



IDEX Biometrics

Fourth Quarter 2023 Presentation

February 29, 2024

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Achievements and milestones

2023 Achievements

- ✓ Launch of new biometric software platforms, IDEX Pay and IDEX Access
- ✓ Implemented scalable enrolment solutions including tap-to-phone
- ✓ Deployed a full, end-to-end implementation program for banks
- ✓ 20+ card manufacturers and partners with IDEX biometric fast track program
- ✓ World's first biometric metal card by EBL with IDEX Pay
- ✓ Market introduction of IDEX Access with AuthenTrend

2024 Upcoming Milestones

- ⊕ Bank launches with IDEX Pay in Asia and Europe
- ⊕ Visa certification of IDEX Pay biometric platform
- ⊕ Crypto cold wallet platform
- ⊕ Biometric platform launch with ST Microelectronics
- ⊕ Operational efficiencies coming into effect



life.au



Quarterly highlights



Payments

- ⌚ Eastern Bank Limited in Bangladesh, world's first biometric metal card based on IDEX Pay
- ⌚ Biometric metal cards for affluent customers in demand
- ⌚ IDEX partner in Asia piloting CBDC
- ⌚ Entitlement programs in development

Initial demand driven by IDEX Pay go to market programs



Access

- ⌚ Authentrend launch of FIDO2 biometric card for digital access
- ⌚ Additional contracted customers for Access
- ⌚ Sentry next generation access cards based on IDEX technology ready for launch
- ⌚ Regulatory enforcement in Europe and US creating cybersecurity demand

More diversified customer base and acceleration in Asia



Card Manufacturers

- ⌚ Card manufacturers and partners in commercialization and certification on IDEX Pay
- ⌚ First European manufacturer IDEX Pay certified
- ⌚ Pre-certified card solutions accelerating go-to-market
- ⌚ Visa certification in progress

Additional card manufacturers in certification of IDEX Pay

Fourth Quarter 2023 Financial Summary



Financial summary fourth quarter of 2023

- ⌚ Fourth quarter revenue was down from the prior quarter as we transition from our legacy components business to selling solutions based on IDEX Pay and IDEX Access.
- ⌚ Negative gross margin of 130% was the result of one-time inventory write-off costs of \$0.8 million.
- ⌚ Gross margin was 44% in the fourth quarter, excluding the impact of inventory write-off.
- ⌚ Operating expenses* decreased 33% compared to third quarter
- ⌚ Completed a capital raise of NOK 35 million and a convertible debt offering of NOK 100 million.

Revenue (million USD)

