Update: Report comment Q3 2026 2026-11-20

Precise Biometrics: Shaping the new business

- Over 75 per cent of cost synergies implemented
- EBIT of MSEK -32 as restructuring expenses are incurred
- We have adjusted our fair value to SEK 2.14 (2.69) per share

Analysts **Jacob Murat**
073-6006986
jacob.murat@vhcorp.se
Martin Dominique
073-3607085
martin.dominique@vhcorp.se

Stock ticker:	PREC
Industry:	IT Services
Listed on:	Small Cap Stockholm
Latest share price (SEK):	0,49
Market cap (MSEK):	135,97
Enterprise Value (MSEK):	117,04
Total number of shares (M):	277,48
- of which free float (M):	48.57

VHCF fair value per share

DCF model	SEK 2,14

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

Main owners (Oct 31st 2026)	**Capital (%)**
Schonfeld Strategic Advisors	4,9
Avanza Pension	4,3
Hampus Svensson	1,9
Nordnet Pension	1,8
Niels Henrik Balle	1,6

Share price history (SEK)



	-1m	-3m	-12m
Change (%)	0,6	-28,2	-80,6
52 wk range (Low/Hi) - SEK			0,46/2,66

Source: Västra Hamnen Coporate Finance

The new **Precise Biometrics** (Precise) is emerging with the recent Q3 report as the first official update on the process. This report includes **Fingerprint Cards** (FPC) for the first time since the merger was completed on July 20, which also means that any revenues and costs FPC incurred before July 20 are not included in the report, making the quarter a bit more difficult to analyse.

For the period, net sales came in at MSEK 24.6 with a gross margin of 56.9 per cent. Delayed orders and lower production volumes from a major Asian customer affected algorithm sales within *Biometric Technologies*. The business segment now also includes most of FPC's products and services, which were incorporated as of the merger date. For *Digital Identity*, revenue amounted to MSEK 5.2, with ARR of MSEK 19.2, still below the company's long-term growth ambition.

The merger process is progressing as planned, according to the CEO, **Joakim Nydemark,** in a video interview with Västra Hamnen. More than 75 per cent of the targeted annual cost synergies of at least MSEK 45 have been implemented, with additional synergies identified. This puts the company ahead of the target of 100 per cent implementation by the end of the year.

Operating expenses amounted to MSEK 46, of which MSEK 16.8 were one-off items related to the merger. The company reported an EBITDA adjusted for one-off items of MSEK -9.5, and a negative operating cash flow of MSEK 40.9. The company ended the quarter with a cash balance of MSEK 47.9.

In September, Precise added **Fredrik Krantz** and **Fredrik Ramberg** as Chief Revenue Officer and Chief Product Officer to the management team to increase focus on its offering and accelerate sales.

However, in our previous update, we were too aggressive in our sales estimates and have lowered our near-term revenue expectations. When the year-end report is released in February, we expect the new structure to exhibit further evidence of commercial traction, additional cost reductions, and an improved cash flow. After adjustments, our model suggests a fair value of SEK 2.14 (2.69) per share.

Table 1: Financial Overview

MSEK	2024	2025	2026e	2027e	2028e
Total revenues	86,9	77,8	93,0	167,5	221,3
Growth (%)	15,7%	-10,4%	19,5%	80,0%	32,2%
Gross margin (%)	93,6%	93,4%	81,3%	79,6%	78,4%
EBITDA	13,4	0,2	-45,8	16,0	53,8
EBITDA margin (%)	15,4%	0,2%	neg	9,5%	24,3%
EBT	-8,8	-20,3	-69,3	-14,3	25,1
Cash holdings	37,7	18,4	33,5	23,1	53,9
Total assets	203,1	174,1	338,8	312,4	343,6
Total equity	151,2	131,0	272,6	259,6	286,0
Solidity (%)	74,4%	75,2%	80,5%	83,1%	83,2%
P/E	neg	neg	neg	neg	5,6
ROE	neg	neg	neg	neg	9,2%
EV/EBIT (x)	neg	neg	neg	neg	5,2
EV/Sales (x)	1,5	1,7	1,4	0,8	0,6

Source: Västra Hamnen Corporate Finance

Biometric Technologies

Volatility in quarterly sales persists

The algorithm business within *Biometric Technologies* is exposed to issues within the mobile phone industry. Rising component costs and geopolitical uncertainty are two reasons for longer sales cycles and cancelled projects, affecting Precise's licence fees and royalties. Due to delayed orders and lower production volumes, a major Asian customer affected sales in Biometric Technologies during Q3.

