

## Interim report and financial statements for the third quarter of 2012

### Commercial agreement and successful private placement

- Commercial agreement with European OEM
- Successful private placement
- Top tier industrial partner opportunities
- Enhanced supply-chain and new manufacturing prospects in process
- Customer commissioned feasibility study delivered

IDEX has gained significant traction in the market place and experienced extensive interest in the company's unique finger-print sensors in the third quarter of 2012. After Apple submitted a bid for a fingerprint biometrics and mobile security firm, the market interest for fingerprint sensors has risen drastically. In the third quarter IDEX has received enquiries from several top-tier industrial players, who have expressed great interest in IDEX patented SmartFinger® technology.

"We continue our focus on major industrial partners in order to bring IDEX' patented SmartFinger technology into solutions for mobile payment, cloud-security, corporate access and internet-of-things. It is clear that most of the big players in our industry are positioning themselves for increased use of fingerprint solutions", said Ralph W. Bernstein, CEO of IDEX. Bernstein added that "IDEX continues its evaluation of strategic partnerships with top tier industrial partners. We foresee immense opportunities in the mobile market, the card market and in the market for embedded solutions. Industrial partnerships are our strategy to enter these markets".

### Supply-chain and new manufacturing prospects

In the third quarter IDEX has focused on securing a reliable supply-chain. IDEX will deliver commercial batches of sensor in second the quarter of 2013 and volumes from second half of 2013 . IDEX is also in the process of partnering with one or more top tier global manufacturers. Going forward IDEX' strategy is to work with several manufactures and pursue the opportunities in modern material technology for the SmartFinger technology.

"We have worked hard to solve the supply chain challenges for volume manufacturing for the polymer part of the SmartFinger sensor. I am happy to announce that we soon can supply our customers with the world's best fingerprint swipe sensor", said Ralph W. Bernstein, CEO of IDEX.

The recent development in the area of polymer electronics, combined with off-the-shelf technology, gives IDEX immense opportunities. We foresee our sensor manufacturing to be based on a wide range of materials.

### New agreement with European OEM

IDEX announced on 9 November 2012 a new commercial agreement with a European OEM partner for SmartFinger® sensor and software. The agreement has a minimum value of NOK 21 million and a potential of about NOK 80 million in 2013 and 2014.

"IDEX considers this partnership to be a significant step in expanding our presence in the biometric mass market. -This commercial agreement represents the rapid acceptance of fingerprint biometrics as a standard for personal security", said Ralph W. Bernstein, CEO of IDEX.

IDEX SmartFinger® fingerprint sensor and accompanying software will be incorporated in a luggage lock and substitute the key. The lock will open only if the owner swipes an enrolled finger over the sensor. The commercial agreement defines specific volumes to be delivered from second quarter 2013 with an expected significant increase in 2014. Future volumes will depend on the luggage producers demand, but is expected to be in the multimillion unit range.

Due to Apple's acquisition of fingerprint technology, both IDEX and some partners have modified plans. IDEX OEM-projects announced earlier have been postponed for delivery in 2013.

### **Revenue from feasibility-study paid by customer**

In the second and third quarters of 2012 IDEX generated combined revenue of 1 MNOK from a feasibility-study paid by a significant player in the biometric industry. This contributed to the revenue of NOK 1.3 million in the quarter.

### **Successful private placement**

IDEX resolved a private placement on 8 November 2012 which generated considerable interest from investors. The book building resulted in significant oversubscription compared to the maximum of 27.2 million shares authorized by the annual general meeting on 15 May 2012.

"The positive outcome of the private placement confirms investors' confidence in IDEX's technology and market strategy. IDEX has now a financial base to progress our commercial activities and continue our partnering activities," said Ralph W. Bernstein, CEO of IDEX. "The last months have been exciting times," Dr. Bernstein continued, "Apple's acquisition of fingerprint technology represented a boost to the industry's interest in fingerprint authentication."

IDEX placed 27,2 million shares at a subscription price of NOK 0.75 per share, thereby raising NOK 20.4 million new equity and liquidity before expenses.

