



**IDEX**  
THE ID OF YOU

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# IDEX ASA

## Annual report 2012



Photo: Odd Richard Vaimot

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## **Report from the board of directors 2012**

### *Positioned for 2013 – The year of fingerprint biometrics*

IDEX ASA is a Norwegian public company specialising in fingerprint imaging and recognition technology. IDEX has developed the SmartFinger® technology platform including the patented fingerprint imaging principle, sensing scheme and chip design. The company is located at Fornebu in Bærum municipality, Norway. The sales and marketing subsidiaries in USA were inactive in 2012 and were dissolved on 30 November 2012. The IDEX shares are listed at Oslo Axess. The company has more than 1,100 shareholders.

IDEX has made significant investments in research and product development in biometry and related technology, particularly in polymer-based sensor technology and embedded software solutions for fingerprint verification suitable for mobile phones or other electronic devices, financial tokens or cards and other ID devices. SmartFinger enables on-device enrollment, template storage and verification within the very same module, which can be embedded in any electronic device or an ID card.

IDEX aims to earn revenue from sale of fingerprint sensor units and software as well as licensing its intellectual property rights. The licensing scheme is aimed at volume manufacturers and offers partners the opportunity to develop and manufacture the fingerprint technology on a non-exclusive basis. In addition, IDEX will have the sensor manufactured to sell fingerprint sensor units directly to original equipment manufacturers in selected segments.

The markets targeted by IDEX are characterised by massive volumes, particularly in authentication systems using biometric cards as well as in mobile phones and similar devices. There are also substantial volumes in tablet computers, other computers and data storage units.

### ***Sensor-in-glass***

There is strong interest from the mobile handset vendors for fingerprint biometrics in mobile phones. IDEX has since the second half of 2012 explored the feasibility of new applications of the SmartFinger using the patented solution where a substrate separates the sensing array from the electronics. In February 2013, IDEX showed a technology concept of a fingerprint sensor embedded in the display cover glass of mobile handsets, SmartFinger Sensor-in-glass.

### ***Production ramp-up***

Following delays in the ramp-up programme in mid-2012, IDEX implemented changes to its supply chain and the programme was reinvigorated in the fourth quarter. Updated sensors designs tailored to customers' requirements have been designed and trial production batches have been completed, with the view to commence serial deliveries in mid-2013 with capability to scale up in line with demand in the second half and into 2014. The new ramp-up project is on schedule.

### ***Commercial agreements***

In the fourth quarter of 2012, IDEX entered into a commercial agreement with a European OEM partner for SmartFinger sensor and software. Volumes will depend on the demand from the OEM's customers for the OEM's device where the sensor is embedded, and may amount to multiple millions units.

S.I.C. Biometrics has extended the cooperation agreement for integration of SmartFinger Film fingerprint sensor and biometric algorithms into S.I.C.'s biometric security products and solutions. IDEX and S.I.C. entered the original agreement in June 2012, and IDEX expects to begin delivery of sensors in the third quarter of 2013.

IDEX and a Chinese technology company are collaborating closely to develop a security device in which IDEX's SmartFinger solution has been embedded. The project has successfully reached its milestones. The parties have extended their cooperation by a memorandum of understanding, outlining deliveries in 2013 and 2014.

### ***eGo and BIRDS projects***

The eGo™ project, started in 2011, is part of IDEX's strong focus on biometric solutions for the emerging mass markets. IDEX and twelve European R&D and industrial partners, among them Gemalto, ST Microelectronics, Precise Biometrics and Atos Worldline, will develop a new technology platform, eGo, that enables secure access and transaction by a wearable wireless, biometric device. IDEX receives support for the eGo activities from the Research Council of Norway under its VerdIKT programme in 2011-2013.

IDEX and its French partner UINT started in 2012 a joint project, called BIRDS, to develop a more secure smart card tailored for use in contactless payments by NFC (near field communications) technology. The project received a very favourable assessment in the international EuroStars evaluation. The objective is to develop a smart card with a fingerprint sensor that is suited for manufacturing in existing volume production lines for cards. IDEX receives support for the BIRDS activities from the Research Council of Norway under its EuroStars programme in 2012-2014.

### ***The board of directors***

The board comprised in 2012 Mr. Morten Opstad (chairman), Mr. Jon Ola Frankplads (re-elected for two years at the annual general meeting 2012), Ms. Hanne Høvdning, Ms. Joan Frost Urstad and Mr. Harald Voigt.

### ***Group annual financial statements***

**Revenue:** IDEX earned revenue amounting to NOK 4.5 million in 2012. NOK 1.0 million was earned from sales of products and services, while the remainder related to government support under the VerdIKT and EuroStars programmes. In 2011, the revenue amounted to NOK 1.3 million. The main part was government support under the VerdIKT programme.

**Payroll expenses:** There were 10 persons employed in the company at year-end, down from 15 at the end of 2011. One employee works part time. Payable payroll expenses increased from NOK 13.3 million in 2011 to NOK 14.0 million in 2012 because the reduction in manning took place late in the year. Notional cost of share-based compensation decreased to NOK 3.8 million (2011: NOK 4.3 million). The decrease was due to credits in 2012 of grants to departing employees as well as less new grants.

**Research and development expenses:** Gross external research and development (R&D) expenses was reduced to NOK 11.8 million from NOK 14.7 million in 2011. Contributions from the SkatteFunn R&D grant scheme managed by the Research Council of Norway amounted to NOK 1.1 million in 2012, same as in 2011. These grants, and a small additional grant in 2011 have been set off against R&D expenses. Net reported R&D expenses were NOK 10.7 million in 2012 compared to NOK 13.5 million in 2011. The reduction was due to less external ramp-up activities and a large ASIC design project completed in 2011. Payroll cost of R&D conducted by IDEX employees are not included in the R&D line, but in the payroll expenses line. Such expenses amounted to about NOK 9.5 million in 2012 versus NOK 10.5 million the year before.

**Other operating expenses:** Other operating expenses at NOK 9.2 million in 2012 were significantly higher than in 2011 at NOK 7.6 million. Marketing and PR activities were maintained, while costs of the partner search project as well as contractors for business development and IR were added.

**Depreciation** amounted to NOK 313 thousand in 2012, up from NOK 245 thousand in 2011. IDEX has invested in total NOK 1.3 million in its office facility, computers and laboratory equipment in 2009-2011. No investments were made in 2012.

**Net financial items:** Net financial items amounted to NOK 0.2 million income in 2012 (2011: NOK 0.4 million), both years mainly from interest income on cash.

**Taxes:** IDEX operated at a loss and did not incur deferred or payable income taxes in 2012 or 2011.

**Net result in the year:** Net loss for the year was NOK 33.4 million, compared to NOK 37.4 million in 2011. The reduction was mainly caused by increase in revenue and government support. The cost base was reduced in the second half of 2012. In order to be viable, IDEX needs to obtain revenue.

**Total cash and bank deposits** amounted to NOK 19.8 million at the end of 2012, compared to NOK 21.5 million at the preceding year-end. The operations consumed cash in an amount of NOK 30.3 million in 2012 and NOK 33.7 million in 2011. The change reflects the EBIT in each year. New funds have been obtained by share issues amounting to net cash inflow of NOK 28.5 million in 2012 and NOK 42.7 million in 2011.

**Equity:** Equity amounted to NOK 19.4 million at the start of 2012. During 2012, NOK 28.5 million was added by two private placements (2011: NOK 42.7 million added by placements and warrants exercises). The major inflows in 2012 were the private placements on 23 April raising NOK 9.7 million net after expenses, and on 8 November raising NOK 18.7 million net. Because of the loss in the year, equity at the end of 2012 amounted to NOK 18.3 million. The substantial annual losses have eroded the company's equity, while shareholders have contributed new funds. There was no unrestricted equity at the end of 2012 or the preceding year. At 31 December 2012, 61 per cent of the share capital had been lost.

**Liquidity and capital resources:** The net current assets less current liabilities at the end of 2012 was NOK 17.4 million. The company does not have financial debt, nor assets suitable for being placed as security for a loan. On 22 April 2013 the company obtained commitments for subscription to 18,771,250 new shares in a private placement of shares at NOK 1.60 per share, which will raise NOK 30.0 million before expenses.

#### ***Financial statements of the parent company:***

The subsidiaries were inactive in 2012. IDEX Holding Inc. performed solely holding company functions for IDEX America Inc., and did not have any employees. IDEX America Inc. performed until 2010 marketing and sales activities on behalf of the parent company, primarily in the USA. Both subsidiaries were dissolved on 30 November 2012. There are only insignificant differences between the consolidated financial statements and the parent company's financial statements. The comments above regarding the consolidated financial statements, applies also to the parent company itself.

#### ***Events after 31 December 2012***

Between 31 December 2012 and the date of the annual financial statements no events have occurred which may significantly impact the result for 2012 or the value of IDEX's assets and debt at the end of 2012.

On 22 April 2013 the board resolved to propose to the annual general meeting on 16 May 2013 that the company shall issue 18,771,250 shares in a private placement of new shares at NOK 1.60 per share, which will raise NOK 30.0 million before expenses.. By a book building process, the company has received irrevocable subscription commitments for the full amount. Significant shareholders and also the board members who hold or control shares have committed themselves to vote for the proposal.

#### ***Going concern***

On 31 December 2012, the equity amounted to NOK 18.3 million or 39 per cent of the share capital. The board acknowledges its duty to act on this situation. IDEX has in 2012 sought and evaluated potential strategic industry partners. This activity is on going. The board has stated that to cement such strategic alliance, it is willing to offer a suitable partner an equity stake in IDEX through a capital injection. IDEX does not earn recurring revenue and there are limited funds and assets available for sale to cover future expenses. The going concern assumption has nevertheless been applied when preparing the financial statements of the group and the parent company.

On 22 April 2013 the board resolved to propose to the annual general meeting on 16 May 2013 that the company shall issue 18,771,250 new shares in a private placement of new shares at NOK 1.60 per share, which will raise NOK 30.0 million before expenses.. By a book building process, the company has received irrevocable subscription commitments for the full amount. Significant shareholders and also the board members who hold or control shares have committed themselves to vote for the proposal. The board has deemed that it can take for its basis that the company has adequate equity and liquidity for going concern in accordance with present plans into 2014. The board thus confirms that there is basis for the going concern assumption and that this assumption has been applied when preparing the annual financial statements.

#### ***Allocation of net profit (loss) for the year***

The net loss for 2011 of the parent company IDEX ASA was NOK 33,386,291. The board proposes that the loss shall be carried forward as uncovered losses. IDEX ASA had no unrestricted equity at the end of 2012, and the board does not propose any dividend payments for 2012.

#### ***Financial risk***

IDEX is exposed to certain financial risks related to exchange rates and interest level. These are, however, insignificant compared to the Company's financial position at the end of 2012 and the long term business risk.

The financial situation of the Company was vulnerable at the end of 2012. On 22 April 2013 the company obtained commitments for subscription to 18,771,250 new shares in a private placement of shares at NOK 1.60 per share, which will raise NOK 30.0 million before expenses.

Business risk may be summarised in the following points: (i) IDEX has had minimal revenue to date. The company has reported accumulating accounting losses and expects losses also in 2013. (ii) IDEX's business plan assumes revenue from products which IDEX has not yet traded commercially. (iii) Revenue from the company's products depend among other things on market factors, which are not controlled by IDEX. (iv) Competing companies' products have entered the commercial stage. (v) IDEX's intended market is immature and undergoing rapid technological changes.

IDEX does not have financial debt or financial instruments. IDEX does not have any significant trade receivables or other receivables with any credit risk.

### ***Share capital and shareholders***

The issued share capital of the company at the end of 2012 amounted to NOK 46,421,914.15, consisting of 309,405,296 ordinary shares, each share having a par value of NOK 0.15. At the end of 2012 there were a total of 1,141 registered shareholder accounts, compared to 1,186 one year earlier.

The closing share price on the last day of trading in 2012 was NOK 0.98, compared to NOK 1.43 at the last trading day of 2011. There were 2,937 trades in the share, with a total turnover amounting to NOK 26.2 million, significantly down from 10,264 trades with a total turnover of NOK 174.4 million in 2011. Many companies saw volume reductions but IDEX had stronger reduction than comparable companies.

Following solicitation for interest, IDEX completed a successful private placement of shares 9 May 2012 under the authorisation from the annual general meeting 2011. The placement was oversubscribed by 30 per cent, and 9,954,013 new shares were issued at a subscription price of NOK 1.00 per share, raising NOK 10.0 million equity and liquidity before expenses. The annual general meeting on 15 May 2012 resolved to issue one 2012-warrant for each new share. The 2012-warrants were exercisable 3-14 September 2012, at an exercise price of NOK 1.30 per share. The warrants were not in the money in the exercise period, and none were exercised.

