NEXT BIOMETRICS GROUP ASA

Quarterly Report | Q2 2026

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NEXT Biometrics Group ASA
Quarterly report – Q2 2026

Highlights

- Revenues of NOK 2.0 million in Q2 2026, compared to NOK 4.1 million in restated Q2 2025
- Adjusted gross profit margin of 58%, compared to 41% in restated Q2 2025
- Adjusted EBITDA of NOK -16.0 million in Q2 2026
- Cash position of NOK 13.5 million as of 30 June 2026, compared to NOK 22.1 million as of 30 June 2025
- Strategic shift: The Company's future should be centered exclusively around its next-generation Anywhere-on-Display technology
- Strategic shift: The Company has taken the decision to outsource its manufacturing, as well as the sale or licensing of selected intellectual property rights related to the legacy business
- Further cost reduction potential has been identified and implementation has started: annualized, normalized OPEX run-rate has been reduced from NOK 73M going into 2026 down to 65 now and further down towards NOK 45 million at year end.
- Announced NOK 13 million financing from conditional convertible loan (see separate section below for additional information) in July.

A message from our CEO

Revenue in our traditional fingerprint sensor business remains below expectations. The government biometric sensor market — our primary revenue source within this segment — continues to be impacted by delayed tenders and longer deployment cycles.

I am not satisfied with this outcome. Our forecasting for the legacy sensor business has been too optimistic, and the responsibility for that sits with me. We have therefore changed how we forecast: forward estimates for the legacy business will be based on confirmed purchase orders and certification milestones achieved, not on expected tender outcomes. We will not repeat the practice of guiding on volumes we cannot yet see.

The new Board and the newly appointed CFO were in place and operational from mid-June, in the final weeks of the quarter. The immediate priority was to initiate a thorough review of the Company's financial position and its complete operations. Three decisions followed: to reduce OPEX substantially, to outsource manufacturing and license out the related IP of the traditional sensor business, and to concentrate resources on the Anywhere-on-Display programme..

On cost, our annualized, normalized OPEX run-rate has been reduced from NOK 73M to approximately NOK 45M from 1 January 2027. There is further potential to reach NOK 35–40M in annualized, normalized OPEX run-rate if we succeed in outsourcing sensor production and completing the licensing of selected legacy IP portfolios. Both processes are in active negotiation. Neither is signed, and we will inform the market when they are.

We initiated dialogues with several external parties regarding the sale of existing sensor inventory, the sale or licensing of selected legacy IP rights, and the outsourcing of manufacturing operations including production equipment. These initiatives are designed to maximize value from the existing business while ensuring continuity of supply to current customers.

On Anywhere-on-Display, we have completed tape-out on the sensor architecture under our Joint Development Agreement with Giantplus Technology. Physical samples are expected back from the lab facility in Q4. This is a hardware milestone, not a commercial one — but it is the first in a sequence that will lead to a live proof-of-concept demonstration at MWC Barcelona in February 2027.

What we commit to for the remainder of 2026 is straightforward: OPEX continues down, inventory and IP conversion progress is reported as it happens, and the MWC demonstration is delivered on schedule. Those are the measures against which we should be judged.

Ulf Ritsvall, CEO of NEXT Biometrics Group ASA

(amounts in NOK million)	Q2 2026	Amounts as restated* Q2 2025	6 months 2026	Amounts as restated* 6 months 2025	Full Year 2025
Total revenues	2,0	4,1	3,8	7,1	13,4
Adjusted gross profit (%)[1)]	58%	41%	51%	82%	52%
Adjusted EBITDA[1)]	-16,0	-15,0	-31,7	-28,3	-59,9
Cash - closing balance	13,5	22,1	13,5	22,1	8,3

1) *See definition on page 20*

Operational review

The Company is still experiencing a significantly lower than expected order intake and Q2 2026 revenues were NOK 2.0 million compared to restated revenues of NOK 4.1 million in Q2 2025.

NEXT's Q2 2026 adjusted gross profit margin was 58%, vs. a restated adjusted gross profit margin of 41% in Q2 2025. The Q2 2026 adjusted gross profit margin was higher than Q2 2025 mainly due to product mix in the quarter.

NEXT continued it's cost reduction program during the quarter, which resulted in termination cost related to employees totaling NOK 3.0 million during the quarter.

NEXT's Anywhere-on-Display Authentication project continues to progress. We have completed tape-out on the Anywhere-on-Display sensor architecture under our Joint Development Agreement with Giantplus Technology in Taiwan. Physical samples are expected back from the fabrication facility during the autumn. This is a hardware milestone, not a commercial one — but it is the first in a sequence that aims to deliver proof-of-concept demonstration at MWC Barcelona in February 2027.

Announced financing from conditional convertible loan

As announced on 31 July 2026, the board of directors has, on behalf of the Company, entered into a convertible loan agreement pursuant to Chapter 11 of the Norwegian Public Limited Liability Companies Act in the amount of NOK 12 million with Valset Invest AS, Edgewater AS, Camaca AS, Cryptic AS, Intelco AS, Ulf Ritsvall, Skaug Holding AS, Camiko AS, and Haas AS. The agreement is conditional upon approval by the extraordinary general meeting which is set for 26 August 2026.

