

IDEX ASA interim report for the third quarter of 2013

Highlights

- **IDEX acquires touch sensor patents, technology and employs executive team from PicoField: *Complements IDEX's protected technology base and adds highly experienced staff including founders of Validity***
- **IDEX obtains significant strategic investment from World Wide Touch Technology: *\$9 million funding for accelerated execution of product rollout***
- **Apple's iPhone 5S with a capacitive fingerprint sensor heralds a new era of convenience and security on mobile devices: *Opening up a multibillion-dollar market for IDEX and validates that capacitive fingerprint sensors are the optimal solution***
- **Accelerating development of cost disruptive fingerprint touch sensors: *Increased investment in proprietary two-part sensor technology and R&D expansion from 13 to 30 staff total***
- **Establishing strategic presence in the USA for access to tier one industrial partners: *Development centre in Boston and office in Silicon Valley***
- **Agreement expanding the scope of the current agreement with global player in mobile telecoms market: *Demonstrates traction in commercializing products for the mobile communications mass market***

Outlook and key upcoming milestones

- **Rapid market adoption of fingerprint sensors in mobile devices**
- **Significantly increased activity for IDEX as one of two independent principal vendors of capacitive sensors**
- **Customer qualification of IDEX swipe sensor for mobile communications commencing end 2013**
- **Further progress on supply chain for high volume capability and cost efficiency**
- **Expanded IDEX software solutions supporting mobile and embedded applications**
- **Accelerate higher-value touch sensors product development for sampling mid-2014**
- **Establish global sales and support footprint to respond to highly elevated interest in biometric solutions**
- **Focus on strategic tier-one partnerships within the consumer electronics market to drive product insertion**

IDEX has secured additional funding, enabling expedited development of key products, expansion of activity with strategic partners, acquisition of key technology and addition of experienced industry veterans. IDEX is implementing its strategy to fulfil the company's business focus on exploiting the rapid growth of the biometric mobile communication market.

The capacitive sensing principle, which IDEX uses, is the sensing principle of choice for consumer devices. This has been stated by Microsoft and confirmed by Apple's acquisition of AuthenTec, Inc. in 2012 and Synaptics, Inc.'s recent acquisition of Validity Sensors, Inc.: Both of the acquired companies deliver capacitive sensors. IDEX, by virtue of its strong patent base is now one of only two independent principal vendors of capacitive fingerprint sensor components.

PicoField acquisition extends IDEX's intellectual property and technology base and adds experienced executives, fast-tracking operations in the USA

IDEX acquired assets and intellectual property rights from PicoField Technologies, Inc. in September 2013.

"This acquisition consolidates IDEX's presence in the biometric market, and adds strong patents and additional intellectual property, enhancing our portfolio in the field of low-cost touch

fingerprint sensors for mass market applications," said Dr. Hemant Mardia, CEO of IDEX.

IDEX plans to launch a touch sensor with a highly competitive, step-change price/performance ratio aimed at the mass markets. This acquisition will strongly enhance IDEX's ongoing touch sensor programme.

IDEX's technology base is substantially expanded and strengthened. The addition of PicoField's intellectual property rights, which are complimentary to IDEX's current intellectual property rights, also expands the field of IDEX's patent protection, which is of critical importance to OEM customers.

IDEX establishes a notable presence in the USA with a development centre in Boston and an office in Silicon Valley. By addition of three staff members from PicoField, including Fred Benkley and David Geoffroy, founders of sensor vendor Validity, the amount of domain experience within productization, ramp-up and volume production is significantly expanded.

The development centre is the major technical department of IDEX America, and will form an integral part of IDEX's technical development activities in addition to those at the group's head office in Norway. Thar Casey will be President of IDEX America, based in the office in Silicon Valley. The IDEX America staff will be

expanded to serve customers and partners.

IDEX obtains NOK 54.2 million strategic investments from World Wide Touch Technology

Also in September, World Wide Touch Technology (Holdings) Limited ("WWTT") invested by subscribing to two separate private placements of IDEX shares, in a combined amount of NOK 54.2 million.

"We are very pleased to secure these significant investments from WWTT in IDEX. The funding enables us to accelerate our strategic plans including the recent acquisition of PicoField technology and staff. WWTT's investment further strengthens our strategic relationship with a leading industry player," said Mardia.

WWTT operates chiefly in Hong Kong and the People's Republic of China and has about 2,400 employees. The company develops and manufactures a broad range of products, and operates a Biometric Security Platform (division). WWTT is listed on the stock exchange in Hong Kong.

