



# IDEX Biometrics

## First Quarter 2024 Presentation

May 16, 2024

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# Enabling the future of payments and authentication

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01

**Multi-billion  
dollar market  
opportunity**

02

**Complete  
solutions driving  
market adoption**

03

**Opening markets  
by region and  
segment**

04

**Expanding to new  
markets and use  
cases**



# The increasing threat from cybercrime is driving biometric adoption

**\$10 trillion**

Annual cost of cybercrime damages by 2025

**61%**

Data breaches involving compromised credentials

**90%**

Enterprises and institutions embracing Zero Trust strategies

**\$48 billion**

Global cost of Commerce fraud for merchants in 2023 (QR Codes/OTPS)

**47%**

Increase of enterprises insider threats over the last 2 years

**80%**

Consumers who find biometric cards convenient and secure, globally

## Fraud set to be upgraded as a threat to national security

Government plans will see the crime reclassified and treated as seriously as terrorism and civil emergencies

By Charles Hymas, HOME AFFAIRS EDITOR  
4 February 2023 - 8:00pm

**97%** say credential theft is on the rise

CISO View panelists recommend protecting end users with high-value access

PRIVACY SECURITY

Uber says compromised credentials of a contractor led to data breach

HOWARD SOLOMON

SEPTEMBER 19, 2022

BUSTED—

**Ticketmaster admits it hacked rival company before it went out of business**

Ticketmaster used stolen passwords and URL guessing to access confidential data.

Compromised Credentials and Identities – An Alarming Global Crisis

# Biometric cards provide convenience, security and data privacy

- 01** Consumers in control of their own data
- 02** Encrypted fingerprint template can't be reverse-engineered back to a fingerprint image
- 03** Consumer's right to revoke consent is respected
- 04** Data integrity by design



# We differentiate through user experience, security and solution offerings



 Large area capacitive sensor for optimum user experience

 Fast transaction times with low-power battery-free design

 Patented enrollment solutions for activation and on-boarding

 End-to-end encryption and security

 Industry leading biometric algorithms

 Flexible end-to-end solution offerings for manufacturers and issuers

# Achievements and milestones

## Q1 2024 Achievements

## 2024 Upcoming Milestones

- ✓ Bank launch announcements with IDEX Pay in Asia and Europe
  - ✓ DenizBank, Turkey
  - ✓ Mutual Trust Bank, Bangladesh
  - ✓ Issuer with solution for visually impaired, UK
  - ✓ Opening new market in South Asia with challenger bank
- ✓ Mobile enrolment SDK solution in market
- ✓ Market expansion of IDEX Access with AuthenTrend and Sentry
- ✓ Large South Asian card manufacturing partner for IDEX Pay and IDEX Access
- ✓ Biometric metal cards with CompoSecure

- ⇒ Continued IDEX Pay bank launches in Asia and Europe
- ⇒ Market expansion of IDEX Access with partners
- ⇒ Card manufacturers obtaining IDEX Pay Mastercard LoAs
- ⇒ Visa certification of IDEX Pay biometric platform
- ⇒ Crypto cold wallet platform in market
- ⇒ Biometric platform with ST Microelectronics
- ⇒ Operational efficiencies coming into effect



# First Quarter 2024 Financial Summary



# Financial summary first quarter of 2024

- ⇒ Revenues in Q1 continue to reflect the transition from component to solution sales
- ⇒ Revenues from new customers and new products growing on a percentage basis; growing traction with customers in APAC and the US
- ⇒ Gross margin was 36% in the first quarter
- ⇒ OPEX baseline adjustments implemented, target < \$3M quarterly cash operating run rate
- ⇒ Increasing commercial focus and cost optimization initiatives
- ⇒ NOK 55M in private placement completed 15 May 2024. For each share subscribed for there will be issued one warrant.

