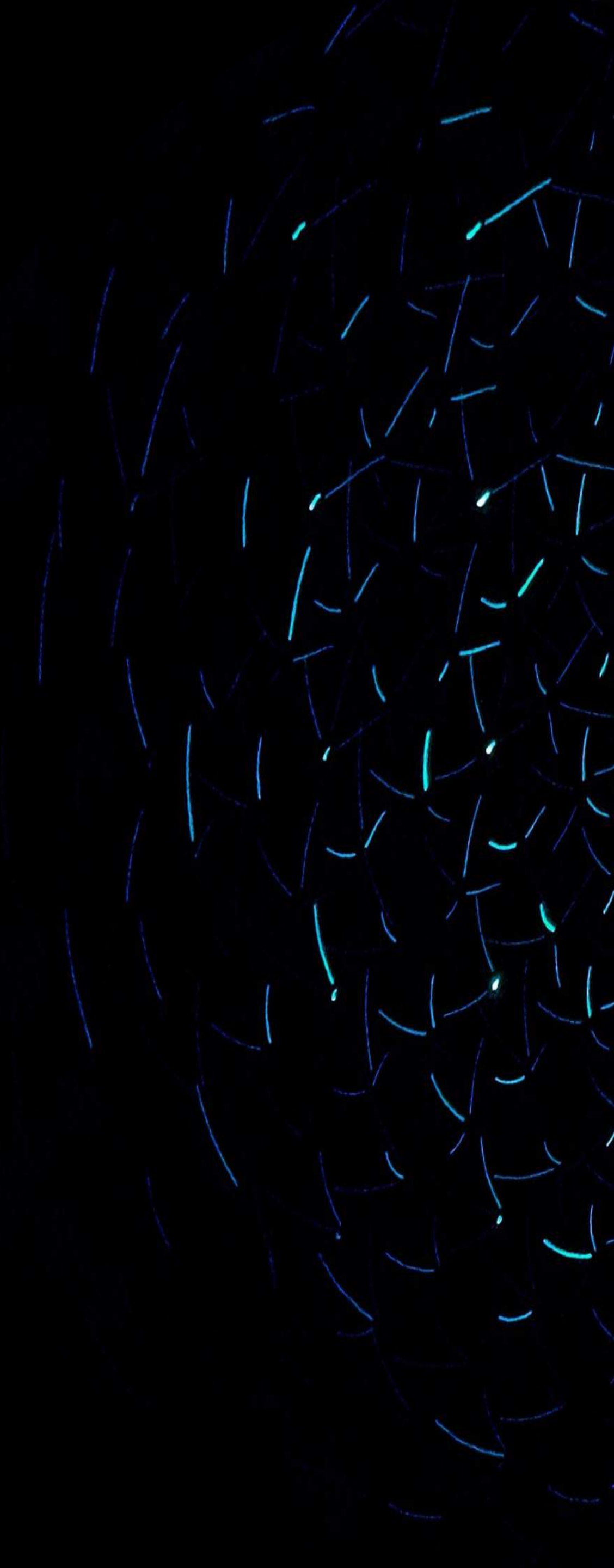




NEXT Biometrics

Q4 Presentation
February 22, 2022



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Agenda

Q4 2022 Report and summary

Business update

Outlook

Q&A session



Q4 2022

Q4 2022 Summary

1. New Design wins (new customers/products)

- A. Reached 2022 target during Q4
- B. 3 new design wins in Q4 (medical cabinet, airport device and a bluetooth printer)
- C. Accumulated 36 design wins year end

2. Revenues

- A. Low end of our expectations (main reasons - further India delay and some customers lack MCUs)