Apple's iPhone with a fingerprint sensor heralds a new era of convenience and security on mobile devices, opening up a multibillion-dollar market for IDEX with few competitors

There is a strongly increasing demand for fingerprint biometrics in the consumer market, and especially for low-cost touch



sensors for mobile handsets. This has lately been highlighted by Apple's successful introduction of its Touch ID technology in the new iPhone 5S.

"Apple's launch of the iPhone 5S with a fingerprint sensor lights the fuse for rapid mass market adoption on a wide range of consumer devices," said Mardia

IDEX holds early patents and several unique intellectual property and technology blocks for low-cost capacitive fingerprint sensors and has a unique cross-licence with Apple relating to this technology.

"Apple's product proves that capacitive fingerprint technology is the preferred solution for mass market applications," added Ralph W. Bernstein, CTO of IDEX.

IDEX's current swipe sensor is available for integration in Android devices and at Mobile World Congress in Barcelona earlier this year IDEX showed a technology concept for embedding a sensor using IDEX's patented sensing principle in the mobile phone's cover glass.

IDEX expects to be sampling its swipe sensor in the mobile market by end 2013. This swipe sensor is expected to be inserted into products by the end of second quarter 2014.

Developing next-generation fingerprint sensors with a compelling product roadmap

IDEX's current SmartFinger sensor is a swipe sensor. Industrial prototypes of IDEX's new miniature SmartFinger Colibri fingerprint sensor are undergoing evaluation and testing, and being prepared for market launch.

SmartFinger Colibri is based on IDEX's high-performance polymer technology. The Colibri fingerprint sensor is undergoing extensive qualification before release for volume production. Samples are being delivered to potential customers. A cost reduced version of this product is expected to be qualified by the end of 2013 and sampled into the mobile market through our mobile communications partner.

The core technology is being applied to

produce an ultra low-cost touch sensor consisting of a miniature ASIC combined with a low-cost polymer sensing area. This solution enables a significant cost reduction compared to conventional silicon touch sensor solutions, where the cost directly scales with the area of the sensor. As the area determines the capture size of the fingerprint, there is a minimum cost that silicon sensors can achieve. IDEX's technology enables sensing in low-cost, flexible printed circuit or other material whilst utilising a miniature ASIC, allowing optimum performance with significant cost reduction. This also enables a roadmap for in-screen integration, where glass is used as the sensor. This offers the ultimate solution for mobile device fingerprint sensor integration.

Progress on security and bag lock projects

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. The OEM is currently updating demonstrators based on feedback from the end customers.

IDEX and a Chinese technology company are collaborating closely to develop a security device in which IDEX's SmartFinger solution is embedded. The cooperation was extended at the end of 2012 by a memorandum of understanding. The customer is preparing demonstrators as part of a proof of concept of a complete security system. IDEX is preparing a prototype sensor conforming to demanding requirements to implement within a thin ID card solution as part of this system.

IDEX joining the FIDO Alliance

The FIDO Alliance, established in 2012, focuses the industry cooperatively on delivering standard protocols for secure authentication.

FIDO seeks to solve the problems that users face with creating and remembering multiple usernames and passwords. This

effort is being driven and has support at the Board level by industry leaders, such as Google, MasterCard, Lenovo and PayPal.

"Standardization will further accelerate the market growth. We look forward to sharing our expertise and associating our fingerprint technology with standards that ensure simple and secure user verification," said Øyvind Sløgedal, VP of Business Development at IDEX.

Outlook

IDEX views 2013 as the breakthrough year for the fingerprint industry, with adoption of fingerprint sensors into several consumer products. From 2014 the board expects exceptional growth for biometric devices with IDEX as a key contributor. IDEX is now one of only two independent principal vendors of capacitive sensors, which is the preferred sensing principle for consumer devices as a proven mass deployed solution.

IDEX has added new employees and contractors in order to deliver products and support to existing and new partners. IDEX is investing in enhancing its IP and technology position to deliver an increased product portfolio and leverage its strong patent position. The sales and marketing staff and activities are growing, with focus on strategic tier-one partnerships within the consumer electronics market.

The rapid adoption of fingerprint biometric sensors is leading to a multi-billion dollar mass-market opportunity for IDEX. The SmartFinger swipe sensor is expected to be qualified for use in mobile communications devices by the end of 2013.

Statements from industry leaders Microsoft and PayPal have underlined the need for touch sensors in addition to low-cost swipe sensors. The relative value of the touch sensors is several times that of swipe sensors and will lead to significant market scale increase for IDEX. IDEX plans to deliver product samples of touch sensors mid-2014.

