

# IDEX ASA



Enabling the mass market for secure ID



7<sup>th</sup> May 2014

Dr. Hemant Mardia, CEO

[www.idex.no](http://www.idex.no)

## Q1 2014 HIGHLIGHTS



### Mobile

Leading module channel & supply partner: CrucialTec

Sampling swipe & touch sensors to multiple mobile OEMs

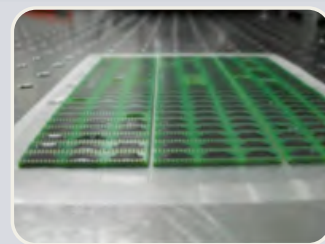
Industry first: IN Glass sensor demonstrator



### IOT/Peripheral

300,000 volume order from Worldwide Touch for mobile accessories

Prototype integration for secure applications



### Business Operations

300MNOK/\$49M funding from Invesco

Global recruitment  
New CFO appointed  
Strategy Advisory Council

Key patents filed for touch and in glass sensors

# IDEX VALUE PROPOSITION



- Rapid mobile adoption & payment megatrend driving \$B sensor market
- Core patents, established IP & Apple X-license: high barrier to entry
- Experienced leadership team with strong commercialisation track record
- Highly competitive product roadmap and industrial partnership strategy
- Attractive market outlook: IDEX strongly funded with limited competition

**IDEX:  
SMARTFINGER®**



LOW COST



ACCURATE & SECURE



THIN & FLEXIBLE

## VALUE CAPTURE STRATEGY

IDEX focus on MASS markets enabled by low cost, secure biometric authentication



PASSWORD REPLACEMENT

MOBILE PAYMENT

SECURITY

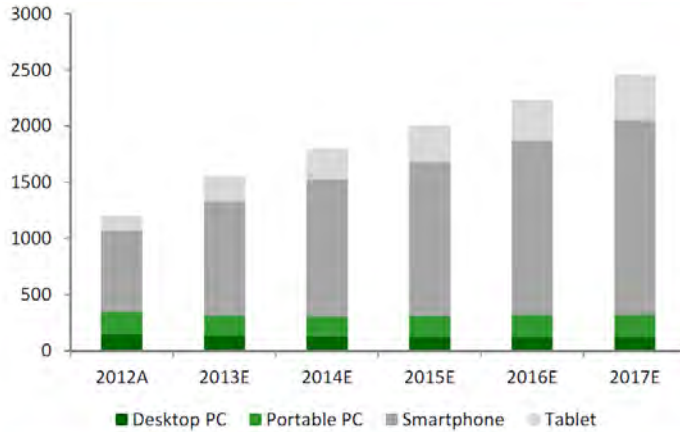
ACCESS CONTROL

PERSONALISATION

# SMART DEVICE MARKET GROWTH

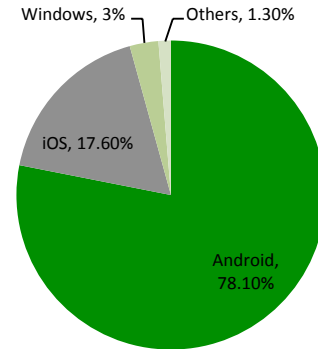


**Smart connected device shipment forecast**  
Million units



Source: IDC

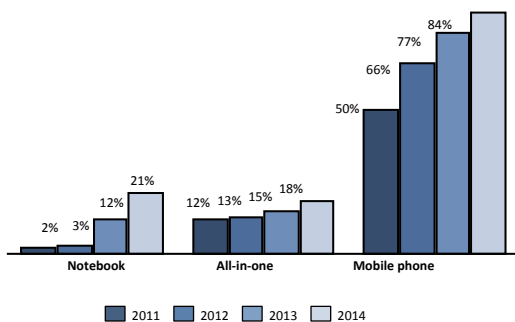
**Q4 2013 Smartphone shipments by operating systems**



- 2013: Fingerprint catalysed by Apple iPhone 5S touch sensor
- Non-Apple share of smartphones >82%: rapid Android swipe sensor adoption

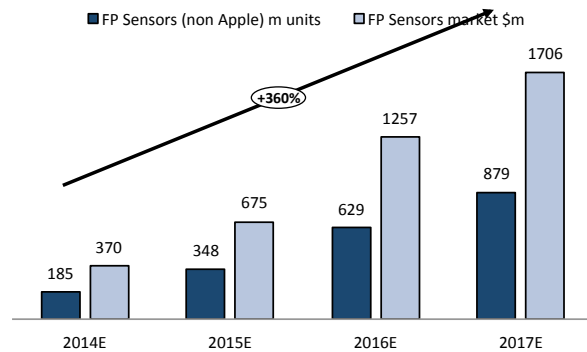
## RAPID ADOPTION OF FINGERPRINT SENSORS IN MOBILE PHONES

**High touch screen penetration in mobile catalysed by Apple in 2007**



Source: DisplaySearch, Macquire Research, June 2013;

