



## **IDEX Biometrics ASA**

# **2023 Executive Remuneration Report**

This report constitutes the Board of Directors of IDEX Biometrics ASA's report to the 2024 annual general meeting about the implementation in 2023 of the Executive Remuneration Policy adopted by the 2023 annual general meeting. The report will be subject to an advisory vote at the 2024 annual general meeting.

This report presents the number of shares, subscription rights exercise price and share price as registered as of December 31, 2023, and on earlier dates, i.e., before the 5:1 share consolidation (reverse split) taking effect on record date January 10, 2024. The incentive subscription rights scheme has adjustment clauses so that the same ratio adjusts the number of subscription rights and the exercise prices.

### **REMUNERATION POLICY**

The Company's remuneration policy for the executives, as well as guidelines for incentive programs as approved at the Annual General Meeting on May 12, 2022, are available on the Company's website. There is no stated policy for remuneration of the shareholder-elected supervisory board, other than the fees shall be proposed by the Nomination Committee and approved by the Annual General Meeting.

#### **OBJECTIVE AND PRINCIPLES**

The objective of the IDEX Group's Executive Remuneration Policy is to attract, motivate and retain highly qualified executives by providing them with a balanced and competitive remuneration package that is focused on sustainable results and is aligned with the Company's long-term strategy. While we do not seek to adhere rigidly to market benchmarks, we monitor and take into account pay levels and incentive opportunities in the principal markets from which we recruit, our peer companies and international companies across industry sectors as relevant.

Many of our investors are long-term holders of our shares. We want our executives to share our shareholders' perspective and believe remuneration should align their interests accordingly. The balance between the short-term remuneration package and long-term share-based pay and share purchase plan strengthens this alignment.

The Board did not propose any changes to the pay structure in 2023 and confirms there were no deviations from the Executive Remuneration Policy in 2023.

The remuneration of the Board of Directors is proposed by the Nomination Committee and resolved by the general meeting of shareholders. The guiding principle is that the amount should reflect the time spent by, and the responsibilities of the Board of Directors members. Given the nature of the responsibilities of the Board of Directors, the remuneration is not dependent on the results of the IDEX Group; it consists of a fixed compensation only.

#### **THE COMPENSATION COMMITTEE**

The board has appointed a Compensation Committee among its members. In 2023, the main activities of the Compensation Committee were:

- Preparing the 2023 Remuneration Report in line with new reporting standards under the EU Shareholder Rights Directive.
- Reviewing management's recommendations for grants under the share-based programs and also reviewing any adjustments to the frameworks of such programs, where applicable.
- Reviewing the approach for the annual salary review process, taking account of company performance and budget availability in addition to market practice and competition.

- Reviewing the approach to target-setting for and ongoing performance against short-term incentive pay in light of the business environment and the company's stage of development.
- Considering the incentive arrangements in light of the developing future business strategy.
- Reviewing employee benefits provisions against typical market practice.

## REMUNERATION OF THE BOARD OF DIRECTORS

The Board of Directors has seven directors elected by the shareholders in a general meeting. Fees to the board of directors are proposed by the Nomination Committee and approved by the annual general meeting in arrears and consist of a fixed annual base fee for the service period since prior annual general meeting and up to the annual general meeting when the fees are approved. Committee tenure is remunerated by separate, additional fees determined in the same manner. The fees are reviewed, but not necessarily increased, each year, taking into account market practice with reference to an international peer group, as well as the need to attract and retain high-caliber individuals. Members of the Board of Directors are not included in any variable pay incentive programs, share incentive programs, retirement benefit plans or other benefit plans.

### BOARD REMUNERATION PAID IN 2023

The fees in the table below represent fees approved at the Annual General Meeting on May 23, 2023. The directors did not receive any other fees in the capacity of board members.

