



Quarterly Report

Second quarter and First Half 2025



IDEX BIOMETRICS ASA

Recent highlights

- Operating expenses excluding Cost of materials and Depreciation in the first six months of 2025 amounted to \$5.2 million (excluding restructuring cost) compared to \$10.7 million for the same period in 2024, resulting in a cost reduction of 52%, year-over-year
- At the end of the second quarter of 2025 the Company had 30 full-time equivalent staff members, a reduction of 10 full-time equivalents compared to previous quarter, and down from 59 on June 30, 2024. Resulted in a cost reduction in compensation and benefits of \$1.9 million, 73%, compared to previous quarter, and a cost reduction of \$4.1 million, 72%, year-over-year.
- Heights convertible bond renegotiated and amended
 - Outstanding principal reduced from approx. NOK66.6 million to approx. NOK50.0 million. In July, further reduced to approx. NOK33.3 million
- Range of operational improvement initiatives being implemented – target quarterly run rate OPEX from end Q3 2025 in the range of \$1.5-1.7 million
- On June 1, 2025 IDEX strengthened its management team further. Kjell-Arne Besseberg started as IDEX Chief Operating Officer based in our offices in Oslo
- On June 15, 2025 employees, directors and consultants subscribed for 299,381,600 shares, totaling approximately NOK 3.0 million. Further strengthening the alignment of interest within the company
- On June 30, 2025, the CEO Anders Storbråten also assumed the role as CFO after Kristian Flaaten. Consolidating the two roles will reduce cost, increase focus and strengthen IDEX investor relations further

Financial results Q2 2025

- Revenues of \$0.1 million in the quarter
- Operating expenses were \$2.6 million (excluding restructuring cost)
- Net loss was \$2.1 million
- Cash balance per 30 June 2025 at \$1.0 million

Outlook

IDEX has made good progress according to the plan in developing the new Access and Pay products, with releases scheduled for Q3 and Q4 2025. The initial feedback from a wide range of potential customers have been positive in every market IDEX is active in. The company has after Q2 signed several Letter of Intent (LOI) with leading distributors and end customers that are in the process of testing the new Access cards.

IDEX continues to streamline operations, with a strict capital discipline to ensure the best possible return on capital spent.

On July 5, 2025, IDEX launched the world's first biometric payment card with Eastern Bank Plc (EBL) and Mastercard in Bangladesh. The response from banks after the launch has been very positive, and IDEX see increased demand and expect further launches and orders to come in 2025.

On July 21, 2025 IDEX successfully raised NOK30 million in gross proceeds in a fully underwritten equity private placement. The private placement also triggered a further reduction in the Heights convertible bond by an additional NOK16.6 million. The current principal amount stands at NOK33.3 million. The conversion price remains at NOK6.5.

On July 29, 2025, IDEX signed its first official technology partner agreement with SAVYINT for IDEX's next generation Access products. The agreement addresses the rapidly growing demand for secure digital authentication solutions in Southeast Asia, where organizations across finance, government, enterprise, healthcare, and education sectors are increasingly adopting passwordless authentication and zero-trust security frameworks.

Although it has taken time to launch new products, IDEX is on target plan to launch the new products both within Access and Payment that we believe will re-set security levels and significantly add value for our customers.

About IDEX Biometrics

IDEX Biometrics is a global technology leader in biometric authentication solutions for smart cards, offering secure and convenient solutions for payments, access control, and digital identity. Through our patented and proprietary sensor technologies, integrated circuit designs, and software we make our biometric solutions unique and innovative, delivering secure, fast and seamless user experiences to customers worldwide. IDEX Biometrics partners with leading card manufacturers, technology companies and payment networks, bringing solutions to the market.

The IDEX Biometrics flexible technology platform supports a wide range of applications and use cases. Together with our partners, we provide end-to-end solutions to banks and other organizations seeking to launch their own biometric cards for payment or to support other authentication needs.

FINANCIAL REVIEW

Statements of profit and loss

- Revenue amounted to \$0.1 million in the second quarter of 2025, compared to \$0.3 million in the second quarter of 2024.
- Operating expenses excluding Cost of materials and Depreciation were \$2.9 million in the second quarter of 2025, down 42%, compared to \$5.0 million in the second quarter of 2024. Operating expenses in the first six months of 2025 amounted to \$5.9 million compared to 10.7 million for the same period in 2024, resulting in a cost reduction of 45%, year-over-year. Excluding restructuring costs \$0.8 million the first half year, result in a cost reduction on 52% year-over-year.
- The cost of materials in the quarter was \$57 thousand. The gross margin on products sold in the second quarter of 2025 was 29%.
- At the end of the second quarter of 2025 the Company had 30 full-time equivalent staff members, a reduction of 10 full-time equivalents compared to previous quarter, and down from 59 on June 30, 2024. Resulted in a cost reduction in compensation and benefits of \$1.9 million, 73%, compared to previous quarter, and a cost reduction of \$4.1 million, 72%, year-over-year.
- Net Loss in the second quarter of 2025 was \$2.1 million, compared to a net loss in the second quarter of 2024 of \$6.7 million. Net loss in the first six months of 2025 was 6.2 million compared to \$12.1 million in the first six months of 2024. The result in the second quarter of 2025 includes net financial gain amounting to \$0.9 million from value change of the embedded derivative.

Statements of Financial Position

The largest assets held on the company's balance sheet as of June 30, 2025, were inventory of \$5.5 million and cash of \$1.0 million, representing 65% and 12% of assets, respectively.

Total intangible assets, acquired intellectual property, amounted to \$0.5 million. The current product portfolio has been created from development work conducted in more recent years. The company holds fixed assets amounting to \$0.3 million.

Customer accounts receivable amounted to \$0.1 million as of June 30, 2025, compared to \$1.1 million as of June 30, 2024 and \$30 thousand as of December 31, 2024. The amounts are net of reserves for bad debt. A receivable amounting to \$0.6 million was written down in the fourth quarter of 2024. IDEX continues to pursue any recoverable value.

