

Interim report and financial statements for the third quarter of 2011

Leveraging on several partners

- Continuing the development and qualification work with several ongoing and new partners
- Recruited additional employees to serve partners and prepare for volume production
- Validus order fulfilled
- Actively promoting IDEX at international events
- Entered into agreements with Future Electronics, Embedx, Card Tech and Ionics in October-November
- Demonstrated implementations of SmartFinger[®] Film in partners' products in November and showed a new evaluation kit to customers
- Warrants exercised, raising NOK 11.6 million

Working with several ongoing and new partners

IDEX added five new partner companies during the first half of 2011, and about ten more have obtained evaluation kits of the SmartFinger Film sensor and software. The IDEX staff has been actively supporting our customers, ensuring the progress of the various qualification projects. Several new opportunities have also been pursued.

"The third quarter was a period of exciting work with several leading companies which we signed up during the first half of the year. Our partners' projects are aimed at qualifying our award-winning SmartFinger Film fingerprint technology for implementation in their product," said Ralph W. Bernstein, CEO of IDEX.

"We aim at providing secure, safe and simple personal ID to the mass markets. We have strengthened our team by adding five new employees to work on various aspects of the production ramp-up project and to achieve commercialisation by supporting our current and prospective customers' projects," Bernstein added.

Continuing the development and qualification work with several new partners

At the beginning of the year, IDEX had ongoing cooperation with an undisclosed semiconductor company, with Validus Technologies and was a partner in the eGo project. During the first half of 2011, IDEX entered into further cooperation agreements with Pierson Capital Technology, Identita Technologies, Shen Zhen Huajing Technology Co., S.I.C. Biometrics and UINT. In the third quarter, work was conducted also with Future Electronics, Embedx and Card Tech, which resulted in agreements being entered into in October and November.

All partner agreements set out specific milestones relating to development, testing and verification, and IDEX has focused on supporting the partners and facilitating the design-in processes and other implementation work. All projects are still ongoing, but the progress on each project has varied and some projects are behind original schedule. This is not uncommon in such projects. Typical reasons are unforeseen matters related to staff, extended analysis of alternative designs or because technical tasks have been more time-consuming than originally assumed.

The demonstrator units that were shown by Card Tech and S.I.C. Biometrics at the IDEX booth at CARTES 2011 in November represent two successful projects with tangible results that were ready for display.

Recruitment and preparation for volume production

IDEX recruited five new staff members in the third quarter. Four have commenced work and contribute capacity and competency in the fields of production, software development and implementation and customer support. A large share of the software development work is related to porting software to microprocessors satisfying the customers' requirements. The sales activities are growing with the number of active partners and customers, and new leads and enquiries arriving at a promising rate.

The ramp-up to production, particularly the implementation of full-scale volume production equipment and methods, has taken more time than originally planned. We are working intensively with our supply chain



partners in order to establish sufficient capacity to deliver on volume orders in commercial quantities.

Validus order fulfilled

The first order for SmartFinger Film sensors was fulfilled in the third quarter, when 1,000 sensors were delivered to Validus Technologies Corporation. The sensors will be delivered to customers and partners for initial pilot testing and demonstration projects of Validus' BioSmart™ 3.0 biometric powered card.

Validus expects to complete the development of the BioSmart 3.0 by the end of first quarter of 2012. This version of the BioSmart biometric card includes a new system-on-card authentication solution which contains a tamper resistant microcontroller. BioSmart will contain both contact and contactless smart card technology in addition to its display for one-time passwords. The Applets operating on the Java operating system on the card are activated once a fingerprint is verified. A higher volume version of the ultra-portable BioSmart biometric powered card with features susceptible for mass production is planned in the third quarter of 2012.

Actively promoting IDEX at international events

IDEX targets a global market and the company actively participates at important international events.

In September, IDEX was among the exhibitors at the Biometrics Consortium Conference and Technology Expo in Tampa, Florida, and made valuable contacts among the approximately 2,000 participants.

In October, CEO Ralph W. Bernstein gave a lecture at the prestigious Transatlantic Science Week conference at the University of California Berkeley.

In November the company showcased the SmartFinger Film technology platform at the major industry trade show CARTES & IDentification in Paris, France. In addition to the demonstration products from S.I.C. Biometrics and Card Tech, IDEX showed the SmartFinger Secure Processor (SSP), a complete embedded authentication software solution preinstalled on a microcontroller within a stand-alone biometric authentication module, and a new SmartFinger evaluation kit for customers who wish to evaluate the sensor. The booth had many visitors who were impressed by the demonstrator units. At the conference held in connection with the exhibition, CEO Ralph W. Bernstein presented "Fingerprint biometrics for secure authorization within the Internet of things". The presentation was well received by an interested audience.