**Forecast mobile devices with fingerprint sensors**  
Penetration rate of 50% 2017



N+1Singer, IDEX January 2014

*“Now that Apple has shown the way, competitors are in a race to enter the market with similar systems”*

IHS Press Release, November 2013

- 2014: Flagship mobile demand for Apple like user experience with touch sensors
- 2015: Expect low/mid end penetration with low cost swipe sensors

# IDEX TARGETS TO SECURE SIGNIFICANT SHARE: ONE OF THREE VENDORS WITH CORE IP



# BUILDING A PLATFORM FOR EXCELLENCE



  	<p><b>STRONG, EARLIEST IP FOR BEST IN CLASS SENSORS FROM 1997</b></p>	<ul style="list-style-type: none"> <li>• 22 patent families, 8 in filing, &gt;200 patents</li> <li>• Apple patent cross licences (Upek/AuthenTec)</li> <li>• PicoField touch sensor IP/knowhow acquired</li> </ul>
 	<p><b>HIGH ACTIVITY WITH STRATEGIC PARTNERS</b></p>	<ul style="list-style-type: none"> <li>• CrucialTec #1 sensor module supplier</li> <li>• 300,000 unit initial order from Worldfair</li> <li>• BioKey partner for security software</li> </ul>
	<p><b>EXECUTION FOCUS: LEADERSHIP TEAM &amp; GLOBAL OPERATION</b></p>	<ul style="list-style-type: none"> <li>• Industry veterans attracted &amp; expansion to &gt;40 staff including consultants</li> <li>• Norway HQ, offices in USA and Hong Kong</li> <li>• FIDO Alliance mobile authentication standard</li> </ul>
	<p><b>SOLID INVESTOR INTEREST</b></p>	<ul style="list-style-type: none"> <li>• \$49M USD investment from INVESCO.</li> <li>• Worldfair \$9M strategic investment.</li> </ul>

# MOBILE PRODUCT ROLLOUT TO SECURE MARKET SHARE



PRODUCTS	SWIPE	FIRST GENERATION TOUCH	NEXT GENERATION TOUCH	FUTURE GLASS SWIPE & TOUCH
<b>BEST IN CLASS MOBILE SENSORS</b>				
<b>COMPETITIVE ADVANTAGE</b>	<p>Best in class image &amp; swipe angle</p> <p>Large area capture</p>	<p>Small size: front of mobile device</p> <p>3x iPhone 5S capture</p>	<p>DISRUPTIVE COST Sensor in flex</p> <p>Flexible form factor</p>	<p>DURABLE</p> <p>NO LOSS OF PERFORMANCE</p>

