

NEXT BIOMETRICS GROUP ASA

Q1 Presentation

May 14, 2025



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Today's speakers



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Agenda

- 1) Q1 Highlights
- 2) Q1 Financials
- 3) Business and market updates
- 4) Outlook
- 5) Q&A

Highlights Q1 2025

Improved revenue Pipeline

New orders add to the long-term revenue outlook

Q1 Revenues at NOK 6.9 million

(down 46% compared to Q1 2024)

Adjusted Gross Margin of 52%

(down from 56% in Q1 2024)

Signed new Multi-Year MoU valued at NOK 30 million

6 new design wins

First design-win for the Touchpad segment

NEXT FAP20 sensors will be used as part of a certification solution in a tablet model by one of India's largest public banks

Immediately after Q1 close: Signed agreement and PO valued NOK 55-107 million with ACPL



Q1 Financials

Q1 2025 financial summary

Profit and loss

NOK million	Q1 2025	Q1 2024
Revenue	6.9	12.8
COGS ¹⁾	(3.3)	(5.6)
Gross profit margin ¹⁾	3.6	7.2
Gross profit margin % ¹⁾	52%	56%
Adjusted OPEX ²⁾	(17.3)	(16.3)
EBITDA	(16.1)	(14.2)
Adjusted EBITDA ²⁾	(13.7)	(9.1)

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

- NOK 6.9 m vs. NOK 12.8 m in Q1 2024

Gross margin

- Adjusted Gross margin¹⁾ of 52% vs. 56% in Q1 2024

Operating expenses

- Adjusted OPEX of NOK 17.3 m vs. NOK 16.3 m in Q1 2024

EBITDA

- Adjusted EBITDA²⁾ of NOK -13.7 m relative to NOK -9.1 m in Q1 2024

Cash and cash flow

- Cash of NOK 39.9 m end of Q1 2025 versus NOK 62.9 m at end of Q4 2024
- Negative operational cash flow due to low revenues and operating losses
- Q1 cash flow from collections of A/R increased; expected to increase further in Q2/Q3

Slowness in the China market and the market pause in India still impacting quarterly revenues
Increased traction on A/R collection

Business and market updates

Business updates

> **China market recovery still pending**

- Limited shipments to China this quarter
- Resulting in increased priority and greater pursuit of global opportunities in banking, finance, and healthcare
- Ongoing collaboration with OEMs for international deployments
- Holding for China's upturn; expected regulatory pull and economic stimulus

> **Preparing for increased business volumes in India**

- Aadhaar program activity resumed in March with successful recertification of NEXT's FAP20 sensor
- Anticipating increased market share in India, supported by strong demand for biometric upgrades
- India positioned as a key growth market, driven by high-volume tenders and next-generation ID initiatives
- Expansion of Aadhaar to third-party applications expected to significantly boost ecosystem volumes



Key Milestone with Major Order from ACPL

Significant Order Secured

- Received NOK 55–107 million order with shipments starting Q2 2025
- Increases confidence in 2H 2025 and 2026 revenue outlook

