

4TH QUARTER 2018 PRESENTATION

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FUNDAMENTAL ATTRACTIONS OF BIOMETRIC PAYMENT CARDS

Drivers of biometric payment card adoption

Convenience

- No cap on value/number of transactions
- No PIN to remember
- Card payments are habituated

Security

- Biometric data stored on card; no external database
- Biometrics increase security level

Commercial

- Card is banks' last physical link to customers
- Works on existing payment infrastructure
- Improved customer confidence in security leads to greater spending
- Card industry looking for higher growth and margin; need new ways to differentiate



THE USER VALUE PROPOSITION IS CLEAR

- Increased understanding of the role biometrics can play
- Greater confidence in security
- Growing demand for convenience

Consumers are eager to pay with biometrics



86% interested in using biometrics to verify identity or to make payments.



4 out of 5 are interested in being offered biometric payment authentication by their bank.



70% perceive biometric authentication as easier than password authentication.

SOURCE: Research conducted by AYTM Market Research, September 12-19, 2017, among 1,000 U.S. adult consumers who use at least one credit card, debit card, and/or mobile pay.



Biometric Card Test Results



9 out of 10

People thought the Biometric Card was easy to use²



86%

Of respondents felt confident using their Biometric Card³

“...I like things simple and easy to use & absolutely hate remembering PIN #s!¹”

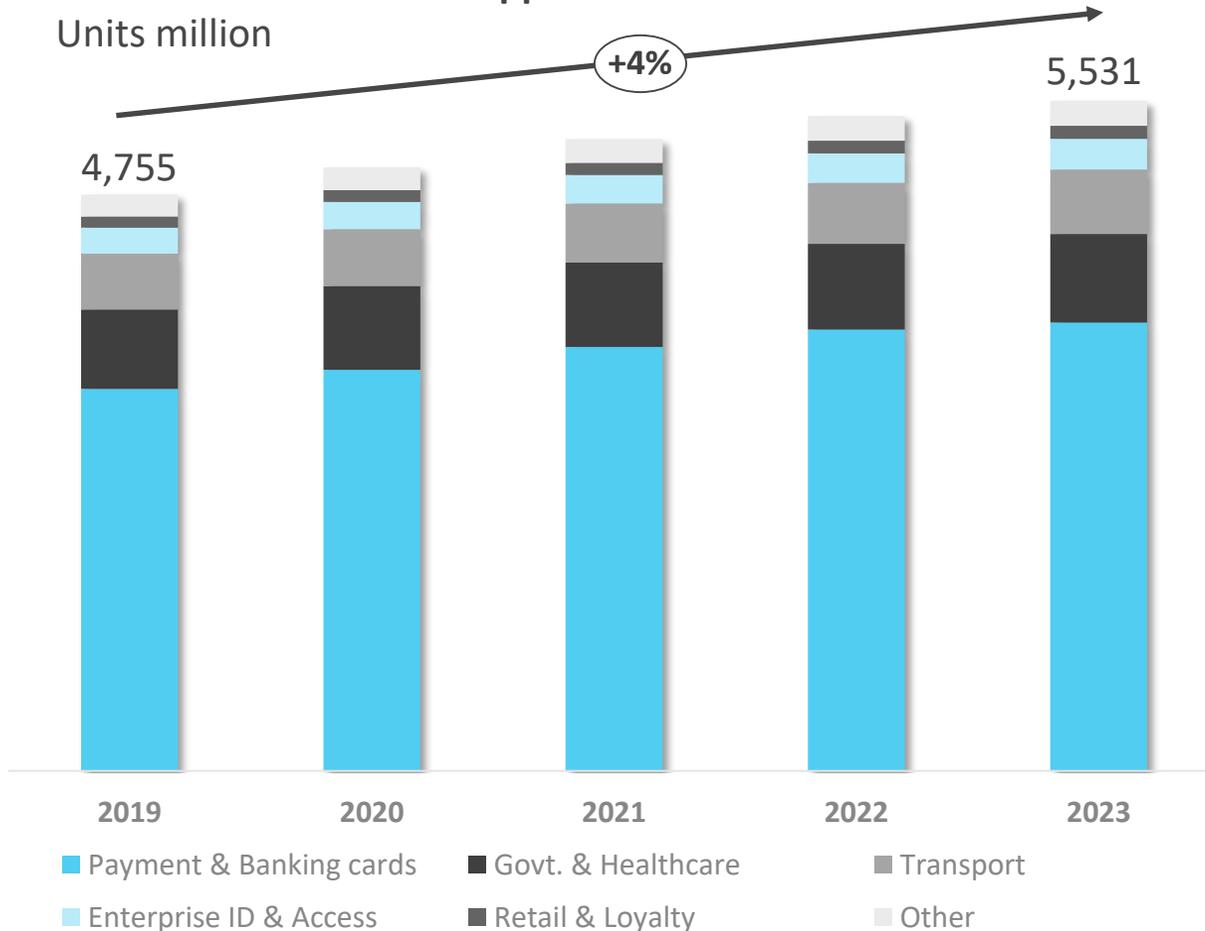
1. MASTERCARD, QUALITATIVE CONSUMER RESEARCH, 2016. 2. MASTERCARD, USABILITY RESEARCH 2017. 3. MASTERCARD, PILOT SURVEY, 2017.

“..if you said, ‘hey, you’ve used this thing for a month, what do you think?’ and 91% of them said it was more secure and 81% said it was more convenient, okay; now you’ve got something.”