Fornebu, 12 November 2013

The board of directors of IDEX ASA

A financial narrative and interim financial statements with notes are enclosed.

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Interim financial statements as at 30 September 2013

Group structure: In 2012, IDEX ASA had two subsidiaries in the USA, both of which had been inactive since 2010 and dissolved on 30 November 2012. The reported numbers for 2013 in this interim financial report are for IDEX ASA only, while the comparison numbers for 2012 are the consolidated IDEX group numbers wherever applicable. In the third quarter 2013, IDEX ASA established two new subsidiaries in the USA. No share capital or other funds had been invested by the date of these financial statements. The accrued cost of establishing was negligible and was included in Other assets.

Profit and loss statements

IDEX earned revenue amounting to NOK 2.1 million in the first three quarters of 2013, NOK 0.8 million in each of the first and second quarters and NOK 0.5 million in the third quarter. The revenue in the first three quarters of 2012 was NOK 3.4 million. Virtually all revenue in 2013 was related to government support of research and development (R&D) activities. This revenue has been recognised corresponding to the recognition of the expenses that the grants compensate. NOK 1.0 million of the revenue in the first three quarters of 2012 originated from a feasibility study for a customer.

Operating expenses in the third quarter were NOK 19.3 million, compared to NOK 13.0 million in the preceding quarter and NOK 9.1 million in the corresponding quarter of 2012.

The payroll cost line includes the notional cost of subscription rights including present value of possible future employer's social security tax. This notional cost amounted to NOK 8.5 million in the third quarter, and NOK 14.9 million in the first three quarters of 2013, up from NOK 3.4 million in the same period of 2012. The strong, favourable share price development in the second and third quarters of 2013 has caused this sharp increase.

The R&D expenses, which include production ramp-up, fluctuate with the purchases of materials and services. R&D

costs and costs related to IP are expensed as incurred and not capitalised. R&D costs in the first three quarters of 2013 amounted to NOK 9.9 million, of which NOK 4.6 million was spent in the third quarter. These amounts are higher than in the corresponding periods in 2012, at NOK 9.7 million and NOK 2.4 million respectively. After harnessing R&D costs and conducting less technical work incurring external costs of materials and services in the second half of 2012, the activity is now significantly higher and increasing. Other costs, mainly related to sales and marketing activities, were at NOK 3.3 million in the third quarter, up from NOK 2.7 million in the preceding quarter and NOK 2.3 million in the corresponding quarter of 2012. Going forward, marketing activities will also be expanded.

IDEX had eighteen employees at the end of the third quarter 2013, up from ten at the previous quarter and ten also at the end of 2012. The increase in staff during the third quarter of 2013 will cause a corresponding increase in future payroll costs. Five technical/scientific individual contractors work full time or regularly as part of the development team, and additional technical experts are contracted as and when needed. One independent sales representative works on contract.

With a small fixed asset base, the ongoing depreciation charge is less than NOK 0.1 million per quarter. IDEX acquired assets

and intellectual property rights from PicoField Technologies, Inc. on 23 September 2013, in an amount of USD 4.0 million, which corresponds to NOK 23.6 million. Of the assets, NOK 20.7 million are depreciable assets, which will multiply the depreciation charge.

Because of the small amount of revenue, EBIT in the third quarter amounted to a loss of NOK 18.9 million, and NOK 41.2 million year to date. In the corresponding periods of 2012 the EBIT losses amounted to NOK 7.8 million and NOK 28.8 million respectively. The increased notional cost of subscription rights as well as the increase in R&D activity and other costs after the restraint in 2012 explain the increased loss.

Financial items amounted to a net cost amounting to NOK 98 thousand in the third quarter, and 0 (nil) in the first three quarters. The interest income was offset by currency costs related to USD remittances in the third quarter. In 2012 the amounts were positive NOK 32 thousand and NOK 141 thousand respectively, mainly from interest income.

Profit/loss per basic weighted average number of shares amounted to a loss of NOK 0.13 in the first nine months of 2013. Per share results are not directly comparable between years because the number of shares have increased by share issues.

Balance sheets

The tangible assets held in the balance sheet are essentially comprised of cash in bank, the receivables from the government R&D grant schemes for the preceding year and quarters; various prepayments and deposits; and investments in office facilities and equipment – with cash being the major item.

IDEX's own patents and other intellectual property rights are not held in the balance sheet because they do not satisfy the criteria for capitalisation. The same applies to

the development costs. The assets and intellectual property rights acquired from PicoField Technologies, Inc. on 23 September 2013 have been capitalised in accordance with IFRS. NOK 23.6 million have been added to the balance sheet. The identifiable assets will be depreciated over estimated economic useful life. According to IFRS the goodwill shall not be depreciated but impairment tested at each year end.