Strengthened Strategic Partnership

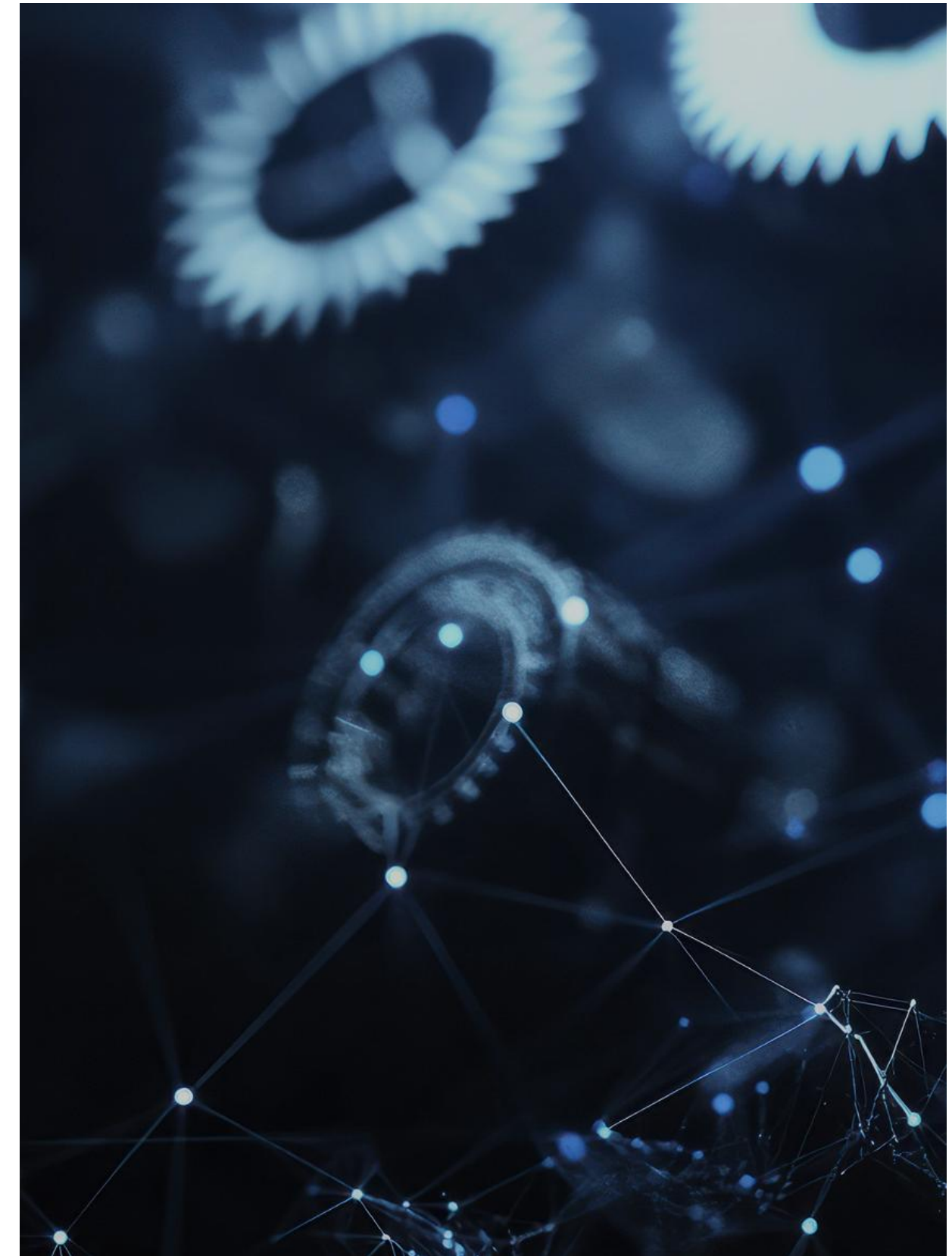
- Extends collaboration with ACPL reflecting increased demand and market share

Expanding Global Deployment

- Sensors to be used in ID and payment devices across India, Mexico, Morocco, South Africa, and more

Proven Technology & Compliance

- Includes newly developed advanced sensors; certified for Aadhaar L1, MOSIP, FBI-PIV, and NIBSS standards