Bob Reany, Mastercard EVP Identity Solutions

THE 'TRADITIONAL' CARD MARKET CONTINUES TO GROW

Total number of cards shipped
Units million

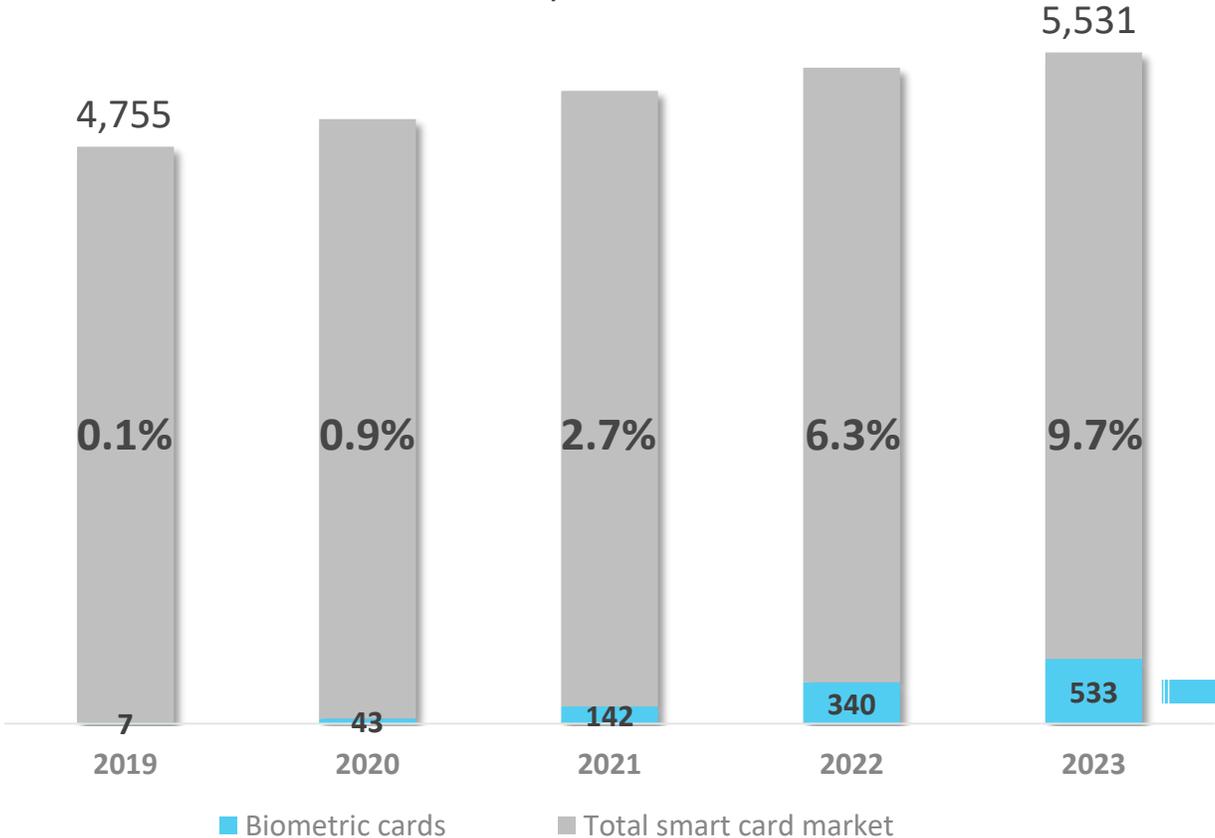


- Underlying growth in multiple card verticals is healthy
- Strong drivers of continued growth
 - Low cost set up and maintenance
 - Fast authentication speeds
 - Well-used and understood technology
 - Convenient for end-user
- Significant opportunity for biometric solutions

Source: ABI Research Smart Card Technologies; Goode Intelligence

CONSERVATIVE PENETRATION RATES FOR BIOMETRIC CARDS STILL RESULTS IN SIGNIFICANT VOLUMES

Total number of cards shipped
Units million; Biometric card penetration rate



"...By 2023, nearly 579 million biometric payment cards will be used globally to enable frictionless customer authentication for higher-value contactless transactions..."
Goode Intelligence, 2018

"...866m ... the estimated total addressable market for dual-interface cards by 2023..."
Edgar, Dunn & Company