Revenue (million USD)

**0.4**

Gross margin

**36%**

Operating expenses\*  
(million USD)

**6.1**

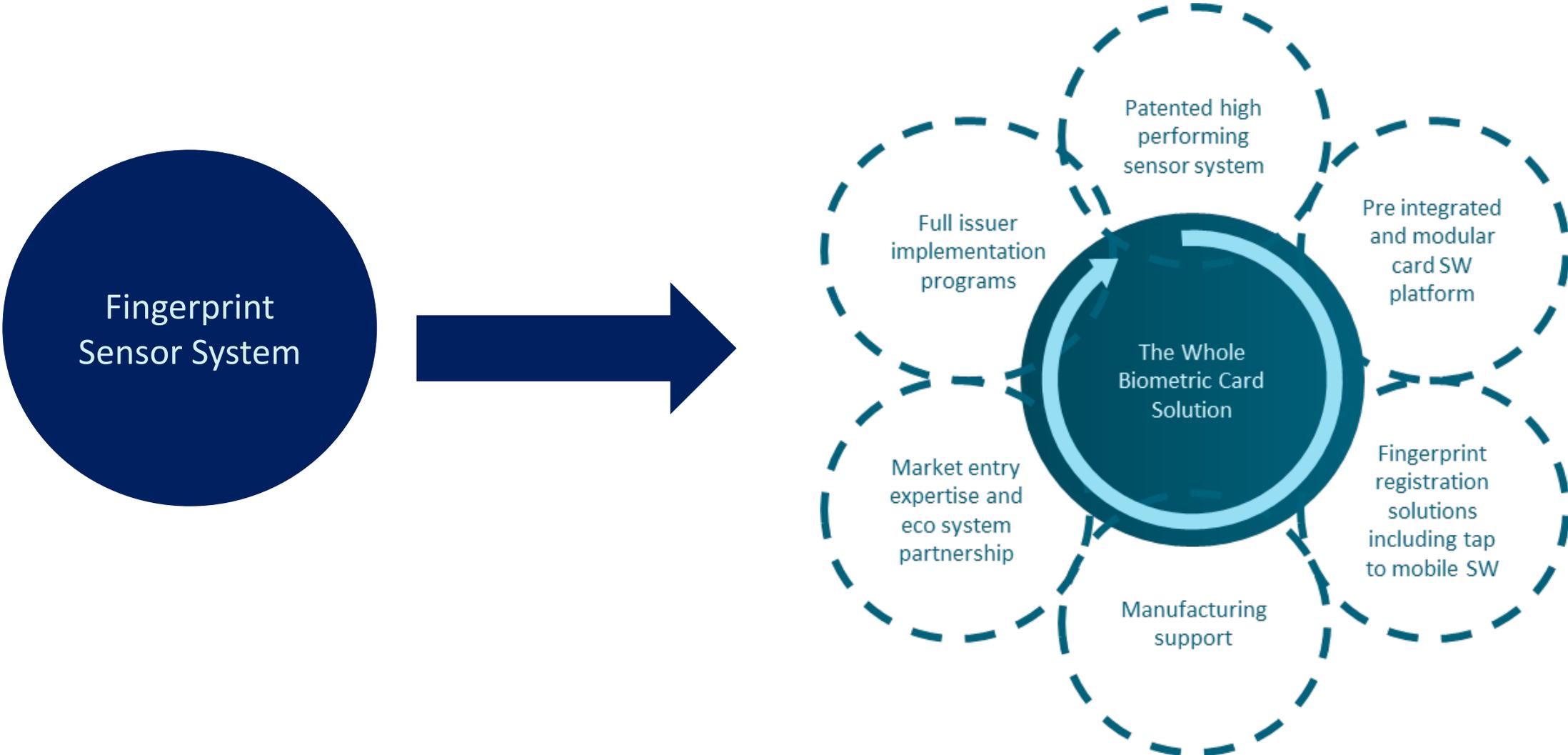
\* Operating expenses excluding cost of products sold



A view of Earth from space, showing the planet's curvature and a bright sun in the background. The text "First Quarter 2024 Commercial Update" is overlaid on the left side of the image.

