

NEXT BIOMETRICS GROUP ASA

Quarterly Report | Q4 2025



nextbiometrics.com

NEXT Biometrics Group ASA

Quarterly report – Q4 2025

Highlights

- Revenues of NOK 2.5 million in Q4 2025, compared to NOK 2.9 million in restated Q4 2024
- Adjusted gross profit margin of 69%, compared to 40% in restated Q4 2024
- Adjusted EBITDA of NOK -15.2 million in Q4 2025
- Cash position of NOK 8.3 million as of 31 December 2025, compared to NOK 62.9 million as of 31 December 2024
- Secured 4 new design wins in Q4 2025, bringing the total number of design wins to 85 by quarter-end, up from 64 in Q4 2024, reflecting continued market traction
- Secured new orders with a total value of approximately NOK 7 million during the quarter and subsequent to quarter-end, including orders in India, supporting the view that market activity is improving
- Secured the first order for Government ID use cases in Malaysia, further validating increasing traction in markets outside India
- Awarded two US patents for full-screen biometric authentication technology for smartphones and selected a Taiwanese display partner to co-develop the solution
- Completed a private placement raising gross proceeds of NOK 20 million in October 2025
- Announced contemplated Rights Issue amounting to up to NOK 50 million and NOK 25 million bridge loan on 11 March 2026

A message from our CEO

Our Q4 2025 report marks the close of a challenging year for NEXT, but also the beginning of what we believe is a more constructive phase for the Company. While our financial performance in 2025 did not meet the expectations we had at the start of the year, we are now seeing clear signs that the markets we serve are reopening and that customer activity is improving. This supports our confidence in gradually increasing revenues over the coming quarters and years.

A key reason for the weak market activity during 2025 was the temporary disruption in India's Aadhaar ecosystem following a security incident involving a competing solution. This led to a reset in market requirements, including the introduction of new Fake Finger Detection, or FFD, standards. Because testing could only be conducted by STQC, the sole authorised agency, certification bottlenecks emerged across the market, delaying product approvals, customer rollouts and short-term sensor demand. These effects continued through the fourth quarter.

At the same time, this development has reinforced the importance of secure and robust biometric technology. It also validates NEXT's long-standing focus on security and liveness detection. With our Basalt FAP 20 solution included in certified modules for two of the seven OEMs approved under the new FFD requirements, we believe NEXT is well positioned to benefit as certification backlogs ease and demand in India begins to recover. Since our previous quarterly report, we have secured three new orders, with a total value of approximately NOK 7 million, which we view as an important indication that the market is regaining momentum.

We also see additional signs of recovery in India. Multiple government agencies have resumed issuing new tenders, and we expect demand to accelerate in Q2 2026 and normalize by Q3 2026. In parallel, new use cases are emerging in areas such as hotel registration, hospital-patient registration, e-signing and payments linked to

Aadhaar. Taken together, this strengthens our view that India will be our strongest near-term market and an important driver of renewed growth.

The temporary slowdown in India also had broader implications. Aadhaar is widely recognised as a benchmark for biometric quality in a number of adjacent markets, including parts of Africa, South-East Asia and South America. As a result, the disruption in India also affected momentum in several national ID and digital identity programs outside India, including MOSIP-related opportunities. Encouragingly, we are now seeing improving traction in these markets as well. A concrete example is the first order secured for Government ID use cases in Malaysia in February 2026.

Despite the weak revenue development in Q4, our commercial platform continues to strengthen. We added four new design wins during the quarter, bringing the total number of design wins to 85 by year-end, up from 64 a year earlier. We view this as a strong indicator of customer interest and a broader base for future revenue growth as market conditions improve.

In parallel with the expected commercial recovery, we continue to invest in technology that we believe can shape NEXT's long-term strategic position. During the period, NEXT was granted two US patents covering core intellectual property for full-screen biometric authentication in smartphones. In January 2026, we also selected Taiwan-based Giantplus to co-develop our anywhere-on-display solution. This project represents a highly important strategic initiative for NEXT, and we are targeting a prototype showcase at Mobile World Congress 2027 in Barcelona. We believe this work supports a differentiated long-term technology position and future shareholder value creation.

Looking ahead, our priorities are clear. In the near term, our main focus is to convert inventory into revenue as market activity improves and customer orders resume. At year-end, inventory had a net book value of NOK 25.4 million, which corresponds to approximately NOK 50 to 70 million in revenue when sold to end-customers, assuming gross margin at around 50%. Our inventory gives us a strong starting point to support increased deliveries as demand returns. Combined with improving market momentum, a broadened product offering, growing design-win traction and continued technology progress, this gives us reason for optimism as we enter 2026.

Ulf Ritsvall, CEO of NEXT Biometrics Group ASA

(amounts in NOK million)	Amounts as restated		Amounts as restated Full Year	
	Q4 2025	Q4 2024	Full year 2025	2024
Total revenues	2,5	2,9	13,4	19,7
Adjusted gross profit (%) ¹⁾	69%	40%	-1%	17%
Adjusted EBITDA ¹⁾	-15,2	-18,7	-60,6	-68,6
Cash - closing balance	8,3	62,9	8,3	62,9

1) See definition on page 22

Operational review

Q4 2025 revenues were NOK 2.5 million compared to restated revenues of NOK 2.9 million in Q4 2025.