Total long-term liabilities amounted to \$3.0 million as of June 30, 2025, compared to \$1.0 million as of June 30, 2024 and \$2.1 million as of December 31, 2024. Long-term liabilities consist of the convertible bond and embedded derivatives.

Total short-term liabilities amounted to \$4.6 million as of June 30, 2025, compared to 11.1 million as of June 30, 2024. The reduction of the short term liability is mainly caused by the amended agreement of the convertible loan. *See note 14 Financial instrument*, offset by the increase in accounts payable and other current liabilities.

Net working capital (i.e., current assets, excluding cash, less short-term liabilities, excluding convertible loan) amounted to \$2.7 million as of June 30, 2025, compared to \$6.6 million as of June 30, 2024 and \$5.9 million as of December 31, 2024. The decrease in net working capital in the second quarter of 2025 is caused by decrease in short term assets as well as increase in accounts payable and other current liabilities.

Equity amounted to \$0.9 million as of June 30, 2025, compared to \$2.5 million as of June 30, 2024 and \$4.7 million as of December 31, 2024. The reduction is caused by the net loss amounting to \$2.4 in the second half of 2024 and \$6.2 in the first half of 2025, offset by share issues amounting to \$2.0 and \$3.0, respectively.

Cash flow and liquidity

The company incurred an operating cash outflow of \$1.5 million in the second quarter of 2025, compared to an operating cash outflow of \$5.0 million in the second quarter of 2024. The primary operating cash items are the operating losses in each period, adjusted for non-cash expenses and gains such as share-based compensation, depreciation and amortization and changes in financial liabilities. The reduction in operating cash outflow is mainly due to lower operating expenses and favorable working capital movement.

The company has outsourced the manufacturing activities and as such the company has minimal capital expenditures. There were no significant capital expenditures in the second quarter of 2025.

Total cash flow from financing activities amounted to a net inflow of \$1.4 million in the second quarter of 2025. The primary activity was debt conversion of the NOK 30 million loan at a subscription price of NOK 0.01 per share, as well as subsequent offering and personnel offering raising \$0.9 million. See note 14 – *Financial instruments for further details*

The cash balance amounted to \$1.0 million as of June 30, 2025, compared to \$2.1 million as of June 30, 2024 and \$2.0 million as of December 31, 2024. The company's balance sheet solvency, defined as the value of cash plus accounts receivable, less short-term liabilities, was negative \$3.1 million as of June 2025 compared to negative 7.0 million as of June 2024 and negative \$0.5 million as of December 31, 2024.

Going concern

The Company's liquidity is constrained and as of June 30, 2025, more than half of IDEX's share capital was lost. The net equity amounted to only \$0.9 million, and the balance sheet solvency was negative.

On July 21, 2025, the company completed a fully underwritten private placement of 9,090,909 shares at NOK 3.30 per share, equal to the closing price at Oslo Børs on that date, raising gross NOK 30 million (\$ 3.3 million). The placement was split in two tranches, where Tranche Two was subject to approval by the shareholders. An extraordinary general meeting held on August 14, 2025, approved Tranche Two and as of the date of this report the share capital has been paid in and registered.

While the Company has been successful in the past in raising funds through private placements of shares and issuance of convertible debt, there is no assurance that IDEX Biometrics will be successful in raising capital in the future. The board is also assuming that the company will generate revenues in Q3 and Q4.

Reflecting the recent funding and acknowledging the significant doubt identified above, the Board has on balance concluded that the conditions for the going concern assumption are met.

August 26, 2025

The Board of Directors of IDEX Biometrics ASA

CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS

Amounts in USD 000s	Note	Quarters		First half		Full year
		Q2 2025	Q2 2024	2025	2024	2024
Operating revenue						
Product revenue	4	81	275	161	647	700
Service and other revenue	4	-	110	24	110	141
Total revenue		81	385	185	757	841
Operating expenses						
Cost of materials, net of inventory change		57	233	143	470	1,684
Compensation and benefits	5	679	2,531	1,568	5,680	8,797
Research and development	6	532	633	1,076	1,228	2,457
Other operating expenses	7	1,718	1,863	3,278	3,834	7,289
Amortization, depreciation and impairment	8	140	1,100	278	1,482	2,517
Total operating expenses		3,126	6,359	6,344	12,693	22,745
Loss from operations		(3,045)	(5,974)	(6,159)	(11,936)	(21,903)
Finance income	9	998	75	4,355	1,265	7,904
Gain (loss) on modification of financial liabilities, net	9	-	-	(3,969)	-	1,841
Finance cost	9	67	769	482	1,416	2,411
Profit (loss) before tax		(2,114)	(6,667)	(6,256)	(12,087)	(14,569)
Income tax benefit (expense)	10	43	(2)	41	(2)	120
Net loss for the period		(2,070)	(6,669)	(6,214)	(12,089)	(14,449)
Profit (loss) per share, basic and diluted	11	(0.07)	(2.29)	(0.32)	(4.23)	(3.48)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in USD 000s	Quarters		First half		Full year
	Q2 2025	Q2 2024	2025	2024	2024
Net loss for the period	(2,070)	(6,669)	(6,214)	(12,089)	(14,449)
Foreign currency translation adjustment	(573)	36	(782)	104	108
Total comprehensive income (loss) for the period, net of tax	(2,643)	(6,633)	(6,996)	(11,986)	(14,341)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in USD 000s	Note	June 30, 2025	June 30, 2024	December 31, 2024
Assets				
Non-current assets				
Goodwill		-	968	-
Intangible assets		521	772	569
Total intangible assets		521	1,740	569
Property, plant and equipment		80	374	122
Right-of-use assets		127	746	293
Non-current receivables		66	81	57
Total non-current assets	8	794	2,941	1,043
Current assets				
Prepaid expenses		613	1,235	764
Inventory	13	5,549	6,308	5,548
Accounts receivable, trade		84	1,139	30
Accounts receivable, other	6	475	917	901
Cash and cash equivalents		995	2,057	2,011
Total current assets		7,715	11,657	9,255
Total assets		8,509	14,598	10,297
Equity and liabilities				
Equity				
Share capital		4,569	10,591	12,942
Share premium		17	4,611	1,735
Share-based payment reserve		36	25,035	25,210
Foreign currency translation effects		(12,741)	(11,964)	(11,959)
Capital reduction reserves		0	316,341	321,264
Retained earnings		9,038	(342,119)	(344,478)
Total equity	12	920	2,495	4,713
Non-current liabilities				
Non-current non-interest-bearing loans	14	1,608	-	1,983
Other non-current financial liabilities	14	1,378	-	139
Non-current lease liabilities		-	968	-
Total non-current liabilities		2,983	968	2,123
Current liabilities				
Accounts payable		1,618	910	850
Current lease liabilities		211	596	396
Public duties payable		171	265	269
Interest-bearing loans		-	4,169	-
Other current financial liabilities	14	543	3,996	652
Other current liabilities		2,063	1,199	1,294
Total current liabilities		4,606	11,135	3,461
Total liabilities		7,589	12,103	5,584
Total equity and liabilities		8,509	14,598	10,297