On 5 August 2026, the Company entered into an additional convertible loan agreement in the amount of NOK 1 million with Selaco AS and U-Turn Ventures AS on the same terms as announced on 31 July 2026, which is also conditional upon approval by the extraordinary general meeting. The lenders have disbursed the convertible loans to the Company. The key terms of the Convertible Loan are:

- Interest rate: 12% per annum, accruing until the Maturity Date (being three months after disbursement). All accrued interest shall be capitalized and converted into equity of the Company together with the outstanding principal on the Maturity Date.

- Conversion: The Convertible Loan (including accrued interest) shall be converted into new shares in the Company at a conversion price of NOK 0.10 per share on the Maturity Date, unless a Lender elects repayment in cash by delivering a written notice no later than 10 trading days prior to the Maturity Date.

- Status and ranking: The Convertible Loan shall be unsecured and shall rank pari passu with any other unsecured indebtedness of the Company.

If the extraordinary general meeting, which is set for 26 August 2026, does not approve the convertible loans, the Company is obligated to repay the disbursed amounts to the lenders without interest.

Interim condensed financial statements as of 30 June 2026 (unaudited)

Statement of comprehensive income

Revenues for Q2 2026 were NOK 2.0 million compared to NOK 4.1 million in Q2 2025 (restated). The decrease in revenues relative to Q2 2025 was still due to slow sales in China and India.

Cost of materials were NOK 4.3 million in Q2 2026 compared to NOK 2.4 million in Q2 2025 (restated). The increase in cost of materials relative to Q2 2025 is due to inventory write-downs of NOK 3.4 million related to finished goods inventory of China ID products. The Group is in ongoing negotiations with industry players who have expressed interest in the acquisition of the Group's inventory together with the Group's production facility. However, as the outcomes of these negotiations are uncertain, there is still uncertainty regarding the valuation of the inventory.

Payroll expenses, excluding stock option costs, were NOK 9.5 million in Q2 2026 compared to NOK 8.3 million in Q2 2025. Of NOK 9.7 million payroll cost in Q2, NOK 3 million is related to employee termination cost. Net employee stock option and social security costs were NOK 0.2 million in Q2 2026 compared to NOK 1.4 million in Q2 2025. See note 6 for further information on stock options cost and options social security cost.

Other operating expenses were NOK 11.7 million in Q2 2026 compared to NOK 8.6 million in Q2 2025 (restated). Please see note 5 for further details.

EBITDA was negative NOK 23.6 million in Q2 2026, compared to negative NOK 16.6 million in Q2 2025 (restated). The negative Q2 2026 EBITDA is mainly due to limited shipments to customers (low revenues), inventory write-downs and non-recurring operating legal and employee termination costs that were booked in the quarter.

Depreciation and amortization were NOK 0.8 million in Q2 2026 compared to NOK 1.2 million in Q2 2025.

Net financial items were negative NOK 1.5 million in Q2 2026 compared to negative NOK 0.1 million in Q2 2025.

Loss after taxes for Q2 2026 was NOK 28.0 million compared to a loss of NOK 17.9 million for Q2 2025 (restated). The loss in Q2 2026 would have been NOK 7.6 million lower when adjusting for the Q2 inventory write-downs and non-recurring adjustments, non-recurring litigation costs, employee termination costs and share based remuneration costs.

Statement of financial position and cash flow

Cash amounted to NOK 13.5 million as per 30 June 2026, compared to NOK 22.1 million as per 30 June 2025.

Net cash flow from operating activities was negative NOK 13.0 million in Q2 2026, compared to negative NOK 17.2 million in Q2 2025 (restated). The negative cash flow in Q2 2026 was mainly due to operating losses.

Net cash flow from investing activities was NOK 0.0 million in Q2 2026 and negative 0.6 Q2 2025.

Net cash flow from financing activities was positive NOK 19.8 million in Q2 2026 compared to negative NOK 0.5 million in Q2 2025. The positive cash flow from financing in Q2 2026 is due to gross proceeds from the rights issue and proceeds from loans, partly offset by repayments of loans, transaction costs and interest payments.

Going concern

The Group's financial statements for Q2 2026 have been prepared on the basis of a going concern assumption. The Board, which were in place and operational from mid-June, in the final weeks of the quarter, is of the opinion that the working capital available to the Group as per 30 June 2026 is not sufficient for the Group's present requirements for the period covering 12 months from the date of this Quarterly Report. The Group's current capital, i.e. after raising a convertible loan of NOK 13 million end of July, is sufficient to cover the Company's present requirements until end of September 2026. A material uncertainty about the going concern assumption persists.

The Group's action plan to secure sufficient working capital comprises outsourcing / divestment of the sensor production which has the potential to, in addition to bring the normalized yearly OPEX run rate down, yield proceeds from divestment or up-front license fees, revenue from sales and further operating cost reductions. The Group may consider additional equity or debt capital raising to cover the remaining working capital shortfall, if any.

Outlook

NEXT is managing two parallel priorities: monetising the legacy fingerprint sensor business and building the foundation for an IP licensing model centred on Anywhere-on-Display technology.