Following the annual general meeting of IDEX on 15 May 2012, board members Joan Frost Urstad and Harald Voigt elected to receive the board remuneration in shares. Each acquired 184,356 shares for which they paid the par value in lieu of cash remuneration, in lieu of a cash board remuneration of NOK 140,000.

On 8 November 2012 IDEX carried out a private placement by book building. The placement was significantly over-subscribed. The board resolved on 9 November 2012 to issue the maximum number of shares according to the authorisation, viz. 27,196,064 shares at a subscription price of NOK 0.75 per share, thereby raising NOK 20.4 million new equity and liquidity before expenses. The capital was fully paid in and registered in 2012.

The board was authorised by the annual general meeting to issue up to 27,196,064 shares or 10 per cent of the registered share capital when the resolution was made. The authorisation is valid until the annual general meeting 2013. The authorisation has been fully exhausted.

The board may grant up to 27,196,064 incentive subscription rights under the 2012 subscription rights based incentive programme, but limited in such a way that the total number of subscription rights outstanding may not exceed 10 per cent of the number of shares. The subscription rights may be granted to employees and individual contractors performing similar work in IDEX. No subscription rights were granted under the 2011 programme in the period 1 January-15 May 2012. 6,000,000 subscription rights were granted under the 2012 programme in the period 15 May-31 December 2012. At the end of 2012, there were a total of 17,754,259 subscription rights outstanding under various programmes. Weighted average exercise price was NOK 1.28 per share.

There are no authorisations to the board to purchase own shares.

The equity of the the parent company was adequate at the end of 2012, but more than half of the share capital has been lost. On 22 April 2013 the company obtained commitments for subscription to 18,771,250 new shares in a private placement of shares at NOK 1.60 per share, which will raise NOK 30.0 million before expenses.

### ***Organisation; health, safety and environment***

At the end of the year IDEX had 10 employees (2011: 15). One worked part time. In addition, the company has individual technical/scientific specialists on contract working at its premises. The number of employees increased in 2011 and was slightly reduced in 2012. All employees are male. In addition to its employees IDEX makes use of contractors and service providers in functions like patenting, IR and finance and administration.

The board and the management seek to create a working environment that is pleasant, stimulating, safe and to the benefit of all employees. The working environment complies with the existing rules and regulations. The company offers flexible working hours for all employees, and those who so wish have been equipped with a portable PC and a mobile phone, which enable them to work equally efficiently from other places than the company's facilities. The board has not found reason to implement special measures. No employee has suffered work-related injury resulting in sick leave. No accidents or incidents

involving the assets of the company have occurred. The sick leave was less 2.2 per cent in 2012 (2011: less than 2 per cent). Nearly half of the sick leave in 2012 was due to a leisure-time accident and was not related to IDEX og the work place.

The Company practices equal opportunities in all aspects. All facilities at IDEX are equally well equipped for females and males. Traditionally, fewer women than men have graduated in IDEX's fields of work: solid state physics, software development and design of electronic components. Because of the highly specialized positions, the candidates available for recruiting have often solely been males. The management structure reflects the composition of the technical staff. The board has not taken any special measures.

IDEX's activities do not pollute the environment. No hazardous materials are used in the company's facilities.

### **Corporate governance**

The board considers that the increasing attention to corporate governance is beneficial for companies and investors. IDEX seeks to comply with the Norwegian code of practice for corporate governance, while taking into account the size and maturity of the company. The board's review of corporate governance has been included in the annual report.

### **Statement on management remuneration**

The annual general meeting in 2012 considered and resolved guiding and mandatory guidelines for management remuneration. The guidelines and the actual remuneration in 2012 have been included in a note to the financial statements. The managing director of the parent company was also CEO for the group until 30 November 2012, and performed this duty as a part of his employment in the parent company for no additional remuneration.

### **Outlook**

On 22 April 2013 the board resolved to propose to the annual general meeting on 16 May 2013 that the company shall issue 18,771,250 new shares in a private placement of new shares at NOK 1.60 per share, which will raise NOK 30.0 million before expenses.. By a book building process, the company has received irrevocable subscription commitments for the full amount. Significant shareholders and also the board members who hold or control shares have committed themselves to vote for the proposal. The board has deemed that it can take for its basis that the company has adequate equity and liquidity for going concern in accordance with present plans into 2014.

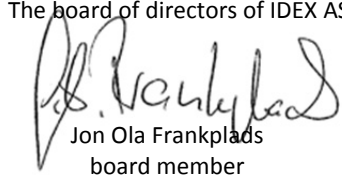
IDEX's vision is to ensure individuals a safe, secure, and user-friendly use of personal ID. IDEX has developed the award-winning SmartFinger technology platform. The SmartFinger technology enables on-device enrollment, template storage and verification within the very same module. SmartFinger solutions can be seamlessly integrated into a variety of embedded applications such as mobile phones, one-time password devices, Smartcards, payment and ID cards, payment terminals, access control devices and biometric security and login tokens.

IDEX overcame several technical challenges in 2012, and is currently exploring implementation of the SmartFinger sensor in glass and other materials particularly relevant to the mobile phone industry. The board believes that this may open several interesting opportunities in 2013.

The market for biometric devices which IDEX's patented SmartFinger technology can serve is expected to be strong in 2013 and the following years. The board expects progress with both production partners and customers in 2013. The board considers that IDEX's unique, patented technology and comprehensive IP portfolio will open multiple market opportunities.

Fornebu, 23 April 2013  
The board of directors of IDEX ASA

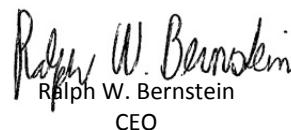
  
Morten Opstad  
chairman

  
Jon Ola Frankplads  
board member

  
Hanne Høvding  
board member

  
Joan Frost Urstad  
board membe

  
Harald Voigt  
board member

  
Ralph W. Bernstein  
CEO

## Annual financial statements 2012 with notes

### Statements of comprehensive income

1 January-31 December		IDEX group		IDEX ASA	
Amounts in NOK 1,000	Note	2012	2011	2012	2011
<b>Operating revenue</b>					
Sales revenue		1 046	99	1 046	99
Other income	6, 15	3 460	1 224	3 460	1 224
<b>Total revenue</b>		<b>4 506</b>	<b>1 323</b>	<b>4 506</b>	<b>1 323</b>
<b>Operating expenses</b>					
Payroll expenses	4	17 778	17 696	17 778	17 696
Research and development expenses	6	10 747	13 481	10 747	13 481
Other operating expenses	14	9 233	7 632	9 254	7 632
<b>Profit (loss) before interest, tax, depreciation and amortisation (EBITDA)</b>					
		<b>(33 252)</b>	<b>(37 486)</b>	<b>(33 273)</b>	<b>(37 486)</b>
Depreciation expenses	5	313	245	313	245
<b>Profit (loss) before interest and tax (EBIT)</b>					
		<b>(33 565)</b>	<b>(37 731)</b>	<b>(33 586)</b>	<b>(37 731)</b>
<b>Financial income and expenses</b>					
Interest income		208	348	208	348
Agio		65	66	65	66
Interest expenses	13	0	0	0	0
Disagio		(73)	(38)	(73)	(38)
<b>Net financial items</b>		<b>200</b>	<b>376</b>	<b>200</b>	<b>376</b>
<b>Net result before tax (EBT)</b>					
		<b>(33 365)</b>	<b>(37 355)</b>	<b>(33 386)</b>	<b>(37 355)</b>
Taxes	7	0	0	0	0
<b>Net loss for the year</b>					
		<b>(33 365)</b>	<b>(37 355)</b>	<b>(33 386)</b>	<b>(37 355)</b>
Profit (loss) per share, basic and diluted					
	11	<b>(0.12)</b>	(0.15)		
Other comprehensive income					
		0	0	0	0
<b>Total comprehensive income for the year, net of tax</b>					
		<b>(33 365)</b>	<b>(37 355)</b>	<b>(33 386)</b>	<b>(37 355)</b>



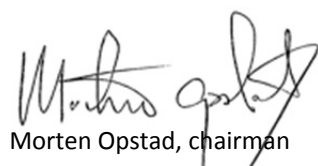
## Statements of financial position 31 December

Amounts in NOK 1,000

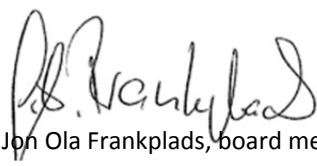
Assets	Note	IDEX group		IDEX ASA	
		2012	2011	2012	2011
<b>Long-term assets</b>					
<b>Fixed assets</b>					
Fixed assets	5	626	939	626	939
Total fixed assets		626	939	626	939
<b>Financial assets</b>					
Shares in subsidiary	17			0	6
Other long-term receivables	16	332	325	332	325
Total financial assets		332	325	332	331
<b>Total long-term assets</b>		<b>958</b>	<b>1 264</b>	<b>958</b>	<b>1 270</b>
<b>Current assets</b>					
<b>Receivables</b>					
Accounts receivable	13	17	19	17	19
Receivables from group companies	14			0	54
Other receivables	13	3 715	3 161	3 715	3 161
Prepaid expenses		512	343	512	343
Total receivables		4 244	3 523	4 244	3 577
<b>Cash and bank deposits</b>					
Cash and bank deposits	3	19 833	21 462	19 833	21 458
Total cash and bank deposits		19 833	21 462	19 833	21 458
<b>Total current assets</b>		<b>24 077</b>	<b>24 985</b>	<b>24 077</b>	<b>25 035</b>
<b>Total assets</b>		<b>25 035</b>	<b>26 249</b>	<b>25 035</b>	<b>26 305</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
<b>Paid-in capital</b>					
Share capital	8	46 422	40 794	46 422	40 794
Share premium reserve		86 292	63 429	86 292	63 429
Other paid-in capital		11 235	7 409	11 235	7 409
Total paid-in capital		143 949	111 632	143 949	111 632
Other equity		(125 631)	(92 266)	(125 631)	(92 245)
<b>Total equity</b>		<b>18 318</b>	<b>19 366</b>	<b>18 318</b>	<b>19 387</b>
<b>Liabilities</b>					
<b>Short-term liabilities</b>					
Accounts payable	13	2 561	2 230	2 561	2 227
Accounts payable intercompany	14			0	40
Public duties payable		906	471	906	471
Other short-term liabilities	13	3 250	4 182	3 250	4 180
<b>Total liabilities</b>		<b>6 717</b>	<b>6 883</b>	<b>6 717</b>	<b>6 918</b>
<b>Total equity and liabilities</b>		<b>25 035</b>	<b>26 249</b>	<b>25 035</b>	<b>26 305</b>

Oslo, 23 April 2013

The board of directors of IDEX ASA



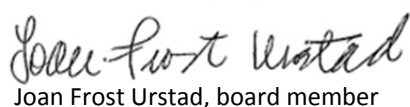
Morten Opstad, chairman



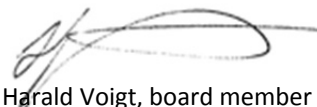
Jon Ola Frankplads, board member



Hanne Høvdning, board member



Joan Frost Urstad, board member



Harald Voigt, board member



Ralph W. Bernstein, CEO

## Statements of changes in equity

### IDEX group

Amounts in NOK 1 000	Share capital	Share premium fund	Other paid-in capital	Other equity	Total
<b>Balance at 1 January 2012</b>	<b>40 794</b>	<b>63 429</b>	<b>7 409</b>	<b>(92 266)</b>	<b>19 366</b>
Private placement on 23 April	1 493	8 196			9 689
Share issue on 15 May (board remuneration)	55				55
Private placement on 8 November	4 080	14 667			18 747
Share-based remuneration			3 826		3 826
Comprehensive income (loss) for the year				(33 365)	(33 365)
<b>Balance at 31 December 2012</b>	<b>46 422</b>	<b>86 292</b>	<b>11 235</b>	<b>(125 631)</b>	<b>18 318</b>
<b>Balance at 1 January 2011</b>	<b>32 240</b>	<b>29 274</b>	<b>3 000</b>	<b>(54 911)</b>	<b>9 603</b>
Private placement on 8 April	2 715	28 380			31 095
Share issue on 19 May (board remuneration)	19				19
Exercise of warrants on 8 July	741	741			1 482
Exercise of warrants on 12 August	5 079	5 034			10 113
Share-based remuneration			4 409		4 409
Comprehensive income (loss) for the year				(37 355)	(37 355)
<b>Balance at 31 December 2011</b>	<b>40 794</b>	<b>63 429</b>	<b>7 409</b>	<b>(92 266)</b>	<b>19 366</b>

