

1ST QUARTER 2018 PRESENTATION

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IDEX LEADERSHIP IN BIOMETRIC CARDS

COMPELLING ROADMAP

- Simplify architecture reducing components, cost & complexity
- Improved packaging

UNIQUE SENSOR TECHNOLOGY

- Flexible off-chip sensor proven for both contact- and contactless cards
- Ability to leverage innovative industry technologies

GLOBAL PARTNERSHIPS

- Deep partnerships with leading players

TEAM AND SYSTEM APPROACH

- System solution with complete reference design
- Team with fundamental innovators

SUPPORTING SOLUTIONS

- Self-enrol for mass adoption
- Matcher optimised for cards



STRATEGIC FOCUS ON RAPID COMMERCIALISATION OF BIOMETRIC CARDS

2013-2017

PRODUCT FOUNDATION

- Flexible off-chip platform
- Matcher optimised for cards
- Established partnerships
- Talent acquisition

2017-2018

LEVERAGE LEADERSHIP

- Tier 1 partnerships in payment
- Commercial roll-out in cards
- Expansion of card verticals and design win pipeline

2019+

DEFINE THE FUTURE

- Sensor integration driving lowest card cost
- Disruptive Display integration



KEY ACTIONS UNDERTAKEN SUPPORTING OUR STRATEGY

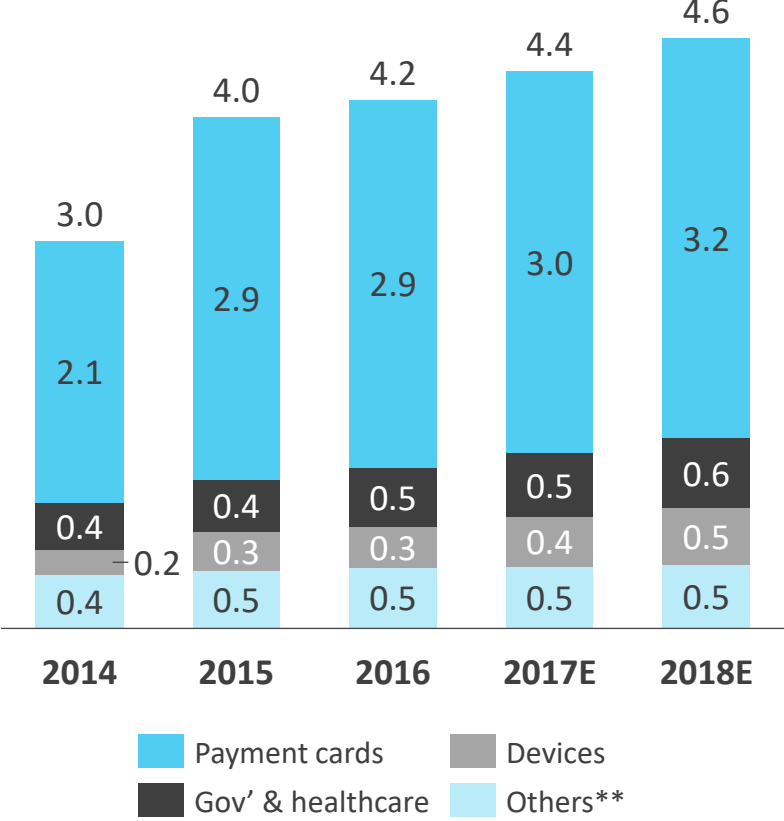
PREPARING FOR MASS COMMERCIALISATION

- **Preparing supply chain for volume ramp**
 - Ongoing activity to increase production capacity
- **Strengthened sales organisation with experts from card- and payment industry**
 - Appointed David Orme as SVP Global Sales and Marketing
 - Several new hires in Asia as part of the transformation to a card centric organisation
- **Enhanced focus on marketing communications to increase customer awareness**
 - Engaged Global Head of Marketing Communications
 - Engaged PR agency



HUGE POTENTIAL IN BIOMETRIC CARDS

Smart card market huge and growing...
Billion units*



...and strong pull for biometric smart cards from multiple verticals

Biometric payment cards

- Consumer pull driven by mobile adoption
- Banks want to differentiate
- Fraud reduction