On costs, further reduction initiatives are underway and are expected to bring the normalised annual OPEX run rate to approximately NOK 45 million from 1 January 2027, down from approximately NOK 73 million at the start of the year. Successful outsourcing or divestment of sensor production could reduce this further to NOK 35–40 million. Negotiations with external parties regarding the acquisition of inventory, production facilities and/or IP licensing are ongoing. These processes have the potential to, in addition to bringing the normalised yearly OPEX run rate down, yield proceeds from divestment or up-front license fees. We do not expect any of these to close before Q4 2026 at the earliest.

Conversion of existing sensor inventory to cash remains one of our highest operational priorities for the remainder of 2026, alongside the cost programme. Together, these are central to extending our operational runway through the transition period.

On Anywhere-on-Display, physical samples are expected back from the fabrication facility in October, followed by prototype validation during the autumn. In parallel, we will begin partnership discussions with display manufacturers, with smartphone OEM engagement to follow once those relationships are established. The proof-of-concept demonstration at MWC Barcelona in February 2027 remains the key milestone.

We will not issue specific revenue guidance for 2026. Our prior guidance for 2025 was not met, and we will not provide forward numbers we cannot stand behind with confidence. We will instead report against the operational milestones set out above as material developments occur.

Responsibility statement

We confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half year of 2026, have been prepared in accordance with IAS 34 "Interim Financial Reporting" and give a true and fair view of the Group's assets, liabilities, financial position and results of operations. We also confirm that, to the best of our knowledge, the interim report for the first half year of 2026 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, a description of the principal risks and uncertainties for the remaining half year of 2026, and major related party transactions.

Oslo, 26 August 2026
CEO and Board of Directors
NEXT Biometrics Group ASA

Ulf Ritsvall (CEO)
Tove Giske (Chairperson)
Jan H Nordbrekken (Board member)
Peter Heuman (Board member)

NEXT BIOMETRICS GROUP ASA

Interim condensed consolidated statement of comprehensive income (unaudited)

(amounts in NOK 1 000)	Notes	Q2 2026	Amounts as restated* Q2 2025	6 months 2026	Amounts as restated* 6 months 2025	Full Year 2025
Revenues	2	2 042	4 102	3 845	7 138	13 364
Cost of materials		-4 303	-2 438	-15 233	-3 802	-13 551
Gross profit (loss)		**-2 261**	**1 664**	**-11 388**	**3 336**	**-187**
Payroll expenses	5,6	-9 674	-9 727	-18 768	-18 194	-36 346
Other operating expenses	5	-11 679	-8 568	-23 776	-17 375	-39 430
EBITDA		**-23 614**	**-16 631**	**-53 933**	**-32 233**	**-75 963**
Depreciation and amortization		-826	-1 158	-1 730	-2 340	-4 627
Impairment losses		-2 128	-	-2 128	-	-
Operating profit (loss)		**-26 567**	**-17 789**	**-57 791**	**-34 572**	**-80 590**
Net financial items		-1 456	-115	-1 236	-534	178
Profit (loss) before taxes		**-28 023**	**-17 904**	**-59 028**	**-35 107**	**-80 413**
Income tax expenses		-9	-25	-9	-25	-130
Profit (loss) after taxes		**-28 031**	**-17 929**	**-59 036**	**-35 132**	**-80 543**
Earnings per share (in NOK):						
Basic and diluted		-1,77	-1,56**	-1,77	-3,26**	-6,93**
Other comprehensive income (loss) that may be reclassified subsequently to profit and loss:						
Translation differences on net investments in foreign operations		259	-1 067	-1 057	-3 730	-3 268
Other comprehensive income (loss)		**259**	**-1 067**	**-1 057**	**-3 730**	**-3 268**
Total comprehensive income (loss)		**-27 772**	**-18 996**	**-60 093**	**-38 862**	**-83 810**
Profit (loss) after taxes attributable to:						
Owners of the parent company		-28 031	-17 929	-59 036	-35 132	-80 543
Total comprehensive income (loss) attributable to:						
Owners of the parent company		-27 772	-18 996	-60 093	-38 862	-83 810

(*) Please see Note 7 for detailed information with regards to the restatement of the Q2 2025 consolidated statement of comprehensive income and the individual line items that have been adjusted.
(**) The 1-for-10 reverse share split completed on June 23 2026 has been reflected retrospectively in the calculation of earnings per share for all periods presented. Accordingly, the weighted average number of shares and earnings per share for comparative periods have been restated.

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Interim condensed consolidated statement of financial position (unaudited)

(amounts in NOK 1 000)	Notes	30 Jun 2026	Amounts as restated* 30 Jun 2025	31 Dec 2025
Intangible assets		32	1 485	2 201
Property, plant and equipment		1 811	5 752	3 660
Total non-current assets		**1 843**	**7 237**	**5 862**
Inventories	4	10 250	18 131	15 590
Inventories in consignment	4	2 812	16 839	9 809
Accounts receivables	3	1 125	851	768
Other current assets		7 770	6 842	8 946
Cash		13 499	22 100	8 294
Total current assets		**35 455**	**64 763**	**43 408**
Total assets		**37 299**	**71 999**	**49 269**
Share capital	6	6 199	115 155	119 860
Share premium		61 009	70 268	23 549
Other reserves		160 043	37 985	40 065
Accumulated losses		-218 392	-174 714	-158 299
Total equity		**8 858**	**48 694**	**25 175**
Other non-current liabilities		-	22	3
Non-current lease liabilities		270	1 620	996
Total non-current liabilities		**270**	**1 642**	**999**
Accounts payables		14 831	6 076	10 340
Current lease liabilities		1 419	2 074	1 643
Current interest-bearing loans		-	-	-
Other current liabilities		11 932	13 514	11 112
Total current liabilities		**28 170**	**21 663**	**23 095**
Total equity and liabilities		**37 299**	**71 999**	**49 269**

(*) Please see Note 7 for detailed information with regards to the restatement of the Q2 2025 balance sheet and the individual line items that have been adjusted.