## **Interim financial statements**

### **Profit and loss statements**

IDEX earned revenue amounting to NOK 1.3 million in the third quarter of 2012, on par with the second quarter. The revenue year to date was NOK 3.4 million. The revenue in the third quarter of 2011 was NOK 0.5 million, also being the year to date revenue of 2011. NOK 0.5 million of the revenue in the third quarter 2012 originated from sales of products and services. The services were the completion of a feasibility study conducted on contract for a company in the biometric industry. The other revenue in this quarter and the preceding quarters related to Government support of R&D activities. The revenue in 2011 was largely related to government support of R&D activities.

Operating expenses in the quarter were NOK 9.1 million, compared to NOK 12.3 million in the preceding quarter and NOK 9.9 million in the corresponding quarter of 2011. Year to date, the operating expenses amounted to

NOK 32.0 million, up from NOK 29.4 million in the same period in 2011. Payroll costs are higher than in 2011 because of staff added in the third quarter of 2011. The payroll cost line includes the notional cost of subscription rights, NOK 3.4 million in the first nine months of 2012 and NOK 3.6 million in the same period of 2011. 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 capitalized. In the third quarter, R&D spending was reduced with less technical work incurring external costs of materials and services. Other costs have increased, mainly related to marketing activities and the partner search project.

IDEX had fifteen employees in the third quarter, up from eleven in the same period of 2011. In addition, about four technical/scientific individual contractors worked full time or regularly as part of the development team, and additional technical experts are contracted as and when needed. One independent sales representative work on contract. Today the number of employees is ten, and the amount of work purchased from contractors has been reduced to the equivalent of three full-time staff.

No investments in tangible assets such as office facilities, computers and laboratory equipment have been made in the first three quarters of 2012, while IDEX invested NOK 0.3 million in such assets in the corresponding period of 2011. With a small fixed asset base, the depreciation charge is about NOK 0.3 million per year.

Because of the small amount of revenue, EBIT in the quarter amounted to a loss of NOK 7.8 million, and NOK 28.8 million in the first nine months, compared to a loss of NOK 9.9 million and NOK 29.0 million in the corresponding periods in 2011.

Financial items amounted to NOK 32 thousand in the quarter and NOK 141 thousand year to date, mainly from interest income. In the corresponding periods of 2011, net financial items were NOK 108 thousand and NOK 242 thousand, also from interest income.

Profit/loss per basic weighted average number of shares amounted to a loss of NOK 0.03 in the third quarter and NOK 0.10 in the first three quarters of 2012, compared to NOK 0.04 and NOK 0.12 in the corresponding periods of 2011. The number of shares has varied between the periods due to share issues in both years.

### **Balance sheets**

The 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; prepayments and deposits; and investments in office facilities and equipment – with cash being the major item. The patents and other intellectual property rights are not held in the balance sheet because they do not satisfy the criteria for capitalization. The same applies to the R&D costs.

On 30 September 2012, the assets amounted to NOK 9.5 million of which NOK 5.7 million were cash, down from NOK 26.2 million and NOK 21.5 respectively at the end of 2011. At 30 September 2011, the assets amounted to NOK 32.8 million of which NOK 29.2 million were cash. The cash position is commented below.

The main liabilities are various operational payables to employees and suppliers, and amounted to NOK 5.4 million at 30 September 2012, about NOK 1 million lower than the preceding quarter and the corresponding time in 2011 and year end of 2011. The variations are due to payables to suppliers and accrued liabilities.

Equity amounted to NOK 4.1 million, down from NOK 10.6 million at the end of the preceding quarter, reflecting the loss in the quarter and the nominal equity from share-based compensation. 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.

The going concern assumption has been applied when preparing this interim financial report. The board points out that until IDEX enters a commercial phase, there is uncertainty attached to this assumption. IDEX does not earn recurring revenue. On 30 September 2012, the equity amounted to NOK 4.1 million or 10 per cent of the share capital. The board acknowledges its duty to act on this situation. IDEX appointed in February 2012 Pareto Securities AS as financial advisor to assist in evaluating potential strategic industry partners. IDEX has stated it is willing to offer a suitable partner an equity stake in IDEX through a capital injection.

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 authorization; 27,196,064 shares at a subscription price of NOK 0.75 per share, thereby raising NOK 20.4 million in new equity and liquidity before expenses. The deadline for payment is 19 November 2012.

