

NEXT Biometrics Group ASA

Annual Remuneration Report 2023

1 CONTEXT FOR THE REMUNERATION REPORT

This Remuneration Report describes the principles for the remuneration of the members of the Board of Directors (the Board), the Chief Executive Officer (CEO) and of the members of Executive Management Team of NEXT Biometrics Group ASA (NEXT), and how these principles have resulted in actual remuneration. The Remuneration Policy is designed to attract, retain and motivate the Board members, the CEO and the Executive Management Team at a competitive level. Remuneration is designed to align the interests of the executives with those of the shareholders. The Remuneration Report complies with the requirements defined in the Norwegian Public Limited Companies Act § 6-16a and 6-16b.

REMUNERATION COMMITTEE

The Board has a Remuneration Committee consisting of two Board members (Odd-Harald Hauge (Chair) and Siri Børsum). This committee has been established to ensure that remuneration arrangements support the strategy of the business and enable the recruitment, succession planning and leadership development, and motivation and retention of senior executives. It needs to comply with the requirements of regulatory and governance bodies and satisfy the expectations of shareholders. We value ongoing dialogue with our shareholders and other stakeholders to ensure that our Remuneration Policy remains fit for purpose and helps drive execution of NEXT's strategy.

Further, the committee shall ensure that the overall organizational structure is set up to deliver on the **company's strategy going forward.**

The Committee has in 2023 focused on:

- Discussing the performance achievement in 2023 as well as reviewing the NEXT's **short-term** and long-term incentive plans.
- Reviewing the peer group used for benchmarking of executive remuneration.

2 REMUNERATION OF THE BOARD

The remuneration of the Board members in 2023 is not performance based but based on a fixed annual fee. None of the shareholder-elected Board members have pension schemes or termination payment agreements with the company. The Board of Directors is **a part of the company's long-term** incentive program with option awards to individual board members in 2019, 2020 and 2022 (NEXT stock options program). The General Meeting decides the remuneration of the Board and the sub-committees. The Nomination Committee proposes the remuneration of the Board to the General Meeting and ensures that it reflects the responsibility of its members and the time spent on Board **work. The Board must approve any Board member's consultancy work for the company and** remuneration for such work. Information about all remuneration paid to individual Board members is provided in Note 20 in the NEXT 2023 annual report.

The development of the fixed fee remuneration for the Board of Directors can be found in table 1. The fixed fee remuneration for the Board of Directors has remained unchanged in the 2020-2023 period.

Table 1 - Board and committee fee levels 2020-2023

| Amounts in NOK 1000 | 2023 | 2022 | 2021 | 2020 |
|--------------------------------|------|------|------|------|
| Chairman of the board | 500 | 500 | 500 | 500 |
| Board member | 200 | 200 | 200 | 200 |
| Audit committee, Chair | - | - | - | - |
| Audit committee, member | - | - | - | - |
| Remuneration committee, Chair | - | - | - | - |
| Remuneration committee member | - | - | - | - |
| Nomination committee, chairman | 30 | 30 | 30 | 30 |
| Nomination committee, member | 20 | 20 | 20 | 20 |

Notes:

Reflects remuneration paid to board and committee members from May 2020 to May 2021 (2020), May 2021 to May 2022 (2021), May 2022 to May 2023 (2022) and May 2023 to May 2024 (2023).

The Board of Director's holdings of shares in the NEXT as per 31 December 2023 can be found in Note 19 in the NEXT 2023 annual report. Moreover, the 2023 options compensation expense (fair value of options grant) relating to options awarded to Siri Børsum was NOK 73,000.

The Board of Director's holdings of options in the NEXT as per 31 December 2023 and changes during 2023 is provided in table 2 below. None of the currently outstanding board of directors share options are subject to a holding period or performance conditions. As per 31 December 2023, all the options issued to the board members have vested.

