

NEXT BIOMETRICS GROUP ASA

Q3 Presentation

November 19, 2025



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Today's speakers



Ulf Ritsvall

CEO, NEXT Biometrics

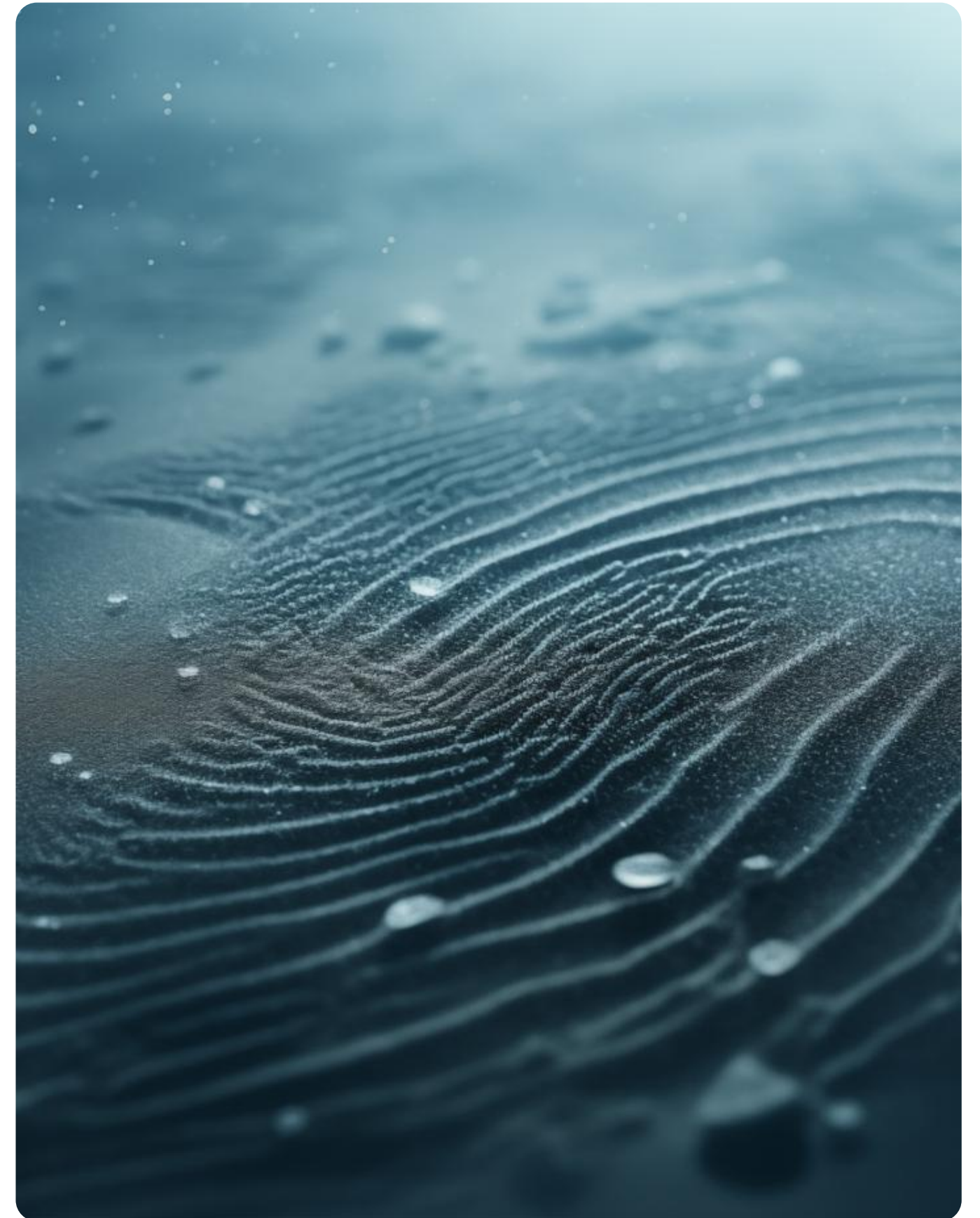


Eirik Underthun

CFO, NEXT Biometrics

Agenda

- 1) Background
- 2) Highlights
- 3) Q3 Financials
- 4) Business, market and product updates
- 5) Outlook
- 6) Q&A



Background - The Perfect Storm

From Q3 report:

"Aadhaar national and digital ID program in India temporarily paused the enrolment of all new L1 devices as a security precaution from late 2024 until spring 2025 because of a security incident at one competitor's Aadhaar integration, as previously communicated. This happened at a time where our distributors had ordered full stock of products in anticipation of sales, and the end clients had their channels full of finished products ready for the promising L1 market. The Aadhaar program is recognized as a quality stamp in biometrics markets in Africa, South-East Asia and South America so this security incident in India also impacted these markets negatively. The UIDAI has since then implemented new stringent liveness detection and anti-spoofing guidelines and testing procedures as part of its Aadhaar's biometric specifications.

