



## IDEX Biometrics ASA

(A public limited liability company organized under the laws of the Kingdom of Norway)

Organization number: 976 846 923

This Prospectus (the “**Prospectus**”) relates to and has been prepared in connection with the listing on Oslo Børs of 63,860,016 new shares (the “**Prospectus Shares**”), each with a par value of NOK 0.15, issued in connection with and as part of a private placement (the “**Private Placement**”) in IDEX Biometrics ASA (“**IDEX**” or the “**Company**”).

The Private Placement included and was divided into;

- i. a first tranche consisting of 116,897,492 new Shares (“**Tranche One Shares**”), representing 10% of the outstanding capital (“**Tranche One**”); and
- ii. a second tranche consisting of 30,161,332 (the “**Tranche Two Shares**”), together with the Tranche One Shares, the **New Shares**), representing approximately 2.6% of the outstanding capital (“**Tranche Two**”).

The Prospectus Shares consist of 33,698,684 Tranche One Shares and all of the Tranche Two Shares.

The Tranche One Shares were issued by a resolution by the Company’s Board of Directors (the “**Board**”) on 24 May 2023, pursuant to an authorization from the Annual General Meeting dated 23 May 2023. The Tranche Two Shares were issued by a resolution of the Extraordinary General Meeting held on 16 June 2023.

The New Shares were settled with existing and unencumbered shares (“**Existing Shares**”) in the Company already listed on Oslo Børs, pursuant to a share lending agreement between ABG Sundal Collier ASA and Arctic Securities AS (collectively the “**Managers**”), the Company and certain existing shareholders (the “**Share Lending Agreement**”), in order to facilitate delivery of listed shares to investors on a payment versus delivery basis on, respectively 30 May 2023 for Tranche One, and on or about 20 June 2023 for Tranche Two. The Existing Shares were tradable immediately upon delivery.

The Managers will settle the share loan according to the Share Lending Agreement with the New Shares in the Company. Out of the New Shares, 83,198,808 shares were tradable immediately upon delivery. The remaining New Shares, being the Prospectus Shares, will be transferred to IDEX’s ordinary ISIN and be tradable on the Oslo Børs under the ticker code “IDEX” upon approval and publication of this Prospectus.

**Investing in the Company and the Shares involves material risks and uncertainties. See Section 2 “Risk Factors” and Section 4.2 “Cautionary note regarding Forward-looking Statements”.**

**This Prospectus relates solely to the listing of the Prospectus Shares and no offer is being made to purchase or subscribe for any Shares or other securities of the Company.**

DATE: 28 June 2023

## IMPORTANT INFORMATION

For the definition of terms used throughout this Prospectus, please see Section 15 “*Definitions and Glossary of Terms*” of this Prospectus.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the “**Norwegian Securities Trading Act**”) and related legislation and regulations, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as incorporated in Norway (the “**EU Prospectus Regulation**”) by Section 7-1 of the Norwegian Securities Trading Act. This Prospectus has been prepared solely in the English language.

This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw. *Finanstilsynet*) (the “**Financial Supervisory Authority**”), as a competent authority under the EU Prospectus Regulation. Such approval was granted on 28 June 2023.

This Prospectus has been drawn up as part of the simplified prospectus regime in accordance with Article 14 of the EU Prospectus Regulation.

**This Prospectus relates solely to the listing of the Prospectus Shares and no offer is being made to purchase or subscribe for any Shares or other securities of the Company.**

All inquiries relating to this Prospectus should be directed to the Company. No other person has been authorized to give any information about, or make any representation on behalf of, the Company in connection with the Private Placement and, if given or made, such other information or representation must not be relied upon as having been authorized by the Company.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. There may have been changes affecting the Company or the Group subsequent to the date of this Prospectus. In accordance with Article 23 of the EU Prospectus Regulation, every significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus, which is capable of affecting the assessment of the Shares and which arises or is noted between the time when this Prospectus is approved and the date of listing of the Prospectus Shares at Oslo Børs, will be included in a supplement to the Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances create any implication that there has been no change in the Company’s affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

**Readers are expressly advised that the Shares are exposed to financial and legal risk and they should therefore read this Prospectus in its entirety, in particular Section 2 “*Risk Factors*”. An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.**

The contents of this Prospectus are not to be construed as legal, financial or tax advice. Each reader of this Prospectus should consult his, her or its own legal adviser, independent financial advisor or tax adviser for legal, financial or tax advice. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant, or other professional adviser.

**The distribution of this Prospectus may be restricted by law in certain jurisdictions. Accordingly, this Prospectus may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company requires persons in possession of this Prospectus, to inform themselves about, and to observe, any such Prospectus distribution restrictions.**

For further information on the sale and transfer restrictions of the Shares, see Section 5.9 “*Restrictions on sale and transfer*”.

The Prospectus is subject to Norwegian law. Any dispute arising in respect of or in connection with this Prospectus is subject to the exclusive jurisdiction of Norwegian courts with Oslo District Court as legal venue in the first instance.

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## 1 EXECUTIVE SUMMARY

### 1.1 SECTION A – INTRODUCTION AND WARNINGS

Warnings	<p>This summary contains all sections required to be included in a summary for this type of securities and issuer. This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Any decision to invest could result in the investor losing all or part of the invested capital.</p> <p>Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the applicable national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any transactions thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
The securities	<p>The Company’s shares are subject to trading on the Oslo Stock Exchange under ticker code “IDEX”.</p> <p>International securities identification number (ISIN): NO 0003070609</p>
The issuer	<p>Name of the issuer: IDEX Biometrics ASA  Business registration number: 976 846 923  Legal entity identifier (LEI): 5967007LIEEXZXHECW11  Address: Dronning Eufemias gate 16, 0191 Oslo, Norway  Tel: +47 6783 9119  Website: <a href="http://www.idexbiometrics.com">www.idexbiometrics.com</a></p>
Approval of the Prospectus	<p>The Prospectus was approved by the Financial Supervisory Authority of Norway on 28 June 2023.</p> <p>Contact information:  Financial Supervisory Authority of Norway  Address: Revierstredet 3, Postboks 1187 Sentrum, 0107 Oslo, Norway  Tel: +47 22 93 98 00  E-mail: <a href="mailto:post@finanstilsynet.no">post@finanstilsynet.no</a></p>



## 1.2 SECTION B – KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?							
Corporate information	<p>IDEX Biometrics ASA (“<b>IDEX</b>” or the “<b>Company</b>”) is a Norwegian public limited liability company incorporated under the laws of Norway and subject to the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (Nw.: “<i>allmennaksjeloven</i>”) (the “<b>PLCA</b>”). The Company was incorporated on 24 July 1996 and its LEI is 5967007LIEEXZXHECW11.</p>						
Principal activities	<p>IDEX develops and markets differentiated fingerprint authentication solutions optimized for use in smart cards, based on patented and proprietary sensor technologies, integrated circuit designs, and highly-specialized firmware and software. IDEX primarily targets fingerprint authentication applications involving standardized smart cards without batteries, although the Company’s products also are applicable to battery-powered devices in different form factors.</p>						
Major shareholders	<p>As of the date of the Prospectus<sup>1</sup>, the following registered shareholders have holdings in excess of the statutory thresholds for disclosure requirements. Note: The list may include nominee shareholders, which holding may belong to one or more beneficial owners. In case of nominee shareholders, the disclosure requirement applies to the beneficial owner of the Shares. The list below includes the Tranche One Shares, but not the Tranche Two Shares.</p> <table border="1"> <thead> <tr> <th>Name of registered shareholder</th> <th>Number of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Sundt AS</td> <td>66,629,424</td> <td>5.18 %</td> </tr> </tbody> </table> <p>On 6 June 2023, Sundt AS disclosed holding of 94,572,472 Shares, representing 7.4% of the share capital following Tranche One of the Private Placement. Sundt AS has subscribed to 2,218,284 Tranche Two Shares, and has temporarily lent 30,161,332 Shares in connection with the settlement of the Tranche Two Shares.</p> <p>On 6 June 2023, Robert Napier Keith disclosed that Mr. Keith and close relations held 115,873,873 shares or rights to shares, equivalent to 12.3% of the total outstanding shares and votes in the Company, based on the share capital after completion of Tranche One of the Private Placement. Mr. Keith has subscribed to 3,334,201 Tranche Two Shares.</p> <p>Other than the foregoing and primary insiders’ mandatory obligation to disclose trades, the Board is not aware of any person having an interest in the Company’s share capital or voting rights that must be disclosed under Norwegian law.</p> <p>All Shares in the Company have equal voting rights, with each Share carrying the right to one vote at the General Meetings.</p>	Name of registered shareholder	Number of Shares	%	Sundt AS	66,629,424	5.18 %
Name of registered shareholder	Number of Shares	%					
Sundt AS	66,629,424	5.18 %					

<sup>1</sup> The overview is based on data from the VPS as of 26 June 2023.

Key management	The Company's key management comprise of the following members:	
	<b>Name</b>	<b>Position</b>
	Vincent Graziani	Chief Executive Officer
	Eileen Wynne	Interim Chief Financial Officer
	Anthony Eaton	Chief Technology Officer
	Catharina Eklof	Chief Commercial Officer
Statutory auditor	The Company's statutory auditor is Ernst & Young AS with registered address at Stortorvet 7, NO-0155, Oslo, Norway.	

### What is the key financial information regarding the issuer?

#### Selected historical key financial information

#### Financial statements

The tables below set out selected financial information for the Group. The information is extracted from the Group's audited consolidated financial statements as of and for the year ended 31 December 2022 compared to the year ended 31 December 2021, and the unaudited consolidated interim financial statements as of and the three months ended 31 March 2023 compared to 31 March 2022.

Profit and Loss	Full year		First quarter	
	2022	2021	2023	2022
Amounts in USD 1,000			(unaudited)	(unaudited)
Total revenue	4 091	2 840	1 242	989
Total operating expenses	35 460	34 190	8 648	8 990
Loss from operations	(31 369)	(31 350)	(7 407)	(8 001)
Net loss for the period	(32 662)	(32 552)	(7 238)	(8 121)
Loss per share, basic and diluted (USD)	(0,03)	(0,04)	(0.01)	(0,01)

Financial position	31 Dec.	31 Dec.	31 March	31 March
	2022	2021	2023	2022
Amounts in USD 1,000			(unaudited)	(unaudited)
Total assets	29 016	42 026	21 695	34 732
Financial debt	6 175	4 301	5 715	3 699
Total equity	22 841	37 725	15 980	31 033

Cash flow	Full year		First quarter	
	2022	2021	2023	2022
Amounts in USD 1,000			(unaudited)	(unaudited)
Net cash flow from operating activities	(31 370)	(27 533)	(8 970)	(8 414)
Net cash flow used in investing activities	(160)	(143)	122	(39)
Net cash flow from financing activities	13 976	54 148	99	235
Net change in cash and cash equivalents	(17 555)	26 472	(8 748)	(8 218)

#### Investments

There are no significant fixed assets ordered at the date of this Prospectus. The Group does not have any firm plans or obligations to make significant future investments in tangible or intangible assets, or financial assets.

Selected key pro forma financial information	Not applicable. There is no pro forma financial information.
Qualifications in audit report	<p>The audit report to the 2022 Annual Report includes a matter of emphasis from EY, as auditors, as follows: “We draw attention to Note 2 in the consolidated financial statements and Note 1 in the parent company separate financial statements. As discussed in the Notes, the Company has incurred significant losses and negative cash flows from operations. Management’s evaluation of the events and conditions and management’s plans regarding these matters are also described in the Notes. These events or conditions, along with other matters as set forth in the Notes, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”</p>
<b>What are the key risks that are specific to the issuer?</b>	
Key risks specific to the issuer	<p>Risks related to the Group and the industry it operates in:</p> <ul style="list-style-type: none"> <li>• IDEX has a history of losses and may not achieve or sustain profitability</li> <li>• IDEX faces risks related to going concern</li> <li>• IDEX may need additional capital, which, if obtainable, could dilute the ownership interest of investors</li> <li>• IDEX’s business depends heavily on revenues from new technology, the commercial success of which is unproven</li> <li>• IDEX is subject to lengthy development periods and product acceptance cycles, which can result in substantial costs without any further revenue</li> <li>• A significant portion of IDEX’s sales comes from one or more large customers, the loss of which could harm its business, financial condition and operating result</li> <li>• IDEX faces supply chain risks</li> <li>• IDEX may not be able to effectively manage growth</li> <li>• IDEX is highly dependent on IP and the Company’s methods of protecting its IP, or IP shared with third parties, may not be adequate</li> <li>• IDEX faces risks of claims for IP infringement</li> <li>• IDEX’s markets are immature</li> <li>• IDEX faces intense competition in the biometric payment card market</li> <li>• A sustained period of unfavorable conditions in the global economy or in the market segments IDEX targets could have an adverse impact on IDEX’s business, operational performance and financial position</li> </ul>

**1.3 SECTION C – KEY INFORMATION ON THE SECURITIES**

<b>What are the main features of the securities?</b>	
Type of class of securities being offered	The Company has one class of Shares, and all Shares carry equal rights as set out in Section 4-1 (1), first sentence, of the PLCA. The Shares are registered in the VPS and carry the securities identification code ISIN NO 0003070609. The New Shares are in all respects equal to the existing Shares of the Company.
Currency	The Shares are issued in NOK and are quoted and traded in NOK at Oslo Stock Exchange.
Number of shares and par value	<p>Following the issuance of the Tranche One Shares, IDEX's share capital is NOK 192,880,861.80, divided into 1,285,872,412 ordinary Shares, each Share fully paid and having a par value of NOK 0.15.</p> <p>Following the issuance of the Tranche Two Shares, IDEX's share capital is NOK 197,405,061.60, divided into 1,316,033,744 ordinary Shares, each Share fully paid and having a par value of NOK 0.15.</p> <p>The Company's Extraordinary General Meeting resolved on 16 June 2023 to issue 30,161,332 Tranche Two Shares in the Company in connection with the Private Placement of New Shares.</p>
Rights attached	The New Shares are ordinary Shares in the Company, i.e., the same class as the Shares already in issue and listed on Oslo Stock Exchange. The New Shares will obtain rights to receive dividends from the time of registration of the share capital increase in the Company Registry. The Company's shares have equal rights to the Company's profits, in the event of liquidation, and to receive dividends unless all the shareholders approve otherwise. Each Share in the Company gives the holder the right to cast one vote at the general meetings of shareholders of the Company.
Restrictions on free transferability	The Company's Shares are freely transferable according to Norwegian law and the Company's Articles of Association.
Dividend policy	IDEX does not have any established dividend policy in place except to say that the Company's aim and focus is to enhance shareholder value and provide an active market in its Shares. IDEX has historically never declared or paid any dividends on its Shares and does not anticipate paying any cash dividends for 2022/2023 or the next few years. IDEX intends to retain future earnings, if any, to finance operations and the expansion of its business. Any future determination to pay dividends will depend on the Company's financial condition, results of operation and capital requirements.
<b>Where will the securities be traded?</b>	
Listing and admission to trading	<p>The Company's Shares have been listed on Oslo Stock Exchange since 11 May 2015 under the ticker symbol "IDEX".</p> <p>The listing on Oslo Stock Exchange of the Prospectus Shares is subject to the approval of the Prospectus by the Financial Supervisory Authority under the rules of the Norwegian Securities Trading Act. Such approval was granted on 28 June 2023.</p>

	<p>The first day of trading of the Tranche One Shares (save for the Prospectus Shares) was on 5 June 2023. The first day of trading of the Prospectus Shares is on or about 29 June 2023. IDEX’s shares are not listed on any other regulated market place.</p> <p>Since 1 March 2021 IDEX has had ADSs listed and traded on the Nasdaq Stock Market, under the symbol “IDBA”, each ADS representing 75 ordinary shares of the Company.</p>
<b>What are the key risks that are specific to the securities?</b>	
Key risks specific to securities	<ul style="list-style-type: none"> <li>• Future issuances of Shares or other securities could dilute the holdings of shareholder and could materially affect the price of the Shares.</li> <li>• Fluctuations in financial results may impact the share price</li> </ul>

#### 1.4 SECTION D – KEY INFORMATION ON THE PRIVATE PLACEMENT

<b>Under which conditions and timetable can I invest in this security?</b>													
Terms and conditions of the offer	<p>On 24 May 2023, IDEX raised approximately NOK 99.3 million in gross proceeds through the issuance of 116,897,492 Tranche One Shares, each with a par value of NOK 0.15 and a Subscription Price of NOK 0.85 per Tranche One Share.</p> <p>Further, on 16 June 2023, the Company raised approximately NOK 25.6 million in gross proceeds through the issuance of 30,161,332 Tranche Two Shares, each with a par value of NOK 0.15 and a Subscription Price of NOK 0.85 per Tranche Two Share.</p> <p>Of the New Shares, the Prospectus Shares, being a total of 63,860,016 of the New Shares, are subject to the approval and publication of this Prospectus before listing on Oslo Børs.</p> <p>Below is an overview of the terms and timetable for the Private Placement:</p> <table border="1"> <tr> <td><b>Number of Tranche One Shares:</b></td> <td>116,897,492</td> </tr> <tr> <td><b>Number of Tranche Two Shares:</b></td> <td>30,161,332</td> </tr> <tr> <td><b>Subscription Price per New Share</b></td> <td>NOK 0.85</td> </tr> <tr> <td><b>Number of Prospectus Shares</b></td> <td>63,860,016</td> </tr> <tr> <td><b>Number of New Shares not subject to approval and publication of this Prospectus:</b></td> <td>83,198,808</td> </tr> <tr> <td><b>Trading of the New Shares not subject to approval and publication of this Prospectus:</b></td> <td>On 5 June 2023</td> </tr> </table>	<b>Number of Tranche One Shares:</b>	116,897,492	<b>Number of Tranche Two Shares:</b>	30,161,332	<b>Subscription Price per New Share</b>	NOK 0.85	<b>Number of Prospectus Shares</b>	63,860,016	<b>Number of New Shares not subject to approval and publication of this Prospectus:</b>	83,198,808	<b>Trading of the New Shares not subject to approval and publication of this Prospectus:</b>	On 5 June 2023
<b>Number of Tranche One Shares:</b>	116,897,492												
<b>Number of Tranche Two Shares:</b>	30,161,332												
<b>Subscription Price per New Share</b>	NOK 0.85												
<b>Number of Prospectus Shares</b>	63,860,016												
<b>Number of New Shares not subject to approval and publication of this Prospectus:</b>	83,198,808												
<b>Trading of the New Shares not subject to approval and publication of this Prospectus:</b>	On 5 June 2023												

	<b>Delivery of the Tranche One Shares:</b>	On 5 June 2023
	<b>Delivery of the Tranche Two Shares:</b>	On or about 27 June 2023
	<b>Trading of the Prospectus Shares:</b>	On or about 29 June 2023
	<b>Number of Shares pre Private Placement:</b>	1,168,974,920 Shares, each with a par value of NOK 0.15.
	<b>Number of Shares post Tranche One:</b>	1,285,872,412 Shares, each with a par value of NOK 0.15.
	<b>Number of Shares post Tranche Two:</b>	1,316,033,744 Shares, each with a par value of NOK 0.15.
	<b>Rights of the Prospectus Shares:</b>	The Prospectus Shares are in all respects equal to the ordinary Shares of the Company.
	<b>Dilution:</b>	The percentage of immediate dilution resulting from the Private Placement for the Company's existing shareholders who did not participate in the Private Placement, is approximately 12.58%.
Estimated expenses	The total estimated expenses relating to the Private Placement will be approximately NOK 6.8 million including Prospectus costs and fees to the Managers and the legal advisor. No expenses will be charged to the investors by the Company.	
<b>Why is this prospectus being produced?</b>		
Reasons for the offer/Use of proceeds	The net proceeds raised through the Private Placement of approximately NOK 125 million will be used for the following principal purposes, presented in order of priority: <ul style="list-style-type: none"> <li>• 70% of the net proceeds will be used for supporting and accelerating the Company's product commercialization and technology roadmap;</li> <li>• 30% of the net proceeds will be used for securing working capital and for general corporate purposes.</li> </ul>	
Estimated net proceeds	The Subscription Price per New Share was NOK 0.85, amounting to an aggregate Subscription Price and gross proceeds in the Private Placement of approximately NOK 125 million. Taking into account the transaction costs related to the New Shares and all other directly attributable costs in connection with the Private Placement, the net proceeds are expected to be approximately NOK 118.2 million.	
Underwriting agreements	No underwriting agreements have been concluded in connection with issuance of the New Shares.	
Material conflicts	There is no conflicts of interest of any natural and legal persons involved in the Private Placement that is material to the Private Placement.	