Table 2 - Overview of board of directors holding of stock options as per 31 December 2023

| 2023 | Accumulated quantity options OB, | | Expired/ adjusted options | | Average exercise price - A | Accumulated quantity options CB, 31 Dec 2023 | Average exercise price - B |
|----------------------------|----------------------------------|-----------------|---------------------------|-------------------|----------------------------|--|----------------------------|
| | 1 Jan 2023 | Granted options | options | Exercised options | | | |
| Petter Fjeldstad, Chairman | 1 030 000 | - | - | - | - | 1 030 000 | 2,66 |
| Odd Harald Hauge | 200 000 | - | - | - | - | 200 000 | 2,49 |
| Emine Lundkvist | 230 000 | - | - | - | - | 230 000 | 3,27 |
| Siri G. Børsum | 200 000 | - | - | - | - | 200 000 | 4,89 |
| Total | 1 660 000 | 0 | 0 | 0 | 0 | 1 660 000 | |

A - Average exercise price for options exercised during the financial year (amounts in NOK)

B - Average exercise price for quantity of options by the end of the financial year (amounts in NOK)

3 REMUNERATION OF EXECUTIVE PERSONNEL

The Executive Management received an annual remuneration in accordance with the Remuneration Policy, which may consist of the following fixed and variable remuneration components:

- Base salary
- Pension
- Contribution in kind/benefits
- Performance-based bonus
- Long-term incentive plan (option program)

The remuneration package of the Executive Management is guided by our Policy and are set to **support business needs with a clear link to the business strategy and shareholders' interests.**

Members of the Executive Management do not receive any additional fees from participation in committees or other internal Board positions within the NEXT Biometrics Group.

Members of the Executive Management in 2023 are Ulf Ritsvall (CEO effective from October 1 2023 and SVP Sales and Marketing from 1 January to 30 September 2023), Eirik Underthun (CFO), Peter Heuman (CEO from 1 January to 30 September), Marcus Lauren (Chief Product Officer from 1 November), Digvijay Singh Kanwar (SVP Head of Sales IUEA from 1 November) and Joshua Chui (SVP Head of Sales South-East Asia from 1 November). Further, Peter Heuman was hired as Advisor to the Board and CEO from October 1, 2023.

FIXED PAY – BASE SALARY

Base salary levels are determined considering the nature of the individual role, individual considerations, the market positioning, and remuneration conditions at NEXT Biometrics. The base salary is reviewed annually to ensure that it is set at the right level and potential annual percentage increases are aligned with those of employees in general, except in specific circumstances. The CEO base salary is determined by the Board. Adjustment of the base salaries for other senior executives is decided by the CEO with input from the Board.

During 2023 there were no extraordinary pay /remuneration items relating to Executive Management compensation.

FIXED PAY – PENSION

Pension for NEXT employees and executive management is based on a defined contribution plan, and is capped at twelve times the National Insurance scheme basic amount (12G) for all employees including the executive management. Still, the CEO is entitled to a pension benefit of 15% of annual target salary (base salary plus bonus). **The CEO's** pension benefits for the salary and bonus amount that is in excess of the National Insurance scheme contribution is paid out annually (unfunded defined contribution plan) and is included in the base salary category in NEXT remuneration reporting.

VARIABLE PAY – BONUS

The company's bonus system is designed to promote performance in line with the company's strategy. The bonus for the CEO and Executive Management Team, is determined by a qualitative assessment

of the company's performance on a set of key performance indicators (KPIs) and Company Priorities, which include financial KPIs, product development, design wins, sales and marketing initiatives that **are critical for the company's future success**. The bonus is awarded annually (one-year) based on achieved performance. The financial KPIs include revenues, adjusted gross margin and adjusted EBITDA. See section Alternative performance measures in the NEXT 2023 annual report for definitions of NEXT's adjusted performance metrics.

The resulting financial KPIs and Company Priorities status are assessed by the Remuneration Committee in the process of deciding the final bonus outcome. Accordingly, the committee may exercise its discretion to decide the final bonus outcome upwards or downwards. **NEXT's financial KPIs** for 2023 includes total revenues, Adjusted gross margin and Adjusted EBITDA. The CEO has maximum bonus potential corresponding to 50 percent of salary. For other members of Executive Management Team, the maximum bonus varies from 0 percent to 30 percent of base salary. There is currently no bonus program agreed for employees outside the Executive Management team. The CEO and CFO were awarded a bonus in 2023 by the board of directors. In addition, SVP Head of Sales IUEA was awarded a sales incentive bonus in 2023. No other members of the Executive Management team were awarded a bonus. The CEO bonus award was based on the recommendation from the Remuneration Committee. When reaching the conclusion on performance achievement in 2023, the Remuneration Committee performed a qualitative assessment of overall performance, which was **based on the achievement of the company's cost reduction program, increase in number of design wins and new customer contracts/purchase orders**. See also summary below for further details on NEXT's progress in 2023.

