

NEXT BIOMETRICS GROUP ASA

Q2 Presentation

August 20, 2025



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Today's speakers



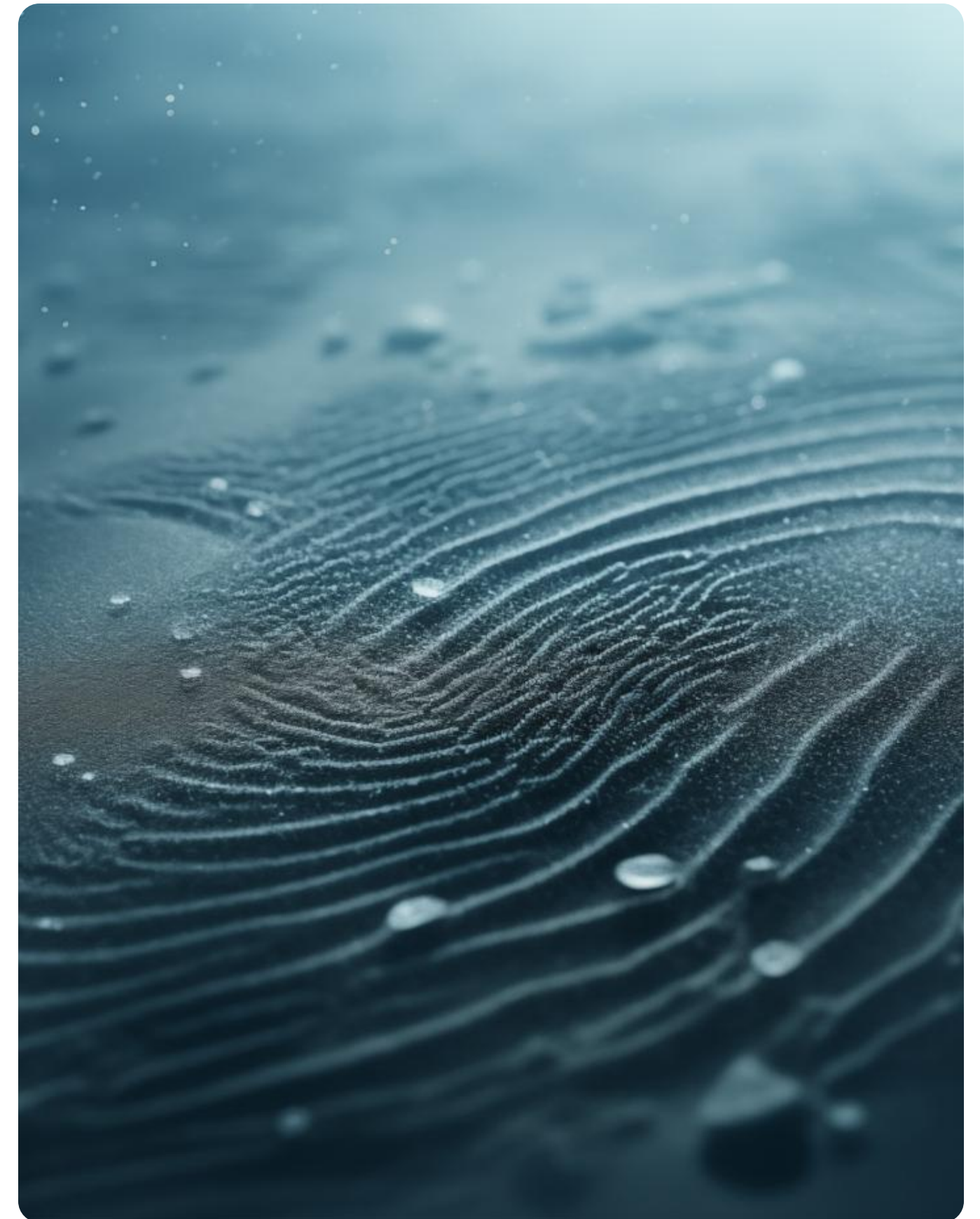
Ulf Ritsvall
CEO, NEXT Biometrics



Eirik Underthun
CFO, NEXT Biometrics

Agenda

- 1) Highlights
- 2) Q2 Financials
- 3) Business, market and product updates
- 4) Outlook
- 5) Q&A



Highlights Q2 2025

Restatement of historic revenues and OPEX for Q2 2025 and 2024, ensuring full compliance and accuracy