### IDEX ASA

Amounts in NOK 1 000	Share capital	Share premium fund	Other paid-in capital	Other equity	Total
<b>Balance at 1 January 2012</b>	<b>40 794</b>	<b>63 429</b>	<b>7 409</b>	<b>(92 245)</b>	<b>19 387</b>
Private placement on 23 April	1 493	8 196			9 689
Share issue on 15 May (board remuneration)	55				55
Private placement on 8 November	4 080	14 667			18 747
Share-based remuneration			3 826		3 826
Comprehensive income (loss) for the year				(33 386)	(33 386)
<b>Balance at 31 December 2012</b>	<b>46 422</b>	<b>86 292</b>	<b>11 235</b>	<b>(125 631)</b>	<b>18 318</b>
<b>Balance at 1 January 2011</b>	<b>32 240</b>	<b>29 274</b>	<b>3 000</b>	<b>(54 890)</b>	<b>9 624</b>
Private placement on 8 April	2 715	28 380			31 095
Share issue on 19 May (board remuneration)	19				19
Exercise of warrants on 8 July	741	741			1 482
Exercise of warrants on 12 August	5 079	5 034			10 113
Share-based remuneration			4 409		4 409
Comprehensive income (loss) for the year				(37 355)	(37 355)
<b>Balance at 31 December 2011</b>	<b>40 794</b>	<b>63 429</b>	<b>7 409</b>	<b>(92 245)</b>	<b>19 387</b>

## Cash flow statements

1 January-31 December	IDEX group		IDEX ASA	
Amounts in NOK 1,000	2012	2011	2012	2011
<b>Cash flows from operating activities</b>				
Profit (loss) before interest and taxes	<b>(33 565)</b>	(37 731)	<b>(33 586)</b>	(37 731)
Share-based remuneration (equity part)	<b>3 825</b>	4 409	<b>3 825</b>	4 409
Depreciation	<b>313</b>	245	<b>313</b>	245
Interest paid	<b>0</b>	0	<b>0</b>	0
Change in receivables	<b>(722)</b>	(1 601)	<b>(668)</b>	(1 602)
Change in payables, accruals	<b>(166)</b>	965	<b>(201)</b>	963
Net other items	<b>(6)</b>	28	<b>(6)</b>	28
<b>Net cash flow from operational activities</b>	<b>(30 321)</b>	(33 685)	<b>(30 323)</b>	(33 688)
<b>Cash flows from investing activities</b>				
Investments	<b>0</b>	(552)	<b>0</b>	(552)
Investment in subsidiaries			<b>6</b>	0
Changes in long-term receivables	<b>(7)</b>	(7)	<b>(7)</b>	(7)
Interest received	<b>208</b>	348	<b>208</b>	348
<b>Net cash flow from investing activities</b>	<b>201</b>	(211)	<b>207</b>	(211)
<b>Cash flows from financing activities</b>				
Share issues	<b>28 491</b>	42 709	<b>28 491</b>	42 709
<b>Net cash flow from financing activities</b>	<b>28 491</b>	42 709	<b>28 491</b>	42 709
<b>Net change in cash and bank deposits</b>	<b>(1 629)</b>	8 813	<b>(1 625)</b>	8 810
Cash and bank deposits at 1 January	<b>21 462</b>	12 649	<b>21 458</b>	12 648
<b>Cash and bank deposits at 31 December</b>	<b>19 833</b>	21 462	<b>19 833</b>	21 458

## Notes

### 1. Group information

IDEX ASA ("IDEX") is a Norwegian Public Limited Company with registered office in the Bærum municipality. IDEX shares were admitted to listing at the Oslo Axess marketplace of Oslo Børs on 12 March 2010.

IDEX is a technology company specialized in the development of on-screen navigation and fingerprint recognition technology.

IDEX was incorporated in 1996. The IDEX group was formed on 20 January 2007 and comprises the parent company IDEX ASA and a sub-group in the USA. The sub-group consists of the parent company IDEX Holding Company Inc with subsidiary IDEX America Inc. Both subsidiaries were dissolved on 30 November 2012. Both subsidiaries were 100 per cent owned.

The going concern assumption has been applied when preparing these financial statements. At the end of 2012 there was uncertainty attached to this assumption. On 22 April 2013 the board resolved to propose to the annual general meeting on 16 May 2013 that the company shall issue 18,771,250 new shares in a private placement of new shares at NOK 1.60 per share, which will raise NOK 30.0 million before expenses. By a book building process, the company has received irrevocable subscription commitments for the full amount. Significant shareholders and also the board members who hold or control shares have committed themselves to vote for the proposal. The board has deemed that it can take for its basis that the company has adequate equity and liquidity for going concern in accordance with present plans into 2014.

The annual financial statements for 2012 were resolved by the board on 23 April 2013 and will be presented to the annual general meeting on 16 May 2013.

### 2. Accounting principles

#### Basis of preparation

The accounting year coincides with the calendar year. The annual financial statements have been prepared on a historical cost basis. The group's financial statements are presented in NOK which is also the parent company's functional currency. All figures in the tables have been rounded to the nearest thousand except where indicated otherwise. The financial statements of the IDEX group and IDEX ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The standards have been applied congruently in the group and in the parent company.

#### Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

IFRS is continuously developed and recently published standards, amendments and interpretations have been reviewed and considered. None of the new standards, amendments and interpretations that apply as of 1 January 2012 had any impact on the result or equity of IDEX in 2012, or the company does not have transactions or balance sheet items that shall be disclosed under the new or amended rules.

The company considers that the new standards which have been resolved by the date of these financial statements and which standards will apply to the accounting year 2013, will not have any significant impact on the annual financial statements for 2013.

The company does not operate business segments, geographical segments or have significant revenue and has therefore not presented segment reports. IDEX will apply IFRS 8 Operating segments in due course.

## Significant accounting judgements and estimates

Preparation of financial statements compliant to IFRS implies that the management makes judgements and prepares estimates and assumptions which have an impact on the recognised amounts for assets, liabilities, revenue and costs. Estimates and related assumptions have been based on the management's best knowledge of past and recent events, experience and other factors which are considered reasonable under the circumstances. Actual results may deviate from such assumptions. Estimates and underlying assumptions are subject to continuous evaluation. Critical accounting estimates for IDEX are:

*Share based remuneration:* IDEX estimates the fair value of option and subscription rights at the grant date. IDEX has applied a Black & Scholes option pricing model when valuing the subscription rights. The option valuation is based on assumptions about volatility, interest rates and duration of the option. The cost of share based remuneration is expensed over the vesting period. Estimates with regards to future attrition are applied. Such estimates are updated at the balance sheet date. Changes in this estimate will impact the expensed cost of share based remuneration in the period.

*Income taxes:* Deferred tax asset related to losses carried forward is recognised when it is probable that the loss carried forward may be utilised. Evaluation of probability is based on historical earnings, expected future margins and the size of the order back-log. Future events may lead to these estimates being changed. Such changes will be recognised when reliable new estimates can be made.

## Financial risk, capital management

IDEX is exposed to certain financial risks related to exchange rates and interest level. These are, however, insignificant compared to the business risk and the Company's financial position.

Business risk may be summarised in five points: (i) IDEX has to date had minimal revenue compared to costs. The company has reported accumulating financial losses and expects future losses. (ii) IDEX's business plan assumes revenue from products which IDEX has not yet traded commercially. (iii) Revenue from the company's products depend among other things on market factors, which are not controlled by IDEX. (iv) Competing companies' products have entered the commercial stage. (v) IDEX's intended market is immature and undergoing rapid technological changes.

IDEX does not have any significant trade receivables or other receivables with any credit risk.

IDEX does not hold any other financial instruments in the balance sheet or any such instruments outside the balance sheet.

IDEX manages its liquidity passively, which means that funds are placed in floating-interest bank accounts. Investments in fixed assets are only made when mandatory for the needs of the company's core business. The company has been funded by equity in the past. The company will prepare and implement comprehensive capital management and funding policies as and when needed.

The financial situation of the Company was vulnerable at the end of 2012. On 22 April 2013 the board resolved to propose to the annual general meeting on 16 May 2013 that the company shall issue 18,771,250 new shares in a private placement of new shares at NOK 1.60 per share, which will raise NOK 30.0 million before expenses. By a book building process, the company has received irrevocable subscription commitments for the full amount. Significant shareholders and also the board members who hold or control shares have committed themselves to vote for the proposal. The board has deemed that it can take for its basis that the company has adequate equity and liquidity for going concern in accordance with present plans into 2014.

## Summary of significant accounting policies

### *Consolidation*

The Group's consolidated financial statements comprise IDEX ASA and companies in which IDEX ASA has a controlling interest. A controlling interest is normally obtained when the Group holds more than 50 per cent of the voting rights or has decisive power on the entity's operational and financial management. Minority interests are included in the group's equity.

Intra-group transactions and balance sheet items and any unrealised gains or losses or revenue and cost related to intra-group transactions have been eliminated when preparing the consolidated financial statements. The purchase method is applied when accounting for business combinations. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases.

#### *Revenue*

Revenue is recognised to the extent that it is probable that an economic benefit will flow to the group and the revenue can be reliably measured.

*Royalty:* Royalty revenue will be recognised at the time the licensee generates income on which IDEX shall receive a royalty payment.

*Development and milestone payments:* Revenue will be recognised at the time of performance, and when the risk of the delivered items have passed to the buyer and can be reliably measured.

*Rendering of services:* Revenue generated by rendering of services is recognised as the services are delivered.

*Delivery of products:* Revenue will be recognised at the time of delivery, and when the risk of the goods has passed to the buyer and can be reliably measured.

#### *Currency*

Monetary assets and liabilities denominated in foreign currency are converted using exchange rates of the balance sheet date. Revenues and expenses in foreign currency are converted using the exchange rate at the transaction date.

Assets and liabilities in foreign operations, including goodwill and fair value adjustments, are translated into NOK using the exchange rates on the balance sheet date. Incomes and expenses relating to foreign operations are translated into NOK using the average exchange rate. Exchange rate differences are recognised in equity.

Translation differences due to the translation of a net investment in foreign operations and from related hedging objects are included in comprehensive income. Translation differences previously recognised in comprehensive income are reversed and recognised in the net result of the year when the foreign operations are disposed of.

#### *Research and development expenses*

Research costs are expensed as incurred. An intangible asset arising from the development expenditure on an individual project is recognised only when IDEX can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the company's intention and capability of completing the development and realise the asset, and the net future financial benefits of use or sale.

#### *Fixed assets*

Fixed assets are held at cost less accumulated depreciation and impairment losses. When assets are sold or retired, the gross carrying amount and accumulated depreciations are derecognised. Any gain or loss on the sale or retirement is recognised in the income statement.

The gross carrying amount of fixed assets is the purchase price, including duties/taxes and direct acquisition costs related to making the non-current asset ready for use. Subsequent costs, such as repair and maintenance expenses, are normally recognised in profit or loss as incurred. When increased future economic benefits as a result of repair/maintenance work can be proven, such expenses will be recognised in the balance sheet as additions to non-current assets.

The assets are depreciated using the straight-line method over each asset's economic life. The depreciation period and method are assessed each year to ensure that the method and period used harmonise with the financial realities of the non-current asset. The same applies to the residual value.

### *Impairment of fixed assets*

An assessment of impairment losses on fixed assets is made when there is an indication of a fall in value. If an asset's carrying amount is higher than the asset's recoverable amount, an impairment loss will be recognised in the income statement. The recoverable amount is the higher of the fair value less costs to sell and the discounted cash flow from continued use. The fair value less costs to sell is the net amount that can be obtained from a sale to an independent third party. The recoverable amount is determined separately for each asset.

Impairment losses recognised in the income statements for previous periods are reversed when there is information that the need for the impairment loss no longer exists. The reversal is recognised as revenue or an increase in other reserves. Reversal is limited by the carrying amount not exceeding acquisition cost less normal depreciation.

### *Provisions*

Provisions are recognised when and only when the group has a valid liability (legal or constructive) as a result of events that have taken place and it is more probable than not that a financial settlement will take place as a result of the event(s), and that the size of the amount can be measured reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability. When the effect of time is insignificant, the provisions will be equal to the size of the expense necessary to be free of the liability. When the effect of time is significant, the provisions will amount to the present value of future payments to cover the liability. Any increase in the provisions due to time is recorded as interest costs.

