IDEX ASA

Enabling the mass market for secure ID

IDEX
THE ID OF YOU

April 2013
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IDEX VISION

Secure and Simple ID by biometric authentication of every device you own

IDEX MISSION

To be the leading supplier of fingerprint sensor technology for the mass market

IDEX BUSINESS PROPOSITION

1. Demand for fingerprint sensors is on the cusp of explosive growth to a $multi-billion mass market driven by smartphone adoption
2. Precedence on core patents for best in class sensor technology enabling low cost, secure & accurate fingerprint recognition
3. Transformation of market by Apple: 80% of smartphone market addressable by only IDEX and 2 other principal vendors
4. Only sensor technology for emerging ID and smart card market

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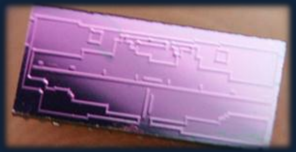
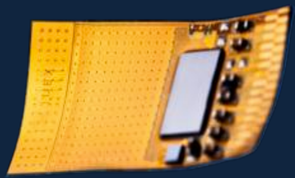
IDEX' OFFERING: SMARTFINGER®

LOW COST



ACCURATE & SECURE



THIN & FLEXIBLE

IDEX POSITIONED FOR GROWTH

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Pioneering sensor IP	*Core patent era*	*SmartFinger® Technology*	*Productisation for Cards*	*Commercialisation for mobile and cards*
1996-1999	**2000-2007**	**2008-2009**	**2010-2012**	**2013 -**
Swipe sensor patent **Fingerprint sensor demonstrator**	Key patents Cross licensing ST, UPEK & IDEX	**Silicon sensor** **Polymer sensor R&D**	Listed Oslo Axess Card demonstrator Volume MOUs for cards and bag locks	**Strengthened leadership team** **Mobile comms partnership** **Mass market cost & manufacturing set up**

>$50M invested in **best in class** fingerprint sensor technology

Key originators:
IDEX, AuthenTec, ST, UPEK, Fingerprint Cards, Infineon, Fujitsu, Sony, Atmel, Hitachi, NEC, Atrua, Veridicom

Remaining vendors:
Apple acquire Authentec (UPEK)
IDEX, Fingerprint Cards, Validity

Multiple sensor technologies:
Capacitive, optical, thermal, pressure

Surviving mass market technology:
Capacitive: deployed in volume

TRANSFORMATION OF IDEX OPPORTUNITY

APPLE ACQUIRES FINGERPRINT SENSOR LEADER AUTHENTEC $356M IN 2012 TRANSFORMING DEMAND

IDEX HAS PATENT XLICENCE WITH AUTHENTEC

AUTHENTEC SUPPLIED TIER ONE OEMS: NOW CAPTIVE

IDEX ONE OF ONLY THREE SENSOR VENDORS INTO THE NON-APPLE MOBILE HANDSET MARKET

IDEX IS UNIQUELY POSITIONED WITH FUNDAMENTAL IP

FINGERPRINT SENSORS EXPECTED TO FOLLOW CAMERA MASS ADOPTION MODEL

LOW COST <$1 ENABLING NEW SECURE APPLICATIONS

Biometrics
Login to the future
The ID of you

IDEX
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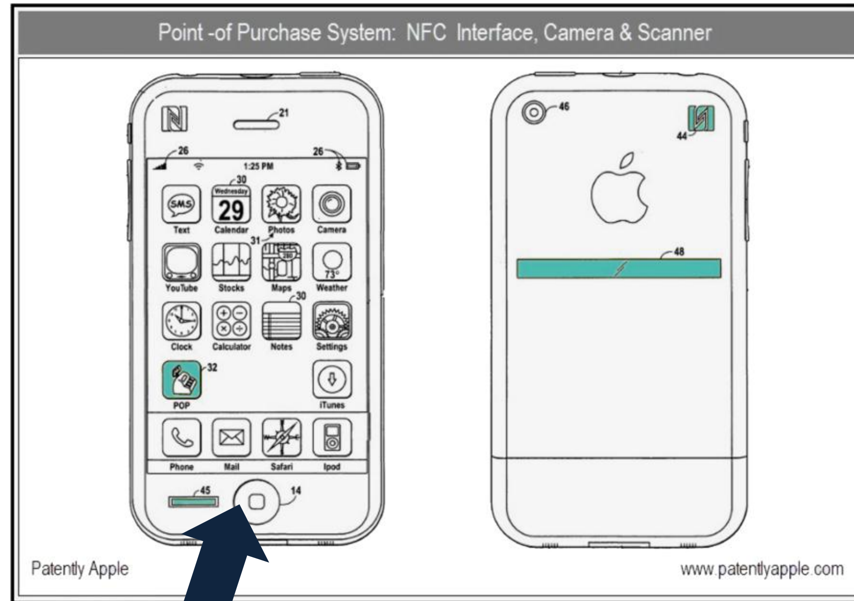
THE GAMECHANGER: APPLE’S PLANS?

