

## Zacks Small-Cap Research

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**IDEX Biometrics ASA (NASDAQ: IDBA)****IDBA: Q2 on Target; Infineon Starts to Market Their Joint Turnkey Fingerprint Solution**

We are valuing IDEX on 2025 revenues discounted to today using the average EV/Sales of other fabless semiconductor companies that trade at 10.6 times 2021 estimated sales.

Current Price (08/13/21) \$19.14  
Valuation \$75.00

**OUTLOOK**

IDEX Biometrics is a Norwegian-headquartered fabless semiconductor company largely operating from the US with a US based senior management team that provides hardware and software systems to create biometric fingerprint protected payment cards and other smart card solutions. Next generation payment cards are being piloted and should start to ship in volume at the end of this year. The networks that process 45% of cards worldwide have already certified its technology. Its solution results in a payment card cost that is 30-50% less expensive than cards built with the competition through leading-edge design and is protected by IP. Without legacy product to cannibalize, IDEX provides a pure play in fingerprint based biometric solutions.

**SUMMARY DATA**

52-Week High \$28.20  
52-Week Low \$16.14  
One-Year Return (%) 38.6  
Beta 2.0  
Average Daily Volume (sh) 258

ADS Outstanding (mil) 12.2  
Market Capitalization (\$mil) \$234  
Short Interest Ratio (days) 0  
Institutional Ownership (%) 4.9  
Insider Ownership (%) 21.6

Annual Cash Dividend \$0.00  
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates  
Sales (%) N/A  
Earnings Per Share (%) N/A  
Dividend (%) N/A

P/E using TTM EPS N/M  
P/E using 2021 N/M  
P/E using 2022 N/M

Risk Level High  
Type of Stock Small-Growth  
Industry Elec. Comp-Semi

**ZACKS ESTIMATES****Revenue**

(in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	0.2 A	0.0 A	0.1 A	0.1 A	0.4 A
2020	0.1 A	0.1 A	0.2 A	0.6 A	1.1 A
2021	0.6 A	0.7 A	1.2 E	2.5 E	5.0 E
2022					20.0 E

**Earnings Per ADS**

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	-\$1.04 A	-\$0.95 A	-\$0.94 A	-\$1.16 A	-\$4.06 A
2020	-\$0.66 A	-\$0.65 A	-\$0.65 A	-\$0.63 A	-\$2.62 A
2021	-\$0.65 A	-\$0.59 A	-\$0.59 E	-\$0.53 E	-\$2.35 E
2022					-\$1.84 E

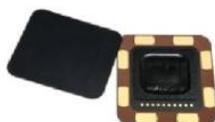
## WHAT'S NEW

IDEX Biometrics reported numbers in line with expectations so the most exciting recent event was the announcement after the quarter that Infineon, the global leader in smart card payment solutions, and IDEX shipped their first reference design for the next generation biometric smart card architecture. The design combines Infineon's new SLC38BML800 security controller with additional GPIO-interfaces and IDEX's TrustedBio solution. They claim this is the best performing, lowest cost solution on the market and is targeted at card makers worldwide particularly those seeking a speedier time to market as much of the work has been done for the customer. The design enables fingerprint authentication with low latency, high accuracy, power efficiency, and a lower cost due to integration. Both IDEX and Infineon will be selling the solution and Infineon has already landed some customers, which we expect them to announce in the coming weeks. Infineon provides 65% of the security chips used globally for payment cards, and this is a more turnkey product to bring to their customer base.

## IDEX & Infineon: Complete solution

### ● IDEX:

- IDX3409 Biometric SoC
  - MCU 200 Mhz
  - Power management(PMU)
  - Hardware accelerator
- Biometric Algo
- Biometric MCU Software
- SE SDK



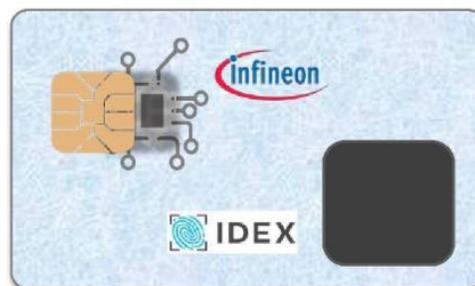
### ● Infineon:

- SLC38 SE ASIC
- SE Operating System



### ● Integration:

- Hardware system
- Algorithm compiled for SLC38
- PMU synchronization and optimization
- Documentation and support