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Interim condensed consolidated statement of cash flow (unaudited)

(amounts in NOK 1 000)	Q2 2026	Amounts as restated* Q2 2025	6 months 2026	Amounts as restated* 6 months 2025	Full Year 2025
Profit (loss) before taxes	-28 023	-17 904	-59 028	-35 107	-80 413
Share based remuneration	406	1 904	1 316	2 776	4 857
Accrued share option social security cost	-	-264	-	-1 381	-1 880
Income taxes paid	2	-	-19	-21	-98
Depreciation and amortization	826	1 158	1 730	2 340	4 627
Impairment losses	2 128	-	2 128	-	-
Inventory write downs	3 445	-	13 360	-	-
Change in working capital items and other	8 205	-2 075	6 895	-7 320	3 307
Net cash flow from operating activities	**-13 011**	**-17 181**	**-33 618**	**-38 712**	**-69 600**
Purchases of property, plant and equipment and intangible assets	-	-648	-641	-1 070	-2 161
Net cash flow from investing activities	**-**	**-648**	**-641**	**-1 070**	**-2 161**
Proceeds from loans	12 500	-	32 750	-	-
Repayment from interest-bearing loans	-25 000	-	-25 000	-	-
Interest payments on interest-bearing loans	-806	-	-946	-	-
Conversion of non-interest bearing loans	-9 000	-	-9 000	-	-
Gross proceeds from issue of shares	50 000	-	50 000	-	20 000
Payments of transaction costs equity transactions	-7 540	-	-7 540	-	-651
Payments of lease liabilities	-373	-471	-881	-1 004	-2 000
Net cash flow from financing activities	**19 782**	**-471**	**39 383**	**-1 004**	**17 349**
Net change in cash flow	**6 771**	**-18 300**	**5 125**	**-40 787**	**-54 411**
Cash balance at beginning of period	**6 711**	**39 882**	**8 294**	**62 907**	**62 907**
Effects of exchange rate changes on cash	18	518	80	-20	-202
Cash balance at end of period	**13 499**	**22 100**	**13 499**	**22 100**	**8 294**

(*) Please see Note 7 for detailed information with regards to the restatement of the Q2 2025 cash flow statement and the individual line items that have been adjusted.

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 2026		**119 860**	**23 549**	**40 065**	**-158 299**	**25 175**
Profit (loss) after taxes					-59 036	-59 036
Other comprehensive income (loss)					-1 057	-1 057
Total comprehensive income (loss)					-60 093	-60 093
Share based remuneration	5			1 316		1 316
Reduction of share capital		-118 662		118 662		0
Gross proceed from issue of shares		5 000	45 000			50 000
Transaction cost issue of shares			-7 540			-7 540
As of 30 June 2026		**6 199**	**61 009**	**160 043**	**-218 392**	**8 858**
As of 1 January 2025		**115 155**	**70 268**	**35 208**	**-135 853**	**84 779**
Profit (loss) after taxes					-35 132	-35 132
Other comprehensive income (loss)					-3 730	-3 730
Total comprehensive income (loss)					-38 862	-38 862
Share based remuneration	5			2 776		2 776
As of 30 June 2025		**115 155**	**70 268**	**37 985**	**-174 714**	**48 694**

The reduction of share capital is related to the reverse split executed during the quarter.

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 five wholly owned active operating subsidiaries: NEXT Biometrics AS (Oslo, Norway), NEXT Biometrics Inc. (Seattle, USA), NEXT Biometrics Taiwan Ltd. (Taipei, Taiwan), NEXT Biometrics Solutions India Pvt. Ltd. (India) and Next Biometrics AB (Sweden). The group also has a 50% ownership in NEXT Biometrics China Ltd. (Shanghai, China), which is controlled by the Group. Please refer to note 1 in the NEXT Biometrics Group 2025 Annual Report with regards to the Group's ownership and control over NEXT Biometrics China Ltd. The Group is currently in a dispute with its joint venture partner in China. Please see note 17 in the NEXT Biometrics Group 2025 Annual Report for further details.

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.

In preparing these interim consolidated financial statements, the management has made judgements and estimates about the future that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are based on the experience, best knowledge, information available at the reporting date and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Changes in facts and circumstances may lead to the revision of these estimates on an ongoing basis. Actual future results may differ from the estimates.

These interim financial statements have been prepared in accordance with 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 2025 (Annual Report for 2025). The Annual Report for 2025 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 the Annual Report for 2025. There are no new standards and interpretations effective from 1 January 2026 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.