# First Quarter 2024 Commercial Update

# Laying the foundation for biometric smart cards at scale



# IDEX Biometric continues its focus on removing market entry barriers

## Mobile enrolment

### Tap-to-Mobile

iOS Mobile Enroll



### Activation Pad

Android Mobile Enroll



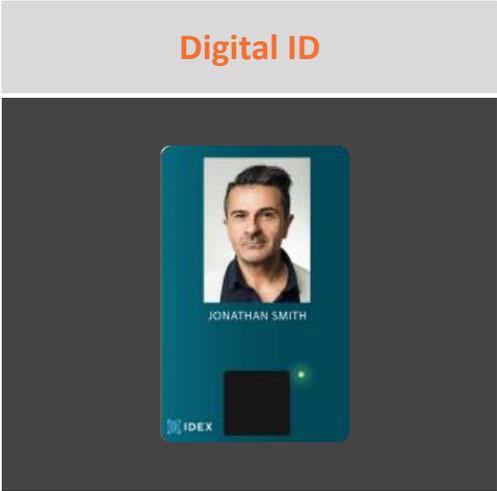
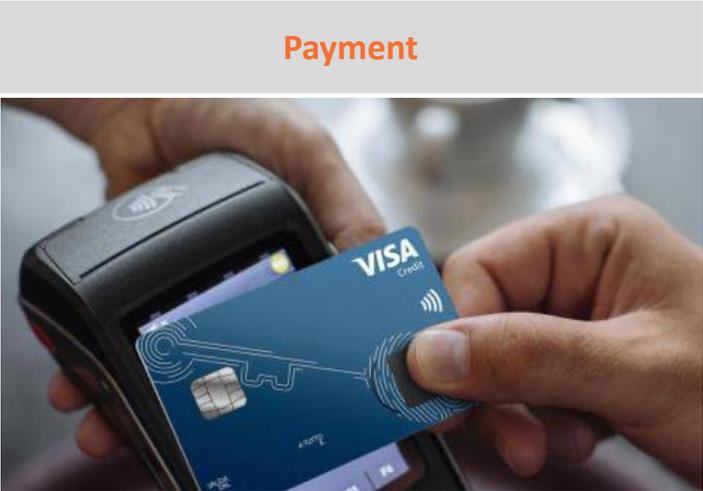
## Cost optimization



## Segmented approach



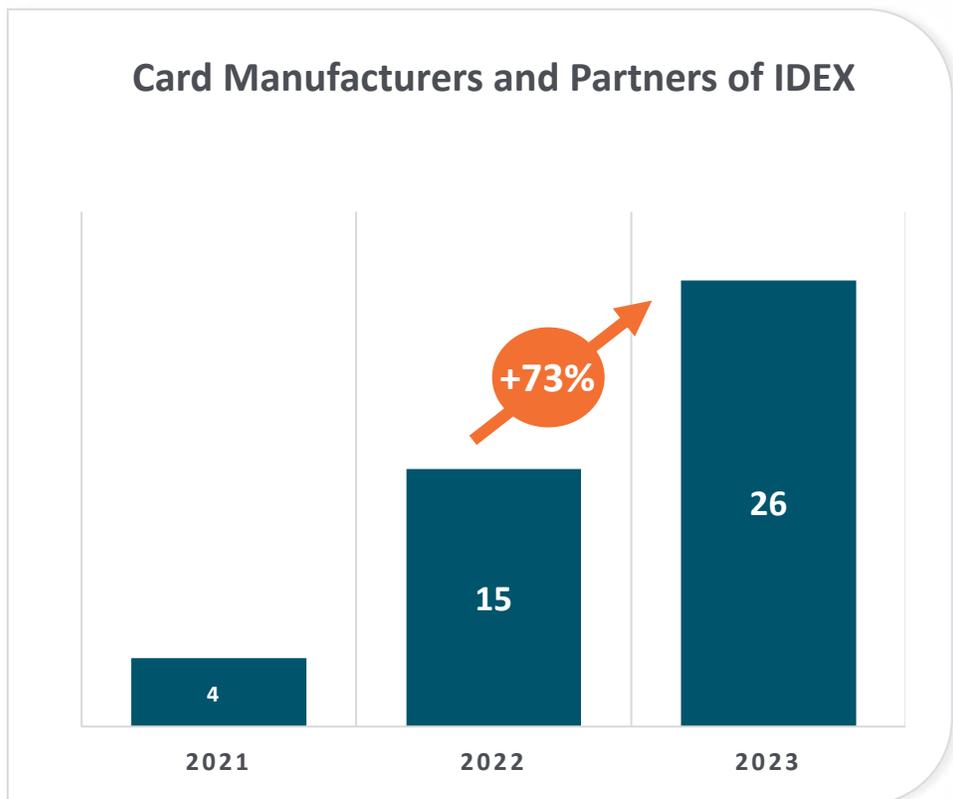
# IDEX biometric card platform enables payments and enterprise authentication



