

Update: Report Q4 2025

2026-02-16

Precise Biometrics: Positioned to rebound

- Lower sales than estimated in Q4
- The CEO is optimistic for 2026 after a difficult 2025
- Adjustments lead to a lower fair value of SEK 4.89 (6.32) per share

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Stock ticker: PREC
Industry: IT Services
Listed on: Small Cap Stockholm
Latest share price (SEK): 1,91
Market cap (MSEK): 149,79
Enterprise Value (MSEK): 131,38
Total number of shares (M): 78,46
- of which free float (M): 48,57

VHCF fair value per share
DCF model SEK 4.89

Address: Scheelevägen 27
223 63 Lund
Webpage: Precisebiometrics.com
CEO: Joakim Nydemark

Main owners (Jan 28th 2026)
Capital (%)
Egis Technology 5,0
Avanza Pension 4,6
Nordnet Pension 3,6
RM International 1,7
Precise Biometrics 1,4

Share price history (SEK)



Change (%) -1m -3m -12m
-9,8 -29,0 -56,2
52 wk range (Low/Hi) - SEK 1.75 / 5.19

Source: Västra Hamnen Corporate Finance

The Q4 report from **Precise Biometrics** (Precise) did not shine. The company reported sales of MSEK 17, well below our estimate of MSEK 22, and an operating loss of MSEK 6.3.

For the whole year, the company reported sales of MSEK 78 versus our forecast of MSEK 103. The lower sales were explained by market uncertainties caused by clients' geopolitical concerns. Further, the revenue was also significantly affected by unfavourable exchange rate movements. The USD against the SEK deteriorated by 17 per cent during 2025. Deferred production at a major customer also affected Q4 sales; production volumes will now be pushed to 2026.

Although CEO **Joakim Nydemark** was disappointed with the 2025 figures, he expressed his belief in 2026 for various reasons in the recent [video interview](#) hosted by Västra Hamnen.

The migration to the company's cloud-based system within *Digital Identity* has strengthened the business going forward, although the process affected annual recurring revenue (ARR) negatively during the year. Customer inflow is promising; the underlying demand for advanced, secure, and scalable access and visitor solutions is rising.

Within *Biometric Technologies*, ultrasonic sensors are now being implemented in the mid-segment of mobile phones. This implies larger volumes and higher royalties for Precise. Further, the national ID projects are promising, revealing great potential. Nydemark also expects palm recognition terminals to reach the market during the year as its partner **HandID** has finished its first device.

Despite bright prospects, we adjust our revenue projection on the back of being too optimistic for 2025. We now expect the company to grow sales back to the levels of 2024, and that it will maintain its cost control. After adjustments, our model suggests a fair value of SEK 4.89 (6.32) per share.

Table 1: Financial Overview

MSEK	2023	2024	2025	2026e	2027e
Total revenues	75.1	86.9	77.8	90.1	115.3
Growth (%)	-17.5%	15.7%	-10.4%	15.8%	27.9%
Gross margin (%)	63.7%	72.6%	72.8%	76.7%	78.4%
Adj gross margin	92.3%	93.6%	93.4%	92.8%	89.8%
EBITDA	-1.7	13.4	0.2	9.4	13.9
EBITDA margin (%)	neg	15.4%	0.2%	10.4%	12.0%
EBT	-26.8	-8.8	-20.3	-10.3	-3.8
Cash holdings	47.5	37.7	18.4	13.7	8.7
Total assets	212.7	203.1	174.1	156.9	148.5
Total equity	159.3	151.2	131.0	120.7	116.9
Solidity (%)	74.9%	74.4%	75.2%	76.9%	78.8%
P/E	neg	neg	neg	neg	neg
ROE	neg	neg	neg	neg	neg
EV/EBIT (x)	neg	neg	neg	neg	neg
EV/Sales (x)	1.8	1.5	1.7	1.5	1.1