Performance achievement in 2023 can be summarized by an improvement in Adjusted gross margin from 30% in 2022 to 33% for 2023. OPEX ex options was NOK 1.6 million higher in 2023 compared to 2022. This was in line with the **Group's** plan to increase sales and marketing efforts. The adjusted EBITDA in 2023 decreased by NOK 4.8 million relative to 2022. NEXT announced 10 additional design wins during 2023, which will contribute to future revenue growth. During 2023 NEXT also announced further progress in India and China with the first partner achieving the L1 certification in India and new partnership agreements and design wins and large purchase orders.

OTHER PAY - LONG-TERM INCENTIVE PLAN

In line with our Policy, Executive Management and key employees received annual grants under the long-term incentive plan in 2023 in the form of stock options. The total reported remuneration to members of the Executive Management for 2023 can be found in table 3, which also includes the annual grant value of share-based long-term incentive awards during 2023.

Based on the approval of the 2023 remuneration policy at the AGM in May 2023, the board of directors decided to extend the exercise period for the 2020 and 2021 long-term incentive plan to June 2026. The 2020 and 2021 Employee Stock Option Plan are fully vested. Further, the 2023 Employee Stock Option Plan has a vesting period of three years followed by an exercise period up and until June 2028. The 2022 Employee Stock Option Plan have a vesting period of three years followed by an exercise period up and until June 2025. The NEXT option plans are described in Note 19 in the NEXT 2023 annual report.

The Remuneration Report and the company's Annual Report 2023 utilizes the same methodology for calculating and reporting the value of granted options and compensation cost.

There is no capping of the maximum total payment that can result from the exercise of employee stock options. Moreover, there is no possibility for the company to reclaim remuneration that are paid out that results from the exercise of employee stock options. Still, there is a possibility to cancel any unexercised stock options **following summary dismissal of an Option Holder's employment for Cause** due to gross breach of duty or other serious breach of the contract of employment in accordance with section 15-14 of the Norwegian Working Environment Act. No base salary, bonus or long-term incentive plan awards from previous years have been clawed back from members of the Executive Management team. **Members of the company's options program** will keep vested options after the date that they have terminated their employment in the company. Still, the options of former employees need to be exercised 6 months after they have left the company given that they have had the opportunity to participate in two option exercise rounds. As advisor to the Board, former CEO Peter Heuman is still considered employed by the company as per 31 December 2023.

OTHER TERMS AND BENEFITS

The CEO has a 6-month mutual notice period. The other members of the NEXT Executive Management have 3 months mutual notice period. Executives receive non-monetary benefits such as mobile phones/subscriptions, broadband etc. aligned with local practice. The below table shows the remuneration for the executive management team in NEXT Biometrics for 2020, 2021, 2022 and 2023. The bonus column reflects paid bonus during the period.

Peter Heuman resigned from his position as CEO in the company effective from 30 September 2023, and he was replaced by Ulf Ritsvall, who previously was SVP Sales and Marketing, from 1 October 2023.