- **Fingerprint-sensor in mobile devices:**
  - *Unlock phone*
  - *Authentication of the user*
  - *Mobile Payments*
  - *Bring-Your-Own-Device (BYOD)*
  - *Personalization of services*



NOW: HOME BUTTON SENSOR

NEXT: “HOLY GRAIL”
IMAGING THROUGH GLASS

ONLY IDEX patented technology enables the sensor IN the screen

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IDEX GO TO MARKET STRATEGY

New MASS market services enabled by low cost biometric authentication

MOBILE
DEVICES

IDEX
partnerships

CARDS
ID &
SMART

INTERNET
OF
THINGS

Leverage uniquely strong IP and patent portfolio: safe haven

Proven low cost, thin, secure and accurate sensors and algorithms

Strengthened leadership team to deliver commercial exploitation

Developing major global OEM partners for mass market scaling

Limited competitors with high barrier to entry in a large market

IDEX MASS MARKET OPPORTUNITY

THE BILLION DOLLAR PLAY:

"Identity is the new money"

David Birch, UK consultant and media personality

"Your smartphone will be your wallet and biometrics will keep your valuable information secure"

Daniel Burrus, leading futurist on tech trends

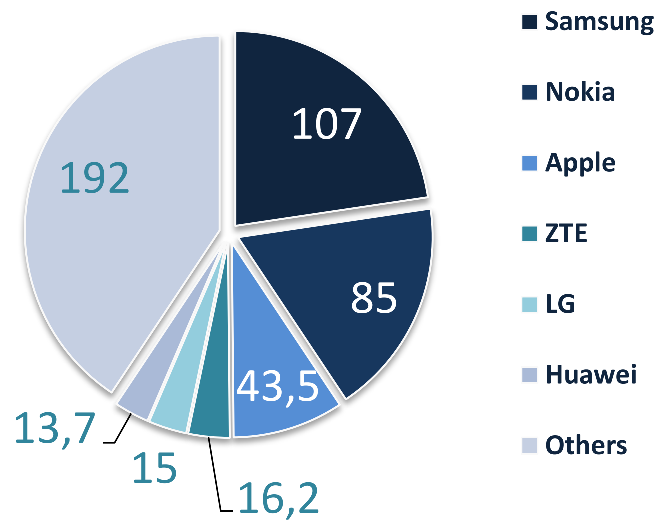
- ***Smartphones*** **1.2B shipments** by **2015**
- **tabs/PC 0.75B 2013**

- **Non telecom cards 2.2B shipments 2013**

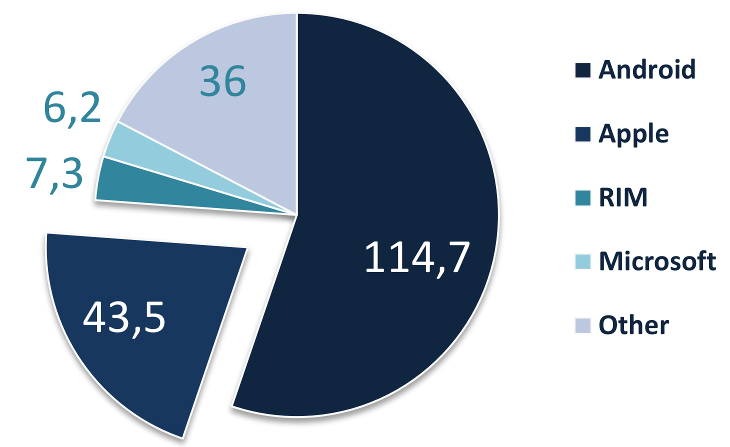
- ***Internet of Things*** **25B connected** by **2015**