Source: Västra Hamnen Corporate Finance

Short-term impact on ARR	<p>Digital Identity During 2025, Precise migrated Precise Visit customers to a cloud-based solution. The company will benefit by lower operating costs, longer customer life cycles and improved upsell opportunities. Short-term, the transition affected ARR negatively as some customers terminated their agreements. The bankruptcy of a customer also had a negative impact on ARR during 2025.</p> <p>The company is experiencing a growing interest for biometric physical access and visitor systems. Higher security requirements, demand for contactless and id-based access management solutions, and better user-experiences are some forces behind the rising interest.</p>
New access control capabilities	<p>New access control capabilities in Precise Visit by EastCoast As mentioned in our previous update, Precise has now rolled out the latest enhancements to its visitor management system, <i>Precise Visit by East-Coast</i>, during the quarter. The update introduces new features by integrating elements from Precise Access, connecting visitor management with physical access control. This allows visitors to check in and gain door access using facial or palm recognition, or via a QR code. The release also includes integrations with several Scandinavian access control systems, such as RCO, Integra, and ARX, as well as global platforms including Genetec and Avigilon.</p> <p>Biometric Technologies The mobile phone segment saw a downturn in Q4, with royalty fees amounting to MSEK 6.2 (11.5). Revenue was disrupted by a delay from a sensor manufacturer, which will be pushed to 2026.</p>
Joint anti-spoofing solution	<p>Strengthen trust in national ID programs with joint anti-spoofing solution Throughout the year, Biolive has gained significant traction and continues to evolve. This trend continued during the quarter when Precise, together with SecuGen, a leading fingerprint scanner and sensor manufacturer in the US, launched a robust anti-spoofing and liveness detection solution for national ID programs worldwide. By combining the <i>BioLive</i> software with SecuGen's certified fingerprint scanners, the solution delivers reliable, fraud-resistant verification for large-scale systems like Aadhaar in and MOSIP, ensuring only genuine, live fingerprints are accepted.</p> <p>The software integrates seamlessly with existing scanners, allowing governments and integrators to deploy high-assurance security at scale. Continuous updates counter emerging spoofing techniques, helping secure trusted digital identities for citizens and supporting access to essential services such as healthcare, financial programs, and government benefits.</p>
Launch of fifth generation of biometric matcher	<p>Launches next-generation biometric matching algorithm During the quarter, Precise launched its fifth-generation AI-based fingerprint matching engine, <i>BioMatch Vizo</i>. Built on a newly developed neural network framework, the solution significantly advances the performance of previous BioMatch generations by improving matching precision, strengthening protection against attacks, and creating a smoother authentication experience for users.</p> <p>This release marks a new performance level for Precise's biometric technology and supports the company's long-term strategy to address additional market segments, including smaller ultrasonic sensors aimed at high-volume mid-tier smartphones.</p> <p>Initial tests show that BioMatch Vizo delivers significantly improved performance, handling a wider range of users, environments, and sensors more effectively. Its upgraded architecture enhances anti-spoofing and liveness detection, strengthening security against fraud, while also providing faster integration for sensor manufacturers and OEMs. For end users, this translates into quicker, more reliable authentication and a smoother, more secure experience across devices and applications.</p> <p>According to the company, the first customer deliveries were planned for late 2025, with broader market availability expected in early 2026.</p>

Financial update after Q2

Table 2 presents the differences between our estimates and the actual outcome for the quarter. There is one considerable discrepancy in revenue, about MSEK 5 below our estimates. This is primarily attributable to the major mobile customer deferring its planned Q4 production to 2026, as described above. Unfavourable exchange rate effects continued to affect the sales numbers during the quarter.

Lower net sales impacted the gross margin for Biometric Technologies. In Digital Identity, gross margin improved due to reduced amortisation following lower capitalisation of development in previous periods. Notably, costs overall were lower than forecasted, which is positive.

Cash and equivalents were MSEK 6.8 lower than our estimates. Together with weaker results and lower-than-expected working capital, the cash position was lower than estimated. Also, MSEK 5 was paid in November due to the acquisition of EastCoast.

Table 2: Estimates vs actual, Q4 2025

kSEK	Q4 '24	Q4 '25e	Q4'25 act	Diff
Net Revenues	21 787	22 054	17 017	-5 037
Total Revenues	21 787	22 054	17 017	-5 037
Cost of Goods Sold	-6 015	-5 147	-5 188	-41
Adj Cost of Goods Sold*	-1 628	-1 192	-1 490	-298
Gross Profit	20 159	20 862	15 527	-5 335
Administrative costs	-3 700	-4 076	-3 411	665
Sales costs	-8 394	-7 939	-7 675	264
R&D expenses	-15 268	-6 616	-6 970	-354
Other Operating Expenses	993	-662	-433	229
Total OPEX	-26 369	-19 293	-18 489	804
Adj OPEX**	-16 725	-18 180	-17 468	712
EBITDA	3 434	2 681	-1 941	-4 622
Amortisation and Depreciation	-5 510	-5 068	-4 719	349
EBIT	-2 076	-2 387	-6 660	-4 273
Net Financial Items	690	-450	266	716
EBT	-1 386	-2 837	-6 394	-3 557
Taxes	89	0	87	87
Net Profit	-1 297	-2 837	-6 307	-3 470
Cash and Equivalents	37 704	25 184	18 411	-6 773
Total Equity	151 163	134 558	131 018	-3 540

Source: Västra Hamnen Corporate Finance

*Adjusted for depreciation in COGS

**Adjusted for depreciation in OPEX

A challenging 2025

In hindsight, we were too optimistic about the sales development during 2025. Adverse exchange rates and a cautious market climate were some factors behind the underwhelming performance. Since our initial analysis, we stated that our fair value assumption implied that Digital Identity would grow at a significantly higher rate than it had historically. This expectation has not materialised.

