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Influences Driving The Need for Lamination Solutions

Market Drivers

- The need for holographic security is on the rise to combat counterfeit ID's on a global level
- Emerging markets are seeking more affordable tools for secure, centralized ID issuance to growing populations of citizens
- High volume card issuance customers are seeking low cost per card solutions to cost effectively issue secure and durable ID's
- Increasing the life of each card will reduce recurring costs of re-printing ID badges and official ID cards

The Next Evolution in Lamination



DTC5500LMX



- Robust
- Wasteless
- Efficient

DTC550



- Durable
- Workhorse

Pro-LX



- Industrial
- Heavy
- Reliable



Introducing the DTC5500LMX



- HID Global's patent-pending iON™ technology combines energy efficiency with rapid heat control to enable the fastest ready-time in the industry
- LMX wasteless lamination lowers consumable costs by up to 50% over legacy lamination methods
- Largest card patch coverage in the industry
- First laminating card printer to be GreenCircle® Certified
- Every machine has dual-side printing and dual-side lamination capability
- Wide array of technology card encoder options available
- Three year warranty

Energy Efficient

GreenCircle



GreenCircle Certification System

GreenCircle Certified, LLC certifies that an independent, third-party evaluation has been conducted for:

HID Global Corporation

DTC5500LMX

66% Energy Savings

Eden Prairie, MN

Energy savings were calculated based on a 24 hour period and include printer startup. The analysis assumes three cards are printed every 30 minutes for an 8 hour period (standard work day) and the remainder of the time is spent in a baseline/sleep mode. The analysis assumes double-sided printing and double-sided laminating. Energy savings are calculated based on an assessment to a comparable product currently sold in the marketplace.

Certification Period: January 1, 2016 - December 31, 2016

Certification Number: 15-0368

Tad Radzinski, PE, LEED AP, SFP

Certification Officer







What is wasteless lamination?

Traditional



- Two Cores: Supply and Take-up
- Carrier film holds patches before they are applied to a card
- Laminator must stop after advertised quantity of patches
- Traditional way to laminate cards

LMX Wasteless



- Single Core
- Perforated laminate tears away when applied to each card
- Large savings in manufacturing costs of consumables
- No unused patches left on core – every patch can be used



How to Choose Between One or Two Material Printers

| What sides of |
|-----------------|
| your card would |
| you like to |
| laminate? |
| Front |

Here's your ideal DTC5500LMX

Back

Front and Back With the Same Laminate
Types

Front and Back With Different Laminate Types

1 Material DTC5500LMX

2 Material DTC5500LMX

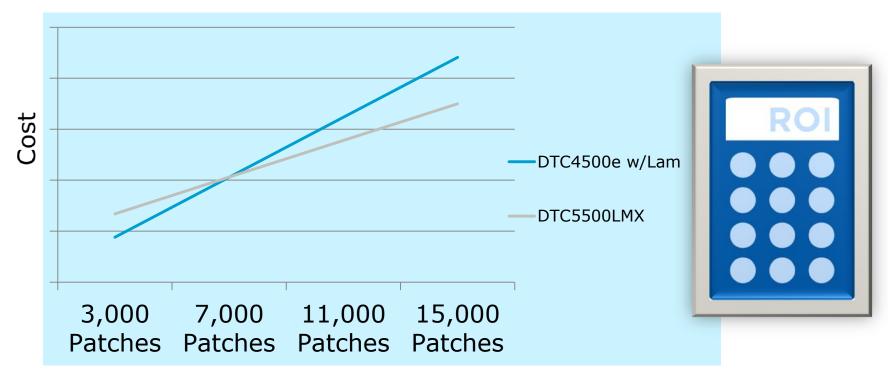


*No field upgrades from 1 material laminators to 2 material laminators, factory ordered only



When does LMX make sense?

With a slight increase in hardware cost, when does it make sense to use a wasteless lamination solution?



When patch volumes reach or exceed 7,000, the LMX solution pays for itself and becomes increasingly more cost-effective

*Additional savings from time and energy efficiency are not included in this ROI calculation



LMX Wasteless Lamination Patch Options

Patch Coverage Options

Patch Type Options

Whole

Clear

Half

Holographic

IC Cutout

Custom Holographic Customers with existing custom holographic laminates can be converted to new wasteless LMX for free



Software Support

FARGO® Advanced Software Development Kit (SDK)

Build or integrate to your own interface. Advanced FARGO SDK can be used to control all functions of the DTC5500LMX components

HID AsureID® Card Personalization Software



AsureID allows users to design their cards for printing / encoding / and lamination with the DTC5500LMX in a single step so that you can issue a multi-function, laminated and highly secure smart ID in the end