NEXT has a strong position in India with two L1 certified Aadhaar partners (Evolute and ACPL). Sensor shipments to India continued at low level during the quarter. However, NEXT's recent announcements of three orders in

India, are believed to mark the beginning of the ramp up phase for sensor deliveries to the market in India. Multiple government agencies have started issuing new tenders. Demand is expected to accelerate in Q2 2026. Market demand is expected to normalize by Q3 2026. The MOSIP-program, which covers 29 countries, was also temporarily developing at a slower pace due to the above-mentioned security incident in the Indian Aadhaar program. We are closely following these markets and have experienced increased market traction during the last quarter.

The market in China was also slow during the quarter. NEXT's sensors have been selected to be included in a number of products by Original Equipment Manufacturers (OEMs) in China and elsewhere. While NEXT's sensors have been designed into these products, NEXT's shipment volume is dependent on end-customer orders to the OEMs, which have been delayed mostly due to slowness in government tender processes and lack of approval of customer projects.

4 new design wins were added during the fourth quarter. The total number of design-wins was 85 customer product integrations as per 31 December 2025, compared to a total of 64 as of 31 December 2024.

NEXT's Q4 2025 adjusted gross profit margin was 69%, vs. a restated adjusted gross profit margin of 40% in Q4 2024. The Q4 2025 adjusted gross profit was higher than previous quarters mainly due to product mix.

NEXT has continued its preparation for the FBI PIV certification following the successful launch of the Basalt series (FAP30). NEXT aims to complete the certification early Q1 2026.

NEXT's Anywhere-on-Display Authentication project continues to progress. The Group has been granted 2 patents in the US for the technology. This is a continuation of our strategy to secure a strong patent portfolio for breakthrough innovation in the biometric industry. Furthermore, NEXT has announced the selection of Taiwan-based Giant Plus Technology to co-develop display solutions for the new anywhere-on-display authentication with the target showcasing the prototype at Mobile World Congress in February 2027.

Interim condensed financial statements as of 31 December 2025 (unaudited)

Statement of comprehensive income

Revenues for Q4 2025 were NOK 2.5 million compared to NOK 2.9 million in Q4 2024 (restated). The decrease in revenues relative to Q4 2024 was as mentioned above due to slow sales in China and India.

Cost of materials were NOK 7.9 million in Q4 2025 compared to NOK 2.1 million in Q4 2024 (restated). The increase in cost of materials is mainly due to inventory write-downs and other inventory adjustments of NOK 7.2 million that were booked in the quarter.

Payroll expenses, excluding stock option costs, were NOK 8.3 million in Q4 2025 compared to NOK 8.9 million in Q4 2024. Net employee stock option and social security costs were NOK 0.7 million in Q4 2025 compared to a negative net cost of NOK 0.6 million in Q4 2024. See note 6 for further information on stock options cost and options social security cost.

Other operating expenses were NOK 13.4 million in Q4 2025 compared to NOK 11.2 million in Q4 2024. Please see note 5 for further details.

Depreciation and amortization were NOK 1.1 million in Q4 2025 compared to NOK 1.2 million in Q4 2024.

Net financial items were positive NOK 0.5 million in Q4 2025 compared to positive NOK 0.2 million in Q4 2024.

Income tax expense was NOK 0.1 million in Q4 2025, compared to income tax expense NOK 0.1 million in Q4 2024.

EBITDA was negative NOK 27.9 million in Q4 2025, compared to negative NOK 18.6 million in Q4 2024. The negative Q4 2025 EBITDA is mainly due to low revenues and inventory write-downs that were booked in the quarter.

Loss after taxes for Q4 2025 was NOK 28.6 million compared to a loss of NOK 19.7 million for Q4 2024.

Statement of financial position and cash flow

Cash amounted to NOK 8.3 million as per 31 December 2025, compared to NOK 62.9 million as per 31 December 2024.

Net cash flow from operating activities was negative NOK 17.3 million in Q4 2025, compared to negative NOK 20.0 million in Q4 2024. The negative cash flow in Q4 2025 was mainly due to operating losses caused by the temporary halt in and slow restart of a significant number of the markets in which NEXT operates.

Net cash flow from investing activities was negative NOK 0.5 million in Q4 2025, compared to negative NOK 0.0 million in Q4 2024. The investments in the quarter are related to the capitalization of internal R&D resources and other costs related to the development of new products.

Net cash flow from financing activities was positive NOK 18.8 million in Q4 2025 compared to positive NOK 37.7 million in Q4 2024. The positive cash flow in Q4 2025 is due to the NOK 20 million private placement that was completed during the quarter. In Q4 2024 the Group raised gross NOK 40.1 million from a private placement.

Going concern

The Group's financial statements for Q4 2025 have been prepared on the basis of a going concern assumption. The Board is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for the period covering 12 months from the date of this Quarterly Report. Please see note 1 for further details.