#### **Cash flow, cash position**

The operational cash outflow in the first nine months of 2012 was NOK 25.7 million, of which NOK 6.4 million in the third quarter. The main items in addition to the profit/loss, are the share based compensation and any changes in working capital.

No investments were made in the first three quarters of this year, while investments in the corresponding period in 2011 amounted to NOK 0.3 million. Investments comprise mainly IT and lab equipment.

At 30 September 2012 the cash position amounted to NOK 5.7 million, down NOK 6.4 million from the previous quarter and down from NOK 21.5 million at the end of 2011. Net receivables and payables on 30 September 2012 amounted to NOK 2.6 million payable, same as the previous quarter. The company does not have any financial debt. The company needs to obtain liquidity in 2012. Reference is made to the comments above regarding the equity situation.

#### **Principal risks**

It is the duty of the board of directors to present the principal risks of IDEX and its business. IDEX does not have any significant assets or liabilities with risk. IDEX does not have financial instruments or financial assets or liabilities, and has limited financial risks related to currency and interest rates. 90 per cent of the share capital had been lost as of 30 September 2012, and the company needed to obtain liquidity in 2012. On 8 November 2012 IDEX carried out a private placement which raised NOK 20.4 million new equity and liquidity before expenses.

The company's major risk is its business risk, meaning its ability to earn revenue. This risk is difficult to assess, because IDEX has hitherto 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 products and systems, and secondly, the company's ability to 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 Film sensor offers unique properties.

## **Outlook**

IDEX experiences an increased interest for our technology, and continues its discussions with a number of potential strategic partners. The company is seeking a strategic partnership with major industrial players, and the board expects interesting pace in this direction during the next few months.

IDEX has made considerable progress in the last few months, securing a major commercial agreement and obtaining additional manufacturing capabilities. The successful private placement forms the financial basis for IDEX going forward.

The market for fingerprint technology is strong, and IDEX will capitalize on this opportunity. All indicators point towards substantial growth in the biometric market in general and particularly in the low cost fingerprint sensor segment. IDEX has positioned itself to exploit this segment for several years and is ready to take advantage of the expected growth in demand. Products with IDEXs' sensor technology are expected to be in the market in 2013.

Fornebu, 13 November 2012

*The board of directors of IDEX ASA*

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## IDEX ASA group

### Condensed consolidated interim financial statements with notes

#### 30 September 2012 (Unaudited)

<b>Consolidated interim Statements of comprehensive income</b> Amounts in NOK 1,000	<b>1 July- 30 September 2012</b>	1 July- 30 September 2011	<b>1 January- 30 September 2012</b>	1 January- 30 September 2011	1 January- 31 December 2011
<b>Operating income</b>					
Sales and services revenue	<b>455</b>	64	<b>1 026</b>	80	99
Other operating revenue	<b>890</b>	482	<b>2 413</b>	482	1 224
<b>Total revenue</b>	<b>1 345</b>	<b>546</b>	<b>3 439</b>	<b>562</b>	<b>1 323</b>
<b>Operating expenses</b>					
Payroll expense	<b>4 356</b>	3 663	<b>14 706</b>	12 789	17 696
Research and development expenses	<b>2 372</b>	4 303	<b>9 685</b>	11 094	13 481
Other operating expenses	<b>2 347</b>	1 906	<b>7 644</b>	5 552	7 632
<b>Total operating expenses</b>	<b>9 075</b>	<b>9 872</b>	<b>32 035</b>	<b>29 435</b>	<b>38 809</b>
<b>Profit (loss) before interest, tax, depreciation and amortization (EBITDA)</b>	<b>(7 730)</b>	<b>(9 326)</b>	<b>(28 596)</b>	<b>(28 873)</b>	<b>(37 486)</b>
Depreciation	<b>78</b>	61	<b>236</b>	173	245
<b>Profit before interest and tax (EBIT)</b>	<b>(7 808)</b>	<b>(9 387)</b>	<b>(28 832)</b>	<b>(29 046)</b>	<b>(37 731)</b>
<b>Financial income and expenses</b>					
Interest income	<b>30</b>	111	<b>150</b>	226	348
Other financial income	<b>27</b>	4	<b>62</b>	38	66
Interest expense					
Other financial expense	<b>(25)</b>	(7)	<b>(71)</b>	(22)	(38)
<b>Net financial items</b>	<b>32</b>	108	<b>141</b>	242	376
<b>Net result before tax</b>	<b>(7 776)</b>	<b>(9 279)</b>	<b>(28 691)</b>	<b>(28 804)</b>	<b>(37 355)</b>
Taxes					
<b>Net profit (loss) for the period</b>	<b>(7 776)</b>	<b>(9 279)</b>	<b>(28 691)</b>	<b>(28 804)</b>	<b>(37 355)</b>
<i>Profit (loss) per share -basic and diluted</i>	<b>NOK (0.03)</b>	<i>NOK (0.04)</i>	<b>NOK (0.10)</b>	<i>NOK (0.12)</i>	<i>NOK (0.15)</i>
<b>Net profit (loss) for the period</b>	<b>(7 776)</b>	<b>(9 279)</b>	<b>(28 691)</b>	<b>(28 804)</b>	<b>(37 355)</b>
Other comprehensive income					
<b>Total comprehensive income for the period, net of tax</b>	<b>(7 776)</b>	<b>(9 279)</b>	<b>(28 691)</b>	<b>(28 804)</b>	<b>(37 355)</b>