Note 2 – Revenue and segment reporting

(amounts in NOK 1 000)	Q2 2026	Amounts as restated* Q2 2025	6 months 2026	6 months 2025	Full Year 2025
Fingerprint sensor technology	2 042	4 102	3 845	7 138	13 364
Total revenues	**2 042**	**4 102**	**3 845**	**7 138**	**13 364**

NEXT targets four markets for its 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.

(*) The total reported revenues were NOK 2.0 million for Q2 2026. The revenues for Q2 2025 have been restated. Please refer to the table below and note 7 for further details.

(amounts in NOK 1 000)	As previously reported Q2 2025	Adjustments Q2 2025	Amounts as restated Q2 2025
Fingerprint sensor technology	6 894	-2 793	4 102
Total revenues	**6 894**	**-2 793**	**4 102**

Note 3 – Account receivables

(amounts in NOK 1 000)	30 Jun 2026	Amounts as restated* 30 Jun 2025	31 Dec 2025
Accounts receivables - gross	1 125	3 759	768
Accounts receivables - loss allowance	0	-2 908	0
Total accounts receivables	**1 125**	**851**	**768**

The total credit loss allowance provision was NOK 0 million as per 30 June 2026 (NOK 2.9 million as per 30 June 2025 (restated)).

The Group, historically, has few, but large customers. The allowance for expected credit loss is based on individual assessment of each customer after thorough evaluations, significant judgements as well as discussions with each respective customer.

(*) Accounts receivables per June 2025 have been restated. Please refer to the table below and note 7 for further details.

(amounts in NOK 1 000)	As previously reported 30 Jun 2025	Adjustments 30 Jun 2025	Amounts as restated 30 Jun 2025
Accounts receivables - gross	65 207	-61 448	3 759
Accounts receivables - loss allowance	-9 917	7 009	-2 908
Total accounts receivables	**55 290**	**-54 439**	**851**

Note 4 – Inventories

(amounts in NOK 1 000)	30 Jun 2026	Amounts as restated* 30 Jun 2025	31 Dec 2025
Gross value of inventories held by the Group	23 476	19 087	19 525
Write downs on inventories held by the Group	-13 226	-956	-5 379
Inventories in consignment - gross	11 137	16 839	14 185
Write downs on inventories in consignment	-8 325	-	-2 931
Total inventories	**13 062**	**34 970**	**25 399**

The total net inventory value was NOK 13.1 million as per 30 June 2026 (NOK 35.0 million as per 30 June 2025 (restated)). Raw materials, work in progress and finished products are valued at the lower of cost and net realizable value after deduction for obsolescence. Cost of materials included NOK 3.4 million of inventory write-downs in Q2 2026.

(*) Inventories per June 2025 have been restated. Please refer to the table below and note 7 for further details.

(amounts in NOK 1 000)	As previously reported 30 Jun 2025	Adjustments 30 Jun 2025	Amounts as restated 30 Jun 2025
Gross value of inventories held by the Group	19 087	-	19 087
Write downs on inventories held by the Group	-956	-	-956
Inventories in consignment - gross	-	16 839	16 839
Total inventories	**18 131**	**16 839**	**34 970**

Note 5 – Operating expenses

(amounts in NOK 1 000)	Q2 2026	Q2 2025	6 months 2026	6 months 2025	Full Year 2025
Salaries, fees	-6 815	-6 858	-13 060	-14 109	-28 170
Share based remuneration (salary part)	-213	-1 708	-927	-2 427	-4 232
Share based remuneration (employer's tax)	-	264	-	1 381	1 880
Social security taxes	-754	-948	-1 595	-2 002	-3 924
Other personnel expenses	-1 892	-476	-3 186	-1 038	-1 901
Total payroll expenses	**-9 674**	**-9 727**	**-18 768**	**-18 194**	**-36 346**

(amounts in NOK 1 000)	Q2 2026	Amounts as restated* Q2 2025	6 months 2026	Amounts as restated* 6 months 2025	Full Year 2025
Product and marketing costs	-942	-2 061	-2 040	-4 197	-7 320
R&D and business services costs	-6 772	-4 697	-12 540	-9 333	-19 018
R&D and government grants	-168	727	197	1 098	1 699
Fees to contractors, auditors, lawyers and others	-2 410	-1 367	-6 952	-2 877	-10 945
Allowance for expected credit loss	-	-	-	-	-16
Other expenses	-1 193	-975	-2 053	-1 716	-3 205
Share based remuneration (operating part)	-194	-195	-389	-350	-625
Total other operating expenses	**-11 679**	**-8 568**	**-23 776**	**-17 375**	**-39 430**

Total payroll expenses were NOK 9.7 million in Q2 2026 compared to NOK 9.7 million in Q2 2025. Net employee stock option and social security costs were NOK 0.2 million in Q2 2026 compared to NOK 1.4 million in Q2 2025. Of NOK 9.7 million payroll cost in Q2, NOK 3 million is related to employee termination cost.

