



| IDEX Biometrics ASA

Third quarter 2025 Report

13 November 2025



IDEX BIOMETRICS Q3 2025 RESULTS

CEO statement

We remain fully committed to delivering shareholder value and are proud of the significant progress achieved throughout our transformation from component supplier to product company. Q3 2025 marks the completion of this transition. I encourage you to visit our new website to learn more about the new IDEX and our world-class product line-up.

Q3 revenues were as expected; however, revenue is a lagging indicator. The leading indicators - customer validation, product certification completion, regulatory approvals, and order pipeline development - all moved in the right direction during Q3.

We continue to deliver against our previously communicated targets while we execute the strategy designed to generate the returns our investors deserve. We are grateful for your continued support and commitment during this period of strategic transition.

Since Q3 closing of the books, IDEX has received contract orders from Toshiba, Emnovate, Advanced Card Systems (ACS) and more to follow in Q4.

Delivering on our commitments: Progress against March 2025 objectives

On March 11, 2025, we set out five clear objectives for the year.

1. Transform the business from component supplier to product company: **DELIVERED**

This transformation is complete. IDEX is now a product company with market-ready products in both Access control and Payment. We also aim to continue to deliver IDEX IP and components to high-quality partners.

2. Launch world-class access products (physical and logical): **DELIVERED**

IDEX product range

Access products (ready to take orders in Q4)

- Physical Access: Biometric card that protect physical infrastructure
- Logical Access (FIDO): Biometric card that protect digital infrastructure (login)
- Total Access: Biometric card that protect both physical and digital infrastructure

Payment products (ready to take orders)

- IDEX Pay: Existing biometric payment card, certified by VISA, Mastercard, Rupay underway
- IDEX Payment Card: A commercial payment card with support for biometric 3D Secure. The card reduce online fraud losses that impact bank profitability, while delivering lightning-fast, seamless payments customers will love

Physical access: We have successfully developed the world's only biometric Access Control solution integrated with NXP MIFARE and DESFire platform for physical access. The NXP platform is by far the largest technological platform used for physical access. This is not a trivial project, and IDEX is

the only company which has successfully integrated biometrics with NXP. This card will be demonstrated and IDEX is ready to take orders in Q4.

Logical access: We have successfully developed IDEX biometric FIDO cards for logical access control. The cards are being tested by a wide range of customers and distribution channels. The feedback from customers is very positive, and IDEX is ready to take orders in Q4.

3. Streamline operations and reduce OpEx to \$1.5M - \$1.7M by Q3: DELIVERED

We achieved quarterly operating expenses of \$1.8 million (adjusted for R&D it was \$1.4 million) – a 59% reduction from \$4.5 million in Q3 2024. This translates to over \$8-10 million in annual operating cost savings.

We have also initiated further operational improvements that will start to materialize in Q4 and 2026. The size is expected to be in the magnitude of \$0.2-\$0.3 million on a quarterly basis.

Finally, this significant cost reduction positions IDEX to achieve profitability at significantly lower volumes than previously required, as much as a factor of 10x+.

4. Stay in the game on payment cards: DELIVERED

We didn't just stay in the game - we delivered. On July 5, 2025, IDEX launched the world's first biometric metal payment card with Mastercard and Eastern Bank PLC (EBL) in Bangladesh. Then on September 26, 2025, the Reserve Bank of India (RBI) approved biometric authentication for payment cards, opening one of the world's largest markets (1.4 billion people) to our solutions. We are the first to market biometric payment cards that work online, solving a problem no competitor has addressed to our knowledge.

5. Generate sales exceeding OpEx on a monthly basis by year-end: IN PROGRESS

This objective was always targeted for Q4, not Q3. As described above, Q4 has started with the first contracts coming as we expected, and we remain committed to reaching this milestone in Q4.

We achieved four out of five objectives. The fifth objective was always targeted for Q4.

Q3 2025 results

Q3 revenues were as expected; however, revenue is a lagging indicator. The leading indicators - customer validation, product certification completion, regulatory approvals, and order pipeline development - all moved in the right direction during Q3.

Operating expenses excluding Cost of materials and Depreciation were \$1.8 million (adjusted for R&D it was \$1.4 million) in the third quarter of 2025, down 59%, compared to \$4.5 million in the third quarter of 2024.