Market Applications







Corporate

- SMB and Fortune 500 Employee Badges
- Medical Patient and Caretaker IDs

Education

- Student IDs
- CampusSmart Cards
- Event Cards

Government

- National IDs
- Law Enforcement IDs and Firearms Permits
- Military IDs
- Residency Cards

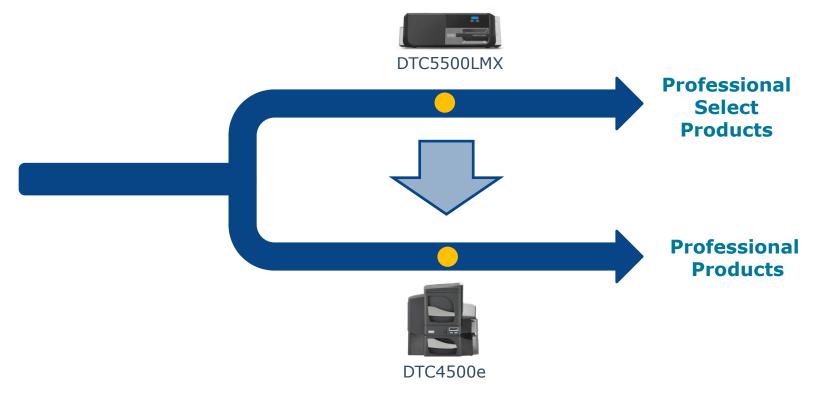


Key Selling Points

- Speed: iON™ Technology lamination allows users to laminate cards within 45 seconds from cold start up, a 70% reduction in heat up time an industry first
- Wasteless: LMX consumables eliminate carrier film and take-up cores, which pass along up to a 40% savings in laminate consumable costs for consumers with cost per card concerns
- All-in-One: Complete printer and lamination solution built into one unit minimizes card shuttling and eliminates card elevators
- Rugged: From the steel baseplate to the inclusion of built-in handles, the DTC5500LMX was built for maximum durability, even in the harshest environments
- Capacity: Standard lamination supplies are manufactured with 1000 patches per roll, reducing the need for users to spend time replacing laminates in high volume environments, which could increase production time and costs

Supplies Compatibility

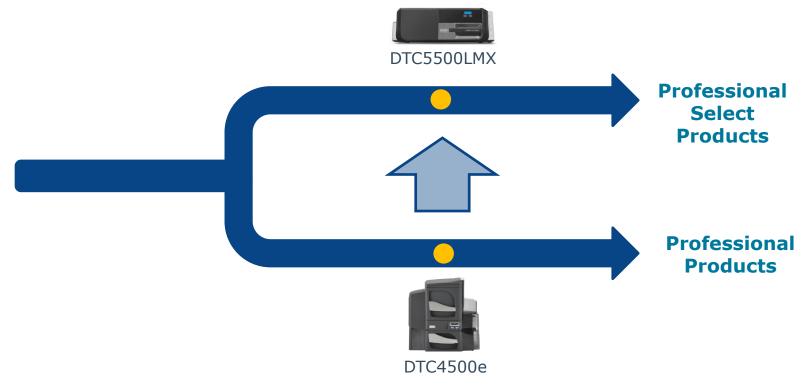




- DTC5500LMX ribbons are compatible with DTC4500e after firmware update
- DTC4500e ribbons are <u>not</u> compatible with DTC5500LMX
- DTC5500LMX laminator materials are all new part numbers

Module Compatibility





- DTC4500e encoder modules are compatible with DTC5500LMX
 - Magnetics, contact, and contactless
- New module part numbers(DTC5500LMX only)
 - Andon light



Competitive Comparison

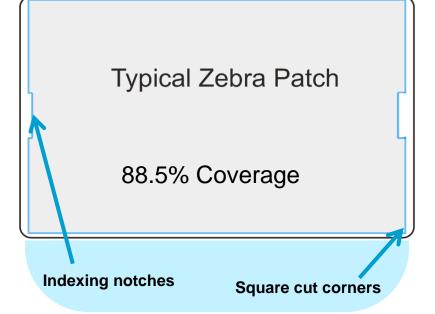
| Attribute | HID DTC4500e w/Laminator | HID DTC5500LMX | Zebra ZXP7 w/Laminator |
|-----------------------------------|--|--|--|
| Product Design | 500 patch with take up reel | 1000 patch continuous media without a carrier | 750 patch continuous media without a carrier |
| Printing | Dual Side | Dual Side | Dual Side |
| Lam Media | Thin Film or Patch | Patch Only | Patch Only |
| Lam Capability | SS or DS | Always DS, One or Two Material | SS or DS |
| SS Print + Lam First Card Time | 3.5+ minutes | 45 seconds | 2.5+ minutes |
| Cards per Hour | 145 ss w/lam | 200 ss w/lam | 270 ss w/lam |
| Cost per Patch | \$0.29 | \$0.18 | \$0.15 |
| GreenCircle® Certified | No | Yes | No |
| MSRP* | Dual Print w/Single-Sided Lam: \$5,699 Dual Print w/Dual-Sided Lam: \$6,699 | Dual Print w/One Material Lam: \$6,499 Dual Print w/Two Material Lam: \$7,499 | Dual Print w/Single-Sided Lam: \$6,495 Dual Print w/Dual-Sided Lam: \$7,495 |



