

IDEX ASA interim report for the fourth quarter 2012

Positioned for 'the year of fingerprint biometrics'

- New commercial agreements
- Production ramp-up
- Successful private placement
- Sensor-in-glass technology concept presented in February 2013

In the fourth quarter of 2012 IDEX entered into two important agreements, secured a successful private placement, and is well positioned for the fast growing commercial opportunities foreseen in 2013. The company expects to dispatch updated SmartFinger® products to customers in the second half of 2013.

"We have positioned IDEX for what we expect will be 'the year of fingerprint biometrics'. Our discussions with industry-leading companies indicate that multiple mass market products with fingerprint biometrics will be launched in 2013. With IDEX's core IP, unique technology and novel sensor products, we are in a good position for a market break-through this year," said Ralph W. Bernstein, chief executive officer of IDEX.

During the fourth quarter IDEX was in close dialogue with multiple top-tier industry members, especially in the mobile market place. Several of these companies expressed great interests in IDEX's IP and technology. The communication continues with full attention in 2013.

Continuing the partner search initiated last year IDEX seeks larger industrial partners in order to bring the award-winning, patented SmartFinger technology into solutions for mobile payment, cloud security, corporate access and the Internet of Things.

With the entrance of major mobile and IT players to the biometric industry, the competitive situation has changed dramatically. There are only a small number of independent sensor and technology providers who can support and deliver the components that the handset manufacturers need to exploit the emerging and rapidly growing opportunities in the mobile market. The manufacturers need intellectual property rights and patent protection for their new products to be launched in the mass markets.

"IDEX holds a very strong IP position including some very early, fundamental patents in the field, combined with supplementary in-bound licenses to a series of patents. We offer a complete IP, technology and product package that makes the IDEX a very attractive partner and safe harbor for key players in the mobile- and IT-market," said Bernstein.

Commercial agreements

In the fourth quarter, IDEX entered into a 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 approximately NOK 80 million in 2013 and 2014. The commercial agreement defines specific volumes with deliveries planned from the third quarter of 2013 with an expected significant increase in 2014.

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. The name of the OEM partner company is not disclosed.

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. S.I.C. designs, manufactures and internationally commercializes biometrics security products and solutions that are used to protect people, institutions, enterprises and buildings against theft, fraud and terrorism. 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 amounting to more than NOK 35 million in 2013 and 2014.

"This agreement outlines a volume implementation of the IDEX SmartFinger solution in a large biometric ID program in China. It is a result of a successful joint development program. The security device has a potential of immense volumes from 2015 and onwards," said Bernstein.

Following a successful qualification, it is the intent of the two companies to enter into a commercial agreement under which IDEX will supply its SmartFinger Film sensor technology to the Chinese technology company.

Production ramp-up reinvigorated

In the fourth quarter IDEX implemented changes to its supply chain and the production ramp-up programme was reinvigorated. 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.

Successful private placement in IDEX

The private placement resolved on 8 November 2012 received strong interest from investors. The book building resulted in significant oversubscription compared to the maximum of 27.2 million shares authorised by the annual general meeting on 15 May 2012.

"The positive outcome of the private placement confirmed 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 Bernstein.

The board resolved to issue the maximum number of shares according to the authorization, thereby raising NOK 20.4 million new equity and liquidity before expenses.

Sensor-in-glass technology concept and other mobile technology opportunities

There is strong interest from the mobile handset vendors for fingerprint biometrics in mobile phones. The IDEX technology team 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.

"Our unique, patented through-substrate via connections enable the fingerprint image to be read through virtually any material such as glass, silicon, polymer and ceramics. This technology demonstrator shows the functional possibilities that IDEX's IP and technology can offer," said Bernstein in IDEX ASA.