NOK thousand	<u>Base board fee</u>	<u>Additional fee</u>
All Board of Directors members	425	
Chair of the Board of Directors		85
Chair of the Audit Committee		175
Chair of the Compensation Committee		125
Member of the Audit Committee		100
Member of the Compensation Committee		85

<b>Committee membership until 2023 Annual General Meeting</b>	<u>Audit Committee</u>	<u>Compensation Committee</u>
Morten Opstad (Chair)		
Lawrence John Ciaccia (Deputy chair)		Member
Deborah Davis	Member	Chair
Hanne Hovding	Member	
Annika Olsson		
Thomas M. Quindlen	Member	
Stephen A. Skaggs	Chair	

### OTHER REMUNERATION TO DIRECTORS

Mr. Opstad, the former chair of the board and currently a board member, is a partner at Ræder Bing advokatfirma AS. Ræder Bing is the legal counsel for IDEX. Mr. Opstad's executive functions beyond board duty, are pursuant to an agreement dated January 30, 2018. The hourly fee for these services is invoiced by Ræder Bing. The law firm provided services to the Company amounting to a total, including the fees to Mr. Opstad, amounting to \$172 thousand in 2023 and \$234 thousand in 2022.

Mr. Ciaccia has served on IDEX's Strategy Advisory Council (SAC) since January 2014 and served on the SAC through June 2022, when the SAC was discontinued. Mr. Ciaccia also provides consulting services to IDEX. The combined fee for SAC service and consulting services amounted to \$50 thousand in 2023 and \$58 thousand in 2022.

IDEX does not grant subscription rights to Directors, in their capacity as such. Mr. Ciaccia holds 600,000 incentive subscription rights which were originally granted to him on August 15, 2018, in his capacity of adviser to the company. The exercise price was NOK 5.10 per share. The 2018 subscription rights were replaced by a grant of the same quantity of subscription rights effective June 17, 2020, at a subscription price of NOK 1.71 per share. The subscription rights vest annually over three years and expire on May 15, 2025.

**DIRECTORS' SHAREHOLDINGS**

	Number of shares			USD thousand	
	1 Jan. 2023	Purchased	Sold	31 Dec. 2023	Market value
Morten Opstad (Chair)	7,398,916	-	-	7,398,916	\$ 401
Lawrence John Ciaccia (Deputy chair)	415,021	625,280	-	1,040,301	56
Deborah Davis	564,479	-	-	564,479	31
Hanne Hovding	487,778	-	-	487,778	26
Annika Olsson	52,631	-	-	52,631	3
Thomas M. Quindlen	413,981	-	-	413,981	22
Stephen A. Skaggs	1,018,503	-	-	1,018,503	55
Total	10,350,859	625,280	-	10,976,139	\$ 596

**CHANGES IN THE REMUNERATION TO THE BOARD OF DIRECTORS**

There were no changes to the remuneration of the board in 2023. In 2022 there were no changes other than 2022 reflecting a full year of fees for the audit committee and fees paid to new committee members in 2022. In 2021, the remuneration of the board of directors was increased compared to the prior years to reflect the additional responsibility of members due to IDEX's listing of its ADSs on the Nasdaq Capital Market in the United States. The introduction of a separate compensation committee as of the fourth quarter of 2019 and a separate audit committee as of the first quarter 2021 caused committee-specific additional fees to be paid as of 2020 and 2021, respectively.

**Remuneration of the Board of Directors**

NOK thousand	2023	Chg	2022	Chg	2021**	Chg	2020*	Chg	2019
Morten Opstad	510	0%	510	0%	510	36%	375	0%	375
Lawrence John Ciaccia <sup>1</sup>	510	0%	510	0%	510	42%	360	20%	300
Deborah Davis <sup>2</sup>	650	0%	650	13%	575	53%	375	25%	300
Hanne Høvdning <sup>3</sup>	525	0%	525	17%	450	50%	300	0%	300
Annika Olsson <sup>4</sup>	425	0%	425	-	-	-	-	-	-
Thomas M. Quindlen <sup>5</sup>	525	0%	525	88%	280	-	-	-	-
Stephen A. Skaggs <sup>6</sup>	600	0%	600	18%	510	70%	300	-	-
Total	3,745	0%	3,745	32%	2,835	66%	1,710	34%	1,275
Remuneration of former member	-	-	-	-	-	-	-	-	300
Total incl. former member	3,745	0%	3,745	32%	2,835	66%	1,710	9%	1,575