On 30 September 2013, the total assets

amounted to NOK 88.1 million, of which NOK 60.5 million were cash, up from total assets amounting to NOK 25.0 million and cash NOK 19.8 million at the end of 2012. The cash position is further commented upon below.

The major liabilities are various operational payables to employees and suppliers, and amounted to NOK 20.7 million at 30 September 2013, up from NOK 9.6 million at the end of the preceding quarter and

NOK 6.7 million at the end of 2012. There are usually variations between quarters due to fluctuating payables to suppliers and accrued liabilities. At 30 September 2013, NOK 3.0 million was debt to PicoField and NOK 9.3 million was notional debt in the form of net present value of possible employer's tax on subscription rights.

IDEX has since 2012 sought and evaluated potential strategic industry partners. This activity is ongoing. The board has stated

Cash flow, cash position

The operational cash outflow in the first three quarters of 2013 was NOK 20.5 million, of which NOK 6.8 million in the third quarter. The main items in addition to the profit/loss, are the share-based compensation and changes in working capital, both items representing a positive cash flow in the quarter and year to date.

No investments were made in 2012. To date in 2013, only NOK 62 thousand has been invested in tangible assets, such as office

Principal risks

It is the duty of the board of directors to duly present the principal risks of IDEX and its business. IDEX does not have any significant assets or liabilities with risk. IDEX does not hold financial instruments or noteworthy financial assets or liabilities, and has limited financial risks related to currency and interest rates.

that to cement such strategic alliance, it is willing to offer a suitable partner an equity stake in IDEX through a capital injection.

In the third quarter, new equity in an amount of NOK 54.4 million was added, of which NOK 54.2 million from two private placements of shares to World Wide Touch Technology (Holdings) Limited ("WWTT"), and the remainder from exercised subscription rights in the quarter.

facilities, computers and laboratory equipment. IDEX acquired assets and intellectual property rights from PicoField Technologies, Inc. on 23 September 2013, in an amount of USD 4.0 million, which corresponds to NOK 23.6 million.

NOK 54.4 million new equity was paid in cash in the third quarter. Virtually all of the new equity originated from two private placements of shares to WWTT. Year to date new equity in an amount of NOK 84.7 million

The company's major risk is its business risk, meaning its ability to earn revenue. This risk is difficult to assess, because IDEX hitherto has earned insignificant revenue from its technology. The company's ability to earn revenue depends on firstly, its ability to develop and market successful components which its partners will embed in their

Equity amounted to NOK 67.4 million at the end of the quarter, up from NOK 30.6 million at the end of the preceding quarter. On 30 September 2013, the equity amounted to 131 per cent of the share capital.

The board has determined 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.

has been raised, mainly by private placements.

At 30 September 2013 the cash position amounted to NOK 60.5 million, while net receivables and payables amounted to NOK 17.5 million payable. IDEX does not have financial debt.

products and systems, and secondly, the company's ability to legally protect its IPR, and finally, to maintain a competitive advantage. IDEX considers that its fingerprint sensor has one of the best biometric performances among swipe sensors, and that the SmartFinger Colibri sensor offers unique properties.

IDEX ASA
Condensed interim financial statements with notes
30 September 2013 (Unaudited)

Interim statements of comprehensive income Amounts in NOK 1,000	1 July - 30 September 2013	1 July - 30 September 2012	1 January- 30 September 2013	1 January- 30 September 2012	1 January- 31 December 2012
Operating income					
Sales and services revenue		455	7	1 026	1 046
Other operating revenue	535	890	2 114	2 413	3 460
Total revenue	535	1 345	2 121	3 439	4 506
Operating expenses					
Payroll expense	11 347	4 356	24 893	14 706	17 778
Research and development expenses	4 618	2 372	9 930	9 685	10 747
Other operating expenses	3 288	2 347	8 172	7 644	9 233
Total operating expenses	19 253	9 075	42 995	32 035	37 758
Profit (loss) before interest, tax, depreciation and amortization (EBITDA)	(18 718)	(7 730)	(40 874)	(28 596)	(33 252)
Depreciation	174	78	324	236	313
Profit before interest and tax (EBIT)	(18 892)	(7 808)	(41 198)	(28 832)	(33 565)
Financial income and expenses					
Interest income	113	30	227	150	208
Other financial income	16	27	31	62	65
Interest expense	(1)		(1)		
Other financial expense	(226)	(25)	(256)	(71)	(73)
Net financial items	(98)	32	1	141	200
Net result before tax	(18 990)	(7 776)	(41 197)	(28 691)	(33 365)
Net profit (loss) for the period	(18 990)	(7 776)	(41 197)	(28 691)	(33 365)
<i>Profit (loss) per share - basic and diluted</i>	NOK (0.06)	<i>NOK (0.03)</i>	NOK (0.13)	<i>NOK (0.10)</i>	<i>NOK (0.12)</i>
Net profit (loss) for the period	(18 990)	(7 776)	(41 197)	(28 691)	(33 365)
Other comprehensive income					
Total comprehensive income for the period, net of tax	(18 990)	(7 776)	(41 197)	(28 691)	(33 365)

