



Enabling NextGen Smart Cards for Payments & Card-based Applications

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Oslo Børs: IDEX Nasdaq: IDBA

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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

The Case for Card-based Fingerprint Authentication

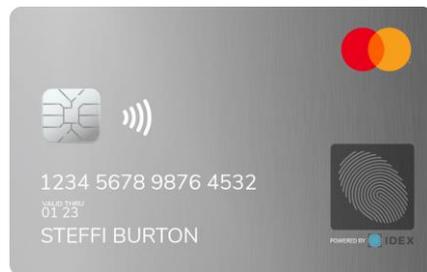
Challenges

User Experience

Security

Fraud

Card Economics



Ease of use:

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

Identity protection:

- ✓ Encrypted biometric data;
stored only on the card

Fraud mitigation:

- ✓ Secure, high-value
contactless transactions

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

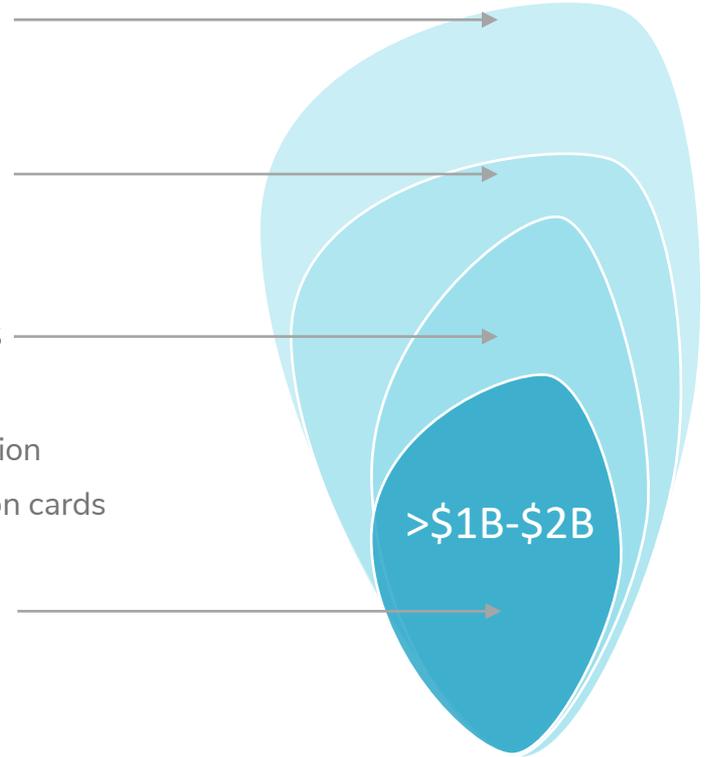
- >3.0 billion payment smart cards per year

Serviceable Market: dual interface payment cards

- >2 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



Recent Biometric Payment Cards Launches by IDEMIA

ROCKER

- Rocker Touch Visa card launched February
 - Successful deployment, demand > expectations
 - Based on IDEMIA F.CODE, utilizing TrustedBio sensor
- Available to all customers, but positioned as premium package
 - Monthly fee of approximately \$10
- ICMA 2022 Elan Awards
 - Finalist: Leader in Card Innovation

‘Enrolment was super easy. Worryless! No code. No problem.’

Serentiy899,
Rocker customer



‘Proud to pioneer biometric payment cards. Next card generation surely is here.’

Maxipaxii,
Rocker customer

manager.one

- Visa corporate payment card launched April
 - Innovative, online expense management application for businesses
 - 50-100 account openings per day
 - Based on IDEMIA F.CODE, utilizing TrustedBio sensor
- Collaboration of Banque Wormser Freres and software developer SaGa Corp.



‘The use of biometrics improves the security of our users and offers them a new experience in their act of purchase’

Adrien Touati, Co-founder,
manager.one

Accelerating Launch Activity



Europe

- > Six major bank launches in 2022
- ~100M biometric cards TAM in 2025
- Acceleration driven by challenger banks
- Preference for contactless (hygiene)

Asia-Pacific

- **Payment and Access programs**
- India, Japan, Korea, Malaysia, Vietnam
- ~120M biometric cards TAM in 2025
- Regulatory (Governmental ID) driving use cases