- **Q3 2025 operating expenses before depreciation:** \$1.8 million, down from \$4.5 million in Q3 2024—a reduction of \$2.6 million per quarter
- **Annualized savings:** The restructuring has delivered over \$8-10 million in annual operating cost savings, positioning the Company for sustainable profitability as revenues scale

We rightsized the organization from 40 in Q1 2025 to 28 highly focused team members in Q3 (a reduction of 30%) while maintaining all critical capabilities. The \$0.8 million restructuring investment in H1 2025 has delivered a 54% ongoing cost reduction, demonstrating disciplined capital allocation.

IDEX has an inventory standing at \$5.6 million, that will allow IDEX to respond to new contracts and release tied up capital.

Customer validation

The most important measure of our transformation's success is not internal - it's external validation from customers.

Customers in both access control and payment card markets recognize that we are delivering solutions to problems they have been unable to solve with existing alternatives. We are engaged in active commercial discussions with customers who are prepared to move from evaluation to volume deployment.

Our customers need certified products to take to their own customers and integrate into their commercial offerings. The conversations we are having today are not about "if" but about "when" and "how many."

Q3 Market catalysts - payment

Bangladesh launch: On July 5, 2025, IDEX launched the world's first biometric metal payment card with Mastercard and Eastern Bank PLC in Bangladesh.

India opens: On September 26, 2025, the Reserve Bank of India (RBI) approved biometric authentication for payment cards, opening one of the world's largest markets (1.4 billion people) to our solutions.

IDEX has a strong pipeline of Indian banks preparing to move forward now that regulatory approval is in place. The timing positions us as an early mover in what could become one of the world's most significant biometric card markets.

The RBI announcement in Q3 fundamentally changes the scale of opportunity in front of us.

The IDEX opportunity we are going after

Banking: Online fraud is a crisis. Billions in losses are hitting bank equity directly. IDEX biometric payment cards are the first to secure both physical and online transactions. Banks don't adopt for convenience – they adopt when profitability is at stake.

Physical access: Compliance is mandatory. NIS2 requirements have made unauthorized access unacceptable. IDEX biometric cards are the only solution integrating with NXP MIFARE and DESFire and other protocols – the dominant global platforms. This is becoming a must-have, not a nice-to-have.

Cybersecurity: Everything else is compromised. AI has systematically defeated passwords, PINs, and multifactor authentication. IDEX's offline, battery-free solution cannot be hacked. Your fingerprint data stays on the card, never in the cloud. For critical infrastructure, there is no alternative.

Three different markets. One technology platform. IDEX is positioned to capitalize on all three.

Outlook

The transformation is complete. Commercialization is materializing.

Since closing Q3, we have secured contract orders with Toshiba, Emnovate, and ACS. This is exactly the trajectory we anticipated – initial orders in Q4 followed by accelerating volume in Q1 2026 as our product certifications complete and customer deployments scale.

We have built a business positioned to achieve profitability at a fraction of the revenue previously required. We have products customers cannot get elsewhere. We have a market opportunity measured in billions. And we have momentum.

A personal commitment

Nobody wants success for IDEX more than I do. Our team is proud of what we have achieved during this transformation. We are driven to delight our customers and ensure our investors are rewarded for supporting us through this period of change.

We know patience is a virtue, and we don't take your support for granted. Every day, we are working to create shareholder value. Every day, we are executing on the strategy to deliver the returns you deserve.

You have my personal commitment on this.