FAP30 will be important revenue contributor already in 2025

NEXT FAP30 product

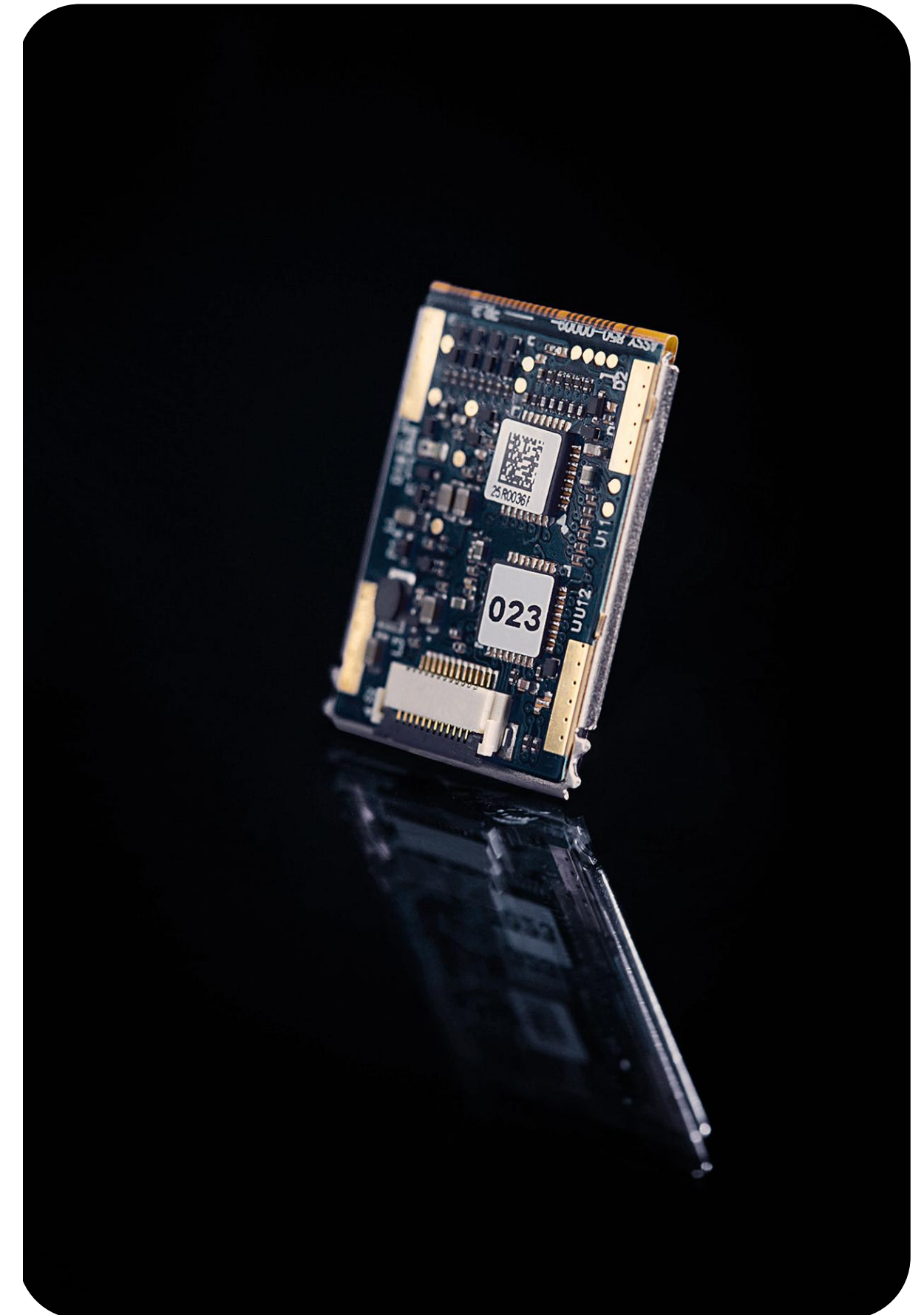
- Leveraging NEXT Biometrics' patented NEXT Active Thermal® technology
- FAP30 products are more sophisticated than FAP20 and serve different markets / use cases – Not a replacement for FAP20

Opens new market segments

- Addressing market segments with higher security requirements
- Attractive USPs for high-end markets such as the Government ID and Healthcare
- Additional geographical spread in African, US and South American market