MOBILE PHONE MARKET SCALE

Mobile Sales by volume Q4 12



Smartphone Sales by volume Q4 12



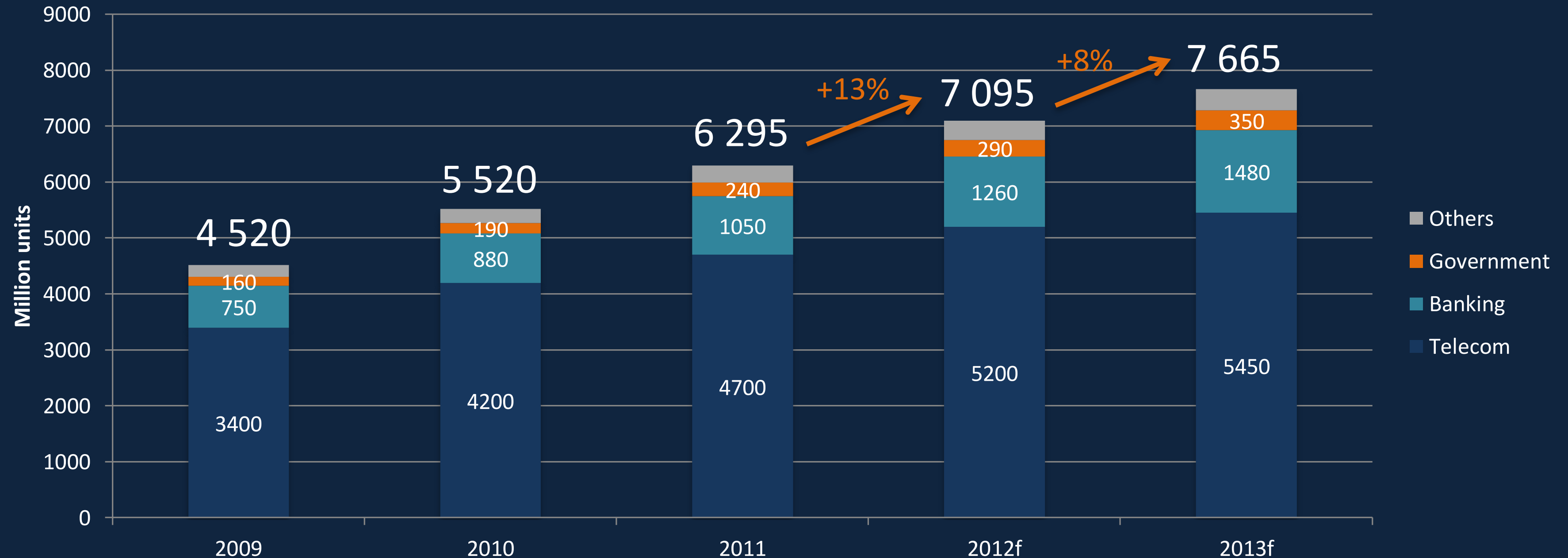
1.75B mobile phones 2012 (Gartner)
2.25B forecast 2017 (IDC)
Rapid smartphone penetration majority now to ~70% in 2017
>80% forecast share not captive to Apple

1.2 Billion unit market accessible by IDEX in 2017

NEXT: ID AND SMART CARD REVOLUTION

- **Security and privacy in the digital world**
- **IDEX SmartFinger Film®; the only biometric sensor thin enough to comply to ID/smartcard form factors**

Eurosmart Secure Device shipments estimates



THE FUTURE FOR IDEX

- **Mobile communications**
  - *Unprecedented Billion unit market catalysed by Apple acquisition*
  - *Apple transforms sensor market but restricts supply internally*
  - *Other handset manufacturers rapidly developing smartphones with sensors*
  - *80% market available: IDEX strong position with core patents & Apple Xlicence*
  - *Terms agreed with a global mobile comms partner in Q1 13*

- **Cards: ID and contactless**
  - *Only IDEX offer thin form factor meeting Card standards*
  - *MOU for China wide ID Q4 2012; forecast $6M 2014, immense volume 2015*
  - *Gemalto: largest card manufacturer; e-Go consortium "touch access"*
  - *Multiple other partners*