Total other operating expenses were NOK 11.7 million in Q2 2026 compared to NOK 8.6 million in Q2 2025 (restated). The Board of Directors initiated an external investigation of the irregularities in China in 2025 and has engaged legal advisors in relation to the ongoing legal cases in China, which has triggered additional litigation costs during the quarter. Moreover, fees from auditors and other service providers, have been higher in Q2 2026 compared to Q2 2025. Service providers are primarily related to the right issue carried out in Q2 as well as the start of the project related to the Anywhere-on-Display sensor architecture under our Joint Development Agreement with Giantplus Technology in Taiwan.

(*) Other operating expenses for Q2 2025 have been restated. Please refer to the table below and note 7 for further details.

(amounts in NOK 1 000)	As previously reported Q2 2025	Adjustments Q2 2025	Amounts as restated Q2 2025
Product and marketing costs	-1 869	-192	-2 061
Sales and marketing incentive fees	-3 682	3 682	-
R&D and business services costs	-5 044	754	-4 289
R&D and government grants	371	-52	319
Fees to contractors, auditors, lawyers and others	-1 510	143	-1 367
Allowance for expected credit loss	-	-	-
Other expenses	-333	-642	-975
Share based remuneration (operating part)	-154	-41	-195
Total other operating expenses	**-12 221**	**3 653**	**-8 568**

Note 6 – Shares and incentive options

Numbers of shares outstanding	
As of 1 January 2026*	**11 986 042**
Share issues	50 000 003
As of 30 June 2026	**61 986 045**

(*) The 1-for-10 reverse share split completed on June 23 2026 has been reflected retrospectively.

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 0.4 million in share based remuneration (salary and operating cost part) relating to employees and contractors. The Group's share-based remuneration (employer tax) cost was NOK 0.0 million in Q2 2026. The net costs related to share-based remuneration were net NOK 0.4 million for Q2 2026.

During Q2 2026, the number of outstanding options decreased by 12,970,997. The decrease was mainly due to the recalculation of options following the reverse share split and the cancellation of share options held by employees who left the Group. As of 30 June 2026, the Group had 974,499 options outstanding.

Note 7 – Restatement of Q2 2025 financial accounts

In its 2025 annual report, the Group reported that irregularities had occurred in the Chinese part of NEXT's business. Moreover, the Group made revised accounting assessments for certain revenue, cost of goods sold and operating transactions relating to the business and customers in China, India and Bangladesh in 2024 and 2025. Adjusted restated comparable figures for Q2 2025 are presented below.

The following tables show the amounts previously reported, the adjustments, and the amounts restated in each line item reported in the NEXT Group financial statements for Q2 2025:

NEXT BIOMETRICS GROUP ASA
Interim condensed consolidated statement of comprehensive income (restated, unaudited)

(amounts in NOK 1 000)	Amounts as previously reported Q2 2025	Adjustments Q2 2025	Amounts as restated Q2 2025	Amounts as previously reported 6 months 2025	Adjustments 6 months 2025	Amounts as restated 6 months 2025
Revenues	-2 173	6 274	4 102	4 722	2 416	7 138
Cost of materials	-2 578	140	-2 438	-4 868	118	-4 750
Gross profit (loss)	**-4 751**	**6 415**	**1 664**	**-146**	**2 534**	**2 388**
Payroll expenses	-9 727	-	-9 727	-18 194	-	-18 194
Other operating expenses	-4 095	-4 473	-8 568	-16 316	-1 058	-17 375
EBITDA	**-18 572**	**1 941**	**-16 631**	**-34 656**	**1 476**	**-33 181**
Depreciation and amortization	-1 158	-	-1 158	-2 340	-	-2 340
Impairment losses	-	-	-	-		-
Operating profit (loss)	**-19 731**	**1 941**	**-17 789**	**-36 996**	**1 476**	**-35 520**
Net financial items	26	-140	-115	-531	-3	-534
Profit (loss) before taxes	**-19 705**	**1 801**	**-17 904**	**-37 527**	**1 473**	**-36 055**
Income tax expenses	-25	-	-25	-25	-	-25
Profit (loss) after taxes	**-19 730**	**1 801**	**-17 929**	**-37 552**	**1 473**	**-36 080**
Earnings per share (in NOK):						
Basic and diluted	-0,17		-1,56*	-3,26		-3,14*
Other comprehensive income (loss) that may be reclassified subsequently to profit and loss:						
Translation differences on net investments in foreign operations	-2 434	6 536	4 102	-7 223	3 493	-3 730
Other comprehensive income (loss)	**-2 434**	**6 536**	**4 102**	**-7 223**	**3 493**	**-3 730**
Total comprehensive income (loss)	**-22 164**	**8 337**	**-13 828**	**-44 775**	**4 966**	**-39 810**
Profit (loss) after taxes attributable to:						
Owners of the parent company	-19 730	1 801	-17 929	-37 552	1 473	-36 080
Total comprehensive income (loss) attributable to:						
Owners of the parent company	-22 164	8 337	-13 828	-44 775	4 966	-39 810

(*) The 1-for-10 reverse share split completed on June 23 2026 has been reflected retrospectively in the calculation of earnings per share for all periods presented. Accordingly, the weighted average number of shares and earnings per share for comparative periods have been restated.