## 2 RISK FACTORS

*Investment in the Company involves a high degree of risk. An investor considering an investment in the Shares should carefully consider the following risk factors and all other information set forth in this Prospectus, including information incorporated hereto by reference, see Section 14.5 “Incorporation by reference”, as well as other publicly available information regarding the Company that the Company displays on its website or makes available through Oslo Stock Exchange’s information system, [www.newsweb.no](http://www.newsweb.no), before deciding to invest in the Shares. Should any of the following risks and uncertainties develop into actual events, it could have a material adverse effect on the Company’s business, prospects, results of operations, cash flows and financial position, and the price of the shares may decline, causing investors to lose all or part of their investment. The risk factors identified below are the material risk factors known to the Company as of the date of the Prospectus.*

*The risk factors presented in this Section 2 are not exhaustive with respect to all risks relating to the Company and the Shares, but are limited risk factors that are considered material and specific to the Company and the Shares. The risk factors are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Company and the Shares, taking into account their potential negative effect for the Company and its Subsidiaries and the profitability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence.*

*Before making any decision to invest in the Company’s shares, an investor must take into account that a number of general risk factors that are not included in this Section 2 still apply to the Company and the Shares.*

*An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.*

### 2.1 RISKS RELATED TO THE COMPANY’S FINANCIAL CONDITION

#### 2.1.1 IDEX has a history of operating losses and may not achieve or sustain profitability

To date, IDEX has not achieved significant revenues or profitability, and has incurred significant operating losses and negative cash flows since its inception. IDEX will need to increase its revenues significantly in order to achieve profitability, and the Company cannot be certain whether or when it will obtain a high enough volume of sales in the future to generate significant revenue, grow its business or achieve or maintain profitability. The Company also expects costs and expenses to increase in future periods, which could negatively affect future results of operations even if IDEX is able to significantly increase revenue. IDEX’s efforts to grow its business may be costlier than expected, or the rate of growth in revenue may be slower than expected, and the Company may not be able to increase revenue enough to offset operating expenses. If IDEX is unable to generate significant revenue and/or achieve and sustain profitability, the value of its business and ordinary shares may significantly decrease. If IDEX does achieve profitability, the Company cannot assure that it can sustain or increase profitability on a quarterly or annual basis in the future. Revenues from the Company’s business depend among other things on market factors, see Section 2.3 below.

### 2.1.2 IDEX faces risks related to going concern

As the Company also in the future may need to raise additional capital to realize its strategy and plans, there is an element of uncertainty about IDEX's ability to continue as a going concern. If IDEX is unable to raise capital when needed, the Company could be forced to delay, reduce, or terminate certain development activities or undertake other cost-reduction steps, including termination of employees. Such actions could reduce IDEX's ability to execute its strategy, with potential harm to the Company's business, operational performance, and financial position. In the audit report to the Company's financial statements for 2022, an emphasis of matter paragraph was included, stating that there is material uncertainty about the Company's ability to continue as a going concern.

### 2.1.3 IDEX may need additional capital, which, if obtainable, could dilute the ownership interest of investors

The Company has raised approximately NOK 125 million in gross proceeds from the Private Placement. Since IDEX was founded in 1996, the Company has experienced negative cash flow from operations and investments and expects to experience significant negative cash flow from operations in the future. To the extent that cash from operations and the cash proceeds from the Private Placement are insufficient to fund the Company's operations, IDEX may need to raise additional funds through the issuance of equity, equity-related or convertible debt securities. Shareholders may experience dilution of their voting rights and/or the value of their shares, depending on the instruments used and the method the Company uses when issuing additional equity securities or related instruments, and at what price per share the instruments are issued.

Because a decision to issue securities in the future will depend on numerous considerations, including factors beyond the Company's control, the Company cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. Furthermore, IDEX cannot be certain that additional financing will be available to the Company on acceptable terms when required, or at all, which may result in the Company being unable to maintain their operations.

## 2.2 RISKS RELATED TO THE COMPANY'S BUSINESS

### 2.2.1 IDEX's business depends heavily on revenues from new technology, the commercial success of which is unproven

IDEX's biometric technologies have not yet achieved, and may never achieve, widespread customer acceptance in the market segments, which IDEX is targeting. IDEX's future growth depends on the commercial success of its technology. The Company's customers are primarily manufacturers of smart cards, although a critical element of demand for IDEX's solutions originates from these manufacturers' own customers, such as a bank issuer interested in offering biometric payment cards. As such, IDEX focuses its marketing and sales efforts on smart card manufacturers, as well as their customers and other influential participants in the smart card industry (e.g. payment card).

It is not certain that IDEX's target customers will choose the Company's technology for technical, cost, support or commercial reasons. Many of IDEX's target customers may have established successful businesses using other technologies and may find it difficult or unattractive to switch to IDEX's technology. If IDEX's target customers do not adopt and purchase the Company's technology, the future growth will be limited.



## 2.2.2 IDEX is subject to lengthy development periods and product acceptance cycles, which can result in substantial costs without any further revenue

IDEX provides fingerprint sensors and related software solutions that are incorporated by card manufacturers into the products they sell. Fingerprint authentication applications in the market segments targeted by IDEX are in the early stages of development. Because of this, the Company is subject to lengthy sales cycles, as potential customers and other relevant participants in the smart card industry have required, and likely will continue to require, exposure to, and education about, fingerprint authentication solutions, and IDEX's value proposition.

The card manufacturers make the determination during their product development programs whether to incorporate IDEX's solutions or pursue other alternatives. This process requires IDEX to make significant investments of time and resources well before customers introduce their products incorporating IDEX's solutions into the market, and before IDEX can be sure that this will generate any significant sales to its customers or if IDEX will be able to recover its investment. During a customer's entire product development process, IDEX faces the risk that its solutions will fail to meet its customer's technical, performance, or cost requirements, or that its products will be replaced by competitive products or alternative technological solutions. Even if IDEX completes its design process in a manner satisfactory to its customer, the customer may delay or terminate its product development efforts. If IDEX fails to innovate in response to changing customer needs, new technologies, and other evolving competitive requirements, IDEX's business, operational performance, and financial position could be harmed.

## 2.2.3 A significant portion of IDEX's sales comes from one or more large customers, the loss of which could harm its business, financial condition and operating result

IDEX is exposed to risks associated with customer concentration and the disruption to a significant customer could harm the Company's business, operational performance, and financial position. IDEX has historically generated limited revenue, and most of its generated revenue has come from a limited number of customers. Please refer to Section 6.2.1 and 6.2.2 in the Prospectus for more information about IDEX's current and targeted customers. While the Company works to maintain its relationships with current customers and seek out new business, it may continue to face challenges in diversifying its customer base. The loss of major customers, or a decrease in demand for products by these customers within a short period of time, could adversely affect current and future revenue, financial condition and business. The adverse effect could be more substantial if other customers do not increase their orders or if the Company is unsuccessful in generating orders for solutions with new customers. Many of these card manufacturers sell to the same card issuers, and therefore IDEX may be reliant on certain card manufacturers. Concentration in customer base and partner relationship, now and in the future, may make fluctuations in revenue and earnings more severe and make business planning more difficult.

## 2.2.4 IDEX faces supply chain risks

IDEX currently relies on Taiwan Semiconductor Manufacturing Company, Limited, a producer of semiconductor wafers, for production of the Company's proprietary application specific integrated circuit ("ASIC") designs. The Company also relies on a limited number of providers of assembly and test services, including Amkor Technology, Inc. and Silicon Precision Industries Limited (a unit of ASE Technology Holding Co., Ltd.), both of which are leaders in outsourced semiconductor assembly and test services.

IDEX enjoys collaborative, supportive relationships with these suppliers. While IDEX has experienced lengthened delivery lead times, the Company has not experienced significant delays in delivery of wafers or completed products. However, broader supply chain uncertainties have

contributed to, and likely will continue to contribute to, difficulties in accurately planning capacity utilization, inventory provisioning, and inventory levels.

The Company has also experienced increased costs and expect further cost increases if supply chain conditions remain for a prolonged period, which IDEX anticipates. Numerous industries dependent on the semiconductor and electronics supply chains have experienced supply shortages and delays, contributing to lower production, higher costs, and reduced efficiencies. IDEX expects, based on information from the Company's suppliers, that uncertainties associated with capacity utilization, lead times, delivery schedules, and costs will continue through 2023 and, possibly, into 2024. However, IDEX cannot accurately predict when conditions in its supply chains will normalize or what the consequences for the Company's business might be if such normalization does not occur when expected.

The TSMC facility producing the Company's semiconductor wafers is located in China, which exposes the Company to risks associated with international trade policy, tariffs, and related policy matters, all of which are outside of the Company's influence or control. While TSMC facilities in other countries offer the fabrication processes that IDEX requires, transition of production of the Company's wafers to such a facility would require significant effort, time, and costs, which could harm the Company's business, operational performance, and financial position.

#### 2.2.5 IDEX may not be able to effectively manage growth

IDEX will not be successful unless the Company manages to generate recurring revenue and grow its business. IDEX might need to hire additional employees and expand both its research and development and sales and marketing functions in order to achieve the Company's business plan. Future growth may place a significant strain on IDEX's management systems and resources. IDEX will need to continuously improve its financial and managerial controls and reporting systems and procedures, and expand, train and manage its work force worldwide. The Company may not be successful if it fails to manage any of these aspects of its growth.

#### 2.2.6 IDEX is highly dependent on IP and the Company's methods of protecting its IP, or IP shared with IDEX by third parties, may not be adequate

IDEX's business and business strategy are tied to the Company's technology. IDEX relies on a combination of patent and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect the Company's IPR. IDEX cannot be certain that the Company will be able to obtain patent protection on the key components of its technology or that the Company will be able to obtain and maintain patents in key jurisdictions such as the United States, China or EU. IDEX cannot give assurances that the Company will develop new products or technologies that are patentable, that any issued patent will provide the Company with any competitive advantages or will not be challenged by third parties, or that the patents of others will not impair the Company's ability to do business. Despite IDEX's efforts to protect the Company's IPR, trade secrets and confidential information, unauthorized parties may attempt to copy or obtain and use the Company's technology. Policing unauthorized use of IDEX's technology is difficult and there can be no assurance that the steps taken by the Company will prevent misappropriation of its technology. If the Company's technology is not adequately protected or is misappropriated, the Company may not be able to sufficiently differentiate itself from competitors and may not be able to achieve targeted levels of revenue and profitability.

### 2.2.7 IDEX faces risks of claims for IP infringement

Substantial litigation exists in the industry. Any claims of IPR infringement, with or without merit, may result in significant litigation costs and diversion of resources, including the attention of management, and could require IDEX to enter into royalty or licensing agreements, any of which could have a material adverse effect on its business. There are no assurance that such licenses could be obtained on commercially reasonable terms, if at all, or that the terms of any offered licenses would be acceptable to the Company. If litigation were to result in a judgment that IDEX infringed a valid and enforceable patent, a court may order the Company to pay substantial damages to the owner of the patent and to stop selling any infringing technology or products. This could cause a significant disruption in IDEX's business and force the Company to incur substantial costs to develop and implement alternative, non-infringing technology or products, or to obtain a license from the patent owner. Furthermore, there is no guarantee that the Company would be able to develop or acquire alternate non-infringing technology. This could also lead IDEX's licensees and customers to bring warranty claims against the Company.

## 2.3 RISKS RELATED TO THE COMPANY'S MARKET

### 2.3.1 IDEX's markets are immature

IDEX's largest potential market is the biometric payment card market. IDEX also offers its products and solutions in other vertical markets including, Identification, Access control, Healthcare, and the Internet of Things ("IOT"), all of which are expected to be competitive. The market for biometric payment cards is an undeveloped and emerging market and it is difficult to predict how large this market could be. IDEX's technology represents a novel security solution and the Company has not yet generated significant sales. The biometric payment card market remains an undeveloped and emerging market. Biometric based solutions compete with more traditional security methods including keys, cards, personal identification numbers and security personnel. In addition, IDEX's biometric technology has not yet gained, and may never gain, widespread market acceptance. Acceptance of biometrics and IDEX's technology as an alternative to such traditional methods depends upon a number of factors, including:

- the performance and reliability of biometric solutions;
- public perception regarding privacy concerns;
- costs involved in adopting and integrating biometric solutions; and
- proposed or enacted legislation related to privacy of information.

For these reasons, the Company is uncertain whether its biometric technology will gain widespread acceptance in any commercial markets or that demand will be sufficient to create a market large enough to produce significant revenue or earnings. IDEX's future success depends, in part, upon business customers adopting biometrics generally, and the Company's solutions specifically.

If the estimates and assumptions IDEX has used to calculate the pace of development and ultimate size of its target market segments are inaccurate, future revenue growth may take longer than anticipated and reaching the operational scale the Company believe necessary for sustained profitability may not be achieved.

### 2.3.2 IDEX faces intense competition in the biometric payment card market

Because the market segments IDEX targets are highly competitive, the landscape of competitors, strategic partners, and market participants can quickly change, and because customer demand is difficult to accurately predict, IDEX's business, operational performance, and financial position could be harmed if IDEX does not maintain its competitive advantage in response to unexpected developments in the targeted market segments.

The Company competes with both established companies and startup enterprises that provide biometric solutions, as well as providers of more traditional security methods. IDEX competes directly with other companies providing biometric sensors and solutions, including the Company's principal competitors, Fingerprint Cards AB and NEXT Biometrics ASA. Moreover, additional competitors may enter the biometrics market and become significant long-term competitors. On January 25, 2022, Samsung Electronics, a global leader in semiconductors, introduced a device integrating a fingerprint sensor, secure element, and a microprocessor. The device is targeted at the same market segments and applications as IDEX's TrustedBio solution.

In the future, IDEX may encounter competition from other larger, well-established and well-financed entities that may continue to acquire, invest in or form joint ventures with providers of fingerprint recognition technology, and existing providers may elect to consolidate. IDEX's position in the existing markets could be eroded rapidly by product or technology enhancements or the development of new, superior products and technology by competitors. Increased competition could result in price reductions, fewer customer orders, reduced gross margins and lower market prices of IDEX's Shares.

Some of IDEX's competitors have substantially greater financial and marketing resources than IDEX, and may independently develop superior technologies, which may result in IDEX's technology becoming less competitive or obsolete. If the Company is unable to develop new applications or enhance its existing technology in a timely manner in response to technological changes, it will be unable to compete in its chosen markets. IDEX's actual and potential competitors may also have greater name recognition and more extensive customer bases. In addition, if one or more other biometric technologies such as voice, face, iris, hand geometry or blood vessel recognition are widely adopted, it would significantly reduce the potential market for IDEX's fingerprint identification technology in certain industries.

IDEX's ability to compete successfully will depend on a number of factors, and include the following:

- IDEX's success in designing and introducing new fingerprint sensors and related software solutions, including those implementing new technologies;
- IDEX's ability to predict the evolving needs of its customers and to assist them in incorporating IDEX's technologies into their new and existing products;
- IDEX's ability to meet its customers' requirements for ease of use, reliability, durability, price or performance;
- the quality of IDEX's customer service and support;
- the rate at which customers incorporate IDEX's fingerprint sensors and related software solutions into their own products; and
- product or technology introductions by IDEX's competitors.

2.3.3 A sustained period of unfavorable conditions in the global economy or in the market segments IDEX targets could have an adverse impact on the Company’s business, operational performance and financial position.

Because IDEX sells an innovative technology solution for emerging applications in market segments in early stages of development, the Company is particularly vulnerable to a sustained decline in economic conditions, which likely would be accompanied by a decline in confidence within the targeted market segments. IDEX believes global economic conditions, which could have an adverse impact on the IDEX’s business, operational performance and financial position, are subject to the following short- and long-term exogenous risks, individually and with combined effect:

- supply chain constraints and related uncertainties continue indefinitely across industries, or conditions deteriorate, with the potential consequence of increasing inflationary and recessionary pressures in specific geographies or market segments or across the global economy;
- the relationships between China and western trading partners, do not improve or deteriorate further, possibly contributing to further trade restrictions, leading to inflationary and recessionary pressures in China and across the global economy; and
- the war between Russia and Ukraine and the risk of escalation into a broader conflict does not abate, causing prolonged trade sanctions and other economic restrictions on Russia, potentially contributing to inflationary and recessionary pressures across the global economy.

## 2.4 RISKS RELATED TO THE COMPANY’S SHARES

2.4.1 Fluctuations in financial results may impact the share price

Because IDEX's business is immature, IDEX expects business volumes to vary in line with customers’ demand, causing fluctuations in its quarterly financial results and making it difficult to project future results. If IDEX fails to meet the expectations of securities analysts or investors with respect to its performance, the quoted prices of the Company’s shares could decline.

2.4.2 Future issuances of Shares or other securities could dilute the holdings of shareholder and could materially affect the price of the Shares

Any issuance of new Shares in connection with the Company’s ESPP or upon the exercise of incentive Subscription Rights will result in the dilution of the ownership interests of the Company’s existing shareholders. As of the date of this Prospectus, there are 84,515,381 outstanding incentive Subscription Rights in the Company. In addition, the Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. There is no assurance that the Company will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted.

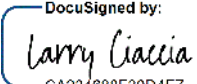
### 3 RESPONSIBILITY STATEMENT

The Prospectus has been prepared by the Board of Directors of IDEX Biometrics ASA (the “**Board**” or the “**Board of Directors**”) to provide information in connection with the listing of the Prospectus Shares issued in the Private Placement, as described herein.

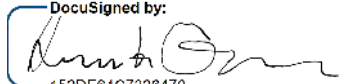
The Board of Directors accepts responsibility for the information contained in this Prospectus, and hereby declares that, to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

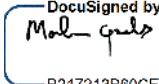
The Board of Directors of IDEX Biometrics ASA

28 June 2023

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Lawrence John Ciaccia  
*Chair*

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Deborah Lee Davis  
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Annika Olsson Roth  
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Stephen A. Skaggs  
*Board member*



## 4 GENERAL INFORMATION

### 4.1 Approval of the Prospectus

This Prospectus has been approved by the Financial Supervisory Authority, as a competent authority under the EU Prospectus Regulation. The Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval shall not be considered as an endorsement of the issuer or the quality of the securities that is the subject of this Prospectus. Any investor should make their own assessment as to the suitability of investing in the securities.

This Prospectus has been drawn up as part of the simplified prospectus regime in accordance with Article 14 of the EU Prospectus Regulation.

### 4.2 Cautionary note regarding Forward-looking Statements

This Prospectus includes “forward-looking” statements, including, without limitation, projections and expectations regarding the Group’s future financial position, business strategy, plans and objectives (the “Forward-looking Statements”). All Forward-looking Statements included in the Prospectus are based on information available to the Company, and views and assessments of the Company, as of the date of this Prospectus. Except as required by the applicable stock exchange rules or applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this Prospectus, including forward-looking information and statements, whether to reflect changes in the Company’s expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this Prospectus is based.

When used in this document, the words “anticipate”, “believe”, “can”, “could”, “estimate”, “expect”, “intends”, “may”, “might”, “plans”, “seek to”, “should”, “will”, “would”, or similar expressions, as they relate to the Group or its management, are intended to identify forward-looking statements. The Company can make no assurance as to the correctness of such Forward-looking Statements and investors are cautioned that any Forward-looking Statements are not guarantees of future performance. By their nature, Forward-looking Statements involve and are subject to known and unknown risks, uncertainties and/or assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties, assumptions and other factors, the actual results, performance or achievements of the Company and its Subsidiaries, or, as the case may be, the industry, may materially differ from any future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. Furthermore, Forward-looking Statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Company and its Subsidiaries operate.

Prospective investors in the Shares are cautioned that Forward-looking Statements are not guarantees of future performance and that the Group’s actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in or suggested by the Forward-looking Statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its Forward-looking Statements are based will occur. Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these Forward-looking Statements.

In particular, Sections 2 and 6 of this Prospectus contain statements regarding the Group’s strategy going forward.

## 5 INFORMATION CONCERNING THE SECURITIES BEING ADMITTED TO TRADING

*The number of New Shares not subject to approval and publication of this Prospectus before being admitted to trading, have been issued and admitted to trading on Oslo Børs. The listing of the Prospectus Shares in the Private Placement is subject to the approval and publication of this Prospectus. Notwithstanding the foregoing, for the sake of completeness, this Section 5 provides information on the Private Placement as a whole.*

### 5.1 The background for, the purpose and the use of proceeds

The net proceeds raised through the Private Placement of approximately NOK 125 million will be used for the following principal purposes, presented in order of priority:

- 70% of the net proceeds will be used for supporting and accelerating the Company's product commercialization and technology roadmap;
- 30% of the net proceeds will be used for securing working capital and for general corporate purposes.

### 5.2 The Private Placement

#### 5.2.1 Overview

The full terms and conditions of the Private Placement are set out in Section 5.2.6. The main terms and timetable are set out in the table below.

<b>Number of Tranche One Shares:</b>	116,897,492
<b>Number of Tranche Two Shares:</b>	30,161,332
<b>Subscription Price per New Share</b>	NOK 0.85
<b>Number of Prospectus Shares</b>	63,860,016
<b>Number of New Shares not subject to approval and publication of this Prospectus:</b>	83,198,808
<b>Trading of the New Shares not subject to approval and publication of this Prospectus:</b>	On 5 June 2023
<b>Delivery of the Tranche One Shares:</b>	On 5 June 2023
<b>Delivery of the Tranche Two Shares:</b>	On or about 27 June 2023
<b>Trading of the Prospectus Shares:</b>	On or about 29 June 2023
<b>Number of Shares pre Private Placement:</b>	1,168,974,920 Shares, each with a par value of NOK 0.15.
<b>Number of Shares post Tranche One:</b>	1,285,872,412 Shares, each with a par value of NOK 0.15.
<b>Number of Shares post Tranche Two:</b>	1,316,033,744 Shares, each with a par value of NOK 0.15.



<b>Rights of the Prospectus Shares:</b>	The Prospectus Shares are in all respects equal to the ordinary Shares of the Company.
<b>Dilution:</b>	The percentage of immediate dilution resulting from the Private Placement for the Company's existing shareholders who did not participate in the Private Placement, is approximately 12.58%.

