INTRICON CORP
Form 424B5
May 13, 2016
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Registration No. 333-200182

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying base prospectus are not an offer to sell these securities, and are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS SUPPLEMENT DATED MAY 12, 2016

PROSPECTUS SUPPLEMENT
(To Prospectus dated December 19, 2014)

700,000 Shares

Common Stock

We are offering   shares of our common stock pursuant to this prospectus supplement and the accompanying base prospectus.

Our common stock trades on The NASDAQ Global Market under the symbol "IIN." The last reported sale price of our common stock on May 11, 2016 was $5.60 per share.

As of March 31, 2016, the aggregate market value of our outstanding common stock held by non-affiliates was approximately $32,598,787 million, which was calculated based on approximately 5,117,549 million shares of outstanding common stock held by non-affiliates as of that date and on a price per share of $6.37, the closing price of our common stock on March 31, 2016. We have not sold any securities pursuant to General Instruction I.B.6. of Form S-3 during the 12 calendar months prior to, and including, the date of this prospectus supplement.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page S-3 of this prospectus supplement and page 1 of the accompanying base prospectus.

	Per Share	**Total**
Public offering price	$	$
Underwriting discount (1)	$	$
Proceeds, before expenses, to us	$	$

(1) The underwriter will receive compensation in addition to underwriting discount. See "Underwriting" beginning on page S- 9 for a description of compensation payable by us to the underwriter.

To the extent the underwriter sells more than shares of our common stock, the underwriter has a 30-day option to purchase up to additional shares of our common stock from us at the public offering price less the underwriting discount.

The underwriter expects to deliver the shares of common stock on or about , 2016.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Dougherty & Company

The date of this prospectus supplement is , 2016

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Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is part of a registration statement that we have filed with the Securities and Exchange Commission, referred to herein as the SEC, utilizing a “shelf” registration process. Under this shelf registration process, we are offering to sell shares of our common stock using this prospectus supplement and the accompanying base prospectus. In this prospectus supplement, we provide you with specific information about the terms of this offering and the shares of common stock that we are selling in this offering. Both this prospectus supplement and the accompanying base prospectus include important information about us, the shares of common stock being offered and other information you should know before investing. This prospectus supplement also adds, updates and changes information contained in the accompanying base prospectus. You should read this prospectus supplement, the accompanying base prospectus and the information incorporated by reference in this prospectus supplement and the accompanying base prospectus before investing in the shares. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying base prospectus or in any document incorporated by reference that was filed with the SEC before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date – for example, a document incorporated by reference in the accompanying base prospectus – the statement in the document having the later date modifies or supersedes the earlier statement.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference herein were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date specified in the relevant agreement. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying base prospectus, along with the information contained in any free writing prospectus that we have authorized for use in connection with this offering. You should also read and consider the information in the documents to which we have referred you under the captions “Where You Can Find More Information” and “Documents Incorporated by Reference” in this prospectus supplement and in the accompanying base prospectus. We have not, and the underwriter has not, authorized anyone else to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information appearing in this prospectus supplement, the accompanying base prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying base prospectus, and any free writing prospectus authorized by us is accurate as of any date other than the respective dates of those documents regardless of the time of delivery to you. You should not consider this prospectus supplement, the accompanying prospectus, or any free writing prospectus authorized by us to be an offer or solicitation relating to the shares in any jurisdiction in which such an offer or solicitation relating to the shares is not authorized. Furthermore, you should not consider this prospectus supplement, the accompanying base prospectus, or any free writing prospectus authorized by us to be an offer or solicitation relating to the shares if the person making the offer or solicitation is not qualified to do so, or if it is unlawful for you to receive such an offer or solicitation.

Unless otherwise stated, references in this prospectus supplement to “IntriCon,” the “Company,” “we,” “us” and “our” refer to IntriCon Corporation and its consolidated subsidiaries.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference. This summary does not contain all the information that you should consider before investing in our securities. You should read carefully this entire prospectus supplement, the accompanying base prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying base prospectus and the information included in any free writing prospectus that we have authorized for use in connection with this offering before making an investment decision to purchase our common stock, especially the risks discussed in the section entitled "Risk Factors" in this prospectus supplement and in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on March 11, 2016, as well as the consolidated financial statements and notes to those consolidated financial statements incorporated by reference in this prospectus supplement and the accompanying base prospectus.