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Interim condensed consolidated statement of financial position (restated, unaudited)

(amounts in NOK 1 000)	Amounts as previously reported 30 Jun 2025	Adjustments 30 Jun 2025	Amounts as restated 30 Jun 2025
Deferred tax assets	-	-	-
Intangible assets	1 485	-	1 485
Property, plant and equipment	5 752	-	5 752
Total non-current assets	**7 237**	**-**	**7 237**
Inventories	18 131	-	18 131
Inventories in consignment	-	16 839	16 839
Accounts receivables	33 525	-32 674	851
Other current assets	8 022	-1 180	6 842
Cash	22 100	-	22 100
Total current assets	**81 778**	**-17 014**	**64 763**
Total assets	**89 014**	**-17 014**	**71 999**
Share capital	115 155	-	115 155
Share premium	70 268	-	70 268
Other reserves	37 985	-	37 985
Accumulated losses	-155 451	-19 263	-174 714
Total equity	**67 957**	**-19 263**	**48 694**
Other nun-current liabilities	-	22	22
Deferred tax liabilities	-3	-	-
Non-current lease liabilities	1 620	-	1 620
Total non-current liabilities	**1 617**	**-**	**1 642**
Accounts payables	6 076	0	6 076
Income tax payables	9	-9	-
Current lease liabilities	2 074	-	2 074
Other current liabilities	11 282	2 232	13 514
Total current liabilities	**19 441**	**2 223**	**21 663**
Total equity and liabilities	**89 014**	**-17 040**	**71 999**

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Interim condensed consolidated statement of cash flow (restated, unaudited)

(amounts in NOK 1 000)	Amounts as previously reported Q2 2025	Adjustments Q2 2025	Amounts as restated Q2 2025	Amounts as previously reported 6 months 2025	Adjustments 6 months 2025	Amounts as restated 6 months 2025
Profit (loss) before taxes	-19 705	1 801	-17 904	-37 527	2 421	-35 107
Share based remuneration	1 904	-0	1 904	2 777	-0	2 776
Accrued share option social security cost	-264	-	-264	-1 381	-	-1 381
Income taxes paid	-	-	-	-21	-	-21
Depreciation and amortization	1 158	-	1 158	2 340	-	2 340
Impairment losses	-	-	-	-	-	-
Inventory write downs	-43	43	-	-118	118	-
Change in working capital items and other	584	-2 659	-2 075	-4 781	-2 539	-7 320
Net cash flow from operating activities	**-16 366**		**-17 181**	**-38 712**		**-38 712**
Purchases of property, plant and equipment and	-648	-	-648	-1 070	-	-1 070
Net cash flow from investing activities	**-648**		**-648**	**-1 070**		**-1 070**
Proceeds from private placements	-	-	-	-	-	-
Payments of transaction costs equity transaction	-	-	-	-	-	-
Payments of lease liabilities	-495	25	-471	-1 004	-	-1 004
Net cash flow from financing activities	**-495**		**-471**	**-1 004**		**-1 004**
Net change in cash flow	**-17 510**		**-18 300**	**-40 786**		**-40 787**
Cash balance at beginning of period	**39 882**		**39 882**	**62 907**		**62 907**
Effects of exchange rate changes on cash	-272	790	518	-20	-	-20
Cash balance at end of period	**22 100**		**22 100**	**22 100**		**22 100**
Comprising of:						
Cash	22 100		22 100	22 100		22 100

Note 8 – Provisions and contingent liabilities

Please refer to note 17 in the 2025 NEXT Biometrics annual report for an overview of provisions and contingent liabilities. There have not been any material changes in legal cases that have been described in the annual report. Hence, there were also not any contingent liabilities recognized as per the 30 June 2026 balance sheet date.

Note 9 – Subsequent events

Between 30 June 2026 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 Q2 2026 period nor on the value of the Group's assets and liabilities as per 30 June 2026.

Convertible loan agreements:

On 31 July 2026, the Company entered into a convertible loan agreement in the amount of NOK 12 million. On 5 August 2026, the Company entered into an additional convertible loan agreement in the amount of NOK 1 million on the same terms. The convertible loan agreements are conditional upon approval by the extraordinary general meeting set for 26 August 2026.

The loans carry interest at 12% per annum until maturity, being three months after disbursement. Unless a lender elects repayment in cash by providing written notice no later than 10 trading days prior to the maturity date, the outstanding principal and accrued interest shall be converted into new shares in the Company at a conversion price of NOK 0.10 per share. The loans are unsecured and rank pari passu with the Company's other unsecured indebtedness.

If the extraordinary general meeting does not approve the convertible loan agreements, the Company is obligated to repay the disbursed amounts to the lenders without interest.

Alternative performance measures

NEXT's financial information has been prepared in accordance with International Financial Reporting Standards (IFRS). 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.

Comparative information

Certain comparative figures for 2025 have been restated following the accounting adjustments described in Note 7. Accordingly, all comparative APMs presented in this report have been recalculated using the restated financial information unless otherwise stated.

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 adjusted gross profit, Adjusted EBITDA and Adjusted operating expenses.

Gross profit/Gross profit (%)

Gross profit is defined as revenues less cost of materials. Gross profit margin (%) is expressed as a percentage of revenues.