### ● Game Changing Performance:

- Biometric process: ~250ms
- Total transaction time (including EMV): ~500ms
- Presentation attack detection (PAD)
- False Reject Rate: Less than 3%

*A solution that will accelerate market activation: A seamless user experience; low card cost (~\$5)*

Source: IDEX Biometric

In August, IDEX also announced the second product in its TrustedBio line called *TrustedBio Max*. Samples are available now and mass production is expected by the end of Q3 2021. The TrustedBio family integrates its sensor package with a proprietary ASIC eliminating the need for a separate biometric microcontroller. It also integrates RF-power harvesting and voltage management circuitry, enabling battery-free operation while maintaining high operating clock speeds. The new TrustedBio Max reduces computational burdens on the card's secure element (SE), allowing the use of standard, low-cost SEs, minimizing software development, and reduce manufacturing complexities. TrustedBio Max completes biometric processing in 250 milliseconds and its power efficiency exceeds EMV specs.

# IDEX TrustedBio Max™: Proprietary Advantages

The most complete solution for card-based biometric authentication

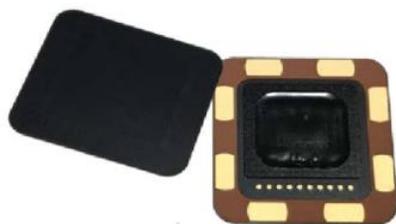
## SENSOR & ASIC

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## ALGORITHMS & SOFTWARE

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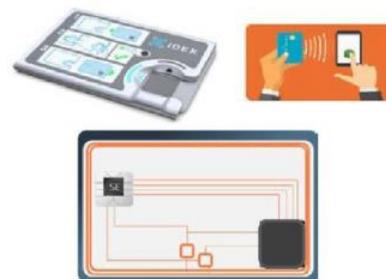
## SYSTEMS & SOLUTIONS



Wide-area polymer sensor,  
ASIC: MCU, PMU, Hardware accelerator,  
Flexible, low-cost package design



Biometric authentication algorithm  
Embedded software for sensor, MCU, SE



Card architecture, reference design  
Enrolment solutions, system concepts

**TrustedBio™: A single hardware platform that enables multiple products through firmware;  
supports multiple Secure Element architectures and multiple applications**

Source: IDEX Biometric

While the majority of sales in Q2 were still to Bloomberg, the company is now building a backlog of purchase orders that are moving from seven digit numbers to eight digits. In addition to paying attention to Infineon, investors should keep an eye on IDEX's major customer IDEMIA looking for announcements of customers it has landed. In addition, everything Zwipe sells uses IDEX. For example today, Middle East Payment Services (MEPS) and Zwipe announced they launched a pilot of cards based on the Zwipe Pay ONE platform to executives and decision makers at up to 20 banks and issuers in the Levant region. We also expect to more pilots and customer in China where fingerprint payment/medical/cryptocurrency cards are going to be a major market. China plans for digital wallets to be used at this year's Beijing Olympics by residents of the Olympic Village. Not only will they be used for payments, but also other functions such as security access and ID can be combined in one card. Plans are for wallets to be rolled out throughout the country thereafter.

IDEX has fairly good near term visibility and we believe in the next two quarters there could be some upside to revenues if customers call to accelerate orders. \$20 million in revenues is still a good number for 2022 and we expect expenses to remain virtually flat while revenues ramp leading to a profitable business model with huge operating leverage. As IDEX gets more sales under its belt and has more customers announced, its valuation should go up as risk is reduced.

## Why Do You Need a Fingerprint Card When You have a Cell Phone?

Most people assume that if you have a smart phone, you don't really need a physical payment card that eventually will go the way of the dinosaur. The simple answer is security. While your iPhone may be able to withstand the hackers, any cheaper smart device may not and the cheapest easiest way to protect from hacking is not to be connected to the internet at all. This becomes even more vital if you are storing cryptocurrency or health records as is the plan in China. Even if an app is used in conjunction, to say look at your balance and transactions, the card acts as a security token. A card is a more convenient form factor than a fob as it slides into a wallet and doesn't end up worn on a lanyard or lying on a desk. Even Square's cryptocurrency solution is based on hardware wallet with a corresponding app in to keep digital assets safe.