Outlook

The Anywhere on display project has potential to drive transformative changes across the biometric and display market. NEXT's two new two US patents secure core intellectual property and early interest from selected industry leaders in the Smartphone industry confirms the technology's groundbreaking potential. Technology development is on track to demonstrate the prototype at Mobile World Congress in 2027, which is likely to trigger interest from major players in the industry and opportunities for licensing revenues.

NEXT continues to execute on its cost reduction plan, with annual underlying OPEX trending towards NOK 60 to 65 million. At the same time, we are seeing signs that the markets we serve are regaining momentum, particularly in India, where orders have started to be issued again by OEMs and government agencies have resumed tender activity. Three new orders with a total value of approximately NOK 7 million have been secured since the previous quarterly report, and demand is expected to accelerate further in Q2 2026 and normalize by Q3 2026.

We also see improving activity in other markets, including MOSIP-related countries, Bangladesh and selected opportunities in the Americas. We believe this supports a more constructive commercial outlook for 2026 and reinforces the view that the temporary disruption in 2025 is gradually being left behind.

India is expected to be our strongest near-term market. With certification bottlenecks easing, increased tender activity, recent order intake and a broadened product offering, we believe NEXT is well positioned to capture growth as market activity returns. At the same time, our technology investments, including our patented full-screen authentication solution and the co-development partnership with Giantplus, continue to strengthen our long-term strategic position.

NEXT has three revenue streams: signed contracts, design wins, and large tenders or one-time revenues. Due to the nature and development stage of the biometric markets we serve, the timing of these revenue streams remains difficult to predict. However, momentum is improving, the commercial pipeline is strengthening, and the revenue target for 2026 remains NOK 70 million, with a gross margin target of 50 to 55%.

The increased market momentum gives us reason for cautious optimism. Our main focus in the near term will be to convert inventory into revenue and cash flow as demand returns. At year-end, inventory had a net book value of NOK 25.4 million, which corresponds to approximately NOK 50 to 70 million in potential revenue when sold to end-customers, assuming gross margin at around 50%. The inventory monetisation is expected to support operating cash flow. In addition, the Group's liquidity position will be strengthened by the recently announced bridge loan and rights issue, which is expected to provide liquidity runway into 2027.

Oslo, 10 March 2026

CEO and Board of Directors

NEXT Biometrics Group ASA

Ulf Ritsvall (CEO)

Hans Henrik Klouman (Chair)

Roy Tselentis (Deputy Chair)

Emine Lundkvist (Board member)

Siri Gonnæs Børsum (Board member)

Tove Giske (Board member)

NEXT BIOMETRICS GROUP ASA

Condensed consolidated statement of comprehensive income (unaudited)

(amounts in NOK 1 000)	Notes	Amounts as restated*		Amounts as restated*	
		Q4 2025	Q4 2024	Full year 2025	Full Year 2024
Revenues	2	2 456	2 885	13 364	19 681
Cost of materials		-7 944	-2 071	-13 536	-16 780
Gross profit (loss)		-5 488	815	-172	2 900
Payroll expenses	5	-8 959	-8 244	-36 346	-32 791
Other operating expenses	5	-13 413	-11 187	-39 422	-40 647
EBITDA		-27 859	-18 616	-75 940	-70 538
Depreciation and amortization		-1 132	-1 185	-4 627	-5 394
Impairment losses		-	-	-	-
Operating profit (loss)		-28 991	-19 801	-80 568	-75 932
Net financial items		476	227	178	1 030
Profit (loss) before taxes		-28 516	-19 574	-80 390	-74 902
Income tax expenses		-105	-99	-130	-197
Profit (loss) after taxes		-28 621	-19 673	-80 520	-75 099
Earnings per share (in NOK):					
Basic and diluted		-0,24	-0,19	-0,69	-0,70
<i>Other comprehensive income (loss) that may be reclassified subsequently to profit and loss:</i>					
Translation differences on net investments in foreign operations		2 194	3 854	-3 284	4 280
Other comprehensive income (loss)		2 194	3 854	-3 284	4 280
Total comprehensive income (loss)		-26 427	-15 819	-83 803	-70 819
Profit (loss) after taxes attributable to:					
Owners of the parent company		-28 621	-19 673	-80 520	-75 099
Total comprehensive income (loss) attributable to:					
Owners of the parent company		-26 427	-15 819	-83 803	-70 819

(*) Please see Note 7 for detailed information with regards to the restatement of the 2024 consolidated statement of comprehensive income and the individual line items that have been adjusted.

