significant assumptions were consistent with previous year. We reviewed the simulations and sensitivity analyzes conducted by the company management and the board. These tests have also formed a basis for our control of the information provided in note 1, 10, 14 and 40 in the annual report.

Valuation of deferred tax recoverable attributable to unutilised tax losses

In Note 12 and 38 Taxes, it is stated that the group reports deferred tax recoverable totalling a significant amount. The receivables are mainly attributable to fiscal losses carried forward in Sweden. To assess the value of unutilized tax losses, group management and the Board of Directors must make assumptions on the amount of future taxable profits, which are impacted by market conditions, the company's own performance in each country of operation and the tax legislation in effect. The complexity of this assessment is enhanced by the fact that the operations in the group historically have been lossmaking for several years. Based on the size of the receivables, and as the valuation includes significant judgments, this area has been of special significance in the audit.

How our audit addressed the Key Audit Matter

Our audit procedure included but were not limited to:
Initially, we obtained information on the calculations which the group management had prepared to assess the possibility of utilizing the tax losses in future years. We examined to determine if the forecasts applied were those approved by the Board of Directors. In executing our audit, we examined to determine if there were any adopted or forthcoming changes in the tax regulations in Sweden which could impact the possibility of utilising the tax losses or could impact the size of the losses that can be utilized and have been accounted for according to generally accepted accounting practice. We also examined the disclosures Fingerprint Cards provides in Notes 12 and 38 to determine if they are in accordance with IFRS. In the same Note, there is a statement that the entire amount of unutilized tax losses in Sweden has not been accounted for as an asset.

Revenue recognition

Revenues from agreements with customers, net sales, for the year 2024 amount to SEK 403 million in the statement of comprehensive income for the Group and to SEK 2 million in the income statement for the Parent Company. A description of the assumptions on which the Group companies' revenue recognition is based can be found in Note 2, 3 and 29. There, Fingerprint Cards AB (publ) describes how revenue is reported in the Group. The recognition of income from agreements with customers requires that the group has the required routines for identifying performance commitments, and for ensuring that the revenues are reported as performance commitments are performed. Revenue recognition linked to agreements that

include performance commitments requires in certain cases that the management make assessments regarding the distribution of the transaction price between different performance commitments. The revenue from agreements with customers constituted a significant area in our audit considering the significance of the reported amounts and that it includes significant elements of estimations.

How our audit addressed the Key Audit Matter

Our audit procedure included but were not limited to:
Initially, we reviewed the accounting principles and routines for the sales process and revenue recognition in each Group company. We have reviewed the company's and the respective group companies 'processes for revenue recognition and carried out a review of agreements with customers on a random basis. Our examination have included a review of the identification of performance commitments and the distribution of the transaction price between them. We have evaluated the reasonableness of the assumptions underlying the distribution of the transaction price. We have also examined whether the performance commitments identified have been met.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages pages 2-8, pages 19-25, pages 36-51 and 115-121. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in

Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

The auditor's audit of the administration of the Board of Directors and the Managing Director and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Fingerprint Cards AB (publ) for the financial year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the

audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Fingerprint Cards AB (publ) for the financial year 2024.

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

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

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Fingerprint Cards AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 require us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standards on Quality Management 1, which requires the firm to design, implement and operate a system of quality management, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards, and legal

and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XTHML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

BDO Mälardalen AB was appointed auditor of Fingerprint Cards AB (publ)by the general meeting of the shareholders on 28 May 2024 and has been the company's auditor since 2021.