Silicon-based SmartFinger sensors

The project with a major, undisclosed semiconductor manufacturer confirmed a functionally successful SmartFinger design and implementation, but production yield was unsatisfactory. Since the technical work was completed and evaluated by the end of 2010, IDEX and the semiconductor manufacturer have met and exchanged documents in order to determine possible commercial opportunities for silicon-based SmartFinger sensors with a special focus on the mobile phone market. The matter is still under consideration.

Important events in October and November

In October IDEX entered into two agreements with Ionics EMS, Inc. The agreements strengthen the strategic partnership between the two companies and facilitating volume production of IDEX SmartFinger Film. IDEX has granted a licence to Ionics for the production and sale of fingerprint sensors embedded in Ionics' products, against payment of royalty. IDEX has also contracted Ionics to assemble the sensors that IDEX sells to its customers and other partners.

Also in October, IDEX entered into a partner agreement with Future Electronics for the co-development, sales and marketing of a fingerprint biometric authentication module based on the SmartFinger Film fingerprint sensor and biometric algorithms. Future Electronics is a world-class leader in the distribution and marketing of semiconductors and passive, interconnect and electro-mechanical components.

Later in October, IDEX entered into a cooperation agreement with Embedx Corporation that forms the basis for integration of the IDEX SmartFinger Film fingerprint sensor and biometric algorithms into thin and bendable ISO-format cards and associated readers designed by Embedx.

In November IDEX delivered a batch of sensors for eGo prototypes. eGo is a new technology platform that enables secure access and transaction by a wearable wireless biometric device for example in the form of a wristband or a belt buckle. In the eGo project, IDEX and twelve European R&D and industrial partners, among them Gemalto, ST Microelectronics, Precise Biometrics and Atos Worldline, will develop new technologies for simple, safe and secure transactions, log-on and physical access control. The alpha field testing of eGo devices equipped with SmartFinger Film sensors and wireless technology begins in the fourth quarter of 2011. Further testing using the SmartFinger Film sensors and ultra-wideband signal technology is scheduled to begin in 2012. The purpose of the tests is to evaluate the use cases and the users' acceptance. The goal for eGo is to deliver the first product to the market in 2013.

In November IDEX entered into a cooperation agreement with Card Tech srl for integration of the IDEX SmartFinger Film into Card Tech products. At CARTES 2011 in Paris, the two companies showcased the pinKey® Smart, which will be a thin and bendable ISO-format card designed by Card Tech, incorporating IDEX SmartFinger Film and biometric algorithms.

S.I.C. Biometrics demonstrated its FID® (Finger Identification Device) for the iPhone at the IDEX booth at CARTES. The FID is targeted at individual consumers and professional users, and incorporates the SmartFinger Film sensor. It is S.I.C.'s intention to sell the FID in Apple Stores and other iPhone outlets.

Warrants exercised

Warrants issued to subscribers in the company's rights issue in the third quarter of 2009 were exercisable from 1 May until 12 August 2011. More than 99 percent of the 2009-warrants were exercised, adding NOK 11.6 million new equity and liquidity.