## Q2 Earnings Results

In Q2 of 2021 the company generated \$697,000 in revenues compared to \$149,000 in Q2 2020. Product sales were \$696,000 in Q2 2021 compared to \$121,000 in 2020, reflecting primarily production shipments to Bloomberg as well as an increasing ramp of sample and pilot shipments to card manufacturers. The majority of sales were still to Bloomberg for its new keyboards against its \$6 million minimum contract.

Q2 sales yielded a gross margin of 56.4% versus 78.5% due to product mix. Operating expenses increased to \$7.8 million in Q2 2021 versus \$6.2 million in Q2 2020. Payroll costs increased \$1.2 million while other expense increased \$545,000. R&D spending was down slightly from last year.

The operating loss and net loss for the quarter were \$7.2 million compared to a loss of \$6.4 million last year. The non-GAAP loss was \$6.7 million versus \$6.0 million, an increase of \$686,000. The non-GAAP loss takes out stock-based compensation.

GAAP loss per share was \$0.008 versus \$0.009, and non-GAAP was a loss of \$0.007 versus a loss of \$0.008. The share count increased 23.5% to 917 million average primary shares and 932 million fully diluted.

GAAP loss per ADS was \$0.59 versus a loss of \$0.65 last year. The non-GAAP loss per ADS was \$0.54 versus a loss of \$0.56, the same as in Q1. EBITDA loss in this quarter was \$6.5 million compared to \$5.3 million in Q2 2020. Cash flow (not including changes in working capital) was a negative \$6.2 million compared to a negative \$5.5 million. Free cash flow was a negative \$6.3 million compared to a negative \$5.6 million last year.

## Balance Sheet

At the end of June IDEX had \$19.2 million in cash, \$19.7 million in working capital and no debt. It is still burning about \$5.5-6.5 million a quarter.

As of June 30, the company had **918.2 primary** shares outstanding or 12.2 million ADSs.

## During the Quarter

**On April 23, 2021 IDEX Biometrics ASA's** customer and partner IDEMIA today introduced and began to market its first biometric payment cards based on the IDEX TrustedBio™ fingerprint sensor.

**May 5, 2021, IDEX Biometrics** and Chutian Dragon Co. Ltd. (CTD) announced the development of a Digital Currency/Electronic Payment (DC/EP) card based solution supporting the People's Bank of China initiative. It is a new smart card based digital wallet. Chutian Dragon is one of Asia's largest smart card manufacturers. The card-based digital wallet initiative is targeted to the nearly 45% of the Chinese population who do not have access to a smartphone.

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## KEY POINTS

- IDEX Biometrics was founded in Norway in 1997 and has since 2014 largely become a US centric product company with extensive expertise in fingerprint biometrics and semiconductor and systems design. It is a fabless semiconductor company that targets primarily the payment card industry and is just starting to ship production volumes of its next generation sensors and solutions to major card providers.

- Next generation payment cards will have fingerprint authentication embedded sensors and chips. Importantly this generational switch will not require new POS equipment as with chip and PIN and the transition should occur much faster. This technology is expected to reduce fraud and increase usage easily providing payback for banks even with the incremental cost. IDEX's unique patent-protected "*off-chip*" design allows cards to be manufactured at less than half the price of competitors by separating the fingerprint sensor from its controller chip thus allowing the use of a smaller, newer, and more powerful chips.
- Despite the existence of smartphone-based payment systems, market researcher Nilson still believes the market for payment cards will increase 7.3% per year. There are 23.6 billion payment cards in use globally. Biometric payment card units are expected to grow from 2 million shipped in 2021 to a minimum of 400 million by 2024. IDEX could receive \$3 per card of the market share it captures.
- IDEX has already had its design certified by two out of the three major card networks, MasterCard and China UnionPay, who process over 45% of the cards in use worldwide. We expect VISA certification this quarter. It is already providing cards in small quantities to card issuers to sample and conduct pilots at banks in various countries, with rollouts expected by year-end.
- In 2021 we expect the company will be providing product to many of the major card providers who in turn will sell to their customers worldwide. In addition, it will be selling production volumes to customers in the secure access control business and other applications such as IOT. A new opportunity that is just starting to ship is for wallets for the Chinese digital currency.
- As a fabless semiconductor company with high operating leverage, it is expected to be at very high pretax margins once it ramps revenues and it deserves an enterprise value to sales valuation in line with its peers that trade at 10.6 times 2021 revenues. It currently trades at \$234 million market cap (or \$239 million fully diluted) and a \$215 enterprise value. We believe that by 2025 it has the potential of \$500 million in sales at which point it could be valued as a \$5.3 billion company.