Q2 adjusted revenues at NOK 4.3 million

(down from NOK 18.3 million in Q2 2024)

Adjusted Gross Margin of 39%

(down from 57% in Q2 2024)

Successfully launched to market: The NEXT Granite, a FAP30-sized sensor and the NEXT Basalt L1 Slim, a FAP 20-sized sensor

6 new design wins within Government ID and Access Control

Immediately after Q2 close:

IAM order for Oyster III of NOK 2.5m

Breakthrough Order, first FAP30 mass production order



Q2 Financials

Q2 2025 financial summary

Profit and loss

NOK million	Q2 2025	Q2 2024
Revenues	(2.2)	18.3
Adjusted revenues	4.3	18.3
COGS ¹⁾	(2.6)	(8.0)
Gross profit margin ¹⁾	1.7	10.4
Gross profit margin % ¹⁾	39%	57%
Adjusted OPEX ²⁾	(15.9)	(17.0)
EBITDA	(18.6)	(4.9)
Adjusted EBITDA ²⁾	(14.2)	(6.7)

- 1) COGS and gross margin adjusted for inventory write-downs and non-recurring gains
- 2) OPEX and EBITDA excluding share based remuneration, options social security cost, inventory write-downs and sales & marketing incentive fee

Revenues

- Adjusted revenues at NOK 4.3 million vs. NOK 18.3 m in Q2 2024
- Reported revenues was NOK -2.2 m

Gross margin

- Adjusted Gross margin¹⁾ of 39% vs. 57% in Q2 2024

Operating expenses

- Adjusted OPEX of NOK 15.9 m vs. NOK 17.0 m in Q2 2024

EBITDA

- Adjusted EBITDA²⁾ of NOK -14.2 m relative to NOK -6.7 m in Q2 2024

Cash and cash flow

- Cash of NOK 22.1 m end of Q2 2025 versus NOK 39.9 m at end of Q1 2025
- Negative operational cash flow due to lower than expected revenues and operating losses
- Q2 cash flow from collections of A/R increased; expected to increase further in Q3/Q4

Slowness in China and the market pause in India still impacting quarterly revenues
Multiple one-offs impacting quarterly results
Expected to be resolved Q3 2025

Explanation Q2 reported revenues and 2024 restatement

NOK million	Q2 2025
Adjusted revenues	4.3
Extraordinary discount relating to China-ID products	(4.8)
Reversal of revenues related to distributors in China	(1.7)
Reported revenues	(2.2)

NOK million	2024
Reported revenues in annual report	71.6
Reversal of revenues related to distributors in China	(12.6)
Restated revenues 2024	59.0

Adjustments to revenues and other OPEX

- > NEXT granted NOK 4.8 million in discounts on China-ID products due to changing market conditions and competitor pricing. The discounts are expected to accelerate sales in China already in the coming 6 months, as well as reducing inventory with distributors. This sets NEXT up for additional order in Q3 and Q4.
- > NEXT's proactive A/R collection efforts have uncovered irregularities relating to sales to selected distributors in China. This was out of NEXT control. As a result, a NOK 1.7 million reversal in revenues was booked in the quarter while NOK 12.6 million was booked as a revenue restatement in 2024. Importantly, we plan to swiftly deliver the products to new or existing customers, some as early as this quarter.
- > Simultaneously, NEXT booked a cost reversal (gain) in other OPEX of NOK 3.7 million relating to sales and marketing incentive fees in Q2 2024 and NOK 3.7 million as a restatement in 2024.

We expect the impact of these unique, stand-alone events to be resolved in Q3/Q4, our revenue pipeline remains healthy and we have implemented further measures to tighten compliance and cash collection.

