

NEXT BIOMETRICS GROUP ASA

Quarterly Report | Q1 2026



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NEXT Biometrics Group ASA

Quarterly report – Q1 2026

Highlights

- Revenues of NOK 1.8 million in Q1 2026, compared to NOK 3.0 million in restated Q1 2025
- Adjusted gross profit margin of 40%, compared to 55% in restated Q1 2025
- Adjusted EBITDA of NOK -15.8 million in Q1 2026
- Cash position of NOK 6.7 million as of 31 March 2026, compared to NOK 39.9 million as of 31 March 2025
- Received FBI certification for NEXT Granite, FAP30 Sensor
- Continued progress in strategic technology development FoD project, with key technical milestones achieved during the quarter, 2nd patent received and signed LOI and selected Giant Plus as partner
- Announced terms of the rights issue and bridge loan financing in March 2026, supporting liquidity and continued execution of the business plan (see separate section below for additional information)

A message from our CEO

NEXT has, so far this year, experienced significantly lower than expected order intake and cash-inflow, resulting in a shortened liquidity runway. That being said, with the geopolitical climate slowing projects and decision-making industry-wide, the Company has started to explore strategic options for the core fingerprint sensor business. The lowered sales make immediate cost reductions necessary to lower fingerprint sensor business operating expenses. As a part of the strategic review process, the Company will also explore partnerships and/or a licensing agreement in respect of all or parts of its fingerprint sensor business. The Company rather aims to be able to focus on and allocate a lean operation to the Anywhere-on-display project, which the Company considers having greater potential than the fingerprint sensor business.

We continue to invest in innovation to secure our long-term leadership. Our Anywhere-on Display biometric authentication technology represents a significant strategic initiative, supported by strong intellectual property and a partnership with a leading display manufacturer. The Anywhere-on Display project has the potential to drive transformative changes across the biometric and display market. NEXT's two new US patents secure core intellectual property and early interest from selected industry leaders, in the Group's opinion confirming the technology's groundbreaking potential. Technology development is on track to demonstrate the prototype, which is likely to trigger interest from several major industry players and provide opportunities for licensing revenues.

We intend to keep the capital market updated on our progress related to both our fingerprint sensor business as well as related to our Anywhere-on-Display progress. We have an ambition to adapt to recent realities and play a leading role in the continued expansion of the global biometrics market.

Thank you for your ongoing support.

Ulf Ritsvall, CEO of NEXT Biometrics Group ASA

**Amounts as
restated**

(amounts in NOK million)	Q1 2026	Q1 2025	Full Year 2025
Total revenues	1,8	3,0	13,4
Adjusted gross profit (%) ¹⁾	40%	55%	52%
Adjusted EBITDA ¹⁾	-15,8	-15,8	-59,9
Cash - closing balance	6,7	39,9	8,3

1) See definition on page 20

Operational review

Q1 2026 revenues were NOK 1.8 million compared to restated revenues of NOK 3.0 million in Q1 2025. The Group received multiple orders in late 2025 and early 2026. While deliveries on these orders started in Q1 2026, some of the individual orders require additional components that have long delivery times. The Group will continue its order fulfilment on these already announced orders in Q2 and Q3 2026.

4 new design wins were added during the first quarter. The total number of design-wins was 89 customer product integrations as per 31 March 2026, compared to a total of 85 as of 31 December 2025.

NEXT's Q1 2026 adjusted gross profit margin was 40%, vs. a restated adjusted gross profit margin of 55% in Q1 2025. The Q1 2026 adjusted gross profit was lower than previous quarters mainly due to product mix and a low revenue level in the quarter.

In early Q1, NEXT Biometrics received FBI certification for its NEXT Granite, FAP30 Sensor that was launched at the end of June 2025. This marks the 4th FBI-PIV certification for NEXT products. The PIV certification features comprehensive technical requirements. Moreover, the certification is a door opener for many governmental projects since it is a prerequisite for many sensitive applications of biometrics.

