

Fourth Quarter 2020 Presentation



IDEX

February 25, 2021

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Positioned for Success

Sustained Competitive Advantage Led by Superior Patent-protected Products and System Approach



Biometric Performance: TrustedBio™ offers a uniquely large sensing area and accelerated detection and processing speed in comparison to competing solutions



System Costs: Optimized and unique off-chip system architecture enables dramatic reduction in biometric smart card cost and manufacturing complexity



Innovation: 55 patent families, with 113 granted patents and 101 pending patent applications, along with a highly experienced leadership team and world-class R&D organization provide a strong foundation for execution and future innovation



Commercial momentum: CUP and EMVCo® certifications covering 70% of global payments, growing list of ecosystem partners, design wins and production volume orders



Investment Highlights

True 'Pure Play' on Contactless Payment Cards

Massive Addressable Market

- One of only two fingerprint sensor suppliers and partnered with the ecosystem leaders

Large-Scale Certification and Defensible/Differentiated System Solution

- 2 certifications with China UnionPay and one other global payment network (EMVCo® certified)

Sales and Pipeline Momentum

- Commercial momentum accelerating with issuers and banks for biometric payment cards
- Multiple new design wins and orders from new integrators and geographies

Opportunities in Adjacent Markets

- Production shipments ongoing to large IT and financial services customer
- Volume production orders for both current and next-gen products from customer in Korea

Approved for Listing on Nasdaq

- IDEX has been approved for listing on the Nasdaq and expects to begin trading March 1.
- The company will also retain its listing on the Oslo Børs
- Banking industry executives added to the board of directors and strategic advisory committee

Recent Highlights

Fourth Quarter and Full Year 2020 Financial Results

- Fourth quarter 2020 revenue was \$598 thousand compared to \$71 thousand in the fourth quarter 2019 as revenue begins to accelerate
- Full year 2020 revenue was \$1.1 million, including \$1 million in product revenue, compared to \$159 thousand in product revenue in 2019
- Fourth quarter and full year gross margins¹ were 70% and 75%, respectively
- 2020 Adjusted Operating Expenses² were \$21.4 million, a decrease of \$4.9 million or 19% compared to \$26.3 million in 2019
- Net loss narrowed to \$26.8 million in 2020 from \$32.4 million in 2019
- Ended the year with \$7.3 million in cash and raised \$26.1, net of fees, in a private placement on February 15, 2021
- IDEX was approved to list on the Nasdaq and expects to begin trading on March 1, 2021 under ticker IDBA (Oslo Børs listing maintained)

Commercial and Market Updates

- After securing an initial order in the third quarter, IDEX received an additional production order for TrustedBio™ sensors from a tier 1 card manufacturer in late 2020 that will be incorporated in a card available to financial institutions early 2021
- Achieved an additional China UnionPay (CUP) certification for dual interface biometric payment cards with its partner Goldpac. This is the second certification with a card manufacturer on the CUP network
- IDEX's sensors was featured by our partner, CTD, in the first trial of a fingerprint card for a digital RMB hardware wallet in a trial by Postal Savings Bank of China. The DCEP digital currency initiative in China represents a large market opportunity beyond the traditional payment card market
- Continued to expand its strategic partnerships and added a third global payment network to deliver its fingerprint sensors and related biometric solutions
- Received advanced volume production orders of TrustedBio sensors from multiple Tier 1 card manufacturers to secure allocation of future supply
- Expanded its direct customer engagements with Tier 1 innovation leaders, representing over 40% share of the global payment card market
- Continued to ramp production shipments to a large IT and financial services customer for an information security access control solution

¹ Gross margins are revenues less purchases, net of inventory changes

² Adjusted Operating Expenses is defined as Total Operating Expenses less stock compensation expense, amortization and depreciation expense, and expense related to the Nasdaq listing