\* Board fees for compensation committee members reflect that the committee was active from the fourth quarter of 2019

\*\* Board fees for audit committee members reflect that the committee was active from the first quarter of 2021

<sup>1</sup> Mr. Ciaccia was member of the Compensation Committee in the periods that the remuneration paid in 2023, 2022, 2021 and 2020 related to. Mr. Ciaccia was elected as chair of the board at the 2023 Annual General meeting.

<sup>2</sup> Ms. Davis was chair of the Compensation Committee in the periods that the remuneration paid in 2023, 2022, 2021 and 2020 related to. Ms. Davis was member of the Audit Committee in the period that remuneration paid in 2023, 2022 and 2021 related to.

<sup>3</sup> Ms. Høvdning retired from the board effective with the 2023 Annual General Meeting. She was member of the Audit Committee in the period that remuneration paid in 2023, 2022 and 2021 related to.

<sup>4</sup> Ms. Olsson was elected as a board member in May 2021.

<sup>5</sup> Mr. Quindlen retired from the board effective with the 2023 Annual General meeting. He was a member of the Audit Committee in the period that remuneration paid in 2023 and 2022 related to. He was elected as a board member in May 2021. He was a board observer in the period that remuneration paid in 2021 related to.

<sup>6</sup> Mr. Skaggs was chair of the Audit Committee in the period that remuneration paid in 2023, 2022 and 2021 related to.

The amounts above are the cash remuneration as approved by the respective annual general meetings. The effect of any election by the director to take all or part of the remuneration in shares has not been taken into account.

## REMUNERATION OF EXECUTIVES

### REMUNERATION COMPONENTS

The Remuneration Policy sets out the principles for executive remuneration. IDEX provides the same remuneration components to its executives as to the employees at large:

- Base pay
- Variable cash pay
- Share-based programs
- Insurance, pension contribution and other benefits

There have not been any deviations from the policy in 2023.

#### Base pay

The base pay is a fixed cash salary. The base pay is in line with the market for corresponding jobs in the industry and location. Position scoping is based on job content. Within scope, the pay can be adjusted to reflect the individual's expertise and performance. The scoping and level within scope is normally reviewed annually.

#### Variable cash pay

The Company's annual incentive program for the executives includes revenue generation as a gating and scaling component. In addition, various financial and operational components like product margin, operating expense, product development, supply chain performance and organizational improvement are factored in.

The components are selected from the company's business strategy and operational plans. The variable elements of the remuneration promote the company's goals and align employees' and shareholders' motivation. Full target incentive pay achievement is expressed as a percentage of base pay, up to 100%. In order to have the ability to recognize instances of significant revenue and profitability achievements, variable pay awards may exceed target levels if certain key company performance metrics within the plan have been exceeded in any particular year, but may not exceed 200% of annual base pay.

The following criteria were in effect in 2023. The measurement scale and achievement are not disclosed because of competitive considerations. The criteria reflected the company's strategy of profitable growth, technical innovation and product development, cost control, and organizational development.