The notes are an integral part of this condensed interim financial report.

Interim balance sheets	30 September	30 September	31 December
Amounts in NOK 1,000	2013	2012	2012
ASSETS			
Long-term assets			
Fixed assets			
Machinery and office equipment	465	703	626
Intangible assets	23 499		
Total fixed assets	23 964	703	626
Financial assets			
Long-term receivables	439	325	332
Total financial assets	439	325	332
Total long-term assets	24 403	1 028	958
Current assets			
Receivables			
Accounts receivable	5	3	17
Other receivables	2 102	2 227	3 715
Prepaid expenses	1 125	524	512
Total receivables	3 232	2 754	4 244
Cash and bank deposits			
Cash and bank deposits	60 483	5 683	19 833
Total cash and bank deposits	60 483	5 683	19 833
Total current assets	63 715	8 437	24 077
TOTAL ASSETS	88 118	9 465	25 035
EQUITY AND LIABILITIES			
Equity			
Paid-in-capital			
Share capital	51 287	42 343	46 422
Share premium reserve	166 119	71 625	86 292
Other paid-in capital	16 809	11 098	11 235
Total paid-in-capital	234 215	125 066	143 949
Other equity	(166 828)	(120 958)	(125 631)
Total equity	67 387	4 108	18 318
Liabilities			
Short-term liabilities			
Accounts payable	2 861	1 654	2 561
Public duties payable	470	520	906
Other short-term liabilities	17 400	3 183	3 250
Total short term liabilities	20 731	5 357	6 717
Total liabilities	20 731	5 357	6 717
TOTAL EQUITY AND LIABILITIES	88 118	9 465	25 035

The notes are an integral part of this condensed interim financial report.

Interim cash flow statements	1 July - 30 September 2013	1 July - 30 September 2012	1 January- 30 September 2013	1 January- 30 September 2012	1 January- 31 December 2012
Amounts in NOK 1,000					
Cash Flows from operating activities					
Profit (loss) before interest and taxes	(18 892)	(7 808)	(41 198)	(28 832)	(33 565)
Share-based remuneration (equity part)	1 390	1 315	5 574	3 689	3 825
Depreciation	174	78	324	236	313
Interest paid	(1)		(1)		
Change in working capital and other items	10 536	40	14 801	(766)	(894)
Net cash flow from operational activities	(6 793)	(6 375)	(20 500)	(25 673)	(30 321)
Cash flows from investing activities					
Purchases of property, plant and equipment	(23 662)		(23 662)		
Change in long-term receivables	(107)		(107)		(7)
Interest received	113	30	227	150	208
Net cash provided by investing activities	(23 656)	30	(23 542)	150	201
Cash flows from financing activities					
Share issues net of expenses	54 361	(19)	84 692	9 744	28 491
Net cash provided by financing activities	54 361	(19)	84 692	9 744	28 491
Net change in cash and cash equivalents	23 912	(6 364)	40 650	(15 779)	(1 629)
Opening cash balance	36 571	12 047	19 833	21 462	21 462
Closing cash balance	60 483	5 683	60 483	5 683	19 833

Interim statements of changes in equity	Share capital	Share premium	Other paid-in capital	Retained earnings (uncovered)	Total equity
Amounts in NOK 1,000					
Balance 1 January 2013	46 422	86 292	11 235	(125 631)	18 318
Share issues	4 865	79 827			84 692
Share-based compensation			5 574		5 574
Total comprehensive income for the period				(41 197)	(41 197)
Balance 30 September 2013	51 287	166 119	16 809	(166 828)	67 387
Balance 1 January 2012	40 794	63 429	7 409	(92 266)	19 366
Share issues	1 548	8 196			9 744
Share-based compensation			3 689		3 689
Total comprehensive income for the period				(28 691)	(28 691)
Balance 30 September 2012	42 342	71 625	11 098	(120 957)	4 108
Balance 1 January 2012	40 794	63 429	7 409	(92 266)	19 366
Share issues	5 628	22 863			28 491
Share-based compensation			3 826		3 826
Total comprehensive income for the period				(33 365)	(33 365)
Balance 31 December 2012	46 422	86 292	11 235	(125 631)	18 318

The notes are an integral part of this condensed interim financial report.