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## OVERVIEW

IDEX Biometrics was founded in 1997 and is headquartered in Norway. The company has 109 employees and currently operates from offices in Wilmington, MA and Rochester, NY, Farnborough, UK, Shanghai China, and Norway. It files financials in Norway and is listed on the Oslo Bors and NASDAQ.

It sells its system solutions which include fingerprint sensors, chips, and the software to make them function, to companies that incorporate fingerprint identification technology into their products. IDEX is targeting primarily the payments card market including contactless debit and credit cards. The company also supplies its products for access control and IoT. It has developed a unique design that fits the specific parameters required for cards including energy harvesting and low power operation at industry leading costs. Its main competitor is Fingerprint Cards AB (FPC) of Sweden, who has participated in more pilots with partners but is offering an older, more expensive, larger, and kludgy solution. IDEX believes customers will see its cost and design advantages and it will capture large market share in this nascent industry.

## VALUATION

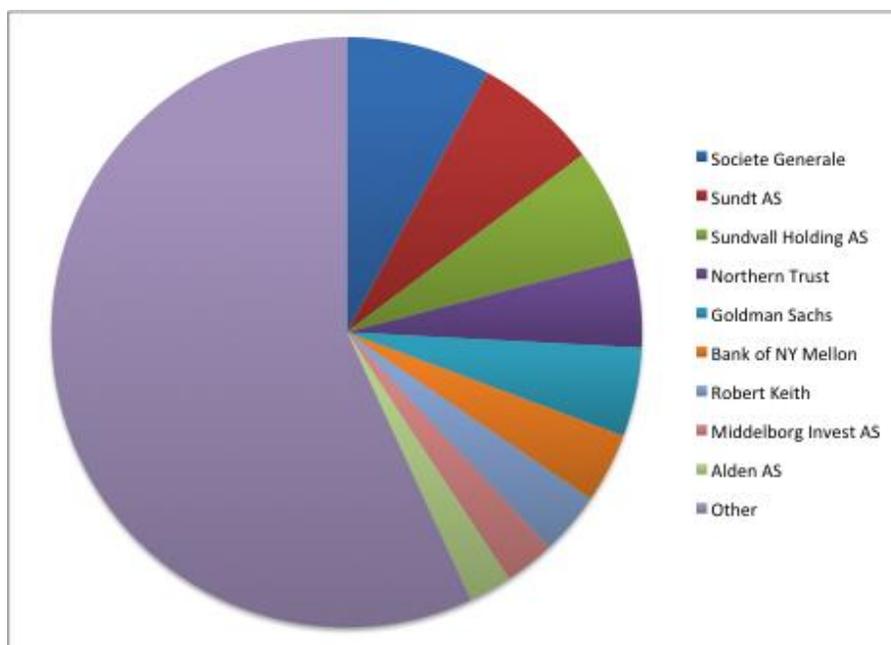
IDEX is now at a run rate of \$2.8 million in revenue and entering the production ramp of its life cycle. To value the company we need to look to future years and discount valuations back to today to calculate a current price for IDEX. From the comp chart below we see that the average fabless semiconductor company trades as an average of 10.6 times enterprise value to 2021 estimated sales. By 2025 IDEX could reach \$500 million in sales or higher. That would result in an enterprise value of \$5.3 billion. The company has 918.2 primary shares outstanding. According to the treasury stock method, the current fully diluted share count at a stock price of NOK2.37 per share is approximately **936 million fully diluted shares**. We are adding 20 million shares to reach 956 million by 2025. Divided by 956 gives us a stock price of \$5.66 share. Discounting that by 30% per year to current value gives an EV of \$1.86 billion and a stock price of \$1.98 per share. To be conservative we are starting with a valuation of \$1.00 per share and will increase that as we see it ramp revenues and land design wins on its path to our earnings expectations. Translating that \$1.00 price per share to ADS is \$75.00 per ADS.

