

# Interim Report for First Half 2021



**IDEX**

12 August 2021

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# IDEX Biometrics

The next evolution of payment cards



Reduced fraud

Identity protection

Top of wallet

Low cost

More convenient

# Q2 '21 Financial Summary

- Continued shift to product sales; sustained shipments for network access control; initial shipments of TrustedBio
- Expenses under control
  - Incremental headcount increases
  - Q2 '21 saw higher R&D prototyping costs; no R&D credits recorded for Q2 and Q1 '21 (vs. prior years)
- U.S. registration contributing to incrementally higher OpEx
- Cash balance of \$19.3 million as of June 30, 2021
  - \$25.9 million as of March 31, 2021

## Summary Profit & Loss Statement (\$000)

	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Product	\$ 696	\$ 623	\$ 593	\$ 246	\$ 121
Services	1	1	5	2	28
Total Revenue	697	624	598	248	149
Purchases, net of inventory change	304	220	178	45	32
Payroll expenses	4,682	5,101	5,206	4,275	3,515
Research and development expenses	881	608	(144)	930	1,069
Other operating expenses	1,763	1,713	2,157	1,370	1,218
Depreciation and amortization	460	454	439	430	422
Total Operating expenses	8,090	8,096	7,836	7,050	6,256
Loss from operations	\$ (7,393)	\$ (7,472)	\$ (7,238)	\$ (6,801)	\$ (6,107)

# Investment Highlights

Oslo Børs: **IDEX** Nasdaq: **IDBA**

## **Massive addressable market**

- One of only two suppliers and partnered with the ecosystem leaders; TAM of 400 million units/yr. expected by 2024
- TrustedBio™ is the only true “pure play” in the contactless card space
- First solution that enables the cost point and user experience to accelerate market activation

## **Accelerating commercial momentum**

- Infineon/IDEX technical and commercial partnership
- High demand for Infineon/IDEX reference platform with building design win momentum
- Growing backlog from existing customers
- Multiple new design wins and orders from integrators and card manufacturers



## **Opportunities in adjacent markets**

- DCEP hardware wallets, Crypto currency wallets, ID, Access Control
- Volume production orders from Asian customer

## **Large-scale certification gives us advantage in rapidly changing markets**

- Certification from two leading payment networks (EMVCo® certified) represents barrier to near-term entry
- Two certifications from China UnionPay afford head start with DCEP

# Q2 '21: a pivotal quarter

-  **IDEMIA actively marketing IDEX based F.CODE™ cards**
  - IDEMIA's first Biometric Payment Card offering based on IDEX's TrustedBio™ sensor
  - Most integrated Biometric Payment Card solution available today
  - Building order backlog in response to accelerating customer demand
-  **Announced Infineon technical and commercial partnership**
  - Joint solution: TrustedBio Max™ + latest generation Infineon Secure Element (not possible with competitors' sensors)
  - Infineon has been the leading provider of secure elements (SEs) for more than two decades
  - Full transactions ~3X faster than any solution available; contactless EMV transactions in 0.5 seconds
-  **TrustedBio Max™ product launch**
  - The most advanced and integrated biometric payment solution ever created
  - Integrated sensor, biometric ASIC, biometric matching hardware, software, and algorithm enables groundbreaking low-cost, simplified manufacturing and industry leading performance
-  **Progressing as planned: Digital Currency Electronic Payment (DCEP) initiative of the People's Bank of China**
  - IDEX featured in Digital RMB trials conducted by the Postal Savings Bank of China and China Construction Bank
  - Selected by Goldpac as a strategic technology partner; initial orders received for DCEP solution