Notes to the condensed interim financial statements 30 September 2013 (Unaudited)

1 IDEX ASA and the re-formed IDEX group

IDEX ASA is a public limited liability company incorporated and domiciled in Norway. The address of the registered office is Rolfsbuktheien 17 at NO-1364 Fornebu, Norway. IDEX ASA shares have been listed at Oslo Axess market place of Oslo Børs since 12 March 2010. The objective of the company as stated in the articles of association is to deliver computer-based identification systems and other related activities.

In 2012, IDEX ASA had two subsidiaries in the USA, both of which had been inactive since 2010 and were dissolved on 30 November 2012. The reported numbers for 2013 in this interim financial report are for IDEX ASA only, while the comparison numbers for 2012 are the consolidated IDEX group numbers wherever applicable.

In the third quarter 2013, IDEX ASA established two new subsidiaries in the USA. No share capital or other funds had been invested by the date of these financial statements. The accrued cost of establishing was negligible and was included in Other assets.

2 Basis of preparation, accounting policies, resolution

This condensed interim financial report for the first three quarters of 2013 has been prepared in accordance with IAS 34 'Interim financial reporting'. The condensed interim financial report should be read in conjunction with the annual financial statements for 2012.

The IFRS accounting policies applied in this

condensed interim financial report are consistent with those applied and described in the annual financial statements for 2012.

The going concern assumption has been applied when preparing this interim financial report. The board points out that until IDEX enters the commercial stage, there is

uncertainty attached to this assumption. IDEX does not earn recurring revenue. The company does not have financial debt.

This interim financial report has not been subject to audit. The report was approved by the board of directors on 12 November 2013.

3 Fixed assets; Business combination

Amounts in NOK 1,000	Machinery and office equipment	Intangible assets	Total fixed assets
1 January-30 September 2013			
Net book value on 1 January 2013	626	0	0
Additions	62	23 600	23 662
Disposals			0
Depreciation and other movements	(223)	(101)	(324)
Net book value on 30 September 2013	465	23 499	23 964
1 January-30 September 2012			
Net book value on 1 January 2012	939	0	939
Additions			
Disposals			
Depreciation and other movements	(236)		(236)
Net book value on 30 September 2012	703	0	703
1 January-31 December 2012			
Net book value on 1 January 2012	939	0	939
Additions			
Disposals			
Depreciation and other movements	(313)		(313)
Net book value on 31 December 2012	626	0	626

IDEX acquired assets and intellectual property rights from PicoField Technologies, Inc. on 23 September 2013. IDEX, by its subsidiary IDEX America Inc. also employed three employees from PicoField as of 23 September 2013. In connection with the employment, IDEX granted incentive subscription rights to the three new employees.

PicoField possessed a patent and pending applications as well as other intellectual property relating to touch sensors. By acquiring the intellectual property from PicoField and employing three respected industry executives from PicoField, IDEX strongly enhanced its ongoing touch sensor programme. The addition of PicoField's

intellectual property rights, which are complimentary to IDEX's current intellectual property rights, also expands the field of IDEX's patent protection, which is of critical importance to OEM customers. The purchase amount, USD 4.0 million, corresponding to NOK 23.6 million, has been allocated to identifiable assets and goodwill as follows.

Amounts in NOK 1,000	Fair value recognised on acquisition
Identifiable assets	
Patent and pending applications	14 160
Customer and supplier files and relationships	1 180
Total identifiable assets	15 340
Goodwill arising from the acquisition	8 260
Total purchase price	23 600
Payments	
Cash amount paid	20 650
Cash amounts payable when milestones have been completed	2 950
Total cash payment	23 600

The identifiable assets will be depreciated over estimated economic useful life, viz. the lifetime of the patent(s), until the end of 2030, and 3 years for the customer files and relationships.

The goodwill is primarily attributed to the expected benefit from the IP and know-how arriving with the identifiable assets and the employees. Under IFRS goodwill is not depreciated but impairment tested at each

year end. Goodwill is depreciated for tax purposes.

The purchase agreement is denominated in USD. The cash amount paid amounted to USD 3,500 thousand. The additional payments amount to a combined total of USD 500 thousand. The conditions for the additional payments are highly likely to be met, and the amount has been recognised as an Other short-term liability. Upon future successful

completion of certain projects related to PicoField IPR and the employees recruited from PicoField, IDEX will make further additional payments amounting to a combined total of USD 500 thousand. These project-related amounts will be expensed during the period that the respective development projects are carried out.