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Amounts in USD 000s	Note	Share capital	Share premium	Share based payment	Foreign currency translation effects	Capital reduction reserve	Accumulated loss	Total equity
Balance at January 1, 2025		12,942	1,735	25,210	(11,959)	321,264	(344,478)	4,713
Share capital reduction	5,7,12	(12,080)	(1,366)	(25,210)	-	38,656	-	-
Share issuance	12	3,407	(368)	-	-	-	-	3,039
Convertible bond settlement in shares		-	-	-	-	-	-	-
Share-based compensation	5,7,12	300	-	(167)	-	-	-	133
Loss for the period		-	-	-	-	-	(6,214)	(6,214)
Other comprehensive income		-	-	-	(751)	-	-	(751)
Balance at June 30, 2025		4,569	0	(167)	(12,710)	359,920	(350,693)	920
Balance at January 1, 2024		25,955	2,118	24,858	(12,068)	300,500	(330,030)	11,334
Share capital reduction		(15,841)	-	-	-	15,841	-	-
Share issuance	12	471	4,344	-	-	-	-	4,816
Warrant issuance		-	(1,851)	-	-	-	-	(1,851)
Convertible bond settlement in shares		-	-	-	-	-	-	-
Share-based compensation	5,7,12	5	-	177	-	-	-	182
Loss for the period		-	-	-	-	-	(12,089)	(12,089)
Other comprehensive income		-	-	-	104	-	-	104
Balance at June 30, 2024		10,591	4,611	25,035	(11,964)	316,341	(342,119)	2,495
Balance at January 1, 2024		25,955	2,118	24,858	(12,068)	300,500	(330,030)	11,334
Share capital reduction		(20,764)	-	-	-	20,764	-	-
Share issuance	12	7,616	(774)	-	-	-	-	6,842
Convertible bond settlement in shares		130	391	-	-	-	-	521
Share-based compensation	5,7,12	5	-	351	-	-	-	356
Loss for the period		-	-	-	-	-	(14,449)	(14,449)
Other comprehensive income		-	-	-	108	-	-	108
Balance at December 31, 2024		12,942	1,735	25,210	(11,959)	321,264	(344,478)	4,713

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Quarters		First half		Full year
		Q2 2025	Q2 2024	2025	2024	2024
Operating activities						
Profit (loss) before tax		(2,114)	(6,667)	(6,256)	(12,087)	(14,569)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>						
Amortization, depreciation and impairment expense	8	140	1,100	278	1,482	2,517
Share-based compensation expense	5	(167)	(83)	(339)	177	351
(Gain) loss on modification of financial liabilities, net		-	-	3,969		(1,841)
Value change convertible loan and warrants		(929)	154	(4,202)	(764)	(6,837)
Other financial items		122	616	403	949	(280)
<i>Other operating cash flows:</i>						
(Increase) decrease in inventories		(37)	119	(0)	76	836
(Increase) decrease in accounts receivables		17	234	(54)	(71)	1,038
Increase (decrease) in accounts payable		668	171	673	222	165
(Increase) decrease in other working capital items		781	(528)	1,298	(1,637)	1,468
Interest paid	9	(3)	(154)	(8)	(252)	(254)
Change in income taxes		31	(2)	28	(2)	(129)
Net cash flow used in operating activities		(1,491)	(5,040)	(4,209)	(11,909)	(17,534)
Investing activities						
(Purchases) sales of property, plant and equipment	8	-	237	-	222	114
Change in non-current receivables		(4)	(1)	(4)	(1)	23
Interest received	9	3	12	11	73	136
Net cash flow used in investing activities		(1)	249	7	295	272
Financing activities						
Net proceeds from issuance of shares		3,383	4,882	3,338	4,887	11,176
Proceeds from borrowings	14	(1,894)	-	0	-	-
Repayments of borrowings	14	-	(879)	-	(2,216)	(2,657)
Paid, not registered capital		-	(26)	-	-	-
Payments on lease liabilities	8	(90)	(173)	(183)	(348)	(596)
Net cash flow from financing activities		1,399	3,805	3,155	2,323	7,923
Net change in cash and cash equivalents		(93)	(986)	(1,047)	(9,291)	(9,339)
Effect of foreign exchange rate changes		27	3	31	(3)	(2)
Opening cash and cash equivalents balance		1,060	3,040	2,010	11,352	11,352
Cash and cash equivalents at period end		995	2,057	995	2,057	2,011

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 The Company and its business

IDEX Biometrics specializes in the design, development, and sale of fingerprint authentication solutions. The Company's fingerprint authentication solutions are used primarily in contactless smart cards, including financial payment cards, access control cards, and card-based devices for the storage of digital currencies. The Company is a public limited liability company incorporated and domiciled in Norway. The address of the head office is Henrik Ibsens gate 90, NO-0255 Oslo, Norway. There is one class of shares, and all shares have equal rights. The Company's shares are listed on Euronext Oslo Børs, the stock exchange in Oslo, Norway, under the ticker IDEX.