Til now only seven OEMs have been able to pass this test. NEXT's partner's ACPL received its approval in March and Evolute Group in September 2025 being two of them.

This whole incident has impacted sales in 2025 dramatically. As the Aadhaar program for NEXT OEMs finally opened in spring 2025, the OEMs first had to empty their channels of finished products before they ordered from the distributors that on their side also had full inventories. During Q3 we have seen a real pickup and the channels are normalizing. But this has not been reflected in new sales as the products have been taken from distribution channels. As a direct consequence even when it was clearly stated in NEXT's commercial agreements, NEXT has not received payments from certain of our distributors before the end costumers have paid them. This has significantly contributed to the fact that we needed to restate the revenue in 2024.

While we face some near-term headwinds, the certified high quality of our products and increased market momentum, combined with an expanded and well received product range, makes us confident in gradually increasing our revenues during the coming quarters. The increasing market momentum gives solid ground for optimism, and our main focus will be to convert inventory valued at cost price of 34.3m NOK, which corresponds to approximately 70m NOK in revenue when sold to end-customers assuming gross margin at around 50%."

The Perfect Storm

Aadhaar L1 enrolment pause due to competitor security incident

Market disruption at the worst possible time

Global spillover effects

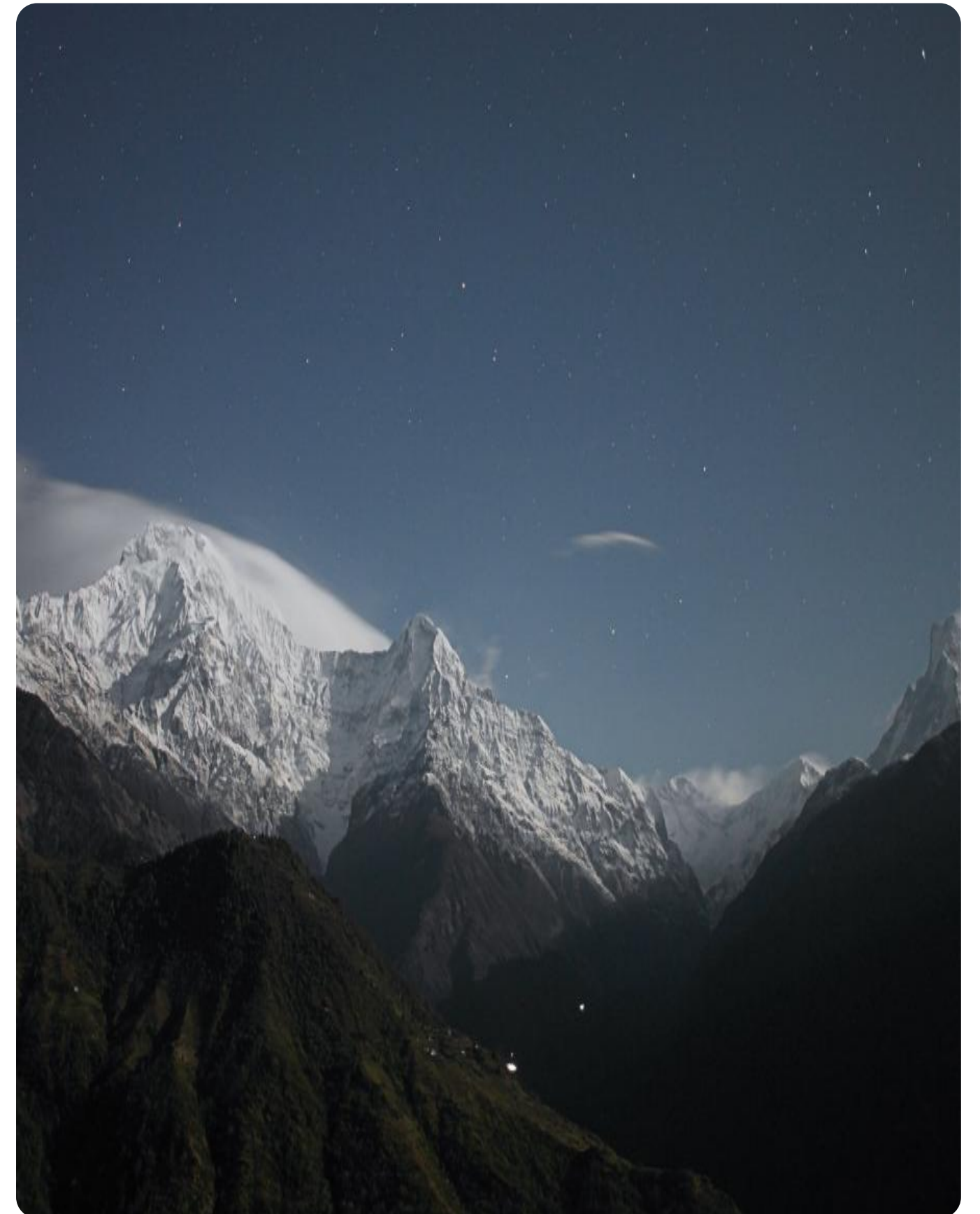
New stringent UIDAI requirements

Material impact on 2025 sales

Q3 channel normalization, but few reflected sales so far

Cash-flow and revenue recognition impact

Inventory build up



Highlights Q3 2025

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

From A/R to inventory, only focus moving forward convert from goods to cash

Q3 revenues at NOK 3.0 million + 2.1 million shipped from channel
(from NOK 3.7 million in restated Q3 2024)

Adjusted Gross Profit of 51%
(improved from adjusted negative gross profit % in Q3 2024)

5 new design wins within Government ID and Access Control

Successful Private Placement solving liquidity needs (Announced 16 Sep). NOK 20 million at 4.25NOK

Working capital and cost cutting evaluation



Q3 Financials

Q3 2025 financial summary