The external transaction costs amounting to NOK 130 thousand have been expensed.

4 Shares, warrants and subscription rights

	1 January – 30 September 2013	1 January – 30 September 2012	1 January – 31 December 2012
Number of financial instruments			
Shares			
Opening balance	309 479 430	271 960 641	271 960 641
Share issue(s)	31 169 467	10 322 725	37 518 789
Exercised incentive subscription rights	1 265 500		
Closing balance	341 914 397	282 283 366	309 479 430
Warrants			
Opening balance	0	9 049 103	9 049 103
Issue of warrants		9 954 013	9 954 013
Exercise of warrants			
Expired warrants		(19 003 116)	(19 003 116)
Closing balance	0	0	0
Incentive subscription rights			
Opening balance	17 745 259	14 596 266	14 596 266
Grant of incentive subscription rights	14 300 000	6 000 000	6 000 000
Exercised incentive subscription rights	(1 265 500)		
Terminated or expired subscription rights	(2 310 106)	(1 758 582)	(2 851 007)
Closing balance	28 469 653	18 837 684	17 745 259

IDEX has granted incentive subscription rights (SRs) to employees, individual contractors and board members. The grants to board members (in 2008 and 2010) have been made by the general meeting in lieu of cash board remuneration. Unless specifically resolved

otherwise, 25 per cent of each grant of subscription rights vest 12 months following the date of the grant, and expire on the fifth anniversary following the general meeting that resolved the programme. Unvested subscription rights terminate on the holder's

last working day. Vested subscription rights may be exercised up to 90 days after the holder's last working day. The weighted average exercise price of outstanding incentive SRs on 30 September 2013 was NOK 1.56 per share.

Changes in number of financial instruments	Subscription rights	Warrants	Shares
Balance 1 January 2013	17 745 259	0	309 479 430
9 January 2013: Grant to employees	4 700 000		
23 January 2013: Exercise of subscription rights	(275 000)		275 000
28 February 2013: Grant to contractors	3 000 000		
8 March 2013: Cancelled subscription rights	(612 500)		
19 April 2013: Exercise of subscription rights	(425 000)		425 000
6 May 2013: Grant to employees	4 600 000		
16 May 2013: Private placement			18 771 250
16 May 2013: Board remuneration			353 157
6 June 2013: Exercise of subscription rights	(62 500)		62 500
12 June 2013: Exercise of subscription rights	(187 500)		187 500
18 June 2013: Expired subscription rights	(97 606)		
1 July 2013: Cancelled subscription rights	(1 600 000)		
13 August 2013: Grant to employees	400 000		
19 August 2013: Cancelled subscription rights	(100 000)		
1 September 2013: Private placement			7 365 060
19 September 2013: Exercise of subscription rights	(315 500)		315 500
19 September 2013: Grant to employee	200 000		
23 September 2013: Grant to employees	1 500 000		
23 September 2013: Private placement			4 680 000
Balance 30 September 2013	28 469 653	0	341 914 397
Balance 1 January 2012	14 596 266	9 049 103	271 960 641
9 May 2012: Private placement			9 954 013
27 April 2012: Expiry of 2011-warrants		(9 049 103)	
10 May 2012: Expired subscription rights	(16 666)		
15 May 2012: Issue of warrants to participants		9 954 013	
15 May 2012: Board remuneration			368 712
30 August 2012: Grant to contractors	6 000 000		
14 September 2012: Expiry of 2012-warrants		(9 954 013)	
30 September 2012: Cancelled subscription rights	(1 741 916)		
Balance 30 September 2012	18 837 684	0	282 283 366
8 November 2012: Private placement			27 196 064
31 October 2012: Terminated subscription rights	(1 092 425)		
Balance 31 December 2012	17 745 259	0	309 479 430

5 Payroll expense

Amounts in NOK 1,000	1 July – 30 September 2013	1 July – 30 September 2012	1 January – 30 September 2013	1 January – 30 September 2012	1 January – 31 December 2012
Salary, payroll tax, benefits and other personnel expenses	2 859	3 201	9 995	11 351	14 255
Share-based remuneration, notional salary expense	2 620	1 314	5 574	3 689	3 825
Share-based remuneration, accrual of employer's tax	5 868	(159)	9 324	(334)	(302)
Payroll expense	11 347	4 356	24 893	14 706	17 778

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.