List of all notable events in the first three quarters of 2011

- IDEX received in January an order for a trial batch of SmartFinger Film fingerprint sensors from Validus Technologies Inc. Validus has designed IDEX' fingerprint solution into its ValidCard.
- The company experienced in the beginning of 2011 strong interest in SmartFinger Film after it was awarded the prestigious Sesames industry award at the CARTES & IDentification 2010 exhibition in Paris in December.
- Extensive quality testing of SmartFinger Film was performed at accredited testing laboratories, resulting in the decision in February to initiate ramp-up to volume production of polymer-based fingerprint sensors.
- In March IDEX entered into a cooperation agreement with Pierson Capital Technology for a biometric transactional security device using SmartFinger Film.
- Also in March, IDEX entered into a cooperation agreement with Identita Technologies for a biometric powered card using SmartFinger Film.
- IDEX completed a successful placement of shares in April. The company raised equity in an amount of NOK 32.6 million before expenses at a subscription price of NOK 1.80 per share.
- In April IDEX entered into a cooperation agreement with Shen Zhen Huajing Technology Co., which is developing a biometric-enabled transactional security device incorporating SmartFinger Film.
- The annual general meeting was held on 19 May 2011. The meeting resolved to issue up to 9,049,111 warrants to those who participated in the private placement, the allocation being one warrant for every two shares issued in the placement. The exercise price of the warrants is NOK 2.10 per share, and the warrants are exercisable 16-27 April 2012.
- IDEX was awarded a grant amounting to NOK 4.1 million from The Research Council of Norway, a government body, in June. The grant supports an innovative project in the VerdIKT programme to develop fingerprint recognition technology for the Internet of Things.
- In June IDEX hosted a successful project meeting of the eGo project in Oslo. The project's ambition is to develop technology for simple and secure ID for users of all kinds of devices that one tends to call "things", not only PCs and mobile phones. The eGo project will use IDEX sensors with accompanying software.
- Also in June, IDEX entered into a cooperation agreement with S.I.C. Biometrics for integration of SmartFinger Film into S.I.C.'s biometric security products and solutions.
- A cooperation agreement was signed with UINT in June. UINT intends to incorporate SmartFinger Film into a powered thin and bendable electronic banking card compliant with the ISO standard.

- In the second quarter, IDEX began recruiting additional staff to new positions within production management, product and production test, customer development and support, as well as technical sales support. Five new employees were contracted in the third quarter.
- Remaining warrants issued to subscribers in the company's rights issue in the third quarter of 2009 were exercisable from 1 May 2011 until 12 August 2011. More than 99 percent of the 2009 warrants were exercised, adding NOK 11.6 million of new equity and liquidity.
- In September IDEX was among the exhibitors at the Biometrics Consortium Conference and Technology Expo in Tampa, Florida. The company received great attention from the approximately 2,000 participants.

Interim financial statements as at 30 September 2011

Profit and loss statements

IDEX earned NOK 64 thousand in the third quarter of 2011, and NOK 80 thousand year to date. The revenue was earned from deliveries to customers. In the first three quarters of 2010, the revenue was NOK 96 thousand, of which NOK 32 thousand was related to deliveries to customers.

Operating expenses in the quarter were NOK 9.4 million, up from NOK 4.7 million in the same period of 2010. The operating expenses increased from NOK 20.0 million in the first three quarters of 2010 to NOK 29.0 million this year. The cost increase is mainly due to expanded staff and the increased level of research and development (R&D) activities, which include production ram-up. The R&D expenses fluctuate with the purchases of materials and services, and the R&D activity level in 2011 is more than twice that of 2010. R&D costs and costs related to IP are expensed. Other expenses are at about the same level as in 2010.

IDEX had eleven continuing employees and four new employees were contracted at the end of the quarter. In addition, about four 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 work on contract. The payroll cost line includes the notional cost of subscription rights, NOK 3.6 million year to date in 2011 compared to NOK 2.2 million in the same period of 2010.

Investments in tangible assets such as office facilities, computers and laboratory equipment have been moderate. Depreciation is about NOK 0.2 million per year.

Because of the tiny amount of revenue, EBIT in the quarter amounted to a loss of NOK 9.4 million, compared to a loss of NOK 4.7 million in the same period in 2010. Year to date the loss numbers are NOK 29.0 million for 2011 and NOK 20.0 million for 2010.

Financial items amounted to NOK 108 thousand in the quarter and NOK 242 thousand year to date, mainly from interest income after the placement in April. In the corresponding quarter of 2010, net financial items were smaller, while in the first nine months of 2010, interest cost in the first quarter on a financial loan made net financial items negative by NOK 102 thousand.

Profit/loss per basic weighted average number of shares amounted to a loss of NOK 0.04 in the third quarter of 2011, and NOK 0.12 per share in the first three quarters of the year. Because of the share issues in 2010 as well as 2011, the profit/loss amounts per share are incomparable year on year.

Balance sheets

The assets held in the balance sheet essentially comprise of cash in bank, prepayments and deposits; the receivable from the Skattefunn government R&D grant scheme for the preceding year; and investments in office facilities and equipment – with cash being the major item. On 30 September 2011, the assets amounted to NOK 32.8 million of which NOK 29.2 million were cash. At the same date in 2010, the assets amounted to NOK 19.9 million of which NOK 17.3 million were cash. The patents and other intellectual property rights are not held in the balance sheet because they do not satisfy the criteria for capitalisation. The cash position is commented upon below. The main liabilities consist of various operational payables to employees and suppliers, and amounted to NOK 6.0 million at 30 September 2011, down NOK 2.3 million from the preceding quarter and NOK

2.6 million higher than the same time the year before. The variations is due to fluctuating payables to suppliers and accrued liabilities.