# IDEX TrustedBio Max™: Proprietary Advantages

*The most complete solution for card-based biometric authentication*

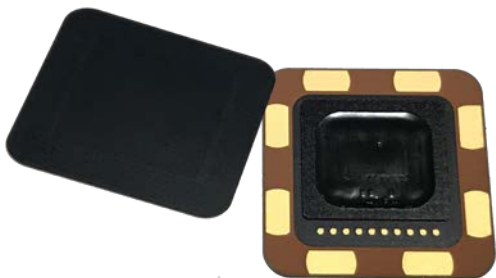
**SENSOR & ASIC**

+

**ALGORITHMS & SOFTWARE**

+

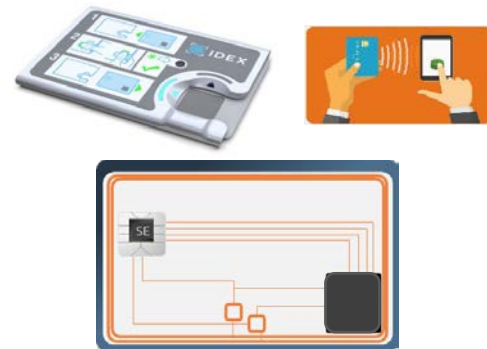
**SYSTEMS & SOLUTIONS**



*Wide-area polymer sensor,  
ASIC: MCU, PMU, Hardware accelerator,  
Flexible, low-cost package design*



*Biometric authentication algorithm  
Embedded software for sensor, MCU, SE*



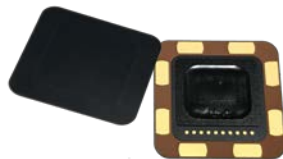
*Card architecture, reference design  
Enrolment solutions, system concepts*

*TrustedBio™: A single hardware platform that enables multiple products through firmware;  
supports multiple Secure Element architectures and multiple applications*

# IDEX & Infineon: Complete solution

## ● IDEX:

- IDX3409 Biometric SoC
  - MCU 200 Mhz
  - Power management(PMU)
  - Hardware accelerator
- Biometric Algo
- Biometric MCU Software
- SE SDK



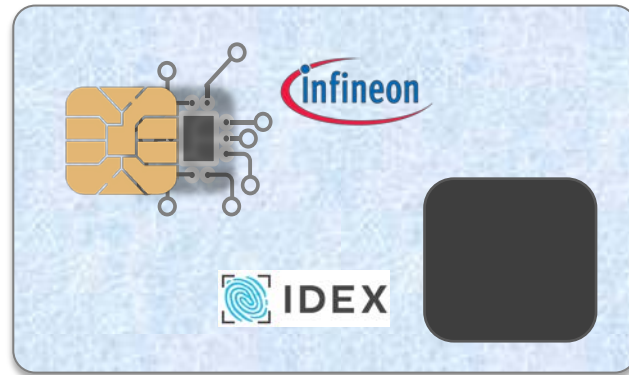
## ● Infineon:

- SLC38 SE ASIC
- SE Operating System



## ● Integration:

- Hardware system
- Algorithm compiled for SLC38
- PMU synchronization and optimization
- Documentation and support



## ● Game Changing Performance:

- Biometric process: ~250ms
- Total transaction time (including EMV): ~500ms
- Presentation attack detection (PAD)
- False Reject Rate: Less than 3%

*A solution that will accelerate market activation: A seamless user experience; low card cost (~\$5)*



# Digital Currency Electronic Payment: “DCEP”



Central Bank Issuing Digital RMB

## Regional Banks

Industrial and Commercial Bank of China  
Bank of China  
China Construction Bank  
Bank of Communications  
Agricultural Bank of China  
Postal Savings Bank of China

- Announced IDEX pilots

## Digital Payment

- Digital wallet
- **Hardware wallet**
- Third party

## Hardware Wallet Opportunity

- Deployment by 2022 Olympic games
- Financial inclusion for 225 million unbanked citizens
- 40% of population not using a smartphone

**\$1B+ potential**



Card Manufacturing Partners

金邦達 Goldpac

GE Giesecke & Devrient

恒宝股份 HENGBAO CO., LTD.







楚天龙 CHUTIAN DRAGON

*IDEX is uniquely positioned to support the impending deployment of DCEP in China*

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-  **Accelerating commercial momentum**
-  **Large-scale certification gives us advantage in rapidly changing markets**
-  **Opportunities in adjacent markets**
  - Digital currency, crypto-currency, ID, and access control**

Thank You