Business, market and product updates

Status & Key Priorities

- > **Products Developed and actively marketed:**
Oyster III, FAP 10, FAP 20 and FAP 30 products, as well as face recognition and TouchPads solutions
- > **MoUs/DWs with Key Customers:** ACPL, “additional OEM India”, Commlink, POS customers, FAP 30 customers, other DWs (total 76)
- > **Certifications:**
 - ✓ India – completed
 - ✓ Asia/Africa (MOSIP¹⁾) - completed
 - ✓ US certifications (PIV/FBI/GSA) – completed
 - ✓ China certificate – completed
 - ✓ Nigeria (NIBSS) – completed
 - ✓ Pakistan and Malaysia – completed
 - ⌚ Bangladesh – in process

1) MOSIP - Modular Open Source Identity Platform



Progress on Products

NEXT Granite (FAP30) product

- Granite (FAP30) products serve different markets / use cases
 - This expands our portfolio and is not a replacement for NEXT Basalt (FAP 20)

Opens new market segments

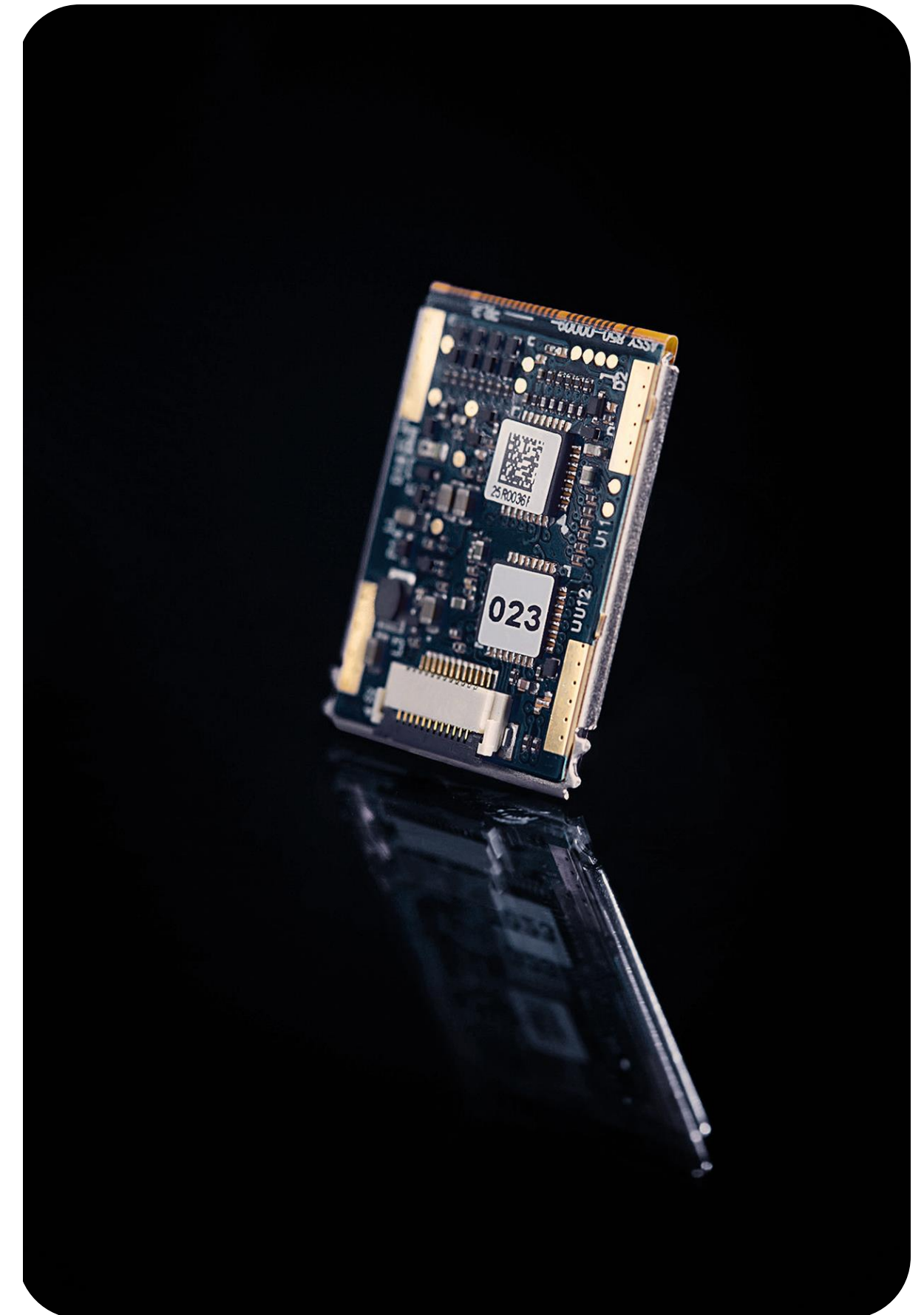
- Addressing market segments with higher security requirements
- Attractive for high-end markets such as the Government ID and Healthcare
- High market potential in Africa, USA and South America