New orders totalling MSEK 27

As a counterbalance, recent order announcements within digital access solutions strengthen Precise's position in a market segment where the company sees high growth potential. In October, the company announced two orders with a total value of MSEK 15 for fingerprint sensors to be integrated into digital access solutions. The names of the customers were not disclosed. In November, the company announced another order, this time of MSEK 12, also within digital access solutions. All these orders will be delivered during 2027.

In addition, Precise has started to win customers outside its traditional mobile market. Some of the new business stems from the former FPC portfolio: American hardware specialist PamirAI selected *AllKey Pro* for its *Agent Computer*. India-based semiconductor and electronic components company AqTronics will distribute AllKey and fingerprint sensors in India and Vietnam. From the legacy Precise portfolio, the company announced a renewed IOTRUST collaboration, based on *BioMatch*.

Digital Identity

Digital Identity growing slower than expected

In *Digital Identity*, net sales amounted to MSEK 5.2 (5.1), ARR increased by 4 per cent to MSEK 19.2, and the gross margin improved to 63.3 per cent (50.0 per cent) as a result of lower amortisation. Even though customer rollouts are longer processes than expected, management believes in the growth potential for the business segment. On October 1, Precise Visit was expanded with integrated queue management, broadening the visitor management offering.

Focus on sales

Management bolstered to grow sales

To support sales, the management team was expanded in September, adding Fredrik Krantz as Chief Revenue Officer and Fredrik Ramberg as Chief Product Officer. After the work of integrating the two companies is completed, the number one priority will have to be sales growth, and this is certainly a step in the right direction.

Cost synergies

By September 30, only ten weeks after the merger was completed, management had executed more than 75 per cent of the targeted annual cost synergies of at least MSEK 45. This is equivalent to roughly MSEK 34 on an annual basis. Most of the remaining sum should be visible in the cost base from Q1 2027.

Cost synergies are being realised fast

The cost synergies that are completed are due in part to the reduction in employees. By the end of 2025, FPC and Precise had a total of 78 employees, and as of this quarter, they amount to 64 employees.

The cost savings are not visible in the company's profit margins, as one-off costs relating to the transaction and restructuring amounted to MSEK 16.8. This corresponds to around 68 per cent of net sales for the quarter.

We expected the integration process to proceed a bit slower than it appears to be, and only expected restructuring costs of MSEK 10. We still expect one-off costs in Q4 and some lower trailing costs going into 2027.

Financial update after Q3

We usually compare the financial outcome with our forecast, but due to the merger, comparisons with Q3 2025 are not fully relevant.

Lower revenue than expected

Our forecast for the near term was mainly based on the combined company performing roughly as the two individual ones had previously. This led us to a revenue forecast of MSEK 39.9. The reported MSEK 24.6 was somewhat disappointing, although we are aware of substantial volatility in revenue between quarters. The turnover also falls short since FPC revenue was only included from July 20.

Table 2: Estimates vs actual, Q3 2026

MSEK	Q3 '25	Q3 '26e	Q3'26 act	Diff
Net Revenues	20,0	39,9	24,6	-15,3
Cost of Goods Sold	-0,9	-12,9	-6,8	6,1
Adj Gross Profit	**19,1**	**30,6**	**17,8**	**-12,8**
Adj Total OPEX	**-14,7**	**-44,6**	**-44,1**	**0,5**
EBITDA	**4,4**	**-13,1**	**-26,3**	**-13,2**
Amortisation and Depreciation	-5,0	-9,3	-5,7	3,6
EBIT	**-0,6**	**-22,4**	**-32,0**	**-9,6**
Net Financial Items	-0,1	-0,3	-0,4	-0,1
EBT	**-0,7**	**-22,6**	**-32,4**	**-9,8**
Taxes	0,0	0,3	0,3	-0,0
Net Profit	**-0,7**	**-22,3**	**-32,2**	**-9,9**
Cash and Equivalents	33,6	68,0	47,9	-20,1
Total Equity	138,1	312,0	285,4	-26,6