- **Internet of things:**
  - *OEM Contract for tier 1 bag lock program Q4 2012; volumes expected 2014*
  - *Future Electronics: fourth largest electronics distributor; IDEX global channel*
  - *Multiple other partners*

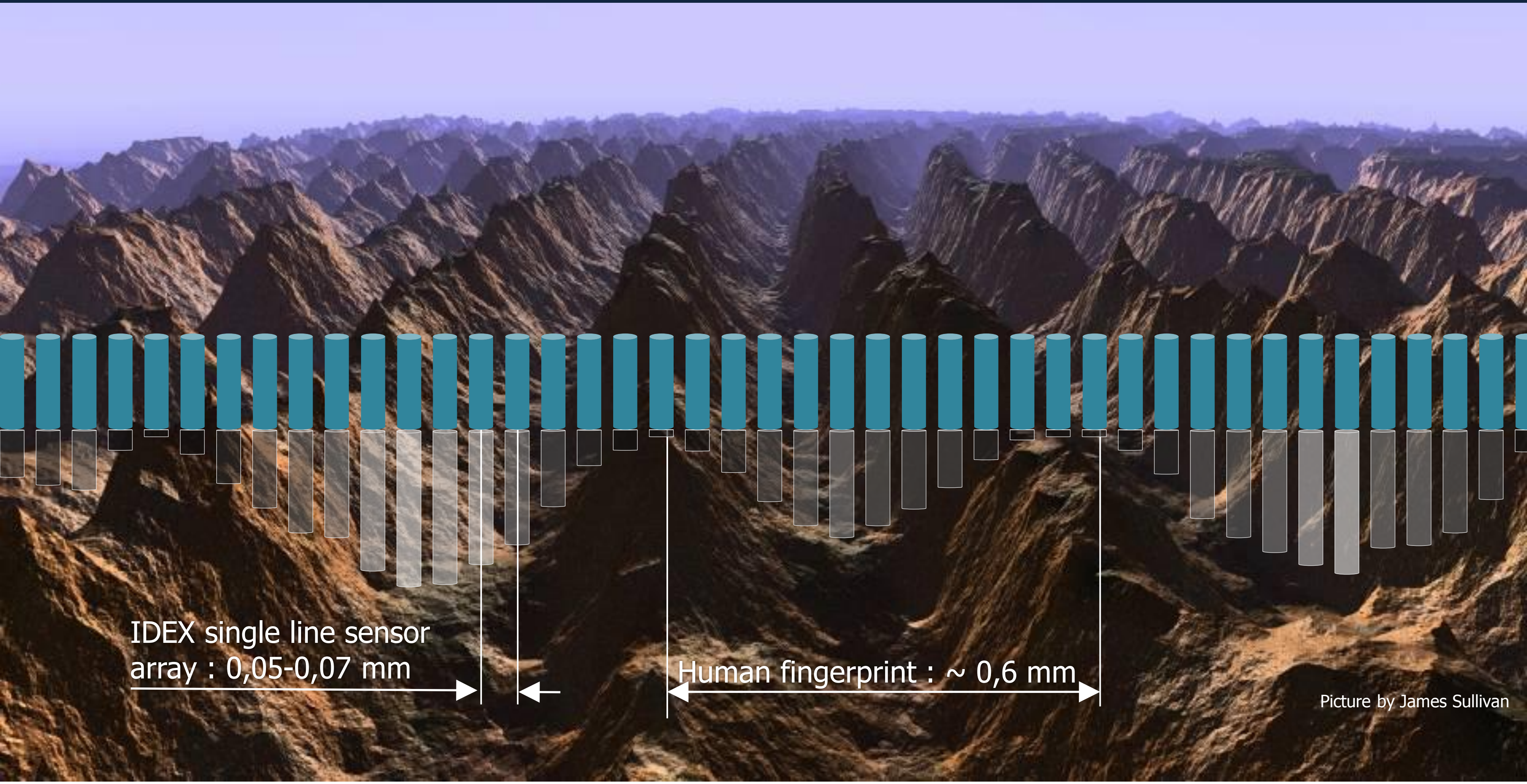
IDEX CORE PATENT STRENGTH

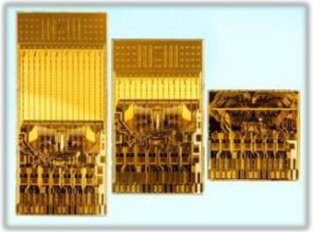
- **IDEX** most complete patent portfolio in capacitive fingerprint sensing outside **Apple**
- "First-to-file" patents covering **the fundamentals of these low cost sensors**
- **14 patent families granted and 3 in filing since 1997**
- **IDEX** patents have been assessed and verified in a litigation between **IDEX** and **UPEK** (acquired by AuthenTec)/**ST Microelectronics and a cross licence agreed**

IDEX fundamental patent coverage vs competitors is highly attractive to customers

CORE PATENTS	IDEX	APPLE/AUTHENTEC	APPLICATION
ON THE FLY IMAGE RECONSTRUCTION	✓	✓	Most accurate fingerprint matching with swipe sensor
ANY MATERIAL SENSOR	✓	X	Thinnest, flexible sensor in multiple form factors
THROUGH MATERIAL SENSING (VIAS)	✓	X	Sensor IN glass screen
ACTIVE ELECTRODE	✓	✓	Fundamental to low cost , small swipe and touch sensors

THE LANDSCAPE WE EXPLORE

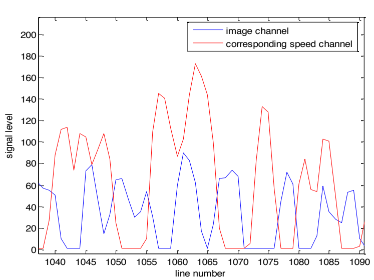


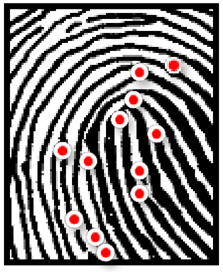


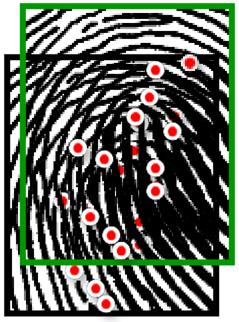
IDEX OFFERS A COMPLETE RECOGNITION SOLUTION

- **SmartFinger**® offers unsurpassed image quality and biometric performance
- On the fly imaging: wide range of finger swipe speeds, directions and movement
- Sensing through material including glass using VIAS
- Thinnest sensor in flexible materials: only sensor meeting form factor for cards