Primary driver of penetration rate

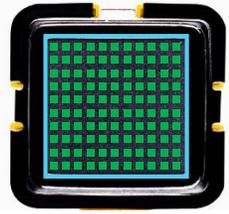
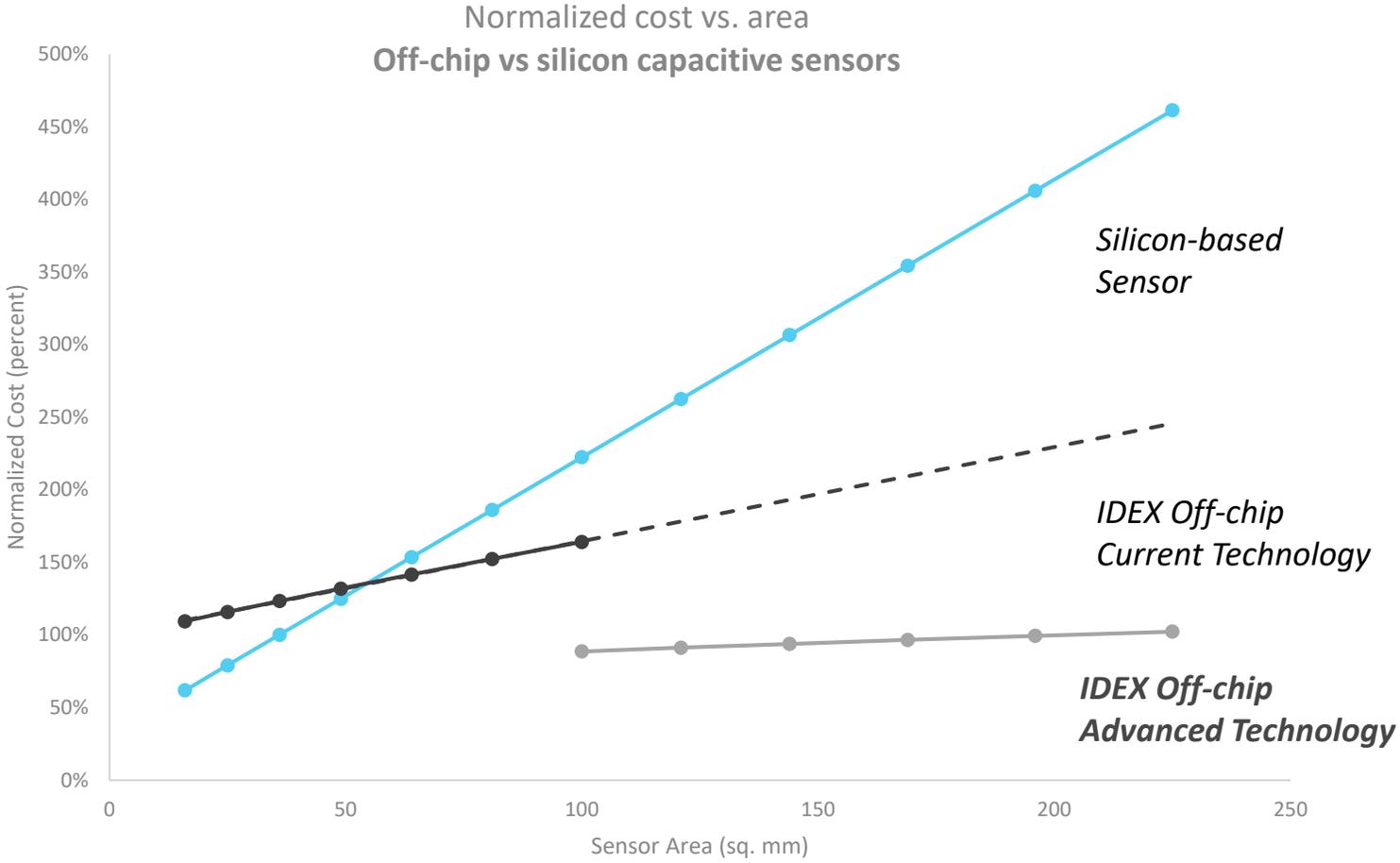
= COST

"The ones that can get their costs down are the ones that are going to win."
Bob Reany, Mastercard

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

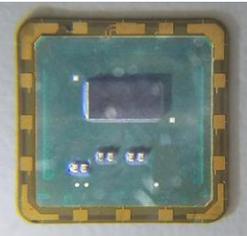


IDEX HAS A MARKET DISRUPTING COST ADVANTAGE



Silicon

- Silicon footprint linear with increase in size
- Silicon most costly component of sensor

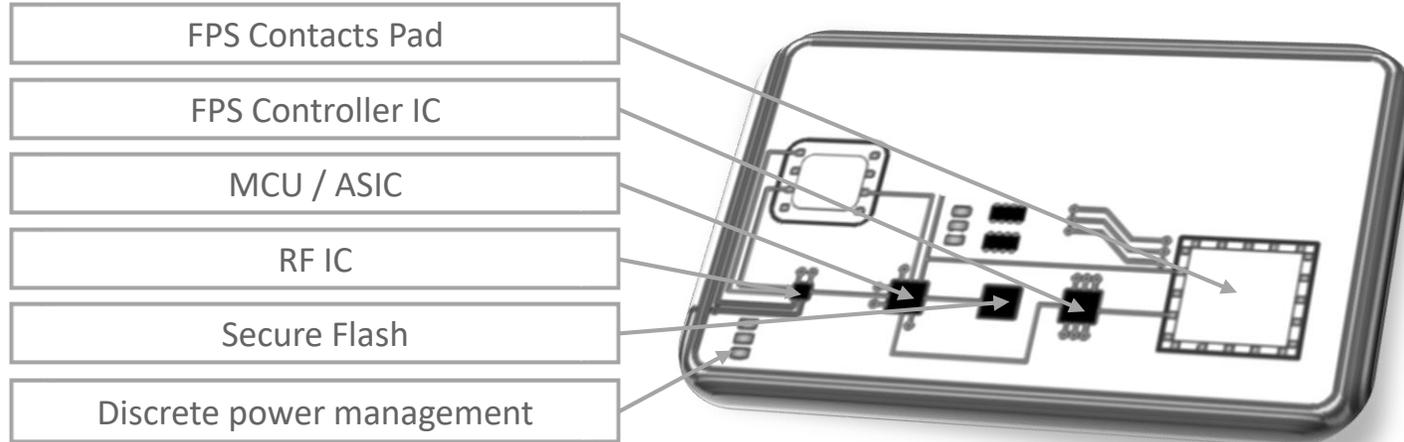


Advanced Off-chip Sensor

- Silicon footprint constant, common ASIC for all sensor sizes
- Reduced component count
- Optimized sensor technology enables larger sensors at even lower-cost