ACCELERATED TOUCH SENSOR LAUNCH TO IMPROVE MOBILE USER EXPERIENCE

# OPTIMUM MOBILE PERFORMANCE COST & SIZE

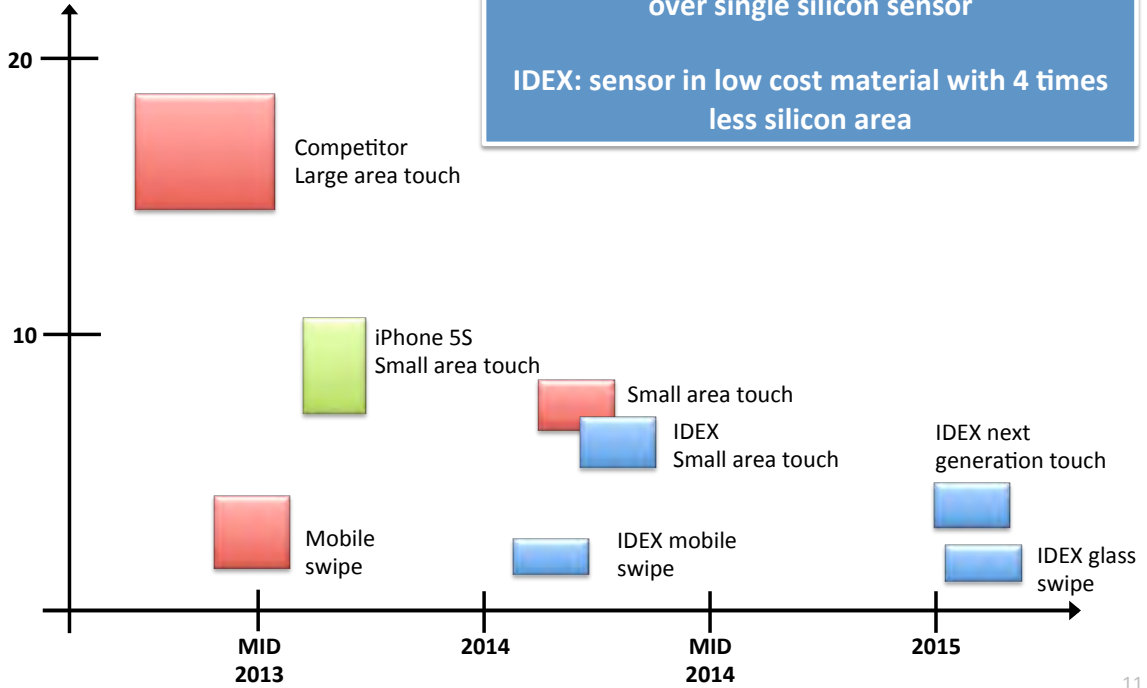


	Raw Image	Minutiae Extraction	Matching Template	Minutiae Count
<b>Complete Fingerprint</b>				>30
<b>IDEX Swipe</b> <ul style="list-style-type: none"> <li>• 9.5 mm wide</li> <li>• 10x iPhone area</li> <li>• Minutiae match</li> </ul>				20-30
<b>IDEX Touch</b> <ul style="list-style-type: none"> <li>• 8 x 8mm</li> <li>• 3x iPhone area</li> <li>• Pattern match</li> </ul>				8-12
<b>iPhone 5S</b> <ul style="list-style-type: none"> <li>• 4.5 x4.5mm</li> <li>• Pattern match</li> </ul>				0-2

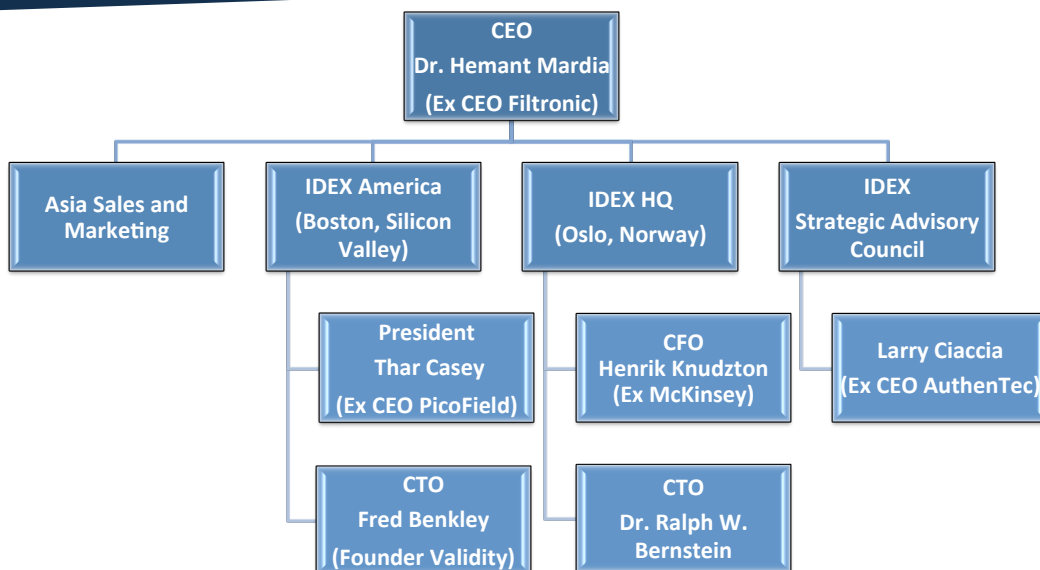
# IDEX COMPETITIVE COST ADVANTAGE



SENSOR MODULE  
SELLING PRICE USD



# EXPERIENCED INTERNATIONAL LEADERSHIP TEAM



- Attracting key talent from biometrics and mobile industry
- Enhancing IDEX Board with international industry appointments



# ATTRACTIVE INVESTMENT PROPOSITION



*Inflection point for \$ multibillion opportunity for biometrics*

- **\$350M USD market capitalisation April 2014**
  - >400% increase in 1 year
- **Opex \$4.3M Q1 2014 (26.5MNOK)**
- **Cash balance Q1 2014 \$55M (342MNOK)**
  - \$49M (300MNOK) Invesco funding
  - \$37M Invesco warrants at 7.5NOK can be exercised within 2 years
- **Fabless product and licensing models to address multiple markets concurrently**
- **Funded for rapid expansion, strong balance sheet to support tier one partners**

*IDEX ASA (NORWAY LISTING) SHARE PRICE (NOK)*



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## 2014 OUTLOOK: MARKET TRACTION



### Mobile

SECURE MARKET SHARE

Multiple mobile OEMs evaluating IDEX swipe & touch sensors

Design wins Q2 2014  
Volume H2 2014



### IOT/Peripheral

INITIAL PRODUCT SHIPMENTS

Integration & launch in consumer devices mid 2014

Volume H2 2014

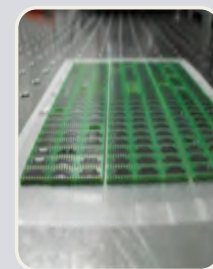


### ID/Smart Cards

DEMONSTRATOR PHASE

Card prototypes H2 2014

2015 product launch



### Business Operations

EXPANSION OF STRATEGIC INDUSTRY PARTNERS  
Global recruitment

Semiconductor, glass sensor & software investment

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