NEXT's Anywhere-on-Display Authentication project continues to progress. NEXT has been granted 2 patents in the US for its Anywhere-on-Display technology. With this we are continuing our strategy to secure a strong patent portfolio for breakthrough innovation in the biometric industry. We target showcasing the prototype at Mobile World Congress in February 2027 and are working on the co-development of display solutions for the new anywhere-on-display authentication with the Taiwan-based Giant Plus Technology. During the quarter, NEXT signed a LOI with Giant Plus and is expecting to sign a commercial agreement during quarter two 2026.

Announced financing from rights issue

On 18 March 2026 the Group announced the terms for its partially underwritten rights issue of new shares with preferential subscription rights for the company's existing shareholders to raise gross proceeds of up to NOK 50 million. The rights issue is partially underwritten by certain new and existing shareholders, who have committed to subscribe for NOK 41 million of the total subscription amount. Moreover, as a part of the right issue approved on the annual general meeting on 19 May 2026 ("AGM 2026"), all investors in the Rights Issue are granted one warrant for every two Offer Shares allocated to them in the Rights Issue. The AGM 2026 further resolved to grant the Board of Directors an authorisation to issue 9,000,000 Shareholder Loan Shares will be

used to set off the Shareholder Loan entered into on 20 January 2026 in the principal amount of NOK 9,000,000. For further details please refer to the rights issue prospectus that is available at arctic.com/offerings.

Interim condensed financial statements as of 31 March 2026 (unaudited)

Statement of comprehensive income

Revenues for Q1 2026 were NOK 1.8 million compared to NOK 3.0 million in Q1 2025 (restated). The decrease in revenues relative to Q1 2025 was due to slow sales in China and India.

Cost of materials were NOK 10.9 million in Q1 2026 compared to NOK 1.4 million in Q1 2025 (restated). The increase in cost of materials relative to Q1 2025 is due to a non-recurring write down of net NOK 9.8 million related to finished goods inventory of FAP20 and China ID products. The slower than expected sales in Q1 2026 has triggered the write-down of these products. The Group still believes that the finished goods inventory can be sold, but slow sales and the uncertainty when the products can be sold is creating additional uncertainty in relation to the valuation of the inventory.

Payroll expenses, excluding stock option costs, were NOK 8.4 million in Q1 2026 compared to NOK 8.9 million in Q1 2025. Net employee stock option and social security costs were NOK 0.7 million in Q1 2026 compared to a negative net cost of NOK 0.4 million in Q1 2025. See note 6 for further information on stock options cost and options social security cost.

Other operating expenses were NOK 12.1 million in Q1 2026 compared to NOK 8.8 million in Q1 2025 (restated). Please see note 5 for further details.

EBITDA was negative NOK 30.3 million in Q1 2026, compared to negative NOK 15.6 million in Q1 2025 (restated). The negative Q1 2026 EBITDA is mainly due to limited shipments to customers (low revenues), inventory write downs related to finished goods and non-recurring operating legal and employee termination costs that were booked in the quarter.

Depreciation and amortization were NOK 0.9 million in Q1 2026 compared to NOK 1.2 million in Q1 2025.

Net financial items were positive NOK 0.2 million in Q1 2026 compared to negative NOK 0.4 million in Q1 2025.

Loss after taxes for Q1 2026 was NOK 31.0 million compared to a loss of NOK 17.2 million for Q1 2025 (restated). The loss in Q1 2026 would have been NOK 14.5 million lower when adjusting for the Q1 inventory write-down, non-recurring litigation costs, employee termination costs and share based remuneration costs.

Statement of financial position and cash flow

Cash amounted to NOK 6.7 million as per 31 March 2026, compared to NOK 39.9 million as per 31 March 2025.

Net cash flow from operating activities was negative NOK 20.6 million in Q1 2026, compared to negative NOK 21.5 million in Q1 2025 (restated). The negative cash flow in Q1 2026 was mainly due to operating losses.

Net cash flow from investing activities was negative NOK 0.6 million in Q1 2026, compared to negative NOK 0.4 million in Q1 2025. 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 19.6 million in Q1 2026 compared to negative NOK 0.5 million in Q1 2025. The positive cash flow from financing in Q1 2026 is due to the NOK 9 million shareholder loan that was obtained in January 2026 and the first tranche of the bridge loan amounting to NOK 12.5 million that was received in March 2026.