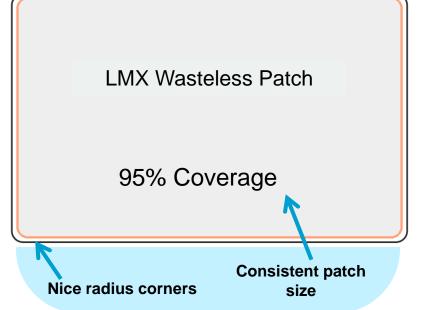


Laminate Comparisons











Side-by-Side Consumables Summary

| Printer Model | Patch MSRP |
|----------------|-------------------|
| HID DTC5500LMX | Clear: \$0.180 ea |
| Zebra ZXP7 | Clear: \$0.153 ea |
| Magicard | Clear: \$0.224 ea |
| Evolis | Clear: \$0.24 ea |
| HID DTC4500e | Clear: \$0.294 ea |
| Datacard | Clear: \$0.308 ea |



DTC5500LMX Launch Timeline

- March 1, 2016 Begin partner announcements, webinars, partner portal content
- March 28, 2016 initial product configurations available to ship
 - Two material configurations
 - Windows driver (including Win 10)
- March 31, 2016 Public launch announcement, HID web page content
- Follow-on: June 2016 additional product configurations available to ship
 - One material configurations
 - Windows Driver updates
 - Regional agency certifications
 - APAC (CCC China, BSMI Taiwan, KCC Korea, BIS India, MIC Japan, RCM Australia)
 - EMEA (EAC Russia)
 - LAM (Argentina)
 - TAA compliant & GSA listed product (FIPS-201 compliant)
 - Linux & Mac Drivers



Product Launch: Phase I

Two-phase launch approach

Phase 1: March, 2016

2 Material Units: 5 SKU's

Windows Drivers



| P/N | Description | MSRP* (\$USD) |
|--------|----------------------------------|---------------|
| 056305 | DTC5500LMX 2M | \$7,499 |
| 056306 | DTC5500LMX 2M MAG | \$8,098 |
| 056307 | DTC5500LMX 2M 5121/5125/CS | \$8,394 |
| 056308 | DTC5500LMX 2M 5127 | \$8,298 |
| 056309 | DTC5500LMX 2M 5121/5125/CS LOCKS | \$8,694 |

*MSRP denotes North American pricing only – Please contact your local HID Sales Representative for pricing applicable to your region.





Product Launch: Phase II

Two-phase launch approach

Phase 2: June, 2016

1 Material Units: 5 SKU's

TAA Compliance

Linux & MAC Drivers



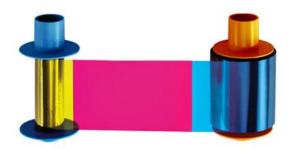
| P/N | Description | MSRP* (\$USD) |
|--------|----------------------------------|---------------|
| 056300 | DTC5500LMX 1M | \$6,499 |
| 056301 | DTC5500LMX 1M MAG | \$7,098 |
| 056302 | DTC5500LMX 1M 5121/5125/CS | \$7,394 |
| 056303 | DTC5500LMX 1M 5127 | \$7,298 |
| 056304 | DTC5500LMX 1M 5121/5125/CS LOCKS | \$7,694 |

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Consumables



Ribbons

| P/N | Description | MSRP* (\$USD) |
|--------|-------------------------------|---------------|
| 045700 | DTC5500 YMCKO 500 COUNT | \$161.00 |
| 045701 | DTC5500 RESIN PREM 3000 COUNT | \$120.00 |
| 045702 | DTC5500 RESIN STD 3000 COUNT | \$40.00 |
| 045710 | DTC5500 YMCKOK 500 COUNT | \$215.00 |
| 045714 | DTC5500 HALF YMCKO 850 COUNT | \$212.50 |
| 045715 | DTC5500 YMCKK 500 COUNT | \$220.00 |