NEXT BIOMETRICS GROUP ASA

Interim condensed consolidated statement of financial position (unaudited)

Amounts as restated*

(amounts in NOK 1 000)		31 Dec 2025	31 Dec 2024
Intangible assets		2 201	825
Property, plant and equipment		3 660	7 094
Total non-current assets		5 862	7 919
Inventories	4	15 590	17 672
Inventories in consignment	4	9 809	17 719
Accounts receivables	3	768	3 321
Other current assets		8 946	7 138
Cash		8 294	62 907
Total current assets		43 408	108 757
Total assets		49 269	116 676
Share capital		119 860	115 155
Share premium		84 911	70 268
Other reserves		40 065	35 208
Accumulated losses		-219 655	-135 852
Total equity		25 182	84 779
Other non-current liabilities		3	-
Non-current lease liabilities		996	2 244
Total non-current liabilities		1 000	2 244
Accounts payables		10 345	10 910
Income tax payables		69	92
Current lease liabilities		1 643	1 843
Other current liabilities		11 030	16 808
Total current liabilities		23 087	29 653
Total equity and liabilities		49 269	116 676

(*) Please see Note 7 for detailed information with regards to the restatement of the 2024 balance sheet and the individual line items that have been adjusted.

NEXT BIOMETRICS GROUP ASA

Interim condensed consolidated statement of cash flow (unaudited)

(amounts in NOK 1 000)	Amounts as restated*		Amounts as restated*	
	Q4 2025	Q4 2024	Full year 2025	Full Year 2024
Profit (loss) before taxes	-28 516	-19 523	-80 390	-74 902
Share based remuneration	1 040	857	4 857	3 243
Accrued share option social security cost	-222	-1 322	-1 880	-1 637
Income taxes paid	-	2	-98	-
Depreciation and amortization	1 132	1 185	4 627	5 394
Impairment losses	-	-	-	-
Change in working capital items and other	9 218	-1 178	3 284	6 221
Net cash flow from operating activities	-17 347	-19 980	-69 600	-61 681
Purchases of property, plant and equipment and intangible assets	-524	-33	-2 161	-597
Net cash flow from investing activities	-524	-33	-2 161	-597
Gross proceeds from issue of shares	20 000	40 150	20 000	62 442
Payments of transaction costs equity transactions	-651	-2 070	-651	-2 314
Payments of lease liabilities	-505	-378	-2 000	-2 017
Net cash flow from financing activities	18 844	37 702	17 349	58 111
Net change in cash flow	973	17 689	-54 411	-4 166
Cash balance at beginning of period	7 431	45 548	62 907	67 753
Effects of exchange rate changes on cash	-111	-329	-202	-679
Cash balance at end of period	8 294	62 907	8 294	62 907
Comprising of:				
Cash	8 294	62 907	8 294	62 907

(*) Please see Note 7 for detailed information with regards to the restatement of the 2024 cash flow statement and the individual line items that have been adjusted.

NEXT BIOMETRICS GROUP ASA

Interim condensed consolidated statement of changes in equity (unaudited)

(amounts in NOK 1 000)	Notes	Share capital	Share premium	Other reserves	Accumulated losses	Total equity
Balance as of 31 December 2024 as originally presented						
		115 155	70 268	35 208	-101 775	118 856
Correction of error affecting Profit (loss) after taxes*					-34 077	-34 077
Restated balance as of 31 December 2024		115 155	70 268	35 208	-135 852	84 780
Profit (loss) after taxes					-80 520	-80 520
Other comprehensive income (loss)					-3 284	-3 284
Total comprehensive income (loss)					-83 803	-83 803
Share issues net		4 706	14 643			19 349
Share based remuneration	5			4 857		4 857
As of 31 December 2025		119 860	84 911	40 065	-219 655	25 182
Balance as of 31 December 2023 as originally presented						
		104 025	30 858	31 965	-72 498	94 351
Correction of error (net of tax)					-2 124	-2 124
Restated balance as of 31 December 2023		104 025	30 858	31 965	-74 621	92 227
Profit (loss) after taxes (as originally presented)					-75 099	-75 099
Correction of error affecting Profit (loss) after taxes*					-	-
Other comprehensive income (loss) (restated)					4 280	4 280
Total comprehensive income (loss) (restated)					-70 819	-70 819
Share issues net		11 130	48 999			60 129
Share based remuneration	5			3 243		3 243
Transfer of loss to share premium			-9 589		9 589	-
As of 31 December 2024 (restated)		115 155	70 268	35 208	-135 852	84 779

(*) Please see Note 7 for detailed information with regards to the restatement of the 2024 financial statements and the individual line items that have been adjusted.

Notes to the interim consolidated financial statements

Note 1 – General information and accounting principles

NEXT (the Group) consists of NEXT Biometric Group ASA (the parent company) and its subsidiaries. NEXT Biometrics Group ASA is a public limited liability company incorporated and domiciled in Norway and is listed at Oslo Stock Exchange under the ticker NEXT.

The Group's operations are carried out by the operating subsidiaries. The Group has five wholly owned active operating subsidiaries: NEXT Biometrics AS (Oslo, Norway), NEXT Biometrics Inc. (Seattle, USA), NEXT Biometrics Taiwan Ltd. (Taipei, Taiwan), NEXT Biometrics Solutions India Pvt. Ltd. (India) and Next Biometrics AB (Sweden). The group also has a 50% ownership in NEXT Biometrics China Ltd. (Shanghai, China), which is controlled by the Group. Please refer to note 1 in the NEXT Biometrics Group 2024 Annual Report with regards to the Group's ownership and control over NEXT Biometrics China Ltd. The Group is currently in a dispute with its joint venture partner in China. Please see note 8 for further details.

