



IDEX Biometrics

Third Quarter 2023

Presentation

November 9, 2023

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IDEX Biometrics Investment Summary

01

Multi-billion
market
opportunity

02

Industry leading
customer
experience

03

Disruptive
biometric
platform

04

Capturing
a market
inflection point



IDEX Biometrics || At a Glance

MISSION

We secure **trusted proof of identity** by providing **biometric authentication** for **smart cards** and deliver next level of **convenience and security** for people, businesses and society

TARGET MARKETS

- ⌚ Banking and Payment
- ⌚ Enterprise Security
- ⌚ Public Services



Oslo Børs: IDEX

PEOPLE

Full-stack engineering team covering hardware, software, systems and solutions

International executive leadership team with industry and ecosystem experience

TECHNOLOGY

200+ patents, with technologies spanning:

Hardware

Industry leading sensor enabling high performance with best user experience

Systems and Software

Biometric algorithms, security and software

Solutions

Certified and ready-to-launch biometric card solutions

CUSTOMERS

> 20
manufacturers

E-KART

CompoSecure

ΚΟΠΑ i

KL HI-TECH
SECURE PRINT LIMITED

THAMES
TECHNOLOGY

UBIVELOX

IDEMIA

M-TECH
INNOVATIONS LTD

ECOSYSTEM PARTNERS

infineon

ST
life.augmentec

mastercard

VISA

Achievements and milestones

2023 priorities

- ② IDEX Pay biometric platform Mastercard certification ✓
- ② Card manufacturer production line readiness ✓
- ② Component supply assurance ✓
- ② Full end-to-end suite for bank implementation ✓

Additional milestones

- ② “Tap to mobile” card activation ✓
- ② New biometric software platform for authentication ✓
- ② Secure Element strategic expansion ✓

Upcoming milestones

- ② First bank launches with IDEX Pay
- ② Visa certification of IDEX Pay biometric platform
- ② Market introduction of IDEX Authentication
- ② Biometric platform launch with ST Microelectronics for payment and authentication
- ② Operational efficiency and excellence



IDEX Pay certification – a major company milestone



Component Identification	
Supplier	IDEX Biometrics ASA Dronning Eufemias gate 16 NO-0191 Oslo Norway
Registration Number	DI/IDEX/2208/C01/MCABC/0A
Architecture Type	Dual Interface PIC including an antenna and a biometric sensor
Application Type	M/Chip Advance - Payment v1.2.3 with Biometric Card Application Specification January 2022
Application ID	04104E2200010000
Technical Name	IDX3601-01
Commercial Name	IDX3601 Biometric SmartCard Turnkey Platform
Protocol supported	T=0 ; Type A
Conformity Statement Details	
Conformity Statement	CCS-IDEX220801-230829(b), expires on April 28, 2026
Test Assessment Identifiers	MCABC-P-IDEX2208C01-0A-CEG-2303-C066+BSOC008 MCABC-A-IDEX2208C01-0A-CEG-2303-C066+BSOC008
Sensor	FP/IDEX/2201/S01, IDX3409 704-00001, FP/IDEX220201-CEG-2303-B001
CAST References	BCCN0012, expires on April 28, 2026

IDEX Pay Certification from Mastercard enables card manufacturers to fast-track their own LoA¹

¹LoA = Letter-of-Approval of manufacturing production rights

Third Quarter 2023 Financial Summary



Financial summary third quarter of 2023

- ⇒ Third quarter revenue increase by 3% compared to same quarter 2022
- ⇒ Revenue impacted by IDEX Pay certification delay
- ⇒ Gross margins at 23% in the third quarter compared to 22% in the second quarter of 2023
- ⇒ Growth of initial orders from new customers for both IDEX Pay and Authentication
- ⇒ Operating expenses decreased 16% from same quarter 2022
- ⇒ Further implemented cost initiatives on-track to come to full effect by year end
- ⇒ Convertible bond issue of up to NOK 100 million for commercial ramp-up¹

Revenue (million USD)

