

NEXT BIOMETRICS GROUP ASA

Quarterly Report | Q4 2024



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NEXT Biometrics Group ASA

Quarterly report – Q4 2024

Highlights

- Revenue of NOK 13.3 m (NOK 14.3 m Q4 2023)
- Adjusted gross margin at 61% (45% Q4 2023); improved due to product mix
- 18 new design wins in 2024. Accumulated 64 design-wins by the end Q4 2024 (46 as per Q4 2023)
- Adjusted EBITDA¹ of NOK -11.8 m in Q4 2024 (NOK -8.3 m Q4 2023); lowered EBITDA due to intensified sales and R&D efforts (increased OPEX) partially offset by higher gross margin
- Cash position of NOK 62.9 m per 31 December 2024 (NOK 67.8 m as per 31 December 2023)
- NEXT successfully completed a private placement in October 2024, raising gross proceeds of NOK 40.2 m
- Multi-year Memorandum of Understanding (MoU) signed for the new FAP30 sensor, valued at approximately 18 MNOK per year

CEO Statement

2024 was a transformative year for NEXT. Following demanding years of re-building and re-shaping the company's foundation, we now have a platform for growth in place. The effects have also started to show: NEXT's revenues in 2024 amounted to NOK 72 million, corresponding to a 109 percent year-on-year growth. For Q4 2024 we report revenues of NOK 13.3 million in line with our previously communicated revenue update.

Our adjusted OPEX in Q4 amounted to NOK 19.9 million. The increase was mainly due to currency effects as well as scaling our sales organization.

NEXT's Accounts Receivables at end of Q4 were NOK 62.8 million. This continues to be a top priority until the situation is normalized. As noted in our Q3 report, we expect this to gradually improve during 2025. In 2024 we initiated activities and implemented improvements in our agreements, payment procedures and processes. This important work will continue in 2025.

Biometrics is a volatile, sometimes unpredictable, industry where ripple effects are cascading through the whole value-chain. A concrete example of this occurred in the Indian Aadhaar ecosystem during this quarter. Following a security incident at a competitor in the Aadhaar, the Unique Identification Authority of India (UIDAI) enforced a temporary pause on the enrollment of all new devices until all vendors have undergone new and further certification. We repeat that neither NEXT nor our technology was affected by the competitor's vulnerability, as it concerns a completely different technology. As of this writing, NEXT has completed all additional testing as requested and we are awaiting the re-opening of Aadhaar.

The action taken by UIDAI will benefit NEXT. Short-term, it is unfortunate, due to loss of revenue in Q4, but in a long-term business perspective, more rigorous testing and requirements also means fewer competitors in India. NEXT is already a strong player in the Indian market and moving forward we expect the demand for our technology to increase further. Our operations in India continue in line with our plans: one of our Indian partners received its L1 certification and we also added a new partner in India and signed a multi-year Memorandum of Understanding (MoU) with this partner. Once the Aadhaar opens again, we expect NEXT's momentum in this dynamic market to continue and for our team to rapidly pick up the pace again.

The Chinese market progressed slowly during the quarter. Still, we secured an NOK 8 million order for our

flagship FAP20 sensors. In addition to this, a significant product development step was also taken as we secured NEXT's first design-win for the Touchpad segment.

Product development and the broadening of our product portfolio has been a prioritized area. The product team has been working hard and during Q4 we successfully demonstrated the first engineering samples of our new FAP30 sensor. The market's reception of our newest family member has exceeded our expectations. Shortly after announcing that engineering samples were available, we confirmed we had inked our first Memorandum of Understanding (MoU) for the FAP30. The MoU is valued at approximately 18 MNOK per year starting from the second half of 2025.

So, what is all the fuzz about? Our FAP30 sensor will be applied in high-end security applications. As security threats just keep increasing, it is crucial for our biometric solutions to stay ahead of the game. We expect mass production to start in 2025, and we believe this product will increase NEXT's attractiveness as our product portfolio is broadening. After a strong 2024 with a 109% increase in revenue, the company will continue accelerating in 2025.

