

INVESTOR UPDATE



March 2, 2020

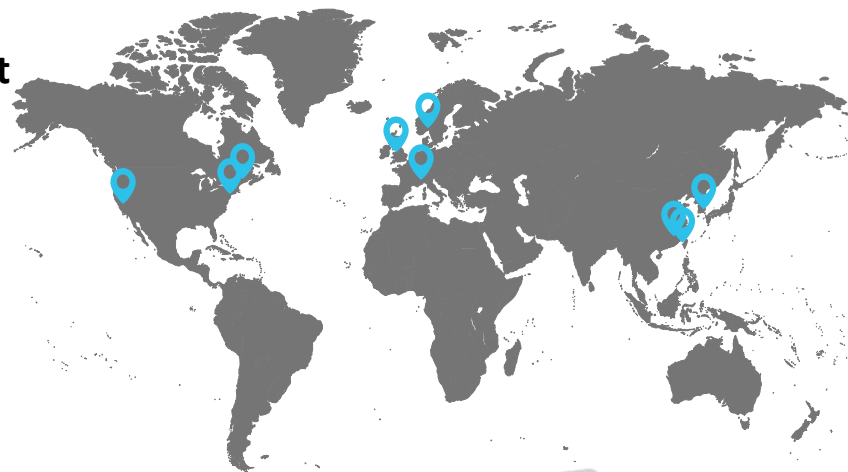
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IDEX at a Glance

A leading provider of fingerprint authentication technologies for the biometric smart card market including payment, access control, healthcare, identification, and IOT

- Unique, flexible and cost efficient *off-chip* sensor technology and software matcher
- Only company capable of supplying capacitive *off-chip* architecture designs, sensors, and biometric algorithms optimized for the smart card market
- EMVCo™ security certified and fabless manufacturing model
- ~110 staff with deep semiconductor and biometric expertise located in key geographies
- Listed on Oslo Stock Exchange (OSE:IDEX.OL) and the U.S. OTCQB (IDXAF)



Recent Highlights

- IDEX secured largest design win and supply agreement in the company's history, a \$6 million minimum commitment to supply the company's sensors and software to a major global financial news and IT services company
- IDEX launched TrustedBio™ - a new family of dual-interface products and solutions designed to dramatically reduce biometric smartcard cost while improving performance, security, and manufacturability
- IDEX selected by a leading global Tier 1 smartcard manufacturer to supply its TrustedBio™ sensor for use in the card manufacturers next generation high volume biometric payment card platform
- Signed license agreements for its remote enrollment technology with leading smartcard manufacturers, IDEMIA, and Chutian Dragon
- Initiated cost reduction activities in Q4 to extend runway, targeted at 30% of operating expenses, majority of impact expected in Q1'20
- Q4 Adjusted Operating Expenses¹ 7% lower than Q3; Q1 2020 operating expenses expected to be below Q4

¹ Adjusted Operating Expenses in Q4 of 2019 exclude inventory and intangibles reserve related to a discontinued product, severance from cost reductions, and certain incentive compensation charges

IDEX Biometrics: Biometrics are the future of security

IDEX is a leader in fingerprint sensor technology

- Unique flexible and cost efficient *off-chip* technology
- Full systems approach; more than just a component supplier
- Industry leading engineering expertise
- Breadth of innovation and intellectual property



Large and growing addressable markets

- The market for biometric smartcards is large and growing
- Over 8.2 billion smart or chip cards in circulation¹ and growing significantly
- Significant investments being made by key players; Mastercard, VISA, China Union Pay, card manufacturers, card issuers, and technology suppliers
- Additional large and growing markets include, access control, healthcare, identification, and IOT