<u>Criterion</u>	<u>Weight</u>	<u>Alignment with strategy and shareholders' interests</u>
Gross margin	10%	Shareholder value creation and sustainable financial results are dependent on profit
Sales Orders and Agreements	40%	Shareholder value creation and sustainable financial results are dependent on product commercialization
Product development and release	35%	Intellectual property creation is a pivotal factor in creating and maintaining competitive advantage
Quality	5%	Customer and supplier quality metrics, QMS development and ISO and CQM compliance targets
Opex spending vs. budget	5%	A sustainable business needs to practice financial discipline
HR development actions	5%	The intellectual property and operational effectiveness and efficiency is created by IDEX's human resources
Revenue multiplier; Multiplier of the weighted achievement of the above	Multiplier	Generating revenue is fundamental to building a viable business from IDEX's technology and absent revenue growth, the other factors have no value

The overall achievement on the above criteria was scaled with a revenue multiplier. The compensation committee and the board reviews performance against criteria and determines the bonus achievement. Overall achievement in 2023, including the revenue multiplier, was 34/100 of target bonus. In view of the company's commercial and financial situation at the end of 2023, no incentive pay was awarded under the plan.

The incentive pay is normally settled in cash. The board may also decide to settle all or part of the incentive pay in shares. Incentives are paid pro rata when the executive has not served the full period. Incentives are normally paid only if the executive remains employed on the settlement date.

The board may offer specific one-off incentive payments related to successful completion of certain key projects. Such incentives will be in addition to any annual incentives. Such one-off incentives may not exceed 25% of annual base pay in a calendar year.

Incentives are paid only in arrears. IDEX's employment agreements do not have any clawback provisions. In cases of misconduct and misinformation, clawback may or may not be successful based on applicable legislation.

No clawbacks of variable pay have been attempted or conducted in 2023.

### **Share-based programs**

The executives participate in the same share-based programs that are in effect for all employees; in 2023, the subscription rights-based incentive program (SR program) and the employee share purchase plan (ESPP) were provided. The share-based remuneration programs are each year presented to and resolved by the annual general meeting before they are implemented by the board. To align the executives' financial interest with the shareholders', the SR program will yield a gain to the executives only if the share price increases, and four-year vesting by 25% per year balances short-term attractiveness and long-term retention effect. The ESPP is designed to motivate executives to invest in the company. By investing in the company, the executives will have joint interests with the shareholders at large.

The SR program is based on a grant of subscription rights with exercise price at-the-money on the grant date. The option value of new hire grants on grant date has been in the bracket 50%-200% of annual base pay. The bracket is wide because the share-based incentive element must be tailored to the role and should also be reflective of market compensation practice in the location from which the role is based. This element must also provide a strong incentive for key executives to create shareholder value.

Subject to the board's discretion, the exercise price may also be set below market price on the grant date for up to 1% of the registered number of shares in company as of the 2023 Annual General Meeting, but under no circumstance lower than the par value of the shares.

Grants in 2023 are shown in the "Grants of Subscription Rights to Executives" table presented below.

There have not been practiced any lock-up periods after exercise, but this may be determined by the board if the board considers it to be in the long-term interest of the company. The company has a practice of making annual new grants at about ¼ value of the new hire grant.

Executives did not exercise any subscription rights in 2023.

The ESPP allows the participant to convert up to 20% of the base salary into shares, by contributing an amount from each paycheck during six months, and purchasing new issue shares at 15% discount on lower of the share price at beginning and end of the contribution period.

Mr. Graziani participated in the ESPP. The reported benefit is the nominal discount upon acquisition of the shares.

The ESPP has been suspended as of March 1, 2024. The board may choose to re-activate the ESPP in the future.

### **Insurance, pension contribution and other benefits**

Executives are enrolled in the same insurance, pension and other benefits programs as offered to all employees in the same location. The company does not offer any pension schemes to executives other than contribution to insured pension schemes or pension investment, as customary in the location. Pension contribution is earned only on base pay, unless additional contributions are legally mandated in the location.

### **Contractual arrangements**

The employment agreements with the executives are set up in line with the employment agreements in the entity where the executive is employed, with any position-specific modifications.

