IDEX ASA PRESENTATION SECOND QUARTER 2017

10 August 2017

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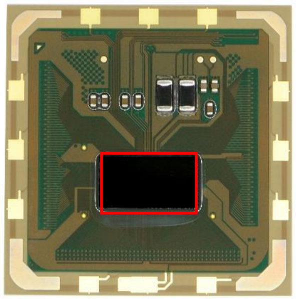
IDEX VALUE PROPOSITION

Huge addressable market	• Three target markets, Cards, Mobile & IoT with billion unit potential
Unique technology	• Flexible off-chip fingerprint sensor solutions at competitive cost
Established international organisation	• Leadership team of industry veterans • 120 staff with deep biometrics and display integration expertise
Solid financial position	• Publicly listed on Oslo Børs • Strong balance sheet with ~USD 50 million, no debt
Extensive IP portfolio	• 221 granted and pending patents in capacitive fingerprint sensing

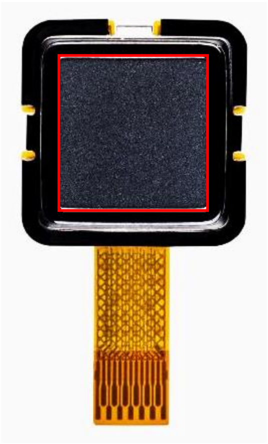
DIFFERENTIATED OFF-CHIP SENSOR VENDOR

Unique Differentiation (Off-chip capacitive sensors)



- Fundamental IP with significant barriers to entry
- Small silicon footprint independent of sensor array size
- IDEX architecture uniquely maintains high image quality
- Enables pioneering system level solutions

Conventional Solution (Silicon-based capacitive sensors)



- Lower technology barriers – crowded space
- Competitive for small and rigid sensors
- IDEX Cardinal sensor partnership

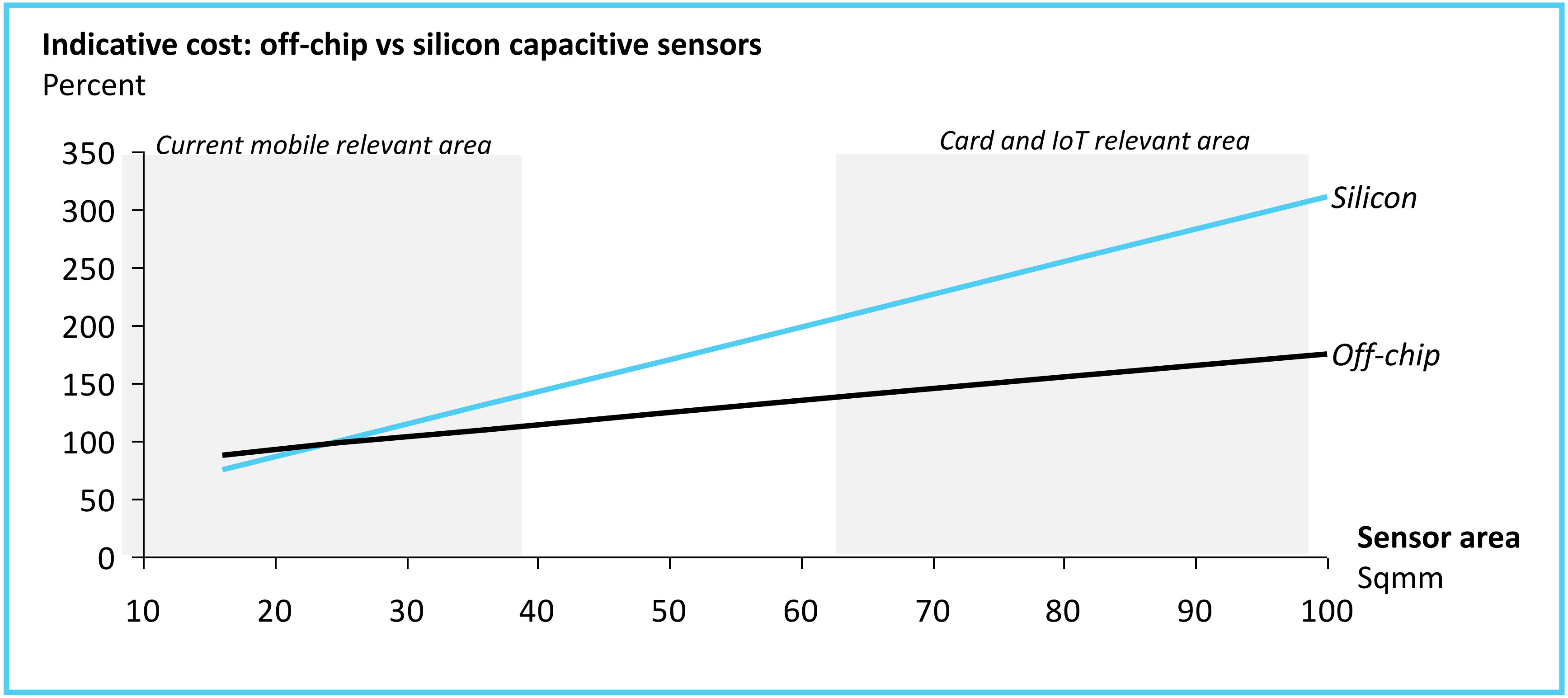
FAVOURABLE TRENDS FOR OFF-CHIP IN TARGET MARKETS