Looking ahead, we expect sensor volumes to pick up – the deferred production will contribute to sales in the first half of 2026. We also expect Digital Identity will start to show growth. We estimate the ARR to grow from the current level of MSEK 18.9 to MSEK 22 by the end of 2026. We also expect the company to maintain its cost control.

After adjustments, our model implies a fair value of SEK 4.89 per share.

Potential triggers

- Higher volumes in mobile phone sensors
- Accelerated growth in Digital Identity
- Customer orders for hand recognition applications
- Commercial progress in the Aadhaar program

The model suggests a fair value of SEK 4.89 (6.33) per share

Income Statement - Annual Data

kSEK	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Net sales	91 018	75 069	86 852	77 814	90 139	115 259	160 790	227 861
Total revenue	91 018	75 069	86 852	77 814	90 139	115 259	160 790	227 861
Cost of goods sold	-25 982	-27 246	-23 786	-21 146	-20 971	-24 929	-30 763	-40 948
Adj Cost of goods sold*	-4 819	-5 802	-5 557	-5 165	-6 524	-11 733	-18 383	-28 794
Gross profit	86 199	69 267	81 295	72 649	83 615	103 525	142 407	199 067
Sales costs	-34 796	-27 420	-32 982	-32 435	-33 497	-40 340	-45 021	-61 523
Administrative costs	-17 613	-14 150	-13 789	-14 122	-16 286	-19 517	-23 983	-29 401
Other operating income/expenses	2 262	-606	1 256	-2 920	-1 157	-1 153	-1 608	-2 279
R&D	-34 905	-32 105	-26 966	-27 249	-27 249	-32 272	-44 107	-59 244
OPEX	-85 052	-74 281	-72 481	-76 726	-78 190	-93 282	-114 719	-152 446
Adj OPEX**	-85 052	-70 960	-67 917	-72 474	-74 201	-89 639	-111 301	-149 090
EBITDA	1 147	-1 693	13 378	175	9 414	13 886	31 106	49 977
Amortisation & depreciation	-21 163	-24 767	-22 793	-20 233	-18 436	-16 839	-15 798	-15 510
EBIT	-20 016	-26 460	-9 415	-20 058	-9 021	-2 953	15 308	34 467
Financials, net	-3 453	-291	630	-212	-1 301	-801	-801	-801
EBT	-23 469	-26 751	-8 785	-20 270	-10 322	-3 754	14 507	33 667
Taxes	1 239	346	351	347	0	0	0	0
Net profit	-22 230	-26 405	-8 434	-19 923	-10 322	-3 754	14 507	33 667
Earnings per share (SEK)	-0.05	-0.04	-0.01	-0.00	0.02	0.04	0.07	0.09
Growth (%)								
Net revenues	9.2%	-17.5%	15.7%	-10.4%	15.8%	27.9%	39.5%	41.7%
EBITDA	-38.7%	na	na	-98.7%	5279.6%	47.5%	124.0%	60.7%
EBIT	na	na	na	na	na	na	na	125.2%
Net profit	na	na	na	na	na	na	na	132.1%
% of revenues (%)								
Gross margin	71.5%	63.7%	72.6%	72.8%	76.7%	78.4%	80.9%	82.0%
Adj gross margin	94.7%	92.3%	93.6%	93.4%	92.8%	89.8%	88.6%	87.4%
EBITDA margin	1.3%	neg	15.4%	0.2%	10.4%	12.0%	19.3%	21.9%
EBIT margin	neg	neg	neg	neg	neg	neg	9.5%	15.1%
EBT margin	neg	neg	neg	neg	neg	neg	9.0%	14.8%
Profit margin	neg	neg	neg	neg	neg	neg	9.0%	14.8%
Personnel costs	19.4%	18.8%	15.9%	18.1%	18.1%	16.9%	14.9%	12.9%
Total OPEX	93.4%	99.0%	83.5%	98.6%	86.7%	80.9%	71.3%	66.9%
Profitability (%)								
ROE	neg	neg	neg	neg	neg	neg	11.0%	20.4%
ROIC	neg	neg	neg	neg	neg	neg	0.0%	0.0%