- Protected by extensive patent portfolio

SmartFinger® sensor	Image Algorithm	Processing	Secure chip	
Acquire fingerprint data →	**Reconstruct image** →	**Extract features** →	**Match vs. template** →	**YES/NO**







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IDEX SENSOR COMPETITIVE ADVANTAGE

KEY BENEFIT	FEATURE	IDEX	Company A	Company B
SENSOR CARD INTEGRATION	Ultrathin Flexible sensor	***	x	**
SENSOR MOBILE DEVICE INTEGRATION	Small sized, low pin count surface mount sensor	***	**	x
SINGLE LINE, ROBUST ON-THE-FLY IMAGING	Algorithm handles varying finger directions and movements	***	x	**
BIOMETRIC PERFORMANCE	Image quality: lowest false rejection/false acceptance	***	**	**
ON-DEVICE SECURITY	Compact algorithm allows secure on-device authentication	***	x	x
TOUCH-SCREEN IMPLEMENTATION	Sensor-IN-glass solution	***	x	x
LOW POWER COSUMPTION	Low power fingerprint imaging and processing	***	***	*

IDEX best in class technology for low cost mobile devices and cards

IDEX MASS MARKET OPPORTUNITY

2015

Consumer Electronics Cards Other markets

1 billion Consumer Electronics with fingerprint sensors sold ,
ASP 1,1 USD

(Consumer electronics includes smart phones, tablets, laptops, gaming consoles etc)

150 million cards, ASP 2,5 USD

130 million other devices, ASP 4,5 USD

Total Industry Revenue 2,0 Billion USD

2017

1,5 billion CE with fingerprint sensor sold ,
ASP 0,9 USD

700 million cards,
ASP 2 USD

400 million other devices,
ASP 3 USD

Total Industry Revenue 3,95 Billion USD

IDEX mass market volumes expected 2014; design wins 2012/2013
IDEX positioned for significant market share as one of three vendors