IDEX'S OFF-CHIP SENSOR ENABLES A FLEXIBLE, LOW COST SOLUTION

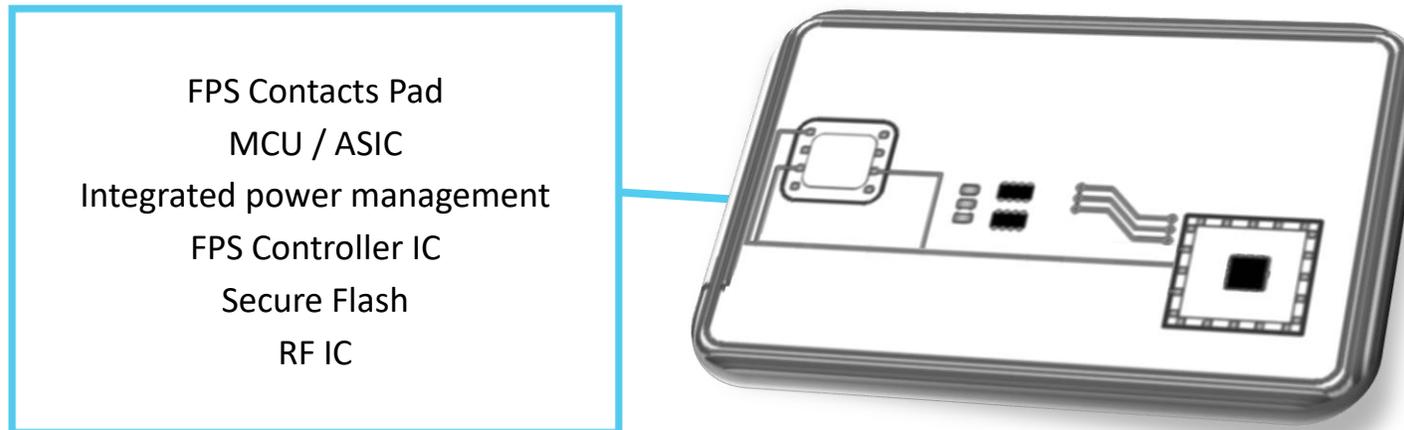
Conventional
silicon sensor



Discrete silicon sensing component

- Large number of supporting components
- Design complexity
- Complicates manufacturing
- Higher total cost

IDEX
off-chip
sensor



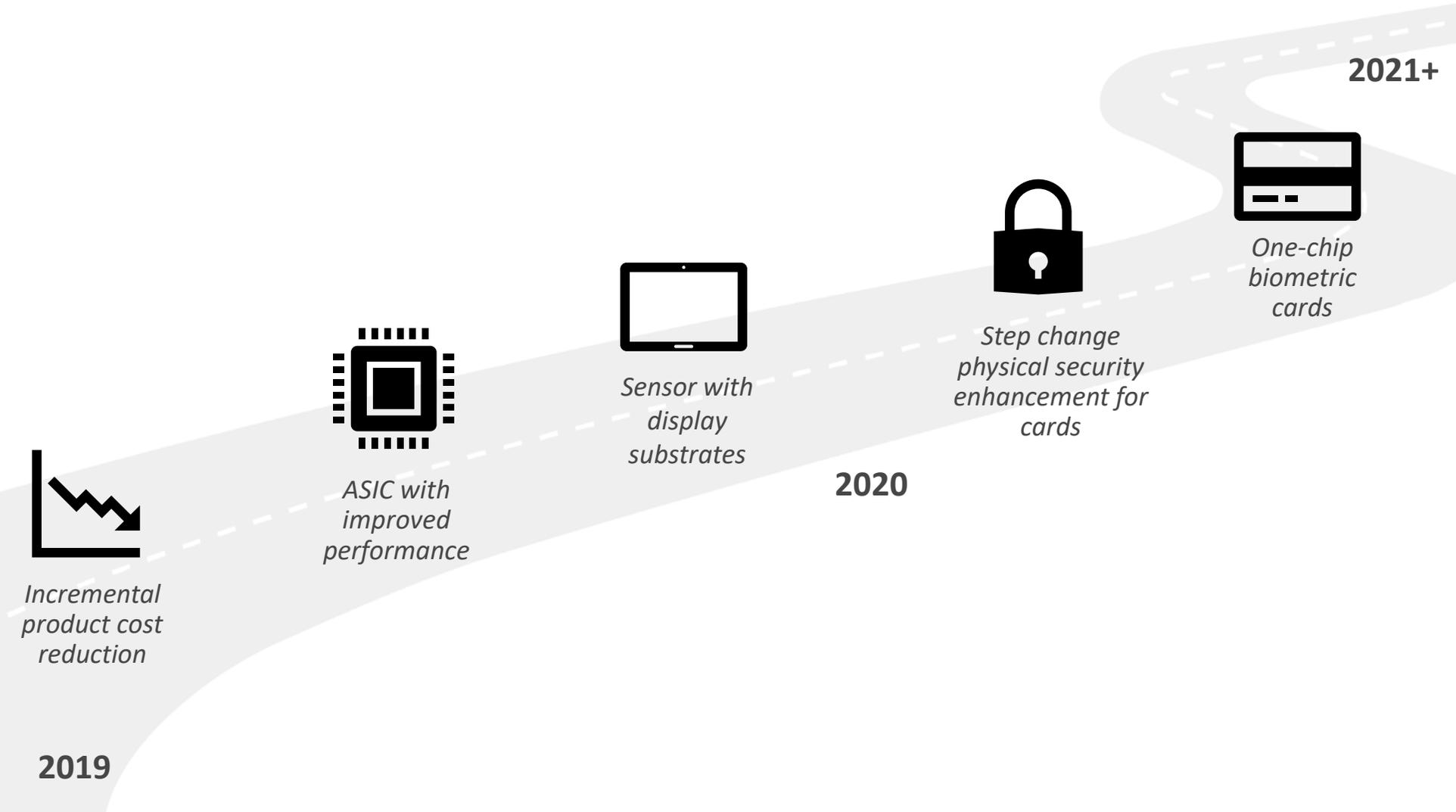
Integrated system solution

- Fewer components
- Simplified manufacturing
- Optimized biometric performance
- Optimal power efficiency
- **Lower total solution cost by several dollars**