Company Overview

Our Company

IntriCon is an international company engaged in designing, developing, engineering, manufacturing and distributing body-worn devices. The Company serves the body-worn device market by designing, developing, engineering, manufacturing and distributing micro-miniature products, microelectronics, micro-mechanical assemblies, complete assemblies and software solutions, primarily for the emerging value hearing health market, the medical bio-telemetry market and the professional audio communication market.

For a detailed description of IntriCon's business, the latest financial statements of IntriCon, management's discussion and analysis of IntriCon's financial condition and results of operations, and other important information concerning IntriCon, please refer to IntriCon's Annual Report on Form 10-K for the year ended December 31, 2015, IntriCon's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 and other documents filed with the SEC, which are incorporated by reference into this prospectus supplement and the accompanying base prospectus.

Corporate Information

The Company is a Pennsylvania corporation formed in 1930, and has gone through several transformations since its formation. The Company’s core business of body-worn devices was established in 1993 through the acquisition of Resistance Technologies Inc., now known as IntriCon, Inc. Currently, the Company operates in one operating segment, the body-worn device segment.

The Company has facilities in Minnesota, California, Singapore, Indonesia, the United Kingdom and Germany, and operates through subsidiaries. The Company’s headquarters are located at 1260 Red Fox Road, Arden Hills, MN 55112, and its telephone number is (651) 636-9770. The Company’s website is *www.intricon.com*. Information contained in, or accessible through, the Company’s website does not constitute a part of this prospectus supplement or a part of the accompanying base prospectus.

Risk Factors

An investment in our common stock is subject to a number of risks and uncertainties. Before investing in our common stock, you should carefully consider the risk factors and other information included in this prospectus supplement and in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015.

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The Offering

Common stock offered	shares (or shares if the underwriter exercises in full its option to purchase additional shares).
Common stock to be outstanding immediately after this offering	shares (or shares if the underwriter exercises in full its option to purchase additional shares).
Option to purchase additional shares	The underwriter has a 30-day option to purchase up to additional shares of common stock from us at the public offering price less the underwriting discount.
Proceeds of offering	We estimate that the net proceeds from the offering, after deducting underwriting discounts and estimated offering expenses, will be approximately $ million.
Use of proceeds	We intend to use the net proceeds from this offering for working capital and general corporate purposes. See "Use of Proceeds" on page S-**6** of this prospectus supplement.
Risk factors	Investing in our common stock involves a high degree of risk. See "Risk Factors" on page S-3 of this prospectus supplement, and the risks discussed under the heading "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015, for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.
The NASDAQ Global Market symbol	"IIN"

The number of shares of our common stock to be outstanding immediately after the offering is based on 5,985,532 shares of our common stock outstanding as of March 31, 2016, and excludes:

- 1,451,197 shares issuable upon the exercise of stock options outstanding as of March 31, 2016, at a weighted average exercise price of $6.47 per share, of which 1,100,614 were then exercisable;
- 362,791 shares of our common stock reserved for future grants of stock options, stock awards, stock appreciation rights, restricted stock units and other equity-based awards under our 2015 Equity Incentive Plan; and
- 24,128 shares of our common stock reserved for purchase under our Employee Stock Purchase Plan, as amended.

Unless otherwise indicated, the information in this prospectus supplement:

- assumes no exercise of the underwriter’s option to purchase additional shares of common stock; and
- assumes no exercise of outstanding options to purchase shares of our common stock.

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RISK FACTORS

An investment in our common stock is subject to a number of risks and uncertainties. Before you make a decision to invest in our securities, you should consider carefully the risks described below and discussed under the section captioned "Risk Factors" contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, and in any subsequently filed Quarterly Report on Form 10-Q, which are incorporated by reference in this prospectus supplement and the accompanying base prospectus in their entirety, together with other information in this prospectus supplement, the accompanying base prospectus, and the information and documents incorporated by reference. The risks and uncertainties described below, and those incorporated by reference into this prospectus supplement and the accompanying base prospectus, are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occur, our business, financial condition, results of operations and prospects could be materially affected. In that case, the value of our common stock could decline substantially.