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IDEX INVESTMENT PROPOSITION

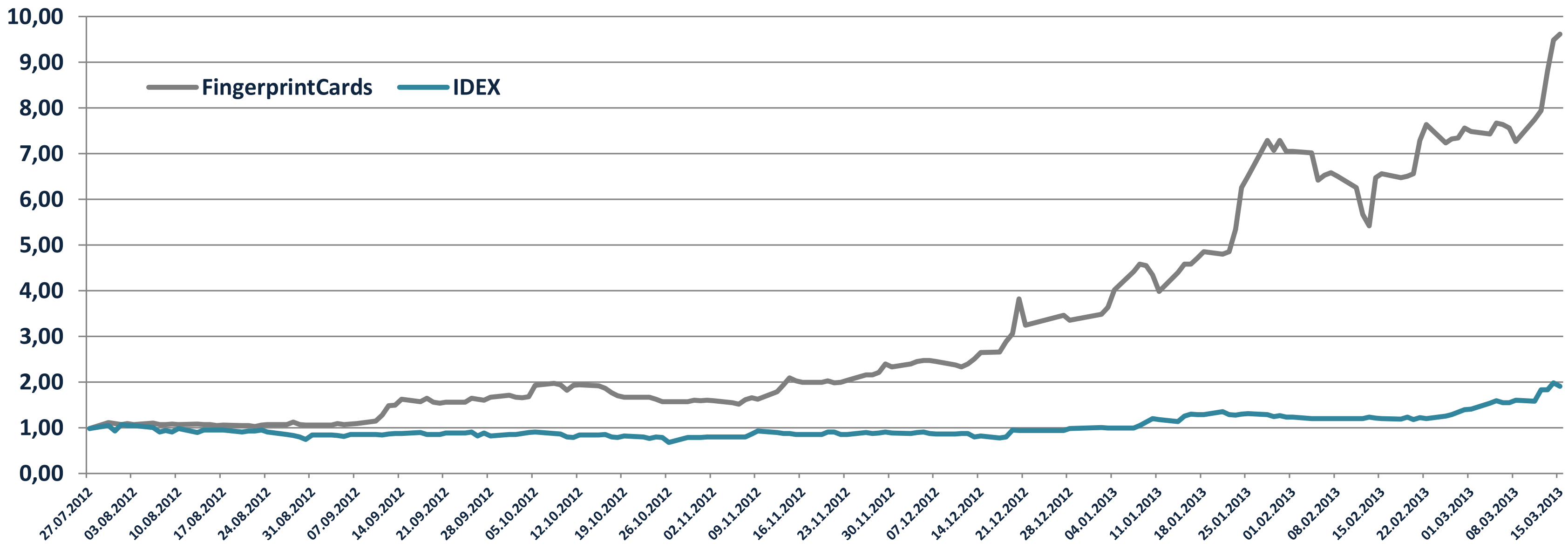
- R&D investment and focus on emerging biometric market for smart card/ IOT where highest performance i.e security/accuracy/speed/thin/flexible/low power are critical
  - *Only vendor with a ISO card solution*
  - *Now well positioned for smartphone explosion*
  - *Billion unit and billion dollar market opportunities*
- Best in class swipe sensor performance
- Unique "holy grail" sensor in glass
- Fully protected by early patents and Apple/Authentec xlicence
- Now marketing to smartphone sector for the first time
- Manufacturing being established for volume & low cost
- Product and technology roadmap to support major partners