The Company received subscriptions for a total of 147,058,824 New Shares in the Company at a subscription price of NOK 0.85 per New Share.

The Private Placement, which represented approximately 12.58% of the Company's outstanding share capital (before the Private Placement), was directed towards certain existing registered shareholders and certain new investors. The Private Placement structure of the transaction inherently required a waiver of existing shareholders' preferential rights to subscribe for New Shares in favor of the subscribers in the Private Placement. The Board considered such structure and waiver necessary and appropriate to secure timely financing for the purposes described in Section 5.1. Moreover, the Subscription Price in the Private Placement was set at NOK 0.85 per New Share, being at an approximate 6.3% discount compared to the closing price on the Company's share on 24 May 2023, as reported by Oslo Børs. On this background, the Board did not view a subsequent offering to be warranted or necessary. By reason of the foregoing, the Board has concluded that there was a sound and just basis for the deviation from shareholders' preferential rights to subscribe for New Shares.

The Board had in place an authorization from the 23 May 2023 Annual General Meeting to issue shares in connection with private placements and rights issues. Under this authorization, the Board could issue a maximum of 116,897,492 new Shares. The Board authorization had not been used until the Private Placement.

The Private Placement would involve a number of new Shares exceeding the limitation of the Board authorization. Listing on the Oslo Stock Exchange of new shares representing 20% or more of the share capital, calculated over a period of 12 months, requires the issuance of a listing prospectus. The Board resolved that the Private Placement would be divided into two tranches, Tranche One and Tranche Two. Tranche One was resolved on 24 May 2023 through use of the existing Board authorization. Tranche Two was made subject to approval at an Extraordinary General Meeting. The admission of 33,698,684 of the Tranche One Shares and all of the Tranche Two Shares (collectively the Prospectus Shares) to trading on Oslo Stock Exchange would be subject to approval and publication of a listing prospectus in accordance with Article 3 of the EU Prospectus Regulation.

The Board resolved to structure the Private Placement as follows:

1. The Board uses its authorisation from the 2023 Annual General Meeting to issue 116,897,492 Tranche One Shares to the investors at a Subscription Price of NOK 0.85 per Tranche One Share.
2. The Board convened an Extraordinary General Meeting to be held on 16 June 2023 to approve the issuance of 30,161,332 Tranche Two Shares at a Subscription Price of NOK 0.85 per Tranche Two Share.

At the Extraordinary General Meeting of the Company held on 16 June 2023 it was resolved to increase the share capital of the Company with NOK 4,524,199.80 through the issue of 30,161,332 Tranche Two Shares, at a Subscription Price of NOK 0.85 per Tranche Two Share.

The Prospectus Shares could not be admitted to trading pending publication of this Prospectus. To facilitate a delivery versus payment settlement of the New Shares, on or about 30 May 2023 for Tranche One, and on or about 20 June 2023 for Tranche Two, respectively, the delivery of New Shares was settled with the Existing Shares, pursuant to a Share Lending Agreement between the Managers, the Company and certain existing shareholders. The Existing Shares were tradable immediately upon delivery.

The share loan was settled by the Managers with the New Shares, which were delivered immediately upon registration of the associated share capital increase being registered in the Company Registry. The Prospectus Shares were issued to the share lender on a separate non-tradeable ISIN number and, immediately after approval and publication of this Prospectus, such shares are transferred to the ordinary ISIN number of the Company's shares that are traded on Oslo Børs.

The total gross proceeds from the Private Placement amounted to approximately NOK 125 million.

Prior to the Private Placement, the Company's share capital was NOK 175,346,238 divided into 1,168,974,920 Shares, each with a par value of NOK 0.15. Following registration of the share capital increase in connection with the Tranche One Shares with the Company Registry, the Company has an issued share capital of NOK 192,880,861.80 divided into 1,285,872,412 Shares, each with a par value of NOK 0.15. Upon registration of the share capital increase in connection with the Tranche Two Shares with the Company Registry, the Company's share capital will be NOK 197,405,061.60 divided into 1,316,033,744 Shares, each with a par value of NOK 0.15.

### 5.2.2 Subscription Price

The Subscription Price per New Share in the Private Placement was NOK 0.85. The Subscription Price was announced on 24 May 2023 through Oslo Børs' electronic information system.

The Subscription Price was equivalent to an approximate 6.3% discount on the closing price on the Company's Shares on Oslo Børs on 24 May 2023 (being the trading date of the Board's resolution to carry out the Private Placement). The Subscription Price is wholly settled in cash.

No expenses or taxes were specifically charged to the subscribers in the Private Placement.

### 5.2.3 Subscription

The Tranche One Shares were timely subscribed for by for in equal parts by the Managers for redelivery of shares borrowed by such Managers in connection with the Private Placement pursuant to the Share Lending Agreement, immediately following the Board's resolution on 24 May 2023. The Tranche Two Shares were subscribed for by the Managers for redelivery of shares borrowed, on a separate subscription form on 16 June 2023.

### 5.2.4 Allocation, payment for and delivery of the New Shares

The application period ran from and including 24 May 2023 at 16:30 hours (CET) to and including 25 May 2023 at 08:00 hours (CET). The minimum amount of application was EUR 100,000. Any application to subscribe for shares was irrevocable and could not be withdrawn by the applicant. The Private Placement and the allocation were approved by the Board on 24 May 2023, provided,

however, that the issuance and allocation of the Tranche Two Shares remained subject to approval by the Extraordinary General Meeting, which was granted on 16 June 2023.

Notifications of allotment and payment instructions for Tranche One and conditional allotment in Tranche Two were sent to the applicants on 25 May 2023.

The total subscription amount for the Tranche One Shares was timely paid in full to the designated share issue account within the payment deadline. The share capital increase associated with the Tranche One Shares was registered in the Company Registry on 3 June 2023, with a subsequent announcement on the following day regarding the registration of the share capital increase in the Company Registry.

The total subscription amount associated with the Tranche Two Shares shall be paid in full to the designated share issue account within 20 June 2023 (or such later date as approved by the Board, but not later than 27 June 2023). The share capital increase associated with the Tranche Two Shares is expected to be registered in the Company Registry on or about 27 June 2023 with a subsequent announcement on the same day regarding the registration of the share capital increase in the Company Registry.

The New Shares were settled with Existing Shares in accordance with the Share Lending Agreement on 30 May 2023 for the Tranche One Shares, and on 20 June 2023 for the Tranche Two Shares, by delivery to the Managers' VPS accounts, and were tradable immediately upon delivery.

The following investors were allocated more than 5% of New Shares the Private Placement:

<b>Name of investor</b>	<b>Number of allocated New Shares</b>	<b>% of the Private Placement</b>
Robert Keith	16,256,715	11.1%
Norda ASA	11,764,706	8.0%
Sundt AS	10,815,779	7.4%
Tigerstaden AS	8,823,529	6.0%

Other than the above-mentioned shareholders, no existing major shareholder or members of the Company's management, supervisory or administrative bodies were allocated or subscribed for New Shares in the Private Placement.

#### 5.2.5 Admission to trading and dealing arrangements

The Company's Shares are listed on Oslo Stock Exchange under the ticker-code "IDEX".

The listing on Oslo Stock Exchange of the Prospectus Shares is subject to the approval of the Prospectus by the Financial Supervisory Authority under the rules of the Norwegian Securities Trading Act. Such approval was granted on 28 June 2023.

The first day of trading of the New Shares on Oslo Børs, under Oslo Børs ticker symbol "IDEX", not subject to the approval and publication of this Prospectus was on 5 June 2023. The first day of trading of the Prospectus Shares is on or about 29 June 2023.

The registrar for the Shares is DNB Bank ASA, Verdipapirservice, Dronning Eufemias gate 30, NO-0191 Oslo, Norway.

The Company has not entered into any underwriting agreement, stabilisation agreements, market making agreements or similar agreements for trading of its Shares on Oslo Stock Exchange.

#### 5.2.6 Resolutions to issue the New Shares

The issuance of the Tranche One Shares was approved by the Company's Board on 24 May 2023 through the following resolution:

*The Board resolved that the Company's share capital is increased with NOK 17,534,623.80 from NOK 175,346,238 to NOK 192,880,861.80 by issuance of 116,897,492 new shares, each share having a par value of NOK 0.15, in a private placement of shares for a subscription price per share of NOK 0.85. The total subscription amount is NOK 99,362,868.20, of which NOK 17,534,623.80 is share capital of the Company and NOK 81,828,244.40 is share premium. The new shares shall be subscribed for in equal parts by Arctic Securities AS and ABG Sundal Collier ASA for redelivery of shares borrowed by such managers in connection with the private placement pursuant to a share lending agreement dated 24 May 2023. The existing shareholders' preferential right is deviated from. Subscription for the new shares shall be made in the minutes of this Board meeting, immediately following this meeting. The subscription price shall be paid within 30 May 2023 to a bank account specified by the Company in writing (or such later date as determined by the Board, but no later than 6 June 2023). The new shares shall carry shareholder rights, including right to dividends or other distributions that are declared, from registration of the share capital increase in the Norwegian Register of Business Enterprises. The estimated costs related to the private placement, both Tranche 1 and Tranche 2, are approximately NOK 6.8 million, which includes fees to the Managers and the legal advisors assisting on the placement, and preparation of a prospectus.*

By reason of the above share capital increase, Section 5 of the Company's Articles of Association was amended to read:

*"The Company's share capital is NOK 192,880,861.80 divided into 1,285,872,412 shares each with a nominal value of NOK 0.15 per share and issued in name."*

The issuance of the Tranche Two Shares was approved by the Company's Extraordinary General Meeting on 16 June 2023 through the following resolution:

*It is resolved that the Company's share capital is increased with NOK 4,524,199.80 from NOK 192,880,861.80 to NOK 197,405,061.60 by issuance of 30,161,332 new shares, each having a par value of NOK 0.15, in a private placement of shares for a subscription price per share of NOK 0.85. The total subscription amount is NOK 25,637,132.20, of which NOK 4,524,199.80 is share capital and NOK 21,112,932.40 is share premium. The new shares shall be subscribed for in equal parts by Arctic Securities AS and ABG Sundal Collier ASA for redelivery of shares borrowed by such managers in connection with the private placement pursuant to a share lending agreement dated 12 June 2023. The existing shareholders' preferential right is deviated from. Subscription for the new shares shall be made on a separate subscription form. The subscription shall be made no later than 20 June 2023 (or such later date as determined by the Board, but no later than 27 June 2023). The subscription price shall be paid within 20 June 2023 to a bank account specified by the Company in writing (or such later date as determined by the Board, but no later than 27 June 2023). The new shares shall carry shareholder rights, including right to dividends or other distributions that are declared, from registration of the share capital increase in the Norwegian Register of Business Enterprises. The estimated costs related to the private placement, both Tranche 1 and Tranche 2, are approximately NOK 6.8 million, which includes fees to the Managers and the legal advisors assisting on the placement, and preparation of a prospectus.*

By reason of the above share capital increase, Section 5 of the Company's Articles of Association was amended to read:

*"The Company's share capital is NOK 197,405,061.60 divided into 1,316,033,744 shares each having a par value of NOK 0.15."*

### **5.3 Shareholders' rights relating to the New Shares**

The Company has one class of Shares, and all Shares carry equal rights as set out in Section 4-1 (1), first sentence, of the PLCA. The Shares are registered in the VPS and carry the securities identification code ISIN NO 0003070609.

The New Shares are in all respects equal to the existing Shares of the Company.

The Shares are issued in NOK and are quoted and traded in NOK at Oslo Stock Exchange.

The rights attached to the New Shares, will be the same as those attached to the Company's existing Shares. The New Shares will be issued electronically and will rank pari passu with existing Shares in all respects from such time as the share capital increase in connection with the issuances of the New Shares are registered in the Company Registry. The holders of the New Shares will be entitled to dividend from the date of registration of the respective share capital increases in the Company Registry. There are no particular restrictions or procedures in relation to the distribution of dividends to shareholders who are resident outside Norway, other than an obligation on part of the Company to deduct withholding tax as further described in Section 13.

Pursuant to the PLCA, all shareholders have equal rights to the Company's profits, in the event of liquidation and to receive dividend, unless all the shareholders approve otherwise. Please see Section 11 on more details concerning the rights attached to the Shares and issues regarding shareholding in a Norwegian Public Limited Company.

The New Shares will have the same VPS registrar and the same ISIN number as the Company's other Shares; provided, however, that the Prospectus Shares were issued on a separate non-tradeable ISIN number pending publication of this Prospectus.

### **5.4 Dilution**

The dilutive effect following the issuance of the New Shares represents an immediate dilution of approximately 12.58% for existing shareholders who did not participate in the Private Placement.

The net asset value in the Financial Statements on 31 December 2022 was USD 22,841 thousand/ NOK 225,150 thousand, which translates to NOK 0.19 per share outstanding before the share capital increase in connection with the Private Placement. The net asset value in the Financial Statements on 31 March 2023 was USD 15,980 thousand/ NOK 167,426 thousand, which translates to NOK 0.14 per share outstanding before the share capital increase in connection with the Private Placement. The Subscription Price in the Private Placement was NOK 0.85.

### **5.5 Lock-up**

No lock-up agreements have been entered into in connection with the Private Placement.



## 5.6 Expenses

Costs attributable to the Private Placement will be borne by the Company. The costs related to the Private Placement will amount to approximately NOK 6.8 million including Prospectus costs and fees to the Managers and the legal advisor. Thus, the net proceeds to the Company from the Private Placement will be approximately NOK 118.2 million.

## 5.7 Advisors

Arctic Securities AS, Haakon VII's gate 5, P.O. Box 1833 Vika, NO-0123, and ABG Sundal Collier ASA, Ryseløkkveien 26, 0251 Oslo, have acted as Managers in connection with the Private Placement.

Advokatfirmaet Ræder AS, Dronning Eufemias gate 11, P.O. Box 2944 Solli, NO-0230 Oslo, Norway serves as the Company's Norwegian legal adviser in connection with the Private Placement. Cooley LLP of New York City serves as the Company's US legal adviser in connection with the Private Placement. Advokatfirmaet Thommessen AS, Ryseløkkveien 38, P.O. Box 1484, NO-0116 Oslo, Norway serves as legal adviser to the Managers in connection with the Private Placement.

## 5.8 Jurisdiction and choice of law

The New Shares have been issued in accordance with the rules of the PLCA.

This Prospectus shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus shall be subject to the exclusive jurisdiction of Oslo District Court.

## 5.9 Restrictions on sale and transfer

No action has been taken or will be taken in any jurisdiction by the Company that would permit the possession or distribution of any documents relating to the New Shares, including but not limited to this Prospectus, in any country or jurisdiction where specific action for that purpose is required. In particular, the New Shares and this Prospectus neither have nor will be registered under the U.S. Securities Act of 1933, as amended, or under any other state securities laws. As such, the New Shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and otherwise in compliance with any applicable securities laws of any states or other jurisdiction of the United States.

## 5.10 Interest of natural and legal persons involved in the Private Placement

Alden AS, Sundt AS and Robert N. Keith provided the Managers with a share loan in accordance with a Share Lending Agreement to facilitate delivery of listed shares to the investors in Tranche One of the Private Placement on a versus delivery basis on 30 May 2023. Sundt AS provided the Managers with a share loan in accordance with a Share Lending Agreement to facilitate delivery of listed shares to the investors in Tranche Two of the Private Placement on a versus delivery basis on 20 June 2023. The Existing Shares were tradable immediately upon delivery. The share loan was settled by the Managers with the New Shares, which were delivered immediately upon registration of the associated share capital increase being registered in the Company Registry, being on 3 June 2023 for the Tranche One Shares, and on or about 27 June 2023 for the Tranche Two Shares, respectively. Each lender will receive a fee equaling 5% per annum of the sum of the subscription price per new share in the Private Placement multiplied by the number of borrowed shares lent by the respective lender, for the period the shares were lent.

In the Private Placement, Alden AS subscribed for 5,882,353 shares, Sundt AS subscribed for 10,815,779 shares and Robert N. Keith subscribed for 16,256,715 shares.

There is no interest of any natural and legal persons involved in the Private Placement, including any conflict of interest, that is material to the Private Placement.

## 6 THE COMPANY AND ITS BUSINESS

### 6.1 Principal Activities

IDEX develops and markets differentiated fingerprint authentication solutions optimized for use in smart cards, based on patented and proprietary sensor technologies, integrated circuit designs, and highly-specialized firmware and software. IDEX primarily targets fingerprint authentication applications involving standardized smart cards without batteries, although IDEX's products also are applicable to battery-powered devices in different form factors.

IDEX's current product portfolio consists of fingerprint authentication modules, related software, and cardholder enrolment solutions. IDEX's latest generation of fingerprint authentication device, the TrustedBio family of modules, is a single package solution consisting of IDEX's most advanced fingerprint imaging sensor and a proprietary ASIC, which is a multi-purpose microprocessor executing image processing, biometric processing, and power management functions. IDEX's cardholder enrolment solutions are based on a reusable sleeve, which, in IDEX's opinion, provides secure and convenient smart card enrolment.

#### 6.1.1 Fingerprint authentication technology

IDEX's technology revolves around fingerprint authentication technology and biometric technologies. Biometric technologies are automated methods for identifying individuals based on a comparison of stored biological and behavioral characteristics with the current presentation of such characteristics. Of all biometric techniques, fingerprint-based identification is the oldest and most established.

A fingerprint authentication solution, in summary, is an electronic system, combining hardware and software, that captures an image of these unique fingerprint characteristics, transforms that image into a mathematical representation, and then compares that representation with a valid representation. If the results of the comparison exceed a predefined verification threshold, the identity of the presenting individual is authenticated.

The following summarizes the primary elements of fingerprint authentication and addresses IDEX's approach to each:

##### 6.1.1.1 Scanning

Scanning is the process of recognizing and capturing the necessary characteristics of an individual's fingerprint using an electronic device. Ink and paper were originally used to capture fingerprint images. Optical scanning was an early method for electronic capture of a fingerprint, and remains common in certain high-volume applications, primarily in law enforcement. Other scanning technologies for the detection of fingerprint variances include those based on sensing variances in heat, pressure, and ultrasound.

IDEX's scanning technology is based on capacitive sensing, which utilizes an electrical field to detect fingerprint characteristics such as ridges, valleys, and minutiae by measuring miniscule variances in current associated with those varying characteristics. The surface of the sensor, the platen, acts as one plate of a capacitor, and the finger acts as the other. Capacitive sensing, the most appropriate technology for resource-constrained applications, in IDEX's opinion, was the area in which the Company pioneered the signal processing innovations that remain foundational to its strategy.

IDEX has developed a differentiated approach to capacitive image capture, using a polymer substrate (i.e., a flex circuit) in which a capacitive sensing array (i.e., a fine-pitched wire mesh, with each wire



intersection representing an electrode) is embedded. The sensing array of conventional semiconductor-based capacitive sensors is on the surface of a rigid integrated circuit made from silicon. IDEX’s bendable sensor uses a sensing array made from polymer. The polymer array is relatively inexpensive to manufacture compared to silicon and allows for a larger sensor surface area, more than twice the size of competitive silicon sensors.<sup>2</sup> The size of the silicon chip (ASIC) within IDEX’s sensor is smaller than the ASIC of conventional sensors. This means that IDEX uses less silicon for a given sensor size. Thus, IDEX’s capacitive sensor is able to produce a larger image, yielding more data, which, in IDEX’s opinion, enables superior scanning, feature extraction, and matching performance.

#### 6.1.1.2 Feature Extraction

The minuscule variations in current detected in scanning are a data set representing the fingerprint, and the common practice is to create from this data set an 8-bit gray-scale digital image for further processing (i.e., feature extraction). Feature extraction is a computationally-challenging process requiring speed and signal-processing precision. Algorithms used in a resource-constrained environment such as a smart card must be highly efficient, reducing the burdens placed on processor, memory, and power resources. Smart cards are very low-cost devices and, being battery-free, operate on a limited power budget. This device-level cost-pressure means the processors within smartcards tend to be very small and much less powerful than those found in other applications such as mobile devices.<sup>3</sup> As such IDEX’s biometric algorithms running on the smart card have been fully optimized for smart card applications to provide sufficient performance with limited available processing resource and power. Standard biometric algorithms designed for mobile or other general purpose applications would not be practical to use in a smart card context.

IDEX utilizes proprietary algorithms to refine the image, allowing for precise identification of patterns, which are transformed into an accurate mathematical representation of the image, referred to as a “template”.

#### 6.1.1.3 Matching

A matching algorithm compares the template created from the scanned image to the encrypted template stored within the system at the time of the user’s enrolment. These algorithms also are computationally-challenging, again requiring speed and precision, as well as consistency of outcomes. Matching performance is measured by the correlated rates of false acceptance (“FAR”) and false rejection (“FRR”), accuracy and reliability, and computational speed. Matching algorithms can be adjusted to meet the requirements of the application, addressing the trade-offs between desired security levels and end-user convenience (i.e., a low FAR, suggesting high security, implies a high FRR, suggesting low end-user convenience).

IDEX’s matching algorithms, which are compact and, in IDEX’s opinion, highly efficient, are well-suited for providing fast results in resource-constrained environments. They are differentiated by patented features such as insensitivity to image rotation and the ability to process incomplete images (i.e., partial touches), enabling high accuracy and reliability.