Source: Västra Hamnen Corporate Finance

*Adjusted for depreciation in COGS

**Adjusted for depreciation in OPEX

Balance Sheet - Annual Data

kSEK	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Inventories	311	359	242	277	386	434	494	651
Receivables	11 478	19 173	23 813	18 753	13 235	14 089	15 031	21 208
Other short-term receivables	3 643	3 499	3 123	2 356	5 368	7 676	11 932	13 621
Prepaid costs & accrued inc	3 397	2 903	2 804	2 695	3 831	5 071	6 895	9 629
Cash and cash equivalents	46 405	47 534	37 704	18 411	13 692	8 711	29 425	64 049
Total current assets	65 234	73 467	67 686	42 492	36 512	35 981	63 777	109 159
Tangible assets	9 090	6 447	10 639	11 947	11 947	11 947	11 947	11 947
Intangible assets	138 898	132 751	124 741	119 683	108 458	100 530	96 791	98 371
Financial assets	0	0	0	0	0	0	0	0
Total fixed assets	147 988	139 198	135 380	131 630	120 405	112 477	108 738	110 318
Total assets	213 222	212 665	203 066	174 122	156 917	148 458	172 515	219 477
Accounts payable	5 952	2 722	0	0	2 447	2 296	2 884	3 779
Accrued cost & prepaid incor	22 147	22 391	0	0	18 357	19 284	27 431	38 704
Other short term liabilities	1 732	2 307	0	0	1 449	1 928	2 743	3 870
Derivative Securities	11 739	8 466	0	0	5 961	0	0	0
Total current liabilities	41 570	35 886	35 622	30 958	28 214	23 509	33 058	46 354
Long term liabilities	25 350	17 460	16 281	12 146	8 007	8 007	8 007	8 007
Total equity	146 302	159 319	151 163	131 018	120 696	116 942	131 449	165 116
Total equity and liabilities	213 222	212 665	203 066	174 123	156 918	148 459	172 516	219 478

Source: Västra Hamnen Corporate Finance

Cash flow statement

kSEK	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Operating Activities	852	-1 238	14 122	-142	8 114	13 086	30 306	49 176
Changes in working capital	3 079	-8 698	-4 068	-3 839	-2 744	-4 705	9 549	13 295
Investing activities	-60 008	-25 316	-17 505	-18 934	-7 211	-8 911	-12 059	-17 090
Financing activities	38 313	37 287	-2 545	-1 911	-4 139	0	0	0
Cash flow for the period	-17 764	2 035	-9 996	-24 826	-5 980	-531	27 796	45 382
Beginning cash balance	64 102	46 405	47 534	37 702	12 503	6 523	5 992	6 523
Ending cash balance	46 405	47 534	37 702	12 503	6 523	5 992	33 788	51 905