The Group provides advanced fingerprint sensor technology that delivers uncompromised security and accuracy for the best possible user experience in the smart card, government ID, access control and notebook markets.

In preparing these interim consolidated financial statements, the management has made judgements and estimates about the future that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are based on the experience, best knowledge, information available at the reporting date and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Changes in facts and circumstances may lead to the revision of these estimates on an ongoing basis. Actual future results may differ from the estimates. In particular, estimated inventory obsolescence and estimated liabilities relating to contingent liabilities are considered critical accounting estimates. Please refer to note 4 and 8 for further details.

These interim financial statements have been prepared in accordance with IAS 34 "Interim financial reporting". The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2024 (Annual Report for 2024). The Annual Report for 2024 is available at www.nextbiometrics.com. Please note that the comparative financial figures for 2024 have been restated. Please refer to note 7 for additional information.

The accounting policies applied in the preparation of the interim financial statements are consistent with those applied in the preparation of the Annual Report for 2024. There are no new standards and interpretations effective from 1 January 2025 that had a significant impact on the Group's consolidated interim financial statements.

As a result of rounding differences, numbers or percentages may not add up to the total.

The Group's financial statements for Q4 2025 have been prepared on the basis of a going concern assumption. The Board is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for the period covering 12 months from the date of this Quarterly Report. The Group has a 2026 revenue budget of NOK 70 million. Moreover, the Group has initiated a cost reduction program with the annual underlying OPEX trending to NOK 60-65 million. Moreover, operating cash flow is supported by inventory monetisation.

NEXT is contemplating a Rights Issue and a bridge loan to secure additional financing. The net proceeds of the Rights Issue have been included in the Group's forecasted working capital.

This interim financial report has not been subject to audit.

The Board of Directors approved the report on 10 March 2026.

Note 2 – Revenue and segment reporting

(amounts in NOK 1 000)	Amounts as restated		Full year	Amounts as restated
	Q4 2025	Q4 2024	2025	Full Year 2024
Fingerprint sensor technology	2 456	2 885	13 364	19 681
Total revenues	2 456	2 885	13 364	19 681

NEXT targets four markets for its technology, which are Office & Notebooks, Payment & Fintech, Access control and Public Security.

The available technology is generic into the four markets. Most of NEXT's key IP, including our *NEXT Active Thermal™* is shared and used in all four markets.

The total reported revenues were NOK 2.5 million for Q4 2025. The revenues for the year of 2024 been restated. Please refer to note 7 for further details.

Note 3 – Account receivables

(amounts in NOK 1 000)	Amounts as restated	
	31 Dec 2025	31 Dec 2024
Accounts receivables - gross	768	6 591
Accounts receivables - loss allowance	-	-3 270
Total accounts receivables	768	3 321

(amounts in NOK 1 000)	Amounts as restated	
	31 Dec 2025	31 Dec 2024
Not due	768	472
30-90 days overdue	-	218
90-120 days overdue	-	-
120-180 days overdue	-	1
180+ days overdue	-	2 630
Total accounts receivables	768	3 321

The total credit loss allowance provision was NOK 0 million as 31 December 2025 (NOK 3.3 million as per 31 December 2024 (restated)).

The Group has few, but large customers. The allowance for expected credit loss is based on individual assessment of each customer after thorough evaluations, significant judgements as well as discussions with each respective customer.

Note 4 – Inventory

(amounts in NOK 1 000)	Amounts as originally presented			Amounts as restated
	31 Dec 2025	31 Dec 2024	Adjustments	31 Dec 2024
Gross value of inventories held by the Group	20 970	18 747	-	18 747
Write downs on inventories held by the Group	-5 379	-1 075	-	-1 075
Inventories in consignment - Gross	12 740	-	17 719	17 719
Write downs on inventories in consignment	-2 931	-	-	-
Total inventories	25 399	17 672		35 391

The total net inventory value was NOK 25.4 million as 31 December 2025 (NOK 35.4 million as per 31 December 2024 (restated)). Raw materials, work in progress and finished products are valued at the lower of cost and net realizable value after deduction for obsolescence.

The Group booked an inventory write-down of NOK 7.2 million in Q4 2025. The write-down is based on the expected demand and resulting obsolescence estimate for each group of finished products, intermediate products and raw materials. The estimated obsolescence is based on the 2026-2027 sales budget. The estimates have been set after thorough evaluations and significant judgements. In 2025 the inventory turnover was low due to delays of sales in India, China and Bangladesh. In 2026, the sales are expected to accelerate, and a major part of the inventory is expected to be sold. Still, the Group has a limited operating history with several of its major customers and many of these customers are located in countries with high geo-political risk, which makes it more challenging to estimate future sales and establish obsolescence estimates. Moreover, there is risk and uncertainty to these expected sales estimates in relation to the expected progress in the sales process that is dependent on the group's customers progress on their sales to end-customers and individual project progress relating to product development and government certifications. These risks may differ per product and these observations, together with the relatively significant amount of inventory held by the group at year-end 2025, make valuation of the inventory and estimated inventory obsolescence critical accounting estimates.