The technical development and supply chain activities are performed at the subsidiary in the United Kingdom. The subsidiaries in the United States and China are inactive and dissolved, respectively.

2 Basis of preparation and accounting policies

These Consolidated interim financial statements for the quarter ended June 30, 2025, have been prepared in accordance with IAS 34 *Interim Financial Reporting* and have not been subject to audit. The interim financial statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2024, which were prepared in accordance with IFRS Accounting Standards as adopted by the EU. The accounting policies applied herein are consistent with those applied in the preparation of the annual financial statements for the year ended December 31, 2024. Amounts presented may not sum accurately due to rounding.

IDEX Biometrics operates in one operating segment, fingerprint imaging and recognition technology.

The going concern assumption has been applied in the preparation of this interim report. The net equity amounted to \$0.9 million, less than half of the share capital, and the balance sheet solvency, defined as cash plus current receivables less current liabilities was negative \$3.1 million on June 30, 2025. The existing cash does not fund the Company's operating expenses and capital expenditures requirements for the next twelve months.

On July 21, 2025, the company completed a fully underwritten private placement of 9.1 million shares, raising gross NOK 30 million (USD 3,3 million). The placement was split in two tranches, and as of the date of this report both tranches have been paid in and will cover the company's liquidity needs in the short term. The private placement also caused that the principal amount of the convertible debt was reduced by NOK 16.6 million or \$1.7 million in accordance with the amended loan agreement. This was a subsequent event to the period covered in the instant report, see note 15-*Events after the balance sheet date*.

The long-term future viability depends on the Company's ability to generate cash from operating activities and to raise additional capital to finance its operations. While the Company has been successful in the past in raising funds through private placements of shares and issuance of convertible debt, there is no assurance that IDEX Biometrics will be successful in raising capital in the future. This casts significant doubt on the Company's ability to continue as a going concern. The board is also assuming that the company will generate revenues in Q3 and Q4.

IDEX Biometrics has been successful in the past with implementing cost reductions and raising capital through private placements of equity. Reflecting the recent funding described above and acknowledging the

significant doubt identified above, the Board has on balance concluded that the conditions for the going concern assumption are met.

3 Risks

It is the duty of the Board of Directors to present the principal risks facing the Company in the conduct of its business. The Company's major risk is its business risk, broadly meaning risks to its ability to generate revenue and earn profit. Future revenue generation will depend, among other such risks, on the Company's ability to market and profitably deliver products on a sustained basis, its ability to raise sufficient capital to pursue its business strategies, its ability to legally protect its intellectual property rights, its ability to scale its operations to maximize efficiencies, and its ability to retain current employees and to attract new employees. The ability to generate future revenue is also highly dependent on the pace of development of the market for biometric payment and access cards, which remains in an early stage.

See note 2-*Basis of preparation and accounting policies* regarding the going concern risk.

The Company's assets primarily consist of cash, working capital, and intangible assets. The Company maintains liquidity by investing available funds in readily accessible, floating-interest rate bank accounts. The Company's exposure to currency exchange rate changes is managed by maintaining an appropriate mix of cash deposits in the various currencies it utilizes for its operations. The Company does not engage in any active hedging strategies. The US dollar is the dominant currency of the Company's receivables and payables.

The accounts receivable are subject to credit risk. The credit risk is not insured. Receivables are held at the original value less specific reserves for estimated possible losses.

The inventory is valued at the lower of cost or net realizable value, reflecting reserves based on aging and obsolescence until physical disposal. The items held in inventory are substantially designed by and bespoke to IDEX. While storage is considered safe and shelf life is practically unlimited, the amount of inventory is substantially higher than short term requirements from customers. This causes a risk of technical or market obsolescence before the quantity at hand has been sold.

As of June 30, 2025, the Company's convertible 2023 debt was recognized at \$3.5 million, as presented in note 14-*Financial instruments*. The original loan amount was NOK 100 million, and the loan is denominated in NOK. The loan agreement was last amended effective March 11, 2025. Following the amendment, the convertible debt is interest free, and the term payments will be semi-annual starting from June 28, 2026. As of June 30, 2025, the nominal debt outstanding amounted to NOK 50.0 million or \$4.7 million, and as of the date of this report, the nominal debt outstanding amounted to NOK 50.0 million or \$4.7 million. The debt represents a NOK/USD currency exchange rate risk, and a cash flow risk. The currency risk is not hedged. The Company may elect to make any and all term payments in shares instead of cash, reducing the liquidity risk.

The conversion option of the convertible debt is accounted for as an embedded derivative recognized separately from the host contract as a financial liability at fair value through profit or loss. The derivative liability will eventually amount to nil after the final term payment on the loan. The change in fair value of the derivative, which is a non-cash liability, is recognized as financial income or cost. The fair value is measured at each balance sheet date, and the value of the derivative, as estimated by option calculation, will increase or decrease with share price, share volatility and risk-free interest rate, as well as the NOK/USD exchange rate. Consequently, the non-cash financial effect may vary considerably between periods. This risk has not been hedged. See note 15-*Events after the balance sheet date* regarding a subsequent event related to the convertible debt.

4 Revenue from contracts with customers

Product-related revenue is recognized upon shipment, primarily on ex-works basis. Service revenue is recognized on customer acceptance of delivery.