¹ EMVCo™ – EMV deployment growth of 36% from 2016-2018

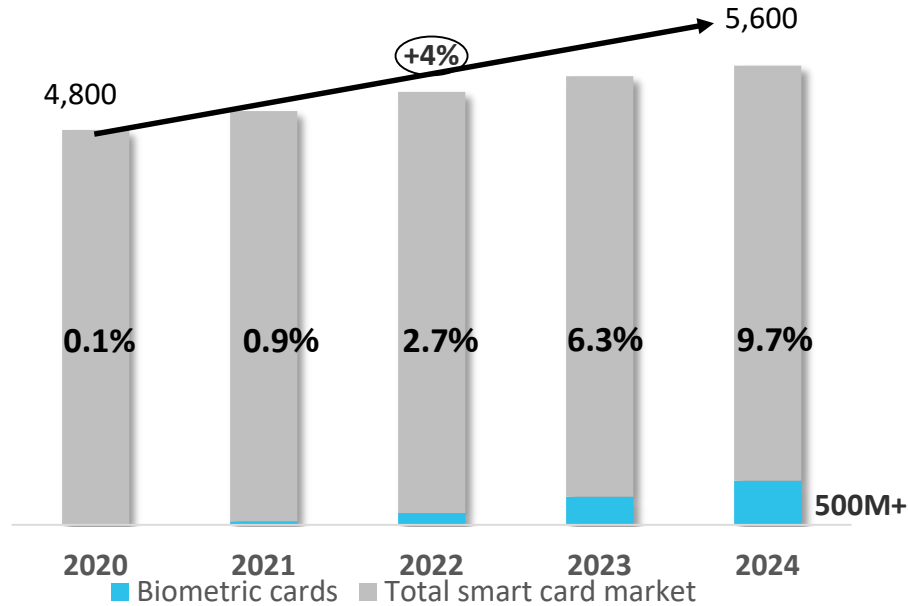
PAYMENT CARD MARKET



Smartcards – a Very Large and Growing Market

8.2 billion smart or chip cards in circulation and growing

For comparison, total addressable market for biometrics in smartphones is 3.5 billion

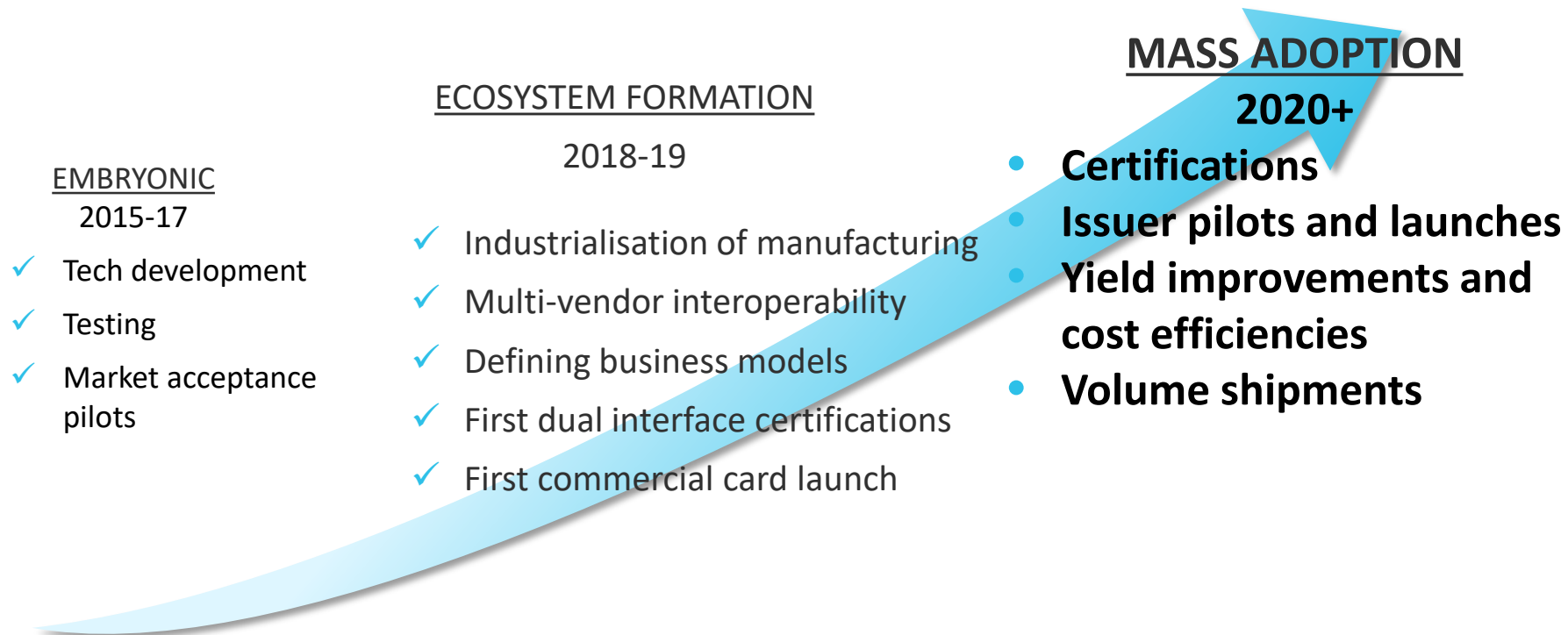


Total number of smartcards shipped and biometric card penetration rate

Source: ABI Research Smart Card Technologies; Goode Intelligence; IDEX estimates

- Large and growing total addressable market
- 2019 marked first certification of dual interface biometric cards and the first commercial launch
- 2020 is the year the market is expected to move from a pilots to launches
- Drivers of growth:
 - Security
 - Well-used and understood technology
 - Convenient for end-users
 - Infrastructure already in place
 - Fast authentication speeds