Table 3 - Executive remuneration 2020-2023

| | | Fixed remuneration | | | Variable remuneration | Long-term incentive plan | | |
|--|------|--------------------|----------------|--------------|-----------------------|----------------------------|--------------------|---|
| | | Salary | Other benefits | Pension cost | Bonus | Fair value granted options | Total remuneration | Proportion of fixed and variable remuneration |
| NOK 1 000 | | | | | | | | |
| Ulf Ritsvall, CEO (former SVP Sales and marketing) ¹⁾ | 2023 | 2 130 | 19 | 0 | 100 | 1 650 | 3 900 | 97% / 3% |
| | 2022 | 1 706 | 2 | - | - | 1 402 | 3 110 | 100% / 0% |
| | 2021 | 366 | 5 | - | - | 180 | 551 | 100% / 0% |
| Eirik Underthun, CFO ²⁾ | 2023 | 1 878 | 4 | 172 | 100 | 862 | 3 016 | 97% / 3% |
| | 2022 | 1 805 | 4 | 162 | - | 704 | 2 675 | 100% / 0% |
| | 2021 | 1 731 | 5 | 145 | - | 1 257 | 3 138 | 100% / 0% |
| | 2020 | 1 451 | 7 | 119 | - | 987 | 2 564 | 100% / 0% |
| Marcus Lauren, CPO ³⁾ | 2023 | 418 | 0 | 0 | 0 | 11 | 429 | 100% / 0% |
| Digvijay Singh Kanwar, SVP Head of Sales IUEA ⁴⁾ | 2023 | 684 | 0 | 0 | 82 | 127 | 893 | 91% / 9% |
| Joshua Chui, VP Head of Sales South-East Asia ⁵⁾ | 2023 | 313 | 0 | 0 | 0 | 11 | 325 | 100% / 0% |
| Former management team members: | | | | | | | | |
| Peter Heuman, former CEO ⁶⁾ | 2023 | 3 186 | 3 | 131 | 0 | 1 783 | 5 103 | 100% / 0% |
| | 2022 | 3 493 | 4 | 162 | 800 | 1 509 | 5 968 | 87% / 13% |
| | 2021 | 3 534 | 4 | 145 | 1 700 | 3 209 | 8 592 | 80% / 20% |
| | 2020 | 3 148 | 7 | 110 | 377 | 2 594 | 6 236 | 94% / 6% |
| Knut Stålen, CFO ⁷⁾ | 2020 | 1 703 | 2 | 19 | - | -678 | 1 046 | 100% / 0% |
| Dan Cronin, COO ⁸⁾ | 2020 | 2 732 | 1 030 | - | - | 722 | 4 484 | 100% / 0% |

¹⁾ CEO from 1 October 2023 and SVP sales and marketing from 18 October 2021 to 30 September 2023.

²⁾ CFO effective from 29 February 2020.

³⁾ Marcus Lauren was hired as Chief Product Officer effective from 1 November 2023.

⁴⁾ Digvijay Singh Kanwar was promoted to SVP Head of Sales IUEA effective from 1 November 2023.

⁵⁾ Joshua Chui was hired as VP Head of Sales South-East Asia effective from 1 November 2023.

⁶⁾ Peter Heuman was CEO from Q3 2019 until 1 October 2023 and advisor to Board of Directors and CEO from 1 October 2023.

⁷⁾ Knut Stålen was CFO until 29 February 2020.

⁸⁾ Dan Cronin was COO until 31 October 2020.

The Executive Management's holdings of options in the NEXT as per 31 December 2023 can be found in table 4 below. None of the currently outstanding management share options are subject to a holding period or performance conditions.

