

NEXT BIOMETRICS GROUP ASA

Q1 Presentation May 7, 2024



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Today's Speakers



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Agenda

1. Q1 Summary and Business update
2. Q1 Highlights
3. Outlook
4. Q&A



Q1 2024 – Summary

Key developments in the quarter

- Q1 Revenues at NOK 12.8 million (up 88% compared to Q1 2023)
- Record-high Gross Margin of 56% (improved from 21% in Q1 2023)
- 4 new design wins (50 accumulated)
- NEXT's FAP20 sensor received China-ID certification

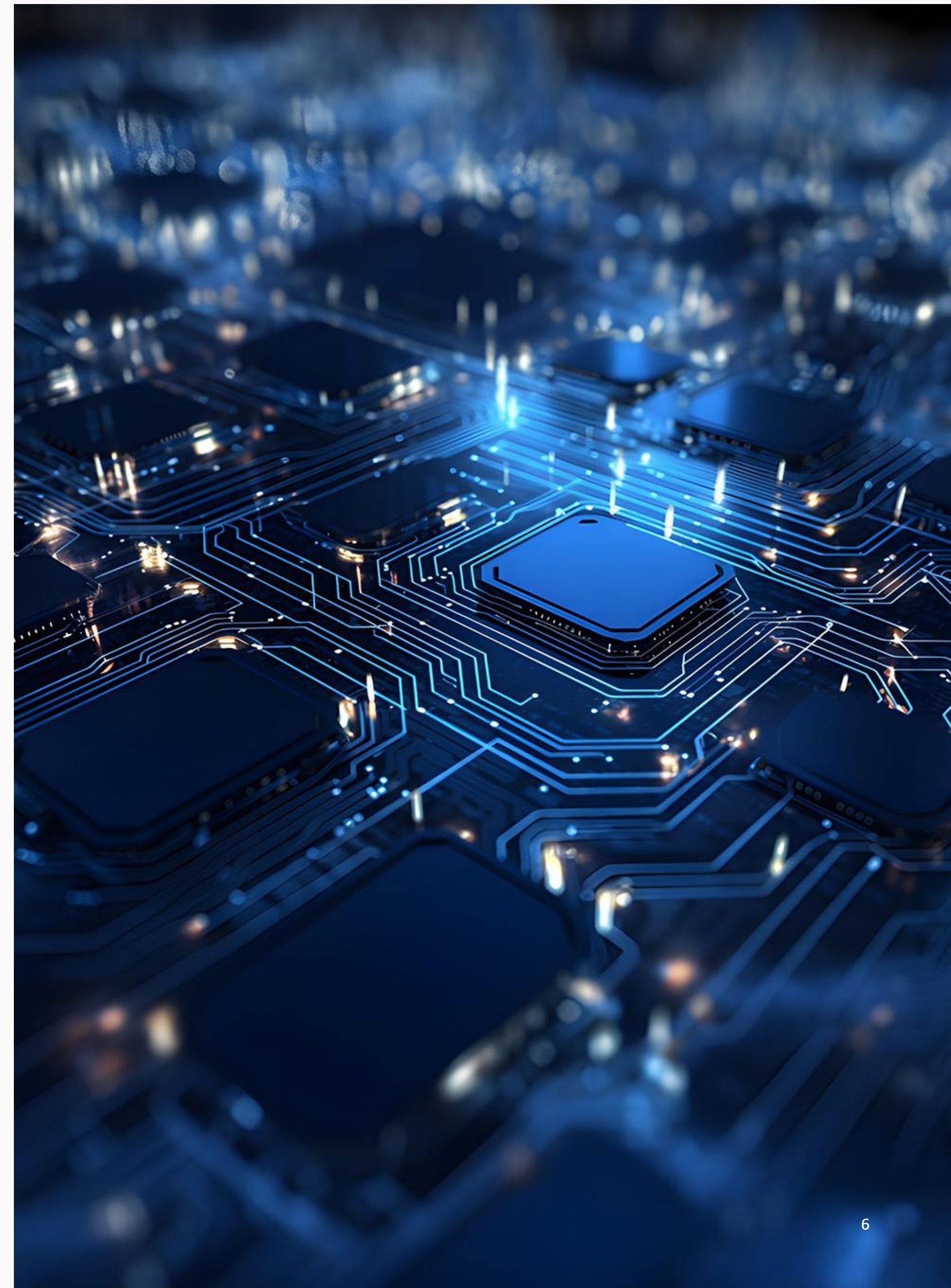


Business updates

- Shipped sizeable volume of FAP20 sensors during quarter (India & China)