There were no contract asset or contract liability balances on June 30, 2025, or December 31, 2024.

IDEX Biometrics categorizes customers by geographic region by the addresses to which IDEX Biometrics invoices its products or services. The Company's products and service revenue by geographic region is as follows:

Amounts in USD 1,000	Quarters		First half		Full year
	Q2 2025	Q2 2024	2025	2024	2024
EMEA	51	14	61	106	106
Americas	28	81	28	198	248
Asia-Pacific	2	181	72	343	347
Product revenue	81	276	161	647	701
EMEA	-	-	-	-	-
Americas	-	41	24	41	72
Asia-Pacific	-	69	-	69	69
Service and other revenue	-	110	24	110	140
Total revenue	81	386	185	758	841

5 Compensation and benefits

Amounts in USD 1,000	Quarters		First half		Full year
	Q2 2025	Q2 2024	2025	2024	2024
Salary, payroll tax, benefits, other	846	2,625	1,907	5,514	8,464
Share-based compensation	(167)	(95)	(339)	166	333
Compensation and benefits	679	2,531	1,568	5,680	8,797

Compensation and benefit expenses consist of costs for direct employees of the Company. The cost of individual contractors is reported as Research and development expenses or Other operating expenses, as applicable. The cost of share based remuneration is recognized according to IFRS 2, see note 12-Shares, warrants and incentive subscription rights. Because staff members have left IDEX in the first half of 2025, the accumulated cost of unvested subscription rights has been reversed.

The table below sets forth the number of employees and individual contractors by their function measured in full-time equivalents (FTE). Certain individuals are contractors because they work in countries in which the Company does not have a business presence.

Full-time equivalents (FTEs) by function	June 30, 2025		June 30, 2024		December 31, 2024	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Research and development	11	4	30	5	16	4
Marketing and sales	2	4	2	10	3	4
General and administrative	4	-	4	1	5	1
Supply chain and distribution	4	1	7	-	6	-
Total	21	9	43	16	30	9

6 Research and development expenses

Research costs are expensed when incurred. Development costs are expensed unless they qualify for capitalization. The Company's patents and other intellectual property rights created are capitalized and recorded on the Statement of financial position only if they satisfy the criteria for capitalization. The Company has not capitalized development costs in any of the periods presented. Development costs related to the creation of intellectual property have been expensed when incurred.

In the second quarter of 2025, the UK government R&D support for 2023 was paid out and the estimate for 2024 was adjusted to the claimed amount. The net effect was a charge to development expenses amounting to \$52 thousand.

	Quarters		First half		Full year
Amounts in USD 1,000	Q2 2025	Q2 2024	2025	2024	2024
Gross R&D expenses	480	633	1,025	1,228	2,873
Government grants credited to cost	52	-	52	-	(416)
Net R&D expenses	532	633	1,076	1,228	2,457

In the second quarter of 2025, adjustments to prior years' government grants represented a net expense.

Government support is recognized when it is probable the Company will qualify and receive support, and the amount can be measured reliably. Norwegian SkatteFUNN grants are recorded in the fourth quarter and the UK SME R&D tax relief is normally recorded at year end.

7 Related party transactions

Chair of the board, formerly board member, Morten Opstad, is a partner in the law firm Ræder Bing advokatfirma AS. Ræder Bing has provided legal services to the Company resulting in charges of \$390 thousand during the first six months of 2025. Mr. Opstad's work for the Company beyond his board duties is invoiced by Ræder Bing.

Anders Storbråten which serves as CEO and CFO provides services through his controlled company Ludvig & Solan AG. During the first half of 2025, the charges cover four full-time staff members, and IDEX has expensed \$636 thousand in the period.

On May 21, 2025, Annika Olsson elected to take part of the 2024-2025 board remuneration in shares, see note 12—*Shares, warrants and incentive subscription rights*.

Certain related parties and/or their close associates have subscribed to shares in the first half of 2025, as listed below. The number of shares and per share prices have not been adjusted for the 100:1 share consolidation on 4 July 2025.

Name	Date	Transaction	Number of shares	Price per share NOK
Chair Morten Opstad	April 11, 2025	Loan conversion	50,000,000	0.01
	June 19, 2025	Personnel placement	50,000,000	0.01
Board member Annika Olsson	June 19, 2025	Personnel placement	10,000,000	0.01
	June 23, 2025	Board remuneration	5,412,932	0.01
CEO and CFO Anders Storbråten	April 11, 2025	Loan conversion	1,150,000,000	0.01
	June 19, 2025	Personnel placement	110,000,000	0.01
Former CFO Kristian Flaten	June 19, 2025	Personnel placement	25,000,000	0.01

8 Non-current assets

Amounts in USD 1,000	Goodwill	Intangible assets	Property, plant and equipment	Right-of-use assets	Non-current receivables	Total non-current assets
Balance at January 1, 2025	-	569	123	293	57	1,043
Additions	-	-	-	-	-	-
Settlements	-	-	-	-	-	-
Depreciation, amortization and impairment	-	(48)	(50)	(179)	-	(278)
Effects of changes in foreign currency	-	-	7	13	8	28
Balance at June 30, 2025	-	521	80	127	66	794
Balance at January 1, 2024	968	1,011	812	1,779	81	4,651
Additions	-	-	(222)	-	-	(222)
Settlements	-	-	-	-	-	-
Depreciation and amortization and impairment	-	(239)	(214)	(1,029)	-	(1,482)
Effects of changes in foreign currency	-	-	(2)	(4)	0	(6)
Balance at June 30, 2024	968	772	374	746	81	2,941
Balance at January 1, 2024	968	1,011	812	1,779	81	4,651
Additions	-	-	-	-	-	-
Settlements	-	-	-	-	(23)	(23)
Depreciation and amortization	(968)	(441)	(572)	(535)	-	(2,517)
Depreciation on disposed and retired assets	-	-	(114)	(948)	-	(1,062)
Effects of changes in foreign currency	-	(0)	(3)	(3)	-	(6)
Balance at December 31, 2024	-	569	123	293	57	1,043

Acquired intangible assets and intellectual property rights have been capitalized at the time of acquisition. These assets are depreciated over their respective economic lives. The major items depreciate over 9.5 years and 17 years from acquisition, through July 2024, and to the end of 2030, respectively. Internal development costs have not been capitalized.