Equity amounted to NOK 26.8 million or 66 per cent of the share capital. The equity is adequate under current plans.

Cash flow, cash position

The operational cash outflow in the first three quarters of 2011 was NOK 26.1 million of which NOK 10.6 million in the third quarter, both periods equal to cash costs less increase in payables and accruals. In the corresponding periods of 2010, operational cash outflow was NOK 18.3 million and NOK 5.8 million, also reflecting each period's cash costs less increase in payables and accruals.

Investments in the first three quarters of 2011 amounted to NOK 0.3 million, on par with the same period of 2010. Investments in 2010-11 relate mainly to IT and lab equipment.

The share issue in April and the warrants exercised in the third quarter 2011 added net NOK 42.7 million liquidity. At 30 September 2011 the cash position amounted to NOK 29.2 million, up from NOK 17.3 million one year earlier. Share issues have added more liquidity than has been consumed in the period. Net receivables and payables amounted to NOK 3.5 million payable. The company does not have financial debt. The liquidity is adequate for the foreseeable needs under current plans.

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. About 1/3 of the share capital has been lost.

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.

Outlook

IDEX is now entering a commercial phase, focusing on ramp-up to volume production of SmartFinger Film sensors to be able to take orders in commercial quantities.

A substantial amount of effort will also be spent by IDEX' technical team on supporting a growing number of customers and partners in completing evaluations, building demonstrators and design-in of the SmartFinger Film in their products.

Several projects for qualification of the use of the IDEX SmartFinger Film fingerprint sensor and biometric software algorithms in the respective customers' product are on going. Each project has its own schedule and progress. The agreed intent of a qualification project is that a qualification will lead to commercial agreements under which IDEX will supply SmartFinger Film sensor technology.

Fornebu, 21 November 2011

The board of directors of IDEX ASA

Press contact

Dr. Ralph W. Bernstein, CEO, +47 930 59 303, ralph.bernstein(at)idex.

IDEX ASA group
Condensed consolidated interim financial statements with notes
30 September 2011 (Unaudited)

Consolidated interim Statements of comprehensive income Amounts in NOK 1,000	1 July- 30 September 2011	1 July- 30 September 2010	1 January- 30 September 2011	1 January- 30 September 2010	1 January- 31 December 2010
Operating income					
Sales revenue	64	-	80	32	66
Other operating revenue	-	13	-	64	77
Total revenue	64	13	80	96	143
Operating expenses					
Payroll expense	3 663	2 048	12 789	9 641	13 739
Research and development expenses	3 821	1 333	10 612	4 705	6 278
Other operating expenses	1 906	1 281	5 552	5 688	7 912
Total operating expenses	9 390	4 662	28 953	20 034	27 929
Profit (loss) before interest, tax, depreciation and amortization (EBITDA)	(9 326)	(4 649)	(28 873)	(19 938)	(27 786)
Depreciation	61	34	173	86	134
Profit before interest and tax (EBIT)	(9 387)	(4 683)	(29 046)	(20 024)	(27 920)
Financial Income and Expenses					
Interest income	111	60	226	151	221
Other financial income	4	(19)	38	42	69
Interest expense	-	-	-	(271)	(271)
Other financial expense	(7)	(3)	(22)	(24)	(27)
Net financial items	108	38	242	(102)	(8)
Net result before tax	(9 279)	(4 645)	(28 804)	(20 126)	(27 928)
Taxes	-	-	-	-	-
Net profit (loss) for the period	(9 279)	(4 645)	(28 804)	(20 126)	(27 928)
<i>Profit (loss) per share -basic and diluted</i>	NOK (0.04)	NOK (0.02)	NOK (0.12)	NOK (0.11)	NOK (0.14)
Net profit (loss) for the period	(9 279)	(4 645)	(28 804)	(20 126)	(27 928)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period, net of tax	(9 279)	(4 645)	(28 804)	(20 126)	(27 928)