Profit and loss

NOK million	Q3 2025	Q3 2024 (restated)
Revenues	3.0	3.7
Adjusted revenues	3.0	3.7
COGS ¹⁾	(1.5)	(6.7)
Gross profit margin ¹⁾	1.7	(3.0)
Gross profit margin % ¹⁾	51%	NM ³⁾
Adjusted OPEX ²⁾	(18.7)	(17.3)
EBITDA	(18.0)	(19.0)
Adjusted EBITDA ²⁾	(17.8)	(20.3)

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

3) Not meaningful

Revenues

- Revenues at 3.0 m NOK + 2.1m NOK sales from channel vs. restated 3.7m NOK in Q3 2024

Gross margin

- Adjusted Gross margin¹⁾ of 51% vs. restated negative % in Q3 2024

Operating expenses

- Adjusted OPEX of 18.7m NOK vs. 17.3 m NOK in Q3 2024

EBITDA

- Adjusted EBITDA²⁾ of -17.8m NOK relative to restated -20.3 m NOK in Q3 2024

Cash and cash flow

- Cash of 7.4m NOK end of Q2 2025 versus 22.1m NOK at end of Q2 2025
- Negative operational cash flow 13,5m NOK due to lower than expected revenues and operating losses
- 20m NOK private placement at NOK 4.25 completed post quarter close

Restatement details and impact to the investor

- The investigation of the irregularities in China and the comprehensive review of historical reported revenues and our internal controls revealed that further historical reported sales did not meet the necessary attributes for revenue recognition.
- Consequently, we have restated the revenues and the net profits for 2024 with NOK 52 million and NOK 30 million, respectively. This includes adjustments reported when presenting Q2 2025 figures.
- Goods shipped to our distributors are presented as “goods in consignment”, a total of NOK 18 million in inventory value, instead of reported sales.
- The applied approach for revenue recognition is based on advice from IFRS-experts and should ensure compliance with IFRS.
- The adjustments does not affect the historical cash flow and gives the users of the financial statement a better understanding of the business and its financial performance.
- Management does not consider that the restated accounts imply a reduced ability for the company to generate cash collections; only a more accurate presentation of the current status of the different sale.
- Management acknowledges the negative impact on equity and the significant adverse consequences for the company. The company will continue to implement measures to ensure robust internal control over financial reporting, as well as other key internal controls, to safeguard the company and protect investors' interests in NEXT.