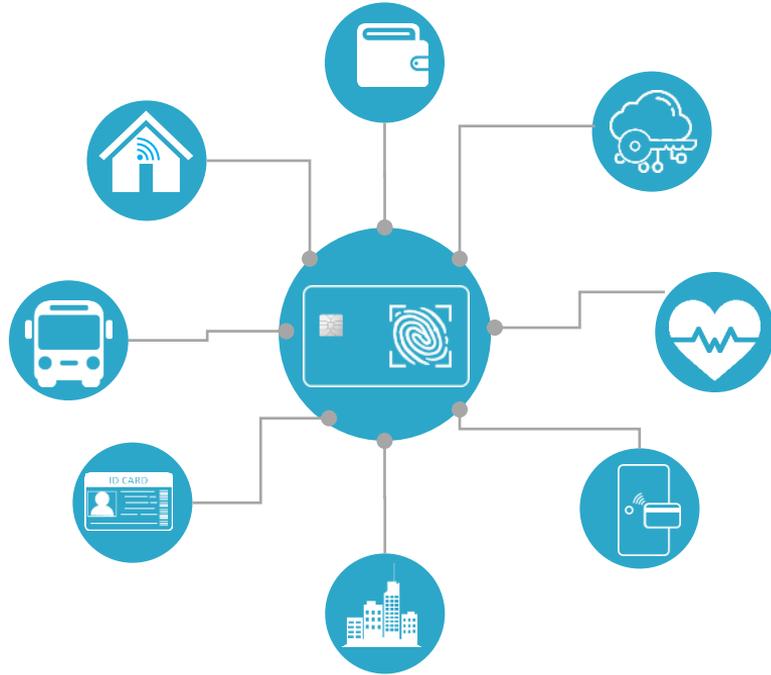
Latin & South America

- **Brazil & Mexico launches in pipeline**
- Crypto hard wallets
- Hygiene and security concerns
- Regulatory policies driving use case

Middle East & Africa

- > 10 launches in pipeline
- Fraud and convenience driving demand
- Focusing on affluent segments
- Additional ID authentication use cases

Long-term Vision: Universal Security Device



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

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

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



IDEX Enables Seamless Customer Experience

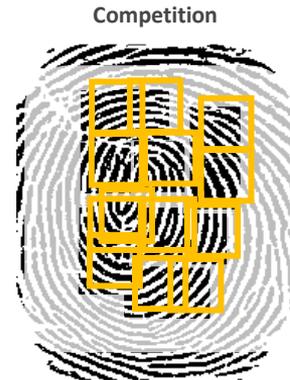
Enrolment is critical for market scaling

- 1 < 6 touches to enroll
- 2 Industry-leading anti-spoof
- 3 End to end transaction is ½ sec
- 4 Performance exceeding Visa and MasterCard requirements

Larger sensors improve user experience



6 Touch enroll



13 Touch enroll for equivalent coverage

Our Turnkey Solution Is Accelerating Development

Infineon SLC38
Latest Generation
Secure Element

IDEX
TrustedBio Max



Turnkey Card Design Complete Solution

- Full solution includes proprietary COS and custom inlay
- Six confirmed design wins coming to market
- Six additional new designs in the pipeline
- Combined contactless card volumes > 1.5 billion cards



Largest system integrator in Japan
Payment cards and Digital Access cards



DONGWOON
ANATECH
UBIVELOX Payment cards and Digital Access
across SEA – TAM > 5MN cards



E K A R T Turkey is Europe's largest payment
market, with 260M cards



MK smart
Smart Digital Security Top 10 card manufacturer globally;
certified by VISA, Mastercard, CUP, JCB



In development with one of India's
leading manufacturers for RuPay



Smart card manufacturers in development with IDEX Turnkey

Ecosystem Partners are Key to Sales Strategy

IDEX works jointly with partners to drive demand across the value chain



- IDEX and technology partners
- Drive design-wins with card manufactures
 - Enable biometric card manufacturing

- IDEX and card manufacturing partners
- Drive demand with Banks and Issuers
 - Enable personalization bureaus and processors to support biometric cards

Through our partners IDEX can address greater than 70% of the payment card market



Performance Highlight



Q1 2022 Highlights



Bank Launches

3 commercial launches



manager.one



>10 launches planned for '22

Certified Biometric Cards

3 cards in production



Design Wins for IDEX/Infineon Solution



6 new cards coming to market in '22



Q1 2022 Financial Summary

-  Revenue trends remain positive
 - Continued growth in payments
 - Sustained shipments for logical access
 - First shipments for Cyber/Access control
-  Sequential expense fluctuation:
 - No R&D grants in Q122
 - Transition from R&D to Commercial focus
-  Cash balance
 - \$25.5 million as of March 31

Summary Profit & Loss (\$ 000)	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Product	989	787	731	696	623
Services	-	-	1	1	1
Total Revenue	\$ 989	\$ 787	\$ 732	\$ 697	\$ 624
Cost of Materials	676	430	300	304	220
Compensation and benefits	4,978	6,280	5 044	4 682	5 101
Research and development	1,029	532	659	881	608
Other operating expenses	1,938	2,142	1 729	1 763	1 713
Depreciation and amortization	369	428	460	460	454
Total operating expenses	8,990	9,812	8 192	8 090	8 096
Loss from operations	\$ (8,001)	\$ (9,025)	\$ (7,460)	\$ (7,393)	\$ (7,472)

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
- ✓ Long-term goal of 50%+ gross margins
 - Consistent with fabless model
 - Reflects differentiation and solution cost leadership
- ✓ Long-term goal of 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

Thank you!