6 Profit (loss) per share

	1 January – 30 September 2013	1 January – 30 September 2012	1 January – 31 December 2012
Profit (loss) attributable to the shareholders (NOK 1 000)	(41 197)	(28 691)	(33 365)
Weighted average basic number of shares	320 142 154	276 914 718	281 405 296
Weighted average diluted number of shares	331 232 693	278 338 301	282 395 678
Profit (loss) per share, basic and diluted	NOK (0.13)	NOK (0.10)	NOK (0.12)

When the period result is a loss, the loss per diluted number of shares shall not be reduced by the higher diluted number of shares but equals the result per basic number of shares.

The diluted number of shares has been calculated by the treasury stock method. If the exercise price of subscription rights or

warrants exceeds the average share price in the period, the subscription rights or warrants are not counted as being dilutive.

7 Contingent assets and liabilities

IDEX does not have any contingent assets or contingent liabilities. IDEX has not issued any guarantees.

8 Related party transactions

In the first three quarters of 2013 IDEX has recorded NOK 2,711 thousand for services provided from IDEX's legal counsel, law firm Ræder, in which chairman Morten Opstad is a partner. Mr. Opstad's work beyond board duty has been invoiced by Ræder.

Lupum AS, which is a shareholder in IDEX and is controlled by Kristian Wiermyhr, who is also a shareholder in IDEX, has charged IDEX NOK 480 thousand for ongoing services conducted by Kristian Wiermyhr in the first half of 2013. IDEX also refunded the out-of-pocket expenses related to the ongoing services. As of 1 July 2013 Mr. Wiermyhr has been employed in IDEX ASA as vice president of strategy and sales, on arms length terms for such position.

Robert N. Keith was granted 2,000,000 incentive subscription rights on 28 February 2013. The grant to Mr. Keith is related to a service agreement under which he will assist IDEX in strategic analysis and in dealing with

larger, international, prospective partners. Mr. Keith will not receive other remuneration for his service.

The board resolved on 28 February 2013 to grant a total of 3,000,000 SRs to contractors (of which one, Hemant Mardia, subsequently became CEO and primary insider as of May 2013) under the company's 2012 incentive subscription rights plan. The exercise price of the SRs was NOK 1.23 per share.

The board resolved on 22 April 2013 to carry out a private placement by book building. Primary insiders and related parties were allocated shares as follows: K-konsult AS (controlled by chairman Morten Opstad): 187,500 shares, board member Jon Ola Frankplads: 80,000 shares, Edorf Invest AS (controlled by board member Frode Haugli): 156,250 shares, board member Hanne Høvdning: 31,250 shares, board member Joan Frost Urstad: 3,125 shares, CEO Hemant Mardia 265,625 shares, Lupum AS (controlled

by adviser and shareholder Kristian Wiermyhr): 187,500 shares.

The board resolved on 6 May 2013 to grant 4,000,000 incentive subscription rights to CEO Hemant Mardia and 600,000 incentive subscription rights to CTO Ralph W. Bernstein under the company's 2012 incentive subscription rights plan. The exercise price of the SRs was NOK 1.80 per share.

Following the annual general meeting of IDEX on 16 May 2013, chairman Morten Opstad and board members Hanne Høvdning and Joan Frost Urstad elected to receive the full board remuneration in shares, while board member Harald Voigt elected to receive half the board remuneration in shares. The board members received a combined total of 353,157 shares for which they paid the par value in lieu of a combined cash board remuneration of NOK 530,000.

9 Events occurring after the balance sheet date

The board resolved on 4 October 2013 to grant a combined total of 1,300,000 incentive subscription rights (SRs) to new employees and contractors in the company. The grant was made under the company's 2013 incentive subscription rights plan. The exercise price of the SRs was NOK 5.42 per share.

The board resolved on 16 October 2013 to issue 2,187,500 shares to employees who had exercised SRs which were granted in 2010 and

2012. The price per share was NOK 1.00 for 1,000,000 shares, NOK 1.20 for 187,500 shares and NOK 1.30 for 1,000,000 shares.

The board resolved on 22 October 2013 to issue 39,798 shares to a former board member who had exercised SRs which were granted in 2010 by the annual general meeting. The price per share was NOK 1.20.

The board resolved on 1 November 2013 to issue 566,037 shares to an employee who had

exercised SRs which were granted in 2009. The price per share is NOK 0.90.

Between 30 September 2013 and the resolution of these condensed interim financial statements, there has not been any other events which have had any noticeable impact on IDEX's result for the first three quarters of 2013 or the value of the company's assets and liabilities at 30 September 2013.