Going concern

The Group's financial statements for Q1 2026 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 as per 31 March 2026 is not sufficient for the Group's present requirements for the period covering 12 months from the date of this Quarterly Report. The Group's current capital, including the Bridge Loan is sufficient to cover the Company's present requirements into Q3 2026. According to the Group's current operations, the Group will need to increase its working capital by approximately NOK 50 million to meet its present requirements for the next 12 months from the date of this quarterly report. The Group's action plan to secure sufficient working capital comprises of the following elements: the currently ongoing rights Issue, revenue from sales and further operating cost reductions. The net proceeds from the rights issue are expected to be NOK 34.0 million (based on Guaranteed Gross Proceeds) or NOK 43.0 million (if fully subscribed). The Group may consider additional equity or debt capital raising to cover the remaining working capital shortfall, if any. The potential warrant exercise in 2027 may also provide additional working capital. Please see note 1 for further details.

Outlook

Recently, the Group has experienced a significantly lower than expected order intake and cash-inflow, resulting in a shortened liquidity runway. NEXT has already implemented a part of its cost reduction plan, with annual underlying OPEX expected to be trending towards NOK 65 million during 2026 with currently implemented measures. The Company is currently facing elevated risk relating to keeping a large organization with relatively high operating expenses relative to the Group's near-term revenue and gross margin for its fingerprint sensor business. Accordingly, the Group is planning to execute sizeable cost reduction measures due to a need to reduce operational costs and preserve liquidity.

The Anywhere-on Display project has the potential to drive transformative changes across the biometric and display market. NEXT's two new US patents secure core intellectual property and early interest from selected industry leaders in the smartphone industry, in the Group's opinion confirming 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.

Oslo, 28 May 2026
CEO and Board of Directors
NEXT Biometrics Group ASA

Ulf Ritsvall (CEO)

Tove Giske (Chairperson)

Siri Gornæs Børsum (Board member)

Peter Heuman (Board member)

NEXT BIOMETRICS GROUP ASA

Interim condensed consolidated statement of comprehensive income (unaudited)

(amounts in NOK 1 000)	Notes	Amounts as restated*		Full Year 2025
		Q1 2026	Q1 2025	
Revenues	2	1 802	3 036	13 364
Cost of materials		-10 930	-1 364	-13 551
Gross profit (loss)		-9 128	1 672	-187
Payroll expenses	5,6	-9 095	-8 468	-36 346
Other operating expenses	5	-12 097	-8 806	-39 430
EBITDA		-30 320	-15 602	-75 963
Depreciation and amortization		-905	-1 181	-4 627
Impairment losses		-	-	-
Operating profit (loss)		-31 224	-16 783	-80 590
Net financial items		220	-419	178
Profit (loss) before taxes		-31 005	-17 202	-80 413
Income tax expenses		-	0	-130
Profit (loss) after taxes		-31 005	-17 203	-80 543
Earnings per share (in NOK):				
Basic and diluted		-0,26	-0,17	-0,69
<i>Other comprehensive income (loss) that may be reclassified subsequently to profit and loss:</i>				
Translation differences on net investments in foreign operations		-1 317	-2 663	-3 268
Other comprehensive income (loss)		-1 317	-2 663	-3 268
Total comprehensive income (loss)		-32 321	-19 866	-83 810
Profit (loss) after taxes attributable to:				
Owners of the parent company		-31 005	-17 203	-80 543
Total comprehensive income (loss) attributable to:				
Owners of the parent company		-32 321	-19 866	-83 810

(*) Please see Note 7 for detailed information with regards to the restatement of the Q1 2025 consolidated statement of comprehensive income and the individual line items that have been adjusted.