Tangible fixed assets are comprised of scientific and test equipment, engineering tools, leasehold improvements, office equipment, and furniture with useful lives of three to seven years. In connection with the closing of the activities in IDEX America and IDEX China in 2024, lease agreements were terminated which led to reduced right of use assets.

9 Financial items

	Quarters		First half		Full year
Amounts in USD 1,000	Q2 2025	Q2 2024	2025	2024	2024
Interest income	3	13	11	73	136
Currency exchange gain	233	62	310	609	933
Gain on modification of financial liabilities, net	-	-	-	583	1,841
Change in fair value of financial instruments	929	-	4,202	-	6,837
Other financial income	22	-	22	-	-
Total financial income	1,188	75	4,545	1,265	9,745
Interest expenses on lease liabilities	3	25	7	53	82
Interest expenses	254	521	514	1,111	1,924
Currency exchange loss	-	106	152	252	406
Loss on modification of financial liabilities, net	-	116	3,969	-	-
Other financial expenses	-	-	-	-	-
Change in fair value of financial instruments	-	-	-	-	-
Total financial expense	257	769	4,642	1,416	2,411

See note 14—*Financial instruments* regarding the gain or loss on financial instruments.

10 Income tax expense

The Company has significant accumulated tax losses. No deferred tax asset associated with these accumulated tax losses has been recorded on the Statement of financial position, as there is not sufficient evidence that taxable profit will be generated, against which the unused tax losses could be applied. There are no restrictions as to how long tax losses may be carried forward in Norway.

11 Loss per share

	Quarters		First half		Full year
	Q2 2025	Q2 2024	2025	2024	2024
Profit (loss) attributable to the shareholders (USD 1,000)	(2,070)	(6,669)	(6,214)	(12,089)	(14,449)
Weighted average basic number of shares	29,884,737	2,915,732	19,188,900	2,856,211	4,146,567
Weighted average diluted number of shares	29,884,737	2,923,423	19,188,900	2,866,454	4,153,767
Profit (loss) per share, basic and diluted (USD)	(0.07)	(2.29)	(0.32)	(4.23)	(3.48)

A 100:1 share consolidation (reverse split) was completed at record date July 4, 2025. The per share calculations for all periods presented here are based on the new number of shares.

The profit or loss per share is calculated by dividing the profit (loss) for the period by the weighted average number of ordinary shares outstanding for the period. Loss per share is calculated per basic share (i.e., without consideration for the anti-dilutive effect of exercisable subscription rights or warrants).

12 Shares, warrants and incentive subscription rights

This note reports the number of shares registered as of June 30, 2025, and on earlier dates, i.e., before the 100:1 share consolidation (reverse split) taking effect on record date July 4, 2025. The subscription rights plans have adjustment clauses so that the number of subscription rights and the exercise prices will be adjusted by the same ratio.

Number of financial instruments	Incentive subscription rights	Warrants	Shares
Balance at January 1, 2025	22,569,865	526,160,419	831,576,974
Mar 13: Warrants A exercise and expiry		(246,396,285)	17,258
Apr 11: Warrants B exercise and expiry		(246,430,801)	36,767
Apr 11: Share issue – Loans conversion			3,000,000,000
Jun 4: May warrants expiry		(33,333,333)	
Jun 6: Share issue – Subsequent offering			600,000,000
Jun 15: Share issue – Personnel			299,381,600
Jun 23: Share issue – Board remuneration and rounding shares			5,413,001
Employee Stock Purchase Plan			
Granted incentive subscription rights			
Expired/forfeited incentive subscription rights	(13,903,366)		
Balance at June 30, 2025	8,666,499	0	4,736,425,600
Balance at January 1, 2024	94,834,662		1,397,010,650
Jan 10: After 5:1 share consolidation	18,966,932		279,402,130
May 15: Share issue		27,940,213	27,940,213
Jun 19: Share issue		5,393,120	5,393,120
Employee Stock Purchase Plan			358,525
Granted incentive subscription rights			
Mar 20: Exercised incentive subscription rights	(365,900)		365,900
Expired/forfeited incentive subscription rights	(1,127,307)		
Balance at June 30, 2024	17,473,725	33,333,333	313,459,888
Balance at January 1, 2024	94,834,662		1,397,010,650
Jan 10: After 5:1 share consolidation	18,966,932		279,402,130
May 15: Share issue		27,940,213	27,940,213
Jun 19: Share issue		5,393,120	5,393,120
Aug 20: Share issue			16,166,667
Aug 29: Share issue - Convertible loan term payment settled in shares			9,123,333
Sep 16: Share issue		101,624,966	101,624,966
Oct 14: Share issue		365,041,700	365,041,700
Dec 2: Share issue		26,160,420	26,160,420
Employee Stock Purchase Plan			358,525
Granted incentive subscription rights	15,383,130		
Mar 20: Exercised incentive subscription rights	(532,572)		365,900
Expired/forfeited incentive subscription rights	(11,247,625)		
Balance at December 31, 2024	22,569,865	526,160,419	831,576,974

On May 15, 2024, IDEX conducted a private placement of 33,333,333 shares in which the subscribers received one warrant at NOK 1.65 per share subscribed to. No May warrants were exercised and they lapsed on June 4, 2025.