The notes on pages 4-6 are an integral part of this condensed interim financial report.

Consolidated interim balance sheets	30 September 2012	30 September 2011	31 December 2011
Amounts in NOK 1,000			
<b>ASSETS</b>			
<b>Long-term assets</b>			
<b>Fixed assets</b>			
Machinery and office equipment	703	792	939
Total fixed assets	703	792	939
<b>Financial assets</b>			
Long-term receivables	325	319	325
Total financial assets	325	319	325
<b>Total long-term assets</b>	<b>1 028</b>	1 111	1 264
<b>Current assets</b>			
<b>Receivables</b>			
Accounts receivable	3		19
Other receivables	2 227	1 798	3 161
Prepaid expenses	524	713	343
Total receivables	2 754	2 511	3 523
<b>Cash and bank deposits</b>			
Cash and bank deposits	5 683	29 180	21 462
Total cash and bank deposits	5 683	29 180	21 462
<b>Total current assets</b>	<b>8 437</b>	31 691	24 985
<b>TOTAL ASSETS</b>	<b>9 465</b>	32 802	26 249

<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid-in-capital</b>			
Share capital	42 343	40 794	40 794
Share premium reserve	71 625	63 418	63 429
Other paid-in capital	11 098	6 268	7 409
Total paid-in-capital	125 066	110 480	111 632
Other equity	(120 958)	(83 715)	(92 266)
Total equity	4 108	26 765	19 366
<b>Liabilities</b>			
<b>Short-term liabilities</b>			
Accounts payable	1 654	2 104	2 230
Public duties payable	520	634	471
Other short-term liabilities	3 183	3 299	4 182
Total short term liabilities	5 357	6 037	6 883
<b>Total liabilities</b>	<b>5 357</b>	6 037	6 883
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9 465</b>	32 802	26 249

The notes on pages 4-6 are an integral part of this condensed interim financial report.

<b>Consolidated interim cash flow statements</b> Amounts in NOK 1,000	<b>1 July-30 September 2012</b>	1 July-30 September 2011	<b>1 January-30 September 2012</b>	1 January-30 September 2011	1 January-31 December 2011
Profit (loss) before interest and taxes	<b>(7 808)</b>	(9 387)	<b>(28 832)</b>	(29 046)	<b>(37 731)</b>
Share-based remuneration (equity part)	<b>1 315</b>	1 166	<b>3 689</b>	3 267	<b>4 409</b>
Depreciation	<b>78</b>	61	<b>236</b>	173	<b>245</b>
Interest paid					
Change in working capital and other items	<b>40</b>	(2 424)	<b>(766)</b>	(455)	<b>(608)</b>
<b>Net cash flow from operational activities</b>	<b>(6 375)</b>	(10 584)	<b>(25 673)</b>	(26 061)	(33 685)
Purchases of property, plant and equipment				(333)	<b>(552)</b>
Change in long-term receivables					<b>(7)</b>
Interest received	<b>30</b>	111	<b>150</b>	226	<b>348</b>
<b>Net cash provided by investing activities</b>	<b>30</b>	111	<b>150</b>	(107)	(211)
Share issues	<b>(19)</b>	11 586	<b>9 744</b>	42 699	<b>42 709</b>
Paid-in, not registered share capital		(176)			
<b>Net cash provided by financing activities</b>	<b>(19)</b>	11 410	<b>9 744</b>	42 699	42 709
<b>Net change in cash and cash equivalents</b>	<b>(6 364)</b>	937	<b>(15 779)</b>	16 531	8 813
Opening cash balance	<b>12 047</b>	28 243	<b>21 462</b>	12 649	<b>12 649</b>
Closing cash balance	<b>5 683</b>	29 180	<b>5 683</b>	29 180	21 462