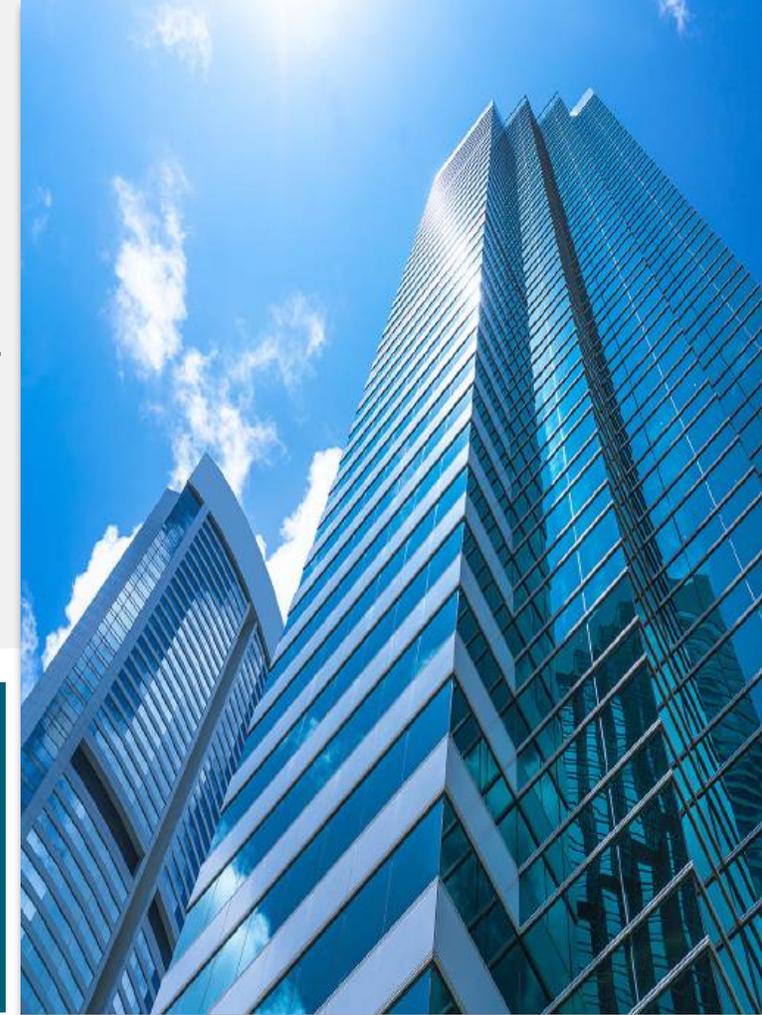
0.5

Gross margin
(excluding one-offs)

44%

Operating expenses*
(million USD)

4.7



* 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 Earth is dark with some clouds and city lights visible. The sun is a bright yellow-orange orb on the right side of the frame, creating a lens flare effect.

Fourth Quarter 2023 Commercial Update

IDEX Biometrics business model

IDEX Biometrics



IDEX Products

- 1 Biometric sensor
- 2 Biometric system solution
- 3 Biometric card platform

IDEX Go To Market

- ⇒ Manufacturers
- ⇒ Ecosystem Partners
- ⇒ System Integrators
- ⇒ Resellers



Payment and Banking



Public and Private Services

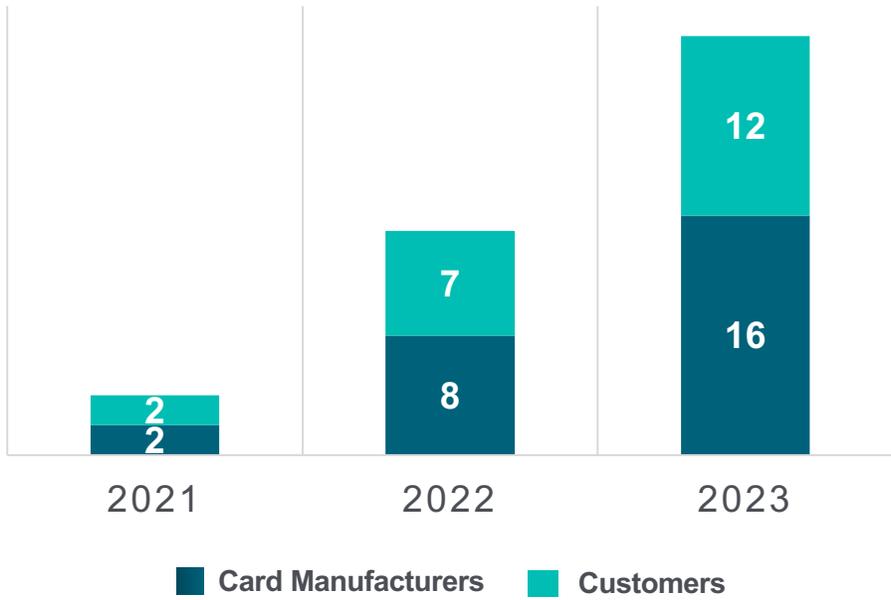


Enterprise/
Gov't Security

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

...enabled by a highly scalable platform

Card Manufacturers and Customers with IDEX



● Manufacturer's annual production¹

Total addressable market with current manufacturing customer base

> 1.2 billion cards¹

Source: 1. Nilson Report 2022 and card manufacturer information

Market accelerators of biometric solutions

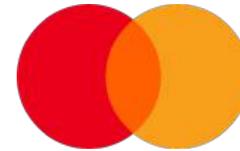
Regulatory Environment



Payment Services Directive (PSD2)