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<sup>2</sup> IDEX’s silicon ASIC is less than 10mm<sup>2</sup> yet supports sensor sizes of >90mm<sup>2</sup>. Competing sensors are typically 5x5mm (25mm<sup>2</sup>) or 6x6mm (36mm<sup>2</sup>).

<sup>3</sup> Mobile devices tend to use 32 or 64 bit processors (<https://timestech.in/all-about-mobile-phone-processors>). Smart cards typically utilize an 8 bit processor (<https://www.oracle.com/java/technologies/java-card/smartcards.html>).

IDEX’s algorithms are also differentiated by the flexibility of how they may be used. In a smart card implementation, because of security requirements, matching algorithms are typically executed in a secure microcontroller (referred to as a secure element (“SE”)). However, IDEX’s TrustedBio is designed to allow matching algorithms to be executed in a distributed (i.e., shared) mode, whereby computationally intensive functions can be executed on IDEX’s module’s faster ASIC, reducing the computational requirements of the SE. This allows customers the flexibility to optimize designs based on application requirements and available processing resources, reducing overall system costs.

### 6.1.2 Smart cards and applications technology

A smart card can be described as a compact microelectronic system, generally with the dimensions of a credit card or driver’s license, in which one or more embedded integrated circuits (“ICs”) enable secure storage, processing, and communication of encrypted data.

As IDEX primarily targets the financial payments market segment, its fingerprint authentication solutions are designed in compliance with industry standards of EMV Company, LLC (“EMV”), a consortium established by Europay, Mastercard, and VISA to develop and maintain communications, security, and encryption specifications for the use of smart cards across financial payment networks. Because IDEX’s solutions are used in smart cards utilizing the JavaCard card operating system and Java-based “applets,” IDEX complies with the standards of GlobalPlatform, an independent standards body, for secure channel communications and the use of cryptographic data.<sup>4</sup>

#### 6.1.2.1 Smart card design

The enabling of ICs in a smart card are typically a secure microcontroller, the SE, which functions as the system-level processor, and one or more secondary microcontrollers dedicated to functions such as power management or biometric processing. SE processors execute the card operating system and one or more applets, which are compact programs that execute proprietary functions (e.g., an applet for a payment network will coordinate communication of encrypted data using an encryption key only known by that payment network). SEs generally have robust memory blocks for encrypted data storage, with multiple memory types, but separate memory ICs may be necessary, depending on the smart card’s application.

Also embedded in the layers of a smart card is an antenna, for wireless communication and power harvesting, connecting circuitry (referred to as an inlay), and, depending on the design of the smart card, various passive electronic devices. Multi-layer smart cards are generally made of thermoplastics (polyvinyl chloride, or PVC, is the most common material used), although metal and ceramic compounds recently have been introduced.

Contact-only and dual-interface (i.e., contact and contactless functionality) smart cards do not have batteries and are powered, in the case of contact-only and dual-interface designs, through physical contact with a card reader, or, for dual-interface designs in contactless mode, though energy harvesting (i.e., resonant inductive coupling) enabled, most commonly, by near field communications (“NFC”) interface protocols.

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<sup>4</sup> Java Card is “an execution platform that can store and update multiple applications on a single resource-constrained device, while retaining the highest certification levels and compatibility with standards” – it is defined by Oracle for smart card applications. The Java Card Operating System runs on the secure processor within the smart card (also referred to as the Secure Element), and hosts Java-based applets which manage functions such as the EMV payment transaction. <https://www.oracle.com/java/java-card/>

### 6.1.2.2 Usage and applications

The defining characteristic of a smart card is the security afforded by the SE and its use of data encryption to secure storage and communications, making it an ideal solution for a very broad range of applications. Smart cards are used worldwide in high volumes across the following applications (in descending order of estimated total unit volumes for 2022): financial payments; government identification (including healthcare and social-security applications); transportation and ticketing; and access control (for logical and physical applications)<sup>5</sup>.

The development of widely accepted standards for smart card performance uniformity and cross-vendor compatibility has contributed to the sustained growth of smart cards in circulation, notably for financial payment applications.

### 6.1.3 IDEX's strategy

IDEX's strategy emphasizes demonstrable solution advantages that address evolving customer and end-user requirements, aiming to achieve a sustainable competitive position and reduced commoditizing price pressures. Since the Company was founded, its strategy and competitive positioning has been based on continuous advances in technologies, innovations in design, and achievements in performance, enabled by focus on research and development.

IDEX believes the combination of its broad and substantive intellectual property portfolio, its expertise across a comprehensive range of challenging and complex domains, and its integrated, systems engineering approach represents a significant competitive advantage for IDEX. IDEX's intellectual property portfolio consisted as of December 31 2022 of 175 patents awarded and 62 patents pending, across applicable jurisdictions worldwide. Reflecting IDEX's core competencies, IDEX has substantial intellectual property across the following areas: design of biometric sensors, ASICs, and modules; signals and data processing; and a broad range of solution features and functionalities.

IDEX's core competencies, characterized by deep domain expertise and a multi-disciplined, systems engineering approach, are built on organizational strengths in the following domains: biometric imaging and processing; sensor architectures; integrated circuit design; materials, manufacturing, and packaging; algorithm, firmware, and software development; encryption technologies; NFC and power management; and industrial design.

IDEX's value proposition is based on the differentiated functionality and performance of its fingerprint authentication solutions and its distinctive systems engineering approach to offering integrated solutions addressing multiple customer needs. These customers needs may vary among the market segments IDEX targets, but are generally associated with the enhancement of its customer's competitive advantages, based on the differentiated functionality and performance of IDEX's solutions, and reduced total cost of ownership ("TCO"), based on the Company's distinctive systems engineering capabilities, enabling comprehensive, integrated solutions.

TCO represents the sum of the purchase price of IDEX's products, which IDEX believes are competitive, and the costs customers may encounter when implementing a fingerprint authentication solution in their own products. In contrast to vendors of individual elements of a solution, IDEX's core competencies enable it to contribute to lowering the costs and challenges of system design for customers, while accelerating their time-to-market.

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<sup>5</sup> ABI Research – <https://www.abiresearch.com/market-research/product/market-data/MD-SCMD/>

IDEX believes many customers in the market segments targeted could benefit from the TCO element of IDEX’s value proposition, as only a few global card manufacturers currently have the depth of resources and experience to develop a fingerprint authentication solution on an expedited timeline. Design of a smart card incorporating fingerprint authentication can be challenging, as the interaction between the fingerprint sensor, the smart card electronics, and the environment is complex, particularly given the limitations on power, processing capacity, and form factor, and the stringent requirements for response time and accuracy.

An important element of IDEX’s strategy, linked to its delivery of comprehensive, integrated solutions, is development and use of strategic partnerships, which is intended to extend the scope of the integration of its TrustedBio modules and related elements of its software across the smart card supply chain, thereby enhancing IDEX’s value proposition and, potentially, accelerating adoption of fingerprint authentication and demand for our solutions.

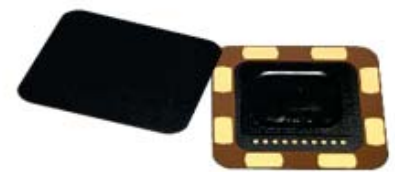
#### 6.1.4 IDEX product solutions

IDEX’s solutions consist of integrated fingerprint authentication modules, which IDEX’s customers use in their end-products, as well as IDEX’s enrollment device, with which a user can securely and easily store his or her fingerprint on a smart card, thereby activating the smart card’s fingerprint authentication capabilities. In 2021, IDEX announced its plan to offer a complete solution for card manufacturers. Under this plan, IDEX will offer the components and know-how required for the manufacturing of fully functioning biometric smart cards; Fingerprint sensors, card inlay, antennae, EMV module with an SE released by Infineon Technologies AG, and proprietary software, including IDEX’s card operating system, special purpose applets, and biometric algorithms. Sales of this solution began in early 2022.

##### 6.1.4.1 TrustedBio Product Family

In 2020, IDEX announced the TrustedBio family of modules, and, in 2021, released an enhanced version, the TrustedBio Max.

The capacitive sensor in a TrustedBio module is covered by a robust, protective coating, allowing for years of usage. IDEX’s bendable sensor is relatively inexpensive to manufacture and allows for an approximately 90 square millimeter sensor surface area, which is more than twice the size of competitive silicon sensors<sup>6</sup>. The size of the silicon chip (ASIC) within IDEX’s sensor is not directly related to the size of the sensor itself, which means that IDEX uses less silicon in the design for a given sensor size. In addition to this, IDEX uses high volume, mass-market, industry standard package technology to maintain cost-effectiveness. The capacitive sensor in a TrustedBio module produces a larger image, yielding more data, which IDEX believes enables superior scanning, feature extraction, and matching performance. Semiconductor-based sensors can have higher electrode density, but their



*A TrustedBio module, showing the sensor surface (left) and, on the reverse side (right), our ASIC and connection circuits*

<sup>6</sup> IDEX’s silicon ASIC is less than 10mm<sup>2</sup> yet supports sensor sizes of >90mm<sup>2</sup>. Competing sensors are typically 5x5mm (25mm<sup>2</sup>) or 6x6mm (36mm<sup>2</sup>).

[https://www.fingerprints.com/uploads/2020/10/fingerprints\\_productsheet\\_fpc1323.pdf](https://www.fingerprints.com/uploads/2020/10/fingerprints_productsheet_fpc1323.pdf)

smaller sensor areas yield meaningfully less data for image processing, while increasing processing challenges to achieve equivalent results. Additionally, the flexibility of the polymer substrate, into which the wire mesh array is embedded, allows the TrustedBio module to easily meet industry specifications for torsion of plastic smart cards<sup>7</sup>.

The ASIC used in a TrustedBio module is mounted on the reverse side of the polymer substrate in which IDEX’s sensor array is embedded. The ASIC includes a proprietary microprocessor executing IDEX’s third generation scanning and template-creation (i.e., image processing and feature extraction) algorithms, IDEX’s patented anti-spoofing algorithm, NFC power harvesting and voltage management, and data encryption. Depending on a customer’s design or application requirements, IDEX’s ASIC can also store and execute proprietary matching algorithms.

The ASIC in IDEX’s latest TrustedBio Max module provides a high level of single-device functionality for fingerprint authentication in a smart card<sup>8</sup>. Fabricated on a 40-nanometer process node by TSMC, the approximately 10 square millimeter ASIC utilizes an ARM Cortex-M3 32-bit processor, operating at up to 200 MHz, enhanced memory, and a proprietary parallel-processing logic core for accelerating IDEX’s template-creation and anti-spoofing algorithms.

The capabilities of the TrustedBio Max module reflect IDEX’s strategy of creating competitive differentiation for its customers, while reducing TCO. The TrustedBio Max enables smart cards with fingerprint authentication that are secure, accurate, and power efficient, while providing a differentiated user experience characterized by fast transaction speed<sup>9</sup>. The functionality of TrustedBio Max reduces computational burdens on a smart card’s SE, thereby allowing smart card manufacturers to utilize standard, low-cost SEs, rather than more costly SEs with expanded capabilities to address biometric processing<sup>10</sup>. The capabilities of the ASIC allow for a smart card with fingerprint authentication to be designed without separate microcontrollers for biometric processing and power management functions, reducing design complexity and costs. IDEX’s algorithms and software elements minimize software development by its customers, as well as reducing associated risks and delays. The TrustedBio Max solution is targeted at smart card manufacturers seeking faster time-to-market with a comprehensive fingerprint authentication design that maximizes performance, while reducing development and manufacturing costs.

Also in 2021, IDEX announced a reference design based on integration of the SLC38 security controller, the latest SE released by Infineon Technologies AG, and the latest version of IDEX’s TrustedBio module. Applicable to implementation of fingerprint authentication in smart card applications across all three of IDEX’s targeted market segments, the high level of integration of this reference design enables differentiated authentication performance (e.g., low latency, high accuracy, and high electrical efficiency), while reducing integration challenges for the card manufacturer, thereby reducing costs and time-to-market.

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<sup>7</sup> <https://www.zwipe.com/news/Idemia-s-VISA-and-Mastercard-certifications-fully-validate-the-core-components-of-Zwipe-Pay-ONE>

<sup>8</sup> IDX3409 datasheet

<sup>9</sup> ibid

<sup>10</sup> IDX3409 supports THD89 and SLC38 SE without need for discrete MCU; IDX3407 supports ST31N600 SE without need for discrete MCU



This reference design, developed with a major SE supplier<sup>11</sup>, represents an important achievement toward IDEX’s strategic goal of offering to smart card manufacturers the most comprehensive solutions for fingerprint authentication, creating competitive advantages for their own smart card products, while lowering the barriers to adoption of fingerprint authentication by decreasing TCO, reducing complexities, and accelerating time-to-market.

#### 6.1.4.2 Complete Biometric Smart Card Solutions

In 2021, IDEX began the development of a complete solution for the manufacturing of fully functional biometric smart cards. The hardware is based on the IDEX-Infineon reference platform described in Section 6.1.4.1. The complete solution adds elements of proprietary software, including IDEX’s JavaCard operating system, special-purpose Java applets, biometric algorithms, and enrolment solutions. The Company believes that IDEX’s expanding capabilities in software development has the potential to meaningfully add to its value proposition, broadening customer engagements and increasing revenue.



#### 6.1.4.3 IDEX Pay complete solution for card manufacturers

In 2017, IDEX introduced a product which included its patented enrolment solution, consisting of an enrolment sleeve and related software, enabling self-enrolment and avoiding the need for the customer to visit a bank branch or similar before using the card. User enrolment is the process of image capture and storing of a user’s fingerprint, in the form of a template, within the memory of the smart card, thereby enabling its use. IDEX believes it was one of the earliest companies to release such a device, which was developed by IDEX in partnership with Mastercard Inc. IDEX believes that self-enrolment removes a significant barrier to adoption of fingerprint authentication, particularly within the financial payments market segment. IDEX has continued work to further improve the enrolment process. In addition to the enrolment sleeve, the Company expects soon to be able to offer several options including enrolment via mobile phone, assisted enrolment (in-branch enrolment), and ultimately, enrolment at Point of Sale (PoS).



*Our enrolment solutions enable the creation of a user fingerprint template, which is encrypted and stored only on the smart card, never in the cloud.*

By using one of IDEX's proprietary solutions, a user can complete the enrolment process in less than a minute, following simple instructions. Enrollment is completed entirely within the biometric smart card and, importantly, the encrypted fingerprint template is immediately stored only on the card, never in the cloud or on any connected device such as a smart phone or PC.

IDEX believes low-cost, simple, convenient, and secure user enrolment processes are necessary to accelerate the adoption of fingerprint authentication in smart cards. To further lower the costs of enrolment and improve user experience, IDEX is developing software-based enrolment solutions, for which IDEX has protected the associated intellectual property rights, to allow for enrolment over the

<sup>11</sup> <https://www.cognitivemarketresearch.com/embedded-secure-element-market-report>

user’s mobile phone or, specifically for enrolment of financial payment card users, through a point-of-sale terminal.

## 6.2 Principal Markets

IDEX’s current product portfolio is targeted at three applications or “market segments,” within the smart card market: financial payments (i.e., credit, debit, and stored value transaction cards), digital access (i.e., devices for identification and authorization of users for access to high-value electronic networks or sensitive physical facilities), and digital currency storage (i.e., devices for highly-secure authorized access to cryptocurrency trading platforms and the secure storage of digital currencies, both private and government-sponsored). The financial payments market segment is the largest of the three targeted by IDEX, and it is the most developed of the three markets. The digital access and digital currency storage segments currently are far smaller, and application-specific form factors, performance requirements, and standards are evolving.

IDEX’s customer focus is primarily on manufacturers of smart cards. Other customers include integrators of authentication technologies and developers and vendors of security systems, across a broad market for identification-based authorization solutions. IDEX also has individual corporate customers that design authentication solutions for their own consumption. Because the IDEX sensors are thin and bendable, IDEX’s products are not limited to use in smart cards, but also are applicable to a range of applications across varying form factors including access control, identity and access management (“IAM”) platforms, digital currency storage and network authentication.

There have not been any material changes in the Company’s regulatory environment since 31 December 2022.

### 6.2.1 General Smart Card Market

IDEX’s largest market opportunity is the biometric payment card market and more specifically its addressable market includes chip enabled cards which also include contactless payment cards. IDEX believes the addition of a biometric sensor to the payment cards will significantly reduce the opportunity for fraud while making the transaction more convenient while using existing point of sale infrastructure. The Company further believes the continued migration towards contactless payment cards will provide additional opportunities for its technologies.

ABI Research estimates that approximately 11 billion smart cards, in the form of credit and debit cards, ATM cards, and stored value cards, were in circulation as of December 31, 2022, with 3.1 billion financial payment cards shipped during the year<sup>12</sup>.

According to ABI Research, 71% of the total volume of smart cards shipped (excluding SIM cards) were for payments, while less than 5% of smart cards shipped in 2022 were access control applications<sup>13</sup>. Physical access control applications commonly utilize keycards, also known as proximity cards, which are wireless devices enabling a relatively low level of security for contactless identification. Shipments for use in digital currency storage applications, an emerging market segment, were not material in volume.

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<sup>12</sup> <https://www.abiresearch.com/market-research/product/market-data/MD-SCMD/>

<sup>13</sup> *ibid*

Further, according to ABI Research, worldwide shipments of dual-interface cards for financial payments represented over 80% of the 3.1 billion smart cards shipped in 2022, and IDEX expects this percentage to increase<sup>14</sup>. ABI Research also estimates the worldwide volume of contactless smart card transactions grew by 36% from 2021 to 2022<sup>15</sup>. However, contactless smart card transactions generally are limited by financial institutions and payment processing networks to small value transactions, given the absence of a required signature or personal identification number (“PIN”) as a second authentication factor.

IDEX’s go-to-market strategy emphasizes the creation and maintenance of relationships with and between companies and organizations that are positioned to support the acceleration of the adoption of fingerprint authentication in smart card applications. An important element of this strategy is establishing collaborative agreements with well-positioned partners, leveraging their expertise and resources. Examples of these partnerships include: IDEMIA France SAS and E-Kart Elektronik Kart Sistemleri A.S., customers with which IDEX has critical go-to-market engagements; Mastercard Inc., which is a valuable contributor to demand creation and the advancement of fingerprint authentication in financial payments; and Infineon Technologies AG and Tongxin Microelectronics Co., Ltd., leaders in SE design and smart card electronics, with which IDEX is developing integrated solutions.

IDEX’s targeted customers in the financial payments market segment primarily are smart card manufacturers. IDEX believes this market segment has the potential to be significantly larger and more well-defined than the other two targeted market segments. According to Nilson Report, three global companies, IDEMIA France SAS (France), Giesecke+Devrient GmbH (Germany), and Thales Group SAS (France), represent approximately 50% of total 2022 revenue associated with shipments of smart cards for financial payments, and the top six represent close to 70% of such revenue<sup>16</sup>. Other regionally-focused smart card manufacturers represented the balance. As previously disclosed, IDEMIA currently is IDEX’s largest customer in the financial payment market segment.

### 6.2.2 Targeted Market Segments and Customers

IDEX currently targets fingerprint authentication applications involving smart cards without batteries (i.e., cards conforming to ISO/IEC standards for electronic identification cards), for which, in IDEX’s opinion, its solutions are especially well-suited. Customers for these and adjacent applications are within three emerging market segments, for which the solutions IDEX offers and the applications served are summarized in the following table:

<i>Market Segment</i>	<i>IDEX Solutions</i>	<i>Representative Applications</i>
Financial Payments	<ul style="list-style-type: none"> <li>• Smart cards                             <ul style="list-style-type: none"> <li>– Dual-interface, NFC powered</li> <li>– Thermoplastic or metal</li> </ul> </li> <li>• Customized COS and Applets</li> <li>• Enrolment sleeve or tablet-based solution</li> </ul>	<ul style="list-style-type: none"> <li>• EMV-compliant transaction applications                             <ul style="list-style-type: none"> <li>– Credit, debit and stored value cards</li> </ul> </li> <li>• Dual- and multi-use applications                             <ul style="list-style-type: none"> <li>– Co-branded with partners</li> </ul> </li> </ul>

<sup>14</sup> *ibid*

<sup>15</sup> *ibid*

<sup>16</sup> Nilson Report (1232)



<i>Market Segment</i>	<i>IDEX Solutions</i>	<i>Representative Applications</i>
Cyber Authentication	<ul style="list-style-type: none"> <li>• Smart cards and similar devices                             <ul style="list-style-type: none"> <li>– ID-1 form factor or customer design</li> <li>– RFID/NFC or battery powered</li> </ul> </li> <li>• Customized COS and Applets</li> <li>• Enrolment sleeve or tablet-based solution</li> </ul>	<ul style="list-style-type: none"> <li>• Secure user authorization for high value assets                             <ul style="list-style-type: none"> <li>– Critical networks or applications</li> <li>– High security facilities</li> <li>– Easily integrated with IAM platforms</li> <li>– FIDO Alliance compliance</li> </ul> </li> </ul>
Digital Currency Storage	<ul style="list-style-type: none"> <li>• Enhanced smart cards and similar devices                             <ul style="list-style-type: none"> <li>– ID-1 form factor or customer design</li> <li>– RFID/NFC or battery powered</li> <li>– Optional displays and keypads</li> <li>– Optional Bluetooth connectivity</li> </ul> </li> <li>• Customized COS and Applets</li> <li>• Enrolment sleeve or tablet-based solution</li> </ul>	<ul style="list-style-type: none"> <li>• Secure devices for government digital currency                             <ul style="list-style-type: none"> <li>– Example: e-CNY initiative of Chinese central bank                                     <ul style="list-style-type: none"> <li>• Card-like “wallets” issued by state-owned banks</li> </ul> </li> <li>– Dual- and multi-use applications                                     <ul style="list-style-type: none"> <li>• Secure storage of health and welfare records</li> </ul> </li> </ul> </li> <li>• Highly secure cryptocurrency management devices                             <ul style="list-style-type: none"> <li>– Authorized user access to trading platforms</li> <li>– Secure storage of cryptocurrencies</li> </ul> </li> </ul>

Within the digital access and digital currency storage market segments, IDEX’s targeted customers include vendors of access control and identity and access management (“IAM”) platforms, vendors and integrators of authentication technologies, and developers of application-specific devices. As previously disclosed, IDEX also has a long-standing relationship with a customer that designs network authentication solutions for its own consumption. As indicated in the preceding table, IDEX’s fingerprint authentication solutions are not limited to use in smart cards without batteries and are suitable for a range of applications within the access control and digital currency storage market segments, across varying form factors and power requirements.