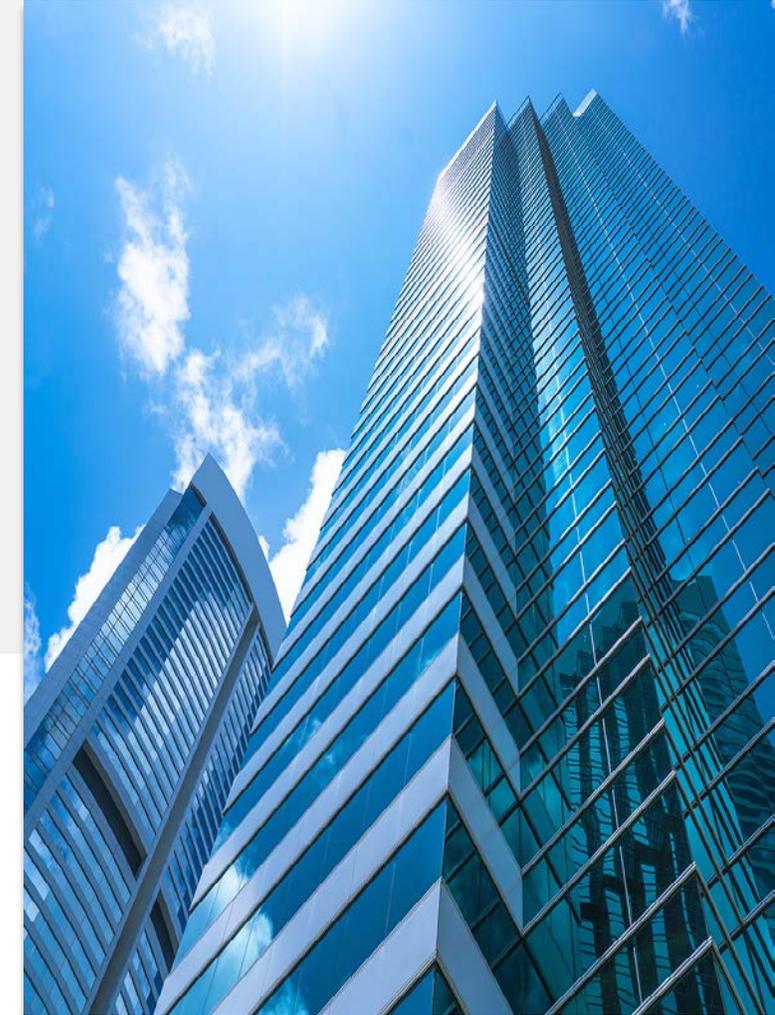
0.95

Gross margin

23%

Operating expenses
(million USD)

6.6



¹ subject to shareholder approval and final agreement

Financial summary first nine months of 2023

- ⌚ Revenue grew 21% for the first three quarters compared to the same period of 2022
- ⌚ Year-on-year product revenue increased 29%
- ⌚ Gross margins improved to 24% year-to-date 2023 compared to 16% in 2022
- ⌚ Operating expenses¹ decreased by 11% compared to the first three quarters of 2022
- ⌚ Operating expenses were USD 21.3 million decreasing 11% year-on-year

Revenue (million USD)

3.7

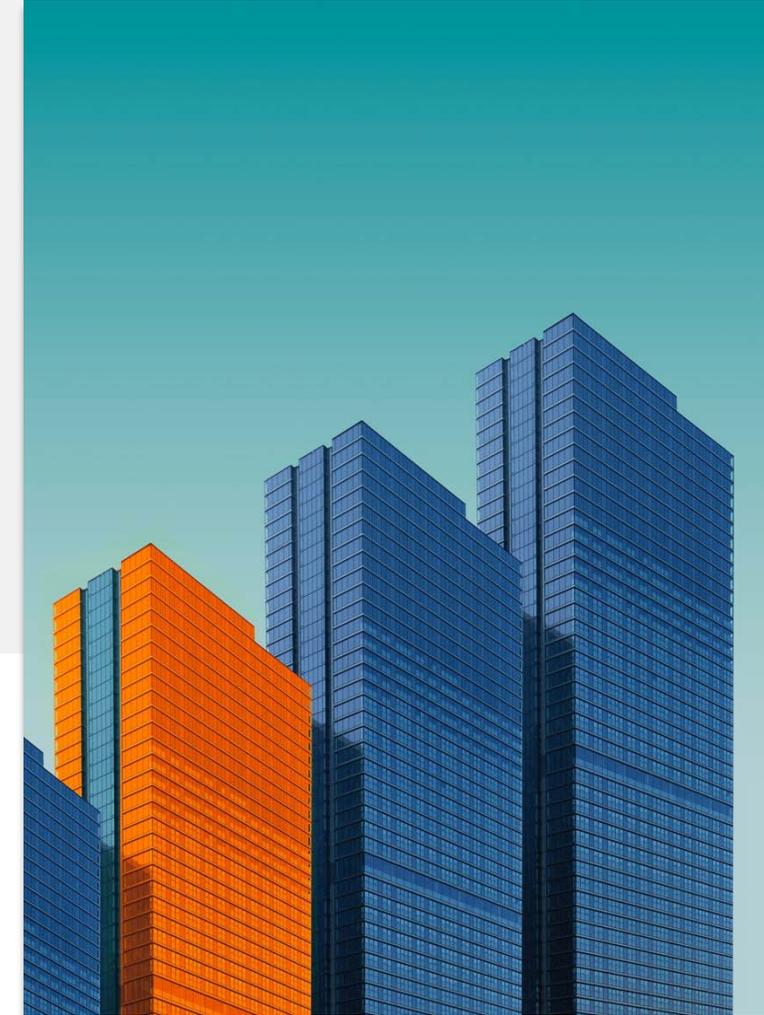
Gross margin

24%

Operating expenses
(million USD)