Anders Storbråten
Chief Executive Officer
IDEX Biometrics ASA
November 2025

FINANCIAL REVIEW

Statements of profit and loss

- Revenue amounted to \$0.0 million in the third quarter of 2025, compared to \$0.1 million in the third quarter of 2024.
- The first three quarters of 2025 the revenue amounted to \$0.2 million, compared to \$0.8 million for the same period in 2024.
- Operating expenses excluding Cost of materials and Depreciation were \$1.8 million in the third quarter of 2025, down 59%, compared to \$4.5 million in the third quarter of 2024. Operating expenses in the first nine months of 2025 amounted to \$7.8 million compared to \$15.2 million for the same period in 2024, resulting in a cost reduction of 49%. Excluding restructuring costs of \$0.8 million the first half year, resulting in a cost reduction of 54%. For the first three quarters of 2025 the restructuring costs amounted to \$0.8 million. Additional initiatives are in place to further reduce the operating costs.
- At the end of the third quarter of 2025 the Company had 28 full-time equivalent staff members, a reduction of 2 full-time equivalents compared to previous quarter, and down from 50 on September 30, 2024. This resulted in a cost reduction in compensation and benefits of \$1.3 million, 72%, compared to the same period in 2024, and a cost reduction of \$5.5 million, 72%, year-over-year.
- Net Loss in the third quarter of 2025 was \$1.0 million, compared to a gain in the third quarter of 2024 of \$1.4 million. Net loss in the first nine months of 2025 was \$7.2 million compared to \$10.7 million in the first nine months of 2024. The result in the third quarter of 2025 includes net financial gain amounting to \$1.0 million mainly from value change of the embedded derivative.

Statements of financial position

The largest assets held on the company's balance sheet as of September 30, 2025, were inventory of \$5.6 million and cash of \$1.1 million, representing 69% and 13% 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 \$0.2 million.

Customer accounts receivable amounted to \$0.1 million as of September 30, 2025, compared to \$1.0 million as of September 30, 2024 and \$30 thousand as of December 31, 2024. The amounts are net of reserves for bad debt.

Total long-term liabilities amounted to \$2.0 million as of September 30, 2025, compared to \$2.4 million as of September 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 \$3.7 million as of September 30, 2025, compared to 4.9 million as of September 30, 2024. The reduction of the short-term liability is mainly caused by the amended agreement of the convertible loan. See *note 14 Financial instruments*, offset by the reduction in accounts payable and other current liabilities.

Net working capital (defined as current assets excluding cash, less short-term liabilities excluding convertible loans) amounted to USD 3.4 million as of September 30, 2025, compared to USD 4.6 million as of September 30, 2024 and USD 4.4 million as of December 31, 2024. The decrease in net working capital during 2025 reflects deliberate measures to optimize the balance sheet structure. These measures included a reduction in certain short-term assets and an increase in selected short-term liabilities, such as accounts payable and other current liabilities. The changes are part of a broader effort to enhance capital efficiency and strengthen liquidity and operational flexibility

Equity amounted to \$2.6 million as of September 30, 2025, a reduction of \$3.1 million from September 30, 2024 and \$2.1 million as of December 31, 2024. The reduction is caused by the net loss in the period.

Cash flow and liquidity

The company incurred a negative operating cash outflow of \$2.6 million in the third quarter of 2025, compared to a negative operating cash outflow of \$2.3 million in the third 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 company has outsourced the manufacturing activities and as such the company has minimal capital expenditure. There was no significant capital expenditure in the third quarter of 2025.

Total cash flow from financing activities amounted to a net inflow of \$2.6 million in the third quarter of 2025. The primary activity was underwritten private placement of 9,090,909 shares at NOK 3.30 per share.

The cash balance amounted to \$1.1 million as of September 30, 2025, unchanged from September 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 \$2.2 million as of September 30, 2025 compared to negative \$1.9 million as of September 30, 2024 and negative \$0.5 million as of December 31, 2024.

Going concern

The Company's liquidity is constrained and as of September 30, 2025, more than half of IDEX's share capital was lost. The net equity amounted to only \$2.6 million, and the balance sheet solvency was negative.

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.

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.

