



Enabling NextGen Smart Cards for Payments & Card-based Applications

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IDEX Biometrics – The Next Generation of Payments



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Multi-billion Market Opportunity



Superior Biometric Performance



Disruptive System Costs



Capturing a Market Inflection Point

Highly Experienced Leadership Team



Vince Graziani
CEO



Catharina Eklöf
CCO



Jamie Simms
CFO



Stan Swearingen
SVP-Strategy



Anthony Eaton
CTO



Fred Benkley
SVP-Innovation



Chris Ludden
SVP-Engineering



The Case for Card-based Fingerprint Authentication

Challenges

Fraud

Security

User Convenience

Card Economics



Reduced fraud:

- ✓ Secure, high-value contactless transactions

Identity protection:

- ✓ Encrypted biometric data; stored only on the card

Ease of use:

- ✓ Simple, low-cost enrolment
- ✓ Seamless user experience

Economic benefits:

- ✓ New customer acquisition
- ✓ “Top of Wallet” effect
- ✓ Direct Monetization

The Opportunity



Rapid Scaling of Biometric Payment Cards

 Total market: ~5 Billion smart cards per year

- Includes all cards with secure element

 Addressable Market: payment cards

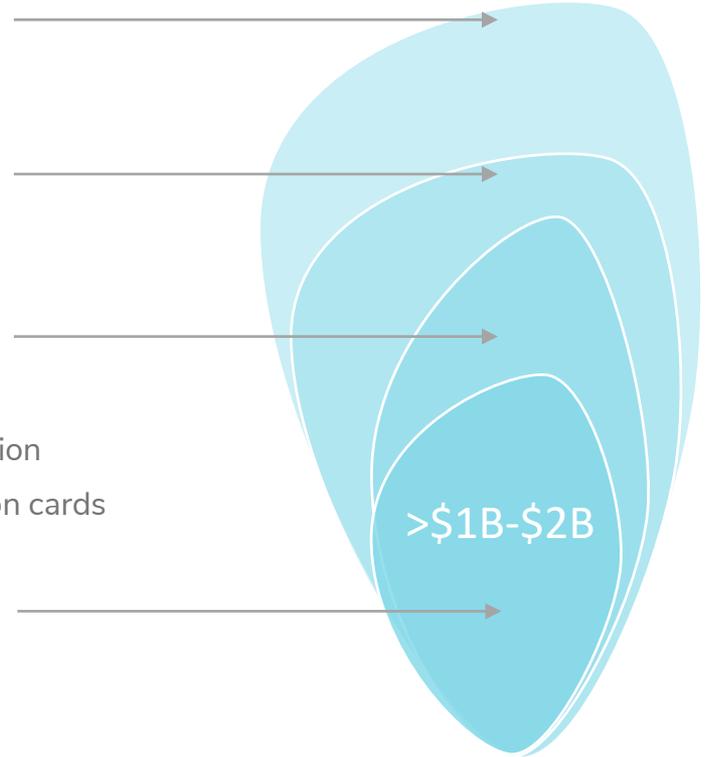
- >3.0 billion payment smart cards per year

 Serviceable Market: dual interface payment cards

- >1.9 billion contactless cards per year, growing at >8% CAGR
- Biometric penetration rate is rising faster than contactless adoption
- Forecasting 18% penetration by 2025, representing > 500 million cards

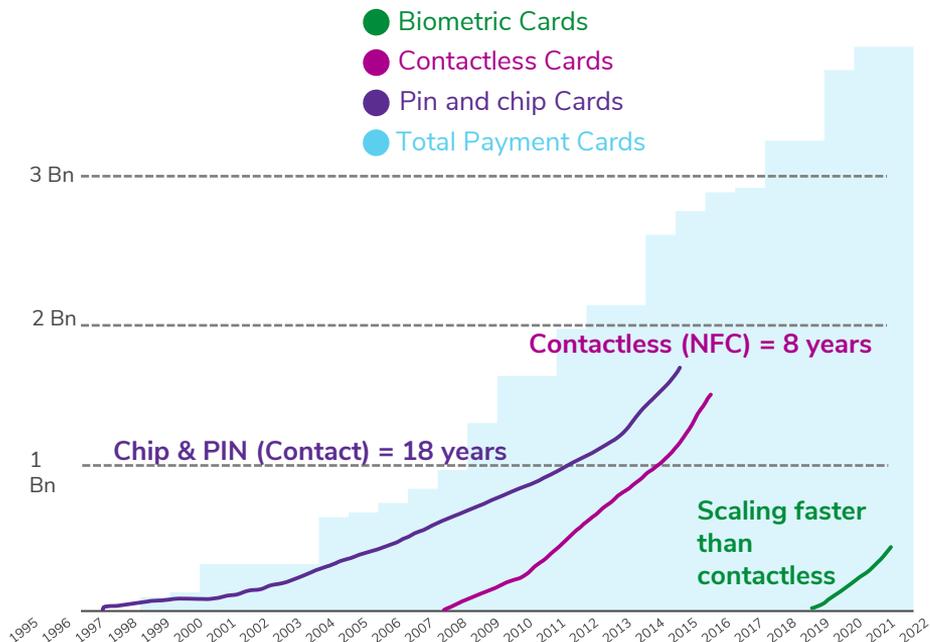
 Multi-Billion \$ SAM in payment cards alone