Progress on FAP30

- FAP30 comes with an impressive results
- Large-sized image with phenomenal quality
- Early samples have already passed Customer's gating criteria

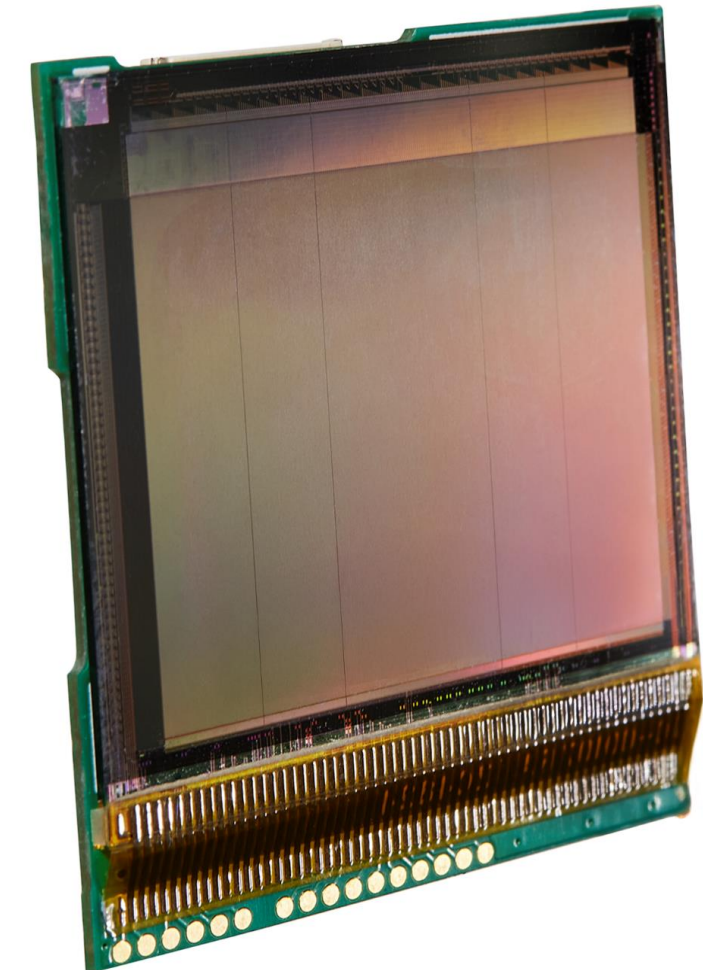
NEXT Basalt L1 Slim (FAP20) product

- Combining our proven Basalt sensor with a MCU, creating a slim and powerful biometric module that simplifies and speeds up integration
- The slim formfactor offered as a 'one board' solution is perfect for point of sales customers as they require a smaller foot-print for their devices



Breakthrough Order FAP30

- > **Secured first mass production order for NEXT Granite, FAP30** – confirming product value proposition and market demand
- > Partner planning **two new high-demand devices**:
 - FAP30 wired fingerprint reader
 - FAP30 Bluetooth fingerprint reader
- > **Order value: NOK 3.2m, deliveries expected Q4 2025**, adding clear revenue visibility and growth momentum
- > **This is an existing NEXT partner that signed FAP30 MoU in December 2024 (already announced)**