IDEX INVESTMENT PROPOSITION

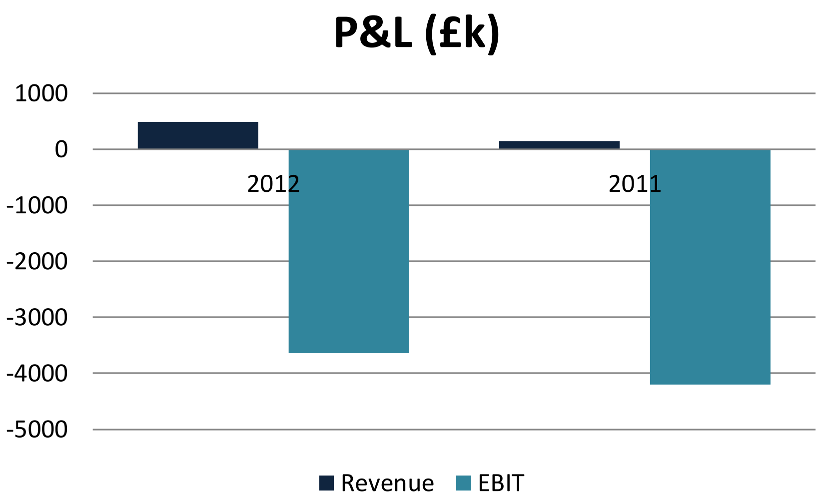
Cusp of significant growth exploiting leading IP platform in fingerprint sensors

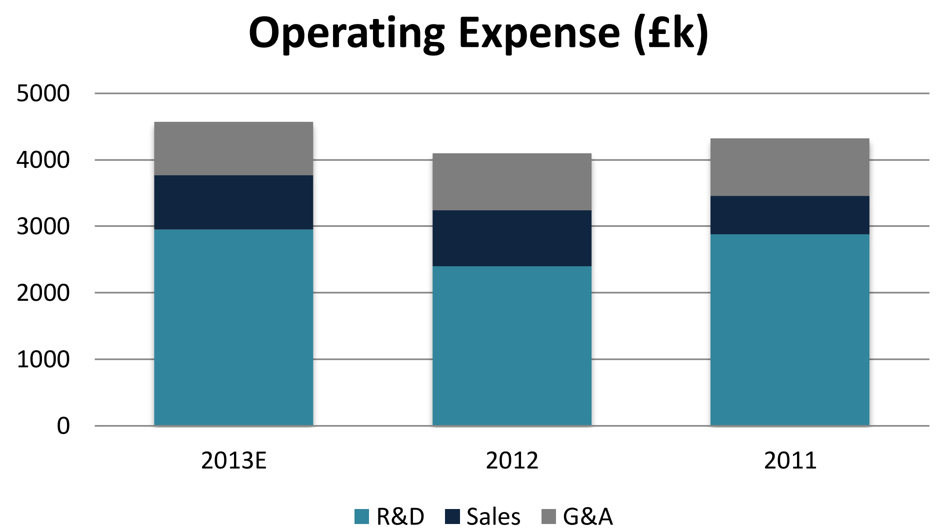
- **Executing a global partner strategy to exploit mobile market during 2013**
- **Exploitation of high value added ID/smartcard and "Internet of things" following**
- **Investment to scale team and products to support market leading partners**
- **Significant value growth from mass market opportunity with limited competition**
  - *IDEX $100M vs Fingerprints Cards $300M market cap Mar 13*

IDEX AND FINGERPRINTCARDS SHARE PRICE INCREASE SINCE APPLE BOUGHT AUTHENTEC



PROFIT AND LOSS STATEMENT





- **2012 limited R&D revenues of £0.5M**
- **Restructuring in 2012; loss £3.6M principally R&D investment**
- **2013 expansion of R&D and sales channels: estimated opex**
- **TAX LOSS CARRYFORWARD ≈£35M**
  - **28% tax rate, no ageing restriction**
- **LISTED IN OSLO**
  - **1,185 shareholders, 95 percent Norwegian**
  - **28% share capital held outside Norway**

CASHFLOW STATEMENT

£k	2013	2012	2011
Net cash flow from operational activities		-£3,211	-£3,815
Net cash provided by financing activities		£3,090	£4,756
Opening cash balance	£2,204	£2,313	£1,395
Closing cash balance		£2,204	£2,313

- NO FINANCIAL DEBT, FUNDED BY EQUITY
- CASH 31 DEC 2012 £2.2M
- WORKING CAPITAL VIRTUALLY NIL
- 2013 funding for business development ahead of revenue step change 2014

SUMMARY

- High barrier to entry due to fundamental patents and technology
- Cross license with Apple on core patents
- Building out an exciting roadmap for low cost sensors
- A market ready for takeoff sparked by Apple
- Mobile market now, card market tomorrow, IOT the future…
- Limited competition in a multibillion volume market
- Valuable IP and attractive valuation vs competition

THANK YOU

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