3. Gross Margin lower than previous quarters - should be a temporary glitch

4. Continued cost focus with low quarterly OPEX

5. Solid Cash collection during Q4

When all 36 design-wins performing - enough to take NEXT to break-even

Key Figures Q4-2022

Profit and loss

NOK million	Q4 2021	Q4 2022
Revenue	13.7	12.0
COGS	(6.8)	(9.2)
Adjusted gross margin ¹⁾	6.9	2.9
Adjusted gross margin % ¹⁾	50%	24%
OPEX ex. Options ²⁾	(15.1)	(11.9)
Adjusted EBITDA ²⁾	(8.2)	(9.1)

Revenues

- NOK 12.0 m vs. NOK 13.7 m in Q4 2021
- Revenues impacted by delays in India and selected customer's semiconductor shortage

Gross margin

- Adjusted gross margin¹⁾ of 24% vs. 50% in Q4 2021
- Less favorable product mix in Q4 2022: low level of FAP20 shipments

Operating expenses

- OPEX ex. options of NOK 11.9 m vs. NOK 15.1 m in Q4 2021

EBITDA

- Adjusted EBITDA²⁾ lowered by NOK 0.9 m relative to Q4 2021

Cash and cash flow

- Cash of NOK 69.3 m end of Q4 2022 versus NOK 72.5 m at end of Q3 2022
- Reduced cash burn: Q4 operational cash flow at negative NOK 3.7 m
- Q4 cash flow and Dec 31 cash position benefiting from strong accounts receivable cash collection

Continued low Quarterly OPEX
Reduced cash burn during Q4

1) Gross margin adjusted for inventory writedowns

2) OPEX and EBITDA excluding share based remuneration, options social security cost and inventory writedowns



Business Update

India market update



Finally, India Launched

- Next generation biometric Aadhaar standard starting from Q1 2023
- Sunset date for current Aadhaar certified devices mid-2024
- Smaller tenders already open, larger tenders expected take of Q3/Q4 2023
- Millions of active devices to be replaced with next generation L1 devices
- India based OEM directly requested recurring delivery schedule for 2023
 - Will have consumed USD 1.2 m out of USD 2.2 m order by end of 2023

Strategic partnership with Wiser Group

WISER Group (China)

1. Wiser Group is located with offices in Shanghai, Guangzhou and Hong Kong (<https://www.wiserasia.com/>)
2. Partner with experienced biometrics team & proven track record
3. Long history of successfully assisting Nordic and European tech companies with market entry in China

Market Entry - Scaling up NEXT in China (Phase1)

- Accelerating market entry into NEXT's key market segments
- WISER Group has set up China virtual (and physical) sales organization for NEXT
- Wiser committed to bring new Design-wins (customer/s) with at least USD 4 million annual revenue commitment
- Certain priorities and milestones are agreed upon, including Design-wins and revenue expectations
- 1st milestone (out of six) completed, where milestone six is end-customer committed revenues for NEXT

Building global biometric distributor & partnership network

Biometric Distributors expands NEXT market reach and sales/distribution power

- Global reach established to date:
 - 8 biometrics distributors: Latin America (2), Asia (5), Europe&Africa (1)
 - Strategic partnership with Wiser Group, China initiated
- NEXT focus:
 - Large and growing biometric markets with high-security needs and extensive use of biometrics
 - Active Thermal technology is superior, the large, bulky, and easy-to-spoof optical sensors
 - NEXT pitch deck already shared, distributors trained, shortlisted potential optical customers to target