Ulf Ritsvall, CEO of NEXT Biometrics Group ASA

(amounts in NOK million)	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Total revenues	13,3	14,3	72,0	34,4
Adjusted gross margin (%) ¹⁾	61%	45%	55%	33%
Adjusted EBITDA ¹⁾	-11,8	-8,3	-32,7	-43,7
Cash - closing balance	62,9	67,8	62,9	67,8

1) See definition on page 13

Operational review

5 new design-wins were added during the fourth quarter. The total number of design-wins was 64 customer product integrations as per 31 December 2024, compared to total 46 as of 31 December 2023.

Q4 2024 revenues decreased by 7% compared to Q4 2023. The decrease in revenues is mainly due to that the Indian government temporarily paused all new business within the Adhaar system following security incidents with a competing technology to the NEXT Active Thermal.

NEXT's Q4 2024 adjusted gross margin was 61%, vs. 45% in Q4 2023. The increase in gross margin is due to a high share of FAP20 and China-ID products in the product mix.

NEXT continued to work with its OEM customers to integrate NEXT HW and SW into new end-products as well as delivering China-ID products to its customers during Q4. The China-ID market was slower than expected towards the end of 2024 due to continued macroeconomic weakness in China. NEXT expects the market to improve in 2025 following the implementation of government stimulus measures that are aimed at boosting economic growth.

NEXT continued R&D activities developing FAP30 sized fingerprint sensors during the quarter. The FAP30 product can be applied in high-end governmental ID applications. The first engineering samples were ready during the quarter and mass production is targeted to start in the second half of 2025. The planned launch of

FAP30 product broadens NEXT's product portfolio and makes NEXT a more attractive partner to international OEMs (Original Equipment Manufacturers).

Interim condensed financial statements as of 31 December 2024 (unaudited)

Statement of comprehensive income

Revenues for Q4 2024 were NOK 13.3 million compared to NOK 14.3 million in Q4 2023. The decrease in revenues relative to Q4 2023 was mainly due to the temporary pause of sensor deployments in India.

Payroll expenses excluding stock option costs were NOK 9.0 million in Q4 2024 compared to NOK 7.9 million in Q4 2023. Net employee stock option and option social security gain were NOK 0.6 million in Q4 2024 compared to NOK 2.7 million net cost in Q4 2023. See note 4 for further information on stock option and option social security cost.

Other operating expenses were NOK 14.7 million in Q4 2024 compared to NOK 6.9 million in Q4 2023. The increase in costs in Q4 2024 relative to Q4 2023 is mainly due to increased contractor sales headcount and intensified FAP30 sensor R&D efforts. Moreover, as a part of NEXT's accounting based on IFRS, NEXT booked NOK 1.0 million in allowance for estimated credit loss. The group is not expecting to incur such losses on its outstanding accounts receivables. The group also accrued NOK 3.6 million in sales and marketing incentive fees in Q4 2024.

Depreciation and amortization were NOK 1.2 million in Q4 2024 compared to NOK 1.5 million in Q4 2023.

Net financial items were positive NOK 0.4 million in Q4 2024 compared to positive 0.5 million in Q4 2023.

Income tax expense was NOK 0.1 million in Q4 2024, compared to income tax expense NOK 0.1 million in Q4 2023.

EBITDA was negative NOK 15.3 million in Q4 2024, compared to negative NOK 11.0 million in Q4 2023. The reduced Q4 2024 EBITDA is mainly due to higher operating expenses partially offset by increased gross margin from product sales. Adjusted EBITDA was negative NOK 11.8 million in Q4 2024, compared to negative NOK 8.3 million in Q4 2023.

Loss after taxes for Q4 2024 was NOK 16.1 million compared to a loss of NOK 12.2 million for Q4 2023.

Statement of financial position and cash flow

Cash amounted to NOK 62.9 million per 31 December 2024, compared to NOK 67.8 million per 31 December 2023.