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Interim condensed consolidated statement of financial position (unaudited)

(amounts in NOK 1 000)	Notes	Amounts as restated*		
		31 Mar 2026	31 Mar 2025	31 Dec 2025
Intangible assets		2 802	1 033	2 201
Property, plant and equipment		2 616	5 695	3 660
Total non-current assets		5 418	6 728	5 862
Inventories	4	10 402	35 644	15 590
Inventories in consignment	4	4 105	0	9 809
Accounts receivables	3	131	1 366	768
Other current assets		7 434	7 136	8 946
Cash		6 711	39 882	8 294
Total current assets		28 783	84 028	43 408
Total assets		34 202	90 756	49 269
Share capital	6	119 860	115 155	119 860
Share premium		23 549	70 268	23 549
Other reserves		40 974	36 081	40 065
Accumulated losses		-190 620	-155 718	-158 299
Total equity		-6 237	65 786	25 175
Other non-current liabilities		-	-	3
Non-current lease liabilities		598	1 670	996
Total non-current liabilities		598	1 670	999
Accounts payables		8 760	5 801	10 340
Current lease liabilities		1 451	1 698	1 643
Current interest-bearing loans		21 516	-	-
Other current liabilities		8 114	15 802	11 112
Total current liabilities		39 840	23 300	23 095
Total equity and liabilities		34 202	90 756	49 269

(*) Please see Note 7 for detailed information with regards to the restatement of the Q1 2025 balance sheet and the individual line items that have been adjusted.

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Interim condensed consolidated statement of cash flow (unaudited)

(amounts in NOK 1 000)	Amounts as restated*		3 months 2026	Full Year 2025
	Q1 2026	Q1 2025		
Profit (loss) before taxes	-31 005	-17 202	-31 005	-80 413
Share based remuneration	909	873	909	4 857
Accrued share option social security cost	-	-1 117	-	-1 880
Income taxes paid	-21	-21	-21	-98
Depreciation and amortization	905	1 181	905	4 627
Impairment losses	-	-	-	-
Inventory write downs	9 915	-	9 915	-
Change in working capital items and other	-1 310	-5 245	-1 310	3 307
Net cash flow from operating activities	-20 606	-21 531	-20 606	-69 600
Purchases of property, plant and equipment and intangible assets	-641	-422	-641	-2 161
Net cash flow from investing activities	-641	-422	-641	-2 161
Proceeds from loans	20 250	-	20 250	-
Interest paid	-140	-	-140	-
Gross proceeds from issue of shares	-	-	-	20 000
Payments of transaction costs equity transactions	-	-	-	-651
Payments of lease liabilities	-508	-533	-508	-2 000
Net cash flow from financing activities	19 602	-533	19 602	17 349
Net change in cash flow	-1 646	-22 486	-1 646	-54 411
Cash balance at beginning of period	8 294	62 907	8 294	62 907
Effects of exchange rate changes on cash	63	-539	63	-202
Cash balance at end of period	6 711	39 882	6 711	8 294
Comprising of:				
Cash	6 711	39 882	6 711	8 294

(*) Please see Note 7 for detailed information with regards to the restatement of the Q1 2025 cash flow statement and the individual line items that have been adjusted.

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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
As of 1 January 2026		119 860	23 549	40 065	-158 299	25 175
Profit (loss) after taxes					-31 005	-31 005
Other comprehensive income (loss)					-1 317	-1 317
Total comprehensive income (loss)					-32 321	-32 321
Share based remuneration	4			909		909
As of 31 March 2026		119 860	23 549	40 974	-190 620	-6 237
As of 1 January 2025		115 155	70 268	35 208	-135 853	84 779
Profit (loss) after taxes					-17 202	-17 202
Other comprehensive income (loss)					-2 663	-2 663
Total comprehensive income (loss)					-19 865	-19 865
Share based remuneration	4			873		873
As of 31 March 2025		115 155	70 268	36 081	-155 718	65 786

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 2025 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 17 in the NEXT Biometrics Group 2025 Annual Report 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.

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 2025 (Annual Report for 2025). The Annual Report for 2025 is available at www.nextbiometrics.com.