Table 4 - Executive team holdings of options as per 31 December 2023

| Name of Director, position | Specification of plan | The main conditions of share option plans | | | | | Information regarding the reported financial year | | | | |
|------------------------------------|-----------------------|---|--------------|------------------------|--------------|--|---|----------------------|------------------------------------|----------------------|-------------------------|
| | | Award date | Vesting date | Exercise period | Strike price | Share options awarded at the beginning of the year | During the year | | | | |
| | | | | | | | Share options awarded | Share options vested | Share options awarded and unvested | Share options vested | Sum options outstanding |
| CEO | 2021 | 21.09.2021 | 30.08.2022 | 30/8/2022 to 19/6/2024 | 7,45 | 150 000 | - | - | - | 150 000 | 150 000 |
| CEO | | 21.09.2021 | 30.08.2023 | 30/8/2023 to 19/6/2024 | 7,45 | 150 000 | - | 150 000 | - | 150 000 | 150 000 |
| CEO | | 21.12.2021 | 30.08.2022 | 30/8/2022 to 19/6/2024 | 6,65 | 50 000 | - | - | - | 50 000 | 50 000 |
| CEO | | 21.12.2021 | 30.08.2023 | 30/8/2023 to 19/6/2024 | 6,65 | 50 000 | - | 50 000 | - | 50 000 | 50 000 |
| CEO | 2022 | 01.06.2022 | 30.08.2022 | 30/8/2022 to 1/6/2025 | 4,89 | 433 333 | - | - | - | 433 333 | 433 333 |
| CEO | | 01.06.2022 | 30.08.2023 | 30/8/2023 to 1/6/2025 | 4,89 | 433 333 | - | 433 333 | - | 433 333 | 433 333 |
| CEO | | 01.06.2022 | 30.08.2024 | 30/8/2024 to 1/6/2025 | 4,89 | 433 334 | - | - | 433 334 | - | 433 334 |
| CEO | | 14.12.2022 | 30.08.2023 | 30/8/2023 to 1/6/2025 | 4,48 | 100 000 | - | - | - | 100 000 | 100 000 |
| CEO | 2023 | 14.12.2022 | 30.08.2024 | 30/8/2024 to 1/6/2025 | 4,48 | 100 000 | - | - | 100 000 | - | 100 000 |
| CEO | | 15.06.2023 | 30.08.2024 | 30/8/2024 to 15/6/2028 | 5,94 | - | 266 720 | - | 266 720 | - | 266 720 |
| CEO | | 15.06.2023 | 30.08.2025 | 30/8/2025 to 15/6/2028 | 5,94 | - | 266 640 | - | 266 640 | - | 266 640 |
| CEO | | 15.06.2023 | 30.01.2026 | 30/1/2026 to 15/6/2028 | 5,94 | - | 266 640 | - | 266 640 | - | 266 640 |
| CEO | 2020 | 06.12.2023 | 30.08.2024 | 30/8/2024 to 15/6/2028 | 6,46 | - | 8 333 | - | 8 333 | - | 8 333 |
| CEO | | 06.12.2023 | 30.08.2025 | 30/8/2025 to 15/6/2028 | 6,46 | - | 8 333 | - | 8 333 | - | 8 333 |
| CEO | | 06.12.2023 | 30.01.2026 | 30/1/2026 to 15/6/2028 | 6,46 | - | 8 334 | - | 8 334 | - | 8 334 |
| CFO | | 19.06.2020 | 30.08.2021 | 30/8/2021 to 19/6/2026 | 2,49 | 500 000 | - | - | - | 500 000 | 500 000 |
| CFO | 2021 | 25.05.2021 | 30.08.2021 | 30/8/2021 to 19/6/2026 | 5,97 | 266 666 | - | - | - | 266 667 | 266 667 |
| CFO | | 25.05.2021 | 30.08.2022 | 30/8/2022 to 19/6/2026 | 5,97 | 266 667 | - | - | - | 266 667 | 266 667 |
| CFO | | 25.05.2021 | 30.08.2023 | 30/8/2023 to 19/6/2026 | 5,97 | 266 667 | - | 266 667 | - | 266 667 | 266 666 |
| CFO | | 01.06.2022 | 30.08.2022 | 30/8/2022 to 1/6/2025 | 4,89 | 66 666 | - | - | - | 66 666 | 66 666 |
| CFO | 2022 | 01.06.2022 | 30.08.2023 | 30/8/2023 to 1/6/2025 | 4,89 | 66 667 | - | 66 667 | - | 66 667 | 66 667 |
| CFO | | 01.06.2022 | 30.08.2024 | 30/8/2024 to 1/6/2025 | 4,89 | 66 667 | - | - | 66 667 | - | 66 667 |
| CFO | | 15.06.2023 | 30.08.2024 | 30/8/2024 to 15/6/2028 | 5,94 | - | 66 680 | - | 66 680 | - | 66 680 |
| CFO | | 15.06.2023 | 30.08.2025 | 30/8/2025 to 15/6/2028 | 5,94 | - | 66 660 | - | 66 660 | - | 66 660 |
| CFO | 2023 | 15.06.2023 | 30.01.2026 | 30/1/2026 to 15/6/2028 | 5,94 | - | 66 660 | - | 66 660 | - | 66 660 |