Note 5 – Operating expenses

(amounts in NOK 1 000)	Amounts as restated			Amounts as restated
	Q4 2025	Q4 2024	Full year 2025	Full Year 2024
Salaries, fees	-6 849	-7 327	-28 170	-26 169
Share based remuneration (salary part)	-909	-696	-4 232	-2 776
Share based remuneration (employer's tax)	222	1 322	1 880	1 637
Social security taxes	-993	-1 059	-3 919	-3 600
Other personnel expenses	-429	-483	-1 906	-1 883
Total payroll expenses	-8 959	-8 243	-36 346	-32 791

(amounts in NOK 1 000)	Amounts as restated			Amounts as restated
	Q4 2025	Q4 2024	Full year 2025	Full Year 2024
Product and marketing costs	-1 416	-1 978	-7 320	-8 131
R&D and business services costs	-4 065	-6 382	-19 018	-22 257
R&D and government grants	403	440	1 699	1 848
Fees to contractors, auditors, lawyers and others	-5 517	-1 239	-10 938	-5 382
Allowance for expected credit loss	-1 899	442	-16	98
Other expenses	-787	-2 299	-3 205	-6 371
Share based remuneration (operating part)	-131	-171	-625	-452
Total other operating expenses	-13 413	-11 187	-39 422	-40 647

Total payroll expenses were NOK 9.0 million in Q4 2025 compared to NOK 8.2 million in Q4 2024. The increase in payroll expenses in Q4 2025 compared to Q4 2024 is mainly due to the change in share-based remuneration and options social security cost, which changed from net gain NOK 0.6 million in Q4 2024 to NOK 0.7 million net cost in Q4 2025.

Total other operating expenses were NOK 13.4 million in Q4 2025 compared to NOK 11.2 million in Q4 2024. As communicated in the Q2 and Q3 report, the Board of Directors initiated an external investigation of the irregularities in China and have carried out a comprehensive review of historical reported revenues and our internal controls. We have also incurred additional litigation costs. This has caused significantly higher fees from auditors, lawyers and other service providers in Q4 and full year 2025 compared to 2024.

Note 6 – Shares and incentive options**Numbers of shares outstanding**

As of 1 January 2025	115 154 535
Share issues	4 705 882
As of 31 December 2025	119 860 417

In October 2025, NEXT successfully completed a private placement, issuing 4,705,882 new shares at a subscription price of NOK 4.25 per share, corresponding to gross proceeds of NOK 20 million. Direct expenses and underwriting commission in relation to the private placement was NOK 0.7 million.

Share options:

NEXT has entered into and plans to continue to enter into stock option agreements in order to attract talented and experienced employees.

During the quarter, NEXT booked NOK 1.0 million in share based remuneration (salary and operating cost part) relating to employees and contractors. The Group's share-based remuneration (employer tax) cost was negative NOK 0.2 million and can be explained by the decrease in the parent company's stock price in Q4 2025. The net costs related to share-based remuneration were net NOK 0.8 million for Q4 2025.

The number of outstanding options increased by 2,670,000 in Q4 2025 due to the issuance of new options. The Group had 13,987,161 options outstanding as of 31 December 2025.

Note 7 – Restatement of 2024 annual and 2025 first half financial accounts

The company's reporting for the half year 2025 and third quarter 2025 reported that irregularities had occurred in the Chinese part of NEXT's business. Moreover, the Group made revised accounting assessments for certain revenue, cost of goods sold and operating transactions relating to the business and customers in China, India and Bangladesh. Adjusted restated comparable figures for 2024 and first half of 2025 were presented in the Q3 2025 financial statements. Please refer to the Q3 2025 report for further details.

The following tables show the amounts previously reported, the adjustments, and the amounts restated in each line item reported in the NEXT Group financial statements for the year ended 31 December 2024:

Interim condensed consolidated statement of comprehensive income (unaudited)

(amounts in NOK 1 000)	Amounts as	Adjustments	Amounts
	previously reported		as restated
	Full Year	Full Year	Full Year
	2024	2024	2024
Revenues	71 574	-51 893	19 681
Cost of materials	-32 416	15 636	-16 780
Gross profit (loss)	39 158	-36 258	2 900
Payroll expenses	-32 791		-32 791
Other operating expenses	-47 041	6 394	-40 647
EBITDA	-40 674	-29 864	-70 538
Depreciation and amortization	-5 394		-5 394
Impairment losses	-		-
Operating profit (loss)	-46 068	-29 864	-75 932
Net financial items	1 030		1 030
Profit (loss) before taxes	-45 038	-29 864	-74 902
			-
Income tax expenses	-197		-197
Profit (loss) after taxes	-45 235	-29 864	-75 099

Interim condensed consolidated statement of financial position (unaudited)