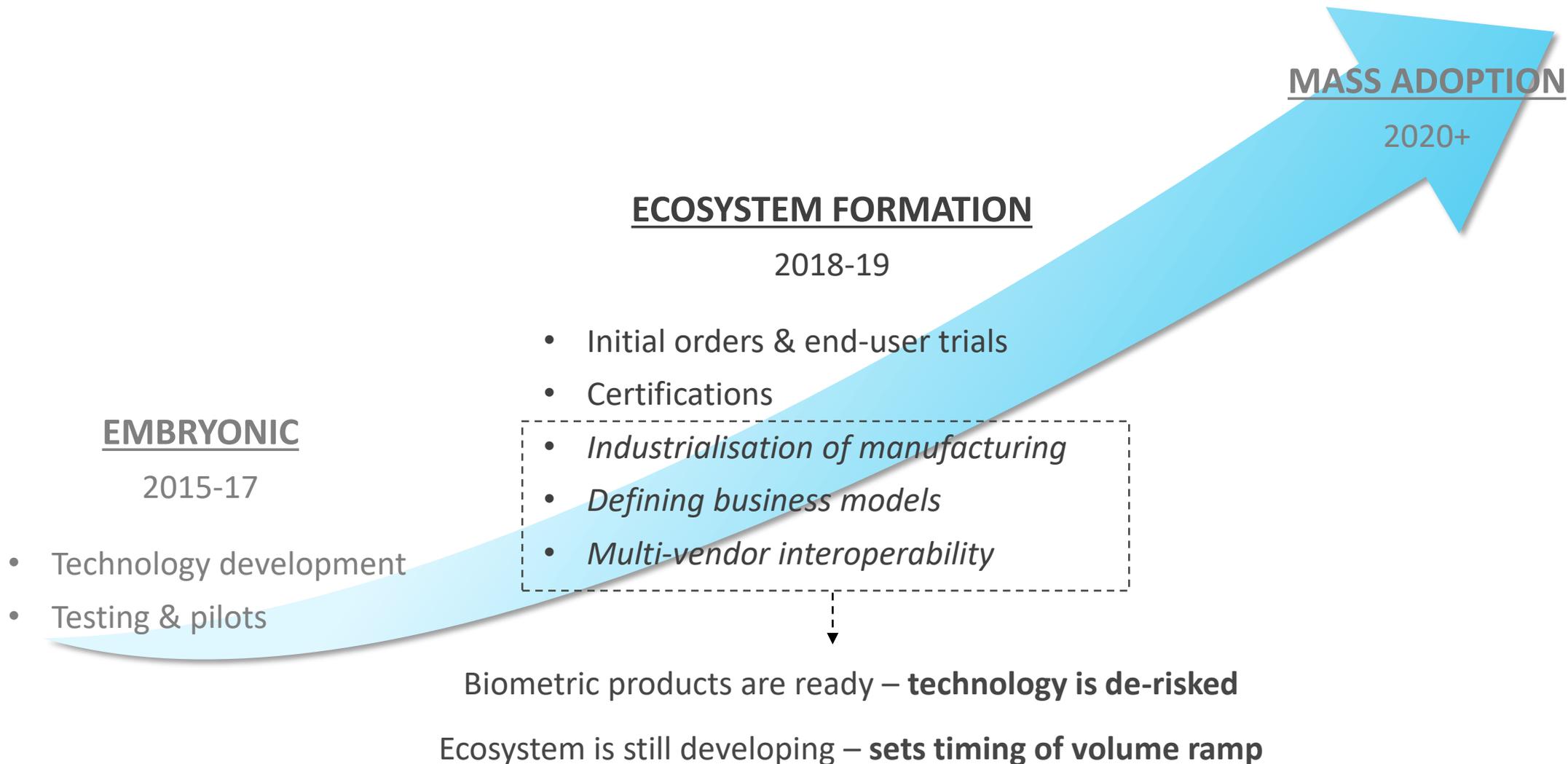
IDEX PRODUCT ROADMAP TO MARKET LEADERSHIP

Objectives

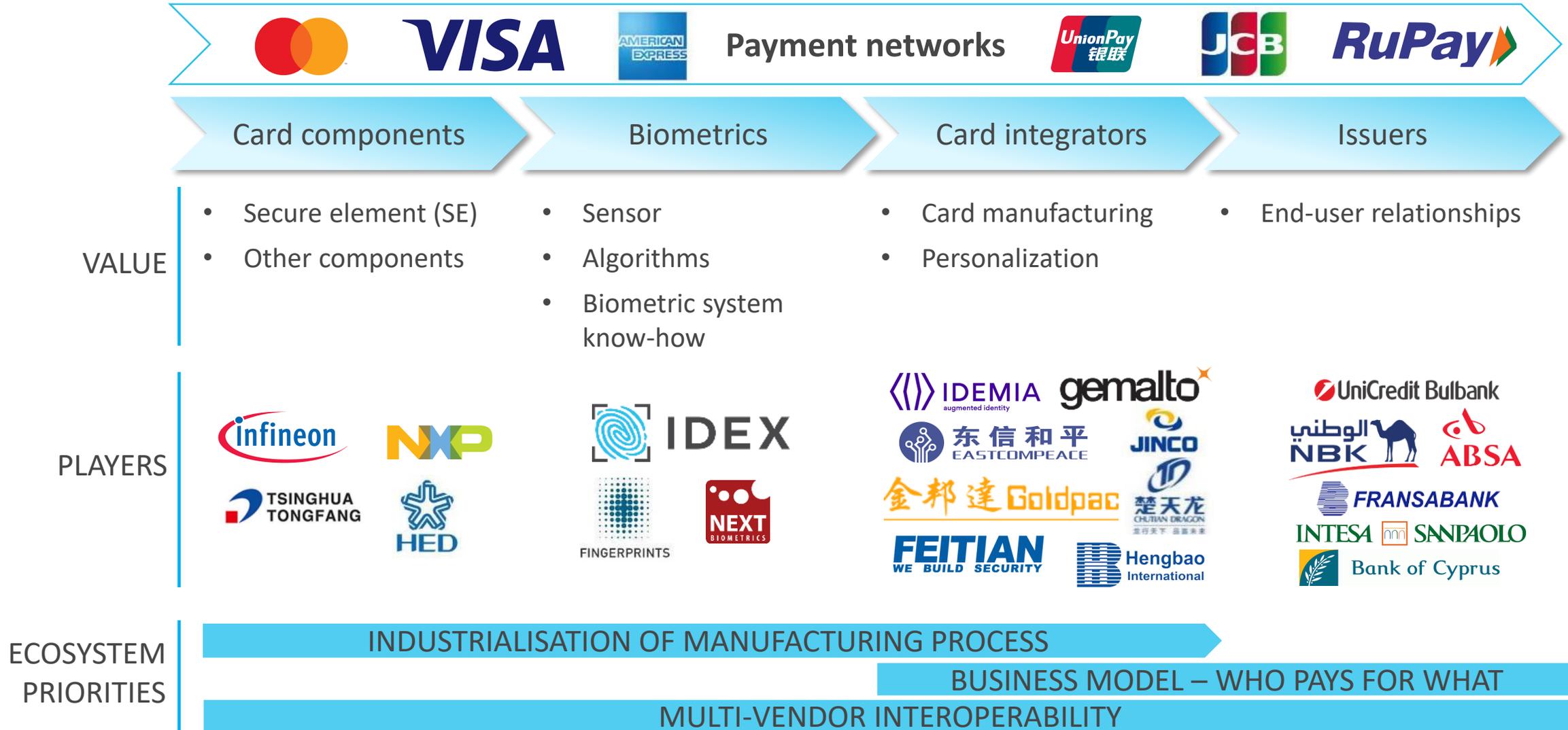
- 1. **Significantly reduced cost:** architecture and leverage display technology
- 2. **Increased value in sensor:** consolidate smart card elements into biometric ASIC
- 3. **Enhanced security:** encryption, match on secure element