Net cash flow from operating activities was negative NOK 20.0 million in Q4 2024, compared to negative NOK 18.5 million in Q4 2023. The negative cash flow in Q4 2024 is mainly due to increased working capital as a result of late payments on accounts receivables from NEXT's customers and a high level of Q4 product shipments happening in the last month of the quarter. NEXT has in 2024 agreed to delay payments on accounts receivable from selected distributors. This has been a part of the strategy to secure sufficient availability of products in the distributor supply chain during the critical product introduction and growth phase in India and China.

Net cash flow from investing activities was negative 0.0 million in Q4 2024, compared to negative 0.05 million in Q4 2023.

Net cash flow from financing activities was positive 37.7 million in Q4 2024 compared to negative NOK 0.4 million in Q4 2023. The improvement in cash flow from financing can mainly be explained by the private placement that was completed in October 2024 raising net proceeds of NOK 38.1 million. Please see note 4 for further details on the changes in share capital in Q4 2024.

Going concern

The Group's financial statements for Q4 2024 have been prepared on the basis of a going concern assumption.

Outlook

Based on signed orders and current market visibility, NEXT targets a revenue range of NOK 180–200 million for 2025. We expect continued growth for our flagship sensor FAP20 in India and China. Moreover, with NEXT's new FAP30 sensor launching in the second half of 2025 this is expected to provide additional revenue growth. NEXT expects the majority of its 2025 revenue in the second half of the year.

NEXT recently presented a new R&D project, that benefits our existing product portfolio and targets the smartphone market. The NEXT Active Thermal technology enables fingerprint authentication on the full display screen of a phone, an innovation that the entire industry has tried to achieve for a long time without succeeding. The first phase is producing a prototype and then engaging with end customers to sign partner agreements. The development cost in the first phase is expected to be modest.

NEXT is now strategically positioned with a compelling product lineup, established partnerships, and a solid financial foundation, paving the way for future success in terms of revenue growth and strong cash flow.

Oslo, 18 February 2025

CEO and Board of Directors

NEXT Biometrics Group ASA

Ulf Ritsvall (CEO)

Odd Harald Hauge (Chairman)

Emine Lundkvist (Board member)

Petter Fjellstad (Board member)

Siri Gonnæs Børsum (Board member)

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Interim condensed consolidated statement of comprehensive income (unaudited)

(amounts in NOK 1 000)	Notes	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Operating revenues	2	13 021	14 009	71 637	33 717
Other revenues		240	282	322	666
Cost of goods sold		-5 138	-7 795	-32 053	-22 962
Inventory write downs		-352	-3	-363	-4 042
Gross margin		7 771	6 492	39 543	7 379
Payroll expenses	3,4	-8 325	-10 584	-32 873	-42 370
Other operating expenses	3,4	-14 739	-6 918	-41 364	-23 218
EBITDA		-15 293	-11 010	-34 693	-58 209
Depreciation and amortization		-1 185	-1 547	-5 394	-7 068
Impairment losses		-	-	-	-1 139
Operating profit (loss)		-16 478	-12 557	-40 088	-66 416
Net financial items		430	499	1 232	918
Profit (loss) before taxes		-16 048	-12 058	-38 856	-65 498
Income tax expenses		-99	-92	-197	-234
Profit (loss) after taxes		-16 147	-12 150	-39 052	-65 732
Earnings per share (in NOK):					
Basic and diluted		-0,14	-0,13	-0,36	-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		4 606	-1 765	6 248	1 170
Other comprehensive income (loss)		4 606	-1 765	6 248	1 170
Total comprehensive income (loss)		-11 541	-13 915	-32 804	-64 562
Profit (loss) after taxes attributable to:					
Owners of the parent company		-16 147	-12 150	-39 052	-65 732
Total comprehensive income (loss) attributable to:					
Owners of the parent company		-11 541	-13 915	-32 804	-64 562

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Interim condensed consolidated statement of financial position (unaudited)