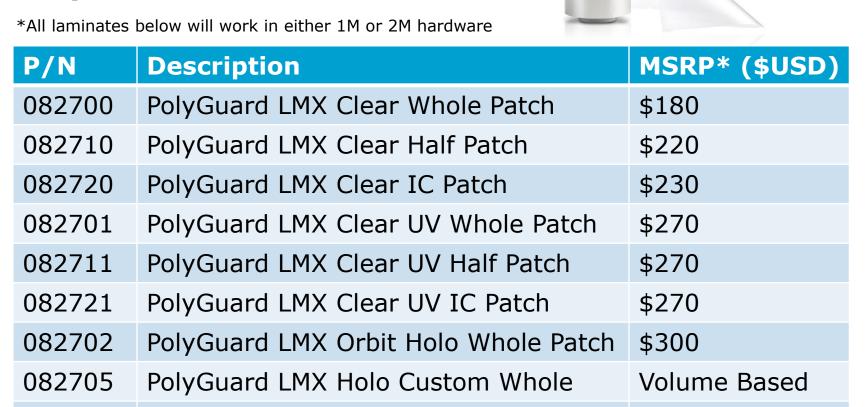
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Consumables

PolyGuard LMX Laminates



PROPRIETARY INFORMATION. Do not reproduce, distribute, or disclose. No unauthorized use.

PolyGuard LMX Holo Custom Half

PolyGuard LMX Holo Custom IC



Volume Based

Volume Based

082715

082725



DTC5500LMX Launch Kit on Partner Portal

Collateral

- All new DTC5500LMX Datasheet & Brochure
- 25-50-100-250 word product descriptions for partner use in outward communications
- Product Photography for Print and Web
- White Paper focusing on the benefits of wasteless lamination
- FARGO® Product Comparisons DTC Printers, Markets, Security Level, Visual Security
- Updated DTC Family Brochure
- Updated Government Solutions Brochure
- Updated OMNIKEY 5127 iCLASS SE Encoder Data Sheet

Additional Sales Tools

- DTC5500LMX FAQ
- Product launch presentations for partners and end users
- DTC Printers Competitive Matrix
- Bid Specification Sheet (covers Printer and Consumables)
- HID Academy Online Sales Training
- Professional Select Product Category Information
 - Guidelines
 - Demo Unit Policies/Discount Structures
 - Demo Unit Order Form
 - · Business Plan Template





Product Category Summary

| Product Category | Standard | Professional | Professional Select | Industrial | Financial |
|---------------------------------|------------------------------|---------------------------------|---------------------------|-----------------------------------|--------------------|
| Product Access | APP Partners | APP Partners | Certified Partners | Certified Partners | Certified Partners |
| Models | C50 DTC1250e DTC1000Me | DTC4250e DTC4500e HDP5000 | HDP5600 DTC5500LMX | HDP8500 HDP8500LE HDP8500LW | HDPii Plus |
| Advertised Pricing | Open | MAPP | MAPP or NAPP by region | NAPP | NAPP |
| Demo Unit Purchase | Available | Available | Required | Required | Required |
| Product Specific Training | Available | Available | Required | Required | Required |
| Business Plan Required | No | No | Yes | Yes | Yes |
| ASP Training | Available | Available | Required | Required | Required |



Why sell Professional Select solutions from HID Global?

Partners that are certified to sell solutions from HID Global's Professional Select product category enjoy the following benefits:

| 1 | Maximized Profitability | MAPP and NAPP Policies (varies by region) protect your investment and selling efforts with strict enforcement by HID Global |
|---|---|---|
| 2 | Market Differentiation | Become your customer's preferred source for unique credential printing solutions not available elsewhere |
| 3 | Protection of Recurring Revenue Streams | Ongoing revenue stream is protected from non-certified competitive offerings |
| 4 | Professional Select Products are a Perfect Complement to Your Sales Story | Professional Select product-certified partners are value-add providers and System Integrators with full-service, high- touch technical expertise – further strengthening how you position yourself today with your customer |





| | Professional Select Product Category Criteria | Certified Partner |
|---|--|-------------------|
| 1 | Must develop a business plan that is approved by HID sales | • |
| 2 | Purchase Professional Select Product Category Demo Printer | • |
| 3 | All appropriate personnel must complete the required HID Academy Product-specific certification training* | • |
| 4 | Must have completed HID ASP certification | • |
| 5 | Must adhere to defined NAPP/MAPP | • |

*HID Academy Technical Certification training available online approximately March 11, 2016



Steps to gain access to DTC5500LMX

 Develop a business plan that is approved by your HID Sales Manager 2. Submit a demo unit request form and purchase order for a DTC5500LMX demo unit 3A. Must have completed HID ASP certification
3B. Complete DTC5500LMX product specific online certification

training

4. Attain authorized access to Professional Select DTC5500LMX product category as a product-certified partner

Professional Select DTC5500LMX Access