<b>Consolidated interim statements of changes in equity</b> Amounts in NOK 1,000	Share capital	Share premium	Other paid-in capital	Retained earnings (uncovered loss)	<b>Total equity</b>
Balance 1 January 2012	40 794	63 429	7 409	(92 266)	19 366
<b>Share issues</b>	<b>1 548</b>	<b>8 196</b>			<b>9 744</b>
<b>Share-based compensation</b>			<b>3 689</b>		<b>3 689</b>
<b>Total comprehensive income for the period</b>				<b>(28 691)</b>	<b>(28 691)</b>
Balance 30 September 2012	42 342	71 625	11 098	(120 957)	4 108
Balance 1 January 2011	32 240	29 274	3 000	(54 911)	9 603
Share issues	8 554	34 145			42 699
Share-based compensation			3 267		3 267
Total comprehensive income for the period				(28 804)	(28 804)
Balance 30 September 2011	40 794	63 419	6 267	(83 715)	26 765
Balance 1 January 2011	32 240	29 274	3 000	(54 911)	9 603
Share issues	8 554	34 155			42 709
Share-based compensation			4 409		4 409
Total comprehensive income for the period				(37 355)	(37 355)
Balance 31 December 2011	40 794	63 429	7 409	(92 266)	19 366

The notes on pages 4-6 are an integral part of this condensed interim financial report.

## Notes to the condensed consolidated interim financial statements (unaudited)

### 1 IDEX ASA group

The IDEX ASA group ("IDEX") consists of the Norwegian parent company IDEX ASA, the subsidiary IDEX Holding Inc. and its subsidiary IDEX America Inc, which are both in the USA. The group was formed in January 2007 when IDEX ASA established the subsidiaries. The subsidiaries are inactive. 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.

### 2 Basis of preparation, accounting policies, resolution

This condensed interim financial report for the first quarter of 2012 has been prepared in accordance with IAS 34 'Interim financial reporting'. The condensed consolidated interim financial report should be read in conjunction with the consolidated annual financial statements for 2011.

The IFRS accounting policies applied in this condensed consolidated interim financial report are consistent with those applied and described in the consolidated annual financial statements for 2011. Effective from the fourth quarter 2011, IDEX adopted an accounting policy for project-specific government R&D grants and similar grants whereby the grant is recognised as other operating revenue. The revenue has been recognised corresponding to the recognition of the expenses that the grants are intended to compensate.

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. On 30 September 2012, the equity amounted to NOK 4.1 million or 10 per cent of the share capital.

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 deadline for payment is 19 November 2012.

This consolidated interim financial report has not been subject to audit. The report was approved by the board of directors on 12 November 2012.

### 3 Property, plant and equipment

Amounts in NOK 1 000

Tangible assets

#### 1 January-30 September 2012

Net book value on 1 January 2012	939
Additions	0
Disposals	0
Depreciation and other movements	(236)
Net book value on 30 September 2012	703

#### 1 January-30 September 2011

Net book value on 1 January 2011	632
Additions	333
Disposals	0
Depreciation and other movements	(173)
Net book value on 30 September 2011	792

#### 1 January-31 December 2011

Net book value on 1 January 2011	632
Additions	552
Disposals	0
Depreciation and other movements	(245)
Net book value on 31 December 2011	939

#### 4 Shares, warrants and subscription rights

Shares	1 January- 30 September 2012	1 January- 30 September 2011	1 January- 31 December 2011
Opening balance	<b>271 960 641</b>	214 933 142	214 933 142
Share issue(s)	<b>10 322 725</b>	57 027 499	18 223 188
Warrants exercised			38 804 311
Closing balance	<b>282 283 366</b>	271 960 641	271 960 641