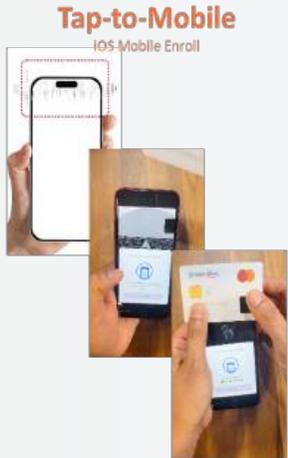


Industry Standardization



During 2023 IDEX have focused on removing market entry barriers

Mobile enrolment



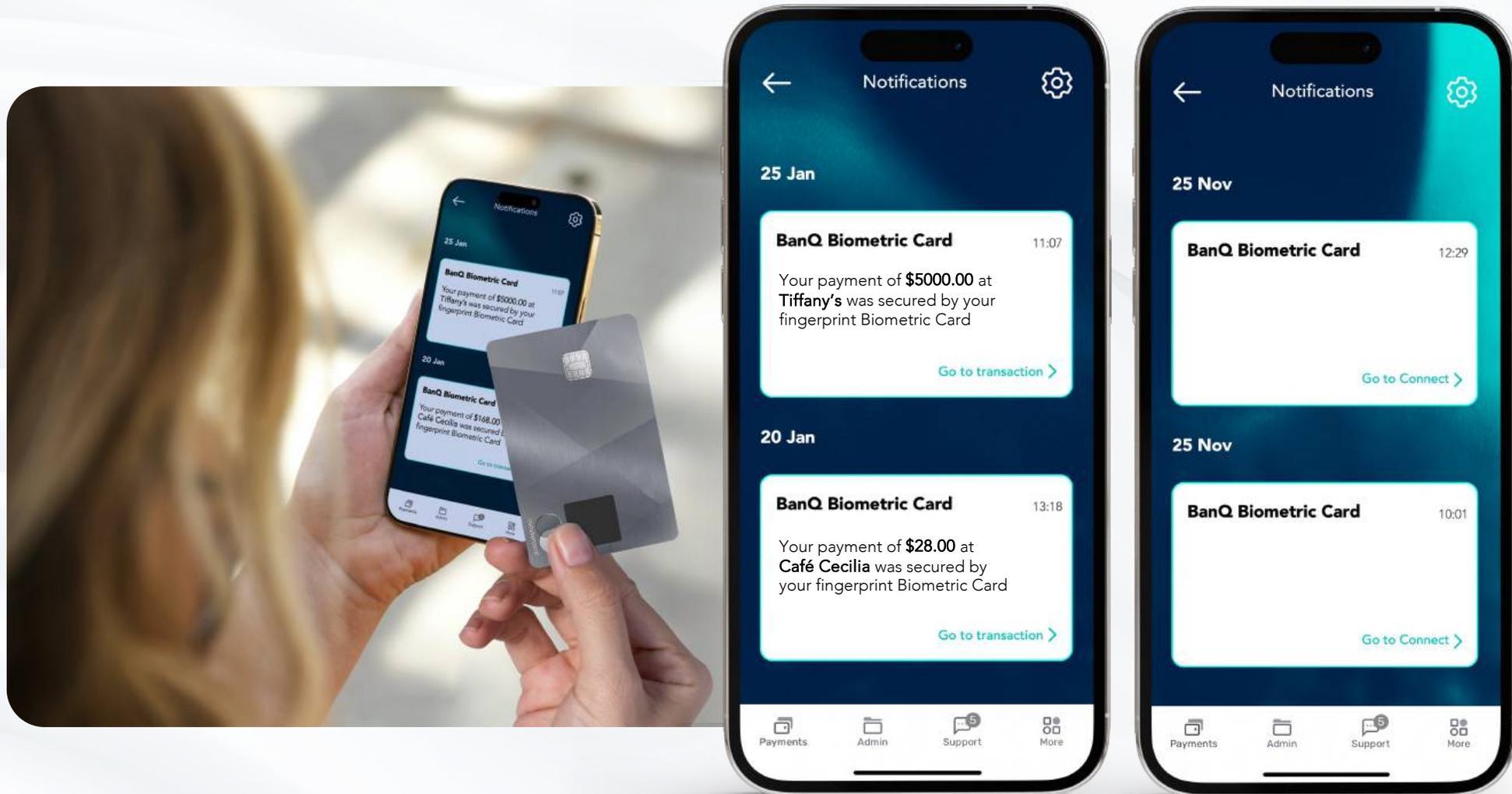
Cost optimization



Segmented approach



Biometric payment cards seamlessly integrating with mobile banking



Premium segment and biometric payment cards

Metal



Payment Cards

- Debit
- Credit
- Prepaid
- Corporate

r-PVC



World's first biometric metal card by Eastern Bank Limited with IDEX Biometrics



“

The IDEX Biometrics solution provides a first-class payment experience. We believe biometric payment cards will become the new payment standard, supporting secure contactless payments, and ultimately bringing financial empowerment to all.

”

Ali Reza Iftekhhar, Managing Director & CEO at EBL

**Differentiation | Less declines | Secure cross boarder payments |
Top of wallet | Customer loyalty | More transactions | Less fraud**

IDEX Biometrics authentication for digital and physical access

Access Cards

For private, public sector and governments

- Digital
- Physical
- Crypto



Digital Access

- Network access and online services for corporations
- Web3 DeFi
- Multi Factor Authentication (MFA)
- Personal Identity Verification (PIV)



Digital ID

- Governmental administration and access
- Health ID
- Tax ID
- Social Disbursement



Physical Access



- Corporate sites, airports, events
- ISO standard readers

Crypto Management



- Cold wallets
- Key protection



First launch based on IDEX Auth – AuthenTrend

AuthenTrend launch of biometric card for digital access, Tokyo Dec 8, 2023



AuthenTrend launches two new FIDO-certified IC smart cards with fingerprint authentication and FIDO standard PC login systems

-IC smart card with fingerprint authentication also supports contactless NFC, contact type, and smartphone NFC-

AuthenTrend December 8, 2023, 09:00