<b>Executive</b>	<b>Duration</b>	<b>Notice period</b>	<b>Pension</b>	<b>Termination terms</b>
Vincent Graziani, CEO	Open-ended at-will employment agreement with IDEX Biometrics America Inc.	6 months	No contribution	3 months salary paid unless terminated by the company for cause. No other post-employment salary or benefits.
John Kurtzweil, CFO	Individual contractor with a fixed-term service contract until July 31, 2024	30 days	Not applicable	Discretionary retention bonus equivalent to USD 100 per work hour invoiced during the course of the Agreement
Anthony Eaton, CTO	Open-ended employment agreement with IDEX Biometrics UK Ltd.	3 months	IDEX Biometrics UK Ltd. program: Minimum company contribution 2% and the company will match employee contribution up to 6%.	Non-compete clause for up to 6 months may be invoked by IDEX against paying compensation.
Catharina Eklof, CCO	Individual contractor *, open-ended service agreement with IDEX Biometrics ASA	6 months	Not applicable	No post-contract payments

\* Ms. Eklof is hired as an individual contractor because IDEX does not have a subsidiary in Belgium.

### Executives' shareholdings

	<b>Number of shares</b>				<b>USD thousand</b>
	<b>Jan. 1, 2023</b>	<b>Purchased</b>	<b>Sold</b>	<b>Dec. 31, 2023</b>	<b>Market value</b>
Vincent Graziani, CEO	1,584,290	951,154	-	2,535,444	\$ 138
John Kurtzweil, CFO	-	-	-	-	-
Anthony Eaton, CTO	284,639	-	-	284,639	15
Catharina Eklof, CCO	89,684	-	-	89,684	5
<b>Total</b>	<b>1,958,613</b>	<b>951,154</b>	<b>-</b>	<b>2,909,767</b>	<b>\$ 158</b>

  

	<b>Number of subscription rights</b>				<b>(USD thousand)</b>
	<b>Jan 1, 2023</b>	<b>Granted</b>	<b>Exercised</b>	<b>Dec. 31, 2023</b>	<b>Intrinsic value</b>
Vincent Graziani, CEO	7,420,800	2,500,000	-	9,920,800	\$ -
John Kurtzweil, CFO	-	500,000	-	500,000	5
Anthony Eaton, CTO	2,710,300	630,900	-	3,341,200	-
Catharina Eklof, CCO	2,210,300	630,900	-	2,841,200	-
<b>Total</b>	<b>12,341,400</b>	<b>4,261,800</b>	<b>-</b>	<b>16,603,200</b>	<b>\$ 5</b>

## Grants of Subscription Rights to Executives

Grantee, Grant year	Exercise year	Exercise price, NOK per share	Number of Subscription Rights				USD thousand	
			Holding Jan 1, 2023	Granted	Exercised, canceled, or forfeited	Holding Dec. 31, 2023	Vested Dec. 31, 2023	Nominal value Dec. 31, 2023
Vincent Graziani								
2020	2021-2025	1.11	5,000,000	-	-	5,000,000	3,750,000	\$ 409
2021	2022-2026	2.14	1,210,400	-	-	1,214,000	605,200	127
2022	2023-2027	1.18	1,210,400	-	-	1,214,000	302,600	35
2023	2024-2028	0.68	-	2,500,000	-	2,500,000	-	-
Total			7,420,800	2,500,000	-	9,902,800	4,657,800	571
John Kurtzweil								
2023	2024-2028	0.46	-	500,000	-	500,000	-	-
			-	500,000	-	500,000	-	-
Anthony Eaton								
2019	2020-2024	1.65	327,800	-	-	327,800	327,800	53
2020	2021-2025	1.71	1,125,000	-	-	1,125,000	1,125,000	189
2021	2022-2026	2.40	210,300	-	-	210,300	105,150	25
2022	2023-2027	2.08	836,900	-	-	836,900	209,225	49
2022	2023-2027	1.18	210,300	-	-	210,300	52,575	12
2023	2024-2028	0.68	-	630,900	-	630,900	-	-
Total			2,710,300	630,900	-	3,341,200	1,819,750	328
Catharina Eklof								
2021	2022-2026	2.38	2,000,000	-	-	2,000,000	1,000,000	234
2022	2023-2027	1.18	210,300	-	-	210,300	52,575	12
2023	2023-2027	0.68	-	630,900	-	630,900	-	-
Total			2,210,300	630,900	-	2,841,200	1,052,575	246
Total executive team			12,341,400	4,261,800	-	16,603,200	7,530,125	\$ 1,145

There are no other vesting criteria than the executive remaining an employee or individual contractor to IDEX.