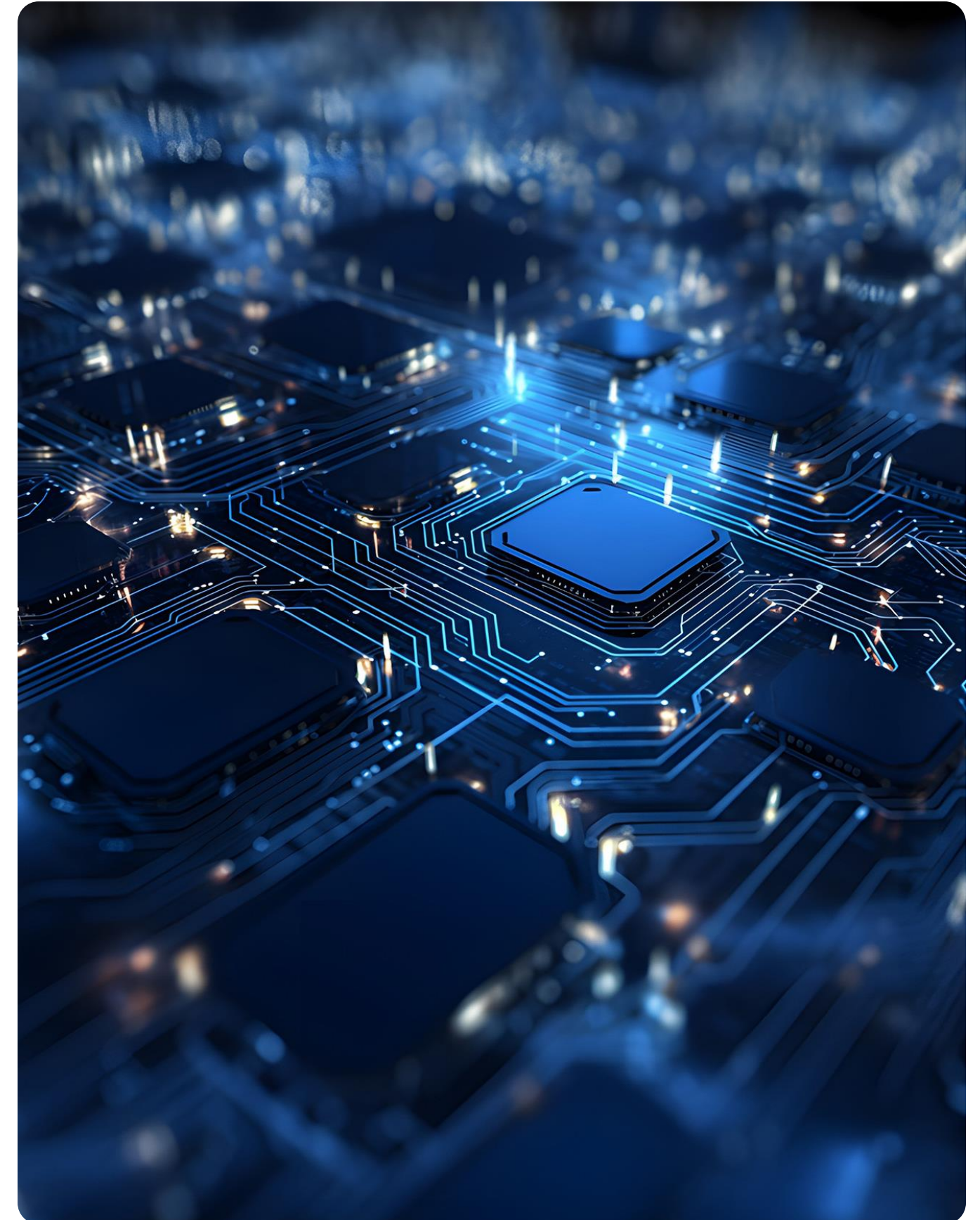


Breakthrough Order in Identity & Access Management

- > Secured first major order for IAM solutions¹⁾, covering deployments in US and EU
- > A leading global IAM player with 40 million deployed users/licenses
- > Initial purchase order of NOK 2.5 million with deliveries starting in Q3 2025²⁾
- > Expected annual sales of NOK 2.5–5 million, providing strong recurring revenue potential