November 12, 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		YTD	Full year	
		Q3 2025	Q3 2024	2025	2024	2024
Operating revenue						
Product revenue	4	-	54	161	701	700
Service and other revenue	4	-	6	24	116	141
Total revenue			60	185	817	841
Operating expenses						
Cost of materials, net of inventory change		8	28	151	498	1 684
Compensation and benefits	5	515	1 858	2 084	7 537	8 797
Research and development	6	351	1 393	1 427	2 622	2 457
Other operating expenses	7	975	1 203	4 253	5 037	7 289
Amortization, depreciation and impairment	8	132	(372)	410	1 110	2 517
Total operating expenses		1 983	4 111	8 326	16 804	22 745
Loss from operations		(1 983)	(4 051)	(8 141)	(15 987)	(21 903)
Other financial items, net	9	991	5 411	894	5 260	7 286
Profit (loss) before tax		(992)	1 360	(7 248)	(10 727)	(14 617)
Income tax benefit (expense)	10		-	41	(2)	120
Net profit (loss) for the period		(992)	1 360	(7 206)	(10 729)	(14 497)
Profit (loss) per share, basic and diluted	11	(0,02)	0,43	(0,23)	(3,58)	(3,50)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in USD 000s	Quarters		YTD	Full year	
	Q3 2025	Q3 2024	2025	2024	2024
Net profit (loss) for the period	(992)	1 360	(7 206)	(10 729)	(14 449)
Foreign currency translation adjustment	(59)	(618)	(810)	(514)	108
Total comprehensive income (loss) for the period, net of tax	(1 051)	743	(8 016)	(11 243)	(14 341)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in USD 000s	Note	September 30, 2025	September 30, 2024	December 31, 2024
Assets				
Non-current assets				
Goodwill		-	968	-
Intangible assets		497	653	569
Total intangible assets		497	1 621	569
Property, plant and equipment		57	313	122
Right-of-use assets		38	411	293
Non-current receivables		57	85	57
Total non-current assets	8	649	2 429	1 043
Current assets				
Prepaid expenses		489	1 176	764
Inventory	13	5 645	6 405	5 548
Accounts receivable, trade		83	971	30
Accounts receivable, other	6	265	930	901
Cash and cash equivalents		1 062	1 081	2 011
Total current assets		7 544	10 563	9 255
Total assets		8 193	12 992	10 297
Equity and liabilities				
Equity				
Share capital		5 507	12 410	12 942
Share premium		1 819	5 215	1 735
Share-based payment reserve		36	25 109	25 210
Foreign currency translation effects		(12 770)	(12 582)	(11 959)
Capital reduction reserves		-	316 341	321 264
Retained earnings		8 047	(340 758)	(344 478)
Total equity	12	2 640	5 734	4 713
Non-current liabilities				
Non-current non-interest-bearing loans	14	1 116	1 907	1 983
Other non-current financial liabilities	14	788	400	139
Non-current lease liabilities		-	69	-
Total non-current liabilities		1 904	2 376	2 123
Current liabilities				
Accounts payable		1 506	2 300	850
Current lease liabilities		115	452	396
Public duties payable		83	256	269
Interest-bearing loans		-	-	-
Other current financial liabilities	14	543	5	652
Other current liabilities		1 401	1 869	1 294
Total current liabilities		3 649	4 883	3 461
Total liabilities		5 553	7 258	5 584
Total equity and liabilities		8 193	12 992	10 297

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

CONSOLIDATED STATEMENTS OF 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)	(1 349)	(25 038)	-	(321 264)	359 731	-
Share issuance	12	4 344	1 435	-	-	-	-	5 779
Share-based compensation	5,7,12	300	-	(136)	-	-	-	164
Loss for the period		-	-	-	-	-	(7 206)	(7 206)
Other comprehensive income		-	-	-	(810)	-	-	(810)
Balance at September 30, 2025		5 507	1 820	36	(12 770)	-	8 047	2 640
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	2 291	3 097	-	-	-	-	5 388
Warrant issuance		-	(1 851)	-	-	-	-	(1 851)
Share-based compensation	5,7,12	5	-	250	-	-	-	255
Loss for the period		-	-	-	-	-	(10 729)	(10 729)
Other comprehensive income		-	-	-	(515)	-	-	(515)
Balance at September 30, 2024		12 410	3 365	25 109	(12 582)	316 341	(340 758)	3 883
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		YTD	Full year	
		Q3 2025	Q3 2024	2025	2024	2024
Operating activities						
Profit (loss) before tax		(992)	1 360	(7 248)	(10 727)	(14 569)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>						
Amortization, depreciation and impairment expense	8	132	(375)	410	1 107	2 517
Share-based compensation expense	5	(158)	74	(497)	250	351
(Gain) loss on modification of financial liabilities, net		(770)	(1 841)	3 200	(1 841)	(1 841)
Value change convertible loan and warrants		(596)	(3 435)	(4 798)	(4 199)	(6 837)
Other financial items		412	(187)	815	762	(280)
<i>Other operating cash flows:</i>						
(Increase) decrease in inventories		(96)	(96)	(96)	(21)	836
(Increase) decrease in accounts receivables		1	168	(53)	97	1 038
Increase (decrease) in accounts payable		(111)	1 386	562	1 608	165
(Increase) decrease in other working capital items		(390)	668	907	(969)	1 468
Interest paid	9	2	(1)	(6)	(254)	(254)
Change in income taxes		-	-	28	(2)	(129)
Net cash flow used in operating activities		(2 566)	(2 279)	(6 775)	(14 188)	(17 534)
Investing activities						
(Purchases) sales of property, plant and equipment	8	-	(30)	-	192	114
Change in non-current receivables		8	0	4	(1)	23
Interest received	9	8	5	19	78	136
Net cash flow used in investing activities		16	(25)	23	269	272
Financing activities						
Net proceeds from issuance of shares		2 740	1 902	6 078	6 789	11 176
Repayments of borrowings	14	-	(440)	-	(2 657)	(2 657)
Payments on lease liabilities	8	(95)	(145)	(278)	(492)	(596)
Net cash flow from financing activities		2 645	1 317	5 801	3 640	7 923
Net change in cash and cash equivalents		95	(987)	(952)	(10 278)	(9 339)
Effect of foreign exchange rate changes		(27)	11	4	7	(2)
Opening cash and cash equivalents balance		995	2 057	2 010	11 352	11 352
Cash and cash equivalents at period end		1 062	1 081	1 062	1 081	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 September 30, 2025, have been prepared in accordance with IAS 34 Interim Financial Reporting and have not been audited. 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 in this interim report are consistent with those applied in the annual financial statements for 2024. Amounts presented may include rounding differences.