Outlook

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, 26 February 2013

The board of directors of IDEX ASA

Investor and press contacts

Dr. Ralph W. Bernstein, CEO, +47 930 59 303, ralph.bernstein(at)idex.no

Inge Berge, IR; +47 932 68 836, inge.berge(at)idex.no

Interim financial statements as at 31 December 2012

Profit and loss statements

IDEX earned revenue amounting to NOK 1.1 million in the fourth quarter of 2012, on par with the previous quarter. The revenue year to date was NOK 4.5 million. The revenue in fourth quarter of 2011 was NOK 0.8 million, and the revenue of 2011 NOK 1.3 million. In 2012, NOK 1.0 million revenue originated from sales of products and services, while NOK 3.5 million was other revenue and related to government support of research and development (R&D) activities. Virtually all the revenue in the fourth quarter was such other revenue. The revenue in 2011 was largely related to government support of R&D activities. This revenue has been recognised corresponding to the recognition of the expenses that the grants compensate.

Operating expenses in the quarter were NOK 5.7 million, compared to NOK 9.1 million in the preceding quarter and NOK 9.9 million in the corresponding quarter of 2011. In 2012, the operating expenses amounted to NOK 37.8 million, in line with NOK 38.8 million in 2011. IDEX added staff in the course of 2011 and effected reductions in second half of 2012. The payroll cost line includes the notional cost of subscription rights, NOK 3.5 million in 2012 and NOK 4.3 million in 2011. The lower cost in 2012, particularly in the fourth quarter, was due to reversed charge for departing staff. 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. In the second half of 2012, R&D spending was harnessed and less technical work incurring external costs of materials and services was conducted. Hence, R&D costs in 2012 at NOK 10.7 million were lower than in 2011, at NOK 13.5 million. The skattefunn support has been credited towards cost in the fourth quarter in each year. Other costs, mainly related to marketing activities and the partner search project, have increased from NOK 7.6 million in 2011 to NOK 9.2 million in 2012.

IDEX had ten employees at the end of 2012, down from fifteen in the first three quarters of 2012. Two 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. At the date of this report, one contractor has instead been employed, while two additional technical contractors have been signed and there are two contractors working on an ongoing basis in marketing, sales and admin.

No investments in tangible assets such as office facilities, computers and laboratory equipment have been made in 2012, while IDEX invested NOK 0.6 million in such assets in 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 4.7 million, and NOK 33.6 million in the year, compared to a loss of NOK 9.2 million and NOK 37.7 million in the corresponding periods in 2011.

Financial items amounted to net NOK 59 thousand in the quarter, and NOK 200 thousand year to date, mainly from interest income. In the corresponding periods of 2011, net financial items were NOK 134 thousand and NOK 376 thousand, also from interest income.

Profit/loss per basic weighted average number of shares amounted to a loss of NOK 0.02 in the fourth quarter and NOK 0.12 in the year, compared to NOK 0.03 and NOK 0.15 in the corresponding periods of 2011. The number of shares have increased because of 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; misc. 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 capitalisation. The same applies to the development costs.

On 31 December 2012, the assets amounted to NOK 25.0 million of which NOK 19.8 million were cash, slightly down from NOK 26.2 million and NOK 21.5 respectively at the end of 2011. The cash position is commented upon below.

The main liabilities are various operational payables to employees and suppliers, and amounted to NOK 6.7 million at 31 December 2012, about NOK 1.3 million higher than the preceding quarter and in line with year end of 2011. The variations are due to fluctuating payables to suppliers and accrued liabilities.

Equity amounted to NOK 18.3 million, up from NOK 4.1 million at the end of the preceding quarter, reflecting the private placement on 8 November 2012 less the loss in the quarter. The equity amounted to NOK 19.4 million at the end of 2011.

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 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.

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 has been paid in and was registered in December 2012.

Cash flow, cash position

The operational cash outflow in 2012 was NOK 30.3 million, of which NOK 4.6 million in the fourth 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 this year, while investments in 2011 amounted to NOK 0.6 million. Investments mainly comprise IT and laboratory equipment.

At 31 December 2012 the cash position amounted to NOK 19.8 million, up from NOK 5.7 million from the previous quarter end and somewhat down from NOK 21.5 million at the end of 2011. Net receivables and payables on 31 December 2012 amounted to NOK 2.5 million payable, same as the previous quarter end. The company does not have financial debt. The company may need to obtain liquidity in 2013. Reference is made to the comments above regarding the equity situation.