### *Interest bearing debt*

Loans and credits are initially recognised at cost, which is fair value of the received amount less directly attributable transaction costs. Following the initial recognition, the interest bearing debt are measured at amortised cost applying the effective interest method. Any difference between amount received and repayment amount is recognised over the duration of the loan. Any transaction costs and discounts are taken into account when calculating amortised cost. Amortised cost is calculated. Gains and losses are recorded as net gain or loss when the liability is derecognised.

Loans which the lender or IDEX may convert to equity and where the number of issued shares does not change with any change in fair value, are considered composite financial instruments. The equity component is calculated on the issue date as the excess of the amount received and the present value of future interest and repayment amounts, discounted by the market rate for comparable loans without conversion rights. Interest cost is recognised applying the effective interest method.

### *Accounts receivable*

Receivables are carried at amortised cost. The interest element is disregarded if it is insignificant. Should there be evidence of impairment, the receivable is written down to the present value of future cash flows discounted by the receivable amount's effective interest rate.

### *Cash and bank deposits*

Cash and bank deposits include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and any bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### *Taxes*

The tax expense consists of the tax payable and changes in deferred tax. Deferred tax has been calculated with 28 per cent on the temporary differences between the recorded and tax values, as well as on any tax loss carry-forward at the balance sheet closing date. Any temporary differences increasing or reducing tax that will or may reverse in the same period, have been netted.

A deferred tax asset will be recognised when it is probable that the group will have a sufficient profit for tax purposes to utilise the tax asset. At each balance sheet date, IDEX reviews its unrecognised deferred tax assets and the value it has recognised. The group recognises an unrecognised deferred tax asset to the extent that it has become probable that the group can utilise the deferred tax asset. Similarly the group will reduce its deferred tax asset to the extent that it can no longer utilise it.

Deferred tax and deferred tax assets are measured on the basis of the expected future tax rates.

#### *Contingent liabilities and assets*

Contingent liabilities are possible obligations resulting from past events which existence depends on future events; obligations that are not recognised because it is not probable that they will lead to an outflow of resources; and obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the annual financial statements, but will be disclosed in the notes if applicable.

A contingent asset is not recognised in the annual financial statements, but is disclosed in the notes if there is a degree of probability that a benefit will accrue to IDEX.

#### *Share-based remuneration*

Option and subscription rights granted to employees and members of the board of directors are charged against the profit and loss at their fair value over the vesting period. The fair value of share based awards is determined using a Black & Scholes option pricing model.

Social security tax related to share-based remuneration is calculated on the fair value of options and subscription rights and accrued on the balance sheet date.

#### *Leasing agreements*

Leasing contracts are classified as financial or operational leases based on an individual assessment. Operational lease contracts are expensed on a straight-line basis through the contract period. Assets financed by financial leases are capitalised and amortised over their economic useful lives. The corresponding lease commitment is reduced by the value of lease payments made, less calculated interest.

#### *Earnings per share*

Earnings per share are calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares outstanding over the course of the period. Earnings per share fully diluted are calculated based on the result for the year divided by the average number of shares fully diluted. The effect of dilution is not counted in when the result is a loss.

#### *Cash flow*

The cash flow statement has been drawn up in accordance with the indirect method and reports cash flows during the period classified by operating, investing and financing activities.

#### *Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as a reduction in expense. When the grant can be viewed as payment for a deliverable or performance of a service, it is recognised as other revenue.

#### *Segment reporting*

The company does not operate business segments, geographical segments or have significant revenue and has therefore not presented segment reports. IDEX will implement segment reporting as and when segment reporting will be informative.

### **3. Cash and bank deposits**

Cash and bank deposits amounted to NOK 19,833 thousand at the end of 2012. Of this amount, NOK 504 thousand were employees' withheld payroll tax deposits. No deposits were restricted. The full amount was held in NOK. At the end of 2011 cash and bank deposits amounted to NOK 21,462 thousand of which NOK 616 thousand were employees' withheld payroll tax deposits and NOK 170 thousand were restricted deposits to cover credit lines on purchasing cards. The counter value of NOK 4 thousand was held in USD, while the remaining was held in NOK. Deposits for rent of facilities have not been included in bank deposits.



#### 4. Payroll expenses and remuneration

Payroll expense	IDEX group		IDEX ASA	
	2012	2011	2012	2011
Salaries, fees	11 291	10 909	11 291	10 909
Share-based remuneration (notional salary)	3 825	4 409	3 825	4 409
Share-based remuneration (accrual of employer's tax)	(302)	(99)	(302)	(99)
Pension contribution	184	147	184	147
Social security taxes	1 687	1 574	1 687	1 574
Other personnel expenses	1 093	756	1 093	756
<b>Total</b>	<b>17 778</b>	<b>17 696</b>	<b>17 778</b>	<b>17 696</b>
Average number of employees	13	11	13	11

The parent company provides a contribution based pension insurance scheme for all employees. The scheme satisfies the mandatory service pension ('OTP') in Norway. The contribution is 2 per cent of the employee's annual salary between 2G and 12G, where G is the basic amount in the Norwegian social security system, and amounted to NOK 81 thousand in 2012.

All employees are male so salary statistics per gender have not been prepared.

#### Actual remuneration for senior managers

The table includes employees and contractors who are primary insiders.

Amounts in NOK 1,000	2012					Total remuneration
	Salary (charge)	Incentive pay (charge)	Other benefits	Pension cost	Share-based remuneration	
Ralph W. Bernstein, CEO	1 387		6	19	547	1 959
Inge Berge (Blaais AS), IR and business development	295	150			522	967
John R. Robinson, VP of sales and marketing	889	164	6	18	257	1 334
Erling Svela, CFO	1 441		6	17	316	1 780
Kristian Wiermyhr (Lupum AS), strategic projects and IR	250	604			522	1 376
<b>Total remuneration</b>	<b>4 262</b>	<b>918</b>	<b>18</b>	<b>54</b>	<b>2 164</b>	<b>7 416</b>

Salary, bonus and other benefits in 2012 are the amounts as declared for tax purposes, while pension cost and share based remuneration are expensed amounts in the year. All amounts exclude employer's tax. None of the senior managers exercised incentive subscription rights in 2012.

Inge Berge was contracted as of June 2012 from his own company Blaais AS, which invoices IDEX for the service. The table above shows the invoiced amount. IDEX also pays or refunds out-of-pocket expenses such as travel and telecommunications. Share-based remuneration is the recognised cost for incentive subscription rights which have been granted to Inge Berge personally.

Kristian Wiermyhr was contracted as of August 2012 from his company Lupum AS, which invoices IDEX for the service. The table above shows the invoiced amount. IDEX also pays or refunds out-of-pocket expenses such as travel and telecommunications. Share-based remuneration is the recognised cost for incentive subscription rights which have been granted to Kristian Wiermyhr personally. In addition to the service fee, the table includes NOK 454 thousand in commission to Lupum for procured subscriptions in the private placement 8 November 2012. See note 14.

## 2011

Amounts in NOK 1,000	Salary	Incentive pay	Other benefits	Pension cost	Share-based remuneration	Total remuneration
Ralph W. Bernstein, CEO	1 468	0	6	18	187	1 679
John R. Robinson, VP of sales and marketing	870	148	5	15	86	1 124
Erling Svela, CFO	1 852	0	6	14	115	1 987
Total remuneration	4 190	148	17	47	388	4 790

Salary, bonus and other benefits in 2011 are the amounts as declared for tax purposes, while pension cost and share based remuneration are expensed amounts in the year. All amounts exclude employer's tax. No incentive subscription rights were exercised in 2011.

Mr. Svela worked flexible hours as required by IDEX until 30 April 2011, and the remuneration was based on the number of hours worked. As of 1 May 2011, Mr. Svela was employed full time on fixed salary with a variable bonus component.

### Guidelines for remuneration to senior managers

In order to attract and retain the competence the company needs, the remuneration of senior managers, and all other employees, shall be competitive and comprise a basic salary which may be supplemented by performance-based cash bonus and subscription rights. Cash bonus plans are limited to fixed amounts or percentage of base pay. All parts of the remuneration – fixed as well as variable – shall reflect the responsibility and performance over time of the respective manager and employee. The basic salary is evaluated annually. The board determines the salary and other remuneration to the CEO. The CEO determines the salary and other remuneration of all other employees, within the framework set by the board. There is no post-employment remuneration beyond notice periods of 3-6 months.

The company has not made any advance payments or issued loans to, or guarantees in favour of, any members of the management.

### Share-based remuneration

Employees and senior management are eligible to participate in the company's subscription rights plan(s) as resolved by the general meeting. The purpose of such plans is to strengthen the company by providing to employees, management and individual contractors additional performance incentive.

### Implementation and effect of the policies

Salary, pension and any bonuses will attract employer's tax which will be expensed simultaneously with the remuneration.

The notional cost of subscription rights as share based remuneration is expensed but the equity effect is nil because the contra item is a notional equity injection of equal amount. In addition employer's tax is accrued on the net present value of the subscription right as an option on the balance sheet date. The value varies with the share price and may entail a net reversal of costs. In 2012 NOK 98 thousand was reversed and the accumulated accrual amounted to NOK 4 thousand for employer's tax on the subscription rights to management. In 2011 NOK 22 thousand was reversed and the accumulated accrual amounted to NOK 102 thousand for employer's tax on the subscription rights to management.

If and when the subscription rights are exercised, the accrued employer's tax will be reversed and the payable employer's tax of the actual gain will be expensed.

For the shareholders a possible exercise will represent a dilution. At the end of 2012, the number of outstanding subscription rights to management amounted to 10,521,963, corresponding to 3.4 per cent of

the share capital. At the end of 2011, the number of outstanding subscription rights to management amounted to 4,538,629, corresponding to 1.7 per cent of the share capital at the time.

## Board remuneration

The company has no other obligation to remunerate the board than the board remuneration being resolved by the annual general meeting. The company has not issued any advance payments or loans to, or guarantees in favour of, any board member.

The annual general meeting 2012 resolved a board remuneration amounting to NOK 140 thousand per board member for the period from the annual general meeting 2011 to the annual general meeting 2012. The chairman received an additional NOK 40 thousand for the service as chairman. The board members had the option to receive part or all of the remuneration in the form of shares. The number of shares corresponded to a gross value of 133 per cent of the board remuneration, for which the board member paid the par value and the shares were locked up for one year. Board members Joan Frost Urstad and Harald Voigt chose to take the full remuneration in shares. The transaction was completed in the second quarter 2012.

The company has accrued a corresponding amount for board remuneration in the period May-December 2012. The accrual amounted to NOK 560 thousand at the end of 2012. The nomination committee shall propose the board remuneration for the period May 2011-May 2012 to the annual general meeting 2013.

The company refunds relevant out-of-pocket expenses incurred by the board members.

## 5. Fixed assets

Amounts in NOK 1,000	IDEX group		IDEX ASA	
	2012	2011	2012	2011
Cost at 1 January	1 329	795	1 329	795
Additions	0	552	0	552
Disposals at cost	(0)	(18)	(0)	(18)
Currency adjustment				
<b>Cost at 31 December</b>	<b>1 329</b>	1 329	<b>1 329</b>	1 329
Accumulated depreciation at 1 January	390	163	390	163
Depreciation	313	245	313	245
Accumulated depreciation of disposed items	(0)	(18)	(0)	(18)
Currency adjustment				
<b>Accumulated depreciation at 31 December</b>	<b>703</b>	390	<b>703</b>	390
<b>Book value at 31 December</b>	<b>626</b>	939	<b>626</b>	939
Depreciation period (straight line), years	3-5	3-5	3-5	3-5

Fixed assets at the end of 2012 comprised mainly upgrade of leased facilities, personal computers, office furniture.

## 6. Research and development expenses

Research costs are expensed when incurred. The criteria for capitalization of development expenses have not been met at the date of these financial statements, because IDEX has not demonstrated its ability to earn revenue from the SmartFinger. Hence, all costs related to development have been expensed.

External direct costs for research and development (R&D) including patenting costs have been expensed, and any grants and contributions that are not revenue, have been credited. The gross expense amounted to NOK 11,847 thousand in 2012 compared to NOK 14 664 thousand in 2011. IDEX has for several years received R&D grants from the Skattefunn scheme, a governmental R&D grant scheme operated by the Research Council of

Norway. For 2012, IDEX expects to receive NOK 1,100 thousand under Skattefunn, which has been set off against R&D expenses. For 2011 the grant amounted to NOK 1,183 thousand. Net R&D cost was NOK 10,747 thousand in 2012 versus NOK 13,481 thousand in 2011.