IDEX Biometrics operates in one reporting segment: fingerprint imaging and recognition technology.

The Board has applied the going concern assumption in preparing this interim report. For further details on the going concern assessment.

As of September 30, 2025, net equity amounted to USD 2.6 million, which is less than half of the share capital. Balance sheet solvency, defined as cash plus current receivables less current liabilities, was negative USD 2.2 million. The Company's existing cash reserves are insufficient to cover operating expenses and capital expenditure requirements for the next twelve months.

The Company's long-term viability depends on its ability to generate cash flows from operations and to raise additional capital. While IDEX Biometrics has successfully raised funds in the past through equity placements and convertible debt, there is no assurance that future capital raising efforts will succeed. This creates significant uncertainty regarding the Company's ability to continue as a going concern.

The Board assumes that the Company will generate revenues in the fourth quarter and in the first quarter of 2026 and refers to previously implemented cost reductions and the recent capital raise as the basis for its assessment.

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 Principal risks and uncertainties

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 primary risk is business risk, broadly defined as the risk to its ability to generate revenue and earn profit.

Business risk

Future revenue generation depends on several key factors:

- The Company's ability to market and profitably deliver its products on a sustained basis
- The ability to raise sufficient capital to pursue strategic initiatives
- The ability to legally protect intellectual property rights
- The ability to scale operations efficiently
- The ability to retain and attract qualified employees
- The pace of development in the market for biometric payment and access cards, which remains in an early stage

For further information on the Company's ability to continue as a going concern, see [Note 2 – Basis of Preparation and Accounting Policies].

Financial and liquidity risk

The Company's assets primarily consist of cash, working capital, and intangible assets. Liquidity is maintained by investing available funds in readily accessible, floating-interest rate bank accounts.

The Company is exposed to currency exchange rate fluctuations, which it manages by maintaining an appropriate mix of cash deposits in the currencies used in its operations. The Company does not engage in active hedging strategies. The US dollar is the dominant currency for both receivables and payables.

Credit risk

Accounts receivables are subject to credit risk, which is not insured. Receivables are carried at original value, less specific reserves for estimated potential losses.

Inventory risk

Inventory is valued at the lower of cost or net realizable value, with reserves applied for aging and obsolescence. Inventory items are largely custom designed for IDEX and are substantially higher than short-term customer demand, creating a risk of technical or market obsolescence before sale.

Convertible debt and derivative risk

As of September 30, 2025, the Company's convertible 2023 debt and derivate was recognized at USD 2.4 million (see [Note 14 – Financial Instruments]). The original loan amount was NOK 100 million, denominated in NOK. The loan agreement was last amended effective March 11, 2025, and is now interest-free, with semi-annual term payments beginning June 28, 2026.