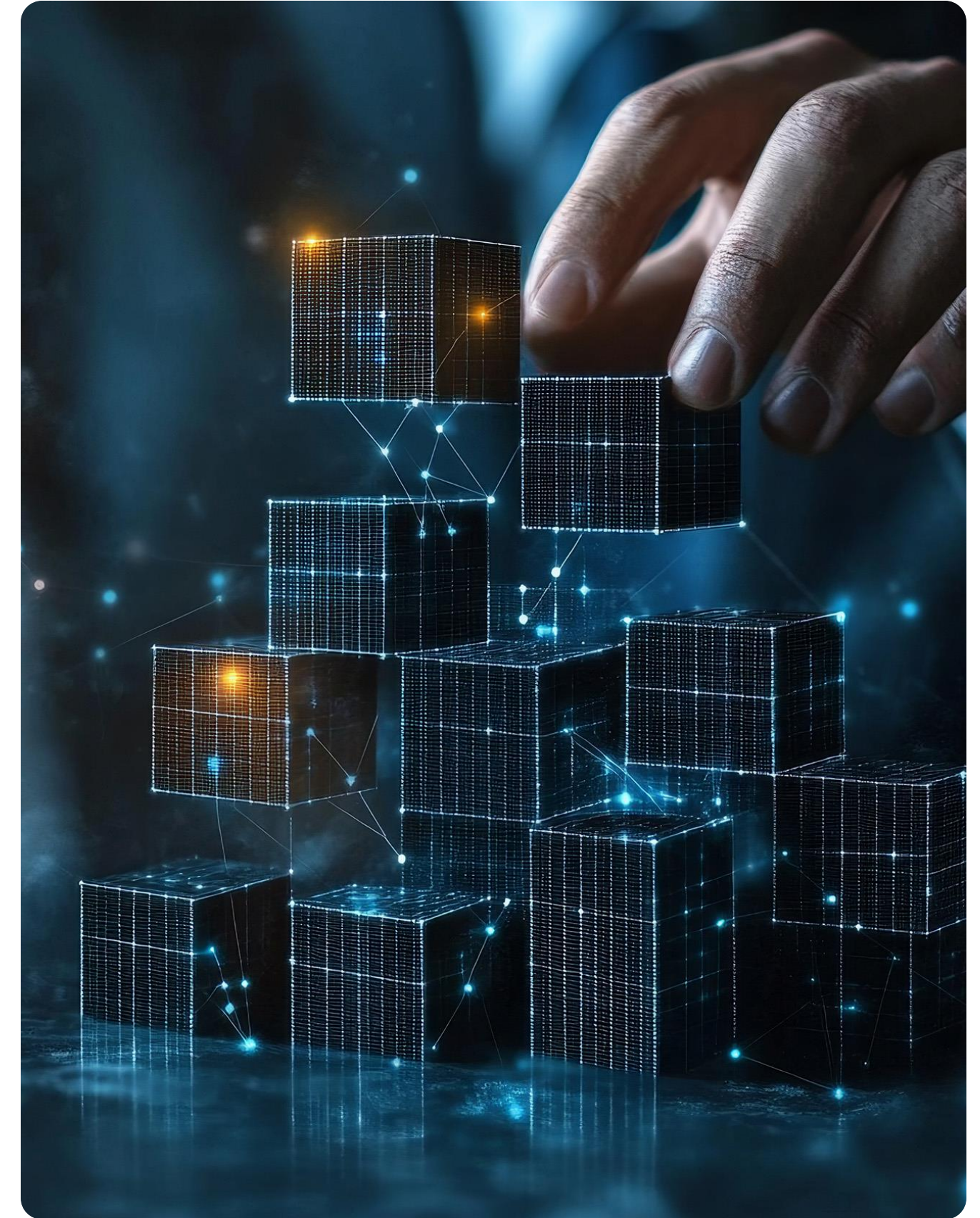
1) Identity & Access Management

2) Announced as NEXT news on 1 August



Short term expectations

- > **Release cash from working capital; complete customer projects, solve and ramp up end-customer deliveries from distributors**
- > **Normal quarterly revenues to be in place in the second half following ramp up in India and China restart**
- > **Revenue pipeline still in place enabling long-term potential from:**
 - Recurring revenues
 - Yearly and irregular revenues
 - Tenders and one-time revenues



NEXT long-term growth strategy

- > **NEXT organic growth strategy:** Growth from current products and from developing new products in existing new markets in Asia and in the rest of the world
- > **NEXT inorganic growth strategy :** Considering consolidate market and further accelerate growth

“NEXT is uniquely positioned in the Governmental ID and high-end fingerprint sensor market with a product portfolio in key markets. We have a resilient team determined to deliver, and while we have work to do, we are building a stronger, smarter, and more focused company for the future.