Company	Ticker	Cal. Revenue				EBITDA Margin	Enterprise Value / Sales			EV/EBITDA	Included in Average?	Ent. Value
		2022E	2021E	LTM	EBITDA		2022E	2021E	LTM			
AMD	AMD	\$17,040	\$14,740	\$13,340	2,900	22%	7.3x	8.4x	9.3x	42.9x	y	124,400
Broadcom	AVGO	NA	\$28,310	\$25,550	13,060	51%	NA	8.1x	9.0x	17.6x	y	230,000
Cirrus Logic	CRUS	NA	\$1,534	\$1,400	285	20%	NA	2.8x	3.1x	15.2x	y	4,330
Lightwave Logic	LWLG	NA	NA	\$0	(6)	NM	NM	NM	NM	-110.9x	n	693
Marvell	MRVL	\$5,020	\$4,210	\$3,110	729	23%	10.8x	12.8x	17.4x	74.1x	y	54,000
Monolithic Power Sys	MPWR	\$1,300	\$1,120	\$1,040	236	23%	15.6x	18.1x	19.4x	85.6x	y	20,220
NVIDIA	NVDA	\$27,400	\$24,870	\$19,260	6,970	36%	18.1x	19.9x	25.8x	71.2x	y	496,000
Qualcomm	QCOM	NA	\$34,500	\$32,580	11,830.0	36%	NA	4.9x	5.2x	14.4x	y	170,000
Xilinx	XLNX	NA	\$3,526	\$3,300	977.8	30%	NA	9.9x	10.6x	35.8x	y	35,000
<b>Average</b>							<b>12.9x</b>	<b>10.6x</b>	<b>12.5x</b>	<b>18.9x</b>		<b>87,280</b>

## RISKS

- The use of biometric payment and security cards is still in the testing and pilot stage. There is no assurance customers will ultimately choose to use this technology or that it will work as expected.
- IDEX is just starting to produce larger volumes of product. There is no assurance they will be able to successfully manufacture product in the volumes needed at the cost expected.
- Production ramps and customer acceptance and rollouts may take longer than expected and forecasts may not be achieved in the time frame we predict.
- The company is still losing money and is cash flow negative. We expect it will need further funding before reaching cash flow break even, diluting current shareholders.