Risk Factors Relating to the Offering and Our Common Stock

The market price of our common stock has been and is likely to continue to be volatile and there has been limited trading volume in our stock, which may make it difficult for shareholders to resell common stock when they want to and at prices they find attractive.

The market price of our common stock has been and is likely to be highly volatile, and there has been limited trading volume in our common stock. The common stock market price could be subject to wide fluctuations in response to a variety of factors, including the following:

- announcements of fluctuations in our or our competitors' operating results;
- the timing and announcement of sales or acquisitions of assets by us or our competitors;
- changes in estimates or recommendations by securities analysts;
- adverse or unfavorable publicity about our products, technologies or us;
- the commencement of material litigation, or an unfavorable verdict, against us;

- terrorist attacks, war and threats of attacks and war;
- additions or departures of key personnel; and
- sales of common stock.

In addition, the stock market in recent years has experienced significant price and volume fluctuations. Such volatility has affected many companies irrespective of, or disproportionately to, the operating performance of these companies. These broad fluctuations and limited trading volume may materially adversely affect the market price of our common stock, and your ability to sell our common stock.

Most of our outstanding shares are available for resale in the public market without restriction. All of the shares sold in this offering, other than shares purchased by our affiliates, will also be available for resale in the public market without restriction. The sale of a large number of these shares could adversely affect the share price and could impair our ability to raise capital through the sale of equity securities or make acquisitions for common stock.

“Anti-takeover” provisions may make it more difficult for a third party to acquire control of us, even if the change in control would be beneficial to shareholders.

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We are a Pennsylvania corporation. Anti-takeover provisions in Pennsylvania law and our charter and bylaws could make it more difficult for a third party to acquire control of us. These provisions could adversely affect the market price of the common stock and could reduce the amount that shareholders might receive if we are sold. For example, our charter provides that the board of directors may issue preferred stock without shareholder approval. In addition, our bylaws provide for a classified board, with each board member serving a staggered three-year term. Directors may be removed by shareholders only with the approval of the holders of at least two-thirds of all of the shares outstanding and entitled to vote.

Management will have broad discretion as to the use of the proceeds from this offering, and we may not use the proceeds effectively.

We intend to use the net proceeds from this offering for working capital and general corporate purposes. As of the date of this prospectus supplement, we cannot specify with certainty all of the particular uses for the net proceeds to us from this offering. Accordingly, our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our common stock. Our failure to apply these funds effectively could have a material adverse effect on our business and cause the price of our common stock to decline.

You will experience immediate and substantial dilution in the net tangible book value per share of the common stock you purchase.

Because the price per share of our common stock being offered is substantially higher than the net tangible book value per share of our common stock, you will suffer substantial dilution in the net tangible book value of the common stock you purchase in this offering. After giving effect to the sale of 700,000 shares of common stock in this offering at an assumed offering price of $5.60 per share, which was the last reported sale price of our common stock on the NASDAQ Global Market on May 11, 2016, and after deducting estimated underwriting discounts and offering expenses payable by us, and based on a net tangible book value of our common stock of $1.40 per share as of March 31, 2016, if you purchase shares of common stock in this offering, you will suffer immediate and substantial dilution of $3.85 per share in the net tangible book value of common stock. The actual amount of dilution may be greater or less depending upon the actual price at which our common stock is sold in this offering. See the section entitled “Dilution” below for a more detailed discussion of the dilution you will incur if you purchase common stock in this offering.

Our shareholders may experience further dilution in their percentage ownership if we issue additional shares of common stock in the future.

Any additional future issuances of common stock by us will reduce the percentage of our common stock owned by investors purchasing shares in this offering who do not participate in such future issuances. In most circumstances shareholders will not be entitled to vote on whether or not we issue additional common stock.

Because we do not expect to pay dividends on our common stock, shareholders will benefit from an investment in our common stock only if it appreciates in value.