In addition to the support that has been credited to costs, NOK 3,445 thousand support under the VerdIKT and EuroStars programmes has been recognised as other income because it is considered related to a delivery of service. The corresponding amount was NOK 1,204 thousand in 2011.

In addition to the direct external R&D costs, about NOK 9,5 million of the payroll expenses in 2012 were related to R&D (2011: NOK 10.5 million). Infrastructure costs are not included.

## 7. Income tax expense

Note 7 contains information on the parent company only. The subsidiaries have been inactive and not subject to income tax. The difference in net result before taxes for the group and for the parent company was NOK 21 thousand in 2012, and had no effect on payable or deferred tax (2011: no difference and no tax effect).

Amounts in NOK 1,000	IDEX ASA	
<b>Specification of the tax expense for the year</b>	<b>2011</b>	2011
Payable taxes on the result of the year	0	0
Change in deferred tax asset/liability	0	0
Tax expense on net result	0	0

Amounts in NOK 1,000	IDEX ASA	
<b>Computation of taxes payable for the year</b>	<b>2012</b>	2011
Net result before taxes	(33 386)	(37 355)
Permanent differences	617	1 667
Changes in temporary differences	110	(7)
Basis for taxes payable	(32 659)	(35 695)
28% tax, representing total taxes payable on current year's result	0	0

IDEX ASA	Temporary differences		Change in temporary differences	
Amounts in NOK 1,000	31 Dec. 2012	31 Dec. 2011	2012	2011
Midlertidige forskjeller	(85)	25	(110)	7

Amounts in NOK 1,000	IDEX ASA	
<b>Specification of temporary differences</b>	<b>31 Dec. 2012</b>	31 Dec. 2011
Fixed Assets	(85)	25

Amounts in NOK 1,000	IDEX ASA	
<b>Specification of deferred taxes</b>	<b>31 Dec. 2012</b>	31 Dec. 2011
Losses carried forward	(315 988)	(283 483)
Temporary differences	(85)	25
Basis for deferred taxes	(316 073)	(283 458)
Calculated deferred tax, 28 %	88 500	79 368
Deferred tax asset in the balance sheet	0	0

Amounts in NOK 1,000	IDEX ASA	
<b>Specification of payable taxes in the balance sheet</b>	<b>31 Dec. 2012</b>	31 Dec. 2011
Taxes payable on this year's result	0	0
Total taxes payable	0	0

Specification of actual tax expense	Amounts in NOK 1,000	
	IDEX ASA	
	2012	2011
Result (loss) before tax	(33 386)	(37 355)
Theoretical tax expense (income)	(9 348)	(10 459)
Adjustment permanent differences in prior years		1 647
Permanent differences	173	467
Deferred tax asset not recognised on 31 December	9 521	8 345
Actual tax expense (income)	0	0

The accumulated deferred tax asset of NOK 9.5 million is virtually entirely related to tax losses carry forward. IDEX has not generated taxable profits in prior years. At 31 December 2012 there was not sufficiently convincing evidence that sufficient taxable profit will be generated, against which the unused tax losses could be applied. There are no restrictions as to how long tax losses may be carried forward.

## 8. Share capital and shareholder information, warrants and incentive subscription rights

There is one class of shares, and all shares have equal rights and are freely negotiable. There were 309,479,430 shares in the company on 31 December 2012, compared to 271,960,641 shares on 31 December 2011. The share capital is fully paid in. The par value of the shares is NOK 0.15 (15 Norwegian øre) per share. At the end of 2012 there were 1,141 shareholder accounts compared to 1,186 at the end of 2011.

### 2012

	Number of shares	Number of warrants
Balance at 1 January	271 960 641	9 049 103
Expiry of 2011-warrants on 27 April		(9 049 103)
Private placement on 9 May	9 954 013	9 954 013
Share issue (board remuneration) on 15 May	368 712	
Expiry of 2012-warrants on 14 September		(9 954 013)
Private placement on 8 November	27 196 064	
<b>Balance at 31 December</b>	<b>309 479 430</b>	<b>0</b>

Following solicitation for interest, IDEX completed a successful private placement of shares 9 May 2012. The placement was oversubscribed by 30 per cent, and 9,954,013 new shares were issued at a subscription price of NOK 1.00 per share, raising NOK 10.0 million equity and liquidity before expenses. The annual general meeting on 15 May 2012 resolved to issue one 2012-warrant for each new share. The 2012-warrants were exercisable 3-14 September 2012, at an exercise price of NOK 1.30 per share. The warrants were out of the money in the exercise period, and none were exercised.

Following the annual general meeting on 15 May 2012, board members Joan Frost Urstad and Harald Voigt elected to receive the board remuneration 2011-2012 in shares. Each acquired 184,356 shares for which they paid the par value in lieu of a cash board remuneration of NOK 140,000.

On 8 November 2012 IDEX carried out a private placement by book building. The placement was significantly oversubscribed. The board resolved on 9 November 2012 to issue the maximum number of shares according to the authorisation, viz. 27,196,064 shares at a subscription price of NOK 0.75 per share, thereby raising NOK 20.4 million new equity and liquidity before expenses. The capital was fully paid in and registered in 2012.

### 2011

	Number of shares	Number of warrants
Balance at 1 January	214 933 142	39 205 778
Private placement on 8 April	18 098 222	9 049 103
Share issued (board remuneration) on 19 May	124 966	
Warrants exercised on 8 July	4 941 579	(4 941 579)
Warrants exercised on 12 August	33 862 732	(33 862 732)
Expiry of warrants on 12 August		(401 467)
<b>Balance at 31 December</b>	<b>271 960 641</b>	<b>9 049 103</b>

Investors who participated in the private placement in April 2011 received one 2011-warrant for each two new issued shares. The warrants were exercisable at NOK 2.10 per share in the period 16-27 April 2012 whereafter the warrants expired. None were exercised.

Investors who participated in the private placement in April 2012 received one 2012-warrant for each new issued shares. The warrants were exercisable at NOK 1.30 per share in the period 3-14 September 2012 whereafter the warrants expired. None were exercised.

<b>Top 20 shareholders at 31 December 2012</b>	<b>Number of shares</b>	<b>Percent of shares</b>
A. S. Holding A/S	77 225 875	24.9
Charles Street International Ltd	37 107 236	12.0
Euroclear Bank S.A./N.V. (Nominee)	17 844 366	5.8
Colargol Invest AS	17 500 318	5.7
Storebrand Vekst	7 785 514	2.5
MP Pensjon PK	7 500 000	2.4
Hedger Management SA	6 000 000	1.9
Rønne, Lars Frithjof	5 700 000	1.8
Rønne, Sven Christian	4 760 953	1.5
Marc O'Polo Norge AS	4 613 148	1.5
SIX SIS AG (Nominee)	4 513 073	1.5
Big Top Holding AS	3 500 000	1.1
Stålhe Invest AS	3 257 282	1.1
Voigt, Harald	3 115 443	1.0
Henriksen, Jens Andreas	3 070 000	1.0
Frankplads, Jon Ola	3 014 200	1.0
Høvding, Marit	2 947 342	1.0
Engelstad, Simen Falck	2 400 000	0.8
Lupum AS	2 284 696	0.7
Egge Gård AS	2 156 550	0.7
Others	93 183 434	30.1
<b>Total</b>	<b>309 479 430</b>	<b>100.0</b>

For practical reasons, IDEX does not prepare a list of beneficial owners of holdings in nominee accounts.

<b>Shares, warrants and subscription rights held or controlled by primary insiders and their close relations at 31 December</b>	<b>2012</b>		<b>2011</b>		
	<b>Shares</b>	<b>Incentive subscription rights</b>	<b>Shares</b>	<b>Warrants</b>	<b>Incentive subscription rights</b>
Morten Opstad, chairman	6 559 725	0	6 359 845	0	0
Jon Ola Frankplads, board member	3 912 382	0	3 712 552	0	0
Hanne Høvding, board member	293 477	29 657	255 997	0	29 657
Joan Frost Urstad, board member	304 580	59 314	110 234	0	59 314
Harald Voigt, board member	3 115 443	59 314	2 571 402	0	59 314
Ralph W. Bernstein, CEO	334 638	2 715 297	334 638	0	2 731 963
Inge Berge, IR and business development	66 630	3 000 000			
John R. Robinson, VP of sales and marketing	0	1 100 000	0	0	1 100 000
Erling Svela, CFO	0	706 666	0	0	706 666
Kristian Wiermyhr, strategic projects and IR	3 574 735	3 000 000			
<b>Total</b>	<b>18 181 610</b>	<b>10 670 248</b>	<b>13 344 668</b>	<b>0</b>	<b>4 686 914</b>

The board may grant up to 27,196,064 incentive subscription rights under the 2012 subscription rights based incentive programme resolved by the annual general meeting on 15 May 2012, but limited in such a way that the total number of subscription rights outstanding may not exceed 10 per cent of the number of shares. The subscription rights may be granted to employees and individual contractors performing similar work in IDEX.

The exercise price shall be equal to the average closing price of the IDEX share on ten trading days preceding the date of the grant. The subscription rights vest in four equal tranches every 12 months after the date of the grant and lapse on the fifth anniversary after the programme was resolved. The board may at grant resolve higher exercise prices and/or differing vesting schedules. Grants under programmes for prior years have the same vesting schedule and duration. The recipient must remain an employee or working contractor in IDEX at the time of vesting or exercise. There are no cash settlement alternatives.

The board resolved on 30 August 2012 to grant a total of 6,000,000 incentive subscription rights to two contractors under the company's 2012 subscription rights plan as resolved at the annual general meeting on 15 May 2012. The exercise price of the subscription rights is NOK 1.00 per share for 3,000,000 shares and NOK 1.30 per share for 3,000,000 shares. 1/3 of the subscription rights in each category vest at grant, 1/3 vest 9 months after the grant and 1/3 vest 18 month after the grant. The subscription rights expire on 30 August 2014.

	2012		2011	
<b>Incentive subscription rights</b>	Number of subscription rights	Weighted average exercise price	Number of subscription rights	Weighted average exercise price
Outstanding at 1 January	14 596 266	1.32	8 917 096	1.31
Granted	6 000 000	1.15	5 707 500	1.40
Exercised				
Forfeited	(2 566 917)	1.04		
Expired	(284 090)	2.40	(28 330)	15.25
Outstanding at 31 December	17 745 259	1.28	14 596 266	1.32
Number which were exercisable at 31 December	8 675 174	1.26	3 766 939	1.34
Weighted average fair value of subscription rights granted in the year	6 000 000	0.23	5 707 500	1.00

The fair value for the subscription rights granted in the year has been calculated by use of the Black & Scholes option pricing model applying the following assumptions applied in 2012:

- Exercise price NOK 1.00-1.30 per share, weighted average NOK 1.15 per share
- Actual share price at date of grant average NOK 0.74 per share
- Duration up to 2.0 years
- Volatility of share price based on share price history 90 per cent
- Risk free interest rate of 1.4 per cent
- No expected dividend payment
- Actual population of subscription rights holders, no attrition

Incentive subscription rights outstanding at 31 December 2012	Grant date	Expiry date	Grantee capacity	Number of subscription rights	Exercise price NOK
Hanne Høvdning, board member	18 Jun. 2008	18 Jun. 2013	board remun.	3 125	10.83
	11 May 2010	11 May 2015	board remun.	26 532	1.20
Joan Frost Urstad, board member	18 Jun. 2008	18 Jun. 2013	board remun.	6 250	10.83
	11 May 2010	11 May 2015	board remun.	53 064	1.20
Harald Voigt, board member	18 Jun. 2008	18 Jun. 2013	board remun.	6 250	10.83
	11 May 2010	11 May 2015	board remun.	53 064	1.20
Ralph W. Bernstein, CEO	26 Aug. 2008	18 Jun 2013	employee	42 342	8.85
	8 Oct. 2009	8 May 2014	employee	339 622	0.90
	8 Oct. 2009	8 May 2014	employee	1 333 333	1.20
	2 Nov. 2010	11 May 2015	employee	250 000	1.02
	2 Nov. 2010	11 May 2015	employee	250 000	1.50
Inge Berge, IR and business development	10 Apr. 2011	11 May 2015	employee	500 000	1.96
	30 Aug. 2012	30 Aug. 2014	contractor	1 500 000	1.00
John R. Robinson, VP of sales and marketing	30 Aug. 2012	30 Aug. 2014	contractor	1 500 000	1.30
	2 Aug. 2010	11 May 2015	employee	850 000	0.98
Erling Svela, CFO	10 Apr. 2011	11 May 2015	employee	250 000	1.96
	8 Oct. 2010	8 May 2014	employee	66 666	1.20
Kristian Wiermyhr, strategic projects og IR	10 Apr. 2011	11 May 2015	employee	640 000	1.96
	30 Aug. 2012	30 Aug. 2014	contractor	1 500 000	1.00
Other employees	30 Aug. 2012	30 Aug. 2014	contractor	1 500 000	1.30
	26 Aug. 2008	18 Jun. 2013		39 639	8.85
	8 Oct. 2009	8 May 2014		2 264 148	0.90
	8 Oct. 2009	8 May 2014		1 578 724	1.20
	7 May 2010	8 May 2014		250 000	1.20
	16 Dec. 2010	11 May 2015		920 000	1.60
Total	10 Apr. 2011	11 May 2015		977 500	1.96
	23 Oct. 2011	19 May 2016		1 025 000	0.94
				17 745 259	

## 9. Board authorisations to issue shares or acquire own shares

Only authorisations valid on 31 December 2012 have been included. The authorisations were resolved at the annual general meeting 2012 and are valid until the annual general meeting 2013 but no longer than 30 June 2013. The combined issue under both authorisations may not exceed 27,196,064 shares.