Stockholm, date as per electronic signature

BDO Mälardalen AB

Johan Pharmanson
Authorized Public Accountant

Carl-Johan Kjellman
Authorized Public Accountant

Ten-year summary and definitions

Income statement	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues, SEK M	403.2	705.4	861.8	1,355.8	1,255.7	1,458.6	1,535.1	2,966.0	6,638.3	2,900.5
Gross profit, SEK M	45.6	89.6	166.4	396.9	275.2	331.1	2.4	988.9	3,165.3	1,255.3
Gross margin, %	11.3	12.7	19.3	29.3	21.9	22.7	0.2	33.3	47.7	43.0
Operating profit, SEK M	-521.7	-320.4	-631.0	-7.6	-365.8	-14.4	-771.6	154.6	2,578.5	910.3
Operating margin, %	-129.4	-45.4	-73.2	-0.6	-29.1	-1.0	-50.3	5.2	38.8	31.0
Profit for the year, SEK M	-688.3	-339.8	-586.0	0.1	-340.8	-13.6	-630.7	120.3	2,034.7	798.3
Profit margin, %	-170.7	-49.2	-68.0	0.0	-27.1	-0.9	-41.1	4.1	30.7	28.0
Depreciation and amortization, SEK M	-90.9	-62.3	-81.6	-93.2	-84.6	-141.3	-117.8	-79.4	-48.6	-43.4
Impairment, SEK M	-287.6	-4.7	-433.4	0.0	-340.6	0.0	-148.6	–	–	–
EBITDA, SEK M	-143.2	-242.2	-116.0	85.6	59.4	128.7	-505.2	234.0	2,627.1	953.7

Financial position - Balance sheet	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Intangible assets, SEK M	229.8	504.8	538.0	838.5	759.3	1,127.8	1,102.7	1,188.3	71.4	49.7
Property, plant and equipment, SEK M	1.6	3.0	4.3	6.5	7.0	15.8	30.2	46.6	29.2	20.6
Financial assets, SEK M	56.0	171.6	121.8	53.6	46.9	18.3	27.8	–	–	1.0
Inventories, SEK M	48.0	133.5	304.1	159.3	136.3	253.4	347.5	646.1	672.7	153.0
Accounts receivable, SEK M	56.0	120.6	128.3	280.0	196.2	197.3	232.7	437.5	1,132.1	617.9
Other receivables + prepaid expenses, SEK M	13.1	25.7	49.6	62.6	27.5	27.7	37.8	313.1	435.4	36.6
Cash and cash equivalents + investments in securities, etc., SEK M	12.1	109.9	274.1	374.3	377.0	563.9	540.5	920.2	1,162.2	1,031.3
Shareholders' equity, SEK M	276.6	684.2	866.5	1,027.2	1,182.9	1,798.9	1,775.5	2,330.8	2,226.1	1,146.8
Deferred tax, SEK M	0.7	6.6	13.0	16.6	20.6	38.6	51.9	189.8	136.3	–
Non-current liabilities, SEK M	2.7	71.9	306.1	304.2	9.7	11.8	–	221.9	–	–
Current liabilities, SEK M	145.0	320.9	259.9	451.0	361.9	387.8	491.8	809.3	1,140.6	763.2
Working capital, SEK M	-15.8	68.9	496.3	425.2	375.2	654.5	666.7	1,507.6	2,261.8	1,075.6
Total assets, SEK M	425.0	1,083.6	1,445.5	1,799.0	1,575.1	2,237.1	2,319.2	3,551.8	3,503.0	1,910.1
Inventory turnover rate, days	120.8	127.9	120.0	55.5	71.5	95.9	116.7	120.0	43.0	29.0
Average credit period, days	79.9	63.5	85.3	63.2	56.4	53.1	78.6	95.0	47.0	46.0
Return on capital employed, %	-183.0	-41.8	-52.5	-0.1	-30.7	-0.8	-43.5	6.0	117.0	126.0
Return on equity, %	-118.0	-2.5	-1.8	-1.6	-1.2	-1.0	-38.8	5.0	121.0	110.0

Return on total capital, %	-122.8	-29.1	-42.6	0.0	-23.2	-0.6	-33.3	4.0	75.0	78.0
Equity/assets ratio, %	65.1	63.1	59.9	57.1	75.1	80.4	76.6	66.0	63.5	60.0