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 Touch Pads solutions through partners
- > **Total 81 Design Wins:** ACPL, Evolute, Commlink & POS customers
- > **Certifications:**
 - ✓ India – completed (2 OEMs out of 7 approved!)
 - ✓ Asia/Africa (MOSIP¹⁾) - completed
 - ✓ US certifications (PIV/FBI/GSA) – completed
 - ✓ China certificate – completed
 - ✓ Nigeria (NIBSS) – completed
 - ✓ Pakistan and Malaysia – completed
 - 🕒 Bangladesh – banking approved, Governmental in process



Update on new Display Technology

- > **Technology development on track:** Progress on the new display technology continues as planned
- > **Strong R&D momentum:** Significant advances in the theoretical design achieved over the past months
- > **IP protection underway:** Multiple patents nearing completion to secure core intellectual property
- > **Industry validation:** Early feedback from selected industry leaders confirms the technology's groundbreaking potential
- > **Large market impact:** Clear potential to drive transformative change across the biometric and display market
- > **High confidence moving forward:** We remain confident in bringing this innovation to market and will share further updates as development progresses



Progress on Products

NEXT Granite (FAP30) product

Breakthrough order - the first large-scale production order from Indian OEM for new FAP 30 sensor (Announced 20 Aug)

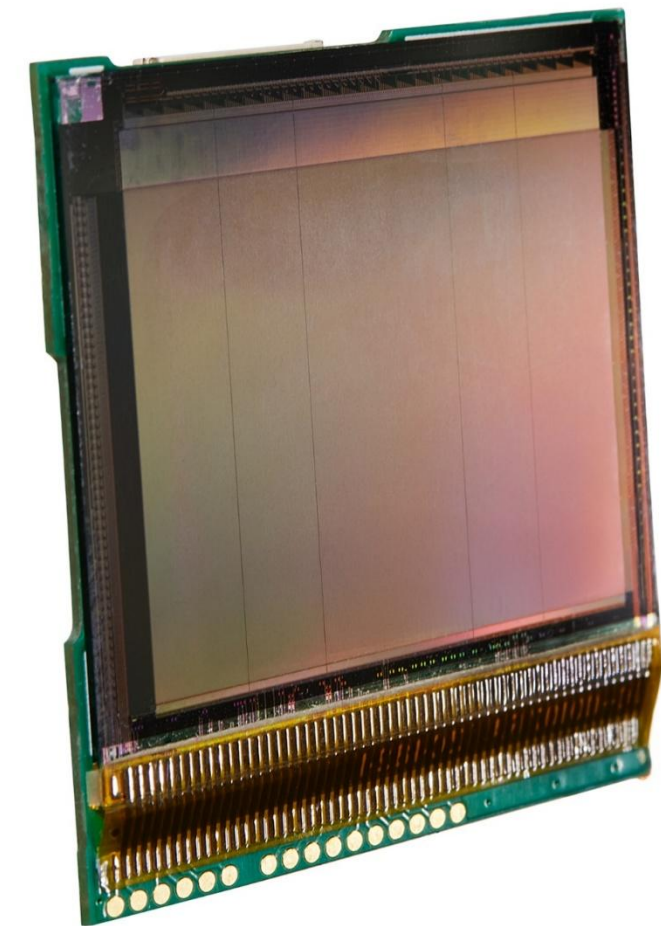
- Granite (FAP30) products serve different markets / use cases
 - This expands our portfolio and is not a replacement for NEXT Basalt (FAP 20)

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



Evolute, L1 Aadhaar Certified

- > Commercial agreement announced July 3, 2023, NOK 65 million commercial partnership over 5 years
- > Evolute secured the L1 Aadhaar certification from UIDAI (Unique Identification Authority of India)
- > NEXT becomes the only fingerprint sensor provider to have supported two Original Equipment Manufacturers (OEMs) through the L1 Certification process using its Active Thermal® FAP20 Basalt.
- > NEXT Basalt, FAP20 sensor was designed into five different form factors
- > Except for Aadhaar, the products are also targeting MOSIP and MENA market
- > Expected high volume purchase order in Q4 2025



Targeting new geography – Sri Lanka

- > High growth potential on Sri Lanka driven by the national digital ID rollout
- > Biometric hardware and software demand is rising across government, banking, telecom, and private sectors
- > C3 Labs is known as a multidisciplinary engineering and innovation studio that provides end-to-end solutions from concept to product manufacturing
- > NEXT secured the first mass production order from a new customer, C3 Labs on Sri Lanka
- > The product is a Self-service Kiosk for secure transactions
- > Deliveries scheduled to start in Q4 2025