Mass Adoption of Biometric Payment Cards Expected to Begin in 2020



Biometric Smartcard Certification - High Barrier to Entry



Security certification

- Resistance to logical attacks
- Code review
- Programming process review
- Typically involves 3rd party validation

Card Physical Aspect

- Flexion, Torsion, ISO compliance
- EMV + scheme complementary tests
- Chemical tests
- Typically involves 3rd party validation



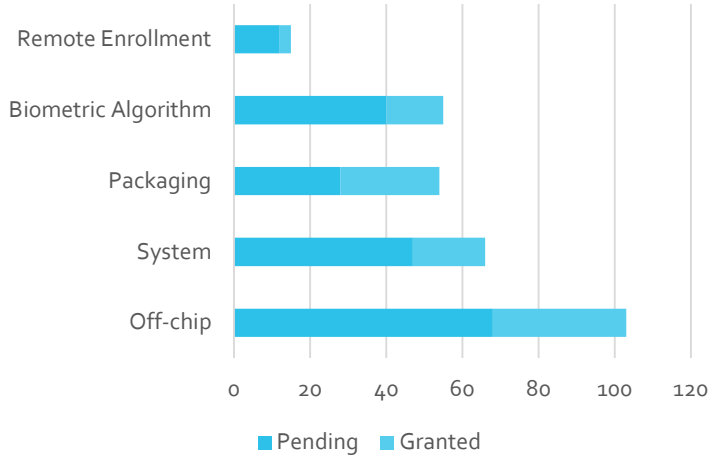
Biometric Performance

- New & Specific to biometric cards
- Typically involves 3rd party validation

- Comprehensive and time consuming process
- Multiple steps and many parties involved
- Creates high barriers to entry

Significant Patent Portfolio for Critical Technologies

Patent Portfolio By Category



Total portfolio	Number of patents/applications
Pending	101
Granted	113

- Patent portfolio reflects innovation capability at IDEX
- Quality of patents over quantity
- Patents beyond biometric sensors
- Systems, packaging, algorithms and remote enroll expertise to help overcome complex problems
- Working in collaboration with multiple customers allows IDEX to refine and innovate
- **Patents that will drive the evolution of the biometric smartcard market**

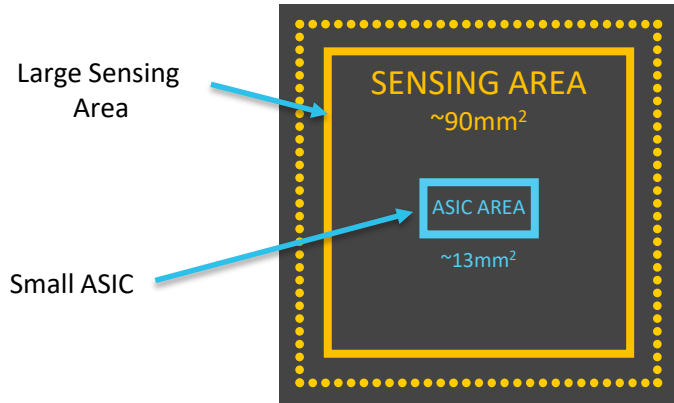
TRUSTEDBIO™



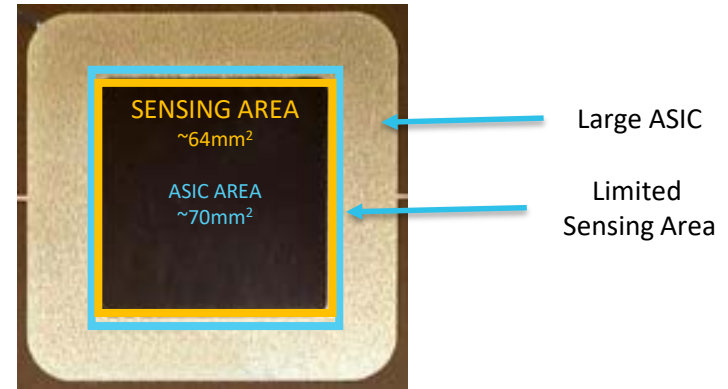
IDEX's "Off-chip" Technology: Decouples Die Size From Sensing Area

Fundamental Cost and Performance Advantage

- Off-chip approach enables smaller die (ASIC) and hence use of advanced lithography silicon
- IDEX's design offers a fundamental cost and performance advantage