(amounts in NOK 1 000)	Notes	31 Dec 2024	31 Dec 2023
Deferred tax assets		4	-
Intangible assets		825	1 530
Property, plant and equipment		7 094	6 738
Total non-current assets		7 923	8 268
Inventories		17 672	23 126
Accounts receivables		62 815	12 303
Other current assets		6 936	7 451
Cash		62 907	67 753
Total current assets		150 331	110 632
Total assets		158 253	118 900
Share capital	4	115 155	104 025
Share premium		79 857	30 858
Other reserves		35 208	31 965
Accumulated losses		-105 302	-72 498
Total equity		124 919	94 351
Non-current lease liabilities		2 244	194
Total non-current liabilities		2 244	194
Accounts payables		10 910	5 984
Income tax payables		92	33
Current lease liabilities		1 843	1 745
Other current liabilities		18 246	16 594
Total current liabilities		31 090	24 355
Total equity and liabilities		158 253	118 900

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Interim condensed consolidated statement of cash flow (unaudited)

(amounts in NOK 1 000)	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Profit (loss) before taxes	-16 048	-12 058	-38 856	-65 498
Share based remuneration	857	755	3 243	5 896
Accrued share option social security cost	-1 322	1 968	-1 637	4 611
Income taxes paid	2	44	-	-26
Depreciation and amortization	1 185	1 547	5 394	7 068
Impairment losses	-	-	-	1 139
Inventory write-downs	352	3	363	4 042
Change in working capital items and other	-5 031	-10 763	-30 213	-13 863
Net cash flow from operating activities	-20 005	-18 504	-61 706	-56 630
Purchases of property, plant and equipment and intangible assets	-9	-45	-572	-13
Net cash flow from investing activities	-9	-45	-572	-13
Gross proceeds from issue of shares	40 150	116	62 442	60 150
Payments of transaction costs equity transactions	-2 070	-34	-2 314	-3 134
Payments of lease liabilities	-378	-528	-2 017	-2 078
Net cash flow from financing activities	37 702	-447	58 111	54 938
Net change in cash flow	17 688	-18 995	-4 167	-1 705
Cash balance at beginning of period	45 548	86 150	67 753	69 302
Translation differences from subsidiaries and effects of exchange rate changes on cash and cash equivalents	-329	597	-679	156
Cash balance at end of period	62 907	67 753	62 907	67 753
Comprising of:				
Cash	62 907	67 753	62 907	67 753

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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 2024		104 025	30 858	31 965	-72 498	94 351
Profit (loss) after taxes					-39 052	-39 052
Other comprehensive income (loss)					6 248	6 248
Total comprehensive income (loss)					-32 804	-32 804
Share issues net	4	11 130	48 999			60 129
Share based remuneration	4			3 243		3 243
As of 31 December 2024		115 155	79 857	35 208	-105 302	124 919
As of 1 January 2023		91 981	4 049	26 069	-26 099	96 000
Profit (loss) after taxes					-65 732	-65 732
Other comprehensive income (loss)					1 170	1 170
Total comprehensive income (loss)					-64 562	-64 562
Share issues net	4	12 044	44 972			57 016
Share based remuneration	4			5 896		5 896
Transfer of loss to share premium			-18 163		18 163	
As of 31 December 2023		104 025	30 858	31 965	-72 498	94 351

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 four wholly owned active operating subsidiaries: NEXT Biometrics AS (Oslo, Norway), NEXT Biometrics Inc. (Seattle, USA), NEXT Biometrics Taiwan Ltd. (Taipei, Taiwan) and NEXT Biometrics Solutions India Pvt. Ltd. (India). The group also has a 50% ownership in NEXT Biometrics China Ltd. (Shanghai, China), and the subsidiary in China is controlled by the Group.

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.

This report contains forward-looking statements that are based on, among other things, the management current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for the Group. All such forward-looking statements are subject to inherent risks and uncertainties, and many factors can cause substantial deviations from what has been expressed or implied in such statements.