Purpose of the authorization	Authorised number of shares	Issued number of shares
Private placement of shares to raise additional capital	27 196 064	27 196 064
Issue of shares in a rights issue to raise additional capital	27 196 064	0

There were no authorisations to purchase own shares in effect at the end of 2012.

## 10. Events after 31 December 2012

Between 31 December 2012 and the date of these annual financial statements no events have occurred which may significantly impact the result for 2012 or the value of the company's assets and debt at the end of 2012.

The board of directors of IDEX resolved on 9 January 2013 to grant a total of 4,700,000 incentive subscription rights to employees under the company's 2012 incentive subscription rights plan as resolved at the annual general meeting on 15 May 2012. The exercise price of the subscription rights is NOK 1.00 per share for



2,350,000 shares and NOK 1.30 per share for 2,350,000 shares. 25 per cent of each lot of the subscription rights vest on each anniversary from the date of the grant. The subscription rights expire on 15 May 2017.

The board of directors resolved on 23 January 2013 to issue a total of 275,000 shares to employees who exercised incentive subscription rights under the company's 2011 incentive subscription rights plan. The price per share was NOK 0.94. The capital has been paid in and registered. On 19 April 2013 the board resolved to issue 425,000 shares to an employee who exercised incentive subscription rights under the company's 2010 incentive subscription rights plan. The price per share was NOK 0.98. The capital has been paid in and will be registered soonest.

On 22 April 2013 the board resolved to propose to the annual general meeting on 16 May 2013 that the company shall issue 18,771,250 shares in a private placement of new shares at NOK 1.60 per share, which will raise NOK 30.0 million before expenses. By a book building process, the company has received irrevocable subscription commitments for the full amount. Significant shareholders and also the board members who hold or control shares have committed themselves to vote for the proposal.

## 11. Earnings per share

Earnings per share shall be calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares outstanding in the year. Earnings per fully diluted share shall be calculated based on the result for the year divided by the weighted average number of fully diluted shares. In case of a net loss, the dilution would reduce the loss per share. In that case the effect of dilution is not taken into account.

	IDEX group	
	2012	2011
Net profit (loss) for the year (NOK 1,000)	(33 365)	(37 355)
Number of ordinary shares in issue at 31 December	309 479 430	271 960 641
Weighted average basic number of ordinary shares	281 405 296	242 434 609
Weighted average diluted number of shares	282 395 678	264 397 686
<b>Basic and diluted profit (loss) per share in the year (NOK per share)</b>	<b>(0.12)</b>	<b>(0.15)</b>

## 12. Audit fees

Audit fees for the statutory audit of 2011 amounted to NOK 195 thousand (2011: NOK 195 thousand) and for other assurance services NOK 48 thousand (2011: NOK 8 thousand). Fees related to tax assistance amounted to NOK 38 thousand (2011: NOK 38 thousand) and other services, such as confirmations related to capital increases NOK 35 thousand (2011: NOK 38 thousand). Total fees for 2012 amounted to NOK 316 thousand (2011: NOK 279 thousand).

## 13. Financial obligations; other payables and other receivables; contingent assets and liabilities

IDEX had no significant financial obligations at the end of 2012 or 2011. In 2009, the company entered into a five-years' leasehold agreement for facilities. The annual rent and cost sharing is prepaid quarterly and the lease obligation amounted at the end of 2012 to NOK 544 thousand per year, with annual adjustment in line with price indices.

Ongoing expenses are generally paid monthly and accounts payable were largely due in less than one month. The supplier accounts payables denominated in EUR amounted to NOK 473 thousand, in SEK amounted to NOK 119 thousand and in USD amounted to NOK 93 thousand. Other short-term liabilities, amounting to NOK 3,250 thousand, were mainly for accrued expenses, and all were due in 12 months or less. NOK 1,229 thousand were due in less than 3 months, NOK 1,899 thousand were due in 3-6 months and NOK 122 thousand in more than 6 months.

Customer accounts receivables amounted to NOK 17 thousand, denominated in USD. Other receivables, amounting to NOK 3,715 thousand, were all due in less than 12 months: NOK 2,615 thousand were due in less than 3 months, related to VAT refund and government support, and NOK 1,100 thousand, related to Skattefunn contribution for 2012, were due in more than 6 months.

IDEX had no contingent assets or liabilities at the end of 2012 or 2011.

#### 14. Related party transactions

The company's significant shareholders, board members and management are considered related parties. All transactions with related parties have been carried out on arm's length principle. Salary and board remuneration to related parties has been disclosed in note 4. See also note 8.

The chairman is a partner and chairman of the board in Advokatfirma Ræder DA. The law firm provided services to the company amounting to NOK 2,425 thousand in 2012 (2012: NOK 2,061 thousand). The amount in 2012 includes, among other assignments, Ræder's work with the private placement in April and the private placement in November 2012, including a listing prospectus. (2011: significant work with the private placement in April and the warrants exercise in the third quarter 2011.) The amount includes accruals. The board approved in December 2011 that the company entered into a limited service agreement with a company controlled by board member Joan Frost Urstad. The agreement was entered into in January 2012 and the assignment completed in the first quarter 2012.

Frost Urstad Consult AS, which is controlled by board member Joan Frost Urstad, charged IDEX NOK 71 thousand including expenses for services conducted by Joan Frost Urstad in the first quarter of 2012. The assignment was completed in the first quarter.

Lupum AS, which is a shareholder in IDEX and is controlled by Kristian Wiermyhr who is a contracted member of management and also a shareholder in IDEX, has charged IDEX NOK 400 thousand for ongoing services conducted by Kristian Wiermyhr in 2012. Lupum AS was allocated 199,880 shares in the private placement on 8 November 2012. The book building and placement of the shares was managed by Kristian Wiermyhr. According to the service agreement with Lupum AS, Lupum AS received a commission on funds raised in the equity issue where Kristian Wiermyhr had facilitated and procured such investment. The commission amounted to NOK 454 thousand. IDEX also refunds the out-of-pocket expenses related to the ongoing services and the placement. The board resolved on 30 August 2012 to grant 3,000,000 incentive subscription rights to Kristian Wiermyhr under IDEX's 2012 subscription rights plan as resolved at the annual general meeting on 15 May 2012. The exercise price of the subscription rights is NOK 1.00 per share for 1,500,000 shares and NOK 1.30 per share for 1,500,000 shares. 1/3 of the subscription rights in each category vest at grant, 1/3 vest 9 months after the grant and 1/3 vest 18 month after the grant. The subscription rights expire on 30 August 2014.

Charles Street Services Limited (CSSL) also assisted IDEX in the book building and placement of shares in the private placement on 8 November 2012. CSSL has received a commission on funds raised in the Private Placement where CSSL facilitated and procured such investment. The commission amounted to NOK 335 thousand.

There were no overdue open items with related parties at the end of 2012 or 2011. See also note 4.

The subsidiaries in the USA, which were dissolved on 30 November 2012, were also close relations to the parent company IDEX ASA. See note 17. The parent company purchased sales and marketing services from the subsidiary Idex America Inc. The services were purchased at actual full cost without profit. The purchases amounted to NOK 129 thousand in 2012 (2011: NOK 70 thousand). There were no open items at the end of 2012. At the end of 2011, only the amount for the fourth quarter of the year was unsettled and was paid early in 2012.

#### 15. Government grants

Grants during the year	Amounts in NOK 1,000	IDEX group and IDEX ASA	
		2012	2011
SkatteFunn		1 100	1 133
VerdIKT		1 980	1 204
EuroStars		1 465	
Other schemes			50

To receive grants from SkatteFunn, the company has to be a research and development company. It is also required that the company reports progress and achievements as well as project costs to the Research Council of Norway. The Skattefunn grant for 2012 will be paid out in the second half of 2013. There are similar conditions for the VerdIKT and EurjoSTARS schemes, where the support for 2012 was partly advanced in 2012 and the residual will be paid out in the first quarter of 2013. See also note 6.

## 16. Restricted assets

IDEX has placed an amount corresponding to about 6 months' rent, allocations and VAT of its leasehold facilities on an escrow account. At the end of 2012, the escrow account amounted to NOK 332 thousand (2011: NOK 325 thousand).

At the end of 2011, NOK 170 thousand of bank deposits were restricted to cover credit lines on purchasing cards. The amount was released in 2012.

## 17. Subsidiaries

The following subsidiaries have been included in the consolidated financial statements. The companies were inactive through 2012 and 2011 and were dissolved on 30 November 2012.

<b>Subsidiaries dissolved at 30 November 2012</b>	<b>Ownership</b>	<b>Share of votes</b>
IDEX Holding Company Inc., Delaware, USA	100 %	100 %
IDEX America Inc., Delaware, USA	100 %	100 %

IDEX Holding Company Inc. ("Holding") was a holding company for the business in the USA. IDEX America Inc. was held by Holding and had been established to conduct marketing and sales of IDEX`products in the USA.

## Responsibility statement

The board and the managing director have today reviewed and approved this report from the board of directors as well as the annual financial statements for the IDEX group and the parent company IDEX ASA as at 31 December 2012.

The consolidated annual financial statements and the annual financial statements for IDEX ASA have been prepared in accordance with IFRS as adopted by the EU and the additional requirements in the Norwegian accounting act. The notes are an integral part of the respective financial statements. The report from the board of directors have been prepared in accordance with the Norwegian accounting act and generally accepted accounting practice in Norway.

We confirm, to the best of our knowledge, that the information presented in the financial statements gives a true and fair view of the group's and the parent company's assets, liabilities, financial position and result for the period viewed in their entirety, and that the report from the board of directors gives a true and fair view of the development, performance and financial position of the group and the parent company, and includes a description of the principal risks and uncertainties which the group and the parent company are facing.

Oslo, 23 April 2013  
The board of directors of IDEX ASA



Morten Opstad  
chairman




Jon Ola Frankplads  
board member



Hanne Høvdning  
board member



Joan Frost Urstad  
board member



Harald Voigt  
board member



Ralph W. Bernstein  
CEO

## Auditor's report



To the Annual Shareholders' Meeting of  
IDEX ASA

State Authorised Public Accountants  
Ernst & Young AS

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Member of the Norwegian Institute of Public  
Accountants

### AUDITOR'S REPORT

#### Report on the financial statements

We have audited the accompanying financial statements of IDEX ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company and the Group comprise the statement of financial position as at 31 December 2012, the statements of comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

#### *The Board of Directors' and Chief Executive Officer's responsibility for the financial statements*

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

*Opinion*

In our opinion, the financial statements of IDEX ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Parent Company and the Group as at 31 December 2012 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

**Report on other legal and regulatory requirements***Opinion on the Board of Directors' report and the statement on corporate governance*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and the statement on corporate governance concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

*Opinion on registration and documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices generally accepted in Norway.

Oslo, April 24, 2013  
ERNST & YOUNG AS

Per Øyvind Borge-Hansen  
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only )

## Articles of association

*Office translation for information purposes.*

IDEX ASA, company register number NO 976 846 923 VAT, last amended on 19 April 2013.