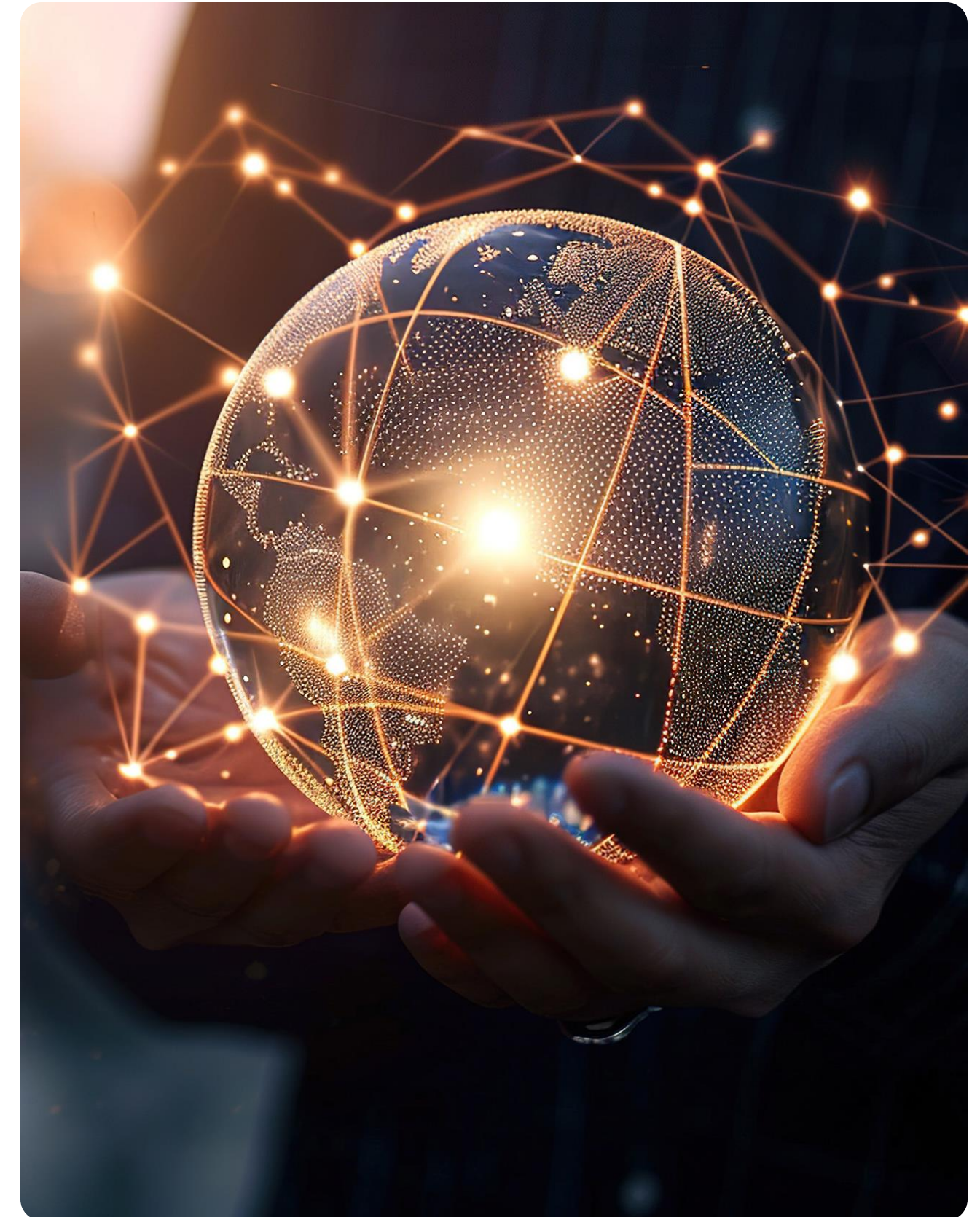
By acting as a biometrics solutions consolidator, we can enhance our market position, expand our offering and unlock new revenue streams to benefit our customers and shareholders. The overall aim is to build a leading biometric solutions provider that is the go-to partner for OEMs and large customer projects.”

Ulf Ritsvall, CEO NEXT Biometrics



Growth Outlook & Revenue Drivers

- > **Three revenue streams driving growth; reaching close to NOK 50m per quarter during 2026**
 - **Recurring** quarterly revenues – predictable, scalable; NOK 25 – 30 million expected once fully ramped by Q4 2025/Q1 2026
 - **Design-win revenue** – less regular but expanding customer base; e.g., NOK 2.5 million US IAM contract
 - **Large tenders / one-time revenue** – NOK 10 – 100 million projects in governmental ID sector
- > **Market readiness**
 - Full operational momentum by late 2025 / early 2026



Closing thought



Ulf Ritsvall
CEO, NEXT Biometrics

“While we remain mindful of short-term challenges, we are entering the second half of the year with confidence and optimism.

With an expanded product portfolio, growing partner network, and exciting innovations underway, NEXT is well-positioned for sustained growth.”

Q&A



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