THE EVOLUTION OF AN EXCITING NEW MARKET



THE ECOSYSTEM FORMATION



IDEX IS POSITIONED FOR SUCCESS IN THE BIOMETRIC SMART CARD MARKET

Strategic advantage	Example
Unique sensor technology	<ul style="list-style-type: none">• Flexible off-chip sensor• Ability to leverage innovative industry technologies• Enables cost leadership
Full systems approach	<ul style="list-style-type: none">• Competency to integrate all card components• Card security design• Experienced team of innovators
Turnkey biometric solutions	<ul style="list-style-type: none">• Sensors, modules & silicon architecture• On-card enrollment• Complete biometric reference design hardware• Software: secure matcher, power management
Ecosystem partnerships	<ul style="list-style-type: none">• Issuers: Mastercard• Manufacturers: IDEMIA, Hengbao, JINCO, Feitian, Chutian, Excelsecu, Goldpac, XH Smart Tech• Technology partners: Infineon, HED, Visionox,
Innovation pipeline	<ul style="list-style-type: none">• Simplify architecture• Enhanced security• Display integration

ACCELERATING COMMERCIAL PIPELINE AS THE MARKET EVOLVES

- Strong interest globally from card integrators, card schemes and issuers
- Broad market interest from multiple verticals, including payment, ID, access control and other
- High confidence in ability to convert leads to orders
- Accelerated number of leads and active opportunities in Asia