(amounts in NOK 1 000)	Q2 2026	Q2 2025	6 months 2026	6 months 2025	Full Year 2025
Revenues	2 042	4 102	3 845	7 138	13 364
Cost of materials	-4 303	-2 438	-15 233	-3 802	-13 551
Gross profit	**-2 261**	**1 664**	**-11 388**	**3 336**	**-187**
Gross profit (%)	-2 261	1 664	-11 388	3 336	-187
Divided by revenues	2 042	4 102	3 845	7 138	13 364
Gross profit (%)	**-111%**	**41%**	**-296%**	**47%**	**-1%**

Adjusted gross profit / Adjusted gross profit (%)

Adjusted Gross profit is defined as revenues less cost of materials excluding inventory write-downs. Adjusted Gross profit margin (%) is expressed as a percentage of revenues.

(amounts in NOK 1 000)	Q2 2026	Q2 2025	6 months 2026	6 months 2025	Full Year 2025
Revenues	2 042	4 102	3 845	7 138	13 364
Cost of materials excluding inventory write-downs and non-recurring adjustments	-858	-2 438	-1 873	-1 253	-6 384
Adjusted gross profit	**1 184**	**1 664**	**1 971**	**5 885**	**6 980**
Adjusted gross profit	1 184	1 664	1 971	5 885	6 980
Divided by revenues	2 042	4 102	3 845	7 138	13 364
Adjusted gross profit (%)	**58%**	**41%**	**51%**	**82%**	**52%**

Cost of materials excluding inventory write-downs and non-recurring adjustments

Cost of materials excluding inventory write-downs is cost of materials and production service expenses, less inventory write-downs and non-recurring adjustments. Cost of materials non-recurring adjustments are one-off adjustments that are not expected to occur in the future.

(amounts in NOK 1 000)	Q2 2026	Q2 2025	6 months 2026	6 months 2025	Full Year 2025
Cost of materials	-4 303	-2 438	-15 233	-3 802	-13 551
Deducted inventory write-downs and non-recurring adjustments	3 445	-	13 360	2 549	7 167
Cost of materials excluding inventory write-downs and non-recurring adjustments	**-858**	**-2 438**	**-1 873**	**-1 253**	**-6 384**

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. Inventory write-down non-recurring adjustments are one-off adjustments that are not expected to occur in the future.

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's part tax part and operating part), inventory write-downs and non-recurring legal, investigation/advisory and audit fees in relation to the investigation of the fraud in China and related litigation.

(amounts in NOK 1 000)	Q2 2026	Q2 2025	6 months 2026	6 months 2025	Full Year 2025
Operating profit (loss)	-26 567	-17 789	-57 791	-34 572	-80 590
Added back depreciation and amortization	826	1 158	1 730	2 340	4 627
Added back impairment losses	2 128	-	2 128	-	-
EBITDA	**-23 614**	**-16 631**	**-53 933**	**-32 233**	**-75 963**
Added back share-based remuneration (salary part)	213	1 708	927	2 427	4 232
Added back share-based remuneration (employer's tax)	-	-264	-	-1 381	-1 880
Added back share-based remuneration (operating part)	194	195	389	350	625
Deducted inventory write-downs and non-recurring adjustments	3 445	-	13 360	2 549	7 167
Added back non-recurring advisory and legal costs in connection with China investigation and litigation and employee termination cost	3 728	-	7 521	-	5 918
Adjusted EBITDA	**-16 034**	**-14 991**	**-31 736**	**-28 288**	**-59 901**

Adjusted operating expenses (Adjusted OPEX)

Adjusted operating expenses (Adjusted OPEX) is defined as salaries and personnel cost and other operating expenses excluding share-based renumeration, inventory write-downs and non-recurring legal, investigation/advisory and audit fees mainly in relation to the investigation of the fraud in China and related litigation.

(amounts in NOK 1 000)	Q2 2026	Q2 2025	6 months 2026	6 months 2025	Full Year 2025
Operating expenses (OPEX)	**21 353**	**18 295**	**42 545**	**35 569**	**75 776**
Deducted share-based remuneration (salary part)	-213	-1 708	-927	-2 427	-4 232
Deducted share-based remuneration (employer's tax)	-	264	-	1 381	1 880
Deducted share-based remuneration (operating part)	-194	-195	-389	-350	-625
Added back non-recurring advisory and legal costs in connection with China investigation and litigation and employee termination cost	-3 728	-	-7 521	-	-5 918
Adjusted Operating expenses (Adjusted OPEX)	**17 219**	**16 655**	**33 708**	**34 173**	**66 881**

Operating expenses (OPEX)

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

NEXT BIOMETRICS GROUP ASA

ABOUT

NEXT Biometrics is a pioneer of high-security biometric authentication, enabling users to live simpler, safer lives.

NEXT Biometrics was founded on the belief that strong authentication and identification can be secure, seamless and cost effective for governments and businesses with Active Thermal® technology. More than 25 years later, NEXT has retained its Norwegian heritage and grown to serve customers globally.

Today, our solutions are used by billions of users each year across 10+ national ID and local programs, 150.000+ POS terminals, 25+ laptop and tablet models from tier-1 OEMs, and physical and logical access control implementations. Through state-of-the-art technology, deep industry expertise and close collaboration with partners for seamless integration, Active Thermal® biometrics can make life simpler and safer for everyone.

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