Smart cards are used in a variety of other applications appropriate for fingerprint authentication, each of which could develop in the future into a compelling market segment for IDEX. A primary example of a potential opportunity outside of IDEX’s targeted market segments is within health care, for which a non-transferable form of identification, on which an individual’s personal details, health records, and insurance or similar social-security data is encrypted and stored, addresses an important need for both providers and patients for immediate, secure access to necessary information. IDEX has investigated, and will continue to investigate, such opportunities for new use cases, but IDEX’s limited available resources, given its focus on the described targeted market segments, currently inhibit its ability to adequately support such activities.

The market segments IDEX currently targets are not subject to seasonal shifts in demand.

## 6.3 Organization

### 6.3.1 Research and Development

The Group’s research and development activities are conducted primarily in the United Kingdom and the United States. As of December 31, 2022, the Group had an engineering staff of 64 employees and six individual contractors, representing approximately 70% of IDEX’s staff. As of December 31, 2021, the numbers were 77 employees and eight contractors, representing 77% of the staff. While IDEX maintains a high level of development activities, IDEX has made a moderate shift of resources to commercialization activities.

Innovation through research and development is critical to remain competitive and to help customers maintain cost and performance leadership. IDEX’s technology roadmap includes:

- further reduction of system costs through optimized architecture and integration;
- continuous solution performance improvements through enhancing sensor and ASIC designs;
- further refinement and enhancement of IDEX’s scanning, feature extraction, and matching algorithms;
- development of compelling software to complement IDEX’s solution strategy, including innovative software-only enrolment solutions and card-not-present applications; and
- developing and integrating technologies (e.g., displays) for use in next-generation smart cards.

### 6.3.2 Manufacturing and Supply Chain

IDEX’s fabless operational strategy is to maximize efficiency and cost competitiveness by designing its products using industry standard design processes, incorporating verified high-volume components and materials, and utilizing established manufacturing processes. In support of the anticipated demand for IDEX’s solutions, IDEX has established a supply chain capable of satisfying forecast demand. IDEX currently utilizes external partners for the fabrication, assembly, and testing of its products, which IDEX believes is the strategy which provides the best combination of performance, cost, and feature attributes necessary for its products.

IDEX further develops the production test solutions for use by its assembly and test partners. In addition, to accelerate the development of future mass production test solutions for IDEX’s products, IDEX has invested in sophisticated test equipment at its facility in Rochester, New York. Production test routines are fully verified in-house, prior to installation on production lines at partners’ facilities, reducing cycle time, engineering support, and costs.

IDEX’s selected manufacturing partners for sensor production are Amkor Technology, Inc. and Silicon Precision Industries Limited, both of which are leaders in outsourced semiconductor assembly and test services.<sup>17</sup> TSMC, one of the leading semiconductor manufacturers in the world, is IDEX’s partner for ASIC wafer production.<sup>18</sup> The TSMC relationship gives access to the newest and most competitive silicon manufacturing processes and geometries, while providing the capacity and cost structure to serve high volume opportunities. The TSMC facility producing IDEX’s semiconductor wafers is located in China, which exposes IDEX to risk associated with international trade policy, tariffs, and related policy matters, all of which are outside of IDEX’s influence or control.

<sup>17</sup> <https://www.globenewswire.com/news-release/2022/09/14/2516363/0/en/Outsourced-Semiconductor-Assembly-And-Testing-Global-Market-Report-2022.html>

<sup>18</sup> <https://www.counterpointresearch.com/global-semiconductor-foundry-market-share/>

IDEX selects its manufacturing partners based on a comprehensive supplier capability analysis, in order to meet the high quality and reliability standards required of the Company’s products. IDEX’s engineers and supply chain personnel work closely with manufacturing and supply chain partners to increase yield, reduce manufacturing costs, improve product quality, and ensure that component sourcing strategies are in place to support the Company’s manufacturing needs.

IDEX believes its fables manufacturing model enables the Company to focus its resources and expertise on the design, development, sales, marketing and support of its products. IDEX also believes this manufacturing model provides the flexibility required to quickly respond to new market opportunities and shifts in customer demand. It also simplifies the scope of the Company’s operations and administrative processes and significantly reduces the Company’s working capital requirements.

### 6.3.3 Intellectual Property

IDEX’s intellectual property rights cover individual inventions and complete biometric systems ranging from measurement principles, algorithms, sensor design, and system solutions. The extensive intellectual property portfolio, leveraging 175 patents awarded and 62 patents pending, across applicable jurisdictions worldwide (as of December 31, 2022), is a critical enabler of IDEX’s strategy and competitive positioning. IDEX maintains a program designed to identify technology appropriate for patent and trade secret protection, and IDEX files patent applications in the United States and certain other countries for inventions that are considered significant. IDEX continuously seeks to protect aspects of its technology that may provide significant competitive advantage.

Although the Company’s business is not materially dependent upon any one intellectual property right, the Company’s intellectual property rights and the products made and sold under them, taken as a whole, are a significant element of IDEX’s business and its ability to compete. The Company relies on patents, trademark and copyright laws, trade secret protection efforts, contractual terms, and confidentiality agreements to protect its intellectual property rights. In addition, IDEX requires employees and consultants to execute appropriate non-disclosure and proprietary rights agreements. These agreements acknowledge IDEX’s exclusive ownership of intellectual property developed for, and by, the Company, requiring confidential treatment of all proprietary information.

In addition to patents, IDEX also possesses other forms of intellectual property rights, including trademarks, know-how, trade secrets, design rights and copyrights. IDEX controls access to and use of its software, technology, and other proprietary information. The Company’s software is protected by the copyright, patent, and trade secret laws of appropriate jurisdictions. Despite the Company’s efforts to protect its software, technology, and other proprietary information, unauthorized parties may copy or otherwise obtain and use its software, technology, and other proprietary information. In addition, as the Company further expands its international operations and markets, effective patent, copyright, trademark and trade secret protections may not be available, may be limited, or may not be enforceable in certain foreign countries.

The wordmark “IDEX,” the IDEX logo, and the brand name TrustedBio are registered trademarks of, and owned by, IDEX Biometrics ASA.

## 6.4 Business progress, recent trends and outlook

IDEX’s competitive positioning has been, and is, based on continuous advances in technologies, innovations in design, and achievements in performance, enabled by the Company’s focus on research and development. After the commoditization (and subsequent competitive consolidation) of the

mobile device market in the latter half of the last decade, IDEX undertook a strategic pivot toward applications for which the Company's differentiated characteristics could provide demonstrable and sustainable competitive advantages, reducing IDEX's exposure to commoditization. IDEX's focus today is on incorporating fingerprint authentication into smart cards, which present the challenging form factors, demanding performance requirements, and extreme power limitations for which IDEX's solutions are ideally suited.

IDEX has established customer relationships with innovators and early adopters sharing the Company's vision for the potential of fingerprint authentication in smart card applications, and, over the last three years, IDEX has experienced increasing strategic momentum, successfully attracting new customers and increasing its revenue for ten consecutive quarters up to 30 June 2022. In the second half of 2022, shipments were limited by supply chain delays and component shortage. Revenue in 2022 increased 44% from 2021.

Since IDEX released a reference design integrating the TrustedBio fingerprint authentication module and the SLC38, the latest SE from Infineon Technologies, the Company has marketed this reference design to smart card manufacturers. By the end of 2022, the Company had 12 design wins (i.e., contractual commitments) for this reference design with smart card manufacturers worldwide and anticipate these designs could be in full production by the end of 2023.

Customer order volume accelerated across 2022 from both existing customers and, notably, new customers adopting the TrustedBio—SLC38 reference design. The backlog, consisting of confirmed customer orders scheduled for delivery within the following 12 months (and amounts, if any, of deferred revenue scheduled for recognition during the period), totaled \$3.3 million as of 31 December 31 2022.

IDEX recorded revenue of \$4.1 million for 2022, compared to \$2.8 million for 2021, and \$1.1 million for 2020. Product revenue, as a percentage of total revenue, represented 95.0 %, 99.9 % and 92.5 % for 2022, 2021, and 2020, respectively. Revenue associated with IDEX's early-adopting customer in the digital access market segment, inclusive of services revenue associated with product development, represented 48.2%, 85.4%, and 89.7% of the total revenue for 2022, 2021, and 2020, respectively. The Company began to ship production volumes of its TrustedBio solution in 2021 and experienced significant growth in 2022, and further expects such volumes to represent an increasing percentage of total revenue in the future.

The Group does not own or operate capital-intensive manufacturing facilities, but operate as a *fables* manufacturer, outsourcing manufacturing and product assembly activities. The Company currently relies on TSMC, the leading producer of semiconductor wafers, as the sole source of wafers for IDEX's proprietary ASICs. The Company also relies on a limited number of providers of semiconductor packaging, design, and test services, including Amkor Technology, Inc., and Silicon Precision Industries Limited, both of which are leaders in outsourced semiconductor assembly and test services. Like many other companies in the electronics markets, IDEX has experienced some disruptions in the supply chain which restricted the Company's revenue in the second half of 2022. The Company has ordered, and may continue to order, relatively high values of raw materials and carry relatively large quantities of finished goods with the aim that customer delivery schedules can be met. While inventory levels likely will continue to expand as order backlog increases and expectations of higher orders and shipments increase, the Company does not believe the quantities of inventory represent, for the foreseeable future, a material risk to its financial position.

Due to inflationary pressures, primarily in the semiconductor supply chain, it is expected that costs and expenses likely will increase, which could negatively influence cash flow and profitability, even if the Company is able to significantly increase revenue. Given the fabless model, manufacturing costs for the products that IDEX currently sells are most influenced by the discounts that vendors offer for sustained, high-volume production orders. Variable costs are associated primarily with cost of materials, net of inventory change. The Company's operating cost structure is largely fixed, reflecting the business model and strategic focus on research and development. Because it is believed that the Company's leadership in fingerprint authentication technologies is an important competitive differentiator, the Company intends to maintain research and development activities to maintain this leadership.

The Company utilizes a direct sales force and have customers around the world. At the present time, IDEX does not sell its products through stocking distributors. Given the early-stage characteristics of the market segments targeted, including the extended and unpredictable sales cycles frequently associated with marketing new and innovative technology-based products, IDEX expanded its marketing and sales staff in 2021 and increased its marketing spending in 2022.

As a Norwegian public company, with its shares listed on Oslo Børs, and an SEC registrant, with ADSs listed on Nasdaq Capital Markets, the Company is required to comply with two sets of applicable laws, rules, and regulations. From time to time, this may result in a complex compliance framework, with the consequence being higher costs associated with analysis of dual legal regimes, ongoing revisions to disclosure requirements, and adherence to different governance practices. The Company devotes a substantial amount of time to compliance, which has increased its legal and accounting costs. These compliance costs and commitments of management time likely will continue to expand.

The Company's largest expenses are associated with personnel costs, including salaries, variable, performance-based compensation, sales commissions, benefits, and charges for the recognition of share-based compensation costs. The total staff, consisting of employees and individual contractors (the latter located in countries in which the Company does not have operations), totaled 99 as of 31 December 2022, of which 16 were assigned to the head office in Oslo, 42 were assigned to the two offices in the United States, 36 were assigned to the office in the United Kingdom, and five were assigned to the offices in China. The Company expects to maintain a stable staff level during 2023, but there may be shifts from engineering to marketing and sales.

It is anticipated that the Company's profitability could improve as revenue increases, as IDEX's forecasts for operating expenses are based on the assumed ability to increase revenue without proportional increases in operating cost structure. However, because of the uncertainties associated with accurately forecasting revenue levels, inventory planning, and achieving operational economies of scale, the Company cannot predict whether, or when, profitability might be achieved.

## **6.5 Material contracts outside the ordinary course of business**

During the last two calendar years and up until the date of this Prospectus, neither IDEX nor any Group company, has entered into any material contracts outside of the ordinary course of business. The Company or any Group company has not entered into any other contract which contains a provision under which any member of the Group has any obligation or entitlement which is material to the Group as of the date of the Prospectus.



## 6.6 Regulatory disclosures

In addition to annual and interim reports, and associated announcements, the Company has made the following public disclosures pursuant to the requirements of the Norwegian Securities Trading Act and the Market Abuse Regulation, over the last 12 months that are relevant as of the date of this Prospectus:

### Capitalization issues and other corporate actions

Date	Title	Description
6 July 2022	IDEX Biometrics – CFO Transition	Announcement that the current Chief Financial Officer of the Company, Jamie Simms, would step down from his position effective 15 August 2022, and that the Company had appointed Eileen Wynne as interim Chief Financial Officer effective from the same date.
19 August 2022	IDEX Biometrics: Subscription Rights Exercise - 19 Aug. 2022	The Board had resolved to issue a total of 289,608 shares at an average price of NOK 0.15 per share to an employee who had exercised incentive subscription rights issued under the Company's 2019 incentive subscription rights plan.
1 September 2022	IDEX Biometrics: Employee Share Purchase Plan - 1 Sep 2022	The Board had resolved to issue 3,181,755 shares at a subscription price per share of NOK 0.73 to employees who participated in the Company's 2021 Employee Share Purchase Plan.
16 November 2022	IDEX Biometrics ASA: Private placement of USD 15m successfully placed	A private placement raising gross proceeds of around NOK 150 million, through the allocation of 150,000,000 new shares at the price of NOK 1,00 per share, had been successfully placed. The private placement was further announced to be divided into two tranches, the first tranche consisting of 101,254,865 new shares, and the second tranche consisting of 48,745,135 new shares. The second tranche of the private placement was announced to be subject to, inter alia, the completion of the first tranche of the private placement as well as the approval of an extraordinary general meeting to be held in the Company.
18 November 2022	IDEX Biometrics: Subscription Rights Exercise - 18 Nov 2022	The Board had resolved to issue a total of 246,167 shares at the price of NOK 0.15 per share to an employee who had exercised incentive subscription rights issued under the Company's 2019 incentive subscription rights plan.



9 December 2022	Extraordinary general meeting in IDEX Biometrics held on 9 December 2022	An extraordinary general meeting had been held on 9 December 2022 and the second tranche of the private placement announced on 16 November 2022, consisting of the issuance of 48,745,135 new shares, was approved.
1 March 2023	IDEX Biometrics: Employee Share Purchase Plan - 1 March 2023	The Board had resolved to issue 2,648,336 shares at a subscription price per share of NOK 0.71 to employees who participated in the Company's 2022 Employee Share Purchase Plan.
17 April 2023	IDEX Biometrics Deputy Chair Lawrence J. (Larry) Ciaccia to become Chairman	The nomination committee of the Company had selected Larry Ciaccia as the Company's next chair of the Board pending approval from the shareholders at the Company's annual general meeting to be held on 23 May 2023.
24 May 2023	IDEX Biometrics ASA: Private placement of NOK 125 million successfully placed	A private placement, raising gross proceeds of NOK 125 million, through the allocation of 147,058,824 new shares in the Company, at a price of NOK 0.85 per share, had been resolved. Further, it was announced that the private placement consisted of two tranches, wherein the first tranche consisted of 116,897,492 new shares which had been resolved issued by the Company's Board, and the second tranche consisted of 30,161,332 new shares, the issuance of which remained subject to approval by an extraordinary general meeting expected to be held on or about 16 June 2023.
26 May 2023	Notice of extraordinary general meeting in IDEX Biometrics on 16 June 2023	An extraordinary general meeting would be held in the Company on 16 June 2023 at 10:00 hours as an online meeting, and the extraordinary general meeting would consider and resolve the second tranche of the private placement announced on 24 May 2023, as well as renewal of authorizations to the Board to issue shares, and election of Board member(s) and Board remuneration.
16 June 2023	Extraordinary general meeting in IDEX Biometrics held on 16 June 2023	An extraordinary general meeting had been held on 16 June 2023 which, inter alia, had approved and resolved to issue the Tranche Two Shares of the Private Placement completed on 24 May 2023.

**Inside information**

<b>Date</b>	<b>Title</b>	<b>Description</b>
11 August 2022	IDEX Biometrics Receives Large Order for Digital Authentication	A new material order for IDEX's fingerprint sensor technology, to be deployed in the customer's digital authentication application, had been received by IDEX. Further announced was that the customer was a large US-based company with a global footprint, and that the order represented the largest single order in IDEX's history.
1 November 2022	Major UAE bank launches biometric payment card on IDEX Biometrics sensor technology	One of the largest banks in the Middle East had deployed a full-scale biometric payment card launch with the IDEX partner IDEMIA, powered by IDEX's sensor technology. Further it was announced that the launch was the first volume deployment of biometric payment cards to consumers in the Middle East, confirming the expected commercial acceleration in 2022 and a market inflection in 2023.
16 November 2022	IDEX Biometrics receives volume production order as IDEMIA accelerates biometric payment card expansion	IDEX had received a volume production order from its partner IDEMIA which, at the time of disclosure, represented the largest order to date for IDEX's TrustedBio sensors. Further it was announced that the order represented more than USD 2 million in revenue for IDEX and that the order would begin shipping in Q1 2023.
10 January 2023	IDEX Biometrics is accelerating expansion of biometric payment cards with a second Turkish bank	Announcement of a second biometric payment card program in Turkey with a regional bank. Further it was announced that cards from this bank would be available throughout Turkey and was estimated to be in consumer hands in the first half of 2023.
3 March 2023	IDEX Biometrics turnkey solution begins volume production with Linxens and Infineon Technologies	Linxens, a global leading technology company specializing in the manufacture of secure electronic components for smart cards, had placed a volume production order with Infineon for SLC38 chips including the IDEX card operating system software. It was further announced that Linxens orders, totaling 1 million units of the SLC38 secure element, would be

		assembled into custom EMV modules for the IDEX Biometric Payment turnkey solution manufactured by Linxens to support demand for the complete IDEX biometric reference card solution.
13 April 2023	IDEX Biometrics payment card solution reaches certification milestone with Mastercard	IDEX had successfully passed Mastercard’s Fingerprint Test Assessment Summary (FTAS) for its latest generation biometric sensor. It was further announced that the sensor is a core element of IDEX Biometrics’ complete payment card solution, which also included Infineon’s SLC38 secure element and IDEX Biometrics proprietary card operating system.
11 May 2023	IDEX Biometrics continues expansion of biometric payment cards with a third issuer in Turkey	IDEX had continued its expansion of biometric payment card programs with another Turkish issuer, and the cards from such issuer would be available throughout Turkey as of the fourth quarter of 2023.
12 May 2023	IDEX Biometrics launches a complete Biometric Payment Card solution leveraging products and technologies from STMicroelectronics	IDEX had launched a complete biometric payment card solution by leveraging products and technologies from STMicroelectronics, a leading semiconductor security provider. Further it was announced that the new IDEX Biometrics smart card solution was targeted for deployment with banks and issuers in the first half of 2024.
16 May 2023	IDEX Biometrics adds another issuer in Turkey as the expansion of biometric payment cards continues	IDEX was expanding biometric payment card programs in Turkey with a fourth issuer, announced to be a growing bank challenger and which was announced to represent a customer portforlio of more than 10 million customers. The biometric payment cards from the issuer was announced to be expected in the hands of consumers by the first quarter of 2024.
24 May 2023	IDEX Biometrics ASA - Contemplated Private Placement 24 May 2023	IDEX had retained ABG Sundal Collier ASA and Arctic Securities AS as joint bookrunners to advise on and effect a private placement of new shares to raise gross proceeds of NOK 100-150 million. It was further announced that the offer price

and number of offer shares would be determined by the Board following an accelerated bookbuilding process, which was announced to start at 16:30 CEST on 24 May 2023 and end on 08:00 CEST on 25 May 2023.

16 June 2023	IDEX Biometrics receives first production order for IDEX Pay complete biometric solution	IDEX had received a volume production order totalling nearly USD 1 million from a European manufacturer, such order announced to represent the first scale production order for the IDEX Pay certified solution including IDEX biometric software operating system and sensor technology.
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Further, in the period from 1 June 2022 and up to the date of the Prospectus, three announcements have been issued by IDEX in relation to changes in shareholdings by primary insiders and eight announcements have been made on behalf of large shareholders in respect to transactions in the share causing a statutory threshold to be reached or passed by such shareholders.

## 7 BOARD OF DIRECTORS AND MANAGEMENT

### 7.1 Board of Directors, management, and other corporate committees

#### 7.1.1 Board of Directors

The Company's Articles of Association provide that the number of directors shall be between three and seven members, as decided by the general meeting of shareholders in the Company.