### Executive Remuneration – Comparisons

IDEX applies the same basic principles to the executive remuneration as for all the company's employees, benchmarking salaries against the relevant external market for the roles and assessing role complexity and individual performance.

Other than Mr. Graziani's voluntary pay reduction, there were no salary adjustments in 2023 other than those required by statute. Mr. Eaton and Ms. Eklof received salary increases in 2022. There were no salary adjustments in 2021 other than those required by statute. The increase from 2020 to 2021 was a result of a temporary reduction of salaries in March-May 2020.

(USD thousand)	Year	Fixed remuneration		Variable remuneration		Total	Proportion fixed vs variable remun.
		Salary	Other Benefits <sup>1</sup>	Incentive Pay <sup>2</sup>	Share-Based <sup>3</sup>		
<b>CURRENT MEMBERS</b>							
Vincent Graziani, CEO <sup>4</sup>	2023	360	28	62	108	559	70% - 30%
	2022	400	26	-	139	565	75% - 25%
	2021	400	25	44	126	595	72% - 28%
	2020	312	23	-	120	455	74% - 26%
John Kurtzweil, CFO <sup>5</sup>	2023	55	-	-	1	56	98% - 2%
Anthony Eaton, CTO	2023	249	24	82	48	403	68% - 32%
	2022	237	14	-	74	325	77% - 23%
	2021	254	18	22	60	354	77% - 23%
	2020	220	14	24	132	390	60% - 40%
	2019	188	24	23	83	318	67% - 33%
Catharina Eklof, CCO <sup>6</sup>	2023	466	-	72	64	602	77% - 23%
	2022	398	-	-	114	512	78% - 22%
	2021	259	-	76	108	442	59% - 41%
<b>FORMER MEMBERS</b>							
Stan Swearingen, CEO <sup>7</sup>	2020	38	4	15	113	170	25% - 75%
	2019	360	8	216	451	1,035	36% - 64%
	2018	369	9	0	693	1,071	35% - 65%
Hemant Mardia, CEO <sup>8</sup>	2018	401	0	0	521	922	43% - 57%
Eileen Wynne, Interim CFO <sup>9</sup>	2023	141	-	-	-	141	100% - 0%
	2022	37	-	-	-	37	100% - 0%
	2021	32	-	-	-	32	100% - 0%
James A. Simms, CFO <sup>10</sup>	2022	290	21	-	(56)	255	122% - (22)%
	2021	211	20	-	180	411	56% - 44%
Derek P. D'Antilio, CFO <sup>11</sup>	2021	100	10	56	-25	141	79% - 21%
	2020	279	25	18	84	405	75% - 25%
	2019	123	4	-	31	158	80% - 20%
Henrik Knudtzon, CFO <sup>12</sup>	2019	167	5	91	119	382	45% - 55%
	2018	246	4	90	214	554	45% - 55%
Fred Benkley, CTO <sup>13</sup>	2019	223	10	26	155	414	56% - 44%
	2018	227	13	87	188	515	47% - 53%
<b>Total</b>	2023	1,271	52	216	221	1,760	75% - 25%
	2022	1,362	62	-	271	1,695	84% - 16%
	2021	1,256	73	198	449	1,975	67% - 33%
	2020	849	66	57	449	1,421	64% - 36%
	2019	1,061	51	356	839	2,307	48% - 52%

1 Benefits such as medical and life insurance or pension contribution.

2 Variable pay is reported in the year it is paid, which will be the year following the performance year, when results are known.