Strong customer pull in emerging market for biometric cards
- Flexible polymer for ISO form factor and durability
- Larger sensor critical for usability due to limited power

Infinity display transition in mobile flagships
- Larger size sensor enhances performance on back of the handset
- In-display sensing compatible with off-chip polymer technology

Fingerprint penetration beyond mobile accelerating in IOT
- Devices with limited power require larger sensors for usability
- Flexible sensors value proposition for wearable applications

OFF-CHIP FUNDAMENTAL COST ADVANTAGE



- Capacitive sensing dominates market due to performance and cost
- Off-chip has small silicon footprint regardless of sensor size
- The larger the sensor size, the greater the cost advantage of off-chip
- In-house ASIC and sensor packaging evolution driving lower cost

INVESTING IN COMMERCIALISATION

Cards	Mobile	IoT
		

Platform across target markets

- Production ASIC fabricated at TSMC foundry securing low silicon cost
- Modular software suite released for target applications
- New architecture driving simpler packaging to maximise cost advantage
- Breakthrough sensor roadmap

Accelerated product development

- Grown 64% y-o-y to 120 staff from biometric, card and mobile sectors
- Critical mass achieved for in-house biometric, silicon and software capabilities
- Strong focus on card market

MOVING BEYOND SENSOR TO END-TO-END SYSTEM SOLUTION

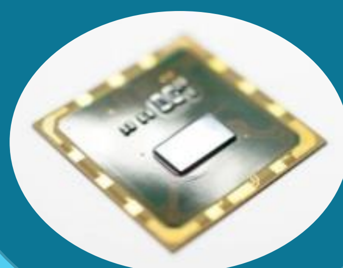
Enrolment

- *User-friendly*
- *Few enrols*

New algorithm

- ***Ultra-compact***
- ***Card optimized***
- ***Low single digit FRR at 1:50k***