Source: Västra Hamnen Corporate Finance

**Adjusted for depreciation in COGS*

***Adjusted for depreciation in OPEX*

Also, below the top line, the figures fell short of our estimates. The gross margin was 56.9 per cent (our estimate 76.6 per cent), adjusted EBITDA MSEK -9.5 (-3.1) and cash and cash equivalents MSEK 47.9 (68). Reported EBIT came in at MSEK -32.0 against our projected MSEK -22.4. The differences are mainly due to lower revenue and the fact that we expected less of the restructuring costs to be realised in Q3.

Excluding revenues of MSEK 9.1 added through the merger, sales fell by around 22 per cent to MSEK 15.5, with royalties down to MSEK 6.4 (9.3). According to CEO Joakim Nydemark, the outcome underlines the need for a broader customer base, which is a key part of the logic behind the merger.

Gross margin tanks due to lower volumes

The weaker gross margin is mainly explained by the hardware mix. Hardware revenue, which carries considerably lower margins than royalties and licences, accounted for around 35 per cent of net sales, and the gross margin in Biometric Technologies fell to 55.2 per cent (84.6 per cent).

The gross margin clearly suffered during the quarter as a result of the lower volume, as sales of additional licences carry no real additional costs. As hardware becomes a larger part of the business, however, we expect the group's gross margin to remain structurally lower than before the merger.

Looking ahead

As revenue came in quite a bit below expectations, we are making some changes to the forecast. We were most likely too aggressive in the near term, and the combined company may need some more time to find its footing after the merger and accelerate sales growth.

We lower our revenue projections for Q4 to MSEK 36.7, and Q1 2027 to MSEK 37.6. Orders totalling MSEK 27 are to be delivered in 2027, and we expect total revenue during 2027 to amount to MSEK 167.5. While we are hesitant to make any major changes to the model at this transitory time for Precise, we also have to take into account that we simply cannot know yet how the combined entity will perform after realising all synergies.

Our model suggests a fair value of SEK 2.14 per share

We are mainly focused on sales growth, and despite alterations to the model we still expect aggressive growth in the years ahead. We are also keeping an eye on the cash position; in our model, this is a non-issue, but reality can of course catch up. It seems that Precise is expensing merger-related costs at a more rapid pace than expected. We are not overly concerned about the timing of restructuring costs, as long as the total price tag does not far exceed the communicated figures.

While we are optimistic about the case, the adjustments in the model lead to an updated fair value of SEK 2.14 (2.69) per share.