- Only two established competitors
- Market regulations limit threat of new low-cost competitors



Primary Target: Biometric Payment Cards

Yearly Issuance of Payment Card Types



2021: A Market Inflection Point

- 👉 Payment Infrastructure Already in Place
- 👉 Standards established and certifications in place
- 👉 Banks and issuers launching:
 - Started with BNP Paribas in 2021
 - Several Swedish banks launching in 2022
 - Expecting double digit bank launches globally in 2022

VISA



THALES



Goldpac

BNP PARIBAS
The bank for a changing world

China's Digital Currency Initiative Could Double our SAM

China's central bank and digital currency: e-CNY

- 🌀 >400 million people targeted by this central bank initiative (six participating regional banks)
- 🌀 Initial deployment for Winter Olympics 2022

Greater than \$1billion opportunity

- 🌀 Digital currency requires enhanced security
- 🌀 Secure off-line payment device: Hardware wallet



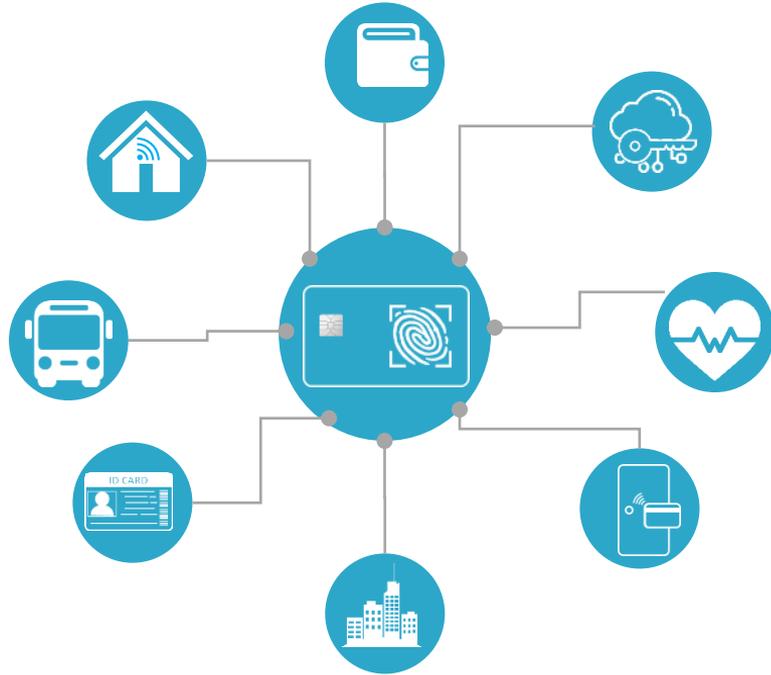
...IDEX partners engaged with all 6 regional banks;
two bank trials announced so far...



...enabled by major Chinese partnerships



Long-term Vision: Universal Security Device



An off-cloud personal security device to protect a range of mobile and internet applications

Biometrically-enabled cards secure a range of applications

-  Payment (card present and card not present)
-  Cybersecurity / Data Access
-  Access Control (Physical)
-  Central Bank Digital Currency (CBDC) wallet
-  Public Transportation / Ticketing
-  Healthcare and Government ID