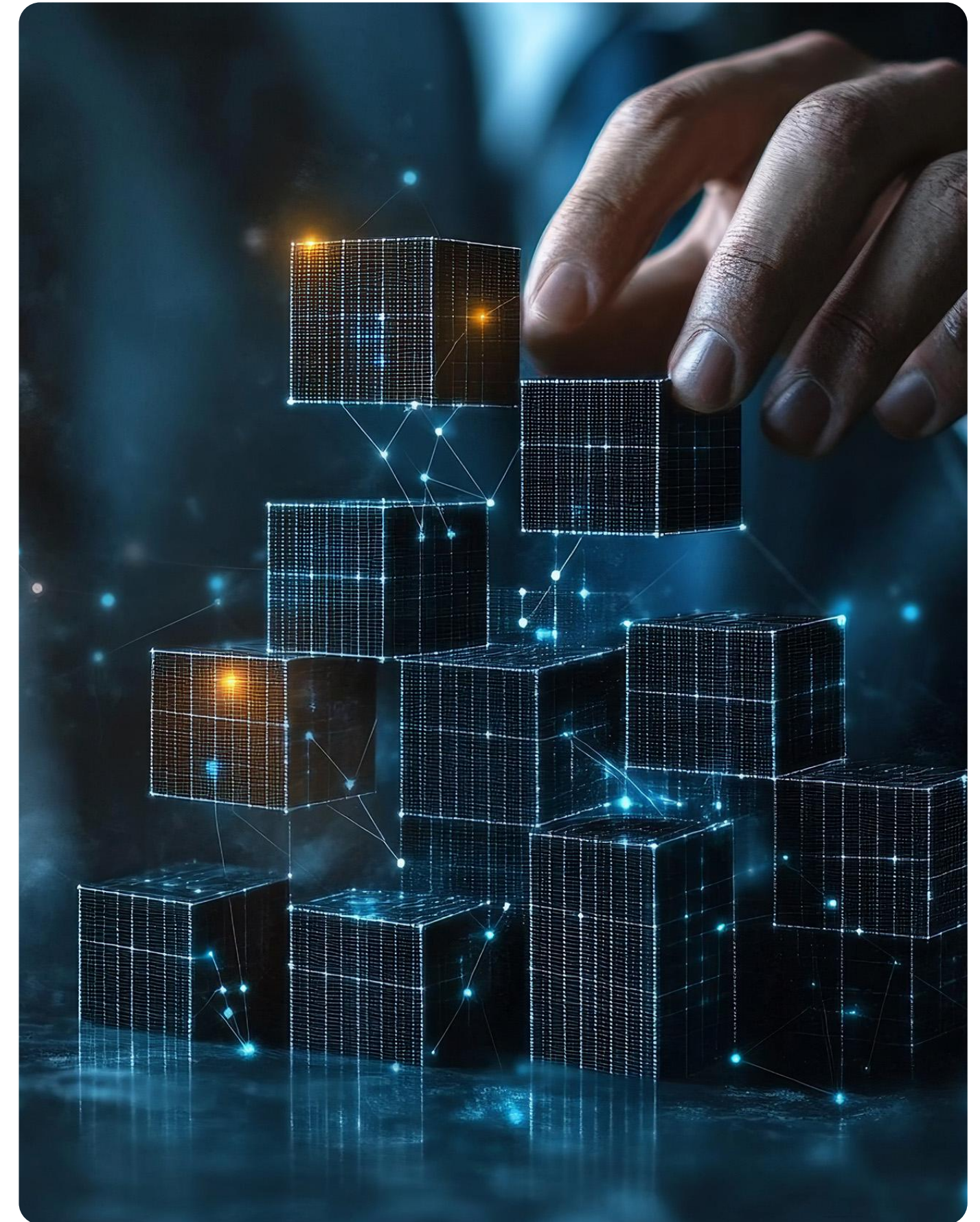
Our progress on FAP30

- Strong partner interest driven by NEXT's competitive prices, enabling high gross margins in a large addressable market
- FAP30 customers primarily based in Western markets, enhancing geographic diversification
- Market launch expected to be announced in Q2; currently in discussions on high-value contracts with key customers



Targeting substantial improvements in cash flow

- Improvement in accounts receivable collections during Q1
- Targeting significant growth in cash inflow for Q2 and Q3
- Enhanced credit terms now in place, supporting NEXT's growth strategy
- FAP30 positioned for sales to Western customers meaning standard, reliable payment terms



The background is a complex, abstract digital composition. It features a central vortex-like structure with concentric rings of light. Radiating from this center are numerous lines and particles, some appearing as bright orange-yellow streaks and others as smaller, dimmer blue and white dots. The overall effect is one of high-speed motion and digital connectivity, reminiscent of a data tunnel or a futuristic cityscape at night.

