

# IDEX Biometrics

*Enabling Next Evolution of Payment Cards*



LD Micro Main Event  
December 15, 2020

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# IDEX Biometrics | At a Glance

*Enabling next evolution of payment cards*

Oslo Børs: **IDEX** OTCQB: **IDXAF**

## COMPANY

Design, develop and deliver biometric fingerprint sensors, software and system solutions

## TECHNOLOGY

- Highly differentiated off-chip sensors and solutions
- > 200 patents filed and pending

## STRATEGICALLY POSITIONED

- One of only two worldwide suppliers
- Fabless semiconductor business model
- Partners and supply chain to support mass volumes
- Certified (EMVCo®) with two global payment platforms representing >70% of worldwide branded payment cards

## MARKET OPPORTUNITY

- 22 billion payment cards in circulation, growing to >29 billion by 2023<sup>1</sup>
  - ~5 billion new smartcards issued annually
- Adjacent market opportunities in Government ID, Access Control, Healthcare & IoT

## PRODUCTS AND SOLUTIONS

### Fingerprint Sensors & System Modules

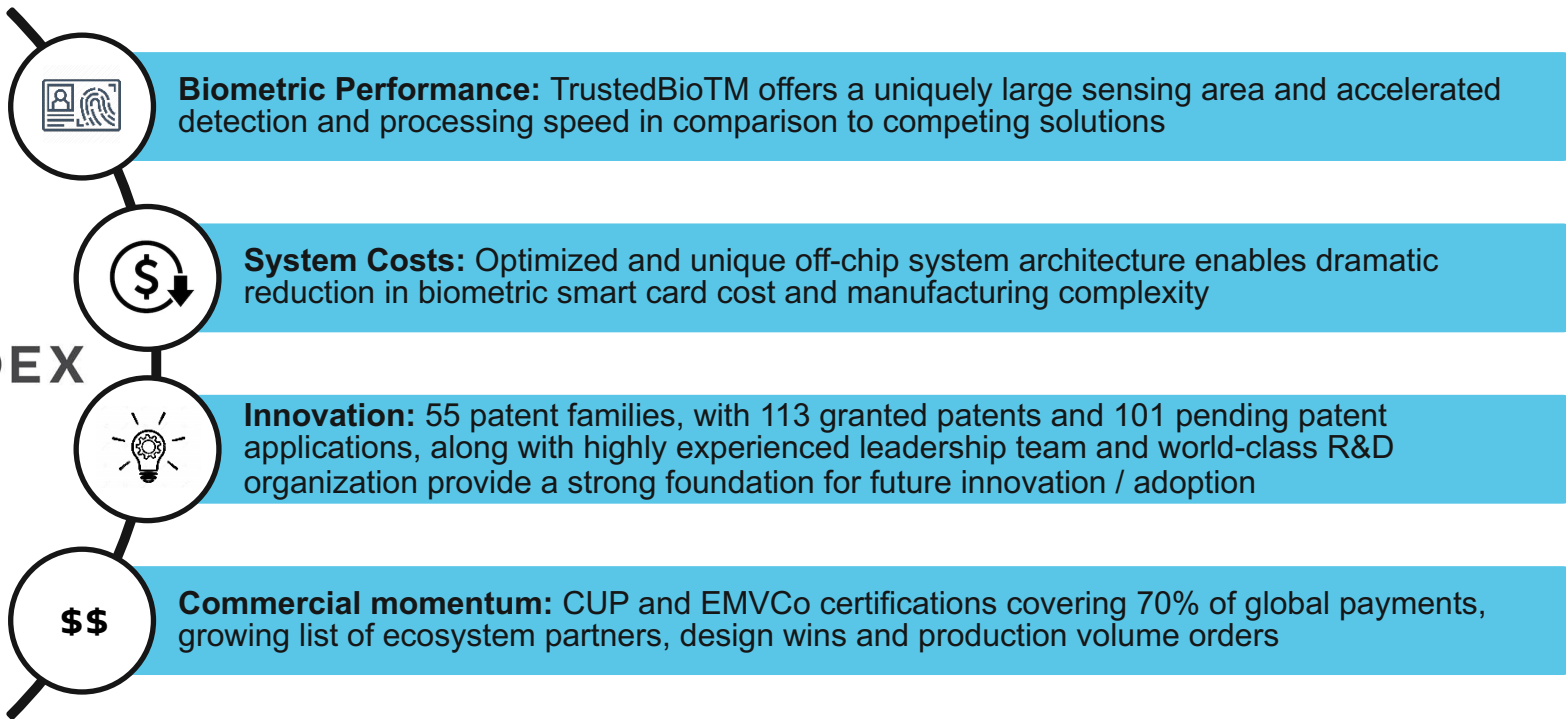


### Enrollment Solutions



# Positioned for Success

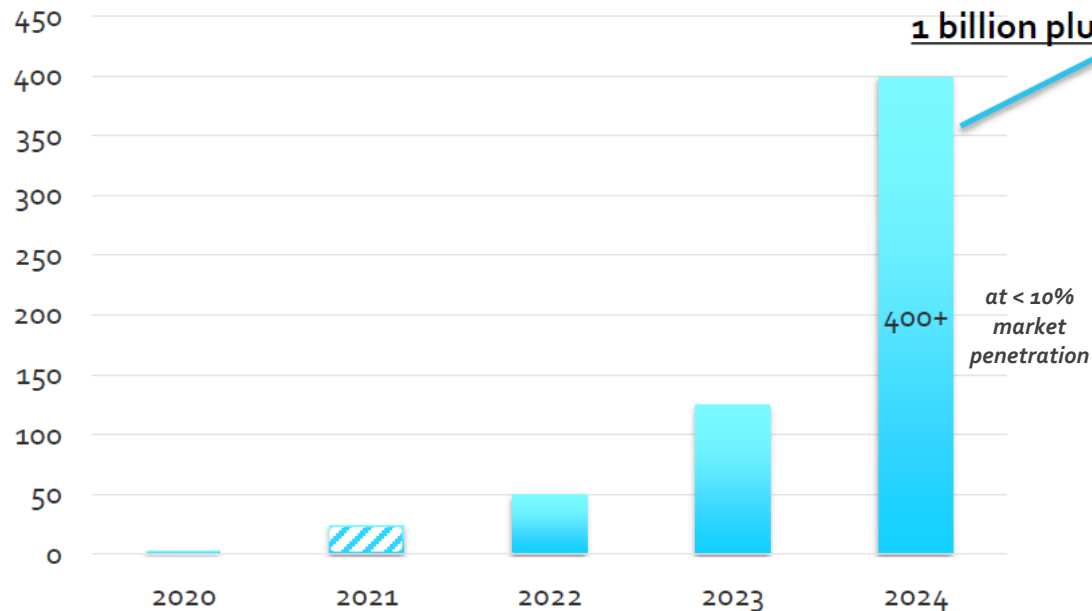
*Sustained competitive advantage led by superior patent-protected products and system approach*



# Payment Cards | Very Large and Growing Market

*22 billion payment cards in circulation and growing to over 29 billion by 2023<sup>1</sup>*

*~5 billion new smartcards issued annually*



Projected number of biometric payment card shipments (millions of units)

- Payment cards projected to continue strong growth
- Contactless cards growing even faster driven by:
  - Covid-19 and touch-free
  - Ease of use
  - Fast authentication speeds
- Biometrics add Security and Convenience
  - Infrastructure already in place
  - Removes contactless \$ limits
  - Helps issuers remain top of wallet

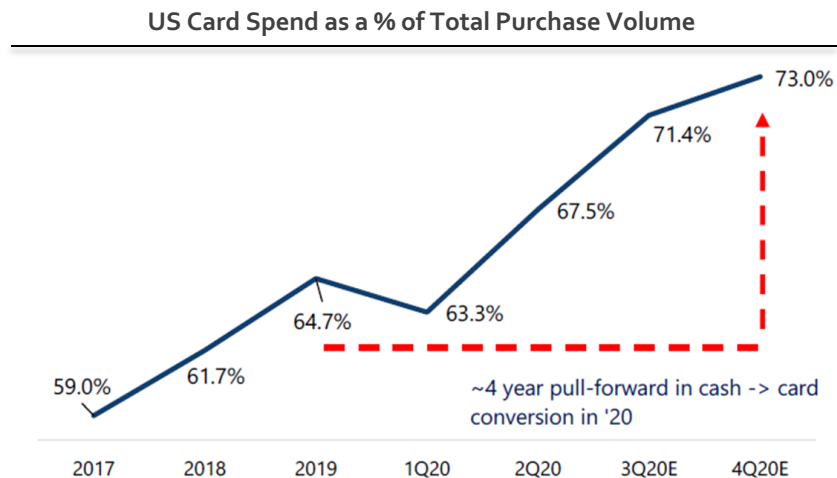
Sources: 1. Nilson Report, 2. Chart based on average of industry analyst estimates excluding highest estimate, 2024 is IDEX estimate