On September 16, 2024, IDEX conducted a private placement of 466,666,666 shares. For each two shares subscribed to, the subscriber received two warrants: One warrant A exercisable from February 28 to 13 March 2025, and one warrant B which was exercisable from March 31 to April 11, 2025. Following the private placement, the company conducted a subsequent offering placing 26,160,420 shares, where subscribers received Warrants A and B as in the private placement. 17,258 warrants A were exercised and 36,767 warrants B were exercised. The warrants that were not exercised in the respective periods, lapsed.

On March 11, 2025, the Company took up loans amounting to a total of NOK 30 million, which were convertible to shares at NOK 0.01 per share, subject to approval by an extraordinary general meeting (EGM). The conversion was approved by the EGM on April 11, 2025 and the conversion took place on April 28, 2025 when 3,000,000,000 new shares were registered.

The EGM held on April 11, 2025 resolved to reduce the share capital by reduction of the par value of the shares from NOK 0.15 to NOK 0.01 per share. The reduction was allocated to partly cover accumulated loss. The net equity did not change.

The EGM held on April 11, 2025 resolved to conduct a subsequent offering of shares (repair issue) to the shareholders who did not participate in the loans conversion. 600,000,000 shares at NOK 0.01 were subscribed to, and issued on June 6, 2025. The EGM also approved a placement to employees, contractors and directors of up to 300,000,000 shares at NOK 0.01 per share (Personnel shares). 299,381,600 shares were issued on June 15, 2025.

The 2025 annual general meeting held on May 21, 2025 approved that board members could elect to receive all or part of the board remuneration for 2024-2025 in shares. One board member took part of the board remuneration in shares, and 5,412,932 new shares were issued.

To enable the 100:1 share consolidation, 69 shares were issued on June 23, 2025 in order to have a number of shares divisible by 100. The share consolidation took effect on record date July 4, 2025.

See also note 15—*Events after the balance sheet date* regarding a private placement completed on 21 July 2025.

From time to time, on a discretionary basis, IDEX Biometrics awards subscription rights for the purchase of shares to employees and individual contractors, pursuant to the terms of an annual subscription rights program approved by shareholders at the annual general meeting (AGM). Such subscription rights are denominated in NOK. Unless specifically resolved otherwise by the Board of Directors, 25% of each grant of subscription rights vests per year, and the grant expires on the fifth anniversary of the AGM at which the program was approved. Unvested subscription rights terminate on the holder's last day of employment or termination of contract. Vested subscription rights may be exercised up to 90 days after such termination date. The weighted average exercise price of outstanding incentive subscription rights on June 30, 2025, was NOK 4.17 per share.

The fair value at grant date of a subscription right is expensed over the vesting period of each tranche of the grant. The fair value of each tranche of a subscription right is determined using a Black-Scholes option pricing model, based on share prices quoted on the Oslo Børs and applicable volatility and interest rates. The Company's social security tax obligations related to share-based remuneration are recorded on each balance sheet date, based on the earned value of the subscription rights outstanding, and the adjustment to the accrued balance is recorded through profit and loss.

13 Inventory

Amounts in USD 1,000	June 30, 2025			June 30, 2024			December 31, 2024		
	Cost	Reserves	Net	Cost	Reserves	Net	Cost	Reserves	Net
Raw Materials	3,942	(634)	3,308	3,671	-	3,671	3,876	(634)	3,242
Work in progress	37	-	37	249	-	249	36	-	36
Finished Goods	3,102	(898)	2,204	2,435	(46)	2,389	3,107	(836)	2,271
Total Inventory	7,081	(1,532)	5,549	6,355	(46)	6,308	7,019	(1,470)	5,548

Inventories consist of raw materials, work in process, and finished goods. Materials and components purchased for use in research and development activities are expensed at the time of purchase and excluded from inventory. Inventory is recorded at the lower of cost and net realizable value, less impairment, if any.

IDEX disclosed on March 11, 2025, a strategic shift to focus on the access market, while continuing to harvest from its long-time efforts in the payment market. Consequently, parts of the material and components held in inventory became less likely to be sold, and an obsolescence provision was recognized as of December 31, 2024. Furthermore, the quantity of certain components (raw material) in inventory was deemed substantially larger than would be required for the updated business plan. Some of the inventory may remain unused and unsold by the time the material becomes obsolete because of aging/shelf life and/or technical obsolescence. Any such obsolescence and the timing of it is uncertain. An impairment charge was recognized as of December 31, 2024, based on an assessment with horizon three years derived from the business plan and estimated usage.

14 Financial instruments

Convertible Bond

Amounts in USD 1,000	Interest rate	Maturity	Recognized value on the balance sheet		
			June 30, 2025	June 30, 2024	December 31, 2024
Convertible bond	0%	Semi-annual Amortization from June 28, 2026 to December 28, 2028			
Convertible debt			2,148	4,169	1,983
Embedded derivative			1,378	2,807	139
Total			3,526	6,977	2,123

In December 2023, IDEX entered into a convertible debt financing agreement. The agreement has since been amended, see below. The Company issued NOK 100 million or \$9.9 million in convertible bonds at 6.0% interest p.a. The loan is denominated in NOK. IDEX Biometrics received NOK 92 million after deduction of the issue discount. Transactions and balance amounts are reported in USD at the exchange rates at the respective dates. The bondholder could elect to convert the outstanding loans into IDEX shares at any time prior to repayment at a conversion price of NOK 3.655 per share after (price after the 5:1 share consolidation effective January 10, 2024). The conversion option was accounted for as an embedded derivative and was recognized separately from the host contract as a financial liability at fair value through profit or loss.

Under the original agreement, the debt would be redeemed in 21 equal bi-monthly instalments of NOK 4.8 million plus accrued interest. On September 17, 2024, IDEX Biometrics entered into a commitment letter to amend the terms of the convertible bond. The full agreement was entered into on November 6, 2024. The coupon interest rate was reduced to 0%, the redemption schedule was prolonged and the conversion rate on the loan was reduced to NOK 0.85 per share. The Company may elect to settle the principal payments with shares in lieu of cash payments. Any repayment in shares will be converted at 90% of the prevailing market

price of the shares. The amendment represented a substantial modification of the financial liability under IFRS 9. The original host contract and embedded derivative was therefore derecognized and the amended debt was recognized at fair value of the host contract and the embedded derivative. This resulted in a gain on modification.