21.3

¹Operating expenses exclude cost of materials and depreciation



NOK 100 million funding for commercial ramp-up

- ⊕ Convertible bond issue of up to NOK 100 million for commercial ramp-up¹
- ⊕ Conversion price is equal to 125% of share price at the time of closing
- ⊕ Interest rate is 6% pa
- ⊕ Amortization over 3.5 years in equal installments
- ⊕ The company has the option to make payments in cash or shares
- ⊕ Issue price is 92% of the principal amount

Bond Issue up to NOK

100 million

**Institutional
Investor**



¹ subject to shareholder approval and final agreement



Third 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

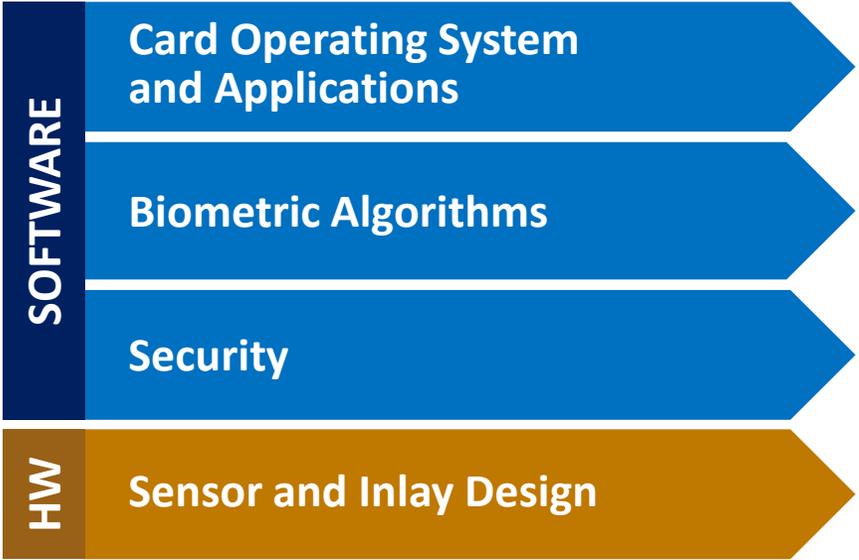


Public and
Private Services



Enterprise/
Gov't Security

Our solution is software-defined, enabling a highly scalable on-card biometric authentication platform



Secure Payments

Seamless and faster experience with enhanced security for consumers and merchants



Authentication

Secure and optimized protection of assets from cyber attacks and hacking



Crypto Asset Management

Access and control crypto funds in a highly secure and authenticated way



The IDEX Biometrics card solution can evolve and be adapted to support other applications through software

Quarterly highlights



Payments

- ⌚ IDEX Pay Mastercard certified
- ⌚ Bangladesh Central Bank approval of biometric payment cards
- ⌚ Leading banks in Turkey, Azerbaijan and India progressing with first certified manufacturer
- ⌚ Biometric metal cards ready for launch

Market acceleration as IDEX Pay gets Mastercard certification



Digital Authentication

- ⌚ Eight cyber security partners on IDEX biometric platform
- ⌚ Initial production orders from AuthenTrend (Taiwan) and two additional authentication partners
- ⌚ FIDO Alliance membership

Rapid commercial advancement access and crypto



Card Manufacturers

- ⌚ 20+ card manufacturers in commercialization and certification on IDEX Pay
- ⌚ Major global card manufacturer obtained Mastercard LoA
- ⌚ KL HITECH and KONA I accelerating across APAC and globally with biometric programs

Card manufacturers accelerating commercialisation with IDEX Pay

IDEX Biometrics solution suite for banks, issuers and enterprises enables smooth and efficient deployment