We currently intend to retain any future earnings to support operations and to finance the growth and development of our business and do not intend to pay cash dividends on our common stock for the foreseeable future. Any payment of future dividends will be at the discretion of our board of directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness, contractual restrictions with respect to the payment of dividends, and other factors that our board of directors deems relevant. Terms of our banking agreements prohibit the payment of cash dividends without prior bank approval. As a result, the success of an investment in our common stock will depend upon any future appreciation in its value. There is no guarantee that our common stock will appreciate in value or even maintain the price at which shareholders have purchased their shares.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying base prospectus and the documents we incorporate by reference in this prospectus supplement and the accompanying base prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Exchange Act, and may involve material risks, assumptions and uncertainties. Statements that are not purely historical should be considered forward-looking statements. Often they can be identified by the use of forward-looking words and phrases, such as “may,” “will,” “believe,” “anticipate,” “expect,” “should,” “optimistic” or “continue,” “estimate,” “intend,” “plan,” “w
“guidance,” “potential,” “opportunity,” “project,” “forecast,” “confident,” “projections,” “schedule,” “designed,” “future” and t
These statements may include, but are not limited to statements regarding the Company’s ability to compete, statements concerning strategic alliances and their benefits, the adequacy of insurance coverage, government regulation, potential increases in demand for the Company’s products, net operating loss carryforwards, the ability to meet cash requirements for operating needs, the ability to meet liquidity needs, assumptions used to calculate future levels of funding of employee benefit plans, the adequacy of insurance coverage, the impacts of new accounting pronouncements and litigation. Forward-looking statements also include, without limitation, statements as to the Company’s expected future results of operations and growth, the Company’s ability to meet working capital requirements, the Company’s business strategy, the expected increases in operating efficiencies, anticipated trends in the Company’s body-worn device markets, the effect of compliance with environmental protection laws and other government regulations, estimates of goodwill impairments and amortization expense of other intangible assets, estimates of asset impairment, the effects of changes in accounting pronouncements, the effects of litigation and the amount of insurance coverage, and statements as to trends or the Company’s or management’s beliefs, expectations and opinions.

These statements are based on our current beliefs, expectations and assumptions and are subject to a number of risks and uncertainties. Actual results and timing of certain events could differ materially from those projected in or contemplated by forward-looking statements due to a number of factors including, without limitation, the risks outlined from time to time in our filings with the SEC. These risks and uncertainties should be considered in evaluating any forward-looking statement contained in this prospectus supplement, the accompanying base prospectus or incorporated by reference in this prospectus supplement and the accompanying base prospectus. We undertake no obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this prospectus supplement. In addition, our past results are not necessarily indicative of our future results.

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USE OF PROCEEDS

We estimate that our net proceeds from this offering, after underwriting discounts and estimated offering expenses, will be approximately $ million, or approximately $ million if the underwriter exercises in full its option to purchase additional shares.

We intend to use the net proceeds from this offering for working capital and general corporate purposes. Pending such uses, we may temporarily pay down borrowings under our revolving credit facility. Amounts we pay down under our revolving credit facility may be reborrowed in accordance with the terms of the facility.

Our revolving credit facility has a maturity date of February 28, 2019. The weighted average interest rate on our revolving credit facility was 3.67% for the three months ended March 31, 2016. A more complete description of our revolving credit facility is set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in Note 8 to our audited consolidated financial statements incorporated by reference in this prospectus supplement and the accompanying base prospectus.

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DILUTION

Our net tangible book value on March 31, 2016 was $8,363,000 or $1.40 per share, based on 5,985,532 shares of our common stock outstanding as of that date. "Net tangible book value" represents the value of our total assets plus non-controlling interest minus the sum of our liabilities and intangible assets. "Net tangible book value per share" is determined by dividing our net tangible book value by the total number of our shares outstanding. Dilution with respect to net tangible book value per share represents the difference between the amount per share paid by purchasers of our common stock in this offering and the adjusted net tangible book value per share of our common stock immediately after this offering.

After giving effect to the sale of 700,000 shares of common stock in this offering at an assumed offering price of $5.60 per share, which was the last reported sale price of our common stock on the NASDAQ Global Market on May 11, 2016, and after deducting estimated underwriting discounts and offering expenses payable by us, our net tangible book value as of March 31, 2016 would have been approximately $11,708,600, or $1.75 per share of common stock. This would represent an immediate increase in the net tangible book value of $0.35 per share to our existing shareholders and an immediate decrease in net tangible book value of $3.85 per share to the investors participating in this offering.