	Amounts as previously reported	Adjustments	Amounts as restated
(amounts in NOK 1 000)	31 Dec 2024		31 Dec 2024
Intangible assets	825		825
Property, plant and equipment	7 094		7 094
Total non-current assets	7 919		7 919
Inventories in consignment		17 719	17 719
Inventories	17 672		17 672
Accounts receivables	56 754	-53 433	3 321
Other current assets	7 138		7 138
Cash	62 907		62 907
Total current assets	144 471	-35 714	108 757
Total assets	152 390	-35 714	116 676
Share capital	115 155		115 155
Share premium	70 268		70 268
Other reserves	35 208		35 208
Accumulated losses	-101 775	-34 078	-135 853
Total equity	118 857	-34 078	84 779
Non-current lease liabilities	2 244		2 244
Total non-current liabilities	2 244		2 244
Accounts payables	10 910		10 910
Income tax payables	92		92
Current lease liabilities	1 843		1 843
Other current liabilities	18 444	-1 636	16 808
Total current liabilities	31 289	-1 636	29 653
Total equity and liabilities	152 390	-35 714	116 676

Interim condensed consolidated statement of cash flow (unaudited)

(amounts in NOK 1 000)	Amounts as previously reported Full Year 2024	Adjustments	Amounts as restated Full Year 2024
Profit (loss) before taxes	-45 038	-29 864	-74 902
Share based remuneration	3 243		3 243
Accrued share option social security cost	-1 637		-1 637
Income taxes paid	-		-
Depreciation and amortization	5 394		5 394
Impairment losses	-		-
Change in working capital items and other	-23 643	29 864	6 221
Net cash flow from operating activities	-61 681	-	-61 681
Purchases of property, plant and equipment and intangible assets	-597		-597
Net cash flow from investing activities	-597		-597
Gross proceeds from issue of shares	62 442		62 442
Payments of transaction costs equity transactions	-2 314		-2 314
Payments of lease liabilities	-2 017		-2 017
Net cash flow from financing activities	58 111		58 111
Net change in cash flow	-4 167		-4 167
Cash balance at beginning of period	67 753		67 753
Effects of exchange rate changes on cash	-679		-679
Cash balance at end of period	62 907		62 907

Note 8 – Provisions, contingent liabilities and contingent assets

The company's reporting for the second quarter and half year 2025 briefly outlined that irregularities had occurred in the Chinese part of our business. The investigation into these irregularities substantiated that irregularities have occurred in our Chinese subsidiary. NEXT's and our Chinese sales and marketing partner's views on several topics pertaining to the Chinese business differ significantly and the sales and marketing partner has filed a claim against NEXT with the Shanghai International Economic and Trade Arbitration Commission (SHIAC).

The sales and marketing partner has claimed a total payment of RMB 11.1 million, approximately NOK 16.0 million (based on 31 December 2025 exchange rates). Based on the facts revealed, NEXT's position is that the company has no obligations to compensate the sales and marketing partner or any of its associated companies or individuals. Management considers it improbable that the claim will result in a financial obligation for the Group. Therefore, no provision has been recognized.

NEXT further argues that SHIAC has no jurisdiction over most of the claims raised by the sales and marketing partner and that these claims fall under arbitration in accordance with the Norwegian Arbitration Act with Oslo, Norway, as seat of arbitration. The timeline of the resolution is uncertain.

NEXT will continue to investigate the irregularities and will take any further relevant and necessary legal action against the relevant companies and individuals.

Even though NEXT's position is that the company has no financial obligation in relation to the court case described above, there is risk and uncertainty relating to the outcome of the legal case. This is due that China is considered a jurisdiction with an above average legal risk, which makes the assessment of contingent liabilities a critical accounting estimate.

Note 9 – Subsequent events

Between 31 December 2025 and the resolution of these condensed consolidated interim financial statements, there has not been any other event which would have had any noticeable impact on NEXT's result for the Q4 2025 period nor on the value of the Group's assets and liabilities as per 31 December 2025.

Alternative performance measures

NEXT's financial information has been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, it is management's intent to provide alternative performance measures that are regularly reviewed by management to enhance the understanding of NEXT's performance, but not instead of, the financial statements prepared in accordance with IFRS. The alternative performance measures presented may be determined or calculated differently by other companies.

Definitions

Most of these key figures are alternative performance measures according to ESMA's definition. How these key figures are used is described below, as is how they are calculated. The alternative performance measures are used to provide a more comprehensive description of how the operational activities are developing, such as adjusted gross profit, Adjusted EBITDA and Adjusted operating expenses.

Gross profit/Gross profit (%)

Gross profit is defined as revenues less cost of materials. Gross profit margin (%) is expressed as a percentage of revenues.

(amounts in NOK 1 000)	Amounts as restated		Full year	Amounts as restated
	Q4 2025	Q4 2024	2025	Full Year 2024
Revenues	2 456	2 885	13 364	19 681
Cost of materials	-7 944	-2 071	-13 536	-16 780
Gross profit	-5 488	815	-172	2 900
Gross profit (%)	-5 488	815	-172	2 900
Divided by revenues	2 456	2 885	13 364	19 681
Gross profit (%)	-223%	28%	-1%	15%

Adjusted gross profit / Adjusted gross profit (%)

Adjusted Gross profit is defined as revenues less cost of materials excluding inventory write-downs. Adjusted Gross profit margin (%) is expressed as a percentage of revenues.