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 2025. There are no new standards and interpretations effective from 1 January 2026 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 Q1 2026 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 as per 31 March 2026 is not sufficient for the Group's present requirements for the period covering 12 months from the date of this Quarterly Report. The Group's current capital, including the Bridge Loan is sufficient to cover the Company's present requirements into Q3 2026. According to the Group's current operations, the Group will need to increase its working capital by approximately NOK 50 million to meet its present requirements for the next 12 months from the date of this quarterly report. The Group's action plan to secure sufficient working capital comprises the following elements:

Rights Issue: The Rights Issue will provide the Group with at least NOK 41 million in gross proceeds (being the amount covered by the Underwriting Agreements in the Rights Issue, or up to NOK 50 million if fully subscribed. The net proceeds are expected to be NOK 34.0 million (based Guaranteed Gross Proceeds) or NOK 43.0 million (if fully subscribed). The payment of the gross proceeds from the Rights Issue is expected on or about 12 June 2026. The Company considers the receipt of at least the Guaranteed Gross Proceeds to be fairly certain.

Revenue from operations: The Company's revenue forecast is based on a comprehensive review of each underlying customer case. NEXT has three potential sources for revenues: signed frame agreements and design wins that may lead to future purchase orders, large tenders that can be won, and revenues from one-time sales. There is significant uncertainty associated with these revenue projections as they are largely dependent on governmental budgets and timing of public orders and tenders. Accordingly, actual revenues may differ materially from forecasts. Moreover, the resulting cash collections from the revenues normally has a time delay unless 100% of the contract is based on either letter of credit and/or prepayments. However, a major portion of the overall revenues may be subject to time delay of cash collection, which adds to the uncertainty of the timing of receipt of cash collection from revenues, which could materially delay the Company's cash flow.

Operating cost reductions: The Group plans to implement further measures to reduce its operating costs in the second half of 2026. The timing of these measures is dependent on the outcome of the strategic review of the fingerprint sensor business. The Company considers implementation of cost reduction measures to be likely, although the magnitude of savings will depend on strategic decisions regarding the fingerprint sensor business.

Additional capital raising: The Group plans to explore options to raise further equity capital or debt capital to cover the remaining working capital shortfall. The timing and success of such capital raising is uncertain and will depend on market conditions, investor appetite and the Group's ability to demonstrate progress on its strategic initiatives. There can be no assurance that the Group will be successful in raising such capital on acceptable terms, or at all. **Warrant exercise:** Conditional on the outcome of the exercise of the Warrants issued in connection with the Rights Issue, the Company may secure additional capital. Depending on the prevailing market price of the Company's shares at the time of the relevant Exercise Periods, the number of Warrants exercised and gross proceeds from such Warrant exercise is uncertain. Based on the above, the net proceeds from the Rights Issue (NOK 34.0 million based on the underwritten amount, or NOK 43.0 million if fully subscribed) combined with expected revenues and cost reductions is expected to provide the Group with runway until mid Q3 2026 (if only the Guaranteed Gross Proceeds are subscribed for) or until early Q4 2026 (if fully subscribed). This leaves an additional working capital shortfall of approximately NOK 16 million (based on Guaranteed Gross Proceeds), or approximately NOK 7 million (if fully subscribed), that needs to be covered from other sources. If the Group is unsuccessful in raising the additional capital required to cover the shortfall through the measures described in (i) and (v) above, the Group may need to seek additional restructuring alternatives and divestment of assets. Failure to secure sufficient additional capital could ultimately result in the Company being unable to continue as a going concern.

This interim financial report has not been subject to audit.

The Board of Directors approved the report on 28 May 2026.

Note 2 – Revenue and segment reporting

(amounts in NOK 1 000)	Amounts as restated		Full Year
	Q1 2026	Q1 2025	2025
Fingerprint sensor technology	1 802	3 036	13 364
Total revenues	1 802	3 036	13 364

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 1.8 million for Q1 2026. The revenues for Q1 2025 have been restated. Please refer to the table below and note 7 for further details.

(amounts in NOK 1 000)	As previously reported	Adjustments	Amounts as restated
	Q1 2025	Q1 2025	Q1 2025
Fingerprint sensor technology	6 894	-3 858	3 036
Total revenues	6 894	-3 858	3 036

Note 3 – Account receivables

(amounts in NOK 1 000)	Amounts as restated		
	31 Mar 2026	31 Mar 2025	31 Dec 2025
Accounts receivables - gross	131	4 405	768
Accounts receivables - loss allowance	0	-3 039	0
Total accounts receivables	131	1 366	768

The total credit loss allowance provision was NOK 0 million as per 31 March 2026 (NOK 3.0 million as per 31 March 2025 (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.