Income Statement - Annual Data

MSEK	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Net sales	75,1	86,9	77,8	93,0	167,5	221,3	276,1	346,4
Total revenue	**75,1**	**86,9**	**77,8**	**93,0**	**167,5**	**221,3**	**276,1**	**346,4**
Adj Cost of goods sold*	-27,2	-5,6	-5,2	-17,4	-34,2	-47,8	-61,1	-78,0
Adj Gross profit	**69,3**	**81,3**	**72,6**	**75,6**	**133,2**	**173,5**	**215,0**	**268,4**
Adj Total OPEX**	-71,0	-67,9	-72,5	-121,5	-117,3	-119,8	-145,0	-181,6
EBITDA	**-1,7**	**13,4**	**0,2**	**-45,8**	**16,0**	**53,8**	**70,0**	**86,7**
D&A	-24,8	-22,8	-20,2	-23,3	-30,0	-28,7	-38,0	-34,1
EBIT	**-26,5**	**-9,4**	**-20,1**	**-69,1**	**-14,0**	**25,1**	**32,0**	**52,7**
Financials, net	-0,3	0,6	-0,2	-0,2	-0,3	-0,0	0,0	0,0
EBT	**-26,8**	**-8,8**	**-20,3**	**-69,3**	**-14,3**	**25,1**	**32,0**	**52,7**
Taxes	0,0	-0,3	0,0	0,6	1,3	1,3	1,2	-9,8
Net profit	**-26,8**	**-9,1**	**-20,3**	**-68,7**	**-13,0**	**26,4**	**33,2**	**42,9**
Earnings per share (SEK)	**-0,34**	**-0,12**	**-0,26**	**-0,25**	**-0,05**	**0,09**	**0,12**	**0,15**
Growth (%)								
Net revenues	-17,5%	15,7%	-10,4%	19,5%	80,0%	32,2%	24,7%	25,5%
EBITDA	neg	neg	neg	neg	neg	236,9%	30,2%	23,9%
EBIT	neg	neg	neg	neg	neg	neg	27,4%	64,8%
Net profit	neg	neg	neg	neg	neg	neg	25,7%	29,4%
% of revenues (%)								
Gross margin	92,3%	93,6%	93,4%	81,3%	79,6%	78,4%	77,9%	77,5%
EBITDA margin	neg	15,4%	0,2%	neg	9,5%	24,3%	25,4%	25,0%
EBIT margin	neg	neg	neg	neg	neg	11,3%	11,6%	15,2%
EBT margin	neg	neg	neg	neg	neg	11,3%	11,6%	15,2%
Profit margin	neg	neg	neg	neg	neg	11,9%	12,0%	12,4%
Total OPEX	94,5%	78,2%	93,1%	130,6%	70,0%	54,1%	52,5%	52,4%
Profitability (%)								
ROE	neg	neg	neg	neg	neg	9,2%	10,4%	11,8%
ROIC	neg	neg	neg	neg	neg	8,3%	11,6%	19,3%

Source: Västra Hamnen Corporate Finance

**Adjusted for depreciation in COGS*

***Adjusted for depreciation in OPEX*

Balance Sheet - Annual Data

MSEK	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Inventories	0,4	0,2	0,3	19,8	21,2	28,3	33,4	44,8
Receivables	19,2	23,8	18,8	20,1	17,9	19,8	24,5	32,3
Other short-term receivables	3,5	3,1	2,4	7,0	9,7	13,6	14,7	19,4
Prepaid costs & accrued incc	2,9	2,8	2,7	16,7	19,3	26,1	31,8	43,5
Cash and cash equivalents	47,5	37,7	18,4	33,5	23,1	53,9	106,5	150,9
Total current assets	**73,5**	**67,7**	**42,5**	**97,2**	**91,2**	**141,7**	**210,8**	**290,9**
Tangible assets	6,4	10,6	11,9	11,9	11,0	10,7	10,7	10,6
Intangible assets	132,8	124,7	119,7	229,7	210,2	191,1	164,9	145,7
Total fixed assets	**139,2**	**135,4**	**131,6**	**241,6**	**221,2**	**201,9**	**175,6**	**156,3**
Total assets	**212,7**	**203,1**	**174,1**	**338,8**	**312,4**	**343,6**	**386,4**	**447,2**
Total current liabilities	**35,9**	**35,6**	**31,0**	**49,4**	**42,5**	**49,4**	**60,3**	**79,3**
Long term liabilities	**17,5**	**16,3**	**12,1**	**16,7**	**10,4**	**8,2**	**7,0**	**5,9**
Total equity	**159,3**	**151,2**	**131,0**	**272,6**	**259,6**	**286,0**	**319,1**	**362,0**
Total equity and liabilities	**212,7**	**203,1**	**174,1**	**338,8**	**312,4**	**343,6**	**386,4**	**447,2**

Source: Västra Hamnen Corporate Finance

Cash flow statement

kSEK	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Operating Activities	-2,2	14,1	-0,1	-46,9	15,6	53,7	70,0	75,9
Changes in working capital	-9,5	-4,1	2,1	7,0	-10,9	-12,6	-5,7	-16,6
Investing activities	-25,3	-17,5	-18,9	-4,0	-10,1	-9,4	-11,8	-14,8
Financing activities	37,3	-2,5	-1,9	58,7	-5,0	-0,9	0,0	0,0
Cash flow for the period	**0,2**	**-10,0**	**-18,9**	**14,9**	**-10,4**	**30,8**	**52,5**	**44,4**
Beginning cash balance	46,4	47,5	37,7	18,4	33,5	23,1	53,9	106,5
Ending cash balance	**47,5**	**37,7**	**18,4**	**33,5**	**23,1**	**53,9**	**106,5**	**150,9**