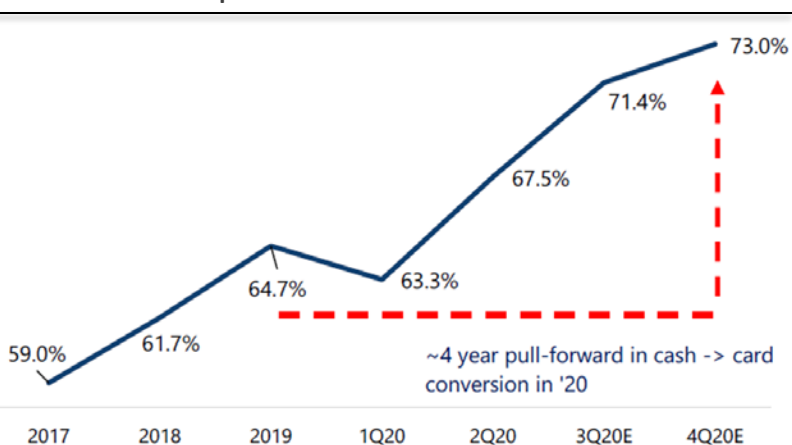


Payment Cards – Favorable Market Dynamics

COVID Environment and Government Mandates Driving Accelerated Adoption

Significant Pull-Forward in Transition from Cash to Card

US Card Spend as a % of Total Purchase Volume



Source: FRED, Nilson, Jefferies Estimates

Adoption of Contactless Payment Accelerating



Contactless spending limit increased in 31 countries. As of April 2020, **75% of all Mastercard transactions in EU** were contactless (source: Mastercard)

Government Mandates on Payment Process



Contactless mandate
All EU payment terminals required to be contactless from 12/19

Strong Customer Authentication
Mandated in EU and taking effect starting in 2020/2021

Ecosystem and Market Achievements

Business Development in the Fourth Quarter and Full Year



Three Certifications

- Three certifications with three card manufacturers for two payment networks achieved



Secured Two Important Design Wins

- Secured important design win in the payment card market with IDEMIA and Zwipe
- Design win with financial IT and solution provider



Other (ASIC and Digital Currency Initiative)

- Our latest ASIC had a successful tape-out in first trial
- Digital currency electronic payment card trials in China



Continued to Add New Partnerships

- Expanded partnership with global provider of EMVCo secure element provider
- Partnership with Tongxin Microelectronics, a leading secure element provider in China



Production Ramp-up and Orders

- Continued ramp up of access control order. A steady flow of orders throughout 2021 is expected
- In 2020 there has been several soft launches
- Exited 2020 with more than \$ 7 million in revenue under contract



Supply Chain

- Supply chain ramping for mass production

Summary and Outlook

- During 2020 IDEX made good progress transitioning from research and development to commercial activities
- Throughout the year, IDEX achieved several certifications by multiple major payment networks/brands. Several new card manufacturers have initiated new product developments based on IDEX's biometric technology and solutions
- The company began to ramp commercial production shipments for the large IT and financial solutions customer and had the first commercial orders and shipments of the third generation TrustedBio™ solution for biometrics payment cards
- We expect 2021 will see increasing shipments to a broader range of customers, banks and credit issuers

Financials



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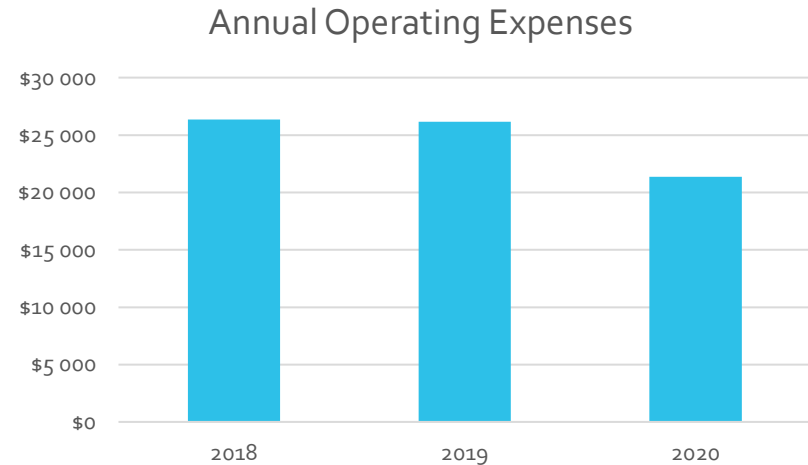
Strong Operating Leverage in Financial Model

Fabless Semiconductor Model

- Complete system solution including ASIC, Sensor, and Biometric Software
- 50%+ gross margins and stable opex at scale
- 30% operating margins at scale

Stable and Well Managed Operating Expenses

Cash Operating Expenses¹ in USD (millions)



¹Cash Operating Expenses is operating expense excluding stock compensation and development inventory and intangibles reserve related to a discontinued product in Q4 of 2019

Financial Summary

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Thank You