(amounts in NOK 1 000)	Amounts as restated		Full year	Amounts as restated
	Q4 2025	Q4 2024	2025	Full Year 2024
Revenues	2 456	2 885	13 364	19 681
Cost of materials excluding inventory write-downs and non-recurring adjustments	-757	-1 719	-7 056	-16 417
Adjusted gross profit	1 699	1 166	6 307	3 263
Adjusted gross profit	1 699	1 166	6 307	3 263
Divided by revenues	2 456	2 885	13 364	19 681
Adjusted gross profit (%)	69%	40%	47%	17%

Cost of materials excluding inventory write-downs and non-recurring adjustments

Cost of materials excluding inventory write-downs is cost of materials and production service expenses, less inventory write-downs and non-recurring adjustments. Cost of materials non-recurring adjustments are one-off adjustments that are not expected to occur in the future.

(amounts in NOK 1 000)	Amounts as restated		Full year	Amounts as restated
	Q4 2025	Q4 2024	2025	Full Year 2024
Cost of materials	-7 944	-2 071	-13 536	-16 780
Deducted inventory write-downs and non-recurring adjustments	7 187	352	6 479	363
Cost of materials excluding inventory write-downs and non-recurring adjustments	-757	-1 719	-7 056	-16 417

Inventory write-downs

Inventory write-downs are costs related to excess inventory in relation to raw materials, semi-finished goods, products and product lines that are discontinued and/or in the process of being discontinued. Inventory write-down non-recurring adjustments are one-off adjustments that are not expected to occur in the future.

EBITDA / Adjusted EBITDA

EBITDA is earnings before interest, taxes, depreciation, amortization and impairment losses.

Adjusted EBITDA is equal to EBITDA excluding “share-based remuneration” (salary part, employer’s part tax part and operating part), inventory write-downs and non-recurring legal, investigation/advisory and audit fees in relation to the investigation of the fraud in China and related litigation.

(amounts in NOK 1 000)	Amounts as restated			Amounts as restated
	Q4 2025	Q4 2024	Full year 2025	Full Year 2024
Operating profit (loss)	-28 991	-19 801	-80 568	-75 932
Added back depreciation and amortization	1 132	1 185	4 627	5 394
Added back impairment losses	-	-	-	-
EBITDA	-27 859	-18 616	-75 940	-70 538
Added back share-based remuneration (salary part)	909	696	4 232	2 776
Added back share-based remuneration (employer's tax)	-222	-1 322	-1 880	-1 637
Added back share-based remuneration (operating part)	131	171	625	452
Deducted inventory write-downs and non-recurring adjustments	7 187	352	6 479	363
Added back non-recurring advisory and legal costs in connection with China investigation and litigation	4 642	-	5 918	-
Adjusted EBITDA	-15 212	-18 719	-60 566	-68 584

Adjusted operating expenses (Adjusted OPEX)

Adjusted operating expenses (Adjusted OPEX) is defined as salaries and personnel cost and other operating expenses excluding share-based remuneration, inventory write-downs and non-recurring legal, investigation/advisory and audit fees in relation to the investigation of the fraud in China and related litigation.

(amounts in NOK 1 000)	Amounts as restated			Amounts as restated
	Q4 2025	Q4 2024	Full year 2025	Full Year 2024
Operating expenses (OPEX)	22 371	19 431	75 768	73 438
Deducted share-based remuneration (salary part)	-909	-696	-4 232	-2 776
Deducted share-based remuneration (employer's tax)	222	1 322	1 880	1 637
Deducted share-based remuneration (operating part)	-131	-171	-625	-452
Added back non-recurring advisory and legal costs in connection with China investigation and litigation	-4 642	-	-5 918	-
Adjusted Operating expenses (Adjusted OPEX)	16 911	19 886	66 874	71 847

Operating expenses (OPEX)

Operating expenses (OPEX) consist of salaries and personnel costs and other operating expenses.



NEXT BIOMETRICS GROUP ASA

ABOUT

NEXT Biometrics is a pioneer of high-security biometric authentication, enabling users to live simpler, safer lives.

NEXT Biometrics was founded on the belief that strong authentication and identification can be secure, seamless and cost effective for governments and businesses with Active Thermal® technology. More than 25 years later, NEXT has retained its Norwegian heritage and grown to serve customers globally.

Today, our solutions are used by billions of users each year across 10+ national ID and local programs, 150.000+ POS terminals, 25+ laptop and tablet models from tier-1 OEMs, and physical and logical access control implementations. Through state-of-the-art technology, deep industry expertise and close collaboration with partners for seamless integration, Active Thermal® biometrics can make life simpler and safer for everyone.

CONTACT

Ulf Ritsvall (CEO)

ulf.ritsvall@nextbiometrics.com

Eirik Underthun (CFO)

eirik.underthun@nextbiometrics.com

Copyright© 2026 NEXT BIOMETRICS GROUP ASA, all rights reserved. Specifications are subject to change without notice. The NEXT Biometrics logo and NEXT Active Thermal™ are trademarks of NEXT BIOMETRICS GROUP ASA in Norway and other countries. All other brand and product names are trademarks or registered trademarks of their respective owners.