Source: Västra Hamnen Corporate Finance

Income Statement - Quarterly Data

MSEK	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026e	Q1 2027e	Q2 2027e	Q3 2027e
Net sales	17,0	17,1	14,7	24,6	36,7	37,6	40,8	43,5
Total revenue	**17,0**	**17,1**	**14,7**	**24,6**	**36,7**	**37,6**	**40,8**	**43,5**
Adj Cost of goods sold*	-1,5	-1,4	-1,5	-6,8	-7,7	-7,5	-8,2	-9,0
Adj Gross profit	**15,5**	**15,7**	**13,2**	**17,8**	**28,9**	**30,1**	**32,6**	**34,5**
Adj Total OPEX**	-17,5	-17,1	-19,7	-44,1	-40,6	-29,1	-30,6	-28,2
EBITDA	**-1,9**	**-1,4**	**-6,5**	**-26,3**	**-11,7**	**1,0**	**2,0**	**6,3**
D&A	-4,7	-4,5	-4,3	-5,7	-8,7	-8,2	-7,7	-7,2
EBIT	**-6,7**	**-5,8**	**-10,8**	**-32,0**	**-20,4**	**-7,2**	**-5,7**	**-0,9**
Financials, net	0,3	0,2	0,3	-0,4	-0,3	-0,1	-0,1	-0,0
EBT	**-6,4**	**-5,7**	**-10,5**	**-32,4**	**-20,7**	**-7,3**	**-5,8**	**-1,0**
Taxes	0,0	0,0	0,0	0,3	0,3	0,3	0,3	0,3
Net profit	**-6,4**	**-5,7**	**-10,5**	**-32,2**	**-20,3**	**-7,0**	**-5,5**	**-0,6**
Earnings per share (SEK)	**-0,08**	**-0,07**	**-0,07**	**-0,16**	**-0,07**	**-0,03**	**-0,02**	**-0,00**
Y-o-Y Growth (%)								
Net revenues	-21,9%	-14,5%	-29,2%	22,8%	115,4%	119,8%	177,5%	77,1%
EBITDA	neg	neg	neg	neg	neg	neg	neg	neg
EBIT	neg	neg	neg	neg	neg	neg	neg	neg
Net profit	neg	neg	neg	neg	neg	neg	neg	neg
% of revenues (%)								
Gross margin	91,2%	92,0%	89,8%	72,3%	79,0%	80,1%	79,9%	79,4%
EBITDA margin	neg	neg	neg	neg	neg	2,7%	5,0%	14,5%
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	neg	neg	neg	neg	neg
Total OPEX	102,7%	100,0%	133,8%	179,4%	110,8%	77,5%	74,9%	64,8%
Profitability (%)								
ROE	neg	neg	neg	neg	neg	neg	neg	neg
ROIC	neg	neg	neg	neg	neg	neg	neg	neg