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

Consolidated interim balance sheets	30 September 2011	30 September 2010	31 December 2010
Amounts in NOK 1,000			
ASSETS			
Long-term assets			
Fixed assets			
Machinery and office equipment	792	612	632
Total fixed assets	792	612	632
Financial assets			
Long-term receivables	319	313	319
Total financial assets	319	313	319
Total long-term assets	1 111	925	951
Current assets			
Receivables			
Accounts receivable	-	-	32
Other receivables	1 798	1 188	1 572
Prepaid expenses	713	498	318
Total receivables	2 511	1 686	1 922
Cash and bank deposits			
Cash and bank deposits	29 180	17 296	12 649
Total cash and bank deposits	29 180	17 296	12 649
Total current assets	31 691	18 982	14 571
TOTAL ASSETS	32 802	19 907	15 522

EQUITY AND LIABILITIES			
Equity			
Paid-in-capital			
Share capital	40 794	31 574	32 240
Share premium reserve	63 418	28 676	29 274
Other paid-in capital	6 268	3 405	3 000
Total paid-in-capital	110 480	63 655	64 514
Other equity	(83 715)	(47 109)	(54 911)
Total equity	26 765	16 546	9 603
Liabilities			
Short-term liabilities			
Accounts payable	2 104	781	1 553
Public duties payable	634	315	840
Other short-term liabilities	3 299	2 265	3 526
Total short term liabilities	6 037	3 361	5 919
Total liabilities	6 037	3 361	5 919
TOTAL EQUITY AND LIABILITIES	32 802	19 907	15 522

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 July-30 September 2011	1 July-30 September 2010	1 January-30 September 2011	1 January-30 September 2010	1 January-31 December 2010
Profit (loss) before interest and taxes	(9 387)	(4 683)	(29 046)	(20 024)	(27 920)
Share-based remuneration (equity part)	1 166	228	3 267	2 341	3 000
Depreciation	61	34	173	86	134
Interest paid	-	-	-	(174)	(174)
Change in working capital and other items	(2 424)	(1 338)	(455)	(560)	1 793
Net cash flow from operational activities	(10 584)	(5 759)	(26 061)	(18 331)	(23 167)
Purchases of property, plant and equipment	-	(94)	(333)	(290)	(357)
Change in long-term receivables	-	-	-	-	(6)
Interest received	111	60	226	151	221
Net cash provided by investing activities	111	(34)	(107)	(139)	(142)
Share issues	11 586	-	42 699	29 416	30 672
Paid-in, not registered share capital	(176)	1 064	-	1 064	-
Net cash provided by financing activities	11 410	1 064	42 699	30 480	30 672
Net change in cash and cash equivalents	937	(4 729)	16 531	12 010	7 363
Opening cash balance	28 243	22 025	12 649	5 286	5 286
Closing cash balance	29 180	17 296	29 180	17 296	12 649

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 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 2010	17 712	-	-	(25 903)	(8 191)
Share issues	10 580	18 828	-		29 408
Conversion of convertible loan	3 282	9 848	-	(1 080)	12 050
Paid-in not registered share capital			1 064		1 064
Share-based compensation			2 341		2 341
Total comprehensive income for the period				(20 126)	(20 126)
Balance 30 September 2010	31 574	28 676	3 405	(47 109)	16 546
Balance 1 January 2010	17 712	-	-	(25 903)	(8 191)
Share issues	11 246	19 426	-		30 672
Conversion of convertible loan	3 282	9 848	-	(1 080)	12 050
Share-based compensation			3 000		3 000
Total comprehensive income for the period				(27 928)	(27 928)
Balance 31 December 2010	32 240	29 274	3 000	(54 911)	9 603

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

Selected 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 have been inactive since the second quarter of 2010. The IDEX ASA is a public limited liability company incorporated and domiciled in Norway. The address of the registered office is Rolfsbuktveien 17 at Fornebu, Norway. IDEX ASA shares have been listed at Oslo Axess market place of Oslo Børs since 12 March 2010. Formerly, trades in IDEX ASA shares were reported at the Norwegian Securities Dealers Association's information service, NOTC.

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 three quarters of 2011 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 2010.

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 2010.

The going concern assumption has been applied when preparing this interim financial report. The board points out that until the company enters the commercial stage, there is uncertainty attached to this assumption. IDEX does not earn recurring revenue. On 30 September 2011, the equity amounted to NOK 26.8 million or 66 per cent of the share capital. The board considers the equity to be adequate under current planning assumptions.

This consolidated interim financial report has not been subject to audit. The report was approved by the board of directors on 21 November 2011.