- As of September 30, 2025, the nominal debt outstanding was NOK 33.3 million (USD 3.3 million).
- As of the date of this report, the nominal amount remains unchanged.
- The debt exposes the Company to NOK/USD exchange rate risk and cash flow risk.
- The Company may elect to make term payments in shares instead of cash, reducing liquidity risk.
- These risks are not hedged.

Embedded derivative 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 reduce to nil after the final term payment.
- Changes in fair value are recognized as non-cash financial income or cost.
- Fair value is remeasured at each balance sheet date and is sensitive to:
 - Share price
 - Share price volatility
 - Risk-free interest rate
 - NOK/USD exchange rate

As a result, the non-cash financial impact may vary significantly between periods. This risk is not hedged.

4 Revenue from contracts with customers

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

There were no contract assets or contract liability balances on September 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:

	Quarters		YTD	Full year	
Amounts in USD 1,000	Q3 2025	Q3 2024	2025	2024	2024
EMEA	-	-	61	106	106
Americas	-	49	28	248	248
Asia-Pacific	-	5	72	347	347
Product revenue	-	54	161	701	701
EMEA	-	-	-	-	-
Americas	-	6	24	47	72
Asia-Pacific	-	-	-	69	69
Service and other revenue	-	6	24	116	140
Total revenue	-	60	185	817	841

5 Compensation and benefits

	Quarters		YTD	Full year	
Amounts in USD 1,000	Q3 2025	Q3 2024	2025	2024	2024
Salary, payroll tax, benefits, other	673	1 791	2 580	7 305	8 464
Share-based compensation	(158)	66	(497)	232	333
Compensation and benefits	515	1 858	2 084	7 537	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 during the ninth months 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.

	September 30, 2025		September 30, 2024		December 31, 2024	
Full-time equivalents (FTEs) by function	Employees	Contractors	Employees	Contractors	Employees	Contractors
Research and development	11	3	21	5	16	4
Marketing and sales	1	3	4	7	3	4
General and administrative	5	-	3	1	5	1
Supply chain and distribution	4	1	9	-	6	-
Total	21	7	37	13	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.

R&D Expenses	YTD				
	Quarters		First half		Full year
Amounts in USD 1,000	Q3 2025	Q3 2024	2025	2024	2024
Gross R&D expenses	351	1 393	1 376	2 622	2 873
Government grants credited to cost	-	-	52	-	(416)
Net R&D expenses	351	1 393	1 427	2 622	2 457

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

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 \$461 thousand during the first nine 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 nine month of 2025, and IDEX has expensed \$619 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*.

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	-	-	54	-	-	54
Settlements	-	-	-	-	-	-
Depreciation, amortization and impairment	-	(72)	(119)	(330)	-	(521)
Effects of changes in foreign currency	-	-	(1)	74	(1)	73
Balance at September 30, 2025	-	497	57	38	57	649
Balance at January 1, 2024	968	1 011	812	1 779	81	4 651
Additions	-	-	(192)	-	-	(192)
Settlements	-	-	-	-	-	-
Depreciation and amortization and impairment	-	(358)	(311)	(417)	-	(1 086)
Net book value of disposed and retired assets	-	-	-	(948)	-	(948)
Effects of changes in foreign currency	-	-	4	(4)	4	4
Balance at September 30, 2024	968	653	313	411	85	2 429
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

Amounts in USD 1,000	Quarters		YTD	Full year	
	Q3 2025	Q3 2024	2025	2024	2024
Interest income	8	5	19	78	136
Interest (expenses)	(252)	(486)	(766)	(1 681)	(1 924)
Interest (expenses) on lease liabilities	(1)	(23)	(8)	(76)	(82)
Net interest (expenses)	(246)	(504)	(755)	(1 679)	(1 870)
Currency exchange gain (loss)	(129)	459	28	899	527
Gain (loss) on modification of financial liabilities, net	-	1 841	(3 969)	1 841	1 841
Change in fair value of financial instruments	1 366	3 616	5 568	4 199	6 837
Other financial income (expenses)	-	-	23		
Other financial items, net	991	5 411	894	5 260	7 334