## OWNERSHIP



## INCOME STATEMENT

US\$ in Thousands

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21E	Q3 21E	Q4 21E	2019	2020	2021E	2022E
Product sales	53	121	246	593	623	750	1,200	2,450	159	1,013	5,023	
Other operating income	47	28	2	5	1	0	0	0	265	82	1	
<b>Total Revenue</b>	<b>\$ 100</b>	<b>\$ 149</b>	<b>\$ 248</b>	<b>\$ 598</b>	<b>\$ 624</b>	<b>\$ 750</b>	<b>\$ 1,200</b>	<b>\$ 2,450</b>	<b>\$ 424</b>	<b>\$ 1,095</b>	<b>\$ 5,024</b>	<b>\$ 20,000</b>
Yr-to-yr growth	-37.5%	246.5%	66.4%	730.6%	524.0%	403.4%	383.9%	309.7%	158.3%	158.3%	358.8%	298.1%
Cost of revenue	19	32	45	178	220	300	504	1,103	62	275	2,127	9,800
Gross margin	81	117	203	420	404	450	696	1,348	362	820	2,898	10,200
Gross margin %	81.0%	78.5%	81.9%	70.2%	64.7%	60.0%	58.0%	55.0%	85.4%	74.9%	57.7%	51.0%
<b>Operating expenses</b>												
Payroll expenses	4,677	3,515	4,275	5,206	5,101	5,200	5,300	5,400	21,749	17,672	21,001	22,100
Development expenses	40	1,069	930	(144)	608	600	600	125	4,385	1,895	1,933	3,500
Other operating expenses	1,191	1,218	1,370	2,157	1,713	1,513	1,513	1,513	4,641	5,936	6,252	6,502
Amortization and depreciation	429	422	430	439	454	450	440	440	1,633	1,719	1,756	1,756
Operating expenses	6,337	6,224	7,005	7,658	7,876	7,763	7,853	7,478	32,408	27,222	30,942	33,858
Operating income	(6,256)	(6,107)	(6,802)	(7,238)	(7,472)	(7,313)	(7,157)	(6,131)	(32,046)	(26,402)	(28,045)	(23,658)
Net financial items	(164)	(330)	7	0	(56)	0	0	0	(216)	(451)	(56)	0
<b>Pretax loss from operations</b>	<b>(6,420)</b>	<b>(6,437)</b>	<b>(6,795)</b>	<b>(7,238)</b>	<b>(7,528)</b>	<b>(7,313)</b>	<b>(7,157)</b>	<b>(6,131)</b>	<b>(32,262)</b>	<b>(26,853)</b>	<b>(28,101)</b>	<b>(23,658)</b>
Income taxes	(101)	(41)	(3)	45	0	25	25	25	160	99	75	100
Net loss	(6,319)	(6,396)	(6,792)	(7,283)	(7,528)	(7,338)	(7,182)	(6,156)	(32,422)	(26,754)	(28,176)	(23,758)
Non-GAAP net loss	(5,806)	(5,992)	(5,128)	(6,508)	(6,522)	(6,538)	(6,382)	(5,356)	(29,891)	(22,899)	(28,176)	(23,758)
Exchange differences on foreign operations	717	(305)	(622)	879	(91)	0	0	0	(662)	670	(91)	0
Total comprehensive income	(5,602)	(6,701)	(7,414)	(6,404)	(7,619)	(7,338)	(7,182)	(6,156)	(33,084)	(26,084)	(28,267)	(23,758)
<b>Basic net loss per share</b>	<b>\$ (0.009)</b>	<b>\$ (0.009)</b>	<b>\$ (0.009)</b>	<b>\$ (0.008)</b>	<b>\$ (0.009)</b>	<b>\$ (0.008)</b>	<b>\$ (0.008)</b>	<b>\$ (0.007)</b>	<b>\$ (0.054)</b>	<b>\$ (0.035)</b>	<b>\$ (0.031)</b>	<b>\$ (0.025)</b>
Yr-to-yr growth	-36.4%	-31.7%	-31.5%	-45.6%	-1.7%	-7.1%	-9.1%	-20.0%	-35.6%	-10.8%	-18.5%	
Non-GAAP loss per share	\$ (0.008)	\$ (0.008)	\$ (0.006)	\$ (0.007)	\$ (0.007)	\$ (0.007)	\$ (0.007)	\$ (0.006)	\$ (0.050)	\$ (0.030)	\$ (0.031)	\$ (0.025)
Basic shares outstanding in mil	718.0	742.6	787.9	867.6	870.5	916.7	916.7	916.7	598.4	767.1	905.1	936.7
Yr-to-yr growth	25.9%	24.2%	31.8%	41.4%	21.2%	23.4%	16.4%	5.7%	28.2%	18.0%	3.5%	3.5%
Diluted shares	719.1	743.7	789.0	873.1	898.5	932.0	932.0	932.0	600.2	773.4	923.6	963.6
Yr-to-yr growth	26.1%	24.4%	31.9%	44.2%	24.9%	25.3%	18.1%	6.7%	28.9%	19.4%	4.3%	4.3%
<b>Basic net loss per ADS</b>	<b>\$ (0.66)</b>	<b>\$ (0.65)</b>	<b>\$ (0.65)</b>	<b>\$ (0.63)</b>	<b>\$ (0.65)</b>	<b>\$ (0.60)</b>	<b>\$ (0.59)</b>	<b>\$ (0.50)</b>	<b>\$ (4.06)</b>	<b>\$ (2.62)</b>	<b>\$ (2.33)</b>	<b>\$ (1.90)</b>
Non-GAAP loss per ADS	\$ (0.56)	\$ (0.56)	\$ (0.46)	\$ (0.56)	\$ (0.54)	\$ (0.53)	\$ (0.51)	\$ (0.43)	\$ (3.74)	\$ (2.22)	\$ (2.29)	\$ (1.85)
Basic ADS outstanding in millions	9.6	9.9	10.5	11.6	11.6	12.2	12.2	12.2	8.0	10.2	12.1	12.5
Diluted ADS	10.3	10.6	11.2	11.6	12.0	12.4	12.4	12.4	8.0	10.3	12.3	12.8
EBITDA	(5,314)	(5,281)	(5,308)	(6,024)	(6,588)	(6,433)	(6,287)	(5,261)	(27,937)	(21,927)	(24,569)	(18,658)