Sensor



Security

- *In-sensor encryption*
- *Breakthrough anti-spoof roadmap*

MOMENTUM ON MASTERCARD BIOMETRIC PROGRAMME

Successful customer trials in Africa and Europe

End-to-end contact solution for commercial deployment with OT-Morpho

High interest from end customers for multiple larger scale pilots 2H 2017

Preparing for final card certification expected to commence Q4 2017

Commercial roll-out target end 2017 following customer pilot approvals

Dual Interface card solution in development leveraging low power ASIC

mastercard

UniCredit Bulbank

Pick n Pay

ABSA

EXPANDING THE CARD MARKET – STRONG DEMAND

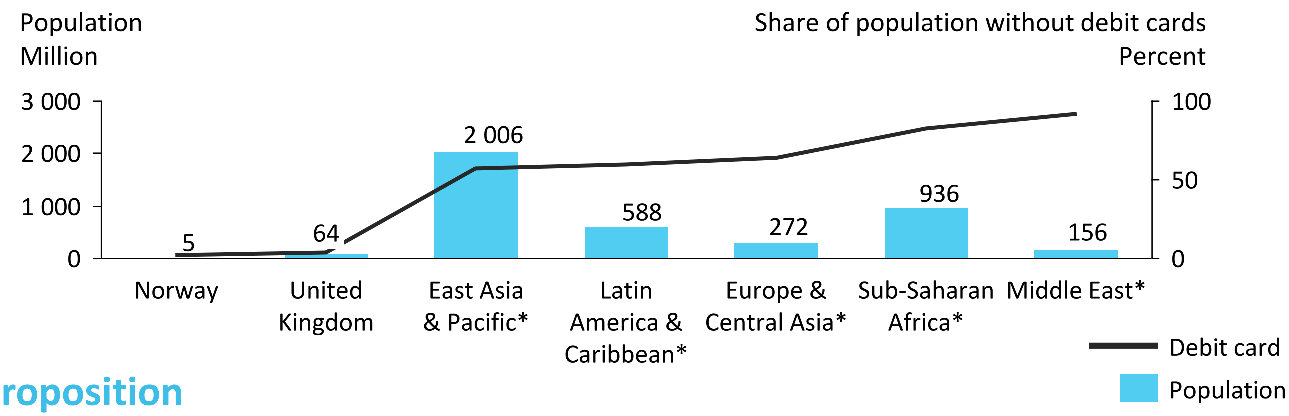
- **Initial order from leading Asian security and authentication smart card provider**
  - For biometric ISO form factor card for government ID and access control
  - Delivery expected the second half of 2017

- **Launched ground-breaking sensor for contactless smart cards**
  - Flexible, low power fingerprint sensor
  - Ready to be used in contactless cards operating with standard NFC terminals

- **High customer activity - sampling and developing sensor solutions for ISO ID1 smart cards**
  - Multiple European top tier card and secure element providers
  - High activity OEMs across APAC (Korea, Taiwan, China)

FINANCIAL INCLUSION BIOMETRIC CARD VALUE PROPOSITION

Huge opportunity - more than 2.5 bn people without debit card



Strong value proposition

End users

- Established identification
- Secure way of receiving entitlements
- Access to credit and banking system

Govt

- Significant reduction of leakages in distribution
- No new infrastructure needed
- Limited incremental costs

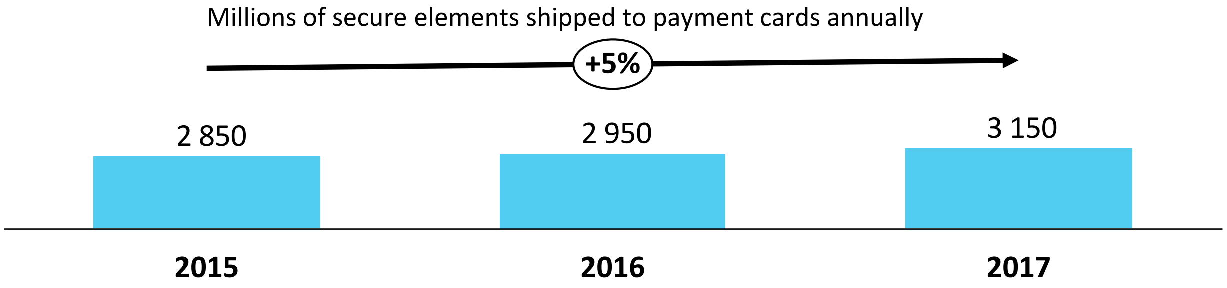
Issuers

- Generating transactions
- Loyalty to brand

Source: The World Bank
* Developing countries only

BANKING BIOMETRIC CARD VALUE PROPOSITION

Three billion Chip cards issued every year



Strong value proposition

End users

- User friendly – easier than PINs, fingerprint familiarity from mobile
- Increased security

Issuers

- Attractive to become 'top of wallet' card
- Reduced fraud costs in card present situations
- Less forgone revenue due to users not remembering PIN at time of transaction
- Reduced costs with issuing new cards due to wrong PIN entered
- Issuing banks can deepen loyalty by offering differentiated solution