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

10 Income tax expense

The Company has significantly 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		YTD	Full year	
	Q3 2025	Q3 2024	2025	2024	2024
Profit (loss) attributable to the shareholders (USD 1,000)	(992)	1 360	(7 206)	(10 729)	(14 497)
Weighted average basic number of shares	42 109 140	3 132 054	30 743 212	2 995 266	4 146 567
Weighted average diluted number of shares	42 109 140	3 140 718	30 743 212	3 004 713	4 153 767
Profit (loss) per share, basic and diluted (USD)	(0.02)	0.43	(0.23)	(3.58)	(3.50)

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 September 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			3 000 000 000
May xx: Warrants May expiry		(33 333 333)	
Jun 6: Share issue			600 000 000
Jun 15: Share issue			299 381 600
Jun 23: Share issue			5 413 001
Jul 4: Before share consolidation 100:1	22 569 865		4 736 425 600
Jul 4: After share consolidation 100:1	225 699		47 364 256
Jul 21: Share issue			4 731 594
Aug 14: Share issue			4 359 315
Aug 14: Share issue			454 542
Employee Stock Purchase Plan			
Granted incentive subscription rights			
Expired/forfeited incentive subscription rights	(172 663)		
Balance at September 30, 2025	53 036		56 909 707
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
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	(7 333 540)		
Balance at September 30, 2024	26 483 950	33 333 333	440 374 854
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 loan's conversion. 600,000,000 shares at NOK 0.01 were subscribed to and issued on June 6, 2025. The EGM also approved a placement for 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 to have a number of shares divisible by 100. The share consolidation took effect on record date July 4, 2025.

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 for and will cover the company's liquidity needs in the short term. The private placement also caused the principal amount of the convertible debt to be reduced by NOK 16.6 million or \$1.7 million in accordance with the amended loan agreement.

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 average exercise price of outstanding incentive subscription rights on September 30, 2025, was NOK 93.22 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	September 30, 2025			September 30, 2024			December 31, 2024		
	Cost	Reserves	Net	Cost	Reserves	Net	Cost	Reserves	Net
Raw Materials	3 398	(634)	2 764	3 669	-	3 669	3 876	(634)	3 242
Work in progress	821	-	821	272	-	272	36	-	36
Finished Goods	2 914	(854)	2 059	2 516	(52)	2 463	3 107	(836)	2 271
Total Inventory	7 133	(1 488)	5 645	6 457	(52)	6 405	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		
			September 30, 2025	September 30, 2024	December 31, 2024
Convertible bond	0 %	Semi-annual Amortization from June 28, 2026 to December 28, 2028			
Convertible debt			1 659	1 907	1 983
Embedded derivative			788	400	139
Total			2 448	2 307	2 123

Amortization within the next year is placed as current liabilities on the balance sheet.

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 1.0 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 6.5, (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 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 \$4.0 million, recognized in the first quarter of 2025.

Following the private placement conducted on July 21, 2025, the principal amount of the outstanding bonds was reduced in accordance with the amended loan agreement dated May 16, 2025, by NOK 16.7 million (\$1.7 million) to NOK 33.3 million (\$3.3 million) effective August 14, 2025. The reduction represented a partial extinguishment of financial liability under IFRS 9. Due to the change of the share price in the third quarter of 2025 and amendment of the loan agreement, the value of the convertible debt was reduced during the period, resulting in a net gain amounting to \$1.4 million.

Warrants

Recognized value on the balance sheet					
Amounts in USD 1,000	Exercise price	Expiry	September 30, 2025	September 30, 2024	December 31, 2024
Warrants					
Warrants May	NOK 1.65	May 29, 2025	-	5	1
Warrants A	NOK 0.15	March 13, 2025	-	-	326
Warrants B	NOK 0.15	April 11, 2025	-	-	326
Total			-	-	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 third quarter of 2025, IDEX recognized net \$0.7 million in financial gain related to the warrants, due to exercise or expiry.

15 Events after the balance sheet date

On October 2, 2025, the company was notified of a legal proceeding initiated by Alta Consulting Srl, a company owned by Catharina Eklöf, former CEO. The proceeding concerns financial terms following the termination of the CEO. IDEX believes that it was entitled to terminate the agreement with immediate effect, and that the former CEO is not entitled to no further payments.

Since the conclusion of the third quarter, we have successfully secured contracts with Toshiba, Emnovate, and ACS. This development aligns precisely with our projected trajectory - initial orders commencing in Q4, followed by a significant increase in volume in Q1 2026, as product certifications are finalized and customer deployments expand.