ID cards

- Secure identification
- Increased mobility between countries
- Access to financial infrastructure (financial inclusion)

Access control cards

- Easy and convenient user authentication
- Less stringent requirements to standards and security protocols than in payment

Others

- Simple and secure authentication
- Includes segments such as loyalty, insurance, travel etc

Source: Eurosmart

* Excluding SIM cards

** Others include Transport, PayTV and access cards

MOMENTUM IS BUILDING FOR BIOMETRIC CARDS

GLOBAL PAYMENT PROVIDERS GEARING UP

- Mastercard and VISA announced multiple customer trials
- Global announcement from Mastercard unveiled remote enrolment
- Active promotion of biometric cards to issuers, merchants and governments

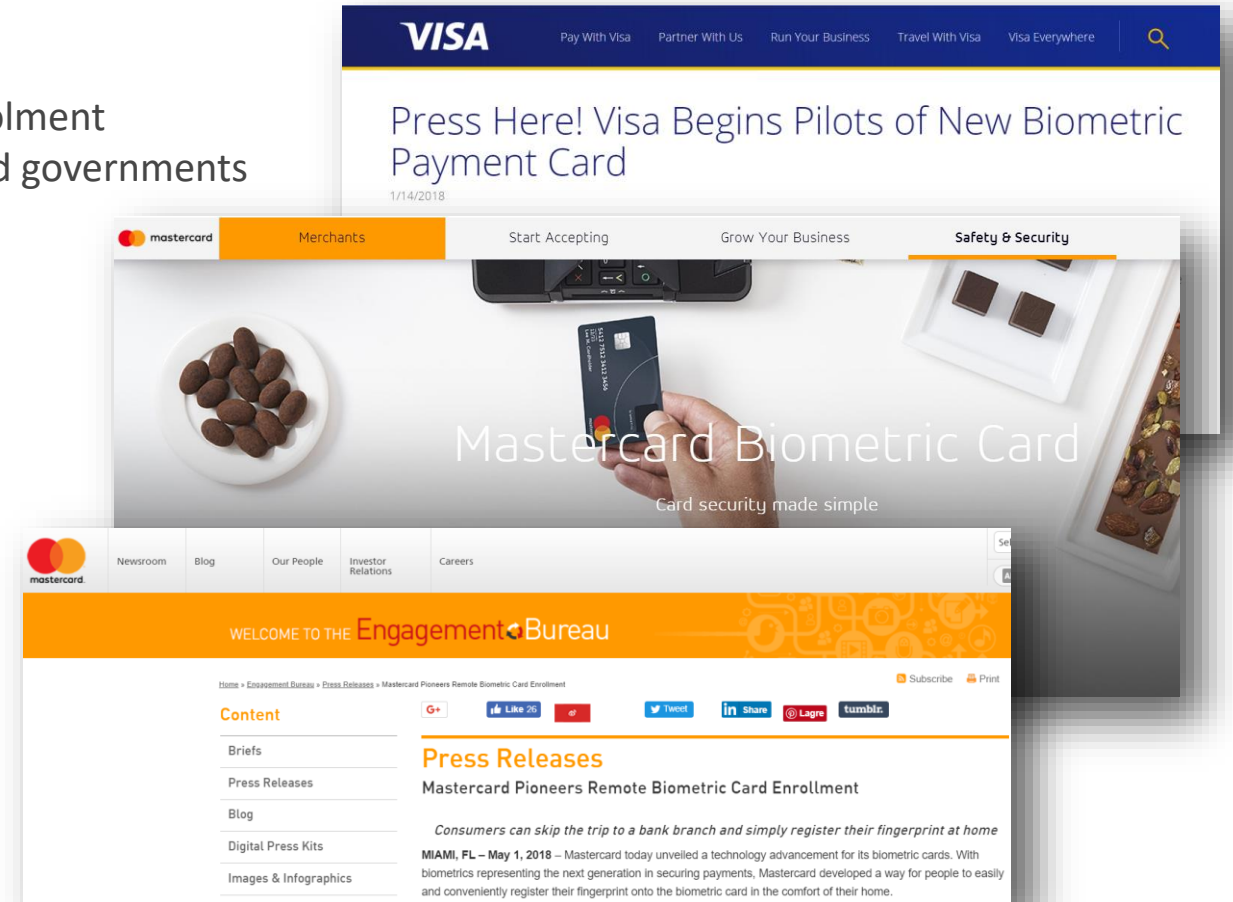
HIGH INTEREST FROM ISSUERS

- Seeking fraud and skimming reduction
- New regulations, like GDPR and PSD2 enhance security
- Biometric innovation a competitive advantage