***Over 30 qualified partners
globally in the last 6 months***

***16 active commercial
revenue opportunities***

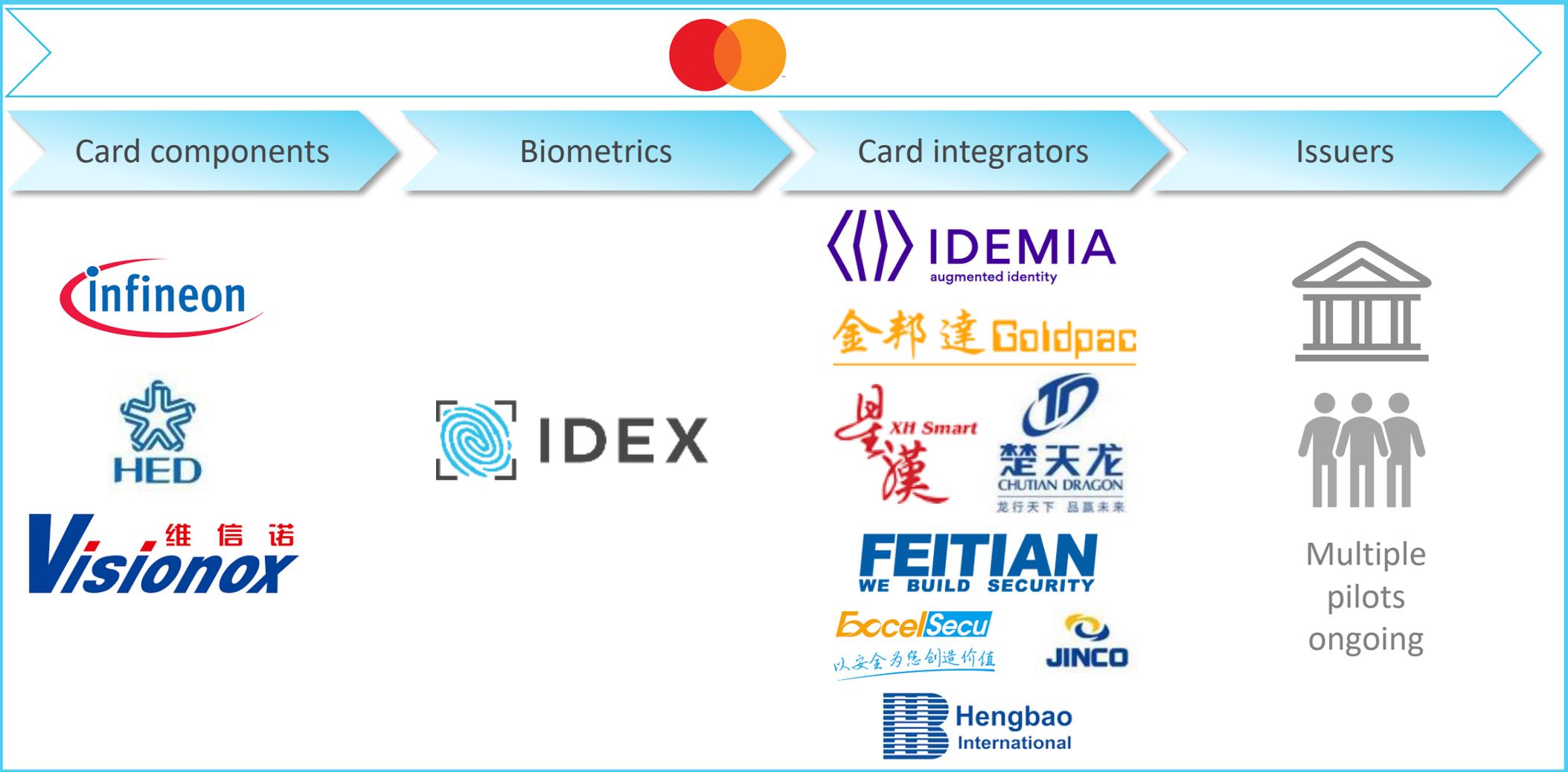
High growth of cards issued in China

*"... Year-on-year growth of issued cards in
China at 9.3% in 2017..."*

Source: China Union Pay – Report on the Development of China's Bank Card Industry

BUILDING SIGNIFICANT OPERATIONAL MOMENTUM INTO 2019

IDEX partnerships



- Driving ecosystem development
- Diversifying customer risk
- Cornering the Asian market
- Targeting new payment schemes
- Ongoing discussions with strategic equity partners

GROWING COMMERCIAL OPPORTUNITIES IN CHINA

Top card manufacturers in China by volume

- 1  **金邦達 Goldpac**
Certified by China Union Pay, VISA, JCB, MasterCard, American Express and Diners
- 2  **Giesecke & Devrient**
- 3  **Hengbao International**
Supports cards for payment network including Mastercard, China Union Pay, VISA, and JCB
- 4 
- 5  **东信和平 EASTCOMPEACE**
- 6  **楚天龙股份有限公司 CHUTIAN DRAGON CO.,LTD.**
Certified by CUP, MasterCard, VISA, AMEX and JCB and main supplier of China Social ID Cards
- 7  **中钞区块链 Zhong Chao**
- 8 

1.16 billion



China Union Pay cards ordered in 2017

IDEX partner (disclosed)

Source: Nilson report, 2017

SUMMARY AND OUTLOOK

Summary - good progress in Q4

- (✓) • Additional shipments in support of production order
- ✓ • New customers and eco-system partners in multiple verticals
- ✓ • Multiple pilots of dual-interface cards
- ✓ • Commercial launch of remote enroll
- ✓ • Continue to strengthen our intellectual property position

On track • Confident in dual-interface 'certification' and volume delivery by mid-2019

Outlook – confident of significant revenue opportunities in 2019

- Further evolution of the biometric smart card ecosystem; ongoing investments by major players in biometric solutions
- Pilots by several issuers using IDEX's dual-interface sensors
- New customers in multiple verticals
- Develop strategic partners in the smart card ecosystem