Source: Eurosmart

CARD OPPORTUNITY IS HIGHLY ATTRACTIVE FOR IDEX

Large market potential

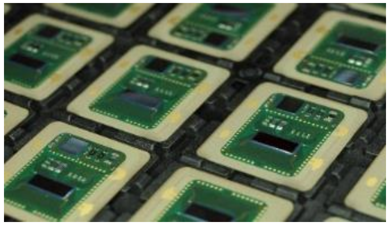
- Multiple billion unit verticals
- Significant demand for both contact and contact-less
- Expect higher ASPs than mobile given high value add

First mover advantage

- IDEX furthest ahead in complex card qualification
- Partnered with several tier-one integrators
- Significant momentum with Mastercard

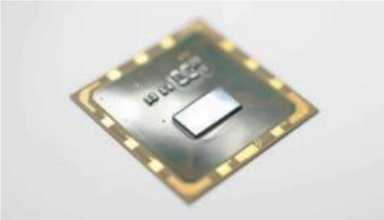
Superior off-chip technology

- Low cost due to small silicon footprint <13 sq mm
- Thin polymer, not fragile silicon material
- Sensor optimal for card mass manufacturing



End-to-end solution

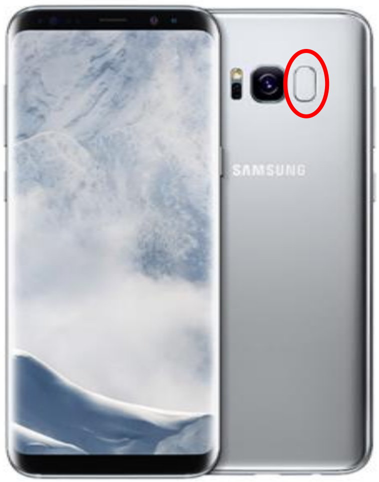
- Ultra-compact matching algorithm
- Enrolment system
- Best FRR/usability



FINGERPRINT SENSOR TRENDS IN SMARTPHONES

- **Move to infinity displays**
  - Lack of space for sensor in the front
  - Options are back or in-display
- **Conventional sensors continuing**
  - Coated button pricing sharp decline
  - Coated button volume expansion
  - GOT/COT shipments declining
- **Display integration challenges**
  - Fixed position, under glass closer to manufacturing ready
  - Fixed position, in display solutions sampling – performance challenges

Samsung Galaxy S7 - front mounted sensor

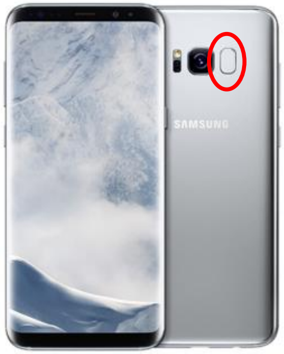


Samsung Galaxy S8 – infinity display and rear mounted sensor

IDEX LEVERAGING OFF-CHIP STRATEGY IN MOBILE

Mobile currently dominated by front-mounted silicon sensors…

…expected shift to infinity displays and rear mounted sensor

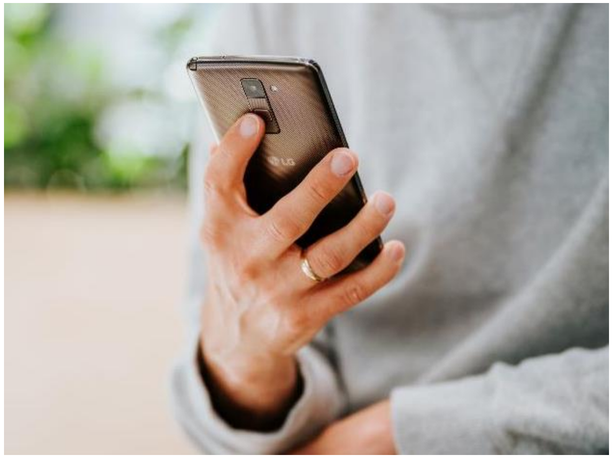


- 8 design wins, 4 handset launches
- Remaining wins not converted to sales due to industry inventory build up
- Focus on off-chip sensor proposition