- First design win and launch of Indian Point of Sales terminal, with ACPL 3rd party L1 module
- Distributor picked up FAP20 sensors for India L1 products, NOK 6 million
- Strategic partnership with Chinese tier One OEM for the healthcare and medical insurance market
- Multiple new customer projects in China, advancing toward customer acceptance and mass production decision point

After the Quarter end:

- China-ID product completed and approved by Chinese OEM
- NEXT signed multi-year, NOK 95 million purchase order in Bangladesh



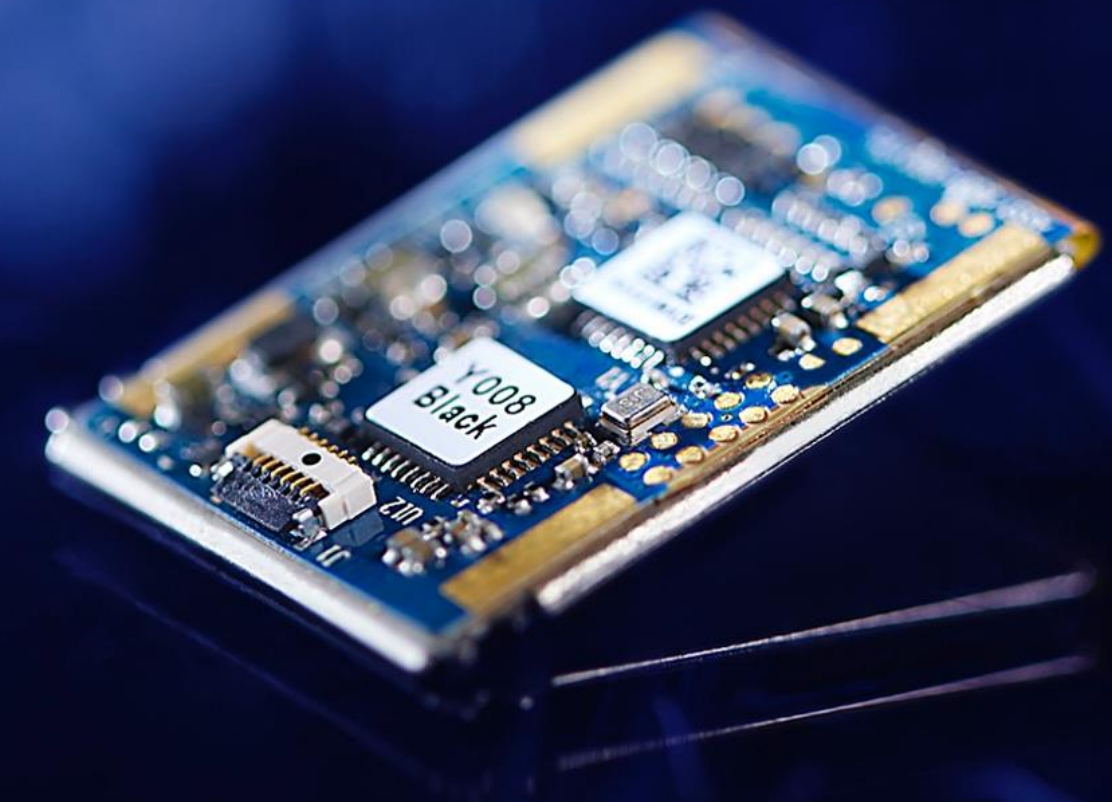
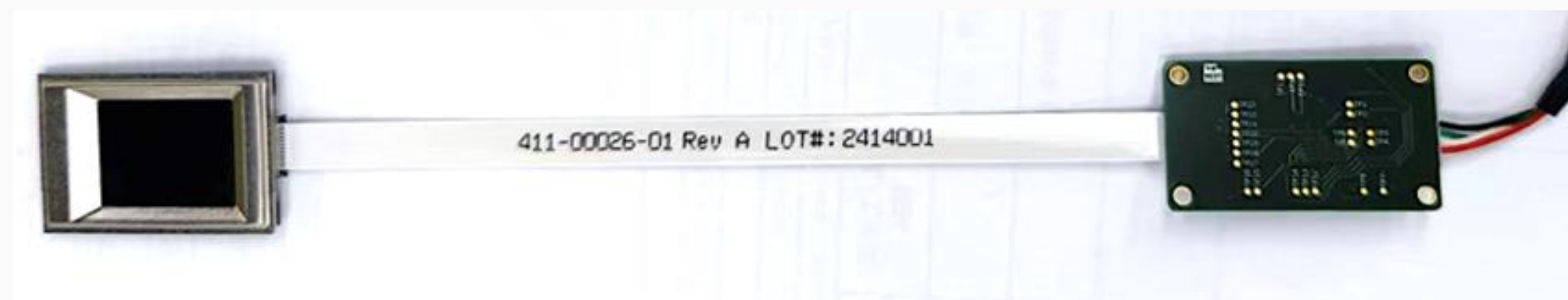
NEXT China ID product completed