Cash flow	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Cash flow from operating activities, SEK M	-207.6	-88.3	-334.1	24.3	158.1	160.4	274.6	376.9	1,130.3	910.4
Cash flow from investing activities, SEK M	-11.6	-46.1	-104.6	-91.0	-119.1	-115.4	-162.6	-1,071.0	-78.3	-26.0
Cash flow from financing activities, SEK M	118.1	-25.7	328.4	58.4	-209.2	-19.7	-507.7	481.7	-955.7	47.4
Cash flow for the year, SEK M	-101.1	-160.1	-110.3	-8.3	-170.2	25.3	-395.7	-212.4	96.3	931.8

The Share	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Earnings per share, SEK	-0.24	-0.31	-1.92	0.00	-1.10	-0.04	-2.01	0.38	6.40	2.53
Earnings per share after full dilution, SEK	-0.24	-0.31	-1.92	0.00	-1.10	-0.04	-2.01	0.38	6.33	2.48
Cash and cash equivalents + investment at year-end/share, SEK	0.00	0.19	0.65	1.27	1.25	1.80	1.72	2.93	3.70	3.26
Equity per share, SEK	0.08	1.15	2.06	3.49	3.92	5.73	5.66	7.42	7.11	3.63
Equity per share, after full conversion, SEK	0.08	1.15	2.06	3.49	3.92	5.73	5.66	7.42	7.09	3.57
Cash flow from operating activities per average number of shares, SEK	-0.07	-0.19	-1.10	0.08	0.51	0.51	0.87	1.20	3.56	2.86
Shares at end of period, 000	3,664,387	593,090	420,693	294,200	301,544	313,967	313,967	313,967	313,967	316,196
Average number of shares during the year, 000	2,863,139	1,105,210	304,741	295,351	308,829	313,967	313,967	313,967	317,726	315,349
Number of shares after dilution, average, 000	2,863,139	1,105,210	306,394	295,351	308,829	313,967	313,967	313,967	321,408	321,372
Dividend per share, SEK	–	–	–	–	–	–	–	–	–	–
Share price at end of period, SEK	0.04	1.72	2.93	20.68	17.41	18.88	10.13	15.81	62.85	118.20
Market capitalization at end of period, SEK M	128.0	1,020.1	1,290.8	6,084.1	5,249.9	5,927.7	3,180.5	4,963.8	19,732.8	37,374.0
Anställda vid periodens slut	53	159	223	261	240	225	220	415	306	150

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 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.

Average credit period
Average value of accounts receivable over the period in relation to net sales, multiplied by 360 days.

Average number of shares
Average number of shares in the period.

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.

Capital employed
Equity plus interest bearing liabilities.

Cash flow from operating activities/share
Cash flow from operating activities after changes in working 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.

Earnings per share after dilution
Earnings per share plus adjustment for the number of shares and the paid exercise price resulting from current remuneration and personnel programs. Earnings per share after dilution can never exceed earnings per share before dilution.

Earnings per share for the period
Profit for the period/number of shares outstanding at period end.

EBITDA
Earnings before interest, taxes, depreciation and amortization. Operating profit before financial income/expense, taxes, depreciation/amortization and impairment losses.

Equity/assets ratio
Shareholders' equity divided by total assets.

Gross margin
Gross profit as a percentage of net sales.

Gross profit
Revenues less cost of goods sold.

Inventory turnover rate, days
Average value of inventory over the period in relation to cost of goods sold, multiplied by 360 days.

Net cash
Cash and cash equivalents less interest-bearing debt.

Net margin
Profit for the period as a percentage of revenues.

Number of shares outstanding at period end

Number of shares less bought back shares held in treasury.

Operating margin
Operating profit as a percentage of revenues.

Operating profit
Operating profit before financial income/expenses and tax.

Profit for the year
Profit after financial income/expenses and tax.

Return on capital employed
Operating profit + financial income as a percentage of capital employed.

Return on equity
Profit for the period in relation to average shareholders' equity for the period. Average shareholders' equity is defined as shareholders' equity at the start of the period plus shareholders' equity at the end of the period divided by two.