IDEX Pay

Biometric card platform accelerates time to market for card manufacturers



Biometric Activation Suite

Mobile biometric activation now available



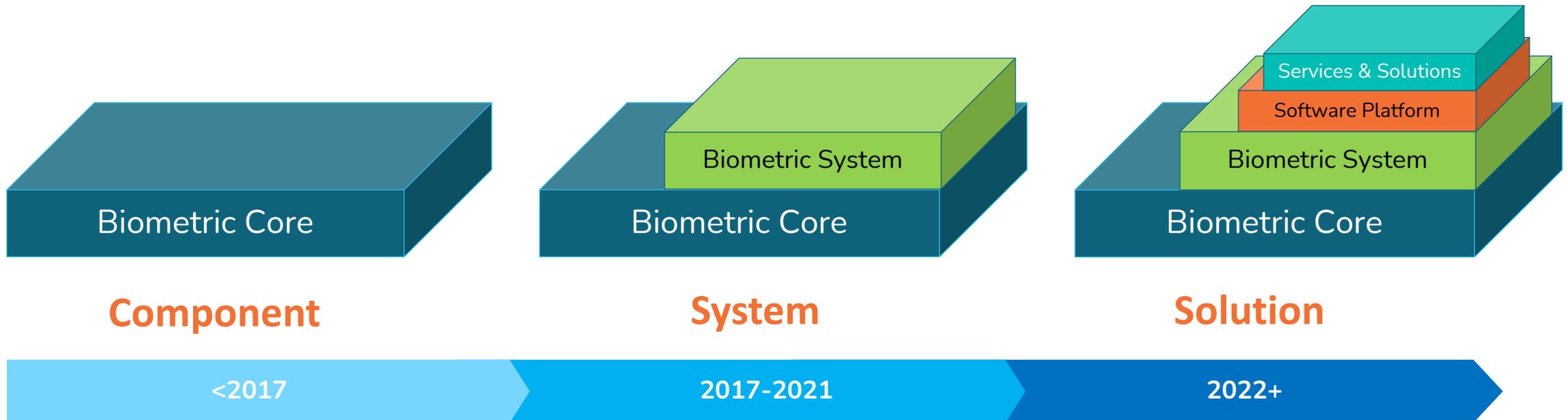
Implementation Programs

Product launch support for issuers and enterprises

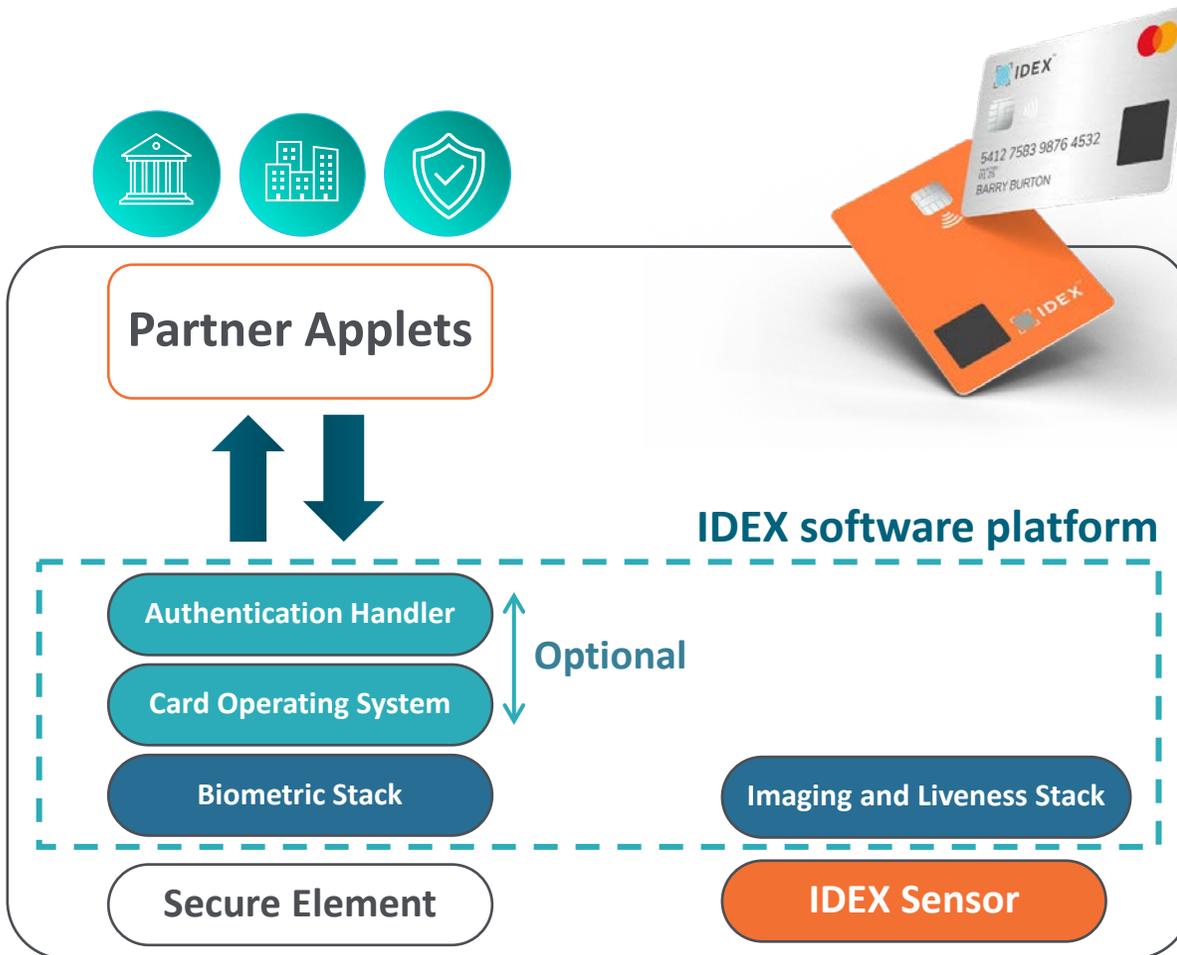
Optimizing issuer investment and accelerating time to market