- § 1 The name of the company is IDEX ASA and it is a public limited company.
- § 2 The objective of the company is to deliver computer-based identification systems and other related activities.
- § 3 The business offices are in the Bærum municipality, Norway.
- § 4 The company's shares shall be registered in the Norwegian Registry of Securities.
- § 5 The company's share capital is NOK 46,526,914.50, divided into 310,179,430 registered shares at NOK 0.15.
- § 6 The board of the company consists of from 3 to 7 members.
- § 7 The ordinary general meeting shall handle and decide:
- Determination of the profit and loss account and balance sheet
  - Appropriation of (net) profit or covering of losses
  - Election of board and determination of board remuneration
  - Election of chairman and members of the nomination committee, and determination of remuneration to the members of the nomination committee
  - Election of auditor and determination of auditor's remuneration
  - Other matters which are governed by law
  - Other matters which are mentioned in the notice of the meeting
- § 8 a. IDEX shall have a nomination committee. The nomination committee shall have three members, including a chairman. Members of the nomination committee shall be elected by the Annual General Meeting for a term of two years.
- b. The nomination committee shall:
- Propose candidates for election to the Board of Directors
  - Propose the remuneration to be paid to the Board members
  - Propose candidates for election to the nomination committee
  - Propose the remuneration to be paid to the nomination committee members
- c. The guidelines for the nomination committee shall be resolved by the general meeting.
- § 9 Documents which timely have been made available on the Internet site of the company and which deal with matters that are to be considered at the general meeting need not be sent to the company's shareholders.
- § 10 As a general rule, the company's general meetings shall be conducted in Norwegian. The general meeting may however resolve by a simple majority vote that English shall be used.
- § 11 A shareholder who wishes to attend the general meeting, in person or by proxy, shall notify his/her attendance to the company no later than 2 days prior to the general meeting. If the shareholder does not notify the company of his/her attendance in a timely manner, the company may deny him/her access to the general meeting.

## **Corporate governance**

*Update resolved by the board of directors of IDEX ASA on 23 April 2013.*

This statement outlines the position of IDEX ASA ("IDEX" or "the Company") in relation to the recommendations contained in the Norwegian Code of Practice for Corporate Governance dated 23 October 2012 ("the Code"). The Code is publicly available at [www.nues.no](http://www.nues.no) and from Oslo Børs. In the following, the board of directors will address each recommendation of the Code and identify any areas where the Company does not fully comply with the recommendations and explain the underlying reasons for the deviations and any compensating measures where applicable.

### **1. Implementation and reporting on corporate governance**

IDEX seeks to create sustained shareholder value. The Company makes every effort to comply with the wording and intent of the laws, rules and regulations in the countries and markets where it operates. IDEX is not aware of being or having been in breach of any such statutory laws, rules or regulations. The Company pays due respect to the norms of the various stakeholders in the business. In addition to the shareholders, the Company considers its employees, the Company's business partners, the society in general and the authorities as stakeholders. IDEX is committed to maintain a high standard of corporate governance, be a good corporate citizen and demonstrate integrity and high ethical standards in all its business dealings.

The board believes that in the present organisation – the IDEX group presently has only about fifteen persons employed and a small number of ongoing contractors on site – the board and the management have adequate monitoring and control systems in place to ensure insight in and control over the activities. (Note: in this review, the noun "the management" includes all persons conducting managerial functions, whether employed or otherwise contracted.)

The board has resolved ethical guidelines which apply to all employees, consultants and contractors as well as the elected board members. The ethical guidelines also incorporate the Company's guidelines on corporate social responsibility.

### **2. IDEX's business**

In the articles of association, the Company's business is defined as "The objective of the Company is to deliver computer-based identification systems and other related activities."

The Company's business goals and key strategies are stated in a business plan adopted by the board. The plan is reviewed and revised as and when appropriate. The business goals and key strategies are presented in the annual report.

### **3. Equity and dividends**

The board is aware of and acknowledges the equity requirements and duty of action in connection with loss of equity, as set out in the Norwegian Public Limited Companies Act.

In the past, the Company has on several occasions been in need of raising equity to fund its activities. The board has proposed to the general meeting only reasonable authorisations for share issues and moderate incentive schemes. Such board authorisations have explicitly stated the type and purposes of transactions in which the authorisations may be applied. Proposed authorisations to issue shares have been considered and voted separately by each type and purpose. The board authorisations to issue shares have been valid until the next annual general meeting, as recommended by the Code. The proposals have been approved by the shareholders.

The Company has not had in place any authorisation to the board to acquire own shares. As and when such authorisation is adopted, the board will propose that the length of the authorisation be limited to a period ending at the next annual general meeting of shareholders.

IDEX has not as yet declared or paid any dividends on its shares. The Company does not anticipate paying any cash dividends on its shares in the next few years. IDEX intends to retain future earnings, if any, to finance operations and the expansion of its business. Any future determination to pay dividends will depend on the Company's financial condition, results of operation and capital requirements.



#### **4. Equal treatment of shareholders and transactions with close associates**

The Company places great emphasis on ensuring equal treatment of its shareholders. The Company has one class of shares. There are no trading restrictions or limitations relating only to non-residents of Norway under the articles of association of the Company. Each share carries one vote. There are no restrictions on voting rights of the shares.

In the authorisations to issue new shares where the shareholders resolves to waive the pre-emptive rights of existing shareholders, the rationale for doing so shall be included as part of the decision material presented to the general meeting. If and when such transactions are conducted, the justification will also be included in the announcements to the market. (Note: IDEX has detected that the Company in the notices to the market on 24 April 2012 and 9 November 2012 by inadvertence did not reiterate the reason for applying current shareholders' waiver of their pre-emptive rights to subscription for new shares in the private placements conducted on those dates.)

All related-party transactions, whether completed, in effect or future, have been and will be carried out on arm's length basis. Any not immaterial future related-party transactions shall be subject to an independent third-party valuation unless the transaction by law requires shareholder approval. The Company takes legal and financial advice on these matters when relevant.

There are no clauses in the articles of association about trading in the Company's own shares, nor has the general meeting issued any such authorisations.

Members of the board and the management are obliged to notify the board if they have any material direct or indirect interest in any transaction contemplated or entered into by the Company.

#### **5. Freely negotiable shares**

All shares are freely assignable. The articles of association do not contain any restrictions on the shares.

#### **6. General meetings**

The general meeting of shareholders provides a forum for shareholders to raise issues with the board. To the maximum degree possible, all members of the board shall be present at the general meeting. The Company's CEO and the auditor shall also be present at the general meeting. The shareholders elect a person to chair the general meeting. The board will arrange for an independent candidate if so requested by shareholders. Notice of a meeting of the shareholders shall be sent in a timely manner, and the Company shall issue the notice and documents for a general meeting, including the proxy form, no later than 21 days before the date of the general meeting. Foreign residents will receive the notice and any documents in English.

The general meeting has included in the articles of association of the Company that documents which deal with matters that are to be handled at the general meeting need not be sent to the Company's shareholders if the documents timely have been made available on the Internet site of the Company.

The board endeavours to provide comprehensive information in relation to each agenda item in order to facilitate constructive discussions and informed resolutions at the meeting. The notice will also provide information on the procedures shareholders must observe in order to participate in and vote at the general meeting. Shareholders who are unable to attend in person will be provided the option to vote by proxy in favour or against each of the board's proposals. The notice shall contain a proxy form as well as information of the procedure for proxy representation. The company has not included electronic voting or advance votes in the articles of association because there are as yet no reliable systems or practices for such voting. At the meeting, votes shall be cast separately on each subject and for each office/candidate in the elections. Consequently, the proxy form shall to the extent possible, facilitate separate voting instructions on each subject and on each office/candidate in the elections. The notice, as well as the Company's website, will set out that the shareholders have the right to propose resolutions in respect of matters to be dealt with at the general meeting.

#### **7. Nomination committee**

The 2012 annual general meeting resolved that the nomination committee is included in the company's articles of association. The meeting also resolved a mandate for the nomination committee and elected the chairman and two members of the nomination committee. No current or former board member or IDEX executive is a member of the nomination committee.

The mandate states that the nomination committee shall comply with the relevant sections in the Code. The nomination committee shall prepare and present proposals to the annual general meeting in respect of the following matters:

- Propose candidates for election to the board of directors
- Propose the remuneration to be paid to the board members
- Propose candidates for election to the nomination committee
- Propose the remuneration to be paid to the nomination committee members

The nomination committee shall give a brief account of how it has carried out its work and shall substantiate its recommendations.

#### **8. Corporate assembly and board of directors; composition and independence**

IDEX does not have a corporate assembly because it is exempted from having a corporate assembly.

The board acknowledges the Code's recommendation that the majority of the members of the board shall be independent of the Company's management and material business contacts. All board members are required to make decisions objectively in the best interest of the Company, and the majority of independent directors is intended to ensure that sufficient independent advice and judgment is brought to bear. The majority of the current board meets the independence criteria of the Code. The board meets the statutory gender requirements for the board. The board's attendance statistics is included in the presentation of the board members in the annual report.

The articles of association state that there shall be from three to seven board members. The service period is not stated in the articles, hence the board members stand for election every two years.

The board considers that at this stage of IDEX's development, it is beneficial for the Company and its shareholders that the board members are shareholders in the Company and encourages the members of the board to hold shares in the Company.

The board pays attention to ensure that ownership shall not in any way affect or interfere with proper performance of the fiduciary duties which the board members and the management owe the Company and all shareholders. As and when appropriate, the board takes independent advice in respect of its procedures, corporate governance and other compliance matters.

#### **9. The work of the board of directors**

The division of responsibility and duties between the board and the managing director is based on applicable laws and well-established practices, which have been formalized in writing through board instructions in accordance with the Norwegian Public Limited Companies Act. The board instructions also set out the number of scheduled board meetings per year and the procedures in connection with the board's work and meetings.

The board instructions state that the board has the ultimate responsibility for the organization and planning of the Company, as well as a control and supervisory function, hereunder a duty to keep itself informed. The board shall appoint the managing director and determine his or her remuneration and also possibly give notice or dismiss the managing director. The board shall ensure that the organization of the accounting and funds management includes adequate control procedures. The board shall monitor and follow-up the status and development of company's operational, financial and other results.

The board instructions list inter alia the following responsibilities:

- Issue interim and annual financial statements and other statutory reports;
- Issue notice of the annual general meeting;
- Resolve the annual plan and budget, including capital expenditure budget;
- Resolve investment in and disposals of subsidiaries and associated companies, and in real estate;
- Resolve and issue guarantees and other commitments and the pledging of assets;
- Resolve customer related or revenue generating agreements as well as other agreements and activities which are significant and would be expected to have a significant impact on the company's results and financial position; and
- Determine whether legal proceedings should be commenced or settled.

The board instructions state that in situations when the chairman cannot or should not lead the work of the board, the longest-serving board member shall chair the board until an interim chairman has been elected by and among the board members present.

The board shall evaluate its performance and expertise annually. Moreover, the board will resolve an annual plan for its work, with particular emphasis on objectives, strategy and implementation.

With a compact board of five members and in view of the size of the Company, the board has not hitherto determined a need for sub-committees. The future need for any sub-committees is considered at least annually in connection with the annual review of the Company's corporate governance.

IDEX is not obliged to have a separate audit committee and in view of the small number of board members, the board holds the opinion that the audit committee shall consist of all board members who are not also executives or have similar roles in the Company. The board instructions include instructions for the audit committee.

#### **10. Risk management and internal control**

The board has adopted internal rules and guidelines regarding, amongst other matters, risk management and internal control. The rules and guidelines duly take into account the extent and nature of the Company's activities as well as the Company's corporate values and ethical guidelines, including the corporate social responsibility. The board conducts an annual review of the Company's most important areas of exposure to risk and its internal control arrangements, including the reporting procedures.

In view of the size of the Company and the number of board members, the board has chosen to elect the full board to constitute the audit committee. The audit committee policies and activities are compliant with the Norwegian Public Limited Companies Act.

IDEX issues interim financial reports each quarter and annual financial report according to the published financial calendar. The accounting policies are applied when preparing the reports, which satisfy the regulatory requirements. The board reviews monthly financial reports for each entity as well as the group, comparing actual results to budget. The size of the company's operation and staff number necessarily leads to dependence on key individuals. However, the same factors also provide for transparency and inherent risk reduction. The subsidiaries have been inactive since 2010 and were dissolved by the end of 2012, hence the controls of the parent company in practice covers the group. The audit committee regularly meets separately with the external auditor to review risk factors and measures, and any incidents and issues. The audit committee reviews all reports before resolution by the board. The board has resolved a financial manual, which sets out policies and procedures for financial management and reporting in the group. This manual provides instructions for financial planning, treasury, accounting and reporting. It is reviewed annually by the audit committee, and updated as and when appropriate.