- Marketing off-chip sensor for performance driven back of the phone applications
- Modular software released with new sensor
- New architecture to reduce packaging costs
- Roadmap to in display-integrated sensor

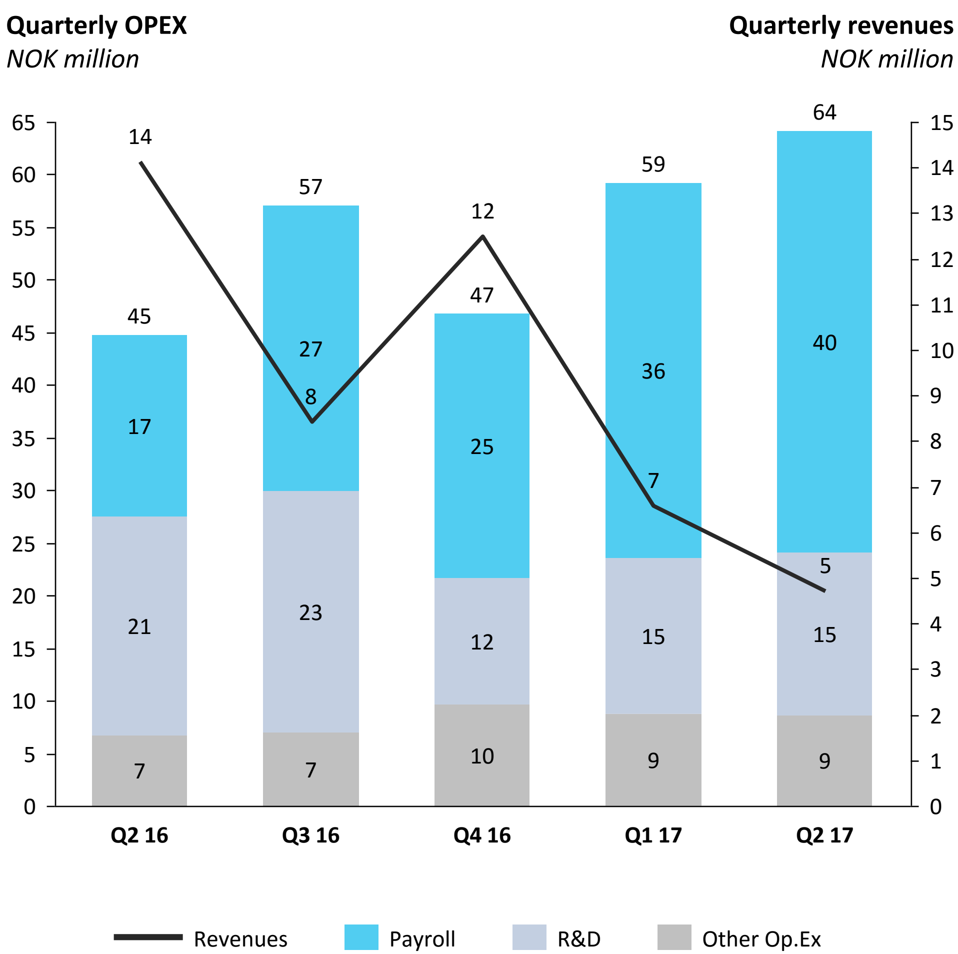
OUTLOOK

- **Smart card programme roll-out with Mastercard**
  - Additional trials in 2H 2017
  - Product certification expected to commence Q4 2017
  - Commercial roll-out targeted end 2017
- **New card customers (other verticals) expected in 2H 2017**
- **Sensor for contactless cards expected to be production ready early 2018**
- **Product roadmap advances on enrol and security in 2H 2017**