Accounts receivables per March 2025 have been restated. Please refer to the table below and note 7 for further details.

(amounts in NOK 1 000)	As previously reported	Adjustments	Amounts as restated
	31 Mar 2025	31 Mar 2025	31 Mar 2025
Accounts receivables - gross	65 207	-60 802	4 405
Accounts receivables - loss allowance	-9 917	6 878	-3 039
Total accounts receivables	55 290	-53 924	1 366

Note 4 – Inventories

(amounts in NOK 1 000)	Amounts as restated		
	31 Mar 2026	31 Mar 2025	31 Dec 2025
Gross value of inventories held by the Group	21 607	19 254	19 525
Write downs on inventories held by the Group	-11 205	-999	-5 379
Inventories in consignment - gross	10 941	17 389	14 185
Write downs on inventories in consignment	-6 836	-	-2 931
Total inventories	14 507	35 644	25 399

The total net inventory value was NOK 14.5 million as per 31 March 2026 (NOK 35.6 million as per 31 March 2025 (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 a net NOK 9.8 million inventory write-down in Q1 2026. The write-down is due to slow sales of finished goods inventory in the quarter.

Inventories per March 2025 have been restated. Please refer to the table below and note 7 for further details.

(amounts in NOK 1 000)	As previously reported	Adjustments	Amounts as restated
	31 Mar 2025	31 Mar 2025	31 Mar 2025
Gross value of inventories held by the Group	19 254	-	19 254
Write downs on inventories held by the Group	-999	-	-999
Inventories in consignment - gross	-	17 389	17 389
Write downs on inventories in consignment	-	-	-
Total inventories	18 255	17 389	35 644

Note 5 – Operating expenses

(amounts in NOK 1 000)	Q1 2026	Q1 2025	Full Year 2025
Salaries, fees	-6 245	-7 250	-28 170
Share based remuneration (salary part)	-715	-718	-4 232
Share based remuneration (employer's tax)	-	1 117	1 880
Social security taxes	-842	-1 055	-3 924
Other personnel expenses	-1 293	-562	-1 901
Total payroll expenses	-9 095	-8 468	-36 346

(amounts in NOK 1 000)	Q1 2026	Q1 2025	Full Year 2025
		Amounts as restated	
Product and marketing costs	-1 098	-2 136	-7 320
R&D and business services costs	-5 768	-4 636	-19 018
R&D and government grants	365	371	1 699
Fees to contractors, auditors, lawyers and others	-4 542	-1 510	-10 945
Allowance for expected credit loss	-	-	-16
Other expenses	-860	-741	-3 205
Share based remuneration (operating part)	-195	-154	-625
Total other operating expenses	-12 097	-8 806	-39 430

Total payroll expenses were NOK 9.1 million in Q1 2026 compared to NOK 8.5 million in Q1 2025. The increase in payroll expenses in Q1 2026 compared to Q1 2025 is mainly due to the change in share-based remuneration and options social security cost, which changed from net gain NOK 0.4 million in Q1 2025 to NOK 0.7 million net cost in Q1 2026.

Total other operating expenses were NOK 12.1 million in Q1 2026 compared to NOK 8.8 million in Q1 2025 (restated). The Board of Directors initiated an external investigation of the irregularities in China in 2025 and has engaged legal advisors in relation to the ongoing legal cases in China, which has triggered additional litigation costs during the quarter. Moreover, fees from auditors and other service providers have been higher in Q1 2026 compared to Q1 2025.

Other operating expenses for Q1 2025 have been restated. Please refer to the table below and note 7 for further details.