Outlook

Summary and Outlook

Significant Revenue Growth

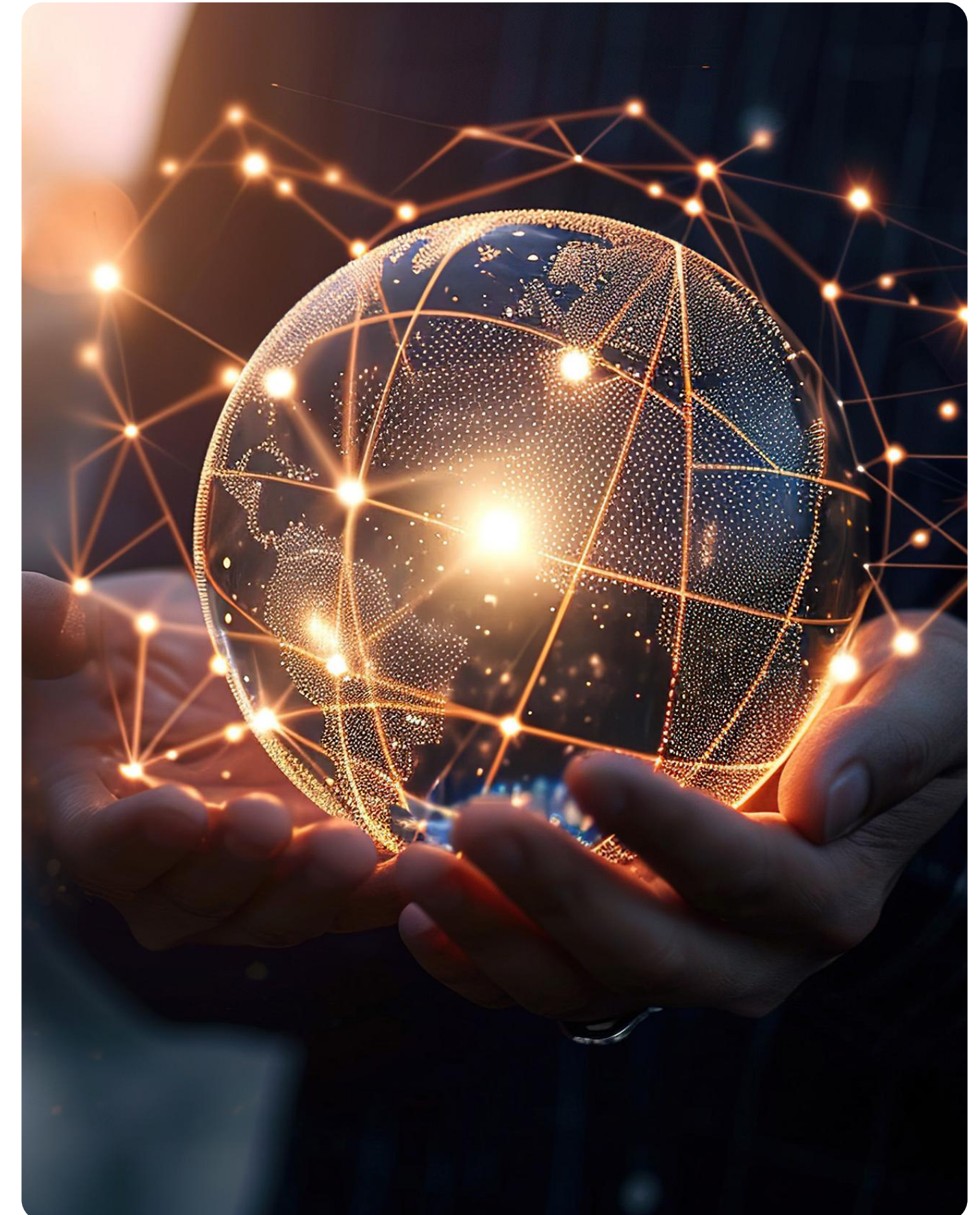
- Expecting revenue of NOK 130 – 160 million for 2025 with even higher upside for 2026
- Majority of 2025 revenue set to be realized in H2
- Expecting Q2/Q3 combined revenue of NOK 60-70 million; slow ramp up

Continue to focus on strong FAP20 sales

- Unique product offering drives competitive advantage
- Primary growth markets are India and China
- Achieve break-even quarters driven by strong FAP20 sales

FAP30 expected to drive revenue growth in 2026

- FAP30 targets security market segments with the most stringent requirements, meaning greater potential in Western markets
- First deliveries of FAP 30 in H2 2025
- Efficient scaling should lead to strong revenue growth
- Demand for the FAP30 sensor much greater than originally forecast



Q&A



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