STRONG PULL CONSUMERS

- Consumers perceive biometrics as faster, easier and more secure to authorize payments*
- Consumers are likely to switch away from provider of payment cards if it don't offer biometrics in the future*

*SOURCE Research conducted by AYT Market Research, September 12-19, 2017, among 1,000 U.S. adult consumers who use at least one credit card, debit card, and/or mobile pay.



MASTERCARD PIONEERS REMOTE BIOMETRIC CARD ENROLMENT

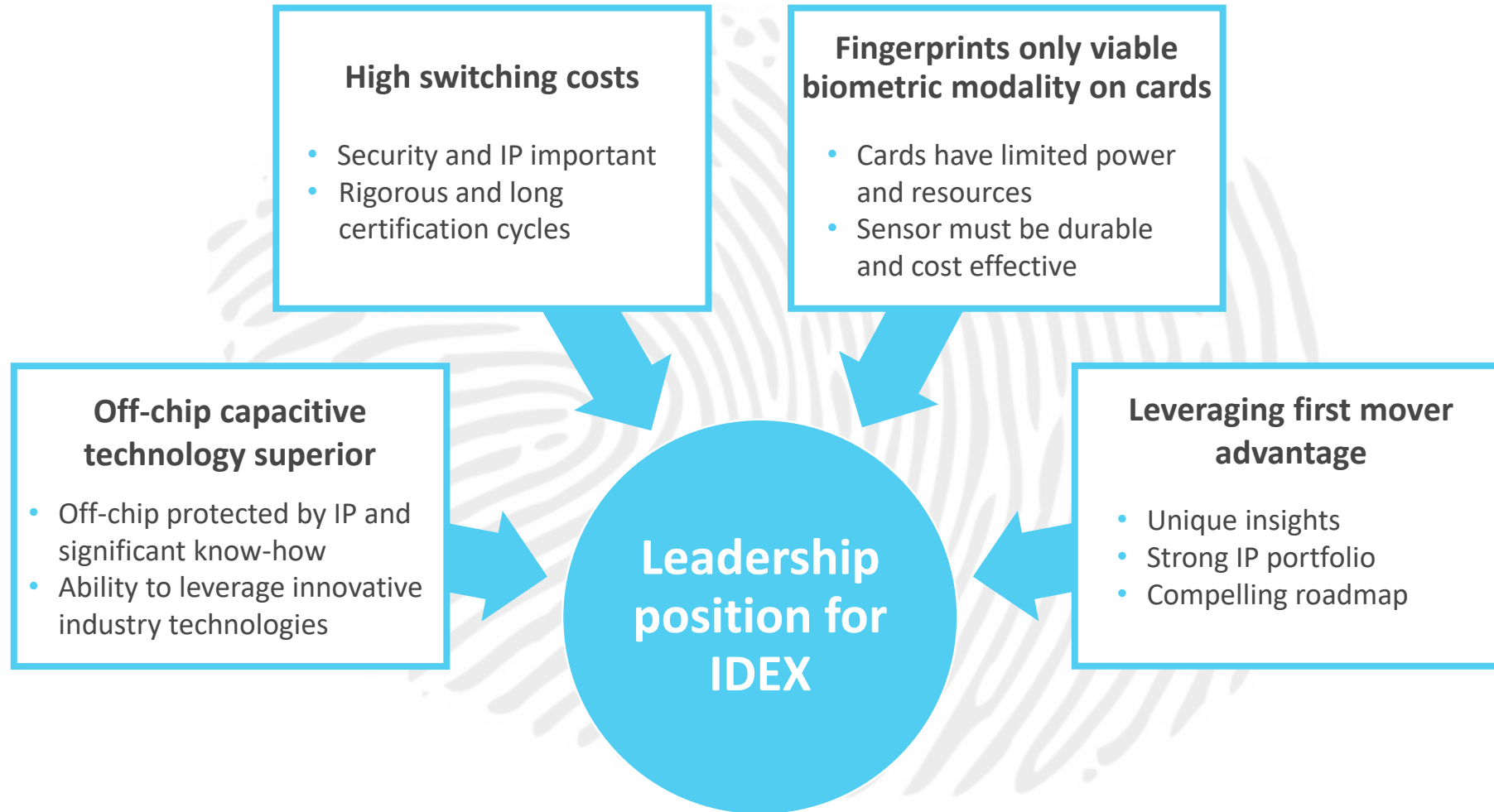
- Mastercard unveiled remote self-enrolment solution developed in partnership with IDEX
- Convenient and secure registration of fingerprint on biometric cards
 - No need to visit bank branch to register
 - Safe as process takes place inside the card
- Simple registration process key enabler for mass deployment