3 The reported amount includes the amortised cost in the year under IFRS 2 Share-based payments, for incentive subscription rights, and the ESPP. Both amounts represent an upfront calculation and do not represent any gain from the plans.

4 Mr. Graziani had a voluntary 20% pay reduction from July 2023 through December 2023.

5 Mr. Kurtzweil was appointed CFO in September 2023.

6 Ms. Eklof is an individual contractor on assignment for IDEX as of June 1, 2021. The salary and incentive amounts reported are the gross invoiced amounts which will cover also any employer's taxes and other employer benefits. The 2021 incentive was a sign-on fee.

7 Mr. Swearingen served as CEO from April 2018 to February 2020.

8 Mr. Mardia served as CEO until March 2018.

9 Ms. Wynne was interim CFO from August 2022 to September 2023. Prior to then, she supported IDEX on a consulting basis. Ms. Wynne is an individual contractor. The salary and incentive amounts reported are the gross invoiced amounts which will cover also any employer's taxes and other employer benefits.

10 Mr. Simms served as CFO from April 2021 to August 2022.

11 Mr. D'Antilio served as CFO from July 2019 to April 2021.

12 Mr. Knudtzon stepped down as CFO in July 2019.

13 Mr. Benkley stepped down as CTO in March 2019 where after he continued as Chief Innovation Officer.



## KEY FINANCIAL PERFORMANCE FIGURES AND EXECUTIVE PAY RATIO

The table below shows key figures related to financial performance, number of employees and average remuneration for employees for the last five years:

Key Figures	2023	2022	2021	2020	2019
Total Revenue (USD thousand)	\$4,131	\$4,091	\$2,840	\$1,095	\$424
Net Loss (USD thousand)	\$(26,629)	\$(32,662)	\$(32,552)	\$(26,754)	\$(32,423)
Number of employees at year end	87	90	95	102	109
Change in salary all employees <sup>1</sup>	-22% <sup>2</sup>	-7% <sup>3</sup>	20% <sup>4</sup>	-18% <sup>5</sup>	5%

<sup>1</sup> Salary only. Benefits and other elements of compensation is excluded

<sup>2</sup> The decrease was the result of a reduction in workforce that occurred in the last half of 2023 and 2022

<sup>3</sup> The decrease was the result of a reduction in workforce that occurred in the last half of 2022

<sup>4</sup> The increase was a result of customary salary increases as well as 2020 salary expense reflecting a temporary reduction of salaries in that year

<sup>5</sup> The decrease was a result of temporary salary reductions in March-May 2020 due to cost containment measures

Average salary measured in USD is influenced by currency rates and different salary levels and increases in the markets in which IDEX Biometrics operates. At the end of 2023, 34% of the group's employees were employed in the US, 38% in the UK, 22% in Norway and 6% in China. Product development employees comprise about 67% of the workforce in the group.

We apply the same basic principles to the Executive remuneration as we do for all our employees, benchmarking salaries against the relevant external market for the role.

The CEO to average employee remuneration ratio for 2019-2023 is shown in the table below. Average remuneration is based on all employee costs, including incentives and benefits.

The Parent Company, IDEX Biometrics ASA, is a small entity, with two local employees at the end of 2023. Remuneration statistics are not disclosed. The table below therefore shows the global IDEX Biometrics group numbers and ratios.