Source: Västra Hamnen Corporate Finance

**Adjusted for depreciation in COGS*

***Adjusted for depreciation in OPEX*

Balance Sheet - Quarterly Data

MSEK	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026e	Q1 2027e	Q2 2027e	Q3 2027e
Inventories	0,3	0,2	0,2	27,8	19,8	19,2	19,8	20,8
Receivables	18,8	16,7	7,5	15,0	20,1	17,7	18,9	18,3
Other short-term receivables	2,4	3,1	3,9	5,9	7,0	7,5	8,7	9,4
Prepaid costs & accrued incc	2,7	3,0	2,9	6,2	16,7	16,7	17,7	18,5
Cash and cash equivalents	18,4	18,9	18,9	47,9	33,5	25,2	17,8	20,5
Total current assets	**42,5**	**41,9**	**33,4**	**102,9**	**97,2**	**86,4**	**82,8**	**87,6**
Tangible assets	11,9	11,4	10,6	14,2	11,9	11,6	11,3	11,1
Intangible assets	119,7	118,8	118,1	249,6	229,7	223,9	218,8	214,3
Total fixed assets	**131,6**	**130,2**	**128,7**	**275,8**	**241,6**	**235,5**	**230,1**	**225,4**
Total assets	**174,1**	**172,1**	**162,2**	**378,7**	**338,8**	**321,9**	**312,9**	**313,0**
Total current liabilities	**31,0**	**35,0**	**36,0**	**64,3**	**49,4**	**39,9**	**41,7**	**42,7**
Long term liabilities	**12,1**	**11,6**	**10,9**	**29,0**	**16,7**	**16,4**	**11,0**	**10,7**
Total equity	**131,0**	**125,6**	**115,3**	**285,4**	**272,6**	**265,6**	**260,1**	**259,5**
Total equity and liabilities	**174,1**	**172,1**	**162,2**	**378,7**	**338,8**	**321,9**	**312,9**	**313,0**

Source: Västra Hamnen Corporate Finance

Cash flow statement

kSEK	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026e	Q1 2027e	Q2 2027e	Q3 2027e
Operating Activities	-1,6	-1,1	-6,1	-27,7	-11,9	0,9	1,9	6,3
Changes in w orking capital	-1,5	5,0	9,4	-13,1	5,8	-6,9	-1,8	-0,9
Investing activities	-9,1	-2,9	-2,8	5,0	-3,2	-2,3	-2,5	-2,6
Financing activities	-0,6	-0,5	-0,6	64,8	-5,0	0,0	-5,0	0,0
Cash flow for the period	**-12,8**	**0,4**	**-0,1**	**28,9**	**-14,4**	**-8,3**	**-7,4**	**2,7**
Beginning cash balance	31,3	18,4	18,9	18,9	47,9	33,5	25,2	17,8
Ending cash balance	**18,4**	**18,9**	**18,9**	**47,9**	**33,5**	**25,2**	**17,8**	**20,5**

Source: Västra Hamnen Corporate Finance

Disclaimer

This marketing material has been prepared by Västra Hamnen Corporate Finance AB ("Västra Hamnen").

The material has not been prepared by the regulations designed to promote the independence of investment research, and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report.

The material has been prepared based on publicly available information that Västra Hamnen has deemed to be reliable. However, it cannot be guaranteed that the information is correct. The material is published for marketing purposes and does not purport to constitute a basis for any investment decision. The information provided herein does not constitute investment advice, and neither does the information take into consideration the individual needs, goals and circumstances of any particular recipient of this material. The reader is recommended to seek supplementary information elsewhere and to obtain relevant and specific professional advice before making any investment decision.

All views, opinions and conclusions communicated through this material shall be seen as valid on the publication date of this report only and are subject to change without notice. None of the information herein shall be construed as a recommendation or solicitation for the purchase or sale of any financial instrument.

In no event will Västra Hamnen be liable for direct, indirect or incidental damages resulting from the information in this report. Financial instruments can decrease as well as increase in value. Past performance is not indicative of future results.

The material is not directed at any such person, physical or legal, to whom the distribution of such material would imply a risk of violation of any laws or regulations applicable in Sweden or any other jurisdiction.

The contents of this report shall not be copied, reproduced or distributed to any third party without prior written permission from Västra Hamnen.

Conflicts of interest

Recipients should note that this material has been commissioned by the company mentioned in this report and that Västra Hamnen has received remuneration from the company for the production of the report. The remuneration is fixed and predetermined and in no way dependent on the content of the report or the views expressed herein.

The company mentioned in the report has reviewed the material before publication. The recipient may assume that this review has led to changes in the factual information presented in the report. Any assumptions, conclusions and scenarios are, however, the result of Västra Hamnen's analysis of available information.

Västra Hamnen has internal rules prohibiting all of its employees from buying or selling shares issued by companies with which Västra Hamnen has ongoing agreements to produce marketing material like the present.

Västra Hamnen Corporate Finance AB
Stortorget 13 A
211 22 Malmö
Telefon: +46 40 200 250
E-post: info@vhcorp.se
www.vhcorp.se

VÄSTRA HAMNEN
CORPORATE FINANCE