At the general meeting of shareholders, the Board members are elected to serve for a term of two years from the time of election. There are presently six Board members including the Chair. The Board members consist of Lawrence John Ciaccia (Chair), Deborah Lee Davis, Annika Olsson Roth, Morten Opstad, Adriana Saitta and Stephen Andrew Skaggs. All members of the Board of Directors were elected for a term of two years at the Annual General Meeting on 23 May 2023.

#### Lawrence (Larry) John Ciaccia, Chair

Mr. Ciaccia has served on the Board of IDEX since May 2015 and was appointed as Deputy Chair in May 2019. Mr. Ciaccia was appointed Chair at the Annual General Meeting in 2023. He has broad expertise from the semiconductor industry, most notably playing a pivotal role in transforming AuthenTec, Inc. from a start-up into the world's leading fingerprint sensor supplier. Mr. Ciaccia served as AuthenTec, Inc's CEO from September 2010 until the company's acquisition by Apple Inc. in October 2012. He remained with Apple Inc. through February 2013 to assist in the acquisition integration and transition. Mr. Ciaccia was born in 1958, is a United States citizen and maintains a business address at 187 Ballardvale Street, Suite A260, Wilmington, Massachusetts, 01887, USA.

#### Deborah Lee Davis, Board member

Ms. Davis has served on the Board of IDEX since May 2015. Ms. Davis is independent of the Company's executive management, material business contacts, and larger shareholders. Ms. Davis serves on the boards of directors of International Personal Finance Plc, The Institute of Directors, Diaceutics plc, and Lloyds Banking Group Insurance Board. She also serves as a trustee of the Southern African Conservation Trust in South Africa. During her career, she held senior executive leadership roles at PayPal, eBay, Verizon, and Symantec. Ms. Davis holds a Sloan Masters in Science (Management) with Distinction from London Business School and a Bachelor of Applied Science (Electronics) Honours degree from the University of Melbourne. She also holds a Diploma in Company Direction with distinction from The Institute of Directors. Ms. Davis was born in 1963, is a dual citizen of Australia and the United Kingdom, and maintains a business address at Abbey House, 282 Farnborough Road, Farnborough GU14 7NA, United Kingdom.

#### Annika Olsson Roth, Board member

Ms. Olsson has served on the Board of IDEX since May 2021. Ms. Olsson is independent of the Company's executive management, material business contacts, and larger shareholders. Ms. Olsson is the CEO of Ekspres Bank A/S, a unit of the BNP Paribas Group. During her 20-year career in consumer financial services, Ms. Olsson has held various executive positions. Before joining Ekspres Bank A/S in 2010, she served as Commercial Director for Resurs Bank, a leader in retail finance in the Nordic region. Ms. Olsson also serves on the board of directors of Finans & Leasing (the Association of Danish Finance Houses). She holds a B.S. in finance and marketing from IHM Business School. Ms. Olsson was born in 1976, is a Swedish citizen and maintains a business address at Oldenburg Allé 3, DK-2630 Taastrup, Denmark.

Morten Opstad, Board member

Mr. Opstad has served as chair of the Board in IDEX from March 1997 until the Annual General Meeting in 2023, at which time Mr. Opstad became a Board member. He is a partner in Advokatfirmaet Ræder AS in Oslo, Norway. He has rendered legal assistance with respect to establishing and organizing several technology and innovation companies within this line of business. He is board member in Ensurge Micropower ASA, a publicly listed technology company (where he served as Chair for a number of years until May 2023). His directorships over the last five years include current Board positions in Nikki AS (Chair), Marc O Polo Norge AS (Chair), Dobber Corporation AS (Chair), K-Konsult AS (Chair), Bikeloop AS (Chair), Forenede Industrier Finans AS (Board member), Hammerfestgaten 1 AS (deputy), and Chaos Capital AS (deputy). He previously served as Chair of the Board of Directors in Cxense ASA and Advokatfirmaet Ræder AS, in addition to previous directorships in Fileflow Technologies AS, Solli Consultants I AS, and A. Sundvall ASA. Mr. Opstad has a legal degree (Cand.Jur.) from the University of Oslo from 1979. He was admitted to the Norwegian Bar Association in 1986. Mr. Opstad was born in 1953, is a Norwegian citizen and maintains a business address at Dronning Eufemias gate 11, NO-0191 Oslo, Norway.

Adriana Saitta, Board member

Ms. Saitta has served on the Board of IDEX since May 2023, and was elected as Board member at the 2023 Annual General Meeting. Ms. Saitta is independent of the Company's executive management, material business contacts, and larger shareholders. Ms. Saitta has extensive experience in the banking and business sector, both as a board member and in executive positions. She was from 2015 to 2023 the General Manager of Intesa Sanpaolo Paris, a business operating in the large corporate business in France. She is currently, and has been since 2020, an independent board member at Covivio Hotels, a listed European investment and development company. Ms. Saitta has formerly been an independent board member at Beni Stabili (Groupe Covivio), located in Italy, chair of the supervisory board at Intesa Sanpaolo Card d.o.o., located in Croatia, and chair of the supervisory board at Consumer Finance Holding, located in Slovakia. In addition, Ms. Saitta has held several other positions within the Intesa Sanpaolo system, prior to this she was Associate Principal at McKinsey. She graduated summa cum laude with a bachelor's degree in business administration from Università Commerciale Luigi Bocconi in 1994, and with a master in business administration from INSEAD in 1998. Ms. Saitta is an Italian citizen, resides in France, and maintains a business address at 5 Avenue Bosquet, F-75007 Paris, France.

Stephen (Steve) Andrew Skaggs, Board member

Mr. Skaggs has served on the Board of IDEX since May 2019. Mr. Skaggs is independent of the Company's executive management, material business contacts, and larger shareholders. Mr. Skaggs has more than 25 years of experience in the semiconductor industry and most recently served as Senior Vice President and CFO of Atmel Corporation, a leading supplier of microcontrollers, prior to its acquisition by Microchip Technology, Inc. in 2016. Mr. Skaggs served as CEO and, earlier, as CFO of Lattice Semiconductor Corporation, a supplier of programmable logic devices and related software. Earlier in his career, he worked for Bain & Company, a global management consulting firm. He currently serves as a non-executive director of Coherent Corporation, a global leader in engineered materials, optoelectronics and lasers. Mr. Skaggs holds a B.S. in Chemical Engineering from the University of California, Berkeley, and an M.B.A. from the Harvard Business School. Mr. Skaggs was born in 1962, is a United States citizen, and maintains a business address at 187 Ballardvale Street, Suite A260, Wilmington, Massachusetts, 01887, USA.

The composition of the Board complies with Oslo Stock Exchange's terms of listing and the applicable independency requirements. The Board also meets the statutory gender requirements.



The Board has appointed an Audit Committee and a Compensation Committee. As of the date of this Prospectus, the Audit Committee consists of Steve Skaggs, chair, and Deborah Davis. The Compensation Committee consists of Deborah Davis, chair, and Larry Ciaccia. Note, following the Annual General Meeting on 23 May 2023, the Board will reconsider the composition of its committees, and will need to elect one or two supplemental members of the Audit Committee.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which members of the Board or management was selected as a member of the administrative, management or supervisory bodies or member of senior management.

### 7.1.2 Management

#### Vincent (Vince) Graziani, Chief Executive Officer

Mr. Graziani has served as IDEX’s Chief Executive Officer (“CEO”) since February 2020. He joined IDEX from Infineon Technologies, for which he was most recently Vice President of Strategy Development and Implementation, with responsibility for leading new business development and strategic partnerships. Mr. Graziani has also led technology companies from the pre-revenue stage to significant revenues and scale while serving as CEO of Sand 9, Vbrick Systems, and Sandburst. Earlier in his career, he held positions of increasing responsibility in engineering as well as marketing and sales at Intel, Broadcom, and Siemens Semiconductor. Mr. Graziani holds a B.S. in Electrical Engineering from the University of New Hampshire and a M.S. in Electrical Engineering from Northeastern University. Mr. Graziani is a US citizen and maintains a business address at 187 Ballardvale Street, Wilmington, Massachusetts 01887, USA.

#### Eileen Wynne, Interim Chief Financial Officer

Ms. Wynne has served as IDEX’s Interim Chief Financial Officer (“CFO”) since August 2022. Prior to August 2022, Ms. Wynne provided interim and part-time accounting and finance services to businesses, including IDEX. From December 2020 until August 2022, Ms. Wynne provided consulting services to IDEX. Prior to joining us, and from May 2013 to June 2019, Ms. Wynne served as Vice President and Chief Accounting Officer of Analog Devices, Inc. (NASDAQ: ADI) where she was responsible for ADI’s accounting processes and controls globally. From March 2017 to September 2017, Ms. Wynne served as interim Chief Financial Officer of Analog Devices, Inc. Before 2013, Ms. Wynne held various corporate accounting roles within Analog Devices, Inc. and was an audit manager for Grant Thornton, LLP. Ms. Wynne also serves on the board of directors of Monolithic Power Systems, Inc. Ms. Wynne holds a B.A. from Saint Anselm College and an M.S.A. in Accounting from Bentley University. Ms. Wynne is a US citizen and maintains a business address at 187 Ballardvale Street, Wilmington, Massachusetts 01887, USA.

#### Catharina Eklof, Chief Commercial Officer

Ms. Eklof has served as IDEX’s Chief Commercial Officer (“CCO”) since June 2021. Prior to joining IDEX, Ms. Eklof held the position as Chief Commercial Officer at Defentry, a cyber safety solutions provider, for which she led market and sales, leading the company’s international expansion. Ms. Eklof has over 20 years of experience as a global executive leading business transformation across financial services, retail, travel, and information security. Notably, she had roles of increasing responsibility over 12 years with Mastercard. She was instrumental in establishing Mastercard’s global strategic merchant program, bringing digital payment solutions and new, data-driven business models to the organization. Ms. Eklof serves on the board of directors of Avanza Bank Holding AB (Nasdaq Stockholm: AZA). Ms. Eklof holds an M.B.A. in International Business and a M.S. in Economics from the University of Uppsala, Sweden, resides

and works in Belgium and maintains a business address at Dronning Eufemias gate 16, 0191 Oslo, Norway.

#### Anthony Eaton, Chief Technology Officer

Mr. Eaton has served as IDEX’s Chief Technology Officer (“CTO”) since March 2019. Mr. Eaton served as our Vice President of Systems Engineering from February 2017 to February 2019, and our Senior Director of Engineering from August 2016 to January 2017. Prior to joining us, he served as Director of System Engineering at Atmel, where he was responsible for building and running the System Engineering function for the MaxTouch Business Unit. Earlier, Mr. Eaton held senior engineering roles at NVIDIA Corporation, Mirics Semiconductor, Inc. and Sony Semiconductor Solutions Group. Mr. Eaton holds Bachelor’s and Master’s degrees in Engineering from Cambridge University, is a British citizen and maintains a business address at Abbey House, 282 Farnborough Road, Farnborough GU14 7NA, United Kingdom.

## 7.2 Conflict of interest

The Chair of the Board, Morten Opstad, is a partner in Advokatfirmaet Ræder AS, which in the past has rendered and currently renders legal services for IDEX. Mr. Opstad and the Board are attentive to the fact that this, arguably, could represent a potential conflict of interest and monitor the situation closely to ensure that no conflict of interest materializes. No commitment has been made by the Board in relation to the use of Advokatfirmaet Ræder AS for future legal services and the Board selects the Company’s professional advisors with the Company’s best interests as the overriding priority. The legal services rendered by Advokatfirmaet Ræder AS are to a large degree performed by other lawyers than Mr. Opstad. Mr. Opstad abstains from voting on any Board matters concerning the Company’s affiliation with Advokatfirmaet Ræder AS.

Larry Ciaccia, deputy chair, has served on IDEX’s Strategy Advisory Counsel (“SAC”) since January 2014. The SAC was discontinued effective June 30, 2022. From time to time, Mr. Ciaccia also provides consulting services to IDEX. The fees paid to Mr. Ciaccia for his services totaled \$ 58,000 in 2022.

Members of the Board and management hold a number of Shares and/or Subscription Rights in the Company. The following table sets forth the number of such Shares and/or Subscription Rights held or controlled by the members of the Board and management as of the date of this Prospectus. The numbers include Shares and Subscription Rights held or controlled by the respective persons’ close associates, as that term is defined in the Norwegian Securities Trading Act.

Name	Title	Shares	Subscription Rights
Lawrence Ciaccia	Chair Board	415,021	600,000
Deborah Davis	Member Board	564,479	0
Annika Olsson	Member Board	52,631	0
Morten Opstad	Member Board	7,398,916	0
Adriana Saitta	Member Board	0	0
Stephen Skaggs	Member	1,018,053	0

Vincent Graziani	CEO	1,729,411	7,420,800
Eileen Wynne	Interim CFO	0	0
Anthony M. Eaton	CTO	284,639	2,710,300
Catharina Eklof	CCO	89,684	2,210,300
<b>TOTAL</b>		<b>12,309,472</b>	<b>12,941,400</b>

CEO Vince Graziani and CTO Anthony Eaton participated in the Company's 2021 and 2022 Employee Share Purchase Plans (ESPP) and acquired the following shares during 2022: Vince Graziani acquired 52,446 shares on 1 March 2022 at NOK 1.70 per share, and 133,565 shares on 1 September 2022 at 0.73 per share, and Anthony Eaton acquired 19,683 shares on 1 March 2022 at NOK 1.70 per share. In 2023, Vince Graziani acquired 145,121 shares on 1 March 2023 at NOK 0.71 per share.

On 12 May 2022, CEO Vince Graziani acquired 3,000 ADSs, which represent 225,000 ordinary Shares in the Company, at an average price of USD 9.26 per ADS.

Other than the foregoing, there are no potential conflicts of interests between any duties to the Company and private interest or other duties of the members of the Board or management. There are no family relationships among the Board members, management or key employees.

### **7.3 Convictions for fraudulent offences, bankruptcy, etc.**

None of the members of the Board or management have during the last five years preceding the date of this Prospectus:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership, liquidation or companies put into administration in his or her capacity as a founder, director or senior manager of a company.

## 8 FINANCIAL INFORMATION

### 8.1 Overview and basis of presentation

The financial information in the summary has been extracted from the Group’s audited consolidated financial statements as of and for the year ended 31 December 2022 (the “**Financial Statements**”), including comparison numbers as of and for the year ended 31 December 2021 included in those Financial Statements, and the unaudited consolidated interim financial statements as of 31 March 2023 and 31 March 2022, for the three months’ periods ended 31 March 2023 and 31 March 2022 (the “**Interim Financial Statements**”, together referred to as the “**Financial Information**”). The Financial Information is incorporated herein by reference (see Section 14.5 “*Incorporation by reference*”).

The Company prepares its Consolidated Financial Statements in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and IFRS as endorsed by the European Union and the Norwegian Accounting Act of 17 July 1998 no 56 (“**Norwegian Accounting Act**”). The Interim Financial Statements have been prepared in accordance with the International Accounting Standard 34 - Interim Financial Reporting (“**IAS 34**”). The Interim Financial Statements do not include all the information and disclosures required in full-year Financial Statements and should be read in conjunction with the Financial Statements.

The amounts extracted from the Financial Information are presented in USD, rounded to the nearest thousand unless otherwise stated. USD is the functional currency of IDEX and the presentation currency for the Group and for IDEX. The accounting policies applied in the preparation of the Financial Information are presented in note 1 to the Financial Statements.

### 8.2 Auditor and information subject to audit

The Group’s auditor, Ernst & Young AS, as stated in Section 14.2, has audited the Financial Statements for the financial year 2022. The auditor’s opinion for 2022 included a matter of emphasis related to going concern:

*“We draw attention to Note 2 in the consolidated financial statements and Note 1 in the parent company separate financial statements. As discussed in the Notes, the Company has incurred significant losses and negative cash flows from operations. Management’s evaluation of the events and conditions and management’s plans regarding these matters are also described in the Notes. These events or conditions, along with other matters as set forth in the Notes, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.”*

The auditor’s reports are included in the Financial Statements. As for the interim financial report as of 31 March 2023, Ernst & Young AS has not audited, reviewed or produced any report on the Interim Financial Statements, or any other information provided in this Prospectus.

### 8.3 Significant changes since 31 December 2022

With exception of the Private Placement, there have not been any significant changes in the financial performance or financial position of the Group since 31 December 2022 and until the date of this

Prospectus. During this period, there has not been any substantial events that have had any material impact on the result or the value of the Group's assets and liabilities.

Further, to the best of the Company's knowledge and belief, there have been no material changes in recent trends as regards the operations of the Group since 31 December 2022 and until the date of this Prospectus.

#### **8.4 Investments**

The Group invested USD 0.3 million in property, plant and equipment in 2022. The new assets comprised of scientific and test equipment, engineering tools, leasehold outfitting, office equipment and furniture with useful lives of 3 to 7 years, as well as new or extended financial leases of office and laboratory space. No significant investments have been made between 31 December 2022 and the date of this Prospectus. There are no significant fixed assets ordered at the date of this Prospectus. The Group does not have any firm plans or obligations to make significant future investments in tangible or intangible assets, or financial assets. IDEX acknowledges that in order to ramp production, it may need to invest in certain bespoke manufacturing and test equipment to be placed on manufacturing partners' sites.

The future development activities to progress the technology and product roadmap will be conducted by the Group, its production partners and various technical and academic laboratories and institutions. The future programs are committed only insofar as the staff has been employed and hired. External assignments to providers of development services are normally for shorter periods than 12 months and included in the Group's budget. Such activities will be expensed unless the results satisfy the criteria for capitalization. There is little or no basis for estimating whether the results of future development projects will satisfy the criteria for capitalization. The Group has therefore not capitalized any development expenses in 2022 or 2021.

Please refer to section 9.2 "Working capital statement" regarding funding of future development activities and investments.

#### **8.5 Dividend policy**

The Company's aim and focus is to enhance shareholder value and provide an active market in its Shares. IDEX has no established dividend policy.

IDEX has not to date declared or paid any dividends on its Shares and does not anticipate paying any cash dividends for 2023 or the next few years. IDEX intends to retain future earnings to finance operations and the expansion of its business. Any future determination to pay dividends will depend on the Company's financial condition, results of operations and capital requirements.

## 9 CAPITAL RESOURCES AND INDEBTEDNESS

### 9.1 Capitalization and indebtedness of the Group

The Group is funded by equity and supplier credit. The unsecured current debt, which comprises financial liabilities as reported in the balance sheet, consists of accounts payable, accrued expenses and similar working capital items. The non-current debt is the long-term lease liabilities related to office leases. The payable is held at discounted net present value.

The Group has a net positive cash position. The negative sign on the net financial indebtedness in the table in Section 9.1.2 below represents a net favorable cash position. The Group's current financial debt consists of current lease liabilities, accounts payable, accrued expenses and similar working capital items.

The Group does not have any debt to banks, financial institutions or other financial lenders and has not issued any bonds. The Group has no indirect or contingent financial indebtedness.

The following tables have been derived from the consolidated Interim Financial Statements of the Group as of 31 March 2023. With exception of the Private Placement, there have not been any significant changes in the financial performance or financial position of the Group since 31 March 2023 and until the date of this Prospectus. The tables set forth the Group's capitalization and indebtedness per 31 March 2023 and adjusted for the New Shares, which is the only material change to the Group's capitalization and indebtedness position.

#### 9.1.1 Capitalization and indebtedness

Capitalization and indebtedness				
Amounts in USD 1,000	Note	31 March 2023 (unaudited)	Adjustments (unaudited)	As adjusted (unaudited)
<b>Total current debt</b> (including current portion of non-current debt)		4 461	617	5 077
Guaranteed		-	-	-
Secured		-	-	-
Unguaranteed / Unsecured	1	4 461	617	5 077
<b>Total non-current debt</b> (excluding current portion of non-current debt)		1 254	-	1 254
Guaranteed		-	-	-
Secured		-	-	-
Unguaranteed / Unsecured		1 254	-	1 254
<b>Shareholder equity</b>		15 980	10 791	26 771
Share capital	2	22 800	2 013	24 813
Legal reserve(s)	3	315 658	8 778	324 436
Other reserves	4	-322 477	-	-322 477
<b>Total</b>		21 695	11 408	33 103

1. The increase in debt reflects costs related to the Private Placement on 24 May 2023.



2. The increase in share capital is share capital in Tranche One' of the Private Placement on 24 May 2023.
3. The increase in legal reserve (share premium) is net additional proceeds from Tranche One of the Private Placement on 24 May 2023.
4. Other reserves include retained earnings (losses).

### 9.1.2 Net financial indebtedness

<i>Consolidated net financial indebtedness</i>				
Amounts in USD 1,000	Note	31 March 2023 (unaudited)	Adjustments (unaudited)	As adjusted (unaudited)
A. Cash	1	7 381	11 408	18 789
B. Cash equivalents		-	-	-
C. Other current financial assets		2 134	-	2 134
<b>D. Liquidity (A + B + C)</b>		<b>9 516</b>	<b>11 408</b>	<b>20 923</b>
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	2	4 181	617	4 797
F. Current portion of non-current debt		280	-	280
<b>G. Current financial indebtedness (E + F)</b>		<b>4 461</b>	<b>617</b>	<b>5 077</b>
			-	
<b>H. Net current financial indebtedness (G - D)</b>		<b>-5 055</b>	<b>-10 791</b>	<b>-15 846</b>
I. Non-current financial debt (excluding current portion and debt instruments)		-	-	-
J. Debt instruments		-	-	-
K. Non-current trade and other payables		1 254	-	1 254
<b>L. Non-current financial indebtedness (I + J + K)</b>		<b>1 254</b>	<b>-</b>	<b>1 254</b>
<b>M Net financial indebtedness (H + L)</b>	3	<b>-3 800</b>	<b>-10 791</b>	<b>-14 592</b>

1. The increase in cash is gross proceeds from the Private Placement on 24 May 2023.
2. The increase in debt reflects costs related to the Private Placement on 24 May 2023.
3. Negative sign on lines H and M means the company has a net favorable cash position at the date.