“Bob Reany, executive vice president of identity solutions at Mastercard, unveils technology advancement that allows people to register their fingerprint onto their biometric card from the comfort of their home.”

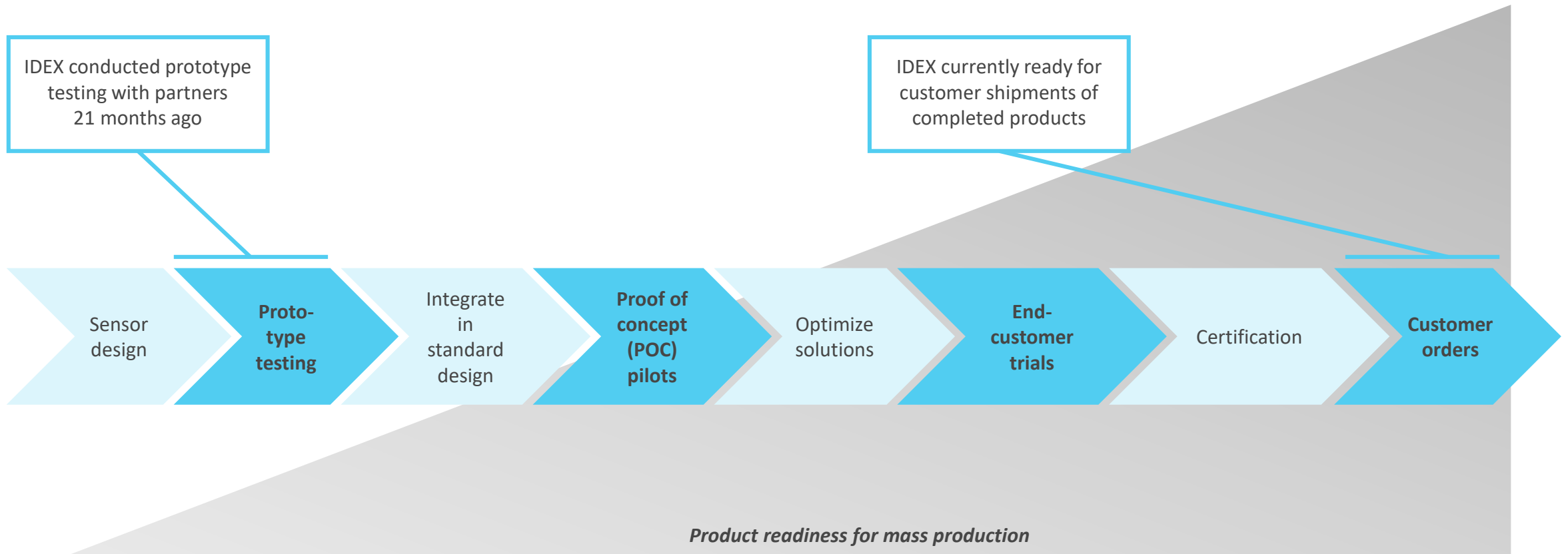


Image credit: Mastercard

HIGH BARRIERS TO ENTRY IN BIOMETRIC CARDS



IDEX IS READY TO SHIP CUSTOMER ORDERS



Low maturity

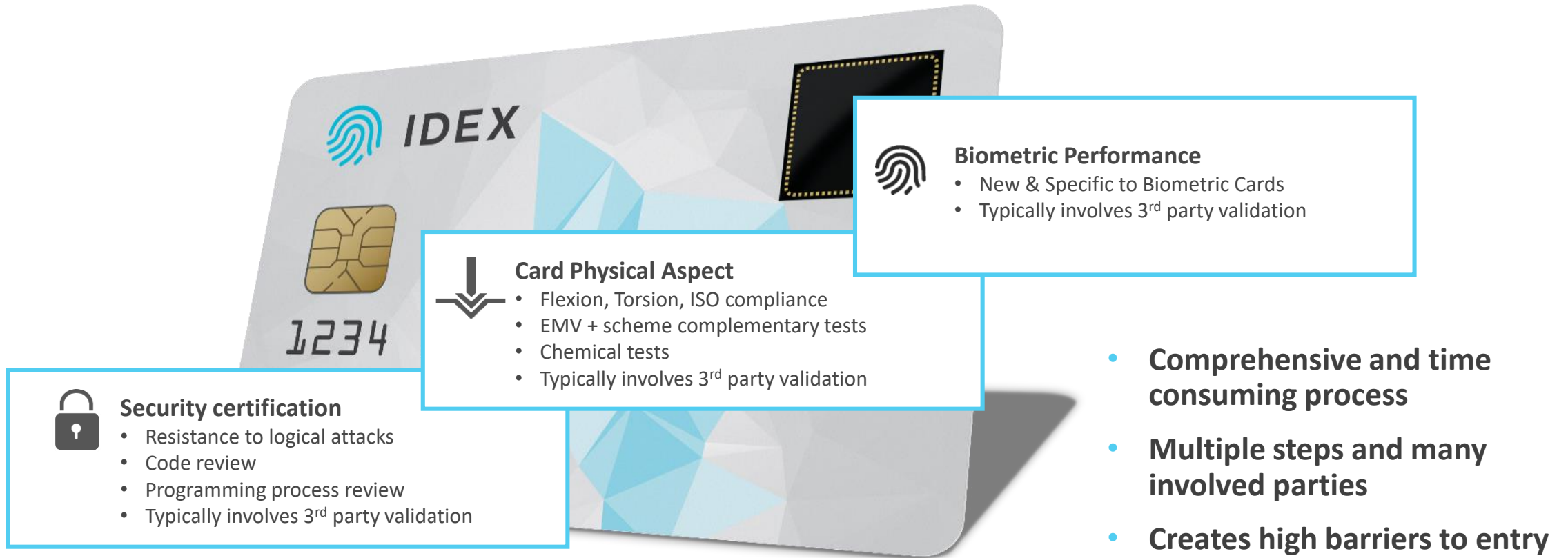