New China ID product

- Match on Chip product including FAP20 sensor, MCU, and algo
- Mass production ready and ready for sale
- First purchase order expected in Q2

NEXT China ID key product features

- Excellent anti-spoofing capabilities (including liveness detection)
- Targeting all relevant China-ID applications



Expands operations to Bangladesh

- 95 MNOK agreement, purchase order, delivery starting Q2 and over 5 years
- Commlink Infotech, Bangladesh, new customer and new market
- Commlink – one of the biggest players in Bangladesh
- USB Reader for bank applications and part of the National ID program
- FAP20 flagship product





Q1 FINANCIALS

Q1 2024 - Key Figures

Profit and loss

| NOK million | Q1 2023 | Q1 2024 |
|--------------------------------|---------|---------|
| Revenue | 6.8 | 12.8 |
| COGS | (5.3) | (5.6) |
| Gross margin ¹⁾ | 1.5 | 7.2 |
| Gross margin % ¹⁾ | 21 % | 56 % |
| OPEX ex. Options ²⁾ | (13.1) | (16.3) |
| Adjusted EBITDA ²⁾ | (11.7) | (9.1) |

1) Gross margin adjusted for inventory write-downs
2) OPEX and EBITDA excluding share based remuneration, options social security cost and inventory write-downs

Revenues
NOK 12.8 m vs. NOK 6.8 m in Q1 2023

Gross margin
• Adjusted Gross margin¹⁾ of 56% vs. 21% in Q1 2023

Operating expenses
• OPEX ex. options of NOK 16.3 m vs. NOK 13.1 m in Q1 2023

EBITDA
• Adjusted EBITDA²⁾ of negative NOK 9.1 m relative to negative NOK 11.7 m in Q1 2023

Cash and cash flow
• Cash of NOK 54.6 m end of Q1 2024 versus NOK 67.8 m at end of Q4 2023
• Q1 operational cash flow was negative NOK 14.2 m

Record high gross margin
Cash flow impacted by higher sales (increased receivables) and limited cash collection during the quarter



OUTLOOK

Outlook

- Expecting revenues for Q2 2024 to grow significantly compared to Q1 2024
- NEXT expects revenues for 2024 to grow by at least 250% and expects EBITDA to break even in Q2 2024
- Already secured contracts and design-wins with NOK 200 million in total annual revenue potential
- Potential growth beyond this is large, both from already existing customers and new potential customers
- Expecting 50 % gross margin in 2024 and run-rate OPEX cost of NOK ~65 million per year



Q & A



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