



NEXT Biometrics

Q1 Presentation
May 12, 2023



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Agenda

Q1 2023 Report and summary

Outlook

Q&A session



Q1 2023

Q1 2023 - Summary

1. New Design-wins (new customers/products)

- 2 new design-wins in Q1
- Accumulated 38 design-wins as of March 31, 2023

2. Q1 Revenues low

- Temporary low Q1 Notebook sensor shipments (inventory adjustment)
- India migrating from L0 to L1; delay in India orders
- Low shipment volumes Q1 in small to medium size OEM segment

3. Gross Margin 21% (revenue & product mix contribution)

4. Continued cost control with even lower quarterly OPEX

5. Increased inventory in line with plan to prepare for expected ramp-up in India

Weak Q1 - but high market activity

Q1 2023 - After Q1 closing

1. India

- MoU signed with additional L1 OEM Partner in India with USD1.4 million PO at signing of final agreement (Q3)
 - OEM Partner with their own Point of Sales terminal (expected sales volume USD 1.4-2.8 million/year)
- First L1 volume tender now open for 100K units, bid end date is 24 May
- Signals of second L1 tender to be public approx. end June (+/-600K units)

2. Related to short-term target in NEXT (communicated in Q4)

- In dialogue with multiple large volume potential customers via Wiser Group and NEXT's own sales channel

Finally, India L1 Market launch and NEXT in dialogue with volume Customers

Q1 2023 - Key Figures

Profit and loss

| NOK million | Q1 2022 | Q1 2023 |
|---------------------------------------|---------|---------|
| Revenue | 10.2 | 6.8 |
| COGS | (8.0) | (5.4) |
| Adjusted gross margin ¹⁾ | 2.2 | 1.5 |
| Adjusted gross margin % ¹⁾ | 21% | 21% |
| OPEX ex. Options ²⁾ | (14.0) | (13.2) |
| Adjusted EBITDA ²⁾ | (11.8) | (11.7) |

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 6.8 m vs. NOK 10.2 m in Q1 2022
- Revenues impacted by delays in India

Gross margin

- Adjusted gross margin¹⁾ of 21% vs. 21% in Q1 2022
- Q1 product mix with high PC-sensors share

Operating expenses

- OPEX ex. options of NOK 13.2 m vs. NOK 14.0 m in Q1 2022

EBITDA

- Adjusted EBITDA²⁾ improved by NOK 0.1 m relative to Q1 2022

Cash and cash flow

- Cash of NOK 53 m end of Q1 2023 versus NOK 69.3 m at end of Q4 2022
- Q1 cash burn of NOK 16.3 m; impacted by lower shipments/cash collection and increase in inventory

Continued low Quarterly OPEX

Cash position affected by inventory build-up, in preparation for India ramp-up



Outlook

Q1 2023 - NEXT proof points to date

1. Products valid/competitive
2. Customers segments relevant
3. Financial Margins relevant
4. Cost Control



The last piece

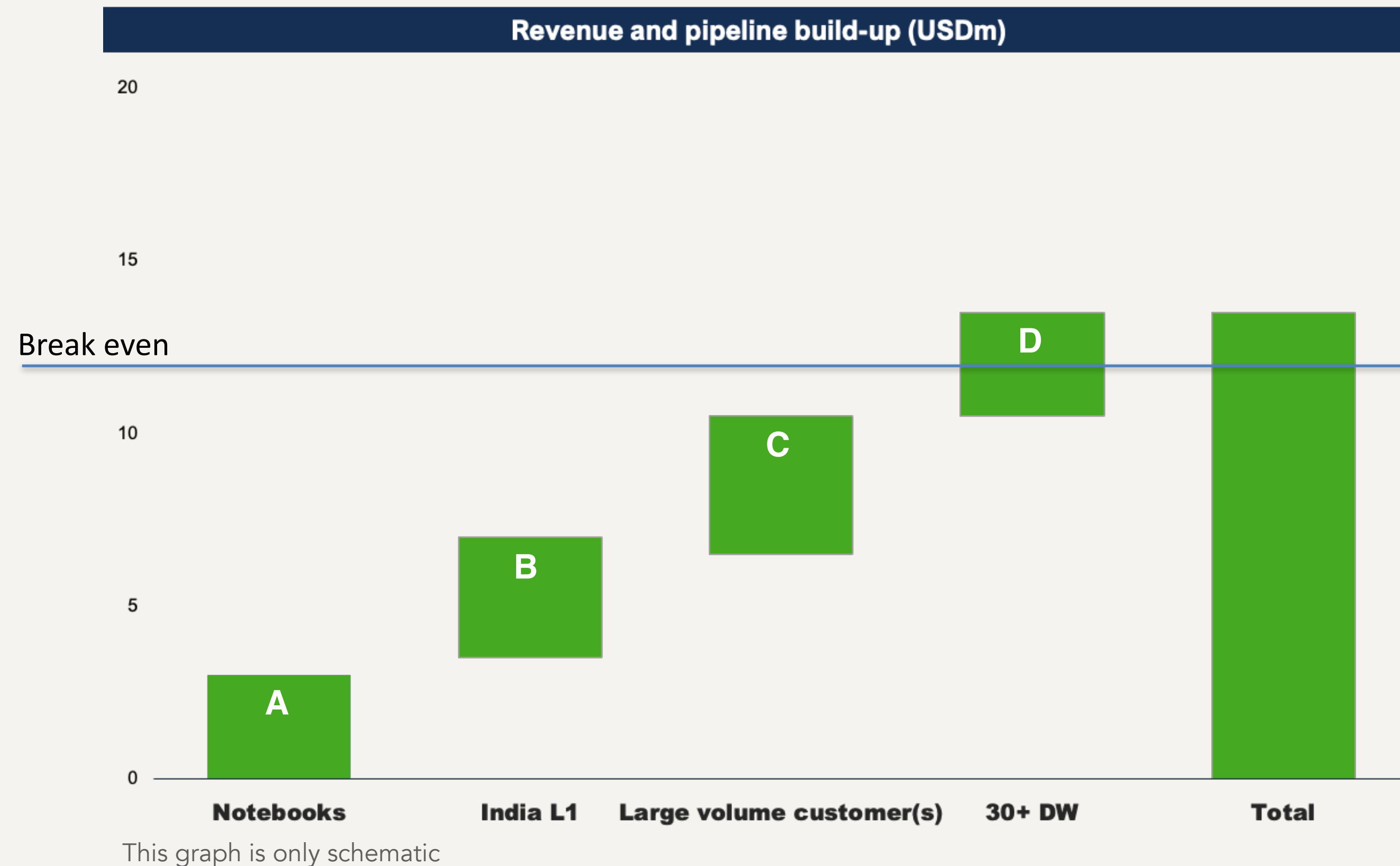
5. The missing piece of the puzzle - **Large volume customer(s)**

HOW do we plan fixing increased Revenues?

NEXT revenue build-up

What will be main revenue contributors?

- A. Notebook segment currently driving recurrent revenue
- B. Second large volume driver will be India L1
- C. We are in dialogue with multiple large-volume customer(s)
- D. In addition we have 30+ Design Wins



WE are in steadfast pursuit securing the last piece of the puzzle



QnA



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