(amounts in NOK 1 000)	As previously reported Q1 2025	Adjustments Q1 2025	Amounts as restated Q1 2025
Product and marketing costs	-1 869	-267	-2 136
Sales and marketing incentive fees	-3 682	3 682	-
R&D and business services costs	-5 044	408	-4 636
R&D and government grants	371	-	371
Fees to contractors, auditors, lawyers and others	-1 510	-	-1 510
Allowance for expected credit loss	-	-	-
Other expenses	-333	(408)	-741
Share based remuneration (operating part)	-154	-	-154
Total other operating expenses	-12 221	3 415	-8 806

Note 6 – Shares and incentive options

Numbers of shares outstanding

As of 1 January 2026	119 860 417
Share issues	-
As of 31 March 2026	119 860 417

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 0.9 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 NOK 0.0 million in Q1 2026. The net costs related to share-based remuneration were net NOK 0.9 million for Q1 2026.

The number of outstanding options decreased by 41,665 in Q1 2026 as a result of employees leaving the group whereby employee share options were cancelled. The Group had 13,945,496 options outstanding as of 31 March 2026.

Note 7 – Restatement of Q1 2025 financial accounts

In its 2025 annual report, the Group 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 in 2024 and 2025. Adjusted restated comparable figures for Q1 2025 are presented below.

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 Q1 2025:

NEXT BIOMETRICS GROUP ASA

Interim condensed consolidated statement of comprehensive income (unaudited)

(amounts in NOK 1 000)	Amounts as previously reported Q1 2025	Adjustments Q1 2025	Amounts as restated Q1 2025
Revenues	6 894	-3 858	3 036
Cost of materials	-2 289	926	-1 364
Gross profit (loss)	4 605	-2 932	1 672
Payroll expenses	-8 468	-	-8 468
Other operating expenses	-12 221	3 415	-8 806
EBITDA	-16 084	482	-15 602
Depreciation and amortization	-1 181	-	-1 181
Impairment losses	-	-	-
Operating profit (loss)	-17 266	482	-16 783
Net financial items	-557	137	-419
Profit (loss) before taxes	-17 822	620	-17 202
Income tax expenses	-	-	-
Profit (loss) after taxes	-17 822	620	-17 202
Earnings per share (in NOK):			
Basic and diluted	-0,15		-0,17
<i>Other comprehensive income (loss) that may be reclassified subsequently to profit and loss:</i>			
Translation differences on net investments in foreign operations	-4 789	2 126	-2 663
Other comprehensive income (loss)	-4 789	2 126	-2 663
Total comprehensive income (loss)	-22 611	2 746	-19 865
Profit (loss) after taxes attributable to:			
Owners of the parent company	-17 822	620	-17 202
Total comprehensive income (loss) attributable to:			
Owners of the parent company	-22 611	2 746	-19 865

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Interim condensed consolidated statement of financial position (unaudited)

(amounts in NOK 1 000)	Amounts as previously reported 31 Mar 2025	Adjustments 31 Mar 2025	Amounts as restated 31 Mar 2025
Deferred tax assets	-	-	-
Intangible assets	1 033	-	1 033
Property, plant and equipment	5 695	-	5 695
Total non-current assets	6 728	-	6 728
Inventories	18 255	17 389	35 644
Inventories in consignment	-	-	-
Accounts receivables	55 290	-53 924	1 366
Other current assets	7 136	-	7 136
Cash	39 882	-	39 882
Total current assets	120 563	-36 535	84 028
Total assets	127 291	-36 535	90 756
Share capital	115 155	-	115 155
Share premium	70 268	-	70 268
Other reserves	36 081	-	36 081
Accumulated losses	-124 386	-31 332	-155 718
Total equity	97 118	-31 332	65 786
Deferred tax liabilities	-	-	-
Non-current lease liabilities	1 670	-	1 670
Total non-current liabilities	1 670	-	1 670
Accounts payables	5 801	-	5 801
Income tax payables	65	65	0
Current lease liabilities	1 698	-	1 698
Other current liabilities	20 940	-5 138	15 802
Total current liabilities	28 503	-5 203	23 300
Total equity and liabilities	127 291	-36 535	90 756

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Interim condensed consolidated statement of cash flow (unaudited)