These interim financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU per 31 December 2024 and 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 2023 (Annual Report for 2023). The Annual Report for 2023 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 Annual Report for 2023. There are no new standards and interpretations effective from 1 January 2024 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 interim financial statements for Q4 2024 have been prepared on the basis of a going concern assumption.

This interim financial report has not been subject to audit.

The Board of Directors approved the report on 18 February 2025.

Note 2 – Revenue and segment reporting

(amounts in NOK 1 000)	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Fingerprint sensor technology	13 021	14 009	71 637	33 717
Total operating revenues	13 021	14 009	71 637	33 717

NEXT targets four markets for the 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.

Note 3 – Operating expenses

(amounts in NOK 1 000)	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Salaries, fees	-7 409	-6 759	-26 250	-26 507
Share based remuneration (salary part)	-696	-689	-2 776	-5 729
Share based remuneration (employer's tax)	1 322	-1 968	1 637	-4 611
Social security taxes	-1 059	-172	-3 600	-3 515
Other personnel expenses	-483	-996	-1 883	-2 008
Total payroll expenses	-8 325	-10 584	-32 873	-42 370

(amounts in NOK 1 000)	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Product and marketing costs	-1 746	-2 089	-6 949	-4 434
Sales and marketing incentive fees	-3 631	-	-3 631	-
R&D and business services costs	-6 338	-3 421	-22 103	-13 232
R&D and government grants	441	600	1 849	1 754
Fees to contractors, auditors, lawyers and others	-1 239	-1 156	-5 382	-4 331
Allowance for expected credit loss	-1 040	-409	-1 639	-462
Other expenses	-1 040	-376	-3 057	-2 345
Share based remuneration (operating part)	-146	-66	-452	-167
Total other operating expenses	-14 739	-6 918	-41 364	-23 218

Total payroll expenses were NOK 8.3 million in Q4 2024 compared to NOK 10.6 million in Q4 2023. The difference in costs in Q4 2024 relative to Q4 2023 is mainly the difference in share-based remuneration and options social security cost from net cost NOK 2.7 million in Q4 2023 to NOK 0.6 million net gain in Q4 2024.

Total other operating expenses were NOK 14.7 million in Q4 2024 compared to NOK 6.9 million in Q4 2023. The difference in costs in Q4 2024 relative to Q4 2023 is mainly the increase in R&D and business service costs resulting from an enlarged sales team (hired as contractors) and intensified R&D efforts. Moreover, as a part of IFRS accounting, NEXT booked NOK 1.0 million in allowance for estimated credit loss. The group is not expecting to incur such losses on its outstanding accounts receivables. Further, the group accrued NOK 3.6 million in sales and marketing incentive fees in Q4 2024.

Note 4 – Shares and incentive options

Numbers of shares outstanding

As of 1 January 2024	104 024 929
Share issues	11 129 606
As of 31 December 2024	115 154 535

In February and May 2024, 676,083 share options were exercised at an average subscription price of NOK 4.1 per share, corresponding to gross proceeds of NOK 2.8 million.

In August 2024, 233,523 share options were exercised at an average subscription price of NOK 2.77 per share, corresponding to gross proceeds of NOK 0.6 million. Further, in September 2024, 4,720,000 share options were exercised at an average subscription price of NOK 3.99 per share, corresponding to gross proceeds of NOK 18.85 million.

In October 2024, NEXT successfully completed a private placement issuing 5,500,000 new shares at a subscription price of NOK 7.3 per share, corresponding to gross proceeds of NOK 40.2 million. Direct expenses and underwriting commission in relation to the private placement was NOK 2.1 million.

The number of shares outstanding increased by 5,500,000 during quarter four.

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 0.8 million in share based remuneration (salary and operating cost part) cost relating to employees and contractors. The Group's share based remuneration (employer tax) cost was negative NOK 1.3 million due to exercises of stock options and the decrease in the parent company's stock price during Q4 2024. The net costs related to share based remuneration were negative 0.5 million for Q4 2024.