3 Property, plant and equipment

Amounts in NOK 1 000

Tangible assets

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-30 September 2010

Net book value on 1 January 2010	409
Additions	290
Disposals	0
Depreciation and other movements	(87)
Net book value on 30 September 2010	612

1 January-31 December 2010

Net book value on 1 January 2010	409
Additions	357
Disposals	0
Depreciation and other movements	(134)
Net book value on 31 December 2010	632

4 Shares, warrants and subscription rights

Shares	1 January- 30 September 2011	1 January- 30 September 2010	1 January- 31 December 2010
Opening balance	214 933 142	354 233 139	354 233 139
Conversion of debt to shares		65 651 250	65 651 250
Warrants exercised		<u>181 631 781</u>	181 631 781
Accumulated		<u>601 516 170</u>	601 516 170
Consolidated 3:1 on 10 March 2010		200 505 390	200 505 390
Share issue(s)	57 027 499	9 991 300	9 991 300
Warrants exercised			4 436 452
Closing balance	271 960 641	210 496 690	214 933 142

Warrants and subscription rights	1 January- 30 September 2011	1 January- 30 September 2010	1 January- 31 December 2010
Opening balance	48 122 874	333 198 027	333 198 027
Exercise of warrants		<u>(181 631 781)</u>	<u>(181 631 781)</u>
Accumulated		<u>151 566 246</u>	<u>151 566 246</u>
Consolidated 3:1 on 10 March 2010, rounded down		50 522 004	50 522 004
Issue of warrants	9 049 103		
Exercise of warrants	(38 804 311)	(4 436 452)	(4 436 452)
Expired warrants	(401 467)		
Grant of incentive subscription rights	2 557 500	382 660	2 849 660
Terminated/expired subscription rights	(28 330)	(812 338)	(812 338)
Closing balance	20 495 369	45 655 892	48 122 874

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 that one warrant ("2011-warrants") shall be attached to and issued for every two shares that were subscribed for and allocated in the placement. 9,049,103 such 2011-warrants at an exercise price of NOK 2.10 per share and a term of one year were issued. 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 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 ("SRs") 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 subscribers to shares in the rights issue completed in September 2009 were allocated one warrant per new share ("2009-warrants"). The majority of the 2009-warrants were exercised in the first quarter 2010 in connection with the listing of IDEX shares, and in the first ordinary exercise period 12 August-30 September 2010. The remaining 39,205,778 outstanding 2009-warrants were exercisable in the final exercise period 1 May-12 August 2011. 38.8 million or 99 per cent of the 2009-warrants were exercised.

IDEX has granted incentive subscription rights (SRs) to employees and board members. The grants to board members have been made by the general meeting in lieu of cash board remuneration. The subscription rights vest by $\frac{1}{4}$ 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 11,446,266 outstanding incentive SRs on 30 September 2011 was NOK 1.42 per share.

5 Profit (loss) per share

	1 January- 30 September 2011	1 January- 30 September 2010	1 January-31 December 2010
Profit (loss) attributable to the shareholders (NOK 1 000)	(28 804)	(20 126)	(27 928)
Weighted average basic number of shares	232 484 419	189 009 007	195 543 310
Weighted average diluted number of shares	261 047 353	236 344 798	238 824 595
Profit (loss) per share, basic and diluted	NOK (0.12)	NOK (0.11)	NOK (0.14)

Effective 10 March 2010, the shares were consolidated 3-to-1. In the calculation of weighted number of shares in 2010, the number of shares in the period 1 January–9 March 2010 has been restated as if the consolidation was effective 1 January 2010.

When the period result is a loss, the loss per diluted number of shares shall not be reduced by the higher 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. The observed share prices, exercise prices and number of shares and dilutive instruments have been adjusted as if the consolidation was effective 1 January 2010. 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 nine months of 2011, IDEX has recorded NOK 1,637 thousand for services provided from IDEX' legal counsel, law firm Ræder, in which IDEX' chairman is a partner. Morten Opstad's work beyond board duty is invoiced by Ræder. The amount includes Ræder's work with the private placement of shares in April 2011.

8 Events occurring after the balance sheet date

The board resolved on 23 October 2011 to grant a total of 3,150,000 incentive subscription rights ("SRs") 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.

Between 30 September 2011 and the resolution of these condensed consolidated financial statements, there have not been any events which have had any noticeable impact on IDEX' result for the first three quarters of 2011 or the value of the company's assets and liabilities at 30 September 2011.