The board has adopted an insider manual with ancillary documents. The insider manual is intended to ensure that, among other things, trading in the Company's shares by board members, executives and/or employees, including close relations to the aforementioned, are conducted in accordance with applicable laws and regulations.

#### **11. Remuneration of the board of directors**

A reasonable cash remuneration to the board members for their services from the annual general meeting in 2011 until the annual general meeting in 2012 was proposed to and resolved at the 2012 annual general meeting. To lessen the cash outflow, the annual general meeting granted an option for the board members to receive the remuneration in kind in the form of shares. Two of the board members took up this option in 2012. The nomination committee shall propose board remuneration for the period between the annual general meetings of 2012 and 2013.

Advokatfirma Ræder DA, in which the IDEX chairman, Morten Opstad, is a partner, renders legal services to the Company. Generally, such services are largely undertaken by lawyers at Ræder other than Morten Opstad. In the cases where legal services provided by Ræder are carried out by Morten Opstad, such services, which are outside Morten Opstad's duties as chairman, are billed by Ræder.

Any board member performing work for the Company beyond the board duty shall ensure that such assignments do not in any way affect or interfere with proper performance of the fiduciary duties as a board member. Moreover, the board, without the participation of the interested member, shall approve the terms and conditions of such arrangements. Adequate information about the remuneration shall be disclosed in the annual financial statements.

#### **12. Remuneration to the management**

IDEX offers market-based compensation packages for the executives and employees in order to attract and retain the competence which the Company needs. The exercise price for any subscription rights is in line with the share price at the time of the grant. The subscription rights vest in tranches over four years. No so-called golden parachutes are in effect, and post-employment pay will only apply in case the Company invokes contractual non-competition clauses.

The board shall determine the compensation of the CEO. There cash incentive remuneration per calendar year is limited to an amount or a percentage of annual base pay. It follows from the nature of the incentive subscription

rights programme resolved by the annual general meeting that the limit does not apply to the possible gain on subscription rights. The board has adopted a policy for the CEO's remuneration of the employees.

At the annual general meeting, the board will present to the shareholders a statement of remuneration to the management. The resolution by the annual general meeting is binding to the extent it relates to share-based compensation and advisory in other aspects.

### **13. Information and communications**

The board places great emphasis on the relationship and communication with the shareholders. The primary channels for communication are the interim reports, the annual report and the associated financial statements. IDEX also issues other notices to shareholders when appropriate. The general meeting of shareholders provides a forum for shareholders to raise issues with the board. All reports and notices are issued and distributed according to the rules and practices at Oslo Axess marketplace of Oslo Børs. The Company publishes an annual financial calendar for the following year; setting forth the dates for major planned events such as its annual general meeting, publication of interim reports, any scheduled public presentations, any dividend payment date if applicable, etc. The reports and other pertinent information are also available on the Company's website, [www.idex.no](http://www.idex.no).

The board has adopted the following policies:

- Policy for reporting of financial and other information and investor relations;
- Policy for contact with shareholders outside general meetings; and
- Policy for information management in unusual situations attracting or likely to attract media or other external interest.

The financial reporting of IDEX is fully compliant with applicable laws and regulations. IDEX prepares and presents its annual financial reports in accordance with IFRS. The content of the interim reports are compliant with IFRS.

All reports are issued on the Oslo Axess marketplace of Oslo Børs ([www.oslobors.no](http://www.oslobors.no) and [www.newsweb.no](http://www.newsweb.no)). The reports and other pertinent information are also available at [www.idex.no](http://www.idex.no). The current information practices are adequate under current rules. IDEX complies with the Oslo Børs code of practice for IR information.

### **14. Take-overs**

There are no takeover defence mechanisms in place. The board will endeavour that shareholder value is maximised and that all shareholders are treated equally. The board acknowledges its duty to not obstruct take-over bids and to not discourage or hinder competing bids. Any agreement with a bidder that acts to limit the company's ability to arrange other bids should only be entered into where it is self-evident that such an agreement is in the common best interest of the company and its shareholders. The board will avoid compensation to a bidder whose bid does not complete, and limit such compensation to the costs the bidder has incurred in making the bid. The board shall otherwise ensure full compliance with section 14 of the Code.

### **15. Auditor**

IDEX's auditor is fully independent of the Company. IDEX represents a minimal share of the auditor's business. IDEX does not obtain business or tax planning advice from its auditor. The auditor may provide certain technical and clerical services in connection with the preparation of the annual tax return and other secondary reports, for which IDEX assumes full responsibility.

The board has established written guidelines to the CEO in respect of assignments to the auditor other than the statutory audit.

The board shall otherwise ensure full compliance with section 15 of the Code.

## **Board of directors**

There are presently five board members including the chairman. The current board but one member was elected at the annual general meeting 2011 and therefore stand for election at the annual general meeting 2013. Jon Ola Frankplads was re-elected at the annual general meeting 2012 for a term of two years. There are no family relationships among the board members, management or key employees. There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which members of the board or management was selected.

The board has held 16 meetings, of which six were telephone conferences, in the period between the annual general meeting on 15 May 2012 and 23 April 2012.

### ***Morten Opstad, chairman***

Mr. Opstad has served as chairman of the Board in IDEX since March 1997. Mr. Opstad is a partner and chairman of the board in Advokatfirma Ræder DA in Oslo. He has rendered legal assistance with respect to establishing and organising several technology and innovation companies. His directorships include inter alia current board positions in Thin Film Electronics ASA (chairman) and cXense AS (chairman). Mr. Opstad was born in 1953 and is a Norwegian citizen. He resides and works in Oslo. Mr. Opstad attended 15 of the board meetings in the period. On 31 December 2012 Mr. Opstad and close relations held or controlled 6,559,725 shares and 0 (nil) rights to shares in IDEX.

### ***Jon Ola Frankplads, board member***

Mr. Frankplads has served on the board of IDEX since 2010. He is independent of the company's executive management, material business contacts and the company's larger shareholders. Mr. Frankplads has a Master's degree in business administration. He is a self-employed person, providing executive and managerial services in the fields of marketing, finance, strategy, motivation and general management. Earlier, he has been general manager of a pharmaceutical company, a computer company, a consulting company and venture capital company. Mr. Frankplads has experience from several early-stage companies. He is currently board member of, among others, Nordic Seafarms AS which trades are reported at the Norwegian Over-The-Counter system, and GT Septec AS. Formerly, he has been board member of, among others, Norsk Gallupinstitutt AS and Teknolab AS. Mr. Frankplads was born in 1945. He is a Norwegian citizen and resides in Asker. Mr. Frankplads attended all of the board meetings in the period. On 31 December 2012 Mr. Frankplads and close relations held or controlled 3,912,432 shares and 0 (nil) rights to shares in IDEX.

### ***Hanne Høvdning, board member***

Ms. Høvdning has served on the board of IDEX since 2007. She is independent of the company's executive management, material business contacts and the company's larger shareholders. Ms. Høvdning has a Bachelor's Degree from the Norwegian School of Management. In her professional career Ms. Høvdning has held several management positions within personnel administration, finance, credit card administration and debt collection. Ms. Høvdning was born in 1954. She is a Norwegian citizen and resides and works in Oslo. Ms. Høvdning attended 14 of the board meetings in the period. On 31 December 2012 Ms. Høvdning and close relations held or controlled 294,477 shares and 29,657 rights to shares in IDEX.

### ***Joan Kristin Frost Urstad, board member***

Ms. Frost Urstad has served on the board of IDEX since 2007. She is independent of the company's executive management, material business contacts and the company's larger shareholders. Ms. Frost Urstad has a BSc Honors in Chemistry and an MA in Information Technology Management from The University of Sheffield. Ms. Frost Urstad has had a career in the process and electronics industries, mainly in senior project management, where she has focused on Norwegian and international projects that cover activities within product development and industrial investment projects including R&D, sourcing, manufacturing, supply chain management and risk management. Ms. Frost Urstad works as a consultant, operating her own company Frost Urstad AS. She was born in 1943 and is a Norwegian citizen. Ms. Urstad resides in Oslo and works on project basis domestically and abroad. Ms. Urstad attended 14 of the board meetings in the period. On 31 December 2012 Ms. Urstad and close relations held or controlled 304,580 shares and 59,314 rights to shares in IDEX.

### ***Harald Voigt, board member***

Mr. Voigt has served on the board of IDEX since December 2007. He is independent of the company's executive management, material business contacts and the company's larger shareholders. Mr. Voigt has a Master's degree from the

Norwegian School of Economics and Business Administration. He has a career in financial engineering, as a consultant within the offshore and maritime industry, and with project finance and syndication in financial institutions. During the last 20 years he has been a partner in Alliance Prosjekt AS, investing in and managing real estate. Mr. Voigt is presently a board member of several Norwegian real estate companies, as well as Georex SA, France, a seismic and geophysical company. In the last five years, he has also held board positions in, among others, the following companies: Lycée Francais René Cassin d'Oslo and Fleximatic AS (chairman). Mr. Voigt was born in 1956. He is a Norwegian citizen and resides and works on Oslo. Mr. Voigt attended 15 of the board meetings in the period. On 31 December 2012 Mr. Voigt and close relations held or controlled 3,115,443 shares and 59,314 rights to shares in IDEX.

## **Management**

### ***Ralph W. Bernstein, CEO***

Dr. Bernstein serves as managing director of the company. Dr. Bernstein joined IDEX in 2006 as chief technology officer (CTO). In 2008 he was appointed managing director/CEO of IDEX, while also maintaining the position as CTO. He holds a Ph.D. in physical electronics – semiconductor physics from the Norwegian University of Science and Technology (NTNU). He has more than 15 years of experience as a senior scientist and research director in microsystems and nanotechnology at SINTEF. He also holds a part-time adjunct professor position in electronic devices and materials at NTNU. Dr. Bernstein has been a board member of GasSecure AS since 3 December 2009. Dr. Bernstein was born in 1960 and is a Norwegian citizen. He resides in Bærum. On 31 December 2012 Mr. Bernstein and close relations held or controlled 334,638 shares and 2,715,297 rights to shares in IDEX.

### ***Inge Berge, IR officer and business developer***

Mr. Berge joined IDEX in 2012 as IR officer and business developer. He has a bachelor's degree in finance from BI Norwegian Business School (Handelshøyskolen BI). Mr. Berge was formerly an associated partner in the PR and consulting firm First House. He has 20 years' experience in the media industry as journalist, editor and owner. Mr. Berge has started and managed three Norwegian financial online newspapers. Mr. Berge was born in 1967 and is a Norwegian citizen. He resides in Oslo. On 31 December 2012 Mr. Berge and close relations held or controlled 66,630 shares and 3,000,000 rights to shares in IDEX.

### ***John R. (Jack) Robinson, vice president of sales and marketing***

Mr. Robinson joined IDEX in 2010 as Vice President of Sales and Marketing. Mr. Robinson left IDEX on 8 March 2013.

### ***Erling Svela, CFO***

Mr. Svela has served as IDEX' chief financial officer (CFO) since 2008. Originally on a part-time basis until he joined IDEX full time in 2011. From 2006 until 2011 Mr. Svela was also on part-time basis the CFO of Thin Film Electronics ASA, which is listed on Oslo Axess. From 2006 to 2008, he was CFO and corporate vice president in Kitron ASA, a company listed on Oslo Børs. Previously, from 2000 to 2006, he was finance director in Opticom AS and Thin Film OldCo AS. Mr. Svela holds an MSc. in Forest Economy and Management from the Norwegian University of Life Sciences (1985), an MBA from Henley Business School and he is a certified European financial analyst from the Norwegian School of Economics and Business Administration. He has also completed the IFRS Academy by the Norwegian Institute of Public Accountants. Mr. Svela was born in 1958. He is a Norwegian citizen and resides in Oslo. On 31 December 2012 Mr. Svela and close relations held or controlled 0 (nil) shares and 706,666 rights to shares in IDEX.

### ***Kristian Wiermyhr, strategic projects and investor relations***

Mr. Wiermyhr joined IDEX in 2013 to support and advice the company on strategic partner projects and also investor relations activities. He has over 20 years' experience in the financial sector in Norway and internationally. Mr. Wiermyhr started his career as a stock broker and has during the last 12 years been involved in trading, investments and investment banking. Mr Wiermyhr has served as a senior partner at investment banks RS Platou Markets and ABG Sundal Collier. Mr. Wiermyhr was born in 1970 and is a Norwegian citizen. He resides in Bærum. On 31 December 2012 Mr. Wiermyhr and close relations held or controlled 3,574,535 shares and 3,000,000 rights to shares in IDEX.



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