December 8, 2023, Tokyo – AuthenTrend Technology Inc (Headquarters: Taipei City, Taiwan, Representative Name: Zake Huang, hereinafter referred to as AuthenTrend) is a new FID compatible with CTAP2.1 Two products, the IC card security key "ATKey.CardNFC" with O-certified batteryless fingerprint authentication and "ATKey.Login" that can be authenticated without a password to Windows logon will be issued from December 2023. We will start selling. ※Mac login will also be released in the future.



新製品「ATKey.Card NFC」



新製品「ATKey.Login」

"ATKey.Card NFC" is a FIDO-certified IC card security key with batteryless fingerprint authentication that also supports CTAP2.1. You can authenticate just by holding it up to a non-contact reader, contact reader, or smartphone while collating your fingerprint registered in the card's fingerprint sensor. The size of the IC card is ISO/IEC7810 specification.



Market Outlook

Market proof points for biometric payments and digital authentication

26 billion

credit, debit, and prepaid cards in use worldwide, **30 million** metal cards ¹

Growing Card Payment Market, metal cards +24%⁵

1.4 billion

unbanked and underbanked ²

Financial and Digital Inclusion a global priority

40+ million

biometric payment cards by 2028³

Biometric Payment Card market expected to grow

\$53 billion

Digital ID market forecast by 2026⁴

Growing Digital ID market for various applications

Source: Sources: 1. Statista and Biometric Update 2022 2. Worldbank 2022 3. ABI Biometric Payment Report Jun 2022 4. Juniper Research, 2022 5. CAGR 20223-2031, source Business Research Insights 2024

Biometric authentication foundational element of ESG



No one likes remembering passwords. Mastercard is now bringing in biometric technology to many more places [...] because your biometric data can't be hacked/phished the same as a password.