IDEX Off-chip Sensor

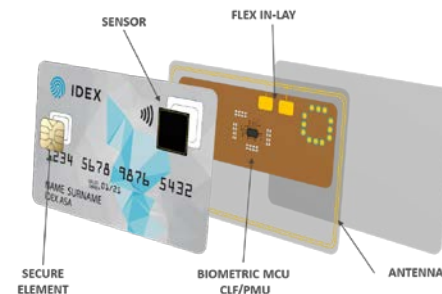
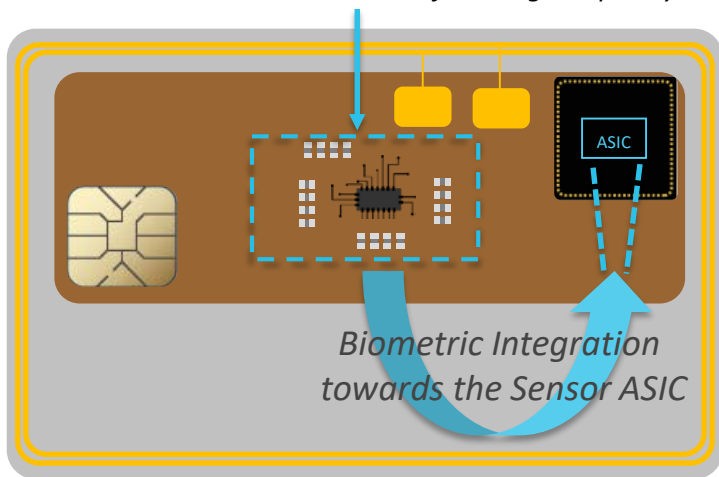


Competitor Silicon Sensor

“Off-Chip” Design Enables Integration: Sensor Chip as Integration Point

More Value for IDEX at a Lower Cost

Current Biometric smartcards require additional discrete components on the in-lay this increases card cost & manufacturing complexity



IDEX launched TrustedBio™

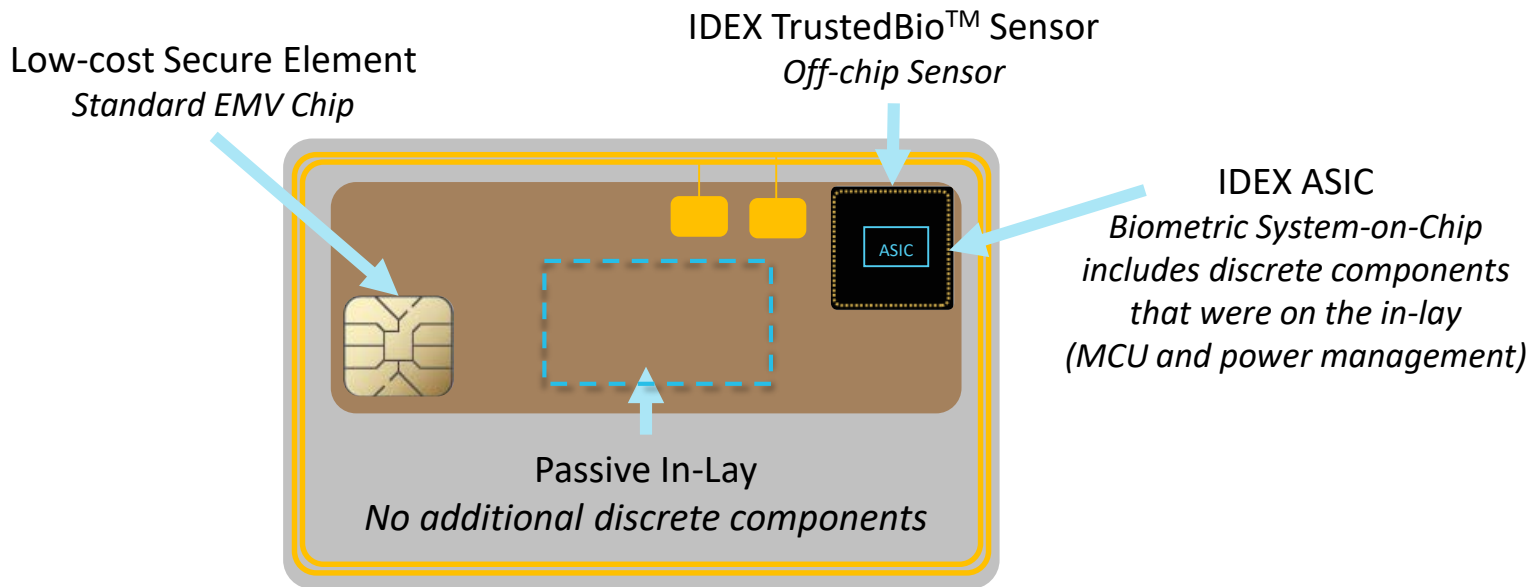
Biometric Integration towards Sensor ASIC