IDEX Pay

IDEX Access

IDEX is in commercialization with 20+ manufacturers and partners globally with a healthy growth of new customers



Total addressable market with current manufacturing customer base

**> 1.2 billion cards<sup>1</sup>**

1. Sources: Nilson Report 2022 and card manufacturer information

# Key market implementation initiatives

## Card Manufacturers



## Banks / Card Issuers



### Biometric Metal Cards

### Biometric Access Card

### Biometric Card Program

### Biometric Metal Cards

### Biometric Card Program

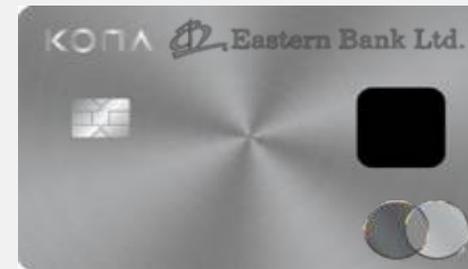
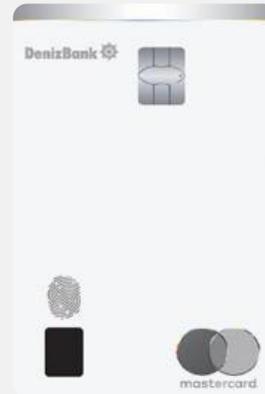
Introduced at Seamless,  
Dubai, May 2024.

Initial order

Implementation  
in preparation

Implementation  
in preparation

Agreement to launch



US

US

Turkey

Bangladesh

Bangladesh

# Market opportunity for biometric cards in Bangladesh



- Bangladeshi population **173 million**
- **Smart Bangladesh** focusing on digital payments, growing at CAGR +20%
- GDP growth 2024 **6%**, outpacing India



- **60m unbanked**, women overrepresented
- **60%** of population need **digital ID solution**
- Public and private sectors collaboration to bring **ID and payment cards to market**

IDEX Biometrics partners with banks in Bangladesh, bringing biometric cards to users



# Payment cards drive financial inclusion, biometric cards a pragmatic accelerator

**01**

Moving from cash to cards eradicates poverty and cards are growing strongly in developing markets

**02**

Biometric cards bring financial inclusion with enhanced security and user experiences

**03**

Biometric cards remove barriers of entry into the digital economy

**04**

Regulators and government request social responsibility from banks and financial institutions