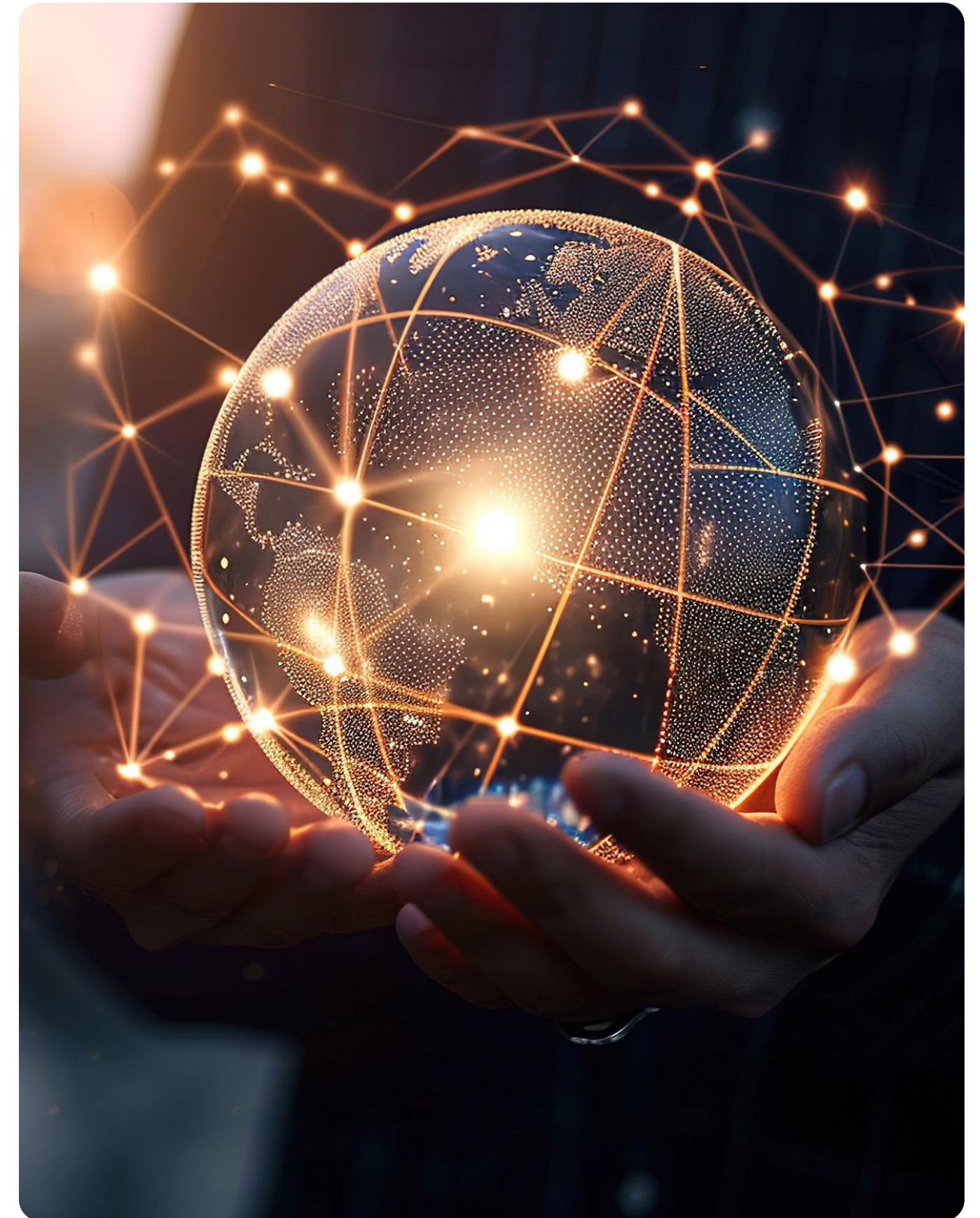
Outlook

Three revenue streams driving growth

- **Recurring** quarterly revenues – better predictability, scalable
- **Design-win revenue** – less regular but expanding customer base with 81 smaller to medium size DW
- **Large tenders / one-time revenue** 10 – 100m NOK projects in governmental ID sector

Market readiness & focus area

- Full operational momentum early 2026
- The increasing market momentum gives solid ground for optimism and our only focus will be to convert inventory valued at cost price of 34.3m NOK, which corresponds to approximately 70m NOK in revenue when sold to end-customers assuming gross margin at around 50%.
- Cost cutting initiatives initiated to preserve cash and liquidity



Q&A



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