IDEX Biometrics software-defined platform

Open and versatile architecture enables our customers to address multiple applications across payments, access, cybersecurity and digital ID markets



IDEX software-defined platform accelerates time to market



- API's for partner applications
- Quick time to market
- Flexible and versatile architecture
- Full biometric platform, end-to-end
- Enables multi-application cards

IDEX Biometrics market outlook

⌚ Accelerated market penetration in payments

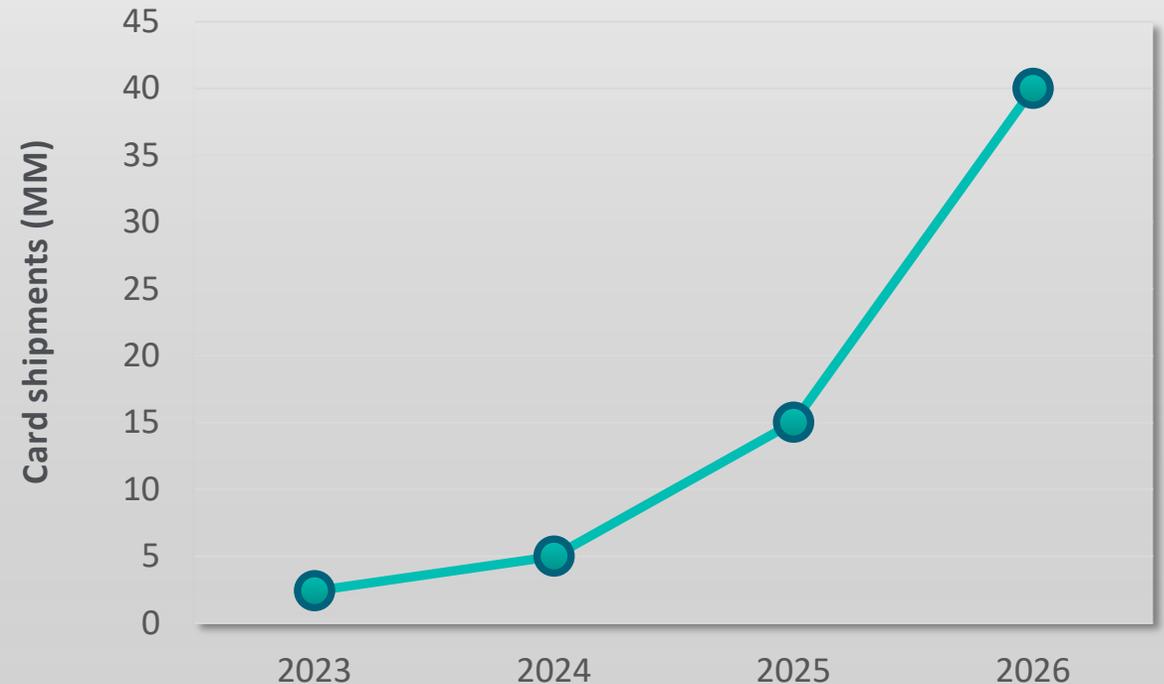
⌚ Currently 20+ card manufacturers in commercialization with the IDEX Pay Biometric Card Platform

⌚ Premium segment taking off in APAC

⌚ 8 partners in motion for **cybersecurity solutions**

⌚ **Set up for scaled global operations**, with one hardware and software platform addressing multiple markets

Global Biometric Card Shipments



Source: IDEX projection

Enabling the future of payments and authentication

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