## 9.2 Working capital statement

The Company is of the opinion that the working capital available to the Group after the Private Placement is not sufficient for its present requirements for a period of at least 12 months from the date of this Prospectus.

There are a number of factors impacting the Company's ability to secure sufficient working capital for at least 12 months of operation from the date of the Prospectus:

- Current solvency as outlined in Section 9.1 Capitalization and indebtedness of the Group
- Cash flow from planned operations and investments for the next 12 months
- The possibility of obtaining co-funding from joint development agreements with other companies, and earning revenue from so-called non-recurring engineering activities. As outlined in Section 2 Risk factors, the timing and rate of revenue increase is dependent on factors that are outside of the Company's control and therefore uncertain.

- The possibility of increasing product revenues in 2023 and into 2024. As outlined in Section 2 Risk factors, the timing and rate of revenue increase is dependent on factors that are outside of the Company's control and therefore uncertain.

IDEX anticipates that the Group will continue to incur operating losses and consume cash through 2023 and into 2024. Because IDEX intends to continue pursuing the Company's product and business strategy and to rapidly grow its revenue, IDEX anticipates that additional capital will be required also for the funding of increased working capital requirements.

Without taking other measures than already planned, the Group's working capital is expected to be depleted before the end of the fourth quarter of 2023. At 12 months from the date of this prospectus, the shortfall will be about USD 11.9 million.

IDEX plans to raise sufficient funding in due course by private placement(s) of shares or rights issue(s). The transaction details will be decided closer to the event, based on advice from the Company's financial advisers and capital market conditions at the time. IDEX has been able to raise funds through private placements of shares in the past. During 2022, IDEX raised USD 15.1 million through private placements, and IDEX raised approximately USD 11.5 million in the Private Placement resolved on 24 May 2023, Tranche Two of which remains subject to approval by the Extraordinary General Meeting to be held on 16 June 2023.

While the Company has been successful in the past in raising funds through private placements of shares, there is no assurance that IDEX will be successful in the future. If or when it should become clear that adequate funding cannot be obtained, the Board will need to consider and implement strategic options like restructuring, sale, or controlled closure of the Group's activities, disposal of assets and dissolution of the Company.

## 10 CORPORATE INFORMATION AND DESCRIPTION OF SHARE CAPITAL

### 10.1 Company corporate registration

The Company's registered name is IDEX Biometrics ASA. Commercially the Company is often referred to as "IDEX" or "IDEX Biometrics". The Company is organized as a public limited liability company in accordance with the Norwegian PLCA. The Company's legal entity identifier (LEI) is 5967007LIEEXZXHECW11.

The Company's registered office is at Dronning Eufemias gate 16, 0191 Oslo, Norway. The Company can be reached at telephone +47 67 83 91 19.

The Company's website can be found at [www.idexbiometrics.com](http://www.idexbiometrics.com). Other than the documents incorporated by reference as set out in Section 14.5 "*Incorporated by reference*", the information on the Company's website does not form part of the Prospectus.

### 10.2 The Shares and the share capital

The Company's Shares have been listed on Oslo Stock Exchange since 11 May 2015 under the ticker symbol IDEX..

Since 1 March 2021, IDEX has had ADSs listed and traded on the Nasdaq Stock Market, under the symbol "IDBA", each ADS representing 75 ordinary shares of the Company.

Other than the foregoing, IDEX's Shares or other securities are not listed on any other regulated marketplace and IDEX does not intend to seek such listing.

The Shares are freely transferable according to Norwegian law and the Company's Articles of Association. There are no voting restrictions in IDEX. The Articles of Association of IDEX do not contain any provisions restricting foreign ownership of the Shares.

The Company is not aware of any shareholder agreements or other similar understandings among its shareholders that may result in a change of control in IDEX. To the best of IDEX's knowledge, no shareholders, or group of shareholders, own or control the Company, directly or indirectly. The Shares have not been subject to any takeover bids by third parties during the current or last financial year.

### 10.3 Board authorizations to issue shares

On 23 May 2023, the Annual General Meeting approved a board authorization to issue new shares for purposes of private placements and/or rights issues with a maximum total nominal value of NOK 17,534,623.80 (representing 10% of the share capital of the Company at the time of the authorization), i.e. a maximum of 116,897,492 new shares at NOK 0.15. The authorization was fully utilized by the Board on 24 May 2023 when the Board resolved Tranche One of the Private Placement and the issuance of Tranche One Shares.

On 16 June 2023, an Extraordinary General Meeting approved a board authorization to issue new shares for purposes of private placements and/or rights issues with a maximum total nominal value of NOK 19,740,506.16 (representing 10% of the share capital of the Company following the

completion of the Private Placement), i.e. a maximum of 131,603,374 new shares at NOK 0.15. As of the date of this Prospectus, the authorization has not been used.

A board authorization to issue new shares for purposes of the 2022 Employee Share Purchase Plan was approved on the 2022 Annual General Meeting on 12 May 2022, with a maximum total nominal value of NOK 7,594,114.91 (representing 5% of the registered share capital of the Company at the time of the authorization), i.e. a maximum of 50,627,432 new shares at NOK 0.15 (the “**2022 ESPP Authorization**”). The authorization is valid until 30 September 2023.

On 23 May 2023, the Annual General Meeting approved a board authorization for purposes of the 2023 Employee Share Purchase Plan, with a maximum total nominal value of NOK 8,767,311.90 (representing 5% of the registered share capital of the Company at the time of the authorization), i.e. a maximum of 58,448,746 new shares at NOK 0.15 (the “**2023 ESPP Authorization**”). The authorization is valid until 30 September 2024.

The 2022 ESPP Authorization and the 2023 ESPP Authorization may be used in connection with issuances of shares in the Company to employees in the Company or any of its Subsidiaries under the terms and conditions of the 2022 Employee Share Purchase Plan and the 2023 Employee Share Purchase Plan, respectively, whereby such employees may convert a certain portion of the employee’s cash remuneration from the Company or its Subsidiaries to shares in IDEX. The number of shares that may be issued to the employee shall under both plans be calculated based on the lowest of (i) the closing price of the shares, as reported by Oslo Stock Exchange, on the first day of the applicable contribution period, as determined in the Plan documents (or the first trading day immediately preceding the first day in such contribution period, if the first day is not a trading day), and (ii) the closing price of the share, as reported by Oslo Stock Exchange, on the last trading day of the applicable contribution period, with, at the Board’s discretion, a discount of, at a maximum, 15% from such subscription price. For US employees and with respect to applicable US tax regulation, the subscription price may not be less than 85% of the lower of the fair market value (as determined in a manner consistent with US tax regulation) on the first day of the applicable contribution period and the last day of the applicable contribution period.

The 2022 ESPP Authorization and the 2023 ESPP Authorization do not comprise share capital increases in connection with mergers, cf. Section 13-5 of the PLCA. The subscription price may be paid by way of non-cash consideration pursuant to Section 10-2 of the PLCA. The Board was also authorized to decide upon the other subscription terms. The new shares which may be subscribed for according to the authorizations shall have rights to dividends declared subsequent to the subscriber having paid the subscription price and the associated share capital increase having been registered in the Company Registry. In other respects, the shares shall have shareholder rights from the time of issuance, unless the Board otherwise determines.

The 2022 ESPP Authorization was registered in the Company Registry on 31 May 2022. The 2023 ESPP Authorization was registered in the Company Registry on 7 June 2023.

As of the date of this Prospectus, NOK 397,250.40 has been used of the 2022 ESPP Authorization. The 2023 ESPP Authorization has not been used.

All previous authorizations have been withdrawn by the shareholders or used in their entirety, and there are therefore no other board authorizations to issue shares in effect as of the date of this Prospectus.

#### 10.4 Board authorization to acquire own shares

On the Annual General Meeting held on 23 May 2023, the shareholders approved a board authorization to acquire the Company's own shares, through ownership or charge, for a total nominal value of NOK 17,534,623.80 (representing 10% of the Company's share capital at the time of the authorization), i.e. a maximum of 116,897,492 shares at NOK 0.15.

If the Company acquires own shares in accordance with the authorization, the price per share to be paid by the Company shall be minimum NOK 0.15 and maximum equal to the closing price per share, as reported by Oslo Stock Exchange, as of the close of trading on the day the offer of acquisition is made; provided, however, that the amount shall not exceed the amount of NOK 1,000 per share. The Board is authorized to decide upon the manner and terms of the acquisition, disposition, transfer and sale of own shares, while, however, taking into consideration the statutory requirement of equal treatment of shareholders. The authorization is valid until the 2024 Annual General Meeting, but no later than 30 June 2024.

#### 10.5 Subscription Rights and other Financial Instruments

##### 10.5.1 Subscription Rights

At the 23 May 2023 Annual General Meeting, the shareholders adopted an incentive subscription rights plan available for employees in the Company and its Subsidiaries, and to individual contractors performing similar work (the “**2023 Plan**”). The Company has had annual corresponding subscription right plans for the years 2019 (the “**2019 Plan**”), 2020 (the “**2020 Plan**”), 2021 (the “**2021 Plan**”) and 2022 (the “**2022 Plan**”). Upon adoption of a new plan, the former plans have been closed for further grants.

To enable four years vesting period, IDEX renews its subscription right plans each year at the Annual General Meetings, whereby the preceding plan is closed for new grants when the new plan takes effect. The maximum number of Subscription Rights, which may be issued under the 2023 Plan, is 116,897,492 Subscription Rights; provided, however, that the maximum number of Subscription Rights that may be outstanding under all the plans may not collectively exceed 10 % of the registered number of shares in the Company at any given time.

Upon vesting, each Subscription Right entitles the holder to demand the issuance of one share in IDEX. As consideration for the shares to be issued in the Company upon exercise of the Subscription Rights issued under the 2023 Plan, the holder of the Subscription Rights shall pay to the Company a price per share, which at least shall equal the greater of (i) the average closing price on the Company's share, as reported on Oslo Stock Exchange, over a period of 10 (ten) trading days immediately preceding the date of grant of the Subscription Right, and (ii) the closing price of the Company's share, as reported by Oslo Stock Exchange, on the trading day immediately preceding the date of grant of the Subscription Rights. Notwithstanding the foregoing, if the Subscription Right holder is an owner of 10 % or more of the Company's Shares, in the case of a grant which is an “*Incentive Stock Option*” under the US Internal Revenue Code, the exercise price shall be not less than at least 110 % of the greater of (i) the average closing price of the Company's Share reported by Oslo Stock Exchange over ten trading days immediately preceding the date of grant of the Subscription Rights

and (ii) the closing price of the Company’s Share reported by Oslo Stock Exchange on the trading day immediately preceding the date of grant of the Subscription Rights.

In particular circumstances, subject to the Board’s discretion, the Subscription Right price per Share may be lower than stated above; provided that the price per Share shall not be less than the par value per Share at any given time. The maximum number of Shares that may be issued with a lower price per share, shall not exceed 11,689,749 Shares. The Subscription Rights under the 2023 Plan will expire five years after the resolution by the 2023 Annual General Meeting implementing the 2023 Plan.

The Subscription Rights shall become exercisable in installments during the individual’s period of employment or service and will be subject to earlier termination if the individual is no longer employed or retained by IDEX or any of its Subsidiaries. The Subscription Rights vest 25% each year, beginning one year after the vesting commencement date, being the latest of the following dates preceding a grant: i) 15 January, ii) 15 April, iii) 15 July or iv) 15 October. The Board may determine an accelerated vesting schedule, if deemed appropriate. The 25% per year vesting is chosen as it balances the short-term incentives and the long-term attractiveness. In case the subscription right holder is terminated for cause, all vested and non-exercised Subscription Rights will expire on the date of termination. In case the subscription right holder resigns or is terminated, without cause, he or she will be entitled to exercise, within three months after end of employment or service, the subscription rights that were vested at the end of the employment or service notice period. The Subscription Rights are non-assignable other than by will or by the laws of descent and distribution. The terms and conditions for vesting and exercise of subscription rights under the 2019 Plan, 2020 Plan, 2021 Plan, and 2022 Plan are substantially the same as the terms and conditions under the 2023 Plan.

In order for the 2023 Plan to qualify under the US Tax Code, the plan document was approved by the Company’s shareholders on the Extraordinary General Meeting held on 23 May 2023.

As of the date of this Prospectus, there are 84,515,381 outstanding Subscription Rights in the Company. If all the issued and outstanding Subscription Rights are exercised, IDEX’s share capital will increase by NOK 12,677,307.15.

#### 10.5.2 Other Financial Instruments

The Company currently has no other outstanding warrants, rights shares, convertible loans, convertible securities, exchangeable securities, securities with warrants or other financial instruments in issue giving the holder the right to subscribe for Shares in IDEX. No third party has any financial instruments or rights entitling them to subscribe for or acquire shares in any Group company.

### 10.6 The Employee Share Purchase Plans

In accordance with the 2022 ESPP Authorization and the 2023 ESPP Authorization, as described in Section 10.3 above, the Company has in place employee share purchase plans, in which the employees of the Company or any of its Subsidiaries, for such period as determined by the Board, may convert a certain portion of the employee’s cash remuneration from the Company or its Subsidiaries to shares in IDEX (the “ESPP”).

The ESPP is structured around two contribution periods a year, each of six (6) calendar months, each starting on the first day of the calendar month following each planned public disclosure on Oslo Børs of the half-yearly and fourth quarter financial results of the Company, respectively. The Company’s



2022 ESPP Authorization applies to the contribution period March through August 2023, and the 2023 ESPP Authorization will apply to the contribution periods September 2023 through February 2024 and March through August 2024. During the contribution period, a fixed amount (maximum 20% of the employees' gross base salary) is withheld from the employees' salary. The employees may sign up to participate in the ESPP from the date of a public disclosure of a half-yearly or fourth quarter financial results until the date before the commencement of a contribution period following such disclosure. Unless the employee explicitly withdraws from the ESPP, the employee's participation in the plan is automatically renewed for the same amount for subsequent contribution periods.

The share price for shares acquired by employees under the ESPPs is explained in Section 10.3 above.

## 10.7 Major shareholders

Pursuant to the Norwegian Securities Trading Act, shareholders that obtain holdings of shares that exceed 5% of the Company's share capital or a corresponding portion of the votes, have an interest in the issuer's capital or voting rights which is notifiable. As of the date of the Prospectus<sup>19</sup>, the following registered shareholders have holdings in excess of the statutory thresholds for disclosure requirements. Note: The list may include nominee shareholders, which holding may belong to one or more beneficial owners. In case of nominee shareholders, the disclosure requirement applies to the beneficial owner of the Shares. The list below includes the Tranche One Shares, but not the Tranche Two Shares.

Name of registered shareholder	Number of Shares	%
Sundt AS	66,629,424	5.18 %

On 6 June 2023, Sundt AS disclosed holding of 94,572,472 Shares, representing 7.4% of the share capital following Tranche One of the Private Placement. Sundt AS has subscribed to 2,218,284 Tranche Two Shares, and has temporarily lent 30,161,332 Shares in connection with the settlement of the Tranche Two Shares.

On 6 June 2023, Robert Napier Keith disclosed that Mr. Keith and close relations held 115,873,873 shares or rights to shares, equivalent to 12.3% of the total outstanding shares and votes in the Company, based on the share capital after completion of Tranche One of the Private Placement. Mr. Keith has subscribed to 3,334,201 Tranche Two Shares.

Other than the foregoing and primary insiders' mandatory obligation to disclose trades, the Board is not aware of any person having an interest in the Company's share capital or voting rights that must be disclosed under Norwegian law.

All Shares in the Company have equal voting rights, with each Share carrying the right to one vote at the General Meetings.

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<sup>19</sup> The overview is based on data from the VPS as of 26 June 2023.

## 11 SHAREHOLDER MATTERS AND COMPANY AND SECURITIES LAW

### 11.1 Introduction

This section includes certain aspects of Norwegian legislation relating to shareholding in a Norwegian public limited liability company, with its shares listed on Oslo Børs, but is however not a full or complete description of the matters described herein. The following summary does not purport to be a comprehensive description of all the legal considerations that may be relevant to a decision to purchase, own or dispose of Shares.

The Company is a Norwegian public limited company and is as such subject to, inter alia, Norwegian company and securities law, including the PLCA, MAR and the Norwegian Securities Trading Act with regulations regarding disclosure of inside information and ongoing disclosure requirements, market abuse, mandatory take-overs, squeeze-out, etc.

### 11.2 Voting rights

Each Share in the Company (other than treasury shares) gives the holder the right to cast one vote at general meetings of shareholders. There are no limitations under Norwegian law on the rights of non-residents or foreign owners to hold or vote the Shares.

As a general rule, resolutions that shareholders are entitled to make pursuant to the PLCA or the Company's Articles of Association require a simple majority of the votes cast. In the case of election of directors to the Board of Directors, the persons who obtain the most votes cast are deemed elected to fill the positions up for election. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights in connection with share issues, to approve a merger or de-merger, to amend the Company's Articles of Association or to authorize an increase or reduction in the share capital, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a shareholders' meeting.

Norwegian law further requires that certain decisions which have the effect of substantially altering the rights and preferences of any Shares or class of Shares receive the approval of the holders of such Shares or class of shares as well as the majority required for amendments to the Company's Articles of Association. Decisions that (i) would reduce any shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the shares require a majority vote of at least 90% of the share capital represented at the general meeting in question as well as the majority required for amendments to the Company's Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Company's Articles of Association.

In general, under Norwegian law, only shareholders registered in the VPS have been entitled to vote for shares. Beneficial owners of shares that are registered in the name of a nominee have generally not been entitled to vote for shares under Norwegian law, nor have persons who have been designated in the VPS register as the holders of such nominee-registered shares. Readers should note that there have been varying opinions as to the interpretation of Norwegian law in respect of the right to vote nominee-registered shares, and that the legal status on this point, currently in force, is unclear. Readers should also note that the Norwegian Parliament has passed new legislation on the topic, which will enter into force on 1 July 2023. The introduced legislation will both affirm the right to attend and vote on general meetings for holders of nominee-registered Shares, and in addition make it easier for holders of such Shares to exercise this right.

### 11.3 Additional issuances and preferential rights

All issuances of Shares by the Company, including bonus issues, require an amendment to the Articles of Association, which requires the same vote as other amendments to the Articles of Association. Furthermore, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new shares issued against cash contribution. The preferential rights to subscribe in an issue may be waived by a resolution in a general meeting by the same vote as required to approve amendments to the Articles of Association. A waiver of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares, irrespective of class.

Under Norwegian law, bonus issues may be distributed, subject to shareholder approval, by transfer from the Company's free equity or from its share premium reserve. Such bonus issues may be affected either by issuing Shares or by increasing the par value of the Shares outstanding.

### 11.4 Dividends

Dividends may be paid in cash or in some instances in kind. Pursuant to the PLCA, a public limited liability company may only distribute dividends to the extent it will have net assets covering the company's share capital and other restricted equity after the distribution has been made. The calculation shall be made on the basis of the balance sheet in the Company's last approved financial statements, provided, however, that it is the registered share capital at the time of decision that applies. Further, extraordinary dividend payments may be resolved by the general meeting of shareholders based upon an interim balance sheet not older than six (6) months and distribution to the shareholders may only be made when the interim balance has been announced by the Norwegian Accounting Register.

In the amount that may be distributed, a deduction shall be made for (i) the aggregate nominal value of treasury shares that the company has acquired as pledge created by an agreement before the balance day, with an amount equivalent to the accounts receivable secured by the pledge (but this shall however not apply if a deduction has been made for the accounts receivable in accordance with (ii) below), (ii) credit and collateral pursuant to Sections 8-7 to 8-10 of the PLCA, with the exception of credit and collateral repaid or settled prior to the time of decision or credit which is settled by a netting in the dividend and (iii) other dispositions after the balance sheet date which pursuant to law shall lie within the scope of the funds that the Company may use to distribute dividend. Even if all other requirements are fulfilled, the Company may only distribute dividend to the extent that it after the distribution has a sound equity and liquidity.

Distribution of dividends is resolved by the general meeting of shareholders with simple majority, and on the basis of a proposal from the Board of Directors. The general meeting cannot distribute a larger amount than what is proposed or accepted by the Board of Directors. The general meeting can also, following its approval of the annual financial statement, provide the Board of Directors with an authorization to resolve distribution of dividends on the basis of the company's financial statement. Such authorization is however limited in time to the next ordinary General Meeting.

According to the PLCA, there is no time limit after which entitlement to dividends lapses. Under the Norwegian Limitations Act, the general period of limitation is three years from the date on which an obligation is due. The payment date may not be set later than six months from the resolution to distribute dividends. Further, there are no dividend restrictions or specific procedures for non-Norwegian resident shareholders in the PLCA.