| CFO | | 06.12.2023 | 30.08.2024 | 30/8/2024 to 15/6/2028 | 6,46 | - | 16 666 | - | 16 666 | - | 16 666 |
| CFO | | 06.12.2023 | 30.08.2025 | 30/8/2025 to 15/6/2028 | 6,46 | - | 16 667 | - | 16 667 | - | 16 667 |
| CFO | | 06.12.2023 | 30.01.2026 | 30/1/2026 to 15/6/2028 | 6,46 | - | 16 667 | - | 16 667 | - | 16 667 |
| Chief Product Officer | 2023 | 06.12.2023 | 30.08.2024 | 30/8/2024 to 15/6/2028 | 6,46 | - | 25 000 | - | 25 000 | - | 25 000 |
| Chief Product Officer | | 06.12.2023 | 30.08.2025 | 30/8/2025 to 15/6/2028 | 6,46 | - | 25 000 | - | 25 000 | - | 25 000 |
| Chief Product Officer | | 06.12.2023 | 30.01.2026 | 30/1/2026 to 15/6/2028 | 6,46 | - | 25 000 | - | 25 000 | - | 25 000 |
| SVP, Head of Sales IUEA | | 14.12.2022 | 30.08.2023 | 30/8/2023 to 1/6/2025 | 4,48 | 50 000 | - | 50 000 | - | 50 000 | 50 000 |
| SVP, Head of Sales IUEA | 2022 | 14.12.2022 | 30.08.2024 | 30/8/2024 to 1/6/2025 | 4,48 | 50 000 | - | - | 50 000 | - | 50 000 |
| SVP, Head of Sales IUEA | | 15.06.2023 | 30.08.2024 | 30/8/2024 to 15/6/2028 | 5,94 | - | 33 340 | - | 33 340 | - | 33 340 |
| SVP, Head of Sales IUEA | | 15.06.2023 | 30.08.2025 | 30/8/2025 to 15/6/2028 | 5,94 | - | 33 330 | - | 33 330 | - | 33 330 |
| SVP, Head of Sales IUEA | | 15.06.2023 | 30.01.2026 | 30/1/2026 to 15/6/2028 | 5,94 | - | 33 330 | - | 33 330 | - | 33 330 |
| SVP, Head of Sales South-East Asia | 2023 | 06.12.2023 | 30.08.2024 | 30/8/2024 to 15/6/2028 | 6,46 | - | 25 000 | - | 25 000 | - | 25 000 |
| SVP, Head of Sales South-East Asia | | 06.12.2023 | 30.08.2025 | 30/8/2025 to 15/6/2028 | 6,46 | - | 25 000 | - | 25 000 | - | 25 000 |
| SVP, Head of Sales South-East Asia | | 06.12.2023 | 30.01.2026 | 30/1/2026 to 15/6/2028 | 6,46 | - | 25 000 | - | 25 000 | - | 25 000 |
| former CEO | | 02.12.2019 | 02.12.2020 | 2/12/2020 to 1/12/2025 | 3,13 | 36 666 | - | - | - | 36 666 | 36 666 |
| former CEO | 2019 | 02.12.2019 | 02.12.2020 | 2/12/2020 to 1/12/2025 | 3,13 | 36 666 | - | - | - | 36 666 | 36 666 |
| former CEO | | 02.12.2019 | 02.12.2021 | 2/12/2021 to 1/12/2025 | 3,13 | 36 667 | - | - | - | 36 667 | 36 667 |
| former CEO | | 02.12.2019 | 02.12.2021 | 2/12/2021 to 1/12/2025 | 3,13 | 36 667 | - | - | - | 36 667 | 36 667 |
| former CEO | | 02.12.2019 | 02.12.2022 | 2/12/2022 to 1/12/2025 | 3,13 | 36 667 | - | - | - | 36 666 | 36 667 |
| former CEO | 2020 | 02.12.2019 | 02.12.2022 | 2/12/2022 to 1/12/2025 | 3,13 | 36 667 | - | - | - | 36 667 | 36 667 |
| former CEO | | 19.06.2020 | 30.08.2020 | 30/8/2020 to 19/6/2026 | 2,49 | 1 250 000 | - | - | - | 1 250 000 | 1 250 000 |
| former CEO | | 19.06.2020 | 30.08.2021 | 30/8/2021 to 19/6/2026 | 2,49 | 1 250 000 | - | - | - | 1 250 000 | 1 250 000 |
| former CEO | | 25.05.2021 | 30.08.2021 | 30/8/2021 to 19/6/2026 | 5,97 | 666 667 | - | - | - | 666 667 | 666 667 |
| former CEO | 2021 | 25.05.2021 | 30.08.2022 | 30/8/2022 to 19/6/2026 | 5,97 | 666 667 | - | - | - | 666 667 | 666 667 |
| former CEO | | 25.05.2021 | 30.08.2023 | 30/8/2023 to 19/6/2026 | 5,97 | 666 666 | - | 666 666 | - | 666 666 | 666 666 |
| former CEO | | 15.06.2023 | 30.08.2024 | 30/8/2024 to 15/6/2028 | 5,94 | - | 100 000 | - | 100 000 | - | 100 000 |
| former CEO | | 15.06.2023 | 30.08.2025 | 30/8/2025 to 15/6/2028 | 5,94 | - | 100 000 | - | 100 000 | - | 100 000 |
| former CEO | 2023 | 15.06.2023 | 30.01.2026 | 30/1/2026 to 15/6/2028 | 5,94 | - | 100 000 | - | 100 000 | - | 100 000 |
| former CEO | | 15.06.2023 | 30.01.2026 | 30/1/2026 to 15/6/2028 | 5,94 | - | 100 000 | - | 100 000 | - | 100 000 |
| | | | | | Sum | 8 220 000 | 1 625 000 | 1 683 333 | 2 275 001 | 7 569 999 | 9 845 000 |

COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE

The below table 5 shows comparative information on the change of remuneration for each individual executive director over the five most recent financial years, in comparison with some selected

company performance measures and average remuneration for all employees that can be found in table 6.

Table 5 - Change in Executive remuneration 2018-2023

| Senior Executives (amounts in NOK 1 000) | 2019 VS 2018 | | 2020 VS 2019 | | 2021 VS 2020 | | 2022 VS 2021 | | 2023 VS 2022 | |
|---|--------------|-------|--------------|-------|--------------|------|--------------|-------|--------------|------|
| | Δ | Δ% | Δ | Δ% | Δ | Δ% | Δ | Δ% | Δ | Δ% |
| Ulf Ritsvall, CEO ¹⁾ | - | - | - | - | - | - | 465 | 18 % | 790 | 20 % |
| Eirik Underthun, CFO | - | - | - | - | 301 | 11 % | -463 | -15 % | 341 | 11 % |
| Marcus Lauren, CPO | - | - | - | - | - | - | - | - | - | - |
| Digvijay Singh Kanwar, SVP Head of Sales IUEA | - | - | - | - | - | - | - | - | - | - |
| Joshua Chui, SVP Head of Sales South-East Asia 3) | - | - | - | - | - | - | - | - | - | - |
| Former members of the executive management team: | | | | | | | | | | |
| Peter Heuman, CEO ²⁾ | - | - | 3 282 | 111 % | 2 356 | 38 % | -2 624 | -31 % | 769 | 11 % |
| Ritu Favre, CEO ³⁾ | -1 380 | -25 % | - | - | - | - | - | - | - | - |
| Knut Stålen, CFO ⁴⁾ | 438 | 15 % | -1 425 | -43 % | - | - | - | - | - | - |
| Dan Cronin, COO/CEO | 948 | 27 % | 36 | 1 % | - | - | - | - | - | - |
| Dr. Robert Mueller, VP of Biometric Solutions Group | -837 | -36 % | - | - | - | - | - | - | - | - |
| Alain Faburel, Chief Sales and Marketing Officer | 15 | 1 % | - | - | - | - | - | - | - | - |
| Zehira Dadon-Sitbon, Chief of Staff & HR Officer | -120 | -5 % | - | - | - | - | - | - | - | - |

¹⁾ Ulf Ritsvall was SVP sales and marketing was effective from 18 October 2021 and promoted to CEO effective from 1 October 2023.

²⁾ Change 2020 vs 2019 largely reflects increased share option remuneration expense. Change 2022 vs 2021 reflects reduced share option remuneration expense and lower bonus in 2022.