- *Technology being tested*
- *Manual production in low volumes as prototypes*
- *High unit cost*
- *Not scalable*

High maturity

- *Development and testing completed*
- *Manufactured in standard mass volume processes*
- *Cost level appropriate for volume shipments*
- *Can be shipped in large volumes*

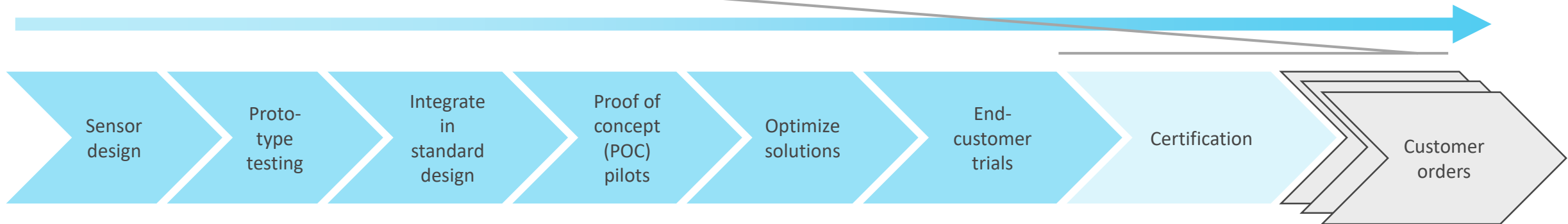
MULTIPLE ELEMENTS TO CERTIFICATION PROCESS