Each application represents a multi-billion card opportunity



Competitive Advantage

Superior Technology Drives Differentiation



Disruptive card architecture



Disruptive cost



Performance leadership

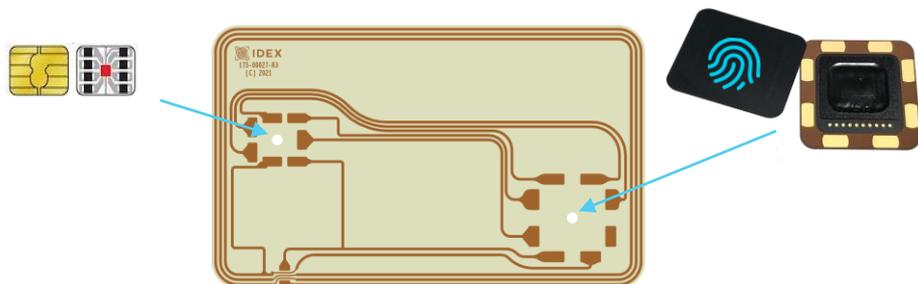


Versatile enrollment options



Flexible and comprehensive solution

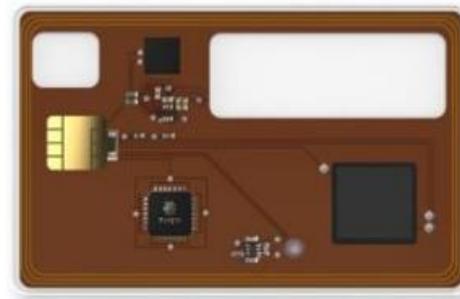
The TrustedBio Architectural Advantage



IDEX TrustedBio Card Architecture

- ✓ Simple Bill of Materials (BOM) driven by integration:
 - TrustedBio System in Package
 - EMVco – Certified Secure Element
- ✓ **Passive** card inlay = lower cost & improved yield

Total Card Cost: ~\$5



Commodity Sensor Card Architecture

- ✗ Complex Bill of Materials required:
 - Silicon Sensor
 - MCU: biometric processor
 - PMIC: power management
- ✗ **Active** card inlay with numerous components

Total Card Cost: >\$15

Infineon Partnership Enables Complete Solution

Accelerates time to revenue and improves margins

Infineon SLC38
Latest Generation
Secure Element

IDEX
TrustedBio Max



Turnkey Card Design
Complete Solution

Fully integrated design enables:

- Lowest cost profile of any solution
- Rapid time to market

Game changing performance:

- Biometric process time: ~250ms
- Total transaction time (with EMV):~500ms
- Market-leading False Reject Rate
- EMV Pre-certification

Infineon is the market share leader for security ICs globally

2021: A Pivotal Year for Commercialization

IDEMIA gaining significant market traction



Building order backlog and mass production order to support commercial launches in 2022

IDEX/Infineon platform with industry leading performance



Infineon is the world's leading provider of secure elements.

6 new design wins since launch

Network certification for IDEX solutions



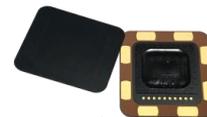
Rapid adoption of leading card makers and issuers

Unlocking another \$1B+ SAM: e-CNY



e-CNY biometric Hard Wallet roll-out anticipated in 2H 2022

Staying ahead of competition



TrustedBio MAX™: The most advanced and integrated biometric payment solution ever created

Financial Profile



Q4 2021 Financial Summary

Revenue trends remain positive

- Continued growth in payments
- Sustained shipments for logical access
- First shipments for Cyber/Access control

Sequential expense fluctuation:

- ~\$1.2M FX accounting – non-cash
- ESPP charge (non-cash)
- Achievement-based compensation accrual
- Transition from R&D to Commercial focus

Cash balance

- \$33.8 million as of December 31

Summary Profit & Loss Statement (\$000)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Product	\$ 787	\$ 731	\$ 696	\$ 623	\$ 593
Services	-	1	1	1	5
Total Revenue	787	732	697	624	598
Purchases, net of inventory change	430	300	304	220	178
Payroll expenses	6,280	5,044	4,682	5,101	5,206
Research and development expenses	532	659	881	608	(144)
Other operating expenses	2,142	1,729	1,763	1,713	2,157
Depreciation and amortization	428	460	460	454	439
Total Operating expenses	9,812	8,192	8,090	8,096	7,836
Loss from operations	\$ (9,025)	\$ (7,460)	\$ (7,393)	\$ (7,472)	\$ (7,238)

Strong Operating Leverage in Long-term Model

Potential for extraordinary revenue growth

- ✓ Expanding opportunity pipeline
- ✓ Rapidly increasing backlog and pending design wins

Target Operating Model at Scale:

- ✓ Scalable fabless semiconductor model
- ✓ 50%+ gross margins
 - Consistent with fabless model
 - Reflects differentiation and solution cost leadership
- ✓ ~30% operating margins
- ✓ Scalable for sustained cash flow
 - Concentrated customer base limits channel expenses
 - Low CapEx and leveraged OpEx



Summary



IDEX Biometrics – Differentiated and Disruptive



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Massive Addressable Market: Payment cards, Cybersecurity / Data Access, Digital Currencies, and other adjacent markets



Superior Biometric Performance: Enabling a secure and seamless user experience at ground-breaking transaction speeds



Disruptive System Costs: Unique sensor architecture enables high integration and lowest possible cost



Capturing a Market Inflection Point: Commercial engagements with industry leaders driving market adoption

Thank you!