Sensor ASIC becomes a “Biometric System-On-Chip”

- ✓ More power & area efficient
- ✓ Lower system cost
- ✓ Shorter design cycles
- ✓ Advanced IP integration

Biometric Smartcard Based on IDEX TrustedBio™

Lower card cost, improved performance and security



IDEX Off-chip Sensor & Biometric-SOC Technology

enable reductions in biometric smartcard **cost** and **manufacturing complexity**

OTHER LARGE AND GROWING MARKETS



IDEX

Fingerprint Biometrics: Compelling Value For Multiple Verticals

Expected # of smart cards shipped in 2023 by vertical (millions)



- Banks want to differentiate
- Fraud reduction
- Favorable consumer experience
- Financial inclusion
- Secure identification
- Voting
- Public transport systems
- Increased mobility
- Loyalty cards
- Internet of Things (IoT)
- Information security
- Access

Source: ABI Research Smart Card Technologies

Information and Physical Access Control:

Another Large and Growing Vertical for Biometrics

Access control market is 250 million units and growing at more than 5% annually according to **ABI research**

ID cards & access

- Secure identification
- Fraud prevention
- Information & physical access



“People ranked security as the highest priority, over convenience and privacy, for logging in to the majority of applications, particularly when it comes to money-related apps.”

IBM Security; “Future of Identity Study”

IDEX wins largest ever customer order for information access control (April 2019)

- Major contract win with a leading global provider of IT hardware to the financial services industry
- \$6 million minimum, multi-year commitment for IDEX sensors and software to begin shipping in 2020
- Joint collaboration with a security thought-leader to drive next generation solutions

IDEX is working with customers and partners to develop other secure access solutions

FEITIAN
WE BUILD SECURITY
DONGWOON
(주)동운아나텍



KEY FINANCIALS

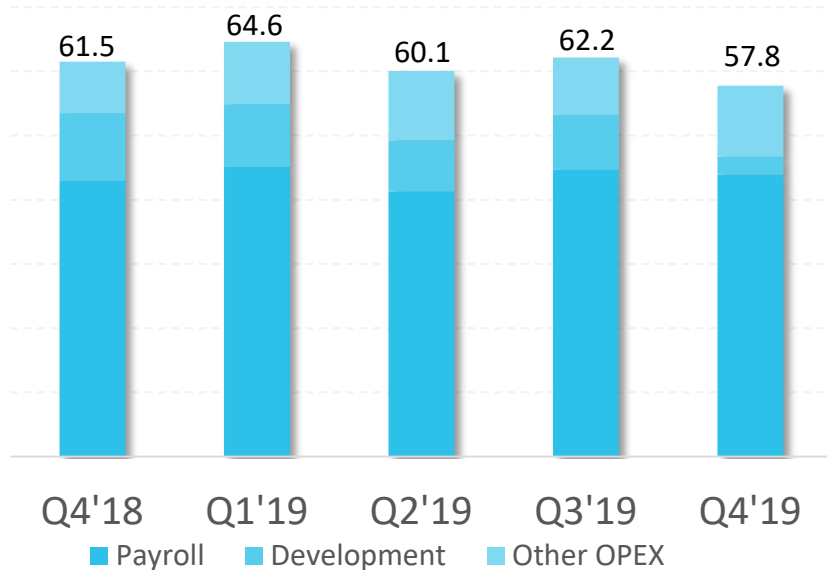


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P&L Profile: Gross Margins Above 50%

Stable OPEX Profile after Cost Reduction

OPEX (Adjusted Operating Expenses)¹ - NOK million



- Q4 Adjusted Operating Expenses¹ 7% lower than Q3; Q1 2020 operating expenses expected to be below Q4.
- Expense reduction actions taken in Q4; targeted decrease of OPEX by 30% and 50% improvement in break-even unit levels. Majority of impact expected in Q1
- Q4'19 included non-cash expenses of 17.2M NOK (inventory and intangibles reserve from a discontinued product and non-cash incentive compensation), 2.3M NOK in severance and 6.7M NOK of cash incentive compensation charges

¹ Adjusted Operating Expenses in Q4 of 2019 exclude inventory and intangibles reserve related to a discontinued product, severance from cost reductions, and certain incentive compensation charges

Thank You