Sources: WorldBank and Data Bridge Market; CAGR 2023 to 2030

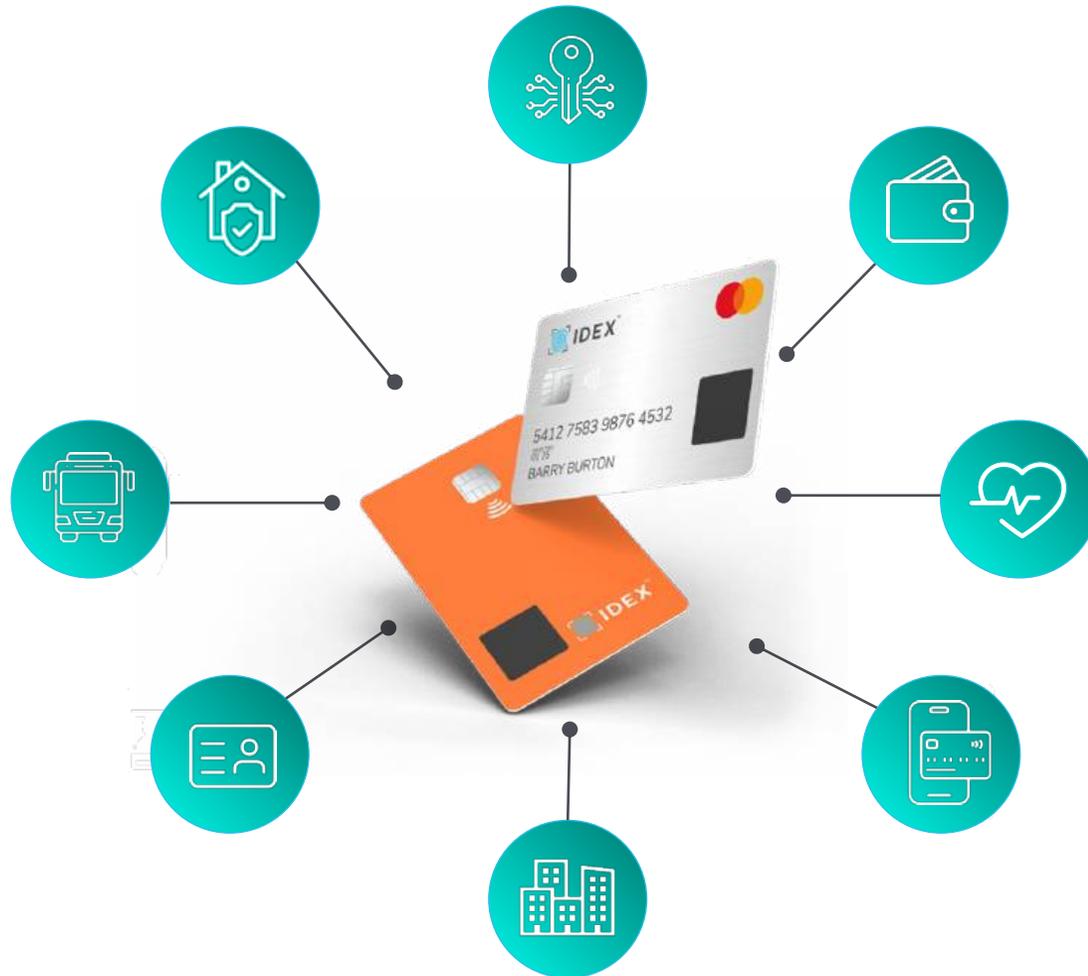


Asia represents **75%**  
of global payment  
transactions, CAGR at **21%**



# Market Outlook

# IDEX biometric card solutions expanding across markets



## Biometric Card Markets

- ⇒ **Payment Cards - Global**
- ⇒ **Cybersecurity and Digital Access - Global**
- ⇒ **Access Control (Physical) - Global**
- ⇒ **Digital Currency Wallet - APAC**
- ⇒ **Public Transportation - APAC**
- ⇒ **Healthcare ID - APAC**
- ⇒ **Government Security – APAC**
- ⇒ *Consumer Devices – In progress*

**Each market represents a multi-billion card opportunity**

# Laser focus on flawless execution and profitable growth

Exponential market growth enabled by manufacturers scaling IDEX Pay and IDEX Access biometric platform solutions

01

**Complete solutions  
driving market adoption**

02

**Opening markets by  
region and segment**

03

**Expanding to new  
markets and use cases**



Accelerating mass adoption of biometric card authentication through core technology and diversified end-to-end solution expansion, approaching new use cases together with ecosystem partners