(amounts in NOK 1 000)	Amounts as previously reported 31 Mar 2025	Adjustments 31 Mar 2025	Amounts as restated 31 Mar 2025
Profit (loss) before taxes	-17 822	620	-17 202
Share based remuneration	873	-	873
Accrued share option social security cost	-1 117	-	-1 117
Income taxes paid	-21	-	-21
Depreciation and amortization	1 181	-	1 181
Impairment losses	-	-	-
Inventory write downs	-75	75	-
Change in working capital items and other	-5 365	121	-5 245
Net cash flow from operating activities	-22 346		-21 531
Purchases of property, plant and equipment	-422	-	-422
Net cash flow from investing activities	-422		-422
Proceeds from private placements	-	-	-
Payments of transaction costs equity transact	-	-	-
Payments of lease liabilities	-508	-25	-533
Net cash flow from financing activities	-508		-533
Net change in cash flow	-23 276		-22 486
Cash balance at beginning of period	62 907		62 907
Effects of exchange rate changes on cash	252	-790	-539
Cash balance at end of period	39 882		39 882
Comprising of:			
Cash	39 882		39 882

Note 8 – Provisions and contingent liabilities

Please refer to note 17 in the 2025 NEXT Biometrics annual report for an overview of provisions and contingent liabilities. There have not been any material changes in legal cases that have been described in the annual report. Hence, there were also not any contingent liabilities recognized as per the 31 March 2026 balance sheet date.

Note 9 – Subsequent events

Between 31 March 2026 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 Q1 2026 period nor on the value of the Group's assets and liabilities as per 31 March 2026.

Still, the Group's announced reverse share split was completed on 14 April 2026. Following the registration of the reverse share split, the share capital of the Company is NOK 119,860,420 divided into 11,986,042 shares. Moreover, the Group's share capital reduction was completed on 27 May 2026. Following the registration of the share capital reduction the Group's share capital is NOK 1,198,604.20 divided into 11,986,042 shares, each share with a nominal value of NOK 0.10.

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)	Q1 2026	Q1 2025	Full Year 2025
Revenues	1 802	3 036	13 364
Cost of materials	-10 930	-1 364	-13 551
Gross profit	-9 128	1 672	-187
Gross profit (%)	-9 128	1 672	-187
Divided by revenues	1 802	3 036	13 364
Gross profit (%)	-506%	55%	-1%

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)	Q1 2026	Q1 2025	Full Year 2025
Revenues	1 802	3 036	13 364
Cost of materials excluding inventory write-downs and non-recurring adjustments	-1 086	-1 364	-6 384
Adjusted gross profit	716	1 672	6 980
Adjusted gross profit	716	1 672	6 980
Divided by revenues	1 802	3 036	13 364
Adjusted gross profit (%)	40%	55%	52%

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)	Q1 2026	Q1 2025	Full Year 2025
Cost of materials	-10 930	-1 364	-13 551
Deducted inventory write-downs and non-recurring adjustments	9 844	-	7 167
Cost of materials excluding inventory write-downs and non-recurring adjustments	-1 086	-1 364	-6 384

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)	Q1 2026	Q1 2025	Full Year 2025
Operating profit (loss)	-31 224	-16 783	-80 590
Added back depreciation and amortization	905	1 181	4 627
Added back impairment losses	-	-	-
EBITDA	-30 320	-15 602	-75 963
Added back share-based remuneration (salary part)	715	718	4 232
Added back share-based remuneration (employer's tax)	0	-1 117	-1 880
Added back share-based remuneration (operating part)	195	154	625
Deducted inventory write-downs and non-recurring adjustments	9 844	-	7 167
Added back non-recurring advisory and legal costs in connection with China investigation and litigation and employee termination cost	3 790	-	5 918
Adjusted EBITDA	-15 776	-15 846	-59 901

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)	Q1 2026	Q1 2025	Full Year 2025
Operating expenses (OPEX)	21 192	17 274	75 776
Deducted share-based remuneration (salary part)	-715	-718	-4 232
Deducted share-based remuneration (employer's tax)	0	1 117	1 880
Deducted share-based remuneration (operating part)	-195	-154	-625
Added back non-recurring advisory and legal costs in connection with China investigation and litigation	-3 790	-	-5 918
Adjusted Operating expenses (Adjusted OPEX)	16 493	17 519	66 881

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.

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