³⁾ Change 2018 vs 2017 largely reflects lower share option remuneration expense in 2018. Change 2019 vs 2018 reflects negative share option remuneration expense

⁴⁾ Change 2020 vs 2019 largely reflects negative share option remuneration expense in 2020 as a result of cancelled options in connection with end of employment

Table 6 - Key financial KPIs and change in remuneration per full time equivalent employee 2018-2023

| Company performance (amounts in NOK 1 000) | 2019 VS 2018 | | 2020 VS 2019 | | 2021 VS 2020 | | 2022 VS 2021 | | 2023 VS 2022 | |
|---|--------------|-------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|
| | Δ | Δ% | Δ | Δ% | Δ | Δ% | Δ | Δ% | Δ | Δ% |
| Total revenues | -23 956 | -22 % | -26 303 | -31 % | -7 377 | -13 % | -2 462 | -5 % | -13 910 | -29 % |
| Adjusted gross margin ¹⁾ | -7 236 | -24 % | -13 448 | -57 % | 6 228 | 62 % | -1 624 | -10 % | -3 279 | -22 % |
| Adjusted EBITDA | 7 528 | 5 % | 64 412 | 45 % | 45 543 | 59 % | -6 821 | -21 % | -4 837 | 12 % |
| Average change in remuneration per full time equivalent employee (amounts in NOK 1 000) 2) | | | | | | | | | | |
| | Δ | Δ% | Δ | Δ% | Δ | Δ% | Δ | Δ% | Δ | Δ% |
| NEXT Biometrics Group ASA | 6 | 1 % | 19 | 2 % | 28 | 3 % | 0 | 0 % | 47 | 3 % |

¹⁾ Please refer to explanation in the Alternative Performance Measures in the NEXT annual report 2023

²⁾ The reference group reflects paid remuneration (not including share based remuneration) to NEXT Biometrics Group ASA employees (excluding its management team)

4 GOVERNANCE REVIEW OF REMUNERATION REPORT

The Board has the overall responsibility for reviewing the Remuneration Report. The Remuneration Committee has the responsibility for reviewing and proposing changes to the Remuneration Report. The Remuneration Committee is a sub-committee of the Board, which reviews the Remuneration Policy and recommends to the Board any amendments to be proposed by the Board for adoption by the Annual General Meeting. The Remuneration Report will be presented for an advisory vote at the Annual General Meeting.

SHAREHOLDER FEEDBACK ON THE REMUNERATION REPORT 2022

The Annual remuneration report 2022 was presented for approval (advisory vote) at the Annual General Meeting in May 2023 and was endorsed without comments by a significant majority.

AUTHORISATION FOR THE BOARD

In accordance with Section 6-16a of the Norwegian Public Limited Liability Companies Act, the Board is authorized to approve temporary deviations from the Policy on any element of remuneration described in this Policy. Deviations shall be considered by the Remuneration Committee and shall be presented to the Board for approval. Deviations may only be made in specific cases if there are special reasons outside of normal business that make it necessary to increase reward in order to help secure **the Company's** long-term interests, financial viability and/or sustainability by recognizing exceptional contributions. In 2023, **the company's remuneration has been in accordance with the policy and guidelines** described above.

5 STATEMENT BY THE BOARD OF DIRECTORS

The Remuneration Report is prepared in accordance with section 6-16 b of the Norwegian public limited companies Act.

The Board of Directors has today considered and adopted the Remuneration Report of NEXT Biometrics Group ASA for the financial year 2023. The Remuneration Report will be presented for an advisory vote at the Annual General Meeting 2024.

Oslo, 23 April 2024

Board of Directors

Petter Fjellstad

Chairman

Emine Lundkvist

Board Member

Siri Børsum

Board Member

Odd-Harald Hauge

Board Member



To the General Meeting of Next Biometrics Group ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Next Biometrics Group ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Oslo, 23 April 2024
PricewaterhouseCoopers AS

Audun Bakke Andersen
State Authorised Public Accountant
(electronically signed)

Revisjonsberetning

Signers:

| <i>Name</i> | <i>Method</i> | <i>Date</i> |
|-----------------------|---------------|------------------|
| Andersen, Audun Bakke | BANKID | 2024-04-23 10:28 |



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