Any statement, estimate or projection included in this presentation (or upon which any of the conclusions contained herein are based) with respect to future performance (including, without limitation, any statement, estimate or projection with respect to the condition (financial or otherwise), results, cash flows, prospects, market acceptance of NEXT Biometrics' products and services, preferences of customers and potential customers, market shares, sales volumes or prices, costs, business strategy, plans or objectives of NEXT Biometrics) may prove not to be correct. No representation or warranty is given as to the completeness or accuracy of any forward-looking statement contained in this presentation or the accuracy of any of the underlying assumptions. Nothing contained herein shall constitute any representation or warranty as to the future performance of NEXT Biometrics or its subsidiaries. Neither NEXT Biometrics nor any of its subsidiaries has verified the achievability of any estimate or forecast of future financial performance contained herein, nor of any of the methods underlying the preparation of any such estimate or forecast.

Neither NEXT Biometrics, its subsidiaries nor any of their respective directors, officers, employees or advisors is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the presentation, and neither NEXT Biometrics, its subsidiaries nor any of their respective directors, officers, employees or advisors will have any liability to you or any other persons resulting from your use of the information in this presentation. NEXT Biometrics undertakes no obligation to publicly update or revise any forward-looking information or statements in this presentation.
Next Biometrics – Growth Path

R&D Focus

- **2015**
  - Established Core Technology
    - Created unique large flexible sensor solution
    - Established biometric solution expertise
    - Achieved initial commercialization of the technology

- **2016**

Growth Investments

- **2017**
  - Creating Foundation for Growth
    - Strengthened operations and R&D
    - Leveraged existing technology into new products and markets
    - Pivoted company R&D investment to smart card and government ID solutions

- **2018**

Accelerate Growth

- **2019**
  - Scaling the Business
    - Ramp smart card products

- **2020**
  - Leverage government certifications and begin module/reader sales
  - Drive revenue and profitability

www.nextbiometrics.com
Achievements and Milestones Presented at 2018 Capital Markets Day

- First phase of flexible sensor volume capacity
- Sample new smart card module (4410) in Q2 2018
- Mass production and shipments of new ASIC & flexible sensor products
- India Aadhar Certification: Q2 2018
- Increased focus on solutions development for Smart Card and government ID
- Sample FAP20 by Q4 2018
- Achieved positive gross margin in Jan 2018
- Establish financial runway to break even
Leveraging NEXT’s Large Size, Cost Benefit in Four Target Markets

- **Smart Card**
  - #1 priority

- **Government ID**
  - Certification of existing products;
  - Expanding sensor portfolio

- **Notebook**
  - Stay strong and relevant

- **Access control**
  - Leverage existing portfolio through distribution channel
## Clearly Defined Strategic Priorities

### Status

**Technology**
- Delivering on product roadmap
- Smart card development focus
- Dual interface flex module ready for sampling from Q2 2019

**Market**
- Shifting from development to revenue generation
- Smart card strategy adapted to current market opportunities and future hyper-growth in payment cards
- High sales activity in all target segments

**Financials**
- Significant gross margin improvement
- Peak product investment level passed

### Strategic priorities

**Technology**
- Productize dual interface solution
- Shift focus from development to mass production of entire portfolio

**Market**
- Be ready when payment card market takes off
- Grow revenue in India, Gov ID, Access control and Notebook

**Financials**
- Revenue growth and further gross margin improvement
- Expand sales coverage
- Reduce OPEX and R&D spend
Focused on Smart Cards and Completing Payment Card Solution

**Expected smart card segment inflection point**

**Technology roadmap**

- **Chipset**
  - Chipset for Closed loop projects
  - Flexibility to adapt to complex projects
  - Large rigid and flexible sensors
  - Contact cards

- **One Touch Connect CS**
- **One Touch Flex CT** - Payment
  - Ready to integrate
  - Large Flexible sensor
  - Turnkey solution
  - Contact cards

- **One Touch Flex CL** - Payment
  - Low power
  - Large flexible sensor
  - Turnkey solution
  - Contactless

- **Sampling from Q2 2019**

- **Retail banking payment cards**
- **Government Grade / Mass market**
- **Financial inclusion payment cards**
- **Government Grade**
- **Closed loop systems**

**Years**

- **2017**
- **2018**
- **2019**
- **2020**
- **2021**

www.nextbiometrics.com
Building Payment Card Traction

2018 achievements
- 4 new agreements signed with tier-2 customers in APAC
- Technology partnership with Infineon

Lead pipeline
- Advanced discussions with 3 additional tier-2 players
- Engaged in payment card specification project

Strategic priorities
- Build payment card traction with the new solution
- Target new wins to start using biometric dual interface technology from 2020
- Close alignment with all major players in the smart card ecosystem
- Further develop ongoing technology partnership with Infineon