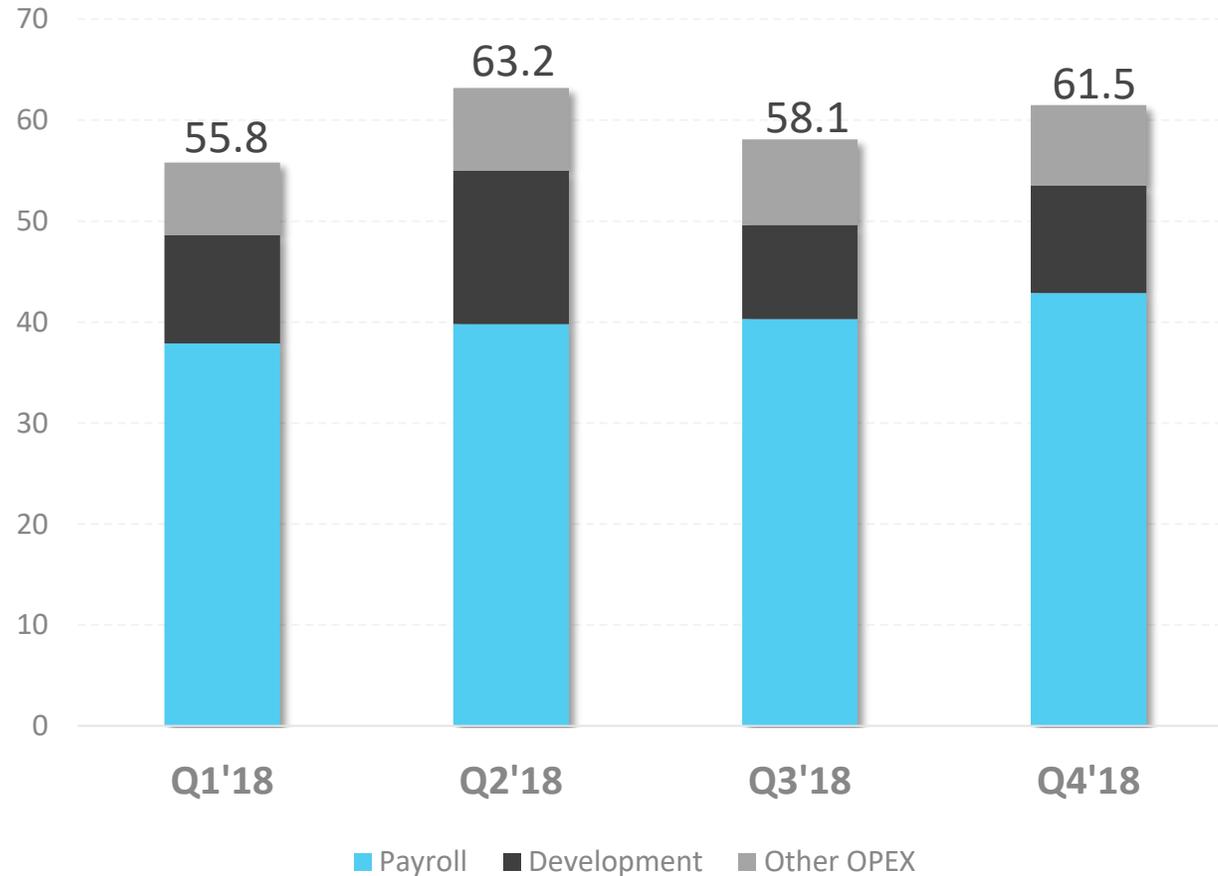
FINANCIAL UPDATE

Henrik Knudtzon, CFO



DISCIPLINED COST CONTROL

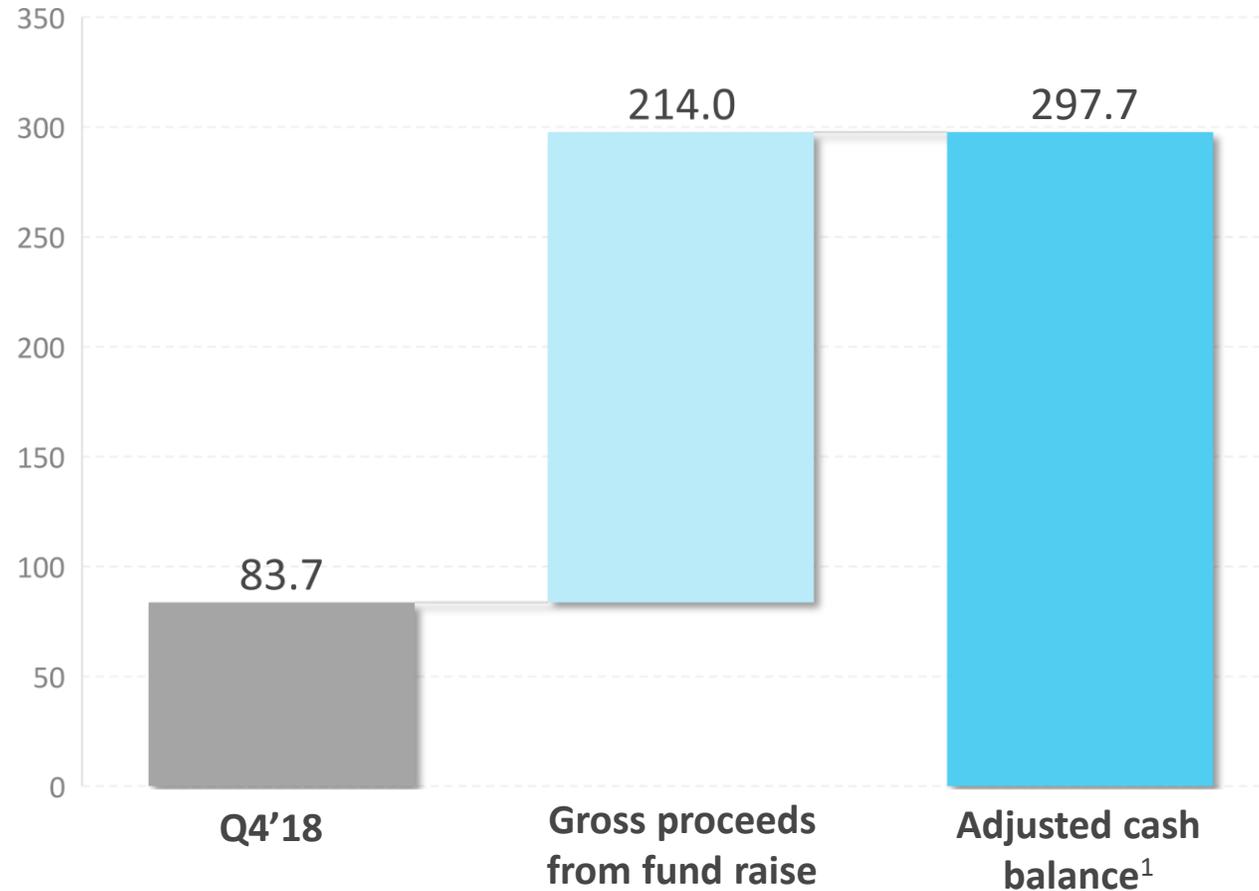
NOK million



- Significant revenue opportunities anticipated in 2019
- Stable OPEX levels in 2018 – expect similar cost base in 2019
- No planned growth in organization size; stable Development expenses and Other OPEX

CASH FLOW

NOK million



- Cash position expected to take IDEX to profitability
- Estimated break even at low-double-digit million units shipped
- Stable quarterly cost level expected for 2019
- No financial debt

¹Illustration of 2018 closing cash balance plus the cash from the fund raise

A photograph of a retail transaction in a clothing store. A woman in a black blazer is holding a payment terminal, and a customer in a denim jacket is using a card. The background shows clothing racks. A blue semi-transparent banner is overlaid on the image.

Q&A