The following table illustrates this per share dilution, giving effect to the transactions described in the paragraph immediately above:

Assumed public offering price per share		$5.60
Net tangible book value per share as of March 31, 2016	$1.40	
Assumed increase in net tangible book value per share after giving effect to the offering	$0.35	
Assumed adjusted net tangible book value per share as of March 31, 2016, after giving effect to the offering		1.75
Assumed dilution per share to investors participating in this offering		$3.85

The actual price at which shares are sold in this offering and the actual amount of underwriting discounts and offering expenses payable by us may be lesser or greater than the assumed amounts reflected in the table above.

The above discussion and table are based on 5,985,532 shares outstanding as of March 31, 2016, do not give effect to any exercise of the underwriter's option to purchase additional shares, and exclude shares issuable under outstanding stock options or reserved for issuance under our equity plans as described on page S-2.

To the extent that stock options are exercised, new stock awards are issued under our equity plans or we issue additional shares of common stock in the future, there may be further dilution to our shareholders. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our shareholders.

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CAPITALIZATION

The following table sets forth our consolidated cash and total capitalization as of March 31, 2016:

- on an actual basis;

- on an as adjusted basis to give effect to this offering (assuming no exercise of the underwriter's option to purchase additional shares) at an assumed offering price per share of $5.60, which was the last reported sale price of our common stock on the NASDAQ Global Market on May 11, 2016, and after deducting estimated underwriting discounts and offering expenses payable by us.

The following data is qualified in its entirety by, and should be read in conjunction with, the information provided under the caption "Use of Proceeds" in this prospectus supplement, under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 incorporated by reference in this prospectus supplement and our consolidated financial statements and notes thereto incorporated by reference in this prospectus supplement and the accompanying base prospectus.

	As of March 31, 2016	
	Actual	**As Adjusted (1)**
	(dollars in thousands) (unaudited)	
Cash	$553	$ 3,899
Current maturities of long-term debt	$1,941	$ 1,941
Long-term debt, less current maturities	$9,603	$ 9,603
Equity:		
Common stock, $1.00 par value: 20,000,000 shares authorized; 5,985,532 shares issued and outstanding, actual; 6,685,532 shares issued and outstanding, as adjusted	5,986	6,686
Additional paid-in capital	17,922	20,568
Accumulated deficit	(4,031)	(4,031)
Accumulated other comprehensive loss	(723)	(723)
Total shareholders' equity	19,154	22,500
Non-controlling interest	(73)	(73)
Total equity	19,081	22,427

Total capitalization	30,625	33,971

(1) Pending the use of the net proceeds from this offering for working capital and general corporate purposes, we may temporarily use the net proceeds from this offering to pay down borrowings under our revolving credit facility. See "Use of Proceeds" Our receipt of the entire assumed net proceeds from this offering has been applied to increase the amount of cash reflected in the "As Adjusted" column of the table above and does not reflect any potential temporary pay down of such borrowings.

The capitalization table above is based on the number of shares outstanding as of March 31, 2016, does not give effect to any exercise of the underwriter's option to purchase additional shares, and excludes shares issuable under outstanding stock options or reserved for issuance under our equity plans as described on page S-2.

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UNDERWRITING

The underwriter named below has agreed to buy, subject to the terms of the underwriting agreement, the number of shares listed opposite its name below. The underwriter is committed to purchase and pay for all of the shares if any are purchased.

Underwriter	**Number of Shares**
Dougherty & Company LLC	

The underwriter has advised us that it proposes to offer the shares to the public at the price per share listed on the cover of this prospectus supplement and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to $ per share from the public offering price. After the offering, the offering price and other selling terms may be changed by the underwriter.

We have granted to the underwriter an option to purchase up to an additional shares of common stock from us at the same price to the public, and with the same underwriting discount, as set forth in the table below. The underwriter may exercise this option any time during the 30-day period after the date of this prospectus supplement.