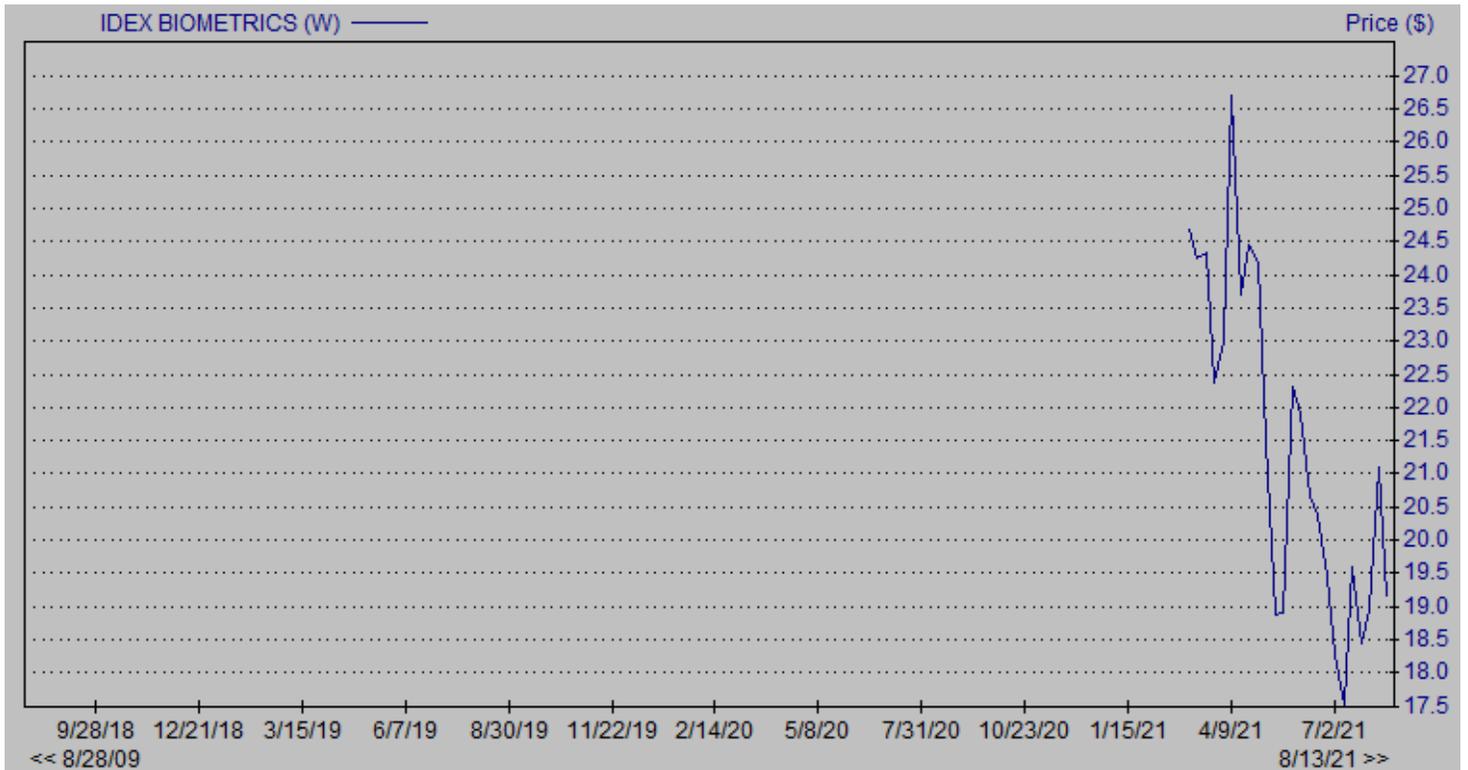
## BALANCE SHEET

Thousands US \$	June 30, 2021	Mar 31, 2021	Qtr-Qtr % Growth	June 30, 2020	Yr-Yr % Growth
<b>Current</b>					
Cash and cash equivalents	\$ 19,255	\$ 25,892	-26%	\$ 11,401	69%
Inventory	998	912	9%	676	48%
Trade receivables	724	537	35%	150	383%
Prepaid expenses	869	1,088	-20%	688	26%
Other current receivables	1,103	1,277	-14%	928	19%
Current Assets	22,949	29,706	-23%	13,843	66%
Goodwill	968	969	0%	848	14%
Other intangible assets	2,204	2,323	-5%	2,160	2%
Property, plant and equipment	1,524	1,612	-5%	1,710	-11%
Right of use asset	604	812	-26%	1,022	-41%
Long-term receivable	79	79	0%	124	-36%
Total Assets	28,328	35,501	-20%	19,707	44%
<b>Liabilities</b>					
Accounts payable	995	593	68%	975	2%
Income tax payable	0	0	0%	97	-100%
Current lease liabilities	486	610	-20%	698	-30%
Public duties payable	310	302	3%	549	-44%
Notional employer's tax on sub. Rights	0	0	0%	20	-100%
Other current liabilities	1,365	2,292	-40%	1,813	-25%
Current Liabilities	3,156	3,797	-17%	4,152	-24%
Non-current lease liability	150	238	-37%	352	-57%
Total liabilities	3,306	4,035	-18%	4,504	-27%
<b>Shareholders' Equity</b>					
Share capital	18,787	18,760	0%	16,435	14%
Share premium	28,132	27,865	1%	206,637	-86%
Other paid-in capital	20,028	19,470	3%	16,782	19%
Total paid-in capital	66,947	66,095	1%	239,854	-72%
Foreign currency translation effects	(12,473)	(12,413)	0%	(13,752)	NA
Retained earnings	(29,452)	(22,216)	33%	(210,898)	-86%
Total shareholder's equity	25,022	31,466	-20%	15,204	65%
Tot Liabilities and Share. Equity	28,328	35,501	-20%	19,708	44%
Cash	\$ 19,255	\$ 25,892	-26%	\$ 11,401	69%
Current ratio	7.3	7.8	-7%	3.3	118%
Quick ratio	7.0	7.6	-8%	3.2	119%
Working capital	19,793	25,909	-24%	9,691	104%
Debt	0	0	0%	0	0%
Debt/total assets	0.0%	0.0%	0%	0.0%	0%

## CASH FLOWS

	YR 2019	Mar. 31, 2020 3 month	June 30, 2020 3 month	Sept 30, 2020 3 month	Dec. 31, 2020 3 month	YR 2020	Mar. 31, 2021 3 month	June 30, 2021 3 month
<b>Cash flows from operating activities:</b>								