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 have financial instruments or financial assets or liabilities, and has limited financial risks related to currency and interest rates. However, more than half the share capital had been lost at 31 December 2012, and the company may need to obtain liquidity in 2013, or contain costs compared to the current ongoing activity level.

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 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 Film sensor offers unique properties.

IDEX ASA group
Condensed consolidated interim financial statements with notes
31 December 2012 (Unaudited)

Consolidated interim Statements of comprehensive income Amounts in NOK 1,000	1 October- 31 December 2012	1 October- 31 December 2011	1 January- 31 December 2012	1 January- 31 December 2011
Operating income				
Sales and services revenue	20	19	1 046	99
Other operating revenue	1 047	742	3 460	1 224
Total revenue	1 067	761	4 506	1 323
Operating expenses				
Payroll expense	3 072	4 907	17 778	17 696
Research and development expenses	1 062	2 869	10 747	13 481
Other operating expenses	1 589	2 080	9 233	7 632
Total operating expenses	5 723	9 856	37 758	38 809
Profit (loss) before interest, tax, depreciation and amortization (EBITDA)	(4 656)	(9 095)	(33 252)	(37 486)
Depreciation	77	72	313	245
Profit before interest and tax (EBIT)	(4 733)	(9 167)	(33 565)	(37 731)
Financial income and expenses				
Interest income	58	122	208	348
Other financial income	3	28	65	66
Interest expense				
Other financial expense	(2)	(16)	(73)	(38)
Net financial items	59	134	200	376
Net result before tax	(4 674)	(9 033)	(33 365)	(37 355)
Taxes				
Net profit (loss) for the period	(4 674)	(9 033)	(33 365)	(37 355)
<i>Profit (loss) per share -basic and diluted</i>	NOK (0.02)	<i>NOK (0.03)</i>	NOK (0.12)	<i>NOK (0.15)</i>
Net profit (loss) for the period	(4 674)	(9 033)	(33 365)	(37 355)
Other comprehensive income				
Total comprehensive income for the period, net of tax	(4 674)	(9 033)	(33 365)	(37 355)

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

Consolidated interim balance sheets	31 December 2012	31 December 2011
Amounts in NOK 1,000		
ASSETS		
Long-term assets		
Fixed assets		
Machinery and office equipment	626	939
Total fixed assets	626	939
Financial assets		
Long-term receivables	332	325
Total financial assets	332	325
Total long-term assets	958	1 264
Current assets		
Receivables		
Accounts receivable	17	19
Other receivables	3 715	3 161
Prepaid expenses	512	343
Total receivables	4 244	3 523
Cash and bank deposits		
Cash and bank deposits	19 833	21 462
Total cash and bank deposits	19 833	21 462
Total current assets	24 077	24 985
TOTAL ASSETS	25 035	26 249

EQUITY AND LIABILITIES		
Equity		
Paid-in-capital		
Share capital	46 422	40 794
Share premium reserve	86 292	63 429
Other paid-in capital	11 235	7 409
Total paid-in-capital	143 949	111 632
Other equity	(125 631)	(92 266)
Total equity	18 318	19 366
Liabilities		
Short-term liabilities		
Accounts payable	2 561	2 230
Public duties payable	906	471
Other short-term liabilities	3 250	4 182
Total short term liabilities	6 717	6 883
Total liabilities	6 717	6 883
TOTAL EQUITY AND LIABILITIES	25 035	26 249