Warrants	1 January- 30 September 2012	1 January- 30 September 2011	1 January- 31 December 2011
Opening balance	<b>9 049 103</b>	39 205 778	39 205 778
Issue of warrants	<b>9 954 013</b>	9 049 103	9 049 103
Exercise of warrants		(38 804 311)	(38 804 311)
Expired warrants	<b>(19 003 116)</b>	(401 467)	(401 467)
Closing balance	<b>0</b>	9 049 103	9 049 103

Incentive subscription rights	1 January- 30 September 2012	1 January- 30 September 2011	1 January- 31 December 2011
Opening balance	<b>14 596 266</b>	8 917 096	8 917 096
Grant of incentive subscription rights	<b>6 000 000</b>	2 557 500	5 707 500
Terminated/expired subscription rights	<b>(1 758 582)</b>	(28 330)	(28 330)
Closing balance	<b>18 837 684</b>	11 446 266	14 596 266

IDEX has granted incentive subscription rights (SRs) to employees, 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, the subscription rights vest by ¼ every 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 18,837,684 outstanding incentive SRs on 30 September 2012 was NOK 1.28 per share.

##### 2012:

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. 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.

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 SRs 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 SRs in each category vest at grant, 1/3 vest 9 months after the grant and 1/3 vest 18 months after the grant. The SRs expire on 30 August 2014.

##### 2011:

Following a book building process in March-April 2011, IDEX completed a successful private placement of shares on 8 April 2011, in which 18,098,222 new shares were issued at a subscription price of NOK 1.80 per share. The annual general meeting on 19 May 2011 resolved to issue 9,049,103 2011-warrants for every two new shares, at an exercise price of NOK 2.10 per share and a term of one year.

Following the annual general meeting of IDEX on 19 May 2011, the board member Harald Voigt elected to receive the board remuneration in shares. He acquired 124,966 shares for which he paid the par value, in lieu of a cash board remuneration of NOK 140,000.

The board resolved on 10 April 2011 to grant a total of 2,557,500 incentive subscription rights to employees under the company's 2010 subscription rights plan as resolved at the annual general meeting on 11 May 2010. The exercise price of the SRs is NOK 1.96 per share. 25 per cent of the SRs vest on each anniversary from the date of the grant. The SRs expire on 11 May 2015.

The board resolved on 23 October 2011 to grant a total of 3,150,000 incentive subscription rights to employees under the company's 2011 subscription rights plan as resolved at the annual general meeting on 19 May 2011. The exercise price of the SRs is NOK 0.94 per share. 25 per cent of the SRs vest on each anniversary from the date of the grant. The SRs expire on 19 May 2016.

## 5 Profit (loss) per share

	1 January- 30 September 2012	1 January- 30 September 2011	1 January- 31 December 2011
Profit (loss) attributable to the shareholders (NOK 1 000)	<b>(28 691)</b>	(28 804)	(37 355)
Weighted average basic number of shares	<b>276 914 718</b>	232 484 419	242 434 609
Weighted average diluted number of shares	<b>278 338 301</b>	261 047 353	264 397 686
Profit (loss) per share, basic and diluted	<b>NOK (0.10)</b>	NOK (0.12)	NOK (0.15)

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.

## 6 Contingent assets and liabilities

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

## 7 Related party transactions

In the first three quarters of 2012, IDEX has recorded NOK 1,784 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 is invoiced by Ræder. The amount includes work in connection with the private placement on 9 May 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 also a shareholder in IDEX, has charged IDEX NOK 100 thousand for services conducted by Kristian Wiermyhr in the third quarter of 2012. IDEX also refunds the out-of-pocket expenses related to the services. 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 SRs 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 SRs in each category vest at grant, 1/3 vest 9 months after the grant and 1/3 vest 18 months after the grant. The SRs expire on 30 August 2014.

## 8 Events occurring after the balance sheet date

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 deadline for payment is 19 November 2012.

Between 30 September 2012 and the resolution of these condensed consolidated 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 2012 or the value of the company's assets and liabilities at 30 September 2012.