Biometric card solution certification elements



CUSTOMER ORDERS EXPECTED SHORTLY FOR CONTACT-BASED CARDS

- IDEX has successfully completed all deliverables for certification
- Currently in active commercial discussions and ramp planning
- Additional trials and launches planned
- Active promotion of biometric cards to issuers, merchants and governments



CONTACTLESS CARDS WITH IDEX'S SENSOR PILOTING IN Q2

- IDEX's sensor for contactless cards production ready
- Multiple vendors integrating IDEX' sensor and actively demonstrating to issuers
- Several end-customer trials planned
- Accelerated path given extensive learning from qualifying contact-based payment card



SUMMARY AND OUTLOOK

Momentum is building for biometric cards

- Global payment providers gearing up; multiple trials announced and remote enrolment unveiled
- IDEX has successfully completed all deliverables for certification of contact-based solution
- Currently in active commercial discussions
- Key actions initiated in preparation for mass commercialisation

Key upcoming milestones

- Additional customer trials and launches planned for contact-based solution
- Expect proof of concept pilots for contactless cards in Q2 2018, with subsequent customer trials
- Initial production orders expected shortly
- Several additional major card vendors expected to integrate IDEX's sensor into their biometric cards
- Global expansion of customers and pipeline of opportunities



KEY FINANCIALS

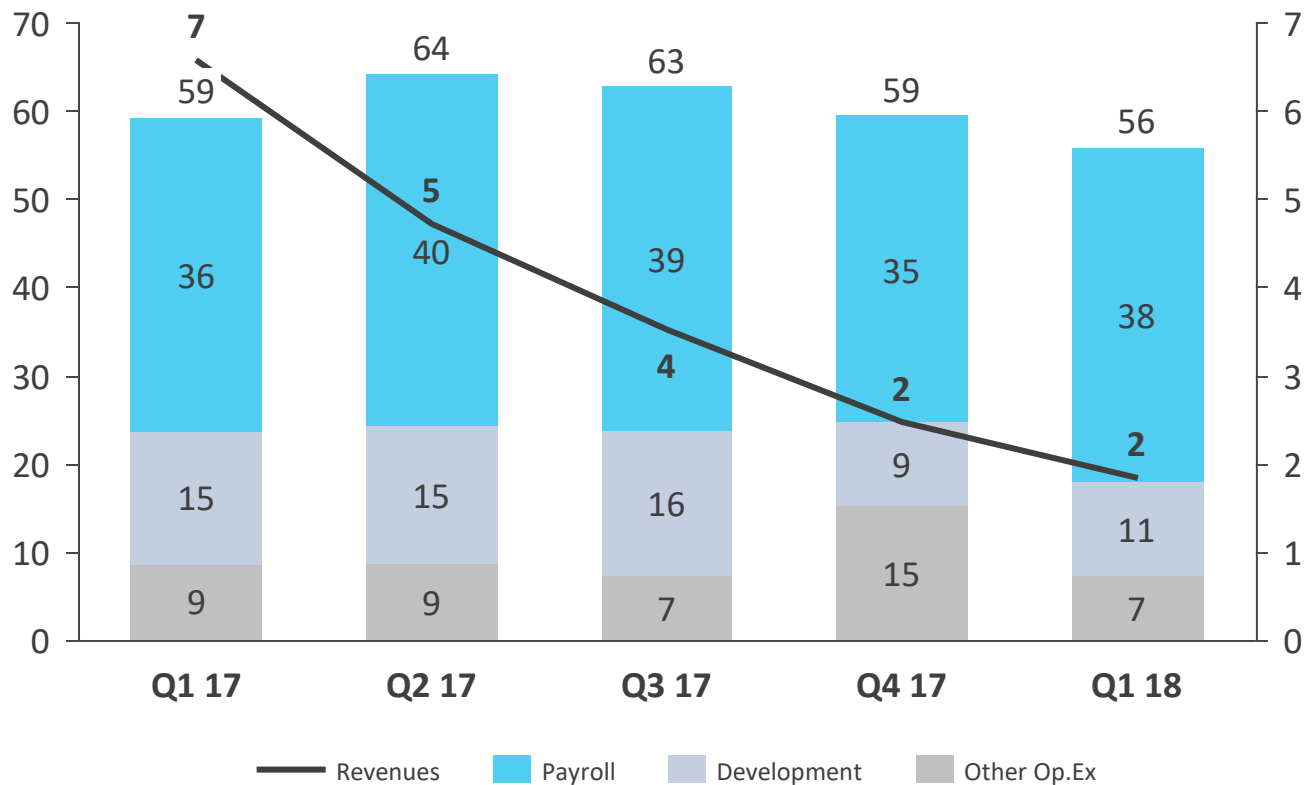
Henrik Knudtzon, CFO



1ST QUARTER 2018 KEY FINANCIALS

Key financials

NOK million



- **Revenues of NOK 1.8 million**

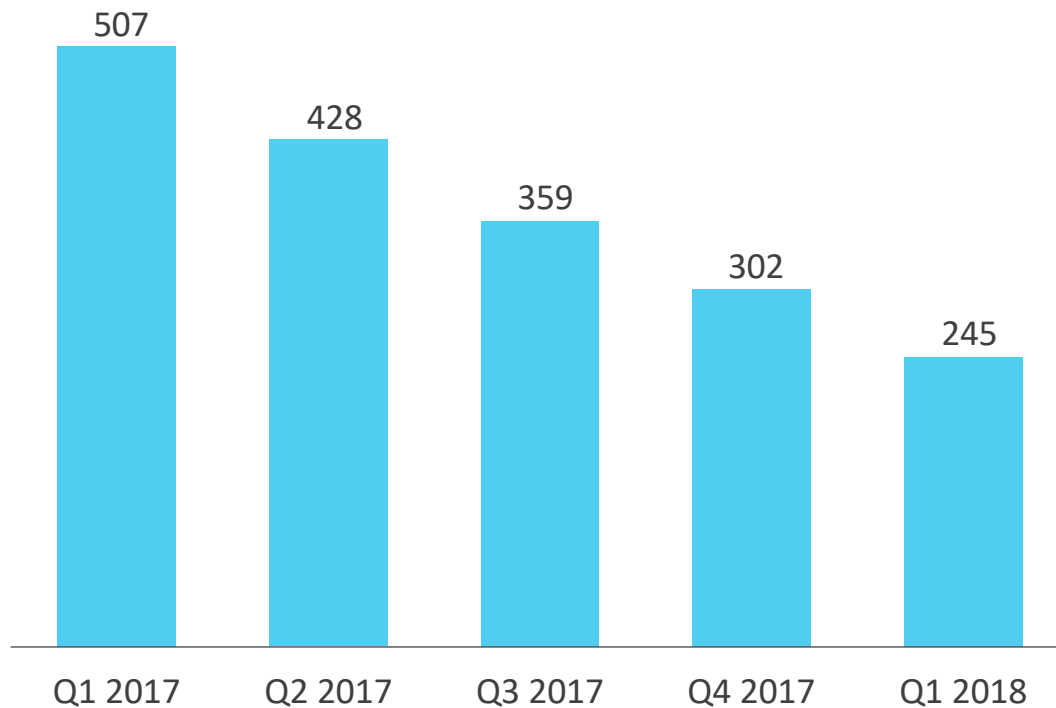
- Service income of NOK 1.4 million from innovation agreement with global payment provider
- High gross margin due to sale of services

- **Reduced OPEX run rate**

- Reduced headcount after refocusing towards biometric cards
- Reduced external development spend due to increased in-house capacity and timing of projects
- Other OPEX at normal levels

SOLID FINANCIAL POSITION

Cash balance
NOK million



- Cash balance of NOK 245 million, and no financial debt
- 2018 OPEX expected to be lower than 2017 levels

Q&A

Welcome back for IDEX's presentation of second quarter 2018 results on 16 August 2018