Revenue increase
The increase in revenues compared to the corresponding period one year previously, and expressed as a percentage.

Return on total capital
Operating profit + financial income as a percentage of total capital.

Shareholders' equity per share
Shareholders' equity attributable to equity holders of the Parent Company divided by the number of shares outstanding, before dilution, at the end of the period.

Shareholders' equity per share after dilution
See "Shareholders' equity per share" plus adjustment for the number of shares and the paid exercise price in current remuneration and personnel programs.

Working capital
Current assets less current non-interestbearing provisions and liabilities.

Shareholder information

Fingerprints' IR website

Updated corporate information, and an archive of financial reports and press releases, is available at www.fingerprints.com. For environmental and cost reasons, Fingerprints has decided not to distribute physical annual reports to shareholders. Annual and interim reports, as well as press releases, are available from the company's investor website.

Reporting dates

- Interim Report January–March 2025, 29 April 2025
- Interim Report January–June 2025, 7 August 2025
- Interim Report January–September 2025, 30 October 2025

Annual General Meeting 2025

The Annual General Meeting (AGM) will be held on Tuesday, 24 June, 2025.

Contact information

Postal address:
Fingerprint Cards AB (publ)
P.O Box 2412
SE-403 16 Gothenburg

Visitors:
Kungsgatan 20
SE-411 19 Gothenburg
Sweden

Phone: +46 (0)31 60 78 20
E-mail: investrel@fingerprints.com
Website: fingerprints.com

Glossary

Algorithm

A systematic procedure for how to conduct calculation or solve a problem in a given number of steps. In Fingerprints' specific case, the method refers to the comparison of two fingerprints with each other.

Authentication

Control process for a particular entity; in conjunction with logging on, for example. The word is synonymous with verification.

Biometric system

A pattern recognition system that identifies or verifies an individual by studying a physiological characteristic of that individual, such as a fingerprint.

Chip

A piece of silicon that an integrated circuit is embedded in, such as a sensor chip. Normally, a silicon wafer is divided into a number of chips, with each chip being essentially identical.

Design Win

Decision by a customer (OEM or ODM) to start developing one or several commercial products using Fingerprints' technology integrated into one or more of its products.

Identification

Comparison of compiled biometric data with all stored templates for the purpose of identifying one of these templates (and thus an individual) from many.

Internet of Things

Internet-connected devices that are linked to the Internet and can thus communicate with/be controlled via the Internet.

Matching

The process of comparing an image of a fingerprint with a pre-processed template, and assessing whether or not they are similar.

Modality

Type of biometric feature, such as fingerprint sensors and iris sensors.

ODM

Original Design Manufacturer, a company that develops and manufactures products sold under the trademarks of other companies.

OEM

Original Equipment Manufacturers, companies that manufacture the end product that is sold on an open market.

Smart card

Plastic card with an embedded chip containing information about the card and its owner.

Smartphone /tablet

A combined mobile phone and handheld computer linked to the Internet via mobile broadband. A smartphone has a complete mobile operating system that is transferable between multiple devices enabling the user to easily install mobile apps, which are small third-party programs that increase the

phone's functionality.

Template

An arrangement of unique data that represents a specific fingerprint.

Touch sensor

Sensor that scans a fingerprint directly when a fingertip touches the sensor surface; compare to swipe sensor.

Verification

The comparison of compiled biometric data with a given template for the purpose of verifying that the two match. This enables the authentication of an individual with a high degree of certainty.

Wafer

A thin circular slice of silicon containing a number of integrated circuits such as sensor chips.

FINGERPRINTS

Postal adress: P.O Box 2412, SE-403 16 Gothenburg, Sweden
Visiting adress: Kungsgatan 20, SE-411 19 Gothenburg, Sweden
Phone: + 46 (0)31 60 78 20
fingerprints.com

Production: Fingerprints in collaboration with Oxenstierna Kommunikation