On March 10, 2025, IDEX Biometrics entered into a commitment letter whereby the terms of the convertible bonds were amended. The amendments included, inter alia, that (i) the principal amount of the bonds was reduced by 25%, (ii) subject to the Company's consummation of any further equity raise on market terms latest December 31, 2025, the principal amount of the bonds would be reduced by a further 25%, (iii) the conversion period shall be the period from September 1, 2025 to two Oslo business days prior to the final maturity on December 28, 2027. If the market price of the share in the Company is NOK 0.10 or more, the bondholder shall be permitted to exercise its conversion rights under the bonds for so long as such price is maintained, (iv) the conversion price was reset to be NOK 0.065, (v) any provisions under the bonds relating to the bondholder's rights to exercise amortized payment advancements shall not apply. The amendments to the convertible bond were approved by the extraordinary general meeting held on April 11, 2025. The full agreement was entered into on May 16, 2025. The amendment represented a substantial modification of the financial liability under IFRS 9. The host contract and embedded derivative (as previously amended) was therefore derecognized and the amended debt recognized at fair value of the host contract and the embedded derivative as of March 10, 2025. This resulted in a net loss on modification amounting to \$3.969 million, recognized in the first quarter of 2025.

Due to the change of the share price in the first half of 2025, the value of the derivative was reduced during the period, resulting in a gain amounting to \$4.2 million, offsetting the loss on modification amounting to \$3.9 million.

Following the private placement of shares on July 21, 2025, the debt was reduced by NOK 16.7 million (\$1.6 million). See note 15—*Events after the balance sheet date*.

Warrants

Amounts in USD 1,000	Exercise price	Expiry	Recognized value on the balance sheet		
			June 30, 2025	June 30, 2024	December 31, 2024
Warrants					
Warrants May	NOK 1.65	May 29, 2025	-	1,188	1
Warrants A	NOK 0.15	March 13, 2025	-		326
Warrants B	NOK 0.15	April 11, 2025	-		326
Total			-	1,188	652

See note 12—*Shares, warrants and incentive subscription rights* regarding issue, exercise and expiry of warrants. The warrants were recognized on the respective dates as a financial liability denominated in NOK, at fair value through profit and loss. The valuation at initial recognition was based on option calculations, while subsequent valuation was at fair value because of the listing of warrants A and B. The financial liability represented by the warrants became nil when the warrants had been exercised or expired, but varied between periods, causing financial gain or loss. In the first half of 2025, IDEX recognized net \$0.8 million in financial gain related to the warrants, due to exercise or expiry.

March loans, conversion of shares

On March 10, 2025, the company took out loans from certain shareholders, in a total of NOK 30 million (\$2.8 million). NOK 20 million was received in the first quarter, and the remaining NOK 10 million was received in April 2025. The loan was interest-free and convertible to shares, subject to approval by the extraordinary general meeting on April 11, 2025. See note 12—*Shares, warrants and incentive subscription rights* regarding the conversion.

15 Events after the balance sheet date

A 100:1 share consolidation (reverse split) was effective at record date July 7, 2025.

On July 21, 2025, the company completed a fully underwritten private placement of 9,090,909 shares at NOK 3.30 per share, equal to the closing price at Oslo Børs on that date, raising gross NOK 30 million (USD 3.3 million). The placement was split in two tranches, where Tranche Two was subject to approval by the shareholders. An extraordinary general meeting held on August 14, 2025, approved Tranche Two and as of the date of this report the share capital has been paid in and registered.

Following the private placement conducted on July 21, 2025, the principal amount of the outstanding bonds were reduced in accordance with the amended loan agreement dated May 16, 2025, by NOK 16.6 million (\$1.7 million) to NOK 33.3 million (\$3.3 million) effective August 14, 2025. The reduction represented a partial extinguishment of the financial liability under IFRS 9. A financial gain through profit or loss amounting to NOK 12.7 million (\$1.2 million) will be recognized in the third quarter.

There have been no other events between June 30, 2025, and the approval of these interim financial statements by the Board of Directors that have had any material impact on the Company's results for the three months ended June 30, 2025, or the value of the Company's assets and liabilities as of June 30, 2025.

RESPONSIBILITY STATEMENT

The Board of Directors and the Chief Executive Officer have today reviewed and approved the IDEX Biometrics ASA unaudited interim condensed consolidated financial statements as of June 30, 2025.

To the best of our knowledge, we confirm the following:

- The interim condensed consolidated financial statements with notes for the first half of the calendar year 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and additional disclosure requirements as stated in the Norwegian Securities Trading Act section 5-6.
- The interim condensed consolidated financial statements for the first half calendar year of 2025 give a true and fair view of the Company's assets, liabilities, financial position, and results for the period viewed in their entirety.
- The report from the Board of Directors issued in concert with these condensed financial statements gives a true and fair view of the development, performance, and financial position of the Company, and a fair review of important events that have occurred during the first six months of the financial year and their impact on the interim condensed consolidated financial statements.
- A description of the principal risks and uncertainties for the remaining six months of the financial year have been disclosed in note 3 to the financial statements.
- Major related party transactions have been disclosed in note 7 to the financial statements.
- The report from the Board of Directors has been prepared in accordance with the Norwegian accounting act and generally accepted accounting practice in Norway.

August 26, 2025

The Board of Directors of IDEX Biometrics ASA

/s/ Morten Opstad
Chair

/s/ Annika Olsson
Board member

/s/ Adriana Saitta
Board member

/s/ Anders Storbråten
Chief Executive Officer