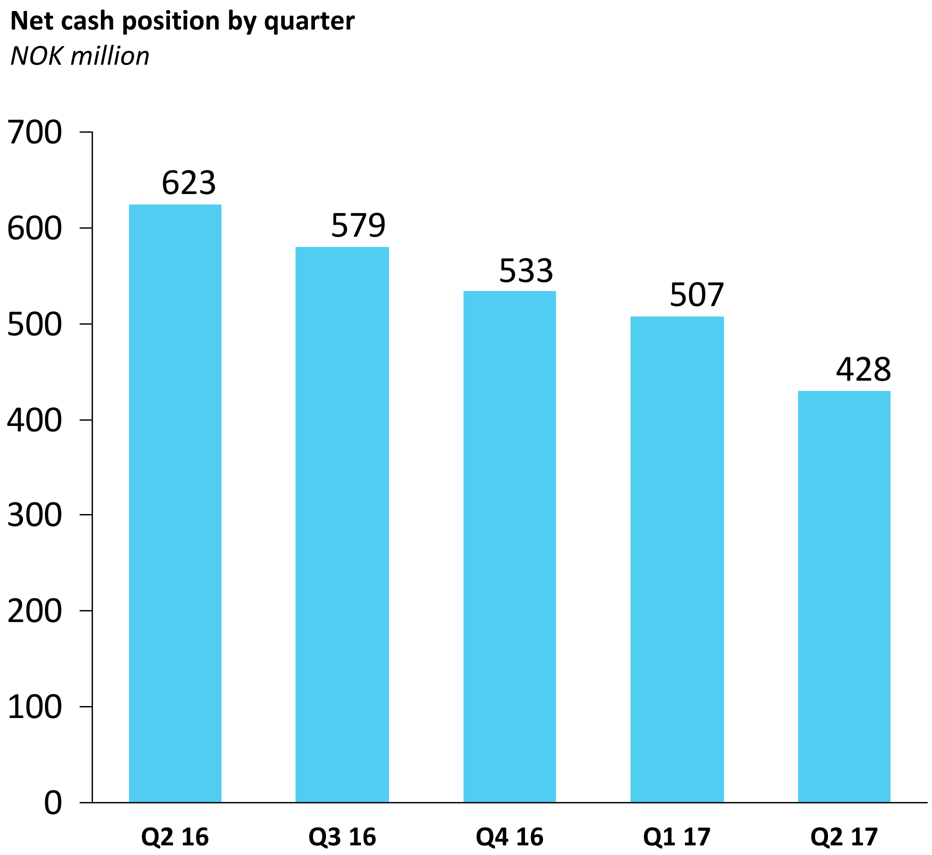
- **Sampling new off-chip sensor for back of phones in 2H 2017**
- **Launch cost optimised sensor for mobile early 2018**

SECOND QUARTER 2017 FINANCIALS



- **Revenues of NOK 4.7 million**
  - Industry inventory build up impacted IDEX as second source supplier
- **Gross margin of 17 per cent in Q2 2017**
  - Silicon sensors with low contribution due to 'license-like' model
  - Off-chip sensor shipments with higher GM
- **Operating expenses**
  - Growth in headcount increases payroll costs
  - In Q2 effects from share based remuneration had net impact on payroll of NOK 5.6 million
  - R&D and other OPEX same level as Q1 2017

STRONG BALANCE SHEET - USD ~50M CASH, NO DEBT

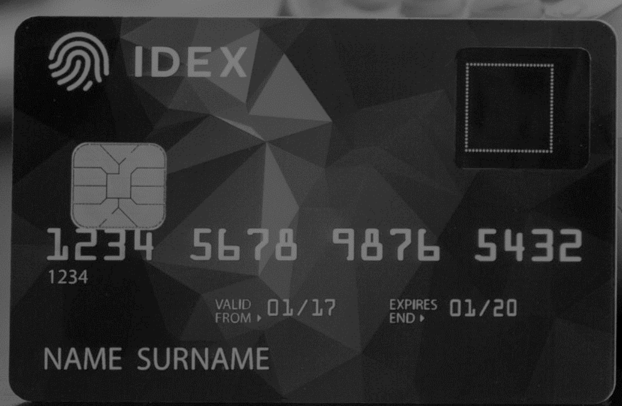


Second quarter cash outflow of NOK 78 million

- EBITDA of NOK -63 million
- NOK 14 million in reversal of short term payables effect from Q1 leading to extraordinary cash outflow in Q2
- The cash outflow for 1H 2017 was NOK 104 million

Strong cash balance of NOK 428 million

THANK YOU



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