USD thousand	2023	Chg	2022	Chg	2021	Chg	2020	Chg	2019	Chg
CEO, Vincent Graziani <sup>1</sup>	559	-1%	565	-5%	595	31%	455	-	-	-
CFO, John Kurtzweil <sup>2</sup>	56	-	-	-	-	-	-	-	-	-
Former Interim CFO, Eileen Wynne <sup>3</sup>	141	281%	37	16%	32	-	-	-	-	-
Former CFO, James A. Simms <sup>4</sup>	-	-38%	255	-38%	411	-	-	-	-	-
Former CFO, Derek P. D'Antilio <sup>5</sup>	-	-	-	-	141	-65%	405	156%	158	-
CTO, Anthony Eaton <sup>6</sup>	403	24%	325	-8%	354	-9%	390	23%	318	-
CCO, Catharina Eklof <sup>7</sup>	602	18%	512	16%	442	-	-	-	-	-
Average total payroll per employee, excl. all executives	151	-22%	195	-8%	213	28%	166	-11%	187	6%
Ratio CEO over average employee	3.6		2.9		2.8		2.7			
Ratio CFO over average employee <sup>8</sup>	0.4		0.2		1.9					
Ratio former CFO over avg. empl. <sup>9</sup>	0.9		1.3		0.7		2.4		1.0	
Ratio CTO over average employee	2.7		1.7		1.7		2.4		1.7	
Ratio CCO over average employee	4.0		2.6		2.1					

<sup>1</sup> There was a change in CEO in 2018 and again in 2020. Mr. Graziani joined IDEX as CEO effective March 2020.

<sup>2</sup> There was a change in CFO in 2019, in 2021, 2022 and 2023. Mr. Kurtzweil joined IDEX as CFO in September 2023.

<sup>3</sup> Ms. Wynne served IDEX as interim CFO from August 2022 to September 2023. Prior to then Ms. Wynne provided services on a consulting basis. Ms. Wynne is an individual contractor. The reported number is the gross invoiced amounts which will cover also any employer's taxes and other employer benefits.

<sup>4</sup> Mr. Simms joined IDEX as CFO in April 2021 and resigned in August 2022.

<sup>5</sup> Mr. D'Antilio joined IDEX as CFO in July 2019 and resigned in April 2021.

<sup>6</sup> Mr. Eaton has served as CTO since March 2019.

<sup>7</sup> Ms. Eklof joined IDEX as CCO in June 2021. Ms. Eklof is an individual contractor. The reported number is the gross invoiced amounts which will cover also any employer's taxes and other employer benefits.

<sup>8</sup> The 2021 ratio is Mr. Simms' remuneration as compared to the average employee.

<sup>9</sup> The 2023 ratio is Ms. Wynne's remuneration, the 2022 ratio is Mr. Simms' remuneration, and the 2021 ratio is Mr. D'Antilio's remuneration as compared to the average employee.

## D&O INSURANCE AND INDEMNIFICATION AGREEMENTS

The board has determined that, in order to attract and retain qualified individuals to the board and executive management, the company will maintain, on an ongoing basis, at its expense, liability insurance to protect directors and officers in the company from certain liabilities.

Upon recommendation from the nomination committee and approval by the general meeting of shareholders, the company has contractually obligated itself to indemnify, and to advance expenses on behalf of, the directors and officers to the fullest extent permitted by applicable Norwegian law so that they will serve or continue to serve the company free from undue concern.

April 24, 2024

The board of directors of IDEX Biometrics ASA

/s/ Lawrence John Ciaccia  
Lawrence John Ciaccia  
Chair

/s/ Deborah Davis  
Deborah Davis  
Board member

/s/ Annika Olsson  
Annika Olsson  
Board member

/s/ Morten Opstad  
Morten Opstad  
Board member

/s/ Adriana Saitta  
Adriana Saitta  
Board member

/s/ Stephen A. Skaggs  
Stephen A. Skaggs  
Board member

## **INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT**

To the General Meeting of IDEX Biometrics ASA

### **Opinion**

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

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

### **Board of directors' responsibilities**

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

### **Our independence and quality control**

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We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Auditor's responsibilities**

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



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

Bergen, 24 April 2024  
ERNST & YOUNG AS

*The auditor's assurance report is signed electronically*

Trine Hansen Bjerkvik  
State Authorised Public Accountant (Norway)