Net loss	\$ (32,263)	\$ (6,420)	\$ (6,436)	\$ (6,795)	\$ (7,202)	\$ (26,853)	\$ (7,529)	\$ (7,236)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>								
Amortization and depreciation	1,633	429	422	430	439	1,719	454	460
Stock-based compensation	2,531	513	404	1,064	775	2,755	806	558
Changes in working capital:								
Inventories	470	(16)	(42)	(140)	59	(139)	(52)	(87)
Accounts receivables	8	(59)	(63)	(72)	(220)	(414)	(50)	(186)
Accounts payable	(124)	217	329	(447)	41	141	(39)	402
Change in other working capital	895	12	(695)	(69)	133	(618)	(247)	(653)
Other operating activities	43	197	325	(51)	109	579	(218)	59
Interest expense	(135)	(20)	-	(2)	(5)	(27)	(5)	(2)
Income taxes	(226)	(16)	43	-	(464)	(437)	-	-
Net cash flows from operating activities	(27,168)	(5,163)	(5,713)	(6,082)	(6,335)	(23,294)	(6,880)	(6,685)
<b>Cash flows from investing activities:</b>								
Purchases of property, plant & equipment	(850)	(522)	(18)	(51)	(242)	(333)	(70)	(39)
Proceeds from sale of assets	-	-	-	-	-	-	-	-
Payments on non-current receivables	(6)	-	19	56	1	75	(4)	-
Interest received	135	19	-	1	5	26	4	3
Net cash flows from investing activities	(721)	(503)	1	6	(236)	(232)	(70)	(36)
<b>Cash flows from financing activities:</b>								
Proceeds from issue of shares	34,164	(1)	10,251	-	8,035	18,731	25,755	295
Payments on lease liabilities	(675)	(192)	(200)	(199)	(202)	(793)	(215)	(216)
Payment related to financed asset purchase	(500)	-	-	-	-	(500)	-	-
Net cash provided by financing activities	32,989	(193)	10,051	(199)	7,833	17,438	25,540	79
Net increase (decrease) in cash	5,100	5,861	4,339	(6,275)	1,262	(6,088)	18,590	(6,642)
Effect of exchange rate changes on cash	(609)	(1,265)	62	577	332	(740)	4	5
Cash at beginning of period	9,635	14,126	7,001	11,402	5,704	14,126	7,298	25,892
Cash at end of period	14,126	18,722	11,402	5,704	7,298	7,298	25,892	19,255
Cash flow	(28,099)	(5,478)	(5,610)	(5,301)	(5,988)	(22,379)	(6,269)	(6,218)
Free cash flow	(28,949)	(6,000)	(5,628)	(5,352)	(6,230)	(22,712)	(6,339)	(6,257)

# HISTORICAL STOCK PRICE



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