**Michael Miebach,
CEO Mastercard**



Your identity is the most important thing you own – yet, nearly \$10 trillion is lost each year as a result of identity fraud and the general lack of trust across the digital world.

**Mark Bennett,
CEO Sentry
Enterprises**



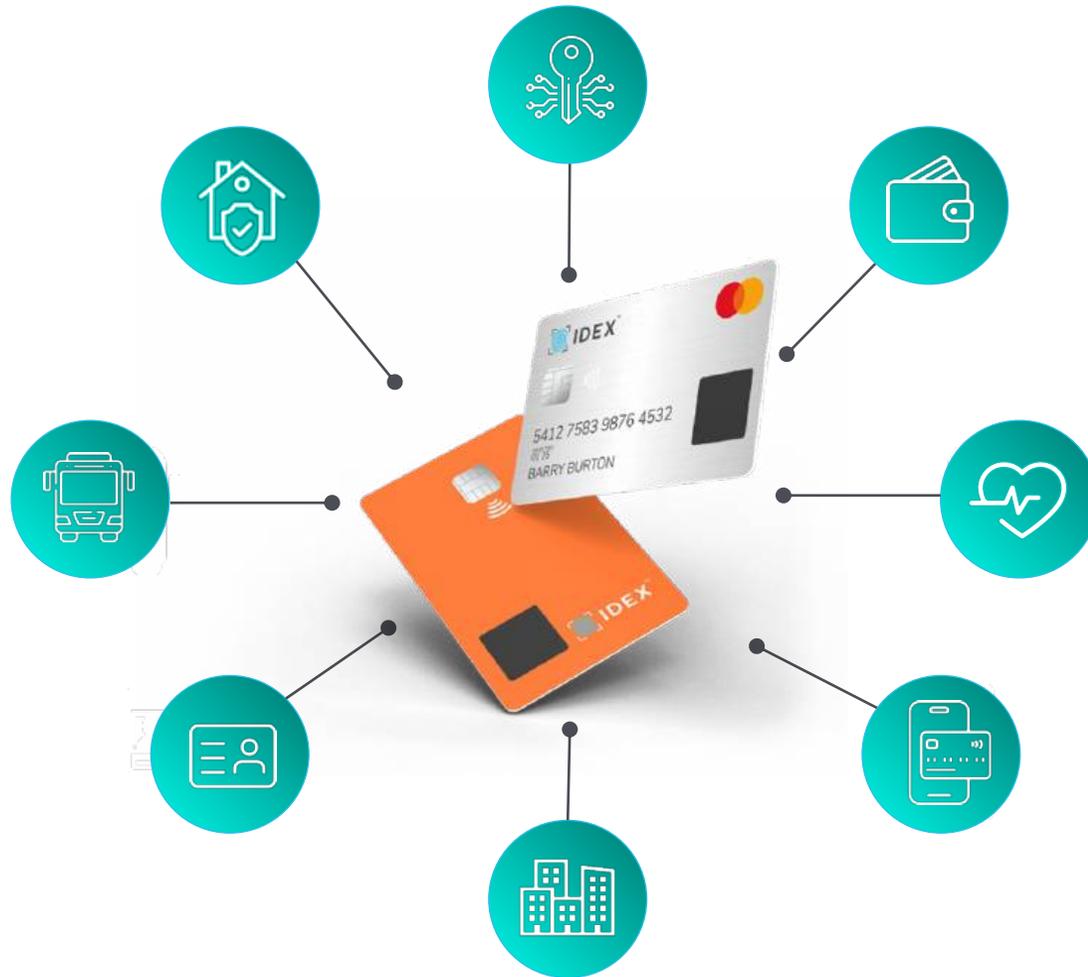
Many blind people have had to tell their PIN to strangers so they can have it typed in for them, or be forced to leave their unpurchased items behind because they're unable to pay.

**Drew Hyndman,
BBC Access All**



Accessible payments for elderly, visually- and memory impaired and digitally excluded

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

Enabling the future of payments and authentication

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**