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

Consolidated interim cash flow statements Amounts in NOK 1,000	1 October-31 December 2012	1 October-31 December 2011	1 January-31 December 2012	1 January-31 December 2011
Profit (loss) before interest and taxes	(4 733)	(9 167)	(33 565)	(37 731)
Share-based remuneration (equity part)	136	1 142	3 825	4 409
Depreciation	77	72	313	245
Interest paid				
Change in working capital and other items	(119)	329	(885)	(608)
Net cash flow from operational activities	(4 639)	(7 624)	(30 312)	(33 685)
Purchases of property, plant and equipment		(219)		(552)
Change in long-term receivables	(7)	(7)	(7)	(7)
Interest received	49	122	199	348
Net cash provided by investing activities	42	(104)	192	(211)
Share issues net of expenses	18 747	10	28 491	42 709
Net cash provided by financing activities	18 747	10	28 491	42 709
Net change in cash and cash equivalents	14 150	(7 718)	(1 629)	8 813
Opening cash balance	5 683	29 180	21 462	12 649
Closing cash balance	19 833	21 462	19 833	21 462

Consolidated interim statements of changes in equity Amounts in NOK 1,000	Share capital	Share premium	Other paid-in capital	Retained earnings (uncovered loss)	Total equity
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
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") consisted until 30 November 2012 of the Norwegian parent company IDEX ASA, the subsidiary IDEX Holding Inc. and its subsidiary IDEX America Inc, which were both in the USA. The group was formed in January 2007 when IDEX ASA established the subsidiaries. The subsidiaries have been inactive since 2010 and were dissolved on 30 November 2012.

IDEX ASA is a public limited liability company incorporated and domiciled in Norway. The address of the registered office is Rolfsbuktveien 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 fourth 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 31 December 2012, the equity amounted to NOK 18.3 million or 39 per cent of the share capital, meaning that more than half the share capital had been lost. The board acknowledges its duty to act on this situation.

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.

At 31 December 2012 the cash position amounted to NOK 19.8 million, while net receivables and payables amounted to NOK 2.5 million payable. The company does not have financial debt. The company may need to obtain liquidity in 2013, or contain costs compared to the current ongoing activity level.

This consolidated interim financial report has not been subject to audit. The report was approved by the board of directors on 26 February 2013.

3 Property, plant and equipment

Amounts in NOK 1 000

Tangible assets

1 January-31 December 2012

Net book value on 1 January 2012	939
Additions	0
Disposals	0
Depreciation and other movements	(313)
Net book value on 31 December 2012	626

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- 31 December 2012	1 January- 31 December 2011
Opening balance	271 960 641	214 933 142
Share issue(s)	37 518 789	18 223 188
Warrants exercised		38 804 311
Closing balance	309 479 430	271 960 641

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

Incentive subscription rights	1 January- 31 December 2012	1 January- 31 December 2011
Opening balance	14 596 266	8 917 096
Grant of incentive subscription rights	6 000 000	5 707 500
Terminated/expired subscription rights	(2 851 007)	(28 330)
Closing balance	17 745 259	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, 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 17,745,259 outstanding incentive SRs on 31 December 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.

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:

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- 31 December 2012	1 January- 31 December 2011
Profit (loss) attributable to the shareholders (NOK 1 000)	(33 365)	(37 355)
Weighted average basic number of shares	281 405 296	242 434 609
Weighted average diluted number of shares	282 395 678	264 397 686
Profit (loss) per share, basic and diluted	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 2012 IDEX has recorded NOK 2,425 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 charged by Ræder includes work in connection with the private placement on 9 May 2012, the private placement on 8 November 2012 and the preparation of the prospectus dated 11 December 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 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 equity issues in IDEX 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 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 month after the grant. The SRs 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.

8 Events occurring after the balance sheet date

The board of directors of IDEX ASA resolved on 9 January 2013 to grant a total of 4,700,000 incentive subscription rights (SRs) 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 SRs 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 SRs vest on each anniversary from the date of the grant. The SRs expire on 15 May 2017.

The board of directors of IDEX ASA resolved on 23 January 2013 to issue a total of 275,000 shares to employees who had exercised incentive subscription rights under the company's 2011 incentive subscription rights plan as resolved at the annual general meeting on 19 May 2011. The price per share was NOK 0.94. The capital has been paid in and registered.

Between 31 December 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 2012 or the value of the company's assets and liabilities at 31 December 2012.