# Payment Cards – Favorable Market Dynamics

*COVID Environment and Government Mandates Driving Accelerated Adoption*

## Significant Pull-Forward in Transition from Cash to Card



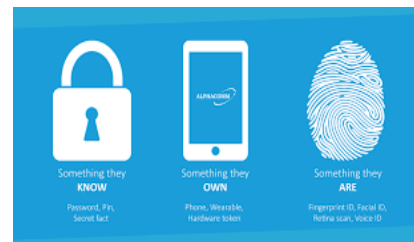
Source: FRED, Nilson, Jefferies Estimates

## Adoption of Contactless Payment Accelerating



Contactless spending limit increased in 31 countries. As of April 2020, **75% of all Mastercard transactions** in EU were contactless (source: Mastercard)

## Government Mandates on Payment Process



### Contactless mandate

All EU payment terminals required to be contactless from 12/19

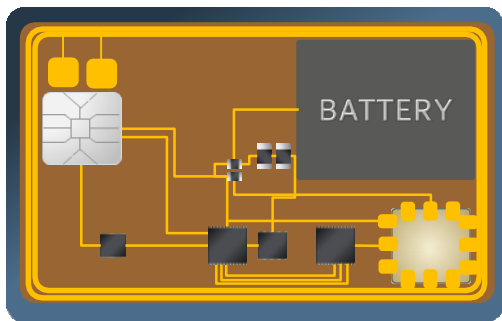
### Strong Customer Authentication

Mandated in EU and taking effect starting in 2020/2021

# Lowering Manufacturing Complexity and Card Cost

*IDEX TrustedBio™ yields cost, performance, and reduced manufacturing complexity*

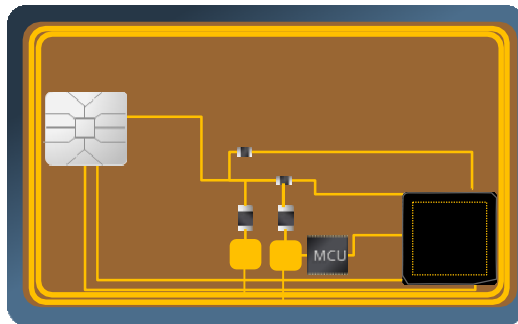
\$40+



**FIRST GENERATION CARD**

- Battery/supercapacitor
- Complex and expensive flexible PCB (MCU, companion chip, basic PMU)
- Complex embedding (12+ connections to sensor)

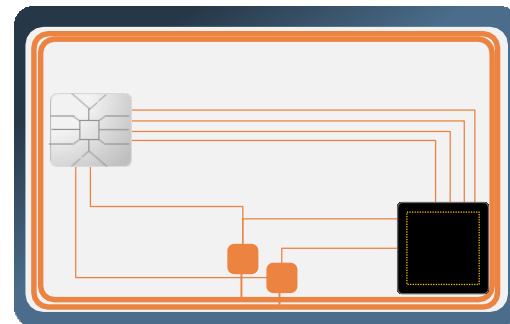
~\$15 - \$20



**SECOND GENERATION CARDS**

- No battery or supercapacitor
- Simplified flexible PCB with discrete components (MCU, PMU)
- Improvement of manufacturing/ACF Compatible

~\$5



**IDEX TrustedBio™ CARDS**

- Fully Integrated, Improved Performance
- Passive inlay, copper-wire compliant
- Stabilized manufacturing process (4 or 8 pads)



# Investment Highlights

Oslo Børs: **IDEX** OTCQB: **IDXAF**

## Massive Addressable Market

- One of only two suppliers and partnered with the ecosystem leaders

## Large-Scale Certification and Defensible/Differentiated System Solution

- Certification with China UnionPay and one other global payment network (EMVCo® certified)

## Sales and Pipeline Momentum

- Commercial momentum accelerating with issuers and banks for biometric payment cards
- Multiple new design wins and orders from new integrators and geographies

## Opportunities in Adjacent Markets

- Production shipments ongoing to large IT and financial services customer
- Volume production orders for both current and next-gen products from customer in Korea

## Preparing for Dual Listing

- Filed registration statement with SEC in U.S. SEC to dual list on the Nasdaq Stock Market
- Banking industry executives added to the board of directors and strategic advisory committee

*True 'Pure Play' on Contactless Payment Cards*





Thank You