Under Norwegian foreign exchange controls currently in effect, transfers of capital to and from Norway are not subject to prior government approval except for the physical transfer of payments in currency, which is restricted to licensed banks. Consequently, a non-Norwegian resident may receive dividend payments without Norwegian exchange control consent if such payment is made only through a licensed bank.

Any potential future payments of dividends on the Shares will be denominated in NOK and will be paid to the shareholders through the VPS. Payment to investors registered in the VPS whose address is outside Norway will be conducted by the Company's registrar based on information received from the VPS. Investors registered in the VPS with an address outside Norway who have not supplied VPS with their bank account details or who do not have valid bank account number will receive a letter from the Company's VPS registrar, which needs to be returned before the dividend payment can take place.

### **11.5 Rights on liquidation**

Under the PLCA, a company may be liquidated by a resolution in a general meeting of the Company passed by a two thirds majority of the aggregate votes cast as well as two thirds of the aggregate share capital represented at such meeting. It is assumed that if a company is insolvent, it cannot be dissolved under the PLCA. The Shares rank *pari passu* in the event of a return on capital by the Company upon a liquidation or otherwise.

### **11.6 Disclosure obligations**

If a shareholder's proportion of the total issued shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, as a result of acquisition, disposal or other circumstances, the shareholder in question has an obligation under the Norwegian Securities Trading Act to notify the Financial Supervisory Authority (Finanstilsynet) or the person designated by the Financial Supervisory Authority, as well as the issuer. The lending and borrowing of shares and the return and receipt of borrowed shares shall be regarded as acquisition and disposal in this context.

The notification requirements apply accordingly to those who directly or indirectly hold, acquire, or dispose of certain financial instruments which give the holder a right to acquire already issued shares, including, *inter alia*, derivatives.

Holdings must be consolidated with, *inter alia*, the holdings of third parties with whom the party, subject to the notification requirements, has an agreed joint and long-term strategy regarding the exercise of voting rights, or persons or entities who, according to more detailed criteria, are controlled by the party.

### **11.7 The VPS and transfer of Shares**

The Company's shareholder register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is an electronic book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and Oslo Børs are both wholly-owned by Euronext N.V.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's by-laws or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Financial Supervisory Authority on an on-going basis, as well as any information that the Financial Supervisory Authority requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

### **11.8 Shareholder register**

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Norwegian shareholders are not allowed to register their shares in VPS through a nominee. Foreign shareholders may, however, register their shares in the VPS either in their own name or in the name of a nominee (bank or other nominee) approved by the Financial Supervisory Authority. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In the case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. Reference is made to the legislation which has been passed, but which has not yet entered into force, described in Section 11.2, regarding the right to attend and vote on general meetings for holders of nominee-registered Shares.

### **11.9 Foreign investment in shares listed in Norway**

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign.

### **11.10 Insider trading**

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement



to such dispositions, must not be undertaken by anyone who has inside information, pursuant to Articles 7 and 8 of the Market Abuse Regulation, and as implemented in Norway in accordance with Section 3-1 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

### **11.11 Mandatory offer requirement**

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four (4) weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. A notification informing about a disposal can be altered to a notice of making an offer within the four (4) week period, while a notification stating that the shareholder will make an offer cannot be amended and is thus binding.

The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public. The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the 1/3 threshold was exceeded, but at least equal to the market price, if it is clear that the market price was higher when the mandatory offer obligation was triggered. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be unconditional and in cash (NOK) or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly



if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above-mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

### **11.12 Compulsory acquisition**

Pursuant to the PLCA and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four (4) weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the PLCA completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless special circumstances indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

### 11.13 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the Directorate of Labour and Welfare and the Financial Supervisory Authority have electronic access to the data in this register.

## 12 LEGAL MATTERS

### 12.1 Legal and arbitration proceedings

The Group is not involved in any governmental, legal or arbitration proceedings, nor is the Company aware of any such pending or threatened proceedings, nor has the Group during a period covering the previous 12 months been involved or threatened to be involved in any governmental, legal or arbitration proceedings, which may have or have had any significant effects on the Company or Group's financial position or profitability.

### 12.2 Related party transactions since 31 December 2022 and until the date of this Prospectus

There are no unusual or significant transactions with any senior managers in the Group or with any Subsidiaries in the group. Payroll and intra-group transactions have been conducted as per normal procedures.

Reference is made to the description in Section 7.2 of Morten Opstad, chair until 23 May 2023 and board member as of that date. Mr. Opstad is a partner in Advokatfirma Ræder AS. Advokatfirmaet Ræder AS provides services to the Company on an ongoing basis. In the period 1 January 2023 through 31 May 2023, IDEX has been invoiced approximately NOK 700 thousand for legal services provided by Advokatfirmaet Ræder AS. A limited part of the services invoiced by Advokatfirmaet Ræder AS have been provided by Mr. Opstad.

Reference is further made to the description in Section 7.2 of Larry Ciaccia, board member until 23 May 2023 and chair as of that date. Mr. Ciaccia also provides consulting services to IDEX beyond board duty. The fees paid to Mr. Ciaccia for his services 1 January 2023 through 31 May 2023 amounted to \$21 thousand.

In connection with the Private Placement conducted in the Company, IDEX entered into a share lending agreements with three shareholders in order to facilitate settlement of the new shares in the Private Placement. Each lender will receive a fee equaling 5% per annum of the sum of the subscription price per new share in the Private Placement multiplied by the number of borrowed shares lent by the respective lender, for the period the shares were lent. In total, the Company will pay approximately NOK 70 thousand under the share lending agreement of which approximately NOK 7 thousand paid to Alden AS, approximately NOK 49 thousand to Sundt AS, and approximately NOK 14 thousand to Mr. Robert N. Keith.

Other than the above-mentioned transactions, the Company has not, as of the date of this Prospectus, entered into any other related party transactions since 31 December 2022.

## 13 TAXATION

### 13.1 General

Set out in this chapter 13 is a summary of certain tax matters related to purchase, holding and disposal of shares. The statements herein are, unless otherwise stated, based on the laws, rules and regulations in force in Norway as of the date of this Prospectus, and are subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis. Tax rates indicated below are applicable for the income year 2023. The tax legislation of the investor's member state in the European Economic Area or country of residence/incorporation and of the Company's country of incorporation may have an impact on the income received from the securities.

The following summary is of a general nature and does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, own or dispose Shares or Subscription Rights. Furthermore, the summary only focuses on the shareholder categories explicitly mentioned below (individual shareholders and limited liability companies). Shareholders are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of shares. The summary does not address foreign tax laws. In particular, this document does not include any information with respect to U.S. taxation. Prospective investors who may be subject to tax in the United States are urged to consult their tax adviser regarding the U.S. federal, state, local and other tax consequence of owning and disposing of shares in IDEX.

### 13.2 Norwegian shareholders

#### 13.2.1 Taxation of dividends – Individual shareholders

Dividends distributed to Norwegian individual shareholders are taxable as general income. The taxable dividend, less a calculated tax-free allowance, will be multiplied by 1.72 which amount is taxed at the general income tax rate of 22% ( $22\% \times 1.72$  resulting in an effective tax rate of 37.84 %). The tax-free allowance shall be calculated on a share-by-share basis, and the allowance for each share will be equal to the cost price of the share, multiplied by a risk-free interest rate. This risk-free interest rate is set in January of the year following the income year. Any part of the calculated allowance one year exceeding the dividend distributed on the share will be carried forward to the following years and reduce the taxable dividend income. Unused allowance will also be included in the basis for calculating the tax-free allowance later years. The tax-free allowance is calculated for each calendar year and is allocated solely to Norwegian individual shareholders holding shares at the expiry of the relevant income year.

#### 13.2.2 Taxation of dividends – Corporate shareholders (Limited liability companies)

Dividends distributed to a shareholder which is a limited liability company tax-resident in Norway (“**Norwegian corporate shareholders**”) and holding more than 90% of the shares and votes in the distributing company are fully exempt from taxation. To other corporate shareholders 3% of the dividends shall be subject to general income tax at the 22% rate (resulting in an effective tax rate of 0.66%).

#### 13.2.3 Taxation on realization of shares – Individual shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian individual shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of general income in the year of disposal. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The capital gain is calculated on the consideration received less the cost price of the share and transactional expenses. The taxable gain, less any unused calculated tax-free allowance, will be multiplied by 1.72, which amount is taxed at the general income tax rate of 22% ( $22\% \times 1.72$  resulting in an effective tax rate of 37.84%). The tax-free allowance for each share is equal to the total of any unused tax-free allowance amounts calculated for this share for previous years (ref. “Taxation of dividends – Individual shareholders” above), which exceeded dividends distributed on this share. The calculated tax-free allowance may only be deducted in order to reduce a taxable gain calculated upon the realization of the share and may not be deducted in order to produce or increase a loss for tax purposes.

If the shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

#### 13.2.4 Taxation on realization of shares – Corporate shareholders (Limited liability companies)

Norwegian corporate shareholders are not taxable for capital gains related to realization of shares in a Norwegian company, and losses related to such realization are not tax deductible.

#### 13.2.5 Taxation related to independent subscription rights – Individual shareholders

A Norwegian individual shareholder’s subscription for independent subscription rights is not subject to taxation in Norway. Costs related to the subscription for independent subscription rights will be added to the cost price of the independent subscription right.

Exercise of independent subscription rights is not taxable; the cost price of the subscription right shall be added to the tax base of the shares acquired.

Sale and other transfer of subscription rights is considered as realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian individual shareholder through a realization of independent subscription rights is taxable or tax deductible in Norway. Such capital gain or loss is generally included in or deducted from the basis for computation of general income in the year of disposal. The general income will be multiplied by 1.72 and taxed at the rate of 22% ( $22\% \times 1.72$  resulting in an effective tax-rate of 37.84%).

However, please note that the gains related to independent subscription rights granted to employees as a consequence of their employment will be included in the basis for calculating their salary payments. Such salary payments are subject to taxation at a marginal tax rate of 47.4%. (2023). In addition, the employer will be obligated to pay social security contributions at a rate normally of 14.1%. For annual salary in excess of NOK 750,000 the rate for employer’s social security contributions is 19.1%.

#### 13.2.6 Taxation related to independent subscription rights – Corporate shareholders

A Norwegian corporate shareholder’s subscription for independent subscription rights is not subject to taxation in Norway. Costs related to the subscription for independent subscription rights will be added to the cost price of the independent subscription rights.

Norwegian corporate shareholders are generally exempt from tax on capital gains upon the sale or other realization of independent subscription rights to shares in a Norwegian company, and losses are not tax deductible.

#### 13.2.7 Net wealth tax

The value of shares is included in the basis for the computation of wealth tax imposed on Norwegian

individual shareholders. The marginal wealth tax rate is 1% of the value assessed. The wealth tax rate for wealth over NOK 20 million is 1.1%. The value for assessment purposes for shares on Oslo Børs is 80% (from 1 January 2023) of the listed value as of 1 January in the year of assessment. Norwegian corporate shareholders are not subject to net wealth tax.

#### 13.2.8 Inheritance tax

Effective 1 January 2023, there is no inheritance tax in Norway.

### 13.3 Non-resident shareholders

This section summarizes Norwegian tax rules relevant to shareholders who are not tax-resident in Norway (“**Non-resident shareholders**”). Non-resident shareholders’ tax liabilities in their home country or other countries will depend on applicable tax rules in the relevant country.

#### 13.3.1 Taxation of dividends

Dividends distributed to shareholders who are individuals not tax-resident in Norway (“**Non-resident individual shareholders**”), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends. Note that there are requirements for documentation if the shareholder requests a reduced withholding tax rate. Shareholders in publicly traded companies who hold shares in an account in the VPS, which is registered directly in the shareholder's own name, must submit the documentation to the account agent. Shareholders in publicly traded companies, who have shares registered in an account in the VPS in the name of a nominee, must submit the documentation to the nominee.

The above generally applies also to shareholders who are limited liability companies not tax-resident in Norway (“**Non-resident corporate shareholders**”). However, dividends distributed to Non-resident corporate shareholders tax-resident within the EEA are exempt from Norwegian withholding tax, provided the shareholder genuinely is established and conducts business activity within the EEA.

Note that non-resident individual shareholders tax-resident within the EEA area are subject to ordinary withholding tax, but are entitled to apply for a partial refund of the withholding tax, equal to a calculated tax-free allowance similar to the calculated allowance used by Norwegian individual shareholders, ref above.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the shareholder has fulfilled specific documentation requirements and the nominee has obtained approval from the Norwegian Tax Administration for the dividend to be subject to a lower withholding tax rate. Non-resident shareholders that have suffered a higher withholding tax than set out by an applicable tax treaty or the Norwegian Tax Act may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

If a Non-resident shareholder is carrying on business activities in Norway, and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation as Norwegian shareholders, as described above.

#### 13.3.2 Taxation on realization of shares or independent subscription rights

Realization of shares or independent subscription rights by a Non-resident individual or corporate shareholder will not be subject to taxation in Norway unless the Non-resident shareholder is holding



the shares or warrants in connection with the conduct of a trade or business in Norway, in which case the tax treatment is as described for Norwegian shareholders.

### 13.3.3 Net wealth tax

Shareholders not tax-resident in Norway are not subject to Norwegian net wealth tax. Foreign individual shareholders can however be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

## 13.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer of shares whether on acquisition or disposal.

## 14 ADDITIONAL INFORMATION

### 14.1 Auditors

The Company's auditor, who also audits the Group's Financial Statements, is Ernst & Young AS, Stortorvet 7, NO-0155, Oslo, Norway, who has acted as the Company's auditors since being elected at the Extraordinary General Meeting on 13 November 2000. The partners of Ernst & Young AS are members of the Norwegian Institute of Public Accountants. Accordingly, no auditor of the Group has resigned, been removed or failed to be re-appointed during the period covered by the historical financial information discussed herein.

The auditor's report on the Financial Statements is included together with the Financial Statements as incorporated hereto by reference; see Section 14.5 "*Incorporation by reference*". Other than Ernst & Young's report on the Financial Statements, neither Ernst & Young nor any other auditor has audited, reviewed or produced any report on any other information provided in this Prospectus.

### 14.2 Expert Statements

There are no reports, letters, valuations or statements prepared by any expert at the Company's request referred to in the Prospectus.

### 14.3 Third party information

The Company confirms that where information has been sourced from a third party, it has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no fact has been omitted which would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of information has been identified.

### 14.4 Documents available

The following documents are available at the Company's website at [www.idexbiometrics.com](http://www.idexbiometrics.com). The documents (or copies thereof) will also be available for inspection during normal business hours at any business day free of charge at the offices of the Company's legal advisor Advokatfirmaet Ræder AS, Dronning Eufemias gate 11, P.O. Box 2944 Solli, NO-0230 Oslo, Norway:

- a) This Prospectus;
- b) The Company's Certificate of Incorporation and Articles of Association of the Company; and
- c) Any reports, letters and other documents, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Prospectus.

The above documents are available for inspection for the life of this Prospectus.

### 14.5 Incorporation by reference

The information incorporated by reference in the Prospectus shall be read in connection with the cross-reference list as set out in the table below. Except as provided in this section, no other information is incorporated by reference in this Prospectus.

The following documents have been incorporated hereto by reference:

<b>Section in the Prospectus</b>	<b>Disclosure Requirements of the Prospectus</b>	<b>Reference document and link</b>
Section 8.1	Audited historical financial information 2022	<a href="https://www.idexbiometrics.com/investors/annual-reports/">https://www.idexbiometrics.com/investors/annual-reports/</a>
Section 8.1	Interim financial information Q1 2022	<a href="https://www.idexbiometrics.com/investors/interim-results/">https://www.idexbiometrics.com/investors/interim-results/</a>
Section 8.1	Interim financial information Q1 2023	<a href="https://www.idexbiometrics.com/investors/interim-results/">https://www.idexbiometrics.com/investors/interim-results/</a>

## 15 DEFINITIONS AND GLOSSARY OF TERMS

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus. Words importing the plural shall be construed to include the singular and vice versa.

“ADS”	American Depositary Shares
“ASIC”	Application Specific Integrated Circuit
“Articles of Association”	The Articles of Association of IDEX
“Board”	Board of Directors of the Company
“CCO”	Chief Commercial Officer
“CEO”	Chief Executive Officer
“CFO”	Chief Financial Officer
“Company” or “IDEX”	IDEX Biometrics ASA, the parent company of the IDEX Group
“Company Registry”	The Norwegian Register of Business Enterprises or “Foretaksregisteret”
“CTO”	Chief Technology Officer
“EMV”	Technical standard for smart payment cards and terminals
“ESPP”	The Group’s Employee Share Purchase Plan
“EU Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as incorporated in Norway by Section 7-1 of the Norwegian Securities Trading Act
“Existing Shares”	Existing and unencumbered shares in the Company, listed on Oslo Børs prior to the Private Placement
“FAR”	False Acceptance Rate
“Financial Information”	The Financial Statements and Interim Financial Statements together
“Financial Statements”	The Group’s consolidated financial statements as of and for the year ended 31 December 2022
“Financial Supervisory Authority”	Financial Supervisory Authority of Norway or “Finanstilsynet”
“Forward-looking Statements”	Statements, including, without limitation, projections and expectations regarding the Group’s future financial position, business strategy, plans and objectives
“FRR”	False Rejection Rate
“Group or IDEX Group”	IDEX Biometrics ASA and its Subsidiaries consolidated
“IAM”	Identity and Access Management
“IAS 34”	The International Accounting Standard 34 - Interim Financial Reporting
“IC”	Integrated Circuit
“IFRS”	International Financial Reporting Standards

“Interim Financial Statements”	The unaudited consolidated interim financial statements as of 31 March 2023 and 31 March 2022, for the three months’ periods ended 31 March 2023 and 31 March 2022
“IOT”	Internet of Things
“IP”	Intellectual property
“IPR”	Intellectual property rights
“ISIN”	International Securities Identification Number
“ISO”	International Organisation for Standardization
“LEI”	Legal Entity Identifier
“Managers”	ABG Sundal Collier ASA and Arctic Securities AS
“MAR” or “Market Abuse Regulation”	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation)
“New Shares”	The 147,058,824 new shares issued in the Private Placement
“NFC”	Near Field Communications
“Norwegian kroner” or “NOK”	Norwegian Kroner, the lawful currency of the Kingdom of Norway
“Non-resident shareholders”	Shareholders who are not resident in Norway for tax purposes
“Non-resident corporate shareholders”	Shareholders who are limited liability companies not resident in Norway for tax purposes
“Non-resident individual shareholders”	Shareholders who are individuals not resident in Norway for tax purposes
“Norwegian Accounting Act”	The Norwegian Accounting Act of 17 July 1998
“Norwegian Securities Trading Act”	The Norwegian Securities Trading Act of 29 June 2007 No. 752 (as amended from time to time)
“Oslo Børs”	Oslo Børs ASA, being the Oslo Stock Exchange
“PIN”	Personal Identification Number
“PLCA”	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 48 (as amended from time to time)
“Private Placement”	The private placement of 147,058,824 New Shares in IDEX resolved on 24 May 2023 and consisting of Tranche One and Tranche Two
“Prospectus”	This prospectus dated 28 June 2023
“Prospectus Shares”	63,860,016 of the New Shares issued in the Private Placement, the listing of which on Oslo Børs are subject to approval and publication of this Prospectus
“SAC”	IDEX’s Strategy Advisory Council
“SEC”	US Securities and Exchange Commission

“SE” or “Secure Element”	Industry-standard, certified chip for managing payment applications in smart cards. Designed to be tamper-proof.
“Shares”	The Shares in the Company
“Share Lending Agreement”	Agreement between the Managers, the Company and certain existing shareholders in the Company, pursuant to which Existing Shares in the Company were used to settle the New Shares in the Private Placement on a payment versus delivery basis
“Subscription Price”	NOK 0.85 per New Share
“Subscription Rights”	Independent subscription rights or “frittstående tegningsretter” issued in accordance with Section 11-12 of the PLCA.
“Subsidiaries”	The wholly-owned (directly or indirectly) subsidiaries of IDEX: IDEX Biometrics Holding Company Inc., a corporation incorporated and organized under the laws of the State of Delaware, IDEX Biometrics America Inc., a corporation incorporated and organized under the laws of the State of Delaware, IDEX Electronics (Shanghai) Co., Ltd, a company incorporated and existing under the laws of the People’s Republic of China, and IDEX Biometrics UK Ltd., a company incorporated and organized under the laws of England and Wales with organization number 9193617.
“TCO”	Total Cost of Ownership
“Tranche One” and the “Tranche One Shares”	The 116,897,492 new Shares resolved issued by the Board on 24 May 2023
“Tranche Two” and the “Tranche Two Shares”	The 30,161,332 new Shares resolved issued by the Extraordinary General Meeting held in the Company on 16 June 2023.
“USD”	United States dollar, the official currency of the United States
“VPS”	The Norwegian Central Securities Depository or “Verdipapirsentralen”, which organizes the Norwegian paperless securities registration system.
“2019 Plan”, “2020 Plan” “2021 Plan”, “2022 Plan” and “2023 Plan”	, The Group’s Subscription Rights Incentive Plans
“2022 ESPP Authorization”	The Board authorization to issue new shares in connection with an Employee Share Purchase Plan resolved by the Annual General Meeting on 12 May 2022
“2023 ESPP Authorization”	The Board authorization to issue new shares in connection with an Employee Share Purchase Plan resolved by the Annual General Meeting on 23 May 2023