We will pay underwriting discounts to the underwriter equal to $ per share. The following table summarizes the total underwriting discounts that we will pay to the underwriter assuming both no exercise and full exercise of the option to purchase additional shares. In addition to the underwriting discount, we have agreed to reimburse the underwriter for its reasonable out-of-pocket accountable fees and expenses in connection with this offering, up to a maximum of $150,000. We also granted the underwriter a right of first refusal to act, at a minimum, as a co-manager and/or co-placement agent with at least 50.0% of the gross economics for any and all future public or private equity or debt offerings whereby we utilize an investment banking firm. This right of first refusal will be effective only for the twelve-month period following the closing date of this offering. The fees and expenses of the underwriter that we have agreed to reimburse are not included in the underwriting discounts set forth in the table below.

	Total without option	**Total, with option**

	Without option to purchase additional shares	**With option to purchase additional shares**
Underwriting discount to be paid to the underwriter by us	$	$

We estimate that the total expenses of the offering payable by us, excluding underwriting discounts, will be $.

We have agreed to indemnify the underwriter against certain liabilities, including civil liabilities under the Securities Act, or to contribute to payments that the underwriter may be required to make in respect of those liabilities.

In compliance with guidelines of the Financial Industry Regulatory Authority, or FINRA, the underwriting discount and all other items constituting underwriting compensation to be received by the underwriter may be reduced to the extent that such amounts, in the aggregate, are determined by FINRA to be unfair or unreasonable.

Subject to specified exceptions, we and each of our directors and executive officers have agreed not, without the prior written consent of the underwriter, to directly or indirectly:

- sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, establish an open "put equivalent position" within the meaning of Rule 16a-l(h) under the Exchange Act, or
- otherwise dispose of any common stock, options, rights or warrants to acquire common stock, or securities exchangeable or exercisable for or convertible into common stock currently or hereafter owned either of record or beneficially, or
- publicly announce an intention to do any of the foregoing.

This restriction terminates after the close of trading of the common stock on and including the 90th day after the date of the final prospectus supplement.

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The underwriter may, in its sole discretion and at any time or from time to time before the termination of the 90-day period, without public notice, release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriter and any of our directors and executive officers who have executed a lock-up agreement, providing consent to the sale of shares prior to the expiration of the lock-up period.

To facilitate the offering, the underwriter may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock during and after the offering. Specifically, the underwriter may over-allot or otherwise create a short position in the common stock for their own account by selling more shares of common stock than have been sold to them by us. The underwriter may elect to cover any such short position by purchasing shares of common stock in the open market or by exercising the overallotment option granted to the underwriter. In addition, the underwriter may stabilize or maintain the price of the common stock by bidding for or purchasing shares of common stock in the open market and may impose penalty bids. If penalty bids are imposed, selling concessions allowed to syndicate members or other broker-dealers participating in the offering are reclaimed if shares of common stock previously distributed in the offering are repurchased, whether in connection with stabilization transactions or otherwise. The effect of these transactions may be to stabilize or maintain the market price of the common stock at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the common stock to the extent that it discourages resales of the common stock. The magnitude or effect of any stabilization or other transactions is uncertain. These transactions may be effected on the Nasdaq Global Market, or otherwise and, if commenced, may be discontinued at any time.

In connection with this offering, the underwriter (and selling group members) may also engage in passive market making transactions in the common stock on the Nasdaq Global Market. Passive market making consists of displaying bids on the Nasdaq Global Market, limited by the prices of independent market makers and effecting purchases limited by those prices in response to order flow. Rule 103 of Regulation M promulgated by the SEC limits the amount of net purchases that each passive market maker may make and the displayed size of each bid. Passive market making may stabilize the market price of the common stock at a level above that which might otherwise prevail in the open market and, if commenced, may be discontinued at any time.

The underwriter may facilitate the marketing of this offering online directly or through one of its affiliates. In those cases, prospective investors may view offering terms and a prospectus supplement online and place orders online or through their financial advisors.

Affiliations

The underwriter or its affiliates from time to time may in the future provide investment banking, commercial lending and financial advisory services to us and our affiliates in the ordinary course of business. The underwriter and its affiliates, as applicable, will receive customary compensation and reimbursement of expenses in connection with such services.

Listing

Our common stock is listed on the Nasdaq Global Market under the trading symbol “IIN”.

Offer Restrictions Outside the United States