Source: Västra Hamnen Corporate Finance

Income Statement - Quarterly Data

kSEK	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026e	Q2 2026e	Q3 2026e	Q4 2026e
Net sales	20 007	20 784	20 006	17 017	20 993	21 964	23 028	24 154
Total revenue	20 007	20 784	20 006	17 017	20 993	21 964	23 028	24 154
Cost of goods sold	-5 615	-5 505	-4 838	-5 188	-4 958	-5 098	-5 333	-5 582
Adj Cost of goods sold*	-1 328	-1 405	-942	-1 490	-1 207	-1 444	-1 770	-2 103
Gross profit	18 679	19 379	19 064	15 527	19 786	20 520	21 258	22 051
Sales costs	-8 804	-9 101	-6 855	-7 675	-7 221	-8 346	-8 751	-9 179
Administrative costs	-3 944	-3 886	-2 881	-3 411	-4 024	-3 628	-4 193	-4 441
Other operating income/expel	-1 597	-850	-40	-433	-466	-220	-230	-242
R&D	-7 097	-7 149	-6 033	-6 970	-6 988	-6 589	-6 908	-6 763
OPEX	-21 442	-20 986	-15 809	-18 489	-18 699	-18 783	-20 083	-20 624
Adj OPEX**	-20 367	-19 926	-14 713	-17 468	-17 663	-17 774	-19 099	-19 664
EBITDA	-1 688	-547	4 351	-1 941	2 123	2 746	2 159	2 387
Amortisation & depreciation	-5 362	-5 160	-4 992	-4 719	-4 787	-4 663	-4 547	-4 439
EBIT	-7 050	-5 707	-641	-6 660	-2 664	-1 917	-2 388	-2 052
Financials, net	-228	-150	-100	266	-325	-325	-325	-325
EBT	-7 278	-5 858	-741	-6 394	-2 990	-2 242	-2 713	-2 377
Taxes	86	87	87	87	0	0	0	0
Net profit	-7 192	-5 770	-654	-6 307	-2 990	-2 242	-2 713	-2 377
Earnings per share (SEK)	-0	-0	-0	-0	-0	-0	-0	-0
Y-o-Y Growth (%)								
Net revenues	-7.7%	1.0%	-12.3%	-21.9%	4.9%	5.7%	15.1%	41.9%
EBITDA	na	na	-35.9%	na	na	na	-50.4%	na
EBIT	na	na	na	na	na	na	na	na
Net profit	na	na	na	na	na	na	na	na
% of revenues (%)								
Gross margin	72%	74%	76%	70%	76%	77%	77%	77%
Adj gross margin	93%	93%	95%	neg	10.1%	12.5%	9.4%	9.9%
EBITDA margin	neg	neg	21.7%	neg	neg	neg	neg	neg
EBIT margin	neg	neg	neg	neg	neg	neg	neg	neg
EBT margin	neg	neg	neg	neg	neg	neg	neg	neg
Profit margin	neg	neg	neg	20.0%	19.2%	16.5%	18.2%	18.4%
Personnel costs	19.7%	18.7%	14.4%	108.7%	89.1%	85.5%	87.2%	85.4%
Total OPEX	107.2%	101.0%	79.0%					
Profitability (%)								
ROE	neg	neg	neg	neg	neg	neg	neg	neg
ROIC	neg	neg	neg	neg	neg	neg	neg	neg

Source: Västra Hamnen Corporate Finance

Balance Sheet - Quarterly Data

kSEK	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026e	Q2 2026e	Q3 2026e	Q4 2026e
Inventories	222	225	250	277	245	328	356	386
Receivables	22 748	15 120	13 023	18 753	15 317	15 645	12 618	13 235
Other short-term receivables	2 922	3 918	4 025	2 356	4 193	3 953	5 026	5 368
Prepaid costs & accrued inc	3 184	2 822	2 561	2 695	3 467	3 312	3 562	3 831
Cash and cash equivalents	36 036	33 577	31 275	18 411	16 528	16 144	18 789	13 692
Total current assets	65 113	55 662	51 134	42 492	39 749	39 383	40 350	36 512
Tangible assets	13 174	12 944	12 410	11 947	11 947	11 947	11 947	11 947
Financial assets	0	0	0	0	0	0	0	0
Intangible assets	123 230	121 708	120 665	119 683	116 575	113 669	110 965	108 458
Total fixed assets	136 404	134 652	133 075	131 630	128 522	125 616	122 912	120 405
Total assets	201 517	190 314	184 209	174 122	168 271	164 999	163 262	156 917
Accounts payable	0	0	0	0	2 173	2 235	2 338	2 447
Accrued cost & prepaid incor	0	0	0	0	17 704	16 692	17 501	18 357
Other short term liabilities	0	0	0	0	1 398	1 318	1 382	1 449
Derivative Securities	0	0	0	0	5 961	5 961	5 961	5 961
Total current liabilities	38 656	33 621	28 807	30 958	27 236	26 206	27 182	28 214
Long term liabilities	19 233	18 623	18 007	12 146	13 007	13 007	13 007	8 007
Total equity	143 629	138 069	137 395	131 018	128 028	125 786	123 073	120 696
Total equity and liabilities	201 517	190 314	184 209	174 122	168 271	164 999	163 262	156 917

Source: Västra Hamnen Corporate Finance

Cash flow statement

kSEK	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026e	Q2 2026e	Q3 2026e	Q4 2026e
Operating Activities	-2 024	-702	4 199	-1 615	1 798	2 421	1 834	2 062
Changes in working capital	4 127	2 009	-2 537	-1 537	-2 862	-1 048	2 654	-226
Investing activities	-3 001	-3 433	-3 415	-9 085	-1 679	-1 757	-1 842	-1 932
Financing activities	-601	-186	-572	-552	861	0	0	-5 000
Cash flow for the period	-1 499	-2 312	-2 325	-12 789	-1 883	-384	2 645	-5 097
Beginning cash balance	37 704	36 036	33 577	31 275	18 411	16 528	16 144	18 789
Ending cash balance	36 036	33 577	31 275	18 411	16 528	16 144	18 789	13 692

Source: Västra Hamnen Corporate Finance

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