There was no change in the number of outstanding options during Q4 2024. The Group had 10,020,579 options outstanding as per 31 December 2024.

Note 5 – Subsequent events

Between 31 December 2024 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 2024 period nor on the value of the Group's assets and liabilities as per 31 December 2024.

Alternative performance measures

NEXT's financial information has been prepared in accordance with IFRS® Accounting Standards as adopted by the EU. 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 gross margin and EBITDA ex. options.

Gross margin/Adjusted Gross margin / Adjusted Gross margin (%)

Gross margin is defined as operating revenue plus other income less cost of goods. Gross margin (%) is expressed as a percentage of operating revenue and other income.

(amounts in NOK 1 000)	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Operating revenues	13 021	14 009	71 637	33 717
Other revenues	240	282	322	666
Cost of goods sold	-5 138	-7 795	-32 053	-22 962
Inventory write-downs	-352	-3	-363	-4 042
Gross margin	7 771	6 492	39 543	7 379
Gross margin	7 771	6 492	39 543	7 379
Divided by operating revenues and other revenues	13 261	14 291	71 959	34 383
Gross margin (%)	59%	45%	55%	21%

Adjusted Gross margin is defined as operating revenue plus other income less cost of goods sold plus inventory write-downs. Adjusted Gross margin (%) is expressed as a percentage of operating revenue and other income.

(amounts in NOK 1 000)	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Operating revenues	13 021	14 009	71 637	33 717
Other revenues	240	282	322	666
Cost of goods sold	-5 138	-7 795	-32 053	-22 962
Inventory write-downs	-352	-3	-363	-4 042
Added back inventory write-downs	352	3	363	4 042
Adjusted gross margin	8 123	6 495	39 906	11 421
Adjusted Gross margin	8 123	6 495	39 906	11 421
Divided by operating revenues and other revenues	13 261	14 291	71 959	34 383
Adjusted gross margin (%)	61%	45%	55%	33%

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 tax part and operating part), sales marketing incentive fees and inventory write-downs.

(amounts in NOK 1 000)	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Operating profit (loss)	-16 478	-12 557	-40 088	-66 416
Added back depreciation and amortization	1 185	1 547	5 394	7 068
Added back impairment losses	-	-	-	1 139
EBITDA	-15 293	-11 010	-34 693	-58 209
Added back share-based remuneration (salary part)	696	689	2 776	5 729
Added back share-based remuneration (employer's tax)	-1 322	1 968	-1 637	4 611
Added back share-based remuneration (operating part)	146	66	452	167
Added back inventory write downs	352	3	363	4 042
Added back sales and marketing incentive fee	3 631	-	3 631	-
Adjusted EBITDA	-11 790	-8 284	-32 740	-43 659

Cost of goods sold (COGS)

Cost of goods sold (COGS) is cost of materials and production service expenses.

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.

Operating expenses (OPEX)

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

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 and sales and marketing incentive fees.

(amounts in NOK 1 000)	Q4 2024	Q4 2023	Full Year 2024	Full Year 2023
Operating expenses (OPEX)	23 064	17 502	74 237	65 588
Deducted share-based remuneration (salary part)	-696	-689	-2 776	-5 729
Deducted share-based remuneration (employer's tax)	1 322	-1 968	1 637	-4 611
Deducted share-based remuneration (operating part)	-146	-66	-452	-167
Deducted sales and marketing incentive fee	-3 631	-	-3 631	-
Adjusted Operating expenses (Adjusted OPEX)	19 913	14 779	69 015	55 081



NEXT BIOMETRICS GROUP ASA

ABOUT

NEXT 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.

The company's patented NEXT Active Thermal™ principle allows the development of large, high quality fingerprint sensors in both rigid and flexible formats. NEXT Biometrics Group ASA (www.nextbiometrics.com) is headquartered in Oslo, with sales, support and development operations in Seattle, Taipei, Bengaluru and Shanghai.

CONTACT

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