* Market estimates are based on latest available data and subject to change without further notice
• **Tactilis gearing up for ramp of smart card shipments**
  • Current open purchase order for 250k chipsets
  • 30k chipsets against open PO received in January 2019

• **Tactilis contract backlog and pilots represent significant volume potential for NEXT**
  • 3xUN pilots
  • Madeira Smart City
  • US Veterans card
Building World-Wide Government ID position

**INDIA**

**Achievements**
- Aadhaar L0 certification for modules, readers & software
- Start of discussion with all relevant terminal vendors
- First PO received in early 2019

**Lead pipeline**
- 4 additional agreements in advanced negotiations

**Strategic Priorities**
- Increase market share in India through 2019
- Aadhaar L-1 certification in line with market development

**RoW**

**2018 achievements**
- 4 agreements won and supply started
- Start of FAP 20 sensor sampling to customers

**Lead pipeline**
- 3 additional agreements in advanced discussions
- FAP 20 sensor available for volume sales from Q3 2019

**Strategic Priorities**
- Expansion of product portfolio alongside market growth
- Further market penetration in APAC

---

**India Pipeline January 2019**

<table>
<thead>
<tr>
<th>Customer</th>
<th>Thousand sensors</th>
<th>Firm contracts / advanced talks</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>B</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>C</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td>85</td>
</tr>
<tr>
<td>Sum</td>
<td></td>
<td>140</td>
</tr>
</tbody>
</table>

---

**Top 5 Terminal Vendors APAC 2017**

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Million POS units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pax</td>
<td>2</td>
</tr>
<tr>
<td>Itron</td>
<td>4</td>
</tr>
<tr>
<td>Ingenico</td>
<td>5</td>
</tr>
<tr>
<td>Centerm</td>
<td>7</td>
</tr>
<tr>
<td>Newland</td>
<td>8</td>
</tr>
</tbody>
</table>

*Market estimates are based on latest available data and subject to change without further notice.*

---

www.nextbiometrics.com
Access Control Volumes Emerging

2018 achievements
• License algorithm providing easy customization, superior performance and faster time-to-market
• Segmentation for effective, tailored market cultivation and extended regional coverage

Lead pipeline
• 3 new distribution agreements in very advanced negotiations to broaden regional footprint

Strategic Priorities
• Increase market penetration with existing product portfolio
• Leverage new FAP 20 solution for physical access control, and time and attendance applications
• Extend geographic presence

* Market estimates are based on latest available data and subject to change without further notice
Notebook – Achievements & Outlook

Achievements
• Record shipments to US tier-1 customer
• Sensor and ASIC development completed and solutions in mass production
• New sensor and ASIC driving gross margin improvement
• Initial volumes to Fujitsu in 2018, further ramp in 2019

Lead pipeline
• Ongoing technology evaluation with additional notebook manufacturers
• Stable overall shipments expected for 2019

Strategic Priorities
• Maintain strong relationship with current customers
• Further market penetration with existing product portfolio
• Leverage new FAP 20 solution
Preliminary Q4 Figures and Financial Targets

- Q4 revenue in line with Q3
- Full-year revenue increased 10% compared to 2017
- Notebook volumes the main driver
- Passed 6 mill sensors shipped in Q4
- Pilot projects and samples still have limited impact
- Revenue to increase as customers roll out their solutions

- Continued gross margin improvement
- Long-term margin development will depend on product and customer mix

* Figures are unaudited
• Improved EBITDA performance
• EBITDA-loss excl. options reduced by NOK 5 million compared Q4 2017
• Cost reduction of 20% with full impact from Q3
  • Optimizing organization
  • Shifting focus to revenue generation
  • Productizing payment card solution
  • Scaling back other development processes

• Reduced cash consumption in Q4
• Q4 cash used for operations of NOK 25 million compared to NOK 34 million in Q4 2017
• Long-term cash flow levels to improve

* Figures are unaudited
Summary

Delivered consistently on technology and product roadmap

Clearly defined strategic priorities
  • Attractive and sustainable revenue base obtainable
  • Well positioned for hyper-growth payment card market

Future development focused on payment card solutions

Shifting focus to revenue generation in new markets

Cost optimization plan initiated to reduce cash burn
Secure Authentication for Identity Management

- **6m**
  - Founded 2004; IPO 2014
  - >6 million sensor modules shipped to-date
  - Proven biometric fingerprint sensor provider

- **1bn**
  - Rapidly growing fingerprint sensor market
    - >1 billion units
  - Positioned for leadership in emerging smart card & government ID markets

- **Cost-efficient mass-production of large-size, rigid and flexible sensors**
  - Key enabler of coming wave of biometrics
One Touch. One You.
NEXT Biometrics