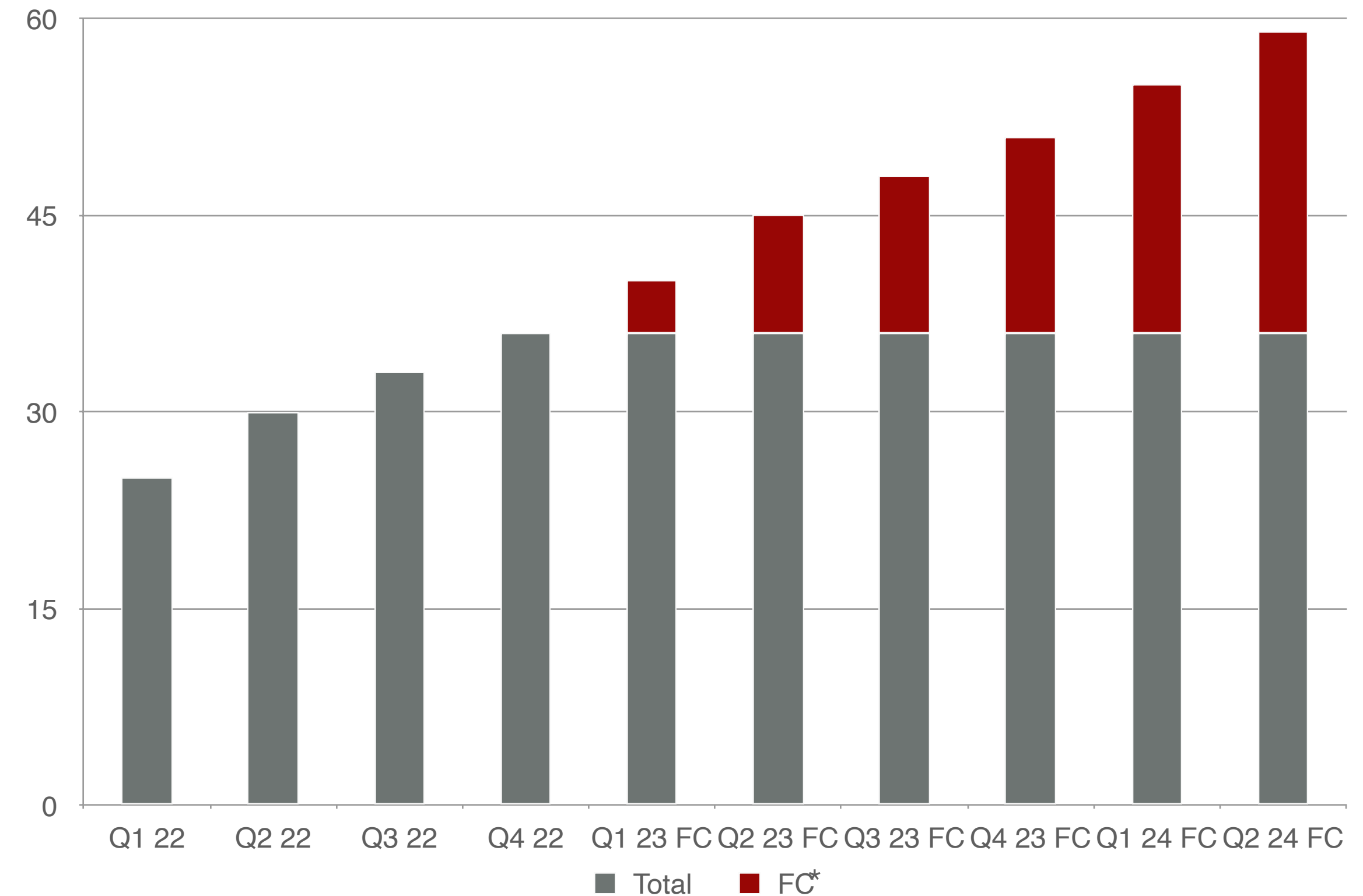


Outlook

Outlook

1. Continue with average 3 new design wins per quarter with a focus on FAP20 sensors
 - Target for 2023 year end 48 acc Design-wins
2. Wiser Group in China established, expected revenue growth from end of 2023
3. Launch of new biometric technology standard in India
 - Replace millions of units (installed base) with new devices; NEXT in good position with its partners to bring recurring orders and revenue scaling up from Q3/Q4
4. Short-term goal to close large volume customer(s) with predefined recurring demand

**Total number of design-wins*
(accumulated and projection)**



**Existing customers alone, have potential to bring
NEXT to positive EBITDA during second half of 2023**



QnA



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